



# HubSpot Overview

## Q3 2023



# Safe Harbor Statement

This presentation includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding management’s expectations of future financial and operational performance and operational expenditures, expected growth, foreign currency movement, and business outlook, including our financial guidance for the third fiscal quarter of and full year 2023 and our long-term financial framework; statements regarding our positioning for future growth and market leadership; statements regarding the economic environment; and statements regarding expected market trends, future priorities, acquisitions (including our planned acquisition of Clearbit), and related investments, and market opportunities (including with respect to our expanding Total Addressable Market). These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, risks associated with our history of losses; our ability to retain existing customers and add new customers; the continued growth of the market for a CRM platform; our ability to develop new products and technologies and to differentiate our platform from competing products and technologies; our ability to complete and realize the anticipated benefits of the Clearbit acquisition; our ability to manage our growth effectively over the long-term to maintain our high level of service; our ability to maintain and expand relationships with our solutions partners; the price volatility of our common stock; the impact of geopolitical conflicts, inflation, foreign currency movement, and macroeconomic instability on our business, the broader economy, our workforce and operations, the markets in which we and our partners and customers operate, and our ability to forecast our future financial performance; regulatory and legislative developments on the use of artificial intelligence and machine learning; and other risks set forth under the caption “Risk Factors” in our SEC filings. We assume no obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

HubSpot is a leading **Customer Relationship Management platform** for scaling companies.

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Our mission is to help millions of organizations **grow better.**

# HubSpot at a Glance

**\$2.1b**

TTM revenue



**26%<sup>1</sup>**

YoY growth

**\$280m<sup>2</sup>**

TTM FCF



**14%**

margin

**194k**

customers



**22%**

YoY growth

**7.5k**

employees



**120+<sup>3</sup>**

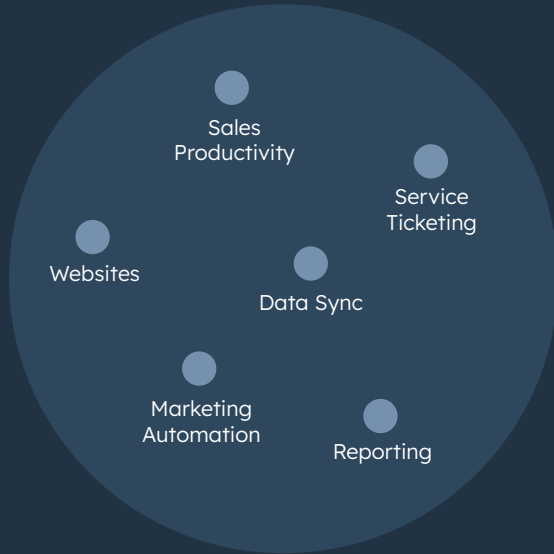
countries

<sup>1</sup> As-reported YoY growth based on trailing twelve month period as of Q3 2023, compared to prior trailing twelve month period as of Q3 2022. <sup>2</sup> FCF = Free Cash Flow is a non-GAAP metric. Please refer to the end of this presentation for a reconciliation of GAAP to non-GAAP figures. <sup>3</sup> Customers located in 120+ countries globally.



## Our foundational choices

- Focus on SMB
- Move from app to suite to platform
- Build products organically
- Deliver value before you monetize



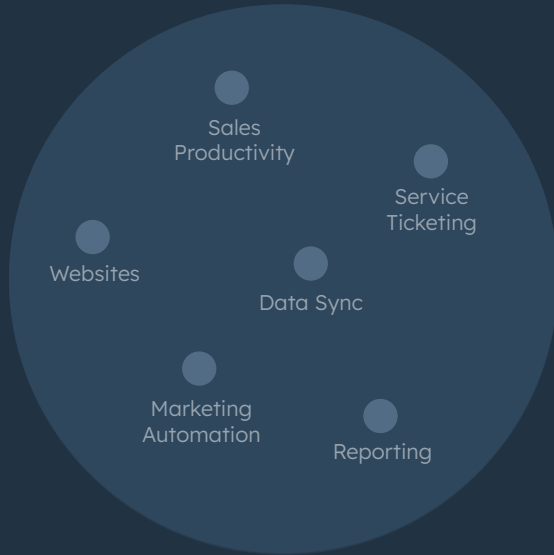
**Disconnected point solutions**

# The SMB market is underserved



**Cobbled enterprise solutions**

# HubSpot is well positioned to solve this problem



Disconnected point solutions



Cobbled enterprise solutions

# To help our customers make connections, we've transformed from a single app to platform

 AI-Powered

## Marketing Hub™

Lead Generation

Marketing  
Automation

## Sales Hub™

Prospecting

Deal  
Management

## Service Hub™

Help Desk

Self Service

## CMS Hub®

Content Creation

Content  
Management

## Operations Hub™

Advanced Reporting

Process  
Automation

## Commerce Hub

Payments &  
Subscriptions

Billing & Invoices

## Smart CRM

Unified Customer Data

Customer Intelligence

Customization & Extensibility

## Marketplace

Find integrations, templates & services

## Academy

Learn new skills, gain credentials

## Network

Join our community, grow your craft





# HubSpot AI: Powering all Hubs + platform

## AI Assistants

- AI Assistant in Text Editors
- AI Content Recommendations
- AI Powered Image Generation
- Content remix to ads + social
- Generate campaign + social copy
- Generate marketing + sales emails
- AI Assisted Report Creation
- AI Powered Content Ideas
- AI Knowledgebase Article Editing

## AI Agents

- AI Chatbot (Available in Service Hub)  
AI-driven chatbots that respond to incoming support inquiries.

