

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2025

In addition to providing financial measurements based on generally accepted accounting principles in the United States of America (GAAP), Akamai provides additional financial metrics that are not prepared in accordance with GAAP (non-GAAP financial measures). Management uses non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes, to measure executive compensation and to evaluate Akamai's financial performance. These non-GAAP financial measures are defined on the tab labeled "Non-GAAP Definitions" with this Supplemental Financial Information.

Management believes that these non-GAAP financial measures reflect Akamai's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as they facilitate comparison of financial results across accounting periods and may be comparable to those of our peer companies. Management also believes that these non-GAAP financial measures enable investors to evaluate Akamai's operating results and future prospects in the same manner as management. These non-GAAP financial measures may exclude expenses and gains that may be unusual in nature, infrequent or not reflective of Akamai's ongoing operating results.

The non-GAAP financial measures do not replace the presentation of Akamai's GAAP financial results and should only be used as a supplement to, not as a substitute for, Akamai's financial results presented in accordance with GAAP. Akamai has provided a reconciliation of non-GAAP financial measures used in its financial reporting and investor presentations to the most directly comparable GAAP financial measures.

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
MARCH 31, 2025

| | Q1 2024 | | Q2 2024 | | Q3 2024 | | Q4 2024 | | FY 2024 | | Q1 2025 | |
|---|---------|----------|---------|----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
| <i>(in thousands, except per share data)</i> | | | | | | | | | | | | |
| Revenue | \$ | 986,970 | \$ | 979,580 | \$ | 1,004,679 | \$ | 1,019,939 | \$ | 3,991,168 | \$ | 1,015,139 |
| GAAP cost of revenue | \$ | 394,743 | \$ | 402,888 | \$ | 408,806 | \$ | 414,356 | \$ | 1,620,793 | \$ | 418,945 |
| Stock-based compensation – cost of revenue | \$ | 12,618 | \$ | 15,864 | \$ | 16,566 | \$ | 16,129 | \$ | 61,177 | \$ | 18,928 |
| Depreciation and amortization – cost of revenue | \$ | 118,601 | \$ | 120,969 | \$ | 124,802 | \$ | 125,773 | \$ | 490,145 | \$ | 129,899 |
| Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – cost of revenue | \$ | 89 | \$ | 89 | \$ | 59 | \$ | — | \$ | 237 | \$ | — |
| Non-GAAP cash cost of revenue ⁽¹⁾ | \$ | 263,435 | \$ | 265,966 | \$ | 267,379 | \$ | 272,454 | \$ | 1,069,234 | \$ | 270,118 |
| GAAP gross profit | \$ | 592,227 | \$ | 576,692 | \$ | 595,873 | \$ | 605,583 | \$ | 2,370,375 | \$ | 596,194 |
| GAAP gross margin | | 60 % | | 59 % | | 59 % | | 59 % | | 59 % | | 59 % |
| Non-GAAP cash gross profit ⁽¹⁾ | \$ | 723,535 | \$ | 713,614 | \$ | 737,300 | \$ | 747,485 | \$ | 2,921,934 | \$ | 745,021 |
| Non-GAAP cash gross margin ⁽¹⁾ | | 73 % | | 73 % | | 73 % | | 73 % | | 73 % | | 73 % |
| GAAP R&D | \$ | 116,932 | \$ | 113,352 | \$ | 120,347 | \$ | 120,245 | \$ | 470,876 | \$ | 123,549 |
| Stock-based compensation – R&D | \$ | 38,045 | \$ | 36,951 | \$ | 39,275 | \$ | 37,843 | \$ | 152,114 | \$ | 42,268 |
| Non-GAAP R&D ⁽²⁾ | \$ | 78,887 | \$ | 76,401 | \$ | 81,072 | \$ | 82,402 | \$ | 318,762 | \$ | 81,281 |
| GAAP S&M | \$ | 134,570 | \$ | 139,039 | \$ | 138,551 | \$ | 144,621 | \$ | 556,781 | \$ | 134,131 |
| Stock-based compensation – S&M | \$ | 18,811 | \$ | 18,976 | \$ | 21,076 | \$ | 18,730 | \$ | 77,593 | \$ | 22,440 |
