



# Q3 FY22 Earnings Slides

February 9, 2022



# Cautionary Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 as amended and Section 21E of the Securities Exchange Act of 1934 as amended, including, without limitation, regarding LiveRamp's (the "Company") future business prospects. These statements involve risks and uncertainties that could cause the Company's actual results to differ materially, including, but not limited to competitive pressures, adverse economic conditions, uncertainties resulting from the COVID-19 pandemic 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.

For a detailed discussion of these and other risk factors, please refer to the Company's most recent Annual Report on Form 10-K and other filings the Company makes from time to time with the Securities and Exchange Commission (the "SEC"), which are available on the SEC's Web site (<http://www.sec.gov>).

Investors are cautioned not to place undue reliance on the Company's forward-looking statements, which speak only as of the date such statements are made. The Company does not undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after the date of this presentation, or to reflect the occurrence of unanticipated events.

# Use of Non-GAAP Information

The Company reports all financial information required in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company believes, however, that evaluating its ongoing operating results will be enhanced if it also discloses certain non-GAAP information because it is useful to understand the Company’s performance.

Whenever the Company uses such historical non-GAAP financial measures, it provides a reconciliation of historical non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measure included in the financial tables accompanying the Company’s press release and in the appendix to this presentation.

These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same captions and may differ from non-GAAP financial measures with the same or similar captions that are used by other companies. The use of certain non-GAAP financial measures requires management to make estimates and assumptions regarding amounts of assets and liabilities and the amounts of revenue and expense during the reporting periods. The Company bases its estimates on historical experience and assumptions that it believes are reasonable. Actual results could differ from those estimates.

# Key SaaS Metrics

Q3 FY22

## Predictable, Recurring Revenue

**\$381<sup>1</sup>M**

ARR  
(up 16% YoY)

**79%**

Subscription  
% of  
Total Revenue

## Subscription Customer Growth

**890<sup>2,3</sup>**

Direct  
Clients

**86<sup>4</sup>**

\$1M Clients

## Land & Expand with Network Effects

**16%**

Brand ACV  
YoY growth

**109%<sup>5</sup>**

Platform  
Net Retention

## Profitable Long-term Model, Non-GAAP

**77%**

Gross Margin  
(up 3 points YoY)

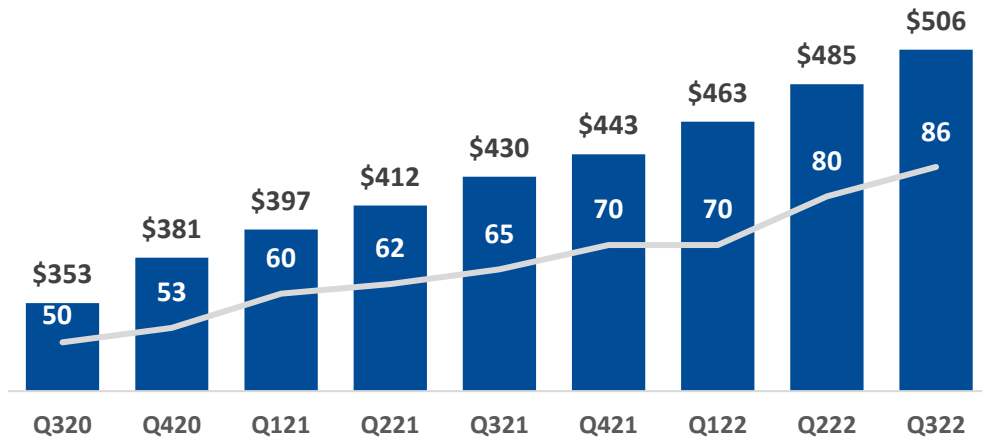
**7th**

Consecutive  
Quarter of  
Operating  
Profit

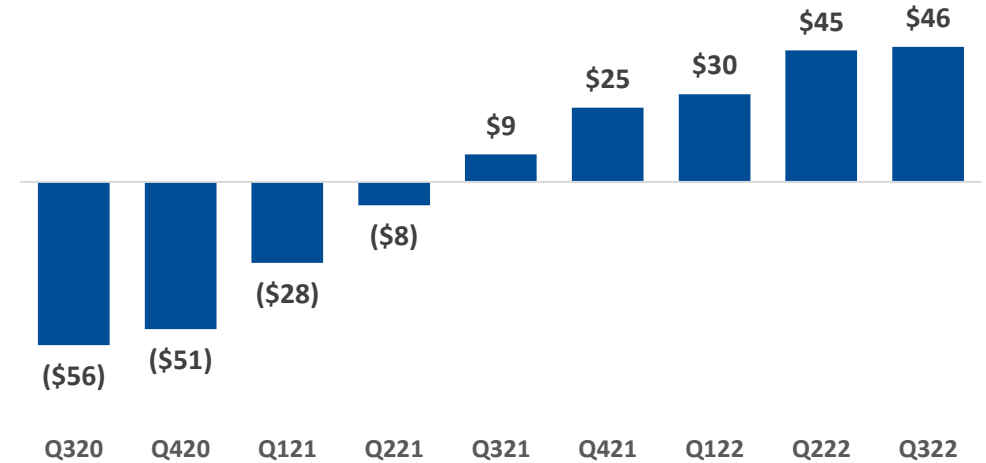
See appendix and accompanying press release for GAAP equivalent metrics

# Solid Growth / Profitability Trends & Return of Capital

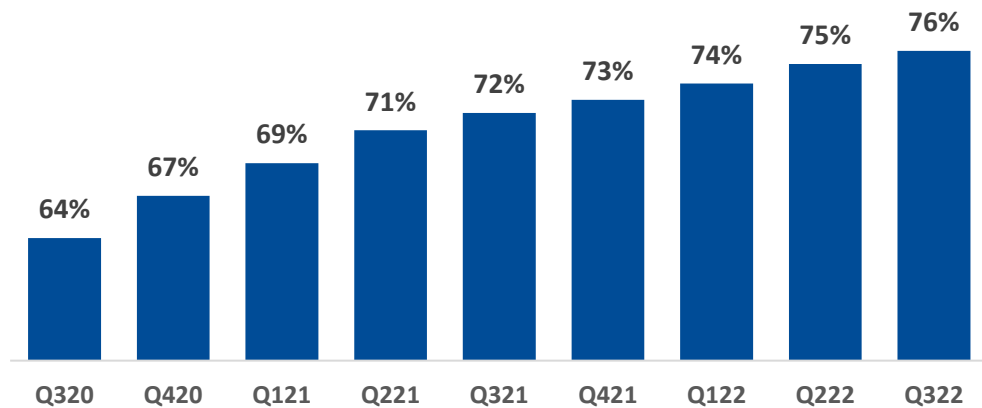
Trailing Twelve Month Revenue (\$M) & \$1M+ Customer Counts



