solarwinds

Q3'20 Results

October 27, 2020

General Disclaimer

Forward-Looking Statements

This presentation and the accompanying oral presentation contain “forward-looking” statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding our financial outlook, the impact of the COVID-19 pandemic and related global economic environment on our business, the potential spin-off of our MSP business into a newly created and separately traded public company and our preliminary strategic, operational and financial considerations related thereto. In addition, we are currently exploring the spin-off. It has not been approved by our board of directors, and our statements with respect thereto are preliminary in nature and subject to change as additional information becomes available and as we consider and plan further the future strategic, operational, financial and capital objectives, profiles and structures of the two businesses.

These forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements that are not historical facts and may be identified by terms such as “aim,” “anticipate,” “believe,” “can,” “could,” “seek,” “should,” “feel,” “expect,” “will,” “would,” “plan,” “intend,” “estimate,” “continue,” “may,” or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the following: (a) the numerous risks related to the potential spin-off of our MSP business into a newly created and separately traded public company, including that the process of exploring the spin-off and potentially completing the spin-off could disrupt or adversely affect the consolidated or separate businesses, results of operations and financial condition, that the spin-off may not achieve some or all of any anticipated benefits with respect to either business, and that the spin-off may not be completed in accordance with our expected plans or anticipated timelines, or at all; (b) the possibility that the global COVID-19 pandemic may adversely affect our business, results of operations and financial condition; (c) any of the following factors either generally or as a result of the impacts of the global COVID-19 pandemic on the global economy or on our business operations and financial condition or on the business operations and financial conditions of our customers, their end-customers and our prospective customers: (i) reductions in information technology spending or delays in purchasing decisions by our customers, their end-customers and our prospective customers, (ii) the inability to sell products to new customers or to sell additional products or upgrades to our existing customers, (iii) any decline in our renewal or net retention rates, (iv) the inability to generate significant volumes of high quality sales leads from our digital marketing initiatives and convert such leads into new business at acceptable conversion rates, (v) the timing and adoption of new products, product upgrades or pricing model changes by SolarWinds or its competitors, (vi) potential foreign exchange gains and losses related to expenses and sales denominated in currencies other than the functional currency of an associated entity, (vii) risks associated with our international operations; (d) the possibility that our operating income could fluctuate and may decline as percentage of revenue as we make further expenditures to expand our operations in order to support additional growth in our business; (e) our inability to successfully identify, complete, and integrate acquisitions and manage our growth effectively; (e) our status as a controlled company; (f) risks related to the potential spin-off of our MSP business into a newly created and separately traded public company, including that the process of exploring the spin-off and potentially completing the spin-off could disrupt or adversely affect the consolidated or separate businesses, results of operations and financial condition, that the spin-off may not achieve some or all of any anticipated benefits with respect to either business, and that the spin-off may not be completed in accordance with our expected plans or anticipated timelines, or at all; and (g) such other risks and uncertainties described more fully in documents filed with or furnished to the Securities and Exchange Commission, including the risk factors discussed in our Annual Report on Form 10-K for the period ended December 31, 2019 filed on February 24, 2020, the Form 10-Q for the quarter ended March 31, 2020 filed on May 8, 2020, the Form 10-Q for the quarter ended June 30, 2020 filed on August 10, 2020 and the Form 10-Q for the quarter ended September 30, 2020 that SolarWinds anticipates filing on or before November 9, 2020. All information provided in this presentation and the accompanying oral presentation is as of the date hereof and SolarWinds undertakes no duty to update this information except as required by law.

Non-GAAP Financial Measures

This presentation includes the following non-GAAP financial measures: non-GAAP revenue and revenue growth on a constant currency basis, adjusted EBITDA, adjusted EBITDA margin and unlevered free cash flow. Information provided on a constant currency basis excludes the effects of foreign currency fluctuations. We use these non-GAAP financial measures to clarify and enhance our understanding, and aid in the period-to-period comparison, of our performance. We believe that these non-GAAP financial measures provide supplemental information that is meaningful when assessing our operating performance because they exclude the impact of certain amounts that our management and board of directors do not consider part of core operating results when assessing our operational performance, allocating resources, preparing annual budgets and determining compensation. The non-GAAP measures have limitations, and should not be considered in isolation, or as a substitute for, the most comparable GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be completely comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. See Definitions for information on how we define these non-GAAP financial measures and the Appendix to this presentation for a reconciliation of the non-GAAP financial measures presented to their most comparable GAAP equivalents. A reconciliation of forward-looking non-GAAP financial measures used in this presentation to their most comparable GAAP measures is not available without unreasonable effort due to the uncertainty regarding, and the potential variability of, certain of the adjustments made to such measures that may be incurred in the future.

UNLESS OTHERWISE STATED, YOU MAY ASSUME ALL FINANCIAL MEASURES DISCUSSED IN THIS PRESENTATION, INCLUDING STATEMENTS REGARDING PROFIT AND PROFITABILITY, ARE PRESENTED ON A NON-GAAP BASIS.

Presentation of Financial Results Due to Adoption of ASC 606

In January 2019, we adopted FASB Accounting Standards Codification (“ASC”) No. 2014-09 “Revenue from Contracts with Customers,” or ASC 606, which replaced all existing revenue guidance under ASC 605 “Revenue Recognition,” including prescriptive industry-specific guidance, or ASC 605, used in prior periods. Unless stated otherwise, year-over-year growth rates are calculated using financial results under ASC 606 for periods subsequent to the adoption date and financial results under ASC 605 for the corresponding period prior to the adoption.

Impact of Purchase Accounting Related to the Take Private and Acquisitions

SolarWinds Corp. was formed by affiliates of investment firms Silver Lake and Thoma Bravo to acquire SolarWinds, Inc., then a publicly traded company, which acquisition was completed on February 5, 2016 and is referred to throughout this presentation as the “Take Private.” The comparability of our year-to-year operating results has been significantly impacted by the Take Private and to a lesser extent, other acquisitions. We account for acquired businesses, including the Take Private, using the acquisition method of accounting, which requires that the assets acquired and liabilities assumed, including deferred revenue, be recorded at the date of acquisition at their respective fair values which could differ from the historical book values. In most cases, adjusting the acquired deferred revenue balances to fair value on the date of the relevant acquisition had the effect of reducing the historical deferred revenue balance and therefore reducing the revenue recognized in subsequent periods. In addition, we incurred amortization of acquired technology and intangibles in connection with the Take Private and to a lesser extent, other acquisitions.

Definitions

Non-GAAP Revenue. We define non-GAAP subscription revenue, non-GAAP maintenance revenue, non-GAAP license revenue, and non-GAAP total revenue as subscription revenue, maintenance revenue, license revenue, and total revenue, respectively, excluding the impact of purchase accounting from acquisitions. The non-GAAP revenue growth rates we provide are calculated using non-GAAP revenue from the comparable prior period.

Non-GAAP Revenue on a Constant Currency (CC) Basis. To present non-GAAP revenue on a constant currency basis, current period results and future period estimated results for entities reporting in currencies other than U.S. Dollars are converted into U.S. Dollars at the average exchange rates in effect during the corresponding prior period presented.

Adjusted EBITDA and Adjusted EBITDA Margin. We define adjusted EBITDA as net income or loss, excluding the impact of purchase accounting on total revenue, amortization of acquired intangible assets and developed technology, depreciation expense, stock-based compensation expense and related employer-paid payroll taxes, restructuring costs, acquisition and other costs, spin-off exploration costs, interest expense, net, debt related costs including fees related to our credit agreements, debt extinguishment and refinancing costs, unrealized foreign currency (gains) losses, and income tax expense (benefit). We define adjusted EBITDA margin as adjusted EBITDA divided by non-GAAP revenue.

