



# Q2 Fiscal 2019 Earnings

Supplemental Data

August 7, 2019



# Forward-Looking Statements & Non-GAAP Financial Measures

This presentation and the accompanying oral presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or Lyft's future financial or operating performance. In some cases, you can identify forward looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Lyft's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this presentation include, but are not limited to, statements regarding Lyft's future financial and operating performance, including its outlook and guidance, demand for Lyft's products and services and the markets in which Lyft operates and the future of transportation-as-a-service. Lyft's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in Lyft's filings with the Securities and Exchange Commission, including Lyft's prospectus filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, on March 29, 2019 and in our Quarterly Report on Form 10-Q that will be filed following this earnings release. The forward-looking statements in this presentation are based on information available to Lyft as of the date hereof, and Lyft disclaims any obligation to update any forward-looking statements, except as required by law.

In addition to financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation and the accompanying oral presentation include certain non-GAAP financial measures, including Contribution, Contribution Margin, Adjusted EBITDA, Adjusted EBITDA Margin, adjusted net loss and adjusted net loss margin and adjusted net loss per share. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation.

This presentation and the accompanying oral presentation also contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to such information. We have not independently verified the accuracy or completeness of the information contained in the industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that information nor do we undertake to update such information after the date of this presentation.

# Key Highlights

**+72%**

Revenue  
YoY Growth

**+14pp**

Adjusted EBITDA Margin  
YoY Improvement

**\$3.3B**

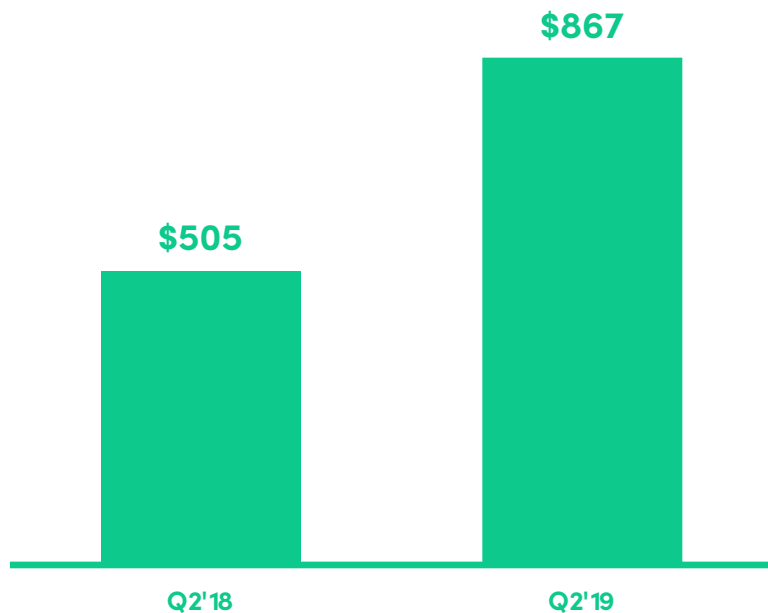
Unrestricted Cash\*  
(as of 6/30/19)

\*Unrestricted cash includes cash equivalents and short term investments. Does not include restricted cash and restricted investments.

Note: Certain of the figures above are non-GAAP financial measures. Please see the explanation of non-GAAP measures as well as reconciliation from GAAP to Non-GAAP measures contained in the appendix to this presentation.

# Revenue

*(\$ in Millions)*

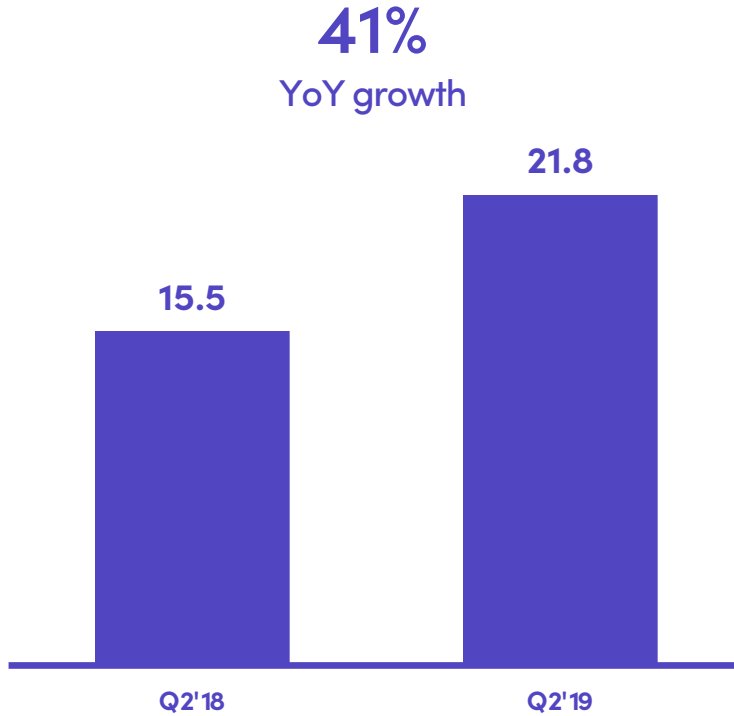


**72%**

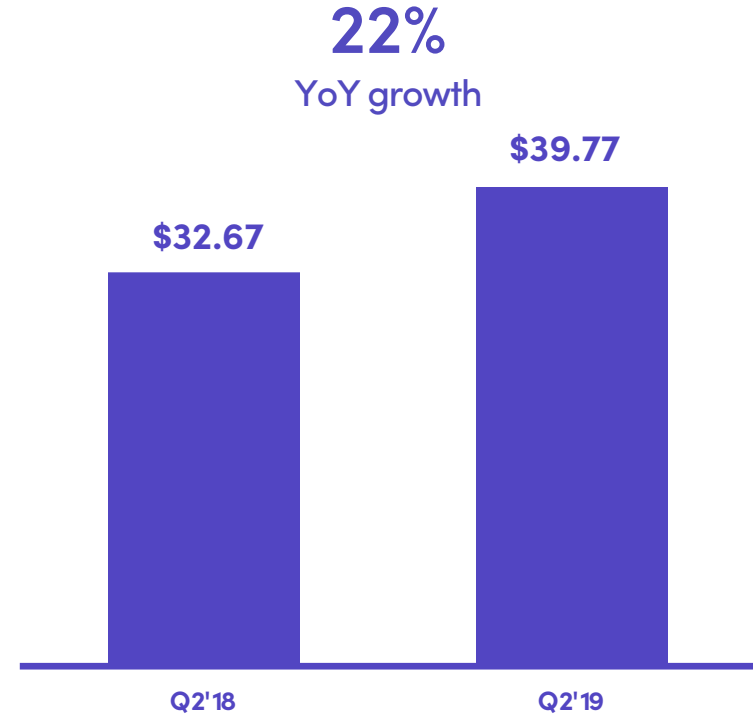
YoY Growth

# Active Riders

(in Millions)

