



# Q2 FY19 Supplemental Earnings Slides

October 29, 2018

# Safe Harbor Statement

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

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

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

The location of our website is [www.LiveRamp.com](http://www.LiveRamp.com). The information contained on, or that can be accessed through, our website is not incorporated by reference into this presentation, and you should not consider any information contained on, or that can be accessed through, our website as part of this presentation.

# Best-in-Class SaaS

Q2 FY19, Non-GAAP

## PREDICTABLE RECURRING REVENUE MODEL

**\$259M<sup>1</sup>**

Revenue Run-Rate

**>80%**

Subscription Revenue

## LAND & EXPAND + NETWORK EFFECTS

**115%**

Dollar Based Net Retention

**45<sup>4</sup>**

\$1M clients

## STRONG COMMITMENT FROM CUSTOMERS

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

Direct Clients

**33%**

Direct Client  
Growth YoY

## DEMONSTRATED LEVERAGE

**69%**

Gross Margin

**+100**  
basis  
points

Gross Margin  
Improvement YoY

<sup>1</sup> Revenue run-rate equals most recent quarter revenue total multiplied by four.

<sup>2</sup> Direct client count excludes agency and reseller deployments and Data Store-only customers. Historic direct clients: Q117: 300, Q217: 340, Q317: 400, Q417: 435, Q118: 470, Q218: 490, Q318: 560, Q418: 590, Q119: 625

<sup>3</sup> Beginning in Q3 FY19 we expect to report client count net of 40 client contracts that have been transferred to IPG (no net revenue impact to LiveRamp).

Historical customer counts net of IPG contracts are: FY16: 258, FY17: 402, FY18: 550, Q119: 585 Q219: 610.

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

# Summary Financial Results (Continuing Operations)

Q2 FY19, \$Ms, except per share amounts

	GAAP		Non-GAAP <sup>1</sup>	
	Q219	YoY Change	Q219	YoY Change
Revenue	\$65	20%	\$65	20%
Gross Profit	\$40	34%	\$45	22%
<i>Gross Margin</i>	62.3%	+670 bps	68.9%	+100 bps
Operating Loss	(\$38)	<i>nm</i>	(\$14)	<i>nm</i>
<i>Operating Margin</i>	(59%)	+1,170 bps	(22%)	(240) bps
Pre-tax Operating Loss	(\$38)	<i>nm</i>	(\$15)	<i>nm</i>
EPS <sup>2</sup>	(\$0.53)	(\$0.20)	(\$0.14)	(\$0.05)
Basic Share Count	77.4		77.4	

<sup>1</sup> Non-GAAP results exclude non-cash stock compensation, purchased intangible asset amortization, restructuring charges and separation costs.

<sup>2</sup> Basic shares are used to calculate GAAP and non-GAAP EPS given there is both a GAAP and non-GAAP net loss.

# Revenue Detail

Q2 FY19, \$Ms

	Q219	Q218	YoY Change
Subscription Revenue	\$55	\$42	30%
Marketplace & Other Revenue	\$10	\$12	(15%)
<b>Total Revenue</b>	<b>\$65</b>	<b>\$54</b>	<b>20%</b>

Subscription Revenue ex FB	\$55	\$42	30%
Marketplace & Other Revenue ex FB	\$8	\$7	29%
<b>Total Revenue ex FB</b>	<b>\$63</b>	<b>\$49</b>	<b>30%</b>

US Revenue	\$60	\$49	22%
International Revenue	\$5	\$5	(6%)
<b>Total Revenue</b>	<b>\$65</b>	<b>\$54</b>	<b>20%</b>

US Revenue ex FB	\$59	\$46	29%
International Revenue ex FB	\$5	\$3	43%
<b>Total Revenue ex FB</b>	<b>\$63</b>	<b>\$49</b>	<b>30%</b>

Totals may not foot due to rounding.

