



Q2 FY21 Earnings Slides

November 9, 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

Q2 FY21

**Predictable,
Recurring Revenue**

\$318¹M
ARR
(up 18% YoY)

82%
Subscription
% of
Total Revenue

**Subscription
Customer Growth**

795^{2,3}
Direct
Clients

75
LTM Direct
Net Client
Adds

**Land & Expand with
Network Effects**

109%⁴
Platform
Net Retention

62⁵
\$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 ⁶	
	Q221	YoY	Q221	YoY
Revenue	\$105	16%	—	—
Gross profit	\$70	43%	\$75	33%
<i>Gross margin</i>	<i>67%</i>	<i>13 pts</i>	<i>72%</i>	<i>9 pts</i>
Operating income (loss)	(\$27)	<i>nm</i>	\$1	<i>nm</i>
<i>Operating margin</i>	<i>(26%)</i>	<i>30 pts</i>	<i>1%</i>	<i>23 pts</i>
Net earnings (loss)⁷	(\$24)	<i>nm</i>	\$2	<i>nm</i>
EPS	(\$0.36)	<i>nm</i>	\$0.03	<i>nm</i>
Share count ⁸	66.0	(2%)	68.8	2%

Revenue Summary

\$Ms

Revenue by Type	Q221	Q220	YoY
Subscription	\$86	\$72	19%
Marketplace & Other	\$19	\$18	4%
Total	\$105	\$90	16%

Revenue by Geography	Q221	Q220	YoY
US	\$98	\$84	17%
International	\$7	\$6	5%
Total	\$105	\$90	16%

Totals may not foot due to rounding.

Cash Flow

\$Ms

	Q221	Q220
Operating cash flow	\$6	(\$29)
Capital expenditures	(\$0)	(\$3)
Free Cash Flow	\$6	(\$31)

Totals may not foot due to rounding.

Four Corners of Growth

\$Ms, Non-GAAP

1 Subscription Net Retention

	Q220	Q320	Q420	Q121	Q221
Subscription Net Retention	109%	112%	110%	109%	111%

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) from those customers, inclusive of upsell, churn and downsell.

2 Platform Net Retention

	Q220	Q320	Q420	Q121	Q221
Platform Net Retention	119%	119%	122%	111%	109%

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) from those customers, inclusive of upsell, churn and downsell.

3 ARR Growth ⁹

	Q220	Q320	Q420	Q121	Q221
ARR	\$270	\$281	\$298	\$305	\$318
YoY %	40%	25%	29%	27%	18%
ARR ex IPG	\$250	\$261	\$278	\$285	\$298
YoY %	30%	28%	31%	30%	19%

