

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2025**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **000-27275**

Akamai Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3432319
(I.R.S. Employer
Identification No.)

**145 Broadway
Cambridge, MA 02142
(617) 444-3000**
(Address, including Zip Code, and Telephone Number,
including Area Code, of Registrant's Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock - par value \$0.01 per share	AKAM	Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of August 4, 2025: 143,385,528

AKAMAI TECHNOLOGIES, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2025

TABLE OF CONTENTS

	<u>Page</u>
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements (Unaudited)	3
Condensed Consolidated Balance Sheets at June 30, 2025 and December 31, 2024	3
Condensed Consolidated Statements of Income for the three and six months ended June 30, 2025 and 2024	5
Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2025 and 2024	6
Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2025 and 2024	7
Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2025 and 2024	9
Notes to Unaudited Condensed Consolidated Financial Statements	13
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	26
Item 3. Quantitative and Qualitative Disclosures About Market Risk	42
Item 4. Controls and Procedures	43
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	44
Item 1A. Risk Factors	44
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	60
Item 5. Other Information	60
Item 6. Exhibits	61
SIGNATURES	63

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements (Unaudited)****AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS**

<i>(in thousands, except share data) (unaudited)</i>	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 850,302	\$ 517,707
Marketable securities	116,322	1,078,876
Accounts receivable, net of reserves of \$5,181 and \$3,522 at June 30, 2025, and December 31, 2024, respectively	779,165	727,687
Prepaid expenses and other current assets	288,038	253,827
Total current assets	2,033,827	2,578,097
Marketable securities	591,249	275,592
Property and equipment, net	2,213,629	1,995,071
Operating lease right-of-use assets	1,063,348	1,006,738
Acquired intangible assets, net	675,217	727,585
Goodwill	3,170,024	3,151,077
Deferred income tax assets	597,015	483,249
Other assets	191,826	151,376
Total assets	<u>\$ 10,536,135</u>	<u>\$ 10,368,785</u>

AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS, continued

<i>(in thousands, except share data) (unaudited)</i>	June 30, 2025	December 31, 2024
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 146,617	\$ 130,447
Accrued expenses	272,144	370,888
Deferred revenue	179,761	149,222
Convertible senior notes	—	1,149,116
Operating lease liabilities	271,500	259,134
Other current liabilities	10,497	32,516
Total current liabilities	880,519	2,091,323
Deferred revenue	25,301	26,314
Deferred income tax liabilities	23,378	16,066
Convertible senior notes	4,100,977	2,396,695
Operating lease liabilities	898,638	829,660
Other liabilities	139,814	130,370
Total liabilities	6,068,627	5,490,428
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 5,000,000 shares authorized; 700,000 shares designated as Series A Junior Participating Preferred Stock; no shares issued or outstanding	—	—
Common stock, \$0.01 par value; 700,000,000 shares authorized; 158,633,640 shares issued and 143,199,911 shares outstanding at June 30, 2025, and 155,647,988 shares issued and 150,025,096 outstanding at December 31, 2024	1,586	1,556
Additional paid-in capital	2,696,975	2,618,384
Accumulated other comprehensive loss	(87,417)	(155,993)
Treasury stock, at cost, 10,028,703 shares at June 30, 2025, and 5,622,892 shares at December 31, 2024	(1,343,323)	(558,488)
Retained earnings	3,199,687	2,972,898
Total stockholders' equity	4,467,508	4,878,357
Total liabilities and stockholders' equity	\$ 10,536,135	\$ 10,368,785

The accompanying notes are an integral part of the condensed consolidated financial statements.

AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in thousands, except per share data) (unaudited)</i>				
Revenue	\$ 1,043,494	\$ 979,580	\$ 2,058,633	\$ 1,966,550
Costs and operating expenses:				
Cost of revenue (exclusive of amortization of acquired intangible assets shown below)	426,535	402,888	845,480	797,631
Research and development	125,838	113,352	249,387	230,284
Sales and marketing	146,239	139,039	280,370	273,609
General and administrative	162,597	153,854	318,530	306,284
Amortization of acquired intangible assets	27,721	21,076	55,358	42,099
Restructuring charge	3,103	1,385	3,464	1,929
Total costs and operating expenses	892,033	831,594	1,752,589	1,651,836
Income from operations	151,461	147,986	306,044	314,714
Interest and marketable securities income, net	14,129	26,628	33,659	54,469
Interest expense	(8,201)	(6,829)	(14,951)	(13,647)
Other (expense) income, net	(5,451)	(949)	569	(438)
Income before provision for income taxes	151,938	166,836	325,321	355,098
Provision for income taxes	(48,320)	(35,148)	(98,532)	(47,992)
Net income	\$ 103,618	\$ 131,688	\$ 226,789	\$ 307,106
Net income per share:				
Basic	\$ 0.72	\$ 0.86	\$ 1.54	\$ 2.02
Diluted	\$ 0.71	\$ 0.86	\$ 1.53	\$ 1.97
Shares used in per share calculations:				
Basic	144,757	152,265	146,905	151,946
Diluted	145,249	153,588	148,156	155,527

The accompanying notes are an integral part of the condensed consolidated financial statements.

AKAMAI TECHNOLOGIES, INC.**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>(in thousands) (unaudited)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 103,618	\$ 131,688	\$ 226,789	\$ 307,106
Other comprehensive gain (loss):				
Foreign currency translation adjustments	46,703	(18,898)	68,487	(35,345)
Change in unrealized gain (loss) on investments, net of income tax (expense) benefit of \$(413), \$464, \$(28) and \$2,026 for the three and six months ended June 30, 2025 and 2024, respectively	1,265	(1,430)	89	(6,246)
Other comprehensive gain (loss)	47,968	(20,328)	68,576	(41,591)
Comprehensive income	<u>\$ 151,586</u>	<u>\$ 111,360</u>	<u>\$ 295,365</u>	<u>\$ 265,515</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands) (unaudited)</i>	For the Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 226,789	\$ 307,106
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	349,483	314,732
Stock-based compensation	224,754	191,726
Provision for deferred income taxes	44,063	3,479
Amortization of debt issuance costs	3,250	3,342
(Gain) loss on investments	(9,313)	66
Other non-cash reconciling items, net	3,982	3,958
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(33,117)	16,802
Prepaid expenses and other current assets	(29,699)	(24,763)
Accounts payable and accrued expenses	(84,541)	(47,426)
Deferred revenue	23,117	22,697
Other current liabilities	(22,457)	980
Other non-current assets and liabilities	14,038	(9,858)
Net cash provided by operating activities	710,349	782,841
Cash flows from investing activities:		
Cash received (paid) for business acquisitions, net of cash acquired	790	(434,066)
Cash paid for asset acquisitions	(29,930)	(4,796)
Purchases of property and equipment	(263,312)	(184,745)
Capitalization of internal-use software development costs	(156,477)	(152,546)
Purchases of short- and long-term marketable securities	(669,795)	(186,122)
Proceeds from sales of short- and long-term marketable securities	266,004	307,614
Proceeds from maturities and redemptions of short- and long-term marketable securities	1,053,221	211,861
Other, net	(6,521)	4,535
Net cash provided by (used in) investing activities	193,980	(438,265)

AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, continued

<i>(in thousands) (unaudited)</i>	For the Six Months Ended June 30,	
	2025	2024
Cash flows from financing activities:		
Proceeds from borrowings under revolving credit facility	250,000	—
Repayment of borrowings under revolving credit facility	(250,000)	—
Proceeds from the issuance of convertible senior notes, net of issuance costs	1,702,188	—
Proceeds from the issuance of warrants related to convertible senior notes	330,855	—
Purchase of note hedge related to convertible senior notes	(605,820)	—
Repayment of convertible senior notes	(1,149,992)	—
Proceeds related to the issuance of common stock under stock plans	29,241	28,266
Employee taxes paid related to net share settlement of stock awards	(97,929)	(141,247)
Repurchases of common stock	(799,963)	(253,258)
Other, net	(2,035)	(10,187)
Net cash used in financing activities	(593,455)	(376,426)
Effects of exchange rate changes on cash, cash equivalents and restricted cash	21,501	(9,306)
Net increase (decrease) in cash, cash equivalents and restricted cash	332,375	(41,156)
Cash, cash equivalents and restricted cash at beginning of period	519,084	490,470
Cash, cash equivalents and restricted cash at end of period	\$ 851,459	\$ 449,314
Supplemental disclosures of cash flow information:		
Cash paid for income taxes, net of refunds received of \$3,634 and \$5,033 for the six months ended June 30, 2025 and 2024, respectively	\$ 113,104	\$ 87,375
Cash paid for interest expense	11,380	10,145
Cash paid for operating lease liabilities	156,036	136,628
Non-cash activities:		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	182,731	206,460
Purchases of property and equipment and capitalization of internal-use software development costs included in accounts payable and accrued expenses	75,565	46,837
Capitalization of stock-based compensation	63,918	53,989
Reconciliation of cash and cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 850,302	\$ 448,042
Restricted cash	1,157	1,272
Cash, cash equivalents and restricted cash	\$ 851,459	\$ 449,314

The accompanying notes are an integral part of the condensed consolidated financial statements.

AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Three Months Ended June 30, 2025							
<i>(in thousands, except share data) (unaudited)</i>	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance at April 1, 2025	146,086,802	\$ 1,578	\$ 2,673,892	\$ (135,385)	\$ (1,051,593)	\$ 3,096,069	\$ 4,584,561
Issuance of common stock upon the vesting of restricted and deferred stock units, net of shares withheld for employee taxes	408,226	4	(12,785)				(12,781)
Issuance of common stock under employee stock purchase plan	458,208	4	29,568				29,572
Stock-based compensation			131,756				131,756
Issuance of warrants related to convertible senior notes			330,855				330,855
Purchase of note hedge related to convertible senior notes, net of deferred taxes of \$149,509			(456,311)				(456,311)
Repurchases of common stock	(3,870,468)				(302,244)		(302,244)
Re-issuance of treasury stock for 401(k) employer match	117,143				10,514		10,514
Net income						103,618	103,618
Foreign currency translation adjustment				46,703			46,703
Change in unrealized gain on investments, net of tax				1,265			1,265
Balance at June 30, 2025	<u>143,199,911</u>	<u>\$ 1,586</u>	<u>\$ 2,696,975</u>	<u>\$ (87,417)</u>	<u>\$ (1,343,323)</u>	<u>\$ 3,199,687</u>	<u>\$ 4,467,508</u>

AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY, continued

Three Months Ended June 30, 2024							
<i>(in thousands, except share data) (unaudited)</i>	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance at April 1, 2024	152,411,363	\$ 1,536	\$ 2,230,875	\$ (116,593)	\$ (125,449)	\$ 2,643,398	\$ 4,633,767
Issuance of common stock upon the vesting of restricted and deferred stock units, net of shares withheld for employee taxes	487,380	4	(15,066)				(15,062)
Issuance of common stock under employee stock purchase plan	369,920	4	28,365				28,369
Stock-based compensation			124,051				124,051
Repurchases of common stock	(1,355,456)				(127,809)		(127,809)
Net income						131,688	131,688
Foreign currency translation adjustment				(18,898)			(18,898)
Change in unrealized loss on investments, net of tax				(1,430)			(1,430)
Balance at June 30, 2024	151,913,207	\$ 1,544	\$ 2,368,225	\$ (136,921)	\$ (253,258)	\$ 2,775,086	\$ 4,754,676

AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY, continued

Six Months Ended June 30, 2025							
<i>(in thousands, except share data) (unaudited)</i>	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount		Loss			
Balance at January 1, 2025	150,025,096	\$ 1,556	\$ 2,618,384	\$ (155,993)	\$ (558,488)	\$ 2,972,898	\$ 4,878,357
Issuance of common stock upon the vesting of restricted and deferred stock units, net of shares withheld for employee taxes	2,527,444	26	(98,513)				(98,487)
Issuance of common stock under employee stock purchase plan	458,208	4	29,568				29,572
Stock-based compensation			272,992				272,992
Issuance of warrants related to convertible senior notes			330,855				330,855
Purchase of note hedge related to convertible senior notes, net of deferred taxes of \$149,509			(456,311)				(456,311)
Repurchases of common stock	(10,028,703)				(805,335)		(805,335)
Re-issuance of treasury stock for 401(k) employer match	217,866				20,500		20,500
Net income						226,789	226,789
Foreign currency translation adjustment				68,487			68,487
Change in unrealized gain on investments, net of tax				89			89
Balance at June 30, 2025	<u>143,199,911</u>	<u>\$ 1,586</u>	<u>\$ 2,696,975</u>	<u>\$ (87,417)</u>	<u>\$ (1,343,323)</u>	<u>\$ 3,199,687</u>	<u>\$ 4,467,508</u>

AKAMAI TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY, continued

Six Months Ended June 30, 2024							
<i>(in thousands, except share data) (unaudited)</i>	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance at January 1, 2024	151,232,908	\$ 1,512	\$ 2,222,993	\$ (95,330)	\$ —	\$ 2,467,980	\$ 4,597,155
Issuance of common stock upon the vesting of restricted and deferred stock units, net of shares withheld for employee taxes	2,808,447	28	(142,086)				(142,058)
Issuance of common stock under employee stock purchase plan	369,920	4	28,365				28,369
Stock-based compensation			258,953				258,953
Repurchases of common stock	(2,498,068)				(253,258)		(253,258)
Net income						307,106	307,106
Foreign currency translation adjustment				(35,345)			(35,345)
Change in unrealized loss on investments, net of tax				(6,246)			(6,246)
Balance at June 30, 2024	151,913,207	\$ 1,544	\$ 2,368,225	\$ (136,921)	\$ (253,258)	\$ 2,775,086	\$ 4,754,676

The accompanying notes are an integral part of the condensed consolidated financial statements.

AKAMAI TECHNOLOGIES, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business and Basis of Presentation

Akamai Technologies, Inc. (the "Company") develops and provides solutions for global enterprises to build, secure and accelerate their applications and digital experiences. Its massively distributed global network is comprised of core and distributed compute sites, more than 4,300 edge points-of-presence in approximately 130 countries and over 700 cities. The Company was incorporated in Delaware in 1998 and is headquartered in Cambridge, Massachusetts. The Company is currently organized and operates as one operating and reportable segment.

The accompanying interim condensed consolidated financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. These financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation in the accompanying interim condensed consolidated financial statements.

Certain information and footnote disclosures normally included in the Company's annual audited consolidated financial statements and accompanying notes have been condensed in, or omitted from, these interim financial statements. Accordingly, the unaudited interim condensed consolidated financial statements included herein should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's annual report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission on February 24, 2025. The December 31, 2024 condensed consolidated balance sheet included herein is derived from the Company's audited consolidated financial statements.

The results of operations presented in this quarterly report on Form 10-Q are not necessarily indicative of the results of operations that may be expected for any future periods. In the opinion of management, these unaudited interim condensed consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, that are necessary for a fair statement of the results of all interim periods reported herein.

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued guidance which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. This guidance will be effective for the Company on January 1, 2026, and is to be applied prospectively with the option to adopt retrospectively. The Company has historically not had induced conversions of its convertible senior notes and does not anticipate this guidance to have an impact on its consolidated financial statements or its disclosures upon adoption.

In November 2024, the FASB issued guidance to enhance income statement disclosures through additional disclosures of specified information about certain costs and expenses. This guidance will be effective for the Company's annual period ending December 31, 2027 and interim periods beginning on January 1, 2028, and is to be applied prospectively with the option to adopt retrospectively. The Company is evaluating the impact the update will have on its disclosures.

In December 2023, the FASB issued guidance to improve income tax disclosures, primarily through enhanced disclosures for the rate reconciliation and income taxes paid, in addition to the modification or elimination of other disclosures. This guidance will be effective for the Company's annual period ending December 31, 2025 and is to be applied prospectively with the option to adopt retrospectively. The Company is in the process of evaluating the guidance and does not anticipate an impact on its consolidated financial statements other than for the additional required disclosures.

2. Fair Value Measurements

Available-for-sale marketable securities held as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	Amortized Cost	Gross Unrealized		Aggregate Fair Value	Classification on Balance Sheet	
		Gains	Losses		Short-Term Marketable Securities	Long-Term Marketable Securities
As of June 30, 2025						
Time deposits	\$ 24,607	\$ —	\$ —	\$ 24,607	\$ 24,607	\$ —
Corporate bonds	644,095	1,780	(70)	645,805	79,160	566,645
	<u>\$ 668,702</u>	<u>\$ 1,780</u>	<u>\$ (70)</u>	<u>\$ 670,412</u>	<u>\$ 103,767</u>	<u>\$ 566,645</u>
As of December 31, 2024						
Time deposits	\$ 11,330	\$ —	\$ —	\$ 11,330	\$ 11,330	\$ —
Corporate bonds	1,003,915	1,369	(307)	1,004,977	808,800	196,177
U.S. government agency obligations	303,816	567	(36)	304,347	249,318	55,029
	<u>\$ 1,319,061</u>	<u>\$ 1,936</u>	<u>\$ (343)</u>	<u>\$ 1,320,654</u>	<u>\$ 1,069,448</u>	<u>\$ 251,206</u>

The Company holds money market funds and mutual funds, which are classified as equity securities. These securities are not included in the available-for-sale securities table above, but are included in marketable securities in the interim condensed consolidated balance sheets.

Unrealized gains and unrealized losses on investments classified as available-for-sale are included within accumulated other comprehensive loss in the interim condensed consolidated balance sheets. Upon realization, those amounts are reclassified from accumulated other comprehensive loss to interest and marketable securities income, net in the interim condensed consolidated statements of income. As of June 30, 2025, the Company did not hold any available-for-sale marketable securities in a continuous unrealized loss position for more than 12 months.

Fair Value Measurements

The fair value measurements within the fair value hierarchy of the Company's financial assets as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	Total Fair Value	Fair Value Measurements at Reporting Date Using	
		Level 1	Level 2
As of June 30, 2025			
<i>Cash Equivalents and Marketable Securities:</i>			
Money market funds	\$ 343,248	\$ 343,248	\$ —
Time deposits	85,478	—	85,478
Corporate bonds	645,805	—	645,805
Mutual funds	27,637	27,637	—
	<u>\$ 1,102,168</u>	<u>\$ 370,885</u>	<u>\$ 731,283</u>
As of December 31, 2024			
<i>Cash Equivalents and Marketable Securities:</i>			
Money market funds	\$ 163,722	\$ 163,722	\$ —
Time deposits	64,202	—	64,202
Corporate bonds	1,004,977	—	1,004,977
U.S. government agency obligations	304,347	—	304,347
Mutual funds	26,580	26,580	—
	<u>\$ 1,563,828</u>	<u>\$ 190,302</u>	<u>\$ 1,373,526</u>

As of June 30, 2025 and December 31, 2024, the fair value of the Company's financial assets were determined utilizing a Level 1 or Level 2 valuation. Level 1 valuations are based upon the market prices for such investments that are readily available in active markets and Level 2 valuations are based upon the available quoted prices for similar assets in active markets (or identical assets in an inactive market). The Company did not have any transfers of assets or liabilities between Level 1 or Level 2 of the fair value measurement hierarchy during the six months ended June 30, 2025.

