

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of report (date of earliest event reported): July 28, 2020

SERVICENOW, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-35580

(Commission File Number)

20-2056195

(I.R.S. Employer
Identification Number)

2225 Lawson Lane
Santa Clara, California 95054
(Address of Principal Executive Offices)
(408) 501-8550

(Registrant's telephone number, including area code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.001 per share	NOW	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On July 29, 2020, ServiceNow, Inc. (“ServiceNow” or the “Company”) issued a press release announcing financial results for the three months ended June 30, 2020.

A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information in this report, including the exhibit attached hereto, is furnished pursuant to Item 2.02 of Form 8-K and is not deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liabilities of that section, nor shall it be deemed incorporated by reference in any filing of ServiceNow under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

ServiceNow makes reference to non-GAAP financial information in the press release. A reconciliation to the nearest comparable GAAP financial measures of the non-GAAP financial measures is included in the press release attached hereto as Exhibit 99.1. These non-GAAP financial measures are reported in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

ServiceNow encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(b)

On July 28, 2020, after over nine years at ServiceNow, David Schneider notified the Company of his decision to retire from the Company at the end of 2020, and to serve as President, Emeritus until his retirement, acting as an advisor to the Chief Executive Officer. Mr. Schneider will remain employed by the Company but will resign from his position as the Company’s President, Global Customer Operations, effective July 29, 2020.

Additionally, on July 28, 2020, Kevin Haverty was named Chief Revenue Officer, effective July 29, 2020. Mr. Haverty has been with ServiceNow for nine years, most recently as EVP, Worldwide Sales.

For additional information, see the press release attached as Exhibit 99.2 to this Current Report on Form 8-K. The information in the press release attached hereto shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing of ServiceNow under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

(e)

As described in further detail in the Company’s proxy statement for its 2020 annual meeting of shareholders, the Company’s executive compensation program is designed to retain, motivate, attract and manage turnover of executives of outstanding ability and potential on our path to \$10 billion in revenue and beyond; demand and reward the achievement of key performance measures; reinforce our values, which serve to motivate our leaders to deliver the highest level of company, team and individual performance; discourage excessive risk taking; and ensure that executive compensation is meaningfully related to the creation of long-term shareholder value. The performance-based cash incentive (“Cash Incentive”) and PRSU targets and metrics for the 2020 executive compensation program, which were approved in January of 2020, prior to the COVID-19 pandemic, are subject to a formal mid-year review by the Compensation Committee.

Consistent with these objectives, in its formal mid-year review of the 2020 executive compensation program, on July 28, 2020, the Compensation Committee and the Board of Directors of the Company (the “Board”) determined to lower the annual internal targets for the Cash Incentive and PRSU awards in line with the Company’s adjusted internal annual financial plan. In making this determination, the Compensation Committee and the Board carefully and extensively considered various factors, including the significant changes to the macroeconomic landscape as impacted by the COVID-19 pandemic; our belief that, in this context, companies are focusing their efforts on managing the crisis, and protecting the health and wellbeing of all their stakeholders, including employees, customers and shareholders; the need to ensure that we retain and motivate our key employees; and that the modified targets remain aggressive considering the current environment.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[99.1](#) [Press release dated July 29, 2020, announcing ServiceNow, Inc.'s financial results for the three months ended June 30, 2020.](#)

[99.2](#) [Press release dated July 29, 2020.](#)

104 Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SERVICENOW, INC.

By: /s/ Russell S. Elmer

Russell S. Elmer
General Counsel

Date: July 29, 2020



ServiceNow Reports Second Quarter 2020 Financial Results

- ServiceNow achieves \$4 billion subscription revenues annual run rate
- Subscription revenues of \$1,016 million in Q2 2020, representing 30% year-over-year growth, 32% adjusted for constant currency
- 40 transactions over \$1 million, including two transactions over \$10 million, in net new annual contract value in Q2 2020
- 964 total customers with over \$1 million in annual contract value

SANTA CLARA, Calif. - July 29, 2020 - ServiceNow (NYSE: NOW), the leading digital workflow company making work, work better for people, today announced financial results for its second quarter ended June 30, 2020, with subscription revenues of \$1,016 million in Q2 2020, representing 30% year-over-year growth, 32% adjusted for constant currency.

During the quarter, ServiceNow closed 40 transactions with more than \$1 million, including two transactions over \$10 million, in net new annual contract value (ACV). The company now has 964 total customers with more than \$1 million in ACV, representing 26% year-over-year growth in customers.

“ServiceNow is leading the workflow revolution, proven by our very strong Q2 results,” said ServiceNow CEO Bill McDermott. “Businesses need to rapidly digitize workflows to deliver great experiences for their customers, employees, and partners. We are the strategic workflow authority helping our customers solve once-in-a-generation challenges and capitalize on the immense opportunities of digital transformation. Every day we are manifesting our purpose — making the world of work, work better for people — on our journey to becoming the defining enterprise software company of the 21st century.”

“In Q2, we achieved our \$4 billion revenues run rate milestone. We exceeded the high end of our subscription revenues and billings guidance, while continuing to drive margin expansion and strong free cash flow,” said ServiceNow CFO Gina Mastantuono. “Our best-in-class renewal rate remained at 97%, and customers continue to expand on the Now Platform, giving us conviction to raise our growth and profitability guidance for the year. I am confident in our ability to deliver our second half.”

During the quarter, ServiceNow continued rapid innovation delivering the capabilities customers need to protect revenue, improve productivity, and ensure business resilience. The company released the Safe Workplace apps and dashboard, designed to help make returning to the workplace work for everyone. This suite has now been downloaded by more than 550 organizations worldwide. ServiceNow also hosted its Knowledge 2020 Digital Experience – its largest ever, creating a global digital broadcast environment to engage nearly double the number of customers and partners from last year. ServiceNow’s core business remained very strong. With Now workflows on the Now Platform — the platform of platforms — ServiceNow is accelerating digital transformation for its customers by enabling the consumer-grade workflow experiences that are more important than ever for their employees and customers.