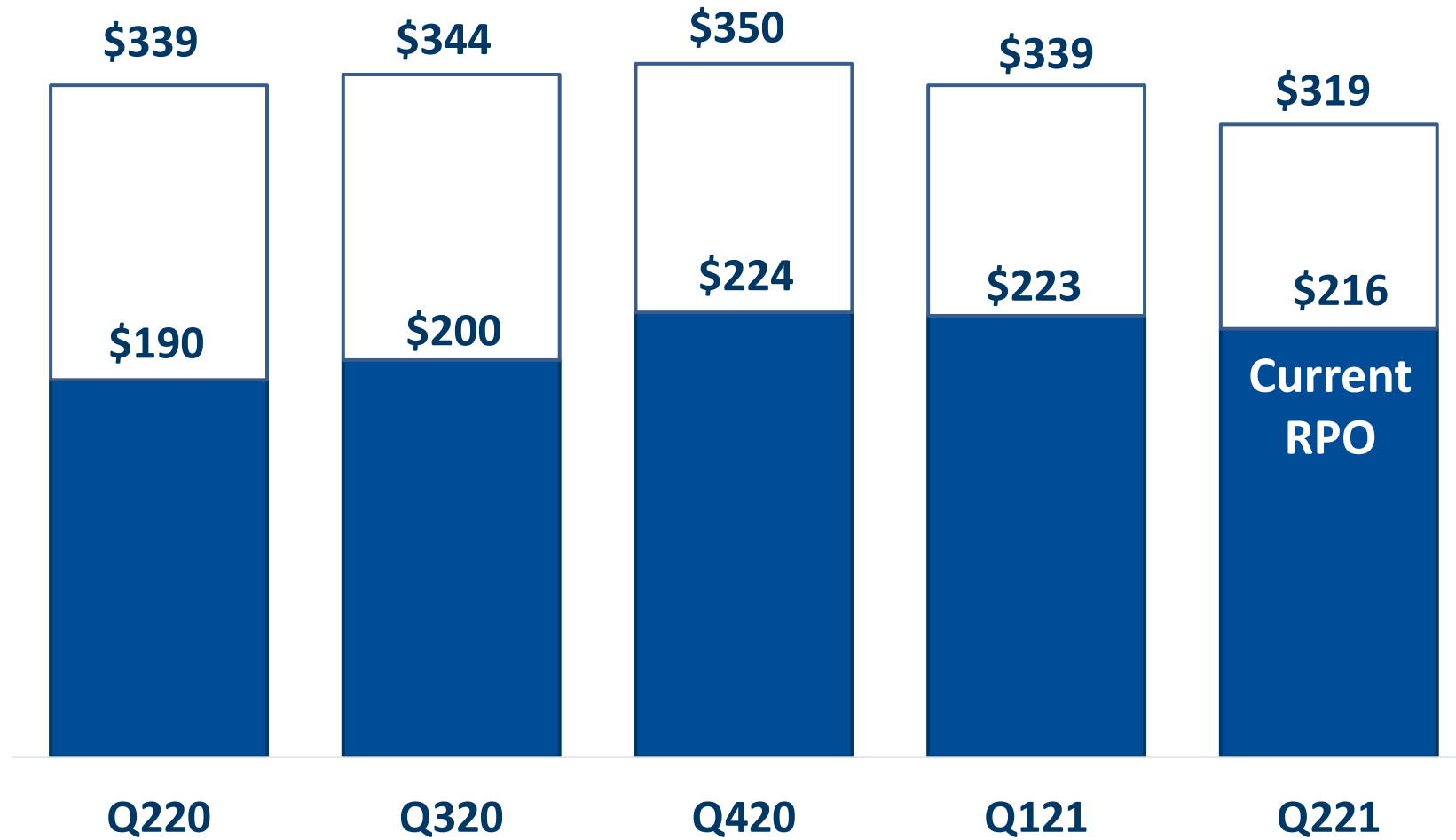
Annualized recurring revenue (ARR) is last month of quarter recurring revenue annualized. Recurring revenue is fixed and contracted subscription revenue and does not include any variable or non-recurring revenue amounts. This metric is forward looking and does not factor in potential contraction, nor does it include potential additions to recurring revenue. ARR ex IPG is annualized recurring revenue excluding ARR from Interpublic Group (IPG).

4 TTM Marketplace Revenue Growth

	Q220	Q320	Q420	Q121	Q221
TTM Marketplace	\$60	\$66	\$75	\$77	\$78
TTM YoY %	26%	33%	53%	49%	30%

Total Remaining Performance Obligations ¹⁰

\$Ms



What We Said, What We're Seeing

+ Positives

What We Said

Today

- Secular trends are in our favor
- We're SaaS; subscription revenue is durable
- Bad debts / concessions have been manageable
- April 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

Today

- 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

Today

- 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

Q3'FY21 Outlook

\$Ms

	GAAP ¹¹	Non-GAAP ¹²
Revenue	~\$113	--
YoY Growth %	~11%	
Operating (Loss) Income	~(\$25)	Up to \$4

