

**Asana**

**FY26 Q2 Earnings | Prepared Remarks**

**September 3, 2025**

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**Eva Leung**

Good afternoon, and thank you for joining us on today's conference call to discuss the financial results for Asana's second quarter fiscal year 2026. With me on today's call are Dustin Moskovitz, Asana's Co-Founder and Chair of the Board; Dan Rogers, our CEO; Anne Raimondi, our Chief Operating Officer and Head of Business; and Sonalee Parekh, our Chief Financial Officer.

Today's call will include forward-looking statements, including statements regarding the expected release and benefits of our product offerings, including AI Studio, and our expectations for revenue to be generated by AI Studio, our retention and expansion opportunities, our expectation for our financial outlook, including our revised full year guidance, strategic plans, our market position and growth opportunities and our capital allocation strategy including our stock repurchase programs. Forward-looking statements involve risks, uncertainties, and assumptions that may cause our actual results to be materially different from those expressed or implied by the forward-looking statements. Please refer to our filings with the SEC, including our most recent annual report on Form 10-K and quarterly report on Form 10-Q, for additional information on risks, uncertainties and assumptions that may cause actual results to differ materially from those set forth in such statements.

In addition, during today's call we will discuss non-GAAP financial measures. These non-GAAP financial measures are in addition to and not a substitute for or superior to measures of financial performance prepared in accordance with GAAP. Reconciliation between GAAP and non-GAAP financial measures and a discussion of the limitations of using non-GAAP measures versus their closest GAAP equivalents are available in our earnings release which is posted on our Investor Relations webpage at [investors.asana.com](https://investors.asana.com).

And with that I'd like to turn the call over to Dustin.

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## **Dustin Moskovitz**

Thanks, everyone. I'll kick things off before transitioning to Dan.

When Justin and I started Asana, our vision was simple but ambitious: to fundamentally improve how humans work together. We set out to transform collaboration from a source of friction into a source of focus, so that teams everywhere could achieve more of what really matters. That's why our mission has always been to help humanity thrive by enabling the world's teams to work together effortlessly. Over time, that vision evolved into the Work Graph, a foundation that doesn't just reduce "work about work," but gives teams clarity on goals, alignment, and impact. That clarity is what enables organizations to move from reactive busywork to proactive value creation.

Today, we're at a major inflection point. AI is transforming collaborative work management, and Asana is uniquely positioned to lead. Unlike most AI platforms that start from a blank canvas, Asana begins with the Work Graph, a rich, structured model of how work gets done. This context lets AI embed directly into workflows like a teammate, with enterprise-grade security and access controls, delivering outputs that are predictable, trustworthy, and immediately useful. And because it's layered into the workflows teams already use, adoption is seamless and time to value is faster.

That's the opportunity in front of us. From the beginning, our vision was about human-to-human collaboration, helping every teammate work together more effectively to drive greater productivity. Today, that opportunity has evolved into something even more powerful: a future where humans and AI teammates work side by side to unlock new levels of focus, clarity, and impact. An opportunity like this calls for both vision and operational excellence. Which is why I'm so confident in Dan's leadership. He's scaled companies at critical inflection points, pairing innovation with discipline and reaccelerating growth while expanding margins. And in just his first months as CEO, he's already leaning in to sharpen our execution, mapping our differentiated AI approach to mission critical workflows in our target departments like IT, Marketing, and more while also deepening our focus on non-tech industries like Retail and regulated industries.

As for me, I'll remain engaged as Chair of the Board, working with Dan to enhance our product vision and strengthen our AI differentiation.

With that, let me hand it over to Dan to share his perspective on the quarter, his early impressions, and how he sees us capitalizing on the opportunities ahead. Dan over to you.

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### **Dan Rogers**

Thank you, Dustin, and welcome everyone. I'm excited to be speaking with you today for the first time as CEO of Asana. Before we dive into my initial observations and highlights from the quarter, I want to acknowledge Dustin's vision and leadership in building Asana into the company it is today. I also want to thank all Asanas for their support during this transition and the warm welcome I've received. It's truly an honor to lead an extraordinary team with such a strong mission and an unmatched product foundation in collaborative work management.