Second Quarter 2020 GAAP and Non-GAAP Results:

The following table summarizes our financial results for the second quarter 2020:

	Second Quarter 2020 GAAP Results		Second Quarter 2020 Non-GAAP Results ⁽¹⁾			
	Amount (\$ millions)	Year/Year Growth (%)	Amount (\$ millions)	Year/Year Growth (%)	Adjusted Amount (\$ millions) ⁽²⁾	Adjusted Year/Year Growth (%)
Subscription revenues	\$1,016	30 %			\$1,027	32 %
Professional services and other revenues	\$55	5 %			\$56	6 %
Total revenues	\$1,071	28 %			\$1,083	30 %
Subscription billings			\$1,018	25 %	\$1,033	26 %
Professional services and other billings			\$61	13 %	\$62	14 %
Total billings			\$1,079	24 %	\$1,095	26 %
	Amount (\$ millions)	Margin (%)	Amount (\$ millions)	Margin (%)		
Subscription gross profit	\$844	83 %	\$881	87 %		
Professional services and other gross profit (loss)	(\$6)	(10 %)	\$7	13 %		
Total gross profit	\$838	78 %	\$888	83 %		
Income from operations	\$62	6 %	\$295	28 %		
Net cash provided by operating activities	\$368	34 %				
Free cash flow			\$259	24 %		
	Amount (\$ millions)	Earnings per Basic/Diluted Share (\$)	Amount (\$ millions)	Earnings per Basic/Diluted Share (\$)		
Net income	\$41	\$0.21 / \$0.20	\$243	\$1.27 / \$1.23		

(1) We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. See the section entitled "Statement Regarding Use of Non-GAAP Financial Measures" for an explanation of non-GAAP measures, and the table entitled "GAAP to Non-GAAP Reconciliation" for a reconciliation of GAAP to non-GAAP measures.

(2) Non-GAAP adjusted subscription revenues, professional services and other revenues, total revenues and professional services and other billings are adjusted for constant currency. Non-GAAP adjusted subscription billings and total billings are adjusted for constant currency and constant billings duration. See the section entitled "Statement Regarding Use of Non-GAAP Financial Measures" for an explanation of non-GAAP measures, and the table entitled "GAAP to Non-GAAP Reconciliation" for a reconciliation of GAAP to non-GAAP measures.
Note: Numbers rounded for presentation purposes.

Financial Outlook

Our guidance includes GAAP and non-GAAP financial measures.

The following table summarizes our guidance for the third quarter 2020:

	Third Quarter 2020 GAAP Guidance		Third Quarter 2020 Non-GAAP Guidance ⁽¹⁾			
	Amount (\$ millions) ⁽²⁾	Year/Year Growth (%)	Amount (\$ millions) ⁽²⁾	Year/Year Growth (%)	Adjusted Amount (\$ millions) ⁽³⁾	Adjusted Year/ Year Growth (%)
Subscription revenues	\$1,055 - \$1,060	26% - 27%			\$1,055 - \$1,060	26% - 27%
Subscription billings			\$995 - \$1,015	15% - 17%	\$1,003 - \$1,023	16% - 18%
			Margin (%)			
Income from operations			22 %			
			Amount (millions)			
Weighted-average shares used to compute diluted net income per share			199			

(1) We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. See the section entitled “Statement Regarding Use of Non-GAAP Financial Measures” for an explanation of non-GAAP measures, and the table entitled “Reconciliation of Non-GAAP Financial Guidance” for a reconciliation of GAAP to non-GAAP measures.

(2) Guidance for GAAP subscription revenues and non-GAAP subscription billings is based on foreign exchange rates as of June 30, 2020 for entities reporting in currencies other than U.S. Dollars.

(3) Non-GAAP adjusted subscription revenues are adjusted for constant currency. Non-GAAP adjusted subscription billings are adjusted for constant currency and constant billings duration. See the section entitled “Statement Regarding Use of Non-GAAP Financial Measures” for an explanation of non-GAAP measures, and the table entitled “Reconciliation of Non-GAAP Financial Guidance” for a reconciliation of GAAP to non-GAAP measures.

The following table summarizes our guidance for full-year 2020:

	Full-Year 2020 GAAP Guidance		Full-Year 2020 Non-GAAP Guidance ⁽¹⁾			
	Amount (\$ millions) ⁽²⁾	Year/Year Growth (%)	Amount (\$ millions) ⁽²⁾	Year/Year Growth (%)	Adjusted Amount (\$ millions) ⁽³⁾	Adjusted Year/ Year Growth (%)
Subscription revenues	\$4,185 - \$4,200	29%			\$4,210 - \$4,225	29% - 30%
Subscription billings			\$4,660 - \$4,700	23% - 24%	\$4,702 - \$4,742	24% - 25%
			Margin (%)			
Subscription gross profit			86 %			
Income from operations			24 %			
Free cash flow			29.5 %			
			Amount (millions)			
Weighted-average shares used to compute diluted net income per share			198			

(1) We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. See the section entitled “Statement Regarding Use of Non-GAAP Financial Measures” for an explanation of non-GAAP measures, and the table entitled “Reconciliation of Non-GAAP Financial Guidance” for a reconciliation of GAAP to non-GAAP measures.

(2) GAAP subscription revenues and non-GAAP subscription billings for the future quarters included in our full-year 2020 guidance are based on foreign exchange rates as of June 30, 2020 for entities reporting in currencies other than U.S. Dollars.

(3) Non-GAAP adjusted subscription revenues are adjusted for constant currency. Non-GAAP adjusted subscription billings are adjusted for constant currency and constant billings duration. See the section entitled “Statement Regarding Use of Non-GAAP Financial Measures” for an explanation of non-GAAP measures, and the table entitled “Reconciliation of Non-GAAP Financial Guidance” for a reconciliation of GAAP to non-GAAP measures.

