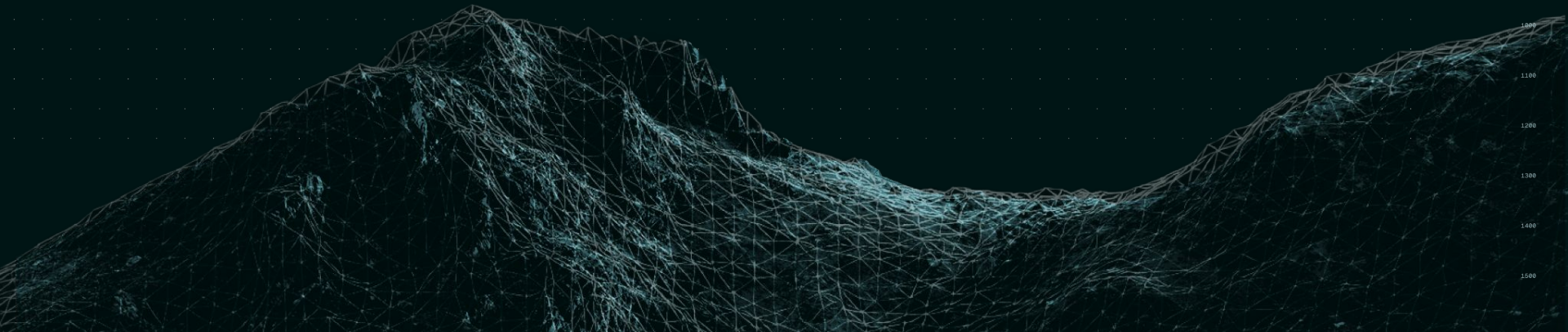




Q2 2026 Earnings Presentation

August 4, 2026



Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our financial outlook and the expected launch and operating capacity of our data centers. These statements are subject to known and unknown risks, uncertainties, assumptions, and other factors that may cause actual results or outcomes to be materially different from any future results or outcomes expressed or implied by the forward-looking statements. These risks, uncertainties, assumptions, and other factors include, but are not limited to: (1) fluctuations in our financial results make it difficult to project future results; (2) our ability to sustain profitability in the future; (3) our ability to expand usage of our platform by existing customers and/or attract new customers and/or retain existing customers; (4) the speed at which the market for our platform and solutions develops; (5) the success of the development and use of our artificial intelligence and machine learning (AI/ML) product offerings or use of third-party AI/ML-based tools; (6) our ability to release updates and new features to our platform and adapt and respond effectively to rapidly changing technology or customer needs; (7) our ability to control costs, including our operating expenses, and the timing of payment for expenses; (8) the amount and timing of non-cash expenses, including stock-based compensation, goodwill impairments and other non-cash charges; (9) breaches in our security measures allowing unauthorized access to our platform, data, or customers' data; (10) the competitive markets in which we participate; (11) our ability to effectively integrate and retain new members of our executive leadership team and senior management;

(12) the effects of acquisitions and their integration; (13) general market, political, economic, and business conditions, including changes in trade policies, such as trade wars, tariffs and other restrictions or the threat of such actions; (14) the impact of new accounting pronouncements; (15) our ability to control fraudulent registrations and usage of our platform, reduce bad debt and lessen capacity constraints on our data centers, servers and equipment; (16) our customers' ability to have continued and unimpeded access to our platform, including as a result of evolving laws and industry standards; and (17) our plans with respect to accelerating investments in data centers and GPU capacity.

Further information on these and additional risks, uncertainties, assumptions and other factors that could cause actual results or outcomes to differ materially from those included in or contemplated by the forward-looking statements in this presentation are included under the caption "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent filings and reports we make with the SEC.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur. The forward-looking statements in this presentation relate only to events as of the date on which the statements are made. We assume no obligation to, and do not currently intend to, update any such forward-looking statements after the date hereof.

Accelerating Growth, Disciplined Execution

1

Accelerating Growth Rate

Revenue grew 29%, more than double a year ago, with record incremental ARR and strong profitability

2

Inference Traction

Inference services grew nearly 800% year over year as AI Natives scale production workloads on our platform

3

AI Native Cloud Flywheel

Our five-layer platform is becoming a flywheel: 80+ releases since April, and every layer adopted pulls customers into the next

4

Disciplined Execution

Delivered 40% adjusted EBITDA margins while deploying new capacity on or ahead of schedule and reducing leverage

Record Q2 Revenue Results & Strong Profitability

Q2 Revenue

\$281M



29% YoY

Incremental ARR

\$93M



191% YoY

40%

Q2 Adjusted EBITDA Margin

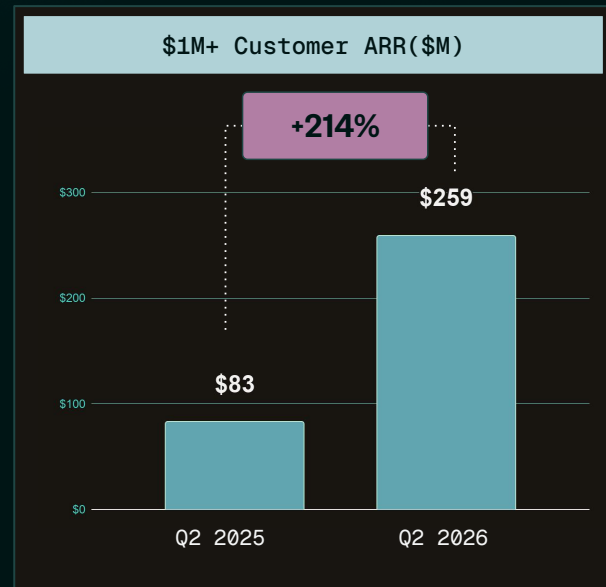
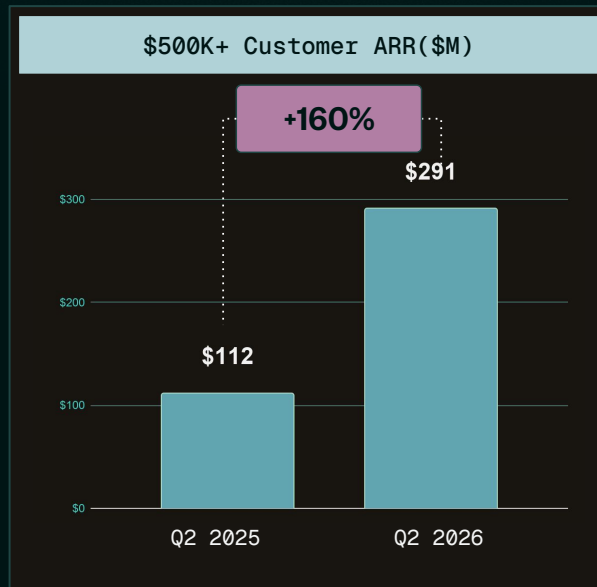
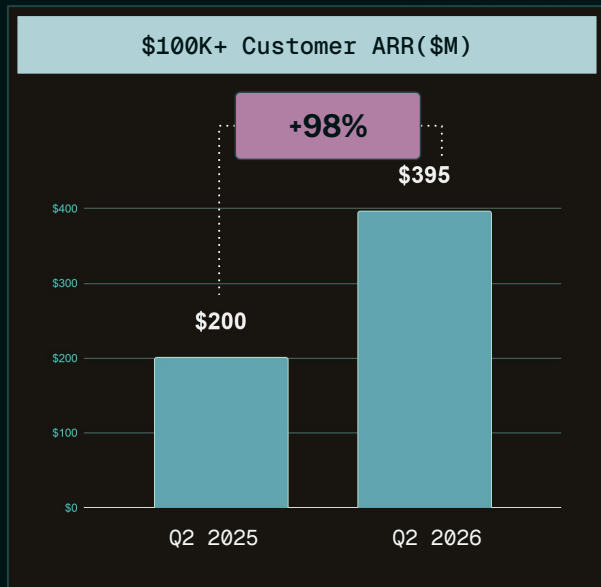
24%

