



# Q1 FY21 Earnings Slides

August 10, 2020



# Cautionary Statement

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

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

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

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

# Use of Non-GAAP Information

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

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

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

# Best-in-Class SaaS Model

Q1 FY21

## Predictable, Recurring Revenue

**\$307<sup>1</sup>M**  
ARR  
(up 28% YoY)

**83%**  
Subscription  
% of  
Total Revenue

## Subscription Customer Growth

**780<sup>2,3</sup>**  
Direct  
Clients

**90**  
LTM Direct  
Net Client  
Adds

## Land & Expand with Network Effects

**111%<sup>4</sup>**  
Platform  
Net Retention

**60<sup>5</sup>**  
\$1M Clients

## Profitable Long-term Model, Non-GAAP

**75%**  
Long-term  
Gross Margin  
Target

**25%**  
Long-term  
Op Margin  
Target

See appendix and accompanying press release for GAAP equivalent metrics

# Summary Financial Results

*\$Ms, except per share amounts*

	GAAP		Non-GAAP <sup>6</sup>	
	Q121	YoY	Q121	YoY
<b>Revenue</b>	<b>\$99</b>	<b>21%</b>	—	—
<b>Gross profit</b>	<b>\$65</b>	<b>41%</b>	<b>\$71</b>	<b>38%</b>
<i>Gross margin</i>	<i>65%</i>	<i>9 pts</i>	<i>71%</i>	<i>9 pts</i>
<b>Operating income (loss)</b>	<b>(\$26)</b>	<b><i>nm</i></b>	<b>\$1</b>	<b><i>nm</i></b>
<i>Operating margin</i>	<i>(26%)</i>	<i>32 pts</i>	<i>1%</i>	<i>29 pts</i>
<b>Net earnings (loss)<sup>7</sup></b>	<b>(\$22)</b>	<b><i>nm</i></b>	<b>\$1</b>	<b><i>nm</i></b>
EPS	(\$0.33)	<i>nm</i>	\$0.01	<i>nm</i>
Share count <sup>8</sup>	65.6	(5%)	67.3	(2%)

# Revenue Summary

\$Ms

Revenue by Type	Q121	Q120	YoY
Subscription	\$83	\$68	21%
Marketplace & Other	\$17	\$14	16%
<b>Total</b>	<b>\$99</b>	<b>\$83</b>	<b>21%</b>

Revenue by Geography	Q121	Q120	YoY
US	\$93	\$77	22%
International	\$6	\$6	1%
<b>Total</b>	<b>\$99</b>	<b>\$83</b>	<b>21%</b>

*Totals may not foot due to rounding.*

# Cash Flow

\$Ms

	Q121	Q120
<b>Operating cash flow</b>	<b>(\$24)</b>	<b>(\$15)</b>
Capital expenditures	(\$1)	(\$5)
<b>Free Cash Flow</b>	<b>(\$24)</b>	<b>(\$20)</b>

*Totals may not foot due to rounding.*

# Four Corners of Growth

\$Ms, Non-GAAP

## 1 Subscription Net Retention

	Q120	Q220	Q320	Q420	Q121
<b>Subscription Net Retention</b>	<b>108%</b>	<b>109%</b>	<b>112%</b>	<b>110%</b>	<b>109%</b>

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

## 2 Platform Net Retention

	Q120	Q220	Q320	Q420	Q121
<b>Platform Net Retention</b>	<b>114%</b>	<b>119%</b>	<b>119%</b>	<b>122%</b>	<b>111%</b>

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

## 3 ARR Growth <sup>9</sup>

	Q120	Q220	Q320	Q420	Q121
<b>ARR</b>	<b>\$241</b>	<b>\$270</b>	<b>\$283</b>	<b>\$299</b>	<b>\$307</b>
YoY %	33%	40%	26%	29%	28%
<b>ARR ex IPG</b>	<b>\$221</b>	<b>\$250</b>	<b>\$263</b>	<b>\$279</b>	<b>\$287</b>
YoY %	22%	30%	29%	31%	31%

