



GAAP Income Statement

	2017				2018		Y/Y Change		Q/Q Change		Annual		Q2 YTD		Y/Y Change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q2 2018		Q2 2018		2016	2017	2017	2018	Q2 2017 YTD	
	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%	Rounded (\$000)	%	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%
Revenue:																
Product, subscription and support	153,729	158,097	163,174	170,965	165,473	167,429	9,332	6 %	1,956	1 %	584,885	645,965	311,826	332,902	21,076	7 %
Professional services	31,030	33,625	34,192	34,836	33,597	35,267	1,642	5 %	1,670	5 %	121,110	133,683	64,655	68,864	4,209	7 %
Total revenue	184,759	191,722	197,366	205,801	199,070	202,696	10,974	6 %	3,626	2 %	705,995	779,648	376,481	401,766	25,285	7 %
Cost of revenue:																
Product, subscription and support	46,423	47,636	48,438	48,289	47,429	46,136	(1,500)	(3)%	(1,293)	(3)%	192,659	190,786	94,059	93,565	(494)	(1)%
Professional services	19,324	20,158	20,628	20,751	20,500	21,146	988	5 %	646	3 %	78,424	80,861	39,482	41,646	2,164	5 %
Total cost of revenue	65,747	67,794	69,066	69,040	67,929	67,282	(512)	(1)%	(647)	(1)%	271,083	271,647	133,541	135,211	1,670	1 %
Total gross profit	119,012	123,928	128,300	136,761	131,141	135,414	11,486	9 %	4,273	3 %	434,912	508,001	242,940	266,555	23,615	10 %
Product, subscription and support gross margin	70 %	70 %	70 %	72 %	71 %	72 %	3 %		1 %		67 %	70 %	70 %	72 %	2 %	
Professional services gross margin	38 %	40 %	40 %	40 %	39 %	40 %	(0)%		1 %		35 %	40 %	39 %	40 %	1 %	
Total gross margin	64 %	65 %	65 %	66 %	66 %	67 %	2 %		1 %		62 %	65 %	65 %	66 %	2 %	
Research and development	58,352	60,747	64,316	59,858	66,196	63,575	2,828	5 %	(2,621)	(4)%	279,594	243,273	119,099	129,771	10,672	9 %
Sales and marketing	98,988	92,413	92,105	95,772	97,251	94,196	1,783	2 %	(3,055)	(3)%	437,519	379,278	191,401	191,447	46	0 %
General and administrative	27,615	27,805	29,823	40,306	28,418	26,179	(1,626)	(6)%	(2,239)	(8)%	139,791	125,549	55,420	54,597	(823)	(1)%
Restructuring charges	—	—	—	—	—	—	—	—	—	—	27,630	—	—	—	—	—
Total operating expenses	184,955	180,965	186,244	195,936	191,865	183,950	2,985	2 %	(7,915)	(4)%	884,534	748,100	365,920	375,815	9,895	3 %
Operating loss	(65,943)	(57,037)	(57,944)	(59,175)	(60,724)	(48,536)	8,501	(15)%	12,188	(20)%	(449,622)	(240,099)	(122,980)	(109,260)	13,720	(11)%
<i>Operating margin</i>	<i>(36)%</i>	<i>(30)%</i>	<i>(29)%</i>	<i>(29)%</i>	<i>(31)%</i>	<i>(24)%</i>	<i>6 %</i>		<i>7 %</i>		<i>(64)%</i>	<i>(31)%</i>	<i>(33)%</i>	<i>(27)%</i>	<i>5 %</i>	
Interest income	2,032	2,168	2,468	2,655	2,940	3,383	1,215	56 %	443	15 %	6,582	9,323	4,200	6,323	2,123	51 %
Interest expense	(12,245)	(12,385)	(12,611)	(12,525)	(12,717)	(13,605)	(1,220)	10 %	(888)	7 %	(47,869)	(49,766)	(24,630)	(26,322)	(1,692)	7 %
Other expense, net	232	(120)	—	(122)	(276)	(12,690)	(12,570)	10,475 %	(12,414)	4,498 %	(3,247)	(10)	112	(12,966)	(13,078)	(11,677)%
Other income (expense), net	(9,981)	(10,337)	(10,143)	(9,992)	(10,053)	(22,912)	(12,575)	122 %	(12,859)	128 %	(44,534)	(40,453)	(20,318)	(32,965)	(12,647)	62 %
Loss before income taxes	(75,924)	(67,374)	(68,087)	(69,167)	(70,777)	(71,448)	(4,074)	6 %	(671)	1 %	(494,156)	(280,552)	(143,298)	(142,225)	1,073	(1)%
Provision (benefit) for income taxes	1,293	965	1,127	1,247	1,053	1,411	446	46 %	358	34 %	(8,721)	4,632	2,258	2,464	206	9 %
