

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 8, 2021

LiveRamp Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)
225 Bush Street, Seventeenth Floor
San Francisco, CA
(Address of Principal Executive Offices)

001-38669
(Commission File Number)

83-1269307
(I.R.S. Employer Identification No.)

94104
(Zip Code)

(866) 352-3267
(Registrant's Telephone Number, Including Area Code)
(Former name or former address, if changed since last report)

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

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$.10 Par Value	RAMP	New York Stock Exchange

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

Emerging growth company

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

Section 2—Financial Information

Item 2.02 Results of Operations and Financial Condition

On February 8, 2021, LiveRamp Holdings, Inc. (the “Company”) issued a press release announcing the results of its financial performance for its third quarter ended December 31, 2020. The Company will hold a conference call at 1:30 PM PST today to further discuss this information. Interested parties are invited to listen to the webcast, which will be broadcast via the Internet at www.liveramp.com. The press release is furnished herewith as Exhibit 99.1 and incorporated by reference herein.

Section 9—Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Press Release of the Company dated February 8, 2021
101.sch	XBRL Taxonomy Extension Schema Document
101.cal	XBRL Taxonomy Extension Calculation Linkbase Document
101.def	XBRL Taxonomy Extension Definition Linkbase Document
101.lab	XBRL Taxonomy Extension Label Linkbase Document
101.pre	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURE

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 hereunto duly authorized.

Dated: February 8, 2021

LiveRamp Holdings, Inc.

By: /s/ Jerry C. Jones

Name: Jerry C. Jones

Title: Chief Ethics and Legal Officer & Executive Vice
President

LIVERAMP ANNOUNCES THIRD QUARTER RESULTS

Total Revenue Up 17%

ATS Adopted by Over 325 Publishers Worldwide, Including 65% of the US Comscore Top 50

GAAP Gross Margin of 69% and Non-GAAP Gross Margin of 73%

Record Operating Performance

SAN FRANCISCO, Calif., February 8, 2021—LiveRamp® (NYSE: RAMP), the leading global data connectivity platform, today announced its financial results for the quarter ended December 31, 2020.

Third Quarter Financial Highlights

- Total revenue was \$120 million, up 17% compared to the prior year period.
- Subscription revenue was \$93 million, up 15% compared to the prior year period and contributed 78% of total revenue.
- Marketplace & Other revenue was \$26 million, up 27% compared to the prior year period.
- GAAP gross profit was \$83 million, up 29% compared to the prior year period. GAAP gross margin of 69% expanded 6 percentage points. Non-GAAP gross profit was \$88 million, up 24% compared to the prior year period. Non-GAAP gross margin of 73% expanded 4 percentage points.
- GAAP operating loss was \$16 million compared to a GAAP operating loss of \$41 million in the prior year period. Non-GAAP operating income was \$12 million compared to a non-GAAP operating loss of \$6 million in the prior year period.
- GAAP loss per share was \$0.18, and non-GAAP earnings per share was \$0.14.
- Net cash generated from operating activities was \$15 million compared to net cash generated from operating activities of \$16 million in the prior year period.
- Cash and cash equivalents totaled \$663 million with no debt at quarter end.

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

“With LiveRamp, brands don’t have to compromise data security and privacy for data utility – they can have both,” said LiveRamp CEO Scott Howe. “The past quarter has really validated the important role we play in helping our customers and partners safely and securely use data to deliver better customer experiences and ultimately drive growth across their enterprises. The explosive global adoption of our Authenticated Traffic Solution (or ATS) and new innovation like Safe Haven demonstrate the value we are creating for our customers.”

“Our record Q3 performance highlights the strength and leverage of our model,” added LiveRamp President and CFO Warren Jenson. “We delivered our first double-digit non-GAAP operating margin in the Company’s history, and we were again cash flow positive. We now expect to be profitable on a non-GAAP basis for the full year.”