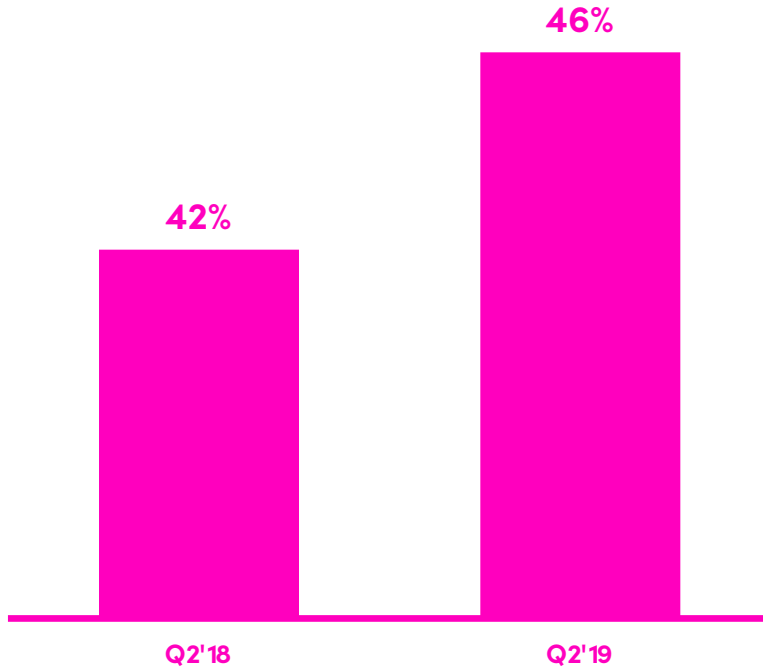


# Revenue per Active Rider



# Contribution Margin

(\$ in Millions)

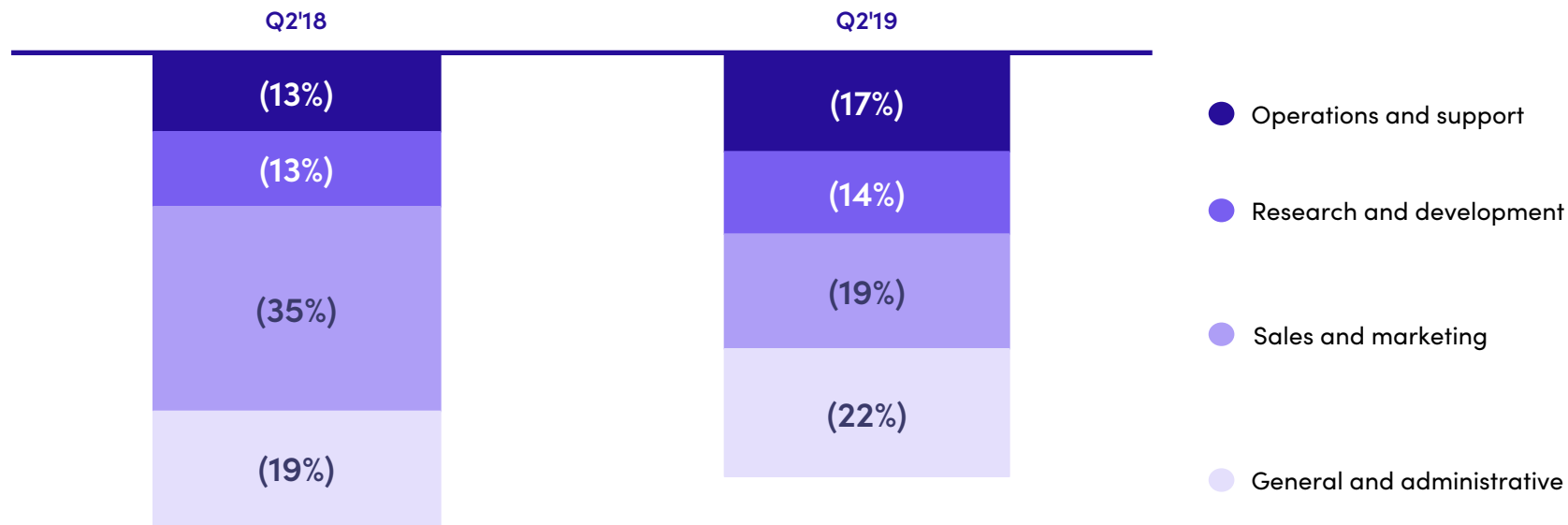


+4pp  
Improvement

Contribution was \$213 million and \$399 million for Q2'18 and Q2'19, respectively.  
Note: The figures above are non-GAAP financial measures. Please see the explanation of non-GAAP measures as well as reconciliation from GAAP to Non-GAAP measures contained in the appendix to this presentation.

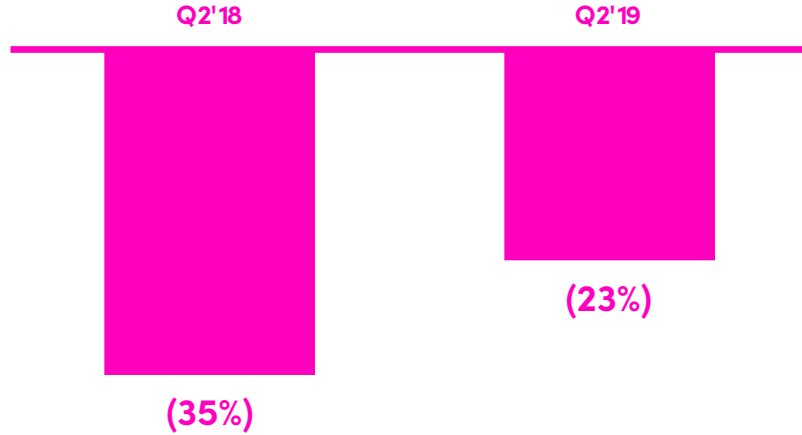
# Non-GAAP Operating Expenses

(as a % of revenue)

