SOLARWINDS

# SolarWinds Investor Presentation

First Quarter 2024

May 2, 2024

# Safe Harbor and Other Information

## 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, our market opportunities, our evolution to a subscription-first mentality, the SolarWinds Platform, our product development in 2024 and beyond, expectations regarding customer retention, revenue growth and market expansion, and the impact of the global economic and geopolitical environment on our business.

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,” “project,” “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) risks related to the Cyber Incident, including with respect to (1) litigation and investigation risks related to the Cyber Incident, including as a result of the pending civil complaint filed by the Securities and Exchange Commission against us and our Chief Information Security Officer, including that we may incur significant costs in defending ourselves and may be unsuccessful in doing so, resulting in exposure to potential penalties, judgements, fines, settlement-related costs and other costs and liabilities related thereto, (2) numerous financial, legal, reputational and other risks to us related to the Cyber Incident, including risks that the incident, SolarWinds’ response thereto or litigation related to the Cyber Incident may result in the loss of business as a result of termination or non-renewal of agreements, or reduced purchases or upgrades of our products, reputational damage adversely affecting customer, partner, and vendor relationships and investor confidence, increased attrition of personnel and distraction of key and other personnel, indemnity obligations, damages for contractual breach, penalties for violation of applicable laws or regulations, significant costs for remediation, and the incurrence of other liabilities and risks related to the impact of any such costs and liabilities, and (3) the possibility that our steps to secure our internal environment, improve our product development environment, and ensure the security and integrity of the software that we deliver to our customers may not be successful or sufficient to protect against future threat actors or attacks, or be perceived by existing and prospective customers as sufficient to address the harm caused by the Cyber Incident; (b) other risks related to cybersecurity, including that we may experience other security incidents or have vulnerabilities in our systems and services exploited, whether through the actions or inactions of our employees, our customers, insider threats or otherwise, which may result in compromises or breaches of our and our customers’ systems or, theft or misappropriation of our and our customers’ confidential, proprietary or personal information, as well as exposure to legal and other liabilities, including the related risk of higher customer, employee and partner attrition and the loss of key personnel, as well as negative impacts to our sales, renewals and upgrades; (c) risks related to the evolving breadth of our sales motion and challenges, investments and additional costs associated with increased selling efforts toward enterprise customers and adopting a subscription first approach; (d) risks relating to increased investments in, and the timing and success of, our ongoing transformation from monitoring to observability; (e) risks related to any shifts in our revenue mix and the timing of how we recognize revenue as we transition to subscription; (f) risks related to using artificial intelligence (“AI”) in our business and our solutions, including risks related to evolving regulation of AI, machine learning and the receipt, collection, storage, processing and transfer of data as well as the threat of cyberattacks created through AI or leveraging AI; (g) potential foreign exchange gains and losses related to expenses and sales denominated in currencies other than the functional currency of an associated entity; (h) any of the following factors either generally or as a result of the impacts of global macroeconomic conditions, including the wars in Israel and Ukraine, geopolitical tensions involving China, disruptions in the global supply chain and energy markets, inflation, uncertainty over liquidity concerns in the broader financial services industry, foreign currency exchange rates and the effects of the global COVID pandemic or other public health crises 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: (1) reductions in information technology spending or delays in purchasing decisions by our customers, their end-customers and our prospective customers, (2) the inability to sell products to new customers or to sell additional products or upgrades to our existing customers or to convert our maintenance customers to subscription products, (3) any decline in our renewal or net retention rates or any delay or loss of U.S. government sales, (4) 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, (5) the timing and adoption of new products, product upgrades or pricing model changes by us or our competitors, (6) changes in interest rates, (7) risks associated with our international operations and any international expansion efforts and (8) ongoing sanctions and export controls; (i) the possibility that our operating income could fluctuate and may decline as percentage of revenue as we make further expenditures to expand our infrastructure, product offerings and sales motion in order to support additional growth in our business; (j) our ability to compete effectively in the markets we serve and the risks of increased competition as we enter new markets; (k) our ability to attract, retain and motivate employees; (l) any violation of legal and regulatory requirements or any misconduct by our employees or partners; (m) risks associated with increased efforts and costs to comply with ongoing changes in applicable laws and regulations; (n) our inability to successfully identify, complete, and integrate acquisitions and manage our growth effectively; (o) risks associated with our status as a controlled company; and (p) 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 year ended December 31, 2023 filed on February 16, 2024, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 that SolarWinds anticipates filing on or before May 10, 2024. All information provided in this 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: adjusted EBITDA, adjusted EBITDA margin, and unlevered free cash flow. 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.

# Definitions

**Adjusted EBITDA and Adjusted EBITDA Margin.** We define adjusted EBITDA as net income or loss, excluding the impact of 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, Cyber Incident costs, net, goodwill and indefinite-lived intangible asset impairment, 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 total revenue.

**Unlevered Free Cash Flow (uFCF).** 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, Cyber Incident costs, net, 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.

**Subscription Annual Recurring Revenue (Subscription ARR).** Subscription ARR represents the annualized recurring value of all active subscription contracts at the end of a reporting period.

**Total Annual Recurring Revenue (Total ARR).** Total ARR represents the sum of Subscription ARR and the annualized value of all maintenance contracts related to perpetual licenses active at the end of a reporting period assuming those contracts are renewed at their existing terms.

**Maintenance Renewal Rate.** Maintenance renewal rate represents sales of maintenance services for all existing maintenance contracts expiring in a period, divided by the sum of previous sales of maintenance services corresponding to those services expiring in the current period. Customers who transition from maintenance contracts to subscription offerings are excluded from both the numerator and denominator of the calculation. Sales of maintenance services include sales of maintenance renewals for a previously purchased product and the amount allocated to maintenance revenue from a license purchase.

