

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

**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): May 2, 2018

**Tableau Software, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**001-35925**

(Commission File Number)

**47-0945740**

(IRS Employer Identification No.)

**1621 North 34th Street  
Seattle, Washington**

(Address of principal executive offices)

**98103**

(Zip Code)

Registrant's telephone number, including area code: **(206) 633-3400**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Emerging growth company

---

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

---

## **Section 2 - Financial Information**

### ***Item 2.02 Results of Operations and Financial Condition***

On May 2, 2018, Tableau Software, Inc. ("the Company") issued a press release announcing its financial results for the quarter ended March 31, 2018. A copy of the press release, entitled "Tableau Reports First Quarter 2018 Financial Results" is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein.

The information in this current report on Form 8-K and the exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

## **Section 5 - Corporate Governance and Management**

### ***Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers***

On April 30, 2018, the Company announced the appointment of Mark Nelson as the Company's Executive Vice President of Product Development, effective May 21, 2018. Simultaneous with the effectiveness of this appointment, Andrew Beers, who has served as the Company's Chief Development Officer since September 2016, will become the Company's new Chief Technology Officer.

## **Section 8 - Other Events**

### ***Item 8.01 Other Events***

On April 26, 2018, the Board of Directors of the Company authorized the Company to repurchase up to an additional \$300 million of its Class A common stock under its previously announced stock repurchase program. The program allows the Company to repurchase its shares opportunistically from time to time when it believes that doing so would enhance long-term stockholder value. The repurchase authorization does not have a fixed expiration and may be modified, suspended or discontinued at any time. Purchases may be effected through one or more open market transactions, privately negotiated transactions, transactions structured through investment banking institutions or a combination of the foregoing. Including the additional \$300 million, the Company is authorized to repurchase up to a remaining \$370.0 million of the Company's Class A common stock under the existing stock repurchase program. As of March 31, 2018, the Company had repurchased and retired 2,077,105 shares of its Class A common stock, under the existing stock repurchase program, for a total purchase price of \$130.0 million.

## **Section 9 - Financial Statements and Exhibits**

### ***Item 9.01 Financial Statements and Exhibits***

(d) Exhibits

[99.1](#) [Press Release entitled "Tableau Reports First Quarter 2018 Financial Results" dated May 2, 2018.](#)

---

**Signature**

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

Dated: May 2, 2018

**Tableau Software, Inc.**

/s/ Keenan M. Conder

---

Keenan M. Conder

Executive Vice President, General Counsel  
and Corporate Secretary



## **Tableau Reports First Quarter 2018 Financial Results**

**SEATTLE, Wash. - May 2, 2018** - Tableau Software, Inc. (NYSE: DATA) today reported results for its first quarter ended March 31, 2018 .

"Customers embraced our subscription licensing offerings in Q1, as demonstrated by our 59 percent ratable license bookings mix," said Adam Selipsky, President and Chief Executive Officer of Tableau. "We're just getting started on our journey to make Tableau even easier to buy and scale for our customers. Our new subscription offerings announced last week will broaden our platform and enable our customers to deploy analytics to entire workforces with solutions tailored for every employee."

### **Adoption of the New Revenue Recognition Standard - ASC 606**

Tableau adopted the new revenue recognition accounting standard Accounting Standards Codification ("ASC") 606 effective January 1, 2018 on a modified retrospective basis. Financial results for reporting periods during 2018 are presented in compliance with the new revenue recognition standard. Historical financial results for reporting periods prior to 2018 are presented in conformity with amounts previously disclosed under the prior revenue recognition standard ASC 605. This press release includes additional information to reconcile the impacts of the adoption of the new revenue recognition standard on the Company's financial results for the quarter ended March 31, 2018 . This includes the presentation of financial results during 2018 under ASC 605 for comparison to the prior year.

### **Financial Summary - ASC 606 (standard adopted effective January 1, 2018)**

- ASC 606 total revenue was \$246.2 million .
- Total annual recurring revenue was \$641.9 million , up 46% year over year.
- Subscription annual recurring revenue was \$237.5 million , up 230% year over year.
- ASC 606 diluted GAAP net loss per share was \$0.57 .
- ASC 606 diluted non-GAAP net income per share was \$0.07 .

### **Financial Summary - ASC 605**

- ASC 605 total revenue was \$224.0 million , compared to a guided range of \$212.0 million to \$222.0 million as provided during the Company's earnings call on February 1, 2018.
- ASC 605 diluted GAAP net loss per share was \$0.98 .
- ASC 605 diluted non-GAAP net loss per share was \$0.19 , compared to a guided range of \$0.17 to \$0.24 non-GAAP net loss per share as provided during the Company's earnings call on February 1, 2018.

