

# Investor Presentation

August 2024



**N-ABLE™**

# Disclaimers

## General

This presentation and the accompanying oral presentation do not constitute an offer or invitation for the sale or purchase of securities and has been prepared solely for informational purposes. The information contained in this presentation (the “Presentation”) has been prepared to assist financial analysts in making their own evaluation of N-able, Inc. in connection with publishing independent research reports and for no other purpose. This Presentation is subject to updating, completion, revision, verification and further amendment. None of N-able or its respective affiliates has authorized anyone to provide interested parties with additional or different information. The information contained herein does not purport to be all-inclusive or contain all of the information that may be required to make a full analysis of N-able.

## Non-GAAP Financial Measures

In addition to financial information prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), we use certain non-GAAP financial measures to clarify and enhance our understanding, and aid in the period-to-period comparison, of our performance. We believe that these non-GAAP financial measures provide supplemental information that is meaningful when assessing our operating performance because they exclude the impact of certain amounts that our management and board of directors do not consider part of core operating results when assessing our operational performance, allocating resources, preparing annual budgets and determining compensation. The excluded items include the impact of purchase accounting, amortization of acquired intangible assets, stock-based compensation, transaction and sponsor related costs, restructuring charges, unrealized foreign currency gains (losses) and certain debt-related costs. Please see the appendix at the end of this presentation for a description of these adjustments and a reconciliation of each non-GAAP financial measure to its nearest GAAP equivalent. The non-GAAP measures have limitations, and you should not consider them in isolation or as a substitute for our GAAP financial information.

## Presentation of Financials

The spin-off of N-able by SolarWinds Corporation was completed on July 19, 2021. The Company’s financial statements for the periods prior to the spin-off are presented on a “carve-out” basis. The historical financial information in this presentation we have included does not reflect what our financial condition, results of operations or cash flows would have been had we been a stand-alone entity during the historical periods presented, or what our financial condition, results of operations or cash flows will be in the future as an independent entity. Accordingly, these historical results should not be relied upon as an indicator of our future performance. In addition, our financial projections do not include any costs or liabilities associated with the Cyber Incident.

# Disclaimers continued

## Forward-Looking Statements

This presentation contains “forward-looking” statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding our financial outlook for the third quarter and full-year 2024 and the impact of macroeconomic conditions on our business. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements that are not historical facts and may be signified by terms such as “aim,” “anticipate,” “believe,” “continue,” “expect,” “feel,” “intend,” “estimate,” “seek,” “plan,” “may,” “can,” “could,” “should,” “will,” “would” or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially and adversely different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the following: (a) risks related to our spin-off from SolarWinds into a newly created and separately-traded public company, including that the spin-off may not achieve some or all of any anticipated benefits with respect to our business; that the distribution, together with certain related transactions, may not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, which could result in N-able incurring significant tax liabilities, and, in certain circumstances, requiring us to indemnify SolarWinds for material taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement; (b) the impact of adverse economic conditions; (c) our ability to sell subscriptions to new managed service provider (“MSP”) partners, to sell additional solutions to our existing MSP partners and to increase the usage of our solutions by our existing MSP partners, as well as our ability to generate and maintain MSP partner loyalty; (d) any decline in our renewal or net retention rates; (e) the possibility that general economic conditions or uncertainty may cause information technology spending to be reduced or purchasing decisions to be delayed, including as a result of inflation, actions taken by central banks to counter inflation, rising interest rates, war and political unrest, military conflict (including between Russia and Ukraine and in the Middle East), terrorism, sanctions or other geopolitical events globally, or that such factors may otherwise harm our business, financial condition or results of operations; (f) any inability to generate significant volumes of high-quality sales leads from our digital marketing initiatives and convert such leads into new business at acceptable conversion rates; (g) any inability to successfully identify, complete and integrate acquisitions and manage our growth effectively; (h) any inability to resell third-party software or integrate third-party software into our solutions, or find suitable replacements for such third-party software; (i) risks associated with our international operations; (j) foreign exchange gains and losses related to expenses and sales denominated in currencies other than the functional currency of an associated entity; (k) risks that cyberattacks, including the cyberattack on SolarWinds’ Orion Software Platform and internal systems announced by SolarWinds in December 2020 (the “Cyber Incident”), and other security incidents may result in compromises or breaches of our, our MSP partners’, or their SME customers’ systems, the insertion of malicious code, malware, ransomware or other vulnerabilities into our, our MSP partners’, or their SME customers’ environments, the exploitation of vulnerabilities in our, our MSP partners’, or their SME customers’ security, the theft or misappropriation of our, our MSP partners’, or their SME customers’ proprietary and confidential information, and interference with our, our MSP partners’, or their SME customers’ operations, exposure to legal and other liabilities, higher MSP partner and employee attrition and the loss of key personnel, negative impacts to our sales, renewals and upgrades and reputational harm and other serious negative consequences, any or all of which could materially harm our business; (l) our status as a controlled company; (m) our ability to attract and retain qualified employees and key personnel; (n) the timing and success of new product introductions and product upgrades by us or our competitors; (o) our ability to protect and defend our intellectual property and not infringe upon others’ intellectual property; (p) the possibility that our operating income could fluctuate and may decline as a percentage of revenue as we make further expenditures to expand our operations in order to support additional growth in our business; (q) our indebtedness, including increased borrowing costs resulting from rising interest rates, potential restrictions on our operations and the impact of events of default; (r) our ability to operate our business internationally and increase sales of our solutions to our MSP partners located outside of the United States; and (s) such other risks and uncertainties described more fully in documents filed with or furnished to the Securities and Exchange Commission, including the risk factors described in N-able’s Annual Report on Form 10-K for the year ended December 31, 2023, that N-able filed with the SEC on February 29, 2024. All information provided in this presentation is as of the date hereof and N-able undertakes no duty to update this information except as required by law.

