

EXPERIENCE FIRST

A GLOBAL CONTENT
DELIVERY NETWORK

PROFITABLE GROWTH

Investor Presentation Q4 2017

SAFE HARBOR STATEMENT

Certain statements in this presentation relate to future results that are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. This presentation contains statements involving risks and uncertainties, including statements relating to Limelight Networks' market opportunity and future business prospects. Actual results may differ materially and reported results should not be considered as an indication of future performance. Factors that could cause actual results to differ are included in the Limelight Networks' Annual Report on Form 10K and our periodic reports on Form 10Q.

LIMELIGHT OVERVIEW

WHAT WE DO

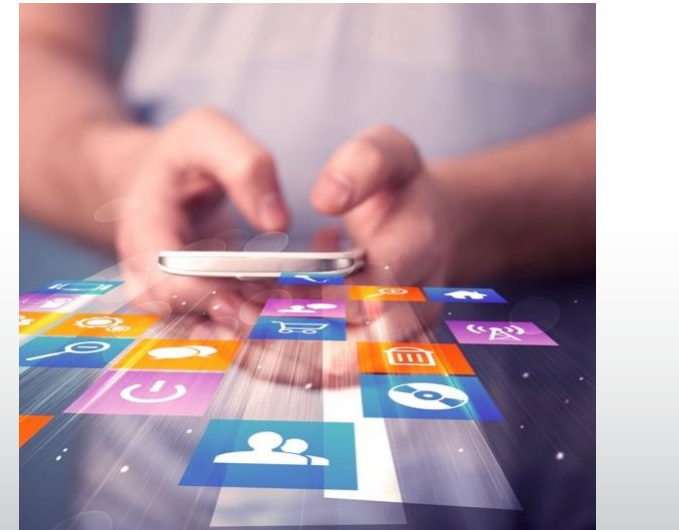
ON-DEMAND & LIVE VIDEO



SOFTWARE DOWNLOAD



WEB CONTENT



OUR MISSION

To securely manage and globally deliver digital content, building customer satisfaction through exceptional reliability and performance.

LIMELIGHT OVERVIEW

UNDENIABLE INDUSTRY TRENDS



Cloud

Migration of applications, data, and IT services to the cloud



Mobile

Explosive growth of devices, applications, and content consumption



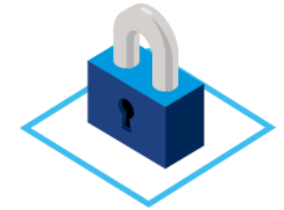
Media

Rich media proliferating across multiple distribution channels



Scale

Audiences are becoming increasingly geographically dispersed



Security

Increased concern over privacy and data protection

LIMELIGHT OVERVIEW

OUR NETWORK: GLOBAL, FAST, AVAILABLE, SECURE

26+

Tbps Egress
Capacity

40+

Global Metro
Locations

80+

Delivery
Locations



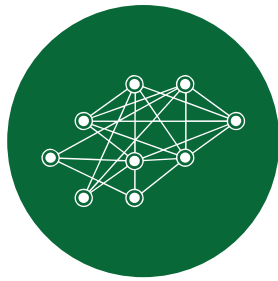
LIMELIGHT OVERVIEW

UNIQUE, IMPRESSIVE SCALE AND CAPABILITIES



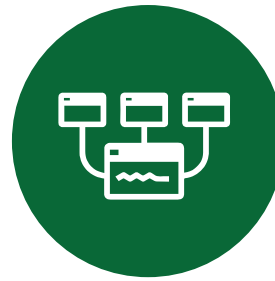
26+ TBPS

One of the largest
CDNs in the world



>900

Directly connected
unique networks



>98%

Industry leading cache
hit efficiency



SSL

One of the largest
SSL CDNs in the
world



PURGE

Global purge in
seconds

4 of 5

TOP MEDIA COMPANIES

4 of 6

TOP TECHNOLOGY COMPANIES

4 of 5

TOP GAMING COMPANIES

LIMELIGHT OVERVIEW

TOP REASONS FOR CUSTOMERS TO CHOOSE LIMELIGHT

- **Industry Leading Performance and Throughput**

One of the highest cache hit ratios in the industry and one of the top performers in major markets globally

- **Award Winning Software at Scale**

High performance services, globally distributed (e.g. SmartPurge)

- **Integrated Suite of Security and Video Solutions**

Massive SSL footprint, DDoS, WAF and content security; rich online video feature set

- **Unrestricted Access to Live 24/7 Support**

Fast, friendly, professional technical support with in-region capability for key languages

