Financial Overview

Jim Offerdahl, CFO

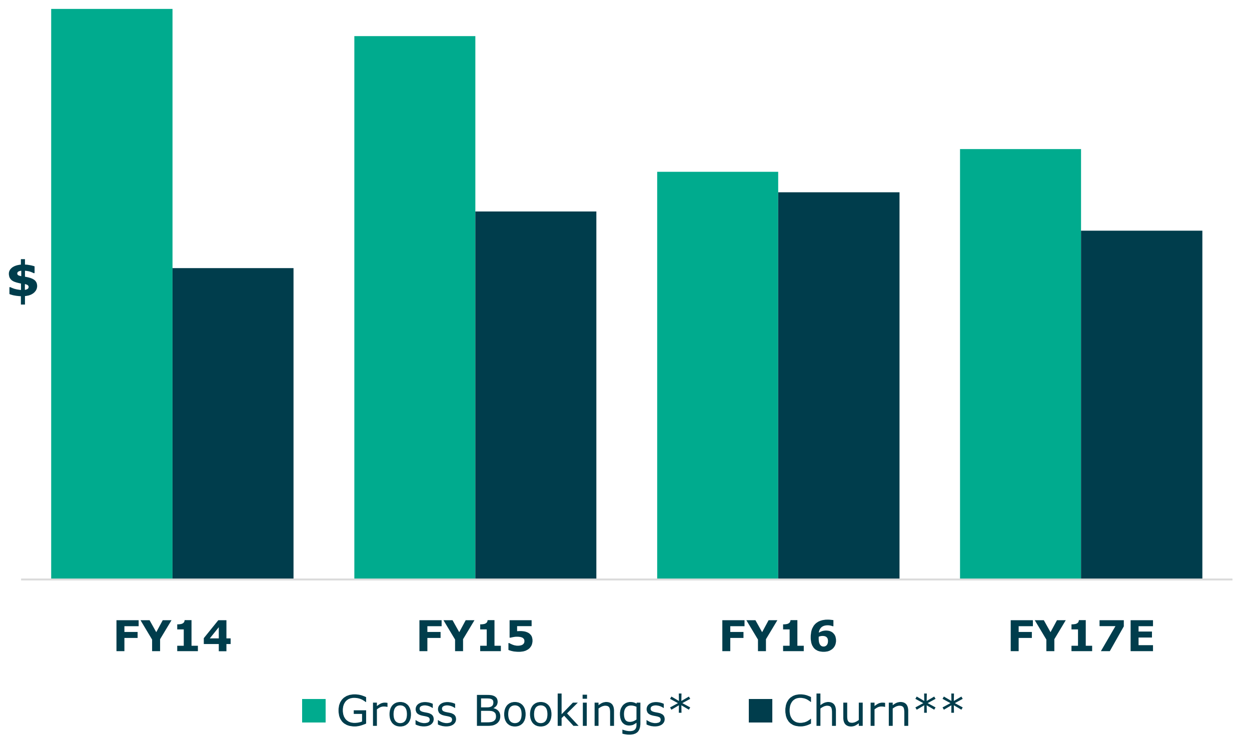
INVESTOR DAY 2016

bazaarvoice

Financial highlights

- Weathered "divestiture storm"
- Focused on fundamentals
  - Allocation of resources to drive financial results
  - Significantly grew Adjusted EBITDA
  - Strong improvement of operating and free cash flow
- Invested in CSAT & innovation to drive future revenue growth
- Strong balance sheet with $92M cash and short term investments

The divestiture dampened bookings & elevated churn



Bookings

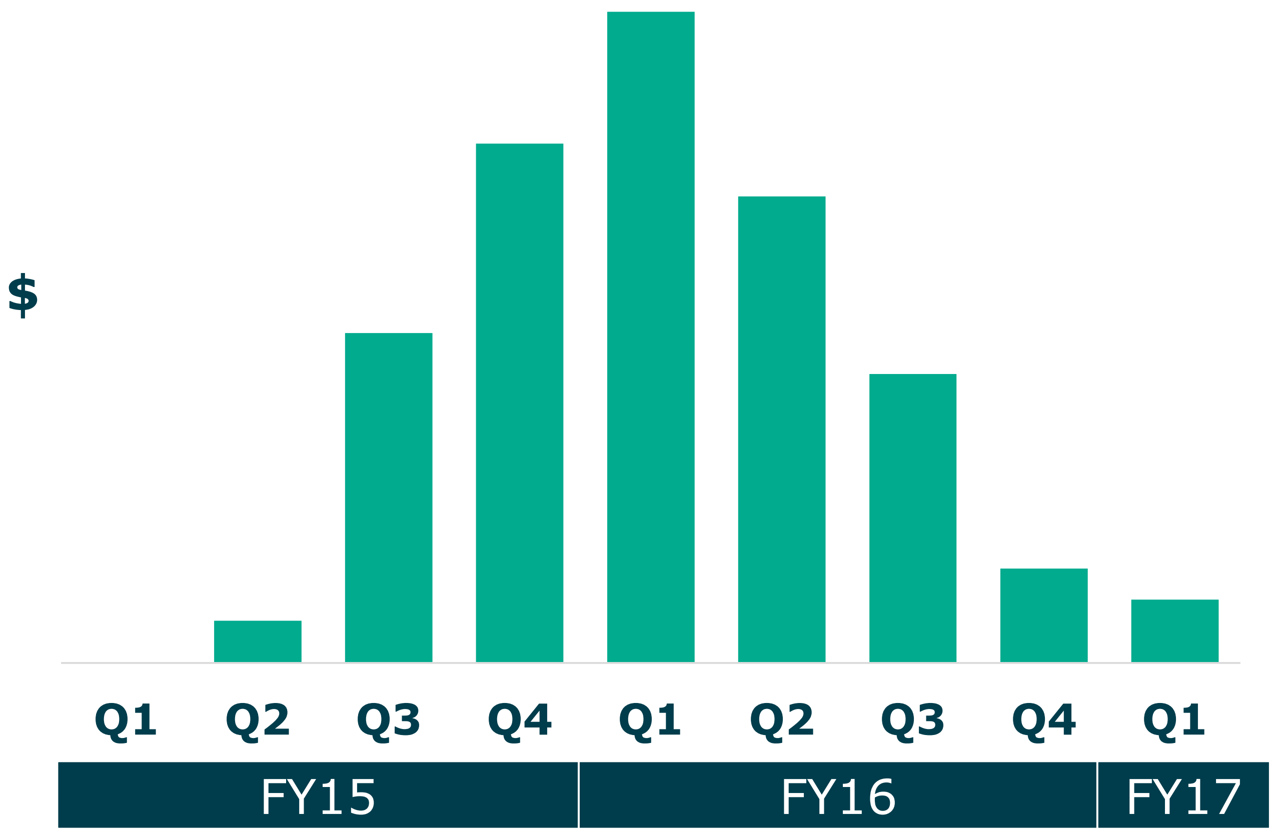
- Sales productivity moving higher
- More new offerings