As with our previously issued full-year 2020 guidance dated April 29, 2020, our guidance factors in assumptions regarding the expected impacts of COVID-19 on our business. This assumes that generally the most significant headwinds would occur in the second and third quarter of 2020, that there will be uncertainty around new business, renewal timing or billings terms, particularly with customers in industries highly affected by COVID-19, and that these economic conditions could persist throughout the remainder of the year. These assumptions are based on information available to us today. Significant variation from these assumptions could cause us to modify our guidance higher or lower.

The following table compares our updated full-year 2020 guidance against our previously issued full-year 2020 guidance dated April 29, 2020:

Comparison of Updated Full-Year 2020 Guidance to Previously Issued Guidance⁽¹⁾					
(\$ millions)					
	Previous Guidance Midpoint⁽²⁾	Currency Impact⁽³⁾	Duration Impact⁽⁴⁾	Guidance Change	Current Guidance Midpoint⁽⁵⁾
GAAP subscription revenues	\$4,135	\$19	\$0	\$39	\$4,193
Non-GAAP subscription billings ⁽⁶⁾	\$4,630	\$22	\$0	\$28	\$4,680

(1) Numbers rounded for presentation purposes.

(2) Refers to previously issued full-year 2020 guidance dated April 29, 2020.

(3) GAAP subscription revenues and non-GAAP subscription billings for the future quarters included in our full-year 2020 guidance are based on foreign exchange rates in effect at the end of the current quarter for entities reporting in currencies other than U.S. Dollars. Currency impact represents the sum of (i) the impact of the difference between the actual average rates in the period used to calculate our Q2 2020 actual results and the rates as of March 31, 2020 assumed in our previously issued guidance dated April 29, 2020 plus (ii) the impact of the difference between the exchange rates in effect as of June 30, 2020 assumed in our updated full-year 2020 guidance, and the rates as of March 31, 2020 assumed in our previously issued guidance dated April 29, 2020.

(4) Represents the impact of billings greater than 12 months in excess of guidance assumptions.

(5) Represents the updated full-year 2020 guidance presented in the table above.

(6) We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. See the section entitled "Statement Regarding Use of Non-GAAP Financial Measures" for an explanation of non-GAAP measures, and the table entitled "Reconciliation of Non-GAAP Financial Guidance" for a reconciliation of GAAP to non-GAAP measures.

Conference Call Details

The conference call will begin at 2 p.m. Pacific Time (22:00 BST) on July 29, 2020. Interested parties may listen to the call by dialing (833) 513-0567 (Passcode: 3395375), or if outside North America, by dialing (236) 714-2186 (Passcode: 3395375). Individuals may access the live teleconference from this webcast link:

<https://event.on24.com/wcc/r/2399486/795C3DADBA1B185511D571A263A6CCAE>

An audio replay of the conference call and webcast will be available two hours after its completion and will be accessible for 30 days. To hear the replay, interested parties may go to the investor relations section of the ServiceNow website or dial (800) 585-8367 (Passcode: 3395375), or if outside North America, by dialing (416) 621-4642 (Passcode: 3395375).

Investor Presentation Details

An investor presentation providing additional information and analysis can be found at <http://investors.servicenow.com>.

Statement Regarding Use of Non-GAAP Financial Measures

We report the following non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

- *Adjusted revenues.* We present revenues adjusted for constant currency to provide a framework for assessing how our business performed excluding the effect of foreign currency rate fluctuations. To present this information, current period results for entities reporting in currencies other than U.S. Dollars (USD) are converted into USD at the average exchange rates in effect during the comparison period (for Q2 2019, the average exchange rates in effect for our major currencies were 1 USD to 0.8899 Euros and 1 USD to 0.7781 British Pound Sterling (GBP)), rather than the actual average exchange rates in effect during the current period (for Q2 2020, the average exchange rates in effect for our major currencies were 1 USD to 0.9083 Euros and 1 USD to 0.8059 GBP). Similarly, in our guidance, we apply the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period. We believe the presentation of revenues adjusted for constant currency facilitates the comparison of revenues year-over-year.

- *Billings and Adjusted billings.* We believe billings is a useful leading indicator regarding the performance of our business. We define subscription billings, professional services and other billings, and total billings as the applicable revenue plus the applicable change in deferred revenue, unbilled receivables and customer deposits as presented or derived from the statement of cash flows. We adjust billings for constant currency, as described above, and for constant duration by replacing the portion of multi-year billings in excess of twelve months during the current or guidance period with the portion of multi-year billings in excess of twelve months during the comparison period. We believe these adjustments facilitate greater comparability in our billings information year-over-year.
- *Gross profit, Income from operations, Net income and Net income per share - diluted.* Our non-GAAP presentation of gross profit, income from operations, and net income measures exclude certain non-cash or non-recurring items, including stock-based compensation expense, amortization of debt discount and issuance costs related to our convertible senior notes, loss on early note conversions, amortization of purchased intangibles, legal settlements, business combination and other related costs, and the related income tax effect of these adjustments. The non-GAAP weighted-average shares used to compute our non-GAAP net income per share - diluted excludes the dilutive effect of the in-the-money portion of convertible senior notes as they are covered by our note hedges, and includes the dilutive effect of time-based stock awards, the dilutive effect of warrants and the potentially dilutive effect of our stock awards with performance conditions not yet satisfied at forecasted attainment levels to the extent we believe it is probable that the performance condition will be met. We believe these adjustments provide useful supplemental information to investors and facilitates the analysis of our operating results and comparison of operating results across reporting periods.
- *Free cash flow.* Free cash flow is defined as net cash provided by (used in) operating activities plus cash paid for legal settlements and repayments of convertible senior notes attributable to debt discount, reduced by purchases of property and equipment. Free cash flow margin is calculated as free cash flow as a percentage of total revenues. We believe information regarding free cash flow and free cash flow margin provides useful information to investors because it is an indicator of the strength and performance of our business operations.

Our presentation of non-GAAP financial measures may not be comparable to similar measures used by other companies. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business. Please see the tables included at the end of this release for the reconciliation of GAAP and non-GAAP results and guidance.