Unlevered Free Cash Flow. Unlevered free cash flow is a measure of our liquidity used by management to evaluate cash flow from operations, after the deduction of capital expenditures and prior to the impact of our capital structure, acquisition and other costs, spin-off exploration costs, restructuring costs, employer-paid payroll taxes on stock awards and other one time items, that can be used by us for strategic opportunities and strengthening our balance sheet. However, given our debt obligations, unlevered free cash flow does not represent residual cash flow available for discretionary expenses.

Annual Recurring Revenue (ARR). ARR is annual run-rate revenue of maintenance and subscription agreements from all customers at a point in time. ARR for a given point in time excludes the impact of future price increases from that point in time and forward.

Maintenance Renewal Rate. Maintenance renewal rate represents sales of maintenance services for all existing maintenance contracts expiring in a period, divided by the sum previous sales of maintenance services corresponding to those services expiring in the current period. Sales of maintenance services includes sales of maintenance renewals for a previously purchased product and the amount allocated to maintenance revenue from a license purchase.

TTM Constant Currency Maintenance Renewal Rate. Trailing 12-month constant currency maintenance renewal rate is calculated by converting sales denominated in non-USD currencies over the last 12 months into U.S. Dollars by month at the average exchange rates in effect during the corresponding month of the prior period.

Subscription Net Retention Rate. Net retention rate for subscription products is the implied monthly subscription revenue at the end of a period for the base set of customers from which we generated subscription revenue in the year prior to the calculation, divided by the implied monthly subscription revenue one year prior to the date of calculation for that same customer base.

TTM Constant Currency Subscription Net Retention Rate. Trailing 12-month constant currency subscription net retention rate is calculated by converting monthly subscription revenue non-USD transactions over the last 12 months into U.S. Dollars at the average exchange rates in effect during the corresponding month of the prior period.

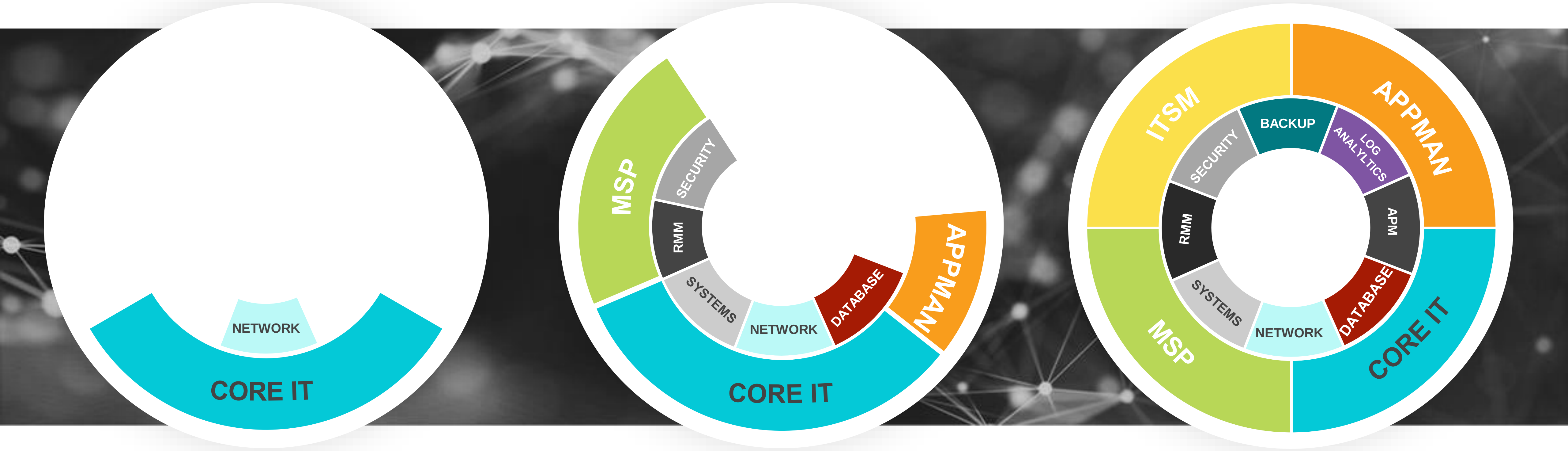
Monitoring, Management & Analytics for IT Ops, DevOps & MSPs in the Hybrid IT World

20 Years of Executing On Our Vision

From Point Provider of Network Management Products

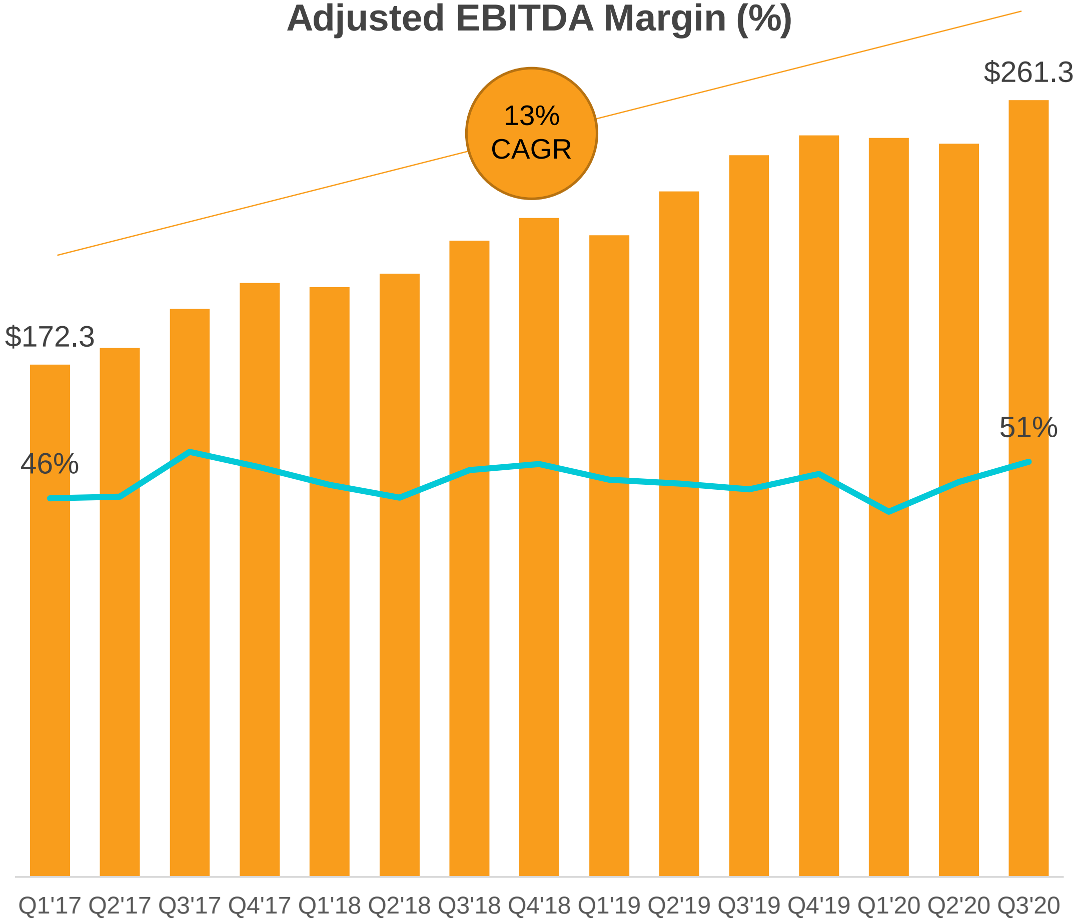
To Broad IT Management Product Portfolio

