



Investor Presentation

Q3 2018 Financial Results

November 1st, 2018

Safe harbor statement

Certain matters discussed in these slides and accompanying oral presentation have "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may generally be identified as such because the context of such statements will include words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or words of similar import. Similarly, statements that describe the Company's future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, our ability to integrate acquisitions into our operations and achieve the expected benefits of such acquisitions, our ability to profitably attract new customers and retain existing customers, our dependence on the market for cloud backup services, our ability to manage growth, changes in economic or regulatory conditions or other trends affecting the Internet and the information technology industry, and those discussed in the section titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the Securities and Exchange Commission (the "SEC"), which is available on www.sec.gov, and elsewhere in any subsequent periodic or current reports filed by us with the SEC. Except as required by applicable law, we do not undertake any obligation to update our forward-looking statements to reflect future events, new information or circumstances.

This presentation contains non-GAAP financial measures including, but not limited to, Bookings, non-GAAP Revenue, non-GAAP Gross Margin, non-GAAP Net Income and non-GAAP Net Income Per Share, Adjusted EBITDA and Adjusted Free Cash Flow. A reconciliation to GAAP can be found in the financial schedules included in our most recent earnings press release located on Carbonite's website, <http://investor.carbonite.com>, in the Company's filings or with the SEC at www.sec.gov. The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Financial results conference call details

What: Carbonite Q3 2018 Financial Results Conference Call

When: Thursday, November 1st, 2018

Time: 5:30 p.m. ET

Live Call: 877-303-1393 (U.S.)

315-625-3228 (International)

Conference ID: 7758358

Live / Recorded Webcast: <http://investor.carbonite.com>

Carbonite's mission

*To become the world's leading
data protection company,
enabling businesses to operate
continuously, regardless of
attacks, accidents or disasters*



Business data is everything.
Protect it well.

Summary Q3 performance

- GAAP revenue of \$77.7 million, up 26% year-over-year (YoY)
- GAAP net income per share of \$0.02, up 115% YoY
- Business subscription bookings up 59% YoY
- Non-GAAP gross margin was 78.4% up 210 Bps YoY and up 130 Bps sequentially
- Non-GAAP net income per share (diluted) was \$0.48, up 92% YoY
- Adjusted free cash flow was \$17.3 million, up 187% YoY and 22% of non-GAAP revenue
- Adjusted EBITDA was \$23.0 million, up 103% YoY and 29% of non-GAAP revenue

Carbonite Data Protection Console

CARBONITE Data Protection Console

Manage company | Wallace (Admin) | Sign out

DASHBOARD COMPANIES MACHINES JOBS USERS REPORTS INFRASTRUCTURE

OK Jobs 122
VIEW ALL

Warnings 7
VIEW ALL

Errors 3
VIEW ALL

All Jobs 132
MANAGE

Companies 8
MANAGE

Users 16
MANAGE

Active backup servers

STATUS	NAME	CAPACITY USED
Online	LondonRemote	85% of 8TB
Offline	Indiana Backup	96% of 4TB
Online	arc-local	68% of 6TB
Online	Local-Springfield	53% of 4TB
Online	ca-remote-4	43% of 4TB

View all infrastructure

Alerts VIEW ALL

- Sunlight Software: "Tag: High Impact" has backed up successfully. 1 minute ago
- Orco Ltd: "Low Priority Machines" has backed up successfully with warnings. 3 minutes ago
- Lightning Air: "High Priority Machines" has failed. Click to troubleshoot. 5 minutes ago

Carbonite Data Protection Console will be the single pane of glass for managing all Carbonite products

- It can be deployed in as little as five minutes
- Multi-tenant management – allows for streamlined management for partners and enterprise customers
- Integrated alerts across many companies and sub-companies
- Option to fully white-label the Data Protection Console for managed service providers

