Project Flux

Discussion materials for a potential sell-side M&A process of Akamai (NASDAQ: AKAM)

TEAM
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Prachet Trikha

11/12/2025

Team Intro

Clark Cheung

School	Claremont McKenna College
Major	BA in Economics & Aerospace Engineering
Home	New York, NY
Fun Fact	Clark was once top 300 global in Clash Royale

Jeremy Ashenmil

School	Claremont McKenna College
Major	BA in Economics & Spanish
Home	Denver, CO
Fun Fact	Jeremy likes to make olive-oil flavored ice cream

Dhruv Harinath

School	Claremont McKenna College
Major	BA in Economics & Literature
Home	San Ramon, CA
Fun Fact	Dhruv won a writing award from Christopher Nolan

Prachet Trikha

School	Claremont McKenna College
Major	BA in Economics & International Relations
Home	Singapore, SG
Fun Fact	Prachet served as a Lieutenant in the Singapore Army

Executive Summary

Akamai's revenue mix shift and strong growth in cloud and security markets position it well as an attractive acquisition for both sponsors and strategics

AGENDA

1. Business Overview
2. Industry Trends
3. Football Field Valuation Output
4. Public and Precedent Comparables
5. DCF Walkthrough
6. Potential M&A

SITUATION OVERVIEW

Akamai Technologies is a mature internet infrastructure company that has struggled to sustain investor excitement despite its strong position in content delivery, edge computing, and cloud security. Its decade-long diversification away from legacy CDN has been slow and uneven, with execution challenges and pricing pressure weighing on growth and margins. Akamai represents a compelling acquisition target for sponsors and strategics as a business with meaningful upside for an acquirer able to accelerate its shift toward modern cloud and security markets.

What Guided the Valuation

1 — Cloud Infrastructure is a rapidly growing segment with 'edge' infrastructure spend accelerating

- AKAM operates one of the most globally distributed edge networks, enabling low-latency delivery, compute, and security solutions for modern digital workloads
- The company is well-positioned to capture enterprise and hyperscaler demand as AI, IoT, and streaming drive increasing infrastructure spend closer to the network edge

2 — Comparable companies and precedent transactions reflect AKAM's shift from content delivery

- AKAM's revenue mix has evolved meaningfully, with security and compute now comprising nearly 75% of total revenue (up from ~45% five years ago), positioning the company alongside hybrid infrastructure and cybersecurity peers rather than legacy CDN providers
- Selected public and precedent comps similarly capture operators with scaled global networks and high recurring revenue visibility, reflecting AKAM's shift in revenue streams

3 — Intrinsic valuation highlights AKAM's strong growth in their Security and Compute Segments

- Strength across the Security and Compute businesses, driven by rising enterprise demand for web application protection and edge-based compute capacity, has largely offset structural headwinds in the legacy Delivery segment, supporting steady top-line expansion and margin durability despite CDN price compression
- Management is guiding towards 20% CAGR for Compute and 10% for Security over next 5 years

COMPANY OVERVIEW

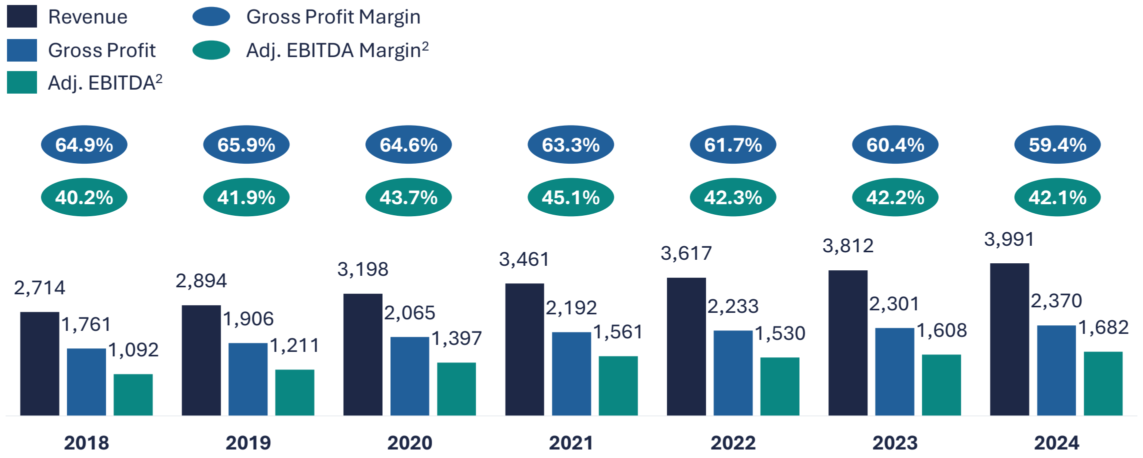
Business Overview

Akamai provides content delivery, cloud computing, and security solutions that optimize performance and protect applications at global scale

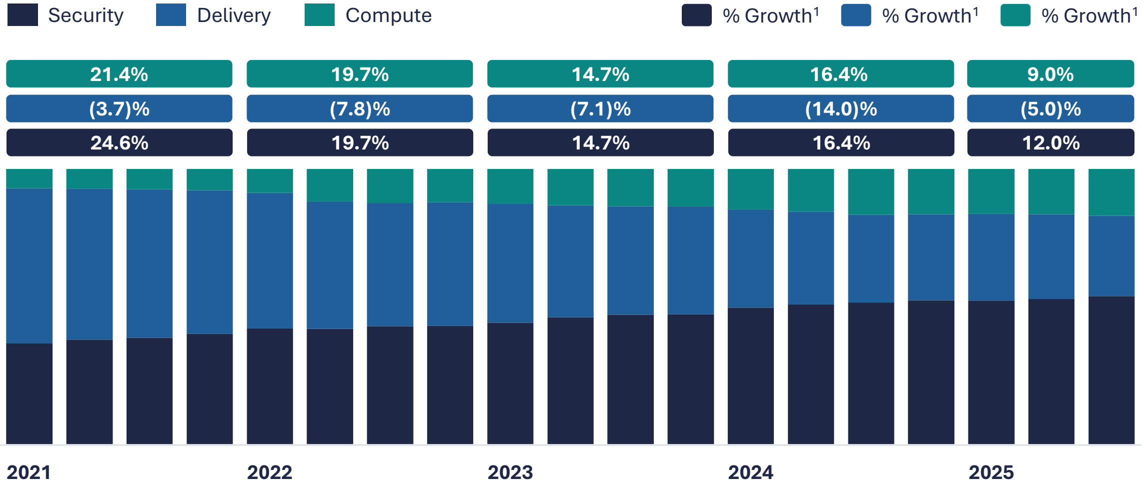
COMPANY OVERVIEW

- Founded in 1998 at MIT by Tom Leighton and Danny Lewin to fix slow websites, Akamai built technology that stores data closer to users, making the internet faster and more reliable
- Akamai has an EV of 15.4B [12B market cap, 3.4B net debt @ 3.4x leverage]
- AKAM's portfolio includes 3 segments:
  - Content delivery / network acceleration [33% of FY24 Revenue]: Uses a geographically distributed network of servers to cache and deliver web content to enterprise clients
  - Cybersecurity services [51% of FY24 Revenue]: Akami's 'edge' solutions protect enterprise data and applications by blocking attacks before they reach the user's origin
  - Cloud compute performance optimization [16% of FY24 Revenue]: Enables companies to run applications and workloads closer to the end user, increasing efficiency
- The Company's model is primarily enterprise subscription-based with professional services
- AKAM's shift into cloud / compute + security is strategic as the delivery market matures

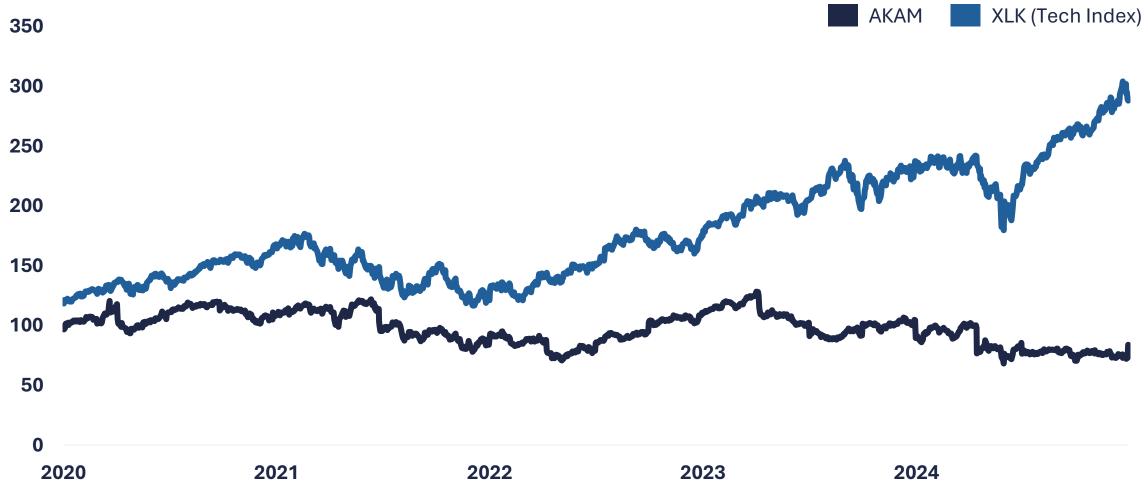
HISTORICAL FINANCIAL PERFORMANCE ($M)



