# Deutsche Bank 24th Annual Media, Internet & Telcom Conference

March 8, 2016

# Safe Harbor for Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, particularly those regarding our 2016 Financial Guidance. Such forward-looking statements are subject to numerous assumptions, risks and uncertainties that could cause actual results to differ materially from those described in those statements. Readers should carefully review the Risk Factors slide of this presentation. These forward-looking statements are based on management’s expectations or beliefs as of March 8, 2016 and as well as those set forth in our Annual Report on Form 10-k filed by us on February 29, 2016 with the Securities and Exchange Commission (“SEC”) and the other reports we file from time-to-time with the SEC. We undertake no obligation to revise or publicly release any updates to such statements based on future information or actual results. Such forward-looking statements address the following subjects, among others:

- Future operating results
- Deployment of cash and investment balances to grow the company
- Ability to acquire businesses on acceptable terms and integrate and recognize synergies from acquired businesses
- Subscriber growth, retention, usage levels and average revenue per account
- Cloud service and digital media growth and continued demand for fax services
- International growth
- New products, services, features and technologies
- Corporate spending including stock repurchases
- Intellectual property and related licensing revenues
- Liquidity and ability to repay or refinance indebtedness
- Network capacity, coverage, reliability and security
- Regulatory developments and taxes

All information in this presentation speaks as of March 8, 2016 and any redistribution or rebroadcast of this presentation after that date is not intended and will not be construed as updating or confirming such information.

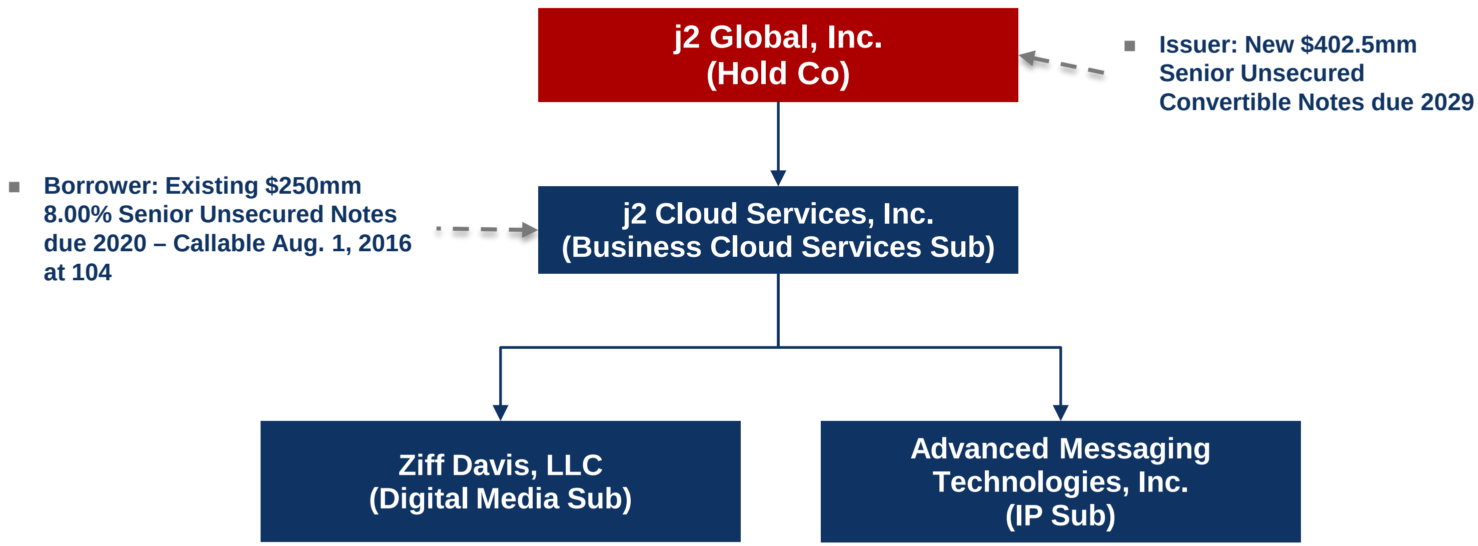
# Risk Factors

**The following factors, among others, could cause our business, prospects, financial condition, operating results and cash flows to be materially adversely affected:**

- Inability to sustain growth or profitability, particularly in light of an uncertain U.S. and worldwide economy and the related impact on customer acquisition, retention and usage levels, advertising spend and credit and debit card payment declines
- Reduced use of fax services due to increased use of email, scanning or widespread adoption of digital signatures or otherwise
- Inability to acquire businesses on acceptable terms or successfully integrate and realize anticipated synergies
- Failure to offer compelling digital media content causing reduced traffic and advertising levels; loss of advertisers or reduction in advertising spend; increased prevalence or effectiveness of advertising blocking technologies; inability to monetize handheld devices and handheld traffic supplanting monetized traffic
- New or unanticipated costs or tax liabilities, including those relating to federal and state income tax and indirect taxes, such as sales, value-added and telecommunications taxes
- Inability to manage certain risks inherent to our business, such as fraudulent activity, system failure or a security breach
- Competition from others with regard to price, service, content and functionality
- Inadequate intellectual property (IP) protection, expiration or invalidity of key patents, violations of 3rd party IP rights or inability or significant delay in monetizing IP
- Inability to continue to expand our business and operations internationally
- Inability to maintain required services on acceptable terms with financially stable telecom, co-location and other critical vendors; and inability to obtain telephone numbers in sufficient quantities on acceptable terms and in desired locations
- Level of debt limiting availability of cash flow to reinvest in the business; inability to repay or refinance debt when due; and restrictive covenants relating to debt imposing operating and financial restrictions on business activities or plans
- Inability to maintain and increase our cloud services customer base or average revenue per user
- Enactment of burdensome telecommunications, Internet, advertising or other regulations, or being subject to existing regulations
- Inability to adapt to technological change and diversify services & related revenues at acceptable levels of financial return
- Loss of services of executive officers and other key employees
- Other factors set forth in our Annual Report on Form 10-K filed by us on February 29, 2016 with the Securities and Exchange Commission (“SEC”) and the other reports we file from time-to-time with the SEC

# Legal Structure & Financing Overview

- Legal reorganization effectuated in conjunction with June 2014 convertible note offering
- Aligns j2 legal and management structures




**Note: j2 may eventually separate its business cloud services unit from its digital media and IP licensing units. This separation would result in the digital media sub and the IP licensing sub becoming direct subsidiaries of j2 Global, Inc.**

# Demonstrated Track Record of Successful Acquisitions

**j2 Acquisition Strategy**

- j2 evaluates potential acquisitions in four separate categories
  - Rollup Acquisition
  - Geographic Expansion
  - Services Expansion
  - IP Purchase
- j2 has hundreds of targets that it evaluates regularly (across all categories)
- Regular dialogue occurs with potential targets up to three years prior to acquisition
- Target ROI >20%
- Strong management team if target is in new jurisdiction or space
- Some level of distress
- Scalable with the ability to do future tuck-in M&A

