

# LIVERAMP ANNOUNCES STRONG SECOND QUARTER RESULTS AND RAISES FULL YEAR OUTLOOK

**Total Revenue Up 22% and Subscription Revenue Up 23%**

**GAAP Gross Margin of 72% and Non-GAAP Gross Margin of 77%**

**Record Operating Performance**

**Eighty \$1 Million Customers – Largest Sequential Increase**

**SAN FRANCISCO, Calif., November 2, 2021**—[LiveRamp](#)<sup>®</sup> (NYSE: RAMP), the leading global data connectivity platform, today announced its financial results for the quarter ended September 30, 2021.

## **Second Quarter Financial Highlights**

- Total revenue was \$127 million, up 22% compared to the prior year period.
- Subscription revenue was \$105 million, up 23% compared to the prior year period and contributed 83% of total revenue.
- Marketplace & Other revenue was \$22 million, up 16% compared to the prior year period.
- GAAP gross profit was \$92 million, up 32% compared to the prior year period. GAAP gross margin of 72% expanded 6 percentage points. Non-GAAP gross profit was \$98 million, up 30% compared to the prior year period. Non-GAAP gross margin of 77% expanded 5 percentage points.
- GAAP operating loss was \$6 million compared to a GAAP operating loss of \$27 million in the prior year period. Non-GAAP operating income was \$18 million compared to a non-GAAP operating income of \$1 million in the prior year period.
- GAAP loss per share was \$0.09, and non-GAAP earnings per share were \$0.26.
- Net cash provided by operating activities was \$11 million compared to \$6 million in the prior year period.
- During the quarter, LiveRamp repurchased approximately 365 thousand shares for \$15 million under the current share repurchase program. Since inception of the share repurchase program in August 2011, the Company has returned approximately \$1.2 billion in capital to shareholders.

A reconciliation between GAAP and non-GAAP results is provided in the schedules to this press release.

“LiveRamp is making it safe and easy for companies to use their data, and many of the world’s most successful companies are embracing LiveRamp,” said LiveRamp CEO Scott Howe. “You can see this in our results: top line growth accelerated, innovative new products such as Safe Haven<sup>®</sup> gained even greater adoption, and LiveRamp is well positioned for the future.”

“Q2 was another great quarter,” added LiveRamp President and CFO Warren Jenson. “Revenue growth accelerated, gross margin expanded, and we delivered a record operating performance. This is our sixth consecutive quarter of non-GAAP profitability. Given the strength of our performance, we are raising our top and bottom line guidance for the year.”

## GAAP and Non-GAAP Results

The following table summarizes the Company's financial results for its second fiscal quarter (\$ in millions):

|  | Q2 Fiscal 2022 |          | Q2 Fiscal 2021 |          |
|--|----------------|----------|----------------|----------|
|  | Results        |          | Results        |          |
|  | GAAP           | Non-GAAP | GAAP           | Non-GAAP |
| <i>Subscription revenue</i>            | \$105          | —        | \$86           | —        |
| <i>YoY change %</i>                    | 23%            |          | 19%            |          |
| <i>Marketplace &amp; other revenue</i> | \$22           | —        | \$19           | —        |
| <i>YoY change %</i>                    | 16%            |          | 4%             |          |
| <i>Total revenue</i>                   | \$127          | —        | \$105          | —        |
| <i>YoY change %</i>                    | 22%            |          | 16%            |          |
| <i>Gross profit</i>                    | \$92           | \$98     | \$70           | \$75     |
| <i>% Gross margin</i>                  | 72%            | 77%      | 67%            | 72%      |
| <i>YoY change, pts</i>                 | 6 pts          | 5 pts    | 13 pts         | 9 pts    |
| <i>Operating income (loss)</i>         | (\$6)          | \$18     | (\$27)         | \$1      |
| <i>% Operating margin</i>              | (5%)           | 14%      | (26%)          | 1%       |
| <i>YoY change, pts</i>                 | 21 pts         | 13 pts   | 30 pts         | 23 pts   |
| <i>Net income (loss)</i>               | (\$6)          | \$18     | (\$24)         | \$2      |
| <i>Earnings (loss) per share</i>       | (\$0.09)       | \$0.26   | (\$0.36)       | \$0.03   |
| <i>Shares to Calculate EPS</i>         | 68.0           | 69.3     | 66.0           | 68.8     |
| <i>YoY change %</i>                    | 3%             | 1%       | (2%)           | 2%       |
| <i>Net operating cash flow</i>         | \$11           | —        | \$6            | —        |
| <i>Free cash flow to equity</i>        | —              | \$10     | —              | \$6      |

Totals may not sum due to rounding.

A detailed discussion of our non-GAAP financial measures and a reconciliation between GAAP and non-GAAP results is provided in the schedules to this press release.

## Additional Business Highlights & Metrics

- The Authenticated Traffic Solution (ATS) continues to experience strong global adoption. There are currently more than 55 supply-side platforms (SSPs) and 70 demand-side platforms (DSPs) live or committed to bid on RampID™ and ATS, including The Trade Desk, Amobee, Criteo, dataxu, and MediaMath. Lastly, more than 500 publishers, representing more than 8,000 publisher domains, are deployed with ATS.
- LiveRamp launched its enhanced TV platform with support from Innovid, E.W. Scripps Company, Publica, Philo, Plex, Univision and Dish. New capabilities enable marketers, programmers, and sell-side CTV platforms to more easily and effectively collaborate, activate, and quantify media campaigns in a coordinated way across all TV inventory: linear, streaming, and digital video.
- LiveRamp added 15 net new direct subscription customers in the second quarter. Customer count at quarter end was 870, up from 795 a year ago.
- LiveRamp has 80 customers whose subscription contracts exceed \$1 million in annual revenue, up 29% compared to the prior year period. This represents LiveRamp's largest sequential increase in \$1 million customers.
- During the second quarter, subscription net retention was 108% and platform net retention was 109%.
- Current remaining performance obligations (CRPO), which is contracted and committed revenue expected to be recognized over the next 12 months, was \$266 million, up 23% compared to the prior year period.

