UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2025

OR

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 001-35580

ServiceNow, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**20-2056195**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

ServiceNow, Inc.
2225 Lawson Lane
Santa Clara, California 95054
(Address, including zip code, of Registrant's principal executive offices)

(408) 501-8550
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and formal fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		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. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of September 30, 2025, there were approximately 208 million shares of the Registrant's Common Stock outstanding.

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PART I

ITEM 1. FINANCIAL STATEMENTS

SERVICENOW, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except number of shares which are reflected in thousands and per share data)

	September 30, 2025	December 31, 2024
Assets	(unaudited)	
Current assets:		
Cash and cash equivalents	$ 2,725	$ 2,304
Marketable securities	2,686	3,458
Accounts receivable, net	1,548	2,240
Current portion of deferred commissions	559	517
Prepaid expenses and other current assets	846	668
Total current assets	8,364	9,187
Deferred commissions, less current portion	1,017	999
Long-term marketable securities	4,266	4,111
Strategic investments	1,508	472
Property and equipment, net	2,127	1,763
Operating lease right-of-use assets	807	693
Intangible assets, net	391	209
Goodwill	1,820	1,273
Deferred tax assets	1,217	1,385
Other assets	272	291
Total assets	$ 21,789	$ 20,383
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 146	$ 68
Accrued expenses and other current liabilities	1,267	1,369
Current portion of deferred revenue	6,347	6,819
Current portion of operating lease liabilities	107	102
Total current liabilities	7,867	8,358
Deferred revenue, less current portion	115	95
Operating lease liabilities, less current portion	804	687
Long-term debt, net	1,491	1,489
Other long-term liabilities	211	145
Total liabilities	10,488	10,774
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.001 par value; shares authorized: 600,000; shares issued: 210,551 and 208,151; shares outstanding: 207,564 and 206,487	—	—
Treasury stock, at cost (shares held: 2,987 and 1,664)	(2,451)	(1,219)
Additional paid-in capital	8,928	7,402
Accumulated other comprehensive loss	(17)	(68)
Retained earnings	4,841	3,494
Total stockholders' equity	11,301	9,609
Total liabilities and stockholders' equity	$ 21,789	$ 20,383

See accompanying notes to condensed consolidated financial statements

SERVICENOW, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions, except number of shares which are reflected in thousands and per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues:				
Subscription	$ 3,299	$ 2,715	$ 9,417	$ 7,780
Professional services and other	108	82	293	247
Total revenues	3,407	2,797	9,710	8,027
Cost of revenues[1]:				
Subscription	666	496	1,852	1,406
Professional services and other	108	88	297	250
Total cost of revenues	774	584	2,149	1,656
Gross profit	2,633	2,213	7,561	6,371
Operating expenses[1]:				
Sales and marketing	1,056	944	3,238	2,827
Research and development	750	626	2,187	1,875
General and administrative	255	225	755	679
Total operating expenses	2,061	1,795	6,180	5,381
Income from operations	572	418	1,381	990
Interest income	115	108	346	313
Other income (expense), net	7	(10)	(7)	(28)
Income before income taxes	694	516	1,720	1,275
Provision for income taxes	192	84	373	234
Net income	$ 502	$ 432	$ 1,347	$ 1,041
Net income per share - basic	$ 2.42	$ 2.09	$ 6.50	$ 5.06
Net income per share - diluted	$ 2.40	$ 2.07	$ 6.43	$ 5.00
Weighted-average shares used to compute net income per share - basic	207,630	206,158	207,192	205,639
Weighted-average shares used to compute net income per share - diluted	209,505	208,552	209,370	208,004
Other comprehensive income (loss):				
Foreign currency translation adjustments	$ (11)	$ 50	$ 140	$ 3
Unrealized gains on marketable securities, net of tax	7	60	26	44
Unrealized gains (losses) on derivative instruments, net of tax	36	(52)	(115)	(30)
Other comprehensive income	32	58	51	17
Comprehensive income	$ 534	$ 490	$ 1,398	$ 1,058

(1) Includes stock-based compensation as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		**2024**		**2025**		**2024**	
Cost of revenues:								
Subscription	$	78	$	64	$	222	$	184
Professional services and other		11		11		33		35
Operating expenses:								
Sales and marketing		141		144		444		419
Research and development		203		150		584		479
General and administrative		59		57		178		175

See accompanying notes to condensed consolidated financial statements

SERVICENOW, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except number of shares which are reflected in thousands)
(unaudited)

	Three Months Ended September 30, 2025								Three Months Ended September 30, 2024							
	Common Stock		Treasury Stock						Common Stock		Treasury Stock					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at beginning of the period	**209,868**	**$ —**	**(2,349)**	**$(1,871)**	**$ 8,513**	**$ 4,339**	**$ (49)**	**$ 10,932**	**206,967**	**$ —**	**(1,110)**	**$ (704)**	**$ 6,770**	**$ 2,678**	**$ (78)**	**$ 8,666**
Common stock and Treasury stock issued under employee stock plans	683	—	6	4	113	—	—	117	726	—	6	3	103	—	—	106
Common stock repurchased	—	—	(644)	(584)	—	—	—	(584)	—	—	(272)	(225)	—	—	—	(225)
Taxes paid related to net share settlement of equity awards	—	—	—	—	(190)	—	—	(190)	—	—	—	—	(173)	—	—	(173)
Stock-based compensation	—	—	—	—	492	—	—	492	—	—	—	—	426	—	—	426
Other comprehensive income, net of tax	—	—	—	—	—	—	32	32	—	—	—	—	—	—	58	58
Net income	—	—	—	—	—	502	—	502	—	—	—	—	—	432	—	432
Balance at end of the period	**210,551**	**$ —**	**(2,987)**	**$(2,451)**	**$ 8,928**	**$ 4,841**	**$ (17)**	**$ 11,301**	**207,693**	**$ —**	**(1,376)**	**$ (926)**	**$ 7,126**	**$ 3,110**	**$ (20)**	**$ 9,290**

	Nine Months Ended September 30, 2025								Nine Months Ended September 30, 2024							
	Common Stock		Treasury Stock						Common Stock		Treasury Stock					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at beginning of the period	**208,151**	**$ —**	**(1,664)**	**$(1,219)**	**$ 7,402**	**$ 3,494**	**$ (68)**	**$ 9,609**	**205,619**	**$ —**	**(895)**	**$ (535)**	**$ 6,131**	**$ 2,069**	**$ (37)**	**$ 7,628**
Common stock and Treasury Stock issued under employee stock plans	1,931	—	18	11	259	—	—	270	2,074	—	16	9	228	—	—	237
Common stock repurchased	—	—	(1,341)	(1,243)	—	—	—	(1,243)	—	—	(497)	(400)	—	—	—	(400)
Taxes paid related to net share settlement of equity awards	—	—	—	—	(628)	—	—	(628)	—	—	—	—	(525)	—	—	(525)
Stock-based compensation	—	—	—	—	1,461	—	—	1,461	—	—	—	—	1,292	—	—	1,292
Issuance of common stock for business combinations	469	—	—	—	434	—	—	434	—	—	—	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	—	—	—	51	51	—	—	—	—	—	—	17	17
Net income	—	—	—	—	—	1,347	—	1,347	—	—	—	—	—	1,041	—	1,041
Balance at end of the period	**210,551**	**$ —**	**(2,987)**	**$(2,451)**	**$ 8,928**	**$ 4,841**	**$ (17)**	**$ 11,301**	**207,693**	**$ —**	**(1,376)**	**$ (926)**	**$ 7,126**	**$ 3,110**	**$ (20)**	**$ 9,290**

See accompanying notes to condensed consolidated financial statements

SERVICENOW, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net income	$ 1,347	$ 1,041
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	526	410
Amortization of deferred commissions	454	403
Stock-based compensation	1,461	1,292
Deferred income taxes	172	47
Other	43	(31)
Changes in operating assets and liabilities, net of effect of business combinations:		
Accounts receivable	740	727
Deferred commissions	(462)	(461)
Prepaid expenses and other assets	(199)	(267)
Accounts payable	48	42
Deferred revenue	(713)	(355)
Accrued expenses and other liabilities	(211)	(216)
Net cash provided by operating activities	$ 3,206	$ 2,632
Cash flows from investing activities:		
Purchases of property and equipment	(630)	(599)
Business combinations, net of cash acquired	(215)	(82)
Purchases of other intangibles	(43)	(30)
Purchases of marketable securities	(2,719)	(3,952)
Purchases of strategic investments	(1,020)	(149)
Sales and maturities of marketable securities	3,410	3,024
Other	26	25
Net cash used in investing activities	$ (1,191)	$ (1,763)
Cash flows from financing activities:		
Proceeds from employee stock plans	270	237
Repurchases of common stock	(1,243)	(400)
Taxes paid related to net share settlement of equity awards	(628)	(525)
Business combination	—	(184)
Net cash used in financing activities	$ (1,601)	$ (872)
Foreign currency effect on cash, cash equivalents and restricted cash	10	(8)
Net change in cash, cash equivalents and restricted cash	424	(11)
Cash, cash equivalents and restricted cash at beginning of period	2,310	1,904
Cash, cash equivalents and restricted cash at end of period	$ 2,734	$ 1,893
Cash, cash equivalents and restricted cash at end of period:		
Cash and cash equivalents	$ 2,725	$ 1,885
Restricted cash included in prepaid expenses and other current assets	9	8
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	$ 2,734	$ 1,893
Supplemental disclosures of other cash flow information:		
Interest paid	$ 22	$ 23
Income taxes paid, net of refunds	181	183
Non-cash investing and financing activities:		
Property and equipment included in accounts payable, accrued expenses and other liabilities	66	49
Fair value of common stock issued for business combinations	434	—

See accompanying notes to condensed consolidated financial statements

SERVICENOW, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Unless the context requires otherwise, references in this report to "ServiceNow," the "Company," "we," "us," and "our" refer to ServiceNow, Inc. and its consolidated subsidiaries.