GAAP to Non-GAAP Reconciliation – FY21 Operating Expenses

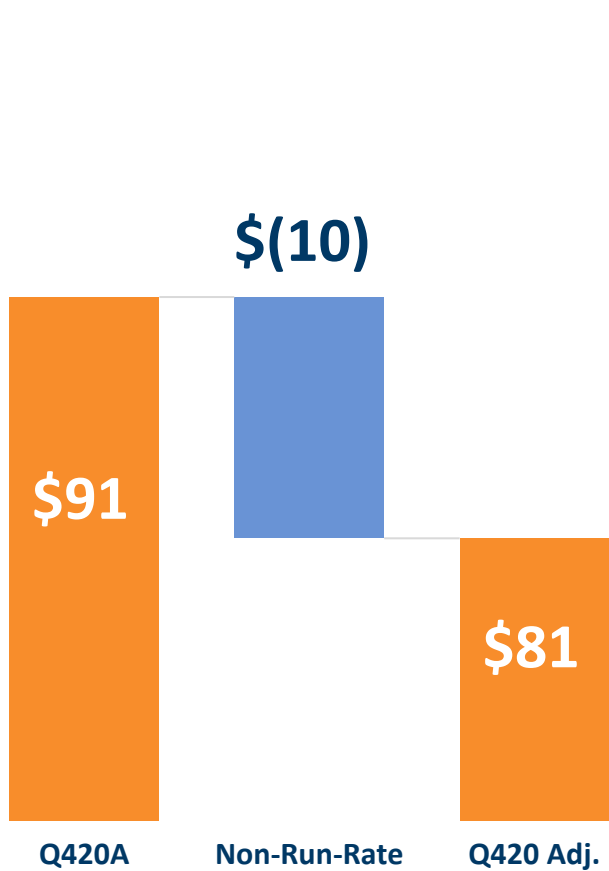
\$Ms

	FY21E
GAAP Operating Expenses	\$ 421
Intangible Asset Amortization	18
Stock-based Compensation	90
Restructuring & Transformation Costs	8
Total Reconciliations	\$ 116
Non-GAAP Operating Expense	\$ 305

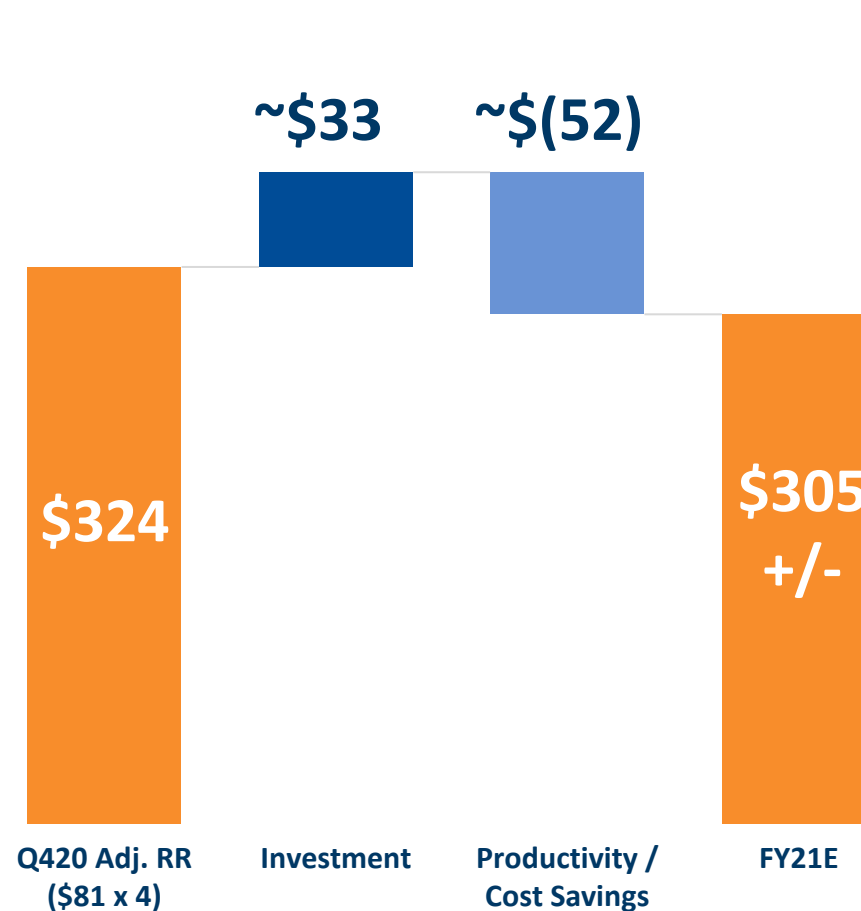
FY21 Operating Expenses

\$M, Non-GAAP

Q420 Less Non-Run-Rate



Q420 Adj. RR to FY21E Bridge



OpEx Quarterly Phasing

	FY20A*	FY21E
Q1	23%	23%
Q2	25%	24%
Q3	25%	25%
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 ~\$52M in "Productivity / Cost Savings" ~\$22M relates to COVID savings in T&E and variable costs (vs. prior estimate of ~\$15M). See appendix for GAAP to Non-GAAP operating expense reconciliation.

