UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 2, 2022

CERENCE INC.
(Exact name of Registrant as Specified in Its Charter)

Delaware	001-39030	83-4177087
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1 Burlington Woods Drive, Suite 301A Burlington, MA	01803
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (857) 362-7300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value	**CRNC**	**The NASDAQ Stock Market LLC**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On May 6, 2022, Cerence Inc. (the "Company") issued a press release that included preliminary financial information for the quarter ended March 31, 2022. A copy of the related press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 2.02 by reference.

The information under this Item 2.02, including the press release attached hereto as Exhibit 99.1, is being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of New Director

On May 3, 2022, the Board of Directors (the "Board") of the Company expanded the size of the Board from seven to eight directors, and appointed Doug Davis as a member of the Board and as a member of the Compensation Committee of the Board, effective immediately. Mr. Davis will serve as a Class II director with a term expiring at the Company's annual meeting of stockholders in 2023 and until his successor is duly elected and qualified, or until his earlier resignation or removal.

Mr. Davis will receive an initial equity award grant with a target value of approximately $125,000 in accordance with the Company's director compensation program. As a non-employee director, Mr. Davis is also entitled to receive an annual cash retainer of $100,000 pro-rated for his start date. Mr. Davis will otherwise participate in the Company's director compensation program in the same manner as other non-employee directors.

The Company also will enter into an indemnification agreement with Mr. Davis in connection with his appointment to the Board, which is in substantially the same form as that entered into with the other directors of the Company. There are no other arrangements or understandings between Mr. Davis and any other persons pursuant to which he was selected as a director. Additionally, Mr. Davis has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Chief Financial Officer Transition

On May 4, 2022, the Board appointed Thomas Beaudoin as Executive Vice President and Chief Financial Officer (and, in such capacity, the "principal financial officer" and "principal accounting officer" of the Company), effective May 5, 2022. Since 2019, Mr. Beaudoin has served as a director of the Company.

Mr. Beaudoin, age 68, served as Chief Transformation Officer at Qualifacts Systems Inc. and Credible Inc. from April 2021 through April 2022. Previously, he served as Executive Vice President, Business Transformation of Nuance Communications Inc. ("Nuance") from 2017 until 2020 and was responsible for leading efforts to align and fully leverage technologies within Nuance's key vertical markets, and drive growth while improving margins and cost structure. Prior to re-joining Nuance in 2017, Mr. Beaudoin held several executive leadership roles, including CFO of SimpliVity Corp. (now HPE SimpliVity) from 2015 to 2017; and Executive Vice President and CFO of Nuance from 2008 to 2015. Mr. Beaudoin holds a B.S.B.A. degree and an M.B.A. from Babson College.

Mr. Beaudoin will receive an annual base salary of $475,000. In addition, Mr. Beaudoin will be eligible to participate in the Company's Short Term Incentive Plan with a target opportunity equal to 75% of his base salary. In connection with his appointment, Mr. Beaudoin will receive an initial equity award with a target aggregate value of $2.5 million. Such award will consist of 50% time-based restricted stock units and 50% performance-based restricted stock units. The time-based restricted stock units will vest in three equal installments on each of May 5, 2023, May 5, 2024 and May 5, 2025, in each case subject to Mr. Beaudoin's continued service with the Company through the applicable vesting date and the terms and conditions set forth in the applicable equity incentive plan and award agreement. The performance-based restricted stock units will be earned based on the Company's performance upon the completion of each of fiscal year 2022, 2023 and 2024 with one-third of the total performance-based restricted stock units eligible to be earned for each fiscal year, subject to Mr. Beaudoin's continued service with the Company through such vesting date and the terms and conditions set forth in the applicable equity incentive plan and award agreement.

