



**CYBERARK®**

**Q4 2017 Earnings Results**

**Supplementary Data, Financial Tables and Non-GAAP Reconciliations**

#### **Non-GAAP Financial Measures**

CyberArk believes that the use of non-GAAP gross profit, non-GAAP operating income and non-GAAP net income is helpful to our investors. These financial measures are not measures of the Company's financial performance under U.S. GAAP and should not be considered as alternatives to operating income or net income or any other performance measures derived in accordance with GAAP.

Non-GAAP gross profit is calculated as gross profit excluding share-based compensation expense and amortization of intangible assets related to acquisitions. Non-GAAP operating income is calculated as operating income excluding share-based compensation expense, acquisition related expenses, facility exit costs and amortization of intangible assets related to acquisitions. Non-GAAP net income is calculated as net income excluding share-based compensation expense, acquisition related expenses, facility exit costs, amortization of intangible assets related to acquisitions and the tax effect of the non-GAAP adjustments as well as the impact of a one-time adjustment to our deferred tax asset as a result of the US Tax Cuts and Jobs Act 2017.

The Company believes that providing non-GAAP financial measures that exclude share-based compensation, acquisition related expenses, facility exit costs, amortization of intangible assets related to acquisitions and the one-time impact of the US Tax Cuts and Jobs Act of 2017 allows for more meaningful comparisons of its period to period operating results. Share-based compensation expense has been and will continue to be for the foreseeable future, a significant recurring expense in the Company's business and an important part of the compensation provided to its employees. Share based compensation expense has varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash expense. The Company believes that expenses related to its acquisitions, facility exit costs, amortization of intangible assets related to acquisitions and the one-time impact of the US Tax Cuts and Jobs Act of 2017, do not reflect the performance of its core business and impact period-to-period comparability.

Non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies in the industry may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. In addition, there are limitations in using non-GAAP financial measures as they exclude expenses that may have a material impact on the Company's reported financial results. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP. CyberArk urges investors to review the reconciliation of its non-GAAP financial measures to the comparable U.S. GAAP financial measures included below, and not to rely on any single financial measures to evaluate its business.



CyberArk Software Ltd.

Consolidated Statements of Operations -- Fiscal Quarters

(\$ in Thousands, except per share amounts and percentages)