## Financial Outlook

LiveRamp's non-GAAP guidance excludes the impact of non-cash stock compensation, purchased intangible asset amortization, and restructuring charges.

For the third quarter of fiscal 2022, LiveRamp expects to report:

- Revenue of approximately \$139 million, an increase of 16% year-over-year
- GAAP operating loss of approximately \$20 million
- Non-GAAP operating income of approximately \$10 million

For fiscal 2022, LiveRamp has increased its outlook and now expects to report:

- Revenue of approximately \$525 million, an increase of 19% year-over-year
- GAAP operating loss of approximately \$70 million
- Non-GAAP operating income of approximately \$40 million

## Conference Call

LiveRamp will hold a conference call at 1:30 p.m. PT today to further discuss this information. Interested parties are invited to listen to the call which will be broadcast via the Internet and can be found on LiveRamp's [investor site](#). A slide presentation will be referenced during the call and can be accessed [here](#).

## About LiveRamp

LiveRamp is the leading data connectivity platform for the safe and effective use of data. Powered by core identity capabilities and an unparalleled network, LiveRamp enables companies and their partners to better connect, control, and activate data to transform customer experiences and generate more valuable business outcomes. LiveRamp's fully interoperable and neutral infrastructure delivers end-to-end addressability for the world's top brands, agencies, and publishers. For more information, visit [www.LiveRamp.com](http://www.LiveRamp.com).

## **Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended (the "PSLRA"). These statements, which are not statements of historical fact, may contain estimates, assumptions, projections and/or expectations regarding the Company's financial position, results of operations, market position, product development, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. Forward-looking statements are often identified by words or phrases such as "anticipate," "estimate," "plan," "expect," "believe," "intend," "foresee," or the negative of these terms or other similar variations thereof.

These forward-looking statements are not guarantees of future performance and are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in the forward-looking statements.

Among the factors that may cause actual results and expectations to differ from anticipated results and expectations expressed in forward-looking statements are uncertainties related to COVID-19 and the associated impact on our suppliers, customers and partners; the Company's dependence upon customer renewals; new customer additions and upsell within our subscription business; our reliance upon partners, including data suppliers; competition; and attracting and retaining talent. Additional risks relate to maintaining our culture and our ability to innovate and evolve while working remotely and within a rapidly changing industry, while also avoiding disruption from acquisition and divestiture activities. Our international operations are also subject to risks that may harm the Company's business. The risk of a significant breach of the confidentiality of the information or the security of our or our customers', suppliers', or other partners' computer systems could be detrimental to our business, reputation and results of operations. Other business risks include unfavorable publicity and negative public perception about our industry; interruptions or delays in service from data center hosting vendors we rely upon; and our dependence on the continued availability of third-party data hosting and transmission services. Our clients' ability to use data on our platform could be restricted if the industry's use of third-party cookies and tracking technology declines due to technology platform changes, regulation or increased user controls. Changes in regulations relating to information collection and use represents a risk, as well as changes in tax laws and regulations that are applied to our customers which could cause enterprise software budget tightening. In addition, third parties may claim that we are infringing their intellectual property or may infringe our intellectual property which could result in competitive injury and / or the incurrence of significant costs and draining of our resources.

For a discussion of these and other risks and uncertainties, please refer to LiveRamp's Annual Report on Form 10-K for our fiscal year 2021 ended March 31, 2021, and LiveRamp's Quarterly Reports on Form 10-Q issued in fiscal year 2022.

The financial information set forth in this press release reflects estimates based on information available at this time.

LiveRamp assumes no obligation and does not currently intend to update these forward-looking statements.

To automatically receive LiveRamp financial news by email, please visit [www.LiveRamp.com](http://www.LiveRamp.com) and subscribe to email alerts.

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ERAMP

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LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(Dollars in thousands, except per share amounts)

|  | For the Three Months Ended<br>September 30, |               |                |               |
|--|---|---------------|----------------|---------------|
|  | 2021  | 2020          | \$<br>Variance | %<br>Variance |
| Revenues                                 | 127,290                                     | 104,661       | 22,629         | 21.6%         |
| Cost of revenue                          | 35,079                                      | 34,897        | 182            | 0.5%          |
| Gross profit                             | 92,211                                      | 69,764        | 22,447         | 32.2%         |
| <b>% Gross margin</b>                    | <b>72.4%</b>                                | <b>66.7%</b>  |                |               |
| Operating expenses:                      |   |               |                |               |
| Research and development                 | 35,788                                      | 31,035        | 4,753          | 15.3%         |
| Sales and marketing                      | 39,509                                      | 41,705        | (2,196)        | (5.3%)        |
| General and administrative               | 23,078                                      | 24,495        | (1,417)        | (5.8%)        |
| Gains, losses and other items, net       | 18  | (619)         | 637            | 102.9%        |
| Total operating expenses                 | 98,393                                      | 96,616        | 1,777          | 1.8%          |
| Loss from operations                     | (6,182)                                     | (26,852)      | 20,670         | 77.0%         |
| <b>% Margin</b>                          | <b>-4.9%</b>                                | <b>-25.7%</b> |                |               |
| Total other income (expense), net        | 150   | (225)         | 375            | 166.7%        |
| Loss from operations before income taxes | (6,032)                                     | (27,077)      | 21,045         | 77.7%         |
| Income tax expense (benefit)             | 399   | (3,109)       | 3,508          | 112.8%        |
| Net loss                                 | (6,431)                                     | (23,968)      | 17,537         | 73.2%         |
| Basic loss per share                     | (0.09)                                      | (0.36)        | 0.27           | 74.0%         |
| Diluted loss per share:                  | (0.09)                                      | (0.36)        | 0.27           | 74.0%         |
| Basic weighted average shares            | 68,042                                      | 66,010        |                |               |
| Diluted weighted average shares          | 68,042                                      | 66,010        |                |               |