Q2 Adjusted Operating Income
Margin

17%

TTM Adjusted FCF Margin

\$1M+ Customer ARR Reached \$259M, Growing 214% YoY



% of total ARR **23%**

35%

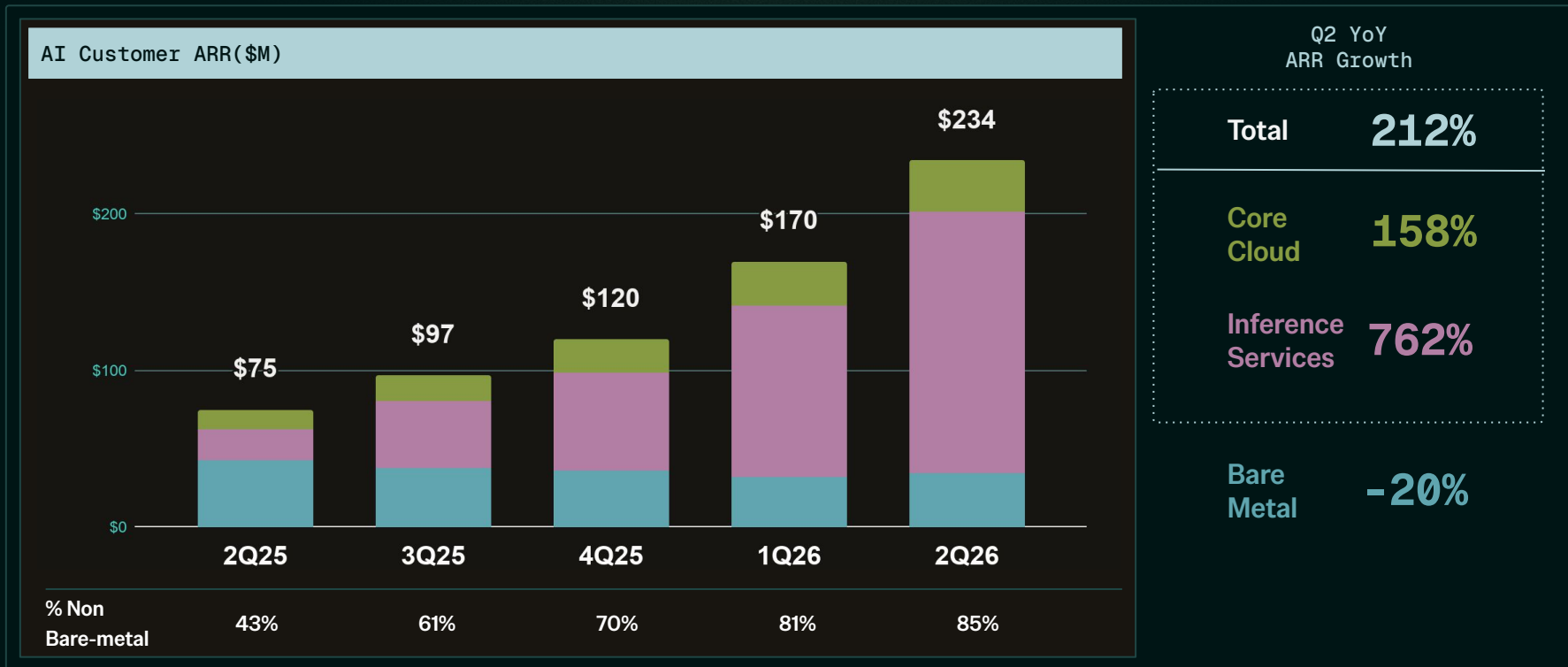
13%

26%

9%

23%

AI Customer ARR Reached \$234M, Growing 212% YoY



DigitalOcean AI-Native Cloud

Inference Engine has become a full production runtime solving today's most pressing needs

• Key updates since April



Managed Agents

Open harness · Agent sandboxes · Tools · State · Planning
Web search · MCP calling · Function calling · Knowledge retrieval



Data & Learning

DBaaS · Advanced Edition (PG/MySQL) · Knowledge Bases · Weaviate



Inference Engine

Serverless	Dedicated	BYOM					
Inference Router	Prompt caching	Continuous batching	Model evaluations	Model synthesis			
Model Catalog	Guardrails	Workload-aware scheduling	Server-side tools	Observability & insights			
Autoscaling & load balancing	Quantization (4-bit / 8-bit)	Speculative decoding	KV-cache optimization	Kernel optimization			



Cloud Primitives

Kubernetes · Droplets (CPU & GPU) · VPC · Storage (object, block & file) · High performance NFS



Infrastructure

20 data centers, liquid-cooled · NVIDIA: H100, H200, HGX B300 · AMD Instinct™: MI300X, MI350X, MI355X

Rapid Innovation Across All AI-Native Cloud Layers

80+ product releases since April '26



Managed Agents

- OpenCode integration
- Grok Build marketplace integration
- Codex in the Cloud / DigitalOcean for Codex
- Server-Side Tools for agentic applications