# Business Cloud Overview

# Business Cloud Services Overview

## Business Cloud Services

### Cloud Connect

**Fax/Voice**

eFax, eVoice, eReceptionist, eFax Corporate, CITYNUMBERS, myfax, onebox, metrofax, zintel

Fax ~37% - Voice ~6%
~44% Total Revenue(1)

### Other Cloud Services

**Cloud Backup**

KeepItSafe, LiveVault (Your Backup Is Our Business), SugarSync, livedrive

~13% Total Revenue(1)

**Email Security**

FuseMail, EXCEL MICRO, STAY SECURE, comendo

~6 % Total Revenue(1)

**Email Marketing**

campaigner

~3 % Total Revenue(1)

**Web Hosting**

Web24 (Australia's Cloud Experts)

~1 % Total Revenue(1)

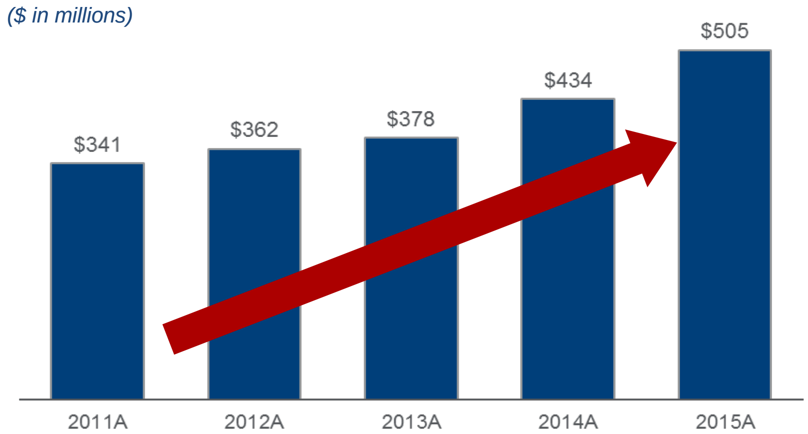
- **Subscription-based model aimed at small businesses from individual/SoHo to enterprise)**
- **Diverse customer base with over 3 million customers**
- **Highly visible revenue with strong margins and cash flow**
- **Scalable business model built on organic growth and acquisition strategy**



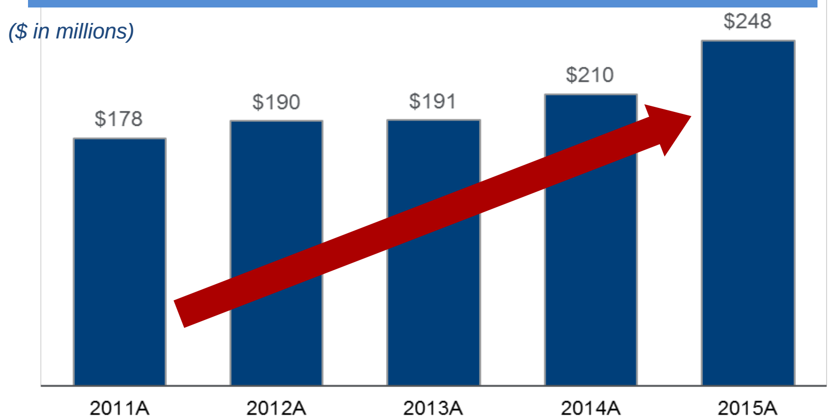
Note: *Excludes Patent revenues, which represented ~1% in Q4 2015*
(1) Non-GAAP Revenue breakdown based on Q4 2015 results..

# Business Cloud Financial Results

## Non-GAAP Revenue (1)




## Adj. EBITDA (1)




**Adjusted EBITDA Margin**

| | | | | |
|---|---|---|---|---|
| **52%** | **53%** | **51%** | **48%** | **49%** |

*(1) See slide 30 for EBITDA reconciliation.*

# Digital Media Overview

# Digital Media Overview

**Ziff Davis**

**Technology**

Ziff Davis Tech, PC PCMAG.COM, Tech Bargains, Geek, emedia, Offers.com, Speedtest, Toolbox.com, ExtremeTech

**Games & Entertainment**

IGN

**Men's Lifestyle**

AskMen — For the Better Man

34% Total Revenue(1)

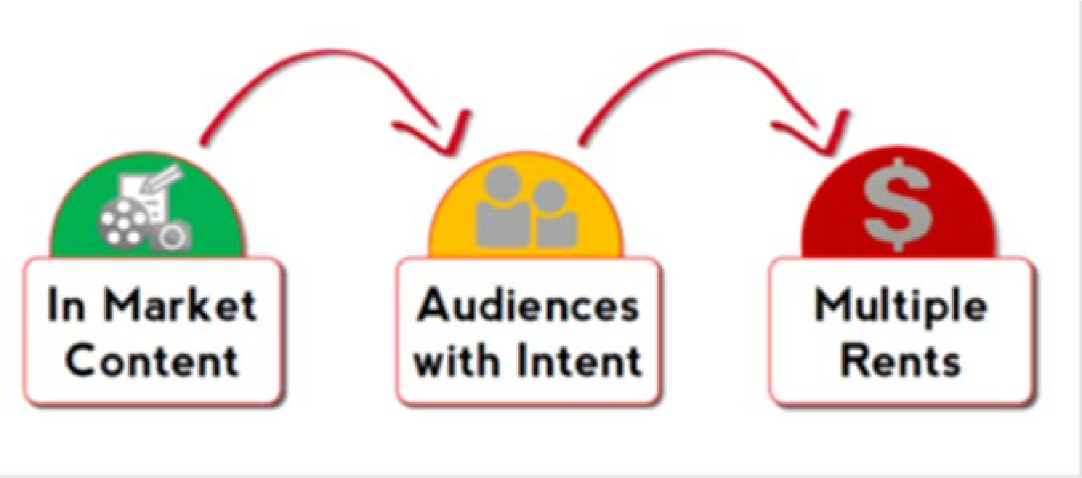
- **Established brands with strong consumer and advertiser trust**
- **Leading comScore positions in all three verticals with 105M monthly unique visitors (2)**
- **100% organic traffic with strong search and social media positions**
- **Scalable business model built on multiple revenue streams**

(1) Non-GAAP Revenue breakdown based on Q4 2015 results..

