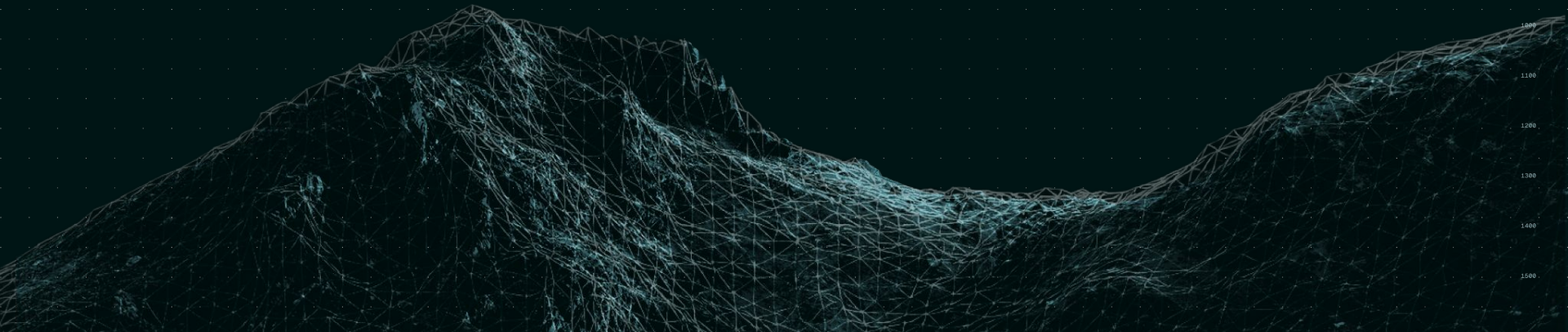




# Q1 2026 Earnings Presentation

May 5, 2026



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# Safe Harbor

This 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, including statements regarding our financial outlook. These statements are subject to known and unknown risks, uncertainties, assumptions, and other factors that may cause actual results or outcomes to be materially different from any future results or outcomes expressed or implied by the forward-looking statements. These risks, uncertainties, assumptions, and other factors include, but are not limited to: (1) fluctuations in our financial results make it difficult to project future results; (2) our ability to sustain profitability in the future; (3) our ability to expand usage of our platform by existing customers and/or attract new customers and/or retain existing customers; (4) the speed at which the market for our platform and solutions develops; (5) the success of the development and use of our artificial intelligence and machine learning (AI/ML) product offerings or use of third-party AI/ML-based tools; (6) our ability to release updates and new features to our platform and adapt and respond effectively to rapidly changing technology or customer needs; (7) our ability to control costs, including our operating expenses, and the timing of payment for expenses; (8) the amount and timing of non-cash expenses, including stock-based compensation, goodwill impairments and other non-cash charges; (9) breaches in our security measures allowing unauthorized access to our platform, data, or customers' data; (10) the competitive markets in which we participate; (11) our ability to effectively integrate and retain new members of our executive leadership team and senior management; (12) the effects of

acquisitions and their integration; (13) general market, political, economic, and business conditions, including changes in trade policies, such as trade wars, tariffs and other restrictions or the threat of such actions; (14) the impact of new accounting pronouncements; (15) our ability to control fraudulent registrations and usage of our platform, reduce bad debt and lessen capacity constraints on our data centers, servers and equipment; (16) our customers' ability to have continued and unimpeded access to our platform, including as a result of evolving laws and industry standards; and (17) our plans with respect to accelerating investments in data centers and GPU capacity.

Further information on these and additional risks, uncertainties, assumptions and other factors that could cause actual results or outcomes to differ materially from those included in or contemplated by the forward-looking statements in this presentation are included under the caption "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent filings and reports we make with the SEC.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur. The forward-looking statements in this presentation relate only to events as of the date on which the statements are made. We assume no obligation to, and do not currently intend to, update any such forward-looking statements after the date hereof.