basic and diluted investments	(77,217)	(68,339)	(69,214)	(70,414)	(71,830)	(72,859)	(4,520)	7 %	(1,029)	1 %	(485,435)	(285,184)	(145,556)	(144,689)	867	(1)%
Other comprehensive loss	323	26	179	(1,667)	(1,595)	981	955	3,673 %	2,576	(162)%	483	(1,139)	349	(614)	(963)	(276)%
Net loss per share, basic and diluted	\$ (0.45)	\$ (0.39)	\$ (0.39)	\$ (0.39)	\$ (0.39)	\$ (0.38)	\$ 0.00	(1)%	\$ 0.00	(0)%	\$ (2.97)	\$ (1.60)	\$ (0.83)	\$ (0.77)	\$ 0.07	(8)%
Weighted average shares, basic and diluted	172,236	176,645	179,732	182,281	186,456	189,696	13,051	7 %	3,240	2 %	163,211	177,757	174,453	188,085	13,632	8 %
Non-GAAP Adjustments:																
Stock-based Compensation																
of revenue	4,360	4,017	4,767	5,105	3,622	3,558	(459)	(11)%	(64)	(2)%	16,684	18,249	8,377	7,180	(1,197)	(14)%
Professional services cost of revenue	3,672	3,375	3,544	3,816	3,902	3,448	73	2 %	(454)	(12)%	15,220	14,407	7,047	7,350	303	4 %
Cost of revenue	8,032	7,392	8,311	8,921	7,524	7,006	(386)	(5)%	(518)	(7)%	31,904	32,656	15,424	14,530	(894)	(6)%
R&D	14,525	14,057	14,400	13,738	14,353	12,418	(1,639)	(12)%	(1,935)	(13)%	64,755	56,720	28,582	26,771	(1,811)	(6)%
S&M	14,015	10,219	11,674	10,858	12,977	12,223	2,004	20 %	(754)	(6)%	57,550	46,766	24,234	25,200	966	4 %
G&A	7,317	7,729	7,821	7,327	7,294	7,245	(484)	(6)%	(49)	(1)%	43,343	30,194	15,046	14,539	(507)	(3)%
Restructuring	—	—	—	—	—	—	—	—	—	—	1,144	—	—	—	—	—
Total	43,889	39,397	42,206	40,844	42,148	38,892	(505)	(1)%	(3,256)	(8)%	198,896	166,336	83,286	81,040	(2,246)	(3)%
Amortization of Intangibles																
of revenue	10,178	10,176	10,177	10,156	8,662	8,717	(1,459)	(14)%	55	1 %	45,431	40,687	20,354	17,379	(2,975)	(15)%
Professional Services cost of revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cost of revenue	10,178	10,176	10,177	10,156	8,662	8,717	(1,459)	(14)%	55	1 %	45,431	40,687	20,354	17,379	(2,975)	(15)%
R&D	162	163	162	257	157	134	(29)	(18)%	(23)	(15)%	618	744	325	291	(34)	(10)%
S&M	4,447	4,448	4,447	4,541	3,795	3,795	(653)	(15)%	—	—	17,978	17,883	8,895	7,590	(1,305)	(15)%
G&A	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	14,787	14,787	14,786	14,954	12,614	12,646	(2,141)	(14)%	32	0 %	64,027	59,314	29,574	25,260	(4,314)	(15)%
capitalized in software development costs																
of revenue	—	—	—	—	—	188	188		188		—	—	—	188	188	
Professional Services cost of revenue	—	—	—	—	—	94	94		94		—	—	—	94	94	
Cost of revenue	—	—	—	—	—	282	282		282		—	—	—	282	282	
R&D	—	—	—	—	—	215	215		215		—	—	—	215	215	
S&M	—	—	—	—	—	—	—		—		—	—	—	—	—	
G&A	—	—	—	—	—	—	—		—		—	—	—	—	—	
Total	—	—	—	—	—	497	497		497		—	—	—	497	497	
Other expenses																
Acquisition-related expenses liability	13	(67)	—	440	264	—	67	(100)%	(264)	(100)%	2,413	440	—	264	264	
Restructuring	—	—	—	—	—	—	—		—		2,356	(54)	(54)	—	54	(100)%
Non-cash interest expense	9,226	9,340	9,457	9,575	9,694	10,450	1,110	12 %	756	8 %	27,630	—	—	—	—	
Change in Fair Value of Warrants note	—	—	—	—	—	10,764	10,764		10,764		35,782	37,598	18,566	20,144	1,578	8 %
Litigation settlement-related expense	—	—	—	12,500	—	—	—		—		—	12,500	—	—	—	
taxes	—	—	—	—	(382)	98	98		480	(126)%	(11,839)	—	—	(284)	(284)	
Total Non-GAAP Adjustments	67,915	63,457	66,449	78,313	64,338	73,347	9,890	16 %	9,009	14 %	318,121	276,134	131,372	137,188	5,816	4 %

