



# Investor Supplemental FY24-Q4

May 29, 2024

# Disclaimer

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release other than statements of historical facts, including our market leadership position, anticipated benefits from our partnerships and investments, financial outlook, our sales and customer opportunity pipeline, the expected benefits of our offerings (including the potential benefits of our C3 Generative AI offerings), our business strategies, plans, and objectives for future operations, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar expressions are intended to identify forward-looking statements. 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 difficulties in evaluating our prospects and future results of operations given our operating history, our 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, and our history of operating losses. 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, 2023, October 31, 2023 and January 31, 2024, and other filings and reports we make with the Securities and Exchange Commission from time to time, including our Form 10-K that will be filed for the fiscal year ended April 30, 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.

# FY24-Q4 Highlights

Number of  
Agreements

47

Subscription  
Revenue Growth<sup>1</sup>

41%

Revenue  
Growth<sup>1</sup>

20%

Free Cash  
Flow

\$19M

Cash  
Balance

\$750M

(1) FY24-Q4 QTD vs FY23-Q4 QTD and percentages are rounded for presentation purposes

# FY24 Highlights

Number of  
Agreements  
During the Year

191

YoY<sup>1</sup> Growth  
52%

Attractive  
Margin

69%

Non-GAAP Gross  
Margin

Customer  
Engagement  
Growth

70%

Subscription  
Revenue

90%

86% in FY23

Bookings Driven  
by C3 AI  
Applications

88%

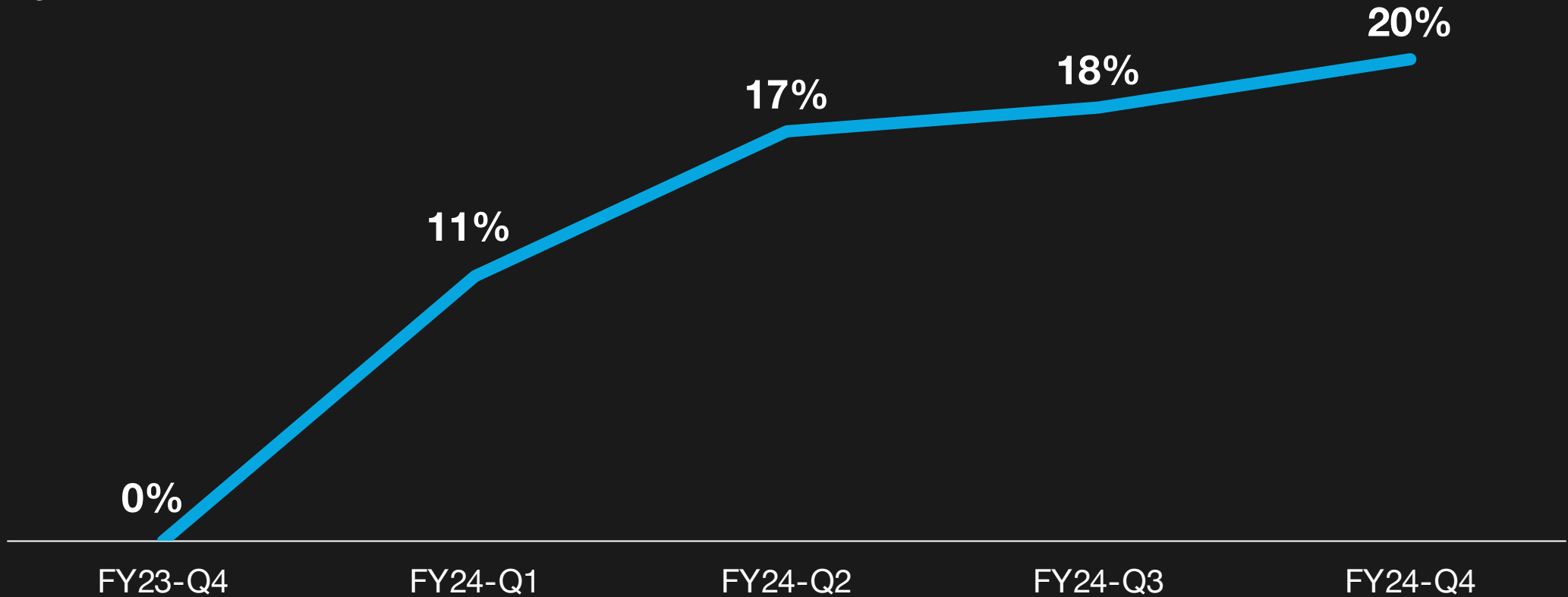
12% Driven by  
C3 AI Platform

- (1) FY24 vs FY23
- (2) Percentages are rounded for presentation purposes

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

# Revenue Growth Accelerates

% growth YoY



Percentages are rounded for presentation purposes

# Revenue Growth Accelerates

	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Total revenue (K)	\$72,317	\$65,308	\$62,408	\$66,669	\$72,410	\$72,362	\$73,229	\$78,401	\$86,590
% growth YoY	38%	25%	7%	(4)%	—%	11%	17%	18%	20%
Average selling price (K)	\$2,927	\$1,426	\$825	\$1,899	\$1,156	\$755	\$665	\$1,206	\$894
Customer Engagement	212	223	223	247	287	334	404	445	487
% growth YoY					35%	50%	81%	80%	70%
RPO (K)	\$477,421	\$458,209	\$417,320	\$403,159	\$381,437	\$334,560	\$303,552	\$286,867	\$244,304
Subscription revenue % growth YoY	31%	24%	26%	—%	1%	8%	12%	23%	41%

Percentages are rounded for presentation purposes

# FY24 C3 AI Partner Model Success

- In FY24, C3 AI closed 115 agreements through its partner network, an increase of 62% year-over-year.
- The Company closed 91 agreements with AWS, Google Cloud and Microsoft Azure.
- In Q4, Partner supported bookings grew by 76% YoY and the Company closed 28 agreements through its partner network.
- Qualified opportunity pipeline with partner network grew by 63% YoY.