GPU Rentals

Inference Wrappers

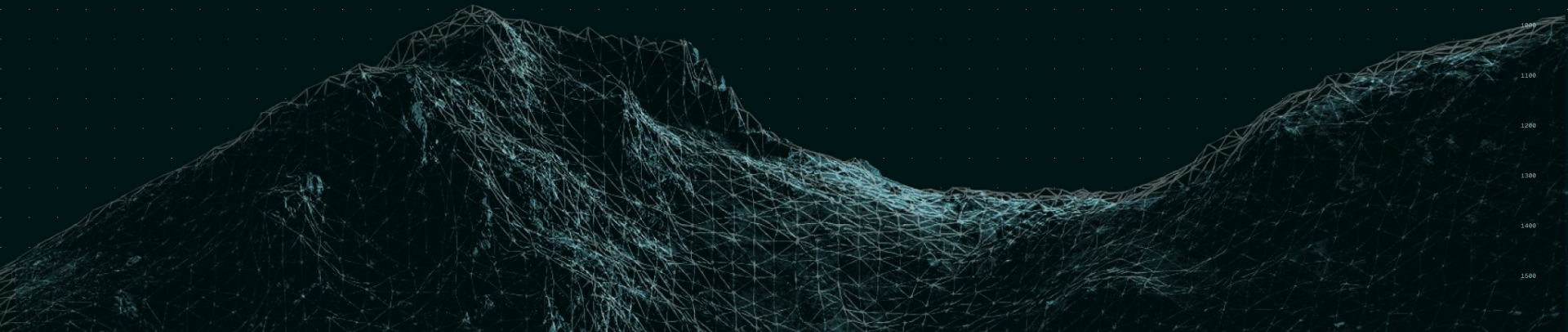
~~Legacy SaaS Cloud~~

~~Data Center Shells~~

GDN



# DigitalOcean AI-Native Cloud



# Record Q1 Results

**\$258M**

Q1 Revenue  
22% YoY Growth

**\$170M**

AI Customer ARR  
**221%** YoY Growth

**\$183M**

\$1M+ Customer ARR  
**179%** YoY Growth

**\$62M**

Incremental Organic ARR  
168% YoY Growth

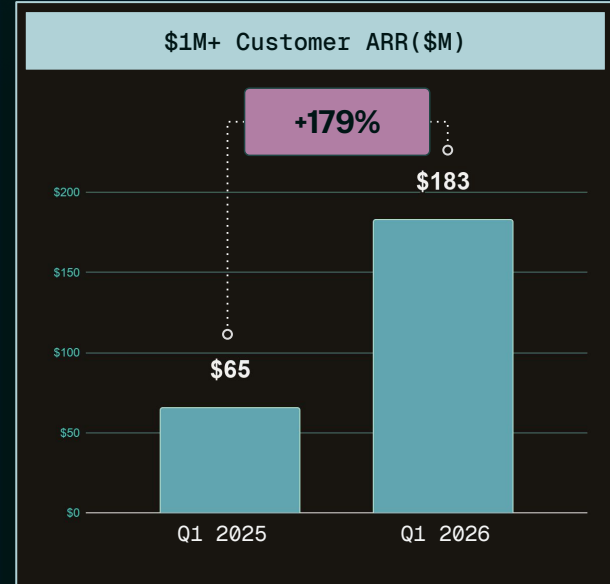
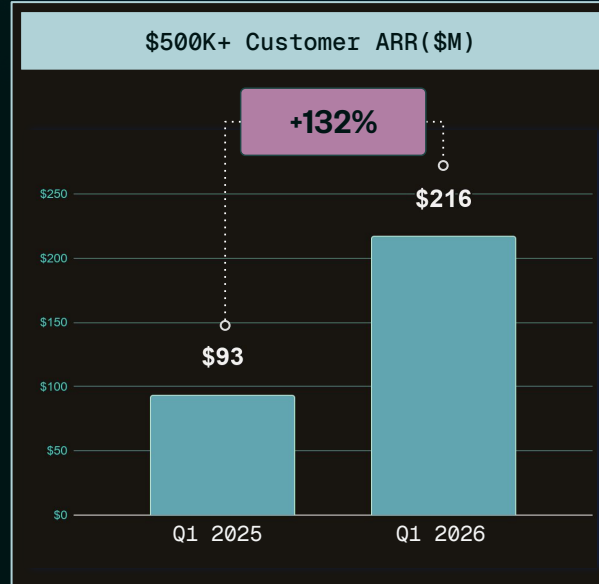
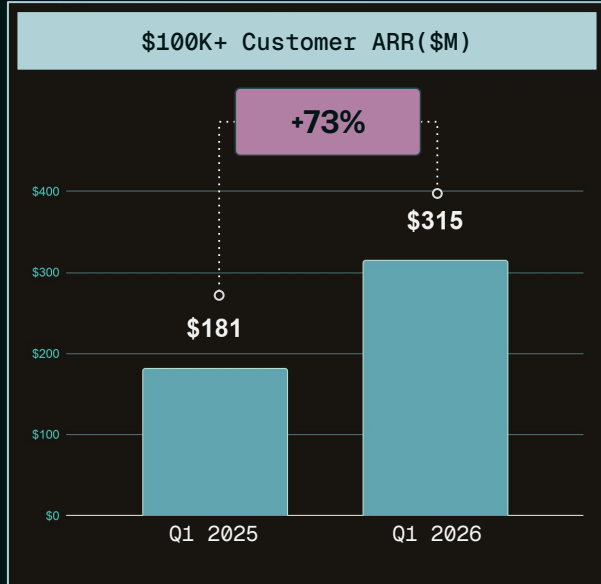
**41%**

Q1 Adjusted EBITDA Margin

**18%**

TTM Adjusted FCF Margin

# Top DNEs continue to be our fastest growing



% of total ARR **22%**

**30%**

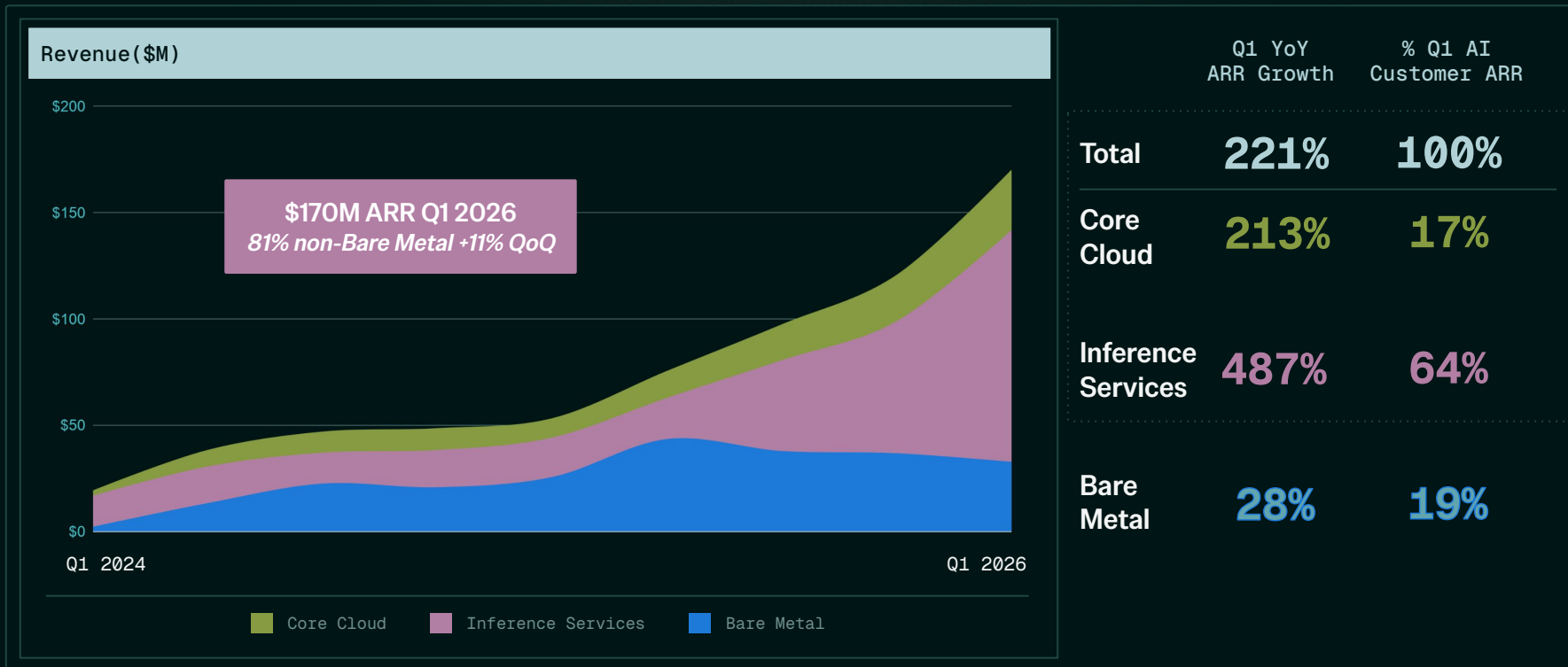
**11%**

**21%**

**8%**

**18%**

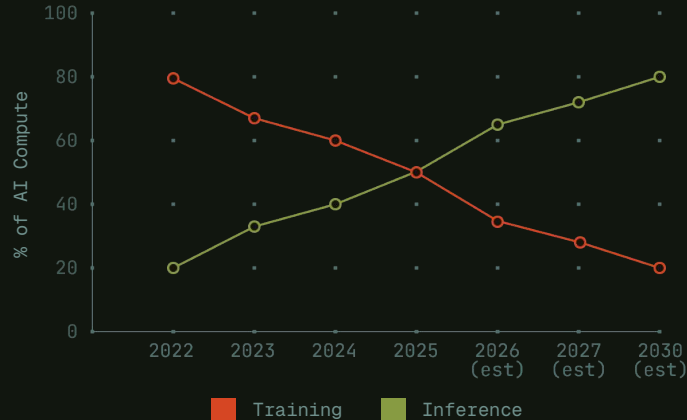
# \$170M AI Customer ARR, growing 221% with >80% non-bare metal



