

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
DECEMBER 31, 2020

	2020				
	Q1	Q2	Q3	Q4	2020 FY
<i>(in thousands, except per share data)</i>					
Revenue	\$ 764,302	\$ 794,715	\$ 792,845	\$846,287	\$3,198,149
Non-GAAP cash cost of revenue	\$ 177,537	\$ 186,005	\$ 189,056	\$201,767	\$754,365
Depreciation and amortization – cost of revenue	\$ 85,309	\$ 84,545	\$ 87,999	\$ 95,625	\$353,478
Stock-based compensation – cost of revenue	\$ 5,736	\$ 6,254	\$ 6,384	\$ 6,455	\$ 24,829
GAAP cost of revenue	\$ 268,582	\$ 276,804	\$ 283,439	\$303,847	\$1,132,672
Non-GAAP cash gross profit	\$ 586,765	\$ 608,710	\$ 603,789	\$644,520	\$2,443,784
Non-GAAP cash gross margin	77 %	77 %	76 %	76 %	76 %
GAAP gross profit	\$ 495,720	\$ 517,911	\$ 509,406	\$542,440	\$2,065,477
GAAP gross margin	65 %	65 %	64 %	64 %	65 %
Non-GAAP R&D	\$ 59,159	\$ 52,541	\$ 54,051	\$ 54,709	\$220,460
Stock-based compensation – R&D	\$ 12,065	\$ 11,549	\$ 12,722	\$ 12,519	\$ 48,855
GAAP R&D	\$ 71,224	\$ 64,090	\$ 66,773	\$ 67,228	\$269,315
Non-GAAP S&M	\$ 108,051	\$ 107,458	\$ 105,940	\$123,699	\$445,148
Stock-based compensation – S&M	\$ 15,735	\$ 16,011	\$ 16,809	\$ 16,702	\$ 65,257
GAAP S&M	\$ 123,786	\$ 123,469	\$ 122,749	\$140,401	\$510,405
Non-GAAP G&A	\$ 92,863	\$ 93,339	\$ 92,454	\$102,024	\$380,680
Stock-based compensation – G&A	\$ 13,957	\$ 15,377	\$ 14,302	\$ 14,834	\$ 58,470
Acquisition-related costs – G&A	\$ 76	\$ 62	\$ 1,051	\$ 4,390	\$ 5,579
Legal settlements – G&A	\$ —	\$ 275	\$ —	\$ —	\$ 275
Endowment of Akamai Foundation – G&A	\$ —	\$ —	\$ —	\$ 20,000	\$ 20,000
Depreciation and amortization – G&A	\$ 20,465	\$ 20,654	\$ 20,554	\$ 21,189	\$ 82,862
Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – G&A	\$ —	\$ 2	\$ 4	\$ 16	\$ 22
GAAP G&A	\$ 127,361	\$ 129,709	\$ 128,365	\$162,453	\$547,888
Restructuring charge (benefit)	\$ 10,585	\$ (167)	\$ 21	\$ 26,847	\$ 37,286
Amortization of acquired intangible assets	\$ 10,434	\$ 10,381	\$ 10,340	\$ 10,894	\$ 42,049
Adjusted EBITDA	\$ 326,692	\$ 355,372	\$ 351,344	\$364,088	\$1,397,496
Adjusted EBITDA margin	43 %	45 %	44 %	43 %	44 %
GAAP OpEx (excluding cost of revenue)	\$ 343,390	\$ 327,482	\$ 328,248	\$407,823	\$1,406,943
GAAP income from operations	\$ 152,330	\$ 190,429	\$ 181,158	\$134,617	\$658,534
Interest income	\$ 7,043	\$ 9,502	\$ 6,307	\$ 6,270	\$ 29,122
Interest expense	\$ (17,205)	\$ (17,249)	\$ (17,324)	\$ (17,342)	\$ (69,120)
Other expense, net	\$ (4,108)	\$ (1,603)	\$ (2,158)	\$ 5,415	\$ (2,454)
Income before provision for income taxes	\$ 138,060	\$ 181,079	\$ 167,983	\$128,960	\$616,082
Provision for income taxes	\$ (14,292)	\$ (18,671)	\$ (8,801)	\$ (4,158)	\$ (45,922)
Loss from equity method investment	\$ (622)	\$ (493)	\$ (559)	\$ (11,432)	\$ (13,106)
Net income	\$ 123,146	\$ 161,915	\$ 158,623	\$113,370	\$557,054
Net income per share – basic	\$ 0.76	\$ 1.00	\$ 0.97	\$ 0.70	\$ 3.43
Net income per share – diluted	\$ 0.75	\$ 0.98	\$ 0.95	\$ 0.68	\$ 3.37
Shares used in per share calculation – basic	161,992	162,413	162,757	162,798	162,490
Shares used in per share calculation – diluted	163,684	164,768	166,519	165,879	165,213