| Non-GAAP S&M ⁽²⁾ | \$ | 115,759 | \$ | 120,063 | \$ | 117,475 | \$ | 125,891 | \$ | 479,188 | \$ | 111,691 |
| GAAP G&A | \$ | 152,430 | \$ | 153,854 | \$ | 159,957 | \$ | 155,544 | \$ | 621,785 | \$ | 155,933 |
| Stock-based compensation – G&A | \$ | 23,786 | \$ | 26,675 | \$ | 25,690 | \$ | 26,343 | \$ | 102,494 | \$ | 28,342 |
| Depreciation and amortization – G&A | \$ | 16,559 | \$ | 16,504 | \$ | 16,559 | \$ | 16,562 | \$ | 66,184 | \$ | 16,486 |
| Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – G&A | \$ | 211 | \$ | 198 | \$ | 186 | \$ | 204 | \$ | 799 | \$ | 278 |
| Acquisition-related costs – G&A | \$ | 172 | \$ | 2,179 | \$ | 5,036 | \$ | 115 | \$ | 7,502 | \$ | 95 |
| Legal settlements – G&A | \$ | — | \$ | — | \$ | — | \$ | 2,500 | \$ | 2,500 | \$ | — |
| Non-GAAP G&A ⁽²⁾ | \$ | 111,702 | \$ | 108,298 | \$ | 112,486 | \$ | 109,820 | \$ | 442,306 | \$ | 110,732 |
| Restructuring charge | \$ | 544 | \$ | 1,385 | \$ | 82,013 | \$ | 11,499 | \$ | 95,441 | \$ | 361 |
| Amortization of acquired intangible assets | \$ | 21,023 | \$ | 21,076 | \$ | 24,368 | \$ | 25,614 | \$ | 92,081 | \$ | 27,637 |
| GAAP OpEx (excluding cost of revenue) | \$ | 425,499 | \$ | 428,706 | \$ | 525,236 | \$ | 457,523 | \$ | 1,836,964 | \$ | 441,611 |
| GAAP income from operations | \$ | 166,728 | \$ | 147,986 | \$ | 70,637 | \$ | 148,060 | \$ | 533,411 | \$ | 154,583 |
| GAAP operating margin | | 17 % | | 15 % | | 7 % | | 15 % | | 13 % | | 15 % |
| Non-GAAP income from operations ⁽¹⁾ | \$ | 291,850 | \$ | 281,526 | \$ | 295,750 | \$ | 298,097 | \$ | 1,167,223 | \$ | 307,013 |
| Non-GAAP operating margin ⁽¹⁾ | | 30 % | | 29 % | | 29 % | | 29 % | | 29 % | | 30 % |
| Interest and marketable securities income, net | \$ | 27,841 | \$ | 26,628 | \$ | 23,065 | \$ | 22,746 | \$ | 100,280 | \$ | 19,530 |
| Interest expense | \$ | (6,818) | \$ | (6,829) | \$ | (6,735) | \$ | (6,735) | \$ | (27,117) | \$ | (6,750) |
| Other income (expense), net | \$ | 511 | \$ | (949) | \$ | (13,161) | \$ | (5,962) | \$ | (19,561) | \$ | 6,020 |
| Income before provision for income taxes | \$ | 188,262 | \$ | 166,836 | \$ | 73,806 | \$ | 158,109 | \$ | 587,013 | \$ | 173,383 |
| Provision for income taxes | \$ | (12,844) | \$ | (35,148) | \$ | (15,899) | \$ | (18,204) | \$ | (82,095) | \$ | (50,212) |
| Net income | \$ | 175,418 | \$ | 131,688 | \$ | 57,907 | \$ | 139,905 | \$ | 504,918 | \$ | 123,171 |
| Net income margin | | 18 % | | 13 % | | 6 % | | 14 % | | 13 % | | 12 % |
| Non-GAAP net income ⁽¹⁾ | \$ | 255,495 | \$ | 242,648 | \$ | 243,514 | \$ | 253,925 | \$ | 995,582 | \$ | 256,096 |
| Net income per share – basic | \$ | 1.16 | \$ | 0.86 | \$ | 0.38 | \$ | 0.93 | \$ | 3.34 | \$ | 0.83 |
| Net income per share – diluted | \$ | 1.11 | \$ | 0.86 | \$ | 0.38 | \$ | 0.91 | \$ | 3.27 | \$ | 0.82 |
| Non-GAAP net income per diluted share ⁽¹⁾ | \$ | 1.64 | \$ | 1.58 | \$ | 1.59 | \$ | 1.66 | \$ | 6.48 | \$ | 1.70 |
| Shares used in per share calculation – basic | | 151,628 | | 152,265 | | 151,435 | | 150,240 | | 151,392 | | 149,052 |
| Shares used in per share calculation – diluted | | 157,466 | | 153,588 | | 153,240 | | 153,091 | | 154,346 | | 151,064 |
| Shares used in non-GAAP per share calculation – diluted ⁽¹⁾ | | 155,352 | | 153,389 | | 152,946 | | 152,723 | | 153,602 | | 151,064 |
| Adjusted EBITDA ⁽¹⁾ | \$ | 417,187 | \$ | 408,852 | \$ | 426,267 | \$ | 429,372 | \$ | 1,681,678 | \$ | 441,317 |
| Adjusted EBITDA margin ⁽¹⁾ | | 42 % | | 42 % | | 42 % | | 42 % | | 42 % | | 43 % |

(1) See tabs labeled "GAAP to Non-GAAP Reconciliations" and "Non-GAAP Definitions" for reconciliations of these non-GAAP metrics to the closest GAAP metrics and for definitions.

