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

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 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: 001-38856

PAGERDUTY, INC.

(Exact name of registrant as specified in its charter)

Delaware	27-2793871
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
600 Townsend St., Suite 200 San Francisco, California	94103
(Address of principal executive offices)	(Zip Code)

(844) 800-3889
(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
Common Stock, par value $0.000005 per share	PD	New York Stock Exchange

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

The total number of shares of common stock outstanding as of August 25, 2026, was 78,649,873.

TABLE OF CONTENTS

	Page
PART I - FINANCIAL INFORMATION	
Item 1. Financial Statements	4
Condensed Consolidated Balance Sheets (unaudited)	4
Condensed Consolidated Statements of Operations (unaudited)	5
Condensed Consolidated Statements of Comprehensive Income (unaudited)	6
Condensed Consolidated Statements of Stockholders' Equity (unaudited)	7
Condensed Consolidated Statements of Cash Flows (unaudited)	9
Notes to Condensed Consolidated Financial Statements (unaudited)	10
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3. Quantitative and Qualitative Disclosures about Market Risk	40
Item 4. Controls and Procedures	40
PART II - OTHER INFORMATION	
Item 1. Legal Proceedings	42
Item 1A. Risk Factors	42
Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities	43
Item 3. Defaults Upon Senior Securities	43
Item 4. Mine Safety Disclosures	43
Item 5. Other Information	43
Item 6. Exhibits	44
SIGNATURES	45

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risk and uncertainties. All statements contained in this Form 10-Q other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, market growth and trends, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "potentially," "likely," "target," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements contained in this Form 10-Q include, but are not limited to, statements about our expectations regarding:

- trends in key business metrics, including annual recurring revenue ("ARR"), number of customers and dollar-based net retention rate, and non-GAAP financial measures and their usefulness in evaluating our business;
- trends in revenue, cost of revenue, and gross margin;
- impact of an economic downturn or recession, inflation, tariffs and trade wars, or significant market volatility in the global economy on our customers, partners, employees and business;
- trends in operating expenses, including research and development, sales and marketing, and general and administrative expense, and expectations regarding these expenses as a percentage of revenue;
- our existing cash and cash equivalents and cash provided by sales of our products being sufficient to support working capital and capital expenditures for at least the next 12 months and our ability to meet longer-term expected future cash requirements and obligations, through a combination of cash flows from operating activities and available cash and short-term investment balances;
- our ability to attract and retain executives and employees we need to support our operations and growth and the impact of our recent restructuring on those abilities;
- our ability to effectively identify, acquire, and integrate complementary companies, technologies, and assets, including our ability to successfully integrate artificial intelligence and machine learning in our offerings;
- our ability to service the interest on our convertible notes and repay such notes, to the extent required;
- our efforts to maintain proper and effective internal controls;
- our ability to expand our operations and increase adoption of our platform internationally;
- our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business both in the United States and internationally; and
- other statements regarding our future operations, financial condition, and prospects and business strategies.

Such forward-looking statements are based on our expectations as of the date of this filing and are subject to a number of risks, uncertainties and assumptions, including, but not limited to, risks detailed in the "Risk Factors" section of this Form 10-Q and in our Annual Report on Form 10-K for the year ended January 31, 2026, filed with the Securities and Exchange Commission (the "SEC") on March 12, 2026. Readers are urged to carefully review and consider the various disclosures made in this Form 10-Q and in other documents we file from time to time with the SEC, that disclose risks and uncertainties that may affect our business. Moreover, we operate in a very competitive and rapidly changing environment. New risks are continually emerging. It is not possible for us to predict all risks, nor can we assess the effect 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, and assumptions, the future events and trends discussed in this Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely on forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or may not occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. In addition, the forward-looking statements in this Form 10-Q are made as of the date of this filing, and we do not undertake, and expressly disclaim any duty, to update any of these forward-looking statements for any reason after the date of this Form 10-Q or to conform these statements to actual results or revised expectations.

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PAGERDUTY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	July 31, 2026	January 31, 2026
Assets		
Current assets:		
Cash and cash equivalents	$ 233,651	$ 237,402
Investments	236,392	232,436
Accounts receivable, net of allowance for credit losses of $838 and $1,175 as of July 31, 2026 and January 31, 2026, respectively	71,738	108,430
Deferred contract costs, current	18,351	18,401
Prepaid expenses and other current assets	18,983	15,570
Total current assets	579,115	612,239
Property and equipment, net	34,355	29,192
Deferred contract costs, non-current	24,982	25,010
Lease right-of-use assets	11,325	12,509
Goodwill	137,401	137,401
Intangible assets, net	13,765	15,645
Deferred tax assets	153,657	153,657
Other assets	3,719	4,862
Total assets	$ 958,319	$ 990,515
Liabilities, redeemable non-controlling interest, and stockholders’ equity		
Current liabilities:		
Accounts payable	$ 5,581	$ 6,718
Accrued expenses and other current liabilities	18,288	19,868
Accrued compensation	23,810	25,856
Deferred revenue, current	233,528	246,451
Lease liabilities, current	6,010	5,000
Total current liabilities	287,217	303,893
Convertible senior notes, net, non-current	396,930	395,729
Deferred revenue, non-current	2,462	2,483
Lease liabilities, non-current	9,877	12,598
Other liabilities	14,929	5,147
Total liabilities	711,415	719,850
Commitments and contingencies (Note 10)		
Redeemable non-controlling interest (Note 3)	14,943	17,072
Stockholders' equity		
Common stock	—	—
Additional paid-in capital	649,436	679,410
Accumulated other comprehensive loss	(1,128)	(183)
Accumulated deficit	(408,729)	(421,797)
Treasury stock	(7,618)	(3,837)
Total stockholders’ equity	231,961	253,593
Total liabilities, redeemable non-controlling interest, and stockholders' equity	$ 958,319	$ 990,515

See accompanying notes to unaudited condensed consolidated financial statements.

PAGERDUTY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Revenue	$ 124,436	$ 123,411	$ 245,403	$ 243,216
Cost of revenue	20,037	19,001	39,057	38,185
Gross profit	104,399	104,410	206,346	205,031
Operating expenses:				
Research and development	30,897	30,897	60,885	64,945
Sales and marketing	38,325	44,456	77,935	94,501
General and administrative	24,938	25,491	48,104	52,346
Total operating expenses	94,160	100,844	186,924	211,792
Income (loss) from operations	10,239	3,566	19,422	(6,761)
Interest income	4,101	6,149	8,027	12,160
Interest expense	(2,113)	(2,286)	(4,220)	(4,650)
Other (expense) income, net	(157)	120	(228)	234
Income before provision for (benefit from) income taxes	12,070	7,549	23,001	983
Provision for (benefit from) income taxes	4,357	(1,865)	10,158	(1,052)
Net income	$ 7,713	$ 9,414	$ 12,843	$ 2,035
Net loss attributable to redeemable non-controlling interest	(72)	(161)	(225)	(378)
Net income attributable to PagerDuty, Inc.	$ 7,785	$ 9,575	$ 13,068	$ 2,413
Less: Adjustment attributable to redeemable non-controlling interest	3,059	(202)	(1,904)	(867)
Net income attributable to PagerDuty, Inc. common stockholders	$ 4,726	$ 9,777	$ 14,972	$ 3,280
Weighted average shares used in calculating net income per share				
Basic	77,334	92,600	77,980	91,997
Diluted	79,141	94,198	79,294	93,895
Net income per share attributable to PagerDuty, Inc. common stockholders				
Basic	$ 0.06	$ 0.11	$ 0.19	$ 0.04
Diluted	$ 0.06	$ 0.10	$ 0.19	$ 0.03

See accompanying notes to unaudited condensed consolidated financial statements.

PAGERDUTY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Net income	$ 7,713	$ 9,414	$ 12,843	$ 2,035
Unrealized loss on investments	(431)	(365)	(1,007)	(209)
Foreign currency translation adjustments	18	34	62	21
Total comprehensive income	$ 7,300	$ 9,083	$ 11,898	$ 1,847
Less: comprehensive loss attributable to redeemable non-controlling interest				
Net loss attributable to redeemable non-controlling interest	(72)	(161)	(225)	(378)
Comprehensive loss attributable to redeemable non-controlling interest	(72)	(161)	(225)	(378)
Comprehensive income attributable to PagerDuty, Inc.	$ 7,372	$ 9,244	$ 12,123	$ 2,225

See accompanying notes to unaudited condensed consolidated financial statements.

PAGERDUTY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)
(unaudited)

	Three months ended July 31, 2026							
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance as of April 30, 2026	76,658,958	$ —	$ 633,760	$ (715)	$ (416,514)	—	$ —	$ 216,531
Issuance of common stock upon exercise of stock options	874,554	—	1,788	—	—	—	—	1,788
Vesting of restricted stock units and performance stock units, net of employee payroll taxes	660,063	—	(3,504)	—	—	—	—	(3,504)
Issuance of common stock in connection with the employee stock purchase plan	456,298	—	3,479	—	—	—	—	3,479
Other comprehensive loss	—	—	—	(413)	—	—	—	(413)
Repurchases of common stock	—	—	—	—	—	(799,112)	(7,618)	(7,618)
Stock-based compensation	—	—	16,972	—	—	—	—	16,972
Adjustment to redeemable non-controlling interest	—	—	(3,059)	—	—	—	—	(3,059)
Net income attributable to PagerDuty, Inc.	—	—	—	—	7,785	—	—	7,785
Balance as of July 31, 2026	78,649,873	$ —	$ 649,436	$ (1,128)	$ (408,729)	(799,112)	$ (7,618)	$ 231,961

	Six months ended July 31, 2026							
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance as of January 31, 2026	84,979,482	—	679,410	(183)	(421,797)	(363,268)	(3,837)	253,593
Issuance of common stock upon exercise of stock options	876,554	—	1,792	—	—	—	—	1,792
Vesting of restricted stock units and performance stock units, net of employee payroll taxes	1,233,645	—	(5,660)	—	—	—	—	(5,660)
Issuance of common stock in connection with employee stock purchase plan	456,298	—	3,479	—	—	—	—	3,479
Other comprehensive loss	—	—	—	(945)	—	—	—	(945)
Repurchases of common stock	—	—	—	—	—	(9,331,950)	(70,908)	(70,908)
Retirement of treasury stock	(8,896,106)	—	(67,127)	—	—	8,896,106	67,127	—
Stock-based compensation	—	—	35,638	—	—	—	—	35,638
Adjustment to redeemable non-controlling interest	—	—	1,904	—	—	—	—	1,904
Net income attributable to PagerDuty, Inc.	—	—	—	—	13,068	—	—	13,068
Balance as of July 31, 2026	78,649,873	—	649,436	(1,128)	(408,729)	(799,112)	(7,618)	231,961

	Three months ended July 31, 2025					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of April 30, 2026	92,154,287	$ —	$ 748,331	$ (342)	$ (602,332)	$ 145,657
Issuance of common stock upon exercise of stock options	19,758	—	208	—	—	208
Vesting of restricted stock units, net of employee payroll taxes	686,682	—	(6,411)	—	—	(6,411)
Issuance of common stock in connection with the employee stock purchase plan	377,811	—	4,618	—	—	4,618
Other comprehensive loss	—	—	—	(331)	—	(331)
Stock-based compensation	—	—	27,191	—	—	27,191
Adjustment to redeemable non-controlling interest	—	—	202	—	—	202
Net income attributable to PagerDuty, Inc.	—	—	—	—	9,575	9,575
Balance as of July 31, 2026	93,238,538	$ —	$ 774,139	$ (673)	$ (592,757)	$ 180,709

	Six months ended July 31, 2025					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of January 31, 2025	91,082,604	$ —	$ 725,483	$ (485)	$ (595,170)	$ 129,828
Issuance of common stock upon exercise of stock options	473,951	—	3,810	—	—	3,810
Vesting of restricted stock units and performance stock units, net of employee payroll taxes	1,304,172	—	(13,968)	—	—	(13,968)
Issuance of common stock in connection with the employee stock purchase plan	377,811	—	4,618	—	—	4,618
Other comprehensive loss	—	—	—	(188)	—	(188)
Stock-based compensation	—	—	53,329	—	—	53,329
Adjustment to redeemable non-controlling interest	—	—	867	—	—	867
Net income attributable to PagerDuty, Inc.	—	—	—	—	2,413	2,413
Balance as of July 31, 2025	93,238,538	$ —	$ 774,139	$ (673)	$ (592,757)	$ 180,709

See accompanying notes to unaudited condensed consolidated financial statements.

PAGERDUTY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six months ended July 31,	
	2026	2025
Cash flows from operating activities:		
Net income attributable to PagerDuty, Inc. common stockholders	$ 14,972	$ 3,280
Net loss and adjustment attributable to redeemable non-controlling interest	(2,129)	(1,245)
Net income	12,843	2,035
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,955	7,084
Amortization of deferred contract costs	10,533	11,217
Amortization of debt issuance costs	1,201	1,332
Stock-based compensation	34,435	51,713
Non-cash lease expense	1,980	893
Deferred income taxes	9,850	(1,624)
Other	(623)	(1,367)
Changes in operating assets and liabilities:		
Accounts receivable	36,661	36,529
Deferred contract costs	(10,502)	(10,243)
Prepaid expenses and other assets	(3,347)	(428)
Accounts payable	(1,129)	(459)
Accrued expenses and other liabilities	758	(5,394)
Accrued compensation	(2,237)	(9,332)
Deferred revenue	(12,734)	(15,930)
Lease liabilities	(2,415)	(1,382)
Net cash provided by operating activities	81,229	64,644
Cash flows from investing activities:		
Purchases of property and equipment	(3,191)	(1,315)
Capitalized software costs	(4,063)	(4,136)
Purchases of available-for-sale investments	(86,301)	(92,317)
Proceeds from maturities of available-for-sale investments	81,951	88,910
Proceeds from sales of available-for-sale investments	—	1,248
Purchases of non-marketable equity investments	—	(1,250)
Proceeds from liquidation of non-marketable equity investments	894	—
Net cash used in investing activities	(10,710)	(8,860)
Cash flows from financing activities:		
Repurchases of common stock	(72,933)	—
Excise tax paid on repurchases of common stock	(808)	—
Repayments of convertible senior notes	—	(57,500)
Proceeds from employee stock purchase plan	3,479	4,618
Proceeds from issuance of common stock upon exercise of stock options	1,792	3,810
Employee payroll taxes paid related to net share settlement of restricted stock units	(5,660)	(13,968)
Net cash used in financing activities	(74,130)	(63,040)
Effects of foreign currency exchange rates on cash, cash equivalents, and restricted cash	(140)	113
Net change in cash, cash equivalents, and restricted cash	(3,751)	(7,143)
Cash, cash equivalents, and restricted cash at beginning of period	238,481	348,328
Cash, cash equivalents, and restricted cash at end of period	$ 234,730	$ 341,185

Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 233,651	$ 339,712
Restricted cash in other long-term assets	1,079	1,473
Total cash, cash equivalents, and restricted cash	$ 234,730	$ 341,185

Supplemental cash flow data:

Cash paid for income taxes	$	1,244	$	961
Cash paid for interest	$	3,019	$	3,378
Non-cash investing and financing activities:				
Purchase of property and equipment, accrued but not yet paid	$	714	$	403
Stock-based compensation capitalized in software costs	$	1,306	$	1,900
Bonuses capitalized in software costs	$	217	$	237
Repurchases of common stock in transit	$	141	$	—

See accompanying notes to unaudited condensed consolidated financial statements.