- **Highest Performing Origin Storage**

Reliable, high performance origin storage, numerous locations, extensive policy features

LIMELIGHT OVERVIEW

KEY STRATEGIC PRIORITIES – PAST, PRESENT, AND FUTURE

Customers for life



- Increase NPS
- Reduce churn
- Grow existing business

Grow Profitable Revenue



- Achieve double digit growth
- Increase gross margin
- Drive new business
- Generate cash

Employer of Choice



- Attract talent
- Reduce turnover
- Increase productivity

LIMELIGHT INVESTMENT THESIS

1

Customer Satisfaction is Better

Net Promoter Score keeps increasing



2

Operational Metrics are Better

Multiple metrics providing proof points



3

Employee Engagement is Better

Employees more engaged, more satisfied, lower turnover



4

Legal Position is Better

703 Lawsuit settled – On the Offense in VA



5

Financial Performance is Better

Sustained margin improvement and cash generation



6

Progress Toward Long-Term Financial Targets

Good position in a growing market



1

NET PROMOTER SCORE

+84 points since 2013!

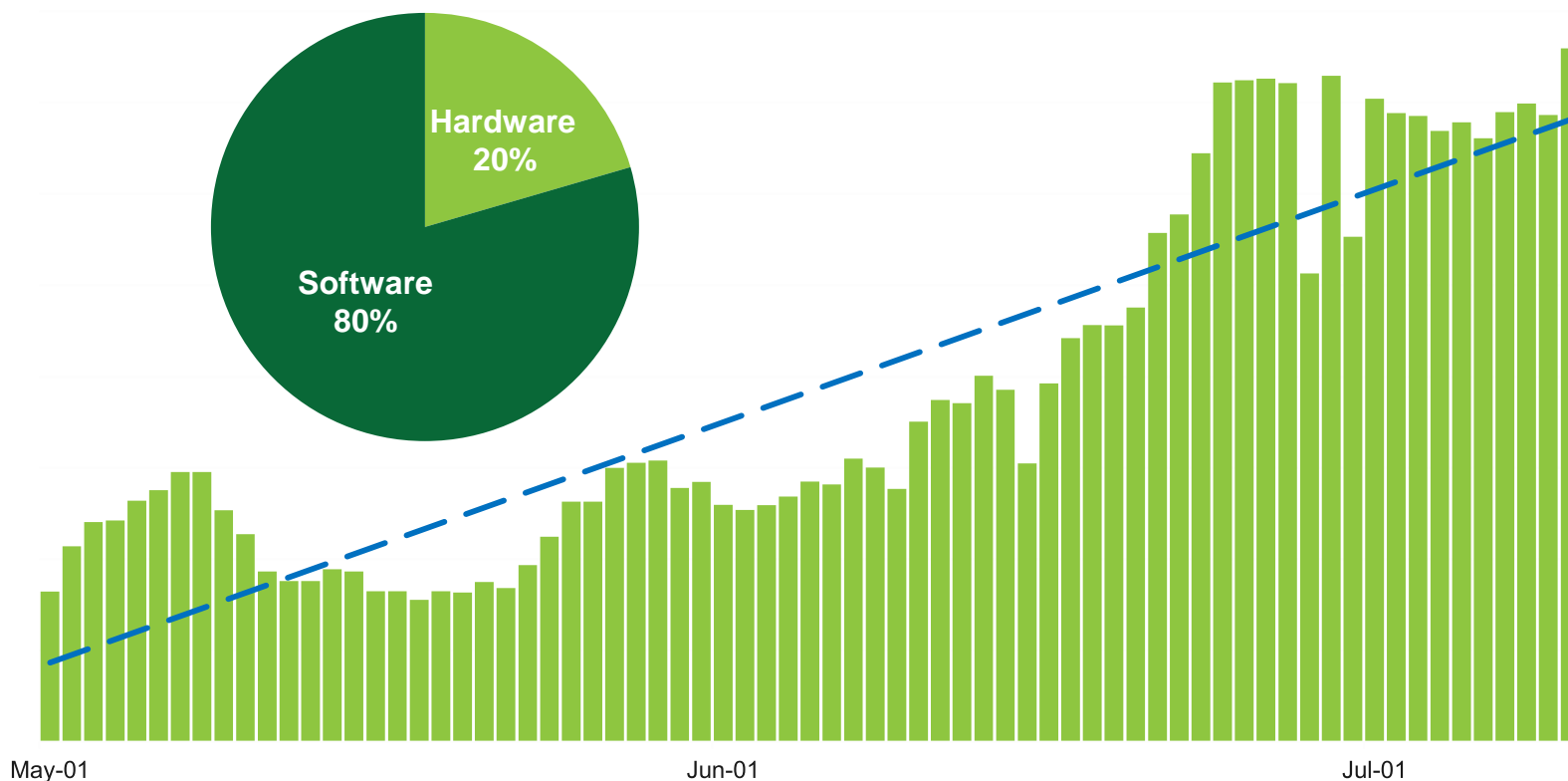


Directly correlated to our customers' increasing satisfaction with our products and services