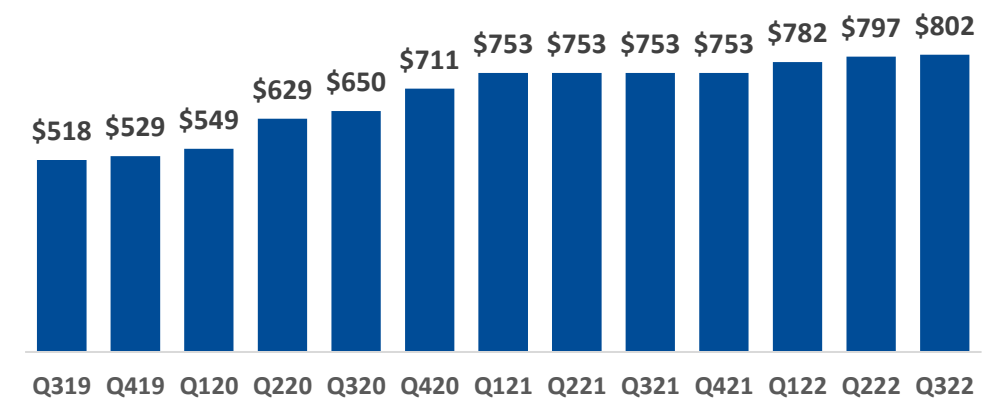
Trailing Twelve Month Non-GAAP EBITDA (\$M)



Trailing Twelve Month Non-GAAP Gross Margin %



Cumulative Share Buybacks since Q3'19 (\$M)



# Summary Financial Results

*\$M, except per share amounts*

	GAAP		Non-GAAP <sup>6</sup>	
	Q322	YoY	Q322	YoY
<b>Revenue</b>	<b>\$141</b>	<b>17%</b>	—	—
<b>Gross Profit</b>	<b>\$102</b>	<b>23%</b>	<b>\$108</b>	<b>23%</b>
<i>Gross Margin</i>	<i>73%</i>	<i>4pts</i>	<i>77%</i>	<i>3pts</i>
<b>Operating Income (Loss)</b>	<b>(\$14)</b>	<b>13%</b>	<b>\$15</b>	<b>19%</b>
<i>Operating Margin</i>	<i>(10%)</i>	<i>3pts</i>	<i>10%</i>	—
<b>Net Earnings (Loss)</b>	<b>(\$15)</b>	<b>(31%)</b>	<b>\$10</b>	<b>nm</b>
EPS	(\$0.23)	(28%)	\$0.14	nm
Share Count <sup>7</sup>	68.2	3%	69.9	nm

# Revenue Summary

\$M

Revenue by Type	Q322	Q321	YoY
Subscription	\$111	\$93	19%
Marketplace & Other	\$29	\$26	12%
<b>Total</b>	<b>\$141</b>	<b>\$120</b>	<b>17%</b>

Revenue by Geography	Q322	Q321	YoY
US	\$132	\$112	18%
International	\$8	\$7	15%
<b>Total</b>	<b>\$141</b>	<b>\$120</b>	<b>17%</b>

*Totals may not foot due to rounding.*

# Cash Flow

*\$M, Non-GAAP*

	Q322	Q321
Operating Cash Flow	\$25	\$15
Less: Capital Expenditures	\$1	\$1
Free Cash Flow to Equity	\$24	\$14

*Totals may not foot due to rounding.*



# Key Growth Metrics

\$M, Non-GAAP

## 1 Subscription Net Retention <sup>8</sup>

	Q321	Q421	Q122	Q222	Q322
<b>Subscription Net Retention</b>	<b>105%</b>	<b>101%</b>	<b>103%</b>	<b>108%</b>	<b>110%</b>

See footnote 8 on slide 27 for definition of Subscription Net Retention.

## 2 Platform Net Retention <sup>5</sup>

	Q321	Q421	Q122	Q222	Q322
<b>Platform Net Retention</b>	<b>110%</b>	<b>104%</b>	<b>108%</b>	<b>109%</b>	<b>109%</b>

See footnote 5 on slide 27 for definition of Platform Net Retention.

## 3 ARR Growth <sup>1</sup>

	Q321	Q421	Q122	Q222	Q322
<b>ARR</b>	<b>\$329</b>	<b>\$337</b>	<b>\$342</b>	<b>\$365</b>	<b>\$381</b>
YoY %	17%	13%	12%	15%	16%

See footnote 1 on slide 27 for definition of ARR.

## 4 TTM Marketplace Revenue Growth

	Q321	Q421	Q122	Q222	Q322
<b>TTM Marketplace &amp; Other</b>	<b>\$84</b>	<b>\$86</b>	<b>\$92</b>	<b>\$95</b>	<b>\$99</b>
TTM YoY %	27%	15%	20%	22%	18%
<b>TTM Data Marketplace</b>	<b>\$60</b>	<b>\$63</b>	<b>\$69</b>	<b>\$73</b>	<b>\$79</b>
TTM YoY %	46%	34%	41%	41%	32%