*(2) comScore, January 2016*

# High-quality Content Mapped to Buying Experience

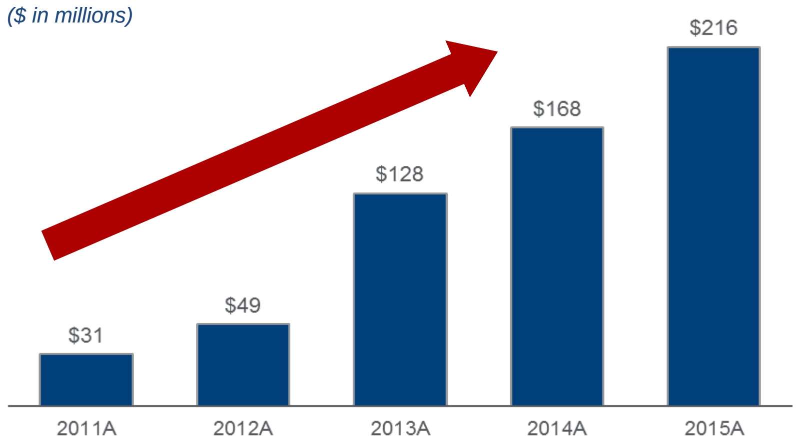
# Digital Media Business Model



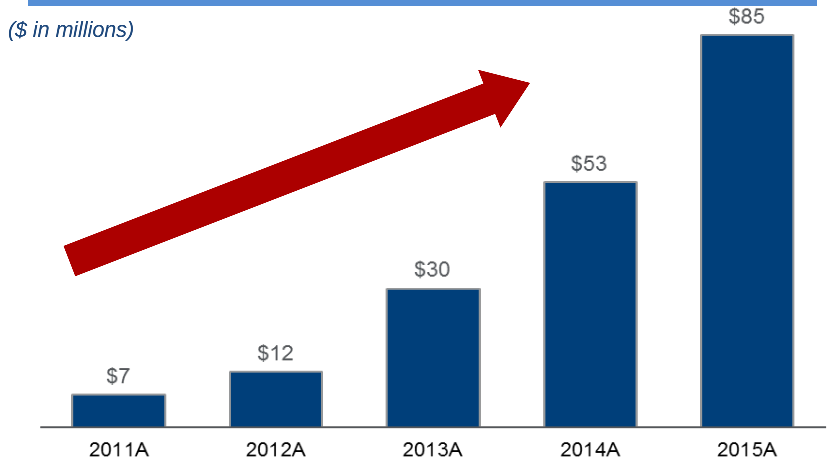

- Display & video advertising across O&O sites; extended network of sites; and exchanged-based inventory
- Performance marketing (CPC, CPA, CPL) revenue streams leveraging site traffic and customer databases
- Licensing of brands, logos, testing data and software

# Digital Media Financial Results

## Non-GAAP Revenue (1)




## Adj. EBITDA (1)



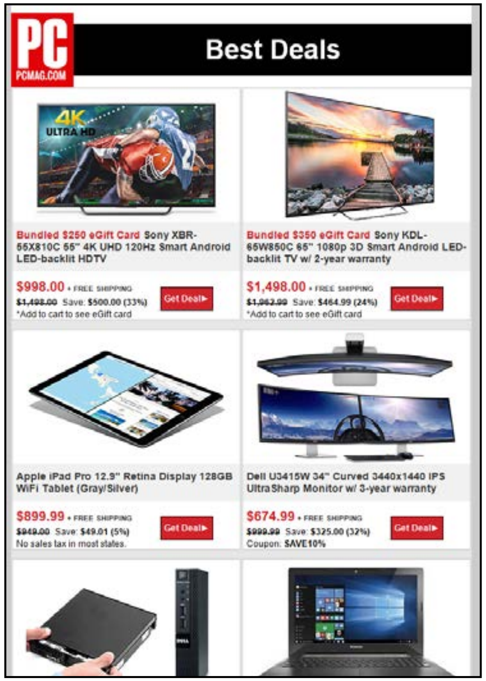

**Adjusted EBITDA Margin**

| 2011A | 2012A | 2013A | 2014A | 2015A |
|---|---|---|---|---|
| **22%** | **25%** | **23%** | **32%** | **39%** |



*(1) Ziff Davis was acquired in November 2012. 2011 & 2012 actual are full year figures including periods prior to acquisition. See slide 31 for EBITDA reconciliation.*

# Q4 2015 Digital Media Highlights




- **Performance Marketing (CPC, CPA, CPL, CPI) continues to drive growth, up 37% vs. Q4 2014**
  - IGN, AskMen and PCMag commerce Revenue[(1)(2)] was up 40% YOY, continuing to demonstrate in-depth execution of the intersection of content and commerce.
  - Business Software coverage continues to grow with reviews in 19 new categories including Business VOIP, HR software & Social Media Mgmt, bringing our quarterly click total to 40K.
  - Ziff Davis acquired Austin-based Offers.com, increasing our consumer commerce audience, transaction volume and capabilities.

- **Platform distribution delivers large scale**
  - Expansion into Facebook video publishing and "Suggested Videos" partnership helped boost video view growth
    - IGN generated 281M Facebook videos views in Q4 vs. zero Facebook video views in all of 2014, propelling IGN's total Q4 video views up 51% vs. Q4 '14. [(3)]
    - AskMen generated 173M Facebook videos views in Q4 vs. zero Facebook video views in all of 2014, propelling AskMen's total Q4 video views up 1,443% vs. Q4 '14. [(3)]
  - App installs experience significant growth [(4)]
    - Ookla's Speedtest mobile app installs are up 42.5% to 172M vs Q4 '14 while reaching a new record number of installs for a quarter of 14.7M
    - The new Apple TV app has over 596K tests run on 167K unique devices since launch in October '15
    - IGN's mobile app installs are up 17% to 5.5M vs Q4 '14
    - IGN's OTT apps installs are up 43% to 8M vs Q4 '14

(1) Figures are Adjusted Non-GAAP.
(2) See slides 25 and 28-31 for a GAAP reconciliation of revenue, earnings per diluted share and EBITDA.
(3) Facebook
(4) GA & AppAnnie

# 2015 Results

# 2015 Accomplishments

**Record Results - full year and Q4 results**

- All Q4 Records[1][2]: Revenue $205M, EBITDA $100M, FCF $75M, and Adjusted EPS $1.29
- All FY Records[1][2]: Revenue $721M, EBITDA $333M, FCF $223M, and Adjusted EPS $4.17
- 2015 FY Revenue[1][2] up $120M or 20% vs. prior year

- M&A strategy continues to drive revenue and margin expansion
  - 24 acquisitions completed in 2015 across Business Cloud Services and Media segments

**Business Cloud Services**

- 2015 FY Revenue[1] up $71M or 17% vs. prior year
  - Business Cloud Services (excl. Cloud Connect) Revenue[1] up $66M or 85% vs. prior year

**Media**

- 2015 FY Revenue[1][2] up over $49M or +29% vs. prior year
  - Acquired Salesify & Offers.com
- EBITDA margin[1][2] greater than 39% as compared to 32% in prior year

(1) Figures are Adjusted Non-GAAP.
(2) See slides 24 and 26-29 for a GAAP reconciliation of revenue, earnings per diluted share, free cash flow, and EBITDA.