When developing fair value estimates, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. When available, the Company uses quoted market prices to measure fair value. The valuation technique used to measure fair value for the Company's Level 1 and Level 2 assets is a market approach, using prices and other relevant information generated by market transactions involving identical or comparable assets. If market prices are not available, the fair value measurement is based on models that use primarily market-based parameters including yield curves, volatilities, credit ratings and currency rates. In certain cases where market rate assumptions are not available, the Company is required to make judgments about the assumptions market participants would use to estimate the fair value of a financial instrument.

Contractual maturities of the Company's available-for-sale marketable securities held as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	June 30, 2025	December 31, 2024
Due in 1 year or less	\$ 103,767	\$ 1,069,448
Due after 1 year through 5 years	566,645	251,206
	<u>\$ 670,412</u>	<u>\$ 1,320,654</u>

3. Accounts Receivable

Net accounts receivable consisted of the following as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025	December 31, 2024
Trade accounts receivable	\$ 560,517	\$ 508,928
Unbilled accounts receivable	223,829	222,281
Gross accounts receivable	784,346	731,209
Allowances for current expected credit losses and other reserves	(5,181)	(3,522)
Accounts receivable, net	<u>\$ 779,165</u>	<u>\$ 727,687</u>

A summary of activity in the accounts receivable allowance for current expected credit losses and other reserves for the six months ended June 30, 2025 and 2024 was as follows (in thousands):

	June 30, 2025	June 30, 2024
Beginning balance	\$ 3,522	\$ 3,469
Charges to income from operations	6,708	2,867
Collections from customers previously reserved and other	(5,049)	(3,408)
Ending balance	<u>\$ 5,181</u>	<u>\$ 2,928</u>

Charges to income from operations primarily represents charges to provision for doubtful accounts for increases in the allowance for current expected credit losses.

4. Incremental Costs to Obtain a Contract with a Customer

Deferred costs associated with obtaining customer contracts, specifically commission and incentive payments, as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	June 30, 2025	December 31, 2024
Deferred costs included in prepaid expenses and other current assets	\$ 58,408	\$ 72,391
Deferred costs included in other assets	81,236	58,996
Total deferred costs	<u>\$ 139,644</u>	<u>\$ 131,387</u>

Information related to incremental costs to obtain a contract with a customer for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Amortization expense related to deferred costs	\$ 15,375	\$ 15,374	\$ 29,164	\$ 29,737
Incremental costs capitalized	17,783	23,364	32,084	42,706

Amortization expense related to deferred costs is primarily included in sales and marketing expense in the interim condensed consolidated statements of income.

5. Acquired Intangible Assets and Goodwill

Acquired intangible assets that are subject to amortization consisted of the following as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Completed technologies	\$ 465,686	\$ (243,422)	\$ 222,264	\$ 463,766	\$ (223,480)	\$ 240,286
Customer-related intangible assets	764,086	(351,058)	413,028	758,817	(313,991)	444,826
Trademarks and trade names	15,346	(11,393)	3,953	15,318	(10,579)	4,739
Acquired license rights	44,810	(8,838)	35,972	44,810	(7,076)	37,734
Total	\$ 1,289,928	\$ (614,711)	\$ 675,217	\$ 1,282,711	\$ (555,126)	\$ 727,585

Based on the Company's acquired intangible assets as of June 30, 2025, aggregate expense related to amortization of acquired intangible assets is expected to be \$55.7 million for the remainder of 2025, and \$104.0 million, \$89.2 million, \$81.8 million and \$75.9 million for 2026, 2027, 2028 and 2029, respectively.

The changes in the carrying amount of goodwill for the six months ended June 30, 2025 were as follows (in thousands):

Balance as of January 1, 2025	\$ 3,151,077
Measurement period adjustments related to an acquisition completed in prior year	(996)
Foreign currency translation	19,943
Balance as of June 30, 2025	<u>\$ 3,170,024</u>

The Company tests goodwill for impairment at least annually. Through the date the interim condensed consolidated financial statements were issued, no triggering events have occurred that would indicate that a potential impairment exists.

6. Debt

Convertible Senior Notes

In May 2025, the Company issued \$1,725.0 million in principal amount of convertible senior notes due 2033 and entered into related convertible note hedge and warrant transactions. The Company intends to use a portion of the net proceeds to repay at maturity its \$1,150.0 million outstanding aggregate principal amount of convertible senior notes due in 2027.

Including the May 2025 issuance of \$1,725.0 million in principal amount of convertible senior notes, the Company has three convertible senior notes ("2033 Notes", "2029 Notes" and "2027 Notes") outstanding with a par value totaling \$4,140.0 million (collectively, the "Notes") that are senior unsecured obligations of the Company and bear interest payable semi-annually in arrears. The following table summarizes further details of the Notes:

Notes	Issuance Date	Maturity Date	Principal Amount (in thousands)	Coupon Interest Rate	Effective Interest Rate
2033 Notes	May 19, 2025	May 15, 2033 ⁽¹⁾	\$ 1,725,000	0.250 %	0.483 %
2029 Notes	August 18, 2023	February 15, 2029	\$ 1,265,000	1.125 %	1.388 %
2027 Notes	August 16, 2019	September 1, 2027	\$ 1,150,000	0.375 %	0.539 %

(1) Holders of the 2033 Notes have the right to require the Company to repurchase for cash all or a portion of their 2033 Notes on May 15, 2031 if the last reported sale price of the Company's common stock on the trading day immediately preceding the business day immediately preceding May 15, 2031 is less than the conversion price per share. The repurchase price will be equal to 100% of the principal amount of the 2033 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the optional repurchase date.

Additionally, on May 1, 2025, the Company repaid \$1,150.0 million in par value of convertible senior notes that matured ("2025 Notes"). The 2025 Notes were senior unsecured obligations of the Company and bore interest at 0.125%.

Conversion Rights of the Notes

At their option, holders may exercise the conversion right of the respective Notes at the following specified times and rates to receive the principal amount in cash and receive any amount in excess of the principal amount in cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election.

Prior to the close of business on the business day immediately preceding the conversion date, as noted in the table below, under the following circumstances a holder may exercise their conversion right:

- during any calendar quarter commencing after the calendar quarter ended September 30, 2025 for the 2033 Notes, December 31, 2023 for the 2029 Notes and December 31, 2019 for the 2027 Notes (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which the trading price per \$1,000 principal amount of the respective Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate on each such trading day; or
- upon the occurrence of specified corporate events.

On or after the respective conversion date, as noted in the table below, holders may convert all or any portion of their respective Notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date.

If the Company undergoes a fundamental change at any time prior to the maturity date, holders of the Notes will have the right, at their option, to require the Company to repurchase for cash all or any portion of their Notes at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest up to, but excluding, the fundamental change repurchase date.

The conversion rights for the outstanding Notes as of June 30, 2025 are as follows:

Notes	Conversion Date	Conversion Rate ⁽¹⁾	Conversion Price per Share ⁽¹⁾
2033 Notes	January 15, 2033	10.7513	\$ 93.01
2029 Notes	October 15, 2028	7.9170	\$ 126.31
2027 Notes	May 1, 2027	8.6073	\$ 116.18

(1) The conversion rate for the Notes is established as a number of shares of the Company's common stock per \$1,000 principal amount of the Notes, that is equivalent to the conversion price per share, subject to adjustments in certain events. Upon the occurrence of certain corporate events the Company will increase the conversion rate for a holder that elects to convert its Notes.

Components and Fair Value of the Notes

The Notes consisted of the following components as of June 30, 2025 and December 31, 2024 (in thousands):

	2033 Notes	2029 Notes	2027 Notes	2025 Notes	Total
As of June 30, 2025					
Principal	\$ 1,725,000	\$ 1,265,000	\$ 1,150,000	\$ —	\$ 4,140,000
Less: issuance costs, net of amortization	(23,237)	(11,776)	(4,010)	—	(39,023)
Net carrying amount	\$ 1,701,763	\$ 1,253,224	\$ 1,145,990	\$ —	\$ 4,100,977
Estimated fair value ⁽¹⁾	\$ 1,783,184	\$ 1,200,498	\$ 1,117,593	\$ —	\$ 4,101,275
As of December 31, 2024					
Principal	\$ —	\$ 1,265,000	\$ 1,150,000	\$ 1,150,000	\$ 3,565,000
Less: issuance costs, net of amortization	—	(13,354)	(4,951)	(884)	(19,189)
Net carrying amount	\$ —	\$ 1,251,646	\$ 1,145,049	\$ 1,149,116	\$ 3,545,811
Estimated fair value ⁽¹⁾	\$ —	\$ 1,239,068	\$ 1,155,865	\$ 1,219,345	\$ 3,614,278

(1) The fair values were determined based on the quoted prices of the Notes in an inactive market on the last trading day of the reporting period and have been classified as Level 2 within the fair value hierarchy.

Note Hedges and Warrants

To minimize the impact of potential dilution upon conversion of the Notes, the Company entered into convertible note hedge transactions with respect to its common stock concurrently with each respective note issuance month. The note hedge transactions cover an approximate number of shares of the Company's common stock at a strike price that corresponds to the conversion prices for the Notes, also subject to adjustment, and are exercisable upon conversion of the Notes. The note hedge transactions expire upon the respective maturity dates of the Notes. The Company determined that the note hedges meet the definition of a derivative and are classified in stockholders' equity, as the note hedges are indexed to the Company's common stock, and the Company, at its election, may receive cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock. The Company recorded the purchase of the hedges as a decrease to additional paid-in capital. The Company does not recognize subsequent changes in fair value of the note hedges in its interim condensed consolidated financial statements.

Separately, the Company also entered into warrant transactions concurrently with each of the note issuances, whereby the Company sold warrants to acquire, subject to anti-dilution adjustments, shares of the Company's common stock at a predetermined strike price per share. The convertible note hedge and warrant transactions will generally have the effect of increasing the conversion price of each of the Notes to the respective strike price related to the warrant transactions. The Company determined that the warrants meet the definition of a derivative and are classified in stockholders' equity, as the warrants are indexed to the Company's common stock, and the Company, at its election, may pay or deliver to holders cash or shares of the Company's common stock. The Company recorded the proceeds from the issuance of the warrants as an increase to additional paid-in capital. The Company does not recognize subsequent changes in fair value of the warrants in its interim condensed consolidated financial statements. The following table summarizes the main terms impacting the note hedges and warrants (in thousands, except per share data):

	2033 Notes	2029 Notes	2027 Notes
Note hedge transaction costs	\$ 605,820	\$ 236,555	\$ 312,225
Shares covered by note hedge transactions	18,546	10,015	9,898
Shares related to warrant transactions	18,546	10,015	9,898
Strike price per share related to warrant transactions	\$ 155.02	\$ 180.44	\$ 178.74
Aggregate proceeds from sale of warrants	\$ 330,855	\$ 90,195	\$ 185,150

With the issuance of the 2025 Notes, the Company previously entered into related hedge and warrant transactions. The hedges have expired. The warrants for 12.1 million shares of the Company's common stock at a strike price of approximately \$149.18 per share that resulted in aggregate proceeds of \$119.9 million expire during the fourth quarter of 2025.

Revolving Credit Facilities

In January 2025, the Company entered into a \$150.0 million uncommitted revolving credit agreement ("2025 Credit Agreement"). Any outstanding borrowings are secured by collateral, consisting primarily of available-for-sale marketable securities. Borrowings under the 2025 Credit Agreement may be used to finance working capital needs and for general corporate purposes. The 2025 Credit Agreement does not expire but is cancellable at any time and any borrowings can be due on demand. Borrowings under the 2025 Credit Agreement will bear a specified interest rate, considering Secured Overnight Financing Rate, and interest period at the time of the confirmed borrowing. There were no outstanding borrowings under the 2025 Credit Agreement as of June 30, 2025.

In November 2022, the Company entered into a \$500.0 million revolving credit agreement ("2022 Credit Agreement"). The 2022 Credit Agreement was amended in May 2025 to increase the aggregate revolving commitments under the 2022 Credit Agreement from \$500.0 million to \$1.0 billion and to extend the expiration one year. Borrowings under the 2022 Credit Agreement may be used to finance working capital needs and for general corporate purposes. The 2022 Credit Agreement expires on November 22, 2028, and any amounts outstanding thereunder will become due and payable, subject to up to a one-year extension at the Company's request and with the consent of the lenders party thereto.

Borrowings under the 2022 Credit Agreement bear interest, at the Company's option, at a term benchmark rate plus a spread of 0.75% to 1.125%, a reference rate plus a spread of 0.75% to 1.125%, or a base rate plus a spread of 0.00% to 0.125%, in each case with such spread being determined based on the Company's consolidated leverage ratio specified in the 2022 Credit Agreement. Regardless of what amounts, if any, are outstanding under the 2022 Credit Agreement, the Company is also obligated to pay an ongoing commitment fee on undrawn amounts at a rate of 0.07% to 0.125%, with such rate being based on the Company's consolidated leverage ratio specified in the 2022 Credit Agreement.

The 2022 Credit Agreement contains customary representations and warranties, affirmative and negative covenants and events of default. As of June 30, 2025, the Company was in compliance with all covenants. The negative covenants include restrictions on subsidiary indebtedness, liens and fundamental changes. These covenants are subject to a number of important exceptions and qualifications. The principal financial covenant requires a maximum consolidated leverage ratio. In April 2025, the Company borrowed \$250.0 million under the 2022 Credit Agreement, which was repaid in May 2025. There were no outstanding borrowings under the 2022 Credit Agreement as of June 30, 2025.

Interest Expense

The Notes bear interest at fixed rates that are payable semi-annually in arrears on their respective interest payment dates each year. Interest expense, together with ongoing commitment fees under the terms of the Company's credit agreements, included in the interim condensed consolidated statements of income for the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Amortization of debt issuance costs	\$ 2,022	\$ 1,949	\$ 3,981	\$ 3,895
Coupon interest payable on 2033 Notes	491	—	491	—
Coupon interest payable on 2029 Notes	3,558	3,558	7,116	7,116
Coupon interest payable on 2027 Notes	1,078	1,078	2,156	2,156
Coupon interest payable on 2025 Notes	124	359	483	718
Interest payable and commitment fees under the credit agreements	1,305	174	1,455	315
Capitalization of interest expense	(377)	(289)	(731)	(553)
Total interest expense	\$ 8,201	\$ 6,829	\$ 14,951	\$ 13,647

7. Restructuring

During the third quarter of 2024, management committed to an action to restructure certain parts of the Company with the primary intent of redeploying resources to support the Company's strategic investments ("Q3 2024 Action"). As a result, certain headcount reductions were necessary. Additionally, the Company planned for the end of life of certain solutions which resulted in impairments to capitalized internal-use software, as well as completed technologies and customer-related acquired intangible assets. The Company has incurred \$63.8 million of restructuring charges related to this action through June 30, 2025. There were no material charges incurred during the three and six months ended June 30, 2025, and the Company does not expect to incur any material additional charges related to this action.

The Company also recognizes restructuring charges related to completed acquisitions for severance and related expenses paid to redundant employees, fees paid to terminate redundant contracts and impairments of redundant long-lived assets, primarily duplicative facility-related assets, acquired intangible assets and capitalized internal-use software. The Company does not expect to incur material additional charges related to past acquisitions.

The liability for restructuring charges for employee severance and related expenses is substantially included in other current liabilities on the consolidated balance sheets. The changes in the liability for all restructuring actions for the six months ended June 30, 2025 were as follows (in thousands):

	Q3 2024 Action	Acquisitions Related and Other	Total
Balance as of January 1, 2025	\$ 24,606	\$ 1,745	\$ 26,351
Costs incurred	432	1,647	2,079
Cash disbursements	(23,995)	(1,142)	(25,137)
Translation adjustments and other	274	52	326
Balance as of June 30, 2025	\$ 1,317	\$ 2,302	\$ 3,619

8. Stockholders' Equity

Share Repurchase Program

In May 2024, the board of directors authorized a \$2.0 billion share repurchase program, effective May 2024 through June 2027, of which \$1,180.5 million remains available for repurchase as of June 30, 2025. The Company's goals for the share repurchase program are to offset the dilution created by its employee equity compensation programs over time and provide the flexibility to return capital to shareholders as business and market conditions warrant, while still preserving its ability to pursue other strategic opportunities.

During the three and six months ended June 30, 2025, the Company repurchased 3.9 million and 10.0 million shares of its common stock, respectively, for \$300.0 million and \$800.0 million, respectively.

Stock-Based Compensation

Components of total stock-based compensation included in the Company's interim condensed consolidated statements of income for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 19,314	\$ 15,864	\$ 38,242	\$ 28,482
Research and development	39,803	36,951	82,071	74,996
Sales and marketing	22,263	18,976	44,703	37,787
General and administrative	31,396	26,675	59,738	50,461
Total stock-based compensation	112,776	98,466	224,754	191,726
Provision for income taxes	(20,465)	(21,741)	(35,262)	(62,081)
Total stock-based compensation, net of income taxes	\$ 92,311	\$ 76,725	\$ 189,492	\$ 129,645

During 2025, the Company's matching program related to the savings plan for its U.S. employees that is designed to be qualified under Section 401(k) of the Internal Revenue Code was redesigned to be settled in shares of the Company's common stock instead of cash and the percentage match was increased.

In addition to the amounts of stock-based compensation reported in the table above, the Company's interim condensed consolidated statements of income also include stock-based compensation reflected as a component of amortization primarily consisting of capitalized internal-use software; the additional stock-based compensation was \$12.2 million and \$24.4 million for the three and six months ended June 30, 2025, respectively, before taxes, and \$10.3 million and \$20.3 million for the three and six months ended June 30, 2024, respectively, before taxes.

9. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss, net of tax, which is reported as a component of stockholders' equity, for the six months ended June 30, 2025 were as follows (in thousands):

	Foreign Currency Translation	Net Unrealized Gains on Investments	Total
Balance as of January 1, 2025	\$ (157,099)	\$ 1,106	\$ (155,993)
Other comprehensive gain	68,487	89	68,576
Balance as of June 30, 2025	\$ (88,612)	\$ 1,195	\$ (87,417)

Amounts reclassified from accumulated other comprehensive loss to net income were insignificant for the six months ended June 30, 2025.