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

Note 1. Description of Business and Basis of Presentation

Description of Business

PagerDuty, Inc. was incorporated under the laws of the state of Delaware in May 2010.

PagerDuty, Inc., together with its wholly-owned subsidiaries and subsidiaries in which PagerDuty, Inc. holds a controlling interest (collectively, the "Company"), provides a digital operations management platform that manages urgent and mission-critical work for a modern, digital business (the "PagerDuty Platform"). The PagerDuty Platform collects data and digital signals from virtually any software-enabled system or device and leverages advanced artificial intelligence and powerful machine learning to correlate, process, predict, and remediate incidents and opportunities in real time. This intelligence powers the Company's core capabilities in incident management, bringing together the right people with the right context and recommended actions so they can resolve issues in minutes or seconds, from anywhere.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("U.S. GAAP" or "GAAP"), and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. The condensed consolidated balance sheet as of January 31, 2026 was derived from the audited consolidated financial statements as of that date but does not include all of the information and notes required by GAAP for complete financial statements. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended January 31, 2026, included in the Company's Annual Report on Form 10-K.

The condensed consolidated financial statements include the results of PagerDuty, Inc., its wholly-owned subsidiaries, and subsidiaries in which the Company holds a controlling interest. All intercompany balances and transactions have been eliminated in consolidation.

In the opinion of management, the information contained herein reflects all adjustments necessary for a fair statement of the Company's financial position, results of operations and comprehensive income, stockholders' equity, and cash flows. The results of operations for the three and six months ended July 31, 2026 are not necessarily indicative of the results to be expected for the full year ending January 31, 2027 or for any other interim period, or for any future year.

The Company's fiscal year ends on January 31. References to fiscal 2027 refer to the fiscal year ending January 31, 2027.

Reclassification

Certain reclassifications of prior period amounts have been made in the Company's condensed consolidated statements of cash flows to conform to the current period presentation. The Company has reclassified the change in deferred tax assets from the prepaid expenses and other assets line item to the deferred income taxes line item and the change in deferred tax liabilities from the accrued expenses and other liabilities line item to the deferred income taxes line item on the accompanying condensed consolidated statements of cash flows. This reclassification had no effect on the reported net cash provided by operating activities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make, on an ongoing basis, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates. The Company's most significant estimates and judgments involve the period of benefit for amortizing deferred contract costs, stock-based compensation, redemption value of redeemable non-controlling interests, estimates surrounding the provision for income taxes, deferred tax assets and liabilities, and the valuation allowance recorded against deferred tax assets, and estimates related to the Company's revenue recognition, such as the assessment of performance obligations in the Company's revenue arrangements and the fair value assigned to each performance obligation, among others. Management bases its estimates on historical experience and on various other assumptions which management believes to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Note 2. Summary of Significant Accounting Policies

Concentrations of Risk and Significant Customers

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, available-for-sale investments, and accounts receivable. All of the Company's cash equivalents and investments are invested in money market funds, U.S. Treasury securities, commercial paper, corporate debt securities, or U.S. Government agency securities that management believes to be of high credit quality. The Company's cash, cash equivalents, and available-for-sale investments are spread across several different financial institutions.

No single customer accounted for 10% or more of the total accounts receivable balance as of July 31, 2026 or January 31, 2026. No single customer accounted for 10% or more of revenue for the three and six months ended July 31, 2026 or 2025.

Segment Information

The Company manages its operations and allocates resources as one operating segment at the consolidated level. The Company's chief operating decision maker ("CODM") is its chief executive officer. The CODM uses consolidated net income to measure segment profit or loss, allocate resources, make operating decisions, and assess performance through monitoring and evaluation of forecast versus actual results. Further, the CODM reviews and utilizes functional expenses (cost of revenue, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company's operations. Net income is the Company's primary measure of profit or loss. Significant expenses within net income include cost of revenue, research and development, sales and marketing, and general and administrative, which each are separately presented on the condensed consolidated statements of operations. Stock-based compensation expense is also a significant expense within net income. Refer to Note 12. Common Stock and Stockholders' Equity for additional information about the Company's stock-based compensation expense. Other segment items include interest income, interest expense, other expense, net, and provision for (benefit from) income taxes on the condensed consolidated statements of operations. Refer to Note 15. Geographic Information for information regarding the Company's long-lived assets and revenue by geography.

Related Party Transactions

Certain members of the Company's Board of Directors serve as directors of, or are executive officers of, and in some cases are investors in, companies that are customers or vendors of the Company. The Company had no material related party transactions in the three and six months ended July 31, 2026 and 2025.

Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies from those described in the Company's Annual Report on Form 10-K.

Restricted Cash

The Company has classified cash that is not available for use in its operations as restricted cash. Restricted cash consists primarily of collateral for letters of credit related to security deposits for the Company's office facility lease arrangements. As of July 31, 2026 and January 31, 2026, the Company had restricted cash of $1.1 million, all of which was classified as non-current and included in other assets on the condensed consolidated balance sheets.

Recently Adopted Accounting Standards

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-04, Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversion of Convertible Debt Instruments. This ASU clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The Company adopted this ASU in the first quarter of the current fiscal year. As previously disclosed in the Company's Quarterly Report on Form 10-Q for the three months ended April 30, 2026, this ASU did not have a material impact on the Company's financial statements.

Recent Accounting Pronouncements Not Yet Adopted

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. In January 2025, the FASB issued ASU No. 2025-01 to clarify the effective date of ASU 2024-03. ASU 2024-03 requires that at each interim and annual reporting period, an entity discloses the amounts of certain expenses included in each relevant expense caption. The newly required expense disclosures include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements. The amendment also requires that an entity discloses a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively and discloses the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. This ASU is effective for fiscal years beginning after December 15, 2026. The Company is currently evaluating the impact of the new guidance on its condensed consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40). This ASU amends the requirements for commencing capitalization of software costs related to software development projects. The amendments in this update are effective for all entities for annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of the new guidance on its condensed consolidated financial statements.

Note 3. Redeemable Non-Controlling Interest

In May 2022, the Company established a joint venture, PagerDuty K.K. The Company obtained a 51% controlling interest and has consolidated the financial results of the joint venture.

The agreements with the non-controlling interest holders of PagerDuty K.K. contain redemption features whereby the interest held by the non-controlling interest holders is redeemable either: (i) at the option of the non-controlling interest holders; or (ii) at the option of the Company, both beginning on the tenth anniversary of the initial capital contribution. The balance of the redeemable non-controlling interest is reported at the greater of the initial carrying amount adjusted for the redeemable non-controlling interest's share of earnings or losses and other comprehensive income or loss, or its redemption value, which is determined based on a prescribed formula derived from multiple metrics including the annual recurring revenue of PagerDuty K.K. The resulting changes in the estimated redemption amount are recorded with corresponding adjustments against additional paid-in capital due to the absence of retained earnings. The carrying amount of the redeemable non-controlling interest is recorded on the Company's condensed consolidated balance sheets as temporary equity.

The following table summarizes the activity in the redeemable non-controlling interest for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Balance at beginning of period	$ 11,956	$ 17,335	$ 17,072	$ 18,217
Net loss attributable to redeemable non-controlling interest	(72)	(161)	(225)	(378)
Adjustments to redeemable non-controlling interest	3,059	(202)	(1,904)	(867)
Balance at end of period	$ 14,943	$ 16,972	$ 14,943	$ 16,972

Note 4. Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments consisted of the following as of the dates indicated (in thousands):

	July 31, 2026	January 31, 2026
Cash and cash equivalents:		
Cash	$ 69,422	$ 51,006
Money market funds	162,530	185,205
Commercial paper	1,699	1,191
Total cash and cash equivalents	$ 233,651	$ 237,402
Available-for-sale investments:		
U.S. Treasury securities	$ 56,735	$ 60,429
Commercial paper	2,972	2,218
Corporate debt securities	151,320	143,490
U.S. Government agency securities	25,365	26,299
Total available-for-sale investments	$ 236,392	$ 232,436

The following tables summarize the amortized cost, net unrealized gains (losses), and fair value of the Company’s investments by significant investment category as of the dates indicated (in thousands). Gross realized gains or losses from sales of available-for-sale securities were not material for the three and six months ended July 31, 2026 and 2025.

	July 31, 2026		
	Amortized Cost	Unrealized Gain (Loss), Net	Estimated Fair Value
Available-for-sale investments:			
U.S. Treasury securities	$ 56,849	$ (114)	$ 56,735
Commercial paper	2,973	(1)	2,972
Corporate debt securities	151,822	(502)	151,320
U.S. Government agency securities	25,434	(69)	25,365
Total available-for-sale investments	$ 237,078	$ (686)	$ 236,392

	January 31, 2026		
	Amortized Cost	Unrealized Gain (Loss), Net	Estimated Fair Value
Available-for-sale investments:			
U.S. Treasury securities	$ 60,357	$ 72	$ 60,429
Commercial paper	2,218	—	2,218
Corporate debt securities	143,257	233	143,490
U.S. Government agency securities	26,283	16	26,299
Total available-for-sale investments	$ 232,115	$ 321	$ 232,436

The following tables present the Company’s available-for-sale securities by contractual maturity date as of the dates indicated (in thousands):

	July 31, 2026	
	Amortized Cost	Fair Value
Due within one year	$ 137,068	$ 136,904
Due between one to five years	100,010	99,488
Total	$ 237,078	$ 236,392

	January 31, 2026	
	Amortized Cost	Fair Value
Due within one year	$ 142,032	$ 142,237
Due between one to five years	90,083	90,199
Total	$ 232,115	$ 232,436

As of July 31, 2026, there were 118 securities in an unrealized loss position with an aggregate fair value of $197.6 million, none of which were in a continuous unrealized loss position for more than 12 months. As of January 31, 2026, there were 43 securities in an unrealized loss position with an aggregate fair value of $64.6 million, none of which were in a continuous unrealized loss position for more than 12 months.

When evaluating investments for impairment, the Company reviews factors such as the extent to which fair value has been below cost basis, the financial condition of the issuer and any changes thereto, and the Company's intent to sell, or whether it is more likely than not that the Company will be required to sell, the investment before recovery of the investment's amortized cost. No impairment loss has been recorded on the securities included in the tables above, as the Company believes that any decrease in fair value of these securities is temporary and the Company expects to recover at least up to the initial cost of the investment for these securities. The Company has not recorded an allowance for credit losses, as the Company believes any such losses would not be material based on the high-grade credit rating for each of its marketable securities as of the end of each period.

Note 5. Fair Value Measurements

The Company measures its financial assets and liabilities at fair value each reporting period using a fair value hierarchy that prioritizes the use of observable inputs and minimizes the use of unobservable inputs when measuring 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, as follows:

Level 1—Valuations based on observable inputs that reflect quoted prices for identical assets or liabilities in active markets.
Level 2—Valuations based on inputs that are directly or indirectly observable in the marketplace.
Level 3—Valuations based on unobservable inputs that are supported by little or no market activity.

The following tables present information about the Company's financial assets that are required to be measured or disclosed at fair value using the above input categories as of the dates indicated (in thousands):

	As of July 31, 2026			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 162,530	$ —	$ —	$ 162,530
U.S. Treasury securities	—	56,735	—	56,735
Commercial paper	—	4,671	—	4,671
Corporate debt securities	—	151,320	—	151,320
U.S. Government agency securities	—	25,365	—	25,365
Total	$ 162,530	$ 238,091	$ —	$ 400,621
Included in cash equivalents				$ 164,229
Included in investments				$ 236,392

	As of January 31, 2026			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 185,205	$ —	$ —	$ 185,205
U.S. Treasury securities	—	60,429	—	60,429
Commercial paper	—	3,409	—	3,409
Corporate debt securities	—	143,490	—	143,490
U.S. Government agency securities	—	26,299	—	26,299
Total	$ 185,205	$ 233,627	$ —	$ 418,832
Included in cash equivalents				$ 186,396
Included in investments				$ 232,436

The Company's assets that are measured by management at fair value on a recurring basis are generally classified within Level 1 or Level 2 of the fair value hierarchy.

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. As of July 31, 2026 and January 31, 2026, the Company's Level 2 securities are measured at fair value and classified within Level 2 in the fair value hierarchy because the Company uses quoted market prices for similar instruments or nonbinding market prices that are corroborated by observable market data or alternative pricing sources and models using market observable inputs to determine fair value.

The carrying amounts of certain financial instruments, including cash held in banks, accounts receivable, and accounts payable approximate fair value due to their short-term maturities and are excluded from the fair value table above.

Convertible Senior Notes

As of July 31, 2026, the estimated fair value of the Company's 1.50% Convertible Senior Notes due 2028 (the "2028 Notes") was approximately $379.5 million. The fair value was determined based on the quoted price for the 2028 Notes in an inactive market on the last trading day of the reporting period and are considered as Level 2 in the fair value hierarchy.

Note 6. Property and Equipment, Net

Property and equipment, net, consisted of the following as of the dates indicated (in thousands):

	July 31, 2026	January 31, 2026
Leasehold improvements	$ 11,167	$ 8,641
Computers and equipment	5,642	7,607
Furniture and fixtures	5,427	4,884
Capitalized software	46,178	40,593
Gross property and equipment[1]	68,414	61,725
Accumulated depreciation and amortization	(34,059)	(32,533)
Property and equipment, net	$ 34,355	$ 29,192

(1) Gross property and equipment includes construction-in-progress for capitalized software and leasehold improvements of $14.0 million and $15.8 million that had not yet been placed in service as of July 31, 2026 and January 31, 2026, respectively. The costs associated with construction-in-progress are not amortized until the asset is available for its intended use.

Depreciation and amortization expense was $1.9 million and $1.8 million for the three months ended July 31, 2026 and 2025, respectively, and $4.0 million and $3.9 million for the six months ended July 31, 2026 and 2025, respectively.

Note 7. Deferred Contract Costs

Deferred contract costs, which primarily consist of deferred sales commissions, were $43.3 million and $43.4 million as of July 31, 2026 and January 31, 2026, respectively. Amortization expense for deferred contract costs was $5.3 million and $5.7 million for the three months ended July 31, 2026 and 2025, respectively, and $10.5 million and $11.2 million for the six months ended July 31, 2026 and 2025, respectively. There was no impairment charge related to the costs capitalized for the periods presented.

Note 8. Leases

Operating Leases

The Company has entered into various non-cancellable operating leases for its office spaces with lease periods expiring through fiscal 2033. The operating lease agreements generally provide for rental payments on a graduated basis and for options to renew, which could increase future minimum lease payments if exercised.

Lease right-of-use assets and liabilities are recognized at the lease's commencement date based on the present value of lease payments over the lease term. As the implicit rate of the Company's leases is not readily determinable, the Company uses its incremental borrowing rate based on the information available on the commencement date to determine the present value of lease payments. The lease right-of-use assets also include any lease payments made and exclude lease incentives such as tenant improvement allowances.

The Company's operating leases typically include non-lease components such as common-area maintenance costs. The Company has elected a practical expedient that allows it to include non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities, to the extent that they are fixed. Non-lease components that are not fixed are expensed as incurred as variable lease payments.

Leases with a term of one year or less are not recognized on the Company's condensed consolidated balance sheets, but rather are expensed on a straight-line basis over the lease term.

In June 2023, the Company entered into a sublease for a portion of its San Francisco office location. The sublease term ended during the six months ended July 31, 2025. Sublease income, which was recorded as a reduction of rent expense, was zero for the three and six months ended July 31, 2026 and the three months ended July 31, 2025, and was immaterial for the six months ended July 31, 2025.

