

Business Metrics



	QTD September 30, 2018	QTD June 30, 2018	QTD March 31, 2018	YTD 2017	QTD December 31, 2017	QTD September 30, 2017	QTD June 30, 2017	QTD March 31, 2017
Revenue (\$000s) (1)	Marketplaces	\$ 24,037	\$ 23,811	\$ 23,987	\$ 93,449	\$ 25,415	\$ 22,973	\$ 22,089
	Digital Marketing	4,577	4,505	4,345	18,076	5,158	4,400	4,197
	Other	3,710	4,344	3,113	11,010	3,532	2,724	2,043
	Total Revenue	\$ 32,324	\$ 32,660	\$ 31,445	\$ 122,535	\$ 34,105	\$ 30,097	\$ 28,329
	Total Revenue Y/Y Change	7.4 %	8.9 %	11.0 %	8.2 %	7.4 %	7.5%	10.7%
	Fixed Revenue	\$ 25,706	\$ 24,766	\$ 23,965	\$ 93,505	\$ 24,937	\$ 23,880	\$ 22,107
	Percent of Total Revenue	79.5 %	75.8 %	76.2 %	76.3 %	73.1 %	79.3%	78.0 %
	Fixed Revenue Y/Y Change	7.6 %	9.7 %	8.4 %	8.6 %	10.6 %	6.9%	9.2 %
	Variable Revenue	\$ 6,618	\$ 7,894	\$ 7,480	\$ 29,030	\$ 9,168	\$ 6,217	\$ 6,222
	Percent of Total Revenue	20.5 %	24.2 %	23.8 %	23.7 %	26.9 %	20.7%	22.0 %
Variable Revenue Y/Y Change	6.5 %	6.3 %	20.2 %	7.0 %	(0.4)%	9.8%	2.0 %	
Operating Metrics	ARPC (TTM basis) (2)	\$ 46,073	\$ 45,029	\$ 43,920	\$ 42,693	\$ 42,693	\$ 41,748	\$ 40,051
	ARPC Y/Y Change	10.4 %	9.7 %	9.7 %	8.5 %	8.5 %	8.7%	12.0 %
	Total Customers (3)	2,815	2,829	2,855	2,840	2,840	2,902	2,904
	Total Customers Y/Y Change	(3.0)%	(2.6)%	(1.7)%	(1.2)%	(1.2)%	0.8%	0.8 %
Financial Metrics (\$000s, except shares, EPS or as noted) (4)	Non-GAAP Gross Profit	\$ 25,016	\$ 25,777	\$ 24,309	\$ 94,384	\$ 27,239	\$ 23,086	\$ 20,960
	Non-GAAP Gross Margin	77.4 %	78.9 %	77.3 %	77.0 %	79.9 %	76.7%	74.0 %
	Non-GAAP Operating Income (Loss) (5)	\$ 733	\$ (418)	\$ (418)	\$ (2,092)	\$ 2,379	\$ (1,281)	\$ (2,590)
	Non-GAAP Net Income (Loss) (5)	\$ 687	\$ (448)	\$ (424)	\$ (2,071)	\$ 2,354	\$ (1,215)	\$ (2,593)
	GAAP Basic Weighted Average Common Shares Outstanding	27,294,134	27,180,435	26,739,331	26,366,748	26,583,657	26,439,830	26,056,881
	Non-GAAP Basic EPS (5)	\$ 0.03	\$ (0.02)	\$ (0.02)	\$ (0.08)	\$ 0.09	\$ (0.05)	\$ (0.10)
	Adjusted EBITDA (5)(6)	\$ 2,305	\$ 1,060	\$ 1,043	\$ 4,569	\$ 3,893	\$ 360	\$ (800)
	Adjusted EBITDA as a Percentage of Revenue	7.1 %	3.2 %	3.3 %	3.7 %	11.4 %	1.2%	(2.8)%
	Cash and Cash Equivalents at Period End (\$M)	\$ 48.9	\$ 50.9	\$ 54.7	\$ 53.4	\$ 53.4	\$ 54.2	\$ 63.4

