Q4 and FY 2021 Earnings Call & Acquisition of Linode
Agenda:

Q4 and FY 2021 Highlights & Akamai’s Future with Linode
Dr. Tom Leighton, CEO & Co-Founder

Cloud and Edge Computing
Adam Karon, COO & GM, Edge Technology Group

Transaction Specifics,
Q4 and FY 2021 Results & 2022 Guidance
Ed McGowan, EVP & CFO

Q&A
All Speakers
Safe Harbor

This presentation and related materials contain information about future expectations, plans and prospects of Akamai's management that constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995, including statements about expected future financial performance and benefits from the previously-announced acquisitions. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors including, but not limited to, failure to integrate acquisitions fully; inability to continue to generate cash at the same level as prior years; failure of our investments in innovation to generate solutions that are accepted in the market, particularly with respect to security solutions; inability to increase our revenue at the same rate as in the past and keep our expenses from increasing at a greater rate than our revenues; the impact of competition; impact of the COVID-19 pandemic; and other factors that are discussed in the Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q, and other documents periodically filed with the SEC.

In addition, the statements in this presentation represent Akamai's expectations and beliefs as of February 15, 2022. Akamai anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while Akamai may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Akamai's expectations or beliefs as of any date subsequent to February 15, 2022. Finally, during this presentation we will be referring to non-GAAP financial measures such as non-GAAP earnings per share. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. A reconciliation between non-GAAP and the most directly comparable GAAP financial measures appears in the Financial Information portion of the Investor Relations section of our Web site.
Q4 and FY 2021 Highlights & Akamai’s Future with Linode

Dr. Tom Leighton
CEO and Co-Founder
### Q4 and FY21 Financial Results

($ in M, except earnings per share)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2021</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>y/y growth</td>
<td>+7% (+8% cc)</td>
<td>+8% (+7% cc)</td>
</tr>
<tr>
<td><strong>Security Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>y/y growth</td>
<td>+23% (+25% cc)</td>
<td>+26% (+25% cc)</td>
</tr>
<tr>
<td><strong>CDN Revenue</strong></td>
<td>$541</td>
<td>$2,126</td>
</tr>
<tr>
<td>y/y growth</td>
<td>-2% (-1% cc)</td>
<td>0% (-1 cc)</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Margin</strong></td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Non-GAAP EPS</strong></td>
<td>$1.49</td>
<td>$5.74</td>
</tr>
<tr>
<td>y/y growth</td>
<td>+12%</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$277</td>
<td>$859</td>
</tr>
<tr>
<td>y/y growth</td>
<td>+124%</td>
<td>+78%</td>
</tr>
</tbody>
</table>

cc refers to constant currency. Margin numbers are expressed as a percentage of revenue.

Refer to the investor relations section of our website for definitions of our non-GAAP metrics and a reconciliation to the closest GAAP metric.
Our Purpose

We make life better for billions of people, billions of times a day.

Our Mission

We power and protect life online.
Akamai has a rich history of market-changing innovation.

- Content Delivery
- Streaming Video
- Application Acceleration
- Security

Cloud and Edge Computing
The cloud company that powers and protects life online

The world’s most distributed compute platform – from cloud to edge – making it easier for developers and businesses to **build, run, and secure applications**
A Transformational Opportunity

What we showed at our 2021 IR Day

Akamai Has 2 Main Businesses:

Security  CDN

Both enabled by the world’s most distributed and best-performing edge platform
Akamai Tomorrow

The world’s most distributed cloud services provider, with leading solutions for:

- Security
- Delivery
- Compute
Cloud and Edge Computing

Adam Karon
COO and GM, Edge Technology Group
The world’s most distributed cloud services provider, with leading solutions for:

- Security
- Delivery
- Compute
Linode Product Portfolio
Compute & Storage with a Leading Developer Experience

<table>
<thead>
<tr>
<th>Compute</th>
<th>Storage</th>
<th>Cloud Orchestration</th>
<th>Dev Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared CPU</td>
<td>Block Storage</td>
<td>DNS</td>
<td>CLI</td>
</tr>
<tr>
<td>Dedicated CPU</td>
<td>Object Storage</td>
<td>Load Balancing</td>
<td>API</td>
</tr>
<tr>
<td>High Memory</td>
<td>Beta: Managed Database</td>
<td>VLAN</td>
<td>Terraform</td>
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<tr>
<td>Bare Metal</td>
<td></td>
<td></td>
<td>Ansible</td>
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<tr>
<td>GPU</td>
<td></td>
<td></td>
<td>Marketplace</td>
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<tr>
<td>Kubernetes</td>
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</tbody>
</table>

Linode’s products are sold via traditional “cloud models” including online trial and purchase.
Akamai’s compute products will be sold via Linode’s traditional “cloud models” and via Akamai’s globally located enterprise salesforce and robust channel ecosystem.
Akamai and Linode: The world’s most distributed compute platform – from cloud to edge – making it easier for developers and businesses to build, run, and secure applications.
# Potential Use Cases