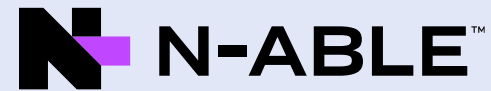
**N-able is a leading global software provider of IT management, data protection, and security solutions.**

# N-able at a Glance

**\$449M**  
Revenue

**~100%**  
Recurring Revenue

**108%**  
Net Retention Rate



## Empowering MSPs

Through purpose-built technology to **enable** and accelerate digital transformation for **small to medium-sized enterprises (SMEs)**

Remote monitoring & management  
Business management  
Data protection  
Security

**13%**

Revenue Growth in Constant  
Currency  
*(14% in Reported)*

**85%**

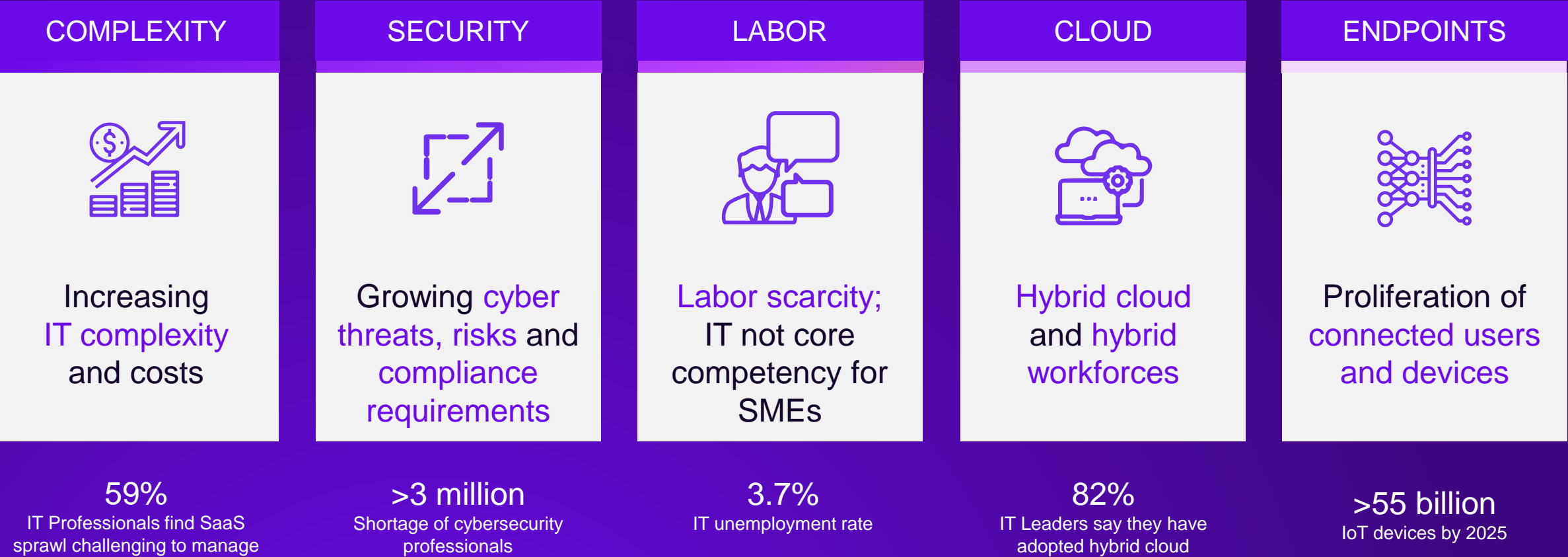
Non-GAAP Gross Margin

**36%**

Non-GAAP Adj EBITDA Margin

The above information is as of June 30, 2024  
All numbers trailing 12 months (TTM) unless otherwise specified

# SMEs Face Challenges Managing Their IT Ecosystems



Sources: BetterCloud 2023 State of SaaS Ops Report, ISC, U.S. Bureau of Labor Statistics, Cisco 2022 Global Hybrid Cloud Trends Report, IDC

# SMEs Are Turning To MSPs for IT Support

MSPs are technology experts...

**125,000+**  
providers of  
outsourced  
IT services to SMEs  
across the world<sup>1</sup>

...providing broad IT services...



IT Help Desk



Advanced Endpoint Protection



Device Monitoring



Backup and Recovery



Email Security



Cloud Services



Network Monitoring

...to SMEs across industries



Healthcare



Insurance



Financial Institutions



Transportation



Law Firms



Retail

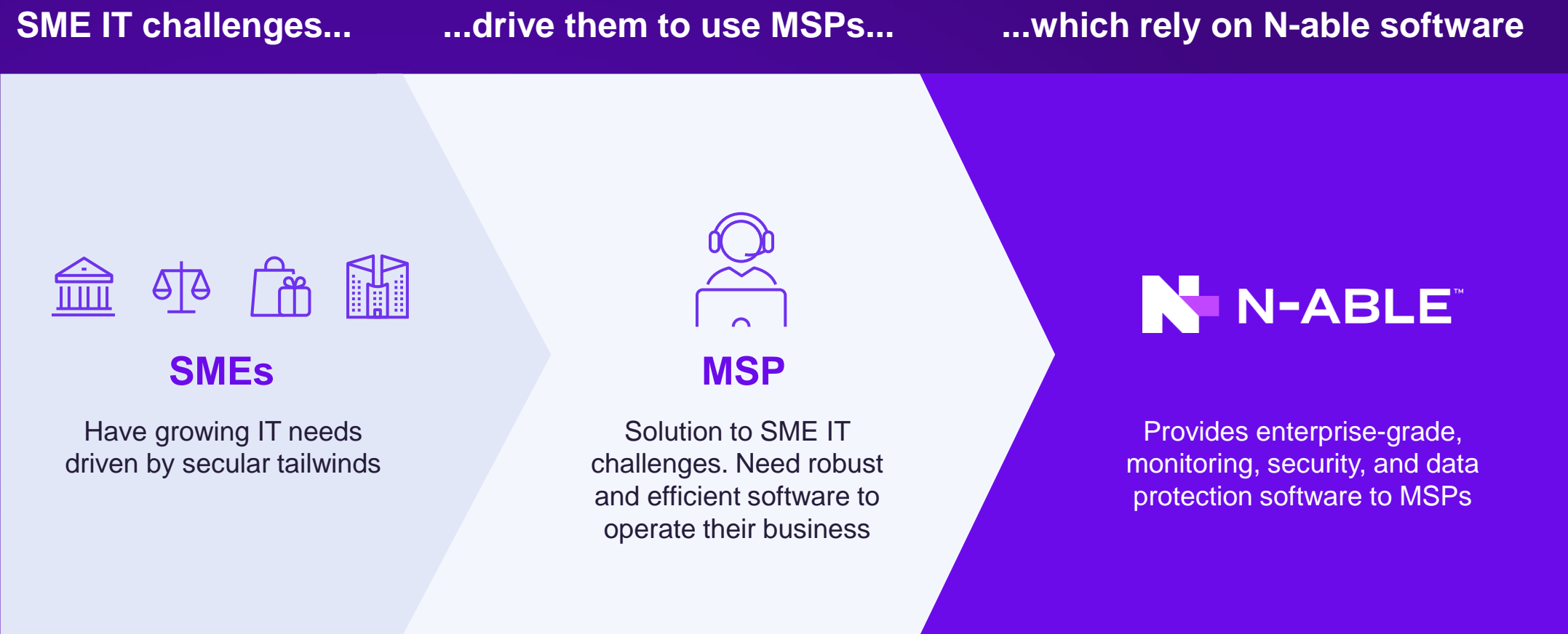


Real Estate

<sup>1</sup> Note: Global SME IT Managed Services Spend and N-able TAM estimates based on Frost & Sullivan "Total Addressable Market for SMB IT Managed Service Providers," February 2021



