

## **Reconciliation of Non-GAAP Financial Measures to Comparable U.S. GAAP Measures (Unaudited)**

Pursuant to the requirements of Regulation G, the Company has provided a reconciliation of each non-GAAP financial measure used in our earnings release dated April 26, 2017 and related conference call, slide presentation or webcast to the most directly comparable GAAP financial measure. These measures differ from GAAP in that they exclude amortization primarily related to acquired intangible assets and debt discount, stock-based compensation expenses, charges associated with the Company's restructuring programs, significant litigation charges or benefits, separation costs, the related tax effect of those items and separation-related tax charges or benefits. The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment. The Company also excludes the effect of anti-dilutive convertible note hedges in the number of shares used in non-GAAP diluted earnings per share. These non-GAAP financial measures are presented on a continuing operations basis. The Company's basis for these adjustments is described below.

Management uses these non-GAAP measures for internal reporting and forecasting purposes, when publicly providing its business outlook, to evaluate the Company's performance and to evaluate and compensate the Company's executives. The Company has provided these non-GAAP financial measures in addition to GAAP financial results because it believes that these non-GAAP financial measures provide useful information to certain investors and financial analysts for comparison across accounting periods not influenced by certain non-cash items that are not used by management when evaluating the Company's historical and prospective financial performance. In addition, the Company has historically provided this or similar information and understands that some investors and financial analysts find this information helpful in analyzing the Company's operating margins, operating expenses and net income and comparing the Company's financial performance to that of its peer companies and competitors.

Management typically excludes the amounts described above when evaluating the Company's operating performance and believes that the resulting non-GAAP measures are useful to investors and financial analysts in assessing the Company's operating performance due to the following factors:

- The Company does not acquire businesses on a predictable cycle. The Company, therefore, believes that the presentation of non-GAAP measures that adjust for the impact of amortization of intangible assets and stock-based compensation expenses and the related tax effects that are primarily related to acquisitions, provide investors and financial analysts with a consistent basis for comparison across accounting periods and, therefore, are useful to investors and financial analysts in helping them to better understand the Company's operating results and underlying operational trends.
- Amortization of intangible assets and the related tax effects are fixed at the time of an acquisition, are then amortized over a period of several years after the acquisition and generally cannot be changed or influenced by management after the acquisition.
- Although stock-based compensation is an important aspect of the compensation of the Company's employees and executives, stock-based compensation expense is generally fixed at the time of grant, then amortized over a period of several years after the grant of the stock-based instrument, and generally cannot be changed or influenced by management after the grant.
- Under GAAP, certain convertible debt instruments that may be settled in cash on conversion are required to be accounted for as separate liability (debt) and equity (conversion option) components in a manner that reflects the issuer's non-convertible debt borrowing rate. The difference between the imputed interest expense and the coupon interest expense, net of the interest amount capitalized, is excluded from management's assessment of the company's operating performance because management believes that the exclusion of these charges will better help investors and financial analysts understand the Company's operating results and underlying operational trends.

- The Company has engaged in various restructuring activities over the past several years that have resulted in costs associated with reductions in headcount, consolidation of leased facilities and related costs. Each restructuring activity has been a discrete event based on a unique set of business objectives or circumstances, and each has differed from the others in terms of its operational implementation, business impact and scope. The Company does not engage in restructuring activities in the ordinary course of business. While the Company's operations previously benefited from the employees and facilities covered by the various restructuring charges, these employees and facilities have benefited different parts of the Company's business in different ways, and the amount of these charges has varied significantly from period to period. The Company, therefore, believes that the exclusion of these charges will better help investors and financial analysts understand the Company's operating results and underlying operational trends as compared to prior periods.
- Charges or benefits related to significant litigation are not anticipated to be ongoing costs; and, thus, are outside of the normal operations of the Company's business. These charges or benefits are recorded in the period when it is probable a liability had been incurred and the amount of loss can be reasonably estimated even though the subject matter of the underlying dispute may relate to multiple or different periods. As such, the Company believes that these expenses do not accurately reflect the underlying performance of continuing operations for the period in which they are incurred.
- Separation costs represent transaction and transition costs associated with preparing businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication. These charges are not anticipated to be ongoing costs; and, thus, are outside of the normal operations of the Company's business. As such, the Company believes that these expenses do not accurately reflect the underlying performance of continuing operations for the period in which they are incurred.
- Separation-related tax charges or benefits, which may include reversals of certain state R&D credits due to changes in expectations of realizability as a result of the separation of a significant business of the Company. The Company believes that these items do not accurately reflect the underlying performance of continuing operations for the period in which they are incurred.
- The Company has convertible note hedges in place to offset potential dilution from the embedded conversion feature in its convertible notes. For GAAP diluted earnings per share purposes, the Company cannot reflect the anti-dilutive impact of the convertible note hedges. The Company believes that reflecting the anti-dilutive impact of the convertible note hedges in non-GAAP diluted earnings per share provides investors with useful information in evaluating the financial performance of the Company on a per share basis.