Use of Forward-Looking Statements

This release contains “forward-looking statements” regarding our performance, including but not limited to statements in the section entitled “Financial Outlook.” Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make.

Factors that may cause actual results to differ materially from those in any forward-looking statements include: (i) the impact and duration of the health impact of COVID-19 and the economic impact of safety measures to mitigate its impact, including the effectiveness, extent and duration of efforts to limit the spread and impact of the disease, such as “shelter in place” and similar government directives; (ii) our ability to compete successfully against existing and new competitors, (iii) our ability to comply with evolving privacy laws, data transfer restrictions, and other foreign and domestic standards related to data and the Internet, (iv) our ability to predict, prepare for and respond promptly to rapidly evolving technological, market and customer developments, (v) errors, interruptions, delays, or security breaches in or of our service or data centers, (vi) our ability to grow our business, including converting remaining performance obligations into revenue, adding and retaining customers, selling additional subscriptions to existing customers, selling to larger enterprises, government and regulated organizations with complex sales cycles and certification processes, and entering new geographies and markets, (vii) our ability to develop and gain customer acceptance of new and improved products and services, including those acquired through strategic transactions, and (viii) material changes in the value of foreign currencies relative to the U.S. Dollar. Additionally, these forward-looking statements, particularly our guidance, involve risk, uncertainties and assumptions, including those related to the continued impacts of COVID-19 on our business and global economic conditions. Many of these assumptions relate to matters that are beyond our control and changing rapidly, including, but not limited to, the timeframes for and severity of social distancing and other mitigation requirements, the continued impact of COVID-19 on our customers’ purchasing decisions and the length of our sales cycles, particularly for customers in certain industries highly affected by COVID-19. Significant variation from the assumptions underlying our forward-looking statements could cause our actual results to vary, and the impact could be significant.

Further information on these and other factors that could affect our financial results are included in our Form 10-Q that will be filed for the quarter ended June 30, 2020 and in other filings we make with the Securities and Exchange Commission from time to time, including our Form 10-K filed for the year ended December 31, 2019.

We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts' expectations, or to provide interim reports or updates on the progress of the current financial quarter.

About ServiceNow

ServiceNow (NYSE: NOW) is making the world of work, work better for people. Our cloud-based platform and solutions deliver digital workflows that create great experiences and unlock productivity for employees and the enterprise. For more information, visit: www.servicenow.com.

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ServiceNow, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues:				
Subscription	\$ 1,015,528	\$ 780,989	\$ 2,010,230	\$ 1,520,975
Professional services and other	55,314	52,915	106,952	101,855
Total revenues	<u>1,070,842</u>	<u>833,904</u>	<u>2,117,182</u>	<u>1,622,830</u>
Cost of revenues ⁽¹⁾ :				
Subscription	171,934	135,479	331,655	262,068
Professional services and other	61,005	62,668	124,650	122,331
Total cost of revenues	<u>232,939</u>	<u>198,147</u>	<u>456,305</u>	<u>384,399</u>
Gross profit	<u>837,903</u>	<u>635,757</u>	<u>1,660,877</u>	<u>1,238,431</u>
Operating expenses ⁽¹⁾ :				
Sales and marketing	426,519	393,895	867,753	755,304
Research and development	245,081	183,420	471,738	355,942
General and administrative	104,037	85,442	209,785	169,898
Total operating expenses	<u>775,637</u>	<u>662,757</u>	<u>1,549,276</u>	<u>1,281,144</u>
Income (loss) from operations	62,266	(27,000)	111,601	(42,713)
Interest expense	(8,488)	(8,269)	(17,058)	(16,437)
Interest income and other income, net	8,252	18,954	15,849	31,379
Income (loss) before income taxes	62,030	(16,315)	110,392	(27,771)
Provision for (benefit from) income taxes	21,264	(5,236)	21,395	(15,147)
Net income (loss)	<u>\$ 40,766</u>	<u>\$ (11,079)</u>	<u>\$ 88,997</u>	<u>\$ (12,624)</u>
Net income (loss) per share - basic	<u>\$ 0.21</u>	<u>\$ (0.06)</u>	<u>\$ 0.47</u>	<u>\$ (0.07)</u>
Net income (loss) per share - diluted	<u>\$ 0.20</u>	<u>\$ (0.06)</u>	<u>\$ 0.44</u>	<u>\$ (0.07)</u>
Weighted-average shares used to compute net income (loss) per share - basic	<u>191,319</u>	<u>186,678</u>	<u>190,731</u>	<u>184,419</u>
Weighted-average shares used to compute net income (loss) per share - diluted	<u>201,453</u>	<u>186,678</u>	<u>200,843</u>	<u>184,419</u>

(1) Includes stock-based compensation as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Cost of revenues:				
Subscription	\$ 24,960	\$ 19,117	\$ 46,484	\$ 35,139
Professional services and other	12,791	10,951	24,803	20,882
Operating expenses:				
Sales and marketing	78,967	69,229	149,127	131,359
Research and development	70,163	50,041	129,066	93,623
General and administrative	29,959	22,422	55,645	48,207

ServiceNow, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 837,309	\$ 775,778
Short-term investments	1,505,362	915,317
Accounts receivable, net	631,992	835,279
Current portion of deferred commissions	191,877	175,039
Prepaid expenses and other current assets	170,582	125,488
Total current assets	3,337,122	2,826,901
Deferred commissions, less current portion	355,684	333,448
Long-term investments	776,807	1,013,332
Property and equipment, net	547,253	468,085
Operating lease right-of-use assets	463,220	402,428
Intangible assets, net	163,857	143,850
Goodwill	211,416	156,756
Deferred tax assets	594,155	599,633
Other assets	71,795	77,997
Total assets	\$ 6,521,309	\$ 6,022,430
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 85,757	\$ 52,960
Accrued expenses and other current liabilities	446,653	461,403
Current portion of deferred revenue	2,250,719	2,185,754
Current portion of operating lease liabilities	65,742	52,668
Total current liabilities	2,848,871	2,752,785
Deferred revenue, less current portion	31,399	40,038
Operating lease liabilities, less current portion	436,499	383,221
Convertible senior notes, net	696,123	694,981
Other long-term liabilities	29,611	23,464
Stockholders' equity	2,478,806	2,127,941
Total liabilities and stockholders' equity	\$ 6,521,309	\$ 6,022,430

