

# Bandwidth 4Q 2021 Earnings Results

February 23, 2022



# Legal Disclaimer

This presentation contains forward-looking statements. All statements contained in this presentation other than statements of historical facts, including, without limitation, future financial and business performance for the fourth quarter 2021 and full-year 2021, attractiveness of our product offerings and platform and the value proposition of our products, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “guide,” “may,” “will” and similar expressions and their negatives are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks and uncertainties, including, without limitation, risks related to our rapid growth and ability to sustain our revenue growth rate, competition in the markets in which we operate, market growth, our ability to innovate and manage our growth, our ability to expand effectively into new markets, risks that the anticipated benefits of the acquisition of Voxbone may not be fully realized or may take longer to realize than expected, our ability to operate in compliance with applicable laws, as well as other risks and uncertainties set forth in the “Risk Factors” section of our latest Form 10-K filed with the Securities and Exchange Commission and any subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. We are under no obligation to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation.

This presentation also includes certain guidance on non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company’s non-GAAP financial measures as tools for comparison. The Company provides a reconciliation of certain non-GAAP measures to the most directly comparable GAAP measures, which are available in the earnings press release for the relevant period and in the appendix of this presentation.

A global **cloud communications leader** powering enterprise digital transformation through software APIs and our global network

## Bandwidth Scale and Reach



**60+**

Countries



**3,228**

Active CPaaS Customers



**\$491M**

Revenue<sup>1</sup>

<sup>1</sup>Total revenue for 12 months period ended December 31, 2021

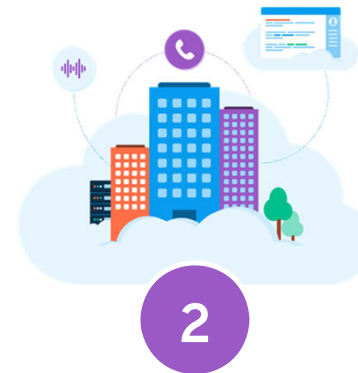
# Growth strategy capitalizes on the global move to the cloud



1

## Grow existing customers

Cross-selling and up-selling our global footprint and powerful APIs



2

## Win direct enterprise customers

Become the platform of choice for building exceptional experiences



3

## Be the best CPaaS platform

for app developers to scale global digital customer engagement

Demand for global  
cloud  
communications  
drives new and  
expanded  
customer  
relationships

## 4Q 2021 Operational and Customer Highlights



### Duet for Genesys

Partnership with market leader Genesys enables enterprise customers to unbundle telephony and enjoy cloud-based flexibility, easier integrations and global scale.



### CCaaS Geographic Expansion

After one year providing international voice services to a game-changing CCaaS provider, Bandwidth was chosen to expand to additional countries, including U.S. and Canada.



### xCaaS Share Expansion

Long-time customer bundling UCaaS and CCaaS expands wallet-share with Bandwidth, increasing international spend by 50% on the Bandwidth platform.



### Messaging Win

Scaling marketing software provider turned to Bandwidth for a better level of service, improving message deliverability while complying with opt-in regulations.

UCaaS - Unified Communications as a Service  
CCaaS - Contact Center as a Service

**Achieved strong  
financial results**

**Broad customer  
demand across  
our portfolio**

## Financial Highlights

- 2021 Total revenue of \$491M, up 43% y/y
- 2021 CPaaS revenue of \$414M, up 39% y/y
- 2021 Non-GAAP net income of \$26M, up 81% y/y
- Messaging 13% of CPaaS revenue in 2021, growing 76% y/y<sup>(1)</sup>