Google Cloud

aws

Microsoft

Baker Hughes

accenture

Peraton

Raytheon Technologies

Booz | Allen | Hamilton

PARADYME



# C3 AI Customer Success



# Guidance

	<b>FY25-Q1</b>	<b>FY25</b>
Total Revenue	\$84.0 – \$89.0 million	\$370.0 – \$395.0 million
YoY Growth %	16% – 23%	19% – 27%
Non-GAAP Loss from Operations	(\$22.0) – (\$30.0) 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.

# Alan Murray Joins C3 AI Board Of Directors



## Alan Murray

Member, C3 AI Board of Directors

Mr. Murray is a business thought leader and media executive, most recently serving as CEO of Fortune Media for over five years where he oversaw all of the company's operations. He is the author of five books, including most recently *Tomorrow's Capitalist: My Search for the Soul of Business*. Prior to joining Fortune in 2015, Murray led the Pew Research Center. Before that, he was at the Wall Street Journal for many years, serving as Deputy Managing Editor, Executive Editor Online, Washington Bureau Chief, and author of the *Political Capital* and *Business* columns. He also served for a time as Washington bureau chief of CNBC, and co-host of the network's *Capitol Report*.

# Finance Update

# FY24-Q4 Summary Financial Results

	FY24-Q4
Revenue	\$86.6 million
Subscription Revenue	\$79.9 million
Non-GAAP Gross Profit	\$60.9 million
Non-GAAP Gross Margin	70%
Non-GAAP net loss per share	\$(0.11)
Free Cash Flow	\$18.8 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.

# FY24 Summary Financial Results

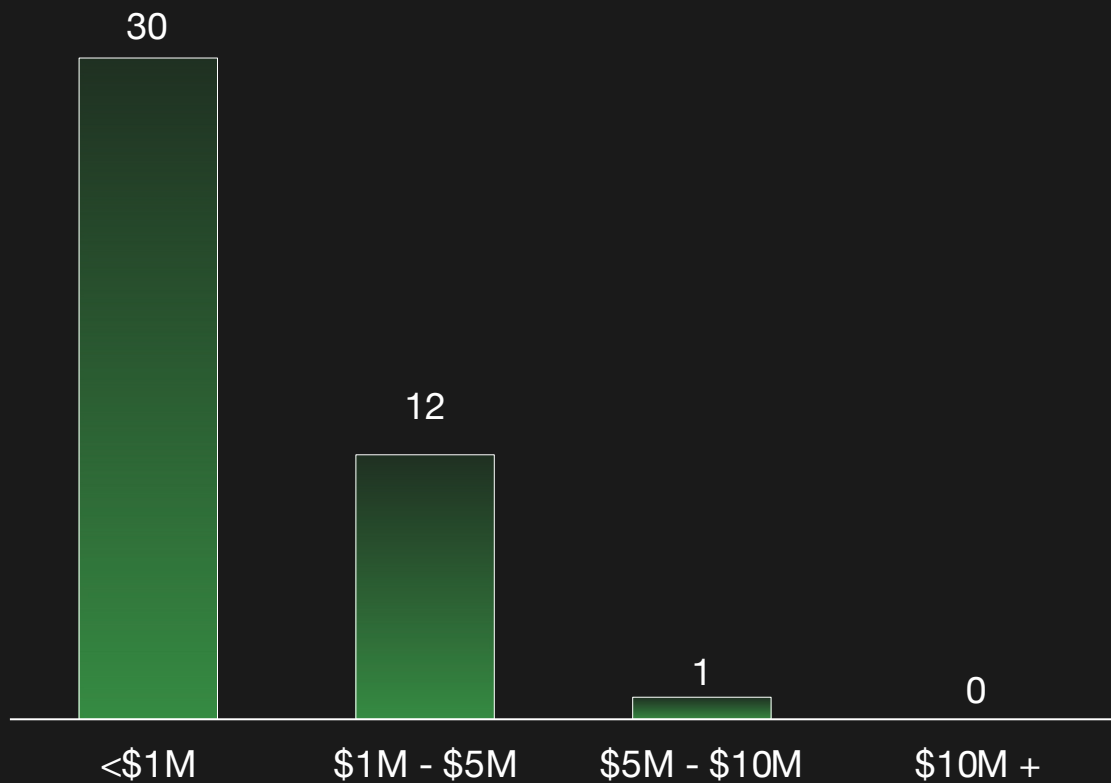
	FY24
Revenue	\$310.6 million
Subscription Revenue	\$278.1 million
Non-GAAP Gross Profit	\$215.6 million
Non-GAAP Gross Margin	\$69%
Non-GAAP net loss per share	\$(0.47)

Note: Non-GAAP Gross Profit, Non-GAAP Gross Margin and Non-GAAP net loss per share 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

