

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
SEPTEMBER 30, 2023

	2023		
	Q1	Q2	Q3
<i>(in thousands, except per share data)</i>			
Revenue	\$ 915,698	\$ 935,721	\$ 965,484
Non-GAAP cash cost of revenue	\$ 247,597	\$ 254,279	\$ 256,918
Depreciation and amortization – cost of revenue	\$ 102,824	\$ 106,996	\$ 114,254
Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – cost of revenue	\$ 105	\$ 89	\$ 89
Stock-based compensation – cost of revenue	\$ 9,329	\$ 11,339	\$ 11,236
Acquisition-related costs – cost of revenue	\$ 1,461	\$ 572	\$ 578
GAAP cost of revenue	\$ 361,316	\$ 373,275	\$ 383,075
Non-GAAP cash gross profit	\$ 668,101	\$ 681,442	\$ 708,566
Non-GAAP cash gross margin	73 %	73 %	73 %
GAAP gross profit	\$ 554,382	\$ 562,446	\$ 582,409
GAAP gross margin	61 %	60 %	60 %
Non-GAAP R&D	\$ 70,050	\$ 66,535	\$ 72,325
Stock-based compensation – R&D	\$ 21,844	\$ 32,258	\$ 33,366
Acquisition-related (benefit) costs – R&D	\$ (31)	\$ 248	\$ 251
GAAP R&D	\$ 91,863	\$ 99,041	\$ 105,942
Non-GAAP S&M	\$ 114,927	\$ 118,582	\$ 114,516
Stock-based compensation – S&M	\$ 13,545	\$ 17,723	\$ 17,290
Acquisition-related costs – S&M	\$ 635	\$ 249	\$ 503
GAAP S&M	\$ 129,107	\$ 136,554	\$ 132,309
Non-GAAP G&A	\$ 107,400	\$ 108,076	\$ 104,125
Stock-based compensation – G&A	\$ 17,165	\$ 26,124	\$ 25,125
Acquisition-related costs – G&A	\$ 4,703	\$ 1,271	\$ 1,716
Depreciation and amortization – G&A	\$ 16,721	\$ 16,231	\$ 16,197
Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – G&A	\$ 150	\$ 109	\$ 163
GAAP G&A	\$ 146,139	\$ 151,811	\$ 147,326
Restructuring charge	\$ 44,723	\$ 9,357	\$ 2,595
Amortization of acquired intangible assets	\$ 15,912	\$ 15,898	\$ 18,108
Adjusted EBITDA	\$ 375,724	\$ 388,249	\$ 417,600
Adjusted EBITDA margin	41 %	41 %	43 %
GAAP OpEx (excluding cost of revenue)	\$ 427,744	\$ 412,661	\$ 406,280
GAAP income from operations	\$ 126,638	\$ 149,785	\$ 176,129
Interest and marketable securities income, net	\$ 5,292	\$ 4,509	\$ 11,412
Interest expense	\$ (2,681)	\$ (3,157)	\$ (4,987)
Other expense, net	\$ (2,363)	\$ (1,130)	\$ (3,161)
Income before provision for income taxes	\$ 126,886	\$ 150,007	\$ 179,393
Provision for income taxes	\$ (29,780)	\$ (21,191)	\$ (20,326)
Gain from equity method investment	\$ —	\$ —	\$ 1,475
Net income	\$ 97,106	\$ 128,816	\$ 160,542
Net income per share – basic	\$ 0.62	\$ 0.85	\$ 1.06
Net income per share – diluted	\$ 0.62	\$ 0.84	\$ 1.04
Shares used in per share calculation – basic	155,637	152,064	151,359
Shares used in per share calculation – diluted	156,135	153,454	154,976
GAAP income from operations	\$ 126,638	\$ 149,785	\$ 176,129
Amortization of acquired intangible assets	\$ 15,912	\$ 15,898	\$ 18,108
Stock-based compensation	\$ 61,883	\$ 87,444	\$ 87,017
Amortization of capitalized stock-based compensation and capitalized interest expense	\$ 7,913	\$ 8,217	\$ 9,077