(1) Normalized for political messaging benefit of \$11M in 2020

# 39%

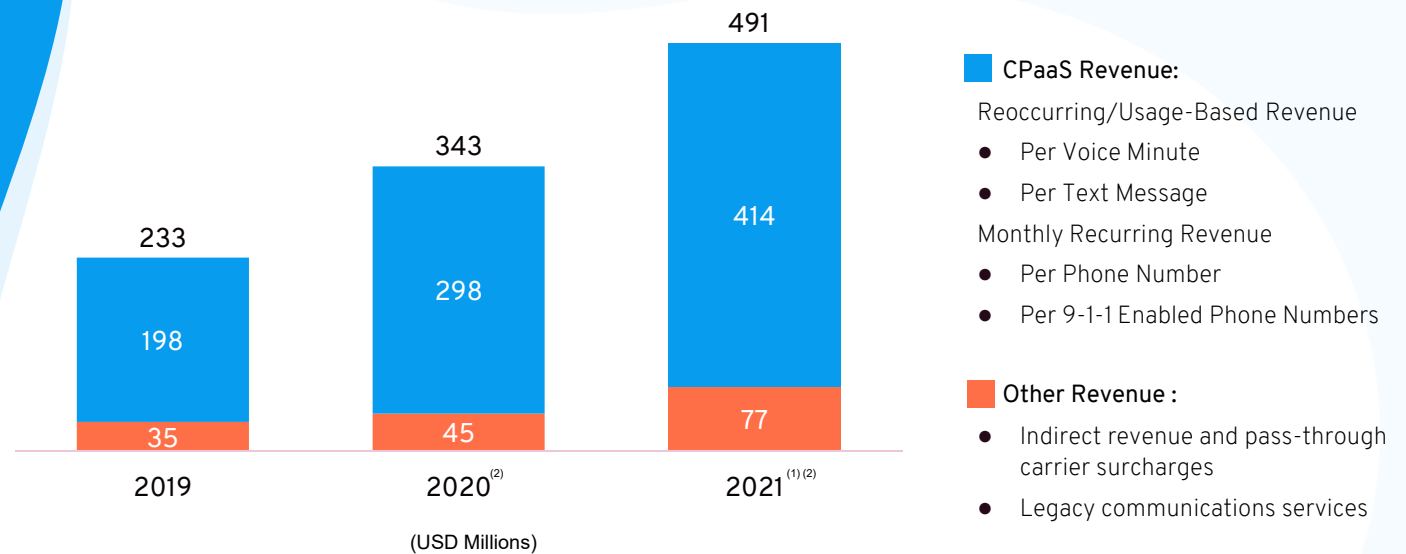
2021 CPaaS Revenue growth y/y

# 33%

2021 CPaaS Revenue Organic<sup>(3)</sup> Growth y/y

Normalized for COVID, political messaging and DDoS impact<sup>(4)</sup>

## Annual Revenue Performance



<sup>(1)</sup>2021 Total and CPaaS revenue of \$491M and \$414M, respectively, negatively impacted by approximately \$10M arising from lost usage volume during DDoS attack.

<sup>(2)</sup> Voxbone acquisition which closed on November 2, 2020, contributed CPaaS revenue of \$81M and Other Revenue of \$3M across 10 months in 2021 and \$17M CPaaS revenue and \$1M Other revenue across two months in 2020.

<sup>(3)</sup> Organic defined as standalone Bandwidth revenue, excluding Voxbone contribution

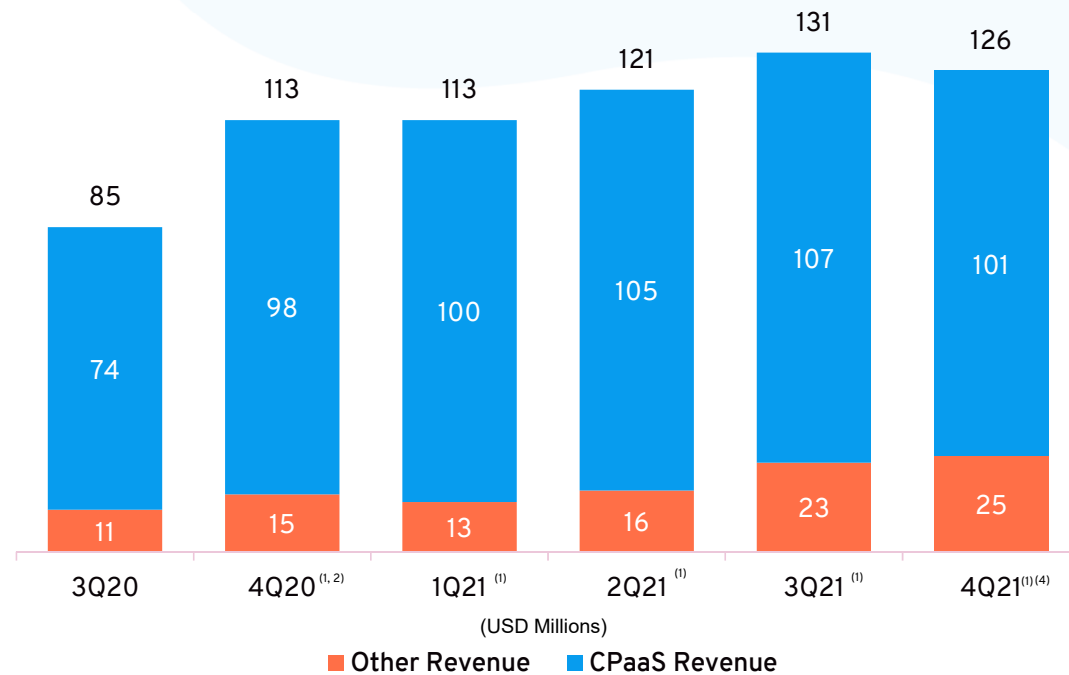
<sup>(4)</sup> 2020 normalization excludes estimated benefit from COVID-related usage and political messaging of \$12M and \$11M, respectively. 2021 normalization adjusts for \$10M arising from lost usage volume during DDoS attack.