Other Guidance Items

~Ms

	FY21E
Ongoing stock-based comp	\$57
Acquisition-related stock based comp	\$33
Total stock-based comp	\$90
Interest income	\$1
Share count (basic)	66
Share count (diluted)	69
Capital spending (% of rev.)	1%

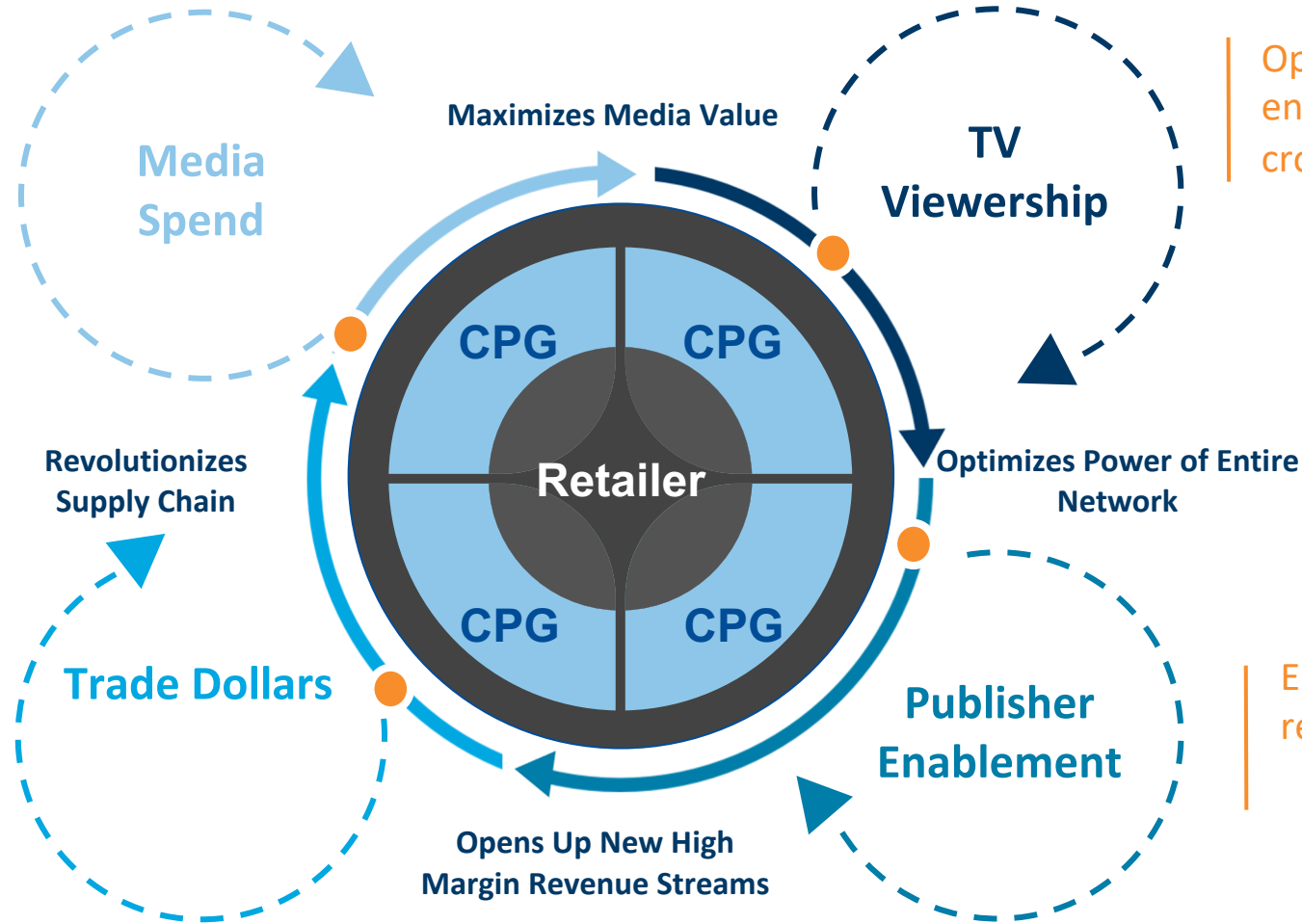
Appendix

LiveRamp Safe Haven

The Power of the Safe Haven Flywheel

Addressable single view of the customer – levels the data playing field with the Walled Gardens