In connection with his appointment, Mr. Beaudoin will enter into a change of control and severance agreement with the Company (the "Severance Agreement") that provides for an initial three-year term and for automatic renewal of additional one-year terms unless either party provides timely notice of non-renewal. In the event of a "change of control" (as defined in the Severance Agreement), the term of the Severance Agreement will automatically extend until the one-year anniversary of the date of the change of control. The Severance Agreement provides that in the event that Mr. Beaudoin's employment is terminated by the Company other than for "cause" (as defined in the Severance Agreement) and for a reason other than due to his death or "disability" (as defined in the Severance Agreement) outside of the one-year period following a change of control, Mr. Beaudoin will be eligible to receive: (i) a payment equal to 100% of his annual base salary then in effect, payable in twelve equal installments; (ii) a lump sum payment equal to 100% of his target bonus and a pro-rated percentage of his target bonus for the fiscal year in which the termination occurs; (iii) vesting of the portion of his time-based equity awards that would have vested in the twelve months following the termination date; (iv) vesting of the earned portion of any performance-based equity awards for which the performance period is complete as of the termination date and the opportunity under certain circumstances to earn a pro rata portion of any performance-based awards with a single three-year performance period for which the performance period is not complete as of the termination date based on actual performance at the end of the performance period; and (v) up to twelve months of monthly COBRA premiums (at the coverage levels in effect for active employees of the Company).

If Mr. Beaudoin's employment is terminated by the Company other than for cause and for a reason other than due to his death or disability or he resigns for "good reason" (as defined in the Severance Agreement) within one year following a change of control, he will instead be eligible to receive: (i) a lump sum payment equal to 150% of his annual base salary then in effect (or, if greater, as in effect immediately prior to the change of control); (ii) a lump sum payment equal to 150% of his target bonus for the year in which the termination occurs (or, if greater, as in effect immediately prior to the change of control) and a pro-rated percentage of his target bonus for the fiscal year in which the termination occurs (or, if greater, as in effect immediately prior to the change of control); (iii) accelerated vesting of 100% of his unvested time-based equity awards; (iv) accelerated vesting of any performance-based equity awards based on actual performance through the termination date, if measurable, and based upon target performance if performance is not measurable as of the termination date; and (v) up to 18 months of monthly COBRA premiums (at the coverage levels in effect for active employees of the Company). In the event that Mr. Beaudoin's employment is terminated due to death or disability, he will be eligible to receive accelerated vesting of 100% of his unvested time-based equity awards, 100% of the earned portion of any performance-based equity awards for which the performance period is complete, and the opportunity under certain circumstances to earn a pro rata portion of any performance-based awards with a single three-year performance period for which the performance period is not complete as of the termination date based on actual performance at the end of the performance period. To receive the foregoing severance payments and benefits, except in the case of a termination due to death, Mr. Beaudoin is required to enter into a separation and release agreement in favor of the Company.

There are no other arrangements or understandings between Mr. Beaudoin and any other persons pursuant to which he was appointed as Executive Vice President and Chief Financial Officer of the Company, and Mr. Beaudoin has no family relationships with any of the executive officers or directors of the Company. Additionally, Mr. Beaudoin has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Mr. Beaudoin replaces Marc Montagner, former Executive Vice President and Chief Financial Officer of the Company, who resigned from the Company on May 2, 2022. Mr. Montagner advised the Company that his decision to resign did not involve any disagreement with the Company on any matter relating to its accounting policies or internal controls.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release issued by Cerence Inc. on May 6, 2022 (furnished herewith)
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Cerence Inc.	
Date: May 6, 2022	By:	/s/ Stefan Ortmanns
	Name:	Stefan Ortmanns
	Title:	Chief Executive Officer

Cerence Announces New Appointments
to Strengthen Leadership Team

- *Appoints Current Board Member and Industry Veteran Tom Beaudoin as New EVP & CFO*
- *Adds Former Intel Executive and Automated Driving Leader Doug Davis to Board*
- *Provides Preliminary Financial Results, Affirms Full Year Fiscal 2022 Guidance*

BURLINGTON, Mass., May 6, 2022 – Cerence Inc. (NASDAQ: CRNC), AI for a world in motion, today announced that Tom Beaudoin has been appointed Executive Vice President and Chief Financial Officer, effective immediately. Mr. Beaudoin is a Cerence director and an industry veteran with nearly 40 years of relevant financial and industry experience.

