Safe Harbor for Forward-Looking Statements

Statements in this presentation regarding management’s future expectations, beliefs, intentions, goals, strategies, plans or prospects, including, without limitation, the statements relating to Mimecast’s future financial performance on both a GAAP and non-GAAP basis, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements containing the words "predicts," "plan," "expects," "anticipates," "believes," "goal," "target," "estimate," "potential," "may," "might," "could," "see," "seek," "forecast," and similar words. Mimecast intends all such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including those risks, uncertainties and factors detailed in Mimecast’s filings with the Securities and Exchange Commission. As a result of such risks, uncertainties and factors, Mimecast’s actual results may differ materially from any future results, performance or achievements discussed in or implied by the forward-looking statements contained herein. Mimecast is providing the information in this presentation as of this date and assumes no obligations to update the information included in this press release or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition to GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. Information regarding the non-GAAP financial measures referenced in this presentation, including the reconciliation to the nearest GAAP financial measures, can be found in the Appendix to this presentation. Please consider this as you review these non-GAAP financial measures.

This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data.

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Mimecast Investment Highlights

1. Unique technology platform
2. Large market opportunity
3. Favorable market drivers
4. Predictable business model
5. Strong track record

Yearly Revenue ($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$142</td>
</tr>
<tr>
<td>2017</td>
<td>$187</td>
</tr>
<tr>
<td>2018</td>
<td>$262</td>
</tr>
<tr>
<td>2019</td>
<td>$340</td>
</tr>
<tr>
<td>2020</td>
<td>$427</td>
</tr>
</tbody>
</table>

Note: CAGR calculated on actual FX rates.
Growth with leverage

Annual Revenue $M

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21E*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$142</td>
<td>$187</td>
<td>$262</td>
<td>$340</td>
<td>$427</td>
<td>$492</td>
</tr>
</tbody>
</table>

Annual Adjusted EBITDA $M

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21E*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$16</td>
<td>$12</td>
<td>$26</td>
<td>$54</td>
<td>$78</td>
<td>$110</td>
</tr>
</tbody>
</table>
World-Class Management Team

Peter Bauer  
Chief Executive Officer  
Co-founded Mimecast in 2003  
Previously founded FAB Technology, and worked as a Microsoft Systems Engineer specializing in corporate messaging systems

Rafe Brown  
Chief Financial Officer  
Joined Mimecast in 2019  
Previously CFO and head of services and support at SevOne, CFO & CAO at Pegasystems Inc. SVP of Finance at Salesforce.com

Christina Van Houten  
Chief Strategy Officer  
Joined Mimecast in 2018  
Previously held leadership roles at Oracle, IBM, Infor Global Solutions, Netenza and ProfitLogic

Dino DiMarino  
Chief Revenue Officer  
Joined Mimecast in 2016  
Previously held leadership roles at RSA, EMC and DELL

Shahriar Rafimayeri  
Chief Information Officer  
Joined Mimecast in 2020  
Previously CIO for Infor, and leadership roles at Morgan Stanley, Blackstone

Karen Anderson  
Chief Human Resources Officer  
Joined Mimecast in 2019  
Previously CHRO for Aynlilam Pharmaceuticals, and leadership roles at Biogen, Pfizer and Bayer

Bob Nault  
SVP, General Counsel  
Joined Mimecast in 2016  
Previously SVP, General Counsel at Constant Contact. Led the legal team though tremendous growth, IPO and several acquisitions. SVP, General Counsel at RSA Security

John Walsh  
SVP Engineering & Technical Operations  
Joined Mimecast in 2017  
Previously held SVP of Engineering and CTO roles at Constant Contact, CareCloud, Tremor Video and Avid

Heather Bentley  
SVP Customer Success and Support  
Joined Mimecast in 2019  
Previously Head of Customer Success Europe for Automation Everywhere and more than a decade of leadership positions at Symantec

Michael Paisley  
Chief Security and Resilience Officer  
Joined Mimecast in 2020  
Previously CISO for Verifone and CISO for Vocalink

Alex Bender  
SVP, Global Marketing  
Joined Mimecast in 2016  
Previously VP, Marketing at Onapsis and General Manager, RSA Conference and Director of Experiential Marketing

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ESG - Our Commitment to Global Resilience

To deliver on our commitment to resilience, we empower and protect our most vital stakeholders through comprehensive environmental, social and governance programs.