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

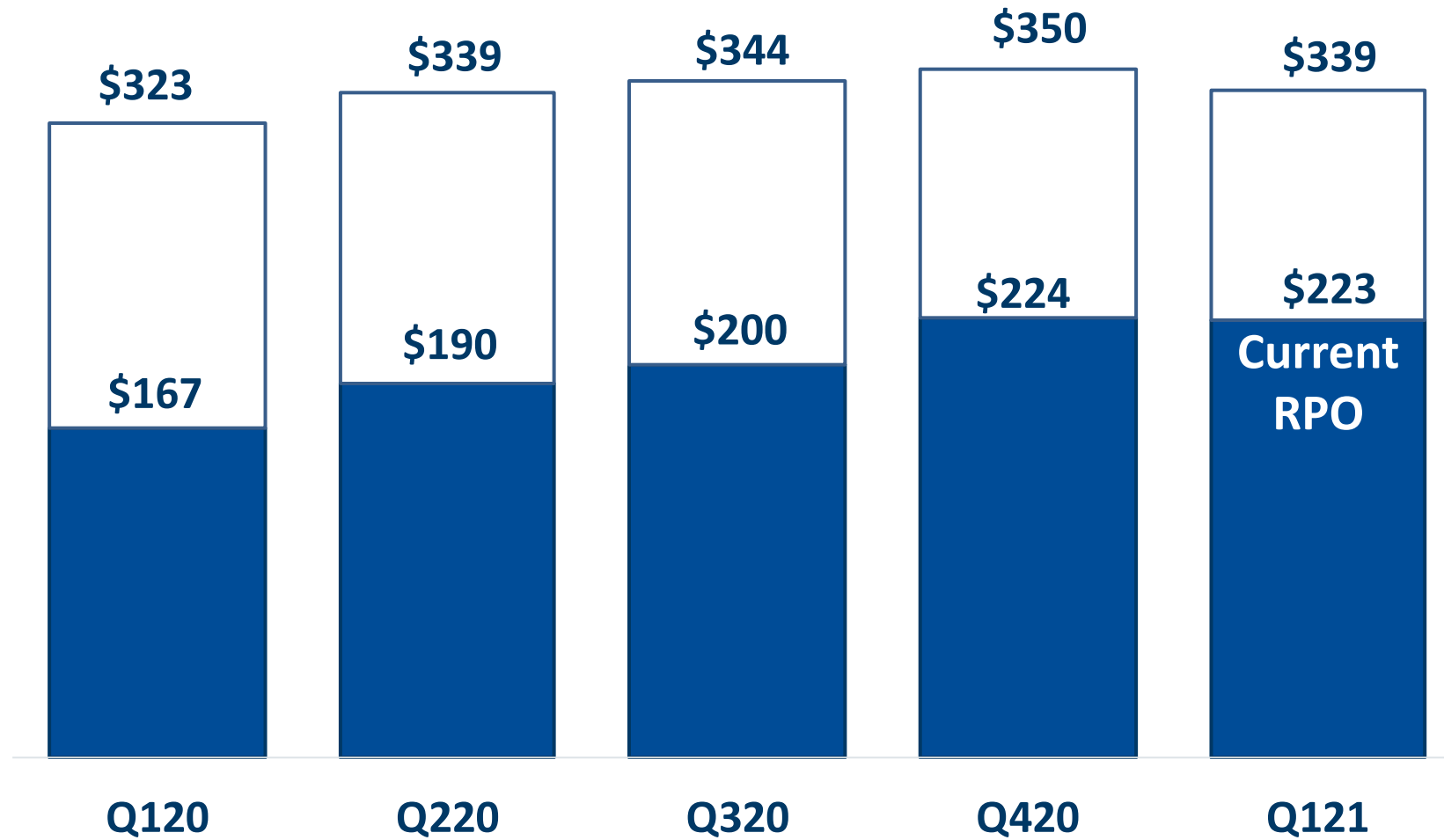
## 4 TTM Marketplace Revenue Growth

	Q120	Q220	Q320	Q420	Q121
<b>TTM Marketplace</b>	<b>\$50</b>	<b>\$60</b>	<b>\$66</b>	<b>\$75</b>	<b>\$77</b>
TTM YoY %	60%	81%	65%	71%	55%



