

Fastly, Inc.
Income Statement

(\$000, Except per-share amounts)

	Year 2017	Year 2018	Q1 2019 (03/31)	Q2 2019 (06/30)	Q3 2019 (09/30)	Q4 2019 (12/31)	Year 2019	Q1 2020 (03/31)	Q2 2020 (06/30)	Q3 2020 (09/30)	Q4 2020 (12/31)	Year 2020	Year 2021
	Act.	Act.	Act.	Act.	Act.	Act.	Act.	Act.	Est.	Est.	Est.	Est.	Est.
Total Revenue	104,900	144,563	45,556	46,173	49,797	58,936	200,462	62,924	70,943	72,828	78,254	284,949	367,972
YOY Growth	47.1%	37.8%	40.2%	34.0%	35.2%	44.5%	38.7%	38.1%	53.6%	46.2%	32.8%	42.1%	29.1%
GAAP Cost of Revenue	48,672	65,499	19,718	20,784	22,292	25,528	88,322	27,265	30,436	31,253	32,774	121,728	152,397
Adjusted Gross Profit	64,881	79,329	25,982	25,682	27,943	33,943	113,550	36,274	41,147	42,240	46,170	165,831	218,585
Gross Margin	61.9%	54.9%	57.0%	55.6%	56.1%	57.6%	56.6%	57.6%	58.0%	58.0%	59.0%	58.2%	59.4%
GAAP Gross Profit	56,228	79,064	25,838	25,389	27,505	33,408	112,140	35,659	40,507	41,575	45,480	163,221	215,575
Gross Margin	53.6%	54.7%	56.7%	55.0%	55.2%	56.7%	55.9%	56.7%	57.1%	57.1%	58.1%	57.3%	58.6%
Non-GAAP Expenses													
Research & Development	27,950	33,287	9,744	10,530	11,153	12,145	43,572	12,627	12,770	14,201	14,868	54,466	67,739
% of Total Revenue	26.6%	23.0%	21.4%	22.8%	22.4%	20.6%	21.7%	20.1%	18.0%	19.5%	19.0%	19.1%	18.4%
Sales & Marketing	40,320	49,111	14,670	16,310	16,631	19,989	67,600	17,685	17,736	19,736	21,129	76,286	108,339
% of Total Revenue	38.4%	34.0%	32.2%	35.3%	33.4%	33.9%	33.7%	28.1%	25.0%	27.1%	27.0%	26.8%	29.4%
General & Administrative	16,374	21,991	8,178	8,280	9,078	11,245	36,781	11,609	11,706	12,745	14,086	50,145	55,934
% of Total Revenue	15.6%	15.2%	18.0%	17.9%	18.2%	19.1%	18.3%	18.4%	16.5%	17.5%	18.0%	17.6%	15.2%
Total Non-GAAP Expenses	84,644	104,389	32,592	35,120	36,862	43,379	147,953	41,921	42,211	46,683	50,083	180,898	232,011
Stock-based Comp	2,700	4,100	1,467	2,243	3,840	4,595	12,145	6,329	6,579	6,829	7,079	26,816	30,816
D&A	9,642	13,099	3,760	3,845	4,069	4,860	16,534	4,715	4,915	5,115	5,715	20,460	24,860
Adjusted EBITDA	(20,294)	(12,276)	(2,850)	(5,552)	(4,850)	(4,576)	(17,828)	(932)	3,851	673	1,802	5,394	11,433
Adjusted EBITDA Margin	-19.3%	-8.5%	-6.3%	-12.0%	-9.7%	-7.8%	-8.9%	-1.5%	5.4%	0.9%	2.3%	1.9%	3.1%
Adjusted Operating Income	(26,997)	(23,439)	(6,050)	(8,893)	(8,919)	(9,436)	(33,298)	(5,647)	(1,064)	(4,442)	(3,913)	(15,066)	(13,427)
Operating Margin	-25.7%	-16.2%	-13.3%	-19.3%	-17.9%	-16.0%	-16.6%	-9.0%	-1.5%	-6.1%	-5.0%	-5.3%	-3.6%
GAAP Operating Income	(31,039)	(29,138)	(8,077)	(11,681)	(12,759)	(14,031)	(46,548)	(11,976)	(7,643)	(11,271)	(10,992)	(41,882)	(44,243)
Operating Margin	-29.6%	-20.2%	-17.7%	-25.3%	-25.6%	-23.8%	-23.2%	-19.0%	-10.8%	-15.5%	-14.0%	-14.7%	-12.0%
Other Income (Expense), Net	(1,212)	(1,612)	(1,595)	(3,824)	642	267	(4,510)	805	349	695	584	2,433	5,649
Adjusted Income Before Taxes	(28,209)	(25,051)	(6,369)	(9,236)	(8,386)	(8,971)	(32,962)	(5,244)	(715)	(3,747)	(3,329)	(13,035)	(7,778)
Adjusted Income Tax Expense	208	185	55	82	46	309	492	819	-	-	-	819	-
GAAP Income Before Taxes	(32,251)	(30,750)	(9,672)	(15,505)	(12,117)	(13,764)	(51,058)	(11,171)	(7,294)	(10,576)	(10,408)	(39,449)	(38,594)
Income Tax Expense (Benefit)	208	185	55	82	46	309	492	819	-	-	-	819	-
GAAP Net Income	(32,459)	(30,935)	(9,727)	(15,587)	(12,163)	(14,073)	(51,550)	(11,990)	(7,294)	(10,576)	(10,408)	(40,268)	(38,594)
Adjusted Net Income	(28,417)	(26,835)	(6,424)	(9,318)	(8,432)	(9,280)	(33,454)	(6,063)	(715)	(3,747)	(3,329)	(13,854)	(7,778)
Diluted Adjusted EPS	(\$0.61)	-	(\$0.25)	(\$0.16)	(\$0.09)	(\$0.10)	(\$0.49)	(\$0.06)	(\$0.01)	(\$0.04)	(\$0.03)	(\$0.14)	(\$0.08)
Diluted GAAP EPS	(\$0.69)	-	(\$0.38)	(\$0.26)	(\$0.13)	(\$0.15)	(\$0.76)	(\$0.13)	(\$0.08)	(\$0.11)	(\$0.10)	(\$0.41)	(\$0.37)
Shares Outstanding	46,800	88,026	25,290	59,781	93,240	94,045	68,089	95,401	96,901	98,401	99,901	97,651	103,651

