 C3.ai This is Enterprise AI.

# Investor Supplemental FY25-Q3

February 26, 2025

# 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 Quarterly Reports on Form 10-Q for the fiscal quarters ended July 31, 2024, October 31, 2024 and, when available, January 31, 2025, 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-Q3 Highlights

Number of  
Agreements

66

Subscription  
Revenue Growth<sup>1</sup>

22%

Revenue  
Growth<sup>1</sup>

26%

Cash  
Balance

\$724.3M

(1) FY25-Q3 QTD vs FY24-Q3 QTD and percentages are rounded for presentation purposes

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

# Revenue Growth 26%

	FY24-Q1	FY24-Q2	FY24-Q3	FY24-Q4	FY25-Q1	FY25-Q2	FY25-Q3
Total revenue (K)	\$72,362	\$73,229	\$78,401	\$86,590	\$87,213	\$94,338	\$98,782
% growth YoY	11%	17%	18%	20%	21%	29%	26%
RPO (K)	\$334,560	\$303,552	\$286,867	\$244,304	\$204,470	\$260,520	\$208,165
Subscription revenue % growth YoY	8%	12%	23%	41%	20%	22%	22%

Percentages are rounded for presentation purposes

# FY25-Q3 C3 AI Partner Model Success

- In Q3, C3 AI closed 47 agreements with and through its partner network, an increase of 74% year-over-year.
- **Microsoft** and C3 AI have, in short order, closed 28 agreements across 9 different industries, a 460% increase quarter-over-quarter. In addition, as of today, the companies are engaged in joint sales campaigns to 621 accounts in Europe, Asia, and North and South America.
- **AWS** and C3 AI dramatically expanded their strategic alliance. Under the expanded agreement, C3 AI and AWS will continue to jointly offer advanced Enterprise AI solutions, focusing on executing a robust go-to-market strategy.
- **McKinsey & Company** and C3 AI announced a major new strategic alliance, initially showcased at the World Economic Forum in Davos. This collaboration combines McKinsey QuantumBlack's expertise in AI business transformation with C3 AI's Enterprise AI application leadership to deliver high assurance AI-powered digital transformation at global scale.



# C3 Transform 2025

## This Is Enterprise AI.

March 18 — 20, 2025  
Boca Raton, Florida



# C3 Transform 2025 Working Agenda

## Wednesday, March 19

8:30 am

### Opening Keynote

**Thomas M. Siebel** Chairman and CEO, C3 AI

**Jim H. Snabe** Chairman, Siemens AG, Former co-CEO, SAP & Former Chairman, A.P. Moller-Maersk

9:30 am

### From Data to Decisions: How Dow is Scaling Enterprise AI

**Melanie Kalmar** CIO, Dow

**Ed Abbo** CTO, C3 AI

**Jason Graefe** CVP, ISV & Digital Natives, Microsoft

10:30 am

### The C3 AI Product Roadmap

**Adrian Rami** GVP, Products & Engineering, C3 AI

**With Mike Gualtieri** VP & Principal Analyst, Forrester Research

11:10 am

### Forging the Future: Scaling AI Across Nucor's Steel Supply Chain

**Sushma Walker** President of Nucor Business Technology, Nucor

**Jeffery Roberts** Director, Business Technology Integration, Nucor

**Joe Edwards** Raw Materials Supply Chain Strategy and Analytics Manager, Nucor

11:30 am

### Transforming Refinery Operations at Flint Hills Resources

**Jon Carlson** Asset Management Director, FHR

**Dave Epinette** Vice President, Transformation, Economics & Planning, FHR

**Lucas Randall** Chief Information Officer, FHR

12:05 pm

### Lunch

1:05 pm

### AI Meets Geopolitics

**Kevin McCarthy** Former Speaker of the House

**The Honorable Condoleezza Rice** 66th U.S. Secretary of State

**Alan Murray**, President, WSJ Leadership Institute

1:35 pm

### Customer Story: Defense & Intelligence

1:55 pm

### Next-Generation Public Services with AI

**Sohaib Shaikh** GVP, State & Local Government, C3 AI

**Brendan Beatty** Director, Montana Dept. of Revenue

**Kan Wang** Assistant Assessor County-Clerk Recorder, Riverside County, CA

2:25 pm

### How Enterprise AI Delivers Intelligent Operations at Scale

**Lila Fridley** VP & GM, Asset Performance & Supply Chain, C3 AI

**Marjan Milosevic** Head of Smart Operations, Holcim

**Adrian Smith** Executive Group Director, Transformation, Worley

3:45 pm

### Product Breakout Sessions

Elevate Industrial Asset Management with AI

Unleashing the Power of C3 Agentic AI Platform

Maximizing AI-Driven Growth: C3 AI's Integrated CRM & Marketing Engine for Higher ROI