Our Customers
We deliver highly effective capabilities that are easy and affordable, quickly deployed, and supported by people who care about customer success.

- Email Security 3.0 Strategy to help customers achieve a new and more comprehensive form of protection.
- Connectors and APIs for customers to build stronger overall security systems.
- Exceptional support and products to help customers achieve success.

Our Employees
We empower and support our employees by providing regular engagement and professional growth opportunities.

- Diverse and inclusive workplace
- Professional development opportunities (including quarterly cybersecurity awareness training).
- Employee health and well-being programming.
- Best-in-class benefits.

Our Community
Through global signature partnerships, we instill community resilience by supporting and providing opportunity for vulnerable populations.

- Foundation grants.
- Employee matching program.
- 5-days annual PTO for volunteer service.
- Regular global service opportunities.

Our Environment
Because commitment to resilience extends to our natural environment, we strive to reduce our impact and support our planet wherever we can.

- Elimination of all single-use plastics.
- Facilities powered by renewable energy sources.
- Incentives for green transit alternatives
- Offset carbon emissions.
We Solve Both Infrastructure & Security Problems

Mission Critical Infrastructure
- DNS
- Messaging
- Web Gateway
- Archiving
- Backup
- Continuity

Advanced Cybersecurity
- Anti-spam
- Phishing
- Malware
- Compliance
- Remediation
- Threat Intel
- Awareness

Unified Platform Architecture – Mime | OS
What is Mime | OS?
Scalable multi-tenant platform enabling integrated multi-product suite

Product Suite

THREAT INTEL

AWARENESS TRAINING

WEB SECURITY

DATA PROTECTION

EMAIL SECURITY

API

Mime | OS

Analytics/ Machine Learning  Data Store  Traffic  Detection Stack  Policy

MULTI-TENANT  COMMUNITY DEFENSE
Mimecast Product Portfolio

- Secure Email Gateway
- Targeted Threat Protection
- Internal Email Protection
- Awareness Training
- DMARC Analyzer
- Brand Exploit Protection
- Ecosystem APIs
- Threat Intelligence
- Archive
  + Simply Migrate
  + E-Discovery
  + Supervision
- Large File Send
- Web Security
- Secure Messaging
  + Health Care Pack
- Continuity
- Sync & Recover

Email Security 3.0

Zone 1

Zone 2

Zone 3

Cyber Resilience Extensions

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Market Drivers

2021
Expanding Product Portfolio Underpins Growth

Global TAM $B

At IPO

Today

$11.7

$2.5

$6.6

$0.8

$1.8

$2.9

$8.7

$4.0

$1.9

$1.1

$1.9

$3.3

$8.7

$2.9

$4.0

$3.3

E-Discovery and Data Resilience

Emerging Zone 2 & 3

Zone 1 Messaging Security

3) Mimecast Management estimates.
Security is Visible and Strategic

Execs & Boards
- Risk
- Budgets
- Impatient

Tech & Security
- Overwhelmed
- Underappreciated
- Constrained

End Users
- Paranoid
- Annoyed
- Apathetic
More Confident and Secure in an Office 365 World

Mimecast Helps You Solve 365’s Intractable Problem

- Protect your email with industry leading security
- Deploy a “second lock to pick” for threat actors
- Train your employees to strengthen your human firewall
- Protect your brand and domain beyond your perimeter
- Integrate rich threat intelligence into your security ecosystem
- Keep email flowing even when Microsoft is down
- Automate independent post compromise mitigation
- Make email compliance fast & easy
- Extend protection with robust web security & shared intelligence

An Essential Companion To Microsoft

#1 Resilience Partner For More Than 17,500 Office 365 Customers

In a world of near total dependency
We help you solve Microsoft’s intractable problem
Substantial Email Market Opportunity