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Revenue</b>								
License	\$ 27,514	\$ 29,965	\$ 33,257	\$ 40,794	\$ 32,952	\$ 30,318	\$ 35,818	\$ 48,552
Maintenance & Professional Services	19,397	20,415	21,707	23,564	26,083	27,162	29,000	31,816
<b>Total</b>	<b>46,911</b>	<b>50,380</b>	<b>54,964</b>	<b>64,358</b>	<b>59,035</b>	<b>57,480</b>	<b>64,818</b>	<b>80,368</b>
<b>Cost of Revenues</b>								
License	1,274	1,283	1,084	1,085	1,584	1,907	2,161	2,259
Maintenance & Professional Services	5,160	5,628	6,962	7,675	7,683	8,093	8,801	9,360
<b>Total Cost of Revenues</b>	<b>6,434</b>	<b>6,911</b>	<b>8,046</b>	<b>8,760</b>	<b>9,267</b>	<b>10,000</b>	<b>10,962</b>	<b>11,619</b>
<b>Total Gross Profit</b>	<b>40,477</b>	<b>43,469</b>	<b>46,918</b>	<b>55,598</b>	<b>49,768</b>	<b>47,480</b>	<b>53,856</b>	<b>68,749</b>
<b>Gross Profit Margin</b>	<b>86%</b>	<b>86%</b>	<b>85%</b>	<b>86%</b>	<b>84%</b>	<b>83%</b>	<b>83%</b>	<b>86%</b>
<b>Operating expenses:</b>								
Research and development	7,933	8,165	9,192	9,324	9,214	9,561	11,369	12,245
Sales and marketing	21,663	21,837	23,800	26,475	27,678	29,500	32,877	36,684
General and administrative	4,670	5,016	5,841	6,590	6,878	7,409	7,927	8,185
<b>Total operating expenses</b>	<b>34,266</b>	<b>35,018</b>	<b>38,833</b>	<b>42,389</b>	<b>43,770</b>	<b>46,470</b>	<b>52,173</b>	<b>57,114</b>
<b>Operating Income</b>	<b>6,211</b>	<b>8,451</b>	<b>8,085</b>	<b>13,209</b>	<b>5,998</b>	<b>1,010</b>	<b>1,683</b>	<b>11,635</b>
Financial income (expenses), net	67	(94)	368	(96)	548	1,127	816	1,612
Income before taxes on income	6,278	8,357	8,453	13,113	6,546	2,137	2,499	13,247
Tax benefit (taxes on income)	(1,954)	(1,908)	(1,341)	(2,874)	990	1,109	(818)	(9,695)
<b>Net Income</b>	<b>\$ 4,324</b>	<b>\$ 6,449</b>	<b>\$ 7,112</b>	<b>\$ 10,239</b>	<b>\$ 7,536</b>	<b>\$ 3,246</b>	<b>\$ 1,681</b>	<b>\$ 3,552</b>
<b>Basic net income per ordinary share</b>	<b>\$ 0.13</b>	<b>\$ 0.19</b>	<b>\$ 0.21</b>	<b>\$ 0.30</b>	<b>\$ 0.22</b>	<b>\$ 0.09</b>	<b>\$ 0.05</b>	<b>\$ 0.10</b>
<b>Diluted net income per ordinary share</b>	<b>\$ 0.12</b>	<b>\$ 0.18</b>	<b>\$ 0.20</b>	<b>\$ 0.28</b>	<b>\$ 0.21</b>	<b>\$ 0.09</b>	<b>\$ 0.05</b>	<b>\$ 0.10</b>
Shares used in computing net income per ordinary shares, basic	33,366,332	33,547,975	33,886,461	34,158,580	34,395,084	34,729,119	34,979,389	35,182,870
Shares used in computing net income per ordinary shares, diluted	35,707,977	35,787,574	35,983,790	36,003,803	36,113,216	36,194,471	36,184,151	36,296,609

CyberArk Software Ltd.

GAAP to Non-GAAP Reconciliation

(\$ in Thousands, except per share amounts and percentages)