Data & Learning

- Knowledge Bases
- Managed MySQL Advanced
- Managed Weaviate
- DBaaS available across regions
- Managed PostgreSQL Advanced
- Vector databases portfolio



Inference Engine

- AI-Native Cloud & Inference Engine launch
- Dedicated Inference GA
- Inference Router (public preview)
- Unified Batch Inference
- Prompt Caching (public preview)
- Model Catalog & BYOM GA
- Server-Side Tools (public preview)
- Model Synthesis (public preview)
- Model Evaluations
- Multimodal Serverless Inference
- Guardrails
- Kernel Optimization

Model additions (29+): DeepSeek V3.2, DeepSeek V4 Pro, DeepSeek V4 Flash, Kimi K2.6, Kimi K3, GLM-5.1, GLM-5.2, GLM-B.2, Gemma 4, Qwen3 Coder Flash, Qwen3 Embedding 0.6B, Qwen 3 TTS (1.7B), Qwen 3.5 397B A17B, Llama 4 Maverick 17B i28E, NVIDIA Nemotron 3 Nano Omni, NVIDIA Nemotron 3 Ultra, Nemotron Nano 12B v2 VL, Claude Opus 4.7, Claude Sonnet 5, Claude Fable 5, Claude Opus (5), GPT Image 2, GPT-5.5, GPT 5.6 Sol, Terra, Luna, Stable Diffusion 3.5 Large, MiMo V2.5, MiMo V2.5 Pro.



Cloud Primitives

- Security Posture Management · Private Droplets GA · GPU-ready Kubernetes hardening with automatic node remediation
- New York backbone upgrade to 1.6 Tbps · Droplets (CPU & GPU) · VPC · Storage (object, block, and file)
- High-performance NFS

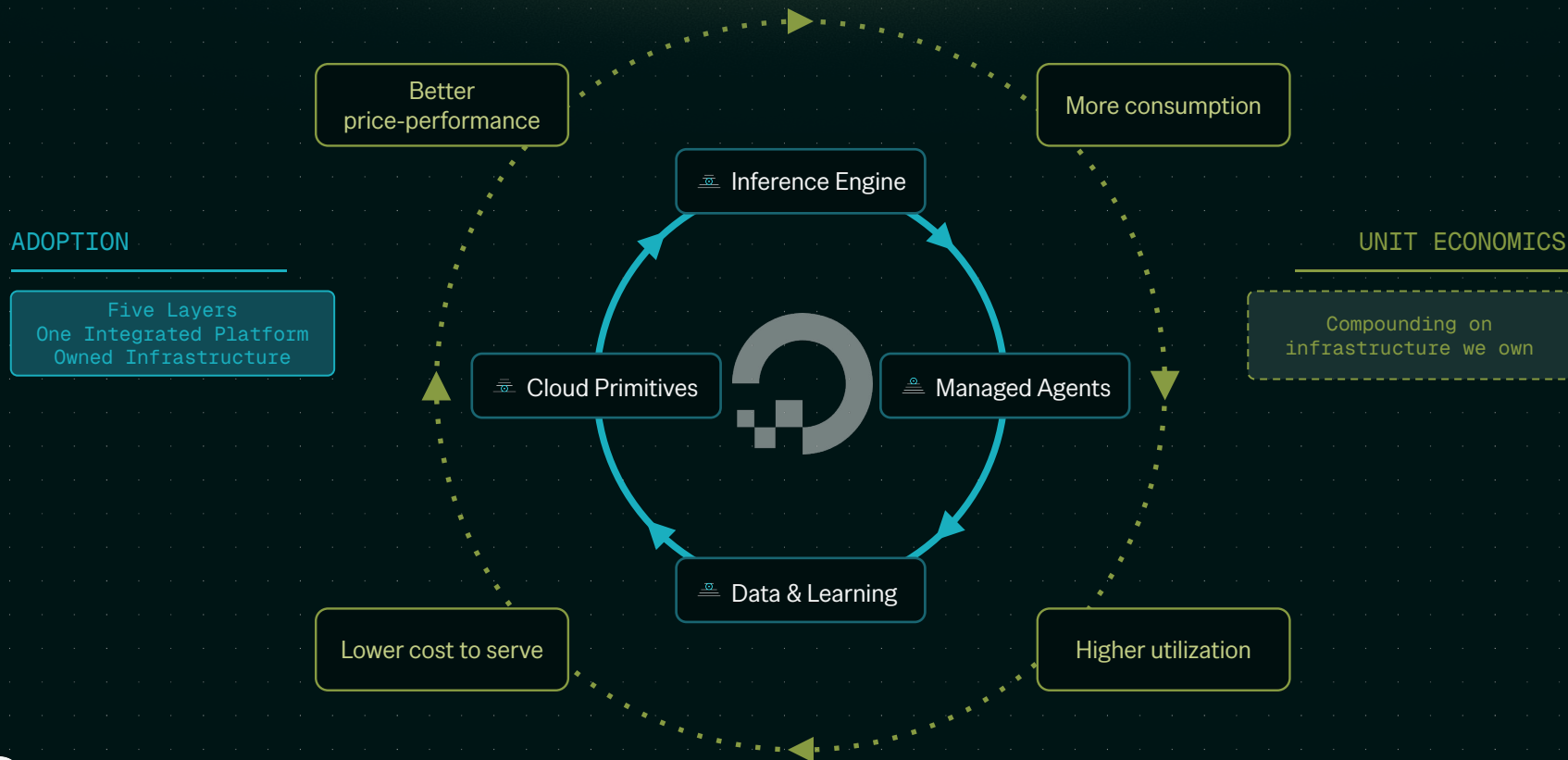


Infrastructure

- 20 data centers · NVIDIA: H100, H200, HGX B300 · AMD Instinct: MI300X, MI350X, MI355X
- Liquid-cooled AI infrastructure · High-speed networking foundation

The AI-Native Cloud Flywheel

Every layer a customer adopts pulls them into the next



AI Builders Are Spinning The Growth Flywheel



Open-source AI coding agent
used by over 7.5M developers
monthly to build, test, and ship
software autonomously

Built on DigitalOcean for:

Trillions of open-weight model
tokens delivered by an
enterprise-grade, private
inference engine



Secure AI sandbox platform for
running AI-generated code and
autonomous agent workflows

Built on DigitalOcean for:

