

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
MARCH 31, 2017

	2017
	Q1
<i>(in thousands, except per share data)</i>	
Revenue	\$ 609,237
Non-GAAP cash cost of revenue	\$ 140,582
Depreciation and amortization – cost of revenue	\$ 60,436
Stock-based compensation – cost of revenue	\$ 4,685
GAAP cost of revenue	\$ 205,703
Non-GAAP gross profit	\$ 468,655
Non-GAAP gross margin	77%
GAAP gross profit	\$ 403,534
GAAP gross margin	66%
Non-GAAP R&D	\$ 43,133
Stock-based compensation – R&D	\$ 9,029
GAAP R&D	\$ 52,162
Non-GAAP S&M	\$ 98,408
Stock-based compensation – S&M	\$ 15,157
Acquisition-related costs – S&M	\$ 1
GAAP S&M	\$ 113,566
Non-GAAP G&A	\$ 86,575
Stock-based compensation – G&A	\$ 10,115
Acquisition-related benefits – G&A	\$ (209)
Depreciation and amortization – G&A	\$ 18,528
GAAP G&A	\$ 115,009
Amortization of acquired intangible assets	\$ 7,569
Adjusted EBITDA	\$ 240,539
Adjusted EBITDA margin	39%
GAAP OpEx (excluding cost of revenue)	\$ 288,306
GAAP income from operations	\$ 115,228
Interest income	\$ 4,624
Interest expense	\$ (4,597)
Other expense, net	\$ (684)
Income before provision for income taxes	\$ 114,571
Provision for income taxes	\$ 33,641
Net income	\$ 80,930
Net income per share – basic	\$ 0.47
Net income per share – diluted	\$ 0.46
Shares used in per share calculation – basic	173,158
Shares used in per share calculation – diluted	175,171
GAAP income from operations	\$ 115,228
Amortization of acquired intangible assets	\$ 7,569
Stock-based compensation	\$ 38,986
Amortization of capitalized stock-based compensation and capitalized interest expense	\$ 3,911
Acquisition-related benefits	\$ (208)
Operating adjustments	\$ 50,258
Non-GAAP income from operations	\$ 165,486
Non-GAAP operating margin	27%
GAAP net income	\$ 80,930
Operating adjustments (from above)	\$ 50,258
Amortization of debt discount and issuance costs	\$ 4,597
Income tax-effect of above non-GAAP adjustments and certain discrete tax items	\$ (15,467)
Non-GAAP net income	\$ 120,318
Non-GAAP net income per share – diluted	\$ 0.69
Shares used in per share calculation – diluted	175,171