### **Financial Results - ASC 606 (standard adopted effective January 1, 2018)**

ASC 606 total revenue for the first quarter of 2018 was \$246.2 million . Total annual recurring revenue increased 46% to \$641.9 million , up from \$439.0 million at the end of the first quarter of 2017 . Subscription annual recurring revenue increased 230% to \$237.5 million , up from \$72.0 million at the end of the first quarter of 2017 .

ASC 606 GAAP operating loss for the first quarter of 2018 was \$50.4 million . ASC 606 GAAP net loss for the first quarter of 2018 was \$46.5 million , or \$0.57 per diluted common share.

ASC 606 non-GAAP operating income, which excludes stock-based compensation expense and expense related to amortization of acquired intangible assets, was \$5.7 million for the first quarter of 2018 . ASC 606 non-GAAP net income, which excludes stock-based compensation expense, expense related to amortization of acquired intangible assets and non-GAAP income tax adjustments, was \$5.8 million for the first quarter of 2018 , or \$0.07 per diluted common share.

---



## Financial Results - ASC 605

ASC 605 total revenue for the first quarter of 2018 was \$224.0 million, up 12% from \$199.9 million in the first quarter of 2017. ASC 605 GAAP operating loss for the first quarter of 2018 was \$77.2 million, compared to a GAAP operating loss of \$53.5 million for the first quarter of 2017. ASC 605 GAAP net loss for the first quarter of 2018 was \$79.0 million, or \$0.98 per diluted common share, compared to a GAAP net loss of \$54.6 million, or \$0.71 per diluted common share, for the first quarter of 2017.

ASC 605 non-GAAP operating loss was \$21.0 million for the first quarter of 2018, compared to a non-GAAP operating loss of \$4.2 million for the first quarter of 2017. ASC 605 non-GAAP net loss was \$15.7 million for the first quarter of 2018, or \$0.19 per diluted common share, compared to a non-GAAP net loss of \$2.1 million, or \$0.03 per diluted common share, for the first quarter of 2017.

## Recent Business Highlights

- Introduced new subscription offerings to help organizations scale analytics. Tableau Creator, Explorer and Viewer subscriptions each provide tailored combinations of new and existing analytical capabilities that are designed for different user needs from sophisticated analysts to casual users.
- Expanded Tableau's platform to include Tableau Prep, a new data preparation product that integrates directly into the Tableau analytical workflow and can be shared with Tableau Server or Tableau Online. Tableau Prep is included with the new Tableau Creator subscription offering.
- Released Tableau 2018.1, which includes new web authoring capabilities. The new web authoring capabilities are available with the Tableau Creator subscription offering.
- The United Nations and Tableau announced an agreement establishing Tableau as a global visual analytics standard across the United Nations system.
- Appointed Mark Nelson as Executive Vice President of Product Development effective May 21, 2018.

## Stock Repurchase Program

During the first quarter ended March 31, 2018, Tableau repurchased 366,160 shares of its outstanding Class A common stock for a total of \$30.0 million. As of March 31, 2018, the Company was authorized to repurchase a remaining \$70.0 million of its Class A common stock under the previously authorized repurchase program.

On April 26, 2018, the Board of Directors of the Company authorized the Company to repurchase up to an additional \$300 million of its Class A common stock under its previously announced stock repurchase program. The program allows the Company to repurchase its shares opportunistically from time to time when it believes that doing so would enhance long-term stockholder value. The repurchase authorization does not have a fixed expiration and may be modified, suspended or discontinued at any time. Purchases may be effected through one or more open market transactions, privately negotiated transactions, transactions structured through investment banking institutions or a combination of the foregoing. Including the additional \$300 million, the Company is authorized to repurchase up to a remaining \$370.0 million of the Company's Class A common stock under the existing stock repurchase program. As of March 31, 2018, the Company had repurchased and retired 2,077,105 shares of its Class A common stock, under the existing stock repurchase program, for a total purchase price of \$130.0 million.

## Conference Call and Webcast Information

In conjunction with this announcement, Tableau will host a conference call at 1:30 p.m. PT (4:30 p.m. ET) today to discuss Tableau's first quarter 2018 financial results. A live audio webcast and replay of the call, together with detailed financial information, will be available in the Investor Relations section of Tableau's website at <http://investors.tableau.com>. The live call can be accessed by dialing (833) 241-7252 (U.S.) or (647) 689-4216 (outside the U.S.) and referencing passcode 2389159. A replay of the call can also be accessed by dialing (800) 585-8367 (U.S.) or (416) 621-4642 (outside the U.S.), and referencing passcode 2389159.



## About Tableau

Tableau (NYSE: DATA) helps people see and understand data. Tableau helps anyone quickly analyze, visualize and share information. More than 74,000 customer accounts get rapid results with Tableau in the office and on-the-go. Hundreds of thousands of people have used Tableau Public to share data in their blogs and websites. See how Tableau can help you by downloading the free trial at [www.tableau.com/trial](http://www.tableau.com/trial).