The following table presents information about leases on the condensed consolidated balance sheet as of the dates indicated (in thousands):

	July 31, 2026	January 31, 2026
Assets:		
Lease right-of-use assets	$ 11,325	$ 12,509
Liabilities:		
Lease liabilities, current	$ 6,010	$ 5,000
Lease liabilities, non-current	$ 9,877	$ 12,598

As of July 31, 2026 and January 31, 2026, the weighted average remaining lease term was 3.1 years and 3.6 years, respectively. As of July 31, 2026 and January 31, 2026, the weighted average discount rate used to determine the net present value of the lease liabilities was 6.0% and 5.9%, respectively.

The following table presents information about leases on the condensed consolidated statement of operations for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Operating lease expense	$ 1,139	$ 814	$ 2,296	$ 1,400
Short-term lease expense	534	341	1,017	922
Variable lease expense	307	379	644	608

The following table presents supplemental cash flow information about the Company's leases for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Cash paid for amounts included in the measurement of lease liabilities	$ 1,428	$ 875	$ 2,630	$ 2,273

Note 9. Debt and Financing Arrangements

2025 Convertible Senior Notes

In June 2020, the Company issued an aggregate principal amount of $287.5 million of convertible senior notes due in 2025 (the "2025 Notes") in a private offering pursuant to an indenture dated June 25, 2020 (the "2025 Indenture").

During the year ended January 31, 2026, the Company repaid the 2025 Notes in cash prior to the maturity date of July 1, 2025, which included aggregate principal amount of $57.5 million and accrued interest of $0.4 million.

2028 Convertible Senior Notes

In October 2023, the Company issued an aggregate principal amount of $402.5 million of convertible senior notes due in 2028 in a private offering pursuant to an indenture dated October 13, 2023 (the "2028 Indenture" and, together with the 2025 Indenture, the "Indentures"). The total net proceeds from the debt offering, after deducting initial purchasers' discounts and debt issuance costs of $12.0 million, were $390.4 million.

The 2028 Notes are senior, unsecured obligations of the Company and accrue interest payable semiannually in arrears on April 15 and October 15 of each year, beginning on April 15, 2024, at a rate of 1.50% per year. The 2028 Notes will mature on October 15, 2028, unless such notes are converted, redeemed or repurchased earlier. Upon conversion, the Company will pay cash up to the aggregate principal amount of the 2028 Notes to be converted and pay or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at the Company's election, in respect to the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the 2028 Notes being converted, in the manner and subject to the terms and conditions provided in the 2028 Indenture.

Accounting for the 2025 Notes and the 2028 Notes

The 2028 Notes are, and the 2025 Notes, prior to their repayment were, accounted for as a single liability measured at their amortized cost, as no other embedded features require bifurcation and recognition as derivatives. As of July 31, 2026, the 2028 Notes are classified as non-current liabilities. Issuance costs are amortized to interest expense over the contractual term of the 2028 Notes at an effective interest rate of 2.13%.

The net carrying amount of the 2028 Notes was as follows as of the dates indicated (in thousands):

	As of July 31, 2026	As of January 31, 2026
Principal	$ 402,500	$ 402,500
Unamortized issuance costs	(5,570)	(6,771)
Net carrying amount	$ 396,930	$ 395,729

Interest expense recognized related to the 2028 Notes and the 2025 Notes was as follows for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Contractual interest expense	$ 1,507	$ 1,632	$ 3,019	$ 3,318
Amortization of debt issuance costs	606	654	1,201	1,332
Total interest expense related to the 2025 Notes and the 2028 Notes	$ 2,113	$ 2,286	$ 4,220	$ 4,650

Capped Call Transactions

In connection with the offering of the 2028 Notes, the Company entered into separate privately negotiated capped call transactions (the "2028 Capped Calls"). The 2028 Capped Calls are generally intended to reduce or offset the potential dilution to the common stock upon any conversion of the 2028 Notes, subject to a cap based on the cap price of such 2028 Capped Calls. For accounting purposes, the 2028 Capped Calls are separate transactions, and not part of the terms of the 2028 Notes. The 2028 Capped Calls are recorded in stockholders' equity and are not accounted for as derivatives. The costs incurred to purchase the 2028 Capped Calls of $55.1 million, were recorded as a reduction to additional paid-in capital in the accompanying condensed consolidated balance sheets. The 2028 Capped Calls will not be remeasured as long as they continue to meet the conditions for equity classification.

During the year ended January 31, 2026, the capped call transactions with certain financial institution counterparties, entered into and in connection with the repayment of the 2025 Notes, expired.

The 2028 Capped Calls each have an initial strike price of approximately $27.35 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2028 Notes, and an initial cap price of $42.90 per share, subject to certain adjustments. The 2028 Capped Calls cover, subject to anti-dilution adjustments, approximately 14.7 million shares of the Company's common stock. The 2028 Capped Calls are subject to automatic exercise over a 60 trading day period commencing on July 20, 2028, subject to earlier termination under certain circumstances and may be settled in cash, shares of common stock or a combination of cash and shares of common stock, at the Company's election. The 2028 Capped Calls remain outstanding as of July 31, 2026.

Note 10. Commitments and Contingencies

Legal Matters

From time to time, the Company may be subject to various claims and other legal matters arising in the ordinary course of business. The Company investigates these claims as they arise and accrues estimates for resolution of legal and other contingencies when losses are probable and estimable. The Company is not currently a party to any material legal proceedings nor is it aware of any pending or threatened litigation that could reasonably be expected to have a material adverse effect on its business, financial condition, results of operations, or cash flows.

Warranties and Indemnification

The Company has entered into service-level agreements with a portion of its customers defining levels of uptime reliability and performance and permitting those customers to receive credits if the Company fails to meet the defined levels of uptime. To date, the Company has not experienced any significant failures to meet defined levels of uptime reliability and performance as a result of those agreements and, as a result, the Company has not incurred or accrued any material liabilities related to these agreements in the financial statements.

In the ordinary course of business, the Company may agree to indemnify customers, vendors, lessors, business partners, and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. As permitted under Delaware law, the Company has entered into indemnification agreements with its directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers, or employees. No demands have been made upon the Company to provide indemnification under such agreements, and there are no claims that the Company is aware of that could have a material effect on its consolidated balance sheets, consolidated statements of operations, consolidated statements of comprehensive income, or consolidated statements of cash flows.

Note 11. Deferred Revenue and Performance Obligations

The following table presents the changes to the Company's deferred revenue for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Deferred revenue, beginning of period	$ 243,367	$ 239,712	$ 248,934	$ 245,752
Billings	117,059	113,613	232,459	227,378
Revenue recognized	(124,436)	(123,411)	(245,403)	(243,216)
Deferred revenue, end of period	$ 235,990	$ 229,914	$ 235,990	$ 229,914

For the three and six months ended July 31, 2026 and 2025, the majority of revenue recognized was from the deferred revenue balances at the beginning of each period.

The transaction price allocated to the remaining performance obligations represents all future, non-cancelable contracted revenue that has not yet been recognized, inclusive of deferred revenue that has been invoiced and non-cancelable amounts that will be invoiced and recognized as revenue in future periods. The Company estimates its remaining performance obligations at a point in time. Actual amounts and timing of revenue recognition may differ from these estimates largely due to contract renewals and modifications.

As of July 31, 2026, total transaction price allocated to remaining non-cancelable performance obligations under cloud-hosted and term-license software subscription contracts with customers was approximately $426 million. Of this amount, the Company expects to recognize revenue of approximately $309 million, or 73%, over the next 12 months, $94 million, or 22%, over months 13 to 24, and the remainder thereafter.

Note 12. Common Stock and Stockholders' Equity

Common Stock Repurchases

In March 2025, the Company's Board of Directors authorized a share repurchase program to repurchase up to $150.0 million of the Company's common stock (the "2025 Share Repurchase Program"), which was subsequently increased to $200.0 million in August 2025. During the six months ended July 31, 2026, the Company repurchased a total of 8,532,838 shares under the 2025 Share Repurchase Program and subsequently retired 8,896,106 shares, which includes 363,268 shares that remained in treasury stock as of January 31, 2026. No shares were repurchased or retired under the 2025 Share Repurchase program during the three months ended July 31, 2026. As of July 31, 2026, the 2025 Share Repurchase Program was complete and none of the total amount authorized to be repurchased remained available.

In May 2026, the Company's Board of Directors authorized a share repurchase program for the repurchase of shares of the Company's common stock, in an aggregate amount of up to $100 million (the "2026 Share Repurchase Program"). Share repurchases under the 2026 Share Repurchase Program may be made from time to time through open market purchases, privately negotiated transactions, or other legally permissible means, including pursuant to Rule 10b5-1 trading plans. The 2026 Share Repurchase Program expires in May 2028, unless extended or shortened by the Board of Directors, and does not obligate the Company to acquire a specified number of shares, and may be suspended, modified, or terminated at any time, without prior notice. The number of shares to be repurchased will depend on market conditions and other factors. During the three and six months ended July 31, 2026, the Company repurchased a total of 799,112 shares under the 2026 Share Repurchase Program. The cost of these shares is recorded as treasury stock in the condensed consolidated balance sheets. As of July 31, 2026, $92.4 million of the total amount authorized to be repurchased remained available.

Equity Incentive Plan

In 2019, the Company adopted the 2019 Equity Incentive Plan (the "2019 Plan"). As of July 31, 2026 and January 31, 2026, the Company was authorized to grant up to 44,933,411 shares and 40,659,581 shares of common stock, respectively, under the 2019 Plan.

The Company currently uses authorized and unissued shares to satisfy stock award exercises and settlement of restricted stock units ("RSUs") and performance stock units ("PSUs"). As of July 31, 2026 and January 31, 2026, there were 24,298,651 shares and 23,024,478 shares, respectively, available for future issuance under the 2019 Plan.

Shares of common stock reserved for future issuance as of the end of the period noted are as follows:

	July 31, 2026
Outstanding stock options and unvested RSUs and PSUs	11,987,608
Available for future stock option, RSU, and PSU grants	24,298,651
Available for Employee Stock Purchase Plan ("ESPP")	4,511,606
Total common stock reserved for future issuance	40,797,865

Stock Options

As of July 31, 2026, there was no unrecognized compensation cost related to unvested stock options granted under the 2019 Plan.

Restricted Stock Units

A summary of the Company's RSU activity and related information is as follows:

	Number of RSUs	Weighted Average Grant Date Fair Value Per Share
Outstanding at January 31, 2026	6,164,141	$ 19.01
Granted	4,787,544	$ 7.25
Vested	(1,849,449)	$ 18.96
Forfeited or canceled	(854,785)	$ 19.01
Outstanding at July 31, 2026	8,247,451	$ 12.19

The fair value of the Company's RSUs is expensed ratably over the vesting period, and is based on the fair value of the underlying shares on the date of grant. The Company accounts for forfeitures as they occur.

As of July 31, 2026, there was $95.8 million of unrecognized stock-based compensation expense related to unvested RSUs, which is expected to be recognized over a weighted average period of 2.2 years based on vesting under the award service conditions.

Performance Stock Units

The Company grants PSUs to certain employees of the Company, which, are to vest based on the level of achievement of certain targets related to the Company's operating plan (the "Performance PSUs") or the level of achievement of a Company target subject to a relative total shareholder return ("TSR") market condition based on the Company's TSR as compared to the constituents of the BVP Nasdaq Emerging Cloud Index (the "Market PSUs"), over an approximate one-year performance period. The Performance PSUs vest over a three-year period, while the Market PSUs vest over a period ending on April 2, 2027. Both are subject to continuous service with the Company. The number of shares of common stock that will vest based on the performance and market conditions ranges from 0% to 200% of target for the Performance PSUs and 50% to 200% of target for the Market PSUs. Compensation expense for the Performance PSUs is measured using the fair value at the date of grant, and may be adjusted over the vesting period based on interim estimates of performance against the performance condition. Compensation for the Market PSUs is measured using a Monte Carlo simulation approach. Expense is recorded over the vesting period under the graded-vesting attribution method.

During the six months ended July 31, 2026, the Compensation Committee of the Company's Board of Directors certified the results of the Company's operating plan for the fiscal year ended January 31, 2026. Based on the results, the PSUs granted in April 2025 ("2025 PSU Awards") were cancelled, as the target attainment was not met.

A summary of the Company's PSU activity and related information is as follows:

	Number of PSUs	Weighted Average Grant Date Fair Value Per Share
Outstanding at January 31, 2026	858,096	$ 19.09
Granted[(1)]	487,333	$ 8.93
Vested	(72,159)	$ 21.62
Forfeited or canceled	(37,055)	$ 21.62
Performance adjustment for 2025 PSU Awards	(640,646)	$ 18.23
Outstanding at July 31, 2026	595,569	$ 11.23

(1) This amount represents awards granted at 100% attainment.

During the three and six months ended July 31, 2026, the Company recorded stock-based compensation expense for the number of PSUs considered probable of vesting based on the attainment of the performance targets.

As of July 31, 2026, total unrecognized stock-based compensation cost related to PSUs was $3.8 million. This unrecognized stock-based compensation cost is expected to be recognized using the accelerated attribution method over a weighted average period of approximately 0.7 years.

Employee Stock Purchase Plan

The Company's ESPP generally provides for 24-month offering periods beginning June 15 and December 15 of each year, with each offering period consisting of four six-month purchase periods. On each purchase date, eligible employees will purchase the shares at a price per share equal to 85% of the lesser of: (i) the fair market value of the Company's stock as of the beginning of the offering period; or (ii) the fair market value of the Company's stock on the purchase date, as defined in the ESPP.

During the three months ended July 31, 2026 and 2025, the Company recognized $0.7 million and $0.5 million, respectively, of stock-based compensation expense related to the ESPP. During the six months ended July 31, 2026 and 2025, the Company recognized $2.0 million and $1.5 million, respectively, of stock-based compensation expense related to the ESPP.

During the three months ended July 31, 2026 and 2025, the Company withheld $0.6 million and $1.2 million, respectively, in contributions from employees. During the six months ended July 31, 2026 and 2025, the Company withheld $2.7 million and $3.9 million, respectively, in contributions from employees.

During the three and six months ended July 31, 2026 456,298 shares of common stock were issued under the ESPP at a weighted average purchase price of $7.62 per share. During the three and six months ended July 31, 2025, 377,811 shares of common stock were issued under the ESPP at a weighted average purchase price of $12.22 per share.

Stock-Based Compensation

Stock-based compensation expense included in the Company's condensed consolidated statements of operations was as follows for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Cost of revenue	$ 665	$ 1,213	$ 1,514	$ 2,310
Research and development	5,592	9,560	11,729	19,400
Sales and marketing	3,064	5,285	7,248	11,504
General and administrative	7,151	9,902	13,944	18,499
Total stock-based compensation expense	$ 16,472	$ 25,960	$ 34,435	$ 51,713

Note 13. Net Income per Share

Net income used for the purpose of determining basic and diluted net income per share is determined by taking net income attributable to PagerDuty, Inc., less the redeemable non-controlling interests redemption value adjustment.