(2) See tab labeled "Non-GAAP Definitions" for definitions of these non-GAAP metrics.

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL REVENUE (UNAUDITED)
MARCH 31, 2025

(in thousands)

| | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | FY 2024 | Q1 2025 |
|----------------------------|------------|------------|--------------|--------------|--------------|--------------|
| REVENUE BY SOLUTION | | | | | | |
| Security | \$ 490,681 | \$ 498,708 | \$ 518,670 | \$ 534,602 | \$ 2,042,661 | \$ 530,695 |
| Delivery | 351,758 | 329,399 | 319,132 | 317,842 | 1,318,131 | 318,988 |
| Cloud computing | 144,531 | 151,473 | 166,877 | 167,495 | 630,376 | 165,456 |
| Total revenue | \$ 986,970 | \$ 979,580 | \$ 1,004,679 | \$ 1,019,939 | \$ 3,991,168 | \$ 1,015,139 |

Revenue growth rates year-over-year — as reported:

| | | | | | | |
|-----------------|-------|-------|-------|-------|-------|------|
| Security | 21 % | 15 % | 14 % | 14 % | 16 % | 8 % |
| Delivery | (11)% | (13)% | (16)% | (18)% | (15)% | (9)% |
| Cloud computing | 25 % | 23 % | 28 % | 24 % | 25 % | 14 % |
| Total revenue | 8 % | 5 % | 4 % | 3 % | 5 % | 3 % |

Revenue growth rates year-over-year — adjusted for impact of foreign exchange rates ⁽¹⁾:

| | | | | | | |
|-----------------|-------|-------|-------|-------|-------|------|
| Security | 21 % | 16 % | 14 % | 14 % | 16 % | 10 % |
| Delivery | (10)% | (12)% | (16)% | (18)% | (14)% | (8)% |
| Cloud computing | 25 % | 24 % | 28 % | 25 % | 25 % | 15 % |
| Total revenue | 8 % | 6 % | 4 % | 3 % | 5 % | 4 % |

REVENUE BY GEOGRAPHY

| | | | | | | |
|---------------|------------|------------|--------------|--------------|--------------|--------------|
| U.S. | \$ 512,347 | \$ 508,696 | \$ 524,611 | \$ 529,879 | \$ 2,075,533 | \$ 528,739 |
| International | 474,623 | 470,884 | 480,068 | 490,060 | 1,915,635 | 486,400 |
| Total revenue | \$ 986,970 | \$ 979,580 | \$ 1,004,679 | \$ 1,019,939 | \$ 3,991,168 | \$ 1,015,139 |

Revenue growth rates year-over-year — as reported:

| | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|
| U.S. | 8 % | 6 % | 5 % | 3 % | 5 % | 3 % |
| International | 7 % | 3 % | 3 % | 2 % | 4 % | 2 % |
| Total revenue | 8 % | 5 % | 4 % | 3 % | 5 % | 3 % |

Revenue growth rates year-over-year — adjusted for impact of foreign exchange rates ⁽¹⁾:

| | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|
| U.S. | 8 % | 6 % | 5 % | 3 % | 5 % | 3 % |
| International | 8 % | 5 % | 3 % | 4 % | 5 % | 5 % |
| Total revenue | 8 % | 6 % | 4 % | 3 % | 5 % | 4 % |

(1) See tab labeled "Non-GAAP Definitions" for an explanation of the impact of foreign currency exchange rates.

AKAMAI TECHNOLOGIES, INC.
GAAP TO NON-GAAP RECONCILIATIONS (UNAUDITED)
MARCH 31, 2025

See "Non-GAAP Definitions" tab for a definition of these non-GAAP financial measures.

