

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 31, 2026
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 001-35680

WORKDAY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-2480422
(I.R.S. Employer
Identification No.)

6110 Stoneridge Mall Road
Pleasanton, California 94588
(Address of principal executive offices, including zip code)

(925) 951-9000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.001	WDAY	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Securities registered pursuant to section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933 ("Securities Act"). Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 ("Exchange Act"). Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting stock of the registrant as of July 31, 2025 (based on a closing price of \$229.38 per share) held by non-affiliates was approximately \$49.5 billion.

As of March 4, 2026, there were approximately 210 million shares of the registrant's Class A common stock and 47 million shares of the registrant's Class B common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for its 2026 Annual Meeting of Stockholders ("Proxy Statement"), to be filed within 120 days of the registrant's fiscal year ended January 31, 2026, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

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PART I

As used in this report, the terms “Workday,” “registrant,” “we,” “us,” and “our” mean Workday, Inc. and its subsidiaries unless the context indicates otherwise. Our fiscal year ends on January 31. References to fiscal 2026, for example, refer to the year ended January 31, 2026.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which are subject to safe harbor protection under the Private Securities Litigation Reform Act of 1995. All statements contained in this report other than statements of historical fact, including statements regarding our future financial condition and operating results, business strategy and plans, and objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “seek,” “plan,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations, beliefs, and projections about future events, conditions, and trends that we believe may affect our financial condition, operating results, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, assumptions, and changes in circumstances that are difficult to predict and many of which are outside of our control, such as those arising from the impact of recent macroeconomic events, including geopolitical instability, increased tariffs, elevated inflation, and fluctuating interest rates and foreign currency exchange rates, as well as those described in the “Risk Factors” section, which we encourage you to read carefully. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

In light of these risks, uncertainties, assumptions, and potential changes in circumstances, the future events, conditions, and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied by the forward-looking statements. Accordingly, you should not rely upon any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activities, performance, or achievements. We are under no duty to update any of these forward-looking statements after the date of this report or to conform these statements to actual results or revised expectations, except as required by applicable law. If we do update any forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

ITEM 1. BUSINESS

Overview

Workday is the enterprise AI platform for managing people, money, and agents. Workday provides more than 11,500 organizations with cloud solutions powered by artificial intelligence (“AI”) to help solve some of today’s most complex business challenges, including supporting and empowering their workforce, managing their finances and spend in an ever-changing environment, and planning for the unexpected.

We strive to reimagine how work gets done and hope to empower customers to do the same through an innovative suite of solutions with more than 75 million users under contract around the world and across industries – from emerging and medium-sized businesses to more than 65% of the Fortune 500. Central to our purpose is a set of core values – with our employees as number one – along with customer service, innovation, integrity, fun, and profitability. We believe that happy employees lead to happy customers, and we are committed to helping our customers adapt and thrive in this increasingly dynamic business environment.

As organizations face changing conditions, we believe the need for an intuitive, open, scalable, and secure platform that provides unified management of human resources (“HR”), finances, AI agents, suppliers, and planning is more important than ever. Workday AI is built into our platform, allowing us to rapidly deliver and sustain models that can transform business processes and solve countless business problems. Workday’s insight into how people, money, and agents move through organizations provides a depth of context in HR and finance, allowing us to understand how and where work gets done and to strategically design solutions to have the greatest impact. As a result, Workday helps deliver better employee experiences, increase productivity, improve operational efficiencies, and provide insights for faster, data-driven decision-making. In fiscal 2026, we introduced new Workday AI agents to accelerate hiring, enhance frontline worker experiences, simplify financial processes, and improve employee information access. In fiscal 2026, we also announced new Workday AI agents that are expected to be available in fiscal 2027, purpose-built to assist with complex human capital management (“HCM”) and finance processes, such as performance reviews, workforce planning, and financial close. To support our customers and help them continuously adapt how they manage their business and operations, Workday delivers weekly product updates in addition to

major feature releases throughout the year. Through this model, Workday customers are able to adopt and implement innovations quickly and adapt at a time that fits their business needs. We sell our solutions worldwide through direct sales by our field sales teams; through referrals and our co-selling partners; by reselling through partners; and over Workday Marketplace. We also offer professional services, as do our Workday Services Partners, to help customers deploy our solutions and continually adopt new capabilities.

Workday's open platform enables our customers and partners to innovate by building AI-powered solutions and agents that can work across their organization. In fiscal 2026, we announced Workday Build, a new open developer platform that will give customers and our partners the ability to create and share AI-powered solutions directly on the Workday platform. Workday Build will feature Workday Flowise Agent Builder, a low-code tool designed to simplify building, deploying, and managing custom AI agents within Workday that is expected to be available to early adopter customers in fiscal 2027. In fiscal 2026, we also announced Workday Data Cloud, a new data service based on an open architecture and industry standards, such as Apache Iceberg, designed to enable organizations to gain greater strategic value from their HCM and finance data by connecting to their existing analytics platforms and operational systems with bidirectional, zero-copy access. The Workday Data Cloud includes key partnerships that will allow organizations to share data to and from certain other platforms with Workday, helping organizations to securely connect and analyze HCM and finance data in context with customer, market, and operational data. The Workday Data Cloud is expected to become available later in fiscal 2027.

Our innovation strategy includes the selective acquisition of technologies that complement our core offerings and align with our long-term growth objectives. During fiscal 2026, we expanded our AI capabilities through the acquisitions of FlowiseAI, Inc. ("Flowise"), a low-code platform that makes it easy to build AI agents; Paradox, Inc. ("Paradox"), a candidate experience agent that uses conversational AI to simplify every step of the job application journey; Sana Labs AB ("Sana"), a leading AI company building the next generation of enterprise knowledge tools; and Pipedream, Inc. ("Pipedream"), a leading integration platform for AI agents.

Our Capabilities

Workday offers a suite of cloud-based enterprise solutions that address the evolving needs of the C-suite on a platform designed to be open, extensible, and configurable, allowing integration with other applications and the ability for customers and our partners to build custom applications. Workday's applications and solutions, including HCM, Financial Management, Spend Management, and Planning, address industry-specific needs and serve customers ranging in size from emerging and medium-sized enterprises to Fortune 500 and global companies.

Workday Platform: Solutions for the Offices of the Chief Information Officer ("CIO"), Chief Financial Officer ("CFO"), and Chief Human Resources Officer ("CHRO")

Workday unifies HR and finance on one platform, helping leaders to empower their organizations with the insights and tools needed to adapt quickly and to make sense of the vast amount of data they collect enterprise-wide. For example, information technology ("IT") leaders are navigating the complexities of supporting employees in evolving environments, which requires them to build and deploy an adaptable, secure architecture to help ensure global continuity and productivity while remaining agile. Our purpose-built AI agents, along with customer- and partner-built agents, can help customers operate with intelligence and efficiency across the organization. The Workday platform combines both the innovation built by Workday with solutions and agents built on the Workday platform by our customers and partners, providing organizations with the flexibility to integrate Built on Workday applications, agents, and services directly into Workday. By managing their people, money, and agents together on the Workday platform, our customers can gain new possibilities for increased agility, transformation, and performance.

In fiscal 2026, Workday introduced Workday Sana, the AI experience platform for enterprise knowledge, agents, and automation across the Workday ecosystem and beyond. Workday Sana enables organizations to leverage AI for knowledge management and search, take action with AI-powered productivity tools, and automate across enterprise systems from a single, intuitive, and unified experience. Workday Sana connects the workforce with HCM, finance, and IT systems and data and is designed to enable use of AI in ways that align with how work gets done.

Human Capital Management: Solutions for the Office of the CHRO

Workday delivers HCM solutions to help organizations build an agile, skills-based workforce, streamline operations, increase efficiency, and deliver better employee experiences, empowering CHROs to champion the potential of their workforce. Workday's suite of HCM solutions allows organizations to manage the entire employee lifecycle – from recruitment to retirement – enabling HR teams to hire, onboard, pay, develop, retain, and reskill, and provide meaningful employee experiences that are personalized and helpful, based on listening to the diverse needs of today's evolving workforce. We are helping organizations manage their total workforce in one seamless experience on Workday through our solutions, including Workday Adaptive Planning, Workday Wellness, Workday Peakon Employee Voice, Workday VNDLY, and Workday HCM.

Workday's AI-powered talent acquisition solutions, including HiredScore AI for Recruiting, Candidate Experience Agent, and Paradox Conversational Applicant Tracking System, help streamline the recruiting and hiring process.

Financial Management: Solutions for the Office of the CFO

Workday helps organizations accelerate their journeys towards becoming truly digital finance organizations by giving them solutions and tools designed to optimize essential processes while also supporting growth, profitability, and compliance with regulatory requirements. Workday's suite of financial management applications, built on the Workday platform with AI at the core, helps enable CFOs to manage core financial processes such as payables and receivables; identify real-time financial, operational, and management insights; perform financial consolidation; reduce time-to-close; promote internal controls and auditability; and achieve consistency across global finance operations. Our AI-powered capabilities for finance, including purpose-built AI agents, are designed to transform certain accounting, finance, and procurement processes, helping organizations to efficiently execute complex processes, forecast with predictive insights, reduce friction by connecting with existing systems, and quickly adapt to shifts in business, regulatory, and operational needs.

Spend Management: Solutions for the Office of the CFO

Workday helps enable procurement professionals to support their businesses throughout the source-to-contract process with a set of spend management solutions that help organizations streamline supplier selection and contract management, build and execute sourcing events, such as requests for proposals, and manage indirect spend. Additionally, Workday offers an expense management solution that provides users with flexible ways to submit and approve expenses, while providing leaders the ability to set controls and analyze spend.

Planning: Solutions for the Offices of the CFO and CHRO

In today's dynamic environment, businesses need to continuously plan and model various scenarios to quickly respond to change. Workday provides an active planning process that can model across finance, workforce, sales, and operational data, helping organizations make more informed decisions and respond quickly to changing situations. Workday AI assists in creating forecasts that incorporate historical and third-party data, such as economic data and labor statistics. When combined with Workday's HCM and Financial Management solutions, organizations are able to leverage real-time transactional data to dynamically adjust and recalibrate their plans.

Industries: Solutions for the Offices of the CIO, CFO, and CHRO

Workday offers flexible solutions to help customers adapt to their industry-specific needs and respond to change. Workday's solutions serve industries such as financial services, government, healthcare, higher education, hospitality, manufacturing, professional and business services, retail, technology and media, and transportation. For example, Workday provides supply chain and inventory solutions to healthcare organizations, allowing them to purchase, stock, track, and replenish their inventory to help support patient care. In addition, higher education institutions can deploy Workday to manage the end-to-end student and faculty lifecycle. In fiscal 2026, Workday launched Workday Government, designed to serve the unique needs of the United States ("U.S.") government. Workday also enables its partner ecosystem to build industry-specific integrations and applications, which customers can find on Workday Marketplace. With Workday Extend, customers can build custom applications that can accommodate their unique industry business needs, complete with the same experience, security model, and reliability of the native applications offered by Workday.

Medium Enterprise: Solutions for HR, Finance, and IT Functional Leaders at Medium-Sized Organizations

Workday offers Workday GO, a simple and scalable HCM and finance solution designed and priced for the specific needs of medium-sized organizations. In fiscal 2026, Workday launched the Workday GO Partner Network, a unified ecosystem of global Workday payroll, benefits, and deployment partners. In fiscal 2026, Workday also introduced a new Deployment Agent for Workday GO to help customers get up and running quickly and Workday GO Global Payroll to help customers pay workers worldwide.

Product Development

At Workday, innovation is a core value, which encourages out-of-the-box thinking and creativity, enabling us to create applications and agents designed to change the way people work. Our product development organization is responsible for product design, development, testing, and certification. We invest significant resources and focus our efforts on developing new applications and core technologies, as well as further enhancing the usability, functionality, reliability, security, performance, and flexibility of existing applications. To grow our suite of Workday solutions and capabilities, we primarily invest in research and development. We also selectively acquire companies that are consistent with our design principles, existing product set, corporate strategy, and company culture, such as our acquisitions of Flowise, Paradox, Sana, and Pipedream in fiscal 2026. We also manage a portfolio of investments through Workday Ventures, our strategic investment arm. We invest primarily in early-stage enterprise software companies that are transforming their industries, developing innovative AI-powered technology, improving customer experiences, helping us expand our solution ecosystem, or supporting other corporate initiatives. We plan to continue making these types of strategic investments as opportunities arise that we find attractive.

Sales and Marketing

We sell our subscription contracts and related services and solutions globally through direct sales, through our sales partners, and over Workday Marketplace. Our direct sales organization consists of field sales and field sales support personnel, and the Workday Field Sales team is aligned by geography, industry, and/or customer size. We also segment our sales teams into two distinct groups: those focused on landing new customer relationships, and those focused on expanding our relationship within our existing customers. We generate customer leads, accelerate sales opportunities, and build brand awareness through our marketing programs and strategic relationships. Our marketing programs largely target senior business leaders, including CFOs, CHROs, and CIOs. We also generate customer leads and transact through our partner ecosystem, including through resellers.

Our sales strategy is focused on both adding new customers and on growing our relationships with our existing customers to expand the adoption of our suite of solutions over time. By extending our go-to-market capabilities globally, we aim to grow our business by selling to new customers in new regions. As our customers realize the benefits of our entire suite of service offerings, we aim to upgrade the customers' experience with new products and features, and gain additional subscriptions by targeting new functional areas and business units. For example, in fiscal 2026, we introduced Flex Credits, a new subscription-based flexible pricing model for certain AI solutions and platform capabilities, designed to make AI use simple, flexible, and scalable for our customers.

Partner Ecosystem

As a core part of our strategy, we continue to grow our global ecosystem of partners that build new applications and solutions on the Workday platform, source new business with Workday, and deliver quality services and customer outcomes with Workday. These relationships include innovation, sales, services, and strategic partners. Together, Workday and our partners help our customers to better manage their people, money and AI agents.

Workday Build, announced in fiscal 2026, will enable our partners to create and scale AI-powered solutions directly on Workday, and the new AI developer toolset, introduced in fiscal 2026, will help further enable partner developers to customize and connect AI applications and agents on the Workday platform. Workday Marketplace allows customers to find applications, Industry Accelerators, and other integrations and solutions that are purpose-built to complement the Workday platform in targeted countries and industries. Our Industry Accelerator program combines Workday partners, solutions, and services to help speed cloud transformation efforts tailored to solve our customers' industry-specific challenges. With our strategic partnerships, one aim is to extend the value of the Workday platform and deliver compelling health and financial wellbeing employee services. Strategic partnerships with public cloud providers, including Amazon Web Services, Inc. ("AWS") and Google Cloud, allow our customers to innovate with modern cloud infrastructure services while reducing their committed spend on cloud. Our global partnerships with payroll providers, including Automatic Data Processing, Inc. ("ADP"), Remote Technology, Inc., and Strada, enable integrated and streamlined payroll solutions across the world. In fiscal 2026, we also introduced the Workday Agent Partner Network, a global ecosystem of partners building AI agents that will connect with Workday. For example, our partnership with Microsoft Corporation ("Microsoft"), announced in fiscal 2026, will enable customers to register and manage agents they build using Microsoft's systems within the Workday Agent System of Record.

Customers

We sell to emerging, medium-sized, and large global organizations that span numerous industry categories, including financial services, government, healthcare, higher education, hospitality, manufacturing, professional and business services, retail, technology and media, and transportation.

We have built a company culture centered around customer success and satisfaction. As part of their subscription, customers are provided support services and tools to enhance their experience with Workday solutions. This includes 24/7 support; training; a Customer Success Management group to assist customers in production; and Workday Community, an online portal where customers can collaborate and share knowledge and best practices. In addition, we offer Workday Success Plans, a comprehensive, add-on subscription service that delivers continuous value for our customers through strategic advice, product expertise, adoption resources, on-demand education, and technical guidance. We also offer extensive customer training opportunities and a professional services ecosystem of experienced Workday consultants and system integrators to help customers achieve a timely adoption of Workday and enable them to enhance the value of our applications over the life of their subscription.

Seasonality

We have experienced seasonality in terms of when we enter into customer agreements for our services. Historically, we have signed a significantly higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in the fourth quarter of each fiscal year due to customer buying patterns. Although these seasonal factors are common in the technology industry, historical patterns should not be considered a reliable indicator of our future sales activity or performance.

Competition

The overall market for enterprise application software, including AI-powered solutions, is rapidly evolving, highly competitive, and subject to changing technology, shifting customer needs, and frequent introductions of new products. We currently compete with large, well-established, enterprise software vendors, such as Oracle Corporation (“Oracle”) and SAP SE (“SAP”). We also face competition from other enterprise software vendors, from regional competitors that only operate in certain geographic markets, from vendors of specific applications that address only one or a portion of our applications, and from vendors that specialize in specific industries in which we provide services, some of which offer cloud-based or AI-powered solutions. These vendors include, without limitation, Anaplan, Inc.; ADP; Coupa Software Inc.; Dayforce, Inc.; Microsoft; NetSuite; ServiceNow, Inc.; and UKG Inc.

In addition, other cloud or AI platform companies that provide services in different target markets or industries may develop applications or acquire companies that operate in our target markets or industries, and some potential customers may elect to develop their own internal applications. However, the domain and industry expertise that is required for a successful solution in the areas of financial management and HCM may inhibit new entrants, who may also be unable to invest the necessary capital to accurately address global requirements and regulations. We expect continued consolidation in our industry that could lead to significantly increased competition.

We believe the principal competitive factors in our markets include:

- level of customer satisfaction and quality of customer references;
- ability to innovate and rapidly respond to customer needs, such as the integration of AI into product offerings;
- capacity to embed and leverage AI-based solutions responsibly;
- speed to deploy and ease of use;
- breadth and depth of application functionality;
- total cost of ownership and flexibility of payment terms;
- brand awareness and reputation;
- adaptive technology platform;
- capability for configuration, integration, security, scalability, and reliability of applications;
- operational excellence to ensure system availability, scalability, and performance;
- domain and industry expertise in applicable laws and regulations;
- size of customer base and level of user adoption;
- customer confidence in financial stability and future viability;
- existing relationships with key senior business leaders;
- ability to integrate with legacy enterprise infrastructure and third-party applications; and
- capacity to mobilize an ecosystem to serve customers with services and solutions.

We believe that we compete favorably based on these factors. Our ability to remain competitive will largely depend on our ongoing performance in product development and customer support.

For more information regarding the competitive risks we face, see “Risk Factors” included in Part I, Item 1A of this report.

Human Capital

Workday was founded with the idea of putting people at the center of enterprise software, which is why employees are our number one core value. As of January 31, 2026, our global workforce consisted of over 21,000 employees in 36 countries, of which approximately 58% were located in the U.S. and 42% were located internationally. Maintaining strong employee relations is a priority and we consider our relations with our employees to be positive.

Our Chief People Officer is responsible for developing and executing Workday’s human capital strategy, including programs focused on total rewards; workforce planning and our skills-based hiring approach; employee skills, development, engagement, and wellbeing; and our inclusive, high-performance culture. Our Chief People Officer and our CEO regularly update our Board of Directors and the Compensation Committee on human capital matters and seek their input on subjects such as succession planning, executive compensation, and our company-wide people programs.

Total Rewards

Our compensation philosophy is designed to establish and maintain a fair and flexible compensation program that attracts and rewards talented individuals who possess the skills necessary to support our near-term objectives, create long-term value for our stockholders, grow our business, and assist in the achievement of our strategic goals. We believe that providing employees with competitive pay that rewards and reflects outstanding performance, ownership in the company, and a wide range of benefits is fundamental to employees feeling valued, motivated, and recognized for their contributions. Equity ownership is a key element of our compensation program, allowing employees to share in Workday’s successes and aligning the interests of our employees with our stockholders. Additionally, our total rewards package includes a cash bonus program, an employee stock purchase plan, healthcare and retirement benefits, paid time off, family leave, and other wellness programs. We also offer specialized benefits such as a holistic global mental and emotional health program, onsite and virtual healthcare resources, a financial wellness program, and support for fertility options and new parents, as well as reimbursement of adoption costs.

Our Commitment to Pay Parity

We believe that all employees deserve to be paid fairly and equitably and be afforded an equal chance to succeed. We have a market-based pay structure that compares our roles to those of our peers in each region. This process helps ensure we pay according to the market value of the jobs we offer. We also have processes in place to make pay decisions based on internally consistent and fair criteria. Each year, we conduct a company-wide pay equity analysis to help ensure pay equity among employees in similar roles. If we identify differences in pay, we research those differences and, where appropriate, make adjustments to employees’ pay.

VIBE: Value Inclusion and Belonging for Everyone

We strive to be a workplace where all employees are valued for their unique perspectives and where we collectively contribute to Workday’s success and innovation. VIBE – Value Inclusion and Belonging for Everyone – is our approach to building an environment where all employees can thrive. Whether through creating resources that strengthen our culture, building inclusive products and technology, or developing great talent, we are building a vibrant workplace that fuels collaboration. Our 13 Employee Belonging Councils (“EBCs”) play an integral role in fostering our culture. These community-led groups are open to all employees and focus on building connections, fostering ideation, and driving innovation. As of January 31, 2026, over a quarter of our employees were members of one or more EBCs.

We acknowledge that skills, education, and lived and learned experiences are gained in a variety of ways that are often not recognized in the traditional recruiting process, which is why we take a holistic approach to talent acquisition that prioritizes a skills-based approach. By standardizing practices to attract and evaluate talent fairly, minimize barriers and biases, and promote a skills-first hiring approach, we aim to deliver a meaningful and positive experience for all.

Learning and Development

Our employees tell us they are most engaged when they are continuously being exposed to new things, empowered to build new skills, and able to make an impact. Our employees have instant access to training via several industry-leading learning platforms, which provide our global workforce with convenient, timely access to content from subject matter experts. We offer a number of educational resources, development opportunities, and a support community to guide employees throughout their Workday careers. For example, we developed Career Hub which helps our employees share skills and interests and receive relevant connections, curated learning content, and recommended jobs to help them on their career journeys. Using Workday AI, Career Hub provides workers with suggestions to grow their skills and capabilities and encourages them to build a plan as they explore opportunities for continued career development.

Additionally, to foster a strong culture of compliance and ethics, we conduct annual compliance and ethics training of our Code of Conduct for all employees. In fiscal 2026, we had a 100% completion rate for our annual Code of Conduct training.

Communication and Engagement

Our culture and how we treat people are paramount at Workday, and we believe that being transparent and facilitating information sharing are key to our success. Workday leverages multiple communication channels to engage and inform employees, including company meetings, functional town halls, internal websites, and social collaboration tools. We also encourage regular 1:1 sessions and quarterly check-ins between managers and employees to provide individual performance feedback, and the use of our peer recognition platform. We believe that understanding what our employees want and supporting them effectively is critical to retaining our highest performing employees and attracting top talent. We use Workday Peakon Employee Voice, powered by Workday AI, to collect and analyze feedback in real time from our employees, garner insights and recommendations, and turn that feedback into dialog and action. Since we introduced Workday Peakon Employee Voice in fiscal 2022, employees have provided over 760,000 confidential comments on the platform through surveys sent to all employees each week, which reflects strong engagement. We receive data points from these surveys that help us identify actions to take to improve our company and our culture.

Buoyed by the opportunities offered by our own technology, our talent philosophy puts employees at the center of their own career and performance journey by providing them the tools and framework to further their careers. We have done this by establishing a clear philosophy and set of expectations. Every employee receives enablement on our performance and growth philosophy, what's expected of them, and how to leverage these practices to ensure their own personal success and career growth at Workday. Our talent and performance dashboard provides a snapshot view of performance-related tasks, with a visual summary of goals, feedback, and growth opportunities. Employees can take action to update their contributions, capabilities, career, and connections using the quick links provided in the dashboard.

Health, Safety, and Wellbeing

At Workday, we take a holistic approach to our employees' health and wellbeing and have created programs that focus on four core dimensions: Physical; Mental and Emotional; Financial; and Social and Flex. These programs go beyond traditional medical benefits and wellness offerings and allow employees to focus on their personal wellness goals as well as their mental health, and enable them to bring their best selves to work.

Our hybrid work model provides flexibility for our employees to work from home, while still bringing people together to foster collaboration and innovation. We offer new remote-based employees a stipend to enable them to have a comfortable work-from-home environment. To help keep health and mental wellness top of mind, we offer a series of programs and communications focused on mental health. These include tools and resources related to sleep, healthy eating, and mindfulness, as well as our Employee Assistance Program to, among other things, facilitate timely access to culturally responsive mental health support for employees and their family members.

Our Global Workplace Safety team supports the traditional corporate areas of employee health and safety and physical security for Workday on a global scale. From the workplace to work-related travel, we strive to keep our employees safe with programs including safety awareness training, emergency response protocols, and our ergonomics and life safety team programs.

Giving and Doing

Workday's Giving & Doing program embodies our belief in making a positive impact beyond our organizational walls, empowering employees to engage in charitable efforts, community service, and volunteerism. On top of our strategic, company-led social impact and employee volunteerism efforts, we also believe that giving back is even more rewarding when people get to make an impact through their favorite causes. We encourage and support employee giving and volunteering through programs such as our charitable donation matching gift program, our volunteer grant program, our paid time off benefit for employees to volunteer and give back to their communities, and our team volunteer experience, where employee teams of five or more can volunteer with a charity partner of their choice and receive grants of up to \$5,000.

Intellectual Property

We rely on a combination of trade secrets, patents, copyrights, and trademarks, as well as contractual protections, to establish and protect our intellectual property rights. We require our employees, contractors, consultants, suppliers, partners, and other third parties to enter into confidentiality and proprietary rights agreements, and we control access to software, documentation, and other proprietary information. Although we rely on intellectual property rights, as well as contractual protections and controls, to establish and protect our proprietary rights, we believe that factors such as the technological and creative skills of our personnel; creation of new products, features, and functionality; and frequent enhancements to our applications are more essential to establishing and maintaining our technology leadership position.

Governmental Regulation

As a public company with global operations, we are subject to various federal, state, local, and foreign laws and regulations. These laws and regulations, which may differ among jurisdictions, include, among others, those related to financial and other disclosures, accounting standards, privacy and data protection, cybersecurity, intellectual property, AI ethics and machine learning, corporate governance, tax, government contracting, trade, antitrust, employment, immigration and travel, import/export, and anti-corruption. The costs to comply with these governmental regulations are not material to the understanding of our business. For a further discussion of the risks associated with government regulations that may materially impact us, see “Risk Factors” included in Part I, Item 1A of this report.

Available Information

Our website is located at www.workday.com and our investor relations website is located at www.investor.workday.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the Securities and Exchange Commission (“SEC”), and all amendments to these filings, can be obtained free of charge from our website at www.workday.com/sec-filings as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. Workday also uses its websites, including its investor relations website and blogs.workday.com as a means of disclosing information about Workday, including information that could be deemed material by investors. Information contained on or accessible through any website referenced herein is not part of, or incorporated by reference in, this Form 10-K, and the inclusion of such website addresses is as inactive textual references only.

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ITEM 1A. RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this report, including the consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K, before making an investment decision. The risks and uncertainties described below reflect our beliefs and opinions as to the factors and events that could materially and adversely affect our business or the market price of our securities in the future. References to past events are provided by way of example only and are not intended to be a complete listing or a representation as to whether or not any of the risks, events, or uncertainties described below have occurred in the past. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that materially and adversely affect our business. If any of the following risks actually occurs, our business operations, financial condition, operating results, and prospects could be materially and adversely affected. The market price of our securities could decline due to the materialization of these or any other risks, and you could lose part or all of your investment.

Summary of Risk Factors

The following summary provides an overview of the material risks we are exposed to in the normal course of our business activities. This risk factor summary does not contain all of the information that may be important to you, and you should read these together with the more detailed discussion of risks set forth following this section, as well as elsewhere in this Annual Report on Form 10-K under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Additional risks beyond those summarized below, or discussed elsewhere in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” may apply to our activities or operations as currently conducted or as we may conduct them in the future, or to the markets in which we currently operate or may in the future operate. Consistent with the foregoing, we are exposed to a variety of risks, including those associated with the following:

- any compromise of our information technology systems or security measures (including of our critical suppliers and service partners), or the unauthorized access of customer or user data;
- any slowdown or failure of our technical operations infrastructure, including data centers operated by third parties, or the impact of service outages or delays in the deployment of our applications, or the failure of our applications to perform properly;
- our ability to compete effectively in the intensely competitive markets in which we participate, including against non-specialist AI-native solutions;
- privacy concerns and evolving domestic or foreign laws and regulations;
- any loss of key employees or the inability to attract, develop, and retain highly skilled employees;
- our reliance on our network of partners to drive additional growth of our revenues;
- our ability to realize a return on our current development efforts or offer new features, such as those involving AI, enhancements, and modifications to our products and services, and our ability to realize a return on the investments we have made toward entering new markets and new lines of business;
- exposure to risks inherent to international expansion and sales to customers outside the U.S. or with international operations;
- our ability to realize the expected business or financial benefits of company, employee, or technology acquisitions;
- government contracts and related procurement regulations;
- any dissatisfaction of our users with the deployment, training, and support services provided by us and our partners;
- delays in the reflection of downturns or upturns in new sales in our operating results associated with long sales cycles and our subscription model;
- our ability to predict the rate of customer subscription renewals or adoptions;
- the technical, legal, and regulatory environment in connection with our use of new and evolving technologies in our offerings, such as AI;
- any adverse litigation results;
- our ability to successfully integrate our applications with third-party technologies;
- any failure to protect our intellectual property rights or any lawsuits against us for alleged infringement of third-party proprietary rights;
- the impact of continuing global economic and geopolitical volatility;
- the fluctuation of our quarterly results;

- our existing and future debt obligations; and
- the limited ability of third parties to influence corporate matters due to our dual class structure and to seek a merger, tender offer, or proxy contest due to Delaware law and provisions in our organizational documents.

Risks Related to Our Business and Industry

Any slowdown or failure in our technical operations infrastructure or applications may subject us to liabilities and adversely affect our reputation and operating results.

We have experienced significant growth in the number of users, transactions, and data that our operations infrastructure supports. If we do not accurately predict our infrastructure requirements or fail to adapt and scale, we may see an increase in service outages or delays, or significant increases in operating costs, which may adversely affect our business and operating results.

We have experienced, and may in the future experience, defects, system disruptions, outages, and other performance problems, including the failure of our applications to perform properly. These problems may be caused by a variety of factors, including infrastructure and software or code changes, vendor issues, software and system defects, human error, viruses, worms, security attacks (internal and external), fraud, spikes in customer usage, and denial of service issues. For example, in July 2025, we identified and subsequently remediated an issue impacting reporting from high-volume data sources in the tenants of certain customers that may have yielded incomplete queries without displaying an error message. In addition, we may also encounter difficulties integrating acquired technologies, which may result in the failure of our applications to perform properly. All of these issues may result in increased operational costs, delays in new feature rollouts, customer loss, reputational damage, and legal or regulatory liability, including liability under customer contracts.

Such issues have, and may in the future, result in certain parties having unauthorized access to data, which could increase the scope of our liability. Because of the large amount of data that we collect and process in our systems, and the sensitive nature of such data, it is possible that these issues could result in significant disruption, data loss or corruption, or cause the data to be incomplete or contain inaccuracies that our customers and other users regard as significant.

Furthermore, our applications are essential to many of the business processes for our customers. For example, our financial management application is essential to our and our customers' financial planning, reporting, and compliance programs. Any interruption in our service may affect the availability, accuracy, or timeliness of such programs and as a result could damage our reputation, cause our customers to terminate their use of our applications, require us to issue refunds for prepaid and unused subscription services, require us to compensate our customers for certain losses, and prevent us from gaining additional business from current or future customers. In addition, because we use Workday's financial management application, any problems that we experience with financial reporting and compliance could be negatively perceived by prospective or current customers and negatively impact demand for our applications.

Our insurance policies, including our errors and omissions insurance, may be inadequate or may not be available in the future on acceptable terms, or at all, to protect against claims and other legal actions arising from breaches of our contracts, disruptions in our service, including those caused by cybersecurity incidents, failures or disruptions to our infrastructure, catastrophic events and disasters, or otherwise. In addition, our policy may not cover all claims made against us and defending a suit, regardless of its merit, could be costly.

We depend on data centers and other infrastructure operated by third parties, as well as internet availability, and any disruption in these operations could adversely affect our business and operating results.

We host our applications and serve our customers and users globally from data centers operated by third parties and rely upon third-party vendors to operate certain aspects of our services. We control our applications and data, but we do not control the facilities, operations, and physical security of these locations. Disruption of or interference at these locations has and could in the future impact our operations and our business could be adversely impacted. For example, we have experienced disruptions at certain of our co-location data centers in the U.S. due to high temperatures and power outages that resulted in a brief temporary outage of our services for a subset of our customers. These facilities may also be subject to cybersecurity breaches, capacity constraints, financial difficulties, break-ins, sabotage, intentional acts of vandalism and similar misconduct, natural catastrophic events, as well as local administrative actions, changes to legal or permitting requirements, and litigation to stop, limit, or delay operations, and our disaster recovery planning may not account for all eventualities.

Furthermore, our customers and other users access our applications through their internet service providers. If a service provider fails to provide sufficient capacity to support our applications or otherwise experiences service outages, such failure could interrupt our customers' and other users' access to our applications, which could adversely affect their perception of our applications' reliability and our revenues. In addition, certain countries have implemented or may implement legislative and technological actions that either do or can effectively regulate access to the internet, including the ability of internet service providers to limit access to specific websites or content.

Any changes in service levels with our infrastructure providers, or any errors, defects, disruptions, or other performance problems with our applications or the infrastructure on which they run, including internet infrastructure, could adversely affect our reputation and may damage our customers' or other users' data or result in lengthy interruptions in our services. Interruptions in our services might adversely affect our reputation and operating results, cause us to issue refunds or service credits to customers, subject us to potential liabilities, result in contract terminations, or adversely affect our renewal rates.

The markets in which we participate are intensely competitive, and if we do not compete effectively, our operating results could be adversely affected.

The markets for enterprise cloud applications, including AI-powered solutions, are highly competitive, with relatively low barriers to entry for some applications or services. Some of our competitors are larger and have greater name recognition, significantly longer operating histories, access to larger customer bases, larger marketing budgets, and significantly greater resources to devote to the research, development, promotion, and sale of their products and services than we do. This may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market conditions.

Our primary competitors are Oracle and SAP, well-established providers of financial management and HCM applications, which have long-standing relationships with customers and partners. Some customers may be hesitant to switch vendors or to adopt cloud applications such as ours and may prefer to maintain their existing relationships with competitors. We also face competition from other enterprise software vendors, from regional competitors that only operate in certain geographic markets, and from vendors of specific applications that address only one or a portion of our applications, some of which offer cloud-based or AI-powered solutions. These vendors include, without limitation: Anaplan, Inc., ADP, Coupa Software Inc., Dayforce, Inc., Microsoft, ServiceNow, Inc., and UKG Inc. We may also face greater competition from non-specialist solutions relying on generic large language models ("LLMs"), generative AI, and general-purpose agents to address a broad range of business needs. In order to take advantage of customer demand for cloud and AI-powered applications, legacy vendors are expanding their cloud or AI-powered applications through acquisitions, strategic alliances, and organic development. In addition, other cloud or AI platform companies that provide services in different target markets or industries may develop applications or acquire companies that operate in our target markets or industries, and some potential customers may elect to develop their own internal applications. As the market evolves and as existing and new market participants introduce new types of technologies, such as generative and agentic AI, and different approaches that enable organizations to address their HCM and financial needs, our ability to maintain market differentiation may affect our competitive position.

Furthermore, our current or potential competitors may be acquired by, or merge with, third parties with greater available resources and the ability to initiate or withstand substantial price competition. Our competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their offerings, integrations, or resources. Many of our competitors also have major distribution agreements with consultants, system integrators, and resellers and such partners may prefer to maintain their existing relationships with competitors. With the introduction of new technologies, such as generative AI, we expect competition to intensify in the future. As we attempt to sell our products and solutions to potential and current customers, we must demonstrate that our products and solutions are superior to other solutions available to their organizations, including generic LLMs, software created using natural language prompts and generative AI (referred to as vibe coding) and other emerging technologies. If our competitors' products, services, or technologies, including generative and agentic AI capabilities, become more accepted than our products, if their customer support efforts are preferred by customers, if they are successful in bringing their products or services to market earlier than ours, if they scale at a faster rate, or if their products or services are more technologically capable or resonate more with the market than ours, including having more or easier to use integrations for software solutions used and preferred by our customers, then our revenues could be adversely affected. In addition, our competitors may offer their products and services at a lower price, or may offer price concessions, delayed payment terms, financing terms, or other terms and conditions that are more enticing to potential customers. Due to the complex nature of implementing financial management solutions, the lifecycle of the contracts for such solutions tends to be long. Therefore, if we lose a current customer to a competitor or fail to secure a prospective customer for financial management solutions, there is a long duration before we will be able to approach that customer again with our sales efforts for such solutions. Pricing pressures and increased competition could result in reduced sales, reduced margins, losses, or a failure to maintain or improve our competitive market position, any of which could adversely affect our business and operating results.

We may lose key employees or be unable to attract, enable, and retain highly skilled employees.

Our success and future growth depend largely upon the continued services of our executive officers, other members of senior management, and other key employees. We do not have employment agreements with our executive officers or other key employees that require them to continue to work for us for any specified period, and they could terminate their employment with us at any time. We have and may continue to execute our growth plan through strategic investments to attract and retain executive officers, senior management, or other key employees that may not be offset by increased performance or revenues. In February 2026, Aneel Bhusri, formerly Executive Chair, assumed the role of CEO and Carl Eschenbach ceased to serve as CEO. Key employee and executive leadership changes have the potential to disrupt our business, impact our ability to preserve our culture, negatively affect our ability to attract and retain talent, or otherwise have a serious adverse effect on our business and operating results.

To execute our growth plan, we must attract, enable, develop, and retain highly qualified talent. Our ability to compete and succeed in a highly competitive environment is directly correlated to our ability to recruit and retain highly skilled and experienced employees, especially in the areas of product development, cybersecurity, senior sales executives, and engineers with significant experience in designing and developing software and internet-related services, especially in AI and emerging technologies. The expansion of our sales infrastructure, both domestically and internationally, is necessary to grow our customer base and business. Our business may be adversely affected if our efforts to attract and enable new members of our direct sales force do not generate a corresponding increase in revenues. We have experienced, and we expect to continue to experience, significant competition in hiring and retaining employees with appropriate qualifications.

We must also continue to retain, develop, and motivate existing employees through our compensation practices, company culture, and career development opportunities. The compensation and incentives we have available to attract, retain, and motivate employees may not meet the expectations of current and prospective employees as the competition for talent intensifies. For example, our equity awards may become less effective if our stock price decreases or increases at a slower rate than our talent competitors. Further, our current and future office environments and our current hybrid work policy may not meet the expectations of our employees or prospective employees, and may amplify challenges in recruiting and retention. We believe that a critical component of our success has been our corporate culture and our core values. As we continue to grow and change, we may find it difficult to maintain our corporate culture among a larger number of employees who are dispersed throughout various geographic regions, including difficulties due to managing the complexities of communicating with all employees. Efforts to restructure our workforce may be disruptive and adversely impact employee morale or our corporate culture. Failure to maintain or adapt our culture could negatively affect our ability to attract new employees or to retain our current employees and our business and future growth prospects could be adversely affected.

We rely on our network of partners to drive additional growth of our revenues, and if these partners fail to perform, our ability to sell and distribute our products may be impacted, and our operating results and growth rate may be harmed.

Our strategy for additional growth depends, in part, on sales generated through our network of partners and professional services provided by our partners. If the operations of these partners are disrupted, including as a direct or indirect result of recent macroeconomic conditions, our own operations may suffer, which could adversely impact our operating results. Identifying partners, negotiating and documenting relationships with them, and marketing and promoting partnerships requires significant time and resources, and we cannot ensure that these partnerships will result in increased customer adoption or usage of our applications or increased revenue. We may be at a disadvantage if our competitors are effective in providing incentives to our current or potential partners to favor their products or services or to prevent or reduce subscriptions to our services, or in negotiating better rates or terms with such partners, particularly in international markets where our potential partners may have existing relationships with our competitors. In addition, acquisitions of our partners by our competitors could end our strategic relationship with such acquired partner and result in a decrease in the number of our current and potential customers.