Churn

- Client satisfaction improving
- Strength in enterprise segment

*Annual contract value of software and services sold to new or existing customers, excluding renewals.
**Any loss of annual subscription fees (ASF) resulting from non-renewal, renewal at lower ASF, or loss of ASF during contract period.
FY17E represents estimated churn reduction of 10%

Elevated churn from divestiture now behind us

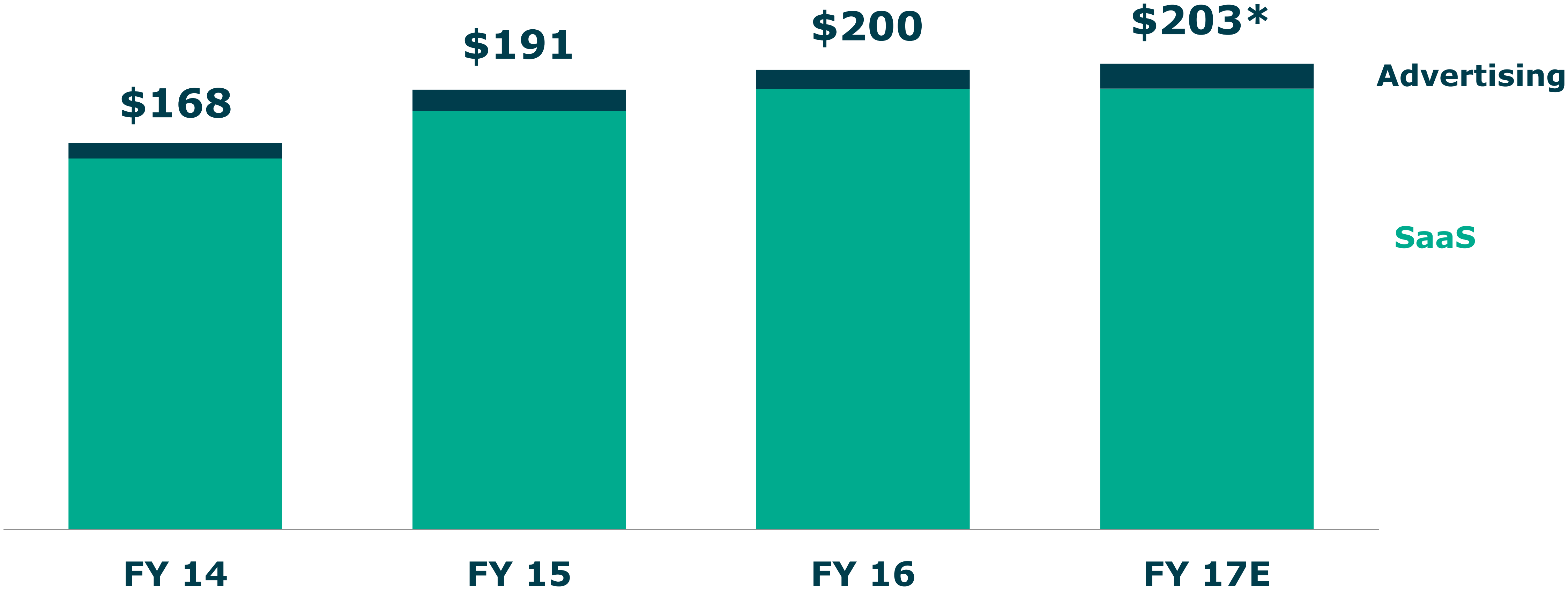


- Most of churn from price downticks
- To date lost <5% of our clients
- Q1 FY17 <10% of total churn

bazaarvoice:

