



Q2 FY20 Earnings Slides

November 6, 2019



Safe Harbor Statement

Some of the matters discussed in this presentation contain forward-looking statements regarding the Company's future business prospects which are subject to certain risks and uncertainties, including competitive pressures, adverse economic conditions and governmental regulations.

These issues and other factors that may be identified from time to time in the Company's reports filed with the SEC could cause actual results to differ materially from those indicated in the forward-looking statements.

Our discussion today will include non-GAAP financial measures. We refer you to the appendix of this presentation and the Investor Relations section of our website, which include reconciliations to the comparable GAAP measures for each of the non-GAAP financial measures included in this discussion.

Our website is www.LiveRamp.com. The information contained on, or that can be accessed through, our website is not incorporated by reference into this presentation, and you should not consider any information contained on, or that can be accessed through, our website as part of this presentation.

Best-in-Class SaaS Model

Q2 FY20, Non-GAAP

Predictable, Recurring Revenue

\$270M¹
ARR
(up 40% YoY)

80%
Subscription
% of Total
Revenue

Subscription Customer Growth

720^{2,3}
Direct
Clients

110
LTM Direct
Net Client
Adds

Land & Expand with Network Effects

109%⁴
Subscription
Net Retention

44⁵
\$1M
Clients

Profitable Long-term Model

75%
Long-term
Gross Margin
Target

25%
Long-term
Op Margin
Target

Summary Financial Results

\$Ms, except per share amounts

	GAAP		Non-GAAP ⁶	
	Q220	YoY	Q220	YoY
Revenue	\$90	39%	--	--
Gross profit	\$49	21%	\$56	26%
<i>Gross margin</i>	<i>54%</i>	<i>(8) pts</i>	<i>63%</i>	<i>(6) pts</i>
Operating loss	(\$50)	<i>nm</i>	(\$20)	<i>nm</i>
<i>Operating margin</i>	<i>(56%)</i>	<i>3 pts</i>	<i>(22%)</i>	<i>0 pts</i>
Net loss	(\$40)	<i>nm</i>	(\$15)	<i>nm</i>
EPS	(\$0.59)	<i>nm</i>	(\$0.23)	<i>nm</i>
Share count	67.7	(13%)	67.7	(13%)

Note: Results include non-recurring transition expenses of \$5 million, of which \$2 million was reported in gross profit.

Trended Financial Measures

\$Ms, Non-GAAP

	FY17	FY18	Q119	Q219	Q319	Q419	FY19	Q120	Q220
Revenue	\$154	\$220	\$62	\$65	\$80	\$78	\$286	\$83	\$90
Gross profit	\$96	\$150	\$45	\$45	\$51	\$47	\$188	\$51	\$56
<i>Gross margin</i>	62%	68%	73%	69%	64%	60%	66%	62%	63%
Operating loss	(\$59)	(\$36)	(\$6)	(\$14)	(\$11)	(\$22)	(\$54)	(\$22)	(\$20)
<i>Operating loss margin</i>	(39%)	(16%)	(9%)	(22%)	(14%)	(29%)	(19%)	(27%)	(22%)
EBITDA	(\$48)	(\$23)	(\$2)	(\$11)	(\$8)	(\$19)	(\$40)	(\$19)	(\$16)
<i>EBITDA margin</i>	(31%)	(10%)	(4%)	(17%)	(9%)	(24%)	(14%)	(23%)	(18%)
Transition costs impacting CoR	-	-	-	-	\$3	\$3	\$6	\$3	\$2
Transition costs impacting OpEx	-	-	-	\$4	\$6	\$6	\$16	\$4	\$3
Total Transition costs	-	-	-	\$4	\$9	\$9	\$22	\$7	\$5

FY17 results exclude Impact.

Totals may not foot due to rounding.

Transition costs included in reported gross profit and operating loss.

Revenue Summary

\$Ms

Revenue by Type	As Reported			Excluding Facebook		
	Q220	Q219	YoY	Q220	Q219	YoY
Subscription	\$72	\$55	31%	\$72	\$55	31%
Marketplace & Other	\$18	\$10	83%	\$18	\$8	118%
Total	\$90	\$65	39%	\$90	\$63	43%
Revenue by Geography	Q220	Q219	YoY	Q220	Q219	YoY
US	\$84	\$60	40%	\$84	\$59	43%
International	\$6	\$5	29%	\$6	\$5	35%
Total	\$90	\$65	39%	\$90	\$63	43%

Revenue is not adjusted for the acquisition Data Plus Math given the deep integration of the organization. .
Totals may not foot due to rounding.

