

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ----- to -----

Commission file number: 001-38669

**LiveRamp Holdings, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation or Organization)

**225 Bush Street, Seventeenth Floor**  
**San Francisco, CA**

(Address of Principal Executive Offices)

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

**94104**  
(Zip Code)

**(888) 987-6764**

(Registrant's Telephone Number, Including Area Code)  
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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.40 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares of common stock, \$ 0.10 par value per share, outstanding as of November 1, 2024 was 65,264,310.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
TABLE OF CONTENTS  
REPORT ON FORM 10-Q  
September 30, 2024

	Page No.
<a href="#">Forward-looking Statements</a>	<a href="#">3</a>
<a href="#">Part I. Financial Information</a>	
<a href="#">Item 1. Financial Statements</a>	<a href="#">6</a>
<a href="#">Condensed Consolidated Balance Sheets as of September 30, 2024 (Unaudited) and March 31, 2024</a>	<a href="#">6</a>
<a href="#">Condensed Consolidated Statements of Operations for the three and six months ended September 30, 2024 and 2023 (Unaudited)</a>	<a href="#">7</a>
<a href="#">Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended September 30, 2024 and 2023 (Unaudited)</a>	<a href="#">8</a>
<a href="#">Condensed Consolidated Statements of Equity for the three and six months ended September 30, 2024 (Unaudited)</a>	<a href="#">9</a>
<a href="#">Condensed Consolidated Statements of Equity for the three and six months ended September 30, 2023 (Unaudited)</a>	<a href="#">10</a>
<a href="#">Condensed Consolidated Statements of Cash Flows for the six months ended September 30, 2024 and 2023 (Unaudited)</a>	<a href="#">11</a>
<a href="#">Notes to Condensed Consolidated Financial Statements</a>	<a href="#">13</a>
<a href="#">Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">30</a>
<a href="#">Item 3. Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">44</a>
<a href="#">Item 4. Controls and Procedures</a>	<a href="#">44</a>
<a href="#">Part II. Other Information</a>	
<a href="#">Item 1. Legal Proceedings</a>	<a href="#">45</a>
<a href="#">Item 1A. Risk Factors</a>	<a href="#">45</a>
<a href="#">Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</a>	<a href="#">46</a>
<a href="#">Item 3. Defaults Upon Senior Securities</a>	<a href="#">47</a>
<a href="#">Item 4. Mine Safety Disclosures</a>	<a href="#">47</a>
<a href="#">Item 5. Other Information</a>	<a href="#">47</a>
<a href="#">Item 6. Exhibits</a>	<a href="#">48</a>
<a href="#">Signature</a>	<a href="#">49</a>

## **Forward-looking Statements**

This Quarterly Report on Form 10-Q, including, without limitation, the items set forth beginning in the Management's Discussion and Analysis of Financial Condition and Results of Operations, contains and may incorporate by reference certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended (the "PSLRA"), and that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by 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.

Forward-looking statements may include but are not limited to the following:

- management's expectations about the macro economy and trends within the consumer or business information industries, including the use of data and consumer expectations related thereto;
- statements regarding our competitive position within our industry and our differentiation strategies;
- our expectations regarding laws, regulations and industry practices governing the collection and use of personal data;
- our expectations regarding the potential impact of public health crises, similar to the COVID-19 pandemic, on our business, operations, and the markets in which we and our partners and customers operate;
- our expectations regarding the impact of tax-related legislation on our tax position;
- our estimates, assumptions, projections and/or expectations regarding the Company's annualized future cost savings and expenses associated with our global workforce strategy and real estate footprint reduction;
- statements regarding our liquidity needs or containing a projection of revenues, operating income (loss), income (loss), earnings (loss) per share, capital expenditures, research and development spending, dividends, capital structure, or other financial items;
- statements of the plans and objectives of management for future operations;
- statements of future performance, including, but not limited to, those statements contained in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Quarterly Report on Form 10-Q;
- statements regarding future stock-based compensation expense;
- statements containing any assumptions underlying or relating to any of the above statements; and
- statements containing a projection or estimate.

Among the factors that may cause actual results and expectations to differ from anticipated results and expectations expressed in such forward-looking statements are the following:

- the risk factors described in Part I, "Item 1A. Risk Factors" included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 filed with the Securities and Exchange Commission ("SEC") on May 22, 2024 and in Part I, "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, "Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q and those described from time to time in our future reports filed with the SEC;

- the possibility that, in the event a change of control of the Company is sought, certain customers may attempt to invoke provisions in their contracts allowing for termination upon a change in control, which may result in a decline in revenue and profit;
- the possibility that we will fail to fully realize the potential benefits of acquired businesses (including Habu) or the integration of such acquired businesses may not be as successful as planned;
- the possibility that the fair value of certain of our assets may not be equal to the carrying value of those assets now or in future time periods;
- the possibility that sales cycles may lengthen;
- the possibility that we will not be able to properly motivate our sales force or other employees;
- the possibility that we may not be able to attract and retain qualified technical and leadership employees, or that we may lose key employees to other organizations;
- the possibility that our global workforce strategy could encounter difficulty and not be as beneficial as planned;
- the possibility that we may not be able to sublease our exited office spaces on favorable terms and rates;
- the possibility that competent, competitive products, technologies or services will be introduced into the marketplace by other companies;
- the possibility that we will fail to keep up with rapidly changing technology practices in our products and services or that expected benefits from utilization of technological innovations may not be realized as soon as expected or at all;
- the possibility that there will be changes in consumer or business information industries and markets that negatively impact the Company;
- the possibility that we will not be able to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;
- the possibility that there will be continued changes in the judicial, legislative, regulatory, accounting, cultural and consumer environments affecting our business, including but not limited to litigation, investigations, legislation, regulations and customs at the state, federal and international levels impairing our and our customers' ability to collect, process, manage, aggregate, store and/or use data of the type necessary for our business;
- the possibility that data suppliers might withdraw data from us, leading to our inability to provide certain products and services, in particular that there might be restrictive legislation in the U.S. and other countries that restricts the availability of data;
- the possibility that data purchasers will reduce their reliance on us by developing and using their own, or alternative, sources of data generally or with respect to certain data elements or categories;
- the possibility that we may enter into short-term contracts that would affect the predictability of our revenues;
- the possibility that the amount of volume-based and other transactional-based work will not be as expected;
- the possibility that we may experience a loss of data center capacity or capability or interruption of telecommunication links or power sources;
- the possibility that we may experience failures or breaches of our network and data security systems, leading to potential adverse publicity, negative customer reaction, or liability to third parties;
- the possibility that our customers may cancel or modify their agreements with us, or may not make timely or complete payments;

- the possibility that we will not successfully meet customer contract requirements or the service levels specified in the contracts, which may result in contract penalties or lost revenue;
- the possibility that we experience processing errors that result in credits to customers, re-performance of services or payment of damages to customers;
- the possibility that our performance may decline and we lose advertisers and revenue as the use of "third-party cookies" or other tracking technology continues to be pressured by Internet users, restricted or otherwise subject to unfavorable regulation, blocked or limited by technical changes on end users' devices, or our customers' ability to use data on our platform is otherwise restricted;
- general and global negative conditions, risk of recession, high interest rates, the military conflicts in Europe and the Middle East, capital markets volatility, bank failures, government shutdowns, cost increases and general inflationary pressure and other related causes; and
- our tax rate and other effects of the changes to U.S. federal tax law.

With respect to the provision of products or services outside our primary base of operations in the United States, all of the above factors apply, along with the difficulty of doing business in numerous sovereign jurisdictions due to differences in scale, competition, culture, laws and regulations.

Other factors are detailed from time to time in periodic reports and registration statements filed with the SEC. The Company believes that it has the product and technology offerings, facilities, employees and competitive and financial resources for continued business success, but future revenues, costs, margins and profits are all influenced by a number of factors, including those discussed above, all of which are inherently difficult to forecast.

In light of these risks, uncertainties and assumptions, the Company cautions readers not to place undue reliance on any forward-looking statements. Forward-looking statements and such risks, uncertainties and assumptions speak only as of the date of this Quarterly Report on Form 10-Q, and the Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein, to reflect any change in our expectations with regard thereto, or any other change based on the occurrence of future events, the receipt of new information or otherwise, except to the extent otherwise required by law.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

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

	September 30, 2024	March 31, 2024
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 338,946	\$ 336,867
Restricted cash	2,631	2,604
Short-term investments	9,494	32,045
Trade accounts receivable, net	192,067	190,313
Refundable income taxes, net	4,195	8,521
Other current assets	34,787	31,682
Total current assets	582,120	602,032
Property and equipment, net of accumulated depreciation and amortization	7,374	8,181
Intangible assets, net	26,989	34,583
Goodwill	501,924	501,756
Deferred commissions, net	43,456	48,143
Other assets, net	33,025	36,748
	<u>\$ 1,194,888</u>	<u>\$ 1,231,443</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Trade accounts payable	\$ 91,457	\$ 81,202
Accrued payroll and related expenses	27,340	61,575
Other accrued expenses	44,515	42,857
Deferred revenue	36,156	30,942
Total current liabilities	199,468	216,576
Other liabilities	63,363	65,732
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock	—	—
Common stock	15,782	15,594
Additional paid-in capital	1,994,541	1,933,776
Retained earnings	1,308,415	1,314,172
Accumulated other comprehensive income	5,083	3,964
Treasury stock, at cost	(2,391,764)	(2,318,371)
Total stockholders' equity	932,057	949,135
	<u>\$ 1,194,888</u>	<u>\$ 1,231,443</u>

See accompanying notes to condensed consolidated financial statements.

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

	For the three months ended		For the six months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenues	\$ 185,483	\$ 159,871	\$ 361,444	\$ 313,940
Cost of revenue	51,234	41,212	102,983	86,833
Gross profit	134,249	118,659	258,461	227,107
Operating expenses				
Research and development	43,889	33,733	88,007	68,252
Sales and marketing	51,107	44,135	105,282	89,014
General and administrative	31,369	26,009	62,330	52,673
Gains, losses and other items, net	397	6,574	603	6,690
Total operating expenses	126,762	110,451	256,222	216,629
Income from operations	7,487	8,208	2,239	10,478
Total other income, net	4,197	6,431	8,641	11,280
Income from continuing operations before income taxes	11,684	14,639	10,880	21,758
Income tax expense	9,952	10,163	16,637	18,868
Net earnings (loss) from continuing operations	1,732	4,476	(5,757)	2,890
Earnings from discontinued operations, net of tax	—	387	—	387
Net earnings (loss)	\$ 1,732	\$ 4,863	\$ (5,757)	\$ 3,277
Basic earnings (loss) per share:				
Continuing operations	\$ 0.03	\$ 0.07	\$ (0.09)	\$ 0.04
Discontinued operations	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.01
Basic earnings (loss) per share	\$ 0.03	\$ 0.07	\$ (0.09)	\$ 0.05
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.03	\$ 0.07	\$ (0.09)	\$ 0.04
Discontinued operations	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.01
Diluted earnings (loss) per share	\$ 0.03	\$ 0.07	\$ (0.09)	\$ 0.05

See accompanying notes to condensed consolidated financial statements.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
(Unaudited)  
(Dollars in thousands)

	For the three months ended September 30,		For the six months ended September 30,	
	2024	2023	2024	2023
Net earnings (loss)	\$ 1,732	\$ 4,863	\$ (5,757)	\$ 3,277
Other comprehensive income (loss):				
Change in foreign currency translation adjustment	1,191	(998)	1,119	(937)
Comprehensive income (loss)	<u>\$ 2,923</u>	<u>\$ 3,865</u>	<u>\$ (4,638)</u>	<u>\$ 2,340</u>

See accompanying notes to condensed consolidated financial statements.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY  
THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2024  
(Unaudited)  
(Dollars in thousands)

