



ACXIOM

Q4 FY17 CONFERENCE CALL

May 16, 2017

**acxiom**®

# SAFE HARBOR STATEMENT

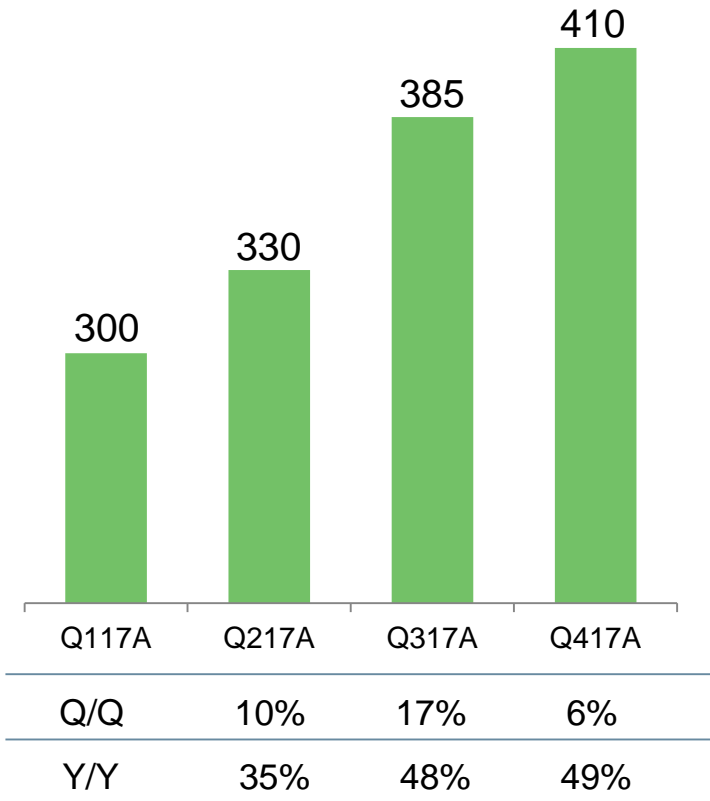
Some of the matters discussed in this presentation contain forward-looking statements regarding the company's future business prospects which are subject to certain risks and uncertainties, including competitive pressures, adverse economic conditions and governmental regulations.

These issues and other factors that may be identified from time to time in the Company's reports filed with the SEC could cause actual results to differ materially from those indicated in the forward-looking statements.

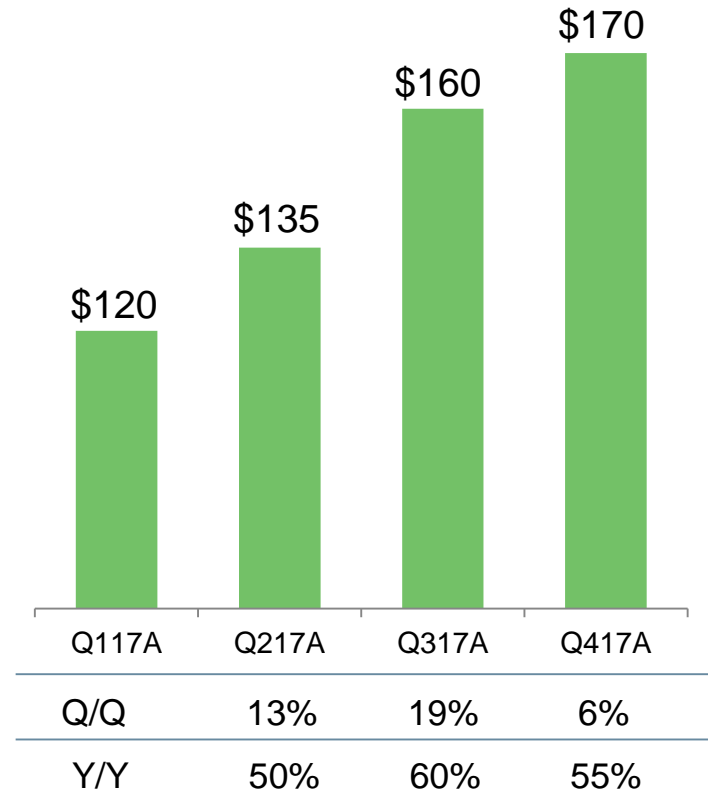
Our discussion today will include non-GAAP financial measures. We refer you to the Investor Relations section of our website, which includes a reconciliation to the comparable GAAP measure for each non-GAAP financial measure included in this discussion. The location of our website is [www.acxiom.com](http://www.acxiom.com).