**Non-GAAP Net Income (Loss) Per Diluted Share.** We define non-GAAP net income (loss) per diluted share as non-GAAP net income (loss) divided by the weighted average outstanding diluted common shares. Non-GAAP net income (loss) is calculated as net income (loss) excluding amortization of acquired intangible assets, stock-based compensation expense and related employer-paid payroll taxes, acquisition and other costs, restructuring costs, and Cyber Incident costs, net, goodwill and indefinite-lived intangible asset impairment, losses on extinguishment of debt, certain other non-operating gains and losses, and the income tax effect of the non-GAAP exclusions.

# Transformation Across Organizations of All Sizes Requires New Solutions

## Business Transformation Is Accelerating

- Complexity, security, and productivity challenges abound
- Hybrid work is here to stay
- IT budgets and resource constraints remain

## Creating New Customer Needs

- Modernization of operations, apps, and databases
- Multi-cloud deployments
- Flexible consumption models
- Hybrid visibility of cloud and self-hosted deployments, accelerating issue detection and remediation with AIOps for improved productivity

# **Our mission** is to help customers accelerate business transformation

through simple, powerful, secure solutions designed for multi-cloud environments.

# Our Approach

Simple. Powerful. Secure.

**NODES**

- Applications
- Databases
- Networks
- Infrastructure
- Users
- Things

**INPUTS AND SIGNALS**

- Logs
- Traces
- Metrics
- Behaviors
- Events

**SOLARWINDS PLATFORM**

SolarWinds Platform

- ✓ SaaS, hybrid-, and multi-cloud observability
- ✓ Database performance management
- ✓ Service management
- ✓ Security and tools

SECURE BY DESIGN

**OUTPUTS**

- Visualizations
- Intelligent alerts
- Reduced noise
- Connected insights
- Smart incident response

**VALUE PROPOSITION**

- Accelerate detection
- Accelerate remediation
- Increase uptime and operational resiliency
- Streamline support management
- Enable preemptive maintenance
- Increase automation
- Reduce costs
- Increase productivity

**SOLARWINDS CUSTOMERS**

- DevOps teams
- CIO/CXO/VP
- Platform engineering
- IT Ops
- SecOps
- Database admins

Note: Represents SolarWinds goals for product development for the remainder of 2024 and is subject to change. Product development goals represent forward-looking statements.

# Our Goal: Evolution to the SolarWinds Platform

Intelligent Diagnostics

Business Insights

Smart Automation

| Digital User Experience | Networks and Infrastructure | Application Performance | Security Compliance | Database Performance | Cloud Services |
|---|---|---|---|---|---|

## SOLARWINDS PLATFORM

Secure by Design • Cloud-Native • Powered by AIOps and Machine Learning • Flexible APIs and OpenTelemetry

Monitoring → Observability → Automated Ops

Logs • Traces • Metrics • Queries • Events

Users

Networks and Infrastructure

Apps and Cloud Services

Private/Public/Multi-Cloud

Hybrid Cloud

Databases

AI-powered capabilities designed to increase customer productivity by reducing:

- Time to **value**
- Time to **detect**
- Time to **remediate**

# Target Strong Growth and Margin Expansion

Our goal: retain the best of what made us a compelling company; evolve with customer needs; GROW predictably and profitably

## 2023

**Portfolio:**

- SaaS observability with AIOps for applications, networks, infrastructure, and databases
- Hybrid Cloud Observability
- Database extensions
- Advanced services
- Evolving Secure by Design

**GTM**:

- Grow channel partnerships
- Customer Success expansion (LAER)
- Further hone customer segmentation to capture market share
- Community expansion

**Financial Goals:**

- Margin expansion
- Diversified growth
- Subscription recurring revenue acceleration

## 2024

**Portfolio:**

- Accelerate SolarWinds Platform
- Hybrid Visibility
- Evolving AIOps and AI virtual agent
- Evolving Secure by Design

**GTM**:

- Accelerate and scale with partners, GSIs, and cloud service partners
- Amplify Velocity motion
- Continue product-led growth (PLG)
- Hone digital sales and E-commerce

**Financial Goals:**

- Margin expansion
- Operating leverage
- Subscription recurring revenue growth
- Customer retention across product lines
- < 3X net leverage

## 2025+

**Portfolio:**

- Continue SolarWinds Platform growth with third-party ecosystem extensions
- Observe, visualize, automate, and remediate hybrid- and multi-cloud environments
- Vertical-specific solutions to further differentiate
- Evolving Secure by Design

**GTM**:

- Accelerate product-led growth (PLG)
- Further grow digital sales and E-commerce
- Continue nurturing motions with a focus on outbound acceleration

**Financial Goals:**

- $1B of ARR and mid-40s margins
- > 90% recurring revenue

Note: 2024 and 2025+ represent our product portfolio development goals and are subject to change. Product portfolio development goals represent forward-looking statements.