10. Revenue from Contracts with Customers

The Company sells its services through a sales force located both domestically and internationally. Revenue derived from operations outside of the U.S. is determined based on the country in which the sale originated. Other than the U.S., no single country accounted for 10% or more of the Company's total revenue for any reported period. Revenue by geography included in the Company's interim condensed consolidated statements of income for the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
U.S.	\$ 527,607	\$ 508,696	\$ 1,056,346	\$ 1,021,043
International	515,887	470,884	1,002,287	945,507
Total revenue	\$ 1,043,494	\$ 979,580	\$ 2,058,633	\$ 1,966,550

The Company reports its revenue in three solution categories: security, delivery and cloud computing. Security includes solutions that are designed to protect business online by keeping infrastructure, websites, applications, APIs, networks and users safe. Delivery includes solutions that are designed to enable business online, including media delivery and web and mobile performance. Cloud computing includes compute, storage, networking, database and container management services. Revenue by solution category included in the Company's interim condensed consolidated statements of income for the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Security	\$ 551,914	\$ 498,708	\$ 1,082,609	\$ 989,389
Delivery	320,125	329,399	639,113	681,157
Cloud computing	171,455	151,473	336,911	296,004
Total revenue	\$ 1,043,494	\$ 979,580	\$ 2,058,633	\$ 1,966,550

Most security, delivery and cloud computing services represent obligations that are satisfied over time as the customer simultaneously receives and consumes the services provided by the Company. Accordingly, the majority of the Company's revenue is recognized over time, generally ratably over the term of the arrangement due to consistent monthly usage commitments that expire each period. Any usage over a given commitment is recognized in the period in which the units are served. A small percentage of the Company's contracts are satisfied at a point in time, such as one-time professional services contracts, integration services and most license sales where the primary obligation is delivery of the license at the start of the term. In these cases, revenue is recognized at a point in time of delivery or satisfaction of the performance obligation.

During the six months ended June 30, 2025 and 2024, the Company recognized \$112.7 million and \$84.8 million of revenue that was included in deferred revenue as of December 31, 2024 and 2023, respectively.

As of June 30, 2025, the aggregate amount of remaining performance obligations from contracts with customers was \$4.3 billion. The Company expects to recognize approximately 60% of its remaining performance obligations as revenue over the next 12 months and approximately 35% over the next two to three years, with the remaining thereafter. Remaining performance obligations represent the amount of the transaction price under contracts with customers that are attributable to performance obligations that are unsatisfied or partially satisfied at the reporting date. This consists of future committed revenue for monthly, quarterly or annual periods within current contracts with customers, as well as deferred revenue arising from consideration invoiced in prior periods for which the related performance obligations have not been satisfied. It excludes estimates of variable consideration, such as usage-based contracts with no committed contract, as well as anticipated renewed contracts. Revenue recognized during the six months ended June 30, 2025 and 2024, related to performance obligations satisfied in previous periods was not material.

11. Income Taxes

The Company's effective income tax rate is based on estimated income for the year, the estimated composition of the income in different jurisdictions and discrete adjustments, if any, in the applicable quarterly periods. Potential discrete adjustments include tax charges or benefits related to stock-based compensation, changes in tax legislation, settlements of tax audits or assessments, uncertain tax positions and acquisitions, among other items.

The Company's effective income tax rate was 30.3% and 13.5% for the six months ended June 30, 2025 and 2024, respectively. The higher effective tax rate for the six months ended June 30, 2025 was primarily due to a shortfall in the tax benefit related to stock-based compensation, an increase in certain tax reserves, an increase in the valuation allowance recorded against state and foreign credits and the revaluation of certain foreign income tax liabilities due to foreign exchange rate fluctuations.

For the six months ended June 30, 2025, the effective income tax rate was higher than the federal statutory tax rate due to a shortfall in the tax benefit related to stock-based compensation, non-deductible stock-based compensation and an increase in certain tax reserves. These amounts were partially offset by foreign income taxed at lower rates and the benefit of U.S. federal, state and foreign research and development credits.

For the six months ended June 30, 2024, the effective income tax rate was lower than the federal statutory tax rate due to the excess tax benefit related to stock-based compensation, foreign income taxed at lower rates and the benefit of U.S. federal, state and foreign research and development credits. These amounts were partially offset by non-deductible stock-based compensation and the 15% global minimum corporate income tax.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted into law. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company is in the process of evaluating the impact of the OBBBA on its consolidated financial statements.

12. Net Income per Share

Basic net income per share is computed using the weighted average number of common shares outstanding during the applicable period. Diluted net income per share is computed using the weighted average number of common shares outstanding during the period, plus the dilutive effect of potential common stock. Potential common stock consists of shares issuable pursuant to stock awards, convertible senior notes and warrants issued by the Company. The dilutive effect of outstanding stock awards is reflected in diluted earnings per share by application of the treasury stock method and the dilutive effect of the convertible securities is reflected in diluted earnings per share by application of the if-converted method.

The components used in the computation of basic and diluted net income per share for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands, except per share data):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income	\$ 103,618	\$ 131,688	\$ 226,789	\$ 307,106
Denominator:				
Shares used for basic net income per share	144,757	152,265	146,905	151,946
Effect of dilutive securities:				
Stock awards	492	1,124	1,251	2,425
Convertible senior notes	—	199	—	1,156
Warrants related to issuance of convertible senior notes	—	—	—	—
Shares used for diluted net income per share	<u>145,249</u>	<u>153,588</u>	<u>148,156</u>	<u>155,527</u>
Basic net income per share	\$ 0.72	\$ 0.86	\$ 1.54	\$ 2.02
Diluted net income per share	\$ 0.71	\$ 0.86	\$ 1.53	\$ 1.97

For the three and six months ended June 30, 2025 and 2024, certain potential outstanding shares from service-based stock awards and warrants were excluded from the computation of diluted net income per share because the effect of including these items was anti-dilutive. Additionally, certain market- and performance-based stock awards were excluded from the computation of diluted net income per share because the underlying market and performance conditions for such stock awards had not been met as of these dates. The number of potentially outstanding shares excluded from the computation of diluted net income per share for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Service-based stock awards	2,389	3,269	5,066	3,715
Market- and performance-based stock awards	1,583	1,315	1,583	1,321
Warrants related to issuance of convertible senior notes	50,552	32,006	41,279	32,006
Total shares excluded from computation	<u>54,524</u>	<u>36,590</u>	<u>47,928</u>	<u>37,042</u>

13. Segment Information

The Company's chief operating decision-maker ("CODM") is the chief executive officer and the executive management team. As of June 30, 2025, the Company is currently organized and operates as one operating and reportable segment. The Company is not organized by market and is managed and operated as one business. A single management team that reports to the chief executive officer comprehensively manages the entire business. The Company does not operate any material separate lines of business or separate business entities with respect to its services. Accordingly, the Company does not accumulate discrete financial information with respect to separate entities. The CODM assesses performance and makes decisions on optimizing the allocation of resources across functions and strategic investments using consolidated net income. Segment assets represent total assets as reported on the interim condensed consolidated balance sheets.

Information regarding the Company's one operating segment for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30, 2025	
	2025	2024	2025	2024
Revenue	\$ 1,043,494	\$ 979,580	\$ 2,058,633	\$ 1,966,550
Less:				
Co-location fees	87,189	75,335	170,950	147,996
Bandwidth fees	45,647	61,259	93,470	122,431
Network build-out and supporting services	58,223	46,224	112,297	92,337
Payroll and related costs	391,431	368,869	771,945	752,964
Capitalized salaries and related costs	(80,183)	(75,271)	(160,954)	(153,924)
Facilities-related costs	21,274	20,946	43,143	42,496
Software and related services	21,403	17,732	41,521	35,523
Other segment items ⁽¹⁾	54,435	55,921	101,147	101,275
Depreciation and amortization	175,461	158,549	349,483	314,732
Stock-based compensation	112,776	98,466	224,754	191,726
Restructuring charges	3,103	1,385	3,464	1,929
Acquisition-related costs	1,274	2,179	1,369	2,351
Interest and marketable securities income, net	(14,129)	(26,628)	(33,659)	(54,469)
Interest expense	8,201	6,829	14,951	13,647
Other expense (income), net	5,451	949	(569)	438
Provision for income taxes	48,320	35,148	98,532	47,992
Net income	\$ 103,618	\$ 131,688	\$ 226,789	\$ 307,106

(1) Other segment items includes marketing programs and related costs, third-party professional service fees, non-income related tax expense and other expenses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This quarterly report on Form 10-Q, particularly Management's Discussion and Analysis of Financial Condition and Results of Operations set forth below, and notes to our unaudited interim condensed consolidated financial statements included herein contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management as of the date hereof based on information currently available to our management. Use of words such as "believes," "could," "expects," "anticipates," "intends," "plans," "seeks," "projects," "estimates," "should," "would," "forecasts," "if," "continues," "goal," "likely," "may," "will," variations of such words or similar expressions are intended to identify a forward-looking statement. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Actual results may differ materially from the forward-looking statements we make as a result of various factors, including, but not limited to: potential slowing revenue growth, global economic and geopolitical conditions, including changes in customer spending and inflation, international tensions and volatility in capital markets, our ability to acquire or develop new solutions, our ability to compete effectively, including our ability to continue to grow our cloud computing services and solutions, security risks stemming from ineffective information technology systems or cybersecurity breaches, risks of maintaining global operations, regulatory developments, including changes in regulatory policy or resources, intellectual property claims or disputes, investment related risks and maintaining an effective system of internal controls. See "Risk Factors" elsewhere in this quarterly report on Form 10-Q and in our other reports with the Securities and Exchange Commission for a discussion of certain risks associated with our business. We disclaim any obligation to update forward-looking statements as a result of new information, future events or otherwise, including the potential impact of any mergers, acquisitions, divestitures or other events that may be announced after the date hereof.

Our management's discussion and analysis of our financial condition and results of operations is based upon our unaudited interim condensed consolidated financial statements included elsewhere in this quarterly report on Form 10-Q, which we have prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), for interim periods and with Regulation S-X promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The preparation of these unaudited interim condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related items, including, but not limited to, revenue recognition, accounts receivable and related reserves, valuation and impairment of marketable securities, goodwill and acquired intangible assets, capitalized internal-use software development costs, impairment and useful lives of long-lived assets, income taxes and stock-based compensation. We base our estimates and judgments on historical experience and on various other assumptions that we believe to be reasonable under the circumstances at the time they are made. Actual results may differ from our estimates. See the section entitled "Application of Critical Accounting Policies and Estimates" in our annual report on Form 10-K for the year ended December 31, 2024 for further discussion of our critical accounting policies and estimates.

Overview

We develop and provide solutions for global enterprises to build, secure and accelerate their applications and digital experiences through our massively distributed global network, which underpins our security, delivery and cloud computing solutions, and is central to our financial success. The key factors that influence our financial success are our ability to build on recurring revenue commitments across both our established and higher growth security and compute product portfolios, increase traffic on our network, continue to develop, scale and successfully bring to market our compute platform and compute-to-edge solutions that meet the needs of professional users and enterprises, including with respect to reliability, effectively manage the prices we charge for our solutions, the continuous development of new and existing products and appropriately manage our capital spending and other operational expenses. The purpose of this discussion and analysis section is to provide material information relevant to an assessment of our financial condition and results of operations from management's perspective, including to describe and explain key trends, events and other factors that impacted our reported results and that are likely to impact our future performance.

Revenue

We primarily derive revenue from the sale of services to customers pursuant to contracts having terms of one year or longer, which allows us to have a consistent and predictable base level of revenue. Services included in our contracts consist of security solutions, the delivery of content, applications and software over the internet, cloud computing solutions and professional services. In addition to a base level of revenue, we are also dependent on our ability to increase our product offerings and to cross-sell additional services to our new and existing customers, particularly for our security and cloud computing solutions portfolios. Our revenue is also impacted by customer renewals and the pricing for such renewals, the rate of adoption and timing of customer offerings, variability of one-time events, usage of cloud computing services and the amount of traffic we serve on our network. Geopolitical, economic and other developments that impact our customers' businesses can also impact our ability to attract new customers or continue to cross-sell additional services to existing customers and traffic levels for customers with variable usage. Over the longer term, our ability to continually develop and expand our product portfolio and to effectively manage the prices we charge for our solutions are key factors impacting our revenue growth.

We have observed the following trends related to our revenue in recent years:

- Increased sales of our security solutions, led by application security solutions and Guardicore segmentation solutions, and increased sales of our cloud computing solutions, attributable to enhanced services on our compute platform and growth in our cloud infrastructure services, have made a significant contribution to revenue growth. Our security and cloud computing solutions continue to contribute to a large portion of revenue. We plan to continue to invest in these areas with a focus on further advancing our product portfolios and sales capabilities.
- Traffic on our network has improved, but remains moderated as compared to prior years. We, and the industry more broadly, are seeing growth at a slower pace than we have experienced in the past. In particular, customers in verticals such as media and gaming have optimized their traffic to manage through underlying business challenges at a time of global macroeconomic and geopolitical headwinds. Some of our customers' businesses have been impacted by these headwinds, and as a result, they may continue to reduce their spending, optimize their traffic or increase their reliance on "do-it-yourself" solutions, which would reduce traffic on our network and revenue. However, we are seeing incremental traffic from contracts acquired as part of our recent asset acquisitions. We expect these traffic growth trends to continue for the remainder of 2025.

- The prices paid by some of our delivery and security customers have declined in recent years at contract renewal due to competition, which negatively impacts our revenue growth rates. We have been able to mitigate some of the negative impacts to our revenue growth rates by upselling incremental solutions to our existing customers. We continue to take steps upon contract renewals to sign customers to multi-year contracts and to optimize how we charge certain high-volume traffic customers to maintain alignment between customer traffic volumes and unit pricing.
- Revenue from our international operations continues to grow, particularly from new customer acquisition and cross-selling of incremental solutions. Because we publicly report in U.S. dollars, our reported revenue results are negatively impacted when the U.S. dollar strengthens and benefit when the U.S. dollar weakens.
- We have experienced variations in certain types of revenue from quarter-to-quarter. These quarterly variations in revenue are attributable to, among other things, the timing of large customer contract renewals; the frequency and timing of purchases of custom solutions or licensed software; the nature and timing of software and gaming releases by our customers; holiday season activity; and whether there are large live sporting or other events or situations that impact the amount of media traffic on our network.

Expenses

Our level of profitability is impacted by our expenses, including direct costs to support our revenue such as bandwidth and co-location costs, which includes energy to power our network. We have observed the following trends related to our profitability in recent years:

- Co-location costs are a significant portion of our cost of revenue. As we continue to build out our new compute locations to provide us with the ability to scale our platform, we have entered into, and expect to continue to enter into, longer term leases that include certain financial commitments in order to achieve more favorable unit economics. The costs of the financial commitments are expensed ratably over the lease term, and, as a result, in some cases, we are incurring costs in advance of these compute locations being fully utilized. We continue to improve our internal-use software and remain disciplined in managing our hardware deployments, which enables us to use servers more efficiently. We will need to continue to effectively manage our co-location costs to maintain or improve current levels of profitability.
- Network bandwidth costs are also a significant portion of our cost of revenue. We have been able to manage these costs through investment in internal-use software development to improve the performance and efficiency of our network and, more recently, improved pricing on contract renewals with our bandwidth providers. We will need to continue to focus on effectively managing our bandwidth costs to maintain or improve current levels of profitability.
- Network build-out and supporting service costs represent another significant portion of our cost of revenue. These costs include maintenance and supporting services, as well as partner program costs, incurred as we continue to build out our compute platform and maintain our global network, and costs of third-party cloud providers used for some of our operations. We have seen some of these costs increase in recent years as a result of our network expansion, and particularly the build out of our compute platform. While we have previously experienced increased costs from third-party cloud providers, we have been able to reduce those costs by migrating to our own compute solutions and working to optimize any remaining third-party cloud spend. We will need to continue to effectively manage our network build-out and supporting service costs and continue to migrate third-party cloud services to our compute platform in an effort to manage costs.
- Our employees are core to the operations of our business, and payroll and related costs, including stock-based compensation, is our largest expense. It is important to the success of our operations that we offer competitive compensation packages. However, we are focused on remaining disciplined in allocating our resources to support our faster growing security and cloud computing solutions, including maintaining operational efficiencies to mitigate the rising cost of talent. Over the past few years, we redesigned one of our non-executive short-term incentive compensation programs by shifting certain employees from a cash-based to stock-based program and introduced a non-executive incentive program tied to key initiatives. These programs are designed to better align employee incentives with the interests of our stockholders, which has increased our stock-based compensation.
- Depreciation expense related to our network equipment also contributes to our overall expense levels. In recent years, we have invested in our network, particularly as part of building out our compute infrastructure, which increased our

capital expenditures and resulting depreciation expense. We are also experiencing an increase in certain server component costs that support the continued build out of our compute platform. We plan to continue to make investments in capital expenditures, including to support recently acquired contracts, and focus investments on our faster growing cloud computing solutions, including support for a new enterprise cloud computing customer.

- Growth in our international operations incrementally increases our exposure to foreign currency fluctuations. Because we publicly report in U.S. dollars, our expenses are positively impacted when the U.S. dollar strengthens and are negatively impacted when the U.S. dollar weakens.

Macroeconomic Conditions

Global macroeconomic and geopolitical conditions continue to impact our customers, as well as our business and revenue growth rates. We, along with our customers, continue to manage through an uncertain period of fluctuating inflation, regulatory policies and resources that may negatively impact business, economic and political uncertainty, decreased consumer confidence and pressure on prices during contract renewals, uncertain energy supplies, heightened geopolitical tensions and conflict, potential for supply chain disruptions, changes in legislation and regulations, including U.S. and international tax laws, volatility and increasing tensions related to changing trade policies, including announced or expected tariffs, fluctuations in foreign exchange rates and elevated interest rates. To the extent these macroeconomic conditions continue, the impact may adversely affect our business, operations and financial results.

Results of Operations

The following sets forth, as a percentage of revenue, interim condensed consolidated statements of income data for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	100 %	100 %	100 %	100 %
Costs and operating expenses:				
Cost of revenue (exclusive of amortization of acquired intangible assets shown below)	41	41	41	41
Research and development	12	12	12	12
Sales and marketing	14	14	14	14
General and administrative	16	16	15	16
Amortization of acquired intangible assets	3	2	3	2
Restructuring charge	—	—	—	—
Total costs and operating expenses	85	85	85	84
Income from operations	15	15	15	16
Interest and marketable securities income, net	1	3	2	3
Interest expense	(1)	(1)	(1)	(1)
Other (expense) income, net	(1)	—	—	—
Income before provision for income taxes	15	17	16	18
Provision for income taxes	(5)	(4)	(5)	(2)
Net income	10 %	13 %	11 %	16 %

Revenue

Revenue by solution category during the periods presented was as follows (in thousands):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2025	2024	% Change	% Change at Constant Currency	2025	2024	% Change	% Change at Constant Currency
Security	\$ 551,914	\$ 498,708	11 %	10 %	\$ 1,082,609	\$ 989,389	9 %	10 %
Delivery	320,125	329,399	(3)	(4)	639,113	681,157	(6)	(6)
Cloud computing	171,455	151,473	13	13	336,911	296,004	14	14
Total revenue	\$ 1,043,494	\$ 979,580	7 %	6 %	\$ 2,058,633	\$ 1,966,550	5 %	5 %

During the three and six months ended June 30, 2025, the increase in our revenue, as compared to the same periods in 2024, was primarily the result of continued growth in sales of our security and cloud computing solutions, partially offset by a decline in revenue from our delivery solutions due to downward pricing of contract renewals.