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP gross profit	\$ 40,477	\$ 43,469	\$ 46,918	\$ 55,598	\$ 49,768	\$ 47,480	\$ 53,856	\$ 68,749
Share-based compensation	241	285	423	437	453	504	701	631
Amortization of intangible assets - Cost of revenues	355	355	355	355	843	992	1,195	1,183
Non-GAAP gross profit	<u>\$ 41,073</u>	<u>\$ 44,109</u>	<u>\$ 47,696</u>	<u>\$ 56,390</u>	<u>\$ 51,064</u>	<u>\$ 48,976</u>	<u>\$ 55,752</u>	<u>\$ 70,563</u>
Non-GAAP gross profit margin	88%	88%	87%	88%	86%	85%	86%	88%
GAAP research and development expense	\$ 7,933	\$ 8,165	\$ 9,192	\$ 9,324	\$ 9,214	\$ 9,561	\$ 11,369	\$ 12,245
Share-based compensation	940	998	1,403	1,319	1,309	1,523	1,775	1,503
Amortization of intangible assets - R&D	478	478	478	479	-	-	-	-
Non-GAAP research and development expense	<u>\$ 6,515</u>	<u>\$ 6,689</u>	<u>\$ 7,311</u>	<u>\$ 7,526</u>	<u>\$ 7,905</u>	<u>\$ 8,038</u>	<u>\$ 9,594</u>	<u>\$ 10,742</u>
GAAP sales and marketing expense	\$ 21,663	\$ 21,837	\$ 23,800	\$ 26,475	\$ 27,678	\$ 29,500	\$ 32,877	\$ 36,684
Share-based compensation	1,225	1,371	1,544	1,625	1,671	2,018	2,459	2,494
Amortization of intangible assets - S&M	301	301	301	287	246	289	249	262
Non-GAAP sales and marketing expense	<u>\$ 20,137</u>	<u>\$ 20,165</u>	<u>\$ 21,955</u>	<u>\$ 24,563</u>	<u>\$ 25,761</u>	<u>\$ 27,193</u>	<u>\$ 30,169</u>	<u>\$ 33,928</u>
GAAP general & administrative expense	4,670	5,016	5,841	6,590	6,878	7,409	7,927	8,185
Share-based compensation	967	1,325	1,721	1,711	1,766	2,197	2,267	1,966
Public offering related expenses	-	-	-	-	-	-	-	-
Acquisition related expenses	-	-	-	-	438	248	-	-
Facility exit costs	-	-	-	-	-	-	342	-
Non-GAAP general & administrative expense	<u>\$ 3,703</u>	<u>\$ 3,691</u>	<u>\$ 4,120</u>	<u>\$ 4,879</u>	<u>\$ 4,674</u>	<u>\$ 4,964</u>	<u>\$ 5,318</u>	<u>\$ 6,219</u>
GAAP total operating expenses	\$ 34,266	\$ 35,018	\$ 38,833	\$ 42,389	\$ 43,770	\$ 46,470	\$ 52,173	\$ 57,114
Share-based compensation	3,132	3,694	4,668	4,655	4,746	5,738	6,501	5,963
Amortization of intangible assets	779	779	779	766	246	289	249	262
Public offering related expenses	-	-	-	-	-	-	-	-
Acquisition related expenses	-	-	-	-	438	248	-	-
Facility exit costs	-	-	-	-	-	-	342	-
Non-GAAP total operating expenses	<u>\$ 30,355</u>	<u>\$ 30,545</u>	<u>\$ 33,386</u>	<u>\$ 36,968</u>	<u>\$ 38,340</u>	<u>\$ 40,195</u>	<u>\$ 45,081</u>	<u>\$ 50,889</u>
GAAP operating income	\$ 6,211	\$ 8,451	\$ 8,085	\$ 13,209	\$ 5,998	\$ 1,010	\$ 1,683	\$ 11,635
Share-based compensation	3,373	3,979	5,091	5,092	5,199	6,242	7,202	6,594
Amortization of intangible assets	1,134	1,134	1,134	1,121	1,089	1,281	1,444	1,445
Public offering related expenses	-	-	-	-	-	-	-	-
Acquisition related expenses	-	-	-	-	438	248	-	-
Facility exit costs	-	-	-	-	-	-	342	-
Non-GAAP operating income	<u>\$ 10,718</u>	<u>\$ 13,564</u>	<u>\$ 14,310</u>	<u>\$ 19,422</u>	<u>\$ 12,724</u>	<u>\$ 8,781</u>	<u>\$ 10,671</u>	<u>\$ 19,674</u>

CyberArk Software Ltd.

GAAP to Non-GAAP Reconciliation

(\$ in Thousands, except per share amounts and percentages)

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP tax benefit (taxes on income)	\$ (1,954)	\$ (1,908)	\$ (1,341)	\$ (2,874)	\$ 990	\$ 1,109	\$ (818)	\$ (9,695)
Taxes related to non-GAAP adjustments	(513)	(1,066)	(1,576)	(1,782)	(4,015)	(3,274)	(1,757)	(3,180)
Change in the federal tax rate	-	-	-	-	-	-	-	6,582
Non-GAAP taxes on income	\$ (2,467)	\$ (2,974)	\$ (2,917)	\$ (4,656)	\$ (3,025)	\$ (2,165)	\$ (2,575)	\$ (6,293)
GAAP net income	\$ 4,324	\$ 6,449	\$ 7,112	\$ 10,239	\$ 7,536	\$ 3,246	\$ 1,681	\$ 3,552
Share-based compensation	3,373	3,979	5,091	5,092	5,199	6,242	7,202	6,594
Amortization of intangible assets	1,134	1,134	1,134	1,121	1,089	1,281	1,444	1,445
Public offering related expenses	-	-	-	-	-	-	-	-
Acquisition related expenses	-	-	-	-	438	248	-	-
Facility exit costs	-	-	-	-	-	-	342	-
Taxes related to non-GAAP adjustments	(513)	(1,066)	(1,576)	(1,782)	(4,015)	(3,274)	(1,757)	(3,180)
Change in the federal tax rate	-	-	-	-	-	-	-	6,582
Non-GAAP net income	<u>\$ 8,318</u>	<u>\$ 10,496</u>	<u>\$ 11,761</u>	<u>\$ 14,670</u>	<u>\$ 10,247</u>	<u>\$ 7,743</u>	<u>\$ 8,912</u>	<u>\$ 14,993</u>