Trended Revenue

\$Ms, Non-GAAP

Revenue as Reported	FY17	FY18	Q119	Q219	Q319	Q419	FY19	Q120	Q220
Subscription	\$115	\$172	\$51	\$55	\$65	\$66	\$237	\$68	\$72
YoY %	58%	50%	38%	30%	42%	40%	38%	33%	31%
Marketplace & Other	40	48	11	10	15	13	49	14	18
YoY %	19%	21%	15%	(15%)	13%	(4%)	2%	27%	83%
Total	\$154	\$220	\$62	\$65	\$80	\$78	\$286	\$83	\$90
YoY %	46%	43%	34%	20%	35%	30%	30%	32%	39%
Revenue excl. Facebook	FY17	FY18	Q119	Q219	Q319	Q419	FY19	Q120	Q220
Subscription ex FB	\$115	\$172	\$51	\$55	\$65	\$66	\$237	\$68	\$72
YoY % ex FB	58%	50%	38%	30%	42%	40%	38%	33%	31%
Marketplace & Other ex FB	20	27	8	8	15	13	44	14	18
YoY % ex FB	19%	35%	93%	27%	91%	43%	60%	76%	118%
Total ex FB	\$135	\$199	\$59	\$63	\$80	\$78	\$281	\$83	\$90
YoY % ex FB	51%	48%	44%	29%	49%	40%	41%	39%	43%

Revenue is not adjusted for the acquisition Data Plus Math given the deep integration of the organization.

FY17 results exclude Impact.

Totals may not foot due to rounding.

Cash Flow

\$Ms

	Q220	Q219
Operating cash flow	(\$29)	(\$27)
Capital expenditures ⁷	\$3	\$2
Free Cash Flow	(\$31)	(\$29)

Four Corners of Growth

\$Ms, Non-GAAP

1 Subscription Net Retention

	Q219	Q319	Q419	Q120	Q220
Subscription Net Retention	>115%	>115%	114%	108%	109%

Subscription net retention is defined as current period subscription revenue (net) from customers who have been on the platform for one year or more, divided by the prior year quarter subscription revenue (net), inclusive of upsell, churn and downsell.

2 Platform Net Retention⁸

	Q219	Q319	Q419	Q120	Q220
Platform Net Retention	119%	126%	115%	114%	119%

Platform net retention is defined as current period subscription and marketplace revenue (net) from customers who have been on the platform for one year or more, divided by the prior year quarter subscription and marketplace revenue (net), inclusive of upsell, churn and downsell.

3 ARR Growth

	Q219	Q319	Q419	Q120	Q220
ARR	\$193	\$223	\$232	\$241	\$270
YoY %	32%	45%	41%	33%	40%
ARR ex IPG	\$193	\$203	\$212	\$221	\$250
YoY %	32%	32%	28%	22%	30%