	2017				2018		Annual		Q2 YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	2016	2017	2017	2018
	Rounded (\$500k)	Rounded (\$500k)	Rounded (\$500k)	Rounded (\$500k)	Rounded (\$500k)	Rounded (\$500k)	Rounded (\$500k)	Rounded (\$500k)	Rounded (\$500k)	Rounded (\$500k)
Product and related subscription and support revenue	112,184	119,107	121,932	126,308	121,092	122,392	437,238	479,521	231,291	243,484
Plus change in deferred revenue	(35,254)	(23,499)	(9,198)	3,240	(30,727)	(15,367)	62,298	(64,711)	(58,753)	(46,094)
Less deferred revenue assumed	—	—	—	—	—	—	—	498	—	—
Non-GAAP Product and related subscription and support billings	76,930	95,608	112,734	129,548	90,365	107,025	499,038	414,810	172,538	197,390
Cloud subscription and managed services	41,545	38,990	41,252	44,657	44,381	45,037	147,647	166,444	80,535	89,418
Plus change in deferred revenue	(6,196)	280	9,719	24,692	12,729	4,580	61,371	28,495	(9,516)	17,309
Less deferred revenue assumed	—	—	—	—	—	—	—	200,354	—	—
Non-GAAP Cloud subscription and managed services billings	35,349	39,270	50,971	69,349	57,110	49,617	188,664	194,939	74,619	106,727
Product, subscription and support revenue	153,729	158,097	163,174	170,965	165,473	167,429	584,885	645,965	311,826	332,902
Plus change in deferred revenue	(41,450)	(23,219)	521	27,932	(17,969)	(10,787)	123,669	(36,210)	(64,669)	(28,783)
Less deferred revenue assumed	—	—	—	—	—	—	—	(20,852)	—	—
Non-GAAP Product, subscription and support billings	112,279	134,878	163,695	198,897	147,475	156,642	687,702	609,749	247,157	304,117
Professional services revenue	31,030	33,625	34,192	34,836	33,597	35,267	121,110	133,683	64,655	68,864
Plus change in deferred revenue	1,661	5,079	4,997	6,831	(5,966)	4,207	14,210	18,568	6,740	(1,759)
Less deferred revenue assumed	—	—	—	—	—	—	(235)	—	—	—
Non-GAAP Professional services billings	32,691	38,704	39,189	41,667	27,631	39,474	135,085	152,251	71,395	67,105
Total Revenue	184,759	191,722	197,366	205,801	199,070	202,696	705,995	779,648	376,481	401,766
Plus change in deferred revenue	(39,789)	(18,140)	5,518	34,763	(23,964)	(6,580)	137,879	(17,648)	(57,929)	(30,544)
Less deferred revenue assumed	—	—	—	—	—	—	(21,087)	—	—	—
Non-GAAP Billings	144,970	173,582	202,884	240,564	175,106	196,116	822,787	762,000	318,552	371,222
Cost of Product and related subscription and support revenue	20,782	21,568	21,142	21,193	20,464	19,679	90,753	84,685	42,350	40,143
Stock-based compensation	(2,001)	(1,131)	(1,593)	(1,549)	(1,673)	(1,630)	(7,488)	(6,256)	(3,141)	(3,303)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	(94)	—	—
Amortization of intangibles	(2,803)	(2,802)	(2,802)	(2,781)	(833)	(834)	(12,544)	(11,188)	(5,605)	(1,667)
Non-GAAP cost of Product and related subscription and support revenue	15,978	17,653	16,747	16,863	17,958	17,121	70,721	67,241	33,631	35,173
Non-GAAP Ops Department	1,762	2,032	2,062	1,700	1,762	2,032	7,524	7,556	—	—
Cost of Cloud subscription and managed services revenue	25,641	26,068	27,296	27,096	26,965	26,457	101,783	106,101	51,709	53,422
Stock-based compensation	(2,359)	(2,904)	(3,174)	(3,556)	(1,949)	(1,928)	(9,196)	(11,993)	(5,263)	(3,877)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	(94)	—	—
Amortization of intangibles	(7,275)	(7,275)	(7,275)	(7,275)	(7,820)	(7,883)	(32,887)	(29,500)	(14,750)	(15,713)
Non-GAAP cost of subscription & support revenue	15,907	15,789	16,747	16,165	17,187	16,552	59,700	64,608	31,696	33,833
Cost of Product, subscription and services revenue	46,423	47,636	48,438	48,289	47,429	46,136	192,536	190,786	94,059	93,565
Stock-based compensation	(4,360)	(4,071)	(4,767)	(5,105)	(3,623)	(3,558)	(16,684)	(18,249)	(8,377)	(7,189)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	(188)	—	(188)
Amortization of intangibles	(10,178)	(10,177)	(10,177)	(10,156)	(8,662)	(8,717)	(45,431)	(40,688)	(20,355)	(17,379)
Non-GAAP cost of Product subscription and services revenue	31,885	33,442	33,494	33,028	35,145	33,673	130,421	131,849	65,327	68,818
Cost of Professional services revenue	19,324	20,158	20,628	20,751	20,500	21,146	78,424	80,861	39,482	41,646
Stock-based compensation	(3,672)	(3,375)	(3,544)	(3,816)	(3,902)	(3,448)	(15,220)	(14,407)	(7,047)	(7,350)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	(94)	—	(94)
Amortization of intangibles	—	—	—	—	—	—	—	—	—	—
Non-GAAP cost of Professional services revenue	15,652	16,783	17,084	16,935	16,598	17,604	63,204	66,454	32,435	34,202
Total Cost of Revenue	65,747	67,794	69,066	69,040	67,929	67,282	270,960	271,647	133,541	135,211
Stock-based compensation	(8,032)	(7,392)	(8,311)	(8,921)	(7,524)	(7,060)	(31,904)	(32,656)	(15,424)	(14,539)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	(282)	—	(282)
