



# Investor Presentation

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3Q 2020



# Safe Harbor Statement

Certain statements in this presentation and the accompanying oral presentation, if any, relate to future results that are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. This presentation contains statements involving risks and uncertainties, including, but not limited to, statements relating to Limelight Networks' market opportunity, solutions, services, and feature functionalities, revenues, gross profit, earnings, adjusted EBITDA, capital expenditures, free cash flow, the anticipated impact on our business and our customers' businesses of the COVID-19 pandemic and future business prospects. Actual results may differ materially, and reported results should not be considered as an indication of future performance. Factors that could cause actual results to differ are included in Limelight Networks' Annual Report on Form 10-K for the year ended December 31, 2019 and periodic reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020.

In addition, the statements in this presentation represent Limelight Networks' expectations as of today. We anticipate that subsequent events and developments may cause these expectations and beliefs to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing our expectations or beliefs as of any date subsequent to the date of this presentation.

In addition to Limelight Networks' GAAP financial information, this presentation includes certain non-GAAP financial measures. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in Limelight Networks' most recent Annual Report on Form 10-K on file with the Securities and Exchange Commission (the "SEC") and our other filings with the SEC, and not to rely on any single financial measure to evaluate our business.

This presentation also contains estimates and other statistical data made by independent parties and by Limelight Networks relating to market size and growth and other industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Limelight Networks has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of its future performance and the future performance of the markets in which it competes are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results or outcomes to differ materially from those expressed in the estimates made by the independent parties and by Limelight Networks.

# Limelight Management Team



**Robert Lento**  
Chief Executive Officer  
37 years of exp.



**Sajid Malhotra**  
Chief Strategy Officer  
35 years of exp.



**Dan Boncel**  
Chief Financial Officer  
23 years of exp.



**Michael DiSanto**  
Chief Administrative & Legal  
Officer & Secretary  
22 years of exp.



**Dan Carney**  
Senior VP, Operations  
29 years of exp.



**Thomas Marth**  
Senior VP, Sales  
35 years of exp.



**Christine Cross**  
Senior VP, CMO  
26 years of exp.



**Mike Palackdharry**  
Senior VP, Strategic Solutions  
35 years of exp.



**Kurt Silverman**  
Senior VP, Development &  
Delivery  
39 years of exp.

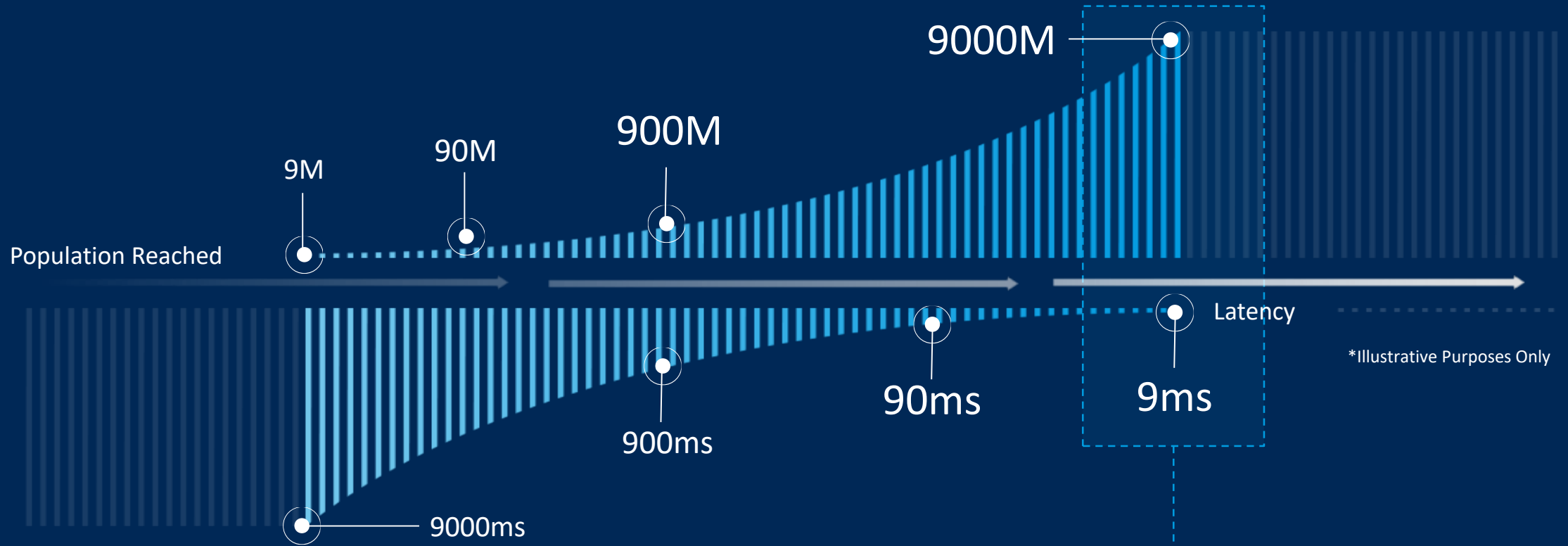


**Sandra Brisentine**  
VP, Human Resources  
35 years of exp.

316

years of  
collective  
experience

# From Millions in Seconds to Billions in Milliseconds



High Expectations for Quality Viewing Experiences



# Connecting Content to Consumers

## CDN

(Content Delivery Network)

A geographically distributed network of connected servers purpose built, to distribute content to end users



# Limelight By the Numbers<sup>1</sup>



- ⤴ **>95%** cache hit efficiency worldwide
- ⤴ Revenue of over **\$100K** per customer, per quarter
- ⤴ Over **1 billion** objects purged in less than one second
- ⤴ **Backbone 8x** the Earth's circumference

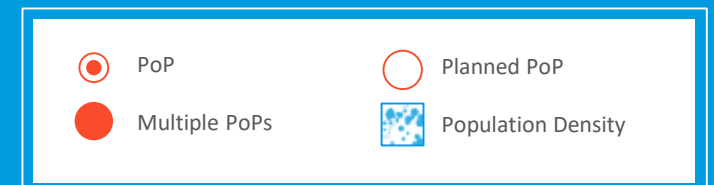
<sup>1</sup>As of June 30, 2020

# Limelight's Global Footprint: Coverage Growing with Demand

**70+ Tbps**  
Egress Capacity

**~120**  
Delivery Locations

**1000+ ISPs**  
Network Connections





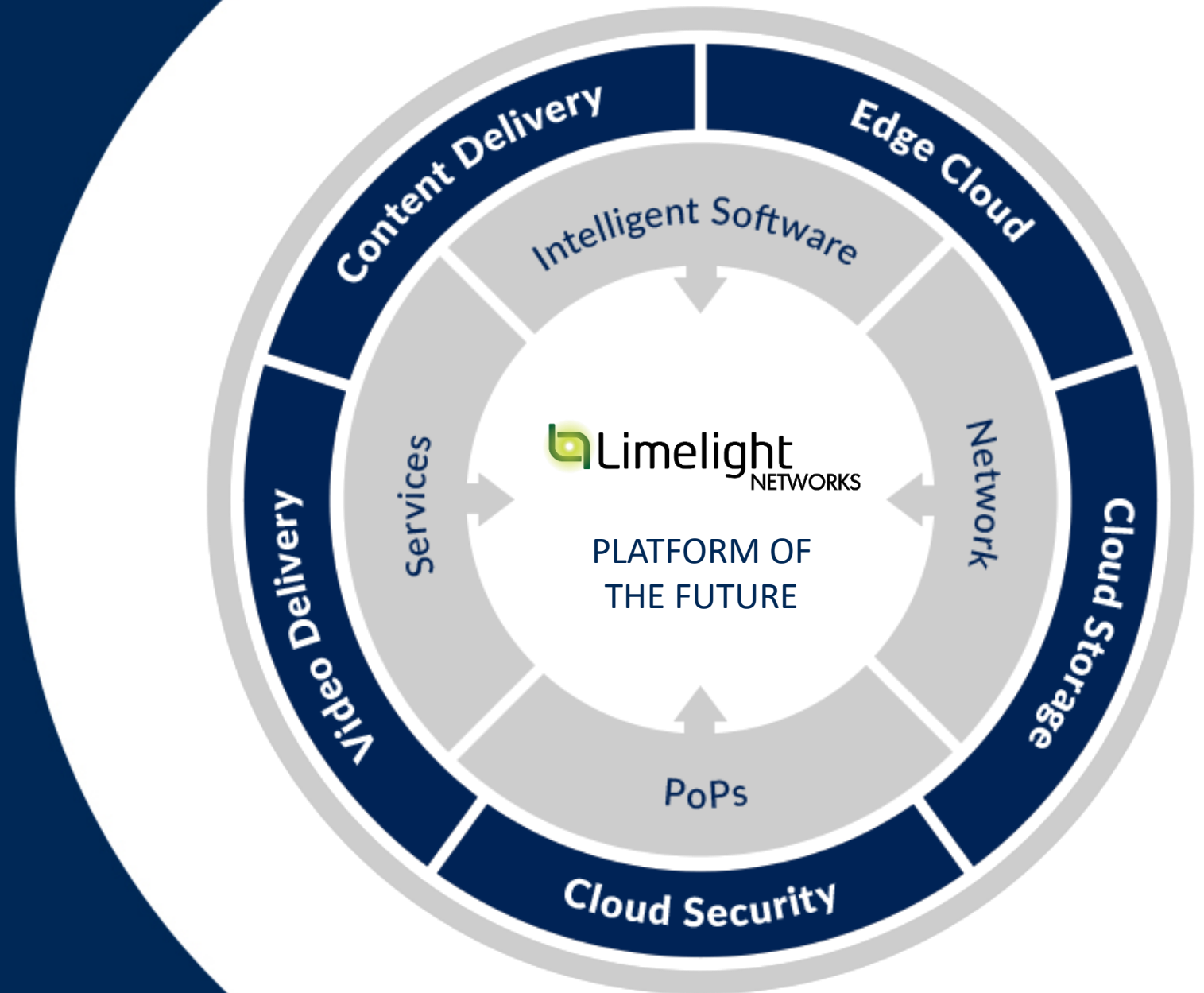
The  
**Foundation**  
of Our Network

## Strategically Located Points of Presence

- + Connectivity, storage, bandwidth, computing resources worldwide
- + Densely configured, high capacity servers
- + Global private network with local presence
- + Managed by proprietary intelligent software



Global Services  
combine private  
infrastructure,  
intelligent software,  
and expert support



# Why We Win



Working with Limelight, we're able to create and **deliver a broadcast quality experience low on buffering, low on start-up times, and high on picture quality.** Limelight is a key supplier in our strategy and a partner in our success.

We had a great Limelight team before, during and after the implementation.  
**It went so smoothly that we experienced not even a ripple; my boss didn't even know when we moved over.**



To improve our go-to learning app, we conducted extensive testing with multiple CDNs and **chose Limelight because it had the lowest buffer rate by far.**

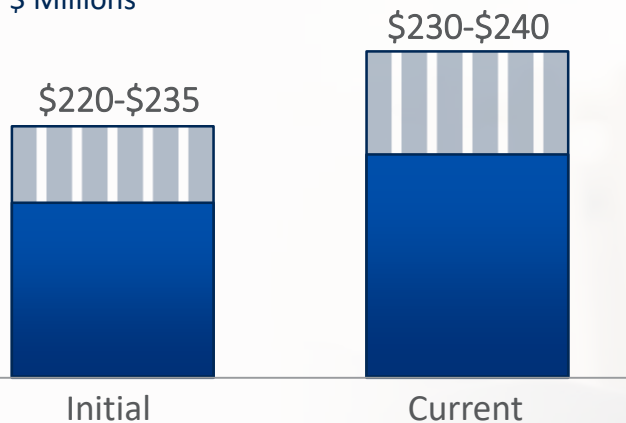
# Business as [un]usual

## COVID-19 Response/Developments

- + Activated Pandemic Response Plan
- + Adapted to Supply Chain and Operational Restrictions
- + Reached Out to Help ISPs Manage Traffic
- + 24x7 Support to Customers Worldwide
- + Financial Growth and Increased Guidance

