



THE MULTI-VERTICAL
CLOUD COMPANY

Second Quarter 2017 Results

Forward-Looking Statements

The statements contained in this press release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve certain risks and uncertainties, including, but not limited to, risks associated with our ability to compete successfully in highly-competitive, rapidly-developing markets, the valuation of public and private cloud-based businesses by analysts, investors and other market participants, our ability to deploy capital effectively and on acceptable terms, the effect of economic conditions generally, capital spending by our customers, our ability to retain existing customer relationships and revenue streams and secure new ones, developments in the markets in which we operate and our ability to respond to those changes in a timely and effective manner, the availability, performance and security of our cloud-based technology, particularly in light of increased cybersecurity risks and concerns, our ability to retain key personnel, our ability to successfully integrate any acquired business, the impact of any potential acquisitions, dispositions, share repurchases or other strategic transactions (including in connection with the execution thereof), our ability to have continued access to capital and to manage capital resources effectively, and other risks and uncertainties detailed in Actua's filings with the U.S. Securities and Exchange Commission. These and other factors may cause actual results to differ materially from those projected.

Non-GAAP Financial Measures

- Non-GAAP net income (loss), non-GAAP net income (loss) per diluted share, adjusted EBITDA, adjusted cost of revenue, adjusted sales and marketing, adjusted general and administrative and adjusted research and development are non-GAAP financial measures and have no standardized measurement prescribed by GAAP. When referring to non-GAAP financial measures, the term “adjusted” is used interchangeably with the term “non-GAAP” by Actua’s management, and the two have identical definitions. Non-GAAP net income (loss) is GAAP net income (loss) attributable to Actua, including acquired businesses’ deferred revenue and excluding share-based compensation, amortization of intangibles, impairment-related and other costs, transaction expenses, other (income) loss, net, current non-cash income tax benefit on discrete items, (loss) income from discontinued operations and impact of non-controlling interest (NCI) for discontinued operations. Non-GAAP net income (loss) per diluted share is non-GAAP net income (loss) divided by (1) GAAP shares, including any impact of incremental dilutive securities (in the case of income), or (2) GAAP shares, excluding any impact of incremental dilutive securities (in the case of loss). Adjusted EBITDA is GAAP net income (loss) attributable to Actua, including acquired businesses’ deferred revenue and excluding share-based compensation, amortization of intangibles, impairment-related and other costs, transaction expenses, other (income) loss, net, current non-cash income tax benefit on discrete items, interest expense (income), net, current, cash income tax expense and depreciation expense. Adjusted cost of revenue is cost of revenue operating expenses, excluding share-based compensation. Adjusted sales and marketing is sales and marketing operating expenses, excluding share-based compensation. Adjusted general and administrative is general and administrative operating expenses, excluding share-based compensation. Adjusted research and development is research and development operating expenses, excluding share-based compensation. Actua’s consolidated businesses as of June 30, 2017 are BOLT, FolioDynamix and *VelocityEHS*. During 2016, GovDelivery became a discontinued operation and has been excluded from our continuing operations for all periods presented.
- Actua’s management believes these non-GAAP financial measures provide useful information to investors and potential investors that enables them to view Actua’s business in a similar manner as Actua’s management and provide meaningful supplemental information regarding Actua’s operating results as they exclude amounts that Actua excludes as part of its monitoring of operating results and assessment of the performance of its business.

Meeting Agenda

Direction

Walter Buckley, CEO

Financial Overview

Kirk Morgan, CFO

Question & Answer Session

Q2 Highlights

- Q2 results in line with expectations
- On track for the second half of 2017
- Continued to invest in Actua through stock repurchases
 - Year-to-date, repurchased close to 2.2 million shares of Actua stock for approximately \$30 million
 - Over the last 12 months, repurchased about 6.8 million shares of Actua stock for approximately \$94 million – representing an almost 20% reduction in shares outstanding



Provides a multi-channel, multi-carrier software platform that enables insurance distributors to retain and grow revenue through a comprehensive insurance solution

Important metrics:*

- **Revenue Growth:** 14% in Q2 2017 compared to Q2 2016
- **Bookings:** Total bookings of \$1.65 million, with ARR bookings of \$200,000
- **Customer Signings:** Signed a top 10 carrier for BOLT Premier, launching in September; signed a renewal with Citizens for an additional 5 years (with minimum annual fee of \$1.9 million); a top 10 carrier customer continued to rapidly grow usage of the platform (rate of new premiums sold increased 34% in Q2 over Q1); another top 10 carrier added 50 additional seats (bringing its total seat licenses to 550, vs. 350 a year ago) and this carrier is also utilizing the BOLT Platform to enable its direct-to-consumer strategy, with added web and mobile capabilities
- Annualized opportunities of qualified risk going through the platform grew to 3.1 million at quarter-end, compared to 3.0 million in Q2 2016
- Total premiums on the platform are \$1.4 billion
- **Competitive Moat:** Platform is integrated into 100 of the largest insurance carriers and has over 5,900 carrier connections, creating the largest source of insurance flow for direct carriers, agents, agencies and alternative insurance distributors
- Operating cash flow positive for Q2 2017
- Multi-year/multi-million dollar contracts