Our partner training and educational programs may not be effective or utilized consistently by partners. New partners may require extensive training and/or may require significant time and resources to achieve productivity, and such requirements may deter potential partners due to the significant time and financial investment required. Changes to our direct go-to-market models and expanded product and service offerings may cause friction with our partners, require increased time and financial investment, and may increase the risk in our partner ecosystem. The actions of our partners may subject us to lawsuits, potential liability, and reputational harm if, for example, any of our partners misrepresent the functionality of our products to prospective or current customers, fail to perform services to our customers' expectations, or violate laws or our corporate policies, such as laws and policies around privacy, cybersecurity, and responsible AI. In addition, we resell certain products and services offered by our partners and could incur potential liability and reputational harm if our partners fail to provide such products and services as represented to customers. Our partners may utilize our platform to develop products and services that could potentially compete with products and services that we offer currently or in the future. Concerns over competitive matters or intellectual property ownership could constrain these partnerships. If we fail to effectively manage and grow our network of partners, maintain good relationships with our partners, or properly monitor the quality and efficacy of their service delivery, or if our partners do not effectively market and sell our subscription services, use greater efforts to market and sell their own products or services or those of our competitors, or fail to meet the needs or expectations of our customers, our ability to sell our products and efficiently provide our services may be impacted, and our operating results and growth rate may be harmed.

If we are not able to realize a return on our current development efforts or offer new features, enhancements, and modifications to our products and services that are desired by current or potential customers, our business and operating results could be adversely affected.

Developing software applications and related enhancements, features, and modifications, including those involving AI, including generative and agentic AI or other emerging technologies, is expensive, and the investment in product development often involves a long return on investment cycle. We believe that we must continue to dedicate a significant amount of resources to our development efforts to maintain our competitive position. Accelerated application introductions and short application life cycles require high levels of expenditures that could adversely affect our operating results if not offset by revenue increases. However, we may not receive significant revenues from these investments for several years, if at all. If we are unable to provide new features, enhancements to user experience, and modifications in a timely and cost-effective manner that achieve market acceptance, align with customer expectations, and that keep pace with rapid technological developments and changing regulatory landscapes, it may negatively impact our customer renewal rates, limit the market for our solutions, or impair our ability to attract new customers and our business and operating results could be adversely affected. For example, AI is propelling advancements in technology, but if we fail to innovate and keep up with advancements in AI technology, if Workday's AI-powered solutions, including our current and planned agentic AI solutions, fail to be delivered as planned or at all, fail to operate as expected or to meet customer expectations, if we fail to successfully monetize our AI-powered solutions, or if we do not have sufficient access to development resources and the technologies required to build and improve our applications, our business and reputation may be harmed.

If we are not able to realize a return on the investments we have made toward entering new markets and new lines of business, our business and operating results could be adversely affected.

We continue to seek opportunities to enter into new markets and/or new lines of business, some of which we may have very limited or no experience in. For example, we have and continue to make significant targeted investments in entering the medium-enterprise and U.S. federal government markets and see our success in these markets as key contributors to our future growth. Additionally, we have made and continue to make significant investments in platform offerings and AI, including generative AI and agentic capabilities. As an entrant to new markets and new lines of business, we may not be effective in convincing prospective customers that our solutions will address their needs, and we may not accurately estimate our infrastructure needs, human resource requirements, or operating expenses with regard to these new markets and new lines of business. We may also fail to accurately anticipate adoption rates of these new lines of business or their underlying technology. Also, we may not be able to properly price our solutions in these new markets, which could negatively affect our ability to sell to customers. Furthermore, customers in these new markets or of the new lines of business may demand more or different features and professional services, which may require us to devote even greater research and development, sales, support, and professional services resources to such customers. If we fail to generate adequate revenues from these new markets and lines of business, or if we fail to do so within the envisioned timeframe, it could have an adverse effect on our business, financial condition, and operating results.

Our international presence, continued expansion, and sales to customers outside the U.S. or with international operations expose us to risks inherent in global operations.

The growth of our business and future prospects depends on our ability to further expand our operations and increase our sales outside of the U.S. as a percentage of our total revenues. Operating globally requires significant resources and management attention and subjects us to regulatory, economic, and political risks that are different from those in the U.S. Our investments and efforts to further expand internationally may not be successful in creating additional demand for our applications outside of the U.S. or in effectively selling subscriptions to our applications in all of the markets we enter. Risks associated with doing business on a global scale that could adversely affect our business, include:

- the need to develop, localize, and adapt our applications and customer support for specific countries;
- the need to successfully develop and execute on a localized go-to-market strategy;
- the need to adhere to local laws and regulations, including those related to data localization, privacy, and anti-corruption, which may make it more difficult to penetrate certain international market segments with highly specialized compliance, contracting, and data sovereignty requirements;
- difficulties in appropriately staffing and managing foreign operations and providing appropriate compensation and benefits for local markets;
- difficulties in leveraging executive presence, maintaining company culture globally, and conforming with local cultural contexts and customs;
- increased travel, real estate, infrastructure, and legal and regulatory compliance costs associated with international operations;
- different pricing environments, longer sales cycles, and longer trade receivables payment cycles, and collections issues;
- new and different sources of competition;
- potentially weaker protection for intellectual property and other legal rights than in the U.S. and practical difficulties in enforcing intellectual property and other rights;
- laws, contracting approaches, customs, and business practices favoring local vendors over U.S.-based companies, which may be increased by geopolitical tensions;
- restrictive governmental actions focused on cross-border trade, such as import and export restrictions, duties, quotas, potential or imposed tariffs, trade disputes, and barriers or sanctions, as well as any retaliatory actions, that may prevent us from offering certain portions of our products or services to a particular market, may increase our operating costs, or may subject us to monetary fines or penalties;
- compliance challenges related to the complexity of multiple, conflicting, and changing governmental laws and regulations, including employment, tax, privacy, intellectual property, financial services, AI, and data protection laws and regulations, as well as challenges with differing legal, alternative dispute, and regulatory systems;
- increased compliance costs related to government regulatory reviews or audits, including those related to international cybersecurity and sustainability requirements;
- increased financial accounting and reporting burdens and complexities;
- the effects of currency fluctuations on our revenues and expenses and customer demand for our services;
- restrictions on the transfer of funds;
- adverse tax consequences and tax rulings; and
- unstable economic and political conditions.

Certain of the above factors have and may continue to negatively impact our ability to sell our applications and offer services globally, reduce our competitive position in foreign markets, increase our costs of global operations, reduce demand for our applications and services from global customers, or subject us to legal or regulatory liability. Additionally, the majority of our international costs are denominated in local currencies and we anticipate that over time an increasing portion of our sales contracts may be outside the U.S. and will therefore be denominated in local currencies. Fluctuations in the value of foreign currencies, which may be amplified by macroeconomic events, may impact our operating results when translated into U.S. dollars. Such fluctuations may also impact our ability to predict our future results accurately. If we are not able to successfully hedge against the risks associated with foreign currency fluctuations, our financial condition and operating results could be adversely affected.

We have acquired, and may in the future acquire, other companies, employee teams, or technologies, which could divert our management's attention, result in additional indebtedness or dilution to our stockholders, and otherwise disrupt our operations and adversely affect our operating results.

We have acquired, and may in the future acquire, other companies, employee teams, or technologies to complement or expand our applications, enhance our technical capabilities, obtain personnel, or otherwise offer growth opportunities. The pursuit of acquisitions may divert the attention of management, disrupt ongoing business, and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated.

These impacts may continue through integration activities. Moreover, we may be unable to complete proposed transactions timely or at all for a variety of reasons, such as our failure to obtain any necessary funding, the failure to obtain required regulatory or other approvals, or the impact of litigation or other disputes. We also may not achieve the anticipated benefits from an acquisition due to a number of factors, including:

- inability or difficulty integrating the intellectual property, technology infrastructure, and operations of the acquired business, including difficulty in addressing potential identified or unknown security risks or vulnerabilities of the acquired business or product;
- inability to retain key personnel or challenges in integrating the workforce from the acquired company, including the inability to maintain our culture and values;
- acquisition-related costs, liabilities, or tax impacts, some of which may be unanticipated;
- the impact on stockholder dilution and our operating results from the additional stock-based compensation issued in connection with the acquisition;
- difficulty in leveraging the data of the acquired business if it includes personal data;
- a failure to maintain the information systems of an acquired business, including difficulties in increasing or maintaining the security standards for acquired technology, which could increase the risk of a security breach of such system;
- a failure to implement, restore, or maintain controls, procedures, or policies at the acquired company and an increased risk of non-compliance;
- multiple product lines or service offerings as a result of our acquisitions that are offered, priced, and supported differently, as well as the potential for such acquired product lines and service offerings to impact the profitability of existing products;
- the opportunity cost of diverting management and financial resources away from other products, services, and strategic initiatives;
- difficulties and additional expenses associated with synchronizing product offerings, customer relationships, and contract portfolio terms and conditions between Workday and the acquired business;
- known and unknown liabilities or risks associated with the acquired businesses, including those arising from existing contractual obligations or litigation matters;
- adverse effects on our brand, reputation, or existing business relationships with business partners and customers as a result of the acquisition, including integrating acquired technologies and a delay in market acceptance of and difficulty in transitioning new and existing customers to acquired product lines or services;
- risks and challenges presented by the use of innovative technologies that we acquire, such as AI;
- potential write-offs of acquired assets and potential financial and credit risks associated with acquired customers;
- inability to maintain relationships with key customers, suppliers, and partners of the acquired business;
- difficulty in predicting and controlling the effect of integrating multiple acquisitions concurrently;
- lack of experience in new markets, products, or technologies;
- difficulty in integrating operations and assets of an acquired foreign entity with differences in language, culture, or country-specific currency and regulatory risks;
- the inability to obtain (or a material delay in obtaining) regulatory approvals necessary to complete transactions or to integrate operations, or potential remedies imposed by regulatory authorities as a condition to or following the completion of a transaction, which may include divestitures, ownership or operational restrictions or other structural or behavioral remedies; and
- the failure of strategic acquisitions to perform as expected or to meet financial projections, which may be heightened due to recent macroeconomic events and market volatility.

In addition, a significant portion of the purchase price of companies we acquire has been and may in the future be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our operating results. Acquisitions could also result in use of substantial portions of our available cash, which may limit other potential uses of cash, and dilutive issuances of equity securities or the issuance of debt, which could adversely affect our operating results. If we finance acquisitions by issuing debt, we could face constraints related to the terms of and repayment obligation related to the incurrence of such indebtedness. In addition, if an acquired business fails to meet our expectations, our business, financial condition, and operating results may suffer.

Our business could be adversely affected if our users are not satisfied with the deployment, training, and support services provided by us and our partners.

Implementation of our applications may be technically complicated because they are designed to enable complex and varied business processes across large organizations, integrate data from a broad and complex range of workflows and systems, and manage, develop, and build AI-powered solutions and agents, and may involve deployment in a variety of environments. Incorrect or improper implementation or use of our applications, including generative and agentic AI capabilities, could result in customer and user dissatisfaction and harm our business and operating results.

In order for our customers to successfully implement our applications, they need access to highly skilled and trained service professionals. Third parties provide a majority of deployment services for our customers, but professional services may also be performed by our own staff or by a combination of the two. If customers are not satisfied with the quality, timing, and cost of work performed by us or a third party or with the type of professional services or applications delivered, or if we or a third party have not delivered on commitments made to our customers, then we could incur additional costs to address the situation, the revenue recognition of the contract could be impacted, and the dissatisfaction with our services could damage our ability to expand the applications subscribed to by our customers. Negative publicity related to our customer relationships, regardless of its accuracy, may further damage our business by affecting our ability to compete for new business with current and prospective customers both domestic and abroad.

Customers and other users also depend on our support organization to provision the environments used by our customers and to resolve technical issues relating to our applications. Increased demand for these services, without corresponding revenues, could increase costs and adversely affect our operating results. Failure to maintain high-quality technical support and training, or a market perception that we do not maintain high-quality support or training, could adversely affect our reputation, our ability to offer and sell our applications, our renewal rates, and our business and operating results.

Our future success depends on the rate of customer subscription renewals, and our revenues or operating results could be adversely impacted if we do not achieve renewals at expected rates or on anticipated terms.

Our customers have no obligation to renew their subscriptions for our applications after the expiration of either the initial or renewed subscription period and it is difficult to predict attrition rates given our varied customer base and the number of multi-year subscription contracts. Our customers' renewal rates fluctuate as a result of a number of factors, including our mix of customer base and their level of satisfaction with our offerings and pricing, their awareness and adoption of the benefits and features of our applications, their ability to continue their operations and spending levels, reductions in their headcount, the evolution of their business, and the macroeconomic environment. Acquisitions of our customers by other companies have led, and could continue to lead, to cancellation of our contracts with those customers, thereby reducing the number of our existing and potential customers. If our customers do not renew their subscriptions for our applications on similar pricing terms or renew for fewer elements of our offerings or for a lower headcount, our revenues may decline, and we may not be able to meet our revenue projections, which could negatively impact our business and the market price of our Class A common stock.

Our future success also depends, in part, on our ability to sell additional products to our current customers, and the success rate of such endeavors is difficult to predict, especially with regard to any new lines of business that we may introduce from time to time. This has and may continue to require increasingly costly marketing and sales efforts that are targeted at senior management, and if these efforts are not successful, our business and operating results may suffer. Similarly, the rate at which our customers purchase new or enhanced services depends on a number of factors, including general economic conditions and customer receptiveness to any price changes related to these additional features and services. The markets and monetization strategies for certain of our offerings, including our agentic AI solutions and Workday Data Cloud, remain relatively new and uncertain and as a result, our expansion into such offerings, and related investments, may present additional risks and challenges. For example, we offer certain capabilities, including our AI agents, through Flex Credits, our new subscription-based flexible pricing model for certain AI solutions and platform capabilities, and may increase the number of products through which we do so. We have limited experience with determining optimal pricing for Flex Credits-based contracts and may face customer resistance to new pricing models or have lower levels of customer adoption of our AI solutions than we expect, which could negatively impact our business and operating results.

The use of new and evolving technologies in our offerings at Workday, including generative and agentic AI capabilities, may result in reputational harm and increased litigation, and adversely affect our operating results.

We are increasingly building and integrating AI into the Workday product suite, including generative and agentic AI, and we are increasingly using AI products and technologies in the course of running our business at Workday. As with many cutting-edge innovations, these technologies can present new risks and challenges. A quickly evolving technical, legal, and regulatory environment may cause us to incur increased research and development costs, or divert resources from other development efforts, to address ethical, legal, operational, or compliance requirements or other issues related to AI. For example, the European Union’s (“EU”) AI Act (“EU AI Act”) puts new requirements on providers and deployers of AI technologies and we are currently working to ensure compliance with corresponding deadlines. Additionally, existing laws and regulations apply to the development and deployment of AI in new ways, the nature and extent of which are difficult to predict and subject to change over time. The risks and challenges presented by these technologies could undermine public confidence in AI and could increase costs and burdens to us and our customers, which could slow its adoption and affect our business. Many of our products are powered by AI, some of which include the use of generative and agentic AI, for use cases that could potentially impact human, civil, privacy, or employment rights and dignities. To the extent that the products and technologies we develop and deploy rely on the use of generative or agentic capabilities provided by third parties, we face additional uncertainties and liabilities, especially where such third-party capabilities may be insufficient, biased, inaccurate, or of poor quality. Any failure to accurately identify and address our responsibilities and liabilities in this uncertain environment, including with respect to third-party capabilities, and to adequately address relevant ethical and social issues that may arise with such technologies and use cases, as well as failure by others in our industry or actions taken by our customers, employees, suppliers, or end users (including misuse of these technologies), could negatively affect the adoption of our offerings and subject us to reputational harm, regulatory action, or litigation, which may harm our financial condition and operating results. We are currently defending against a lawsuit alleging that certain of our AI-related products and services enable discrimination, and although we believe that such claims lack merit, and the majority of the claims have been dismissed, legal proceedings can be lengthy, expensive, and disruptive to our operations and customers (particularly where, as in the present litigation, the plaintiff may seek to also litigate against certain of Workday’s customers). We may be subject to other litigation and regulatory actions that may cause financial, competitive, and developmental impacts, and could lead to legal liability. Regardless of outcome, these types of claims have and could continue to cause reputational harm to our brand, including our ability to sell newly acquired products that use AI. Our employees, customers, or customers’ employees who are dissatisfied with our public statements, policies, practices, or solutions related to the development and use of AI may express opinions that could introduce reputational or business harm, or cease their relationship with us.

If we fail to develop and maintain widespread positive awareness of our brand, our business may suffer.

We believe that developing and maintaining widespread positive awareness of our brand is critical to our growth and that the importance of maintaining positive brand awareness will increase as competition in our markets increases. Successfully promoting and maintaining our brand will depend on our ability to provide reliable solutions that meet the needs of our customers, our ability to successfully differentiate our products and solutions from those of our competitors, and the effectiveness of our marketing efforts. However, brand promotion activities may not generate the awareness or increased revenues we anticipate, and even if they do, any increase in revenues may not offset the significant expenses we incur in promoting our brand.

If we fail to successfully promote and maintain positive awareness of our brand, or we fail to expand positive awareness of our newer solutions or products, we may fail to attract or retain customers necessary to realize a sufficient return on our brand-building investments. We have and may continue to experience reputational harm from, among other things, the introduction of new products, features, or services that do not meet customer expectations; our use of new and evolving technologies, including AI; service outages or disruptions; issues with product quality or performance; backlash from customers, government entities, or other stakeholders that disagree with our product offering decisions or public policy, ethical, or political positions; significant litigation or regulatory or government actions that negatively reflect on our business practices; and data security breaches or compliance failures. Additionally, the performance of our partners may affect our brand and reputation if customers do not have a positive experience with our partners’ solutions or services. Any unfavorable publicity or perception of our brand or our applications, including any unfavorable candidate or end user experience, could negatively impact our ability to attract and retain customers and also make it more difficult to hire and retain employees.

If we are unable to successfully integrate our applications with a variety of third-party technologies, our business and operating results could be adversely affected.

We depend on relationships with third-party technology and content providers and other key suppliers, and are also dependent on third parties for the license of certain software and development tools that are incorporated into or used with our applications or used to help improve our own internal systems, processes, or controls. For example, we leverage software and services for development tools and to deliver applications from many third-party suppliers including AWS and Google Cloud. If the operations of these third parties are disrupted, our own operations may suffer, which could adversely impact our operating results. Additionally, if we are unsuccessful in establishing or maintaining our relationships with these third parties, or if the quality of their products or performance is inadequate, our ability to compete in the marketplace or to grow our revenues could be impaired and our operating results may suffer.

To the extent that our applications depend upon the successful integration and operation of third-party software in conjunction with our software, any undetected errors or defects in this third-party software, as well as cybersecurity threats or attacks related to such software could prevent the deployment or impair the functionality of our applications, delay new application introductions, result in a failure of our applications, result in increased costs, including warranty and other related claims from customers, and injure our reputation.

Any failure of our applications to operate effectively with future network platforms and other third-party technologies, or changes in such technologies that degrade the functionality of our products or give preferential treatment to competitive services, could reduce the demand for our applications, result in customer and end user dissatisfaction, and adversely affect our business and operating results.

The extent to which the continuing global economic and geopolitical volatility, and any resulting effect on customer spending, will continue to impact our business, financial condition, and operating results will depend on future developments, which are highly uncertain and difficult to predict.

We operate on a global scale, and as a result, our business and revenues are impacted by global economic and geopolitical conditions. Global economic developments, including new or increased tariffs, geopolitical volatilities, downturns or recessions, political instability, and global health crises may negatively affect us or our ability to accurately forecast and plan our future business activity. In addition, volatile economic and geopolitical situations have led and could lead to further economic disruption. Any sustained adverse impacts from these and other recent macroeconomic events could materially and adversely affect our business, financial condition, operating results, and earnings guidance that we may issue from time to time, which could have a material effect on the value of our Class A common stock.

Our future revenues rely on continued demand by existing customers and the acquisition of new customers who may be subject to economic hardship due to recent macroeconomic events, including concerns about the impact of potential or imposed tariffs, inflation or the interest rate environment, and may delay or reduce their enterprise software spending to preserve capital and liquidity. In connection with recent macroeconomic events, we have experienced and may continue to experience delays in purchasing decisions from existing and prospective customers, increased demand for price concessions and delayed payment terms, and a reduction in customer demand. Our business, financial condition, and operating results may be negatively impacted in future periods due to the prolonged impacts of recent macroeconomic events, which may not be fully reflected in our operating results and overall financial performance until future periods.

To the extent recent macroeconomic events adversely affect our business, financial condition, and operating results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly operating results, including our revenues, subscription revenue backlog, operating margin, profitability, and cash flow, may vary significantly in the future and period-to-period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Additionally, we typically sign a significantly higher percentage of agreements with new customers as well as renewal agreements with existing customers in the fourth quarter of each year, and this year-over-year compounding effect in billing patterns causes the value of invoices that we generate in the fourth quarter to continually increase in proportion to our billings in the other three quarters of our fiscal year.

Our quarterly financial results may fluctuate as a result of a variety of factors, including the risks described in this “Risk Factors” section, many of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. The extent to which recent macroeconomic events could continue to impact our operating results will depend on future developments, which are highly uncertain and difficult to predict. Fluctuations in our quarterly results and related impacts to any earnings guidance we may issue from time to time, including any modification or withdrawal thereof, may negatively impact the value of our securities.

Catastrophic or climate-related events may disrupt our business.

Our corporate headquarters are located in Pleasanton, California, and we host our applications in data centers operated by third parties located in the U.S., Europe, Canada, and the Asia-Pacific region. The west coast of the U.S. contains active earthquake zones and the southeast is subject to seasonal hurricanes or other extreme weather conditions. Additionally, we rely on internal technology systems, our website, our network, and third-party infrastructure and enterprise applications, which are located in a wide variety of regions, for our development, marketing, operational support, hosted services, and sales activities. In the event of a major earthquake, hurricane, or other natural disaster, or a catastrophic event such as fire, power loss, telecommunications failure, vandalism, civil unrest, cyber-attack, geopolitical instability, war, terrorist attack, acts of violence, insurrection, pandemics or other public health emergencies, or the effects of climate change (such as drought, flooding, heat waves, wildfires, increased storm severity, and sea level rise), we may be unable to continue our operations and have, and may in the future, endure system interruptions, and may experience delays in our product development, lengthy interruptions in our services, breaches of data security, and loss of critical data, all of which could cause reputational harm or otherwise have an adverse effect on our business and operating results. In addition, the impacts of climate change on the global economy and our industry are rapidly evolving. We may be subject to increased regulations, reporting requirements, standards, or stakeholder expectations regarding climate change that may impact our business, financial condition, and operating results.

Our disclosures related to corporate responsibility and sustainability-related matters expose us to risks that could adversely affect our reputation and performance.

The positions we take on corporate responsibility and sustainability-related matters, human capital management initiatives, and ethical issues from time to time may impact our brand, reputation, or ability to attract or retain customers. In particular, our brand and reputation are associated with our environmental sustainability commitments (including our science-based targets), strong corporate governance practices, inclusivity, and ethical use, and any perceived changes in our dedication to these commitments could impact our relationships with potential and current customers, employees, stockholders, and other stakeholders.

Standards and requirements for tracking and reporting corporate responsibility and sustainability-related matters continue to evolve. Our failure to accomplish stated commitments or accurately track and report on these matters on a timely basis, or at all, could adversely affect our reputation and could expose us to increased scrutiny from the investment community as well as enforcement authorities. In addition, our processes and controls may not always comply with evolving standards for identifying, measuring, and reporting sustainability metrics, including sustainability-related disclosures that may be required by various regulatory bodies, and such standards have and may continue to change over time. If our sustainability or other corporate responsibility practices do not align with or meet evolving investor or other stakeholder expectations and standards, then our reputation, our ability to attract or retain employees, and our attractiveness as an investment, business partner, acquirer, or service provider could be negatively impacted. Conflicting laws, regulations, and executive orders and a lack of harmonization of legal and regulatory environments and stakeholder expectations across the jurisdictions in which we operate may create enhanced compliance risks and costs.

Risks Related to Cybersecurity, Data Privacy, and Intellectual Property

If our information technology systems are compromised or unauthorized access to customer or user data is otherwise obtained, our applications may be perceived as not being secure, our operations may be disrupted, our applications may become unavailable, customers and end users may reduce the use of or stop using our applications, and we may incur significant liabilities.

Our applications involve the storage and transmission of our customers' and other users' sensitive and proprietary information, including personal or identifying information regarding our customers, their employees, job candidates, customers, prospects, and suppliers, as well as financial, accounting, health, and payroll data. Additionally, our operations and the availability of the services we provide also depend on our information technology systems. As a result, a compromise of our applications or systems, or unauthorized access to, acquisition, use, tampering, release, alteration, theft, loss, or destruction of sensitive data, or unavailability of data or our applications, has and could disrupt our operations or impact the availability or performance of our applications; expose us and our customers to regulatory obligations and enforcement actions, litigation, investigations, remediation and indemnity obligations, or supplemental disclosure obligations; damage our reputation and brand; or result in loss of customer, consumer, and partner confidence in the security of our applications, an increase in our insurance premiums, suspension or loss of authorization under the Federal Risk and Authorization Management Program ("FedRAMP") or other authorizations, impairment to our business, and other potential liabilities or related fees, expenses, or loss of revenues.

The financial and personnel resources we employ to implement and maintain security measures, including our information security risk insurance policy, may not be sufficient to address our security needs. The security measures we have in place vary in maturity across the organization and may not be sufficient to protect against security risks, preserve our operations and services and the integrity of customer and personal information, and prevent data loss, misappropriation, and other security breaches. Our logging may not be and has not been sufficient to fully investigate the scope of an incident. Our information systems have been and may in the future be compromised by computer hackers, employees, contractors, or vendors, as well as software bugs, human error, technical malfunctions, or other malfeasance.

Cybersecurity threats and attacks are often targeted at companies such as ours and may take a variety of forms ranging from individuals or groups of security researchers, including those who appear to offer a solution to a vulnerability in exchange for some compensation, and insiders, to sophisticated hacker organizations, including state-sponsored actors who may launch coordinated attacks, or attacks motivated by the type of data that is processed by our customers, including our public sector customers, on our platform. These threats may be directed not only at us, but also at third parties in our supply chain, including cloud service providers, software vendors, open-source software maintainers, and other service providers or partners whose products or services are integrated with or support our platform and solutions. In the normal course of business, we are and have been the target of malicious cyber-attack attempts and have experienced other security events, including those involving attempts to exploit vulnerabilities in third-party technologies or services on which we rely. As our market presence grows and as our ecosystem of partners, integrations, and service providers expands, we face increased risks of cybersecurity attack or other security threats, including supply chain attacks. Additionally, as AI technologies, including generative AI models, develop rapidly, threat actors are using these technologies to create sophisticated new attack methods that are increasingly automated, targeted, and coordinated and more difficult to defend against. Threat actors may also target our AI models in ways that we cannot yet anticipate. Examples of key cybersecurity risks include viruses, worms, ransomware, and other malicious software programs, along with social engineering attacks, fraud, credential theft or abuse, exploitation of software bugs or other defects, targeted attacks against cloud services and other hosted software, and exploitation of unmanaged software or systems, any of which can result in a compromise of our applications or systems and the data we store or process, and can result in disclosure of Workday confidential information and intellectual property, production downtimes, reputational harm, and an increase in costs to the business. For example, in August 2025, we were targeted as part of a social engineering campaign against many large organizations, resulting in unauthorized access to some of our internal systems including some commonly available business contact information in our third-party customer relationship management platform. As the techniques used to obtain unauthorized access or sabotage systems change frequently, are becoming increasingly sophisticated and complex, and often are not identified until they are launched against a target, and because evidence of unauthorized activity may not have been captured or retained, or may be proactively destroyed by unauthorized actors, we may be unable to anticipate or timely detect these attacks, assess the true impact they may have on our business and operations, or to implement adequate preventative measures. Any cyber-attacks and other security events may have a significant or material impact on our business and operating results.

There may also continue to be attacks targeting any vulnerabilities in our applications, internally built infrastructure, enhancements, and updates to our existing offerings, or in the many different underlying networks and services that power the internet that our products depend on, most of which are not under our control or the control of our vendors, partners, or customers. Systems and processes designed to protect our applications, systems, software, and data, as well as customer data and other user data, and to prevent data loss and detect security breaches, may not be effective against all cybersecurity threats or perceived threats. We have been subject to such incidents, including through third-party service providers and in connection with acquisitions we have made. In addition, our software development practices have not and may not identify all potential privacy or security issues, and inadvertent disclosures of data have occurred and may occur again.

Additionally, remote work and resource access, including our hybrid work model, has and may continue to result in an increased risk of cybersecurity-related events, including phishing and other social engineering attacks, exploitation of any cybersecurity flaws that may exist, an increase in the number cybersecurity threats or attacks, and other security challenges as a result of our employees and our service providers continuing to work remotely from non-corporate managed networks. These risks may be further heightened by efforts by malicious actors to obtain or misuse authorized access credentials through deception or impersonation, including by posing as legitimate employees, contractors, or by infiltrating our workforce or service providers through fraudulent recruitment, onboarding, or credential-harvesting activities. If successful, such attacks could enable threat actors to gain persistent access to our systems, move laterally within our environment, exfiltrate sensitive data, disrupt operations, or facilitate additional cyber-attacks, and may be more difficult to detect or prevent due to the use of seemingly legitimate accounts and remote access tools.

Furthermore, we have acquired or partnered with a number of companies, products, services, and technologies over the years, and incorporated third-party products, services, and technologies into our own products and services. Addressing security issues associated with acquisitions, partnerships, incorporated technologies, and our supply chain requires significant resources, and we have inherited and may in the future inherit additional risks upon integration with or use by Workday. In addition, if a high-profile security breach occurs with respect to an industry peer, our customers and potential customers may generally lose trust in the security of financial management, spend management, human capital management, planning, or analytics applications, or in cloud applications for enterprises in general. Any or all of these issues could negatively affect our ability to attract new customers, cause existing customers to elect to terminate or not renew their subscriptions, result in reputational damage, cause us to pay remediation and indemnity costs and/or issue service credits or refunds to customers for prepaid and unused subscription services, or result in lawsuits, regulatory fines, or other action or liabilities, any of which could adversely affect our business and operating results.

We rely on sophisticated information systems and technology, including those provided by third parties, for the secure collection, processing, transmission, and storage of confidential, proprietary, and personal information, and to support our business operations and the availability of our applications. In the past several years, supply chain attacks have increased in frequency and severity. As we are both a provider and consumer of information systems and technology, we are at higher risk of being impacted either directly or indirectly by these attacks. The control systems, cybersecurity program, infrastructure, physical facilities of, and personnel associated with third parties that we rely on or partner with are beyond our control. Our customers may authorize third-party technology providers to access their customer data and any unauthorized use of the third-party technology may result in unauthorized access to such data. The audits we periodically conduct of some of our third-party vendors do not guarantee the security of and may be unable to prevent security events impacting the information technology systems of third parties that are part of our supply chain or that provide valuable services to us, which have resulted and could result in the unauthorized access to data of Workday, our employees, our customers, our third-party partners, or other end users; acquisition, destruction, alteration, use, tampering, release, unavailability, theft or loss of confidential, proprietary, or personal data of Workday, our employees, our customers, our third-party partners, or other end users; or the disruption of our operations and our ability to conduct our business or the availability of our applications; or could otherwise adversely affect our business, financial condition, operating results, or reputation.

Privacy concerns, evolving regulation of cloud computing, cross-border data transfer, and other domestic or foreign laws and regulations, including those that seek to regulate access to data, may reduce the adoption of our applications, result in significant costs and compliance challenges, and adversely affect our business and operating results.

Legal requirements related to collecting, storing, handling, retaining, and transferring (collectively, “processing”) personal data are rapidly evolving at both the national and international level in ways that require our business to adapt to comply with applicable laws and support customer compliance. As the complexity of our products grows, the regulatory focus on privacy intensifies worldwide, and jurisdictions increasingly consider and adopt privacy laws, the risks related to our business’s processing of personal data also grow. In addition, possible adverse interpretations of existing privacy-related laws and regulations by regulators in jurisdictions where our customers operate, as well as the potential adoption of new privacy-related requirements, could impose significant obligations affecting our business or prevent us from offering certain services in jurisdictions where we operate.

Over the past five years, the global data privacy compliance landscape has grown increasingly complex, fragmented, and financially relevant to business operations. As a result, our data processing creates current and prospective risks related to increased regulatory compliance costs, government enforcement actions and/or financial penalties for non-compliance, and reputational harm. For example, the EU-U.S. Data Privacy Framework (“DPF”) is in place under which EU data can legally be transferred to the U.S. However, it is facing legal challenges. As legal challenges to the DPF remain unresolved, uncertainty may continue regarding the legal requirements for transferring personal data from Europe, an integral aspect of our business that remains governed by, and subject to, General Data Protection Regulation (“GDPR”) requirements. Failure to comply with the GDPR data processing requirements by either ourselves or our subprocessors could lead to regulatory enforcement actions, which can result in monetary penalties of up to 4% of worldwide revenue, private lawsuits, reputational damage, and loss of customers. Other new EU laws, including the EU Data Act, which primarily governs access to and use of non-personal data generated by digital services, have been, and may continue to be implemented, interpreted, and enforced in ways that impose additional rules and restrictions on the deployment, operation, or use of our products and services and may require us to adapt our business practices or contractual arrangements to comply with such requirements. Other countries such as Russia, China, Vietnam, and India have also passed or are in the process of passing laws imposing new requirements, including requirements related to consent and varying degrees of restrictive data residency or localization.

Regulatory developments in the U.S. present additional risks. For example, the California Consumer Privacy Act (“CCPA”) took effect on January 1, 2020, and the California Privacy Rights Act (“CPRA”), which expands upon the CCPA, came into effect on January 1, 2023. The CCPA and CPRA give California consumers, including employees, certain rights similar to those provided by the GDPR, and also provide for statutory damages or fines on a per violation basis that could be very large depending on the severity of the violation. In addition, numerous states have enacted, or are considering, comprehensive privacy laws and other laws that touch on the processing of personal data in specific contexts, including in connection with artificial intelligence and automated systems, further contributing to a fragmented and evolving regulatory landscape that has and may continue to create compliance challenges.

Additionally, a final rule issued by the U.S. Department of Justice establishing a “Data Security Program” came into effect on April 8, 2025. The rule prohibits or restricts certain transactions that could result in access to bulk U.S. sensitive personal data or U.S. government-related data by countries of concern, including China (which includes Hong Kong and Macau). The rule imposes certain diligence, security, audit and record-keeping requirements, and may adversely impact certain of our global business operations, including by restricting or conditioning certain data access or transfers involving subsidiaries, affiliates, and vendors.

Furthermore, the U.S. Congress is considering numerous privacy bills, and the U.S. Federal Trade Commission continues to bring enforcement actions for unfair or deceptive data protection practices and may undertake its own privacy-related rulemaking. In addition to government activity, privacy advocacy and other industry groups have established or may establish various new, additional, or different self-regulatory standards that customers may require us to adhere to, which may place additional burdens on us. Increasing sensitivity of individuals to the unauthorized processing of personal data, whether real or perceived, and an increasingly uncertain trust climate has and may continue to create negative public reaction to technologies, products, and services such as ours or otherwise expose us to liability.

In addition, as AI technologies are increasingly used across the industry, including in connection with data analytics, automation, customer service, and decision-support features, the speed, scale, and complexity of data processing may increase, which may heighten data privacy risks. AI-enabled or agentic AI features may be targeted, misused, or produce outputs or inferences that implicate personal data in ways that are difficult to anticipate or control, potentially resulting in regulatory scrutiny, litigation, or reputational harm, even in the absence of a data breach.

Taken together, the costs of compliance with and other obligations imposed by data protection laws and regulations have and may continue to require modification of our services and operations, limit use or adoption of our services, slow the pace at which we close sales transactions, or otherwise adversely affect our business. In addition, data protection laws, regulations and related enforcement activities may lead to significant fines, penalties, or liabilities for noncompliance. These requirements may impact how personal data must be stored, accessed, and deleted within the products and services and impose certain limitations on how it may be used or shared. Further, the perception of privacy concerns, whether or not valid, may inhibit the adoption, effectiveness, or use of our applications or otherwise impact our business. Compliance with applicable laws and regulations regarding personal data may require changes in services, business practices, or internal systems that result in increased costs, lower revenue, reduced efficiency, or greater difficulty competing with foreign-based firms which could adversely affect our business and operating results.

Any failure to protect our intellectual property rights domestically and internationally could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property. We rely on patent, copyright, trade secret and trademark laws, trade secret protection, and confidentiality or license agreements with our employees, customers, suppliers, partners, and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate. We have patent applications pending in the U.S. and throughout the world, but we may be unable to obtain patent protection for the technology covered in our patent applications. In addition, any patents issued to us in the future may not provide us with competitive advantages or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties, including those affiliated with state-sponsored actors, to copy or reverse engineer our applications, including with the assistance of insiders, and use information that we regard as proprietary to create products and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer, and disclosure of our technology may be unenforceable under the laws of jurisdictions outside the U.S. In addition, the laws of some countries do not protect proprietary rights to the same extent as the laws of the U.S.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. These agreements may not be effective in controlling access to and distribution of our applications and proprietary information. Further, these agreements do not prevent our competitors or partners from independently developing technologies that are substantially equivalent or superior to our applications.

We may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, protect, and enforce our intellectual property rights could have a serious adverse effect on our brand and business.

We may be sued by third parties for alleged infringement of their proprietary rights.

There is considerable patent and other intellectual property development activity in our industry. Our competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to our industry. From time to time, third parties may claim that our applications and underlying technology infringe or violate their intellectual property rights, even if we are unaware of the intellectual property rights that others may claim cover some or all of our technology or services, and we may be found to be infringing such rights. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, require us to change our products, technology, or business practices, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications, or refund fees, which could be costly. In addition, we may be sued by third parties who seek to target us for actions taken by our customers, including through the use or misuse of our products. Even if we were to prevail in an intellectual property dispute, any litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations. Furthermore, from time to time we may introduce or acquire new products, including in areas where we historically have not competed, which could increase our exposure to patent and other intellectual property claims.

Our applications utilize open source software, including open source AI models and platforms, and our strategy of investing in and acquiring such technologies introduces new and heightened risks. Any failure to comply with the terms of one or more of these open source licenses, or to manage the unique risks of open source AI, could negatively affect our business.

Our applications include software covered by open source licenses, which may include, by way of example, the GNU General Public License and the Apache License. Furthermore, our strategy includes acquiring and investing in open-source AI platforms and utilizing AI models that may be governed by novel or untested licenses with ambiguous terms, use-based restrictions, or uncertain legal interpretation. Few terms used in either traditional or new AI-focused open source licenses have been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our applications. We attempt to comply with all open source licensing conditions that apply to our use of open source software. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in a certain manner. Our increasing integration of proprietary AI agents and platforms with open source components may heighten this “copyleft” risk. In addition, the license terms for certain previously open source software or models that we use have changed and the license terms for future versions of open source software that we use might change, requiring us to pay for a commercial license or re-engineer all or a portion of our technologies. In addition to risks related to open source license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with usage of open source software cannot be eliminated and could negatively affect our business.

Beyond licensing compliance, our use of and investment in open source AI models and platforms create distinct and significant risks. Open source AI models may be trained on data of unknown or uncertain provenance, which could include copyrighted or otherwise proprietary, confidential, or private information. If our applications or the agents our customers build using our platforms incorporate such models, we could face claims for copyright infringement and other violations. Open source AI components may also be subject to “data poisoning” and other security vulnerabilities. Many of the risks associated with usage of open source software, particularly in the rapidly evolving field of AI, cannot be eliminated and could negatively affect our business.