(1) Description of the Business

ServiceNow was founded on a simple premise: to make work flow better. Our intelligent platform, the Now Platform, is a cloud-based solution that helps enterprises and organizations across public and private sectors digitize workflows, in line with our purpose of making the world work better for everyone. Our workflow applications built on the Now Platform are organized along four primary areas: Technology, CRM and Industry, Core Business and Creator. The products under each of our workflows help customers connect, automate and empower work across systems and silos to enable great outcomes for businesses and great experiences for people. The Now Platform is the AI platform for digital transformation. As the foundation for how we deliver our cross-enterprise digital workflows, the Now Platform orchestrates work across our customers' cloud platforms and systems of choice, allowing them to get work done regardless of their current and future preferred systems of record and collaboration platforms.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and condensed footnotes have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by United States ("U.S.") generally accepted accounting principles ("GAAP") for complete financial statements due to the permitted exclusion of certain disclosures for interim reporting. In the opinion of management, all adjustments (consisting of normal recurring items) considered necessary under GAAP for fair statement of results for the interim periods presented have been included. As a result of displaying amounts in millions, rounding differences may exist in the condensed consolidated financial statements and footnote tables. The results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the year ending December 31, 2025 or for other interim periods or future years. The condensed consolidated balance sheet as of December 31, 2024 is derived from audited consolidated financial statements; however, it does not include all of the information and footnotes required by GAAP for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on January 30, 2025.

Principles of Consolidation

The accompanying condensed consolidated financial statements have been prepared in conformity with GAAP, and include our accounts and the accounts of our wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as reported amounts of revenues and expenses during the reporting period. Such management estimates and assumptions include, but are not limited to, standalone selling price for each distinct performance obligation included in customer contracts with multiple performance obligations, the period of benefit for deferred commissions, valuation of intangible assets, the useful life of property and equipment and identifiable intangible assets, stock-based compensation expense and income taxes. Actual results could differ from those estimates.

Significant Accounting Policies

There were no significant changes to our significant accounting policies disclosed in “Note 2 – Summary of Significant Accounting Policies” of our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on January 30, 2025.

Concentration of Credit Risk and Significant Customers

Credit risk arising from accounts receivable is mitigated to a certain extent due to our large number of customers and their dispersion across various industries and geographies. We had one customer, a U.S. federal channel partner and systems integrator, that represented 30% and 12% of our accounts receivable balance as of September 30, 2025 and December 31, 2024, respectively. This customer represented 11% of our total revenues for each of the three and nine months ended September 30, 2025 and 2024. Based on our periodic credit evaluations, there have been no historical collection concerns with this customer. For purposes of assessing concentration of credit risk and significant customers, a group of customers under common control or customers that are affiliates of each other are regarded as a single customer.

Prior Period Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. Strategic investments, previously presented within other assets, were reclassified to be presented separately on our condensed consolidated balance sheets. The reclassification had no impact on our previously reported total assets or net cash from operating or investing activities and did not result in a restatement of prior period condensed consolidated financial statements.

(3) Investments

Marketable Securities

The following is a summary of our available-for-sale debt securities recorded within marketable securities and long-term marketable securities on the condensed consolidated balance sheets (in millions):

	September 30, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale debt securities:				
Commercial paper	$ 293	$ —	$ —	$ 293
Corporate notes and bonds	5,072	35	—	5,107
Certificates of deposit	41	—	—	41
U.S. government and agency securities	1,415	6	—	1,421
Mortgage-backed and asset-backed securities	105	—	(15)	90
Total available-for-sale debt securities	$ 6,926	$ 41	$ (15)	$ 6,952

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale debt securities:				
Commercial paper	$ 336	$ —	$ —	$ 336
Corporate notes and bonds	4,966	15	(5)	4,976
Certificates of deposit	67	—	—	67
U.S. government and agency securities	2,103	3	(2)	2,104
Mortgage-backed and asset-backed securities	104	—	(18)	86
Total available-for-sale debt securities	$ 7,576	$ 18	$ (25)	$ 7,569

As of September 30, 2025, the contractual maturities of our available-for-sale debt securities, excluding those securities classified within cash and cash equivalents on the condensed consolidated balance sheet and mortgage-backed and asset-backed securities that do not have a single maturity, did not exceed 37 months. The fair values of available-for-sale debt securities, by remaining contractual maturity, are as follows (in millions):

	September 30, 2025
Due within 1 year	$ 2,686
Due in 1 year through 5 years	4,176
Instruments not due in single maturity	90
Total	$ 6,952

As of September 30, 2025 and December 31, 2024, unrealized losses of $15 million and $18 million, respectively, are from available-for-sale debt securities in a continuous unrealized loss position greater than 12 months. As of September 30, 2025, the fair value of available-for-sale debt securities in a continuous unrealized loss position totaled $362 million, the majority of which has been in a continuous unrealized loss position for greater than 12 months. As of December 31, 2024, the fair value of available-for-sale debt securities in a continuous unrealized loss position totaled $2,419 million, the majority of which was in a continuous unrealized loss position for less than 12 months.

For all available-for-sale debt securities that were in unrealized loss positions, we have determined that it is more likely than not we will hold the securities until maturity or a recovery of the cost basis. Unrealized losses on available-for-sale debt securities were due primarily to changes in market interest rates, and credit-related impairment losses were immaterial as of September 30, 2025.

Strategic Investments

As of September 30, 2025 and December 31, 2024, the total amount of strategic investments in privately-held companies on our condensed consolidated balance sheets was $1,508 million and $472 million, respectively. Our strategic investments are predominantly comprised of non-marketable equity investments, which are primarily accounted for using the measurement alternative. Under this approach, the investments are measured at cost, minus impairment, if any, plus or minus changes resulting from qualifying observable price changes resulting from the issuance of similar or identical securities in an orderly transaction by the same issuer. Determining whether an observed transaction is similar to a security within our portfolio requires judgment based on the rights and preferences of the securities. Recording upward and downward adjustments to the carrying value of our non-marketable equity investments as a result of observable price changes requires quantitative assessments of the fair value of our non-marketable equity investments using various valuation methodologies and involves the use of estimates. The adjustments made during the three and nine months ended September 30, 2025 and 2024 were immaterial. The remaining strategic investments are accounted for using the equity method of accounting as we have the ability to exercise significant influence but not control over the investee. For the three and nine months ended September 30, 2025 and 2024, our share of the investee's results of operations included in other income (expense), net in our condensed consolidated statements of comprehensive income was immaterial. We classify these fair value measurements as Level 3 within the fair value hierarchy.

In September 2025, the Company purchased $750 million of preferred shares of Genesys, a privately-held AI-powered experience orchestration software company.

(4) Fair Value Measurements

The following table presents our fair value hierarchy for our assets measured at fair value on a recurring basis as of September 30, 2025 (in millions):

	Level 1	Level 2	Total
Cash equivalents:			
Money market funds	$ 1,486	$ —	$ 1,486
Commercial paper	—	51	51
Deposits	404	—	404
U.S. government and agency securities	—	64	64
Marketable securities:			
Commercial paper	—	293	293
Corporate notes and bonds	—	5,107	5,107
Certificates of deposit	—	41	41
U.S. government and agency securities	—	1,421	1,421
Mortgage-backed and asset-backed securities	—	90	90
Total	$ 1,890	$ 7,067	$ 8,957

The following table presents our fair value hierarchy for our assets measured at fair value on a recurring basis as of December 31, 2024 (in millions):

	Level 1	Level 2	Total
Cash equivalents:			
Money market funds	$ 1,357	$ —	$ 1,357
Commercial paper	—	23	23
Corporate notes and bonds	—	4	4
Deposits	391	—	391
U.S. government and agency securities	—	14	14
Marketable securities:			
Commercial paper	—	336	336
Corporate notes and bonds	—	4,976	4,976
Certificates of deposit	—	67	67
U.S. government and agency securities	—	2,104	2,104
Mortgage-backed and asset-backed securities	—	86	86
Total	$ 1,748	$ 7,610	$ 9,358

We determine the fair value of our security holdings based on pricing from our service providers and market prices from industry-standard independent data providers. Such market prices may be quoted prices in active markets for identical assets (Level 1 inputs), pricing determined using inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) or using unobservable inputs that are supported by little or no market activity (Level 3 inputs). Our strategic investments are not included in the table above and are discussed in Note 3. Refer to Note 8 for the fair value measurement of our derivative contracts and Note 11 for the fair value measurement of our long-term debt, which are also not included in the table above.

(5) Business Combinations

2025 Business Combinations

On May 30, 2025, we acquired all outstanding shares of Logik.io Inc., a provider of an AI-powered, composable Configure, Price, Quote (“CPQ”) solution for total purchase consideration of $506 million, which consists primarily of 0.4 million shares of ServiceNow common stock with a value of approximately $434 million and $62 million in cash. The fair value of the stock consideration is based on the May 30, 2025 closing price of ServiceNow common stock at $1,011.09. The acquisition is intended to expand our growing CRM footprint and accelerate our sales and order management capabilities with the acquired CPQ solutions technology.

The purchase price was allocated based on the estimated fair value of the developed technology intangible asset of $85 million (5-year estimated useful life), customer-related and backlog assets of $14 million (3-year estimated useful life), net tangible assets of $25 million, deferred tax liabilities of $22 million and goodwill of $404 million, which is not deductible for income tax purposes.

Goodwill is primarily attributed to the value expected from synergies resulting from the business combination. The fair values assigned to tangible and intangible assets acquired, liabilities assumed and income taxes payable and deferred taxes are based on management’s estimates and assumptions.

In July 2025, we completed the acquisition of data.world, Inc., a leader in enterprise data cataloging and governance. The acquisition is intended to strengthen the Company’s AI platform by allowing customers to enrich data with meaning, context and relationships while enabling AI agents and workflows to operate. The acquisition is not material to our condensed consolidated financial statements.

During the nine months ended September 30, 2025, we also completed other acquisitions that were not material to our condensed consolidated financial statements, either individually or in the aggregate.

We have included the financial results of the business combinations in the condensed consolidated financial statements from the date of acquisition, which were not material.

Pending Business Combination

In March 2025, we signed a definitive agreement to acquire Moveworks, Inc. (“Moveworks”), a privately-held company that provides agentic AI assistants that connect enterprise systems, for approximately $2.9 billion. The determination of the final value of purchase consideration, payable in a combination of equity and cash, will depend on the Company's stock price at the close of the transaction, subject to customary purchase price adjustments. The acquisition is expected to close during the fourth quarter of 2025 or early 2026, subject to customary regulatory approvals and closing conditions.

As contemplated by the terms of the definitive agreement, in August 2025, the Company and Moveworks entered into a term loan credit agreement pursuant to which Moveworks drew $25 million and may draw up to an additional $75 million if the definitive agreement is validly terminated under certain conditions. Loan amounts under this arrangement will mature in August 2032 and are included in other assets on the condensed consolidated balance sheets.