"With his deep knowledge of the automotive industry, software markets, and Cerence, and as a public company CFO for nearly two decades, Tom is expected to bring immediate and long-lasting value to Cerence, its operations, and finance function," said Stefan Ortmanns, Chief Executive Officer, Cerence.

Beaudoin has served on Cerence's board since October 2019 and is the former CFO and Chief Transformation Officer of Nuance Communications, where he led the Cerence spin-off. Most recently, he served as Chief Transformation Officer of Qualifacts. Previously, Mr. Beaudoin served as Chief Financial Officer for SimpliVity, where he helped orchestrate its successful sale to Hewlett Packard Enterprise, and served as Executive Vice President and CFO at Nuance for seven years, where he led all financial, IT and administrative functions. He earned both his Bachelor of Arts and Master of Business Administration degrees from Babson College.

"I am excited to take on this opportunity," said Tom Beaudoin. "I know Cerence, the team and the market extremely well and have strong conviction in the many opportunities that lie ahead for the business. I look forward to broadening my work with leadership and the board as we focus on our goal of realizing the full potential for Cerence."

Mr. Beaudoin replaces Marc Montagner, who resigned from the company. Mr. Montagner advised the company that his decision to resign did not involve any disagreement with the company on any matter relating to its accounting policies or internal controls.

Former Intel Executive and Influential Automated Driving Leader Joins Cerence Board

Cerence today also announced that Doug Davis has been appointed to Cerence's board as an independent director. With Mr. Davis's appointment, Cerence's board will increase from seven to eight directors. Mr. Davis most recently served as Senior Vice President of Intel's Automated Driving Group, where he formed the company's automated driving business, established Intel as a leading supplier of chip technology for autonomous vehicles, and led the company's acquisition of Mobileye.

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"Doug is a renowned and respected leader within the automotive, autonomous driving and IoT industries, having had an impressive career at Intel Corporation for the last 35 years," said Arun Sarin, Chairman of Cerence's board. "Doug has built deep relationships with nearly every major automotive OEM, automotive technology innovators, and Tier 1 suppliers, and we greatly look forward to leveraging his vast expertise."

Prior to his role as head of the Automated Driving Group, Mr. Davis served as Senior Vice President of Intel's IoT Group, where he was responsible for the embedded computing business and alignment of IoT technologies across Intel. Mr. Davis currently serves on two public company boards as an independent director. Since 2019, he has been a director for Verra Mobility, serving on the Nominating and Governance and Compensation committees. In 2021, he joined the Oshkosh board and serves on the Audit and Human Resources committees.

"I am thrilled to join the Cerence Board of Directors at this exciting time in the company's history," said Doug Davis. "I am passionate about Cerence's vision for a safer, more enjoyable journey for everyone, and I look forward to helping Cerence take advantage of the myriad of opportunities to transform the automotive and digital cabin experience."

Company Provides Preliminary Q2 Fiscal 2022 Results and Affirms Fiscal Year 2022 Guidance

In conjunction with today's leadership announcements, the company announced preliminary results for the second quarter of fiscal year 2022 and affirmed its previous fiscal year 2022 guidance issued on February 7, 2022.

Based on preliminary financial data for its fiscal second quarter 2022, Cerence expects to report:

- Revenue between $85.5 million and $86.5 million
- Bookings of $448.1 million in the first half of 2022
- GAAP net income between ($0.02) and ($0.01) per share
- Non-GAAP net income between $0.32 and $0.33 per diluted share
- Adjusted EBITDA between $23.4 million and $24.5 million
- GAAP gross margin between 71.5% and 72.0%
- Non-GAAP gross margin between 74.4% and 75.0%

On February 7, 2022, Cerence provided guidance for its fiscal second quarter 2022 of revenue between $82 million and $86 million; GAAP net income between $0.03 and $0.06 per share; non-GAAP net income between $0.31 and $0.38 per share; adjusted EBITDA between $22 million and $26 million; GAAP gross margin between 71% and 73%; and non-GAAP gross margin between 74% and 75%.

