

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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 2, 2021

LiveRamp Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

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

001-38669
(Commission File Number)

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

94104
(Zip Code)

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

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

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

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

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

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

Emerging growth company

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

Section 2—Financial Information

Item 2.02 Results of Operations and Financial Condition

On November 2, 2021, LiveRamp Holdings, Inc. (the “Company”) issued a press release announcing the results of its financial performance for its second quarter ended September 30, 2021. The Company will hold a conference call at 1:30 PM PDT today to further discuss this information. Interested parties are invited to listen to the webcast, which will be broadcast via the Internet at www.liveramp.com. The press release is furnished herewith as Exhibit 99.1 and incorporated by reference herein.

Section 9—Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Press Release of the Company dated November 2, 2021
101.sch	Inline XBRL Taxonomy Extension Schema Document
101.lab	Inline XBRL Taxonomy Extension Label Linkbase Document
101.pre	Inline XBRL Taxonomy Extension Presentation Linkbase Document
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 hereunto duly authorized.

Dated: November 2, 2021

LiveRamp Holdings, Inc.

By: /s/ Jerry C. Jones

Name: Jerry C. Jones

Title: Chief Ethics and Legal Officer & Executive Vice
President

LIVERAMP ANNOUNCES STRONG SECOND QUARTER RESULTS AND RAISES FULL YEAR OUTLOOK

Total Revenue Up 22% and Subscription Revenue Up 23%

GAAP Gross Margin of 72% and Non-GAAP Gross Margin of 77%

Record Operating Performance

Eighty \$1 Million Customers – Largest Sequential Increase

SAN FRANCISCO, Calif., November 2, 2021—LiveRamp® (NYSE: RAMP), the leading global data connectivity platform, today announced its financial results for the quarter ended September 30, 2021.

Second Quarter Financial Highlights

- Total revenue was \$127 million, up 22% compared to the prior year period.
- Subscription revenue was \$105 million, up 23% compared to the prior year period and contributed 83% of total revenue.
- Marketplace & Other revenue was \$22 million, up 16% compared to the prior year period.
- GAAP gross profit was \$92 million, up 32% compared to the prior year period. GAAP gross margin of 72% expanded 6 percentage points. Non-GAAP gross profit was \$98 million, up 30% compared to the prior year period. Non-GAAP gross margin of 77% expanded 5 percentage points.
- GAAP operating loss was \$6 million compared to a GAAP operating loss of \$27 million in the prior year period. Non-GAAP operating income was \$18 million compared to a non-GAAP operating income of \$1 million in the prior year period.
- GAAP loss per share were \$0.09, and non-GAAP earnings per share were \$0.26.
- Net cash provided by operating activities was \$11 million compared to \$6 million in the prior year period.
- During the quarter, LiveRamp repurchased approximately 365 thousand shares for \$15 million under the current share repurchase program. Since inception of the share repurchase program in August 2011, the Company has returned approximately \$1.2 billion in capital to shareholders.

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

“LiveRamp is making it safe and easy for companies to use their data, and many of the world’s most successful companies are embracing LiveRamp,” said LiveRamp CEO Scott Howe. “You can see this in our results: top line growth accelerated, innovative new products such as Safe Haven® gained even greater adoption, and LiveRamp is well positioned for the future.”

“Q2 was another great quarter,” added LiveRamp President and CFO Warren Jenson. “Revenue growth accelerated, gross margin expanded, and we delivered a record operating performance. This is our sixth consecutive quarter of non-GAAP profitability. Given the strength of our performance, we are raising our top and bottom line guidance for the year.”

GAAP and Non-GAAP Results

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

	Q2 Fiscal 2022 Results		Q2 Fiscal 2021 Results	
	GAAP	Non-GAAP	GAAP	Non-GAAP
<i>Subscription revenue</i>	\$ 105	—	\$ 86	—
<i>YoY change %</i>	23 %		19 %	
<i>Marketplace & other revenue</i>	\$ 22	—	\$ 19	—
<i>YoY change %</i>	16 %		4 %	
<i>Total revenue</i>	\$ 127	—	\$ 105	—
<i>YoY change %</i>	22 %		16 %	
<i>Gross profit</i>	\$ 92	\$ 98	\$ 70	\$ 75
<i>% Gross margin</i>	72 %	77 %	67 %	72 %
<i>YoY change, pts</i>	6pts	5pts	13pts	9pts
<i>Operating income (loss)</i>	\$ (6)	\$ 18	\$ (27)	\$ 1
<i>% Operating margin</i>	(5)%	14 %	(26)%	1 %
<i>YoY change, pts</i>	21pts	13pts	30pts	23pts
<i>Net income (loss)</i>	\$ (6)	\$ 18	\$ (24)	\$ 2
<i>Earnings (loss) per share</i>	\$ (0.09)	\$ 0.26	\$ (0.36)	\$ 0.03
<i>Shares to Calculate EPS</i>	68.0	69.3	66.0	68.8
<i>YoY change %</i>	3 %	1 %	(2)%	2 %
<i>Net operating cash flow</i>	\$ 11	—	\$ 6	—
<i>Free cash flow to equity</i>	—	\$ 10	—	\$ 6

Totals may not sum due to rounding.

