



Akamai 2018 Analyst Day

AGENDA / Akamai 2018 Analyst Day

Welcome

The Future of Akamai

The Platform | Akamai at the Edge

Break

Media & Carrier Division

Web Division

Balancing Execution, Innovation
& Optimization

Q&A

Lunch

Industry Analysts Breakouts

Tom Barth, Head of Investor Relations

Dr. Tom Leighton, CEO and Co-Founder

Dr. Robert Blumofe, EVP, Platform and
GM of Enterprise Division

—

Adam Karon, EVP and GM, Media

Rick McConnell, President and GM, Web

Jim Benson, EVP and CFO

All Presenters

—

Safe Harbor Statement

This presentation and webcast include information about Akamai's future expectations, plans and prospects that constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995, including estimates about Q2 and full year 2018 performance and market developments. Actual results may differ materially from those indicated by these forward-looking statements... as a result of various important factors including, but not limited to...

- Failure to maintain the prices we currently charge for our solution and services;
 - Inability to effectively compete with existing companies and new entrants in the markets in which we operate;
 - Unexpected network and service interruptions that cause loss of revenues, increased expenses or diversion of resources;
 - Failure to increase our revenue at the same rate as in the past and keep our expenses from increasing at a greater rate than our revenues;
 - Changes in relationships with our network providers that increase our operating expenses;
 - Failure of new solutions and services we offer to operate as expected or to gain widespread market acceptance;
 - Delay in developing or failure to develop new service offerings or functionalities, and if developed, lack of market acceptance of such service offerings and functionalities; and
 - Other factors that are discussed in our annual report, on Form 10-K, our quarterly reports on Form 10-Q, and other documents periodically filed with the SEC.
- In addition, any forward-looking statements represent our views as of June 26, 2018 and should not be relied upon as representing our views as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our views change.
 - Finally, during this presentation we will be referring to non-GAAP financial measures such as Adjusted EBITDA. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. A reconciliation between non-GAAP and the most directly comparable GAAP financial measures appears in the News and Publications portion of the Investor Relations section of our Web site.

The Future of Akamai

Dr. Tom Leighton // CEO and Co-Founder

Q2 Update

4/30 ORIGINAL GUIDANCE

UPDATED GUIDANCE

Revenue

(-\$3M FX Impact since 4/30)

\$658-670M

\$658-663M

EBITDA Margin

39%

39%

Non-GAAP Op Margin

25-26%

25-26%

Non-GAAP EPS

(-\$0.01 FX Impact since 4/30)

\$0.79-0.83

\$0.79-0.81

Refer to the investor relations section of our website for definitions of our non-GAAP metrics.

FY 2018 Update

4/30 ORIGINAL GUIDANCE

UPDATED GUIDANCE

Revenue

(-\$17M FX impact since 4/30)

\$2,690-2,720M

\$2,675-2,705M

EBITDA Margin

39%

39%

Non-GAAP Op Margin

25%

25-26%

Non-GAAP EPS

(-\$0.05 FX impact since 4/30)

\$3.15-3.25

\$3.20-3.30

(+20% Y/Y)

Refer to the investor relations section of our website for definitions of our non-GAAP metrics.

Striving for 30% Op Margin by 2020

**We are committed to
margin expansion
while investing in
innovation & growth**





Media



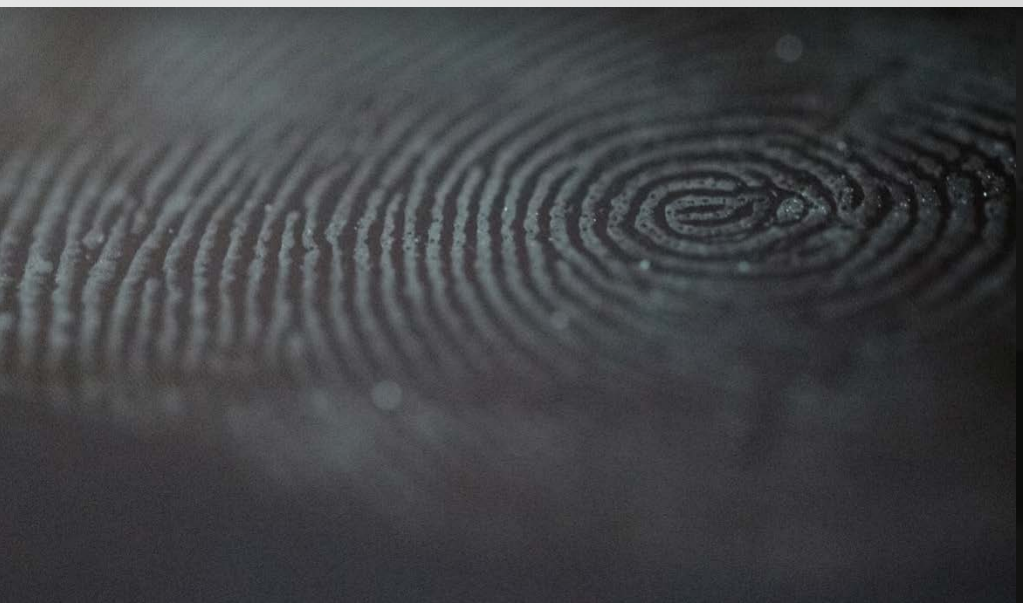
Performance



Web Security

Business Drivers ... and the Next Wave

Zero Trust



IoT



Blockchain





Media



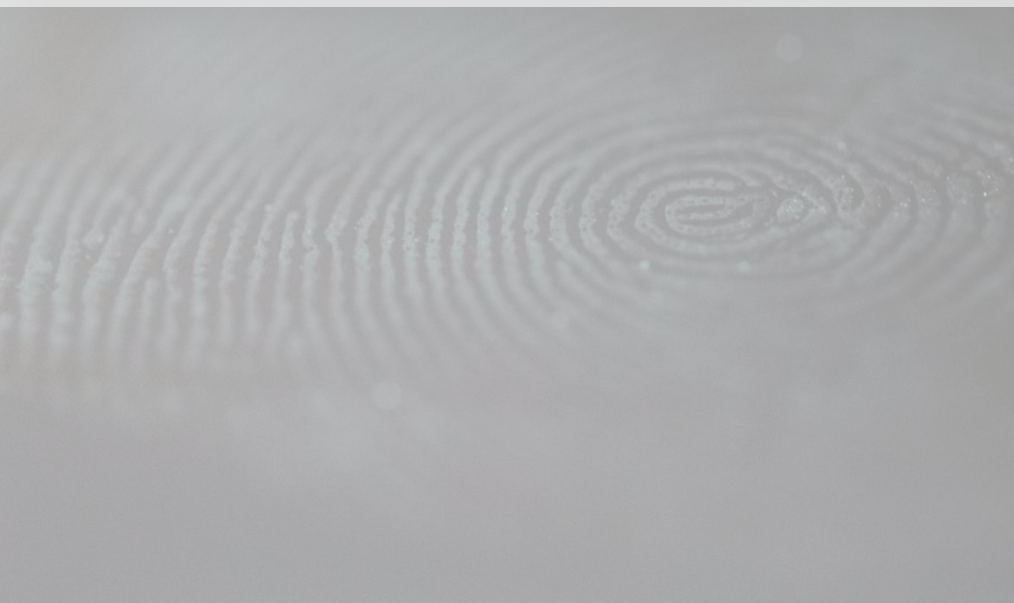
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Web Security

Business Drivers ... and the next wave

Zero Trust



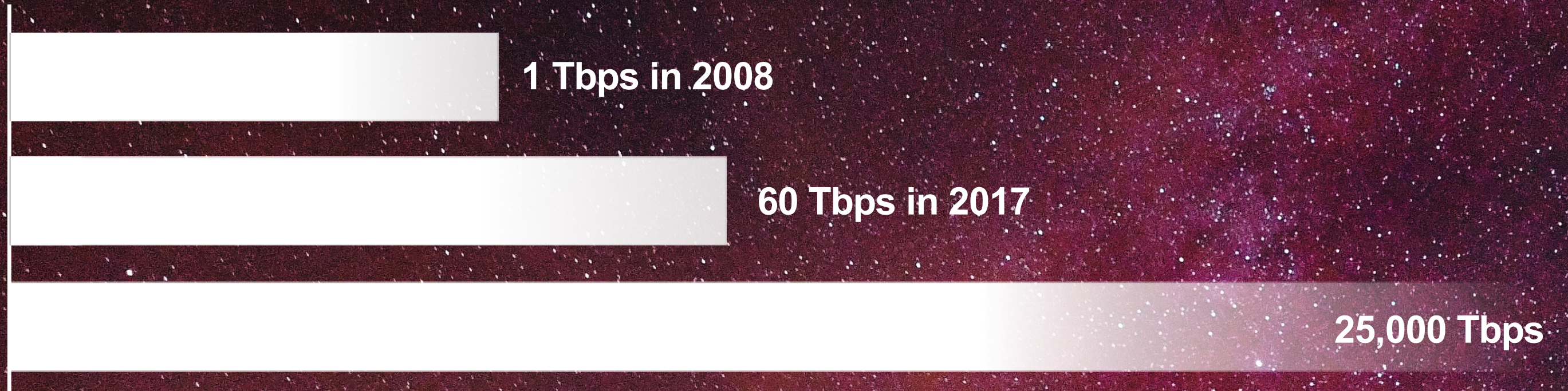
IoT



Blockchain

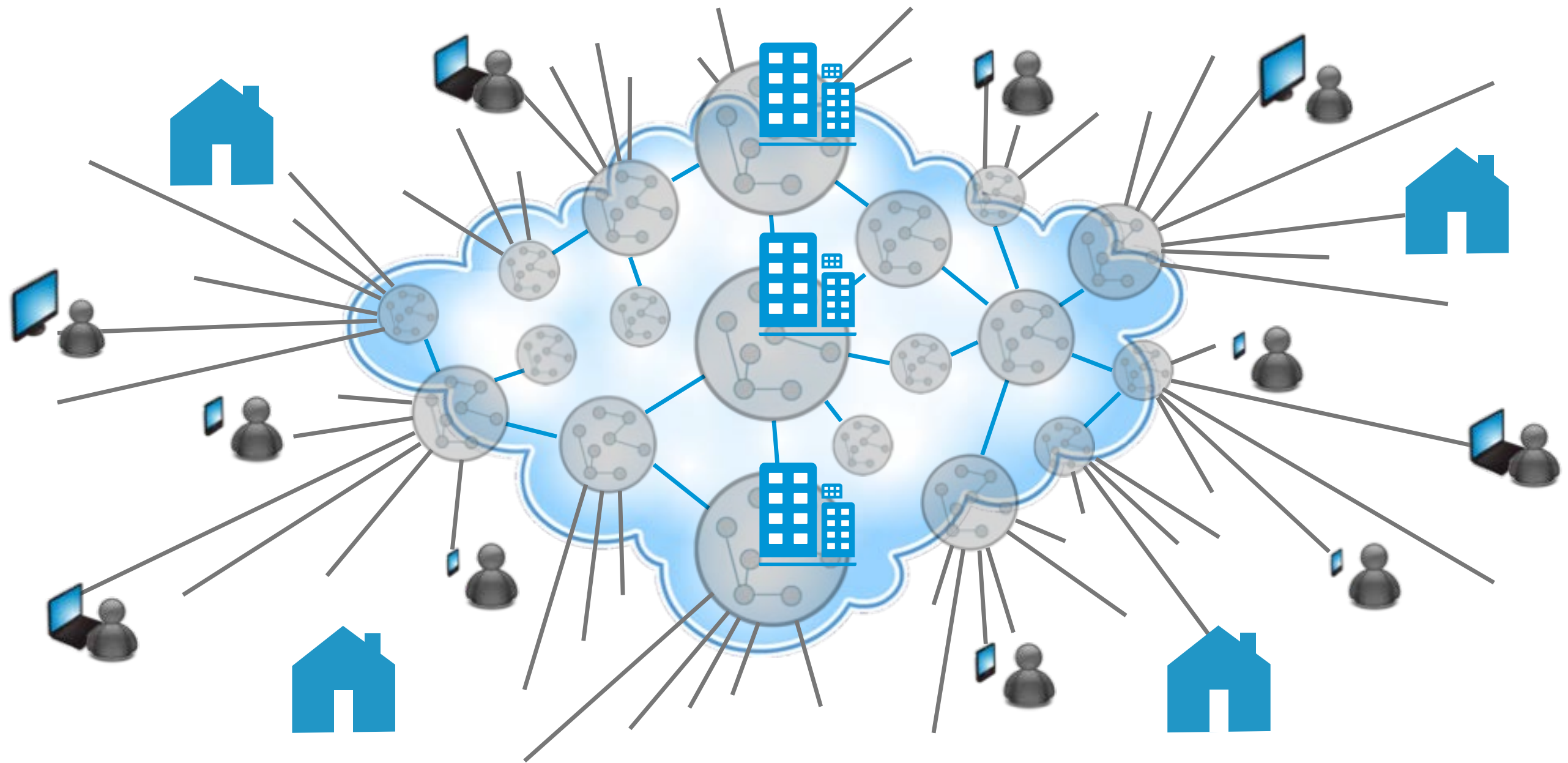


Traffic Growth On Akamai

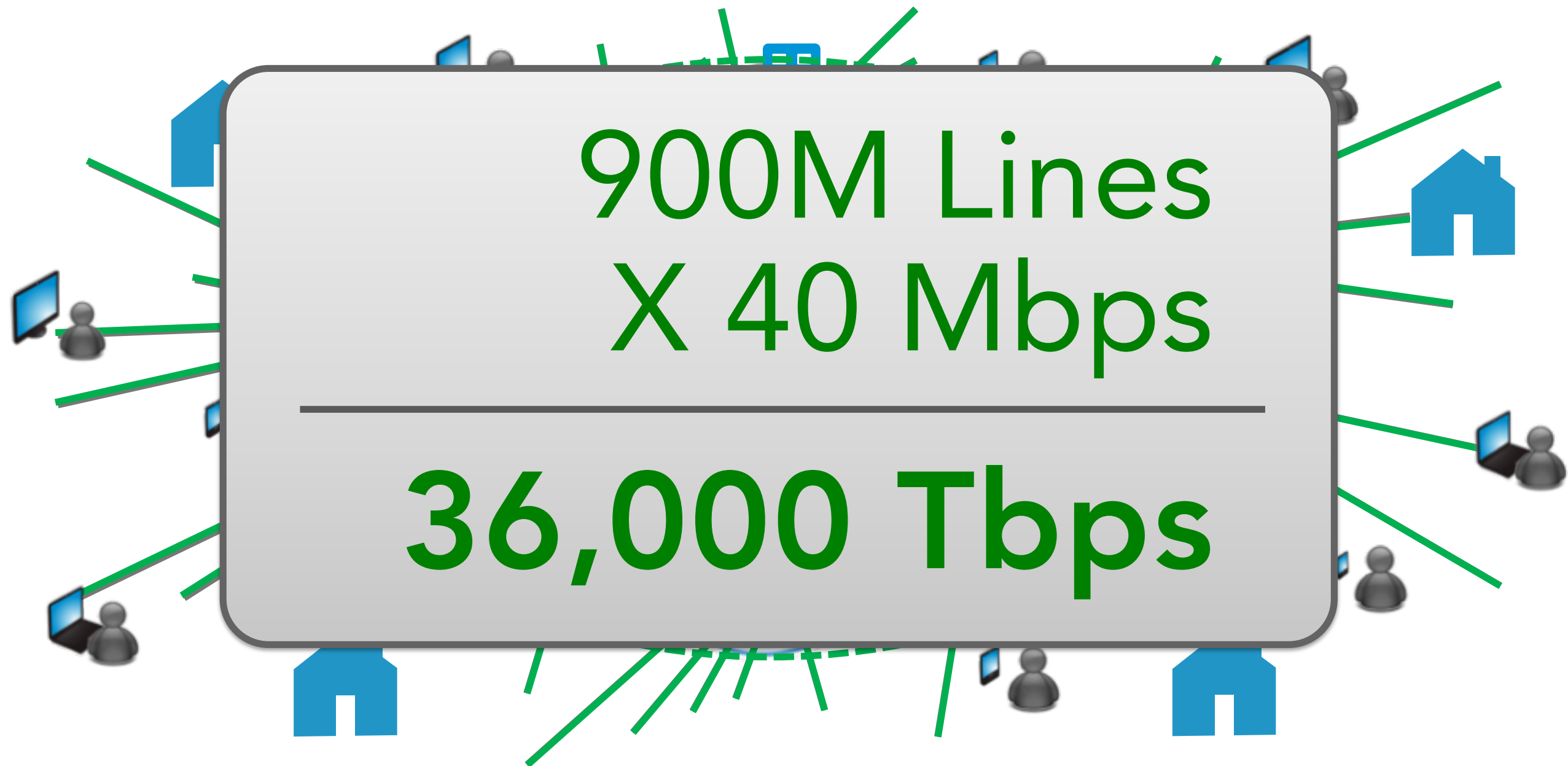


Where are we headed?