The increase in security solutions revenue for the three and six months ended June 30, 2025, as compared to the same periods in 2024, was due to growth in sales of key products in our security solutions portfolio, including our API security, web application and Guardicore segmentation solutions.

The decrease in delivery solutions revenue for the three and six months ended June 30, 2025, as compared to the same periods in 2024, was due to downward pricing of contract renewals which we believe is moderating compared to recent periods. Additionally, we believe macroeconomic and geopolitical headwinds are causing some customers to increase their focus on cost optimization and "do-it-yourself" solutions, which reduced traffic on our network and our delivery revenue. These decreases were partially offset by incremental revenue from contracts acquired as part of our recent asset acquisitions, such as Edgio, Inc.

The increase in cloud computing solutions revenue for the three and six months ended June 30, 2025, as compared to the same periods in 2024, was due to growth in cloud infrastructure services, which includes our compute and storage solutions based on Linode, as well as our EdgeWorkers product and the partner solutions running on our cloud platform.

Revenue derived in the U.S. and internationally during the periods presented was as follows (in thousands):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2025	2024	% Change	% Change at Constant Currency	2025	2024	% Change	% Change at Constant Currency
U.S.	\$ 527,607	\$ 508,696	4 %	4 %	\$ 1,056,346	\$ 1,021,043	3 %	3 %
<i>As a percentage of revenue</i>	51 %	52 %			51 %	52 %		
International	515,887	470,884	10	8	1,002,287	945,507	6	7
<i>As a percentage of revenue</i>	49 %	48 %			49 %	48 %		
Total revenue	\$ 1,043,494	\$ 979,580	7 %	6 %	\$ 2,058,633	\$ 1,966,550	5 %	5 %

For the three and six months ended June 30, 2025 and 2024, no single country outside the U.S. accounted for 10% or more of revenue during these periods. Changes in foreign currency exchange rates favorably impacted our revenue by \$8.1 million during the three months ended June 30, 2025 and unfavorably impacted our revenue by \$5.9 million during the six months ended June 30, 2025, respectively, as compared to the same periods in 2024.

Cost of Revenue

Cost of revenue consisted of the following for the periods presented (in thousands):

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Co-location fees	\$ 87,189	\$ 75,335	16 %	\$ 170,950	\$ 147,996	16 %
Bandwidth fees	45,647	61,259	(25)	93,470	122,431	(24)
Network build-out and supporting services	58,223	46,224	26	112,297	92,337	22
Payroll and related costs	84,908	83,149	2	169,368	166,637	2
Stock-based compensation, including amortization of prior capitalized amounts	30,572	25,486	20	60,869	47,385	28
Depreciation of network equipment	81,824	68,936	19	160,149	134,611	19
Amortization of internal-use software	38,172	42,499	(10)	78,377	86,234	(9)
Total cost of revenue	\$ 426,535	\$ 402,888	6 %	\$ 845,480	\$ 797,631	6 %
<i>As a percentage of revenue</i>	<i>41 %</i>	<i>41 %</i>		<i>41 %</i>	<i>41 %</i>	

The increase in cost of revenue for the three and six months ended June 30, 2025, as compared to the same periods in 2024, was primarily due to:

- co-location fees and depreciation of network equipment as a result of investment in our network, particularly as we build out our compute platform to support future growth and scalability;
- network build-out and supporting services, particularly due to our partner program costs related to our cloud computing solutions; and
- stock-based compensation due to the shift in some of our compensation programs from cash-based to stock-based for certain employees, including our employer 401(k) match program effective in 2025.

These increases were partially offset by lower bandwidth fees as a result of improved pricing on contract renewals with our bandwidth providers and operational efficiencies on our network. Additionally, for the six months ended June 30, 2025, as compared to the same period in 2024, third-party cloud costs, which is included in network build-out and supporting services, decreased from the migration of third-party cloud services onto our own compute platform.

During the remainder of 2025, we expect our cost of revenue to increase as compared to 2024, in particular our co-location fees and depreciation of network equipment, due to investments in our network to support the continued growth of our cloud computing solutions. Additionally, we expect network build-out and supporting services to increase due to our partner programs to support the growth of our cloud computing solutions.

Research and Development Expenses

Research and development expenses consisted of the following for the periods presented (in thousands):

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Payroll and related costs	\$ 150,953	\$ 137,933	9 %	\$ 297,545	\$ 283,114	5 %
Stock-based compensation	39,803	36,951	8	82,071	74,996	9
Capitalized salaries and related costs	(71,960)	(68,107)	6	(144,038)	(141,018)	2
Other expenses	7,042	6,575	7	13,809	13,192	5
Total research and development	\$ 125,838	\$ 113,352	11 %	\$ 249,387	\$ 230,284	8 %
<i>As a percentage of revenue</i>	<i>12 %</i>	<i>12 %</i>		<i>12 %</i>	<i>12 %</i>	

The increase in research and development expenses during the three and six months ended June 30, 2025, as compared to the same periods in 2024, was primarily due to higher payroll and related costs and stock-based compensation as a result of headcount growth from our strategic initiatives. Additionally, stock-based compensation increased due to the shift from cash-based to stock-based of our employer 401(k) match program, effective in 2025, which partially offset the increase in payroll and related costs.

Research and development costs are expensed as incurred, other than certain internal-use software development costs eligible for capitalization. Capitalized development costs consist of payroll and related costs for personnel and external consulting expenses involved in the development of internal-use software used to deliver our services and operate our network. During the three months ended June 30, 2025 and 2024, we capitalized \$29.0 million and \$25.5 million, respectively, of stock-based compensation. During the six months ended June 30, 2025 and 2024, we capitalized \$58.4 million and \$50.3 million, respectively, of stock-based compensation. These capitalized internal-use software development costs are amortized to cost of revenue over their estimated useful lives, ranging from two to ten years based on the software developed and its expected useful life.

During the remainder of 2025, we expect our research and development costs to increase as compared to 2024, in particular payroll and related costs, including stock-based compensation, in support of our faster growing security and cloud computing solutions.

Sales and Marketing Expenses

Sales and marketing expenses consisted of the following for the periods presented (in thousands):

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Payroll and related costs	\$ 96,275	\$ 94,454	2 %	\$ 188,639	\$ 193,372	(2)%
Stock-based compensation	22,263	18,976	17	44,703	37,787	18
Marketing programs and related costs	16,554	16,122	3	27,769	26,731	4
Other expenses	11,147	9,487	17	19,259	15,719	23
Total sales and marketing	\$ 146,239	\$ 139,039	5 %	\$ 280,370	\$ 273,609	2 %
<i>As a percentage of revenue</i>	<i>14 %</i>	<i>14 %</i>		<i>14 %</i>	<i>14 %</i>	

The increase in sales and marketing expenses during the three and six months ended June 30, 2025, as compared to the same periods in 2024, was primarily due to higher stock-based compensation as a result of the shift in our employer 401(k) match program from cash-based to stock-based effective in 2025, which partially offset the change to payroll and related costs. Additionally, other expenses increased for these periods as a result of professional service fees associated with our go-to-market transformation initiative.

During the remainder of 2025, we do not expect significant increases in sales and marketing expenses as compared to 2024, however as part of our go-to-market transformation initiative we plan to reinvest in headcount and resources to support our faster growing security and cloud computing solutions.

General and Administrative Expenses

General and administrative expenses consisted of the following for the periods presented (in thousands):

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Payroll and related costs	\$ 58,477	\$ 55,195	6 %	\$ 114,969	\$ 113,513	1 %
Stock-based compensation	31,396	26,675	18	59,738	50,461	18
Depreciation and amortization	16,487	16,504	—	32,973	33,063	—
Facilities-related costs	21,274	20,946	2	43,143	42,496	2
Provision for doubtful accounts	551	760	(28)	1,706	2,081	(18)
Acquisition-related costs	1,274	2,179	(42)	1,369	2,351	(42)
Software and related service costs	17,653	14,501	22	34,399	28,601	20
Other expenses	15,485	17,094	(9)	30,233	33,718	(10)
Total general and administrative	\$ 162,597	\$ 153,854	6 %	\$ 318,530	\$ 306,284	4 %
<i>As a percentage of revenue</i>	<i>16 %</i>	<i>16 %</i>		<i>15 %</i>	<i>16 %</i>	

The increase in general and administrative expenses during the three and six months ended June 30, 2025, as compared to the same periods in 2024, was primarily due to higher stock-based compensation as a result of an increase in the expected attainment of performance awards, an increase in the number of participants in the equity compensation program, as well as a shift in our employer 401(k) match program from cash-based to stock-based effective in 2025, which increased stock-based compensation and partially offset the increase in payroll and related costs. Additionally, software and related service costs increased during the three and six months ended June 30, 2025, as compared to the same periods in 2024, as we transition to and expand usage of cloud-based applications to support our operations.

During the remainder of 2025, we do not expect significant increases in general and administrative expenses as compared to 2024 as we plan to continue to carefully manage costs in an effort to support the operations of the business.

Amortization of Acquired Intangible Assets

<i>(in thousands)</i>	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Amortization of acquired intangible assets	\$ 27,721	\$ 21,076	32 %	\$ 55,358	\$ 42,099	31 %
<i>As a percentage of revenue</i>	<i>3 %</i>	<i>2 %</i>		<i>3 %</i>	<i>2 %</i>	

The increase in amortization of acquired intangible assets for the three and six months ended June 30, 2025, as compared to the same periods in 2024, was the result of amortization of acquired intangible assets related to our acquisitions in 2024. Based on acquired intangible assets at June 30, 2025, we expect amortization of acquired intangible assets to be approximately \$55.7 million for the remainder of 2025, and \$104.0 million, \$89.2 million, \$81.8 million and \$75.9 million for 2026, 2027, 2028 and 2029, respectively.

Restructuring Charge

<i>(in thousands)</i>	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Restructuring charge	\$ 3,103	\$ 1,385	124 %	\$ 3,464	\$ 1,929	80 %
<i>As a percentage of revenue</i>	— %	— %		— %	— %	

The restructuring charges for the three and six months ended June 30, 2025 was primarily driven by management's commitment to redeploy headcount and resources to support our faster growing security and cloud computing solutions. The charges recognized during these periods include severance and related expenses for certain headcount reductions and impairments to capitalized internal-use software. We do not expect to incur material additional charges related to this activity.

The restructuring charge for the three and six months ended June 30, 2024 was primarily driven by our flexible workplace program as we exited certain facilities that were no longer needed, resulting in impairments of right-of-use-assets and leasehold improvements. We do not expect to incur material additional charges related to this program.

Non-Operating Income

<i>(in thousands)</i>	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Interest and marketable securities income, net	\$ 14,129	\$ 26,628	(47)%	\$ 33,659	\$ 54,469	(38)%
<i>As a percentage of revenue</i>	1 %	3 %		2 %	3 %	
Interest expense	\$ (8,201)	\$ (6,829)	20 %	\$ (14,951)	\$ (13,647)	10 %
<i>As a percentage of revenue</i>	(1)%	(1)%		(1)%	(1)%	
Other (expense) income, net	\$ (5,451)	\$ (949)	474 %	\$ 569	\$ (438)	(230)%
<i>As a percentage of revenue</i>	(1)%	— %		— %	— %	

Interest and marketable securities income, net consists of interest earned on invested cash and marketable securities balances and income and losses on mutual funds that are associated with our employee non-qualified deferred compensation plan. The decrease for the three and six months ended June 30, 2025, as compared to the same periods in 2024, was due to a reduction of cash and marketable securities balances and re-positioning our investments to cash equivalents, yielding lower interest, in 2025 in order to repay our \$1,150.0 million convertible senior notes that became due in May 2025. This decrease was partially offset by interest earned as a result of purchases of new investments during the quarter with the proceeds of our convertible senior notes due 2033.

Interest expense is related to our debt transactions, which are described in Note 6 to the interim condensed consolidated financial statements.

Other (expense) income, net primarily represents net foreign exchange gains and losses due to foreign exchange rate fluctuations on the remeasurement of monetary assets and liabilities that are not denominated in the functional currency and gains and losses on cost method investments, as well as other non-operating expense and income items. Other (expense) income, net may fluctuate in the future based on changes in foreign currency exchange rates or other events.

Provision for Income Taxes

(in thousands)	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Provision for income taxes	\$ (48,320)	\$ (35,148)	37 %	\$ (98,532)	\$ (47,992)	105 %
As a percentage of revenue	(5)%	(4)%		(5)%	(2)%	
Effective income tax rate	(32)%	(21)%		(30)%	(14)%	

For the three months ended June 30, 2025, as compared to the same period in 2024, our provision for income taxes increased due to an increase in certain tax reserves, an increase in the valuation allowance recorded against state credits and a shortfall in the tax benefit related to stock-based compensation. These amounts were partially offset by a decrease in profitability. For the six months ended June 30, 2025, as compared to the same period in 2024, our provision for income taxes increased due to a shortfall in the tax benefit related to stock-based compensation, an increase in certain tax reserves, an increase in the valuation allowance against state and foreign credits and the revaluation of certain foreign income tax liabilities due to foreign exchange rate fluctuations. These amounts were partially offset by a decrease in profitability.

For the three months ended June 30, 2025, our effective income tax rate was higher than the federal statutory tax rate due to an increase in certain tax reserves and non-deductible stock-based compensation. These amounts were partially offset by foreign income taxed at lower rates and the benefit of U.S. federal, state and foreign research and development credits. For the six months ended June 30, 2025, our effective income tax rate was higher than the federal statutory tax rate due to a shortfall in the tax benefit related to stock-based compensation, non-deductible stock-based compensation and an increase in certain tax reserves. These amounts were partially offset by foreign income taxed at lower rates and the benefit of U.S. federal, state and foreign research and development credits.

For the three months ended June 30, 2024, our effective income tax rate was higher than the federal statutory tax rate due to non-deductible stock-based compensation, tax on an intercompany transaction and the 15% global minimum corporate income tax. These amounts were partially offset by foreign income taxed at lower rates and the benefit of U.S. federal, state and foreign research and development credits. For the six months ended June 30, 2024, our effective income tax rate was lower than the federal statutory tax rate due to the excess tax benefit related to stock-based compensation, foreign income taxed at lower rates and the benefit of U.S. federal, state and foreign research and development credits. These amounts were partially offset by non-deductible stock-based compensation and the 15% global minimum corporate income tax.

In determining our net deferred tax assets and valuation allowances, annualized effective income tax rates and cash paid for income taxes, management is required to make judgments and estimates about domestic and foreign profitability, the timing and extent of the utilization of net operating loss carryforwards, applicable tax rates, transfer pricing methodologies and tax planning strategies. Judgments and estimates related to our projections and assumptions are inherently uncertain; therefore, actual results could differ materially from our projections.

Use of Non-GAAP Financial Measures

In addition to providing financial measurements based on GAAP, we provide 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 our financial performance. These non-GAAP financial measures are non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income, non-GAAP net income per diluted share, Adjusted EBITDA, Adjusted EBITDA margin and impact of foreign currency exchange rates, as discussed below.

Management believes that these non-GAAP financial measures reflect our 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 our 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 our ongoing operating results.

The non-GAAP financial measures do not replace the presentation of our GAAP financial measures and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP.

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

- **Amortization of acquired intangible assets** – We have incurred amortization of intangible assets, included in our GAAP financial statements, related to various acquisitions we have 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, we exclude amortization of acquired intangible assets from our 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 our 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 our current financial results to previous and future periods difficult to interpret; therefore, we believe it is useful to exclude stock-based compensation and amortization of capitalized stock-based compensation from our non-GAAP financial measures in order to highlight the performance of our core business and to be consistent with the way many investors evaluate our performance and compare our 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 Limited Liability Company ("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 we exclude acquisition-related costs from our 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 our acquisition transactions and do not reflect our core operations.
- **Restructuring charge** – We have incurred restructuring charges from programs that have significantly changed either the scope of the business undertaken by us 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. We exclude these items from our non-GAAP financial measures when evaluating our 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 our business.
- **Amortization of debt issuance costs and capitalized interest expense** – The issuance costs of our convertible senior notes are amortized to interest expense and are excluded from our 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** – We have recorded gains and losses from the disposition, changes to fair value and impairment of cost method investments. We believe excluding these amounts from our non-GAAP financial measures is useful to investors as the types of events giving rise to these gains and losses are not representative of our core business operations and ongoing operating performance.
- **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 our acquisitions), if any. We

believe that applying the non-GAAP adjustments and their related income tax effect allows us to highlight income attributable to our core operations.

The following table reconciles GAAP income from operations to non-GAAP income from operations and non-GAAP operating margin for the periods presented (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Income from operations	\$ 151,461	\$ 147,986	\$ 306,044	\$ 314,714
Amortization of acquired intangible assets	27,721	21,076	55,358	42,099
Stock-based compensation	112,776	98,466	224,754	191,726
Amortization of capitalized stock-based compensation and capitalized interest expense	12,288	10,434	24,647	20,557
Restructuring charge	3,103	1,385	3,464	1,929
Acquisition-related costs	1,274	2,179	1,369	2,351
Non-GAAP income from operations	<u>\$ 308,623</u>	<u>\$ 281,526</u>	<u>\$ 615,636</u>	<u>\$ 573,376</u>
GAAP operating margin	15 %	15 %	15 %	16 %
Non-GAAP operating margin	30 %	29 %	30 %	29 %

The following table reconciles GAAP net income to non-GAAP net income for the periods presented (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 103,618	\$ 131,688	\$ 226,789	\$ 307,106
Amortization of acquired intangible assets	27,721	21,076	55,358	42,099
Stock-based compensation	112,776	98,466	224,754	191,726
Amortization of capitalized stock-based compensation and capitalized interest expense	12,288	10,434	24,647	20,557
Restructuring charge	3,103	1,385	3,464	1,929
Acquisition-related costs	1,274	2,179	1,369	2,351
Amortization of debt issuance costs	1,645	1,660	3,250	3,342
Loss (gain) on cost method investments, net	—	66	(9,313)	66
Income tax effect of above non-GAAP adjustments and certain discrete tax items	(11,069)	(24,306)	(22,866)	(71,033)
Non-GAAP net income	<u>\$ 251,356</u>	<u>\$ 242,648</u>	<u>\$ 507,452</u>	<u>\$ 498,143</u>

The following table reconciles GAAP net income per diluted share to non-GAAP net income per diluted share for the periods presented (in thousands, except per share data):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
GAAP net income per diluted share	\$ 0.71	\$ 0.86	\$ 1.53	\$ 1.97
Amortization of acquired intangible assets	0.19	0.14	0.37	0.27
Stock-based compensation	0.78	0.64	1.52	1.23
Amortization of capitalized stock-based compensation and capitalized interest expense	0.08	0.07	0.17	0.13
Restructuring charge	0.02	0.01	0.02	0.01
Acquisition-related costs	0.01	0.01	0.01	0.02
Amortization of debt issuance costs	0.01	0.01	0.02	0.02
Loss (gain) on cost method investments, net	—	—	(0.06)	—
Income tax effect of above non-GAAP adjustments and certain discrete tax items	(0.08)	(0.16)	(0.15)	(0.46)
Adjustment for shares ⁽¹⁾	—	—	—	0.03
Non-GAAP net income per diluted share ⁽²⁾	\$ 1.73	\$ 1.58	\$ 3.43	\$ 3.23
Shares used in GAAP per diluted share calculations	145,249	153,588	148,156	155,527
Impact of benefit from note hedge transactions ⁽¹⁾	—	(199)	—	(1,157)
Shares used in non-GAAP per diluted share calculations ⁽¹⁾	145,249	153,389	148,156	154,370

(1) Shares used in non-GAAP per diluted share calculations have been adjusted for the three and six months ended June 30, 2024, for the benefit of our note hedge transactions. During this period, our average stock price was in excess of \$95.10, which is the initial conversion price of our convertible senior notes which matured in May 2025. See further definition below.