Amortization of intangibles	(10,178)	(10,177)	(10,177)	(10,156)	(8,662)	(8,717)	(45,431)	(40,688)	(20,355)	(17,379)
Non-GAAP cost of revenue	47,537	50,225	50,578	49,963	51,743	51,277	193,625	198,303	97,762	103,020
Gross profit - Product and related subscription and support	91,402	97,539	100,780	105,115	100,628	102,713	346,485	394,836	188,941	203,341
Stock-based compensation	2,001	1,131	1,593	1,549	1,673	1,630	7,488	6,256	3,141	3,303
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	94	—	94
Amortization of intangibles	2,803	2,802	2,802	2,781	833	834	12,544	11,188	5,605	1,667
Non-GAAP gross profit - Product and related subscription and support	98,206	101,454	105,175	109,445	103,134	105,771	366,517	412,200	197,660	208,405
Gross profit - Cloud subscription and managed services	15,904	12,922	13,956	17,561	17,416	18,580	45,864	60,343	28,826	35,996
Stock-based compensation	2,359	2,904	3,174	3,556	1,949	1,928	9,196	11,993	5,263	3,877
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	94	—	94
Amortization of intangibles	7,275	7,275	7,275	7,275	7,820	7,883	32,887	29,500	14,750	15,713
Non-GAAP gross profit - Cloud subscription and managed services	25,638	23,201	24,505	28,492	27,194	28,485	87,947	101,836	48,839	55,679
Gross profit - Product, subscription and support	107,306	110,461	114,736	122,676	118,044	121,293	392,349	455,179	217,767	239,337
Stock-based compensation	4,360	4,017	4,767	5,105	3,622	3,558	16,684	18,249	8,377	7,189
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	188	—	188
Amortization of intangibles	10,178	10,177	10,177	10,156	8,662	8,717	45,431	40,688	20,355	17,379
Non-GAAP gross profit - Product, subscription and support	121,844	124,655	129,680	137,937	130,328	133,756	454,464	514,116	246,499	264,084
Gross profit - Professional services	11,706	13,467	13,564	14,085	13,097	14,121	42,686	52,822	25,173	27,218
Stock-based compensation	3,672	3,375	3,544	3,816	3,902	3,448	15,220	14,407	7,047	7,350
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	94	—	94
Amortization of intangibles	—	—	—	—	—	—	—	—	—	—
Non-GAAP gross profit - Professional services	15,378	16,842	17,108	17,901	16,999	17,663	57,906	67,229	32,220	34,662
Gross profit	119,012	123,828	128,300	136,713	131,141	135,414	415,015	508,001	242,940	266,555
Stock-based compensation	8,032	7,392	8,311	8,921	7,524	7,060	31,904	32,656	15,424	14,539
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	282	—	282
Amortization of intangibles	10,178	10,177	10,177	10,156	8,662	8,717	45,431	40,688	20,355	17,379
Non-GAAP gross profit	137,222	141,497	146,788	155,838	147,327	151,419	512,370	581,345	278,719	298,746
Research and development	58,352	60,747	64,316	59,858	66,196	63,575	279,594	243,273	119,099	129,771
Stock-based compensation	(14,525)	(14,057)	(14,400)	(13,738)	(14,353)	(12,418)	(64,755)	(56,720)	(28,582)	(26,771)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	(215)	—	(215)
Amortization of intangibles	(162)	(163)	(162)	(162)	(157)	(158)	(658)	(760)	(325)	(293)
Non-GAAP research and development	43,665	46,527	49,754	45,863	51,686	50,808	214,221	185,809	90,192	102,494
Sales and marketing	98,988	92,413	92,105	95,772	97,251	94,196	437,519	379,278	191,401	191,447
Stock-based compensation	(14,015)	(10,219)	(11,674)	(10,858)	(12,977)	(12,223)	(67,750)	(66,766)	(34,234)	(25,200)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	—	—	—
Amortization of intangibles	(4,447)	(4,448)	(4,447)	(4,541)	(3,795)	(3,795)	(17,978)	(17,883)	(8,895)	(7,590)
Non-GAAP sales and marketing	80,526	77,746	75,984	80,373	80,479	78,178	361,791	314,629	158,272	158,657
General and administrative	27,615	27,805	29,823	40,306	28,418	26,179	139,791	125,549	55,420	54,597
Stock-based compensation	(7,317)	(7,729)	(7,821)	(7,327)	(7,294)	(7,245)	(43,343)	(30,194)	(15,046)	(14,539)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	—	—	—	—	—
Amortization of intangibles	—	—	—	—	—	—	—	—	—	—
Acquisition related costs	—	—	—	(440)	(264)	(440)	(2,413)	(440)	—	(264)
Legal settlement-related expense	—	—	—	(12,500)	—	—	—	(12,500)	—	—
Change in fair value of contingent earn-out liability	(13)	67	—	—	—	—	(2,356)	54	54	—
Non-GAAP general and administrative	20,285	20,143	22,002	20,039	20,860	18,934	91,679	82,469	40,428	39,794
Restructuring charges	—	—	—	—	—	—	(27,630)	—	—	—
Total operating expenses	184,955	180,965	186,244	195,936	191,865	183,950	884,534	748,100	365,920	375,815
Stock-based compensation	(35,857)	(32,005)	(33,895)	(31,923)	(34,624)	(31,886)	(165,848)	(133,680)	(67,662)	(66,510)
Amortization of stock-based compensation capitalized in software	—	—	—	—	—	(215)	—	—	—	(215)
Amortization of intangibles	(4,609)	(4,611)	(4,609)	(4,798)	(3,952)	(3,929				