REVENUE MIX BY QUARTER



5Y STOCK PERFORMANCE COMPARED TO TECH ETF



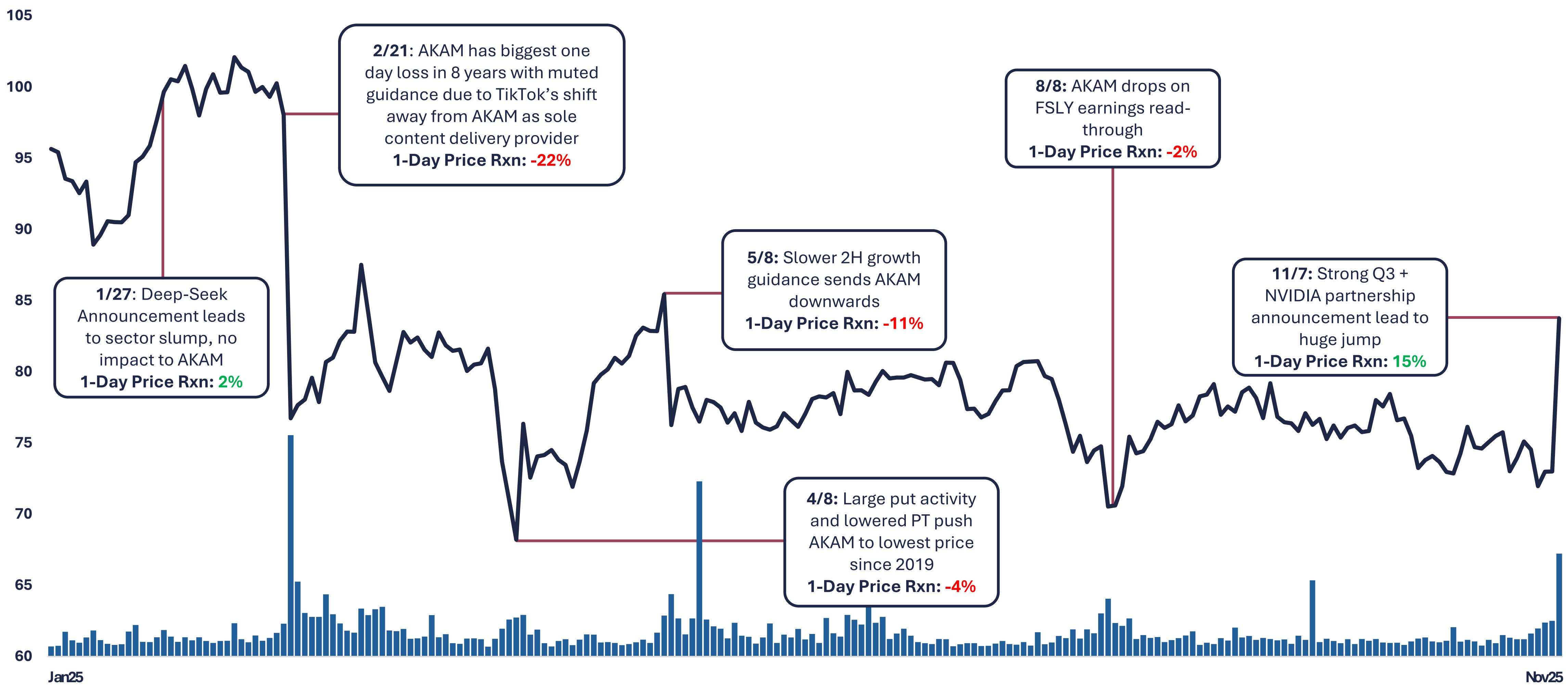
Sources: Bloomberg, CapIQ, Company Financials

1. Calculated using constant-currency growth compares prior results to current results translated at last year's average exchange rates
2. We define Adjusted EBITDA as GAAP net income excluding interest, taxes, D&A, SBC, acquisition and restructuring costs, FX impacts, and other non-recurring or unusual items

Stock Chart

Potential/Current Investors will accept that Akamai has a right to win within its segments only if Akamai can prove high, steady, top-line growth

AKAMAI'S STOCK IS REACTIVE TO PARTNERSHIPS AND EARNINGS BEATS/MISSES AS INVESTORS PRIMARY FOCUS IS PROJECTING TOP LINE GROWTH



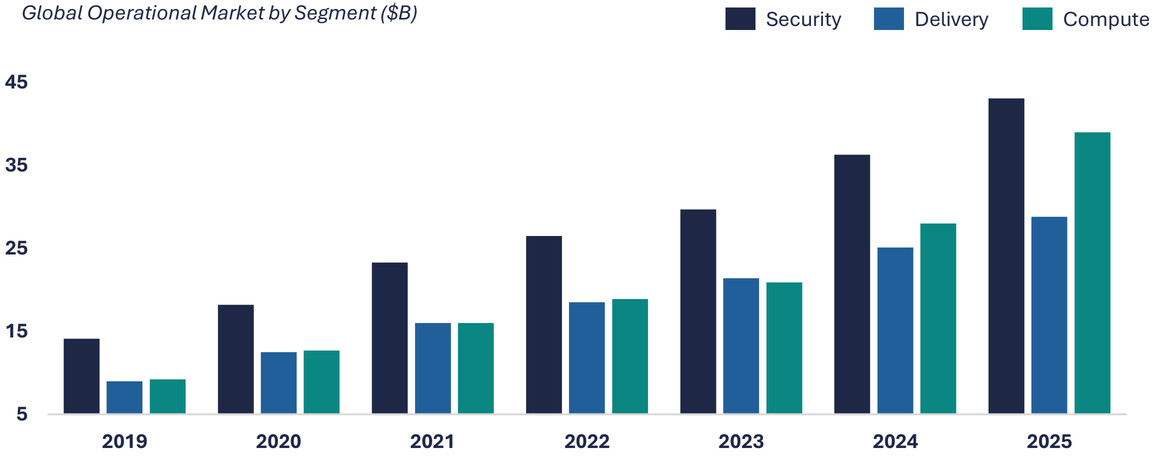
Sources: Bloomberg, CapIQ, Company Financials

Industry Overview

With platformization reshaping the ecosystem, Akamai is well positioned to leverage cross-sector growth in cloud and security

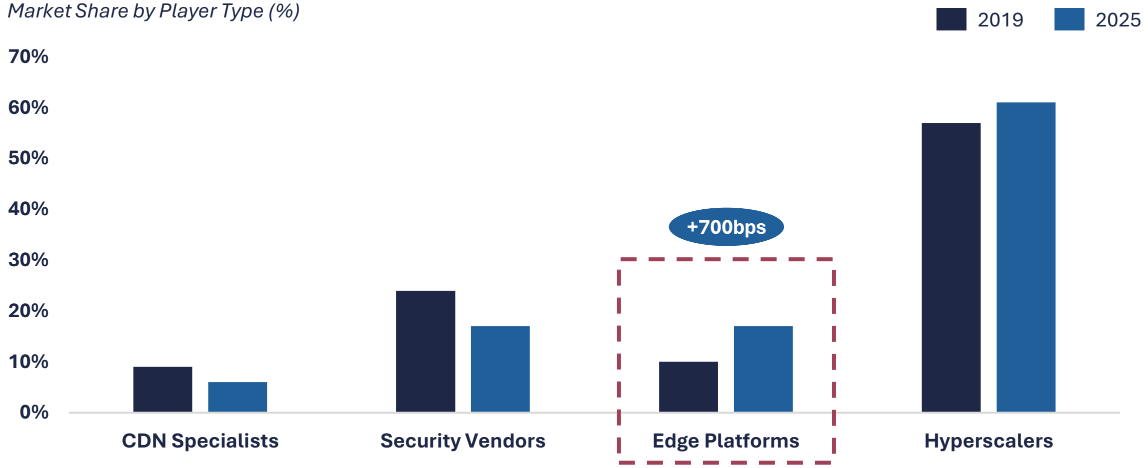
THE CLOUD COMPUTE MARKET HAS GROWN EXPONENTIALLY...