* As of 6/30/17 unless otherwise noted



Enables the delivery of client-centric, innovative, scalable wealth management solutions through secure, cloud-based, fully integrated, advisory products and services

Important Metrics:*

- **Revenue Growth:** 27% in Q2 2017 compared to Q2 2016
- **Bookings:** Approximately \$1.6 million of ARR for Q2 2017
- **Customer Signings:** Signed 11 deals in Q2; the majority of these were in the RIA space and are a good proof point of our expanding footprint in that market
- **Competitive Moat:** Comprehensive, client-centric technology platform with integrated proprietary advisory products; continues to broaden the platform and improve the digital experience through the introduction of a rebalancing product and enhancement of the investor portal
- \$7.5 billion in regulatory assets under management at the end of Q2 2017 compared to \$5.3 billion at the end of Q2 2016
- Total AUM is over \$800 billion, an 18% increase over a year ago
- Multi-year/multi-million dollar contracts

*As of 6/30/17 unless otherwise noted

VelocityEHS

Environmental, health and safety compliance platform that enables organizations to meet stringent and costly OSHA requirements

Important Metrics:*

- **Revenue Growth:** 12% in Q2 2017 compared to Q2 2016 with SaaS revenue growing 17% during the quarter
- **Bookings:** New SaaS bookings for the chemical management platform were up 11% over Q2 2016, while new SaaS bookings for EHS (includes all modules but chemical management) were up 26% over the same prior year period
- **Customer Signings:** Added 350 new customers in Q2, bringing the total customer count to ~12,900, up from 12,000 a year ago; closed 97 platform deals (sold more than one module), a record number; signed 175 upsells, representing expanded relationships with existing customers who bought more seats of our core chemical management offering
- **Competitive Moat:** Database of 12 million safety data sheets is a comprehensive web-based library that ensures compliance for companies and continues to expand as new customers come onto the platform
- Operating cash flow positive for Q2 2017

* As of 6/30/17 unless otherwise noted

Meeting Agenda

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Consolidated Income Statements

(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenue	\$ 31,189	\$ 26,854	\$ 61,696	\$ 52,040
Operating Expenses				
Cost of revenue (a)	7,884	7,288	15,678	14,010
Sales and marketing (a)	9,763	10,461	19,670	20,580
General and administrative (a)	11,786	11,372	24,718	23,698
Research and development (a)	6,911	5,388	13,644	10,695
Amortization of intangible assets	4,333	3,626	7,996	7,208
Impairment related and other	310	117	670	348
Total operating expenses	40,987	38,252	82,376	76,539
Operating income (loss)	(9,798)	(11,398)	(20,680)	(24,499)
Other income (expense):				
Other income (loss), net	2,558	(15)	3,425	(105)
Interest income	142	39	297	87
Interest expense	(44)	(33)	(71)	(66)
Income (loss) before income taxes and noncontrolling interests	(7,142)	(11,407)	(17,029)	(24,583)
Income tax benefit (expense)	(184)	(72)	(449)	(198)
Income (loss) from continuing operations	(7,326)	(11,479)	(17,478)	(24,781)
Income (loss) from discontinued operations, net of tax	-	(2,079)	-	(4,160)
Net income (loss)	(7,326)	(13,558)	(17,478)	(28,941)
Less: Net income (loss) attributable to the noncontrolling interest	(463)	(817)	(945)	(1,869)
Net income (loss) attributable to Actua	\$ (6,863)	\$ (12,741)	\$ (16,533)	\$ (27,072)
Amounts attributable to Actua common shareholders:				
Net income (loss) from continuing operations	\$ (6,863)	\$ (10,763)	\$ (16,533)	\$ (23,123)
Net income (loss) from discontinued operations	-	(1,978)	-	(3,949)
Net income (loss) attributable to Actua common shareholders	\$ (6,863)	\$ (12,741)	\$ (16,533)	\$ (27,072)
Basic and diluted net income (loss) per share:				
Income (loss) from continuing operations attributable to Actua common shareholders	\$ (0.22)	\$ (0.29)	\$ (0.52)	\$ (0.62)
Income (loss) from discontinued operations attributable to Actua common shareholders	-	(0.05)	-	(0.11)
Income (loss) attributable to Actua common shareholders	\$ (0.22)	\$ (0.35)	\$ (0.52)	\$ (0.73)
Shares used in computation of basic and diluted net income (loss) per common share attributable to Actua common shareholders	31,267	36,760	31,687	37,027
(a) Includes equity-based compensation of:				
Cost of revenue	\$ 35	\$ 22	\$ 137	\$ 54
Sales and marketing	100	72	192	160
General and administrative	3,552	3,554	7,041	7,977
Research and development	165	102	247	216
	\$ 3,852	\$ 3,750	\$ 7,617	\$ 8,407

Consolidated Balance Sheets

(In thousands)

ASSETS

	June 30, 2017	December 31, 2016
Cash and cash equivalents	\$ 68,903	\$ 97,364
Restricted cash	1,435	1,648
Accounts receivable, net	20,031	21,033
Prepaid expenses and other current assets	3,256	3,673
Total current assets	93,625	123,718
Fixed assets, net	4,884	5,359
Goodwill	231,424	231,787
Intangible assets, net	64,962	73,406
Cost method businesses	17,473	17,250
Deferred tax asset	737	762
Other assets, net	1,534	1,436
Total Assets	<u>\$ 414,639</u>	<u>\$ 453,718</u>