Source: Robert W. Baird & Co. Estimates, Company Data Please refer to Appendix - Important Disclosures and Analyst Certification
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Fastly, Inc.

Metrics

(\$000, Except per-share amounts)

	Year 2017	Year 2018	Q1 2019 (03/31) Act.	Q2 2019 (06/30) Act.	Q3 2019 (09/30) Act.	Q4 2019 (12/31) Act.	Year 2019	Q1 2020 (03/31) Act.	Q2 2020 (06/30) Est.	Q3 2020 (09/30) Est.	Q4 2020 (12/31) Est.	Year 2020	Year 2021
	Act.	Act.	Act.	Act.	Act.	Act.	Act.	Act.	Est.	Est.	Est.	Est.	Est.
Enterprise Customers	170	227	243	262	274	288	288	297	314	334	354	354	433
Growth %	40.5%	33.5%	32.8%	37.9%	28.6%	26.9%	26.9%	22.2%	19.8%	21.9%	22.9%	22.9%	22.3%
Total Customers	1,439	1,582	1,621	1,627	1,684	1,743	1,743	1,837	1,904	1,974	2,044	2,044	2,323
Growth %	19.5%	9.9%	12.3%	6.4%	11.1%	10.2%	10.2%	13.3%	17.0%	17.2%	17.3%	17.3%	13.6%
Monthly ARPU	\$6,673	\$8,020	\$9,482	\$9,477	\$10,027	\$11,465	\$10,113	\$11,718	\$12,642	\$12,520	\$12,984	\$12,466	\$14,029
Growth %	16.7%	20.2%	26.2%	22.7%	24.4%	30.6%	26.1%	23.6%	33.4%	24.9%	13.2%	23.3%	12.5%
Total Revenue	104,900	144,563	45,556	46,173	49,797	58,936	200,462	62,924	70,943	72,828	78,254	284,949	367,972
Growth %	47.1%	37.8%	40.2%	34.0%	35.2%	44.5%	38.7%	38.1%	53.6%	46.2%	32.8%	42.1%	29.1%
Dollar-Based Net Expansion Rate	147%	137%	130%	132%	135%	136%	133%	133%	-	-	-	-	-