GPU Sandboxes for
CUDA-accelerated workloads,
with custom environments
deployed as isolated compute
in milliseconds



**Agentic infrastructure
platform** where humans and
agents ship software together

Built on DigitalOcean for:

Integrating DigitalOcean's
inference engine into their AI
Gateway to provide their
premier customers dedicated
AI resources



**Leading LLM routing
marketplace** connecting
millions of developers to
models across the AI
ecosystem

Channel for DigitalOcean:

Millions of developers and
agents across the ecosystem
reaching our Inference Engine
on demand

DigitalOcean Competitive Advantage

Serving AI-Natives with one integrated platform, purpose built for agentic applications

- Strength
- Partial
- Gap

	 DigitalOcean	Hyperscalers Large enterprises & frontier labs	Neoclouds Optimized for training clusters	Inference Providers Optimized for inference layer only
 Managed Agents	Native agent runtime Sandboxes, evals, observability Built for agents	DIY across services Optimized for large enterprises	No agent layer Separate vendor needed	No agent layer Separate vendor needed
 Data and Learning	Integrated data layer Knowledge Bases, DBs, RAG-ready Data becomes learning	20+ DB options Powerful, but assembly required	No data layer Separate vendor needed	No data layer Separate vendor needed
 Inferencing	Full-stack inference services Router, Synthesis, Evals, Batch, Caching – 75+ models, one API ~800% YoY growth	Bedrock / Vertex / Foundry Strong, within their own ecosystem	Self-managed on bare metal Some software, mostly via acquisitions	Strong token serving Per-token pricing on rented GPUs
 Cloud Primitives	Complete core cloud CPU/GPU, managed K8s, storage, network 70% of \$100K+ AI customers attach	Broadest portfolio Built for enterprise scale and complexity	Strong GPU farms, limited cloud Few managed services	No cloud primitives Compute and storage live elsewhere
 Infrastructure	20 global data centers ~155MW committed capacity Owning the stack lowers cost to serve	Hyperscale footprint Built for the largest workloads	Mega-scale training DCs Built for hyperscaler offtake deals	Mostly rented capacity Margins stacked on margins

Disciplined Execution

Adding capacity while maintaining strong and flexible balance sheet

155MW Committed Capacity

- ~60MW secured in Q1 across 4 new sites, ramping through 2027
- ~20MW incremental secured in Q2, expected to come online late 2027 and early 2028

Strong Balance Sheet

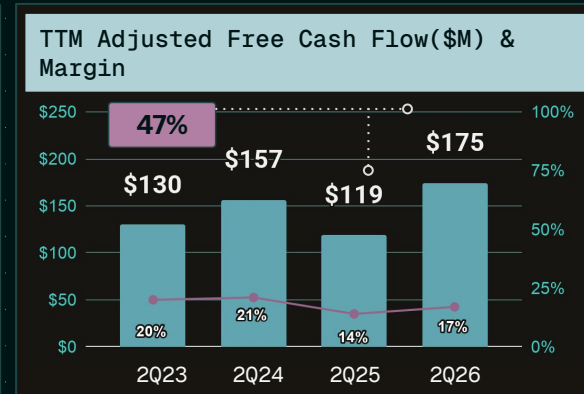
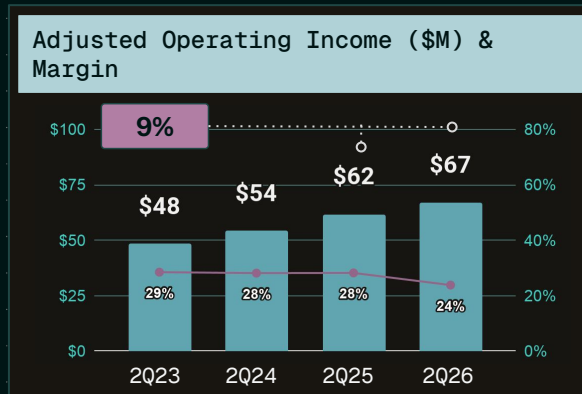
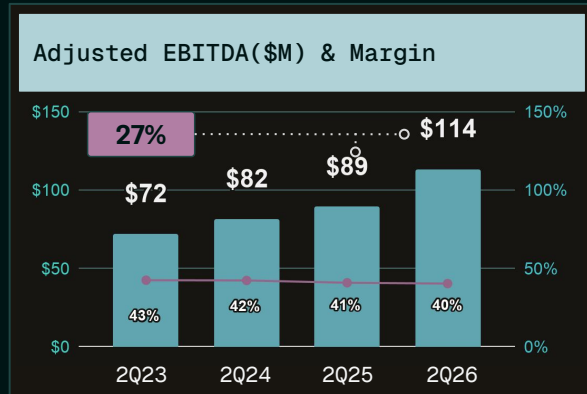
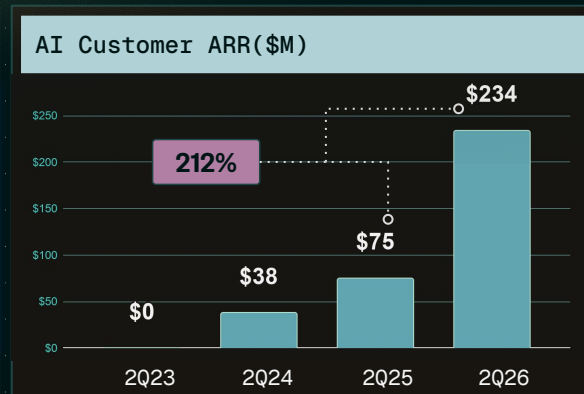
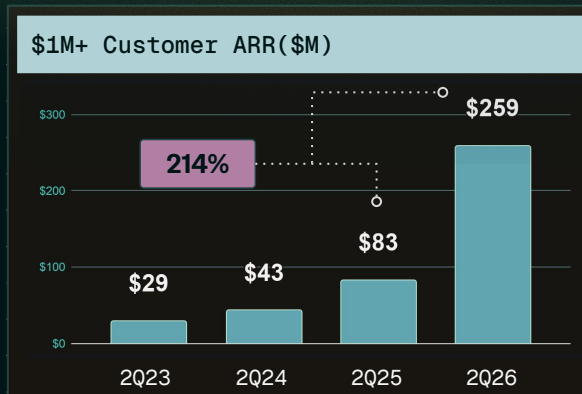
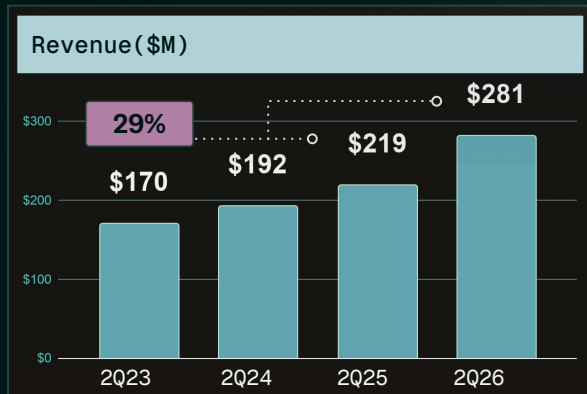
- \$472M 2030 converts retired
- 0.7x pro forma net leverage⁽¹⁾
- \$1.2B total liquidity
- No material debt maturities