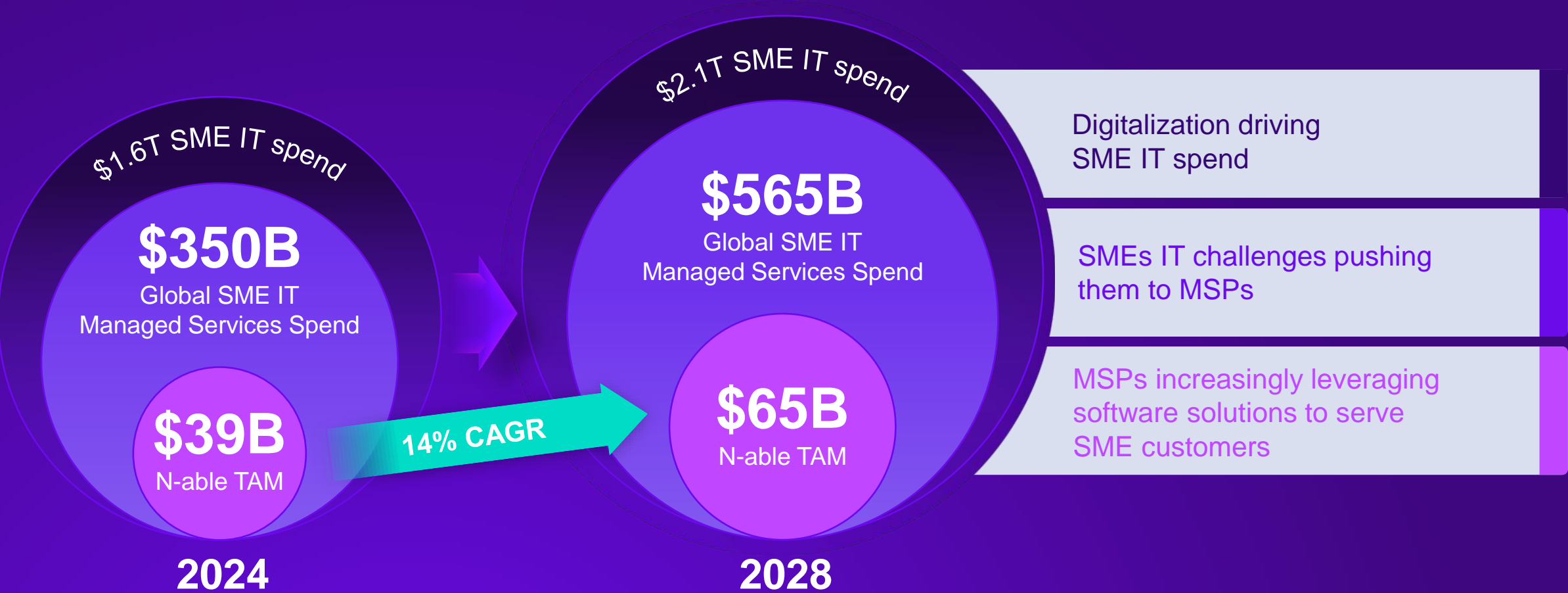
# N-able is Uniquely Positioned in Growing Market Ecosystem



N-able products meet the direct needs of the MSP and by extension the SME



# Large and Attractive Market Opportunity



Note: Company Estimates

# Product Portfolio

# N-able Software Portfolio

## Remote Monitoring and Management

Gives MSPs and IT professionals the ability to monitor and manage their network from anywhere. Cloud based nature allows MSPs and IT professionals to automate tasks.

### Product Portfolio


**N-sight**

**N-central®**

 Patch Management

 Automation

 Remote Access

 Cloud Monitoring

 Apple Support

 Best in class integrations

### Recognition



## Security

Protects SMEs and IT professionals' devices, applications and networks with a comprehensive security suite for the full threat lifecycle.

### Product Portfolio

**EDR, Managed EDR, MDR, Passport, DNS Filtering, Mail Assure**



Advanced AI-based endpoint security



Managed EDR and MDR from world-class experts



Protect every click with DNS



Proactive threat hunting to uplevel SOC



Password Manager



Intelligence-driven email security

### Recognition



## Data Protection

Includes cloud first backup, disaster recovery, and archiving solutions. Facilitates efficient restore of data, allowing SMEs to safeguard crucial information on their network.

### Product Portfolio

**Cove Data Protection**



Workstations and M365 Backup



Physical and Virtual Servers



Meet Policy Requirements



Appliance free, direct to cloud



Smooth interface experience



Strong RPOs and RTOs

### Recognition



## Architectural Features



Multi-tenant



Unified Agents



Secure Design



Automation



Extensibility

# Manage Everything from Anywhere

## Remote Monitoring and Management

Gives MSPs and IT professionals the ability to monitor and manage their network from anywhere. Cloud based nature allows MSPs and IT professionals to automate tasks.

### Product Portfolio

N-ABLE

**N-sight**

N-ABLE

**N-central®**



Patch  
Management



Automation



Remote  
Access



Cloud Monitoring



Apple  
Support



Best in class  
integrations

### Recognition



## Solution capabilities

- Enables MSPs of all sizes to manage complex SME IT environments
- Single pane of glass to manage thousands of users and devices
- Robust out-of-the-box automation policies and performance checks

## What problems does it solve for the MSP?

- Rapidly identify and resolve issues
- Manage complex hybrid IT environments
- Maximize uptime and productivity for customers
- Reduce cost and complexity through automation

# Simplify & Integrate Security

## Security

Protects SMBs and IT professionals' devices, applications, and networks with a comprehensive cybersecurity suite for the full threat lifecycle.

