

Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Revenue:				
On demand	\$ 180,104	\$ 141,627	\$ 642,622	\$ 542,531
On premise	662	695	2,644	2,836
Professional and other	6,914	6,749	25,697	22,761
Total revenue	<u>187,680</u>	<u>149,071</u>	<u>670,963</u>	<u>568,128</u>
Cost of revenue ⁽¹⁾	<u>73,513</u>	<u>61,364</u>	<u>273,447</u>	<u>242,301</u>
Gross profit	<u>114,167</u>	<u>87,707</u>	<u>397,516</u>	<u>325,827</u>
Operating expenses:				
Product development ⁽¹⁾	25,890	18,714	89,452	73,607
Sales and marketing ⁽¹⁾	48,114	34,025	165,079	135,213
General and administrative ⁽¹⁾	30,350	23,058	112,975	85,013
Impairment of identified intangible assets	-	-	-	750
Total operating expenses	<u>104,354</u>	<u>75,797</u>	<u>367,506</u>	<u>294,583</u>
Operating income	<u>9,813</u>	<u>11,910</u>	<u>30,010</u>	<u>31,244</u>
Interest expense and other, net	<u>(6,220)</u>	<u>(912)</u>	<u>(14,769)</u>	<u>(3,758)</u>
Income before income taxes	<u>3,593</u>	<u>10,998</u>	<u>15,241</u>	<u>27,486</u>
Income tax expense	<u>24,458</u>	<u>3,637</u>	<u>14,864</u>	<u>10,836</u>
Net (loss) income	<u>\$ (20,865)</u>	<u>\$ 7,361</u>	<u>\$ 377</u>	<u>\$ 16,650</u>
Net (loss) income per share attributable to common stockholders				
Basic	\$ (0.26)	\$ 0.09	\$ 0.00	\$ 0.22
Diluted	\$ (0.26)	\$ 0.09	\$ 0.00	\$ 0.21
Weighted average shares used in computing net (loss) income per share attributable to common stockholders				
Basic	80,583	77,566	79,433	76,854
Diluted	80,583	79,116	82,398	77,843

⁽¹⁾ Includes stock-based expense as follows:

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Cost of revenue	\$ 899	\$ 804	\$ 3,842	\$ 3,310
Product development	1,992	1,825	8,423	7,071
Sales and marketing	3,351	3,185	14,592	11,364
General and administrative	3,861	3,655	18,978	15,107
	<u>\$ 10,103</u>	<u>\$ 9,469</u>	<u>\$ 45,835</u>	<u>\$ 36,852</u>