	Common Stock		Additional paid-in Capital	Retained earnings	Accumulated other comprehensive income	Treasury Stock		Total Equity
	Number of shares	Amount				Number of shares	Amount	
<b><i>For the three months ended September 30, 2024</i></b>								
Balances at June 30, 2024	157,256,866	\$ 15,726	\$ 1,966,578	\$ 1,306,683	\$ 3,892	(90,377,447)	\$ (2,341,003)	\$ 951,876
Employee stock awards, benefit plans and other issuances	16,742	1	159	—	—	(34,618)	(893)	(733)
Non-cash stock-based compensation	12,271	1	27,858	—	—	—	—	27,859
Restricted stock units vested	536,251	54	(54)	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	(1,945,953)	(49,868)	(49,868)
Comprehensive income:								
Foreign currency translation	—	—	—	—	1,191	—	—	1,191
Net earnings	—	—	—	1,732	—	—	—	1,732
Balances at September 30, 2024	<u>157,822,130</u>	<u>\$ 15,782</u>	<u>\$ 1,994,541</u>	<u>\$ 1,308,415</u>	<u>\$ 5,083</u>	<u>(92,358,018)</u>	<u>\$ (2,391,764)</u>	<u>\$ 932,057</u>

***For the six months ended September 30, 2024***

Balances at March 31, 2024	155,943,262	\$ 15,594	\$ 1,933,776	\$ 1,314,172	\$ 3,964	(89,668,961)	\$ (2,318,371)	\$ 949,135
Employee stock awards, benefit plans and other issuances	289,344	29	6,298	—	—	(244,530)	(7,740)	(1,413)
Non-cash stock-based compensation	20,555	2	54,624	—	—	—	—	54,626
Restricted stock units vested	1,568,969	157	(157)	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	(2,444,527)	(65,653)	(65,653)
Comprehensive income (loss):								
Foreign currency translation	—	—	—	—	1,119	—	—	1,119
Net loss	—	—	—	(5,757)	—	—	—	(5,757)
Balances at September 30, 2024	<u>157,822,130</u>	<u>\$ 15,782</u>	<u>\$ 1,994,541</u>	<u>\$ 1,308,415</u>	<u>\$ 5,083</u>	<u>(92,358,018)</u>	<u>\$ (2,391,764)</u>	<u>\$ 932,057</u>

See accompanying notes to condensed consolidated financial statements.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY  
THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2023  
(Unaudited)  
(Dollars in thousands)

	Common Stock		Additional paid-in Capital	Retained earnings	Accumulated other comprehensive loss	Treasury Stock		Total Equity
	Number of shares	Amount				Number of shares	Amount	
<b>For the three months ended September 30, 2023</b>								
Balances at June 30, 2023	154,551,628	\$ 15,455	\$ 1,873,935	\$ 1,300,705	\$ 4,565	(88,367,267)	\$ (2,276,129)	\$ 918,531
Employee stock awards, benefit plans and other issuances	4,060	—	2	—	—	(23,227)	(677)	(675)
Non-cash stock-based compensation	10,205	1	14,085	—	—	—	—	14,086
Restricted stock units vested	121,451	12	(12)	—	—	—	—	—
Liability-classified restricted stock units vested	44,796	5	1,168	—	—	—	—	1,173
Acquisition of treasury stock	—	—	—	—	—	(490,493)	(15,122)	(15,122)
Comprehensive income (loss):								
Foreign currency translation	—	—	—	—	(998)	—	—	(998)
Net earnings	—	—	—	4,863	—	—	—	4,863
Balances at September 30, 2023	<u>154,732,140</u>	<u>\$ 15,473</u>	<u>\$ 1,889,178</u>	<u>\$ 1,305,568</u>	<u>\$ 3,567</u>	<u>(88,880,987)</u>	<u>\$ (2,291,928)</u>	<u>\$ 921,858</u>

**For the six months ended September 30, 2023**

Balances at March 31, 2023	153,987,784	\$ 15,399	\$ 1,855,916	\$ 1,302,291	\$ 4,504	(87,372,837)	\$ (2,252,034)	\$ 926,076
Employee stock awards, benefit plans and other issuances	282,924	28	5,547	—	—	(183,057)	(4,569)	1,006
Non-cash stock-based compensation	22,525	2	26,586	—	—	—	—	26,588
Restricted stock units vested	394,111	39	(39)	—	—	—	—	—
Liability-classified restricted stock units vested	44,796	5	1,168	—	—	—	—	1,173
Acquisition of treasury stock	—	—	—	—	—	(1,325,093)	(35,325)	(35,325)
Comprehensive income (loss):								
Foreign currency translation	—	—	—	—	(937)	—	—	(937)
Net earnings	—	—	—	3,277	—	—	—	3,277
Balances at September 30, 2023	<u>154,732,140</u>	<u>\$ 15,473</u>	<u>\$ 1,889,178</u>	<u>\$ 1,305,568</u>	<u>\$ 3,567</u>	<u>(88,880,987)</u>	<u>\$ (2,291,928)</u>	<u>\$ 921,858</u>

See accompanying notes to condensed consolidated financial statements.

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

	For the six months ended September 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net earnings (loss)	\$ (5,757)	\$ 3,277
Earnings from discontinued operations, net of tax	—	(387)
Non-cash operating activities:		
Depreciation and amortization	9,004	5,903
Gain on disposal or impairment of assets	20	302
Lease-related impairment and restructuring charges	(36)	2,315
Provision for doubtful accounts	1,245	(237)
Impairment of goodwill	—	2,875
Deferred income taxes	38	87
Non-cash stock compensation expense	57,053	29,027
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,627)	(16,258)
Deferred commissions	4,687	(2,907)
Other assets	3,998	5,743
Accounts payable and other liabilities	(31,994)	(12,885)
Income taxes	5,570	43,699
Deferred revenue	5,067	903
Net cash provided by operating activities	<u>46,268</u>	<u>61,457</u>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(467)	(253)
Purchases of investments	(1,967)	(24,385)
Proceeds from sales of investments	24,995	25,750
Purchases of strategic investments	(400)	(1,000)
Net cash provided by investing activities	<u>22,161</u>	<u>112</u>
<b>Cash flows from financing activities:</b>		
Proceeds related to the issuance of common stock under stock and employee benefit plans	6,327	5,575
Shares repurchased for tax withholdings upon vesting of stock-based awards	(7,740)	(4,569)
Acquisition of treasury stock	(65,653)	(35,325)
Net cash used in financing activities	<u>(67,066)</u>	<u>(34,319)</u>
Net cash provided by continuing operations	<u>1,363</u>	<u>27,250</u>
<b>Cash flows from discontinued operations:</b>		
From operating activities	—	387
Net cash provided by discontinued operations	<u>—</u>	<u>387</u>
Effect of exchange rate changes on cash	743	84

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

	<b>For the six months ended September 30,</b>	
Net change in cash, cash equivalents and restricted cash	2,106	27,721
Cash, cash equivalents and restricted cash at beginning of period	339,471	464,448
Cash, cash equivalents and restricted cash at end of period	\$ 341,577	\$ 492,169
<b>Supplemental cash flow information:</b>		
Cash paid (received) for income taxes, net from continuing operations	\$ 11,000	\$ (25,139)
Cash received for income taxes, net from discontinued operations	—	(595)
Cash received for tenant improvement allowances	(1,758)	—
Cash paid for operating lease liabilities	4,877	5,148
Operating lease assets obtained in exchange for operating lease liabilities	1,043	11,677
Operating lease assets, and related lease liabilities, relinquished in lease terminations	(555)	(4,486)
Purchases of property, plant and equipment remaining unpaid at period end	238	211

*See accompanying notes to condensed consolidated financial statements.*

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

**1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

These condensed consolidated financial statements have been prepared by LiveRamp Holdings, Inc. ("LiveRamp", "we", "us" or the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). In the opinion of the Company's management, all adjustments necessary for a fair presentation of the results for the periods included have been made, and the disclosures are adequate to make the information presented not misleading. All such adjustments are of a normal recurring nature. Certain note information has been omitted because it has not changed significantly from that reflected in Notes 1 through 18 of the Notes to Consolidated Financial Statements filed as part of Item 8 of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 ("2024 Annual Report"), as filed with the SEC on May 22, 2024. This Quarterly Report on Form 10-Q and the accompanying condensed consolidated financial statements should be read in connection with the 2024 Annual Report. The financial information contained in this Quarterly Report on Form 10-Q is not necessarily indicative of the results to be expected for any other period or for the full fiscal year ending March 31, 2025.

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). Actual results could differ from those estimates. Certain of the accounting policies used in the preparation of these condensed consolidated financial statements are complex and require management to make judgments and/or significant estimates regarding amounts reported or disclosed in these financial statements. Additionally, the application of certain of these accounting policies is governed by complex accounting principles and their interpretation. A discussion of the Company's significant accounting principles and their application is included in Note 1 of the Notes to Consolidated Financial Statements and in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the 2024 Annual Report.

Accounting Pronouncements Adopted During the Current Year

<b>Standard</b>	<b>Description</b>	<b>Date of Adoption</b>	<b>Effect on Financial Statements or Other Significant Matters</b>
There were no material accounting pronouncements applicable to the Company			

Recent Accounting Pronouncements Not Yet Adopted

Standard	Description	Date of Adoption	Effect on Financial Statements or Other Significant Matters
<b>Accounting Standard Update ("ASU") 2023-07</b>  Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	ASU 2023-07 expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses.	The updated standard is effective for our annual periods beginning in fiscal 2025 and interim periods beginning in the first quarter of fiscal 2026. Early adoption is permitted.	We are currently evaluating the impact that the updated standard will have on our consolidated financial statement disclosures.
<b>ASU 2023-09</b>  Income Taxes (Topic 740): Improvements to Income Tax Disclosures	ASU 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income tax paid.	The updated standard is effective for us beginning in fiscal 2026. Early adoption is permitted.	We are currently evaluating the impact that the updated standard will have on our consolidated financial statement disclosures.

## 2. EARNINGS (LOSS) PER SHARE AND STOCKHOLDERS' EQUITY:

### Earnings (Loss) Per Share

A reconciliation of the numerator and denominator of basic and diluted earnings (loss) per share is shown below (in thousands, except per share amounts):

	For the three months ended September 30,		For the six months ended September 30,	
	2024	2023	2024	2023
Basic earnings (loss) per share:				
Net earnings (loss) from continuing operations	\$ 1,732	\$ 4,476	\$ (5,757)	\$ 2,890
Earnings from discontinued operations, net of tax	—	387	—	387
Net earnings (loss)	\$ 1,732	\$ 4,863	\$ (5,757)	\$ 3,277
Basic weighted-average shares outstanding	66,294	66,284	66,458	66,391
Continuing operations	\$ 0.03	\$ 0.07	\$ (0.09)	\$ 0.04
Discontinued operations	—	0.01	—	0.01
Basic earnings (loss) per share	\$ 0.03	\$ 0.07	\$ (0.09)	\$ 0.05
Diluted earnings (loss) per share:				
Basic weighted-average shares outstanding	66,294	66,284	66,458	66,391
Dilutive effect of common stock options and restricted stock units as computed under the treasury stock method (1)	1,015	1,584	—	1,238
Diluted weighted-average shares outstanding	67,309	67,868	66,458	67,628
Continuing operations	\$ 0.03	\$ 0.07	\$ (0.09)	\$ 0.04
Discontinued operations	—	0.01	—	0.01
Diluted earnings (loss) per share	\$ 0.03	\$ 0.07	\$ (0.09)	\$ 0.05

*Earnings (loss) per share totals may not sum due to rounding.*

(1) The number of common stock options and restricted stock units as computed under the treasury stock method that would have otherwise been dilutive but are excluded from the table above because their effect would have been anti-dilutive due to the net loss position of the Company was 1.4 million for the six months ended September 30, 2024.

Restricted stock units that were outstanding during the periods presented but were not included in the computation of diluted loss per share because their effect would have been anti-dilutive (other than due to the net loss position of the Company) are shown below (shares in thousands):

	For the three months ended September 30,		For the six months ended September 30,	
	2024	2023	2024	2023
Number of shares underlying restricted stock units	2,473	1,167	2,166	1,208

## Stockholders' Equity

On August 14, 2024, the Company's board of directors approved an amendment to the existing common stock repurchase program, which was initially adopted in 2011. The amendment authorized an additional \$200.0 million in share repurchases, increasing the total amount authorized for repurchase under the common stock repurchase program to \$1.3 billion. In addition, it extended the common stock repurchase program duration through December 31, 2026.