Real-World Impact of Generative AI for Government Programs

4:45 pm

### Product Breakout Sessions

Future Applications and Innovations in State & Local Government Technology

C3 AI's Latest Agentic AI Developer Innovations

Transforming Defense Enterprise Management and Planning

Unlock Smart Supply Chain Management with AI

Agents Unleashed: Scalable, Self-Improving AI for Seamless Enterprise Integration

5:15 pm

### Networking Reception

7:00 pm

### Attendee Dinner

## Thursday, March 20

8:30 am

### On Agentic AI

**Nikhil Krishnan** CTO, Data Science, C3 AI

### With Fireside Chat on Beyond the Hype: How Enterprises Are Putting Generative AI to Work

**Ben Dubois** Director of Data Analytics, Norfolk Iron & Metal

**Jake Frenz** CEO, SmithRx

9:15 am

### AI Meets Intelligence: Introducing GURU

**MSgt Will Haskell** Senior Technical Program Manager, U.S. Space Force

9:35 am

### AI for Defense & Intelligence

**General (Ret.) John Hyten** Former Vice Chairman, Joint Chiefs of Staff

10:30 am

### Chip War: The Fight for the World's Most Critical Technology

**Chris Miller** Professor, Tufts University & Author of Chip War

11:00 am

### QatarEnergy LNG Digital Transformation Enables World's Largest LNG Expansion

**Jassim Al-Mohannadi** Chief Shared Services Officer, QatarEnergy

11:20 am

### AI for Precision Healthcare with Quest Diagnostics

**David Freeman** VP & GM, Healthcare Analytics Solutions, Quest Diagnostics

**Tom Walsh** VP, IT Strategy & Digital Transformation, Quest Diagnostics

11:40 am

### View from Our Boardroom

**Alan Murray** President, WSJ Leadership Institute

**Lisa Davis** Board Member, Air Products, Phillips66, and Penske Automotive Group & Former CEO, Siemens Gas & Power

**Mike McCaffrey** Chairman, Makena Capital Management & Board Member, NVIDIA

**Bruce Sewell** Former Senior Vice President, General Counsel, and Secretary, Apple

**Stephen M. Ward, Jr.** Former CEO, Lenovo

**Dr. KR Sridhar** Founder, Chairman & CEO, Bloom Energy

**Dr. Richard Levin** Former CEO, Coursera & President Emeritus, Yale University

**Lord Amer Sarfraz** Member of the House of Lords

12:25 pm

### Closing Remarks

**Jim H. Snabe** Chairman, Siemens AG, Former co-CEO, SAP & Former Chairman, A.P. Moller-Maersk

12:35 pm

### Lunch

1:35 pm

### Industry Breakout Sessions

AI Supply Network in a Contested Environment

Programmatic AI to Drive Results in Life Sciences

Driving Real-World Impact with C3 Generative AI

Scaling Enterprise AI with Fractal

2:35 pm

### Industry Breakout Sessions

From Prediction to Action: Building AI-First Revenue Organizations

Unlock Enterprise-Wide Efficiency and Value with C3 Generative AI

Holcim's Digital Transformation Journey and Key Learnings

Predictive Maintenance in Action

Retail & Consumer Products in the AI Era

3:00 pm

### Closing Reception

# Guidance

	<b>FY25-Q4</b>	<b>FY25</b>
Total Revenue	\$103.6 – \$113.6 million	\$383.9 – \$393.9 million
YoY Growth %	20% – 31%	24% – 27%
Non-GAAP Loss from Operations	(\$30.0) – (\$40.0) million	(\$87.0) – (\$97.0) million

Our guidance is predicated on the assumption of geopolitical stability. Were there to be a situation that the US government closed, the budget did not pass, or we see indications of global trade war, those could have unknown and adverse consequences on the business results.

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.