**CyberArk Software Ltd.**

**Non-GAAP Expenses -- Fiscal Quarters**

(\$ in Thousands, except per share amounts and percentages)

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Share-based compensation expenses								
Cost of revenues	\$ 241	\$ 285	\$ 423	\$ 437	\$ 453	\$ 504	\$ 701	\$ 631
Research and development	940	998	1,403	1,319	1,309	1,523	1,775	1,503
Sales and marketing	1,225	1,371	1,544	1,625	1,671	2,018	2,459	2,494
General and administrative	967	1,325	1,721	1,711	1,766	2,197	2,267	1,966
Total share-based compensation expenses	<u>\$ 3,373</u>	<u>\$ 3,979</u>	<u>\$ 5,091</u>	<u>\$ 5,092</u>	<u>\$ 5,199</u>	<u>\$ 6,242</u>	<u>\$ 7,202</u>	<u>\$ 6,594</u>

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Other non-GAAP adjustments								
Public offering related expenses	-	-	-	-	-	-	-	-
Amortization of intangible assets - Cost of revenues	355	355	355	355	843	992	1,195	1,183
Amortization of intangible assets - R&D	478	478	478	479	-	-	-	-
Amortization of intangible assets - S&M	301	301	301	287	246	289	249	262
Acquisition related expenses	-	-	-	-	438	248	-	-
Facility exit costs	-	-	-	-	-	-	342	-
Taxes related to non-GAAP adjustments	(513)	(1,066)	(1,576)	(1,782)	(4,015)	(3,274)	(1,757)	(3,180)
Change in the federal tax rate	-	-	-	-	-	-	-	6,582
Total other non-GAAP adjustments	<u>\$ 621</u>	<u>\$ 68</u>	<u>\$ (442)</u>	<u>\$ (661)</u>	<u>\$ (2,488)</u>	<u>\$ (1,745)</u>	<u>\$ 29</u>	<u>\$ 4,847</u>

CyberArk Software Ltd.

Non-GAAP Consolidated Statements of Operations -- Fiscal Quarters

(\$ in Thousands, except per share amounts and percentages)

