



Financial Model



2016 Financial Model

	2015 Actual (GAAP)	2016 Legacy Business	Alphaform Impact	2016 GAAP w/ Alphaform
Revenue Growth	26%	20-25%	~5%	25-30%
GAAP Operating Income	25.4%	24.5-27%	(100) to (150) basis points	23-26%
Gross Margin	58.6%	57.5-60%	(100) to (150) basis points	56-59%
Marketing & Sales	14.9%	14-15%		14-15%
Research & Development	6.8%	7-8%		7-8%
General & Administrative	11.3%	9-11%		10-12%

2016 GAAP / Non - GAAP

	2016 GAAP w/ Alphaform	Non-GAAP	2016 Non- GAAP
Revenue Growth	25-30%		25-30%
GAAP Operating Income	23-26%	200 to 250 basis points	25-28%
Gross Margin	56-59%	-	56-59%
Marketing & Sales	14-15%	50 bp	13.5-14.5%
Research & Development	7-8%	50 bp	6.5-7.5%
General & Administrative	10-12%	100 to 150 basis points	9-10.5%

Long Term Financial Model

	Current Target	Long Term Target - GAAP	Non-GAAP Adjustments	Long Term Target - Adjusted
Revenue Growth	~25%	20-25%		20-25%
GAAP Operating Income	~29%	26-29%	200 to 250 basis points	28-30%
Gross Margin	61-63%	58-62%	-	58-62%
Marketing & Sales	13-15%	13-15%	50 bp	12.5-14.5%
Research & Development	6-8%	6.5-8%	50 bp	6-7.5%
General & Administrative	9-11%	9-10%	100 to 150 basis points	8-9%
Non-GAAP Operating Income	~31%			28-30%