A detailed discussion of our non-GAAP financial measures and a reconciliation between GAAP and non-GAAP results is provided in the schedules to this press release.

Additional Business Highlights & Metrics

- The Authenticated Traffic Solution (ATS), continues to experience strong global adoption. There are currently more than 55 supply-side platforms (SSPs) and 70 demand-side platforms (DSPs) live or committed to bid on RampID™ and ATS, including The Trade Desk, Amobee, Criteo, dataxu, and MediaMath. Lastly, more than 500 publishers, representing more than 8,000 publisher domains, are deployed with ATS.
- LiveRamp launched its enhanced TV platform with support from Innovid, E.W. Scripps Company, Publica, Philo, Plex, Univision and Dish. New capabilities enable marketers, programmers, and sell-side CTV platforms to more easily and effectively collaborate, activate, and quantify media campaigns in a coordinated way across all TV inventory: linear, streaming, and digital video.
- LiveRamp added 15 net new direct subscription customers in the second quarter. Customer count at quarter end was 870, up from 795 a year ago.
- LiveRamp has 80 customers whose subscription contracts exceed \$1 million in annual revenue, up 29% compared to the prior year period. This represents LiveRamp's largest sequential increase in \$1 million customers.
- During the second quarter, subscription net retention was 108% and platform net retention was 109%.
- Current remaining performance obligations (CRPO), which is contracted and committed revenue expected to be recognized over the next 12 months, was \$266 million, up 23% compared to the prior year period.

Financial Outlook

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

For the third quarter of fiscal 2022, LiveRamp expects to report:

- Revenue of approximately \$139 million, an increase of 16% year-over-year
- GAAP operating loss of approximately \$20 million
- Non-GAAP operating income of approximately \$10 million

For fiscal 2022, LiveRamp has increased its outlook and now expects to report:

- Revenue of approximately \$525 million, an increase of 19% year-over-year
- GAAP operating loss of approximately \$70 million
- Non-GAAP operating income of approximately \$40 million

Conference Call

LiveRamp will hold a conference call at 1:30 p.m. PT today to further discuss this information. Interested parties are invited to listen to the call which will be broadcast via the Internet and can be found on LiveRamp's investor site. A slide presentation will be referenced during the call and can be accessed here.

About LiveRamp

LiveRamp is the leading data connectivity platform for the safe and effective use of data. Powered by core identity capabilities and an unparalleled network, LiveRamp enables companies and their partners to better connect, control, and activate data to transform customer experiences and generate more valuable business outcomes. LiveRamp's fully interoperable and neutral infrastructure delivers end-to-end addressability for the world's top brands, agencies, and publishers. For more information, visit www.LiveRamp.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended (the "PSLRA"). These statements, which are not statements of historical fact, may contain estimates, assumptions, projections and/or expectations regarding the Company's financial position, results of operations, market position, product development, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. Forward-looking statements are often identified by words or phrases such as "anticipate," "estimate," "plan," "expect," "believe," "intend," "foresee," or the negative of these terms or other similar variations thereof.

These forward-looking statements are not guarantees of future performance and are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in the forward-looking statements.

Among the factors that may cause actual results and expectations to differ from anticipated results and expectations expressed in forward-looking statements are uncertainties related to COVID-19 and the associated impact on our suppliers, customers and partners; the Company's dependence upon customer renewals; new customer additions and upsell within our subscription business; our reliance upon partners, including data suppliers; competition; and attracting and retaining talent. Additional risks relate to maintaining our culture and our ability to innovate and evolve while working remotely and within a rapidly changing industry, while also avoiding disruption from acquisition and divestiture activities. Our international operations are also subject to risks that may harm the Company's business. The risk of a significant breach of the confidentiality of the information or the security of our or our customers', suppliers', or other partners' computer systems could be detrimental to our business, reputation and results of operations. Other business risks include unfavorable publicity and negative public perception about our industry; interruptions or delays in service from data center hosting vendors we rely upon; and our dependence on the continued availability of third-party data hosting and transmission services. Our clients' ability to use data on our platform could be restricted if the industry's use of third-party cookies and tracking technology declines due to technology platform changes, regulation or increased user controls. Changes in regulations relating to information collection and use represents a risk, as well as changes in tax laws and regulations that are applied to our customers which could cause enterprise software budget tightening. In addition, third parties may claim that we are infringing their intellectual property or may infringe our intellectual property which could result in competitive injury and / or the incurrence of significant costs and draining of our resources.

For a discussion of these and other risks and uncertainties, please refer to LiveRamp's Annual Report on Form 10-K for our fiscal year 2021 ended March 31, 2021, and LiveRamp's Quarterly Reports on Form 10-Q issued in fiscal year 2022.

The financial information set forth in this press release reflects estimates based on information available at this time.

LiveRamp assumes no obligation and does not currently intend to update these forward-looking statements.

To automatically receive LiveRamp financial news by email, please visit www.LiveRamp.com and subscribe to email alerts.