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

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Numerator:				
Net income attributable to PagerDuty, Inc.	$ 7,785	$ 9,575	$ 13,068	$ 2,413
Less: Adjustment attributable to redeemable non-controlling interest	3,059	(202)	(1,904)	(867)
Net income attributable to PagerDuty, Inc. common stockholders	$ 4,726	$ 9,777	$ 14,972	$ 3,280
Denominator:				
Weighted average shares used in calculating net income per share				
Basic	77,334	92,600	77,980	91,997
Weighted average effect of potentially dilutive securities:				
Stock options, RSUs, PSUs, and ESPP obligations	1,807	1,598	1,314	1,898
Diluted	79,141	94,198	79,294	93,895
Net income per share attributable to PagerDuty, Inc. common stockholders				
Basic	$ 0.06	$ 0.11	$ 0.19	$ 0.04
Diluted	$ 0.06	$ 0.10	$ 0.19	$ 0.03

Potentially dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive were as follows (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Shares subject to outstanding common stock awards	6,217	9,052	7,164	7,850
Shares issuable pursuant to the ESPP	1,603	317	1,773	226
Total	7,820	9,369	8,937	8,076

As described in Note 9. Debt and Financing Arrangements, upon conversion of the 2028 Notes, the Company will pay cash up to the aggregate principal amount of the 2028 Notes to be converted and pay or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at the Company's election, in respect to the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the 2028 Notes being converted. As of July 31, 2026 and 2025, the conversion options of the 2028 Notes were out of the money and as a result, there were no potentially dilutive shares related to the conversion of the 2028 Notes.

Note 14. Income Taxes

The Company's provision for (benefit from) income taxes for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in such period.

The Company's quarterly tax provision (benefit), and estimate of its annual effective tax rate, is subject to variation due to several factors, including variability in pre-tax income (or loss), the mix of jurisdictions to which such income (or loss) relates, changes in how the Company does business, and tax law developments. The Company's estimated effective tax rate for the year differs from the U.S. statutory rate of 21% primarily due to non-deductible stock-based compensation expense, state income taxes, and the income tax benefit from research and development credits.

The Company recorded a provision for income taxes of $4.4 million and $10.2 million for the three and six months ended July 31, 2026, respectively, and a benefit from income taxes of $1.9 million and $1.1 million for the three and six months ended July 31, 2025, respectively. The increase in income tax provision during the three and six months ended July 31, 2026 was primarily due to an increase pre-tax income, as well as tax deficiencies on stock-based compensation arising during the period.

The Company regularly assesses the need for a valuation allowance against its deferred tax assets. In making that assessment, the Company considers both positive and negative evidence in the various jurisdictions in which it operates related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all of the deferred tax assets will not be realized. During the year ended January 31, 2026, the Company achieved cumulative U.S. income, measured as pre-tax income adjusted for permanent book-tax differences. Based on all available positive and negative evidence, including the amount of the Company's taxable income in recent years which is objective and verifiable, and taking into account anticipated future taxable earnings, the Company concluded that it was more likely than not that its U.S. federal and certain state deferred tax assets will be realizable which resulted in a release in its U.S. valuation allowance, with the exception of certain state deferred tax assets that will not be realized in the future. Furthermore, based on available evidence, the Company believes it is more likely than not that certain non-U.S. deferred tax assets will not be fully realizable in the future. The Company continues to maintain a valuation allowance against such deferred tax assets. The Company will continue to monitor the need for a valuation allowance against its deferred tax assets on a quarterly basis.

Note 15. Geographic Information

Revenue by location is generally determined by the billing address of the customer. The following table sets forth revenue by geographic area for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
United States	$ 87,345	$ 88,081	$ 173,360	$ 174,112
International	37,091	35,330	72,043	69,104
Total	$ 124,436	$ 123,411	$ 245,403	$ 243,216

Other than the United States, no other individual country accounted for 10% or more of revenue for the three and six months ended July 31, 2026 or 2025.

As of July 31, 2026, 61% of the Company's long-lived assets, including property and equipment and right-of-use lease assets, were located in the United States, 13% were located in Canada, and 12% were located in Portugal.

As of January 31, 2026, 64% of the Company's long-lived assets, including property and equipment and right-of-use lease assets, were located in the United States, 14% were located in Portugal, and 13% were located in Canada.

Note 16. Subsequent Events

In August 2026, the Company announced a global scaling initiative designed to improve operational efficiency and better align resources with the Company's strategic priorities (the "Restructuring Plan"). As part of the Restructuring Plan, the Company is reallocating certain roles and realigning teams to improve operational resiliency and agility. The immediate impact of the Restructuring Plan is a reduction in the Company's current headcount of approximately 15%. As a result, the Company estimates it will incur non-recurring restructuring charges in a range of $5.5 million to $7.5 million, primarily consisting of severance payments, notice pay (where applicable), employee benefits, and related costs. The Company expects to record these restructuring costs within the cost of revenue, research and development, sales and marketing, and general and administrative line items of its consolidated statements of operations. The majority of these charges are expected to be incurred in the third quarter of fiscal 2027, and the implementation of the headcount reductions, including related cash payments, is expected to be substantially complete by the end of the fourth quarter of fiscal 2027. No balances related to these costs were accrued as of July 31, 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations of PagerDuty, Inc. and its wholly-owned subsidiaries, and subsidiaries in which PagerDuty, Inc. holds a controlling interest ("PagerDuty," "we," "us" or "our") should be read in conjunction with our unaudited consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited financial statements and related notes in our Annual Report on Form 10-K for the year ended January 31, 2026. You should review the sections titled "Special Note Regarding Forward-Looking Statements" above in this Quarterly Report on Form 10-Q for a discussion of forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, adverse effects on our business and general economic conditions as identified below, and those discussed in the section titled "Risk Factors" included in our Annual Report on Form 10-K and elsewhere in this Quarterly Report on Form 10-Q. The last day of our fiscal year is January 31. Our fiscal quarters end on April 30, July 31, October 31 and January 31. Except as otherwise noted, all references to fiscal 2027 refer to the fiscal year ending January 31, 2027.

Overview and Business Model

PagerDuty, Inc. transforms critical work for modern business by building operational resilience, reducing risk, improving customer experience, and driving operational efficiency across digital operations. As a global leader in digital operations management since 2009, PagerDuty helps enterprises manage the complex web of infrastructure, applications, and systems that power today's digital experiences. The PagerDuty Operations Cloud sits at the center of the enterprise technology stack as a system of intelligence and action, ingesting signals from over 750 integrations—including monitoring, observability, security, customer service, and development tools—to orchestrate the right response across people, machines, and software.

Built for the modern era of artificial intelligence ("AI"), PagerDuty empowers customers to maximize the value of their AI investments through agentic workflows, AI-powered automation, and intelligent orchestration that accelerates incident detection and resolution while enabling teams to focus on innovation rather than firefighting.

In today's environment, every business is fundamentally a digital business. Whether in retail, financial services, healthcare, telecommunications, or supply chain logistics, modern commerce depends on increasingly complex networks of digital infrastructure, cloud services, applications, and distributed teams that operate in an always-on world. This complexity continues to accelerate as organizations adopt AI-driven systems and integrate AI across their operations.

Customer expectations have never been higher. Incidents are measured not just in lost revenue but in damaged brand reputation and customer trust. Organizations face mounting pressure to deliver always-on digital experiences, resolve issues proactively before customers are impacted, and innovate rapidly without proportionally increasing operational costs or headcount. The ability to anticipate, orchestrate, and resolve time-sensitive, critical, and unplanned work before it escalates has become a strategic imperative and competitive differentiator.

Since our founding in 2009, PagerDuty has evolved from a single product focused on on-call management for developers into a comprehensive, multi-product operations cloud that spans the entire enterprise. Today, our platform breaks down organizational silos across development, IT operations, security, customer service, and business operations, reaching technical practitioners and executive stakeholders alike.

Over more than a decade, we have built one of the industry's most comprehensive integration ecosystems, with over 750 direct integrations spanning monitoring tools, cloud platforms, collaboration systems, ITSM solutions, and business applications. We also support the Model Context Protocol ("MCP"), enabling seamless integration with AI agents and large language model-powered tools to extend our platform's capabilities into emerging AI workflows. This deep integration fabric allows our customers to gather and correlate digital signals from across their entire technology stack – both modern cloud-native and legacy systems – without the friction of context switching or manual data aggregation.

These same integrations enable powerful workflow automation, connecting technical operations with popular collaboration tools and business applications to drive coordinated responses and accelerate resolution. Our open platform approach and extensive partner ecosystem have become a strategic moat, making PagerDuty increasingly embedded and essential within our customers' operations.

We generate revenue primarily from cloud-hosted software subscriptions, with additional revenue from term-license arrangements. Our land-and-expand business model drives viral adoption and natural expansion as teams experience value and extend PagerDuty to new users, use cases, and products. During the current fiscal year, we took initial steps to provide customers with more flexible pricing options, including usage-based pricing models that enable customers to seamlessly scale between human responders, agents, and automated solutions, better aligning customer investments to business outcomes rather than headcount and licenses, and supporting our transition from traditional single-year seat-based licensing to multiyear platform usage agreements.

While the PagerDuty platform serves organizations of all sizes, we have strategically focused our go-to-market investments, including our enterprise field sales organization, on serving enterprise customers where we see the greatest opportunity for platform adoption and expansion. Today, nearly half of the Fortune 500 and approximately two-thirds of the Fortune 100 rely on PagerDuty as mission-critical infrastructure. Our enterprise customers represent the majority of our revenue and demonstrate strong retention and expansion characteristics.

Macroeconomic Environment

Our business and financial performance has and may continue to be subject to the effects of worldwide macroeconomic conditions, including, but not limited to, global inflation and heightened interest rates, tariffs and trade wars, existing and new laws and regulations, and economic uncertainty and volatility globally and in the jurisdictions in which we do business.

We will continue to monitor the direct and indirect impacts of these or similar circumstances on our business and financial results. For additional information on the potential impact of macroeconomic conditions on our business, see Part II, Item 1A, Risk Factors.

Key Business Metrics

We review the following key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

While these metrics are based on what we believe to be a reasonable representation of our customer base for the applicable period of measurement, we rely on a third party to validate legal entities using the best available data at period end, and therefore, these metrics are subject to change as new information becomes available. In addition, we are continually seeking to improve our methodology, which may result in future changes to our key metrics.

Annual Recurring Revenue ("ARR")

We believe ARR is a key metric to measure our business performance because it is an indication of our ability to maintain and expand our relationships with existing customers and generate new business. We define ARR as the annualized recurring revenue of all active contracts at the end of a reporting period.

ARR was as follows as of the dates indicated (in millions):

	As of July 31,	
	2026	2025
ARR	$ 501.4	$ 498.9

Number of Customers

We believe that the number of customers using our platform, particularly those that have subscription agreements for more than $100.0 thousand in ARR, are indicators of our market penetration, particularly within enterprise accounts, the growth of our business, and our potential future business opportunities. We define a customer as a separate legal entity, such as a company or an educational or government institution, that has an active subscription with us or one of our partners to access our platform. In situations where an organization has multiple subsidiaries or divisions, we treat the parent entity as the customer instead of treating each subsidiary or division as a separate customer. Increasing awareness of our platform and its broad range of capabilities, coupled with the fact that the world is always on and powered by increasingly complex technology, has expanded the diversity of our customer base to include organizations of all sizes across virtually all industries. Over time, enterprise customers have constituted a greater share of our revenue. The total number of paid customers and the number of customers with greater than $100.0 thousand in ARR were as follows as of the dates indicated:

	As of July 31,	
	2026	2025
Customers	15,506	15,322
Customers with greater than $100.0 thousand in ARR	884	868

Dollar-based Net Retention Rate

We use dollar-based net retention rate to evaluate the long-term value of our customer relationships, since this metric reflects our ability to retain and expand the ARR from our existing paid customers. Our dollar-based net retention rate compares our ARR from the same set of customers across comparable periods.

We calculate dollar-based net retention rate as of a period end by starting with the ARR from the cohort of all paid customers as of 12 months prior to such period end ("Prior Period ARR"). We then calculate the ARR from these same customers as of the current period end ("Current Period ARR"). Current Period ARR includes any expansion and is net of downgrades or churn over the last 12 months but excludes ARR from new customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the dollar-based net retention rate. The dollar-based net retention rate was as follows as of the dates indicated:

	Last 12 months ended July 31,	
	2026	2025
Dollar-based net retention rate	98 %	102 %

Results of Operations

Three months ended July 31, 2026 compared to three months ended July 31, 2025

The following table sets forth our results of operations for the periods indicated and as a percentage of revenue (in thousands, except percentages):

	Three months ended July 31,			
	2026		2025	
Revenue	$ 124,436	100.0 %	$ 123,411	100.0 %
Cost of revenue[(1)]	20,037	16.1 %	19,001	15.4 %
Gross profit	104,399	83.9 %	104,410	84.6 %
Operating expenses:				
Research and development[(1)]	30,897	24.8 %	30,897	25.0 %
Sales and marketing[(1)]	38,325	30.8 %	44,456	36.0 %
General and administrative[(1)]	24,938	20.0 %	25,491	20.7 %
Total operating expenses	94,160	75.7 %	100,844	81.7 %
Income from operations	10,239	8.2 %	3,566	2.9 %
Interest income	4,101	3.3 %	6,149	5.0 %
Interest expense	(2,113)	(1.7)%	(2,286)	(1.9)%
Other (expense) income, net	(157)	(0.1)%	120	0.1 %
Income before provision for (benefit from) income taxes	12,070	9.7 %	7,549	6.1 %
Provision for (benefit from) income taxes	4,357	3.5 %	(1,865)	(1.5)%
Net income	$ 7,713	6.2 %	$ 9,414	7.6 %
Net loss attributable to redeemable non-controlling interest	(72)	(0.1)%	(161)	(0.1)%
Net income attributable to PagerDuty, Inc.	$ 7,785	6.3 %	$ 9,575	7.8 %
Less: Adjustment attributable to redeemable non-controlling interest	3,059	2.5 %	(202)	(0.2)%
Net income attributable to PagerDuty, Inc. common stockholders	$ 4,726	3.8 %	$ 9,777	7.9 %

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

	Three months ended July 31,	
	2026	2025
Cost of revenue	$ 665	$ 1,213
Research and development	5,592	9,560
Sales and marketing	3,064	5,285
General and administrative	7,151	9,902
Total	$ 16,472	$ 25,960

Revenue

We generate revenue primarily from cloud-hosted software subscription fees, which include platform subscriptions and credit packs for flexible platform capacity. We also generate revenue from term-license software subscription fees. Our subscriptions are typically one year in duration but can range from monthly to multi-year. Subscription fees are driven primarily by the number of customers, the number of users per customer, and the level of subscription purchased, and committed platform capacity. We generally invoice customers in advance in annual installments for subscriptions to our software. Revenue related to our cloud-hosted software subscriptions is recognized ratably over the related contractual term beginning on the date that our platform is made available to a customer. For our term-license software subscriptions, we recognize license revenue upon delivery, and software maintenance revenue ratably, typically beginning on the start of the contractual term of the arrangement.

Due to the low complexity of implementation and integration of our platform with our customers' existing infrastructure, revenue from professional services has not been material to date.

The following sets forth our revenue for the periods indicated (in thousands, except percentages):

	Three months ended July 31,		Change	
	2026	2025	$	%
Revenue	$ 124,436	$ 123,411	$ 1,025	0.8 %

Revenue increased primarily due to growth from new and existing customers. The growth from existing customers was primarily driven by upsell of additional products and services.

Cost of Revenue and Gross Margin

Cost of revenue primarily consists of expenses related to providing our platform to customers, including personnel expenses for operations and global support, payments to our third-party cloud infrastructure providers for hosting our software, payment processing fees, amortization of capitalized software costs, amortization of acquired developed technology and intangible assets, and allocated overhead costs for facilities, information technology, and other allocated overhead costs. We will continue to invest additional resources in our platform infrastructure and our customer support and success organizations to expand the capability of our platform and ensure that our customers are realizing the full benefit of our offerings. The level and timing of investment in these areas could affect our cost of revenue in the future.