GAAP and Non-GAAP Results

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

	Q3 Fiscal 2021 Results		Q3 Fiscal 2020 Results	
	GAAP	Non-GAAP	GAAP	Non-GAAP
<i>Subscription revenue</i>	\$ 93	—	\$ 82	—
<i>YoY change %</i>	15 %		25 %	
<i>Marketplace & other revenue</i>	\$ 26	—	\$ 21	—
<i>YoY change %</i>	27 %		38 %	
<i>Total revenue</i>	\$ 120	—	\$ 102	—
<i>YoY change %</i>	17 %		28 %	
<i>Gross profit</i>	\$ 83	\$ 88	\$ 64	\$ 71
<i>% Gross margin</i>	69 %	73 %	63 %	69 %
<i>YoY change, pts</i>	6pts	4pts	6pts	5pts
<i>Operating income (loss)</i>	\$ (16)	\$ 12	\$ (41)	\$ (6)
<i>% Operating margin</i>	(13)%	10 %	(41)%	(5)%
<i>YoY change, pts</i>	27pts	16pts	20pts	8pts
<i>Net income (loss)</i>	\$ (12)	\$ 10	\$ (38)	\$ (2)
<i>YoY change %</i>	nm	nm	nm	nm
<i>Earnings (loss) per share</i>	\$ (0.18)	\$ 0.14	\$ (0.56)	\$ (0.03)
<i>YoY change %</i>	nm	nm	nm	nm
<i>Shares to Calculate EPS</i>	66.5	69.8	67.5	67.5
<i>YoY change %</i>	(1)%	3 %	(13)%	(16)%
<i>Net operating cash flow</i>	\$ 15	—	\$ 16	—
<i>YoY change %</i>	(7)%	—	nm	—
<i>Free cash flow to equity</i>	—	\$ 14	—	\$ 13
<i>YoY change %</i>	—	8 %	—	nm

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 Metrics & Highlights

- The Authenticated Traffic Solution (ATS), continues to experience strong global adoption. There are currently more than 25 supply-side platforms (SSPs) live or committed to implementing ATS. In addition, there are over 45 demand-side platforms (DSPs) live or committed to bid on the LiveRamp identifier, including The Trade Desk, Amobee, Criteo, dataxu, and MediaMath. Lastly, to date, more than 325 publishers globally have adopted ATS, including 65% of the U.S. comScore 50.
- During the third quarter, subscription net retention was 105% and platform net retention was 110%.
- Current remaining performance obligations (RPO), which is contracted and committed revenue expected to be recognized over the next 12 months, was \$231 million, up 15% compared to the third quarter of last year.
- LiveRamp has 65 clients whose subscription contracts exceed \$1 million in annual revenue, up 30% compared to the prior year period.
- LiveRamp's direct subscription customer count at quarter end was 810, up from 770 a year ago.
- In a separate press release issued today, LiveRamp announced it has entered into a definitive agreement to acquire DataFleets, a cloud data platform that enables data silos to be unified without moving data or compromising privacy. To learn more about LiveRamp's acquisition of DataFleets, please see the full blog post [here](#).

Financial Outlook

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

For the fourth quarter of fiscal 2021, LiveRamp expects to report:

- Revenue of approximately \$116 million, an increase of approximately 10% year-over-year
- GAAP operating loss of approximately \$31 million
- Non-GAAP operating income of up to \$1 million

For fiscal 2021, LiveRamp expects to report:

- Revenue of approximately \$440 million, an increase of approximately 16% year-over-year
- GAAP operating loss of approximately \$101 million
- Non-GAAP operating income of up to \$16 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.

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 2020 ended March 31, 2020, and LiveRamp's Quarterly Reports on Form 10-Q issued in fiscal year 2021.

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 and subscribe to email alerts.

For more information, contact:
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ERAMP

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

	For the three months ended December 31,			
	2020	2019	\$ Variance	% Variance
Revenues	119,753	102,217	17,536	17.2 %
Cost of revenue	37,085	37,966	(881)	(2.3)%
Gross profit	82,668	64,251	18,417	28.7 %
% Gross margin	69.0 %	62.9 %		
Operating expenses:				
Research and development	30,608	27,403	3,205	11.7 %
Sales and marketing	43,904	51,993	(8,089)	(15.6)%
General and administrative	23,943	26,107	(2,164)	(8.3)%
Gains, losses and other items, net	(6)	233	(239)	(102.6)%
Total operating expenses	98,449	105,736	(7,287)	(6.9)%
Loss from operations	(15,781)	(41,485)	25,704	62.0 %
% Margin	(13.2)%	(40.6)%		
Total other income (expense)	(86)	3,158	(3,244)	(102.7)%
Loss from operations before income taxes	(15,867)	(38,327)	22,460	58.6 %
Income tax benefit	(4,142)	(287)	(3,855)	(1,343.2)%
Net loss	(11,725)	(38,040)	26,315	69.2 %
Basic loss per share	(0.18)	(0.56)	0.39	68.7 %
Diluted loss per share	(0.18)	(0.56)	0.39	68.7 %
Basic weighted average shares	66,523	67,473		
Diluted weighted average shares	66,523	67,473		