## AI Insights

- AI Conversation Summaries
- AI Sales Email Summaries
- AI Driven Call Summaries
- Automation Cleanup
- AI Sales Forecasts
- AI Sales Talking Points
- Action Item Identification
- Automatic CRM Associations
- Call Speaker Identification

## ChatSpot

- Accelerated Sales Prospecting
- Integrated Content Generation
- Deep Company Insights
- SEO Analysis
- HubSpot CRM Integration

### AI-powered Smart CRM

- GA by end of '23

- Beta by end of '23

# What matters to our customers?

## Acquire customers



Quality rather than quantity.

Sr. CRM Manager,  
Cambridge University  
Press  
(EE: 2000+)

## Make data-driven decisions



Being smarter with our data.

Marketing Manager,  
Safe Contractors  
(EE: 101-500)

## Improve customer experience



Winning where winning matters.

COO,  
Owl Cyber Defence  
(EE: 101-500)

## Increase efficiency



Don't scale chaos.

Director Client Success,  
Sandler EAM Consulting  
(EE: 1-10)

## Thrive with AI



We want to show up like people, not bots.

CIO, IDEO  
(EE: 101-500)

# Early stages of large TAM opportunity



<sup>1</sup> Includes Total Addressable Market for software in HubSpot's core product groups including Marketing Hub, Sales Hub, Service Hub, Operations Hub and CMS Hub. Does not include Commerce Hub. Source: IDC and HubSpot estimates