Non-GAAP Income Statement

	2017				2018		Y/Y Change		Q/Q Change		Annual		Q2 YTD		Y/Y Change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q2 2018		Q2 2018		2016	2017	2017	2018	Q2 2018 YTD	
	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%	Rounded (\$000)	%	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%
Billings	144,970	173,582	202,884	240,564	175,106	196,116	22,534	13 %	21,010	12 %	822,787	762,000	318,552	371,222	52,670	17 %
Revenue:																
Product, subscription and support	153,729	158,097	163,174	170,965	165,473	167,429	9,332	6 %	1,956	1 %	584,885	645,965	311,826	332,902	21,076	7 %
Professional services	31,030	33,625	34,192	34,836	33,597	35,267	1,642	5 %	1,670	5 %	121,110	133,683	64,655	68,864	4,209	7 %
Total revenue	184,759	191,722	197,366	205,801	199,070	202,696	10,974	6 %	3,626	2 %	705,995	779,648	376,481	401,766	25,285	7 %
Cost of revenue:																
Product, subscription and support	31,885	33,442	33,494	33,028	35,145	33,673	231	1 %	(1,472)	(4)%	130,421	131,849	65,327	68,818	3,491	5 %
Professional services	15,652	16,783	17,084	16,935	16,598	17,604	821	5 %	1,006	6 %	63,204	66,454	32,435	34,202	1,767	5 %
Total cost of revenue	47,537	50,225	50,578	49,963	51,743	51,277	1,052	2 %	(466)	(1)%	193,625	198,303	97,762	103,020	5,258	5 %
Total gross profit	137,222	141,497	146,788	155,838	147,327	151,419	9,922	7 %	4,092	3 %	512,370	581,345	278,719	298,746	20,027	7 %
Gross Margin:																
Product, subscription and support	79 %	79 %	79 %	81 %	79 %	80 %	1 %		1 %		78 %	80 %	79 %	79 %	0 %	
Professional services	50 %	50 %	50 %	51 %	51 %	50 %	(0)%		(1)%		48 %	50 %	50 %	50 %	1 %	
Total gross margin	74 %	74 %	74 %	76 %	74 %	75 %	1 %		1 %		73 %	75 %	74 %	74 %	0 %	
Research and development	43,665	46,527	49,754	45,863	51,686	50,808	4,281	9 %	(878)	(2)%	214,221	185,809	90,192	102,494	12,302	14 %
Sales and marketing	80,526	77,746	75,984	80,373	80,479	78,178	432	1 %	(2,301)	(3)%	361,791	314,629	158,272	158,657	385	0 %
General and administrative	20,285	20,143	22,002	20,039	20,860	18,934	(1,209)	(6)%	(1,926)	(9)%	91,679	82,469	40,428	39,794	(634)	(2)%
Total operating expenses	144,476	144,416	147,740	146,275	153,025	147,920	3,504	2 %	(5,105)	(3)%	667,691	582,907	288,892	300,945	12,053	4 %
	<i>YoY Growth</i>															
		(24)%	(18)%	(10)%	5 %	6 %	2 %				(3)%	(13)%				
Operating Income/(loss)	(7,254)	(2,919)	(952)	9,563	(5,698)	3,499	6,418	(220)%	9,197	(161)%	(155,321)	(1,562)	(10,173)	(2,199)	7,974	(78)%
	<i>Operating margin</i>															
		(4)%	(2)%	(0)%	5 %	(3)%	3 %		5 %		(22)%	(0)%	(3)%	(1)%	2 %	
Other income (expense), net	(755)	(997)	(686)	(417)	(359)	(1,698)	(701)	70 %	(1,339)	373 %	(8,752)	(2,855)	(1,752)	(2,057)	(305)	17 %
Income/(Loss) before income taxes	(8,009)	(3,916)	(1,638)	9,146	(6,057)	1,801	5,717	(146)%	7,858	(130)%	(164,073)	(4,417)	(11,925)	(4,256)	7,669	(64)%
Provision (benefit) for income taxes	1,293	965	1,127	1,247	1,435	1,313	348	36 %	(122)	(9)%	3,118	4,632	2,258	2,748	490	22 %
Income/(Loss) attributable to common stockholders	(9,302)	(4,881)	(2,765)	7,899	(7,492)	488	5,369	(110)%	7,980	(107)%	(167,191)	(9,049)	(14,183)	(7,004)	7,179	(51)%
Net income/(loss) per share																
Basic	\$ (0.05)	\$ (0.03)	\$ (0.02)	\$ 0.04	\$ (0.04)	\$ —	\$ 0.03	(100)%	\$ 0.04	(100)%	\$ (1.02)	\$ (0.05)	\$ (0.08)	\$ (0.04)	\$ 0.04	(50)%
Diluted				\$ 0.04	\$ —	\$ —	—		—							
Weighted-average shares outstanding												(0.05)				
Basic	172,236	176,645	179,732	182,281	186,456	189,696	13,051	7 %	3,240	2 %	163,211	177,757	174,453	188,085	13,632	8 %
Diluted				189,974		197,976	—					185,968				
% of Revenue:																
Product, subscription and support cost of revenue	17 %	17 %	17 %	16 %	18 %	17 %	(1)%		(1)%		18 %	17 %	21 %	21 %	(0)%	
Professional services cost of revenue	9 %	9 %	9 %	8 %	8 %	9 %	(0)%		0 %		9 %	9 %	50 %	50 %	(1)%	
Total cost of revenue	26 %	26 %	26 %	24 %	26 %	25 %	(1)%		(1)%		27 %	25 %	26 %	26 %	(0)%	
Research and development	24 %	24 %	25 %	22 %	26 %	25 %	1 %		(1)%		30 %	24 %	24 %	26 %	2 %	
Sales and marketing	43 %	40 %	39 %	39 %	40 %	39 %	(1)%		(2)%		51 %	40 %	42 %	39 %	(3)%	
General and administrative	11 %	11 %	11 %	10 %	10 %	9 %	(1)%		(1)%		13 %	11 %	11 %	10 %	(1)%	
Total operating expenses	78 %	75 %	75 %	71 %	77 %	73 %	(2)%		(4)%		95 %	75 %	77 %	75 %	(2)%	