(in thousands, except per share data)

| | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | FY 2024 | Q1 2025 |
|---|------------|------------|--------------|--------------|--------------|--------------|
| GAAP cost of revenue | \$ 394,743 | \$ 402,888 | \$ 408,806 | \$ 414,356 | \$ 1,620,793 | \$ 418,945 |
| Stock-based compensation – cost of revenue | 12,618 | 15,864 | 16,566 | 16,129 | 61,177 | 18,928 |
| Depreciation and amortization – cost of revenue | 118,601 | 120,969 | 124,802 | 125,773 | 490,145 | 129,899 |
| Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – cost of revenue | 89 | 89 | 59 | — | 237 | — |
| Non-GAAP cash cost of revenue | \$ 263,435 | \$ 265,966 | \$ 267,379 | \$ 272,454 | \$ 1,069,234 | \$ 270,118 |
| Revenue | \$ 986,970 | \$ 979,580 | \$ 1,004,679 | \$ 1,019,939 | \$ 3,991,168 | \$ 1,015,139 |
| Non-GAAP cash cost of revenue | 263,435 | 265,966 | 267,379 | 272,454 | 1,069,234 | 270,118 |
| Non-GAAP cash gross profit | \$ 723,535 | \$ 713,614 | \$ 737,300 | \$ 747,485 | \$ 2,921,934 | \$ 745,021 |
| Revenue | \$ 986,970 | \$ 979,580 | \$ 1,004,679 | \$ 1,019,939 | \$ 3,991,168 | \$ 1,015,139 |
| Non-GAAP cash gross profit | 723,535 | 713,614 | 737,300 | 747,485 | 2,921,934 | 745,021 |
| Non-GAAP cash gross margin | 73 % | 73 % | 73 % | 73 % | 73 % | 73 % |
| GAAP income from operations | \$ 166,728 | \$ 147,986 | \$ 70,637 | \$ 148,060 | \$ 533,411 | \$ 154,583 |
| GAAP operating margin | 17 % | 15 % | 7 % | 15 % | 13 % | 15 % |
| Amortization of acquired intangible assets | 21,023 | 21,076 | 24,368 | 25,614 | 92,081 | 27,637 |
| Stock-based compensation | 93,260 | 98,466 | 102,607 | 99,045 | 393,378 | 111,978 |
| Amortization of capitalized stock-based compensation and capitalized interest expense | 10,123 | 10,434 | 11,089 | 11,264 | 42,910 | 12,359 |
| Restructuring charge | 544 | 1,385 | 82,013 | 11,499 | 95,441 | 361 |
| Acquisition-related costs | 172 | 2,179 | 5,036 | 115 | 7,502 | 95 |
| Legal settlements | — | — | — | 2,500 | 2,500 | — |
| Non-GAAP income from operations | \$ 291,850 | \$ 281,526 | \$ 295,750 | \$ 298,097 | \$ 1,167,223 | \$ 307,013 |
| Revenue | \$ 986,970 | \$ 979,580 | \$ 1,004,679 | \$ 1,019,939 | \$ 3,991,168 | \$ 1,015,139 |
| Non-GAAP income from operations | 291,850 | 281,526 | 295,750 | 298,097 | 1,167,223 | 307,013 |
| Non-GAAP operating margin | 30 % | 29 % | 29 % | 29 % | 29 % | 30 % |
| GAAP net income | \$ 175,418 | \$ 131,688 | \$ 57,907 | \$ 139,905 | \$ 504,918 | \$ 123,171 |
| Amortization of acquired intangible assets | 21,023 | 21,076 | 24,368 | 25,614 | 92,081 | 27,637 |
| Stock-based compensation | 93,260 | 98,466 | 102,607 | 99,045 | 393,378 | 111,978 |
| Amortization of capitalized stock-based compensation and capitalized interest expense | 10,123 | 10,434 | 11,089 | 11,264 | 42,910 | 12,359 |
| Restructuring charge | 544 | 1,385 | 82,013 | 11,499 | 95,441 | 361 |
| Acquisition-related costs | 172 | 2,179 | 5,036 | 115 | 7,502 | 95 |
| Legal settlements | — | — | — | 2,500 | 2,500 | — |
| Amortization of debt issuance costs | 1,682 | 1,660 | 1,591 | 1,588 | 6,521 | 1,605 |
| Loss (gain) on cost method investments, net | — | 66 | — | 5,000 | 5,066 | (9,313) |
| Income tax effect of above non-GAAP adjustments and certain discrete tax items | (46,727) | (24,306) | (41,097) | (42,605) | (154,735) | (11,797) |
| Non-GAAP net income | \$ 255,495 | \$ 242,648 | \$ 243,514 | \$ 253,925 | \$ 995,582 | \$ 256,096 |
| GAAP net income per diluted share | \$ 1.11 | \$ 0.86 | \$ 0.38 | \$ 0.91 | \$ 3.27 | \$ 0.82 |
| Adjustments to net income: | | | | | | |
| Amortization of acquired intangible assets | 0.13 | 0.14 | 0.16 | 0.17 | 0.60 | 0.18 |
| Stock-based compensation expense | 0.59 | 0.64 | 0.67 | 0.65 | 2.55 | 0.74 |
| Restructuring charge | — | 0.01 | 0.54 | 0.08 | 0.62 | 0.00 |
| Acquisition-related costs | — | 0.01 | 0.03 | — | 0.05 | 0.00 |
| Legal settlements | — | — | — | 0.02 | 0.02 | 0.00 |
| Amortization of debt issuance costs | 0.01 | 0.01 | 0.01 | 0.01 | 0.04 | 0.01 |
| Loss (gain) on cost method investments, net | — | — | — | 0.03 | 0.03 | (0.06) |
| Income tax effect of above non-GAAP adjustments and certain discrete tax items | (0.30) | (0.16) | (0.27) | (0.28) | (1.00) | (0.08) |
| Adjustment for shares ⁽¹⁾ | 0.02 | — | — | — | 0.03 | 0.00 |
| Non-GAAP net income per diluted share | \$ 1.64 | \$ 1.58 | \$ 1.59 | \$ 1.66 | \$ 6.48 | \$ 1.70 |
| Shares used in GAAP per diluted share calculations | 157,466 | 153,588 | 153,240 | 153,091 | 154,346 | 151,064 |
| Impact of benefit from note hedge transactions ⁽¹⁾ | (2,114) | (199) | (294) | (368) | (744) | — |
| Shares used in non-GAAP per diluted share calculations ⁽¹⁾ | 155,352 | 153,389 | 152,946 | 152,723 | 153,602 | 151,064 |