To Today's One-Stop Shop For "All Things IT"



Resulting In Where We Stand Today

Non-GAAP Revenue ($ in millions) and Adjusted EBITDA Margin (%)



320K+
Customers

7%
Q3’20 YoY CC Non-GAAP Revenue Growth

1,004
Customers with 100K+ in TTM spend

85%
Q3’20 CC Non-GAAP Recurring Revenue

34%
Revenue outside of N.A. across 190+ countries

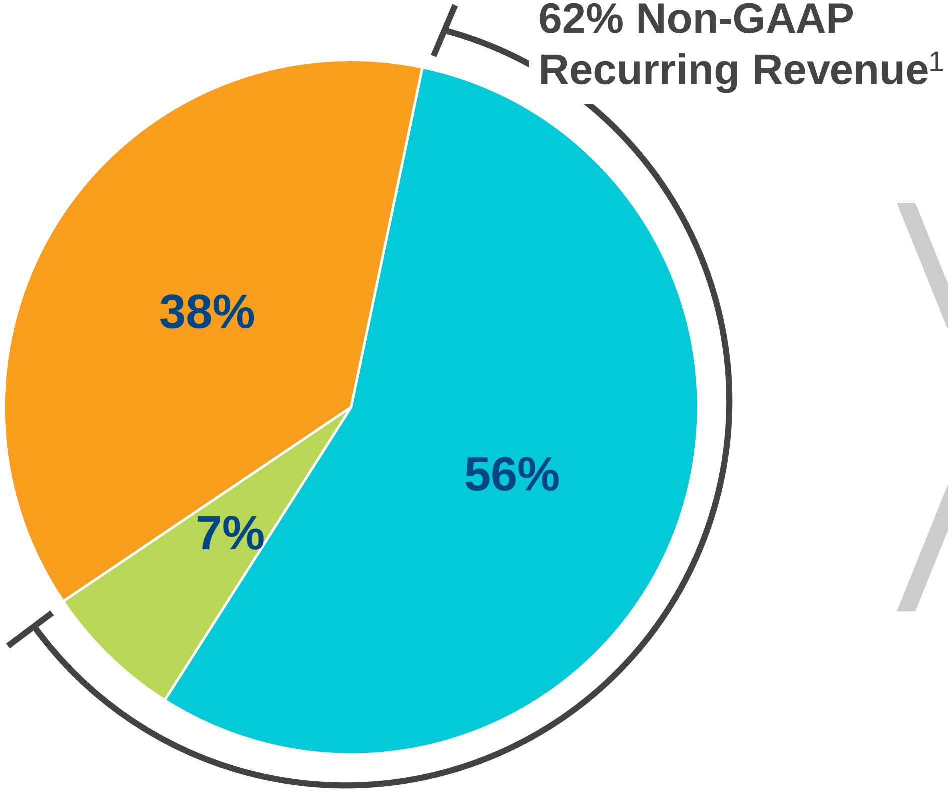
105%
TTM CC Avg. Subscription Net Retention

$408M
TTM Unlevered Free Cash Flow

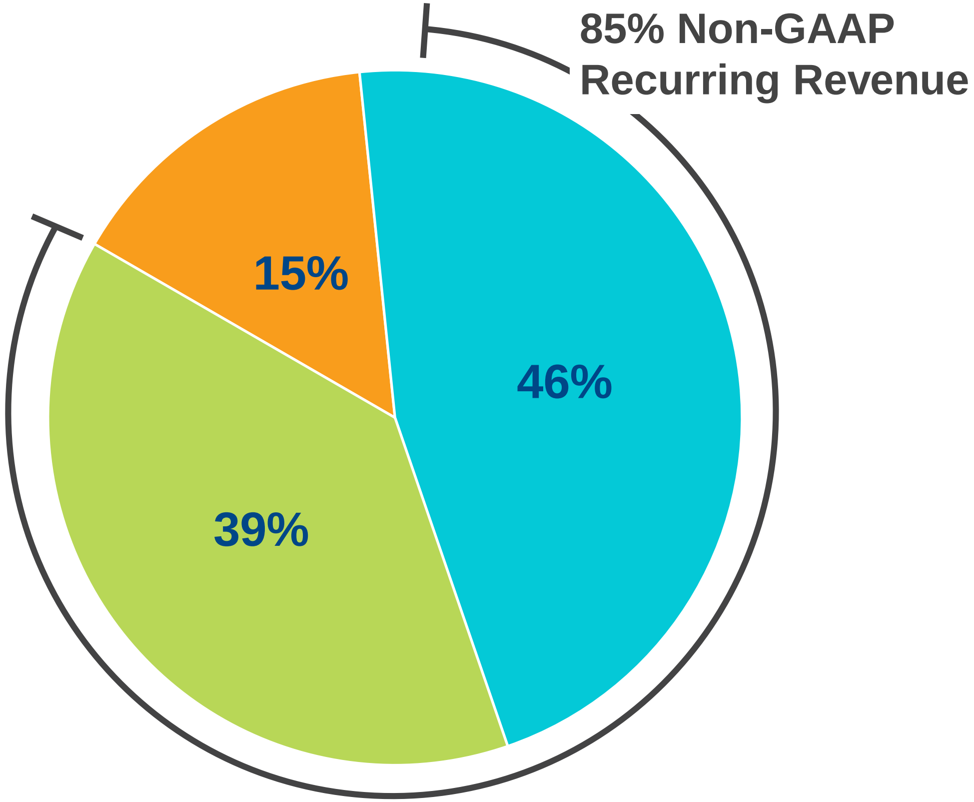
92%
TTM CC Maintenance Renewal Rate

Note: All amounts, including trailing 12-month (“TTM”) amounts, are through Q3’20. Includes non-GAAP financial measures. Please refer to non-GAAP reconciliation provided in the appendix for equivalent GAAP value.

With an Increasing Mix of Recurring Revenue



FY'14



Q3'20

License % of Total Non-GAAP Revenue | Maintenance % of Total Non-GAAP Revenue | Subscription % of Total Non-GAAP Revenue

Note: Percentages shown may not add to 100% due to rounding.
1. Represents total revenue of $428.7 million. Fiscal year 2014 total revenue as presented on non-GAAP and GAAP basis were consistent as there were no purchase accounting adjustments during this period.

Third Quarter 2020 Financial Highlights

$258M / 7% YoY Growth	$133M / 50.8%	$108M / 82%
Total CC Non-GAAP Revenue	Adjusted EBITDA / Margin	Unlevered Free Cash Flow (uFCF) / uFCF Conversion[1]

- Total non-GAAP revenue of $261.3M (+8% YoY) / $258.5M (+7% YoY) in CC, exceeding the high end of third quarter outlook.
  - Non-GAAP subscription revenue of $100.9M (+18% YoY) / $99.5M (+17% YoY) in CC.
- Total ARR reached $887M (+11% YoY) / $875M (+10% YoY) in CC[2] as of September 30th.
- 1,004 customers spending >$100K in the last 12 months, representing 17% YoY growth.
- Adjusted EBITDA of $132.7M (+15% YoY) exceeded the high end of third quarter outlook.
- Adjusted EBITDA to Unlevered FCF conversion of 82%.
- Ended Q3'20 with $425M of cash and net leverage of 3.1x vs 3.4x at end of Q2'20.