# Our focus is on driving broad and efficient distribution



# Building a company future generations will be proud of



**#2 Best Place to Work in 2022** by Glassdoor



**#3 Best CEOs for Women** by Comparably

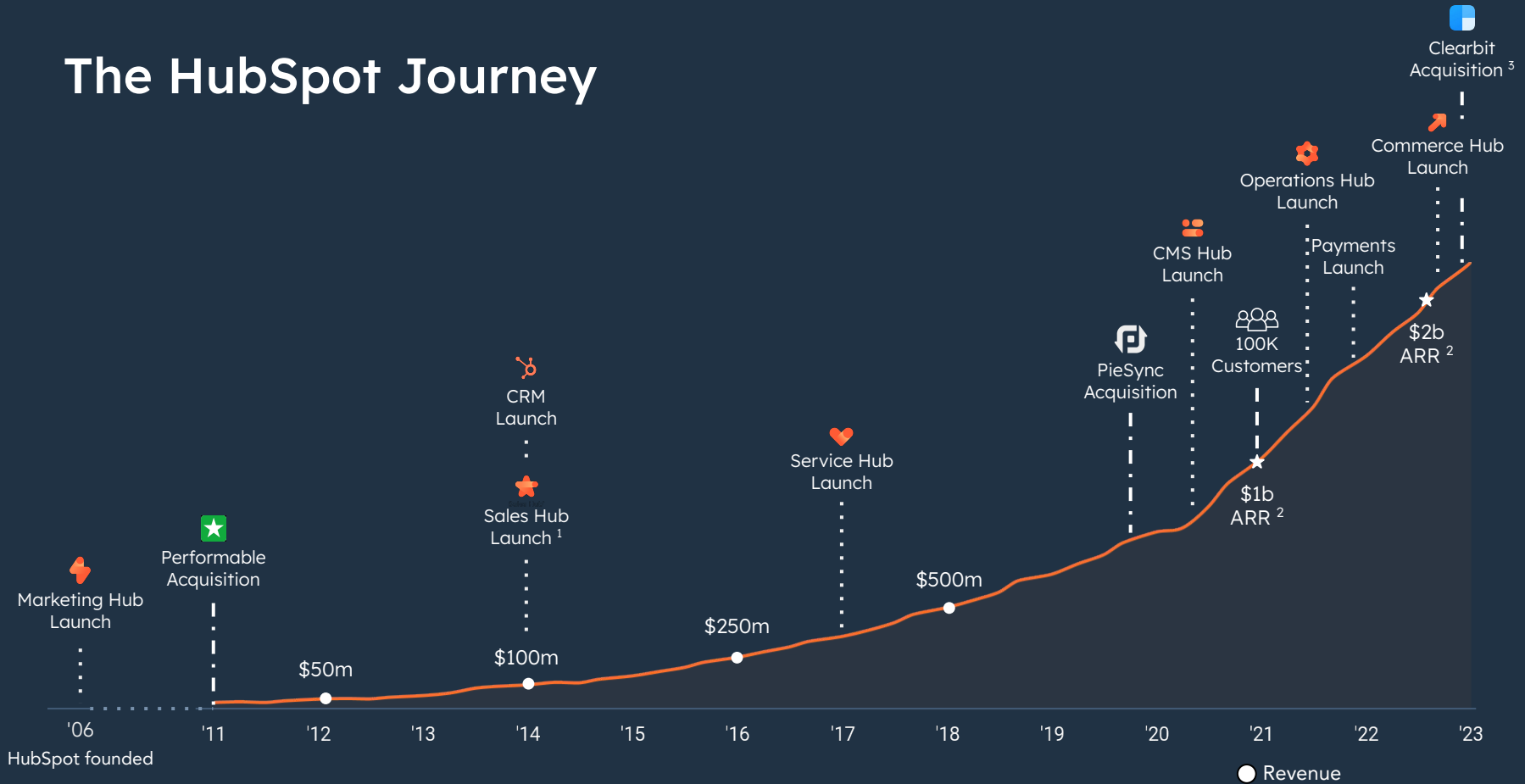


**100 Best Companies to Work For®** by Great Places to Work



**Best Workplaces for Millennials™** by Great Places to Work

# The HubSpot Journey



<sup>1</sup> Sales Hub originally launched and branded as “Sidekick”.

<sup>2</sup> ARR: Annual Recurring Revenue.

<sup>3</sup> Clearbit acquisition expected to be completed in the fourth quarter of 2023.

# HubSpot is positioned for long-term, durable growth



# Financial Overview

## Q3 2023





# Strong Revenue Growth

Quarterly Revenue



**Q3'23**

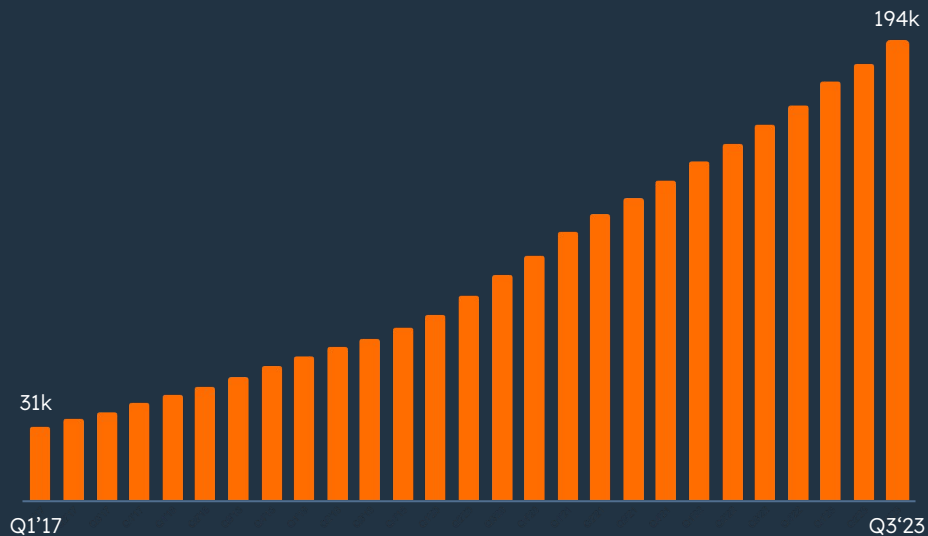
revenue **\$558m**

revenue growth yoy **24%<sup>1</sup>**

<sup>1</sup> Excludes impact of foreign currency. Q3'23 revenue growth was 26% as reported and 24% in constant currency. Constant Currency is presented by converting current and comparative prior period operating results for entities reporting in currencies other than U.S. Dollars into U.S. Dollars at constant exchange rates rather than actual exchange rates in effect during the respective period.