(1) Shares used in non-GAAP per diluted share calculations have been adjusted for the periods presented for 2024 for the benefit of Akamai's note hedge transactions. During these periods, Akamai's average stock price was in excess of \$95.10, which is the initial conversion price of Akamai's convertible senior notes due in May 2025.

(in thousands, except per share data)

| | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | FY 2024 | Q1 2025 |
|---|------------|------------|--------------|--------------|--------------|--------------|
| Net income | \$ 175,418 | \$ 131,688 | \$ 57,907 | \$ 139,905 | \$ 504,918 | \$ 123,171 |
| Net income margin | 18 % | 13 % | 6 % | 14 % | 13 % | 12 % |
| Interest and marketable securities income, net | (27,841) | (26,628) | (23,065) | (22,746) | (100,280) | (19,530) |
| Provision for income taxes | 12,844 | 35,148 | 15,899 | 18,204 | 82,095 | 50,212 |
| Depreciation and amortization | 125,337 | 127,326 | 130,517 | 131,275 | 514,455 | 134,304 |
| Amortization of capitalized stock-based compensation and capitalized interest expense | 10,123 | 10,434 | 11,089 | 11,264 | 42,910 | 12,359 |
| Amortization of acquired intangible assets | 21,023 | 21,076 | 24,368 | 25,614 | 92,081 | 27,637 |
| Stock-based compensation | 93,260 | 98,466 | 102,607 | 99,045 | 393,378 | 111,978 |
| Restructuring charge | 544 | 1,385 | 82,013 | 11,499 | 95,441 | 361 |
| Acquisition-related costs | 172 | 2,179 | 5,036 | 115 | 7,502 | 95 |
| Legal settlements | — | — | — | 2,500 | 2,500 | — |
| Interest expense | 6,818 | 6,829 | 6,735 | 6,735 | 27,117 | 6,750 |
| Loss (gain) on cost method investments, net | — | 66 | — | 5,000 | 5,066 | (9,313) |
| Other (income) expense, net | (511) | 883 | 13,161 | 962 | 14,495 | 3,293 |
| Adjusted EBITDA | \$ 417,187 | \$ 408,852 | \$ 426,267 | \$ 429,372 | \$ 1,681,678 | \$ 441,317 |
| Revenue | \$ 986,970 | \$ 979,580 | \$ 1,004,679 | \$ 1,019,939 | \$ 3,991,168 | \$ 1,015,139 |
| Adjusted EBITDA | 417,187 | 408,852 | 426,267 | 429,372 | 1,681,678 | 441,317 |
| Adjusted EBITDA margin | 42 % | 42 % | 42 % | 42 % | 42 % | 43 % |
| GAAP operating expenses | \$ 425,499 | \$ 428,706 | \$ 525,236 | \$ 457,523 | \$ 1,836,964 | \$ 441,611 |
| Less: | | | | | | |
| Stock-based compensation | 80,642 | 82,602 | 86,041 | 82,916 | 332,201 | 93,050 |
| Amortization of acquired intangible assets | 21,023 | 21,076 | 24,368 | 25,614 | 92,081 | 27,637 |
| Depreciation and amortization | 16,559 | 16,504 | 16,559 | 16,562 | 66,184 | 16,486 |
| Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization | 211 | 198 | 186 | 204 | 799 | 278 |
| Restructuring charge | 544 | 1,385 | 82,013 | 11,499 | 95,441 | 361 |
| Acquisition-related costs | 172 | 2,179 | 5,036 | 115 | 7,502 | 95 |
| Legal settlements | — | — | — | 2,500 | 2,500 | 0 |
| Non-GAAP cash operating expenses | \$ 306,348 | \$ 304,762 | \$ 311,033 | \$ 318,113 | \$ 1,240,256 | \$ 303,704 |
| Net cash provided by operating activities | \$ 351,878 | \$ 430,963 | \$ 392,542 | \$ 343,788 | \$ 1,519,171 | \$ 251,200 |
| Less: | | | | | | |