Gross profit represents revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue. Our gross margin may fluctuate from period to period as our revenue fluctuates, and as a result of the timing and amount of investments to expand the capacity of our third-party cloud infrastructure providers and our continued efforts to enhance our platform support and customer success teams.

The following sets forth our cost of revenue and gross margin for the periods indicated (in thousands, except percentages):

	Three months ended July 31,		Change	
	2026	2025	$	%
Cost of revenue	$ 20,037	$ 19,001	$ 1,036	5.5 %
Gross margin	83.9 %	84.6 %		

Cost of revenue increased primarily due to: (i) an increase of $0.7 million in costs to support the business and related infrastructure, which include allocated overhead costs; (ii) an increase of $0.5 million in personnel costs, primarily related to increases in commissions and bonuses; and (iii) an increase of $0.3 million in hosting, software, and telecom costs; offset by (iv) a decrease of $0.3 million in amortization of acquired intangible assets; and (v) a decrease of $0.1 million in merchant fees.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing, and general and administrative expenses. Personnel expenses are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation expense, and sales commissions. Operating expenses also include amortization of acquired intangible assets, acquisition-related expenses, allocated overhead costs for facilities, shared IT related expenses, including depreciation expense, and certain company-wide events and functions.

The following table sets forth our operating expenses for the periods indicated (in thousands, except percentages):

	Three months ended July 31,		Change	
	2026	2025	$	%
Operating expenses:				
Research and development	$ 30,897	$ 30,897	$ —	— %
Sales and marketing	38,325	44,456	(6,131)	(13.8)%
General and administrative	24,938	25,491	(553)	(2.2)%
Total operating expenses	$ 94,160	$ 100,844	$ (6,684)	(6.6)%

Research and development: Research and development expenses consist primarily of personnel costs for our engineering, product, and design teams. Additionally, research and development expenses include outside services, depreciation of equipment used in research and development activities, acquisition-related expenses, impairment of capitalized software costs, and allocated overhead costs. We expect that our recurring research and development expenses will increase in dollar value as our business grows.

Research and development expenses remained flat primarily due to: (i) an increase of $1.7 million in costs to support the business and related infrastructure, which include allocated overhead costs; and (ii) an increase of $0.5 million in outside services spend; offset by (iii) a decrease of $2.0 million in personnel costs primarily as a result of a decrease in stock-based compensation; and (v) a decrease of $0.1 million in training and travel-related costs.

Sales and marketing: Sales and marketing expenses consist primarily of personnel costs, costs of outside services, costs of general marketing and promotional activities, training and travel-related expenses, amortization of acquired intangible assets, allocated overhead costs, and credit loss expense. Sales commissions earned by our sales force that are considered incremental and recoverable costs of obtaining a subscription with a customer are deferred and amortized on a straight-line basis over the expected period of benefit, which we have determined to be four years. We expect that our recurring sales and marketing expenses will generally increase in dollar value and continue to be our largest operating expense for the foreseeable future as we expand our sales and marketing efforts.

Sales and marketing expenses decreased primarily due to: (i) a decrease of $5.9 million in personnel costs, driven largely by a decrease in headcount and a decrease in stock-based compensation; (ii) a decrease of $0.7 million in costs to support the business and related infrastructure, which include allocated overhead costs; offset by (iii) an increase of $0.4 million in training and travel-related costs; and (iv) an increase of $0.2 million in outside services spend for consulting services.

General and administrative: General and administrative expenses consist primarily of personnel costs, training and travel-related costs, and outside services fees for finance, legal, human resources, information technology, and other administrative functions. In addition, general and administrative expenses include non-personnel costs, such as legal, accounting, and other professional fees, hardware and software costs, certain tax, license and insurance-related expenses, acquisition-related expenses, and allocated overhead costs. We expect that our recurring general and administrative expenses will increase in dollar value as our business grows. However, we expect that our general and administrative expenses will decrease as a percentage of our revenue over the longer term, as we expect our investments to allow for improved efficiency for future growth in the business.

General and administrative expenses decreased primarily due to: (i) a decrease of $2.6 million in personnel costs, driven largely by a decrease in headcount and a decrease in stock-based compensation; offset by (ii) an increase of $1.8 million in outside services spend for consulting services and (iii) an increase of $0.3 million in costs to support the business and related infrastructure, which include allocated overhead costs.

Non-Operating Income (Expense)

The following table sets forth our non-operating income (expense) for the periods indicated (in thousands, except percentages):

	Three months ended July 31,		Change	
	2026	2025	$	%
Interest income	$ 4,101	$ 6,149	$ (2,048)	(33.3)%
Interest expense	$ (2,113)	$ (2,286)	$ 173	(7.6)%
Other (expense) income, net	$ (157)	$ 120	$ (277)	(230.8)%
Provision for (benefit from) income taxes	$ 4,357	$ (1,865)	$ 6,222	(333.6)%

Interest income: Interest income consists of accretion income and amortization expense on our available-for-sale investments, income earned on our cash and cash equivalents, and interest earned on our short-term investments which consist of U.S. Treasury securities, commercial paper, corporate debt securities, and U.S. Government agency securities.

Interest income decreased primarily due to a lower cash and cash equivalents balance and lower interest rates year-over-year.

Interest expense: Interest expense consists primarily of contractual interest expense and amortization of debt issuance costs on our 1.25% Convertible senior notes due 2025 (the "2025 Notes") that were repaid during the three months ended July 31, 2025 and the contractual interest expense and amortization of debt issuance costs on our 1.50% Convertible Senior Notes due 2028 (the "2028 Notes") that were issued in October 2023.

Interest expense decreased primarily due to a decrease in interest expense related to our convertible notes, driven by the repayment of the 2025 Notes during three months ended July 31, 2025.

Other (expense) income, net: Other (expense) income, net primarily consists of foreign currency transaction gains and losses.

The change in other (expense) income, net was due to fluctuations in foreign currency during the period.

Provision for (benefit from) income taxes: Provision for (benefit from) income taxes consists primarily of income taxes in certain foreign and U.S. jurisdictions in which we conduct business.

The change in provision for (benefit from) income taxes is primarily attributable to an increase in pre-tax income, as well as tax deficiencies from stock-based compensation.

We regularly assess the need for a valuation allowance against our deferred tax assets. In making that assessment, we consider both positive and negative evidence in the various jurisdictions in which we operate related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all of the deferred tax assets will not be realized. During the year ended January 31, 2026, we achieved cumulative U.S. income, measured as pre-tax income adjusted for permanent book-tax differences. Based on all available positive and negative evidence, including the amount of our taxable income in recent years which is objective and verifiable, and taking into account anticipated future taxable earnings, we concluded that it was more likely than not that our U.S. federal and certain state deferred tax assets will be realizable, which resulted in a release of our U.S. valuation allowance, with the exception of certain state deferred tax assets that will not be realized in the future. Furthermore, based on available evidence, we believe it is more likely than not that certain non-U.S. deferred tax assets will not be fully realizable in the future. We continue to maintain a valuation allowance against such deferred tax assets. We will continue to monitor the need for a valuation allowance against our deferred tax assets on a quarterly basis.

Table of Contents

Six months ended July 31, 2026 compared to six months ended July 31, 2025

The following table sets forth our results of operations for the periods indicated and as a percentage of revenue (in thousands, except percentages):

	Six months ended July 31,			
	2026		2025	
Revenue	$ 245,403	100.0 %	$ 243,216	100.0 %
Cost of revenue[1]	39,057	15.9 %	38,185	15.7 %
Gross profit	206,346	84.1 %	205,031	84.3 %
Operating expenses:				
Research and development[1]	60,885	24.8 %	64,945	26.7 %
Sales and marketing[1]	77,935	31.8 %	94,501	38.9 %
General and administrative[1]	48,104	19.6 %	52,346	21.5 %
Total operating expenses	186,924	76.2 %	211,792	87.1 %
Income (loss) from operations	19,422	7.9 %	(6,761)	(2.8)%
Interest income	8,027	3.3 %	12,160	5.0 %
Interest expense	(4,220)	(1.7)%	(4,650)	(1.9)%
Other (expense) income, net	(228)	(0.1)%	234	0.1 %
Income before provision for (benefit from) income taxes	23,001	9.4 %	983	0.4 %
Provision for (benefit from) income taxes	10,158	4.1 %	(1,052)	(0.4)%
Net income	$ 12,843	5.2 %	$ 2,035	0.8 %
Net loss attributable to redeemable non-controlling interest	(225)	(0.1)%	(378)	(0.2)%
Net income attributable to PagerDuty, Inc.	$ 13,068	5.3 %	$ 2,413	1.0 %
Less: Adjustment attributable to redeemable non-controlling interest	(1,904)	(0.8)%	(867)	(0.4)%
Net income attributable to PagerDuty, Inc. common stockholders	$ 14,972	6.1 %	$ 3,280	1.3 %

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

	Six months ended July 31,	
	2026	2025
Cost of revenue	$ 1,514	$ 2,310
Research and development	11,729	19,400
Sales and marketing	7,248	11,504
General and administrative	13,944	18,499
Total	$ 34,435	$ 51,713

Revenue

The following sets forth our revenue for the periods indicated (in thousands, except percentages):

	Six months ended July 31,		Change	
	2026	2025	$	%
Revenue	$ 245,403	$ 243,216	$ 2,187	0.9 %

Revenue increased primarily due to growth from new and existing customers. The growth from existing customers was primarily driven by upsell of additional products and services.

Cost of Revenue and Gross Margin

The following sets forth our cost of revenue and gross margin for the periods indicated (in thousands, except percentages):

	Six months ended July 31,		Change	
	2026	2025	$	%
Cost of revenue	$ 39,057	$ 38,185	$ 872	2.3 %
Gross margin	84.1 %	84.3 %		

Cost of revenue increased primarily due to: (i) an increase of $1.4 million in hosting, software, and telecom costs; (ii) an increase of $1.0 million in costs to support the business and related infrastructure, which include allocated overhead costs; (iii) an increase of $0.8 million in personnel costs, primarily related to increases in commissions and bonuses; offset by (iv) a decrease of $1.2 million in amortization of acquired intangible assets; (v) a decrease of $0.5 million in merchant fees and (vi) a decrease of $0.5 million in outside services spend.

Operating Expenses

The following table sets forth our operating expenses for the periods indicated (in thousands, except percentages):

	Six months ended July 31,		Change	
	2026	2025	$	%
Operating expenses:				
Research and development	$ 60,885	$ 64,945	$ (4,060)	(6.3)%
Sales and marketing	77,935	94,501	(16,566)	(17.5)%
General and administrative	48,104	52,346	(4,242)	(8.1)%
Total operating expenses	$ 186,924	$ 211,792	$ (24,868)	(11.7)%

Research and development expenses decreased primarily due to: (i) a decrease of $7.4 million in personnel costs primarily as a result of a decrease in stock-based compensation; offset by (ii) an increase of $2.8 million in costs to support the business and related infrastructure, which include allocated overhead costs; and (iii) an increase of $0.9 million in outside services spend.

Sales and marketing expenses decreased primarily due to: (i) a decrease of $12.7 million in personnel costs, driven largely by a decrease in headcount and a decrease in stock-based compensation; (ii) a decrease of $1.2 million in costs to support the business and related infrastructure, which include allocated overhead costs; (iii) a decrease of $1.1 million in marketing costs for media campaigns; (iv) a decrease of $0.8 million in training and travel-related costs; and (v) a decrease of $0.5 million in credit loss expense.

General and administrative expenses decreased primarily due to: (i) a decrease of $4.5 million in personnel costs, driven largely by a decrease in headcount and a decrease in stock-based compensation; and (ii) a decrease of $0.3 million in insurance, business taxes, and licenses costs; offset by (iii) an increase of $0.6 million in costs to support the business and related infrastructure, which include allocated overhead costs.

Non-Operating Income (Expense)

The following table sets forth our non-operating income (expense) for the periods indicated (in thousands, except percentages):

	Six months ended July 31,		Change	
	2026	2025	$	%
Interest income	$ 8,027	$ 12,160	$ (4,133)	(34.0)%
Interest expense	$ (4,220)	$ (4,650)	$ 430	(9.2)%
Other (expense) income, net	$ (228)	$ 234	$ (462)	(197.4)%
Provision for (benefit from) income taxes	$ 10,158	$ (1,052)	$ 11,210	(1,065.6)%

Interest income decreased primarily due to a lower cash and cash equivalents balance and lower interest rates year-over-year.

Interest expense decreased primarily due to a decrease in interest expense related to our convertible notes, driven by the repayment of the 2025 Notes during six months ended July 31, 2025.

The change in other (expense) income, net was due to fluctuations in foreign currency during the period.

The change in provision for (benefit from) income taxes is primarily attributable to an increase in pre-tax income, as well as tax deficiencies from stock-based compensation.

Non-GAAP Financial Measures

In addition to our results determined in accordance with United States generally accepted accounting principles ("U.S. GAAP" or "GAAP"), we believe the following non-GAAP financial measures are useful in evaluating our operating performance. We use the below referenced non-GAAP financial information, collectively, to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their U.S. GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with U.S. GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses that are required by U.S. GAAP to be recorded in our financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by our management about which expenses are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP.

Specifically, we exclude the following from historical and prospective non-GAAP financial measures, as applicable:

Stock-based compensation: PagerDuty utilizes stock-based compensation to attract and retain employees. It is principally aimed at aligning their interests with those of its stockholders and at long-term retention, rather than to address operational performance for any particular period. As a result, stock-based compensation expenses vary for reasons that are generally unrelated to financial and operational performance in any particular period.

Employer taxes related to employee stock transactions: PagerDuty views the amount of employer taxes related to its employee stock transactions as an expense that is dependent on its stock price, employee exercise and other award disposition activity, and other factors that are beyond PagerDuty's control. As a result, employer taxes related to employee stock transactions vary for reasons that are generally unrelated to financial and operational performance in any particular period.

Amortization of acquired intangible assets: PagerDuty views amortization of acquired intangible assets as items arising from pre-acquisition activities determined at the time of an acquisition. While these intangible assets are evaluated for impairment regularly, amortization of the cost of purchased intangibles is an expense that is not typically affected by operations during any particular period.

Acquisition-related expenses: PagerDuty views acquisition-related expenses, such as transaction costs, acquisition-related retention payments, and acquisition-related asset impairment, as events that are not necessarily reflective of operational performance during a period. In particular, PagerDuty believes the consideration of measures that exclude such expenses can assist in the comparison of operational performance in different periods which may or may not include such expenses.

Amortization of debt issuance costs: The imputed interest rates of the Company's convertible senior notes (the "2025 Notes" and the "2028 Notes" or, collectively, the "Notes") was approximately 1.91% for the 2025 Notes and 2.13% for the 2028 Notes. This is a result of the debt issuance costs, which reduce the carrying value of the convertible debt instruments. The debt issuance costs are amortized as interest expense. The expense for the amortization of the debt issuance costs is a non-cash item, and we believe the exclusion of this interest expense will provide for a more useful comparison of our operational performance in different periods.

Restructuring costs: PagerDuty views restructuring costs, such as employee severance-related costs, as events that are not necessarily reflective of operational performance during a period. In particular, PagerDuty believes the consideration of measures that exclude such expenses can assist in the comparison of operational performance in different periods which may or may not include such expenses.