# Revenue Detail

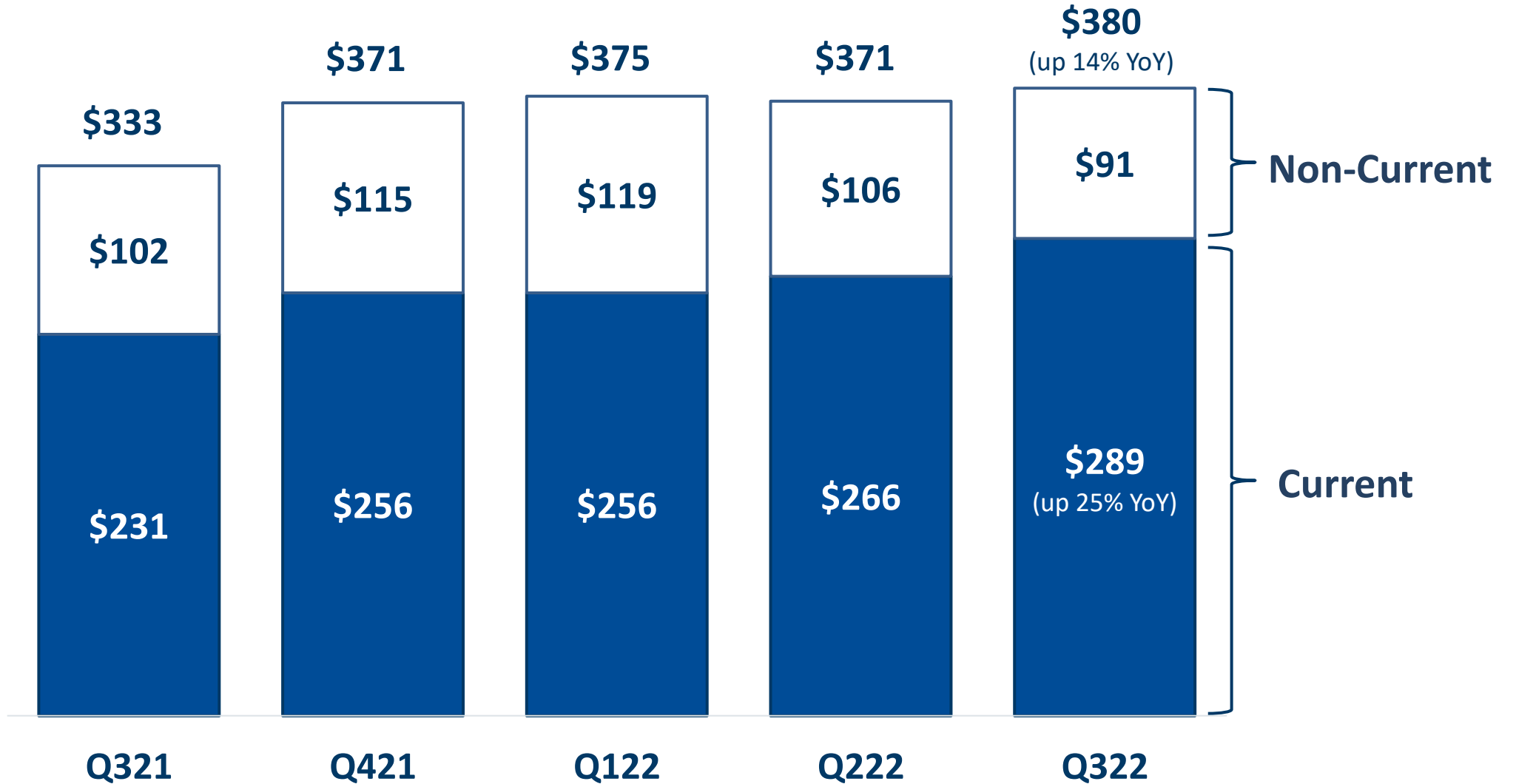
\$M

<b>Subscription Revenue:</b>	<b>Q321</b>	<b>Q421</b>	<b>Q122</b>	<b>Q222</b>	<b>Q322</b>
Fixed % of Total Subscription	88%	89%	87%	86%	85%
Usage % of Total Subscription	12%	11%	13%	14%	15%
<b>Total Subscription Revenue</b>	<b>\$93</b>	<b>\$94</b>	<b>\$97</b>	<b>\$105</b>	<b>\$111</b>
<i>YoY growth</i>	15%	13%	16%	23%	19%
<b>Marketplace &amp; Other Revenue:</b>					
Data Marketplace	\$20	\$18	\$17	\$18	\$25
<i>YoY growth</i>	60%	25%	57%	27%	26%
Other Revenue	\$6	\$6	\$6	\$4	\$4
<i>YoY growth</i>	(21%)	(12%)	(4%)	(19%)	(33%)
<b>Total Marketplace &amp; Other Revenue</b>	<b>\$26</b>	<b>\$25</b>	<b>\$23</b>	<b>\$22</b>	<b>\$29</b>
<i>YoY growth</i>	27%	13%	36%	16%	12%
<b>Total Revenue</b>	<b>\$120</b>	<b>\$119</b>	<b>\$119</b>	<b>\$127</b>	<b>\$141</b>
<i>YoY growth</i>	17%	13%	20%	22%	17%

Totals may not foot due to rounding.

# Remaining Performance Obligations <sup>10</sup>

\$M



# Outlook

# Q4 & FY22 Outlook

~\$M

	Q4	FY
<b>Revenue</b>	<b>\$139</b>	<b>\$526</b>
<i>YoY growth %</i>	<i>17%</i>	<i>19%</i>
<i>ex. Wholesale Contraction<sup>9</sup></i>	<i>23%</i>	<i>27%</i>

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	Q4
<b>Subscription Net Retention (SNR)</b>	<b>~106%</b>
(SNR Wholesale Contraction impact ~8pts)	

# Q4 & FY22 Outlook (continued)

## Operating Performance (~\$M)

	Q4	FY22
Operating Income		
Non-GAAP <sup>11</sup>	\$2	\$41
Operating (Loss)		
GAAP <sup>12</sup>	(\$31)	(\$69)

## Other Items (~M)

	FY22
Ongoing Stock-based Comp	\$56
Acquisition-related Stock-based Comp	\$34
Total Stock-based Comp	\$90
Share Count (Basic)	68
Share Count (Diluted)	70
Capital Spending (% of rev.)	1%

# Safe Haven

# Safe Haven

A network of industry-defining capabilities powering a network of data connections with competitive advantage