(2) Amounts may not foot due to rounding.

Non-GAAP net income per diluted share is calculated as 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 us pursuant to the note hedge transactions entered into in connection with the issuances of our convertible senior notes. Under GAAP, shares delivered under hedge transactions are not considered offsetting shares in the fully-diluted share calculation until they are delivered. However, we 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 2033, 2029 and 2027, and those that matured in 2025, unless our weighted average stock price is greater than \$93.01, \$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.

We consider Adjusted EBITDA to be another important indicator of the operational strength and performance of our business and a good measure of our historical operating trends. Adjusted EBITDA eliminates items that we do not consider to be part of our core operations. We define Adjusted EBITDA as 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; and other non-recurring or unusual items that may arise from time to time. Adjusted EBITDA margin represents Adjusted EBITDA stated as a percentage of revenue.

The following table reconciles GAAP net income to Adjusted EBITDA and Adjusted EBITDA margin for the periods presented (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 103,618	\$ 131,688	\$ 226,789	\$ 307,106
Interest and marketable securities income, net	(14,129)	(26,628)	(33,659)	(54,469)
Provision for income taxes	48,320	35,148	98,532	47,992
Depreciation and amortization	135,757	127,326	270,061	252,663
Amortization of capitalized stock-based compensation and capitalized interest expense	12,288	10,434	24,647	20,557
Amortization of acquired intangible assets	27,721	21,076	55,358	42,099
Stock-based compensation	112,776	98,466	224,754	191,726
Restructuring charge	3,103	1,385	3,464	1,929
Acquisition-related costs	1,274	2,179	1,369	2,351
Interest expense	8,201	6,829	14,951	13,647
Loss (gain) on cost method investments, net	—	66	(9,313)	66
Other expense, net	5,451	883	8,744	372
Adjusted EBITDA	\$ 444,380	\$ 408,852	\$ 885,697	\$ 826,039
Net income margin	10 %	13 %	11 %	16 %
Adjusted EBITDA margin	43 %	42 %	43 %	42 %

Impact of Foreign Currency Exchange Rates

Revenue and earnings from our international operations have historically been important contributors to our financial results. Consequently, our 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.

Liquidity and Capital Resources

To date, we have financed our operations primarily through public and private sales of debt and equity securities and cash generated by operations. As of June 30, 2025, our cash, cash equivalents and marketable securities, which are detailed in Note 2 to the interim condensed consolidated financial statements, totaled \$1.6 billion. We place our cash investments in instruments that meet high-quality credit standards, as specified in our investment policy. Our investment policy is also designed to limit the amount of our credit exposure to any one issue or issuer and seeks to manage these assets to achieve our goals of preserving principal and maintaining adequate liquidity at all times.

Changes in cash, cash equivalents and marketable securities are dependent upon changes in, among other things, working capital items such as accounts receivable, deferred revenue, accounts payable, various accrued expenses and operating lease obligations, as well as changes in our capital and financial structure due to common stock repurchases, debt repayments and issuances, purchases and sales of marketable securities, cash paid for acquisitions and similar events. We believe our strong balance sheet, cash position and access to funds available under our revolving credit facilities are important competitive

differentiators that provide the financial stability and flexibility to enable us to continue to make investments at opportune times. We expect to continue to evaluate strategic investments to strengthen our business.

As of June 30, 2025, we had cash and cash equivalents of \$341.8 million held in accounts outside the U.S. The U.S. Tax Cuts and Jobs Act establishes a territorial tax system in the U.S., which provides companies with the potential ability to repatriate earnings with minimal U.S. federal income tax impact. As a result, our liquidity is not expected to be materially impacted by the amount of cash and cash equivalents held in accounts outside the U.S.

Cash Provided by Operating Activities

(in thousands)	For the Six Months Ended June 30,	
	2025	2024
Net income	\$ 226,789	\$ 307,106
Non-cash reconciling items included in net income	616,219	517,303
Changes in operating assets and liabilities	(132,659)	(41,568)
Net cash provided by operating activities	\$ 710,349	\$ 782,841

The decrease in cash provided by operating activities for the six months ended June 30, 2025, as compared to the same period in 2024, was due to timing of customer collections and severance payments occurring in 2025 related to our restructuring action in the third quarter of 2024, as well as higher income tax payments driven by intercompany sales of intellectual property.

Cash Provided by (Used in) Investing Activities

(in thousands)	For the Six Months Ended June 30,	
	2025	2024
Cash received (paid) for business acquisitions, net of cash acquired	\$ 790	\$ (434,066)
Cash paid for asset acquisitions	(29,930)	(4,796)
Purchases of property and equipment and capitalization of internal-use software development costs	(419,789)	(337,291)
Net marketable securities activity	649,430	333,353
Other, net	(6,521)	4,535
Net cash provided by (used in) investing activities	\$ 193,980	\$ (438,265)

The increase in cash provided by (used in) investing activities during the six months ended June 30, 2025, as compared to the same period in 2024, was due to:

- the acquisition of Noname Gate Ltd. in June 2024 that did not recur in 2025; and
- an increase in maturities and sales of marketable securities, that were not reinvested in order to repay our \$1,150.0 million convertible senior notes, which we repaid in May 2025.

These increases to cash provided by investing activities were partially offset by higher purchases of property and equipment related to network expansion, primarily for our compute locations.

Net Cash Used in Financing Activities

<i>(in thousands)</i>	For the Six Months Ended June 30,	
	2025	2024
Net convertible senior notes activity	\$ 277,231	\$ —
Activity related to stock-based compensation	(68,688)	(112,981)
Repurchases of common stock	(799,963)	(253,258)
Other, net	(2,035)	(10,187)
Net cash used in financing activities	<u>\$ (593,455)</u>	<u>\$ (376,426)</u>

The increase in cash used in financing activities during the six months ended June 30, 2025, as compared to the same period in 2024, was primarily due to an increase in repurchases of common stock, partially offset by our net convertible senior notes activity. During the six months ended June 30, 2025, we issued \$1,725.0 million in par value of convertible senior notes and repaid \$1,150.0 million in convertible senior notes which were due in May 2025.

In May 2024, our board of directors authorized a \$2.0 billion share repurchase program, effective May 2024 through June 2027. During the six months ended June 30, 2025, we repurchased 10.0 million shares of common stock at a weighted average price of \$79.77 per share for an aggregate of \$800.0 million. As of June 30, 2025, \$1.2 billion remained available for future share repurchases under the authorization program. Our goals for the share repurchase program is to offset the dilution created by our employee equity compensation programs over time and provide the flexibility to return capital to stockholders as business and market conditions warrant, while still preserving our ability to pursue other strategic opportunities. The timing and amount of any future share repurchases will be determined by our management based on its evaluation of market conditions and other factors.

Convertible Senior Notes

In May 2025, we issued \$1,725.0 million in principal amount of convertible senior notes due 2033 and entered into related convertible note hedge and warrant transactions. We intend to use a portion of the net proceeds to repay at maturity our \$1,150.0 million outstanding aggregate principal amount of convertible senior notes due in 2027. Additionally, we used a portion of the net proceeds of the offering to repay \$250.0 million in borrowings made in April 2025 under our revolving credit agreement entered into in November 2022 ("2022 Credit Agreement") and for share repurchases.

As of June 30, 2025, we had \$4,140.0 million of convertible senior notes outstanding that are senior unsecured obligations and bear interest payable semi-annually in arrears. These notes mature between September 2027 and May 2033. The terms of the notes and hedge and warrant transactions are discussed more fully in Note 6 to the interim condensed consolidated financial statements.

Revolving Credit Facilities

In January 2025, we entered into a \$150.0 million uncommitted revolving credit agreement ("2025 Credit Agreement"). Any outstanding borrowings are secured by collateral, consisting primarily of available-for-sale marketable securities. The 2025 Credit Agreement does not expire but is cancellable at any time and any borrowings can be due on demand. Borrowings under the 2025 Credit Agreement will bear a specified interest rate, considering Secured Overnight Financing Rate, and interest period at the time of the confirmed borrowing. There were no outstanding borrowings under the 2025 Credit Agreement as of June 30, 2025.

In November 2022, we entered into a \$500.0 million 2022 Credit Agreement, which allows us to borrow at various interest rates and contains customary representations and warranties, affirmative and negative covenants and events of default. The 2022 Credit Agreement was amended in May 2025 to increase the aggregate revolving commitments from \$500.0 million to \$1.0 billion and to extend the expiration one year. As of June 30, 2025, we were in compliance with all covenants. There were no outstanding borrowings under the 2022 Credit Agreement as of June 30, 2025.

The terms of the revolving credit agreements are discussed more fully in Note 6 to the interim condensed consolidated financial statements.

Operating Leases

We have entered into operating leases for real estate assets related to office space and co-location assets related to space or racks at co-location facilities and related equipment for our servers and other networking equipment. As of June 30, 2025, there have been no significant changes in our obligations under these operating lease arrangements from those reported on Form 10-K for the year ended December 31, 2024, other than normal period-to-period variations, particularly as we execute on our expansion plans for our compute locations.

Purchase Commitments

We enter into long-term agreements with network and internet service providers for bandwidth, as well as execute purchase orders for the purchase of goods or services in the ordinary course of business, which may contain minimum commitments. These minimum commitments may vary from period to period depending on the timing and length of contract renewals with our vendors, and on our plans for network expansion, including our expansion plans related to our compute locations.

Liquidity Outlook

Based on our present business plan, we expect our current cash, cash equivalents and marketable securities balances, our forecasted cash flows from operations to be sufficient to meet our foreseeable cash needs for at least the next 12 months. Our foreseeable cash needs, in addition to our recurring operating costs, include our expected capital expenditures, investments in information technology, potential strategic acquisitions, anticipated share repurchases, lease and purchase commitments and settlements of other liabilities.

Off-Balance Sheet Arrangements

We have entered into indemnification agreements with third parties, including vendors, customers, landlords, our officers and directors, stockholders of acquired companies, joint venture partners and third parties to which we license technology. Generally, these indemnification agreements require us to reimburse losses suffered by a third-party due to various events, such as lawsuits arising from patent or copyright infringement or our negligence. These indemnification obligations are considered off-balance sheet arrangements in accordance with the authoritative guidance for guarantor's accounting and disclosure requirements for guarantees, including indirect guarantees of indebtedness of others. See also Note 13 to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2024 for further discussion of these indemnification agreements. The fair value of guarantees issued or modified during the six months ended June 30, 2025 was determined to be immaterial.

As of June 30, 2025, we did not have any additional material off-balance sheet arrangements.

Significant Accounting Policies and Estimates

See Note 2 to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2024. There have been no material changes to our significant accounting policies and estimates from those reported in our annual report on Form 10-K for the year ended December 31, 2024.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Interest Rate Risk

Our portfolio of cash equivalents and short- and long-term investments is maintained in a variety of securities, that are detailed in Note 2 to the interim condensed consolidated financial statements. The majority of our investments are classified as available-for-sale securities and carried at fair market value with cumulative unrealized gains or losses recorded as a component of accumulated other comprehensive loss within stockholders' equity. A sharp rise in interest rates could have an adverse impact on the fair market value of certain securities in our portfolio. We do not currently hedge our interest rate exposure and do not enter into financial instruments for trading or speculative purposes. If market interest rates were to increase by 100 basis points, reflected uniformly across the yield curve regardless of the duration to maturity, from June 30, 2025 levels, the fair value of our available-for-sale portfolio would decline by approximately \$10.4 million.

As of June 30, 2025, we had \$4,140.0 million in aggregate principal amount of convertible senior notes outstanding that are senior unsecured obligations with fixed annual interest rates. The terms of the notes are discussed more fully in Note 6 to the

interim condensed consolidated financial statements. Due to the fixed annual interest rate, these notes do not give rise to financial or economic interest exposure associated with changes in interest rates. However, the fair value of fixed rate debt instruments fluctuates when interest rates change. Additionally, the fair value can be affected when the market price of our common stock fluctuates. We carry the notes at face value less an unamortized discount on our interim condensed consolidated balance sheet, and we present the fair value for required disclosure purposes only.

Our exposure to risk for changes in interest rates relates primarily to any borrowings under our credit agreements, which have variable rates of interest. As of June 30, 2025, we had no outstanding borrowings under the 2025 Credit Agreement or the 2022 Credit Agreement.

Foreign Currency Risk

Growth in our international operations will incrementally increase our exposure to foreign currency fluctuations as well as other risks typical of international operations that could impact our business, including, but not limited to, differing economic conditions, changes in political climate, differing tax structures and other regulations and restrictions. Because we publicly report in U.S. dollars, our reported revenue results are negatively impacted when the U.S. dollar strengthens and benefit when the U.S. dollar weakens and has an opposite effect on our expenses where our expenses are positively impacted when the U.S. dollar strengthens and are negatively impacted when the U.S. dollar weakens. However, the impact to expenses only partially offsets the impact to our revenue.

Transaction Exposure

Foreign exchange rate fluctuations may adversely impact our consolidated results of operations as exchange rate fluctuations on transactions denominated in currencies other than functional currencies result in gains and losses that are reflected in our interim condensed consolidated statements of income. We enter into short-term foreign currency forward contracts to offset foreign exchange gains and losses generated by the re-measurement of certain assets and liabilities recorded in non-functional currencies. Changes in the fair value of these derivatives, as well as re-measurement gains and losses, are recognized in our interim condensed consolidated statements of income within other expense, net. Foreign currency transaction gains and losses from these forward contracts were determined to be immaterial during the six months ended June 30, 2025. We do not enter into derivative financial instruments for trading or speculative purposes.

Translation Exposure

To the extent the U.S. dollar weakens against foreign currencies, the translation of these foreign currency-denominated transactions will result in increased revenue and operating expenses. Conversely, our revenue and operating expenses will decrease when the U.S. dollar strengthens against foreign currencies. A hypothetical 10% strengthening or weakening in the value of the U.S. dollar relative to the foreign currencies in which our revenues and expenses are denominated would not result in a material impact to our interim condensed consolidated financial statements.

Foreign exchange rate fluctuations may also adversely impact our consolidated financial condition as the assets and liabilities of our international operations are translated into U.S. dollars in preparing our interim condensed consolidated balance sheet. These gains or losses are recorded as a component of accumulated other comprehensive loss within stockholders' equity.

Credit Risk

Concentrations of credit risk with respect to accounts receivable are limited to certain customers to which we make substantial sales. Our customer base consists of a large number of geographically dispersed customers diversified across numerous industries. We believe that our accounts receivable credit risk exposure is limited. As of June 30, 2025 and December 31, 2024, no customer had an accounts receivable balance of 10% or more of our accounts receivable. We believe that at June 30, 2025, the concentration of credit risk related to accounts receivable was insignificant.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2025. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("the Exchange Act"), means controls and other procedures of a

company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended June 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

We are party to various litigation matters, governmental proceedings, investigations, claims and disputes that we consider routine and incidental to our business. We do not currently expect the results of any of these matters to have a material effect on our business, results of operations, financial condition or cash flows.

Item 1A. Risk Factors

Certain factors may have a material adverse effect on our business, financial condition, and results of operations. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Quarterly Report on Form 10-Q. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occurs, our business, financial condition, results of operations and future prospects could be materially and adversely affected. In that event, the trading price of our common stock could decline, and you could lose part or all of your investment.

Financial and Operational Risks

Slowing revenue growth has in the past and may continue to negatively impact our profitability and stock price.

The overall revenue growth we have enjoyed in recent years may not continue in future periods and could decline, which could negatively impact our profitability and stock price. Our ability to generate revenue depends on the amount of services we deliver, continued growth in demand for our security, delivery and cloud computing solutions and our ability to maintain the prices we charge for them.

Revenue we generate from our delivery solutions is impacted by pricing pressure due to competition and fluctuations in content traffic as a result of, among other factors, changes in the popularity of our customers' content including video delivery and gaming, and economic pressures on our customers that can cause them to take steps to optimize their platforms, including through "do-it-yourself" ("DIY") initiatives. In addition, a large social media company has taken steps to lower costs and reduce reliance on U.S. providers, including a DIY component, which we believe is in part a reaction to certain geopolitical pressures, and which has reduced traffic on our network and negatively impacted revenue in recent periods. Other customers have and may continue to reduce their traffic with us, negatively impacting revenue. Although the rate of decline has diminished, we have continued to experience revenue declines in our delivery solutions and expect this trend to continue in the near future.

Our security solutions currently generate the largest portion of our revenue. Our ability to generate revenue in our security business depends on our ability to increase our industry recognition as a provider of security solutions, develop or acquire new solutions in a rapidly-changing environment where security threats are constantly evolving and ensure that our solutions operate effectively and are competitive with products offered by others, particularly as larger providers increasingly offer broader platforms of security services. Further, security revenue for some products is impacted by traffic levels on our network and has, and may continue to be, negatively impacted by reduced traffic on our network.

In addition, an increasing proportion of our revenue has been generated by our cloud computing solutions. Our ability to generate revenue in our cloud computing solutions is dependent on our ability to successfully continue building our compute platform, attract a customer base that has traditionally partnered with more established companies in the cloud computing industry, and develop effective, price competitive and attractive solutions.

If we are unable to increase revenues, our profitability and stock price could suffer. See the risk factor titled, "Global conditions have in the past and may in the future harm our industry, business and results of operations" below.

Global conditions have in the past and may in the future harm our industry, business and results of operations.