Revenue

$ in Millions

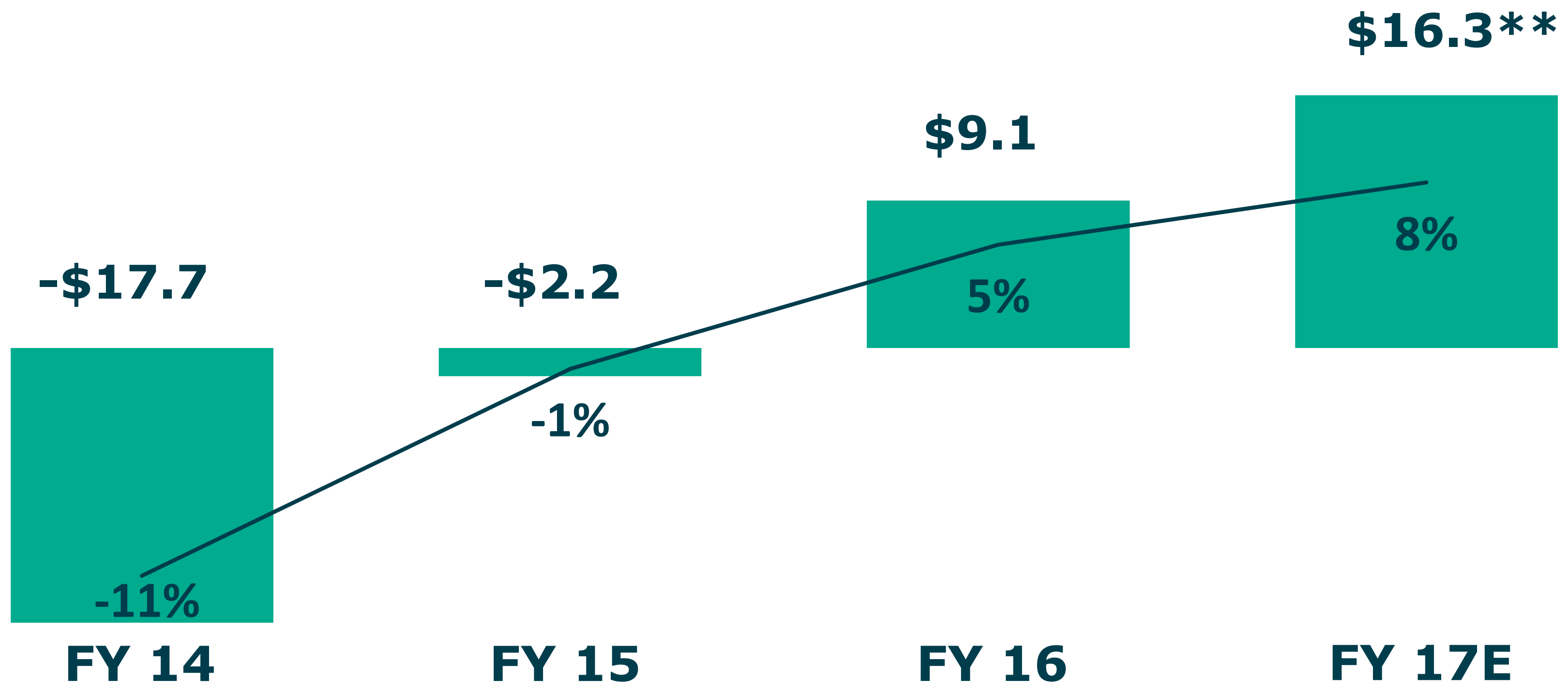


* $203.3 million represents the midpoint of total FY17 guidance provided on Sept 7, 2016

bazaarvoice:

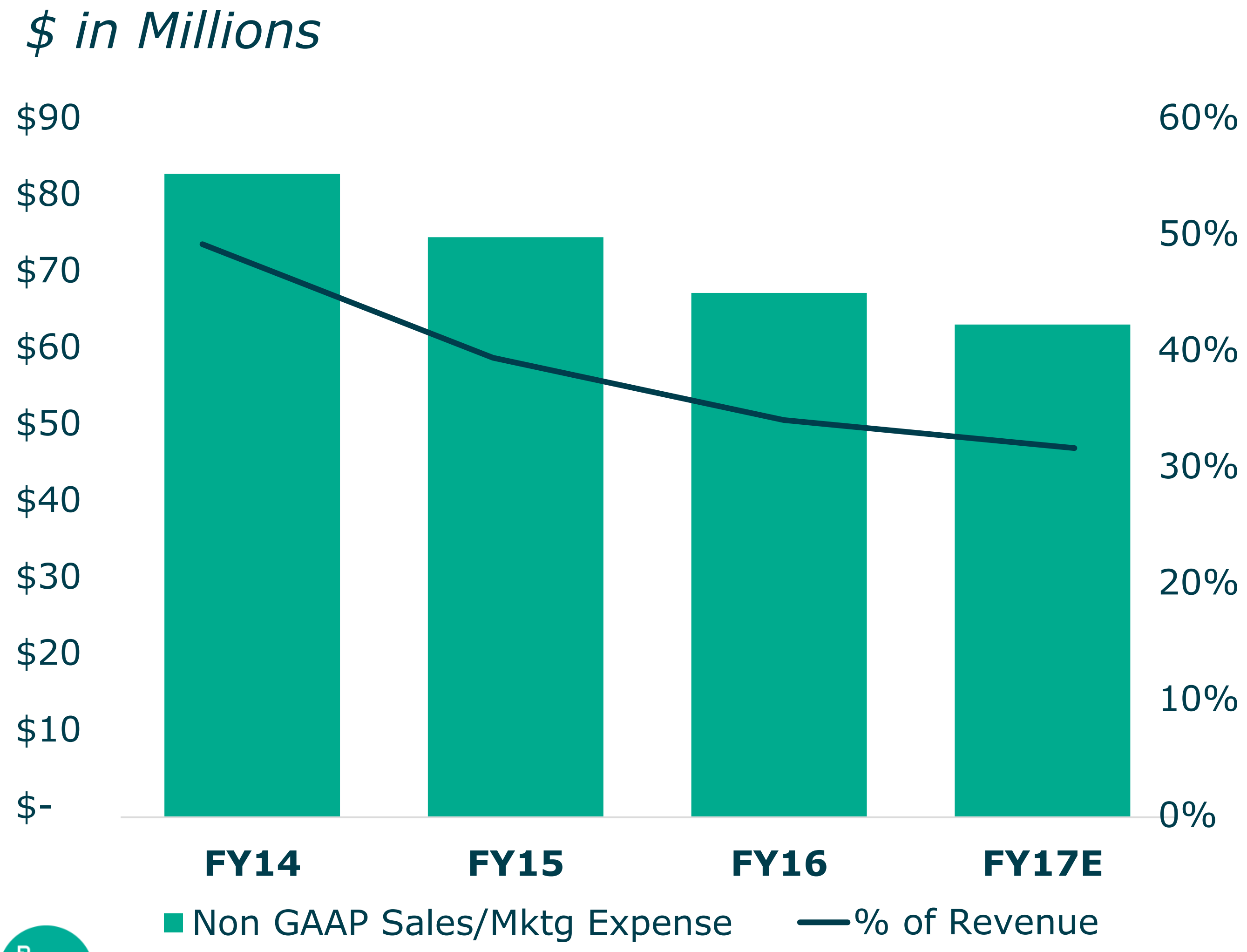
Significant growth of Adjusted EBITDA*

$ in Millions



*Defined as GAAP net loss adjusted for stock-based expense, contingent consideration related to acquisitions, depreciation and amortization (including amortization of capitalized internal-use software development costs), restructuring charges, integration and other costs related to acquisitions, other non-business costs and benefits, income tax expense and other (income) expense, net.
**$16.3 million represents the midpoint of total FY17 guidance provided on Sept 7, 2016