Risks Related to Legal and Regulatory Matters

Unfavorable laws, regulations, interpretive positions, or standards governing new and evolving technologies that we incorporate into our products and services, including those involving AI uses, could result in significant cost and compliance challenges and adversely affect our business and operating results.

Many of our products and services currently utilize or will utilize new and evolving technologies such as AI. The overall regulatory environment governing these types of technologies is likely to evolve as government interest in these technologies increases. Regulation of these technologies, as well as other technologies that we utilize in our products and services, also varies greatly among international, federal, state, and local jurisdictions and is subject to significant uncertainty. Governments and agencies domestic and abroad may in the future change or amend existing laws, or adopt new laws, regulations, or guidance, or take other actions which may severely impact the permitted uses of our technologies. New and changing laws, regulations, executive orders, directives, and enforcement priorities can also create uncertainty about how such laws and regulations will be interpreted and applied to Workday.

For example, the technologies underlying AI and its uses are subject to a variety of laws and regulations, including those governing intellectual property, privacy, data protection, cybersecurity, consumer protection, competition, and equal opportunity, and are expected to be subject to new laws and regulations or new applications of existing laws and regulations. AI is the subject of ongoing review by various U.S. and international governmental and regulatory agencies, and various U.S. states and other foreign jurisdictions are applying, or are considering applying, their cybersecurity, data protection, and product safety laws to AI and its uses or are considering general legal frameworks for AI and its uses, such as the EU AI Act.

Any failure by us to comply with applicable laws, regulations, guidance, or other rules could result in costly litigation, penalties, or fines. In addition, these regulations and any related enforcement actions could establish and further expand our obligations to customers, individuals, and other third parties with respect to our products and services, limit the countries in which such products and services may be used, restrict the way we structure and operate our business, require us to divert development and other resources, and reduce the types of customers and individuals who can use our products and services. Furthermore, our customers may operate in foreign jurisdictions, including countries in which we don't operate, and may be subject to additional laws and regulations outside the scope of our products. Increased regulation and oversight of products or services which utilize or rely on these technologies may result in costly compliance burdens or otherwise increase our operating costs, detrimentally affecting our business. These new technologies could subject us to additional litigation brought by private parties, which could be costly, time-consuming, and distracting to management and could result in substantial expenses and losses.

We are subject to risks related to government contracts and related procurement regulations, which may adversely impact our business and operating results.

Our contracts with federal, state, local, and foreign government entities are subject to various procurement regulations and other requirements relating to their formation, award, administration, and performance, which present certain risks and challenges not present in private commercial agreements. These risks and challenges include varying governmental budgeting processes and appropriations, contracting policies and requirements, changes in governmental administrations and policies, fluctuations due to government spending cuts and shutdowns, pressure to reduce deficits through spending reductions, highly competitive and lengthy bidding processes, and adherence to complex regulatory requirements and executive orders, and may impact government spending or result in termination of government contracts or delays in contract awards, which could adversely affect our business and operating results. Further, we have experienced and may in the future experience challenges by third parties to contracts awarded with government entities, and our contracting with certain government entities may result in negative publicity or reputational harm.

Laws and regulations provide public sector customers with various rights, many of which are not typically found in commercial contracts. For example, some governmental contracts provide for termination by the government at any time, with or without cause, which can adversely affect our business and operating results and impact other existing or prospective government contracts. U.S. federal, state, and local government and foreign government contracts are generally subject to government funding authorizations and appropriations, and contracts may also be terminated due to a lack of government funds. Changes in government procurement policies, priorities, regulations, or technology initiatives may negatively impact our potential for growth in the government sector.

We have made, and may continue to make, significant investments to support our efforts to sell to government entities, including obtaining various authorizations and certifications. For example, we have obtained authorization under FedRAMP, which allows us to participate in the U.S. federal government market. Such authorization is subject to rigorous compliance and if we were to lose our authorization, it could inhibit or preclude our ability to contract with certain U.S. federal and state government customers. If we fail to maintain FedRAMP authorization, we may fail to retain existing customers or attract new customers that rely on our authorization under FedRAMP, which could subject us to liability, result in reputational harm, and adversely impact our financial condition or operating results. Government certification requirements applicable to our products and services may change, which could restrict our ability to sell into the public sector until we have received a certification or until we can account for these changes in our service or corporate controls.

We may be subject to additional audits and investigations relating to our government contracts, and any violations could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, suspension of payments, payment of fines, and suspension or debarment from future government business, as well as harm to our reputation and financial results.

Adverse litigation results could have a material adverse impact on our business.

We are regularly involved with claims, suits, purported class or representative actions, and may be involved in regulatory and government investigations and other proceedings, involving competition, intellectual property, data security and privacy, bankruptcy, tax and related compliance, labor and employment, commercial disputes, and other matters. Such claims, suits, actions, regulatory and government investigations, and other proceedings can impose a significant burden on management and employees, could prevent us from offering one or more of our applications, services, or features to others, could require us to change our technology or business practices, or could result in monetary damages, fines, civil or criminal penalties, and have and could continue to cause reputational harm or other adverse consequences. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact in our consolidated financial statements could occur for the period in which the effect of an unfavorable outcome becomes probable and reasonably estimable.

Unanticipated tax laws or any change in the application of existing tax laws to us or our customers and unanticipated changes in our effective tax rate may adversely impact our profitability and financial results.

We operate and are subject to taxes in the U.S. and numerous other jurisdictions throughout the world. Changes to federal, state, local, or international tax laws on income, sales, use, indirect, or other tax laws, statutes, rules, regulations, or ordinances on multinational corporations have recently been enacted or are currently being considered by the U.S. and other countries where we do business. Contemplated legislative initiatives include, but are not limited to, changes to transfer pricing policies and definitional changes to permanent establishment that could be applied solely or disproportionately to services provided over the internet. These contemplated tax initiatives, if finalized and adopted by countries, may ultimately impact our effective tax rate and could adversely affect our sales activity resulting in a negative impact on our operating results and cash flows.

In addition, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us (possibly with retroactive effect), which could require us to pay additional tax amounts, fines or penalties, and interest for past amounts. Existing tax laws, statutes, rules, regulations, or ordinances could also be interpreted, changed, modified, or applied adversely to our customers (possibly with retroactive effect), which could require our customers to pay additional tax amounts with respect to services we have provided, fines or penalties, and interest for past amounts. If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such costs, thereby adversely impacting our operating results and cash flows. If our customers must pay additional fines or penalties, it could adversely affect demand for our services.

Significant judgment is often required in the determination of our worldwide provision for income taxes. Our effective tax rate could be impacted by changes in the valuation of deferred tax assets and liabilities and our ability to utilize them. We are also subject to tax examinations and it is possible that the final determination of any examinations will have an adverse effect on our operating results or financial position.

Risks Related to Financial Matters

Because we encounter long sales cycles when selling to large customers and we recognize subscription services revenues over the term of the contract, downturns or upturns in new sales will not be immediately reflected in our operating results and may be difficult to discern.

We generally recognize subscription services revenues over time as services are delivered to the customer, which typically occurs over a period of three years or longer. As a result, most of the subscription services revenues we report in each quarter are derived from the recognition of unearned revenue relating to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscription contracts in any single quarter may not be reflected in our revenue results for that quarter but will negatively impact our revenue in future quarters. Additionally, because much of our sales efforts are targeted at large enterprise customers, we face greater costs, longer sales cycles, less predictability in completing some of our sales, and varying deployment timeframes.

Our typical sales cycles for many new customers are six to twelve months but can extend for eighteen months or more, and we expect that this lengthy sales cycle may continue or expand as customers increasingly adopt applications across our platform. We have seen and may continue to see instances of increased scrutiny from existing and prospective customers and the lengthening of certain sales cycles. Longer sales cycles could cause our operating and financial results to suffer in a given period. Accordingly, the effect of significant downturns in sales and market acceptance of new applications, as well as potential changes in our pricing policies or rate of renewals, may not be fully reflected in our operating results until future periods. Additionally, we may be unable to adjust our cost structure to reflect any such changes in revenues. As a result, increased growth in the number of our customers could result in our recognition of more costs than revenues in the earlier periods of the terms of our agreements. Our subscription model also makes it difficult for us to rapidly increase our revenues through additional sales in any period, as subscription services revenues from new customers generally are recognized over the applicable subscription term. Furthermore, our subscription-based model is largely based on the size of our customers' employee headcount. Therefore, the addition or loss of employees by our customers, including any significant reductions in force by our customers, or customer insolvencies resulting from severe economic hardship, can and has had an impact on our subscription services revenues. Prolonged decreases in our customers' headcounts can materially impact our business and operating results in any given period.

Our current and future indebtedness may adversely affect our financial condition and operating results.

In fiscal 2023, we issued \$3.0 billion aggregate principal amount of senior notes, consisting of \$1.0 billion aggregate principal amount of 3.500% notes due April 1, 2027 ("2027 Notes"), \$750 million aggregate principal amount of 3.700% notes due April 1, 2029 ("2029 Notes"), and \$1.25 billion aggregate principal amount of 3.800% notes due April 1, 2032 ("2032 Notes," and together with the 2027 Notes and the 2029 Notes, "Senior Notes"). Additionally, in April 2022, we entered into a credit agreement ("2022 Credit Agreement") which provides for a revolving credit facility in an aggregate principal amount of \$1.0 billion. As of January 31, 2026, we had no outstanding revolving loans under the 2022 Credit Agreement.

We may incur substantial additional debt in the future, some of which may be secured debt. It is possible that we will not be able to repay this indebtedness when due or refinance this indebtedness on acceptable terms or at all.

In addition, our indebtedness could, among other things:

- make it difficult for us to pay other obligations;
- make it difficult to obtain favorable terms for any necessary future financing for working capital, capital expenditures, debt service requirements, or other purposes;
- adversely affect our liquidity and result in a material adverse effect on our financial condition upon repayment of the indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to service and repay the indebtedness, reducing the amount of cash flow available for other purposes;
- limit our flexibility in planning for and reacting to changes in our business;
- increase our vulnerability to the impact of adverse economic conditions, including rising interest rates (which can make refinancing existing indebtedness more difficult or costly); and
- negatively impact our credit rating, which could limit our ability to obtain additional financing in the future and adversely affect our business.

Our Senior Notes and 2022 Credit Agreement also impose restrictions on us and require us to maintain compliance with specified covenants. For example, our 2022 Credit Agreement includes a financial covenant that requires us to maintain a specific leverage ratio. Our ability to comply with these covenants may be affected by events beyond our control. If we breach any of the covenants and do not obtain a waiver from the lenders, then, subject to applicable cure periods, any outstanding indebtedness may be declared immediately due and payable. Any required repayment of our debt as a result of a fundamental change or other acceleration would lower our current cash on hand such that we would not have those funds available for use in our business.

We are subject to risks associated with our equity investments, including partial or complete loss of invested capital, and significant changes in the fair value of this portfolio could adversely impact our financial results.

We invest in early to late-stage companies for strategic reasons and to support key business initiatives, and we may not realize a return on our equity investments. Many such companies generate net losses and the market for their products, services, or technologies may be slow to develop or never materialize. These companies are often dependent on the availability of later rounds of financing from banks or investors on favorable terms to continue their operations. The financial success of our investment in any company is typically dependent on a liquidity event, such as a public offering, acquisition, or other favorable market event reflecting appreciation to the cost of our initial investment. The capital markets for public offerings and acquisitions are dynamic and the likelihood of liquidity events for the companies we have invested in has and could further deteriorate, which could result in a loss of all or a substantial part of our investment in these companies. Additionally, instability in the global banking system has created bank-specific and broader financial institution liquidity risks and concerns, which may have an adverse impact on the companies we have invested or may invest in.

Further, valuations of non-marketable equity investments are inherently complex due to the lack of readily available market data and the anticipated valuation at the time of our investment may not meet our expectations. In addition, we may experience additional volatility to our results of operations due to changes in market prices of our marketable equity investments and the valuation and timing of observable price changes or impairments of our non-marketable equity investments. Volatility in the global market conditions, including recent economic disruptions, inflation, and ongoing volatility in the public equity markets, may impact our equity investments. This volatility could be material to our results in any given quarter and may cause our stock price to decline. In addition, our ability to mitigate this volatility and realize gains on investments may be impacted by our contractual obligations to hold securities for a set period of time. For example, to the extent a company we have invested in undergoes an initial public offering (“IPO”), we may be subject to a lock-up agreement that restricts our ability to sell our securities for a period of time after the public offering or otherwise impedes our ability to mitigate market volatility in such securities.

We may discover weaknesses in our internal controls over financial reporting, which may adversely affect investor confidence in the accuracy and completeness of our financial reports and consequently the market price of our securities.

As a public company, we are required to design and maintain proper and effective internal controls over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002 requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on the internal controls over financial reporting, which must be attested to by our independent registered public accounting firm. If we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated.

The process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404 is challenging and costly. As we grow our operations and personnel, we will need to continue to improve our operational, financial, and management controls as well as our reporting systems and procedures. In the future, we may not be able to complete our evaluation, testing, and any required remediation in a timely fashion. If we identify material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner, if we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our securities could be negatively affected, and we could become subject to investigations by the Financial Industry Regulatory Authority, the SEC, or other regulatory authorities, which could require additional financial and management resources. In addition, because we use Workday’s financial management application, any problems that we experience with financial reporting and compliance could be negatively perceived by prospective or current customers, and negatively impact demand for our applications.

Risks Related to Ownership of Our Class A Common Stock

Our Co-Founders have control over key decision making as a result of their control of a majority of our voting stock.

As of January 31, 2026, our Co-Founder and CEO Emeritus David Duffield, together with his affiliates, held voting rights with respect to approximately 39 million shares of Class B common stock and 0.1 million shares of Class A common stock. As of January 31, 2026, our Co-Founder, CEO, and Chair of our Board of Directors, Aneel Bhusri, together with his affiliates, held voting rights with respect to approximately 8 million shares of Class B common stock and 0.4 million shares of Class A common stock. In addition, Mr. Bhusri holds 0.1 million restricted stock units (“RSUs”), which will be settled in an equivalent number of shares of Class A common stock. Further, Messrs. Duffield and Bhusri have entered into a voting agreement under which each has granted a voting proxy with respect to certain Class B common stock beneficially owned by him effective upon his death or incapacity as described in our registration statement on Form S-1 filed in connection with our IPO. Messrs. Duffield and Bhusri have each initially designated the other as their respective proxies. Accordingly, upon the death or incapacity of either Mr. Duffield or Mr. Bhusri, the other would individually continue to control the voting of shares subject to the voting proxy. Collectively, the shares described above represent a substantial majority of the voting power of our outstanding capital stock. As a result, Messrs. Duffield and Bhusri have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation, or sale of all or substantially all of our assets. As stockholders, even as controlling stockholders, they are entitled to vote their shares in their own interests, which may not always be in the interests of our stockholders generally.

In addition, Mr. Bhusri has the ability to significantly influence the management and affairs of our company as a result of his position as a member of our Board of Directors and an officer of Workday. Mr. Bhusri, in his capacity as a board member and officer, however, owes a fiduciary duty to our stockholders and must act in good faith in a manner he reasonably believes to be in the best interests of our stockholders.

The dual class structure of our common stock has the effect of concentrating voting control with our Co-Founders, as well as with other executive officers, directors, and affiliates, which limits or precludes the ability of non-affiliates to influence corporate matters.

Our Class B common stock has 10 votes per share and our Class A common stock, which is the stock that is publicly traded, has one vote per share. Stockholders who hold shares of Class B common stock, including our executive officers, directors, and other affiliates, together hold a substantial majority of the voting power of our outstanding capital stock as of January 31, 2026. Because of the ten-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively will continue to control a majority of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders for approval until the conversion of all shares of all Class A and Class B shares to a single class of common stock on the date that is the first to occur of (i) October 17, 2032, (ii) such time as the shares of Class B common stock represent less than 9% of the outstanding Class A and Class B common stock, (iii) nine months following the death of both Mr. Duffield and Mr. Bhusri, or (iv) the date on which the holders of a majority of the shares of Class B common stock elect to convert all shares of Class A common stock and Class B common stock into a single class of common stock. This concentrated control will limit or preclude the ability of non-affiliates to influence corporate matters for the foreseeable future.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. If, for example, Mr. Duffield and Mr. Bhusri retain a significant portion of their holdings of Class B common stock for an extended period of time, they could, in the future, continue to control a majority of the combined voting power of our Class A common stock and Class B common stock.

Our stock price has been volatile in the past and may be subject to volatility in the future.

The trading price of our Class A common stock has historically been volatile and could be subject to wide fluctuations in response to the risks described in this “Risk Factors” section, and other risks which are beyond our control. The factors that have and may in the future affect the trading price of our securities include, but are not limited to:

- guidance regarding our operating results and other financial metrics that we provide to the public, differences between our guidance and market expectations, our failure to meet our guidance, any withdrawal of previous guidance or changes from our historical guidance;
- changes in investor and analyst valuation models for our Class A common stock;
- the economy as a whole, political and regulatory uncertainty, and market conditions in our industry and the industries of our customers;
- announcements of technological innovations, new applications or enhancements to services, acquisitions, strategic alliances, or significant agreements by us or by our competitors;

- disruptions in our services due to computer hardware, software, or network problems or any announcements related to security incidents;
- announcements of customer additions and customer cancellations or delays in customer purchases;
- recruitment or departure of key personnel;
- trading activity by directors, executive officers, and significant stockholders, or the perception in the market that the holders of a large number of shares intend to sell their shares;
- actions instituted by activist shareholders or others, and our response to such actions;
- any future issuances of our securities; and
- changes in the amounts or frequency of stock repurchases.

Additionally, the stock markets have at times experienced extreme price and volume fluctuations that have affected and may in the future affect the market prices of equity securities of many companies. These fluctuations have, in some cases, been unrelated or disproportionate to the operating performance of these companies. Further, the trading prices of publicly traded shares of companies in our industry have been particularly volatile and may be very volatile in the future.

In the past, some companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could harm our business.

We may not realize the anticipated long-term stockholder value of our share repurchase programs.

We have share repurchase programs under which we are authorized to repurchase shares of our Class A common stock. Such repurchases may be made through open market transactions, including through the use of trading plans intended to qualify under Rule 10b5-1, through privately negotiated transactions, or by other means, in each case in accordance with applicable securities laws and other restrictions. The share repurchase programs do not have an expiration date, may be suspended or discontinued at any time, and do not obligate us to acquire any amount of our Class A common stock.

Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price. Since first authorizing a share repurchase program, there have been periods of time during which we have been unable to repurchase shares, for example, due to the possession of material nonpublic information.

The existence of our share repurchase programs could cause our stock price to trade higher than it otherwise would and could potentially reduce the market liquidity for our stock. Our share repurchase programs may not enhance long-term stockholder value because the market price of our common stock may decline below the levels at which we repurchased shares and short-term stock price fluctuations could reduce the effectiveness of this program.

Repurchasing our common stock will reduce the amount of cash we have available to fund working capital, repayment of debt, capital expenditures, strategic acquisitions or business opportunities, and other general corporate purposes, and we may fail to realize the anticipated long-term stockholder value of our share repurchase programs. Furthermore, the timing and amount of any repurchases, if any, will be subject to liquidity, market and economic conditions, compliance with applicable legal requirements such as Delaware surplus and solvency tests, and other relevant factors.

Delaware law and provisions in our restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our Class A common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law ("DGCL") may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of Workday more difficult, including the following:

- any transaction that would result in a change in control of our company requires the approval of a majority of our outstanding Class B common stock voting as a separate class;
- our dual class common stock structure, which provides our Co-Founders with the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A and Class B common stock;
- our Board of Directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;

- when the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of common stock:
 - certain amendments to our restated certificate of incorporation or amended and restated bylaws will require the approval of two-thirds of the combined vote of our then-outstanding shares of Class A and Class B common stock;
 - our stockholders will only be able to take action at a meeting of stockholders and not by written consent; and
 - vacancies on our Board of Directors will be able to be filled only by our Board of Directors and not by stockholders;
- only our chair of the board, lead independent director of the board, chief executive officer, presidents, or a majority of our Board of Directors are authorized to call a special meeting of stockholders;
- certain litigation against us can only be brought in Delaware;
- we will have two classes of common stock until the date that is the first to occur of (i) October 17, 2032, (ii) such time as the shares of Class B common stock represent less than 9% of the outstanding Class A and Class B common stock, (iii) nine months following the death of both Mr. Duffield and Mr. Bhusri, or (iv) the date on which the holders of a majority of the shares of Class B common stock elect to convert all shares of Class A common stock and Class B common stock into a single class of common stock;
- our restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established, and shares of which may be issued, without the approval of the holders of Class A common stock; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

In addition, Section 203 of the DGCL imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock, which may discourage, delay, or prevent a change in control of our company.

Furthermore, the change in control repurchase event provisions of our Senior Notes may delay or prevent a change in control of our company, because those provisions allow note holders to require us to repurchase such notes upon the occurrence of a fundamental change or change in control repurchase event.

These anti-takeover defenses could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could depress the market price of our securities.

The exclusive forum provision in our organizational documents may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims.

Our restated certificate of incorporation and our bylaws, to the fullest extent permitted by law, provide that the Court of Chancery of the State of Delaware is the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our restated certificate of incorporation, or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. There is uncertainty as to whether a court would enforce this exclusive forum provision with respect to claims under the Securities Act. If a court were to find the choice of forum provisions contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, and operating results.

Our bylaws include a provision providing that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act ("Federal Forum Provision"). Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. Application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court.

In addition, neither the exclusive forum provision in our restated certificate of incorporation nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court, and our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit a stockholders' ability to bring a claim in a judicial forum of their choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees.

We do not intend to pay dividends for the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. Consequently, stockholders must rely on sales of their common stock after price appreciation as the only way to realize any future gains on their investment.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats. These risks include, among other things, operational risks; intellectual property theft; fraud; extortion; harm to employees or customers; violation of privacy or security laws and other litigation and legal risk; financial risks; and reputational risks. Our process for identifying and assessing material risks from cybersecurity threats operates alongside our broader overall risk assessment process, covering all company risks. As part of this process appropriate disclosure personnel will collaborate with subject matter specialists, as necessary, to gather insights for identifying and assessing material cybersecurity threat risks, their severity, and potential mitigations.

We have implemented a variety of cybersecurity processes, technologies, and controls to aid in our efforts to identify, assess and manage such material risks. Our approach includes: (1) an enterprise risk management program, which includes cybersecurity risks and is periodically refreshed; (2) security and privacy reviews designed to identify risks from many new features, software, and vendors; (3) a vulnerability management program designed to identify hardware and software vulnerabilities; (4) a variety of tools designed to monitor our networks, systems and data for suspicious activity; (5) an internal red team program, which simulates cyber threats, intended to allow us to fix vulnerabilities before threat actors identify them; (6) a threat intelligence program designed to model and research our adversaries; and (7) a variety of privacy, cybersecurity, and incident response trainings and simulations. We leverage industry standard security frameworks, including from the National Institute for Standards in Technology (NIST), the International Organization for Standardization (ISO), and the American Institute of Certified Public Accountants (AICPA), to evaluate our security controls, which vary in maturity across the business and are processes we work to continually improve.

We also maintain a privacy and cybersecurity incident response program to prepare for, detect, respond to, and recover from cybersecurity incidents, which include processes to triage, assess severity for, escalate, contain, investigate, and remediate the incident, as well as to comply with potentially applicable legal obligations and mitigate brand and reputational damage. Further, we conduct periodic tabletop exercises to test and fortify the controls of our cybersecurity incident response program. The incident response team assesses the severity and priority of incidents on a rolling basis, with escalations of higher severity cybersecurity incidents provided to our management team. If a cybersecurity incident is determined to be a potentially material cybersecurity incident, our disclosure controls and procedures define the steps to determine materiality and disclose such a material cybersecurity incident.

When appropriate, we use external service providers and consultants to assess or monitor the environment or otherwise assist with aspects of our cybersecurity controls and risk assessment process. Our risk management approach is supplemented by external and internal audits, which are designed to test the effectiveness of our security controls. We conduct penetration testing on a periodic basis and have established an external bug bounty program to allow security researchers to help identify vulnerabilities in our systems before they mature into real-world cybersecurity threats. We also maintain a vendor risk management program designed to identify and mitigate risks associated with third-party service providers, including those in our supply chain and those who have access to our customer or employee data or our systems. This program includes pre-engagement diligence, contractual security and notification provisions, and ongoing monitoring, as appropriate.

We describe whether and how risks from identified cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, financial condition, or results of operations, under the headings “*We depend on data centers and other infrastructure operated by third parties, as well as internet availability, and any disruption in these operations could adversely affect our business and operating results,*” “*If we are unable to successfully integrate our applications with a variety of third-party technologies, our business and operating results could be adversely affected,*” and “*If our information technology systems are compromised or unauthorized access to customer or user data is otherwise obtained, our applications may be perceived as not being secure, our operations may be disrupted, our applications may become unavailable, customers and end users may reduce the use of or stop using our applications, and we may incur significant liabilities*” in our “Risk Factors” included in Part I, Item 1A of this report, which disclosures are incorporated by reference herein.

Governance

Our Board of Directors is actively involved in overseeing risks from cybersecurity threats. At least once a year, the Board of Directors discusses our programs and policies related to cybersecurity and risk initiatives and considers them closely both from a risk management perspective and as part of Workday’s business strategy. Additionally, the Board of Directors has delegated to its Audit Committee oversight of cybersecurity risks and processes to manage them. Our Audit Committee is comprised entirely of independent directors who regularly evaluate cybersecurity risks.

The materials presented to our Board of Directors and Audit Committee include updates on our data security posture, results from third-party assessments, progress towards predetermined risk-mitigation-related goals, our incident response plan, and certain cybersecurity threat risks or incidents and developments, as well as the steps management has taken to respond to such risks. The Board of Directors and Audit Committee generally receive materials, including a cybersecurity scorecard and other materials indicating current and emerging cybersecurity threat risks and describing our ability to mitigate those risks, and discuss such matters with our Chief Information Security Officer (“CISO”). Material cybersecurity threat risks are also considered during separate Board of Directors and committee meeting discussions of important matters like enterprise risk management, operational budgeting, business continuity planning, and other relevant matters.

Our CISO leads all aspects of our global cybersecurity program. Our CISO joined Workday in September 2025. Our CISO has more than 25 years of experience in cybersecurity defense, engineering, and governance, including leading security teams at several public companies. He also has a degree in computer information systems and a master's degree in telecommunications.

Our cybersecurity program is also supported by a cross-functional leadership team that contributes to our information security and privacy programs and practices, as well as identifies and mitigates security and privacy risks. This team includes our CIO and our Chief Legal Officer. This team contributes to the development of our cybersecurity strategy and is periodically updated regarding evolving cybersecurity risks and the in-place responsive actions. This team is also informed about the prevention, mitigation, detection, and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described herein, including the operation of our incident response plan.

ITEM 2. PROPERTIES

Our corporate headquarters is located in Pleasanton, California. It consists of approximately 1.0 million square feet of owned facilities and a 6.9 acre parcel of leased land. The land lease will expire in 2108. We also lease office space in various locations, including North America, Central America, Europe, and Asia Pacific, and data center capacity throughout the U.S. and Europe.

We believe that our facilities are suitable to meet our current needs. In the future, we may expand our facilities, add new facilities, or exit facilities as our needs evolve. We believe that suitable additional or alternative space will be available on commercially reasonable terms to accommodate any growth.

ITEM 3. LEGAL PROCEEDINGS

We are regularly involved with claims, suits, purported class or representative actions, and may be involved in regulatory and government investigations and other proceedings, involving competition, intellectual property, data security and privacy, bankruptcy, tax and related compliance, labor and employment, commercial disputes, and other matters. Such claims, suits, actions, regulatory and government investigations, and other proceedings can impose a significant burden on management and employees, could prevent us from offering one or more of our applications, services, or features to others, could require us to change our technology or business practices, or could result in monetary damages, fines, civil or criminal penalties, reputational harm, or other adverse consequences.

These claims, suits, actions, regulatory and government investigations, and other proceedings may include speculative, substantial, or indeterminate monetary amounts. We record a liability when we believe that it is probable that a liability has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both the likelihood of there being a liability and the estimated amount of a liability related to such matters. With respect to our outstanding matters, based on our current knowledge, we believe that the amount or range of reasonably possible liability will not, either individually or in aggregate, have a material adverse effect on our business, financial condition, operating results, or cash flows. However, the outcome of such matters is inherently unpredictable and subject to significant uncertainties.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Common Stock

Our Class A common stock is traded on the Nasdaq Global Select Market under the symbol "WDAY". Our Class B common stock is not listed or traded on any stock exchange.

Dividend Policy

We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business and do not expect to declare or pay any dividends in the foreseeable future. Any further determination to pay dividends on our capital stock will be at the discretion of our Board of Directors, subject to applicable laws, and will depend on our financial condition, operating results, capital requirements, general business conditions, and other factors that our Board of Directors considers relevant.

Stockholders

As of March 4, 2026, there were 20 stockholders of record of our Class A common stock (not including an indeterminate number of beneficial holders of stock held in street name through brokers and other intermediaries) and 60 stockholders of record of our Class B common stock.

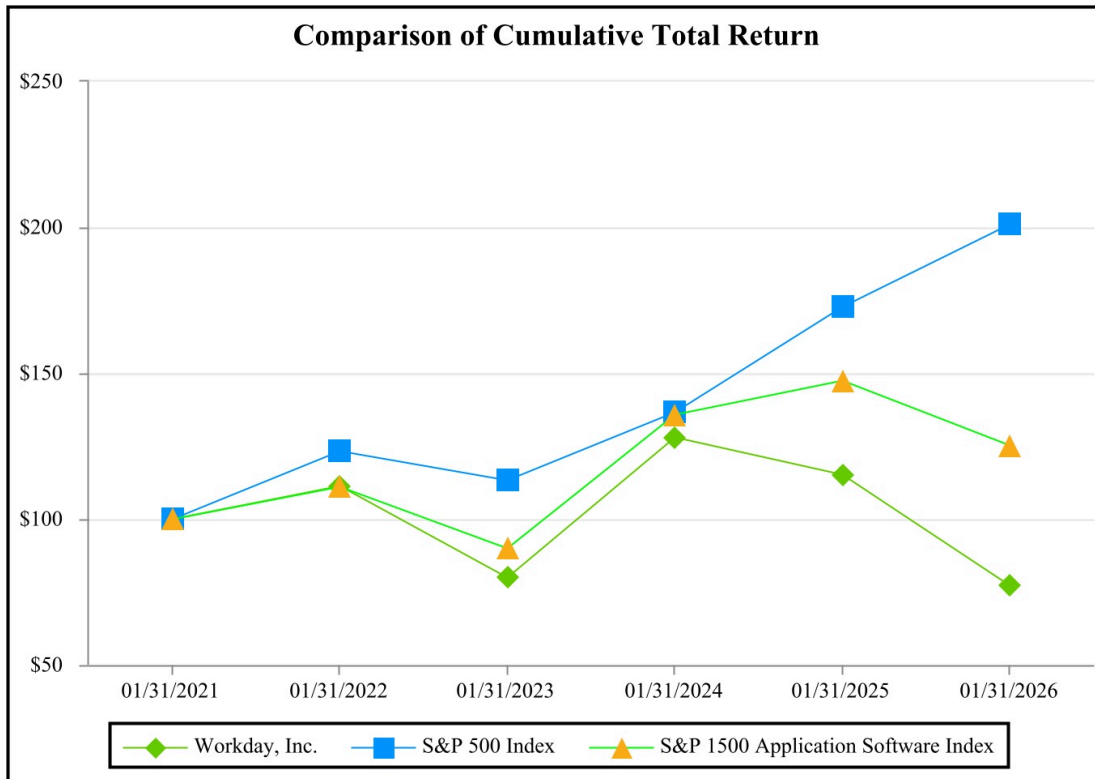
Securities Authorized for Issuance under Equity Compensation Plans

See Part III, Item 12 "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for more information regarding securities authorized for issuance.

Stock Performance Graph

The following shall not be deemed "soliciting material" or deemed "filed" for purposes of Section 18 of the Exchange Act, or subject to Regulation 14A or 14C, other than as provided by this Item 5, or to the liabilities of Section 18 of the Exchange Act, or incorporated by reference into any of our other filings under the Exchange Act or the Securities Act, except to the extent we specifically incorporate it by reference into such filing.

This chart compares the cumulative total return on our common stock with that of the S&P 500 Index and the S&P 1500 Application Software Index. The chart assumes \$100 was invested at the close of market on January 31, 2021, in our Class A common stock, the S&P 500 Index, and the S&P 1500 Application Software Index, and assumes the reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



Company/Index	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Workday, Inc.	\$ 100.00	\$ 111.20	\$ 79.74	\$ 127.93	\$ 115.18	\$ 77.19
S&P 500 Index	100.00	123.28	113.13	136.65	172.66	200.84
S&P 1500 Application Software Index	100.00	110.90	89.84	135.58	147.25	125.07

Recent Sales of Unregistered Securities

In connection with acquisitions made during the three months ended January 31, 2026, we issued approximately 337 thousand shares of our Class A common stock and agreed to issue approximately 103 thousand shares of our Class A common stock, with such shares vesting in equal annual installments over three years, subject to service conditions. These issuances and agreements to issue were made in reliance on one or more of the following exemptions or exclusions from the registration requirements of the Securities Act: Section 4(a)(2) of the Securities Act, Regulation D promulgated under the Securities Act and Regulation S promulgated under the Securities Act.

Purchases of Equity Securities by the Issuer

The table below sets forth information regarding our purchases of our Class A common stock during the three months ended January 31, 2026 (in millions, except number of shares which are reflected in thousands, and per share data):

Period	Total Number of Shares Purchased ⁽²⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program ⁽²⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program ⁽¹⁾⁽²⁾
November 1, 2025 - November 30, 2025	2,157	\$ 223.05	2,157	\$ 3,927
December 1, 2025 - December 31, 2025	3,410	217.92	3,410	3,184
January 1, 2026 - January 31, 2026	1,332	207.01	1,332	2,908
Total	<u>6,899</u>		<u>6,899</u>	

(1) Amounts exclude excise tax and commissions.

(2) In May 2025, our Board of Directors authorized the repurchase of up to \$1.0 billion of our outstanding shares of Class A common stock, and in September 2025, our Board of Directors authorized the repurchase of up to an additional \$4.0 billion of our outstanding shares of Class A common stock. For further information, see [Note 14, Stockholders' Equity](#), of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report.

ITEM 6. [Reserved]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and notes thereto included in Part II, Item 8 of this report. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report, particularly in "Risk Factors" included in Part I, Item 1A of this report.

The following discussion of our financial condition and results of operations covers fiscal 2026 and 2025 items and year-over-year comparisons between fiscal 2026 and 2025. Discussions of fiscal 2024 items and year-over-year comparisons between fiscal 2025 and 2024 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended January 31, 2025, that was filed with the SEC on March 11, 2025.

Amounts in this report may not recalculate due to rounding. Year-over-year comparisons, operating margin, and net income per share are calculated using unrounded data.

Overview

Workday is the enterprise AI platform for managing people, money, and agents. We deliver cloud-based, AI-powered applications for HCM, financial management, spend management, and planning. Our diverse customer base includes emerging, medium-sized, and large global organizations within numerous industries, including financial services, government, higher education, healthcare, hospitality, manufacturing, professional and business services, retail, technology and media, and transportation. Workday helps customers deliver better employee experiences, increase productivity, improve operational efficiencies, and provide insights for faster, data-driven decision-making.

We have achieved significant growth since our inception in 2005, when we pioneered HCM in the cloud. As a result of our innovation and commitment to customer success, today we are a Fortune 500 company with more than 11,500 customers around the world. As we continue to grow, we are focused on driving sustainable, long-term subscription revenue growth by adding new customers and expanding our relationships with existing customers through increased adoption of our suite of solutions. Central to this effort is investing in strategic growth areas including developing innovative AI solutions, expanding internationally, growing our partner ecosystem, deepening our presence in industry verticals and the emerging and medium enterprise market, and exploring strategic acquisitions to complement our organic innovation. Our investments across these targeted growth areas may require additional costs, but we remain committed to optimizing resource allocation and realizing a return on our investments. Over time, we believe these investments will support revenue growth and a more scalable business.

We are focused on expanding our operating margin by driving scale and building efficiencies across the business through investments in people, processes, and systems. As a result of our focus on expanding operating margin, we expect our product development, sales and marketing, and general and administrative expenses as a percentage of total revenues will decrease over the longer term as we grow our revenues and invest in a disciplined manner to support our long-term growth objectives.

Financial Results Overview

The following table provides an overview of our key metrics (in millions, except percentages, basis points, and headcount data):

	As of and for the Years Ended January 31,		
	2026	2025	Change
Total revenues	\$ 9,552	\$ 8,446	13 %
Subscription services revenues	\$ 8,833	\$ 7,718	14 %
GAAP operating income	\$ 721	\$ 415	74 %
Non-GAAP operating income ⁽¹⁾	\$ 2,824	\$ 2,186	29 %
GAAP operating margin	7.5 %	4.9 %	263 bps
Non-GAAP operating margin ⁽¹⁾	29.6 %	25.9 %	368 bps
Operating cash flows	\$ 2,939	\$ 2,461	19 %
Free cash flows ⁽¹⁾	\$ 2,777	\$ 2,192	27 %
Total subscription revenue backlog	\$ 28,101	\$ 25,056	12 %
12-month subscription revenue backlog	\$ 8,833	\$ 7,631	16 %
Cash, cash equivalents, and marketable securities	\$ 5,443	\$ 8,017	(32)%
Headcount	21,070	20,482	3 %

(1) See “Non-GAAP Financial Measures” below for further information.

Additional notable transactions from fiscal 2026 include:

- **Business combinations:** In September 2025, we acquired Paradox, a candidate experience agent that uses conversational AI to simplify every step of the job application journey, for purchase consideration of \$1.1 billion, and in November 2025, we acquired Sana, a leading AI company building the next generation of enterprise knowledge tools, for purchase consideration of \$1.1 billion.
- **Share repurchases:** During fiscal 2026, we repurchased approximately 12.8 million shares of our Class A common stock for \$2.9 billion as part of our share repurchase programs.
- **Restructuring activities:** In February 2025, we announced a restructuring plan (“Fiscal 2026 Restructuring Plan”), intended to prioritize our investments and continue advancing our ongoing focus on durable growth. The plan resulted in the reduction of approximately 7.5% of our workforce and the exit of certain owned office space. In February 2026, we announced an additional restructuring plan (“Fiscal 2027 Restructuring Plan”) intended to better align our people and resources to our highest priorities in fiscal 2027. The plan is expected to result in the reduction of approximately 2% of our workforce, and in the impairment of certain office space and long-lived assets. For fiscal 2026, we incurred approximately \$303 million in costs related to these restructuring activities.

Impact of Current Economic Conditions

Recent macroeconomic events including increased tariffs, elevated inflation, and fluctuating interest rates and foreign currency exchange rates, as well as geopolitical instability, continue to impact the global economy and create uncertainty, volatility, and disruption of financial markets. As a result, we have experienced, and may continue to experience, a moderation of revenue growth rates due to deal scrutiny and the lengthening of certain sales cycles, particularly within net new opportunities, as well as reduced growth in headcount-level commitments upon renewals of existing customers. The extended sales cycles are particularly evident in the government, higher education, and healthcare industries which are tied to federal funding. Further, we have provided, and may continue to provide, certain customers with more flexible payment terms. For further discussion of the potential impacts of recent macroeconomic events on our business, financial condition, and operating results, see “Risk Factors” included in Part I, Item 1A of this report.