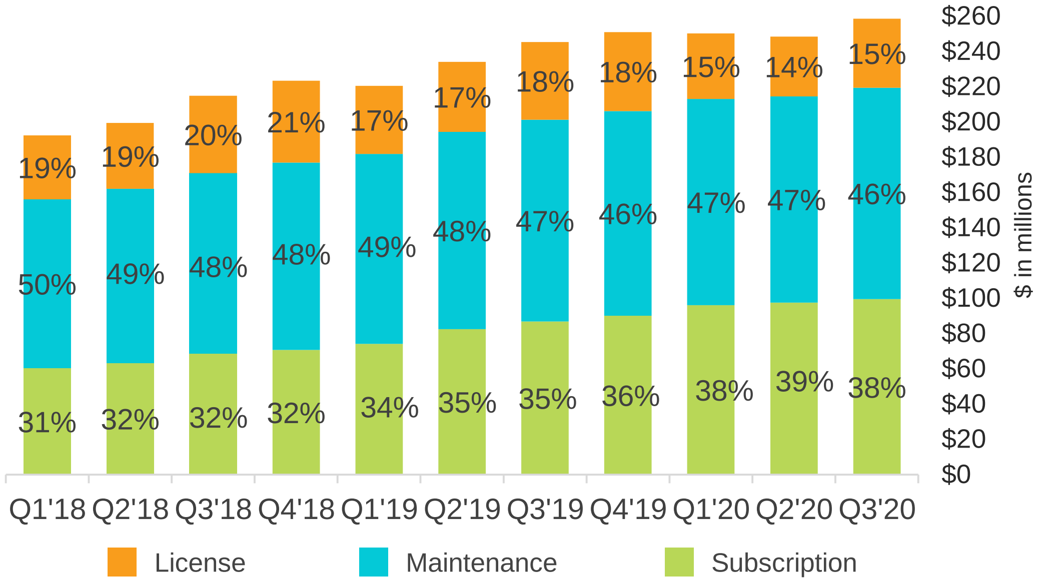
Note: Includes non-GAAP financial measures. Please refer to non-GAAP reconciliation provided in the appendix for equivalent GAAP value.
1. Unlevered free cash flow conversion calculated as unlevered free cash flow as a percentage of Adjusted EBITDA.
2. Q3'20 constant currency ARR growth is calculated by converting the local currency ARR amounts on September 30, 2020 using the foreign currency exchanges rates on September 30, 2019. The constant currency ARR values are compared to ARR as of September 30, 2019 using September 30, 2019 foreign currency exchange rates.

Third Quarter 2020 Revenue Breakdown

- Non-GAAP license + maintenance revenue increased 1% YoY in CC to $159M.
  - Non-GAAP license revenue declined 11% YoY in CC.
  - Non-GAAP maintenance revenue grew 5% YoY in CC.
  - Q3’20 CC non-GAAP license + maintenance revenue represented 62% of total CC non-GAAP revenue vs 69% in Q1’18, as subscription mix has grown.

- Non-GAAP subscription revenue grew 17% YoY in CC to $99M.

Non-GAAP Revenue Mix (Constant Currency)



	Q3’19	Q4’19	Q1’20	Q2’20	Q3’20
Total revenue CC YoY growth	15%	13%	16%	8%	7%
License + maintenance CC YoY growth	8%	6%	7%	1%	1%
Subscription CC YoY growth	28%	29%	34%	21%	17%

Note: Includes non-GAAP financial measures. Please refer to non-GAAP reconciliation provided in the appendix for equivalent GAAP value.

Core IT Management Highlights

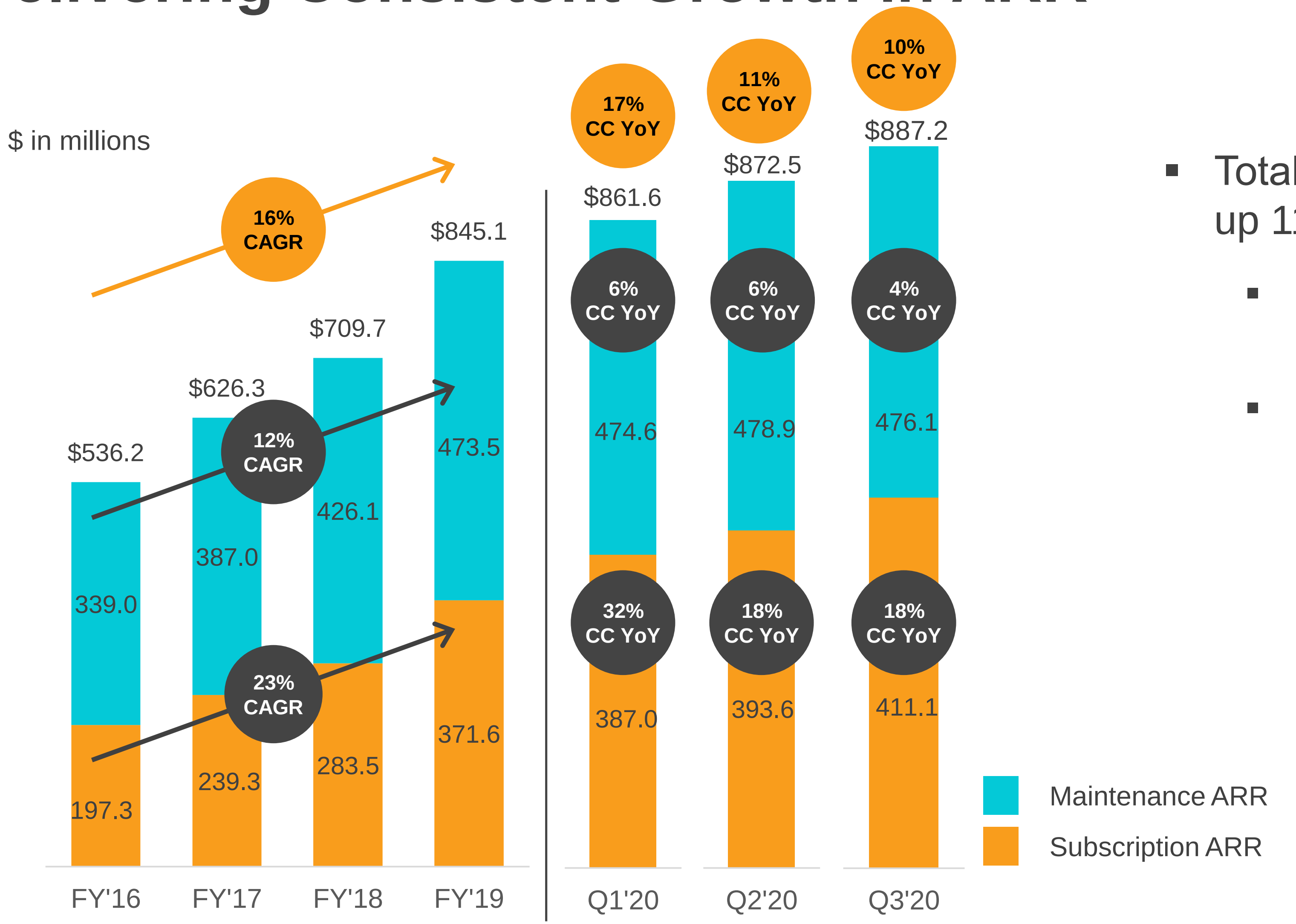
- License + maintenance revenue grew 1% YoY in CC while subscription revenue (including IT Service Management and Cloud Database management) continued to grow at a double-digit rate.
- Continued to see momentum in our on-premise deployed Orion subscription product portfolio, which was launched on April 21st, sequentially doubling the dollar amount of subscriptions sold as compared to the second quarter.
  - New subscription pricing is an ADDED option; NOT forcing any transitions from L&M model.
- TTM constant currency maintenance renewal rate of 92%.
- Added average of approximately 4K net new Core IT Management customers per quarter on a TTM basis.