2024 Business Combinations

During the year ended December 31, 2024, we completed certain acquisitions for total purchase consideration of $112 million, primarily to enhance our products with the acquired technology and engineering workforce. The acquisitions were not material to our condensed consolidated financial statements, either individually or in the aggregate.

(6) Goodwill and Intangible Assets

The changes in the carrying amounts of goodwill were as follows (in millions):

	Carrying Amount
Balance as of December 31, 2024	$ 1,273
Goodwill acquired	473
Foreign currency translation adjustments	74
Balance as of September 30, 2025	$ 1,820

Intangible assets, net consists of the following (in millions):

	September 30, 2025	December 31, 2024
Developed technology	$ 811	$ 581
Patents	83	83
Other	45	11
Intangible assets, gross	$ 939	$ 675
Less: accumulated amortization	(548)	(466)
Intangible assets, net	$ 391	$ 209

The weighted-average useful life of the acquired developed technology for the nine months ended September 30, 2025 and 2024 was approximately five years. Amortization expense for intangible assets for the three months ended September 30, 2025 and 2024 was $33 million and $23 million, respectively, and for the nine months ended September 30, 2025 and 2024 was $79 million and $71 million, respectively.

The following table presents the estimated future amortization expense related to intangible assets held at September 30, 2025 (in millions):

Fiscal Period:	
Remainder of 2025	$ 36
2026	103
2027	91
2028	78
2029	60
Thereafter	23
Total future amortization expense	$ 391

(7) Property and Equipment

Property and equipment, net consists of the following (in millions):

	September 30, 2025	December 31, 2024
Computer equipment	$ 3,174	$ 2,697
Computer software	121	106
Leasehold and other improvements	413	320
Furniture and fixtures	109	85
Construction in progress	86	63
Property and equipment, gross	3,903	3,271
Less: Accumulated depreciation	(1,776)	(1,508)
Property and equipment, net	$ 2,127	$ 1,763

Construction in progress consists of costs primarily related to leasehold and other improvements. Depreciation expense for the three months ended September 30, 2025 and 2024 was $133 million and $96 million, respectively, and for the nine months ended September 30, 2025 and 2024 was $365 million and $264 million, respectively.

(8) Derivative Contracts

Derivatives Designated as Hedging Instruments

We enter into forward contracts to hedge a portion of our forecasted foreign currency denominated revenues. These forward contracts are recorded at fair value and have maturities of up to 34 months. We had outstanding cash flow hedges with total notional values of $1.8 billion and $1.7 billion as of September 30, 2025 and December 31, 2024, respectively. We classify cash flows related to our cash flow hedges as operating activities in our condensed consolidated statements of cash flows.

The total gross fair values of derivatives designated as hedging instruments recorded within the condensed consolidated balance sheets were as follows (in millions):

Condensed Consolidated Balance Sheets Location	September 30, 2025	December 31, 2024
Prepaid expenses and other current assets	$ 4	$ 55
Other assets	$ 2	$ 10
Accrued expenses and other current liabilities	$ (60)	$ (1)
Other long-term liabilities	$ (22)	$ —

As of September 30, 2025, approximately $56 million of the pre-tax derivative losses from accumulated other comprehensive income (loss) is expected to be recognized in subscription revenues within the next 12 months.

All hedging relationships are formally documented at the inception of the hedge and the hedges must be highly effective in offsetting changes to future cash flows on hedged transactions. We evaluate hedge effectiveness at the inception of the hedge prospectively, and on an ongoing basis both retrospectively and prospectively. We report changes in fair value of these cash flow hedges as a component of accumulated other comprehensive income (loss) and subsequently reclassify into earnings in the same period the forecasted transaction affects earnings. Amounts reclassified to subscription revenues were a loss of $16 million and $24 million for the three and nine months ended September 30, 2025, respectively, and a loss of $2 million and a gain of $3 million for the three and nine months ended September 30, 2024, respectively. There was no ineffectiveness in the Company’s cash flow hedging program for each of the three and nine months ended September 30, 2025 and 2024.

Derivatives not Designated as Hedging Instruments

Our derivatives not designated as hedging instruments consist of foreign currency forward contracts that we primarily use to hedge monetary assets and liabilities denominated in non-functional currencies. These foreign currency forward contracts are recorded at fair value and have maturities of 12 months or less. The changes in the fair value of these contracts are recorded in other income (expense), net on the condensed consolidated statements of comprehensive income. For the periods ended September 30, 2025 and December 31, 2024, we had foreign currency forward contracts with total notional values of $3.0 billion and $2.2 billion, respectively, which were not designated as hedging instruments. The gross fair value of these foreign currency forward contracts was immaterial as of September 30, 2025 and December 31, 2024. The gains recognized for foreign currency forward contracts from derivatives not designated as hedging instruments in other income (expense), net of $100 million, primarily offset the remeasurement losses of the related foreign currency denominated assets and liabilities of $114 million for the nine months ended September 30, 2025. The gains (losses) recognized for foreign currency forward contracts from derivatives not designated as hedging instruments were immaterial for the three months ended September 30, 2025 and each of the three and nine months ended September 30, 2024. Realized gains (losses) from settlement of the derivative assets and liabilities are classified as investing activities in the condensed consolidated statements of cash flows.

All foreign currency forward contracts, both designated and not designated as hedging instruments, are classified within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments in active markets, such as currency spot and forward rates.

(9) Supply Chain Finance Program

Our supply chain finance ("SCF") program provides suppliers with the opportunity to sell their receivables due from us to a global financial institution acting as our paying agent. A supplier's election to receive early payment at a discounted amount from the financial institution does not change the amount that we must remit to the financial institution on our payment date, which is generally 90 days from the invoice date. Participating suppliers negotiate their sales of receivables directly with the financial institution at their sole discretion and we have no economic interest in a supplier's decision to participate in the SCF program. We do not have pledged assets or other guarantees under our SCF program. Our outstanding payment obligations to suppliers participating in the SCF program totaled $32 million as of September 30, 2025. These obligations are included in accounts payable in our condensed consolidated balance sheets and all activity related to these obligations is presented within operating activities in our condensed consolidated statements of cash flows.

(10) Deferred Revenue and Performance Obligations

Revenues recognized from beginning period deferred revenue during the three months ended September 30, 2025 and 2024 were $3.0 billion and $2.5 billion, respectively, and $6.1 billion and $5.1 billion for the nine months ended September 30, 2025 and 2024, respectively.

Remaining Performance Obligations

Transaction price allocated to remaining performance obligations ("RPO") represents contracted revenue that has not yet been recognized, which includes deferred revenue and non-cancellable amounts that will be invoiced and recognized as revenues in future periods. RPO excludes contracts that are billed in arrears, such as certain time and materials contracts, as we apply the "right to invoice" practical expedient under relevant accounting guidance.

As of September 30, 2025, the total non-cancellable RPO under our contracts with customers was $24.3 billion and we expect to recognize revenues on approximately 47% of these RPO over the following 12 months. The majority of the non-current RPO will be recognized over the next 13 to 36 months.

(11) Debt

For the periods ended September 30, 2025 and December 31, 2024, the carrying value of our outstanding debt was $1,491 million and $1,489 million, respectively, net of unamortized debt discount and issuance costs of $9 million and $11 million, respectively.

We consider the fair value of the 2030 Notes at September 30, 2025 and December 31, 2024 to be a Level 2 measurement. The estimated fair value of the 2030 Notes based on the closing trading price per $100, was $1,314 million and $1,247 million at September 30, 2025 and December 31, 2024, respectively.

2030 Notes

In August 2020, we issued 1.40% fixed rate ten-year notes with an aggregate principal amount of $1.5 billion due on September 1, 2030 (the "2030 Notes"). The 2030 Notes were issued at 99.63% of principal and we incurred $13 million for debt issuance costs. The effective interest rate for the 2030 Notes was 1.53% and included interest payable, amortization of debt issuance cost and amortization of debt discount. Interest is payable semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2021, and the entire outstanding principal amount is due at maturity on September 1, 2030. The 2030 Notes are unsecured obligations and the indentures governing the 2030 Notes contain customary events of default and covenants that, among others and subject to exceptions, restrict our ability to incur or guarantee debt secured by liens on specified assets or enter into sale and lease-back transactions with respect to specified properties.

(12) Accumulated Other Comprehensive Income (Loss)

The following tables show the components of accumulated other comprehensive income (loss), net of tax, in the stockholders' equity section of our condensed consolidated balance sheets (in millions):

	Unrealized Gains (Losses) on Derivative Instruments	Unrealized Gains (Losses) on Marketable Securities	Foreign Currency Translation Adjustment	Total
Balance as of December 31, 2024	$ 50	$ (27)	$ (91)	$ (68)
Other comprehensive (loss) income before reclassifications	(139)	26	140	27
Amounts reclassified from accumulated other comprehensive loss	24	—	—	24
Net current period other comprehensive (loss) income	(115)	26	140	51
Balance as of September 30, 2025	$ (65)	$ (1)	$ 49	$ (17)

	Unrealized Gains (Losses) on Derivative Instruments	Unrealized Gains (Losses) on Marketable Securities	Foreign Currency Translation Adjustment	Total
Balance as of December 31, 2023	$ —	$ (39)	$ 2	$ (37)
Other comprehensive (loss) income before reclassifications	(27)	44	3	20
Amounts reclassified from accumulated other comprehensive loss	(3)	—	—	(3)
Net current period other comprehensive (loss) income	(30)	44	3	17
Balance as of September 30, 2024	$ (30)	$ 5	$ 5	$ (20)

(13) Stockholders' Equity

Common Stock

We are authorized to issue a total of 600 million shares of common stock as of September 30, 2025. Holders of our common stock are not entitled to receive dividends unless declared by our board of directors. As of September 30, 2025, we had 208 million shares of common stock, net of treasury stock, outstanding and had reserved shares of common stock for future issuance as follows (in thousands):

	September 30, 2025
Stock plans:	
Options outstanding	882
RSUs(1)	5,456
Shares of common stock available for future grants:	
Amended and Restated 2021 Equity Incentive Plan(2)	7,668
Amended and Restated 2012 Employee Stock Purchase Plan(2)	7,779
Total shares of common stock reserved for future issuance	21,785

(1) Represents the number of shares issuable upon settlement of outstanding restricted stock units (“RSUs”) and performance-based RSUs (“PRSUs”), as discussed in Note 14.
(2) Refer to Note 14 for a description of these plans.