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

*\$Ms*



# What We Said, What We are Seeing

## + Positives

What We Said	Current Status
• Secular trends are in our favor	↑
• We're SaaS; subscription revenue is durable	✓
• Bad debts / concessions have been manageable	✓
• Revenue is up (bookings / subscription / marketplace)	✓
• Doubling-down on our industry defining solutions (ATS, TV, Safe Haven)	↑
• Tightening operational processes - accelerating drive toward profitability	↑

## - Negatives

What We Said	Current Status
• We're not immune to macro economic forces	↑
• Pipeline pushing out	✓
• Expect net new logo adds to be under pressure (possibly down)	✓
• Upsell will slow, retention metrics will be impacted	✓
• Contraction will increase	✓
• International revenue will continue to be pressured	✓

## Our View

What We Said	Current Status
• Despite uncertainty, our products are well-positioned and benefitting from secular trends (addressability, measurability and ROI)	↑
• FY21 will be a growth year, albeit modest	↑
• Expect meaningful profit improvement / manageable cash burn	↑
• Balance sheet / liquidity are secure	✓

# Outlook

# Q2'FY21 Outlook

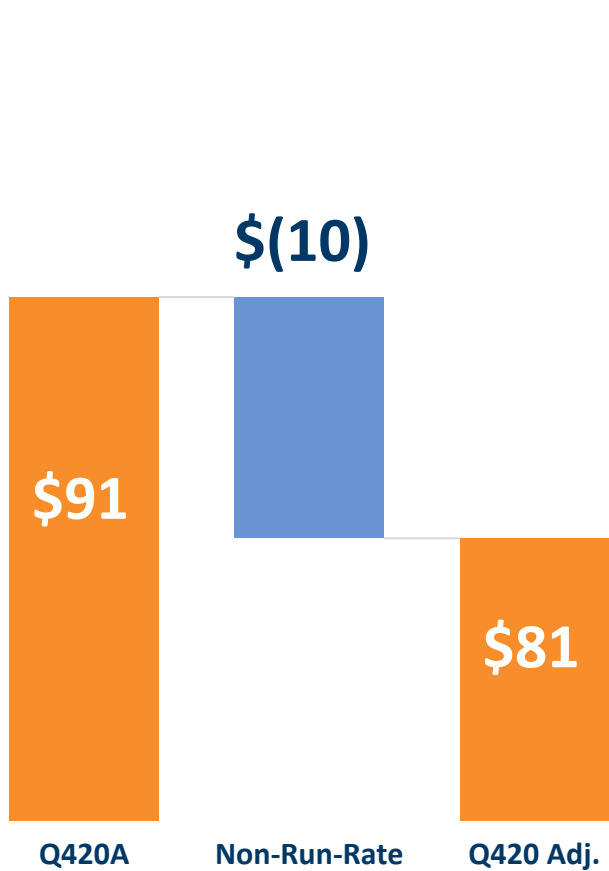
*\$Ms*

	GAAP <sup>11</sup>	Non-GAAP <sup>12</sup>
Revenue	~\$100	--
YoY Growth %	~11%	
Operating Loss	Up to \$39	Up to \$7