LIABILITIES AND EQUITY

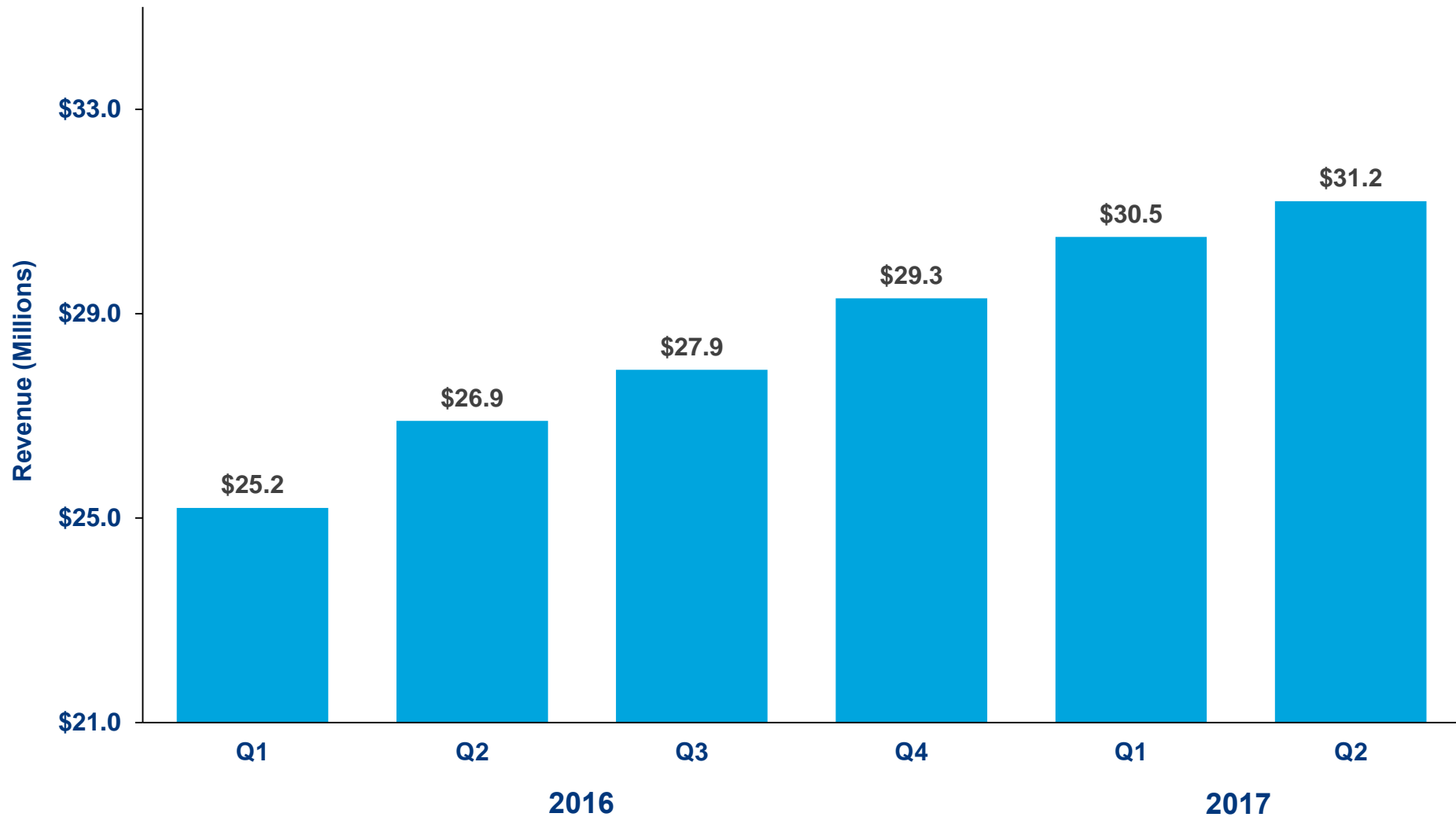
Short-term debt	\$ 1,320	\$ 1,320
Accounts payable	12,582	12,269
Accrued expenses	9,533	10,149
Accrued compensation and benefits	5,948	8,381
Deferred revenue	37,603	35,834
Total current liabilities	66,986	67,953
Deferred rent	4,166	4,165
Deferred revenue	933	990
Contingent consideration	8,065	7,444
Other liabilities	1,532	1,824
Total Liabilities	81,682	82,376
Redeemable noncontrolling interest	5,927	5,858
Total Equity	327,030	365,484
Total Liabilities, Redeemable noncontrolling interest and Equity	<u>\$ 414,639</u>	<u>\$ 453,718</u>