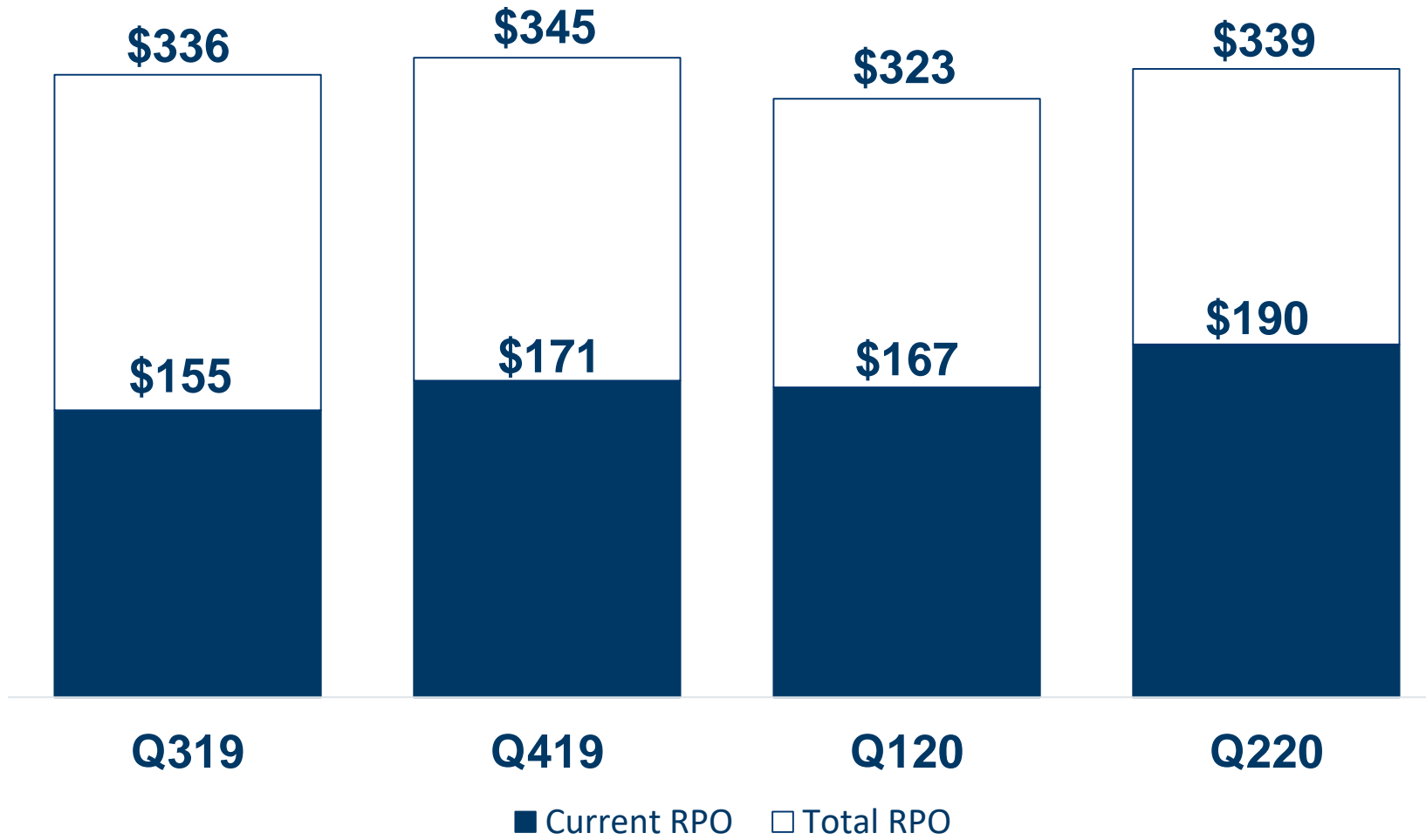
Annualized recurring revenue (ARR) is ending MRR (last month of quarter) annualized. Recurring revenue is fixed and contracted subscription revenue and does not include any variable or non-recurring revenue amounts. ARR ex IPG is annualized recurring revenue excluding ARR from Interpublic Group (IPG).

4 TTM Marketplace Revenue Growth

	Q219	Q319	Q419	Q120	Q220
TTM Marketplace (ex FB)	\$33	\$40	\$44	\$50	\$60
TTM YoY %	49%	68%	60%	60%	81%