We operate globally and as a result, our business, revenues and profitability are impacted by global macroeconomic and geopolitical conditions. The success of our activities is affected by general economic, political and market conditions, including, among others, inflation, foreign exchange rates, interest rates, tax rates, economic uncertainty, political instability, warfare, changes in laws, trade barriers including announced or expected tariffs, the actual or perceived failure or financial difficulties of financial institutions, reduced consumer confidence, and spending and economic and trade sanctions. Global economic and geopolitical conditions can impact our customers, potentially making non-U.S. companies reluctant to enter into contracts with U.S. providers. In addition, such conditions can cause customers to take cost-savings measures that can include optimization and DIY initiatives, which can impact our revenues. For example, a large social media company has taken steps to lower costs and reduce reliance on U.S. providers by optimizing its platform, including a DIY component, which reduced traffic on our network and negatively impacted our revenue in recent periods. The U.S. capital markets have recently experienced and may continue to experience extreme volatility and disruption. Furthermore, inflation rates in the U.S. have been elevated compared to historical rates and have fluctuated. In addition, the Trump administration has imposed or indicated an intention to impose tariffs on certain countries that could further adversely impact trade relations, result in higher costs and decreased

purchasing power of our customers, put increased pressure on supply chains and create general market instability. Such economic volatility has in the past and could in the future adversely affect our business, financial condition, results of operations and cash flows and future market disruptions could negatively impact us. For example, these unfavorable economic conditions could slow our revenue growth or increase our operating costs, which could negatively impact our profitability. Geopolitical destabilization, the escalation of international tensions and warfare have impacted and could continue to impact global currency exchange rates, resources from our suppliers, our ability to compete effectively and our ability to operate or grow our business.

Additionally, we have offices and employees located in regions that historically have and may again experience periods of political instability, warfare, changes in laws, trade barriers, and economic and trade sanctions. Adverse conditions in these countries or actions by those countries to adopt policies that are not favorable to other countries in which we operate have in the past and may in the future affect our operations, including disruptions to our workforce, supply chains, networks, financial systems and other critical infrastructure, which could adversely affect our business, results of operations, financial condition and cash flows. For example, approximately six percent of our global employees are located in Israel and some of our employees have been mobilized as members of the Israeli military reserves. The ongoing Israel-Hamas war or other hostilities involving Israel could cause harm to our employees or otherwise impair their ability to work for extended periods of time.

Failure to control expenses could reduce our profitability, which would negatively impact our stock price.

Maintaining or improving our profitability depends both on our ability to increase our revenue and limit our expenses. We base our decisions about expense levels and investments on estimates of our future revenue and future anticipated rates of growth and may incur varying levels of expense based on strategic initiatives, including acquisitions and the build out of our network to support our cloud computing solutions. In addition, many of our expenses are fixed costs for a certain amount of time which may impact our ability to reduce costs in a timely manner or without incurring additional costs. If we are unable to increase revenue and limit expenses, our results of operations will suffer. We have in the past and may in the future take certain steps to reduce expenses, however, there are no assurances that we will be able to effectively reduce our expenses and such actions may negatively affect our ability to invest in our business for innovation, systems improvements and other initiatives.

If we do not develop or acquire new solutions that are attractive to our customers, our revenue and operating results could be adversely affected.

Innovation is important to our future success. In particular, as security and cloud computing solutions have become, and are expected to continue to be, an important part of our business, we must be particularly adept at developing new security solutions that meet the constantly-changing threat landscape and cloud computing and compute-to-edge solutions that meet the needs of professional users and enterprises looking to increase the utility of the internet for their business.

The process of developing new solutions and product enhancements is complex, lengthy and uncertain and has become increasingly complex due to the sophistication of our customers' needs. The development timetable is uncertain and we may commit significant resources to developing solutions for which a viable market may not ultimately develop. For example we are investing significant resources in our cloud computing solutions and platform, working on expanding the capacity of these facilities, adding additional sites and developing increased cloud computing features and functionality. Success in these efforts is not guaranteed and will largely depend on our ability to create products that are competitive in the enterprise market, source additional co-location facilities, manage an uncertain supply chain for server related hardware and adapt our offerings to new or emerging technologies and changes in customer requirements, including those related to artificial intelligence workloads. In addition, we have experienced, and may in the future experience, delays in developing and releasing new products and product enhancements. This could cause our expenses to grow more rapidly than our revenue.

Trying to innovate through acquisition can be costly and with uncertain prospects for success; we may find that attractive acquisition targets are too expensive for us to pursue which could cause us to pursue more time-consuming internal development.

Failure to develop, on a cost-effective basis, innovative or enhanced solutions that are attractive to customers and profitable to us could have a material detrimental effect on our business, results of operations, financial condition and cash flows.

If we are unable to compete effectively and adapt to changing market conditions, our business will be adversely affected.

We compete in markets that are intensely competitive and rapidly changing. Our current and potential competitors vary by size, product offerings and geographic region, and range from start-ups that offer solutions competing with a discrete part of our

business to large technology or telecommunications companies that offer, or may be planning to introduce, products and services that are broadly competitive with what we do. The primary competitive factors in our market are differentiation of technology, global presence, quality of solutions, reliability, long-term product roadmap, customer service, technical expertise, security, ease-of-use, breadth of services offered, price and financial strength.

Many of our current and potential competitors have substantially greater financial, technical and marketing resources, larger customer bases, broader product portfolios, longer operating histories, greater brand recognition and more established relationships in the industry than we do. This is particularly true with respect to our cloud computing solutions, as a small number of very large competitors have established themselves as leaders in the cloud computing industry. As a result, some competitors have in the past and may in the future be able to: develop superior products or services; leverage better name recognition, particularly in the security and cloud computing markets; enter new markets more easily or better manage the impact of changes in general economic conditions, geopolitical conditions and industry pressures; gain greater market acceptance for their products and services; enter into long-term contracts with our potential customers; increase their points of presence and proximity to enterprise data centers and end users faster than us; expand their offerings more efficiently and more rapidly; bundle their products that are competitive with ours with other solutions they offer in a way that makes our offerings less appealing to, or more costly for, current and potential customers; more quickly adapt to new or emerging technologies and changes in customer requirements; take advantage of acquisition, investment and other opportunities more readily; offer lower prices than ours, including at levels that may not be profitable for us to match; spend more money on the promotion, marketing and sales of their products and services; offer higher salaries to talented professionals which may impact our ability to hire or retain engineering and other personnel; and implement shorter sales cycles with customers and prospects.

Smaller and more nimble competitors may be able to: attract customers by offering less sophisticated versions of products and services than we provide at lower prices than those we charge; develop new business models that are disruptive to us; and respond more quickly than we can to new or emerging technologies, changes in customer requirements and market and industry developments, resulting in superior offerings.

Ultimately, any type of increased competition could result in price and revenue reductions, loss of customers and loss of market share or inability to penetrate new markets, each of which could materially impact our business, profitability, financial condition, results of operations and cash flows.

We and other companies that compete in this industry and these markets experience continually shifting business relationships, reputations, commercial focuses and business priorities, all of which occur in reaction to industry and market forces and the emergence of new opportunities. These shifts have led or could lead to our customers or partners becoming our competitors; customers implementing multi-vendor policies and seeking out one or more of our competitors to provide content and application delivery or security protection services; network suppliers no longer seeking to work with us; and technology companies that previously did not appear to show interest in the markets we seek to address entering into those markets as our competitors. With this constantly changing environment, we may face operational difficulties in adjusting to the changes or our core strategies could become obsolete. Any of these or other developments could harm our business.

Defects or disruptions in our products and IT systems could require us to increase spending on upgrading systems, diminish demand for our solutions or subject us to substantial liability.

Our solutions are highly complex and are designed to be deployed in and across numerous large and complex networks that we do not control. From time to time, we have needed to correct errors and defects in the proprietary and open-source software that underlies our platform that have given rise to service incidents, outages and disruptions or otherwise impacted our operations. We have in the past and could in the future face the loss of customers from these incidents as they seek alternative or supplemental providers. We have also periodically experienced customer dissatisfaction with the quality of some of our delivery, security, cloud computing and other services, which has led to a loss of business and could lead to a loss of customers in the future. Furthermore, most of our customer agreements contain service level commitments. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service, or face contract termination with refunds of prepaid amounts, which could harm our business.

We may not have in place adequate quality assurance procedures to ensure that we detect errors in our hardware, software and open-source components that we use in a timely manner, and we may have insufficient resources to efficiently address multiple service incidents happening simultaneously or in rapid succession. If we are unable to efficiently and cost-effectively fix errors or other problems that we identify and improve the quality of our solutions or systems, or if there are unidentified errors that allow persons to improperly access our services or systems, we could experience litigation, the need to issue credits

to customers, loss of revenue and market share, damage to our reputation, diversion of management attention, increased expenses, reduced profitability and other negative consequences which could harm our business.

Defects in our security solutions or human error could lead to negative publicity, loss of business, damages payments to customers, diminishing customer appeal and other negative consequences which could harm our business. As our solutions are adopted by an increasing number of enterprises and governments, it is possible that the adversaries behind advanced malicious actions will specifically focus on finding ways to defeat our products and services. If they are successful, we could experience a serious impact on our reputation and financial condition as a provider of security solutions.

We are devoting significant resources to develop and deploy our own competing cloud computing offering. The rapid development and deployment of new compute infrastructure—both hardware and software—bears the risk of bugs and unforeseen failures that could affect our reputation and ability to execute our strategies. The risks of such bugs and unforeseen failures introduced to our compute platform by our customers who control many aspects of their use of our cloud computing services and experimental technologies could affect our reputation, ability to execute our strategies and our financial condition. It is also uncertain whether our strategies to develop and deploy our own competing cloud computing offering will attract additional customers or generate enough revenue required to be successful. The costs related to these efforts may also reduce the gross and operating margins we have previously achieved. Failure to adequately and rapidly deploy additional points of presence, increased proximity to enterprise data centers and end users and develop competitive offerings could result in negative publicity, loss of business, diminishing customer appeal and other negative consequences which could harm our business.

Our business relies on our data systems, traffic measurement systems, billing systems, ordering processes and other operational and financial reporting and control systems. We also rely on third-party software for certain essential operational services and a failure or disruption in these services could materially and adversely affect our ability to manage our business effectively. All of these systems have become increasingly complex due to the complexity of our business, use of third-party software and services, acquisitions of new businesses with different systems and changing regulation over controls and procedures. As a result, these systems have in the past and could in the future generate errors that impact traffic measurement or invoicing, revenue recognition and financial forecasting or other parts of our business. We will need to continue to upgrade and improve our data systems, traffic measurement systems, billing systems, ordering processes and other operational and financial systems, procedures and controls. These upgrades and improvements may be difficult and costly. If we are unable to adapt our systems and organization in a timely, efficient and cost-effective manner to accommodate changing circumstances, our business may be adversely affected.

Cybersecurity breaches and attacks on us, our contractors or our third-party vendors, as well as steps we need to take in an effort to prevent them, can lead to significant costs and disruptions that would harm our business, financial results and reputation.

We regularly face attempts to gain unauthorized access or deliver malicious software to Akamai's platforms, products and services and our internal IT systems, with the goal of stealing proprietary information related to our business, products, employees and customers; disrupting our systems and services or those of our customers or others; or demanding ransom to return control of such systems and services. These attempts take a variety of forms, including Distributed Denial of Service ("DDoS") attacks, infrastructure attacks, botnets, malicious file uploads, application abuse, credential abuse, social engineering, ransomware, bugs, viruses, worms and malicious software programs. Additionally, the use of artificial intelligence by bad actors has heightened the sophistication and effectiveness of these types of attacks, and may be used to create attacks that current processes and technologies are unable to adequately address. There have in the past and could in the future be attempts to infiltrate our systems through our supply chain and contractors. Malicious actors are known to attempt to fraudulently induce employees and suppliers to disclose sensitive information through illegal electronic spamming, phishing or other tactics. Other parties may attempt to gain unauthorized physical access to our facilities in order to infiltrate our internal-use information systems. Furthermore, nation state and hacktivist attacks against us or our customers have in the past and may in the future intensify during periods of heightened geopolitical tensions or armed conflict, such as the ongoing war in Ukraine, the Israel-Hamas War and the recent escalation of military conflict between Israel and Iran, as well as broader military confrontations involving the United States. We may not be able to anticipate the techniques used in such attacks, as they change frequently and may not be recognized until launched. The rapidly changing geopolitical landscape may also create new, unexpected, or unknown risks for which we may not immediately be prepared, requiring increased risk mitigation expenditures. While we have, from time to time, experienced threats to and breaches of our and our third-party vendors' data and systems, to date, to our knowledge, cyber threats and other attacks have not resulted in any material adverse effect to our business or operations, but such threats are constantly evolving, increasing the difficulty of detecting and successfully defending against them.

The complexities in managing the security profile of a distributed network with vast scale and geographic reach that evolves to incorporate new capabilities expose us to both known and unknown vulnerabilities. We have discovered vulnerabilities in software and hardware used in our technology, such as the AMD "Inception" vulnerability identified in mid-2023 that potentially impacted a large portion of the internet ecosystem, and may have other undiscovered vulnerabilities. Vulnerabilities, resident in software, hardware or configurations, have in the past and may in the future require significant operational efforts to mitigate and may persist for extended periods of time and the effects of any such vulnerability could be exacerbated. Similar security risks exist with respect to acquired companies, our business partners and the third-party vendors that we rely on for aspects of our information technology support services and administrative functions. As a result, we are subject to risks that the activities of our business partners and third-party vendors may adversely affect our business even if an attack or breach does not directly target our systems.

To protect our corporate and deployed networks, we aim to continuously engineer more secure solutions, enhance security and reliability features, improve the deployment of software updates to address security vulnerabilities, develop mitigation technologies that help to secure customers from attacks and maintain the digital security infrastructure that protects the integrity of our network and services. For example, our ongoing efforts to continually enhance the security and reliability of our globally distributed infrastructure, customer applications, and corporate systems comprise various initiatives and mitigation efforts, including but not limited to upgrading access and configuration controls; improving security instrumentation, monitoring, detection and prevention tools; enhancing software inventory and tracking and patching systems; upgrading encryption processes and protections; enhancing authorization methods in applications; enhancing data loss prevention and endpoint security management capabilities; upgrading vulnerability identification, assessment, and remediation processes and technologies; and enhancing the security of passwords and other credentials, as applicable and appropriate. Our efforts to engineer more secure solutions are frequently costly, with a negative impact on near-term profitability, and may be unsuccessful in preventing security incidents that may have an adverse effect on our business and reputation.

For example, with the acquisition of Linode, we continue to adapt procedures for mitigating risks that have in the past or may in the future materialize, including any harms that may arise from abuse of our cloud computing products. If we fail to mitigate these harms or if there is a significant cybersecurity event using our cloud computing products or our cloud computing products are perceived to be less reliable than our competitors, it could result in loss of customers and reputational damage.

Any actual, alleged or perceived breach of network security in our systems or networks, or any other actual, alleged or perceived outage, compromise or data security incident we, our customers or our third-party suppliers suffer, has in the past and could in the future result in damage to our reputation; negative publicity; loss of channel partners, customers and sales; loss of revenue; loss of competitive advantages; increased costs to remedy any problems and otherwise respond to any incident; regulatory investigations and enforcement actions and fines; costly litigation; and other liabilities.

If we cannot maintain compatibility with our customers' IT infrastructure, including their chosen third-party services, our business will be harmed.

Our products interoperate with our customers' IT infrastructures that often have different specifications, utilize diverse technology, and require compatibility with multiple communication protocols. Therefore, the functionality of our technology often needs to have, and maintain, compatibility with our customers' technology environment, including their chosen third-party technology. Aspects of our technology's compatibility with our customers' technology is dependent on our customers because our customers, and in particular those who implement third-party applications within their environments, may change features, restrict our access to, or alter their applications within their discretion and in a manner that causes incompatibilities or causes us significant costs to maintain compatibility. Such changes could functionally limit or prevent the compatibility of our products with our customers' IT infrastructure, which would negatively affect adoption of our products and harm our business. If we fail to update our products to achieve compatibility with new third-party applications that our customers use, we may not be able to offer the functionality that our customers need, which would harm our business.

We face risks associated with global operations that could harm our business.

A significant portion of our hiring, new customers and revenue growth in recent years has been attributable to our business outside the U.S. Our operations in international countries subject us to risks that may increase our costs, impact our financial results, disrupt our operations or make our operations less efficient and require significant management attention. These risks include: foreign exchange rate risks; uncertainty regarding liability for content or services, including uncertainty as a result of local laws and lack of legal precedent; loss of revenues if the U.S. or international governments impose limitations on doing business with significant current or potential customers; difficulty in staffing, training, developing and managing international operations as a result of distance, language, cultural differences, differences in employee/employer relationships or regulations;

theft of intellectual property in high-risk countries where we operate; difficulties in enforcing contracts, collecting accounts and longer payment cycles in certain countries; difficulties in transferring funds from, or converting currencies in, certain countries; managing the costs and processes necessary to comply with export control, sanctions, anti-bribery, data protection, cybersecurity and competition laws and regulations or other regulatory or contractual limitations on our ability to sell or develop our products and services in certain international markets; changes in regulatory rules or policies or changes in government enforcement priorities and resources; macroeconomic developments and changes in the labor markets in which we operate; geopolitical developments, including increasing international tensions or any that impact our or our customers' ability to operate in or deliver content to a country; other circumstances outside of our control such as trade disputes, including the imposition of tariffs by the United States on imports from certain countries and any resulting counter-tariffs or macroeconomic impacts, political unrest, warfare, military or armed conflict, such as the Russian invasion of Ukraine, the Israel-Hamas War, the recent escalation of military conflict between Israel and Iran, as well as broader military confrontations involving the United States, terrorist attacks, public health emergencies, energy crises and natural disasters that could disrupt our ability to provide services or limit customer purchases of them.

For example, approximately six percent of our global employees are located in Israel. Some of these employees have been and may continue to be impacted by hostilities in the region, including the Israel-Hamas War and, more recently, the Israel-Iran conflict. A number of our employees in Israel have been, and more may be, required to report for military duty which could impact our ability to operate and successfully complete ongoing initiatives particularly with respect to our security offerings and our efforts to move our internal applications from third-party clouds to our compute platform. Furthermore, a widening of the conflict in the Middle East or further escalation could lead to broader geopolitical destabilization and macro-economic impacts.

In addition, we are subject to laws and regulations worldwide that differ among jurisdictions and may change, affecting our operations in areas such as intellectual property ownership and infringement; tax; anti-bribery; internet and technology regulations; so-called "fair share" or internet content taxes; foreign exchange controls and cash repatriation; data privacy; cyber security; competition; consumer protection; corporate sustainability; and employment. Compliance with such requirements can be onerous and expensive and may otherwise impact our business operations negatively. Although we have policies, controls and procedures designed to help ensure compliance with applicable laws, there can be no assurance that our employees, contractors, suppliers, customers or agents will not violate such laws or our policies. Violations of these laws and regulations can result in fines; additional costs related to governmental investigations; criminal sanctions against us, our officers or our employees; prohibitions on the conduct of our business; and damage to our reputation.