Gained sales & marketing efficiencies

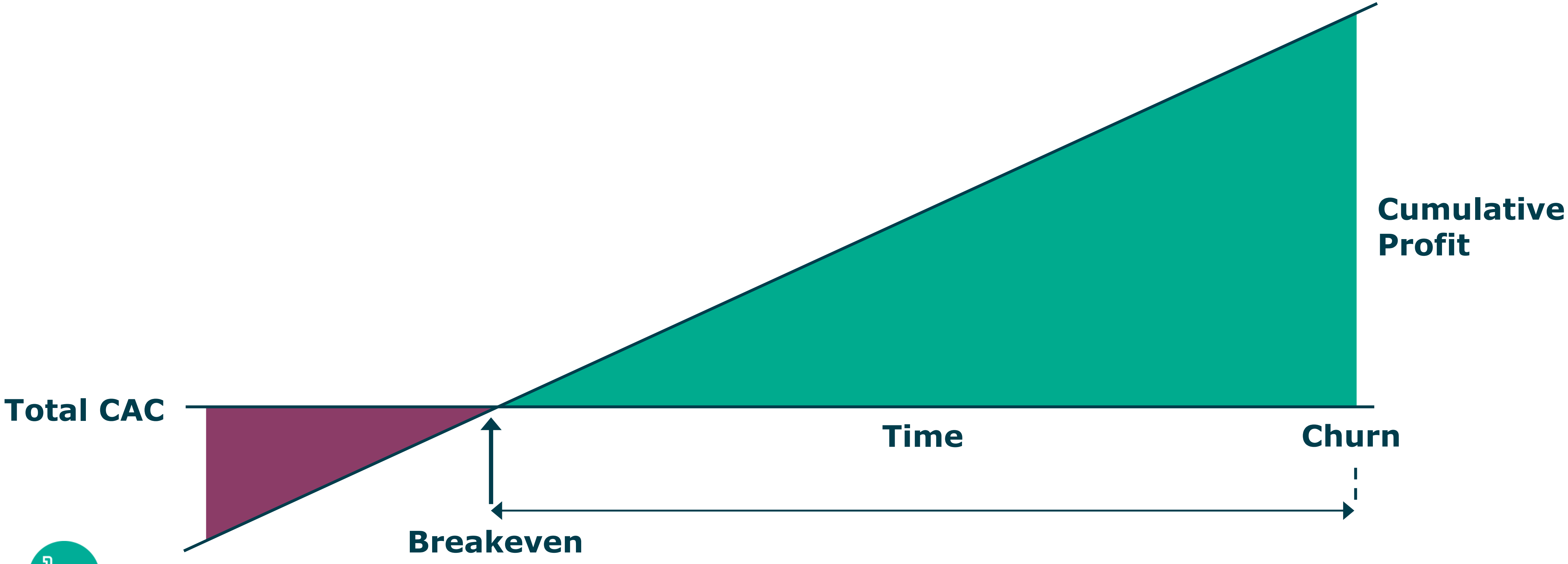


- Discontinued sales operations
  - APAC
  - Small Business
  - BV Local
- Productivity now increasing
- Selectively adding reps

bazaarvoice:

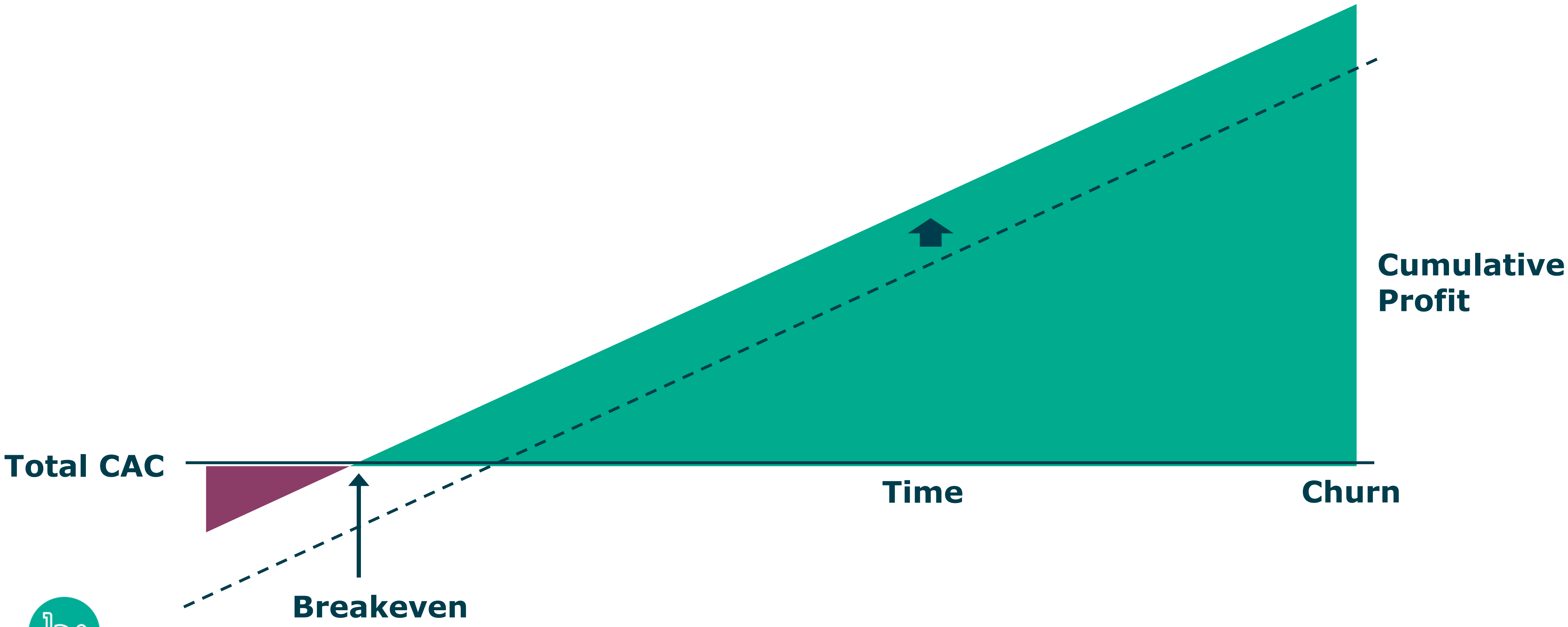
Client economics are improving

Lifetime economics of a SaaS client

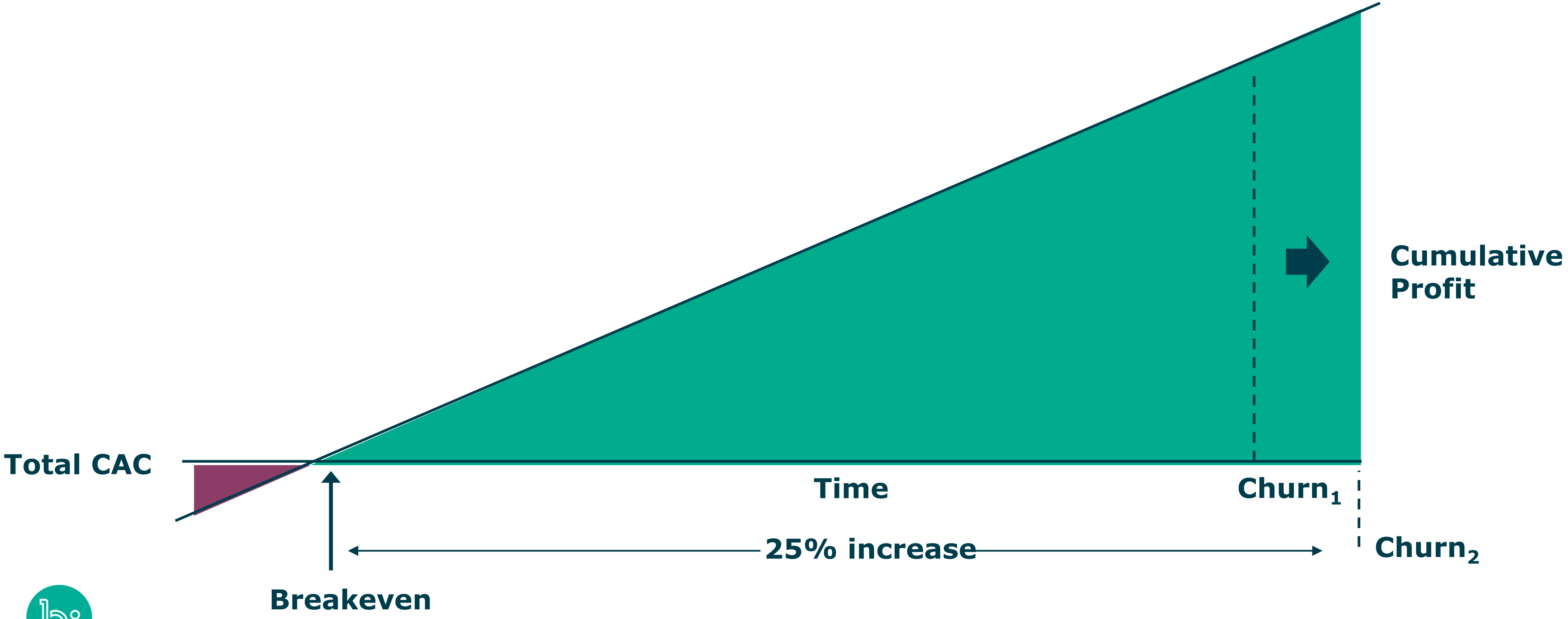


bazaarvoice:

Effects of lower Cost of Acquisition (CAC)