### Product Portfolio

**EDR, Managed EDR, MDR, Passportal, DNS Filtering, Mail Assure**



Advanced AI-based endpoint security



Managed EDR and MDR from world-class experts



Protect every click with advanced DNS



Proactive threat hunting to uplevel SOC



Password manager



Intelligence-driven email security

### Recognition



## Solution capabilities

- Layered protection spanning network and systems infrastructure, applications and end-user devices
- Cutting edge EDR and email-protection technologies
- Meets spectrum of market needs from AV to MDR

## What problems does it solve for the MSP?

- Protect SME customers from multiple attack vectors
- Preventative protection + recoverability = complete defense
- Platform integration and unified agent approach enable seamless deployment

# Data Protection & Business Continuity

## Data Protection

Includes cloud first backup, disaster recovery, and archiving solutions. Facilitates efficient restore of data, allowing SMBs to safeguard crucial information on their network.

### Product Portfolio



Workstations and M365 Backup



Physical and Virtual Servers



Meet Policy Requirements



Appliance free, direct to cloud

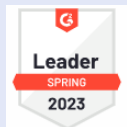


Smooth interface experience



Strong RPOs and RTOs

### Recognition



## Solution capabilities

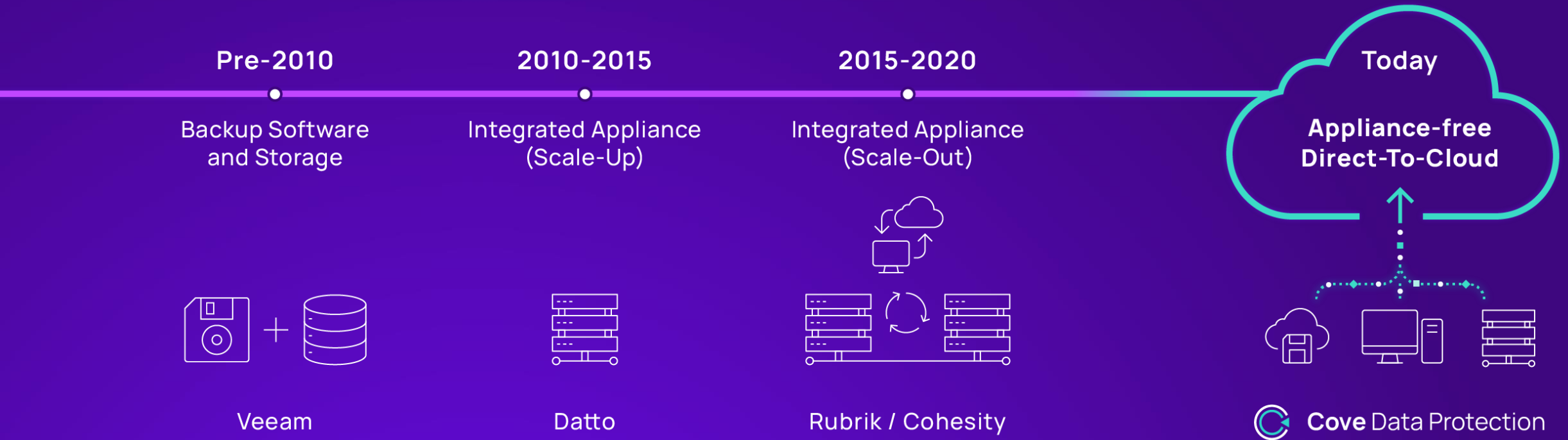
- Fully cloud-based backup, recovery and disaster recovery for servers, workstations, files, data and cloud-based applications
- Geographically distributed architecture, primarily on AWS
- File-based backup vs. traditional image-based approach enables high-speed recovery and low operating costs

## What problems does it solve for the MSP?

- Efficiently manage exponential data proliferation
- Solutions do not require hardware
- Extensive storage location options
- Reduces technician time spent managing backups

# Cove Data Protection: Architecture Wins

Cloud-first Data Protection as a Service





# Why N-able Wins

## Point Solutions



**Technology Breadth & Depth**

**Built for the MSP**

**Platform Efficiency**

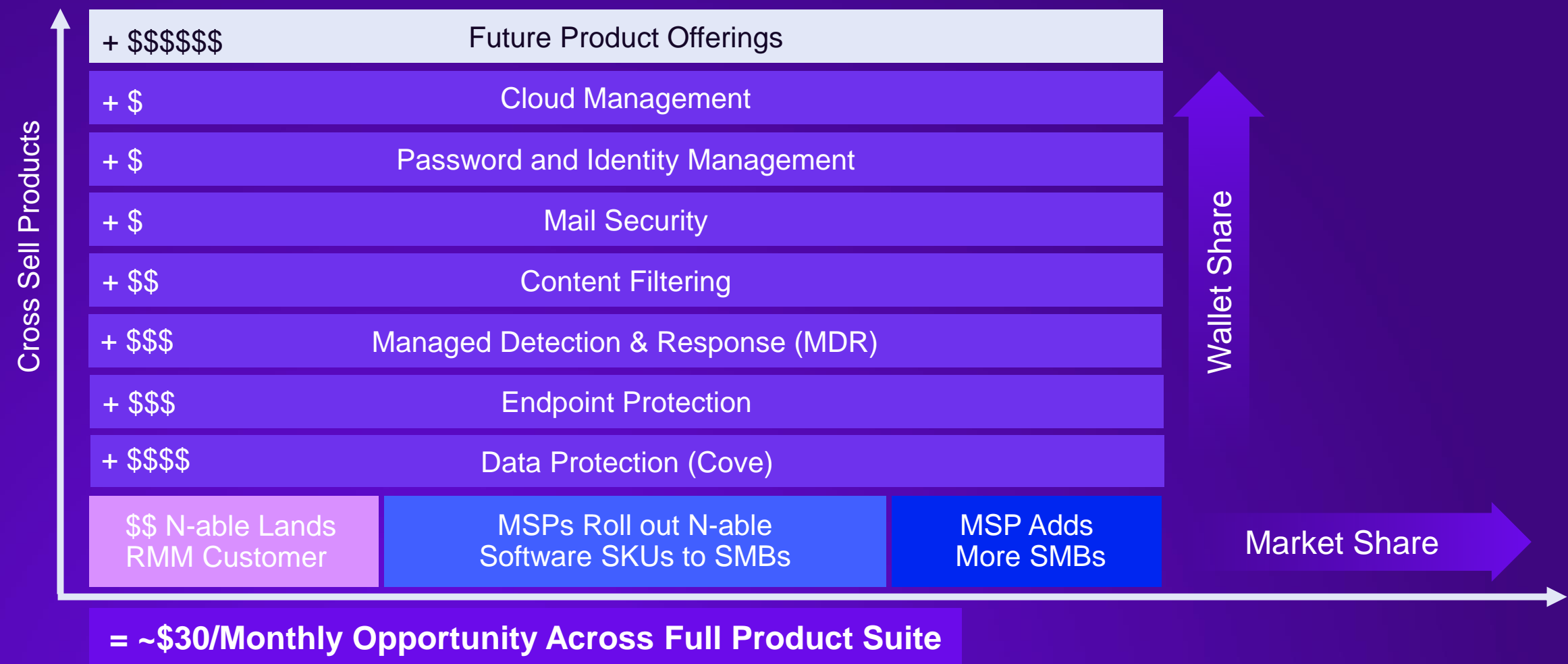
**Customer Success Resources**

## MSP Platform Providers



# Business Model Growth Vectors

Our Formula: Win the Customer. Grow Wallet Share.