# Strong **Customer** Growth

Total Customers



**Q3'23**

customers

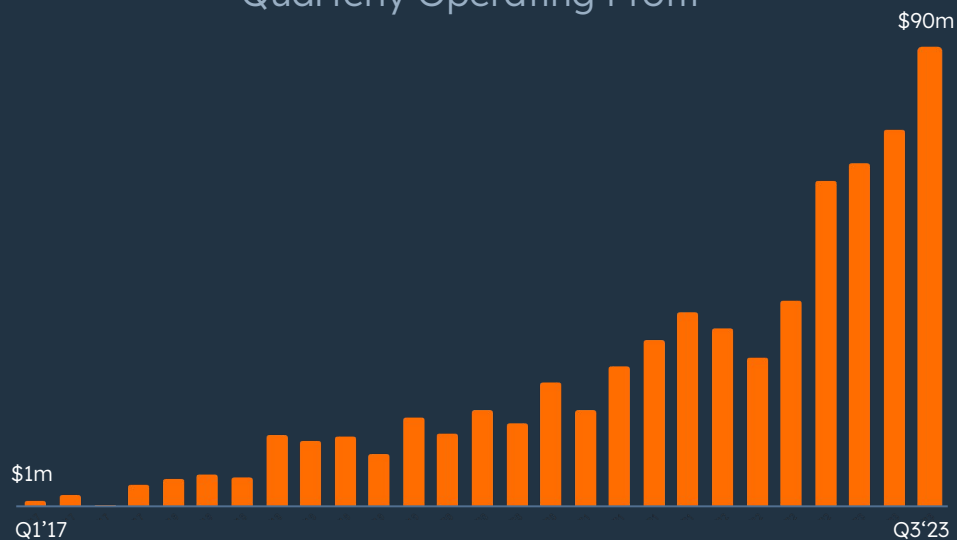
**194k**

customer  
growth yoy

**22%**

# Growing Profitability with Scale

Quarterly Operating Profit <sup>1</sup>



**Q3'23**

operating profit<sup>1</sup> **\$90m**

operating profit<sup>1</sup>  
margin **16%**

<sup>1</sup> Non-GAAP operating profit excludes expenses associated with stock based compensation, amortization of acquired intangible assets, acquisition related expenses and restructuring charges. Please refer to the end of this presentation for a reconciliation of GAAP to non-GAAP figures.

# Philosophy on balancing growth and profitability



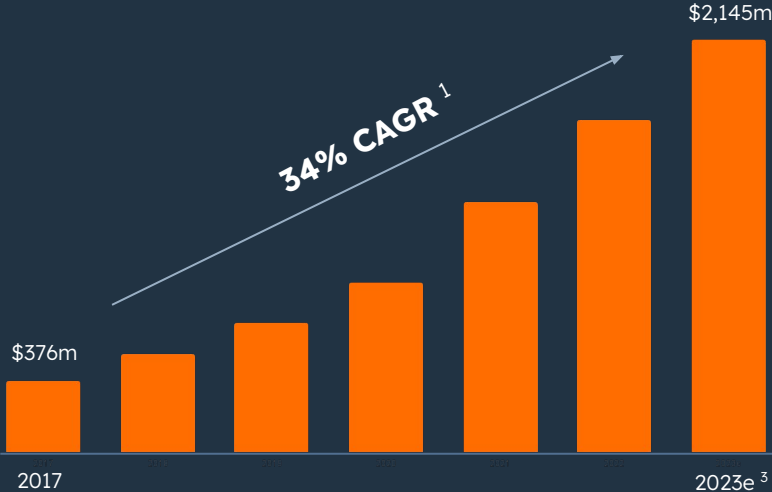
Drive durable  
revenue growth  
at scale



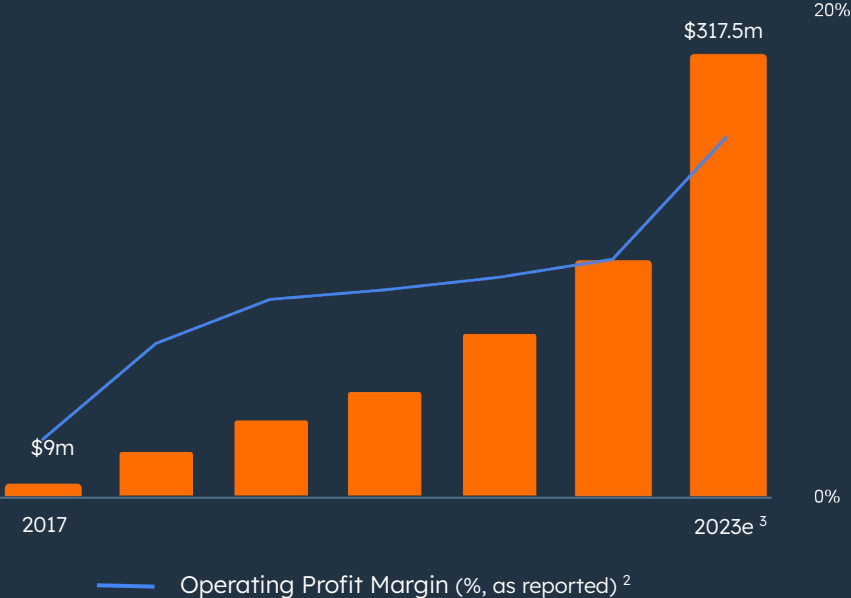
Generate operating  
leverage as we scale  
toward long-term  
margin targets