During the nine months ended September 30, 2025 and 2024, we issued a total of 1.9 million and 2.1 million shares, respectively, from stock option exercises, vesting of RSUs, net of employee payroll taxes, and purchases from the employee stock purchase plan (“ESPP”).

Treasury Stock

In May 2023, our board of directors authorized a program to repurchase up to $1.5 billion of our common stock (the “Share Repurchase Program”). In January 2025, our board of directors authorized an additional $3.0 billion in repurchases under the Share Repurchase Program. Under the program, we may repurchase our common stock from time to time through open market purchases, in privately negotiated transactions, or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, in accordance with applicable securities laws and other restrictions. The Share Repurchase Program does not have a fixed expiration date, may be suspended or discontinued at any time, and does not obligate us to acquire any amount of common stock. The timing, manner, price, and amount of any repurchases will be determined by us at our discretion and will depend on a variety of factors, including business, economic and market conditions, prevailing stock prices, corporate and regulatory requirements, and other considerations.

During the three and nine months ended September 30, 2025, the Company repurchased 0.6 million and 1.3 million shares of its common stock for $584 million and $1,243 million, respectively. During the three and nine months ended September 30, 2024, the Company repurchased 0.3 million and 0.5 million shares of its common stock for $225 million and $400 million, respectively. All repurchases were made in open market transactions. Repurchases of common stock are recognized as treasury stock and held for future issuance. As of September 30, 2025, approximately $2.0 billion of the authorized amount under the Share Repurchase Program remained available for future repurchases.

(14) Equity Awards

We have three equity incentive plans: 2012 Equity Incentive Plan (the "2012 Plan"), amended and restated 2021 Equity Incentive Plan (the "2021 Plan") and 2022 New-Hire Equity Incentive Plan (the "2022 Plan"). The 2012 Plan was terminated in connection with the initial approval of the 2021 Plan on June 7, 2021 but continues to govern the terms of outstanding equity awards that were granted prior to the termination of the 2012 Plan. As of June 7, 2021, we no longer grant equity awards pursuant to the 2012 Plan. The 2021 Plan, as amended and restated, was approved by the shareholders on June 1, 2023 to increase shares available for future grants by approximately 10 million shares. Upon effectiveness of the 2021 Plan, as amended and restated, the 2022 Plan was terminated, and no additional awards under the 2022 Plan have been made since the amendment and restatement of the 2021 Plan. Outstanding equity awards under the 2022 Plan continue to be subject to the terms and conditions of the 2022 Plan.

The 2021 Plan and the 2012 Plan provide for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, RSUs, performance-based stock awards and other forms of equity compensation (collectively, "equity awards"). The 2022 Plan permits the grant of any of the foregoing awards with the exception of incentive stock options. In addition, the 2022 Plan, the 2021 Plan and the 2012 Plan provide for the grant of performance cash awards. Incentive stock options may be granted only to employees. All other equity awards may be granted to employees, including officers, as well as directors and consultants.

Our Amended and Restated 2012 Employee Stock Purchase Plan (the "2012 ESPP") authorizes the issuance of shares of common stock pursuant to purchase rights granted to our employees. The price at which common stock is purchased under the 2012 ESPP is equal to 85% of the fair market value of our common stock on the first or last day of the offering period, whichever is lower. Offering periods are six months long and begin on February 1 and August 1 of each year. The number of shares of common stock reserved for issuance will not be increased without shareholder approval.

Stock Options

A summary of stock option activity for the nine months ended September 30, 2025 was as follows:

	Number of Shares (in thousands)	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2024	948	$ 619.43		
Exercised	(35)	$ 597.37		$ 11
Forfeited	(31)	$ 655.65		
Outstanding as of September 30, 2025	882	$ 619.01	5.8	$ 266
Vested and expected to vest as of September 30, 2025	850	$ 616.48	5.8	$ 258
Vested and exercisable as of September 30, 2025	510	$ 569.35	5.5	$ 179

Aggregate intrinsic value represents the difference between the estimated fair value of our common stock and the exercise price of outstanding, in-the-money options.

The total fair value of stock options vested during the nine months ended September 30, 2025 was $26 million. No stock options were granted during the nine months ended September 30, 2025.

During the year ended December 31, 2021, a one-time long-term performance-based option award was granted to the Chief Executive Officer ("2021 CEO Performance Award") and to certain executives (collectively "2021 Performance Awards") under the 2021 Plan at a total grant date fair value of $232 million. The 2021 Performance Awards will vest in eight equal tranches based on service and achievement of both performance and market conditions, subject to continued employment and specifically for the 2021 CEO Performance Award, as CEO or Executive Chairman of the Company, through each vesting date. The performance and market conditions for a particular tranche may be achieved at different points in time and in any order but will become eligible to vest only when all service, performance and market conditions for the respective tranche are met, but no earlier than two years from date of grant. The performance and market conditions must be achieved by September 30, 2026 (the "Performance Period"). The stock price metric will be achieved when both the 180-day volume weighted-average price ("VWAP") and the 30-day VWAP equal or exceed the respective tranche stock price metric on any day during the Performance Period. The performance metric is achieved when the trailing four-quarter cumulative GAAP subscription revenues equal or exceed the respective tranche performance target. Shares acquired upon exercise of the options cannot be sold, transferred or disposed until after the end of the Performance Period and the 2021 Performance Awards will expire ten years from the respective date of grant. During the nine months ended September 30, 2025, the fourth tranche was vested based on the achievement of both the performance and market conditions.

The fair value of the 2021 Performance Awards and the corresponding derived service periods were estimated using the Monte Carlo simulation. Stock-based compensation expense is recognized on a graded vesting basis over the requisite service period for each respective tranche, but not shorter than the two-year minimum service period, and includes an assessment of when it is probable the performance condition will be achieved, which involves a subjective assessment of our future financial projections.

As of September 30, 2025, total unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested stock options was $1 million. The weighted-average remaining vesting period of unvested stock options at September 30, 2025 was less than one year.

RSUs

A summary of RSU activity for the nine months ended September 30, 2025 was as follows:

	Number of Shares	Weighted-Average Grant-Date Fair Value Per Share
	(in thousands)	
Outstanding as of December 31, 2024	5,788	$ 630.10
Granted	2,394	$ 987.44
Vested	(2,229)	$ 635.60
Forfeited	(497)	$ 703.06
Outstanding as of September 30, 2025	5,456	$ 778.03
Expected to vest as of September 30, 2025	4,915	

RSUs outstanding as of September 30, 2025 were comprised of 5.1 million RSUs with only service conditions and 0.4 million RSUs with both service conditions and performance conditions, including certain RSUs with additional market conditions. The total intrinsic value of the RSUs vested was $2.1 billion for the nine months ended September 30, 2025. As of September 30, 2025, the aggregate intrinsic value of RSUs outstanding was $5.0 billion and RSUs expected to vest was $4.5 billion.

PRSUs have service, performance and market vesting conditions. The ultimate number of shares eligible to vest range from 0% to 200%, subject to our board of directors compensation committee's approval of performance metrics achievement and, for certain PRSUs, total shareholder return relative to that of the S&P 500 index. The eligible shares subject to PRSUs granted during the nine months ended September 30, 2025 will vest in one to three years contingent on each holder's continuous status as an employee on the applicable vesting dates. The number of PRSUs granted included in the table above reflects the shares that could be eligible to vest at 100% of target for PRSUs and includes adjustments for over or under achievement for PRSUs granted in the prior year.

We recognized $119 million and $106 million of stock-based compensation expense, net of actual and estimated forfeitures, associated with PRSUs on a graded vesting basis during the nine months ended September 30, 2025 and 2024, respectively.

As of September 30, 2025, total unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested RSUs was $3.4 billion, and the weighted-average remaining vesting period was approximately three years.

(15) Net Income Per Share

Basic net income per share attributable to common stockholders is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, adjusted for the effects of dilutive shares of common stock, which are comprised of outstanding stock options, RSUs and ESPP obligations. Stock awards with performance or market conditions are included in dilutive shares to the extent all conditions are met. The potentially dilutive shares of common stock are computed using the treasury stock method or the as-if converted method, as applicable. The effects of outstanding stock options, RSUs and ESPP obligations are excluded from the computation of diluted net income per share in periods in which the effect would be antidilutive.

The following table presents the calculation of basic and diluted net income per share attributable to common stockholders (in millions, except for number of shares reflected in thousands and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income	$ 502	$ 432	$ 1,347	$ 1,041
Denominator:				
Weighted-average shares outstanding - basic	207,630	206,158	207,192	205,639
Weighted-average effect of potentially dilutive securities:				
Common stock options, RSUs and ESPP obligations	1,875	2,394	2,178	2,365
Weighted-average shares outstanding - diluted	209,505	208,552	209,370	208,004
Net income per share - basic	$ 2.42	$ 2.09	$ 6.50	$ 5.06
Net income per share - diluted	$ 2.40	$ 2.07	$ 6.43	$ 5.00
Common stock options, RSUs and ESPP obligations excluded from diluted net income per share because their effect would have been anti-dilutive	2,387	1,082	2,418	2,715

(16) Provision for Income Taxes

We compute our provision for income taxes by applying the estimated annual effective tax rate to year-to-date income from recurring operations and adjust the provision for discrete tax items recorded in the period.

Our income tax provision was $192 million and $373 million for the three and nine months ended September 30, 2025, respectively, and $84 million and $234 million for the three and nine months ended September 30, 2024, respectively. The income tax provision was primarily attributable to the mix of earnings and losses in countries with differing statutory tax rates, offset by excess tax benefits of stock-based compensation.

We are subject to taxation in the United States and foreign jurisdictions. As of September 30, 2025, our tax years 2004 to 2024 remain subject to examination in most jurisdictions.

Due to differing interpretations of tax laws and regulations, tax authorities may dispute our tax filing positions. We periodically evaluate our exposures associated with our tax filing positions and believe that adequate amounts have been reserved for adjustments that may result from tax examinations.

On July 4, 2025, H.R. 1, the "One Big Beautiful Bill Act," was enacted into law, bringing significant amendments to the U.S. tax code. This legislation extends and modifies provisions from the 2017 Tax Cuts and Jobs Act and introduces new tax measures affecting both businesses and individuals. The enacted legislation had an immaterial impact on the Company’s effective tax rate for the three months ended September 30, 2025. The Company will continue to monitor any future changes in its business or interpretations of the new tax law that could affect its tax position in subsequent periods.