Consolidated Statements of Cash Flows

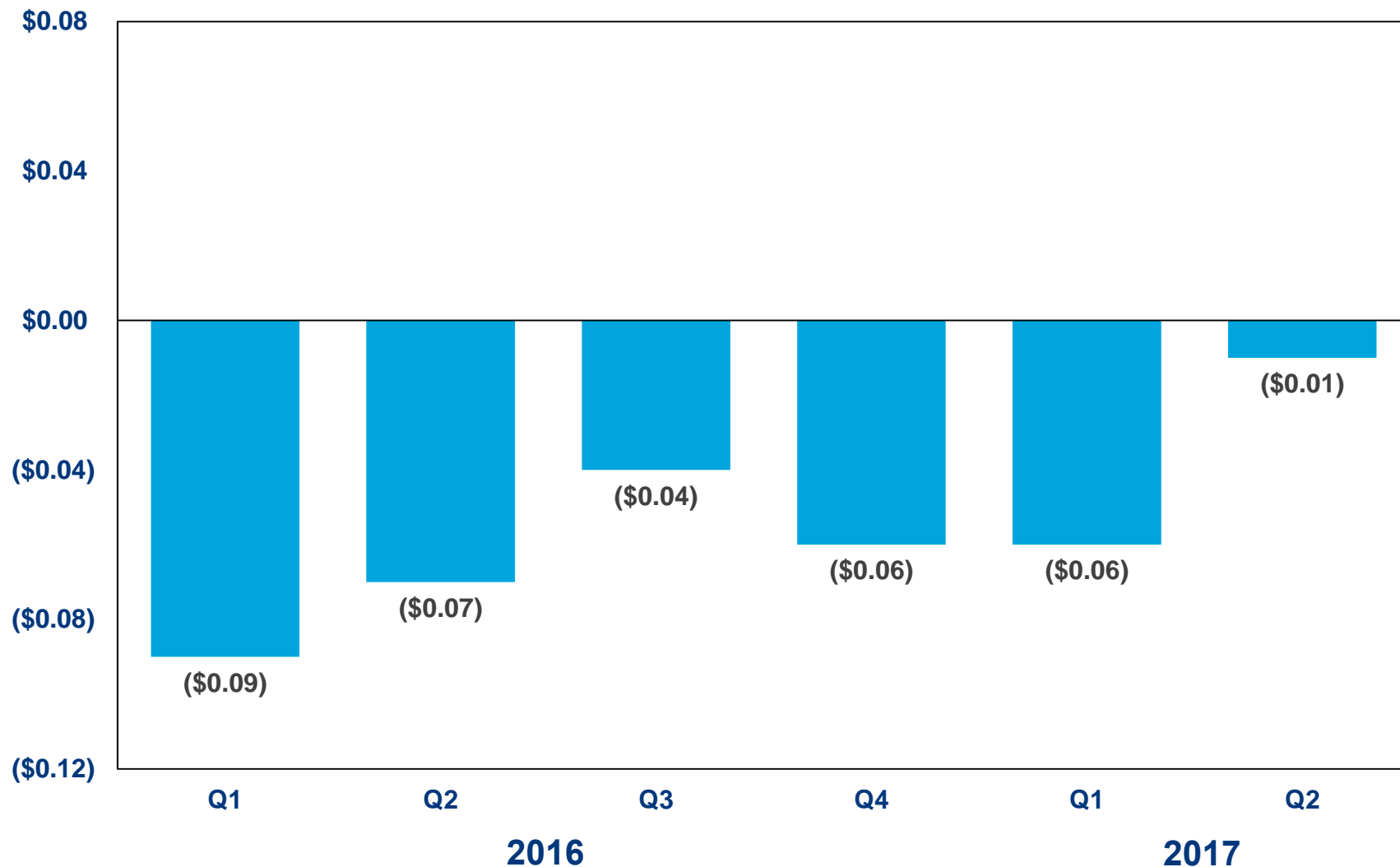
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Operating Activities - Continuing operations				
Net income (loss)	\$ (7,326)	\$ (13,558)	\$ (17,478)	\$ (28,941)
(Income) loss from discontinued operations, net of tax	—	2,079	—	4,160
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	4,925	4,230	9,172	8,331
Equity-based compensation	3,852	3,750	7,617	8,407
Impairment related and other	310	179	312	394
Other (income) loss, net	(2,558)	15	(3,425)	105
Deferred tax asset	(35)	57	25	52
Contingent consideration	—	16	358	32
Changes in assets and liabilities, net of effect of acquisitions:				
Accounts receivable, net	1,167	(331)	971	(1,091)
Prepaid expenses and other assets	150	(1,220)	281	(1,857)
Accounts payable	(995)	32	364	(2)
Accrued expenses	(950)	(1,699)	(473)	(639)
Accrued compensation and benefits	193	583	(2,510)	(4,039)
Deferred revenue	1,322	1,510	1,639	4,633
Other liabilities	27	1,673	163	3,840
Cash flows provided by (used in) operating activities	82	(2,684)	(2,984)	(6,615)
Investing Activities - Continuing operations				
Capital expenditures, net	(582)	(702)	(765)	(1,636)
Change in restricted cash	211	699	301	551
Proceeds from sales/distributions of ownership interests	2,694	—	3,652	46
Ownership acquisitions, net of cash acquired	(265)	(72)	(515)	(2,222)
Cash flows provided by (used in) investing activities	2,058	(75)	2,673	(3,261)
Financing Activities - Continuing operations				
Acquisition of noncontrolling interest in subsidiary equity	—	—	(112)	(5,578)
Payments of contingent consideration	—	(1,464)	—	(1,464)
Repayments of capital lease obligations	—	—	(8)	—
Purchase of treasury stock	(13,629)	(5,485)	(25,088)	(9,533)
Tax withholdings related to equity-based awards	(10)	(7)	(2,896)	(1,536)
Financing activities with discontinued operations, net	—	496	—	(2,004)
Cash flows provided by (used in) financing activities	(13,639)	(6,460)	(28,104)	(20,115)
Effect of exchange rate on cash	(34)	(38)	(46)	(112)
Net increase(decrease) in cash and cash equivalents from continuing operations	(11,533)	(9,257)	(28,461)	(30,103)
Discontinued Operations:				
Cash flows provided by (used in) operating activities	—	4,211	—	(4,923)
Cash flows provided by (used in) investing activities	—	(368)	—	(447)
Cash flows provided by (used in) financing activities	—	(4,654)	—	2,384
Net increase(decrease) in cash and cash equivalents from discontinued operations	-	(811)	-	(2,986)
Cash and cash equivalents at beginning of period - discontinued operations	-	1,681	-	3,856
Less: Cash and cash equivalents at end of period - discontinued operations	-	870	-	870
Cash and cash equivalents at beginning of period	80,436	51,611	97,364	72,457
Cash and cash equivalents at end of period	\$ 68,903	\$ 42,354	\$ 68,903	\$ 42,354