# KEY GROWTH METRICS

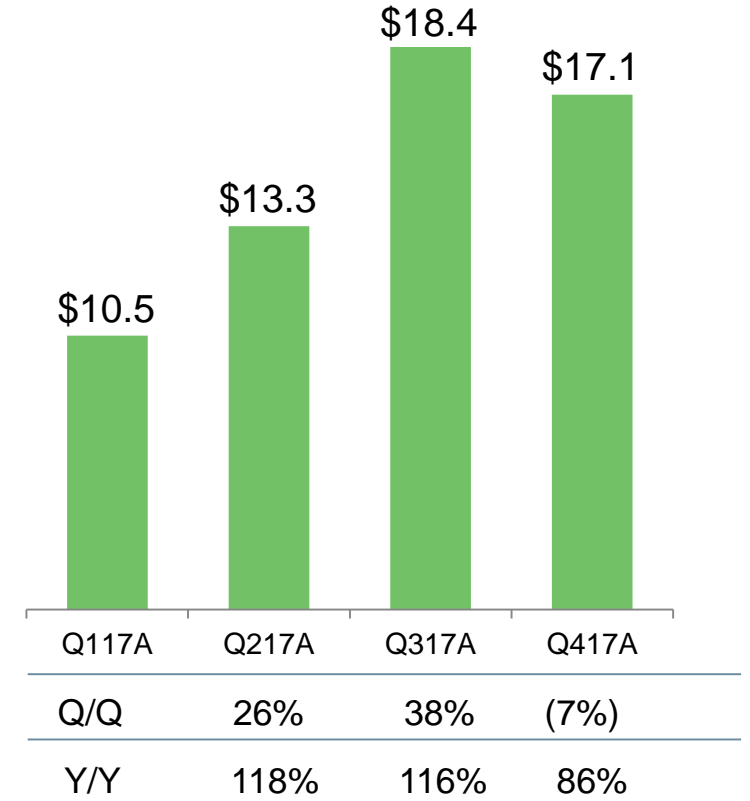
Direct Connectivity Customers<sup>1</sup>



Connectivity Revenue Run-Rate<sup>2</sup>  
\$M



Audience Solutions Digital Data Revenue  
\$M



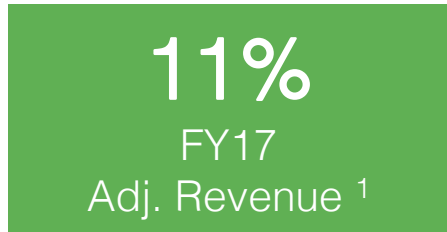
<sup>1</sup>Excludes agency and reseller deployments and Data Store customers

<sup>2</sup>Revenue run-rate includes period ending LiveRamp product ARR and trailing-twelve month media spend royalties