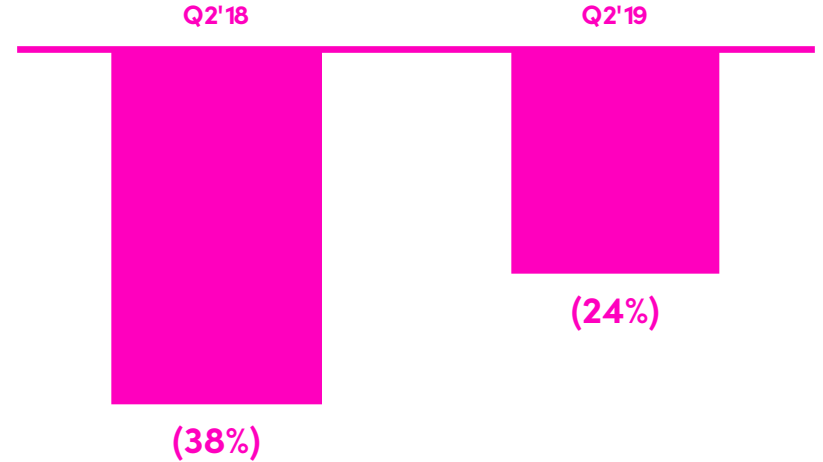


**8pp**  
improvement

# Adjusted Net Loss Margin



# Adjusted EBITDA Margin

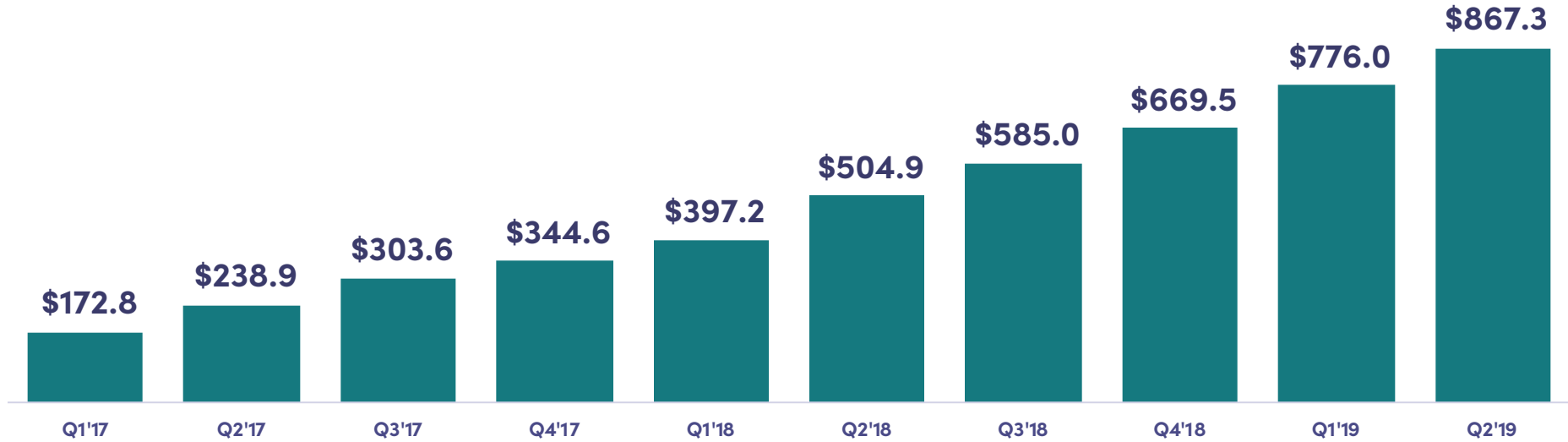


Adjusted net loss was (\$177) million and (\$197) million for Q2'18 and Q2'19, respectively; Adjusted EBITDA was (\$191) million and (\$204) million for Q2'18 and Q2'19, respectively.  
Note: The figures above are non-GAAP financial measures. Please see the explanation of non-GAAP measures as well as reconciliation from GAAP to Non-GAAP measures contained in the appendix to this presentation



# Quarterly Revenue

*(\$ in Millions)*



# Outlook

(\$ in Millions)

	Q3'19		FY19		Prior FY19 Outlook	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
<b>Revenue</b>	<b>\$900</b>	<b>\$915</b>	<b>\$3,470</b>	<b>\$3,500</b>	<b>\$3,275</b>	<b>\$3,300</b>
YoY Growth	54%	56%	61%	62%	52%	53%
<b>Adjusted EBITDA</b>	<b>(\$210)</b>	<b>(\$190)</b>	<b>(\$875)</b>	<b>(\$850)</b>	<b>(\$1,175)</b>	<b>(\$1,150)</b>

# Reconciliations from GAAP to Non-GAAP and Trended Financial Statements

# Condensed Consolidated Statement of Operations

(\$ in Millions, except per share)

	Fiscal 2017					Fiscal 2018					Fiscal 2019	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
<b>Revenue</b>	\$ 172.8	\$ 238.9	\$ 303.6	\$ 344.6	\$ 1,059.9	\$ 397.2	\$ 504.9	\$ 585.0	\$ 669.5	\$ 2,156.6	\$ 776.0	\$ 867.3
Cost and expenses												
Cost of revenue	118.6	143.9	189.0	208.0	659.5	260.6	293.2	322.6	367.0	1,243.4	462.9	630.1
Operations and support	36.2	43.0	48.3	56.0	183.5	59.9	67.4	92.5	118.6	338.4	187.2	152.0
Research and development	23.5	28.2	37.2	47.7	136.6	63.1	64.4	77.2	96.1	300.8	631.0	309.8
Sales and marketing	84.4	107.4	165.3	209.9	567.0	168.7	175.1	241.1	218.9	803.8	275.1	181.0
General and administrative	40.8	47.0	63.3	70.4	221.5	90.2	98.5	120.3	139.0	448.0	376.7	267.3
Total costs and expenses	303.5	369.5	503.1	592.0	1,768.1	642.5	698.6	853.7	939.6	3,134.4	1,932.9	1,540.2
<b>Loss from operations</b>	<b>(130.7)</b>	<b>(130.6)</b>	<b>(199.5)</b>	<b>(247.4)</b>	<b>(708.2)</b>	<b>(245.3)</b>	<b>(193.7)</b>	<b>(268.7)</b>	<b>(270.1)</b>	<b>(977.8)</b>	<b>(1,156.9)</b>	<b>(672.9)</b>
Interest income	2.8	4.4	5.5	7.5	20.2	11.5	15.3	19.6	20.1	66.5	19.7	30.0
Other income (expense), net	-	0.1	-	0.2	0.3	(0.1)	(0.3)	0.4	0.7	0.7	0.1	(0.3)
Loss before income taxes	(127.9)	(126.1)	(194.0)	(239.7)	(687.7)	(233.9)	(178.7)	(248.7)	(249.3)	(910.6)	(1,137.1)	(643.2)
Provision (benefit) for income taxes	-	0.3	0.2	0.1	0.6	0.4	0.2	0.5	(0.4)	0.7	1.4	1.0
<b>Net loss</b>	<b>\$ (127.9)</b>	<b>\$ (126.4)</b>	<b>\$ (194.2)</b>	<b>\$ (239.8)</b>	<b>\$ (688.3)</b>	<b>\$ (234.3)</b>	<b>\$ (178.9)</b>	<b>\$ (249.2)</b>	<b>\$ (248.9)</b>	<b>\$ (911.3)</b>	<b>\$ (1,138.5)</b>	<b>\$ (644.2)</b>
Net loss per share, basic and diluted	\$ (6.77)	\$ (6.59)	\$ (9.89)	\$ (12.13)	\$ (35.53)	\$ (11.69)	\$ (8.48)	\$ (11.58)	\$ (11.29)	\$ (43.04)	\$ (48.53)	\$ (2.23)
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	18.9	19.2	19.6	19.8	19.4	20.0	21.1	21.5	22.0	21.2	23.5	288.4