Shareholder matters: PagerDuty views certain charges, including third-party legal, consulting, and advisory fees, related to shareholder activity that are outside of the ordinary course of our business and expenses related to a cooperation agreement as events that are not necessarily reflective of operational performance during a period. PagerDuty believes that such charges do not have a direct correlation to the operations of the Company’s business and may vary in size depending on the timing, results, and resolution of such shareholder matters. The consideration of measures that exclude such expenses can assist in the comparison of operational performance in periods which may or may not include such expenses.

Executive transition costs: We exclude amounts paid to the Company's former executives upon departure under the terms of their transition agreements, including continued base salary payments made during their transition periods, acceleration of stock-based compensation, continued vesting of restricted stock units and performance stock units, and legal and consulting fees associated with the transition. Also excluded from our non-GAAP measures are recruiting costs related to the search for new executives. These costs represent expenses that are not indicative of our ongoing operating expenses. We further believe that excluding the executive transition costs from our non-GAAP results is useful to investors in that it allows for period-over-period comparability.

Adjustment attributable to redeemable non-controlling interest: PagerDuty adjusts the value of redeemable non-controlling interest of its joint venture PagerDuty K.K. according to the operating agreement. PagerDuty believes this adjustment is not reflective of operational performance during a period and exclusion of such adjustments can assist in comparison of operational performance in different periods.

Income tax effects and adjustments: Based on PagerDuty’s financial outlook for fiscal 2027, PagerDuty is utilizing a projected non-GAAP tax rate of 20%. For fiscal 2026, PagerDuty used a projected non-GAAP tax rate of 22%. PagerDuty uses a projected non-GAAP tax rate in order to provide better consistency across the interim reporting periods by eliminating the impact of non-recurring and period specific items, which can vary in size and frequency. PagerDuty's estimated tax rate on non-GAAP income is determined annually and may be adjusted during the year to take into account events or trends that PagerDuty believes materially impact the estimated annual rate including, but not limited to, significant changes resulting from tax legislation, material changes in the geographic mix of revenue and expenses and other significant events.

Non-GAAP gross profit and non-GAAP gross margin

We define non-GAAP gross profit as gross profit excluding the following expenses typically included in cost of revenue: stock-based compensation expense, employer taxes related to employee stock transactions, amortization of acquired intangible assets, and restructuring costs. We define non-GAAP gross margin as non-GAAP gross profit as a percentage of revenue.

The following table presents the calculation of non-GAAP gross profit and non-GAAP gross margin for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Gross profit	$ 104,399	$ 104,410	$ 206,346	$ 205,031
Add:				
Stock-based compensation	665	1,213	1,514	2,310
Employer taxes related to employee stock transactions	13	30	24	68
Amortization of acquired intangible assets	320	601	640	1,874
Restructuring costs	—	—	332	—
Non-GAAP gross profit	$ 105,397	$ 106,254	$ 208,856	$ 209,283
Revenue	$ 124,436	$ 123,411	$ 245,403	$ 243,216
Gross margin	83.9 %	84.6 %	84.1 %	84.3 %
Non-GAAP gross margin	84.7 %	86.1 %	85.1 %	86.0 %

Non-GAAP operating income and non-GAAP operating margin

We define non-GAAP operating income as income from operations excluding stock-based compensation expense, employer taxes related to employee stock transactions, amortization of acquired intangible assets, acquisition-related expenses, restructuring costs, shareholder matters, and executive transition costs, which are not necessarily reflective of operational performance during a given period. We define non-GAAP operating margin as non-GAAP operating income as a percentage of revenue.

The following table presents the calculation of non-GAAP operating income and non-GAAP operating margin for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Income (loss) from operations	$ 10,239	$ 3,566	$ 19,422	$ (6,761)
Add:				
Stock-based compensation	14,803	25,960	32,766	51,713
Employer taxes related to employee stock transactions	245	461	471	1,179
Amortization of acquired intangible assets	940	1,233	1,880	3,139
Acquisition-related expenses	—	35	—	263
Restructuring costs	—	73	1,431	3,884
Shareholder matters	—	79	—	2,349
Executive transition costs	3,303	—	3,303	—
Non-GAAP operating income	$ 29,530	$ 31,407	$ 59,273	$ 55,766
Revenue	$ 124,436	$ 123,411	$ 245,403	$ 243,216
Operating margin	8.2 %	2.9 %	7.9 %	(2.8)%
Non-GAAP operating margin	23.7 %	25.4 %	24.2 %	22.9 %

Non-GAAP net income attributable to PagerDuty, Inc. common stockholders

We define non-GAAP net income attributable to PagerDuty, Inc. common stockholders as net income attributable to PagerDuty, Inc. common stockholders excluding stock-based compensation expense, employer taxes related to employee stock transactions, amortization of debt issuance costs, amortization of acquired intangible assets, acquisition-related expenses, restructuring costs, shareholder matters, executive transition costs, adjustment attributable to redeemable non-controlling interest, and income tax effects and adjustments, which are not necessarily reflective of operational performance during a given period.

The following table presents the calculation of non-GAAP net income attributable to PagerDuty, Inc. common stockholders for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Net income attributable to PagerDuty, Inc. common stockholders	$ 4,726	$ 9,777	$ 14,972	$ 3,280
Add:				
Stock-based compensation	14,803	25,960	32,766	51,713
Employer taxes related to employee stock transactions	245	461	471	1,179
Amortization of debt issuance costs	606	655	1,201	1,332
Amortization of acquired intangible assets	940	1,233	1,880	3,139
Acquisition-related expenses	—	35	—	263
Restructuring costs	—	73	1,431	3,884
Shareholder matters	—	79	—	2,349
Executive transition costs	3,303	—	3,303	—
Adjustment attributable to redeemable non-controlling interest	3,059	(202)	(1,904)	(867)
Income tax effects and adjustments	(2,037)	(9,795)	(2,653)	(15,317)
Non-GAAP net income attributable to PagerDuty, Inc. common stockholders	$ 25,645	$ 28,276	$ 51,467	$ 50,955

Free cash flow

We define free cash flow as net cash provided by operating activities, less cash used for purchases of property and equipment and capitalization of software costs. In addition to the reasons stated above, we believe that free cash flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash in excess of our capital investments in property and equipment in order to enhance the strength of our balance sheet and further invest in our business and potential strategic initiatives. A limitation of the utility of free cash flow as a measure of our liquidity is that it does not represent the total increase or decrease in our cash balance for the period. We use free cash flow in conjunction with traditional U.S. GAAP measures as part of our overall assessment of our liquidity, including the preparation of our annual operating budget and quarterly forecasts and to evaluate the effectiveness of our business strategies. There are a number of limitations related to the use of free cash flow as compared to net cash provided by operating activities, including that free cash flow includes capital expenditures, the benefits of which are realized in periods subsequent to those when expenditures are made.

The following table presents the calculation of free cash flow for the periods indicated (in thousands):

	Three months ended July 31,		Six months ended July 31,	
	2026	2025	2026	2025
Net cash provided by operating activities	$ 36,946	$ 33,974	$ 81,229	$ 64,644
Purchases of property and equipment	(2,226)	(874)	(3,191)	(1,315)
Capitalization of software costs	(1,937)	(2,893)	(4,063)	(4,136)
Free cash flow	$ 32,783	$ 30,207	$ 73,975	$ 59,193
Net cash used in investing activities	$ (5,637)	$ (7,178)	$ (10,710)	$ (8,860)
Net cash used in financing activities	$ (6,522)	$ (59,085)	$ (74,130)	$ (63,040)

Liquidity and Capital Resources

Sources and Uses of Liquidity

As of July 31, 2026, our principal sources of liquidity were cash and cash equivalents and investments totaling $470.0 million. We believe that our existing cash and cash equivalents, investments, and net cash generated from our operating activities will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Since inception, we have financed operations primarily through sales of our cloud-hosted software subscriptions, net proceeds received from sales of equity securities, and the issuance of our 2028 Notes. We believe we will meet long-term expected future cash requirements and obligations through a combination of cash flows from operating activities and available cash and short-term investment balances.

Debt and Financing Arrangements

Refer to Note 9. Debt and Financing Arrangements, in the notes to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for discussion of our debt arrangements, including the timing of expected maturity of such arrangements. The $57.5 million principal of our 2025 Notes was repaid by us in cash at maturity during the year ended January 31, 2026.

Deferred Revenue

A significant majority of our customers pay in advance for our cloud-hosted and term-license software subscriptions. Therefore, a substantial source of our cash is from our deferred revenue, which is included in the liabilities section of our condensed consolidated balance sheet. Deferred revenue consists of the unearned portion of customer billings, which is recognized as revenue in accordance with our revenue recognition policy. As of July 31, 2026, we had deferred revenue of $236.0 million, of which $233.5 million was recorded as a current liability and expected to be recorded as revenue in the next 12 months, provided all other revenue recognition criteria are met.

Share Repurchase Programs

In March 2025, we announced that our Board of Directors approved a share repurchase program (the "2025 Share Repurchase Program") for the repurchase of shares of our common stock in an aggregate amount of up to $150.0 million. In August 2025, our Board of Directors approved an additional $50.0 million under the 2025 Share Repurchase Program, thus allowing for the repurchase of shares of the Company's common stock in an aggregate amount of up to $200.0 million. No other changes were made to the program. The 2025 Share Repurchase Program did not obligate us to acquire a specified number of shares, and could be suspended, modified, or terminated at any time, without prior notice. During the six months ended July 31, 2026, we repurchased 8,532,838 shares of common stock through open market purchases at an average per share price of $7.40, completing the 2025 Share Repurchase Program, and retired 8,896,106 shares, which includes 363,268 which remained on the consolidated balance sheet as of January 31, 2026. Under the 2025 Share Repurchase Program, we repurchased a total of 18,606,569 shares of common stock through open market purchases at an average per share price of $10.75 for a total repurchase price of $200.0 million. As of July 31, 2026, all repurchased shares have been retired.

In May 2026, we announced that our Board of Directors approved a share repurchase program (the "2026 Share Repurchase Program") for the repurchase of shares of our common stock in an aggregate amount of up to $100.0 million. The 2026 Share Repurchase Program does not obligate us to acquire a specified number of shares, and can be suspended, modified, or terminated at any time, without prior notice. During the three and six months ended July 31, 2026, we repurchased 799,112 shares of common stock through open market purchases at an average per share price of $9.51. The cost of these shares is recorded as treasury stock in the condensed consolidated balance sheets. As of July 31, 2026, $92.4 million of the total amount authorized to be repurchased remained available.

Future Contractual Obligations

Our estimated future obligations as of July 31, 2026 include both current and long-term obligations. Our debt obligations total $396.9 million, all of which is long-term. Additionally, we had $1.0 million of irrevocable standby letters of credit outstanding which were fully collateralized by our restricted cash, all of which represents a long-term cash obligation. Under our operating leases, we had a current obligation of $6.0 million and a long-term obligation of $9.9 million. Operating lease obligations primarily represent the initial contracted term for leases that have commenced as of July 31, 2026, not including any future optional renewal periods.

Effect of Exchange Rates

Our changes in cash can be impacted by the effect of fluctuating exchange rates. Foreign exchange had a negative effect on cash in the six months ended July 31, 2026, decreasing our total cash balance by $0.1 million as of July 31, 2026 and a positive effect on cash in the six months ended July 31, 2025, increasing our total cash balance by $0.1 million as of July 31, 2025.

Cash Flow Information

The following table sets forth our cash flows for the periods indicated (in thousands):

	Six months ended July 31,		
	2026	2025	$ Change
Net cash provided by operating activities	$ 81,229	$ 64,644	$ 16,585
Net cash used in investing activities	(10,710)	(8,860)	(1,850)
Net cash used in financing activities	(74,130)	(63,040)	(11,090)
Effects of foreign currency exchange rates on cash, cash equivalents, and restricted cash	(140)	113	(253)
Net change in cash, cash equivalents, and restricted cash	$ (3,751)	$ (7,143)	$ 3,392

Operating Activities

Net cash provided by operating activities improved, primarily due to improvements in our operating income performance due to the 0.9% increase in revenue, along with a 11.7% decrease in operating expenses. Cash provided by operating activities is subject to variability period-over-period as a result of timing differences, including with respect to the collection of receivables and payments of accounts payable, and other items.

Investing Activities

Net cash used in investing activities increased, primarily due to an increase in purchases of property and equipment.

Financing Activities

Net cash used in financing activities increased, primarily due to an increase in repurchases of common stock, a decrease in cash used to repay our convertible senior notes, and a decrease in employee payroll taxes related to the net share settlement of restricted stock units.

Off-Balance Sheet Arrangements

Indemnification Agreements

See Note 10. Commitments and Contingencies, in the notes to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of our indemnification agreements.

Letters of Credit

We had $1.0 million of irrevocable standby letters of credit outstanding as of July 31, 2026. Letters of credit are primarily used as a form of security deposits for the spaces we lease.

Critical Accounting Estimates

For a description of our critical accounting estimates, refer to Part II, Item 7, Critical Accounting Estimates in our Annual Report on Form 10-K for the year ended January 31, 2026. There have been no material changes to our critical accounting estimates since our Annual Report on Form 10-K for the year ended January 31, 2026 .

Recent Accounting Pronouncements

See Note 2. Summary of Significant Accounting Policies, in the notes to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in our market risk from the information provided in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in our Annual Report on Form 10-K for the year ended January 31, 2026.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that 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 chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, with the participation and supervision of our chief executive officer and our chief financial officer, have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our chief executive officer and chief financial officer have concluded that as of such date, our disclosure controls and procedures were, in design and operation, effective at a reasonable assurance level.

Limitations on the Effectiveness of Controls

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, in designing and evaluating the disclosure controls and procedures, management recognizes that any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute 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. Moreover, 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. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended July 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows, or financial condition.

Item 1A. Risk Factors

Our business involves significant risks, some of which are described below. You should carefully consider the following risks, together with all of the other information in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. Any of the following risks could have an adverse effect on our business, results of operations, financial condition or prospects, and could cause the trading price of our common stock to decline. Our business, results of operations, financial condition or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material.

Other than the risk factors below, there have been no material changes from the risk factors described in Part I. Item 1A., "Risk Factors" in our Annual Report on Form 10-K for year ended January 31, 2026, as updated by the "Risk Factors" described under Part I. Item 1A., "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended April 30, 2026.

Our previous and any future restructuring efforts may not result in the anticipated savings or operational efficiencies expected, could result in greater total costs and expenses than we estimated, and could disrupt our business.

We have undertaken, and may undertake from time to time in the future, certain restructuring efforts to drive more efficient growth and advance our scaling initiatives. For example, in August 2026, we announced that as part of our ongoing actions to improve operational efficiency and better align resources with the Company's strategic priorities, we would be reallocating certain roles and realigning teams to continue to improve operational resiliency and agility. The immediate impact was a reduction in the Company's headcount of approximately 15%. We may incur additional expenses not currently contemplated due to events associated with the restructuring, for example, the restructuring may have a future impact on other areas of our liabilities and obligations, which could result in losses in future periods. We may not realize, in full or in part, the anticipated benefits and savings from such restructuring efforts due to unforeseen difficulties, delays or unexpected costs.

Furthermore, restructuring efforts may be disruptive to our operations. For example, headcount reductions could yield unanticipated consequences, such as attrition beyond planned staff reductions, increased difficulties in our day-to-day operations, and reduced employee morale. If employees who were not affected by a reduction in headcount seek alternative employment, this could result in unplanned additional expense to ensure adequate resourcing or harm our productivity. Headcount reductions could also harm our ability to attract and retain qualified management, sales, marketing, engineering, and other personnel who are critical to our business. If we are unable to realize the expected operational efficiencies and cost savings from a restructuring, our operating results and financial condition would be adversely affected.