ServiceNow, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Cash flows from operating activities:				
Net income (loss)	\$ 40,766	\$ (11,079)	\$ 88,997	\$ (12,624)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	82,390	60,328	158,628	115,777
Amortization of deferred commissions	51,734	39,974	101,215	79,531
Amortization of debt discount and issuance costs	8,488	8,269	17,058	16,437
Stock-based compensation	216,840	171,760	405,125	329,210
Deferred income taxes	(1,650)	(1,593)	(3,177)	(3,073)
Repayments of convertible senior notes attributable to debt discount	(1,693)	—	(1,975)	—
Unrealized gains on non-marketable equity securities	(2,007)	(2,932)	(1,944)	(2,932)
Other	(906)	(1,115)	1,302	(391)
Changes in operating assets and liabilities, net of effect of business combinations:				
Accounts receivable	(8,774)	(79,751)	200,015	71,354
Deferred commissions	(73,184)	(50,595)	(143,981)	(97,194)
Prepaid expenses and other assets	(12,038)	5,176	(32,429)	(28,483)
Accounts payable	16,645	18,531	37,324	25,093
Deferred revenue	9,401	38,820	69,248	100,190
Accrued expenses and other liabilities	42,042	47,942	(35,784)	11,688
Net cash provided by operating activities	368,054	243,735	859,622	604,583
Cash flows from investing activities:				
Purchases of property and equipment	(110,464)	(49,896)	(193,671)	(97,020)
Business combinations, net of cash acquired	—	—	(82,948)	—
Purchases of intangibles	(6,500)	(36,160)	(6,500)	(36,160)
Purchases of investments	(579,919)	(361,859)	(1,107,738)	(800,641)
Sales and maturities of investments	452,824	245,433	765,384	508,318
Realized gains (losses) on derivatives not designated as hedging instruments, net	984	(35)	(2,636)	22,113
Net cash used in investing activities	(243,075)	(202,517)	(628,109)	(403,390)
Cash flows from financing activities:				
Repayments of convertible senior notes attributable to principal	(13,502)	—	(15,738)	—
Proceeds from employee stock plans	24,148	10,207	91,056	63,300
Taxes paid related to net share settlement of equity awards	(112,857)	(108,126)	(238,557)	(247,619)
Net cash used in financing activities	(102,211)	(97,919)	(163,239)	(184,319)
Foreign currency effect on cash, cash equivalents and restricted cash	5,787	207	(4,862)	1,286
Net increase (decrease) in cash, cash equivalents and restricted cash	28,555	(56,494)	63,412	18,160
Cash, cash equivalents and restricted cash at beginning of period	812,848	643,192	777,991	568,538
Cash, cash equivalents and restricted cash at end of period	\$ 841,403	\$ 586,698	\$ 841,403	\$ 586,698

ServiceNow, Inc.
GAAP to Non-GAAP Reconciliation
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Growth Rates	Six Months Ended		Growth Rates
	June 30, 2020	June 30, 2019		June 30, 2020	June 30, 2019	
Subscription revenues:						
GAAP subscription revenues	\$ 1,015,528	\$ 780,989	30%	\$ 2,010,230	\$ 1,520,975	32%
Effects of foreign currency rate fluctuations	11,531			23,106		
Non-GAAP adjusted subscription revenues ⁽¹⁾	\$ 1,027,059		32%	\$ 2,033,336		34%
Subscription billings:						
GAAP subscription revenues	\$ 1,015,528	\$ 780,989	30%	\$ 2,010,230	\$ 1,520,975	32%
Change in subscription deferred revenue, unbilled receivables and customer deposits	2,704	35,915		63,061	105,526	
Non-GAAP subscription billings	1,018,232	816,904	25%	2,073,291	1,626,501	27%
Effects of foreign currency rate fluctuations	12,121			23,904		
Effects of fluctuations in billings duration	2,774			899		
Non-GAAP adjusted subscription billings ⁽²⁾	\$ 1,033,127		26%	\$ 2,098,094		29%
Professional services and other revenues:						
GAAP professional services and other revenues	\$ 55,314	\$ 52,915	5%	\$ 106,952	\$ 101,855	5%
Effects of foreign currency rate fluctuations	720			1,639		
Non-GAAP adjusted professional service and other revenues ⁽¹⁾	\$ 56,034		6%	\$ 108,591		7%
Professional services and other billings:						
GAAP professional services and other revenues	\$ 55,314	\$ 52,915	5%	\$ 106,952	\$ 101,855	5%
Change in professional services and other deferred revenue	5,670	1,196		2,163	190	
Non-GAAP professional services and other billings	60,984	54,111	13%	109,115	102,045	7%
Effects of foreign currency rate fluctuations	720			1,639		
Non-GAAP adjusted professional services and other billings ⁽²⁾	\$ 61,704		14%	\$ 110,754		9%
Total revenues:						
GAAP total revenues	\$ 1,070,842	\$ 833,904	28%	\$ 2,117,182	\$ 1,622,830	30%
Effects of foreign currency rate fluctuations	12,251			24,745		
Non-GAAP adjusted total revenues ⁽¹⁾	\$ 1,083,093		30%	\$ 2,141,927		32%
Total billings:						
GAAP total revenues	\$ 1,070,842	\$ 833,904	28%	\$ 2,117,182	\$ 1,622,830	30%
Change in total deferred revenue, unbilled receivables and customer deposits	8,374	37,111		65,224	105,716	
Non-GAAP total billings	1,079,216	871,015	24%	2,182,406	1,728,546	26%
Effects of foreign currency rate fluctuations	12,841			25,543		
Effects of fluctuations in billings duration	2,774			899		
Non-GAAP adjusted total billings ⁽²⁾	\$ 1,094,831		26%	\$ 2,208,848		28%
Cost of revenues:						
GAAP subscription cost of revenues	\$ 171,934	\$ 135,479		\$ 331,655	\$ 262,068	
Stock-based compensation	(24,960)	(19,117)		(46,484)	(35,139)	
Amortization of purchased intangibles	(11,998)	(5,614)		(18,854)	(10,314)	
Non-GAAP subscription cost of revenues	\$ 134,976	\$ 110,748		\$ 266,317	\$ 216,615	
GAAP professional services and other cost of revenues	\$ 61,005	\$ 62,668		\$ 124,650	\$ 122,331	
Stock-based compensation	(12,791)	(10,951)		(24,803)	(20,882)	
Non-GAAP professional services and other cost of revenues	\$ 48,214	\$ 51,717		\$ 99,847	\$ 101,449	
Gross profit (loss):						
GAAP subscription gross profit	\$ 843,594	\$ 645,510		\$ 1,678,575	\$ 1,258,907	
Stock-based compensation	24,960	19,117		46,484	35,139	
Amortization of purchased intangibles	11,998	5,614		18,854	10,314	
Non-GAAP subscription gross profit	\$ 880,552	\$ 670,241		\$ 1,743,913	\$ 1,304,360	
GAAP professional services and other gross loss	\$ (5,691)	\$ (9,753)		\$ (17,698)	\$ (20,476)	
Stock-based compensation	12,791	10,951		24,803	20,882	
Non-GAAP professional services and other gross profit	\$ 7,100	\$ 1,198		\$ 7,105	\$ 406	
GAAP gross profit	\$ 837,903	\$ 635,757		\$ 1,660,877	\$ 1,238,431	
Stock-based compensation	37,751	30,068		71,287	56,021	
Amortization of purchased intangibles	11,998	5,614		18,854	10,314	
Non-GAAP gross profit	\$ 887,652	\$ 671,439		\$ 1,751,018	\$ 1,304,766	