(17) Commitments and Contingencies

Operating Leases

For some of our offices and data centers, we have entered into non-cancellable operating lease agreements with various expiration dates through 2036. Certain lease agreements include options to renew or terminate the lease, which are not reasonably certain to be exercised and therefore are not factored into our determination of lease payments.

Total operating lease costs were $37 million and $109 million for the three and nine months ended September 30, 2025, respectively, and $33 million and $98 million for the three and nine months ended September 30, 2024, respectively.

For the nine months ended September 30, 2025 and 2024, total cash paid for amounts included in the measurement of operating lease liabilities was $80 million and $61 million, respectively. Operating lease liabilities arising from obtaining operating right-of-use assets totaled $195 million and $21 million for the nine months ended September 30, 2025 and 2024, respectively.

As of September 30, 2025, the weighted-average remaining lease term is approximately eight years, and the weighted-average discount rate is 4%.

Maturities of operating lease liabilities as of September 30, 2025 are presented in the table below (in millions):

Fiscal Period:		
Remainder of 2025	$	35
2026		142
2027		139
2028		138
2029		130
Thereafter		488
Total operating lease payments		1,072
Less: imputed interest		(161)
Present value of operating lease liabilities	$	911

Other Commitments

Other contractual commitments primarily consist of data center and IT operations, cloud services and sales and marketing activities related to our daily business operations. There were no material contractual obligations that were entered into during the nine months ended September 30, 2025 that were outside the ordinary course of business. We have entered into various non-cancellable agreements with cloud service providers, under which we have committed to spend an aggregate of approximately $4.8 billion through 2030 on cloud services. As of September 30, 2025, we have remaining payments under these agreements of approximately $180 million for the remainder of fiscal 2025, $340 million in fiscal 2026, $330 million in fiscal 2027, $500 million in fiscal 2028, $630 million in fiscal 2029 and $2.8 billion in 2030. Payment schedules vary from the timing of actual service consumption. In addition, we have entered into a non-cancellable agreement with an information technology equipment provider, under which we have committed to spend $1.9 billion through 2028 on capital expenditures to expand our data centers.

In addition to the amounts above, the repayment of our 2030 Notes with an aggregate principal amount of $1.5 billion is due on September 1, 2030. Refer to Note 11 for further information regarding our 2030 Notes.

Further, $102 million of unrecognized tax benefits have been recorded as liabilities as of September 30, 2025.

Legal Proceedings

We are party to certain litigation and other legal proceedings. While legal proceedings are inherently unpredictable and subject to uncertainties, we do not believe the ultimate resolution of any such proceedings is likely to result in a material loss. We accrue for loss contingencies when it is both probable that we will incur the loss and when we can reasonably estimate the amount of the loss or range of loss.

Other

As previously disclosed, through its internal processes, the Company received a complaint that raised potential compliance issues related to one of its government contracts. The Company initiated an internal investigation, with the assistance of outside legal counsel, into the validity of these claims that concern the hiring of the Chief Information Officer of the U.S. Army as the Company's Head of Global Public Sector in March 2023. As a result of the investigation, the Company's board of directors determined that the Company's President and Chief Operating Officer and the hired individual violated Company policy regarding a possible conflict relating to such individual's hiring. On July 24, 2024, the Company and its President and Chief Operating Officer came to a mutual agreement that he would resign from all positions with the Company, effective immediately. The other individual also has departed the Company. The Company has informed the Department of Justice, the Department of Defense Office of Inspector General and the Army Suspension and Debarment Office of the investigation and is continuing to cooperate with the Department of Justice, which has commenced its own investigation into these matters. The Company cannot predict the timing, outcome or possible impact of the investigation.

Indemnification Provisions

Our agreements include provisions indemnifying customers against intellectual property and other third-party claims. In addition, we have entered into indemnification agreements with our directors, executive officers and certain other officers that will require us, among other things, to indemnify them against certain liabilities that may arise as a result of their affiliation with us. We have not incurred any costs as a result of such indemnification obligations and have not recorded any liabilities related to such obligations in the condensed consolidated financial statements.

(18) Segment and Geographic Information

Segment Information

Our chief operating decision maker ("CODM"), the Chief Executive Officer, manages the Company's business activities as a single operating and reportable segment at the consolidated level. Accordingly, our CODM uses consolidated net income to measure segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (cost of revenues, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company's operations. Other segment items included in consolidated net income are interest income, other income (expense), net and the provision for income taxes, which are reflected in the condensed consolidated statements of comprehensive income.

Geographic Information

Revenues by geographic area, based on the location of our users, were as follows for the periods presented (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
North America[1]	$ 2,133	$ 1,778	$ 6,102	$ 5,080
EMEA[2]	873	700	2,489	2,037
Asia Pacific and other	401	319	1,119	910
Total revenues	$ 3,407	$ 2,797	$ 9,710	$ 8,027

Property and equipment, net by geographic area were as follows (in millions):

	September 30, 2025	December 31, 2024
North America[3]	$ 1,331	$ 1,144
EMEA[2]	532	428
Asia Pacific and other	264	191
Total property and equipment, net	$ 2,127	$ 1,763

(1) Revenues attributed to the United States were 94% of North America revenues for each of the three and nine months ended September 30, 2025 and 2024.
(2) Europe, the Middle East and Africa ("EMEA").
(3) Property and equipment, net attributed to the United States were 81% and 79% of property and equipment, net attributable to North America as of September 30, 2025 and December 31, 2024, respectively.

(19) Subsequent Event

On October 29, 2025, we announced that our Board of Directors approved a 5-for-1 split of our common stock, with a proportionate increase in authorized shares of common stock. The stock split and increase in authorized shares of common stock, to be effected by an Amended and Restated Certification of Incorporation, is subject to shareholder approval at a Special Meeting of Shareholders scheduled to take place on December 5, 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with the (1) unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q, and (2) the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2024 included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), on January 30, 2025. This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," or "continue," and similar expressions or variations. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those identified herein, and those discussed in the section titled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K filed with the SEC on January 30, 2025 and in Part II, Item 1A of this Quarterly Report on Form 10-Q and in our other SEC filings. We disclaim any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Investors and others should note that we announce material financial information to our investors using our investor relations website (https://www.servicenow.com/company/investor-relations.html), SEC filings, press releases, public conference calls and webcasts. We use these channels, as well as social media, to communicate with our investors and the public about our Company, our services and other issues. It is possible that the information we post on social media could be deemed to be material information. Therefore, we encourage investors, the media and others interested in our Company to review the information we post on the social media channels listed on our investor relations website.

Our free cash flow and non-GAAP consolidated income from operations measures included in the section entitled "Key Business Metrics—Free Cash Flow," and "Key Business Metrics—Non-GAAP Consolidated Income from Operations" are not in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). These non-GAAP financial measures are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. These measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP results, to more fully understand our business.

Overview

ServiceNow was founded on a simple premise: to make work flow better. Our intelligent platform, the Now Platform, is a cloud-based solution that helps enterprises and organizations across public and private sectors digitize workflows, in line with our purpose of making the world work better for everyone. Our workflow applications built on the Now Platform are organized along four primary areas: Technology, CRM and Industry, Core Business and Creator. The Now Platform is the AI platform for digital transformation. Transformations enabled by the Now Platform rapidly automate business processes across an entire enterprise by seamlessly connecting disparate departments, systems and silos to unlock productivity and improve experiences for both employees and customers.

We are closely monitoring the ongoing conflicts in Russia/Ukraine and the Middle East. While these events are still evolving and the outcomes remain highly uncertain, we do not believe these conflicts will have a material impact on our business and results of operations. However, if the conflicts continue or worsen, leading to greater global economic disruptions and uncertainty, our business and results of operations could be materially impacted. Our customers in these regions represented an immaterial portion of our net assets as of September 30, 2025 and December 31, 2024, and of our total consolidated revenues for each of the three and nine months ended September 30, 2025 and 2024.

Additionally, other macroeconomic events, including interest rates, global inflation, the U.S. government shutdown and tariffs, have led to economic uncertainty in the global economy. To mitigate risk, our cash and cash equivalents are distributed across several large financial institutions and are not concentrated in one financial institution. We have not experienced any impact to our liquidity or to our current and projected business operations and financial condition due to recent macroeconomic events. Further, we have policy restrictions on the types of securities that can be purchased as part of our available-for-sale debt securities portfolio. These restrictions take industry and company concentration limits into consideration among other things. We will continue to monitor the direct and indirect impact of macroeconomic events on our business and financial results.

See the “Risk Factors” section in Part I, Item 1A of our Annual Report on Form 10-K filed with the SEC on January 30, 2025 for further discussion of the possible impact of conflicts and macroeconomic events on our business and financial results.

Key Business Metrics

Remaining performance obligations. Transaction price allocated to remaining performance obligations (“RPO”) represents contracted revenue that has not yet been recognized, which includes deferred revenue and non-cancellable amounts that will be invoiced and recognized as revenue in future periods. RPO excludes contracts that are billed in arrears, such as certain time and materials contracts, as we apply the “right to invoice” practical expedient under relevant accounting guidance. Current remaining performance obligations (“cRPO”) represents RPO that will be recognized as revenue in the next 12 months.

As of September 30, 2025, our RPO was $24.3 billion, of which 47% represented cRPO. RPO and cRPO increased by 24% and 21%, respectively, compared to September 30, 2024. Factors that may cause our RPO to vary from period to period include the following:

- *Foreign currency exchange rates*. While a majority of our contracts have historically been in U.S. Dollars, an increasing percentage of our contracts in recent periods has been in foreign currencies, particularly the Euro and British Pound Sterling. Fluctuations in foreign currency exchange rates as of the balance sheet date will cause variability in our RPO.

- *Mix of offerings*. In a minority of cases, we allow our customers to host our software by themselves or through a third-party service provider. In self-hosted offerings, we recognize a portion of the revenue upfront upon the delivery of the software and as a result, such revenue is excluded from RPO.

- *Subscription start date*. From time to time, we enter into contracts with a subscription start date in the future and these amounts are included in RPO if such contracts are signed by the balance sheet date.