# Our GTM and Multi-dimensional Land-and-Expand Strategy

1

High-velocity, low-touch inside sales motion with frictionless free trial approach to acquire MSPs...

**N-able Sales Reps**

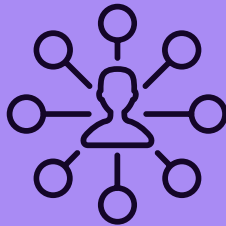


Localized distributor model internationally

2

...driving efficient growth as MSP partners drive sales...

**~25K MSP Partners**



**Partner Success maintains ongoing relationship**

3

...by adding new SME customers...

**500K+ SME Customers**



4

...that add new devices, services and drive usage.

**8M+ Devices  
Devices/Networks**



**Services**

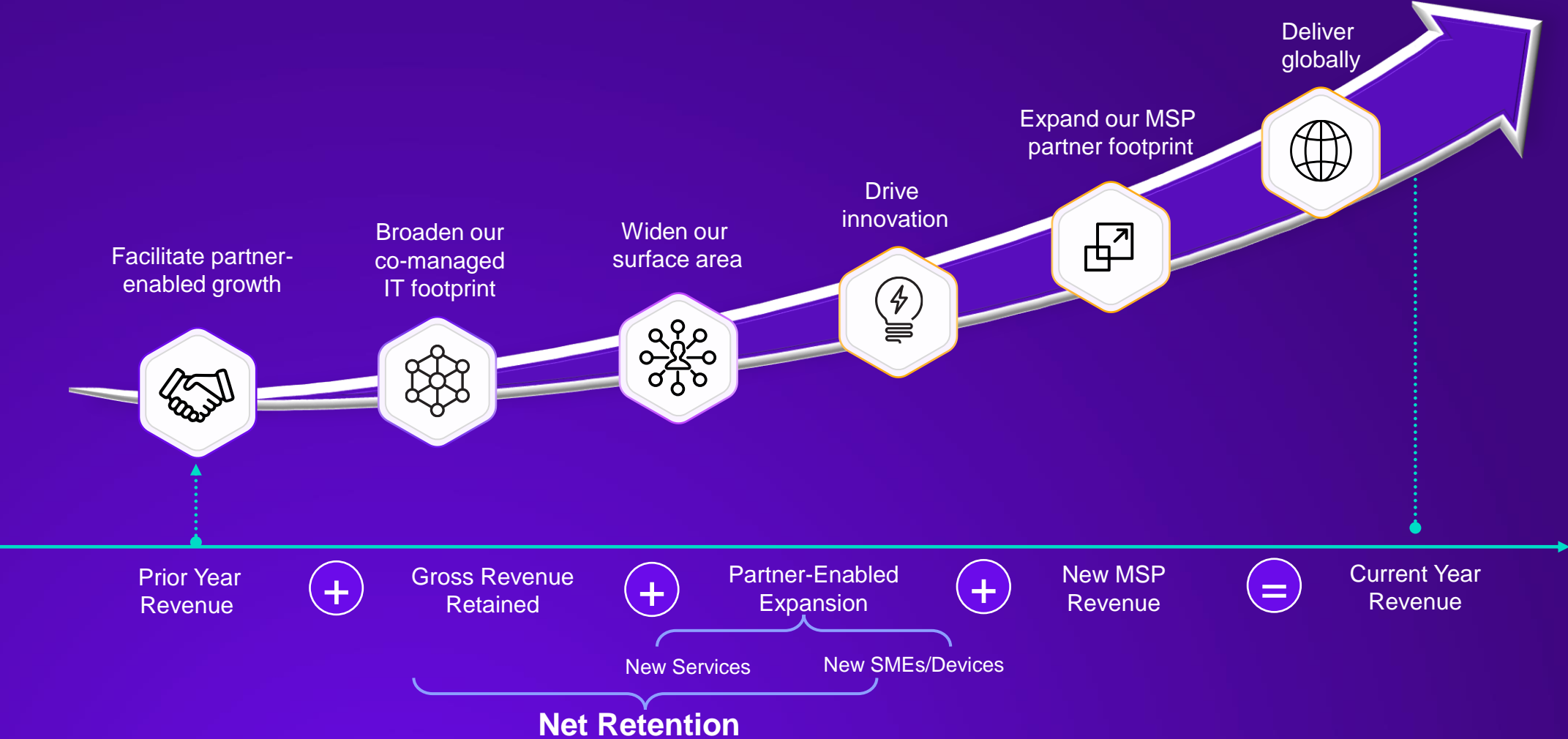


**Usage**



Powered by N-able Platform

# Multiple Levers of Growth Make This An Exciting Opportunity



# Consistent Revenue Growth and Profitability



	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Revenue, y/y	7%	6%	7%	10%	16%	15%	13%	14%	13%
Revenue @ CC, y/y	13%	13%	13%	13%	17%	13%	11%	14%	13%

# Why N-able?

- 1 Leading** – Global software provider to MSPs; experienced management team driving innovation
- 2 Market Opportunity** – Secular tailwinds of digital transformation, IT outsourcing and cybersecurity
- 3 Product Focus** – Purpose-built software architected and built for the MSP & SME
- 4 Brand** – Trusted reputation as provider of MSP and SME software since 2000
- 5 Balanced Growth and Profitability** – Rule of 40+ and targeting Rule of 50