# Strong Track Record of Profitable Growth

Annual Revenue



Annual Operating Profit<sup>2</sup>

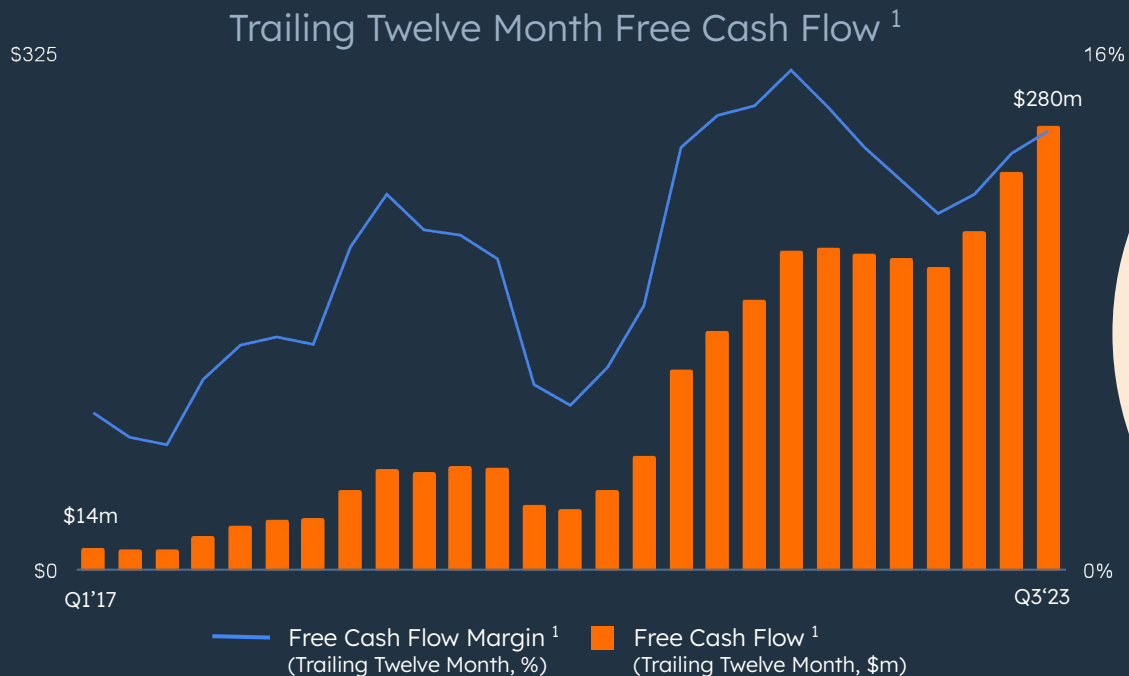


<sup>1</sup> CAGR: compound annual growth rate. Based on as-reported revenue from 2017 to 2023e.

<sup>2</sup> See definition and reconciliation of non-GAAP operating profit in appendix.

<sup>3</sup> 2023e = midpoint of FY 2023 revenue guidance as of November 8, 2022.

# Increasing **Free Cash Flow** Generation



**Q3'23**

free cash flow<sup>1</sup> **\$65m**

cash position **\$1.7b**

<sup>1</sup> Free cash flow is a non-GAAP metric and is defined as cash and cash equivalents provided by (used in) operating activities less purchases of property and equipment and capitalization of software development costs. Please refer to the end of this presentation for a reconciliation of GAAP to non-GAAP figures.

# Long term **financial targets**

	2022	Q1'23	Q2'23	Q3'23	2026 Target Model <sup>1</sup>	Long Term Target Model <sup>1</sup>
<b>Gross Margin</b>	83%	84%	85%	85%	84%	81% - 83%
<b>R&amp;D</b> % of revenue	19%	19%	20%	19%	20%	20%
<b>S&amp;M</b> % of revenue	45%	44%	43%	42%	36% - 38%	30% - 35%
<b>G&amp;A</b> % of revenue	9%	8%	8%	8%	8%	8%
<b>Operating Margin</b>	<b>10%</b>	<b>13%</b>	<b>14%</b>	<b>16%</b>	<b>18% - 20%</b>	<b>20% - 25%</b>

<sup>1</sup>These estimates reflect our current operating plan as of November 8, 2023 and are subject to change as future events and opportunities arise. All percentages are non-GAAP and exclude expenses associated with stock-based compensation, amortization of acquired intangibles and acquisition related expenses. Percentages are based on actual values. Totals may not sum due to rounding. Please refer to appendix for a reconciliation of GAAP to non-GAAP figures.