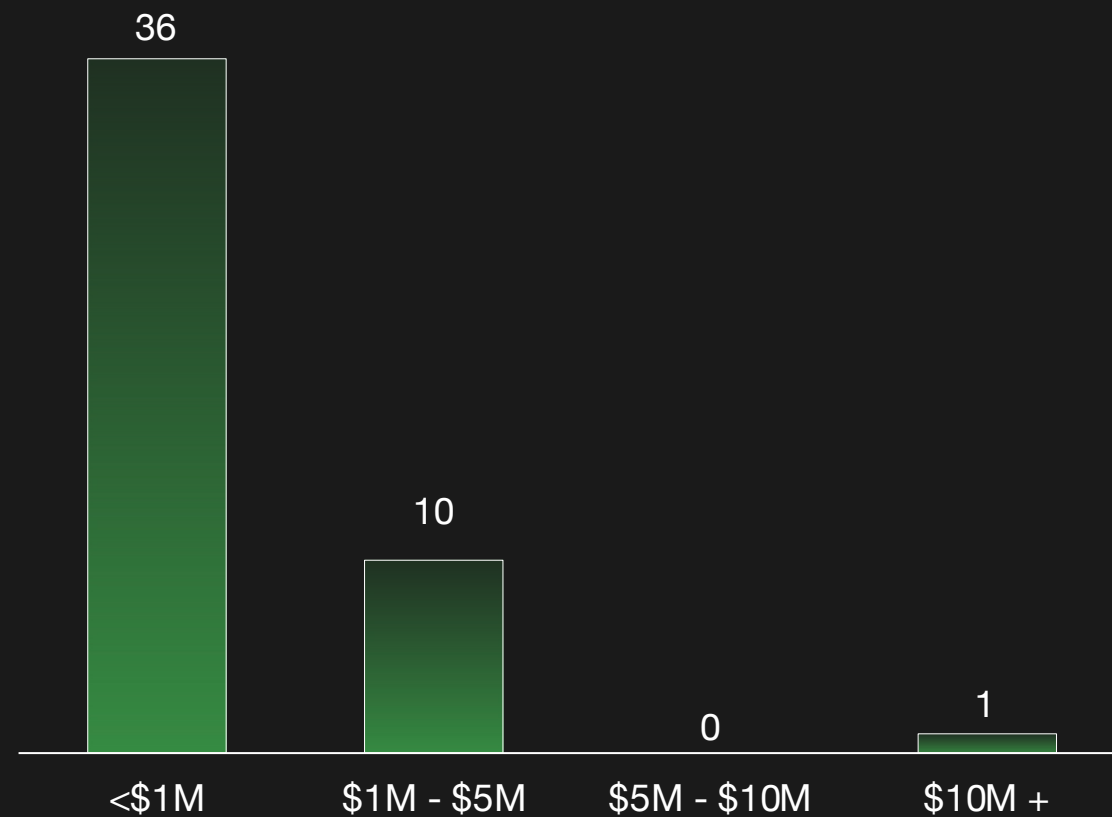
\$ in Millions

## FY23-Q4



**Average TCV**      **\$1.2 M**

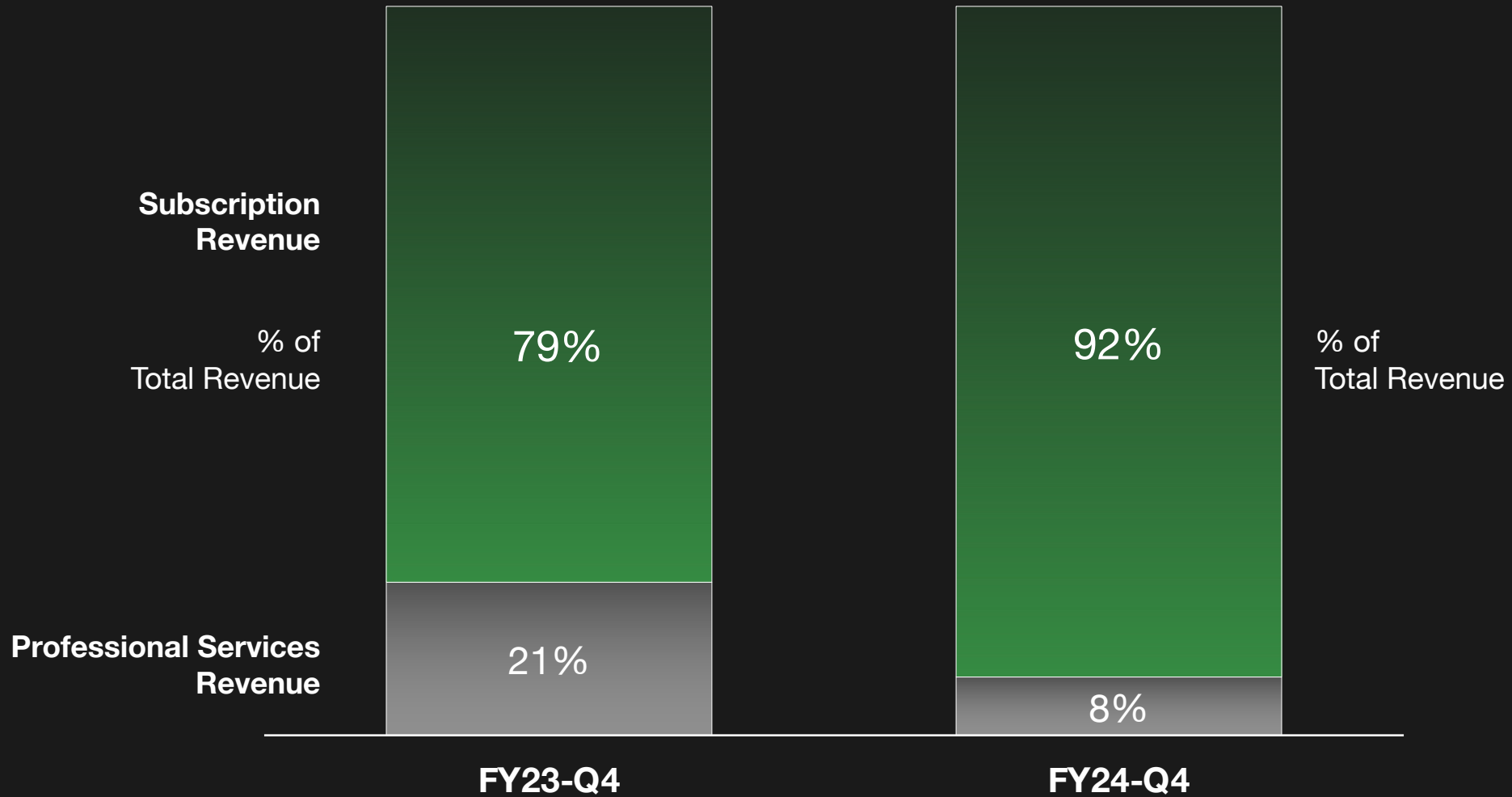
## FY24-Q4



**\$0.9 M**

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