Let's turn to the highlights from the quarter before I discuss my observations.

Q2 was a solid quarter for Asana, with broad-based performance above expectations across our business.

Total Revenues were up 10 percent year over year, exceeding the top end of our guidance, with strong contributions from all customer cohorts and geographies. Both North America and International growth accelerated, with International continuing to outpace U.S. growth. We also saw encouraging vertical trends. Some of our fastest growing verticals this quarter included Manufacturing and Energy, Financial Services, and Retail and Consumer Goods.

Non-tech customers continued to grow in the mid-teens, while tech was stable.

Rolling four-quarter NRR went to 96% from 95% last quarter. Overall customer growth remained healthy, with the number of \$100K+ customers growing 19% year over year.

We continue to see strong momentum in AI Studio. We have more than doubled our AI Studio ARR quarter over quarter, and adoption continues to strengthen as customers build and scale on the platform.

Our continued focus on profitable growth and efficient scaling is driving meaningful margin expansion. Non-GAAP operating margin expanded an almost 1,600 basis points year-over-year to 7%, above our guidance range.

In my first couple of months, I've spent much of my time meeting with customers, partners and key stakeholders to understand where we're delivering exceptional value and where we have opportunities to do more.

Customers view Asana as a trusted partner in coordinating their most critical industry and function-specific work. Across industries, customers have shared with me how they're using Asana to orchestrate marketing campaigns, resolve IT tickets, accelerate product launches, manage employee, vendor, and customer onboarding, ensure compliance with regulatory programs, and drive large-scale transformation initiatives. In each of these cases, Asana helps reduce cycle times, improve accountability, and drive measurable business outcomes. It has become clear from these customer conversations that when we deeply understand a customer's needs, speak the language of their industry, tailor solutions to their workflows, and deliver measurable outcomes, we win decisively. My goal is to make that experience the standard across every engagement.

At the center of this value is the Work Graph, which gives customers clarity on who is doing what, when, where, and why. By connecting people, projects, goals, and timelines in a single source of truth, Asana helps organizations stay aligned and deliver results faster.

This foundation provides the essential structured context AI needs to be truly effective within the four walls of a company. Without it, AI is limited to point answers for individual productivity, helping you draft a note or summarize a document, but it can't really drive team productivity. It doesn't know how to bring the right people together, align work across functions, or execute toward shared goals. For example, you couldn't ask your

favorite LLM to set up a meeting with the key stakeholders driving customer retention, define the problem statement for the meeting, and propose potential recommendations for them. It doesn't know where the work is happening, who's responsible, or how to identify and process the organizational context required to move the work forward. CIOs, CMOs, and business leaders I speak with come to us with detailed process maps and a clear vision for where they want to drive improvement. To unlock productivity in today's modern companies, AI must be context-aware and embedded where teams already collaborate.

We are building for the future 'agentic enterprise', where organizations can deploy pre-built or custom agents, embedded in structured workflows with the right context and guardrails. This is exactly what leading companies are asking for: agents that actually deliver outcomes aligned to their roles and departments, working right alongside their teams, and achieving increased levels of productivity.

Here's what I am really excited about: everyone's talking about agents. You see the billboards on the side of the highway, you hear the hype, but most companies are still struggling to get real productivity out of agents. In fact, a recent MIT report said 95% of generative AI pilots at companies are getting zero return. The report cites generic AI tools excel for individuals due to their flexibility, but they stall in enterprise use because they don't learn from or adapt to workflows. Asana believes the real unlock is putting agents on rails: giving them the context, structure, and connection to work so they can be trusted to deliver. It's a massive, underserved opportunity and the chance for Asana to unlock it is what fires me up. We're already bringing this vision to life with AI Studio, Smart Workflows, and soon to be launched Teammates.