For more information, contact:
LiveRamp Investor Relations
Investor.Relations@LiveRamp.com
ERAMP

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

	For the three months ended September 30,			
	2021	2020	\$ Variance	% Variance
Revenues	\$ 127,290	\$ 104,661	\$ 22,629	21.6 %
Cost of revenue	35,079	34,897	182	0.5 %
Gross profit	92,211	69,764	22,447	32.2 %
% Gross margin	72.4 %	66.7 %		
Operating expenses:				
Research and development	35,788	31,035	4,753	15.3 %
Sales and marketing	39,509	41,705	(2,196)	(5.3) %
General and administrative	23,078	24,495	(1,417)	(5.8) %
Gains, losses and other items, net	18	(619)	637	102.9 %
Total operating expenses	98,393	96,616	1,777	1.8 %
Loss from operations	(6,182)	(26,852)	20,670	77.0 %
% Margin	(4.9) %	(25.7) %		
Total other income (expense), net	150	(225)	375	166.7 %
Income (loss) from operations before income taxes	(6,032)	(27,077)	21,045	77.7 %
Income tax expense (benefit)	399	(3,109)	3,508	112.8 %
Net earnings (loss)	\$ (6,431)	\$ (23,968)	\$ 17,537	73.2 %
Basic earnings (loss) per share	\$ (0.09)	\$ (0.36)	\$ 0.27	74.0 %
Diluted earnings (loss) per share	\$ (0.09)	\$ (0.36)	\$ 0.27	74.0 %
Basic weighted average shares	68,042	66,010		
Diluted weighted average shares	68,042	66,010		

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

(Dollars in thousands, except per share amounts)

	For the six months ended September 30,			
	2021	2020	\$ Variance	% Variance
Revenues	\$ 246,328	\$ 204,098	\$ 42,230	20.7 %
Cost of revenue	69,394	69,362	32	— %
Gross profit	176,934	134,736	42,198	31.3 %
% Gross margin	71.8 %	66.0 %		
Operating expenses:				
Research and development	70,564	58,024	12,540	21.6 %
Sales and marketing	81,488	80,332	1,156	1.4 %
General and administrative	47,369	47,863	(494)	(1.0)%
Gains, losses and other items, net	1,296	1,376	(80)	(5.8)%
Total operating expenses	200,717	187,595	13,122	7.0 %
Loss from operations	(23,783)	(52,859)	29,076	55.0 %
% Margin	(9.7)%	(25.9)%		
Total other income (expense)	30,751	238	30,513	12,820.6 %
Loss from continuing operations before income taxes	6,968	(52,621)	59,589	113.2 %
Income tax benefit	(3,966)	(6,925)	2,959	42.7 %
Net earnings (loss)	\$ 10,934	\$ (45,696)	\$ 56,630	123.9 %
Basic earnings (loss) per share	\$ 0.16	\$ (0.69)	\$ 0.85	123.1 %
Diluted earnings (loss) per share	\$ 0.16	\$ (0.69)	\$ 0.85	122.7 %
Basic weighted average shares	68,185	65,790		
Diluted weighted average shares	69,473	65,790		

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

(Unaudited)

(Dollars in thousands, except per share amounts)

	For the three months ended September 30,		For the six months ended September 30,	
	2021	2020	2021	2020
Income (loss) from operations before income taxes	\$ (6,032)	\$ (27,077)	\$ 6,968	\$ (52,621)
Income tax expense (benefit)	399	(3,109)	(3,966)	(6,925)
Net earnings (loss)	<u>\$ (6,431)</u>	<u>\$ (23,968)</u>	<u>\$ 10,934</u>	<u>\$ (45,696)</u>
Earnings (loss) per share:				
Basic	<u>\$ (0.09)</u>	<u>\$ (0.36)</u>	<u>\$ 0.16</u>	<u>\$ (0.69)</u>
Diluted	<u>\$ (0.09)</u>	<u>\$ (0.36)</u>	<u>\$ 0.16</u>	<u>\$ (0.69)</u>
Excluded items:				
Purchased intangible asset amortization (cost of revenue)	\$ 4,612	\$ 4,350	\$ 9,257	\$ 9,656
Non-cash stock compensation (cost of revenue and operating expenses)	19,221	24,204	37,717	40,689
Restructuring and merger charges (gains, losses, and other)	18	(619)	1,296	1,376
Transformation costs (general and administrative)	—	258	—	3,863
Gain on retained profits interest (other income)	—	—	(30,052)	—
Total excluded items	<u>23,851</u>	<u>28,193</u>	<u>18,218</u>	<u>55,584</u>
Income from operations before income taxes and excluding items	17,819	1,116	25,186	2,963
Income taxes (2)	(12)	(1,291)	853	(357)
Non-GAAP net earnings	<u>\$ 17,831</u>	<u>\$ 2,407</u>	<u>\$ 24,333</u>	<u>\$ 3,320</u>
Non-GAAP earnings per share:				
Basic	<u>\$ 0.26</u>	<u>\$ 0.04</u>	<u>\$ 0.36</u>	<u>\$ 0.05</u>
Diluted	<u>\$ 0.26</u>	<u>\$ 0.03</u>	<u>\$ 0.35</u>	<u>\$ 0.05</u>
Basic weighted average shares	68,042	66,010	68,185	65,790
Diluted weighted average shares	69,333	68,804	69,473	68,071

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures and the material limitations on the usefulness of these measures, please see Appendix A.