2 OPERATIONAL METRICS ARE BETTER

EFFICIENCY IMPROVEMENTS CONTINUE, MORE TO COME

CDS Edge Capacity in Gbps, by Day
May 1 to July 10, 2017



- Our network & servers are about 10x more efficient than market leader
- Our entire CDN infrastructure is newer and greener
- Our CDN pushes more bytes per server

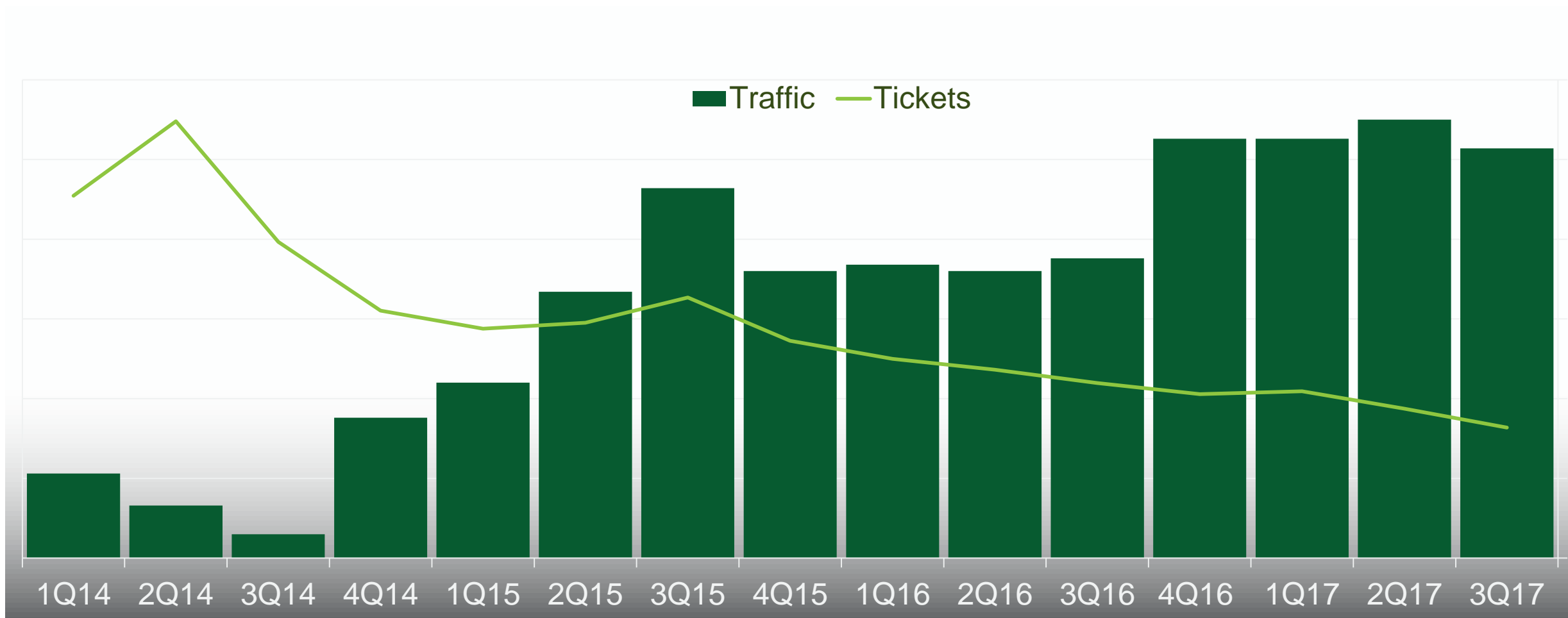
2 OPERATIONAL METRICS ARE BETTER

2017 CAPACITY EXPANSION – COMPLETED AND IN PROGRESS



2 OPERATIONAL METRICS ARE BETTER

MULTIPLE METRICS PROVIDING PROOF POINTS



2 OPERATIONAL METRICS ARE BETTER

2017 CAPACITY EXPANSION

9



Significant upgrade to

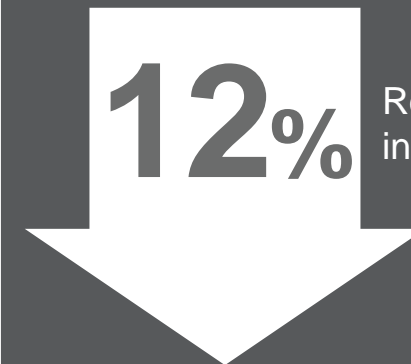
20

existing locations



12%

Reduction
in servers



41%

Increase in
Edge Capacity



60%

Edge capacity increases due to software

93%

Of edge server capacity is SSD

3 EMPLOYEE ENGAGEMENT IS BETTER

EMPLOYEES MORE ENGAGED, LOWER TURNOVER

PROMOTIONS
TRAINING
MENTORING



Customers for life

ENGAGEMENT
LONGEVITY
LEADERSHIP



Grow Profitable Revenue

HIRING
RECRUITING
ONBOARDING



Employer of Choice

4 LEGAL POSITION IS BETTER

703 LAWSUIT SETTLED – ON THE OFFENSE IN VA

- Long-running 703 patent infringement lawsuit settled by converting \$51M judgment into a \$54M license agreement to be paid quarterly over three years
 - 5 of the 12 license payments made to date, 7 payments remaining and end in 2Q2019
- We believe we are net plaintiffs in overall pending dispute with Akamai