Restructuring charge	\$ 44,723	\$ 9,357	\$ 2,595
Acquisition-related costs	\$ 6,768	\$ 2,340	\$ 3,048
Operating adjustments	\$ 137,199	\$ 123,256	\$ 119,845
Non-GAAP income from operations	\$ 263,837	\$ 273,041	\$ 295,974
Non-GAAP operating margin	29 %	29 %	31 %
GAAP net income	\$ 97,106	\$ 128,816	\$ 160,542
Operating adjustments (from above)	\$ 137,199	\$ 123,256	\$ 119,845
Amortization of debt issuance costs	\$ 1,098	\$ 1,098	\$ 1,404
Gain on investments	\$ (174)	\$ (27)	\$ (110)
Gain from equity method investment	\$ —	\$ —	\$ (1,475)
Income tax-effect of above non-GAAP adjustments and certain discrete tax items	\$ (16,915)	\$ (25,152)	\$ (29,135)
Non-GAAP net income	\$ 218,314	\$ 227,991	\$ 251,071
Non-GAAP net income per share – diluted	\$ 1.40	\$ 1.49	\$ 1.63
Shares used in non-GAAP per share calculation – diluted	156,135	153,454	154,432

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
DECEMBER 31, 2022

	2022				
	Q1	Q2	Q3	Q4	2022 FY
<i>(in thousands, except per share data)</i>					
Revenue	\$ 903,647	\$ 903,332	\$ 881,896	\$ 927,779	\$3,616,654
Non-GAAP cash cost of revenue	\$ 216,963	\$ 222,614	\$ 222,571	\$ 234,370	\$ 896,518
Depreciation and amortization – cost of revenue	\$ 109,274	\$ 115,209	\$ 114,929	\$ 114,135	\$ 453,547
Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – cost of revenue	\$ 107	\$ 103	\$ 105	\$ 105	\$ 420
Stock-based compensation – cost of revenue	\$ 6,233	\$ 7,134	\$ 7,237	\$ 7,750	\$ 28,354
Acquisition-related costs – cost of revenue	\$ 175	\$ 1,589	\$ 1,608	\$ 1,608	\$ 4,980
GAAP cost of revenue	\$ 332,752	\$ 346,649	\$ 346,450	\$ 357,968	\$1,383,819
Non-GAAP cash gross profit	\$ 686,684	\$ 680,718	\$ 659,325	\$ 693,409	\$2,720,136
Non-GAAP cash gross margin	76 %	75 %	75 %	75 %	75 %
GAAP gross profit	\$ 570,895	\$ 556,683	\$ 535,446	\$ 569,811	\$2,232,835
GAAP gross margin	63 %	62 %	61 %	61 %	62 %
Non-GAAP R&D	\$ 79,627	\$ 73,970	\$ 74,650	\$ 82,239	\$ 310,486
Stock-based compensation – R&D	\$ 20,232	\$ 17,408	\$ 18,698	\$ 21,778	\$ 78,116
Acquisition-related costs – R&D	\$ 76	\$ 692	\$ 699	\$ 1,365	\$ 2,832
GAAP R&D	\$ 99,935	\$ 92,070	\$ 94,047	\$ 105,382	\$ 391,434
Non-GAAP S&M	\$ 110,317	\$ 114,521	\$ 111,861	\$ 115,755	\$ 452,454
Stock-based compensation – S&M	\$ 12,326	\$ 11,452	\$ 11,375	\$ 12,636	\$ 47,789
Acquisition-related costs – S&M	\$ 76	\$ 692	\$ 699	\$ 699	\$ 2,166
GAAP S&M	\$ 122,719	\$ 126,665	\$ 123,935	\$ 129,090	\$ 502,409
Non-GAAP G&A	\$ 105,456	\$ 103,962	\$ 104,359	\$ 113,722	\$ 427,499
Stock-based compensation – G&A	\$ 17,436	\$ 15,888	\$ 13,392	\$ 16,210	\$ 62,926
Acquisition-related costs – G&A	\$ 10,616	\$ 2,798	\$ 2,890	\$ 2,767	\$ 19,071
Depreciation and amortization – G&A	\$ 19,677	\$ 18,423	\$ 18,682	\$ 17,442	\$ 74,224
Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – G&A	\$ 77	\$ 148	\$ 102	\$ 159	\$ 486