Global Operational Market by Segment ($B)

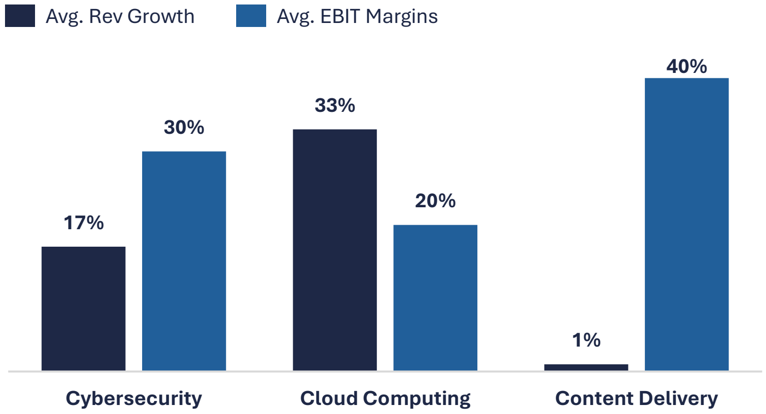


...WITH EDGE PLATFORM PROVIDERS DISPROPORTIONATELY BENEFITING

Market Share by Player Type (%)

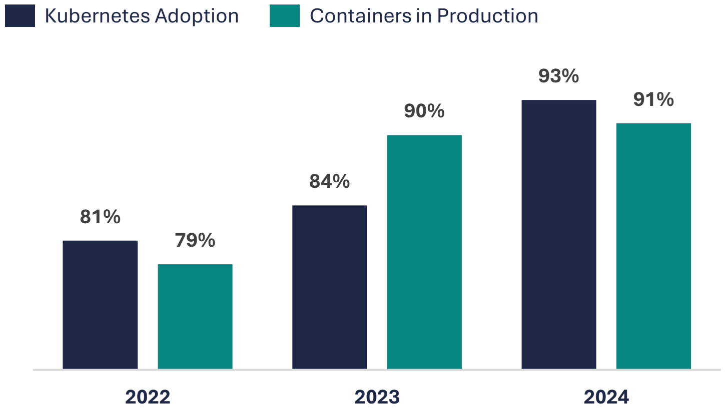


INDUSTRY GROWTH AND MARGIN PROFILES



High-margin delivery lags as cloud and security **drive expansion**

WORKLOAD ARCHITECTURE SHIFT



Workloads are becoming **distributed and cloud-native**

COMMENTARY

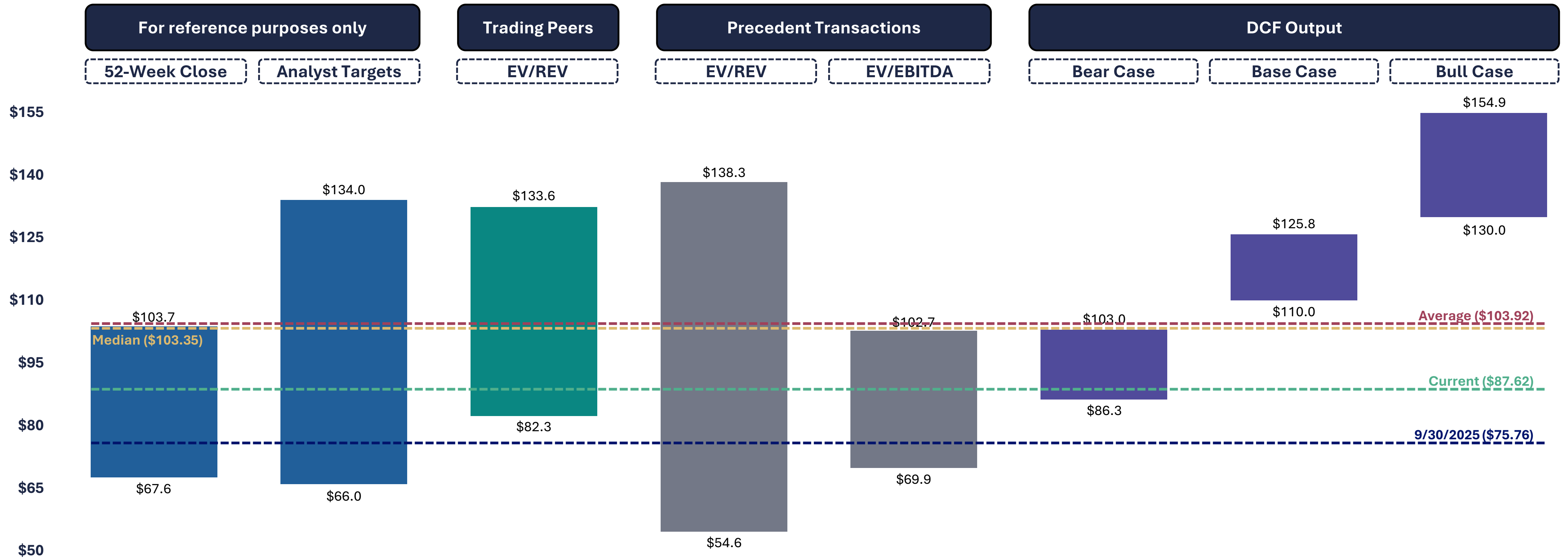
- Workloads and localization **accelerating demand for distributed infrastructure** and deployment
- Growing enterprise adoption of hybrid and multi-cloud models is **driving demand** for complex environment management
- Platformization is **transforming security markets** as providers build embedded security and consolidate solutions
- Scale and integration across cloud, edge, and security are becoming the **primary competitive levers** with full stack work
- Shift from centralized CDNs to distributed edge is becoming the **dominant use case**

VALUATION ANALYSIS

Illustrative Preliminary Valuation Summary

Akamai trades below peer and precedent benchmark, offering upside to fundamental value

FOOTBALL FIELD OF EQUITY VALUE PER SHARE ($/SHARE)



"Akamai is expanding its security and compute offerings to offset a secular decline in its content-delivery network (CDN) segment" – Bloomberg Intelligence (11/06/2025)
"recent growth has been in the mid-to-high single digits, supporting a valuation discount to faster-growing, profitable peers." – JPMorgan (11/07/2025)
"their limited scale constrains a near-term lift. Greater visibility on renewed top-line gains or stabilization in the CDN segment could spark a recovery in the multiple. - Bloomberg Intelligence (11/06/2025)
Giving us a Valuation Range from $54.6 to $154.9

Public Trading Multiples

Akamai trades at a discount to peers due to its slower revenue growth and an evolving business model that has yet to demonstrate a right to win

Company	Share Price ($)	Equity Value ($MM)	Enterprise Value ($MM)	TEV/Total Revenues LTM[2]	LTM net debt / EBITDA	2-year historical revenue CAGR (%)	LTM EBITDA margins
Akamai	83.74	12,047	15,466	3.7x	2.91x	5.61	28.4%
SentinelOne	16.16	5,416	4,828	5.1x	NM	39.49	(32.9%)
zscaler	320.01	50,658	48,882	18.3x	NM	28.57	(2.9%)
F5 Networks	234.00	13,498	12,385	4.0x	(0.93x)	4.77	28.6%
FORTINET	81.79	62,673	60,545	9.2x	(0.98x)	12.73	33.1%
DigitalOcean	49.48	4,527	5,905	6.8x	5.12x	13.18	31.1%
NUTANIX	69.62	18,852	18,348	7.2x	(2.00x)	16.72	9.9%
HPE	22.83	30,123	50,008	1.5x	4.76x	6.55	14.4%
CLOUDFLARE	232.81	81,549	81,007	40.2x	NM	29.19	(2.4%)
fastly	11.56	1,727	1,793	3.0x	NM	10.43	(12.7%)
CLOUDFLARE	232.81	81,54	81,007	40.2x	NM	29.19	(2.4%)
Overall Average	**$112.20**	**28,107**	**29,917**	**9.90x**	**1.48x**	**16.72**	**9.46%**
Overall Median	**$75.71**	**16,176**	**16,907**	**5.95x**	**0.99x**	**12.96**	**12.15%**

Alt 1

Sources: Bloomberg, CapIQ, Company Financials
1. LTM numbers based on Q2 since not all companies have reported latest Q3
2. TEV to revenue used across comparables due to limited meaningful EBITDA and EBIT comparability

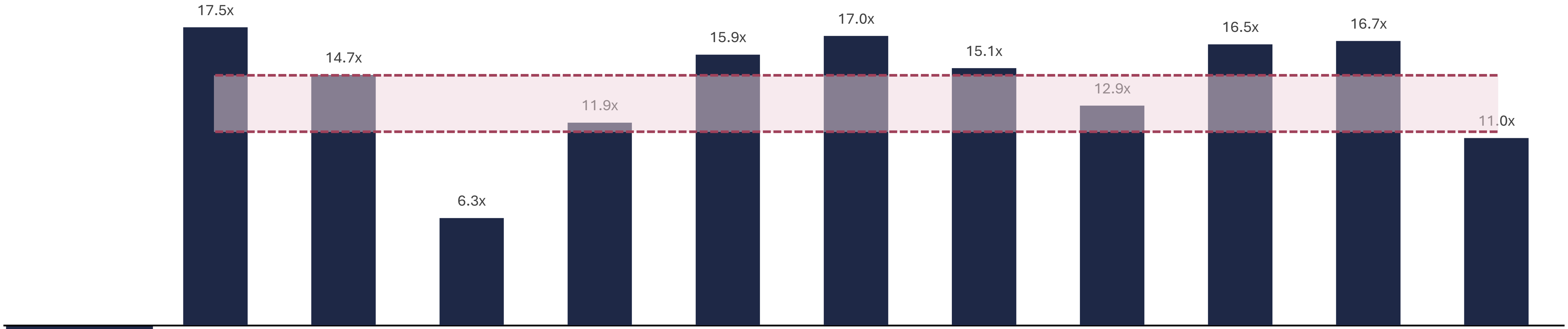
Cybersecurity | Cloud Compute | Content Delivery Network

Akamai

Precedent Transactions

We selected our precedent transactions to represent Akamai's current business profile and future direction based on management as they continue to shift their business