# Trended Income Statement (Continuing Operations)

*\$Ms, Non-GAAP*

	FY17	Q118	Q218	Q318	Q418	FY18	Q119	Q219
<b>REVENUE</b>								
<b>Subscription</b>	<b>\$113</b>	<b>\$37</b>	<b>\$42</b>	<b>\$46</b>	<b>\$47</b>	<b>\$172</b>	<b>\$51</b>	<b>\$55</b>
<i>YoY % change</i>	57%	65%	62%	51%	36%	52%	38%	30%
<b>Marketplace &amp; other</b>	<b>41</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>48</b>	<b>11</b>	<b>10</b>
<i>YoY % change</i>	22%	(8%)	39%	10%	34%	21%	15%	(15%)
<b>Total revenue</b>	<b>\$154</b>	<b>\$47</b>	<b>\$54</b>	<b>\$59</b>	<b>\$60</b>	<b>\$220</b>	<b>\$62</b>	<b>\$65</b>
<i>YoY % change</i>	46%	41%	56%	40%	36%	43%	34%	20%
<b>Subscription ex FB</b>	\$113	\$37	\$42	\$46	\$47	\$172	\$51	\$55
<i>YoY % change ex FB</i>	57%	65%	62%	51%	36%	52%	38%	30%
<b>Marketplace &amp; other ex FB</b>	20	4	7	8	9	27	8	8
<i>YoY % change ex FB</i>	19%	5%	61%	15%	78%	38%	86%	29%
<b>Total revenue ex. FB</b>	<b>\$133</b>	<b>\$41</b>	<b>\$49</b>	<b>\$53</b>	<b>\$56</b>	<b>\$199</b>	<b>\$59</b>	<b>\$63</b>
<i>YoY change %, ex FB</i>	50%	56%	62%	45%	41%	50%	43%	30%
<b>Gross profit</b>	<b>\$96</b>	<b>\$29</b>	<b>\$37</b>	<b>\$41</b>	<b>\$43</b>	<b>\$150</b>	<b>\$45</b>	<b>\$45</b>
<i>Gross margin</i>	62%	63%	68%	70%	72%	68%	73%	69%
<i>YoY bps change</i>	na	na	Na	na	na	+630	+1,020	+100
<b>Operating loss</b>	<b>(\$59)</b>	<b>(\$14)</b>	<b>(\$11)</b>	<b>(\$4)</b>	<b>(\$7)</b>	<b>(\$36)</b>	<b>(\$6)</b>	<b>(\$14)</b>
<i>Operating loss margin</i>	(39%)	(31%)	(20%)	(7%)	(12%)	(16%)	(9%)	(22%)
<b>EBITDA</b>	<b>na</b>	<b>(\$11)</b>	<b>(\$7)</b>	<b>(\$1)</b>	<b>(\$3)</b>	<b>(\$22)</b>	<b>(\$2)</b>	<b>(\$11)</b>
<i>EBITDA margin</i>	na	(24%)	(13%)	(1%)	(5%)	(10%)	(4%)	(17%)

Totals may not foot due to rounding.

# Cash Flow (Continuing Operations)

Q2 FY19, \$Ms, except per share amounts

	Q219	Q218	YoY Change
<b>Operating Cash Flow</b>	<b>(\$27)</b>	<b>(\$8)</b>	<i>nm</i>
Total Capital Spending <sup>1</sup>	\$2	\$1	80%

<sup>1</sup>Includes capital expenditures and capitalized software.

# AMS Sale Transaction Summary

*\$Bs*

<b>Net Gain</b>	
<b>Sale Price, Net of Transactions Costs</b>	<b>\$2.3</b>
Book Value of Net Assets	(0.6)
<b>Gain on Sale</b>	<b>\$1.7</b>
Estimated Taxes	(0.5)
<b>Estimated Gain, After Tax</b>	<b>\$1.2</b>
<b>Pro Forma Cash Balance</b>	
<b>Proceeds</b>	<b>\$2.3</b>
Debt Retirement	(0.2)
Other Transaction Costs	(0.0)
<b>Proceeds, Net of Debt Retirement &amp; Fees</b>	<b>\$2.0</b>
Current Cash	0.1
<b>Pro Forma Cash Balance as of 10/01/18</b>	<b>\$2.1</b>

- **\$2.1B pro forma cash balance**
  - Estimated \$500M tax payment (payable in Q4 FY19)
  - Invested cash will result in significant increase in interest income
- **Committed to return up to \$1B of capital to shareholders in the form of:**
  - \$500M tender offer scheduled for Q3 FY19
  - \$500M increase to ongoing share buyback program