GAAP income from operations	\$ 152,330	\$ 190,429	\$ 181,158	\$134,617	\$658,534
Amortization of acquired intangible assets	\$ 10,434	\$ 10,381	\$ 10,340	\$ 10,894	\$ 42,049
Stock-based compensation	\$ 47,493	\$ 49,191	\$ 50,217	\$ 50,510	\$197,411
Amortization of capitalized stock-based compensation and capitalized interest expense	\$ 8,589	\$ 8,038	\$ 7,913	\$ 8,662	\$ 33,202
Restructuring charge (benefit)	\$ 10,585	\$ (167)	\$ 21	\$ 26,847	\$ 37,286
Acquisition-related costs	\$ 76	\$ 62	\$ 1,051	\$ 4,390	\$ 5,579
Legal settlements	\$ —	\$ 275	\$ —	\$ —	\$ 275
Endowment of Akamai Foundation	\$ —	\$ —	\$ —	\$ 20,000	\$ 20,000
Operating adjustments	\$ 77,177	\$ 67,780	\$ 69,542	\$121,303	\$335,802
Non-GAAP income from operations	\$ 229,507	\$ 258,209	\$ 250,700	\$255,920	\$994,336
Non-GAAP operating margin	30 %	32 %	32 %	30 %	31 %
GAAP net income	\$ 123,146	\$ 161,915	\$ 158,623	\$113,370	\$557,054
Operating adjustments (from above)	\$ 77,177	\$ 67,780	\$ 69,542	\$121,303	\$335,802
Amortization of debt discount and issuance costs	\$ 15,633	\$ 15,677	\$ 15,747	\$ 15,766	\$ 62,823
Gain on investments	\$ —	\$ —	\$ —	\$ (7,228)	\$ (7,228)
Loss from equity method investment	\$ 622	\$ 493	\$ 559	\$ 11,432	\$ 13,106
Income tax-effect of above non-GAAP adjustments and certain discrete tax items	\$ (20,445)	\$ (19,347)	\$ (28,689)	\$ (34,799)	\$ (103,280)
Non-GAAP net income	\$ 196,133	\$ 226,518	\$ 215,782	\$219,844	\$858,277
Non-GAAP net income per share – diluted	\$ 1.20	\$ 1.38	\$ 1.31	\$ 1.33	\$ 5.22
Shares used in non-GAAP per share calculation – diluted	163,684	164,115	164,787	164,774	164,340

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SUPPLEMENTAL METRICS (UNAUDITED)
DECEMBER 31, 2019

	2019				
	Q1	Q2	Q3	Q4	2019 FY
<i>(in thousands, except per share data)</i>					
Revenue	\$ 706,508	\$ 705,074	\$ 709,912	\$ 772,123	\$2,893,617
Non-GAAP cash cost of revenue	\$ 154,941	\$ 158,761	\$ 159,672	\$ 168,265	\$ 641,639
Depreciation and amortization – cost of revenue	\$ 80,233	\$ 77,639	\$ 81,711	\$ 83,923	\$ 323,506
Stock-based compensation – cost of revenue	\$ 5,569	\$ 5,793	\$ 5,555	\$ 5,562	\$ 22,479
GAAP cost of revenue	\$ 240,743	\$ 242,193	\$ 246,938	\$ 257,750	\$ 987,624
Non-GAAP cash gross profit	\$ 551,567	\$ 546,313	\$ 550,240	\$ 603,858	\$2,251,978
Non-GAAP cash gross margin	78 %	77 %	78 %	78 %	78 %
GAAP gross profit	\$ 465,765	\$ 462,881	\$ 462,974	\$ 514,373	\$1,905,993
GAAP gross margin	66 %	66 %	65 %	67 %	66 %
Non-GAAP R&D	\$ 54,084	\$ 49,395	\$ 52,045	\$ 56,156	\$ 211,680
Stock-based compensation – R&D	\$ 12,057	\$ 12,044	\$ 12,842	\$ 12,742	\$ 49,685
GAAP R&D	\$ 66,141	\$ 61,439	\$ 64,887	\$ 68,898	\$ 261,365
Non-GAAP S&M	\$ 111,225	\$ 119,366	\$ 106,665	\$ 124,477	\$ 461,733
Stock-based compensation – S&M	\$ 15,051	\$ 15,740	\$ 15,593	\$ 15,766	\$ 62,150
GAAP S&M	\$ 126,276	\$ 135,106	\$ 122,258	\$ 140,243	\$ 523,883
Non-GAAP G&A	\$ 87,192	\$ 84,913	\$ 90,903	\$ 104,225	\$ 367,233
Stock-based compensation – G&A	\$ 12,628	\$ 14,565	\$ 12,825	\$ 12,808	\$ 52,826
Acquisition-related costs – G&A	\$ 451	\$ 524	\$ 219	\$ 726	\$ 1,920
Legal settlements – G&A	\$ —	\$ —	\$ —	\$ 10,000	\$ 10,000