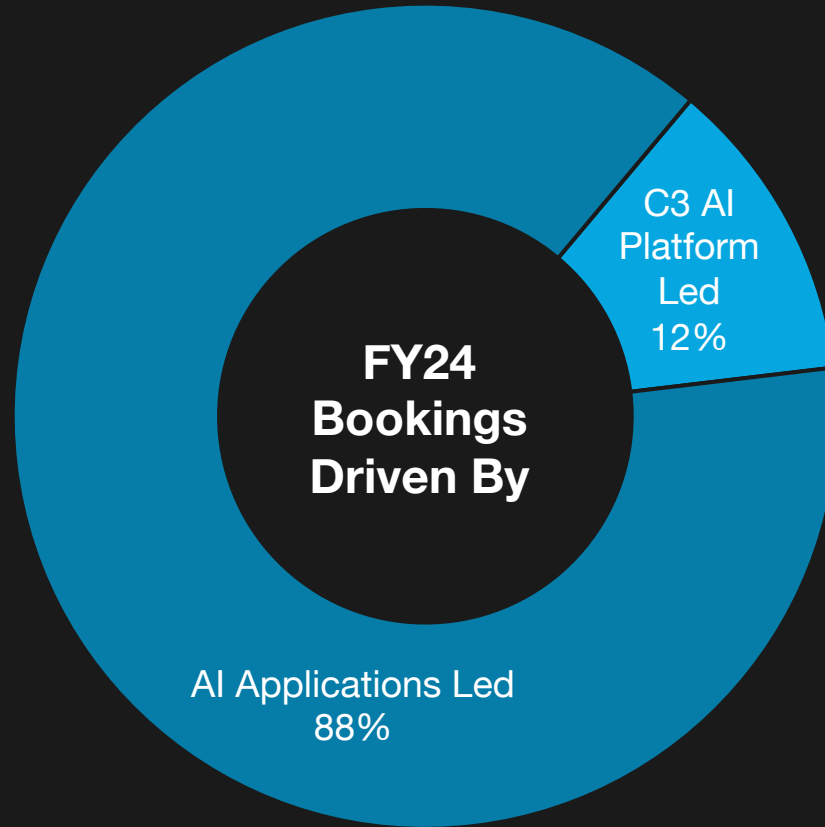
# Total Revenue Mix



Note: Numbers and percentages are rounded for presentation purposes.

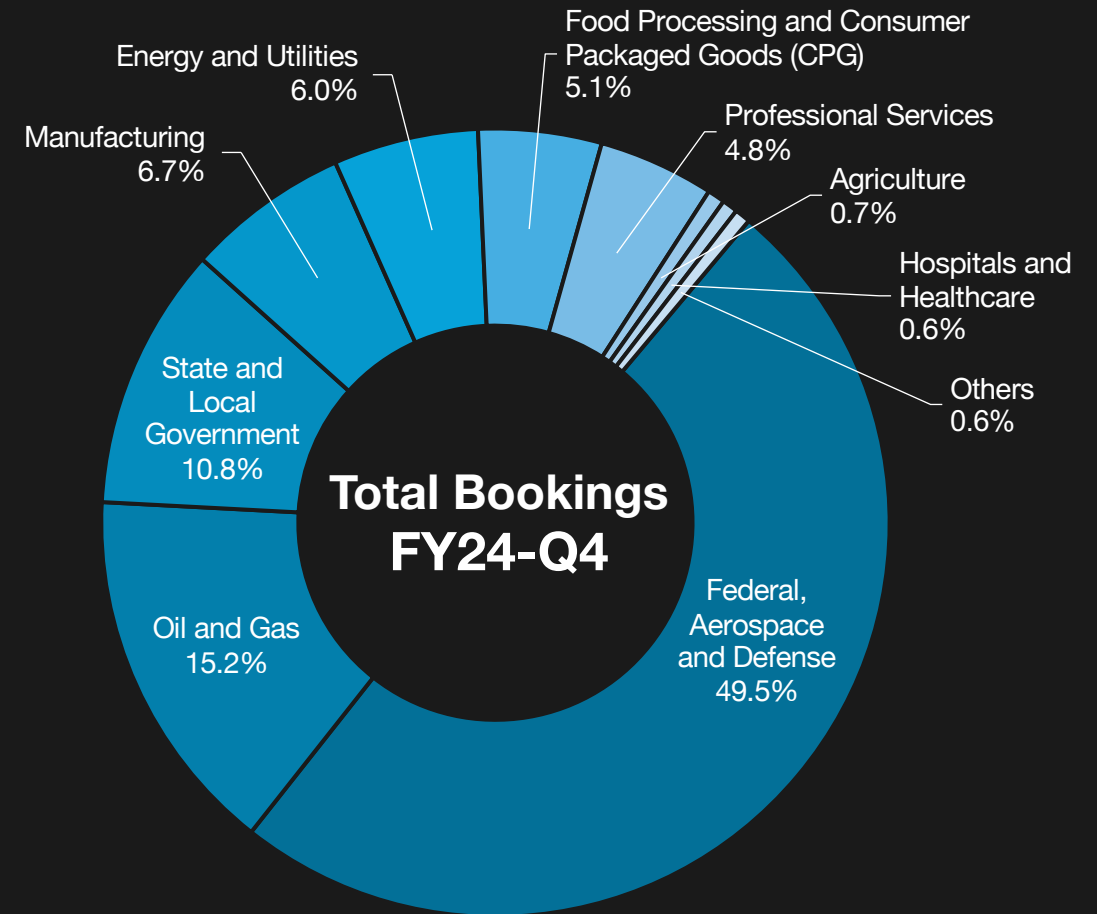
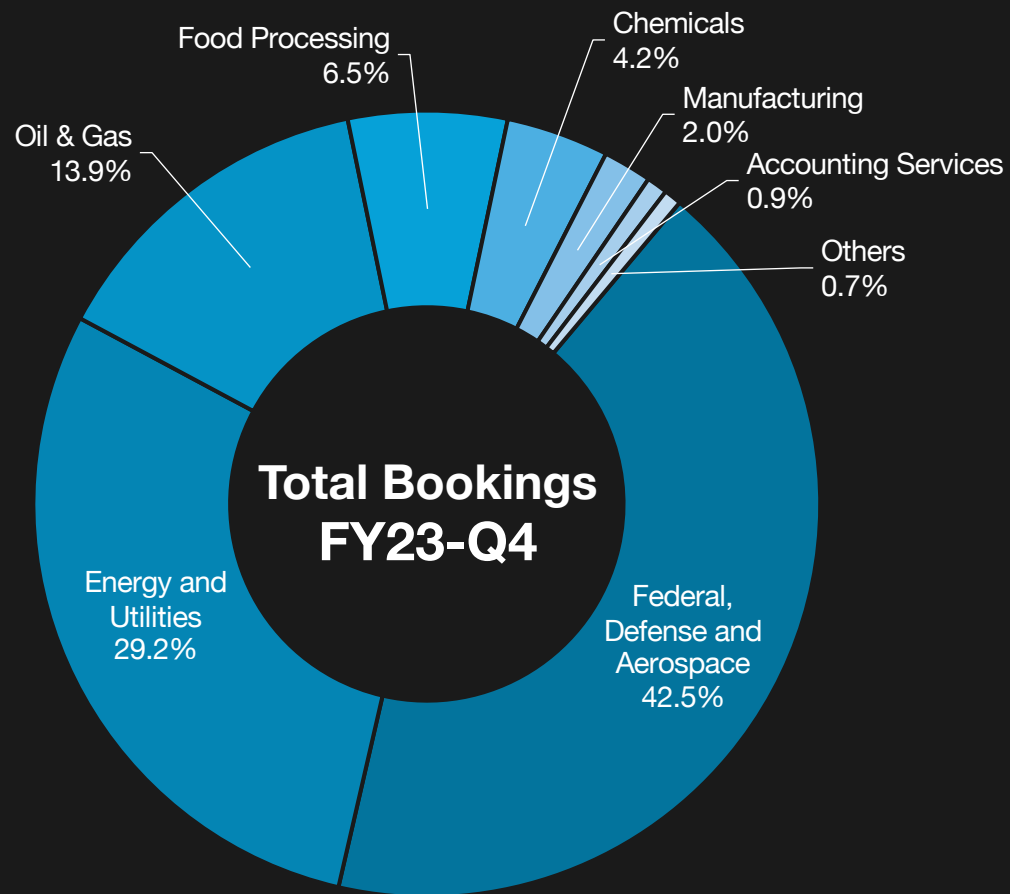


