

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
DECEMBER 31, 2019

	2019				2019 FY
	Q1	Q2	Q3	Q4	
<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 and shareholder matter costs – 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 and shareholder mater costs	\$ —	\$ —	\$ —	\$ 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

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
DECEMBER 31, 2018

	2018				2018 FY
	Q1	Q2	Q3	Q4	
<i>(in thousands, except per share data)</i>					
Revenue	\$ 668,724	\$ 662,759	\$ 669,628	\$ 713,363	\$2,714,474
Non-GAAP cash cost of revenue	\$ 153,753	\$ 153,137	\$ 152,859	\$ 150,649	\$ 610,398
Depreciation and amortization – cost of revenue	\$ 75,776	\$ 76,797	\$ 80,893	\$ 87,729	\$ 321,195
Stock-based compensation – cost of revenue	\$ 5,296	\$ 5,553	\$ 5,494	\$ 5,549	\$ 21,892
GAAP cost of revenue	\$ 234,825	\$ 235,487	\$ 239,246	\$ 243,927	\$ 953,485
Non-GAAP cash gross profit	\$ 514,971	\$ 509,622	\$ 516,769	\$ 562,714	\$2,104,076
Non-GAAP cash gross margin	77%	77%	77%	79%	78%
GAAP gross profit	\$ 433,899	\$ 427,272	\$ 430,382	\$ 469,436	\$1,760,989
GAAP gross margin	65%	64%	64%	66%	65%
Non-GAAP R&D	\$ 54,556	\$ 48,783	\$ 49,800	\$ 48,992	\$ 202,131
Stock-based compensation – R&D	\$ 10,509	\$ 10,926	\$ 11,249	\$ 11,350	\$ 44,034
GAAP R&D	\$ 65,065	\$ 59,709	\$ 61,049	\$ 60,342	\$ 246,165
Non-GAAP S&M	\$ 106,594	\$ 114,931	\$ 108,488	\$ 122,967	\$ 452,980
Stock-based compensation – S&M	\$ 15,959	\$ 16,749	\$ 16,835	\$ 14,830	\$ 64,373
GAAP S&M	\$ 122,553	\$ 131,680	\$ 125,323	\$ 137,797	\$ 517,353
Non-GAAP G&A	\$ 97,341	\$ 84,230	\$ 85,330	\$ 89,949	\$ 356,850
Stock-based compensation – G&A	\$ 12,922	\$ 14,269	\$ 13,054	\$ 13,269	\$ 53,514
Acquisition-related costs – G&A	\$ 1,143	\$ 500	\$ 329	\$ 896	\$ 2,868
Legal and stockholder matter costs – G&A	\$ 23,091	\$ —	\$ —	\$ —	\$ 23,091
Endowment of Akamai Foundation – G&A	\$ —	\$ 50,000	\$ —	\$ —	\$ 50,000
Transformation costs – G&A	\$ —	\$ —	\$ 2,552	\$ 5,178	\$ 7,730
Depreciation and amortization – G&A	\$ 19,888	\$ 21,207	\$ 18,646	\$ 20,273	\$ 80,014
GAAP G&A	\$ 154,385	\$ 170,206	\$ 119,911	\$ 129,565	\$ 574,067
Restructuring charge (benefit)	\$ 14,908	\$ 266	\$ (732)	\$ 13,152	\$ 27,594
Amortization of acquired intangible assets	\$ 8,431	\$ 8,294	\$ 8,294	\$ 8,292	\$ 33,311
Adjusted EBITDA	\$ 256,480	\$ 261,678	\$ 273,151	\$ 300,806	\$1,092,115
Adjusted EBITDA margin	38%	39%	41%	42%	40%
GAAP OpEx (excluding cost of revenue)	\$ 365,342	\$ 370,155	\$ 313,845	\$ 349,148	\$1,398,490
GAAP income from operations	\$ 68,557	\$ 57,117	\$ 116,537	\$ 120,288	\$ 362,499
Interest income	\$ 3,965	\$ 6,409	\$ 9,258	\$ 7,308	\$ 26,940
Interest expense	\$ (4,850)	\$ (9,204)	\$ (14,566)	\$ (14,582)	\$ (43,202)
Other income (expense), net	\$ 21	\$ (2,769)	\$ (459)	\$ 59	\$ (3,148)
Income before provision for income taxes	\$ 67,693	\$ 51,553	\$ 110,770	\$ 113,073	\$ 343,089
Provision for income taxes	\$ (13,979)	\$ (8,492)	\$ (3,187)	\$ (19,058)	\$ (44,716)
Net income	\$ 53,714	\$ 43,061	\$ 107,583	\$ 94,015	\$ 298,373
Net income per share – basic	\$ 0.32	\$ 0.25	\$ 0.65	\$ 0.58	\$ 1.78
Net income per share – diluted	\$ 0.31	\$ 0.25	\$ 0.64	\$ 0.57	\$ 1.76
Shares used in per share calculation – basic	170,116	170,250	165,924	162,958	167,312
Shares used in per share calculation – diluted	172,004	172,307	167,900	164,540	169,188
GAAP income from operations	\$ 68,557	\$ 57,117	\$ 116,537	\$ 120,288	\$ 362,499
Amortization of acquired intangible assets	\$ 8,431	\$ 8,294	\$ 8,294	\$ 8,292	\$ 33,311
Stock-based compensation	\$ 44,686	\$ 47,497	\$ 46,632	\$ 44,998	\$ 183,813
Amortization of capitalized stock-based compensation and capitalized interest expense	\$ 6,263	\$ 6,597	\$ 7,575	\$ 8,168	\$ 28,603
Restructuring charge (benefit)	\$ 14,908	\$ 266	\$ (732)	\$ 13,152	\$ 27,594
Acquisition-related costs	\$ 1,143	\$ 500	\$ 329	\$ 896	\$ 2,868
Legal and stockholder matter costs	\$ 23,091	\$ —	\$ —	\$ —	\$ 23,091
Endowment of Akamai Foundation	\$ —	\$ 50,000	\$ —	\$ —	\$ 50,000
Transformation costs	\$ —	\$ —	\$ 2,552	\$ 5,178	\$ 7,730
Operating adjustments	\$ 98,522	\$ 113,154	\$ 64,650	\$ 80,684	\$ 357,010
Non-GAAP income from operations	\$ 167,079	\$ 170,271	\$ 181,187	\$ 200,972	\$ 719,509
Non-GAAP operating margin	25%	26%	27%	28%	27%
GAAP net income	\$ 53,714	\$ 43,061	\$ 107,583	\$ 94,015	\$ 298,373
Operating adjustments (from above)	\$ 98,522	\$ 113,154	\$ 64,650	\$ 80,684	\$ 357,010
Amortization of debt discount and issuance costs	\$ 4,850	\$ 8,909	\$ 14,085	\$ 14,114	\$ 41,958
Loss (gain) on investments	\$ —	\$ 2,000	\$ (519)	\$ —	\$ 1,481
Income tax-effect of above non-GAAP adjustments and certain discrete tax items	\$ (21,283)	\$ (24,191)	\$ (27,958)	\$ (12,959)	\$ (86,391)
Non-GAAP net income	\$ 135,803	\$ 142,933	\$ 157,841	\$ 175,854	\$ 612,431
Non-GAAP net income per share – diluted	\$ 0.79	\$ 0.83	\$ 0.94	\$ 1.07	\$ 3.62
Shares used in per share calculation – diluted	172,004	172,307	167,900	164,540	169,188