Carbonite Server VM Edition

The screenshot shows the Carbonite Data Protection Console interface. At the top, it says 'CARBONITE Data Protection Console' with user information: 'Manage Instance', 'Manage company', 'Parent: Admin Job', and 'Sign out'. The main window is titled 'Create a job' and 'Backup Server: DC1-Waltham'. It features a progress bar with five steps: 'Select VM(s)', 'Application Awareness', 'Schedule', 'Settings', and 'Finalize'. The 'Select VM(s)' step is active, showing a search bar and a tree view of the backup environment. The tree view includes '172.30.20.201', 'Datacenters', 'Lab-DC01', 'Lab-DC01-Cluster', '172.30.20.200', 'Nested-ESXi-3-Node', 'VLAN-Nested-ESXi-1', 'VLAN-Nested-ESXi-2', and 'VLAN-Nested-ESXi-3'. A 'Configure Exclusion(s)' button is located below the tree view. A large green 'Next' button is at the bottom right of the wizard. Below the wizard, there is a table of existing backup jobs:

Job Name	Status	Size	Time
SQL-Backup	OK	13.99 GB	Oct 30 2018 9:00pm
Daily-Backup	OK	10.91 GB	Oct 8 2018 9:00pm

At the bottom of the console, there is a footer with '© 2018. All rights reserved.', 'Support', 'Terms of Service', and 'Privacy'.

Launched Carbonite Server VM Edition, a robust data protection solution for physical, virtual and legacy systems, with purpose-built backup for VMs.

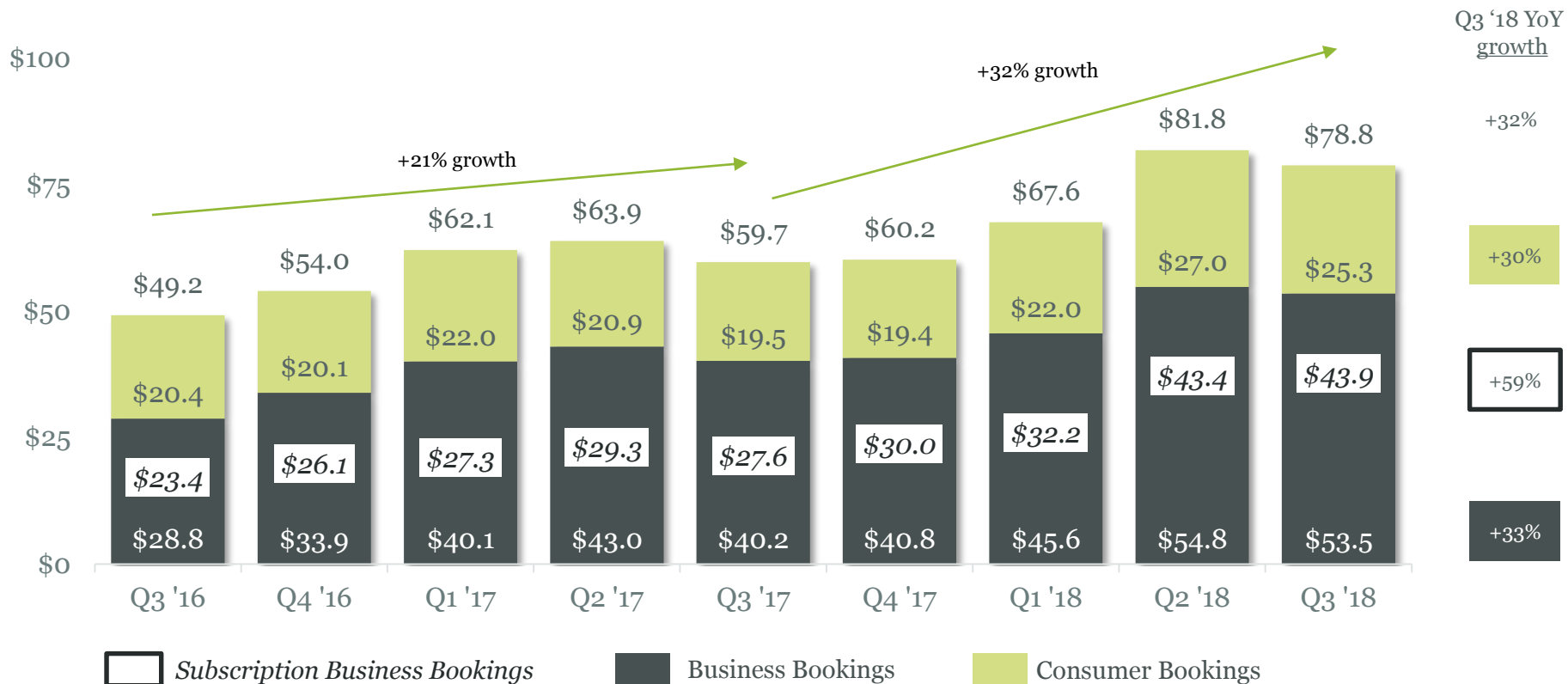
- Streamlined user management
- Robust API-monitoring – Seamless integration with management systems (reporting, user settings, etc.)
- Excellent compression– very efficient backup / restores
- Extensive OS support, including many legacy systems
- Flexible deployment model – Cloud, hybrid, on-prem
- Multiple restore options – local failover, cloud failover, granular recovery, etc.