# State of AI

Four forces reshaping the landscape

## Inference is the dominant workload



## Open Source AI is becoming mainstream

50%

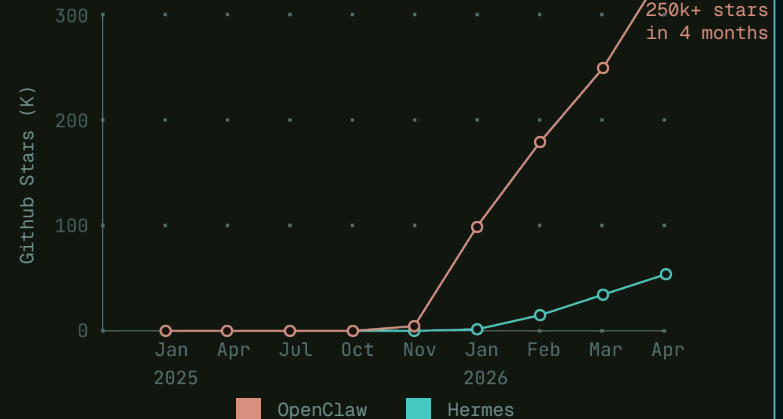
AI companies are leveraging open source technologies in each of the data, models, and tools areas of the tech stack today

## Reasoning Model Adoption

50%+

of all AI tokens processed are now reasoning tokens, up from <1% just 18 months ago.

## Agentic systems



# The DigitalOcean AI-Native Cloud

Five layers. One beautifully integrated stack. Zero lock-in.



## Managed Agents

Open Harness · Sandbox · Toolbox · State · Plano



## Data & Learning

DBaaS · Advanced Edition (PG/MySQL) · Knowledge Bases · Weaviate



## Inference Engine

Serverless · Dedicated · Batch · Router · BYOM · Model Catalog & Services · Multi-modal · Guardrails



## Core Cloud

Kubernetes · Droplets (CPU & GPU) · VPC · Storage (object, block and file system) · High performance NFS



## Infrastructure

20 data centers · NVIDIA: H100, H200, HGX™ B300 - AMD Instinct™: MI300X, MI350X, MI355X · Liquid-cooled

# DigitalOcean AI-Native Cloud - Open source at every layer

We commit to open interfaces above the line and we do the hard engineering below it.



## Managed Agents

BYO-Harness (OpenCode, LangGraph, etc) · Managed sandboxes (via Firecracker), Durable state for agents.



## Data & Learning

PostgreSQL, MySQL, Mongo, Valkey · VectorDB (pgvector, OpenSearch APIs) · Kafka · Weaviate



## Inference Engine

OSS + Labs + BYOM on one router · DeepSeek R1, Llama 3.3, Qwen 2.5 first-class.



## Core Cloud

K8s, Cilium · Droplet VM/MicroVM (KVM, QEMU, LibVirt, Firecracker) · S3-compatible Spaces · Prometheus + Grafana metrics



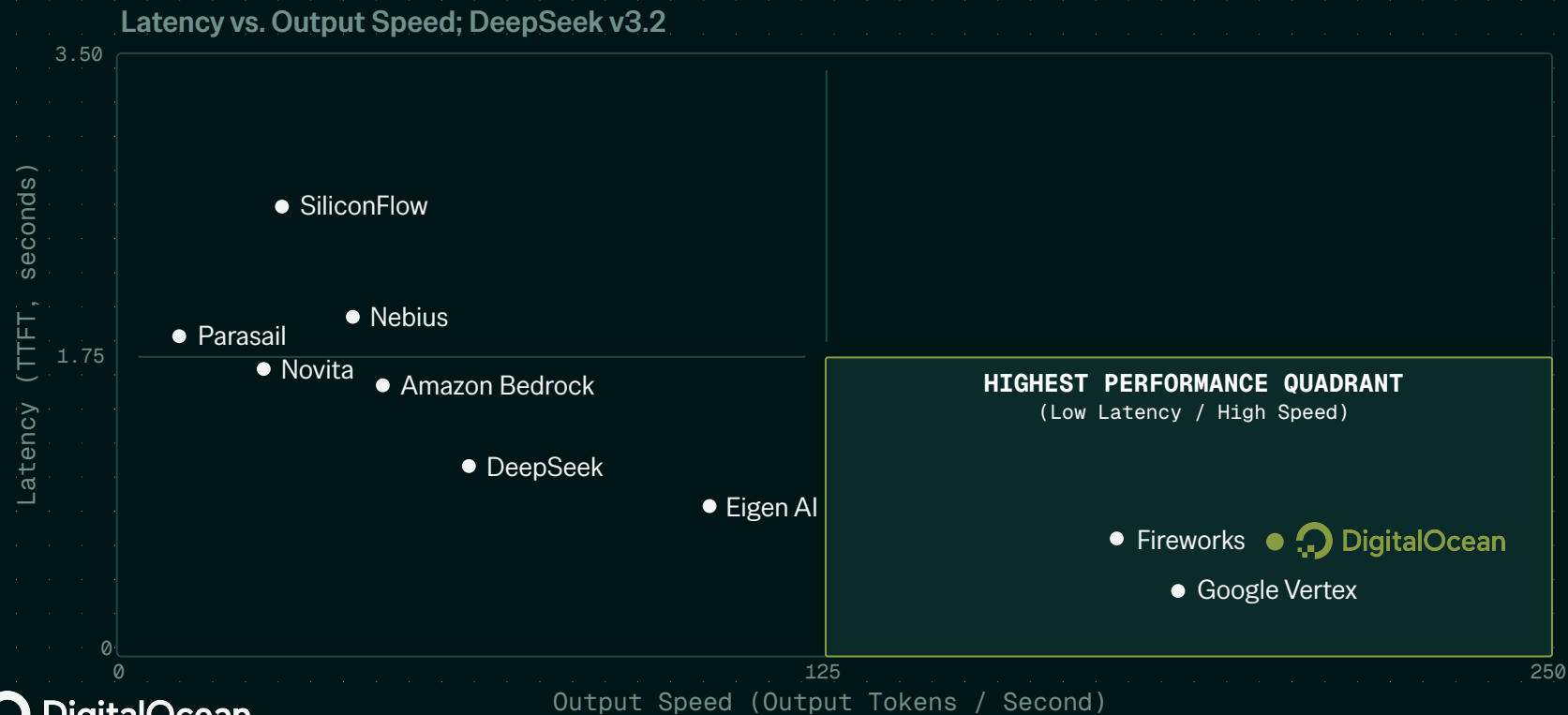
## Infrastructure

Open compute patterns · Linux + KVM · Intel, NVIDIA and AMD

Open interfaces, deep engineering. Portability for you.