- *Timing of contract renewals*. While customers typically renew their contracts at the end of the contract term, from time to time, customers may do so either before or after the scheduled expiration date. For example, in cases where we are successful in selling additional products or services to an existing customer, a customer may decide to renew its existing contract early to ensure that all its contracts expire on the same date. In other cases, prolonged negotiations or other factors may result in a contract not being renewed until after it has expired.

- *Contract duration*. While we typically enter into multi-year subscription services, the duration of our contracts varies. Further, we continue to see an increase in the number of 12-month agreements entered into with the U.S. federal government throughout the year, with the highest number of agreements entered into in the quarter ended September 30, driven primarily by timing of their annual budget expenditures. We sometimes also enter into contracts with durations that have a 12-month or shorter term to enable the contracts to co-terminate with the existing contract. The contract duration will cause variability in our RPO.

Number of customers with ACV greater than $5 million. We count the total number of customers with annual contract value ("ACV") greater than $5 million as of the end of the period. We had 553 and 469 customers with ACV greater than $5 million as of September 30, 2025 and 2024, respectively. For purposes of customer count, a customer is defined as an entity that has a unique Dunn & Bradstreet Global Ultimate ("GULT") Data Universal Numbering System ("DUNS") number and an active subscription contract as of the measurement date. The DUNS number is a global standard for business identification and tracking. We make exceptions for holding companies, government entities and other organizations for which the GULT, in our judgment, does not accurately represent the ServiceNow customer. For example, while all U.S. government agencies roll up to "Government of the United States" under the GULT, we count each government agency that we contract with as a separate customer. Our customer count is subject to adjustments for acquisitions, spin-offs and other market activity; accordingly, we restate previously disclosed number of customers with ACV greater than $5 million calculations to allow for comparability. ACV is calculated based on the foreign exchange rate in effect at the time the contract was signed. Foreign exchange rate fluctuations could cause some variability in the number of customers with ACV greater than $5 million. We believe information regarding the total number of customers with ACV greater than $5 million provides useful information to investors because it is an indicator of our growing customer base and demonstrates the value customers are receiving from the Now Platform.

Free cash flow. We define free cash flow, a non-GAAP financial measure, as GAAP net cash provided by operating activities plus cash outflows for legal settlements and business combination and other related costs including compensation expense, reduced by purchases of property and equipment. Purchases of property and equipment are otherwise included in cash used in investing activities under GAAP. We believe information regarding free cash flow provides useful information to investors because it is an indicator of the strength and performance of our business operations. However, our calculation of free cash flow may not be comparable to similar measures used by other companies. A calculation of free cash flow is provided below:

	Nine Months Ended September 30,		
	2025	**2024**	**% Change**
	(dollars in millions)		
GAAP net cash provided by operating activities	$ 3,206	$ 2,632	22%
Purchases of property and equipment	(630)	(599)	5%
Business combination and other related costs	28	22	27%
Non-GAAP free cash flow	$ 2,604	$ 2,055	27%

We have historically seen higher collections in the quarter ended March 31 due to seasonality in timing of entering into customer contracts, which is significantly higher in the quarter ended December 31. Additionally, we have historically seen higher disbursements in the quarters ended March 31 and September 30 due to payouts under our annual commission plans, purchases under our employee stock purchase plan, payouts under our bonus plans and coupon payments related to our 2030 Notes.

Non-GAAP consolidated income from operations. Non-GAAP consolidated income from operations is identified as an additional measure of profit or loss. This non-GAAP measure is used by the chief operating decision maker to allocate resources and assess performance. We define non-GAAP consolidated income from operations as income from operations excluding certain non-cash or non-recurring items, including stock-based compensation expense, amortization of purchased intangibles, legal settlements, business combination and other related costs including compensation expense, impairment of assets and severance costs. We believe these adjustments provide useful supplemental information to investors and facilitate the analysis of our operating results and comparison of those results across reporting periods. The following table shows the reconciliation of our reported consolidated income from operations to non-GAAP consolidated income from operations.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in millions)			(dollars in millions)		
GAAP income from operations	$ 572	$ 418	37%	$ 1,381	$ 990	39%
Stock-based compensation	492	426	15%	1,461	1,292	13%
Amortization of purchased intangibles	33	23	43%	79	71	11%
Business combination and other related costs	19	5	280%	44	30	47%
Impairment of assets	—	—	—%	30	—	100%
Severance costs	24	—	100%	53	—	100%
Non-GAAP income from operations	$ 1,140	$ 872	31%	$ 3,048	$ 2,383	28%

Renewal rate. We calculate our renewal rate by subtracting our attrition rate from 100%. Our attrition rate for a period is equal to the ACV from customers lost during the period, divided by the sum of (i) the total ACV from all customers that renewed during the period, excluding changes in price or users, and (ii) the total ACV from all customers lost during the period. Accordingly, our renewal rate is calculated based on ACV and is not based on the number of customers that have renewed. Further, our renewal rate does not reflect increased or decreased purchases from our customers to the extent such customers are not lost customers or lapsed renewals. A lost customer is a customer that did not renew an expiring contract and that, in our judgment, will not be renewed. Typically, a customer that reduces its subscription upon renewal is not considered a lost customer. However, in instances where the subscription decrease represents the majority of the customer's ACV, we may deem the renewal as a lost customer. For our renewal rate calculation, we define a customer as an entity with a separate production instance of our service and an active subscription contract as of the measurement date, instead of an entity with a unique GULT or DUNS number. We adjust our renewal rate for acquisitions, consolidations and other customer events that cause the merging of two or more accounts occurring at the time of renewal. Our renewal rate was 97% for the three months ended September 30, 2025 and 98% for the nine months ended September 30, 2025 and each of the three and nine months ended September 30, 2024. As our renewal rate is impacted by the timing of renewals, which could occur in advance of, or subsequent to the original contract end date, period-to-period comparison of renewal rates may not be meaningful.

Components of Results of Operations

Revenues

Subscription revenues. Subscription revenues are primarily comprised of fees that give customers access to the ordered subscription service for both self-hosted offerings and cloud-based subscription offerings, and related standard and enhanced support and updates, if any, to the subscription service during the subscription term. For our cloud-based offerings, we recognize revenue ratably over the subscription term. For self-hosted offerings, a substantial portion of the sales price is recognized upon delivery of the software, which may cause greater variability in our subscription revenues and subscription gross margin. Pricing includes multiple instances, hosting and support services, data backup and disaster recovery services, as well as future updates, when and if available, offered during the subscription term. We typically invoice our customers for subscription fees in annual increments upon execution of the initial contract or subsequent renewal. Our contracts are generally non-cancellable during the subscription term, though a customer can terminate for breach if we materially fail to perform.

Professional services and other revenues. Our arrangements for professional services are primarily on a time-and-materials basis, and we generally invoice our customers monthly in arrears for the professional services based on actual hours and expenses incurred. Some of our professional services arrangements are on a fixed fee basis. Professional services revenues are recognized as services are delivered. Other revenues primarily consist of fees from customer training delivered on-site or through publicly available classes. Typical payment terms require our customers to pay us within 30 days of invoice.

We sell our subscription services primarily through our direct sales organization. We also sell services through managed service providers and resale partners. We also generate revenues from certain professional services and from training of customers and partner personnel, through both our direct team and indirect sales channel. Revenues from our direct sales organization represented 78% of our total revenues for each of the three and nine months ended September 30, 2025 and 2024. For purposes of calculating revenues from our direct sales organization, revenues from systems integrators and managed services providers are included as part of the direct sales organization.

Seasonality. We have historically experienced seasonality in terms of when we enter into customer agreements. We sign a significantly higher percentage of agreements with new customers, as well as expansion with existing customers, in the fourth quarter of each year. The increase in customer agreements for the fourth quarter is primarily a result of both large enterprise account buying patterns typical in the software industry, which are driven primarily by the expiration of annual authorized budgeted expenditures, and the terms of our commission plans, which incentivize our direct sales organization to meet their annual quotas by December 31. Furthermore, we usually sign a significant portion of these agreements during the last month, and often the last two weeks, of each quarter. This seasonality of entering into customer agreements is sometimes not immediately apparent in our revenues, due to the fact that we recognize subscription revenues from our cloud offering contracts over the term of the subscription agreement, which is generally 12 to 36 months. In addition, we continue to see an increase in the number of 12-month agreements entered into with the U.S. federal government throughout the year, with the highest number of agreements entered into in the third quarter driven primarily by the timing of their annual budget expenditures. This larger mix of contracts with 12-month renewal terms in the third quarter will generally cause variability in our RPO and cRPO in subsequent quarters until they are renewed. Although these seasonal factors may be common in the technology industry, historical patterns should not be considered a reliable indicator of our future sales activity or performance.

Cost of Revenues

Cost of subscription revenues. Cost of subscription revenues consists primarily of expenses related to hosting our services and providing support to our customers. These expenses are comprised of data center capacity costs, which include colocation costs associated with our data centers as well as interconnectivity between data centers, depreciation related to our infrastructure hardware equipment dedicated for customer use, amortization of intangible assets, expenses associated with software, public cloud service costs, IT services and dedicated customer support, personnel-related costs directly associated with data center operations and customer support, including salaries, benefits, bonuses and stock-based compensation and allocated overhead.

Cost of professional services and other revenues. Cost of professional services and other revenues consists primarily of personnel-related costs directly associated with our professional services and training departments, including salaries, benefits, bonuses and stock-based compensation, the costs of contracted third-party partners, travel expenses and allocated overhead.

Professional services are performed directly by our services team, as well as by contracted third-party partners. Fees paid by us to third-party partners are primarily recognized as cost of revenues as the professional services are delivered. Cost of revenues associated with our professional services engagements contracted with third-party partners as a percentage of professional services and other revenues was 33% for each of the three and nine months ended September 30, 2025 and 27% and 21% for the three and nine months ended September 30, 2024, respectively.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel-related expenses directly associated with our sales and marketing staff, including salaries, benefits, bonuses and stock-based compensation. Sales and marketing expenses also include the amortization of commissions paid to our sales employees, including related payroll taxes and fringe benefits. In addition, sales and marketing expenses include branding expenses, marketing program expenses, which include events such as Knowledge, and costs associated with purchasing advertising and marketing data, software and subscription services dedicated for sales and marketing use and allocated overhead.

Research and Development

Research and development expenses consist primarily of personnel-related expenses directly associated with our research and development staff, including salaries, benefits, bonuses, stock-based compensation and allocated overhead. Research and development expenses also include data center capacity costs, costs associated with outside services contracted for research and development purposes and depreciation of infrastructure hardware equipment that is used solely for research and development purposes.