Note: Our Core IT Management business include the products categorized as ITOM in our Annual Report on Form 10-K for the period ended December 31, 2019.

MSP Highlights

- MSP non-GAAP revenue increased 12% YoY in CC in the third quarter and 15% in CC year-to-date.
- Small deceleration in MSP business as of result of economic disruption caused by COVID-19 however, recent trends indicate the MSP market is beginning to recover. Our MSP business saw ARR grow faster than revenue in the third quarter.
- TTM MSP subscription net retention rate of 107% on both a reported basis and CC basis.
- Added average of 1.5K new MSP customers per quarter on a TTM basis.

Delivering Consistent Growth in ARR



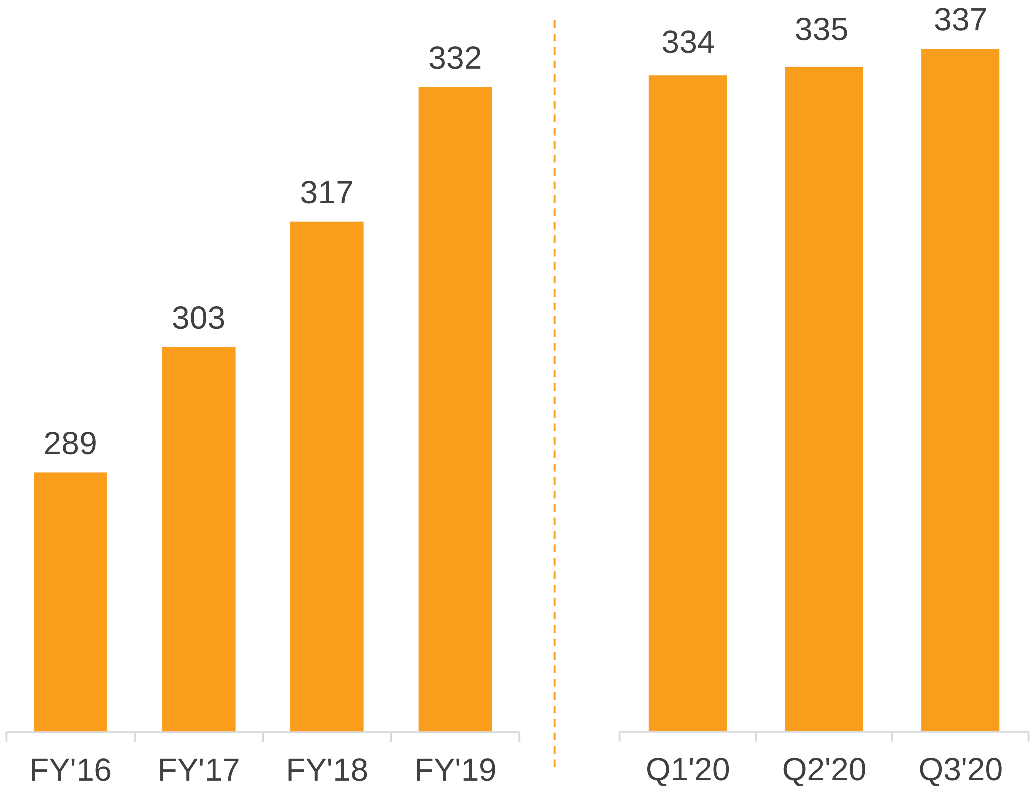
- Total ARR was $887M at end of Q3'20, up 11% YoY / 10% YoY in CC[1]
  - Subscription ARR was $411M at end of Q3'20, up 20% YOY / 18% YoY in CC[1]
  - Maintenance ARR of $476M at end of Q3'20, up 5% YoY / 4% YoY in CC[1]

Note: Ending period annual recurring revenue ("ARR") amounts shown for each time period presented. ARR is annual run-rate revenue of maintenance and subscription agreements from all customers at a point in time. ARR for a given point in time excludes the impact of future price increases from that point in time and forward.

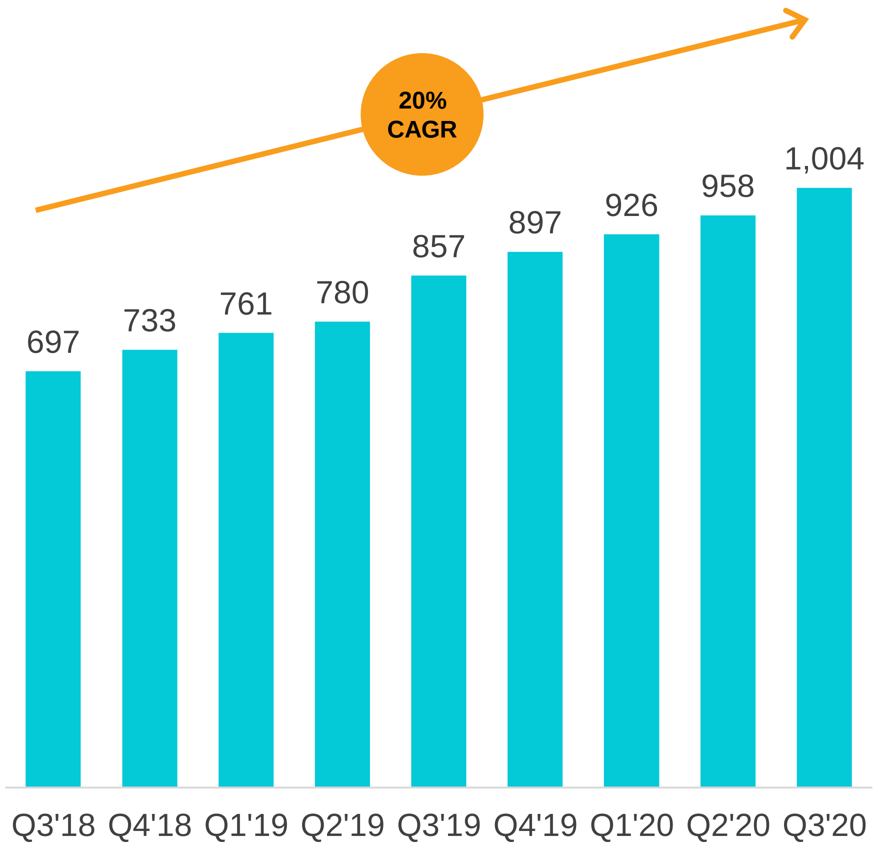
1. Q3'20 constant currency ARR growth is calculated by converting the local currency ARR amounts on September 30, 2020 using the foreign currency exchanges rates on September 30, 2019. The constant currency ARR values are compared to ARR as of September 30, 2019 using September 30, 2019 foreign currency exchange rates.