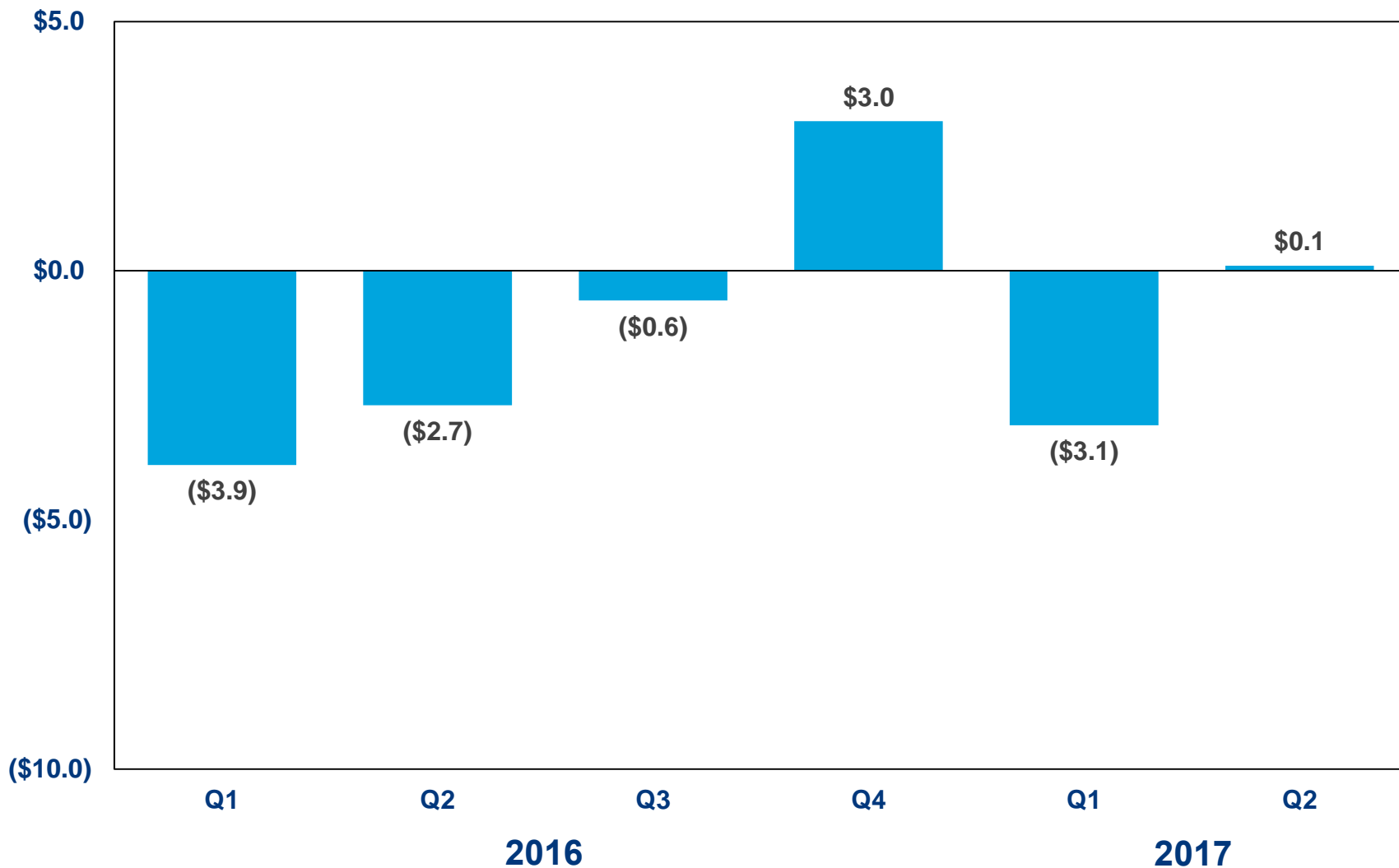
Quarterly Revenue



