



Q4 and FY 2021 Earnings Call & Acquisition of Linode

Agenda:



Q4 and FY 2021 Highlights & Akamai's Future with Linode

Dr. Tom Leighton, CEO & Co-Founder

Cloud and Edge Computing

Adam Karon, COO & GM, Edge Technology Group

Transaction Specifics, Q4 and FY 2021 Results & 2022 Guidance

Ed McGowan, EVP & CFO

Q&A

All Speakers

Safe Harbor

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Q4 and FY 2021 Highlights & Akamai's Future with Linode



Dr. Tom Leighton
CEO and Co-Founder

Q4 and FY21 Financial Results *(\$ in M, except earnings per share)*

| | Q4 2021 | FY 2021 |
|----------------------------------|----------------|---------------|
| Revenue | \$905 | \$3,461 |
| y/y growth | +7% (+8% cc) | +8% (+7% cc) |
| Security Revenue | \$365 | \$1,335 |
| y/y growth | +23% (+25% cc) | +26% (+25 cc) |
| CDN Revenue | \$541 | \$2,126 |
| y/y growth | -2% (-1% cc) | 0% (-1 cc) |
| Non-GAAP Operating Margin | 31% | 32% |
| Non-GAAP EPS | \$1.49 | \$5.74 |
| y/y growth | +12% | +10% |
| Free Cash Flow | \$277 | \$859 |
| y/y growth | +124% | +78% |

cc refers to constant currency. Margin numbers are expressed as a percentage of revenue. Refer to the investor relations section of our website for definitions of our non-GAAP metrics and a reconciliation to the closest GAAP metric.

Our Mission

We power and protect life online.

Our Purpose

We make life better for billions of people, billions of times a day.

20+
YEARS

Akamai has a rich history of market-changing innovation

**Content
Delivery**

**Streaming
Video**

**Application
Acceleration**

Security

Cloud and Edge Computing



The cloud company that powers and protects life online

The world's most distributed compute platform
– from cloud to edge – making it easier for
developers and businesses to **build, run,
and secure applications**

A Transformational Opportunity

*What we showed
at our 2021 IR Day*

Akamai Has **2 Main Businesses:**

Security

CDN

Both enabled by the world's most distributed
and best-performing **edge platform**

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Akamai Investor Summit | 2021

Akamai Tomorrow

The world's most distributed cloud services provider, with leading solutions for:

Security

Delivery

Compute

Cloud and Edge Computing



Adam Karon
COO and GM, Edge
Technology Group

Akamai Tomorrow

The world's most distributed cloud services provider, with leading solutions for:

Security

Delivery

Compute

Linode Product Portfolio

Compute & Storage with a Leading Developer Experience

| Compute | Storage | Cloud Orchestration | Dev Tools |
|---------------|--------------------------------|---------------------|-------------|
| Shared CPU | Block Storage | DNS | CLI |
| Dedicated CPU | Object Storage | Load Balancing | API |
| High Memory | <i>Beta</i> : Managed Database | VLAN | Terraform |
| Bare Metal | | | Ansible |
| GPU | | | Marketplace |
| Kubernetes | | | |

Linode's products are sold via traditional "cloud models" including online trial and purchase