Remaining Performance Obligations

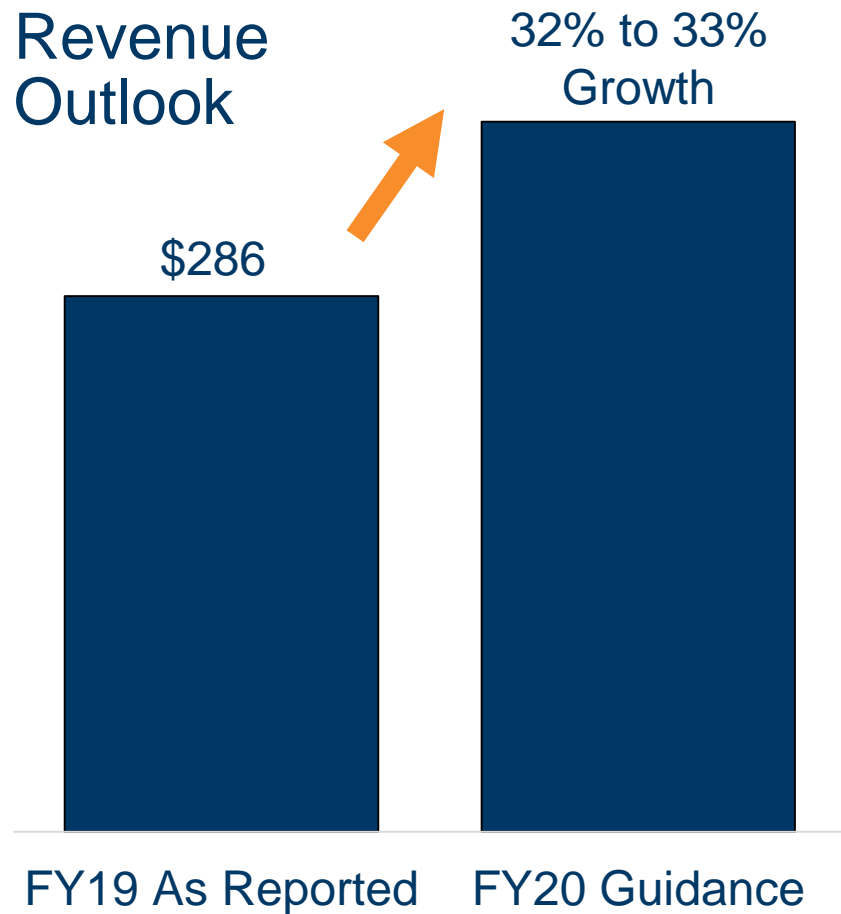
\$Ms



Outlook

Fiscal 2020 Outlook

\$Ms, except per share amounts



	GAAP ⁹	Non-GAAP ¹⁰
Revenue	\$376 to \$381	--
Operating Loss	\$180 to \$175	\$68 to \$63
Included Transition Costs	\$11	\$11

Guidance Phasing & Transition Costs

\$Ms, Non-GAAP

	FY19A	FY20E				FY20E
		Q120A	Q220A	Q320E	Q420E	
Revenue phasing by quarter	100%	22%	24%	~27%	~27%	100%
Transition costs (cost of revenue)	\$6	\$3	\$2	-	-	\$5
Transition costs (op expenses)	\$15	\$4	\$3	-	-	\$7
Total transition costs \$	\$22	\$7	\$5	-	-	\$11

*Pro forma figures are unaudited and subject to change.
Numbers may not foot due to rounding.*

Other Guidance Items

~Ms

	FY20E
Ongoing stock-based comp	\$54
Acquisition-related stock based comp	\$33
Total stock-based comp	\$87 ¹¹
Interest income	\$17
Non-GAAP tax rate	1%
Share count (basic)	68
Capital spending (% of rev.)	5%