# SolarWinds at a Glance

First quarter 2024 financial highlights

**$193M**
Total Quarterly Revenue
(vs. Q1 Outlook Midpoint of $189.5M)

**$708M**
Total TTM Recurring Revenue

**1,021**
Customers With $100K+ Total ARR

**$92M**
Quarterly Adjusted EBITDA
(vs. Q1 Outlook Midpoint of $83M)

**$251M**
Subscription Annual Recurring Revenue (ARR)

**97%**
TTM Maintenance Renewal Rate

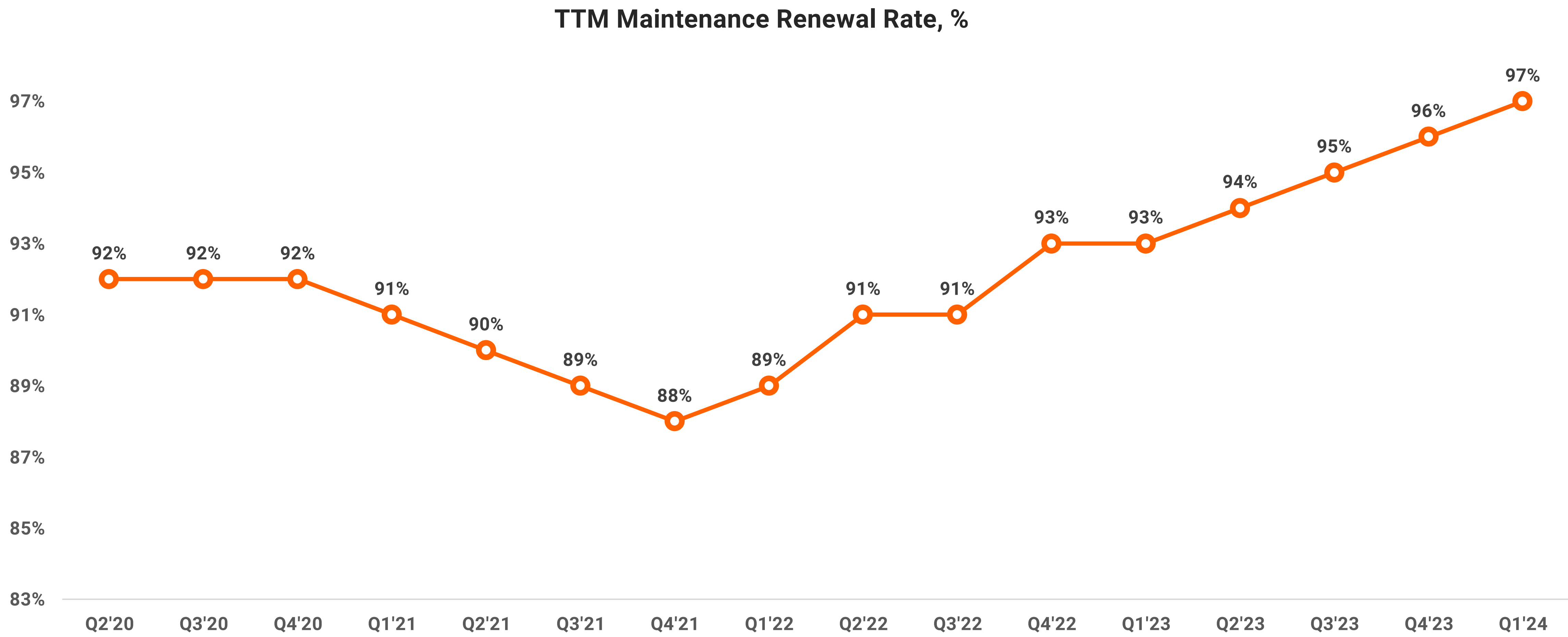
**48%**
Quarterly Adjusted EBITDA Margin

**36%**
Subscription Annual Recurring Revenue (ARR) Growth

**$57M**
Year-to-Date Unlevered Free Cash Flow

Note: All amounts, including trailing 12-month ("TTM") and YTD amounts, are through Q1'24.
Includes non-GAAP financial measures. Please refer to non-GAAP reconciliation provided in the appendix for equivalent GAAP measure.

# Strong Customer Retention Rates

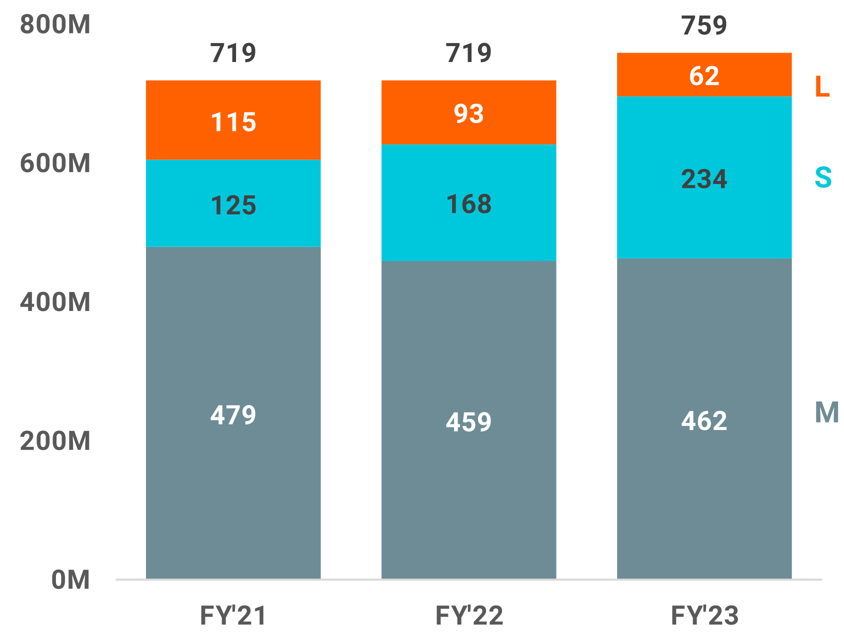



Note: All amounts represent trailing 12-month ("TTM") through the applicable period.