Consistent Growth in Large Customer Relationships

Total Customer Count, in Thousands



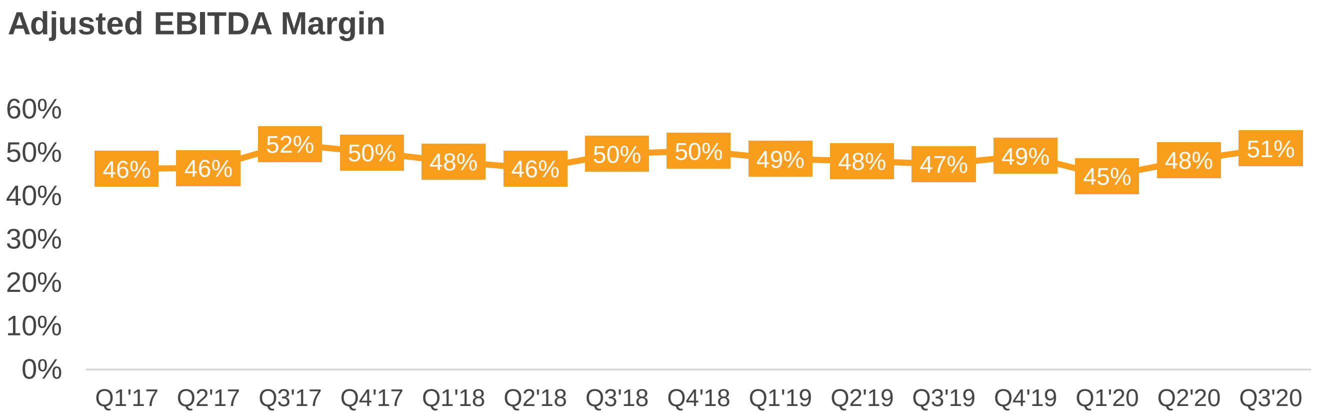
Customers with $100K+ in Trailing 12-Month Spend

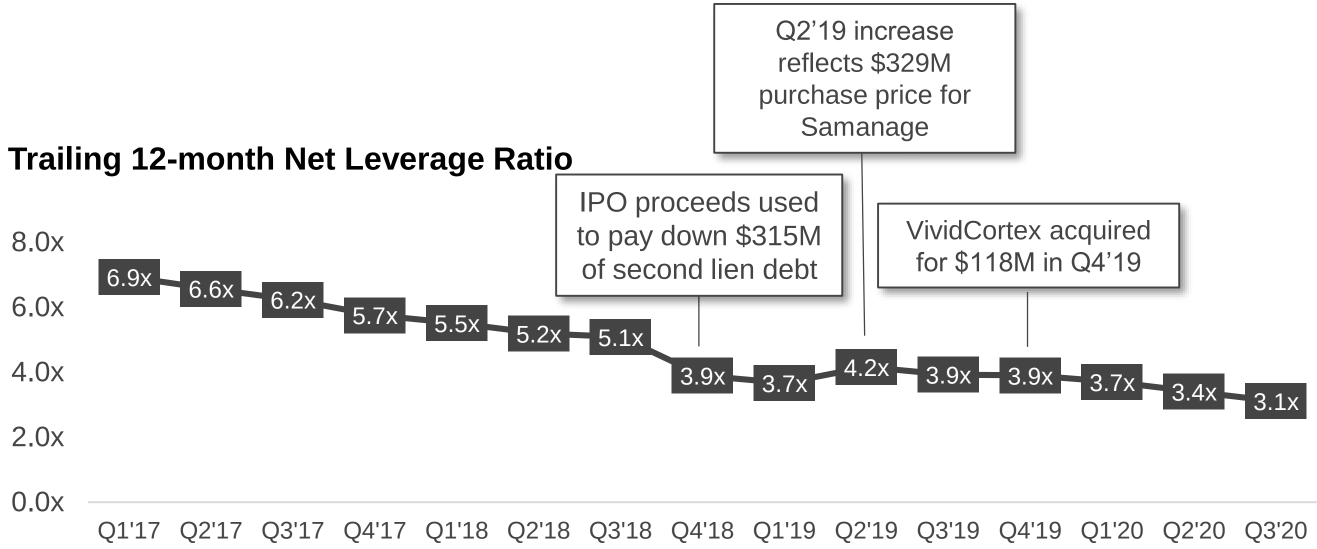


Note: Customers are defined as individuals or entities that have an active subscription for at least one of our subscription products or that have purchased one or more of our perpetual license products since our inception under a unique customer identification number. We may have multiple purchasers of our products within a single organization, each of which may be assigned a unique customer identification number and deemed a separate customer.

Robust Profitability and Cash Flow Conversion

- Q3’20 Adjusted EBITDA of $133M exceeded the high end of the third quarter outlook and represents an Adjusted EBITDA margin of 51% and 15% YoY growth.
- Unlevered free cash flow conversion rate of 82%.
- Net leverage decreased to **3.1x** trailing 12-month Adjusted EBITDA at end of Q3’20 from **3.4x** at end of Q2’20





Note: Includes non-GAAP financial measures. Please refer to non-GAAP reconciliation provided in the appendix for equivalent GAAP value.

Fourth Quarter 2020 Financial Outlook

Revenue

Total Non-GAAP Revenue of $261 - $266 Million | **5-7% YoY Growth / 4-6% CC[1] YoY Growth**

- Assumes Euro to USD exchange rate of 1.17 (vs prior assumption of 1.15) and British Pound to USD exchange rate of 1.30 (vs prior assumption of 1.27)

Profit

Adjusted EBITDA of $123 - $126 Million | **~47%** **Adjusted EBITDA Margin**

Non-GAAP Diluted EPS of Approximately $0.25

Additional Items

22% Non-GAAP Tax Rate | **Approximately 317.5 Million** Weighted Average Shares Outstanding

Note: All values shown represent non-GAAP financial figures. Includes forward-looking statements. See "General Disclaimers" in slide 2.

1. Non-GAAP revenue growth on constant currency basis is calculated by comparing forecasted period non-GAAP revenue on a constant currency basis to revenue in the prior-year period on a reported basis. Non-GAAP revenue on a constant currency basis is calculated using the average foreign currency exchange rates in the comparable prior year periods and applying those rates to the estimated foreign-denominated revenue in the corresponding periods rather than the forecasted foreign currency exchange rates for the future periods.

Full Year 2020 Financial Outlook

Revenue

Total Non-GAAP Revenue of $1.017 - $1.022 Billion | **8%-9% YoY Growth & CC[1] YoY Growth**

- Assumes Euro to USD exchange rate of 1.17(vs prior assumption of 1.15) and British Pound to USD exchange rate of 1.30 (vs prior assumption of 1.27)

Profit

Adjusted EBITDA of $486 - $489 Million | **~48% Adjusted EBITDA Margin**

Non-GAAP Diluted EPS of Approximately $0.98

Additional Items

22% Non-GAAP Tax Rate | **Approximately 315.5 Million** Weighted Average Shares Outstanding

Note: All values shown represent non-GAAP financial figures. Includes forward-looking statements. See "General Disclaimers" in slide 2.
1. Non-GAAP revenue growth on constant currency basis is calculated by comparing forecasted period non-GAAP revenue on a constant currency basis to revenue in the prior-year period on a reported basis. Non-GAAP revenue on a constant currency basis is calculated using the average foreign currency exchange rates in the comparable prior year periods and applying those rates to the estimated foreign-denominated revenue in the corresponding periods rather than the forecasted foreign currency exchange rates for the future periods.