# GAAP to Non-GAAP Reconciliations



# GAAP to Non-GAAP Reconciliations

	2020		2021		2022		Three Months Ended March 31, 2023		Three Months Ended June 30, 2023		Three Months Ended September 30,	
	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues
<b>Cost of Revenue</b>												
Subscription	130,685	15%	211,132	16%	257,513	15%	68,339	14%	73,624	14%	73,781	13%
Stock-based compensation	(4,408)	0%	(6,297)	0%	(9,076)	-1%	(2,745)	-1%	(3,516)	-1%	(3,157)	-1%
Amortization of acquired intangibles	(2,340)	0%	(937)	0%	(1,203)	0%	(399)	0%	(405)	0%	(408)	0%
Gain on termination of operating leases	-	0%	395	0%	-	0%	-	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	(600)	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP subscription	<u>123,937</u>	<u>14%</u>	<u>203,693</u>	<u>16%</u>	<u>247,234</u>	<u>14%</u>	<u>65,195</u>	<u>13%</u>	<u>69,903</u>	<u>13%</u>	<u>70,216</u>	<u>13%</u>
Professional services and other	36,274	4%	47,725	4%	56,746	3%	13,707	3%	13,462	3%	13,745	2%
Stock-based compensation	(2,536)	0%	(3,092)	0%	(4,393)	0%	(1,067)	0%	(1,459)	0%	(1,201)	0%
Gain on termination of operating leases	-	0%	275	0%	-	0%	-	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	(415)	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP professional services and other	<u>33,738</u>	<u>4%</u>	<u>44,908</u>	<u>3%</u>	<u>52,353</u>	<u>3%</u>	<u>12,620</u>	<u>3%</u>	<u>12,003</u>	<u>2%</u>	<u>12,544</u>	<u>2%</u>
<b>Gross Margin</b>												
Gross margin	716,067	81%	1,041,801	80%	1,416,710	82%	419,574	84%	441,852	84%	470,031	84%
Stock-based compensation	6,944	1%	9,389	1%	13,469	1%	3,832	1%	4,975	1%	4,358	1%
Amortization of acquired intangible assets	2,340	0%	662	0%	1,203	0%	399	0%	405	0%	408	0%
Gain on termination of operating leases	-	0%	(670)	0%	-	0%	-	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	1,015	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP gross margin	<u>725,351</u>	<u>82%</u>	<u>1,052,197</u>	<u>81%</u>	<u>1,431,382</u>	<u>83%</u>	<u>423,805</u>	<u>84%</u>	<u>447,232</u>	<u>85%</u>	<u>474,797</u>	<u>85%</u>
<b>Operating Expenses</b>												
Research and development	205,589	23%	301,970	23%	442,022	26%	127,683	25%	169,955	32%	156,871	28%
Stock-based compensation	(39,366)	-4%	(61,614)	-5%	(107,517)	-6%	(33,324)	-7%	(64,060)	-12%	(49,460)	-9%
Acquisition/disposition related income	(1,267)	0%	(1,152)	0%	300	0%	-	0%	-	0%	-	0%
Gain on termination of operating leases	-	0%	1,346	0%	-	0%	-	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	(2,036)	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP research and development	<u>164,936</u>	<u>19%</u>	<u>238,514</u>	<u>18%</u>	<u>334,805</u>	<u>19%</u>	<u>94,359</u>	<u>19%</u>	<u>105,895</u>	<u>20%</u>	<u>107,411</u>	<u>19%</u>
Sales and marketing	452,081	51%	649,691	50%	886,069	51%	250,693	50%	285,294	50%	271,448	49%
Stock-based compensation	(50,552)	-8%	(67,413)	-8%	(107,640)	-8%	(30,169)	-8%	(38,625)	-7%	(34,439)	-6%
Amortization of acquired intangible assets	(79)	0%	(389)	0%	(1,426)	0%	(446)	0%	(446)	0%	(1,903)	0%
Acquisition related expenses	-	0%	(367)	0%	-	0%	-	0%	-	0%	-	0%
Gain on termination of operating leases	-	0%	1,839	0%	-	0%	-	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	(2,781)	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP sales and marketing	<u>401,450</u>	<u>45%</u>	<u>580,570</u>	<u>45%</u>	<u>777,003</u>	<u>45%</u>	<u>220,068</u>	<u>44%</u>	<u>226,223</u>	<u>43%</u>	<u>235,106</u>	<u>42%</u>
General and administrative	109,225	12%	144,949	11%	197,720	11%	57,405	11%	61,222	12%	61,308	11%
Stock-based compensation	(24,626)	-3%	(28,345)	-2%	(47,223)	-3%	(15,712)	-3%	(20,343)	-4%	(19,249)	-3%
Acquisition related expenses	(545)	0%	(568)	0%	-	0%	-	0%	-	0%	-	0%
Gain on termination of operating leases	-	0%	421	0%	-	0%	-	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	(636)	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP general and administrative	<u>84,054</u>	<u>10%</u>	<u>115,821</u>	<u>9%</u>	<u>150,497</u>	<u>9%</u>	<u>41,693</u>	<u>8%</u>	<u>40,879</u>	<u>8%</u>	<u>42,059</u>	<u>8%</u>
Restructuring charges	-	0%	-	0%	-	0%	28,570	6%	63,880	12%	846	0%
<b>Loss from Operations</b>												
Loss from operations	(50,828)	-6%	(54,799)	-4%	(109,101)	-6%	(44,767)	-9%	(118,499)	-22%	(20,442)	-4%
Stock-based compensation	121,488	14%	166,761	13%	275,849	16%	83,037	17%	128,003	24%	107,506	19%
Amortization of acquired intangible assets	2,419	0%	1,326	0%	2,629	0%	845	0%	851	0%	2,311	0%
Acquisition related expenses	1,832	0%	2,087	0%	(305)	0%	-	0%	-	0%	-	0%
Gain on termination of operating leases	-	0%	(4,276)	0%	-	0%	-	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	6,468	0%	-	0%	-	0%	63,880	12%	846	0%
Restructuring charges	-	0%	-	0%	-	0%	28,570	6%	74,235	14%	90,221	16%
Non-GAAP loss from operations	<u>74,911</u>	<u>8%</u>	<u>117,567</u>	<u>9%</u>	<u>169,072</u>	<u>10%</u>	<u>67,685</u>	<u>13%</u>	<u>74,235</u>	<u>14%</u>	<u>90,221</u>	<u>16%</u>