The scalability challenge



The last mile has enormous capacity



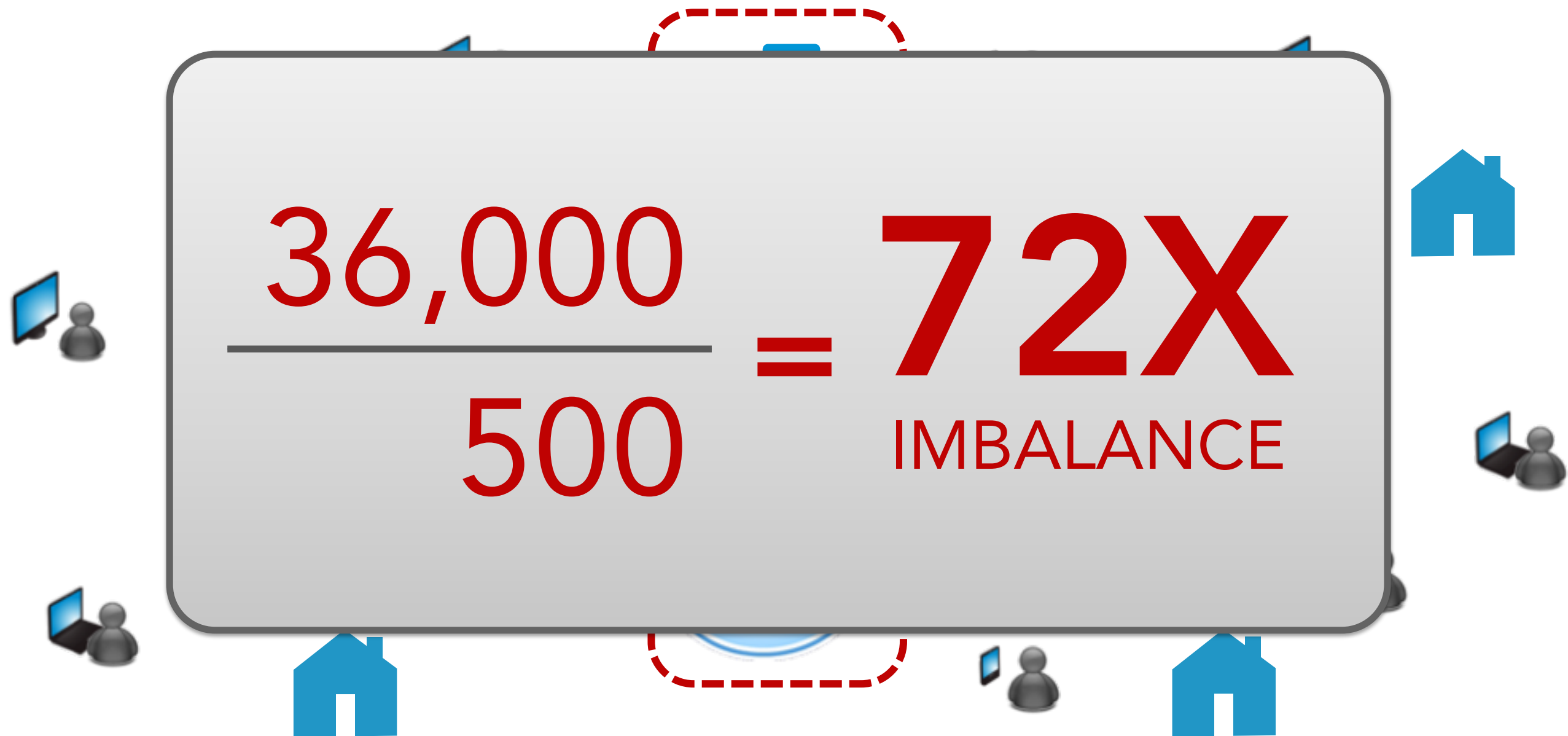
The problem is at the **core**

100 Major Networks
X 5 Tbps

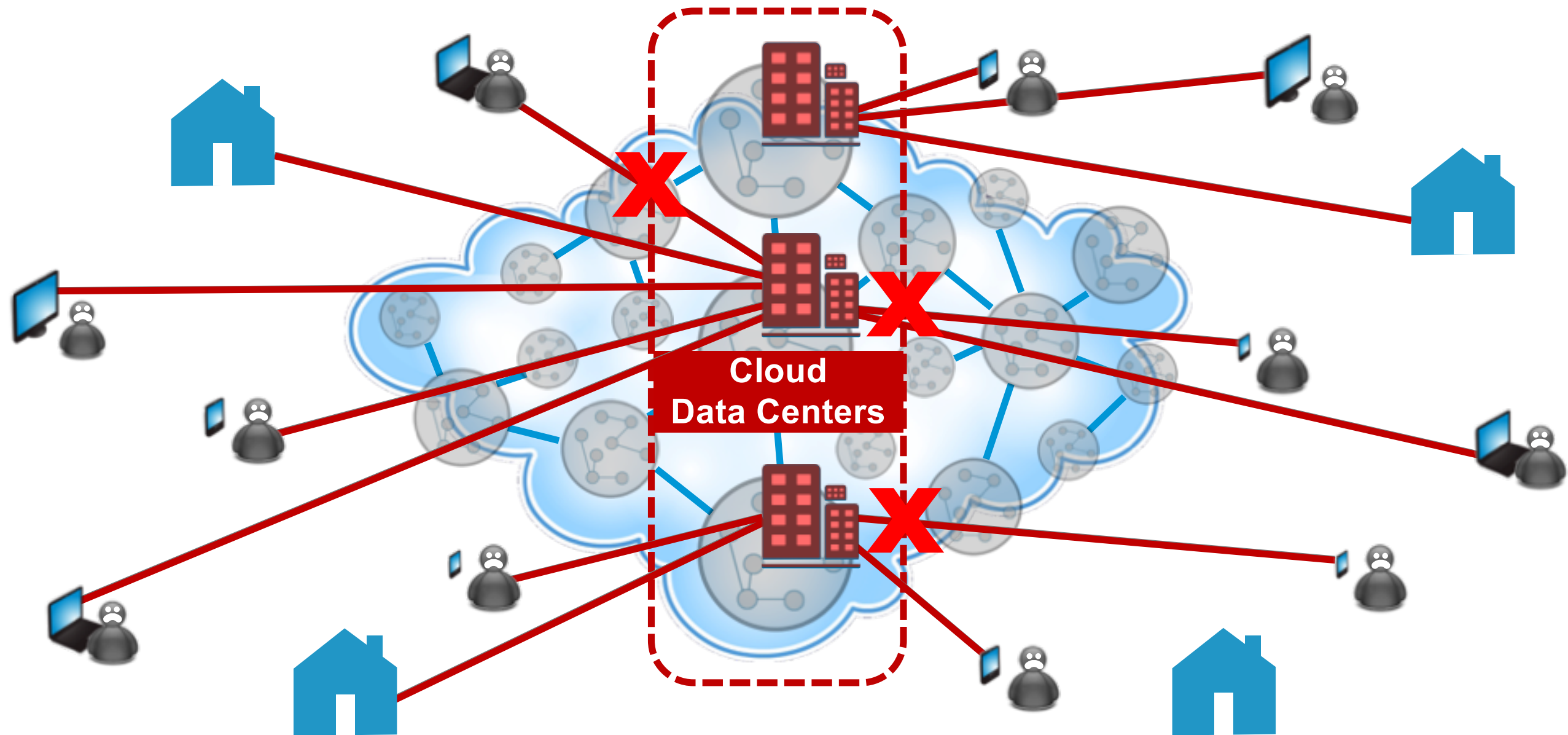
500 Tbps



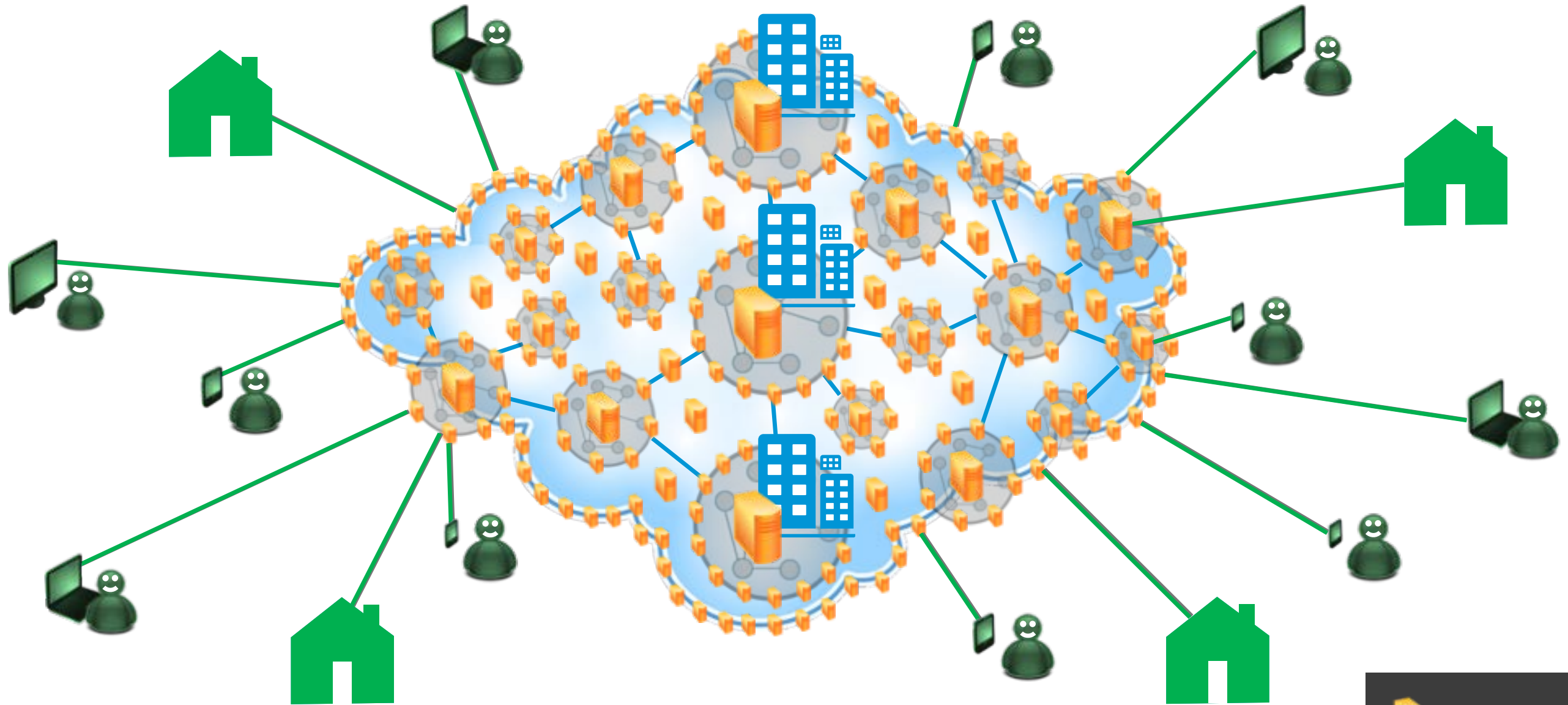
The problem is at the core



The core gets congested

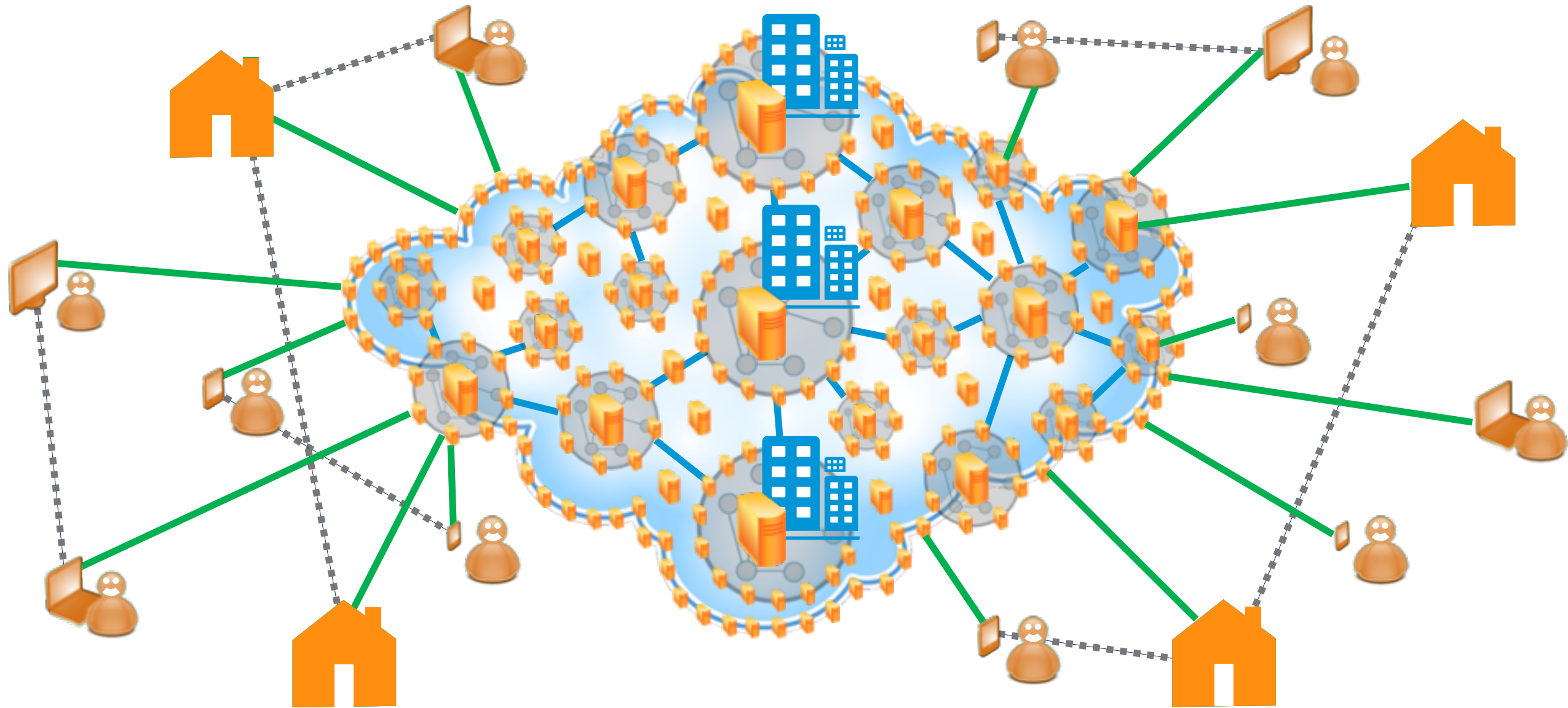


Akamai's Edge platform relieves the burden



 = Akamai Server

Akamai software on the device further improves **quality** & reduces **cost**





Media



Performance



Web Security

Business Drivers

Zero Trust



IoT



Blockchain



PERFORMANCE IS INCREASINGLY

○ CHALLENGING

Page Weight

Images

Interactivity

3rd Party Content

API Calls

Javascript

Mobile Devices

Cellular Congestion





PERFORMANCE IS INCREASINGLY VITAL TO BUSINESS

Brand

SEO

Conversion Rate

Revenue

Customer Loyalty

CASE STUDY: ALIEXPRESS

Global Performance Attribution Model

36%

faster page loads

↑ 10.5%

more orders placed

↑ 27%

better conversion

80% ATTRIBUTED TO AKAMAI

AliExpress™

TRAVEL CUSTOMER

10% increase in revenue

mPulse, Akamai Ion, Akamai Image Manager





Media



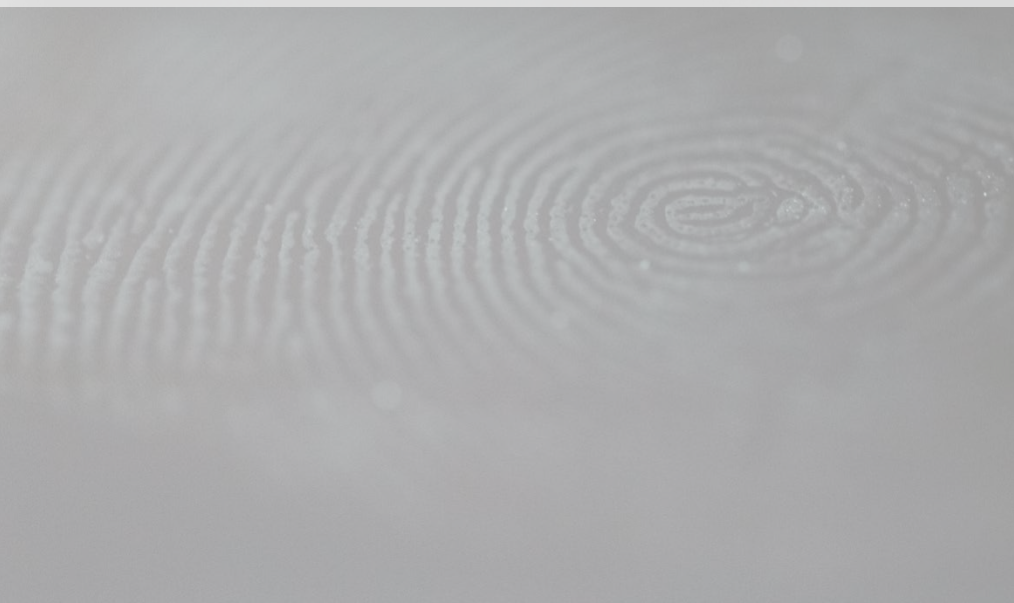
Performance



Web Security

Business Drivers

Zero Trust

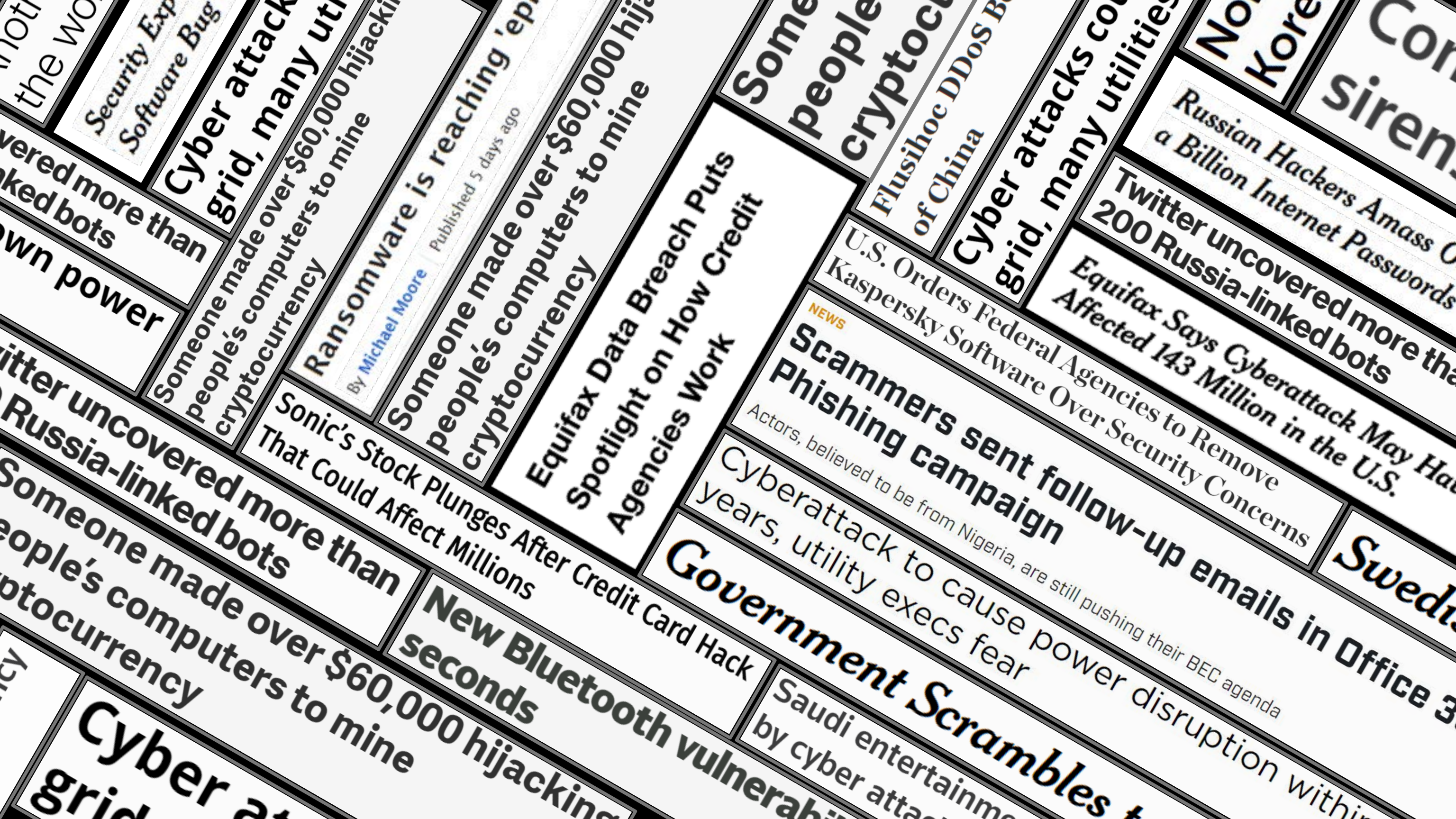


IoT



Blockchain





the WO
Security Exp
Software Bug
Cyber attack
grid, many uti
grid, many uti
Someone made over \$60,000 hijacki
cryptocurrency
Ransomware is reaching 'epi
By Michael Moore | Published 5 days ago
Someone made over \$60,000 hijack
people's computers to mine
cryptocurrency
Equifax Data Breach Puts
Spotlight on How Credit
Agencies Work
U.S. Orders Federal Agencies to Remove
Kaspersky Software Over Security Concerns
NEWS
Scammers sent follow-up emails in Office 3
Phishing campaign
Actors, believed to be from Nigeria, are still pushing their BEC agenda
Cyberattack to cause power disruption within
years, utility execs fear
Government Scrambles
Saudi entertainment
by cyber attack
Cyber attacks con
grid, many utilities
Twitter uncovered more than
200 Russia-linked bots
Equifax Says Cyberattack May Have
Affected 143 Million in the U.S.
Russian Hackers Amass O
a Billion Internet Passwords
No
Kore
Com
siren
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Swedia

Today's Expanding Threat Landscape: Who & Why

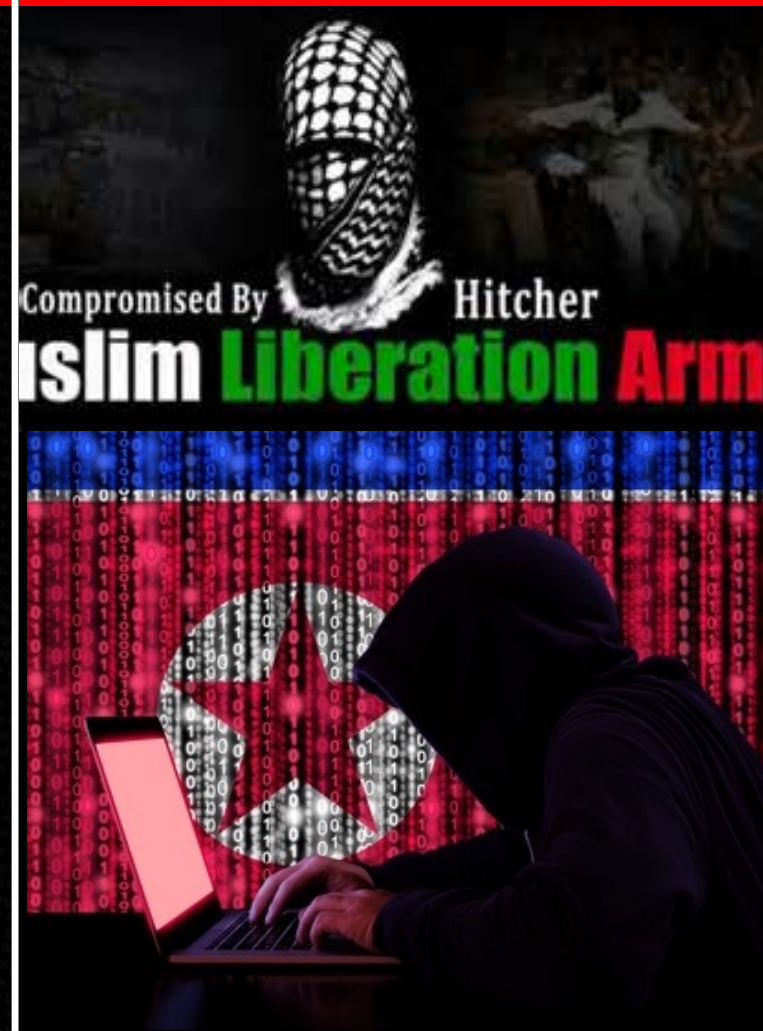
GLORY HOUNDS

YOU'VE
BEEN
HACKED!

POLITICAL
HACKTIVISM



STATE-
SPONSORED



CYBER CRIME

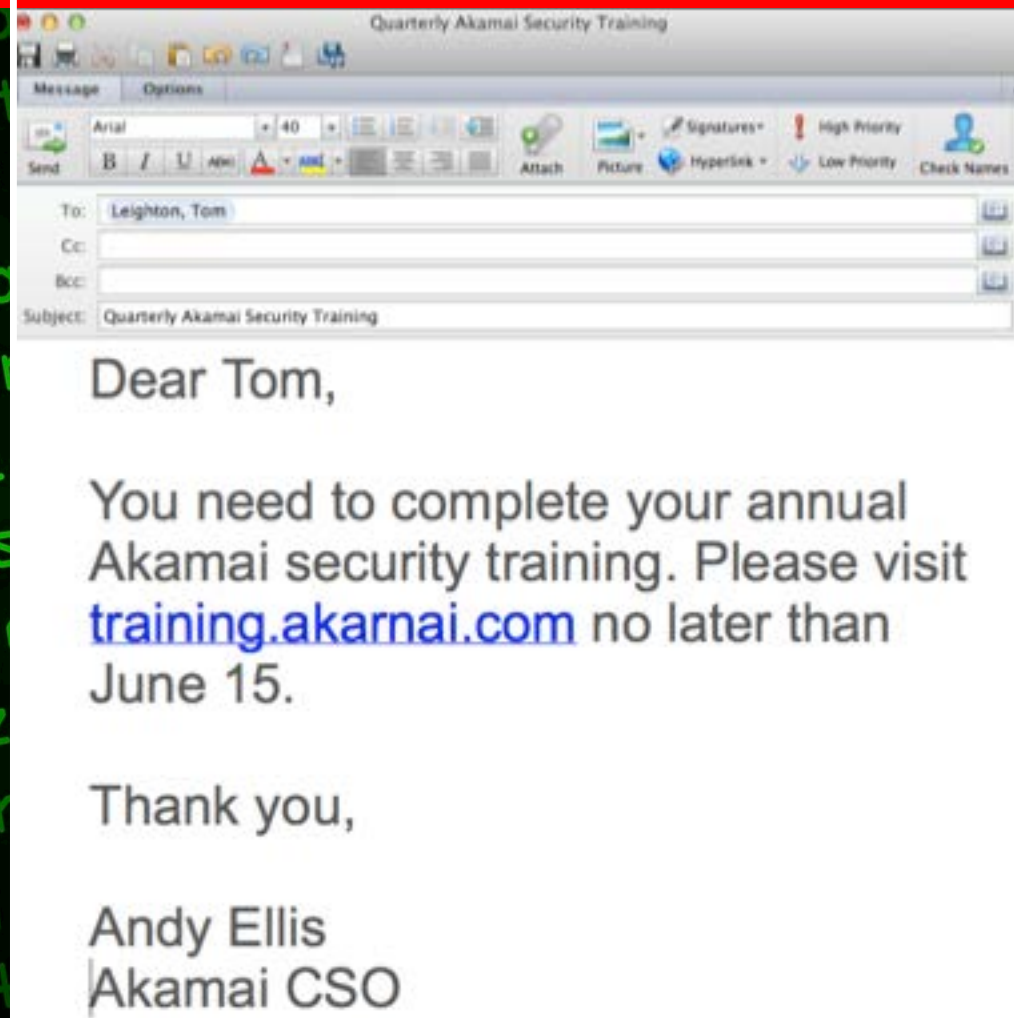


Today's Expanding Threat Landscape: How

VULNERABILITIES



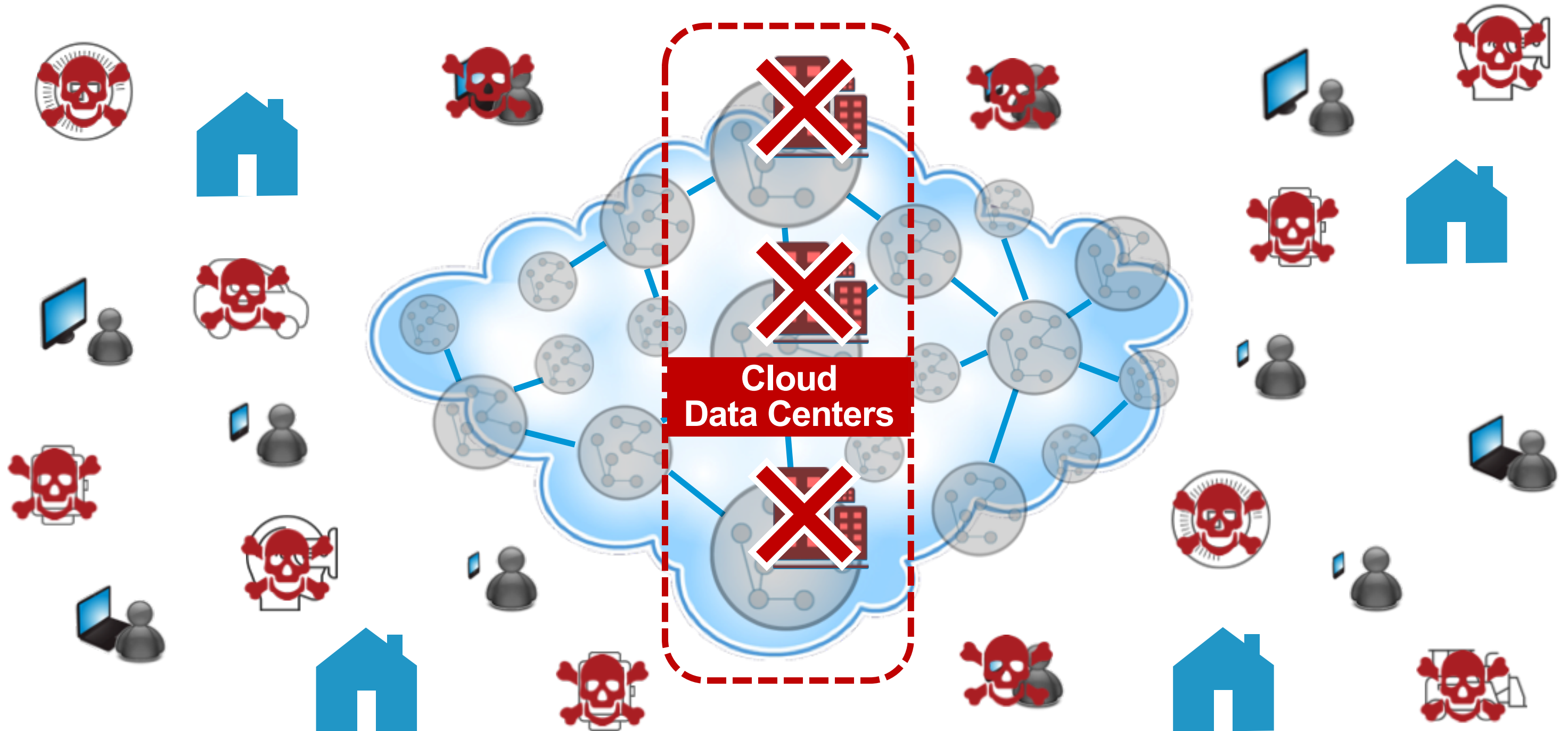
PHISHING



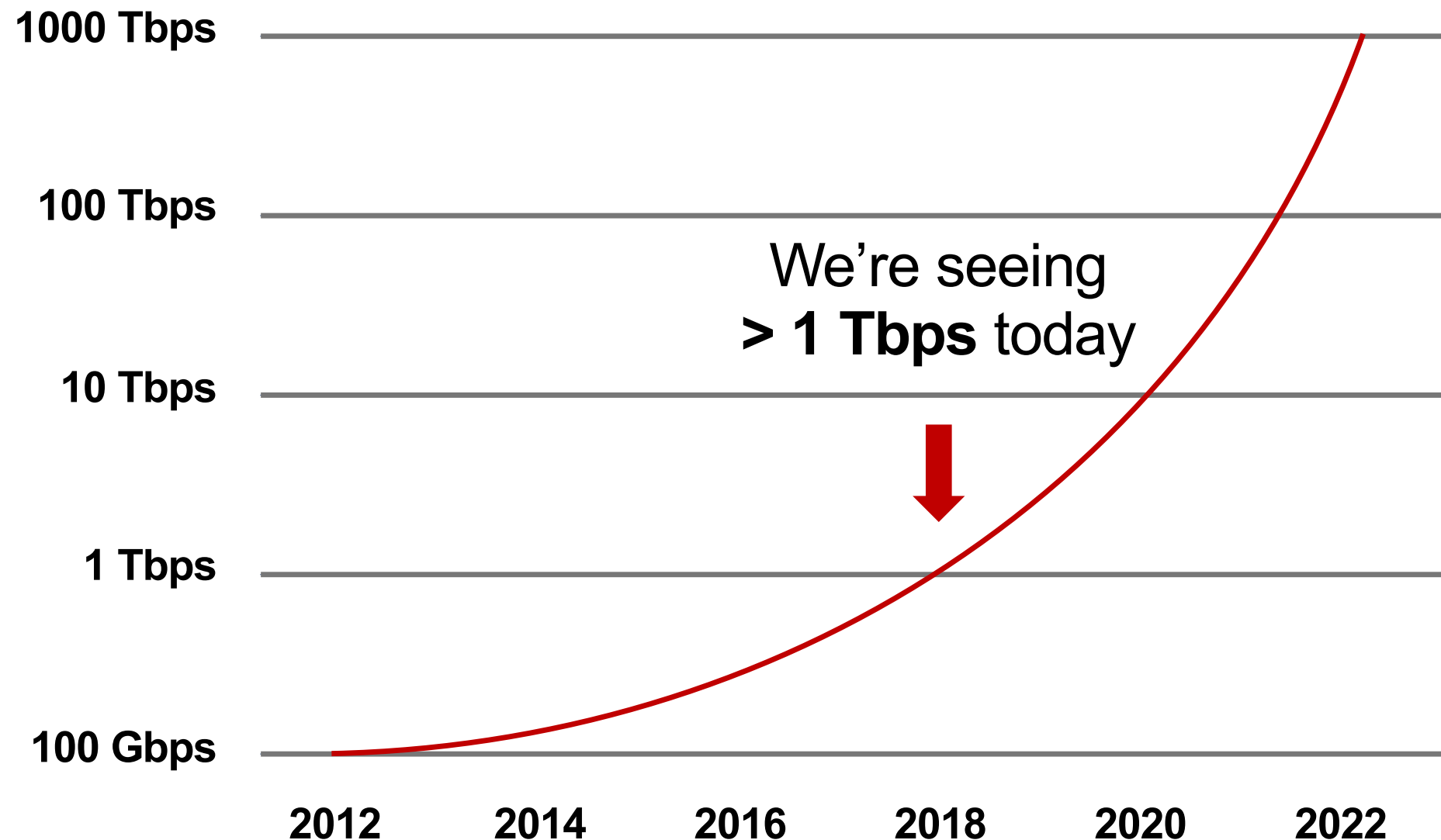
IoT ATTACKS



Attackers are exploiting the imbalance in core capacity
(and billions of insecure IoT devices)



The scale of attacks will continue to grow



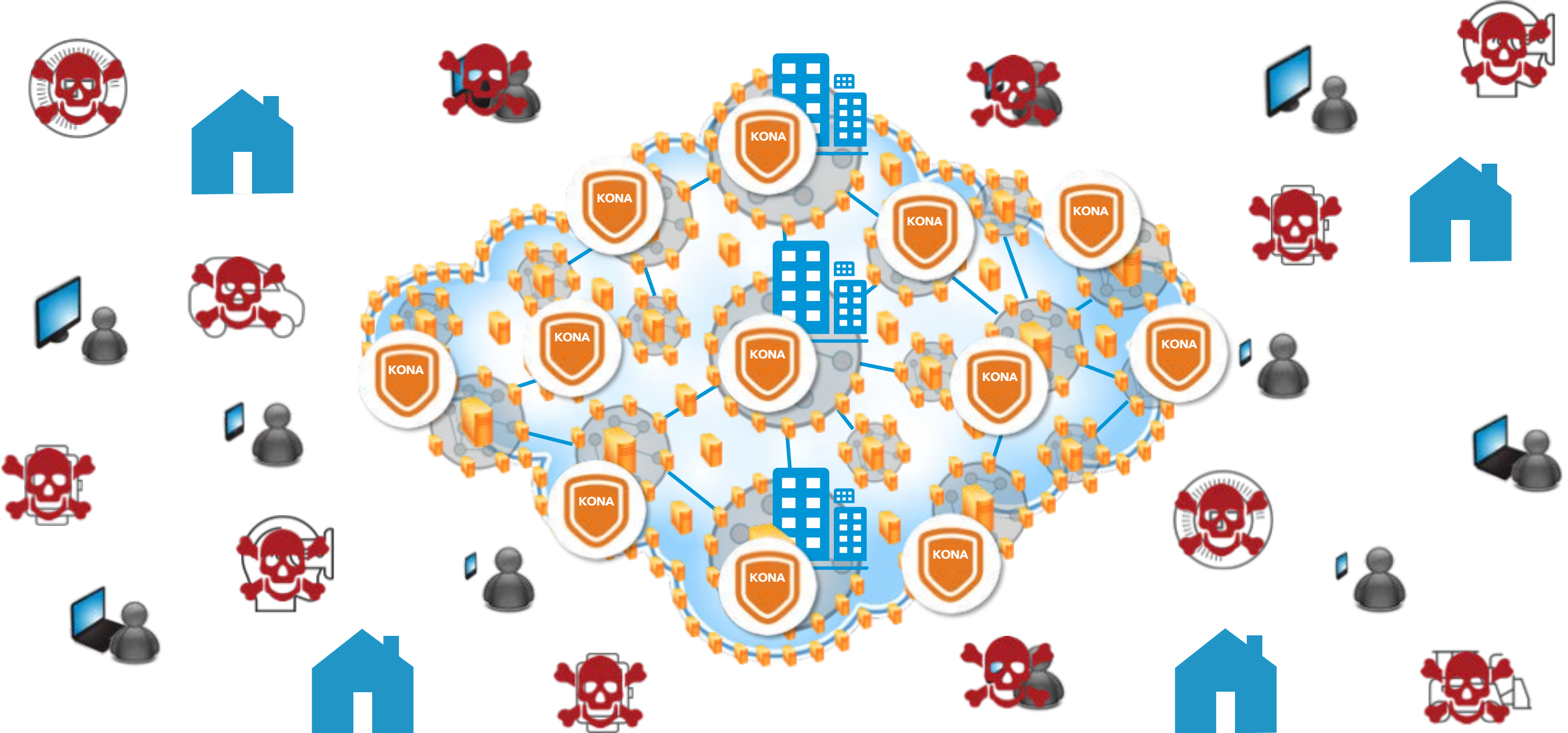
An attack of **1.3 Tbps** is enough to cripple major cloud data centers, ISPs and even countries

Just imagine what **1000 Tbps** could do...

DATA CENTER DEFENSES AREN'T ENOUGH ANYMORE

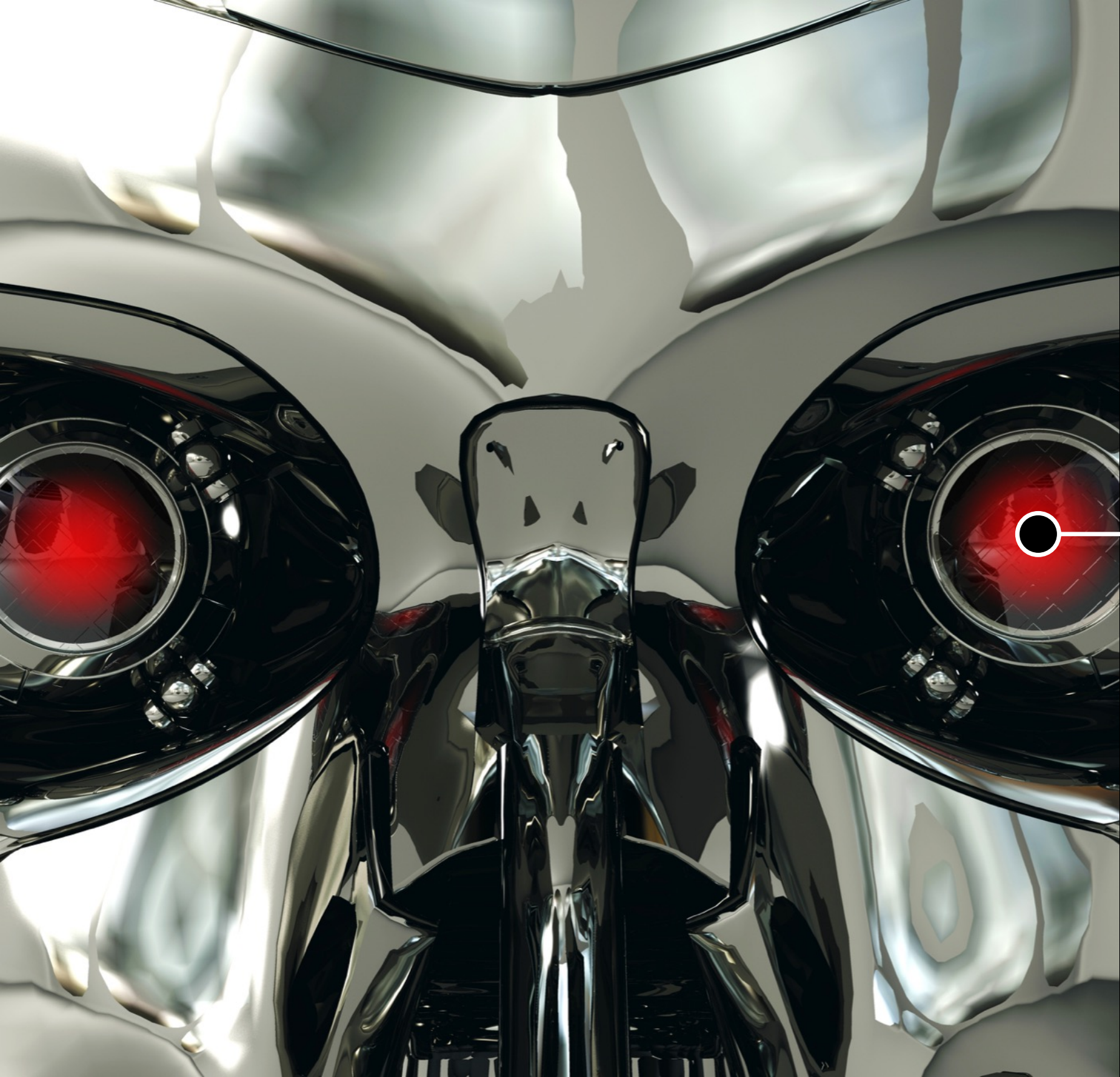
ATTACKS ARE BIGGER, MORE SOPHISTICATED,
AND MORE UNPREDICTABLE THAN EVER BEFORE

Akamai uses a **defensive shield** to absorb attack traffic at the edge... and block application-layer attacks





Akamai named a leader in the Forrester Wave for Web Application Firewalls



Bots are
taking over

Good



The Bot Landscape



Bad

search engine bots, SEO bots, ad bots

respond fast

partner bots
deprioritize & monitor

spam bots
block

scraper bots
serve alternate content

performance bots, vulnerability scanner bots

prioritize services you use

aggregator bots, media bots
deprioritize

gray marketer bots

serve alternate content

hacker bots
reply 'invalid ID'

Akamai Bot Manager

Proven ability to identify & manage bots

Adaptive response based on bot type and behavior

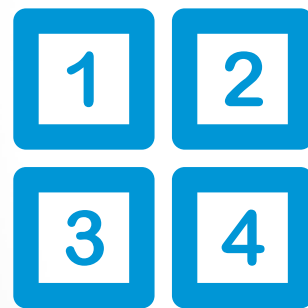
Leverages massive amounts of internet and transaction data