Summary Q3 financial results

	Q3 2018 Outlook (8/2/2018)	Q3 2018 Results
GAAP Revenue	\$77.6 M to \$79.6 M	\$77.7 M (+26% YoY)
Non-GAAP Revenue	\$79.0 M to \$81.0 M	\$79.1 M (+25% YoY)
GAAP Net Income Per Share (Diluted)	<i>Not guided</i>	\$0.02 (+115% YoY)
Non-GAAP Net Income Per Share (Diluted)	\$0.40 to \$0.42	\$0.48 (+92% YoY)
Consumer Bookings	<i>Not guided</i>	\$25.3 M (+30% YoY)
Business Bookings	<i>Not guided</i>	\$53.5 M (+33% YoY)
Non-GAAP Gross Margin	<i>Not guided</i>	78.4% (+210 Bps YoY)
Adjusted Free Cash Flow	<i>Not guided</i>	\$17.3 M (+187% YoY)

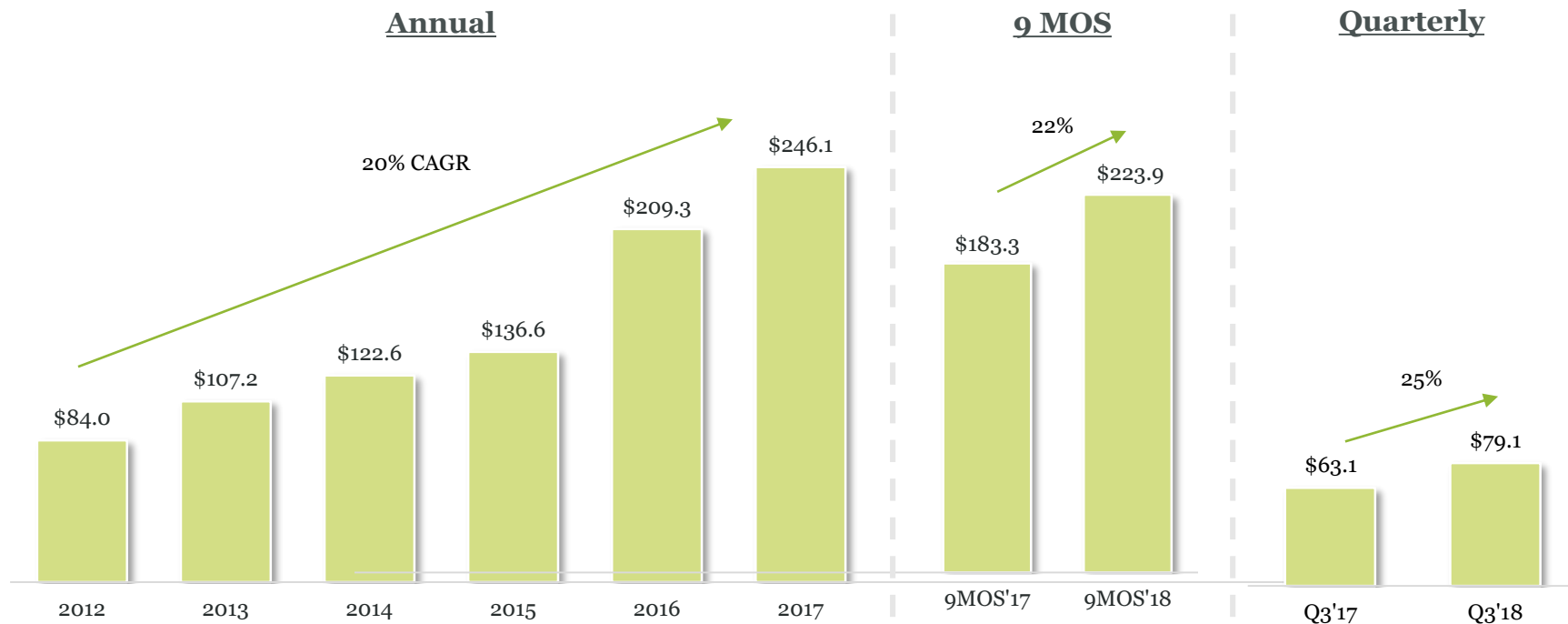