(2) Income taxes were calculated by applying the estimated annual effective tax rate to year-to-date pretax income or loss and adjusting for discrete tax items in the period. The differences between our GAAP and non-GAAP effective tax rates were primarily due to the net tax effects of the excluded items, coupled with larger pre-tax losses for GAAP purposes versus smaller pre-tax losses or income for non-GAAP purposes.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP INCOME (LOSS) FROM OPERATIONS (1)
(Unaudited)
(Dollars in thousands)

	For the three months ended September 30,		For the six months ended September 30,	
	2021	2020	2021	2020
Loss from operations	\$ (6,182)	\$ (26,852)	\$ (23,783)	\$ (52,859)
Excluded items:				
Purchased intangible asset amortization (cost of revenue)	4,612	4,350	9,257	9,656
Non-cash stock compensation (cost of revenue and operating expenses)	19,221	24,204	37,717	40,689
Restructuring and merger charges (gains, losses, and other)	18	(619)	1,296	1,376
Transformation costs (general and administrative)	—	258	—	3,863
Total excluded items	<u>23,851</u>	<u>28,193</u>	<u>48,270</u>	<u>55,584</u>
Income from operations before excluded items	<u>\$ 17,669</u>	<u>\$ 1,341</u>	<u>\$ 24,487</u>	<u>\$ 2,725</u>

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures and the material limitations on the usefulness of these measures, please see Appendix A.

LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED EBITDA (1)
(Unaudited)
(Dollars in thousands)

	For the three months ended September 30,		For the six months ended September 30,	
	2021	2020	2021	2020
Net earnings (loss)	\$ (6,431)	\$ (23,968)	\$ 10,934	\$ (45,696)
Income tax expense (benefit)	399	(3,109)	(3,966)	(6,925)
Total other income (expense), net	<u>(150)</u>	<u>225</u>	<u>(30,751)</u>	<u>(238)</u>
Loss from operations	(6,182)	(26,852)	(23,783)	(52,859)
Depreciation and amortization	<u>5,819</u>	<u>6,901</u>	<u>12,404</u>	<u>14,955</u>
EBITDA	<u>\$ (363)</u>	<u>\$ (19,951)</u>	<u>\$ (11,379)</u>	<u>\$ (37,904)</u>
Other adjustments:				
Non-cash stock compensation (cost of revenue and operating expenses)	19,221	24,204	37,717	40,689
Restructuring and merger charges (gains, losses, and other)	18	(619)	1,296	1,376
Transformation costs (general and administrative)	<u>—</u>	<u>258</u>	<u>—</u>	<u>3,863</u>
Other adjustments	<u>19,239</u>	<u>23,843</u>	<u>39,013</u>	<u>45,928</u>
Adjusted EBITDA	<u>\$ 18,876</u>	<u>\$ 3,892</u>	<u>\$ 27,634</u>	<u>\$ 8,024</u>

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures, the usefulness of these measures and the material limitations on the usefulness of these measures, please see Appendix A.

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

Assets	September 30, 2021	March 31, 2021	\$ Variance	% Variance
Current assets:				
Cash and cash equivalents	\$ 535,590	\$ 572,787	\$ (37,197)	(6.5)%
Restricted cash	8,731	8,900	(169)	(1.9)%
Trade accounts receivable, net	130,948	114,284	16,664	14.6 %
Refundable income taxes	64,079	65,692	(1,613)	(2.5)%
Other current assets	35,246	64,052	(28,806)	(45.0)%
Total current assets	<u>774,594</u>	<u>825,715</u>	(51,121)	(6.2)%
Property and equipment	45,214	44,284	930	2.1 %
Less - accumulated depreciation and amortization	<u>34,916</u>	<u>32,327</u>	2,589	8.0 %
Property and equipment, net	<u>10,298</u>	<u>11,957</u>	(1,659)	(13.9)%
Intangible assets, net	33,970	39,730	(5,760)	(14.5)%
Goodwill	363,895	357,446	6,449	1.8 %
Deferred commissions, net	27,988	22,619	5,369	23.7 %
Other assets, net	71,627	30,854	40,773	132.1 %
	<u>\$ 1,282,372</u>	<u>\$ 1,288,321</u>	\$ (5,949)	(0.5)%
Liabilities and Stockholders' Equity				
Current liabilities:				
Trade accounts payable	\$ 44,267	\$ 39,955	\$ 4,312	10.8 %
Accrued payroll and related expenses	24,427	46,438	(22,011)	(47.4)%
Other accrued expenses	47,766	58,353	(10,587)	(18.1)%
Acquisition escrow payable	8,731	8,900	(169)	(1.9)%
Deferred revenue	11,058	11,603	(545)	(4.7)%
Total current liabilities	<u>136,249</u>	<u>165,249</u>	(29,000)	(17.5)%
Other liabilities	73,176	42,389	30,787	72.6 %
Stockholders' equity:				
Preferred stock	—	—	—	— %
Common stock	14,887	14,781	106	0.7 %
Additional paid-in capital	1,669,461	1,630,072	39,389	2.4 %
Retained earnings	1,465,760	1,454,826	10,934	0.8 %
Accumulated other comprehensive income	5,976	7,522	(1,546)	(20.6)%
Treasury stock, at cost	<u>(2,083,137)</u>	<u>(2,026,518)</u>	(56,619)	2.8 %
Total stockholders' equity	<u>1,072,947</u>	<u>1,080,683</u>	(7,736)	(0.7)%
	<u>\$ 1,282,372</u>	<u>\$ 1,288,321</u>	\$ (5,949)	(0.5)%