Source: Robert W. Baird & Co. Estimates, Company Data Please refer to Appendix - Important Disclosures and Analyst Certification

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Fastly, Inc.

Balance Sheet & Cash Flow Projec

	Y 2017A	Y 2018A	Q1 2019A	Q2 2019A	Q3 2019A	Q4 2019A	Y 2019A	Q1 2020A	Q2 2020E	Q3 2020E	Q4 2020E	Y 2020E	Y 2021E
Balance Sheet													
Cash and ST Investments	50,195	83,600	60,432	245,619	207,804	201,196		186,672	179,448	171,933	161,620		128,802
Accounts Receivable	19,094	24,700	37,138	28,542	33,905	37,136		43,017	46,267	47,496	51,036		61,364
Other Current Assets	6,658	8,800	8,800	12,192	14,223	83,590		82,226	12,139	12,139	12,139		12,139
PP&E, net	36,973	41,400	42,424	55,610	56,640	60,037		69,069	69,752	73,574	78,046		95,934
Total Assets	116,171	161,700	153,854	356,376	327,320	327,049		323,846	322,055	318,591	315,790		311,088
	-	-											
Accounts Payable	4,095	2,300	2,572	5,753	6,796	4,602		9,457	10,557	10,840	11,368		14,444
Other Current Liabilities	14,154	32,400	32,400	59,512	38,581	32,519		30,939	30,939	30,939	30,939		30,939
ST Debt	1,758	11,400	11,400	32,822	13,505	4,472		5,291	5,291	5,291	5,291		5,291
LT Debt	23,154	41,300	41,300	17,878	15,545	25,158		26,043	26,043	26,043	26,043		26,043
Total Debt	24,912	52,700	52,700	50,700	29,050	29,630		31,334	31,334	31,334	31,334		31,334
Other Liabilities	2,069	1,700	1,700	5,911	6,983	7,118		1,357	1,357	1,357	1,357		1,357
Stockholders' Equity	72,699	84,000	75,882	267,322	259,415	257,652		256,050	230,322	226,575	223,246		215,468
Total Liabilities & SE	116,171	161,700	153,854	356,376	327,320	327,049		323,846	299,218	295,754	292,953		288,251
Cash Flow Analysis													
Net Cash From Operations	(25,861)	(19,201)	(10,083)	(5,565)	(12,595)	(3,060)	(31,303)	(7,186)	550	1,422	(125)	(5,340)	9,930
Capital Expenditures	(19,800)	(15,745)	(4,025)	(3,497)	(2,878)	(4,209)	(14,609)	(10,221)	(6,000)	(7,000)	(8,000)	(31,221)	(31,500)
Capitalized Internal-use Software	-	(2,955)	(759)	(948)	(1,511)	(1,638)	(4,856)	(1,437)	(1,687)	(1,937)	(2,187)	(7,248)	(11,248)
Free Cash Flow	(45,661)	(37,901)	(14,867)	(10,010)	(16,984)	(8,907)	(50,768)	(18,844)	(7,137)	(7,515)	(10,312)	(43,809)	(32,818)

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Source: Robert W. Baird & Co. Estimates, Company Data

Appendix – Important Disclosures and Analyst Certification

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