SELECTED TECHNOLOGY TRANSACTIONS



Target	Juniper Networks	vmware	Micro Focus	McAfee	zix	imperva	software AG	StreamSets	Avast	Oracle Cerner	kemp
EV/Rev[1]	2.48x	5.0x	2.2x	3.0x	3.5x	6.1x	3.5x	4.5x	6.5x	4.5x	3.0x
Ann. Date	Jan-24	May-22	Aug-22	Mar-21	Nov-21	Jul-23	Apr-23	Dec-23	Aug-21	Dec-21	Nov-21
Buyer	HPE	Broadcom	opentext	STG	opentext	Thales	Silver Lake	IBM	norton	Oracle	Progress
TEV ($m)	14,000	69,000	6,000	4,000	860	3,600	2,600	2,330	8,300	28,300	258

Sources: Bloomberg, CapIQ, Company Financials
Including both EV/Rev and EV/EBITDA as both are relevant

Model Output

Intrinsic valuation of AKAM over a 10-yr time horizon yields upside of 64% using the exit multiple method

ASSUMPTIONS

1. Revenue growth is primarily driven by ~10% growth in security segment and ~17% growth in cloud segment, roughly in-line with management commentary
2. Adj. EBITDA doubles over the projection period driven by the ongoing mix-shift towards higher margin businesses
3. With pricing power decreases in CDN segment being offset by move into high margin industries, we see no material impact on margins
4. Based on CapIQs 5-yr monthly beta regression adjusted using the Blume adjustment
5. Using conservative blended industry multiple based on segment weighting
6. A 3% perpetual growth rate is used, reflecting long-term nominal GDP growth expectations
7. Share price as of end of trading day Sep-30

	FY 2025E 12/31/2025	FY 2026E 12/31/2026	FY 2027E 12/31/2027	FY 2028E 12/31/2028	FY 2029E 12/31/2029	FY 2030E 12/31/2030	FY 2031E 12/31/2031	FY 2032E 12/31/2032	FY 2033E 12/31/2033	FY 2034E 12/31/2034	FY 2035E 12/31/2035
Total Revenue 1	**4,289**	**4,648**	**5,023**	**5,377**	**5,803**	**6,213**	**6,606**	**6,982**	**7,371**	**7,776**	**8,157**
% YoY Growth	*7.5%*	*8.4%*	*8.0%*	*7.1%*	*7.9%*	*7.1%*	*6.3%*	*5.7%*	*5.6%*	*5.5%*	*4.9%*
Adj. EBITDA 2	**1,845**	**1,852**	**1,939**	**2,037**	**2,169**	**2,304**	**2,440**	**2,573**	**2,713**	**2,859**	**2,999**
% Margin	*43.0%*	*39.8%*	*38.6%*	*37.9%*	*37.4%*	*37.1%*	*36.9%*	*36.9%*	*36.8%*	*36.8%*	*36.8%*
EBIT	**791**	**857**	**926**	**992**	**1,070**	**1,146**	**1,218**	**1,288**	**1,360**	**1,434**	**1,505**
3	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*
Tax Rate (%)	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
NOPAT	**641**	**694**	**750**	**803**	**867**	**928**	**987**	**1,043**	**1,101**	**1,162**	**1,219**
(+) D&A	567	524	508	509	523	545	573	603	636	670	706
(+) SBC	315	341	369	395	426	456	485	513	541	571	599
(-) CapEx	(407)	(441)	(477)	(510)	(551)	(590)	(627)	(662)	(699)	(738)	(774)
(-) ΔNWC	(96)	(6)	(6)	(5)	(7)	(6)	(6)	(6)	(6)	(6)	(6)
Unlevered FCF	**1,020**	**1,113**	**1,145**	**1,191**	**1,259**	**1,334**	**1,412**	**1,491**	**1,573**	**1,659**	**1,743**
Discount Factor	1.00	0.95	0.88	0.82	0.76	0.71	0.65	0.61	0.56	0.52	0.48
PV FCF	**1,020**	**1,062**	**1,013**	**977**	**958**	**941**	**924**	**905**	**885**	**866**	**844**

Cap Structure	
Risk Free Rate	4.1%
Equity Risk Premium	6.5%
5yr Beta	4 0.8x
After-Tax Cost of Debt	4.1%
% Equity	71.4%
% Debt	28.6%
WACC	**7.8%**

EBITDA Exit Multiple Method	
TY EBITDA	2,999
Exit Multiple	5 8.0x
Implied TEV	22,008
(+) Cash & Eqv.	1,119
(–) Long-Term Debt	5,231
Implied Equity Value	17,895
Implied Share Price	**$124.3**
Current Share Price	7 $75.8
% Upside	63.9%
Implied PGR	0.5%

Perpetuity Growth Rate Method	
TY FCF	1,743
PGR	6 3.0%
Implied TEV	28,390
(+) Cash & Eqv.	1,119
(–) Long-Term Debt	5,231
Implied Equity Value	24,278
Implied Share Price	**$168.6**
Current Share Price	$75.8
% Upside	122.4%
Implied Exit Multiple	12.4x

Sources: Bloomberg, CapIQ, Company Financials

Illustrative Discounted Cash Flow Bridge

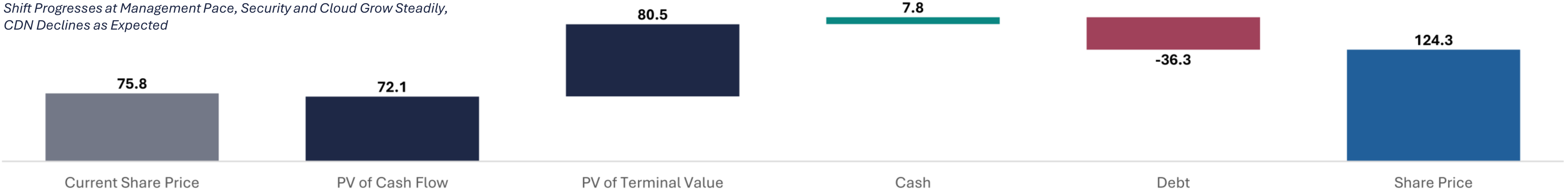
Using a 8x EBITDA Exit Multiple and 7.8% WACC

BEAR CASE

Shift to Modern Markets Lags, Security and Cloud Adoption Slow, CDN Shrinks Faster

BASE CASE

Shift Progresses at Management Pace, Security and Cloud Grow Steadily, CDN Declines as Expected



BULL CASE

Security and Cloud Scale Faster, Share Gains Beat Expectations, CDN Erosion Flat

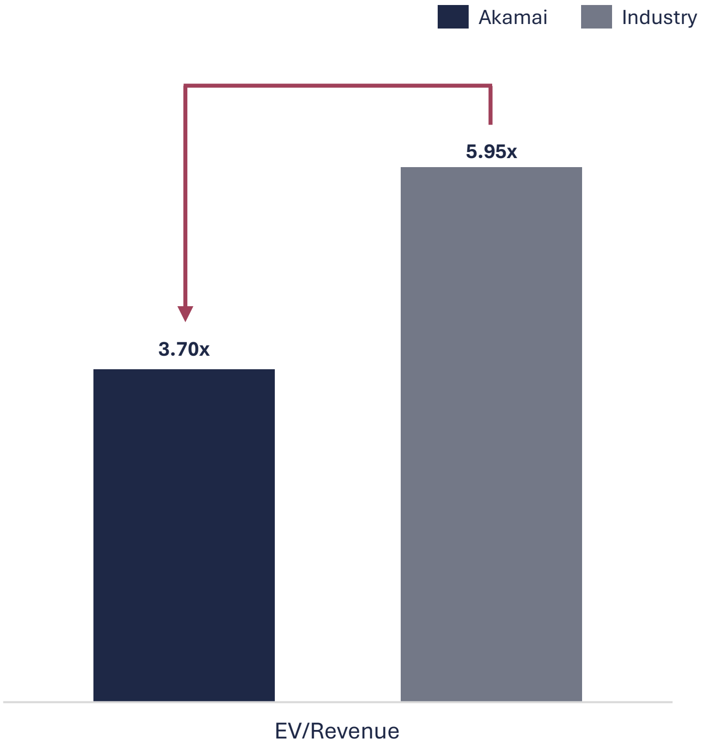
Sources: Bloomberg, CapIQ, Company Financials

POTENTIAL M&A

Why is Akamai an Attractive Acquisition

Akamai is an attractive acquisition given current market misunderstanding and opportunity to prove ‘right to win’

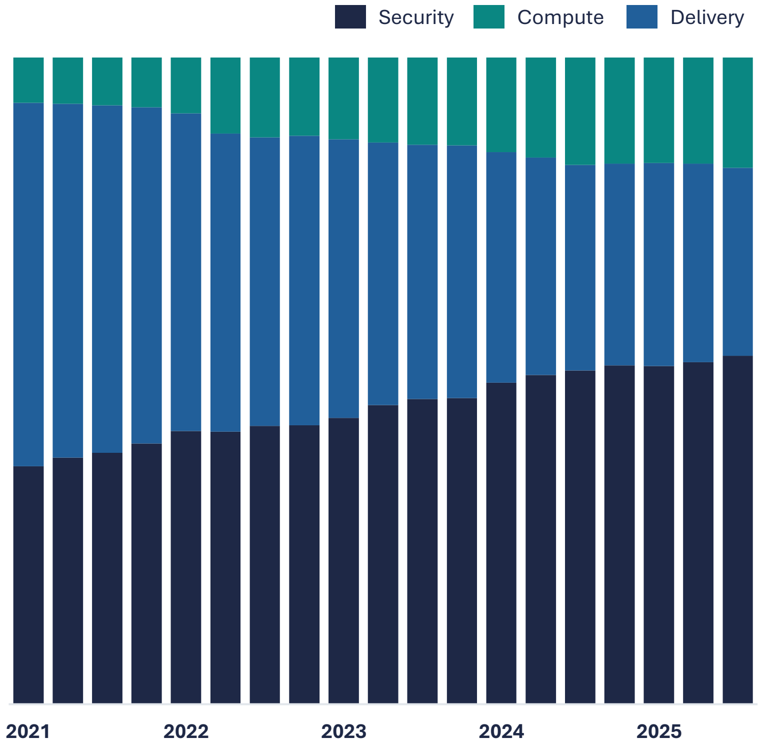
WHY THE OPPORTUNITY EXISTS



*Akamai **trades at a discount to peers** who have a proven right to win within the cyber security space*