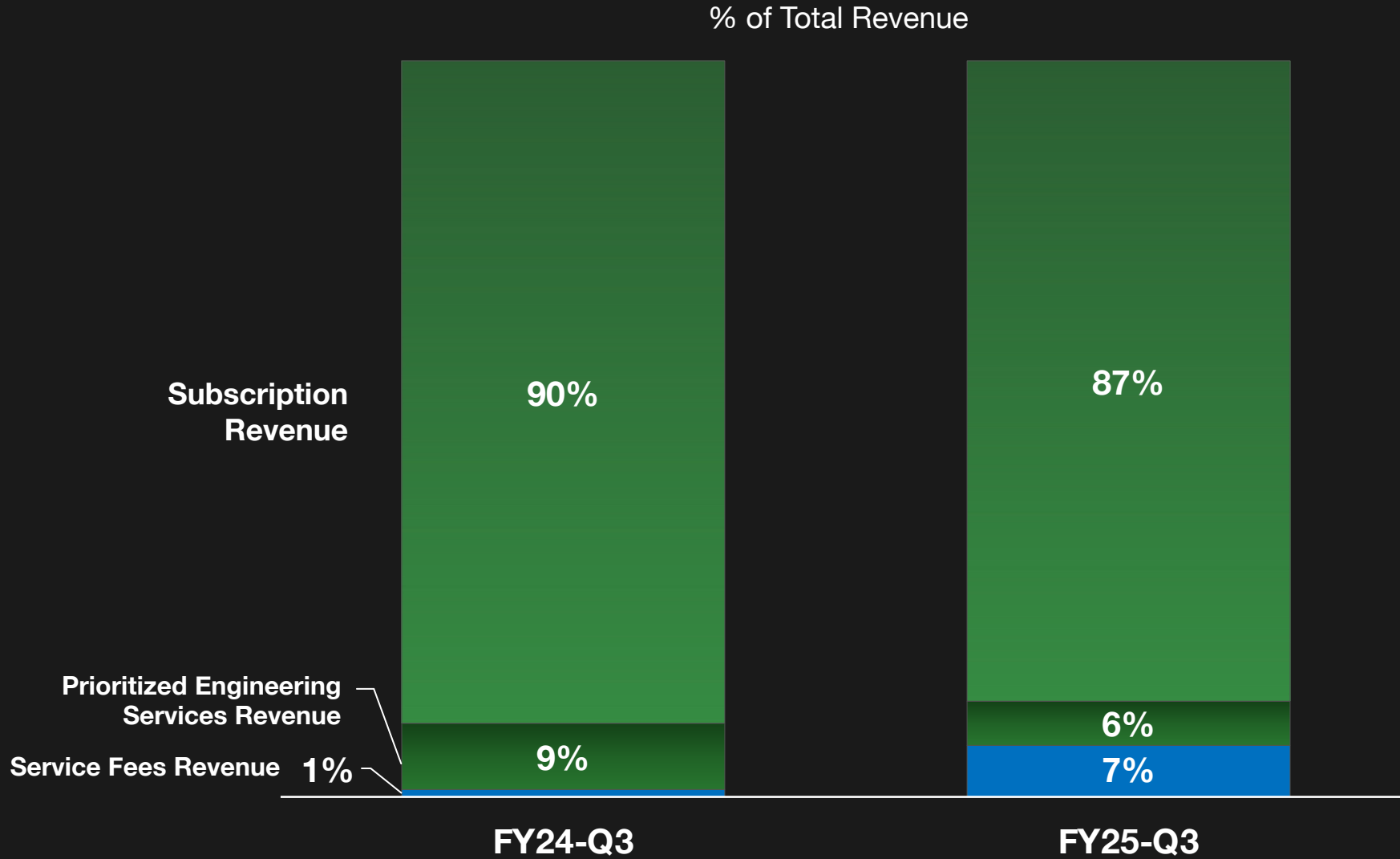
# Finance Update

# FY25-Q3 Summary Financial Results

	FY25-Q3
Revenue	\$98.8 million
Subscription Revenue	\$85.7 million
Subscription and Prioritized Engineering Services Revenue Combined	\$91.4 million
Non-GAAP Gross Profit	\$68.2 million
Non-GAAP Gross Margin	69%
Non-GAAP Loss from Operations	(\$23.1) million
Non-GAAP Net Loss	(\$15.8) million
Free Cash Flow	(\$22.4) million