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Revenue</b>								
License	\$ 27,514	\$ 29,965	\$ 33,257	\$ 40,794	\$ 32,952	\$ 30,318	\$ 35,818	\$ 48,552
Maintenance & Professional Services	19,397	20,415	21,707	23,564	26,083	27,162	29,000	31,816
<b>Total</b>	<b>46,911</b>	<b>50,380</b>	<b>54,964</b>	<b>64,358</b>	<b>59,035</b>	<b>57,480</b>	<b>64,818</b>	<b>80,368</b>
<b>Cost of Revenues</b>								
License	919	928	729	730	741	915	966	1,076
Maintenance & Professional Services	4,919	5,343	6,539	7,238	7,230	7,589	8,100	8,729
<b>Total Cost of Revenues</b>	<b>5,838</b>	<b>6,271</b>	<b>7,268</b>	<b>7,968</b>	<b>7,971</b>	<b>8,504</b>	<b>9,066</b>	<b>9,805</b>
<b>Gross Profit</b>	<b>41,073</b>	<b>44,109</b>	<b>47,696</b>	<b>56,390</b>	<b>51,064</b>	<b>48,976</b>	<b>55,752</b>	<b>70,563</b>
<b>Gross Profit Margin</b>	<b>88%</b>	<b>88%</b>	<b>87%</b>	<b>88%</b>	<b>86%</b>	<b>85%</b>	<b>86%</b>	<b>88%</b>
<b>Operating expenses:</b>								
Research and development	6,515	6,689	7,311	7,526	7,905	8,038	9,594	10,742
Sales and marketing	20,137	20,165	21,955	24,563	25,761	27,193	30,169	33,928
General and administrative	3,703	3,691	4,120	4,879	4,674	4,964	5,318	6,219
<b>Total operating expenses</b>	<b>30,355</b>	<b>30,545</b>	<b>33,386</b>	<b>36,968</b>	<b>38,340</b>	<b>40,195</b>	<b>45,081</b>	<b>50,889</b>
<b>Operating Income</b>	<b>10,718</b>	<b>13,564</b>	<b>14,310</b>	<b>19,422</b>	<b>12,724</b>	<b>8,781</b>	<b>10,671</b>	<b>19,674</b>
Financial income (expenses), net	67	(94)	368	(96)	548	1,127	816	1,612
Income before taxes on income	10,785	13,470	14,678	19,326	13,272	9,908	11,487	21,286
Taxes on income	(2,467)	(2,974)	(2,917)	(4,656)	(3,025)	(2,165)	(2,575)	(6,293)
<b>Net income</b>	<b>\$ 8,318</b>	<b>\$ 10,496</b>	<b>\$ 11,761</b>	<b>\$ 14,670</b>	<b>\$ 10,247</b>	<b>\$ 7,743</b>	<b>\$ 8,912</b>	<b>\$ 14,993</b>
<b>Basic net income per ordinary share</b>	\$ 0.25	\$ 0.31	\$ 0.35	\$ 0.43	\$ 0.30	\$ 0.22	\$ 0.25	\$ 0.43
<b>Diluted net income per ordinary share</b>	\$ 0.23	\$ 0.29	\$ 0.33	\$ 0.41	\$ 0.28	\$ 0.21	\$ 0.25	\$ 0.41
Shares used in computing net income per ordinary shares, basic	33,366,332	33,547,975	33,886,461	34,158,580	34,395,084	34,729,119	34,979,389	35,182,870
Shares used in computing net income per ordinary shares, diluted	35,707,977	35,787,574	35,983,790	36,003,803	36,113,216	36,194,471	36,184,151	36,296,609

**CyberArk Software Ltd.**

**Consolidated Balance Sheet - Fiscal Quarters**

(\$ in Thousands, except per share amounts and percentages)