*With respect to expectations under "Q3 2018 Outlook" above, the Company has not reconciled non-GAAP net income per share to net income per share because we do not provide guidance for stock-based compensation expense, litigation-related expense, restructuring-related expense, acquisition-related expense, amortization expense on intangible assets and the income tax effect of non-GAAP adjustments as we are unable to quantify certain of these amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the Company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

Quarterly bookings growth



Strong and consistent non-GAAP revenue growth

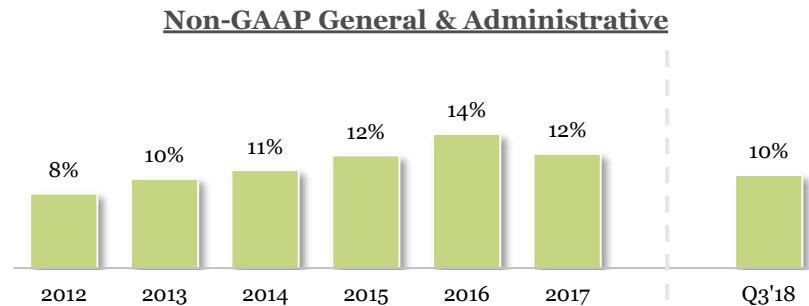
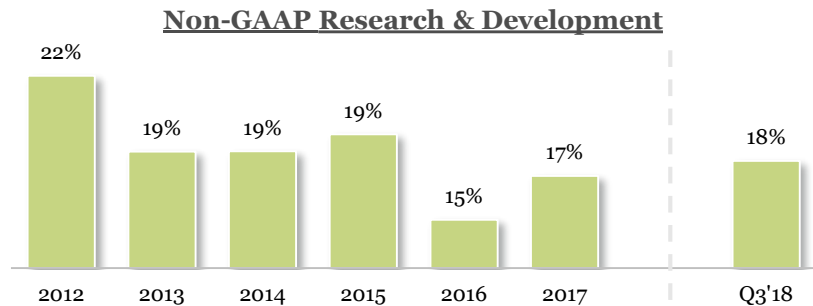
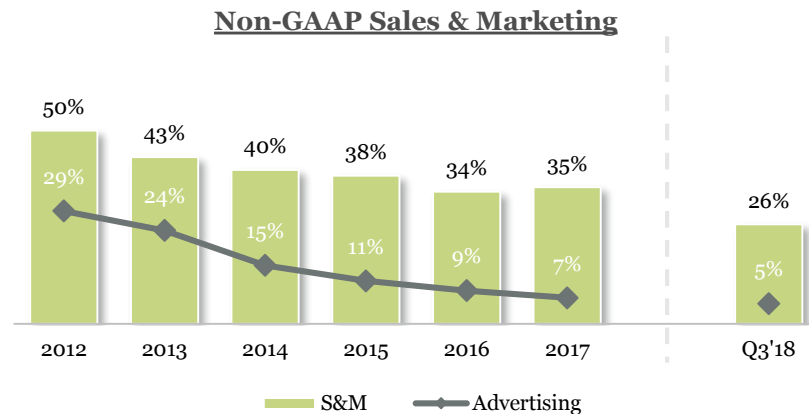
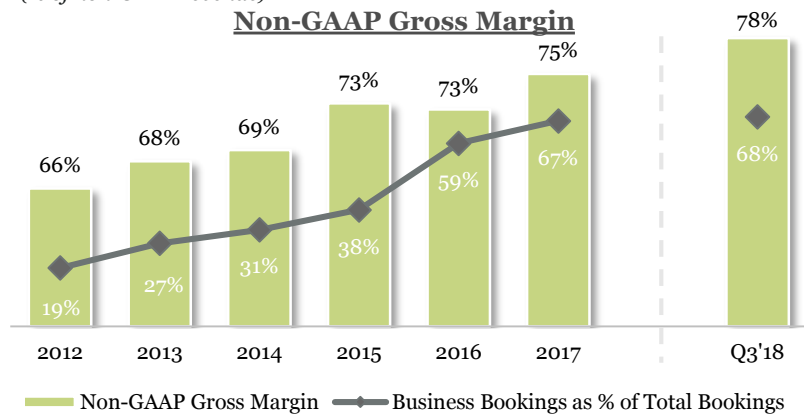
(\$ in millions)