20 data centers, 200+ Network PoPs



Continuing to actively pursue incremental capacity

Accelerating Growth With Strong Profitability



Strengthened Balance Sheet To Create Capacity For Growth



Transaction Overview

- ✓ **Repurchased ~\$472M principal of 0.00% 2030 convertible notes**

Funded by concurrent registered direct offering

- ✓ **Minimal dilution**

Shares issued largely offset by shares underlying retired notes; Incremental shares to be repurchased under existing authorization; diluted share count essentially unchanged

- ✓ **Minimal impact to cash**

Cash on hand used for transaction fees and will be used for planned share repurchases



Balance Sheet Implications

- ✓ **\$1.1B Total Liquidity + increased debt capacity**

\$767M cash + \$407M undrawn revolver

- ✓ **0.7x pro-forma Net Leverage⁽¹⁾**

Ample leverage capacity to support equipment financing

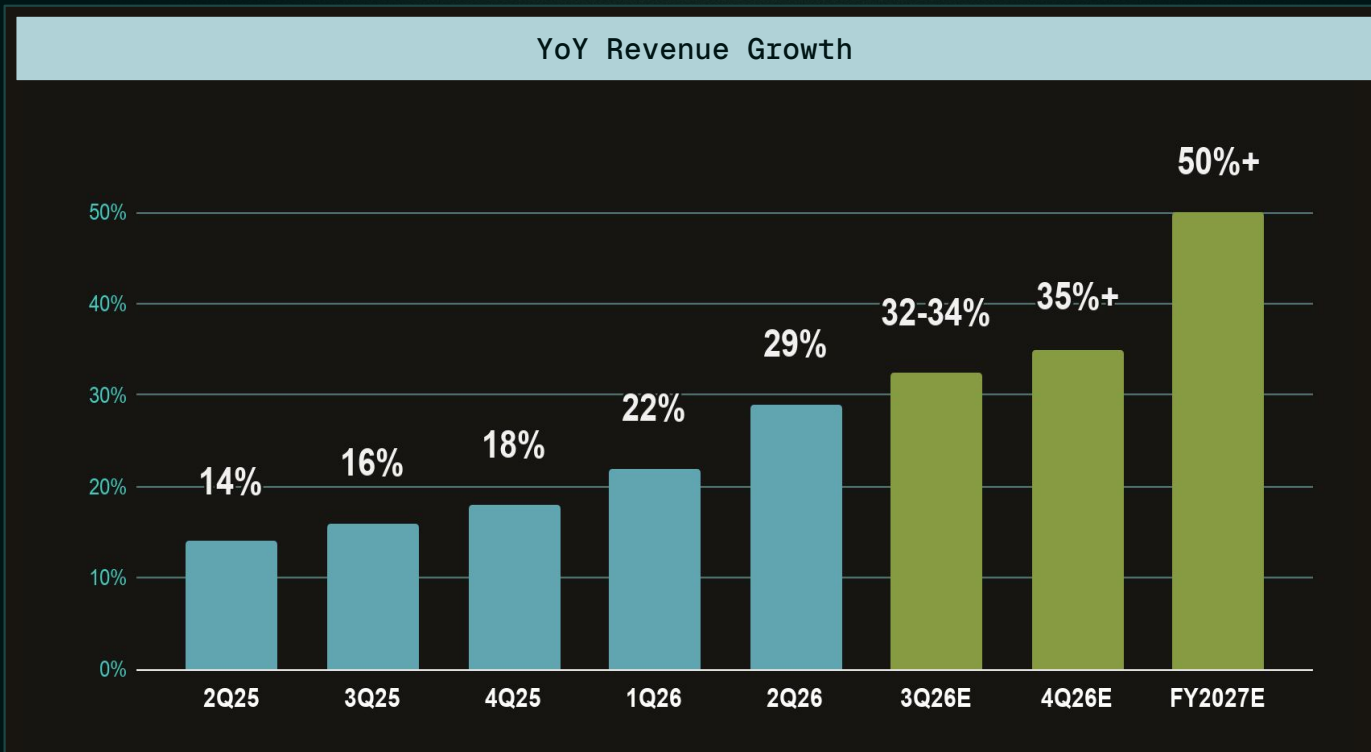
- ✓ **No material debt maturities**

2026 converts to be retired at maturity

Raising 2026 Outlook

Metric	Q3 2026	FY 2026 (as of 5/5)	FY 2026 (as of 8/4)	FY Delta (at midpoint)
Revenue (\$M)	\$304 - \$307	\$1,130 - \$1,145	\$1,170 - \$1,180	+37.5M
<i>Revenue Growth</i>	32% - 34%	25% - 27%	30% - 31%	+416bps
<i>Adjusted EBITDA Margin</i>	38% - 39%	37% - 39%	38.5% - 39.5%	+100bps
Non-GAAP Diluted Net Income Per Share	\$0.28 - \$0.30	\$1.10 - \$1.20	\$1.35 - \$1.40	+\$0.225
<i>Adjusted Free Cash Flow Margin</i>	N/A	9% - 12%	11% - 13%	+150bps
Non-GAAP Diluted Weighted Average Shares Outstanding	126M - 127M	118M - 119M	122M - 123M	+4M

Accelerating Growth



Accelerating Growth, Disciplined Execution

1

Accelerating Growth Rate

Revenue grew 29%, more than double a year ago, with record incremental ARR and strong profitability

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Inference Traction

Inference services grew nearly 800% year over year as AI Natives scale production workloads on our platform

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AI Native Cloud Flywheel

Our five-layer platform is becoming a flywheel: 80+ releases since April, and every layer adopted pulls customers into the next