Appendix

GAAP to Non-GAAP Reconciliation

Income Statement (part 1 of 2), \$Ks

	FY 17 ¹²	Q1 18	Q2 18	Q3 18	Q4 18	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	Q2 20
Total Revenue	\$ 174,760	\$ 46,757	\$ 54,013	\$ 59,121	\$ 60,210	\$ 220,101	\$ 62,471	\$ 64,812	\$ 80,021	\$ 78,316	\$ 285,620	\$ 82,511	\$ 90,143
Gross Profit (GAAP)	\$ 74,784	\$ 22,696	\$ 30,004	\$ 34,595	\$ 36,410	\$ 123,705	\$ 38,817	\$ 40,346	\$ 45,183	\$ 40,556	\$ 164,902	\$ 46,085	\$ 48,683
% of Revenue	42.8%	48.5%	55.5%	58.5%	60.5%	56.2%	62.1%	62.3%	56.5%	51.8%	57.7%	55.9%	54.0%
Excluded items:													
Purchased intangible asset amortization	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548	3,359	2,981	15,858	3,123	5,369
Non-cash stock compensation	4,318	637	654	673	687	2,651	712	782	1,052	2,163	4,709	755	1,060
Accelerated depreciation	-	-	-	-	-	-	-	-	1,527	1,445	2,972	1,487	1,245
Gross Profit - Non-GAAP	\$ 97,720	\$ 29,292	\$ 36,673	\$ 41,233	\$ 43,053	\$ 150,251	\$ 45,499	\$ 44,676	\$ 51,121	\$ 47,145	\$ 188,441	\$ 51,450	\$ 56,357
% of Revenue	56%	62.6%	67.9%	69.7%	71.5%	68.3%	72.8%	68.9%	63.9%	60.2%	66.0%	62.4%	62.5%
R&D (GAAP)	\$ 49,367	\$ 14,840	\$ 15,599	\$ 14,311	\$ 15,963	\$ 60,713	\$ 16,970	\$ 16,940	\$ 20,469	\$ 31,318	\$ 85,697	\$ 23,722	\$ 26,445
% of Revenue	28.2%	31.7%	28.9%	24.2%	26.5%	27.6%	27.2%	26.1%	25.6%	40.0%	30.0%	28.8%	29.3%
Excluded items:													
Non-cash stock compensation	10,513	3,693	3,636	3,177	5,138	15,644	4,341	3,745	5,945	14,193	28,224	4,451	6,346
R&D - Non-GAAP	\$ 38,854	\$ 11,147	\$ 11,963	\$ 11,134	\$ 10,825	\$ 45,069	\$ 12,629	\$ 13,195	\$ 14,524	\$ 17,125	\$ 57,473	\$ 19,271	\$ 20,099
% of Revenue	23.8%	23.8%	22.1%	18.8%	18.0%	20.5%	20.2%	20.4%	18.2%	21.9%	20.1%	23.4%	22.3%
S&M (GAAP)	\$ 59,258	\$ 24,091	\$ 25,981	\$ 27,832	\$ 30,735	\$ 108,639	\$ 33,323	\$ 35,940	\$ 40,054	\$ 49,223	\$ 158,540	\$ 43,144	\$ 45,204
% of Revenue	33.9%	51.5%	48.1%	47.1%	51.0%	49.4%	53.3%	55.5%	50.1%	62.9%	55.5%	52.3%	50.1%
Excluded items:													
Non-cash stock compensation	7,493	5,454	5,730	6,251	5,946	23,381	9,920	9,854	9,460	14,736	43,970	8,920	9,758
S&M - Non-GAAP	\$ 51,765	\$ 18,637	\$ 20,251	\$ 21,581	\$ 24,789	\$ 85,258	\$ 23,403	\$ 26,086	\$ 30,594	\$ 34,487	\$ 114,570	\$ 34,224	\$ 35,446
% of Revenue	29.6%	39.9%	37.5%	36.5%	41.2%	38.7%	37.5%	40.2%	38.2%	44.0%	40.1%	41.5%	39.3%
G&A (GAAP)	\$ 92,898	\$ 23,587	\$ 23,724	\$ 20,929	\$ 16,914	\$ 85,154	\$ 18,125	\$ 25,176	\$ 27,828	\$ 27,749	\$ 98,878	\$ 25,318	\$ 27,262
% of Revenue	53.2%	50.4%	43.9%	35.4%	28.1%	38.7%	29.0%	38.8%	34.8%	35.4%	34.6%	30.7%	30.2%
Excluded items:													
Non-cash stock compensation	17,471	2,616	3,134	3,190	2,252	11,192	2,824	3,286	9,625	10,083	25,818	4,504	6,190
Separation & transformation costs	8,639	7,119	5,453	5,214	-	17,786	-	2,122	700	(705)	2,117	-	-
Accelerated depreciation	-	-	-	-	-	-	-	-	432	408	840	419	418
G&A - Non-GAAP	\$ 66,789	\$ 13,852	\$ 15,136	\$ 12,525	\$ 14,662	\$ 56,176	\$ 15,301	\$ 19,768	\$ 17,071	\$ 17,963	\$ 70,102	\$ 20,395	\$ 20,654
% of Revenue	38.2%	29.6%	28.0%	21.2%	24.4%	25.5%	24.5%	30.5%	21.3%	22.9%	24.5%	24.7%	22.9%