| Purchases of property and equipment - cash basis | 93,751 | 90,994 | 112,803 | 92,885 | 390,433 | 117,776 |
| Capitalization of internal-use software development costs - cash basis | 80,003 | 72,543 | 72,314 | 69,974 | 294,834 | 78,232 |
| Free cash flow | \$ 178,124 | \$ 267,426 | \$ 207,425 | \$ 180,929 | \$ 833,904 | \$ 55,192 |
| Revenue | \$ 986,970 | \$ 979,580 | \$ 1,004,679 | \$ 1,019,939 | \$ 3,991,168 | \$ 1,015,139 |
| Free cash flow | 178,124 | 267,426 | 207,425 | 180,929 | 833,904 | 55,192 |
| Free cash flow as a percentage of revenue | 18 % | 27 % | 21 % | 18 % | 21 % | 5 % |
| Purchases of property and equipment - accrual basis | \$ 74,635 | \$ 94,463 | \$ 91,600 | \$ 122,694 | \$ 383,392 | \$ 147,990 |
| Capitalization of internal-use software development costs - accrual basis | 77,491 | 72,653 | 72,391 | 69,974 | 292,509 | 77,910 |
| Capital expenditures, or capex | \$ 152,126 | \$ 167,116 | \$ 163,991 | \$ 192,668 | \$ 675,901 | \$ 225,900 |
| Revenue | \$ 986,970 | \$ 979,580 | \$ 1,004,679 | \$ 1,019,939 | \$ 3,991,168 | \$ 1,015,139 |
| Capital expenditures, or capex | 152,126 | 167,116 | 163,991 | 192,668 | 675,901 | 225,900 |
| Capex as a percentage of revenue | 15 % | 17 % | 16 % | 19 % | 17 % | 22 % |
| GAAP depreciation and amortization | \$ 156,183 | \$ 158,549 | \$ 165,729 | \$ 167,949 | \$ 648,410 | \$ 174,022 |
| Less: | | | | | | |
| Capitalized stock-based compensation amortization | 9,712 | 10,048 | 10,740 | 10,952 | 41,452 | 11,963 |
| Capitalized interest expense amortization | 111 | 99 | 104 | 108 | 422 | 118 |
| Amortization of acquired intangible assets | 21,023 | 21,076 | 24,368 | 25,614 | 92,081 | 27,637 |
| Non-GAAP depreciation and amortization | \$ 125,337 | \$ 127,326 | \$ 130,517 | \$ 131,275 | \$ 514,455 | \$ 134,304 |
| GAAP tax rate | 7 % | 21 % | 22 % | 12 % | 14 % | 29 % |
| Income tax effect of non-GAAP adjustments and certain discrete tax items | 12 % | (1)% | (3)% | 7 % | 5 % | (10)% |
| Non-GAAP tax rate | 19 % | 20 % | 19 % | 19 % | 19 % | 19 % |

Akamai's definitions of its non-GAAP financial measures are as follows:

Non-GAAP income from operations – GAAP income from operations adjusted for the following items: amortization of acquired intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; amortization of capitalized interest expense; acquisition-related costs; restructuring charges; legal settlements; and other non-recurring or unusual items that may arise from time to time.

Non-GAAP operating margin – Non-GAAP income from operations stated as a percentage of revenue.

Non-GAAP net income – GAAP net income adjusted for the following tax-affected items: amortization of acquired intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; acquisition-related costs; restructuring charges; legal settlements; amortization of debt issuance costs; amortization of capitalized interest expense; gains and losses on cost method investments; gains and losses from equity method investment; and other non-recurring or unusual items that may arise from time to time.