Components of Results of Operations

Revenues

We derive our revenues from subscription services and professional services. Subscription services revenues primarily consist of fees that provide customers access to our cloud applications, with standard and enhanced customer support. Professional services revenues include fees for deployment services, optimization services, and training.

Subscription services revenues accounted for approximately 92% of our total revenues for the fiscal year ended January 31, 2026, and represented 97% of our total unearned revenue as of January 31, 2026. Subscription services revenues are driven primarily by the number of customers, the number of workers at each customer, the specific applications subscribed to by each customer, and the price of our applications.

The mix of applications to which each customer subscribes can affect our financial performance due to price differentials in our applications. Pricing for our applications varies based on many factors, including the complexity and maturity of the application and its acceptance in the marketplace. New products or services offerings by competitors in the future could also impact the mix and pricing of our offerings.

Subscription services revenues are recognized over time as services are delivered, beginning on the date our service is made available to the customer. Our subscription contracts typically have a term of three years or longer and are generally noncancelable. We generally invoice our customers annually in advance for subscription services. We may provide certain customers flexible payment terms and the timing of revenue recognition may differ from the timing of invoicing to our customers.

Our professional services consulting engagements are billed on a time and materials or fixed price basis. We generally invoice our customers as the work is performed for time and materials arrangements, and in advance for fixed price arrangements. For contracts billed on a time and materials basis, revenues are recognized over time as the professional services are performed. For contracts billed on a fixed price basis, revenues are recognized over time based on the proportion of the professional services performed. In some cases, we supplement our consulting teams by subcontracting resources from our service partners and deploying them on customer engagements. As the Workday-related consulting practices of our partner firms continue to develop, we expect these partners to increasingly contract directly with our subscription customers for services engagements.

Subscription Revenue Backlog

Our subscription revenue backlog, which is also referred to as remaining performance obligations for subscription contracts, represents contracted subscription services revenues that have not yet been recognized and includes billed and unbilled amounts. Subscription revenue backlog may fluctuate from period-to-period due to a number of factors, including the timing of renewals and overall renewal rates, new business growth, average contract duration, business combinations, and seasonality.

Costs and Expenses

Costs of subscription services revenues. Costs of subscription services revenues consist primarily of expenses associated with hosting our applications and delivering standard and enhanced customer support services. These costs include employee-related expenses, expenses related to data center capacity and third-party hosted infrastructure, depreciation of our data center equipment, amortization of certain acquisition-related intangible assets, and allocated overhead.

Costs of professional services revenues. Costs of professional services revenues consist primarily of employee-related expenses associated with these services, subcontractor expenses, travel expenses, and allocated overhead.

Product development expenses. Product development expenses consist primarily of employee-related expenses associated with our efforts to add new features and applications, increase functionality, and enhance the ease of use of our cloud applications, as well as expenses related to third-party hosted infrastructure, and allocated overhead.

Sales and marketing expenses. Sales and marketing expenses consist primarily of employee-related expenses, sales commissions, marketing programs, travel expenses, amortization of certain acquisition-related intangible assets, and allocated overhead. Marketing programs consist of advertising, events, corporate communications, brand awareness, brand ambassador campaigns, and product marketing activities. Sales commissions are considered incremental costs of obtaining a contract with a customer. Sales commissions for new revenue contracts are capitalized and amortized on a straight-line basis over a period of benefit that we have determined to be five years.

General and administrative expenses. General and administrative expenses consist primarily of employee-related expenses for our finance and accounting, legal, human resources, and information systems personnel, as well as professional services fees, allocated overhead, and other corporate expenses.

We allocate shared costs, such as facilities, IT, benefits, and recruiting, primarily based on headcount. As such, overhead expenses are reflected in each of the costs and expenses categories.

Restructuring expenses. Restructuring expenses are associated with a formal restructuring program and consist of charges related to workforce reductions, including employee transition, severance payments, and share-based compensation, as well as charges associated with the closure of facilities and other exit and disposal activities.

Results of Operations

Revenues

Our total revenues were as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Subscription services	\$ 8,833	\$ 7,718	\$ 6,603
Professional services	719	728	656
Total revenues	\$ 9,552	\$ 8,446	\$ 7,259

Total revenues were \$9.6 billion for fiscal 2026, compared to \$8.4 billion for fiscal 2025, an increase of \$1.1 billion, or 13%. Subscription services revenues were \$8.8 billion for fiscal 2026, compared to \$7.7 billion for fiscal 2025, an increase of \$1.1 billion, or 14%. Approximately 60% of the increase in subscription services revenues was attributable to expansion within our customers that existed as of the beginning of the comparable prior year period, and the remaining 40% was attributable to customers added after the beginning of the comparable prior year period. Professional services revenues were \$719 million for fiscal 2026, compared to \$728 million for fiscal 2025, a decrease of \$10 million, or 1%. The decrease in professional services revenues was driven by variation in project size and mix of deployment and integration services provided as we continue to expand and leverage our service partners.

Gross Revenue Retention Rate

Our growth in subscription services revenues attributable to existing customers is further reflected by our gross revenue retention rate of approximately 97% as of January 31, 2026. Our gross revenue retention rate measures the percentage of recurring revenue retained from existing customers and is calculated by taking total annual recurring revenue ("ARR") of our customers as of the corresponding prior period-end and comparing that to ARR from that same set of customers as of the current period-end. The metric takes into account recurring revenues lost to product or customer churn but does not account for additional revenue earned from add-ons or net expansions, which include volume and price adjustments. Our high gross revenue retention rate demonstrates our ability to maintain our existing customer base and drive strong overall customer satisfaction.

Our gross revenue retention rate is based on ARR, which represents the annualized value of active subscription contracts as of the end of each period. Each subscription contract is annualized by dividing the total contract value by the number of days in the contract term and then multiplying by 365. We exclude certain subscription contracts from the calculation, including contracts with terms less than one year that are distinct from our core product offering, such as contracts for tenants which are used for implementation and testing. To the extent that we are negotiating a renewal with a customer after the expiration of the subscription, ARR is only adjusted if the customer churns. We calculate ARR on a constant currency basis using exchange rates set at the beginning of each fiscal year.

Subscription Revenue Backlog

As of January 31, 2026, our total subscription revenue backlog was \$28.1 billion, with \$8.8 billion expected to be recognized in revenues over the next 12 months. As of January 31, 2025, our total subscription revenue backlog was \$25.1 billion, with \$7.6 billion expected to be recognized in revenues over the next 12 months. The increase in subscription revenue backlog was primarily driven by expansion within our existing customer base, sales to new customers, and timing of renewals for existing customers.

Costs and Expenses

Our costs and expenses were as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Costs of subscription services	\$ 1,531	\$ 1,266	\$ 1,031
Costs of professional services	790	803	740
Product development	2,679	2,626	2,464
Sales and marketing	2,616	2,432	2,139
General and administrative	912	820	702
Restructuring	303	84	0
Total costs and expenses	<u>\$ 8,831</u>	<u>\$ 8,031</u>	<u>\$ 7,076</u>

Total costs and expenses were \$8.8 billion for fiscal 2026, compared to \$8.0 billion for fiscal 2025, an increase of \$800 million, or 10%. The increase in total costs and expenses included increases of \$219 million in restructuring-related expenses, \$159 million in third-party hosted infrastructure expenses, \$212 million in employee-related expenses, net of restructuring-related cost savings, \$81 million in facilities and IT-related expenses, \$52 million related to professional services, \$41 million in amortization of deferred sales commissions, \$27 million in amortization of acquisition-related intangible assets, and \$16 million related to marketing programs, offset by a reduction of \$19 million in subcontractor expenses.

Costs of Subscription Services

Costs of subscription services were \$1.5 billion for fiscal 2026, compared to \$1.3 billion for fiscal 2025, an increase of \$264 million, or 21%. The increase in costs of subscription services included increases of \$139 million in third-party hosted infrastructure expenses, \$74 million in employee-related expenses primarily due to delivering our enhanced customer support services, net of restructuring-related cost savings, \$29 million in facilities and IT-related expenses, and \$19 million in amortization of acquisition-related intangible assets.

We expect costs of subscription services will continue to increase in absolute dollars as we improve and expand our technical operations infrastructure, including third-party hosted infrastructure, and as we grow our enhanced customer support services.

Costs of Professional Services

Costs of professional services were \$790 million for fiscal 2026, compared to \$803 million for fiscal 2025, a decrease of \$13 million, or 2%. The decrease in costs of professional services included a reduction of \$19 million in subcontractor expenses offset by an increase of \$7 million in facilities and IT-related expenses. Employee-related expenses remained relatively flat as a result of restructuring-related cost savings.

We expect costs of professional services as a percentage of total revenues to continue to decline as we expand and leverage our service partners to deploy our applications and focus on growing our subscription revenues.

Product Development

Product development expenses were \$2.7 billion for fiscal 2026, compared to \$2.6 billion for fiscal 2025, an increase of \$55 million, or 2%. The increase in product development expenses included increases of \$41 million in employee-related expenses, net of restructuring-related cost savings, \$18 million in third-party hosted infrastructure expenses, and \$14 million in facilities and IT-related expenses, offset by a reduction of \$11 million related to professional services.

We expect product development expenses will continue to increase in absolute dollars as we improve and extend our applications and develop new technologies.

Sales and Marketing

Sales and marketing expenses were \$2.6 billion for fiscal 2026, compared to \$2.4 billion for fiscal 2025, an increase of \$184 million, or 8%. The increase in sales and marketing expenses included increases of \$76 million in employee-related expenses, net of restructuring-related cost savings, \$41 million in amortization of deferred sales commissions, \$19 million related to marketing programs, \$17 million related to professional services, and \$17 million in facilities and IT-related expenses.

We expect sales and marketing expenses to increase in absolute dollars as we continue to invest domestically and internationally to expand awareness of our brand and product offerings to attract new and existing customers.

General and Administrative

General and administrative expenses were \$912 million for fiscal 2026, compared to \$820 million for fiscal 2025, an increase of \$92 million, or 11%. The increase in general and administrative expenses included increases of \$45 million related to professional services, \$20 million in employee-related expenses, net of restructuring-related cost savings, and \$14 million in facilities and IT-related expenses.

We expect general and administrative expenses will continue to increase in absolute dollars as we continue to grow our business and invest in our people, processes, and systems to support our global operations.

Restructuring

Restructuring expenses were \$303 million for fiscal 2026, of which approximately \$186 million related to employee transition, severance payments, employee benefits, and share-based compensation, and \$117 million related to impairment charges associated with office space and other long-lived assets.

Restructuring expenses were \$84 million for fiscal 2025, of which approximately \$65 million related to employee transition, severance payments, employee benefits, and share-based compensation, and \$19 million related to impairment charges associated with office space.

For further information, see [Note 21, Restructuring](#), of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report.

Share-based Compensation

Costs and expenses include share-based compensation expense as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Costs of subscription services	\$ 156	\$ 145	\$ 120
Costs of professional services	111	114	116
Product development	690	670	653
Sales and marketing	344	310	282
General and administrative	269	272	245
Restructuring	56	8	0
Total share-based compensation expense	\$ 1,626	\$ 1,519	\$ 1,416
Percentage of total revenues	17.0 %	18.0 %	19.5 %

Share-based compensation expense increased by \$107 million during fiscal 2026, primarily due to restructuring activities and additional grants to new and existing employees.

Equity compensation is an important element of our compensation philosophy. While we expect share-based compensation expense to grow in absolute dollars as we expand our global workforce, we expect it to decline as a percentage of total revenues.

Operating Income and Operating Margin

GAAP operating income was \$721 million, or 7.5% of revenues, in fiscal 2026, compared to \$415 million, or 4.9% of revenues in fiscal 2025. The increase is primarily due to our revenue growth outpacing headcount growth, moderation of operating expenses, including share-based compensation, and restructuring-related cost savings, partially offset by restructuring expenses.

Non-GAAP operating income was \$2.8 billion, or 29.6% of revenues, in fiscal 2026, compared to \$2.2 billion, or 25.9% of revenues in fiscal 2025. The increase is primarily due to our revenue growth outpacing headcount growth, moderation of operating expenses, and restructuring-related cost savings.

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Reconciliations of our GAAP to non-GAAP operating income and operating margin were as follows (in millions, except percentages). See “Non-GAAP Financial Measures” below for further information.

	Year Ended January 31,		
	2026	2025	2024
Operating income	\$ 721	\$ 415	\$ 183
Share-based compensation expense ⁽¹⁾	1,570	1,511	1,416
Employer payroll tax-related items on employee stock transactions	62	76	66
Amortization of acquisition-related intangible assets	106	79	75
Acquisition-related costs	62	21	1
Restructuring costs	303	84	0
Non-GAAP operating income	<u>\$ 2,824</u>	<u>\$ 2,186</u>	<u>\$ 1,741</u>
Operating margin	7.5 %	4.9 %	2.5 %
Share-based compensation expense ⁽¹⁾	16.4 %	17.9 %	19.5 %
Employer payroll tax-related items on employee stock transactions	0.7 %	0.9 %	0.9 %
Amortization of acquisition-related intangible assets	1.1 %	0.9 %	1.1 %
Acquisition-related costs	0.6 %	0.2 %	0.0 %
Restructuring costs	3.3 %	1.1 %	0.0 %
Non-GAAP operating margin	<u>29.6 %</u>	<u>25.9 %</u>	<u>24.0 %</u>

(1) Share-based compensation expense in the GAAP to non-GAAP reconciliation tables above excludes share-based compensation associated with restructuring activities of \$56 million and \$8 million for fiscal 2026 and 2025, respectively. These expenses are included in Restructuring costs.

Other Income, Net

Other income, net was as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Total other income, net	\$ 288	\$ 223	\$ 173

Other income, net increased by \$65 million for fiscal 2026, primarily due to \$77 million in higher net gains on equity investments and \$26 million in higher realized net gains from the sale of debt securities to fund acquisition activities and share repurchases. These increases were offset by a \$32 million reduction in interest income resulting from both decreased investment balances and lower interest rates.

Provision For (Benefit From) Income Taxes

The provision for (benefit from) income taxes was as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Provision for (benefit from) income taxes	\$ 316	\$ 112	\$ (1,025)

The income tax provision for fiscal 2026 and 2025 was primarily attributable to an increase in our U.S. pretax income and income tax expenses in profitable foreign jurisdictions.

On July 4, 2025, the One Big Beautiful Bill Act (“The 2025 Tax Act”) was signed into law. The 2025 Tax Act makes permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, domestic research cost expensing, and modifications to the international tax framework. The 2025 Tax Act did not have a material impact on our annual effective tax rate and reduced our domestic cash tax outflows for fiscal 2026. The 2025 Tax Act includes multiple effective dates, with certain provisions effective in fiscal 2026 and others phased in through fiscal 2028. We continue to evaluate the impact of the 2025 Tax Act’s provisions that take effect in future periods.

The Organization for Economic Cooperation and Development (“OECD”) released Pillar Two model rules defining a 15% global minimum tax for large multinational corporations. The OECD continues to release additional guidance and countries are implementing legislation, with widespread adoption of the Pillar Two Framework expected in the near future. Pillar Two rules are at varying stages of adoption across the jurisdictions where we operate. The specific rules and timeline to implement these rules vary by jurisdiction. The adoption of Pillar Two rules may affect our effective tax rate and current tax obligations and liabilities. While we do not currently anticipate Pillar Two rules to have a material impact on our consolidated financial results, we are monitoring developments from the OECD, governmental bodies, such as the EU, and intergovernmental economic organizations, to evaluate the impact of changing global tax laws.

For further information, see [Note 17, Income Taxes](#), of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report.

Liquidity and Capital Resources

As of January 31, 2026, our principal sources of liquidity were cash, cash equivalents, and marketable securities totaling \$5.4 billion, which were primarily held for working capital and general corporate purposes. Our cash equivalents and marketable securities are primarily composed of, in order from largest to smallest, corporate bonds, U.S. treasury securities, money market funds, U.S. agency obligations, commercial paper, asset-backed securities, and supranational securities.

We believe our existing cash, cash equivalents, marketable securities, cash provided by operating activities, unbilled amounts related to the remaining term of contracted noncancelable subscription agreements, which are not reflected on the Consolidated Balance Sheets, and, if necessary, our borrowing capacity under our 2022 Credit Agreement that provides for \$1.0 billion of unsecured financing, are sufficient to meet our working capital, capital expenditure, share repurchase, and debt repayment needs over the next 12 months and beyond.

Our long-term future capital requirements depend on many factors, including the effects of macroeconomic trends, customer growth rates, subscription renewal activity, headcount growth, the timing and extent of development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced services offerings, infrastructure development, and our investment and acquisition activities. As part of our strategy, we may choose to seek additional debt or equity financing, which may not be available on terms favorable to us or at all. Additionally, our cash provided by operating activities could be affected by various risks and uncertainties, including the “Risk Factors” included in Part I, Item 1A of this report.

Our cash flows were as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Net cash provided by (used in):			
Operating activities	\$ 2,939	\$ 2,461	\$ 2,149
Investing activities	333	(1,781)	(1,751)
Financing activities	(3,319)	(1,150)	(268)
Effect of exchange rate changes	2	0	(1)
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ (45)</u>	<u>\$ (470)</u>	<u>\$ 129</u>

Operating Activities

Cash provided by operating activities was \$2.9 billion and \$2.5 billion for fiscal 2026 and 2025, respectively. The improvement in cash provided by operating activities was primarily the result of higher cash collections of \$1.2 billion mainly due to increased sales, partially offset by increased supplier payments of \$335 million to support our continued growth and increased employee-related payments of \$272 million, which include payments made under the Fiscal 2026 Restructuring Plan.

Investing Activities

Cash provided in investing activities for fiscal 2026 was \$333 million, which primarily resulted from net inflows of \$2.6 billion as we converted marketable debt securities into cash to fund acquisition activities and share repurchases, offset by net outflows of \$2.1 billion for acquisitions, and capital expenditures of \$162 million mainly for office space projects.

Cash used in investing activities for fiscal 2025 was \$1.8 billion, which primarily resulted from a net outflow of \$667 million related to marketable debt securities activities, net outflows of \$825 million for acquisitions, and capital expenditures of \$269 million for data center and office space projects.

We expect capital expenditures will be approximately \$270 million in fiscal 2027. This primarily includes investments in our office facilities to support our continued growth.

Financing Activities

Cash used in financing activities for fiscal 2026 was \$3.3 billion, which was due to repurchases of common stock of \$2.9 billion under our share repurchase programs and taxes paid of \$616 million related to net share settlement of equity awards, offset by proceeds of \$192 million from the issuance of common stock from employee equity plans.

Cash used in financing activities for fiscal 2025 was \$1.2 billion, which was due to repurchases of common stock of \$700 million under our share repurchase programs and taxes paid of \$636 million related to net share settlement of equity awards, offset by proceeds of \$186 million from the issuance of common stock from employee equity plans.

Free Cash Flows

In evaluating our performance internally, we focus on long-term, sustainable growth in free cash flows. We define free cash flows, a non-GAAP financial measure, as net cash provided by operating activities minus capital expenditures. See “Non-GAAP Financial Measures” below for further information.

Free cash flows were \$2.8 billion for fiscal 2026, compared to \$2.2 billion for the prior year period. The improvement was primarily the result of higher cash collections of \$1.2 billion mainly due to increased sales and decreased capital expenditures of \$107 million, partially offset by increased supplier payments of \$335 million to support our continued growth and increased employee-related payments of \$272 million, which include payments made under the Fiscal 2026 Restructuring Plan.

Reconciliation of our GAAP net cash provided by operating activities to non-GAAP free cash flows is as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Net cash provided by operating activities	\$ 2,939	\$ 2,461	\$ 2,149
Less: Capital expenditures	(162)	(269)	(232)
Free cash flows	\$ 2,777	\$ 2,192	\$ 1,917

Share Repurchase Programs

We repurchase shares of our Class A common stock under share repurchase programs authorized by our Board of Directors. Under these programs, in accordance with applicable securities laws and other restrictions, we may repurchase shares of our Class A common stock through open market purchases, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, in privately negotiated transactions, or by other means. The timing and total amount of share repurchases will depend upon business, economic, and market conditions, corporate and regulatory requirements, prevailing stock prices, and other considerations. The share repurchase programs have no expiration date, may be suspended or discontinued at any time, and do not obligate us to acquire any amount of Class A common stock.

Share repurchase programs authorized by our Board of Directors that were active during fiscal 2026 and 2025 were as follows (in millions):

Authorization Date	Amount Authorized	Authorization Completion Date
November 2022	\$ 500	Q1 fiscal 2025
February 2024	500	Q3 fiscal 2025
August 2024	1,000	Q3 fiscal 2026
May 2025	1,000	Q4 fiscal 2026
September 2025	4,000	

As of January 31, 2026, we were authorized to repurchase a remaining \$2.9 billion of our outstanding shares of Class A common stock under our share repurchase programs.

For further information, see [Note 14, Stockholders' Equity](#), of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report.

Contractual Obligations

Our contractual obligations primarily consist of borrowings under our Senior Notes, agreements for third-party hosted infrastructure platforms for business operations, leases for office space and co-location facilities for data center capacity, and other purchase obligations entered into in the ordinary course of business. The table below includes our material contractual obligations, excluding imputed interest, as of January 31, 2026 (in millions). For further information, see the associated Notes to Consolidated Financial Statements included in Part II, Item 8 of this report referenced in the table below.

	Total	Payments Due by Period		Reference
		Short-term	Long-term	
Senior Notes ⁽¹⁾	\$ 3,458	\$ 110	\$ 3,348	Note 11
Third-party hosted infrastructure platform obligations	1,056	298	758	Note 13
Operating leases	1,065	146	919	Note 12
Other purchase obligations	510	163	347	Note 13
Total	\$ 6,089	\$ 717	\$ 5,372	

(1) Consists of principal and interest payments on the Senior Notes.

Non-GAAP Financial Measures

Regulation S-K Item 10(e), “Use of non-GAAP financial measures in Commission filings,” defines and prescribes the conditions for use of non-GAAP financial information. Our measures of non-GAAP operating income, non-GAAP operating margin, and free cash flows meet the definition of non-GAAP financial measures.

Non-GAAP Operating Income and Non-GAAP Operating Margin

We use the non-GAAP financial measures of non-GAAP operating income and non-GAAP operating margin to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, for short- and long-term operating plans, and to evaluate our financial performance. We believe that these non-GAAP financial measures reflect our ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in our business.

Our non-GAAP operating income and non-GAAP operating margin exclude the components listed below. For the reasons set forth below, we believe that excluding these components provides useful information to investors and others in understanding and evaluating our operating results and prospects in the same manner as management, in comparing financial results across accounting periods and to those of peer companies, and to better understand the long-term performance of our core business.

- *Share-based compensation expense.* Share-based compensation primarily consists of non-cash expenses for employee RSUs and our employee stock purchase plan. Although share-based compensation is an important aspect of the compensation of our employees and executives, this expense is determined using a number of factors, including our stock price, volatility, and forfeiture rates, that are beyond our control and generally unrelated to operational decisions and performance in any particular period. Further, share-based compensation expense is not reflective of the value ultimately received by the grant recipients.
- *Employer payroll tax-related items on employee stock transactions.* We exclude the employer payroll tax-related items on employee stock transactions in order to show the full effect that excluding share-based compensation expense has on our operating results. Similar to share-based compensation expense, this tax expense is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of our business.
- *Amortization of acquisition-related intangible assets.* For business combinations, we generally allocate a portion of the purchase price to intangible assets. The amount of the allocation is based on estimates and assumptions made by management and is subject to amortization. The amount of purchase price allocated to intangible assets and the term of the related amortization can vary significantly and are unique to each acquisition and thus we do not believe this activity is reflective of our ongoing operations. Although we exclude the amortization of acquisition-related intangible assets from these non-GAAP financial measures, we believe that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.

- *Acquisition-related costs.* Acquisition-related costs include direct transaction costs, such as due diligence and advisory fees, and certain compensation and integration-related expenses. We exclude the effects of acquisition-related costs as we believe these transaction-specific expenses are inconsistent in amount and frequency and do not correlate to the operation of our business.
- *Restructuring costs.* Restructuring costs are associated with a formal restructuring plan and are primarily related to workforce reductions, the closure of facilities, and other exit and disposal activities. We exclude these expenses because they are not reflective of ongoing business and operating results.

Free Cash Flows

We define free cash flows as net cash provided by operating activities minus capital expenditures. We use free cash flows as a measure of financial progress in our business, as it balances operating results, cash management, and capital efficiency. We believe information regarding free cash flows provides investors and others with an enhanced view of cash flow generation from the ongoing operations of our business.

Limitations on the Use of Non-GAAP Financial Measures

A limitation of our non-GAAP financial measures of non-GAAP operating income, non-GAAP operating margin, and free cash flows is that they do not have uniform definitions. Our definitions will likely differ from the definitions used by other companies, including peer companies, and therefore comparability may be limited. Further, these non-GAAP financial measures have certain limitations as they do not reflect all items of expense or cash that affect our operations and are reflected in the corresponding GAAP financial measures. In the case of share-based compensation, if we did not pay out a portion of compensation in the form of share-based compensation, the cash salary expense included in operating expenses would be higher, which would affect our cash position.

We compensate for these limitations by reconciling the non-GAAP financial measures to the most comparable GAAP financial measures. These non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, measures prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure, and to view our non-GAAP financial measures in conjunction with the most comparable GAAP financial measures.

See “Results of Operations—Operating Income and Operating Margin” for reconciliations from the most directly comparable GAAP financial measures of GAAP operating income and GAAP operating margin, to the non-GAAP financial measures of non-GAAP operating income and non-GAAP operating margin, for fiscal 2026, 2025, and 2024.

See “Liquidity and Capital Resources—Free Cash Flows” for a reconciliation from the most comparable GAAP financial measure, net cash provided by operating activities, to the non-GAAP financial measure, free cash flows, for fiscal 2026, 2025, and 2024.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates, judgments, and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates, judgments, and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that of our significant accounting policies, which are described in [Note 2, Accounting Standards and Significant Accounting Policies](#), of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report, the following accounting policies include specific estimates that involve a greater degree of judgment and complexity. Accordingly, these are the estimates we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and operating results.

Revenue Recognition

We derive our revenues from subscription services and professional services. Revenues are recognized when control of these services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to receive in exchange for services rendered.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;

- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenues when, or as, we satisfy a performance obligation.

We believe the area we apply the most critical judgment when determining revenue recognition relates to the identification of distinct performance obligations.

Identification of Performance Obligations

A performance obligation is a promise in a contract with a customer to transfer products or services that are distinct. Our contracts with customers may include multiple promises to transfer services to a customer. Determining whether products and services are distinct performance obligations that should be accounted for separately or combined as a single performance obligation may require significant judgment that requires us to assess the nature of the promise and the value delivered to the customer. We apply significant judgment in identifying and evaluating any terms and conditions in contracts which may impact revenue recognition.

Our primary performance obligations consist of subscription services and professional services. We satisfy these performance obligations over time as we transfer the promised services to our customers. Subscription services are made up of a daily requirement to deliver the service to the customer. Each day the delivery of the service provides value to the customer and each day represents a measure toward completion of the service. As such, subscription services meet the criteria to be a series of distinct services. In determining whether professional services are distinct, we consider the following factors for each professional services agreement: availability of the services from other vendors, the nature of the professional services, the timing of when the professional services contract was signed in comparison to the subscription start date, and the contractual dependence of the service on the customer's satisfaction with the professional services work. To date, we have concluded that professional services included in contracts with multiple performance obligations are generally distinct as the professional services are not interrelated with subscription services nor do they result in significant customization of the subscription service. As such, we view professional services as a separate performance obligation to the customer.

At contract inception, we evaluate whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. We combine contracts entered into at or near the same time with the same customer if we determine that the contracts are negotiated as a package with a single commercial objective; the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or the services promised in the contracts are a single performance obligation. For contracts that contain multiple performance obligations, we assess each promise separately and allocate the transaction price on a relative standalone selling price ("SSP") basis.

Deferred Commissions

Sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for new revenue contracts are capitalized and then amortized on a straight-line basis over a period of benefit that we have determined to be five years. We determined the period of benefit by exercising judgment, taking into consideration our customer contracts, our technology, and other factors.

Periodically, we review whether events or changes in circumstances have occurred that could impact the period of benefit. Any future changes in circumstances around the terms of our initial and renewal contracts, customer attrition, underlying technology life, and certain other factors may materially change the period of benefit and therefore the amortization amounts recognized on the Consolidated Statements of Operations. There was no change to the period of benefit during the periods presented.

Income Taxes

We record a provision for, or benefit from, income taxes for the anticipated tax consequences of the reported results of operations using the asset and liability method. Under this method, we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. A valuation allowance is established when necessary to reduce deferred tax assets to the net amount that is more likely than not to be realized. Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, both positive and negative, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for (benefit from) income taxes in the period in which such determination is made.

We recognize the tax benefit of an uncertain tax position only if it is more likely than not that the position is sustainable upon examination by the taxing authority, based on the technical merits. The tax benefit recognized is measured as the largest amount of benefit which is greater than 50% likely to be realized upon settlement with the taxing authority. Significant judgment is required to evaluate uncertain tax positions. Our evaluations are based upon a number of factors, including changes in facts or circumstances, changes in tax law or guidance, correspondence with tax authorities during the course of audits, and effective settlement of audit issues. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in our provision for (benefit from) income taxes in the period in which we make the change.

Business Combinations, Goodwill, and Acquisition-Related Intangible Assets

We allocate the purchase consideration of acquired companies to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date, with the exception of contract assets and unearned revenue which are measured and recognized on the acquisition date in accordance with our revenue recognition policy. Any residual purchase price is recorded as goodwill. The purchase price allocation process requires us to make significant estimates and assumptions related to the fair value of identifiable intangible assets. Critical estimates used in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired customer contracts, expected life cycle and innovation timelines for acquired technologies, forecasted customer attrition rates and revenue growth, royalty rates for comparable market technologies, and discount rates. The amounts and estimated useful lives assigned to acquisition-related intangible assets impact the amount and timing of future amortization expense.

Recent Accounting Pronouncements

See [Note 2, Accounting Standards and Significant Accounting Policies](#), of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report for a full description of recent accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Recent macroeconomic events have resulted in negative impacts on global economies and financial markets, which may increase our foreign currency exchange risk and interest rate risk. For further discussion of the potential impacts of these events on our business, financial condition, and operating results, see “Risk Factors” included in Part I, Item 1A of this report.

Foreign Currency Exchange Risk

We transact business globally in multiple currencies. As a result, our operating results and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. As of January 31, 2026, our most significant currency exposures were the euro, British pound, Canadian dollar, and Australian dollar.

Due to our exposure to market risks that may result from changes in foreign currency exchange rates, we enter into foreign currency derivative hedging transactions to mitigate these risks. For further information, see [Note 10, Derivative Instruments](#), of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report.

Interest Rate Risk on our Investments

We had cash, cash equivalents, and marketable securities totaling \$5.4 billion and \$8.0 billion as of January 31, 2026, and 2025, respectively. Cash equivalents and marketable securities were invested primarily in U.S. treasury securities, U.S. agency obligations, corporate bonds, commercial paper, money market funds, asset-backed securities, and supranational securities. The cash, cash equivalents, and marketable securities are held primarily for working capital and general corporate purposes. Our investment portfolios are managed to preserve capital and meet liquidity needs. We do not enter into investments for trading or speculative purposes.

Our cash equivalents and our portfolio of debt securities are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fluctuate due to changes in interest rates or we may suffer losses in principal if we sell securities that decline in market value due to changes in interest rates. Further, since our debt securities are classified as “available-for-sale,” if the fair value of the security declines below its amortized cost basis, then any portion of that decline attributable to credit losses is recognized on the Consolidated Statements of Operations.

A hypothetical increase or decrease of 100 basis points in interest rates would have resulted in an approximately \$59 million market value reduction or increase in our investment portfolio as of January 31, 2026. A hypothetical increase or decrease of 100 basis points in interest rates would have resulted in an approximately \$89 million market value reduction or increase in our investment portfolio as of January 31, 2025. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur.

Interest Rate Risk on our Debt

The Senior Notes have fixed annual interest rates, and therefore we do not have economic interest rate exposure on these debt obligations. However, the fair values of the Senior Notes are exposed to interest rate risk. Generally, the fair values of the Senior Notes will increase as interest rates fall and decrease as interest rates rise.

Borrowings under our 2022 Credit Agreement will bear interest, at our option, at a base rate plus a margin of 0.000% to 0.500% or a secured overnight financing rate (“SOFR”) plus 10 basis points, plus a margin of 0.750% to 1.500%, with such margin being determined based on our consolidated leverage ratio or debt rating. Because the interest rates applicable to borrowings under the 2022 Credit Agreement are variable, we are exposed to market risk from changes in the underlying index rates, which affect our cost of borrowing.

For further information, see [Note 11, Debt](#), of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

WORKDAY, INC.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Workday, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Workday, Inc. (the Company) as of January 31, 2026 and 2025, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended January 31, 2026, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 31, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2026, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 31, 2026, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 6, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Revenue Recognition

As described in Note 2 to the consolidated financial statements, the Company recognizes revenue primarily from subscription services and professional services contracts. Some of the Company's contracts contain multiple performance obligations. For these contracts, the Company assesses the performance obligations and accounts for those obligations separately if they are distinct.

Auditing the Company's determination of distinct performance obligations related to subscription services contracts was challenging. For example, there were nonstandard terms and conditions in certain subscription services contracts that required judgment to determine whether the distinct performance obligations were identified and accounted for appropriately.

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to identify distinct performance obligations in subscription services contracts.

Among other audit procedures, we selected a sample of subscription services contracts and evaluated whether management appropriately identified and considered the terms and conditions and the appropriate revenue recognition. As part of our procedures, we evaluated the assessment of distinct performance obligations in these contracts.

Description of the Matter

How We Addressed the Matter in Our Audit

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2008.

San Francisco, California

March 6, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Workday, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Workday, Inc.'s internal control over financial reporting as of January 31, 2026, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Workday, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of January 31, 2026, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Paradox and Sana, which are included in the fiscal 2026 consolidated financial statements of the Company and constituted less than 1% of total and net assets (excluding goodwill and intangible assets, which were integrated into the Company's control environment) as of January 31, 2026 and less than 1% and 1.2% of revenues and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Paradox and Sana.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of January 31, 2026 and 2025, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended January 31, 2026, and the related notes and our report dated March 6, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Francisco, California

March 6, 2026

WORKDAY, INC.
CONSOLIDATED BALANCE SHEETS

(in millions, except number of shares which are reflected in thousands and per share data)

	As of January 31,	
	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,501	\$ 1,543
Marketable securities	3,942	6,474
Trade and other receivables, net of allowance for credit losses of \$16 and \$10, respectively	2,332	1,950
Deferred costs	306	267
Prepaid expenses and other current assets	348	311
Total current assets	8,429	10,545
Property and equipment, net	1,093	1,239
Operating lease right-of-use assets	719	336
Deferred costs, noncurrent	634	561
Acquisition-related intangible assets, net	681	361
Deferred tax assets	829	1,039
Goodwill	5,229	3,478
Other assets	460	418
Total assets	\$ 18,074	\$ 17,977
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 142	\$ 108
Accrued expenses and other current liabilities	454	296
Accrued compensation	642	578
Unearned revenue	5,010	4,467
Operating lease liabilities	130	99
Total current liabilities	6,378	5,548
Debt, noncurrent	2,987	2,984
Unearned revenue, noncurrent	71	80
Operating lease liabilities, noncurrent	704	279
Other liabilities	129	52
Total liabilities	10,269	8,943
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000 shares authorized; no shares issued or outstanding	0	0
Class A common stock, \$0.001 par value; 750,000 shares authorized; 230,770 and 220,938 shares issued, respectively; 212,082 and 215,022 shares outstanding, respectively	0	0
Class B common stock, \$0.001 par value; 240,000 shares authorized; 47,049 and 51,330 shares issued and outstanding, respectively	0	0
Additional paid-in capital	12,673	11,463
Treasury stock, at cost; 18,688 and 5,916 shares held, respectively	(4,220)	(1,308)
Accumulated other comprehensive income (loss)	(136)	84
Accumulated deficit	(512)	(1,205)
Total stockholders' equity	7,805	9,034
Total liabilities and stockholders' equity	\$ 18,074	\$ 17,977

See Notes to Consolidated Financial Statements

WORKDAY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except number of shares which are reflected in thousands and per share data)

	Year Ended January 31,		
	2026	2025	2024
Revenues:			
Subscription services	\$ 8,833	\$ 7,718	\$ 6,603
Professional services	719	728	656
Total revenues	9,552	8,446	7,259
Costs and expenses ⁽¹⁾:			
Costs of subscription services	1,531	1,266	1,031
Costs of professional services	790	803	740
Product development	2,679	2,626	2,464
Sales and marketing	2,616	2,432	2,139
General and administrative	912	820	702
Restructuring	303	84	0
Total costs and expenses	8,831	8,031	7,076
Operating income	721	415	183
Other income, net	288	223	173
Income before provision for (benefit from) income taxes	1,009	638	356
Provision for (benefit from) income taxes	316	112	(1,025)
Net income	\$ 693	\$ 526	\$ 1,381
Net income per share, basic	\$ 2.61	\$ 1.98	\$ 5.28
Net income per share, diluted	\$ 2.59	\$ 1.95	\$ 5.21
Weighted-average shares used to compute net income per share, basic	265,097	265,257	261,344
Weighted-average shares used to compute net income per share, diluted	268,117	269,205	265,285

(1) Costs and expenses include share-based compensation expense as follows:

	Year Ended January 31,		
	2026	2025	2024
Costs of subscription services	\$ 156	\$ 145	\$ 120
Costs of professional services	111	114	116
Product development	690	670	653
Sales and marketing	344	310	282
General and administrative	269	272	245
Restructuring	56	8	0
Total share-based compensation expense	\$ 1,626	\$ 1,519	\$ 1,416

See Notes to Consolidated Financial Statements

WORKDAY, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Year Ended January 31,		
	2026	2025	2024
Net income	\$ 693	\$ 526	\$ 1,381
Other comprehensive income (loss), net of tax:			
Net change in foreign currency translation adjustment	5	(7)	(1)
Net change in unrealized gains on available-for-sale debt securities, net of tax provision of \$6, \$2, \$5, respectively	17	4	18
Net change in unrealized gains (losses) on cash flow hedges, net of tax provision (benefit) of \$(11), \$3, and \$2, respectively	(242)	66	(49)
Other comprehensive income (loss), net of tax	(220)	63	(32)
Comprehensive income	\$ 473	\$ 589	\$ 1,349

See Notes to Consolidated Financial Statements

WORKDAY, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in millions, except number of shares which are reflected in thousands)

	Year Ended January 31,		
	2026	2025	2024
Common stock:			
Balance, beginning of period	\$ 0	\$ 0	\$ 0
Issuance of common stock under employee equity plans	0	0	0
Shares withheld related to net share settlement of equity awards	0	0	0
Balance, end of period	0	0	0
Additional paid-in capital:			
Balance, beginning of period	\$ 11,463	\$ 10,400	\$ 8,829
Issuance of common stock under employee equity plans	192	186	177
Shares withheld related to net share settlement of equity awards	(614)	(649)	(22)
Share-based compensation	1,632	1,526	1,416
Balance, end of period	12,673	11,463	10,400
Treasury stock:			
Balance, beginning of period	(1,308)	(608)	(185)
Common stock repurchases under share repurchase programs	(2,912)	(700)	(423)
Balance, end of period	(4,220)	(1,308)	(608)
Accumulated other comprehensive income:			
Balance, beginning of period	84	21	53
Other comprehensive income (loss)	(220)	63	(32)
Balance, end of period	(136)	84	21
Accumulated deficit:			
Balance, beginning of period	(1,205)	(1,731)	(3,112)
Net income	693	526	1,381
Balance, end of period	(512)	(1,205)	(1,731)
Total stockholders' equity	\$ 7,805	\$ 9,034	\$ 8,082

	Year Ended January 31,		
	2026	2025	2024
Common stock shares:			
Balance, beginning of period	266,352	263,862	257,991
Issuance of common stock under employee equity plans	7,869	7,959	7,739
Shares withheld related to net share settlement of equity awards	(2,700)	(2,579)	(95)
Common stock repurchased	(12,772)	(2,914)	(1,849)
Other share issuances	382	24	76
Balance, end of period	259,131	266,352	263,862

See Notes to Consolidated Financial Statements

WORKDAY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended January 31,		
	2026	2025	2024
Cash flows from operating activities:			
Net income	\$ 693	\$ 526	\$ 1,381
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	347	326	282
Share-based compensation expense	1,626	1,519	1,416
Amortization of deferred costs	292	251	213
Non-cash lease expense	116	103	96
Net (gains) losses on investments	(87)	16	19
Accretion of discounts on marketable debt securities, net	(61)	(113)	(149)
Deferred income taxes	218	33	(1,058)
Asset impairments	117	19	0
Other	7	(1)	(17)
Changes in operating assets and liabilities, net of business combinations:			
Trade and other receivables, net	(360)	(313)	(87)
Deferred costs	(404)	(337)	(342)
Prepaid expenses and other assets	(14)	50	69
Accounts payable	6	25	(72)
Accrued expenses and other liabilities	(26)	(41)	(95)
Unearned revenue	469	398	493
Net cash provided by operating activities	2,939	2,461	2,149
Cash flows from investing activities:			
Purchases of marketable securities	(2,721)	(4,786)	(6,150)
Maturities of marketable securities	2,339	3,846	4,519
Sales of marketable securities	2,937	273	144
Capital expenditures	(162)	(269)	(232)
Business combinations, net of cash acquired	(2,079)	(825)	(8)
Purchases of other intangible assets	0	(3)	(10)
Purchases of non-marketable equity and other investments	(21)	(22)	(16)
Sales of non-marketable equity and other investments	19	5	2
Other	21	0	0
Net cash provided by (used in) investing activities	333	(1,781)	(1,751)
Cash flows from financing activities:			
Repurchases of common stock	(2,895)	(700)	(423)
Proceeds from issuance of common stock from employee equity plans	192	186	177
Taxes paid related to net share settlement of equity awards	(616)	(636)	(22)
Net cash used in financing activities	(3,319)	(1,150)	(268)
Effect of exchange rate changes	2	0	(1)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(45)	(470)	129
Cash, cash equivalents, and restricted cash at the beginning of period	1,554	2,024	1,895
Cash, cash equivalents, and restricted cash at the end of period	\$ 1,509	\$ 1,554	\$ 2,024

See Notes to Consolidated Financial Statements

	Year Ended January 31,		
	2026	2025	2024
Supplemental cash flow data:			
Cash paid for interest	\$ 110	\$ 110	\$ 110
Non-cash investing and financing activities:			
Purchases of property and equipment, accrued but not paid	64	27	52
Taxes related to net share settlement of equity awards, accrued but not paid	11	13	0

	As of January 31,		
	2026	2025	2024
Reconciliation of cash, cash equivalents, and restricted cash as shown in the Consolidated Statements of Cash Flows:			
Cash and cash equivalents	\$ 1,501	\$ 1,543	\$ 2,012
Restricted cash included in Prepaid expenses and other current assets	8	11	12
Total cash, cash equivalents, and restricted cash	<u>\$ 1,509</u>	<u>\$ 1,554</u>	<u>\$ 2,024</u>

See Notes to Consolidated Financial Statements

Workday, Inc.