# Quarterly Highlights



# Q2'24 Key Metrics

**\$119.4M**

Revenue

**13%**

Y/Y Constant Currency Revenue  
growth

**39%**

Adjusted EBITDA Margin

**108%**

TTM Net Retention

**85%**

Non-GAAP Gross Margin

**2,194**

MSP partners representing \$50K  
or more of ARR

**~25K**

MSP partners

**~500K**

SME customers

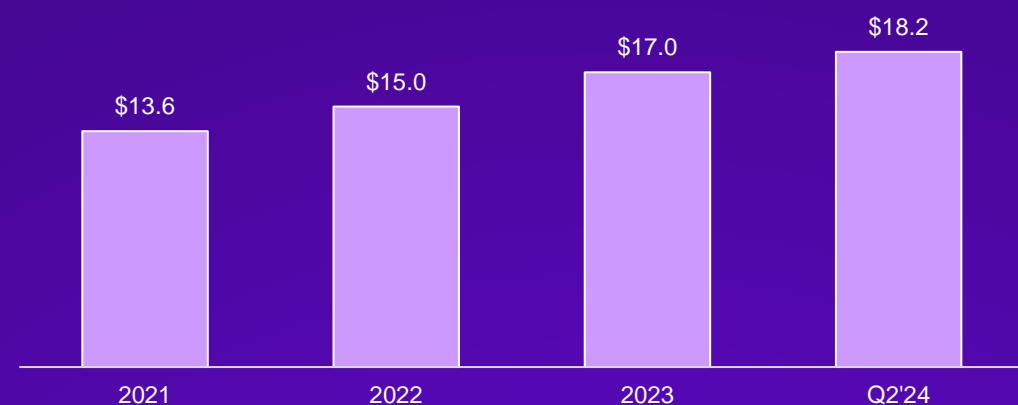
**56%**

Total ARR from partners with \$50K  
ARR or more

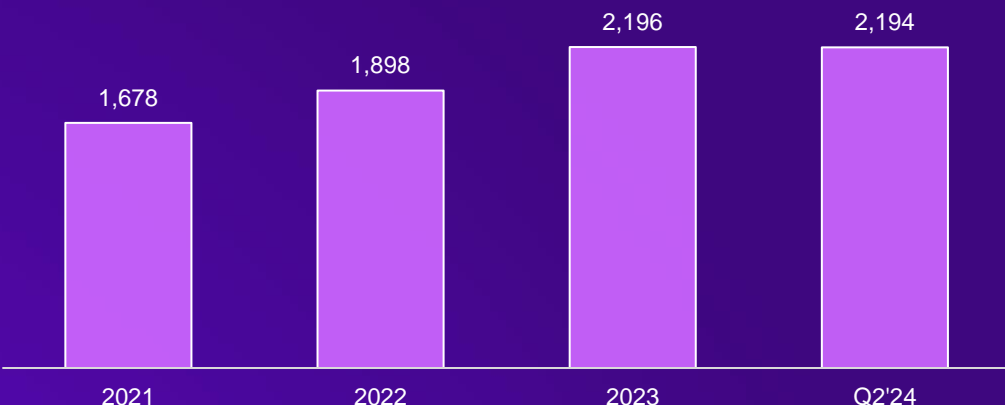
The above information is as of June 30, 2024

# Highly Visible and Predictable Revenue Model

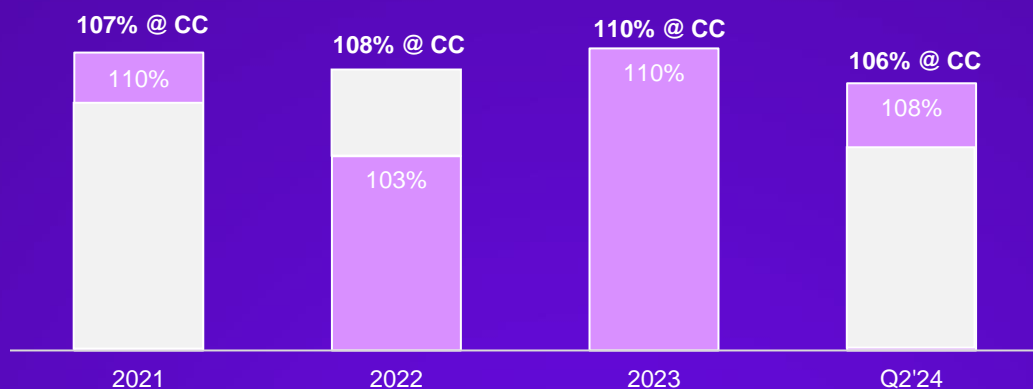
Average revenue per partner TTM (\$000s)



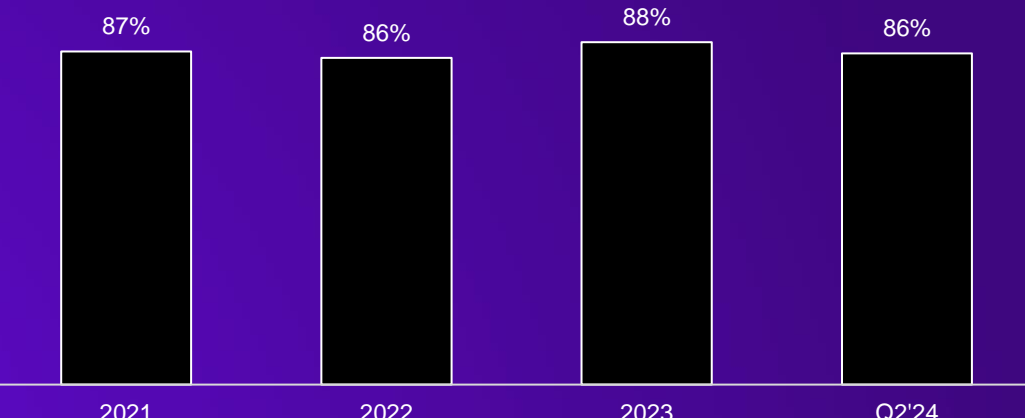
Partners spending ARR of \$50K+



Dollar-based net revenue retention TTM



Gross revenue retention TTM



Note: Metrics shown through July 19, 2021, represent financials on a carve-out basis from SolarWinds Corporation and are not directly comparable to the N-able standalone financial metrics starting July 20, 2021.



# Q3'24 and FY'24 Financial Outlook

	<u>Q3'24</u>	<u>FY'24</u>
Revenue	\$114.5-\$115.0M	\$463-\$465M
Y/Y growth	6-7% (~7% cc)	10% (~10% cc)
Adjusted EBITDA	\$39.5-\$40.0M	\$165.5-\$167.5M
Adj EBITDA Margin	~35%	36%

Reflects guidance as of August 8, 2024, assuming FX rates of 1.08 on the Euro and 1.27 on the Pound for future forecast periods, as well as other currencies.