Uses machine-learning to protect against evolving bots

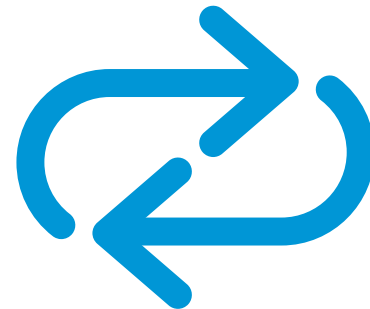
Powerful insight into neuromuscular actions to identify humans

Understanding “What Makes Us Human”

**Key Press
Intervals**



**Accelerometer
& Gyroscope**



**Touch & Mouse
Movement**



JavaScript (websites) and SDK (mobile) analyze behavior for consistency with human capabilities

*PROOF POINT:
LEADING BANK*

Reduced account takeovers from 8,000 per month to **1 or 2 per month**, saving tens of millions of dollars per year in direct fraud



*PROOF POINT:
LEADING RETAILER*

Stopped bot army from buying out inventory during major sale event – **800K transactions per minute**



*PROOF POINT:
LEADING AIRLINE*

Stopped bots from price scraping and reserving seats, **cutting internal cost by 5X**





Media



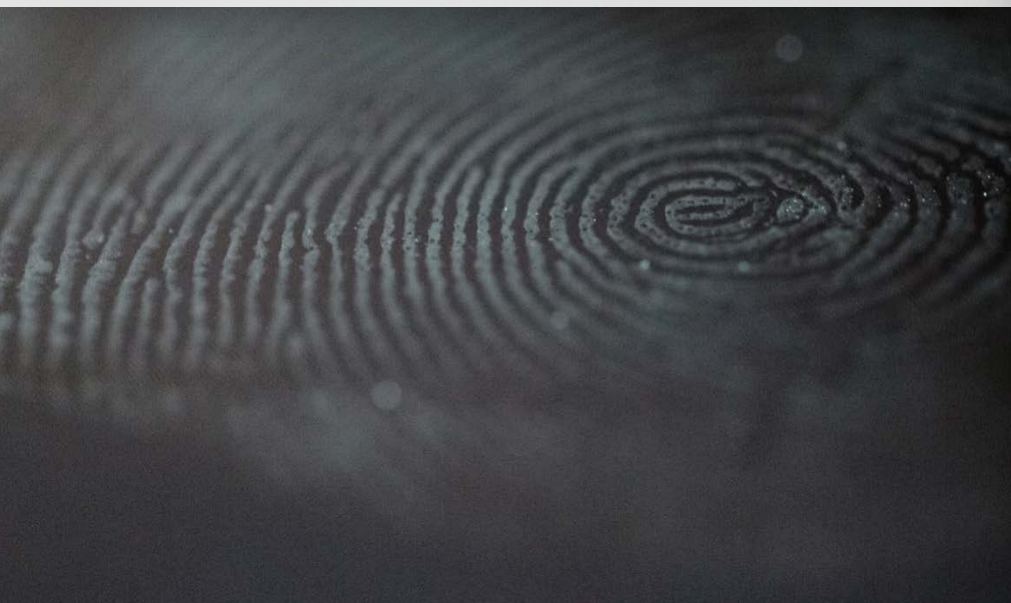
Performance



Web Security

The Next Wave

Zero Trust



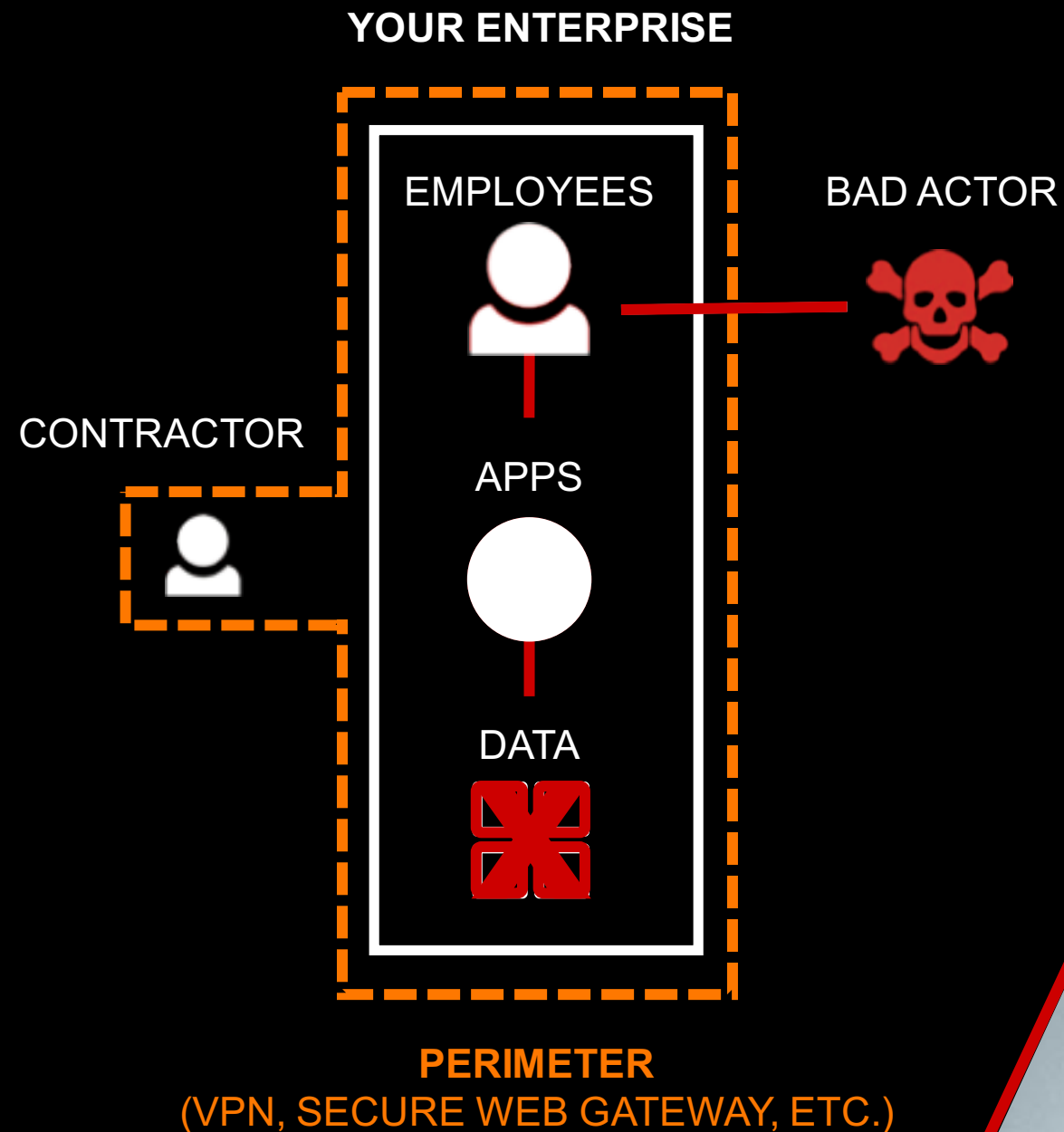
IoT



Blockchain



Traditionally, you protect your internal apps with a **perimeter defense**

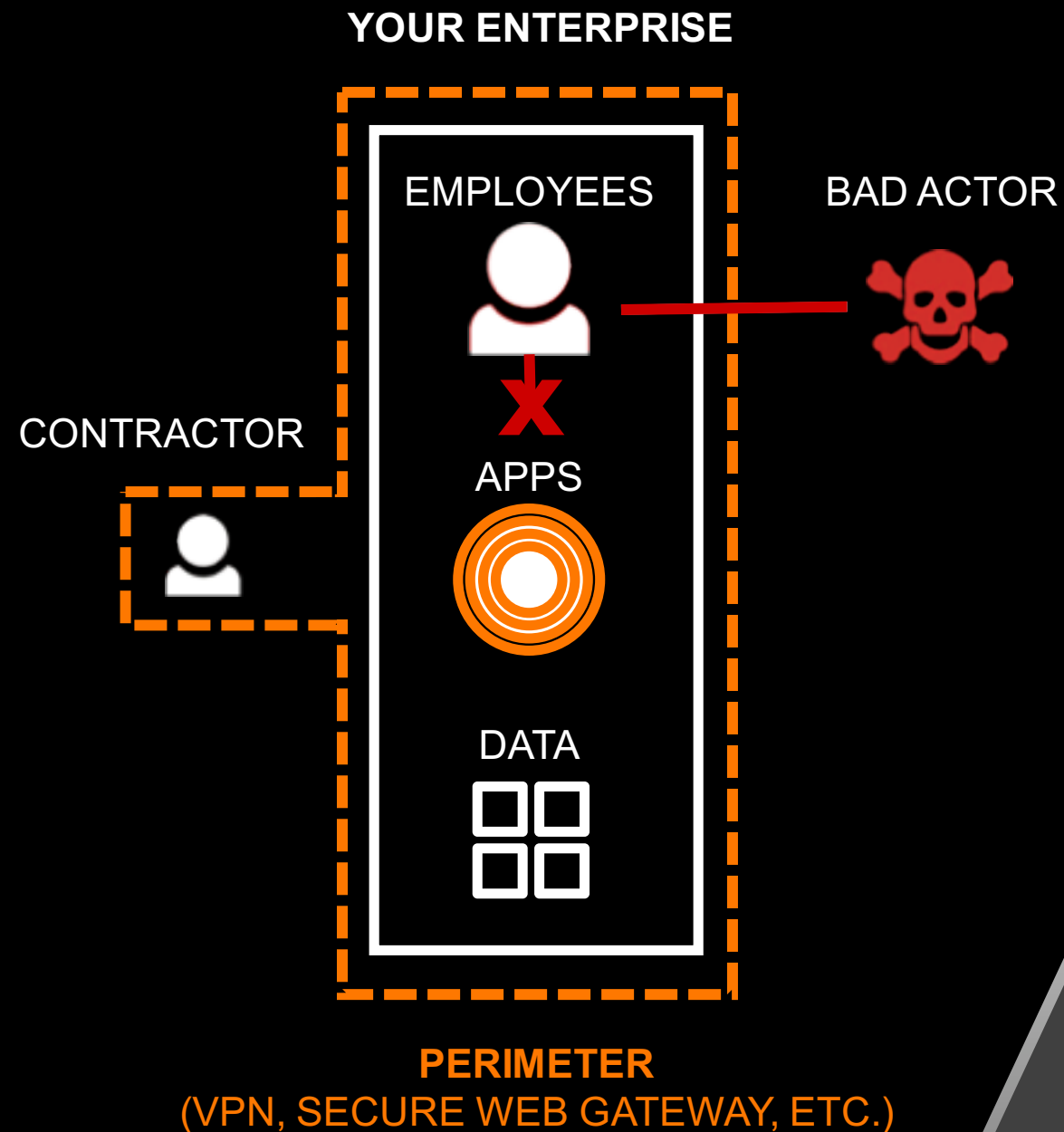


“The idea of a corporate perimeter becomes quaint, even dangerous.”

FORRESTER®

ZERO TRUST:

Today, you need to protect your internal apps as if they were external



- You protect your external apps with **multiple layers** of defense (e.g. Kona)

YOUR EXTERNAL APPS



Authentication
Web App Firewall
DDoS Protection
Bot Protection
And More...

CUSTOMER SUCCESS:
MAJOR AIRLINE

Attacks that Akamai blocked in first week

36 SQL
Injection

33 Cross Site
Scripting

19 Command
Injection

3 PHP
Injection

Defense in depth is still important!

You must protect your employees and devices
as they interact with the outside world

Enterprise Threat Protector

Proactive protection by using DNS and SWG as an additional layer of security

Protect your workforce
and your data without
complexity or hardware

Enforce compliance and
your acceptable use policy
quickly and uniformly

Increase DNS reliability

*PROOF POINT:
LUXURY FASHION
BRAND*

Akamai Enterprise Threat Protector identified Bedep malware in the **AC system** trying to exfiltrate sensitive enterprise data





Provides us with a channel to get into small and medium-sized businesses and even homes



Media

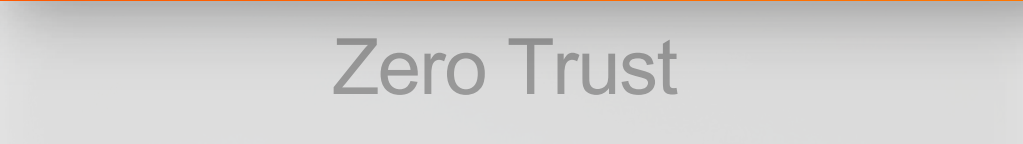


Performance



Web Security

The Next Wave



Zero Trust



IoT



Blockchain

IoT has tremendous potential...

- Consumer Electronics
- Smart Cities
- Automotive
- Manufacturing
- Logistics

...but also some serious limitations

- Scale
- Performance
- Security
- Cost

Akamai is uniquely positioned to address these challenges!

Akamai IoT Edge Cloud

A global IoT platform for real-time data management, processing and control at scale, with security and the power to compute at the Edge

- Maintains device connectivity at the Edge with MQTT and IoT protocol support
- Container support at the Edge
- Bidirectional security for IoT devices
- Low latency
- Massive scale

Early Use Cases

AUTOMOTIVE

70 million connected cars

70 functions tracked
per car

Logging, alerting, and
command & control in real time

CONSUMER ELECTRONICS

130 million consoles

Real-time groupings of
consoles for social gaming

Logging, alerting, and
command & control in real time



Media



Performance



Web Security

The Next Wave

Zero Trust



IoT



Blockchain



Blockchain has tremendous potential...

- Financial transactions
- Cashless transformations
- Privacy / identity applications

...but also some serious limitations

- Scale
- Performance
- Trust
- Cost

Once again, Akamai is uniquely positioned to address these challenges!

Akamai's Blockchain Platform: Fast, Scalable and Trusted

TRADITIONAL APPROACHES

THE AKAMAI APPROACH

Transactions Per Second

7-1000s

Millions

End-to-end Latency

Minutes-Hours

2 Seconds

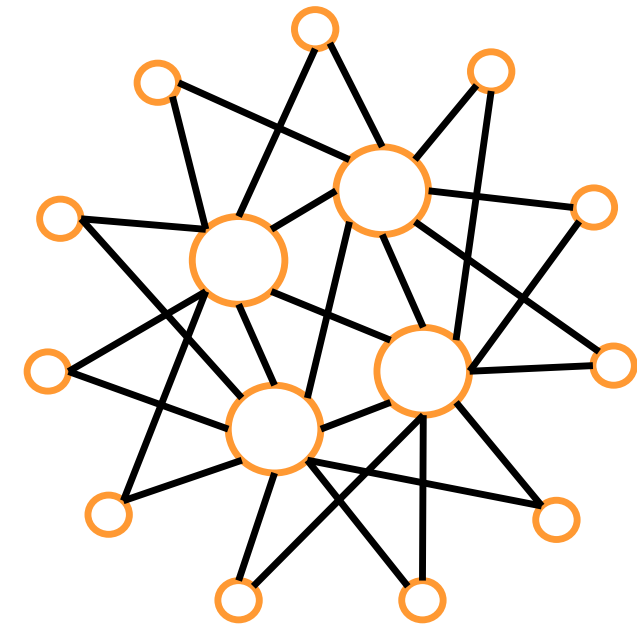
Cost per Transactions

10s of Cents

Tiny Fractions of a Cent

Building a New Payment Network

- **Technology:** New blockchain architecture developed by Akamai
Unparalleled speed and scale
- **Business:** MUFG online payment network in Japan
Driving to innovate on payments technology in Japan
- **MUFG + Akamai effort to launch in Japan 1H20**





Media



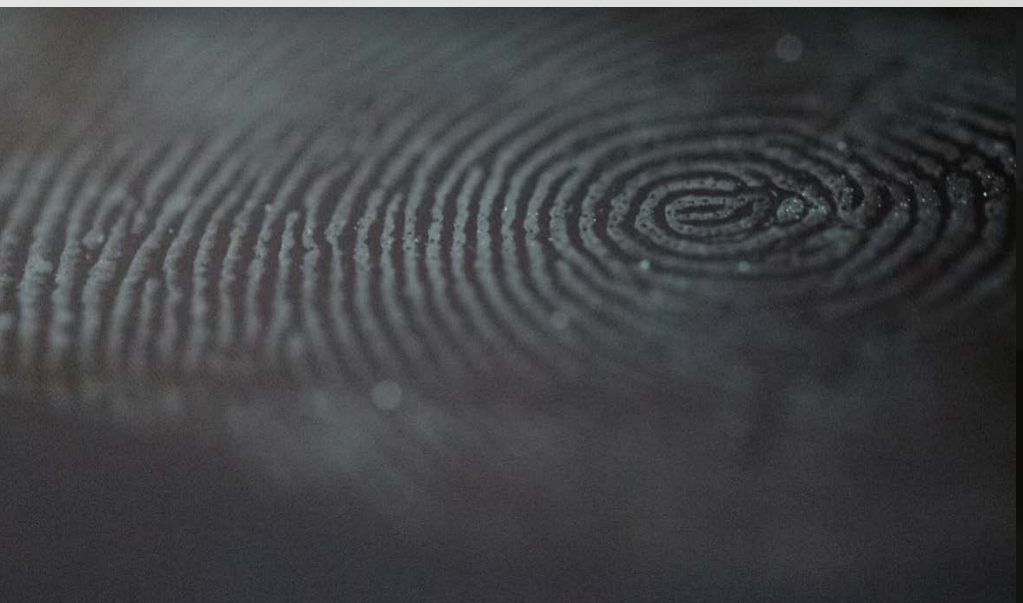
Performance



Web Security

It all runs on *one platform*, the Akamai Intelligent Edge

Zero Trust



IoT



Blockchain



A hand holding a globe with glowing data lines. The globe is illuminated with green and blue light, and numerous thin lines radiate from it, suggesting a global network or data flow. The hand is positioned at the bottom left, with fingers gently cradling the globe. The background is dark, making the glowing elements stand out.

Akamai Today

A GLOBAL PLATFORM

240,000 servers
1,700 networks
3,900 locations
133 countries

ACCELERATING DAILY TRAFFIC OF

40 million hits per second
2+ trillion deliveries per day
40+ terabits per second

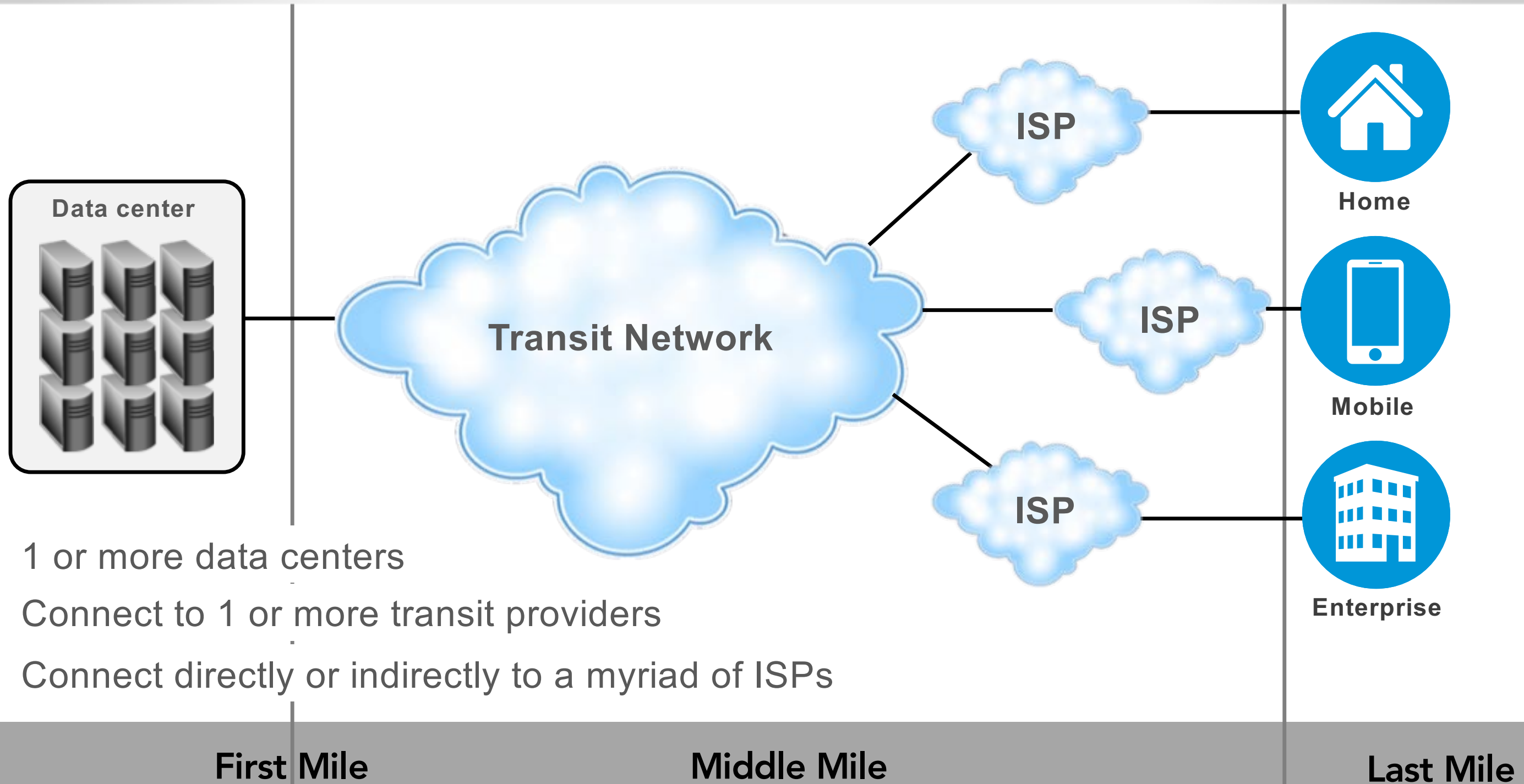
TRUSTED BY THE WORLD'S LEADING BRANDS

Over half of all Fortune 500 companies
All top 15 U.S. and Canada retailers
All top 50 global Carriers
All top 25 U.S. banks
All branches of the U.S. military
9 of the top 10 global auto manufacturers