During the six months ended September 30, 2024, the Company repurchased 2.4 million shares of its common stock for \$65.7 million under the modified common stock repurchase program. Through September 30, 2024, the Company had repurchased a total of 40.2 million shares of its common stock for \$1.0 billion under the program, leaving remaining capacity of \$291.7 million.

Accumulated other comprehensive income balances of \$5.1 million and \$4.0 million at September 30, 2024 and March 31, 2024, respectively, reflect accumulated foreign currency translation adjustments.

### **3. REVENUE FROM CONTRACTS WITH CUSTOMERS:**

#### Disaggregation of Revenue

In the following table, revenue is disaggregated by primary geographical market and major service offerings (dollars in thousands):

Primary Geographical Markets	For the six months ended September 30,	
	2024	2023
United States	\$ 341,487	\$ 293,569
Europe	16,803	16,643
Asia-Pacific ("APAC")	2,531	3,144
Other	623	584
	<u>\$ 361,444</u>	<u>\$ 313,940</u>

  

Major Offerings/Services	2024	2023
Subscription	\$ 278,082	\$ 247,587
Marketplace and Other	83,362	66,353
	<u>\$ 361,444</u>	<u>\$ 313,940</u>

#### Transaction Price Allocated to the Remaining Performance Obligations

We have performance obligations associated with fixed commitments in customer contracts for future services that have not yet been recognized in our condensed consolidated financial statements. The amount of fixed revenue not yet recognized was \$503.8 million as of September 30, 2024, of which \$374.1 million will be recognized over the next twelve months. The Company expects to recognize revenue on substantially all of these remaining performance obligations by March 31, 2028.

#### 4. LEASES:

Right-of-use assets and lease liabilities balances consist of the following (dollars in thousands):

	September 30, 2024	March 31, 2024
Right-of-use assets included in other assets, net	\$ 21,192	\$ 24,471
Short-term lease liabilities included in other accrued expenses	\$ 10,099	\$ 10,125
Long-term lease liabilities included in other liabilities	\$ 28,894	\$ 32,097
Supplemental balance sheet information:		
Weighted average remaining lease term	4.9 years	5.3 years
Weighted average discount rate	5.3 %	5.3 %

The Company leases its office facilities under non-cancellable operating leases that expire at various dates through fiscal 2031. Certain leases contain provisions for property-related costs that are variable in nature for which the Company is responsible, including common area maintenance and other property operating services. These costs are calculated based on a variety of factors including property values, tax and utility rates, property service fees, and other factors.

The components of lease cost, net for the six months ended September 30, 2024 and 2023, respectively, were as follows (dollars in thousands):

	For the six months ended September 30,	
	2024	2023
Operating lease costs	\$ 4,074	\$ 4,708
Operating sublease income	482	—
Total leases costs, net	\$ 3,592	\$ 4,708

The following table presents future minimum payments under all operating leases and subleases (including operating leases with a duration of one year or less and excluding ASC 840 leases related to restructuring plans) as of September 30, 2024. The amount for fiscal 2025 represents the remaining six months ending March 31, 2025. All other periods represent fiscal years ending March 31 (dollars in thousands):

	Operating lease payments	Payments expected under noncancellable subleases	Net operating lease payments
Fiscal 2025	\$ 5,438	\$ (454)	4,984
Fiscal 2026	9,255	(1,059)	8,196
Fiscal 2027	8,338	(1,091)	7,247
Fiscal 2028	8,472	(1,124)	7,348
Fiscal 2029	8,529	(1,157)	7,372
Thereafter	4,301	(99)	4,202
Total undiscounted lease payments	44,333	(4,984)	39,349
Less: Interest and short-term leases	5,340	(900)	4,440
Total discounted operating lease liabilities	\$ 38,993	\$ (4,084)	\$ 34,909

Future minimum payments as of September 30, 2024 related to ASC 840 lease liabilities under restructuring plans as a result of the Company's exit from certain leased office facilities (see Note 13) are as follows (dollars in thousands): Fiscal 2025: \$1,349; and Fiscal 2026: \$1,799.

## 5. STOCK-BASED COMPENSATION:

### Stock-based Compensation Plans

The Company has stock option and equity compensation plans for which a total of 51.5 million shares of the Company's common stock have been reserved for issuance since the inception of the plans. At September 30, 2024, there were a total of 6.7 million shares available for future grants under the plans.

During the quarter ended June 30, 2024, the board of directors voted to amend the Amended and Restated 2005 Equity Compensation Plan (the "2005 Plan") to increase the number of shares available under the 2005 Plan by 2.5 million shares. The amendment received shareholder approval at the August 2024 annual shareholders' meeting. This increased the 2005 Plan shares from 46.4 million shares at March 31, 2024 to 48.9 million shares beginning in the quarter ended September 30, 2024 and increased the total number of shares reserved for issuance since inception of all plans from 49.0 million shares at March 31, 2024 to 51.5 million shares beginning in the quarter ended September 30, 2024.

### Stock-based Compensation Expense

The Company's stock-based compensation activity for the six months ended September 30, 2024 and 2023, by award type, was (dollars in thousands):

	For the six months ended September 30,	
	2024	2023
Stock options	\$ 1,639	\$ 304
Restricted stock units, time-vesting	43,929	22,175
Restricted stock units, performance based	7,121	2,707
Habu restricted stock awards	429	—
Acuity performance plan	—	165
DataFleets acquisition consideration holdback	—	2,267
Habu acquisition consideration holdback	2,439	—
Employee stock purchase plan	871	784
Directors stock-based compensation	625	625
Total non-cash stock-based compensation included in the condensed consolidated statements of operations	57,053	29,027
Less expense related to liability-based equity awards	(2,427)	(2,439)
Total non-cash stock-based compensation included in the condensed consolidated statements of equity	\$ 54,626	\$ 26,588

The effect of stock-based compensation expense on income, by financial statement line item, was (dollars in thousands):

	For the six months ended September 30,	
	2024	2023
Cost of revenue	\$ 3,095	\$ 1,258
Research and development	21,125	10,370
Sales and marketing	14,476	8,522
General and administrative	18,357	8,877
Total non-cash stock-based compensation included in the condensed consolidated statements of operations	\$ 57,053	\$ 29,027

The following table provides the expected future expense for all of the Company's outstanding equity awards at September 30, 2024, by award type. The amount for fiscal 2025 represents the remaining six months ending March 31, 2025. All other periods represent fiscal years ending March 31 (dollars in thousands):

	For the years ending March 31,				Total
	2025	2026	2027	2028	
Stock options	\$ 1,607	\$ 2,331	\$ 1,159	\$ 95	\$ 5,192
Restricted stock units	48,296	57,482	32,483	2,885	141,146
Habu restricted stock awards	423	272	6	—	701
Habu acquisition consideration holdback	2,440	4,879	4,067	—	11,386
Employee stock purchase plan	277	—	—	—	277
Expected future expense	\$ 53,043	\$ 64,964	\$ 37,715	\$ 2,980	\$ 158,702

#### Stock Options Activity

Stock option activity for the six months ended September 30, 2024 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate Intrinsic value (in thousands)
Outstanding at March 31, 2024	622,122	\$ 14.39		
Exercised	(189,313)	\$ 18.82		\$ 2,455
Forfeited or canceled	(8,899)	\$ 9.65		
Outstanding at September 30, 2024	423,910	\$ 12.51	4.6	\$ 5,202
Exercisable at September 30, 2024	253,335	\$ 14.82	2.2	\$ 2,524

The aggregate intrinsic value at period end represents the total pre-tax intrinsic value (the difference between the Company's closing stock price on the last trading day of the period and the exercise price for each in-the-money option) that would have been received by the option holders had they exercised their options on September 30, 2024. This amount changes based upon changes in the fair market value of the Company's common stock.

A summary of stock options outstanding and exercisable as of September 30, 2024 was:

Range of exercise price per share	Options outstanding			Options exercisable	
	Options outstanding	Weighted-average remaining contractual life	Weighted-average exercise price per share	Options exercisable	Weighted-average exercise price per share
\$ — — \$ 9.99	232,108	7.8 years	\$ 8.24	61,533	\$ 5.91
\$ 10.00 — \$ 19.99	182,603	0.6 years	\$ 17.49	182,603	\$ 17.49
\$ 20.00 — \$ 24.99	9,199	1.7 years	\$ 21.32	9,199	\$ 21.32
	423,910	4.6 years	\$ 12.51	253,335	\$ 14.82

## Habu Restricted Stock Awards

During fiscal 2024, in connection with the acquisition of Habu, the Company replaced the unvested outstanding restricted stock shares held by Habu employees immediately prior to the acquisition with restricted shares of LiveRamp common stock having substantially the same terms and conditions as were applicable under the original restricted stock agreement. The conversion calculation resulted in the issuance of 36,118 replacement restricted stock shares having an acquisition-date fair value of \$1.4 million. Of the \$1.4 million acquisition-date fair value, \$0.1 million was attributed to pre-combination service and treated as a component of purchase consideration transferred. The remaining \$1.3 million of acquisition-date fair value is considered future compensation cost and is being recognized as stock-based compensation cost over the remaining service period of the replacement restricted stock shares.

Habu restricted stock share activity for the six months ended September 30, 2024 was:

	Number of shares	Weighted average fair value per share at grant date	Weighted average remaining contractual term (in years)
Unvested restricted stock awards at March 31, 2024	36,118	\$ 39.48	1.3
Vested	(16,305)	\$ 39.48	
Unvested restricted stock awards at September 30, 2024	19,813	\$ 39.48	0.9

The total fair value of restricted stock awards vested during the six months ended September 30, 2024 was \$0.5 million and is measured as the quoted market price of the Company's common stock on the vesting date for the number of shares vested.

## Restricted Stock Unit Activity

### *Time-vesting restricted stock units ("RSUs") -*

During the six months ended September 30, 2024, the Company granted time-vesting RSUs covering 1,801,372 shares of common stock and having a fair value at the date of grant of \$57.8 million. The RSUs granted in the current year will vest over three years. Grant date fair value of these units is equal to the quoted market price for the shares on the date of grant. RSU activity for the six months ended September 30, 2024 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2024	4,401,513	\$ 31.10	1.64
Granted	1,801,372	\$ 32.10	
Vested	(1,539,030)	\$ 29.49	
Forfeited or canceled	(321,646)	\$ 31.89	
Outstanding at September 30, 2024	4,342,209	\$ 32.03	1.86

The total fair value of RSUs vested during the six months ended September 30, 2024 was \$46.2 million and is measured as the quoted market price of the Company's common stock on the vesting date times the number of shares vested.

### *Performance-based restricted stock units ("PSUs") -*

#### **Fiscal 2025 plan:**

During the six months ended September 30, 2024, the Company granted PSUs covering 429,857 shares of common stock having a fair value at the date of grant of \$15.5 million. The grants were made under two separate performance plans.

Under the total shareholder return ("TSR") performance plan, units covering 128,953 shares of common stock were granted having a fair value at the date of grant of \$5.6 million, determined using a Monte Carlo simulation model. The units vest subject to attainment of market conditions established by the talent and compensation committee of the board of directors ("compensation committee") and continuous employment through the vesting date. The units may vest in a number of shares from 0% to 200% of the award, based on the TSR of LiveRamp common stock compared to the TSR of the Russell 2000 market index for the period from April 1, 2024 to March 31, 2027.

Under the operating metrics performance plan, units covering 300,904 shares of common stock were granted having a fair value at the date of grant of \$9.9 million, which was equal to the quoted market price for the shares on the date of grant. The units vest subject to attainment of performance criteria established by the compensation committee and continuous employment through the vesting date. The units may vest in a number of shares from 0% to 200% of the award, at the end of the performance period, based on the average attainment of annual revenue growth and EBITDA margin targets for fiscal years 2025, 2026, and 2027.