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(Dollars in thousands, except per share amounts)

|   | For the Six Months Ended<br>September 30, |                 |                |               |
|---|---|-----------------|----------------|---------------|
|   | 2021                                      | 2020            | \$<br>Variance | %<br>Variance |
| Revenues  | 246,328                                   | 204,098         | 42,230         | 20.7%         |
| Cost of revenue                                   | <u>69,394</u>                             | <u>69,362</u>   | 32             | 0.0%          |
| Gross profit                                      | 176,934                                   | 134,736         | 42,198         | 31.3%         |
| <b>% Gross margin</b>                             | <b>71.8%</b>                              | <b>66.0%</b>    |                |               |
| Operating expenses:                               |   |                 |                |               |
| Research and development                          | 70,564                                    | 58,024          | 12,540         | 21.6%         |
| Sales and marketing                               | 81,488                                    | 80,332          | 1,156          | 1.4%          |
| General and administrative                        | 47,369                                    | 47,863          | (494)          | (1.0%)        |
| Gains, losses and other items, net                | <u>1,296</u>                              | <u>1,376</u>    | (80)           | (5.8%)        |
| Total operating expenses                          | <u>200,717</u>                            | <u>187,595</u>  | 13,122         | 7.0%          |
| Loss from operations                              | (23,783)                                  | (52,859)        | 29,076         | 55.0%         |
| <b>% Margin</b>                                   | <b>-9.7%</b>                              | <b>-25.9%</b>   |                |               |
| Total other income, net                           | <u>30,751</u>                             | <u>238</u>      | 30,513         | 12820.6%      |
| Income (loss) from operations before income taxes | 6,968                                     | (52,621)        | 59,589         | 113.2%        |
| Income tax benefit                                | <u>(3,966)</u>                            | <u>(6,925)</u>  | 2,959          | 42.7%         |
| Net earnings (loss)                               | <u>10,934</u>                             | <u>(45,696)</u> | 56,630         | 123.9%        |
| Basic earnings (loss) per share                   | <u>0.16</u>                               | <u>(0.69)</u>   | 0.85           | 123.1%        |
| Diluted earnings (loss) per share:                | <u>0.16</u>                               | <u>(0.69)</u>   | 0.85           | 122.7%        |
| Basic weighted average shares                     | 68,185                                    | 65,790          |                |               |
| Diluted weighted average shares                   | 69,473                                    | 65,790          |                |               |

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
RECONCILIATION OF GAAP TO NON-GAAP EPS (1)

(Unaudited)

(Dollars in thousands, except per share amounts)

|  | For the Three Months Ended<br>September 30, |          | For the Six Months Ended<br>September 30, |          |
|--|---|----------|---|----------|
|  | 2021  | 2020     | 2021                                      | 2020     |
| Income (loss) from operations before income taxes                    | (6,032)                                     | (27,077) | 6,968                                     | (52,621) |
| Income tax expense (benefit)   | 399   | (3,109)  | (3,966)                                   | (6,925)  |
| Net earnings (loss)  | (6,431)                                     | (23,968) | 10,934                                    | (45,696) |
| Earnings (loss) per share:   |   |          |   |          |
| Basic  | (0.09)                                      | (0.36)   | 0.16                                      | (0.69)   |
| Diluted  | (0.09)                                      | (0.36)   | 0.16                                      | (0.69)   |
| Excluded items:  |   |          |   |          |
| Purchased intangible asset amortization (cost of revenue)            | 4,612                                       | 4,350    | 9,257                                     | 9,656    |
| Non-cash stock compensation (cost of revenue and operating expenses) | 19,221                                      | 24,204   | 37,717                                    | 40,689   |
| Transformation costs (general and administrative)                    | -   | 258      | -   | 3,863    |
| Restructuring and merger charges (gains, losses, and other)          | 18  | (619)    | 1,296                                     | 1,376    |
| Gain on retained profits interest (other income)                     | -   | -        | (30,052)                                  | -        |
| Total excluded items   | 23,851                                      | 28,193   | 18,218                                    | 55,584   |
| Income from operations before income taxes and excluding items       | 17,819                                      | 1,116    | 25,186                                    | 2,963    |
| Income taxes (2)   | (12)  | (1,291)  | 853                                       | (357)    |
| Non-GAAP net earnings  | 17,831                                      | 2,407    | 24,333                                    | 3,320    |
| Non-GAAP earnings per share:   |   |          |   |          |
| Basic  | 0.26  | 0.04     | 0.36                                      | 0.05     |
| Diluted  | 0.26  | 0.03     | 0.35                                      | 0.05     |
| Basic weighted average shares  | 68,042                                      | 66,010   | 68,185                                    | 65,790   |
| Diluted weighted average shares                                      | 69,333                                      | 68,804   | 69,473                                    | 68,071   |

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures and the material limitations on the usefulness of these measures, please see Appendix A.

(2) Income taxes were calculated by applying the estimated annual effective tax rate to year-to-date pretax income or loss and adjusting for discrete tax items in the period. The differences between our GAAP and non-GAAP effective tax rates were primarily due to the net tax effects of the excluded items, coupled with larger pre-tax losses for GAAP purposes versus smaller pre-tax losses or income for non-GAAP purposes.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
RECONCILIATION OF GAAP TO NON-GAAP INCOME (LOSS) FROM OPERATIONS (1)  
(Unaudited)  
(Dollars in thousands)

|  | For the Three Months Ended<br>September 30, |                 | For the Six Months Ended<br>September 30, |                 |
|--|---|-----------------|---|-----------------|
|  | <u>2021</u>                                 | <u>2020</u>     | <u>2021</u>                               | <u>2020</u>     |
| Loss from operations   | <u>(6,182)</u>                              | <u>(26,852)</u> | <u>(23,783)</u>                           | <u>(52,859)</u> |
| Excluded items:  |   |                 |   |                 |
| Purchased intangible asset amortization (cost of revenue)            | 4,612                                       | 4,350           | 9,257                                     | 9,656           |
| Non-cash stock compensation (cost of revenue and operating expenses) | 19,221                                      | 24,204          | 37,717                                    | 40,689          |
| Transformation costs (general and administrative)                    | -   | 258             | -   | 3,863           |
| Restructuring and merger charges (gains, losses, and other)          | <u>18</u>                                   | <u>(619)</u>    | <u>1,296</u>                              | <u>1,376</u>    |
| Total excluded items   | <u>23,851</u>                               | <u>28,193</u>   | <u>48,270</u>                             | <u>55,584</u>   |
| Income from operations before excluded items                         | <u>17,669</u>                               | <u>1,341</u>    | <u>24,487</u>                             | <u>2,725</u>    |