Trade investment becomes addressable and measurable – opens up new alternatives



Optimizes media spend by enabling cross-device and cross-channel measurement

Enhances addressable reach through ATS globally

Building the Trusted Ecosystem: By the Numbers



45+ DSPs

buying —
or committed to buying—
on LiveRamp IdentityLink



25+ SSPs

live with —
or implementing —
LiveRamp IdentityLink
in the bidstream



22B+ avg. impressions
per day

can be bought and
measured on
LiveRamp IdentityLink

400+ brands

ready to buy on
LiveRamp
IdentityLink



215+
publishers

Comscore Top
Publishers

65%

60%

of the Top 20 of the Top 50



Global Scale

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

GAAP to Non-GAAP Reconciliation

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

	FY 17 ¹³	FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21
Total Revenue	\$ 174,760	\$ 220,101	\$ 285,620	\$ 82,511	\$ 90,143	\$ 102,217	\$ 105,701	\$ 380,572	\$ 99,437	\$ 104,661
Gross Profit (GAAP)	\$ 74,784	\$ 123,705	\$ 164,902	\$ 46,085	\$ 48,683	\$ 64,251	\$ 68,849	\$ 227,868	\$ 64,972	\$ 69,764
% of Revenue	42.8%	56.2%	57.7%	55.9%	54.0%	62.9%	65.1%	59.9%	65.3%	66.7%
Excluded items:										
Purchased intangible asset amortization	18,618	23,895	15,858	3,123	5,369	5,369	5,181	19,042	5,306	4,350
Non-cash stock compensation	4,318	2,651	4,708	755	1,060	1,028	926	3,769	775	913
Accelerated depreciation	-	-	2,972	1,487	1,245	-	-	2,732	-	-
Gross Profit - Non-GAAP	\$ 97,720	\$ 150,251	\$ 188,441	\$ 51,450	\$ 56,357	\$ 70,648	\$ 74,956	\$ 253,411	\$ 71,053	\$ 75,027
% of Revenue	56%	68.3%	66.0%	62.4%	62.5%	69.1%	70.9%	66.6%	71.5%	71.7%
R&D (GAAP)	\$ 49,367	\$ 60,713	\$ 85,697	\$ 23,722	\$ 26,445	\$ 27,403	\$ 28,411	\$ 105,981	\$ 26,989	\$ 31,035
% of Revenue	28.2%	27.6%	30.0%	28.8%	29.3%	26.8%	26.9%	27.8%	27.1%	29.7%
Excluded items:										
Non-cash stock compensation	10,513	15,644	28,225	4,451	6,346	6,462	6,001	23,260	5,886	7,713
R&D - Non-GAAP	\$ 38,854	\$ 45,069	\$ 57,473	\$ 19,271	\$ 20,099	\$ 20,941	\$ 22,410	\$ 82,721	\$ 21,103	\$ 23,322
% of Revenue	23.8%	20.5%	20.1%	23.4%	22.3%	20.5%	21.2%	29.0%	21.2%	22.3%
S&M (GAAP)	\$ 59,258	\$ 108,639	\$ 158,540	\$ 43,144	\$ 45,204	\$ 51,993	\$ 48,564	\$ 188,905	\$ 38,627	\$ 41,705
% of Revenue	33.9%	49.4%	55.5%	52.3%	50.1%	50.9%	45.9%	49.6%	38.8%	39.8%
Excluded items:										
Non-cash stock compensation	7,493	23,381	43,970	8,920	9,758	15,670	3,678	38,026	7,123	9,233
S&M - Non-GAAP	\$ 51,765	\$ 85,258	\$ 114,570	\$ 34,224	\$ 35,446	\$ 36,323	\$ 44,886	\$ 150,879	\$ 31,504	\$ 32,472
% of Revenue	29.6%	38.7%	40.1%	41.5%	39.3%	35.5%	42.5%	39.6%	31.7%	31.0%
G&A (GAAP)	\$ 92,898	\$ 85,154	\$ 98,878	\$ 25,318	\$ 27,262	\$ 26,107	\$ 30,216	\$ 108,903	\$ 23,368	\$ 24,495
% of Revenue	53.2%	38.7%	34.6%	30.7%	30.2%	25.5%	28.6%	28.6%	23.5%	23.4%
Excluded items:										
Non-cash stock compensation	17,471	11,192	25,818	4,504	6,190	7,135	6,563	24,392	2,701	6,345
Separation & transformation costs	8,639	17,786	2,117	-	-	-	-	-	3,605	258
Accelerated depreciation	-	-	840	419	418	-	-	837	-	-
G&A - Non-GAAP	\$ 66,789	\$56,176	\$70,102	\$ 20,395	\$ 20,654	\$ 18,972	\$ 23,653	\$ 83,674	\$ 17,062	\$ 17,892
% of Revenue	38.2%	25.5%	24.5%	24.7%	22.9%	18.6%	22.4%	22.0%	17.2%	17.1%