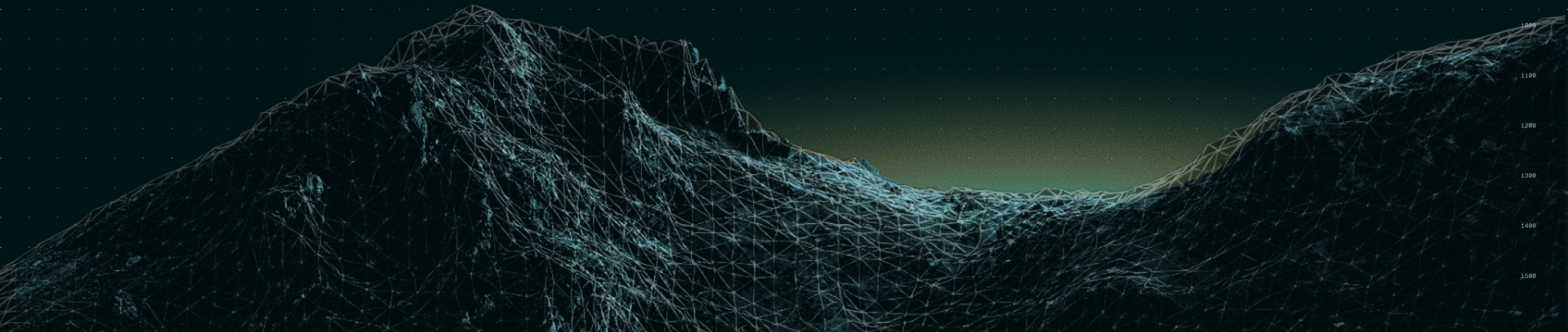
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Disciplined Execution

Delivered 40% adjusted EBITDA margins while deploying new capacity on or ahead of schedule and reducing leverage



Appendix



Financial Highlights and Key Business Metrics

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Revenue (M)	\$218.7	\$229.6	\$242.4	\$257.9	\$281.2
Revenue Growth Year-over-year	14%	16%	18%	22%	29%
ARR (M)	\$875	\$919	\$970	\$1,032	\$1,125
ARR Increase (M)	\$32	\$44	\$51	\$62	\$93
Adj. Operating Income (M)	\$62	\$70	\$64	\$64	\$67
Adj. EBITDA (M)	\$89.5	\$99.8	\$99.3	\$104.6	\$113.6
DNE Customer ARR % of total company ARR	59%	60%	62%	64%	67%
\$1M+ Customer ARR (M)	\$83	\$104	\$133	\$183	\$259
AI Customer ARR % of total company ARR	9%	11%	12%	16%	21%

Metrics Definitions

Customers

We calculate customer count as the average number of customers as of the last day of the month for each month in the most recent quarter. Customers are classified in the following categories based on the amount of their spend in a given month and individual customers may fall within different categories within a reporting period (customer spend in a month in whole dollars):

- DNE Customers: users that spend more than \$500 in a month.
- \$100K+ Customers: users that spend more than \$8,333 in a month.
- \$500K+ Customers: users that spend more than \$41,667 in a month.
- \$1M+ Customers: users that spend more than \$83,333 in a month.

ARR

We calculate ARR by multiplying total revenue for the most recent quarter by four.

AI Customers

We define AI Customers as customers that utilize one or more of our AI-related products or infrastructure offerings during a given month. A customer is classified as an AI Customer in any month in which they incur revenue associated with AI-specific workloads, including but not limited to GPU-based infrastructure, AI platform services, model deployment, or other AI-optimized offerings.

AI Customer ARR

We calculate AI Customer ARR by multiplying total AI Customer Revenue for the most recent quarter by four. AI Customer Revenue is defined as the total revenue generated from customers who utilize one or more of our AI/ML offerings, inclusive of their revenue from our IaaS and PaaS/SaaS offerings during the period.

Metrics Definitions

Remaining Performance Obligation

Remaining performance obligation (“RPO”) represents commitments in customer contracts for future services that have not yet been recognized in the condensed consolidated financial statements. RPO is not necessarily indicative of future revenue growth because it does not account for the timing of customers’ consumption or their usage beyond their contracted capacity. Additionally, RPO may increase when customers transition from usage-based to commitment-based agreements, which does not always reflect incremental revenue growth. RPO is influenced by a number of factors, including the timing and size of renewals, the timing and size of purchases of additional capacity and average contract term. Due to these factors, it is important to review RPO in conjunction with revenue and other financial metrics contained in this release and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent filings and reports we make with the SEC.

Net Leverage

We calculate net leverage as Net Debt divided by trailing-12-months (“TTM”) adjusted EBITDA. Net debt is calculated as outstanding principal of our 2026 Convertible Notes and 2030 Convertible Notes, and the total amount of our finance lease liabilities and equipment financing obligations, less cash and cash equivalents. TTM adjusted EBITDA is adjusted EBITDA for the most recent 12 consecutive months.

Use of Non-GAAP Metrics

This presentation includes certain non-GAAP metrics, which have not been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). These non-GAAP metrics are in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP metrics versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP metrics differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP metrics as tools for comparison. We urge you to review the reconciliation of our non-GAAP metrics to the most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. See this Appendix for a reconciliation between each non-GAAP metric and the most comparable GAAP measure and our press release dated August 4, 2026 for a definition of each non-GAAP metric not otherwise defined herein.

Adjusted Operating Income and Adjusted Operating Income Margin

Adjusted operating income is a non-GAAP financial measure that we define as operating income, adjusted to exclude stock-based compensation, amortization of acquired intangible assets, acquisition related compensation, acquisition and integration related costs, restructuring and other charges, restructuring related charges, impairment of certain long-lived assets and other charges. We define adjusted operating income margin as adjusted operating income as a percentage of revenue.

Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin

Adjusted free cash flow is a non-GAAP financial measure that we define as net cash provided by operating activities less purchases of property and equipment, capitalized internal-use software costs, purchase of intangible assets, and excluding cash paid for restructuring and other charges, acquisition related compensation, restructuring related charges, and acquisition and integration related costs. Adjusted free cash flow margin is calculated as adjusted free cash flow divided by total revenue.

Unlevered Adjusted Free Cash Flow and Unlevered Adjusted Free Cash Flow Margin

Unlevered adjusted free cash flow is a non-GAAP financial measure that we define as adjusted free cash flow excluding cash paid for interest and interest income. Unlevered adjusted free cash flow margin is calculated as unlevered adjusted free cash flow divided by total revenue.