# 16%

4Q 2021 CPaaS Revenue  
Organic<sup>(3)</sup> Growth y/y

Normalized for COVID, political messaging  
and DDoS impact<sup>(2)</sup>

## Quarterly Revenue Performance



<sup>(1)</sup> Includes revenue from the acquisition of Voxbone, which closed November 2, 2020. 4Q20, 1Q21, 2Q21 and 3Q21 include \$17M, \$21M, \$26M, and \$26M, respectively, in CPaaS revenue and approximately \$1M of Other revenue in each period.

<sup>(2)</sup> 4Q20 normalization excludes estimated benefit from COVID-related usage and political messaging of \$2M and \$8M, respectively. 4Q21 normalization adjusts for \$10M arising from lost usage volume during DDoS attack.

<sup>(3)</sup> Organic defined as standalone Bandwidth, excluding October 2021 Voxbone contribution in 4Q21

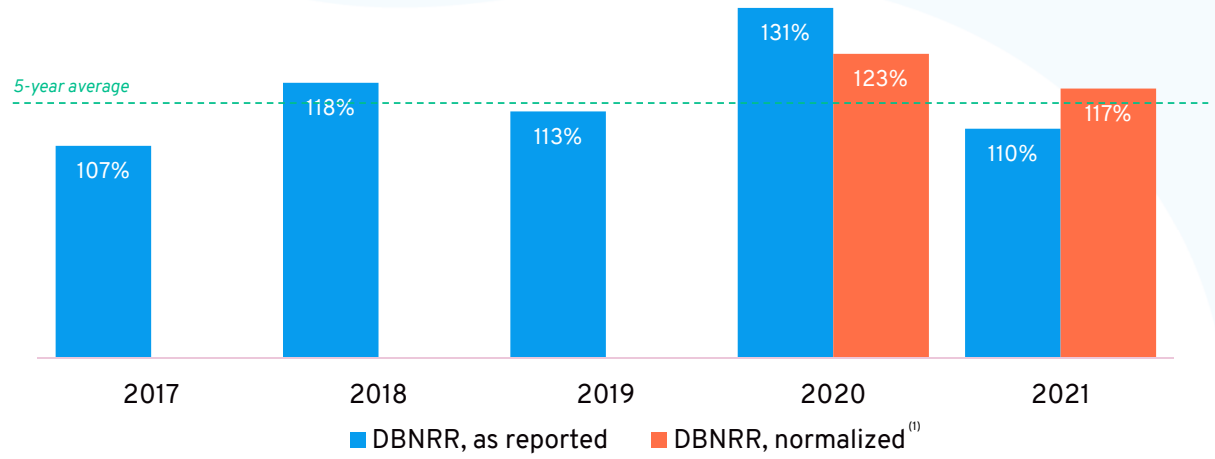
<sup>(4)</sup> 4Q21 CPaaS revenue negatively impacted by approximately \$9M from lost volume during DDoS attack.

Note: Totals may not sum due to rounding



Growing usage and upsell within existing customers drives revenue growth

# Dollar Based Net Retention Rate Performance



<sup>(1)</sup> Normalized for estimated benefit from COVID-related usage of \$11M and \$2M political messaging benefit from existing customers in 2020. 2021 normalized for approximately \$10M lower revenue arising from lost volume during DDoS attack

Note: DBNRR is obtained by dividing the CPaaS revenue generated from that cohort in the current year by the CPaaS revenue generated by that same cohort in the corresponding prior year.