### 2020 Revenue Guidance

\$ Millions



# Investment Highlights



Well positioned for future growth



Edge network built to reduce latency and deliver video



Customer-first business model



Profitable financial profile



Proven management team

# Use Cases: Present to Future

TODAY



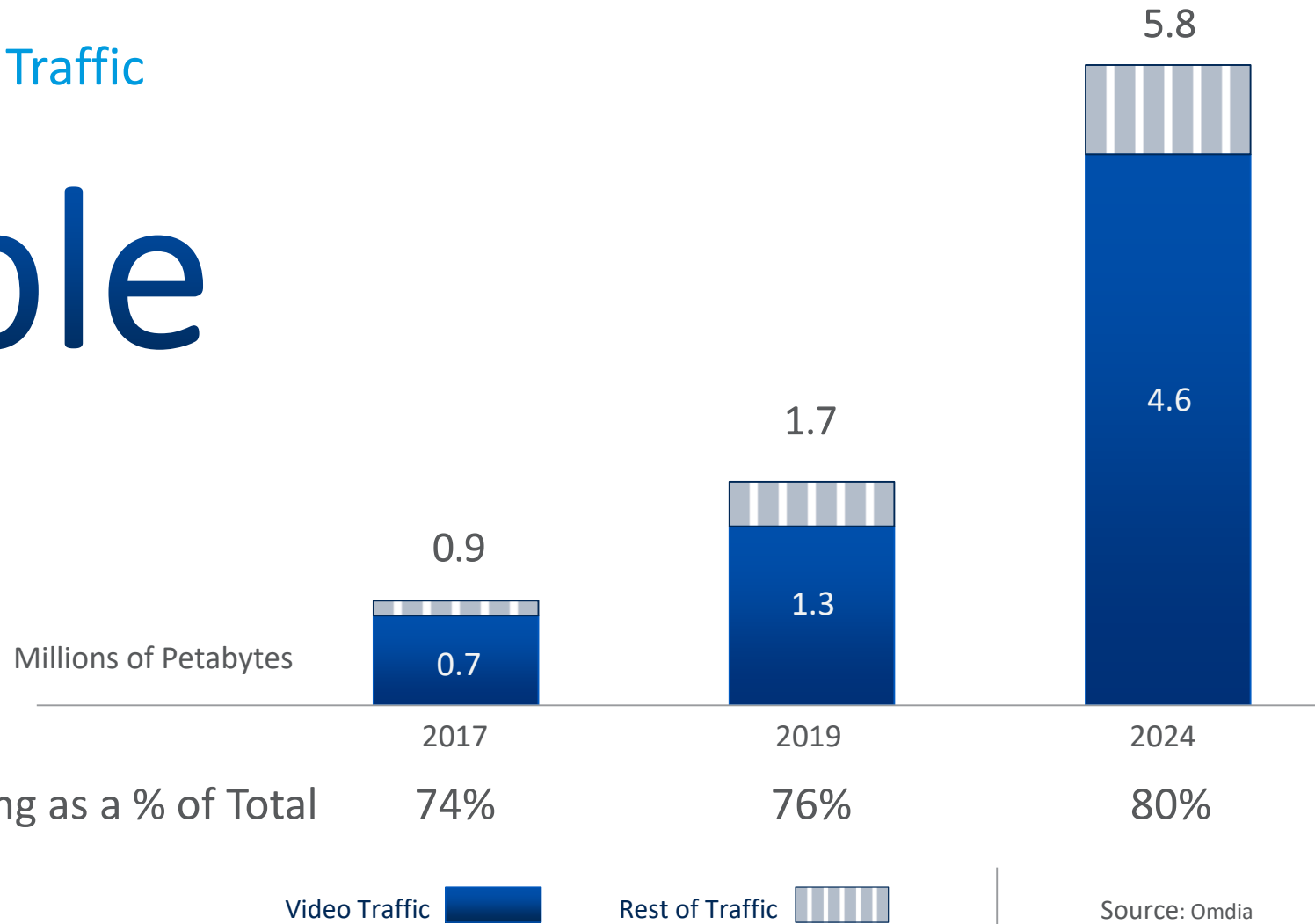
TOMORROW



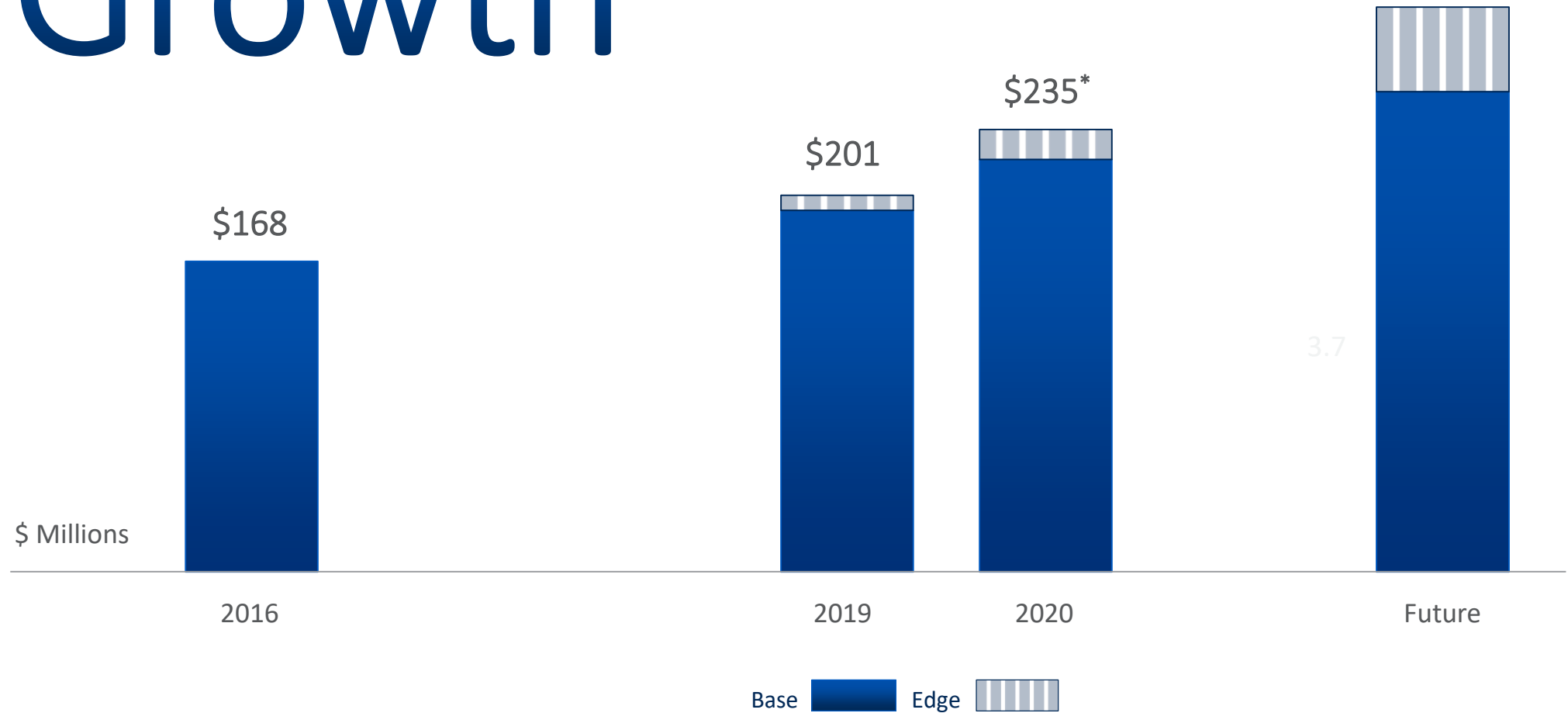
Global Video Traffic  
Expected To

# Triple

By 2024

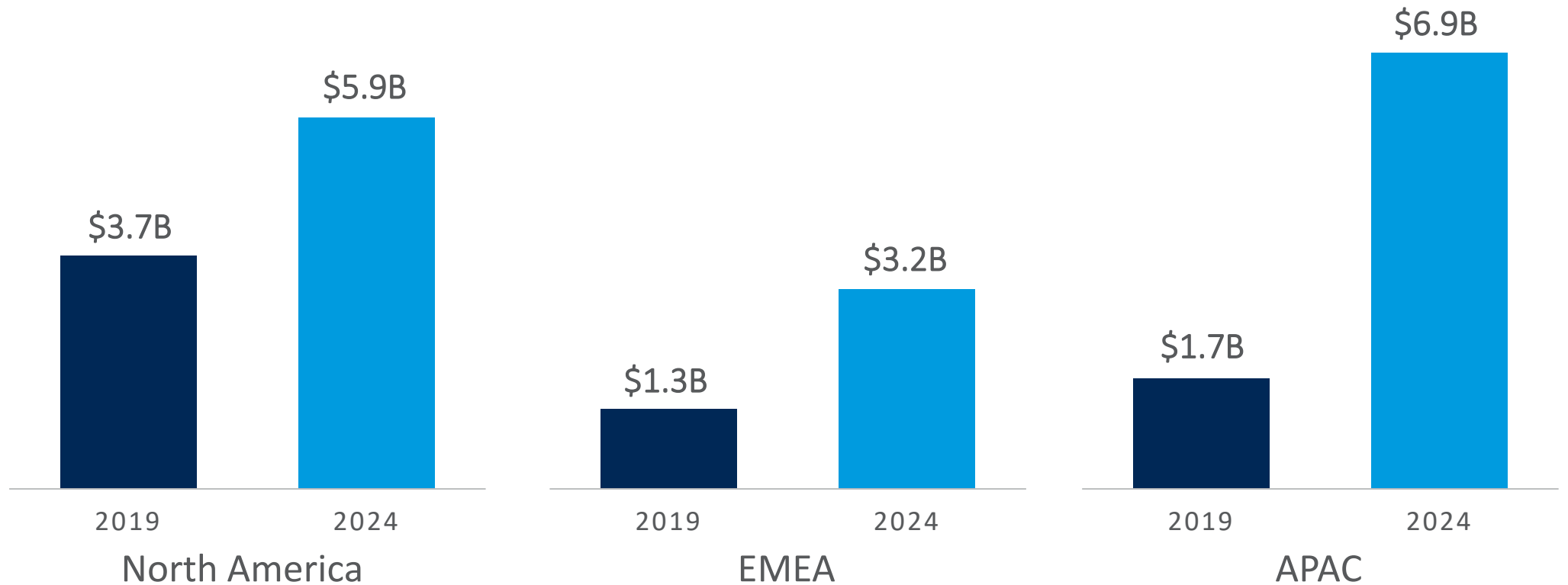


# Edge Accelerating Revenue Growth



# Rapidly Going Global

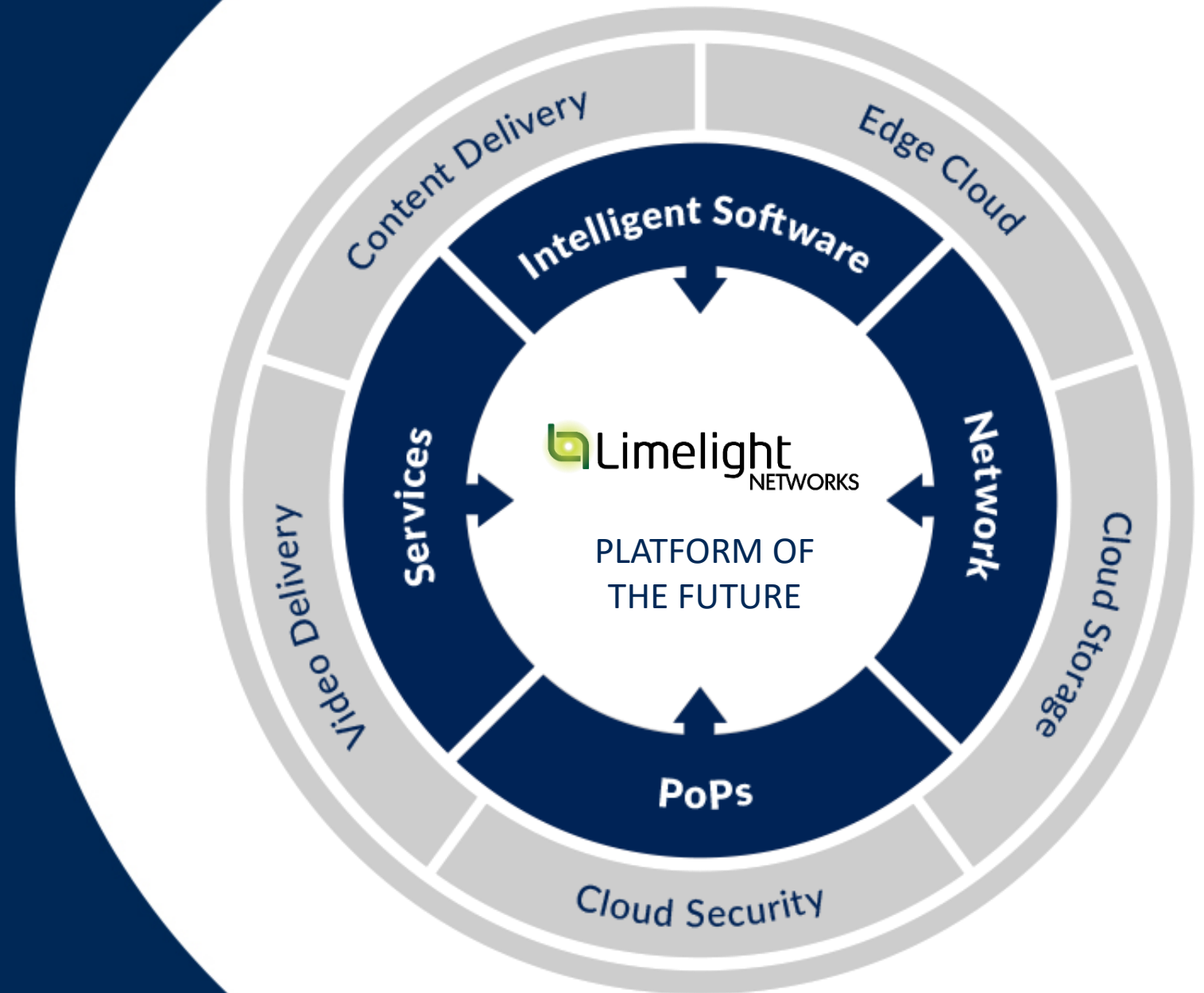
## Global CDN Revenue by Region



Source: IDC



Global Services  
meet current and  
future customer needs



# We Connect People to the World Around Them



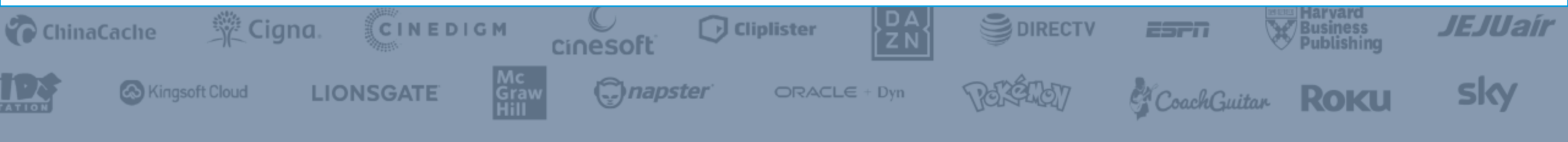
**FOX**



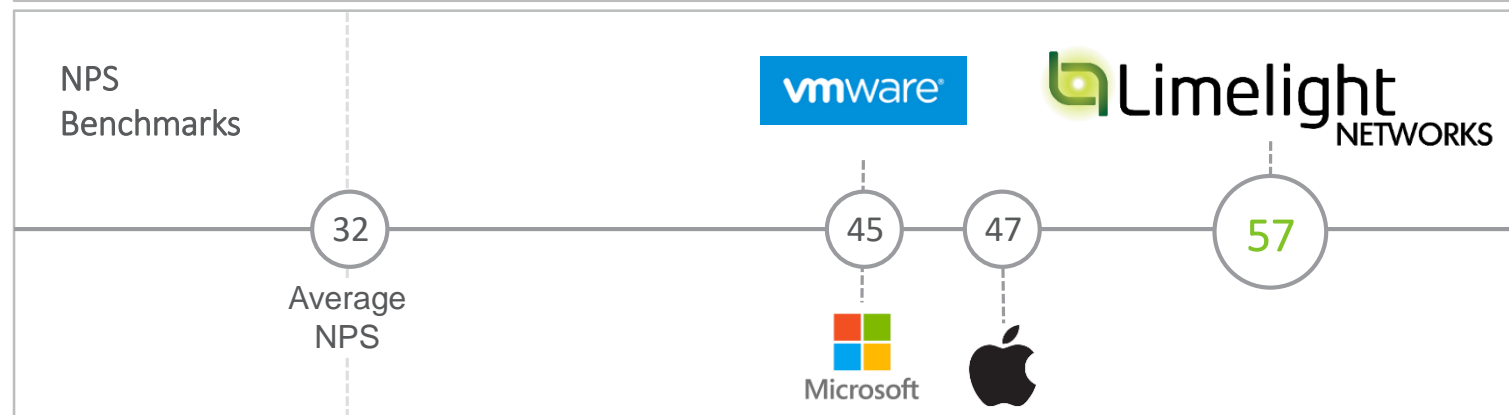
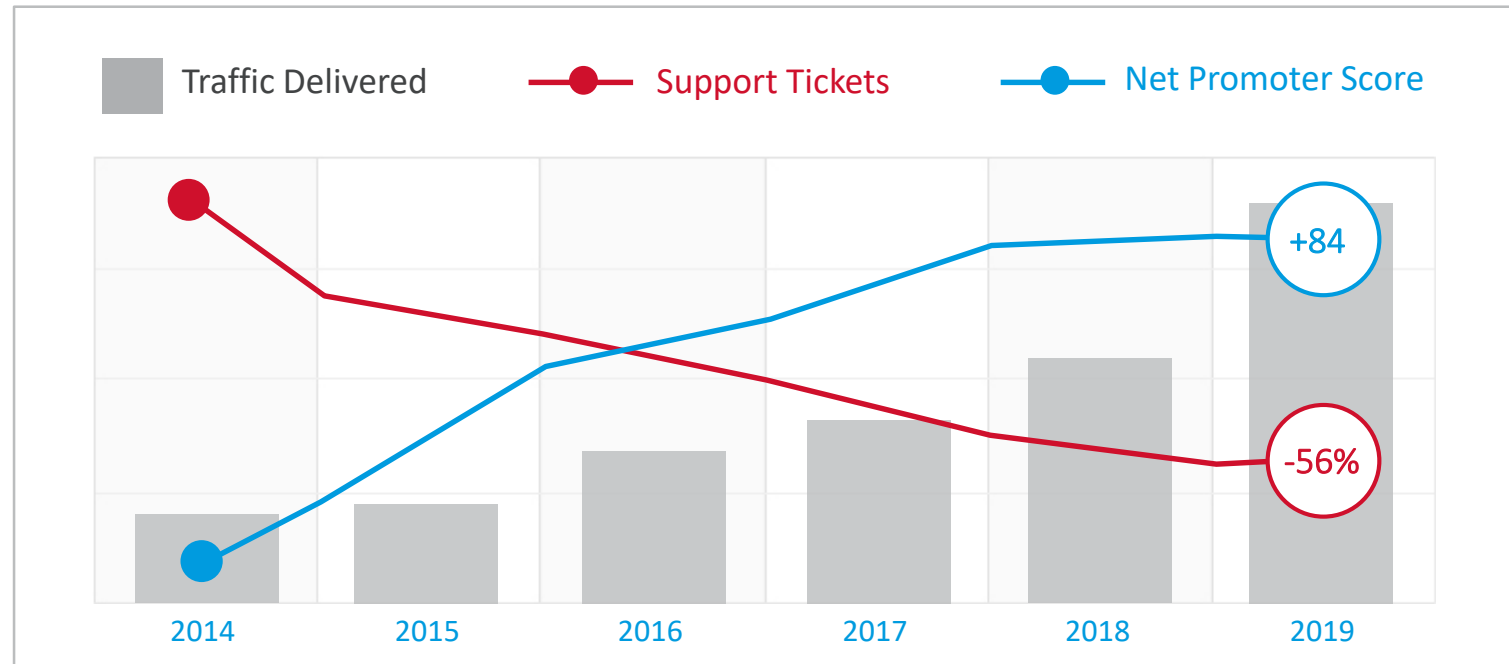
**amazon**

**COMCAST**

**SONY.**



# Customer Net Promoter Score



Source: Survey Monkey Global Benchmark Data, Customer Guru

**+84 pt**

Improvement in NPS  
Since 2013

**-56%**

Drop in Support Tickets

**3X**

Increase in Traffic

# Delivering Low-Latency Video, Exploring Edge Opportunities

# 39%

2-Year Revenue CAGR  
from a Top Customer



Dedicated focus to video delivery landed first contract



Worked side-by-side throughout process ensuring smooth execution and world-class quality



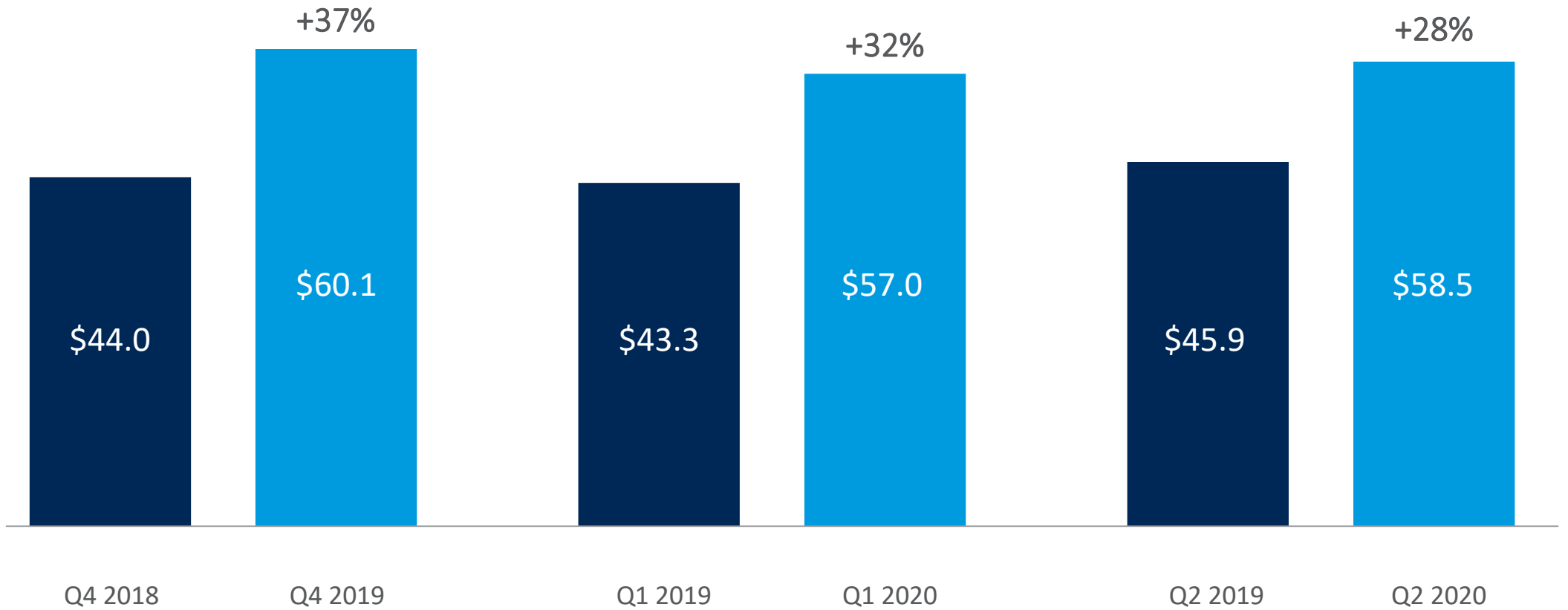
Awarded incremental traffic through best-in-class quality