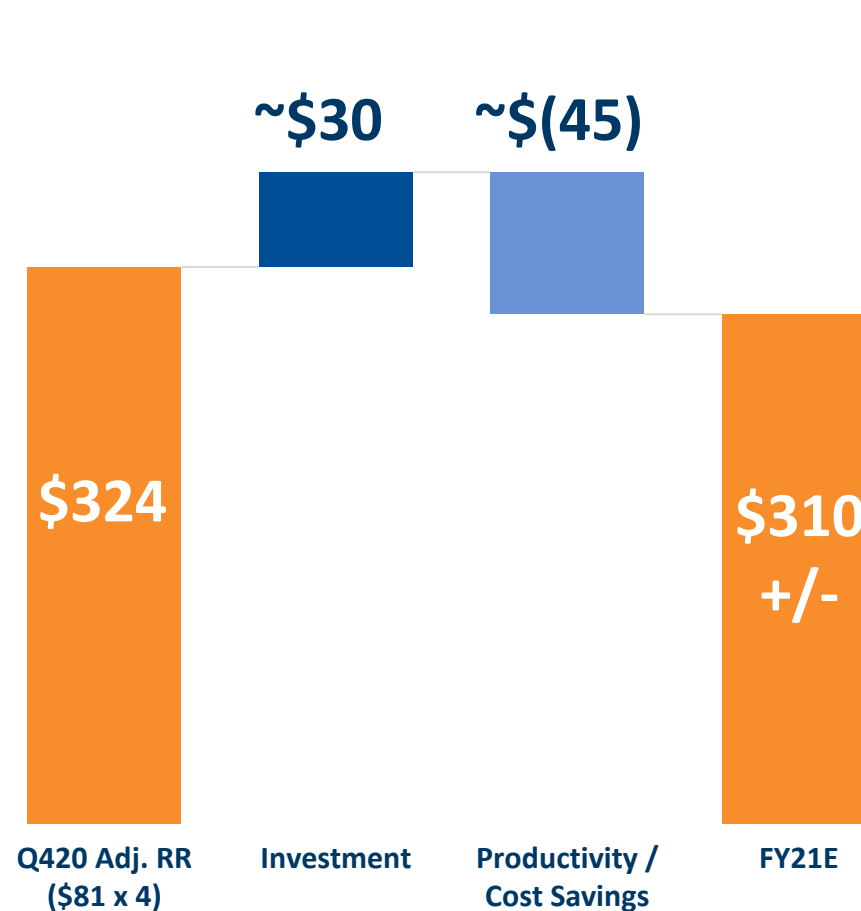
# FY21 Operating Expenses

\$M, Non-GAAP

## Q420 Less Non-Run-Rate



## Q420 Adj. RR to FY21E Bridge



## OpEx Quarterly Phasing

	FY20A*	FY21E
Q1	23%	22%
Q2	25%	24%
Q3	25%	26%
Q4	27%	28%

\* Excludes transition and non-run-rate expenses.

**Note:**

Non-Run-Rate of \$10M in Q4 is comprised principally of i) \$6M in higher incentive comp and sales commissions and ii) an incremental \$3.5M bad debt reserve. Of the ~\$45M in "Productivity / Cost Savings" ~\$15M relates to COVID savings in T&E and variable costs (vs. prior estimate of ~\$11M). See appendix for GAAP to Non-GAAP operating expense reconciliation.

# Other Guidance Items

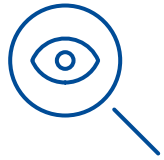
~Ms

	FY21E
Ongoing stock-based comp	\$59
Acquisition-related stock based comp	\$33
Total stock-based comp	\$92
Interest income	\$2
Share count (basic)	67
Capital spending (% of rev.)	2%

# Appendix

# Strong Ecosystem Adoption of ATS

Ready Today, Scalable for the Future



## 22B+ impressions

with LiveRamp IdentityLink already flowing through programmatic pipes every day on average



## 40+ DSPs and 20+ SSPs

have committed / implemented LiveRamp IdentityLink in the bidstream to make this possible



## Reach, ROAS CPMs

immediately through previously unaddressable cookieless inventory on Safari and Firefox

Adoption across the ecosystem ensures **scale** and **continued addressability** in the future



## 125+ publishers

signed on to ATS, including

**60% of the Comscore 20**  
**50% of the Comscore 50**



## Global Adoption

US • UK • France • Germany • Spain • Italy • Netherlands • Australia • Japan • Singapore



# LiveRamp Identity Outperforms Third-party Cookies

## Fitbit Campaign Details

Large scale, month long campaign to A/B test bidding on IdentityLink versus bidding on leading DSP 3p cookie

↑ 2x

Higher ROAS - online purchases driven by digital ads

↓ 34%

Lower Cost per a Page View - key metric for FitBit campaigns

↑ 13%

Increase in average order value (AOV)

Fitbit's campaign highlights the better efficiency and value of transacting on the LiveRamp identity infrastructure versus buying on legacy 3p cookie network