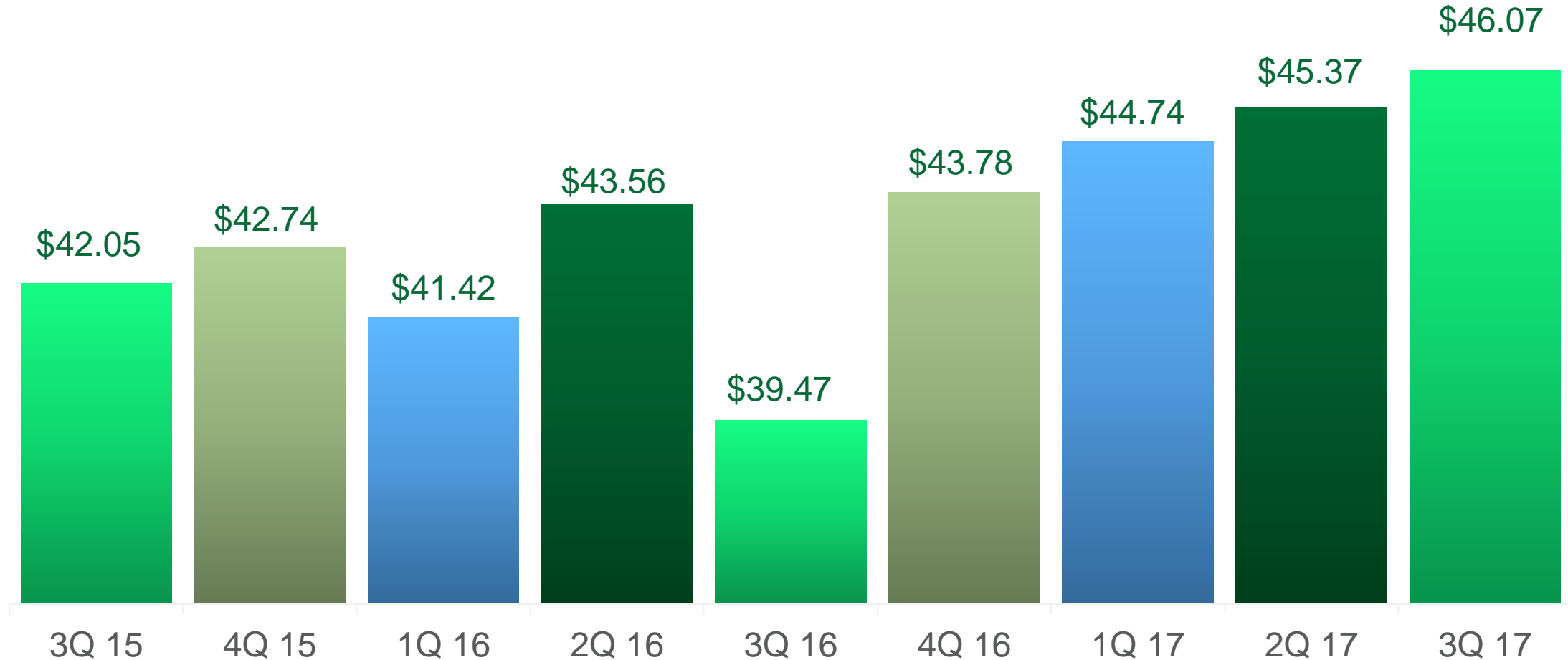
5 FINANCIAL PERFORMANCE IS BETTER

3Q2017 HIGHLIGHTS – CONTINUING MOMENTUM

- Revenue of \$46.1 million, up 17% y-o-y (*highest in 19 quarters*)
- GAAP gross margin at 48.4 percent (*highest ever*)
- 730 basis point GAAP gross margin expansion y-o-y
- Cash gross margin of 58.9 percent (*highest since 2008*)
- GAAP net loss of \$1.8 million (*second best in 5 years*)
- Non-GAAP net income of \$2.2 million (*highest for a third quarter since 2007*)
- Non-GAAP earnings per share of positive two cents (*highest for a third quarter ever*)
- Adjusted EBITDA of \$7.4 million (*highest for a third quarter ever*)
- Positive cash flow from operations over last 12 months (*ex AKAM settlement pymts*)