General and Administrative

General and administrative expenses consist primarily of personnel-related expenses for our executive, finance, legal, human resources, facilities and administrative personnel, including salaries, benefits, bonuses, stock-based compensation, external legal, accounting and other professional services fees, other corporate expenses, amortization of intangible assets and allocated overhead.

Provision for Income Taxes

Provision for income taxes consists of federal, state and foreign income taxes. Our income tax provision for the three and nine months ended September 30, 2025 is primarily attributable to the mix of earnings and losses in countries with differing statutory tax rates, offset by excess tax benefits of stock-based compensation. We continue to maintain a valuation allowance against our California deferred tax assets due to the uncertainty regarding realizability of these deferred tax assets as they have not met the "more likely than not" realization criteria, particularly as we expect research and development tax credit generation to exceed our ability to use the credits in future years.

Comparison of the Three and Nine Months Ended September 30, 2025 and 2024

Revenues

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in millions)			(dollars in millions)		
Revenues:						
Subscription	$ 3,299	$ 2,715	22%	$ 9,417	$ 7,780	21%
Professional services and other	108	82	32%	293	247	19%
Total revenues	$ 3,407	$ 2,797	22%	$ 9,710	$ 8,027	21%
Percentage of revenues:						
Subscription	97%	97%		97%	97%	
Professional services and other	3%	3%		3%	3%	
Total	100%	100%		100%	100%	

Subscription revenues increased by $584 million and $1,637 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily driven by increased purchases by new and existing customers. Included in subscription revenues is $104 million and $81 million of revenues recognized upfront from the delivery of software associated with self-hosted offerings during the three months ended September 30, 2025 and 2024, respectively, and $370 million and $275 million during the nine months ended September 30, 2025 and 2024, respectively.

We expect subscription revenues for the year ending December 31, 2025 to increase in absolute dollars and remain relatively flat as a percentage of revenue as we continue to add new customers and existing customers increase their usage of our products compared to the year ended December 31, 2024.

Our expectations for revenues, cost of revenues and operating expenses for the remainder of 2025 are based on the 30-day average of foreign exchange rates for September 30, 2025.

Professional services and other revenues increased by $26 million and $46 million during the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily due to an increase in services and trainings provided to new and existing customers.

We expect professional services and other revenues for the year ending December 31, 2025 to increase in absolute dollars and to remain relatively flat as a percentage of revenue compared to the year ended December 31, 2024.

Cost of Revenues and Gross Profit Percentage

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in millions)			(dollars in millions)		
Cost of revenues:						
Subscription	$ 666	$ 496	34%	$ 1,852	$ 1,406	32%
Professional services and other	108	88	23%	297	250	19%
Total cost of revenues	$ 774	$ 584	33%	$ 2,149	$ 1,656	30%
Gross profit (loss) percentage:						
Subscription	80%	82%		80%	82%	
Professional services and other	—%	(7%)		(1%)	(1%)	
Total gross profit percentage	77%	79%		78%	79%	
Gross profit	$ 2,633	$ 2,213		$ 7,561	$ 6,371	

Cost of subscription revenues increased by $170 million and $446 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily due to increased headcount and increased costs to support the growth of our subscription offerings including costs to support customers in regulated markets. Personnel-related costs, including stock-based compensation and overhead expenses, increased by $77 million and $221 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024. Depreciation expense related to infrastructure hardware equipment and expenses associated with software, maintenance, third-party cloud services and other costs, which together support the expansion of data center capacity, increased by $75 million and $201 million, respectively, for the three and nine months ended September 30, 2025 compared to the three and nine months ended September 30, 2024.

We expect our cost of subscription revenues for the year ending December 31, 2025 to increase in absolute dollars as we provide subscription services to more customers and increase usage within our customer instances and increase slightly as a percentage of revenue compared to the year ended December 31, 2024. We will continue to incur incremental costs to attract customers in regulated markets by adopting public cloud offerings as well as increased support for customers impacted by new and evolving data residency requirements. To the extent future acquisitions are consummated, our cost of subscription revenues may increase due to additional non-cash charges associated with the amortization of intangible assets acquired.

Our subscription gross profit percentage was 80% for each of the three and nine months ended September 30, 2025 and 82% for each of the three and nine months ended September 30, 2024. We expect our subscription gross profit percentage to decrease slightly for the year ending December 31, 2025 compared to the year ended December 31, 2024.

Cost of professional services and other revenues increased by $20 million and $47 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily driven by an increase in partner ecosystem spend to further help accelerate customer value realization.

Our professional services and other gross loss percentage improved to break-even for the three months ended September 30, 2025 compared to 7% for the three months ended September 30, 2024, primarily driven by timing of professional services engagements, resulting in increased partner and internal utilization. Our professional services and other gross loss percentage was 1% for each of the nine months ended September 30, 2025 and 2024. We expect our professional services and other gross loss percentage to increase for the year ending December 31, 2025 compared to the year ended December 31, 2024.

Sales and Marketing

	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2025	2024		2025	2024	
	(dollars in millions)			(dollars in millions)		
Sales and marketing	$ 1,056	$ 944	12%	$ 3,238	$ 2,827	15%
Percentage of revenues	31%	34%		33%	35%	

Sales and marketing expenses increased by $112 million and $411 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily due to increased headcount resulting in an increase in personnel-related costs including stock-based compensation and overhead expenses of $71 million and $274 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024. Amortization expenses associated with deferred commissions increased by $21 million and $49 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily due to an increase in contracts with new customers, expansion and renewal contracts. Other sales and marketing program expenses, which include branding, costs associated with purchasing advertising, marketing events and market data, increased by $7 million and $50 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily due to increased program costs and travel costs for our annual Knowledge user conference.

We expect sales and marketing expenses for the year ending December 31, 2025 to increase in absolute dollars and to decrease as a percentage of revenue compared to the year ended December 31, 2024, as we continue to see leverage from increased sales productivity and marketing efficiencies.

Research and Development

	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2025	2024		2025	2024	
	(dollars in millions)			(dollars in millions)		
Research and development	$ 750	$ 626	20%	$ 2,187	$ 1,875	17%
Percentage of revenues	22%	22%		23%	23%	

Research and development (“R&D”) expenses increased by $124 million and $312 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily due to increased headcount, resulting in an increase in personnel-related costs including stock-based compensation and overhead expenses of $112 million and $280 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024.

We expect R&D expenses for the year ending December 31, 2025 to increase in absolute dollars but remain relatively flat as a percentage of revenue compared to the year ended December 31, 2024, as we continue to improve the existing functionality of our services, develop new applications to fill market needs and enhance our core platform.

General and Administrative

	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2025	2024		2025	2024	
	(dollars in millions)			(dollars in millions)		
General and administrative	$ 255	$ 225	13%	$ 755	$ 679	11%
Percentage of revenues	7%	8%		8%	8%	

General and administrative ("G&A") expenses increased by $30 million and $76 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily due to increased headcount, resulting in an increase in personnel-related costs, including stock-based compensation and an increase in outside services. The remaining increase for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 was due to impairment of assets of $30 million.

We expect G&A expenses for the year ending December 31, 2025 to increase in absolute dollars and to remain relatively flat as a percentage of revenue compared to the year ended December 31, 2024, as we continue to see leverage from continued G&A productivity.

Stock-based Compensation

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in millions)			(dollars in millions)		
Cost of revenues:						
Subscription	$ 78	$ 64	22%	$ 222	$ 184	21%
Professional services and other	11	11	—%	33	35	(6%)
Operating expenses:						
Sales and marketing	141	144	(2%)	444	419	6%
Research and development	203	150	35%	584	479	22%
General and administrative	59	57	4%	178	175	2%
Total stock-based compensation	$ 492	$ 426	15%	$ 1,461	$ 1,292	13%
Percentage of revenues	14%	15%		15%	16%	

Stock-based compensation increased by $66 million and $169 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily due to additional grants to current and new employees.

Stock-based compensation is inherently difficult to forecast due to fluctuations in our stock price. Based upon our stock price as of September 30, 2025, we expect stock-based compensation to continue to increase in absolute dollars for the year ending December 31, 2025 as we continue to issue stock-based awards to our employees, but decrease slightly as a percentage of revenue compared to the year ended December 31, 2024. We expect stock-based compensation as a percentage of revenue to decline over time as we continue to grow.

Foreign Currency Exchange

Our international operations have provided and will continue to provide a significant portion of our total revenues. Revenues outside North America represented 37% of total revenues for each of the three and nine months ended September 30, 2025 and 36% and 37% for the three and nine months ended September 30, 2024, respectively.

We primarily transact in certain foreign currencies for sales outside of the United States. The movement of the U.S. Dollar had an immaterial impact on our revenues for the three and nine months ended September 30, 2025.

In addition, we primarily transact in several foreign currencies for cost of revenues and operating expenses outside of the United States. The movement of the U.S. Dollar had an immaterial impact on our expenses for the three and nine months ended September 30, 2025.

Interest Income

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in millions)			(dollars in millions)		
Interest income	$ 115	$ 108	6%	$ 346	$ 313	11%
Percentage of revenues	3%	4%		4%	4%	

Interest income increased by $7 million and $33 million for the three and nine months ended September 30, 2025, respectively, compared to the three and nine months ended September 30, 2024, primarily driven by an increase in investment income from our managed portfolio resulting from higher portfolio balances.

Other Income (Expense), net

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in millions)			(dollars in millions)		
Interest expense	$ (6)	$ (6)	—%	$ (18)	$ (18)	—%
Other	13	(4)	(425%)	11	(10)	(210%)
Other income (expense), net	$ 7	$ (10)	(170%)	$ (7)	$ (28)	(75%)
Percentage of revenues	—%	—%		—%	—%	

Other income increased by $17 million for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 and other expense decreased by $21 million for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024, primarily driven by unrealized gains on strategic investments.

To mitigate our risks associated with fluctuations in foreign currency exchange rates, we enter into foreign currency forward contracts with maturities of 12 months or less to hedge a portion of our net outstanding monetary assets and liabilities. These hedging contracts may reduce, but cannot entirely eliminate, the impact of adverse currency exchange rate movements. The gains recognized for foreign currency forward contracts from derivatives not designated as hedging instruments in other income (expense), net of $100 million, primarily offset the remeasurement losses of the related foreign currency denominated assets and liabilities of $114 million for the nine months ended September 30, 2025. The gains (losses) recognized for foreign currency forward contracts from derivatives not designated as hedging instruments were immaterial for the three months ended September 30, 2025 and each of the three and nine months ended September 30, 2024.