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures and the material limitations on the usefulness of these measures, please see Appendix A.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
RECONCILIATION OF ADJUSTED EBITDA (1)  
(Unaudited)  
(Dollars in thousands)

|  | For the Three Months Ended<br>September 30, |                 | For the Six Months Ended<br>September 30, |                 |
|--|---|-----------------|---|-----------------|
|  | 2021  | 2020            | 2021                                      | 2020            |
| Net earnings (loss)  | (6,431)                                     | (23,968)        | 10,934                                    | (45,696)        |
| Income tax expense (benefit)   | 399   | (3,109)         | (3,966)                                   | (6,925)         |
| Total other income (expense), net                                    | <u>150</u>                                  | <u>(225)</u>    | <u>30,751</u>                             | <u>238</u>      |
| Loss from operations   | (6,182)                                     | (26,852)        | (23,783)                                  | (52,859)        |
| Depreciation and amortization  | <u>5,819</u>                                | <u>6,901</u>    | <u>12,404</u>                             | <u>14,955</u>   |
| EBITDA   | <u>(363)</u>                                | <u>(19,951)</u> | <u>(11,379)</u>                           | <u>(37,904)</u> |
| Other adjustments:   |   |                 |   |                 |
| Non-cash stock compensation (cost of revenue and operating expenses) | 19,221                                      | 24,204          | 37,717                                    | 40,689          |
| Transformation costs (general and administrative)                    | -   | 258             | -   | 3,863           |
| Restructuring and merger charges (gains, losses, and other)          | <u>18</u>                                   | <u>(619)</u>    | <u>1,296</u>                              | <u>1,376</u>    |
| Other adjustments  | <u>19,239</u>                               | <u>23,843</u>   | <u>39,013</u>                             | <u>45,928</u>   |
| Adjusted EBITDA  | <u>18,876</u>                               | <u>3,892</u>    | <u>27,634</u>                             | <u>8,024</u>    |

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures, the usefulness of these measures and the material limitations on the usefulness of these measures, please see Appendix A.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Dollars in thousands)

|  | September 30,<br>2021 | March 31,<br>2021 | \$<br>Variance | %<br>Variance |
|--|-----------------------|-------------------|----------------|---------------|
| <u>Assets</u>                                    |                       |                   |                |               |
| Current assets:                                  |                       |                   |                |               |
| Cash and cash equivalents                        | 535,590               | 572,787           | (37,197)       | (6.5%)        |
| Restricted cash                                  | 8,731                 | 8,900             | (169)          | (1.9%)        |
| Trade accounts receivable, net                   | 130,948               | 114,284           | 16,664         | 14.6%         |
| Refundable income taxes                          | 64,079                | 65,692            | (1,613)        | (2.5%)        |
| Other current assets                             | 35,246                | 64,052            | (28,806)       | (45.0%)       |
| Total current assets                             | 774,594               | 825,715           | (51,121)       | (6.2%)        |
| Property and equipment                           | 45,214                | 44,284            | 930            | 2.1%          |
| Less - accumulated depreciation and amortization | 34,916                | 32,327            | 2,589          | 8.0%          |
| Property and equipment, net                      | 10,298                | 11,957            | (1,659)        | (13.9%)       |
| Intangible assets, net                           | 33,970                | 39,730            | (5,760)        | (14.5%)       |
| Goodwill   | 363,895               | 357,446           | 6,449          | 1.8%          |
| Deferred commissions, net                        | 27,988                | 22,619            | 5,369          | 23.7%         |
| Other assets, net                                | 71,627                | 30,854            | 40,773         | 132.1%        |
|  | 1,282,372             | 1,288,321         | (5,949)        | (0.5%)        |
| <u>Liabilities and Stockholders' Equity</u>      |                       |                   |                |               |
| Current liabilities:                             |                       |                   |                |               |
| Trade accounts payable                           | 44,267                | 39,955            | 4,312          | 10.8%         |
| Accrued payroll and related expenses             | 24,427                | 46,438            | (22,011)       | (47.4%)       |
| Other accrued expenses                           | 47,766                | 58,353            | (10,587)       | (18.1%)       |
| Acquisition escrow payable                       | 8,731                 | 8,900             | (169.00)       | (1.9%)        |
| Deferred revenue                                 | 11,058                | 11,603            | (545)          | (4.7%)        |
| Total current liabilities                        | 136,249               | 165,249           | (29,000)       | (17.5%)       |
| Other liabilities                                | 73,176                | 42,389            | 30,787         | 72.6%         |
| Stockholders' equity:                            |                       |                   |                |               |
| Preferred stock                                  | -                     | -                 | -              | n/a           |
| Common stock                                     | 14,887                | 14,781            | 106            | 0.7%          |
| Additional paid-in capital                       | 1,669,461             | 1,630,072         | 39,389         | 2.4%          |
| Retained earnings                                | 1,465,760             | 1,454,826         | 10,934         | 0.8%          |
| Accumulated other comprehensive income           | 5,976                 | 7,522             | (1,546)        | (20.6%)       |
| Treasury stock, at cost                          | (2,083,137)           | (2,026,518)       | (56,619)       | (2.8%)        |
| Total stockholders' equity                       | 1,072,947             | 1,080,683         | (7,736)        | (0.7%)        |
|  | 1,282,372             | 1,288,321         | (5,949)        | (0.5%)        |