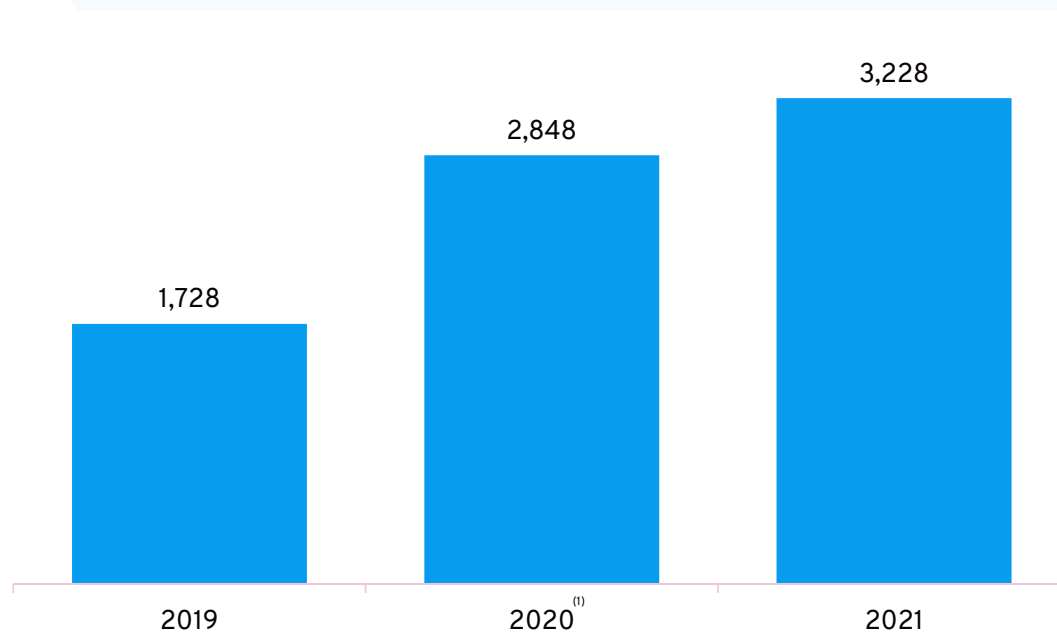
**\$136K**

TTM<sup>(2)</sup> Average Annual  
CPaaS Customer  
Revenue

**Diverse**

No 10% of revenue  
customers

## Active CPaaS Customers



<sup>(1)</sup> 2020 includes ~700 customers from Voxbone acquisition

<sup>(2)</sup> Trailing Twelve Months (TTM)

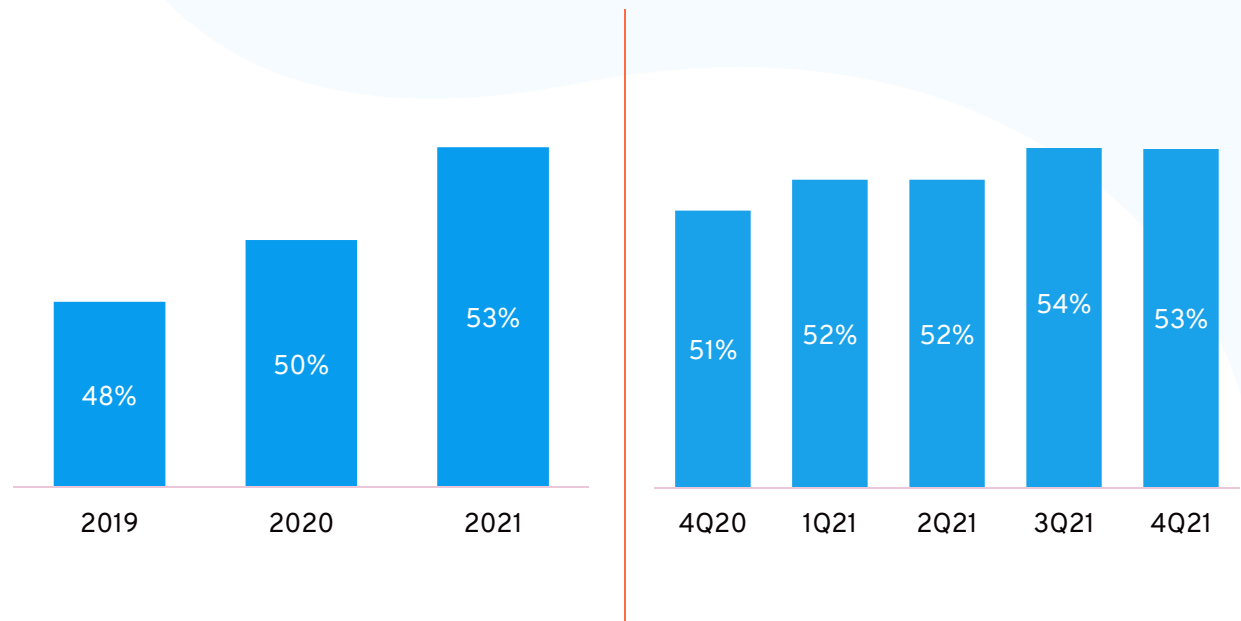
Note: We define an active CPaaS customer account at the end of any period as an individual account for which we have recognized at least \$100 of revenue in the last month of the period.