No. So we'll give you guidance in '26 in the February call.
- Edward J. McGowan CFO Akamai

WHAT YOU NEED TO PROVE



*Acquirers need to prove through diligence that Akamai **can continue a mix shift** into cyber & edge compute*

*Acquirers need to prove through diligence that Akamai **has a right to win** within the cyber & edge compute*

FIRESIDE CHATS AND INCREMENTAL DILIGENCE

Current State
There is a distinct lack of management discussion on revenue guidance for ‘26

Fireside Chats
Engage with management to ask questions regarding the following

Competitive Deep Dive
Analyze Akamai's competition and Akamai’s moat in the cyber security space

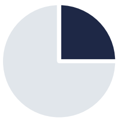
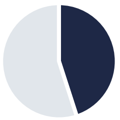
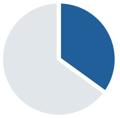
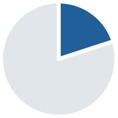
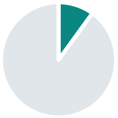
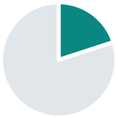
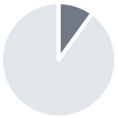
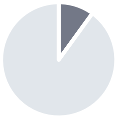
Prove Runway for Growth
Prove Akamai’s runway using sales pipelines and incremental data provided

Acquisition Feasibility
Understand if the acquisition is feasible and the premium paid above the market cap

Confidence of Acquisition
Submit bids on Akamai once confident of all the above criteria and key points

Potential Acquirers Overview

Akamai is an attractive acquisition for sponsors and strategics, although we see sponsors as most likely given Akamai's stable FCF and potential for efficiency unlock

	Acquirer	Rationale	Risks	Synergies	Likelihood
Private Equity	THOMABRAVO	• For PE firms Akamai would be an attractive digital infrastructure play with stable FCF and high barriers to entry for a company currently being underappreciated on the public markets	• High leverage requirement; limited exit pathways without major strategic buyer; technology transition risk		
Edge Platforms	CLOUDFLARE	• An acquisition of Akamai would integrate Akamai's trusted web and application security stack with Cloudflare's developer-led edge platform, creating a comprehensive end-to-end security platform	• Antitrust risk; the combination of two dominant global CDN and edge platforms could face material regulatory pushback, reducing certainty of close		
Hyperscalers	Microsoft Azure	• An acquisition of Akamai would give hyperscalers a significantly larger global edge network and CDN footprint, enhancing performance for their AI while strengthening their integrated cloud security offerings	• Integration complexity with overlapping CDN capabilities; potential antitrust scrutiny given hyperscaler size		
Cybersecurity	paloalto NETWORKS	• An acquisition of Akamai would enable major cybersecurity companies to pair their security stacks with Akamai's scale to deliver a fully integrated, end-to-end secure cloud and edge architecture	• Limited fit with Akamai's capital-intensive CDN model; complexity integrating legacy edge infrastructure into software-centric security platforms		

Strategic Firepower Analysis

Despite low likelihood, strategics in the cybersecurity space have more than enough 'firepower' to finance an acquisition

	Acquirer	Market Cap	Cash	Debt	NTM EBITDA	ARR	Max Leverage	Firepower
1	Cloudflare	71B	147M	1,463M	N/A	1,500M	4x	6B
2	Google Cloud	3,442B	23,466M	30,437M	204,522M	N/A	5x	1T
3	amazon cloudfront	2,489B	78,779M	155,401M	194,460M	N/A	5x	1T
4	Microsoft Azure	3,771B	30,242M	112,184M	205,598M	N/A	5x	1T
5	Fortinet	60B	2,875M	1,073M	N/A	1,540M	5x	7.5B
6	Cisco	306B	8,346M	29,643M	23,779M	N/A	5x	115B
7	zscaler	46B	2,389M	1,796M	N/A	3,015M	6x	18B
8	paloalto networks	137B	2,268M	417M	3,310M	N/A	5x	16.5B

CDN/Cyber | Hyperscalers | Cybersecurity

Sources: Bloomberg, CapIQ, Company Financials

Sponsor Deep Dive

We should target sponsors as potential acquirers of Akamai given past precedent and playbooks

POTENTIAL SPONSORS OVERVIEW

Other Large Cybersecurity Deals…

Sponsor		EQT	VISTA	PERMIRA
Target Company	proofpoint.	Acronis	knowbe4	mimecast
Deal Size	$12.3B	$3.5B	$4.6B	$5.8B
Closing Date	Aug-2021	Aug-2024	Oct-2022	May-2022

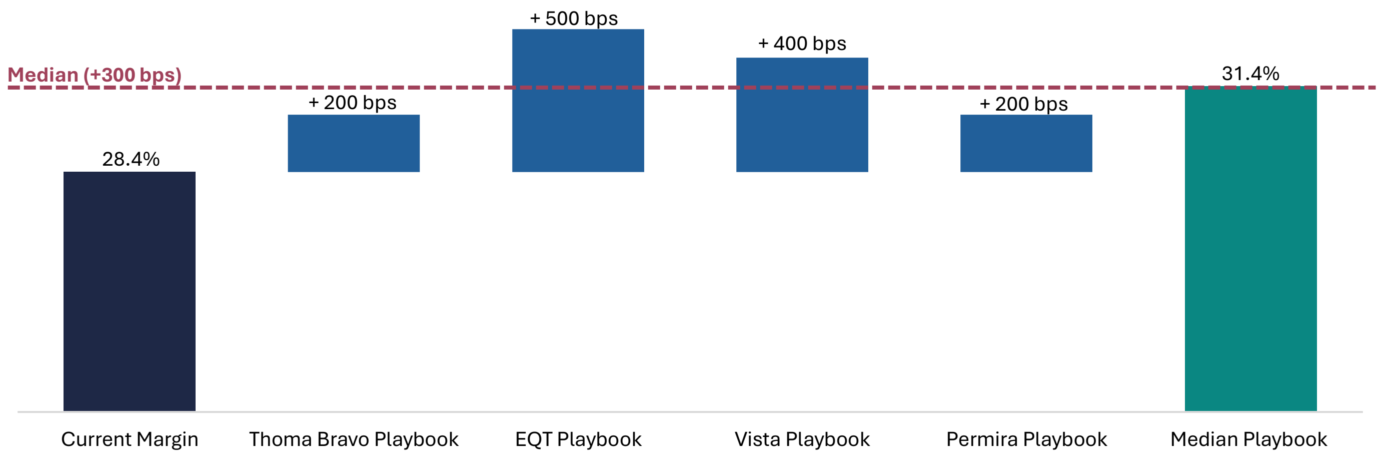
…Lead to Confidence in Similar Tactics for Akamai

1. Thoma Bravo would streamline legacy CDN, and shift focus to higher-margin security and edge
2. EQT would tighten cost discipline, and simplify the product focus across Akamai's global delivery and security
3. Vista would broaden Akamai's security platform and expand its global reach through focused reinvestment
4. Permira would strengthen Akamai's detection capabilities and deepen its alignment with major enterprise ecosystems

SPONSOR COST CUTTING MEASURES FOR TARGET CO.