Non-GAAP net income per diluted share – Non-GAAP net income divided by weighted average diluted common shares outstanding. Diluted weighted average common shares outstanding are adjusted in non-GAAP per share calculations for the shares that would be delivered to Akamai pursuant to the note hedge transactions entered into in connection with the issuance of \$1,265 million of convertible senior notes due 2029 and the issuances of \$1,150 million of convertible senior notes due 2027 and 2025, respectively. Under GAAP, shares delivered under hedge transactions are not considered offsetting shares in the fully-diluted share calculation until they are delivered. However, Akamai would receive a benefit from the note hedge transactions and would not allow the dilution to occur, so management believes that adjusting for this benefit provides a meaningful view of operating performance. With respect to the convertible senior notes due in each of 2029, 2027 and 2025, unless Akamai's weighted average stock price is greater than \$126.31, \$116.18 and \$95.10, respectively, the initial conversion prices, there will be no difference between GAAP and non-GAAP diluted weighted average common shares outstanding.

Adjusted EBITDA – GAAP net income excluding the following items: interest and marketable securities income and losses; income taxes; depreciation and amortization of tangible and intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; acquisition-related costs; restructuring charges; legal settlements; foreign exchange gains and losses; interest expense; amortization of capitalized interest expense; gains and losses on cost method investments; gains and losses from equity method investment; and other non-recurring or unusual items that may arise from time to time.

Adjusted EBITDA margin – Adjusted EBITDA stated as a percentage of revenue.

Non-GAAP cash cost of revenue – GAAP cost of revenue, excluding stock-based compensation, depreciation and amortization and acquisition-related costs.

Non-GAAP cash gross profit – Revenue less non-GAAP cash cost of revenue.

Non-GAAP cash gross margin – Non-GAAP cash gross profit stated as a percentage of revenue.

Non-GAAP R&D – GAAP research and development, excluding stock-based compensation and acquisition-related costs.

Non-GAAP S&M – GAAP sales and marketing, excluding stock-based compensation and acquisition-related costs.

Non-GAAP G&A – GAAP general and administrative, excluding stock-based compensation; depreciation and amortization; acquisition-related costs; legal settlements; and other non-recurring or unusual items that may arise from time to time.

Non-GAAP cash operating expenses (cash opex) – GAAP operating expenses (consisting of research and development, sales and marketing, general and administrative, amortization of acquired intangible assets and restructuring charges), excluding stock-based compensation; amortization of acquired intangible assets; depreciation and amortization; acquisition-related costs; restructuring charges; legal settlements; and other non-recurring or unusual items that may arise from time to time.

Free cash flow – Net cash provide by operating activities less purchases of property and equipment and capitalization of internal-use software development costs included in the statements of cash flows.

Free cash flow as a percentage of revenue – Net cash provided by operating activities less purchases of property and equipment and capitalization of internal-use software development costs included in the statements of cash flows, stated as a percentage of revenue.

Capital expenditures, or capex – Purchases of property and equipment and capitalization of internal-use software development costs presented on an accrual basis, which differs from the cash-basis presentation included in the statements of cash flows. The primary difference between the two is the change in purchases of property and equipment and capitalization of internal-use software development costs accrued for, but not paid, at period end versus prior periods.

Capex as a percentage of revenue – Capital expenditures, or capex, stated as a percentage of revenue.

Non-GAAP depreciation and amortization – GAAP depreciation and amortization (which consists of depreciation and amortization of property and equipment, capitalized stock-based compensation, capitalized interest expense and acquired intangible assets), less depreciation and amortization excluded from non-GAAP results (which consists of depreciation and amortization of capitalized stock-based compensation, capitalized interest expense and acquired intangible assets).

Non-GAAP tax rate – GAAP tax rate excluding the tax effect of non-GAAP adjustments and certain discrete tax items.

Impact of foreign currency exchange rates – Revenue and earnings from international operations have historically been important contributors to Akamai's financial results. Consequently, Akamai's financial results have been impacted, and management expects they will continue to be impacted, by fluctuations in foreign currency exchange rates. For example, when the local currencies of our international subsidiaries weaken, our consolidated results stated in U.S. dollars are negatively impacted.

Because exchange rates are a meaningful factor in understanding period-to-period comparisons, management believes the presentation of the impact of foreign currency exchange rates on revenue and earnings enhances the understanding of our financial results and evaluation of performance in comparison to prior periods. The dollar impact of changes in foreign currency exchange rates presented is calculated by translating current period results using monthly average foreign currency exchange rates from the comparative period and comparing them to the reported amount. The percentage growth rate impacted by foreign currency exchange rates, sometimes referred to as constant currency, is calculated by comparing the prior period amounts as reported and the current period amounts translated using the same monthly average foreign currency exchange rates from the comparative period.