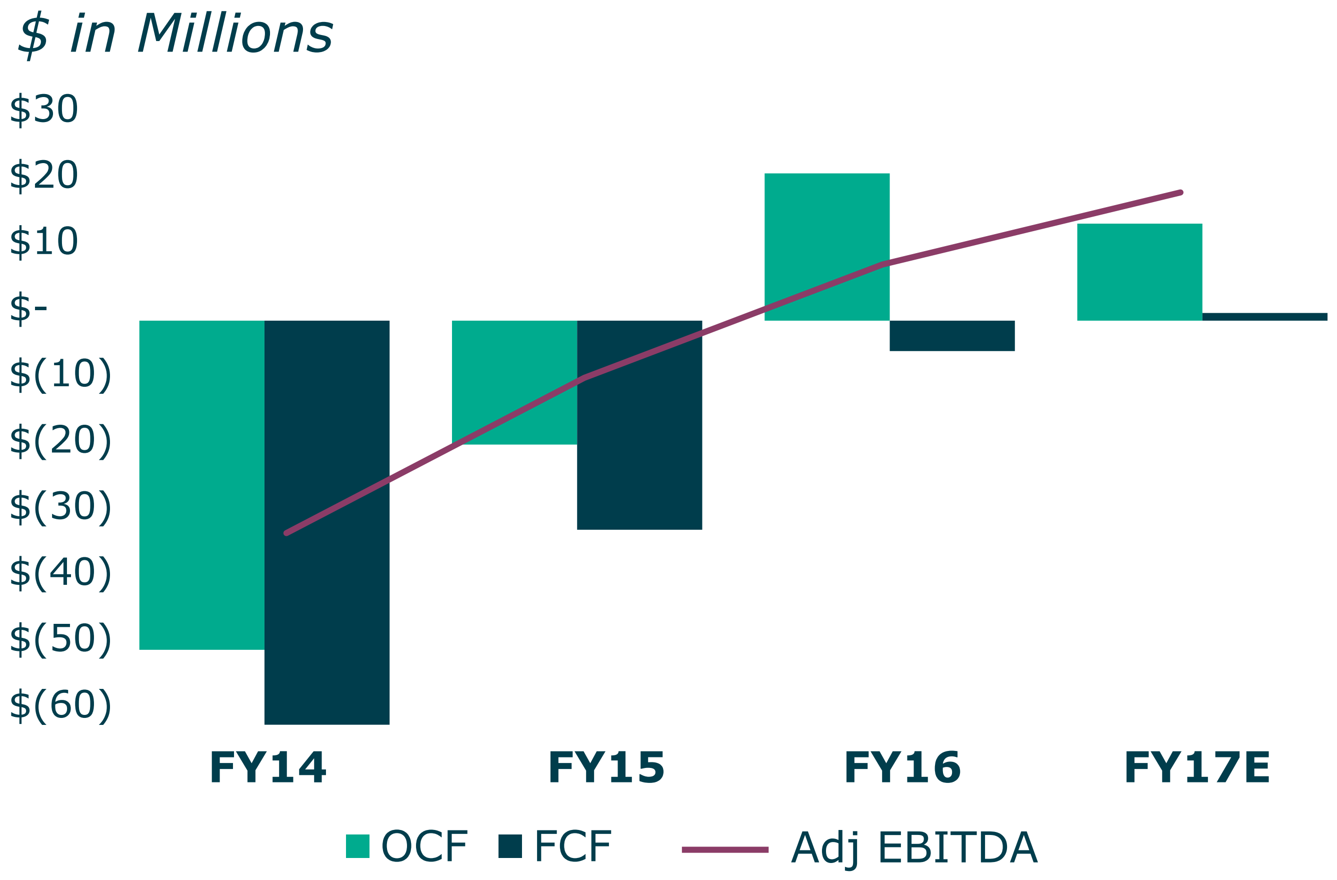


Effects of lower CAC and lower churn



bazaarvoice:

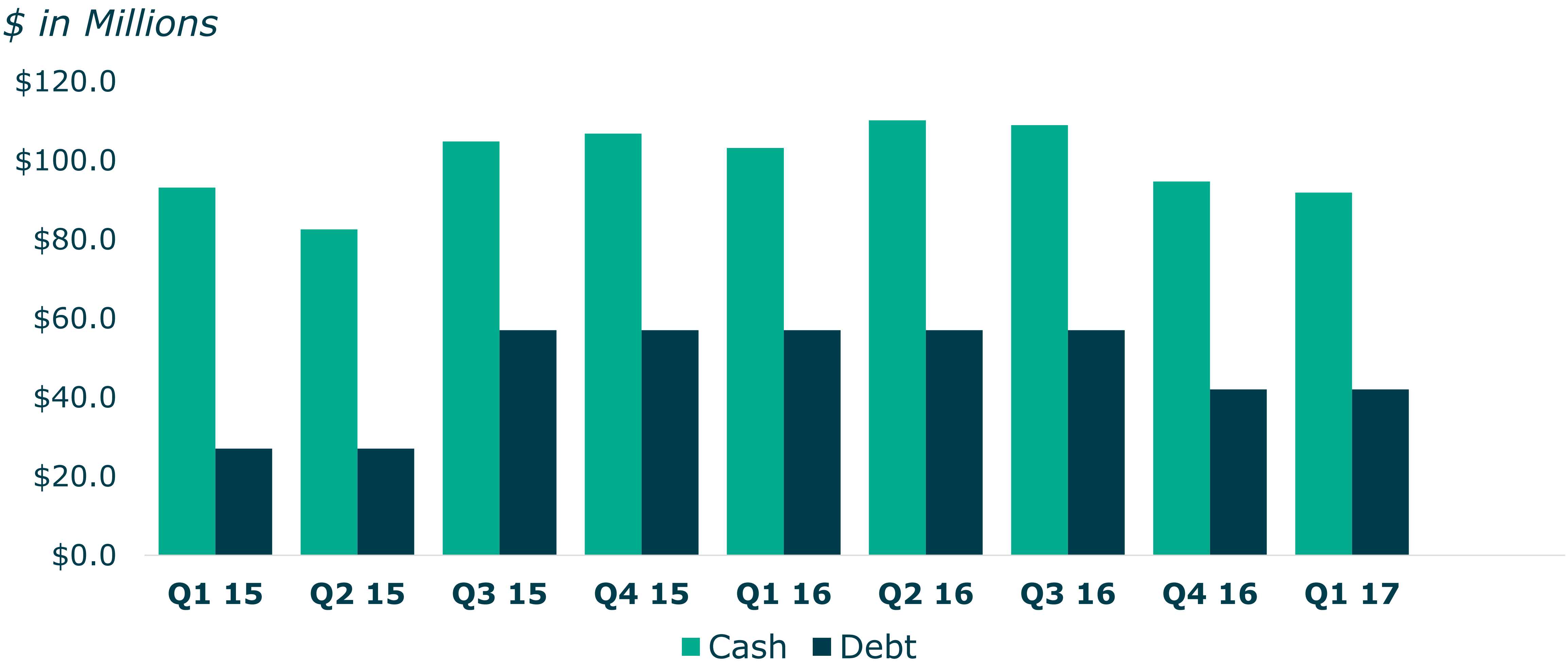
Significant growth of operating* and free cash flow**



- Grew Adj EBITDA
- Improved DSOs
- Ongoing capex ~ $9-11M / year
- Expect positive FCF in FY17

* OCF defined as net cash provided by (used in) operating activities as per the Condensed Consolidated Statement of Cash Flow.
** FCF defined as OCF less purchases of property, equipment, and capitalized internal-use software development costs as per the Condensed Consolidated Statement of Cash Flow.