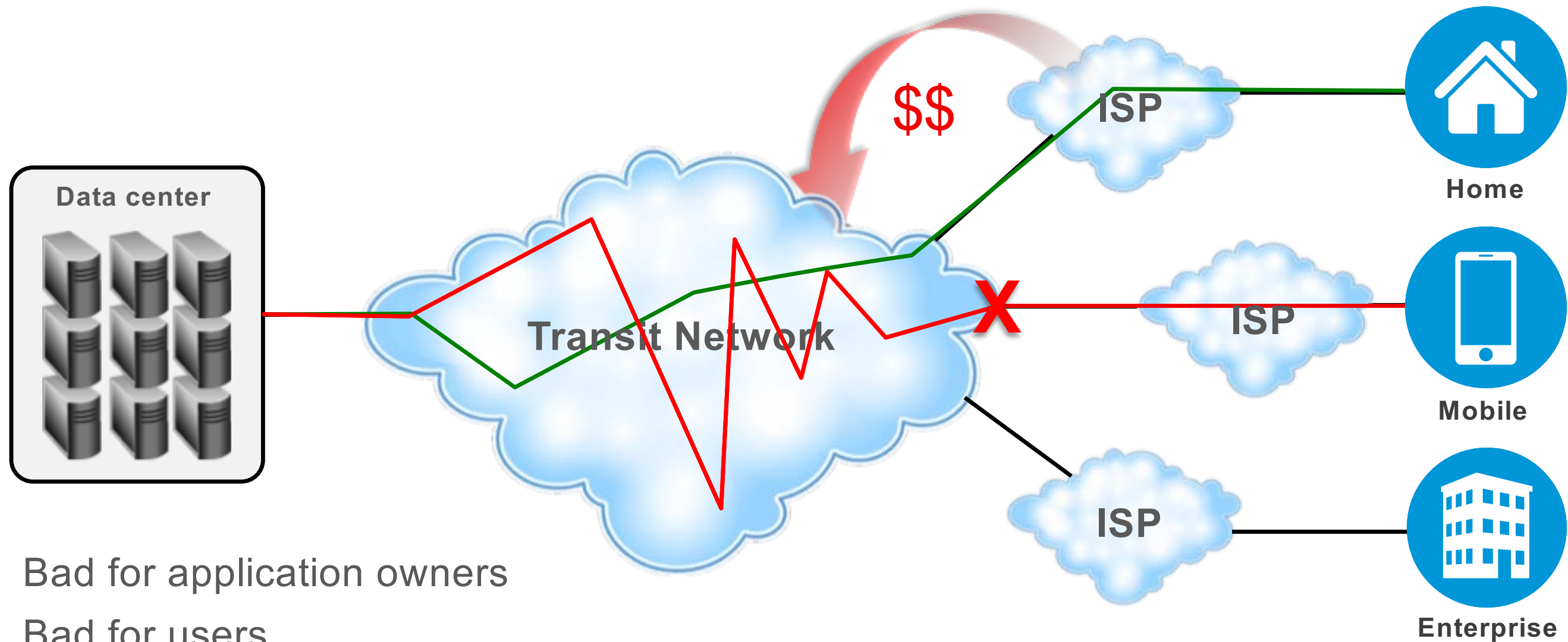
The Akamai Platform

Dr. Robert Blumofe // EVP, Platform Division

Traditional Delivery



Problems with Traditional Delivery

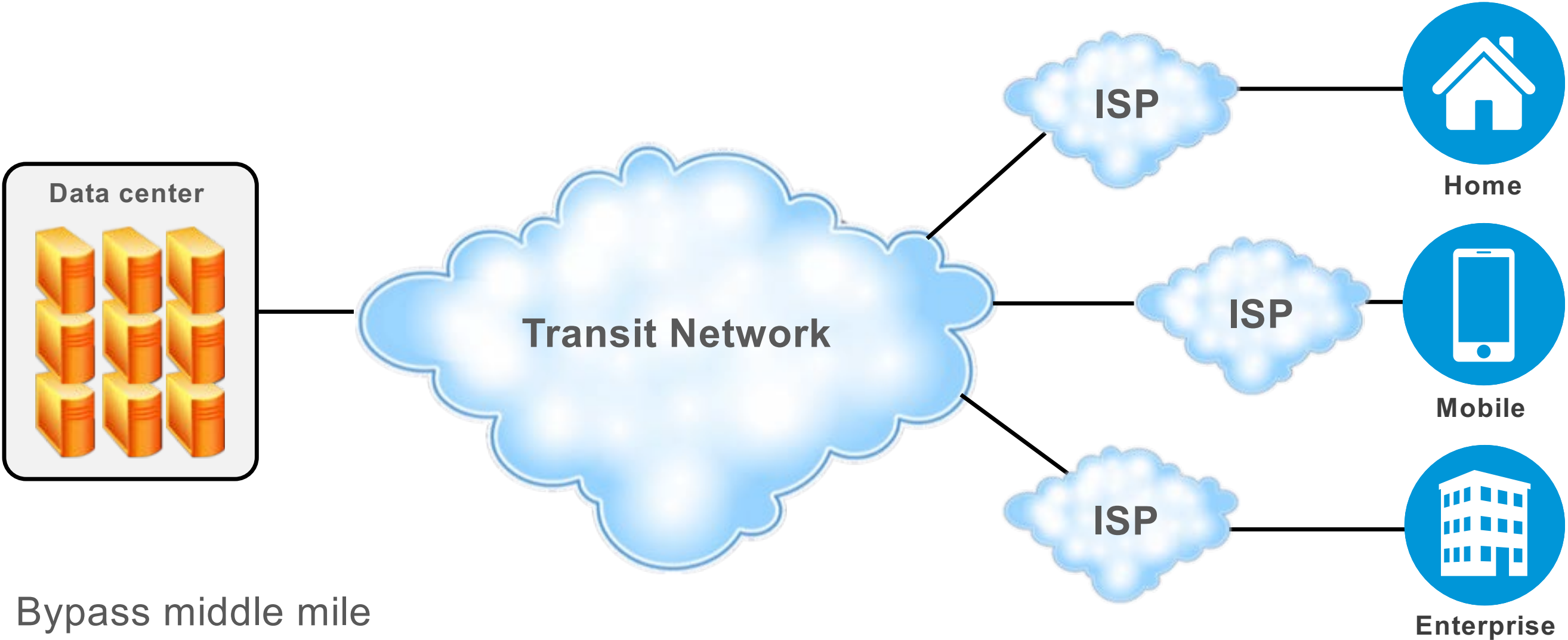


Bad for application owners

Bad for users

Bad for ISPs

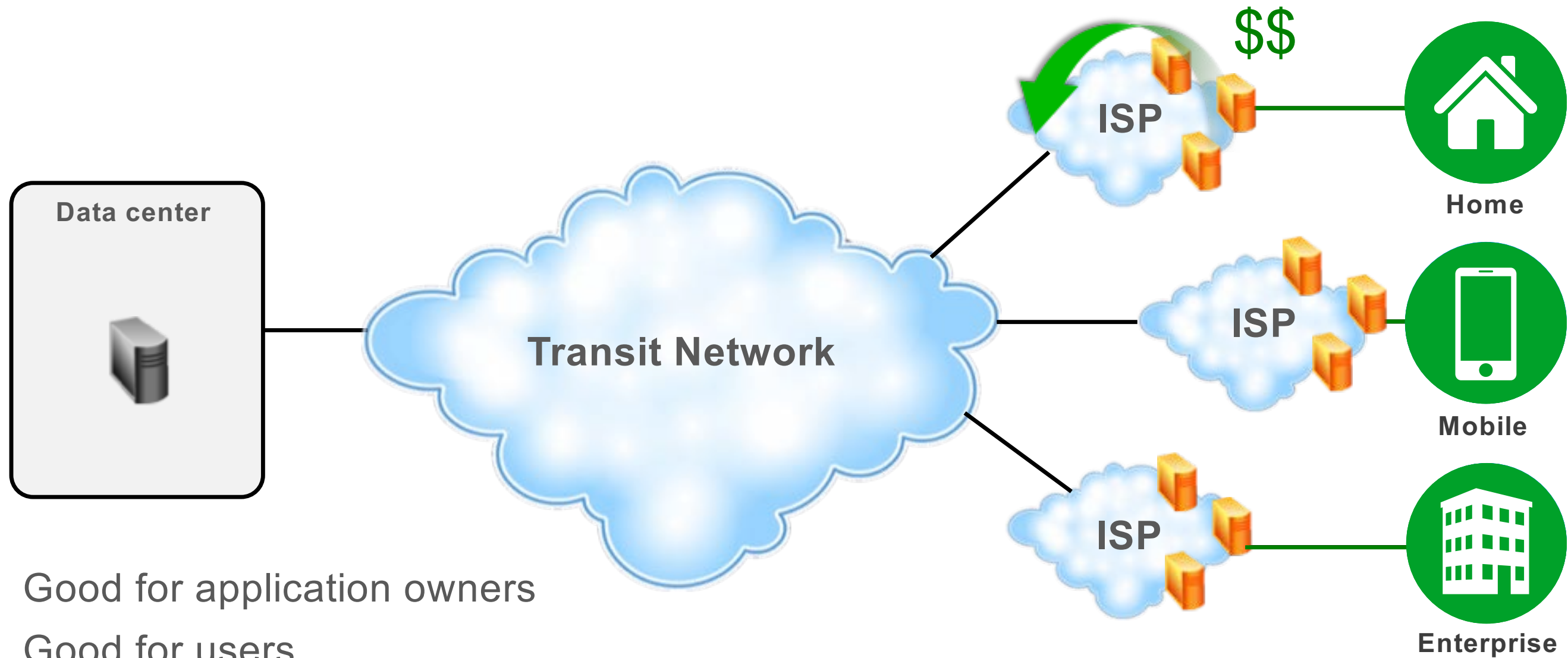
The Akamai Way



Bypass middle mile

Directly deployed in a myriad of ISPs

Solving Problems the Akamai Way

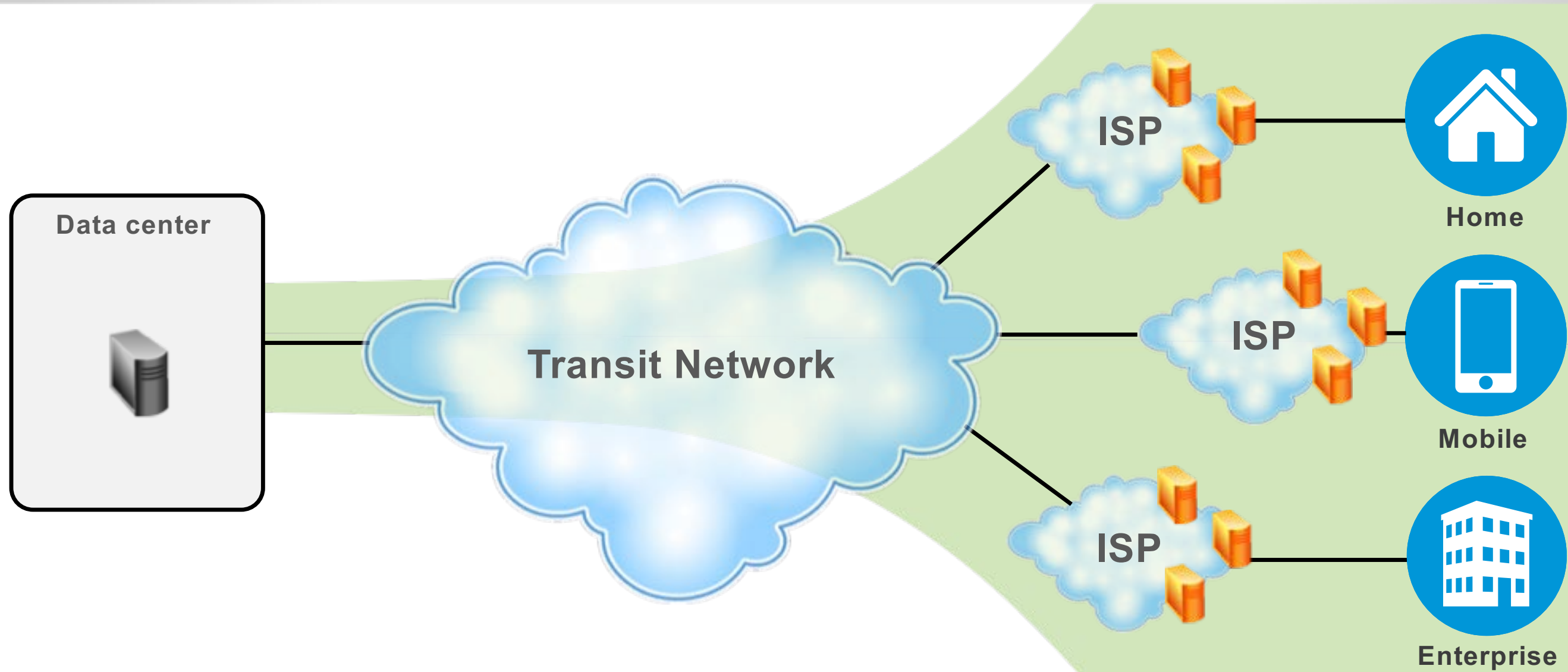


Good for application owners

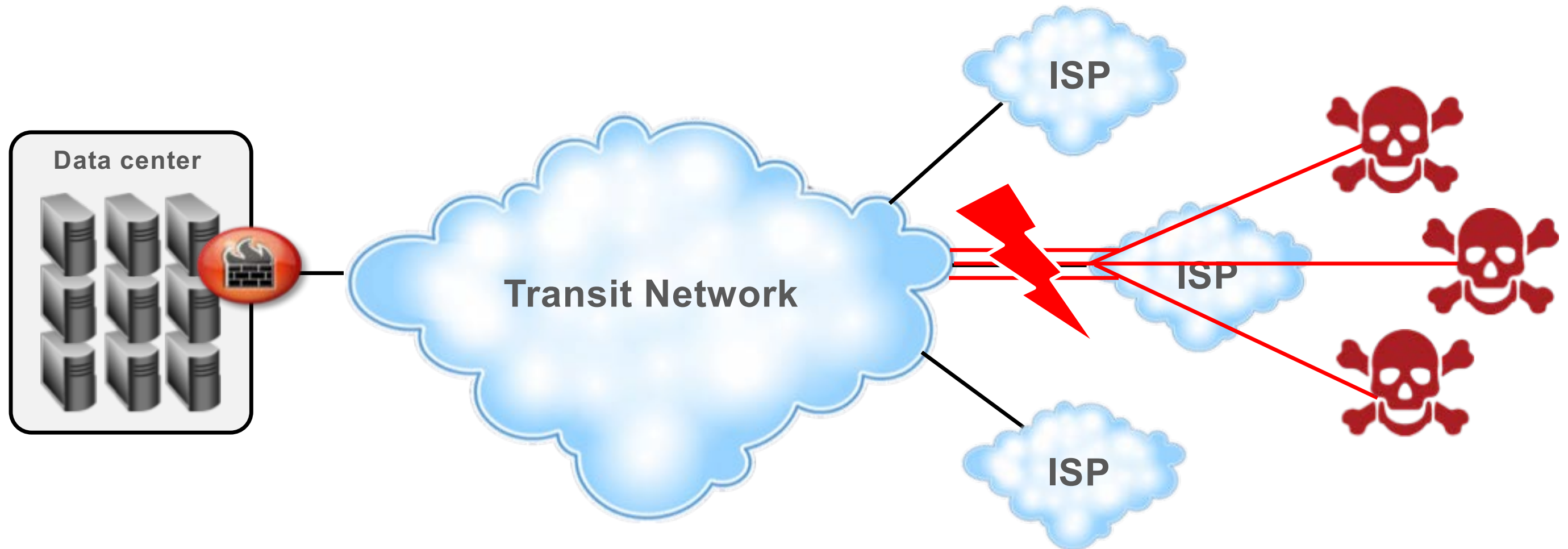
Good for users

Good for ISPs

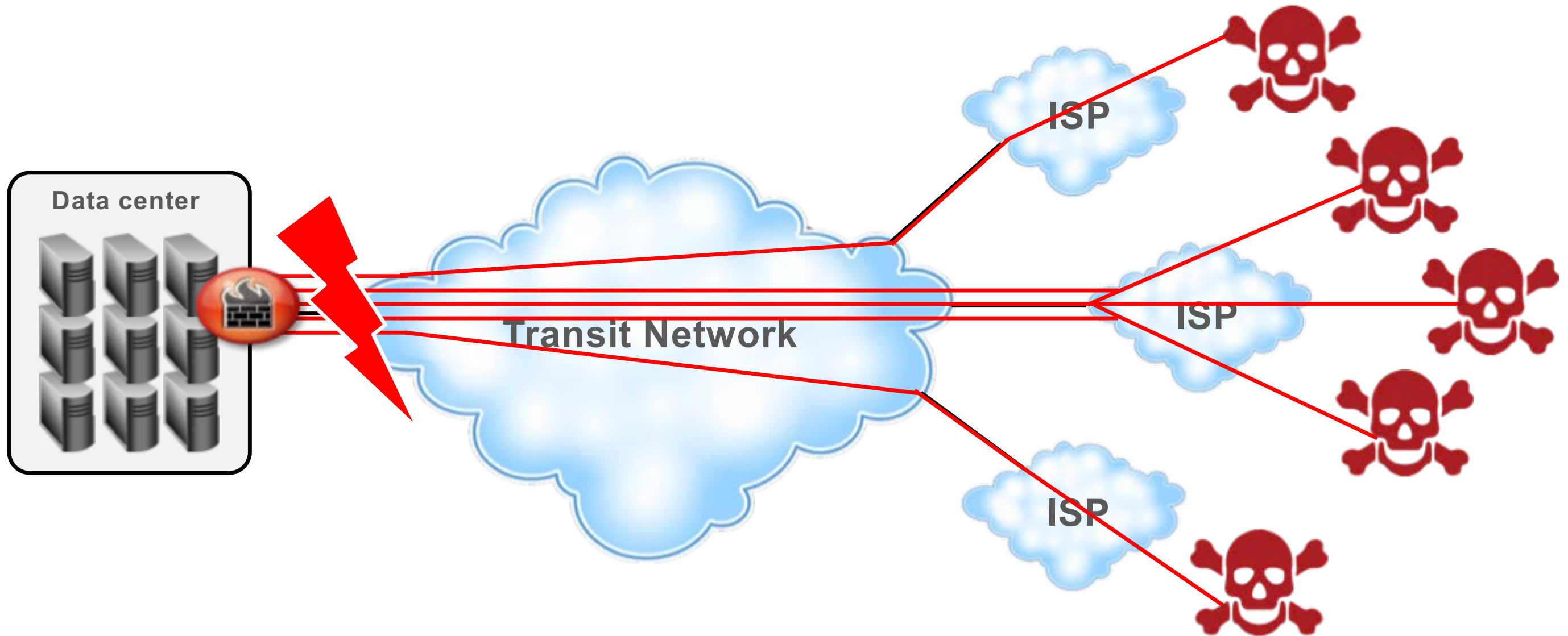
Solving Problems the Akamai Way



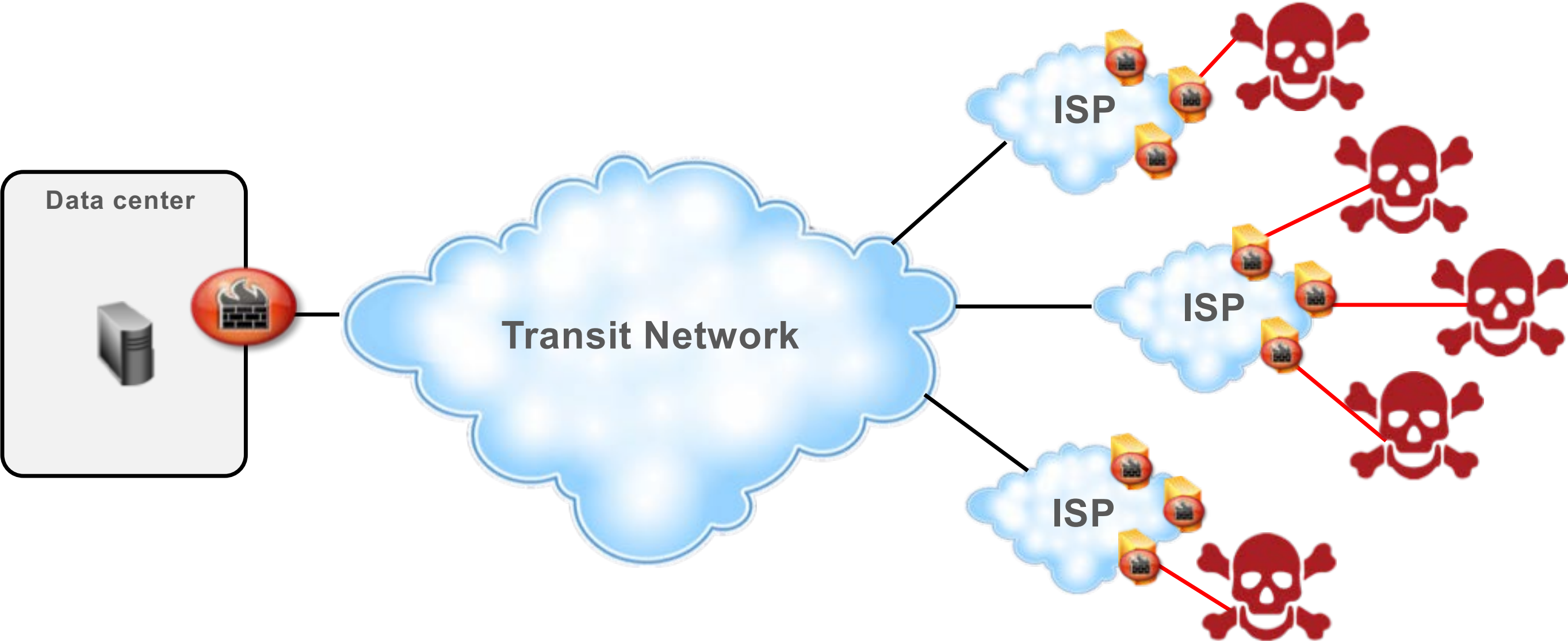
Defending Against Attacks the Traditional Way



Defending Against Attacks the Traditional Way



Defending Against Attacks the Akamai Way



Why Is The Akamai Edge So Hard To Replicate?

- Deep network relationships
- Cost optimizations
- Global request routing, failover, load balancing
- Global system management
- Multi-tenant platform
- Multi-product platform

A hand is shown holding a glowing globe of the Earth. The globe is covered in a network of green and blue lines, representing global connectivity. The background is dark with a subtle pattern of light blue and green lines. An orange banner is at the top.

Global Platform with Enormous Scale

Networks: 1,700

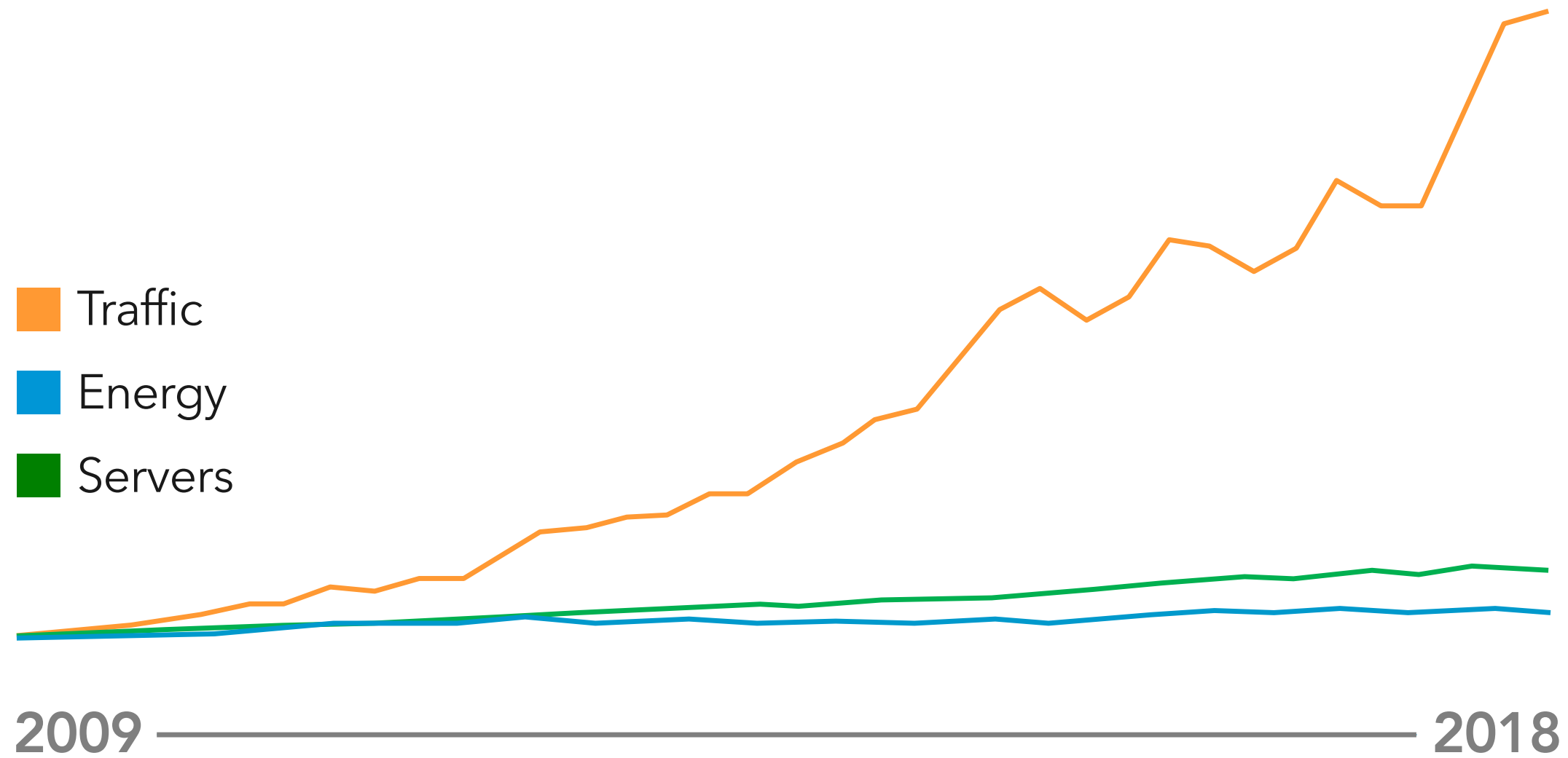
Countries: 133

Locations: 3,900

Why Is The Akamai Edge So Hard To Replicate?

- Deep network relationships
- **Cost Optimizations**
- Global request routing, failover, load balancing
- Global system management
- Multi-tenant platform
- Multi-product platform

Cost Optimization



Drivers of Cost



Traffic

Servers



Server
CapEx

Racks



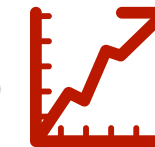
Colo
COGS

Energy



Energy
COGS

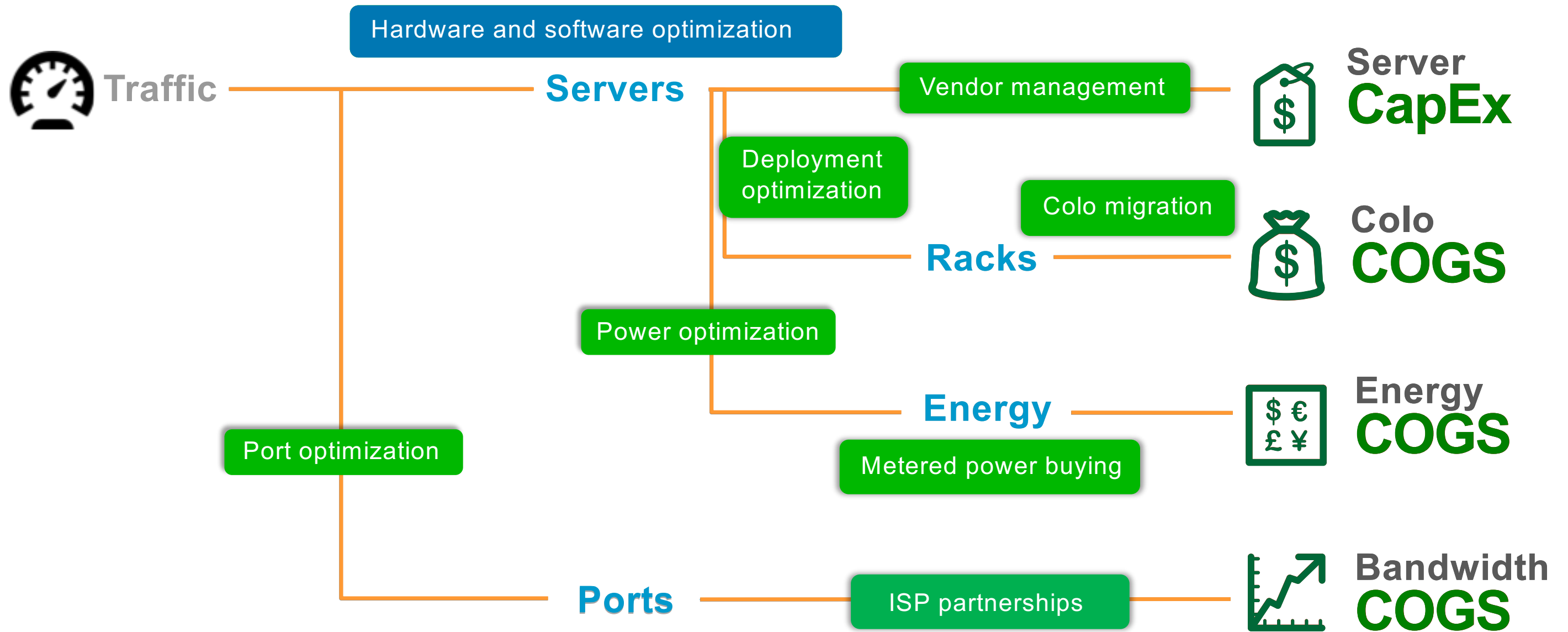
Ports



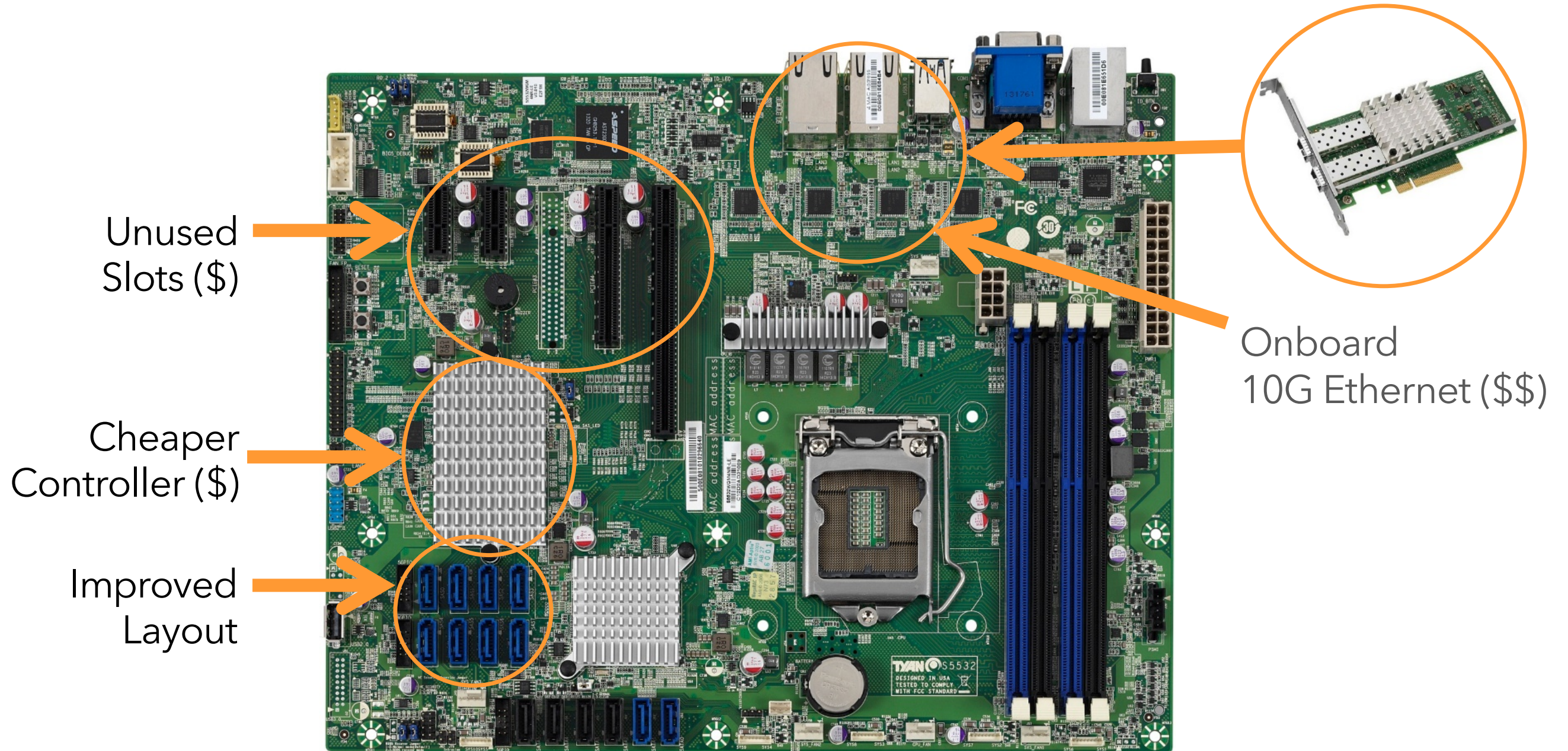
Bandwidth
COGS

Every line
is an **OPPORTUNITY**
for optimization.

Opportunities for Optimization



Hardware Optimization



Software Optimization

- Kernel optimizations
- Software Defined Networking (SDN)
- Multi-tenant app and data battery systems
- Customized build and test ecosystem
- Data clusters on demand
- Dynamic Demand Estimation
- Low latency, global scale, secure communication infrastructure
- Real time monitoring
- Robust and resilient DNS
- Fast Metadata
- Fast Purge
- End user performance optimization
- Optimized mapping for our own network fabric (IEN/ICN)

Custom Kernel

78 Akamai specific patches to file systems/drivers, network protocol stack, hardware drivers, memory subsystem

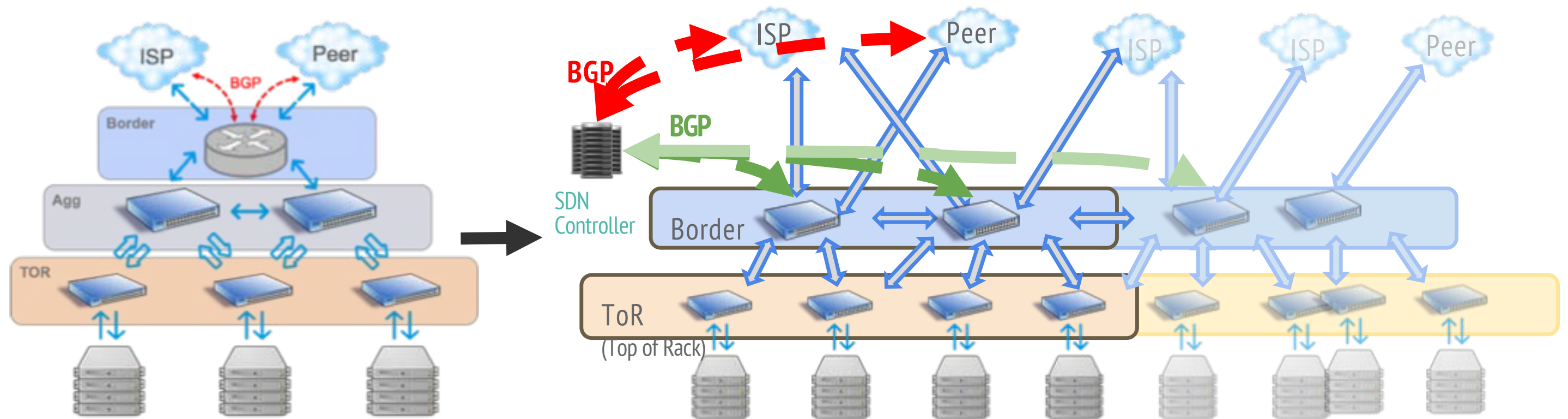
Patches provide Akamai a competitive advantage:

- Highly optimized network load balancing (TRIP)
- Efficient micro threading (cstack)
- Innovative network protocols (Fast TCP & AEP)
- Improve scalability and performance of ZFS, EXT4, NFS, SAS, SCSI and SSD
- Connection tarpitting
- Highly configurable protocol options
- Advanced TCP statistics
- IPset enhancements

Software Defined Networks

Efficiency Benefits

- Scalability: Horizontal growth
- Fault-tolerance: Multiple devices vs. Single point of failure
- Performance: Intelligent routing through software and algorithms
- Reliability: Operational automation



Why Is The Akamai Edge So Hard To Replicate?