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)  
(Dollars in thousands)

|  | For the Three Months Ended |          |
|--|----------------------------|----------|
|  | September 30,              |          |
|  | 2021                       | 2020     |
| Cash flows from operating activities:  |                            |          |
| Net loss   | (6,431)                    | (23,968) |
| Non-cash operating activities:   |                            |          |
| Depreciation and amortization  | 5,819                      | 6,901    |
| Loss on disposal or impairment of assets   | 29                         | 331      |
| Provision for doubtful accounts  | 327                        | 1,192    |
| Deferred income taxes  | 141                        | 187      |
| Non-cash stock compensation expense  | 19,221                     | 24,204   |
| Changes in operating assets and liabilities:   |                            |          |
| Accounts receivable  | (11,024)                   | (3,724)  |
| Deferred commissions   | (1,986)                    | (1,764)  |
| Other assets   | 4,072                      | 2,799    |
| Accounts payable and other liabilities   | 447                        | 2,013    |
| Income taxes   | 368                        | (2,478)  |
| Deferred revenue   | (82)                       | 556      |
| Net cash provided by operating activities  | 10,901                     | 6,249    |
| Cash flows from investing activities:  |                            |          |
| Capital expenditures   | (876)                      | (296)    |
| Payment for investment   | -                          | (1,206)  |
| Cash paid in acquisition, net of cash received                                       | -                          | (2,933)  |
| Net cash used in investing activities  | (876)                      | (4,435)  |
| Cash flows from financing activities:  |                            |          |
| Proceeds related to the issuance of common stock under stock and employee benefit pl | 997                        | 2,424    |
| Shares repurchased for tax withholdings upon vesting of stock-based awards           | (1,181)                    | (3,928)  |
| Acquisition of treasury stock  | (15,000)                   | -        |
| Net cash used in financing activities  | (15,184)                   | (1,504)  |
| Effect of exchange rate changes on cash  | (275)                      | 486      |
| Net change in cash and cash equivalents  | (5,434)                    | 796      |
| Cash and cash equivalents at beginning of period                                     | 549,755                    | 664,710  |
| Cash and cash equivalents at end of period   | 544,321                    | 665,506  |
| <b>Supplemental cash flow information:</b>   |                            |          |
| Cash received during the period for:   |                            |          |
| Income taxes   | (118)                      | (822)    |
| Operating lease assets obtained in exchange for operating lease liabilities          | 35,691                     | -        |

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)  
(Dollars in thousands)

|  | For the Six Months Ended |          |
|--|--------------------------|----------|
|  | September 30,            |          |
|  | 2021                     | 2020     |
| Cash flows from operating activities:  |                          |          |
| Net earnings (loss)  | 10,934                   | (45,696) |
| Non-cash operating activities:   |                          |          |
| Depreciation and amortization  | 12,404                   | 14,955   |
| Loss on disposal or impairment of assets   | 142                      | 333      |
| Gain on distribution from retained profits interest                                  | (30,052)                 | -        |
| Provision for doubtful accounts  | 1,282                    | 2,522    |
| Deferred income taxes  | (771)                    | (485)    |
| Non-cash stock compensation expense  | 37,717                   | 40,689   |
| Changes in operating assets and liabilities:   |                          |          |
| Accounts receivable  | (18,073)                 | (9,584)  |
| Deferred commissions   | (5,369)                  | (3,445)  |
| Other assets   | 23,408                   | 7,703    |
| Accounts payable and other liabilities   | (36,829)                 | (20,671) |
| Income taxes   | (632)                    | (3,583)  |
| Deferred revenue   | (501)                    | (101)    |
| Net cash used in operating activities  | (6,340)                  | (17,363) |
| Cash flows from investing activities:  |                          |          |
| Capital expenditures   | (1,303)                  | (1,128)  |
| Payment for investment   | -                        | (1,873)  |
| Distribution from retained profits interest  | 31,000                   | -        |
| Cash paid in acquisition, net of cash received                                       | (8,368)                  | (2,933)  |
| Net cash provided by (used in) investing activities                                  | 21,329                   | (5,934)  |
| Cash flows from financing activities:  |                          |          |
| Proceeds related to the issuance of common stock under stock and employee benefit pl | 4,278                    | 3,561    |
| Shares repurchased for tax withholdings upon vesting of stock-based awards           | (12,542)                 | (5,755)  |
| Acquisition of treasury stock  | (44,077)                 | (42,312) |
| Net cash used in financing activities  | (52,341)                 | (44,506) |
| Effect of exchange rate changes on cash  | (14)                     | 683      |
| Net change in cash and cash equivalents  | (37,366)                 | (67,120) |
| Cash and cash equivalents at beginning of period                                     | 581,687                  | 732,626  |
| Cash and cash equivalents at end of period   | 544,321                  | 665,506  |
| <b>Supplemental cash flow information:</b>   |                          |          |
| Cash received during the period for:   |                          |          |
| Income taxes   | (2,569)                  | (2,863)  |
| Operating lease assets obtained in exchange for operating lease liabilities          | 35,691                   | -        |

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CALCULATION OF FREE CASH FLOW TO EQUITY (1)  
(Unaudited)  
(Dollars in thousands)

|   | 06/30/20 | 09/30/20 | 12/31/20 | 03/31/21 | FY2021   | 06/30/21 | 09/30/21 | FY2022  |
|---|----------|----------|----------|----------|----------|----------|----------|---------|
| Net Cash Provided by (Used in) Operating Activities | (23,612) | 6,249    | 14,690   | (17,887) | (20,560) | (17,241) | 10,901   | (6,340) |
| Less:   |          |          |          |          |          |          |          |         |
| Capital expenditures                                | (832)    | (296)    | (678)    | (376)    | (2,182)  | (427)    | (876)    | (1,303) |
| Free Cash Flow to Equity                            | (24,444) | 5,953    | 14,012   | (18,263) | (22,742) | (17,668) | 10,025   | (7,643) |