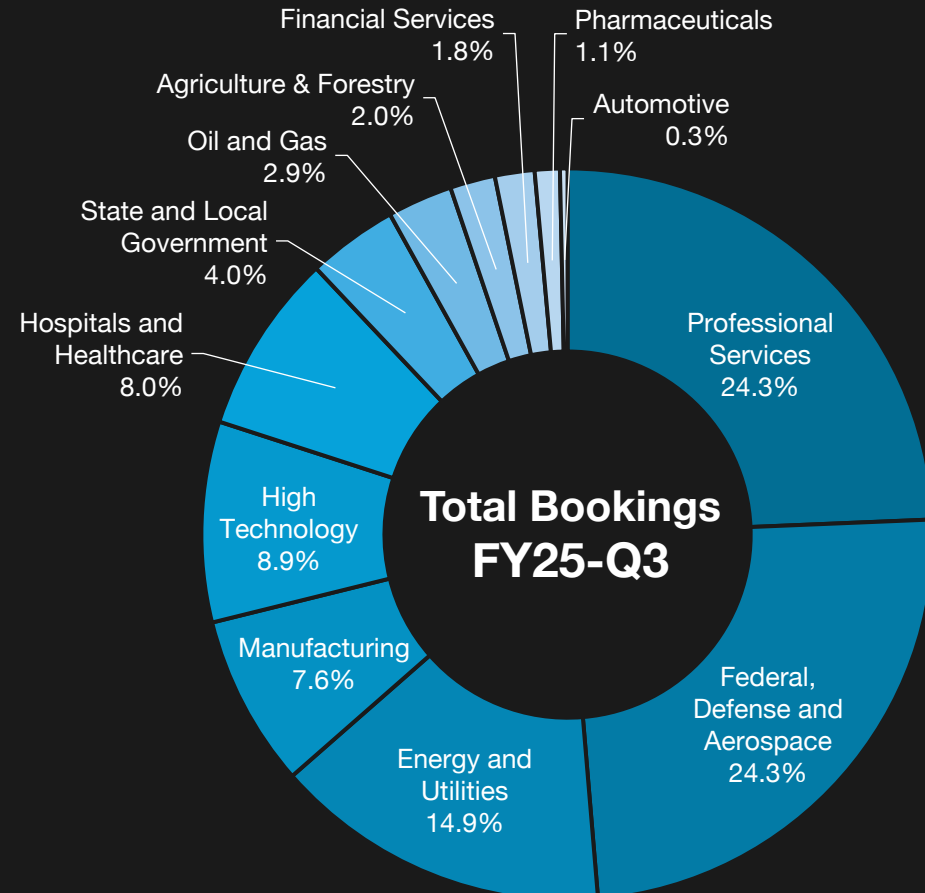
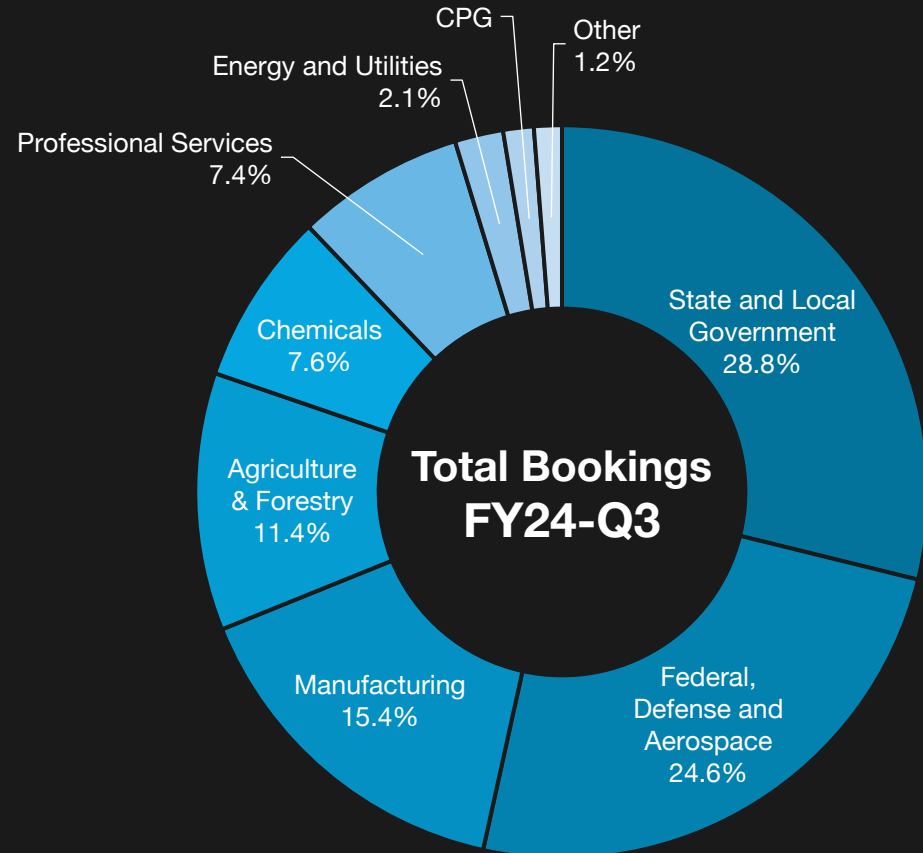
Note: Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP loss from Operations, Non-GAAP Net Loss and Free cash flow are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure. Numbers and percentages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