1	Thoma Bravo + Proofpoint	Thoma Bravo streamlined Proofpoint by cutting legacy complexity, and focusing spend on core security products	**+200bps** EBITDA margins post-acq
2	EQT + Acronis	EQT focused on sharpening Acronis's product roadmap around core cyber-protection, and scaling its high-margin MSP channel	**+500bps** EBITDA margins post-acq
3	Vista + Knowbe4	Vista expanded international presence, accelerated human-risk products, and broadened the security platform beyond phishing	**+400bps** EBITDA margins post-acq
4	Permira + Mimecast	Permira focused on threat-intelligence and detection features, deepened cloud integrations, and expanded enterprise sales	**+200bps** EBITDA margins post-acq

Akamai Effect



Sources: Bloomberg, CapIQ, Company Financials

APPENDIX

Segment Overview

Breakdown of Akamai's operating segments, the products within them, and revenue stream drivers

CYBERSECURITY

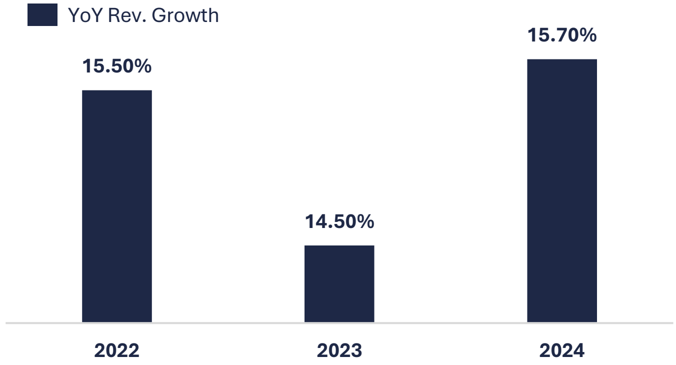
Sells software that protects websites, applications, APIs, and company networks from attacks. It helps customers stop fraud, block hackers, and control access across their systems

DDoS Protection & DNS Security: Blocks large-scale traffic attacks and keeps sites online

Web Application Firewall: Stops malicious traffic, fake users, account takeover, and website abuse

API Security: Finds vulnerable or unknown APIs and protects them during use

Zero Trust & Segmentation: Controls user and device system access and prevents network penetration



1. Subscription contracts priced by number of applications, APIs, or users protected
2. Premium charges for higher traffic protection, managed services, and add-on security tools

CONTENT DELIVERY

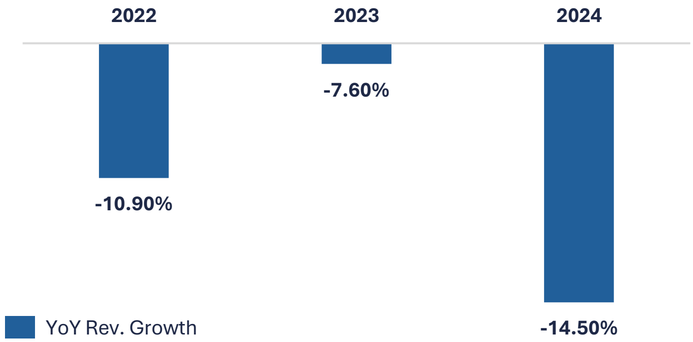
Delivers videos, files, and website content quickly and reliably for streaming platforms, gaming companies, and large websites. It reduces load on customer servers and improves user experiences

Adaptive Media Delivery: Streams video smoothly by adjusting quality based on the viewer's connection

Download Delivery: Speeds up downloads for software, games, and large files

Website Acceleration (Ion/DSA): Makes webpages load faster by optimizing routes and reducing delays

Live Event Delivery: Handles high-traffic live broadcasts without buffering or outages



1. Usage-based pricing tied to data delivered, traffic volume, and peak demand
2. Long-term contracts with volume tiers and add-on performance tools

CLOUD COMPUTING

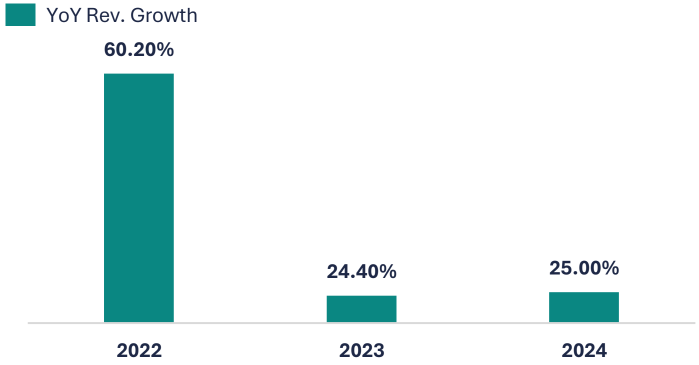
Provides compute and storage so customers can run applications and workloads without relying on large hyperscalers. Includes both cloud infrastructure and performance tools that speed up digital services

Core Compute: Runs applications, AI models, databases, and general workloads at scale

Edge Compute: Lets developers run code closer to users for faster response times

Managed Databases and Developer Tools: Handles data storage and scaling to avoid manual infrastructure work

Performance Applications: Speeds up APIs, media processing, and routing between clouds



1. Usage-based billing for compute hours, GPU hours, storage, and bandwidth
2. Higher-value workloads like AI inference and media processing that increase consumption and recurring spend

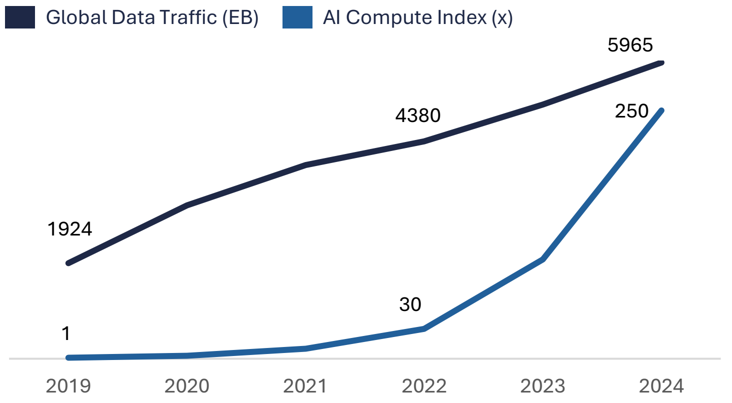
Sources: Bloomberg, CapIQ, Company Financials
1. Calculated using constant-currency growth compares prior results to current results translated at last year's average exchange rates
2. We define Adjusted EBITDA as GAAP net income excluding interest, taxes, D&A, SBC, acquisition and restructuring costs, FX impacts, and other non-recurring or unusual items

Key Drivers Industry

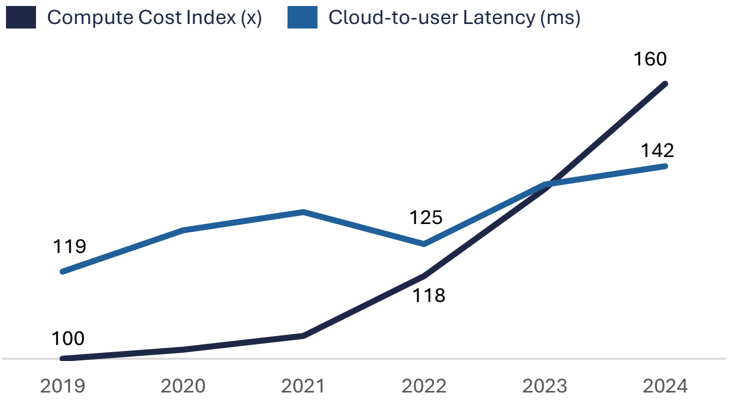
Rising data intensity and compute strain are driving a structural shift from centralized clouds toward distributed, integrated platforms

CLOUD INDUSTRY SHIFTS

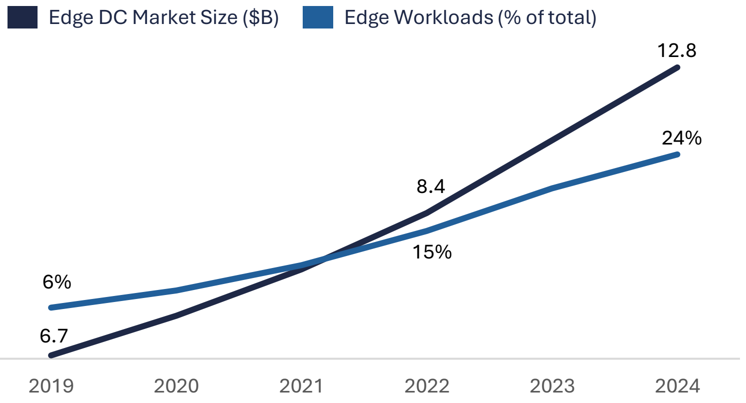
Data and AI demand are straining cloud capacity



...raising costs and slowing functions across workloads

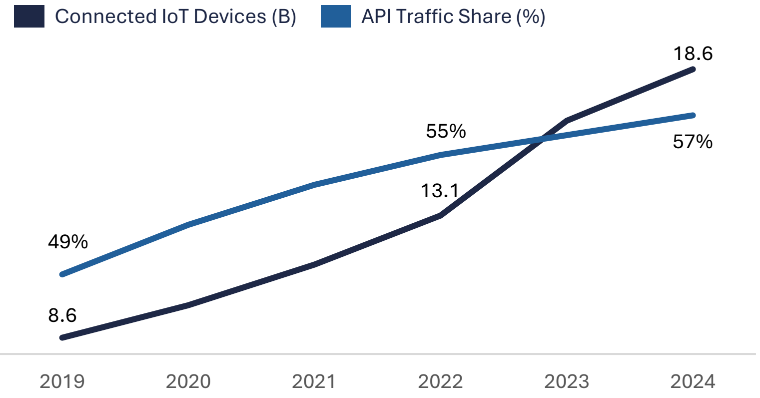


...pushing companies to build faster local infrastructure

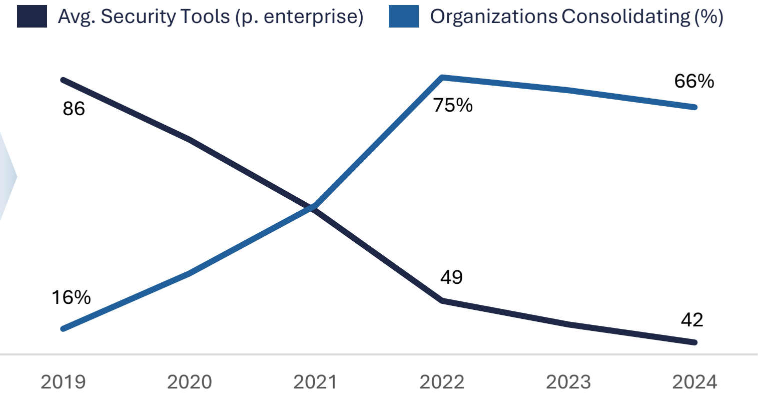


SECURITIZATION DEMAND

Rising APIs and IoT devices are widening attack surfaces



...forcing companies to simplify and unify their security



COMMENTARY

- The industry is entering a cost-awareness phase after a decade of hyperscale expansion
- Companies now prioritize efficiency and resilience over pure capacity growth or cloud flexibility
- Local infrastructure investment reflects a push for speed, data control, and lower latency
- Rising digital exposure is revealing the limits of fragmented security approaches and reactive protection
- Simplification is becoming a strategy as integration is valued more than tool count or feature breadth
- Investment is shifting toward infrastructure that lowers cost, strengthens control, and integrates security into performance delivery