If we lose key members of our management team or are unable to attract and retain executives and employees we need to support our operations and growth, our business may be harmed.

Our success and future growth depend upon the continued services of our management team and other key employees. From time to time, there may be changes in our management team resulting from the hiring or departure of executives and key employees, which could disrupt our business. Our senior management and key employees are employed on an at-will basis. We currently do not have "key person" insurance on any of our employees. Certain of our key employees have been with us for a long period of time and have fully vested stock options or other long-term equity incentives that may become valuable and may be sold in the public markets, generating significant proceeds, which may reduce their motivation to continue to work for us. The loss of one or more of our senior management, or other key employees could harm our business, and we may not be able to find adequate replacements. In May 2026, we announced the succession of our Chief Executive Officer, Jennifer Tejada, and the appointment of a new Chief Executive Officer, John DiLullo.

Additionally, in November 2025, we announced the planned retirement of Howard Wilson, our Chief Financial Officer, and in June 2026, we announced the appointment of a new Chief Financial Officer, Eric Prengel. Such significant changes among our senior executives may create uncertainty or present challenges related to continuity of our business, preservation of our culture, and our ability to attract and retain highly qualified personnel. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees, and we cannot ensure that we would be able to timely replace members of our senior management or other key employees should any of them depart.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

Unregistered Sales of Equity Securities

None.

Use of Proceeds

None.

Issuer Purchases of Equity Securities

The following table presents information with respect to our repurchases of common stock during the three months ended July 31, 2026:

Period	Total number of shares purchased[(1)]	Average price paid per share[(2)]	Total number of shares purchased as part of publicly announced program[(1)]	Approximate dollar value of shares that may yet be purchased under publicly announced program (in thousands)[(1)]
May 1 - 31, 2026	—	$ —	—	100,000
June 1 - 30, 2026	357,254	$ 8.74	357,254	96,879
July 1 - 31, 2026	441,858	$ 10.14	441,858	92,398
Total	799,112		799,112	

(1) In May 2026, our Board of Directors authorized a stock repurchase program of up to $100.0 million of our common stock. Share repurchases under share repurchase program may be made from time to time on the open market, pursuant to Rule 10b5-1 trading plans, or other legally permissible means. The share repurchase program does not obligate us to acquire a specified number of shares, and may be suspended, modified, or terminated at any time, without prior notice. The number of shares to be repurchased will depend on market conditions and other factors. See Note 12. Common Stock and Stockholders' Equity elsewhere in this Quarterly Report on Form 10-Q for additional information related to share repurchases.
(2) Average price paid per share excludes cash paid for commissions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

During the three months ended July 31, 2026, none of the Company's directors or Section 16 officers adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 401(a) of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by references to filings previously made with the SEC.

		Incorporated by Reference				
Exhibit Number	Description	Form	File No.	Exhibit	Filing Date	Filed or Furnished Herewith
3.1	Amended and Restated Certificate of Incorporation of PagerDuty, Inc.	8-K	001-38856	3.1	April 15, 2019	
3.2	Amended and Restated Bylaws of PagerDuty, Inc.	8-K	001-38856	3.2	April 15, 2019	
10.1	Transition Agreement for Jennifer Tejada effective May 11, 2026†	10-Q	001-38856	10.1	May 28, 2026	
10.2	Offer Letter by and between PagerDuty, Inc. and John DiLullo†	10-Q	001-38856	10.2	May 28, 2026	
10.3	Sign-On Bonus Letter by and between PagerDuty, Inc. and John DiLullo†	10-Q	001-38856	10.3	May 28, 2026	
10.4	Offer Letter by and between PagerDuty, Inc. and Eric Prengel†					X
31.1	Certification of the Chief Executive Officer pursuant to Exchange Act Rule 13a-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of the Chief Financial Officer pursuant to Exchange Act Rule 13a-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					X

* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.
† Indicates a management contract or compensatory plan.

SIGNATURES

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

	PAGERDUTY, INC. (registrant)
August 27, 2026	/s/ John DiLullo
Date	John DiLullo Chief Executive Officer (Principal Executive Officer)
August 27, 2026	/s/ Eric Prengel
Date	Eric Prengel Chief Financial Officer (Principal Financial Officer)
August 27, 2026	/s/ Paul Underwood
Date	Paul Underwood Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.4

PagerDuty, Inc.

600 Townsend Street, Suite 200
San Francisco, CA 94103

June 4, 2026

Dear Eric Prengel,

On behalf of PagerDuty, Inc., a Delaware corporation (the "Company"), I am pleased to offer you the position of Chief Financial Officer of the Company, subject to your formal appointment by the Board of Directors. We believe that you will add substantially to the team and contribute greatly to the ultimate success of the Company by providing the Company with the same extraordinary leadership and vision that you have demonstrated throughout your career. The existing PagerDuty team and I look forward to your help in building PagerDuty into a great company.

We understand and appreciate the nature of the commitment you are making to join the Company, and we want you to do so with great confidence. You have the qualities that distinguish successful executives: leadership, vision, high integrity, intelligence, a bias to action, and a desire to make a difference. We are extremely enthusiastic about your accepting this offer.

The terms of your employment with the Company are as set forth in the agreement ("Agreement") below:

1. **Position**.

(a) You will become Chief Financial Officer, reporting directly to the Company's Chief Executive Officer, subject to formal appointment by the Board of Directors.

(b) You agree that, to the best of your ability and experience, you will at all times loyally and conscientiously perform all of the duties and obligations required of and from you pursuant to the express and implicit terms hereof, and to the reasonable satisfaction of the Company. During the term of your employment, you further agree that (i) you will devote substantially all of your business time and attention to the business of the Company, (ii) you will not render commercial or professional services of any nature to any person or organization without the prior written approval of the Company's Board of Directors (the "Board"), and (iii) you will not directly or indirectly engage or participate in any business that is competitive in any manner with the business of the Company. Notwithstanding the above, you may continue, on your own time, at your own expense and so as to not interfere with your duties and responsibilities at the Company to (i) serve as an advisory board member or Board of Directors member at other companies that are not competitive in any manner to the Company, upon prior notice to the Board, (ii) accept speaking or presentation engagements in exchange for honoraria, and (iii) participate in civic, educational, charitable or fraternal organizations. This Agreement does not prevent you from owning no more than one percent (1%) of the outstanding equity securities of a corporation whose stock is listed on a national stock exchange and is a competitor or potential competitor of the Company.

2. **Start Date.** The effective date of your full-time employment will be June 22, 2026 (the "Start Date"). Your principal place of employment will be at the Company's headquarters in San Francisco, California.

3. **Compensation**.

(a) **Base Salary.** You will be paid an annual salary of $460,000 United States dollars ("USD") (your "Base Salary"), which will be paid in installments based on the Company's normal payroll procedures as in effect from time to time and subject to applicable withholding . Currently, the Company has two payroll dates each month on the 15th and the last day of each calendar month. You will be employed as an exempt, salaried employee of the Company and will be expected to be engaged on a full-time basis in your duties to the Company as may be needed to carry out your duties properly and completely.

(b) **Variable Compensation.**

Short-Term Incentive: You will be eligible to earn a bonus under the PagerDuty, Inc. Short-Term Incentive Program ("the Program") and your annual fiscal year Target Bonus Amount (as that term used in the governing document for the Program) will be equal to 75% of your Base Salary. The Program is administered by the Company and your entitlement to a bonus under the Program will be determined in the sole discretion of the Company. The Program payments are linked to Company objectives (the "Performance Metrics") that are determined on a fiscal year basis (the Company's fiscal year is the one-year period commencing each February 1, and ending on the following January 31). These Performance Metrics may be modified at the Company's discretion. To be paid a bonus you must meet all of the requirements for payment in the Program (including, but not limited to, certain required periods of employment and employment through the payment date of the bonus). For the Company's 2027 fiscal year, your annual bonus opportunity will be pro-rated based on your employment start date with the Company, as further described in the Program.

The foregoing discussion of the Program is subject in all respects to the terms and conditions of the governing document for the Program as that may be in effect from time to time, and in the event of any conflict between the description above and the terms of the Program, the Program will control. Notwithstanding the foregoing, in any event, no bonus is guaranteed and the Board (or a duly authorized committee thereof) will determine whether you have earned a bonus (or portion thereof), and its determination will be final and binding. If your employment with the Company terminates for any reason prior to the payment date of a bonus, you will not earn or be paid such bonus.

Annual Review. Your total compensation, including your Base Salary and variable compensation opportunities, will be reviewed periodically (at least annually) and may be adjusted as part of the Company's performance achievement process.

(c) **Equity Awards.** In connection with the commencement of your employment, and subject to approval by the Board or a duly authorized committee thereof, you will be granted a restricted stock unit award of 600,000 shares of common stock ("Common Stock") of the Company ("RSU Grant") and a performance-based restricted stock unit award of 300,000 shares of Common Stock assuming achievement of 100% of the "target" Performance Metrics (as defined below) ("PSU Grant"), each pursuant to the terms and conditions of the PagerDuty, Inc. 2019 Equity Incentive Plan (the "Equity Incentive Plan"). Each of the RSU Grant and PSU Grant shall be granted on the Company's first regular quarterly grant date following your Start Date (the "Grant Date"), provided such awards are approved by the Board or a duly authorized committee thereof and you remain employed with the Company on such Grant Date. The Performance Stock Award that would be vested and settled to the extent determined based on certain applicable Performance Metrics (as defined below) assuming achievement of 100% of the "target" Performance Metrics. The vesting of the RSUs and PSUs will be as follows:

i. The RSU Grant will begin vesting as of the effective date of the grant ("Grant Date"), which will typically be no later than three (3) months after your hire date. The RSU Grant will become vested as to 1/16th of the underlying shares of Common Stock on each of the sixteen quarterly anniversaries of the Grant Date, so that the RSU Grant shall be fully vested on the fourth (4th) anniversary of the Grant Date, subject to your Continuous Service (as defined in the Equity Incentive Plan) on each vesting date.

ii. To the extent earned, one-third (1/3) of the PSUs will vest on April 2, 2027, based on the achievement of revenue performance criteria below, as determined by the Board.

PSU Revenue Payout Model	FY27 Revenue (mUSD)	Performance Against Target	Payout
Below Threshold	<488.5	<98%	0%
Threshold	488.5	98%	25%
Target	496.5	100%	100%
Level 3	501	101%	140%
Max Level	505	102%	200%

Attainment of the fiscal year 2027 revenue performance criteria between any two points will be straight-line extrapolated for applicable payout.

The remaining two-thirds (2/3) of the PSU Grant shall vest as follows: one-third (1/3) of the PSU Grant shall be eligible to vest on each of April 2, 2028 and April 2, 2029), based on the achievement of annual performance criteria established under the Company's operating plan for each such fiscal year, as determined by the Board.

iii. Notwithstanding the foregoing, the RSU Grant and PSU Grant described above are subject to all terms and conditions of the Equity Incentive Plan and the relevant Award Agreements.

You should consult your tax advisor about the tax implications associated with accepting this offer of RSU Grant and PSU Grant.

4. **Benefits**. As an employee, you will be eligible to receive employee benefits consistent with those generally provided to other senior executives of the Company, in all cases, benefits will be subject to the terms and conditions of the applicable benefit plans and Company policies.

5. **Confidential Information and Invention Assignment Agreement.** Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's standard Confidential Information and Invention Assignment Agreement, a copy of which is attached hereto as Exhibit A for your review and execution (the "Confidentiality Agreement").

6. **<u>Background Checks</u>.** The Company reserves the right to conduct background investigations and/or reference checks on all of its potential employees. Your job offer, therefore, is contingent upon a clearance of such a background investigation and/or reference check, if any. Finance and Leadership candidates will additionally have a credit check, to the extent allowed by applicable law. If portions of the background check are not completed prior to your start date for any reason, you understand that your employment is subject to termination if the background check is not acceptable to PagerDuty once completed.

7. **<u>Evidence of Employment Eligibility</u>.** For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

8. **<u>Employment Relationship.</u>** Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations which may have been made to you are superseded by this offer. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and the Company's Chief Executive Officer or Board. You should provide at least thirty (30) days' prior written notice before resigning your employment for any reason.

9. **<u>Termination of Employment and Severance Benefits</u>.**

   (a) **<u>Severance Benefits</u>.** Subject to approval by the Compensation Committee and/or Board of Directors, you will be eligible to receive severance benefits as provided for with respect to Tier 2 Participant in the Company's Amended and Restated Executive Severance and Change in Control Policy as amended effective October 30, 2023, attached hereto as Exhibit B (the "Policy"), , subject to all terms and conditions of the Policy and subject further to any such discretionary determinations as are provided for or permitted in the Policy.

   (b) **<u>Circumstances in which Severance Benefits are not Available</u>.** If your employment terminates for any reason other than by the Company without Cause or by you for Good Reason (as such terms are defined in the Policy), you will not be entitled to any severance benefits and you will be entitled to only those payments required to be made to you by law or applicable Company benefit plans.

10. **Miscellaneous Provisions**.

(a) **Choice of Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California, without giving effect to the principles of conflicts of law.

(b) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

(c) **Severability**. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without such provision.

(d) **Acknowledgment**. You acknowledge that you have had the opportunity to discuss this matter with and obtain advice from your private attorney, have had sufficient time to, and have carefully read and fully understand all the provisions of this Agreement, and are knowingly and voluntarily entering into this Agreement.

(e) **Arbitration**. Except as provided below, to ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company (including, but not limited to, any Company employee, director, or officer), you and the Company agree that any dispute, claims, causes of action, or controversies, in law or equity, arising out of, relating to, or in connection with this Agreement, or the interpretation, validity, construction, performance, breach, or termination thereof, or your employment with the Company or the termination of your employment, shall be settled pursuant to the Federal Arbitration Act, 9 U.S.C. § 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by the American Arbitration Association ("AAA") or its successor, to be held in San Francisco County, California in accordance with the National Rules for the Resolution of Employment Disputes then in effect of the AAA (the "Rules"). The arbitrator shall: (a) ensure that each party to any such arbitration can obtain adequate adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written opinion signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. The Company shall pay all AAA arbitration fees in excess of the administrative fees that you would be required to pay if the dispute were decided in a court of law. The arbitrator may grant injunctions or other relief in such dispute or controversy. Nothing in this letter agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

The arbitrator shall apply California law to the merits of any dispute or claim, without reference to rules of conflict of law. You hereby expressly consent to the personal jurisdiction of the state and federal courts located in California for any action or proceeding arising from or relating to this Agreement and/or relating to any arbitration in which the parties are participants.

In addition, all claims, disputes, controversies, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This section shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, claims brought pursuant to the California Private Attorneys General Act of 2004, as amended (collectively, the “Excluded Claims”). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration. You will have the right to be represented by legal counsel at any arbitration proceeding.