Strong balance sheet with $50M net cash position

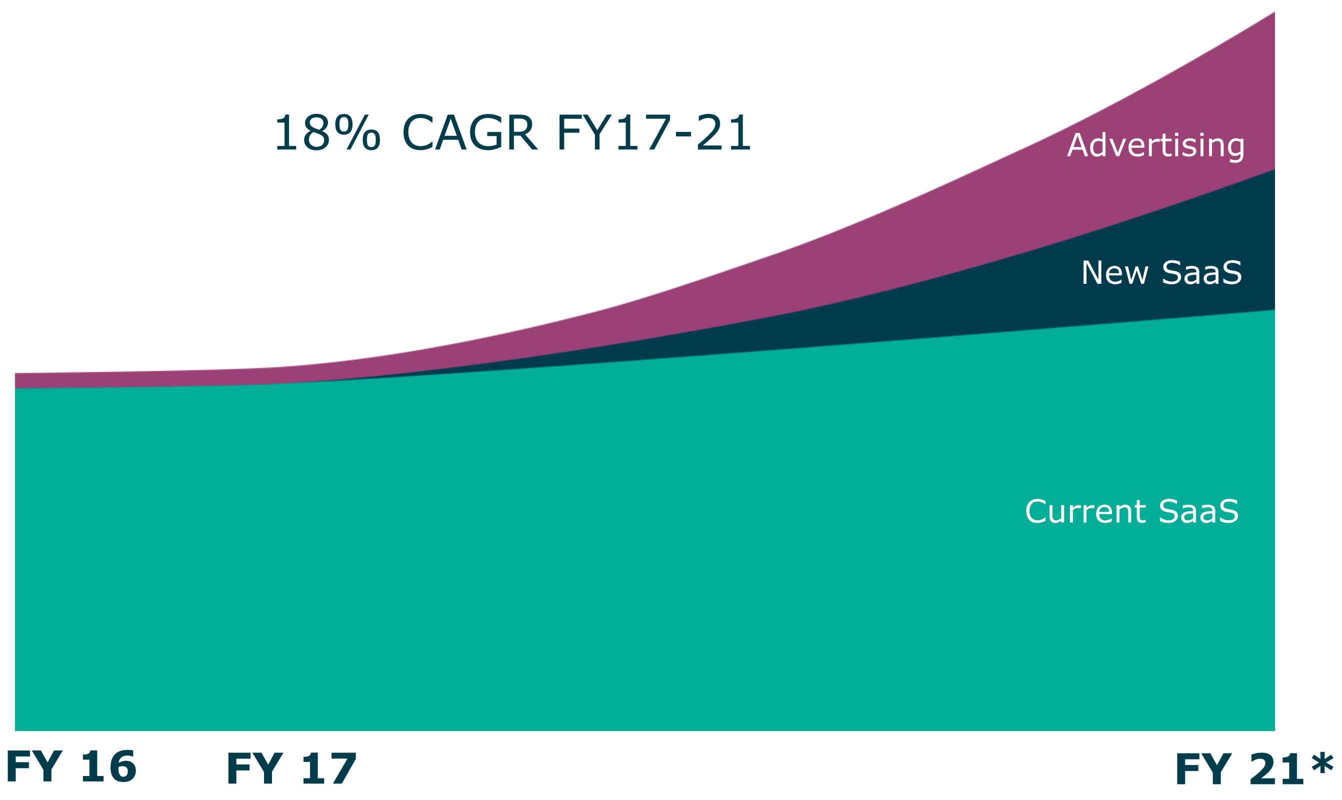


bazaarvoice:

Path to long term growth

- Transformation underway
- Core business continues to strengthen
- Growing network of rich CGC
- Large, targetable shopper population to monetize
- Multiple revenue streams
- Continue to increase Adjusted EBITDA and Free Cash Flow

Doubling of revenue over next five years

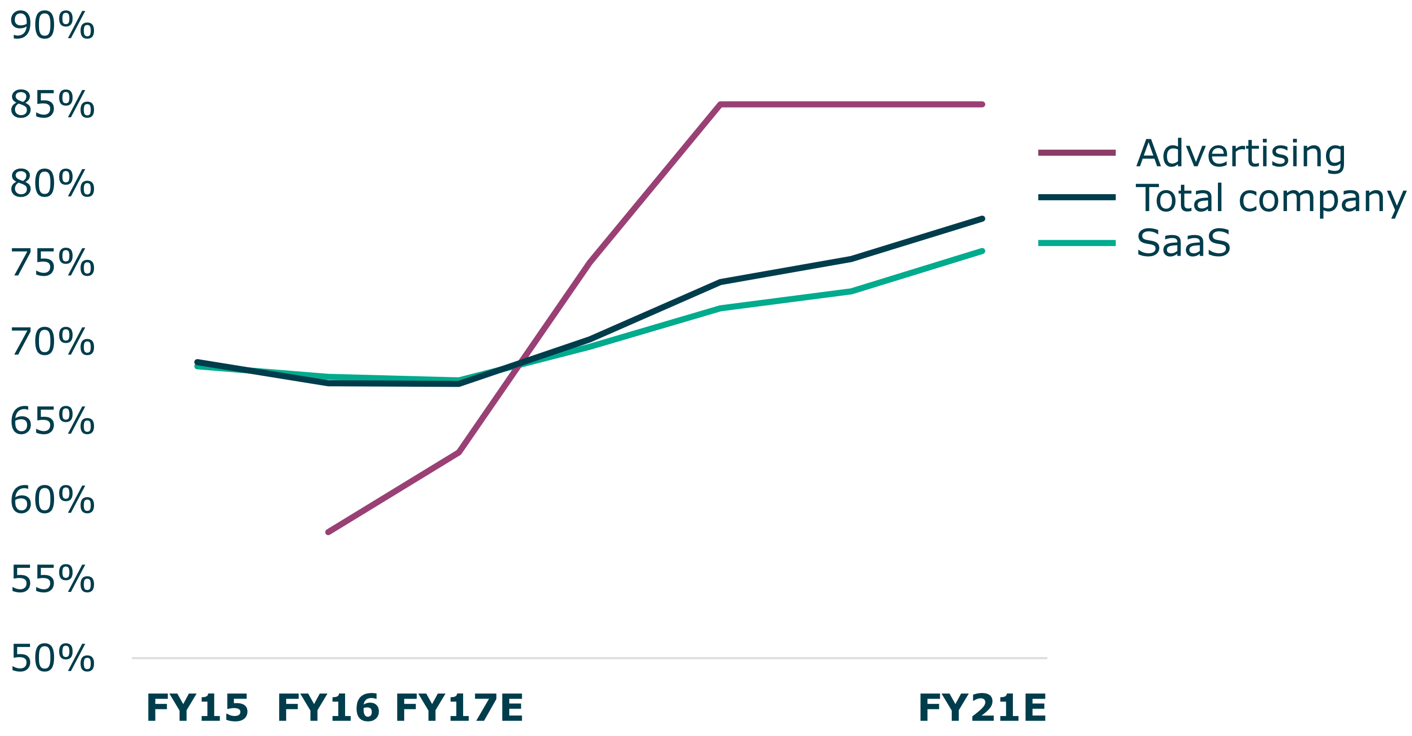


- Advertising
  - Awareness
  - Growth in campaigns & sizes
- New SaaS
  - Product Recommendations
  - Small brand offering
- Current SaaS
  - Higher bookings
  - Lower churn