GAAP to Non-GAAP Reconciliation

Income Statement (part 2 of 2), \$Ks

	FY 17 ¹²	Q1 18	Q2 18	Q3 18	Q4 18	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	Q2 20
Loss from operations (GAAP)	\$ (131,412)	\$ (39,819)	\$ (38,133)	\$ (27,689)	\$ (27,883)	\$ (133,524)	\$ (29,602)	\$ (38,199)	\$ (48,211)	\$ (82,134)	\$ (198,146)	\$ (48,375)	\$ (50,273)
% of Revenue	-75.2%	-85.2%	-70.6%	-46.8%	-46.3%	-60.7%	-37.8%	-48.8%	-61.6%	-104.9%	-69.4%	-58.6%	-55.8%
Excluded items:													
Purchased intangible asset amortization	\$ 18,618	\$ 5,959	\$ 6,015	\$ 5,965	\$ 5,956	\$ 23,895	\$ 5,970	\$ 3,548	\$ 3,359	\$ 2,981	\$ 15,858	\$ 3,123	\$ 5,369
Non-cash stock compensation	39,795	12,400	13,154	13,290	14,022	52,866	17,798	17,667	26,082	41,175	102,722	18,630	23,354
Restructuring & merger charges	4,672	(3)	2,833	(788)	681	2,723	1	489	5,043	14,400	19,933	2,276	45
Separation & transformation costs	8,639	7,119	5,453	5,214	-	17,786	0	2,122	700	(705)	2,117	-	-
Accelerated depreciation	-	-	-	-	-	-	-	-	1,959	1,853	3,812	1,906	1,663
Loss from operations - Non-GAAP	\$ (59,688)	\$ (14,344)	\$ (10,678)	\$ (4,008)	\$ (7,224)	\$ (36,254)	\$ (5,833)	\$ (14,373)	\$ (11,068)	\$ (22,430)	\$ (53,704)	\$ (22,440)	\$ (19,842)
% of Revenue	-34.2%	-30.7%	-19.8%	-6.8%	-12.0%	-16.5%	-9.3%	-22.2%	-13.8%	-28.6%	-18.8%	-27.2%	-22.0%
Loss from continuing ops before tax (GAAP)	(\$130,760)	(\$40,399)	(\$37,870)	(\$27,257)	(\$27,496)	(\$133,022)	(\$29,246)	(\$38,480)	(\$37,807)	(\$73,823)	(\$179,356)	(\$42,493)	(\$45,493)
Excluded items:													
Purchased intangible asset amortization	\$ 18,618	\$ 5,959	\$ 6,015	\$ 5,965	\$ 5,956	\$ 23,895	\$ 5,970	\$ 3,548	\$ 3,359	\$ 2,981	\$ 15,858	\$ 3,123	\$ 5,369
Non-cash stock compensation	39,795	12,400	13,154	13,290	14,022	52,866	17,798	17,667	26,082	41,175	102,722	18,630	23,354
Restructuring & merger charges	4,672	(3)	2,833	(788)	681	2,723	1	489	5,043	14,400	19,933	2,276	45
Separation & transformation costs	8,639	7,119	5,453	5,214	-	17,786	-	2,122	700	(705)	2,117	-	-
Accelerated depreciation	-	-	-	-	-	-	-	-	1,959	1,853	3,812	1,906	1,663
Loss from continuing ops before tax - Non-GAAP	(\$59,036)	(\$14,924)	(\$10,415)	(\$3,576)	(\$6,837)	(\$35,752)	(\$5,477)	(\$14,654)	(\$664)	(\$14,119)	(\$34,914)	(\$16,558)	(\$15,062)
% of Revenue	-33.8%	-31.9%	-19.3%	-6.0%	-11.4%	-16.2%	-8.8%	-22.6%	-0.8%	-18.0%	-12.2%	-20.1%	-16.7%