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

	For the three months ended September 30,	
	2021	2020
Cash flows from operating activities:		
Net loss	(6,431)	(23,968)
Earnings from discontinued operations	—	—
Non-cash operating activities:		
Depreciation and amortization	5,819	6,901
Loss on disposal or impairment of assets	29	331
Provision for doubtful accounts	327	1,192
Deferred income taxes	141	187
Non-cash stock compensation expense	19,221	24,204
Changes in operating assets and liabilities:		
Accounts receivable, net	(11,024)	(3,724)
Deferred commissions	(1,986)	(1,764)
Other assets	4,072	2,799
Accounts payable and other liabilities	447	2,013
Income taxes, net	368	(2,478)
Deferred revenue	(82)	556
Net cash provided by operating activities	10,901	6,249
Cash flows from investing activities:		
Capital expenditures	(876)	(296)
Cash paid in acquisitions, net of cash received	—	(2,933)
Purchases of strategic investments	—	(1,206)
Net cash used in investing activities	(876)	(4,435)
Cash flows from financing activities:		
Proceeds related to the issuance of common stock under stock and employee benefit plans	997	2,424
Shares repurchased for tax withholdings upon vesting of stock-based awards	(1,181)	(3,928)
Acquisition of treasury stock	(15,000)	—
Net cash used in financing activities	(15,184)	(1,504)
Effect of exchange rate changes on cash	(275)	486
Net change in cash and cash equivalents	(5,434)	796
Cash and cash equivalents at beginning of period	549,755	664,710
Cash and cash equivalents at end of period	544,321	665,506
Supplemental cash flow information:		
Cash (received) for income taxes, net	(118)	(822)
Operating lease assets obtained in exchange for operating lease liabilities	35,691	—

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

	For the six months ended September 30,	
	2021	2020
Cash flows from operating activities:		
Net earnings (loss)	10,934	(45,696)
Non-cash operating activities:		
Depreciation and amortization	12,404	14,955
Loss on disposal or impairment of assets	142	333
Gain on distribution from retained profits interest	(30,052)	—
Provision for doubtful accounts	1,282	2,522
Deferred income taxes	(771)	(485)
Non-cash stock compensation expense	37,717	40,689
Changes in operating assets and liabilities:		
Accounts receivable, net	(18,073)	(9,584)
Deferred commissions	(5,369)	(3,445)
Other assets	23,408	7,703
Accounts payable and other liabilities	(36,829)	(20,671)
Income taxes, net	(632)	(3,583)
Deferred revenue	(501)	(101)
Net cash used in operating activities	(6,340)	(17,363)
Cash flows from investing activities:		
Capital expenditures	(1,303)	(1,128)
Cash paid in acquisitions, net of cash received	(8,368)	(2,933)
Distribution from retained profits interest	31,000	—
Purchases of strategic investments	—	(1,873)
Net cash provided by (used in) investing activities	21,329	(5,934)
Cash flows from financing activities:		
Proceeds related to the issuance of common stock under stock and employee benefit plans	4,278	3,561
Shares repurchased for tax withholdings upon vesting of stock-based awards	(12,542)	(5,755)
Acquisition of treasury stock	(44,077)	(42,312)
Net cash used in financing activities	(52,341)	(44,506)
Effect of exchange rate changes on cash	(14)	683
Net change in cash and cash equivalents	(37,366)	(67,120)
Cash and cash equivalents at beginning of period	581,687	732,626
Cash and cash equivalents at end of period	544,321	665,506
Supplemental cash flow information:		
Cash (received) for income taxes, net	(2,569)	(2,863)
Operating lease assets obtained in exchange for operating lease liabilities	35,691	—

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

	6/30/2020	9/30/2020	12/31/2020	3/31/2021	FY2021	6/30/2021	9/30/2021	FY2022
Net Cash Provided by (Used in) Operating Activities	\$ (23,612)	\$ 6,249	\$ 14,690	\$ (17,887)	\$ (20,560)	\$ (17,241)	\$ 10,901	\$ (6,340)
Less:								
Capital expenditures	(832)	(296)	(678)	(376)	(2,182)	(427)	(876)	(1,303)
Free Cash Flow to Equity	\$ (24,444)	\$ 5,953	\$ 14,012	\$ (18,263)	\$ (22,742)	\$ (17,668)	\$ 10,025	\$ (7,643)