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(Dollars in thousands, except per share amounts)

	For the nine months ended December 31,			
	2020	2019	\$ Variance	% Variance
Revenues	323,851	274,871	48,980	17.8 %
Cost of revenue	106,447	115,852	(9,405)	(8.1)%
Gross profit	217,404	159,019	58,385	36.7 %
% Gross margin	67.1 %	57.9 %		
Operating expenses:				
Research and development	88,632	77,570	11,062	14.3 %
Sales and marketing	124,236	140,341	(16,105)	(11.5)%
General and administrative	71,806	78,687	(6,881)	(8.7)%
Gains, losses and other items, net	1,370	2,554	(1,184)	(46.4)%
Total operating expenses	286,044	299,152	(13,108)	(4.4)%
Loss from operations	(68,640)	(140,133)	71,493	51.0 %
% Margin	(21.2)%	(51.0)%		
Total other income	152	13,820	(13,668)	(98.9)%
Loss from continuing operations before income taxes	(68,488)	(126,313)	57,825	45.8 %
Income tax benefit	(11,067)	(5,931)	(5,136)	(86.6)%
Net loss	(57,421)	(120,382)	62,961	52.3 %
Basic loss per share	(0.87)	(1.77)	0.90	50.9 %
Diluted loss per share	(0.87)	(1.77)	0.90	50.9 %
Basic weighted average shares	66,034	68,021		
Diluted weighted average shares	66,034	68,021		

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 December 31,		For the nine months ended December 31,	
	2020	2019	2020	2019
Loss from operations before income taxes	(15,867)	(38,327)	(68,488)	(126,313)
Income taxes (benefit)	(4,142)	(287)	(11,067)	(5,931)
Net loss	<u>(11,725)</u>	<u>(38,040)</u>	<u>(57,421)</u>	<u>(120,382)</u>
Loss per share:				
Basic	<u>(0.18)</u>	<u>(0.56)</u>	<u>(0.87)</u>	<u>(1.77)</u>
Diluted	<u>(0.18)</u>	<u>(0.56)</u>	<u>(0.87)</u>	<u>(1.77)</u>
Excluded items:				
Purchased intangible asset amortization (cost of revenue)	4,213	5,369	13,869	13,861
Non-cash stock compensation (cost of revenue and operating expenses)	23,894	30,295	64,583	72,279
Accelerated depreciation (cost of revenue and operating expenses)	—	—	—	3,569
Restructuring and merger charges (gains, losses, and other)	(6)	233	1,370	2,554
Transformation costs (general and administrative)	—	—	3,863	—
Total excluded items	<u>28,101</u>	<u>35,897</u>	<u>83,685</u>	<u>92,263</u>
Income (loss) from operations before income taxes and excluding items	12,234	(2,430)	15,197	(34,050)
Income taxes (benefit) (2)	2,347	(227)	1,990	(253)
Non-GAAP net earnings (loss)	<u>9,887</u>	<u>(2,203)</u>	<u>13,207</u>	<u>(33,797)</u>
Non-GAAP loss per share:				
Basic	<u>0.15</u>	<u>(0.03)</u>	<u>0.20</u>	<u>(0.50)</u>
Diluted	<u>0.14</u>	<u>(0.03)</u>	<u>0.19</u>	<u>(0.50)</u>
Basic weighted average shares	66,523	67,473	66,034	68,021
Diluted weighted average shares	69,775	67,473	68,639	68,021

(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 LOSS FROM OPERATIONS (1)
(Unaudited)
(Dollars in thousands)