**+200 bps**

4Q21 Non-GAAP CPaaS  
Gross Margin<sup>(1)</sup> increase y/y

**Record  
2021 Margin**

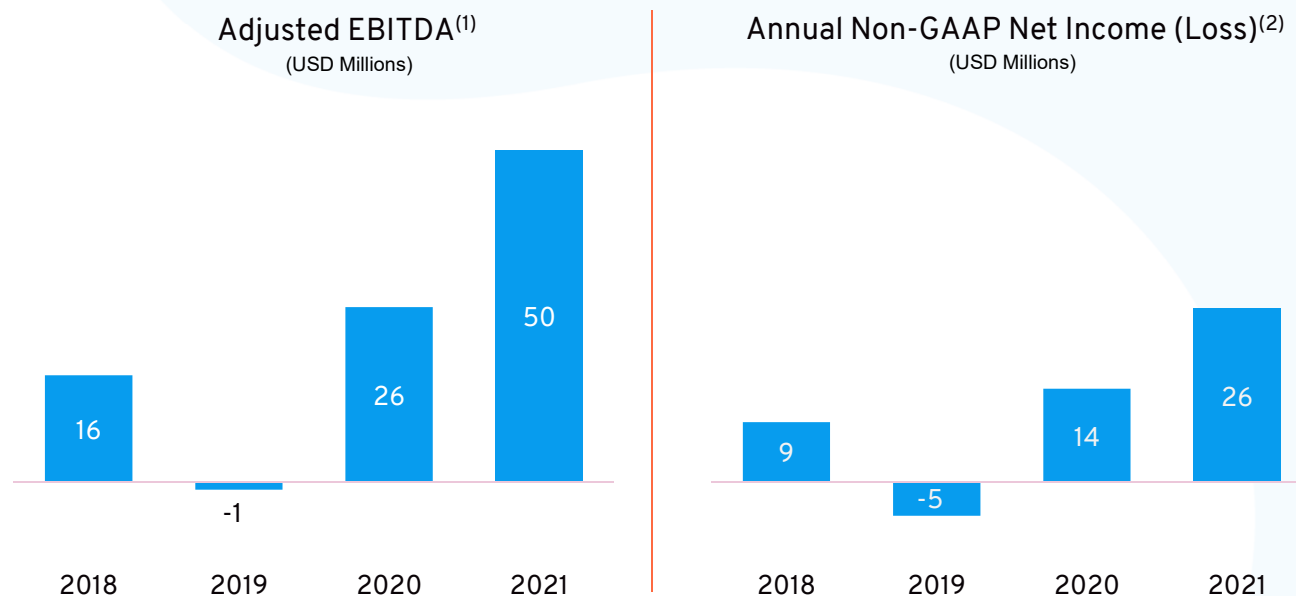
## Non-GAAP CPaaS Gross Margin Performance



<sup>(1)</sup>We define Non-GAAP gross profit as gross profit after adding back depreciation, amortization of acquired intangible assets related to acquisitions and stock-based compensation. We calculate Non-GAAP gross margin by dividing adjusted gross profit by revenue, expressed as a percentage of revenue. See Appendix for GAAP to Non-GAAP reconciliation

Committed  
to investing  
in our future  
with  
profitable  
discipline

## Profitability Performance



<sup>(1)</sup> We define adjusted EBITDA as net (loss) income adjusted to reflect the addition or elimination of certain statement of operations items including, but not limited to: income tax (benefit) provision, interest (income) expense, net, depreciation and amortization expense, acquisition related expenses, stock-based compensation expense, impairment of intangible assets, loss (gain) from disposal of property and equipment and net cost associated with early lease terminations and leases without economic benefit.

<sup>(2)</sup> We define Non-GAAP Net Income (Loss) excludes stock-based compensation, amortization of acquired intangible assets, amortization of debt discount and issuance costs for convertible debt, acquisition related expense, impairment charges of intangible assets, loss (gain) on disposal of property and equipment, and net cost associated with early lease terminations and leases without economic benefit, estimated tax impact of above adjustments, income tax (benefit) provision resulting from excess tax benefits, vesting of restricted stock units and equity compensation, and expense resulting from recording the valuation allowance on our deferred tax assets ("DTA"). See Appendix for non-GAAP reconciliation

# 1Q and Full Year 2022 Outlook

	1Q 2021	FY 2022
Total Revenue <sup>(1)</sup>	125M – 127M	547M – 555M
Non-GAAP EPS <sup>(2)</sup>	(0.11) – (0.07)	0.03 – 0.09

- (1) 1Q22 and full year 2022 revenue estimates are inclusive of the respective impact of previously disclosed \$16M-\$24M estimated impact of DDoS attack
- (2) Following a successful completion of its Voxbone integration efforts, a strategic organization of its go-to-market, operating and development functions in first quarter 2022, and recently concluded or ongoing non-core business divestments, Bandwidth has aligned its operating segment during first quarter 2022 to focus exclusively on its global CPaaS market opportunity. Accordingly, segment disclosure going forward along with the company's financial outlooks and results will reflect the company's singular CPaaS market focus.
- (3) Assumes weighted average share count of approximately 31.2 million in 1Q 2022 and weighted average diluted share count of 31.3 million in FY 2022. Bandwidth adopted ASU 2020-06 on January 1, 2022 using modified retrospective method and accounted for our convertible notes due 2026 and 2028 on a whole-instrument basis. Upon adoption, diluted EPS is calculated using the "If-Converted Method" which results in an increase in weighted average diluted shares count of 4.8 million shares.