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	Q2 21
Total Revenue	\$ 174,760	\$ 220,101	\$ 285,620	\$ 82,511	\$ 90,143	\$ 102,217	\$ 105,701	\$ 380,572	\$ 99,437	\$ 104,661
Loss from operations (GAAP)	\$ (131,412)	\$ (133,524)	\$ (198,146)	\$ (48,375)	\$ (50,273)	\$ (41,485)	\$ (40,789)	\$ (180,922)	\$ (26,007)	\$ (26,852)
<i>% of Revenue</i>	-75.2%	-60.7%	-69.4%	-58.6%	-55.8%	-40.6%	-38.6%	-47.5%	-26.2%	-25.7%
Excluded items:										
Purchased intangible asset amortization	\$ 18,618	\$ 23,895	\$ 15,858	\$ 3,123	\$ 5,369	\$ 5,369	\$ 5,181	\$ 19,042	\$ 5,306	\$ 4,350
Non-cash stock compensation	39,795	52,866	102,722	18,630	23,354	30,295	17,168	89,447	16,485	24,204
Restructuring & merger charges	4,672	2,723	19,933	2,276	45	233	2,447	5,001	1,995	(619)
Separation & transformation costs	8,639	17,786	2,117	-	-	-	-	-	3,605	258
Accelerated depreciation	-	-	3,812	1,906	1,663	-	-	3,569	-	-
Income (loss) from operations - Non-GAAP	\$ (59,688)	\$ (36,254)	\$ (53,704)	\$ (22,440)	\$ (19,842)	\$ (5,588)	\$ (15,993)	\$ (63,863)	\$ 1,384	\$ 1,341
<i>% of Revenue</i>	-34.2%	-16.5%	-18.8%	-27.2%	-22.0%	-5.5%	-15.1%	-16.8%	1.4%	1.3%
Loss from continuing ops before tax (GAAP)	(\$130,760)	(\$133,022)	(\$179,356)	(\$42,493)	(\$45,493)	(\$38,327)	(\$39,224)	(\$165,537)	(\$25,544)	(\$27,077)
Excluded items:										
Purchased intangible asset amortization	\$ 18,618	\$ 23,895	\$ 15,858	\$ 3,123	\$ 5,369	\$ 5,369	\$ 5,181	\$ 19,042	\$ 5,306	\$ 4,350
Non-cash stock compensation	39,795	52,866	102,722	18,630	23,354	30,295	17,168	89,447	16,485	24,204
Restructuring & merger charges	4,672	2,723	19,933	2,276	45	233	2,447	5,001	1,995	(619)
Separation & transformation costs	8,639	17,786	2,117	-	-	-	-	-	3,605	258
Accelerated depreciation	-	-	3,812	1,906	1,663	-	-	3,569	-	-
Income / (loss) from continuing ops before tax - Non-GAAP	(\$59,036)	(\$35,752)	(\$34,914)	(\$16,558)	(\$15,062)	(\$2,430)	(\$14,428)	(\$48,478)	\$1,847	\$1,116
<i>% of Revenue</i>	-33.8%	-16.2%	-12.2%	-20.1%	-16.7%	-2.4%	-13.6%	-12.7%	1.9%	1.1%

Adjusted EBITDA Reconciliation

\$Ks

	FY 17	FY 18	FY 19	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21
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)	\$ (23,968)
Income taxes (benefit)	(45,184)	(65,723)	(45,409)	(353)	(5,291)	(287)	(34,345)	(40,276)	(3,816)	(3,109)
Other income (expense)	652	502	18,790	5,882	4,780	3,158	1,565	15,385	463	(225)
Loss from operations (GAAP)	(131,412)	(133,524)	(198,146)	(48,375)	(50,273)	(41,485)	(40,789)	(180,922)	(26,007)	(26,852)
Depreciation and amortization	29,848	37,647	33,782	8,877	10,977	8,104	7,943	35,901	8,054	6,901
EBITDA	\$ (101,564)	\$ (95,877)	\$ (164,364)	\$ (39,498)	\$ (39,296)	\$ (33,381)	\$ (32,846)	\$ (145,021)	\$ (17,953)	\$ (19,951)
Other adjustments:										
Non-cash stock compensation	\$ 39,772	\$ 52,866	\$ 102,721	\$ 18,630	\$ 23,354	\$ 30,295	\$ 17,168	\$ 89,447	\$ 16,485	\$ 24,204
Restructuring and merger charges	4,753	2,723	19,933	2,276	45	233	2,447	5,001	1,995	(619)
Separation and transformation	8,639	17,786	2,117	-	-	-	-	-	3,605	258
Adjusted EBITDA	\$ (48,400)	\$ (22,502)	\$ (39,593)	\$ (18,592)	\$ (15,897)	\$ (2,853)	\$ (13,231)	\$ (50,573)	\$ 4,132	\$ 3,892