# Full Year 2015 Results vs. Prior Year

| Total Cloud by Unit | Cloud Services FY 2014 | Cloud Services FY 2015 | IP Licensing [1] FY 2014 | IP Licensing [1] FY 2015 |
|---|---|---|---|---|
| **Adj. Non-GAAP Revenues [2]** | **$ 428,011** | **$ 498,873** | **$ 5,539** | **$ 5,765** |
| Adj. Non-GAAP Gross Profit | 343,913 | 401,740 | 5,539 | 5,765 |
| Adj. Non-GAAP Operating Profit [3] | $ 197,864 | $ 235,724 | $ 3,536 | $ 3,741 |
| **EBITDA [4]** | **$ 206,066** | **$ 244,516** | **$ 3,536** | **$ 3,741** |
| % of Revenue | 48% | 49% | 64% | 65% |

| By Segment | Total Cloud FY 2014 | Total Cloud FY 2015 | Media FY 2014 | Media FY 2015 | j2 Global® FY 2014 | j2 Global® FY 2015 |
|---|---|---|---|---|---|---|
| **Adj. Non-GAAP Revenues [2]** | **$ 433,549** | **$ 504,638** | **$ 167,556** | **$ 216,177** | **$ 601,105** | **$ 720,815** |
| Adj. Non-GAAP Gross Profit | 349,452 | 407,504 | 148,528 | 194,428 | 497,980 | 601,932 |
| Adj. Non-GAAP Operating Profit [3] | $ 201,400 | $ 239,465 | $ 47,994 | $ 77,883 | $ 249,393 | $ 317,347 |
| **EBITDA [4]** | **$ 209,602** | **$ 248,257** | **$ 53,035** | **$ 85,027** | **$ 262,637** | **$ 333,284** |
| % of Revenue | 48% | 49% | 32% | 39% | 44% | 46% |
| **Adjusted Net Income** | | | | | **$ 164,438** | **$ 203,019** |
| **EPS [5]:** | | | | | | |
| Adj. Non-GAAP | | | | | **$ 3.42** | **$ 4.17** |
| GAAP | | | | | **$ 2.58** | **$ 2.73** |

**(1) See slides 24 and 26-29 for a GAAP reconciliation of revenue, earnings per diluted share and EBITDA for the company as a whole and by segment.**

# 2016 Financial Guidance

# 2016 Outlook (Non-GAAP)

**Cloud-Services**

- Revenue[(1)] growth across all lines of businesses, higher growth from non-Cloud Connect
  - EBITDA[(1)] margin ~53%
  - Higher growth from Non-Cloud Connect - EBITDA margins at 48%+
- IP Licensing
  - Revenue[(1)] expected between $3.0 - $4.0M

**Media**

- Revenue[(1)] growth expected to be +25%
- EBITDA[(1)] margin consistent with prior year
- Distribution of Revenues similar to 2015
  - Q1 expected to represent ~20% of full year Revenue[(1)], versus ~22% in prior year
  - Q4 expected to represent ~30% of full year Revenue[(1)], equivalent to prior year

**Corporate**

- Foreign currencies adversely affecting consolidated Revenue[(1)] by ~$12M
- Assumes capital structure is unchanged – same as 2015
- Tax rate expected to be between 29%-31%
- Excludes Share-Based Compensation of between $12-$14M
- Effective Share Count for EPS 49.2M



(1) Figures are Adjusted Non-GAAP. .

# 2016 Guidance

| | |
|---|---|
| **Revenues[1]** | **$830M - $860M** |
| **Adjusted Non-GAAP EPS[1][2]** | **$4.70 - $5.00** |

(1) Figures are adjusted Non-GAAP.

(2) Adjusted earnings per diluted share excludes share-based compensation, amortization of acquired intangibles and the impact of any currently anticipated items, in each case net of tax. It is anticipated that the effective tax rate for 2016 (excluding certain expenses that may not be indicative of our recurring core business operating results) will be between 29% and 31%

# Supplemental Information

# Financial Metrics: Consolidated

| | j2 Global Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2014 | | | | 2015 | | | |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| **Total GAAP Revenues** | **$134,124** | **$144,744** | **$153,018** | **$167,145** | **$161,253** | **$176,038** | **$178,701** | **$204,823** |
| Adjustments[1] | $541 | $985 | $213 | $336 | $0 | $0 | $0 | $0 |
| **Total Adjusted Non-GAAP Revenues** | **$134,665** | **$145,729** | **$153,231** | **$167,481** | **$161,253** | **$176,038** | **$178,701** | **$204,823** |
| **Adjusted Non-GAAP Revenue By Segment** | | | | | | | | |
| Cloud Revenues | $101,371 | $107,509 | $110,068 | $114,603 | $118,061 | $125,188 | $126,436 | $134,953 |
| Digital Media Revenues | $33,294 | $38,221 | $43,163 | $52,878 | $43,192 | $50,850 | $52,265 | $69,870 |
| **Total Adjusted Non-GAAP Revenues** | **$134,665** | **$145,729** | **$153,231** | **$167,481** | **$161,253** | **$176,038** | **$178,701** | **$204,823** |
| **Diluted EPS** | | | | | | | | |
| GAAP | $0.60 | $0.73 | $0.60 | $0.66 | $0.45 | $0.80 | $0.77 | $0.72 |
| Adjusted Non-GAAP [2] | $0.76 | $0.84 | $0.83 | $0.98 | $0.85 | $0.99 | $1.04 | $1.29 |
| **Cash & Investment** | **$315.1** | **$708.5** | **$683.8** | **$590.4** | **$539.5** | **$567.3** | **$410.7** | **$413.7** |
| **Free Cash Flow [3]** | **$38.4** | **$54.1** | **$39.1** | **$39.8** | **$43.6** | **$54.9** | **$49.6** | **$75.1** |
| **EBITDA [4]** | **$57.3** | **$63.7** | **$64.7** | **$76.9** | **$69.3** | **$79.6** | **$84.3** | **$100.1** |

|---------(in Thousands)---------|

|--(millions)--|

(1) Q1 – Q4 2014 revenue adjustments add back the impact of fair value adjustments to deferred revenue purchased in the Livedrive® acquisition
(2) See slide 26 for a definition of adjusted Non-GAAP net income and a reconciliation of Non-GAAP earnings and EPS to GAAP net income and diluted GAAP EPS
(3) See slide 24 for a definition of Free Cash Flow and reconciliation to net cash provided by operating activities
(4) See slide 24 for a definition of EBITDA and reconciliation to Net Income