# Condensed Consolidated Balance Sheet

(\$ in Millions)

	Fiscal 2017				Fiscal 2018				Fiscal 2019	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Assets</b>										
Current assets:										
Cash and cash equivalents	\$ 322.7	\$ 855.6	\$ 719.0	\$ 1,106.1	\$ 263.2	\$ 928.4	\$ 1,088.6	\$ 517.7	\$ 329.5	\$ 417.4
Short-term investments	608.6	612.9	625.7	1,284.6	2,016.9	1,996.2	1,609.6	1,520.2	705.4	2,892.9
Prepaid expenses and other current assets	72.6	90.7	124.1	173.0	180.2	219.8	261.6	282.5	345.5	367.5
Total current assets	1,003.9	1,559.2	1,468.8	2,563.7	2,460.3	3,144.4	2,959.8	2,320.4	1,380.4	3,677.8
Restricted cash and cash equivalents	37.6	53.6	58.2	72.8	72.4	44.2	139.2	187.4	172.5	123.0
Restricted investments	147.2	152.5	190.9	360.9	447.2	550.4	647.1	863.7	993.3	1,165.3
Property and equipment, net	9.3	12.0	14.0	14.2	26.3	32.5	38.4	109.3	120.5	138.1
Operating lease right of use assets	-	-	-	-	-	-	-	-	304.6	347.0
Intangible assets, net	-	-	0.4	4.3	4.2	6.2	5.9	117.7	108.6	99.6
Goodwill	-	-	-	-	-	-	-	152.1	150.7	150.9
Other assets	0.5	0.7	0.7	0.8	0.8	1.0	1.0	9.4	10.3	2.8
<b>Total assets</b>	<b>\$ 1,198.5</b>	<b>\$ 1,778.0</b>	<b>\$ 1,733.0</b>	<b>\$ 3,016.7</b>	<b>\$ 3,011.2</b>	<b>\$ 3,778.7</b>	<b>\$ 3,791.4</b>	<b>\$ 3,760.0</b>	<b>\$ 3,240.9</b>	<b>\$ 5,704.5</b>
<b>Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)</b>										
Current liabilities:										
Accounts payable	\$ 34.3	\$ 64.0	\$ 57.4	\$ 66.9	\$ 55.7	\$ 68.0	\$ 47.0	\$ 32.3	\$ 39.4	\$ 12.7
Insurance reserves	177.9	233.0	304.9	376.5	466.3	574.9	691.8	810.3	937.0	1,207.4
Accrued and other current liabilities	165.5	181.2	262.1	253.4	343.2	408.8	528.1	606.2	702.0	813.2
Operating lease liabilities - current	-	-	-	-	-	-	-	-	73.7	92.6
Total current liabilities	377.7	478.2	624.4	696.8	865.2	1,051.7	1,266.9	1,448.8	1,752.1	2,125.8
Operating lease liabilities	-	-	-	-	-	-	-	-	263.8	295.2
Other liabilities	10.1	11.4	13.1	15.3	19.4	19.8	24.3	30.5	4.6	6.3
<b>Total liabilities</b>	<b>\$ 387.8</b>	<b>\$ 489.6</b>	<b>\$ 637.5</b>	<b>\$ 712.1</b>	<b>\$ 884.6</b>	<b>\$ 1,071.5</b>	<b>\$ 1,291.2</b>	<b>\$ 1,479.3</b>	<b>\$ 2,020.5</b>	<b>\$ 2,427.3</b>
Redeemable convertible preferred stock	2,238.8	2,838.5	2,838.5	4,284.0	4,338.2	5,091.4	5,126.7	5,152.0	5,152.0	-
Stockholders' equity (deficit)										
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Common stock	-	-	-	-	-	-	-	-	-	-
Additional paid in capital	45.7	49.6	51.9	55.6	58.7	63.2	70.2	73.9	150.0	7,999.7
Accumulated other comprehensive income	0.1	-	0.1	(1.0)	(2.0)	(0.2)	(0.3)	0.1	2.2	5.5
Accumulated deficit	(1,473.9)	(1,599.7)	(1,795.0)	(2,034.0)	(2,268.3)	(2,447.2)	(2,696.4)	(2,945.3)	(4,083.8)	(4,728.0)
Total stockholders' equity (deficit)	(1,428.1)	(1,550.1)	(1,743.0)	(1,979.4)	(2,211.6)	(2,384.2)	(2,626.5)	(2,871.3)	(3,931.6)	3,277.2
<b>Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)</b>	<b>\$ 1,198.5</b>	<b>\$ 1,778.0</b>	<b>\$ 1,733.0</b>	<b>\$ 3,016.7</b>	<b>\$ 3,011.2</b>	<b>\$ 3,778.7</b>	<b>\$ 3,791.4</b>	<b>\$ 3,760.0</b>	<b>\$ 3,240.9</b>	<b>\$ 5,704.5</b>

# Condensed Consolidated Statement of Cash Flows

(\$ in Millions)