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	Q2 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)	\$ (27,077)
Income taxes (benefit)	(45,184)	(65,723)	(45,409)	(353)	(5,291)	(287)	(34,345)	(40,276)	(3,816)	(3,109)
Net earnings (loss) from continuing ops (GAAP)	(85,576)	(67,299)	(133,947)	(42,140)	(40,202)	(38,040)	(4,879)	(125,261)	(21,728)	(23,968)
Earnings (loss) per share:										
Basic	\$ (1.16)	\$ (0.85)	\$ (1.79)	\$ (0.61)	\$ (0.59)	\$ (0.56)	\$ (0.06)	\$ (1.85)	\$ (0.33)	\$ (0.36)
Diluted	\$ (1.16)	\$ (0.85)	\$ (1.79)	\$ (0.61)	\$ (0.59)	\$ (0.56)	\$ (0.06)	\$ (1.85)	\$ (0.33)	\$ (0.36)
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	4,350
Non-cash stock compensation (CoR & Opex)	39,795	52,867	102,722	18,630	23,354	30,295	17,168	89,447	16,485	24,204
Restructuring & merger charges (gains, losses, & other)	4,672	2,723	19,933	2,276	45	233	2,447	5,001	1,995	(619)
Separation & transformation costs (G&A)	8,639	17,786	2,117	-	-	-	-	-	3,605	258
Accelerated depreciation (CoR & Opex)	-	-	3,812	1,906	1,663	-	-	3,569	-	-
Total excluded items, continuing operations	71,724	97,271	144,442	25,935	30,431	35,897	24,796	117,059	27,391	28,193
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	1,116
Income taxes (benefit)	(22,797)	(12,586)	(12,964)	(216)	190	(227)	(11,199)	(11,452)	934	(1,291)
Non-GAAP earnings (loss) from continuing ops	(36,239)	(23,165)	(21,950)	(16,342)	(15,252)	(2,203)	(3,229)	(37,026)	913	2,407
Non-GAAP earnings (loss) per share from cont. ops:										
Basic	\$ (0.47)	\$ (0.29)	\$ (0.29)	\$ (0.24)	\$ (0.23)	\$ (0.03)	\$ (0.05)	\$ (0.55)	\$ 0.01	\$ 0.04
Diluted	\$ (0.47)	\$ (0.29)	\$ (0.29)	\$ (0.24)	\$ (0.23)	\$ (0.03)	\$ (0.05)	\$ (0.55)	\$ 0.01	\$ 0.03
Basic weighted average shares	77,609	78,891	75,020	68,906	67,684	67,473	66,977	67,760	65,570	66,010
Diluted weighted average shares	77,609	78,891	75,020	68,906	67,684	67,473	66,977	67,760	67,337	68,804

Footnotes

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

² Direct client count excludes agency and reseller deployments and Data Marketplace-only customers.

³ Beginning in Q3'19 we began reporting client count net of client contracts that were absorbed into one large reseller contract with IPG. Historical customer counts net of IPG contracts are: FY16: 258, FY17: 402, FY18: 550, Q119: 585, Q219: 610, Q319: 640, Q419: 665, Q120: 690, Q220: 720, Q320: 770, Q420: 780, Q121: 780, Q221: 795.

⁴ 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.

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

⁶ 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, Q221 non-GAAP gross profit was \$75M, non-GAAP gross margin was 72%, non-GAAP operating income was \$1M and non-GAAP operating margin was 1%.

⁷ Net loss includes a \$3 million tax benefit largely as a result of loss carryback provisions of the CARES Act.

⁸ 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.

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

¹⁰ 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.

¹¹ GAAP operating loss guidance subject to final purchase accounting adjustments.

¹² Non-GAAP guidance excludes non-cash stock compensation, purchased intangible asset amortization, restructuring charges and transformation costs.

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