# Full Year and Quarterly Revenue

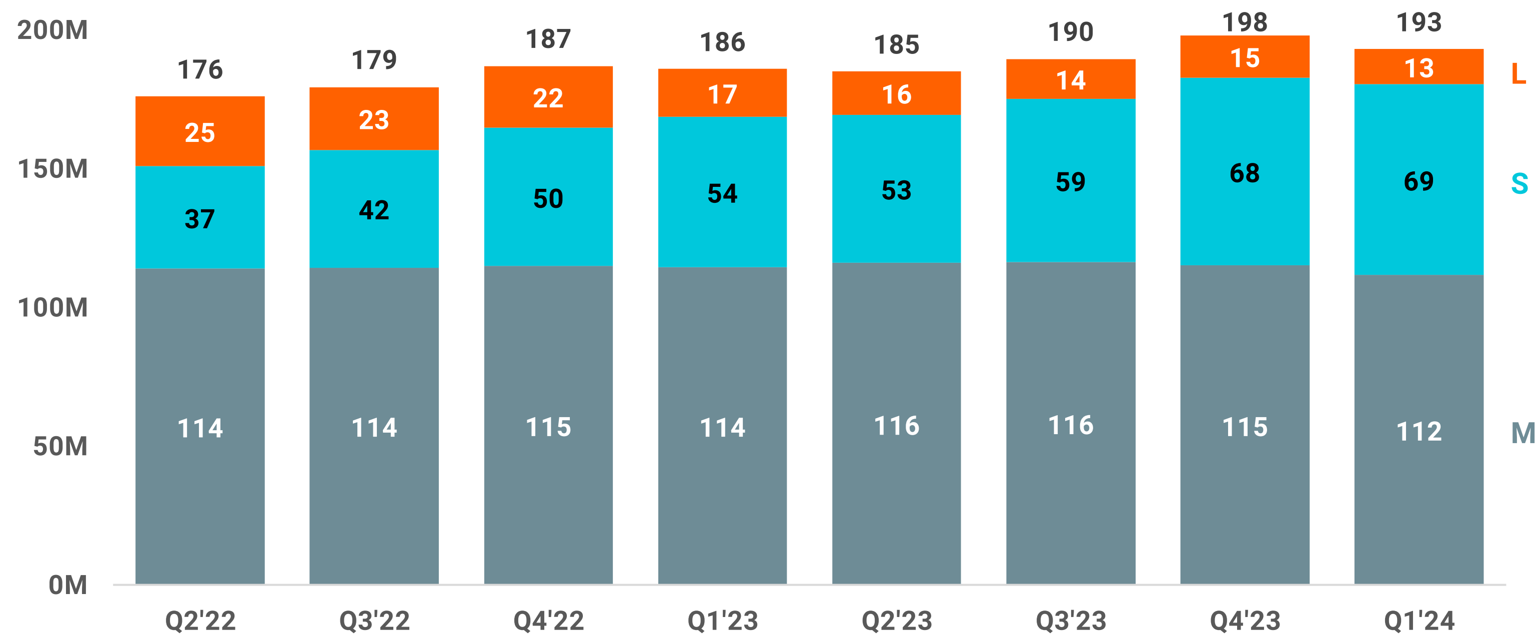
Consistent revenue growth

### Revenue, ($)




| Total YoY growth | 0.3% | 0.1% | 5.5% |
|---|---|---|---|

### Revenue, ($)



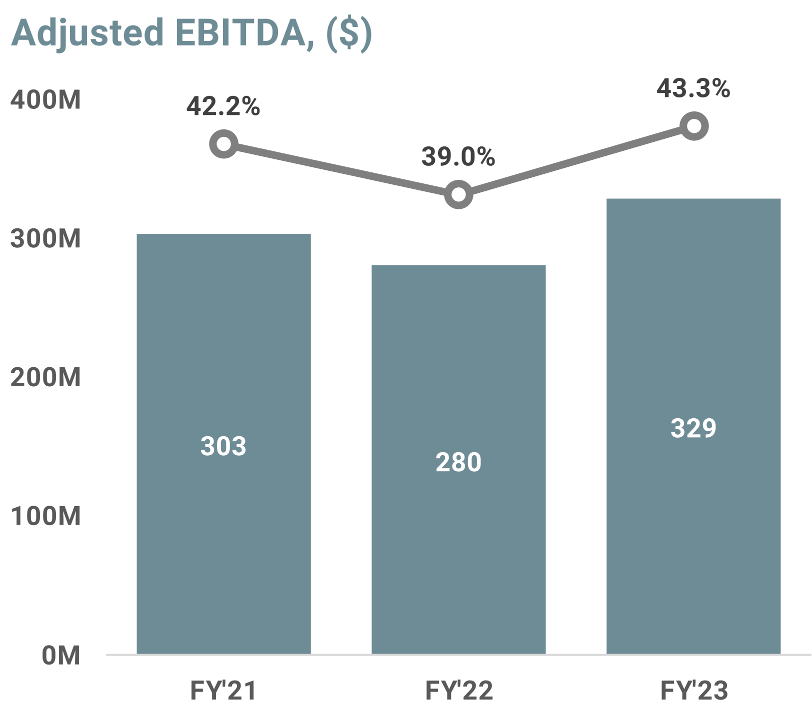

| Total YoY growth | (0.4%) | (1.0%) | 0.2% | 5.1% | 5.1% | 5.7% | 5.9% | 3.9% |
|---|---|---|---|---|---|---|---|---|