Source: SEC Filings and company estimates; For a full reconciliation of GAAP to non-GAAP, please visit the investor relations portion of the Carbonite web site – investor.carbonite.com

Driving operating leverage

(% of non-GAAP revenue)



Source: SEC Filings; For a full reconciliation of GAAP to non-GAAP, please visit the investor relations portion of the Carbonite web site – investor.carbonite.com

Business outlook* (as of November 1st 2018)

	Q4 2018 Outlook	FY 2018 Outlook	FY' 18 Growth (at midpoint)
GAAP Revenue	\$77.6 M to \$80.6 M	\$297.0 M to \$300.0 M	+25%
Non-GAAP Revenue	\$78.6 M to \$81.6 M	\$302.5 M to \$305.5 M	+24%
Non-GAAP Net Income Per Share (Diluted)	\$0.40 to \$0.44	\$1.61 to \$1.65	+106%
Business Bookings	<i>Not guided</i>	\$205.0 M to \$210.0 M	+26%
Consumer Bookings YoY Growth	<i>Not guided</i>	15% to 20% growth	+1,750 Bps
Non-GAAP Gross Margin	<i>Not guided</i>	76.5% to 77.5%	+150 Bps
Adjusted Free Cash Flow	<i>Not guided</i>	\$43.0 M to \$46.0 M	+120%

*With respect to our expectations under "Business Outlook" above, the Company has not reconciled non-GAAP net income per share to net income (loss) per share because we do not provide guidance for stock-based compensation expense, litigation-related expense, restructuring-related expense, acquisition-related expense, amortization expense on intangible assets, non-cash convertible debt interest expense, and the income tax effect of non-GAAP adjustments as we are unable to quantify certain of these amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the Company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