# Capital Structure and Leverage Ratio

	Amount (\$M)	
Cash & Cash Equivalents	\$158	
Term Loan Due July 2028	\$340	
\$60M Revolving Credit Facility	\$0	X TTM Adj EBITDA
Total Outstanding Debt Balance	\$340	~2.1x
Total Net Debt	\$182	~1.1x
TTM Adjusted EBITDA	~\$162	

# Supplemental Financials

# Definitions of Non-GAAP Financial Measures

**Dollar-based net revenue retention.** To calculate our annual dollar-based net revenue retention rate, we first identify the MSP partners with active paid subscriptions in the last month of the prior-year period, or the base partners. We then divide the subscription revenue in the last month of the current-year period attributable to the base partners by the revenue attributable to those base partners in the last month of the prior-year period. Our dollar-based net revenue retention rate for a particular period is then obtained by averaging the rates from that particular period with the results from each of the prior eleven months. Our calculation includes any expansion revenue and is net of any contraction or cancellation but excludes credits and revenue attributable to any MSP partner who was not a partner with a paid subscription in the prior period.

**Gross Revenue Retention Rate.** To calculate our gross revenue retention rate, we first identify the MSP partners with active paid subscriptions in the last month of the prior-year period, or the base partners. We then deduct from subscription revenue attributable to the base partners, any subscription revenue attrition from MSP partners who are no longer partners as of the last month of the current-year period and subscription revenue contraction from MSP partners whose subscriptions are at a lower value as of the last month of the current-year period, or remaining subscription revenue. We then divide remaining subscription revenue by subscription revenue attributable to base partners to arrive at our gross revenue retention rate. Our gross revenue retention rate for a particular period is then obtained by averaging the rates from that particular period with the results from each of the prior eleven months.

**Annualized Recurring Revenue (ARR).** We determine ARR as the annualized recurring revenue as of the last month of a given period. We calculate ARR by multiplying the recurring revenue and related usage revenue, excluding the impacts of credits and reserves, recognized during the final month of the reporting period from both long-term and month-to-month subscriptions by twelve.

**Non-GAAP Gross Profit and Non-GAAP Gross Margin.** We define non-GAAP gross profit as revenue less total cost of revenue, excluding such items as stock-based compensation expense and related employer-paid payroll taxes, amortization of acquired intangible assets, transaction related costs, spin-off costs and restructuring costs and other. We define non-GAAP gross margin as non-GAAP gross profit divided by revenue.

**Non-GAAP Operating Expenses.** We define non-GAAP operating expenses as the sum of sales and marketing, research and development, and general and administrative expenses, excluding such items as stock-based compensation expense and related employer-paid payroll taxes, amortization of acquired intangible assets, transaction related costs, spin-off costs and restructuring costs and other.

**Adjusted EBITDA and Adjusted EBITDA Margin.** We define adjusted EBITDA as net income or loss, excluding amortization of acquired intangible assets and developed technology, depreciation expense, income tax expense (benefit), interest expense, net, unrealized foreign currency (gains) losses, transaction related costs, spin-off costs, stock-based compensation expense and related employer-paid payroll taxes and restructuring costs and other. We define adjusted EBITDA margin as adjusted EBITDA divided by total revenue.

**Unlevered Free Cash Flow.** We calculate unlevered free cash flow as cash flows from operating activities after the deduction of capital expenditures and prior to the impact of tax-effected cash paid for interest and other debt related items, cash paid for transaction related costs, spin-off exploration costs, restructuring costs, employer-paid payroll taxes on stock awards and other one-time items.

# Non-GAAP Reconciliations

## Adjusted EBITDA

\$(M)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Net (loss) income	\$ 4	\$ 0	\$ 7	\$ 4	\$ 5	\$ 6	\$ 9	\$ 7	\$ 9
Amortization and Depreciation	6	6	6	6	5	5	5	6	6
Income Tax Expense	2	5	3	5	5	4	7	6	6
Interest Expense, net	4	5	6	7	8	8	8	8	8
Unrealized FX losses (gains)	0	1	(2)	0	1	2	(2)	1	0
Transaction related costs	0	0	(0)	0	(0)	(1)	(0)	(1)	5
Spin-off costs	0	0	0	0	0	0	0	0	-
Stock Based Compensation	10	10	9	11	12	12	11	13	12
Restructuring costs and other	0	1	2	1	0	1	0	1	0
<b>Adjusted EBITDA</b>	<b>\$ 28</b>	<b>\$ 29</b>	<b>\$ 31</b>	<b>\$ 33</b>	<b>\$ 35</b>	<b>\$ 37</b>	<b>\$ 39</b>	<b>\$ 40</b>	<b>\$ 47</b>
<b>% margin</b>	<b>30%</b>	<b>31%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>	<b>34%</b>	<b>36%</b>	<b>35%</b>	<b>39%</b>

2020A	2021A	2022A	2023A
\$ (7)	\$ 0	\$ 17	\$ 23
56	34	24	22
12	11	14	21
28	20	19	30
2	1	(1)	0
0	(0)	0	(1)
7	16	2	1
21	30	38	45
0	0	3	2
<b>\$ 121</b>	<b>\$ 113</b>	<b>\$ 115</b>	<b>\$ 143</b>
<b>40%</b>	<b>33%</b>	<b>31%</b>	<b>34%</b>

## Unlevered Free Cash Flow

\$(M)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Cash Flow from operations	\$ 23	\$ 17	\$ 18	\$ 11	\$ 21	\$ 28	\$ 31	\$ 4	\$ 27
Purchases of PP&E	(3)	(4)	(3)	(3)	(4)	(4)	(3)	(3)	(3)
Purchases of Intangible Assets	(1)	(1)	(5)	(2)	(2)	(2)	(2)	(2)	(2)
<b>Free cash flow</b>	<b>19</b>	<b>12</b>	<b>11</b>	<b>5</b>	<b>15</b>	<b>22</b>	<b>26</b>	<b>(1)</b>	<b>22</b>
(+) Cash paid for interest, net of cash interest receive	3	4	5	7	7	7	7	7	7
(+) Cash paid for acq, spin-off, restructuring etc, employer-paid payroll taxes on stock awards	3	3	2	2	2	1	1	1	6
<b>Unlevered free cash flow (excl forfeited tax shield)</b>	<b>25</b>	<b>19</b>	<b>18</b>	<b>14</b>	<b>24</b>	<b>30</b>	<b>35</b>	<b>7</b>	<b>35</b>
(-) Forfeited tax shield related to interest payments	-	-	-	-	-	-	-	-	-
<b>Unlevered free cash flow</b>	<b>\$ 25</b>	<b>\$ 19</b>	<b>\$ 18</b>	<b>\$ 14</b>	<b>\$ 24</b>	<b>\$ 30</b>	<b>\$ 35</b>	<b>\$ 7</b>	<b>\$ 35</b>
<b>% Margin</b>	<b>27%</b>	<b>20%</b>	<b>18%</b>	<b>14%</b>	<b>22%</b>	<b>28%</b>	<b>32%</b>	<b>6%</b>	<b>30%</b>