Appendix: Reconciliation of Non-GAAP Financial Measures

Quarterly Non-GAAP Revenue Reconciliation

($ in millions) Revenue:	Three Months Ended 31-Mar 2017	30-Jun 2017	30-Sep 2017	31-Dec 2017	31-Mar 2018	30-Jun 2018	30-Sep 2018	31-Dec 2018	31-Mar 2019	30-Jun 2019	30-Sep 2019	31-Dec 2019	31-Mar 2020	30-Jun 2020	30-Sep 2020
GAAP subscription revenue	$ 48.6	$ 51.4	$ 55.4	$ 58.4	$ 63.1	$ 65.2	$ 67.7	$ 69.6	$ 71.6	$ 78.8	$ 83.1	$ 87.3	$ 93.6	$ 95.8	$ 100.6
Impact of purchase accounting	0.6	0.3	0.4	0.3	0.6	0.3	0.2	0.1	-	1.8	2.2	1.9	1.5	0.6	0.3
Non-GAAP subscription revenue	**$ 49.2**	**$ 51.7**	**$ 55.7**	**$ 58.6**	**$ 63.7**	**$ 65.6**	**$ 67.9**	**$ 69.6**	**$ 71.6**	**$ 80.6**	**$ 85.3**	**$ 89.2**	**$ 95.1**	**$ 96.4**	**$ 100.9**
GAAP maintenance revenue	$ 79.8	$ 88.4	$ 93.3	$ 96.2	$ 97.0	$ 98.8	$ 101.8	$ 105.4	$ 106.3	$ 110.8	$ 113.8	$ 115.6	$ 116.3	$ 116.5	$ 121.1
Impact of purchase accounting	6.6	2.2	1.6	1.1	0.8	0.8	0.6	0.4	-	-	-	-	-	-	-
Non-GAAP maintenance revenue	**$86.4**	**$90.6**	**$94.8**	**$97.3**	**$97.8**	**$99.6**	**$102.4**	**$105.7**	**$106.3**	**$110.8**	**$113.8**	**$115.6**	**$116.3**	**$116.5**	**$121.1**
GAAP total recurring revenue	$ 128.4	$ 139.8	$ 148.6	$ 154.5	$ 160.1	$ 164.0	$ 169.5	$ 174.9	$ 177.9	$ 189.6	$ 196.9	$ 202.9	$ 210.0	$ 212.3	$ 221.7
Impact of purchase accounting	7.2	2.4	1.9	1.4	1.4	1.1	0.7	0.4	0.0	1.8	2.2	1.9	1.5	0.6	0.3
Non-GAAP total recurring revenue	**$ 135.6**	**$ 142.2**	**$ 150.5**	**$ 156.0**	**$ 161.5**	**$ 165.1**	**$ 170.3**	**$ 175.4**	**$ 177.9**	**$ 191.4**	**$ 199.1**	**$ 204.8**	**$ 211.5**	**$ 212.9**	**$ 222.0**
GAAP license revenue	$ 36.7	$ 35.6	$ 40.5	$ 43.8	$ 36.9	$ 37.7	$ 43.7	$ 46.2	$ 37.9	$ 39.2	$ 43.6	$ 44.6	$ 37.0	$ 33.7	$ 39.3
Impact of purchase accounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP license revenue	**$ 36.7**	**$ 35.6**	**$ 40.5**	**$ 43.8**	**$ 36.9**	**$ 37.7**	**$ 43.7**	**$ 46.2**	**$ 37.9**	**$ 39.2**	**$ 43.6**	**$ 44.6**	**$ 37.0**	**$ 33.7**	**$ 39.3**
Total GAAP revenue	$ 165.1	$ 175.4	$ 189.1	$ 198.3	$ 196.9	$ 201.7	$ 213.3	$ 221.2	$ 215.8	$ 228.7	$ 240.5	$ 247.5	$ 247.0	$ 246.0	$ 261.0
Impact of purchase accounting	7.2	2.4	1.9	1.4	1.5	1.1	0.7	0.4	0.0	1.8	2.2	1.9	1.5	0.6	0.3
Total non-GAAP revenue	**$ 172.3**	**$ 177.9**	**$ 191.0**	**$ 199.8**	**$ 198.4**	**$ 202.8**	**$ 214.0**	**$ 221.6**	**$ 215.8**	**$ 230.6**	**$ 242.7**	**$ 249.4**	**$ 248.5**	**$ 246.6**	**$ 261.3**

Note: Results for reporting periods beginning after January 1, 2019 are presented in compliance with the new revenue recognition standard, ASC 606. Historical financial results for reporting periods prior to January 1, 2019 are presented in compliance with the prior revenue recognition standard, ASC 605.

Quarterly Adjusted EBITDA Reconciliation

	Three Months Ended														
($ in millions)	31-Mar 2017	30-Jun 2017	30-Sep 2017	31-Dec 2017	31-Mar 2018	30-Jun 2018	30-Sep 2018	31-Dec 2018	31-Mar 2019	30-Jun 2019	30-Sep 2019	31-Dec 2019	31-Mar 2020	30-Jun 2020	30-Sep 2020
Net income (loss)	**$(43.7)**	**$(2.0)**	**$ 1.6**	**$(39.8)**	**$(59.9)**	**$(27.0)**	**$(0.4)**	**$(14.7)**	**$ 3.1**	**$(2.1)**	**$ 4.4**	**$ 13.2**	**$ 0.4**	**$ 12.8**	**$ 12.5**
Amortization and depreciation	61.4	61.9	63.8	63.8	65.2	64.4	64.3	64.5	64.5	65.6	66.6	66.6	67.8	68.2	69.5
Income tax expense (benefit)	(9.0)	(0.4)	(3.1)	34.9	(8.4)	(11.6)	(0.1)	0.4	0.6	3.2	2.9	2.2	2.4	4.3	5.3
Interest expense, net	43.7	40.8	42.5	42.8	42.1	34.4	35.6	29.9	27.4	28.2	27.4	25.1	24.1	18.3	16.8
Impact of purchase accounting on total revenue	7.2	2.4	1.9	1.4	1.4	1.1	0.7	0.4	-	1.8	2.2	1.9	1.5	0.6	0.3
Unrealized foreign currency (gains) losses	(6.2)	(26.9)	(14.4)	(8.8)	(12.6)	26.1	0.2	0.7	(1.3)	1.2	(0.8)	(0.0)	1.0	0.7	0.4
Acquisition and Sponsor-related costs	6.1	5.9	6.1	5.4	5.2	5.6	5.6	4.0	2.3	3.5	1.7	1.1	1.9	0.9	1.2
Spin-off exploration costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.6
Debt related costs	18.6	0.6	0.2	0.1	61.6	0.1	0.1	19.7	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Stock-based compensation expense and related employer-paid payroll taxes	0.0	0.0	0.0	0.0	0.0	0.1	0.2	5.5	7.7	7.5	8.9	11.1	11.5	13.2	21.9
Restructuring costs and other	1.7	0.4	0.6	0.2	0.4	0.8	0.3	1.5	0.5	1.9	1.6	1.6	0.2	(0.0)	2.2
Adjusted EBITDA	**$ 79.8**	**$ 82.7**	**$ 99.3**	**$ 100.1**	**$ 95.1**	**$ 94.1**	**$ 106.5**	**$ 111.9**	**$ 104.8**	**$ 110.9**	**$ 115.0**	**$ 122.9**	**$ 110.9**	**$ 119.1**	**$ 132.7**
Adjusted EBITDA Margin	**46%**	**46%**	**52%**	**50%**	**48%**	**46%**	**50%**	**50%**	**49%**	**48%**	**47%**	**49%**	**45%**	**48%**	**51%**