- Deep network relationships
- Cost optimizations
- **Global request routing, failover, load balancing**
- Global system management
- Multi-tenant platform
- Multi-product platform

Mapper: Traffic Redirection the Akamai Way

Understands latency and loss

Monitors capacity

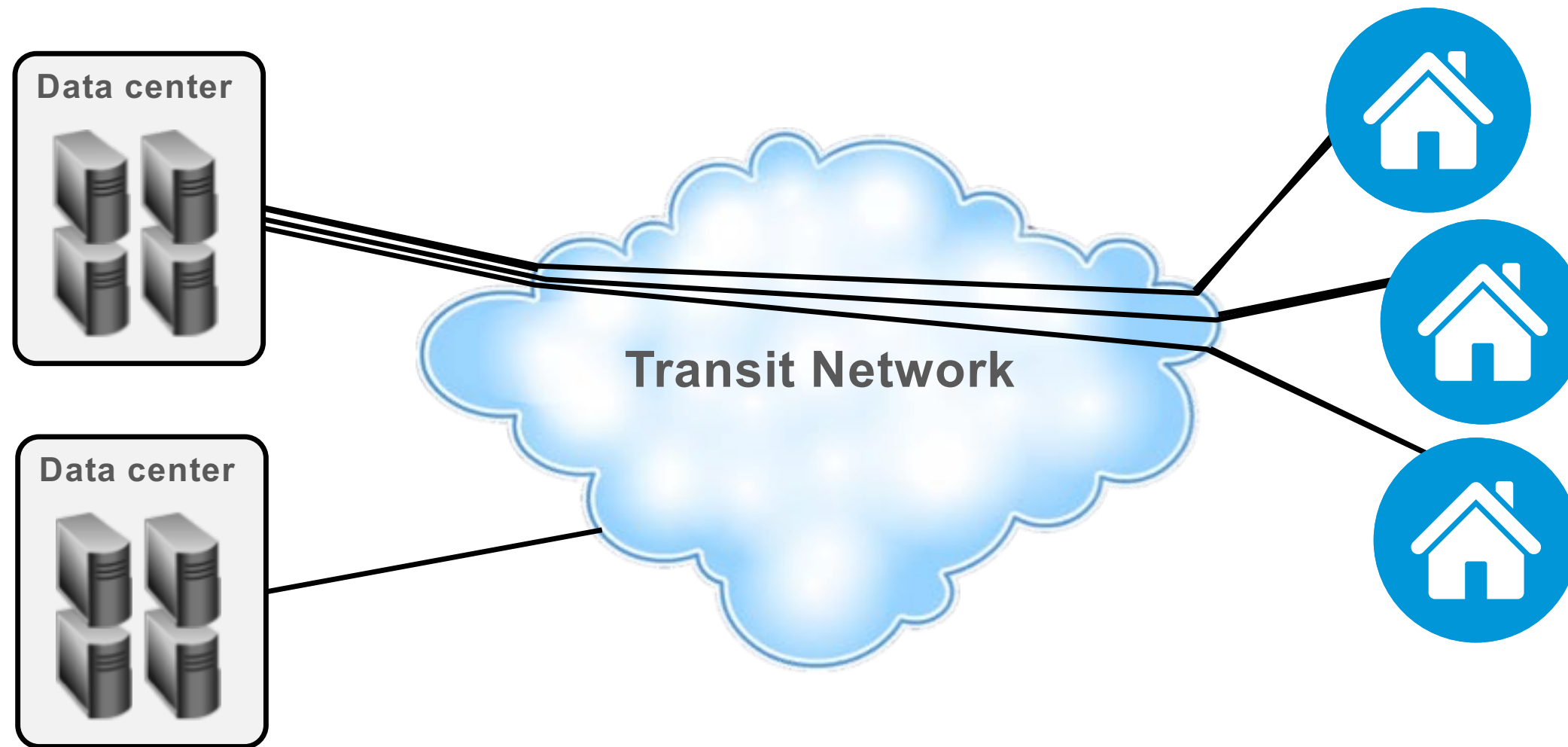
Gracefully deals with down nodes or links

Highly flexible and extendable

Can prioritize different traffic types

Is aware of contractual details

Traditional Traffic Redirection Via Anycast



Course-grain decisions

Slow to change

Little control

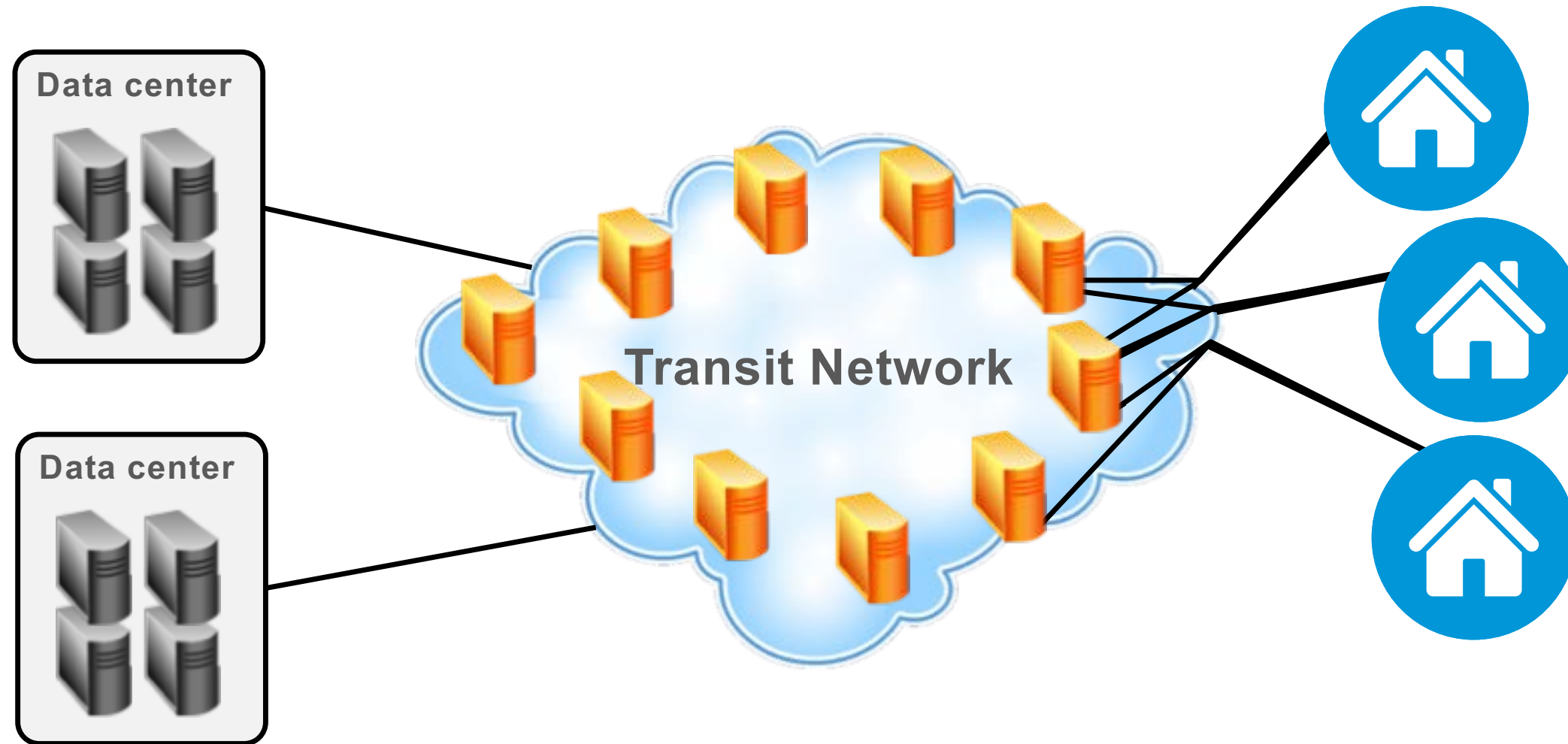
Here's what happens when you get it wrong.



Request from Philadelphia ...Routed through Singapore!

1 request, 3 countries, 18 hops, 238ms of latency

Akamai Traffic Direction Via Mapper



Fine-grain decisions

Rapid response

Highly controllable

Why Is The Akamai Edge So Hard To Replicate?

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- **Global system management**
- Multi-tenant platform
- Multi-product platform

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Why Is The Akamai Edge So Hard To Replicate?

- Deep network relationships
- Cost optimizations
- Global request routing, failover, load balancing
- Global system management
- Multi-tenant platform
- **Multi-product platform**

Capabilities at the Edge

Caching

Authoritative & Recursive DNS

API Protection

Bot Management

Compliance Management

Session Validation

Network Optimization

Image Compression

Gzip Compression

Load Balancing

Edge Compute

Cookie Validation

DDoS Mitigation

User & Token Authentication

JavaScript challenge

Client Access Control

Containers & Custom Code

Browser Fingerprinting

Web Application Firewall

Live & On-Demand Media Accel.

Mobile Detect & Redirect

HTTP/2

Content Targeting

Script Management

Rate Controls

API and Visitor Prioritization

Route Optimization

Image Management

Script Management

Session Validation

Summary

- A global platform with enormous scale
- Opportunity for continued cost savings through optimization
- Distributed architecture provides competitive advantage

Media & Carrier Division

Adam Karon // EVP & GM

Responsible for Carriers, Giant Cloud Platforms, and Customers Across Media Segments

Key Verticals

OTT	Software
Carriers	Publishers
Gaming	Advertising
Cloud Platforms	Social Platforms

Our business is driven primarily by traffic from large content distributors, followed secondarily by bookings for delivery and security products

Media & Carrier Division Customers

Broadcast OTT

47 of the top **50** U.S. television networks

OTT Pure Plays

5 of the top **6** vMVPDs (aka Skinny Bundles)

Social Media/Publishing

17 of the top **20** Global Social Media Platforms

21 of the top **25** Global Newspapers

Carriers

All top **50** Carriers

Gaming

21 of the top **25** Global Gaming Companies

Sports

All of the Major U.S. Sports Leagues

More than 70% of our revenue comes from streaming video, large file delivery and the Carrier products we develop for these customers in the Media & Carrier Division

Expansion and evolution of our customer base and resultant revenue mix

Vertical revenue mix continues to diversify

- Diversification away from giant cloud platforms – 27% (2012) → 13% (2017)
- Video segment has grown significantly – 41% (2012) → 55% (2017)

Geo revenue mix growth outside the U.S.

- International revenue is growing at 12% per year
- Now represents 40% of Media & Carrier Division revenue

Growth Drivers



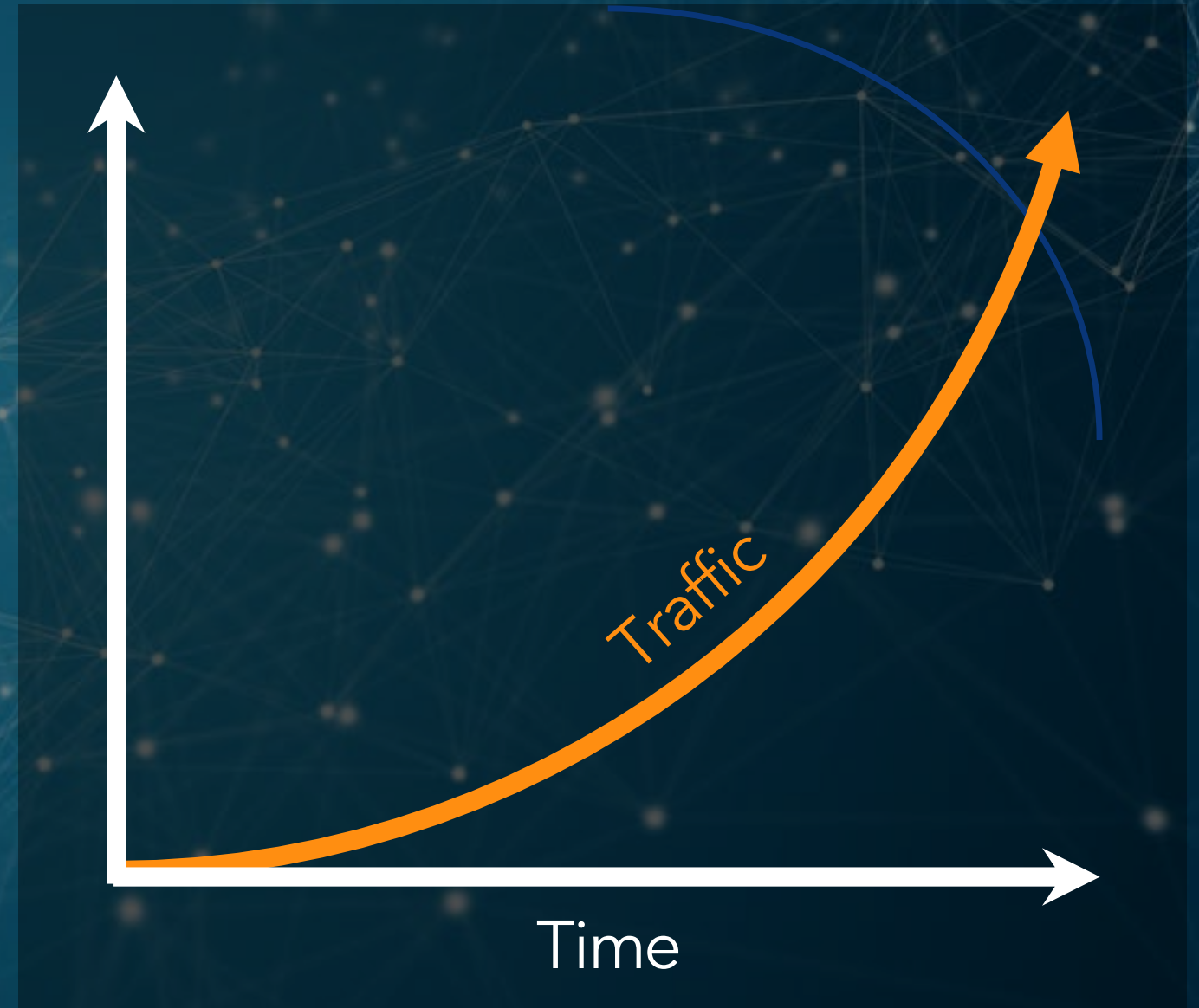
Video

- More viewers
- Longer watch time
- Higher bitrates



Gaming

- More gamers
- More games online
- Bigger game files



Competitive Landscape

“Akamai’s pioneering work in video delivery over the Internet laid the groundwork for today's OTT revolution...”

– IDC, Akamai: Cloud Content Delivery and Security Services Vendor Profile, June 2018

Types

- **Traditional CDN**
- **Giant Cloud Platforms**
- **DIY**

Why We Win

- Better video quality
- Seamless viewing
- Lower latency
- Fast game Downloads
- Global reach
- Scale
- Neutral
- Services & support

FORTNITE



125M
Players
Worldwide

40M
Monthly
Players

5X Reduction
In Download
Errors

Partnership with Hotstar – IPL 2018

10.39M

Peak Concurrent
Viewers

Global Streaming Record on May 27

230 PB

Data
Streamed

+38B

Minutes
Streamed

97%

From
Mobile



"We are delighted that Akamai has been a partner that has always walked in step with our ambitions and delivered the scale that we seek."

– Ajit Mohan, CEO, Hotstar

World Cup 2018

15.5 Tbps+

Peak Traffic
Per Game

55

Number of
Broadcasters

100+

Number of
Countries

33

Number of
Customers
Using MSL

By the tenth day, traffic for the 2018 World Cup surpassed the total volume delivered for the 2014 World Cup

ESPN Sets Launch Date For OTT App

Turner Sports Sets Launch Of Flexibly Priced Bleacher Report OTT Service

CBS Sports OTT service launches, focused on news, analysis

Perform Group To Launch DAZN OTT Service in U.S. With \$1B Matchroom Boxing Deal

Disney to End Netflix Deal, Sets Launch of ESPN and Disney-Branded Streaming Services

Unreel Launches New Food Focused OTT Streaming Service

Hispanic OTT Launches on All Screens with VEMOX and Viaccess-Orca

TV2U, SOL Telecom and CCS TV launch Brazilian OTT service

Apple Plans to Invest \$1 Billion in Original TV Shows and Films

Condé Nast to Launch Wired, Bon Appetit, GQ As Their Own OTT Networks

PCCW Media launches new OTT TV platform with Android TV box

Bell launches TSN Direct, meaning both Canadian sports networks now have full OTT options, unlike U.S. networks

Akamai Media Products

High Performance Delivery with Full Visibility

Delivery

Adaptive Media
Delivery

Download
Delivery

MCDN/LCDN

Origin
Services

NetStorage

Media Services
Live

Cloud Wrapper

Visibility &
Data

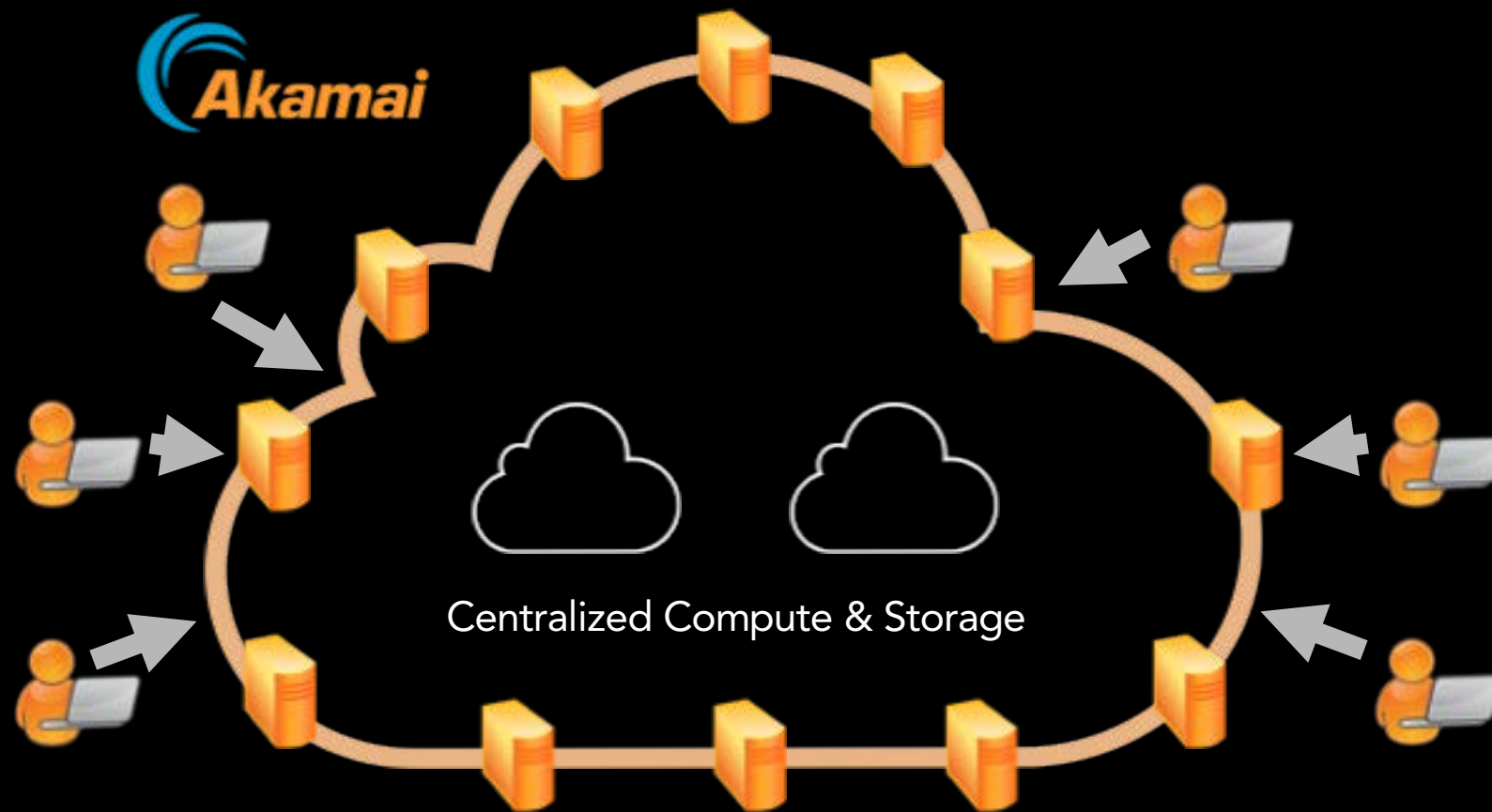
Media Analytics

BOSS/BOCC

Akamai Cloud Wrapper

Akamai's distributed network takes on even more importance as customers move to centralized public clouds for compute and storage.

Cloud Wrapper is an innovative new offering for these customers.



- Maximized offload
- Direct connectivity
- Origin guard
- Advanced authentication
- Balancing between centralized cloud providers for improved reliability and performance

We Took Action

Optimizing GTM

Focused R&D

Lowering Cost While Growing Capacity

Optimizing GTM

Improved Customer Segmentation

Refined Marketing Programs

Created Creative / Flexible Contracts

Attacked Whitespace

Focused Compensation Plans



○ Focused R&D

Exited Peripheral Products

Improved Quality & Visibility

Delivery-focused Innovation

Innovated Disruptive Technology



Lowering Cost While Growing Capacity

Doubled Capacity

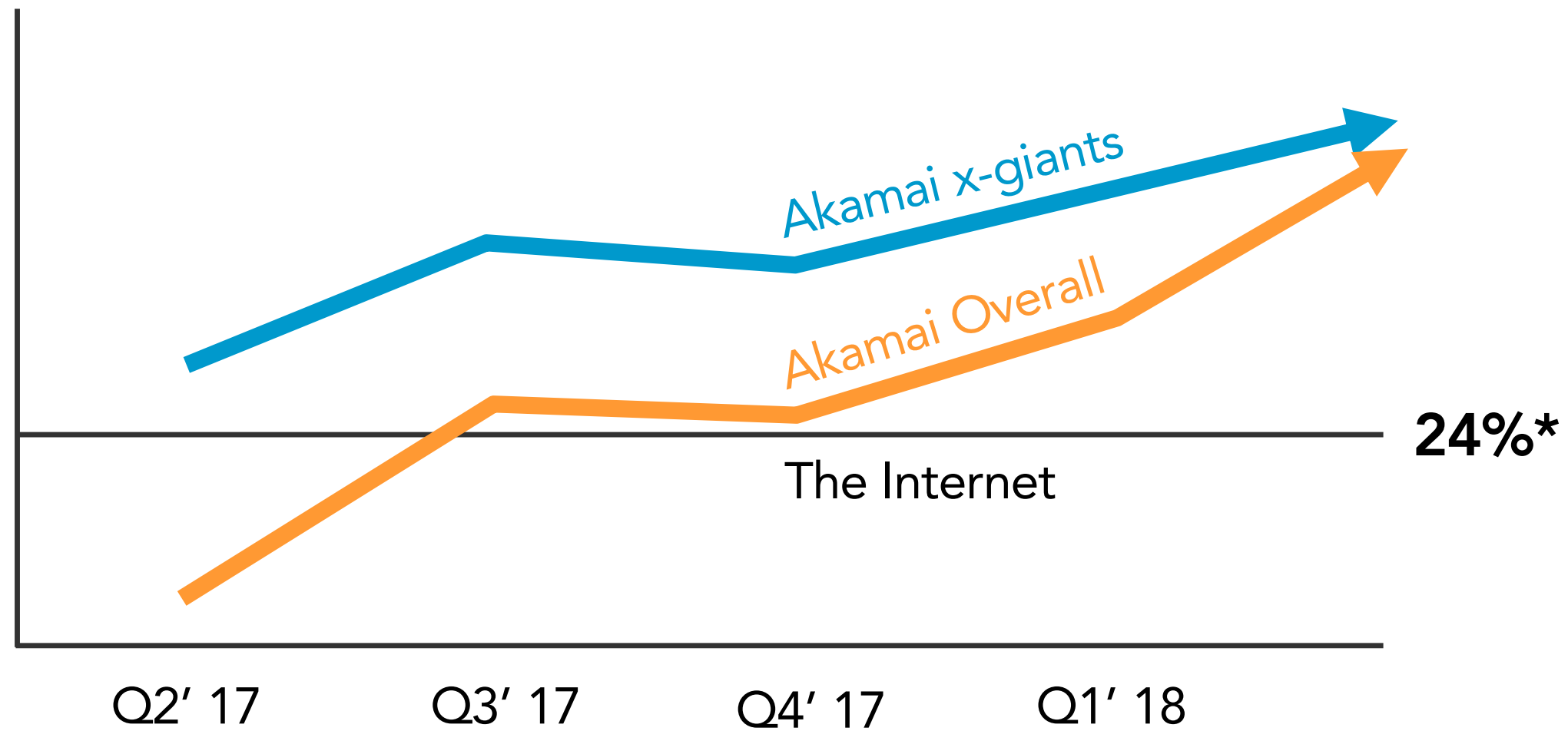
Lowered Capex as a Percent of Revenue

Increased Cash Gross Margin

Increased Free Cash Flow

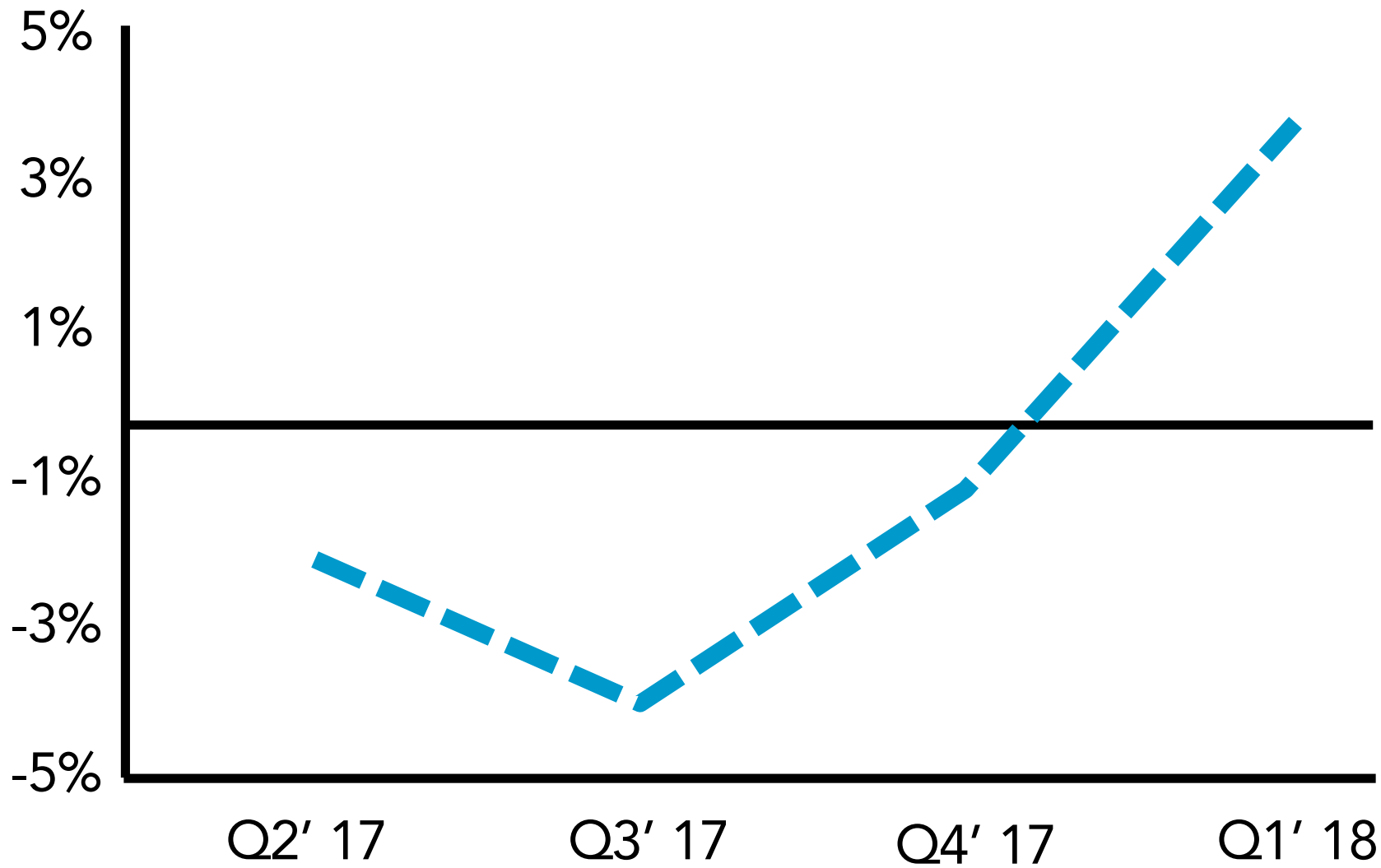
Developed Hardware / Software Optimizations

Y/Y Traffic Growth – Akamai vs. the Internet



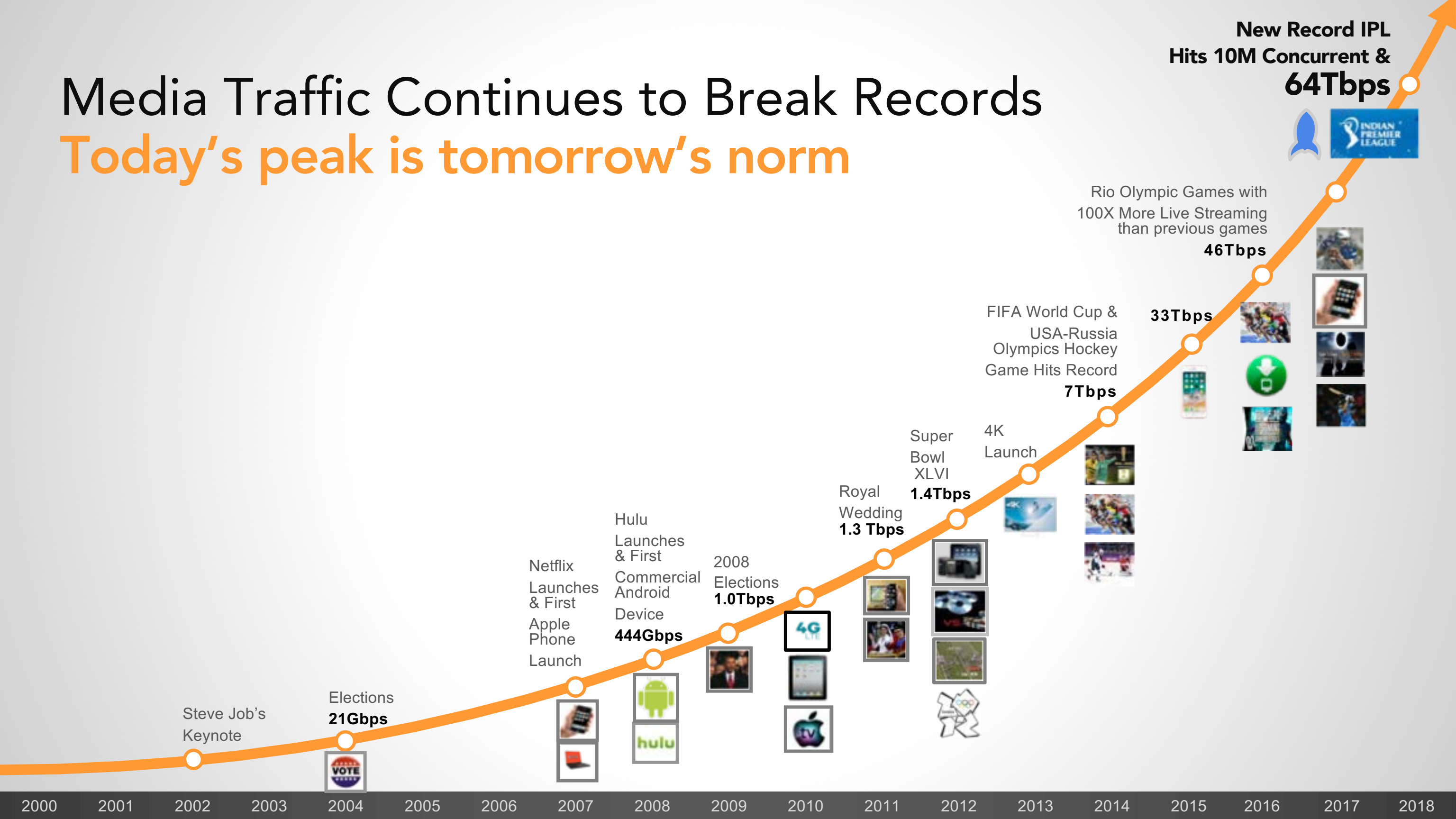
*Source: Cisco VNI Report, 2017

Akamai Media & Carrier Revenue Growth Y/Y



Media Traffic Continues to Break Records

Today's peak is tomorrow's norm



Summary

- Deliver unmatched quality, reliability and scale
- Focus on customer success and sales productivity
- Maximize traffic share
- Continue optimizing cost
- Drive operational excellence

Web Division

Rick McConnell // President & GM

Responsible for customers across all segments other than media and carriers

Key Verticals

Commerce
Financial Services
Hotel & Travel
Public Sector

High-tech
Automotive
Business Services
Consumer Goods

Our business is driven primarily by bookings, which represent customer commitments for our solutions and services, followed secondarily by traffic

Web Division Customers

Retail

All 20 top Global eCommerce
91 of the top **100** U.S. eCommerce

Financial Services

37 of the top **50** Leading Banks
18 of the top **20** Asset Managers

Other Key Verticals

High Tech, Business Services, Automotive, Consumer Goods, Infotech

Public Sector

14 out of **15** cabinet-level agencies
in the U.S. Federal government

All branches of the U.S. Military

Hotel & Travel

8 of the top **10** Airlines
6 of the top **10** Hotels

More than 85% of our revenue comes from performance and security products we develop for these customers in the Web Division

Expansion and evolution of our customer base and resultant revenue mix

Vertical revenue mix continues to diversify

- Growth in Financial Services, Travel and other industries
- Largely driven by Security bookings growth

Geo revenue mix growth outside the U.S.