*Tableau and Tableau Software are trademarks of Tableau Software, Inc. All other company and product names may be trademarks of the respective companies with which they are associated.*

## Forward-Looking Statements

This press release contains, and statements made during the above referenced conference call will contain, "forward-looking" statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including regarding the Company's continued transition to subscription and term licensing and its expected increase in demand for its products as a result of its subscription offerings; new product launch and availability of new product capabilities; continued product adoption, including strong subscription demand and annual recurring revenue growth; demand, adoption and deployment by enterprise customers, and the Company's ability to service, execute and grow that demand in the U.S. and globally; the willingness and ability of the Company's partners to sell its subscription offerings; customers' ability to easily scale the Company's products and broaden the deployment of analytics across their entire workforces with tailored solutions for every employee; the Company's research and development investments, costs, continued innovation and ability to timely release future products and features; the Company's leadership position in the sector and ability to address market opportunities as a visual analytics platform; the Company's expectations regarding future operating results, including revenues, expenses and net income or loss, and future performance of key metrics; and the Company's stock repurchase authorization and timing and ability to repurchase shares of the Company's Class A common stock under its stock repurchase program. These statements are not guarantees of future performance, but are based on management's expectations as of the date of this press release and assumptions that are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements. Important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements include the following: customer demand for Tableau's products and services and customer response to its subscription offerings; risks associated with anticipated growth in Tableau's business and addressable market; competitive factors, including new market entrants and changes in the competitive environment, pricing changes, sales cycle time and increased competition; Tableau's enterprise sales execution and expansion and further transition to subscription and term licensing; Tableau's ability to attract, integrate and retain qualified personnel; general economic and industry conditions, including expenditure trends for business analytics and productivity tools; new product introductions and Tableau's ability to develop and deliver innovative, secure and high-quality products; Tableau's ability to provide high-quality customer service and support offerings; risks associated with international expansion and operations; macroeconomic conditions; market conditions; and the possibility that the stock repurchase program may be suspended or discontinued. These and other important risk factors are described more fully in additional documents filed with the Securities and Exchange Commission, including Tableau's most recently filed Annual Report on Form 10-K, Quarterly Report on Form 10-Q and other reports and filings with the Securities and Exchange Commission, and could cause actual results to vary from expectations. All information provided in this release and in the conference call is as of the date hereof and Tableau undertakes no duty to update this information except as required by law.

## Non-GAAP Financial Measures

Tableau believes that the use of non-GAAP gross profit and gross margin, non-GAAP operating income (loss) and operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per basic and diluted common share and free cash flow is helpful to its investors. These measures, which are referred to as non-GAAP financial measures, are not prepared in accordance with generally accepted accounting principles in the United States, or GAAP. Non-GAAP gross profit is calculated by excluding stock-based compensation expense and expense related to amortization of acquired intangible assets, each to the extent attributable to the cost of revenues, from gross profit. Non-GAAP gross margin is the ratio calculated by dividing non-GAAP gross profit by total revenues. Non-GAAP operating income (loss) is calculated by excluding stock-based compensation expense and expense related to amortization of acquired intangible assets from operating income (loss). Non-GAAP operating margin is the ratio calculated by dividing non-GAAP operating income (loss) by total revenues. Non-GAAP net income (loss) is



calculated by excluding stock-based compensation expense, expense related to amortization of acquired intangible assets and non-GAAP income tax adjustments from net income (loss). Non-GAAP net income (loss) per basic and diluted common share is calculated by dividing non-GAAP net income (loss) by the basic and diluted weighted average shares outstanding. Non-GAAP diluted weighted average shares outstanding includes the effect of dilutive shares in periods of non-GAAP net income.

Non-GAAP financial information is adjusted for a tax rate equal to Tableau's estimated tax rate on non-GAAP income over a three-year financial projection. This long-term rate is based on Tableau's estimated annual GAAP income tax rate forecast, adjusted to account for items excluded from GAAP income in calculating the non-GAAP financial measures. To determine this long-term non-GAAP tax rate, Tableau evaluates a three-year financial projection that excludes the impact of non-cash stock-based compensation expense and expense related to amortization of acquired intangible assets. The long-term non-GAAP tax rate takes into account other factors including Tableau's current operating structure, its existing tax positions in various jurisdictions and key legislation in major jurisdictions where Tableau operates. The long-term non-GAAP tax rates applied to the three months ended March 31, 2018 and 2017 were 20% and 30%, respectively. Tableau applied these same non-GAAP tax rates to its financial results presented in accordance with each of ASC 606 and ASC 605. The long-term non-GAAP tax rate applied to the three months ended March 31, 2018 and 2017 assumes the Company's deferred income tax assets will be realized based upon projected future taxable income excluding stock-based compensation expense. The Company anticipates using the long-term non-GAAP tax rate applied to the three months ended March 31, 2018 in future periods and may provide updates to this rate on an annual basis, or more frequently if material changes occur.

Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash expenses, Tableau believes that providing non-GAAP financial measures that exclude stock-based compensation expense allow for more meaningful comparisons between its operating results from period to period. The expense related to amortization of acquired intangible assets is dependent upon estimates and assumptions, which can vary significantly and are unique to each asset acquired; therefore, Tableau believes non-GAAP measures that adjust for the amortization of acquired intangible assets provides investors a consistent basis for comparison across accounting periods. All of these non-GAAP financial measures are important tools for financial and operational decision-making and for evaluating Tableau's own operating results over different periods of time.

Tableau calculates free cash flow as net cash provided by operating activities less net cash used in investing activities for purchases of property and equipment. Tableau considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by Tableau's business that can be used for strategic opportunities, including investing in Tableau's business, making strategic acquisitions, repurchasing Tableau's common stock and strengthening Tableau's balance sheet. All of Tableau's non-GAAP financial measures are important tools for financial and operational decision-making and for evaluating Tableau's operating results over different periods of time.

Non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in Tableau's industry, as other companies in the industry may calculate non-GAAP financial results differently. In addition, there are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with GAAP, may be different from non-GAAP financial measures used by other companies and exclude expenses that may have a material impact on Tableau's reported financial results. Further, stock-based compensation expense has been and will continue to be for the foreseeable future a significant recurring expense in Tableau's business and an important part of the compensation provided to its employees. Because of the significant impact of the adoption of ASC 606 on the Company's results of operations, non-GAAP financial measures for the first quarter of 2018 (computed in accordance with ASC 606) are not as comparable to non-GAAP financial measures for the first quarter of 2017 (computed in accordance with ASC 605). The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. Investors should review the reconciliation of non-GAAP financial measures to the comparable GAAP financial measures included below, and not rely on any single financial measure to evaluate Tableau's business.



**Investor Contact**

[ir@tableau.com](mailto:ir@tableau.com)

**Press Contact**

[pr@tableau.com](mailto:pr@tableau.com)



**Tableau Software, Inc.**  
**Condensed Consolidated Statements of Operations**  
(In thousands, except per share data)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
License	\$ 108,793	\$ 97,244
Maintenance and services	137,414	102,662
<b>Total revenues</b>	<b>246,207</b>	<b>199,906</b>
<b>Cost of revenues</b>		
License	3,954	3,267
Maintenance and services	28,471	23,388
<b>Total cost of revenues <sup>(1)</sup></b>	<b>32,425</b>	<b>26,655</b>
Gross profit	213,782	173,251
<b>Operating expenses</b>		
Sales and marketing <sup>(1)</sup>	138,406	118,018
Research and development <sup>(1)</sup>	93,505	84,302
General and administrative <sup>(1)</sup>	32,250	24,445
<b>Total operating expenses</b>	<b>264,161</b>	<b>226,765</b>
Operating loss	(50,379)	(53,514)
Other income, net	1,462	1,225
Loss before income tax expense (benefit)	(48,917)	(52,289)
Income tax expense (benefit)	(2,445)	2,358
<b>Net loss</b>	<b>\$ (46,472)</b>	<b>\$ (54,647)</b>
Net loss per share:		
Basic	\$ (0.57)	\$ (0.71)
Diluted	\$ (0.57)	\$ (0.71)
Weighted average shares used to compute net loss per share:		
Basic	81,039	77,416
Diluted	81,039	77,416

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

	<b>Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
Cost of revenues	\$ 2,987	\$ 2,577
Sales and marketing	20,015	18,092
Research and development	25,157	23,515
General and administrative	7,604	5,011



**Tableau Software, Inc.**  
**Condensed Consolidated Balance Sheets**  
(In thousands)  
(Unaudited)

	March 31, 2018	December 31, 2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 623,994	\$ 627,878
Short-term investments	241,652	226,787
Accounts receivable, net	132,611	203,366
Prepaid expenses and other current assets	98,461	30,514
Income taxes receivable	883	673
Total current assets	1,097,601	1,089,218
Long-term investments	157,497	148,364
Property and equipment, net	101,121	106,753
Goodwill	35,083	35,083
Deferred income taxes	4,215	5,287
Other long-term assets	35,139	14,090
Total assets	\$ 1,430,656	\$ 1,398,795
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,817	\$ 4,448
Accrued compensation and employee-related benefits	81,268	96,390
Other accrued liabilities	41,935	37,722
Income taxes payable	4,467	4,743
Deferred revenue	314,698	419,426
Total current liabilities	445,185	562,729
Deferred revenue	21,687	28,058
Other long-term liabilities	53,911	54,385
Total liabilities	520,783	645,172
<b>Stockholders' equity</b>		
Common stock	8	8
Additional paid-in capital	1,205,459	1,168,563
Accumulated other comprehensive loss	(10,571)	(11,991)
Accumulated deficit	(285,023)	(402,957)
Total stockholders' equity	909,873	753,623
Total liabilities and stockholders' equity	\$ 1,430,656	\$ 1,398,795