# IMPROVING TREND LINES

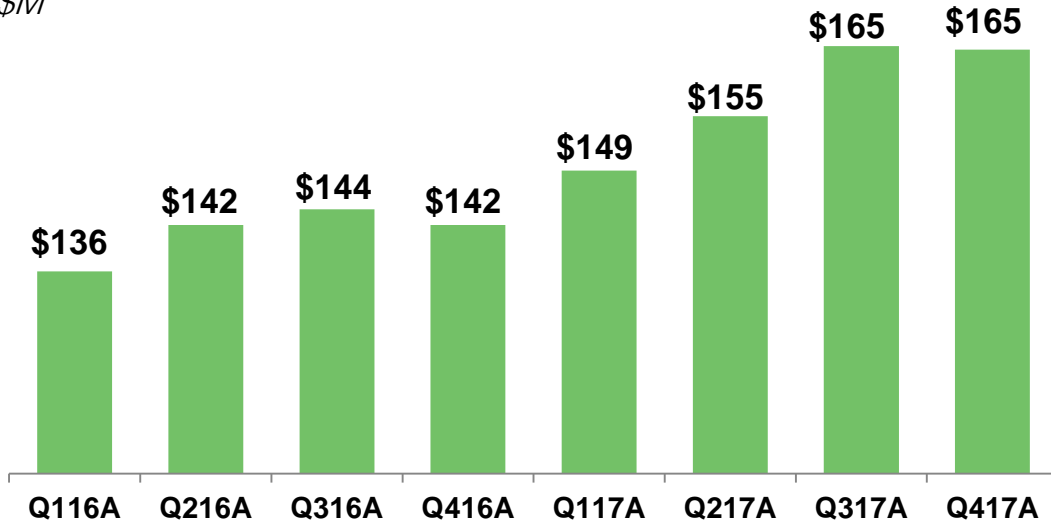
## Double-Digit Growth

Non-GAAP



## Total Company TTM Adjusted EBITDA

\$M



<sup>1</sup>FY17 revenue reconciliation included in the appendix



## TTM Trends

Non-GAAP

|                                 | FY16A  |        |       |       | FY17A |      |      |    |
|---------------------------------|--------|--------|-------|-------|-------|------|------|----|
|                                 | Q1 /   | Q2 /   | Q3 /  | Q4 /  | Q1 /  | Q2 / | Q3 / | Q4 |
| <b>TTM Revenue Growth %</b>     |        |        |       |       |       |      |      |    |
| Marketing Services <sup>2</sup> | (5) /  | (4) /  | (2) / | 2 /   | 4 /   | 4 /  | 3 /  | 0  |
| Audience Solutions              | (8) /  | (8) /  | (6) / | (2) / | 1 /   | 5 /  | 7 /  | 8  |
| Connectivity                    | 338 /  | 190 /  | 127 / | 86 /  | 59 /  | 55 / | 48 / | 44 |
| <b>TTM GM %</b>                 |        |        |       |       |       |      |      |    |
| Marketing Services              | 34 /   | 34 /   | 33 /  | 34 /  | 33 /  | 34 / | 35 / | 34 |
| Audience Solutions              | 53 /   | 54 /   | 55 /  | 56 /  | 57 /  | 59 / | 60 / | 62 |
| Connectivity                    | 40 /   | 49 /   | 55 /  | 60 /  | 59 /  | 59 / | 60 / | 60 |
| <b>TTM EBITDA %</b>             |        |        |       |       |       |      |      |    |
| Marketing Services              | 24 /   | 24 /   | 23 /  | 24 /  | 24 /  | 25 / | 26 / | 27 |
| Audience Solutions              | 45 /   | 44 /   | 45 /  | 44 /  | 44 /  | 44 / | 44 / | 45 |
| Connectivity                    | (26) / | (10) / | (2) / | 4 /   | 4 /   | 6 /  | 8 /  | 9  |

<sup>2</sup>Marketing Services TTM revenue growth excludes Acxiom Impact revenue

# Q417 SUMMARY FINANCIAL RESULTS

*\$M, except per share amounts*

|                         | GAAP          |                 | Non-GAAP <sup>1</sup> |                |
|-------------------------|---------------|-----------------|-----------------------|----------------|
|                         | Q417          | Y/Y Change      | Q417                  | Y/Y Change     |
| Revenue                 | \$ 225        | 0%              | \$ 225                | 0%             |
| Gross Profit            | \$ 107        | 5%              | \$ 114                | 7%             |
| <i>Gross Margin</i>     | <i>47.4%</i>  | <i>240 bps</i>  | <i>50.7%</i>          | <i>340 bps</i> |
| Operating Income        | \$ (9)        | (12%)           | \$ 21                 | 5%             |
| <i>Operating Margin</i> | <i>(3.9%)</i> | <i>(40 bps)</i> | <i>9.5%</i>           | <i>50 bps</i>  |
| EPS                     | \$ (0.10)     | \$ (0.08)       | \$ 0.15               | \$ (0.03)      |
| Share Count             | 78.0          |                 | 80.9                  |                |