<b>ASSETS</b>	<b>March 31, 2016</b>	<b>June 30, 2016</b>	<b>September 30, 2016</b>	<b>December 31, 2016</b>	<b>March 31, 2017</b>	<b>June 30, 2017</b>	<b>September 30, 2017</b>	<b>December 31, 2017</b>
<b>CURRENT ASSETS:</b>								
Cash and cash equivalents	\$ 238,202	\$ 178,420	\$ 145,192	\$ 172,957	\$ 175,960	\$ 142,457	\$ 145,365	\$ 161,261
Short-term bank deposits	8,680	45,850	92,138	86,829	91,741	96,567	100,968	107,647
Marketable securities	597	12,386	15,148	15,246	19,356	21,804	27,968	34,025
Trade receivables	15,819	20,804	26,731	33,330	34,890	30,272	33,906	45,315
Prepaid expenses and other current assets	4,770	5,196	4,421	4,804	6,876	7,206	5,847	7,407
<b>Total current assets</b>	<b>\$ 268,068</b>	<b>\$ 262,656</b>	<b>\$ 283,630</b>	<b>\$ 313,166</b>	<b>\$ 328,823</b>	<b>\$ 298,306</b>	<b>\$ 314,054</b>	<b>\$ 355,655</b>
<b>LONG-TERM ASSETS:</b>								
Property and equipment, net	\$ 4,023	\$ 4,366	\$ 4,444	\$ 4,760	\$ 4,869	\$ 5,266	\$ 8,076	\$ 9,230
Intangible assets, net	17,424	16,290	15,156	14,035	12,946	18,552	17,108	15,664
Goodwill	35,145	35,145	35,145	35,145	35,145	69,355	69,355	69,217
Marketable securities	6,857	22,390	22,077	20,443	23,582	22,376	22,503	27,407
Severance pay fund	3,361	3,187	3,359	3,332	3,512	3,703	3,741	3,692
Prepaid expenses and other long-term assets	2,050	2,005	1,939	1,761	1,885	1,866	1,621	2,368
Deferred tax asset	10,431	10,030	11,262	10,389	26,554	28,154	27,957	19,343
<b>Total long-term assets</b>	<b>\$ 79,291</b>	<b>\$ 93,413</b>	<b>\$ 93,382</b>	<b>\$ 89,865</b>	<b>\$ 108,493</b>	<b>\$ 149,272</b>	<b>\$ 150,361</b>	<b>\$ 146,921</b>
<b>TOTAL ASSETS</b>	<b>\$ 347,359</b>	<b>\$ 356,069</b>	<b>\$ 377,012</b>	<b>\$ 403,031</b>	<b>\$ 437,316</b>	<b>\$ 447,578</b>	<b>\$ 464,415</b>	<b>\$ 502,576</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
<b>CURRENT LIABILITIES:</b>								
Trade payables	2,222	2,215	2,112	2,699	2,945	1,762	3,464	1,960
Employees and payroll accruals	12,350	13,699	15,936	18,470	16,538	16,929	19,308	25,253
Accrued expenses and other current liabilities	7,888	5,851	6,552	6,876	7,658	5,627	6,725	10,209
Deferred revenues	43,746	42,812	45,875	50,111	55,978	57,258	57,726	66,986
<b>Total current liabilities</b>	<b>\$ 66,206</b>	<b>\$ 64,577</b>	<b>\$ 70,475</b>	<b>\$ 78,156</b>	<b>\$ 83,119</b>	<b>\$ 81,576</b>	<b>\$ 87,223</b>	<b>\$ 104,408</b>
<b>LONG-TERM LIABILITIES:</b>								
Deferred revenues	19,862	20,004	20,920	23,395	24,765	25,587	27,854	38,249
Other long-term liabilities	236	236	232	229	226	222	249	242
Accrued severance pay	5,043	4,601	5,036	5,035	5,354	5,497	5,826	5,712
Deferred tax liabilities	652	595	436	-	-	-	-	-
<b>Total long-term liabilities</b>	<b>\$ 25,793</b>	<b>\$ 25,436</b>	<b>\$ 26,624</b>	<b>\$ 28,659</b>	<b>\$ 30,345</b>	<b>\$ 31,306</b>	<b>\$ 33,929</b>	<b>\$ 44,203</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 91,999</b>	<b>\$ 90,013</b>	<b>\$ 97,099</b>	<b>\$ 106,815</b>	<b>\$ 113,464</b>	<b>\$ 112,882</b>	<b>\$ 121,152</b>	<b>\$ 148,611</b>
<b>SHAREHOLDERS' EQUITY:</b>								
Ordinary shares of NIS 0.01 par value	86	86	88	88	89	90	90	91
Additional paid-in capital	203,969	208,507	215,115	221,609	227,887	235,351	242,704	249,874
Accumulated other comprehensive income (loss)	411	120	255	(175)	462	595	128	107
Retained earnings	50,894	57,343	64,455	74,694	95,414	98,660	100,341	103,893
<b>Total shareholders' equity</b>	<b>\$ 255,360</b>	<b>\$ 266,056</b>	<b>\$ 279,913</b>	<b>\$ 296,216</b>	<b>\$ 323,852</b>	<b>\$ 334,696</b>	<b>\$ 343,263</b>	<b>\$ 353,965</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 347,359</b>	<b>\$ 356,069</b>	<b>\$ 377,012</b>	<b>\$ 403,031</b>	<b>\$ 437,316</b>	<b>\$ 447,578</b>	<b>\$ 464,415</b>	<b>\$ 502,576</b>

CyberArk Software Ltd.