# Total Revenue Mix



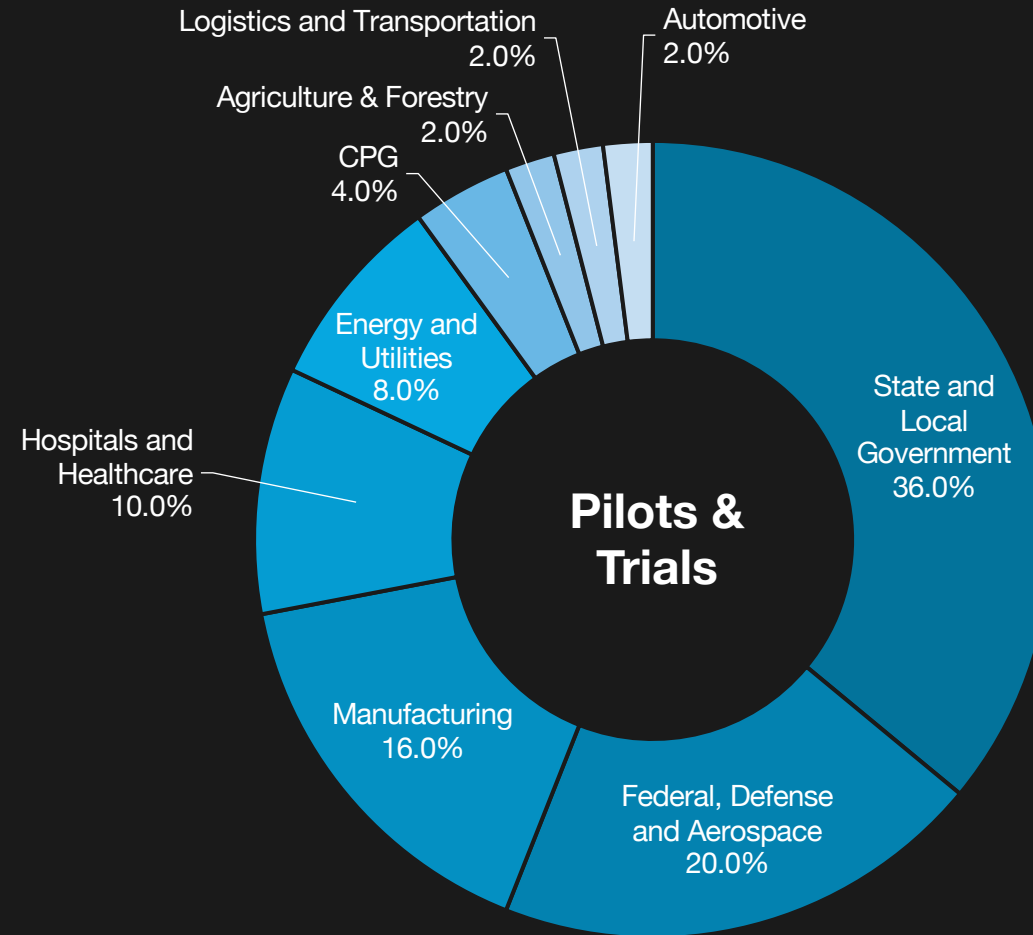
Note: Numbers and percentages are rounded for presentation purposes.

# Bookings Diversity by Industry: FY25-Q3



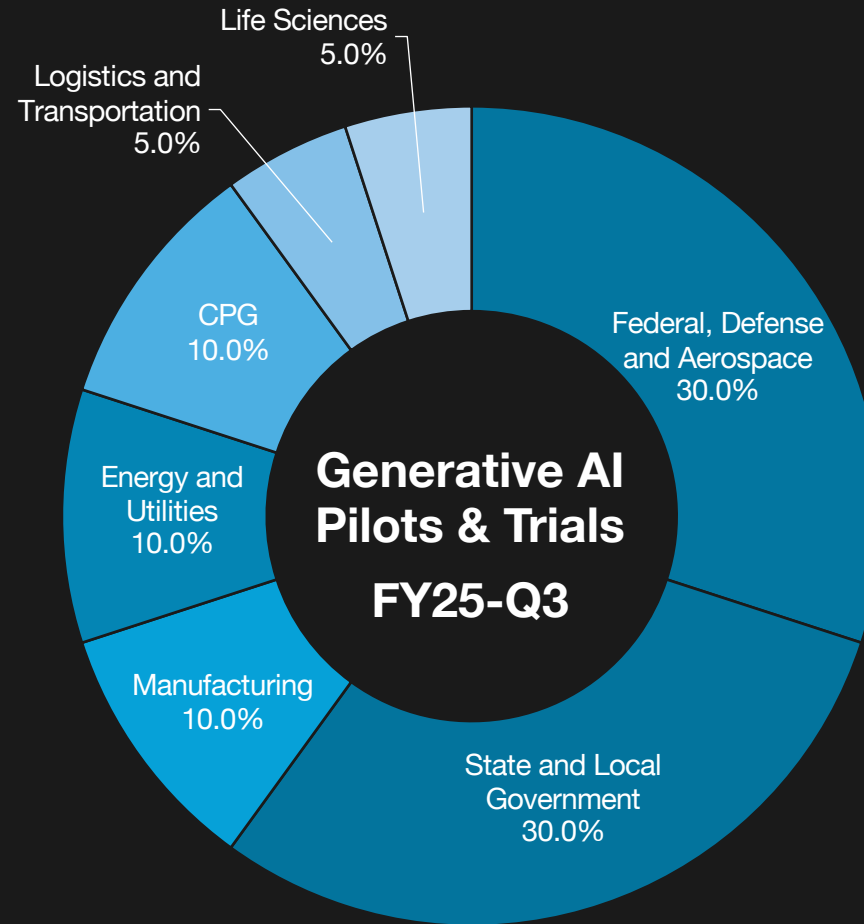
Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on dollar amount