Provision for Income Taxes

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in millions)			(dollars in millions)		
Income before income taxes	$ 694	$ 516	34%	$ 1,720	$ 1,275	35%
Provision for income taxes	$ 192	$ 84	129%	$ 373	$ 234	59%
Effective tax rate	28%	16%		22%	18%	

Our income tax provision was $192 million and $373 million for the three and nine months ended September 30, 2025, respectively, and $84 million and $234 million for the three and nine months ended September 30, 2024, respectively. The income tax provision was primarily attributable to the mix of earnings and losses in countries with differing statutory tax rates, offset by excess tax benefits of stock-based compensation.

On July 4, 2025, H.R. 1, the "One Big Beautiful Bill Act," was enacted into law, bringing significant amendments to the U.S. tax code. This legislation extends and modifies provisions from the 2017 Tax Cuts and Jobs Act and introduces new tax measures affecting both businesses and individuals. The enacted legislation had an immaterial impact on the Company's effective tax rate for the three months ended September 30, 2025. The Company will continue to monitor any future changes in its business or interpretations of the new tax law that could affect its tax position in subsequent periods.

Liquidity and Capital Resources

We generate cash inflows from operations primarily from selling subscription services which are generally paid in advance of provisioning services, and expend cash outflows to develop new services and core technologies that further enhance the Now Platform, engage our customers and enhance their experience, and enable and transform our business operations. Subscription services arrangements typically have a three-year duration, and we have experienced an average renewal rate of 98% over the last three years. Cash outflows from operations are principally comprised of salaries, bonuses, commissions, and benefits for our workforce, licenses and services arrangements, including cloud services that are integral to our business operations and data centers and operating lease arrangements that underlie our facilities. We have generated positive operating cash flows for more than ten years as we continue to grow our business in pursuit of our business strategy, and we expect to grow our business and generate positive cash flows from operations during 2025. When assessing sources of liquidity, we also include cash and cash equivalents, marketable securities and long-term marketable securities totaling $9.7 billion as of September 30, 2025.

Our capital requirements are principally comprised of capital expenditures to support data center capacity expansion, non-contract workforce salaries, bonuses, commissions and benefits and, to a lesser extent, cancellable and non-cancellable licenses, operating leases and services arrangements that are integral to our business operations. We also acquire technology and businesses to expand our service offerings and functionality. Operating lease obligations totaling $1,072 million are principally associated with leased facilities and have varying maturities with $672 million due over the next five years.

Our supply chain finance ("SCF") program provides suppliers with the opportunity to sell their receivables due from us to a global financial institution. A supplier's election to receive early payment at a discounted amount from the financial institution does not change the amount that we must remit to the financial institution on our payment date, which is generally 90 days from the invoice date. As of September 30, 2025, our outstanding payment obligations to suppliers participating in the SCF program totaled $32 million. These obligations are included in accounts payable in our condensed consolidated balance sheets, and all activity related to these obligations is presented within operating activities in the condensed consolidated statements of cash flows.

We may repurchase our shares of common stock in the open market, in privately negotiated transactions or by other means, with the objective to return value to our stockholders and manage the dilution from future employee equity grants and employee stock purchase programs. In May 2023, our board of directors authorized a program to repurchase up to $1.5 billion of our common stock and authorized an additional $3.0 billion in repurchases under the program in January 2025. During the three and nine months ended September 30, 2025, the Company repurchased 0.6 million and 1.3 million shares of our common stock for $584 million and $1,243 million, respectively. All repurchases were made in open market transactions. Repurchases of common stock are recognized as treasury stock and held for future issuance. As of September 30, 2025, approximately $2.0 billion of the authorized amount under the share repurchase program remained available for future repurchases.

We have also issued long-term debt to finance our business. In August 2020, we issued 1.40% fixed rate ten-year notes with an aggregate principal amount of $1.5 billion due on September 1, 2030 (the "2030 Notes").

Our operating cash flows, together with our other sources of liquidity, are available to service our liabilities as well as our cancellable and non-cancellable arrangements. We anticipate cash flows generated from operations, cash, cash equivalents, marketable securities and long-term marketable securities will be sufficient to meet our liquidity needs for at least the next 12 months. As we look beyond the next 12 months, we seek to continue to grow cash flows necessary to fund our operations and grow our business. If we require additional capital resources, we may seek to finance our operations from the current funds available or additional equity or debt financing.

	Nine Months Ended September 30,	
	2025	2024
	(dollars in millions)	
Net cash provided by operating activities	$ 3,206	$ 2,632
Net cash used in investing activities	$ (1,191)	$ (1,763)
Net cash used in financing activities	$ (1,601)	$ (872)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 424	$ (11)

Operating Activities

Net cash provided by operating activities was $3,206 million for the nine months ended September 30, 2025 compared to $2,632 million for the nine months ended September 30, 2024. The net increase in operating cash flows was primarily due to higher collections driven by revenue growth.

Investing Activities

Net cash used in investing activities was $1,191 million for the nine months ended September 30, 2025 compared to $1,763 million for the nine months ended September 30, 2024. The net decrease in cash used in investing activities was primarily due to a $1,619 million decrease in net purchases of marketable securities, partially offset by a $871 million increase in purchases of strategic investments, a $133 million increase in business combinations and a $31 million increase in purchases of property and equipment.

Financing Activities

Net cash used in financing activities was $1,601 million for the nine months ended September 30, 2025 compared to $872 million for the nine months ended September 30, 2024. The net increase in cash used in financing activities is due to an increase in repurchases of common stock of $843 million and a $103 million increase in taxes paid related to net share settlement of equity awards, offset by a $184 million decrease in business combination related to the second installment payment in the acquisition of G2K Group GmbH and a $33 million increase in proceeds from employee stock plans.

Critical Accounting Policies and Significant Judgments and Estimates

There have been no significant changes to our critical accounting policies and estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on January 30, 2025.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our market risk compared to the disclosures in Part II, Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on January 30, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Regulations under the Exchange Act require public companies, including our Company, to maintain “disclosure controls and procedures,” which are defined in Rule 13a-15(e) and Rule 15d-15(e) to mean a company’s controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required or necessary disclosures. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. Our Chief Executive Officer and Chief Financial Officer have concluded, based on the evaluation of the effectiveness of the disclosure controls and procedures by our management as of September 30, 2025, that our disclosure controls and procedures were effective at the reasonable assurance level for this purpose.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2025 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

We are party to certain litigation and other legal proceedings. While legal proceedings are inherently unpredictable and subject to uncertainties, we do not believe that the ultimate resolution of any such proceedings, whether taken individually or in the aggregate, is likely to have a material adverse effect on our business, financial position, results of operations or cash flows.

For additional information regarding legal proceedings, see Note 17 in the notes to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

The Company's business, financial condition, results of operations and stock price can be affected by a number of factors, whether currently known or unknown, including those described under the section "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024. When any one or more of these risks materialize from time to time, the Company's business, financial condition, results of operations and stock price can be materially adversely affected. There have been no material changes to the Company's risk factors since our Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuance of Equity Securities

On September 26, 2025, the Company issued an additional 609 shares of ServiceNow common stock pursuant to a post-closing price adjustment in connection with the acquisition of Logik.io Inc. The shares were issued in reliance upon the exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506(b) of Regulation D promulgated thereunder.

Purchases of Equity Securities

Share repurchases of the Company's common stock for the three months ended September 30, 2025 were as follows:

Period	*Total Number of Shares Purchased (in thousands)*	*Average Price Paid Per Share*	*Total Number of Shares Purchased as Part of Publicly Announced Program (in thousands)*	*Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program(1) (in billions)*
July 1 - 31	69	$ 982.01	69	$ 2.54
August 1 - 31	416	884.41	416	2.17
September 1 - 30	159	929.44	159	2.02
Third Quarter 2025	644	$ 906.00	644	$ 2.02

(1) On May 16, 2023, the board of directors authorized a program to repurchase up to $1.5 billion of the Company's common stock. In January 2025, our board of directors authorized an additional $3.0 billion in repurchases under the share repurchase program.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the quarter ended September 30, 2025, the following Section 16 officer adopted trading arrangements intended to satisfy the affirmative defense of Rule 10b5-1(c):

- Paul Chamberlain, a member of our board of directors, adopted a trading plan on August 29, 2025. The plan, which expires August 14, 2026, provides for the sale of 1,200 shares of our common stock.
- Gina Mastantuono, our Chief Financial Officer, adopted a trading plan on August 28, 2025. The plan, which expires May 26, 2026, provides for the sale of (i) up to 3,700 shares of our common stock and (ii) up to 100% of the net shares resulting from the vesting of 13,136 restricted stock units and performance-based restricted stock units during the plan period, subject to certain vesting conditions. Net shares are net of tax withholding.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Restated Certificate of Incorporation of Registrant	8-K	001-35580	3.1	5/27/2025	
3.2	Restated Bylaws of Registrant	8-K	001-35580	3.1	2/12/2025	
31.1	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

* Indicates a management contract, compensatory plan or arrangement.
** The certifications on Exhibit 32 hereto are deemed not "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that Section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURES

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

SERVICENOW, INC.

Date: October 29, 2025	By:	/s/ William R. McDermott
		William R. McDermott *Chief Executive Officer* (Principal Executive Officer)
Date: October 29, 2025	By:	/s/ Gina Mastantuono
		Gina Mastantuono *President and Chief Financial Officer* (Principal Financial Officer)
Date: October 29, 2025	By:	/s/ Kevin McBride
		Kevin McBride *Chief Accounting Officer* (Principal Accounting Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, William R. McDermott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ServiceNow, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2025

/s/ William R. McDermott

William R. McDermott
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gina Mastantuono, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ServiceNow, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2025

/s/ Gina Mastantuono

Gina Mastantuono
President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, William R. McDermott, Chief Executive Officer of ServiceNow, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2025

/s/ William R. McDermott

William R. McDermott
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to ServiceNow, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Gina Mastantuono, Chief Financial Officer of ServiceNow, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2025

/s/ Gina Mastantuono

Gina Mastantuono
President and Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to ServiceNow, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.