Cash Flows Statement

	2017				2018		Y/Y Change		Q/Q Change		Annual	Q2 YTD		Y/Y Change		
	Q1	Q2	Q3	Q4	Q1	Q2	Q2 2018		Q2 2018		2017	2017	2018	Q2 2018 YTD		
	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%	Rounded (\$000)	%	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%
CASH FLOWS FROM OPERATING ACTIVITIES:																
Net loss	(77,217)	(68,339)	(69,214)	(70,414)	(71,830)	(72,859)	(4,520)	7 %	(1,029)	1 %	(285,184)	(145,556)	(144,689)	867	(1)%	
(used in) operating activities:																
Depreciation and amortization	26,365	26,408	25,839	24,805	22,389	22,212	(4,196)	(16)%	(177)	(1)%	103,417	52,773	44,601	(8,172)	(15)%	
Stock-based compensation notes	43,889	39,397	42,206	40,844	42,148	38,892	(505)	(1)%	(3,256)	(8)%	166,336	83,286	81,040	(2,246)	(3)%	
Loss on repurchase of convertible notes	9,226	9,340	9,457	9,575	9,694	10,450	1,110	12 %	756	8 %	37,598	18,566	20,144	1,578	8 %	
accreted debt discount	—	—	—	—	—	10,764	10,764		10,764		—	—	10,764	10,764		
Change in FV of contingent earn-out liability	—	—	—	—	—	(43,575)	(43,575)		(43,575)		—	—	(43,575)	(43,575)		
Deferred income taxes	13	(67)	—	—	—	—	67	(100)%	—		(54)	(54)	—	54	(100)%	
Other	251	—	(304)	(1,234)	(60)	—	—		60	(100)%	(1,287)	251	(60)	(311)	(124)%	
	2,120	1,347	1,629	2,074	1,342	1,030	(317)	(24)%	(312)	(23)%	7,170	3,467	2,372	(1,095)	(32)%	
<i>Changes in operating assets and liabilities:</i>																
Accounts receivable	22,021	(5,823)	(12,041)	(18,591)	42,986	(18,094)	(12,271)	211 %	(61,080)	(142)%	(14,434)	16,198	24,892	8,694	54 %	
Inventories	(1,090)	517	(1,317)	(1,443)	(1,373)	(893)	(1,410)	(273)%	480	(35)%	(3,333)	(573)	(2,266)	(1,693)	295 %	
Prepaid expenses and other assets	630	(2,135)	5,033	1,837	(6,330)	11,222	13,357	(626)%	17,552	(277)%	5,365	(1,505)	4,892	6,397	(425)%	
Accounts payable	3,331	462	(4,753)	7,000	(5,354)	1,202	740	160 %	6,556	(122)%	6,040	3,793	(4,152)	(7,945)	(209)%	
Accrued liabilities	(930)	(1,680)	1,697	(2,746)	4,254	(3,305)	(1,625)	97 %	(7,559)	(178)%	(3,659)	(2,610)	949	3,559	(136)%	
Accrued compensation	(7,006)	125	8,976	470	(5,568)	4,359	4,234	3,387 %	9,927	(178)%	2,565	(6,881)	(1,209)	5,672	(82)%	
Deferred revenue	(39,789)	(18,140)	5,517	34,763	(23,965)	(6,580)	11,560	(64)%	17,385	(73)%	(17,649)	(57,929)	(30,545)	27,384	(47)%	
Other long-term liabilities	1,234	7,118	(238)	6,635	854	888	(6,230)	(88)%	34	4 %	14,749	8,352	1,742	(6,610)	(79)%	
Net cash provided by (used in) operating activities	(16,952)	(11,470)	12,487	33,575	9,187	(44,287)	(32,817)	286 %	(53,474)	(582)%	17,640	(28,422)	(35,100)	(6,678)	23 %	
CASH FLOWS FROM INVESTING ACTIVITIES:																
Acquisition of business, net of cash acquired demonstration units	—	—	—	(4,300)	(5,977)	32	32		6,009	(101)%	(4,300)	—	(5,945)	(5,945)		
Proceeds from sale of property and equipment	(8,483)	(8,829)	(8,612)	(17,855)	(14,487)	(12,158)	(3,329)	38 %	2,329	(16)%	(43,779)	(17,312)	(26,645)	(9,333)	54 %	
Purchase of short-term investments	—	—	—	—	—	—	—		—		—	—	—	—		
Maturity of short-term investments	(98,480)	(124,430)	(92,716)	(93,732)	(109,469)	(109,373)	15,057	(12)%	96	(0)%	(409,358)	(222,910)	(218,842)	4,068	(2)%	
Sale of short-term investments	94,689	118,825	90,528	93,441	104,711	104,334	(14,491)	(12)%	(377)	(0)%	397,483	213,514	209,045	(4,469)	(2)%	
Purchase of investment in private company	3,620	—	—	—	—	—	—		—		3,620	3,620	—	(3,620)	(100)%	
Lease deposits	—	—	—	(2,500)	—	—	—		—		(2,500)	—	—	—		
	(70)	(74)	(307)	(38)	(116)	142	216	(292)%	258	(222)%	(489)	(144)	26	170	(118)%	
Net cash provided by (used in) investing activities	(8,724)	(14,508)	(11,107)	(24,984)	(25,338)	(17,023)	(2,515)	17 %	8,315	(33)%	(59,323)	(23,232)	(42,361)	(19,129)	82 %	
CASH FLOWS FROM FINANCING ACTIVITIES:																
Net proceeds from convertible debt offering	—	—	—	—	—	584,405	584,405		584,405		—	—	584,405	584,405		
Purchase of capped calls	—	—	—	—	—	(65,220)	(65,220)		(65,220)		—	—	(65,220)	(65,220)		
Repayment of term loan	—	—	—	—	—	(286,817)	(286,817)		(286,817)		—	—	(286,817)	(286,817)		
Payments for contingent earn-outs	(38,928)	—	—	—	—	—	—		—		(38,928)	(38,928)	—	38,928	(100)%	
Payment related to shares withheld for taxes	—	(590)	(414)	(404)	—	—	590	(100)%	—		(1,408)	(590)	—	590	(100)%	
Proceeds from employee stock purchase plan	—	10,764	—	9,330	—	10,993	229	2 %	10,993		20,094	10,764	10,993	229	2 %	
Proceeds from exercise of stock options	4,311	6,872	5,399	2,567	3,110	1,469	(5,403)	(79)%	(1,641)	(53)%	19,149	11,183	4,579	(6,604)	(59)%	
Net cash provided by (used) in financing activities	(34,617)	17,046	4,985	11,493	3,110	244,830	227,784	1,336 %	241,720	7,772 %	(1,093)	(17,571)	247,940	265,511	(1,511)%	
Net change in cash and cash equivalents	(60,293)	(8,932)	6,365	20,084	(13,041)	183,520	192,452	(2,155)%	196,561	(1,507)%	(42,776)	(69,225)	170,479	239,704	(346)%	
Cash and cash equivalents, beginning of period	223,667	163,374	154,442	160,807	180,891	167,850	4,476	3 %	(13,041)	(7)%	223,667	223,667	180,891	(42,776)	(19)%	
Cash and cash equivalents, end of period	163,374	154,442	160,807	180,891	167,850	351,370	196,928	128 %	183,520	109 %	180,891	154,442	351,370	196,928	128 %	
GAAP Net cash provided by (used in) operating activities	(16,952)	(11,470)	12,487	33,575	9,187	(44,287)	(32,817)	286 %	(53,474)	(582)%	17,640	(28,422)	(35,100)	(6,678)	23 %	
attributable to accreted debt discount activities	—	—	—	—	—	(43,575)	(43,575)		(43,575)		—	—	(43,575)	(43,575)		
	(16,952)	(11,470)	12,487	33,575	9,187	(712)	10,758	(94)%	(9,899)	(108)%	17,640	(28,422)	8,475	36,897	(130)%	