Gross margin:

GAAP subscription gross margin	83 %	83 %	84 %	83 %
Stock-based compensation as % of subscription revenues	2 %	2 %	2 %	2 %
Amortization of purchased intangibles as % of subscription revenues	2 %	1 %	1 %	1 %
Non-GAAP subscription gross margin	<u>87 %</u>	<u>86 %</u>	<u>87 %</u>	<u>86 %</u>
GAAP professional services and other gross margin	(10 %)	(18 %)	(17 %)	(20 %)
Stock-based compensation as % of professional services and other revenues	23 %	20 %	24 %	20 %
Non-GAAP professional services and other gross margin	<u>13 %</u>	<u>2 %</u>	<u>7 %</u>	<u>0 %</u>
GAAP gross margin	78 %	76 %	78 %	76 %
Stock-based compensation as % of total revenues	4 %	4 %	4 %	3 %
Amortization of purchased intangibles as % of total revenues	1 %	1 %	1 %	1 %
Non-GAAP gross margin	<u>83 %</u>	<u>81 %</u>	<u>83 %</u>	<u>80 %</u>

Operating expenses:

GAAP sales and marketing expenses	\$ 426,519	\$ 393,895	\$ 867,753	\$ 755,304
Stock-based compensation	(78,967)	(69,229)	(149,127)	(131,359)
Amortization of purchased intangibles	(311)	—	(622)	—
Non-GAAP sales and marketing expenses	<u>\$ 347,241</u>	<u>\$ 324,666</u>	<u>\$ 718,004</u>	<u>\$ 623,945</u>
GAAP research and development expenses	\$ 245,081	\$ 183,420	\$ 471,738	\$ 355,942
Stock-based compensation	(70,163)	(50,041)	(129,066)	(93,623)
Amortization of purchased intangibles	(455)	(455)	(910)	(910)
Non-GAAP research and development expenses	<u>\$ 174,463</u>	<u>\$ 132,924</u>	<u>\$ 341,762</u>	<u>\$ 261,409</u>
GAAP general and administrative expenses	\$ 104,037	\$ 85,442	\$ 209,785	\$ 169,898
Stock-based compensation	(29,959)	(22,422)	(55,645)	(48,207)
Amortization of purchased intangibles	(1,939)	(1,950)	(4,632)	(3,837)
Business combination and other related costs	(1,186)	(173)	(4,061)	(146)
Non-GAAP general and administrative expenses	<u>\$ 70,953</u>	<u>\$ 60,897</u>	<u>\$ 145,447</u>	<u>\$ 117,708</u>
GAAP total operating expenses	\$ 775,637	\$ 662,757	\$ 1,549,276	\$ 1,281,144
Stock-based compensation	(179,089)	(141,692)	(333,838)	(273,189)
Amortization of purchased intangibles	(2,705)	(2,405)	(6,164)	(4,747)
Business combination and other related costs	(1,186)	(173)	(4,061)	(146)
Non-GAAP total operating expenses	<u>\$ 592,657</u>	<u>\$ 518,487</u>	<u>\$ 1,205,213</u>	<u>\$ 1,003,062</u>

Income (loss) from operations:

GAAP income (loss) from operations	\$ 62,266	\$ (27,000)	\$ 111,601	\$ (42,713)
Stock-based compensation	216,840	171,760	405,125	329,210
Amortization of purchased intangibles	14,703	8,019	25,018	15,061
Business combination and other related costs	1,186	173	4,061	146
Non-GAAP income from operations	<u>\$ 294,995</u>	<u>\$ 152,952</u>	<u>\$ 545,805</u>	<u>\$ 301,704</u>

Operating margin:

GAAP operating margin	6 %	(3 %)	5 %	(3 %)
Stock-based compensation as % of total revenues	20 %	21 %	19 %	20 %
Amortization of purchased intangibles as % of total revenues	2 %	0 %	2 %	2 %
Business combination and other related costs as % of total revenues	0 %	0 %	0 %	0 %
Non-GAAP operating margin	<u>28 %</u>	<u>18 %</u>	<u>26 %</u>	<u>19 %</u>

Net income (loss):

GAAP net income (loss)	\$ 40,766	\$ (11,079)	\$ 88,997	\$ (12,624)
Stock-based compensation	216,840	171,760	405,125	329,210
Amortization of purchased intangibles	14,703	8,019	25,018	15,061
Business combination and other related costs	1,186	173	4,061	146
Amortization of debt discount and issuance costs for the convertible senior notes	8,488	8,269	17,058	16,437
Loss on early note conversions	817	—	907	—
Income tax expense effects related to the above adjustments	(39,549)	(39,617)	(91,117)	(81,763)
Non-GAAP net income	<u>\$ 243,251</u>	<u>\$ 137,525</u>	<u>\$ 450,049</u>	<u>\$ 266,467</u>

Net income (loss) per share - basic and diluted:

GAAP net income (loss) per share - basic	\$ 0.21	\$ (0.06)	\$ 0.47	\$ (0.07)
GAAP net income (loss) per share - diluted	\$ 0.20	\$ (0.06)	\$ 0.44	\$ (0.07)
Non-GAAP net income per share - basic	\$ 1.27	\$ 0.74	\$ 2.36	\$ 1.44
Non-GAAP net income per share - diluted	\$ 1.23	\$ 0.71	\$ 2.28	\$ 1.38

GAAP weighted-average shares used to compute net income (loss) per share - basic	<u>191,319</u>	<u>186,678</u>	<u>190,731</u>	<u>184,419</u>
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GAAP weighted-average shares used to compute net income (loss) per share - diluted	201,453	186,678	200,843	184,419
Effects of dilutive time-based stock awards ⁽³⁾	—	6,100	—	6,199
Effects of in-the-money portion of convertible senior notes ⁽³⁾	(3,510)	—	(3,414)	—
Effects of warrants ⁽³⁾	—	1,584	—	2,617
Effects of stock awards with performance conditions not yet satisfied ⁽³⁾	19	100	1	43
Non-GAAP weighted-average shares used to compute net income per share - diluted	<u>197,962</u>	<u>194,462</u>	<u>197,430</u>	<u>193,278</u>

Free cash flow:

GAAP net cash provided by operating activities	\$ 368,054	\$ 243,735	\$ 859,622	\$ 604,583
Purchases of property and equipment	(110,464)	(49,896)	(193,671)	(97,020)
Repayments of convertible senior notes attributable to debt discount	1,693	—	1,975	—
Non-GAAP free cash flow	<u>\$ 259,283</u>	<u>\$ 193,839</u>	<u>\$ 667,926</u>	<u>\$ 507,563</u>

Free cash flow margin:

GAAP net cash provided by operating activities as % of total revenues	34 %	29 %	41 %	37 %
Purchases of property and equipment as % of total revenues	(10 %)	(6 %)	(9 %)	(6 %)
Repayments of convertible senior notes attributable to debt discount as % of total revenues	0 %	— %	0 %	— %
Non-GAAP free cash flow margin	<u>24 %</u>	<u>23 %</u>	<u>32 %</u>	<u>31 %</u>

- (1) Adjusted revenues and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rates in effect during the current period.
- (2) Adjusted billings and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the actual average exchange rates in effect during the current period, and by replacing the portion of multi-year billings in excess of twelve months during the current period with the portion of multi-year billings in excess of twelve months during the comparison period.
- (3) Effects of dilutive time-based stock awards, in-the-money portion of convertible senior notes and warrants are included in the GAAP weighted-average diluted shares in periods where we have GAAP net income. We exclude the in-the-money portion of convertible senior notes for non-GAAP weighted-average diluted shares as they are covered by our note hedges. We include stock awards with performance conditions not yet satisfied for non-GAAP weighted average diluted shares at forecasted attainment levels to the extent we believe it is probable that the performance condition will be met.

ServiceNow, Inc.
Reconciliation of Non-GAAP Financial Guidance

The financial guidance provided below is an estimate based on information available as of June 30, 2020. The company's future performance and financial results are subject to risks and uncertainties, and actual results could differ materially from the guidance set forth below. Some of the factors that could affect the company's financial results are stated above in this press release. Further information on these and other factors that could affect our financial results are included in our Form 10-K for the year ended December 31, 2019 and in other filings we make with the Securities and Exchange Commission from time to time, including our Form 10-Q that will be filed for the three months ended June 30, 2020. The company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

	Three Months Ended		Growth Rates
	September 30, 2020	September 30, 2019⁽³⁾	
GAAP subscription revenues	\$1,055 - \$1,060 million	\$835 million	26% - 27%
Effects of foreign currency rate fluctuations	NM ⁽⁵⁾		
Non-GAAP adjusted subscription revenues ⁽¹⁾	<u>\$1,055 - \$1,060 million</u>		26% - 27%
GAAP subscription revenues	\$1,055 - \$1,060 million	\$835 million	26% - 27%
Change in subscription deferred revenue, unbilled receivables and customer deposits	(60) - (45) million	\$29 million	
Non-GAAP subscription billings	<u>\$995 - \$1,015 million</u>	\$864 million	15% - 17%
Effects of foreign currency rate fluctuations	NM ⁽⁵⁾		
Effects of fluctuations in billings duration	8 million		
Non-GAAP adjusted subscription billings ⁽²⁾	<u>\$1,003 - \$1,023 million</u>		16% - 18%
GAAP operating margin	1%		
Stock-based compensation expense as % of total revenues	20%		
Amortization of purchased intangibles as % of total revenues	1%		
Business combination and other related costs as % of total revenues	0%		
Non-GAAP operating margin	<u>22%</u>		
GAAP weighted-average shares used to compute net income per share - diluted	203 million		
Effects of in-the-money portion of convertible senior notes ⁽⁴⁾	(4) million		
Non-GAAP weighted-average shares used to compute net income per share - diluted	<u>199 million</u>		