**Tableau Software, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(In thousands)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Net loss	\$ (46,472)	\$ (54,647)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization expense	9,647	13,435
Amortization of premiums on investments, net	118	—
Stock-based compensation expense	55,763	49,195
Deferred income taxes	(4,226)	128
Changes in operating assets and liabilities		
Accounts receivable, net	73,012	76,878
Prepaid expenses and other assets	(22,891)	11,270
Income taxes receivable	(194)	6
Deferred revenue	(7,507)	4,008
Accounts payable and accrued liabilities	(4,279)	(16,620)
Income taxes payable	(356)	842
Net cash provided by operating activities	52,615	84,495
<b>Investing activities</b>		
Purchases of property and equipment	(5,251)	(23,238)
Purchases of investments	(102,450)	—
Maturities of investments	77,385	—
Sales of investments	99	—
Net cash used in investing activities	(30,217)	(23,238)
<b>Financing activities</b>		
Proceeds from issuance of common stock	2,492	4,309
Repurchases of common stock	(30,007)	(20,008)
Net cash used in financing activities	(27,515)	(15,699)
Effect of exchange rate changes on cash and cash equivalents	1,233	374
Net increase (decrease) in cash and cash equivalents	(3,884)	45,932
<b>Cash and cash equivalents</b>		
Beginning of period	627,878	908,717
End of period	\$ 623,994	\$ 954,649



**Supplemental Information Regarding Adoption of ASC 606**

**Tableau Software, Inc.**  
**Condensed Consolidated Statements of Operations**  
**Reconciliation of the Impacts from the Adoption of the New Revenue Recognition Standard**  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended March 31,			
	2018			2017
	As Reported (ASC 606)	Impacts from Adoption	Without Adoption (ASC 605)	As Reported (ASC 605)
<b>Revenues</b>				
License	\$ 108,793	\$ (3,127)	\$ 105,666	\$ 97,244
Maintenance and services	137,414	(19,036)	118,378	102,662
Total revenues	246,207	(22,163)	224,044	199,906
<b>Cost of revenues</b>				
License	3,954	(52)	3,902	3,267
Maintenance and services	28,471	61	28,532	23,388
Total cost of revenues	32,425	9	32,434	26,655
Gross profit	213,782	(22,172)	191,610	173,251
<b>Operating expenses</b>				
Sales and marketing	138,406	4,607	143,013	118,018
Research and development	93,505	—	93,505	84,302
General and administrative	32,250	—	32,250	24,445
Total operating expenses	264,161	4,607	268,768	226,765
Operating loss	(50,379)	(26,779)	(77,158)	(53,514)
Other income, net	1,462	(38)	1,424	1,225
Loss before income tax expense (benefit)	(48,917)	(26,817)	(75,734)	(52,289)
Income tax expense (benefit)	(2,445)	5,737	3,292	2,358
Net loss	\$ (46,472)	\$ (32,554)	\$ (79,026)	\$ (54,647)
Net loss per share:				
Basic	\$ (0.57)		\$ (0.98)	\$ (0.71)
Diluted	\$ (0.57)		\$ (0.98)	\$ (0.71)
Weighted average shares used to compute net loss per share:				
Basic	81,039		81,039	77,416
Diluted	81,039		81,039	77,416



**Supplemental Information Regarding Adoption of ASC 606**

**Tableau Software, Inc.**  
**Condensed Consolidated Balance Sheets**  
**Reconciliation of the Impacts from the Adoption of the New Revenue Recognition Standard**  
**(In thousands)**  
**(Unaudited)**