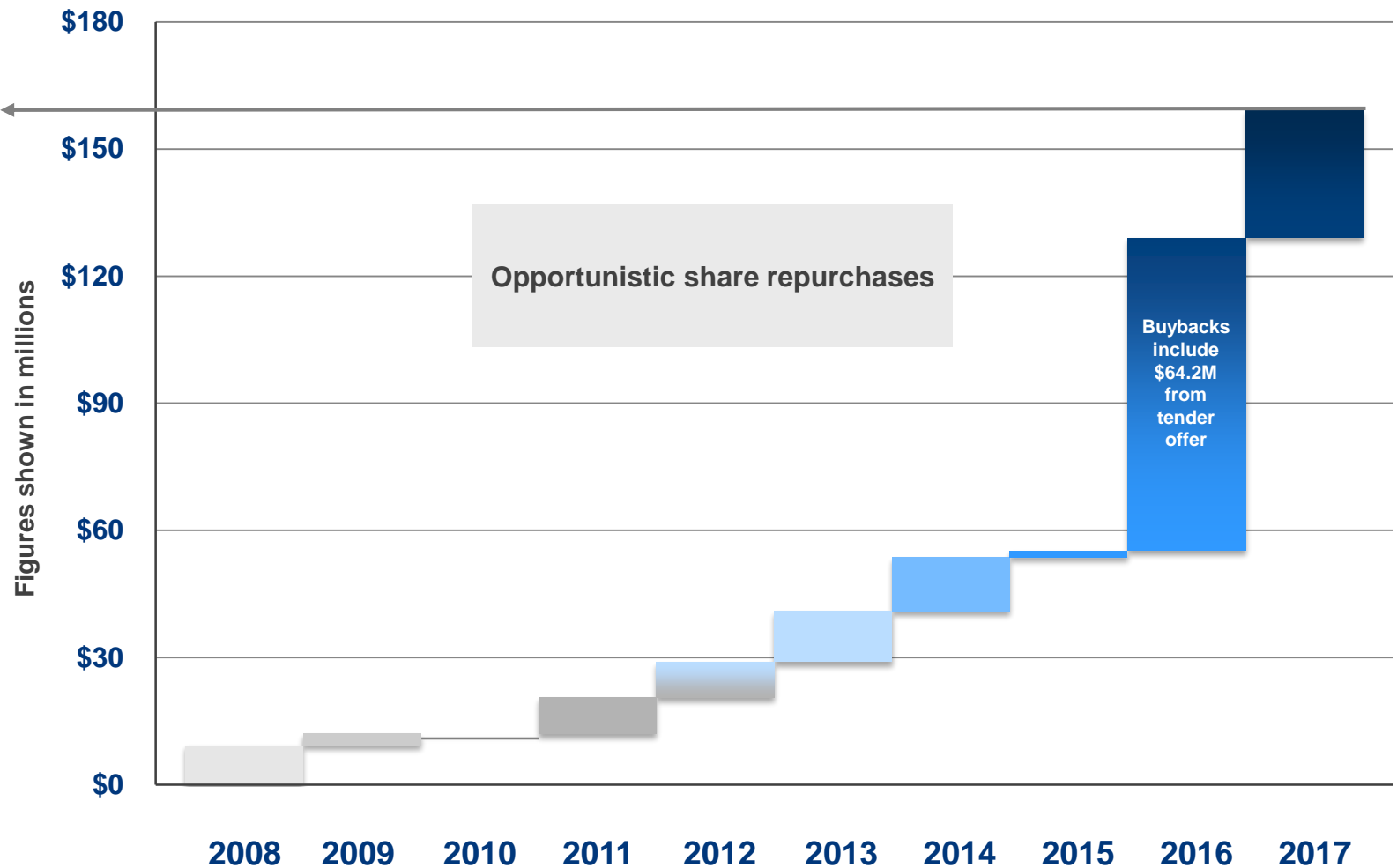
Quarterly Non-GAAP Net Income (Loss)/Share