We are now their CDN provider of choice

# Revenue

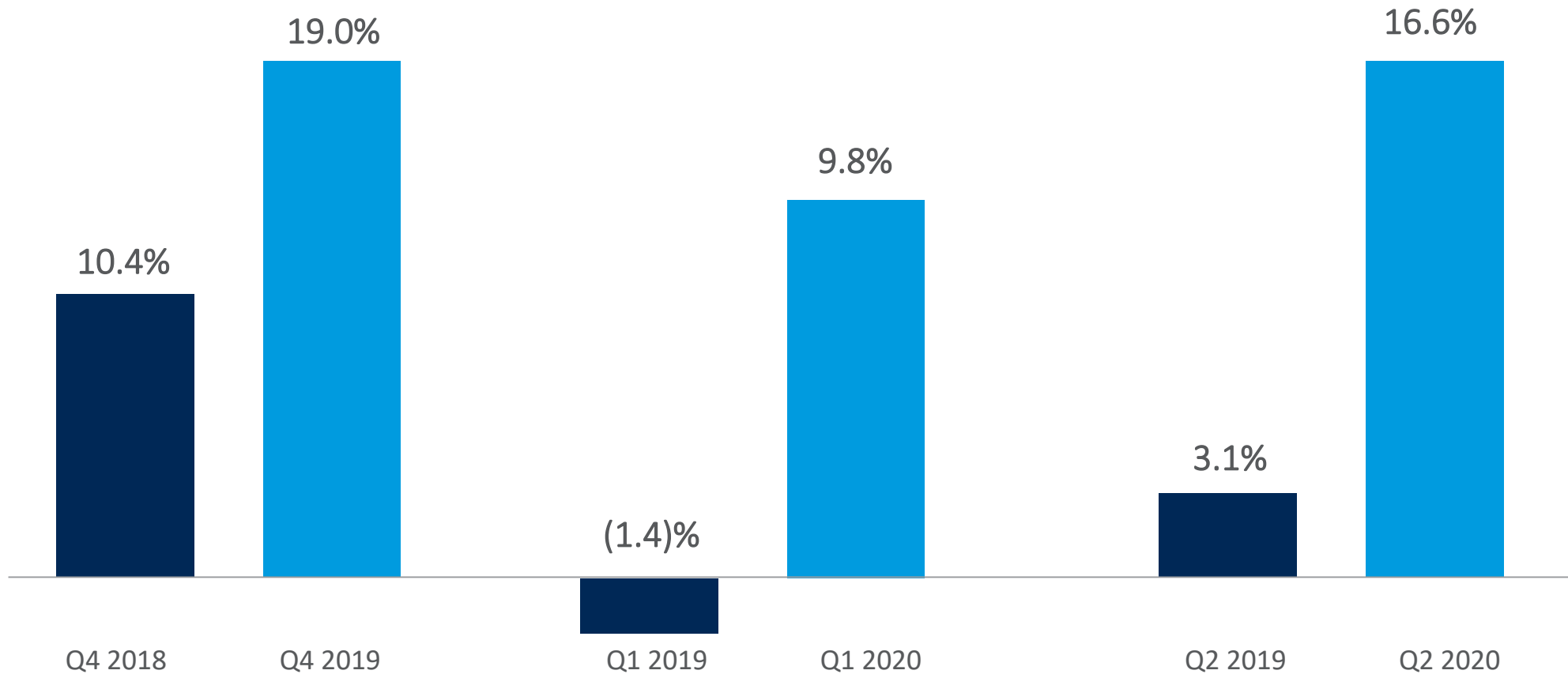
Establishes a higher run rate

\$ Millions



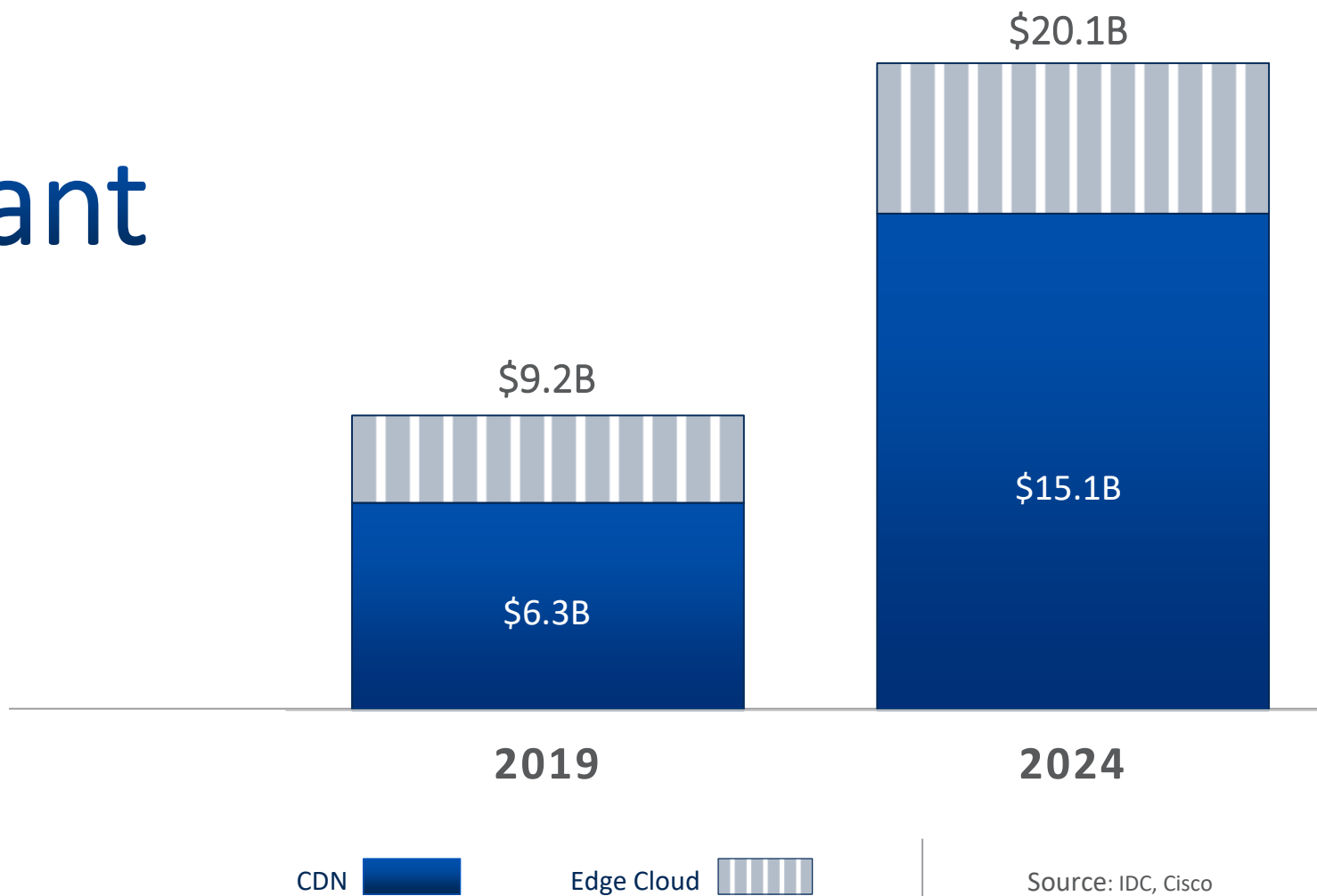
# Momentum

In Year-over-year Adjusted EBITDA Margin<sup>1</sup> Expansion



<sup>1</sup> Adjusted EBITDA margin calculated as Adjusted EBITDA divided by total revenue. Adjusted EBITDA defined as U.S. GAAP net (loss) income add depreciation and amortization add interest expense add interest and other (income) expense add share-based compensation. See slide 29 for non-GAAP reconciliation.

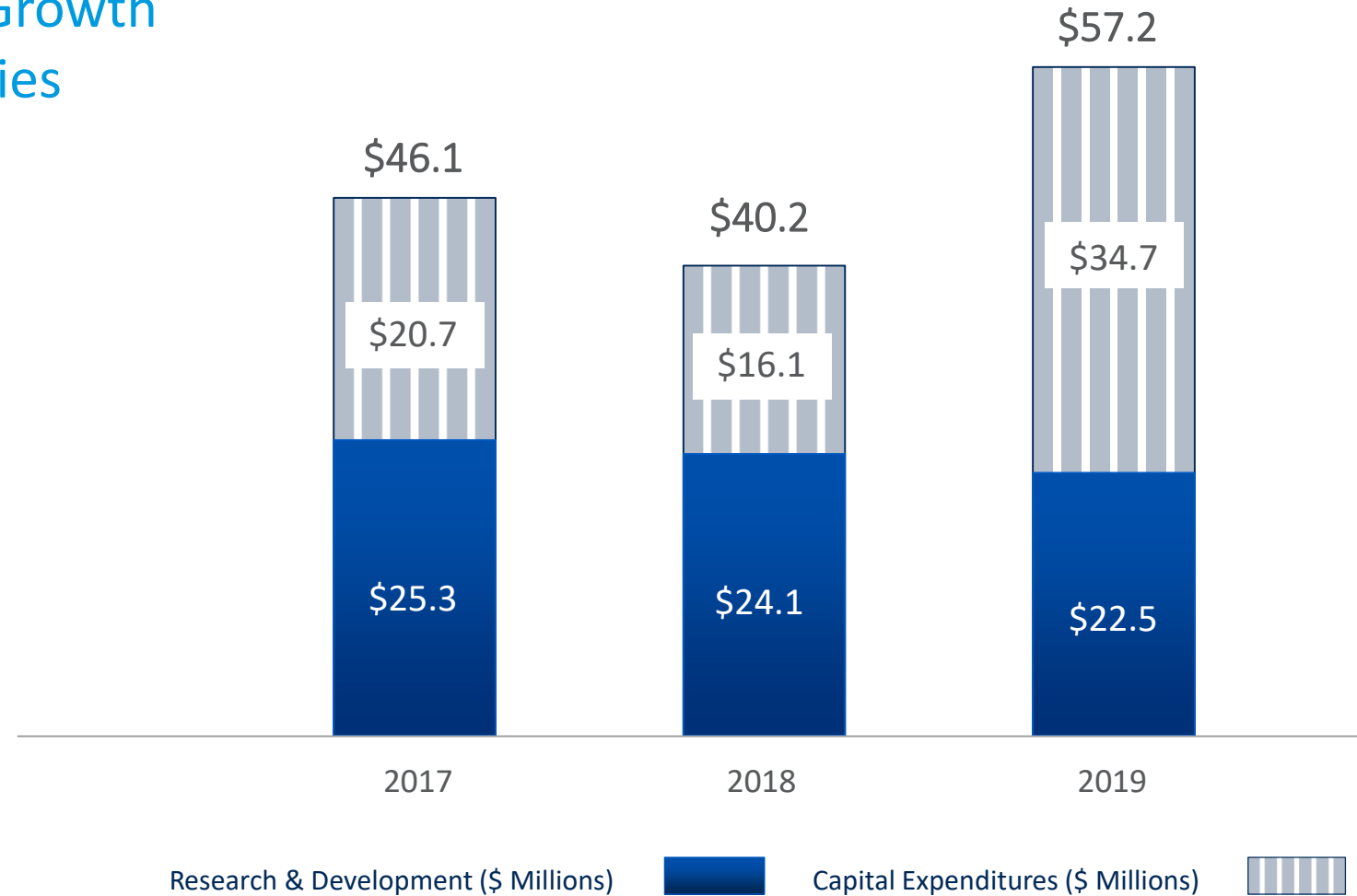
The Immediate  
Opportunity is  
**Significant**



Source: IDC, Cisco

# Continuous Investment

In Footprint Growth  
and Capabilities





# Strategy for Long-Term Growth

	2019		2020 Guidance		Long Term Target
Revenue Growth	2.5%	↑	17.1%	→	15%
Adj. EBITDA Margin <sup>1</sup>	9.0%	↑	13.4%	→	>25%
Capex as % of Revenue	17.3%	↓	11.7%	→	10%
Free Cash Flow Margin <sup>2</sup>	-8.3%	↑	1.7%	→	>15%

<sup>1</sup> Adjusted EBITDA margin calculated as Adjusted EBITDA divided by total revenue. Adjusted EBITDA defined as U.S. GAAP net (loss) income add depreciation and amortization add interest expense add interest and other (income) expense add share-based compensation; refer to slide 28 for reconciliation.

<sup>2</sup> Free Cash Flow defined as Adjusted EBITDA less Capex.



# Thank You

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[info@llnw.com](mailto:info@llnw.com)  
[ir@llnw.com](mailto:ir@llnw.com)



[twitter.com/llnw](https://twitter.com/llnw)



[linkedin.com/company/limelight-networks](https://www.linkedin.com/company/limelight-networks)



[facebook.com/LimelightNetworks](https://www.facebook.com/LimelightNetworks)



# Reconciliation of Non-GAAP Figures

\$ Millions	Year Ended 31-Dec		
	2017	2018	2019
U.S. GAAP Net (Loss) Income	\$(7,630)	\$9,842	\$(16,044)
Depreciation and Amortization	20,514	18,590	20,065
Interest Expense	80	86	76
Interest and Other (Income) Expense	(946)	(406)	(507)
Income Tax Expense	426	538	750
<b>EBITDA</b>	<b>\$12,444</b>	<b>\$28,650</b>	<b>\$4,340</b>
Settlement and Patent License Income	–	(14,900)	–
Share-Based Compensation	12,744	15,830	13,778
Litigation Expenses	5,518	2,907	–
<b>Adjusted EBITDA</b>	<b>\$30,706</b>	<b>\$32,487</b>	<b>\$18,118</b>

## Reconciliation of Non-GAAP Figures (Cont'd)

\$ Millions	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
U.S. GAAP Net (Loss) Income	\$(272)	\$(5,193)	\$(8,559)	\$(7,192)	\$(2,751)	\$2,458	\$(5,257)	\$(1,727)
Depreciation and Amortization	4,377	4,417	4,562	4,755	5,133	5,616	5,491	5,683
Interest Expense	10	10	10	10	10	45	10	71
Interest and Other (Income) Expense	69	(320)	(206)	(40)	(68)	(194)	85	306
Income Tax Expense	113	190	124	255	166	206	176	136
<b>EBITDA</b>	<b>\$4,297</b>	<b>\$(896)</b>	<b>\$(4,069)</b>	<b>\$(2,212)</b>	<b>\$2,490</b>	<b>\$8,131</b>	<b>\$505</b>	<b>\$4,469</b>
Settlement and Patent License Income	-	-	-	-	-	-	-	-
Share-Based Compensation	3,421	5,485	3,456	3,649	3,358	3,315	5,064	5,251
Litigation Expenses	19	3	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$7,737</b>	<b>\$4,592</b>	<b>\$(613)</b>	<b>\$1,437</b>	<b>\$5,848</b>	<b>\$11,446</b>	<b>\$5,569</b>	<b>\$9,720</b>



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# ANALYST DAY

SEPTEMBER 24, 2019



# AGENDA

Welcome  
Limelight Opportunity

**Sajid Malhotra, CFO**  
**Bob Lento, CEO**

## Break

Accelerating Edge  
Sales Update  
Financials  
Q&A

**Mike Palackdharry, SVP Strategic Initiatives**  
**Tom Marth, SVP Sales**  
**Sajid Malhotra, CFO**

## Lunch

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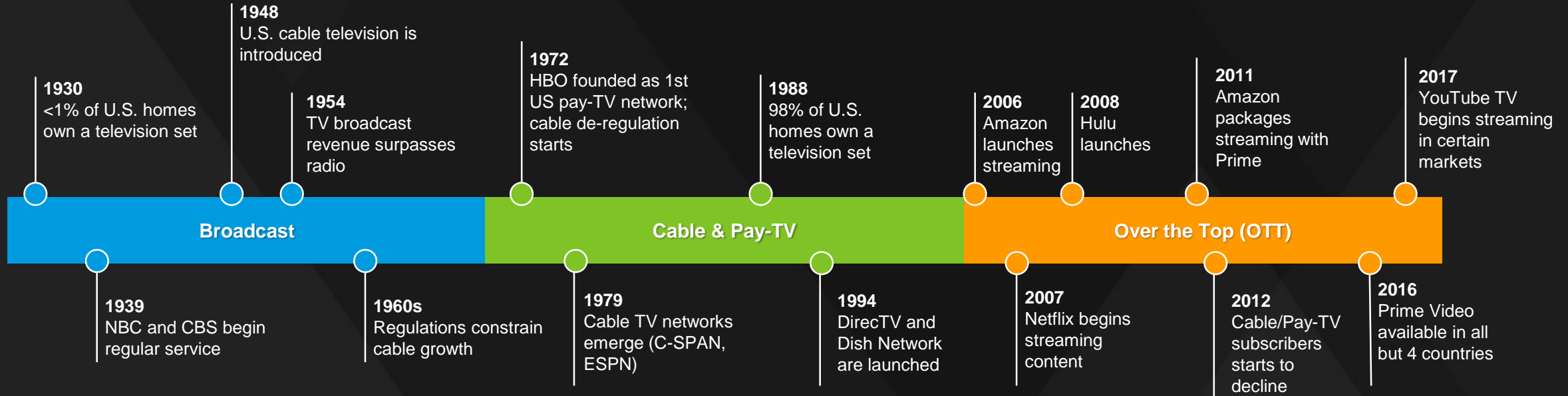
# LIMELIGHT OPPORTUNITY