Definitions of non-GAAP measures

- **Bookings:** Bookings represent the aggregate dollar value of customer subscriptions and software arrangements, which may include multiple revenue elements, such as software licenses, hardware, professional services and post-contractual support, received during a period and are calculated as revenue recognized during a particular period plus the change in total deferred revenue, excluding deferred revenue recorded in connection with acquisitions, divestitures and the adoption impact of Topic 606, net of foreign exchange and the change in unbilled revenue during the same period. Business subscription bookings specifically include sales of software-as-a-service offerings, royalty arrangements and term software licenses.
- **Non-GAAP revenue:** Excludes the impact of purchase accounting adjustments for acquisitions.
- **Non-GAAP gross margin:** Excludes the impact of purchase accounting adjustments on acquired deferred revenue, amortization expense on intangible assets, stock-based compensation expense, and acquisition-related expense.
- **Non-GAAP net income and non-GAAP net income per share:** Excludes the impact of purchase accounting adjustments on acquired deferred revenue, amortization expense on intangible assets, stock-based compensation expense, litigation-related expense, restructuring-related expense, acquisition-related expense, non-cash convertible debt interest expense and the income tax effect of non-GAAP adjustments.
- **Adjusted EBITDA:** Excludes the impact of interest expense, net, income taxes, depreciation, amortization, purchase accounting adjustments on acquired deferred revenue, stock-based compensation expense, litigation-related expense, restructuring-related expense, and acquisition-related expense from net income (loss).
- **Adjusted free cash flow:** Calculated by subtracting the cash paid for the purchase of property and equipment and adding the payments related to acquisitions, restructuring, and litigation from net cash provided by operating activities.

Additional slides

Carbonite at-a-glance

Carbonite provides a robust Data Protection Platform for businesses, including backup, disaster recovery, high availability and workload migration technology

- Addressing large TAM with focus on mid-sized organizations
- Strategically focused on the highest growth segments of the market
- Subscription model with strong retention rates