<table>
<thead>
<tr>
<th>Sports</th>
<th>IoT</th>
<th>E-Commerce</th>
<th>Metaverse</th>
<th>Health Care</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application</strong></td>
<td><strong>Key Capabilities</strong></td>
<td><strong>Example</strong></td>
<td></td>
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<tr>
<td>Watch Along App using WebRTC</td>
<td>Distributed VMs</td>
<td>A sports league could leverage Akamai’s platform to deploy WebRTC to enable a Watch Along App that allows a group of friends to watch a game in synch while communicating with each other in real time.</td>
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<td></td>
<td>Load Balancing</td>
<td>A shipping company builds a distributed app to collect and parse video and telemetry data from trucks in route before backhauling the data to their data warehouse.</td>
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<tr>
<td></td>
<td>High Throughput Egress</td>
<td>A e-commerce site leverages Akamai to dynamically personalize their site based on the users previous and current browsing activity without have to go back to their data lake.</td>
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<td></td>
<td>MQTT</td>
<td>A game studio is working on a new project that connects users from across the globe in a fully immersive VR experience from any console, mobile device or browser.</td>
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<td></td>
<td>Managed DB</td>
<td>A hospital could leverage Akamai to create a platform that captures and archives videos of surgical procedures to help train Doctors on new and emerging techniques.</td>
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<td></td>
<td>Direct Connects</td>
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<tr>
<td></td>
<td>Managed DB</td>
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<tr>
<td></td>
<td>Kubernetes</td>
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<tr>
<td></td>
<td>FaaS</td>
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<tr>
<td></td>
<td>Distributed GPU</td>
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<td></td>
<td>Low Latency</td>
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<tr>
<td></td>
<td>Private Backbone</td>
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<td></td>
<td>Bare Metal</td>
<td></td>
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<tr>
<td></td>
<td>Object Storage</td>
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Market Positioning

We plan to combine Linode’s ease of use and developer-friendliness with Akamai’s market-leading scale, performance, and security.

We expect this combined offering to:

- Appeal to developers by offering the core cloud compute functionality, ease of use, and tools they need.
- Appeal to enterprises with the security, uptime, and reliability they require.
- Drive modern use cases as new applications can take advantage of the throughput, performance, and distribution of a market leading global network.
Akamai & Linode: Why We Can Win

Highly secure, elastic compute with storage capabilities on the world’s largest edge network

Category leading security

Edge computing platform for latency sensitive workloads

Akamai’s global private network

Global enterprise salesforce

Robust channel ecosystem
Q4 and FY 2021 Results, Linode Transaction Specifics, & 2022 Guidance

Ed McGowan
EVP and CFO
## Q4 and FY21 Financial Results

$ in M, except earnings per share

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</tr>
<tr>
<td></td>
<td>+8% cc</td>
<td>+7% cc</td>
</tr>
<tr>
<td><strong>Cash Gross Margin</strong></td>
<td>77%</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin</strong></td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Margin</strong></td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Non-GAAP EPS</strong></td>
<td>$1.49</td>
<td>$5.74</td>
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<tr>
<td><strong>y/y growth</strong></td>
<td>+12%</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>Operating Cash Flow</strong></td>
<td>$387</td>
<td>$1,405</td>
</tr>
<tr>
<td><strong>y/y growth</strong></td>
<td>+33%</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>Capex (% of revenue)</strong></td>
<td>13%</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Revenue**

- **Guardicore**: Q4 revenue of $10M, ahead of plan given two large deals
- **Edge Applications**: >$200M annual revenue run-rate, grew 30% y/y in ’21
- **International**: revenue +13% y/y in Q4; now 47% of total revenue

**Profitability & Cash Flow**

- **Non-GAAP Operating Margin**: 31% in Q4 and 32% for 2021
- **Operating Cash Flow**: $1.4B in 2021, 41% of revenue
- **Capex**: 15% of 2021 revenue, in-line with long-term model

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Linode Transaction Specifics

PURCHASE PRICE: ~$900M

cash consideration

Treated as asset purchase for tax purposes

Expected to generate annual cash tax savings with a net present value (NPV) of approximately $120M

No expected impact on non-GAAP tax rate

Expected to close in late Q1 2022, subject to regulatory approvals

Refer to the investor relations section of our website for definitions of our non-GAAP metrics and a reconciliation to the closest GAAP metric.
Transaction Has an Attractive Financial Profile

**Profitable Business**

Expected to be:
- Accretive to Akamai in 2022 (~$0.05-$0.06 of non-GAAP EPS)
- Immaterial impact to 2022 non-GAAP operating margin

**We Expect Akamai Can Bring Significant Revenue and Cost Synergies by:**

- Leveraging Go-to-Market and Marketing
- Leveraging our large global private network
- Enabling greater scale from existing supply chain and deployment processes

**Capex Implications**

- Expected to add ~2% to total company capex in the first year
- Longer-term we expect to operate within Akamai’s mid-teens (% of revenue) capex goal

Refer to the investor relations section of our website for definitions of our non-GAAP metrics and a reconciliation to the closest GAAP metric.
Anticipated Future Revenue Reporting (upon transaction close)

Security
No change to STG business

Delivery
Existing ETG business minus Edge Apps and Net Storage

Compute
Linode + Edge Apps + Net Storage
Guidance Factors

Linode NOT included in guidance until transaction closes

- Expect significant FX headwinds
- Q1 revenue and expense seasonality
- Multiple top customer renewals in H1
## Q1 2022 Guidance (excludes proposed acquisition of Linode)

### Revenue
- **$896 – 910M**
  - +6-8%, +8-10% cc

### Cash Gross Margin
- **76%**

### Adjusted EBITDA Margin
- **43%**

### Non-GAAP Operating Margin
- **30%**

### Non-GAAP EPS
- **$1.39 – 1.43**
  - +1-3%, +2-8% cc

### Capex
- **$120-124M**
  - ~14% of Revenue

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## FY 2022 Guidance
(excludes proposed acquisition of Linode)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Range</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$3.673 – 3.728B</td>
<td>+6-8%, +7-9% cc</td>
</tr>
<tr>
<td><strong>Security Growth</strong></td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Margin</strong></td>
<td>29 – 30%</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP EPS</strong></td>
<td>$5.82 – 5.97</td>
<td></td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>14% of Revenue</td>
<td></td>
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In Summary

Dr. Tom Leighton
CEO and Co-Founder
Our future is bright

Security

Delivery

Compute

Guardicore

linode

The cloud company that powers and protects life online