Bob Lento | *CEO*





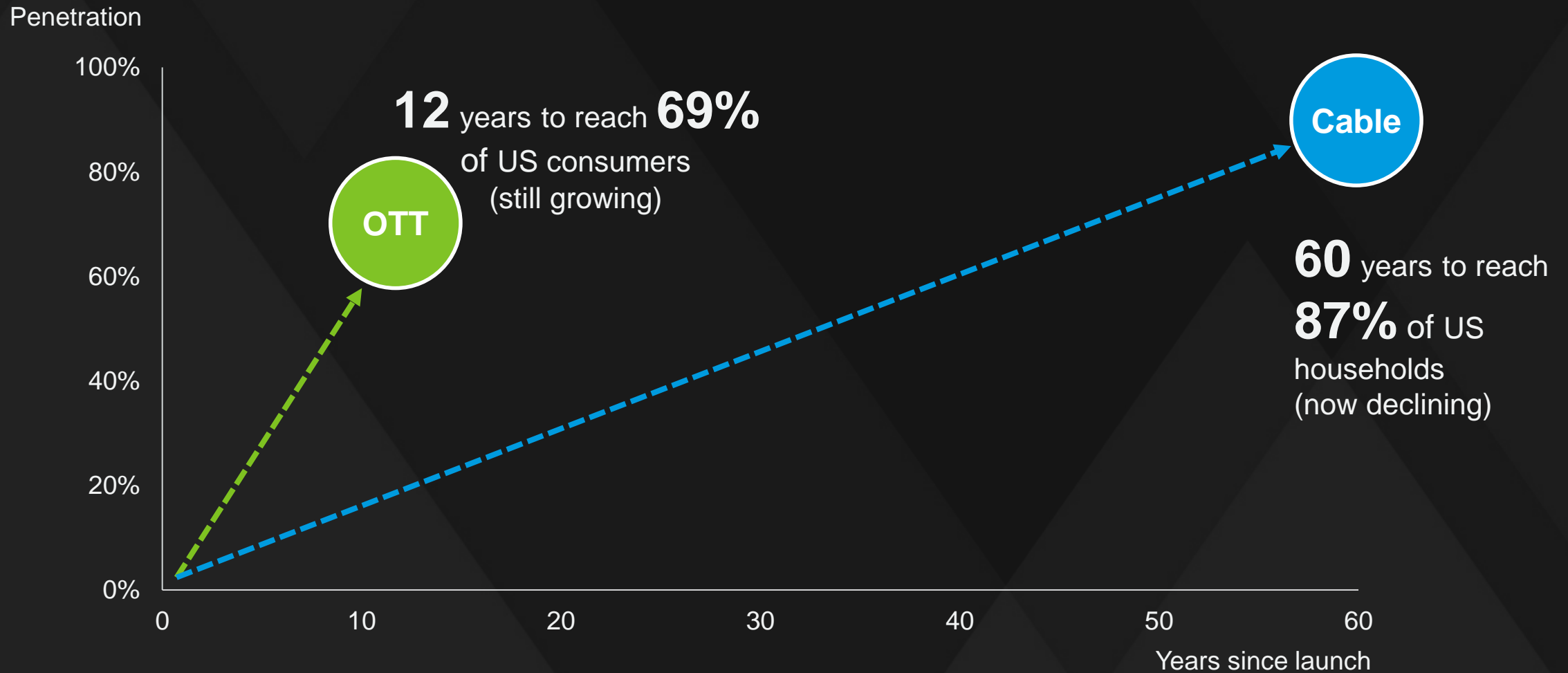
# VIDEO HAS BEEN THROUGH 3 MAJOR PHASES



Disruptors



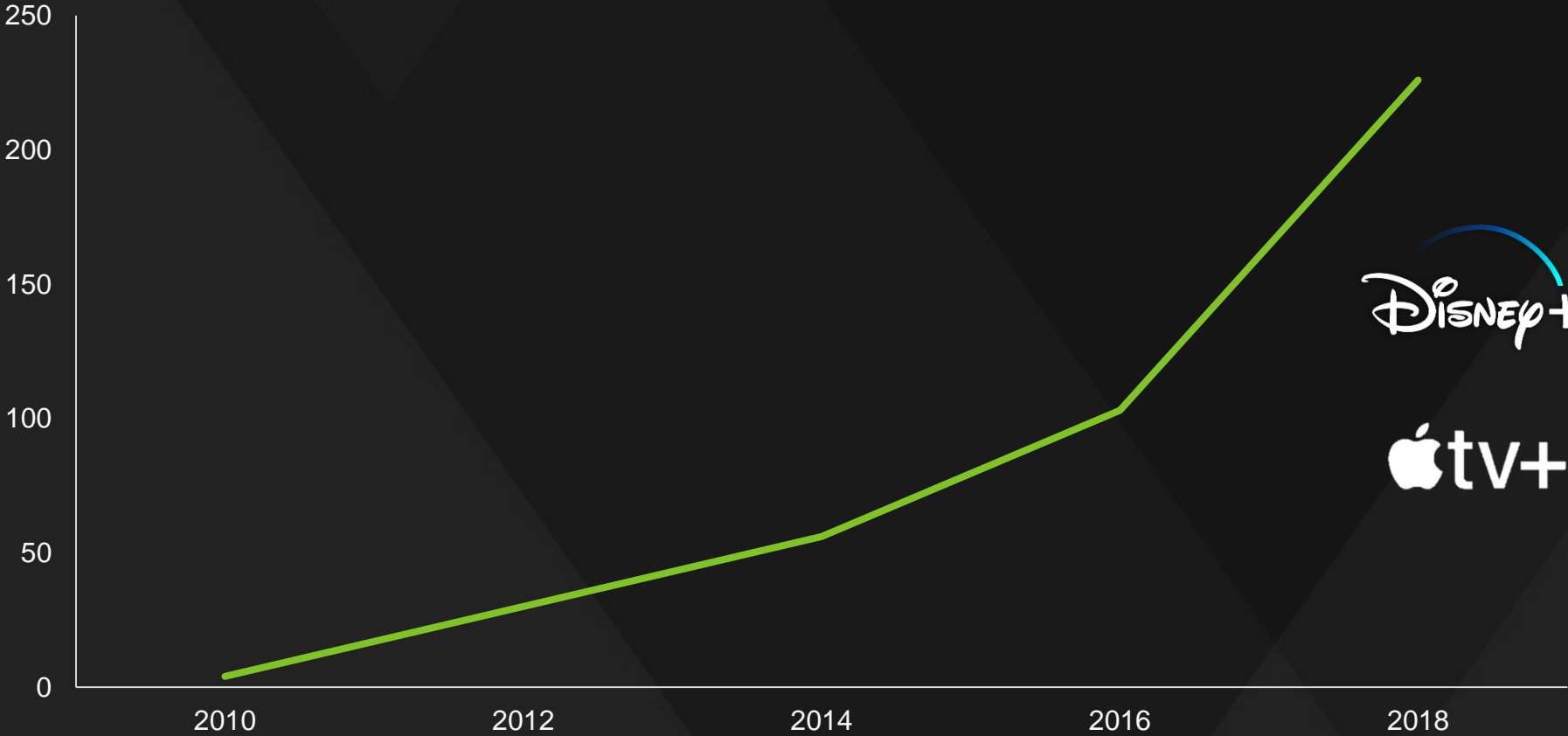
# OTT PHASE: RAPID AND BROAD ADOPTION



Source: Fortune, Multichannel

# OTT PHASE: PROLIFERATION OF OFFERINGS

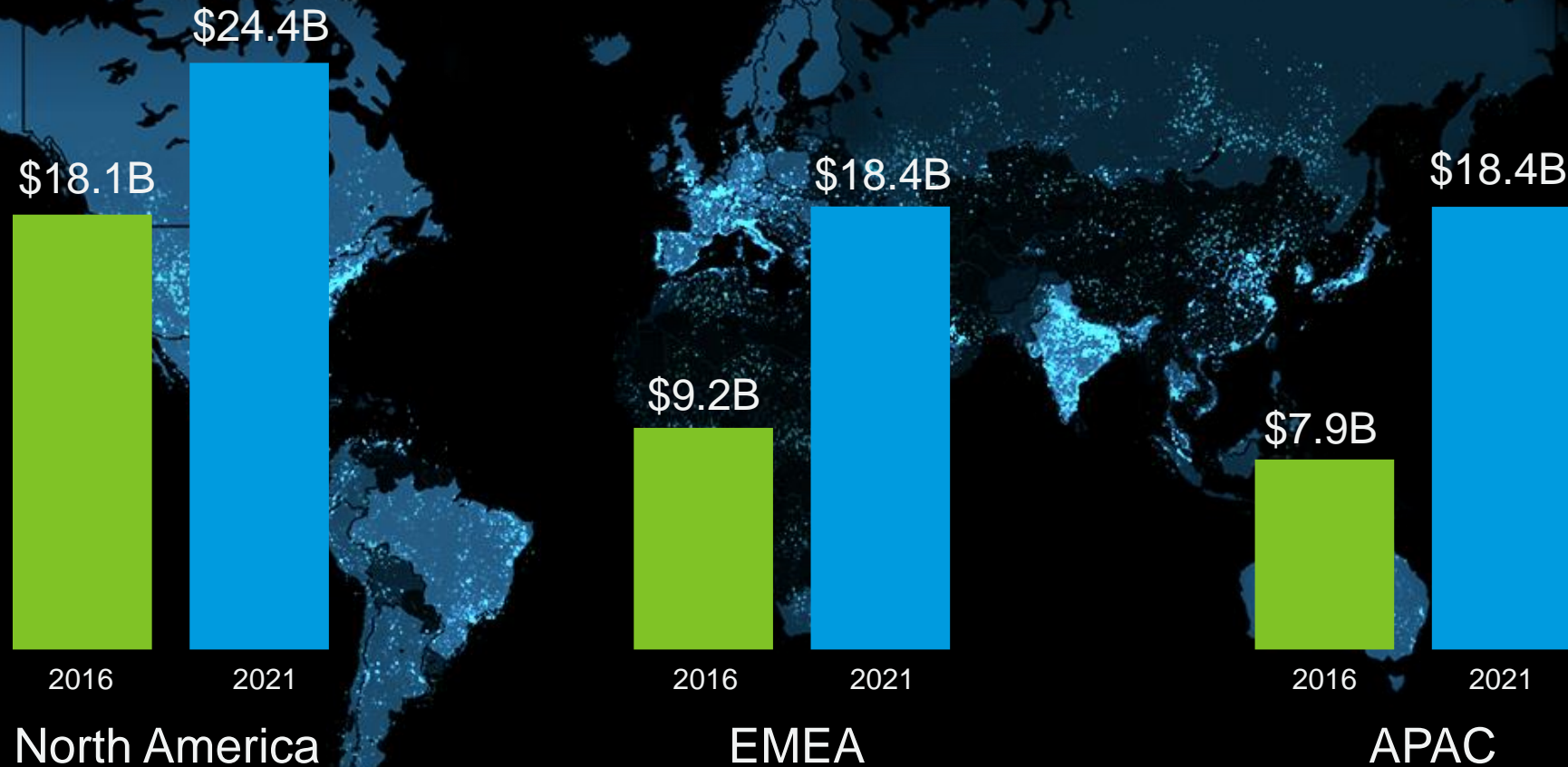
Cumulative Number of OTT Platforms Launched



Source: KPMG, Parks Associates

# OTT PHASE: RAPIDLY GOING GLOBAL

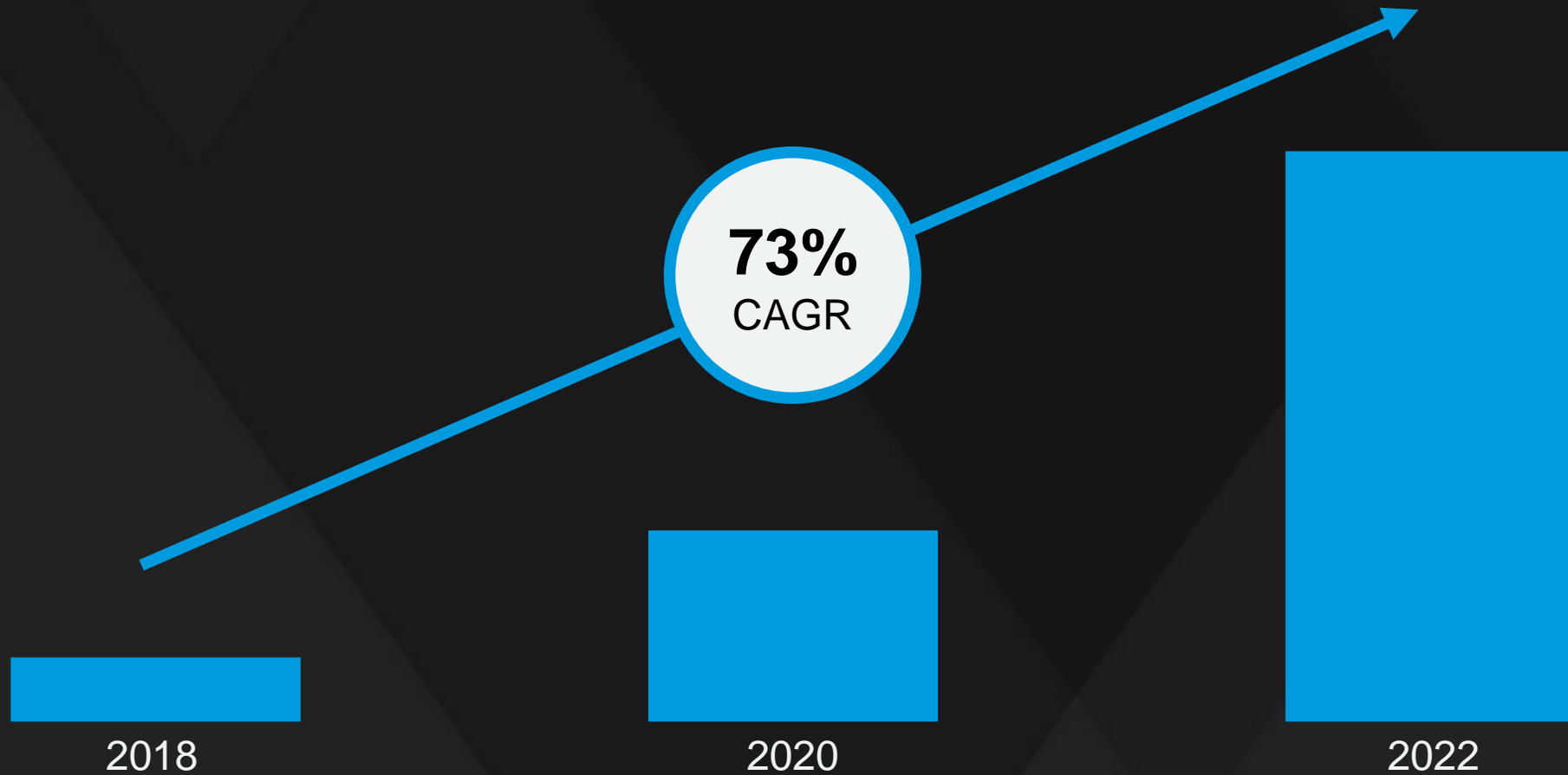
GLOBAL OTT TV AND VIDEO REVENUE BY REGION



Source: Broadband TV News

# OTT PHASE: INCREASINGLY LIVE

LIVE INTERNET VIDEO TRAFFIC EXPECTED TO GROW 15-FOLD BETWEEN 2017 AND 2022



Source: Cisco

# OTT PHASE: INCREASINGLY INTERACTIVE



**9-FOLD**  
INCREASE IN INTERNET  
GAMING TRAFFIC BY 2022



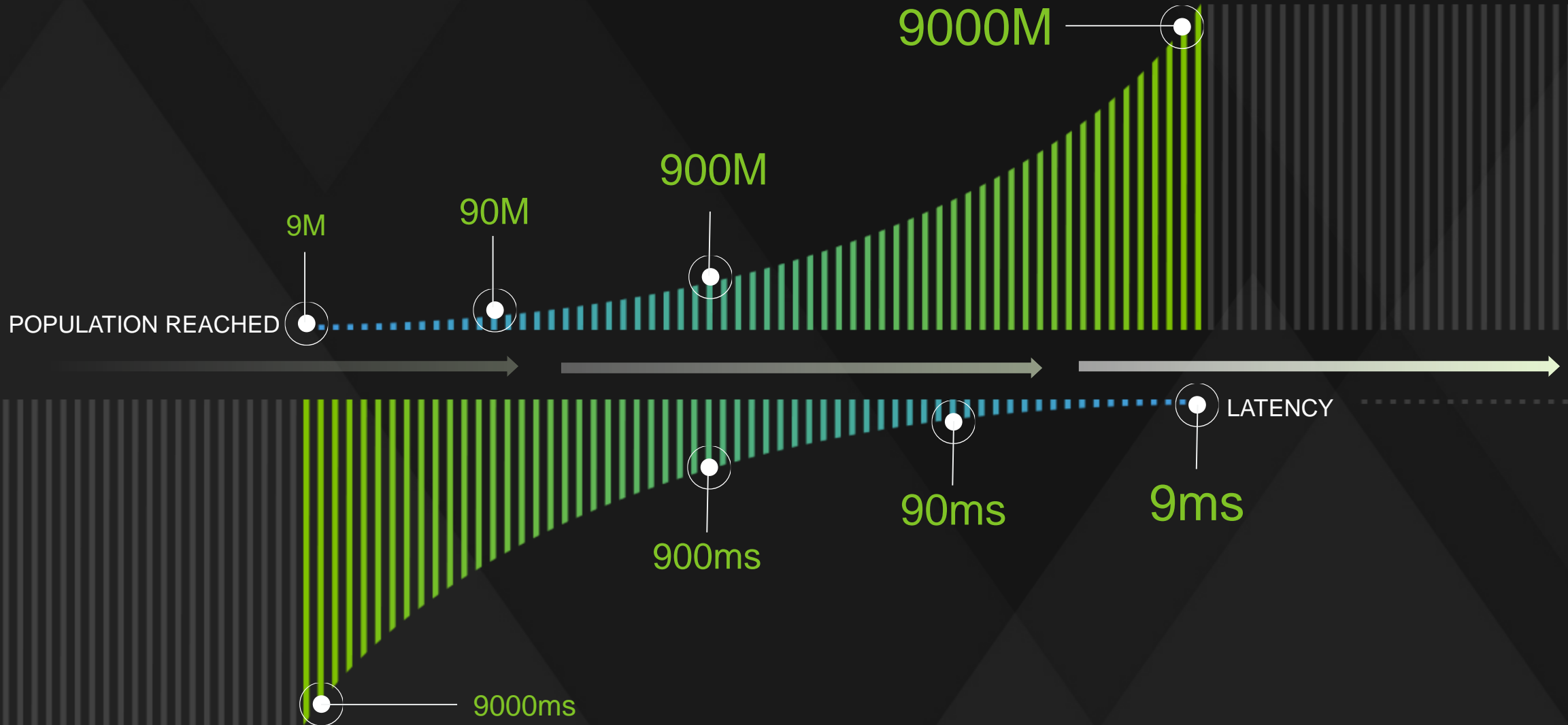
**12-FOLD**  
INCREASE IN VR/AR  
TRAFFIC BY 2022