Unlevered Free Cash Flow Reconciliation

($ in millions)	Three Months Ended 31-Dec 2019	Three Months Ended 31-Mar 2020	Three Months Ended 30-Jun 2020	Three Months Ended 30-Sep 2020	Trailing Twelve Months Ended 30-Sep 2020
Net cash provided by operating activities	**$83.1**	**$78.4**	**$105.7**	**$100.9**	**$368.1**
Capital expenditures (1)	(8.8)	(8.2)	(8.1)	(11.0)	(36.1)
Free cash flow	**$74.2**	**$70.1**	**$97.6**	**$90.0**	**$332.0**
Cash paid for interest and other debt related items	22.9	21.9	16.2	14.6	75.6
Cash paid for acquisition and other costs, spin-off exploration costs, restructuring costs, employer-paid payroll taxes on stock awards and other one time items	3.7	3.7	2.7	7.0	17.1
Unlevered free cash flow (excl. Forfeited Tax Shield)	**$100.8**	**$95.8**	**$116.5**	**$111.5**	**$424.7**
Forfeited tax shield related to interest payments (2)	(5.2)	(4.9)	(3.6)	(3.3)	(17.1)
Unlevered free cash flow	**$95.6**	**$90.9**	**$112.9**	**$108.2**	**$407.6**

(1) Includes purchases of property and equipment and purchases of intangible assets.
(2) The forfeited tax shield related to interest payments assumes a statutory rate of 22.5%.

Reconciliation of Non-GAAP Revenue on a Constant Currency Basis

	Three Months Ended,										
($ in millions)	31-Mar 2018	30-Jun 2018	30-Sep 2018	31-Dec 2018	31-Mar 2019	30-Jun 2019	30-Sep 2019	31-Dec 2019	31-Mar 2020	30-Jun 2020	30-Sep 2020
GAAP subscription revenue	$ 63.1	$ 65.2	$ 67.7	$ 69.6	$ 71.6	$ 78.8	$ 83.1	$ 87.3	$ 93.6	$ 95.8	$ 100.6
Impact of purchase accounting	0.6	0.3	0.2	0.1	-	1.8	2.2	1.9	1.5	0.6	0.3
Non-GAAP subscription revenue	**$63.7**	**$65.6**	**$67.9**	**$69.6**	**$71.6**	**$80.6**	**$85.3**	**$89.2**	**$95.1**	**$96.4**	**$100.9**
Estimated foreign currency impact (1)	(3.4)	(2.1)	0.6	1.0	2.6	1.9	1.5	0.9	0.9	1.2	(1.4)
Non-GAAP subscription revenue on a constant currency basis	**$60.3**	**$63.5**	**$68.5**	**$70.6**	**$74.2**	**$82.5**	**$86.9**	**$90.1**	**$96.1**	**$97.6**	**$99.5**
GAAP maintenance revenue	$ 97.0	$ 98.8	$ 101.8	$ 105.4	$ 106.3	$ 110.8	$ 113.8	$ 115.6	$ 116.3	$ 116.5	$ 121.1
Impact of purchase accounting	0.8	0.8	0.6	0.4	-	-	-	-	-	-	-
Non-GAAP maintenance revenue	**$97.8**	**$99.6**	**$102.4**	**$105.7**	**$106.3**	**$110.8**	**$113.8**	**$115.6**	**$116.3**	**$116.5**	**$121.1**
Estimated foreign currency impact (1)	(1.9)	(1.0)	0.1	0.5	1.5	1.1	0.7	0.5	0.6	0.4	(1.2)
Non-GAAP maintenance revenue on a constant currency basis	**$95.9**	**$98.6**	**$102.5**	**$106.2**	**$107.8**	**$111.9**	**$114.5**	**$116.1**	**$116.9**	**$116.9**	**$120.0**
GAAP license revenue	$ 36.9	$ 37.7	$ 43.7	$ 46.2	$ 37.9	$ 39.2	$ 43.6	$ 44.6	$ 37.0	$ 33.7	$ 39.3
Impact of purchase accounting	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP license revenue	**$36.9**	**$37.7**	**$43.7**	**$46.2**	**$37.9**	**$39.2**	**$43.6**	**$44.6**	**$37.0**	**$33.7**	**$39.3**
Estimated foreign currency impact (1)	(0.8)	(0.4)	0.2	0.3	0.6	0.5	0.3	0.2	0.2	0.2	(0.3)
Non-GAAP license revenue on a constant currency basis	**$36.1**	**$37.3**	**$43.9**	**$46.5**	**$38.5**	**$39.7**	**$43.9**	**$44.8**	**$37.2**	**$33.8**	**$39.0**
Total GAAP revenue	$ 196.9	$ 201.7	$ 213.3	$ 221.2	$ 215.8	$ 228.7	$ 240.5	$ 247.5	$ 247.0	$ 246.0	$ 261.0
Impact of purchase accounting	1.5	1.1	0.7	0.4	-	1.8	2.2	1.9	1.5	0.6	0.3
Non-GAAP total revenue	**$198.4**	**$202.8**	**$214.0**	**$221.6**	**$215.8**	**$230.6**	**$242.7**	**$249.4**	**$248.5**	**$246.6**	**$261.3**
Estimated foreign currency impact (1)	(6.1)	(3.5)	0.9	1.8	4.7	3.5	2.6	1.6	1.7	1.8	(2.8)
Non-GAAP total revenue on a constant currency basis	**$192.3**	**$199.3**	**$214.9**	**$223.4**	**$220.5**	**$234.1**	**$245.3**	**$251.0**	**$250.2**	**$248.4**	**$258.5**

(1) The estimated foreign currency impact is calculated using the average foreign exchange rates in the comparable prior year monthly periods and applying those rates to the foreign-denominated revenue in the corresponding current monthly periods.

Reconciliation of Core IT Management and MSP GAAP Revenue to Non-GAAP Revenue on a Constant Currency Basis

	Three Months Ended,			Nine Months Ended,		
($ in millions, except for percentages)	30-Sep 2020	30-Sep 2019	Growth Rate	30-Sep 2020	30-Sep 2019	Growth Rate
GAAP total revenue - Core IT Management	$ 184.8	$ 173.4	7%	$ 531.2	$ 491.1	8%
Impact of purchase accounting	0.3	2.2		2.4	4.0	
Non-GAAP total revenue - Core IT Management	**$185.1**	**$175.6**	5%	**$533.6**	**$495.1**	8%
Estimated foreign currency impact [1]	(1.5)	-		(0.1)	-	
Non-GAAP total revenue on a constant currency basis - Core IT Management	**$183.6**	**$175.6**	**5%**	**$533.5**	**$495.1**	**8%**
GAAP total revenue - MSP	$ 76.2	$ 67.1	14%	$ 222.7	$ 194.0	15%
Impact of purchase accounting	-	-		-	-	
Non-GAAP total revenue - MSP	**$76.2**	**$67.1**	14%	**$222.7**	**$194.0**	15%
Estimated foreign currency impact [1]	(1.3)	-		0.9	-	
Non-GAAP total revenue on a constant currency basis - MSP	**$74.9**	**$67.1**	**12%**	**$223.6**	**$194.0**	**15%**

(1) The estimated foreign currency impact is calculated using the average foreign exchange rates in the comparable prior year monthly periods and applying those rates to the foreign-denominated revenue in the corresponding current monthly periods.