	Fiscal 2017					Fiscal 2018					Fiscal 2019	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
<b>Cash flows from operating activities</b>												
Net loss	\$ (127.9)	\$ (126.4)	\$ (194.2)	\$ (239.8)	\$ (688.3)	\$ (234.3)	\$ (178.9)	\$ (249.2)	\$ (248.9)	\$ (911.3)	\$ (1,138.5)	\$ (644.2)
Adjustments to reconcile net loss to net cash used in operating activities:												
Depreciation and amortization	0.5	0.6	0.7	0.8	2.6	1.2	1.7	2.6	13.3	18.8	23.1	31.1
Stock-based compensation	2.1	2.5	1.9	3.0	9.5	2.0	1.5	2.9	2.2	8.6	859.5	293.2
Amortization of premium on marketable securities	0.1	0.2	0.3	0.3	0.9	0.2	0.2	0.1	-	0.5	-	0.1
Accretion of discount on marketable securities	(1.0)	(1.3)	(1.0)	(2.2)	(5.5)	(3.8)	(4.3)	(7.2)	(8.3)	(23.6)	(10.1)	(11.3)
Other	-	-	-	-	-	-	0.3	-	0.7	1.0	0.1	7.4
Changes in operating assets and liabilities:												
Prepaid expenses and other assets	(9.6)	(19.4)	(33.7)	(49.1)	(111.8)	(7.3)	(39.6)	(9.3)	(19.4)	(75.6)	(46.3)	(33.4)
Operating lease right-of-use assets	-	-	-	-	-	-	-	-	-	-	19.5	20.5
Accounts payable	(11.2)	29.7	(7.2)	10.1	21.4	(13.3)	11.2	(18.2)	(20.5)	(40.8)	1.2	(23.6)
Insurance reserves	45.9	55.1	71.9	71.7	244.6	89.7	108.6	116.9	118.5	433.7	126.7	270.4
Accrued and other liabilities	36.2	20.9	81.6	(5.7)	133.0	85.9	67.3	125.5	29.4	308.1	94.3	117.8
Lease liabilities	-	-	-	-	-	-	-	-	-	-	(14.3)	(12.7)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (64.9)</b>	<b>\$ (38.1)</b>	<b>\$ (79.7)</b>	<b>\$ (210.9)</b>	<b>\$ (393.6)</b>	<b>\$ (79.7)</b>	<b>\$ (32.0)</b>	<b>\$ (35.9)</b>	<b>\$ (133.0)</b>	<b>\$ (280.6)</b>	<b>\$ (84.8)</b>	<b>\$ 15.3</b>
<b>Cash flows from investing activities</b>												
Purchases of marketable securities	\$ (249.0)	\$ (698.8)	\$ (402.9)	\$ (1,208.7)	\$ (2,559.4)	\$ (1,198.2)	\$ (1,676.5)	\$ (1,476.2)	\$ (1,103.3)	\$ (5,454.2)	\$ (607.2)	\$ (2,974.6)
Purchase of term deposit	-	-	-	-	-	-	-	-	-	-	-	(105.0)
Proceeds from sales of marketable securities	102.1	396.7	159.0	214.5	872.3	181.7	503.7	142.5	72.5	900.4	466.2	180.9
Proceeds from maturities of marketable securities	53.5	294.1	193.7	166.4	707.7	200.5	1,096.0	1,630.6	911.4	3,838.5	838.2	553.2
Purchases of property and equipment and scooter fleet	(1.1)	(2.8)	(2.1)	(1.5)	(7.5)	(3.1)	(8.1)	(17.2)	(40.3)	(68.7)	(25.2)	(43.1)
Purchases of other intangible assets	-	-	(0.5)	(4.0)	(4.5)	-	(2.2)	-	-	(2.2)	-	-
Cash paid for acquisitions, net of cash acquired	-	-	-	-	-	-	-	-	(257.6)	(257.6)	(1.7)	(0.1)
Other investing activities	-	-	-	-	-	-	-	(28.0)	28.0	-	-	0.8
<b>Net cash provided by (used in) investing activities</b>	<b>\$ (94.5)</b>	<b>\$ (10.8)</b>	<b>\$ (52.8)</b>	<b>\$ (833.3)</b>	<b>\$ (991.4)</b>	<b>\$ (819.1)</b>	<b>\$ (87.1)</b>	<b>\$ 251.7</b>	<b>\$ (389.3)</b>	<b>\$ (1,043.8)</b>	<b>\$ 670.3</b>	<b>\$ (2,387.9)</b>

# Condensed Consolidated Statement of Cash Flows (cont'd)

(\$ in Millions)

	Fiscal 2017					Fiscal 2018					Fiscal 2019	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
<b>Cash flows from financing activities</b>												
Proceeds from issuance of common stock in initial public offering, net of underwriting commissions, offering costs and reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.4)	\$ (0.4)	\$ (5.1)	\$ 2,489.3
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	3.4	596.4	-	1,445.5	2,045.3	54.2	753.2	35.3	-	842.7	-	-
Proceeds from exercise of stock options and other common stock issuances	1.4	1.4	0.5	0.4	3.7	1.3	3.0	4.1	1.5	9.9	1.6	0.9
Taxes paid related to net share settlement of equity awards	-	-	-	-	-	-	-	-	-	-	(784.7)	(79.2)
<b>Net cash provided by (used in) financing activities</b>	<b>\$ 4.8</b>	<b>\$ 597.8</b>	<b>\$ 0.5</b>	<b>\$ 1,445.9</b>	<b>\$ 2,049.0</b>	<b>\$ 55.5</b>	<b>\$ 756.2</b>	<b>\$ 39.4</b>	<b>\$ 1.1</b>	<b>\$ 852.2</b>	<b>\$ (788.2)</b>	<b>\$ 2,411.0</b>
Effect of foreign exchange on cash, cash equivalents and restricted cash and cash equivalents	-	-	-	-	-	-	(0.1)	-	(0.1)	(0.2)	0.1	0.2
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	(154.6)	548.9	(132.0)	401.7	664.0	(843.3)	637.0	255.2	(521.3)	(472.4)	(202.6)	38.6
<b>Cash and cash equivalents and restricted cash and cash equivalents</b>												
Beginning of period	514.9	360.3	909.2	777.2	514.9	1,178.9	335.6	972.6	1,227.8	1,178.9	706.5	503.9
End of period	<u>360.3</u>	<u>909.2</u>	<u>777.2</u>	<u>1,178.9</u>	<u>1,178.9</u>	<u>335.6</u>	<u>972.6</u>	<u>1,227.8</u>	<u>706.5</u>	<u>706.5</u>	<u>503.9</u>	<u>542.5</u>
<b>Reconciliation of cash, cash equivalents and restricted cash and cash equivalents to the condensed consolidated balance sheets</b>												
Cash and cash equivalents	322.7	855.6	719.0	1,106.1	1,106.1	263.2	928.4	1,088.6	517.7	517.7	329.5	417.4
Restricted cash and cash equivalents	37.6	53.6	58.2	72.8	72.8	72.4	44.2	139.2	187.4	187.4	172.5	123.0
Restricted cash, included in prepaid expenses and other current assets	-	-	-	-	-	-	-	-	1.4	1.4	1.9	2.1
<b>Total cash, cash equivalents and restricted cash and cash equivalents</b>	<b>\$ 360.3</b>	<b>\$ 909.2</b>	<b>\$ 777.2</b>	<b>\$ 1,178.9</b>	<b>\$ 1,178.9</b>	<b>\$ 335.6</b>	<b>\$ 972.6</b>	<b>\$ 1,227.8</b>	<b>\$ 706.5</b>	<b>\$ 706.5</b>	<b>\$ 503.9</b>	<b>\$ 542.5</b>