# GAAP to Non-GAAP Reconciliation

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

	FY 17 <sup>13</sup>	FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21
<b>Total Revenue</b>	<b>\$ 174,760</b>	<b>\$ 220,101</b>	<b>\$ 285,620</b>	<b>\$ 82,511</b>	<b>\$ 90,143</b>	<b>\$ 102,217</b>	<b>\$ 105,701</b>	<b>\$ 380,572</b>	<b>\$ 99,437</b>
Gross Profit (GAAP)	\$ 74,784	\$ 123,705	\$ 164,902	\$ 46,085	\$ 48,683	\$ 64,251	\$ 68,849	\$ 227,868	\$ 64,972
<i>% of Revenue</i>	<i>42.8%</i>	<i>56.2%</i>	<i>57.7%</i>	<i>55.9%</i>	<i>54.0%</i>	<i>62.9%</i>	<i>65.1%</i>	<i>59.9%</i>	<i>65.3%</i>
Excluded items:									
Purchased intangible asset amortization	18,618	23,895	15,858	3,123	5,369	5,369	5,181	19,042	5,306
Non-cash stock compensation	4,318	2,651	4,708	755	1,060	1,028	926	3,769	775
Accelerated depreciation	-	-	2,972	1,487	1,245	-	-	2,732	-
<b>Gross Profit - Non-GAAP</b>	<b>\$ 97,720</b>	<b>\$ 150,251</b>	<b>\$ 188,441</b>	<b>\$ 51,450</b>	<b>\$ 56,357</b>	<b>\$ 70,648</b>	<b>\$ 74,956</b>	<b>\$ 253,411</b>	<b>\$ 71,053</b>
<i>% of Revenue</i>	<i>56%</i>	<i>68.3%</i>	<i>66.0%</i>	<i>62.4%</i>	<i>62.5%</i>	<i>69.1%</i>	<i>70.9%</i>	<i>66.6%</i>	<i>71.5%</i>
R&D (GAAP)	\$ 49,367	\$ 60,713	\$ 85,697	\$ 23,722	\$ 26,445	\$ 27,403	\$ 28,411	\$ 105,981	\$ 26,989
<i>% of Revenue</i>	<i>28.2%</i>	<i>27.6%</i>	<i>30.0%</i>	<i>28.8%</i>	<i>29.3%</i>	<i>26.8%</i>	<i>26.9%</i>	<i>27.8%</i>	<i>27.1%</i>
Excluded items:									
Non-cash stock compensation	10,513	15,644	28,225	4,451	6,346	6,462	6,001	23,260	5,886
<b>R&amp;D - Non-GAAP</b>	<b>\$ 38,854</b>	<b>\$ 45,069</b>	<b>\$ 57,473</b>	<b>\$ 19,271</b>	<b>\$ 20,099</b>	<b>\$ 20,941</b>	<b>\$ 22,410</b>	<b>\$ 82,721</b>	<b>\$ 21,103</b>
<i>% of Revenue</i>	<i>23.8%</i>	<i>20.5%</i>	<i>20.1%</i>	<i>23.4%</i>	<i>22.3%</i>	<i>20.5%</i>	<i>21.2%</i>	<i>29.0%</i>	<i>21.2%</i>
S&M (GAAP)	\$ 59,258	\$ 108,639	\$ 158,540	\$ 43,144	\$ 45,204	\$ 51,993	\$ 48,564	\$ 188,905	\$ 38,627
<i>% of Revenue</i>	<i>33.9%</i>	<i>49.4%</i>	<i>55.5%</i>	<i>52.3%</i>	<i>50.1%</i>	<i>50.9%</i>	<i>45.9%</i>	<i>49.6%</i>	<i>38.8%</i>
Excluded items:									
Non-cash stock compensation	7,493	23,381	43,970	8,920	9,758	15,670	3,678	38,026	7,123
<b>S&amp;M - Non-GAAP</b>	<b>\$ 51,765</b>	<b>\$ 85,258</b>	<b>\$ 114,570</b>	<b>\$ 34,224</b>	<b>\$ 35,446</b>	<b>\$ 36,323</b>	<b>\$ 44,886</b>	<b>\$ 150,879</b>	<b>\$ 31,504</b>
<i>% of Revenue</i>	<i>29.6%</i>	<i>38.7%</i>	<i>40.1%</i>	<i>41.5%</i>	<i>39.3%</i>	<i>35.5%</i>	<i>42.5%</i>	<i>39.6%</i>	<i>31.7%</i>
G&A (GAAP)	\$ 92,898	\$ 85,154	\$ 98,878	\$ 25,318	\$ 27,262	\$ 26,107	\$ 30,216	\$ 108,903	\$ 23,368
<i>% of Revenue</i>	<i>53.2%</i>	<i>38.7%</i>	<i>34.6%</i>	<i>30.7%</i>	<i>30.2%</i>	<i>25.5%</i>	<i>28.6%</i>	<i>28.6%</i>	<i>23.5%</i>
Excluded items:									
Non-cash stock compensation	17,471	11,192	25,818	4,504	6,190	7,135	6,563	24,392	2,701
Separation & transformation costs	8,639	17,786	2,117	-	-	-	-	-	3,605
Accelerated depreciation	-	-	840	419	418	-	-	837	-
<b>G&amp;A - Non-GAAP</b>	<b>\$ 66,789</b>	<b>\$56,176</b>	<b>\$70,102</b>	<b>\$ 20,395</b>	<b>\$ 20,654</b>	<b>\$ 18,972</b>	<b>\$ 23,653</b>	<b>\$ 83,674</b>	<b>\$ 17,062</b>
<i>% of Revenue</i>	<i>38.2%</i>	<i>25.5%</i>	<i>24.5%</i>	<i>24.7%</i>	<i>22.9%</i>	<i>18.6%</i>	<i>22.4%</i>	<i>22.0%</i>	<i>17.2%</i>