**Fiscal 2024 plan:**

Units under the Company's fiscal 2024 TSR performance plan, net of forfeitures, covering 199,946 shares of common stock will reach maturity of their relevant performance period at March 31, 2026. The units may vest in a number of shares from 0% to 200% of the award, based on the TSR of LiveRamp common stock compared to the TSR of the Russell 2000 market index for the period from April 1, 2023 to March 31, 2026.

Units under the Company's fiscal 2024 operating metrics performance plan, net of forfeitures, covering 466,550 shares of common stock will reach maturity of their relevant performance period at March 31, 2026. The units may vest in a number of shares from 0% to 200% of the award, at the end of the performance period, based on the average attainment of annual revenue growth and EBITDA margin targets for fiscal years 2024, 2025, and 2026.

**Fiscal 2023 plan:**

Units under the Company's fiscal 2023 TSR performance plan, net of forfeitures, covering 101,931 shares of common stock will reach maturity of their relevant performance period at March 31, 2025. The units may vest in a number of shares from 0% to 200% of the award, based on the TSR of LiveRamp common stock compared to the TSR of the Russell 2000 market index for the period from April 1, 2022 to March 31, 2025.

Units under the Company's fiscal 2023 operating metrics performance plan, net of forfeitures, covering 237,837 shares of common stock will reach maturity of their relevant performance period at March 31, 2025. The units may vest in a number of shares from 0% to 200% of the award, at the end of the performance period, based on the average attainment of annual revenue growth and EBITDA margin targets for fiscal years 2023, 2024, and 2025.

PSU activity for the six months ended September 30, 2024 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2024	1,095,748	\$ 31.15	1.61
Granted	429,857	\$ 36.14	
Vested	(29,939)	\$ 55.65	
Forfeited or canceled	(59,545)	\$ 51.21	
Outstanding at September 30, 2024	1,436,121	\$ 31.30	1.62

The total fair value of PSUs vested in the six months ended September 30, 2024 was \$1.0 million and is measured as the quoted market price of the Company's common stock on the vesting date times the number of shares vested.

## Other Stock Compensation Activity

### *Acquisition-related Consideration Holdback*

Through September 30, 2024, the Company has recognized a total of \$3.3 million as stock-based compensation expense related to the Habu consideration holdback. At September 30, 2024, the recognized, but unpaid, balance related to the Habu consideration holdback in other accrued expenses in the condensed consolidated balance sheet was \$3.3 million. The first annual settlement of \$4.9 million is expected to occur in the fourth quarter of fiscal 2025.

### *Qualified Employee Stock Purchase Plan ("ESPP")*

During the six months ended September 30, 2024, 104,574 shares of common stock were purchased under the ESPP at a weighted-average price of \$26.60 per share, resulting in cash proceeds of \$2.8 million over the relevant offering periods.

Stock-based compensation expense associated with the ESPP was \$0.9 million for the six months ended September 30, 2024. At September 30, 2024, there was approximately \$0.3 million of total unrecognized stock-based compensation expense related to the ESPP, which is expected to be recognized on a straight-line basis over the remaining term of the current offering period.

## **6. OTHER CURRENT AND NONCURRENT ASSETS:**

Other current assets consist of the following (dollars in thousands):

	September 30, 2024	March 31, 2024
Prepaid expenses and other	\$ 18,289	\$ 17,398
Assets of non-qualified retirement plan	16,498	14,284
Other current assets	<u>\$ 34,787</u>	<u>\$ 31,682</u>

Other noncurrent assets consist of the following (dollars in thousands):

	September 30, 2024	March 31, 2024
Long-term prepaid revenue share	\$ 3,554	\$ 4,714
Right-of-use assets (see Note 4)	21,192	24,471
Deferred tax asset	1,704	1,636
Deposits	3,046	3,125
Strategic investments	3,100	2,700
Other miscellaneous noncurrent assets	429	102
Other assets, net	<u>\$ 33,025</u>	<u>\$ 36,748</u>

## 7. PROPERTY AND EQUIPMENT:

Property and equipment is summarized as follows (dollars in thousands):

	September 30, 2024	March 31, 2024
Leasehold improvements	\$ 14,572	\$ 14,147
Data processing equipment	5,931	5,915
Office furniture and other equipment	5,175	5,332
	25,678	25,394
Less accumulated depreciation and amortization	(18,304)	(17,213)
Property and equipment, net of accumulated depreciation and amortization	<u>\$ 7,374</u>	<u>\$ 8,181</u>

Depreciation expense on property and equipment was \$1.4 million for both the six months ended September 30, 2024 and 2023, respectively.

## 8. GOODWILL:

Changes in goodwill for the six months ended September 30, 2024 was as follows (dollars in thousands):

	Total
Balance at March 31, 2024	\$ 501,756
Change in foreign currency translation adjustment	168
Balance at September 30, 2024	<u>\$ 501,924</u>

Goodwill by geography as of September 30, 2024 was:

	Total
U.S.	<u>\$ 501,924</u>

## 9. INTANGIBLE ASSETS:

The amounts allocated to intangible assets from acquisitions include developed technology, customer relationships, trade names, and publisher and data supply relationships. The following table shows the amortization activity of intangible assets (dollars in thousands):

	September 30, 2024	March 31, 2024
Developed technology, gross	\$ 102,156	\$ 102,076
Accumulated amortization	(77,667)	(70,743)
Net developed technology	\$ 24,489	\$ 31,333
Customer relationship/trade name, gross	\$ 37,892	\$ 37,882
Accumulated amortization	(35,392)	(34,632)
Net customer relationship/trade name	\$ 2,500	\$ 3,250
Publisher/data supply relationships, gross	\$ 16,000	\$ 16,000
Accumulated amortization	(16,000)	(16,000)
Net publisher/data supply relationships	\$ —	\$ —
Total intangible assets, gross	\$ 156,048	\$ 155,958
Total accumulated amortization	(129,059)	(121,375)
Total intangible assets, net	\$ 26,989	\$ 34,583

Total amortization expense related to intangible assets was \$7.6 million and \$4.5 million for the six months ended September 30, 2024 and 2023, respectively.

The following table presents the estimated future amortization expenses related to intangible assets. The amount for fiscal 2025 represents the remaining six months ending March 31, 2025. All other periods represent fiscal years ending March 31 (dollars in thousands).

Fiscal Year:	Amount
2025	\$ 6,822
2026	11,000
2027	9,167
	\$ 26,989

## 10. OTHER ACCRUED EXPENSES:

Other accrued expenses consist of the following (dollars in thousands):

	September 30, 2024	March 31, 2024
Liabilities of non-qualified retirement plan	\$ 16,498	\$ 14,284
Short-term lease liabilities (see Note 4)	10,099	10,125
Other miscellaneous accrued expenses	17,918	18,448
Other accrued expenses	\$ 44,515	\$ 42,857

## 11. OTHER LIABILITIES:

Other liabilities consist of the following (dollars in thousands):

	September 30, 2024	March 31, 2024
Uncertain tax positions	\$ 27,094	\$ 25,289
Long-term lease liabilities (see Note 4)	28,894	32,097
Lease restructuring accruals and related sublease deposits	3,423	3,957
Deferred tax liabilities	262	224
Other	3,690	4,165
Other liabilities	<u>\$ 63,363</u>	<u>\$ 65,732</u>

## 12. ALLOWANCE FOR CREDIT LOSSES:

Trade accounts receivable are presented net of allowances for credit losses, returns and credits based on the probability of future collections. The probability of future collections is based on specific considerations of historical loss patterns and an assessment of the continuation of such patterns based on past collection trends and known or anticipated future economic events that may impair collectability. Accounts receivable that are determined to be uncollectible are charged against the allowance for doubtful accounts. Indicators that there is no reasonable expectation of recovery include past due status greater than 360 days or bankruptcy of the debtor.

The following table summarizes the Company's activity of allowance for credit losses, returns and credits (dollars in thousands):

	Balance at beginning of period	Additions charged to costs and expenses	Other changes	Bad debts written off, net of amounts recovered	Balance at end of period
For the six months ended September 30, 2024	\$ 9,199	\$ 1,245	\$ 20	\$ (528)	\$ 9,936

## 13. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES:

Restructuring activities result in various costs, including asset write-offs, right of use ("ROU") asset group impairments, exit charges including severance, contract termination fees, and decommissioning and other costs.

A reconciliation of the beginning and ending restructuring liabilities is shown below for the six months ended September 30, 2024. The restructuring charges and adjustments are included in gains, losses and other items, net in the condensed consolidated statements of operations. The reserve balances are included in other accrued expenses and other liabilities in the condensed consolidated balance sheets (dollars in thousands).

	Employee-related reserves	Lease accruals	Total
Balances at March 31, 2024	\$ 1,680	\$ 2,925	\$ 4,605
Restructuring charges and adjustments	577	—	577
Payments	(1,631)	(548)	(2,179)
Balances at September 30, 2024	<u>\$ 626</u>	<u>\$ 2,377</u>	<u>\$ 3,003</u>

### Employee-related Restructuring Plans

During the six months ended September 30, 2024, the Company recorded a total of \$0.6 million in employee-related restructuring charges and adjustments. The expense included \$0.5 million of severance and other employee-related charges in the United States and \$0.1 million in adjustments to the fiscal 2021 employee-related restructuring plans for employees in the United States. Of the fiscal 2025 employee-related restructuring plans, \$0.3 million remained accrued as of September 30, 2024 and is expected to be paid out during fiscal 2025.

In fiscal 2024, the Company recorded a total of \$4.2 million in employee-related restructuring charges and adjustments. The expense included severance and other employee-related charges in the United States, Europe, and APAC of \$4.0 million and adjustments to the fiscal 2021 and fiscal 2023 employee-related restructuring plans for employees in the United States and Europe of \$0.2 million. Of the fiscal 2024 employee-related restructuring plans, \$0.3 million remained accrued as of September 30, 2024 and is expected to be paid out during fiscal 2025.

In fiscal 2021, the Company recorded a total of \$1.7 million in employee-related restructuring charges and adjustments. The expense included severance and other employee-related charges in the United States and Europe. The remaining fiscal 2021 employee-related charges were paid out during fiscal 2025.

### Lease-related Impairments and Restructuring Plans

In fiscal 2023, the Company initiated a restructuring plan to lower its operating expenses by reducing its global real estate footprint. As part of this plan, we exited a total of eight leased office spaces. Of those, five were located in the United States: one in Boston, one in Philadelphia, one in Phoenix, and two floors of leased office space in San Francisco. The three remaining spaces were located in Europe: one in the Netherlands, one floor of leased office space in London, England, and one floor of leased office space in Paris, France.

Based on a comparison of undiscounted cash flows to the ROU asset group of each exited lease, the Company determined that each of the ROU asset groups was impaired, driven largely by the difference between the existing lease terms and rates on the Company's leases and the expected sublease terms and rates available in the market. This resulted in impairment charges totaling \$26.5 million during fiscal 2023 and 2024, reflecting the excess of the ROU asset group book value over its fair value, which was determined based on estimates of future discounted cash flows and is classified as Level 3 in the fair value hierarchy. The lease impairment charges included impairments of the operating lease ROU assets of \$22.2 million, and the associated furniture, equipment, and leasehold improvements of \$4.3 million. Additionally, the Company recorded \$2.8 million in lease-related restructuring charges and adjustments during fiscal 2023 and 2024 that covered other obligations related to the leased office spaces in San Francisco and Phoenix. Of the combined fiscal 2023 and 2024 lease-related restructuring charges of \$2.8 million, \$1.5 million remain accrued as of September 30, 2024 and will be satisfied over the remainder of the San Francisco lease term, which continues through April 2029.

In fiscal 2017, the Company made the strategic decision to exit and sub-lease a certain leased office facility under a staggered-exit plan. The full exit was completed in fiscal 2019. We intend to continue subleasing the facility to the extent possible. The liability will be satisfied over the remainder of the leased property's term, which continues through November 2025. Any future changes in the estimates or in the actual sublease income may require future adjustments to the liabilities, which would impact net earnings (loss) in the period the adjustment is recorded. Through September 30, 2024, the Company has recorded a total of \$7.3 million of restructuring charges and adjustments related to this lease. Of the amount accrued for this facility lease, \$0.9 million remained accrued at September 30, 2024.