Analyst Sentiment & Expectations

Analysts have demonstrated concern with Akamai's CDN segment forecasts leading to downward earnings revisions and decreased confidence

CONCERNS OVER CONTENT DELIVERY SEGMENT…

> *The **CDN business with slowing growth**… [leads to] investors likely being underwhelmed – Needham 2025FY Report*

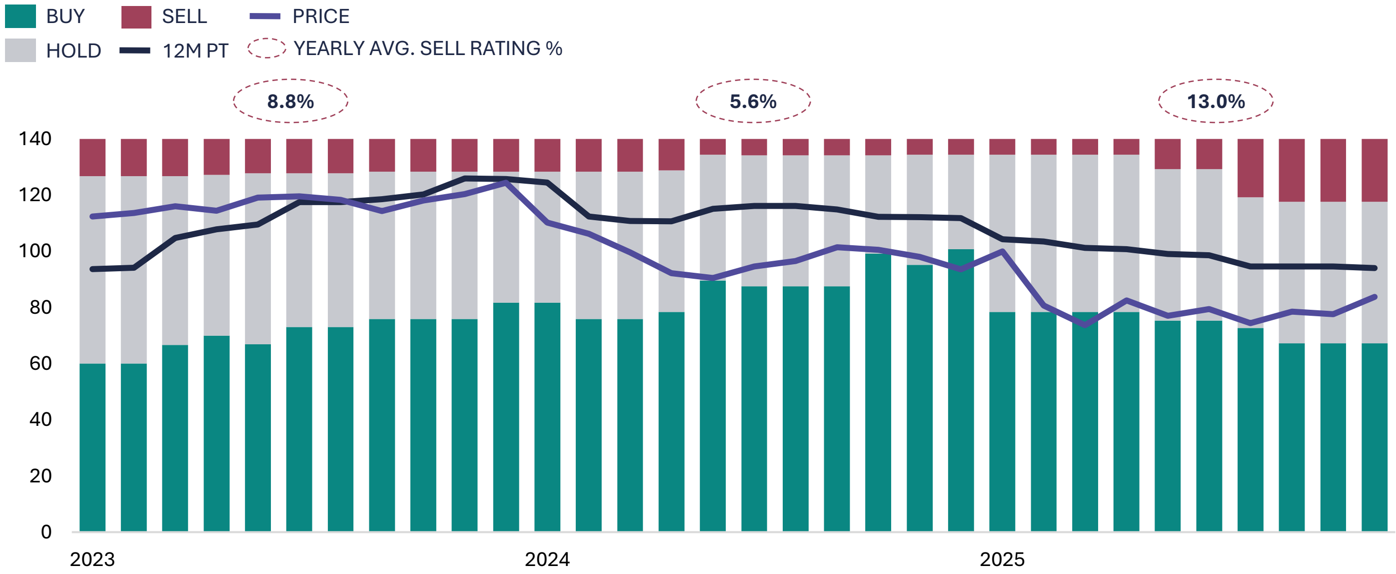
> *Our sense continues to be that investors perceive Delivery revenue as relatively **lower quality revenue** – JPM Q2 Report*

> *Akamai is experiencing a **mid-single-digit decline** in its core content-delivery network business – Bloomberg Intelligence 11/6*

Key Discussion Points

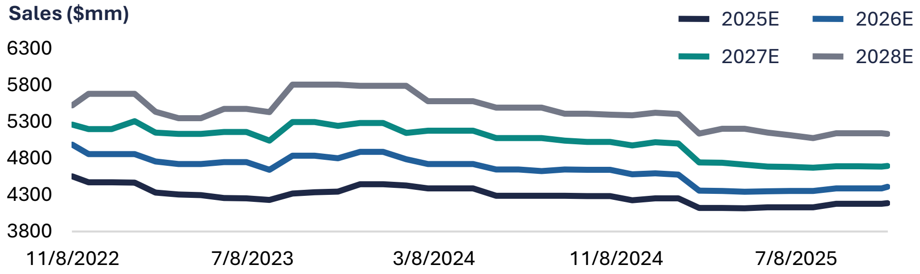
1. Mature, price sensitive business
2. Pricing erosion + commoditization
3. Lower quality revenue segment
4. Traffic trends offer near-term relief

…HAVE LED TO AN INCREASE IN SELL RATINGS

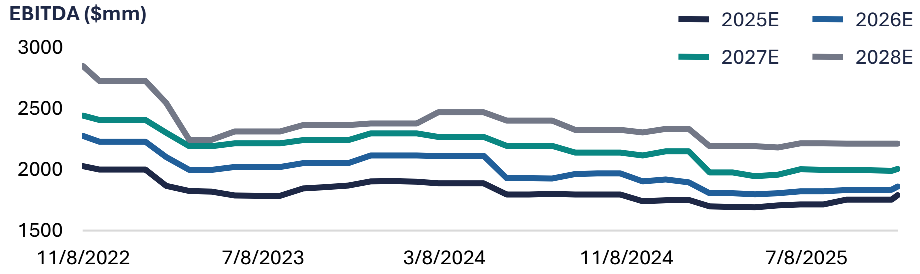


…AND DOWNWARDS EARNINGS REVISIONS

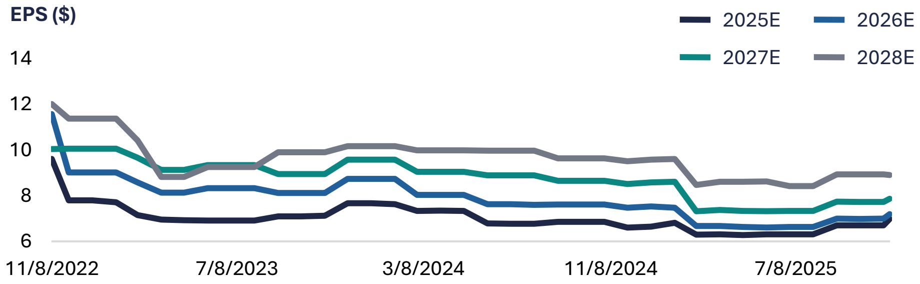
Revenue Estimates



Adj. EBITDA Estimates



Adj. EPS Estimates

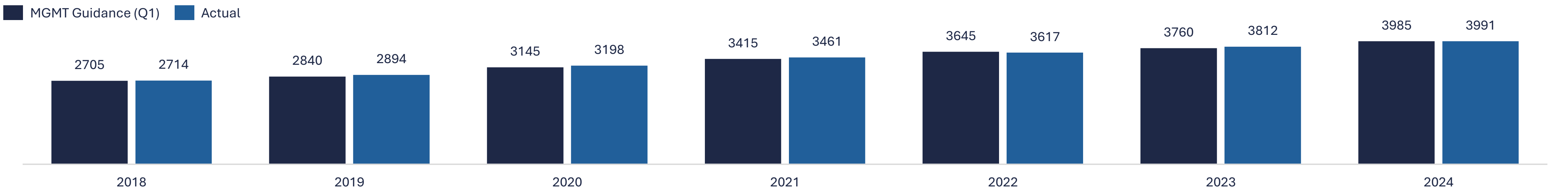


Sources: Bloomberg, CapIQ, Company Financials

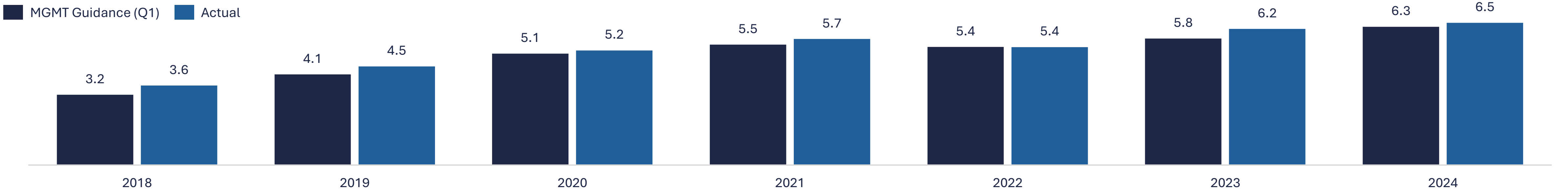
Management Forecast

Akamai consistently beats management expectations for Revenue and EPS

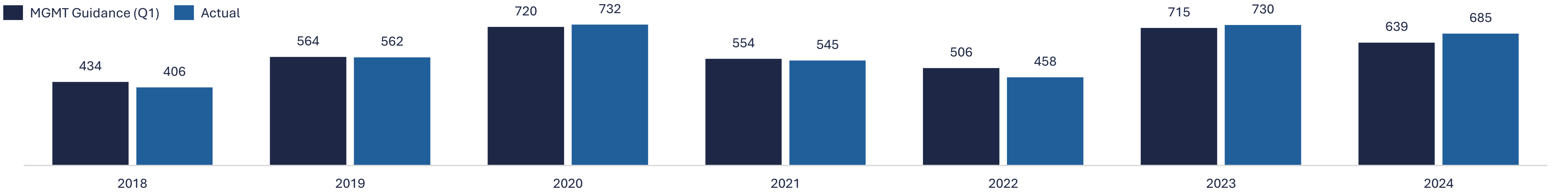
REVENUE ($MM)