# Bookings Diversity: FY24



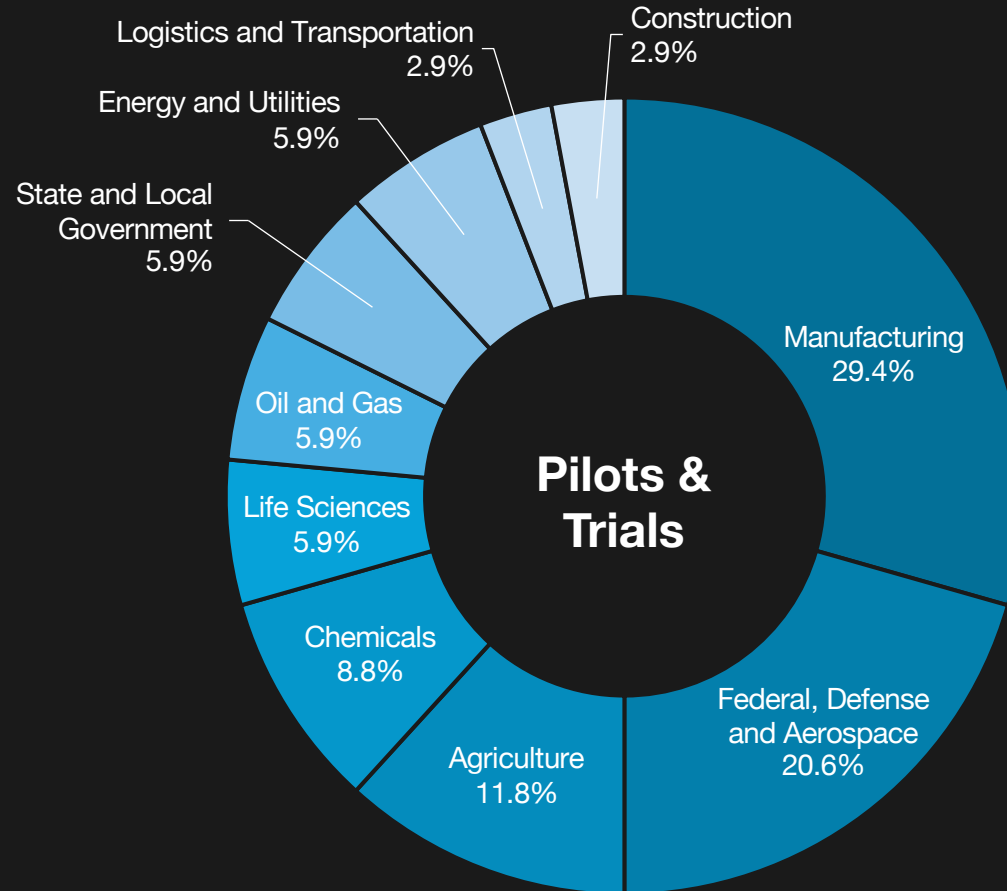
Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on dollar amount