- International revenue has been growing at >20% per year
- Now represents 35% of Web Division revenue

Growth Drivers

Security
Growth

Pricing &
Packaging

New
Products

Mobile /
Apps

New
Customers

Emerging
Areas

Security Growth

>\$600M revenue annual run rate for Akamai

Grew >30% in 2017 and to >30% of Web Division revenue

Focused on increasing penetration into installed base plus new Security products

Security now represents two-thirds of Web Division bookings

○ Pricing & Packaging

Simplified Performance and Security bundles for multi-product deployment

Enterprise License Agreements (ELAs) for our larger customers to use our full portfolio across all of their sites/apps

Enabling customers to more easily purchase multiple products

○ New Products

Expanding our portfolio through new product development and acquisition

~50% of Web Division bookings

Driving greater customer value and material revenue growth

New Products now account for a >\$100M annual run rate for Akamai

○ Mobile Apps

Notable expansion from web sites to mobile apps

Increasingly critical to accelerate and protect APIs

Multiple products for developers

Significant white space for us to capture in mobile apps

○ New Customers

Investing aggressively in customer base expansion:

- Sales Development Reps
- Field Hunters / Inside Sales reps
- Increased digital marketing spend
- Channel rebates for prospect sourcing

Growing number of new customers projected at ~20% Y/Y as a result

Emerging Areas

Investing in three Emerging Areas:

- **Zero Trust:** Strong addressable market in Web for Enterprise Security
- **IoT:** Adding bi-directional communications
- **Blockchain:** Initially payment processing

Opportunity to expand to new verticals

These areas represent substantial future opportunity

Growth Drivers

Security
Growth

Pricing &
Packaging

New
Products

Mobile /
Apps

New
Customers

Emerging
Areas



Scott Lovett
SVP, Global Web Sales

Akamai Edge Performance

Adaptive solutions accelerate modern apps

Edge Computing

Cloudlets

Smart, scalable apps maximize efficiency and integrity

Container Services

Execute custom code at the Edge to power next-gen apps

Application Optimization

DSA

Caching, reliability, and offload for web content

Ion

Adaptive Acceleration for Websites, Mobile apps and APIs

Image Manager

Dynamic optimization and transformation of images

Performance Management

CloudTest

Scalable, global load testing

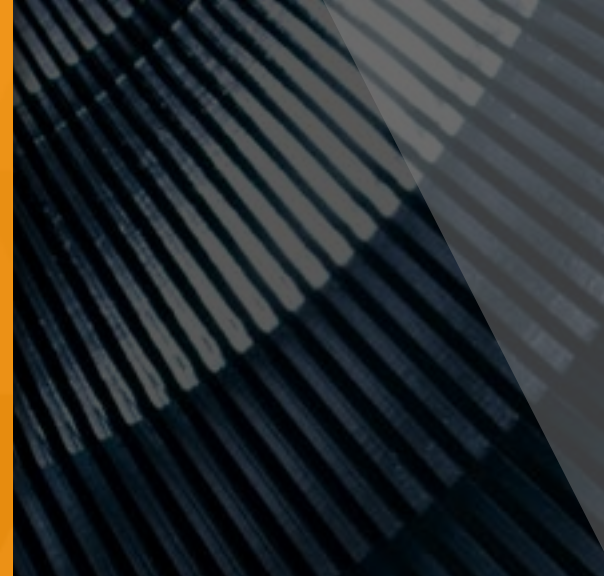
mPulse

Measure what matters to prioritize optimizations

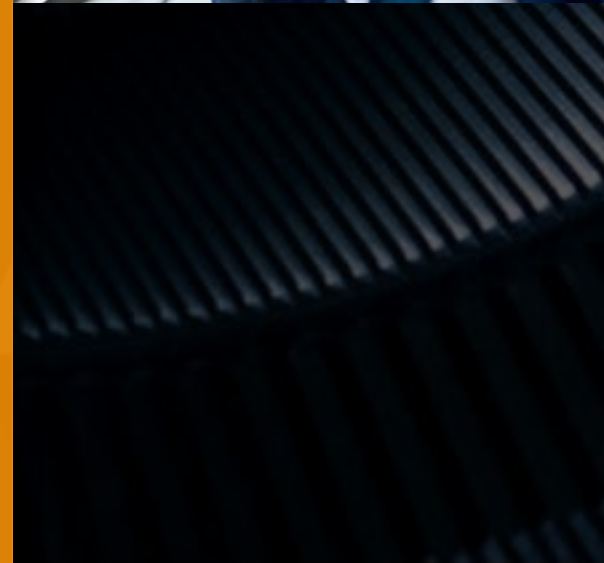
Image Manager

Increase online engagement
Simplify image publishing
Optimize for every context

Link
Transform
Optimize
Deliver



Reduces Image
Download Times
10x



VIDEO
COMING
SOON!

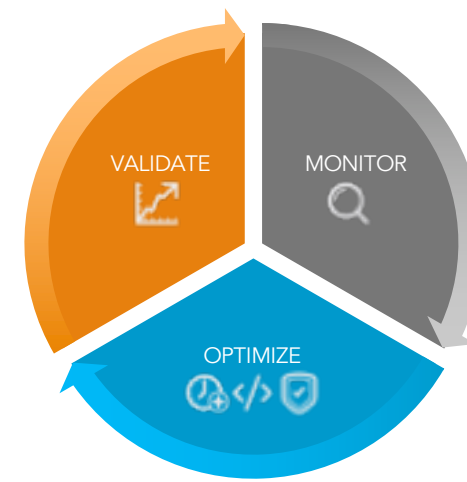


mPulse

Real-user-monitoring

Tools to tackle the most demanding digital platforms

Identify what's slowing you down
Calculate the business impact
Diagnose and prioritize the fix



53%

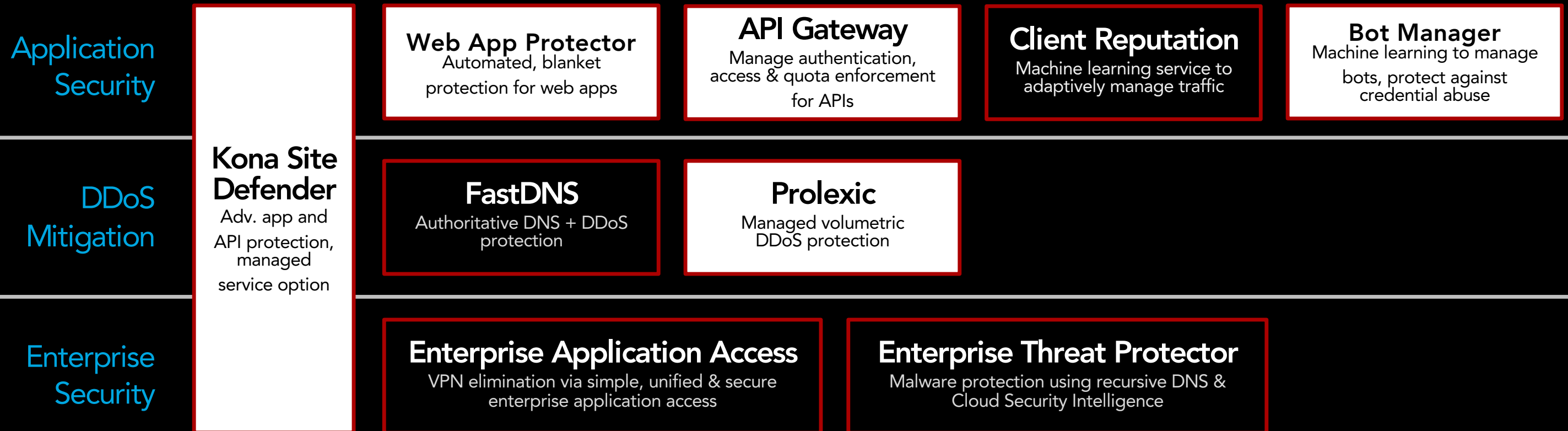
of mobile site visits are abandoned if it takes longer than 3 seconds to load*



*Source: Google Data, Global, n=3,700 aggregated, anonymized Google Analytics data from a sample of mWeb sites opted into sharing benchmark data, Mar. 2016.

Akamai Edge Security

Risk-adaptive security for defense in depth



Bot Manager Premier

Behavioral anomaly
Detecting the most
sophisticated bots

Most sophisticated
Highest accuracy
Simple to deploy



~250

Bot Management
customers
deployed today

API Gateway

Authenticate & scale APIs

APIs are at the center of every digital experience

Scalable access control

User quota enforcement

Integrated with WAF protection

Open APIs for modern & mobile apps

We deliver over

445B

API hits and 2.4
petabytes of API
traffic daily

Competitive Landscape

Akamai owns the industry's most expansive service portfolio, including web and mobile acceleration, media, and security services (DDoS mitigation, malware protection, WAF, bot mitigation, etc.).

- Gartner Market Guide for CDN Services

Web Performance

Cloud Service Providers

Web Perf Startups

Traditional CDNs

Differentiators:

Global scale, reliability and speed

Expansive, integrated portfolio: performance, security, image management., mobile, analytics, testing, and enterprise

Increased focus on DevOps and self-service

Web Security

CPE Security Providers

Security Startups

Carriers and CDNs

Differentiators:

Massive scale and intelligence yields unparalleled attack detection and protection

Integrated defense in depth: protect infrastructure, apps, and data from DDoS, app vulnerabilities, bots, and malware

Leader in Forrester DDOS Wave, Forrester WAF Wave, and Gartner WAF MQ

○ Addressable Market

- Market opportunity built up from three sources: Performance, Security, Emerging Areas
- Expansion organically and through acquisition
- Aggregate opportunity is many billions of dollars

Summary

- Operational focus to deliver profitable growth
- Broad-based product innovation and development
- Installed base growth through portfolio penetration
- Customer base expansion through go-to-market investment
- Market trends enabling six key growth drivers

Financial Review

Balancing Execution, Innovation & Optimization

Jim Benson // EVP and CFO



Agenda

Guidance Update

Financial Reflection

Division Snapshot

Looking Forward

Takeaways

—○ Agenda

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Q2 2018 Guidance Update

FX headwinds since 4/30 // Tracking to midpoint (x-FX)
Solid revenue growth // Further traction on margins/earnings expansion

	4/30 GUIDANCE	FX IMPACT	4/30 GUIDANCE ADJ FOR FX	Q2 UPDATED GUIDANCE
Revenue	\$658-670M	-\$3M	\$655-667M	\$658-663M
EBITDA Margin	39%	-\$2M	39%	39%
Non-GAAP Op Margin	25-26%	-\$2M	25-26%	25-26%
Non-GAAP EPS	\$0.79-0.83	-\$0.01	\$0.78-0.82	\$0.79-0.81

Refer to the investor relations section of our website for definitions of our non-GAAP metrics.

Full Year 2018 Guidance Update

Adjusting guidance for FX headwinds // Increasing guidance on top & bottom lines (x-FX)
Operating leverage driving margin/earnings expansion

	4/30 GUIDANCE	FX IMPACT	4/30 GUIDANCE ADJ FOR FX	FY18 UPDATED GUIDANCE	
Revenue	\$2,690 – 2,720M	-\$17M	\$2,673 – 2,703M	\$2,675 – 2,705M	↑
EBITDA Margin	39%	-\$10M	39%	39%	
Non-GAAP Op Margin	25%	-\$10M	25%	25-26%	↑
Non-GAAP EPS	\$3.15-3.25	-\$0.05	\$3.10-3.20	\$3.20-3.30	↑

Refer to the investor relations section of our website for definitions of our non-GAAP metrics.

—○ Agenda

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Company Financial Priorities

Accelerate revenue growth

Invest in innovation & new products
for long-term growth

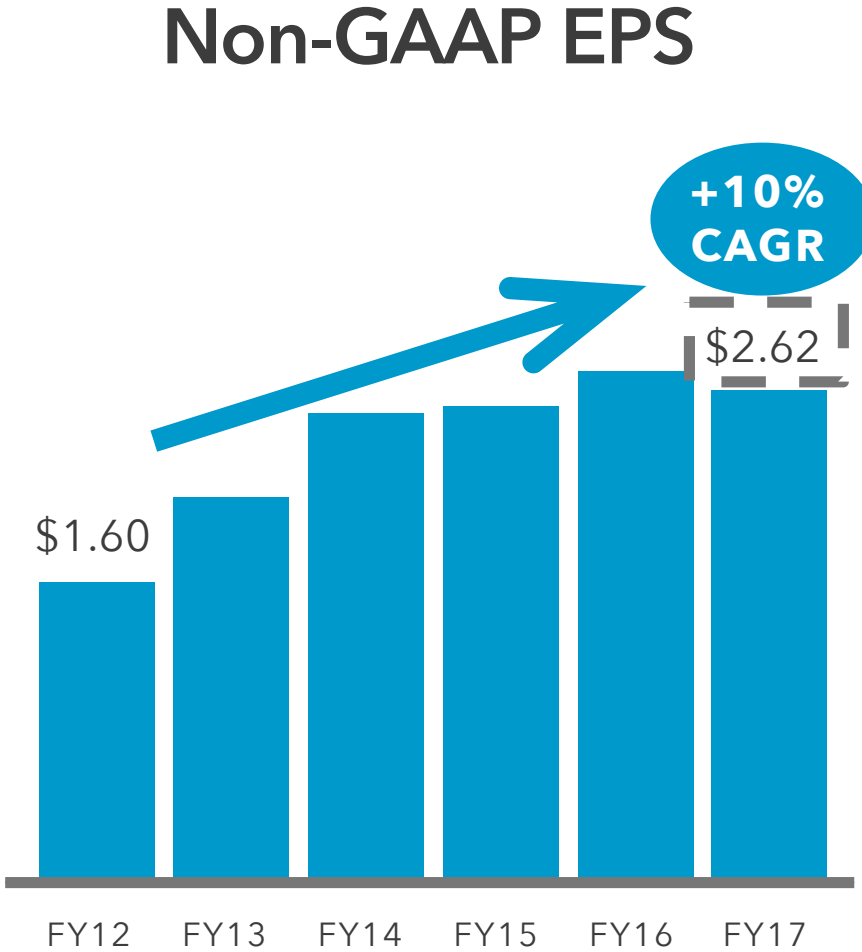
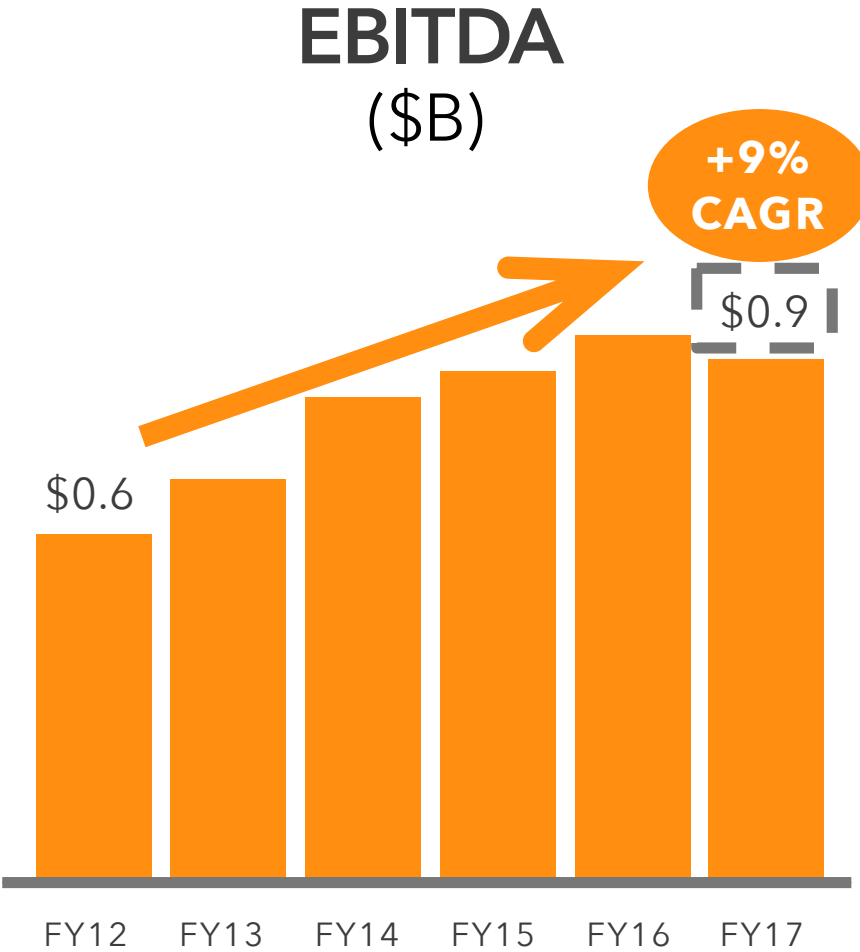
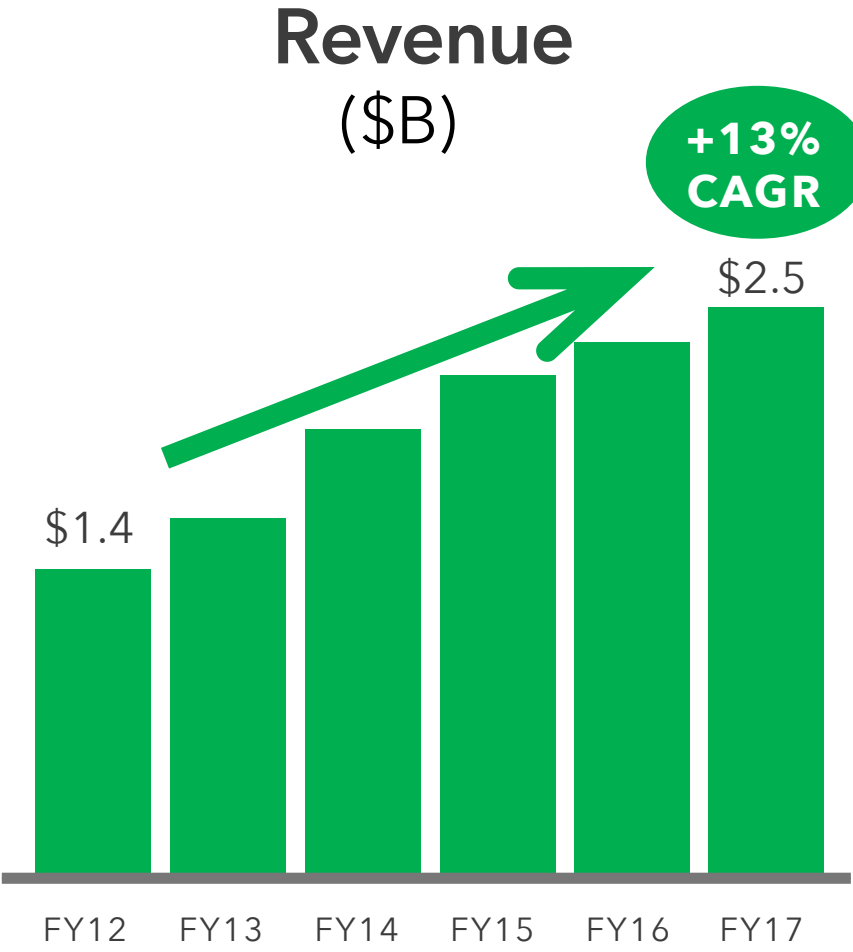
Deliver strong operating margins

Maintain disciplined and balanced
capital allocation approach

Maximize long-term shareholder value

Delivering strong growth, margins & earnings over multi-year horizon

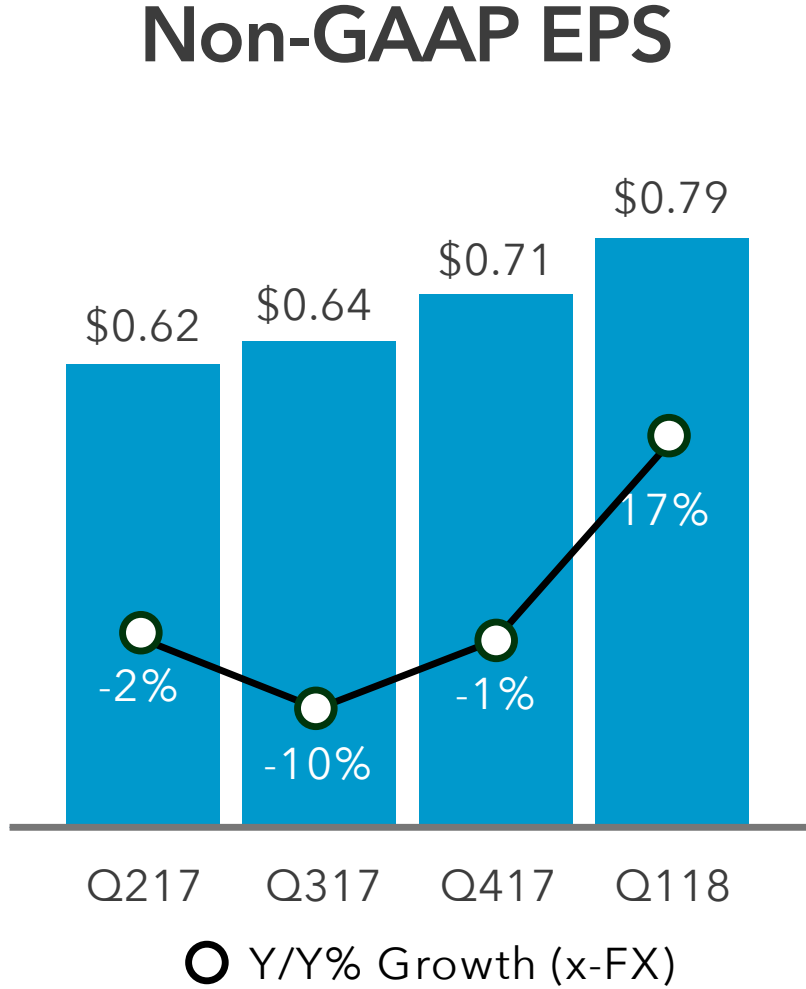
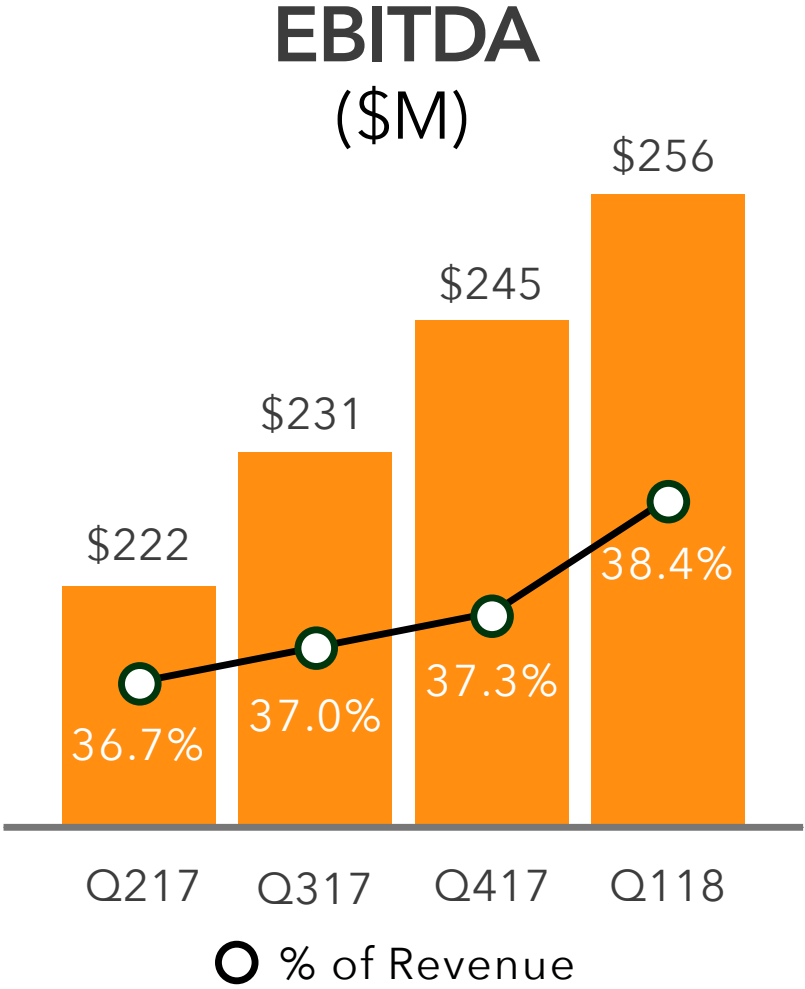
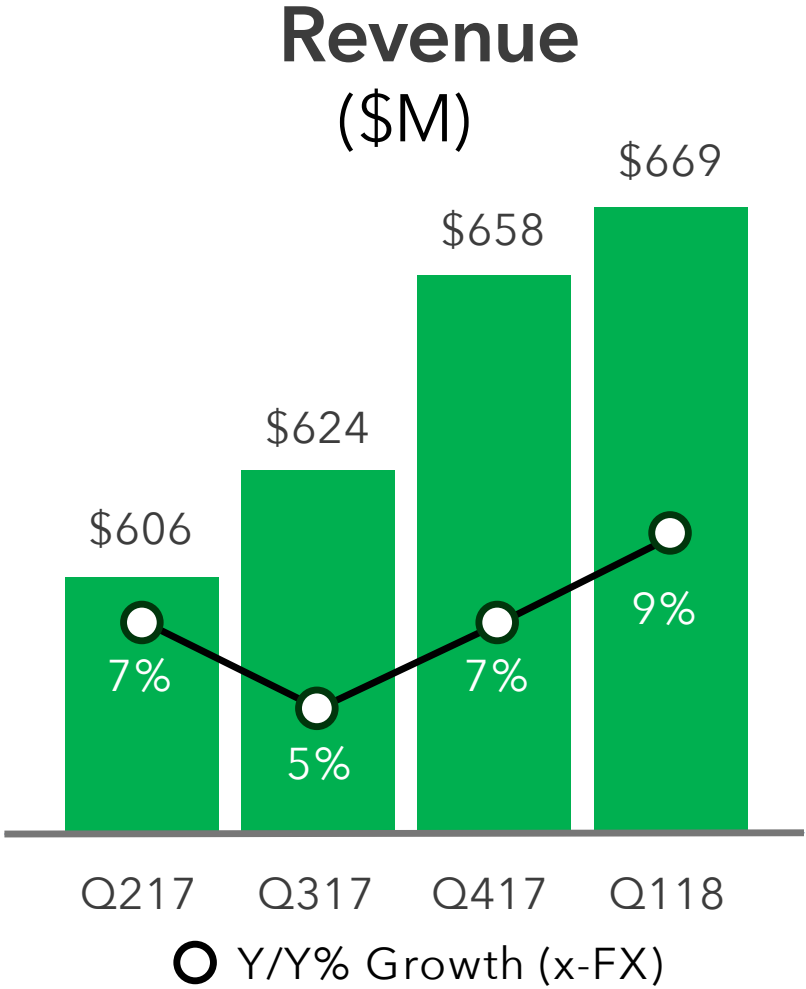
Category creator & market leader // Attractive financial model // Long-term consistency



Includes short-term margin headwind from acquisitions of Soasta and Nominum.
Refer to the investor relations section of our website for definitions of our non-GAAP metrics and a reconciliation to the closest GAAP metric.

Recent progress on revenue acceleration & margin/earnings expansion

Acceleration in '18 // Scaling M&A // Driving operating efficiencies

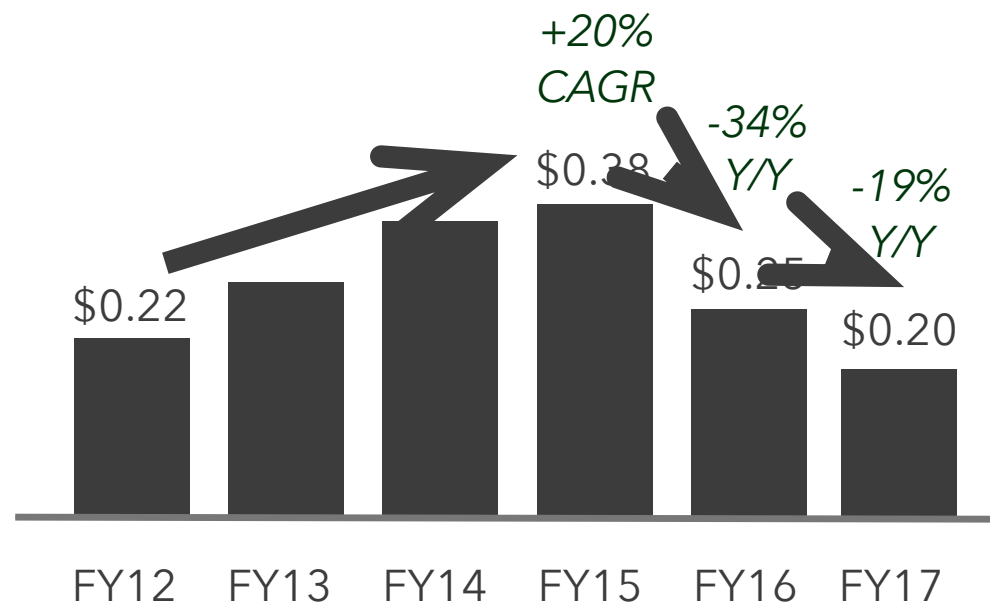


The quarterly results of revenue, EBITDA and non-GAAP EPS have been revised to reflect the adoption of the new revenue recognition standard. Refer to the investor relations section of our website for definitions of our non-GAAP metrics and a reconciliation to the closest GAAP metric.