	For the three months ended December 31,		For the nine months ended December 31,	
	2020	2019	2020	2019
Loss from operations	(15,781)	(41,485)	(68,640)	(140,133)
Excluded items:				
Purchased intangible asset amortization (cost of revenue)	4,213	5,369	13,869	13,861
Non-cash stock compensation (cost of revenue and operating expenses)	23,894	30,295	64,583	72,279
Accelerated depreciation (cost of revenue and operating expenses)	—	—	—	3,569
Restructuring and merger charges (gains, losses, and other)	(6)	233	1,370	2,554
Transformation costs (general and administrative)	—	—	3,863	—
Total excluded items	28,101	35,897	83,685	92,263
Income (loss) from operations before excluded items	12,320	(5,588)	15,045	(47,870)

(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 December 31,		For the nine months ended December 31,	
	2020	2019	2020	2019
Net loss	(11,725)	(38,040)	(57,421)	(120,382)
Income taxes (benefit)	(4,142)	(287)	(11,067)	(5,931)
Other expense (income)	86	(3,158)	(152)	(13,820)
Loss from operations	(15,781)	(41,485)	(68,640)	(140,133)
Depreciation and amortization	6,509	8,104	21,464	27,958
EBITDA	<u>(9,272)</u>	<u>(33,381)</u>	<u>(47,176)</u>	<u>(112,175)</u>
Other adjustments:				
Non-cash stock compensation (cost of revenue and operating expenses)	23,894	30,295	64,583	72,279
Restructuring and merger charges (gains, losses, and other)	(6)	233	1,370	2,554
Transformation costs (general and administrative)	—	—	3,863	—
Other adjustments	<u>23,888</u>	<u>30,528</u>	<u>69,816</u>	<u>74,833</u>
Adjusted EBITDA	<u><u>14,616</u></u>	<u><u>(2,853)</u></u>	<u><u>22,640</u></u>	<u><u>(37,342)</u></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
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	December 31, 2020	March 31, 2020	\$ Variance	% Variance
Assets				
Current assets:				
Cash and cash equivalents	663,401	717,811	(54,410)	(7.6)%
Restricted cash	—	14,815	(14,815)	— %
Trade accounts receivable, net	115,858	92,761	23,097	24.9 %
Refundable income taxes	47,709	38,340	9,369	24.4 %
Other current assets	31,685	32,666	(981)	(3.0)%
Total current assets	<u>858,653</u>	<u>896,393</u>	(37,740)	(4.2)%
Property and equipment	44,076	44,786	(710)	(1.6)%
Less - accumulated depreciation and amortization	<u>30,555</u>	<u>25,465</u>	5,090	20.0 %
Property and equipment, net	<u>13,521</u>	<u>19,321</u>	(5,800)	(30.0)%
Intangible assets, net	32,577	45,200	(12,623)	(27.9)%
Goodwill	301,321	297,796	3,525	1.2 %
Deferred commissions, net	21,096	16,014	5,082	31.7 %
Other assets, net	<u>32,332</u>	<u>27,165</u>	5,167	19.0 %
	<u>1,259,500</u>	<u>1,301,889</u>	(42,389)	(3.3)%
Liabilities and Stockholders' Equity				
Current liabilities:				
Trade accounts payable	44,464	42,204	2,260	5.4 %
Accrued payroll and related expenses	28,599	28,791	(192)	(0.7)%
Other accrued expenses	72,480	68,991	3,489	5.1 %
Acquisition escrow payable	—	14,815	(14,815)	— %
Deferred revenue	<u>11,789</u>	<u>6,581</u>	5,208	79.1 %
Total current liabilities	<u>157,332</u>	<u>161,382</u>	(4,050)	(2.5)%
Other liabilities	43,667	52,995	(9,328)	(17.6)%
Stockholders' equity:				
Preferred stock	—	—	—	— %
Common stock	14,647	14,394	253	1.8 %
Additional paid-in capital	1,574,347	1,496,565	77,782	5.2 %
Retained earnings	1,487,673	1,545,094	(57,421)	(3.7)%
Accumulated other comprehensive income	7,814	5,745	2,069	36.0 %
Treasury stock, at cost	<u>(2,025,980)</u>	<u>(1,974,286)</u>	(51,694)	2.6 %
Total stockholders' equity	<u>1,058,501</u>	<u>1,087,512</u>	(29,011)	(2.7)%
	<u>1,259,500</u>	<u>1,301,889</u>	(42,389)	(3.3)%