# GAAP to Non-GAAP Reconciliation

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

	FY 17	FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21
Loss from operations (GAAP)	\$ (131,412)	\$ (133,524)	\$ (198,146)	\$ (48,375)	\$ (50,273)	\$ (41,485)	\$ (40,789)	\$ (180,922)	\$ (26,007)
<i>% of Revenue</i>	-75.2%	-60.7%	-69.4%	-58.6%	-55.8%	-40.6%	-38.6%	-47.5%	-26.2%
Excluded items:									
Purchased intangible asset amortization	\$ 18,618	\$ 23,895	\$ 15,858	\$ 3,123	\$ 5,369	\$ 5,369	\$ 5,181	\$ 19,042	\$ 5,306
Non-cash stock compensation	39,795	52,866	102,722	18,630	23,354	30,295	17,168	89,447	16,485
Restructuring & merger charges	4,672	2,723	19,933	2,276	45	233	2,447	5,001	1,995
Separation & transformation costs	8,639	17,786	2,117	-	-	-	-	-	3,605
Accelerated depreciation	-	-	3,812	1,906	1,663	-	-	3,569	-
<b>Income (loss) from operations - Non-GAAP</b>	<b>\$ (59,688)</b>	<b>\$ (36,254)</b>	<b>\$ (53,704)</b>	<b>\$ (22,440)</b>	<b>\$ (19,842)</b>	<b>\$ (5,588)</b>	<b>\$ (15,993)</b>	<b>\$ (63,863)</b>	<b>\$ 1,384</b>
<i>% of Revenue</i>	-34.2%	-16.5%	-18.8%	-27.2%	-22.0%	-5.5%	-15.1%	-16.8%	1.4%
<b>Loss from continuing ops before tax (GAAP)</b>	<b>(\$130,760)</b>	<b>(\$133,022)</b>	<b>(\$179,356)</b>	<b>(\$42,493)</b>	<b>(\$45,493)</b>	<b>(\$38,327)</b>	<b>(\$39,224)</b>	<b>(\$165,537)</b>	<b>(\$25,544)</b>
Excluded items:									
Purchased intangible asset amortization	\$ 18,618	\$ 23,895	\$ 15,858	\$ 3,123	\$ 5,369	\$ 5,369	\$ 5,181	\$ 19,042	\$ 5,306
Non-cash stock compensation	39,795	52,866	102,722	18,630	23,354	30,295	17,168	89,447	16,485
Restructuring & merger charges	4,672	2,723	19,933	2,276	45	233	2,447	5,001	1,995
Separation & transformation costs	8,639	17,786	2,117	-	-	-	-	-	3,605
Accelerated depreciation	-	-	3,812	1,906	1,663	-	-	3,569	-
<b>Loss from continuing ops before tax - Non-GAAP</b>	<b>(\$59,036)</b>	<b>(\$35,752)</b>	<b>(\$34,914)</b>	<b>(\$16,558)</b>	<b>(\$15,062)</b>	<b>(\$2,430)</b>	<b>(\$14,428)</b>	<b>(\$48,478)</b>	<b>\$1,847</b>
<i>% of Revenue</i>	-33.8%	-16.2%	-12.2%	-20.1%	-16.7%	-2.4%	-13.6%	-12.7%	1.9%