# Industry-leading Performance on OSS LLM Inference

DigitalOcean in the Leader Quadrant.



# Continued marquee AI-native wins



**AI-native code editor** used by millions of developers worldwide

---

**Built on DigitalOcean for:**  
Multi-node production inference delivering low-latency code intelligence across massive codebases



**Foundation model developer** for high-fidelity text-to-image generation

---

**Built on DigitalOcean for:**  
Frontier model research and scaling image generation throughput across proprietary models




**AI-native video generation platform** turning text and images into cinematic-grade video for 20M+ creators and brands

---

**Built on DigitalOcean for:**  
Production-grade inference for consistent, high-intensity compute to process video frames at the scale necessary for a global user base

# DigitalOcean vs Others

The only full-stack AI-native cloud – from agent orchestration to bare metal

	 <b>DigitalOcean</b> Full-stack AI-Native Cloud	<b>Hyperscalers</b> AWS / Azure / GCP	<b>Neoclouds</b> CoreWeave / Nebius	<b>Inference Providers</b> Baseten / Fireworks / Together
<b>Managed Agents</b>	Native orchestration Sandboxes, eval, observability Built for agents	DIY Optimized for Large Traditional enterprises	❌ Not available GPU-only focus	❌ Not available Need separate vendor
<b>Inferencing</b>	Full stack Inferencing Open, closed, BYOM, Serverless, Dedicated, Batch, vLLM, routing Full control	Bedrock / Azure OpenAI Closed ecosystem lock-in	Rent GPU, self-manage Limited model serving with bolt-on modules	Limited model catalog Per-token markup
<b>Data and Learning</b>	Managed pgvector, Valkey Knowledge bases, RAG-ready Integrated	20+ DB options Optimized for Large Traditional enterprises	❌ No managed DBs Need separate vendor	❌ No data layer Need separate vendor
<b>Cloud Computing</b>	Compute-CPU/GPU, Network, Store Managed K8s, serverless Simple and complete	Broadest portfolio, 200+ Optimized for Large Traditional enterprises	❌ Limited – GPU compute No managed services	❌ No infrastructure Need separate vendor

## Our Differentiators

vs Hyperscalers → simpler, no vendor lock-in | vs Neoclouds → full-stack S/W platform, not just GPUs  
 vs Inference Providers → more comprehensive

# Thinking+Doing needs a lot of Tokens and Compute

## Thinking

# 500T+

daily inference tokens by 2030 up from ~50T/day today

The Inference Era

## Doing

# 4X

CPUs needed to support agentic AI workloads

The Agentic Era

Thinking + Doing =

# The New Era

# Investing to meet growing demand

## Equity Raise

**\$888M**

## Maintains strong and flexible balance sheet

- Proceeds used to repay debt and reduce leverage
- Borrowing capacity targeted to fund data center and GPU expansion

## Incremental Data Center Capacity

**~60MW**

## Adding incremental capacity to match customer demand

- 31MW deployment on track in 2026
- ~60MW secured across 4 new sites, coming online across 2027
- **Total committed capacity: ~135MW**
- Actively pursuing additional capacity targeted for 2027-2028

# Raising our medium-term outlook

	2025	2026E	2027E
Revenue Growth	15%	25%-27%	~50%
aEBITDA Margin	42%	37%-39%	~40%
Adjusted Free Cash Flow Margin <i>Without Incremental 60MW</i>	19%	9%-12% <i>18% - 21%</i>	~17-20%