	March 31, 2018			December 31, 2017
	As Reported (ASC 606)	Impacts from Adoption	Without Adoption (ASC 605)	As Reported (ASC 605)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 623,994	\$ —	\$ 623,994	\$ 627,878
Short-term investments	241,652	—	241,652	226,787
Accounts receivable, net	132,611	—	132,611	203,366
Prepaid expenses and other current assets	98,461	(68,249)	30,212	30,514
Income taxes receivable	883	—	883	673
Total current assets	1,097,601	(68,249)	1,029,352	1,089,218
Long-term investments	157,497	—	157,497	148,364
Property and equipment, net	101,121	—	101,121	106,753
Goodwill	35,083	—	35,083	35,083
Deferred income taxes	4,215	1,589	5,804	5,287
Other long-term assets	35,139	(21,264)	13,875	14,090
Total assets	\$ 1,430,656	\$ (87,924)	\$ 1,342,732	\$ 1,398,795
<b>Liabilities and stockholders' equity</b>				
<b>Current liabilities</b>				
Accounts payable	2,817	—	2,817	4,448
Accrued compensation and employee-related benefits	81,268	—	81,268	96,390
Other accrued liabilities	41,935	—	41,935	37,722
Income taxes payable	4,467	1,826	6,293	4,743
Deferred revenue	314,698	104,407	419,105	419,426
Total current liabilities	445,185	106,233	551,418	562,729
Deferred revenue	21,687	5,521	27,208	28,058
Other long-term liabilities	53,911	(746)	53,165	54,385
Total liabilities	520,783	111,008	631,791	645,172
<b>Stockholders' equity</b>				
Common stock	8	—	8	8
Additional paid-in capital	1,205,459	—	1,205,459	1,168,563
Accumulated other comprehensive loss	(10,571)	(1,972)	(12,543)	(11,991)
Accumulated deficit	(285,023)	(196,960)	(481,983)	(402,957)
Total stockholders' equity	909,873	(198,932)	710,941	753,623
Total liabilities and stockholders' equity	\$ 1,430,656	\$ (87,924)	\$ 1,342,732	\$ 1,398,795



**Supplemental Information Regarding Adoption of ASC 606**

**Tableau Software, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**Reconciliation of the Impacts from the Adoption of the New Revenue Recognition Standard**  
**(In thousands)**  
**(Unaudited)**

	Three Months Ended March 31,			
	2018			2017
	As Reported (ASC 606)	Impacts from Adoption	Without Adoption (ASC 605)	As Reported (ASC 605)
<b>Operating activities</b>				
Net loss	\$ (46,472)	\$ (32,554)	\$ (79,026)	\$ (54,647)
Adjustments to reconcile net loss to net cash provided by operating activities				
Depreciation and amortization expense	9,647	—	9,647	13,435
Amortization of premiums on investments, net	118	—	118	—
Stock-based compensation expense	55,763	—	55,763	49,195
Deferred income taxes	(4,226)	3,869	(357)	128
Changes in operating assets and liabilities				
Accounts receivable, net	73,012	—	73,012	76,878
Prepaid expenses and other assets	(22,891)	23,230	339	11,270
Income taxes receivable	(194)	—	(194)	6
Deferred revenue	(7,507)	3,521	(3,986)	4,008
Accounts payable and accrued liabilities	(4,279)	—	(4,279)	(16,620)
Income taxes payable	(356)	1,825	1,469	842
Net cash provided by operating activities	52,615	(109)	52,506	84,495
<b>Investing activities</b>				
Purchases of property and equipment	(5,251)	—	(5,251)	(23,238)
Purchases of investments	(102,450)	—	(102,450)	—
Maturities of investments	77,385	—	77,385	—
Sales of investments	99	—	99	—
Net cash used in investing activities	(30,217)	—	(30,217)	(23,238)
<b>Financing activities</b>				
Proceeds from issuance of common stock	2,492	—	2,492	4,309
Repurchases of common stock	(30,007)	—	(30,007)	(20,008)
Net cash used in financing activities	(27,515)	—	(27,515)	(15,699)
Effect of exchange rate changes on cash and cash equivalents	1,233	109	1,342	374
Net increase (decrease) in cash and cash equivalents	(3,884)	—	(3,884)	45,932
<b>Cash and cash equivalents</b>				
Beginning of period	627,878	—	627,878	908,717
End of period	\$ 623,994	\$ —	\$ 623,994	\$ 954,649