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

(Dollars in thousands, except per share amounts)

									Q2 FY22 to Q2 FY21	
	6/30/2020	9/30/2020	12/31/2020	3/31/2021	FY2021	6/30/2021	9/30/2021	FY2022	%	\$
Revenues	\$ 99,437	\$ 104,661	\$ 119,753	\$ 119,175	\$ 443,026	\$ 119,038	\$ 127,290	\$ 246,328	21.6 %	\$ 22,629
Cost of revenue	34,465	34,897	37,085	37,557	144,004	34,315	35,079	69,394	0.5 %	182
Gross profit	64,972	69,764	82,668	81,618	299,022	84,723	92,211	176,934	32.2 %	22,447
% Gross margin	65.3 %	66.7 %	69.0 %	68.5 %	67.5 %	71.2 %	72.4 %	71.8 %		
Operating expenses										
Research and development	26,989	31,035	30,608	46,479	135,111	34,776	35,788	70,564	15.3 %	4,753
Sales and marketing	38,627	41,705	43,904	53,307	177,543	41,979	39,509	81,488	(5.3)%	(2,196)
General and administrative	23,368	24,495	23,943	32,395	104,201	24,291	23,078	47,369	(5.8)%	(1,417)
Gains, losses and other items, net	1,995	(619)	(6)	1,345	2,715	1,278	18	1,296	102.9 %	637
Total operating expenses	90,979	96,616	98,449	133,526	419,570	102,324	98,393	200,717	1.8 %	1,777
Loss from operations	(26,007)	(26,852)	(15,781)	(51,908)	(120,548)	(17,601)	(6,182)	(23,783)	77.0 %	20,670
	(26.2)%	(25.7)%	(13.2)%	(43.6)%	(27.2)%	(14.8)%	(4.9)%	(9.7)%		
Total other income/(expense), net	463	(225)	(86)	(404)	(252)	30,601	150	30,751	166.7 %	375
Income (loss) from operations before income taxes	(25,544)	(27,077)	(15,867)	(52,312)	(120,800)	13,000	(6,032)	6,968	77.7 %	21,045
Income taxes (benefit)	(3,816)	(3,109)	(4,142)	(19,465)	(30,532)	(4,365)	399	(3,966)	112.8 %	3,508
Net earnings (loss)	\$ (21,728)	\$ (23,968)	\$ (11,725)	\$ (32,847)	\$ (90,268)	\$ 17,365	\$ (6,431)	\$ 10,934	73.2 %	\$ 17,537
Diluted earnings (loss) per share	\$ (0.33)	\$ (0.36)	\$ (0.18)	\$ (0.49)	\$ (1.36)	\$ 0.25	(0.09)	0.16	74.0 %	\$ 0.27

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

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

(Dollars in thousands, except per share amounts)

	6/30/2020	9/30/2020	12/31/2020	3/31/2021	FY2021	6/30/2021	9/30/2021	FY2022
Income (loss) from operations before income taxes	\$ (25,544)	\$ (27,077)	\$ (15,867)	\$ (52,312)	\$ (120,800)	\$ 13,000	(6,032)	6,968
Income taxes (benefit)	(3,816)	(3,109)	(4,142)	(19,465)	(30,532)	(4,365)	399	(3,966)
Net earnings (loss)	<u>(21,728)</u>	<u>(23,968)</u>	<u>(11,725)</u>	<u>(32,847)</u>	<u>(90,268)</u>	<u>17,365</u>	<u>(6,431)</u>	<u>10,934</u>
Earnings (loss) per share:								
Basic	\$ (0.33)	\$ (0.36)	\$ (0.18)	\$ (0.49)	\$ (1.36)	\$ 0.25	(0.09)	0.16
Diluted	\$ (0.33)	\$ (0.36)	\$ (0.18)	\$ (0.49)	\$ (1.36)	\$ 0.25	(0.09)	0.16
Excluded items:								
Purchased intangible asset amortization (cost of revenue)	5,306	4,350	4,213	4,177	18,046	4,645	4,612	9,257
Non-cash stock compensation (cost of revenue and operating expenses)	16,485	24,204	23,894	47,124	111,707	18,496	19,221	37,717
Restructuring and merger charges (gains, losses, and other)	1,995	(619)	(6)	1,345	2,715	1,278	18	1,296
Transformation costs (general and administrative)	3,605	258	—	—	3,863	—	—	—
Gain on retained profits interest (other income)	—	—	—	—	—	(30,052)	—	(30,052)
Total excluded items	<u>\$ 27,391</u>	<u>\$ 28,193</u>	<u>\$ 28,101</u>	<u>\$ 52,646</u>	<u>\$ 136,331</u>	<u>\$ (5,633)</u>	<u>\$ 23,851</u>	<u>\$ 18,218</u>

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

(Dollars in thousands, except per share amounts)