With AI Studio, we're delivering a platform for AI-powered work. At its core is our no-code AI workflow builder, which allows organizations to inject AI directly into their processes to unlock meaningful productivity gains. Many of today's known workflows lend themselves naturally to AI-driven optimization, and with AI Studio we're enabling teams to automate and accelerate those processes at scale.

Building on this, Smart Workflows are repeatable, AI-powered automation flows that embed generative AI logic directly into Asana. We provide out-of-the-box templates from a Smart Workflow Gallery that help teams get started quickly in areas like PMO/Operations, IT, and Marketing. Instead of relying on manual updates or static rules, Smart Workflows orchestrate work from trigger to outcome, handling actions like assigning tasks, drafting briefs, updating milestones, or escalating blockers in real time. By reducing coordination overhead, surfacing insights, and accelerating cycle times, AI is able to take on the busywork and make the Asana platform increasingly “self-driving” as teams scale.

Complementing this, AI Teammates extend automation into areas where reasoning and judgment matter. These intelligent digital collaborators aren’t just reactive bots—they remain embedded in projects, bringing context awareness into the flow of work. Teammates can handle routine tasks and monitor progress, but they also enhance non-deterministic workflows, where reasoning through the logical next step can supercharge outcomes. This makes them powerful partners for collaboration, engaging not only inside workflows but also in ad hoc, on-demand scenarios.

AI Studio together with Smart Workflows and AI Teammates can deepen platform stickiness, expand Asana’s role as a system of execution, and deliver measurable ROI for enterprises by lowering operational costs and improving throughput.

### **Customer highlights**

What gives me conviction that we can unlock the massive opportunity in human-AI collaboration, even at this early stage, is that we are already seeing customers leverage AI Studio to reimagine how work gets done, change the way their teams operate, and realize significant cost and time savings. With AI Studio, it’s not theory or hype, it’s real productivity gains and real transformation happening today. Let me share a couple of examples, first a couple of early adopters of AI Studio that were part of our initial pilots:

- Morningstar, a global leader in financial services, is using AI Studio to transform their research and retirement product teams. For their Research team we have

delivered an AI-powered content pipeline that saves them nearly 15,000 person hours annually, generating over \$600,000 in efficiency gains. Meanwhile, for their Retirement product team we have automated request triage, reducing intake timelines by two full weeks.

- iDO, a fast-growing consulting firm, is leveraging AI Studio to streamline client intake, resource allocation, and lead enrichment. By building these AI-powered workflows, iDO is saving its consultants up to 12 hours per month each, freeing capacity to deliver greater value to their clients.

Now I'll share a couple examples of customers who adopted AI Studio this quarter:

One of the world's leading global chemicals companies is expanding from 2,500 to 4,500 users by consolidating Jira and other legacy tools into Asana. A really cool application of AI Studio they have rolled out is automating their IT intake workflows to process requests faster and with greater accuracy.

One of the most successful franchises in modern NBA history, expanded sixfold by consolidating Wrike and Smartsheet onto Asana. I love how their IT, Guest Experience and Construction teams are using AI Studio to build an intelligent prioritization system to identify the priorities with the highest impact and focus resources there.

A leading AI foundational model provider, nearly doubled its footprint this quarter by standardizing critical processes on Asana. They are leveraging Asana to automate many of their Risk intake workflows, including modern processes for AI safety and compliance with their large language models. By automating these critical workflows with Asana, they are able to scale operations more efficiently while maintaining the rigor their mission demands.

### **What I am looking forward to**

In the path ahead, I see an extraordinary opportunity to build on what I've heard from customers — that Asana is at its best when it speaks their language, fits naturally into their workflows, and delivers measurable outcomes. The Work Graph gives AI the context it needs to deliver on the productivity unlock of AI across departments and roles, whether

that is in IT, marketing, software development, or operations. To bring that value to more customers, we see an opportunity to reach them with greater speed and efficiency by sharpening our go-to-market execution — focusing on the highest-propensity accounts and scaling both partner motions and our self-serve engine.