YOU HAVE READ AND UNDERSTAND THESE PROVISIONS, WHICH DISCUSS ARBITRATION. YOU UNDERSTAND THAT BY SIGNING THIS AGREEMENT, YOU AND THE COMPANY AGREE TO SUBMIT ANY FUTURE CLAIMS ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT, OR THE INTERPRETATION, VALIDITY, CONSTRUCTION, PERFORMANCE, BREACH, OR TERMINATION THEREOF, OR YOUR EMPLOYMENT WITH THE COMPANY OR TERMINATION OF YOUR EMPLOYMENT WITH THE COMPANY, TO BINDING ARBITRATION TO THE EXTENT

PERMITTED BY LAW, AND THAT THIS ARBITRATION CLAUSE CONSTITUTES A WAIVER OF YOUR RIGHT TO A JURY TRIAL AND RELATES TO THE RESOLUTION OF ALL DISPUTES RELATING TO ALL ASPECTS OF THE EMPLOYER/EXECUTIVE RELATIONSHIP, INCLUDING BUT NOT LIMITED TO, THE FOLLOWING CLAIMS:

i. ANY AND ALL CLAIMS FOR WRONGFUL DISCHARGE OF EMPLOYMENT; BREACH OF CONTRACT, BOTH EXPRESS AND IMPLIED; BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING, BOTH EXPRESS AND IMPLIED; NEGLIGENT OR INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS; NEGLIGENT OR INTENTIONAL MISREPRESENTATION; NEGLIGENT OR INTENTIONAL INTERFERENCE WITH CONTRACT OR PROSPECTIVE ECONOMIC ADVANTAGE; AND DEFAMATION;

ii. ANY AND ALL CLAIMS FOR VIOLATION OF ANY FEDERAL STATE OR MUNICIPAL STATUTE, INCLUDING, BUT NOT LIMITED TO, THE CIVIL RIGHTS ACT OF 1991, THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, THE AMERICANS WITH DISABILITIES ACT OF 1990, THE FAIR LABOR STANDARDS ACT; AND

iii. ANY AND ALL CLAIMS ARISING OUT OF ANY OTHER LAWS AND REGULATIONS RELATING TO EMPLOYMENT OR EMPLOYMENT DISCRIMINATION.

To accept the Company's offer, please sign and date this letter in the space provided below. A duplicate original is enclosed for your records. If you accept our offer, your first day of employment will be on or before June 22, 2026. This letter, along with any agreements relating to proprietary rights between you and the Company, set forth the terms of your employment with the Company and supersede any prior representations or agreements including, but not limited to, any representations made during your recruitment, interviews or pre-employment negotiations, whether written or oral. This letter, including, but not limited to, its at will employment provision, may not be modified or amended except by a written agreement signed by the CEO of the Company and you. This offer of employment will terminate if it is not accepted, signed and returned by June 5, 2026.

I look forward to your favorable reply and to working with you at PagerDuty.

By: /s/ Tracie Giles By: /s/ Eric Prengel

Name: Tracie Giles Name: Eric Prengel

Title: Senior Vice President People & Workplaces

Date: 6/4/2026 Date: 6/4/2026

Exhibit A: Confidential Information and Invention Assignment Agreement
Exhibit B: Executive Severance and Change in Control Policy

<u>EXHIBIT A</u>

PagerDuty, Inc.
<u>CONFIDENTIAL INFORMATION AND</u>
<u>INVENTION ASSIGNMENT AGREEMENT</u>

Employee Name: Eric Prengel

Effective Date: <u>June 22, 2026</u>

As a condition of my becoming employed by PagerDuty, Inc., a Delaware corporation, or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "<u>Company</u>"), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following:

1. **<u>Relationship</u>.** This Agreement will apply to my employment relationship with the Company. If that relationship ends and the Company, within a year thereafter, either reemploys me or engages me as a consultant, I agree that this Agreement will also apply to such later employment or consulting relationship, unless the Company and I otherwise agree in writing. Any such employment or consulting relationship between the Company and me, whether commenced prior to, upon or after the date of this Agreement, is referred to herein as the "<u>Relationship</u>."

2. **<u>Duties</u>.** I will perform for the Company such duties as may be designated by the Company from time to time or that are otherwise within the scope of the Relationship and not contrary to instructions from the Company. During the Relationship, I will devote my entire best business efforts to the interests of the Company and will not engage in other employment or in any activities detrimental to the best interests of the Company without the prior written consent of the Company.

3. **<u>Confidential Information.</u>**

(a) **<u>Protection of Information</u>.** I agree, at all times during the term of the Relationship and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company to the extent necessary to perform my obligations to the Company under the Relationship, and not to disclose to any person, firm, corporation or other entity, without written authorization from the Company in each instance, any Confidential Information (as defined below) that I obtain, access or create during the term of the Relationship, whether or not during working hours, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved. I further agree not to make copies of such Confidential Information except as authorized by the Company.

(b) **<u>Confidential Information</u>.** I understand that "<u>Confidential Information</u>" means information and physical material not generally known or available outside the Company and information and physical material entrusted to the Company in confidence by third parties.

Confidential Information includes, without limitation: (i) Company Inventions (as defined below); (ii) technical data, trade secrets, know-how, research, product or service ideas or plans, software codes and designs, developments, inventions, laboratory notebooks, processes, formulas, techniques, biological materials, mask works, engineering designs and drawings, hardware configuration information, lists of, or information relating to, employees and consultants of the Company (including, but not limited to, the names, contact information, jobs, compensation, and expertise of such employees and consultants), lists of, or information relating to, suppliers and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship), price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information disclosed to me by the Company either directly or indirectly, whether in writing, electronically, orally, or by observation. Notwithstanding the foregoing, Confidential Information does not include general knowledge, skill, and experience I have acquired during the course of or in connection with my employment with the Company or a former employer. In addition, Confidential Information shall not include any such information which I can establish (i) was publicly known or made generally available prior to the time of disclosure by the Company to me; (ii) becomes publicly known or made generally available after disclosure by the Company to me through no wrongful action or omission by me; or (iii) is in my rightful possession, without confidentiality obligations, at the time of disclosure by the Company as shown by my then-contemporaneous written records; provided that any combination of individual items of information shall not be deemed to be within any of the foregoing exceptions merely because one or more of the individual items are within such exception, unless the combination as a whole is within such exception.

(c) **Third Party Information.** My agreements in this Section 3 are intended to be for the benefit of the Company and any third party that has entrusted information or physical material to the Company in confidence.

(d) **Other Rights.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the protection of trade secrets or confidential or proprietary information.

(e) **U.S. Defend Trade Secrets Act.** Notwithstanding the foregoing, the U.S. Defend Trade Secrets Act of 2016 (“DTSA”) provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

4. **Ownership of Inventions.**

(a) **Inventions Retained and Licensed.** I have attached hereto, as Attachment A, a complete list describing with particularity all Inventions (as defined below) that, as of the Effective Date, belong solely to me or belong to me jointly with others, and that relate in any way to any of the Company's proposed businesses, products or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached, I represent that there are no such Inventions at the time of signing this Agreement.

(b) **Use or Incorporation of Inventions.** If in the course of the Relationship, I use or incorporate into a product, process or machine any Invention not covered by Section 4(d) of this Agreement in which I have an interest, I will promptly so inform the Company. Whether or not I give such notice, I hereby irrevocably grant to the Company a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with right to transfer and to sublicense, to practice and exploit such Invention and to make, have made, copy, modify, make derivative works of, use, sell, import, and otherwise distribute under all applicable intellectual properties without restriction of any kind.

(c) **Inventions.** I understand that "Inventions" means discoveries, developments, concepts, designs, ideas, know how, improvements, inventions, trade secrets and/or original works of authorship, whether or not patentable, copyrightable or otherwise legally protectable. I understand this includes, but is not limited to, any new product, machine, article of manufacture, biological material, method, procedure, process, technique, use, equipment, device, apparatus, system, compound, formulation, composition of matter, design or configuration of any kind, or any improvement thereon. I understand that "Company Inventions" means any and all Inventions that I may solely or jointly author, discover, develop, conceive, or reduce to practice during the period of the Relationship, except as otherwise provided in Section 4(g) below.

(d) **Assignment of Company Inventions.** I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title and interest throughout the world in and to any and all Company Inventions. I further acknowledge that all Company Inventions that are made by me (solely or jointly with others) within the scope of and during the period of the Relationship are "works made for hire" (to the greatest extent permitted by applicable law) and are compensated by my salary. I hereby waive and irrevocably quitclaim to the Company or its designee any and all claims, of any nature whatsoever, that I now have or may hereafter have for infringement of any and all Company Inventions.

(e) **Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Company Inventions made by me (solely or jointly with others) during the term of the Relationship. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, or any other format. The records will be available to and remain the sole property of the Company at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. I agree to deliver all such records (including any copies thereof) to the Company at the time of termination of the Relationship as provided for in Sections 5 and 6.

(f) **Patent and Copyright Rights.** I agree to assist the Company, or its designee, at its expense, in every proper way to secure the Company's, or its designee's, rights in the Company Inventions and any copyrights, patents, trademarks, mask work rights, moral rights, or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations and all other instruments which the Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive such rights, and in order to assign and convey to the Company or its designee, and any successors, assigns and nominees the sole and exclusive right, title and interest in and to such Company Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue during and at all times after the end of the Relationship and until the expiration of the last such intellectual property right to expire in any country of the world. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters of patents, copyright, mask work and other registrations related to such Company Inventions. This power of attorney is coupled with an interest and shall not be affected by my subsequent incapacity.

(g) **Exception to Assignments.** I understand that the Company Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention which qualifies fully for exclusion under the provisions of applicable state law, if any, attached hereto as Attachment B. In order to assist in the determination of which inventions qualify for such exclusion, I will advise the Company promptly in writing, during and after the term of the Relationship, of all Inventions solely or jointly conceived or developed or reduced to practice by me during the period of the Relationship.

5. **Company Property;** Returning Company Documents**.** I acknowledge and agree that I have no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including, without limitation, files, e-mail messages, and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice. I further agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I agree that, at the time of termination of the Relationship, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns.

6. **Termination Certification.** In the event of the termination of the Relationship, I agree to sign and deliver the "Termination Certification" attached hereto as Attachment C; however, my failure to sign and deliver the Termination Certification shall in no way diminish my continuing obligations under this Agreement.

7. **Notice to Third Parties.** I understand and agree that the Company may, with or without prior notice to me and during or after the term of the Relationship, notify third parties of my agreements and obligations under this Agreement.

8. **Solicitation of Employees,** Consultants and Other Parties**.** As described above, I acknowledge and agree that the Company's Confidential Information includes information relating to the Company's employees, consultants, customers and others, and that I will not use or disclose such Confidential Information except as authorized by the Company. I further agree as follows:

(a) **Employees, Consultants.** I agree that during the term of the Relationship I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company’s employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity.

(b) **Other Parties.** I agree that during the term of the Relationship, and for a period of twelve (12) months immediately following the termination of the Relationship for any reason, whether with or without cause, I shall not use any Confidential Information of the Company to negatively influence any of the Company’s clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

9. **At-Will Relationship.** I understand and acknowledge that, except as may be otherwise explicitly provided in a separate written agreement between the Company and me, my Relationship with the Company is and shall continue to be at-will, as defined under applicable law, meaning that either I or the Company may terminate the Relationship at any time for any reason or no reason, without further obligation or liability, other than those provisions of this Agreement that explicitly survive the termination of the Relationship.

10. **Representations and Covenants.**

(a) **Facilitation of Agreement.** I agree to execute promptly, both during and after the end of the Relationship, any proper oath, and to verify any proper document, required to carry out the terms of this Agreement, upon the Company’s written request to do so.

(b) **No Conflicts.** I represent that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into, with any third party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by me in confidence or in trust prior to or during the Relationship. I will not disclose to the Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party. I acknowledge and agree that I have listed on Exhibit A all agreements (*e.g.,* non-competition agreements, non-solicitation of customers agreements, non-solicitation of employees agreements, confidentiality agreements, inventions agreements, etc.), if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my ability to perform my duties for the Company or any obligation I may have to the Company. I agree not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

(c) **Voluntary Execution.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement, that I understand and have voluntarily accepted such provisions, and that I will fully and faithfully comply with such provisions.

11. **General Provisions.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and me relating to its subject matter and merges all prior discussions between us. No amendment to this Agreement will be effective unless in writing signed by both parties to this Agreement. The Company shall not be deemed hereby to have waived any rights or remedies it may have in law or equity, nor to have given any authorizations or waived any of its rights under this Agreement, unless, and only to the extent, it does so by a specific writing signed by a duly authorized officer of the Company, it being understood that, even if I am an officer of the Company, I will not have authority to give any such authorizations or waivers for the Company under this Agreement without specific approval by the Board of Directors. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Severability.** If one or more of the provisions in this Agreement are deemed void or unenforceable to any extent in any context, such provisions shall nevertheless be enforced to the fullest extent allowed by law in that and other contexts, and the validity and force of the remainder of this Agreement shall not be affected.

(d) **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives, and my successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

(e) **Remedies.** I acknowledge and agree that violation of this Agreement by me may cause the Company irreparable harm, and therefore agree that the Company will be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security (or, where such a bond or security is required, I agree that a $1,000 bond will be adequate), in addition to and without prejudice to any other rights or remedies that the Company may have for a breach of this Agreement.

(f) **Advice of Counsel.** I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

The parties have executed this Confidential Information and Invention Assignment Agreement on the respective dates set forth below, to be effective as of the Effective Date first above written.

EMPLOYEE

_/s/ Eric Prengel___________________
Eric Prengel

Date:____6/4/2026___________

PAGERDUTY, INC.

By:__/s/ Tracie Giles___________
Tracie Giles
Title: Senior Vice President, People & Workplaces

Date:__6/4/2026_______________

attachment A to CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP
EXCLUDED UNDER SECTION 4(a)

Title	Date	Identifying Number or Brief Description
None		

______ No inventions, improvements, or original works of authorship
______ Additional sheets attached

By: /s/ Eric Prengel
(Signature)

Name: Eric Prengel

Date: 6/4/2026

ATTACHMENT B TO CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

Section 2870 of the California Labor Code is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

ATTACHMENT C TO CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, flow charts, materials, equipment, other documents or property, or copies or reproductions of any aforementioned items belonging to PagerDuty, Inc., a Delaware corporation, its subsidiaries, affiliates, successors or assigns (collectively, the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information and Invention Assignment Agreement signed by me, including the reporting of any Inventions (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Confidential Information and Invention Assignment Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twelve (12) months from the date of this Certification, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity.

Further, I agree that for twelve (12) months from the date of this Certification, I shall not use any Confidential Information of the Company to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Employee

X___________________________________

Printed Name: Eric Prengel______________

Date:____________________

EXHIBIT B

EXECUTIVE SEVERANCE AND CHANGE IN CONTROL POLICY

(See Attached)

Exhibit 31.1

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John DiLullo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PagerDuty, Inc.;

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

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

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

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

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

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

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

5. The registrant's other certifying officer(s) 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: August 27, 2026

/s/ John DiLullo
John DiLullo
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Eric Prengel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PagerDuty, Inc.;

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

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

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

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

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

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

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

5. The registrant's other certifying officer(s) 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: August 27, 2026

/s/ Eric Prengel
Eric Prengel
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND 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, John DiLullo, the Chief Executive Officer of PagerDuty, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of PagerDuty, Inc. for the fiscal quarter ended July 31, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of PagerDuty, Inc.

Date: August 27, 2026	/s/ John DiLullo
	John DiLullo
	Chief Executive Officer
	(Principal Executive Officer)

I, Eric Prengel, the Chief Financial Officer of PagerDuty, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of PagerDuty, Inc. for the fiscal quarter ended July 31, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of PagerDuty, Inc.

Date: August 27, 2026	/s/ Eric Prengel
	Eric Prengel
	Chief Financial Officer
	(Principal Financial Officer)