	6/30/2020	9/30/2020	12/31/2020	3/31/2021	FY2021	6/30/2021	9/30/2021	FY2022
Income from operations before income taxes and excluding items	\$ 1,847	\$ 1,116	\$ 12,234	\$ 334	\$ 15,531	\$ 7,367	\$ 17,819	\$ 25,186
Income taxes expense (benefit)	934	(1,291)	2,347	(2,628)	(638)	865	(12)	853
Non-GAAP net earnings	<u>\$ 913</u>	<u>\$ 2,407</u>	<u>\$ 9,887</u>	<u>\$ 2,962</u>	<u>\$ 16,169</u>	<u>\$ 6,502</u>	<u>\$ 17,831</u>	<u>\$ 24,333</u>
Non-GAAP earnings per share:								
Basic	<u>\$ 0.01</u>	<u>\$ 0.04</u>	<u>\$ 0.15</u>	<u>\$ 0.04</u>	<u>\$ 0.24</u>	<u>\$ 0.10</u>	<u>\$ 0.26</u>	<u>\$ 0.36</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.03</u>	<u>\$ 0.14</u>	<u>\$ 0.04</u>	<u>\$ 0.23</u>	<u>\$ 0.09</u>	<u>\$ 0.26</u>	<u>\$ 0.35</u>
Basic weighted average shares	65,570	66,010	66,523	67,111	66,304	68,328	68,042	68,185
Diluted weighted average shares	67,337	68,804	69,775	69,935	68,963	69,605	69,333	69,473

Some totals may not add due to rounding

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

	6/30/2020	9/30/2020	12/31/2020	3/31/2021	FY2021	6/30/2021	9/30/2021	FY2022
Expenses:								
Cost of revenue	\$ 34,465	\$ 34,897	\$ 37,085	\$ 37,557	\$ 144,004	\$ 34,315	\$ 35,079	\$ 69,394
Research and development	26,989	31,035	30,608	46,479	135,111	34,776	35,788	70,564
Sales and marketing	38,627	41,705	43,904	53,307	177,543	41,979	39,509	81,488
General and administrative	23,368	24,495	23,943	32,395	104,201	24,291	23,078	47,369
Gains, losses and other items, net	1,995	(619)	(6)	1,345	2,715	1,278	18	1,296
Gross profit:	64,972	69,764	82,668	81,618	299,022	84,723	92,211	176,934
% Gross margin	65.3 %	66.7 %	69.0 %	68.5 %	67.5 %	71.2 %	72.4 %	71.8 %
Excluded items:								
Purchased intangible asset amortization (cost of revenue)	5,306	4,350	4,213	4,177	18,046	4,645	4,612	9,257
Non-cash stock compensation (cost of revenue)	775	913	988	2,624	5,300	790	948	1,738
Non-cash stock compensation (research and development)	5,886	7,713	7,376	17,985	38,960	5,348	7,184	12,532
Non-cash stock compensation (sales and marketing)	7,123	9,233	9,212	14,833	40,401	6,793	6,749	13,542
Non-cash stock compensation (general and administrative)	2,701	6,345	6,318	11,682	27,046	5,565	4,340	9,905
Restructuring and merger charges (gains, losses, and other)	1,995	(619)	(6)	1,345	2,715	1,278	18	1,296
Transformation costs (general and administrative)	3,605	258	—	—	3,863	—	—	—
Gain on retained profits interest (other income)	\$ —	\$ —	\$ —	\$ —	—	(30,052)	—	(30,052)
Total excluded items	\$ 27,391	\$ 28,193	\$ 28,101	\$ 52,646	\$ 136,331	\$ (5,633)	\$ 23,851	\$ 18,218

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

	6/30/2020	9/30/2020	12/31/2020	3/31/2021	FY2021	6/30/2021	9/30/2021	FY2022
Expenses, excluding items:								
Cost of revenue	\$ 28,384	\$ 29,634	\$ 31,884	\$ 30,756	\$ 120,658	\$ 28,880	\$ 29,519	\$ 58,399
Research and development	21,103	23,322	23,232	28,494	96,151	29,428	28,604	58,032
Sales and marketing	31,504	32,472	34,692	38,474	137,142	35,186	32,760	67,946
General and administrative	17,062	17,892	17,625	20,713	73,292	18,726	18,738	37,464
Gains, losses and other items, net	—	—	—	—	—	—	—	—
Gross profit, excluding items:	\$ 71,053	\$ 75,027	\$ 87,869	\$ 88,419	\$ 322,368	\$ 90,158	\$ 97,771	\$ 187,929
% Gross margin	71.5 %	71.7 %	73.4 %	74.2 %	72.8 %	75.7 %	76.8 %	76.3 %

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LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP OPERATING INCOME(LOSS) GUIDANCE (1)
(Unaudited)
(Dollars in thousands)

	For the quarter ending December 31, 2021	For the year ending March 31, 2022
GAAP loss from operations	\$ (20,000)	\$ (70,000)
Excluded items:		
Purchased intangible asset amortization	5,000	19,000
Non-cash stock compensation	25,000	90,000
Restructuring and merger costs	—	1,000
Total excluded items	30,000	110,000
Non-GAAP income from operations	\$ 10,000	\$ 40,000

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LIVERAMP HOLDINGS, INC. AND SUBSIDIARIES
Q2 FISCAL 2022 FINANCIAL RESULTS
EXPLANATION OF NON-GAAP MEASURES AND OTHER KEY METRICS

To supplement our financial results, we use non-GAAP measures which exclude certain acquisition related expenses, non-cash stock compensation and restructuring charges. We believe these measures are helpful in understanding our past performance and our future results. Our non-GAAP financial measures and schedules are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated GAAP financial statements. Our management regularly uses these non-GAAP financial measures internally to understand, manage and evaluate our business and to make operating decisions. These measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is also based in part on the performance of our business based on these non-GAAP measures.