**Thank you!**

# Appendix

# Historical Metrics

USD millions, except per share amounts

	FY18	FY19	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21
<b>Total Revenue</b>	<b>204.1</b>	<b>232.6</b>	<b>68.5</b>	<b>76.8</b>	<b>84.8</b>	<b>113.0</b>	<b>343.1</b>	<b>113.5</b>	<b>120.7</b>	<b>130.6</b>	<b>126.1</b>	<b>490.9</b>
CPaaS Revenue	164.4	197.9	59.1	67.1	73.8	98.1	298.1	100.1	105.0	107.4	101.4	413.9
Other Revenue	39.7	34.7	9.4	9.7	11.0	14.9	45.0	13.3	15.6	23.3	24.7	77.0
<b>Total Gross Profit</b>	<b>96.0</b>	<b>107.6</b>	<b>32.2</b>	<b>34.8</b>	<b>39.2</b>	<b>51.7</b>	<b>157.9</b>	<b>52.2</b>	<b>54.6</b>	<b>58.2</b>	<b>53.5</b>	<b>218.5</b>
CPaaS	70.1	87.6	27.2	29.8	34.4	45.9	137.4	46.5	48.9	52.5	48.6	196.5
Other	25.8	20.0	4.9	4.9	4.8	5.8	20.5	5.7	5.7	5.7	4.9	22.0
<b>Non-GAAP Gross Profit</b>	<b>100.6</b>	<b>114.4</b>	<b>34.7</b>	<b>37.1</b>	<b>41.6</b>	<b>55.8</b>	<b>169.1</b>	<b>57.4</b>	<b>59.8</b>	<b>63.4</b>	<b>58.8</b>	<b>239.4</b>
Non-GAAP CPaaS Gross Profit	74.7	94.4	29.7	32.1	36.7	50.0	148.6	51.7	54.1	57.7	53.8	217.4
<b>Non-GAAP Gross Margin</b>	<b>49%</b>	<b>49%</b>	<b>51%</b>	<b>48%</b>	<b>49%</b>	<b>49%</b>	<b>49%</b>	<b>51%</b>	<b>50%</b>	<b>49%</b>	<b>47%</b>	<b>49%</b>
Non-GAAP CPaaS Gross Margin	45%	48%	50%	48%	50%	51%	50%	52%	52%	54%	53%	53%
<b>Net Income (Loss)</b>	<b>17.9</b>	<b>2.5</b>	<b>(1.1)</b>	<b>(20.6)</b>	<b>(2.4)</b>	<b>(19.9)</b>	<b>(44.0)</b>	<b>(5.3)</b>	<b>(6.9)</b>	<b>(6.9)</b>	<b>(8.2)</b>	<b>(27.4)</b>
Non-GAAP Net Income (Loss)	9.0	(5.3)	1.1	3.1	6.5	3.5	14.2	8.3	8.6	6.5	2.3	25.7
<b>Adjusted EBITDA</b>	<b>16.1</b>	<b>(1.1)</b>	<b>3.1</b>	<b>5.5</b>	<b>9.3</b>	<b>8.3</b>	<b>26.2</b>	<b>13.4</b>	<b>13.8</b>	<b>14.2</b>	<b>8.3</b>	<b>49.6</b>
Adjusted EBITDA Margin	8%	0%	5%	7%	11%	7%	8%	12%	11%	11%	7%	10%
<b>Cash and Investments</b>	<b>58.9</b>	<b>185.0</b>	<b>517.9</b>	<b>522.7</b>	<b>532.1</b>	<b>121.4</b>	<b>121.4</b>	<b>339.3</b>	<b>319.0</b>	<b>331.1</b>	<b>332.3</b>	<b>332.3</b>
Operating Cash Flow	24.6	(1.3)	(7.6)	7.3	11.6	(6.8)	4.5	10.0	(1.2)	14.8	17.1	40.8
Capital Expenditures	(14.4)	(25.8)	(4.4)	(4.6)	(2.3)	(3.2)	(14.6)	(7.9)	(17.8)	(2.7)	(8.8)	(37.2)
Free Cash Flow	10.2	(27.0)	(12.0)	2.7	9.3	(10.0)	(10.1)	2.1	(18.9)	12.2	8.3	3.6
<b>Active CPaaS Customers</b>	<b>1,230</b>	<b>1,728</b>	<b>1,808</b>	<b>1,900</b>	<b>2,015</b>	<b>2,848</b>	<b>2,848</b>	<b>2,959</b>	<b>3,051</b>	<b>3,173</b>	<b>3,228</b>	<b>3,228</b>
DBNRR <sup>(1)</sup>	118%	113%	126%	133%	131%	133%	131%	125%	114%	108%	92%	110%
Normalized DBNRR <sup>(2)</sup>	N/A	N/A	122%	123%	124%	125%	123%	128%	123%	113%	104%	117%

<sup>(1)</sup> DBNRR is obtained by dividing the CPaaS revenue generated from that cohort in the current year by the CPaaS revenue generated by that same cohort in the corresponding prior year. Customers of acquired businesses are included in the subsequent year's calendar of quarter of acquisition. Accordingly Voxbone results were first included in 4Q21.