# Financial & Other Metrics Cloud Services & Media

## Total Cloud

(in Thousands)

| | 2014 Q1 | 2014 Q2 | 2014 Q3 | 2014 Q4 | 2015 Q1 | 2015 Q2 | 2015 Q3 | 2015 Q4 |
|---|---|---|---|---|---|---|---|---|
| **Adjusted Non-GAAP Revenue By Type** | | | | | | | | |
| Fixed Subscriber Revenues | $81,020 | $86,492 | $89,535 | $93,367 | $96,097 | $102,437 | $103,957 | $112,428 |
| Variable Subscriber Revenues | $18,373 | $19,633 | $19,113 | $19,273 | $19,687 | $21,368 | $21,364 | $21,384 |
| **Subscriber Revenues** | **$99,393** | **$106,125** | **$108,648** | **$112,641** | **$115,784** | **$123,805** | **$125,321** | **$133,812** |
| Other Licenses Revenues (1) | $1,978 | $1,384 | $1,419 | $1,962 | $2,277 | $1,383 | $1,115 | $1,141 |
| **Total Adjusted Non-GAAP Cloud Revenues** | **$101,371** | **$107,509** | **$110,068** | **$114,603** | **$118,061** | **$125,188** | **$126,436** | **$134,953** |
| **Adjusted Non-GAAP Revenue - DID vs. Non-DID** | | | | | | | | |
| DID Based Revenues | $85,782 | $87,685 | $87,540 | $86,747 | $85,777 | $88,945 | $89,257 | $88,676 |
| Non-DID Based Revenues | $15,589 | $19,824 | $22,527 | $27,856 | $32,284 | $36,243 | $37,179 | $46,277 |
| **Total Adjusted Non-GAAP Cloud Revenues** | **$101,371** | **$107,509** | **$110,068** | **$114,603** | **$118,061** | **$125,188** | **$126,436** | **$134,953** |
| **Cloud Services Customers (2)** | **2,523** | **2,590** | **2,623** | **2,655** | **2,896** | **2,936** | **3,004** | **3,022** |
| Average Monthly Revenue/Customers (3) | $13.78 | $13.84 | $13.90 | $14.23 | $13.91 | $14.15 | $14.06 | $14.79 |
| Cancel Rate (4) | 2.3% | 2.0% | 2.2% | 2.1% | 2.2% | 1.9% | 2.0% | 2.1% |

## Media

| | 2014 Q1 | 2014 Q2 | 2014 Q3 | 2014 Q4 | 2015 Q1 | 2015 Q2 | 2015 Q3 | 2015 Q4 |
|---|---|---|---|---|---|---|---|---|
| **Digital Media Traffic (5)** | | | | | | | | |
| Visits | 594,143 | 607,369 | 601,599 | 759,588 | 955,687 | 931,769 | 1,022,275 | 1,091,510 |
| Views | 2,021,455 | 1,963,360 | 1,888,234 | 2,129,433 | 2,391,570 | 2,226,210 | 2,569,875 | 3,087,971 |

(1) Cloud Services revenue includes IP Licensing revenue
(2) Cloud Services Customers are defined as paying DIDs for Fax & Voice services and direct and resellers' accounts for other services
(3) Quarterly ARPU is calculated using our standard convention of applying the average of the quarter's beginning and ending customer base to the total revenue of the quarter
(4) User cancel rate, also called user churn, is defined as cancellation of service by Cloud Business customers with greater than 4 months of continuous service (continuous service includes Cloud Business customers that are administratively cancelled and reactivated within the same calendar month). User cancel rate is calculated monthly and expressed here as an average over the three months of the quarter.
(5) Digital Media Traffic figures based on Google Analytics & Partner Platforms

# GAAP Reconciliation Free Cash Flow & EBITDA

($ in millions)

## Free Cash Flow (1)

| | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 |
|---|---|---|---|---|---|---|---|---|
| Net cash provided by operating activities | $37.294 | $54.512 | $40.315 | $45.110 | $45.716 | $51.894 | $50.963 | $80.488 |
| Less: Purchases of property and equipment | ($2.936) | ($1.087) | ($3.124) | ($4.074) | ($2.401) | ($4.554) | ($4.972) | ($5.370) |
| Add: Excess tax benefit (deficit) from share-based compensa | $4.082 | $0.721 | $1.925 | ($1.216) | $0.334 | $1.770 | $2.437 | ($0.055) |
| Add: IRS Settlement | $0.000 | $0.000 | $0.000 | $0.000 | $0.000 | $5.753 | $1.164 | $0.000 |
| **Free cash flow** | **$38.440** | **$54.146** | **$39.116** | **$39.820** | **$43.649** | **$54.863** | **$49.592** | **$75.063** |

## EBITDA (2)

| | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 |
|---|---|---|---|---|---|---|---|---|
| **Net income** | **$28.765** | **$35.049** | **$28.759** | **$32.754** | **$21.877** | **$38.916** | **$37.375** | **$35.467** |
| Plus: | | | | | | | | |
| Other expense (income), net | ($0.319) | ($0.186) | $10.123 | $0.089 | ($0.784) | $0.088 | $1.086 | ($0.384) |
| Interest expense (income), net | $4.948 | $5.682 | $0.251 | $10.451 | $10.313 | $10.881 | $10.259 | $11.005 |
| Income tax expense | $8.191 | $4.292 | $7.345 | $10.012 | $9.124 | $0.181 | $7.013 | $6.966 |
| Depreciation and amortization | $13.139 | $15.317 | $14.851 | $19.646 | $21.288 | $21.893 | $20.454 | $29.578 |
| Share-based compensation and associated payroll tax expense | $2.384 | $1.963 | $2.191 | $2.370 | $3.004 | $3.168 | $2.770 | $2.851 |
| Acquisition-related integration costs | ($0.501) | $1.615 | $0.369 | $0.952 | $3.534 | $1.895 | $5.356 | $14.663 |
| Additional indirect tax expense from prior years | $0.713 | $0.000 | $0.000 | $0.000 | $1.118 | $2.533 | $0.000 | $0.000 |
| Fees associated with prior year tax audits | $0.000 | $0.000 | $0.773 | $0.650 | ($0.204) | $0.000 | $0.000 | $0.000 |
| **EBITDA** | **$57.320** | **$63.732** | **$64.662** | **$76.924** | **$69.270** | **$79.555** | **$84.313** | **$100.146** |

(1) Free Cash Flow is defined as net cash provided by operating activities, less purchases of property, plant and equipment, plus excess tax benefits (deficiency) from share based compensation. In addition, the amount shown for Q2 and Q3 2015 excludes the effect of payments associated with taxes for prior periods under audit. Free Cash Flow amounts are not meant as a substitute for GAAP, but are solely for informational purposes

(2) EBITDA is defined as net income plus interest and other expense, net; income tax expense; depreciation and amortization and the items used to reconcile GAAP to Adjusted Non-GAAP EPS. EBITDA amounts are not meant as a substitute for GAAP, but are solely for informational purposes