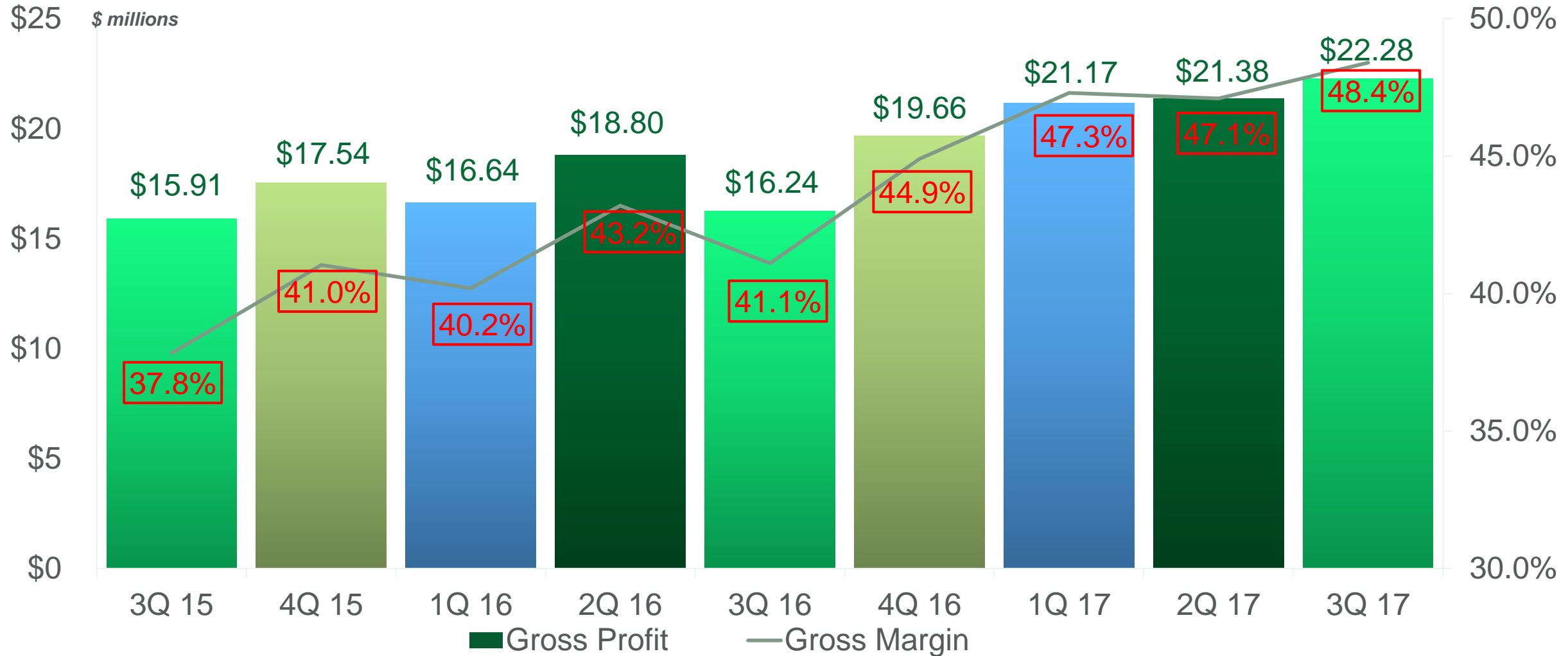
5 FINANCIAL PERFORMANCE IS BETTER

REVENUE PROFILE



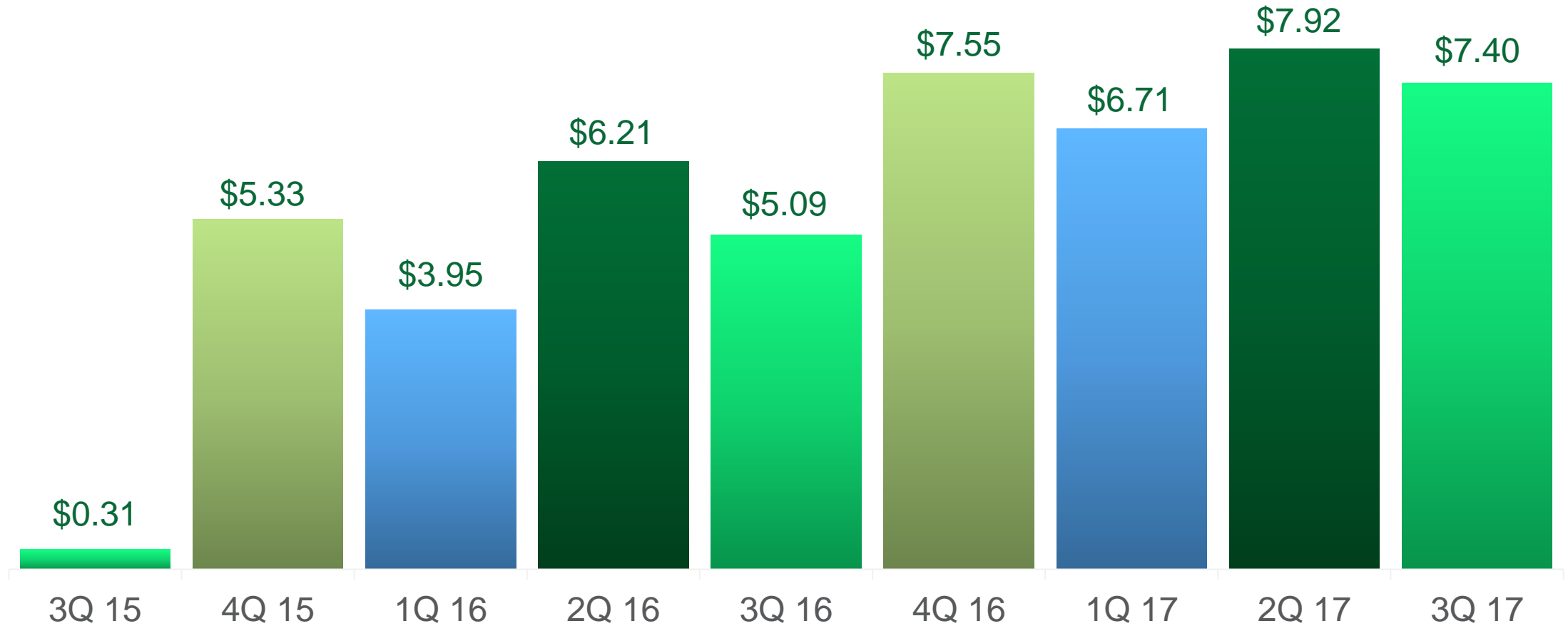
5 FINANCIAL PERFORMANCE IS BETTER

GROSS PROFIT AND MARGIN



5 FINANCIAL PERFORMANCE IS BETTER

ADJUSTED EBITDA PROFILE



6 PROGRESS TOWARD LONG-TERM FINANCIAL TARGETS

RETURNS MORE MEASURABLE AND VISIBLE

Revenue between
\$182 and \$185 million

GAAP gross margin
improvement of more
than 450 basis points

Non-GAAP EPS
between \$0.06 and
\$0.08

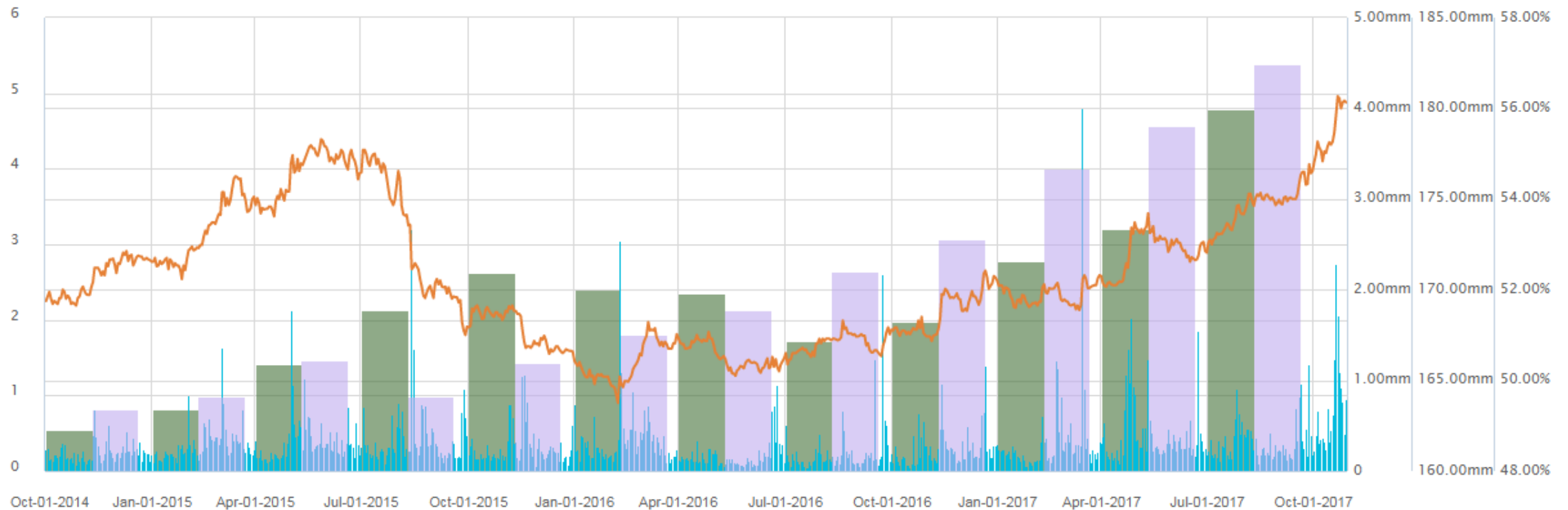
Adjusted EBITDA
between \$26 and
\$29 million;
Capex around