AKAMAI TECHNOLOGIES, INC.
SUPPLEMENTAL METRICS (UNAUDITED)
DECEMBER 31, 2016

	2016				2016 FY
	Q1	Q2	Q3	Q4	
<i>(in thousands, except per share data)</i>					
Revenue	\$ 567,725	\$ 572,135	\$ 584,065	\$ 616,124	\$2,340,049
Non-GAAP cash cost of revenue	\$ 132,242	\$ 139,331	\$ 138,541	\$ 138,721	\$ 548,835
Depreciation and amortization – cost of revenue	\$ 58,524	\$ 62,439	\$ 61,225	\$ 59,691	\$ 241,879
Stock-based compensation – cost of revenue	\$ 3,970	\$ 4,553	\$ 4,701	\$ 5,063	\$ 18,287
GAAP cost of revenue	\$ 194,736	\$ 206,323	\$ 204,467	\$ 203,475	\$ 809,001
Non-GAAP gross profit	\$ 435,483	\$ 432,804	\$ 445,524	\$ 477,403	\$1,791,214
Non-GAAP gross margin	77%	76%	76%	77%	77%
GAAP gross profit	\$ 372,989	\$ 365,812	\$ 379,598	\$ 412,649	\$1,531,048
GAAP gross margin	66%	64%	65%	67%	65%
Non-GAAP R&D	\$ 34,404	\$ 30,938	\$ 34,614	\$ 37,933	\$ 137,889
Stock-based compensation – R&D	\$ 6,438	\$ 6,752	\$ 7,727	\$ 8,822	\$ 29,739
GAAP R&D	\$ 40,842	\$ 37,690	\$ 42,341	\$ 46,755	\$ 167,628
Non-GAAP S&M	\$ 89,840	\$ 89,955	\$ 87,892	\$ 103,837	\$ 371,524
Stock-based compensation – S&M	\$ 12,352	\$ 13,259	\$ 14,729	\$ 15,067	\$ 55,407
Acquisition-related costs – S&M	\$ 19	\$ 9	\$ 5	\$ 3	\$ 36
GAAP S&M	\$ 102,211	\$ 103,223	\$ 102,626	\$ 118,907	\$ 426,967
Non-GAAP G&A	\$ 77,182	\$ 80,774	\$ 84,901	\$ 88,287	\$ 331,144
Stock-based compensation – G&A	\$ 8,981	\$ 10,347	\$ 11,495	\$ 10,250	\$ 41,073
Acquisition-related (benefits) costs – G&A	\$ (98)	\$ 352	\$ 236	\$ 538	\$ 1,028
Legal matter costs – G&A	\$ 789	\$ 101	\$ —	\$ —	\$ 890
Depreciation and amortization – G&A	\$ 15,429	\$ 15,964	\$ 16,688	\$ 17,700	\$ 65,781
GAAP G&A	\$ 102,283	\$ 107,538	\$ 113,320	\$ 116,775	\$ 439,916
Restructuring charges	\$ 6,818	\$ 470	\$ 2,948	\$ 65	\$ 10,301
Amortization of acquired intangible assets	\$ 6,716	\$ 6,711	\$ 6,598	\$ 6,617	\$ 26,642
Adjusted EBITDA	\$ 234,057	\$ 231,137	\$ 238,117	\$ 247,346	\$ 950,657
Adjusted EBITDA margin	41%	40%	41%	40%	41%
GAAP OpEx (excluding cost of revenue)	\$ 258,870	\$ 255,632	\$ 267,833	\$ 289,119	\$1,071,454
GAAP income from operations	\$ 114,119	\$ 110,180	\$ 111,765	\$ 123,530	\$ 459,594
Interest income	\$ 3,320	\$ 3,393	\$ 3,809	\$ 4,180	\$ 14,702
Interest expense	\$ (4,653)	\$ (4,639)	\$ (4,666)	\$ (4,680)	\$ (18,638)
Other (expense) income, net	\$ (189)	\$ 415	\$ 778	\$ 2,784	\$ 3,788
Income before provision for income taxes	\$ 112,597	\$ 109,349	\$ 111,686	\$ 125,814	\$ 459,446
Provision for income taxes	\$ 37,739	\$ 35,714	\$ 35,686	\$ 34,175	\$ 143,314
Net income	\$ 74,858	\$ 73,635	\$ 76,000	\$ 91,639	\$ 316,132
Net income per share – basic	\$ 0.42	\$ 0.42	\$ 0.44	\$ 0.53	\$ 1.81
Net income per share – diluted	\$ 0.42	\$ 0.42	\$ 0.43	\$ 0.52	\$ 1.79
Shares used in per share calculation – basic	176,403	175,499	174,429	173,337	174,917
Shares used in per share calculation – diluted	177,539	176,420	175,617	175,284	176,215
GAAP income from operations	\$ 114,119	\$ 110,180	\$ 111,765	\$ 123,530	\$ 459,594
Amortization of acquired intangible assets	\$ 6,716	\$ 6,711	\$ 6,598	\$ 6,617	\$ 26,642
Stock-based compensation	\$ 31,741	\$ 34,911	\$ 38,652	\$ 39,202	\$ 144,506
Amortization of capitalized stock-based compensation and capitalized interest expense	\$ 3,608	\$ 4,071	\$ 3,983	\$ 3,777	\$ 15,439
Restructuring charges	\$ 6,818	\$ 470	\$ 2,948	\$ 65	\$ 10,301
Acquisition-related (benefits) costs	\$ (79)	\$ 361	\$ 241	\$ 541	\$ 1,064
Legal matter costs	\$ 789	\$ 101	\$ —	\$ —	\$ 890
Operating adjustments	\$ 49,593	\$ 46,625	\$ 52,422	\$ 50,202	\$ 198,842
Non-GAAP income from operations	\$ 163,712	\$ 156,805	\$ 164,187	\$ 173,732	\$ 658,436
Non-GAAP operating margin	29%	27%	28%	28%	28%
GAAP net income	\$ 74,858	\$ 73,635	\$ 76,000	\$ 91,639	\$ 316,132
Operating adjustments (from above)	\$ 49,593	\$ 46,625	\$ 52,422	\$ 50,202	\$ 198,842
Amortization of debt discount and issuance costs	\$ 4,653	\$ 4,639	\$ 4,666	\$ 4,680	\$ 18,638
Gain on investments	\$ —	\$ —	\$ —	\$ (4,807)	\$ (4,807)
Income tax-effect of above non-GAAP adjustments and certain discrete tax items	\$ (11,323)	\$ (12,832)	\$ (12,939)	\$ (15,567)	\$ (52,661)
Non-GAAP net income	\$ 117,781	\$ 112,067	\$ 120,149	\$ 126,147	\$ 476,144
Non-GAAP net income per share – diluted	\$ 0.66	\$ 0.64	\$ 0.68	\$ 0.72	\$ 2.70
Shares used in per share calculation – diluted	177,539	176,420	175,617	175,284	176,215