Notes to Consolidated Financial Statements

As used in this report, the terms “Workday,” “registrant,” “we,” “us,” and “our” mean Workday, Inc. and its subsidiaries unless the context indicates otherwise.

Amounts in this report may not recalculate due to rounding. Year-over-year comparisons, operating margin, and net income per share are calculated using unrounded data.

Note 1. Overview and Basis of Presentation

Description of the Business

Workday is a leading enterprise platform that provides organizations with solutions for human capital management (“HCM”), financial management, spend management, and planning. With Workday, our customers have an artificial intelligence (“AI”)-powered cloud platform that helps them manage their people, money, and agents.

Fiscal Year

Our fiscal year ends on January 31. References to fiscal 2026, for example, refer to the fiscal year ended January 31, 2026.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) and include the results of Workday, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated.

Certain prior period amounts reported in our consolidated financial statements and notes thereto have been reclassified to conform to current period presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires us to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant estimates, judgments, and assumptions include, but are not limited to, the identification of distinct performance obligations for revenue recognition, the determination of the period of benefit for deferred commissions, the realizability of deferred tax assets, the measurement of uncertain tax positions, the fair value and useful lives of assets acquired and liabilities assumed through business combinations, and the valuation of non-marketable equity investments. Actual results could differ from those estimates, judgments, and assumptions, and such differences could be material to our consolidated financial statements.

Segment Information

We operate as a single operating and reportable segment: cloud applications. Although we offer a variety of enterprise cloud solutions to a diverse global customer base, we operate in one operating segment because our business activities are managed on a consolidated basis, our service offerings all operate on the Workday platform and are deployed in a similar manner, and our Chief Operating Decision Maker (“CODM”), who is our Chief Executive Officer, allocates resources and assesses performance based upon discrete financial information at the consolidated level.

Our CODM assesses performance and decides how to allocate resources based on Net income, as reported on the Consolidated Statements of Operations. Net income is used to evaluate the overall profitability of the business and to guide decisions on how to invest in and grow the business. Our CODM also reviews Total assets, as reported on the Consolidated Balance Sheets, and Capital expenditures, as reported on the Consolidated Statements of Cash Flows. Significant segment expenses include the costs and expenses presented on the Consolidated Statements of Operations. Other segment items include Other income, net and Provision for (benefit from) income taxes.

Note 2. Accounting Standards and Significant Accounting Policies

Summary of Significant Accounting Policies

Revenue Recognition

We derive our revenues from subscription services and professional services. Revenues are recognized when control of these services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to receive in exchange for services rendered. Revenues are recognized net of any taxes collected from customers which are subsequently remitted to governmental authorities.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenues when, or as, we satisfy a performance obligation.

Subscription Services Revenues

Subscription services revenues primarily consist of fees that provide customers access to our cloud applications, with standard and enhanced customer support. Revenues are generally recognized on a ratable basis over the contract term beginning on the date that our service is made available to the customer. To date, we have not allocated any significant variable consideration to the transaction price. Our subscription contracts are generally three years or longer in length and are generally noncancelable.

Professional Services Revenues

Professional services revenues primarily consist of consulting fees for deployment and optimization services, as well as training. Our consulting contracts are billed on a time and materials basis or a fixed price basis. For contracts billed on a time and materials basis, revenues are recognized over time as the professional services are performed. For contracts billed on a fixed price basis, revenues are recognized over time based on the proportion of the professional services performed.

Contracts with Multiple Performance Obligations

Some of our contracts with customers contain multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. We determine the standalone selling prices based on our overall pricing objectives, taking into consideration market conditions and other factors, including the value of our contracts, the cloud applications sold, customer demographics, and the number and types of users within our contracts.

We use a range of amounts to estimate SSP for both subscription and professional services sold together in a contract to determine whether there is a discount to be allocated based on the relative SSP of the performance obligations. We use historical sales transaction data, among other factors, to determine the SSP for each distinct performance obligation. Our SSP ranges are reassessed on a periodic basis or when facts and circumstances change. Changes in SSP for our services can evolve over time due to changes in our pricing practices that are influenced by market competition, changes in demand for our services, and other economic factors.

Contract Balances

We generally invoice our customers annually in advance for our subscription services. For our professional services, we generally invoice customers as the work is performed for time and materials arrangements, and in advance for fixed price arrangements. Payment terms and conditions vary by contract type and by customer, and payment is generally required within 30 days from date of invoicing. The timing of revenue recognition may differ from the timing of invoicing customers, and these timing differences result in trade receivables, contract assets, or contract liabilities (unearned revenue) on the Consolidated Balance Sheets.

Trade Receivables and Contract Assets

We record a trade receivable when an unconditional right to consideration exists, such that only the passage of time is required before payment of consideration is due. A contract asset is recognized when a conditional right to consideration exists and transfer of control has occurred. The current and noncurrent portions of contract assets are included in Trade and other receivables, net and Other assets, respectively, on the Consolidated Balance Sheets.

We maintain an allowance for credit losses for expected uncollectible trade receivables and contract assets, which is recorded as an offset to trade receivables or contract assets. We assess our allowance for credit losses by taking into consideration forecasts of future economic conditions, information about past events, such as our historical trend of write-offs, and customer-specific circumstances, such as bankruptcies and disputes. For current trade receivables and contract assets, we assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The allowance for credit losses is recorded in General and administrative expenses on the Consolidated Statements of Operations.

Unearned Revenue

Contract liabilities consist of unearned revenue, which is recorded when we invoice in advance of revenues being recognized from our contracts. Unearned revenue that is anticipated to be recognized during the succeeding twelve-month period is recorded as current unearned revenue and the remaining portion is recorded as noncurrent.

Fair Value Measurement

We measure our cash equivalents, marketable securities, and foreign currency derivative contracts at fair value at each reporting period using a fair value hierarchy that requires that we maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. In addition, we measure our non-marketable equity investments for which there has been an impairment or an observable price change from an orderly transaction for identical or similar investments of the same issuer at fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1 — Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 — Other inputs that are directly or indirectly observable in the marketplace.

Level 3 — Unobservable inputs that are supported by little or no market activity.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with maturities of three months or less at the time of purchase. Our cash equivalents generally consist of investments in U.S. treasury securities, commercial paper, and money market funds.

Debt Securities

Debt securities generally consist of investments in U.S. treasury securities, U.S. agency obligations, corporate bonds, commercial paper, asset-backed securities, and supranational securities. We classify our debt securities as available-for-sale at the time of purchase and reevaluate such classification as of each balance sheet date. We consider all debt securities as funds available for use in current operations, including those with maturity dates beyond one year, and therefore classify these securities as current assets on the Consolidated Balance Sheets. Debt securities included in Marketable securities on the Consolidated Balance Sheets consist of securities with original maturities at the time of purchase greater than three months, and the remaining securities are included in Cash and cash equivalents. Realized gains or losses from the sales of debt securities are based on the specific identification method.

When the fair value of a debt security is below its amortized cost, the amortized cost should be written down to its fair value if (i) it is more likely than not that management will be required to sell the impaired security before recovery of its amortized basis or (ii) management has the intention to sell the security. If neither of these conditions are met, we must determine whether the impairment is due to credit losses. To determine the amount of credit losses, we compare the present value of the expected cash flows of the security, derived by taking into account the issuer's credit ratings and remaining payment terms, with its amortized cost basis. The amount of impairment recognized is limited to the excess of the amortized cost over the fair value of the security. An allowance for credit losses for the excess of amortized cost over the expected cash flows is recorded in Other income, net on the Consolidated Statements of Operations. Non-credit related losses are recorded in Accumulated other comprehensive income (loss) ("AOCI").

If quoted prices for identical instruments are available in an active market, debt securities are classified within Level 1 of the fair value hierarchy. If quoted prices for identical instruments in active markets are not available, fair values are estimated using quoted prices of similar instruments and are classified within Level 2 of the fair value hierarchy. To date, all of our debt securities can be valued using one of these two methodologies.

Equity Investments

Non-Marketable Equity Investments Measured Using the Measurement Alternative

Non-marketable equity investments measured using the measurement alternative include investments in privately held companies without readily determinable fair values in which we do not own a controlling interest or exercise significant influence. These investments are recorded at cost and are adjusted for observable transactions for same or similar securities of the same issuer or impairment events. These investments are included in Other assets on the Consolidated Balance Sheets. Additionally, we assess our non-marketable equity investments quarterly for impairment. Adjustments and impairments are recorded in Other income, net on the Consolidated Statements of Operations.

Marketable Equity Investments

We may hold marketable equity investments with readily determinable fair values over which we do not own a controlling interest or exercise significant influence. Marketable equity investments are included in Marketable securities on the Consolidated Balance Sheets. They are measured using quoted prices in active markets with changes recorded in Other income, net on the Consolidated Statements of Operations.

Deferred Commissions

Sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for new revenue contracts are capitalized and then amortized on a straight-line basis over a period of benefit that we have determined to be five years. We determined the period of benefit by taking into consideration our customer contracts, our technology, and other factors. Amortization expense is included in Sales and marketing expenses on the Consolidated Statements of Operations.

Derivative Financial Instruments and Hedging Activities

We use derivative financial instruments to manage foreign currency exchange risk. Derivative instruments are measured at fair value and recorded as either an asset or liability on the Consolidated Balance Sheets. Gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting. For derivative instruments designated as cash flow hedges (“cash flow hedges”), which we use to hedge a portion of our forecasted foreign currency revenue and expense transactions, the gains or losses are recorded in AOCI on the Consolidated Balance Sheets and subsequently reclassified to the same line item as the hedged transaction on the Consolidated Statements of Operations in the same period that the hedged transaction affects earnings. The effectiveness of the cash flow hedges is assessed quantitatively using regression at inception of the hedge and on an ongoing basis. For derivative instruments not designated as hedging instruments (“non-designated hedges”), which we use to hedge a portion of our net outstanding monetary assets and liabilities, the gains or losses are recorded in Other income, net on the Consolidated Statements of Operations in the period incurred. Cash flows from the settlement of forward contracts designated as cash flow hedges and non-designated hedges are classified as operating activities on the Consolidated Statements of Cash Flows.

Our foreign currency contracts are classified within Level 2 of the fair value hierarchy because 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.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, except for land which is stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets as shown in the table below.

Computers, equipment, and software	2 - 10 years
Buildings	10 - 60 years
Leasehold improvements	shorter of the related lease term or ten years
Furniture, fixtures, and transportation equipment	5 - 12 years
Land improvements	15 years

Business Combinations

We allocate the purchase consideration of acquired companies to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date, with the exception of contract assets and unearned revenue which are measured and recognized on the acquisition date in accordance with our revenue recognition policy. Any residual purchase price is recorded as goodwill. Our estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, including uncertain tax positions and tax-related valuation allowances, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Consolidated Statements of Operations.

In the event that we acquire a company in which we previously held an equity interest, the difference between the fair value of the shares as of the date of the acquisition and the carrying value of the equity investment is recorded as a non-cash gain or loss within Other income, net on the Consolidated Statements of Operations.

Goodwill and Acquisition-Related Intangible Assets

Acquisition-related intangible assets with finite lives are amortized over their estimated useful lives. Goodwill is not amortized, but is tested for impairment at least annually, and more frequently upon the occurrence of certain events.

Leases

We have entered into operating lease agreements for our office space, data centers, and other property and equipment. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. Right-of-use assets also include adjustments related to prepaid or deferred lease payments and lease incentives. As most of our leases do not provide an implicit interest rate, we use our incremental borrowing rate to determine the present value of lease payments.

We have elected to combine lease and non-lease components for each of our existing underlying leases and to exclude leases with a term of 12 months or less from our Consolidated Balance Sheets. We recognize variable lease costs, including common area maintenance, utilities, real estate taxes, insurance, and other operating costs that are passed on from the lessor, in the Consolidated Statements of Operations in the period incurred. Options to extend or terminate a lease are included in the lease term when it is reasonably certain that we will exercise such options.

Impairment of Long-Lived Assets

We evaluate long-lived assets, including property and equipment, acquisition-related intangible assets, and operating lease right-of-use assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. Recoverability is measured by comparing the carrying value to the future undiscounted cash flows we expect the asset or asset group to generate. Any excess of the carrying value of the asset or asset group above its fair value is recognized as an impairment loss.

Treasury Stock

Treasury stock is accounted for using the cost method and recorded as a reduction to Stockholders' equity on the Consolidated Balance Sheets. Incremental direct costs to purchase treasury stock, including excise tax and commissions, are included in the cost of the shares acquired.

Advertising Expenses

Advertising is expensed as incurred. Advertising expense was \$181 million, \$204 million, and \$194 million for fiscal 2026, 2025, and 2024, respectively.

Share-Based Compensation

We measure and recognize compensation expense for share-based awards issued to employees and non-employees, primarily including restricted stock units ("RSUs"), performance-based restricted stock units ("PSUs"), and purchases under our employee stock purchase plan ("ESPP"), on the Consolidated Statements of Operations.

For RSUs and PSUs, fair value is based on the closing price of our common stock on the grant date. Compensation expense for RSUs, net of estimated forfeitures, is recognized on a straight-line basis over the requisite service period, which is generally the same as the vesting period. Compensation expense for PSUs is recognized using the accelerated attribution method over the requisite service period when it is probable that the performance conditions will be satisfied.

For shares issued under the ESPP, fair value is estimated using the Black-Scholes option-pricing model. Compensation expense is recognized on a straight-line basis over the offering period. We determine the assumptions for the option-pricing model as follows:

- *Risk-Free Interest Rate.* The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date closest to the grant date for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the ESPP purchase rights.
- *Expected Term.* The expected term represents the period that our ESPP is expected to be outstanding. The expected term for the ESPP approximates the offering period.
- *Volatility.* The volatility is based on a blend of historical volatility and implied volatility of our common stock. Implied volatility is based on market traded options of our common stock.
- *Dividend Yield.* The dividend yield is assumed to be zero as we have not paid and do not expect to pay dividends.

Restructuring

Restructuring costs are associated with a formal restructuring plan and are primarily related to workforce reductions, the closure of facilities, and other exit and disposal activities. For involuntary employee termination benefits not provided under an ongoing benefit arrangement, costs are recognized when the plan is communicated to the employees. For ongoing employee benefit arrangements, inclusive of statutory requirements, costs are recognized when it becomes probable that an obligation has been incurred and the amount can be reasonably estimated. Costs related to contracts without future benefit or contract termination are recognized at the earlier of the contract termination or the cease-use dates, and losses on owned real estate are recognized when all of the held-for-sale criteria are met. The liabilities for restructuring charges are generally included in Accrued expenses and other liabilities or Accrued compensation on the Consolidated Balance Sheets.

Income Taxes

We record a provision for (benefit from) income taxes for the anticipated tax consequences of the reported results of operations using the asset and liability method. Under this method, we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. A valuation allowance is established when necessary to reduce deferred tax assets to the net amount that is more likely than not to be realized. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for (benefit from) income taxes in the period in which such determination is made.

We recognize the tax benefit of an uncertain tax position only if it is more likely than not that the position is sustainable upon examination by the taxing authority, based on the technical merits. The tax benefit recognized is measured as the largest amount of benefit which is greater than 50% likely to be realized upon settlement with the taxing authority. To the extent the assessment of such tax position changes, such difference will affect the provision for (benefit from) income taxes in the period in which we make the determination. We recognize interest accrued and penalties related to unrecognized tax benefits in the provision for (benefit from) income taxes.

Warranties and Indemnification

Our cloud applications are generally warranted to perform materially in accordance with our online documentation under normal use and circumstances. Additionally, our contracts generally include provisions for indemnifying customers against liabilities if use of our cloud applications infringe a third party's intellectual property rights. We may also incur liabilities if we breach the security, privacy, and/or confidentiality obligations in our contracts. To date, we have not incurred any material costs, and we have not accrued any liabilities in the accompanying consolidated financial statements, as a result of these obligations.

In our standard agreements with customers, we commit to defined levels of service availability and performance and, under certain circumstances, permit customers to receive credits in the event that we fail to meet those levels. In the event our failure to meet those levels triggers a termination right for a customer, we permit a terminating customer to receive a refund of prepaid amounts related to unused subscription services. To date, we have not experienced any significant failures to meet defined levels of availability and performance and, as a result, we have not accrued any liabilities related to these agreements on the consolidated financial statements.

Foreign Currency Exchange

The functional currency for certain of our foreign subsidiaries is the U.S. dollar, while others use local currencies. We translate the foreign functional currency financial statements to U.S. dollars for those entities that do not have the U.S. dollar as their functional currency using the exchange rates at the balance sheet date for assets and liabilities, the period average exchange rates for revenues and expenses, and the historical exchange rates for equity transactions. The effects of foreign currency translation adjustments are recorded in AOCI on the Consolidated Balance Sheets. Foreign currency transaction gains and losses are included in Other income, net on the Consolidated Statements of Operations.

Concentrations of Risk and Significant Customers

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, debt securities, derivative instruments, and trade and other receivables. Our deposits exceed federally insured limits.

No customer individually accounted for more than 10% of trade and other receivables, net as of January 31, 2026, or 2025. No customer individually accounted for more than 10% of total revenues during fiscal 2026, 2025, or 2024.

Other than the United States (“U.S.”), no country individually accounted for more than 10% of total revenues during fiscal 2026, 2025, or 2024.

In order to reduce the risk of disruption of our cloud applications, we host our applications in data centers operated by third parties located in the U.S., Europe, Canada, and the Asia-Pacific region. These data centers include third-party hosted infrastructure, including Amazon Web Services and Google Cloud, and co-location data centers. Procedures are in place to restore services in the event of disruption at one of these data center facilities. Even with these procedures for disaster recovery in place, our cloud applications could be significantly interrupted during the implementation of the procedures to restore services.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) No. 2023-09, Income Taxes (Topic 740): Improvements to Income Disclosures, which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. We adopted this ASU on a prospective basis effective February 1, 2025. For further information, see [Note 17, Income Taxes](#).

In July 2025, the FASB issued ASU No. 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which introduces a practical expedient for the application of the current expected credit loss model to current accounts receivable and contract assets. We early adopted this ASU on a prospective basis effective November 1, 2025. In accordance with this practical expedient, for current trade receivables and contract assets, we assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The adoption had no material impact on our consolidated financial statements during fiscal 2026.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires the disclosure of additional information about specific expense categories in the notes to the financial statements. This ASU is effective for annual periods beginning in our fiscal 2028, and interim periods beginning in the first quarter of our fiscal 2029, with early adoption permitted. The updated standard allows for adoption on a prospective or retrospective basis. We are currently evaluating the effect the updated standard will have on our financial statement disclosures.

In September 2025, the FASB issued ASU No. 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40), Targeted Improvements to the Accounting for Internal-Use Software, which modernizes the internal-use software costs capitalization model by eliminating stage-based rules and replacing them with a principles-based framework to be more aligned with modern software development practices. This ASU is effective for interim and annual reporting periods beginning in the first quarter of our fiscal 2029, with early adoption permitted as of the beginning of an annual reporting period. Entities may adopt the guidance using prospective application, retrospective application, or a modified transition approach. We are currently evaluating the effect the updated standard will have on our consolidated financial statements and related disclosures.

Note 3. Investments
Debt Securities

As of January 31, 2026, debt securities consisted of the following (in millions):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Aggregate Fair Value
U.S. treasury securities	\$ 1,820	\$ 11	\$ 0	\$ 1,831
U.S. agency obligations	265	1	0	266
Corporate bonds	1,874	22	0	1,896
Commercial paper	164	0	0	164
Asset-backed securities	155	2	0	157
Supranational securities	26	0	0	26
Total debt securities	\$ 4,304	\$ 36	\$ 0	\$ 4,340
Included in Cash and cash equivalents	\$ 398	\$ 0	\$ 0	\$ 398
Included in Marketable securities	\$ 3,906	\$ 36	\$ 0	\$ 3,942

As of January 31, 2025, debt securities consisted of the following (in millions):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Aggregate Fair Value
U.S. treasury securities	\$ 2,069	\$ 4	\$ (1)	\$ 2,072
U.S. agency obligations	634	2	0	636
Corporate bonds	3,532	11	(3)	3,540
Commercial paper	294	0	0	294
Asset-backed securities	104	0	0	104
Supranational securities	5	0	0	5
Total debt securities	\$ 6,638	\$ 17	\$ (4)	\$ 6,651
Included in Cash and cash equivalents	\$ 177	\$ 0	\$ 0	\$ 177
Included in Marketable securities	\$ 6,461	\$ 17	\$ (4)	\$ 6,474

The following table presents the fair values of debt securities as of January 31, 2026, by remaining contractual maturity (in millions). Actual maturities may differ from contractual maturities because borrowers may have certain prepayment conditions.

	January 31, 2026
Due within 1 year	\$ 1,691
Due 1 year through 5 years	2,547
Due 5 years through 10 years	73
Due after 10 years	29
Total debt securities	\$ 4,340

Interest receivable of \$33 million and \$53 million was included in Prepaid expenses and other current assets on the Consolidated Balance Sheets as of January 31, 2026, and 2025, respectively.

As of January 31, 2026, and 2025, unrealized losses on our debt securities were not material. We did not recognize any credit losses related to our debt securities during the periods presented.

We sold \$2.9 billion, \$273 million, and \$59 million of debt securities during fiscal 2026, 2025, or 2024, respectively. The realized net gains from the sales were \$27 million in fiscal 2026 and immaterial in fiscal 2025 and 2024.

Equity Investments

Equity investments consisted of the following (in millions):

	Consolidated Balance Sheets Location	As of January 31,	
		2026	2025
Money market funds	Cash and cash equivalents	\$ 694	\$ 988
Non-marketable equity investments measured using the measurement alternative	Other assets	230	244
Total equity investments		\$ 924	\$ 1,232

Total realized and unrealized gains and losses associated with our equity investments consisted of the following (in millions):

	As of January 31,		
	2026	2025	2024
Net realized gains (losses) recognized on equity investments sold ⁽¹⁾	\$ 64	\$ (6)	\$ 6
Net unrealized losses recognized on equity investments held as of the end of the period	(5)	(12)	(30)
Total net gains (losses) recognized in Other income, net	\$ 59	\$ (18)	\$ (24)

(1) Reflects the difference between the sale proceeds and the carrying value of the equity investments at the beginning of the fiscal year.

Non-Marketable Equity Investments Measured Using the Measurement Alternative

The carrying values for our non-marketable equity investments are summarized below (in millions):

	As of January 31,	
	2026	2025
Total initial cost	\$ 205	\$ 217
Cumulative net unrealized gains	25	27
Carrying value	\$ 230	\$ 244

In fiscal 2026, we recognized net gains of \$64 million related to exits of non-marketable equity investments, which included a non-cash gain of \$11 million related to our acquisition of Sana. For further information, see [Note 7, Business Combinations](#). Additionally, we recognized upward adjustments of \$17 million, and impairment losses of \$22 million.

In fiscal 2025, we recorded losses related to impairments and exits of \$18 million, upward adjustments of \$5 million, and downward adjustments of \$5 million on our non-marketable equity investments.

In fiscal 2024, we recorded impairment losses of \$30 million.

Marketable Equity Investments

We held no marketable equity investments in fiscal 2026 and 2025. During fiscal 2024, we sold marketable equity investments for proceeds of \$87 million, with corresponding realized gains of \$6 million.

Note 4. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents information about our assets and liabilities that are measured at fair value on a recurring basis and their assigned levels within the valuation hierarchy as of January 31, 2026 (in millions):

	Level 1	Level 2	Level 3	Total
U.S. treasury securities	\$ 1,831	\$ 0	\$ 0	\$ 1,831
U.S. agency obligations	0	266	0	266
Corporate bonds	0	1,896	0	1,896
Commercial paper	0	164	0	164
Asset-backed securities	0	157	0	157
Supranational securities	0	26	0	26
Money market funds	694	0	0	694
Foreign currency derivative assets	0	21	0	21
Total assets	\$ 2,525	\$ 2,530	\$ 0	\$ 5,055
Foreign currency derivative liabilities	\$ 0	\$ 148	\$ 0	\$ 148
Total liabilities	\$ 0	\$ 148	\$ 0	\$ 148

The following table presents information about our assets and liabilities that are measured at fair value on a recurring basis and their assigned levels within the valuation hierarchy as of January 31, 2025 (in millions):

	Level 1	Level 2	Level 3	Total
U.S. treasury securities	\$ 2,072	\$ 0	\$ 0	\$ 2,072
U.S. agency obligations	0	636	0	636
Corporate bonds	0	3,540	0	3,540
Commercial paper	0	294	0	294
Asset-backed securities	0	104	0	104
Supranational securities	0	5	0	5
Money market funds	988	0	0	988
Foreign currency derivative assets	0	112	0	112
Total assets	\$ 3,060	\$ 4,691	\$ 0	\$ 7,751
Foreign currency derivative liabilities	\$ 0	\$ 26	\$ 0	\$ 26
Total liabilities	\$ 0	\$ 26	\$ 0	\$ 26

Non-Marketable Equity Investments Measured at Fair Value on a Non-Recurring Basis

Non-marketable equity investments that have been remeasured due to an observable event or impairment are classified within Level 3 in the fair value hierarchy because we estimate the value based on valuation methods which may include a combination of the observable transaction price at the transaction date and other unobservable inputs including volatility, rights, and obligations of the investments we hold. For further information, see [Note 3, Investments](#).

Fair Value Measurements of Other Financial Instruments

We carry our debt at face value less unamortized debt discount and issuance costs on the Consolidated Balance Sheets and present the fair value for disclosure purposes only. The fair values of all of our debt obligations are categorized as Level 2 financial instruments. For further information on the fair values of our debt and the inputs used in the calculations, see [Note 11, Debt](#).

Note 5. Deferred Costs

Deferred costs, which consist of deferred sales commissions, were \$940 million and \$828 million as of January 31, 2026, and 2025, respectively. Amortization expense for the deferred costs was \$292 million, \$251 million, and \$213 million for fiscal 2026, 2025, and 2024, respectively. There was no impairment loss in relation to the costs capitalized for the periods presented.

Note 6. Property and Equipment, Net

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

	As of January 31,	
	2026	2025
Computers, equipment, and software	\$ 1,285	\$ 1,370
Buildings	690	752
Leasehold improvements	334	252
Furniture, fixtures, and transportation equipment	112	108
Land and land improvements	74	81
Property and equipment, gross	2,495	2,563
Less accumulated depreciation and amortization	(1,402)	(1,324)
Property and equipment, net	\$ 1,093	\$ 1,239

Depreciation expense totaled \$237 million, \$243 million, and \$203 million for fiscal 2026, 2025, and 2024, respectively.

During fiscal 2026 and 2025, we recognized impairment charges of \$101 million and \$13 million, respectively, related to certain property and equipment as a result of our restructuring activities. For further information, see [Note 21, Restructuring](#). There were no impairments of property and equipment in fiscal 2024.

Note 7. Business Combinations

Fiscal 2026

Sana Acquisition

In November 2025, we acquired all outstanding stock of Sana Labs AB (“Sana”), an AI company building the next generation of enterprise knowledge tools. We have included the financial results of Sana in our consolidated financial statements from the date of acquisition.

The total acquisition-date fair value of the purchase consideration was \$1.1 billion, attributable to cash consideration of \$1.0 billion and the fair value of a previously held equity interest of \$16 million. The fair values of assets acquired and liabilities assumed may be subject to change over the measurement period as additional information is received and certain tax matters are finalized. The measurement period will end no later than one year from the acquisition date. The preliminary fair values of the assets acquired and liabilities assumed as of the date of acquisition were as follows (in millions):

Cash	\$ 40
Acquisition-related intangible assets	126
Goodwill	903
Other assets	20
Other liabilities	(34)
Total purchase consideration, inclusive of previously held equity interest	\$ 1,055

The fair values and weighted-average useful lives of the acquired intangible assets by category were as follows (in millions, except years):

	Estimated Fair Values	Weighted-Average Useful Lives (in Years)
Developed technology	\$ 97	4
Customer relationships	28	8
Trade name	1	1
Total acquisition-related intangible assets	\$ 126	5

The goodwill recognized was primarily attributable to the assembled workforce and the expected synergies from integrating Sana’s technology into our product portfolio. The goodwill is not deductible for income tax purposes.

We held a non-marketable equity investment in Sana with a carrying value of \$5 million prior to the acquisition. We recognized a non-cash gain of \$11 million as a result of remeasuring our prior equity interest in Sana held before the business combination. The gain is included in Other income, net on the Consolidated Statements of Operations.

Separate operating results and pro forma results of operations for Sana have not been presented as the effect of this acquisition was not material to our financial results.

Paradox Acquisition

In September 2025, we acquired all outstanding stock of Paradox, Inc. (“Paradox”), a candidate experience agent that uses conversational AI to simplify the job application journey. We have included the financial results of Paradox in our consolidated financial statements from the date of acquisition.

The total acquisition-date fair value of the purchase consideration was \$1.1 billion, attributable to cash consideration of \$1.0 billion and the fair value of a previously held equity interest of \$20 million. The fair values of assets acquired and liabilities assumed may be subject to change over the measurement period as additional information is received and certain tax matters are finalized. The measurement period will end no later than one year from the acquisition date. The preliminary fair values of the assets acquired and liabilities assumed as of the date of acquisition were as follows (in millions):

Cash	\$	75
Acquisition-related intangible assets		253
Goodwill		780
Other assets		49
Other liabilities		(94)
Total purchase consideration, inclusive of previously held equity interest	\$	<u>1,063</u>

The fair values and weighted-average useful lives of the acquired intangible assets by category were as follows (in millions, except years):

	Estimated Fair Values	Weighted-Average Useful Lives (in Years)
Developed technology	\$ 133	5
Customer relationships	116	9
Backlog	2	3
Trade name	2	1
Total acquisition-related intangible assets	<u>\$ 253</u>	<u>7</u>

The goodwill recognized was primarily attributable to the assembled workforce and the expected synergies from integrating Paradox’s technology into our product portfolio. The goodwill is not deductible for income tax purposes.

We held a non-marketable equity investment in Paradox with a carrying value of \$20 million prior to the acquisition. There was no gain or loss resulting from the remeasurement of our prior equity interest in Paradox held before the business combination.

Separate operating results and pro forma results of operations for Paradox have not been presented as the effect of this acquisition was not material to our financial results.

Other Acquisitions

In December 2025, we completed an acquisition for total purchase consideration of \$111 million, resulting in an increase of \$46 million and \$64 million in acquired developed technology and goodwill, respectively.

In August 2025, we completed an acquisition for total purchase consideration of \$6 million, resulting in an increase of \$1 million and \$4 million in acquired developed technology and goodwill, respectively.

Fiscal 2025

Evisort Acquisition

In October 2024, we acquired all outstanding stock of Evisort Inc. (“Evisort”), a provider of an AI-native document intelligence platform. We have included the financial results of Evisort in our consolidated financial statements from the date of acquisition.

The total acquisition-date fair value of the purchase consideration was \$311 million, which was paid in cash. We recorded developed technology intangible assets of \$44 million (to be amortized over an estimated useful life of 6 years), customer relationships intangible assets of \$28 million (to be amortized over an estimated useful life of 14 years), and goodwill of \$223 million. The goodwill recognized was primarily attributable to the expected synergies from integrating Evisort’s technology into our product portfolio. The goodwill is not deductible for income tax purposes.

Separate operating results and pro forma results of operations for Evisort have not been presented as the effect of this acquisition was not material to our financial results.

HiredScore Acquisition

In March 2024, we acquired all outstanding stock of HiredScore, Inc. (“HiredScore”), a provider of AI-powered talent orchestration solutions. We have included the financial results of HiredScore in our consolidated financial statements from the date of acquisition.

The total acquisition-date fair value of the purchase consideration was \$530 million, which was paid in cash. The fair values of the assets acquired and liabilities assumed as of the date of acquisition were as follows (in millions):

Cash	\$	11
Acquisition-related intangible assets		135
Goodwill		409
Other assets		13
Other liabilities		(38)
Total	\$	<u>530</u>

The fair values and weighted-average useful lives of the acquired intangible assets by category were as follows (in millions, except years):

	Estimated Fair Values	Weighted-Average Useful Lives (in Years)
Developed technology	\$ 111	8
Customer relationships	23	14
Trade name	1	1
Total acquisition-related intangible assets	<u>\$ 135</u>	<u>9</u>

The goodwill recognized was primarily attributable to the assembled workforce and the expected synergies from integrating HiredScore’s technology into our product portfolio. The goodwill is not deductible for income tax purposes.

Separate operating results and pro forma results of operations for HiredScore have not been presented as the effect of this acquisition was not material to our financial results.

Note 8. Acquisition-Related Intangible Assets, Net

Acquisition-related intangible assets, net consisted of the following as of January 31, 2026 (in millions):

	Gross Carrying Value	Accumulated Amortization	Net Book Value
Developed technology	\$ 742	\$ (362)	\$ 380
Customer relationships	506	(210)	296
Backlog	17	(15)	2
Trade name	17	(14)	3
Total	\$ 1,282	\$ (601)	\$ 681

Acquisition-related intangible assets, net consisted of the following as of January 31, 2025 (in millions):

	Gross Carrying Value	Accumulated Amortization	Net Book Value
Developed technology	\$ 473	\$ (303)	\$ 170
Customer relationships	362	(171)	191
Backlog	15	(15)	0
Trade name	14	(14)	0
Total	\$ 864	\$ (503)	\$ 361

Amortization expense related to acquisition-related intangible assets was \$106 million, \$79 million, and \$74 million for fiscal 2026, 2025, and 2024, respectively.

As of January 31, 2026, our future estimated amortization expense related to acquisition-related intangible assets was as follows (in millions):

Fiscal Period:	
2027	\$ 139
2028	132
2029	122
2030	106
2031	60
Thereafter	122
Total	\$ 681

Note 9. Other Assets

Other assets consisted of the following (in millions):

	As of January 31,	
	2026	2025
Non-marketable equity and other investments	\$ 233	\$ 247
Prepayments for goods and services	64	16
Contract assets	59	44
Technology patents and other intangible assets, net	21	25
Deposits	14	10
Derivative assets	2	52
Other	67	24
Total other assets	\$ 460	\$ 418

Technology patents and other intangible assets with estimable useful lives are amortized on a straight-line basis. As of January 31, 2026, our future estimated amortization expense was as follows (in millions):

Fiscal Period:		
2027		\$ 3
2028		3
2029		3
2030		2
2031		2
Thereafter		8
Total		<u>\$ 21</u>

Note 10. Derivative Instruments

We conduct business on a global basis in multiple foreign currencies, subjecting Workday to foreign currency exchange risk. To mitigate this risk, we utilize derivative hedging contracts as described below. We do not enter into any derivatives for trading or speculative purposes.

Cash Flow Hedges

We enter into foreign currency forward contracts to hedge a portion of our forecasted revenue and expense transactions. We designate these forward contracts as cash flow hedging instruments since the accounting criteria for such designation has been met.

As of January 31, 2026, we estimate that \$38 million of net losses recorded in AOCI related to our cash flow hedges will be reclassified into earnings within the next 12 months.

As of January 31, 2026, and 2025, the notional values of the cash flow hedges that we held to buy U.S. dollars in exchange for other currencies were \$3.0 billion and \$2.8 billion, respectively, and the notional values of the cash flow hedges that we held to sell U.S. dollars in exchange for other currencies were \$874 million and \$420 million as of January 31, 2026, and 2025, respectively. All contracts had maturities of less than 48 months.

Non-Designated Hedges

We also enter into foreign currency forward contracts to hedge a portion of our net outstanding monetary assets and liabilities. These forward contracts are intended to offset foreign currency gains or losses associated with the underlying monetary assets and liabilities and are recorded on the Consolidated Balance Sheets at fair value.

As of January 31, 2026, and 2025, the notional values of the non-designated hedges that we held to buy U.S. dollars in exchange for other currencies were \$442 million and \$242 million, respectively, and the notional values of the non-designated hedges that we held to sell U.S. dollars in exchange for other currencies were \$565 million and \$91 million, respectively.