The non-GAAP adjustments, and Akamai's basis for excluding them from non-GAAP financial measures, are outlined below:

Amortization of acquired intangible assets – Akamai has incurred amortization of intangible assets, included in its GAAP financial statements, related to various acquisitions Akamai has made. The amount of an acquisition's purchase price allocated to intangible assets and term of its related amortization can vary significantly and is unique to each acquisition; therefore, Akamai excludes amortization of acquired intangible assets from its non-GAAP financial measures to provide investors with a consistent basis for comparing pre- and post-acquisition operating results.

Stock-based compensation and amortization of capitalized stock-based compensation – Stock-based compensation is an important aspect of the compensation paid to Akamai's employees which includes long-term incentive plans to encourage retention, performance-based plans to encourage achievement of specified financial targets, short-term incentive awards with a one year vest and shares issued as part of a retirement savings program. The grant date fair value of the stock-based compensation awards varies based on the stock price at the time of grant, varying valuation methodologies, subjective assumptions and the variety of award types. This makes the comparison of Akamai's current financial results to previous and future periods difficult to interpret; therefore, Akamai believes it is useful to exclude stock-based compensation and amortization of capitalized stock-based compensation from its non-GAAP financial measures in order to highlight the performance of Akamai's core business and to be consistent with the way many investors evaluate its performance and compare its operating results to peer companies.

Acquisition-related costs – Acquisition-related costs include transaction fees, advisory fees, due diligence costs and other direct costs associated with strategic activities, as well as certain additional compensation costs payable to employees acquired from the Linode acquisition if employed for a certain period of time. The additional compensation cost was initiated by and determined by the seller, and is in addition to normal levels of compensation, including retention programs, offered by Akamai. Acquisition-related costs are impacted by the timing and size of the acquisitions, and Akamai excludes acquisition-related costs from its non-GAAP financial measures to provide a useful comparison of operating results to prior periods and to peer companies because such amounts vary significantly based on the magnitude of the acquisition transactions and do not reflect Akamai's core operations.

Restructuring charge – Akamai has incurred restructuring charges from programs that have significantly changed either the scope of the business undertaken by the Company or the manner in which that business is conducted. These charges include severance and related expenses for workforce reductions, impairments of long-lived assets that will no longer be used in operations (including acquired intangible assets, right-of-use assets, other facility-related property and equipment and internal-use software) and termination fees for any contracts cancelled as part of these programs. Akamai excludes these items from its non-GAAP financial measures when evaluating its continuing business performance as such items vary significantly based on the magnitude of the restructuring action and do not reflect expected future operating expenses. In addition, these charges do not necessarily provide meaningful insight into the fundamentals of current or past operations of its business.

Amortization of debt issuance costs and capitalized interest expense – Akamai has convertible senior notes outstanding that mature in 2029, 2027 and 2025. The issuance costs of the convertible senior notes are amortized to interest expense and are excluded from Akamai's non-GAAP results because management believes the non-cash amortization expense is not representative of ongoing operating performance.

Gains and losses on cost method investments – Akamai has recorded gains and losses from the disposition, changes to fair value and impairment of cost method investments. Akamai believes excluding these amounts from its non-GAAP financial measures is useful to investors as the types of events giving rise to these gains and losses are not representative of Akamai's core business operations and ongoing operating performance.

Legal settlements – Akamai has incurred losses related to the settlement of legal matters. Akamai believes excluding these amounts from its non-GAAP financial measures is useful to investors as the types of events giving rise to them are not representative of Akamai's core business operations.

Gains and losses from equity method investment – Akamai records income or losses on its share of earnings and losses from its equity method investment, and any gains from returns of investments or impairments. Akamai excludes such income and losses because it does not have direct control over the operations of the investment and the related income and losses are not representative of its core business operations.

Income tax effect of non-GAAP adjustments and certain discrete tax items – The non-GAAP adjustments described above are reported on a pre-tax basis. The income tax effect of non-GAAP adjustments is the difference between GAAP and non-GAAP income tax expense. Non-GAAP income tax expense is computed on non-GAAP pre-tax income (GAAP pre-tax income adjusted for non-GAAP adjustments) and excludes certain discrete tax items (such as the impact of intercompany sales of intellectual property related to acquisitions), if any. Akamai believes that applying the non-GAAP adjustments and their related income tax effect allows Akamai to highlight income attributable to its core operations.