<sup>1</sup>Non-GAAP results exclude non-cash stock compensation, purchased intangible asset amortization, restructuring and impairment charges and separation costs

# Q4 REVENUE BY GEOGRAPHY

\$M

|                            | Q417          | Q416          | Y/Y Change  |
|----------------------------|---------------|---------------|-------------|
| <b>US</b>                  |               |               |             |
| Marketing Services         | \$ 87         | \$ 104        | (16%)       |
| Audience Solutions         | \$ 78         | \$ 71         | 9%          |
| Connectivity               | \$ 41         | \$ 29         | 42%         |
| <b>Total US</b>            | <b>\$ 207</b> | <b>\$ 205</b> | <b>1%</b>   |
| <b>International:</b>      |               |               |             |
| Marketing Services         | \$ 7          | \$ 9          | (24%)       |
| Audience Solutions         | \$ 8          | \$ 9          | (2%)        |
| Connectivity               | \$ 3          | \$ 2          | 39%         |
| <b>Total International</b> | <b>\$ 18</b>  | <b>\$ 20</b>  | <b>(8%)</b> |
| <b>Total Company:</b>      |               |               |             |
| Marketing Services         | \$ 94         | \$ 113        | (17%)       |
| Audience Solutions         | \$ 86         | \$ 80         | 8%          |
| Connectivity               | \$ 44         | \$ 31         | 42%         |
| <b>Total Company</b>       | <b>\$ 225</b> | <b>\$ 225</b> | <b>0%</b>   |

Numbers may not foot due to rounding



# ADJUSTED Q4 REVENUE

\$M

|   | Q417          | Q416          | Y/Y Change  |
|---|---------------|---------------|-------------|
| <b>US</b>                                 | <b>\$ 207</b> | <b>\$ 205</b> | <b>1%</b>   |
| Acxiom Impact Divestiture                 | -             | \$ (14)       |             |
| <b>Adjusted US<sup>1</sup></b>            | <b>\$ 207</b> | <b>\$ 191</b> | <b>8%</b>   |
| <b>International</b>                      | <b>\$ 18</b>  | <b>\$ 20</b>  | <b>(8%)</b> |
| Brazil Exit                               | -             | \$ (0)        |             |
| Australia Transition                      | \$ (1)        | \$ (2)        |             |
| FX  | \$ 2          | -             |             |
| <b>Adjusted International</b>             | <b>\$ 19</b>  | <b>\$ 18</b>  | <b>8%</b>   |
| <b>Adjusted Total Revenue<sup>1</sup></b> | <b>\$ 226</b> | <b>\$ 209</b> | <b>8%</b>   |

<sup>1</sup>Revenue is not adjusted for the acquisitions of Arbor and Circulate given the deep integration of the organizations. However, on November 17, 2016 the Company stated that it expected incremental revenue of approximately \$5 million from the acquisitions of Arbor and Circulate in FY17.

Numbers may not foot due to rounding

# MARKETING SERVICES Q4 RESULTS

\$M

|                            | Q417         | Q416          | Y/Y Change   |
|----------------------------|--------------|---------------|--------------|
| <b>US:</b>                 |              |               |              |
| <b>Revenue<sup>1</sup></b> | <b>\$ 87</b> | <b>\$ 104</b> | <b>(16%)</b> |
| <b>Gross Profit</b>        | <b>\$ 30</b> | <b>\$ 38</b>  | <b>(20%)</b> |
| <i>Gross Margin</i>        | 34.5%        | 36.1%         | (160 bps)    |
| <b>Segment Income</b>      | <b>\$ 20</b> | <b>\$ 20</b>  | <b>2%</b>    |
| <b>Global:</b>             |              |               |              |
| <b>Revenue<sup>1</sup></b> | <b>\$ 94</b> | <b>\$ 113</b> | <b>(17%)</b> |
| <b>Gross Profit</b>        | <b>\$ 31</b> | <b>\$ 40</b>  | <b>(22%)</b> |
| <i>Gross Margin</i>        | 33.1%        | 35.4%         | (230 bps)    |
| <b>Segment Income</b>      | <b>\$ 20</b> | <b>\$ 19</b>  | <b>1%</b>    |
| <b>Adjusted EBITDA</b>     | <b>\$ 27</b> | <b>\$ 27</b>  | <b>(3%)</b>  |

<sup>1</sup>Prior period revenue includes approximately \$14M associated with the divested Acxiom Impact business. Excluding these revenues, Marketing Services revenue was down 4% in the US and 5% globally.