# Adjusted EBITDA Reconciliation

\$Ks

	FY 17	FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 20
Net earnings (loss) from continuing operations (GAAP)	\$ (85,576)	\$ (67,299)	\$ (133,947)	\$ (42,140)	\$ (40,202)	\$ (38,040)	\$ (4,879)	\$ (125,261)	\$ (21,728)
Income taxes (benefit)	(45,184)	(65,723)	(45,409)	(353)	(5,291)	(287)	(34,345)	(40,276)	(3,816)
Other income (expense)	652	502	18,790	5,882	4,780	3,158	1,565	15,385	463
Loss from operations (GAAP)	(131,412)	(133,524)	(198,146)	(48,375)	(50,273)	(41,485)	(40,789)	(180,922)	(26,007)
Depreciation and amortization	29,848	37,647	33,782	8,877	10,977	8,104	7,943	35,901	8,054
EBITDA	\$ (101,564)	\$ (95,877)	\$ (164,364)	\$ (39,498)	\$ (39,296)	\$ (33,381)	\$ (32,846)	\$ (145,021)	\$ (17,953)
Other adjustments:									
Non-cash stock compensation	\$ 39,772	\$ 52,866	\$ 102,721	\$ 18,630	\$ 23,354	\$ 30,295	\$ 17,168	\$ 89,447	\$ 16,485
Restructuring and merger charges	4,753	2,723	19,933	2,276	45	233	2,447	5,001	1,995
Separation and transformation	8,639	17,786	2,117	-	-	-	-	-	3,605
Adjusted EBITDA	\$ (48,400)	\$ (22,502)	\$ (39,593)	\$ (18,592)	\$ (15,897)	\$ (2,853)	\$ (13,231)	\$ (50,573)	\$ 4,132