These preliminary results are subject to change until the company reports its full second quarter fiscal 2022 financial results which is scheduled for Tuesday, May 10, 2022.

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Discussion of Non-GAAP Financial Measures

We believe that providing the non-GAAP information in addition to the GAAP presentation, allows investors to view the financial results in the way management views the operating results. We further believe that providing this information allows investors to not only better understand our financial performance, but more importantly, to evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance. The non-GAAP information should not be considered superior to, or a substitute for, financial statements prepared in accordance with GAAP.

We utilize a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of the business, for making operating decisions and for forecasting and planning for future periods. While our management uses these non-GAAP financial measures as a tool to enhance their understanding of certain aspects of our financial performance, our management does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial statements.

Consistent with this approach, we believe that disclosing non-GAAP financial measures to the readers of our financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial statements, allows for greater transparency in the review of our financial and operational performance. In assessing the overall health of the business during the three months ended March 31, 2022, our management has either included or excluded the following items in general categories, each of which is described below.

Adjusted EBITDA

Adjusted EBITDA is defined as net income attributable to Cerence Inc. before net income (loss) attributable to income tax (benefit) expense, other income (expense) items, net, depreciation and amortization expense, and excluding acquisition-related costs, amortization of acquired intangible assets, stock-based compensation, and restructuring and other costs, net or impairment charges related to fixed and intangible assets and gains or losses on the sale of long-lived assets, if any. From time to time we may exclude from Adjusted EBITDA the impact of events, gains, losses or other charges (such as significant legal settlements) that affect the period-to-period comparability of our operating performance. Other income (expense) items, net include interest expense, interest income, and other income (expense), net (as stated in our Condensed Consolidated Statement of Operations). Our management and Board of Directors use this financial measure to evaluate our operating performance. It is also a significant performance measure in our annual incentive compensation programs.

Restructuring and other costs, net.

Restructuring and other charges, net include restructuring expenses as well as other charges that are unusual in nature, are the result of unplanned events, and arise outside the ordinary course of our business such as employee severance costs, costs for consolidating duplication facilities, and separation costs directly attributable to the Cerence business becoming a standalone public company.

Acquisition-related costs, net.

In the past, we have completed a number of acquisitions, which result in operating expenses, which would not otherwise have been incurred. We provide supplementary non-GAAP financial measures, which exclude certain transition, integration and other acquisition-related expense items resulting from acquisitions, to allow more accurate comparisons of the financial results to historical operations, forward looking guidance and the financial

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results of less acquisitive peer companies. We consider these types of costs and adjustments, to a great extent, to be unpredictable and dependent on a significant number of factors that are outside of our control. Furthermore, we do not consider these acquisition-related costs and adjustments to be related to the organic continuing operations of the acquired businesses and are generally not relevant to assessing or estimating the long-term performance of the acquired assets. In addition, the size, complexity and/or volume of past acquisitions, which often drives the magnitude of acquisition related costs, may not be indicative of the size, complexity and/or volume of future acquisitions. By excluding acquisition-related costs and adjustments from our non-GAAP measures, management is better able to evaluate our ability to utilize our existing assets and estimate the long-term value that acquired assets will generate for us. We believe that providing a supplemental non-GAAP measure, which excludes these items allows management and investors to consider the ongoing operations of the business both with, and without, such expenses.