Our business strategy depends on the ability to source adequate transmission capacity, co-location facilities and the equipment we need to operate our network; failure to have access to those resources could lead to loss of revenue and service disruptions.

To operate and grow our globally distributed network serving our portfolio of services, we are dependent in part upon transmission capacity provided by third-party telecommunications network providers and co-location facilities to house our servers and equipment to support our operations. We may be unable to purchase the bandwidth and space we need from these providers due to limitations on their resources, increasing energy costs or other reasons outside of our control. In particular, our efforts to increase the size and scale of our network infrastructure have required and may continue to require procuring significant additional space in co-location facilities. Inability to access facilities where we would like to install servers, or perform maintenance on existing servers for any reason impedes our ability to expand or maintain capacity. As a result, there can be no assurance that we are adequately prepared for unexpected increases in capacity demands by our customers. Failure to put in place the capacity we require to operate our business effectively could result in a reduction in, or disruption of, service to our customers and ultimately a loss of those customers. In addition, these third-party providers can experience service disruptions due to power failure and other unforeseen events. We cannot guarantee that these providers have adequate redundancies in place to avoid service disruptions that could impact our ability to operate portions of our network.

Akamai's platforms, products and services rely on hardware equipment, including hundreds of thousands of servers deployed around the world. Disruptions in our supply chain have occurred in the past and could prevent us from purchasing needed equipment at attractive prices or at all. For example, we are experiencing continued volatility in certain server component costs, including as a result of recently imposed tariffs, that support the continued build out of our compute platform. In addition, from time to time, it has been, and may continue to be, more difficult to purchase equipment that is manufactured in areas that face disruptions to operations due to unrest, trade sanctions or other political activity, public health issues, safety issues, natural disasters or general economic conditions. For example, tariffs imposed by the United States on other countries and any resulting counter-tariffs will likely lead to increasing costs and supply chain disruptions. Failure to have adequate equipment, including server and other networking equipment, could harm the quality of our services, which could lead to the loss of customers and revenue.

Acquisitions and other strategic transactions could result in operating difficulties, dilution, diversion of management attention and other harmful consequences that may adversely impact our business and results of operations.

We expect to continue to pursue acquisitions and other types of strategic relationships that involve technology sharing or close cooperation with other companies. Acquisitions and other complex transactions are accompanied by a number of risks, including the following: difficulty integrating technologies, operations and personnel while maintaining the quality standards; potential disruptions of our ongoing business and distraction of management attention; diversion of financial and business resources from core operations or other attractive investments; financial consequences, such as increased operating expenses, incurrence of material post-closing liabilities, incurrence of additional debt and other dilutive effects on our earnings, particularly in the current environment where we have seen relatively high valuations of, and valuation expectations for, many technology companies and increasing allocation of risk to acquirors; failure to realize synergies or other expected benefits; lawsuits resulting from an acquisition or disposition; the inability to retain the acquired company's key talent; exposure to cybersecurity risks and the cost associated with remediating those risks in connection with the acquisition of IT systems; increased accounting charges such as impairment of goodwill or intangible assets, amortization of intangible assets acquired and a reduction in the useful lives of intangible assets acquired; the need to use substantial portions of available cash or dilutive issuances of securities to finance large transactions; and potential unknown liabilities and regulatory requirements associated with an acquired business.

The data practices and technology systems of businesses that we have acquired, or may acquire, and our efforts to integrate our acquisitions with our existing technologies have in the past and may in the future pose risks, such as cybersecurity vulnerabilities or past cybersecurity or privacy incidents. Following an acquisition, we work to enhance the security and reliability of our systems. As such, there is a period of increased cybersecurity risk during the period between closing an acquisition and the completion of our security upgrades and integration. For example, as part of the integration of the Linode compute platform into Akamai's platform and the migration of certain applications and products from third party cloud providers onto Akamai's compute platform, we have been working to enhance the security and reliability of the integrated systems. While we continue to make progress on these efforts, the mitigation of a number of risks is ongoing and thus certain underlying vulnerabilities remain that, if exploited, could negatively impact Akamai's platform and our customers. Despite our efforts to enhance the security and reliability of our systems, our information technology systems and those of third parties with whom we do business or communicate may be damaged, disrupted, or shut down due to attacks by unauthorized access, malicious software, computer viruses, undetected intrusion, hardware failures, or other events. In addition, our disaster recovery plans may be ineffective or inadequate.

Any inability to integrate completed acquisitions or combinations in an efficient and timely manner could have an adverse impact on our results of operations.

If current and potential large customers shift to DIY internal solutions for content and application delivery or security protection, our business will be negatively impacted.

We are reliant on some of our larger customers to direct traffic to our network for a significant part of our revenues. At times, some of our customers have determined that it is better for them to employ a “do-it-yourself” or “DIY” strategy by putting in place equipment, software and other technology solutions for content and application delivery and security protection within their internal systems instead of using our solutions for some or all of their needs. As the amount of money a customer spends with us increases, the risk that they will seek alternative solutions such as DIY or a multi-vendor policy likewise increases. While the number of customers implementing a DIY strategy had been decreasing, current global economic and geopolitical conditions may cause customers to increase their focus on DIY solutions, which could negatively impact traffic on our network, and, as a result, our revenue. For example, a large social media customer has taken steps to lower costs and reduce reliance on U.S. providers by optimizing its platform, including using a DIY component, which reduced traffic on our network and negatively impacted our revenue in 2024 and may continue to do so in the future. If our customers increase their use of DIY solutions or if multiple additional large customers shift to this model, traffic on our network and our contracted revenue commitments could decrease more significantly, which could negatively impact our business, profitability, financial condition, results of operations and cash flows.

If we are unable to recruit and retain key employees and qualified sales, research and development, technical, marketing and support personnel, our ability to compete could be harmed.

Our future success depends upon the services of our executive officers and other key technology, sales, research and development, marketing and support personnel who have critical industry experience and relationships. Attracting, hiring and

retaining highly skilled and qualified employees continues to be a priority and a key dependency for our ongoing success. If we fail to attract new personnel, fail to retain and motivate our current personnel or fail to effectively train our employees to support our business needs, our business and future growth prospects could suffer. For example, none of our officers or key employees are bound by an employment agreement for any specific term, and members of our senior management have left our company over the years for a variety of reasons. In addition, effective succession planning is important to our long-term success and our failure to ensure effective transfer of knowledge and smooth transitions involving our officers and other key personnel could hinder our strategic planning and execution.

In addition, our future success will depend upon our ability to attract, train and retain employees, particularly in our expected areas of growth such as security and cloud computing. Such efforts will require time, expense and attention by our employees as there is significant competition for talented individuals. This competition results in increased costs in the form of cash and stock-based compensation and can have a dilutive impact on our stock. In addition, our ability to hire and retain employees may be adversely affected by volatility in the price of our stock or our ability to obtain shareholder approval to offer additional stock to our employees, because a significant portion of our compensation is in the form of equity grants. We are retasking certain employees to work on our cloud computing solutions which will require the use of our resources and if we are unable to successfully retrain our employees, our cloud computing business may suffer. Furthermore, geopolitical events may impact our retention efforts. For example, the Israel-Hamas War and other hostilities in the Middle East have and could continue to impact our workforce in Israel, as employees have been and may continue to be required to report for military service or have other competing priorities. The loss of the services of a significant number of our employees or any of our key employees or our inability to attract and retain new talent in a timely fashion may be disruptive to our operations and overall business.

Our failure to maintain our company culture and manage new risks as our business evolves and our work practices change could harm us.

We believe our culture has been a key contributor to our success to date. As a result of the diversification of our business, personnel growth, the deployment of our FlexBase program, acquisitions and international expansion in recent years, most of our employees are now based outside of our Cambridge, Massachusetts headquarters.

If we are unable to appropriately increase management depth, enhance succession planning and decentralize our decision-making at a pace commensurate with our actual or desired growth rates, we may not be able to achieve our financial or operational goals. It is also important to our continued success that we hire qualified personnel, properly train them and manage poorly-performing personnel, all while maintaining our corporate culture and spirit of innovation. If we are not successful in these efforts, our growth and operations could be adversely affected.

We rolled out our FlexBase program in 2022, which allows the more than 95% of our workforce designated as flexible to choose to work from an Akamai office, their home office, an approved workspace, or a combination of all three. This program could, among other things, negatively impact employee morale and productivity, inhibit our ability to effectively train new employees and impede our ability to support customers at the levels they expect. In addition, certain security systems in homes or other remote workplaces may be less secure than those used in our offices, which may subject us to increased security risks, including cybersecurity-related events, and expose us to risks of data or financial loss and associated disruptions to our business operations. Members of our workforce who access company data and systems remotely may not have access to technology that is as robust as that in our offices, which could cause the networks, information systems, applications and other tools available to those remote workers to be more limited or less reliable than in our offices. We may also be exposed to risks associated with the locations of remote workers, including compliance with local laws and regulations or exposure to compromised internet infrastructure. Further, if employees fail to inform us of changes in their work location, we may be exposed to additional risks without our knowledge. If we are unable to effectively maintain a hybrid workforce, manage the cybersecurity and other risks of remote work, and maintain our corporate culture and workforce morale, our business could be harmed or otherwise negatively impacted.

Our restructuring and reorganization activities may be disruptive to our operations and harm our business.

Over the past several years, we have implemented internal restructurings and reorganizations designed to reduce the size and cost of our operations, improve operational efficiencies and reprioritize investments, enhance our ability to pursue market opportunities and accelerate our technology development initiatives. During the first quarter of 2023 and the third quarter of 2024, management committed to actions to restructure certain parts of the Company, including reducing headcount, to enable it to prioritize investments in the fastest growing areas of the business and redeploy resources to support the Company's strategic investments. We may take similar steps in the future as we seek to realize operating synergies, optimize our operations to

achieve our target operating model and profitability objectives, respond to market forces or better reflect changes in the strategic direction of our business. In addition, in 2025 management has introduced changes to the sales organization and sales compensation structure to optimize sales performance and to better align sales incentives to the fastest growing areas of the business. Disruptions in operations may occur as a result of taking these actions. Taking these actions may also result in significant expense, including with respect to workforce reductions, decreased productivity due to employee distraction and unanticipated employee turnover. Substantial expense or business disruptions resulting from restructuring and reorganization activities could adversely affect our operating results.

We may have exposure to greater-than-anticipated tax liabilities.

Our future income taxes could be adversely affected by earnings being lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, or changes in tax laws, regulations or accounting principles, as well as certain discrete items such as equity-related compensation. The Organisation for Economic Co-operation and Development ("OECD") and participating OECD member countries continue to work toward the enactment of a 15% global minimum corporate tax rate for large multinational enterprise groups, also known as "Pillar Two". Many of the participating countries have enacted legislation that became effective beginning in 2024, while other countries continue to work on defining the underlying rules and administrative procedures. Although the enacted and effective legislation in some countries was applicable to us as of January 1, 2024, and increased our effective income tax rate, the increase did not have a material impact on our overall results of operations or cash flows. We will continue to monitor and evaluate the impacts of the developing legislation.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted into law. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. We are in the process of evaluating the impact of the OBBBA on our consolidated financial statements.

We have recorded certain tax reserves to address potential exposures involving our income tax and indirect tax positions. These potential tax liabilities result from the varying application of statutes, rules, regulations and interpretations by different jurisdictions. We are currently subject to tax audits in various jurisdictions. If the ultimate outcome of any tax audits are adverse to us, our reserves may not be adequate to cover our total actual liability, and we would need to take a financial charge. Although we believe our estimates, our reserves and the positions we have taken in all jurisdictions are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made.

Fluctuations in foreign currency exchange rates affect our reported operating results in U.S. dollar terms.

Because we conduct a substantial portion of our business outside the United States, we face exposure to adverse movements in foreign currency exchange rates, which could have a material adverse impact on our financial results and cash flows. These exposures may change over time as business practices evolve and economic conditions change.

The fluctuations of currencies in which we conduct business can both increase and decrease our overall revenue and expenses for any given period. This exposure is the result of selling in multiple currencies, headcount in foreign locations and operating in countries where the functional currency is the local currency. Revenue generated and expenses incurred by our international subsidiaries are often denominated in their local currencies, but many of our expenses related to our operations in foreign jurisdictions are denominated in U.S. dollars. As a result, our consolidated U.S. dollar financial statements are subject to fluctuations due to changes in exchange rates as the financial results of our international subsidiaries are translated from local currencies into U.S. dollars. For example, in 2024, the strength of the U.S. dollar had a negative impact on our revenue and reduced our overall profitability. In addition, our financial results are subject to changes in exchange rates that impact the settlement of transactions in non-functional currencies.

In addition, we have recently experienced increased volatility in foreign currency exchange rates, due to a number of factors, including geopolitical and economic developments. We may not be able to effectively manage such volatility, and our financial results have in the past and could in the future be adversely impacted as a result of such volatility. In addition, such volatility, even when it increases our revenues or decreases our expenses, impacts our ability to accurately predict our future results and earnings.

Our sales to government clients subject us to risks, including early termination, audits, investigations, sanctions and penalties.

We have customer contracts with the U.S. government, as well as international, state and local governments and their respective agencies and we may in the future increase sales to government entities. Sales to government entities are subject to a number of risks, and significant changes in the contracting or fiscal policies of such government organizations could have an adverse effect on our business and results of operations. Selling to government entities can be highly competitive, expensive, and time consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Such government entities often have the right to terminate these contracts at any time, without cause. There is increased pressure for governments and their agencies, both domestically and internationally, to reduce spending and demand and payment for our services may be impacted by public sector budgetary cycles and funding authorizations. These factors may combine to potentially limit the revenue we derive from government contracts in the future. Additionally, government contracts generally have requirements that are more complex than those found in commercial enterprise agreements and therefore are more costly to comply with. Such contracts are also subject to audits and investigations that could result in civil and criminal penalties and administrative sanctions, including contract termination, fee refunds, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business.

We utilize third-party technology in our business, and failures or vulnerabilities, and/or litigation, related to these technologies may adversely affect our business.

We utilize third-party technology software, services, and other technology to operate critical functions of our business, including the integration of certain of these technologies into our network, products and services. If these software, services, or other technology become unavailable, malfunction or contain vulnerabilities, our expenses could increase and our ability to operate our network, provide our products, and our results of operations could be impaired until equivalent software, technology, or services are purchased or developed or any identified vulnerabilities or malfunctioning are remedied. If we are unable to procure the necessary third-party technology we may need to acquire or develop alternative technology, or we may have to resort to utilizing alternative technology of lower quality. This could limit and delay our ability to offer new or competitive products and increase our costs of production. As a result, our business could be significantly harmed. In addition, the use of third-party technology may expose us to third-party claims of intellectual property infringement which could cause us to incur significant costs in defense or alternative sourcing.

We rely on certain "open-source" software, which may contain security flaws or other deficiencies, and the use of which could result in our having to distribute our proprietary software, including source code, to third parties on unfavorable terms, either of which could materially affect our business.

Certain of our offerings use software that is subject to open-source licenses. Open-source code is software that is freely accessible, usable and modifiable; however, certain open-source code is governed by license agreements, the terms of which could require users of such software to make any derivative works of the software available to others on unfavorable terms or at no cost. Because we use open-source code, we may be required to take remedial action in order to protect our proprietary software. Such action could include replacing certain source code used in our software, discontinuing certain of our products or taking other actions that could be expensive and divert resources away from our development efforts. In addition, the terms relating to disclosure of derivative works in many open-source licenses are unclear and have not been interpreted by U.S. courts. If a court interprets one or more such open-source licenses in a manner that is unfavorable to us, we could be required to make certain of our key software generally available at no cost. We could also be subject to similar conditions or restrictions should there be any changes in the licensing terms of the open-source software incorporated into our products. In either event, we could be required to seek licenses from third parties in order to continue offering our products, to re-engineer our products or to discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely or successful basis, any of which could adversely affect our business, operating results and financial condition. Furthermore, open-source software may have security flaws and other deficiencies that could make our solutions less reliable and damage our business.

We may not be successful in our artificial intelligence initiatives, which could adversely affect our business, reputation, or financial results.

Artificial intelligence ("AI"), presents new risks and challenges that may affect our business. We have made, and expect to continue to make investments to integrate AI and machine learning technology into our products and solutions, as well as to use AI to enhance our own business operations. Given the nature of AI technology, we face significant competition from other companies and an evolving regulatory landscape. Our AI efforts may not be successful and our competitors may incorporate AI into their products more successfully than us, which could impair our ability to compete effectively and adversely affect our

financial results. The rapid evolution of AI combined with the uncertain and often inconsistent regulatory landscape may require significant additional resources and costs and could in some cases limit our ability to implement AI capabilities in our solutions or to use AI to support business operations. Further, data used to train AI-based systems may lead to harm to our reputation or financial results. Use of AI that has been trained on open-source code repositories for code development, for instance, may increase intellectual property risks, as well as risks related to ingestion of malicious code. Despite our implementation of programs designed to support responsible and safe AI use and development, we may not successfully address all issues that may arise. For example, privacy concerns, user consent, supply chain security, transparency and the accuracy, completeness and suitability of data sets are all potential issues that could adversely affect our business, reputation, or financial results.

Legal and Regulatory Risks

Evolving privacy regulations could negatively impact our profitability and business operations.

The nature and breadth of laws and regulations, or expanded interpretation of these laws and regulations, that relate to privacy on the internet and international data transfer restrictions may increase in the future. Accordingly, we are unable to assess the possible effect of compliance with future requirements or whether our compliance efforts will materially impact our business, results of operations or financial condition, as well as increase expenses or create other disadvantages to our business.

Privacy laws are rapidly proliferating, changing and evolving globally. Governments, private citizens and privacy advocates with class action attorneys are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. Numerous laws, such as the European Union's General Data Protection Regulation ("GDPR"), and the California Consumer Privacy Act of 2018 ("CCPA"), and industry self-regulatory codes have been enacted, and more laws are being considered that may affect how we use data generated from our network as well as our ability to reach current and prospective customers, understand how our solutions are being used and respond to customer requests allowed under the laws. Any perception that our business practices, our data collection activities or how our solutions operate represent an invasion of privacy or improper practice, whether or not consistent with current regulations and industry practices, may subject us to public criticism or boycotts, class action lawsuits, reputational harm, or actions by regulators, or claims by industry groups or other third parties, all of which could disrupt our business and expose us to liability.

Engineering efforts to build new capabilities to facilitate compliance with increasing international data transfer restrictions and new and changing privacy laws and related customer demands could require us to take on substantial expenses and divert engineering resources from other projects. We might experience reduced demand for our offerings if we are unable to engineer products that meet our legal duties or help our customers meet their obligations under the GDPR, the CCPA or other applicable data regulations, or if the changes we implement to comply with such laws and regulations make our offerings less attractive.