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures and the material limitations on the usefulness of these measures, please see Appendix A.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(Dollars in thousands, except per share amounts)

|   |               |               |               |               |               |               |              |              | Q2 FY22 to Q2 FY21 |         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------------|---------|
|   | 06/30/20      | 09/30/20      | 12/31/20      | 03/31/21      | FY2021        | 06/30/21      | 09/30/21     | FY2022       | %                  | \$      |
| Revenues  | 99,437        | 104,661       | 119,753       | 119,175       | 443,026       | 119,038       | 127,290      | 246,328      | 21.6%              | 22,629  |
| Cost of revenue   | 34,465        | 34,897        | 37,085        | 37,557        | 144,004       | 34,315        | 35,079       | 69,394       | 0.5%               | 182     |
| Gross profit  | 64,972        | 69,764        | 82,668        | 81,618        | 299,022       | 84,723        | 92,211       | 176,934      | 32.2%              | 22,447  |
| <b>% Gross margin</b>   | <b>65.3%</b>  | <b>66.7%</b>  | <b>69.0%</b>  | <b>68.5%</b>  | <b>67.5%</b>  | <b>71.2%</b>  | <b>72.4%</b> | <b>71.8%</b> |                    |         |
| Operating expenses  |               |               |               |               |               |               |              |              |                    |         |
| Research and development  | 26,989        | 31,035        | 30,608        | 46,479        | 135,111       | 34,776        | 35,788       | 70,564       | 15.3%              | 4,753   |
| Sales and marketing   | 38,627        | 41,705        | 43,904        | 53,307        | 177,543       | 41,979        | 39,509       | 81,488       | (5.3%)             | (2,196) |
| General and administrative  | 23,368        | 24,495        | 23,943        | 32,395        | 104,201       | 24,291        | 23,078       | 47,369       | (5.8%)             | (1,417) |
| Gains, losses and other items, net                                  | 1,995         | (619)         | (6)           | 1,345         | 2,715         | 1,278         | 18           | 1,296        | 102.9%             | 637     |
| Total operating expenses  | 90,979        | 96,616        | 98,449        | 133,526       | 419,570       | 102,324       | 98,393       | 200,717      | 1.8%               | 1,777   |
| Loss from operations  | (26,007)      | (26,852)      | (15,781)      | (51,908)      | (120,548)     | (17,601)      | (6,182)      | (23,783)     | 77.0%              | 20,670  |
| <b>% Margin</b>   | <b>-26.2%</b> | <b>-25.7%</b> | <b>-13.2%</b> | <b>-43.6%</b> | <b>-27.2%</b> | <b>-14.8%</b> | <b>-4.9%</b> | <b>-9.7%</b> |                    |         |
| Total other income (expense), net                                   | 463           | (225)         | (86)          | (404)         | (252)         | 30,601        | 150          | 30,751       | 166.7%             | 375     |
| Loss from operations before income taxes                            | (25,544)      | (27,077)      | (15,867)      | (52,312)      | (120,800)     | 13,000        | (6,032)      | 6,968        | 77.7%              | 21,045  |
| Income taxes benefit  | (3,816)       | (3,109)       | (4,142)       | (19,465)      | (30,532)      | (4,365)       | 399          | (3,966)      | 112.8%             | 3,508   |
| Net earnings (loss)   | (21,728)      | (23,968)      | (11,725)      | (32,847)      | (90,268)      | 17,365        | (6,431)      | 10,934       | 73.2%              | 17,537  |
| Diluted earnings (loss) per share                                   | (0.33)        | (0.36)        | (0.18)        | (0.49)        | (1.36)        | 0.25          | (0.09)       | 0.16         | 74.0%              | 0.27    |
| Some earnings (loss) per share amounts may not add due to rounding. |               |               |               |               |               |               |              |              |                    |         |
| Basic shares  | 65,570        | 66,010        | 66,523        | 67,111        | 66,304        | 68,328        | 68,042       | 68,185       |                    |         |
| Diluted shares  | 65,570        | 66,010        | 66,523        | 67,111        | 66,304        | 69,605        | 69,333       | 69,473       |                    |         |

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
RECONCILIATION OF GAAP TO NON-GAAP EPS (1)  
(Unaudited)  
(Dollars in thousands, except per share amounts)

|  | 06/30/20        | 09/30/20        | 12/31/20        | 03/31/21        | FY2021          | 06/30/21       | 09/30/21       | FY 2022       |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|---------------|
| Income (loss) from operations before income taxes                    | (25,544)        | (27,077)        | (15,867)        | (52,312)        | (120,800)       | 13,000         | (6,032)        | 6,968         |
| Income taxes (benefit)   | (3,816)         | (3,109)         | (4,142)         | (19,465)        | (30,532)        | (4,365)        | 399            | (3,966)       |
| Net earnings (loss)  | <u>(21,728)</u> | <u>(23,968)</u> | <u>(11,725)</u> | <u>(32,847)</u> | <u>(90,268)</u> | <u>17,365</u>  | <u>(6,431)</u> | <u>10,934</u> |
| Earnings (loss) per share:   |                 |                 |                 |                 |                 |                |                |               |
| Basic  | <u>(0.33)</u>   | <u>(0.36)</u>   | <u>(0.18)</u>   | <u>(0.49)</u>   | <u>(1.36)</u>   | <u>0.25</u>    | <u>(0.09)</u>  | <u>0.16</u>   |
| Diluted  | <u>(0.33)</u>   | <u>(0.36)</u>   | <u>(0.18)</u>   | <u>(0.49)</u>   | <u>(1.36)</u>   | <u>0.25</u>    | <u>(0.09)</u>  | <u>0.16</u>   |
| Excluded items:  |                 |                 |                 |                 |                 |                |                |               |
| Purchased intangible asset amortization (cost of revenue)            | 5,306           | 4,350           | 4,213           | 4,177           | 18,046          | 4,645          | 4,612          | 9,257         |
| Non-cash stock compensation (cost of revenue and operating expenses) | 16,485          | 24,204          | 23,894          | 47,124          | 111,707         | 18,496         | 19,221         | 37,717        |
| Restructuring and merger charges (gains, losses, and other)          | 1,995           | (619)           | (6)             | 1,345           | 2,715           | 1,278          | 18             | 1,296         |
| Transformation costs (general and administrative)                    | 3,605           | 258             | -               | -               | 3,863           | -              | -              | -             |
| Gain on retained profits interest (other income)                     | -               | -               | -               | -               | -               | (30,052)       | -              | (30,052)      |
| Total excluded items   | <u>27,391</u>   | <u>28,193</u>   | <u>28,101</u>   | <u>52,646</u>   | <u>136,331</u>  | <u>(5,633)</u> | <u>23,851</u>  | <u>18,218</u> |
| Income from operations before income taxes and excluding items       | 1,847           | 1,116           | 12,234          | 334             | 15,531          | 7,367          | 17,819         | 25,186        |
| Income taxes expense (benefit)                                       | 934             | (1,291)         | 2,347           | (2,628)         | (638)           | 865            | (12)           | 853           |
| Non-GAAP net earnings  | <u>913</u>      | <u>2,407</u>    | <u>9,887</u>    | <u>2,962</u>    | <u>16,169</u>   | <u>6,502</u>   | <u>17,831</u>  | <u>24,333</u> |
| Non-GAAP earnings per share:   |                 |                 |                 |                 |                 |                |                |               |
| Basic  | <u>0.01</u>     | <u>0.04</u>     | <u>0.15</u>     | <u>0.04</u>     | <u>0.24</u>     | <u>0.10</u>    | <u>0.26</u>    | <u>0.36</u>   |
| Diluted  | <u>0.01</u>     | <u>0.03</u>     | <u>0.14</u>     | <u>0.04</u>     | <u>0.23</u>     | <u>0.09</u>    | <u>0.26</u>    | <u>0.35</u>   |
| Basic weighted average shares  | <u>65,570</u>   | <u>66,010</u>   | <u>66,523</u>   | <u>67,111</u>   | <u>66,304</u>   | <u>68,328</u>  | <u>68,042</u>  | <u>68,185</u> |
| Diluted weighted average shares                                      | <u>67,337</u>   | <u>68,804</u>   | <u>69,775</u>   | <u>69,935</u>   | <u>68,963</u>   | <u>69,605</u>  | <u>69,333</u>  | <u>69,473</u> |