- (1) All revenue numbers are presented on a GAAP basis.
- (2) Average monthly number of customers, or ARPC, is revenue for the period divided by the average monthly number of customers during the period, which is calculated by taking the sum of the number of customers at the end of each month in the period and dividing by the number of months in the period. For each quarter period, it is calculated on a trailing twelve-month basis.
- (3) Total customers for the period represents all customers who subscribe to at least one of the company's solutions.
- (4) Financial Metrics, except for weighted average common shares outstanding and cash and cash equivalents, are provided on a Non-GAAP basis. Non-GAAP measures exclude certain non-cash items such as stock-based compensation expense and other one-time items. For reconciliations of Non-GAAP to GAAP, see the subsequent pages of this document.
- (5) As of January 1, 2018, the Company adopted Accounting Standards Codification 606 ("ASC 606"), under which, it began capitalizing and amortizing contract costs which had previously been expensed as incurred in years prior to 2018. For discussion of our adoption of ASC 606 and its effect on our financial results, see Note 6, "Revenue from Contracts with Customers," in our most recently filed Form 10-Q.
- (6) Adjusted EBITDA represents our earnings before interest, income taxes and depreciation and amortization, adjusted to eliminate stock-based compensation expense and other one-time expenses such as a charge for VDAs related to sales taxes in Q1'17.

GAAP Statement of Operations - Quarterly

	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
<i>(unaudited)</i> <i>(in thousands, except share and per share amounts)</i>	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Revenue	\$ 32,324	\$ 32,660	\$ 31,445	\$ 34,105	\$ 30,097	\$ 30,004	\$ 28,329	\$ 31,763	\$ 27,992
Cost of revenue (1) (2) (3)	7,606	6,975	7,353	6,953	7,309	7,144	7,696	7,891	7,704
Gross profit	24,718	25,685	24,092	27,152	22,788	22,860	20,633	23,872	20,288
Operating expenses (1) (2):									
Sales and marketing (3)	14,921	15,974	14,890	15,350	14,805	15,003	15,185	12,680	12,931
Research and development	5,350	5,737	5,902	5,990	5,760	5,147	4,971	4,659	4,512
General and administrative	6,688	6,708	6,451	6,248	6,344	6,678	8,530	6,311	5,525
Total operating expenses	26,959	28,419	27,243	27,588	26,909	26,828	28,686	23,650	22,968
(Loss) income from operations	(2,241)	(2,734)	(3,151)	(436)	(4,121)	(3,968)	(8,053)	222	(2,680)
Other income (expense):									
Interest income (expense), net	120	106	125	73	67	54	28	10	11
Other income (expense), net	22	(1)	(19)	(23)	36	13	57	36	90
Total other income (expense)	142	105	106	50	103	67	85	46	101
(Loss) income before income taxes	(2,099)	(2,629)	(3,045)	(386)	(4,018)	(3,901)	(7,968)	268	(2,579)
Income tax expense (benefit)	188	135	112	75	37	84	88	(5,567)	(27)
Net (loss) income	\$ (2,287)	\$ (2,764)	\$ (3,157)	\$ (461)	\$ (4,055)	\$ (3,985)	\$ (8,056)	\$ 5,835	\$ (2,552)
Net (loss) income per share:									
Basic	\$ (0.08)	\$ (0.10)	\$ (0.12)	\$ (0.02)	\$ (0.15)	\$ (0.15)	\$ (0.31)	\$ 0.23	\$ (0.10)
Diluted	\$ (0.08)	\$ (0.10)	\$ (0.12)	\$ (0.02)	\$ (0.15)	\$ (0.15)	\$ (0.31)	\$ 0.21	\$ (0.10)
Weighted average common shares outstanding:									
Basic	27,294,134	27,180,435	26,739,331	26,583,657	26,439,830	26,380,031	26,056,881	25,878,260	25,723,749
Diluted	27,294,134	27,180,435	26,739,331	26,583,657	26,439,830	26,380,031	26,056,881	27,577,027	25,723,749
(1) Includes stock-based compensation as follows:									
Cost of revenue (3)	\$ 298	\$ 92	\$ 217	\$ 87	\$ 298	\$ 239	\$ 327	\$ 344	\$ 376
Sales and marketing (3)	1,003	728	752	978	931	1,172	746	1,098	1,115
Research and development	581	355	649	601	588	503	568	477	496
General and administrative	1,092	1,141	1,115	1,149	1,023	1,454	1,283	1,136	878
Total stock-based compensation	\$ 2,974	\$ 2,316	\$ 2,733	\$ 2,815	\$ 2,840	\$ 3,368	\$ 2,924	\$ 3,055	\$ 2,865
(2) Includes depreciation and amortization as follows:									
Cost of revenue (3)	\$ 919	\$ 875	\$ 877	\$ 920	\$ 949	\$ 1,066	\$ 1,084	\$ 1,165	\$ 1,139
Sales and marketing (3)	224	214	220	227	267	256	248	253	236
Research and development	92	90	98	100	102	111	111	113	111
General and administrative	315	300	285	290	287	270	290	346	420
Total depreciation and amortization	\$ 1,550	\$ 1,479	\$ 1,480	\$ 1,537	\$ 1,605	\$ 1,703	\$ 1,733	\$ 1,877	\$ 1,906