**Non-GAAP Reconciliation Tables**

**Tableau Software, Inc.**  
**Reconciliation of GAAP to Non-GAAP Financial Measures and**  
**Reconciliation of the Impacts from the Adoption of the New Revenue Recognition Standard**  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended March 31,			
	2018			2017
	As Reported (ASC 606)	Impacts from Adoption	Without Adoption (ASC 605)	As Reported (ASC 605)
<b><u>Reconciliation of gross profit to non-GAAP gross profit:</u></b>				
Gross profit	\$ 213,782	\$ (22,172)	\$ 191,610	\$ 173,251
Excluding: Stock-based compensation expense attributable to cost of revenues	2,987	—	2,987	2,577
Excluding: Amortization of acquired intangible assets	349	—	349	95
Non-GAAP gross profit	<u>\$ 217,118</u>	<u>\$ (22,172)</u>	<u>\$ 194,946</u>	<u>\$ 175,923</u>
<b><u>Reconciliation of gross margin to non-GAAP gross margin:</u></b>				
Gross margin	86.8 %		85.5 %	86.7 %
Excluding: Stock-based compensation expense attributable to cost of revenues	1.2 %		1.3 %	1.3 %
Excluding: Amortization of acquired intangible assets	0.1 %		0.2 %	0.0 %
Non-GAAP gross margin	<u>88.2 %</u>		<u>87.0 %</u>	<u>88.0 %</u>
<b><u>Reconciliation of operating loss to non-GAAP operating income (loss):</u></b>				
Operating loss	\$ (50,379)	\$ (26,779)	\$ (77,158)	\$ (53,514)
Excluding: Stock-based compensation expense	55,763	—	55,763	49,195
Excluding: Amortization of acquired intangible assets	349	—	349	95
Non-GAAP operating income (loss)	<u>\$ 5,733</u>	<u>\$ (26,779)</u>	<u>\$ (21,046)</u>	<u>\$ (4,224)</u>
<b><u>Reconciliation of operating margin to non-GAAP operating margin:</u></b>				
Operating margin	(20.5)%		(34.4)%	(26.8)%
Excluding: Stock-based compensation expense	22.6 %		24.9 %	24.6 %
Excluding: Amortization of acquired intangible assets	0.1 %		0.2 %	0.0 %
Non-GAAP operating margin	<u>2.3 %</u>		<u>(9.4)%</u>	<u>(2.1)%</u>

	<b>Three Months Ended March 31,</b>			
	<b>2018</b>			<b>2017</b>
	<b>As Reported (ASC 606)</b>	<b>Impacts from Adoption</b>	<b>Without Adoption (ASC 605)</b>	<b>As Reported (ASC 605)</b>
<b><i>Reconciliation of net loss to non-GAAP net income (loss):</i></b>				
Net loss	\$ (46,472)	\$ (32,554)	\$ (79,026)	\$ (54,647)
Excluding: Stock-based compensation expense	55,763	—	55,763	49,195
Excluding: Amortization of acquired intangible assets	349	—	349	95
Income tax adjustments	(3,884)	11,100	7,216	3,258
<b>Non-GAAP net income (loss)</b>	<b>\$ 5,756</b>	<b>\$ (21,454)</b>	<b>\$ (15,698)</b>	<b>\$ (2,099)</b>
Weighted average shares used to compute non-GAAP basic net income (loss) per share	81,039		81,039	77,416
Effect of potentially dilutive shares: stock awards	4,020		—	—
Weighted average shares used to compute non-GAAP diluted net income (loss) per share	85,059		81,039	77,416
<b>Non-GAAP net income (loss) per share:</b>				
Basic	\$ 0.07		\$ (0.19)	\$ (0.03)
Diluted	\$ 0.07		\$ (0.19)	\$ (0.03)

	<b>Three Months Ended March 31,</b>			
	<b>2018</b>			<b>2017</b>
	<b>As Reported (ASC 606)</b>	<b>Impacts from Adoption</b>	<b>Without Adoption (ASC 605)</b>	<b>As Reported (ASC 605)</b>
<b><i>Reconciliation of net cash provided by operating activities to free cash flow:</i></b>				
Net cash provided by operating activities	\$ 52,615	\$ (109)	\$ 52,506	\$ 84,495
Less: Purchases of property and equipment	5,251	—	5,251	23,238
<b>Free cash flow</b>	<b>\$ 47,364</b>	<b>\$ (109)</b>	<b>\$ 47,255</b>	<b>\$ 61,257</b>
Net cash used in investing activities	\$ (30,217)	\$ —	\$ (30,217)	\$ (23,238)
Net cash used in financing activities	\$ (27,515)	\$ —	\$ (27,515)	\$ (15,699)
Effect of exchange rate changes on cash and cash equivalents	\$ 1,233	\$ 109	\$ 1,342	\$ 374



**Tableau Software, Inc.**  
**Trended Metrics**

The following metrics are intended as a supplement to the financial statements found in this release and other information furnished or filed with the SEC. In the event of discrepancies between amounts in these tables and the Company's historical disclosures or financial statements, readers should rely on the Company's filings with the SEC and financial statements in the Company's most recent earnings release.

Tableau intends to periodically review and refine the definition, methodology and appropriateness of each of these supplemental metrics. As a result, metrics are subject to removal and/or change, and such changes could be material.