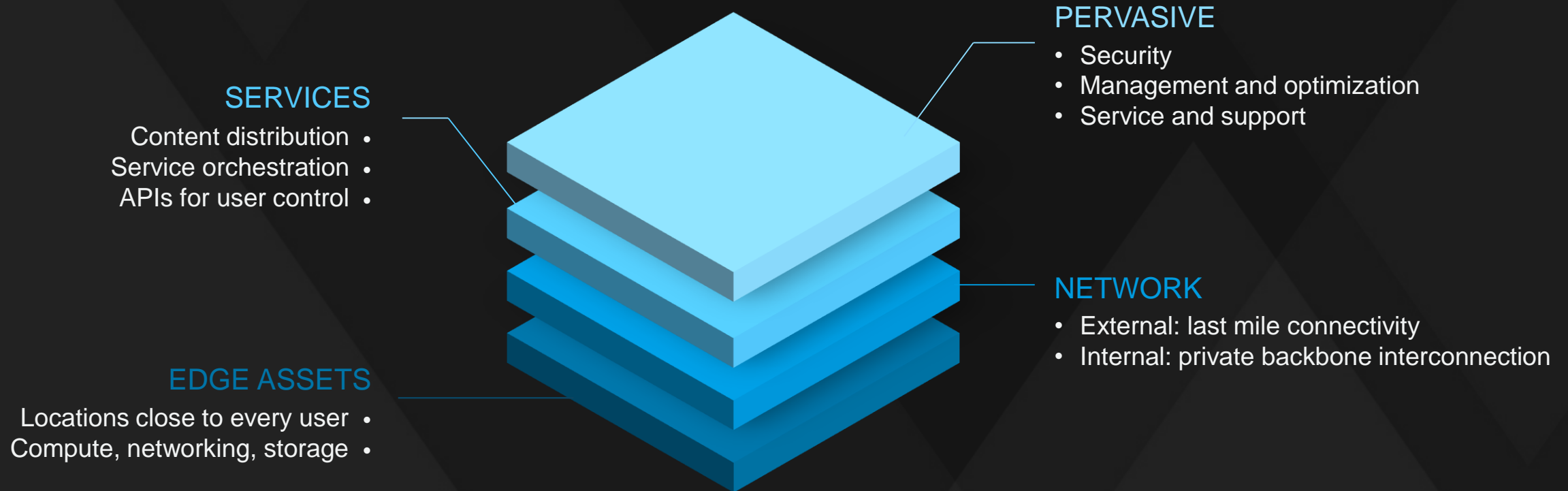
**\$60B+**  
SIZE OF GLOBAL  
SPORTS BETTING  
MARKET

Source: Cisco, Sports Betting Dime

# IMPLICATION: NEED TO REACH MORE, FASTER



# WHAT'S NEEDED: A TRUE EDGE PLATFORM





WHAT'S POSSIBLE

# GAMING AND GAMBLING

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We brought the theater into our homes. How about a courtside seat in your home, interacting in real-time – watching multiple camera angles, interacting with friends, switching between games, betting on every play and getting instantaneous settlements.



WHAT'S POSSIBLE

# MEDICAL CARE

Transforming healthcare through interactive 3D visualizations for surgical planning, VR-enabled therapy and rehab, visualize patient health information in AR, connecting care providers with remote patients, IoT enabled hospital beds and real-time data from wearables to monitor patient health and well-being.

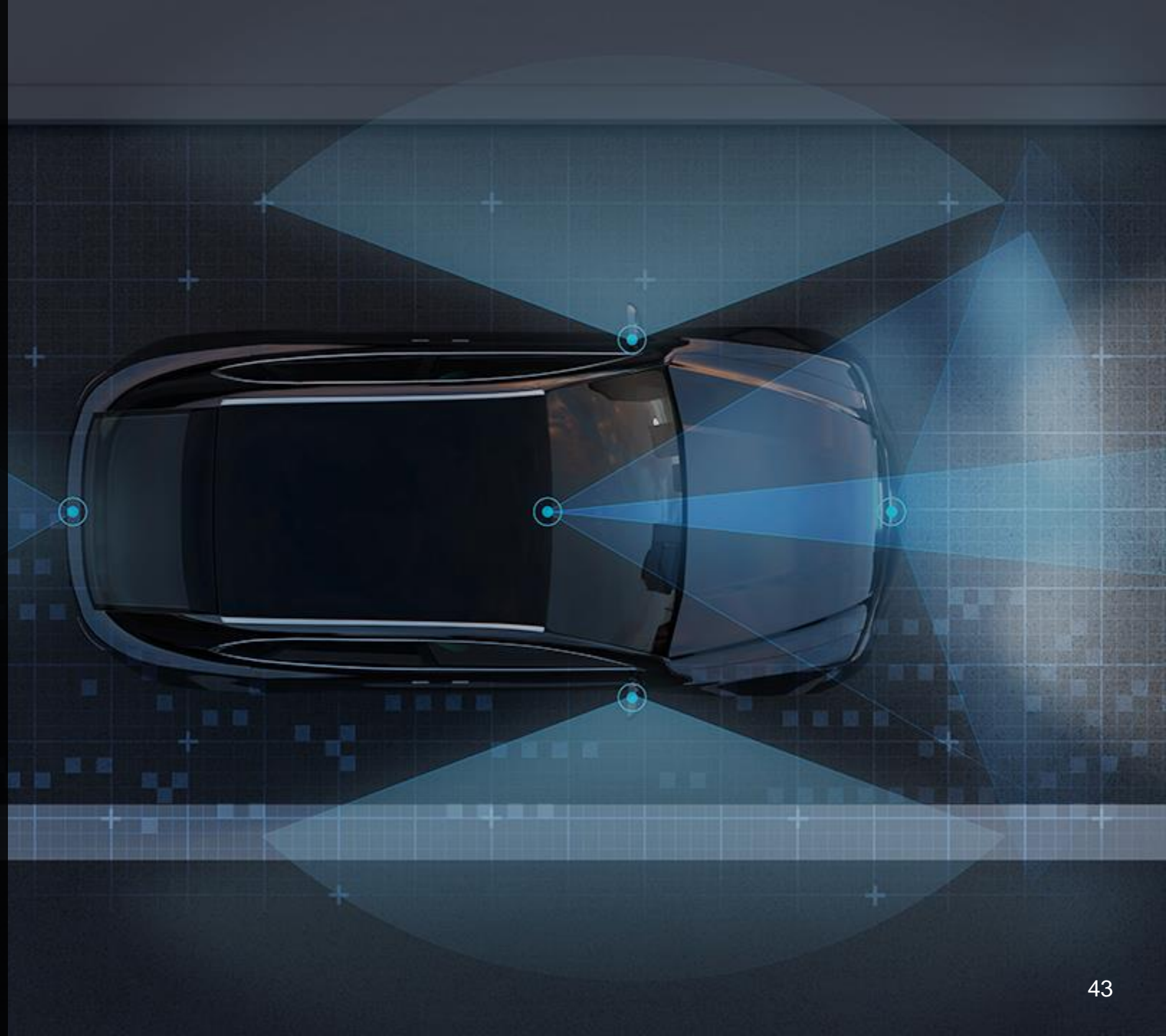


WHAT'S POSSIBLE

# CONNECTED & AUTONOMOUS VEHICLES

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Self driving cars make accidents and traffic jams a things of the past and extend to other vehicles like drone delivery. Autonomous vehicles will revolutionize public transport, car rentals, auto insurance, shipping and commercial fleets and many others.



WHAT'S POSSIBLE

# AGRI-TECH

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Make farming easier, more sustainable, and more profitable using drone terrain mapping, autonomous tractors, real-time data collection and analysis.



WHAT'S POSSIBLE

# MILITARY & DEFENSE

VR-enabled immersive training, IoT enabled connected battlefields and smart bases, smart lens delivering low latency video from a robotic soldier to central command, 5000 miles away.



WHAT'S POSSIBLE

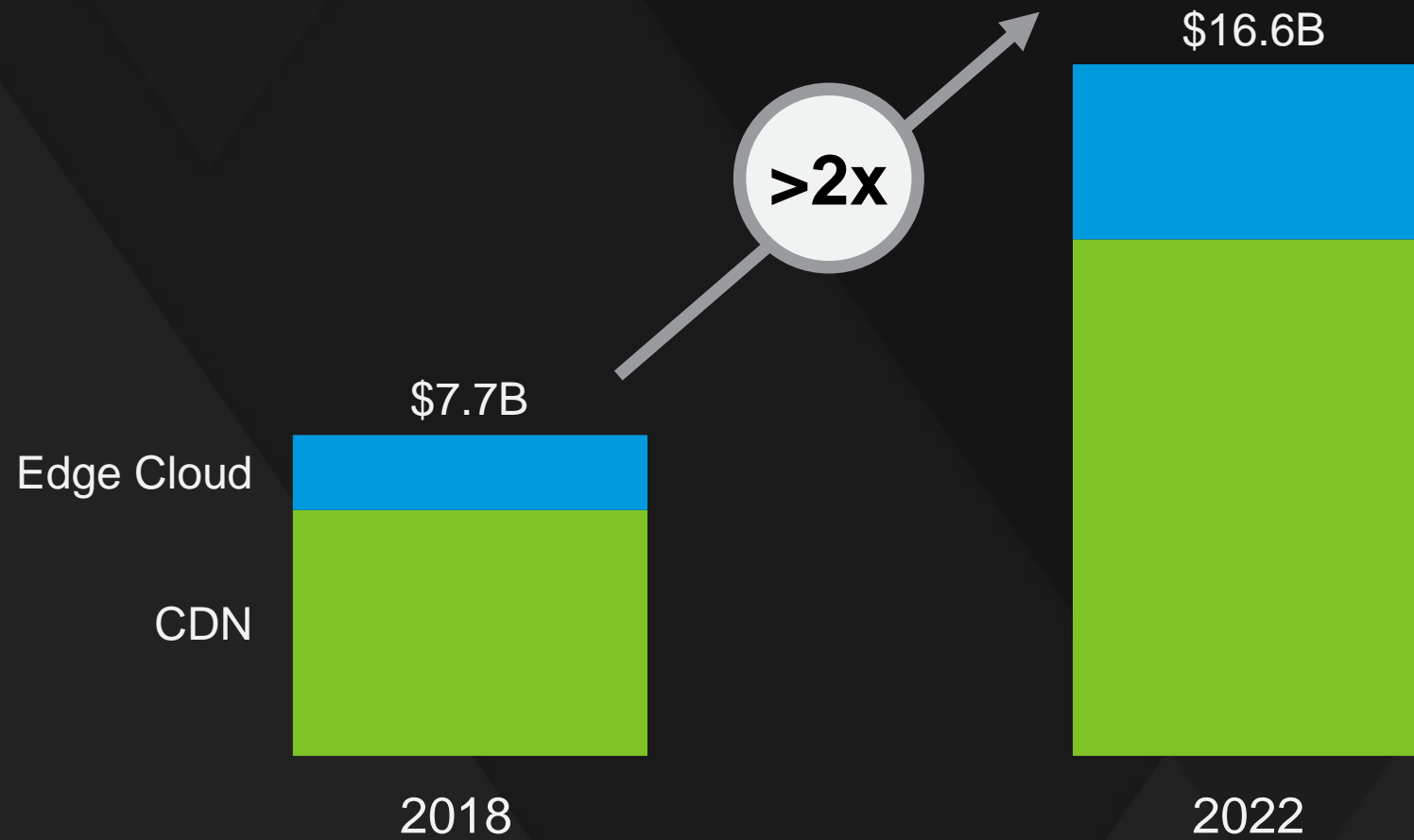
# VIRTUAL TOURISM

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Visit any place, real or imaginary, Bhutan or Middle Earth, ride a Bugatti or TRex, in future or past with connected VR and AR technology.



# THE IMMEDIATE OPPORTUNITY IS SIGNIFICANT



Source: IDC

# OUR MISSION

We are passionate about connecting people to the world around them.

We **remove the barriers** that stand between our customers' end users and their entertainment, their news, their community, their educational resources.

Our **platform** supports the highest quality user experience today and accelerates the next generation of real-time, interactive and immersive content. We position our customers' content and applications right next to their end users at the **network edge** for the most dynamic, real-time interactions no matter where the end users live, work or play.

We sweat the details, so our customers don't have to.



# WE ENABLE THE LEADING OTT PROVIDERS

From the early days...

...to now

NETFLIX

You  
Tube

prime video

sky

VUDU

DIRECTV

BBC

ESPN+

STARZ

mlbam

THE CW

HBO

WALT DISNEY

BT

PLUTO TV

AMC

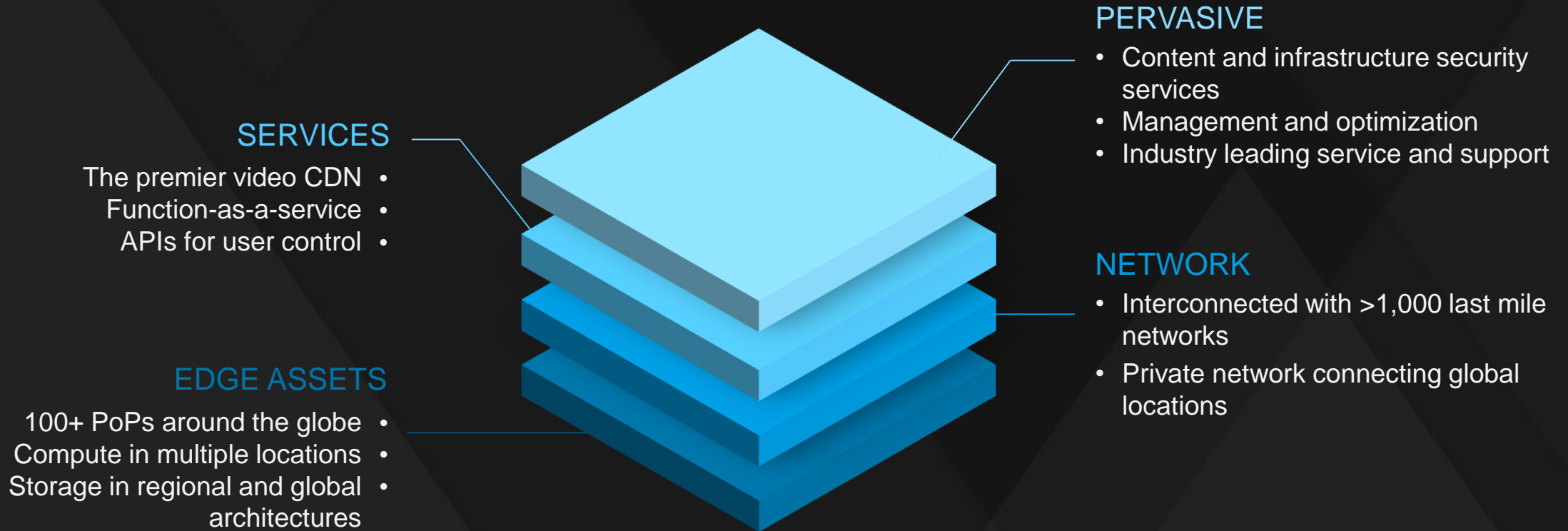
DAZN

COMCAST  
NBCUNIVERSAL

abc

msnbc

# WE HAVE THE PLATFORM OF THE FUTURE



# COMPETITORS ARE NOT OPTIMIZED FOR VIDEO



## CDNs

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Most focused on web performance and security  
Most not focused on video service innovation



## Cloud Providers

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Fewer, larger locations  
Focus on app development and centralized compute platform

# WE ARE FOCUSED TO WIN



## EXTEND CAPACITY

right places,  
most peers



## EXPAND CONTROL

fully API-configurable



## ENHANCE MANAGEMENT

via machine learning  
and AI








## ENABLE INNOVATION

live streaming,  
edge orchestration

# SUMMARY

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-  Huge growth opportunity
-  Aligned with Limelight platform
-  Marquee customer base
-  Differentiated from competition
-  Focused to win





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# ACCELERATING EDGE

Mike Palackdharry | *SVP Strategic Initiatives*



# MIKE PALACKDHARRY



- Previously CEO of Aquire, Inc., acquired by Coupa Software
- 20+ years of executive leadership positions; emphasis on real-time applications and disruptive B2B technologies
- SVP Strategic Solutions since 01/01/2019