2020A	2021A	2022A	2023A
\$ 86	\$ 45	\$ 71	\$ 90
(12)	(31)	(13)	(14)
(4)	(4)	(8)	(9)
<b>70</b>	<b>11</b>	<b>50</b>	<b>68</b>
27	20	16	28
10	17	9	6
<b>106</b>	<b>48</b>	<b>75</b>	<b>102</b>
(7)	(4)	-	-
<b>\$ 100</b>	<b>\$ 44</b>	<b>\$ 75</b>	<b>\$ 102</b>
<b>33%</b>	<b>13%</b>	<b>20%</b>	<b>24%</b>

Note: Metrics shown through July 19, 2021, represent financials on a carve-out basis from SolarWinds Corporation and are not directly comparable to the N-able standalone financial metrics starting July 20, 2021.



# Non-GAAP Reconciliations

## Non-GAAP Cost of Revenue

\$(M)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	2020A	2021A	2022A	2023A
GAAP cost of revenue	\$ 14	\$ 15	\$ 15	\$ 16	\$ 17	\$ 17	\$ 18	\$ 18	\$ 19	\$ 63	\$ 52	\$ 59	\$ 68
Stock-based compensation and related employer-paid payroll taxes	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)
Amortization of acquired technologies	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(24)	(6)	(2)	(2)
Restructuring costs and other	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	(0)	-	(0)	(0)
<b>Non-GAAP cost of revenue</b>	<b>\$ 13</b>	<b>\$ 14</b>	<b>\$ 14</b>	<b>\$ 15</b>	<b>\$ 16</b>	<b>\$ 17</b>	<b>\$ 17</b>	<b>\$ 17</b>	<b>\$ 18</b>	<b>\$ 38</b>	<b>\$ 46</b>	<b>\$ 55</b>	<b>\$ 65</b>

## Non-GAAP Sales & Marketing

\$(M)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	2020A	2021A	2022A	2023A
GAAP sales and marketing expense	\$ 32	\$ 31	\$ 31	\$ 33	\$ 35	\$ 34	\$ 34	\$ 36	\$ 33	\$ 82	\$ 113	\$ 125	\$ 135
Stock-based compensation and related employer-paid payroll taxes	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(9)	(13)	(15)
Transaction related costs	(0)	(0)	(0)	-	(0)	(0)	0	-	(0)	(0)	-	(0)	(0)
Restructuring costs and other	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	(0)	-	0	(0)	(0)
Spin-off costs	-	-	-	-	-	-	-	-	-	(1)	(0)	-	-
<b>Non-GAAP S&amp;M expense</b>	<b>\$ 29</b>	<b>\$ 28</b>	<b>\$ 28</b>	<b>\$ 29</b>	<b>\$ 31</b>	<b>\$ 30</b>	<b>\$ 30</b>	<b>\$ 31</b>	<b>\$ 29</b>	<b>\$ 77</b>	<b>\$ 103</b>	<b>\$ 112</b>	<b>\$ 119</b>

Note: Metrics shown through July 19, 2021, represent financials on a carve-out basis from SolarWinds Corporation and are not directly comparable to the N-able standalone financial metrics starting July 20, 2021.

# Non-GAAP Reconciliations

## Non-GAAP General & Administrative

\$(M)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	2020A	2021A	2022A	2023A
GAAP general and administrative expense	\$ 18	\$ 18	\$ 17	\$ 17	\$ 18	\$ 18	\$ 16	\$ 17	\$ 23	\$ 57	\$ 81	\$ 71	\$ 70
Stock-based compensation and related employer-paid payroll taxes	(5)	(5)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(13)	(15)	(18)	(19)
Transaction related costs	(0)	(0)	0	(0)	0	1	0	1	(5)	(0)	0	(0)	1
Restructuring costs and other	(0)	(0)	(1)	0	(0)	(1)	(0)	(0)	0	(0)	(0)	(1)	(1)
Spin-off costs	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	(7)	(15)	(2)	(1)
<b>Non-GAAP G&amp;A expense</b>	<b>\$ 13</b>	<b>\$ 12</b>	<b>\$ 12</b>	<b>\$ 12</b>	<b>\$ 13</b>	<b>\$ 13</b>	<b>\$ 12</b>	<b>\$ 13</b>	<b>\$ 13</b>	<b>\$ 37</b>	<b>\$ 50</b>	<b>\$ 51</b>	<b>\$ 50</b>

## Non-GAAP Research & Development

\$(M)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	2020A	2021A	2022A	2023A
GAAP research and development expense	\$ 15	\$ 16	\$ 17	\$ 19	\$ 20	\$ 20	\$ 19	\$ 22	\$ 22	\$ 43	\$ 54	\$ 63	\$ 78
Stock-based compensation and related employer-paid payroll taxes	(2)	(2)	(1)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(5)	(6)	(9)
Transaction related costs	(0)	-	(0)	-	(0)	-	-	-	(0)	-	-	(0)	(0)
Restructuring costs and other	(0)	(0)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	-	(0)	(1)	(1)
Spin-off costs	-	-	-	-	-	-	-	-	-	(0)	(0)	-	-
<b>Non-GAAP R&amp;D expense</b>	<b>\$ 13</b>	<b>\$ 14</b>	<b>\$ 15</b>	<b>\$ 16</b>	<b>\$ 18</b>	<b>\$ 17</b>	<b>\$ 17</b>	<b>\$ 19</b>	<b>\$ 20</b>	<b>\$ 39</b>	<b>\$ 49</b>	<b>\$ 56</b>	<b>\$ 68</b>

Note: Metrics shown through July 19, 2021, represent financials on a carve-out basis from SolarWinds Corporation and are not directly comparable to the N-able standalone financial metrics starting July 20, 2021.