GAAP G&A	\$ 153,262	\$ 141,219	\$ 139,425	\$ 150,300	\$ 584,206
Restructuring charge	\$ 8,016	\$ 4,715	\$ 227	\$ 571	\$ 13,529
Amortization of acquired intangible assets	\$ 13,644	\$ 16,972	\$ 17,374	\$ 16,993	\$ 64,983
Adjusted EBITDA	\$ 391,284	\$ 388,265	\$ 368,455	\$ 381,693	\$1,529,697
Adjusted EBITDA margin	43 %	43 %	42 %	41 %	42 %
GAAP OpEx (excluding cost of revenue)	\$ 397,576	\$ 381,641	\$ 375,008	\$ 402,336	\$1,556,561
GAAP income from operations	\$ 173,319	\$ 175,042	\$ 160,438	\$ 167,475	\$ 676,274
Interest and marketable securities (loss) income	\$ (211)	\$ (2,331)	\$ 782	\$ 5,018	\$ 3,258
Interest expense	\$ (2,695)	\$ (2,932)	\$ (2,785)	\$ (2,684)	\$ (11,096)
Other (expense) income, net	\$ (9,565)	\$ 816	\$ (275)	\$ (1,409)	\$ (10,433)
Income before provision for income taxes	\$ 160,848	\$ 170,595	\$ 158,160	\$ 168,400	\$ 658,003
Provision for income taxes	\$ (19,837)	\$ (32,755)	\$ (34,466)	\$ (39,638)	\$ (126,696)
Loss from equity method investment	\$ (7,635)	\$ —	\$ —	\$ —	\$ (7,635)
Net income	\$ 133,376	\$ 137,840	\$ 123,694	\$ 128,762	\$ 523,672
Net income per share – basic	\$ 0.83	\$ 0.86	\$ 0.78	\$ 0.82	\$ 3.29
Net income per share – diluted	\$ 0.82	\$ 0.85	\$ 0.78	\$ 0.82	\$ 3.26
Shares used in per share calculation – basic	160,494	160,038	158,715	157,109	159,089
Shares used in per share calculation – diluted	163,637	161,710	159,068	157,451	160,467
GAAP income from operations	\$ 173,319	\$ 175,042	\$ 160,438	\$ 167,475	\$ 676,274
Amortization of acquired intangible assets	\$ 13,644	\$ 16,972	\$ 17,374	\$ 16,993	\$ 64,983
Stock-based compensation	\$ 56,227	\$ 51,882	\$ 50,702	\$ 58,374	\$ 217,185
Amortization of capitalized stock-based compensation and capitalized interest expense	\$ 7,947	\$ 8,068	\$ 7,967	\$ 7,786	\$ 31,768
Restructuring charge	\$ 8,016	\$ 4,715	\$ 227	\$ 571	\$ 13,529
Acquisition-related costs	\$ 10,943	\$ 5,771	\$ 5,896	\$ 6,439	\$ 29,049
Operating adjustments	\$ 96,777	\$ 87,408	\$ 82,166	\$ 90,163	\$ 356,514
Non-GAAP income from operations	\$ 270,096	\$ 262,450	\$ 242,604	\$ 257,638	\$1,032,788
Non-GAAP operating margin	30 %	29 %	28 %	28 %	29 %
GAAP net income	\$ 133,376	\$ 137,840	\$ 123,694	\$ 128,762	\$ 523,672
Operating adjustments (from above)	\$ 96,777	\$ 87,408	\$ 82,166	\$ 90,163	\$ 356,514
Amortization of debt issuance costs	\$ 1,119	\$ 1,091	\$ 1,086	\$ 1,099	\$ 4,395
Loss (gain) on investments	\$ 8,901	\$ (641)	\$ —	\$ —	\$ 8,260
Loss from equity method investment	\$ 7,635	\$ —	\$ —	\$ —	\$ 7,635
Income tax-effect of above non-GAAP adjustments and certain discrete tax items	\$ (23,013)	\$ (9,254)	\$ (6,922)	\$ (3,579)	\$ (42,768)
Non-GAAP net income	\$ 224,795	\$ 216,444	\$ 200,024	\$ 216,445	\$ 857,708
Non-GAAP net income per share – diluted	\$ 1.39	\$ 1.35	\$ 1.26	\$ 1.37	\$ 5.37
Shares used in non-GAAP per share calculation – diluted	161,815	160,653	159,068	157,451	159,747