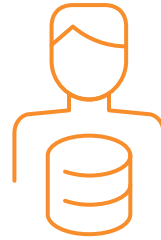




# Safe Haven – Enterprise Data Infrastructure for Customer Experience



**Creating a Single Customer View  
Across Siloed Data Assets – First  
Party Graph**



**DMP/CDP  
Replacement/Enhancement -  
Data Ingestion, Audience  
Development and Distribution**



**Future Proof Marketing  
Activation Through ATS**



**People-Based Measurement**

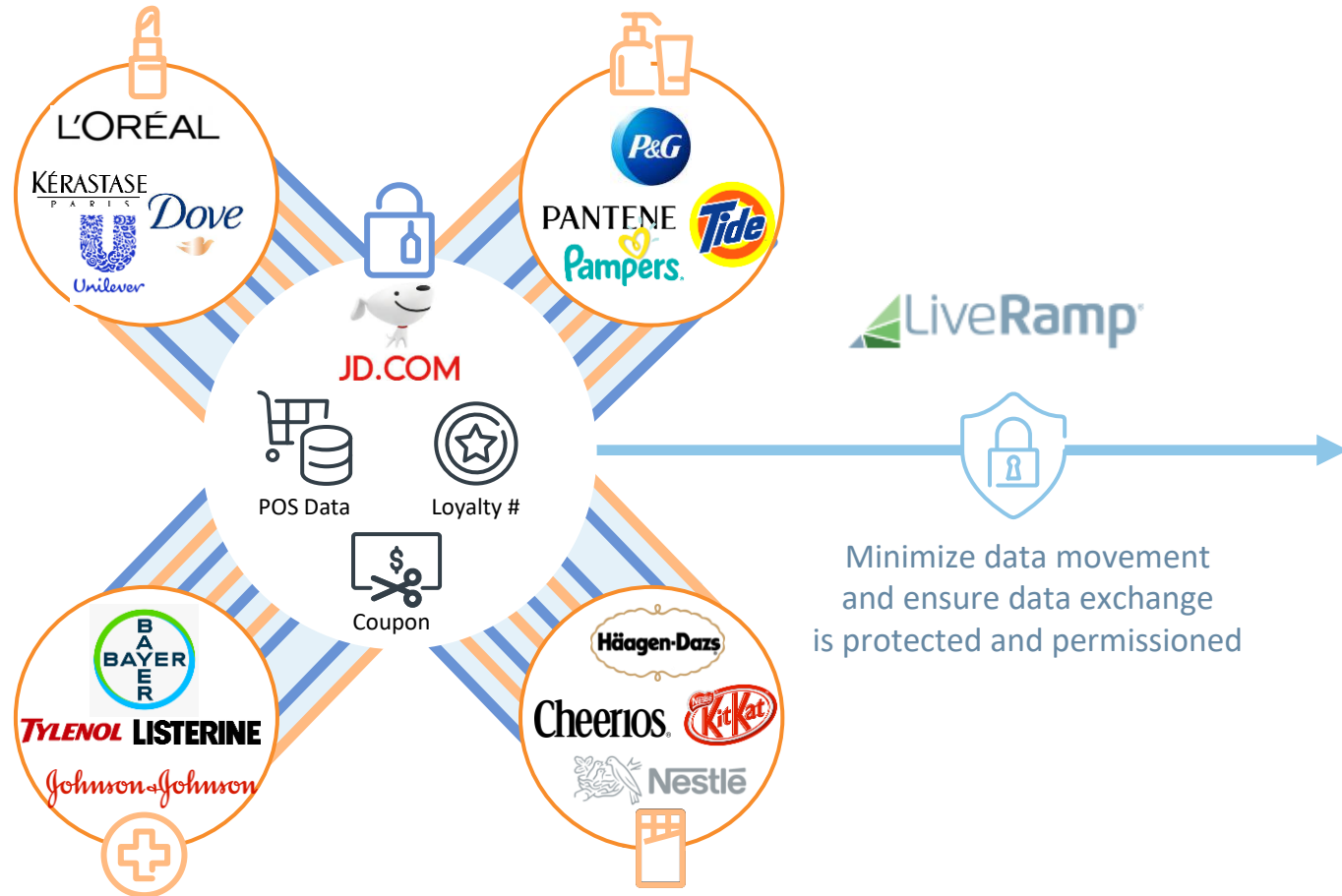


**In-Store and CRM Activation**



**Category Management and  
Shopper Insights**

# JD.com – Another Safe Haven Anchor



Audience Segmentation & Modeling



Audience Targeting



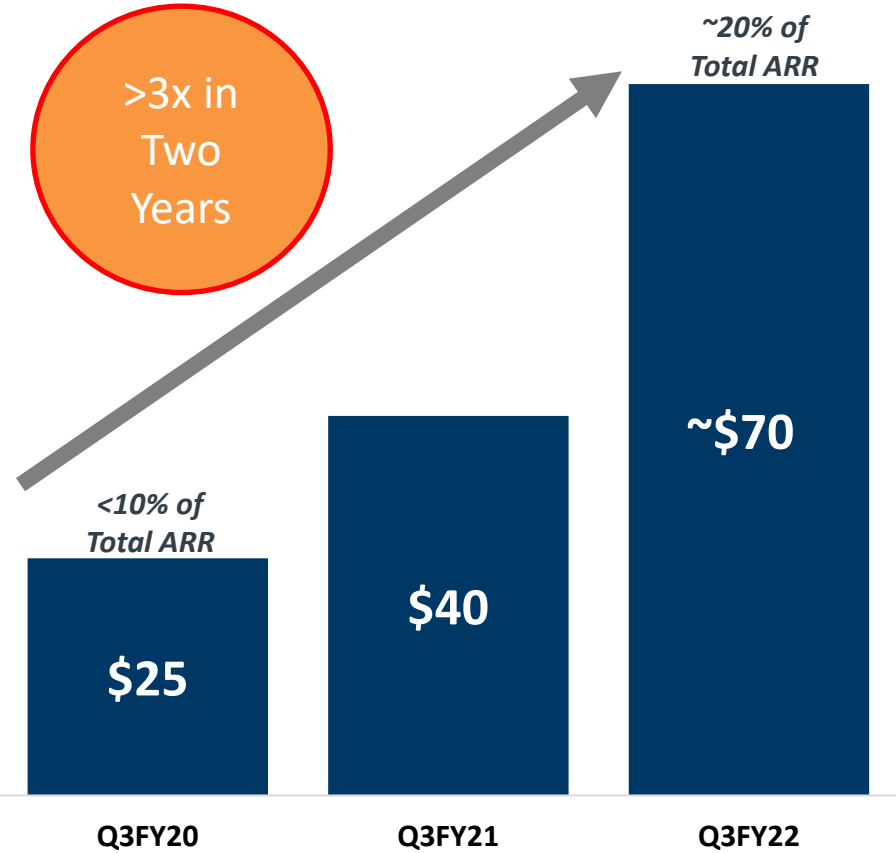
Advanced Analytics & Measurement



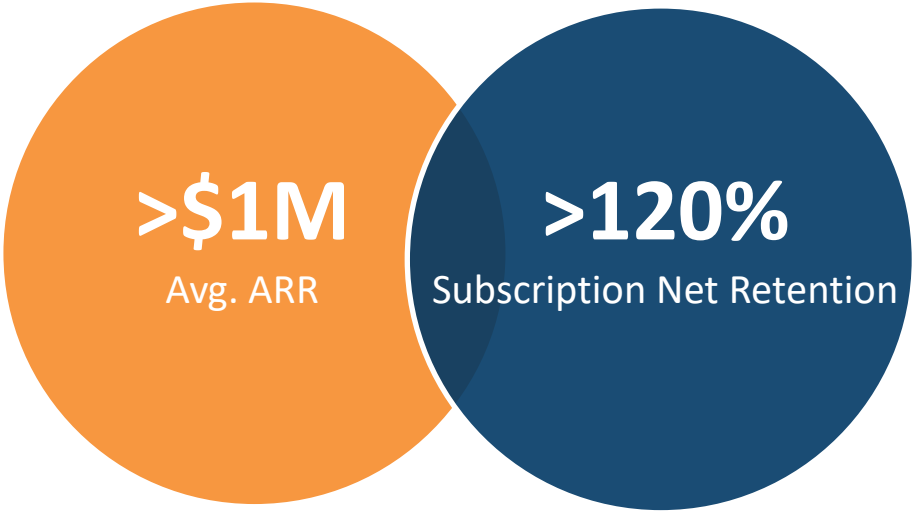
End-to-End Collaboration

# Safe Haven – From App to Enterprise

## Safe Haven Customers (Ending ARR, \$M)



## Customers on Safe Haven Platform Higher ACV with Significant Upsell Opportunity



# Appendix

# Building the Trusted Ecosystem – By the Numbers

## Ready for Activation



**70+ DSPs**

live or committed to buying on RampID



**55+ SSPs**

live or committed to implementing RampID in the bidstream



**340%** 3-year return on investment for our customers

**6** month payback period for our customers

**40%+** publisher yield increases (see [Microsoft case study](#))

## A Scalable Solution



**500+ publishers** adopted ATS

Connected to **70%+** US time spent online



Comscore Top Publishers

**80%**  
of the Top 20

**75%**  
of the Top 50



Available Globally – Only Omnichannel Solution

**North America, EMEA, LATAM & APAC**

# Wholesale Contraction Impact<sup>9</sup>

*\$M, except net retention metrics*

	Q421A	FY21A	Q122A	Q222A	Q322A	Q422E	FY22E
Total Revenue	(\$1)	(\$1)	(\$8)	(\$8)	(\$8)	(\$6)	(\$30)
Subscription Revenue	(\$1)	(\$1)	(\$8)	(\$8)	(\$8)	(\$6)	(\$30)
ARR	(\$5)	(\$5)	(\$30)	(\$30)	(\$30)	(\$25)	(\$25)
Net Retention Metrics	~(2pts)	-	~(10pts)	~(10pts)	~(10pts)	~(8pts)	