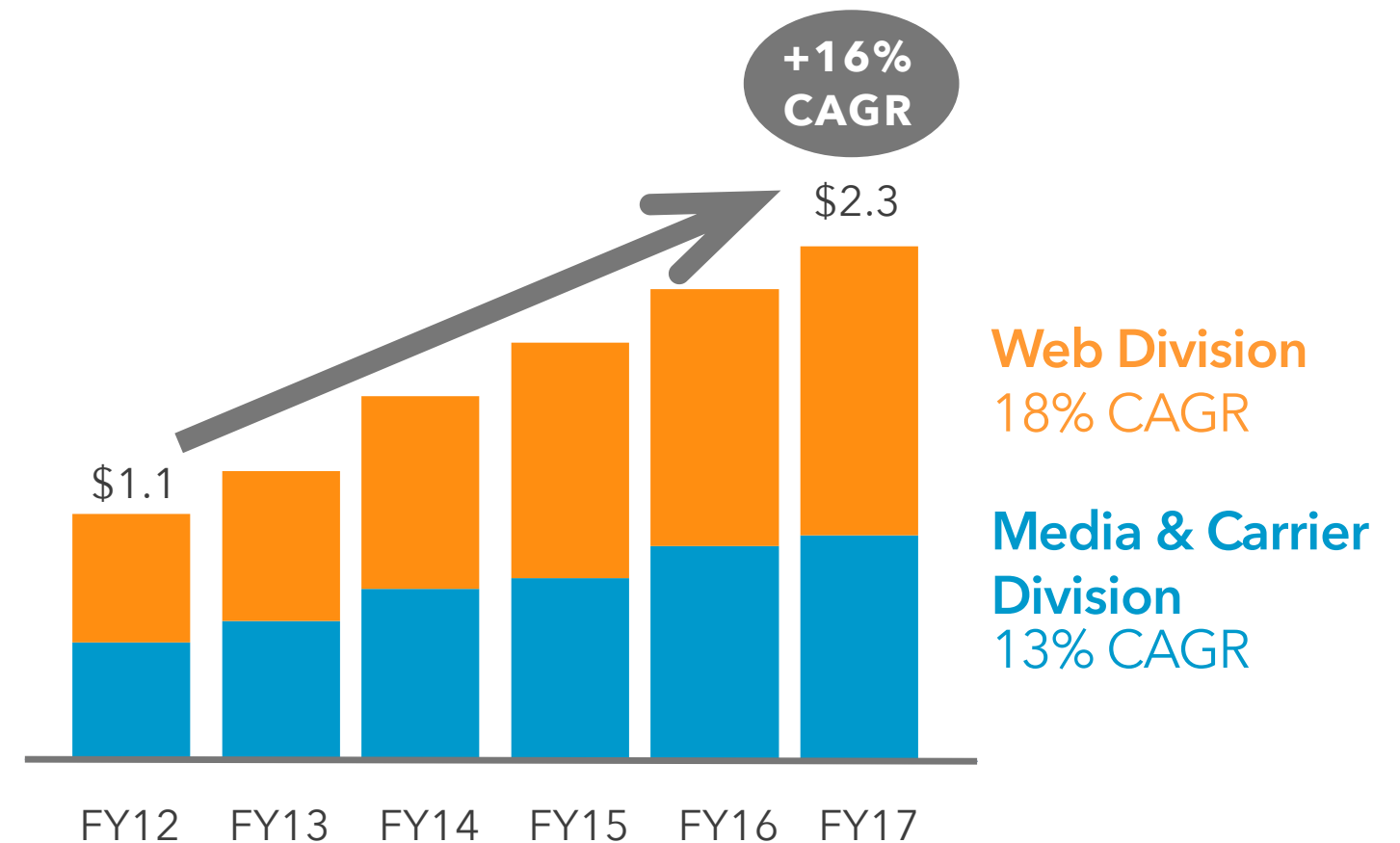
Continued strong growth outside internet giants

Revenue more than doubled outside the internet giants // Solid growth in both divisions

Revenue: Internet Giants



Revenue: Ex. Internet Giants

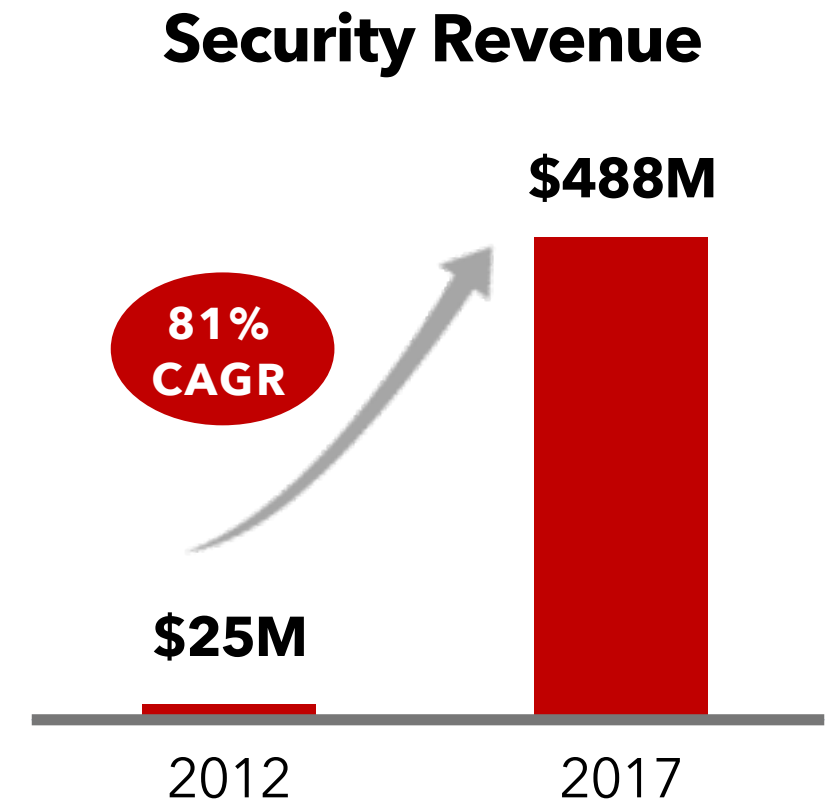
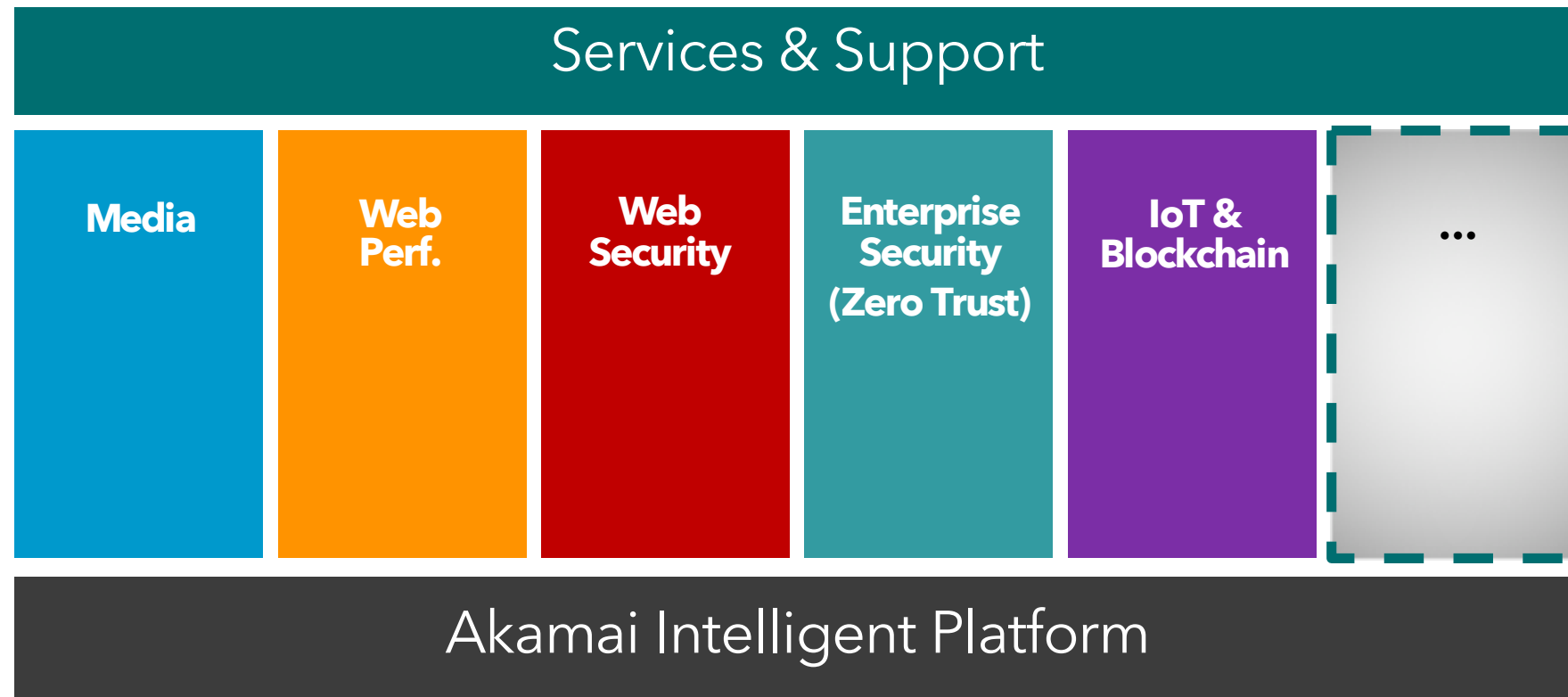


Charts in \$B. Revenue growth rates exclude the impact of foreign currency exchange rate changes.

* We refer to the following companies as our large internet platform customers: Amazon, Apple, Facebook, Google, Microsoft, Netflix

Expanding portfolio into brand new categories

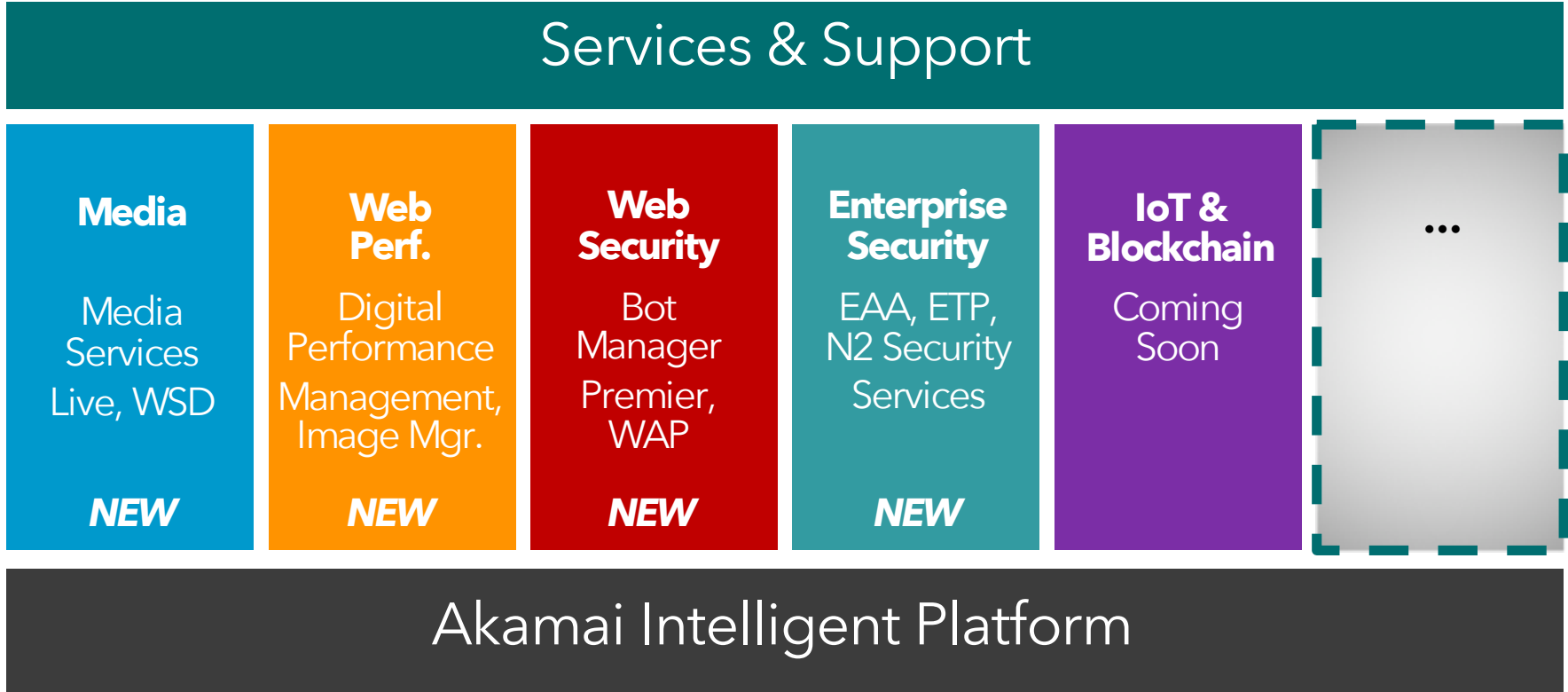
One platform leveraged for multiple use cases // Security now >\$600M ARR*
Enterprise Security, IoT & Blockchain the next wave



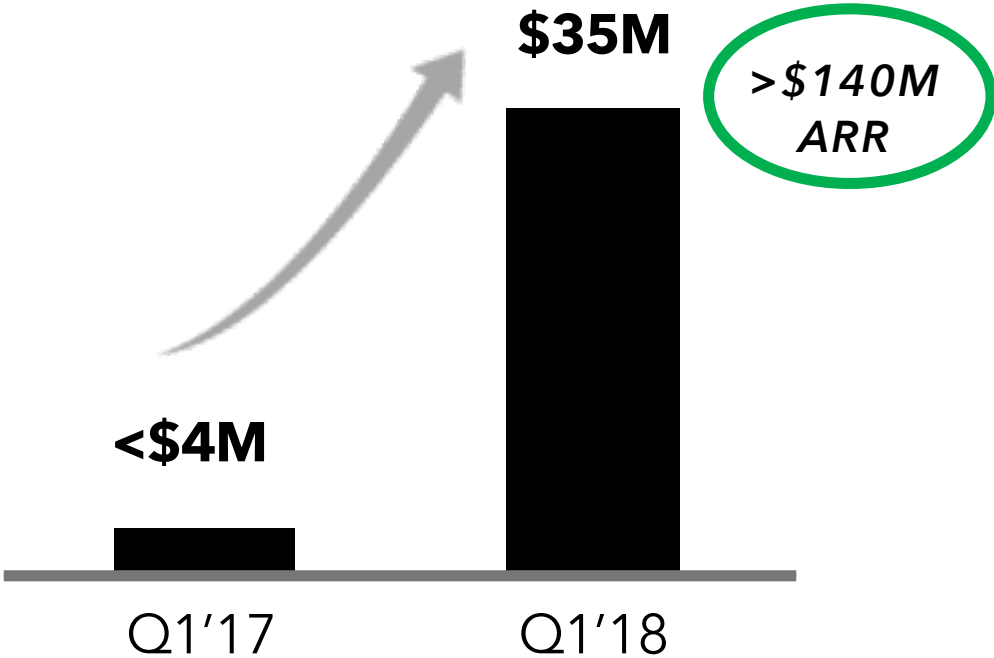
* ARR is annualized revenue run-rate.

Extending portfolio into additional new product adjacencies

Accelerated pace of innovation (organic and M&A) //
New products launched in past 18 months now >\$140M ARR* // More to come...



New Product Revenue



* ARR is annualized revenue run-rate.

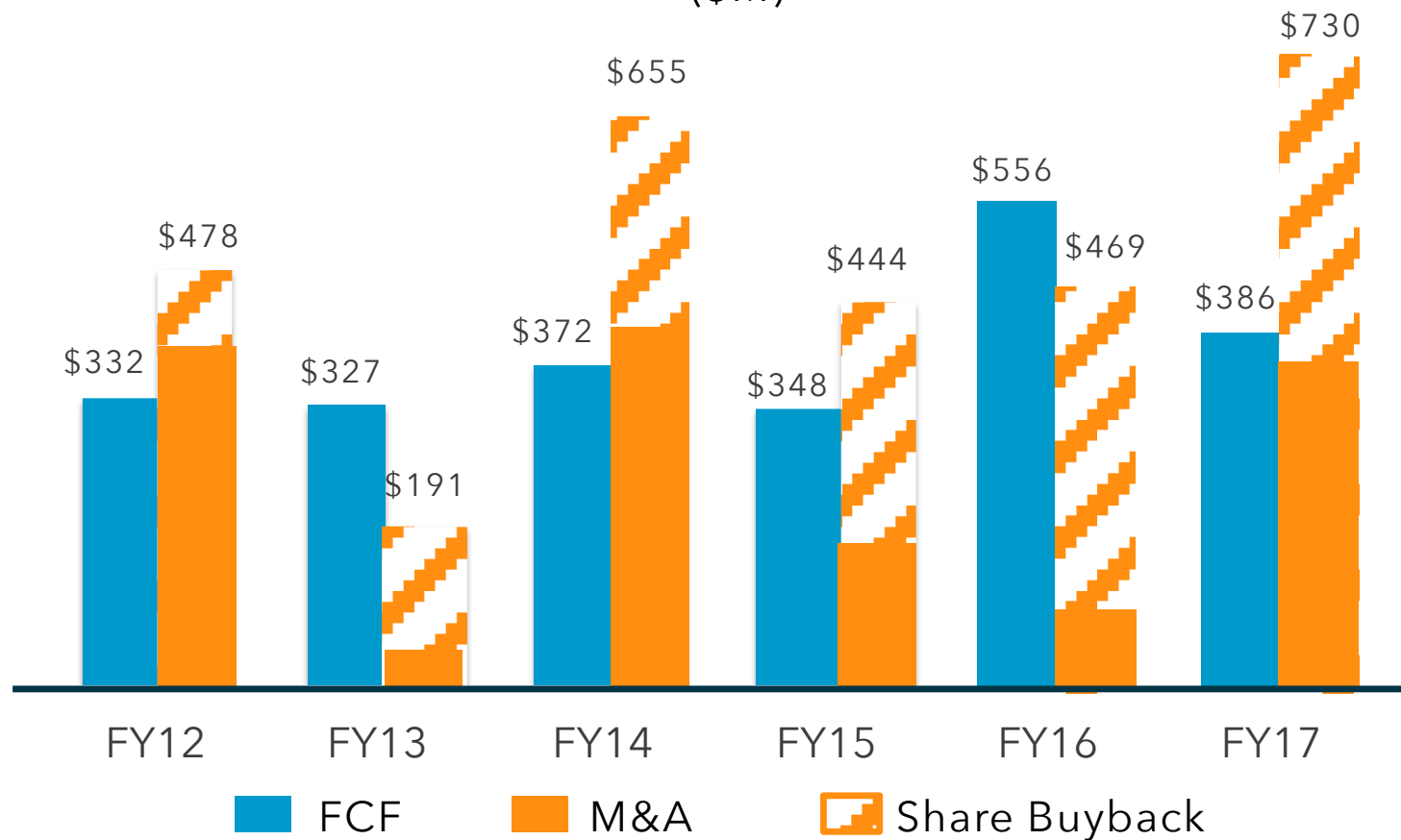
Leveraging strong cash flow & balance sheet to invest in the business and return capital

Capital allocation priorities:

Invest in growth/scale initiatives // Enable value-enhancing M&A // Ongoing return of capital

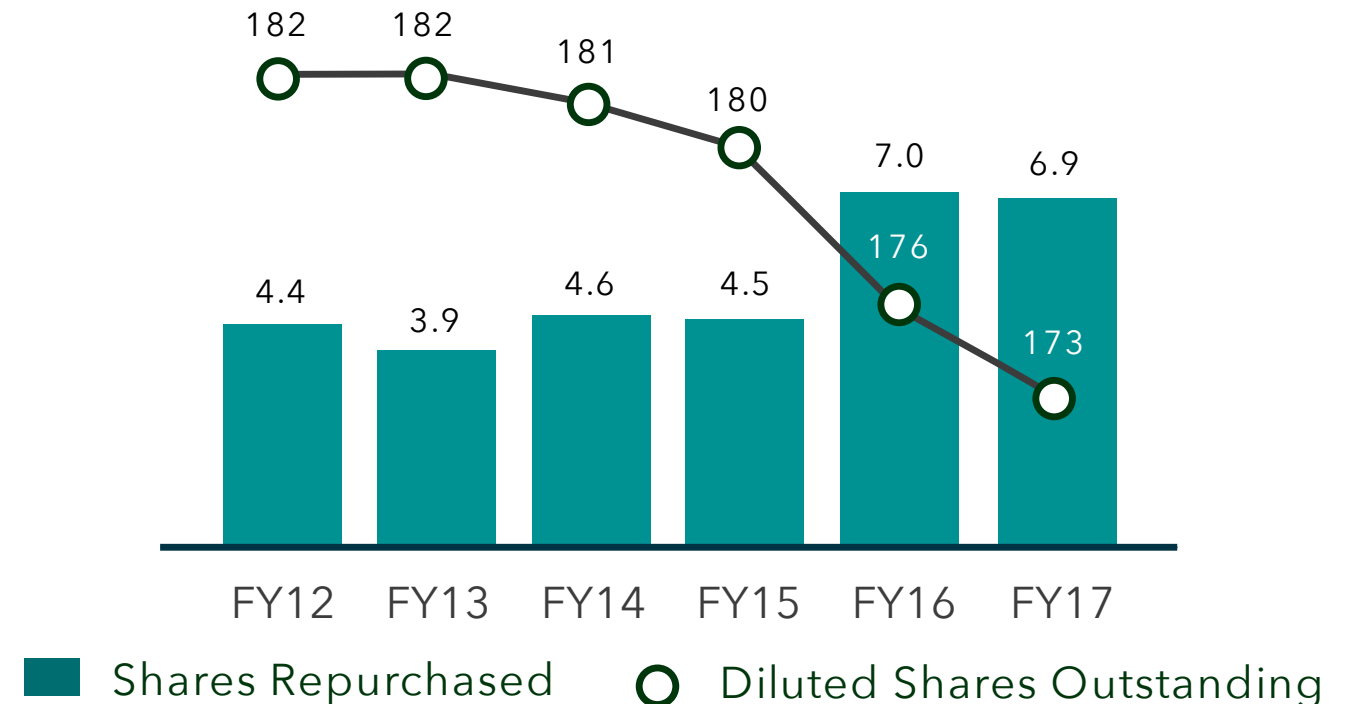
Cash Flow (Uses)

(\$M)



Buyback & Share Count

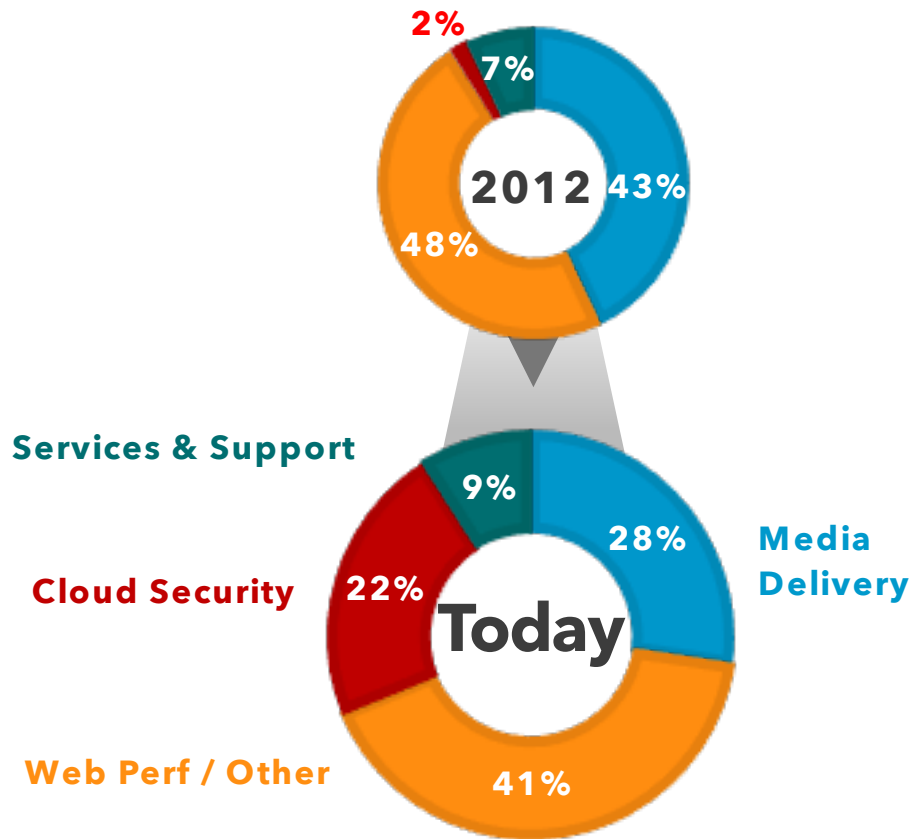
(#M)



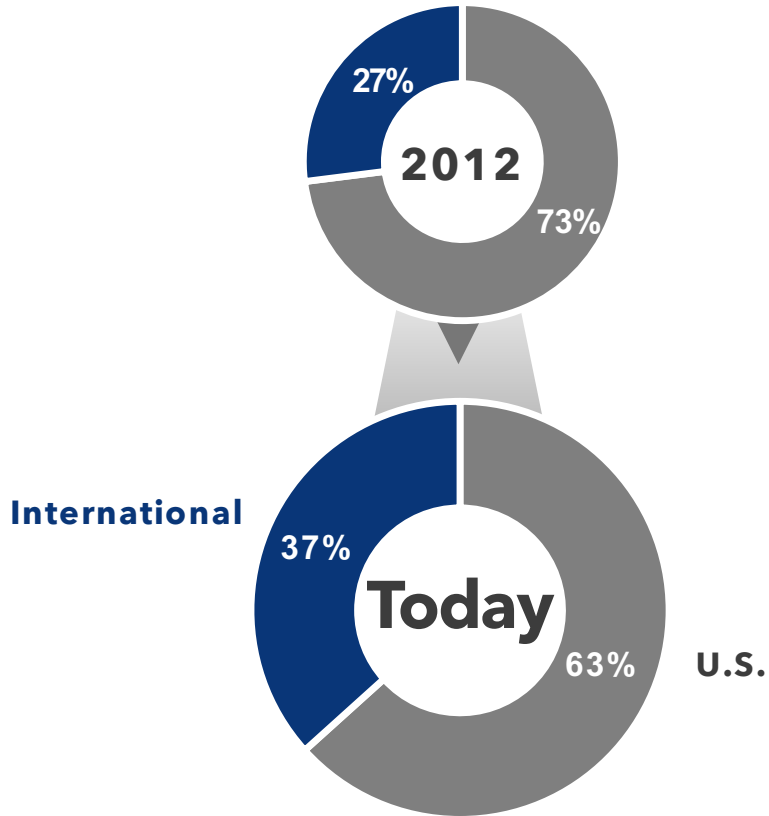
Revenue diversification strategy positions Akamai for long-term success

Better balanced and lower risk mix
Diversified portfolio and markets for growth // Customer concentration at an all-time low

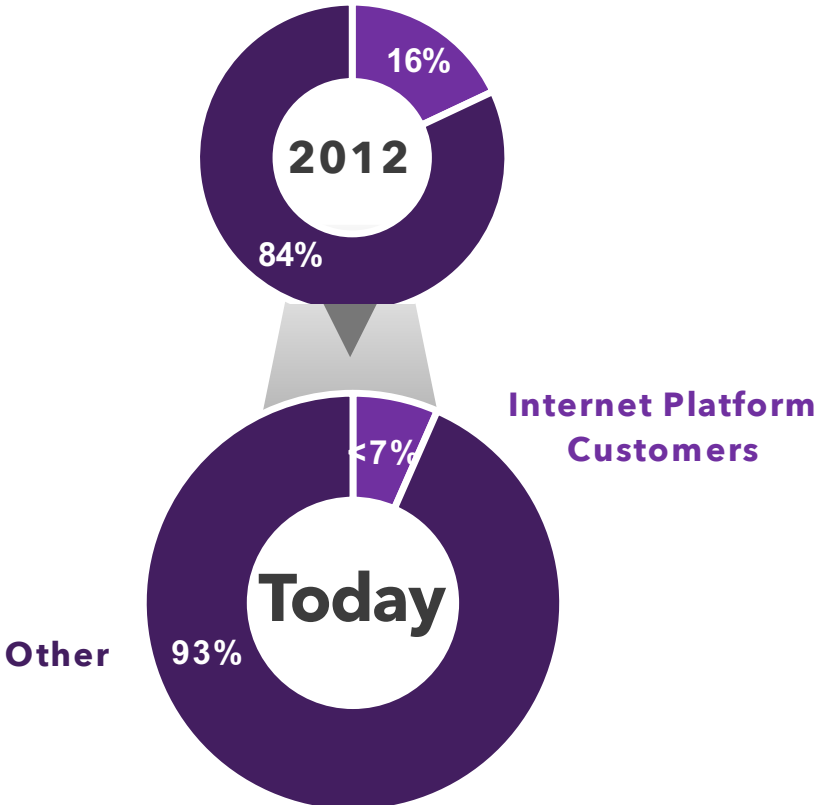
Solution Mix



Geography Mix



Customer Mix



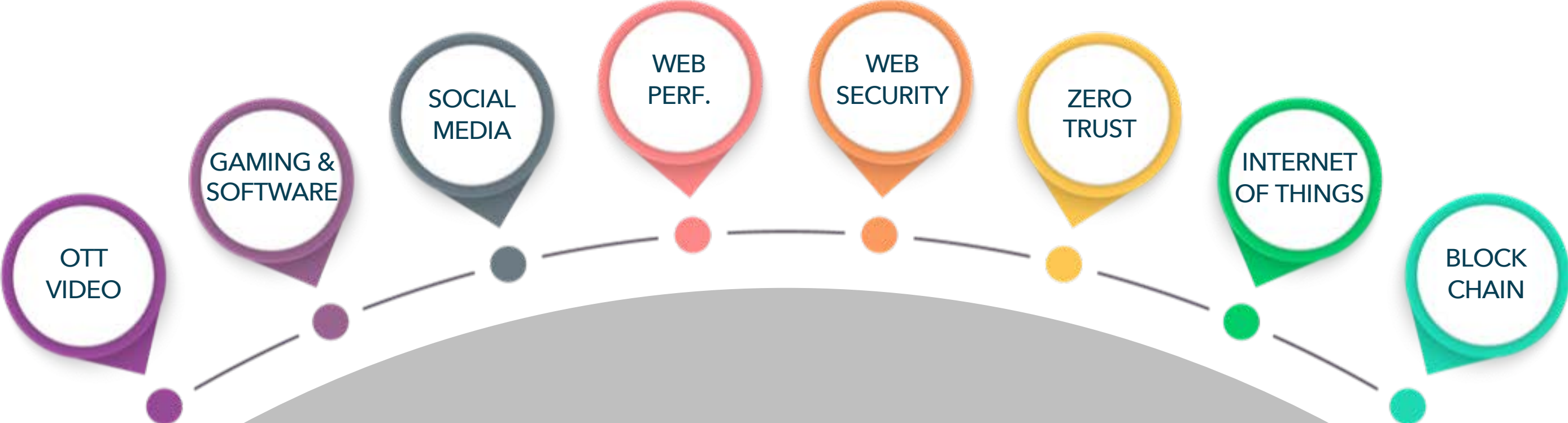
"Today" represents the revenue mix as of Q1'18.