# Non-GAAP Condensed Consolidated Statement of Operations

(\$ in Millions, except per share)

	Fiscal 2017					Fiscal 2018					Fiscal 2019	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
Revenue	\$ 172.8	\$ 238.9	\$ 303.6	\$ 344.6	\$ 1,059.9	\$ 397.2	\$ 504.9	\$ 585.0	\$ 669.5	\$ 2,156.6	\$ 776.0	\$ 867.3
Cost of revenue	118.5	143.8	188.9	207.8	659.0	256.8	292.4	321.8	364.8	1235.8	391.1	468.4
Operating expenses												
Operations and support	36.0	42.3	48.0	54.7	181.0	59.8	67.4	92.4	118.6	338.2	133.4	143.8
Research and development	22.9	27.6	36.6	47.1	134.2	62.4	63.9	75.9	92.3	294.5	107.6	121.9
Sales and marketing	84.3	107.3	165.2	209.8	566.6	168.6	175.0	241.0	218.4	803.0	227.0	168.4
General and administrative	39.8	46.1	62.4	69.4	217.7	89.0	97.5	118.7	135.1	440.3	146.8	190.8
Total costs and expenses	301.5	367.1	501.1	588.8	1,758.5	636.6	696.2	849.8	929.2	3,111.8	1,005.9	1,093.3
<b>Non-GAAP loss from operations</b>	<b>(128.7)</b>	<b>(128.2)</b>	<b>(197.5)</b>	<b>(244.2)</b>	<b>(698.6)</b>	<b>(239.4)</b>	<b>(191.3)</b>	<b>(264.8)</b>	<b>(259.7)</b>	<b>(955.2)</b>	<b>(229.9)</b>	<b>(226.0)</b>
Interest income	2.8	4.4	5.5	7.5	20.2	11.5	15.3	19.6	20.1	66.5	19.7	30.0
Other income (expense), net	-	0.1	-	0.2	0.3	(0.1)	(0.3)	0.4	0.7	0.7	0.1	(0.3)
Loss before income taxes	(125.9)	(123.7)	(192.0)	(236.5)	(678.1)	(228.0)	(176.3)	(244.8)	(238.9)	(888.0)	(210.1)	(196.3)
Provision (benefit) for income taxes	-	0.3	0.2	0.1	0.6	0.4	0.2	0.5	(0.4)	0.7	1.4	1.0
<b>Adjusted net loss</b>	<b>\$ (125.9)</b>	<b>\$ (124.0)</b>	<b>\$ (192.2)</b>	<b>\$ (236.6)</b>	<b>\$ (678.7)</b>	<b>\$ (228.4)</b>	<b>\$ (176.5)</b>	<b>\$ (245.3)</b>	<b>\$ (238.5)</b>	<b>\$ (888.7)</b>	<b>\$ (211.5)</b>	<b>\$ (197.3)</b>
Adjusted net loss per share, basic and diluted	<u>\$ (6.67)</u>	<u>\$ (6.46)</u>	<u>\$ (9.79)</u>	<u>\$ (11.97)</u>	<u>\$ (35.04)</u>	<u>\$ (11.40)</u>	<u>\$ (8.37)</u>	<u>\$ (11.41)</u>	<u>\$ (10.82)</u>	<u>\$ (41.97)</u>	<u>\$ (9.02)</u>	<u>\$ (0.68)</u>
Weighted-average shares used to compute adjusted net loss per share, basic and diluted	18.9	19.2	19.6	19.8	19.4	20.0	21.1	21.5	22.0	21.2	23.5	288.4



# GAAP to Non-GAAP Reconciliations

(\$ in Millions, except per share)