~15 million
Global Mimecast Users

200 million
Commercial Office 365 Users

1 billion
Worldwide Business Email Users
High Revenue Visibility

FY20 Revenue

New Customers

Existing Customers

April

March

8%

92%

Revenue Recognized Daily

+90% Revenue Visibility

98% Recurring Revenue

+90% Customer Retention
Whitespace Opportunity in Install Base

$1B opportunity to sell current product portfolio into existing 39,200 customers

At IPO

7 Products
2.6 Avg Per Customer

2x
Expansion Opportunity
into 16,200 Customers

Opportunity

Base

Today

12 Products
3.4 Avg Per Customer

3x
Expansion Opportunity
into 39,200 Customers

Opportunity
~$1B

Base
Significant Upsell Potential

Q2 2021 Revenue Retention Rate

- Opening Base: 100%
- Downsell/Churn: 8%
- Upsell: 12%
- Closing Base: 105%

Annual Revenue Retention Rate

- FY16: 109%
- FY17: 111%
- FY18: 110%
- FY19: 111%
- FY20: 107%

Note: Rounded to the nearest percent
Growing Customer Base with Multiple Services

Customers Total (thousands)

% of Customers with Four or More Services
Highly Diverse Revenue Base

Vertical Market Diversity

- Professional Services: 14%
- Finance and Insurance: 14%
- Legal Services: 7%
- Manufacturing: 11%
- Health Care: 8%
- Government: 6%
- Retail: 7%
- Construction: 7%
- Information: 4%
- Transportation: 4%
- Real Estate: 3%
- Other: 15%

Geographic Diversity

- United States: 52%
- United Kingdom: 29%
- South Africa: 10%
- Other: 9%
- Other: 9%

Note: Q2 FY2021 ended September 30, 2020
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How We Sell

- **SaaS Fundamentals**

- **Channel Strategy**
  - SMB and MSPs
  - Channel Heavy
  - Larger Customer Coverage
  - National Partners

- **Sales Strategy**
  - Direct & Channel
  - Leverage Sis

- **% of Revenue Q2 2021**
  - 18%
  - 73%
  - 9%

- **How We Sell**
  - 5,000+ Employees
  - 100-5,000 Employees
  - 1-99 Employees

- **Subscription payment**

- **SaaS Model**

- **Ease of Integration**

- **Modular Product Offerings**

- **Scalable**

- **Annual Contracts**
Discrete Product Introduction and Adoption

Q2 FY21 Customers Rounded to the Nearest 100

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Security</td>
<td>37,700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity</td>
<td>21,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archiving</td>
<td>16,400</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archive Add-Ons</td>
<td>7,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large File Sending</td>
<td>4,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeted Threat Protection</td>
<td>29,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secure Messaging</td>
<td>6,700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Email Protection</td>
<td>6,700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awareness Training</td>
<td>2,700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Web Security</td>
<td>900</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Growth from Emerging Products

BASE ARR $M

<table>
<thead>
<tr>
<th>Year</th>
<th>ARR $M</th>
<th>Zone</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>$147</td>
<td>1st Zone 1</td>
<td>37%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2nd Zone 2</td>
<td>63%</td>
</tr>
<tr>
<td>FY20</td>
<td>$453</td>
<td>3rd Zone 3</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>67%</td>
</tr>
<tr>
<td>Future</td>
<td></td>
<td>20%&amp; Emerging</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>E-Discovery and Data Resilience</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zone 1 Messaging Security</td>
<td>60%</td>
</tr>
</tbody>
</table>

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Our Global Public Sector Opportunity

$23.8B TAM

New Data Center

Public Sector &
FedRAMP
Data Center
Ready FY 2021
Financial Highlights

- 32% Revenue CAGR FY16-20
- Revenue Retention Rate 105%
- 98% Recurring Revenue
- 21% Customer CAGR FY16-20
- On Average Customers Have 3.4 Services
- Free Cash Flow Inflection
Q2 FY 2021 Highlights