Total growth focus: organic growth combined with strong M&A track record

Proven ability to drive growth *and* profitability

Our growth strategy



Focus on
Business



Platform
Strategy



Cross-sell
Portfolio



Disciplined
Strategic
Acquisitions



Expand the
Channel



Automation &
Frictionless
Customer Experience

Future Opportunities to Drive Growth



International
Expansion



Target **Adjacent**
Markets



Expand
Customer Reach

Financial highlights



Strong and consistent revenue growth



High quality revenue base and highly recurring revenue model



Consistently improving margins through operational efficiencies



Track record of successful acquisition integration and synergy achievement

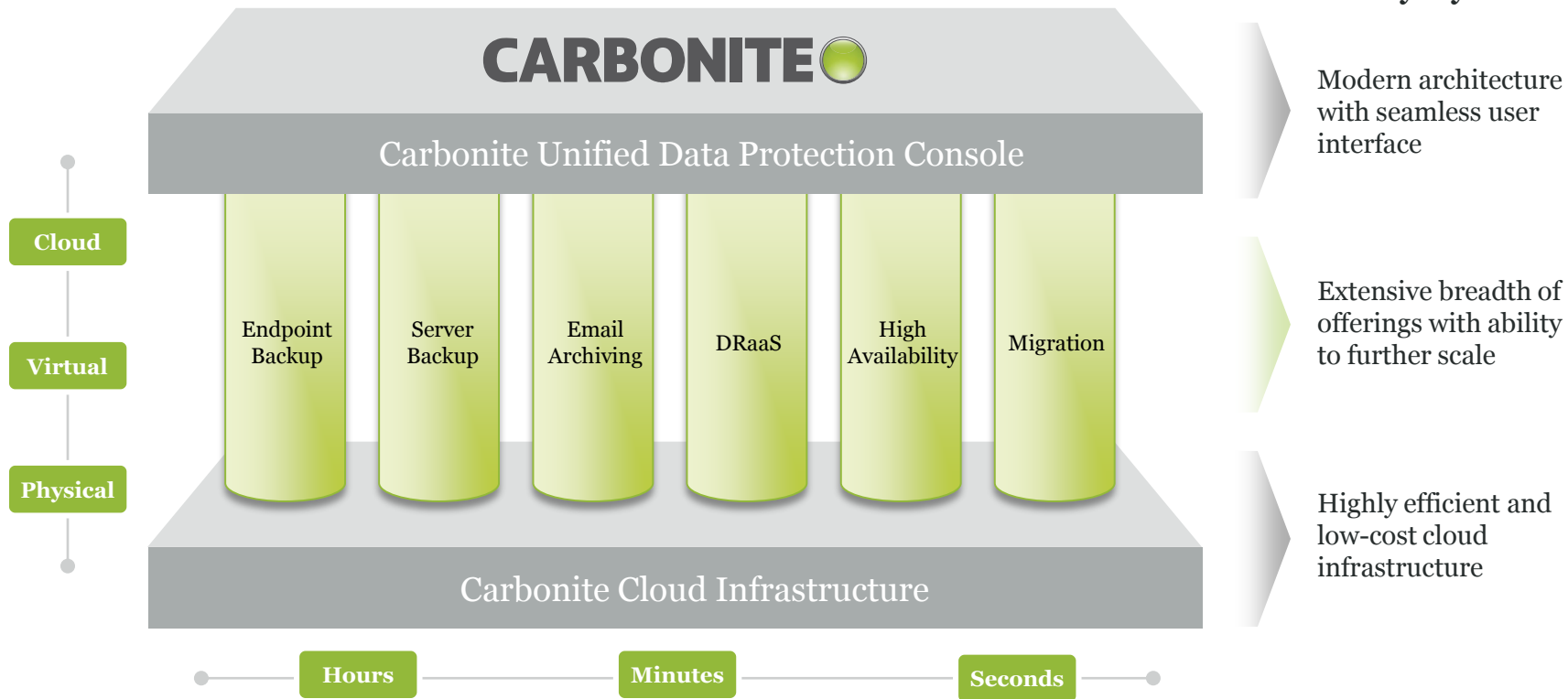


Delivering EPS and cash flow growth



Disciplined capital allocation strategy

Carbonite's modern cloud-based platform



Additional product screen shots

CARBONITE Data Protection Console

OVERVIEW COMPANIES MACHINES **JOB**S USERS REPORTS INFRASTRUCTURE

Production-Hyper-V details

Job Details

VMs Protected

History

Run Date	Backup	Recovery	Machines	Size	Protected GB
Oct 6, 2018 12:06am	Errors	In Progress	22	3.85 GB	8.50 GB
Oct 5, 2018 12:06am	OK	OK	21	3.43 GB	8.50 GB
Oct 4, 2018 12:06am	OK	OK	19	3.40 GB	8.47 GB

Backup Details

Errors: One or more VMs in the backup contain a disk that cannot be protected since it is not affected by snapshots. These disks will be skipped. Please check logs for details.

View all history

Full details

What's protected	Backing up to	Summary
Plugin Type: Hyper-V Backup job size: 3.85 GB Protected GB: 8.50 GB	Backup server: DC1-Win10am Cloud server: CS1-West	Company: Sunlight Software Create time: Aug 6, 2018 7:16am Last modified time: Aug 6, 2018 7:16am

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CARBONITE Data Protection Console

OVERVIEW COMPANIES **MACHINES** JOBS USERS REPORTS INFRASTRUCTURE

Virtual Machines Hosts + Servers

Status	Host/Server	VM Name	Company	Job	Last Run
Errors	192.168.200.15	Web Server 03	Sunlight Software	Production-Hyper-V	Oct 15 2018 2:30pm
Errors	192.168.200.15	Active Directory 05 01	Aperworks	FileServer	Oct 11 2018 12:30am
Warnings	192.168.200.15	RDS Session-host	Soul Industries	BMF	Oct 11 2018 12:30am
OK	192.168.200.15	File Server 02	Dynamic Microsystems	Lab-Care	Oct 8 2018 9:30am
OK	192.168.200.15	RHES-00P	Honeyshina	SysBench_1	Oct 8 2018 9:00pm
OK	192.168.200.15	AD-L3N-01	Surge Systems	Production-Win10	Oct 8 2018 5:00pm
OK	192.168.200.15	ps001-jm.local	Starwell Consultants	Production-Win10am	Oct 6 2018 2:30pm
OK	192.168.200.15	WIN2012R2	Oreo Ltd	Database	Oct 6 2018 2:30pm
OK	192.168.200.15	CH05DM007	Energy Sports	SQL Backup	Oct 6 2018 11:31am
OK	192.168.200.15	S-SD-08787M3	Igniter Records	Daily-Backup	Oct 6 2018 11:31am