Quarterly Operating Cash Flows

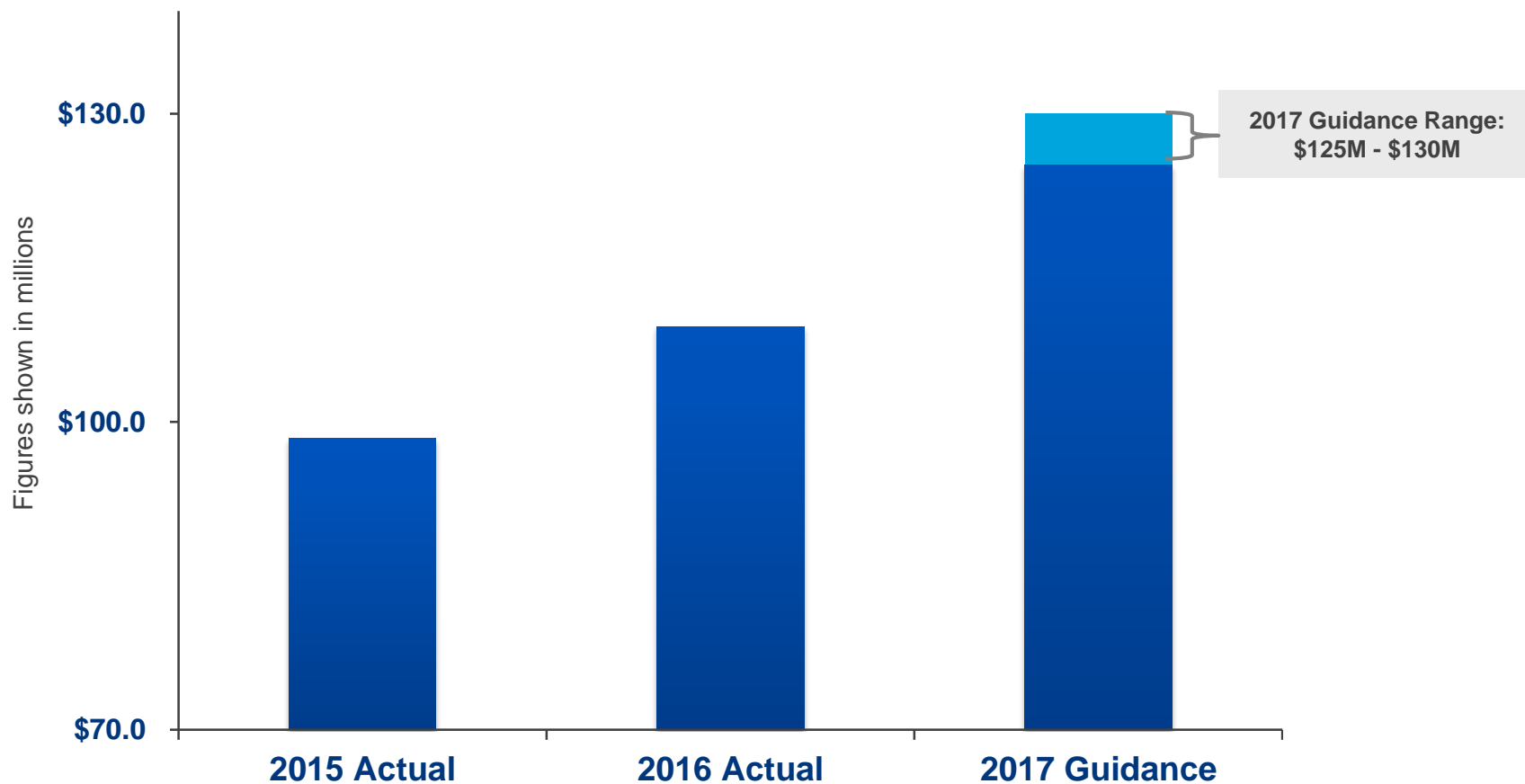


Cumulative Share Repurchase Program

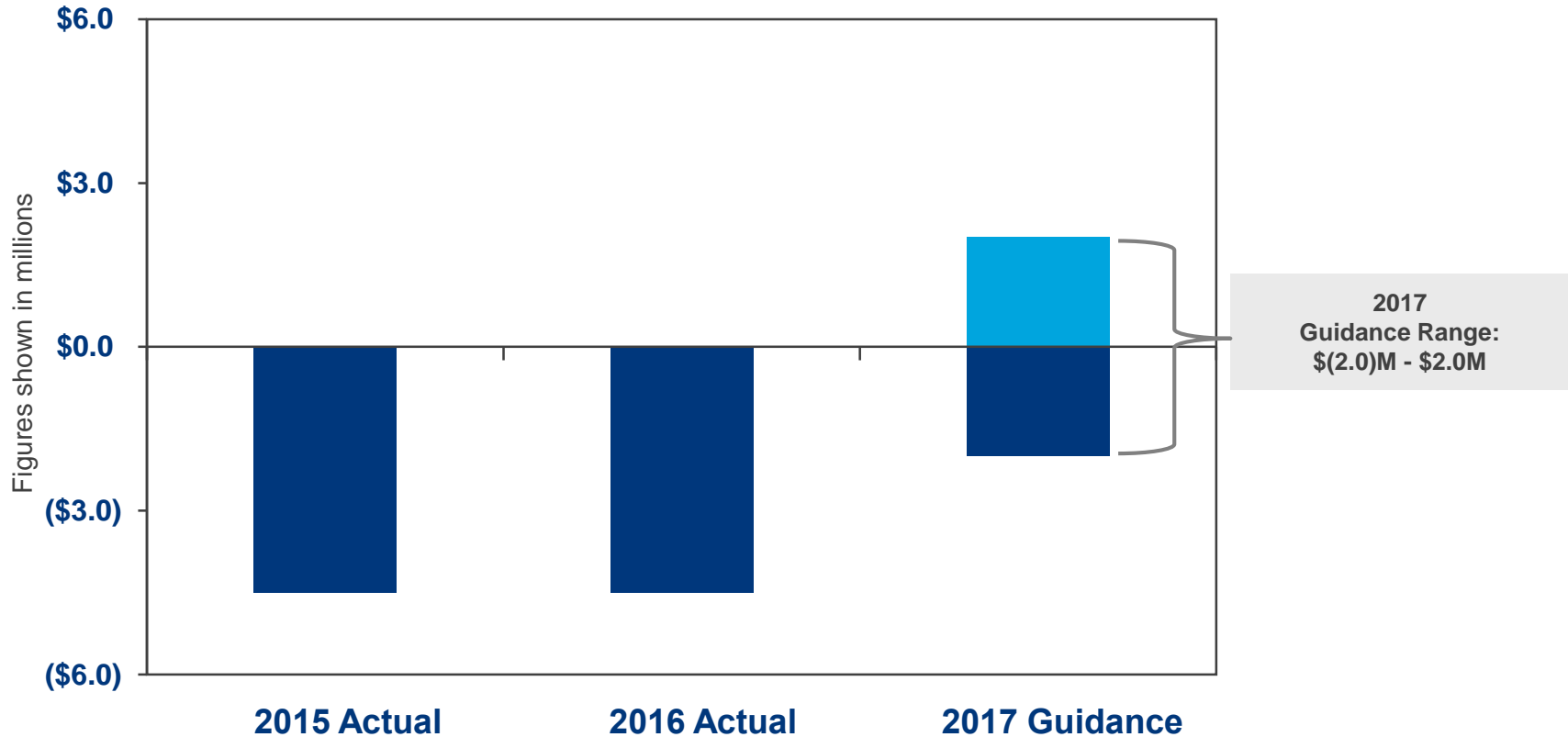


Total amount deployed from inception of buyback program through August 8, 2017 is \$159.3 million, with 13.8 million shares repurchased