<sup>(2)</sup> Normalized for estimated benefit from COVID-related usage of \$11M and \$2M political messaging benefit from existing customers in 2020. 2021 normalized for approximately \$10M lower revenue arising from lost volume during DDoS attack.

Note: Totals may not sum due to rounding



# GAAP to Non-GAAP Reconciliation – Net Income

USD millions, except per share amounts

	FY18	FY19	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21
<b>Net income (Loss)</b>	<b>17.9</b>	<b>2.5</b>	<b>(1.1)</b>	<b>(20.6)</b>	<b>(2.4)</b>	<b>(19.9)</b>	<b>(44.0)</b>	<b>(5.3)</b>	<b>(6.9)</b>	<b>(6.9)</b>	<b>(8.2)</b>	<b>(27.4)</b>
Stock-based compensation	3.3	6.6	2.5	2.4	2.4	2.6	9.9	4.4	3.4	3.8	2.9	14.5
Amortization of acquired intangibles	0.5	0.5	0.1	0.1	0.1	3.3	3.7	4.9	4.9	4.8	4.6	19.1
Amortization of debt discount and issuance costs for convertible debt	-	-	1.7	4.5	4.6	4.7	15.6	5.2	7.1	7.2	7.3	26.7
Acquisition-related expenses	-	-	-	-	1.7	12.7	14.5	-	-	-	-	0.0
Loss on disposal of property and equipment	0.2	0.5	0.2	0.0	0.0	0.1	0.3	0.2	0.1	0.0	0.5	0.8
Estimated tax effects of adjustments <sup>(1)</sup>	(1.0)	(1.9)	(1.2)	1.2	-	(0.8)	(0.8)	(1.1)	(0.1)	(2.3)	(11.5)	(15.0)
Valuation allowance <sup>(2)</sup>	-	-	-	14.2	-	0.9	15.0	0.1	0.2	0.0	9.3	9.6
Income tax benefit of option exercises	(11.9)	(12.3)	(0.4)	0.4	-	-	-	-	-	-	(2.6)	(2.6)
Income tax benefit of vesting restricted stocks units	-	(1.1)	(0.9)	0.9	-	-	-	-	-	-	-	-
Income tax benefit of equity compensation <sup>(3)</sup>	(11.9)	(13.5)	(1.3)	1.3	-	-	-	-	-	-	-	-
<b>Non-GAAP net income (Loss)</b>	<b>9.0</b>	<b>(5.3)</b>	<b>1.1</b>	<b>3.1</b>	<b>6.5</b>	<b>3.5</b>	<b>14.2</b>	<b>8.3</b>	<b>8.6</b>	<b>6.5</b>	<b>2.3</b>	<b>25.7</b>
<b>Net income (loss) per share</b>												
Basic	0.96	0.11	(0.04)	(0.86)	(0.10)	(0.81)	(1.83)	(0.21)	(0.28)	(0.28)	(0.33)	(1.09)
Diluted	0.85	0.10	(0.04)	(0.86)	(0.10)	(0.81)	(1.83)	(0.21)	(0.28)	(0.28)	(0.33)	(1.09)
<b>Non-GAAP net income (loss) per share</b>												
Basic	0.49	(0.23)	0.05	0.13	0.27	0.14	0.59	0.33	0.34	0.26	0.09	1.02
Diluted	0.43	(0.23)	0.04	0.13	0.24	0.13	0.55	0.30	0.32	0.25	0.09	0.97
<i>Non-GAAP weighted average number of shares outstanding</i>												
<b>Non-GAAP basic shares</b>	<b>18.6</b>	<b>22.6</b>	<b>23.6</b>	<b>24.0</b>	<b>24.2</b>	<b>24.7</b>	<b>24.1</b>	<b>25.0</b>	<b>25.1</b>	<b>25.1</b>	<b>25.1</b>	<b>25.1</b>
Convertible debt conversion	-	-	-	-	1.7	2.0	1.0	1.8	1.2	0.9	-	1.0
Stock options issued and outstanding	2.4	-	0.7	0.4	0.3	0.2	0.4	0.2	0.2	0.2	0.2	0.2
Nonvested RSUs outstanding	0.2	-	0.2	0.3	0.4	0.4	0.4	0.3	0.2	0.2	0.1	0.2
<b>Non-GAAP diluted shares</b>	<b>21.1</b>	<b>22.6</b>	<b>24.5</b>	<b>24.7</b>	<b>26.5</b>	<b>27.2</b>	<b>25.9</b>	<b>27.3</b>	<b>26.7</b>	<b>26.4</b>	<b>25.4</b>	<b>26.5</b>

(1) The Non-GAAP tax-effect is determined using a blended rate of statutory tax rates in the jurisdictions where the Company has tax filings. When the Company has a valuation allowance recorded and no tax benefits will be recognized, the rate in that jurisdiction is considered to be zero.