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

	For the three months ended December 31,	
	2020	2019
Cash flows from operating activities:		
Net loss	(11,725)	(38,040)
Non-cash operating activities:		
Depreciation and amortization	6,509	8,104
Loss (gain) on disposal or impairment of assets	1	—
Provision for doubtful accounts	824	1,253
Deferred income taxes	485	6,548
Non-cash stock compensation expense	23,894	30,295
Changes in operating assets and liabilities:		
Accounts receivable, net	(17,062)	(593)
Deferred commissions	(1,637)	(2,104)
Other assets	(192)	6,301
Accounts payable and other liabilities	13,824	9,776
Income taxes, net	(5,399)	(5,634)
Deferred revenue	5,168	(102)
Net cash used in operating activities	14,690	15,804
Cash flows from investing activities:		
Capital expenditures	(678)	(2,773)
Cash paid in acquisitions, net of cash received	(14,815)	—
Purchases of investments	(3,000)	—
Purchases of strategic investments	(327)	—
Net cash used in investing activities	(18,820)	(2,773)
Cash flows from financing activities:		
Proceeds related to the issuance of common stock under stock and employee benefit plans	5,115	1,313
Shares repurchased for tax withholdings upon vesting of stock-based awards	(3,627)	(4,150)
Acquisition of treasury stock	—	(20,715)
Net cash used in financing activities	1,488	(23,552)
Effect of exchange rate changes on cash	537	278
Net change in cash, cash equivalents and restricted cash	(2,105)	(10,243)
Cash, cash equivalents and restricted cash at beginning of period	665,506	792,258
Cash, cash equivalents and restricted cash at end of period	663,401	782,015
Supplemental cash flow information:		
Cash paid for income taxes, net	771	19

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

	For the nine months ended December 31,	
	2020	2019
Cash flows from operating activities:		
Net loss	(57,421)	(120,382)
Non-cash operating activities:		
Depreciation and amortization	21,464	27,958
Loss (gain) on disposal or impairment of assets	334	(140)
Provision for doubtful accounts	3,346	3,683
Deferred income taxes	—	1,465
Non-cash stock compensation expense	64,583	72,279
Changes in operating assets and liabilities:		
Accounts receivable, net	(26,646)	(11,851)
Deferred commissions	(5,082)	(2,710)
Other assets	7,511	2,404
Accounts payable and other liabilities	(6,847)	12,597
Income taxes, net	(8,982)	(13,423)
Deferred revenue	5,067	(235)
Net cash used in operating activities	(2,673)	(28,355)
Cash flows from investing activities:		
Capital expenditures	(1,806)	(10,302)
Proceeds from sales of assets	—	517
Cash paid in acquisitions, net of cash received	(17,748)	(105,365)
Purchases of investments	(3,000)	—
Purchases of strategic investments	(2,200)	—
Net cash used in investing activities	(24,754)	(115,150)
Cash flows from financing activities:		
Proceeds related to the issuance of common stock under stock and employee benefit plans	8,676	3,405
Shares repurchased for tax withholdings upon vesting of stock-based awards	(9,382)	(18,057)
Acquisition of treasury stock	(42,312)	(121,188)
Net cash used in financing activities	(43,018)	(135,840)

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

	For the nine months ended December 31,	
	2020	2019
Effect of exchange rate changes on cash	1,220	(113)
Net change in cash, cash equivalents and restricted cash	(69,225)	(279,458)
Cash, cash equivalents and restricted cash at beginning of period	732,626	1,061,473
Cash, cash equivalents and restricted cash at end of period	663,401	782,015
 Supplemental cash flow information:		
Cash paid (received) for income taxes, net	(2,092)	6,171