\$20 million

**2017
GUIDANCE**

6 PROGRESS TOWARD LONG-TERM FINANCIAL TARGETS

REVENUE AND MARGIN PROGRESSION

LLNW Share Pricing : 4.88 LLNW Volume : 798639 LLNW Total Revenue [LTM] : 179.95mm LLNW Gross Margin % [LTM] : 56.99



Source: S&P Capital IQ

6 PROGRESS TOWARD LONG-TERM FINANCIAL TARGETS

EXPLORING ADJACENT REVENUE STREAMS

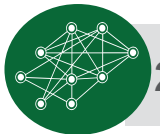
LIMELIGHT'S UNIQUE CAPABILITIES



CDN / DNS



Globally Distributed Points of Presence



26+ Tbps of Ingress/Egress Connectivity



Secure Private Backbone



Dynamic Rule Capability at the Edge



Worldwide Object Storage



Real-Time Analytics

Advanced
Service
Architects



6 PROGRESS TOWARD LONG-TERM FINANCIAL TARGETS

PROGRESS TOWARD FINANCIAL TARGETS

	LT Targets	3Q2017	2Q2017	1Q2017	FY2016	4Q2016	3Q2016	2Q2016	1Q2016	FY2015
Revenue Growth (YoY)	> 10%	17%	4%	8%	-2%	2%	-6%	-1%	-2%	5%
GAAP Gross Margin	> 50%	48.4%	47.1%	47.3%	42.4%	44.9%	41.1%	43.2%	40.2%	39.9%
As a % of Revenue:										
GAAP Net Income	> 10%	-4%	-4%	-7%	-44%	-9%	-16%	-133%	-14%	-14%
Non-GAAP Net Income	> 15%	5%	6%	4%	0%	4%	-1%	1%	-3%	-7%
Adjusted EBITDA	> 25%	16%	17%	15%	14%	17%	13%	14%	10%	4%