## Gains, Losses and Other Items, Net

The following table summarizes the activity included in gains, losses and other items, net in the condensed consolidated statements of operations for each of the periods presented (dollars in thousands):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Employee-related restructuring plan charges	\$ 397	\$ 1,383	\$ 575	\$ 1,471
Lease-related restructuring plan charges and adjustments	—	398	—	398
ROU asset group impairments and adjustments	—	1,918	—	1,946
Goodwill impairment	—	2,875	—	2,875
Other	—	—	28	—
	<u>\$ 397</u>	<u>\$ 6,574</u>	<u>\$ 603</u>	<u>\$ 6,690</u>

## 14. COMMITMENTS AND CONTINGENCIES:

### Legal Matters

The Company is involved in various claims and legal proceedings that arise in the ordinary course of business. Management routinely assesses the likelihood of adverse judgments or outcomes to these matters, as well as ranges of probable losses, to the extent losses are reasonably estimable. The Company records accruals for these matters to the extent that management concludes a loss is probable and the financial impact, should an adverse outcome occur, is reasonably estimable. These accruals are reflected in the Company's condensed consolidated financial statements and are adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertinent to a particular matter. In management's opinion, the Company has made appropriate and adequate accruals for these matters, and management believes the probability of a material loss beyond the amounts accrued to be remote. However, the ultimate liability for these matters is uncertain, and if accruals are not adequate, an adverse outcome could have a material effect on the Company's condensed consolidated financial condition or results of operations. The Company maintains insurance coverage above certain limits.

### Commitments

The following table presents the Company's purchase commitments at September 30, 2024. Purchase commitments primarily include contractual commitments for the purchase of data, hosting services, software-as-a-service arrangements and leasehold improvements. The table does not include the future payment of liabilities related to uncertain tax positions of \$27.1 million as the Company is not able to predict the periods in which the payments will be made. The amount for 2025 represents the remaining six months ending March 31, 2025. All other periods represent fiscal years ending March 31 (dollars in thousands):

	For the years ending March 31,				
	2025	2026	2027	2028	Total
Purchase commitments	\$ 34,486	\$ 22,318	\$ 6,327	\$ 3,375	\$ 66,506

While the Company does not have any other material contractual commitments for capital expenditures, certain levels of investments in facilities and computer equipment continue to be necessary to support the growth of the business.

## **15. INCOME TAX:**

In determining the quarterly provision for income taxes, the Company has historically applied its estimated annual effective tax rate ("AETR") to its year-to-date ordinary income or loss. However, due to the fact that small changes in the Company's annual estimated pretax income or loss would result in significant changes in the estimated AETR, the historical method was not considered to provide a reliable estimate as it is disproportionately sensitive to minor fluctuations in forecasted income. As such, the Company has computed its income tax expense for the three and six months ended September 30, 2024 using a discrete approach based on actual year-to-date results. The income tax expense was primarily driven by nondeductible stock-based compensation, capitalization of research and development expenditures in accordance with Internal Revenue Code ("IRC") Section 174, as modified by the Tax Cuts and Jobs Act of 2017, and the valuation allowance. Realization of the Company's net deferred tax assets is dependent upon its generation of sufficient taxable income of the proper character in future years in appropriate tax jurisdictions to obtain benefit from the reversal of deductible temporary differences as well as net operating loss and tax credit carryforwards. As of September 30, 2024, the Company continues to maintain a full valuation allowance on its net deferred tax assets except in certain foreign jurisdictions.

## **16. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS:**

The Company measures certain financial assets at fair value. Fair value is determined based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy, as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

The following table details the fair value measurements within the fair value hierarchy of the Company's financial assets and liabilities at September 30, 2024 and March 31, 2024 that are measured at fair value on a recurring basis (dollars in thousands):

	September 30, 2024			
	Cash and Cash Equivalents	Short-Term Investments	Other Current Assets	Total
Cash	\$ 25,695	\$ —	\$ —	\$ 25,695
Level 1:				
Money market funds	313,251	—	—	313,251
Assets of non-qualified retirement plan	—	—	16,498	16,498
U.S. Treasury securities	—	1,994	—	1,994
Certificates of deposit	—	7,500	—	7,500
<b>Total</b>	<b>\$ 338,946</b>	<b>\$ 9,494</b>	<b>\$ 16,498</b>	<b>\$ 364,938</b>

	March 31, 2024			
	Cash and Cash Equivalents	Short-Term Investments	Other Current Assets	Total
Cash	\$ 33,224	\$ —	\$ —	\$ 33,224
Level 1:				
Money market funds	303,643	—	—	303,643
Assets of non-qualified retirement plan	—	—	14,284	14,284
U.S. Treasury securities	—	24,545	—	24,545
Certificates of deposit	—	7,500	—	7,500
<b>Total</b>	<b>\$ 336,867</b>	<b>\$ 32,045</b>	<b>\$ 14,284</b>	<b>\$ 383,196</b>

For certain financial instruments, including accounts receivable and accounts payable, the carrying amounts approximate their fair value due to the relatively short maturity of these balances.

The Company held \$3.1 million and \$2.7 million of strategic investments without readily determinable fair values at September 30, 2024 and March 31, 2024, respectively (see Note 6). Strategic investments consist of non-controlling equity investments in privately held companies. These investments are accounted for under the cost method of accounting and are included in other assets on the condensed consolidated balance sheets. There were no impairment charges during the six months ended September 30, 2024 or 2023.

Certain of the Company's non-financial assets were measured at fair value on a nonrecurring basis during the six months ended September 30, 2023. Property and equipment and right-of-use assets were reduced to fair value when they were impaired as a result of the Company's lease-related restructuring plans. For additional information, see Note 13. During the quarter ended September 30, 2023, triggering events occurred which required the Company to test the recoverability of goodwill associated with its APAC reporting unit. The triggering event was the restructuring of operations in the APAC region. Accordingly, we tested goodwill for impairment and determined that the fair value of the APAC reporting unit had decreased, resulting in complete impairment of the goodwill amount of \$2.9 million.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### **Introduction and Overview**

LiveRamp Holdings, Inc. ("LiveRamp", "we", "us", or the "Company") is a global technology company that helps companies build enduring brand and business value by collaborating responsibly with data. A groundbreaking leader in foundational identity, LiveRamp offers a connected customer view with clarity and context while protecting brand and consumer trust. Our best-in-class enterprise platform enables data collaboration, where companies can share first-party consumer data with trusted business partners securely and in a privacy-conscious manner. We offer flexibility to collaborate wherever data lives to support a wide range of data collaboration use cases—within organizations, between brands, and across our global network of premier partners. Global innovators, from iconic consumer brands and tech platforms to retailers, financial services, and healthcare leaders, turn to LiveRamp to deepen customer engagement and loyalty, activate new partnerships, and maximize the value of their first-party data while staying on the forefront of rapidly evolving compliance and privacy requirements.

LiveRamp is a Delaware corporation headquartered in San Francisco, California. Our common stock is listed on the New York Stock Exchange under the symbol "RAMP." We serve a global customer base from locations in the United States, Europe, and the Asia-Pacific ("APAC") region. Our direct customer list includes many of the world's best-known and most innovative brands across most major industry verticals, including but not limited to financial, insurance and investment services, retail, automotive, telecommunications, high tech, consumer packaged goods, healthcare, travel, entertainment and non-profit. Through our expansive partner ecosystem we serve thousands of additional companies, unlocking access to unique customer moments and creating powerful network effects.

### **Operating Segment**

The Company operates as one operating segment. An operating segment is defined as a component of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker. Our chief operating decision maker evaluates our financial information and resources and assesses the performance of these resources on a consolidated basis. Since we operate as one operating segment, all required financial segment information can be found in the condensed consolidated financial statements.

### **Sources of Revenues**

LiveRamp recognizes revenue from the following sources: (i) Subscription revenue, which consists primarily of subscription fees from customers accessing our platform; and (ii) Marketplace and Other revenue, which primarily consists of revenue-sharing fees generated from data transactions through our LiveRamp Data Marketplace, transactional usage-based revenue from arrangements with certain publishers and addressable TV providers, and professional services fees.

## ***/LiveRamp Data Collaboration Platform***

As depicted in the graphic below, we power the industry's leading enterprise platform for data collaboration. We enable organizations to access and leverage data more effectively across the applications they use to interact with their customers. At the core of our platform is an omnichannel, deterministic identity resolution technology that offers unparalleled accuracy, breadth, and depth. Leveraging deep expertise in data collaboration, the /LiveRamp Data Collaboration Platform enables an organization to unify customer and prospect data (first-, second-, or third-party) to build a single view of the customer in a way that protects consumer privacy. First-party data is data collected firsthand through a company's controlled channels. Second-party data is data that a company shares directly with a trusted business partner. Third-party data is data collected and sold by a company through an online data marketplace to companies with which it does not have a direct relationship. This single customer view can then be connected across any of the 500 partners in our ecosystem in order to support a variety of people-based marketing solutions.

The /LiveRamp Data Collaboration Platform provides customers with four core capabilities:

- ***Live/Identity.*** We provide enterprise identity infrastructure that resolves disparate consumer identities across different internal and external systems to create an accurate, connected view of the customer. Our approach to identity is built from two complementary graphs, combining offline data and online data and providing accuracy with a focus on privacy. LiveRamp technology for directly identifiable information (or "DII") gives brands and platforms the ability to connect and update what they know about consumers, resolving DII across enterprise databases and systems to deliver better customer experiences. Our digital identity graph, powered by our Authenticated Traffic Solution (or "ATS"), associates pseudonymous device IDs, TV IDs and other online customer IDs from premium publishers, platforms or data providers, around a RampID™, a durable and privacy-centric connector to the digital ecosystem. This provides marketers with a consistent view of the consumer that is necessary for personalized segmentation, targeting, and measurement.
- ***Live/Access.*** Our Data Marketplace provides customers with simplified access to industry-leading third-party data providers globally. The /LiveRamp Data Collaboration Platform allows for the search, discovery and distribution of data provided by third-party data providers to improve targeting, measurement, and customer intelligence. Data accessed through the LiveRamp Data Marketplace is connected via RampID and is utilized to enrich our customers' first-party data and can be leveraged across technology and media platforms, agencies, analytics environments, and TV partners. Our platform also provides tools for data providers to manage the organization, distribution, and operation of their data and services across our network of customers and partners. Today we work with more than 200 data providers across all verticals and data types.
- ***Live/Connectivity.*** We enable organizations to leverage their customer and prospect data in the digital and TV ecosystems and across the customer experience applications they use through a safe and secure data matching process called data onboarding. Our technology ingests a customer's first-party data, removes all DII, and replaces it with a pseudonymized RampID. RampID can then be distributed through direct integrations to the top platforms our customers work with, including leading marketing cloud providers, publishers and social networks, personalization tools, and connected TV services. We connect data across an ecosystem of more than 500 partners, representing one of the largest networks of connections in the digital marketplace.
- ***Live/Insights.*** Data Collaboration enables advanced measurement and analytics that helps produce insight-driven innovation. We enable trusted data collaboration between organizations and their trusted partners in a neutral, manageable environment. Our platform provides customers with collaborative opportunities to safely and securely build a more accurate, dynamic view of their customers by leveraging partner data. We power more accurate, more complete measurement with the measurement vendors and partners our customers use. Our platform allows customers to combine disparate data files, typically advertising exposure and customer sales transactions, replacing customer identifiers with RampID. Customers then can use that aggregated view of each customer to measure reach and frequency, sales lift, closed loop offline-to-online conversion and cross-channel attribution.



## Subscription

We primarily charge for our platform services on an annual basis. Our subscription pricing is based primarily on data volume, which is a function of data input records and connection points.

Our solutions are sold to enterprise marketers and the companies they partner with to execute their marketing, including agencies, marketing technology providers, publishers and data providers. Today, we work with 885 direct customers world-wide and serve thousands of additional customers indirectly through our reseller partnership arrangements.