# GAAP to Non-GAAP Reconciliation

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

	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 21	Q1 22	Q2 22	Q3 22
<b>Total Revenue</b>	<b>\$ 220,101</b>	<b>\$ 62,471</b>	<b>\$ 64,812</b>	<b>\$ 80,021</b>	<b>\$ 78,316</b>	<b>\$ 285,620</b>	<b>\$ 82,511</b>	<b>\$ 90,143</b>	<b>\$ 102,217</b>	<b>\$ 105,701</b>	<b>\$ 380,572</b>	<b>\$ 99,437</b>	<b>\$ 104,661</b>	<b>\$ 119,753</b>	<b>\$ 119,175</b>	<b>\$ 443,026</b>	<b>\$ 119,038</b>	<b>\$ 127,290</b>	<b>\$ 140,604</b>
Gross Profit (GAAP)	\$ 123,705	\$ 38,817	\$ 40,346	\$ 45,183	\$ 40,556	\$ 164,902	\$ 46,085	\$ 48,683	\$ 64,251	\$ 68,849	\$ 227,868	\$ 64,972	\$ 69,764	\$ 82,668	\$ 81,618	\$ 299,022	\$ 84,723	\$ 92,211	\$ 102,047
% of Revenue	56.2%	62.1%	62.3%	56.5%	51.8%	57.7%	55.9%	54.0%	62.9%	65.1%	59.9%	65.3%	66.7%	69.0%	68.5%	67.5%	71.2%	72.4%	72.6%
Excluded items:																			
Purchased intangible asset amortization	23,895	5,970	3,548	3,359	2,981	15,858	3,123	5,369	5,369	5,181	19,042	5,306	4,350	4,213	4,177	18,046	4,645	4,612	4,647
Non-cash stock compensation	2,651	711	782	1,052	2,163	4,708	755	1,060	1,028	926	3,769	775	913	988	2,624	5,300	790	948	1,168
Accelerated depreciation	-	-	-	1,527	1,445	2,972	1,487	1,245	-	-	2,732	-	-	-	-	-	-	-	-
<b>Gross Profit - Non-GAAP</b>	<b>\$ 150,251</b>	<b>\$ 45,499</b>	<b>\$ 44,676</b>	<b>\$ 51,121</b>	<b>\$ 47,145</b>	<b>\$ 188,441</b>	<b>\$ 51,450</b>	<b>\$ 56,357</b>	<b>\$ 70,648</b>	<b>\$ 74,956</b>	<b>\$ 253,411</b>	<b>\$ 71,053</b>	<b>\$ 75,027</b>	<b>\$ 87,869</b>	<b>\$ 88,419</b>	<b>\$ 322,368</b>	<b>\$ 90,158</b>	<b>\$ 97,771</b>	<b>\$ 107,862</b>
% of Revenue	68.3%	72.8%	68.9%	63.9%	60.2%	66.0%	62.4%	62.5%	69.1%	70.9%	66.6%	71.5%	71.7%	73.4%	74.2%	72.8%	75.7%	76.8%	76.7%
R&D (GAAP)	\$ 60,713	\$ 16,970	\$ 16,940	\$ 20,469	\$ 31,318	\$ 85,697	\$ 23,722	\$ 26,445	\$ 27,403	\$ 28,411	\$ 105,981	\$ 26,989	\$ 31,035	\$ 30,608	\$ 46,479	\$ 135,111	\$ 34,776	\$ 35,788	\$ 41,870
% of Revenue	27.6%	27.2%	26.1%	25.6%	40.0%	30.0%	28.8%	29.3%	26.8%	26.9%	27.8%	27.1%	29.7%	25.6%	39.0%	30.5%	29.2%	28.1%	29.8%
Excluded items:																			
Non-cash stock compensation	15,644	4,342	3,745	5,945	14,193	28,225	4,451	6,346	6,462	6,001	23,260	5,886	7,713	7,376	17,985	38,960	5,348	7,184	9,264
<b>R&amp;D - Non-GAAP</b>	<b>\$ 45,069</b>	<b>\$ 12,629</b>	<b>\$ 13,195</b>	<b>\$ 14,524</b>	<b>\$ 17,125</b>	<b>\$ 57,473</b>	<b>\$ 19,271</b>	<b>\$ 20,099</b>	<b>\$ 20,941</b>	<b>\$ 22,410</b>	<b>\$ 82,721</b>	<b>\$ 21,103</b>	<b>\$ 23,322</b>	<b>\$ 23,232</b>	<b>\$ 28,494</b>	<b>\$ 96,151</b>	<b>\$ 29,428</b>	<b>\$ 28,604</b>	<b>\$ 32,606</b>
% of Revenue	20.5%	20.2%	20.4%	18.2%	21.9%	20.1%	23.4%	22.3%	20.5%	21.2%	21.7%	21.2%	22.3%	19.4%	23.9%	21.7%	24.7%	22.5%	23.2%
S&M (GAAP)	\$ 108,639	\$ 33,323	\$ 35,940	\$ 40,054	\$ 49,223	\$ 158,540	\$ 43,144	\$ 45,204	\$ 51,993	\$ 48,564	\$ 188,905	\$ 38,627	\$ 41,705	\$ 43,904	\$ 53,307	\$ 177,543	\$ 41,979	\$ 39,509	\$ 46,324
% of Revenue	49.4%	53.3%	55.5%	50.1%	62.9%	55.5%	52.3%	50.1%	50.9%	45.9%	49.6%	38.8%	39.8%	36.7%	44.7%	40.1%	35.3%	31.0%	32.9%
Excluded items:																			
Non-cash stock compensation	23,381	9,920	9,854	9,460	14,736	43,970	8,920	9,758	15,670	3,678	38,026	7,123	9,233	9,212	14,833	40,401	6,793	6,749	7,329
<b>S&amp;M - Non-GAAP</b>	<b>\$ 85,258</b>	<b>\$ 23,403</b>	<b>\$ 26,086</b>	<b>\$ 30,594</b>	<b>\$ 34,487</b>	<b>\$ 114,570</b>	<b>\$ 34,224</b>	<b>\$ 35,446</b>	<b>\$ 36,323</b>	<b>\$ 44,886</b>	<b>\$ 150,879</b>	<b>\$ 31,504</b>	<b>\$ 32,472</b>	<b>\$ 34,692</b>	<b>\$ 38,474</b>	<b>\$ 137,142</b>	<b>\$ 35,186</b>	<b>\$ 32,760</b>	<b>\$ 38,995</b>
% of Revenue	38.7%	37.5%	40.2%	38.2%	44.0%	40.1%	41.5%	39.3%	35.5%	42.5%	39.6%	31.7%	31.0%	29.0%	32.3%	31.0%	29.6%	25.7%	27.7%
G&A (GAAP)	\$ 85,154	\$ 18,125	\$ 25,176	\$ 27,828	\$ 27,749	\$ 98,878	\$ 25,318	\$ 27,262	\$ 26,107	\$ 30,216	\$ 108,903	\$ 23,368	\$ 24,495	\$ 23,943	\$ 32,395	\$ 104,201	\$ 24,291	\$ 23,078	\$ 27,639
% of Revenue	38.7%	29.0%	38.8%	34.8%	35.4%	34.6%	30.7%	30.2%	25.5%	28.6%	28.6%	23.5%	23.4%	20.0%	27.2%	23.5%	20.4%	18.1%	19.7%
Excluded items:																			
Non-cash stock compensation	11,192	2,824	3,286	9,625	10,083	25,818	4,504	6,190	7,135	6,563	24,392	2,701	6,345	6,318	11,682	27,046	5,565	4,340	5,997
Separation & transformation costs	17,786	-	2,122	700	(705)	2,117	-	-	-	-	-	3,605	258	-	-	3,863	-	-	-
Accelerated depreciation	-	-	-	432	408	840	419	418	-	-	837	-	-	-	-	-	-	-	-
<b>G&amp;A - Non-GAAP</b>	<b>\$ 56,176</b>	<b>\$ 15,301</b>	<b>\$ 19,768</b>	<b>\$ 17,071</b>	<b>\$ 17,963</b>	<b>\$ 70,102</b>	<b>\$ 20,395</b>	<b>\$ 20,654</b>	<b>\$ 18,972</b>	<b>\$ 23,653</b>	<b>\$ 83,674</b>	<b>\$ 17,062</b>	<b>\$ 17,892</b>	<b>\$ 17,625</b>	<b>\$ 20,713</b>	<b>\$ 73,292</b>	<b>\$ 18,726</b>	<b>\$ 18,738</b>	<b>\$ 21,642</b>
% of Revenue	25.5%	24.5%	30.5%	21.3%	22.9%	24.5%	24.7%	22.9%	18.6%	22.4%	22.0%	17.2%	17.1%	14.7%	17.4%	16.5%	15.7%	14.7%	15.4%