In closing, what excites me is the chance to help every team feel the “wow” moments customers describe when Asana transforms the way they work. With our technical foundation and platform investments, we’re well positioned to make the agentic enterprise real — where human and digital teammates collaborate seamlessly through AI-powered workflows to drive better, faster business outcomes. I’m energized by the opportunity ahead, and I look forward to sharing more about our strategic priorities and progress in the quarters to come. I’ll hand it over to Anne to share how our go-to-market priorities are driving customer adoption and expansion.

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### **Anne Raimondi**

Thank you, Dan. I love the new perspectives you bring to Asana and how excited the team is with the direction you are starting to lay out.

- In Q2, our enterprise motion continued to scale. The number of customer net adds from the \$100K+ cohorts grew 19% year over year, while core customers spending \$5K or more, grew 9% year over year.
- International markets remain a strength for our business, driven by growing global demand for our platform especially in EMEA and Japan. Our international revenue grew 13% year over year and the US market grew 8% year over year.

Japan is one of our fastest-growing markets, with customers like Sumitomo Mitsui Trust Bank, demonstrating the power and relevance of our platform in financial services. They grew their Asana footprint by nearly 70% this quarter and added a Foundational Service Plan. Asana has been implemented in six business divisions, including a full rollout in the

asset administration business and has seen strong adoption in their investor and corporate business units.

We continue to increase our presence in non-tech, with those sectors once again growing in the mid-teens.

Wasserman, a leading global sports, music and entertainment company, standardized on Asana this quarter in a multi-year agreement that includes AI Studio and a foundational service plan. Building on the success of their marketing and creative teams, who use Asana to produce one-of-a-kind campaigns and experiences across the world, they are migrating key departments, like the Experience and Global Communications teams, plus recently acquired assets, onto Asana to provide better visibility into project timelines and resource allocation. Wasserman will use AI Studio to automate their creative production workflows.

The strategic investments we've made—along with the reallocation of resources toward higher-leverage areas—are driving incremental impact.

In Q2, customer health showed stability. Our overall NRR improved to 96% from 95% last quarter. In-Quarter NRR increased despite the modest ACV downgrade resulting from the \$100M+ renewal we called out in Q1. Offsetting this impact were improvements in both logo churn and expansion, driven by strong seat growth and healthy AI Studio and Foundational Service Plan adoption by existing customers in the quarter. The programs we put in place to improve customer health and drive customer value are starting to bear fruit. For example, our concerted effort to improve our CSAT scores, particularly with small, monthly customers is contributing to improvements in our monthly retention, which in Q2 was at its highest level since Q4 FY25.

Foundational Service Plans (FSPs) are a strategic initiative to boost customer health and retention. Since launching, customers with FSPs show a 20% increase in utilization of their Asana seats within 3 months of adopting an FSP plan. FSPs, AI Studio, and new add-on offerings like Compliance Management and Permissions management, and upcoming product add-ons like Timesheets and Budgeting, are systematically enhancing

price to value alignment for our customers. We are starting to see incremental benefits to retention, expansion and seat reach, and expect to see more over time.

While we are observing modest improvements in NRR, our SMB business continues to be impacted by evolving top-of-funnel dynamics particularly in relation to search and paid media investments. We have successfully countered declining web traffic by achieving higher conversion rates from more qualified leads for several quarters. Nevertheless, this situation has the potential to weigh on small business customer growth in the second half. It is becoming increasingly critical to develop AI-native self-service experiences that can guide potential buyers through a reimagined customer journey. We believe we have the plan to address and offset this pressure in the long term.

The increased buyer scrutiny and elongation in decisions related to broader consolidation or software stack transformation efforts that we called out last quarter continues to persist, however have not worsened. The pipeline remains healthy, with strong demand generated across our diverse global channels.

Let's turn to product updates. Last month, we reached a milestone with the launch of AI Studio Plus for self-serve. Roughly 40% of customers purchase Asana through our self-serve channel, making it one of our most important customer acquisition channels across small, medium, and large businesses. Within the first week of launch, we saw our first self-serve customers rapidly ramp their consumption and exceed their limits on the Plus tier. We're seeing strong excitement for AI Studio in our self-serve base.