# Pilots & Trials Diversity by Industry: FY25-Q3



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-Q3



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

# Pilot Account Profile FY25-Q3

# Pilots

15

14

12

6

3

Account size  
in revenue

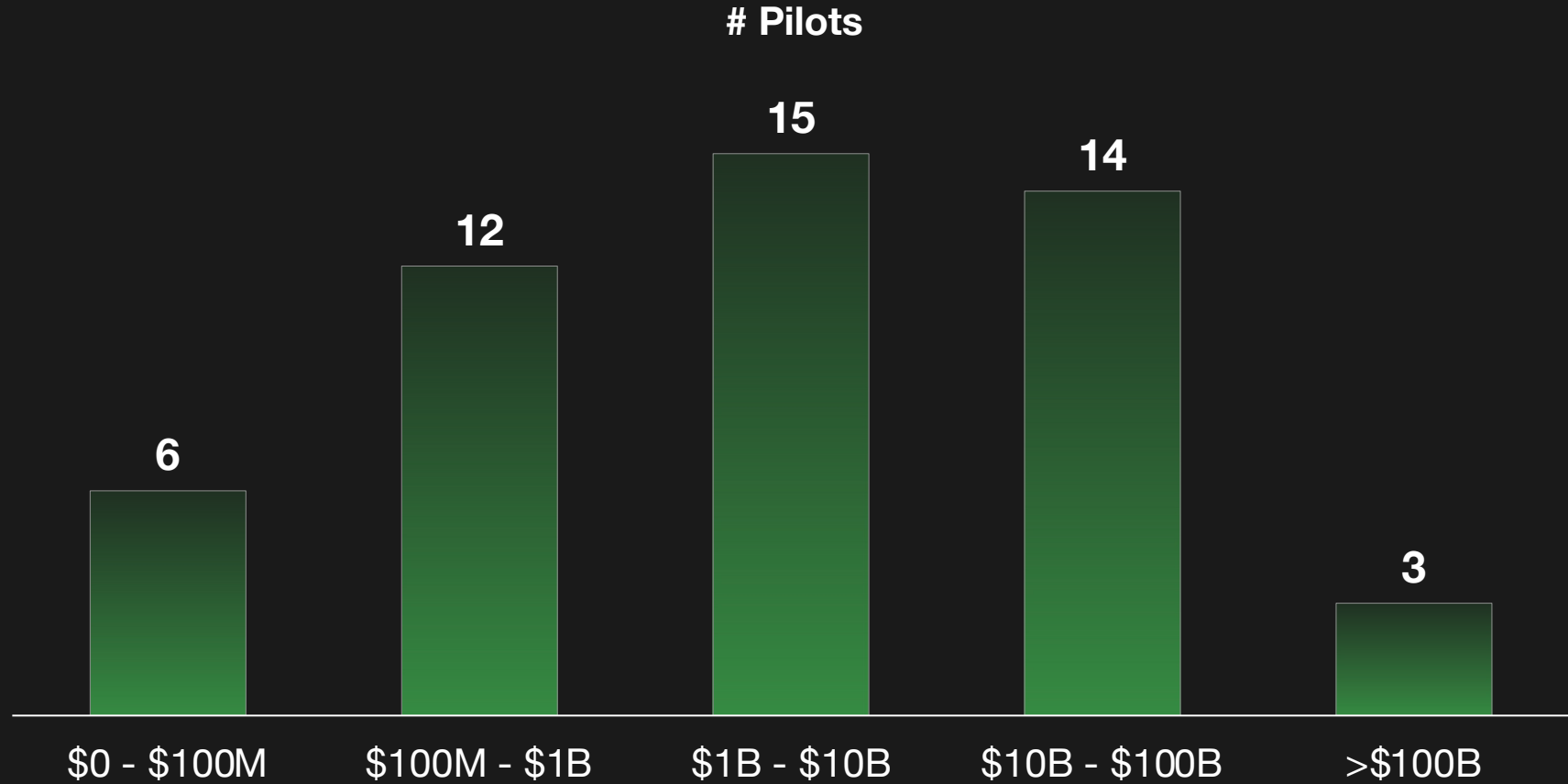
\$0 - \$100M

\$100M - \$1B

\$1B - \$10B

\$10B - \$100B

>\$100B



# 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

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# Appendix

# Income Statement

	Three Months Ended							
	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024	October 31, 2024	January 31, 2025
<b>Revenue</b>								
Subscription	\$ 56,866	\$ 61,352	\$ 66,449	\$ 70,400	\$ 79,903	\$ 73,456	\$ 81,162	\$ 85,679
Professional services	15,544	11,010	6,780	8,001	6,687	13,757	13,176	13,103
<b>Total Revenue</b>	<b>72,410</b>	<b>72,362</b>	<b>73,229</b>	<b>78,401</b>	<b>86,590</b>	<b>87,213</b>	<b>94,338</b>	<b>98,782</b>
<b>Cost of revenue</b>								
Subscription <sup>(1)(2)</sup>	23,872	30,434	30,937	32,273	34,825	33,292	35,038	37,799
Professional services <sup>(1)(2)</sup>	1,036	1,379	1,179	841	154	1,755	1,460	2,636
<b>Total cost of revenue</b>	<b>24,908</b>	<b>31,813</b>	<b>32,116</b>	<b>33,114</b>	<b>34,979</b>	<b>35,047</b>	<b>36,498</b>	<b>40,435</b>
<b>Gross profit</b>	<b>47,502</b>	<b>40,549</b>	<b>41,113</b>	<b>45,287</b>	<b>51,611</b>	<b>52,166</b>	<b>57,840</b>	<b>58,347</b>
<b>Operating expenses</b>								
Sales and marketing <sup>(1)(2)</sup>	51,701	43,885	49,895	57,140	63,247	52,125	55,643	61,201
Research and development <sup>(1)(2)</sup>	49,681	50,868	50,399	49,480	50,618	52,927	55,715	59,356
General and administrative <sup>(1)(2)</sup>	19,400	19,889	20,215	21,213	20,053	19,700	21,770	25,375
<b>Total operating expenses</b>	<b>120,782</b>	<b>114,642</b>	<b>120,509</b>	<b>127,833</b>	<b>133,918</b>	<b>124,752</b>	<b>133,128</b>	<b>145,932</b>
<b>Loss from operations</b>	<b>(73,280)</b>	<b>(74,093)</b>	<b>(79,396)</b>	<b>(82,546)</b>	<b>(82,307)</b>	<b>(72,586)</b>	<b>(75,288)</b>	<b>(87,585)</b>