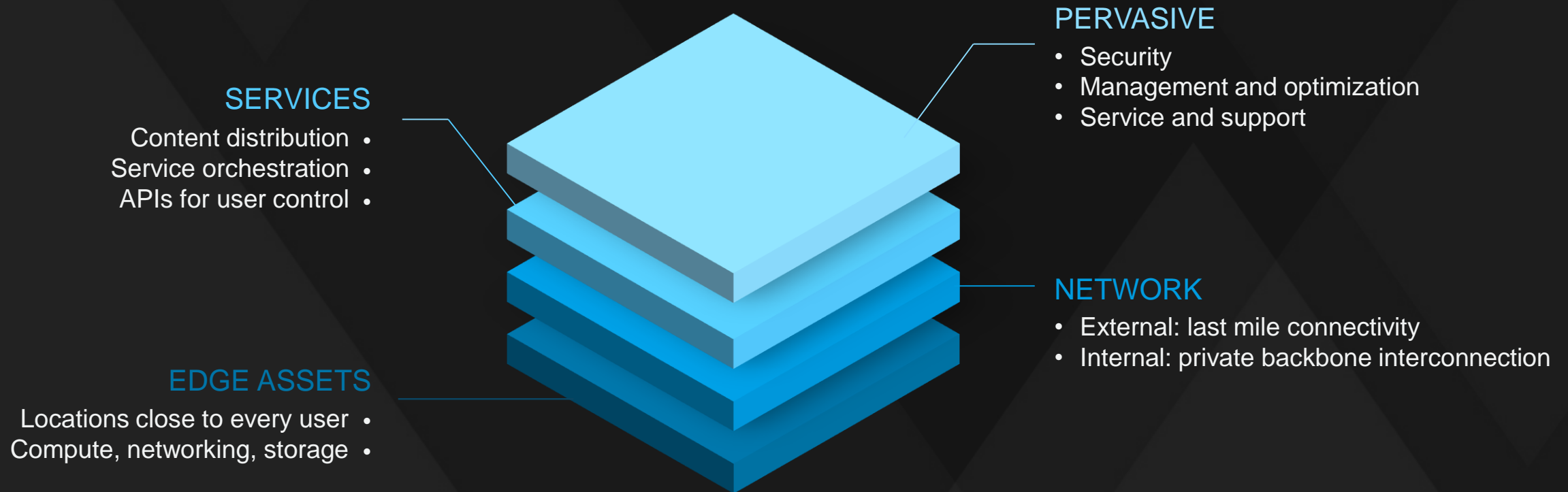
# OUR VISION FOR EDGE

Enrich people's lives by making information,  
knowledge and entertainment instantly  
accessible to all

*The Limelight real-time distributed edge  
platform*



# THE FOUNDATIONS OF THE LIMELIGHT EDGE



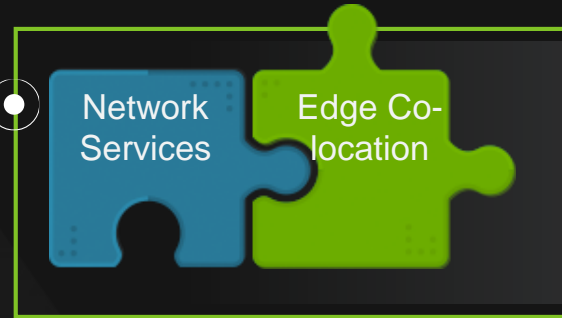
# LIMELIGHT SPRINT TO THE EDGE

## Phase 1

### Limelight Baseline Functionality

- RTS and other IP developed
- Build out locations and capacity
- Launched Neustar as edge customer and partner
- Signed Edge Gravity partnership for accelerated network advancement

2018



### Customer Responsibilities

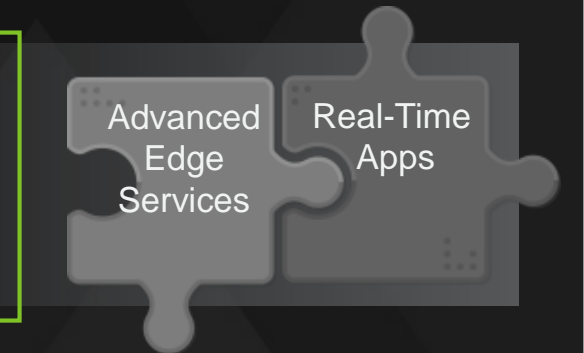
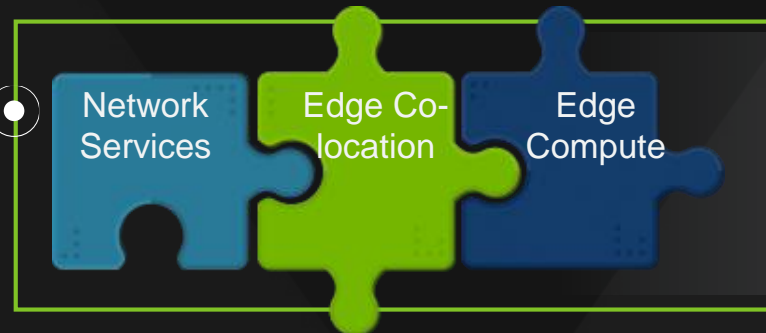


## Phase 2

### Distributed Edge Cloud Buildout

- EG / LLNW execution
- Build compute infrastructure
- Implement large global gaming customer
- Implement live sports customer on global edge compute

2019

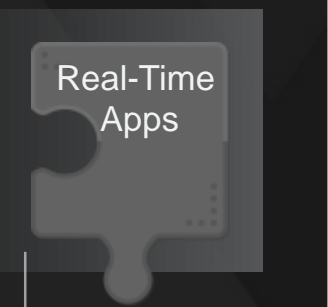
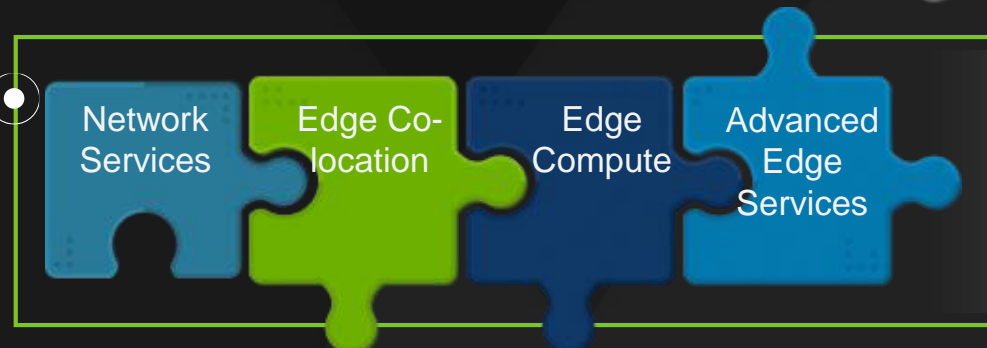


## Phase 3

### Limelight Edge Service Applications and Management

- Complete compute roll-out
- Continue EG execution
- Introduce serverless compute (FaaS)
- Advance Real-Time Application Suite and IP Portfolio

2020-2021



# FUTURE WITH THE LIMELIGHT EDGE

## Limelight Real-Time Distributed Edge Platform

### SERVICES

#### Process

- Analyze
- Rate & bill
- Notify
- Communicate

#### Secure

- Protect
- Predict
- Isolate

#### Deliver

- Intelligent Distribution

### Use Cases

Gaming

Gambling

Entertainment

IOT

Medical

Autonomous Vehicles

Video Security

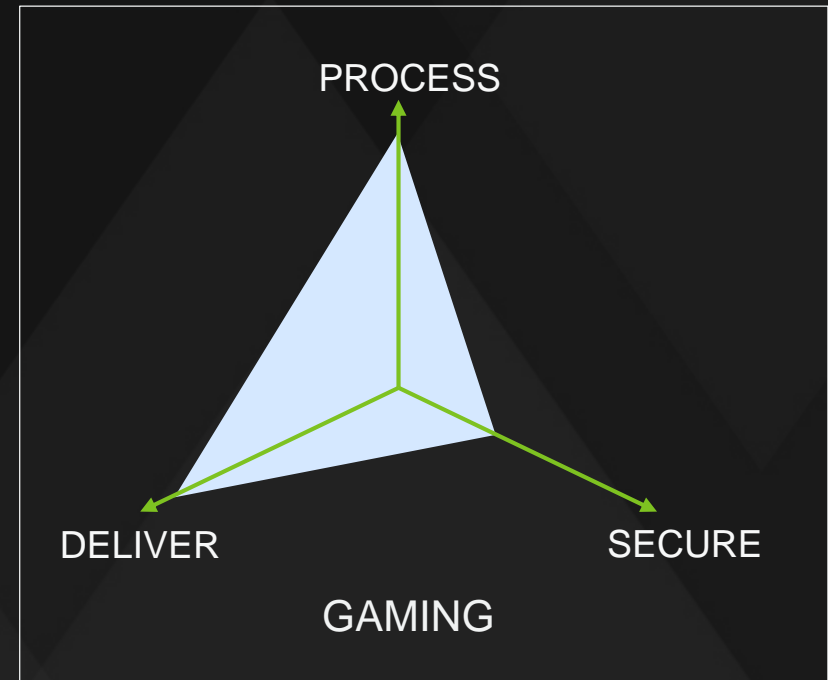
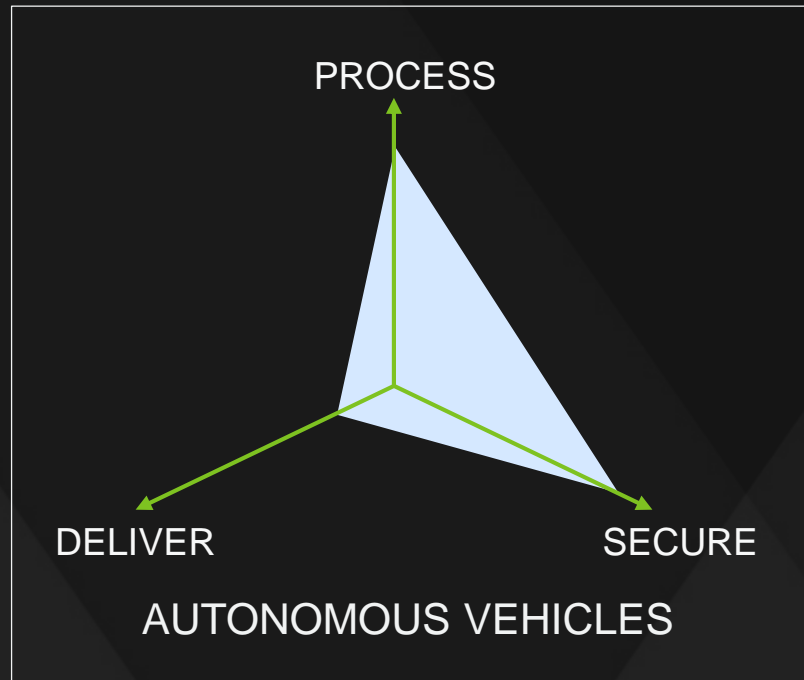
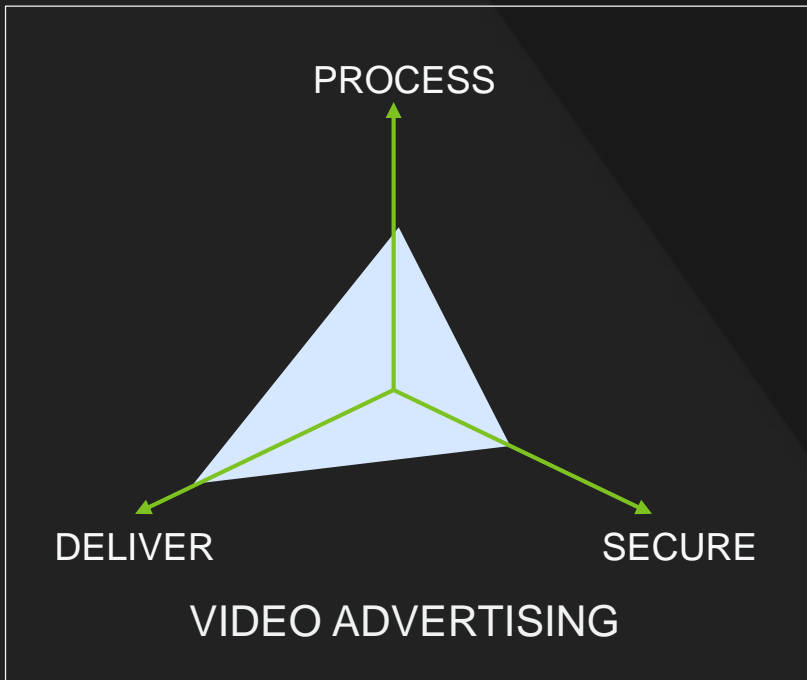
Legacy IT Applications

+Many more

# POTENTIAL OF AN ORCHESTRATED PLATFORM

## ORCHESTRATED SERVICES PROVIDE FLEXIBILITY AND HIGH UTILITY

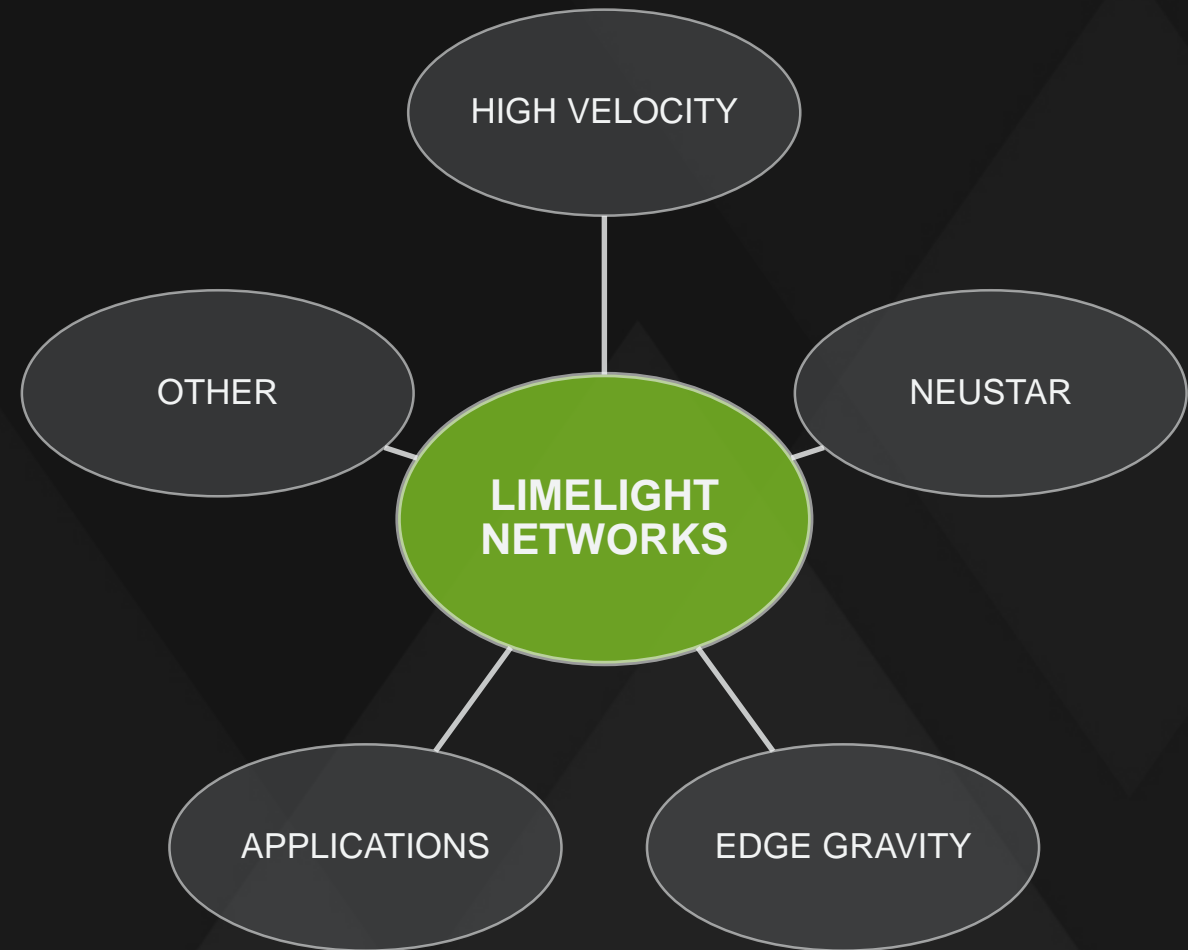
- Edge Services are applicable to many verticals.
- Orchestrated services drive customers to a desired outcome as they capture, hold and add value to data processed at the edge.
- Application of Process, Secure and Deliver dimensions varies.