# GAAP to Non-GAAP EPS Reconciliation

\$Ks, except per share amounts

	FY 17	FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21
Loss from continuing ops before income taxes	(\$130,760)	(\$133,022)	(\$179,356)	\$ (42,493)	\$ (45,493)	\$ (38,327)	(\$39,224)	(\$165,537)	\$ (25,544)
Income taxes (benefit)	(45,184)	(65,723)	(45,409)	(353)	(5,291)	(287)	(34,345)	(40,276)	(3,816)
<b>Net earnings (loss) from continuing ops (GAAP)</b>	<b>(85,576)</b>	<b>(67,299)</b>	<b>(133,947)</b>	<b>(42,140)</b>	<b>(40,202)</b>	<b>(38,040)</b>	<b>(4,879)</b>	<b>(125,261)</b>	<b>(21,728)</b>
<b>Earnings (loss) per share:</b>									
Basic	\$ (1.16)	\$ (0.85)	\$ (1.79)	\$ (0.61)	\$ (0.59)	\$ (0.56)	\$ (0.06)	\$ (1.85)	\$ (0.33)
Diluted	\$ (1.16)	\$ (0.85)	\$ (1.79)	\$ (0.61)	\$ (0.59)	\$ (0.56)	\$ (0.06)	\$ (1.85)	\$ (0.33)
Excluded items:									
Purchased intangible asset amortization (CoR)	18,618	23,895	15,858	3,123	5,369	5,369	5,181	19,042	5,306
Non-cash stock compensation (CoR & Opex)	39,795	52,867	102,722	18,630	23,354	30,295	17,168	89,447	16,485
Restructuring & merger charges (gains, losses, & other)	4,672	2,723	19,933	2,276	45	233	2,447	5,001	1,995
Separation & transformation costs (G&A)	8,639	17,786	2,117	-	-	-	-	-	3,605
Accelerated depreciation (CoR & Opex)	-	-	3,812	1,906	1,663	-	-	3,569	-
<b>Total excluded items, continuing operations</b>	<b>71,724</b>	<b>97,271</b>	<b>144,442</b>	<b>25,935</b>	<b>30,431</b>	<b>35,897</b>	<b>24,796</b>	<b>117,059</b>	<b>27,391</b>
Loss from continuing operations before income taxes & excluding items	(59,036)	(35,751)	(34,914)	(16,558)	(15,062)	(2,430)	(14,428)	(48,478)	1,847
Income taxes (benefit)	(22,797)	(12,586)	(12,964)	(216)	190	(227)	(11,199)	(11,452)	934
<b>Non-GAAP earnings (loss) from continuing ops</b>	<b>(36,239)</b>	<b>(23,165)</b>	<b>(21,950)</b>	<b>(16,342)</b>	<b>(15,252)</b>	<b>(2,203)</b>	<b>(3,229)</b>	<b>(37,026)</b>	<b>913</b>
<b>Non-GAAP earnings (loss) per share from cont. ops:</b>									
Basic	\$ (0.47)	\$ (0.29)	\$ (0.29)	\$ (0.24)	\$ (0.23)	\$ (0.03)	\$ (0.05)	\$ (0.55)	\$ 0.01
Diluted	\$ (0.47)	\$ (0.29)	\$ (0.29)	\$ (0.24)	\$ (0.23)	\$ (0.03)	\$ (0.05)	\$ (0.55)	\$ 0.01
Basic weighted average shares	77,609	78,891	75,020	68,906	67,684	67,473	66,977	67,760	65,570
Diluted weighted average shares	77,609	78,891	75,020	68,906	67,684	67,473	66,977	67,760	67,337

# GAAP to Non-GAAP Reconciliation – FY21 Operating Expenses

*\$Ms*

	FY21E
GAAP Operating Expenses	\$ 429
Intangible Asset Amortization	17
Stock-based Compensation	92
Restructuring & Transformation Costs	10
Total Reconciliations	\$ 119
Non-GAAP Operating Expense	\$ 310

# Footnotes

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

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

<sup>3</sup> Beginning in Q3'19 we began reporting client count net of 40 client contracts that were absorbed into one large reseller contract with IPG. Historical customer counts net of IPG contracts are: FY16: 258, FY17: 402, FY18: 550, Q119: 585, Q219: 610, Q319: 640, Q419: 665, Q120: 690, Q220: 720, Q320: 770, Q420: 780, Q121: 780.

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

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

<sup>6</sup> Non-GAAP financial results represent continuing operations less excluded items (i.e. non-cash stock compensation, purchased intangible asset amortization, accelerated depreciation and restructuring charges). Excluding these amounts, Q121 non-GAAP gross profit was \$71M, non-GAAP gross margin was 71%, non-GAAP operating income was \$1M and non-GAAP operating margin was 1%. Q121 non-GAAP EPS of \$0.01 includes approximately \$0.5M of interest income.

<sup>7</sup> Net loss includes a \$4 million tax benefit largely as a result of loss carryback provisions of the CARES Act.

<sup>8</sup> Fully diluted shares outstanding are used to calculate EPS in periods of profitability. Basic shares outstanding are used to calculate EPS during periods with a net loss.

<sup>9</sup> IPG contribution to ARR has been updated to exactly \$20.0M. Historic ARR values may change due to adjustments in categorization of subscription bookings.

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

<sup>11</sup> GAAP operating loss guidance subject to final purchase accounting adjustments.

<sup>12</sup> Non-GAAP guidance excludes non-cash stock compensation, purchased intangible asset amortization, accelerated depreciation, restructuring charges and transformation costs.

<sup>13</sup> FY 17 results include \$20 million in revenue and \$1 million of loss from operations related to Acxiom Impact divested in 2016.