Interest income	8,230	10,122	10,480	9,995	9,482	10,003	9,560	8,677
Other (expense) income, net	284	(239)	(638)	409	(173)	28	13	(957)
<b>Net loss before provision for income taxes</b>	<b>(64,766)</b>	<b>(64,210)</b>	<b>(69,554)</b>	<b>(72,142)</b>	<b>(72,998)</b>	<b>(62,555)</b>	<b>(65,715)</b>	<b>(79,865)</b>
Provision for income taxes	190	148	226	489	(71)	272	257	336
<b>Net loss</b>	<b>\$ (64,956)</b>	<b>\$ (64,358)</b>	<b>\$ (69,780)</b>	<b>\$ (72,631)</b>	<b>\$ (72,927)</b>	<b>\$ (62,827)</b>	<b>\$ (65,972)</b>	<b>\$ (80,201)</b>

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

	Three Months Ended							
	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024	October 31, 2024	January 31, 2025
Cost of subscription	\$ 5,663	\$ 8,056	\$ 8,514	\$ 8,674	\$ 8,788	\$ 7,694	\$ 7,827	\$ 8,563
Cost of professional services	309	460	479	309	40	714	484	941
Sales and marketing	17,214	16,779	18,226	17,528	19,218	18,833	20,802	21,860
Research and development	17,449	17,033	16,685	18,757	19,561	18,431	17,999	19,896
General and administrative	7,433	8,552	9,265	9,715	9,122	9,011	9,926	11,392
<b>Total stock-based compensation expense</b>	<b>\$ 48,068</b>	<b>\$ 50,880</b>	<b>\$ 53,169</b>	<b>\$ 54,983</b>	<b>\$ 56,729</b>	<b>\$ 54,683</b>	<b>\$ 57,038</b>	<b>\$ 62,652</b>

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

	Three Months Ended							
	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024	October 31, 2024	January 31, 2025
Cost of subscription	\$ 357	\$ 509	\$ 282	\$ 392	\$ 490	\$ 326	\$ 163	\$ 329
Cost of professional services	20	32	15	13	3	30	8	27
Sales and marketing	604	1,005	463	496	642	472	450	614
Research and development	576	817	415	738	869	364	231	578
General and administrative	112	137	99	134	169	80	238	241
<b>Total employer payroll tax expense</b>	<b>\$ 1,669</b>	<b>\$ 2,500</b>	<b>\$ 1,274</b>	<b>\$ 1,773</b>	<b>\$ 2,173</b>	<b>\$ 1,272</b>	<b>\$ 1,090</b>	<b>\$ 1,789</b>