Broader portfolio diversification creates a larger market opportunity

Multiple growth vectors // Strong secular tailwinds // Creates more stability & consistency

>\$16B MARKET OPPORTUNITY

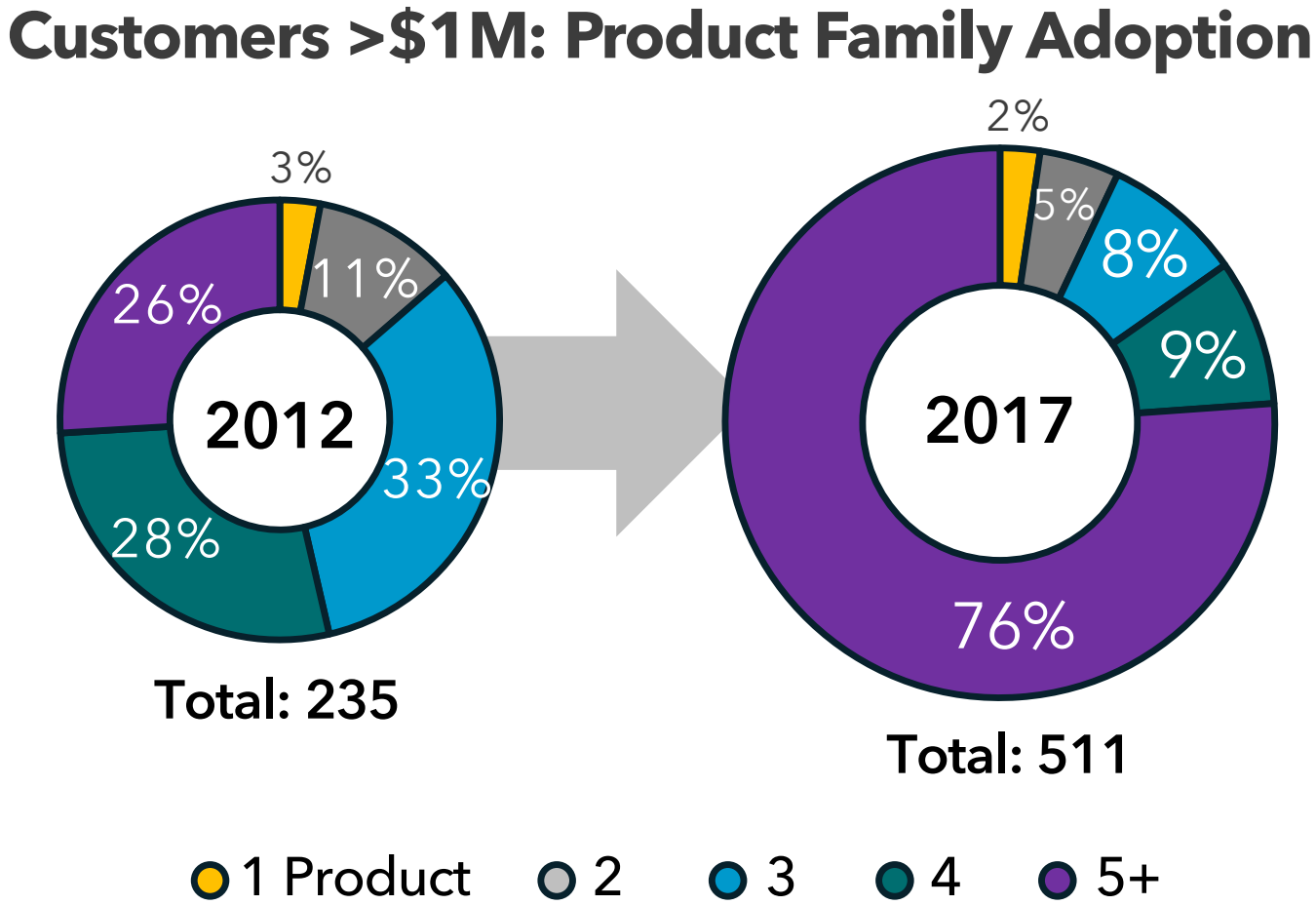
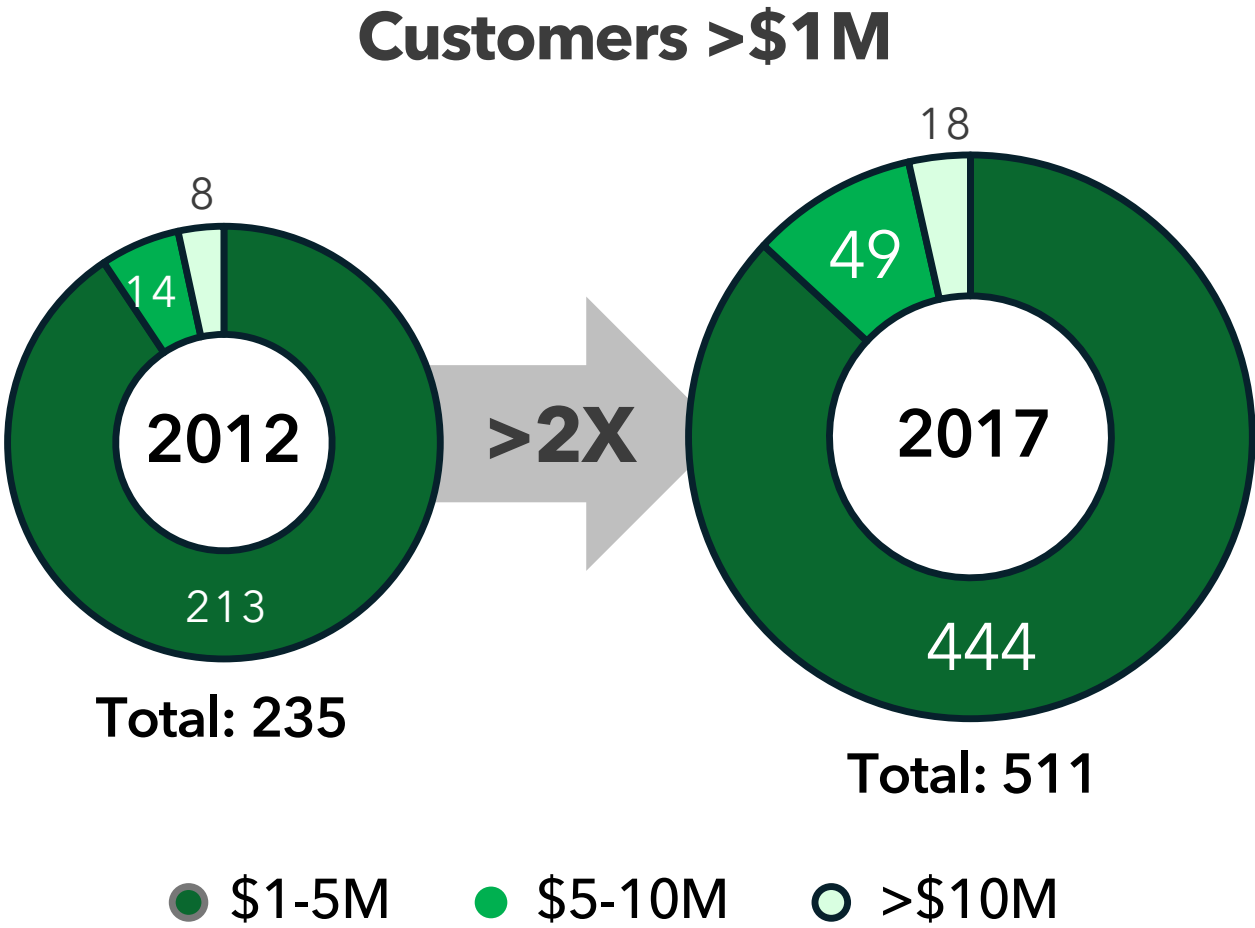
Industry and Company Estimates



AKAMAI'S GLOBAL PLATFORM

Expanding portfolio capabilities increases strategic importance with customers

Customers >\$1M have more than doubled since 2012 (and 25% of them are new)
 And most of them now leverage 5+ Akamai products



Represents numbers of customers spending >\$1M as of 2012 and 2017 respectively.

Significant growth opportunities ahead...

62%

of the Fortune 500
are Akamai customers

Great opportunity
to reach remainder

PRODUCT FAMILY ADOPTION
ACROSS OUR CUSTOMER BASE:

38% Buy only one product

40% Buy a security product

13% Buy one of our new products

—○ Agenda

Guidance Update

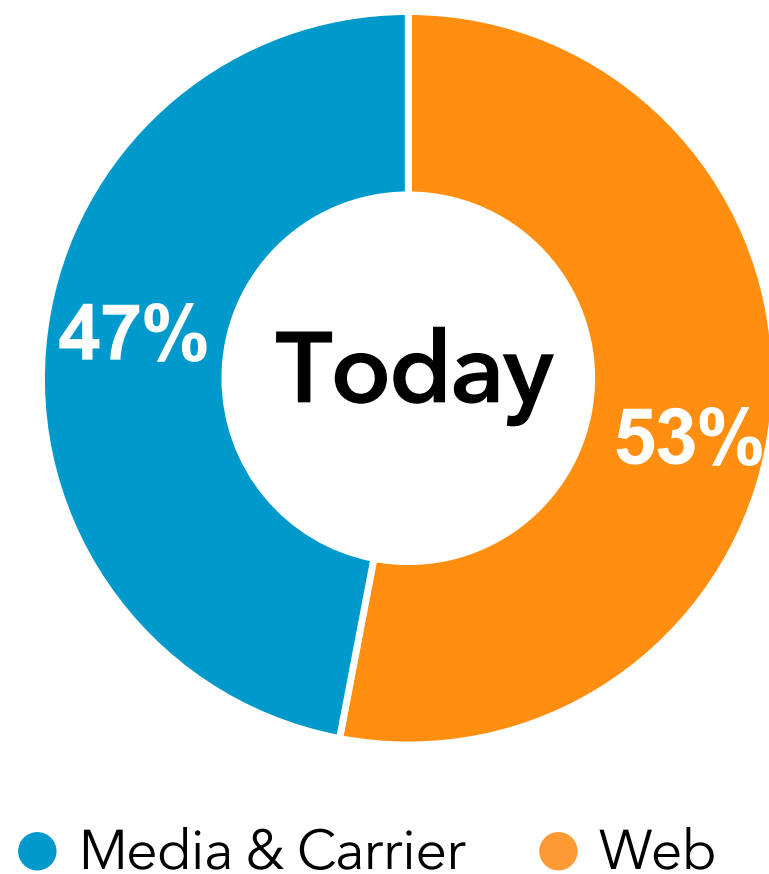
Financial Reflection

Division Snapshot

Looking Forward

Takeaways

Akamai Division Profile



Media & Carrier

Web

Primary Verticals

OTT
Gaming & Software
Carriers

Commerce
Financial Services
Travel/Hospitality
Automotive
Public Sector

Revenue Drivers

Traffic Volumes

Sales Transactions
Sales Velocity

Innovation Areas

Video Delivery
Carrier Offerings

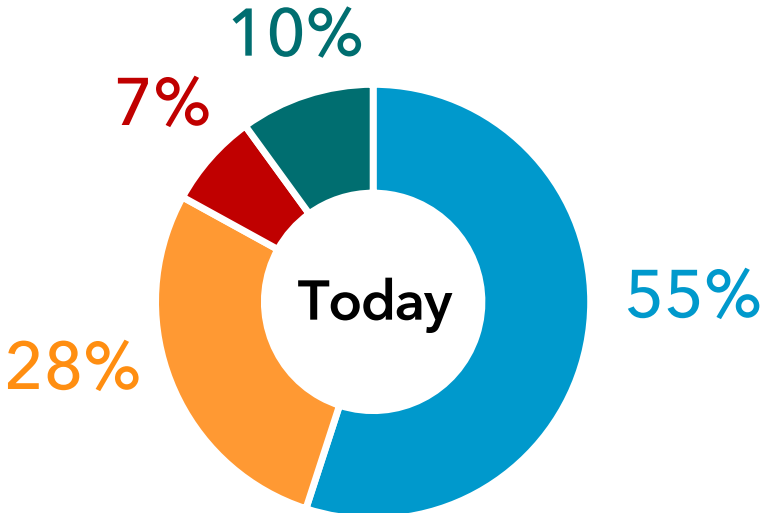
Web Acceleration
Cloud Security
Emerging Areas
Zero Trust, IoT, Blockchain

Media & Carrier Division snapshot

Good progress on accelerating revenue growth and laser focus on quality, cost & scale

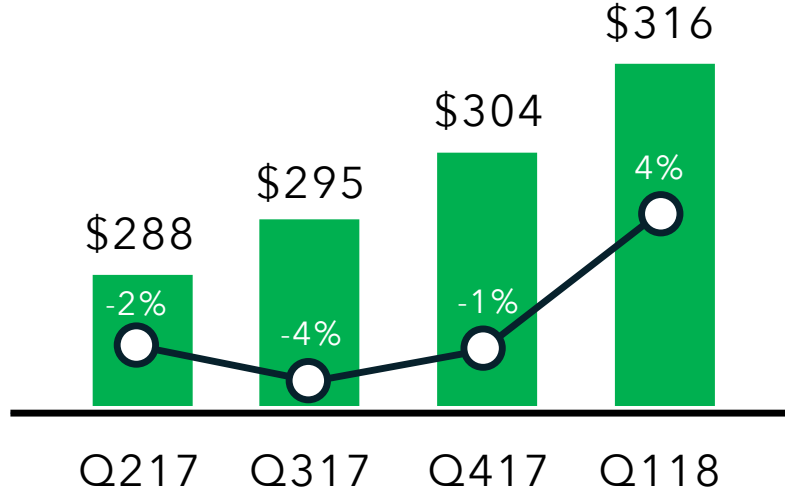
Solution Revenue Mix

- Media
- Performance
- Security
- Services



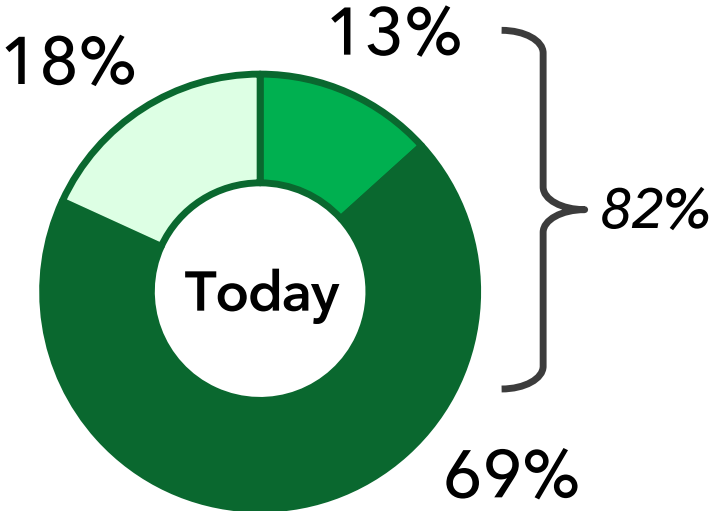
Revenue Trends

- \$ Millions
- Y/Y% Growth (x-FX)



Customer Revenue Mix

- Giants
- Top 250
- Other



Business Headlines

- Traffic acceleration 3 straight Qtrs (>market)
- Top 250 customer strategy paying off
- Focusing R&D innovation in highest ROI areas (quality, cost & scale)

Media & Carrier Division – financial model update

	2017 Profile*	Target Model
Cash GMs	68%	High 60s
Cash Opex	37%	Low 30s
EBITDA	31%	Mid 30s
Depreciation	16%	Mid Teens
Op. Margin	15%	High Teens

- Optimization Areas:**
- Increased scalability of network costs
 - Scaling recent M&A
 - Reprioritization in R&D

*expressed as % of revenue (estimated)

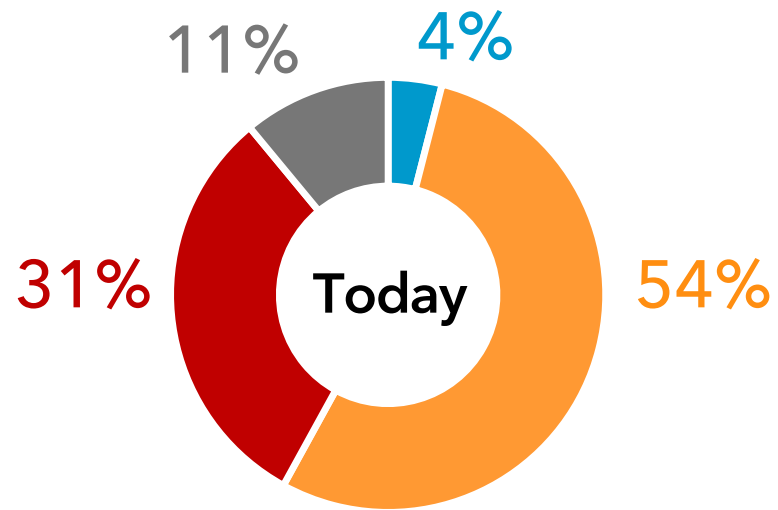
Refer to the investor relations section of our website for definitions of our non-GAAP metrics and a reconciliation to the closest GAAP metric.

Web Division snapshot

Continued innovation fueling strong double-digit growth rates

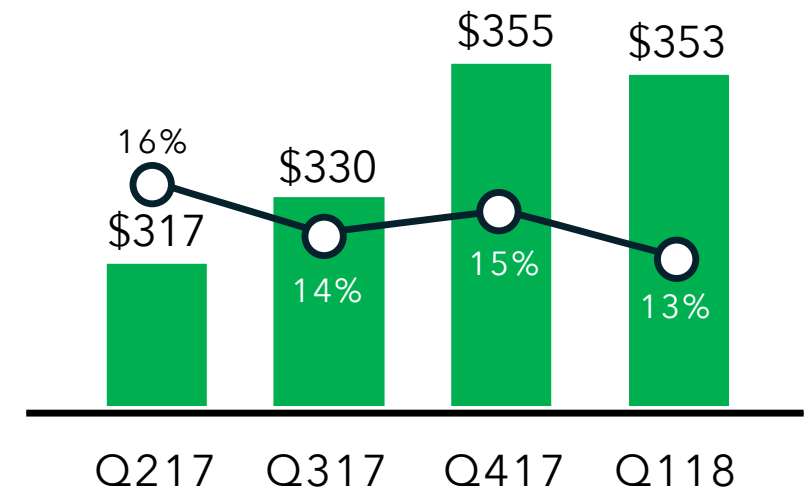
Solution Revenue Mix

- Media
- Performance
- Security
- Services



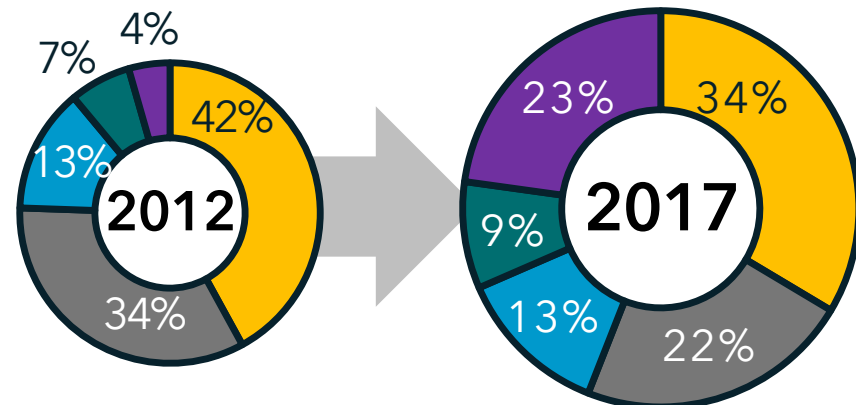
Revenue Trends (\$M)

- \$ Millions
- Y/Y% Growth (x-FX)



Product Family Adoption %

- 1 Product
- 2 Products
- 3 Products
- 4 Products
- 5+ Products



Business Headlines

- Product portfolio continues to broaden
- Solid traction in multi-product penetration
- GTM changes to improve new logo gen.
- New sales SVP driving GTM enhancements

Web Division – financial model update

	2017 Profile*	Target Model
Cash GMs	84%	Mid 80s
Cash Opex	41%	Mid 30s
EBITDA	43%	High 40s
Depreciation	10%	Low Double-Digits
Op. Margin	33%	High 30s

Optimization Areas:

- GTM productivity
- M&A scaling
- Ongoing R&D prioritization

*expressed as % of revenue (estimated)

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—○ Agenda

Guidance Update

Financial Reflection

Division Snapshot

Looking Forward

Takeaways

Company Financial Priorities

Accelerate revenue growth

Invest in innovation & new products
for long-term growth

Drive optimization and expand operating margins
(without sacrificing growth)

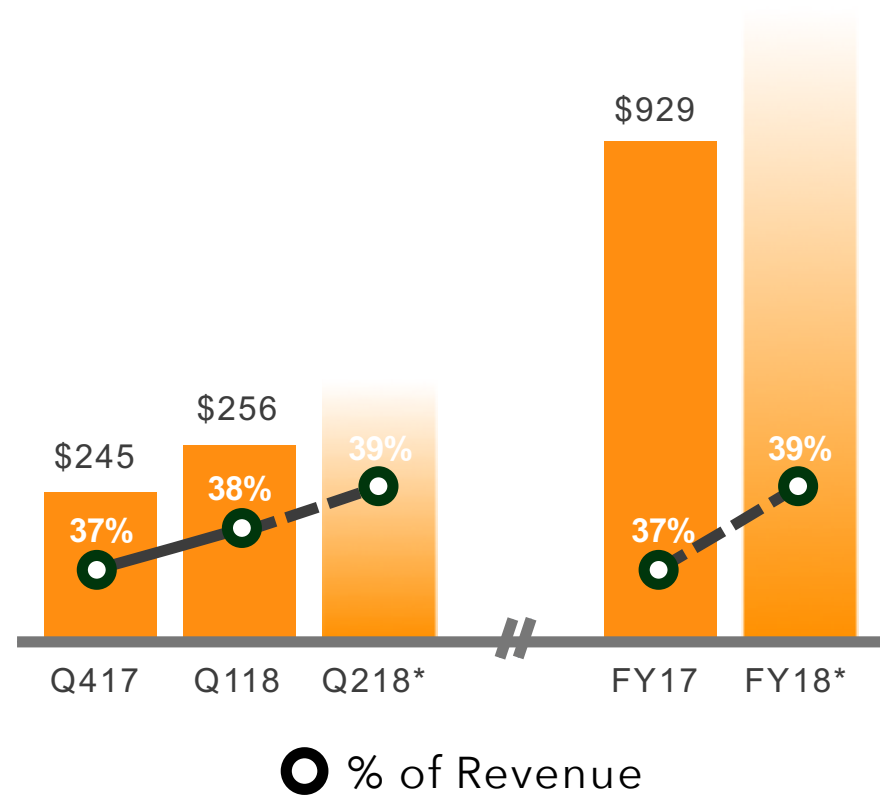
Maintain disciplined and balanced
capital allocation approach

Maximize long-term shareholder value

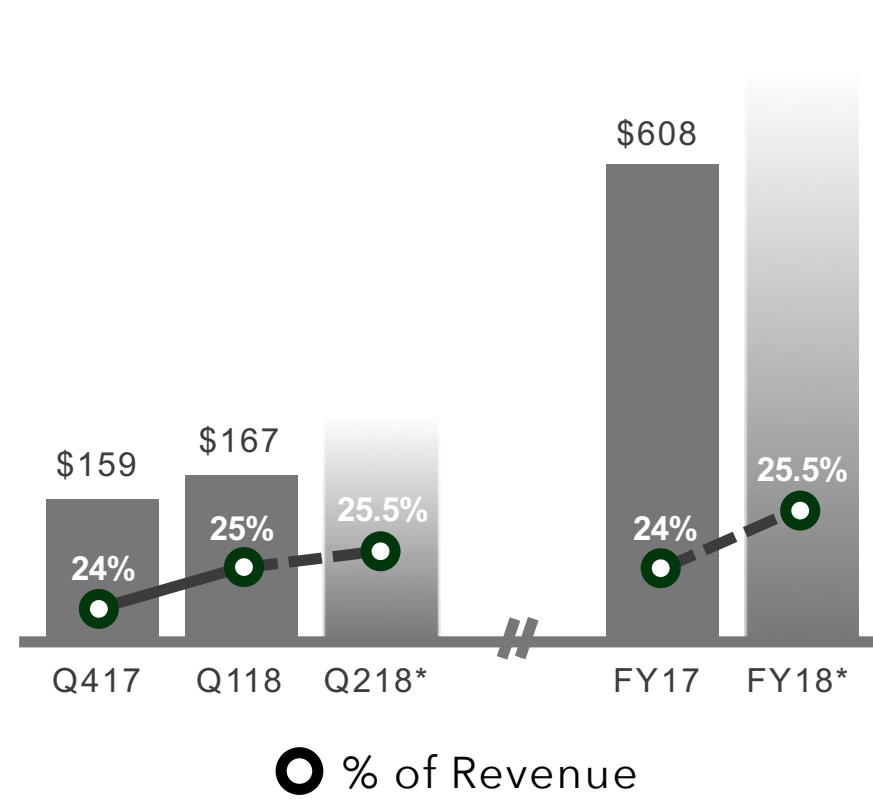
Already robust financial model strengthening

Focusing on execution and efficiency // Committed to sustainable, profitable growth

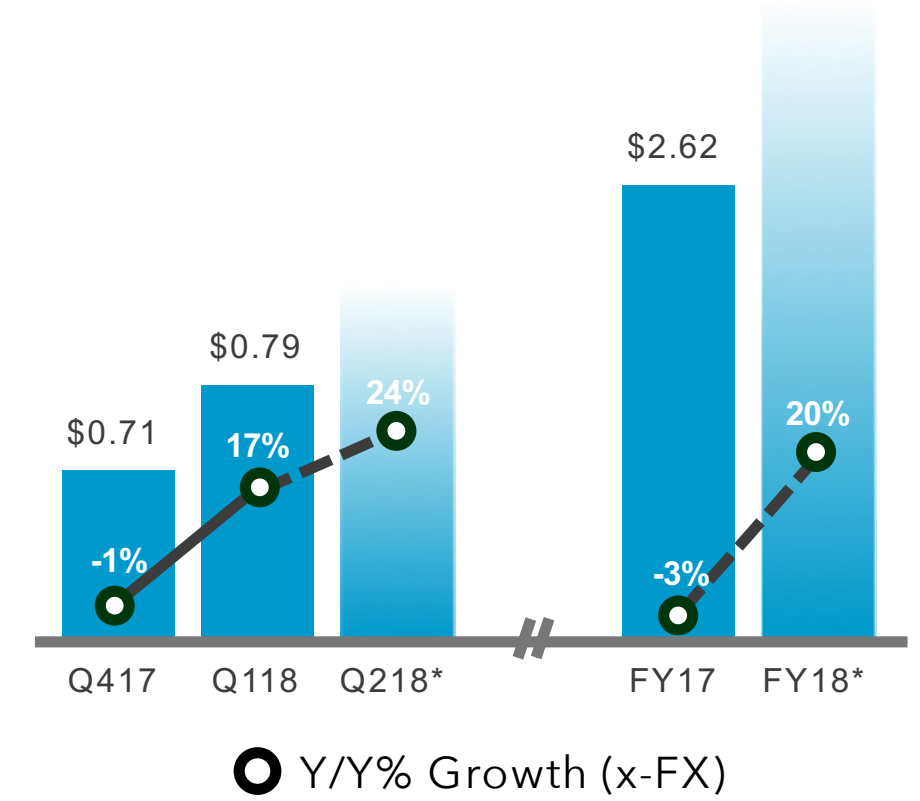
EBITDA (\$M)



Non-GAAP Op Margin (\$M)



Non-GAAP EPS



*Q2'18 and FY18 bars reflect current guidance as of 6/26. Dashed line represent the midpoint of the published guidance range. Refer to the investor relations section of our website for definitions of our non-GAAP metrics and a reconciliation to the closest GAAP metric.

Financial Model: Striving for 30% Op Margins in 2020 (Organic)

Initiatives underway to drive efficiency opportunities while investing for growth
Balancing execution, innovation and optimization

	2017	2020 Model*
Cash Gross Margin	76%	77-78%
R&D	7%	~7%
Sales & Marketing	17%	15-16%
G&A	15%	12-13%
Depreciation	13%	~13%
Non-GAAP Op Margin	24%	Striving for 30%

<i>Capital Expenditures</i>	16%	15-16%
<i>Non-GAAP Tax Rate</i>	28%	20%

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COGS Leverage Areas:

Network COGS

- SW optimization
- Port optimization
- Colo migration
- Platform enhancements

Services COGS

- Utilization improvements
- Increased offshoring
- Service delivery automation

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R&D Leverage Areas:

Ongoing prioritization of resources

Improved project management tools/tracking

Utilize lower-cost centers of excellence (where possible)

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Sales & Marketing Leverage Areas:

GTM model modernization

- Improved productivity/rep
- Coverage model/role changes
- Specialist & channel leverage
- Marketing ROI

Sales support streamlining

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G&A Leverage Areas:

Shared Services model

Improved automation

Utilize lower-cost centers of excellence (where possible)

3rd party spend optimization (demand and pricing)

Facilities consolidation

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Depreciation Leverage Areas:

Network: hardware/software optimization, vendor management

Capitalized software: improved engineer productivity

Facilities: footprint consolidation

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Financial Model Trajectory:

Driving for progress every year
Improvement will not be linear
2019 a transition year

- Spend headwinds
- IT enablement investments

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Other Model Assumptions:

CapEx % Revenue

- Network CapEx (6-7%)
- Capitalized software (6-7%)
- Facilities/IT (~2%)
 - 2019 a transition year
 - New HQ + IT enablement

Tax Rate

- ~20% (depends on Int'l mix)

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○ Key Takeaways

- Fundamentals of the business are strong (and improving)
- Well positioned in the evolving cloud ecosystem
- Large and growing markets and multiple growth levers
- Committed to margin expansion (while driving growth)
- Focused on driving execution, innovation and optimization
- Managing for the long-term while delivering in the near-term

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Thank You