- Constant Currency Revenue Growth of 19% YoY to $122.7 million
- 500 Net New Customers
- Adjusted EBITDA of $33.6 million
- 76% GAAP Gross Profit
- Free Cash Flow of $21.6 million
- GAAP EPS of $0.15 Per Diluted Share

ended Sept. 30, 2020
Adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure that we define as net (loss) income, adjusted to exclude: depreciation; amortization; disposals and impairment of long-lived assets; acquisition-related gains and expenses; litigation-related expenses; share-based compensation expense; restructuring expense; interest income and interest expense; the provision for income taxes and foreign exchange income (expense). Adjusted EBITDA also includes rent paid in the period related to locations that are accounted for as build-to-suit facilities. We believe that Adjusted EBITDA provides investors and other users of our financial information consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations and facilitates comparisons with our peer companies, many of which use a similar non-GAAP financial measure to supplement their GAAP results. We use Adjusted EBITDA in conjunction with traditional GAAP operating performance measures as part of our overall assessment of our performance, for planning purposes, including the preparation of our annual operating budget, to evaluate the effectiveness of our business strategies, to communicate with our board of directors concerning our financial performance, and for establishing incentive compensation metrics for executives and other senior employees. We do not place undue reliance on Adjusted EBITDA as a measure of operating performance. This non-GAAP measure should not be considered as a substitute for other measures of financial performance reported in accordance with GAAP. There are limitations to using a non-GAAP financial measure, including that other companies may calculate this measure differently than we do, that it does not reflect our capital expenditures or future requirements for capital expenditures and that it does not reflect changes in, or cash requirements for, our working capital. Mimecast is unable to predict with reasonable certainty the ultimate outcome of these exclusions without unreasonable effort. Therefore, Mimecast has not provided a reconciliation of forward-looking Adjusted EBITDA guidance to GAAP net income.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (loss) income</td>
<td>(2,200)</td>
<td>(7,001)</td>
<td>(12,386)</td>
<td>(5,441)</td>
<td>(3,244)</td>
<td>10,050</td>
<td>(921)</td>
</tr>
<tr>
<td>Depreciation, amortization and disposals and impairment of long-lived assets</td>
<td>32,278</td>
<td>29,960</td>
<td>19,141</td>
<td>11,881</td>
<td>10,527</td>
<td>9,495</td>
<td>7,538</td>
</tr>
<tr>
<td>Rent expense related to build-to-suit facilities</td>
<td>(4,482)</td>
<td>(785)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense (income), net</td>
<td>1,061</td>
<td>3,425</td>
<td>(712)</td>
<td>(242)</td>
<td>616</td>
<td>616</td>
<td>81</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>2,359</td>
<td>2,001</td>
<td>2,705</td>
<td>2,202</td>
<td>865</td>
<td>582</td>
<td>118</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>39,544</td>
<td>25,054</td>
<td>11,734</td>
<td>10,294</td>
<td>7,886</td>
<td>13,619</td>
<td>9,938</td>
</tr>
<tr>
<td>Impairments of long-lived assets</td>
<td>-</td>
<td>-</td>
<td>1,712</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>(170)</td>
<td>852</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange expense (income)</td>
<td>1,577</td>
<td>1,647</td>
<td>3,511</td>
<td>(6,892)</td>
<td>(811)</td>
<td>(1,060)</td>
<td>811</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>769</td>
<td>2,012</td>
<td>-</td>
<td>655</td>
<td>-</td>
<td>302</td>
<td>71</td>
</tr>
<tr>
<td>Gain on previously held asset</td>
<td>-</td>
<td>(338)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Litigation-related expenses</td>
<td>2,700</td>
<td>1,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,350</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$78,086</td>
<td>$54,008</td>
<td>$25,752</td>
<td>$12,457</td>
<td>$15,839</td>
<td>$33,604</td>
<td>$19,986</td>
</tr>
</tbody>
</table>