Akamai's Future Compute Portfolio

with Linode products

Compute

Storage

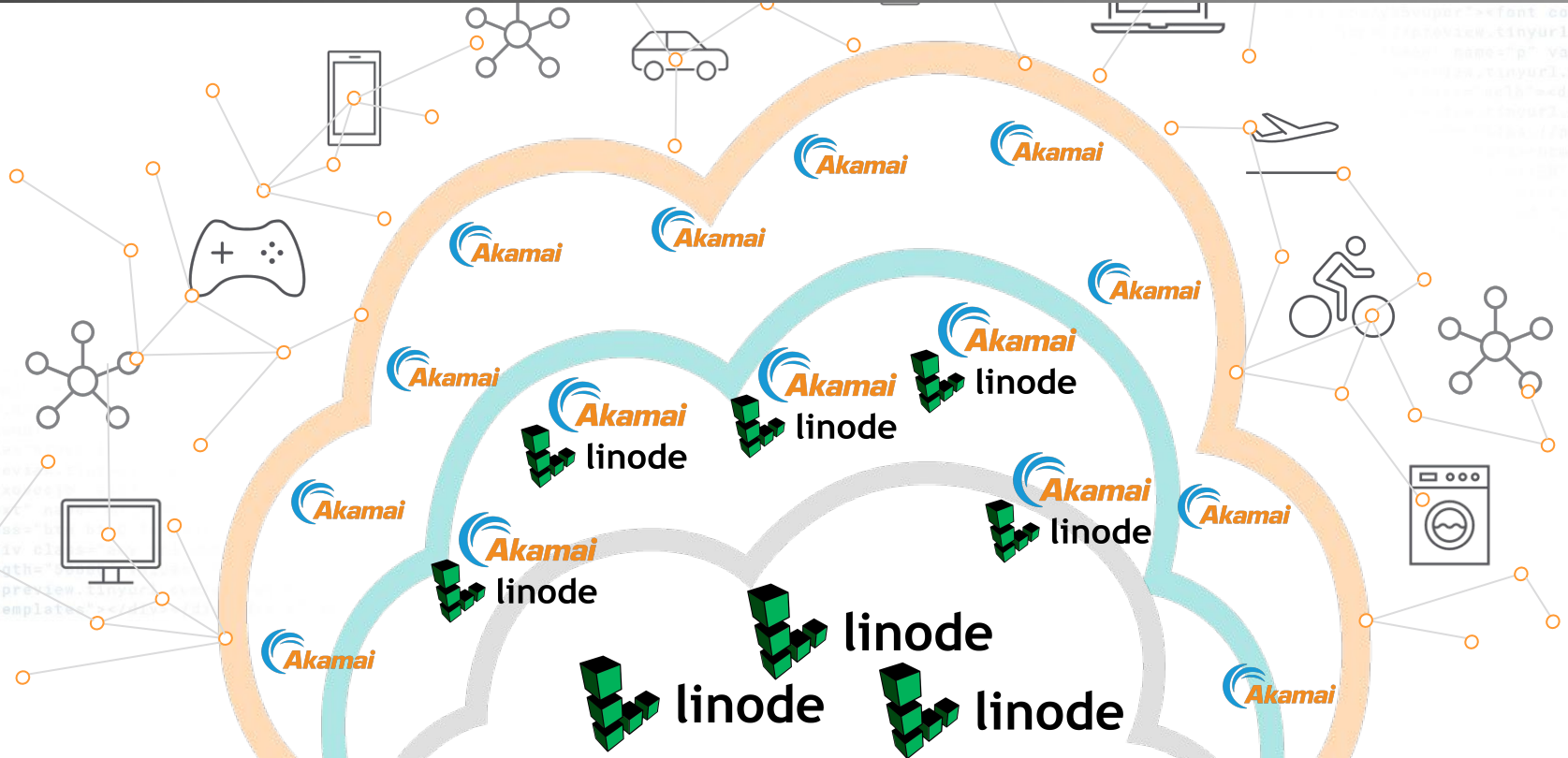
**Cloud
Optimization**

**Developer
Tools**

**Edge
Applications**

Akamai's compute products will be sold via Linode's traditional "cloud models" and via Akamai's globally located enterprise salesforce and robust channel ecosystem

Akamai and Linode: The world's most distributed compute platform – from cloud to edge – making it easier for developers and businesses to build, run, and secure applications.



Potential Use Cases

| | Sports | IoT | E-Commerce | Metaverse | Health Care |
|------------------|--|--|--|---|---|
| Application | Watch Along App using WebRTC | Fleet Management | Dynamic Personalization | Persistent virtual experience | Video Processing |
| Key Capabilities | Distributed VMs Load Balancing High Throughput Egress | MQTT Distributed VM Direct Connects | Managed DB Kubernetes FaaS | Distributed GPU Low Latency Private Backbone | Bare Metal Object Storage |
| Example | A sports league could leverage Akamai's platform to deploy WebRTC to enable a Watch Along App that allows a group of friends to watch a game in synch while communicating with each other in real time | A shipping company builds a distributed app to collect and parse video and telemetry data from trucks in route before backhauling the data to their data warehouse | A e-commerce site leverages Akamai to dynamically personalize their site based on the users previous and current browsing activity without have to go back to their data lake. | A game studio is working on a new project that connects users from across the globe in a fully immersive VR experience from any console, mobile device or browser | A hospital could leverage Akamai to create a platform that captures and archives videos of surgical procedures to help train Doctors on new and emerging techniques |