	Fiscal 2017					Fiscal 2018					Fiscal 2019	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
<b>Contribution</b>												
<b>Revenue</b>	\$ 172.8	\$ 238.9	\$ 303.6	\$ 344.6	\$ 1,059.9	\$ 397.2	\$ 504.9	\$ 585.0	\$ 669.5	\$ 2,156.6	\$ 776.0	\$ 867.3
Less: cost of revenue	(118.6)	(143.9)	(189.0)	(208.0)	(659.5)	(260.6)	(293.2)	(322.6)	(367.0)	(1,243.4)	(462.9)	(630.1)
Amortization of intangible assets	-	-	-	-	-	0.3	0.7	0.6	2.1	3.7	5.3	5.3
Stock-based compensation expense	0.1	0.1	0.1	0.2	0.5	0.1	0.1	0.2	0.1	0.5	41.5	15.1
Payroll tax expense related to stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	1.2
Changes to the liabilities for insurance required by regulatory agencies attributable to historical periods	-	-	-	-	-	3.4	-	-	-	3.4	23.8	141.1
<b>Non-GAAP Contribution</b>	\$ 54.3	\$ 95.1	\$ 114.7	\$ 136.8	\$ 400.9	\$ 140.4	\$ 212.5	\$ 263.2	\$ 304.7	\$ 920.8	\$ 384.9	\$ 398.9
<i>Non-GAAP Contribution Margin</i>	31%	40%	38%	40%	38%	35%	42%	45%	46%	43%	50%	46%
<b>Non-GAAP Operating Expenses</b>												
GAAP Operations and Support	\$ (36.2)	\$ (43.0)	\$ (48.3)	\$ (56.0)	\$ (183.5)	\$ (59.9)	\$ (67.4)	\$ (92.5)	\$ (118.6)	\$ (338.4)	\$ (187.2)	\$ (152.0)
Amortization of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Stock-based compensation expense	0.2	0.7	0.3	1.3	2.5	0.1	-	0.1	-	0.2	51.4	8.2
Payroll tax expense related to stock-based compensation	-	-	-	-	-	-	-	-	-	-	2.4	-
<b>Non-GAAP Operations and Support</b>	\$ (36.0)	\$ (42.3)	\$ (48.0)	\$ (54.7)	\$ (181.0)	\$ (59.8)	\$ (67.4)	\$ (92.4)	\$ (118.6)	\$ (338.2)	\$ (133.4)	\$ (143.8)
GAAP Research and Development	\$ (23.5)	\$ (28.2)	\$ (37.2)	\$ (47.7)	\$ (136.6)	\$ (63.1)	\$ (64.4)	\$ (77.2)	\$ (96.1)	\$ (300.8)	\$ (631.0)	\$ (309.8)
Amortization of intangible assets	-	-	-	-	-	-	-	0.2	2.0	2.2	2.9	2.9
Stock-based compensation expense	0.6	0.6	0.6	0.6	2.4	0.7	0.5	1.1	1.8	4.1	506.2	182.9
Payroll tax expense related to stock-based compensation	-	-	-	-	-	-	-	-	-	-	14.3	2.1
<b>Non-GAAP Research and Development</b>	\$ (22.9)	\$ (27.6)	\$ (36.6)	\$ (47.1)	\$ (134.2)	\$ (62.4)	\$ (63.9)	\$ (75.9)	\$ (92.3)	\$ (294.5)	\$ (107.6)	\$ (121.9)
GAAP Sales and Marketing	\$ (84.4)	\$ (107.4)	\$ (165.3)	\$ (209.9)	\$ (567.0)	\$ (168.7)	\$ (175.1)	\$ (241.1)	\$ (218.9)	\$ (803.8)	\$ (275.1)	\$ (181.0)
Amortization of intangible assets	-	-	-	-	-	-	-	-	0.5	0.5	0.3	0.3
Stock-based compensation expense	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	-	0.3	45.1	12.1
Payroll tax expense related to stock-based compensation	-	-	-	-	-	-	-	-	-	-	2.7	0.2
<b>Non-GAAP Sales and Marketing</b>	\$ (84.3)	\$ (107.3)	\$ (165.2)	\$ (209.8)	\$ (566.6)	\$ (168.6)	\$ (175.0)	\$ (241.0)	\$ (218.4)	\$ (803.0)	\$ (227.0)	\$ (168.4)
GAAP General and Administrative	\$ (40.8)	\$ (47.0)	\$ (63.3)	\$ (70.4)	\$ (221.5)	\$ (90.2)	\$ (98.5)	\$ (120.3)	\$ (139.0)	\$ (448.0)	\$ (376.7)	\$ (267.3)
Amortization of intangible assets	-	-	-	0.1	0.1	0.2	0.2	0.2	0.1	0.7	0.7	0.7
Stock-based compensation expense	1.0	0.9	0.9	0.9	3.7	1.0	0.8	1.4	0.3	3.5	215.3	74.9
Payroll tax expense related to stock-based compensation	-	-	-	-	-	-	-	-	-	-	13.9	0.9
Costs related to acquisitions	-	-	-	-	-	-	-	-	3.5	3.5	-	-
<b>Non-GAAP General and Administrative</b>	\$ (39.8)	\$ (46.1)	\$ (62.4)	\$ (69.4)	\$ (217.7)	\$ (89.0)	\$ (97.5)	\$ (118.7)	\$ (135.1)	\$ (440.3)	\$ (146.8)	\$ (190.8)

# GAAP to Non-GAAP Reconciliations (cont'd)

(\$ in Millions, except per share)

	Fiscal 2017					Fiscal 2018					Fiscal 2019	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
GAAP Total Costs and Expenses	\$ (303.5)	\$ (369.5)	\$ (503.1)	\$ (592.0)	\$ (1,768.1)	\$ (642.5)	\$ (698.6)	\$ (853.7)	\$ (939.6)	\$ (3,134.4)	\$ (1,932.9)	\$ (1,540.2)
Amortization of intangible assets	-	-	-	0.1	0.1	0.5	0.9	1.0	4.7	7.1	9.2	9.2
Stock-based compensation expense	2.0	2.4	2.0	3.1	9.5	2.0	1.5	2.9	2.2	8.6	859.5	293.2
Payroll tax expense related to stock-based compensation	-	-	-	-	-	-	-	-	-	-	34.5	3.4
Changes to the liabilities for insurance required by regulatory agencies attributable to historical periods	-	-	-	-	-	3.4	-	-	-	3.4	23.8	141.1
Costs related to acquisitions	-	-	-	-	-	-	-	-	3.5	3.5	-	-
<b>Non-GAAP Total Costs and Expenses</b>	<b>\$ (301.5)</b>	<b>\$ (367.1)</b>	<b>\$ (501.1)</b>	<b>\$ (588.8)</b>	<b>\$ (1,758.5)</b>	<b>\$ (636.6)</b>	<b>\$ (696.2)</b>	<b>\$ (849.8)</b>	<b>\$ (929.2)</b>	<b>\$ (3,111.8)</b>	<b>\$ (1,005.9)</b>	<b>\$ (1,093.3)</b>
GAAP Loss from Operations	\$ (130.7)	\$ (130.6)	\$ (199.5)	\$ (247.4)	\$ (708.2)	\$ (245.3)	\$ (193.7)	\$ (268.7)	\$ (270.1)	\$ (977.8)	\$ (1,156.9)	\$ (672.9)
Amortization of intangible assets	-	-	-	0.1	0.1	0.5	0.9	1.0	4.7	7.1	9.2	9.2
Stock-based compensation expense	2.0	2.4	2.0	3.1	9.5	2.0	1.5	2.9	2.2	8.6	859.5	293.2
Payroll tax expense related to stock-based compensation	-	-	-	-	-	-	-	-	-	-	34.5	3.4
Changes to the liabilities for insurance required by regulatory agencies attributable to historical periods	-	-	-	-	-	3.4	-	-	-	3.4	23.8	141.1
Costs related to acquisitions	-	-	-	-	-	-	-	-	3.5	3.5	-	-
<b>Non-GAAP Loss from Operations</b>	<b>\$ (128.7)</b>	<b>\$ (128.2)</b>	<b>\$ (197.5)</b>	<b>\$ (244.2)</b>	<b>\$ (698.6)</b>	<b>\$ (239.4)</b>	<b>\$ (191.3)</b>	<b>\$ (264.8)</b>	<b>\$ (259.7)</b>	<b>\$ (955.2)</b>	<b>\$ (229.9)</b>	<b>\$ (226.0)</b>
GAAP Net Loss	\$ (127.9)	\$ (126.4)	\$ (194.2)	\$ (239.8)	\$ (688.3)	\$ (234.3)	\$ (178.9)	\$ (249.2)	\$ (248.9)	\$ (911.3)	\$ (1,138.5)	\$ (644.2)
Amortization of intangible assets	-	-	-	0.1	0.1	0.5	0.9	1.0	4.7	7.1	9.2	9.2
Stock-based compensation expense	2.0	2.4	2.0	3.1	9.5	2.0	1.5	2.9	2.2	8.6	859.5	293.2
Payroll tax expense related to stock-based compensation	-	-	-	-	-	-	-	-	-	-	34.5	3.4
Changes to the liabilities for insurance required by regulatory agencies attributable to historical periods	-	-	-	-	-	3.4	-	-	-	3.4	23.8	141.1
Costs related to acquisitions	-	-	-	-	-	-	-	-	3.5	3.5	-	-
<b>Adjusted Net Loss</b>	<b>\$ (125.9)</b>	<b>\$ (124.0)</b>	<b>\$ (192.2)</b>	<b>\$ (236.6)</b>	<b>\$ (678.7)</b>	<b>\$ (228.4)</b>	<b>\$ (176.5)</b>	<b>\$ (245.3)</b>	<b>\$ (238.5)</b>	<b>\$ (888.7)</b>	<b>\$ (211.5)</b>	<b>\$ (197.3)</b>
Adjusted net loss per share, basic and diluted	<u>\$ (6.67)</u>	<u>\$ (6.46)</u>	<u>\$ (9.79)</u>	<u>\$ (11.97)</u>	<u>\$ (35.04)</u>	<u>\$ (11.40)</u>	<u>\$ (8.37)</u>	<u>\$ (11.41)</u>	<u>\$ (10.82)</u>	<u>\$ (41.97)</u>	<u>\$ (9.02)</u>	<u>\$ (0.68)</u>
Weighted-average shares used to compute adjusted net loss per share, basic and diluted	<u>18.9</u>	<u>19.2</u>	<u>19.6</u>	<u>19.8</u>	<u>19.4</u>	<u>20.0</u>	<u>21.1</u>	<u>21.5</u>	<u>22.0</u>	<u>21.2</u>	<u>23.5</u>	<u>288.4</u>