# GAAP to Non-GAAP Reconciliation

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

	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 21	Q1 22	Q2 22	Q3 22
Loss from operations (GAAP)	\$ (133,524)	\$ (29,602)	\$ (38,199)	\$ (48,211)	\$ (82,134)	\$ (198,146)	\$ (48,375)	\$ (50,273)	\$ (41,485)	\$ (40,789)	\$ (180,922)	\$ (26,007)	\$ (26,852)	\$ (15,781)	\$ (51,908)	\$ (120,548)	\$ (17,601)	\$ (6,182)	\$ (13,786)
% of Revenue	-60.7%	-37.8%	-48.8%	-61.6%	-104.9%	-69.4%	-58.6%	-55.8%	-40.6%	-38.6%	-47.5%	-26.2%	-25.7%	-13.2%	-43.6%	-27.2%	-14.8%	-4.9%	-9.8%
Excluded items:																			
Purchased intangible asset amortization	\$ 23,895	\$ 5,970	\$ 3,548	\$ 3,359	\$ 2,981	\$ 15,858	\$ 3,123	\$ 5,369	\$ 5,369	\$ 5,181	\$ 19,042	\$ 5,306	\$ 4,350	\$ 4,213	\$ 4,177	\$ 18,046	\$ 4,645	\$ 4,612	\$ 4,647
Non-cash stock compensation	52,866	17,798	17,667	26,082	41,175	102,722	18,630	23,354	30,295	17,168	89,447	16,485	24,204	23,894	47,124	111,707	18,496	19,221	23,758
Restructuring & merger charges	2,723	1	489	5,043	14,400	19,933	2,276	45	233	2,447	5,001	1,995	(619)	(6)	1,345	2,715	1,278	18	-
Separation & transformation costs	17,786	0	2,122	700	(705)	2,117	-	-	-	-	-	3,605	258	-	-	3,863	-	-	-
Accelerated depreciation	-	-	-	1,959	1,853	3,812	1,906	1,663	-	-	3,569	-	-	-	-	-	-	-	-
<b>Income (loss) from operations - Non-GAAP</b>	<b>\$ (36,254)</b>	<b>\$ (5,833)</b>	<b>\$ (14,373)</b>	<b>\$ (11,068)</b>	<b>\$ (22,430)</b>	<b>\$ (53,704)</b>	<b>\$ (22,440)</b>	<b>\$ (19,842)</b>	<b>\$ (5,588)</b>	<b>\$ (15,993)</b>	<b>\$ (63,863)</b>	<b>\$ 1,384</b>	<b>\$ 1,341</b>	<b>\$ 12,320</b>	<b>\$ 738</b>	<b>\$ 15,783</b>	<b>\$ 6,818</b>	<b>\$ 17,669</b>	<b>\$ 14,619</b>
% of Revenue	-16.5%	-9.3%	-22.2%	-13.8%	-28.6%	-18.8%	-27.2%	-22.0%	-5.5%	-15.1%	-16.8%	1.4%	1.3%	10.3%	0.6%	3.6%	5.7%	13.9%	10.4%
<b>Income / (loss) from continuing ops before tax (GAAP)</b>	<b>(\$133,022)</b>	<b>(\$29,246)</b>	<b>(\$38,480)</b>	<b>(\$37,807)</b>	<b>(\$73,823)</b>	<b>(\$179,356)</b>	<b>(\$42,493)</b>	<b>(\$45,493)</b>	<b>(\$38,327)</b>	<b>(\$39,224)</b>	<b>(\$165,537)</b>	<b>(\$25,544)</b>	<b>(\$27,077)</b>	<b>(\$15,867)</b>	<b>(\$52,312)</b>	<b>(\$120,800)</b>	<b>\$13,000</b>	<b>(\$6,032)</b>	<b>(\$14,027)</b>
Excluded items:																			
Purchased intangible asset amortization	\$ 23,895	\$ 5,970	\$ 3,548	\$ 3,359	\$ 2,981	\$ 15,858	\$ 3,123	\$ 5,369	\$ 5,369	\$ 5,181	\$ 19,042	\$ 5,306	\$ 4,350	\$ 4,213	\$ 4,177	\$ 18,046	\$ 4,645	\$ 4,612	\$ 4,647
Non-cash stock compensation	52,866	17,798	17,667	26,082	41,175	102,722	18,630	23,354	30,295	17,168	89,447	16,485	24,204	23,894	47,124	111,707	18,496	19,221	23,758
Restructuring & merger charges	2,723	1	489	5,043	14,400	19,933	2,276	45	233	2,447	5,001	1,995	(619)	(6)	1,345	2,715	1,278	18	-
Separation & transformation costs	17,786	-	2,122	700	(705)	2,117	-	-	-	-	-	3,605	258	-	-	3,863	-	-	-
Accelerated depreciation	-	-	-	1,959	1,853	3,812	1,906	1,663	-	-	3,569	-	-	-	-	-	-	-	-
Gain on retained profits interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,052)	-	(183)
<b>Income / (loss) from continuing ops before tax - Non-GAAP</b>	<b>(\$35,752)</b>	<b>(\$5,477)</b>	<b>(\$14,654)</b>	<b>(\$664)</b>	<b>(\$14,119)</b>	<b>(\$34,914)</b>	<b>(\$16,558)</b>	<b>(\$15,062)</b>	<b>(\$2,430)</b>	<b>(\$14,428)</b>	<b>(\$48,478)</b>	<b>\$1,847</b>	<b>\$1,116</b>	<b>\$12,234</b>	<b>\$334</b>	<b>\$15,531</b>	<b>\$7,367</b>	<b>\$17,819</b>	<b>\$14,195</b>
% of Revenue	-16.2%	-8.8%	-22.6%	-0.8%	-18.0%	-12.2%	-20.1%	-16.7%	-2.4%	-13.6%	-12.7%	1.9%	1.1%	10.2%	0.3%	3.5%	6.2%	14.0%	10.1%