# Bookings Diversity by Industry: FY24-Q4



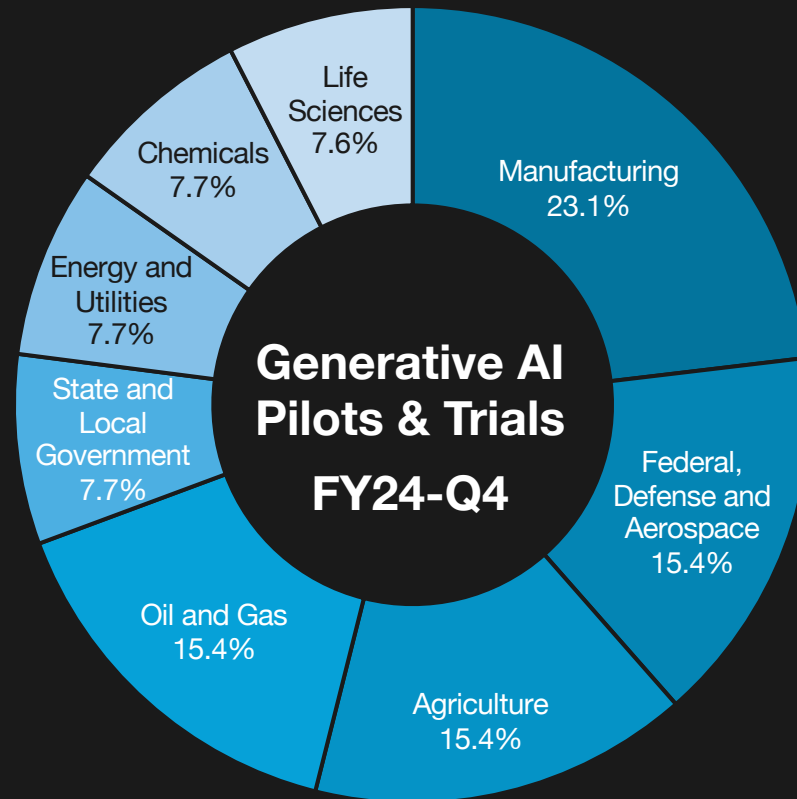
Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on dollar amount

# Pilots & Trials Diversity by Industry: FY24-Q4



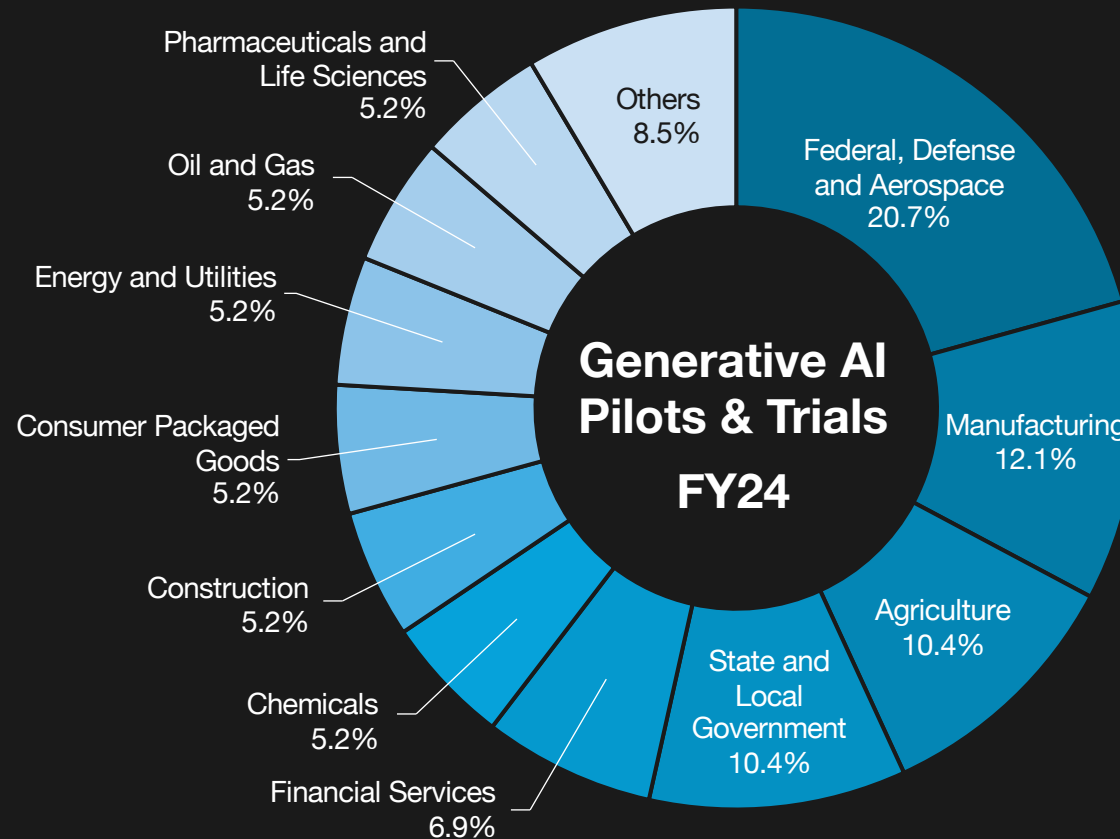
Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on deal count