# GAAP to Non-GAAP Reconciliation

	Three Months Ended							
	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024	July 31, 2024	October 31, 2024	January 31, 2025
Subscription revenue	\$ 56,866	\$ 61,352	\$ 66,449	\$ 70,400	\$ 79,903	\$ 73,456	\$ 81,162	\$ 85,679
Professional services revenue	15,544	11,010	6,780	8,001	6,687	13,757	13,176	13,103
<b>Total Revenue</b>	<b>72,410</b>	<b>72,362</b>	<b>73,229</b>	<b>78,401</b>	<b>86,590</b>	<b>87,213</b>	<b>94,338</b>	<b>98,782</b>
GAAP cost of subscription revenue	23,872	30,434	30,937	32,273	34,825	33,292	35,038	37,799
Stock-based compensation	5,663	8,056	8,514	8,674	8,788	7,694	7,827	8,563
Employer payroll tax expense related to employee stock-based compensation	357	509	282	392	490	326	163	329
Non-GAAP cost of subscription revenue	17,852	21,869	22,141	23,207	25,547	25,272	27,048	28,907
GAAP cost of professional services revenue	1,036	1,379	1,179	841	154	1,755	1,460	2,636
Stock-based compensation	309	460	479	309	40	714	484	941
Employer payroll tax expense related to employee stock-based compensation	20	32	15	13	3	30	8	27
Non-GAAP cost of professional services revenue	707	887	685	519	111	1,011	968	1,668
GAAP sales and marketing expense	51,701	43,885	49,895	57,140	63,247	52,125	55,643	61,201
Stock-based compensation	17,214	16,779	18,226	17,528	19,218	18,833	20,802	21,860
Employer payroll tax expense related to employee stock-based compensation	604	1,005	463	496	642	472	450	614
Non-GAAP sales and marketing expense	33,883	26,101	31,206	39,116	43,387	32,820	34,391	38,727
GAAP research and development expense	49,681	50,868	50,399	49,480	50,618	52,927	55,715	59,356
Stock-based compensation	17,449	17,033	16,685	18,757	19,561	18,431	17,999	19,896
Employer payroll tax expense related to employee stock-based compensation	576	817	415	738	869	364	231	578
Non-GAAP research and development expense	31,656	33,018	33,299	29,985	30,188	34,132	37,485	38,882
GAAP general and administrative expense	19,400	19,889	20,215	21,213	20,053	19,700	21,770	25,375
Stock-based compensation	7,433	8,552	9,265	9,715	9,122	9,011	9,926	11,392
Employer payroll tax expense related to employee stock-based compensation	112	137	99	134	169	80	238	241
Non-GAAP general and administrative expense	11,855	11,200	10,851	11,364	10,762	10,609	11,606	13,742
Gross profit on a GAAP basis	\$ 47,502	\$ 40,549	\$ 41,113	\$ 45,287	\$ 51,611	\$ 52,166	\$ 57,840	\$ 58,347
Stock-based compensation	5,972	8,516	8,993	8,983	8,828	8,408	8,311	9,504
Employer payroll tax expense related to employee stock-based compensation	377	541	297	405	493	356	171	356
Gross profit on a non-GAAP basis	53,851	49,606	50,403	54,675	60,932	60,930	66,322	68,207
Gross margin on a GAAP basis	66 %	56 %	56 %	58 %	60 %	60 %	61 %	59 %
Gross margin on a non-GAAP basis	74 %	69 %	69 %	70 %	70 %	70 %	70 %	69 %
Loss from operations on a GAAP basis	(73,280)	(74,093)	(79,396)	(82,546)	(82,307)	(72,586)	(75,288)	(87,585)
Stock-based compensation expense	48,068	50,880	53,169	54,983	56,729	54,683	57,038	62,652
Employer payroll tax expense related to employee stock-based compensation	1,669	2,500	1,274	1,773	2,173	1,272	1,090	1,789
Loss from operations on a non-GAAP basis	\$ (23,543)	\$ (20,713)	\$ (24,953)	\$ (25,790)	\$ (23,405)	\$ (16,631)	\$ (17,160)	\$ (23,144)
Operating margin on a GAAP basis	-101 %	-102 %	-108 %	-105 %	-95 %	-83 %	-80 %	-89 %
Operating margin on a non-GAAP basis	-33 %	-29 %	-34 %	-33 %	-27 %	-19 %	-18 %	-23 %

# Free Cash Flow

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Net cash used in operating activities .....	\$ (22,020)	\$ (39,051)	\$ (52,671)	\$ (83,705)
Less:				
Purchases of property and equipment .....	(362)	(6,087)	(2,101)	(22,718)
Capitalized software development costs .....	—	—	—	(2,750)
Free cash flow .....	\$ (22,382)	\$ (45,138)	\$ (54,772)	\$ (109,173)
Net cash provided by (used in) investing activities .....	\$ 12,373	\$ 4,098	\$ (6,542)	\$ (92,600)
Net cash provided by financing activities	\$ 13,467	\$ 505	\$ 17,161	\$ 6,037