These acquisition-related costs fall into the following categories: (i) transition and integration costs; (ii) professional service fees and expenses; and (iii) acquisition-related adjustments. Although these expenses are not recurring with respect to past acquisitions, we generally will incur these expenses in connection with any future acquisitions. These categories are further discussed as follows:

i. Transition and integration costs. Transition and integration costs include retention payments, transitional employee costs, and earn-out payments treated as compensation expense, as well as the costs of integration-related activities, including services provided by third parties.

ii. Professional service fees and expenses. Professional service fees and expenses include financial advisory, legal, accounting and other outside services incurred in connection with acquisition activities, and disputes and regulatory matters related to acquired entities.

iii. Acquisition-related adjustments. Acquisition-related adjustments include adjustments to acquisition-related items that are required to be marked to fair value each reporting period, such as contingent consideration, and other items related to acquisitions for which the measurement period has ended, such as gains or losses on settlements of pre-acquisition contingencies.

Amortization of acquired intangible assets.

We exclude the amortization of acquired intangible assets from non-GAAP expense and income measures. These amounts are inconsistent in amount and frequency and are significantly impacted by the timing and size of acquisitions. Providing a supplemental measure which excludes these charges allows management and investors to evaluate results "as-if" the acquired intangible assets had been developed internally rather than acquired and, therefore, provides a supplemental measure of performance in which our acquired intellectual property is treated in a comparable manner to our internally developed intellectual property. Although we exclude amortization of acquired intangible assets from our non-GAAP expenses, we believe that it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Future acquisitions may result in the amortization of additional intangible assets.

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Non-cash expenses.

We provide non-GAAP information relative to the following non-cash expenses: (i) stock-based compensation; and (ii) non-cash interest. These items are further discussed as follows:

i. Stock-based compensation. Because of varying valuation methodologies, subjective assumptions and the variety of award types, we exclude stock-based compensation from our operating results. We evaluate performance both with and without these measures because compensation expense related to stock-based compensation is typically non-cash and awards granted are influenced by the Company's stock price and other factors such as volatility that are beyond our control. The expense related to stock-based awards is generally not controllable in the short-term and can vary significantly based on the timing, size and nature of awards granted. As such, we do not include such charges in operating plans. Stock-based compensation will continue in future periods.

ii. Non-cash interest. We exclude non-cash interest because we believe that excluding this expense provides management, as well as other users of the financial statements, with a valuable perspective on the cash-based performance and health of the business, including the current near-term projected liquidity. Non-cash interest expense will continue in future periods.

Other expenses.

We exclude certain other expenses that result from unplanned events outside the ordinary course of continuing operations, in order to measure operating performance and current and future liquidity both with and without these expenses. By providing this information, we believe management and the users of the financial statements are better able to understand the financial results of what we consider to be our organic, continuing operations. Included in these expenses are items such as other charges (credits), net, losses from extinguishment of debt, and changes in indemnification assets corresponding with the release of pre-spin liabilities for uncertain tax positions.

Bookings.

Bookings is defined as the amount of revenue we expect to earn from an agreement with our customers for products and services. To count as a booking, we expect there to be persuasive evidence of an arrangement, which may be evidenced by a legally binding document or documents, and that the collectability of the amounts payable under the arrangement are reasonably assured. The revenue we may actually recognize from our estimated bookings is subject to multiple factors, including but not limited to the timing of satisfying performance obligations, potential terminations, or changes in the scope of programs utilizing our technology and currency fluctuations. There is no comparable GAAP financial measure.

See the tables at the end of this press release for non-GAAP reconciliations to the most directly comparable GAAP measures.

About Cerence Inc.

Cerence (NASDAQ: CRNC) is the global industry leader in creating unique, moving experiences for the mobility world. As an innovation partner to the world's leading automakers and mobility OEMs, it is helping advance the future of connected mobility through intuitive, powerful interaction between humans and their cars, two-wheelers, and even elevators, connecting consumers' digital lives to their daily journeys no matter where they are. Cerence's track record is built on more than 20 years of knowledge and more than 400 million cars shipped with Cerence technology. Whether it's connected cars, autonomous driving, e-vehicles, or buildings, Cerence is mapping the road ahead. For more information, visit www.cerence.com.