Non-GAAP Statement of Operations - Quarterly (see Non-GAAP reconciliation on following page)

	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
<i>(unaudited)</i> <i>(in thousands)</i>	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Revenue	\$ 32,324	\$ 32,660	\$ 31,445	\$ 34,105	\$ 30,097	\$ 30,004	\$ 28,329	\$ 31,763	\$ 27,992
Cost of revenue (3)	7,308	6,883	7,136	6,866	7,011	6,905	7,369	7,547	7,328
Gross profit	25,016	25,777	24,309	27,239	23,086	23,099	20,960	24,216	20,664
Operating expenses:									
Sales and marketing (3)	13,918	15,246	14,138	14,372	13,874	13,831	14,439	11,582	11,816
Research and development	4,769	5,382	5,253	5,389	5,172	4,644	4,403	4,182	4,016
General and administrative	5,596	5,567	5,336	5,099	5,321	5,224	4,708	5,175	4,647
Total operating expenses	24,283	26,195	24,727	24,860	24,367	23,699	23,550	20,939	20,479
(Loss) income from operations	733	(418)	(418)	2,379	(1,281)	(600)	(2,590)	3,277	185
Other income (expense):									
Interest income (expense), net	120	106	125	73	67	54	28	10	11
Other income (expense), net	22	(1)	(19)	(23)	36	13	57	36	90
Total other income (expense)	142	105	106	50	103	67	85	46	101
(Loss) income before income taxes	875	(313)	(312)	2,429	(1,178)	(533)	(2,505)	3,323	286
Income tax expense (benefit)	188	135	112	75	37	84	88	(5,567)	(27)
Net (loss) income	\$ 687	\$ (448)	\$ (424)	\$ 2,354	\$ (1,215)	\$ (617)	\$ (2,593)	\$ 8,890	\$ 313

GAAP to Non-GAAP Reconciliation - Quarterly

	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
<i>(unaudited)</i> <i>(in thousands)</i>	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
GAAP Gross profit as reported	\$ 24,718	\$ 25,685	\$ 24,092	\$ 27,152	\$ 22,788	\$ 22,860	\$ 20,633	\$ 23,872	\$ 20,288
Add: Stock-based compensation - Cost of revenue (3)	298	92	217	87	298	239	327	344	376
Non-GAAP Gross profit	\$ 25,016	\$ 25,777	\$ 24,309	\$ 27,239	\$ 23,086	\$ 23,099	\$ 20,960	\$ 24,216	\$ 20,664
GAAP (Loss) income from operations as reported	\$ (2,241)	\$ (2,734)	\$ (3,151)	\$ (436)	\$ (4,121)	\$ (3,968)	\$ (8,053)	\$ 222	\$ (2,680)
Add: Stock-based compensation - Cost of revenue (3)	298	92	217	87	298	239	327	344	376
Add: Stock-based compensation - S&M (3)	1,003	728	752	978	931	1,172	746	1,098	1,115
Add: Stock-based compensation - R&D	581	355	649	601	588	503	568	477	496
Add: Stock-based compensation - G&A	1,092	1,141	1,115	1,149	1,023	1,454	1,283	1,136	878
Add: One-time charge for VDAs related to sales taxes	—	—	—	—	—	—	2,539	—	—
Non-GAAP (Loss) income from operations	\$ 733	\$ (418)	\$ (418)	\$ 2,379	\$ (1,281)	\$ (600)	\$ (2,590)	\$ 3,277	\$ 185
GAAP Net (loss) income as reported	\$ (2,287)	\$ (2,764)	\$ (3,157)	\$ (461)	\$ (4,055)	\$ (3,985)	\$ (8,056)	\$ 5,835	\$ (2,552)
Add: Stock-based compensation - Cost of revenue (3)	298	92	217	87	298	239	327	344	376
Add: Stock-based compensation - S&M (3)	1,003	728	752	978	931	1,172	746	1,098	1,115
Add: Stock-based compensation - R&D	581	355	649	601	588	503	568	477	496
Add: Stock-based compensation - G&A	1,092	1,141	1,115	1,149	1,023	1,454	1,283	1,136	878
Add: One-time charge for VDAs related to sales taxes	—	—	—	—	—	—	2,539	—	—
Non-GAAP Net (loss) income	\$ 687	\$ (448)	\$ (424)	\$ 2,354	\$ (1,215)	\$ (617)	\$ (2,593)	\$ 8,890	\$ 313

(3) Certain prior period amounts have been reclassified to conform to current period presentation. These reclassifications had no impact on reported (loss) income from operations or net (loss) income for the period.