# Margin Contribution Adjusted Non-GAAP

| In Millions | 2014 | | | | 2015 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 |
| **Cloud - Services** | | | | | | | | |
| Revenues | $99.4 | $ 106.3 | $108.9 | $113.4 | $115.8 | $123.9 | $125.3 | $133.8 |
| Gross Profit | $80.5 | $ 86.1 | $86.8 | $90.5 | $92.7 | $100.2 | $101.4 | $107.4 |
| Gross Profit % | 81% | 81% | 80% | 80% | 80% | 81% | 81% | 80% |
| EBITDA (1)(2)(3) | $47.0 | $ 52.1 | $51.2 | $55.8 | $54.0 | $59.8 | $63.4 | $67.3 |
| EBITDA % | 47% | 49% | 47% | 49% | 47% | 48% | 51% | 50% |
| **Digital Media** | | | | | | | | |
| Revenues (1) | $33.3 | $ 38.2 | $43.2 | $52.9 | $43.2 | $50.8 | $52.3 | $69.9 |
| Gross Profit (1) | $29.4 | $ 33.8 | $37.9 | $47.4 | $38.8 | $45.8 | $46.3 | $63.4 |
| Gross Profit % | 88% | 88% | 88% | 90% | 90% | 90% | 89% | 91% |
| EBITDA (1)(2) | $8.5 | $ 10.9 | $12.7 | $20.9 | $13.7 | $18.9 | $20.3 | $32.1 |
| EBITDA % | 26% | 29% | 29% | 40% | 32% | 37% | 39% | 46% |
| **IP Licensing** | | | | | | | | |
| Revenues | $1.9 | $ 1.2 | $1.2 | $1.2 | $2.3 | $1.3 | $1.1 | $1.1 |
| Gross Profit | $1.9 | $ 1.2 | $1.2 | $1.2 | $2.3 | $1.3 | $1.1 | $1.1 |
| Gross Profit % | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| EBITDA (2)(4) | $1.8 | $ 0.7 | $0.8 | $0.2 | $1.6 | $0.9 | $0.6 | $0.7 |
| EBITDA % | 92% | 62% | 69% | 16% | 70% | 69% | 57% | 59% |

**(1) Excludes certain intersegment revenues and expenses**

**(2) EBITDA is defined as net income plus interest and other expense, net; income tax expense; depreciation and amortization and the items used to reconcile GAAP to Adjusted Non-GAAP EPS, EBITDA amounts are not meant as a substitute for GAAP, but are solely for informational purposes. See slide 24 for reconciliation of EBITDA to Net Income**

**(3) Includes certain corporate costs**

**(4) IP Licensing EBITDA includes estimated expense associated with IP Licensing operations plus an allocation of overhead costs**

# GAAP Reconciliation Q4 Adjusted Non-GAAP Earnings & EPS

**($ in thousands)**

**THREE MONTHS ENDED DECEMBER 31, 2015**

| | GAAP | (1) Share-based Compensation | (2) Acquisition-related Integration Costs | (3) Interest Costs | (5) Amortization | (6) Additional Tax Expense (Benefit) from Prior Years | (7) Convertible Debt Dilution | Adjusted Non-GAAP |
|---|---|---|---|---|---|---|---|---|
| Revenues | $ 204,823 | — | — | — | — | — | — | $ 204,823 |
| Cost of revenues | 34,608 | (100) | (327) | — | (1,314) | — | — | 32,867 |
| Operating expenses: | | | | | | | | |
| Sales and marketing | 42,189 | (624) | (395) | — | — | — | — | 41,170 |
| Research, development and engineering | 8,625 | (229) | (1) | — | — | — | — | 8,395 |
| General and administrative | 66,347 | (1,898) | (13,940) | — | (23,322) | — | — | 27,187 |
| Interest expense (income), net | 11,005 | — | — | (2,567) | — | — | — | 8,438 |
| Other expense (income), net | (384) | — | — | — | — | — | — | (384) |
| Income tax provision [8] | 6,966 | 1,009 | 5,085 | 1,168 | 6,055 | 3,770 | — | 24,053 |
| Net income | $ 35,467 | 1,842 | 9,578 | 1,399 | 18,581 | (3,770) | — | $ 63,097 |
| Extinguishment of Series A Preferred Stock | — | — | — | — | — | — | — | — |
| Net income attributable to j2 Global, Inc. common stockholders | $ 35,467 | 1,842 | 9,578 | 1,399 | 18,581 | (3,770) | — | $ 63,097 |
| Net income per share attributable to j2 Global, Inc. common stockholders*: | | | | | | | | |
| Basic | $ 0.73 | 0.04 | 0.20 | 0.03 | 0.39 | (0.08) | 0.00 | $ 1.30 |
| Diluted | $ 0.72 | 0.04 | 0.20 | 0.03 | 0.39 | (0.08) | 0.01 | $ 1.29 |

**THREE MONTHS ENDED DECEMBER 31, 2014**

| | GAAP | (1) Share-based Compensation | (2) Acquisition-related Integration Costs | (4) IRS Consulting Fee | (5) Amortization | Adjusted Non-GAAP |
|---|---|---|---|---|---|---|
| Revenues | $ 167,145 | — | 336 | — | — | $ 167,481 |
| Cost of revenues | 28,999 | (82) | - | — | (668) | 28,249 |
| Operating expenses: | | | | | | |
| Sales and marketing | 36,633 | (584) | (25) | — | — | 36,024 |
| Research, development and engineering | 8,228 | (184) | (2) | — | — | 8,042 |
| General and administrative | 39,979 | (1,520) | (589) | (650) | (15,134) | 22,086 |
| Interest expense (income), net | 10,451 | — | (2,124) | — | — | 8,327 |
| Other expense (income), net | 89 | — | — | — | — | 89 |
| Income tax provision [8] | 10,012 | 789 | 1,123 | 176 | 4,959 | 17,059 |
| Net income | $ 32,754 | 1,581 | 1,953 | 474 | 10,843 | $ 47,605 |
| Extinguishment of Series A Preferred Stock | (991) | — | 991 | — | — | — |
| Net income attributable to j2 Global, Inc. common stockholders | $ 31,763 | 1,581 | 2,944 | 474 | 10,843 | $ 47,605 |
| Net income per share attributable to j2 Global, Inc. common stockholders*: | | | | | | |
| Basic | $ 0.66 | 0.03 | 0.06 | 0.01 | 0.23 | $ 0.99 |
| Diluted | $ 0.66 | 0.03 | 0.06 | 0.01 | 0.23 | $ 0.98 |

Adjusted Non-GAAP net income is not meant as a substitute for GAAP, and is defined as GAAP net income with the following modifications:

1) Elimination of shared-based compensation expense and associated payroll taxes
2) Elimination of certain acquisition-related integration costs and the impact of fair value adjustments to deferred revenue purchased in Livedrive acquisition
3) Elimination of interest costs in excess of the coupon rate associated with the convertible notes
4) Elimination of IRS consulting fees
5) Elimination of amortization of acquired patents and intangible assets
6) Elimination of additional income tax (expense) benefit from prior years
7) Dilutive effect of the convertible debt
8) Addition of income tax provision associated with the noted modifications