1-10 of 853 << >>

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CARBONITE Data Protection Console

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Carbonite Server Backup VM Edition key features

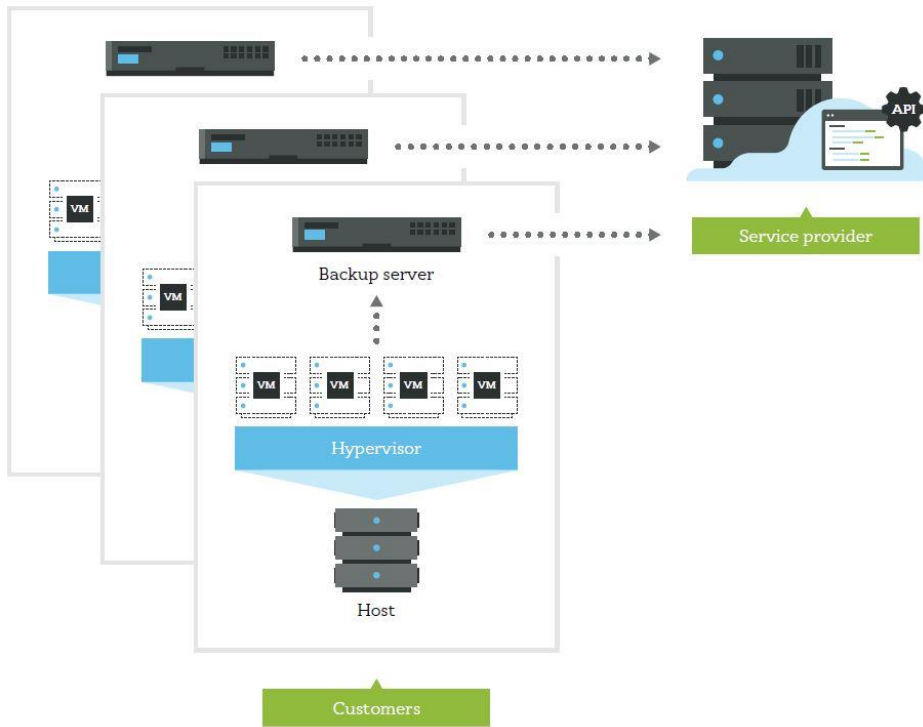
Backup features

- Efficient, agentless VM backup for VMware & Hyper-V
- Local + cloud backup
- Configurable backup schedule from 15 minute to daily window
- Compressed, encrypted, forever incremental backups (AES 256-bit in-flight and at-rest)
- SAN, hot-add, or network backup
- Application-aware backup
- Backup verification reports
- Configurable retention policies

Flexible restore options

- Full VM restore to host (ESXi, vCenter, VMware or Hyper-V)
- Granular restore (files, exchange, SharePoint, SQL, Active Directory)
- Cross-hypervisor
- Local failover
- Download virtual disks (VHD, VMDK, RAW, etc.)
- Mount

Award-winning support
24x7 phone support from certified experts



How it works

- Local backup server connects to host and takes agentless backup of selected VMs
- Backed up data is compressed to accelerate cloud uploads
- Server performs incremental backups after initial backup
- Backup server updates on schedule, while sending changes securely on a separate schedule to the cloud
- Options for recovering VM:
 - Restore data from backup server to VM host
 - Fail over locally by spinning up VM using backed-up data
 - Perform granular restore of files, folders, or application elements