# Generative AI Pilots & Trials Diversity by Industry: FY24-Q4



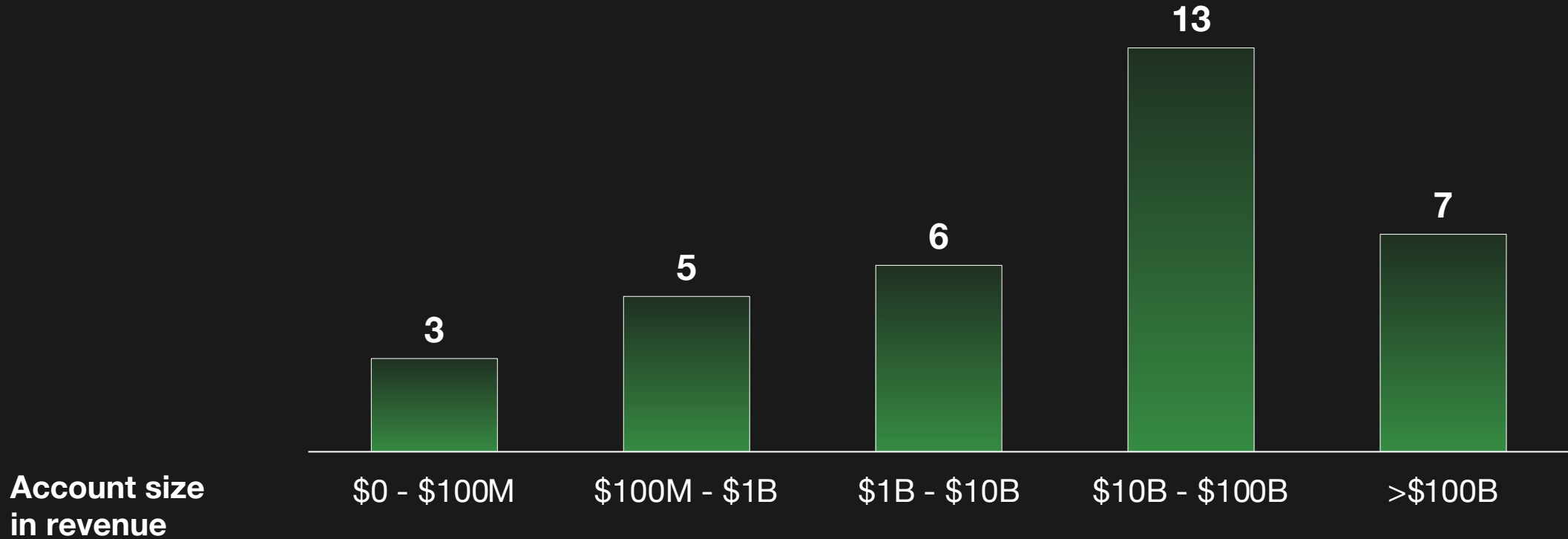
Note: Fiscal year ends April 30. Percentages are rounded for presentation purposes. % calculation is based on deal count

# Generative AI Pilots & Trials Diversity by Industry: FY24



# Pilot Account Profile FY24-Q4

# Pilots



# 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							
	July 31, 2022	October 31, 2022	January 31, 2023	April 30, 2023	July 31, 2023	October 30, 2023	January 31, 2024	April 30, 2024
<b>Revenue</b>								
Subscription	\$ 57,026	\$ 59,508	\$ 57,043	\$ 56,866	\$ 61,352	\$ 66,449	\$ 70,400	\$ 79,903
Professional services	8,282	2,900	9,626	15,544	11,010	6,780	8,001	6,687
<b>Total Revenue</b>	<b>65,308</b>	<b>62,408</b>	<b>66,669</b>	<b>72,410</b>	<b>72,362</b>	<b>73,229</b>	<b>78,401</b>	<b>86,590</b>
<b>Cost of revenue</b>								
Subscription <sup>(1)(2)</sup>	14,092	19,165	21,294	23,872	30,434	30,937	32,273	34,825
Professional services <sup>(1)(2)</sup>	4,314	1,587	977	1,036	1,379	1,179	841	154
<b>Total cost of revenue</b>	<b>18,406</b>	<b>20,752</b>	<b>22,271</b>	<b>24,908</b>	<b>31,813</b>	<b>32,116</b>	<b>33,114</b>	<b>34,979</b>
<b>Gross profit</b>	<b>46,902</b>	<b>41,656</b>	<b>44,398</b>	<b>47,502</b>	<b>40,549</b>	<b>41,113</b>	<b>45,287</b>	<b>51,611</b>
<b>Operating expenses</b>								
Sales and marketing <sup>(1)(2)</sup>	42,987	44,936	43,497	51,701	43,885	49,895	57,140	63,247
Research and development <sup>(1)(2)</sup>	55,877	50,051	55,051	49,681	50,868	50,399	49,480	50,618
General and administrative <sup>(1)(2)</sup>	21,247	18,635	17,888	19,400	19,889	20,215	21,213	20,053
<b>Total operating expenses</b>	<b>120,111</b>	<b>113,622</b>	<b>116,436</b>	<b>120,782</b>	<b>114,642</b>	<b>120,509</b>	<b>127,833</b>	<b>133,918</b>
<b>Loss from operations</b>	<b>(73,209)</b>	<b>(71,966)</b>	<b>(72,038)</b>	<b>(73,280)</b>	<b>(74,093)</b>	<b>(79,396)</b>	<b>(82,546)</b>	<b>(82,307)</b>
Interest income	2,538	4,224	6,987	8,230	10,122	10,480	9,995	9,482
Other (expense) income, net	(1,021)	(945)	2,032	284	(239)	(638)	409	(173)
<b>Net income (loss) before provision for income taxes</b>	<b>(71,692)</b>	<b>(68,687)</b>	<b>(63,019)</b>	<b>(64,766)</b>	<b>(64,210)</b>	<b>(69,554)</b>	<b>(72,142)</b>	<b>(72,998)</b>
Provision for income taxes	179	163	143	190	148	226	489	(71)
<b>Net income (loss)</b>	<b>\$ (71,871)</b>	<b>\$ (68,850)</b>	<b>\$ (63,162)</b>	<b>\$ (64,956)</b>	<b>\$ (64,358)</b>	<b>\$ (69,780)</b>	<b>\$ (72,631)</b>	<b>\$ (72,927)</b>