- **Brands and Agencies.** We work with over 500 of the largest brands and agencies in the world, helping them execute people-based marketing by creating an omni-channel understanding of the consumer and activating that understanding across their choice of best-of-breed digital marketing platforms.
- **Marketing Technology Providers.** We provide marketing technology providers with the identity foundation required to offer people-based targeting, measurement and personalization within their platforms. This adds value for brands by increasing audience reach, as well as the speed at which they can activate their marketing data.
- **Publishers.** We enable publishers of any size to offer people-based marketing on their properties. This adds value for brands by providing direct access to their customers and prospects in the publisher's premium inventory.

- **Data Sellers.** Leveraging our vast network of integrations, we allow data sellers to easily connect to the digital ecosystem and monetize their own data. Data can be distributed to customers or made available through the LiveRamp Data Marketplace feature. This adds value for brands as it allows them to augment their understanding of consumers and increase their understanding of customers and prospects.

## **Marketplace and Other**

As we have scaled the LiveRamp network and technology, we have found additional ways to leverage our platform, deliver more value to customers and create incremental revenue streams. Leveraging our common identity system and broad integration network, the Data Marketplace seamlessly connects data sellers' audience data across the marketing ecosystem. The Data Marketplace enables data sellers to easily monetize their data across hundreds of marketing platforms and publishers. At the same time, it provides a single platform where data buyers, including platforms and publishers, in addition to brands and their agencies, access third-party data from data sellers supporting all industries and encompassing all types of data. Data providers include sources and brands exclusive to LiveRamp, emerging platforms with access to previously unavailable deterministic data, and data partnerships enabled by our platform.

We generate revenue from the Data Marketplace primarily through revenue-sharing arrangements with data sellers that are monetizing their data assets via our marketplace platform service. We also generate Marketplace and Other revenue through transactional usage-based arrangements with certain publishers and addressable TV providers. Data Marketplace revenue is recognized net of the share of revenue earned by the data seller.

To complement our product offering, we provide professional services and enhanced support entitlements to help customers leverage our platform and drive business outcomes. Our services offering includes product implementation, data science analytics, audience measurement and general advisory. We generate revenue from services primarily from project fees paid by subscribers to our platform. Service projects are sold on an ad hoc basis as well as bundled with platform subscriptions. Professional services revenue is approximately 4% of total Company revenue.

## **Summary Results and Notable Events**

A financial summary of the quarter ended September 30, 2024 compared to the same period in fiscal 2024 is presented below:

- Revenues were \$185.5 million, a 16.0% increase from \$159.9 million.
- Cost of revenue was \$51.2 million, a 24.3% increase from \$41.2 million.
- Gross margin decreased to 72.4% from 74.2%.
- Total operating expenses were \$126.8 million, a 14.8% increase from \$110.5 million.
- Cost of revenue and operating expenses for fiscal 2025 and 2024 included the following items:
  - Non-cash stock compensation of \$29.1 million and \$15.7 million, respectively (cost of revenue of \$1.5 million and \$0.6 million, respectively, and operating expenses of \$27.6 million and \$15.1 million, respectively)
  - Purchased intangible asset amortization of \$3.7 million and \$1.2 million, respectively (cost of revenue)
  - Restructuring and other charges of \$0.4 million and \$6.6 million, respectively (gains, losses, and other items, net)
- Total other income, net was \$4.2 million, a decrease of \$2.2 million from \$6.4 million.
- Net earnings were \$1.7 million, or \$0.03 per diluted share, compared to net earnings of \$4.9 million, or \$0.07 per diluted share.
- Net cash provided by operating activities was \$55.6 million compared to \$35.8 million.
- The Company repurchased 1.9 million shares of its common stock for \$49.9 million compared to 0.5 million shares for \$15.1 million under the Company's common stock repurchase program.

This summary and the following discussion and analysis highlight financial results as well as other significant events and transactions of the Company during the quarter ended September 30, 2024 compared to the same period in fiscal 2024, unless otherwise stated. However, this summary is not intended to be a full discussion of the Company's results. This summary should be read in conjunction with the following discussion of Results of Operations and Capital Resources and Liquidity and with the Company's condensed consolidated financial statements and footnotes accompanying this Quarterly Report on Form 10-Q.

## **Key Performance Metrics**

In addition to measures of financial performance presented in our condensed consolidated financial statements, we monitor the key metrics set forth below to help us evaluate revenue growth trends, establish budgets and measure the effectiveness of our sales and marketing efforts. The below data is presented in millions, except for percentages.

	September 30, 2024	September 30, 2023	% Change	
			September 30, 2024 from September 30, 2023	September 30, 2023 from September 30, 2022
Subscription net retention	107 %	101 %	6 %	(5)%
Annualized recurring revenue	\$ 483	\$ 428	13 %	2 %
Remaining performance obligation	\$ 504	\$ 490	3 %	26 %
Current remaining performance obligation	\$ 374	\$ 339	10 %	16 %

### ***Subscription Net Retention***

Subscription net retention (“SNR”) is defined as the current quarter subscription revenue (net) from customers who have been on our platform for one year or more, divided by the prior year quarter subscription revenue (net), inclusive of upsell, churn (lost contract), downsell (contract reduction), and variable revenue changes. SNR excludes revenue from new customers that have not been on our platform for one year or more. We believe our SNR is an important metric that provides insight into the long-term value of our subscription agreements and our ability to retain and grow revenue from our subscription customer base. SNR rate is an operational metric, and there is no comparable GAAP financial measure to which we can reconcile this particular key metric.

SNR at September 30, 2024 compared to September 30, 2023 increased 6%. Lower contraction levels and increasing usage revenue were the primary contributors to the improvement. The acquisition of Habu contributed approximately two percentage points to the current period growth.

### ***Annualized Recurring Revenue***

Annualized Recurring Revenue (“ARR”) is defined as the 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. We believe ARR provides important information about our future revenue potential, our ability to acquire new customers, and our ability to maintain and expand our relationship with existing customers. ARR is not a forecast of future revenue, which can be impacted by contract start and end dates and renewal rates. ARR should be viewed independently of revenue and deferred revenue, as ARR is an operating metric and is not intended to be combined with or replace these items. Our use of ARR has limitations as an analytical tool, and investors should not consider it in isolation. Other companies in our industry may calculate ARR differently, which reduces its usefulness as a comparative measure.

Our ARR growth of 13% was attributable to both new customer revenue and net growth (upsell revenue less downsell and churn) in existing customer revenue. The increasing growth rate compared to the 2% growth in the previous year is due to improvement in net growth in existing customer revenue. The acquisition of Habu contributed approximately three percentage points to the current period growth.

### ***Remaining Performance Obligations and Current Remaining Performance Obligations***

Remaining performance obligations (“RPO”) is defined as all future revenue under contract that has not yet been recognized as revenue. Future invoicing is determined to be certain when we have an executed non-cancellable contract or a significant penalty that is due upon cancellation, and invoicing is not dependent on a future event such as the delivery of a specific new product or feature, or the achievement of contractual contingencies. Current RPO (“CRPO”) represents RPO to be recognized over the next twelve months.

While the Company believes RPO and CRPO are leading indicators of revenue as they represent sales activity not yet recognized in revenue, they are not necessarily indicative of future revenue growth as they are influenced by several factors, including seasonality of contract renewal timing and average contract terms. The Company monitors RPO and CRPO to manage the business and evaluate performance. RPO increased due to several large, multi-year renewals. CRPO increased due to new customer additions, as well as the multi-year renewals. The relative decline in RPO and CRPO growth (in terms of % change) is primarily due to timing of multi-year renewals and revenue run-off from large multi-year arrangements subject to future renewal.

## Results of Operations

A summary of selected financial information for each of the periods reported is presented below (dollars in thousands, except per share amounts):

	For the three months ended September 30,			For the six months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Revenues	\$ 185,483	\$ 159,871	16	\$ 361,444	\$ 313,940	15
Cost of revenue	51,234	41,212	24	102,983	86,833	19
Gross profit	134,249	118,659	13	258,461	227,107	14
Total operating expenses	126,762	110,451	15	256,222	216,629	18
Income from operations	7,487	8,208	(9)	2,239	10,478	(79)
Total other income, net	\$ 4,197	\$ 6,431	(35)	8,641	11,280	(23)
Net earnings (loss) from continuing operations	\$ 1,732	\$ 4,476	(61)	\$ (5,757)	\$ 2,890	(299)
Diluted earnings (loss) per share from continuing operations	\$ 0.03	\$ 0.07	\$ (0.61)	\$ (0.09)	\$ 0.04	(303)

### Revenues

The Company's revenues for each of the periods reported is presented below (dollars in thousands):

	For the three months ended September 30,			For the six months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Revenues:						
Subscription	\$ 143,289	\$ 125,705	14	\$ 278,082	\$ 247,587	12
Marketplace and Other	42,194	34,166	23	83,362	66,353	26
Total revenues	\$ 185,483	\$ 159,871	16	\$ 361,444	\$ 313,940	15

Total revenues for the quarter ended September 30, 2024 were \$185.5 million, a \$25.6 million, or 16.0%, increase from the same quarter a year ago. The increase was due to revenue growth in both Subscription and Marketplace and Other. The Subscription revenue growth was \$17.6 million, or 14.0%, primarily due to upsell to existing customers, higher variable revenue and to a lesser extent new logo deals. Subscription revenue also included approximately \$3.5 million of revenue associated with the fiscal 2024 acquisition of Habu. The Marketplace and Other revenue growth was \$8.0 million, or 23.5%, primarily due to Data Marketplace and Services volume growth. On a geographic basis, U.S. revenue increased \$25.8 million, or 17.2%. International revenue decreased \$0.2 million, or 1.5%.

Total revenues for the six months ended September 30, 2024 were \$361.4 million, a \$47.5 million, or 15.1%, increase compared to the same period a year ago. The increase was due to revenue growth in both Subscription and Marketplace and Other. The Subscription revenue growth was \$30.5 million, or 12.3%, primarily due to upsell to existing customers, new logo deals and higher variable revenue. Subscription revenue also included approximately \$6.8 million of revenue associated with the fiscal 2024 acquisition of Habu. The Marketplace and Other revenue growth was \$17.0 million, or 25.6%, primarily due to Data Marketplace and Services volume growth. On a geographic basis, U.S. revenue increased \$47.9 million, or 16.3%. International revenue decreased \$0.4 million, or 2.0%.

### Cost of Revenue and Gross Profit

The Company's cost of revenue and gross profit for each of the periods reported is presented below (dollars in thousands):

	For the three months ended September 30,			For the six months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Cost of revenue	\$ 51,234	\$ 41,212	24	\$ 102,983	\$ 86,833	19
Gross profit	\$ 134,249	\$ 118,659	13	\$ 258,461	\$ 227,107	14
Gross margin (%)	72.4 %	74.2 %	(2)	71.5 %	72.3 %	(1)

Cost of revenue includes third-party direct costs including identity graph data, other data and cloud-based hosting costs, as well as costs of IT, security and product operations functions. Cost of revenue also includes amortization of acquisition-related intangibles.

Cost of revenue was \$51.2 million for the quarter ended September 30, 2024, a \$10.0 million, or 24.3%, increase from the same quarter a year ago. Gross profit increased to \$134.2 million (72.4% gross margin) from \$118.7 million (74.2% gross margin) in the prior year quarter due to revenue increases offset partially by an increase in cloud infrastructure costs (increased \$4.0 million), services costs (increased \$2.3 million) due to higher services revenue, intangible asset amortization (increased \$2.5 million) and stock-based compensation expense (increased \$0.9 million). U.S. gross margins decreased to 73.3% from 76.2% while International gross margins increased to 57.3% from 46.4%.

Cost of revenue was \$103.0 million for the six months ended September 30, 2024, a \$16.2 million, or 18.6%, increase from the same period a year ago. Gross profit increased to \$258.5 million (71.5% gross margin) from \$227.1 million (72.3% gross margin) in the prior period due to revenue increases offset partially by an increase in services costs (increased \$8.8 million) due to higher services revenue, higher cloud infrastructure costs (increased \$5.8 million), increased intangible asset amortization (increased \$3.1 million) and stock-based compensation expense (increased \$1.8 million). U.S. gross margins decreased to 72.4% from 74.2%, and International gross margins increased to 56.4% from 44.9%.