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

	6/30/2019	9/30/2019	12/31/2019	3/31/2020	FY2020	6/30/2020	9/30/2020	12/31/2020	FY2021
Net Cash Provided by (Used in) Operating Activities	\$ (15,408)	\$ (28,751)	\$ 15,804	\$ (220)	\$ (28,575)	\$ (23,612)	\$ 6,249	\$ 14,690	\$ (2,673)
Less:									
Capital expenditures	(4,888)	(2,641)	(2,773)	(1,409)	(11,711)	(832)	(296)	(678)	(1,806)
Free Cash Flow to Equity	\$ (20,296)	\$ (31,392)	\$ 13,031	\$ (1,629)	\$ (40,286)	\$ (24,444)	\$ 5,953	\$ 14,012	\$ (4,479)

(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
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(Dollars in thousands, except per share amounts)

	FY2020					FY2021				Q3 FY21 to Q3 FY20	
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	FY2020	6/30/2020	9/30/2020	12/31/2020	FY2021	%	\$
Revenues	82,511	90,143	102,217	105,701	380,572	99,437	104,661	119,753	323,851	17.2 %	17,536
Cost of revenue	36,426	41,460	37,966	36,852	152,704	34,465	34,897	37,085	106,447	(2.3)%	(881)
Gross profit	46,085	48,683	64,251	68,849	227,868	64,972	69,764	82,668	217,404	28.7 %	18,417
% Gross margin	55.9 %	54.0 %	62.9 %	65.1 %	59.9 %	65.3 %	66.7 %	69.0 %	67.1 %		
Operating expenses											
Research and development	23,722	26,445	27,403	28,411	105,981	26,989	31,035	30,608	88,632	11.7 %	3,205
Sales and marketing	43,144	45,204	51,993	48,564	188,905	38,627	41,705	43,904	124,236	(15.6)%	(8,089)
General and administrative	25,318	27,262	26,107	30,216	108,903	23,368	24,495	23,943	71,806	(8.3)%	(2,164)
Gains, losses and other items, net	2,276	45	233	2,447	5,001	1,995	(619)	(6)	1,370	(102.6)%	(239)
Total operating expenses	94,460	98,956	105,736	109,638	408,790	90,979	96,616	98,449	286,044	(6.9)%	(7,287)
Loss from operations	(48,375)	(50,273)	(41,485)	(40,789)	(180,922)	(26,007)	(26,852)	(15,781)	(68,640)	62.0 %	25,704
Total other income/(expense)	5,882	4,780	3,158	1,565	15,385	463	(225)	(86)	152	(102.7)%	(3,244)
Loss from continuing operations before income taxes	(42,493)	(45,493)	(38,327)	(39,224)	(165,537)	(25,544)	(27,077)	(15,867)	(68,488)	58.6 %	22,460
Income taxes (benefit)	(353)	(5,291)	(287)	(34,345)	(40,276)	(3,816)	(3,109)	(4,142)	(11,067)	(1,343.2)%	(3,855)
Net loss from continuing operations	(42,140)	(40,202)	(38,040)	(4,879)	(125,261)	(21,728)	(23,968)	(11,725)	(57,421)	69.2 %	26,315

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

	<u>6/30/2019</u>					<u>6/30/2020</u>					<u>Q3 FY21 to Q3 FY20</u>	
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	FY2020	6/30/2020	9/30/2020	12/31/2020	FY2021	%	\$	
Earnings from discontinued operations, net of tax	—	—	—	750	750	—	—	—	—	— %	—	
Net loss	\$ (42,140)	\$ (40,202)	\$ (38,040)	\$ (4,129)	\$ (124,511)	\$ (21,728)	\$ (23,968)	\$ (11,725)	\$ (57,421)	69.2 %	26,315	
Diluted loss per share	(0.61)	(0.59)	(0.56)	(0.06)	(1.84)	(0.33)	(0.36)	(0.18)	(0.87)	68.7 %	0.39	
Diluted loss per share from continuing operations	(0.61)	(0.59)	(0.56)	(0.07)	(1.85)	(0.33)	(0.36)	(0.18)	(0.87)	68.7 %	0.39	

Some earnings (loss) per share amounts may not add due to rounding.