Adjusted EBITDA – Capex > 15%

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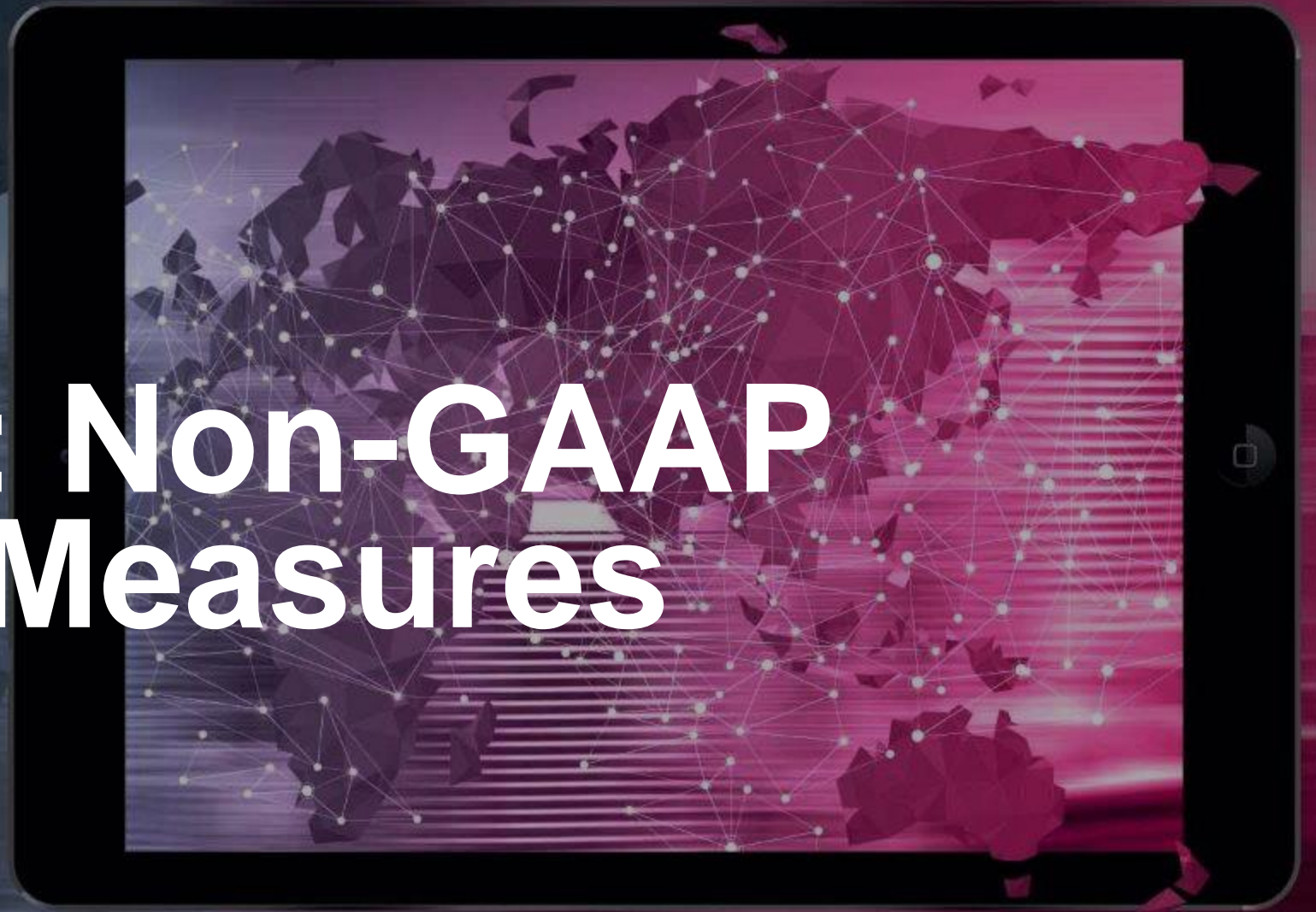
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Progress Toward Long-Term Financial Targets

Good position in a growing market



Appendix: Non-GAAP Financial Measures



NON-GAAP NET INCOME (LOSS)

\$ thousands, except per share data

	Three Months Ended					
	Sep 30, 2017		Jun 30, 2017		Sep 30, 2016	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$(1,756)	\$(0.02)	\$(1,625)	\$(0.01)	\$ (6,122)	\$(0.06)
Share-based compensation	3,112	0.03	3,255	0.03	2,987	0.03
Litigation expenses	863	0.01	1,276	0.01	2,837	0.03
Amortization of intangible assets	-	-	-	-	2	0.00
Non-GAAP net income (loss)	\$ 2,219	\$ 0.02	\$ 2,906	\$ 0.03	\$(296)	\$0.00
Weighted average shares used in per share calculation		109,342		108,422		104,860

EBITDA AND ADJUSTED EBITDA

\$ thousands

	Three Months Ended		
	Sep 30, 2017	Jun 30, 2017	Sep 30, 2016
U.S. GAAP net loss	\$ (1,756)	\$ (1,625)	\$ (6,122)
Depreciation and amortization	5,109	5,128	5,014
Interest expense	18	10	406
Interest and other (income) expense	(135)	(274)	(159)
Income tax expense	188	151	130
EBITDA	\$3,424	\$3,390	\$(731)
Share-based compensation	3,112	3,255	2,987
Litigation expenses	863	1,276	2,837
Adjusted EBITDA	\$ 7,399	\$ 7,921	\$ 5,093

THANK YOU



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