Smart Workflow Gallery, a suite of pre-built, AI-powered workflows is also off to a strong start. In the last month of the quarter almost 20% of AI Studio workflows were created through the Smart Workflow Gallery. These are especially popular in marketing, IT, and operations and we are rapidly expanding the breadth and depth of pre-packaged AI Studio workflows in our Smart Workflow gallery.

Looking ahead on our second half product roadmap, I share Dan's excitement for AI Teammates, which is coming to public beta soon.

With these new capabilities rolling out, we've been taking these innovations on the road to showcase them with customers worldwide through our Work Innovation Summit customer events.

We had record attendance at our Sydney event in early May, more than double our attendance from last year, and also hosted our first regional Partner Summit there. Attendees included senior executives from Australia's largest banking and retail organisations, and public sector departments.

In early August, we held a highly successful Work Innovation Summit in Tokyo. The event attracted over 200 customers and partners, representing a twofold increase in both attendance and pipeline generation compared to last year. The audience included an impressive array of Japan's senior executives from leading technology, automotive, manufacturing, consumer electronics companies, and leading financial services enterprises. We gave attendees a preview of AI Teammates and it was well received by our customers as they found the product intuitive and easy to use.

These global events help drive new business in our international markets and amongst large customers. We will host two more Work Innovation Summit events in London in September and New York in November. At these marquee events we plan to unveil new capabilities for Asana and AI Studio, as well as introduce and demo Asana AI teammates to their fullest potential, showcasing specific examples of the business outcomes they can drive for our customers.

And now I'll turn it over to Sonalee.

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**Sonalee Parekh**

Thank you Anne. Dan, I have really enjoyed partnering with you, and I share your conviction that the themes you've outlined have strong potential to drive revenue growth acceleration. With that, let me turn to our results.

- Q2 revenues came in at \$196.9 million, up 10 percent year over year, which exceeded the high-end of our guidance by 1%. Excluding the impact of currency, our Q2 revenue was up 9.4% year over year, still exceeding the high-end of our guide.
- We have 25,006 Core customers, or customers spending \$5,000 or more on an annualized basis.
  - Revenues from Core customers grew 12 percent year over year. This cohort represented 76 percent of our revenues in Q2.
- We have 770 customers spending \$100,000 or more on an annualized basis and this customer cohort grew at 19 percent year over year.
- As a reminder, we define these customer cohorts based on annualized GAAP revenues in a given quarter.
- Our overall dollar-based net retention rate was 96%. Core customer NRR was 96%, and among customers spending \$100K or more, NRR was 95%. Both were stable from last quarter.
- As a reminder, our NRR is a trailing four-quarter average and therefore a lagging indicator of more recent trends.
- Our in-quarter NRRs improved for the overall and Core customer cohorts, while the \$100K+ cohorts declined mainly due to the large renewal we mentioned last quarter. We saw a slight improvement in gross retention across all cohorts quarter over quarter.
- Q2 in-quarter NRR increased mostly driven by improvements in Downgrade, and Expansion metrics thanks to our multi-product strategy and seat reach.

While I am encouraged by the progress we made this quarter on NRR, it's too early to call Q2 an inflection point given potential downgrade pressure that could cause NRR to revert back to Q1 levels. We have several large enterprise renewals in the second half that are concentrated in our technology vertical. As a reminder, the 2H has historically had a larger volume of contracts coming up for renewal as compared to the 1H.

Now moving to profitability, where I will be discussing our non-GAAP results.