(2) The Company recognized a tax expense to record a valuation allowance on U.S. deferred tax assets.

(3) The Company recognizes no income tax benefit of equity compensation due to the valuation allowance on U.S. deferred tax asset recorded within 2Q20.



# GAAP to Non-GAAP Reconciliations – CPaaS Gross Profit, Adjusted EBITDA, Free Cash Flow

USD millions, except per share amounts

	2018	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
<b>CPaaS Gross Profit</b>	<b>70.1</b>	<b>87.6</b>	<b>27.2</b>	<b>29.8</b>	<b>34.4</b>	<b>45.9</b>	<b>137.4</b>	<b>46.5</b>	<b>48.9</b>	<b>52.5</b>	<b>48.6</b>	<b>196.5</b>
<b>CPaaS Gross Margin %</b>	<b>43%</b>	<b>44%</b>	<b>46%</b>	<b>44%</b>	<b>47%</b>	<b>47%</b>	<b>46%</b>	<b>46%</b>	<b>47%</b>	<b>49%</b>	<b>48%</b>	<b>47%</b>
Depreciation	4.5	6.6	2.3	2.3	2.3	2.6	9.5	3.0	2.9	3.0	3.1	12.1
Stock-based compensation	0.1	0.2	0.2	(0.1)	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.3
Amortization of acquired intangible	-	-	-	-	-	1.4	1.4	2.2	2.2	2.1	2.1	8.5
<b>Non-GAAP CPaaS Gross Profit</b>	<b>74.7</b>	<b>94.4</b>	<b>29.7</b>	<b>32.1</b>	<b>36.7</b>	<b>50.0</b>	<b>148.6</b>	<b>51.7</b>	<b>54.1</b>	<b>57.7</b>	<b>53.8</b>	<b>217.4</b>
<b>Non-GAAP CPaaS Gross Margin %</b>	<b>45%</b>	<b>48%</b>	<b>50%</b>	<b>48%</b>	<b>50%</b>	<b>51%</b>	<b>50%</b>	<b>52%</b>	<b>52%</b>	<b>54%</b>	<b>53%</b>	<b>53%</b>

	2018	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
<b>Income from continuing operations</b>	<b>17.9</b>	<b>2.5</b>	<b>(1.1)</b>	<b>(20.6)</b>	<b>(2.4)</b>	<b>(19.9)</b>	<b>(44.0)</b>	<b>(5.3)</b>	<b>(6.9)</b>	<b>(6.9)</b>	<b>(8.2)</b>	<b>(27.4)</b>
Income tax (provision) benefit	(10.9)	(17.7)	(2.7)	16.5	0.0	1.2	15.0	(0.3)	0.3	0.3	(4.1)	(3.8)
Interest expense, net	(0.3)	(2.4)	0.9	3.9	4.2	4.7	13.7	5.4	7.7	7.7	8.0	28.8
Depreciation	5.3	9.0	3.2	3.2	3.2	3.6	13.1	4.2	4.3	4.5	4.5	17.5
Amortization	0.6	0.5	0.1	0.1	0.1	3.3	3.7	4.9	4.9	4.8	4.6	19.1
Acquisition-related expenses	-	-	-	-	1.7	12.7	14.5	-	-	-	-	-
Stock-based compensation	3.3	6.6	2.5	2.4	2.4	2.6	9.9	4.4	3.4	3.8	2.9	14.5
Loss on disposal of property and equipment	0.2	0.5	0.2	0.0	0.0	0.1	0.3	0.2	0.1	0.0	0.5	0.8
<b>Adjusted EBITDA</b>	<b>16.1</b>	<b>(1.1)</b>	<b>3.1</b>	<b>5.5</b>	<b>9.3</b>	<b>8.3</b>	<b>26.2</b>	<b>13.4</b>	<b>13.8</b>	<b>14.2</b>	<b>8.3</b>	<b>49.6</b>

	2018	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
Net cash provided by operating activities from continuing operations	24.6	(1.3)	(7.6)	7.3	11.6	(6.8)	4.5	10.0	(1.2)	14.8	17.1	40.8
Net cash used in investing in capital assets(1)	(14.4)	(25.8)	(4.4)	(4.6)	(2.3)	(3.2)	(14.6)	(7.9)	(17.8)	(2.7)	(8.8)	(37.2)
<b>Free cash flow</b>	<b>10.2</b>	<b>(27.0)</b>	<b>(12.0)</b>	<b>2.7</b>	<b>9.3</b>	<b>(10.0)</b>	<b>(10.1)</b>	<b>2.1</b>	<b>(18.9)</b>	<b>12.2</b>	<b>8.3</b>	<b>3.6</b>

(1) Represents the acquisition cost of property, equipment and capitalized development costs for software for internal use.