Some totals may not add due to rounding

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures and the

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
RECONCILIATION OF GAAP TO NON-GAAP EXPENSES (1)  
(Unaudited)  
(Dollars in thousands)

|   | 06/30/20 | 09/30/20 | 12/31/20 | 03/31/21 | FY2021  | 06/30/21 | 09/30/21 | FY2022   |
|---|----------|----------|----------|----------|---------|----------|----------|----------|
| Expenses:   |          |          |          |          |         |          |          |          |
| Cost of revenue   | 34,465   | 34,897   | 37,085   | 37,557   | 144,004 | 34,315   | 35,079   | 69,394   |
| Research and development                                    | 26,989   | 31,035   | 30,608   | 46,479   | 135,111 | 34,776   | 35,788   | 70,564   |
| Sales and marketing   | 38,627   | 41,705   | 43,904   | 53,307   | 177,543 | 41,979   | 39,509   | 81,488   |
| General and administrative                                  | 23,368   | 24,495   | 23,943   | 32,395   | 104,201 | 24,291   | 23,078   | 47,369   |
| Gains, losses and other items, net                          | 1,995    | (619)    | (6)      | 1,345    | 2,715   | 1,278    | 18       | 1,296    |
| Gross profit:   | 64,972   | 69,764   | 82,668   | 81,618   | 299,022 | 84,723   | 92,211   | 176,934  |
| % Gross margin  | 65.3%    | 66.7%    | 69.0%    | 68.5%    | 67.5%   | 71.2%    | 72.4%    | 71.8%    |
| Excluded items:   |          |          |          |          |         |          |          |          |
| Purchased intangible asset amortization (cost of revenue)   | 5,306    | 4,350    | 4,213    | 4,177    | 18,046  | 4,645    | 4,612    | 9,257    |
| Non-cash stock compensation (cost of revenue)               | 775      | 913      | 988      | 2,624    | 5,300   | 790      | 948      | 1,738    |
| Non-cash stock compensation (research and development)      | 5,886    | 7,713    | 7,376    | 17,985   | 38,960  | 5,348    | 7,184    | 12,532   |
| Non-cash stock compensation (sales and marketing)           | 7,123    | 9,233    | 9,212    | 14,833   | 40,401  | 6,793    | 6,749    | 13,542   |
| Non-cash stock compensation (general and administrative)    | 2,701    | 6,345    | 6,318    | 11,682   | 27,046  | 5,565    | 4,340    | 9,905    |
| Restructuring and merger charges (gains, losses, and other) | 1,995    | (619)    | (6)      | 1,345    | 2,715   | 1,278    | 18       | 1,296    |
| Transformation costs (general and administrative)           | 3,605    | 258      | -        | -        | 3,863   | -        | -        | -        |
| Gain on retained profits interest (other income)            | -        | -        | -        | -        | -       | (30,052) | -        | (30,052) |
| Total excluded items  | 27,391   | 28,193   | 28,101   | 52,646   | 136,331 | (5,633)  | 23,851   | 18,218   |
| Expenses, excluding items:                                  |          |          |          |          |         |          |          |          |
| Cost of revenue   | 28,384   | 29,634   | 31,884   | 30,756   | 120,658 | 28,880   | 29,519   | 58,399   |
| Research and development                                    | 21,103   | 23,322   | 23,232   | 28,494   | 96,151  | 29,428   | 28,604   | 58,032   |
| Sales and marketing   | 31,504   | 32,472   | 34,692   | 38,474   | 137,142 | 35,186   | 32,760   | 67,946   |
| General and administrative                                  | 17,062   | 17,892   | 17,625   | 20,713   | 73,292  | 18,726   | 18,738   | 37,464   |
| Gains, losses and other items, net                          | -        | -        | -        | -        | -       | -        | -        | -        |
| Gross profit, excluding items:                              | 71,053   | 75,027   | 87,869   | 88,419   | 322,368 | 90,158   | 97,771   | 187,929  |
| % Gross margin  | 71.5%    | 71.7%    | 73.4%    | 74.2%    | 72.8%   | 75.7%    | 76.8%    | 76.3%    |