Adjusted EBITDA Reconciliation

\$Ks

	FY 17 ¹²	Q1 18	Q2 18	Q3 18	Q4 18	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	Q2 20
Net earnings (loss) from continuing operations (GAAP)	\$ (85,576)	\$ (26,215)	\$ (25,191)	\$ 3,117	\$ (19,010)	\$ (67,299)	\$ (27,818)	\$ (41,180)	\$ (15,261)	\$ (49,688)	\$ (133,947)	\$ (42,140)	\$ (40,202)
Income taxes (benefit)	(45,184)	(14,184)	(12,679)	(30,374)	(8,486)	(65,723)	(1,428)	2,700	(22,546)	(24,135)	(45,409)	(353)	(5,291)
Other income (expense)	652	(580)	263	432	387	502	356	(281)	10,404	8,311	18,790	5,882	4,780
Loss from operations (GAAP)	(131,412)	(39,819)	(38,133)	(27,689)	(27,883)	(133,524)	(29,602)	(38,199)	(48,211)	(82,134)	(198,146)	(48,375)	(50,273)
Depreciation and amortization	29,848	9,193	9,765	9,297	9,392	37,647	9,403	7,018	8,853	8,508	33,782	8,877	10,977
EBITDA	\$ (101,564)	\$ (30,626)	\$ (28,368)	\$ (18,392)	\$ (18,491)	\$ (95,877)	\$ (20,199)	\$ (31,181)	\$ (39,358)	\$ (73,626)	\$ (164,364)	\$ (39,498)	\$ (39,296)
Other adjustments:													
Non-cash stock compensation	\$ 39,772	\$ 12,400	\$ 13,154	\$ 13,290	\$ 14,022	\$ 52,866	\$ 17,798	\$ 17,667	\$ 26,082	\$ 41,174	\$ 102,721	\$ 18,630	\$ 23,354
Restructuring and merger charges	4,753	(3)	2,833	(788)	681	2,723	1	489	5,043	14,400	19,933	2,276	45
Separation and transformation	8,639	7,119	5,453	5,214	-	17,786	-	2,122	700	(705)	2,117	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$ (48,400)	\$ (11,110)	\$ (6,928)	\$ (676)	\$ (3,787)	\$ (22,502)	\$ (2,400)	\$ (10,903)	\$ (7,533)	\$ (18,756)	\$ (39,593)	\$ (18,592)	\$ (15,897)

GAAP to Non-GAAP EPS Reconciliation

\$Ks, except per share amounts

	FY 17 ¹²	Q1 18	Q2 18	Q3 18	Q4 18	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	Q2 20
Loss from continuing ops before income taxes	(\$130,760)	(\$40,399)	(\$37,870)	(\$27,257)	(\$27,496)	(\$133,022)	(\$29,246)	(\$38,480)	(\$37,807)	(\$73,823)	(\$179,356)	\$ (42,493)	\$ (45,493)
Income taxes (benefit)	(45,184)	(14,184)	(12,679)	(30,374)	(8,486)	(65,723)	(1,428)	2,700	(22,546)	(24,135)	(45,409)	(353)	(5,291)
Net earnings (loss) from continuing ops (GAAP)	(85,576)	(26,215)	(25,191)	3,117	(19,010)	(67,299)	(27,818)	(41,180)	(15,261)	(49,688)	(133,947)	(42,140)	(40,202)
Earnings (loss) per share:													
Basic	\$ (1.16)	\$ (0.33)	\$ (0.32)	\$ 0.04	\$ (0.24)	\$ (0.85)	\$ (0.36)	\$ (0.53)	\$ (0.20)	\$ (0.73)	\$ (1.79)	\$ (0.61)	\$ (0.59)
Diluted	\$ (1.16)	\$ (0.33)	\$ (0.32)	\$ 0.04	\$ (0.24)	\$ (0.85)	\$ (0.36)	\$ (0.53)	\$ (0.20)	\$ (0.73)	\$ (1.79)	\$ (0.61)	\$ (0.59)
Excluded items:													
Purchased intangible asset amortization (CoR)	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548	3,359	2,981	15,858	3,123	5,369
Non-cash stock compensation (CoR & Opex)	39,795	12,400	13,154	13,290	14,023	52,867	17,798	17,667	26,082	41,175	102,722	18,630	23,354
Restructuring & merger charges (gains, losses, & other)	4,672	(3)	2,833	(788)	681	2,723	1	489	5,043	14,400	19,933	2,276	45
Separation & transformation costs (G&A)	8,639	7,119	5,453	5,214	-	17,786	-	2,122	700	(705)	2,117	-	-
Accelerated depreciation (CoR & Opex)	-	-	-	-	-	-	-	-	1,959	1,853	3,812	1,906	1,663
Total excluded items, continuing operations	71,724	25,475	27,455	23,681	20,660	97,271	23,769	23,826	37,143	59,704	144,442	25,935	30,431
Loss from continuing operations before income taxes & excluding items	(59,036)	(14,924)	(10,415)	(3,576)	(6,836)	(35,751)	(5,477)	(14,654)	(664)	(14,119)	(34,914)	(16,558)	(15,062)
Income taxes (benefit)	(22,797)	(4,556)	(3,164)	(2,514)	(2,352)	(12,586)	(1,078)	(3,790)	(2,941)	(5,155)	(12,964)	(216)	190
Non-GAAP earnings (loss) from continuing ops	(36,239)	(10,368)	(7,251)	(1,062)	(4,484)	(23,165)	(4,399)	(10,864)	2,277	(8,964)	(21,950)	(16,342)	(15,252)
Non-GAAP earnings (loss) per share from cont. ops:													
Basic	\$ (0.47)	\$ (0.13)	\$ (0.09)	\$ (0.01)	\$ (0.06)	\$ (0.29)	\$ (0.06)	\$ (0.14)	\$ 0.03	\$ (0.13)	\$ (0.29)	\$ (0.24)	\$ (0.23)
Diluted	\$ (0.47)	\$ (0.13)	\$ (0.09)	\$ (0.01)	\$ (0.06)	\$ (0.29)	\$ (0.06)	\$ (0.14)	\$ 0.03	\$ (0.13)	\$ (0.29)	\$ (0.24)	\$ (0.23)
Basic weighted average shares	77,609	78,672	79,235	79,043	78,614	78,891	76,935	77,448	77,398	68,299	75,020	68,906	67,684
Diluted weighted average shares	77,609	78,672	79,235	79,043	78,614	78,891	76,935	77,448	80,674	68,299	75,020	68,906	67,684