Maintenance Subscription License

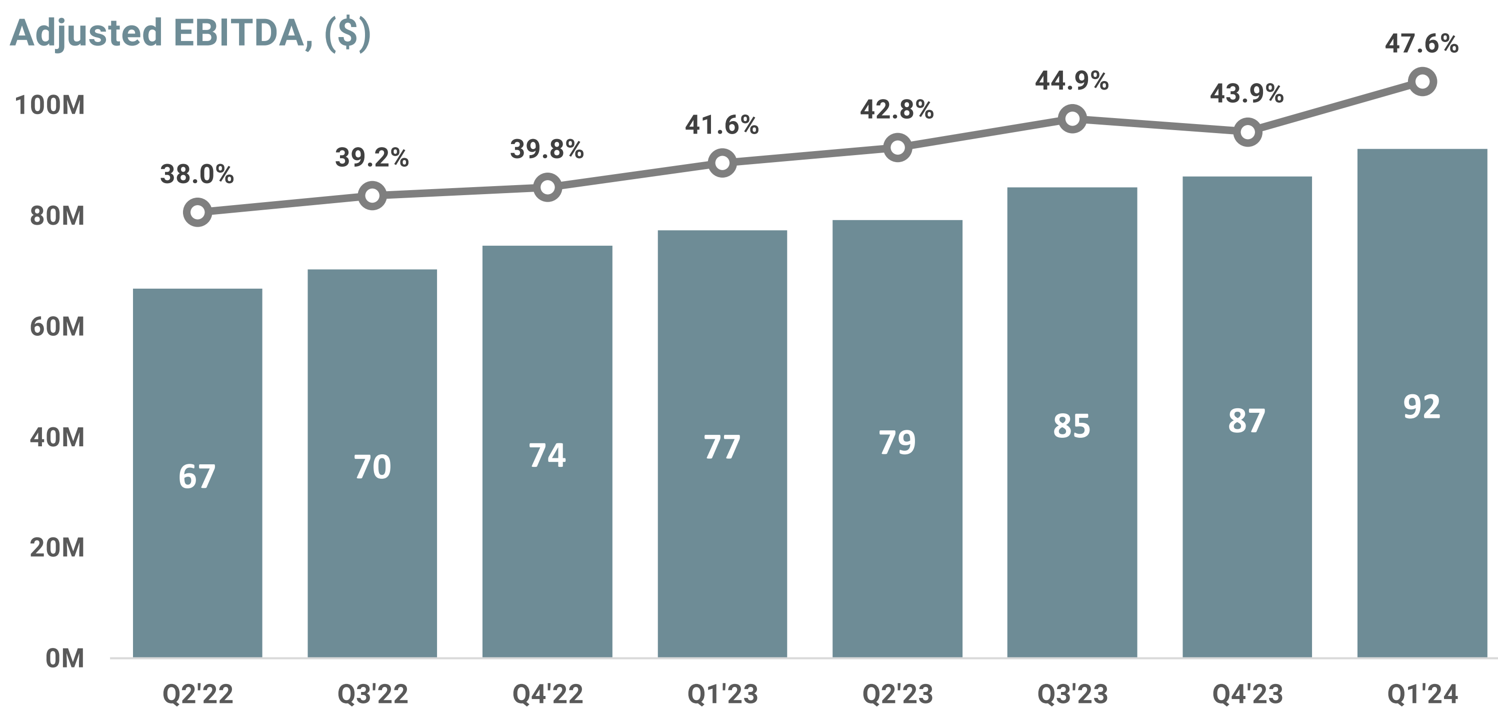
Note: L – License, S – Subscription, M – Maintenance
Totals may not sum due to rounding.

# Full Year and Quarterly Adjusted EBITDA

## High Operating Leverage




| | | | |
|---|---|---|---|
| Total YoY growth | (14.2%) | (7.5%) | 17.2% |




| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Total YoY growth | (12.9%) | (6.6%) | (4.9%) | 12.5% | 18.4% | 21.0% | 16.8% | 19.0% |

Adjusted EBITDA Margin

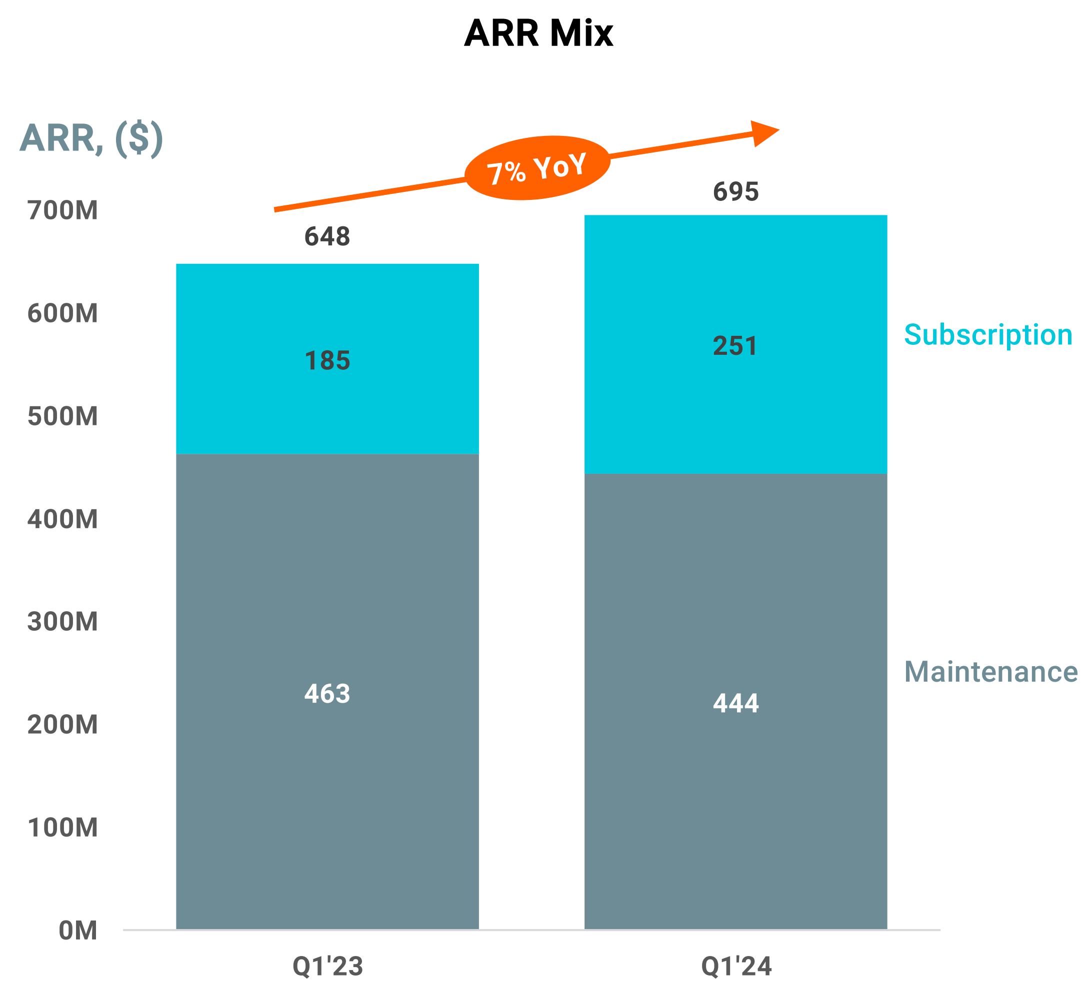
Note: Includes non-GAAP financial figures. Please refer to non-GAAP reconciliation provided in the appendix for equivalent GAAP values.