# Adjusted EBITDA Reconciliation

\$K

	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 21	Q1 22	Q2 22	Q3 22
Net earnings (loss) from continuing operations (GAAP)	\$ (67,299)	\$ (27,818)	\$ (41,180)	\$ (15,261)	\$ (49,688)	\$ (133,947)	\$ (42,140)	\$ (40,202)	\$ (38,040)	\$ (4,879)	\$ (125,261)	\$ (21,728)	\$ (23,968)	\$ (11,725)	\$ (32,847)	\$ (90,268)	\$ 17,365	\$ (6,431)	\$ (15,375)
Income taxes (benefit)	(65,723)	(1,428)	2,700	(22,546)	(24,135)	(45,409)	(353)	(5,291)	(287)	(34,345)	(40,276)	(3,816)	(3,109)	(4,142)	(19,465)	(30,532)	(4,365)	399	1,348
Total other income (expense), net	502	356	(281)	10,404	8,311	18,790	5,882	4,780	3,158	1,565	15,385	463	(225)	(86)	(404)	(252)	30,601	150	(241)
Loss from operations (GAAP)	(133,524)	(29,602)	(38,199)	(48,211)	(82,134)	(198,146)	(48,375)	(50,273)	(41,485)	(40,789)	(180,922)	(26,007)	(26,852)	(15,781)	(51,908)	(120,548)	(17,601)	(6,182)	(13,786)
Depreciation and amortization	37,647	9,403	7,018	8,853	8,508	33,782	8,877	10,977	8,104	7,943	35,901	8,054	6,901	6,509	6,277	27,741	6,585	5,819	5,827
EBITDA	\$ (95,877)	\$ (20,199)	\$ (31,181)	\$ (39,358)	\$ (73,626)	\$ (164,364)	\$ (39,498)	\$ (39,296)	\$ (33,381)	\$ (32,846)	\$ (145,021)	\$ (17,953)	\$ (19,951)	\$ (9,272)	\$ (45,631)	\$ (92,807)	\$ (11,016)	\$ (363)	\$ (7,959)
Other adjustments:																			
Non-cash stock compensation	\$ 52,866	\$ 17,798	\$ 17,667	\$ 26,082	\$ 41,174	\$ 102,721	\$ 18,630	\$ 23,354	\$ 30,295	\$ 17,168	\$ 89,447	\$ 16,485	\$ 24,204	\$ 23,894	\$ 47,124	\$ 111,707	\$ 18,496	\$ 19,221	\$ 23,758
Restructuring and merger charges	2,723	1	489	5,043	14,400	19,933	2,276	45	233	2,447	5,001	1,995	(619)	(6)	1,345	2,715	1,278	18	-
Separation and transformation	17,786	-	2,122	700	(705)	2,117	-	-	-	-	-	3,605	258	-	-	3,863	-	-	-
Adjusted EBITDA	\$ (22,502)	\$ (2,400)	\$ (10,903)	\$ (7,533)	\$ (18,756)	\$ (39,593)	\$ (18,592)	\$ (15,897)	\$ (2,853)	\$ (13,231)	\$ (50,573)	\$ 4,132	\$ 3,892	\$ 14,616	\$ 2,838	\$ 25,478	\$ 8,758	\$ 18,876	\$ 15,799