- We continue to be extremely focused on driving efficiency and productivity throughout our business, maximizing the operating leverage we enjoy from our strong gross margin, which held steady at 90%. We expect to maintain these levels of gross margin in FY26, while expanding sequential operating margin as we continue to scale.
- As a result of our focus on efficiency and resource allocation towards higher-leverage areas we have been able to drive significant improvement in our cost structure.
- R&D expenses were \$47.7 million, or 24% of revenue, down 16 percent year-over-year.
- Sales and Marketing expenses were \$88.2 million, or 45% of revenue, down 3 percent year-over-year.
- G&A expenses were \$27.4 million, or 14% of revenue, down 1 percent year-over-year.
- As a result of driving productivity and efficiency gains, we delivered a 7% operating margin or \$14.0 million of operating income in the quarter, which represents 240 basis points above the mid-point of our operating margin guide and an almost 1,600 basis point improvement year-over-year. I want to call out that about 50bps of the Q2 margin improvement was due to the timing of hiring, which shifted from Q2 to the second half of the year.
- Net income was \$15.1 million, or 6 cents per share.
- Our profitability improvement continues to be driven by operating leverage, reallocating spend to the highest ROI GTM motions, optimizing infrastructure and cloud costs, and exercising discipline across discretionary spend.
- We're also aligning our talent footprint with industry benchmarks by shifting certain roles to more cost-effective regions, creating a strong foundation for sustained efficiency and multi-year margin expansion.

Moving on to the balance sheet and cash flow:

- Cash, cash equivalents and marketable securities at the end of Q2 were

approximately \$475.2 million.

- Our remaining performance obligation, or RPO was \$507.3 million, up 29% from the year-ago quarter.
- Current RPO will be recognized over the next twelve months and was 75% of RPO, and grew 16% from the year-ago quarter.
- Our total ending Q2 deferred revenue was \$313.6 million, up 8% year over year.
- Building on our operating margin strength, Q2 adjusted free cash flow was \$35.4 million or 18% on a margin basis.

We continue to take a disciplined approach to capital allocation. Given our strong balance sheet, positive free cash flow, and confidence in our long-term strategy, we believe share repurchases are an effective way to return value to shareholders while offsetting dilution. This quarter, we bought back \$27.8M of our Class A common stock at an average price of \$14.20, or almost 2 million shares. As of July 31, we had \$128 million remaining for repurchases moving forward.

### **[Guidance]**

Now, moving to guidance. For Q3 Fiscal 2026 we expect

- Revenues of \$197.5 million to \$199.5 million, representing 7.4% - 8.5% growth year over year.
- We expect non-GAAP operating income of \$12 million to \$14 million, representing an operating margin of 6% to 7%.
- And we expect non-GAAP net income per share of 6 cents to 7 cents assuming diluted weighted average shares outstanding of approximately 244 million.

For the full year, we are updating our revenue guidance to \$780 million to \$790 million, representing 8% to 9% year-over-year growth from \$775 million to \$790 million previously. Currency is about 50bps growth benefit to our full year guidance, no material difference from what we shared last quarter.

We are raising the low-end of our guidance to incorporate our actual Q2 results, and maintaining the high-end of our guide. While logo churn and expansion are improving,

potential pressure from downgrade activity persists, which is reflected in our updated guide. SMB continues to grow at a healthy double-digit pace, though, as Anne noted earlier, we are seeing top-of-funnel pressure given the evolving search landscape, which we expect to be a headwind to our small business growth in the second half. These dynamics are reflected in our updated Q3 and FY26 full year revenue guidance.

On a non-GAAP basis, we expect full year operating income of \$46 million to \$50 million, representing an operating margin of 6%, up from our prior guidance of at least 5.5%. Adjusting for the 0.5% impact on margin improvement from the timing of hiring, we continue to expect sequential improvement throughout the year with Q4 operating margin in excess of our full year guidance.

In addition, we expect non-GAAP net income per share of 23 cents to 25 cents assuming diluted weighted average shares outstanding of approximately 243 million.

Dan, Anne, and I are fully aligned on the emerging priorities that will drive long-term growth acceleration and margin expansion. We are excited about the momentum we continue to see with AI Studio and believe the expansion of AI Studio across our full customer base, through Teammates, Smart Workflows, and self-serve, will be a powerful driver of long-term growth and consumption revenue.

**END**