# First Quarter 2024 Business Highlights

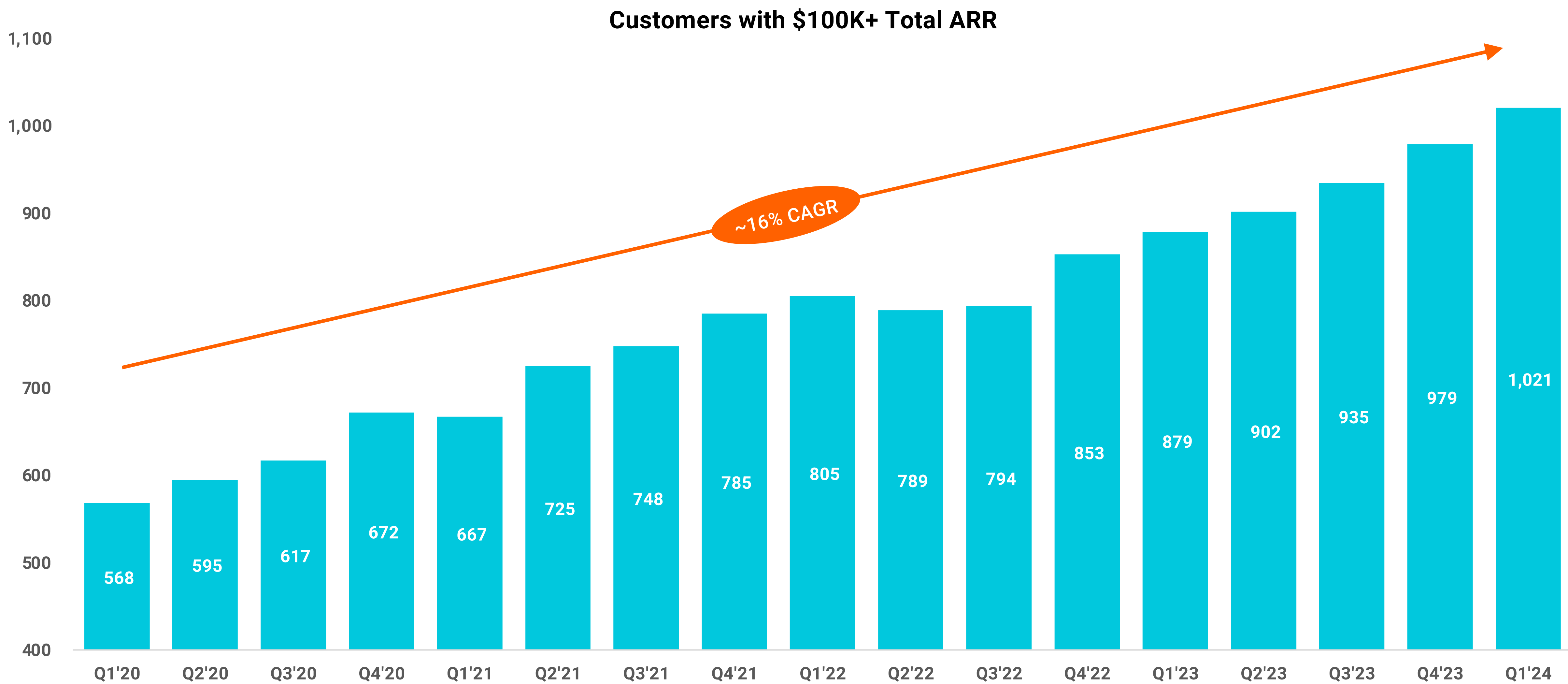
- Total revenue in the first quarter of **$193 million, above the high end of the revenue outlook range** provided of **$187 to $192 million.**
  - Representing **4% total revenue growth** year-over-year, with total recurring revenue representing **93%** of our total revenue.
  - **Subscription revenue growth of 26%** year-over-year.
  - The trailing 12-month maintenance renewal rate was **97%.**
- Adjusted EBITDA grew **19%** year-over-year to **$92 million**, representing a margin of **48%**. Increasing margin expansion along with double-digit adjusted EBITDA growth reflects our commitment to expense and operating discipline.
- Total ARR of **$695 million**, up **7% year-over-year**, and subscription ARR of **$251 million**, which is an increase of **36%** year-over-year.
- Announced AI-powered enhancements to our SaaS-delivered and self-hosted, on-premises observability solutions built to enable teams to manage on-premises, cloud-native or hybrid ecosystems with full-stack visibility across networks, infrastructure, databases, applications, user experiences, and security.
- Kicked off our series of Transform Partner Summits, emphasizing the company's commitment to its partners and introducing its latest initiatives, programs, and incentives designed to create greater opportunities for shared growth between the company and its valued global channel partners.
- Became the first software provider to publish Cybersecurity and Infrastructure Security Agency (CISA) Secure Software Development self-attestation in alignment with U.S. government requirements of all software providers.
- Announced a special cash dividend of $1.00 per share, returning significant capital to stockholders while continuing to grow the business.