### Operating Expenses

The Company's operating expenses for each of the periods reported is presented below (dollars in thousands):

	For the three months ended September 30,			For the six months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Operating expenses:						
Research and development	\$ 43,889	\$ 33,733	30	\$ 88,007	\$ 68,252	29
Sales and marketing	51,107	44,135	16	105,282	89,014	18
General and administrative	31,369	26,009	21	62,330	52,673	18
Gains, losses and other items, net	397	6,574	(94)	603	6,690	(91)
Total operating expenses	\$ 126,762	\$ 110,451	15	\$ 256,222	\$ 216,629	18

Research and development ("R&D") expense includes operating expenses for the Company's engineering and product/project management functions supporting research, new development, and related product enhancement.

R&D expenses were \$43.9 million for the quarter ended September 30, 2024, an increase of \$10.2 million, or 30.1%, compared to the same quarter a year ago, and are 23.7% of total revenues compared to 21.1% in the same quarter a year ago. The increase is primarily due to stock-based compensation expense (increased \$5.6 million), headcount-related expenses (increased \$4.0 million) and professional services expenses (increased \$0.5 million). Stock-based compensation expense in the prior year quarter was favorably impacted due to the acceleration of stock-based compensation expense in the fourth quarter of fiscal 2023.

R&D expenses were \$88.0 million for the six months ended September 30, 2024, an increase of \$19.8 million, or 28.9%, compared to the same period a year ago, and are 24.3% of total revenues compared to 21.7% in the prior year period. The increase is primarily due to stock-based compensation expense (increased \$10.8 million), headcount-related expenses (increased \$8.0 million) and professional services expenses (increased \$1.0 million). Stock-based compensation expense in the prior year period was favorably impacted due to the acceleration of stock-based compensation expense in the fourth quarter of fiscal 2023.

Sales and marketing ("S&M") expense includes operating expenses for the Company's sales, marketing, and product marketing functions. S&M expense also includes provisions for credit losses.

S&M expenses were \$51.1 million for the quarter ended September 30, 2024, an increase of \$7.0 million, or 15.8%, compared to the same quarter a year ago, and are 27.6% of total revenues in both periods. The increase is primarily due to stock-based compensation expense (increased \$2.6 million), headcount-related expenses (increased \$3.0 million), and professional services expenses (increased \$0.5 million). Stock-based compensation expense in the prior year quarter was favorably impacted due to the acceleration of stock-based compensation expense in the fourth quarter of fiscal 2023.

S&M expenses were \$105.3 million for the six months ended September 30, 2024, an increase of \$16.3 million, or 18.3%, compared to the same period a year ago, and are 29.1% of total revenues compared to 28.4% in the prior year period. The increase is primarily due to stock-based compensation expense (increased \$6.0 million), headcount-related expenses (increased \$6.1 million), professional services expenses (increased \$1.6 million), and marketing expenses (increased \$1.4 million). Stock-based compensation expense in the prior year period was favorably impacted due to the acceleration of stock-based compensation expense in the fourth quarter of fiscal 2023.

General and administrative ("G&A") expense represents operating expenses for the Company's finance, human resources, legal, corporate IT, and other corporate administrative functions.

G&A expenses were \$31.4 million for the quarter ended September 30, 2024, an increase of \$5.4 million, or 20.6%, compared to the same quarter a year ago, and are 16.9% of total revenues compared to 16.3% in the same quarter a year ago. The increase is primarily due to stock-based compensation expense (increased \$4.2 million) and professional services expenses (increased \$1.2 million). Stock-based compensation expense in the prior year quarter was favorably impacted due to the acceleration of stock-based compensation expense in the fourth quarter of fiscal 2023.

G&A expenses were \$62.3 million for the six months ended September 30, 2024, an increase of \$9.7 million, or 18.3%, compared to the same period a year ago, and are 17.2% of total revenues compared to 16.8% in the prior year period. The increase is primarily due to stock-based compensation expense (increased \$9.5 million) and professional services expenses (increased \$2.0 million), offset partially by a decrease in transformation costs (decreased \$1.9 million). Stock-based compensation expense in the prior year period was favorably impacted due to the acceleration of stock-based compensation expense in the fourth quarter of fiscal 2023.

Gains, losses, and other items, net represents restructuring costs and other adjustments.

Gains, losses and other items, net was \$0.4 million for the quarter ended September 30, 2024, a decrease of \$6.2 million compared to the same quarter a year ago. The prior year quarter costs primarily related to \$2.8 million related to the impairment of APAC goodwill, \$2.3 million in lease impairments and restructuring and \$1.4 million related to termination benefits for employees whose positions were eliminated. The current quarter was all related to employee termination benefits.

Gains, losses and other items, net was \$0.6 million for the six months ended September 30, 2024, a decrease of \$6.1 million compared to the same period a year ago. The prior year costs primarily related to \$2.8 million related to the impairment of APAC goodwill, \$2.3 million in lease impairments and restructuring and \$1.5 million related to termination benefits for employees whose positions were eliminated.

#### *Income from Operations and Operating Margin*

Income from operations was \$7.5 million for the quarter ended September 30, 2024 compared to income from operations of \$8.2 million in the same quarter a year ago. Operating margin for the quarter ended September 30, 2024 was 4.0% compared to 5.1% in the same quarter a year ago. Margins in the prior year quarter were positively impacted by the acceleration of stock-based compensation previously discussed.

Income from operations was \$2.2 million for the six months ended September 30, 2024 compared to income from operations of \$10.5 million in the same period a year ago. Operating margin was 0.6% compared to 3.3% in the prior year period. Margins in the prior year period were positively impacted by the acceleration of stock-based compensation previously discussed.

#### *Total Other Income and Income Taxes*

Total other income, net was \$4.2 million for the quarter ended September 30, 2024 compared to total other income, net of \$6.4 million in the same quarter a year ago. Total other income, net was \$8.6 million for the six months ended September 30, 2024 compared to \$11.3 million in the same period a year ago. The quarter and year-to-date decreases are primarily attributable to lower invested cash and short-term investments.

Income tax expense was \$10.0 million on pretax income of \$11.7 million for the quarter ended September 30, 2024, resulting in an 85.2% effective tax rate. This compares to a prior year quarter income tax expense of \$10.2 million on pretax income of \$14.6 million, or a 69.4% effective tax rate. Income tax expense was \$16.6 million on pretax income of \$10.9 million for the six months ended September 30, 2024, resulting in an 152.9% effective tax rate. This compares to a prior year period income tax expense of \$18.9 million on pretax income of \$21.8 million, or an 86.7% effective tax rate. Tax expense for all periods reflects the impact of the capitalization of research and development expenditures in accordance with Internal Revenue Code ("IRC") Section 174, as modified by the Tax Cuts and Jobs Act of 2017, the valuation allowance, and nondeductible stock-based compensation.

#### **Capital Resources and Liquidity**

The Company's cash and cash equivalents are primarily located in the United States. At September 30, 2024, approximately \$19.9 million of the total cash balance of \$338.9 million, or approximately 5.9%, was located outside of the United States. The Company has no current plans to repatriate this cash to the United States.

Net accounts receivable balances were \$192.1 million at September 30, 2024, an increase of \$1.8 million, compared to \$190.3 million at March 31, 2024. Days sales outstanding ("DSO"), a measurement of the time it takes to collect receivables, was 95 days at September 30, 2024, compared to 101 days at March 31, 2024. DSO can fluctuate due to the timing and nature of contracts that lead to up-front billings related to deferred revenue on services not yet performed, and Data Marketplace contracts, which are billed on a gross basis, recognized on a net basis, but for which the amount that is due to data sellers is not reflected as an offset to accounts receivable. Compared to March 31, 2024, DSO at September 30, 2024 was positively impacted by approximately two days as the increased impact of Data Marketplace gross accounts receivable was offset by collections of Data Marketplace receivables. All customer accounts are actively managed, and no losses in excess of amounts reserved are currently expected.

Working capital at September 30, 2024 totaled \$382.7 million, a \$2.8 million decrease when compared to \$385.5 million at March 31, 2024.

Management believes that the Company's existing available cash will be sufficient to meet the Company's working capital and capital expenditure requirements for the foreseeable future. However, in light of the risk of recession, the military conflicts in Europe and the Middle East, cost increases, high interest rates, capital markets volatility, bank failures and general inflationary pressures, our liquidity position may change due to the inability to collect from our customers, inability to raise new capital via issuance of equity or debt, and disruption in completing repayments or disbursements to our creditors. We have historically taken and may continue to take advantage of opportunities to generate additional liquidity through capital market transactions. These impacts have caused significant disruptions to the global financial markets, which could increase the cost of capital and adversely impact our ability to raise additional capital, which could negatively affect our liquidity in the future. The amount, nature, and timing of any capital market transactions will depend on our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature, and timing of our capital requirements; and overall market conditions. If we are unable to raise funds as and when we need them, we may be forced to curtail our operations.

### *Cash Flows*

The following table summarizes our cash flows for the periods reported (dollars in thousands):

	For the six months ended September 30,	
	2024	2023
Net cash provided by operating activities	\$ 46,268	\$ 61,457
Net cash provided by investing activities	\$ 22,161	\$ 112
Net cash used in financing activities	\$ (67,066)	\$ (34,319)
Net cash provided by discontinued operations	\$ —	\$ 387

### *Operating Activities*

Cash flows from operating activities are primarily influenced by growth in our operations, increases or decreases in collections from our customers, and related payments to our suppliers and employees. The timing of cash receipts from customers and payments to suppliers can significantly impact our cash flows from operating activities. Our collection and payment cycles can vary from period to period.

In the six months ended September 30, 2024, net cash provided by operating activities of \$46.3 million resulted primarily from operating results adjusted for non-cash items of \$61.6 million offset by changes in operating assets and liabilities of \$15.3 million. Net cash provided by operating assets and liabilities was primarily related to a decrease in accounts payable and other liabilities of \$32.0 million primarily due to the payment of annual incentive compensation and the timing of payments to suppliers.

In the six months ended September 30, 2023, net cash provided by operating activities of \$61.5 million resulted primarily from operating results adjusted for non-cash items of \$43.2 million and changes in operating assets and liabilities of \$18.3 million. Net cash provided by operating assets and liabilities was primarily related to a \$29.2 million Internal Revenue Service refund related to fiscal 2021, an increase in income taxes payable of \$13.9 million, and an increase in other assets of \$5.7 million, offset partially by a decrease in accounts payable and other liabilities of \$12.9 million and an increase in accounts receivable of \$16.3 million. The change in accounts payable and other liabilities is primarily due to the payment of annual incentive compensation, and the timing of payments to suppliers. The change in accounts receivable is primarily due to revenue growth and the timing of cash receipts from customers.

### *Investing Activities*

Our investing activities have primarily consisted of business acquisitions, capital expenditures, purchases and sales of investments and strategic investments. Capital expenditures may vary from period to period due to the timing of the expansion of our operations, the addition of new headcount, new facilities, and acquisitions. Investing activities also include purchases and sales of short-term investments using available cash reserves.

In the six months ended September 30, 2024, net cash provided by investing activities consisted of the proceeds from the sale of short-term investments of \$25.0 million, partially offset by purchases of short-term investments of \$2.0 million, capital expenditures of \$0.5 million and the purchases of strategic investments of \$0.4 million.

In the six months ended September 30, 2023, net cash provided by investing activities consisted of the proceeds from the sale of short-term investments of \$25.8 million, partially offset by purchases of short-term investments of \$24.4 million, purchases of strategic investments of \$1.0 million and capital expenditures of \$0.3 million.

#### *Financing Activities*

Our financing activities have consisted of acquisition of treasury stock, proceeds from our equity compensation plans, and shares repurchased for tax withholdings upon vesting of stock-based awards.