The fair values of outstanding derivative instruments were as follows (in millions):

		As of January 31,	
		2026	2025
Consolidated Balance Sheets Location			
Derivative assets:			
Cash flow hedges	Prepaid expenses and other current assets	\$ 15	\$ 59
Cash flow hedges	Other assets	2	52
Non-designated hedges	Prepaid expenses and other current assets	4	1
Total derivative assets		<u>\$ 21</u>	<u>\$ 112</u>
Derivative liabilities:			
Cash flow hedges	Accrued expenses and other current liabilities	\$ 71	\$ 22
Cash flow hedges	Other liabilities	65	3
Non-designated hedges	Accrued expenses and other current liabilities	12	1
Total derivative liabilities		<u>\$ 148</u>	<u>\$ 26</u>

The effect of cash flow hedges on the Consolidated Statements of Operations was as follows (in millions):

Consolidated Statements of Operations Location	Year Ended January 31,					
	2026		2025		2024	
	Total	Gains (losses) related to cash flow hedges	Total	Gains (losses) related to cash flow hedges	Total	Gains (losses) related to cash flow hedges
Revenues	\$ 9,552	\$ 18	\$ 8,446	\$ 30	\$ 7,259	\$ 62
Costs and expenses	8,831	7	8,031	(3)	7,076	1

Pre-tax gains (losses) associated with cash flow hedges were as follows (in millions):

	Consolidated Statements of Operations and Statements of Comprehensive Income (Loss) Locations	Year Ended January 31,		
		2026	2025	2024
		Gains (losses) recognized in OCI	Net change in unrealized gains (losses) on cash flow hedges	\$ (228)
Gains (losses) reclassified from AOCI into income (effective portion)	Revenues	18	30	62
Gains (losses) reclassified from AOCI into income (effective portion)	Costs and expenses	7	(3)	1

Gains (losses) associated with non-designated hedges were as follows (in millions):

Gains (losses) related to non-designated hedges	Consolidated Statements of Operations Location	Year Ended January 31,		
		2026	2025	2024
		Other income, net	\$ (8)	\$ 4

We manage our exposure to counterparty risk by entering into foreign currency forward contracts with a diversified group of nine major financial institutions and by actively monitoring outstanding positions. We are subject to netting agreements with all of these counterparties, under which we are permitted to net settle transactions of the same currency with a single net amount payable by one party to the other. After consideration of these netting arrangements, the total net settlement amount related to our foreign currency forward contracts is an asset position of \$1 million and a liability position of \$128 million as of January 31, 2026, and an asset position of \$86 million as of January 31, 2025.

Although legally enforceable master netting arrangements exist between Workday and each counterparty, it is our policy to present the derivatives gross on the Consolidated Balance Sheets. Our foreign currency forward contracts are not subject to any credit contingent features or collateral requirements.

Note 11. Debt

Outstanding debt consisted of the following (in millions):

	As of January 31,	
	2026	2025
2027 Notes	\$ 1,000	\$ 1,000
2029 Notes	750	750
2032 Notes	1,250	1,250
Total principal amount	3,000	3,000
Less: unamortized debt discount and issuance costs	(13)	(16)
Debt, noncurrent	\$ 2,987	\$ 2,984

As of January 31, 2026, our future principal payments for the outstanding debt were as follows (in millions):

Fiscal Period:	
2027	\$ 0
2028	1,000
2029	0
2030	750
2031	0
Thereafter	1,250
Total principal amount	<u>\$ 3,000</u>

Senior Notes

In fiscal 2023, we issued \$3.0 billion aggregate principal amount of senior notes, consisting of \$1.0 billion aggregate principal amount of 3.500% notes due April 1, 2027 (“2027 Notes”), \$750 million aggregate principal amount of 3.700% notes due April 1, 2029 (“2029 Notes”), and \$1.25 billion aggregate principal amount of 3.800% notes due April 1, 2032 (“2032 Notes,” and together with the 2027 Notes and the 2029 Notes, “Senior Notes”). Interest is payable semi-annually in arrears on April 1 and October 1 of each year.

The Senior Notes are unsecured obligations and rank equally with all existing and future unsecured and unsubordinated indebtedness of Workday. We may redeem the Senior Notes in whole or in part at any time or from time to time, at specified redemption dates and prices. In addition, upon the occurrence of certain change of control triggering events, we may be required to repurchase the Senior Notes under specified terms. The indenture governing the Senior Notes also includes covenants (including certain limited covenants restricting our ability to incur certain liens and enter into certain sale and leaseback transactions), events of default, and other customary provisions. As of January 31, 2026, we were in compliance with all covenants associated with the Senior Notes.

We incurred debt discount and issuance costs of approximately \$27 million in connection with the Senior Notes offering, which were allocated on a pro rata basis to the 2027 Notes, 2029 Notes, and 2032 Notes. The debt discount and issuance costs are amortized on a straight-line basis, which approximates the effective interest rate method, to interest expense over the contractual term of each arrangement. The effective interest rates on the 2027 Notes, 2029 Notes, and 2032 Notes, which are calculated as the contractual interest rates adjusted for the debt discount and issuance costs, are 3.67%, 3.82%, and 3.90%, respectively.

As of January 31, 2026, and 2025, the total estimated fair value of the Senior Notes was \$2.9 billion and \$2.8 billion, respectively. The estimated fair values of the Senior Notes, which we have classified as Level 2 financial instruments, were determined based on quoted bid prices in an over-the-counter market on the last trading day of the reporting period.

Credit Agreement

In fiscal 2023, we entered into a credit agreement (“2022 Credit Agreement”) which provides for a revolving credit facility in an aggregate principal amount of \$1.0 billion. As of January 31, 2026, and 2025, we had no outstanding revolving loans under the 2022 Credit Agreement. The revolving loans under the 2022 Credit Agreement may be borrowed, repaid, and reborrowed until April 6, 2027, at which time all amounts borrowed must be repaid. The revolving loans under the 2022 Credit Agreement will bear interest, at our option, at a base rate plus a margin of 0.000% to 0.500% or a secured overnight financing rate (“SOFR”) plus 10 basis points, plus a margin of 0.750% to 1.500%, with such margin being determined based on our consolidated leverage ratio or debt rating. We are also obligated to pay an ongoing commitment fee on undrawn amounts.

The 2022 Credit Agreement contains customary representations, warranties, and affirmative and negative covenants, including a financial covenant, events of default, and indemnification provisions in favor of the lenders. The negative covenants include restrictions on the incurrence of liens and indebtedness, certain merger transactions, and other matters, all subject to certain exceptions. The financial covenant, based on a quarterly financial test, requires that we do not exceed a maximum leverage ratio of 3.50:1.00, subject to a step-up to 4.50:1.00 at our election for a certain period following an acquisition. As of January 31, 2026, and 2025, we were in compliance with all covenants included in the 2022 Credit Agreement.

Interest Expense on Debt

The following table sets forth total interest expense recognized related to our debt (in millions):

	Year Ended January 31,		
	2026	2025	2024
Contractual interest expense	\$ 110	\$ 110	\$ 110
Interest cost related to amortization of debt discount and issuance costs	4	4	4
Total interest expense	\$ 114	\$ 114	\$ 114

Note 12. Leases

We have entered into operating lease agreements for our office space, data centers, and other property and equipment. Operating lease right-of-use assets were \$719 million and \$336 million as of January 31, 2026, and 2025, respectively, and operating lease liabilities were \$834 million and \$378 million as of January 31, 2026, and 2025, respectively.

In July 2025, a 20-year lease for our new European headquarters in Dublin, Ireland, commenced. This resulted in the recognition of an operating lease right-of-use asset of \$313 million, and a corresponding operating lease liability of \$333 million.

The components of operating lease expense were as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Operating lease cost ⁽¹⁾	\$ 161	\$ 123	\$ 109
Short-term lease cost	1	1	3
Variable lease cost	52	53	46
Total operating lease cost	\$ 214	\$ 177	\$ 158

(1) Operating lease cost includes impairment charges of \$16 million and \$6 million for fiscal 2026 and 2025, respectively, associated with our restructuring activities. For further information, see [Note 21, Restructuring](#). There were no lease impairments in fiscal 2024.

Supplemental cash flow information related to our operating leases was as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Cash paid for operating lease liabilities	\$ 134	\$ 111	\$ 112
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	511	158	139

Other information related to our operating leases was as follows:

	As of January 31,	
	2026	2025
Weighted average remaining lease term (in years)	11	5
Weighted average discount rate	4.19 %	4.20 %

As of January 31, 2026, maturities of operating lease liabilities were as follows (in millions):

Fiscal Period:		
2027	\$	146
2028		155
2029		123
2030		86
2031		65
Thereafter		490
Total lease payments		1,065
Less imputed interest		(231)
Total operating lease liabilities	\$	<u>834</u>

As of January 31, 2026, we had operating leases for office space that had not yet commenced with total undiscounted lease payments of \$11 million. These operating leases will commence in fiscal 2027, with lease terms ranging from approximately one to six years.

Note 13. Commitments and Contingencies

Purchase Obligations

Our purchase obligations are primarily related to agreements for third-party hosted infrastructure platforms, data center equipment and software, business technology software and support, and sales and marketing activities. These obligations consist of agreements to purchase goods and services that are enforceable and legally binding, and specify all significant terms and the approximate timing of the payments. For purchase obligations with cancellation provisions, the amounts included in the following table were limited to the non-cancelable portion of the agreement terms or the minimum cancellation fees.

Future payments under purchase obligations with a remaining term in excess of one year as of January 31, 2026, were as follows (in millions):

Fiscal Period:	Third-Party Hosted Infrastructure Platform Obligations	Other Purchase Obligations
2027	\$ 298	\$ 163
2028	414	153
2029	344	105
2030	0	51
2031	0	25
Thereafter	0	13
Total	<u>\$ 1,056</u>	<u>\$ 510</u>

Legal Matters

We are a party to various legal proceedings and claims that arise in the ordinary course of business. We make a provision for a liability relating to legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular matter. In our opinion, as of January 31, 2026, there was not at least a reasonable possibility that we had incurred a material loss, or a material loss in excess of a recorded accrual, with respect to such loss contingencies.

Note 14. Stockholders' Equity

Common Stock

As of January 31, 2026, there were 212 million shares of Class A common stock, and 47 million shares of Class B common stock outstanding. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share and each share of Class B common stock is entitled to 10 votes per share. Each share of Class B common stock can be converted into a share of Class A common stock at any time at the option of the holder. All of our Class A and Class B shares will convert to a single class of common stock upon the date that is the first to occur of (i) October 17, 2032, (ii) such time as the shares of Class B common stock represent less than 9% of the outstanding Class A common stock and Class B common stock, (iii) nine months following the death of both Mr. Duffield and Mr. Bhusri, and (iv) the date on which the holders of a majority of the shares of Class B common stock elect to convert all shares of Class A common stock and Class B common stock into a single class of common stock.

Share Repurchase Programs

We repurchase shares of our Class A common stock under share repurchase programs authorized by our Board of Directors. Under these programs, in accordance with applicable securities laws and other restrictions, we may repurchase shares of our Class A common stock through open market purchases, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, in privately negotiated transactions, or by other means. The timing and total amount of share repurchases will depend upon business, economic, and market conditions, corporate and regulatory requirements, prevailing stock prices, and other considerations. The share repurchase programs have no expiration date, may be suspended or discontinued at any time, and do not obligate us to acquire any amount of Class A common stock.

Share repurchase programs authorized by our Board of Directors that were in effect during the periods presented were as follows (in millions):

<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Authorization Completion Date</u>
November 2022	\$ 500	Q1 fiscal 2025
February 2024	500	Q3 fiscal 2025
August 2024	1,000	Q3 fiscal 2026
May 2025	1,000	Q4 fiscal 2026
September 2025	4,000	

The table below sets forth information regarding repurchase of shares under our share repurchase programs (in millions, except number of shares which are reflected in thousands, and per share data):

	<u>Year Ended January 31,</u>		
	<u>2026</u>	<u>2025</u>	<u>2024</u>
Total number of shares repurchased	12,772	2,914	1,849
Average price paid per share ⁽¹⁾	\$ 226.62	\$ 240.20	\$ 228.67
Amount repurchased ⁽¹⁾	\$ 2,894	\$ 700	\$ 423

(1) Amounts exclude excise tax and commissions.

All repurchases were made in open market transactions. As of January 31, 2026, we were authorized to repurchase a remaining \$2.9 billion of our outstanding shares of Class A common stock under our share repurchase programs.

Employee Equity Plans

In fiscal 2023, our stockholders approved the 2022 Equity Incentive Plan ("2022 Plan"), with a reserve of 30 million shares for issuance. The 2022 Plan serves as the successor to our 2012 Equity Incentive Plan ("2012 Plan" and, together with the 2022 Plan, "Stock Plans"). Awards that are granted on or after the effective date of the 2022 Plan will be granted pursuant to and subject to the terms and provisions of the 2022 Plan. Prior awards granted under the 2012 Plan continue to be subject to the terms and provisions of the 2012 Plan. Shares that are forfeited or withheld in connection with the net share settlement of RSUs are added to the reserves of the 2022 Plan. As of January 31, 2026, 13 million shares of Class A common stock were available for future grants under the 2022 Plan.

In fiscal 2023, our stockholders approved the Amended and Restated 2012 Employee Stock Purchase Plan (“2012 ESPP”). Under the 2012 ESPP, eligible employees are granted options to purchase shares at the lower of 85% of the fair market value of the stock at the time of grant or 85% of the fair market value at the time of exercise. Options to purchase shares are granted twice yearly on or about June 1 and December 1, and are exercisable on or about the succeeding November 30 and May 31, respectively. As of January 31, 2026, 2 million shares of Class A common stock were available for issuance under the 2012 ESPP.

Restricted Stock Units and Performance-Based Restricted Stock Units

The Stock Plans provide for the issuance of RSUs and performance-based restricted stock units (“PSUs”) to employees and non-employees. RSUs generally vest over four years. Activity during fiscal 2026 was as follows (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding balance as of January 31, 2025	14,361	\$ 226.52
Granted- restricted stock units	8,435	219.23
Granted- performance-based restricted stock units ⁽¹⁾	84	215.98
Vested	(4,153)	226.70
Forfeited and canceled ⁽²⁾	(4,603)	224.11
Performance adjustment ⁽³⁾	4	185.80
Outstanding balance as of January 31, 2026	<u>14,128</u>	<u>222.83</u>

(1) Includes approximately 42 thousand PSUs granted to executives in April 2025. The PSUs are subject to vesting based on the achievement of annual performance-based conditions determined at the beginning of each fiscal year and a three-year service-based condition. The PSUs will vest at the end of the three-year service period, with the number of shares vesting ranging from 0% to 150% of the target, based on the average attainment of the annual performance conditions.

(2) Includes shares withheld in connection with the net share settlement of RSUs.

(3) Represents the difference between the target PSUs granted and the actual PSUs awarded based upon the achievement level of performance measures.

The weighted-average grant date fair value of RSUs granted during fiscal 2026, 2025, and 2024 was \$219.23, \$252.18, and \$197.22, respectively. The total fair value of RSUs vested as of the vesting dates during fiscal 2026, 2025, and 2024 was \$952 million, \$1.1 billion, and \$1.4 billion, respectively.

As of January 31, 2026, there was a total of \$2.5 billion in unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested RSUs and PSUs, which is expected to be recognized over a weighted-average period of approximately three years.

Employee Stock Purchase Plan

For fiscal 2026, approximately 1 million shares of Class A common shares were purchased under the 2012 ESPP at a weighted-average price of \$198.12 per share, resulting in cash proceeds of \$192 million.

The weighted-average grant date fair value for the ESPP was \$60.99, \$57.80, and \$57.90 per share during fiscal 2026, 2025, and 2024, respectively. These values were calculated using the following assumptions:

	Year Ended January 31,		
	2026	2025	2024
Expected volatility	34% - 37%	32%	32% - 33%
Expected term (in years)	0.5	0.5	0.5
Risk-free interest rate	3.75% - 4.31%	4.43% - 5.39%	5.33% - 5.44%
Dividend yield	0%	0%	0%
Fair value per share	\$213.35 - \$247.75	\$210.83 - \$251.46	\$215.31 - \$272.92

Tax Benefits on Share-Based Compensation

In fiscal 2026, 2025, and 2024, we recognized tax benefits on share-based compensation expense of \$295 million, \$277 million, and \$257 million, respectively, which are reflected in the Provision for (benefit from) income taxes on the Consolidated Statements of Operations.

Note 15. Contract Balances and Performance Obligations

Contract Balances

Contract assets and unearned revenue balances were as follows (in millions):

	Consolidated Balance Sheets Location	As of January 31,	
		2026	2025
Contract assets:			
Contract assets, current	Trade and other receivables, net	\$ 443	\$ 373
Contract assets, noncurrent	Other assets	59	44
Total contract assets		\$ 502	\$ 417
Unearned revenue:			
Unearned revenue, current ⁽¹⁾	Unearned revenue	\$ 5,010	\$ 4,467
Unearned revenue, noncurrent	Unearned revenue, noncurrent	71	80
Total unearned revenue		\$ 5,081	\$ 4,547

(1) Included in this balance are amounts related to professional services that are subject to cancellation and pro-rated refund rights of \$89 million and \$83 million as of January 31, 2026, and 2025, respectively.

Revenues of \$4.4 billion, \$4.0 billion, and \$3.5 billion were recognized during fiscal 2026, 2025, and 2024, respectively, that were included in the unearned revenue balances at the beginning of the respective periods.

Transaction Price Allocated to the Remaining Performance Obligations

As of January 31, 2026, approximately \$28.1 billion of revenues are expected to be recognized from remaining performance obligations for subscription contracts. We expect to recognize revenues on approximately \$8.8 billion and \$15.8 billion of these remaining performance obligations over the next 12 and 24 months, respectively, with the balance recognized thereafter. Revenues from remaining performance obligations for professional services contracts as of January 31, 2026, were not material.

Note 16. Other Income, Net

Other income, net consisted of the following (in millions):

	Year Ended January 31,		
	2026	2025	2024
Interest income	\$ 318	\$ 350	\$ 301
Interest expense ⁽¹⁾	(114)	(114)	(114)
Other ⁽²⁾	84	(13)	(14)
Total other income, net	\$ 288	\$ 223	\$ 173

(1) Interest expense primarily includes the contractual interest expense of our debt obligations, and the related non-cash interest expense attributable to amortization of the debt discount and issuance costs. For further information, see [Note 11, Debt](#).

(2) Other primarily includes the realized net gains (losses) from sales of debt securities and net gains (losses) from our equity investments. For further information, see [Note 3, Investments](#).

Note 17. Income Taxes

The components of income before provision for (benefit from) income taxes were as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Domestic	\$ 943	\$ 660	\$ 465
Foreign	66	(22)	(109)
Income before provision for (benefit from) income taxes	\$ 1,009	\$ 638	\$ 356

The provision for (benefit from) income taxes consisted of the following (in millions):

	Year Ended January 31,		
	2026	2025	2024
Current:			
Federal	\$ 34	\$ 12	\$ 2
State	46	45	19
Foreign	28	23	14
Total	108	80	35
Deferred:			
Federal	198	52	(855)
State	12	(20)	(207)
Foreign	(2)	0	2
Total	208	32	(1,060)
Provision for (benefit from) income taxes	\$ 316	\$ 112	\$ (1,025)

The income tax provision for fiscal 2026 was primarily attributable to an increase in our U.S. pretax income and income tax expenses in profitable foreign jurisdictions.

We adopted ASU No. 2023-09 on a prospective basis effective February 1, 2025. The following table reconciles the difference between income taxes computed at the federal statutory income tax rate and the provision for (benefit from) income taxes (in millions, except percentages):

	Year Ended January 31, 2026	
	Amount	Percentage
U.S. federal statutory tax rate	\$ 212	21.0 %
State and local income taxes, net of federal income tax effect ⁽¹⁾	34	3.4 %
Foreign tax effects:		
Ireland:		
Intercompany transactions	(97)	(9.6)%
Change in valuation allowance	115	11.4 %
Other	(14)	(1.4)%
Other foreign jurisdictions	6	0.5 %
Effect of cross-border tax laws:		
Foreign-derived intangible income	(24)	(2.4)%
Other	2	0.1 %
Tax credits:		
Research and development tax credit	(68)	(6.7)%
Nontaxable or nondeductible items:		
Share-based compensation	81	8.1 %
Intercompany transactions	26	2.6 %
Other	12	1.2 %
Changes in unrecognized tax benefits ⁽²⁾	32	3.2 %
Other adjustments	(1)	(0.1)%
Effective tax rate	<u>\$ 316</u>	<u>31.3 %</u>

(1) State and local taxes in New York state, New Jersey, Illinois, and New York city made up the majority (greater than 50 percent) of the tax effect in this category.

(2) Changes in unrecognized tax benefits are presented on an aggregated basis for all jurisdictions.

	Year Ended January 31,	
	2025	2024
Federal statutory rate	21.0 %	21.0 %
Effect of:		
Foreign income at other than U.S. rates	0.2 %	10.9 %
Intercompany transactions	(1.0)%	(4.3)%
Research tax credits	(15.4)%	(26.3)%
State taxes, net of federal benefit	3.1 %	5.1 %
Changes in valuation allowance	0.0 %	(315.5)%
Share-based compensation	8.1 %	19.1 %
Permanent difference	1.6 %	1.2 %
Other	(0.1)%	1.2 %
Total	<u>17.5 %</u>	<u>(287.6)%</u>

The following table presents income taxes paid, net of refunds (in millions):

	Year Ended January 31, 2026
Federal taxes	\$ 17
State taxes:	
California	7
New York	8
Other states	38
Total state taxes	53
Total U.S. taxes	70
Foreign taxes	26
Cash paid for income taxes, net of refunds	\$ 96

Cash paid for income taxes, net of refunds were \$65 million and \$39 million in fiscal 2025 and 2024, respectively.

Significant components of our deferred tax assets and liabilities were as follows (in millions):

	As of January 31,	
	2026	2025
Deferred tax assets:		
Tax attributes carryforward	\$ 1,338	\$ 1,290
Capitalized research and development expense	497	621
Intangibles	424	429
Operating lease liabilities	148	81
Share-based compensation	77	76
Other reserves and accruals	65	65
Other	69	37
Total deferred tax assets	2,618	2,599
Valuation allowance	(1,433)	(1,259)
Deferred tax assets, net of valuation allowance	1,185	1,340
Deferred tax liabilities:		
Deferred commissions	(182)	(162)
Operating lease right-of-use assets	(128)	(71)
Other	(46)	(75)
Total deferred tax liabilities	(356)	(308)
Net deferred tax assets	\$ 829	\$ 1,032

We periodically evaluate the realizability of our deferred tax assets based on all available evidence, both positive and negative, such as historic results, future reversals of existing deferred tax liabilities, projected future taxable income, as well as prudent and feasible tax-planning strategies. The assessment requires significant judgment and is performed in each of the applicable jurisdictions. The valuation allowance of \$1.4 billion and \$1.3 billion as of January 31, 2026, and 2025, respectively, was primarily related to tax credits in certain state jurisdictions, foreign intangible assets from intercompany transactions, and net operating losses in certain foreign jurisdictions.

The valuation allowance increased by \$174 million during fiscal 2026 primarily due to an increase in deferred tax assets on certain state tax credits and foreign intangible assets from intercompany transactions, in addition to net operating losses in certain foreign jurisdictions.

The valuation allowance increased by \$77 million during fiscal 2025 primarily due to an increase in deferred tax assets on certain state tax credits and net operating losses in certain foreign jurisdictions.

As of January 31, 2026, we had approximately \$299 million of federal, \$1.4 billion of state, and \$4.3 billion of foreign net operating loss and other tax attributes carryforwards available to offset future taxable income. If not utilized, the pre-fiscal 2018 federal and the state net operating loss carryforwards expire in varying amounts between fiscal 2029 and 2047. The federal net operating losses generated in and after fiscal 2018 and the foreign net operating losses and other tax attributes do not expire and may be carried forward indefinitely.

We also had approximately \$470 million of federal and \$461 million of California research and development tax credit carryforwards as of January 31, 2026. The federal credits expire in varying amounts between fiscal 2027 and 2046. The California research and development tax credits do not expire and may be carried forward indefinitely.

Our ability to utilize the net operating loss and tax credit carryforwards in the future may be subject to substantial restrictions in the event of past or future ownership changes as defined in Section 382 of the Internal Revenue Code of 1986, as amended, and similar state tax law.

We intend to indefinitely reinvest any future earnings in our foreign operations unless such earnings are subject to U.S. federal income taxes.

A reconciliation of the gross unrecognized tax benefits is as follows (in millions):

	Year Ended January 31,		
	2026	2025	2024
Unrecognized tax benefits at the beginning of the period	\$ 309	\$ 253	\$ 196
Additions for tax positions taken in prior years	3	15	30
Additions for tax positions related to the current year	30	41	27
Reductions related to a lapse of applicable statute of limitations	(1)	0	0
Unrecognized tax benefits at the end of the period	<u>\$ 341</u>	<u>\$ 309</u>	<u>\$ 253</u>

Our policy is to include interest and penalties related to unrecognized tax benefits within our provision for income taxes. As of January 31, 2026, the amount of interest and penalties accrued was \$5 million. We did not accrue any material interest expense or penalties during fiscal 2025 and 2024.

As of January 31, 2026, we had unrecognized tax benefits of \$341 million, of which \$199 million would impact the effective tax rate, if recognized.

We file federal, state, and foreign income tax returns in jurisdictions with varying statutes of limitations. Due to our net operating loss carryforwards, our income tax returns generally remain subject to examination by federal and most state and foreign tax authorities.

Note 18. Net Income Per Share

Basic net income per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by giving effect to all potentially dilutive shares of common stock, including outstanding share-based awards consisting primarily of unvested RSUs and ESPP obligations. We determine the dilutive effect of outstanding share-based awards using the treasury stock method.

The holders of our Class A and Class B common stock have identical liquidation and dividend rights but different voting rights. Accordingly, we present net income per share for Class A and Class B common stock together as the two-class method does not result in a difference.

The following table presents the calculation of basic and diluted net income per share (in millions, except number of shares, which are reflected in thousands, and per share data):

	Year Ended January 31,		
	2026	2025 ⁽¹⁾	2024 ⁽¹⁾
Net income per share, basic:			
Numerator:			
Net income	\$ 693	\$ 526	\$ 1,381
Denominator:			
Weighted-average shares outstanding, basic	265,097	265,257	261,344
Net income per share, basic	\$ 2.61	\$ 1.98	\$ 5.28
Net income per share, diluted:			
Numerator:			
Net income	\$ 693	\$ 526	\$ 1,381
Denominator:			
Weighted-average shares outstanding, basic	265,097	265,257	261,344
Dilutive effect of share-based awards	3,020	3,948	3,941
Weighted-average shares outstanding, diluted	268,117	269,205	265,285
Net income per share, diluted	\$ 2.59	\$ 1.95	\$ 5.21

(1) The prior period EPS for Class A and Class B common stock has been presented together to conform with current period presentation, which had no impact on our previously reported basic or diluted EPS.

The computation of diluted net income per share does not include the effect of the following potentially outstanding weighted-average shares of common stock because their effect would have been anti-dilutive (in thousands):

	Year Ended January 31,		
	2026	2025	2024
Total weighted-average shares related to outstanding share-based awards	2,193	1,682	2,206

Note 19. Geographic Information

Revenues

We sell our subscription contracts and related services in two primary geographical markets: to customers located in the U.S. and to customers located outside of the U.S.. Revenues by geography are generally based on the address of the customer as specified in our customer subscription agreement. The following table sets forth revenues by geographic area (in millions):

	Year Ended January 31,		
	2026	2025	2024
U.S.	\$ 7,176	\$ 6,332	\$ 5,457
Other countries	2,376	2,114	1,802
Total revenues	\$ 9,552	\$ 8,446	\$ 7,259

Long-Lived Assets

Our long-lived assets are attributed to a country based on the physical location of the assets. We define long-lived assets as property and equipment and operating lease right-of-use assets because many of these assets cannot be readily moved and are relatively illiquid, subjecting them to geographic risk. None of our other assets are subject to significant geographic risk. Aggregate Property and equipment, net and Operating lease right-of-use assets by geographic area were as follows (in millions):

	As of January 31,	
	2026	2025
U.S.	\$ 1,080	\$ 1,197
Ireland	531	215
Other countries	201	163
Total long-lived assets	\$ 1,812	\$ 1,575

Note 20. Defined Contribution Plans

We provide defined contribution plans for eligible employees, including a 401(k) plan in the U.S. and similar plans in certain other countries. Our contributions to these plans were \$124 million, \$116 million, and \$101 million during fiscal 2026, 2025, and 2024, respectively.

Note 21. Restructuring

Fiscal 2027 Restructuring Plan

In February 2026, we announced a restructuring plan (“Fiscal 2027 Restructuring Plan”) intended to better align our people and resources to our highest priorities in fiscal 2027. The plan is expected to result in the reduction of approximately 2% of our workforce, and the impairment of certain office space and long-lived assets. The activities associated with this plan are expected to be substantially completed by the first quarter of fiscal 2027.

We incurred total charges of \$135 million in connection with this plan in fiscal 2026. The charges consisted of \$55 million related to employee transition, severance payments, employee benefits, and share-based compensation, and \$80 million related to impairments of office space and certain long-lived assets.

The following table summarizes the activity under the Fiscal 2027 Restructuring Plan (in millions):

	Workforce Reduction	Asset Impairments	Total
Restructuring liability as of January 31, 2025	\$ 0	\$ 0	\$ 0
Charges	55	80	135
Payments	0	0	0
Non-cash items	(14)	(80)	(94)
Restructuring liability as of January 31, 2026	\$ 41	\$ 0	\$ 41

Fiscal 2026 Restructuring Plan

In February 2025, we announced a restructuring plan (“Fiscal 2026 Restructuring Plan”) intended to prioritize our investments and continue advancing our ongoing focus on durable growth. This plan resulted in the reduction of approximately 7.5% of our workforce and the exit of certain owned office space. The activities associated with this plan were substantially completed in the second quarter of fiscal 2026.

We incurred total charges of \$233 million in connection with this plan, of which \$65 million was recognized in fiscal 2025 and \$168 million was recognized in fiscal 2026. The charges consisted of \$196 million related to employee transition, severance payments, employee benefits, and share-based compensation, and \$37 million related to an impairment of office space.

The following table summarizes the activity under the Fiscal 2026 Restructuring Plan (in millions):

	Workforce Reduction	Asset Impairments	Total
Restructuring liability as of January 31, 2024	\$ 0	\$ 0	\$ 0
Charges	65	0	65
Payments	0	0	0
Non-cash items	(8)	0	(8)
Restructuring liability as of January 31, 2025	\$ 57	\$ 0	\$ 57
Charges	131	37	168
Payments	(146)	0	(146)
Non-cash items	(42)	(37)	(79)
Restructuring liability as of January 31, 2026	\$ 0	\$ 0	\$ 0

During fiscal 2025, we recorded exit charges of \$19 million associated with office space reductions under a separate restructuring plan.

Note 22. Subsequent Event

On February 6, 2026, our Board of Directors appointed Aneel Bhusri, Workday's co-founder, as Chief Executive Officer, effective February 6, 2026. Mr. Bhusri will remain as Chair of our Board of Directors. Mr. Bhusri succeeds Carl Eschenbach, who ceased to serve as CEO and resigned as a member of Workday's Board of Directors effective on the same date. In connection with his appointment as CEO, Mr. Bhusri is eligible to receive an initial annual base salary of \$1.25 million and an annual target cash bonus of up to 200% of the amount of his base salary beginning in fiscal 2027. Additionally, he has been granted equity awards with an aggregate grant date value of \$135 million, consisting of \$60 million in time-based restricted stock units and \$75 million in market-based restricted stock units vesting over four and five years, respectively.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this report.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are designed to, and are effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

(b) Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Under guidelines established by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting for the first fiscal year in which the acquisition occurred. Our management's evaluation of internal control over financial reporting excluded the internal control activities of Paradox and Sana, which are included in our fiscal 2026 consolidated financial statements and constituted less than 1% of total and net assets (excluding goodwill and intangible assets, which were integrated into our control environment) as of January 31, 2026, and less than 1% and 1.2% of revenues and net income, respectively, for the year then ended.

Based on the assessment, management has concluded that its internal control over financial reporting was effective as of January 31, 2026, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. Our independent registered public accounting firm, Ernst & Young LLP, has issued an audit report with respect to our internal control over financial reporting, which appears in Part II, Item 8, and is incorporated herein by reference.

(c) Changes in Internal Control Over Financial Reporting

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of any changes in 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 our most recently completed fiscal quarter. Based on that evaluation, our principal executive officer and principal financial officer concluded that there has not been any material change in our internal control over financial reporting during the fourth quarter of fiscal 2026 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(d) Limitations on Effectiveness of Controls and Procedures and Internal Control over Financial Reporting

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

See Management’s Report on Internal Control over Financial Reporting above and the Report of Independent Registered Public Accounting Firm on our internal control over financial reporting in Part II, Item 8, which are incorporated herein by reference.

ITEM 9B. OTHER INFORMATION

Insider Trading Arrangements

During the three months ended January 31, 2026, the following directors and/or officers of Workday adopted or terminated a “Rule 10b5-1 trading arrangement,” as defined in item 408(a) of Regulation S-K intending to satisfy the affirmative defense conditions of Rule 10b5-1(c):

Name and Title	Action	Total Shares of Class A Common Stock to be Sold	Adoption Date	Expiration Date
Wayne A.I. Frederick, Director	Adopt	2,539	December 23, 2025	December 31, 2026

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information concerning our directors, our Audit Committee, and any changes to the process by which stockholders may recommend nominees to the Board of Directors required by this Item are incorporated herein by reference to information contained in the Proxy Statement, which is expected to be filed with the SEC within 120 days after the end of the fiscal year ended January 31, 2026, including under the captions “Proposal No. 1: Election of Directors” and “Directors and Corporate Governance.”

The information concerning our executive officers required by this Item is incorporated herein by reference to information contained in the Proxy Statement, including under the caption “Executive Officers and Other Executive Management.”

With regard to the information required by this Item regarding compliance with Section 16(a) of the Exchange Act, we will provide disclosure of delinquent Section 16(a) reports, if any, in our Proxy Statement, and such disclosure, if any, is incorporated herein by reference.

We have adopted a code of ethics, our Code of Conduct, which applies to all employees, including our principal executive officer, our principal financial officer, our principal accounting officer, and all other executive officers. The Code of Conduct is available on our website at www.workday.com/codeofconduct. A copy may also be obtained without charge by contacting Investor Relations, Workday, Inc., 6110 Stoneridge Mall Road, Pleasanton, California 94588 or by emailing ir@workday.com.

We plan to post on our website at the address described above any amendments from or waivers to any provision of our Code of Conduct that applies to our principal executive officer, our principal financial officer, our principal accounting officer, and all other executive officers.

We have adopted an Insider Trading Policy governing the purchase, sale, and other transactions of Workday securities by our directors, officers, and employees, as well as Workday itself. Workday believes that its Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and any applicable listing standards. A copy of the Workday Insider Trading Policy is filed as Exhibit 19.1 to this report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to information contained in the Proxy Statement, including under the captions “Directors and Corporate Governance,” “Executive Compensation,” and “Summary Compensation Table.”

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated herein by reference to information contained in the Proxy Statement, including under the captions “Equity Compensation Plan Information” and “Security Ownership of Certain Beneficial Owners and Management.”

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated herein by reference to information contained in the Proxy Statement, including under the captions “Directors and Corporate Governance,” “Related Party Transactions,” and “Employment Arrangements and Indemnification Agreements.”

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated herein by reference to information contained in the Proxy Statement, including under the caption “Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm.”

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

1. Consolidated Financial Statements

See Index to Consolidated Financial Statements at Item 8 herein.

2. Financial Statement Schedules

All schedules have been omitted because they are not required, not applicable, or not present in amounts sufficient to require submission of the schedule.

3. Exhibits

Exhibit No.	Exhibit	Incorporated by Reference			Exhibit No.	Filed Herewith
		Form	File No.	Filing Date		
3.1	Restated Certificate of Incorporation of the Registrant, as amended	10-Q	001-35680	August 28, 2024	3.1	
3.2	Amended and Restated Bylaws of the Registrant	8-K	001-35680	January 26, 2023	3.1	
4.1	Form of Registrant's Class A common stock certificate	S-1/A	333-183640	October 1, 2012	4.1	
4.2	Form of Registrant's Class B common stock certificate	S-8	333-184395	October 12, 2012	4.9	
4.3	Description of Securities	10-K	001-35680	March 3, 2020	4.3	
4.4	Indenture, dated as of April 1, 2022, between Workday and U.S. Bank Trust Company National Association, as trustee	8-K	001-35680	April 1, 2022	4.1	
4.5	Form of 3.500% Note due 2027	8-K	001-35680	April 1, 2022	4.3	
4.6	Form of 3.700% Note due 2029	8-K	001-35680	April 1, 2022	4.4	
4.7	Form of 3.800% Note due 2032	8-K	001-35680	April 1, 2022	4.5	
10.1	Form of Indemnification Agreement	S-1	333-183640	August 30, 2012	10.1	
10.2†	2012 Equity Incentive Plan, as amended	DEF 14A	001-35680	April 27, 2018	Annex A	
10.3†	2012 Equity Incentive Plan forms of Award Agreements, as amended	10-K	001-35680	March 3, 2020	10.4	
10.4†	2022 Equity Incentive Plan	S-8	333-265766	June 22, 2022	4.4	
10.5†	2022 Equity Incentive Plan forms of Award Agreements	10-K	001-35680	March, 11, 2025	10.5	
10.6†	Amended and Restated 2012 Employee Stock Purchase Plan	S-8	333-265766	June 22, 2022	4.6	
10.7†	Amended and Restated 2012 Employee Stock Purchase Plan forms of Award Agreements, as amended	10-K	001-35680	March, 11, 2025	10.5	
10.8†	Adaptive Insights, Inc. 2013 Equity Incentive Plan	S-8	333-226907	August 17, 2018	99.1	
10.9†	Adaptive Insights, Inc. 2013 Equity Incentive Plan forms of Award Agreements	S-8	333-226907	August 17, 2018	99.2	
10.10†	Workday, Inc. Executive Severance and Change in Control Policy, as amended	8-K	001-35680	November 26, 2024	10.2	
10.11†	Letter Agreement between Carl Eschenbach and the Registrant dated December 20, 2022	10-K	001-35680	February 27, 2023	10.16	

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10.12†	Offer Letter between Zane Rowe and Workday, Inc. dated May 23, 2023	8-K	001-35680	May 25, 2023	10.1	
10.13†	Offer Letter between Robert Enslin and Workday, Inc. dated November 25, 2024	8-K	001-35680	November 26, 2024	10.1	
10.14†	Offer Letter between Gerrit Kazmaier and Workday, Inc. dated February 24, 2025	8-K	001-35680	February 25, 2025	10.1	
10.15†	Executive Separation Agreement and General Release of Claims between Carl Eschenbach and Workday, Inc. dated February 6, 2026	8-K	001-35680	February 9, 2026	10.1	
10.16†	Workday, Inc. Omnibus Bonus Plan	8-K	001-35680	March 3, 2023	10.1	
10.17†	2022 Equity Incentive Plan Global Notice of Performance Restricted Stock Unit Award for Carl Eschenbach	10-K	001-35680	February 27, 2023	10.17	
10.18†	2022 Equity Incentive Plan Global Notice of Performance Restricted Stock Unit Award for Aneel Bhusri					X
10.19	Restated and Amended Pleasanton Ground Lease by and between San Francisco Bay Area Rapid Transit District and CREA/Windstar Pleasanton, LLC and related assignment agreement dated January 30, 2014	10-K	001-35680	March 31, 2014	10.11	
10.20	Stock Restriction Agreement, by and among the Registrant, David A. Duffield and Aneel Bhusri	S-1/A	333-183640	October 1, 2012	10.11	
10.21	Credit Agreement, dated as of April 6, 2022, among Workday, certain subsidiaries of Workday, Bank of America, N.A., Wells Fargo Bank, National Association, and the other L/C Issuers and Lenders party thereto	8-K	001-35680	April 7, 2022	10.1	
19.1	Insider Trading Policy					X
21.1	List of Subsidiaries of the Registrant					X
23.1	Consent of Independent Registered Public Accounting Firm					X
24.1	Power of Attorney (incorporated by reference to the signature page of this Annual Report on Form 10-K)					X
31.1	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Periodic Report by Principal 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
97	Compensation Recovery Policy					X

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101.INS	XBRL Instance Document - 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 or compensatory plan.