at an average price of \$11.58, and \$30.5 million remaining under the \$189.8 million repurchase program

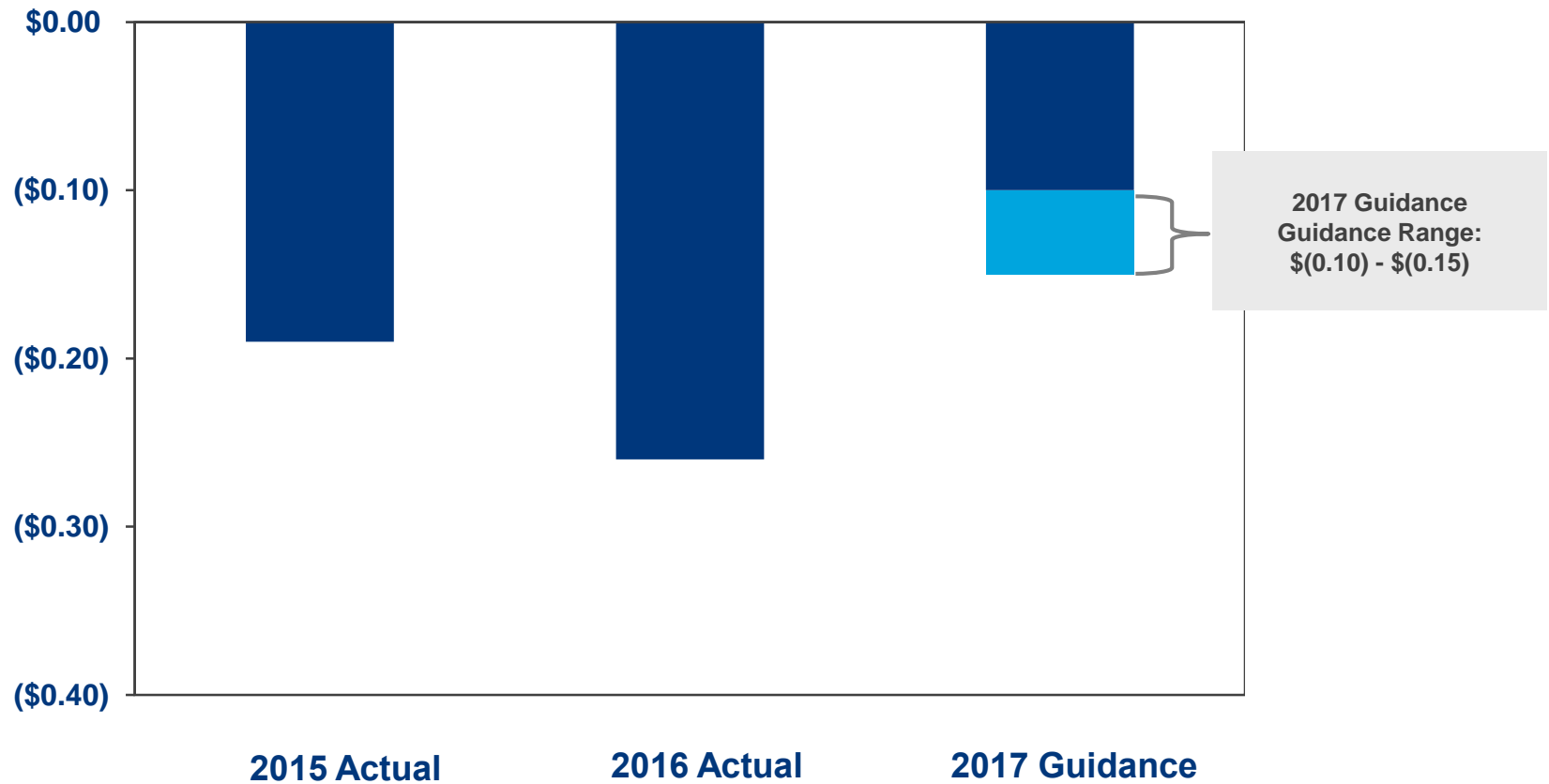
Revenue Growth



Cash Flow From Operations



Non-GAAP Net Income (Loss)/Share





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