TTM Adjusted Free Cash Flow and TTM Adjusted Free Cash Flow Margin

TTM Adjusted free cash flow is Adjusted free cash flow for the most recent 12 consecutive months. TTM Adjusted free cash flow margin is calculated as Adjusted free cash flow for the most recent 12 consecutive months divided by total Revenue for the most recent 12 consecutive months.

Adjusted Operating Income and Adjusted Operating Income Margin

<i>(In thousands)</i>	Three Months Ended			
	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026
Operating (loss) income	\$ (1,501)	\$ 22,328	\$ 35,619	\$ 29,371
Adjustments:				
Stock-based compensation	36,429	21,833	21,081	32,724
Amortization of acquired intangible assets	3,790	5,735	5,031	5,070
Acquisition related compensation	6,980	3,716	—	—
Acquisition and integration related costs	1,446	(19)	—	—
Restructuring and other charges	434	—	—	—
Restructuring related charges ⁽¹⁾	820	243	—	—
Impairment of certain long-lived assets	—	356	—	311
Adjusted operating income	<u>\$ 48,398</u>	<u>\$ 54,192</u>	<u>\$ 61,731</u>	<u>\$ 67,476</u>
As a percentage of revenue:				
Operating income margin	(1)%	12 %	16 %	10 %
Adjusted operating income margin	29 %	28 %	28 %	24 %

1) For the three months ended June 30, 2024, primarily consists of executive reorganization charges. For the three months ended June 30, 2023, primarily consists of salary continuation charges.

Adjusted EBITDA and Adjusted EBITDA Margin

	Three Months Ended June 30,				Twelve Months Ended June 30,
	2023	2024	2025	2026	2026
<i>(In thousands)</i>					
GAAP Net income attributable to common stockholders	\$ 665	\$ 19,138	\$ 37,027	\$ 35,437	\$ 235,239
Adjustments:					
Depreciation and amortization	27,618	33,129	32,765	51,154	172,103
Stock-based compensation	36,429	21,833	21,081	32,724	95,033
Interest expense	2,112	2,321	2,239	7,463	31,509
Acquisition related compensation	6,980	3,716	—	—	—
Acquisition and integration related costs	1,446	(19)	—	—	—
Income tax expense (benefit)	3,316	5,671	5,421	(8,295)	(60,767)
Loss on extinguishment of debt	—	—	269	—	(45,673)
Restructuring and other charges	434	—	—	—	—
Restructuring related charges ⁽¹⁾	820	243	—	—	—
Impairment of certain long-lived assets	—	356	—	311	363
Interest income and other income, net ⁽²⁾	(7,594)	(4,802)	(9,337)	(5,234)	(10,638)
Adjusted EBITDA	\$ 72,226	\$ 81,586	\$ 89,465	\$113,560	\$417,169
As a percentage of revenue:					
Net income margin	— %	10 %	17 %	13 %	23 %
Adjusted EBITDA margin	43 %	42 %	41 %	40 %	41 %

1) For the three months ended June 30, 2024, primarily consists of executive reorganization charges. For the three months ended June 30, 2023, primarily consists of salary continuation charges.

2) For the three months ended for all periods presented, primarily consists of interest and accretion income from our cash and cash equivalents and marketable securities.

Non-GAAP Net Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(In thousands)</i>				
GAAP Net income attributable to common stockholders	\$ 35,437	\$ 37,027	\$ 51,208	\$ 75,231
Stock-based compensation	32,724	21,081	55,231	40,513
Amortization of acquired intangible assets	5,070	5,031	10,008	10,228
Loss on extinguishment of debt ⁽¹⁾	—	269	2,700	269
Impairment of certain long-lived assets	311	—	311	—
Non-GAAP income tax adjustment ⁽²⁾	(18,735)	(5,593)	(18,752)	(12,977)
Non-GAAP Net income	<u>\$ 54,807</u>	<u>\$ 57,815</u>	<u>\$ 100,706</u>	<u>\$ 113,264</u>
Non-cash charges related to convertible notes ⁽³⁾	\$ 1,118	\$ 1,596	\$ 2,190	\$ 3,191
Non-GAAP Net income used to compute net income per share, diluted	<u>\$ 55,925</u>	<u>\$ 59,411</u>	<u>\$ 102,896</u>	<u>\$ 116,455</u>

1) For the three and six months ended June 30, 2026, excludes tax impact which is presented in Non-GAAP income tax adjustment.

2) For the periods in fiscal year 2026 and 2025, we used a tax rate of 16%, which we believe is a reasonable estimate of our long-term effective tax rate applicable to non-GAAP pre-tax income for each respective year.

3) Consists of non-cash interest expense for amortization of debt issuance costs related to our Convertible Notes.

Non-GAAP Diluted Net Income per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(In thousands, except per share amounts)</i>				
GAAP Net income per share attributable to common stockholders, diluted ⁽⁶⁾	\$ 0.29	\$ 0.39	\$ 0.45	\$ 0.77
Stock-based compensation	0.27	0.21	0.48	0.40
Amortization of acquired intangible assets	0.04	0.05	0.09	0.10
Loss on extinguishment of debt ⁽¹⁾	—	—	0.02	—
Non-cash charges related to convertible notes ⁽³⁾	0.01	0.02	0.02	0.03
Non-GAAP income tax adjustment ⁽²⁾	(0.16)	(0.08)	(0.17)	(0.15)
Non-GAAP Net income per share, diluted ⁽⁴⁾	<u>\$ 0.45</u>	<u>\$ 0.59</u>	<u>\$ 0.89</u>	<u>\$ 1.15</u>
GAAP Weighted-average shares used to compute net income per share, diluted	126,548	100,617	118,708	101,521
Add: Weighted-average dilutive effect of potentially dilutive securities	—	—	1,750	—
Less: Anti-dilutive impact of capped call transaction ⁽⁵⁾	(3,227)	—	(4,388)	—
Non-GAAP Weighted-average shares used to compute net income per share, diluted ⁽⁶⁾	<u>123,321</u>	<u>100,617</u>	<u>116,070</u>	<u>101,521</u>

1) For the three and six months ended June 30, 2026, excludes tax impact which is presented in Non-GAAP income tax adjustment.

2) For the periods in fiscal year 2026 and 2025, we used a tax rate of 16%, which we believe is a reasonable estimate of our long-term effective tax rate applicable to non-GAAP pre-tax income for each respective year.