Footnotes

¹ Annualized recurring revenue (ARR) is ending MRR (last month of quarter) annualized. Recurring revenue is fixed and contracted subscription revenue and does not include any variable or non-recurring revenue amounts.

² Direct client count excludes agency and reseller deployments and Data Store-only customers.

³ Beginning in Q3'19 we began reporting client count net of 40 client contracts that were absorbed into one large reseller contract (no net revenue impact to LiveRamp). Historical customer counts net of IPG contracts are: FY16: 258, FY17: 402, FY18: 550, Q119: 585, Q219: 610, Q319: 640, Q419: 665, Q120: 690, Q220: 720.

⁴ Subscription net retention is defined as current period subscription revenue (net) from customers who have been on the platform for one year or more, divided by the prior year quarter subscription revenue (net), inclusive of upsell, churn and downsell.

⁵ \$1M clients are counted as \$250k or more subscription-only revenue in the quarter.

⁶ Non-GAAP financial results represent continuing operations less excluded items (i.e. non-cash stock compensation, purchased intangible asset amortization, accelerated depreciation and restructuring charges). Excluding these amounts, Q2'20 non-GAAP gross profit was \$56M, non-GAAP gross margin was 63%, non-GAAP operating loss was \$20M and non-GAAP operating margin was (20%). Q2'20 non-GAAP EPS of (\$0.23) includes approximately \$5 million of interest income associated with cash received from the divestiture of Acxiom Marketing Solutions.

⁷ Prior period capital expenditures related to Acxiom include capitalized software development costs.

⁸ Platform net retention is defined as current period subscription and marketplace revenue (net) from customers who have been on the platform for one year or more, divided by the prior year quarter subscription and marketplace revenue (net), inclusive of upsell, churn and downsell.

⁹ GAAP operating loss guidance subject to final purchase accounting adjustments.

¹⁰ Non-GAAP guidance excludes non-cash stock compensation, purchased intangible asset amortization, accelerated depreciation and restructuring charges.

¹¹ Includes \$33 million of acquisition-related stock-based compensation.

¹² FY 17 results include \$20 million in revenue and \$1 million of loss from operations related to Acxiom Impact divested in 2016.

Further Reading

The following supplemental slide decks are available to investors on LiveRamp's investor relations website:

1) LiveRamp Advanced TV Overview

URL: <https://investors.liveramp.com/advanced-tv-slides-november-2019>

2) Subject Rights Under the California Consumer Privacy Act (CCPA)

URL: <https://investors.liveramp.com/supplemental-slides-november-2019>