* These exhibits are furnished with this Annual Report on Form 10-K and are not deemed filed with the SEC and are not incorporated by reference in any filing of Workday, Inc. under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pleasanton, State of California, on this 6th day of March, 2026.

WORKDAY, INC.

/s/ Zane Rowe

Zane Rowe
Chief Financial Officer (Principal Financial Officer)

/s/ Mark Garfield

Mark Garfield
Chief Accounting Officer (Principal Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Zane Rowe or Richard H. Sauer, or any of them, his or her attorneys-in-fact, for such person in any and all capacities, to sign any amendments to this report and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that either of said attorneys-in-fact, or substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

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Signature	Title	Date
<u>/s/ Aneel Bhusri</u> Aneel Bhusri	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 6, 2026
<u>/s/ Zane Rowe</u> Zane Rowe	Chief Financial Officer <i>(Principal Financial Officer)</i>	March 6, 2026
<u>/s/ Mark Garfield</u> Mark Garfield	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	March 6, 2026
<u>/s/ Thomas F. Bogan</u> Thomas F. Bogan	Director	March 6, 2026
<u>/s/ Elizabeth Centoni</u> Elizabeth Centoni	Director	March 6, 2026
<u>/s/ Lynne M. Doughtie</u> Lynne M. Doughtie	Director	March 6, 2026
<u>/s/ Wayne A.I. Frederick, M.D</u> Wayne A.I. Frederick, M.D	Director	March 6, 2026
<u>/s/ Mark J. Hawkins</u> Mark J. Hawkins	Director	March 6, 2026
<u>/s/ Michael M. McNamara</u> Michael M. McNamara	Director	March 6, 2026
<u>/s/ Rhonda J. Morris</u> Rhonda J. Morris	Director	March 6, 2026
<u>/s/ Michael L. Speiser</u> Michael L. Speiser	Director	March 6, 2026
<u>/s/ George J. Still, Jr.</u> George J. Still, Jr.	Director	March 6, 2026
<u>/s/ Jerry Yang</u> Jerry Yang	Director	March 6, 2026

WORKDAY, INC.
2022 EQUITY INCENTIVE PLAN
GLOBAL NOTICE OF PERFORMANCE RESTRICTED STOCK UNIT AWARD¹

Unless otherwise defined herein, the terms defined in the Workday, Inc. (“*Workday*”) 2022 Equity Incentive Plan (the “*Plan*”) will have the same meanings in this Global Notice of Performance Restricted Stock Unit Award and the electronic representation of this Global Notice of Performance Restricted Stock Unit Award and the performance and vesting terms set forth in the Vesting Appendix attached hereto (the “*Vesting Appendix*”) established and maintained by Workday or a third party designated by Workday (the Global Notice of Performance Restricted Stock Unit Award and the Vesting Appendix are collectively referred to as the “*Notice*”).

Name: Aneel Bhusri

Address:

You (“*Participant*”) have been granted an award (an “*Award*”) of performance-based Restricted Stock Units (“*PVUs*”) under the Plan subject to the terms and conditions of the Plan, this Notice, the Vesting Appendix and the attached Global Performance Restricted Stock Unit Award Agreement (the “*Agreement*”), including any applicable jurisdiction-specific provisions in the appendices attached hereto (the “*Appendices*”), which constitute part of the Agreement.

Grant Number:

Maximum Number of PVUs: 547,003 PVUs

Date of Grant: March 5, 2026

Vesting Schedule: As provided in the Vesting Appendix.

Expiration Date: This Award expires on the earlier to occur of: (a) the date on which this Award is settled in full, (b) determination by the Committee that the Share Price Targets (as defined in the Vesting Appendix) have not been satisfied as of the end of the Performance Period (as defined in the Vesting Appendix) and (c) the eighth (8th) anniversary of the Date of Grant. This Award expires earlier if Participant’s service terminates earlier, as described in the Vesting Appendix and the Award Agreement.

¹ The specific information provided in this Notice may be delivered in electronic form.

By accepting (whether in writing, electronically or otherwise) the PVUs, Participant acknowledges and agrees to the following:

- 1) Participant understands that Participant's service with Workday or a Parent or Subsidiary or Affiliate is for an unspecified duration, can be terminated at any time (*i.e.*, is "at-will"), subject to applicable law and/or employment or service agreement, and that nothing in this Notice, the Agreement or the Plan changes the nature of that relationship. Participant acknowledges that the vesting of the PVUs pursuant to this Notice is earned only by both achievement of the performance metrics set forth in the Vesting Appendix and continuing service as specified in the Vesting Appendix. If Participant's service is Terminated for any reason (regardless of whether the termination is in breach of employment laws in the jurisdiction where Participant is employed or is later found to be invalid), such Termination will be considered effective on the date Participant ceases to provide services to Workday or one of its Parents, Subsidiaries or Affiliates and, unless explicitly required by applicable legislation or determined by Workday, or in the case of Insiders, the Committee, Participant's period of service for purposes of the PVUs will not be extended by any notice period or garden leave mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement. Unless otherwise expressly provided in the Plan or the Agreement or determined by the Committee, Participant's right to vest in the PVUs under the Plan, if any, will terminate as of such date. To the extent permitted by applicable law, Participant agrees and acknowledges that the Vesting Schedule may change prospectively in the event that Participant's service status changes in accordance with Workday policies relating to work schedules and vesting of Awards or as determined by the Committee.
- 2) This grant is made under and governed by the Plan, the Agreement and this Notice, and this Notice is subject to the terms and conditions of the Agreement and the Plan, both of which are incorporated herein by reference. Participant has read the Notice, the Agreement, and the Plan.
- 3) Participant has read Workday's Insider Trading Policy, and agrees to comply with such policy, as it may be amended from time to time, whenever Participant acquires, disposes of, or otherwise transacts in Workday's securities.
- 4) By accepting the PVUs, Participant consents to electronic delivery and participation as set forth in the Agreement.

If you wish to decline your PVUs, you should promptly notify our Stock Plan Administrator at stock.admin@workday.com. If you do not provide such notification within thirty (30) days after the Date of Grant, you will be deemed to have accepted your PVUs on the terms and conditions set forth herein.

ATTACHMENT I
VESTING APPENDIX

As set forth in this Vesting Appendix, all or a portion of the Maximum Number of PVUs (as defined and set forth in the Notice) shall vest subject to *both* (1) achievement of the Share Price Targets (defined below, and achievement of a Share Price Target applicable to a Tranche within its applicable Performance Period, an “*Achievement Event*”) and (2) Participant’s continued service (as defined below) to the Company on such Achievement Event and through the applicable Quarterly Vesting Dates (as defined below, the “*Service Requirement*”), except as specifically provided below in Section III(B) and Section IV(B). Defined terms used, but not defined, in this paragraph, the Notice, the Agreement or the Plan, shall have the meanings ascribed to them in this Vesting Appendix.

I. Performance Period

Achievement of the Share Price Targets is subject to an overall five (5) year performance period commencing on the Grant Date (such one-year periods therein, “*Years*” 1-5, respectively), applicable to each Tranche (defined below) as follows (each, a “*Performance Period*”):

Tranche 1—the three-year period comprised of Years 1-3 (the “*Tranche 1 Performance Period*”).

Tranche 2—the three-year period comprised of Years 2-4 (the “*Tranche 2 Performance Period*”).

Tranche 3—the three-year period comprised of Years 3-5 (the “*Tranche 3 Performance Period*”).

Tranche 4—the three-year period comprised of Years 3-5 (the “*Tranche 4 Performance Period*”).

II. Achievement Event—Share Price Targets

This Award is divided into four (4) separate tranches (each, a “*Tranche*”), as set forth in the *Share Price Targets Table* below, with each Tranche allocated that number of PVUs as specified in the *Share Price Targets Table* (each, the “*Tranche PVUs*”) and a share price target as specified in the *Share Price Targets Table* (each, a “*Share Price Target*”). If the Share Price Target applicable to a Tranche is achieved within such Tranche’s Performance Period, then the Tranche PVUs related to any such Tranche shall become “*Eligible PVUs*,” with the resulting Eligible PVUs eligible to vest subject to Certification and Participant’s service as of the applicable Achievement Event and on the applicable Quarterly Vesting Dates as set forth in Section III, except as specifically provided below in Section III(B) and Section IV(B).

Share Price Targets				
Performance Period	Tranche	Number of Tranche PVUs	Share Price Target as % Increase from PVU Baseline Price	Share Price Target
Years 1-3	1	1/4 Maximum PVU Shares	25%	\$171.39
Years 2-4	2	1/4 Maximum PVU Shares	50%	\$205.67
Years 3-5	3	1/4 Maximum PVU Shares	75%	\$239.94
Years 3-5	4	1/4 Maximum PVU Shares	100%	\$274.22

The Share Price Target for a Tranche is achieved if the 45-Day Average equals or exceeds such Share Price Target during the applicable Performance Period. The Committee will measure and Certify the achievement of the Share Price Targets as described below. Achievement of each Share Price Target shall be determined separately. There will be no partial or additional achievement to the extent a 45-Day Average is between individual Share Price Targets. Once a Share Price Target has been achieved during the applicable Performance Period, it shall remain achieved. In no event may more than the Maximum Number of PVUs become Eligible PVUs.

If a Share Price Target for a Tranche is achieved prior to its designated Performance Period, such achievement will not qualify as an Achievement Event at that time because it occurred outside of the designated Performance Period, however, such Share Price Target shall remain eligible to be achieved again during its designated Performance Period.

A Share Price Target may be met no later than the final day of its designated Performance Period, provided, however that if the Share Price Target for Tranche 1 or Tranche 2 is not achieved on or prior to the last day of the Tranche 1 Performance Period or Tranche 2 Performance Period, respectively, such Tranche PVUs will “roll forward” and may be earned in a later Performance Period (the “**Roll-Forward**”), but only if the Share Price Target for such later Tranche is achieved (such condition, the “**Later Achievement Condition**”).

Any PVUs allocated to a Tranche that is not achieved pursuant to this Section II (the “**Unachieved Tranche PVUs**”) prior to (a) the end of the applicable Performance Period (or pursuant to a later Performance Period under the Roll-Forward) or (b) termination of Participant’s service shall automatically be forfeited, except as specifically provided below in Section III(B) and Section IV(B).

For purposes of this Award, “**45-Day Average**” means the trailing simple moving average stock price of Company Common Stock as reported on the NASDAQ Global Select Market over the forty-five (45) consecutive trading day period ending on the 20th day of each month (and if the 20th is not a trading day, then the immediately preceding trading day), beginning with the first Measurement Date that is at least forty-five (45) consecutive trading days following the Date of Grant (each, a “**Measurement Date**”). All averages will be rounded to the nearest whole cent.

For purposes of this Award, “**Baseline Price**” means the trailing simple moving average stock price of Company Common Stock as reported on the NASDAQ Global Select Market over the ten (10) consecutive trading day period ending March 5, 2026.

III. Service Requirement

A. Time-Based Vesting

No Eligible PVUs may vest prior to satisfaction of the Service Requirement, except as specifically provided below in Section III(B) and Section IV(B). For purposes of this Award, “*service*” means (1) for Year 1 through Year 3, Participant’s continuous service as the Company’s Chief Executive Officer, the Company’s Executive Chairman or such other comparable role or position determined by the Board in its sole discretion and (2) for Year 4 through Year 5, Participant’s continuous service as an Employee, Non-Employee Director, or Consultant to the Company or an Affiliate, Parent or Subsidiary of the Company.

For so long as Participant is in continuous service through each applicable date, the Service Requirement will be satisfied with respect to each Tranche as to 1/20 on each of the twenty (20) quarterly anniversaries of March 5, 2026 (each quarterly anniversary thereof, a “*Quarterly Vesting Date*”). Except as specifically provided below in Section III(B) and Section IV(B), in the event of the termination of Participant’s service, any Eligible PVUs that have not yet vested shall automatically be forfeited upon such termination of Participant’s service.

(i) *PVUs Vesting in connection with Achievement of Share Price Target.* In the event of an Achievement Event for a particular Tranche, then upon the first occurring Quarterly Vesting Date following the related Measurement Date, Participant shall vest as to the number of such Tranche PVUs, if any, for which Participant has satisfied the Service Requirement in accordance with the Quarterly Vesting Schedule as of such Quarterly Vesting Date, provided Participant is in continuous service as of such Quarterly Vesting Date. The foregoing shall apply separately to each Tranche.

(ii) *PVUs Vesting following Achievement of Share Price Target.* With respect to Tranche PVUs for which Participant has not satisfied the Service Requirement in accordance with the Quarterly Vesting Schedule as of the first occurring Quarterly Vesting Date following an Achievement Event for a particular Tranche, vesting shall continue after such Quarterly Vesting Date in accordance with the Quarterly Vesting Schedule, subject to Participant’s continued service through each such Quarterly Vesting Date, except as specifically provided below in Section III(B) and Section IV(B). The foregoing shall apply separately to each Tranche.

B. Certain Terminations

In the event of a Non-CIC Qualifying Termination (as defined in the Company's Executive Severance and Change in Control Policy (the "**Change in Control Policy**")), subject to Participant's execution of a Release (as defined in the Change in Control Policy) and satisfaction of all conditions to make the Release effective within 45 days after such termination of Participant's service, (i) that number of PVUs which previously had become Eligible PVUs pursuant to Section II that would have vested in the 12 months following such termination shall vest upon Participant's Non-CIC Qualifying Termination and (ii) any in-progress Performance Period shall end on the day before Participant's termination date and the Committee shall measure and Certify the level of achievement of the Share Price Targets for any then-Unachieved Tranche PVUs (including Unachieved Tranche PVUs that remain eligible to be achieved pursuant to the Roll-Forward) using the same process as set forth in Section II above (including that Roll-Forward Tranches shall be subject to the Later Achievement Condition), except that the Committee shall use the 45-Day Average as of the trading day immediately prior to Participant's termination date in lieu of the Company's 45-Day Average as of a Measurement Date to determine the Share Price Target achievement of any Unachieved Tranche PVUs, and Eligible PVUs, if any, resulting under this subsection which would have vested if Participant had remained in continuous service for an additional twelve (12) months shall vest upon such termination of Participant's service.

In the event Participant's service terminates due to (a) a termination by the Company for Cause or (b) Participant's resignation for any reason, all PVUs (both Eligible PVUs that have not yet vested and Unachieved Tranche PVUs (including Unachieved Tranche PVUs that remain eligible to be achieved pursuant to the Roll-Forward)) shall automatically be forfeited upon such termination of Participant's service.

IV. Change in Control

A. Determination of Achievement.

Notwithstanding Sections II and III above, if a Change in Control (as defined in the Change in Control Policy) occurs, then any in-progress Performance Period and any yet to commence Performance Period shall end or be deemed to end, respectively, on the day prior to the effective date of the Change in Control (the "**Closing Date**") and the Committee shall measure and Certify the level of achievement of the Share Price Targets for any Unachieved Tranche PVUs (including Unachieved Tranche PVUs that remain eligible to be achieved pursuant to the Roll-Forward, provided that in this case the Later Achievement Condition is waived and such Tranche may be achieved upon its applicable Share Price Target) using the same process as set forth in Section II above, except the Committee shall use the CIC Price in lieu of the Company's 45-Day Average as of a Measurement Date to determine the Share Price Target achievement of any Unachieved Tranche PVUs. Eligible PVUs, if any, resulting under this subsection shall be referred to herein as "**CIC Eligible PVUs**".

For purposes of this Award, "**CIC Price**" means the price per share of the Company's Common Stock to be paid in accordance with the definitive agreement providing for the Change in Control (or, in the absence of such a definitive agreement, the closing price per share of the Company's Common Stock as reported on the Nasdaq Global Select Market (or such other exchange on which the Company's common stock is primarily traded) for the last trading day immediately preceding the Closing Date). In the event that the consideration in the Change in Control is not paid based on a price per share of the Company's common stock, then the value of such consideration and the CIC Price shall be determined in good faith by the Committee.

Further to the foregoing, during the period beginning upon the earlier of (i) the execution of the definitive agreement providing for the Change in Control and (ii) the public announcement of a Change in Control (such date, the “**Change in Control Announcement Date**”) and ending upon the earlier of the Closing Date and the Change in Control Termination Date (as defined below) (the “**Pause Period**”), no additional PVUs shall become Eligible PVUs based on the 45-Day Average. Instead, during the Pause Period, achievement of the Share Price Targets (to the extent not previously achieved) may only occur at the closing of the Change in Control and will be measured as provided in the preceding paragraph. If the sale or other arrangements that give rise to the Change in Control Announcement Date are terminated by their terms or otherwise withdrawn, as applicable (such date of termination or withdrawal, the “**Change in Control Termination Date**”), the Pause Period will end and the regular Performance Period will resume, and the calculation for the 45-Day Average shall re-commence beginning with the first day following the Change in Control Termination Date (and none of the trading days during the Pause Period shall be taken into account for any determination of any potential achievement of the 45-Day Average).

B. Change in Control Vesting.

(i) **Non-Assumption.** If the PVUs are not assumed, continued or substituted in a Change in Control, then (a) any PVUs which previously had become Eligible PVUs pursuant to Section II and (b) any CIC Eligible PVUs shall vest in full immediately prior to the Closing Date.

(ii) **Double Trigger.** In the event of a CIC Qualifying Termination (as defined in the CIC Policy), subject to Participant’s execution of a Release and satisfaction of all conditions to make the Release effective within 45 days after such termination of Participant’s service, (a) any PVUs which previously had become Eligible PVUs pursuant to Section II and (b) any CIC Eligible PVUs shall vest in full upon Participant’s Qualifying Termination.

V. Holding Period

Participant must retain and may not sell, transfer or dispose of the Shares acquired upon settlement of the PVUs (net of any Shares sold in a same-day sale to pay any tax withholding obligations) until the two-year anniversary of the applicable settlement date; provided, however, that the Participant may conduct transactions that involve merely a change in the form in which Participant owns such Shares (e.g., transfer Shares to a revocable inter vivos trust for which Participant is the trustee and sole beneficiary during Participant’s lifetime) as permitted by the Board or the Committee consistent with the Company’s internal policies.

VI. Certification of Achievement

Achievement of the PVU Performance Metrics will be measured monthly, as of the applicable Measurement Date. The Board or the Committee (as applicable, the “**Committee**”), in its good faith reasonable discretion, shall determine achievement of the Share Price Target for each Tranche as soon as possible on or following a Measurement Date (such Committee action, to “**Certify**” or a “**Certification**”, and the date thereof, the “**Certification Date**”). Notwithstanding the foregoing, if the Share Price Targets are determined in connection with a Change in Control, such determination shall be made, and the Certification Date shall be on a date, determined by the Committee, prior to the Closing Date.

In the event an adjustment of Shares is made pursuant to Section 2.4 of the Plan, the Share Price Targets and the number of Tranche PVUs (in each case, to the extent not previously achieved) and the Eligible PVUs (if any) shall automatically be proportionally and equitably adjusted.

VII. Award Subject to Company Clawback or Recoupment

The PVUs shall be subject to the Company's current compensation recoupment policy, and any additional compensation recoupment policy or amendments to the current policy adopted by the Board or as required by law during the term of Participant's service that is applicable generally to executive officers of the Company. In addition to any other remedies available under such provisions, applicable law may require the cancellation of the PVUs (whether vested or unvested) and the recoupment of any gains realized with respect to the PVUs.

WORKDAY, INC.
2022 EQUITY INCENTIVE PLAN
GLOBAL PERFORMANCE RESTRICTED STOCK UNIT AWARD AGREEMENT

The Compensation Committee of the Board of Directors (the “*Committee*”) of Workday, Inc. (“*Workday*”) has granted to Participant a performance-based Restricted Stock Unit Award (“*PVU*”) under Workday’s 2022 Equity Incentive Plan (the “*Plan*”). Unless otherwise defined herein, the terms defined in the Plan will have the same defined meanings in this Global Performance Restricted Stock Unit Award Agreement (the “*Agreement*”) and the electronic representation of the Global Notice of Performance Restricted Stock Unit Award established and maintained by Workday, or a third party designated by Workday, including the Vesting Appendix attached thereto (the “*Notice*”). The PVU is subject to the terms, restrictions and conditions of the Plan, the Notice and this Agreement, including any applicable jurisdiction-specific provisions in the appendices attached hereto (the “*Appendices*”), which constitute part of this Agreement. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of the Notice or this Agreement, the terms and conditions of the Plan will prevail.

1. **Terms.** The number of PVUs provided by the Award and the applicable vesting terms and conditions are set forth in the Notice and the Vesting Appendix. Subject to the applicable provisions of the Plan and this Agreement and Workday’s Vesting Acceleration Policy for Death and Permanent Disability, as may be amended from time to time, Participant’s PVU shall vest as provided under the Vesting Appendix. For the avoidance of doubt, only Eligible PVUs and CIC Eligible PVUs, determined in accordance with the Vesting Appendix, shall be eligible for acceleration pursuant to the terms and conditions of Workday’s Vesting Acceleration Policy for Death and Permanent Disability.
2. **Settlement.** Settlement of PVUs will be made within the calendar year in which the applicable date of vesting under the Vesting Schedule(s) set forth in the Notice occurs or, if later, the fifteen (15th) day of the third (3rd) calendar month following the date of vesting (provided that the Participant will not be permitted, directly or indirectly, to designate the taxable year of the payment). Settlement of PVUs will be in Shares. No fractional PVUs or rights for fractional Shares will be created pursuant to this Agreement.
3. **No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested PVUs, Participant will have no ownership of the Shares allocated to the PVUs and will have no right to dividends or to vote such Shares.
4. **Dividend Equivalents.** Dividends, if any (whether in cash or Shares), will not be credited to Participant.
5. **Non-Transferability of PVUs.** The PVUs and any interest therein will not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent or distribution or unless otherwise permitted by the Committee on a case-by-case basis.

6. Termination.

(a) *General Termination.* Except as provided in the Vesting Appendix, if Participant's service Terminates for any reason, all unvested PVUs will be forfeited to Workday forthwith without payment of any consideration to Participant, and all rights of Participant to such PVUs will immediately terminate (unless determined otherwise by the Committee and regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is providing services or the terms of Participant's employment or service agreement, if any). Workday, or in the case of Insiders, the Committee will have sole discretion to determine whether a Participant has ceased to provide services for purposes of the Plan and the effective date on which the Participant ceased to provide services (the "*Termination Date*"), as provided in the Plan. For purposes of the PVUs, the Termination Date will be the date Participant ceases to provide services to Workday or one of its Parents, Subsidiaries or Affiliates and, unless explicitly required by applicable legislation or determined by Workday, or in the case of Insiders, the Committee, Participant's period of service for purposes of the PVUs will not be extended by any notice period or garden leave mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement.

(b) *Change in Service Status.* Participant acknowledges and agrees that the vesting terms and conditions may change prospectively in the event Participant's service status changes between full- and part-time and/or in the event Participant is on a leave of absence, in accordance with Workday policies relating to work schedules and vesting of Awards or as determined by the Committee. A change in status as contemplated under the Vesting Appendix will not result in a Termination, unless otherwise determined by the Committee.

7. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by Workday or, if different, Participant's employer (the "*Employer*") the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable or deemed applicable to Participant ("*Tax-Related Items*"), is and remains Participant's responsibility and may exceed the amount, if any, actually withheld by Workday or the Employer. Participant further acknowledges that Workday and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PVUs, including, but not limited to, the grant, vesting or settlement of the PVUs and the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PVUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that Workday and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. *PARTICIPANT SHOULD CONSULT A TAX ADVISER APPROPRIATELY QUALIFIED IN THE JURISDICTIONS(S) IN WHICH PARTICIPANT RESIDES OR IS OTHERWISE SUBJECT TO TAXATION.*

Prior to any relevant taxable or tax withholding event, as applicable, to the extent permitted by applicable law, Participant agrees to make arrangements satisfactory to Workday and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes Workday and/or the Employer, or their respective agents, at their discretion, to satisfy any withholding obligations or rights for all Tax-Related Items, if any, by one or a combination of the following:

- (i) withholding from proceeds of the sale of Shares acquired upon settlement of the PVUs either through a voluntary sale or through a mandatory sale arranged by Workday (on Participant's behalf pursuant to this authorization and without further consent);
- (ii) withholding in Shares to be issued upon settlement of the PVUs;
- (iii) withholding from Participant's wages or other cash compensation payable to Participant by Workday and/or the Employer or any Parent, Subsidiary or Affiliate;
- (iv) Participant's payment of a cash amount (including by check representing readily available funds or a wire transfer); or
- (v) any other arrangement approved by the Committee and permitted under applicable law,

in each case, under such rules as may be established by the Committee and in compliance with this Plan, Workday's Insider Trading Policy and any 10b5-1 Trading Plan Policy, if applicable. Notwithstanding the foregoing, if Participant is subject to Section 16 of the Exchange Act, the Committee shall establish the method of withholding prior to the applicable taxable or withholding event.

Workday may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates in Participant's jurisdiction(s), including minimum rates or up to the maximum rates applicable in Participant's jurisdiction(s). In the event the application of the withholding rate determined by Workday leads to over-withholding, Participant may receive a refund of any over-withheld amount in cash from Workday or the Employer (and will have no entitlement to the equivalent value in Shares) or, if not refunded by Workday or the Employer, Participant may be able to seek a refund from the applicable tax authority. In the event of under-withholding by Workday or the Employer for any reason, Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant will be deemed to have been issued the full number of Shares subject to the vested PVUs, notwithstanding that a number of the Shares are held back solely for the purpose of satisfying the withholding obligation for Tax-Related Items. Unless otherwise required by applicable law or otherwise determined by the Committee, the Fair Market Value of these Shares, determined as of the effective date when taxes otherwise would have been withheld in cash, will be applied as a credit against the Tax-Related Items withholding.

Finally, Participant agrees to pay to Workday or the Employer any amount of Tax-Related Items that Workday or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. Workday may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

8. Nature of Grant. By accepting the PVUs (whether in writing, electronically or otherwise), Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by Workday, it is discretionary in nature and it may be modified, amended, suspended or terminated by Workday at any time, to the extent permitted by the Plan;

(b) the grant of the PVUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PVUs, or benefits in lieu of PVUs, even if PVUs have been granted in the past;

(c) all decisions with respect to future PVU or other grants, if any, will be at the sole discretion of Workday;

(d) the PVU grant and Participant's participation in the Plan will not create a right to employment or be interpreted as forming or amending an employment or services contract with Workday, the Employer or any Parent, Subsidiary or Affiliate and shall not interfere with any ability Workday, the Employer or any Parent, Subsidiary or Affiliate, as applicable, may have to Terminate Participant's employment or service;

(e) Participant is voluntarily participating in the Plan;

(f) the PVUs and the Shares subject to the PVUs and the income from and value of same are not intended to replace any pension rights or compensation;

(g) the PVUs and the Shares subject to the PVUs, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages will arise from forfeiture of the PVUs resulting from (1) the application of any compensation recovery or clawback policy adopted by Workday or otherwise required by law, or (2) Participant's Termination (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any);

(j) unless otherwise provided in the Plan or by Workday in its discretion, the PVUs and the benefits evidenced by this Agreement do not create any entitlement to have the PVUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Corporate Transaction affecting the Shares;

(k) unless otherwise agreed with Workday, the PVUs and the underlying Shares, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Subsidiary, Parent and Affiliate; and

(l) neither Workday, the Employer nor any Parent, Subsidiary or Affiliate will be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the PVUs or of any amounts due to Participant pursuant to the settlement of the PVUs or the subsequent sale of any Shares acquired upon settlement.

9. **No Advice Regarding Grant.** Workday is not providing any tax, legal or financial advice, nor is Workday making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant acknowledges, understands and agrees that Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

10. **Language.** Participant acknowledges and represents that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow Participant to understand the terms of this Agreement, including the Appendix and any other documents related to the Plan. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

11. **Jurisdiction-Specific Provisions.** Notwithstanding any provisions in this Agreement, the PVU grant will be subject to any special terms and conditions for Participant's jurisdiction set forth in the Appendices. Moreover, if Participant relocates to one of the jurisdictions included in the Appendices, the special terms and conditions for such jurisdiction will apply to Participant, to the extent Workday determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendices constitute part of this Agreement.

12. **Imposition of Other Requirements.** Workday reserves the right to impose other requirements on Participant's participation in the Plan, on the PVUs and on any Shares acquired under the Plan, to the extent Workday determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

13. **Entire Agreement; Enforcement of Rights.** This Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No adverse modification of or adverse amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by the parties to this Agreement (which writing and signing may be electronic). The failure by either party to enforce any rights under this Agreement will not be construed as a waiver of any rights of such party.

14. Compliance with Laws and Regulations. The issuance of Shares will be subject to and conditioned upon compliance by Workday and Participant with all applicable U.S. and non-U.S. local, state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which Workday's Common Stock may be listed or quoted at the time of such issuance or transfer. Participant understands that Workday is under no obligation to register or qualify the Shares with any U.S. state or federal or any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that Workday shall have unilateral authority to amend the Plan and this Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares. Finally, the Shares issued pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by Workday.

15. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision(s) will be enforced to the maximum extent possible given the intent of the parties hereto and the parties agrees to renegotiate any unenforceable provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such unenforceable provision, then (i) such provision will be excluded from this Agreement, (ii) the balance of this Agreement will be interpreted as if such provision were so excluded and (iii) the balance of this Agreement will be enforceable in accordance with its terms.

16. Governing Law and Venue. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to such state's principles of conflict of laws.

Any and all disputes relating to, concerning or arising from this Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the Plan or this Agreement, will be brought and heard exclusively in the United States District Court for the Northern District of California or the Superior Court of California, Alameda County. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

17. No Rights as Employee, Director or Consultant. Nothing in this Agreement will affect in any manner whatsoever any right or power Workday, the Employer or any Parent, Subsidiary or Affiliate may have, to terminate Participant's service, for any reason, with or without Cause.

18. Insider Trading / Market Abuse Laws. Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including, but not limited to, the United States and, if different, Participant's country, which may affect Participant's ability to directly or indirectly accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Restricted Stock Units) or rights linked to the value of Shares under the Plan during such times as Participant is considered to have "inside information" regarding Workday (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before possessing the inside information. Furthermore, Participant may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Workday insider trading policy and/or any Workday 10b5-1 trading plan. Neither Workday nor any Parent, Subsidiary or Affiliate will be responsible for such restrictions or liable for the failure on Participant's part to know and abide by such restrictions. Participant should consult with his or her own personal legal advisers to ensure compliance with local laws. In addition, Participant acknowledges that he or she read Workday's Insider Trading Policy, and agrees to comply with such policy, as it may be amended from time to time, whenever Participant acquires, disposes of, or otherwise transacts in Workday's securities.

19. Foreign Asset/Account and Tax Reporting Requirements and Exchange Controls. Participant acknowledges that his or her country may have certain foreign asset and/or foreign account reporting and/or tax reporting requirements and exchange controls which may affect Participant's ability to acquire or hold Shares purchased under the Plan or cash received from participating in the Plan (including from any dividends paid on or sales proceeds arising from the sale of Shares acquired under the Plan) in a brokerage or bank account outside Participant's country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. Participant also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to Participant's country through a designated bank or broker and/or within a certain time after receipt. Participant acknowledges that it is Participant's responsibility comply with such regulations, and Participant should consult a personal legal advisor for any details.

20. Code Section 409A. For purposes of this Agreement, a termination of employment will be determined consistent with the rules relating to a “separation from service” as defined in Section 409A of the Internal Revenue Code and the regulations thereunder (“**Section 409A**”). Notwithstanding anything else provided herein, to the extent any payments provided under this Agreement in connection with Participant’s termination of employment constitute deferred compensation subject to Section 409A, and Participant is deemed at the time of such termination of employment to be a “specified employee” under Section 409A, then such payment will not be made or commence until the earlier of (i) the expiration of the six-month period measured from Participant’s separation from service from Workday or (ii) the date of Participant’s death following such a separation from service; provided, however, that such deferral will only be effected to the extent required to avoid adverse tax treatment to Participant including, without limitation, the additional tax for which Participant would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent any payment under this Agreement may be classified as a “short-term deferral” within the meaning of Section 409A, such payment will be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

21. Award Subject to Workday Clawback or Recoupment. To the extent permitted by applicable law, the PVUs will be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or Compensation Committee or required by law during the term of Participant’s employment or other service that is applicable to Participant. In addition to any other remedies available under such policy and applicable law, Workday may require the cancellation of Participant’s PVUs (whether vested or unvested) and the recoupment of any gains realized with respect to Participant’s PVUs, as set forth in the Vesting Appendix.

22. Acknowledgment; Consent to Electronic Delivery of All Plan Documents and Disclosures. By Participant’s acceptance (whether in writing, electronically or otherwise) of the Notice, Participant and Workday agree that the PVUs are granted under and governed by the terms and conditions of the Plan, the Notice and this Agreement. Participant acknowledges receipt of a copy of the Plan, the Plan prospectus, the Notice and this Agreement and hereby accepts the PVUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice. Participant has reviewed the Plan, the Plan prospectus, the Notice and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of the Plan, the Plan prospectus, the Notice and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement. Participant further agrees to notify Workday upon any change in Participant’s residence address.

By acceptance of the PVUs, Participant agrees to participate in the Plan through an on-line or electronic system established and maintained by Workday or a third party designated by Workday and consents to the electronic delivery of the Notice, this Agreement, the Plan, account statements, Plan prospectuses required by the U.S. Securities and Exchange Commission, U.S. financial reports of Workday, and all other documents that Workday is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the PVUs and current or future participation in the Plan. Electronic delivery may include the delivery of a link to a Workday intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at Workday's discretion. Participant acknowledges that Participant may receive from Workday a paper copy of any documents delivered electronically at no cost if Participant contacts Workday by telephone, through a postal service or electronic mail at Stock Administration. Participant further acknowledges that Participant will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, Participant understands that Participant must provide on request to Workday or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, Participant understands that Participant's consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if Participant has provided an electronic mail address), at any time by notifying Workday of such revised or revoked consent by telephone, postal service or electronic mail through Stock Administration. Finally, Participant understands that Participant is not required to consent to electronic delivery.

By accepting (whether in writing, electronically or otherwise) the PVUs, Participant acknowledges and agrees to the following:

Participant understands that Participant's employment or consulting relationship or service with Workday, Inc. or a Parent, Subsidiary or Affiliate is for an unspecified duration, can be terminated at any time (*i.e.*, is at will), subject to applicable law and/or employment or service agreement, and that nothing in this Agreement, the Notice or the Plan changes the nature of that relationship. Participant acknowledges that the vesting of the PVUs pursuant to this Notice is earned only by continuing service as an Employee, Director or Consultant. Participant also understands that this Agreement is subject to the terms and conditions of both the Notice and the Plan, both of which are incorporated herein by reference. Participant has read the Agreement, the Notice and the Plan. By accepting the PVUs, Participant consents to the electronic delivery as set forth in this Agreement.

WORKDAY, INC.

By: [_____]
Title: [_____]

APPENDIX A

**WORKDAY, INC.
2022 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

DATA PRIVACY PROVISIONS FOR EMPLOYEES OUTSIDE THE UNITED STATES

[Intentionally Omitted]

APPENDIX B

**WORKDAY, INC.
2022 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

JURISDICTION-SPECIFIC PROVISIONS FOR EMPLOYEES OUTSIDE THE U.S.

[Intentionally Omitted]



Insider Trading Policy

1.0 Background

Federal and state securities laws prohibit the purchase or sale of a company's securities by anyone who is aware of material information about that company that is not generally known or available to the public. These laws also prohibit anyone who is aware of material nonpublic information from disclosing this information to others who may trade. The person violating these laws, as well as Workday, may be subject to criminal prosecution, civil lawsuits, and financial penalties in connection with a violation of insider trading laws. Companies may also be subject to liability if they fail to take reasonable steps to prevent insider trading by company personnel.

2.0 Purpose and Scope

Workday, Inc. ("Workday") has adopted this Insider Trading Policy (the "Policy") to help its employees, officers, members of its board of directors, agents, and contractors ("Insiders") comply with insider trading laws and prevent even the appearance of insider trading.

Workday and each of its Insiders must not transact in securities (i.e., shares of Workday or any other company's stock) in ways that violate any applicable law, regulation, contract, this Policy, or the Workday Code of Conduct.

Integrity: We do not trade in securities whenever we are aware of material nonpublic information.

Your adherence to this Policy will help safeguard our reputation and will help ensure that Workday conducts its business with the highest levels of integrity and ethical standards. Each Insider of Workday is responsible for the consequences of his or her actions and for understanding and complying with this Policy.

While this Policy is intended to help protect Workday and its Insiders from insider trading violations, the matters set forth in this Policy are not intended to replace your responsibility to understand and comply with the legal prohibition on insider trading. Appropriate judgment should be exercised in connection with all securities trading. If you have specific questions regarding this Policy or applicable law, please contact the Corporate Legal Team at [*].

For further description of the persons and transactions covered by this Policy, please see [Sections 4.1](#) and [4.2](#), respectively, of this Policy.



3.0 Policy Requirements

Do not trade securities while being aware of material nonpublic information.

Do not disclose material nonpublic information or tip others to trade.

Comply with restricted trading periods.

Do not respond to requests for information, unless authorized.

Do not execute prohibited transactions.

Take responsibility for complying with this Policy.

3.1. Do not trade securities while being aware of material nonpublic information.

You may not execute any trade in a company's securities while you have material nonpublic information about the company that issued the security. This prohibition applies to Workday securities as well as the securities of any other company if you are aware of material nonpublic information about that company.

Securities include equity securities (such as common or preferred stock), debt securities, convertible securities, options, and derivatives.

Material nonpublic information is any information that a reasonable investor would consider important in making an investment decision that has not been broadly disseminated to the public. For a description of what makes information material and nonpublic, please see [Section 4.3](#) of this Policy.

Remember: *Just being aware of material nonpublic information is a bar to trading. It is no excuse that a person's reasons for trading were not based on the information in question.*

3.2. Do not disclose material nonpublic information or tip others to trade.

You must treat any material nonpublic information as strictly confidential and must not disclose such information to anyone (except persons within Workday whose positions require them to know it) until such information has been publicly released and widely disseminated. This includes your spouse, friends, family members (which could be deemed to be "tipping"), Workday employees without a business need to know such information, or any other person or entity not authorized to receive such information. These disclosure prohibitions also apply to the material nonpublic information of other companies obtained in the course of your service to Workday.

You are prohibited from disclosing material nonpublic information whether or not you derive any personal benefit from doing so, unless required as part of your regular duties for Workday or in a disclosure authorized by Workday.

To learn more about what tipping is and why you must avoid it, see [Section 4.2.2](#) of this Policy.

3.3. Comply with restricted trading periods.

To further facilitate compliance with insider trading laws and this Policy, Workday implements quarterly company-wide restricted trading periods. All Insiders and their Family Members (each as defined below in [Section 4.1](#)) are subject to restricted trading periods each quarter, as described further in [Section 4.4](#) of this Policy.

Reminder: Restricted trading periods apply to any account where you or your Family Members hold Workday stock – including your Workday stock account AND any other personal brokerage account.

3.4. Do not respond to requests for information, unless authorized.

Only Workday employees that are specifically authorized to respond to requests from the media, securities analysts, regulators, or others may answer questions about or disclose information concerning Workday.

3.5. Do not execute prohibited transactions.

You may not engage in prohibited transactions in Workday securities, such as certain hedging and pledging transactions, regardless of whether or not you are aware of any material nonpublic information about Workday. These prohibited transactions are described further in [Section 4.6](#) of this Policy.

3.6. Take responsibility for complying with this Policy.

You are individually responsible for complying with securities laws and this Policy. You are responsible for reviewing this Policy and ensuring that your actions adhere to this Policy at all times.

4.0 Policy Guidance

4.1. Who Is Covered by This Policy?

The restrictions set forth in this Policy apply to all Insiders of Workday, wherever located, and their Family Members.

"Insiders" include **employees (including interns and temporary employees), officers, agents, and contractors** of Workday and any of its subsidiaries, as well as members of the Workday, Inc. Board of Directors (the "Board").