# BUILDING AN EDGE SERVICES SET

GROWING PARTNER ECOSYSTEM FOR ACCELERATION AND DIFFERENTIATION

**Partners provide expansion,  
infrastructure and co-developed  
applications for Edge Services**



# LIMELIGHT + ERICSSON EDGE GRAVITY

- Expands capacity and Edge
  - Within service providers and closer to the edge
  - Access locations that were previously hard to reach
- Limelight reduced CapEx model
- Faster performance with caching in the last mile
- Private CDN for operators
- Service provider revenue share



# LIMELIGHT + NEUSTAR

- 10+Tbps DDoS mitigation capability
- Collaborating towards a real-time security application suite



# EXISTING EDGE SERVICES USE CASES

- Significant advancement in partner ecosystem and technology IP
- Examples of current edge use cases



Real-time simultaneous viewing and control of underwater drones for research



Live quiz show deployed at edge for simultaneous player performance and capabilities along with improved performance on next generation of streaming



Enhanced live sports viewing experience with synchronized data distribution and cross-device playback



Global console-less game streaming, live content and VOD platform at the edge



# THE FUTURE WITH THE LIMELIGHT EDGE

## PAST

- Infrastructure and partner eco-system
- Large targeted implementations
- IP and patent portfolio

## PRESENT

- Expand Real-Time Edge Platform and Services
- Deploy orchestration and API led services
- Accelerate penetration of existing customer base

## FUTURE

- Delivering unprecedented and patented platform capabilities for real-time events
- Replacing applications with edge applications
- Leading the world in distributed edge services



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# SALES UPDATE

Tom Marth | *SVP Sales*



# TOM MARTH



ORACLE

- Led teams for 13 years
- Enterprise Tech & ERP
- Primavera in Americas

workday

- 6 years at Workday
- Pre-IPO
- Growth: \$134M to \$2.5B
- Market Cap: \$650M to \$24B

Limelight  
NETWORKS

- SVP Sales since 1/1/2019
- Culture; timing is exciting
- Make an impact and drive consistent growth

# LEADERSHIP PHILOSOPHY

## ACCOUNTABILITY



### Customer Focus

- Prepare
- Plan your work
- Work your plan
- Discipline

## COLLABORATION



### Customer Focus

- Transparency with leadership
- Communicate
- Team selling

## CONTINUOUS LEARNING



### Customer Focus

- Question
- Listen Learn
- Be a student
- Best practices

**SENSE OF URGENCY AND PASSION!**

We are helping to change the



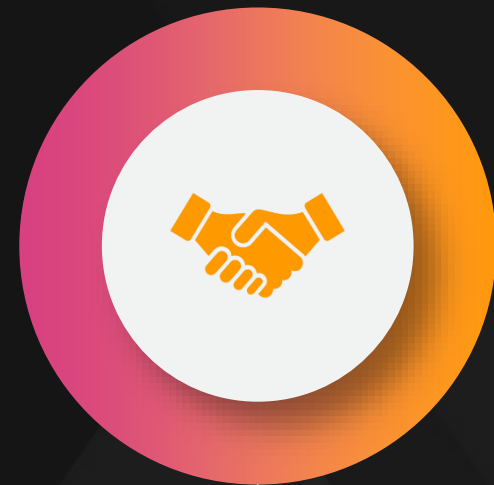
# NEAR-TERM PRIORITIES



ADD  
HEADCOUNT



REDUCE  
CHURN



ACQUIRE DESIRABLE  
LOGOS

# DESIRED OUTCOME



IMPROVE  
PIPELINE



INCREASE  
SHARE OF  
WALLET



STRENGTHEN  
CORE



ACCELERATE  
MOMENTUM  
ON EDGE



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# FINANCIALS

Sajid Malhotra | CFO



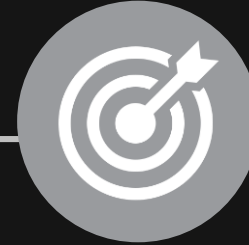
# FINANCIAL SUMMARY



IMPROVING  
PERFORMANCE



ATTRACTIVE  
FINANCIAL  
MODEL



POSITIONED TO  
LEAD

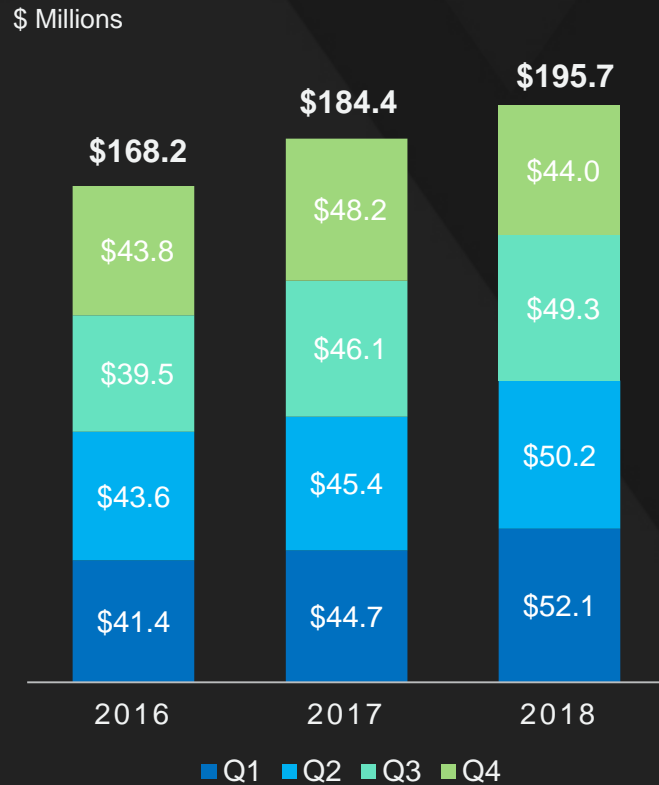


MULTIPLE  
EXPANSION  
POTENTIAL

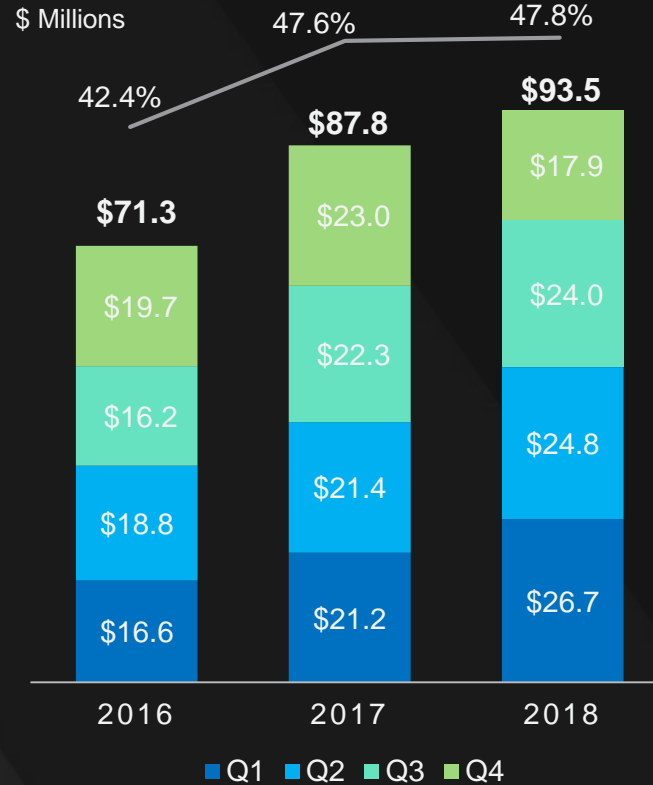


# PERFORMANCE HAS BEEN IMPROVING

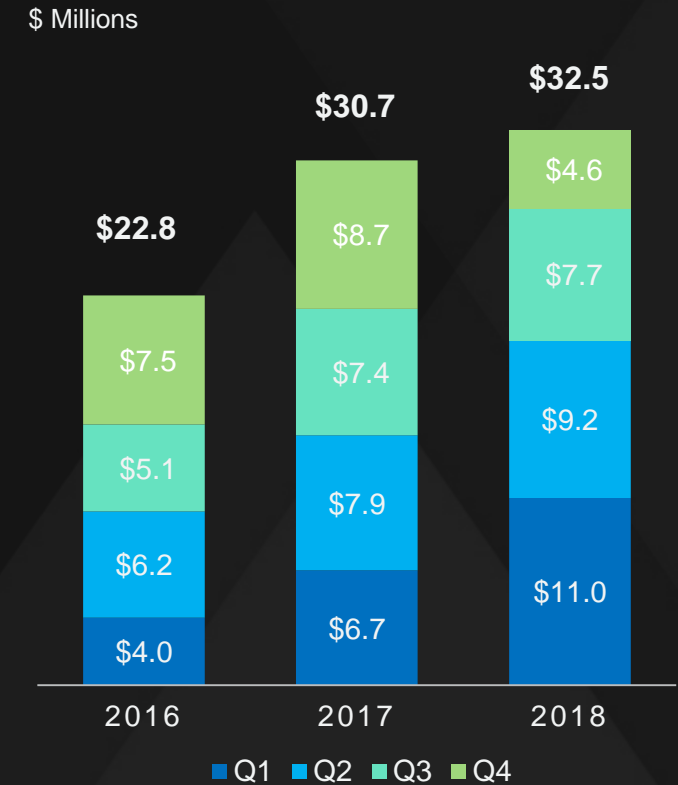
## REVENUE PROGRESSION



## GROSS PROFIT/MARGIN



## ADJUSTED EBITDA



# OPERATIONAL PERFORMANCE

**>90%**

YoY increase in total  
capacity

**>120%**

YoY increase in average  
server capacity

**83+**

Point increase in Net  
Promoter Score since 2013

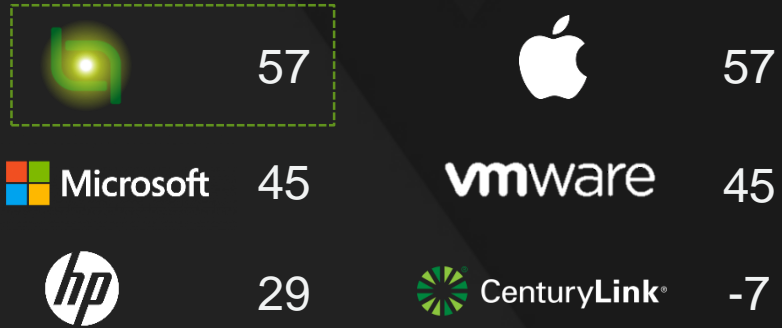
**50%**

YoY increase in number  
of POPs worldwide

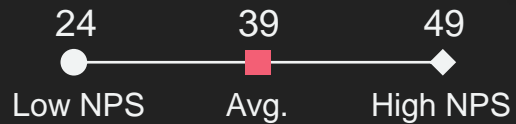
# LEADING CUSTOMER SATISFACTION

## NPS Benchmarks

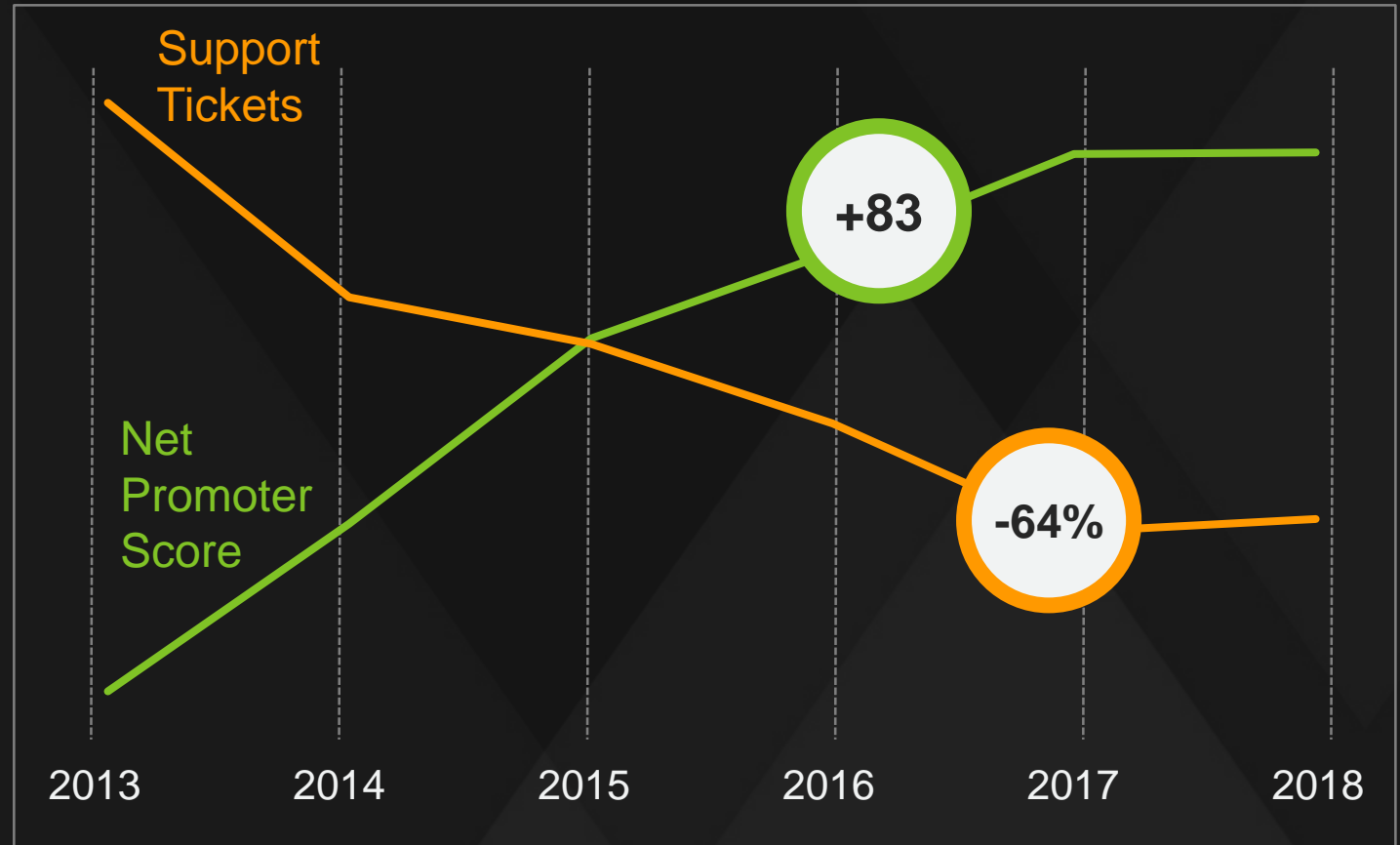
LLNW matches up favorably against other tech brands:



LLNW exceeds top range for streaming media industry:



## LLNW NPS vs. Support Tickets



Source: Temkin Group, Customer Guru

# KEY HEADLINES

“  
Limelight Sets Record for a Single Purge of 1.1 Billion Objects Globally in Under a Second  
”

“  
Limelight Wins IABM BaM™ Award for Breakthrough Realtime Streaming Service  
”

“  
Limelight Expands Developer Toolkit With New API and Portal Enhancements  
”

“  
Limelight and Ericsson to Accelerate Content Delivery and Edge Cloud Adoption  
”

“  
Limelight Named a Leader in IDC MarketScape Report on Worldwide Content Delivery Networks  
”

“  
Limelight Opens 100th Point-of-Presence and Increases Global Capacity 40 Percent  
”

# 2019 PERFORMANCE – TALE OF TWO HALVES

\$ millions, except per share data

	Actual		Analyst Expectations	
	1H 2019	2H 2019	Sequential	YoY
Revenue	\$89	\$109	22%	17%
GAAP EPS	-\$0.14	\$0.01	107%	120%
Non-GAAP EPS	-\$0.08	\$0.06	175%	100%
Adjusted EBITDA	\$0.8	\$18	2,150%	46%
Capital Expenditure	\$16	\$10	-38%	-2%

# ANALYST VIEWS

1H2019



Reported Mixed 2Q, Cuts Annual Guide as Growth Initiatives are Pushed Out; Lowering Estimates, PT from \$4.90 to \$2.90; Maintain Buy – *B. Riley*

Another Soft Quarter; Are Numbers Low Enough? – *D.A. Davidson & Co.*

Soft 2Q Results, 2019 Guide Lowered; Reiterate Market Perform – *Raymond James*

DISAPPOINTING 1Q19 RESULTS; MAINTAINED 2019 GUIDANCE – *Cowen*

LLNW 1Q19: Weak Quarter, Management Highly Confident in Strategy Though – *Oppenheimer*

Weak Quarter Likely To Throw Many Off The Scent. Valuation Implies Death, Yet Sequential Results Over Next Several Quarters Likely To Be Among, If Not The Best, In Company History. Maintaining BUY Rating – *Craig-Hallum*



1H2018



Reports Solid 1Q Beat, Quality Over Quantity Strategy Paying Off; Increasing Estimates, PT; Reiterate Buy – *B. Riley*

SOLID 1Q18 RESULTS; HITTING ON ALL CYLINDERS – *Cowen*

LLNW 1Q18 Earnings: Turnaround Momentum Evidenced by Historic Quarter, Raising PT to \$6.50 – *Oppenheimer*

Delivering Content for Customers, Results for Investors – *D.A. Davidson & Co.*

Fourth consecutive quarter of double digit growth – *JMP Securities*

As Limelight's quality of service has improved, we believe they have become increasingly competitive in this segment of the market, driving a mix shift to higher priced traffic that benefitted average company pricing (ASPs) this quarter – *Raymond James*



# PATH TO LONG TERM TARGETS

	2012	→	2018	→	LONG TERM TARGET
Revenue Growth	5.2%	→	6.1%	→	15%
Gross Margin	38.0%	→	47.8%	→	55%
Non GAAP Income Margin	-12.2%	→	7.0%	→	>10%
Adj. EBITDA Margin	5.5%	→	16.6%	→	>25%
Capex as % of Revenue	10.2%	→	8.2%	→	10%
Free Cash Flow Margin	-3.3%	→	8.4%	→	>15%

# LONG TERM TARGETS: REVENUE GROWTH

	2012	2018	LONG TERM TARGET
Revenue Growth	5.2%	6.1%	15%
Gross Margin	38.0%		55%
Non GAAP Income Margin	-12.2%		>10%
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Capex as % of Revenue	10.2%	8.2%	10%
Free Cash Flow Margin	-3.3%	8.4%	>15%

**KEY DRIVERS:**

- Base business at 8-9% growth
- New initiatives driving remaining growth



# LONG TERM TARGETS: GROSS MARGIN

	2012	2018	LONG TERM TARGET
Revenue Growth	5.2%	6.1%	15%
Gross Margin	38.0%	47.8%	55%
Non GAAP Income Margin	-12.2%		>10%
Adj. EBITDA Margin	5.5%		>25%
Capex as % of Revenue	10.2%	8.2%	10%
Free Cash Flow Margin	-3.3%	8.4%	>15%

**KEY DRIVERS:**

- Better mix of business
- Increased utilization with scale
- Improving cost profile & efficiency

# LONG TERM TARGETS: NON GAAP INCOME AND ADJUSTED EBITDA MARGINS

	2012	2018	LONG TERM TARGET
Revenue Growth			15%
Gross Margin			55%
Non GAAP Income Margin	-12.2%	7.0%	>10%
Adj. EBITDA Margin	5.5%	16.6%	>25%
Capex as % of Revenue	10.2%	8.2%	10%
Free Cash Flow Margin	-3.3%	8.4%	>15%

## KEY DRIVERS:

- Strong revenue growth
- Disciplined increase in COGS expense
- Effective management of operating expenses