Based on

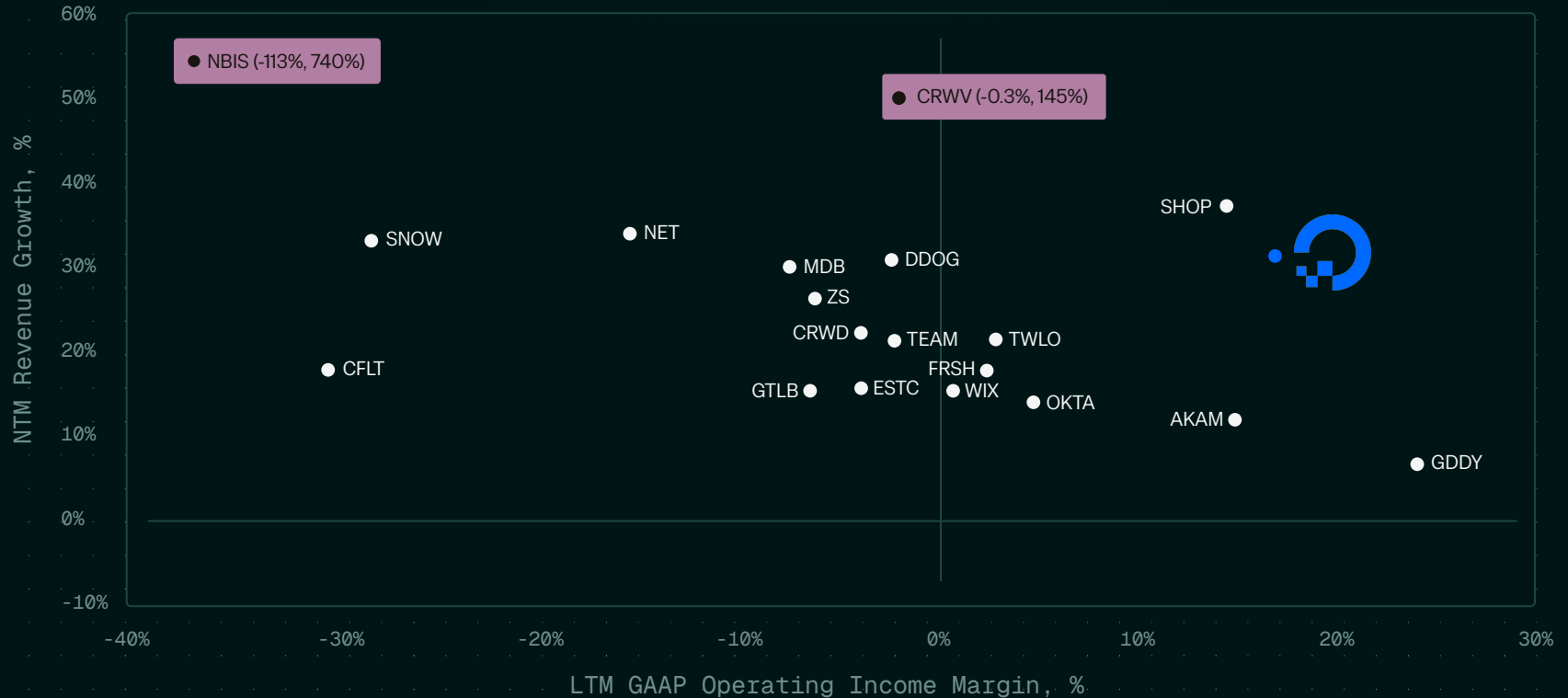
**~60MW**

New Committed Capacity

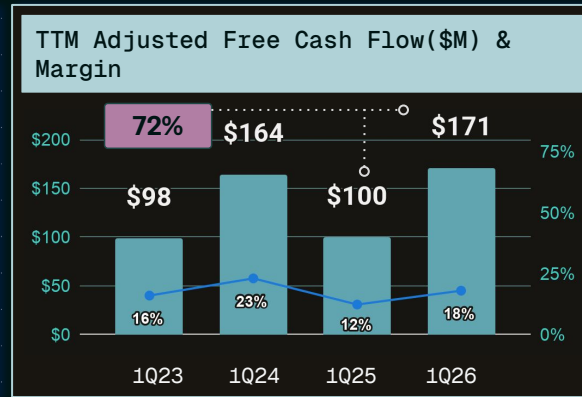
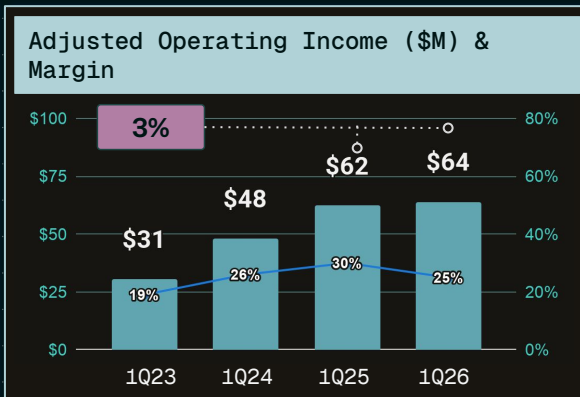
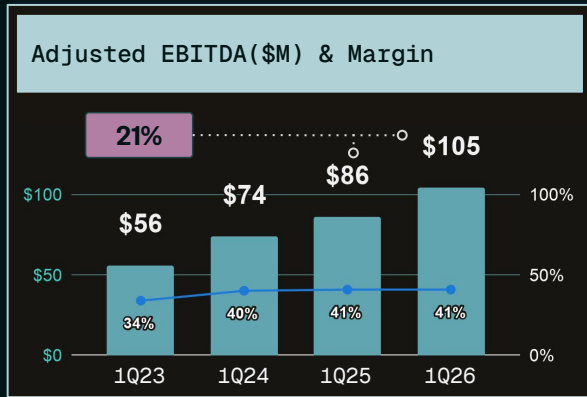
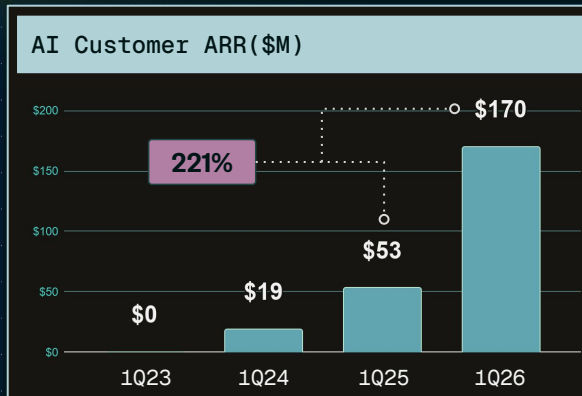
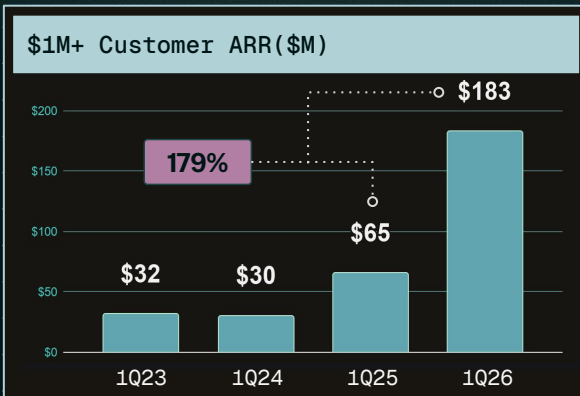
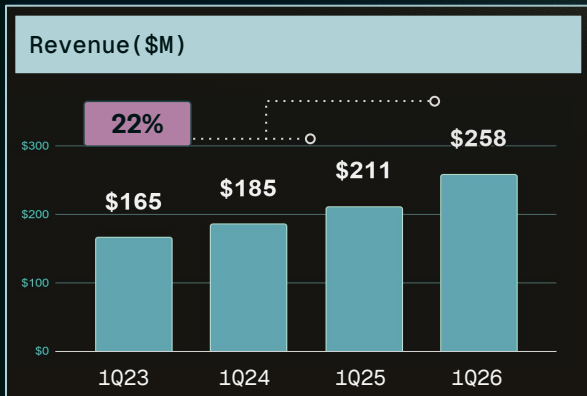
# Profitable growth

## LTM GAAP Operating Income Margin x NTM Revenue Growth

U.S. Cloud / Infrastructure Software Peer Set



# Accelerating growth with strong profitability



# Raised \$888M in follow-on offering



## Strengthened Balance Sheet

- ✓ **Term Loan A paid down in full**  
*~\$50M in annual cash interest & prepayment savings*
- ✓ **No material debt maturities until 2030**  
*2026 converts to be retired at maturity*
- ✓ **\$1.1B Total Liquidity**  
*\$741M cash + \$412M undrawn revolver, upsized from \$300M*



## Expanded Capacity for Demand

- ✓ **~60 MW incremental across 4 locations**  
*80% increase in contracted capacity; ramping through 2027*
- ✓ **Exiting 2026 at ~3x net leverage**  
*Ample leverage capacity to support equipment financing*
- ✓ **Actively pursuing additional capacity targeted for 2027-2028**  
*Building a durable business*

# Raising 2026 outlook

Metric	Q2 2026	FY 2026 (as of 2/24)	FY 2026 (as of 5/5)	FY Delta (at midpoint)
Revenue (\$M)	\$272 - \$274	\$1,075 - \$1,105	\$1,130 - \$1,145	<b>+47.5M</b>
<i>Revenue Growth</i>	24% - 25%	19% - 23%	25% - 27%	<b>+527bps</b>
<i>Adjusted EBITDA Margin</i>	37% - 38%	36% - 38%	37% - 39%	<b>+100bps</b>
Non-GAAP Diluted Net Income Per Share	\$0.20 - \$0.23	\$0.75 - \$1.00	\$1.10 - \$1.20	<b>+\$0.275</b>
<i>Adjusted Free Cash Flow Margin</i> <i>Without Incremental GOMW</i>	N/A	15% - 17%	9% - 12% 18% - 21%	<b>-5.5%</b> <b>+3.5%</b>
Non-GAAP Diluted Weighted Average Shares Outstanding	121M - 122M	111M - 112M	118M - 119M	<b>+7M</b>