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

	6/30/2019	9/30/2019	12/31/2019	3/31/2020	FY2020	6/30/2020	9/30/2020	12/31/2020	FY2021
Loss from continuing operations before income taxes	\$ (42,493)	\$ (45,493)	\$ (38,327)	\$ (39,224)	\$ (165,537)	\$ (25,544)	\$ (27,077)	\$ (15,867)	\$ (68,488)
Income taxes (benefit)	(353)	(5,291)	(287)	(34,345)	(40,276)	(3,816)	(3,109)	(4,142)	(11,067)
Net loss from continuing operations	(42,140)	(40,202)	(38,040)	(4,879)	(125,261)	(21,728)	(23,968)	(11,725)	(57,421)
Earnings from discontinued operations, net of tax	—	—	—	750	750	—	—	—	—
Net loss	\$ (42,140)	\$ (40,202)	\$ (38,040)	\$ (4,129)	\$ (124,511)	\$ (21,728)	\$ (23,968)	\$ (11,725)	\$ (57,421)
Loss per share:									
Basic	\$ (0.61)	\$ (0.59)	\$ (0.56)	\$ (0.06)	\$ (1.84)	\$ (0.33)	\$ (0.36)	\$ (0.18)	\$ (0.87)
Diluted	\$ (0.61)	\$ (0.59)	\$ (0.56)	\$ (0.06)	\$ (1.84)	\$ (0.33)	\$ (0.36)	\$ (0.18)	\$ (0.87)
Excluded items:									
Purchased intangible asset amortization (cost of revenue)	\$ 3,123	\$ 5,369	\$ 5,369	\$ 5,181	\$ 19,042	\$ 5,306	\$ 4,350	\$ 4,213	\$ 13,869
Non-cash stock compensation (cost of revenue and operating expenses)	18,630	23,354	30,295	17,168	89,447	16,485	24,204	23,894	64,583
Accelerated amortization (cost of revenue and operating expenses)	1,906	1,663	—	—	3,569	—	—	—	—
Restructuring and merger charges (gains, losses, and other)	2,276	45	233	2,447	5,001	1,995	(619)	(6)	1,370
Transformation costs (general and administrative)	—	—	—	—	—	3,605	258	—	3,863
Total excluded items, continuing operations	25,935	30,431	35,897	24,796	117,059	27,391	28,193	28,101	83,685

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

	6/30/2019	9/30/2019	12/31/2019	3/31/2020	FY2020	6/30/2020	9/30/2020	12/31/2020	FY2021
Income (loss) from continuing operations before income taxes and excluding items	\$ (16,558)	\$ (15,062)	\$ (2,430)	\$ (14,428)	\$ (48,478)	\$ 1,847	\$ 1,116	\$ 12,234	\$ 15,197
Income taxes (benefit)	(216)	190	(227)	(11,199)	(11,452)	934	(1,291)	2,347	1,990
Non-GAAP net earnings (loss)	<u>\$ (16,342)</u>	<u>\$ (15,252)</u>	<u>\$ (2,203)</u>	<u>\$ (3,229)</u>	<u>\$ (37,026)</u>	<u>\$ 913</u>	<u>\$ 2,407</u>	<u>\$ 9,887</u>	<u>\$ 13,207</u>
Non-GAAP earnings (loss) per share:									
Basic	<u>\$ (0.24)</u>	<u>\$ (0.23)</u>	<u>\$ (0.03)</u>	<u>\$ (0.05)</u>	<u>\$ (0.55)</u>	<u>\$ 0.01</u>	<u>\$ 0.04</u>	<u>\$ 0.15</u>	<u>\$ 0.20</u>
Diluted	<u>\$ (0.24)</u>	<u>\$ (0.23)</u>	<u>\$ (0.03)</u>	<u>\$ (0.05)</u>	<u>\$ (0.55)</u>	<u>\$ 0.01</u>	<u>\$ 0.03</u>	<u>\$ 0.14</u>	<u>\$ 0.20</u>
Basic weighted average shares	68,906	67,684	67,473	66,977	67,760	65,570	66,010	66,523	66,034
Diluted weighted average shares	68,906	67,684	67,473	66,977	67,760	67,337	68,804	69,775	68,639

Some totals may not add due to rounding

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

(Unaudited)

(Dollars in thousands)