Revenue Metrics

Revenue:

Product and related subscription and support

Cloud subscription & managed services

Product, subscription and support as reported

Professional services

Total Revenue

Revenue Mix:

Product and related subscription and support

Cloud subscription & managed services

Product, subscription and support as reported

Professional services

Total

2017				2018		Y/Y Change		Q/Q Change		Annual		Q2 YTD		Y/Y Change	
Q1	Q2	Q3	Q4	Q1	Q2	Q2 2018		Q2 2018		2016	2017	2017	2018	Q2 2018 YTD	
Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%	Rounded (\$000)	%	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%
112,184	119,107	121,922	126,308	121,092	122,392	3,285	3 %	1,300	1 %	437,238	479,521	231,291	243,484	12,193	5 %
41,545	38,990	41,252	44,657	44,381	45,037	6,047	16 %	656	1 %	147,647	166,444	80,535	89,418	8,883	11 %
153,729	158,097	163,174	170,965	165,473	167,429	9,332	6 %	1,956	1 %	584,885	645,965	311,826	332,902	21,076	7 %
31,030	33,625	34,192	34,836	33,597	35,267	1,642	5 %	1,670	5 %	121,110	133,683	64,655	68,864	4,209	7 %
184,759	191,722	197,366	205,801	199,070	202,696	10,974	6 %	3,626	2 %	705,995	779,648	376,481	401,766	25,285	7 %
61 %	62 %	62 %	61 %	61 %	60 %	(2)%		(0)%		62 %	62 %	61 %	61 %	(1)%	
22 %	20 %	21 %	22 %	22 %	22 %	2 %		(0)%		21 %	21 %	22 %	22 %	(0)%	
83 %	82 %	83 %	83 %	83 %	82 %	0 %		(1)%		83 %	83 %	83 %	83 %	(1)%	
17 %	18 %	17 %	17 %	17 %	18 %	1 %		2 %		17 %	17 %	17 %	17 %	(0)%	
100 %	100 %	100 %	100 %	100 %	100 %	1 %		1 %		100 %	100 %	100 %	100 %	(1)%	