* FY 2018-FY 2021 reflects long term model, for illustrative purposes only.

bazaarvoice:

Improving Gross Margin %



- SaaS improving
  - Economies of scale
  - Higher margin new products
- Advertising improves at scale
- Higher ad mix adds to GM%

* FY 2018-FY 2021 reflects long term model, for illustrative purposes only.

bazaarvoice:

Long-term Target Model

As % of revenue
Percentages are non-GAAP

	FY14	FY15	FY16	FY17	Long Term Target
Gross Margin	73%	69%	68%	Upper 60's	70-75%
Sales & Marketing	48%	38%	33%	Lower % in FY17	28-31%
Research & Development	20%	18%	19%	Similar $ as FY16	13-15%
General & Administration	14%	13%	11%	Similar % as FY16	8-10%
Adjusted EBITDA*	(11)%	(1)%	5%	8%**	18-22%

* Adjusted EBITDA is defined as GAAP net loss adjusted for stock-based expense, contingent consideration related to acquisitions, depreciation and amortization (including amortization of capitalized internal-use software development costs), restructuring charges, integration and other costs related to acquisitions, other non-business costs and benefits, income tax expense and other (income) expense, net.
** Represents the midpoint of total FY17 guidance provided on Sept 7, 2016.

Summary

- On firm financial foundation
- Weathered “divestiture storm”
- Focused on fundamentals
- Strong Adjusted EBITDA and cash flow trends
- Well positioned with exciting vision & strategies for future growth

Q&A

Bazaarvoice Investor Day

Appendix

Reconciliation to GAAP: Adjusted EBITDA

	Q1 FY 2017	Year Ended April 30, 2016	2015	2014
		(in thousands)		
Revenue	$ 50,093	$ 199,766	$ 191,181	$ 168,145
Cost of revenue	18,756	76,867	69,906	52,905
Gross profit	31,337	122,899	121,275	115,240
Operating expenses:				
Sales and marketing	15,304	69,808	78,373	86,482
Research and development	11,073	41,477	37,695	37,585
General and administrative	8,259	30,398	30,507	26,370
Acquisition-related and other	327	1,415	4,046	16,184
Restructuring charges	176	1,575	—	—
Amortization of acquired intangible assets	309	1,237	1,237	1,135
Total operating expenses	35,448	145,910	151,858	167,756
Operating loss	(4,111)	(23,011)	(30,583)	(52,516)
Total other expense, net	(859)	(2,290)	(2,527)	(830)
Loss from continuing operations before income taxes	(4,970)	(25,301)	(33,110)	(53,346)
Income tax expense (benefit)	135	38	54	(500)
GAAP net loss from continuing operations	$ (5,105)	$ (25,339)	$ (33,164)	$ (52,846)
Stock-based compensation [1]	3,944	15,086	12,306	13,452
Contingent consideration related to acquisition	—	—	—	(3,860)
Depreciation and amortization [2]	3,578	14,040	12,452	9,086
Restructuring charges	327	1,575	—	—
Acquisition-related and other expense	176	1,415	4,046	16,184
Other stock-related expense (benefit)	—	—	(430)	—
Income tax expense (benefit)	135	38	54	(500)
Total other expense, net	859	2,290	2,527	830
Adjusted EBITDA from continuing operations [3]	$ 3,914	$ 9,105	$ (2,209)	$ (17,654)

bazaarvoice:

Reconciliation to GAAP: Adjusted EBITDA (continued)

(1) Includes stock-based compensation as follows:

	Q1 FY 2017	Year Ended April 30, 2016	2015	2014
		(in thousands)		
Cost of revenue	$ 344	$ 2,167	$ 1,517	$ 1,155
Sales and marketing	580	2,956	3,923	4,496
Research and development	1,053	2,996	2,189	2,444
General and administrative	1,967	6,967	4,677	5,357
Stock-based compensation	$ 3,944	$ 15,086	$ 12,306	$ 13,452

(2) Includes depreciation and amortization as follows:

Cost of revenue	$ 2,592	$ 10,191	$ 8,556	$ 5,531
Sales and marketing	196	957	1,002	1,112
Research and development	231	839	786	813
General and administrative	250	816	871	495
Amortization of acquired intangible assets	309	1,237	1,237	1,135
Depreciation and amortization	$ 3,578	$ 14,040	$ 12,452	$ 9,086

(3) During the first quarter of fiscal 2017 we updated our calculation of Adjusted EBITDA. As a result of this update prior period depreciation and amortization amounts have been updated to conform to the current presentation. Our new definition of Adjusted EBITDA includes amortization of capitalized internal-use software development costs in depreciation and amortization and excludes capitalized stock-based compensation related to internal-use software from stock-based expense. The following table presents a reconciliation of Adjusted EBITDA from continuing operations as previously defined to Adjusted EBITDA from continuing operations under the updated definition:

Adjusted EBITDA, previous definition	$ 1,874	$ 1,218	$ (8,680)	$ (21,875)
Add: Amortization of capitalized internal-use software development costs	2,162	8,375	6,843	4,594
Less: Capitalized portion of stock-based compensation	(122)	(488)	(372)	(373)
Adjusted EBITDA, current definition	$ 3,914	$ 9,105	$ (2,209)	$ (17,654)

bazaarvoice:

Reconciliation to GAAP: Free Cash Flow

	Q1 FY 2017	Year Ended April 30, 2016	2015	2014
		(in thousands)		
Net cash provided by (used in) operating activities	$ 129	$ 19,392	$ (16,566)	$ (44,108)
Purchases of property, equipment and capitalized internal-use software development costs	(2,760)	(23,657)	(11,438)	(10,020)
Stock-based compensation	$ (2,631)	$ (4,265)	$ (28,004)	$ (54,128)