# Accelerating into 2027

	FY 2027 (as of 2/24)	FY 2027 (as of 5/6)	Delta
Revenue Growth	~30%	50%+	20%+
aEBITDA Margin	~40%	~40%	-
Adjusted Free Cash Flow Margin	20%+	~17%-20%	-1.5%

Based on

**~60MW**

New Committed Capacity

**1**

**Strong  
Momentum**

**2**

**DigitalOcean  
AI-Native Cloud**

**3**

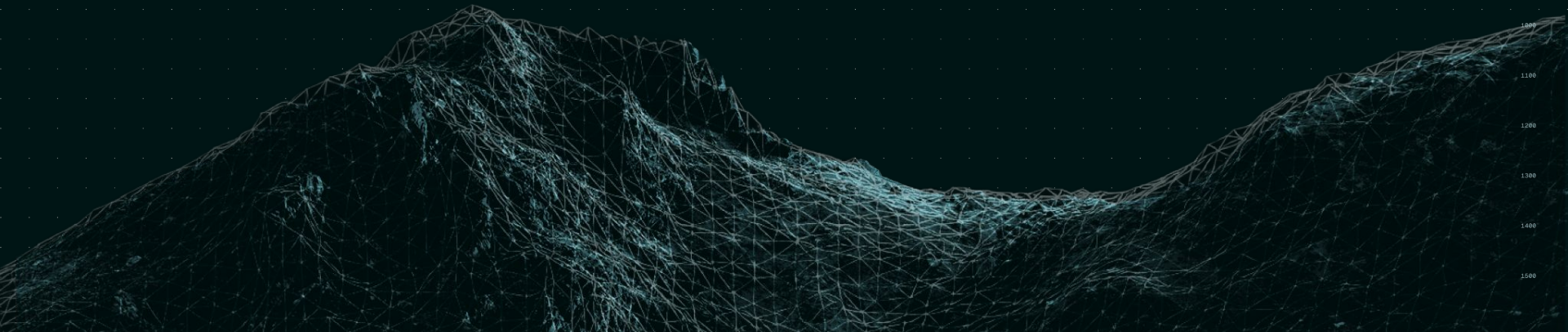
**Adding 60MW to  
Support Demand**

**4**

**Raising Outlook,  
Growing Profitably**



# Appendix



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# Financial Highlights and Key Business Metrics

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Revenue (M)	\$210.7	\$218.7	\$229.6	\$242.4	\$257.9
Revenue Growth Year-over-year	14%	14%	16%	18%	22%
ARR (M)	\$843	\$875	\$919	\$970	\$1,032
ARR Increase (M)	\$23	\$32	\$44	\$51	\$62
Adj. Operating Income (M)	\$62	\$62	\$70	\$64	\$64
Adj. EBITDA (M)	\$86.3	\$89.5	\$99.8	\$99.3	\$104.6
Net Dollar Retention Rate (NDR)	100%	99%	99%	101%	101%
Digital Native Enterprise (DNE) Customers	19.6K	20.3K	20.8K	21.4K	21.6K
DNE Customer ARR % of total company ARR	58%	59%	60%	62%	64%
\$1M+ Customer ARR (M)	\$65	\$83	\$104	\$133	\$183
AI Customer ARR % of total company ARR	6%	9%	11%	12%	16%

# Infrastructure - Growing Global Footprint

20 Data Centers. 200+ Network PoPs.



# Core Cloud: The foundation under every agent

Every AI feature burns tokens, compute and storage

<h3>Droplets</h3> <p>Linux VMs: cost-effective, fast storage, network bandwidth, easy to manage. All in two clicks.</p>	<h3>GPU Droplets</h3> <p>NVIDIA: H100 / H200 / B300 AMD: Mi300 / Mi325 / Mi355</p>	<h3>Kubernetes (DOKS)</h3> <p>Managed control plane.</p>	<h3>App Platform</h3> <p>Git-push to prod.</p>
<h3>Storage</h3> <p>Object, block and file system storage, cheap egress.</p>	<h3>Networking</h3> <p>Private networking, load balancing, connectivity</p>	<h3>Functions</h3> <p>Serverless, per-ms billed.</p>	<h3>Managed Identity &amp; Security</h3> <p>IAM, Teams &amp; Organizations SSO, RBAC, DDoS, Firewalls, Secrets &amp; Keys, CSPM</p>

<h2>6M+</h2> <p>Developers on our Platform</p>	<h2>30%+</h2> <p>Lower total cost of ownership than hyperscalers</p>	<h2>99.95%</h2> <p>Availability</p>	<h2>150+</h2> <p>Product releases since last Deploy in January</p>	<h2>24/7</h2> <p>Customer support for all customers</p>
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# Metrics Definitions

## Customers

We calculate customer count as the average number of customers as of the last day of the month for each month in the most recent quarter. Customers are classified in the following categories based on the amount of their spend in a given month and individual customers may fall within different categories within a reporting period (customer spend in a month in whole dollars):

- DNE Customers: users that spend more than \$500 in a month.
- \$100K+ Customers: users that spend more than \$8,333 in a month.
- \$500K+ Customers: users that spend more than \$41,667 in a month.
- \$1M+ Customers: users that spend more than \$83,333 in a month.

## ARR

We calculate ARR by multiplying total revenue for the most recent quarter by four.

## AI Customer ARR

We calculate AI Customer ARR by multiplying total AI Customer Revenue for the most recent quarter by four. AI Customer Revenue is defined as the total revenue generated from customers who utilize one or more of our AI/ML offerings, inclusive of their revenue from our IaaS and PaaS/SaaS offerings during the period.

## Net Dollar Retention Rate

We calculate net dollar retention rate (“NDR”) monthly by starting with total revenue for our IaaS and PaaS/SaaS offerings during the corresponding month 12 months prior, or the Prior Period Revenue. We then calculate the revenue from these same customers as of the current month, or the Current Period Revenue, including any expansion and net of any contraction or attrition from these customers over the last 12 months. The calculation also includes revenue from customers that generated revenue before, but not in, the corresponding month 12 months prior, but subsequently generated revenue in the current month and are therefore reflected in the Current Period Revenue. We include this group of re-engaged customers in this calculation because some of our customers use our platform for projects that stop and start over time. We then divide the total Current Period Revenue by the total Prior Period Revenue to arrive at the net dollar retention rate for the relevant month. For a quarterly or annual period, the net dollar retention rate is determined as the average monthly net dollar retention rates over such three or 12-month period.

# Metrics Definitions

## **Organic ARR**

We define Organic Annual Run-Rate revenue (“Organic ARR”) as ARR excluding the impacts of (i) revenue from acquisitions that closed in the prior 12 months, and (ii) incremental revenue from broad-based pricing increases that occurred on July 1, 2022 for our IaaS and PaaS/ SaaS offerings and April 1, 2023 for our Managed Hosting offerings, in each case until the beginning of the first full quarter following the one-year anniversary of the closing date of such acquisition or date pricing changes were effective.