# AUDIENCE SOLUTIONS Q4 RESULTS

\$M

|                        | Q417         | Q416         | Y/Y Change     |
|------------------------|--------------|--------------|----------------|
| <b>US:</b>             |              |              |                |
| <b>Revenue</b>         | <b>\$ 78</b> | <b>\$ 71</b> | <b>9%</b>      |
| <b>Gross Profit</b>    | <b>\$ 51</b> | <b>\$ 43</b> | <b>19%</b>     |
| <i>Gross Margin</i>    | <i>65.1%</i> | <i>59.9%</i> | <i>520 bps</i> |
| <b>Segment Income</b>  | <b>\$ 31</b> | <b>\$ 29</b> | <b>10%</b>     |
| <b>Global:</b>         |              |              |                |
| <b>Revenue</b>         | <b>\$ 86</b> | <b>\$ 80</b> | <b>8%</b>      |
| <b>Gross Profit</b>    | <b>\$ 55</b> | <b>\$ 46</b> | <b>19%</b>     |
| <i>Gross Margin</i>    | <i>63.8%</i> | <i>58.0%</i> | <i>580 bps</i> |
| <b>Segment Income</b>  | <b>\$ 34</b> | <b>\$ 30</b> | <b>14%</b>     |
| <b>Adjusted EBITDA</b> | <b>\$ 38</b> | <b>\$ 35</b> | <b>10%</b>     |

# CONNECTIVITY Q4 RESULTS

*\$M*

|                              | Q417         | Q416          | Y/Y Change  |
|------------------------------|--------------|---------------|-------------|
| <b>Revenue</b>               | <b>\$ 44</b> | <b>\$ 31</b>  | <b>42%</b>  |
| <b>Gross Profit</b>          | <b>\$ 28</b> | <b>\$ 20</b>  | <b>41%</b>  |
| <i>Gross Margin</i>          | 62.8%        | 62.9%         | (10 bps)    |
| <b>Segment Income (Loss)</b> | <b>\$ 2</b>  | <b>\$ (0)</b> | <b>454%</b> |
| <b>Adjusted EBITDA</b>       | <b>\$ 4</b>  | <b>\$ 2</b>   | <b>141%</b> |

# US CONNECTIVITY TRENDED PERFORMANCE

*\$M*

|                               | Q116 | Q216 | Q316 | Q416 | Q117 | Q217 | Q317 | Q417 |
|-------------------------------|------|------|------|------|------|------|------|------|
| <b>Revenue Growth</b>         | 568% | 76%  | 60%  | 69%  | 53%  | 50%  | 36%  | 42%  |
| <b>Gross Margin</b>           | 62%  | 64%  | 61%  | 66%  | 61%  | 65%  | 64%  | 67%  |
| <b>Segment Margin</b>         | 0%   | (1%) | 1%   | 1%   | 9%   | 13%  | 12%  | 11%  |
| <b>Adjusted EBITDA Margin</b> | 8%   | 7%   | 8%   | 8%   | 14%  | 19%  | 18%  | 16%  |

# Q4 CASH FLOW RESULTS

\$M

|                                       | Q417  | Q416  | Y/Y Change |
|---------------------------------------|-------|-------|------------|
| Operating Cash Flow                   | \$ 31 | \$ 43 | (29%)      |
| Free Cash Flow to Equity <sup>1</sup> | \$ 26 | \$ 17 | 59%        |
| Total Capital Spending <sup>2</sup>   | \$ 22 | \$ 19 | 17%        |