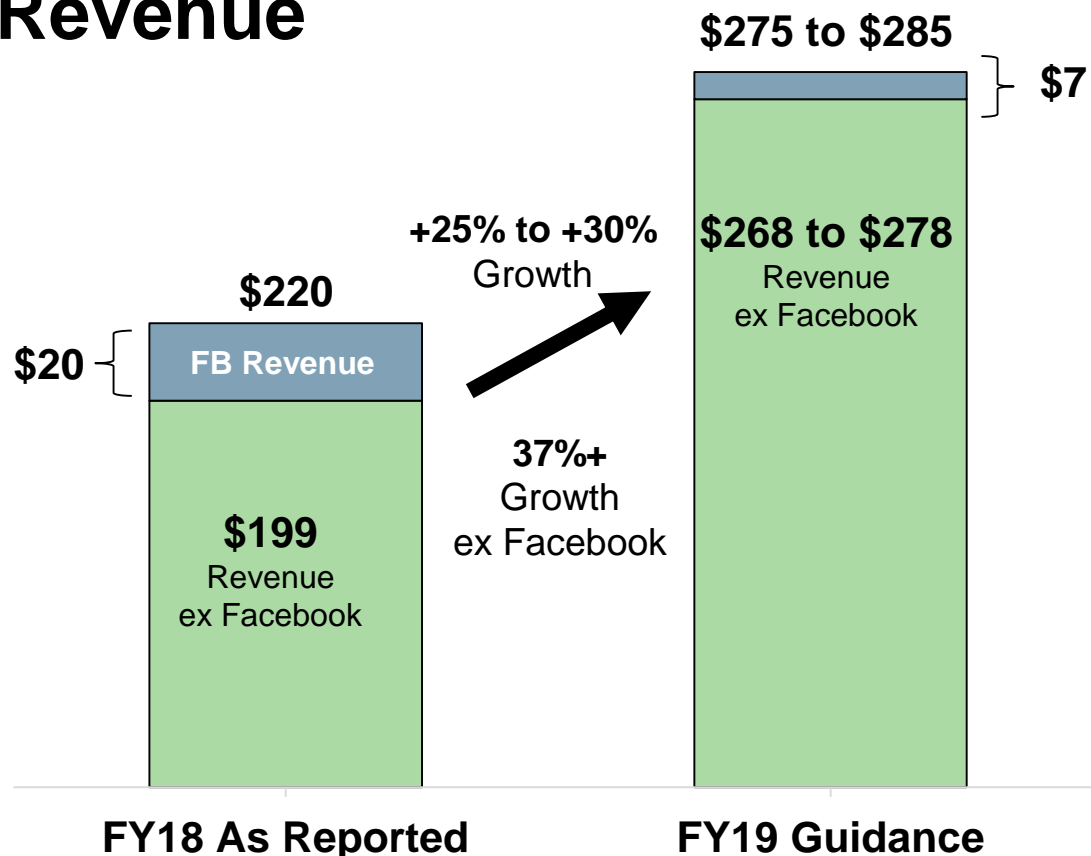
# Outlook



# Confirming Fiscal 2019 Guidance

\$M, except per share amounts

## Revenue



FY18 As Reported

FY19 Guidance

Numbers may not foot due to rounding.

	GAAP	Non-GAAP <sup>1</sup>
Revenue	\$275 to \$285	\$275 to \$285
Operating Loss	(\$170) to (\$158)	(\$64) to (\$52)

<sup>1</sup>Non-GAAP guidance excludes non-cash stock compensation, purchased intangible asset amortization, restructuring charges and separation costs.

# Other Guidance Items

\$M

		FY19E				
	FY18A	Q1A	Q2A	Q3E	Q4E	FY19E
<b>Revenue Phasing by Quarter</b>	<b>100%</b>	<b>22%</b>	<b>23%</b>	<b>27%</b>	<b>28%</b>	<b>100%</b>
SBC associated with acquisitions	\$30	\$12	\$10	\$10	\$9	\$41
Non-acquisition related SBC	\$23	\$6	\$8	\$12	\$11	\$37
<b>Total Stock-Based Comp</b>	<b>\$53</b>	<b>\$18</b>	<b>\$18</b>	<b>\$22</b>	<b>\$20</b>	<b>\$78</b>
Interest income	\$0.5	\$0.3	\$0.3	\$9	\$7	\$17
Non-GAAP Tax Rate	35%	20%	26%	27%	27%	26%
<b>Capital Spending</b>	<b>\$13</b>	<b>\$2</b>	<b>\$2</b>	<b>\$3</b>	<b>\$7</b>	<b>\$14</b>