3) Consists of non-cash interest expense for amortization of debt issuance costs related to our Convertible Notes.

4) May not foot due to rounding.

5) Excludes the in-the-money portion of our 2030 Convertible Notes for non-GAAP weighted-average diluted shares as they are covered by our capped call transactions. Our outstanding capped call transactions are antidilutive under GAAP, but are expected to mitigate the dilutive effect of our 2030 Convertible Notes, and therefore are included in the calculation of non-GAAP diluted shares outstanding. The capped calls have an antidilutive impact when the average stock price of our common stock in a given period is higher than their exercise price.

6) Includes 1,750 and 15,957 of potentially dilutive securities related to our 2026 and 2030 Convertible Notes, respectively, as if the entire principal amount outstanding were converted into shares for the three and six months ended June 30, 2026. Includes 8,403 of potentially dilutive securities related to our 2026 Convertible Notes as if the entire principal amount outstanding were converted into shares for the three and six months ended June 30, 2025. The Company has the election of settling any conversion in cash, shares of our common stock, or a combination of both. Refer to our Quarterly Report on Form 10-Q for the three months ended June 30, 2026 for further details.

Adjusted Free Cash Flow, Unlevered Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin and Unlevered Adjusted Free Cash Flow Margin

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(In thousands)</i>				
GAAP Net cash provided by operating activities	\$ 109,968	\$ 92,447	\$ 156,889	\$ 156,537
Adjustments:				
Capital expenditures - property and equipment	(41,584)	(33,197)	(81,576)	(95,160)
Capital expenditures - internal-use software development	(7,045)	(1,383)	(11,785)	(3,412)
Purchase of intangible assets	(754)	(852)	(754)	(1,835)
Restructuring and other charges	—	—	—	64
Adjusted free cash flow	\$ 60,585	\$ 57,015	\$ 62,774	\$ 56,194
Plus: Cash paid for interest	4,820	54	14,349	249
Less: Interest income	(6,390)	(3,202)	(9,267)	(6,859)
Unlevered adjusted free cash flow	\$ 59,015	\$ 53,867	\$ 67,856	\$ 49,584
As a percentage of revenue:				
GAAP Net cash provided by operating activities	39 %	42 %	29 %	36 %
Adjusted free cash flow margin	22 %	26 %	12 %	13 %
Unlevered adjusted free cash flow margin	21 %	25 %	13 %	12 %

TTM Adjusted Free Cash Flow and TTM Adjusted Free Cash Flow Margin

	Twelve Months Ended			
	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026
<i>(In thousands)</i>				
GAAP Net cash provided by operating activities	\$ 221,365	\$ 272,598	\$ 301,229	\$ 309,956
Adjustments:				
Capital expenditures - property and equipment	(106,509)	(147,985)	(197,792)	(115,502)
Capital expenditures - internal-use software development	(7,478)	(6,665)	(7,722)	(19,137)
Purchase of intangible assets	—	—	(1,835)	(754)
Restructuring and other charges	15,926	926	64	—
Restructuring related charges ⁽¹⁾	2,727	7,274	418	—
Acquisition related compensation	—	25,177	24,772	—
Acquisition and integration related costs	4,113	5,352	—	—
TTM Adjusted free cash flow	<u>\$ 130,144</u>	<u>\$ 156,677</u>	<u>\$ 119,134</u>	<u>\$ 174,563</u>
TTM Adjusted free cash flow margin	20 %	21 %	14 %	17 %

1) For the periods ended June 30, 2023 through December 31, 2023, primarily consists of salary continuation charges and executive reorganization charges, including CEO search firm fees and other legal and professional service costs. For the periods March 31, 2024 through December 31, 2024, primarily consists of executive reorganization charges.

Non-GAAP Operating Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(In thousands)</i>				
GAAP cost of revenue	\$ 126,522	\$ 87,755	\$ 239,717	\$ 169,014
Amortization of acquired intangible assets	(2,906)	(2,906)	(5,812)	(5,812)
Stock-based compensation	(1,848)	(1,422)	(3,272)	(2,817)
Impairment of certain long-lived assets	(311)	—	(311)	—
Non-GAAP cost of revenue	<u>\$ 121,457</u>	<u>\$ 83,427</u>	<u>\$ 230,322</u>	<u>\$ 160,385</u>
GAAP research and development	\$ 57,515	\$ 39,644	\$ 106,345	\$ 79,238
Amortization of acquired intangible assets	(156)	—	(180)	—
Stock-based compensation	(15,497)	(9,456)	(25,855)	(17,725)
Non-GAAP research and development	<u>\$ 41,862</u>	<u>\$ 30,188</u>	<u>\$ 80,310</u>	<u>\$ 61,513</u>
GAAP sales and marketing	\$ 22,568	\$ 19,288	\$ 44,237	\$ 38,689
Amortization of acquired intangible assets	(2,008)	(2,125)	(4,016)	(4,416)
Stock-based compensation	(2,018)	(3,089)	(4,785)	(5,635)
Non-GAAP sales and marketing	<u>\$ 18,542</u>	<u>\$ 14,074</u>	<u>\$ 35,436</u>	<u>\$ 28,638</u>
GAAP general and administrative	\$ 45,208	\$ 36,394	\$ 82,848	\$ 69,201
Stock-based compensation	(13,361)	(7,114)	(21,319)	(14,336)
Non-GAAP general and administrative	<u>\$ 31,847</u>	<u>\$ 29,280</u>	<u>\$ 61,529</u>	<u>\$ 54,865</u>

Net Leverage

<i>(In thousands)</i>	June 30, 2026	
	Actual	Pro-forma ⁽¹⁾
2030 Convertible Notes ⁽¹⁾	\$ 625,000	\$ 153,172
2026 Convertible Notes	312,322	312,322
Finance lease liabilities and equipment financing obligations, current	129,777	129,777
Finance lease liabilities and equipment financing obligations, long-term	447,943	447,943
Less: Cash and cash equivalents	(767,026)	(767,026)
Net Debt	<u>\$ 748,016</u>	<u>\$ 276,188</u>
TTM Adjusted EBITDA	\$ 417,169	\$ 417,169
Net Leverage Ratio	1.8	0.7

1) On July 23, 2026, we repurchased \$471,828 in aggregate principal amount of our 2030 Convertible Notes using the net proceeds from a concurrent registered direct offering of 12,543,915 shares of our common stock at \$117.54 per share. Cash on hand was used to pay estimated transaction related fees. Upon completion, the repurchased notes were retired.