Billings Metrics

Billings:

- Product and related subscription and support
- Cloud subscription & managed services
- Professional services

Total Billings

YoY Growth

Billings Mix:

- Product and related subscription and support
- Cloud subscription & managed services
- Professional services

Total Billings

	2017				2018		Y/Y Change		Q/Q Change		Annual		Q2 YTD		Y/Y Change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q2 2018		Q2 2018		2016	2017	2017	2018	Q2 2018 YTD	
	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%	Rounded (\$000)	%	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%
Product and related subscription and support	76,930	95,608	112,724	129,548	90,365	107,025	11,417	12 %	16,660	18 %	499,038	414,810	172,538	197,390	24,852	14 %
Cloud subscription & managed services	35,349	39,270	50,971	69,349	57,110	49,617	10,347	26 %	(7,493)	(13)%	188,664	194,939	74,619	106,727	32,108	43 %
Professional services	32,691	38,704	39,189	41,667	27,631	39,474	770	2 %	11,843	43 %	135,085	152,251	71,395	67,105	(4,290)	(6)%
Total Billings	144,970	173,582	202,884	240,564	175,106	196,116	22,534	13 %	21,010	12 %	822,787	762,000	318,552	371,222	52,670	17 %
	(20)%	(12)%	(8)%	8 %	21 %	13 %	25 %		(8)%			(7)%		17 %	17 %	
Product and related subscription and support	53 %	55 %	56 %	54 %	52 %	55 %	(1)%		3 %		61 %	54 %	54 %	53 %	(1)%	
Cloud subscription & managed services	25 %	23 %	25 %	29 %	33 %	25 %	3 %		(7)%		23 %	26 %	23 %	29 %	5 %	
Professional services	22 %	22 %	19 %	17 %	15 %	20 %	(2)%		5 %		16 %	20 %	23 %	18 %	(5)%	
Total Billings	100 %	100 %	100 %	100 %	99 %	100 %	-%		1 %		100 %	100 %	101 %	100 %	(1)%	



Deferred Revenue Metrics

Deferred revenue:

Current Deferred Revenue:

Product, Subscriptions and Support

Professional Services

Current deferred revenue

Non-Current Deferred Revenue:

Product, Subscriptions and Support

Professional Services

Non-current deferred revenue

Total deferred revenue

Less: acquired deferred revenue

Adjusted ending deferred revenue

Current deferred revenue %

Non-current deferred revenue %

Ending Product Subscriptions and Support Deferred Revenue

Ending Professional Services Deferred Revenue

Product Subscriptions and Support Deferred Revenue %

Professional Services Deferred Revenue %

2016	2017				2018		Y/Y Change		Q/Q Change		YTD Change			
	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	6/30/2018		6/30/2018		6/30/2018		
Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	Rounded (\$000)	%	Rounded (\$000)	%	Rounded (\$000)	%	Rounded (\$000)	%
477,118	465,329	460,177	468,897	496,218	489,264	476,818	16,641	4 %	(12,446)	(3)%	(19,400)	(4)%		
31,599	33,335	38,489	43,561	50,397	44,276	48,799	10,310	27 %	4,523	10 %	(1,598)	(3)%		
508,717	498,664	498,666	512,458	546,615	533,540	525,617	26,951	5 %	(7,923)	(1)%	(20,998)	(4)%		
418,629	388,968	370,902	362,703	363,313	352,269	353,927	(16,975)	(5)%	1,658	0 %	(9,386)	(3)%		
403	328	252	176	172	327	12	(240)	(95)%	(315)	(96)%	(160)	(93)%		
419,032	389,296	371,154	362,879	363,485	352,596	353,939	(17,215)	(5)%	1,343	0 %	(9,546)	(3)%		
927,749	887,960	869,820	875,337	910,100	886,136	879,556	9,736	1 %	(6,580)	(1)%	(30,544)	(3)%		
—	—	—	—	—	—	—	—		—		—		—	
927,749	887,960	869,820	875,337	910,100	886,136	879,556	9,736	1 %	(6,580)	(1)%	(30,544)	(3)%		
55 %	56 %	57 %	59 %	60 %	60 %	60 %	2 %		(0)%		(0)%	(1)%		
45 %	44 %	43 %	41 %	40 %	40 %	40 %	(2)%		0 %		0 %	1 %		
895,747	854,297	831,079	831,600	859,531	841,533	830,745	(334)	(0)%	(10,788)	(1)%	(28,786)	(3)%		
32,002	33,663	38,741	43,737	50,569	44,603	48,811	10,070	26 %	4,208	9 %	(1,758)	(3)%		
97 %	96 %	96 %	95 %	94 %	95 %	94 %	(1)%		(2)%		0 %			
3 %	4 %	4 %	5 %	6 %	5 %	6 %	1 %		2 %		(0)%			