

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
JUNE 30, 2020

(in thousands, except per share data)	2020	
	Q1	Q2
Revenue	\$ 764,302	\$794,715
Non-GAAP cash cost of revenue	\$ 177,537	\$186,005
Depreciation and amortization – cost of revenue	\$ 85,309	\$ 84,545
Stock-based compensation – cost of revenue	\$ 5,736	\$ 6,254
GAAP cost of revenue	\$ 268,582	\$276,804
Non-GAAP cash gross profit	\$ 586,765	\$608,710
Non-GAAP cash gross margin	77 %	77 %
GAAP gross profit	\$ 495,720	\$517,911
GAAP gross margin	65 %	65 %
Non-GAAP R&D	\$ 59,159	\$ 52,541
Stock-based compensation – R&D	\$ 12,065	\$ 11,549
GAAP R&D	\$ 71,224	\$ 64,090
Non-GAAP S&M	\$ 108,051	\$107,458
Stock-based compensation – S&M	\$ 15,735	\$ 16,011
GAAP S&M	\$ 123,786	\$123,469
Non-GAAP G&A	\$ 92,863	\$ 93,339
Stock-based compensation – G&A	\$ 13,957	\$ 15,377
Acquisition-related costs – G&A	\$ 76	\$ 62
Legal settlements – G&A	\$ —	\$ 275
Depreciation and amortization – G&A	\$ 20,465	\$ 20,654
Amortization of capitalized stock-based compensation and interest expense not included in depreciation and amortization – G&A	\$ —	\$ 2
GAAP G&A	\$ 127,361	\$129,709
Restructuring charge (benefit)	\$ 10,585	\$ (167)
Amortization of acquired intangible assets	\$ 10,434	\$ 10,381
Adjusted EBITDA	\$ 326,692	\$355,372
Adjusted EBITDA margin	43 %	45 %
GAAP OpEx (excluding cost of revenue)	\$ 343,390	\$327,482
GAAP income from operations	\$ 152,330	\$190,429
Interest income	\$ 7,043	\$ 9,502
Interest expense	\$ (17,205)	\$ (17,249)
Other expense, net	\$ (4,108)	\$ (1,603)
Income before provision for income taxes	\$ 138,060	\$181,079
Provision for income taxes	\$ (14,292)	\$ (18,671)
Loss from equity method investment	\$ (622)	\$ (493)
Net income	\$ 123,146	\$161,915
Net income per share – basic	\$ 0.76	\$ 1.00
Net income per share – diluted	\$ 0.75	\$ 0.98
Shares used in per share calculation – basic	161,992	162,413
Shares used in per share calculation – diluted	163,684	164,768
GAAP income from operations	\$ 152,330	\$190,429
Amortization of acquired intangible assets	\$ 10,434	\$ 10,381
Stock-based compensation	\$ 47,493	\$ 49,191
Amortization of capitalized stock-based compensation and capitalized interest expense	\$ 8,589	\$ 8,038
Restructuring charge (benefit)	\$ 10,585	\$ (167)
Acquisition-related costs	\$ 76	\$ 62
Legal settlements	\$ —	\$ 275
Operating adjustments	\$ 77,177	\$ 67,780
Non-GAAP income from operations	\$ 229,507	\$258,209
Non-GAAP operating margin	30 %	32 %
GAAP net income	\$ 123,146	\$161,915
Operating adjustments (from above)	\$ 77,177	\$ 67,780
Amortization of debt discount and issuance costs	\$ 15,633	\$ 15,677
Loss from equity method investment	\$ 622	\$ 493
Income tax-effect of above non-GAAP adjustments and certain discrete tax items	\$ (20,445)	\$ (19,347)
Non-GAAP net income	\$ 196,133	\$226,518
Non-GAAP net income per share – diluted	\$ 1.20	\$ 1.38
Shares used in non-GAAP per share calculation – diluted	163,684	164,115

AKAMAI TECHNOLOGIES, INC.
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 non-GAAP per share calculation – diluted	164,787	165,019	164,558	163,930	164,573