Adjusted EBITDA is a non-GAAP financial measure that we define as net (loss) income, adjusted to exclude: depreciation; amortization; disposals and impairment of long-lived assets; acquisition-related gains and expenses; litigation-related expenses; share-based compensation expense; restructuring expense; interest income and interest expense; the provision for income taxes and foreign exchange income (expense). Adjusted EBITDA also includes rent paid in the period related to locations that are accounted for as build-to-suit facilities. We believe that Adjusted EBITDA provides investors and other users of our financial information consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations and facilitates comparisons with our peer companies, many of which use a similar non-GAAP financial measure to supplement their GAAP results. We use Adjusted EBITDA in conjunction with traditional GAAP operating performance measures as part of our overall assessment of our performance, for planning purposes, including the preparation of our annual operating budget, to evaluate the effectiveness of our business strategies, to communicate with our board of directors concerning our financial performance, and for establishing incentive compensation metrics for executives and other senior employees. We do not place undue reliance on Adjusted EBITDA as a measure of operating performance. This non-GAAP measure should not be considered as a substitute for other measures of financial performance reported in accordance with GAAP. There are limitations to using a non-GAAP financial measure, including that other companies may calculate this measure differently than we do, that it does not reflect our capital expenditures or future requirements for capital expenditures and that it does not reflect changes in, or cash requirements for, our working capital. Mimecast is unable to predict with reasonable certainty the ultimate outcome of these exclusions without unreasonable effort. Therefore, Mimecast has not provided a reconciliation of forward-looking Adjusted EBITDA guidance to GAAP net income.
The following table presents a reconciliation of revenue constant currency growth rates:

<table>
<thead>
<tr>
<th>Reconciliation of Revenue Constant Currency Growth Rate:</th>
<th>Three months ended September 30,</th>
<th>Years ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Revenue, as reported</td>
<td>$122,693</td>
<td>$103,357</td>
</tr>
<tr>
<td>Revenue year-over-year growth rate, as reported</td>
<td>19%</td>
<td>26%</td>
</tr>
<tr>
<td>Estimated impact of foreign currency fluctuations</td>
<td>—</td>
<td>3%</td>
</tr>
<tr>
<td>Revenue constant currency growth rates</td>
<td>19%</td>
<td>29%</td>
</tr>
</tbody>
</table>

*Revenue Constant Currency Growth Rate.* We calculate revenue constant currency growth rate by translating revenue from entities reporting in foreign currencies into U.S. dollars using the comparable foreign currency exchange rates from the prior fiscal period. We believe that presenting this non-GAAP financial measure provides investors greater transparency to the information used by our management for financial and operational decision-making and allows investors to see our results “through the eyes” of management. We also believe that providing this information better enables our investors to understand our operating performance and evaluate the methodology used by management to evaluate and measure such performance. This non-GAAP measure should not be considered in isolation or as a substitute for our financial results prepared in accordance with U.S. GAAP. For example, revenue constant currency growth rates, by their nature, exclude the impact of foreign exchange, which may have a material impact on U.S. GAAP revenue. Non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and therefore other companies may calculate similarly titled non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.
Free Cash Flow Reconciliation Table

The following table presents a reconciliation of net cash provided by operating activities to free cash flow:

<table>
<thead>
<tr>
<th>Reconciliation of Free Cash Flow:</th>
<th>Three months ended September 30,</th>
<th>Years ended March 31,</th>
<th>Three Months Ending December 31,</th>
<th>Year Ending March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020 (in thousands)</td>
<td>2019 (in thousands)</td>
<td>2020 (in millions)</td>
<td>2019 (in millions)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$31,043</td>
<td>$17,683</td>
<td>$90,538</td>
<td>$66,235</td>
</tr>
<tr>
<td>Purchases of property, equipment and capitalized software</td>
<td>(9,399)</td>
<td>(13,705)</td>
<td>(53,234)</td>
<td>(28,795)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$21,644</td>
<td>$3,978</td>
<td>$37,304</td>
<td>$37,440</td>
</tr>
</tbody>
</table>

We define free cash flow as net cash provided by operating activities minus capital expenditures. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that, after the acquisition of property, equipment and capitalized software, can be used for strategic opportunities, including investing in our business, and strengthening the balance sheet. Analysis of free cash flow facilitates management’s comparisons of our operating results to competitors’ operating results. A limitation of using free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating our company is that free cash flow does not represent the total increase or decrease in the cash balance from operations for the period because it excludes cash used for capital expenditures during the period. Management compensates for this limitation by providing information about our capital expenditures on the face of the cash flow statement and in the liquidity and capital resources discussion included in our annual and quarterly reports filed with the Securities and Exchange Commission.