# First Quarter 2024 ARR Highlights

- Ended the first quarter with Total ARR of **$695M**, a **7%** increase year-over-year
- Continue to accelerate the shift to subscription, consistent with how our customers want to consume our products – we have **93%** of our total revenue as recurring revenue
- Subscription ARR as of March 31 was **$251M**, a **36%** increase year-over-year
- The ongoing emphasis on driving subscription adoption and conversion to subscription across our business, expected to result in some variability of reported revenue, is key to our long-term strategy to achieve $1B in ARR at mid-40s adjusted EBITDA margins in the coming years
- The conversion from maintenance to subscription lays the foundation for even more predictable revenue, and we believe the opportunity to expand our lifetime value with customers



# Continued Growth in Large Customer Relationships

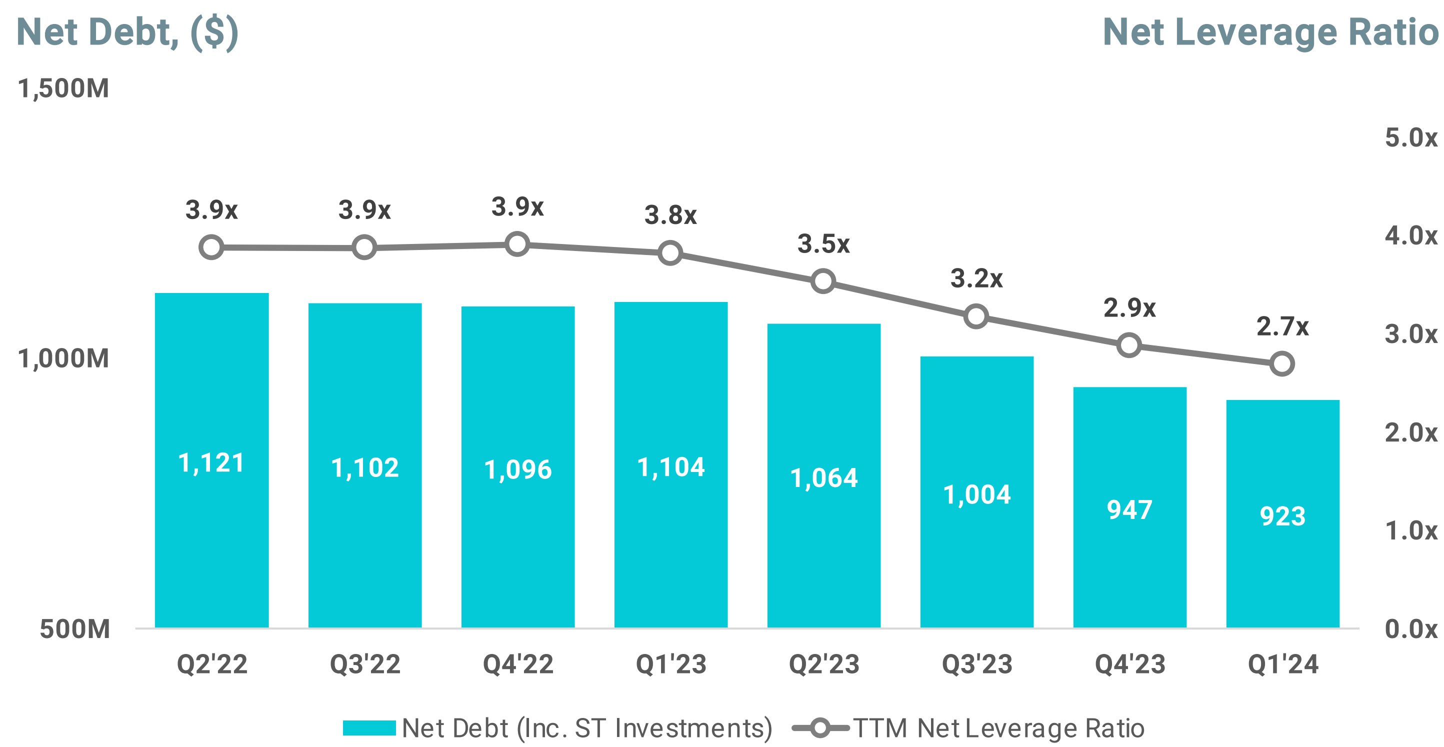



Note: Customers are defined as individuals or entities that have an active subscription for at least one of our subscription products or that have purchased one or more of our perpetual license products since our inception under a unique customer identification number. We may have multiple purchasers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

# Consistent Net Debt and Reduced Net Leverage Ratio

- Net leverage decreased to **2.7x at the end of Q1'24**, with continued improvement in operating leverage
- Cash, cash equivalents, and short-term investments at **$313M** at the end of Q1'24 brings our net debt to under **$1B**
- Unlevered free cash flow was **$57M** for YTD Q1'24
- In January 2024, we refinanced our term loan, **decreasing the interest rate by 50 basis points, from SOFR+3.75% to SOFR+3.25%**, taking advantage of the latest interest rate environment
- In April 2024, we paid a special dividend of **$1.00 per share** or **$168 million** in aggregate

**Net Debt and Trailing 12-Month Net Leverage Ratio**




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

# Second Quarter ‘24 and Full Year ‘24 Financial Outlook

| | | Q2’2024 | FY’2024 |
|---|---|---|---|
| Revenue | Total Revenue \| Midpoint Growth | $186M – $191M \| 2% YoY | $771M – $786M \| 3% YoY |
| Profit | Adjusted EBITDA \| Midpoint Growth | $85M – $88M \| 9% YoY | $360M – $370M \| 11% YoY |
| | Non-GAAP Diluted EPS | $0.21 – $0.23 | $1.00 – $1.04 |
| Additional Items | Non-GAAP Tax Rate | 26% | 26% |
| | Weighted Average Shares Outstanding | 171.6M (Est.) | 173.4M (Est.) |

Note: All values other than revenue shown represent non-GAAP financial figures. Includes forward-looking statements. See “Forward-Looking Statements” in slide 2.
Our full year and second quarter guidance assumes a Euro to USD exchange rate of $1.05.

# Key Takeaways

**$766M**
Total Revenue LTM Q1'24

**48%**
Adjusted EBITDA Margin Q1'24

**26%**
Q1'24 YoY Subscription Growth

**97%**
TTM Q1'24 Maintenance Renewal Rate

**1,021**
Customers with $100K+ Total ARR, 16% 4-year CAGR

Diversified customer base across size and industries

**$168M**
Dividend paid to stockholders in April '24

Targeted expansion – building relationships with enterprise customers and channel partners

In January 2024, refinanced term loan and decreased interest rate margins by 50 basis points

Focus on operating leverage and expense discipline

First software vendor to align with CISA's new Secure Software Development Guidance released in March '24

Won the 2023 Cloud Security Award for Best Security Infrastructure in Enterprise

Note: All amounts, including last 12-month ("LTM") and trailing 12-month ("TTM") amounts, are through Q1'24.
Includes non-GAAP financial measures. Please refer to non-GAAP reconciliation provided in the appendix for equivalent GAAP measure.