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Forward Looking Statements

Statements in this press release that are not statements of historical fact, including statements regarding Cerence's preliminary results for the second quarter of fiscal year 2022 (which remain subject to change), the changes in Cerence's leadership team, future expectations (including, without limitation, fiscal year 2022 guidance), beliefs, goals, opportunities, plans or prospects, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements containing the words "believes," "plans," "anticipates," "expects," "intends" or "estimates" or similar expressions should also be considered to be forward-looking statements. Forward-looking statements involve known and unknown risk, uncertainties and other factors, which may cause actual results or performance of Cerence to be materially different from any future results or performance expressed or implied by such forward-looking statements including but not limited to: Cerence's quarter-end closing and review process developments; impacts of the COVID-19 pandemic on our and our customer's businesses; the highly competitive and rapidly changing market in which we operate; adverse conditions in the automotive industry, the related supply chain, or the global economy more generally; our ability to control and successfully manage our expenses and cash position; our strategy to increase cloud offerings; escalating pricing pressures from our customers; our failure to win, renew or implement service contracts; the loss of business from any of our largest customers; effects of customer defaults; our inability to successfully introduce new products, applications and services; the inability to recruit and retain qualified personnel; cybersecurity and data privacy incidents; fluctuating currency rates; disruptions arising from transitions in management personnel; and the other factors discussed in our most recent Annual Report on Form 10-K, quarterly reports on Form 10-Q, and other filings with the Securities and Exchange Commission. We disclaim any obligation to update any forward-looking statements as a result of developments occurring after the date of this document.

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Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures

(unaudited - in thousands)

	Q2 2022 Low	Q2 2022 High
GAAP revenue	**$85,500**	**$86,500**
GAAP gross profit	**$61,170**	**$62,300**
Stock-based compensation	1,550	1,650
Amortization of intangible assets	850	950
Non-GAAP gross profit	**$63,570**	**$64,900**
GAAP gross margin	**71.5%**	**72.0%**
Non-GAAP gross margin	**74.4%**	**75.0%**
GAAP net income	**$ (800)**	**$ (300)**
Stock-based compensation	10,800	11,000
Amortization of intangible assets	3,900	4,100
Restructuring and other costs, net	500	500
Depreciation	2,300	2,350
Total other income (expense), net	(3,300)	(3,350)
Provision for income taxes	3,400	3,500
Adjusted EBITDA	**$23,400**	**$24,500**

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Reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures (continued)

(unaudited - in thousands)

	Q2 2022 Low	Q2 2022 High
GAAP net income	**$ (800)**	**$ (300)**
Stock-based compensation	10,800	11,000
Amortization of intangibles	3,900	4,100
Restructuring and other costs, net	500	500
Non-cash interest expense	1,300	1,300
Adjustments to income tax expense	(2,600)	(2,850)
Non-GAAP net income	**$13,100**	**$13,750**
Adjusted EPS:		
GAAP Numerator:		
Net income attributed to common shareholders	**$ (800)**	**$ (300)**
Non-GAAP Numerator:		
Net income attributed to common shareholders	$13,100	$13,750
Interest on Convertible Senior Notes, net of tax	1,000	1,000
Net income attributed to common shareholders - diluted	**$14,100**	**$14,750**
GAAP Denominator:		
Weighted-average common shares outstanding - basic	39,200	39,200
Adjustment for diluted shares	—	—
Weighted-average common shares outstanding - diluted	**39,200**	**39,200**
Non-GAAP Denominator:		
Weighted-average common shares outstanding- basic	39,200	39,200
Adjustment for diluted shares	4,970	4,970
Weighted-average common shares outstanding - diluted	**44,170**	**44,170**
GAAP net income per share - diluted	**$ (0.02)**	**$ (0.01)**
Non-GAAP net income per share - diluted	**$ 0.32**	**$ 0.33**

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