*Pro forma figures are unaudited and subject to change.*



# Appendix



# GAAP to Non-GAAP Income Statement Recon

	FY17A	Q1 18A	Q2 18A	Q3 18A	Q4 18A	FY18A	Q1 19A	Q2 19A
<b>Revenue</b>	154,385	46,757	54,013	59,121	60,210	220,101	62,471	64,812
<b>Gross Profit</b>	72,773	22,696	30,004	34,595	36,410	123,705	38,817	40,346
<i>% of Revenue</i>	47.1%	48.5%	55.5%	58.5%	60.5%	56.2%	62.1%	62.3%
Excluded items:								
Purchased intangible asset amortization	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548
Non-cash stock compensation	4,318	637	654	673	687	2,652	711	782
<b>Gross Profit - Non-GAAP</b>	95,709	29,292	36,673	41,233	43,053	150,252	45,498	44,676
<i>% of Revenue</i>	62.0%	62.6%	67.9%	69.7%	71.5%	68.3%	72.8%	68.9%
<b>R&amp;D</b>	47,239	14,840	15,599	14,311	15,963	60,713	16,970	16,940
<i>% of Revenue</i>	30.6%	31.7%	28.9%	24.2%	26.5%	27.6%	27.2%	26.1%
Excluded items:								
Non-cash stock compensation	10,513	3,693	3,636	3,177	5,138	15,643	4,342	3,745
<b>R&amp;D - Non-GAAP</b>	36,726	11,147	11,963	11,134	10,825	45,070	12,628	13,195
<i>% of Revenue</i>	24%	24%	22%	19%	18%	20%	20%	20%
<b>S&amp;M</b>	59,141	24,091	25,981	27,832	30,735	108,639	33,323	35,940
<i>% of Revenue</i>	38.3%	51.5%	48.1%	47.1%	51.0%	49.4%	53.3%	55.5%
Excluded items:								
Non-cash stock compensation	7,471	5,454	5,730	6,251	5,946	23,381	9,920	9,854
<b>S&amp;M - Non-GAAP</b>	51,671	18,637	20,251	21,581	24,789	85,258	23,403	26,086
<i>% of Revenue</i>	33%	40%	37%	37%	41%	39%	37%	40%

# GAAP to Non-GAAP Income Statement Recon (cont'd)

	FY17A	Q1 18A	Q2 18A	Q3 18A	Q4 18A	FY18A	Q1 19A	Q2 19A
<b>G&amp;A</b>	92,898	23,587	23,724	20,929	16,914	85,154	18,124	25,176
<i>% of Revenue</i>	60.2%	50.4%	43.9%	35.4%	28.1%	38.7%	29.0%	38.8%
Excluded items:								
Non-cash stock compensation	17,471	2,616	3,134	3,190	2,252	11,191	2,823	3,286
Separation and transformation costs	8,639	7,119	5,453	5,214	-	17,786	-	2,122
<b>G&amp;A - Non-GAAP</b>	66,789	13,852	15,137	12,525	14,662	56,177	15,301	19,768
<i>% of Revenue</i>	43%	30%	28%	21%	24%	26%	24%	30%
<b>Loss from operations</b>	(131,258)	(39,819)	(38,133)	(27,689)	(27,883)	(133,524)	(29,602)	(38,199)
<i>% of Revenue</i>	-85.0%	-85.2%	-70.6%	-46.8%	-46.3%	-60.7%	-47.4%	-58.9%
Excluded items:								
Purchased intangible asset amortization	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548
Non-cash stock compensation	39,772	12,400	13,154	13,290	14,022	52,866	17,798	17,667
Restructuring and merger charges	4,753	(3)	2,833	(788)	682	2,724	1	489
Separation and transformation costs	8,639	7,119	5,453	5,214	-	17,786	-	2,122
<b>Loss from operations - Non-GAAP</b>	(59,476)	(14,344)	(10,678)	(4,008)	(7,223)	(36,253)	(5,833)	(14,373)
<i>% of Revenue</i>	-39%	-31%	-20%	-7%	-12%	-16%	-9.3%	-22.2%
<b>Loss from continuing operations before tax</b>	(130,817)	(40,399)	(37,870)	(27,257)	(27,496)	(133,022)	(29,246)	(38,480)
Excluded items:								
Purchased intangible asset amortization	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548
Non-cash stock compensation	39,772	12,400	13,154	13,290	14,022	52,866	17,798	17,667
Restructuring and merger charges	4,753	(3)	2,833	(788)	682	2,724	1	489
Separation and transformation costs	8,639	7,119	5,453	5,214	-	17,786	-	2,122
<b>Loss from cont. ops before tax - Non-GAAP</b>	(59,036)	(14,924)	(10,415)	(3,576)	(6,836)	(35,751)	(5,477)	(14,654)
<i>% of Revenue</i>	-38.2%	-31.9%	-19.3%	-6.0%	-11.4%	-16.2%	-8.8%	-22.6%