* Reconciliation of Net Income per share from GAAP to Adjusted Non-GAAP Net Income Per Share may not foot because each is calculated independently

# GAAP Reconciliation FY Adjusted Non-GAAP Earnings & EPS

($ in thousands)

**TWELVE MONTHS ENDED DECEMBER 31, 2015**

| | GAAP | (1) Share-based Compensation | (2) Acquisition-related Integration Costs | (3) Interest Costs | (4) IRS Consulting Fee | (5) Amortization | (6) Additional Income Tax Benefit from Prior Years | (7) Convertible Debt Dilution | Adjusted Non-GAAP |
|---|---|---|---|---|---|---|---|---|---|
| Revenues | $ 720,815 | — | — | — | — | — | — | — | $ 720,815 |
| Cost of revenues | 122,958 | (373) | (327) | — | — | (3,376) | — | — | 118,882 |
| Operating expenses: | | | | | | | | | |
| Sales and marketing | 159,009 | (2,435) | (1,110) | — | — | — | — | — | 155,464 |
| Research, development and engineering | 34,329 | (863) | (81) | — | — | — | — | — | 33,385 |
| General and administrative | 205,137 | (8,122) | (23,930) | — | 204 | (73,902) | (3,651) | — | 95,736 |
| Interest expense (income), net | 42,458 | — | — | (7,982) | — | — | (472) | — | 34,004 |
| Other expense (income), net | 5 | — | — | — | — | — | — | — | 5 |
| Income tax provision (8) | 23,283 | 3,380 | 8,880 | 2,471 | (47) | 21,672 | 20,681 | — | 80,320 |
| Net income | $ 133,636 | 8,413 | 16,568 | 5,511 | (157) | 55,606 | (16,558) | — | $ 203,019 |
| Extinguishment of Series A Preferred Stock | — | — | — | — | — | — | — | — | — |
| Net income attributable to j2 Global, Inc. common stockholders | $ 133,636 | 8,413 | 16,568 | 5,511 | (157) | 55,606 | (16,558) | — | $ 203,019 |
| Net income per share attributable to j2 Global, Inc. common stockholders*: | | | | | | | | | |
| Basic | $ 2.76 | 0.18 | 0.35 | 0.12 | (0.00) | 1.17 | (0.35) | 0.00 | $ 4.19 |
| Diluted | $ 2.73 | 0.18 | 0.35 | 0.12 | (0.00) | 1.16 | (0.35) | 0.01 | $ 4.17 |

**TWELVE MONTHS ENDED DECEMBER 31, 2014**

| | GAAP | (1) Share-based Compensation | (2) Acquisition-related Integration Costs | (4) IRS Consulting Fee | (5) Amortization | (6) Additional Income Tax Benefit from Prior Years | Adjusted Non-GAAP |
|---|---|---|---|---|---|---|---|
| Revenues | $ 599,030 | — | 2,075 | — | — | — | $ 601,105 |
| Cost of revenues | 105,989 | (345) | (57) | — | (2,462) | — | 103,125 |
| Operating expenses: | | | | | | | |
| Sales and marketing | 141,967 | (1,944) | (125) | — | — | — | 139,898 |
| Research, development and engineering | 30,680 | (721) | (34) | — | — | — | 29,925 |
| General and administrative | 134,188 | (5,898) | (144) | (1,423) | (47,247) | (713) | 78,763 |
| Interest expense (income), net | 31,204 | — | (4,082) | — | — | — | 27,122 |
| Other expense (income), net | (165) | — | — | — | — | — | (165) |
| Income tax provision (8) | 29,840 | 3,115 | 2,148 | 369 | 16,092 | 6,435 | 57,999 |
| Net income | $ 125,327 | 5,793 | 4,369 | 1,054 | 33,617 | (5,722) | $ 164,438 |
| Extinguishment of Series A Preferred Stock | (991) | — | 991 | — | — | — | — |
| Net income attributable to j2 Global, Inc. common stockholders | $ 124,336 | 5,793 | 5,360 | 1,054 | 33,617 | (5,722) | $ 164,438 |
| Net income per share attributable to j2 Global, Inc. common stockholders*: | | | | | | | |
| Basic | $ 2.60 | 0.13 | 0.12 | 0.02 | 0.72 | (0.12) | $ 3.44 |
| Diluted | $ 2.58 | 0.13 | 0.12 | 0.02 | 0.71 | (0.12) | $ 3.42 |

Adjusted Non-GAAP net income is not meant as a substitute for GAAP, and is defined as GAAP net income with the following modifications:

1) Elimination of shared-based compensation expense and associated payroll taxes
2) Elimination of certain acquisition-related integration costs and the impact of fair value adjustments to deferred revenue purchased in Livedrive acquisition
3) Elimination of interest costs in excess of the coupon rate associated with the convertible notes
4) Elimination of IRS consulting fees
5) Elimination of amortization of acquired patents and intangible assets
6) Elimination of additional income tax (expense) benefit from prior years
7) Dilutive effect of the convertible debt
8) Addition of income tax provision associated with the noted modifications

* Reconciliation of Net Income per share from GAAP to Adjusted Non-GAAP Net Income Per Share may not foot because each is calculated independently

# GAAP Reconciliation EBITDA Q4 2015

($ in thousands)

| EBITDA CONSOLIDATED CLOUD & DIGITAL MEDIA Q4 2015 [1] | Cloud Subscription | Corporate and Inter-segment elimination | Cloud Services | Cloud IP Licensing [2] | Total Cloud | Digital Media | Consolidated |
|---|---|---|---|---|---|---|---|
| **Net income (loss)** | **33,926** | **(3,381)** | **30,545** | **(307)** | **30,238** | **5,230** | **35,467** |
| **Plus:** | | | | | | | |
| Other expense (income), net | 106 | (252) | (146) | 5 | (141) | (244) | (384) |
| Interest expense (income), net | 4,268 | 3,575 | 7,842 | - | 7,842 | 3,163 | 11,005 |
| Income tax expense | 11,162 | (4,359) | 6,803 | (668) | 6,135 | 830 | 6,966 |
| Depreciation and amortization | 19,248 | - | 19,248 | 1,625 | 20,873 | 8,705 | 29,578 |
| Reconciliation of GAAP to Non-GAAP financial measures: | | | | | | | |
| Share-based compensation and the associated payroll tax expense | 1,219 | 1,185 | 2,403 | - | 2,403 | 447 | 2,851 |
| Acquisition-related integration costs | 647 | - | 647 | - | 647 | 14,016 | 14,663 |
| Additional indirect tax expense from prior years | - | - | - | - | - | - | - |
| Fees associated with prior year audits | - | - | - | - | - | - | - |
| **EBITDA** | **70,576** | **(3,233)** | **67,343** | **655** | **67,998** | **32,148** | **100,146** |