	Twelve Months Ended		Growth Rates
	December 31, 2020	December 31, 2019 ⁽³⁾	
GAAP subscription revenues	\$4,185 - \$4,200 million	\$3,255 million	29%
Effects of foreign currency rate fluctuations	25 million		
Non-GAAP adjusted subscription revenues ⁽¹⁾	\$4,210 - \$4,225 million		29% - 30%
GAAP subscription revenues	\$4,185 - \$4,200 million	\$3,255 million	29%
Change in subscription deferred revenue, unbilled receivables and customer deposits	475 - 500 million	533 million	
Non-GAAP subscription billings	\$4,660 - \$4,700 million	\$3,788 million	23% - 24%
Effects of foreign currency rate fluctuations	28 million		
Effects of fluctuations in billings duration	14 million		
Non-GAAP adjusted subscription billings ⁽²⁾	\$4,702 - \$4,742 million		24% - 25%
GAAP subscription gross margin	83%		
Stock-based compensation expense as % of subscription revenues	2%		
Amortization of purchased intangibles as % of subscription revenues	1%		
Non-GAAP subscription margin	86%		
GAAP operating margin	4%		
Stock-based compensation expense as % of total revenues	19%		
Amortization of purchased intangibles as % of total revenues	1%		
Business combination and other related costs as % of total revenues	0%		
Non-GAAP operating margin	24%		
GAAP net cash provided by operating activities as % of total revenues	37.5%		
Purchases of property and equipment as % of total revenues	(8%)		
Repayments of convertible senior notes attributable to debt discount as % of total revenues	0%		
Non-GAAP free cash flow margin	29.5%		
GAAP weighted-average shares used to compute net income per share - diluted	201 million		
Effects of in-the-money portion of convertible senior notes ⁽⁴⁾	(3) million		
Non-GAAP weighted-average shares used to compute net income per share - diluted	198 million		

- (1) Adjusted revenues and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period.
- (2) Adjusted billings and the corresponding growth rates are derived by applying the average exchange rates in effect during the comparison period rather than the exchange rates for the guidance period, and by replacing the portion of multi-year billings in excess of twelve months for the guidance period with the actual portion of multi-year billings in excess of twelve months during the comparison period.
- (3) Effects of foreign currency rate fluctuations and fluctuations in billing durations are not applicable for the comparison period.
- (4) We exclude the in-the-money portion of convertible senior notes for non-GAAP weighted-average diluted shares as they are covered by our note hedges.
- (5) NM - Not meaningful.

ServiceNow Evolves Go-to-Market Functions to Drive Deeper Customer Success and Engagement, Build an Exceptional Partner Ecosystem and Scale Growth to \$10 Billion

Executives Kevin Haverty and Lara Caimi Named to New Go-to-Market Leadership Roles; Global Customer Operations President David Schneider Retiring at End of 2020

SANTA CLARA, Calif. – July 29, 2020 – ServiceNow (NYSE: NOW), the leading digital workflow company that makes work, work better for people, today announced an evolution of its go-to-market functions to drive deeper customer success and engagement and to build an exceptional partner ecosystem as the company scales growth to \$10 billion in revenue and beyond.

Effective immediately, executive Kevin Haverty is named Chief Revenue Officer, leading all global sales activities; executive Lara Caimi is named to the new role of Chief Customer and Partner Officer, leading all customer success activities and partner ecosystem development. Both will report to ServiceNow CEO Bill McDermott. David Schneider, President of Global Customer Operations and a long-time ServiceNow leader, is retiring. Effective immediately, Schneider will step down from his role and serve as President Emeritus, working with McDermott until his retirement at year end.

“Nothing is more important to us than helping our customers win by digitally transforming their businesses with Now workflows on the Now Platform,” said ServiceNow CEO Bill McDermott. “As we scale ServiceNow’s growth to \$10 billion and beyond, we are evolving our go-to-market strengths under two experienced ServiceNow leaders. Kevin and Lara will ensure we continue to be an indispensable strategic partner to our customers on their digital transformation journey.

“David Schneider is an exceptional leader who has helped build an absolutely world-class go-to-market team,” McDermott continued. “Throughout his nine years at ServiceNow, David has epitomized our purpose each and every day. David leaves an incredible legacy, a strong foundation for Kevin and Lara to build upon, and many, many ServiceNow friends. David is family, and always will be. I wish him nothing but the best.”

Haverty also has been with ServiceNow for nine years. For the last six years, he has led the company’s global sales organization. As Chief Revenue Officer, he will be responsible for overseeing the global sales organization, including sales enablement, industry solutions, and global sales operations.

During the past three years at ServiceNow, Caimi served as Chief Strategy Officer and, in partnership with Haverty, co-architected the company’s go-to-market strategy to \$10 billion in revenue. Previously, Caimi served as a Partner at Bain & Company, where she worked over the course of 17 years. In her new role as Chief Customer and Partner Officer, Caimi will lead all customer success activities, ensuring successful implementations and quick time-to-value. Caimi also will oversee the growth of ServiceNow’s strong partner ecosystem, building strategic partner relationships and alliances to drive customer success.

Succeeding Caimi as Chief Strategy Officer is Nick Tzitzon, who joined ServiceNow in 2020, leading operations for the Office of the CEO. Previously, he spent more than seven years at SAP, most recently serving as Executive Vice President, where he was a member of the company’s global leadership team and advised Bill McDermott on strategic initiatives ranging from corporate strategy to ecosystem expansion, portfolio planning, and customer engagement. He was also an executive sponsor of the company’s Autism at Work Program.

About ServiceNow

ServiceNow (NYSE: NOW) is making the world of work, work better for people. Our cloud-based platform and solutions deliver digital workflows that create great experiences and unlock productivity for employees and the enterprise. For more information, visit: www.servicenow.com.

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