# Adjusted EBITDA Reconciliation

	FY17A	Q1 18A	Q2 18A	Q3 18A	Q4 18A	FY18A	Q1 19A	Q2 19A
Net loss from continuing operations	(89,869)	(27,079)	(26,001)	2,534	(19,598)	(70,144)	(27,818)	(41,180)
Income taxes (benefit)	(40,948)	(13,320)	(11,869)	(29,791)	(7,898)	(62,878)	(1,428)	2,700
Other income (expense)	440	(580)	263	432	387	502	356	(281)
Loss from operations	(131,258)	(39,819)	(38,133)	(27,689)	(27,883)	(133,524)	(29,602)	(38,199)
Depreciation and amortization	29,848	9,199	9,732	9,308	10,394	38,633	9,530	7,010
EBITDA	(101,410)	(30,620)	(28,401)	(18,381)	(17,489)	(94,891)	(20,072)	(31,189)
Other adjustments:								
Non-cash stock compensation	39,772	12,400	13,154	13,290	14,022	52,866	17,798	17,667
Restructuring and merger charges	4,753	(3)	2,833	(788)	682	2,724	1	489
Separation and transformation	8,639	7,119	5,453	5,214	-	17,786	-	2,122
Other adjustments	53,164	19,516	21,440	17,716	14,704	73,376	17,799	20,278
Adjusted EBITDA	(48,246)	(11,104)	(6,961)	(665)	(2,785)	(21,515)	(2,273)	(10,911)
Depreciation and amortization	29,848	9,199	9,732	9,308	10,394	38,633	9,530	7,010
Less: Purchased Intangible Amort	(18,618)	(5,959)	(6,015)	(5,965)	(5,956)	(23,895)	(5,970)	(3,548)
Adjusted D&A	11,230	3,240	3,717	3,343	4,438	14,738	3,560	3,462

# GAAP to Non-GAAP EPS Reconciliation

	FY17A	Q1 18A	Q2 18A	Q3 18A	Q4A	FY18A	Q1 19A	Q2 19A
Loss from continuing operations before income taxes	(130,817)	(40,399)	(37,870)	(27,257)	(27,496)	(133,022)	(29,246)	(38,480)
Income taxes (benefit)	(40,948)	(13,320)	(11,869)	(29,791)	(7,898)	(62,878)	(1,428)	2,700
<b>Net loss from continuing operations</b>	<b>(89,869)</b>	<b>(27,079)</b>	<b>(26,001)</b>	<b>2,534</b>	<b>(19,598)</b>	<b>(70,144)</b>	<b>(27,818)</b>	<b>(41,180)</b>
<b>Earnings (loss) per share:</b>								
Basic	\$ (1.16)	\$ (0.34)	\$ (0.33)	\$ 0.03	\$ (0.25)	\$ (0.89)	\$ (0.36)	\$ (0.53)
Diluted	\$ (1.16)	\$ (0.34)	\$ (0.33)	\$ 0.03	\$ (0.25)	\$ (0.89)	\$ (0.36)	\$ (0.53)
Excluded items:								
Purchased intangible asset amortization	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548
Non-cash stock compensation	39,772	12,400	13,154	13,290	14,022	52,866	17,798	17,667
Restructuring and merger charges	4,753	(3)	2,833	(788)	682	2,724	1	489
Separation and transformation costs	8,639	7,119	5,453	5,214	-	17,786	-	2,122
Total excluded items, continuing operations	71,782	25,475	27,455	23,681	20,660	97,271	23,769	23,826
Loss from continuing operations before income taxes and excluding items	(59,036)	(14,924)	(10,415)	(3,576)	(6,836)	(35,751)	(5,477)	(14,654)
Income taxes (benefit)	36,652	(4,556)	(3,164)	(2,514)	(2,352)	(12,586)	(1,078)	(3,790)
<b>Non-GAAP earnings from continuing operations</b>	<b>(95,687)</b>	<b>(10,368)</b>	<b>(7,251)</b>	<b>(1,062)</b>	<b>(4,484)</b>	<b>(23,165)</b>	<b>(4,399)</b>	<b>(10,864)</b>
<b>Non-GAAP loss per share:</b>								
Basic	\$ (1.23)	\$ (0.13)	\$ (0.09)	\$ (0.01)	\$ (0.06)	\$ (0.29)	\$ (0.06)	\$ (0.14)
Diluted	\$ (1.23)	\$ (0.13)	\$ (0.09)	\$ (0.01)	\$ (0.06)	\$ (0.29)	\$ (0.06)	\$ (0.14)
Basic weighted average shares	77,609	78,672	79,235	79,043	78,614	78,891	76,935	77,448
Diluted weighted average shares	77,609	78,672	79,235	79,043	78,614	78,891	76,935	77,448