Our non-GAAP financial measures, including non-GAAP earnings (loss) per share, income (loss) from operations and adjusted EBITDA reflect adjustments based on the following items, as well as the related income tax effects when applicable:

Purchased intangible asset amortization: We incur amortization of purchased intangibles in connection with our acquisitions. Purchased intangibles include (i) developed technology, (ii) customer and publisher relationships, and (iii) trade names. We expect to amortize for accounting purposes the fair value of the purchased intangibles based on the pattern in which the economic benefits of the intangible assets will be consumed as revenue is generated. Although the intangible assets generate revenue for us, we exclude this item because this expense is non-cash in nature and because we believe the non-GAAP financial measures excluding this item provide meaningful supplemental information regarding our operational performance.

Non-cash stock compensation: Non-cash stock compensation consists of charges for associate restricted stock units, performance shares and stock options in accordance with current GAAP related to stock-based compensation including expense associated with stock-based compensation related to unvested options assumed in connection with our acquisitions. As we apply stock-based compensation standards, we believe that it is useful to investors to understand the impact of the application of these standards to our operational performance. Although stock-based compensation expense is calculated in accordance with current GAAP and constitutes an ongoing and recurring expense, such expense is excluded from non-GAAP results because it is not an expense that typically requires or will require cash settlement by us and because such expense is not used by us to assess the core profitability of our business operations.

Restructuring charges: During the past several years, we have initiated certain restructuring activities in order to align our costs in connection with both our operating plans and our business strategies based on then-current economic conditions. As a result, we recognized costs related to termination benefits for associates whose positions were eliminated, lease and other contract termination charges, and leasehold improvement write offs. These items, reported as gains, losses, and other items, net, are excluded from non-GAAP results because such amounts are not used by us to assess the core profitability of our business operations.

Transformation costs: In previous years, we incurred significant expenses to separate the financial statements of our operating segments, with particular focus on segment-level balance sheets, and to evaluate portfolio priorities. Our criteria for excluding transformation expenses from our non-GAAP measures is as follows: 1) projects are discrete in nature; 2) excluded expenses consist only of third-party consulting fees that we would not incur otherwise; and 3) we do not exclude employee related expenses or other costs associated with the ongoing operations of our business. We substantially completed those projects during the third quarter of fiscal year 2018. Beginning in the fourth quarter of fiscal 2018, and through most of fiscal 2019, we incurred transaction support expenses and system separation costs related to the Company's announced evaluation of strategic options for its Marketing Solutions (AMS) business. In the first and second quarters of fiscal 2021 in response to the potential COVID-19 pandemic impact on our business, we incurred significant costs associated with the assessment of strategic and operating plans, including our long-term location strategy, and assistance in implementing the restructuring activities as a result of this assessment. Our criteria for excluding these costs are the same. We believe excluding these

items from our non-GAAP financial measures is useful for investors and provides meaningful supplemental information.

Our non-GAAP financial schedules are:

Non-GAAP EPS, Non-GAAP Income from Operations, and Non-GAAP expenses: Our Non-GAAP earnings per share, Non-GAAP income from operations, and Non-GAAP expenses reflect adjustments as described above, as well as the related tax effects where applicable.

Adjusted EBITDA: Adjusted EBITDA is defined as net income from continuing operations before income taxes, other expenses, depreciation and amortization, and including adjustments as described above. We use Adjusted EBITDA to measure our performance from period to period both at the consolidated level as well as within our operating segments and to compare our results to those of our competitors. We believe that the inclusion of Adjusted EBITDA provides useful supplementary information to and facilitates analysis by investors in evaluating the Company's performance and trends. The presentation of Adjusted EBITDA is not meant to be considered in isolation or as an alternative to net earnings as an indicator of our performance.

Free Cash Flow to Equity: To supplement our statement of cash flows, we use a non-GAAP measure of cash flow to analyze cash flows generated from operations. Free cash flow to equity is defined as operating cash flow less cash used by investing activities (excluding the impact of cash paid in acquisitions), less required payments of debt, and excluding the impact of discontinued operations. Management believes that this measure of cash flow is meaningful since it represents the amount of money available from continuing operations for the Company's discretionary spending after funding all required obligations including scheduled debt payments. The presentation of non-GAAP free cash flow to equity is not meant to be considered in isolation or as an alternative to cash flows from operating activities as a measure of liquidity.