# Reconciliation of GAAP to Non-GAAP Financial Measures (cont'd)

(\$ in Millions, except per share)

Three Months Ended June 30, 2019

	GAAP	Amortization of intangible assets	Stock-based compensation expense	Payroll tax expense related to stock-based compensation	Changes to the liabilities for insurance required by regulatory agencies attributable to historical periods	Costs related to acquisitions	Non-GAAP
<b>Revenue</b>	\$ 867.3						\$ 867.3
Costs and expenses							
Cost of revenue	\$ (630.1)	\$ 5.3	\$ 15.1	\$ 0.2	\$ 141.1	\$ -	\$ (468.4)
Operations and support	(152.0)	-	8.2	-	-	-	(143.8)
Research and development	(309.8)	2.9	182.9	2.1	-	-	(121.9)
Sales and marketing	(181.0)	0.3	12.1	0.2	-	-	(168.4)
General and administrative	(267.3)	0.7	74.9	0.9	-	-	(190.8)
Total costs and expenses	\$ (1,540.2)	\$ 9.2	\$ 293.2	\$ 3.4	\$ 141.1	\$ -	\$ (1,093.3)
<b>Loss from operations</b>	\$ (672.9)						\$ (226.0)
Interest income	30.0						30.0
Other expense, net	(0.3)						(0.3)
Loss before income taxes	(643.2)						(196.3)
Provision for income taxes	1.0						1.0
<b>Net loss</b>	<b>(644.2)</b>						<b>(197.3)</b>
Net loss per share, basic and diluted	\$ (2.23)						\$ (0.68)
Weighted-average shares used to compute net loss per share, basic and diluted	288.4						288.4

# Reconciliation of GAAP to Non-GAAP Financial Measures (cont'd)

(\$ in Millions, except per share)

Three Months Ended June 30, 2018

	GAAP	Amortization of intangible assets	Stock-based compensation expense	Payroll tax expense related to stock-based compensation	Changes to the liabilities for insurance required by regulatory agencies attributable to historical periods	Costs related to acquisitions	Non-GAAP
<b>Revenue</b>	\$ 504.9						\$ 504.9
Costs and expenses							
Cost of revenue	\$ (293.2)	\$ 0.7	\$ 0.1	\$ -	\$ -	\$ -	\$ (292.4)
Operations and support	(67.4)	-	-	-	-	-	(67.4)
Research and development	(64.4)	-	0.5	-	-	-	(63.9)
Sales and marketing	(175.1)	-	0.1	-	-	-	(175.0)
General and administrative	(98.5)	0.2	0.8	-	-	-	(97.5)
Total costs and expenses	\$ (698.6)	\$ 0.9	\$ 1.5	\$ -	\$ -	\$ -	\$ (696.2)
<b>Loss from operations</b>	\$ (193.7)						\$ (191.3)
Interest income	15.3						15.3
Other expense, net	(0.3)						(0.3)
Loss before income taxes	(178.7)						(176.3)
Provision for income taxes	0.2						0.2
<b>Net loss</b>	<b>(178.9)</b>						<b>(176.5)</b>
Net loss per share, basic and diluted	\$ (8.48)						\$ (8.37)
Weighted-average shares used to compute net loss per share, basic and diluted	21.1						21.1

# Reconciliation of GAAP to Non-GAAP Financial Measures (cont'd)

(\$ in Millions)

	Three Months Ended June 30	
	2019	2018
<b>Contribution</b>		
Revenue	\$ 867.3	\$ 504.9
Less cost of revenue	(630.1)	(293.2)
Adjusted to exclude the following (as related to cost of revenue):		
Amortization of intangible assets	5.3	0.7
Stock-based compensation expense	15.1	0.1
Payroll tax expense related to stock-based compensation	0.2	-
Changes to the liabilities for insurance required by regulatory agencies attributable to historical periods	141.1	0.0
Contribution	\$ 398.9	\$ 212.5
Contribution Margin	46%	42%

	Three Months Ended June 30	
	2019	2018
<b>Adjusted EBITDA</b>		
Net loss	\$ (644.2)	\$ (178.9)
Adjusted to exclude the following:		
Interest income	(30.0)	(15.3)
Other expense, net	0.3	0.3
Provision for income taxes	1.0	0.2
Depreciation and amortization	31.1	1.7
Stock-based compensation expense	293.2	1.5
Payroll tax expense related to stock-based compensation	3.4	-
Changes to the liabilities for insurance required by regulatory agencies attributable to historical periods	141.1	0.0
Adjusted EBITDA	\$ (204.1)	\$ (190.5)
Adjusted EBITDA Margin	(24%)	(38%)



# Thank you

August 7, 2019