# GAAP to Non-GAAP EPS Reconciliation

\$K, except per share amounts

	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 21	Q1 22	Q2 22	Q3 22
Loss from continuing ops before income taxes	(\$133,022)	(\$29,246)	(\$38,480)	(\$37,807)	(\$73,823)	(\$179,356)	\$ (42,493)	\$ (45,493)	\$ (38,327)	(\$39,224)	(\$165,537)	\$ (25,544)	\$ (27,077)	\$ (15,867)	\$ (52,312)	(\$120,800)	\$ 13,000	\$ (6,032)	\$ (14,027)
Income taxes (benefit)	(65,723)	(1,428)	2,700	(22,546)	(24,135)	(45,409)	(353)	(5,291)	(287)	(34,345)	(40,276)	(3,816)	(3,109)	(4,142)	(19,465)	(30,532)	(4,365)	399	1,348
<b>Net earnings (loss) from continuing ops (GAAP)</b>	<b>(67,299)</b>	<b>(27,818)</b>	<b>(41,180)</b>	<b>(15,261)</b>	<b>(49,688)</b>	<b>(133,947)</b>	<b>(42,140)</b>	<b>(40,202)</b>	<b>(38,040)</b>	<b>(4,879)</b>	<b>(125,261)</b>	<b>(21,728)</b>	<b>(23,968)</b>	<b>(11,725)</b>	<b>(32,847)</b>	<b>(90,268)</b>	<b>17,365</b>	<b>(6,431)</b>	<b>(15,375)</b>
<b>Earnings (loss) per share:</b>																			
Basic	\$ (0.85)	\$ (0.36)	\$ (0.53)	\$ (0.20)	\$ (0.73)	\$ (1.79)	\$ (0.61)	\$ (0.59)	\$ (0.56)	\$ (0.06)	\$ (1.85)	\$ (0.33)	\$ (0.36)	\$ (0.18)	\$ (0.49)	\$ (1.36)	\$ 0.25	\$ (0.09)	\$ (0.23)
Diluted	\$ (0.85)	\$ (0.36)	\$ (0.53)	\$ (0.20)	\$ (0.73)	\$ (1.79)	\$ (0.61)	\$ (0.59)	\$ (0.56)	\$ (0.06)	\$ (1.85)	\$ (0.33)	\$ (0.36)	\$ (0.18)	\$ (0.49)	\$ (1.36)	\$ 0.25	\$ (0.09)	\$ (0.23)
<b>Excluded items:</b>																			
Purchased intangible asset amortization (CoR)	23,895	5,970	3,548	3,359	2,981	15,858	3,123	5,369	5,369	5,181	19,042	5,306	4,350	4,213	4,177	18,046	4,645	4,612	4,647
Non-cash stock compensation (CoR & Opex)	52,867	17,798	17,667	26,082	41,175	102,722	18,630	23,354	30,295	17,168	89,447	16,485	24,204	23,894	47,124	111,707	18,496	19,221	23,758
Restructuring & merger charges (gains, losses, & other)	2,723	1	489	5,043	14,400	19,933	2,276	45	233	2,447	5,001	1,995	(619)	(6)	1,345	2,715	1,278	18	-
Separation & transformation costs (G&A)	17,786	-	2,122	700	(705)	2,117	-	-	-	-	-	3,605	258	-	-	3,863	-	-	-
Accelerated depreciation (CoR & Opex)	-	-	-	1,959	1,853	3,812	1,906	1,663	-	-	3,569	-	-	-	-	-	-	-	-
Gain on retained profits interest (other income)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,052)	-	(183)
<b>Total excluded items, continuing operations</b>	<b>97,271</b>	<b>23,769</b>	<b>23,826</b>	<b>37,143</b>	<b>59,704</b>	<b>144,442</b>	<b>25,935</b>	<b>30,431</b>	<b>35,897</b>	<b>24,796</b>	<b>117,059</b>	<b>27,391</b>	<b>28,193</b>	<b>28,101</b>	<b>52,646</b>	<b>136,331</b>	<b>(5,633)</b>	<b>23,851</b>	<b>28,222</b>
Income (loss) from continuing operations before income taxes & excluding items	(35,751)	(5,477)	(14,654)	(664)	(14,119)	(34,914)	(16,558)	(15,062)	(2,430)	(14,428)	(48,478)	1,847	1,116	12,234	334	15,531	7,367	17,819	14,195
Income taxes (benefit)	(12,586)	(1,078)	(3,790)	(2,941)	(5,155)	(12,964)	(216)	190	(227)	(11,199)	(11,452)	934	(1,291)	2,347	(2,628)	(638)	865	(12)	4,271
<b>Non-GAAP earnings (loss) from continuing ops</b>	<b>(23,165)</b>	<b>(4,399)</b>	<b>(10,864)</b>	<b>2,277</b>	<b>(8,964)</b>	<b>(21,950)</b>	<b>(16,342)</b>	<b>(15,252)</b>	<b>(2,203)</b>	<b>(3,229)</b>	<b>(37,026)</b>	<b>913</b>	<b>2,407</b>	<b>9,887</b>	<b>2,962</b>	<b>16,169</b>	<b>6,502</b>	<b>17,831</b>	<b>9,924</b>
Non-GAAP earnings (loss) per share from continuing ops:	\$ (0.29)	\$ (0.06)	\$ (0.14)	\$ 0.03	\$ (0.13)	\$ (0.29)	\$ (0.24)	\$ (0.23)	\$ (0.03)	\$ (0.05)	\$ (0.55)	\$ 0.01	\$ 0.03	\$ 0.14	\$ 0.04	\$ 0.23	\$ 0.09	\$ 0.26	\$ 0.14
Basic weighted average shares	78,891	76,935	77,448	77,398	68,299	75,020	68,906	67,684	67,473	66,977	67,760	65,570	66,010	66,523	67,111	66,304	68,328	68,042	68,190
Diluted weighted average shares	78,891	76,935	77,448	80,674	68,299	75,020	71,685	70,092	69,956	68,883	70,154	67,337	68,804	69,775	69,935	68,963	69,605	69,333	69,938

# Footnotes

<sup>1</sup> Annualized recurring revenue (ARR) is last month of quarter recurring revenue annualized. Recurring revenue is fixed and contracted subscription revenue and does not include any variable or non-recurring revenue amounts. This metric is forward looking and does not factor in potential contraction, nor does it include potential additions to recurring revenue.

<sup>2</sup> Direct client count excludes agency and reseller deployments and Data Marketplace-only customers.

<sup>3</sup> Beginning in Q3'19 we began reporting client count net of client contracts that were absorbed into one large reseller contract with IPG. Historical customer counts net of IPG contracts are: FY16: 258, FY17: 402, FY18: 550, FY19: 665, Q120: 690, Q220: 720, Q320: 770, Q420: 780, Q121: 780, Q221: 795, Q321: 810, Q421: 825, Q122: 855, Q222: 870, Q322: 890.

<sup>4</sup> \$1M clients are counted as \$250k or more subscription-only revenue in the quarter.

<sup>5</sup> Platform net retention is defined as current quarter 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.

<sup>6</sup> Non-GAAP financial results represent continuing operations less excluded items (i.e. non-cash stock compensation, purchased intangible asset amortization, accelerated depreciation, restructuring and transformation charges, and FY22 investment gain). Excluding these amounts, Q322 non-GAAP gross profit was \$108M, non-GAAP gross margin was 77%, non-GAAP operating income was \$15M and non-GAAP operating margin was 10%.

<sup>7</sup> Fully diluted shares outstanding are used to calculate EPS in periods of profitability. Basic shares outstanding are used to calculate EPS during periods with a net loss.

<sup>8</sup> Subscription net retention is defined as current quarter subscription (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.

<sup>9</sup> "Wholesale contraction" represents \$30M in revenue that will not be recurring in FY22 – associated with a limited number of marketing cloud arrangements.

<sup>10</sup> Remaining Performance Obligations (RPO) are defined as all future revenue under contract that has not yet been recognized as revenue. Current RPO represents future revenue under contract that is expected to be recognized as revenue in the next 12 months. RPO is influenced by several factors including seasonality, the timing of renewals, average contract terms, and foreign currency exchange rates.

<sup>11</sup> Non-GAAP guidance excludes non-cash stock compensation, purchased intangible asset amortization and restructuring charges

<sup>12</sup> GAAP operating loss guidance subject to final purchase accounting adjustments.