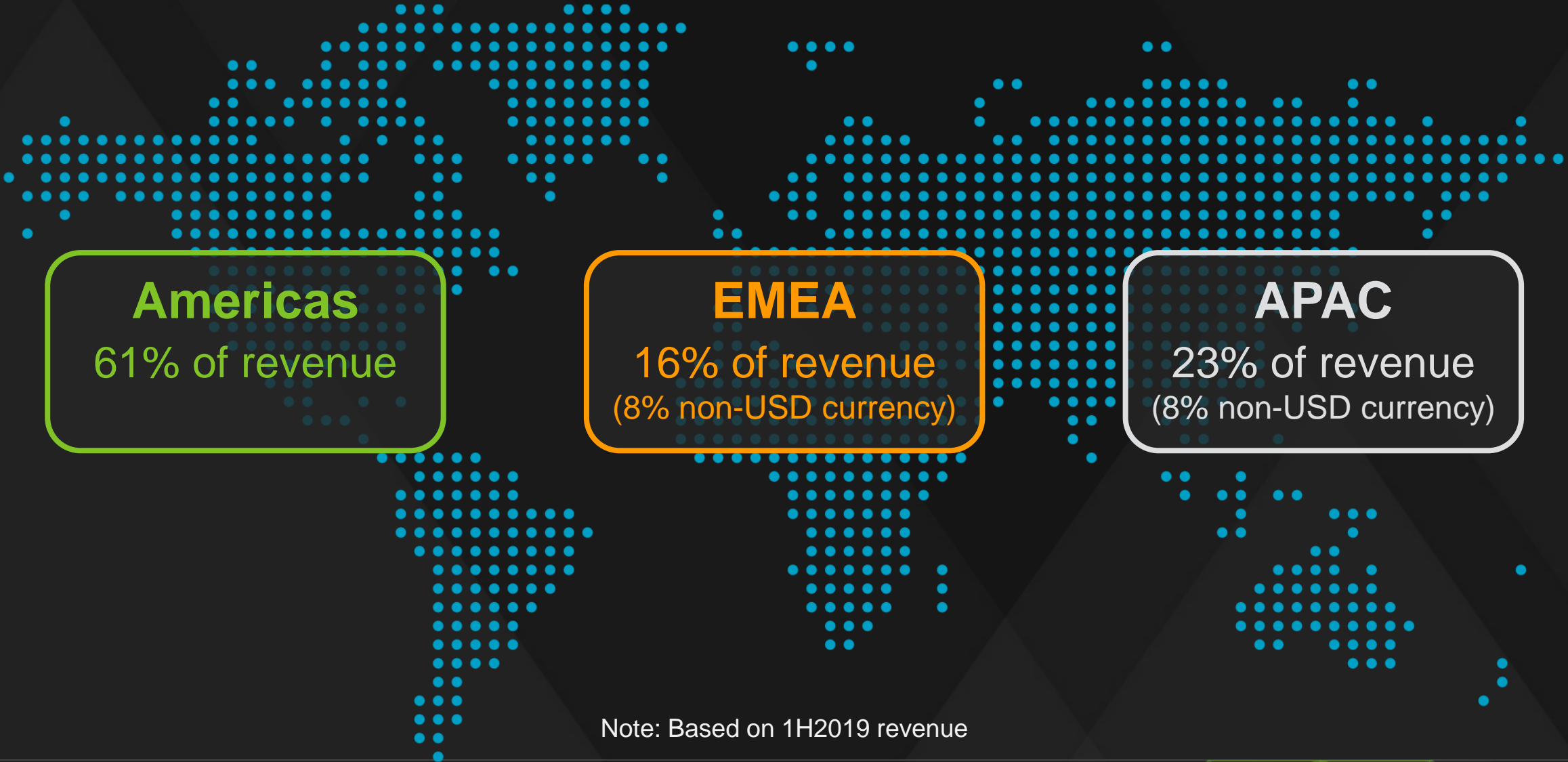
# LONG TERM TARGETS: CAPEX AND FCF MARGIN

	2012	2018	LONG TERM TARGET
Revenue Growth	5.2%	6.1%	15%
Gross Margin	38.0%	47.8%	55%
Non GAAP Income Margin			>10%
Adj. EBITDA Margin			>25%
Capex as % of Revenue	10.2%	8.2%	10%
Free Cash Flow Margin	-3.3%	8.4%	>15%

**KEY DRIVERS:**

- R&D efficiency reducing Capex dependence
- Strong revenue growth
- Leverage in business model

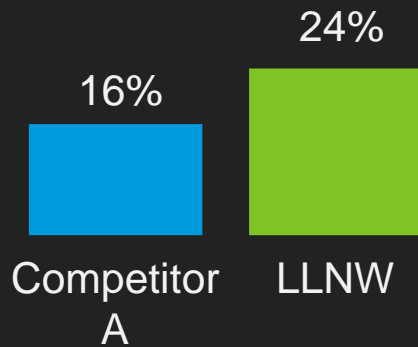
# GLOBAL REVENUE MIX, LOW CURRENCY EXPOSURE



Note: Based on 1H2019 revenue

# STRONG BASE OF ENTERPRISE CUSTOMERS

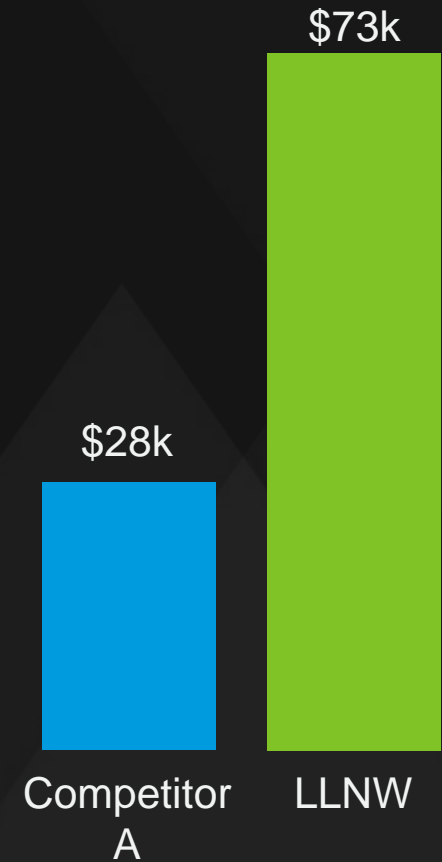
## ENTERPRISE CUSTOMERS AS % OF TOTAL



## ENTERPRISE CUSTOMERS REVENUE AS % OF TOTAL



## QUARTERLY AVG. REVENUE PER CUSTOMER



Note: Enterprise customers are defined as customers with revenue in excess of \$100,000 over the previous 12-month period. Excludes customers that termed within the reporting quarter. Sourced from 2Q2019 disclosures.

# TARGETS COMPARE FAVORABLY WITH PEERS



COMPETITOR A

COMPETITOR B

	<u>2019E</u>	→	<u>2021E</u>	<u>2019E</u>	→	<u>2021E</u>	<u>2019E</u>	→	<u>2021E</u>
<b>Revenue</b>	<b>\$198</b>		<b>\$241</b>	<b>\$193</b>		<b>\$322</b>	<b>\$2,860</b>		<b>\$3,241</b>
YoY Growth	1%		9%	33%		29%	5%		6%
<b>Gross Profit</b>	<b>\$86</b>		<b>\$139</b>	<b>\$109</b>		<b>\$204</b>	<b>\$1,890</b>		<b>\$2,141</b>
Margin Improvement 2019 vs 2021			+1,500 bps			+600 bps			+0 bps
<b>Implied Opex</b>	<b>\$87</b>		<b>\$119</b>	<b>\$148</b>		<b>\$228</b>	<b>\$1,071</b>		<b>\$1,160</b>
Opex Increase 2019 vs 2021			+\$32			+\$80			+\$89
<b>Adj. EBITDA<sup>(1)</sup></b>	<b>\$18</b>		<b>\$45</b>	<b>(\$23)</b>		<b>(\$3)</b>	<b>\$1,185</b>		<b>\$1,409</b>
2019-21 Cumulative Adj EBITDA			\$93			(\$51)			\$3,891
<b>FCF</b>	<b>(\$14)</b>		<b>\$17</b>	<b>(\$55)</b>		<b>(\$49)</b>	<b>\$483</b>		<b>\$800</b>
2019-21 Cumulative FCF			\$10			(\$169)			\$1,985

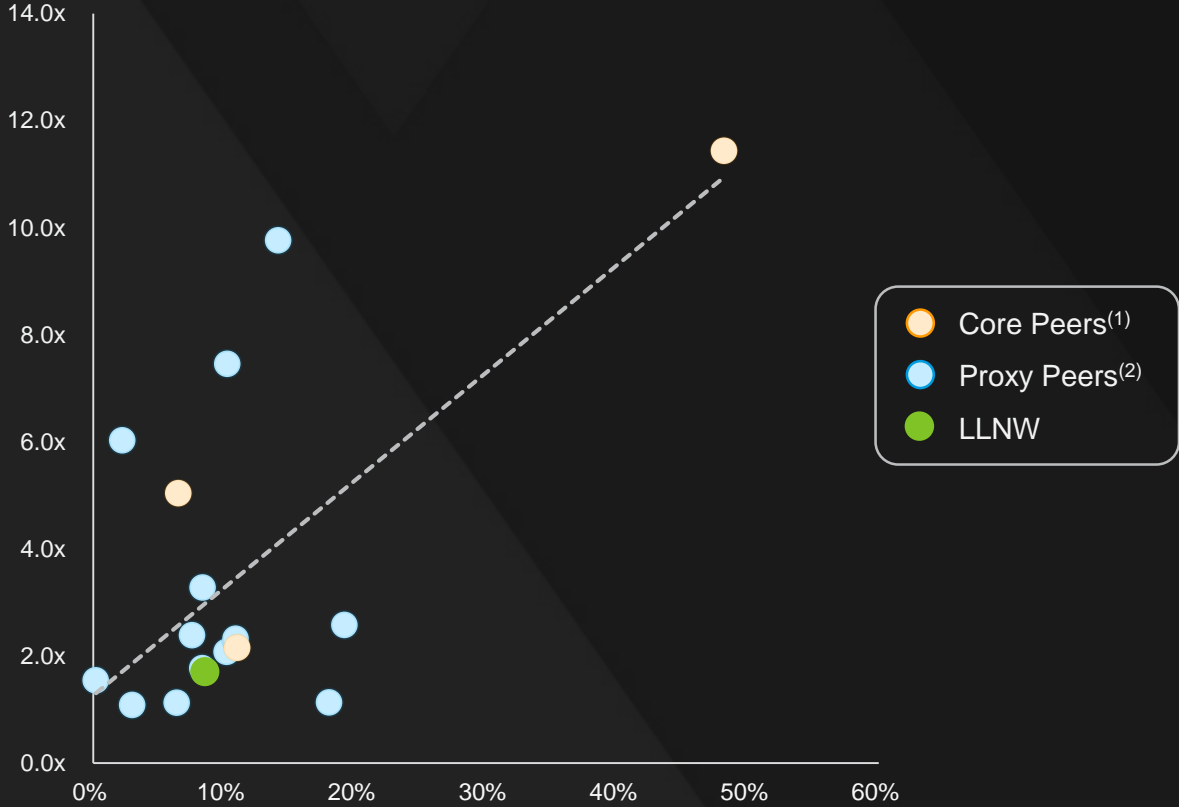
Source: Financials based on Wall Street research estimates as of September 18, 2019.

Note: Dollars in millions.

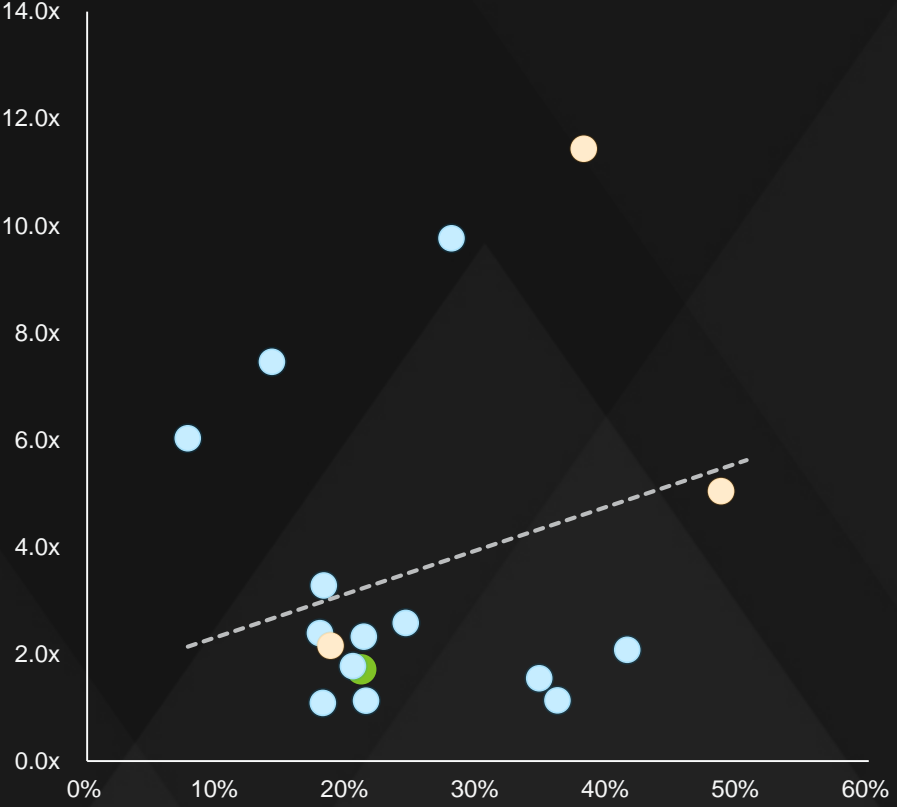
(1) Limelight adjusted EBITDA adjusted for stock-based compensation. Competitor A adjusted EBITDA includes adjustments for stock-based compensation and other income/loss. Competitor B adjusted EBITDA include adjustments for stock-based compensation, one time charges and legal / stockholder matter costs.

# MULTIPLE BELOW PEER GROUPS

Revenue Multiple vs. Growth



Revenue Multiple vs. Growth + Margin



Source: Factset as of September 18, 2019. Financials based on Wall Street research consensus estimates.

(1) Core Peers include Akamai, Brightcove, Fastly.

(2) Proxy Peers include Carbonite, Boingo, Care.com, Channeladvisor, Digi, Five9, Glu Mobile, Internap, LivePerson, Mobileiron, Model N, QAD, QuinStreet and Tucows.

# ACCELERATING REVENUE GROWTH

	<u>1Q2019</u>	<u>2Q2019</u>	<u>3Q2019</u> <sup>(1)</sup>	<u>4Q2019</u> <sup>(1)</sup>
<b>Revenue:</b>				
LLNW	\$43.28	\$45.90	\$49.89	\$58.79
Competitor A	\$45.56	\$46.17	\$48.1	\$53.17
Competitor B	\$706.51	\$705.07	\$701.25	\$746.96

## Sequential Revenue Growth:

LLNW	-2%	6%	9%	18%
Competitor A	12%	1%	4%	11%
Competitor B	-1%	0%	-1%	7%

## YoY Revenue Growth:

LLNW	-17%	-9%	1%	34%
Competitor A	40%	34%	31%	30%
Competitor B	6%	6%	5%	5%

Note: Dollars in millions

(1) Represents analyst consensus amounts



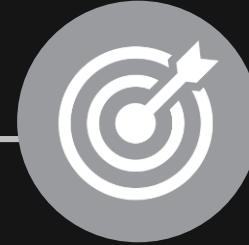
# FINANCIAL SUMMARY



IMPROVING  
PERFORMANCE



ATTRACTIVE  
FINANCIAL  
MODEL



POSITIONED TO  
LEAD



MULTIPLE  
EXPANSION  
POTENTIAL

**LIMELIGHT** OFFERS  
A **UNIQUE** OPPORTUNITY  
IN AN **ATTRACTIVE** INDUSTRY

**Q & A**





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[twitter.com/llnw](https://twitter.com/llnw)



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[facebook.com/LimelightNetworks](https://www.facebook.com/LimelightNetworks)

THANK YOU

MAAKE

TERMA KASIH RAIBH MAITH AGAT

MULTUMESC

JUSPA  
OBRIG  
MATON

MERCI

KIA O  
MULTUMES  
CHOKRANE  
SALAMA  
CAM  
M  
RAIBH MAITH AGAT

OBRIGA

ASA

UA TSAUG RAU  
MOCHCHAKKERAM

MERCI  
CHAKKERAM

GRAZIE  
CHOKRANE  
MAITH

TONDO  
UG RAU KOJ

DANK JE

SIBO

WELLALIN

ARIGATO

KIITOS

MOCHCHAKKERAM  
OBRIGADO

DANKON  
NIRRINGRAZZJA  
MOCHCHAKKERAM

ASIBO

SALAMAT

KIITOS  
CHAKKERAM

ORA

# APPENDIX: NON-GAAP INCOME RECONCILIATION

	LLNW		COMPETITOR A		COMPETITOR B	
	<u>1Q2019</u>	<u>2Q2019</u>	<u>1Q2019</u>	<u>2Q2019</u>	<u>1Q2019</u>	<u>2Q2019</u>
GAAP Net Income/Loss	(8.56)	(7.19)	(9.73)	(15.59)	107.13	113.92
Adjustments:						
Stock-based Comp	3.46	3.65	1.47	2.24	45.31	48.14
Interest Expense - acceleration of deferred debt costs due to early repayment			-	1.79		
Other Expense - mark-to-market warrant liability			0.71	1.70		
Amortization of acquired Intangible Assets					9.60	9.65
Amortization of Capitalized stock-based comp and capitalized interest exp					9.23	8.05
Restructuring Charge					6.39	0.79
Acquisition-related Costs					0.45	0.52
Transformation Costs					4.19	1.34
Amortization of debt discount and issuance costs					11.62	8.01
(Gain) Loss on Investments					(0.69)	0.25
Income tax-effect of above non-GAAP adjustments and certain discrete tax items					(12.30)	(14.45)
Non-GAAP Net Income/Loss	(5.10)	(3.54)	(7.55)	(9.86)	180.92	176.21