EARNINGS PER SHARE ($)



CAPITAL EXPENDITURE ($MM)



Sources: Bloomberg, CapIQ, Company Financials

Model Output if Beta is 100% Cybersecurity

Even using a 1.5x higher Beta there is still significant upside

	FY 2025E 12/31/2025	FY 2026E 12/31/2026	FY 2027E 12/31/2027	FY 2028E 12/31/2028	FY 2029E 12/31/2029	FY 2030E 12/31/2030	FY 2031E 12/31/2031	FY 2032E 12/31/2032	FY 2033E 12/31/2033	FY 2034E 12/31/2034	FY 2035E 12/31/2035
DCF											
Total Revenue	**4,498**	**4,954**	**5,440**	**5,924**	**6,498**	**7,074**	**7,654**	**8,235**	**8,851**	**9,502**	**10,148**
% YoY Growth	*12.7%*	*10.1%*	*9.8%*	*8.9%*	*9.7%*	*8.9%*	*8.2%*	*7.6%*	*7.5%*	*7.4%*	*6.8%*
Adj. EBITDA	**1,911**	**1,950**	**2,077**	**2,220**	**2,404**	**2,598**	**2,799**	**3,005**	**3,225**	**3,459**	**3,693**
% Margin	*42.5%*	*39.4%*	*38.2%*	*37.5%*	*37.0%*	*36.7%*	*36.6%*	*36.5%*	*36.4%*	*36.4%*	*36.4%*
EBIT	**830**	**914**	**1,003**	**1,093**	**1,199**	**1,305**	**1,412**	**1,519**	**1,633**	**1,753**	**1,872**
	18.4%	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*	*18.4%*
Tax Rate (%)	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
NOPAT	**672**	**740**	**813**	**885**	**971**	**1,057**	**1,143**	**1,230**	**1,322**	**1,420**	**1,516**
(+) D&A	573	538	531	541	567	602	644	691	741	796	852
(+) SBC	330	364	400	435	477	520	562	605	650	698	745
(-) CapEx	(427)	(470)	(516)	(562)	(617)	(671)	(726)	(781)	(840)	(902)	(963)
(-) ΔNWC	(99)	(7)	(7)	(7)	(9)	(9)	(9)	(9)	(9)	(10)	(10)
Unlevered FCF	**1,050**	**1,165**	**1,219**	**1,292**	**1,390**	**1,499**	**1,615**	**1,736**	**1,864**	**2,001**	**2,141**
Discount Factor	1.00	0.94	0.86	0.78	0.72	0.65	0.59	0.54	0.49	0.45	0.41
PV FCF	**1,050**	**1,100**	**1,050**	**1,014**	**994**	**978**	**960**	**941**	**921**	**902**	**879**

Cap Structure	
Risk Free Rate	4.1%
Equity Risk Premium	6.5%
5yr Beta	1.2x
After-Tax Cost of Debt	4.1%
% Equity	71.4%
% Debt	28.6%
WACC	**9.7%**

EBITDA Exit Multiple Method	
TY EBITDA	2,999
Exit Multiple	8.0x
Implied TEV	19,507
(+) Cash & Eqv.	1,119
(–) Long-Term Debt	5,231
Implied Equity Value	15,395
Implied Share Price	**$106.9**
Current Share Price	$90.6
% Upside	18.0%
Implied PGR	2.3%

Perpetuity Growth Rate Method	
TY FCF	1,743
PGR	3.0%
Implied TEV	20,685
(+) Cash & Eqv.	1,119
(–) Long-Term Debt	5,231
Implied Equity Value	16,573
Implied Share Price	**$115.1**
Current Share Price	$90.6
% Upside	27.0%
Implied Exit Multiple	9.0x

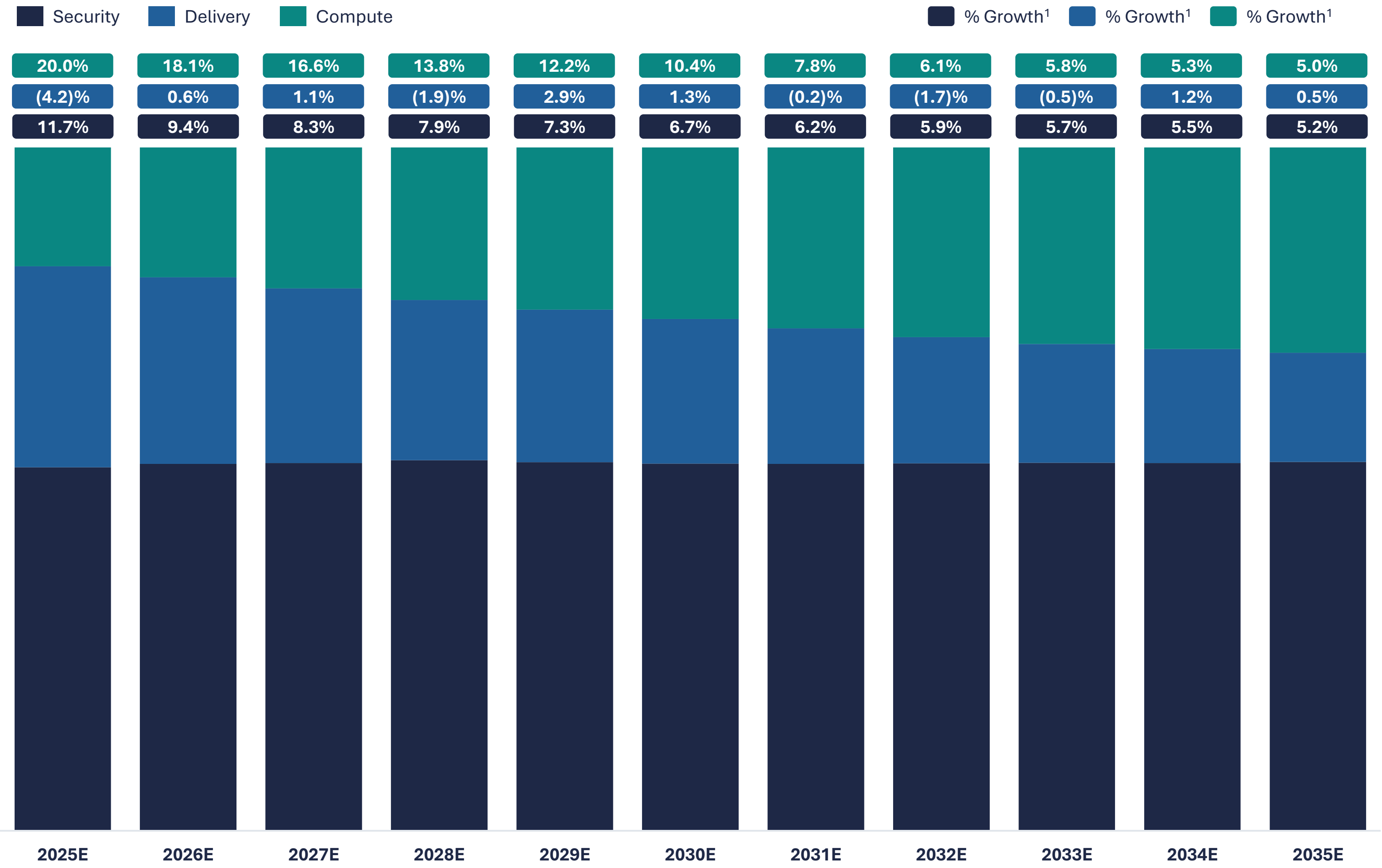
Model Mix Shift Over Time

Compute becomes a larger portion of the business as CDN growth stagnates

COMMENTARY

1. Compute projections are driven off of data from the Linode acquisition ramp statistics as well as management commentary on expected 5yr CAGR for the segment
2. Linode ramp math is broken down by tier pricing and #of customers given for Linode assuming a conservative growth rate for customers of 4% a year
3. Delivery projections are based on legacy TAM projections for content delivery and management commentary on timeline for expected stabilization of CDN segment
4. Akamai's implied market share as a % of TAM declines over time given commentary around market share erosion within CDN given the commoditization
5. Security projections are built off of the different types of products that Akamai currently offers
6. We assume conservative ARPU and #of customers growth based on industry averages for growth in these products and customer base trends
7. ARPU is derived from competitor pricing and management commentary

REVENUE MIX BY YEAR



Sources: Bloomberg, CapIQ, Company Financials

1. Calculated using constant-currency growth compares prior results to current results translated at last year's average exchange rates