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures, the usefulness of these measures and the material limitations on the usefulness of these measures, please see Appendix A.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
RECONCILIATION OF GAAP TO NON-GAAP OPERATING INCOME (LOSS) GUIDANCE (1)

(Unaudited)  
(Dollars in thousands)

|   | <u>For the quarter ending<br/>December 31, 2021</u> | <u>For the year ending<br/>March 31, 2022</u> |
|---|---|---|
| GAAP loss from operations               | <u>(20,000)</u>                                     | <u>(70,000)</u>                               |
| Excluded items:                         |   |   |
| Purchased intangible asset amortization | 5,000   | 19,000  |
| Non-cash stock compensation             | 25,000  | 90,000  |
| Restructuring and transformation costs  | <u>-</u>  | <u>1,000</u>                                  |
| Total excluded items                    | <u>30,000</u>                                       | <u>110,000</u>                                |
| Non-GAAP income from operations         | <u>\$ 10,000</u>                                    | <u>\$ 40,000</u>                              |

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures, the usefulness of these measures and the material limitations on the usefulness of these measures, please see Appendix A.

APPENDIX A  
LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
Q2 FISCAL 2022 FINANCIAL RESULTS  
EXPLANATION OF NON-GAAP MEASURES AND OTHER KEY METRICS

To supplement our financial results, we use non-GAAP measures which exclude certain acquisition related expenses, non-cash stock compensation and restructuring charges. We believe these measures are helpful in understanding our past performance and our future results. Our non-GAAP financial measures and schedules are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated GAAP financial statements. Our management regularly uses these non-GAAP financial measures internally to understand, manage and evaluate our business and to make operating decisions. These measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is also based in part on the performance of our business based on these non-GAAP measures.

Our non-GAAP financial measures, including non-GAAP earnings (loss) per share, income (loss) from operations and adjusted EBITDA reflect adjustments based on the following items, as well as the related income tax effects when applicable:

Purchased intangible asset amortization: We incur amortization of purchased intangibles in connection with our acquisitions. Purchased intangibles include (i) developed technology, (ii) customer and publisher relationships, and (iii) trade names. We expect to amortize for accounting purposes the fair value of the purchased intangibles based on the pattern in which the economic benefits of the intangible assets will be consumed as revenue is generated. Although the intangible assets generate revenue for us, we exclude this item because this expense is non-cash in nature and because we believe the non-GAAP financial measures excluding this item provide meaningful supplemental information regarding our operational performance.

Non-cash stock compensation: Non-cash stock compensation consists of charges for associate restricted stock units, performance shares and stock options in accordance with current GAAP related to stock-based compensation including expense associated with stock-based compensation related to unvested options assumed in connection with our acquisitions. As we apply stock-based compensation standards, we believe that it is useful to investors to understand the impact of the application of these standards to our operational performance. Although stock-based compensation expense is calculated in accordance with current GAAP and constitutes an ongoing and recurring expense, such expense is excluded from non-GAAP results because it is not an expense that typically requires or will require cash settlement by us and because such expense is not used by us to assess the core profitability of our business operations.

Restructuring charges: During the past several years, we have initiated certain restructuring activities in order to align our costs in connection with both our operating plans and our business strategies based on then-current economic conditions. As a result, we recognized costs related to termination benefits for associates whose positions were eliminated, lease and other contract termination charges, and leasehold improvement write offs. These items, reported as gains, losses, and other items, net, are excluded from non-GAAP results because such amounts are not used by us to assess the core profitability of our business operations.

Transformation costs: In previous years, we incurred significant expenses to separate the financial statements of our operating segments, with particular focus on segment-level balance sheets, and to evaluate portfolio priorities. Our criteria for excluding transformation expenses from our non-GAAP measures is as follows: 1) projects are discrete in nature; 2) excluded expenses consist only of third-party consulting fees that we would not incur otherwise; and 3) we do not exclude employee related expenses or other costs associated with the ongoing operations of our business. We substantially completed those projects during the third quarter of fiscal year 2018. Beginning in the fourth quarter of fiscal 2018, and through most of fiscal 2019, we incurred transaction support expenses and system separation costs related to the Company's announced evaluation of strategic options for its Marketing Solutions (AMS) business. In the first and second quarters of fiscal 2021 in response to the potential COVID-19 pandemic impact on our business, we incurred significant costs associated with the assessment of strategic and operating plans, including our long-term location strategy, and assistance in implementing the restructuring activities as a result of this assessment. Our criteria for excluding these costs are the same. We believe excluding these items from our non-GAAP financial measures is useful for investors and provides meaningful supplemental information.

Our non-GAAP financial schedules are:

Non-GAAP EPS, Non-GAAP Income from Operations, and Non-GAAP expenses: Our Non-GAAP earnings per share, Non-GAAP income from operations, and Non-GAAP expenses reflect adjustments as described above, as well as the related tax effects where applicable.

Adjusted EBITDA: Adjusted EBITDA is defined as net income from continuing operations before income taxes, other expenses, depreciation and amortization, and including adjustments as described above. We use Adjusted EBITDA to measure our performance from period to period both at the consolidated level as well as within our operating segments and to compare our results to those of our competitors. We believe that the inclusion of Adjusted EBITDA provides useful supplementary information to and facilitates analysis by investors in evaluating the Company's performance and trends. The presentation of Adjusted EBITDA is not meant to be considered in isolation or as an alternative to net earnings as an indicator of our performance.

Free Cash Flow to Equity: To supplement our statement of cash flows, we use a non-GAAP measure of cash flow to analyze cash flows generated from operations. Free cash flow to equity is defined as operating cash flow less cash used by investing activities (excluding the impact of cash paid in acquisitions), less required payments of debt, and excluding the impact of discontinued operations. Management believes that this measure of cash flow is meaningful since it represents the amount of money available from continuing operations for the Company's discretionary spending after funding all required obligations including scheduled debt payments. The presentation of non-GAAP free cash flow to equity is not meant to be considered in isolation or as an alternative to cash flows from operating activities as a measure of liquidity.