These non-GAAP financial measures are not prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and may differ from the non-GAAP information used by other companies. There are significant limitations associated with the use of non-GAAP financial measures. The additional non-GAAP financial information presented here should be considered in conjunction with, and not as a substitute for or superior to, the financial information presented in accordance with GAAP (such as net income and earnings per share) and should not be considered measures of the Company's liquidity.

The following tables show the non-GAAP financial measures used in our press release dated April 26, 2017 and related conference call, slide presentation or webcast reconciled to the most directly comparable GAAP financial measures.

## Reconciliation of Non-GAAP Financial Measures to Comparable U.S. GAAP Measures

(Unaudited)

CITRIX SYSTEMS, INC.

### Non-GAAP Financial Measures Reconciliation

(In thousands, except per share, gross margin and operating margin data - unaudited)

The following tables show the non-GAAP financial measures used in this press release reconciled to the most directly comparable GAAP financial measures.

		<b>Three Months Ended</b>	
		<b>March 31, 2017</b>	
		<u>          </u>	<u>          </u>
GAAP gross margin		84.5%	
Add: stock-based compensation		0.1	
Add: amortization of product related intangible assets		2.0	
Non-GAAP gross margin		<u>86.6%</u>	
		<b>Three Months Ended</b>	
		<b>March 31, 2017</b>	
		<u>          </u>	<u>          </u>
GAAP operating margin		18.5%	
Add: stock-based compensation		5.2	
Add: amortization of product related intangible assets		2.0	
Add: amortization of other intangible assets		0.6	
Add: restructuring charges		1.2	
Non-GAAP operating margin		<u>27.5%</u>	
		<b>Three Months Ended March 31,</b>	
		<b>2017</b>	<b>2016</b>
		<u>          </u>	<u>          </u>
GAAP net income from continuing operations		\$70,325	\$73,254
Add: stock-based compensation		34,808	36,061
Add: amortization of product related intangible assets		13,088	14,057
Add: amortization of other intangible assets		3,646	3,720
Add: amortization of debt discount		8,410	8,161
Add: separation costs		298	456
Add: restructuring charges		7,986	45,556
Less: tax effects related to above items		(33,077)	(25,927)
Add: separation related tax charges		46,127	—
Non-GAAP net income from continuing operations		<u>\$151,611</u>	<u>\$155,338</u>
		<b>Three Months Ended March 31,</b>	
		<b>2017</b>	<b>2016</b>
		<u>          </u>	<u>          </u>
Number of shares used in diluted earnings per share calculations:			
GAAP weighted average shares outstanding		158,369	155,945
Less: effect of convertible note hedges		(1,676)	—
Non-GAAP weighted average shares outstanding		<u>156,693</u>	<u>155,945</u>

	<b>Three Months Ended March 31,</b>	
	<b>2017</b>	<b>2016</b>
GAAP earnings per share from continuing operations - diluted	\$0.44	\$0.47
Add: stock-based compensation	0.22	0.23
Add: amortization of product related intangible assets	0.09	0.09
Add: amortization of other intangible assets	0.02	0.02
Add: amortization of debt discount	0.06	0.05
Add: restructuring charges	0.05	0.30
Less: tax effects related to above items	(0.21)	(0.16)
Add: separation related tax charges	0.30	—
Non-GAAP earnings per share from continuing operations - diluted	<u>\$0.97</u>	<u>\$1.00</u>

### Forward Looking Guidance

	<b>For the Three Months Ended June 30. 2017</b>	<b>For the Twelve Months Ended December 31. 2017</b>
GAAP earnings per share from continuing operations - diluted	\$0.70 to \$0.74	\$3.02 to \$3.21
Add: adjustments to exclude the effects of amortization of intangible assets	0.10	0.42
Add: adjustments to exclude the effects of expenses related to stock-based compensation	0.18	0.76
Add: adjustments to exclude the effects of amortization of debt discount	0.06	0.22
Add: adjustments to exclude the effects of restructuring charges	0.03	0.12
Less: tax effects related to above items	(0.07) to (0.14)	(0.19) to (0.43)
Add: adjustments to exclude the effects of separation related tax charges	-	0.30
Non-GAAP earnings per share from continuing operations - diluted	<u>\$0.97 to \$1.00</u>	<u>\$4.60 to \$4.65</u>

	<b>Twelve Months Ended December 31, 2017</b>
GAAP operating margin	24.9% to 25.9%
Add: stock-based compensation	4.2
Add: amortization of intangible assets	2.3
Add: restructuring charges	0.6
Non-GAAP operating margin	<u>32.0% to 33.0%</u>