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# Appendix

Reconciliation of Non-GAAP Financial Measures

# Quarterly Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

| ($ in millions, except margin data) | Three Months Ended | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 30-Jun-21 | 30-Sep-21 | 31-Dec-21 | 31-Mar-22 | 30-Jun-22 | 30-Sep-22 | 31-Dec-22 | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 | 31-Dec-23 | 31-Mar-24 |
| **Net income (loss)** | **$(21.9)** | **$1.1** | **$(21.9)** | **$(4.7)** | **$(622.1)** | **$(292.2)** | **$(10.4)** | **$(5.6)** | **$0.3** | **$(3.2)** | **$(0.6)** | **$15.6** |
| Amortization and depreciation | 57.7 | 57.4 | 56.8 | 33.9 | 20.1 | 20.0 | 20.9 | 20.9 | 20.0 | 19.7 | 19.4 | 19.0 |
| Income tax expense (benefit) | (2.1) | (19.3) | (6.1) | (0.2) | 7.9 | 4.1 | 9.5 | 12.8 | 3.0 | 12.3 | 15.2 | 4.6 |
| Interest expense, net | 16.2 | 15.9 | 16.3 | 16.1 | 18.4 | 23.2 | 25.7 | 28.6 | 29.4 | 29.3 | 28.5 | 26.8 |
| Impact of purchase accounting on total revenue | 0.1 | - | - | - | - | - | - | - | - | - | - | - |
| Unrealized foreign currency (gains) losses | 0.3 | (0.4) | - | 0.3 | (0.7) | (0.5) | 2.4 | 0.2 | (0.1) | (0.7) | 0.6 | (0.2) |
| Acquisition and other costs | 0.2 | 0.2 | 0.3 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 1.8 | 0.7 | 0.5 |
| Debt related costs | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 2.0 | 3.7 | 0.1 | 0.1 | 0.1 | 0.1 | 0.7 |
| Stock-based compensation expense and related employer-paid payroll taxes | 13.9 | 16.0 | 15.5 | 15.9 | 17.5 | 18.0 | 16.6 | 17.2 | 18.5 | 20.9 | 20.8 | 18.7 |
| Restructuring costs | 1.6 | 1.4 | 8.1 | 1.4 | - | - | 0.1 | 11.0 | 7.2 | 2.0 | - | 3.4 |
| Cyber Incident costs, net | 10.7 | 2.9 | 9.3 | 5.7 | 3.7 | 10.8 | 5.9 | (7.8) | 0.6 | 2.9 | 2.2 | 3.0 |
| Goodwill and indefinite-lived intangible asset impairment | - | - | - | - | 621.8 | 284.6 | - | - | - | - | - | - |
| **Adjusted EBITDA** | **$76.7** | **$75.3** | **$78.4** | **$68.8** | **$66.8** | **$70.3** | **$74.5** | **$77.4** | **$79.1** | **$85.1** | **$87.0** | **$92.1** |
| *Adjusted EBITDA margin* | *43.4%* | *41.5%* | *42.0%* | *38.9%* | *38.0%* | *39.2%* | *39.8%* | *41.6%* | *42.8%* | *44.9%* | *43.9%* | *47.6%* |

# Annual Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

| ($ in millions, except margin data) | Twelve Months Ended 31-Dec-20 | 31-Dec-21 | 31-Dec-22 | 31-Dec-23 |
|---|---|---|---|---|
| **Net income (loss)** | **$116.1** | **$(64.5)** | **$(929.4)** | **$(9.1)** |
| Amortization and depreciation | 221.4 | 230.1 | 95.0 | 80.0 |
| Income tax expense (benefit) | (140.2) | (32.5) | 21.4 | 43.2 |
| Interest expense, net | 75.9 | 64.5 | 83.4 | 115.8 |
| Impact of purchase accounting on total revenue | 2.5 | 0.1 | - | - |
| Unrealized foreign currency (gains) losses | 1.0 | (1.5) | 1.5 | - |
| Acquisition and other costs | 5.8 | 1.7 | 0.5 | 2.6 |
| Debt related costs | 0.4 | 0.4 | 5.9 | 0.4 |
| Stock-based compensation expense and related employer-paid payroll taxes | 64.7 | 59.9 | 68.0 | 77.4 |
| Restructuring costs | 2.3 | 11.8 | 1.5 | 20.2 |
| Cyber Incident costs, net | 3.5 | 33.1 | 26.2 | (2.1) |
| Goodwill and indefinite-lived intangible asset impairment | - | - | 906.4 | - |
| **Adjusted EBITDA** | **$353.4** | **$303.3** | **$280.4** | **$328.6** |
| *Adjusted EBITDA margin* | *49.1%* | *42.2%* | *39.0%* | *43.3%* |

# Unlevered Free Cash Flow Reconciliation

| ($ in millions) | Three Months Ended<br>31-Mar-24 |
|---|---|
| **Net cash provided by operating activities** | **$36.3** |
| Capital expenditures[1] | (4.8) |
| **Free cash flow** | **$31.5** |
| Cash paid for interest and other debt related items | 24.6 |
| Cash paid for acquisition and other costs, restructuring costs, cyber incident costs, employer-paid payroll taxes on stock awards and other one-time items | 7.5 |
| **Unlevered free cash flow (excl. Forfeited Tax Shield)** | **$63.6** |
| Forfeited tax shield related to interest payments[2] | (7.0) |
| **Unlevered free cash flow** | **$56.5** |

(1) Includes purchases of property and equipment, capitalized software development costs and purchases of intangible assets.
(2) The forfeited tax shield related to interest payments assumes a statutory rate of 26.0%.