	Q1'17	Q2'17	Q3'17	Q4'17	FY 2017	Q1'18
(Dollars in thousands)						
(Unaudited)						
<b>Customer metrics</b>						
Customer accounts <sup>(1)</sup>	57,000+	61,000+	65,000+	70,000+	70,000+	74,000+
Customer accounts added in period <sup>(1)</sup>	3,300+	4,000+	4,100+	4,700+	16,100+	3,900+
Deals greater than \$100,000 <sup>(2)</sup>	294	372	337	590	1,593	301
Customer accounts that purchased greater than \$1 million during the quarter <sup>(1,2)</sup>	10	15	13	27		13
<b>Annual recurring revenue metrics</b>						
Total annual recurring revenue <sup>(3)</sup>	\$ 439,001	\$ 483,578	\$ 526,211	\$ 596,244	\$ 596,244	\$ 641,946
Subscription annual recurring revenue <sup>(4)</sup>	\$ 71,950	\$ 103,538	\$ 139,210	\$ 195,488	\$ 195,488	\$ 237,533
<b>Geographic revenue metrics - ASC 606</b>						
United States and Canada	—	—	—	—	—	\$ 167,799
International	—	—	—	—	—	\$ 78,408
United States and Canada as % of total revenue	—	—	—	—	—	68%
International as % of total revenue	—	—	—	—	—	32%
<b>Geographic revenue metrics - ASC 605</b>						
United States and Canada	\$ 141,496	\$ 146,102	\$ 150,059	\$ 168,116	\$ 605,773	\$ 154,443
International	\$ 58,410	\$ 66,778	\$ 64,858	\$ 81,240	\$ 271,286	\$ 69,601
United States and Canada as % of total revenue	71%	69%	70%	67%	69%	69%
International as % of total revenue	29%	31%	30%	33%	31%	31%
<b>Additional revenue metrics - ASC 606</b>						
Remaining performance obligations <sup>(5)</sup>	—	—	—	—	\$ 99,580	\$ 114,523
<b>Additional revenue metrics - ASC 605</b>						
Ratable revenue as % of total revenue <sup>(6)</sup>	54%	56%	63%	60%	59%	72%
Ratable license revenue as % of total license revenue <sup>(7)</sup>	19%	23%	34%	34%	28%	54%
Services revenues as a % of maintenance and services revenue <sup>(8)</sup>	12%	13%	12%	13%	13%	11%
<b>Bookings metrics - ASC 605</b>						
Ratable bookings as % of total bookings <sup>(2)</sup>	55%	61%	65%	70%	64%	72%
Ratable license bookings as % of total license bookings <sup>(2)</sup>	26%	37%	45%	51%	41%	59%
<b>Other metrics</b>						
Worldwide employees	3,193	3,305	3,418	3,489	3,489	3,663



- (1) Tableau defines a customer account as a single purchaser of its products. Customer accounts are typically organizations. In some cases, organizations will have multiple groups purchasing Tableau software, which count as discrete customer accounts.
- (2) These operating metrics are based on Tableau's definition of bookings, which is defined as the first year of contracted revenue only and does not include additional years beyond the first year unless a customer pays for those years up front. Bookings includes both new sales and renewals. Tableau's bookings may not be comparable to similarly named measures disclosed by other companies in the software industry. Bookings is not a measure of revenue or an indication of actual revenue results. Revenues ultimately recognized could be affected by a number of factors. License bookings include sales of software licenses and subscriptions to Tableau Online. Ratable bookings are sales transactions that result in revenues, which will be amortized over a period of time.
- (3) Tableau defines total annual recurring revenue ("Total ARR") as the annualized recurring value of all active contracts at the end of a reporting period. Total ARR includes subscription annual recurring revenue ("Subscription ARR") and the annualized value of all maintenance contracts related to perpetual licenses active at the end of a reporting period.
- (4) Tableau defines Subscription ARR as the annualized recurring value of all active subscription contracts at the end of a reporting period. Subscription ARR includes term licenses and renewals, subscription enterprise license agreements and Tableau Online subscriptions and renewals, and excludes distribution original equipment manufacturer ("OEM") license agreements and perpetual-style enterprise license agreements.
- (5) Remaining performance obligations represent amounts from contracts with customers allocated to performance obligations that will be satisfied at a later date. These amounts include additional performance obligations that are not yet recorded in the consolidated balance sheets. Remaining performance obligations presented under FY 2017 represents the balance as of January 1, 2018 upon adoption of ASC 606. These amounts do not include deferred revenue, which is already included within the consolidated balance sheets.
- (6) Ratable revenues were amortized during the respective periods. For example, sales of Tableau Online, as well as maintenance and support, are recognized ratably. Excluding the impacts of adopting the new revenue recognition standard, enterprise license agreements, on-premises term licenses and OEM license arrangements are also recognized ratably.
- (7) Ratable license revenues were amortized during the respective periods. For example, sales of Tableau Online are recognized ratably. Excluding the impacts of adopting the new revenue recognition standard, enterprise license agreements, on-premises term licenses and OEM license arrangements are also recognized ratably.
- (8) Services revenues were recognized upon delivery of professional services and training.