In the six months ended September 30, 2024, net cash used in financing activities was \$67.1 million, consisting of the acquisition of treasury shares pursuant to the board of directors' approved stock repurchase plan of \$65.7 million (2.4 million shares) and \$7.7 million for shares repurchased for tax withholdings upon vesting of stock-based awards. These uses of cash were partially offset by proceeds of \$6.3 million from the sale of common stock from our equity compensation plans.

In the six months ended September 30, 2023, net cash used in financing activities was \$34.3 million, consisting of the acquisition of treasury shares pursuant to the board of directors' approved stock repurchase plan of \$35.3 million (1.3 million shares) and \$4.6 million for shares repurchased for tax withholdings upon vesting of stock-based awards. These uses of cash were partially offset by proceeds of \$5.6 million from the sale of common stock from our equity compensation plans.

#### *Common Stock Repurchase Program*

On August 14, 2024, the Company's board of directors approved an amendment to the existing common stock repurchase program, which was initially adopted in 2011. The amendment authorized an additional \$200.0 million in share repurchases, increasing the total amount authorized for repurchase under the common stock repurchase program to \$1.3 billion. In addition, it extended the common stock repurchase program duration through December 31, 2026.

During the six months ended September 30, 2024, the Company repurchased 2.4 million shares of its common stock for \$65.7 million under the modified common stock repurchase program. Through September 30, 2024, the Company had repurchased a total of 40.2 million shares of its common stock for \$1.0 billion under the program, leaving remaining capacity of \$291.7 million.

#### *Contractual Commitments*

The following tables present the Company's contractual cash obligations and purchase commitments at September 30, 2024 (dollars in thousands). Operating leases primarily consist of our various office facilities. Purchase commitments primarily include contractual commitments for the purchase of data, hosting services, software-as-a-service arrangements, and leasehold improvements. The tables do not include the future payment of liabilities related to uncertain tax positions of \$27.1 million as the Company is not able to predict the periods in which the payments will be made. The amount for 2025 represents the remaining six months ending March 31, 2025. All other periods represent fiscal years ending March 31 (dollars in thousands):

	For the years ending March 31,						Total
	2025	2026	2027	2028	2029	Thereafter	
Operating leases	\$ 5,438	\$ 9,255	\$ 8,338	\$ 8,472	\$ 8,529	\$ 4,301	\$ 44,333

Future minimum payments as of September 30, 2024 related to restructuring plans as a result of the Company's exit from certain leased office facilities are (dollars in thousands): Fiscal 2025: \$1,349; and Fiscal 2026: \$1,799.

	For the years ending March 31,				
	2025	2026	2027	2028	Total
Purchase commitments	\$ 34,486	\$ 22,318	\$ 6,327	\$ 3,375	\$ 66,506

While the Company does not have any other material contractual commitments for capital expenditures, certain levels of investments in facilities and computer equipment continue to be necessary to support the growth of the business.

For a description of certain risks that could have an impact on results of operations or financial condition, including liquidity and capital resources, see "Risk Factors" contained in Part I, Item 1A, of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 ("2024 Annual Report") as filed with the Securities and Exchange Commission ("SEC") on May 22, 2024 and Part II, Item 1A of this Quarterly Report on Form 10-Q.

### **Non-U.S. Operations**

The Company has a presence in the United Kingdom, France, the Netherlands, Italy, Spain, Brazil, India, Australia, China, Singapore and Japan. Most of the Company's exposure to exchange rate fluctuation is due to translation gains and losses as there are no material transactions that cause exchange rate impact. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries. These advances are considered long-term investments, and any gain or loss resulting from changes in exchange rates as well as gains or losses resulting from translating the foreign financial statements into U.S. dollars are included in accumulated other comprehensive income. Therefore, exchange rate movements of foreign currencies may have an impact on the Company's future costs or on future cash flows from foreign investments. The Company has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

### **Critical Accounting Policies**

We prepare our condensed consolidated financial statements in conformity with U.S. GAAP as set forth in the FASB ASC, and we consider the various staff accounting bulletins and other applicable guidance issued by the SEC. These accounting principles require management to make certain judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The consolidated financial statements in the 2024 Annual Report include a summary of significant accounting policies used in the preparation of the Company's consolidated financial statements. In addition, the Management's Discussion and Analysis of Financial Condition and Results of Operations filed as part of the 2024 Annual Report contains a discussion of the policies that management has identified as the most critical because they require management's use of complex and/or significant judgments. None of the Company's critical accounting policies have materially changed since the date of the 2024 Annual Report other than as described in the "Accounting Pronouncements Adopted during the Current Year" section of Note 1, "Basis of Presentation and Summary of Significant Accounting Policies," of the Notes to Condensed Consolidated Financial Statements accompanying this Quarterly Report on Form 10-Q.

### **Recent Accounting Pronouncements**

For information on recent accounting pronouncements, see "Accounting Pronouncements Adopted During the Current Year" and "Recent Accounting Pronouncements Not Yet Adopted" under Note 1, "Basis of Presentation and Summary of Significant Accounting Policies," of the Notes to Condensed Consolidated Financial Statements accompanying this Quarterly Report on Form 10-Q.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We believe there have been no material changes in our market risk exposures for the six months ended September 30, 2024, as compared with those discussed in the 2024 Annual Report.

### **Item 4. Controls and Procedures**

(a) Evaluation of Disclosure Controls and Procedures.

Our management, with the participation of our Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial and accounting officer), evaluated the effectiveness of our disclosure controls and procedures (as defined under Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on this evaluation, our principal executive officer and our principal financial and accounting officer concluded that as of September 30, 2024, our disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting.

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The information required by this item is set forth under Note 14, "Commitments and Contingencies," to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q and is incorporated herein by reference.

### Item 1A. Risk Factors

The risks described in Part I, Item 1A, "Risk Factors" in the 2024 Annual Report, remain current in all material respects, except as set forth below.

In January 2020, Google announced that at some point in the following 24 months the Chrome browser would block third-party cookies. In April 2021, Google began releasing software updates to its Chrome browser with features intended to phase out third-party cookies. In May 2023, Google stated that it would deprecate third-party cookies by mid-2024 and in January 2024 started by deprecating third-party cookies for 1% of users globally. In April 2024, Google announced that the deprecation of third-party cookies will not be completed in 2024.

In July 2024, Google announced that, instead of deprecating third-party cookies, it will introduce "a new experience in Chrome that lets people make an informed choice that applies across their web browsing." While Google has determined not to deprecate cookies at this time, it is possible that Google's ongoing efforts in this area may have a substantial impact on the ability to collect and use data from Internet users.

The foregoing shall be deemed to update the risks described in Part I, Item 1A, "Risk Factors" in the 2024 Annual Report, including, but not limited to those risks described under the headings "*As the use of 'third-party cookies' or other tracking technology continues to be pressured by Internet users, restricted or otherwise subject to unfavorable regulation, blocked or limited by technical changes on end users' devices, or our and our customers' ability to use data on our platform is otherwise restricted, our business could be materially impacted.*" and "*Changes in legislative, judicial, regulatory, or cultural environments relating to information collection and use may limit our ability to collect and use data. Such developments could cause revenues to decline, increase the cost and availability of data and adversely affect the demand for our products and services.*"

The risk factors in the 2024 Annual Report, as updated above, do not identify all risks that we face. Our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our operations. If any of the identified risks or others not specified in our SEC filings materialize, our business, financial condition, or results of operations could be materially adversely affected. In these circumstances, the market price of our common stock could decline.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

- a. Not applicable.
- b. Not applicable.
- c. The table below provides information regarding purchases by LiveRamp of its common stock during the periods indicated.

Period	(a)	(b)	(c)	(d)
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
July 1, 2024 - July 31, 2024	275,000	\$ 31.19	275,000	\$ 132,962,617
August 1, 2024 - August 31, 2024	1,227,459	\$ 24.45	1,227,459	\$ 302,947,112
September 1, 2024 - September 30, 2024	443,494	\$ 25.42	443,494	\$ 291,672,502
Total	1,945,953	\$ 25.63	1,945,953	

On August 29, 2011, the board of directors adopted a common stock repurchase program. That program was subsequently modified and expanded, most recently on August 14, 2024. Under the modified common stock repurchase program, the Company may purchase up to \$1.3 billion of its common stock through the period ending December 31, 2026. Through September 30, 2024, the Company had repurchased a total of 40.2 million shares of its common stock for \$1.0 billion, leaving remaining capacity of \$291.7 million under the stock repurchase program.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

a. Not applicable.

b. Not applicable.

c. Except as set forth below, during the three months ended September 30, 2024, none of the Company's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

On September 30, 2024, Kimberly Bloomston, Chief Product Officer of the Company, adopted a Rule 10b5-1 trading arrangement (the "Plan") providing for the sale, subject to certain conditions, of an aggregate of (i) 11,294 shares of the Company's common stock plus (ii) the net shares issued to Ms. Bloomston upon the vesting of time-based restricted stock unit awards and performance stock unit awards representing 79,782 shares of the Company's common stock (assuming that any shares underlying performance stock units vest at target amounts), excluding any shares withheld to satisfy tax withholding obligations in connection with the settlement of such awards. Trades under the Plan are scheduled to commence December 30, 2024, and the Plan will expire on October 7, 2025, or, if earlier, upon completion of all authorized transactions thereunder.

## Item 6. Exhibits

The following exhibits are filed with this Quarterly Report on Form 10-Q:

- 3.1 [Amended and Restated Certificate of Incorporation, as filed on August 14, 2024 \(previously filed on August 16, 2024 as Exhibit 3.1 to the Company's Current Report on Form 8-K, Commission File No. 001-38669, and incorporated herein by reference\).](#)
- 10.1 [Amended and Restated 2005 Equity Compensation Plan of LiveRamp Holdings, Inc. \(previously filed on August 16, 2024 as Exhibit 10.1 to the Company's Current Report on Form 8-K, Commission File No. 001-38669, and incorporated herein by reference\).](#)
- 31.1 [Certification of Chief Executive Officer \(principal executive officer\) pursuant to SEC Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002](#)
- 31.2 [Certification of Chief Financial Officer \(principal financial and accounting officer\) pursuant to SEC Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002](#)
- 32.1 [Certification of Chief Executive Officer \(principal executive officer\) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2 [Certification of Chief Financial Officer \(principal financial and accounting officer\) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101 The following financial information from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in inline XBRL: (i) Condensed Consolidated Balance Sheets at September 30, 2024 and March 31, 2024, (ii) Condensed Consolidated Statements of Operations for the Three and Six Months Ended September 30, 2024 and 2023, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended September 30, 2024 and 2023, (iv) Condensed Consolidated Statements of Equity for the Three and Six Months Ended September 30, 2024, (v) Condensed Consolidated Statements of Equity for the Three and Six Months Ended September 30, 2023, (vi) Condensed Consolidated Statements of Cash Flows for the Six Months Ended September 30, 2024 and 2023, and (vii) the Notes to Condensed Consolidated Financial Statements, tagged in detail.
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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 thereunto duly authorized.

LIVERAMP HOLDINGS, INC.

Dated: November 6, 2024

By: /s/ Lauren Dillard

(Signature)

Lauren Dillard

Executive Vice President and Chief Financial Officer

(principal financial and accounting officer)

## LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES

CERTIFICATION

I, Scott E. Howe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LiveRamp Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 6, 2024

By: /s/ Scott E. Howe  
(Signature)  
Scott E. Howe  
Chief Executive Officer

## LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES

CERTIFICATION

I, Lauren Dillard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LiveRamp Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 6, 2024

By: /s/ Lauren Dillard  
(Signature)  
Lauren Dillard  
Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report on Form 10-Q of LiveRamp Holdings, Inc. (the "Company") for the period ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott E. Howe, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott E. Howe

\_\_\_\_\_  
Scott E. Howe  
Chief Executive Officer  
November 6, 2024

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report on Form 10-Q of LiveRamp Holdings, Inc. (the "Company") for the period ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lauren Dillard, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lauren Dillard

Lauren Dillard

Executive Vice President and Chief Financial Officer

November 6, 2024