Our ability to leverage the data generated by our global networks is important to the value of many of the solutions we offer, our operational efficiency and future product development opportunities. Our ability to use data in this way may be constrained by regulatory developments. Compliance with applicable laws and regulations regarding personal data may require changes in services, business practices or internal systems that result in increased costs, lower revenue, reduced efficiency or greater difficulty in competing with other companies. Compliance with data regulations might limit our ability to innovate or offer certain features and functionality in some jurisdictions where we operate. Failure to comply with existing or new rules may result in significant penalties or orders to stop the alleged non-compliant activity, as well as negative publicity and diversion of management time and effort.

Our security controls over personal data, our training of employees and third parties on privacy, data security and other ethical data use practices we follow may not prevent the improper disclosure or misuse of customer or end-user data we process. Improper disclosure or misuse of personal data could harm our reputation, lead to legal exposure to customers or end users, or subject us to liability under laws that protect personal data, resulting in increased costs or loss of revenue.

Other regulatory developments could negatively impact our business.

U.S. and international laws and regulations that apply to the internet related to, among other things, content liability, security requirements, law enforcement access to information, critical infrastructure, net neutrality, so-called "fair share" or internet content taxes, international data transfer restrictions, sanctions, export controls and restrictions on social media or other platforms, applications or content could pose risks to our revenues, intellectual property and customer relationships as well as increase expenses or create other disadvantages to our business. Section 230 of the U.S. Communications Decency Act, often referred to as Section 230, gives websites that host user-generated content broad protection from legal liability for content

posted on their sites. Proposals to repeal or amend Section 230 could expose us to greater legal liability in the conduct of our business. Our Acceptable Use Policy prohibits customers from using our network to deliver illegal or inappropriate content; if customers violate that policy, we may nonetheless face reputational damage, enforcement actions or lawsuits related to their content. Further, laws and regulations related to content could cause internet service providers, or others, to block our products in order to enforce content-blocking efforts. Efforts to block a single product or domain name may end up blocking a number of other products or domain names in an overbroad manner that could affect our business.

Regulations have also been enacted or proposed in a number of countries that limit the delivery of certain types of content into those countries. Enactment and expansion of such laws and regulations would negatively impact our revenues. For example, restrictions were adopted in India in 2020 prohibiting access to identified Chinese-owned applications which caused a reduction in revenue to us. In addition, in April 2024, the U.S. government passed legislation that prohibited the provision of certain types of services to a Chinese application if the application was not sold to a neutral third party by January 19, 2025. The Chinese application was not sold to a neutral third party by that deadline. However, President Trump subsequently signed an Executive Order instructing the U.S. Attorney General to not take any action to enforce the passed legislation for a period of 75 days from January 20, 2025. The enforcement delay was subsequently extended by Executive Order to June 19, 2025, and on June 19, 2025, was further extended until September 17, 2025. In addition, the Attorney General has determined that our provision of services to this customer has not violated the law and that we can continue providing services as contemplated by these Executive Orders without violating the law and without incurring any legal liability. In the past year, this customer has taken steps to lower costs and reduce reliance on U.S. providers by optimizing its platform, including using a DIY component. This has negatively impacted revenue growth rates in recent periods, and we expect revenue from this customer to decline over the next few years, regardless of whether this legislation is enforced or takes effect. It is difficult to predict whether the passed legislation will ultimately be enforced and whether any future judicial challenges brought against the Executive Orders will be successful. Even though President Trump has extended the enforcement deadline for a ban on the Chinese application, there is no assurance that we will not be exposed to liability and we may be exposed to significant fines, litigation, indemnification claims, negative publicity, reputational harm, diversion of management attention, interruptions in our operations, financial loss and other similar harms by continuing to provide services to the Chinese application.

In addition, enactment and expansion of laws related to the use of artificial intelligence and machine learning in our operations and increased regulation of cloud service providers also could increase the costs of doing business, subject us to potential liability or regulatory risk and introduce other disadvantages to our business, including brand or reputational harm. Interpretations of laws or regulations that would subject us to regulatory enforcement actions, supervision or, in the alternative, require us to exit a line of business or a country, could lead to the loss of significant revenues and have a negative impact on the quality of our solutions. Engineering efforts to build new capabilities to facilitate compliance with law enforcement access requirements, content access restrictions or other regulations could require us to take on substantial expenses and divert engineering resources from other projects. These circumstances could harm our profitability.

We may need to defend against patent or copyright infringement claims, which would cause us to incur substantial costs or limit our ability to use certain technologies in the future.

As we expand our business and develop new technologies, products and services, we have become increasingly subject to intellectual property infringement and other claims and related litigation. We have also agreed to indemnify our customers and channel and strategic partners if our solutions infringe or misappropriate specified intellectual property rights. As a result, we have been and could again become involved in litigation or claims brought against customers or channel or strategic partners if our solutions or technology are the subject of such allegations. Any litigation or claims, whether or not valid, brought against us or pursuant to which we indemnify our customers or partners could result in substantial costs and diversion of resources and require us to do one or more of the following: cease selling, incorporating or using features, functionalities, products or services that incorporate the challenged intellectual property; pay substantial damages and incur significant litigation expenses; obtain a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms or at all; or redesign products or services. If we are forced to take any of these actions, our business may be seriously harmed.

Our business will be adversely affected if we are unable to protect our intellectual property rights from unauthorized use or infringement by third parties.

We rely on a combination of patent, copyright, trademark and trade secret laws and contractual restrictions on disclosure to protect our intellectual property rights. These legal protections afford only limited protection, particularly in some regions outside the U.S. We have previously brought lawsuits against entities that we believed were infringing our intellectual property rights but have not always prevailed. Such lawsuits can be expensive and require a significant amount of attention from our management and technical personnel, and the outcomes are unpredictable. Monitoring unauthorized use of our solutions is

difficult, and we cannot be certain that the steps we have taken or will take will prevent unauthorized use of our technology. Furthermore, we cannot be certain that any pending or future patent applications will be granted, that any future patent will not be challenged, invalidated or circumvented, or that rights granted under any patent that may be issued will provide competitive advantages to us. If we are unable to protect our proprietary rights from unauthorized use, the value of our intellectual property assets may be reduced. Although we have licensed from other parties proprietary technology covered by patents, we cannot be certain that any such patents will not be challenged, invalidated or circumvented. Such licenses may also be non-exclusive, meaning our competition may also be able to access such technology.

Litigation may adversely impact our business.

From time to time, we are or may become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including patent, commercial, product liability, breach of contract, employment, class action, whistleblower, other litigation, claims and governmental and other regulatory investigations and proceedings. In addition, under our charter, we could be required to indemnify and advance expenses to our directors and officers in connection with their involvement in certain actions, suits, investigations and other proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable and may not be covered by insurance, there can be no assurance that the results of any litigation matters will not have an adverse impact on our business, results of operations, financial condition or cash flows.

Global climate change, other disruptions and related natural resource conservation regulations could adversely impact our business.

The long-term effects of climate change on the global economy and our industry in particular remain unknown. For example, changes in weather where we operate may increase the costs of powering and cooling computer hardware we use to develop software and provide cloud services. In addition, catastrophic natural disasters, such as an earthquake, fire, flood or other act of God, and any similar disruption, as well as any derivative disruption, such as those to services provided through localized physical infrastructure, including utility or telecommunication outages, or any to the continuity of our, our partners', suppliers' and our customers' workforce, could have a material adverse impact on our business and operating results. In addition, pandemics or other public health crises, as well as any derivative disruptions such as those experienced during the COVID-19 pandemic, in places where we operate may adversely affect our results of operations. Our global operations are dependent on our network infrastructure, technology systems and website, including the supply of servers from our third-party partners, as well as our intellectual property and personnel and any disruption to these dependencies may negatively impact our ability to respond to customers, provide services and maintain local and global business continuity. Furthermore, some of our products and business functions are hosted or carried out by third parties that may be vulnerable to these same types of disruptions, the response to or resolution of which may be beyond our control. Any disruption to our business could cause us to incur significant costs to repair damages to our facilities, equipment, infrastructure and business relationships.

In addition, in response to concerns about global climate change, governments may adopt new regulations affecting the use of fossil fuels or requiring the use of alternative fuel sources which could adversely impact our business. Our deployed network of servers consumes significant energy resources, including those generated by the burning of fossil fuels. While we have invested in projects to support renewable energy development, our customers, investors and other stakeholders may require us to take more steps to demonstrate that we are taking ecologically responsible measures in operating our business. The costs and any expenses we may incur to make our network more energy-efficient and comply with any new regulations could make us less profitable in future periods. Failure to comply with applicable laws and regulations or other requirements imposed on us could lead to fines, lost revenue and damage to our reputation.

Investment-Related Risks

Our stock price has been, and may continue to be, volatile, and your investment could lose value.

The market price of our common stock has historically been volatile. Trading prices for our common stock may continue to fluctuate in response to a number of events and factors, including the following: quarterly variations in operating results; changes in guidance or failure to meet guidance; announcements by our customers related to their businesses that could be viewed as impacting their usage of our solutions; market speculation about whether we are a takeover target or considering a strategic transaction; announcements by us regarding acquisitions; announcements by competitors; activism by any single large stockholder or combination of stockholders or rumors about such activity; changes in financial estimates and recommendations by securities analysts; failure to meet the expectations of securities analysts; purchases or sales of our stock by our officers and directors; general economic conditions and other macroeconomic factors, such as inflationary pressures, foreign currency

exchange rate fluctuations, energy prices, reduced consumer spending, elevated interest rates, the announcement or imposition of tariffs recessionary economic cycles, protracted economic slowdowns and overall market volatility; repurchases of shares of our common stock; the issuance of additional shares or securities convertible into, or exchangeable or exercisable for, shares of our common stock, including under our equity compensation plans; entry into, or termination of, relationships with material customers and partners; and performance by other companies in our industry.

Furthermore, our revenue, particularly that portion attributable to usage of our solutions beyond customer commitments, can be difficult to forecast, and, as a result, our quarterly operating results can fluctuate substantially. This concern is particularly acute with respect to our media and commerce customers. In the future, our customer contracting models may change to move away from a committed revenue structure to a “pay-as-you-go” approach, which could make it easier for customers to reduce the amount of business they do with us or leave altogether. Changes in billing models and committed revenue requirements could, therefore, create challenges with our forecasting processes. Because a significant portion of our cost structure is largely fixed in the short-term, revenue shortfalls tend to have a disproportionately negative impact on our profitability. If we announce revenue or profitability results that do not meet or exceed our guidance, issue guidance that does not meet or exceed market expectations, or make changes in our guidance with respect to future operating results, our stock price may decrease significantly as a result.

Any of these events, as well as other circumstances discussed in these Risk Factors, may cause the price of our common stock to fall. In addition, the stock market in general, and the market prices of stock of publicly-traded technology companies in particular, have experienced significant volatility that often has been unrelated to the operating performance of affected companies. These broad stock market fluctuations may adversely affect the market price of our common stock, regardless of our operating performance.

Any failure to meet our debt obligations or obtain financing would damage our business.

As of the date of this report, we had total principal amount of \$1,150.0 million of convertible senior notes outstanding due in 2027, total principal amount of \$1,265.0 million of convertible senior notes outstanding due in 2029 and total principal amount of \$1,725.0 million of convertible senior notes outstanding due in 2033. In November 2022 we entered into a credit agreement that provides for an initial \$500.0 million revolving credit facility and was amended in May 2025 to increase the aggregate revolving commitments from \$500.0 million to \$1.0 billion and to extend the expiration one year. We also entered into a credit agreement in January 2025 providing for a \$150.0 million revolving credit facility. As of June 30, 2025, there were no outstanding borrowings under either credit facility. Our ability to repay any amounts we borrow under our credit facilities, refinance the notes, make cash payments in connection with conversions of the notes or repurchase the notes in the event of a fundamental change (as defined in the applicable indenture governing the notes) will depend on market conditions and our future performance, which is subject to economic, financial, competitive and other factors beyond our control. We also may not use the cash we have raised through future borrowing under the credit facilities or the issuance of the convertible senior notes in an optimally productive and profitable manner. If we are unable to remain profitable or if we use more cash than we generate in the future, our level of indebtedness at such time could adversely affect our operations by increasing our vulnerability to adverse changes in general economic and industry conditions and by limiting or prohibiting our ability to obtain additional financing for additional capital expenditures, acquisitions and general corporate and other purposes. If we do not have sufficient cash upon conversion of the notes or to repurchase the notes following a fundamental change, we would be in default under the terms of the notes, which could seriously harm our business. Although the terms of our credit facilities include certain covenants that potentially limit our future indebtedness, the terms of the notes do not. If we incur significantly more debt, this could intensify the risks described above. In addition, if we are unable to obtain financing to fund additional capital expenditures, acquisitions, and general corporate and other purposes on reasonable terms, or at all, then our business, operations and financial condition may be harmed.

Because we currently do not intend to pay dividends, stockholders will benefit from an investment in our common stock only if it appreciates in value.

We currently intend to retain our future earnings, if any, for use in the operation of our business and do not expect to pay any cash dividends in the foreseeable future on our common stock. As a result, the success of an investment in our common stock will depend upon any future appreciation in its value. There is no guarantee that our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares, and our stock price has been, and may continue to be, volatile, and your investment could lose value. See the risk factor titled “Our stock price has been, and may continue to be, volatile, and your investment could lose value” above.

Provisions of our charter, by-laws and Delaware law may have anti-takeover effects that could prevent a change in control even if the change in control would be beneficial to our stockholders.

Provisions of our charter, by-laws and Delaware law could make it more difficult for a third party to control or acquire us, even if doing so would be beneficial to our stockholders. These provisions include: our board of directors having the right to elect directors to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director; stockholders needing to provide advance notice, additional disclosures and representations and warranties to nominate individuals for election to the board of directors or to propose matters that can be acted upon at a stockholders' meeting; and the ability of our board of directors to issue, without stockholder approval, shares of undesignated preferred stock.

Further, as a Delaware corporation, we are also subject to certain Delaware anti-takeover provisions. Under Delaware law, a corporation may not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Our board of directors could rely on Delaware law to prevent or delay an acquisition of us.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial reporting, which could harm our business and the trading price of our common stock.

Section 404 of the Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We need to continue to enhance and maintain our processes and systems and adapt them to changes as our business evolves and we rearrange management responsibilities and reorganize our business. This continuous process of maintaining and adapting our internal controls and complying with Section 404 is expensive and time-consuming and requires significant management attention. Furthermore, as our business changes, including by expanding our operations in different markets, increasing reliance on channel partners and completing acquisitions, our internal controls may become more complex and we may be required to expend significantly more resources to ensure our internal controls remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify any material weaknesses, the disclosure of that fact, even if quickly remediated, could reduce the market's confidence in our financial statements and harm our stock price.

We identified, and subsequently remediated, a material weakness in our internal control over financial reporting as of December 31, 2022. We cannot be certain that our internal control measures will provide adequate control over our financial processes and reporting and ensure compliance with Section 404, and there can be no assurance that we will not identify additional material weaknesses in internal controls in the future or that the measures we may take to remediate any such future control deficiencies will be effective. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results, may result in a restatement of our financial statements for prior periods, cause us to fail to meet our reporting obligations, and could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in the periodic reports we will file with the Securities and Exchange Commission.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds*(c) Issuer Purchases of Equity Securities*

The following is a summary of our repurchases of our common stock in the second quarter of 2025 (in thousands, except share and per share data):

Period ⁽¹⁾	(a) Total Number of Shares Purchased ⁽²⁾	(b) Average Price Paid per Share ⁽³⁾	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽⁴⁾	(d) Approximate Dollar Value of Shares that May Yet be Purchased Under Plans or Programs ⁽⁴⁾
April 1, 2025 – April 30, 2025	—	\$ —	—	\$ 1,480,514
May 1, 2025 – May 31, 2025	3,870,468	77.51	3,870,468	1,180,514
June 1, 2025 – June 30, 2025	—	—	—	1,180,514
Total	<u>3,870,468</u>	<u>\$ 77.51</u>	<u>3,870,468</u>	

(1) Information is based on settlement dates of repurchase transactions.

(2) Consists of shares of our common stock, par value \$0.01 per share.

(3) Includes commissions paid, but excludes any estimated excise taxes payable on share repurchases.

(4) Effective May 2024, our board of directors authorized a \$2.0 billion share repurchase program through June 2027.

Item 5. Other Information*(c) Director and Officer Trading Arrangements*

During the three months ended June 30, 2025, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit 3.1	Amended and Restated Certificate of Incorporation of Akamai Technologies, Inc. (including all amendments thereto) (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 16, 2025)
Exhibit 4.1	Indenture (including form of Notes) with respect to Akamai's 0.25% Convertible Senior Notes due May 15, 2033, dated as of May 19, 2025, between Akamai and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 19, 2025)
Exhibit 10.1	Form of Call Option Transaction Confirmation between Akamai and each Option Counterparty (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 19, 2025)
Exhibit 10.2	Form of Warrant Confirmation between Akamai and each Option Counterparty (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 19, 2025)
Exhibit 10.3	Akamai Technologies, Inc. Second Amended and Restated 2013 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 16, 2025)
Exhibit 10.4	Amendment No. 1 by and among Akamai Technologies, Inc., the financial institutions identified therein as lenders and JPMorgan Chase Bank, N.A., as administrative agent, dated April 17, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 18, 2025)
Exhibit 10.5	Amendment No. 2 by and among Akamai Technologies, Inc., the financial institutions identified therein as lenders and JPMorgan Chase Bank, N.A., as administrative agent, dated May 12, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 13, 2025)
Exhibit 31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/ Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
Exhibit 31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/ Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
Exhibit 32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101.INS)

* Submitted electronically herewith

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at June 30, 2025 and December 31, 2024, (ii) Condensed Consolidated Statements

of Income for the three and six months ended June 30, 2025 and 2024, (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2025 and 2024, (iv) Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2025 and 2024, (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2025 and 2024 and (vi) Notes to Unaudited Condensed Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Akamai Technologies, Inc.

August 8, 2025

By: /s/ Edward McGowan

Edward McGowan

Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, F. Thomson Leighton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Akamai Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ F. Thomson Leighton

F. Thomson Leighton, Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Edward McGowan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Akamai Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ Edward McGowan

Edward McGowan, Executive Vice President, Chief Financial Officer and Treasurer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of Akamai Technologies, Inc. (the "Company") for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, F. Thomson Leighton, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2025

/s/ F. Thomson Leighton

F. Thomson Leighton, Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of Akamai Technologies, Inc. (the "Company") for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Edward McGowan, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2025

/s/ Edward McGowan

Edward McGowan, Executive Vice President, Chief Financial Officer and
Treasurer