

ServiceNow - Q4 2023 Financial Report

Metric	Value
Revenue	\$47,539,205.00
Growth Rate	20.0%
Profit Margin	23.7%

ServiceNow Reports Strong Q4 2023 Performance, Exceeding Expectations

Executive Summary: ServiceNow (NYSE: NOW) today announced its financial results for the fourth quarter of 2023, demonstrating robust growth and profitability, exceeding initial guidance across key metrics. The company's Q4 performance reflects continued strong demand for its Now Platform and its expanding suite of workflow solutions, solidifying its position as a leader in the enterprise cloud solutions sector.

We are particularly pleased with the accelerating adoption of our AI-powered solutions and the continued expansion of our customer base across all geographies and industry verticals.

Financial Performance: Total revenues for Q4 2023 reached \$2.44 billion, representing a 24% year-over-year growth, surpassing the high end of our previously communicated guidance. Subscription revenues, the core of our recurring revenue stream, accounted for \$2.37 billion, growing at a rate of 25% year-over-year. This impressive growth was fueled by strong net new annual contract value (ACV) additions, which exceeded \$450 million in the quarter. Geographically, North America contributed the largest share of revenue, followed by EMEA and APJ, all exhibiting healthy growth rates.

Key Business Highlights: The quarter was marked by significant advancements in our AI capabilities, highlighted by the general availability of Now Assist, our generative AI suite embedded across the Now Platform. We saw strong initial adoption, particularly within customer service and IT operations. Key wins this quarter included significant expansions with Fortune 500 companies in the financial services and healthcare sectors, driven by our ability to deliver transformative digital workflows. Further, our employee workflow solutions continue to gain traction as organizations prioritize improving employee experiences.

Market Conditions and Competitive Landscape: The enterprise cloud solutions market remains highly competitive, with established players and emerging disruptors vying for market share. Macroeconomic headwinds continue to create some uncertainty, but the demand for digital transformation solutions remains resilient. ServiceNow differentiates itself through its unified platform, its focus on solving complex business problems with industry-specific solutions, and its commitment to innovation in areas like AI and automation.

Forward-Looking Statements and Guidance: For Q1 2024, we anticipate subscription revenues to be in the range of \$2.48 to \$2.50 billion, representing approximately 22% to 23% year-over-year growth. For the full year 2024, we are projecting subscription revenues to be between \$10.56 and \$10.60 billion, reflecting our confidence in the continued demand for our platform and solutions. We remain committed to investing in innovation, expanding our market reach, and delivering long-term sustainable growth and shareholder value.