## **Remaining Performance Obligation**

Remaining performance obligation (“RPO”) represents commitments in customer contracts for future services that have not yet been recognized in the condensed consolidated financial statements. RPO is not necessarily indicative of future revenue growth because it does not account for the timing of customers’ consumption or their usage beyond their contracted capacity. Additionally, RPO may increase when customers transition from usage-based to commitment-based agreements, which does not always reflect incremental revenue growth. RPO is influenced by a number of factors, including the timing and size of renewals, the timing and size of purchases of additional capacity and average contract term. Due to these factors, it is important to review RPO in conjunction with revenue and other financial metrics contained in this release and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent filings and reports we make with the SEC.

## **Net Leverage**

We calculate net leverage as Net Debt divided by trailing-12-months (“TTM”) adjusted EBITDA. Net debt is calculated as Total debt less cash and cash equivalents.

# Use of Non-GAAP Metrics

This presentation includes certain non-GAAP metrics, which have not been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). These non-GAAP metrics are in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP metrics versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP metrics differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP metrics as tools for comparison. We urge you to review the reconciliation of our non-GAAP metrics to the most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. See this Appendix for a reconciliation between each non-GAAP metric and the most comparable GAAP measure and our press release dated May 5, 2026 for a definition of each non-GAAP metric not otherwise defined herein.

## **Adjusted Operating Income and Adjusted Operating Income Margin**

Adjusted operating income is a new non-GAAP financial measure used for the first time in this release that we define as operating income, adjusted to exclude stock-based compensation, amortization of acquired intangible assets, acquisition related compensation, acquisition and integration related costs, restructuring and other charges, restructuring related charges, impairment of certain long-lived assets and other charges. We define adjusted operating income margin as adjusted operating income as a percentage of revenue.

## **Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin**

Adjusted free cash flow is a non-GAAP financial measure that we define as net cash provided by operating activities less purchases of property and equipment, capitalized internal-use software costs, purchase of intangible assets, and excluding cash paid for restructuring and other charges, acquisition related compensation, restructuring related charges, and acquisition and integration related costs. Adjusted free cash flow margin is calculated as adjusted free cash flow divided by total revenue.

## **Unlevered Adjusted Free Cash Flow and Unlevered Adjusted Free Cash Flow Margin**

Unlevered adjusted free cash flow is a non-GAAP financial measure that we define as adjusted free cash flow excluding cash paid for interest and interest income. Unlevered adjusted free cash flow margin is calculated as unlevered adjusted free cash flow divided by total revenue.

## **TTM Adjusted Free Cash Flow and TTM Adjusted Free Cash Flow Margin**

TTM Adjusted free cash flow is Adjusted free cash flow for the most recent 12 consecutive months. TTM Adjusted free cash flow margin is calculated as Adjusted free cash flow for the most recent 12 consecutive months divided by total Revenue for the most recent 12 consecutive months.

# Adjusted Operating Income and Adjusted Operating Income Margin

<i>(In thousands)</i>	Three Months Ended						
	March 31, 2023	March 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026
Operating income	\$ (33,056)	\$ 11,538	\$ 37,642	\$ 35,619	\$ 44,932	\$ 38,796	\$ 36,571
Adjustments:							
Stock-based compensation <sup>(1)</sup>	27,594	22,730	19,432	21,081	19,800	20,002	22,507
Amortization of acquired intangible	3,790	5,735	5,197	5,031	4,914	4,915	4,938
Acquisition related compensation	7,601	4,530	—	—	—	—	—
Acquisition and integration related costs	1,301	19	—	—	—	—	—
Restructuring and other charges <sup>(2)</sup>	20,869	—	—	—	—	—	—
Restructuring related charges <sup>(1)(2)</sup>	1,907	3,620	—	—	—	—	—
Impairment of certain long-lived assets	553	—	—	—	—	52	—
Adjusted operating income	<u>\$ 30,559</u>	<u>\$ 48,172</u>	<u>\$ 62,271</u>	<u>\$ 61,731</u>	<u>\$ 69,646</u>	<u>\$ 63,765</u>	<u>\$ 64,016</u>
As a percentage of revenue:							
Operating income margin	(20)%	6 %	18 %	16 %	20 %	16 %	14 %
Adjusted operating income margin	19 %	26 %	30 %	28 %	30 %	26 %	25 %

1) For the three months ended March 31, 2023, non-GAAP stock-based compensation excludes \$3.9 million as it is presented in Restructuring and other charges. For the three months ended March 31, 2024, non-GAAP stock-based compensation excludes \$0.1 million as it is presented in Restructuring related charges.

2) For the three months ended March 31, 2023, primarily consists of salary continuation charges. For the three months ended March 31, 2024, primarily consists of executive reorganization charges.

# Adjusted EBITDA and Adjusted EBITDA Margin

<i>(In thousands)</i>	Three Months Ended March 31,			
	2023	2024	2025	2026
GAAP Net (loss) income attributable to common stockholders	\$ (16,370)	\$ 14,139	\$ 38,204	\$ 15,771
<b>Adjustments:</b>				
Depreciation and amortization	28,913	31,887	29,210	45,475
Stock-based compensation	27,594	22,730	19,432	22,507
Interest expense	2,189	2,304	2,208	10,553
Acquisition related compensation	7,601	4,530	—	—
Acquisition and integration related costs	1,301	19	—	—
Income tax expense (benefit)	(11,481)	116	3,176	8,725
Loss (gain) on extinguishment of debt	—	—	—	2,700
Restructuring and other charges <sup>(1)</sup>	20,869	—	—	—
Restructuring related charges <sup>(1)(2)</sup>	1,907	3,620	—	—
Impairment of certain long-lived assets	553	—	—	—
Interest income and other income, net <sup>(3)</sup>	(7,394)	(5,021)	(5,946)	(1,178)
<b>Adjusted EBITDA</b>	<b>\$ 55,682</b>	<b>\$ 74,324</b>	<b>\$ 86,284</b>	<b>\$104,553</b>
<b>As a percentage of revenue:</b>				
Net income margin	(21)%	8 %	18 %	6 %
Adjusted EBITDA margin	34 %	40 %	41 %	41 %

1) For the three months ended March 31, 2023, non-GAAP stock-based compensation excludes \$3.9 million as it is presented in Restructuring and other charges. For the three months ended March 31, 2024, non-GAAP stock-based compensation excludes \$0.1 million as it is presented in Restructuring related charges.

2) For the three months ended March 31, 2023, primarily consists of salary continuation charges. For the three months ended March 31, 2024, primarily consists of executive reorganization charges.

3) For the three months ended March 31, 2023 and 2024, primarily consists of interest income from our marketable securities. For the three months ended March 31, 2025 and 2026, primarily consists of interest income from our cash and cash equivalents.