Consolidated Statement of Cash Flows -- Reporting Periods

(\$ in Thousands, except per share amounts and percentages)

	3 months March 31, 2016	6 months June 30, 2016	9 months Sep 30, 2016	12 months December 31, 2016	3 months March 31, 2017	6 months June 30, 2017	9 months September 30, 2017	12 months December 31, 2017
<b>Cash flows from operating activities:</b>								
Net income	\$ 4,324	\$ 10,773	\$ 17,885	\$ 28,124	\$ 7,536	\$ 10,782	\$ 12,463	\$ 16,015
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and Amortization	1,518	3,126	4,744	6,488	1,685	3,509	5,731	7,856
Amortization of premium on marketable securities	1	56	165	275	97	190	286	382
Share-based compensation expenses	3,373	7,352	12,443	17,535	5,199	11,441	18,643	25,237
Tax benefit related to share-based compensation	(217)	(411)	(889)	(1,466)	-	-	-	-
Deferred income taxes, net	(598)	(189)	(1,616)	(1,130)	(2,727)	(3,642)	(3,387)	5,856
Decrease (increase) in trade receivables	4,591	(394)	(6,321)	(12,920)	(1,560)	3,412	(222)	(11,631)
Increase in prepaid expenses and other current and long-term assets	(1,009)	(1,728)	(606)	(1,485)	(1,341)	(1,257)	(578)	(3,278)
Increase (decrease) in trade payables	(200)	(179)	(174)	(177)	797	(869)	(913)	(1,288)
Increase in short term and long term deferred revenues	9,219	8,427	12,406	19,117	7,237	9,339	12,074	31,729
Increase (decrease) in employees and payroll accruals	(3,510)	(2,161)	76	2,610	(1,932)	(1,953)	384	6,316
Increase (decrease) in accrued expenses and other current and long-term liabilities	(1,200)	(3,240)	(2,109)	(927)	851	(1,391)	(279)	3,226
Increase (decrease) in accrued severance pay, net	245	(23)	240	266	139	91	382	317
<b>Net cash provided by operating activities</b>	<b>16,537</b>	<b>21,409</b>	<b>36,244</b>	<b>56,310</b>	<b>15,981</b>	<b>29,652</b>	<b>44,584</b>	<b>80,737</b>
<b>Cash flows from investing activities:</b>								
Proceeds from short and long term deposits	-	-	-	-	-	-	131	-
Investment in short and long term deposits	(4,998)	(42,149)	(88,361)	(82,940)	(5,126)	(9,938)	(14,132)	(20,722)
Investment in marketable securities	(7,435)	(34,650)	(37,351)	(40,433)	(9,845)	(17,760)	(28,303)	(43,604)
Proceeds from maturity of marketable securities	-	-	-	4,307	2,545	9,106	13,217	17,355
Purchase of property and equipment	(930)	(1,777)	(2,446)	(2,795)	(1,255)	(2,038)	(3,840)	(6,757)
Payments for business acquisitions, net of cash acquired	-	-	-	-	-	(41,448)	(41,329)	(41,329)
<b>Net cash provided by (used in) investing activities</b>	<b>(13,363)</b>	<b>(78,576)</b>	<b>(128,158)</b>	<b>(121,861)</b>	<b>(13,681)</b>	<b>(62,078)</b>	<b>(74,256)</b>	<b>(95,057)</b>
<b>Cash flows from financing activities:</b>								
Issuance of shares, net	-	-	-	-	-	-	-	-
Withholding proceeds related to exercise of options	-	-	-	-	-	-	-	-
Tax benefit related to share-based compensation	217	411	889	1,466	-	-	-	-
Proceeds from exercise of stock options and warrants	272	637	1,678	2,503	703	1,926	2,080	2,624
<b>Net cash provided by financing activities</b>	<b>489</b>	<b>1,048</b>	<b>2,567</b>	<b>3,969</b>	<b>703</b>	<b>1,926</b>	<b>2,080</b>	<b>2,624</b>
Increase (decrease) in cash and cash equivalents	3,663	(56,119)	(89,347)	(61,582)	3,003	(30,500)	(27,592)	(11,696)
Cash and cash equivalents at the beginning of the period	234,539	234,539	234,539	234,539	172,957	172,957	172,957	172,957
Cash and cash equivalents at the end of the period	\$ 238,202	\$ 178,420	\$ 145,192	\$ 172,957	\$ 175,960	\$ 142,457	\$ 145,365	\$ 161,261