	6/30/2019	9/30/2019	12/31/2019	3/31/2020	FY2020	6/30/2020	9/30/2020	12/31/2020	FY2021
Expenses, continuing operations:									
Cost of revenue	\$ 36,426	\$ 41,460	\$ 37,966	\$ 36,852	\$ 152,704	\$ 34,465	\$ 34,897	\$ 37,085	\$ 106,447
Research and development	23,722	26,445	27,403	28,411	105,981	26,989	31,035	30,608	88,632
Sales and marketing	43,144	45,204	51,993	48,564	188,905	38,627	41,705	43,904	124,236
General and administrative	25,318	27,262	26,107	30,216	108,903	23,368	24,495	23,943	71,806
Gains, losses and other items, net	2,276	45	233	2,447	5,001	1,995	(619)	(6)	1,370
Gross profit, continuing operations:	46,085	48,683	64,251	68,849	227,868	64,972	69,764	82,668	217,404
% Gross margin	55.9 %	54.0 %	62.9 %	65.1 %	59.9 %	65.3 %	66.7 %	69.0 %	67.1 %
Excluded items:									
Purchased intangible asset amortization (cost of revenue)	3,123	5,369	5,369	5,181	19,042	5,306	4,350	4,213	13,869
Non-cash stock compensation (cost of revenue)	755	1,060	1,028	926	3,769	775	913	988	2,676
Non-cash stock compensation (research and development)	4,451	6,346	6,462	6,001	23,260	5,886	7,713	7,376	20,975
Non-cash stock compensation (sales and marketing)	8,920	9,758	15,670	3,678	38,026	7,123	9,233	9,212	25,568
Non-cash stock compensation (general and administrative)	4,504	6,190	7,135	6,563	24,392	2,701	6,345	6,318	15,364
Accelerated depreciation (cost of revenue)	1,487	1,245	—	—	2,732	—	—	—	—
Accelerated depreciation (general and administrative)	419	418	—	—	837	—	—	—	—
Restructuring and merger charges (gains, losses, and other)	2,276	45	233	2,447	5,001	1,995	(619)	(6)	1,370
Transformation costs (general and administrative)	—	—	—	—	—	3,605	258	—	3,863
Total excluded items	\$ 25,935	\$ 30,431	\$ 35,897	\$ 24,796	\$ 117,059	\$ 27,391	\$ 28,193	\$ 28,101	\$ 83,685

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

	6/30/2019	9/30/2019	12/31/2019	3/31/2020	FY2020	6/30/2020	9/30/2020	12/31/2020	FY2021
Expenses, continued operations excluding items:									
Cost of revenue	\$ 31,061	\$ 33,786	\$ 31,569	\$ 30,745	\$ 127,161	\$ 28,384	\$ 29,634	\$ 31,884	\$ 89,902
Research and development	19,271	20,099	20,941	22,410	82,721	21,103	23,322	23,232	67,657
Sales and marketing	34,224	35,446	36,323	44,886	150,879	31,504	32,472	34,692	98,668
General and administrative	20,395	20,654	18,972	23,653	83,674	17,062	17,892	17,625	52,579
Gains, losses and other items, net	—	—	—	—	—	—	—	—	—
Gross profit, continuing operations excluding items:	51,450	56,357	70,648	74,956	253,411	71,053	75,027	87,869	233,949
% Gross margin	62.4 %	62.5 %	69.1 %	70.9 %	66.6 %	71.5 %	71.7 %	73.4 %	72.2 %

(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)

	For the quarter ending March 31, 2021	For the year ending March 31, 2021
GAAP loss from operations	(31,000)	(101,000)
Excluded items:		
Purchased intangible asset amortization	4,000	18,000
Non-cash stock compensation	24,000	89,000
Transformation costs	—	4,000
Restructuring and transformation costs	4,000	6,000
Total excluded items	32,000	117,000
Non-GAAP income from operations	1,000	16,000

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LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES
Q3 FISCAL 2021 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. Beginning in the first quarter 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.

Accelerated depreciation: In the prior year we excluded depreciation costs associated with the reduced useful life of certain IT equipment in connection with the Company's migration to a cloud-based data center solution. This migration was part of our AMS separation strategy. These costs are excluded from our non-GAAP results because of the short-term nature of the incremental expenses and such amounts are not used by us to assess the core profitability of our business operations.

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.