# Non-GAAP Net Income

<i>(In thousands)</i>	Three Months Ended	
	March 31,	
	2026	2025
GAAP Net income attributable to common stockholders	\$ 15,771	\$ 38,204
Stock-based compensation	22,507	19,432
Amortization of acquired intangible assets	4,938	5,197
Loss on extinguishment of debt <sup>(1)</sup>	2,700	—
Non-GAAP income tax adjustment <sup>(2)</sup>	(17)	(7,384)
Non-GAAP Net income	\$ 45,899	\$ 55,449
Non-cash charges related to convertible notes <sup>(3)</sup>	\$ 1,072	\$ 1,594
Non-GAAP Net income used to compute net income per share, diluted	\$ 46,971	\$ 57,043

1) For the three months ended March 31, 2026, excludes tax impact which is presented in Non-GAAP income tax adjustment.

2) For the periods in fiscal year 2026 and 2025, we used a tax rate of 16%, which we believe is a reasonable estimate of our long-term effective tax rate applicable to non-GAAP pre-tax income for each respective year.

3) Consists of non-cash interest expense for amortization of debt issuance costs related to our Convertible Notes.

# Non-GAAP Diluted Net Income per Share

	Three Months Ended	
	March 31,	
	2026	2025
<i>(In thousands, except per share amounts)</i>		
GAAP Net income per share attributable to common stockholders, diluted <sup>(1)</sup>	\$ 0.15	\$ 0.39
Stock-based compensation	0.21	0.19
Amortization of acquired intangible assets	0.05	0.05
Loss on extinguishment of debt <sup>(2)</sup>	0.03	—
Non-cash charges related to convertible notes <sup>(3)</sup>	0.01	0.02
Non-GAAP income tax adjustment <sup>(4)</sup>	(0.01)	(0.08)
Non-GAAP Net income per share, diluted <sup>(5)</sup>	\$ 0.44	\$ 0.56
GAAP Weighted-average shares used to compute net income per share, diluted	111,915	102,322
Add: Weighted-average dilutive effect of potentially dilutive securities	1,750	—
Less: Anti-dilutive impact of capped call transaction <sup>(6)</sup>	(6,044)	—
Non-GAAP Weighted-average shares used to compute net income per share, diluted <sup>(1)</sup>	107,621	102,322

1) Includes 15,957 of potentially dilutive securities related to our 2030 Convertible Notes as if the entire principal amount outstanding were converted into shares for the three months ended March 31, 2026. Includes 8,403 of potentially dilutive securities related to our 2026 Convertible Notes as if the entire principal amount outstanding were converted into shares for the three months ended March 31, 2025. The Company has the election of settling any conversion in cash, shares of our common stock, or a combination of both.

2) For the three months ended March 31, 2026, excludes tax impact which is presented in Non-GAAP income tax adjustment.

3) Consists of non-cash interest expense for amortization of debt issuance costs related to our Convertible Notes.

4) For the periods in fiscal year 2026 and 2025, we used a tax rate of 16%, which we believe is a reasonable estimate of our long-term effective tax rate applicable to non-GAAP pre-tax income for each respective year.

5) May not foot due to rounding.

6) Excludes the in-the-money portion of our 2030 Convertible Notes for non-GAAP weighted-average diluted shares as they are covered by our capped call transactions. Our outstanding capped call transactions are antidilutive under GAAP, but are expected to mitigate the dilutive effect of our 2030 Convertible Notes, and therefore are included in the calculation of non-GAAP diluted shares outstanding. The capped calls have an antidilutive impact when the average stock price of our common stock in a given period is higher than their exercise price.

# Adjusted Free Cash Flow, Unlevered Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin and Unlevered Adjusted Free Cash Flow Margin

<i>(In thousands)</i>	Three Months Ended	
	March 31,	
	2026	2025
GAAP Net cash provided by operating activities	\$ 46,921	\$ 64,090
Adjustments:		
Capital expenditures - property and equipment	(39,992)	(61,963)
Capital expenditures - internal-use software development	(4,740)	(2,029)
Purchase of intangible assets	—	(983)
Restructuring and other charges	—	64
Adjusted free cash flow	\$ 2,189	\$ (821)
Plus: Cash paid for interest	9,529	195
Less: Interest income	(2,878)	(3,657)
Unlevered adjusted free cash flow	\$ 8,840	\$ (4,283)
As a percentage of revenue:		
GAAP Net cash provided by operating activities	18%	30%
Adjusted free cash flow margin	1%	—%
Unlevered adjusted free cash flow margin	3%	(2%)

# TTM Adjusted Free Cash Flow and TTM Adjusted Free Cash Flow Margin

	Twelve Months Ended			
	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
<i>(In thousands)</i>				
GAAP Net cash provided by operating activities	\$ 201,084	\$ 265,419	\$ 280,122	\$ 292,435
Adjustments:				
Capital expenditures - property and equipment	(106,727)	(139,650)	(196,464)	(107,115)
Capital expenditures - internal-use software development	(8,431)	(5,283)	(8,822)	(13,475)
Purchase of intangible assets	(4,915)	—	(983)	(852)
Restructuring and other charges	11,261	5,591	64	—
Restructuring related charges <sup>(1)</sup>	1,907	7,657	855	—
Acquisition related compensation	—	25,177	24,772	—
Acquisition and integration related costs	4,234	5,441	4	—
TTM Adjusted free cash flow	<u>\$ 98,413</u>	<u>\$ 164,352</u>	<u>\$ 99,548</u>	<u>\$ 170,993</u>
TTM Adjusted free cash flow margin	16 %	23 %	12 %	18 %

1) For the periods ended June 30, 2023 through December 31, 2023, primarily consists of salary continuation charges and executive reorganization charges, including CEO search firm fees and other legal and professional service costs. For the periods March 31, 2024 through December 31, 2024, primarily consists of executive reorganization charges.

# Non-GAAP Operating Expenses

<i>(In thousands)</i>	Three Months Ended	
	March 31,	
	2026	2025
GAAP cost of revenue	\$ 113,195	\$ 81,259
Amortization of acquired intangible assets	(2,906)	(2,906)
Stock-based compensation	(1,424)	(1,395)
Non-GAAP cost of revenue	\$ 108,865	\$ 76,958
GAAP research and development	\$ 48,830	\$ 39,594
Amortization of acquired intangible assets	(24)	—
Stock-based compensation	(10,358)	(8,269)
Non-GAAP research and development	\$ 38,448	\$ 31,325
GAAP sales and marketing	\$ 21,669	\$ 19,401
Amortization of acquired intangible assets	(2,008)	(2,291)
Stock-based compensation	(2,767)	(2,546)
Non-GAAP sales and marketing	\$ 16,894	\$ 14,564
GAAP general and administrative	\$ 37,640	\$ 32,807
Stock-based compensation	(7,958)	(7,222)
Non-GAAP general and administrative	\$ 29,682	\$ 25,585