# GAAP to Non-GAAP Reconciliations

	Three Months Ended March 31, 2017		Three Months Ended June 30, 2017		Three Months Ended September 30, 2017		Three Months Ended December 31, 2017		Three Months Ended March 31, 2018		Three Months Ended June 30, 2018	
	\$ '000s	% of Revenue	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues
<b>Gross Margin</b>												
Gross margin	65,180	79%	70,502	79%	78,716	81%	85,485	80%	92,179	80%	97,725	80%
Stock-based compensation	564	1%	844	1%	754	1%	823	1%	967	1%	1,163	1%
Amortization of acquired intangible assets	9	0%	-	0%	38	0%	50	0%	50	0%	50	0%
Non-GAAP gross margin	<u>65,753</u>	80%	<u>71,346</u>	80%	<u>79,508</u>	81%	<u>86,358</u>	81%	<u>93,196</u>	81%	<u>98,938</u>	81%
<b>Loss from Operations</b>												
Loss from operations	(8,000)	-10%	(10,577)	-12%	(12,126)	-12%	(9,433)	-9%	(11,324)	-10%	(14,052)	-11%
Stock-based compensation	9,303	11%	13,006	15%	12,110	12%	12,898	12%	16,046	14%	19,675	16%
Amortization of acquired intangible assets	16	0%	-	0%	38	0%	50	0%	50	0%	50	0%
Acquisition/disposition related income (expense)	-	0%	-	0%	439	0%	827	1%	802	1%	802	1%
Non-GAAP loss from operations	<u>1,319</u>	2%	<u>2,429</u>	3%	<u>461</u>	0%	<u>4,342</u>	4%	<u>5,574</u>	5%	<u>6,475</u>	5%

	Three Months Ended September 30, 2018		Three Months Ended December 31, 2018		Three Months Ended March 31, 2019		Three Months Ended June 30, 2019		Three Months Ended September 30, 2019		Three Months Ended December 31, 2019	
	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue
<b>Gross Margin</b>												
Gross margin	106,061	80%	116,658	81%	122,220	81%	132,113	81%	140,358	81%	150,211	81%
Stock-based compensation	1,194	1%	1,076	1%	1,633	1%	1,488	1%	1,488	1%	1,367	1%
Amortization of acquired intangible assets	494	0%	800	1%	800	1%	800	0%	762	0%	839	0%
Acquisition related expenses	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Non-GAAP gross margin	<u>107,749</u>	82%	<u>118,534</u>	82%	<u>124,653</u>	82%	<u>134,401</u>	82%	<u>142,588</u>	82%	<u>152,417</u>	82%
<b>Loss from Operations</b>												
Loss from operations	(15,050)	-11%	(7,832)	-5%	(9,036)	-6%	(15,725)	-10%	(14,072)	-8%	(8,158)	-4%
Stock-based compensation	19,612	15%	20,927	15%	21,205	14%	28,663	18%	23,791	14%	24,095	13%
Amortization of acquired intangible assets	494	0%	800	1%	800	1%	800	0%	762	0%	839	0%
Acquisition/disposition related income (expenses)	802	1%	289	0%	32	0%	32	0%	30	0%	814	0%
Non-GAAP loss from operations	<u>5,858</u>	4%	<u>14,184</u>	10%	<u>13,001</u>	9%	<u>13,770</u>	8%	<u>10,511</u>	6%	<u>17,590</u>	9%

# GAAP to Non-GAAP Reconciliations

	Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended	
	March 31, 2020		June 30, 2020		September 30, 2020		December 31, 2020		March 31, 2021		June 30, 2021		September 30, 2021	
	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue
<b>Gross Margin</b>														
Gross margin	160,683	81%	164,831	81%	185,782	81%	204,771	81%	226,631	81%	247,911	80%	269,589	79%
Stock-based compensation	1,505	1%	1,703	1%	1,792	1%	1,945	1%	2,007	1%	2,408	1%	2,408	1%
Amortization of acquired intangible assets	880	0%	879	0%	442	0%	139	0%	239	0%	236	0%	234	0%
Gain on termination of operating leases	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	(670)	0%
Loss on disposal of fixed assets	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	1,015	0%
Non-GAAP gross margin	<u>163,068</u>	<u>82%</u>	<u>167,413</u>	<u>82%</u>	<u>188,016</u>	<u>82%</u>	<u>206,855</u>	<u>82%</u>	<u>228,877</u>	<u>81%</u>	<u>250,555</u>	<u>81%</u>	<u>272,576</u>	<u>80%</u>

## Loss from Operations

Loss from operations	(14,102)	-7%	(13,625)	-7%	(15,461)	-7%	(7,641)	-3%	(15,032)	-5%	(16,602)	-5%	(14,927)	-4%
Stock-based compensation	27,463	14%	31,374	15%	31,186	14%	31,466	12%	32,423	12%	43,433	14%	44,987	13%
Amortization of acquired intangible assets	900	0%	899	0%	462	0%	159	0%	345	0%	337	0%	326	0%
Acquisition/disposition related income (expenses)	333	0%	518	0%	340	0%	640	0%	1,195	0%	372	0%	350	0%
Gain on termination of operating leases	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	(4,276)	-1%
Loss on disposal of fixed assets	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	6,468	2%
Non-GAAP loss from operations	<u>14,594</u>	<u>7%</u>	<u>19,166</u>	<u>9%</u>	<u>16,527</u>	<u>7%</u>	<u>24,624</u>	<u>10%</u>	<u>18,931</u>	<u>7%</u>	<u>27,540</u>	<u>9%</u>	<u>32,928</u>	<u>10%</u>

	Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended	
	December 31, 2021		March 31, 2022		June 30, 2022		September 30, 2022		December 31, 2022		March 31, 2023		June 30, 2023		September 30, 2023	
	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue	\$ '000s	% of Revenue
<b>Gross Margin</b>																
Gross margin	297,670	81%	322,663	82%	342,824	65%	361,831	65%	389,393	83%	419,574	84%	441,852	84%	470,031	84%
Stock-based compensation	2,563	1%	2,658	1%	3,631	1%	3,479	1%	3,673	1%	3,832	1%	4,975	1%	4,358	1%
Amortization of acquired intangible assets	228	0%	321	0%	306	0%	292	0%	283	0%	399	0%	405	0%	408	0%
Non-GAAP gross margin	<u>300,461</u>	<u>81%</u>	<u>325,642</u>	<u>82%</u>	<u>346,761</u>	<u>66%</u>	<u>365,602</u>	<u>66%</u>	<u>393,349</u>	<u>84%</u>	<u>423,805</u>	<u>84%</u>	<u>447,232</u>	<u>85%</u>	<u>474,797</u>	<u>85%</u>
<b>Loss from Operations</b>																
Loss from operations	(8,237)	-2%	(11,154)	-3%	(118,499)	-22%	(19,596)	-4%	(13,486)	-3%	(44,767)	-9%	(118,499)	-22%	(19,596)	-4%
Stock-based compensation	45,914	12%	45,704	12%	128,003	24%	107,506	19%	76,768	16%	83,037	17%	128,003	24%	107,506	19%
Amortization of acquired intangible assets	318	0%	410	0%	851	0%	2,311	0%	729	0%	845	0%	851	0%	2,311	0%
Acquisition/disposition related income (expenses)	170	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Restructuring charges	-	0%	-	0%	-	0%	-	0%	-	0%	28,570	6%	63,880	12%	-	0%
Non-GAAP loss from operations	<u>38,165</u>	<u>10%</u>	<u>34,960</u>	<u>9%</u>	<u>10,355</u>	<u>2%</u>	<u>90,221</u>	<u>16%</u>	<u>64,011</u>	<u>14%</u>	<u>67,685</u>	<u>13%</u>	<u>74,235</u>	<u>14%</u>	<u>90,221</u>	<u>16%</u>

# GAAP to Non-GAAP Reconciliations

	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018
	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s
GAAP net cash and cash equivalents provided by (used in) operating activities	35,279	35,364	37,893	49,614	57,244	62,018	65,734
Purchases of property & equipment	(14,983)	(15,592)	(17,528)	(20,276)	(20,680)	(20,514)	(21,875)
Capitalization of software development costs	(5,925)	(6,577)	(6,882)	(7,071)	(8,077)	(9,537)	(10,491)
Repayment of 2022 Convertible Notes attributable to the debt discount	-	-	-	-	-	-	-
Free cash flow	14,371	13,195	13,483	22,267	28,487	31,967	33,368

	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s
GAAP net cash and cash equivalents provided by (used in) operating activities	84,851	95,845	96,041	104,193	118,972	104,267	56,880
Purchases of property & equipment	(22,305)	(20,331)	(23,051)	(26,814)	(40,372)	(47,249)	(48,257)
Capitalization of software development costs	(11,168)	(11,373)	(10,690)	(11,581)	(13,474)	(15,422)	(18,309)
Repayment of 2022 Convertible Notes attributable to the debt discount	-	-	-	-	-	-	48,675
Free cash flow	51,378	64,141	62,300	65,798	65,126	41,596	38,989

	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s
GAAP net cash and cash equivalents provided by (used in) operating activities	75,878	88,013	128,602	200,483	204,469	238,728	258,254
Purchases of property & equipment	(46,972)	(37,318)	(30,143)	(28,123)	(26,920)	(28,726)	(34,699)
Capitalization of software development costs	(19,979)	(21,599)	(24,171)	(27,857)	(31,593)	(33,139)	(35,520)
Repayment of 2022 Convertible Notes attributable to the debt discount	48,675	49,048	58,853	13,401	24,830	26,428	16,623
Free cash flow	57,602	79,044	133,141	157,904	170,786	203,291	204,658

	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s
GAAP net cash and cash equivalents provided by (used in) operating activities	260,984	278,395	273,177	272,021	307,643	336,625
Purchases of property & equipment	(36,252)	(42,711)	(37,426)	(30,796)	(33,343)	(31,073)
Capitalization of software development costs	(36,649)	(38,851)	(44,345)	(49,745)	(56,009)	(62,283)
Repayment of 2022 Convertible Notes attributable to the debt discount	13,400	1,971	-	-	-	-
Payment of restructuring charges	-	-	-	22,513	32,938	37,163
Free cash flow	201,483	198,804	191,406	213,993	251,229	280,432