Market Positioning

We plan to combine Linode's ease of use and developer-friendliness with Akamai's market-leading scale, performance, and security

We expect this combined offering to:

- Appeal to developers by offering the core cloud compute functionality, ease of use, and tools they need
- Appeal to enterprises with the security, uptime, and reliability they require
- Drive modern use cases as new applications can take advantage of the throughput, performance, and distribution of a market leading global network

Akamai & Linode: Why We Can Win

Highly secure, elastic compute with storage capabilities on the world's largest edge network

Category leading security

Edge computing platform for latency sensitive workloads

Akamai's global private network

Global enterprise salesforce

Robust channel ecosystem

Q4 and FY 2021 Results, Linode Transaction Specifics, & 2022 Guidance



Ed McGowan
EVP and CFO

Q4 and FY21 Financial Results

\$ in M, except earnings per share

| | Q4 2021 | FY 2021 |
|----------------------------------|---------|---------|
| Revenue Growth | +7% | +8% |
| | +8% cc | +7% cc |
| Cash Gross Margin | 77% | 76% |
| Adjusted EBITDA Margin | 45% | 45% |
| Non-GAAP Operating Margin | 31% | 32% |
| Non-GAAP EPS | \$1.49 | \$5.74 |
| <i>y/y growth</i> | +12% | +10% |
| Operating Cash Flow | \$387 | \$1,405 |
| <i>y/y growth</i> | +33% | +16% |
| Capex (% of revenue) | 13% | 15% |

Revenue

Guardicore: Q4 revenue of \$10M, ahead of plan given two large deals

Edge Applications: >\$200M annual revenue run-rate, grew 30% y/y in '21

International: revenue +13% y/y in Q4; now 47% of total revenue

Profitability & Cash Flow

Non-GAAP Operating Margin: 31% in Q4 and 32% for 2021

Operating Cash Flow: \$1.4B in 2021, 41% of revenue

Capex: 15% of 2021 revenue, in-line with long-term model

Linode Transaction Specifics

PURCHASE PRICE:

~\$900M

cash consideration

*Expected to close in late Q1 2022,
subject to regulatory approvals*

**Treated as asset purchase
for tax purposes**

Expected to generate
annual cash tax savings with
a net present value (NPV)
of approximately \$120M

No expected impact on
non-GAAP tax rate

Transaction Has an Attractive Financial Profile

Profitable Business

Expected to be:

- Accretive to Akamai in 2022 (~\$0.05-\$0.06 of non-GAAP EPS)
- Immaterial impact to 2022 non-GAAP operating margin

We Expect Akamai Can Bring Significant Revenue and Cost Synergies by:

- Leveraging Go-to-Market and Marketing
- Leveraging our large global private network
- Enabling greater scale from existing supply chain and deployment processes

Capex Implications

- Expected to add ~2% to total company capex in the first year
- Longer-term we expect to operate within Akamai's mid-teens (% of revenue) capex goal

Anticipated Future Revenue Reporting

(upon transaction close)

Security

*No change to
STG business*

Delivery

*Existing ETG
business minus
Edge Apps and
Net Storage*

Compute

*Linode
+ Edge Apps
+ Net Storage*

Guidance Factors

Linode NOT included in guidance until transaction closes

Expect significant FX headwinds

Q1 revenue and expense seasonality

Multiple top customer renewals in H1

Q1 2022 Guidance (excludes proposed acquisition of Linode)

Revenue

\$896 – 910M
+6-8%, +8-10% cc

Cash Gross Margin

76%

Adjusted EBITDA Margin

43%

Non-GAAP Operating Margin

30%

Non-GAAP EPS

\$1.39 – 1.43
+1-3%, +2-8% cc

Capex

\$120-124M
~14% of Revenue

FY 2022 Guidance (excludes proposed acquisition of Linode)

Revenue

\$3.673 – 3.728B
+6-8%, +7-9% cc

Security Growth

20%

Non-GAAP Operating Margin

29 – 30%

Non-GAAP EPS

\$5.82 – 5.97

Capex

14%
of Revenue

In Summary



Dr. Tom Leighton
CEO and Co-Founder

Our future is bright

Security

Delivery

Compute



Guardicore



linode



The cloud company that powers and protects life online

Q&A