**(1) EBITDA is defined as net income plus interest and other expense, net; income tax expense; depreciation and amortization and the items used to reconcile GAAP to Adjusted Non-GAAP EPS EBITDA amounts are not meant as a substitute for GAAP, but are solely for informational purposes. See slide 24 for reconciliation of EBITDA to Net Income**

**(2) IP Licensing EBITDA includes estimated expense associated with IP Licensing operations plus an allocation of overhead costs**

# GAAP Reconciliation EBITDA Full Year 2015

($ in thousands)

| EBITDA CONSOLIDATED CLOUD & DIGITAL MEDIA FY 2015 [1] | Cloud Subscription | Corporate and Inter-segment elimination | Cloud Services | Cloud IP Licensing [2] | Total Cloud | Digital Media | Consolidated |
|---|---|---|---|---|---|---|---|
| **Net income (loss)** | **142,198** | **(18,296)** | **123,902** | **(2,334)** | **121,568** | **12,068** | **133,636** |
| **Plus:** | | | | | | | |
| Other expense (income), net | (14) | (271) | (285) | 7 | (278) | 283 | 5 |
| Interest expense (income), net | 19,052 | 12,227 | 31,279 | - | 31,279 | 11,179 | 42,458 |
| Income tax expense | 27,274 | (9,509) | 17,765 | (1,193) | 16,572 | 6,710 | 23,283 |
| Depreciation and amortization | 55,944 | - | 55,944 | 7,261 | 63,205 | 30,009 | 93,213 |
| Reconciliation of GAAP to Non-GAAP financial measures: | | | | | | | |
| Share-based compensation and the associated payroll tax expense | 4,519 | 5,472 | 9,991 | - | 9,991 | 1,803 | 11,793 |
| Acquisition-related integration costs | 1,659 | 815 | 2,473 | - | 2,473 | 22,975 | 25,448 |
| Additional indirect tax expense from prior years | 3,651 | - | 3,651 | - | 3,651 | - | 3,651 |
| Fees associated with prior year audits | (204) | - | (204) | - | (204) | - | (204) |
| **EBITDA** | **254,078** | **(9,562)** | **244,516** | **3,741** | **248,257** | **85,027** | **333,283** |

(1) EBITDA is defined as net income plus interest and other expense, net; income tax expense; depreciation and amortization and the items used to reconcile GAAP to Adjusted Non-GAAP EPS EBITDA amounts are not meant as a substitute for GAAP, but are solely for informational purposes. See slide 24 for reconciliation of EBITDA to Net Income

(2) IP Licensing EBITDA includes estimated expense associated with IP Licensing operations plus an allocation of overhead costs

# Business Cloud - GAAP / Non-GAAP Revenue and EBITDA Reconciliation

| ($ in millions) | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| GAAP Revenue | $330.2 | $361.7 | $390.1 | $431.5 | $504.6 |
| Adjustment (1) | 10.3 | -- | (12.6) | 2.1 | -- |
| **Non-GAAP Revenue** | **$340.5** | **$361.7** | **$377.5** | **$433.6** | **$504.6** |
| GAAP Net Income (Loss) | 114.8 | 120.0 | 115.6 | 102.7 | 121.6 |
| Income Taxes | 22.4 | 32.1 | 33.0 | 23.4 | 16.6 |
| Interest and Other Expense, Net | (1.2) | 7.2 | 20.5 | 29.9 | 31.0 |
| Depreciation and Amortization | 19.8 | 21.0 | 24.8 | 40.5 | 63.2 |
| **EBITDA** | **$155.8** | **$180.3** | **$193.9** | **$196.4** | **$232.3** |
| **Adjustments** | | | | | |
| SBC and Payroll Taxes Asssociated with SBC | 9.2 | 9.2 | 9.6 | 8.4 | 10.0 |
| Acquisition and Exit Costs | 2.7 | 0.7 | 0.0 | 2.6 | 2.5 |
| Patent Settlement | -- | -- | (12.6) | -- | -- |
| Change in Estimate of Deferred Revenue | 10.3 | -- | -- | -- | -- |
| Fees Associated with prior year tax audit | -- | -- | -- | 1.4 | (0.2) |
| Additional Indirect Tax Expense from Prior Years | -- | -- | -- | 0.7 | 3.7 |
| **Adjusted EBITDA** | **$178.0** | **$190.2** | **$190.9** | **$209.6** | **$248.3** |
| *% Margin* | *52%* | *53%* | *51%* | *48%* | *49%* |

(1) In Q1 2011, the company changed its estimate regarding its remaining service obligations to annual eFax® subscribers. As a result of system upgrades, the company now bases the estimate on the actual service obligations to these customers. As a result of this change, the Company recorded a one-time, non-cash increase to deferred revenues of $10.3M with an equal offset to revenues. Q1 2014 adds back the impact of fair value adjustments to deferred revenue purchased in the Livedrive® acquisition.

# Media - GAAP / Non-GAAP Revenue and EBITDA Reconciliation

| ($ in millions) | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| GAAP Revenue | $31.4 | $48.5 | $130.7 | $167.6 | $216.2 |
| Adjustment (1) | -- | -- | (2.2) | 0.0 | -- |
| **Non-GAAP Revenue** | **$31.4** | **$48.5** | **$128.5** | **$167.6** | **$216.2** |
| GAAP Net Income (Loss) (2) | 2.3 | 0.3 | (5.9) | 22.6 | 12.1 |
| Income Taxes (2) | 0.8 | 1.2 | (0.1) | 6.5 | 6.7 |
| Interest and Other Expense, Net | -- | 0.1 | 12.2 | 1.2 | 11.5 |
| Depreciation and Amortization | 2.6 | 6.2 | 15.0 | 22.5 | 30.0 |
| **EBITDA** | **$5.7** | **$7.8** | **$21.2** | **$52.7** | **$60.3** |
| **Adjustments** | | | | | |
| SBC and Payroll Taxes Asssociated with SBC | 0.0 | -- | 0.1 | 0.5 | 1.8 |
| Acquisition and Exit Costs | 1.0 | 4.1 | 8.2 | (0.2) | 23.0 |
| **Adjusted EBITDA** | **$6.8** | **$11.9** | **$29.5** | **$53.0** | **$85.0** |
| *% Margin* | *22%* | *25%* | *23%* | *32%* | *39%* |

(1) 2013 excludes revenues associated with activities of IGN Entertainment, Inc. exited during 2013 as part of integration into Digital Media business
(2) 2013 excludes the tax effect associated with inter-segment revenues and expenses
(3) Ziff Davis was acquired in November 2012. 2010 Actual represents period form June 4th 2010 to December 31, 2010. 2011 & 2012 actual are full year figures including periods prior to acquisition.

j2 Global®