"Family Members" include:

- Family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws)
- Anyone else who lives in your household
- Other persons who do not live with you but whose transactions in securities are directed by you or subject to your control, such as parents or children who consult with you before they trade in Workday securities

*Each Insider is **responsible** for making sure that any transaction covered by this Policy executed by any of their Family Members complies with this Policy.*

This Policy applies to transactions for any account over which you have investment discretion. This Policy also applies to any fund, trust, or other entity that is an "affiliate" or "associate"¹ of an Insider with respect to shares that are beneficially owned by such Insider.

Remember: *U.S. laws regarding insider trading apply to people living outside the U.S. (including citizens of other countries) when trading in U.S. securities markets.*

4.1.1. Duration of Policy Restrictions

You are expected to comply with this Policy as long as you are aware of any material nonpublic information about Workday or about any other company gained due to your role at Workday. This means that, even after you cease to be affiliated with Workday, you must continue to abide by the applicable trading restrictions until you are no longer aware of material nonpublic information.

4.1.2. Transactions by Workday

From time to time, Workday may engage in transactions in its securities, such as share repurchases. When engaging in transactions of Workday securities, Workday must comply with all applicable securities laws.

¹ An "affiliate" of an Insider is a person that directly or indirectly controls or is controlled by, or is under common control with, the Insider. An "associate" of an Insider is (1) a corporation or organization (other than Workday or a majority-owned subsidiary of Workday) of which the Insider is an officer or partner or is directly or indirectly the beneficial owner of 10% or more of any class of equity securities, or (2) any trust or other estate in which the Insider has substantial beneficial interest or serves as trustee or in a similar capacity.

4.2. What Types of Transactions Are Covered by This Policy?

The trading restrictions set forth in this Policy apply to **purchases, sales, gifts, distributions, and transfers of Workday securities.**

4.2.1. Exceptions

The trading restrictions set forth in this Policy **do not apply** to:

- Vesting of Workday equity awards (such as restricted stock units (“RSUs”)), the delivery of Workday stock to you following the vesting of those awards, or Workday retaining or selling shares to satisfy tax withholding requirements relating to the vesting of equity awards
- Regular, automatic purchases of Workday stock through the Workday Employee Stock Purchase Plan (the “ESPP”) pursuant to an election at the beginning of the applicable enrollment period
- Sales or purchases of Workday stock (including pursuant to stock option exercises) pursuant to a validly adopted pre-arranged written Rule 10b5-1 trading plan (as described in [Section 4.5](#))
- Exercises of employee stock options, where cash is being used to pay the option exercise price and where no Workday common stock is sold in the market to fund the option exercise price or related taxes
- Sales or purchases of mutual funds, index funds, or exchange-traded funds (ETFs) that, in each case, are invested in a broad portfolio of companies, including Workday securities

Remember: Purchases, sales, gifts, distributions, and transfers of the following types of shares are subject to the restrictions of this Policy and applicable laws:

- (1) shares acquired through participation in the ESPP,
- (2) shares acquired from the vesting of equity awards (such as RSUs),
- (3) shares acquired pursuant to other equity plans,
- (4) shares purchased in the open market, and
- (5) common stock received upon the exercise of employee stock options in which the proceeds are used to fund the option exercise price (i.e., a cashless exercise of stock options) or related taxes.

4.2.2. Tipping

In addition to the restrictions set forth in this Policy pertaining to transactions in securities owned or controlled by you, you may not give trading advice of any kind about Workday securities to anyone while possessing material nonpublic information about Workday,

other than to advise others not to trade if doing so might violate the law or this Policy.

Workday strongly discourages you from giving trading advice concerning Workday to third parties even when you do not possess material nonpublic information about Workday. You may not participate, in any manner other than passive observation, in any of the investment or stock-related Internet chatrooms, forums, or message boards relating to Workday.

If you share (“tip”) material nonpublic information with another person (the “tippee”) who then uses that information to trade securities, **you and the tippee can be held liable.**

4.3. What Is Material Nonpublic Information?

4.3.1. Material Information

Information is considered “material” if there is a substantial likelihood that a reasonable investor would consider that information important in making a decision to buy, hold, or sell securities.

Information is material if:

- The information could reasonably be expected to affect the market price of a company’s securities, or
- The disclosure of the information would be expected to significantly alter the total mix of the information available about the company in the marketplace

Information **may be material** even if it relates to future, speculative, or contingent events and even if it is significant only when considered in combination with publicly available information. Material information can be positive or negative. Information that something is likely to happen or even just that it may happen can be material.

When determining if information may be material, err on the side of caution. Keep in mind that a determination of materiality will necessarily occur after a trade has been completed and is particularly susceptible to second-guessing with the benefit of hindsight. Courts and regulators often resolve close cases in favor of finding the information material.

Whether information is or is not material depends on individual facts and circumstances. While it is not possible to define all categories of information that could be material, potential examples include the following:

- Financial performance, especially earnings announcements or guidance, or changes to previously released announcements or guidance
- Significant projections and strategic plans
- Major new product developments
- Decisions to significantly expand or curtail operations
- A significant cybersecurity incident, such as a data breach, or any other significant disruption in the company’s operations or loss, potential loss, breach, or unauthorized access of its tangible or intangible property or assets
- Significant changes in senior management
- Significant proposed mergers, acquisitions, tender offers, joint ventures, changes in control, or asset sales
- Significant developments regarding customers, partners or suppliers, such as the acquisition or loss of a strategically important customer or contract
- Changes in analyst ratings or recommendations
- Stock splits, public or private securities offerings, or other securities-related events
- Extraordinary borrowing or significant changes in liquidity
- Restatements of historical financial statements
- Changes in auditors or auditor notification that a company may no longer rely on an audit report
- Actual or threatened major litigation or governmental or regulatory investigations (including decisions or settlements in those matters)

4.3.2. Nonpublic Information

Nonpublic information is information that has not been adequately disclosed to the public. In order for information to be considered as public, it must be widely disseminated through an official channel and sufficient time must have passed for the market to digest the information.

You should presume that information is nonpublic unless it has been officially released through:

- Public filings with securities regulatory authorities (such as the Securities and Exchange Commission)
- Broadly issued press releases or the Workday blog
- Meetings with members of the press and the public

Do not attempt to “beat the market” by trading simultaneously with, or shortly after, the official release of material information. Although there is no fixed period for how long it takes the market to absorb information, an individual aware of material nonpublic information should refrain from any trading activity for at least one full trading day following its official release.

Information is not necessarily public merely because it has been discussed in a blog, in a post, or in the press, which will sometimes report rumors.

4.3.3. Applicability to the Securities of Other Companies

You may become aware of confidential information about other companies through your role at Workday, including our customers, partners, suppliers, competitors, and prospective customers. This information may constitute material nonpublic information about the other company, even if such information is not material to Workday. Insiders are prohibited from trading in the securities of other companies while aware of material nonpublic information about such companies gained in the course of working for Workday.

4.4. What Are Restricted Trading Periods?

Workday implements quarterly company-wide restricted trading periods. Insiders and their Family Members may not buy, sell, gift, or otherwise transfer Workday securities during a restricted trading period.

The restricted trading period for each quarter begins on the 15th day of the last month of the quarter and ends one full trading day after we release our quarterly financial results for that quarter.

If the 15th day falls on a weekend or holiday, then the restricted trading period will effectively begin on the next business day and the last trading day may be before the 14th of the month. For example, if the

Reminder: You may not trade if you are aware of material nonpublic information, whether or not it is an open window period.

15th falls on a Sunday, the last permitted trading day will be Friday, the 13th, and if Workday publicly announces its quarterly financial results after close of trading on a Monday, then the first time an Insider or their Family Members can trade Workday securities is at the opening of the market for regular trading on Wednesday.

In general, Insiders will be informed of open and closed window periods, however they will still be subject to the provisions of this Policy whether or not they receive a formal notice of applicable restricted trading periods.

Restricted trading periods apply to Workday securities held in both your Workday stock account AND any other personal brokerage account. Transferring Workday stock to a personal account does not bypass the restriction. Your Workday stock account will be automatically blocked during restricted trading periods, but **it is your responsibility to prevent transactions of Workday securities held in outside accounts during restricted trading periods**, including notifying any brokers or financial advisors that may make trades on your behalf.

4.4.1. Special Restricted Trading Periods

In addition to quarterly restricted trading periods, Workday may impose a special restricted trading period or extend a restricted trading period if necessary. If you become subject to a special or extended restricted trading period, you will be notified when the restriction has been put in place. Please note that you will not receive prior notice of a special or extended restricted period which will be in effect immediately upon notification. If you are notified about a special or extended restricted trading period, you should not discuss it with others.

Please remember that even if you have not received notice of a special or extended restricted trading period, if you are aware of information that may constitute material nonpublic information, you may not trade in securities of the company that is the subject of the information.

4.5. What Is a Rule 10b5-1 Trading Plan?

Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (“Rule 10b5-1”), and this Policy permit you to trade in Workday securities regardless of your awareness of material nonpublic information if the transaction is made pursuant to a trading plan (“Trading Plan”) that was entered into during an open trading window when you were not in possession of material nonpublic information and that otherwise complies with the requirements of Rule 10b5-1. Trading Plans must be submitted to the Legal Department for approval prior to adoption.

Please note that only Insiders with regular access to material nonpublic information outside of our quarterly financial results are eligible to adopt Trading Plans. Other Insiders should arrange their trades to align with our open window periods.

For additional information on Trading Plans, including specific requirements in connection with the adoption of Trading Plans by members of the Board and executive management, please refer to the [Appendix](#) to this Policy.

4.6. What Are Prohibited Transactions?

Speculation in Workday securities, or in the securities of other companies, may put your personal gain in conflict with the best interests of Workday or otherwise give the appearance of impropriety.

4.6.1 Hedging

You may not trade in options, warrants, puts and calls or similar derivative instruments relating to Workday securities, or enter into hedging or similar transactions relating to Workday securities, including exchange funds or “swap funds”; or sell Workday securities “short.” Such transactions are, in effect, a bet on the short-term movement of a company’s stock and can create the appearance of trading based on material nonpublic information.

4.6.2. Pledging

The following individuals may not borrow against Workday securities in margin accounts, or use or pledge Workday securities as collateral for another type of loan:

- Executive officers for purposes of Section 16 of the Securities and Exchange Act of 1934, as amended (“Section 16 Officers”)
- Members the Board
- Members of Workday’s Executive Committee (“EComm”)
- Other designated members of executive management (“Designated Officers”)
- Senior Vice Presidents

Other Insiders may only do so pursuant to a non-recourse loan where (i) only owned (vested) shares are used as collateral (not options or RSUs), (ii) the maximum loan amount is no greater than 50% of the value of the shares posted as collateral, and (iii) the transaction is approved by the Chief Legal Officer or Deputy General Counsel, Corporate (such approved transaction, a “Permitted Collateralized Loan”).

Senior Vice Presidents may request an exception to this prohibition on Permitted Collateralized Loans in limited circumstances and may proceed only upon written approval of the Chief Legal Officer.

4.7. How Should Requests for Information About Workday Be Handled?

You may receive questions concerning various activities of Workday. Such inquiries can come from the media, securities analysts, and others regarding Workday-related business, rumors, trading activity, current and future prospects and plans, acquisition or divestiture activities, and other similar important information. Under no circumstances should you attempt to handle these inquiries without prior authorization. Only Workday employees specifically authorized to do so may answer questions about or disclose information concerning Workday.

Refer requests for information regarding Workday from the **financial community** (such as securities analysts, brokers, or investors) to:
Workday Investor Relations
Department at IR@workday.com.

Refer requests for information regarding Workday from the **media or press** to:
Workday Communications
Department at
media@workday.com.

Refer requests for information from the **Securities and Exchange Commission or other regulators, law enforcement agencies, or private lawyers** to: Workday
Chief Legal Officer or Deputy
General Counsel, Corporate.

4.8. What Are the Consequences of Violating This Policy?

In the U.S. and many other countries, the personal consequences to you of illegally trading securities while in possession of material nonpublic information can be quite severe. Persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay civil penalties up to three times the profit made or loss avoided, pay a criminal penalty of up to \$1 million and serve a jail term of up to 10 years. The company and/or the supervisors of the person violating the rules may also be required to pay major civil or criminal penalties and could under certain circumstances be subject to private lawsuits by contemporaneous traders for damages suffered as a result of illegal insider trading or tipping by persons under the company's control.

Additionally, subject to applicable law, violators of this Policy, as determined by Workday in its sole discretion, will be subject to discipline by Workday, up to and including termination of employment or removal from their positions, even if the country or jurisdiction where the conduct took place does not regard it as illegal.

4.9. Where Can I Report Violations of This Policy, Ask Questions, or Seek Advice?

You should refer suspected violations of this Policy to Workday's Chief Legal Officer, at [*], online at <https://speakup.workday.com>, or by calling our confidential Ethics & Compliance Hotline at (800) 325-9976 (for calls outside the United States, visit <https://speakup.workday.com> for a list of in-country numbers). The Ethics & Compliance Hotline is available 24 hours a day, 7 days a week. In most locations, you may remain anonymous in reporting violations online or through our Ethics & Compliance Hotline if you so choose.

Please direct all inquiries regarding any of the provisions or procedures of this Policy to the Corporate Legal Team at [*].

In addition, if you receive material nonpublic information that you are not authorized to receive or that you do not legitimately need to know to perform your employment responsibilities, or receive confidential information and are unsure if it is "material," "nonpublic," or whether its release might be contrary to a fiduciary or other duty or obligation, you should not share it with anyone. Discussing it with your colleagues can have the effect of exacerbating the problem.

4.10. Will There Be Any Changes to This Policy?

The Board and Chief Legal Officer reserve the right in their sole discretion to modify or grant waivers to this Policy. Any amendments or waiver may be publicly disclosed if required by applicable laws, rules and regulations. For the avoidance of doubt, unless explicitly stated by the Board, any waiver, amendment or modification of the Policy shall not be considered a waiver of the Workday Code of Conduct.

5.0 Effective Date

This Policy is effective as of March 4, 2026.



Appendix

Additional Requirements for Rule 10b5-1 Trading Plans and Pre-Clearance of Transactions

General

Trading Plans must be established in good faith at a time when you are unaware of material nonpublic information. Trading Plans must specify the amount, price, and date of transactions and not allow for subsequent influence over how, when, or whether to make purchases or sales of the shares covered by such plan. If permitted by this Policy and under the law, purchases, sales, and other transactions are permitted outside of such Trading Plan during an open trade window and as long as the shares are not pledged to the Trading Plan.

Certification. Trading Plans adopted by members of the Board and Section 16 Officers must include a representation that, as of the adoption date of the Trading Plan, (i) the individual is not in possession and, to their knowledge, will not be, aware of material nonpublic information, (ii) all trades to be made pursuant to the Trading Plan will be in accordance with applicable SEC rules, (iii) adoption of the Trading Plan is in good faith and not as part of a plan or scheme to evade the prohibitions of Section 10(b) of the Exchange Act and Rule 10b-5 of the Exchange Act, and (iv) the individual will act in good faith with respect to the Trading Plan throughout its duration.

Requirement to Trade under a Trading Plan

Board Members, Section 16 Officers, and EComm. Members of the Board, Section 16 Officers, EComm, and affiliates and associates whose shares are beneficially owned by such persons, may only buy, sell, or transfer Workday securities (including cashless option exercises) (i) during an open trade window **and** (ii) pursuant a validly adopted Trading Plan, other than with the prior consent of the Chief Legal Officer.

Designed Officers. Designated members of Workday's executive management ("Designated Officers"), and affiliates and associates whose shares are beneficially owned by such Designated Officers, may only buy, sell, gift, or otherwise transfer Workday securities (including cashless option exercises) pursuant a validly adopted Trading Plan, other than with the prior consent of the Chief Legal Officer. Such Trading Plan may allow transactions during a closed trade window.

Other Insiders. Other Insiders may buy, sell, or transfer Workday securities during an open trade window without adopting a Trading Plan, subject to the restrictions described in the Policy and required by law, and eligible Insiders may buy, sell, or transfer Workday securities during a closed trade window pursuant a validly adopted Trading Plan. Only Insiders with regular access to material nonpublic information outside of our quarterly financial results are eligible to adopt Trading Plans. Other Insiders should arrange their trades to align with our open window periods.

Cooling-Off Periods

Board Members, Section 16 Officers, and EComm. The first trade under a newly adopted or amended Trading Plan may not occur for members of the Board, Section 16 Officers, and EComm until the later of (i) the 91st day following the adoption of the Trading Plan and (ii) the third business day following the disclosure of Workday financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which the Trading Plan was adopted (but not to exceed 120 days following the adoption of the Trading Plan).



Designed Officers and Other Eligible Insiders. If your Trading Plan is newly adopted or amended before the end of the second month of the fiscal quarter in which it is being adopted or amended, your first trades under the Trading Plan may commence as early as 31 days after the adoption of your Trading Plan. If your Trading Plan is newly adopted or amended after the end of the second month of the fiscal quarter in which it is being adopted or amended, your first trades under the Trading Plan may commence upon the next open trading window.

Modifications and Terminations

Once the Trading Plan is adopted, you may not exercise subsequent influence over the plan, including the amount of Workday securities to be traded, the price at which they are to be traded, or the date of the trade, except pursuant to a validly adopted and approved amendment to or cancellation of the Trading Plan. You may amend or cancel your Trading Plan, in appropriate circumstances, only during open window periods when you are not otherwise in possession of material nonpublic information, and only upon Legal Department approval. Modifying or changing the amount, price, or timing of the purchase or sale of our securities underlying the Trading Plan (or a modification or change to a written formula or algorithm, or computer program that affects the amount, price, or timing of the purchase or sale of such securities) (any such modification or change, a "Plan Modification") will be deemed to be the same as terminating your existing Trading Plan and entering into a new Trading Plan. As a result, the approval process for a Plan Modification is the same as the approval process for initially adopting a Trading Plan, including being subject to a new cooling-off period.

Because making frequent changes to a Trading Plan may give the appearance that you are trading on material nonpublic information under the guise of that Trading Plan, more than one modification per year will not be permitted in most cases and will require approval of the Chief Legal Officer or the Deputy General Counsel, Corporate.

Modifications or terminations that are intended to circumvent the requirements of this Policy will not be permitted.

Other Restrictions

The Trading Plan must not be a single-trade Trading Plan adopted during the 12-month period immediately following your adoption of another single-trade Trading Plan, subject to the exceptions under Rule 10b5-1, as may be amended or modified.

You may not have more than one Trading Plan active at any point in time (i.e., multiple concurrent or overlapping plans are prohibited), but you may adopt a new Trading Plan in an open window period prior to the termination or completion of an existing Trading Plan if the new Trading Plan does not begin trading until after your existing Trading Plan terminates or completes.

You are not allowed to enter into "non-Rule 10b5-1 trading arrangements" (as defined in Regulation S-K Item 408(c)) unless otherwise approved in advance by the Legal Department.



Pre-Clearance of Transactions

Members of the Board, Section 16 Officers, EComm, and Designated Officers must clear in advance with the Chief Legal Officer or the Deputy General Counsel, Corporate before entering into, amending or terminating a Trading Plan, as well as in advance of proposed purchases (other than pursuant to the ESPP), sales (including in order to offset equity award vesting that would trigger a filing under the Hart-Scott Rodino Act), distributions, and permitted transfers or gifts of Workday securities which they beneficially own. Members of the Board and Section 16 Officers are also subject to short-swing trading provisions, which may be more restrictive than this Policy. Requests for pre-clearance should be submitted to the Chief Legal Officer or Deputy General Counsel, Corporate in advance of the proposed transaction and include the nature and timing of the proposed transaction and any other information requested by the Chief Legal Officer or Deputy General Counsel, Corporate. The Chief Legal Officer or Deputy General Counsel, Corporate is under no obligation to approve a transaction submitted for pre-clearance and may determine in his or her sole discretion not to permit a transaction.



SUBSIDIARIES AS OF JANUARY 31, 2026

Name	Jurisdiction
Adaptive Insights Co., Ltd.	Japan
Adaptive Insights Limited	United Kingdom
Adaptive Insights LLC	Delaware
Adaptive Insights Pty Ltd.	Australia
'Alohi Insurance, Inc.	Hawaii
Canada Workday ULC	Canada
Evisort LLC	Delaware
FlowiseAI, LLC	Delaware
HiredScore LLC	Delaware
Paradox Olivia (Australia) Pty Ltd.	Australia
Paradox Olivia (Singapore) Pte. Ltd.	Singapore
Paradox, LLC	Delaware
Paradox.AI Israel Ltd.	Israel
Paradox.AI UK Ltd.	United Kingdom
Peakon ApS	Denmark
Pipedream, LLC	Delaware
PT Workday Indonesia Services	Indonesia
Sana Labs AB	Sweden
Sana Labs, Inc.	Delaware
Sana Labs, Ltd.	United Kingdom
Tri-Valley Resellers, LLC	Delaware
Vineyard Sound, LLC	Delaware
VNDLY LLC	Delaware
Workday Arabia	Saudi Arabia
Workday (Beijing) Co., Ltd.	China
Workday (NZ) Unlimited	New Zealand
Workday (Thailand) Co., Ltd.	Thailand
Workday (UK) Limited	United Kingdom
Workday Asia Pacific Limited	Hong Kong
Workday Australia Pty Ltd	Australia
Workday Austria GmbH	Austria
Workday B.V.	The Netherlands
Workday Belgium	Belgium
Workday Costa Rica SRL	Costa Rica
Workday CZ s.r.o	Czech Republic
Workday Denmark ApS	Denmark
Workday España SL	Spain
Workday Finland Oy	Finland
Workday France	France
Workday Global, Inc.	Delaware
Workday GmbH	Germany
Workday Government, LLC	Delaware
Workday India Global Services Private Limited	India
Workday India Private Limited	India
Workday International LLC	Delaware
Workday Ireland Holding Unlimited Company	Ireland
Workday Israel Ltd.	Israel
Workday Italy S.r.l.	Italy
Workday K.K.	Japan
Workday Korea Limited	South Korea
Workday Latvia SIA	Latvia
Workday Limited	Ireland
Workday Limited - Liechtenstein Branch Office	Ireland/Liechtenstein

Workday Limited - South Korea Branch	Ireland/South Korea
Workday Malaysia Sdn. Bhd.	Malaysia
Workday Management Unlimited Company	Ireland
Workday MENA FZ-LLC	United Arab Emirates
Workday Mexico, S. de R.L. de C.V.	Mexico
Workday Norway AS	Norway
Workday Polska sp. z.o.o	Poland
Workday Singapore Pte. Ltd.	Singapore
Workday South Africa (Pty) Ltd	South Africa
Workday Sweden Aktiebolag	Sweden
Workday Switzerland GmbH	Switzerland
Workday Taiwan Limited	Taiwan
Workday Vietnam Company Limited	Vietnam
Zimit LLC	Delaware

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- Registration Statement (Form S-8 No. 333-226907) pertaining to the Adaptive Insights, Inc. 2013 Equity Incentive Plan;
- Registration Statement (Form S-8 No. 333-265766) pertaining to the 2022 Equity Incentive Plan and the Amended and Restated 2012 Employee Stock Purchase Plan of Workday, Inc., and
- Registration Statement (Form S-3 No. 333-272372) of Workday, Inc.

of our reports dated March 6, 2026, with respect to the consolidated financial statements of Workday, Inc. and the effectiveness of internal control over financial reporting of Workday, Inc. included in this Annual Report (Form 10-K) of Workday, Inc. for the year ended January 31, 2026.

/s/ Ernst & Young LLP

San Francisco, California

March 6, 2026

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Aneel Bhusri, certify that:

1. I have reviewed this Annual Report on Form 10-K of Workday, 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 officers 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 officers 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: March 6, 2026

By: /s/ Aneel Bhusri

Aneel Bhusri
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Zane Rowe, certify that:

1. I have reviewed this Annual Report on Form 10-K of Workday, 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 officers 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 officers 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: March 6, 2026

By: /s/ Zane Rowe
Zane Rowe
Chief Financial Officer
(Principal Financial Officer)

**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**

I, Aneel Bhusri, 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 Annual Report of Workday, Inc. on Form 10-K for the fiscal year ended January 31, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Workday, Inc.

Date: March 6, 2026

By: /s/ Aneel Bhusri

Aneel Bhusri
Chief Executive Officer
(Principal Executive Officer)

**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**

I, Zane Rowe, 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 Annual Report of Workday, Inc. on Form 10-K for the fiscal year ended January 31, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Workday, Inc.

Date: March 6, 2026

By: /s/ Zane Rowe
Zane Rowe
Chief Financial Officer
(Principal Financial Officer)

Workday, Inc.

Compensation Recovery Policy

*(Adopted and approved on September 7, 2023; effective as of October 2, 2023;
as amended December 10, 2025)*

As part of its commitment to promoting high standards of ethical business conduct and compliance with applicable laws, rules, and regulations, the Board has adopted this Policy. This Policy is designed to comply with the applicable rules of the Exchange and Rule 10D-1 of the Exchange Act and explains when the Company will be required to seek recovery of certain incentive-based compensation awarded or paid to specified current and former Executive Officers, or may at its discretion seek recovery of compensation from other designated employees. Capitalized terms are defined in Section 14.

1. Administration

This Policy shall be administered by the Committee. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. The Committee may retain, at the Company's expense, outside legal counsel and such compensation, tax, or other consultants as it may determine are advisable for purpose of administering this Policy.

2. Miscalculation of Financial Reporting Measure Results

Subject to and in accordance with the provisions of this Policy, in the event of a Restatement, the Committee will seek to recover, reasonably promptly, the Recoupment Amount from an Executive Officer. Such recovery, in the case of any Restatement, will be made without regard to any individual knowledge or responsibility related to the Restatement.

3. Legal and Compliance Violations

Subject to and in accordance with the provisions of this Policy, in the event a Covered Person has engaged in Misconduct, the Committee, in its discretion, may seek to recover the Recoupment Amount from such Covered Person. In determining whether to seek recovery and the amount, if any, by which a payment or award should be reduced, the Committee may consider—among other things—the seriousness of the Misconduct, whether the Covered Person was unjustly enriched, whether seeking the recovery would prejudice the Company's interests in any way, including in a proceeding or investigation, the cost and likely outcome of any potential litigation in connection with the Company's attempts to recoup compensation and any other factors it deems relevant to the determination.

4. Calculation of Recoupment Amount

In the event of a Restatement, the Recoupment Amount will be calculated in accordance with the Final Rules, as provided in the Calculation Guidelines attached hereto as [Exhibit A](#).

In the event of any Misconduct, the Company may seek to recover the "full" Recoupment Amount (i.e., the Recoupment Amount need not be limited to the amount of an award or payment that exceeds the amount that would have been awarded or paid absent the Misconduct).

5. Method of Recoupment

Subject to compliance with the Final Rules (with respect to a Restatement) and applicable law, the Committee will determine, in its sole discretion, the method for recouping the Recoupment Amount hereunder which may include, without limitation:

- i. Requiring reimbursement or forfeiture of the pre-tax amount cash Incentive-Based Compensation previously paid;
- ii. Offsetting the Recoupment Amount from any compensation otherwise owed by the Company to the Covered Person, including without limitation, any prior cash incentive payments, executive retirement benefits, wages, equity grants, or other amounts payable by the Company to Covered Person in the future;
- iii. Seeking recovery of any gain realized on the vesting, exercise, settlement, cash sale, transfer, or other disposition of any equity-based awards; and/or
- iv. Taking any other remedial and recovery action permitted by law, as determined by the Committee.

6. Disclosure Requirements

The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including the disclosure required by the applicable SEC filings.

7. Arbitration

Any dispute, claim, or controversy arising out of or relating to this Policy shall be referred to and finally determined by arbitration, in accordance with the JAMS Comprehensive Arbitration Rules and Procedures then in effect. Any award shall be final and binding on the parties and judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

The Tribunal will consist of one neutral arbitrator, to be agreed on by the parties within fourteen (14) days of the date of the Commencement Letter. If the parties fail to agree on the identity of the arbitrator within the relevant time frame, the arbitrator shall be appointed by JAMS. The place of arbitration will be Alameda County, CA. The arbitrator shall issue a written decision that contains the essential findings and conclusions on which the decision is based.

To the fullest extent permitted by law, no class or collective actions can be asserted in arbitration or otherwise. All claims, whether in arbitration or otherwise, must be brought solely in a Covered Person's individual capacity, and not as a plaintiff or class member in any purported class or collective proceeding.

SUBJECT TO THE ABOVE PROVISIO, ANY RIGHTS THAT A COVERED PERSON MAY HAVE TO TRIAL BY JURY IN REGARD TO ARBITRABLE CLAIMS ARE WAIVED. ANY RIGHTS THAT A COVERED PERSON MAY HAVE TO PURSUE OR PARTICIPATE IN A CLASS OR COLLECTIVE ACTION PERTAINING TO ANY CLAIMS BETWEEN SUCH COVERED PERSON AND THE COMPANY ARE WAIVED.

A Covered Person is not restricted from filing administrative claims that may be brought before any government agency where, as a matter of law, such Covered Person's ability to file such claims may not be restricted. However, to the fullest extent permitted by law, arbitration shall be the exclusive remedy for the subject matter of such administrative claims.

This clause is governed by the Federal Arbitration Act, including its procedural provisions for compelling arbitration. If, for any reason, any term of this clause is held to be invalid or unenforceable, all other valid terms and conditions herein shall be severable in nature and remain fully enforceable.

8. Impracticability

In the event of any Restatement, the Committee must cause the Company to recover the Recoupment Amount unless the Committee shall have previously determined in good faith that recovery is impracticable and one of the following conditions is met:

- i. The direct expense paid to a third party to assist in enforcing the policy would exceed the amount to be recovered; before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange; or
- ii. Where recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

9. Non-Exclusivity

The Committee intends that this Policy will be applied to the fullest extent of the law. Without limitation to any broader or alternate clawback that may apply to a Covered Person, (i) the Committee may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Person to agree to abide by the terms of this Policy, and (ii) this Policy will nonetheless apply to Incentive-Based Compensation as required by the Final Rules, whether or not specifically referenced in those arrangements. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any other Company policy, employment agreement, equity award agreement, or similar agreement and any other legal remedies or regulations available or applicable to the Company (including SOX 304). If recovery is required under both this Policy and any other policy, agreement, or other legal remedy or regulation, any amounts recovered pursuant to such alternate method may be credited toward the amount recovered under this Policy, or vice versa.

10. No Indemnification

The Company shall not indemnify any Covered Persons against (i) the loss of erroneously awarded Incentive-Based Compensation or any adverse tax consequences associated with any incorrectly awarded Incentive-Based Compensation or any recoupment hereunder, or (ii) any claims relating to the Company enforcement of its rights under this Policy. For the avoidance of doubt, this prohibition on indemnification will also prohibit the Company from reimbursing or paying any premium or payment of any third-party insurance policy to fund potential recovery obligations obtained by the Covered Person directly. No Covered Person will seek or retain any such prohibited indemnification or reimbursement.

Further, the Company shall not enter into any agreement that exempts any Incentive-Based Compensation from the application of this Policy or that waives the Company's right to recovery of any erroneously awarded Incentive-Based Compensation, and this Policy shall supersede any such agreement (whether entered into before, on, or after the Effective Date).

11. Covered Person Acknowledgement and Agreement

All Covered Persons subject to this Policy must acknowledge their understanding of, and agreement to comply with, the Policy by executing the certification attached hereto as Exhibit B. Notwithstanding the foregoing, this Policy will apply to Covered Persons whether or not they execute such certification.

12. Successors

This Policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators, or other legal representatives and shall inure to the benefit of any successor to the Company.

13. Interpretation of Policy

To the extent there is any ambiguity between this Policy and the Final Rules, this Policy shall be interpreted so that it complies with the Final Rules. If any provision of this Policy, or the application of such provision to any Covered Person or circumstance, shall be held invalid, the remainder of this Policy, or the application of such provision to Covered Persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Any determination under this Policy by the Committee shall be conclusive and binding on the applicable Covered Person. Determinations of the Committee need not be uniform with respect to Covered Persons or from one payment or grant to another.

14. Amendments; Termination

The Committee may make any amendments to this Policy as required under applicable law, rules, and regulations, or as otherwise determined by the Committee in its sole discretion.

The Committee may terminate this Policy at any time.

15. Definitions

“**Board**” means the Board of Directors of the Company.

“**Clawback Period**” means (a) **in the case of any Restatement**, the three completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, the Committee, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that the Company is required to prepare an accounting restatement as described in this Policy; or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an accounting restatement as described in this Policy and (b) **in the case of any Misconduct**, the three completed fiscal years and the period immediately preceding the date the Board or a committee of the Board discovers that the Covered Person engaged in Misconduct. The “Clawback Period” also includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence.

“**Committee**” means the Compensation Committee of the Board, or in the absence of a committee of independent directors responsible for executive compensation decisions, a majority of the independent directors serving on the Board.

“**Company**” means Workday, Inc., a Delaware corporation, or any successor corporation.

“**Covered Person**” means (a) **in the case of any Restatement**, any person who is, or was at any time during the Clawback Period, an Executive Officer of the Company or (b) **in the case of any Misconduct**, any person who is, or was an Executive Officer or an Executive Committee Member at the time of the Misconduct; provided that the Committee may identify additional employees who shall be treated as Covered Persons for the purposes of this Policy with prospective effect, in accordance with the Final Rules (with respect to a Restatement). For the avoidance of doubt, in the event of a Restatement, a Covered Person may include a former Executive Officer that left the Company, retired, or transitioned to an employee role (including after serving as an Executive Officer in an interim capacity) during the Clawback Period. This Policy will survive and continue notwithstanding any termination of a Covered Person’s employment.

“**Effective Date**” means October 2, 2023.

“**Executive Committee Member**” means any person who has been designated as a member of the Company’s Executive Committee.

“**Executive Officer**” means any executive officer of the Company, including, but not limited to, those persons who are or have been determined to be “officers” of the Company within the meaning of Section 16 of Rule 16a-1(f) of the rules promulgated under the Exchange Act, and “executive officers” of the Company within the meaning of Item 401(b) of Regulation S-K, Rule 3b-7 promulgated under the Exchange Act, and Rule 405 promulgated under the Securities Act of 1933, as amended.

“**Exchange**” means the Nasdaq Global Select Market or any other national securities exchange or national securities association in the United States on which the Company has listed its securities for trading.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Final Rules**” means the final rules promulgated by the SEC under Section 954 of the Dodd-Frank Act, Rule 10D-1, and Exchange listing standards, as may be amended from time to time.

“**Financial Reporting Measure**” are measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and TSR are also financial reporting measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the SEC.

“**Incentive-Based Compensation**” means: (a) **in the event of a Restatement**, any compensation that is granted, earned, or vested based wholly or in part on the attainment of any Financial Reporting Measure and (b) **in the event of Misconduct**, all forms of cash and equity incentive compensation, including, without limitation, cash bonuses, sales commissions and equity awards that are received or vest solely based on the passage of time and/or attaining one or more performance measures, which may include Financial Reporting Measures or non-Financial Reporting Measures.

“**Misconduct**” means, with respect to a Covered Person, (a) a material violation of the Company’s Code of Conduct or applicable law, (b) conduct constituting “Cause” under any Company plan or agreement, or (c) commission of fraud, embezzlement, or other criminal activity in connection with employment. In determining whether Misconduct has occurred, the Committee, in its sole discretion, may consider any factor it deems relevant to that determination.

“**Policy**” means this Compensation Recovery Policy.

“**Policy Amendment Date**” means December 10, 2025.

Incentive-Based Compensation is deemed “**Received**” in the Company’s fiscal period during which the relevant Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, irrespective of whether the payment or grant occurs on a later date or if there are additional vesting or payment requirements, such as time-based vesting or certification or approval by the Compensation Committee or Board, that have not yet been satisfied.

“**Recoupment Amount**” means:

(a) **In the case of any Restatement**, the amount of any Incentive-Based Compensation (calculated on a pre-tax basis) Received by an Executive Officer during the Clawback Period that is in excess of the amount that otherwise would have been Received if the calculation were based on the restatement; provided, however, that the Recoupment Amount does not include any Incentive-Based Compensation Received by a person (i) before such person began service in a position or capacity meeting the definition of an Executive Officer, (ii) who did not serve as an Executive Officer at any time during the performance period for that Incentive-Based Compensation, (iii) during any period the Company did not have a class of its securities listed on a national securities exchange or a national securities association, or (iv) prior to the Effective Date.

(b) **In the case of any Misconduct**, the full amount of any Incentive-Based Compensation (calculated on a pre-tax basis) Received, awarded, vested or paid to a Covered Person during the Clawback Period that the Committee determines, in its sole discretion, to be appropriate in light of the scope and nature of the Misconduct; provided, however, that the Recoupment Amount does not include any Incentive-Based Compensation Received prior to the Policy Amendment Date. For the avoidance of doubt, the Company may seek recovery of the Recoupment Amount even if the Misconduct did not result in an award or payment greater than would have been awarded or paid absent the Misconduct.

“**Restatement**” means any event in which the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as “Big R” restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as “little r” restatements).

“**SARs**” means stock appreciation rights.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**SOX 304**” means Section 304 of the Sarbanes-Oxley Act of 2002.

“**Triggering Event**” means any Misconduct and/or any Restatement.

“**TSR**” means total stockholder return.

EXHIBIT A

Calculation Guidelines

For purposes of calculating the Recoupment Amount in the event of any Restatement:

- i. For cash awards, the erroneously awarded compensation is the difference between the amount of the cash award (whether payable as a lump sum or over time) that was received and the amount that should have been received applying the restated Financial Reporting Measure.
 - ii. For cash awards paid from bonus pools, the erroneously awarded compensation is the pro rata portion of any deficiency that results from the aggregate bonus pool that is reduced based on applying the restated Financial Reporting Measure.
 - iii. For equity awards, if the shares, options, restricted stock units, or SARs are still held at the time of recovery, the erroneously awarded compensation is the number of such securities received in excess of the number that should have been received applying the restated Financial Reporting Measure (or the value of that excess number). If the options or SARs have been exercised, but the underlying shares have not been sold, the erroneously awarded compensation is the number of shares underlying the excess options or SARs (or the value thereof). If the underlying shares have been sold, the Company may recoup proceeds received from the sale of shares.
 - iv. For Incentive-Based Compensation based on stock price or TSR, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement:
 - a. The amount must be based on a reasonable estimate of the effect of the accounting restatement on the stock price or TSR upon which the Incentive-Based Compensation was Received; and
 - b. The Company must maintain documentation of the determination of that reasonable estimate and the Company must provide such documentation to the Exchange in all cases.
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EXHIBIT B

Certification

I certify that:

1. I have read and understand Workday, Inc.'s (the "**Company**") Compensation Recovery Policy (the "**Policy**"). I understand that the Chief Legal Officer is available to answer any questions I have regarding the Policy.
2. I understand that the Policy applies to all of my existing and future compensation-related agreements with the Company, whether or not explicitly stated therein.
3. I agree that notwithstanding the Company's certificate of incorporation, bylaws, and any agreement I have with the Company, including any indemnity agreement I have with the Company, I will not be entitled to, and will not seek indemnification from the Company for, any amounts recovered or recoverable by the Company in accordance with the Policy.
4. I understand and agree that in the event of a conflict between the Policy and the foregoing agreements and understandings on the one hand, and any prior, existing, or future agreement, arrangement, or understanding, whether oral or written, with respect to the subject matter of the Policy and this Certification, on the other hand, the terms of the Policy and this Certification shall control, and the terms of this Certification shall supersede any provision of such an agreement, arrangement, or understanding to the extent of such conflict with respect to the subject matter of the Policy and this Certification.
5. I agree to abide by the terms of the Policy, including, without limitation, by returning any erroneously awarded Incentive-Based Compensation to the Company to the extent required by, and in a manner permitted by, the Policy and as may be determined by the Committee.

Signature: _____

Name: _____

Title: _____

Date: _____