Transformation costs – G&A	\$ 4,191	\$ 1,336	\$ —	\$ —	\$ 5,527
Depreciation and amortization – G&A	\$ 18,373	\$ 18,778	\$ 19,269	\$ 22,167	\$ 78,587
GAAP G&A	\$ 122,835	\$ 120,116	\$ 123,216	\$ 149,926	\$ 516,093
Restructuring charge (benefit)	\$ 6,389	\$ 790	\$ (300)	\$ 10,274	\$ 17,153
Amortization of acquired intangible assets	\$ 9,599	\$ 9,648	\$ 9,624	\$ 9,710	\$ 38,581
Adjusted EBITDA	\$ 299,066	\$ 292,639	\$ 300,627	\$ 319,000	\$1,211,332
Adjusted EBITDA margin	42 %	42 %	42 %	41 %	42 %
GAAP OpEx (excluding cost of revenue)	\$ 331,240	\$ 327,099	\$ 319,685	\$ 379,051	\$1,357,075
GAAP income from operations	\$ 134,525	\$ 135,782	\$ 143,289	\$ 135,322	\$ 548,918
Interest income	\$ 8,635	\$ 6,410	\$ 7,908	\$ 11,402	\$ 34,355
Interest expense	\$ (12,116)	\$ (8,446)	\$ (12,127)	\$ (16,675)	\$ (49,364)
Other income (expense), net	\$ 511	\$ (578)	\$ (752)	\$ (609)	\$ (1,428)
Income before (provision) benefit for income taxes	\$ 131,555	\$ 133,168	\$ 138,318	\$ 129,440	\$ 532,481
(Provision) benefit for income taxes	\$ (24,425)	\$ (19,253)	\$ 960	\$ (10,632)	\$ (53,350)
(Loss) income from equity method investment	\$ —	\$ —	\$ (1,388)	\$ 292	\$ (1,096)
Net income	\$ 107,130	\$ 113,915	\$ 137,890	\$ 119,100	\$ 478,035
Net income per share – basic	\$ 0.66	\$ 0.70	\$ 0.85	\$ 0.74	\$ 2.94
Net income per share – diluted	\$ 0.65	\$ 0.69	\$ 0.84	\$ 0.73	\$ 2.90
Shares used in per share calculation – basic	163,236	163,407	162,455	161,737	162,706
Shares used in per share calculation – diluted	164,787	165,019	164,558	163,930	164,573
GAAP income from operations	\$ 134,525	\$ 135,782	\$ 143,289	\$ 135,322	\$ 548,918
Amortization of acquired intangible assets	\$ 9,599	\$ 9,648	\$ 9,624	\$ 9,710	\$ 38,581
Stock-based compensation	\$ 45,305	\$ 48,142	\$ 46,815	\$ 46,878	\$ 187,140
Amortization of capitalized stock-based compensation and capitalized interest expense	\$ 9,233	\$ 8,050	\$ 8,455	\$ 8,700	\$ 34,438
Restructuring charge (benefit)	\$ 6,389	\$ 790	\$ (300)	\$ 10,274	\$ 17,153
Acquisition-related costs	\$ 451	\$ 524	\$ 219	\$ 726	\$ 1,920
Legal settlements	\$ —	\$ —	\$ —	\$ 10,000	\$ 10,000
Transformation costs	\$ 4,191	\$ 1,336	\$ —	\$ —	\$ 5,527
Operating adjustments	\$ 75,168	\$ 68,490	\$ 64,813	\$ 86,288	\$ 294,759
Non-GAAP income from operations	\$ 209,693	\$ 204,272	\$ 208,102	\$ 221,610	\$ 843,677
Non-GAAP operating margin	30 %	29 %	29 %	29 %	29 %
GAAP net income	\$ 107,130	\$ 113,915	\$ 137,890	\$ 119,100	\$ 478,035
Operating adjustments (from above)	\$ 75,168	\$ 68,490	\$ 64,813	\$ 86,288	\$ 294,759
Amortization of debt discount and issuance costs	\$ 11,618	\$ 8,010	\$ 11,133	\$ 15,096	\$ 45,857
(Gain) loss on investments	\$ (690)	\$ 250	\$ —	\$ 500	\$ 60
Loss (income) from equity method investment	\$ —	\$ —	\$ 1,388	\$ (292)	\$ 1,096
Income tax-effect of above non-GAAP adjustments and certain discrete tax items	\$ (12,304)	\$ (14,454)	\$ (34,631)	\$ (19,099)	\$ (80,488)
Non-GAAP net income	\$ 180,922	\$ 176,211	\$ 180,593	\$ 201,593	\$ 739,319
Non-GAAP net income per share – diluted	\$ 1.10	\$ 1.07	\$ 1.10	\$ 1.23	\$ 4.49
Shares used in per share calculation – diluted	164,787	165,019	164,558	163,930	164,573