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

	Three months ended							
	July 31, 2022	October 31, 2022	January 31, 2023	April 30, 2023	July 31, 2023	October 30, 2023	January 31, 2024	April 30, 2023
Cost of subscription	\$ 4,272	\$ 5,486	\$ 5,996	\$ 5,663	\$ 8,056	\$ 8,514	\$ 8,674	\$ 8,788
Cost of professional services	1,071	479	361	309	460	479	309	40
Sales and marketing	16,779	19,080	18,316	17,214	16,779	18,226	17,528	19,218
Research and development	25,217	23,905	23,646	17,449	17,033	16,685	18,757	19,561
General and administrative	9,291	7,063	7,512	7,433	8,552	9,265	9,715	9,122
<b>Total stock-based compensation expense</b>	<b>\$ 56,630</b>	<b>\$ 56,013</b>	<b>\$ 55,831</b>	<b>\$ 48,068</b>	<b>\$ 50,880</b>	<b>\$ 53,169</b>	<b>\$ 54,983</b>	<b>\$ 56,729</b>

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

	Three months ended							
	July 31, 2022	October 31, 2022	January 31, 2023	April 30, 2023	July 31, 2023	October 30, 2023	January 31, 2024	April 30, 2023
Cost of subscription	\$ 286	\$ 170	\$ 190	\$ 357	\$ 509	\$ 282	\$ 392	\$ 490
Cost of professional services	100	16	11	20	32	15	13	3
Sales and marketing	530	356	277	604	1,005	463	496	642
Research and development	943	386	618	576	817	415	738	869
General and administrative	183	63	79	112	137	99	134	169
<b>Total employer payroll tax expense</b>	<b>\$ 2,042</b>	<b>\$ 991</b>	<b>\$ 1,175</b>	<b>\$ 1,669</b>	<b>\$ 2,500</b>	<b>\$ 1,274</b>	<b>\$ 1,773</b>	<b>\$ 2,173</b>

# GAAP to Non-GAAP Reconciliation

	Three Months Ended,							
	July 31, 2022	October 31, 2022	January 31, 2023	April 30, 2023	July 31, 2023	October 31, 2023	January 31, 2024	April 30, 2024
Subscription revenue	\$ 57,026	\$ 59,508	\$ 57,043	\$ 56,866	\$ 61,352	\$ 66,449	\$ 70,400	\$ 79,903
Professional services revenue	8,282	2,900	9,626	15,544	11,010	6,780	8,001	6,687
Total Revenue	65,308	62,408	66,669	72,410	72,362	73,229	78,401	86,590
GAAP cost of subscription revenue	14,092	19,165	21,294	23,872	30,434	30,937	32,273	34,825
Stock-based compensation	4,272	5,486	5,996	5,663	8,056	8,514	8,674	8,788
Employer payroll tax expense related to employee stock-based compensation	286	170	190	357	509	282	392	490
Non-GAAP cost of subscription revenue	9,534	13,509	15,108	17,852	21,869	22,141	23,207	25,547
GAAP cost of professional services revenue	4,314	1,587	977	1,036	1,379	1,179	841	154
Stock-based compensation	1,071	479	361	309	460	479	309	40
Employer payroll tax expense related to employee stock-based compensation	100	16	11	20	32	15	13	3
Non-GAAP cost of professional services revenue	3,143	1,092	605	707	887	685	519	111
GAAP sales and marketing expense	42,987	44,936	43,497	51,701	43,885	49,895	57,140	63,247
Stock-based compensation	16,779	19,080	18,316	17,214	16,779	18,226	17,528	19,218
Employer payroll tax expense related to employee stock-based compensation	530	356	277	604	1,005	463	496	642
Non-GAAP sales and marketing expense	25,678	25,500	24,904	33,883	26,101	31,206	39,116	43,387
GAAP research and development expense	55,877	50,051	55,051	49,681	50,868	50,399	49,480	50,618
Stock-based compensation	25,217	23,905	23,646	17,449	17,033	16,685	18,757	19,561
Employer payroll tax expense related to employee stock-based compensation	943	386	618	576	817	415	738	869
Non-GAAP research and development expense	29,717	25,760	30,787	31,656	33,018	33,299	29,985	30,188
GAAP general and administrative expense	21,247	18,635	17,888	19,400	19,889	20,215	21,213	20,053
Stock-based compensation	9,291	7,063	7,512	7,433	8,552	9,265	9,715	9,122
Employer payroll tax expense related to employee stock-based compensation	183	63	79	112	137	99	134	169
Non-GAAP general and administrative expense	11,773	11,509	10,297	11,855	11,200	10,851	11,364	10,762
Gross profit on a GAAP basis	\$ 46,902	\$ 41,656	\$ 44,398	\$ 47,502	\$ 40,549	\$ 41,113	\$ 45,287	\$ 51,611
Stock-based compensation	5,343	5,965	6,357	5,972	8,516	8,993	8,983	8,828
Employer payroll tax expense related to employee stock-based compensation	386	186	201	377	541	297	405	493
Gross profit on a non-GAAP basis	52,631	47,807	50,956	53,851	49,606	50,403	54,675	60,932
Gross margin on a GAAP basis	72 %	67 %	67 %	66 %	56 %	56 %	58 %	60 %
Gross margin on a non-GAAP basis	81 %	77 %	76 %	74 %	69 %	69 %	70 %	70 %
Loss from operations on a GAAP basis	(73,209)	(71,966)	(72,038)	(73,280)	(74,093)	(79,396)	(82,546)	(82,307)
Stock-based compensation expense	56,630	56,013	55,831	48,068	50,880	53,169	54,983	56,729
Employer payroll tax expense related to employee stock-based compensation	2,042	991	1,175	1,669	2,500	1,274	1,773	2,173
Loss from operations on a non-GAAP basis	\$ (14,537)	\$ (14,962)	\$ (15,032)	\$ (23,543)	\$ (20,713)	\$ (24,953)	\$ (25,790)	\$ (23,405)
Operating margin on a GAAP basis	-112 %	-115 %	-108 %	-101 %	-102 %	-108 %	-105 %	-95 %
Operating margin on a non-GAAP basis	-22 %	-24 %	-23 %	-33 %	-29 %	-34 %	-33 %	-27 %
RPO	\$ 458,209	\$ 417,320	\$ 403,159	\$ 381,437	\$ 334,560	\$ 303,552	\$ 286,867	\$ 244,304