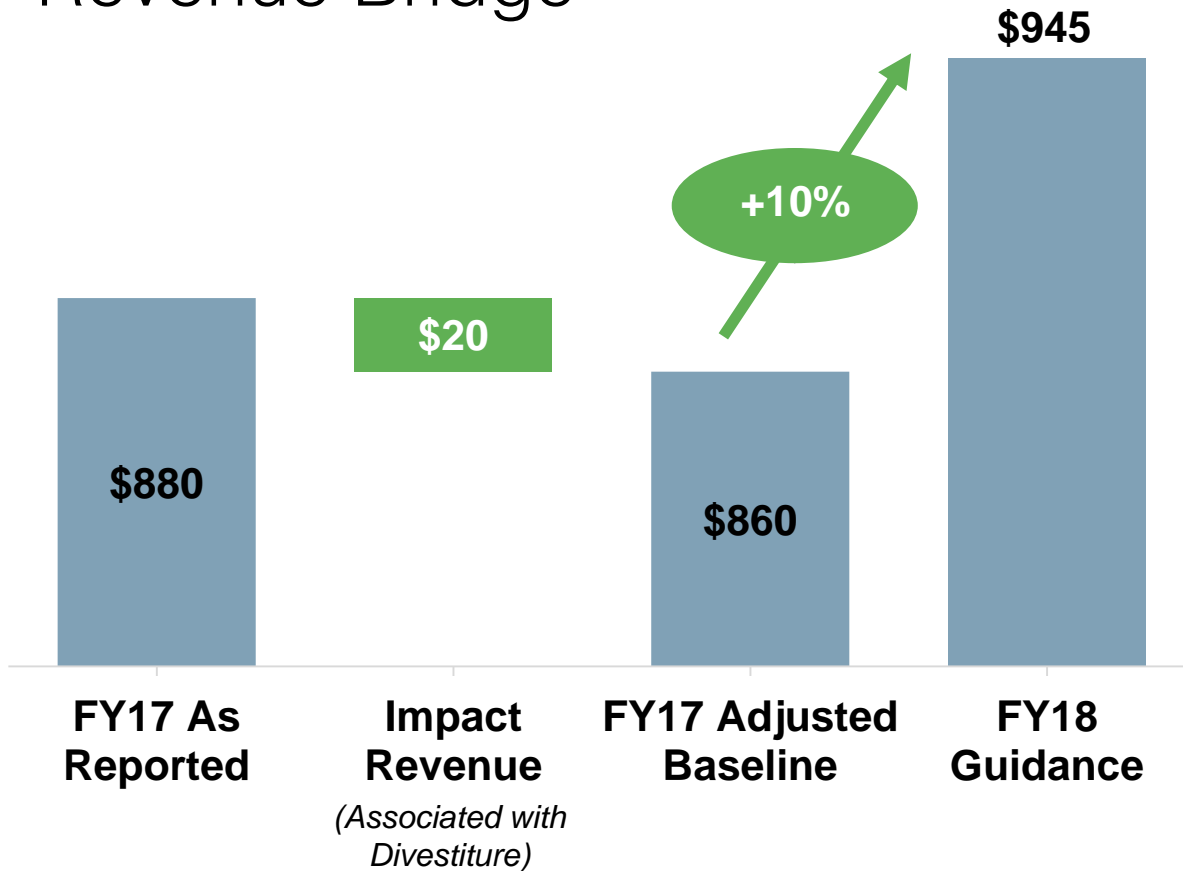
<sup>1</sup>Q4 2017 Free Cash Flow to Equity includes proceeds from the sale of real estate properties

<sup>2</sup>Includes capital expenditures, capitalized software and data acquisition costs

# FISCAL 2018 GUIDANCE

\$M, except per share amounts

## Revenue Bridge



|             | GAAP       | Non-GAAP <sup>1</sup> |
|-------------|------------|-----------------------|
| Revenue     | ~\$945     | ~\$945                |
| Diluted EPS | ~ (\$0.09) | ~ \$0.80              |

<sup>1</sup>Non-GAAP guidance excludes non-cash stock compensation, purchased intangible asset amortization, restructuring charges and separation costs

# FISCAL 2018 GUIDANCE PHASING

*% of Total Revenue*

|                               | Q1  | Q2  | Q3  | Q4  |
|-------------------------------|-----|-----|-----|-----|
| <b>Revenue</b><br>(estimated) | 23% | 24% | 26% | 27% |

Historical Average (Last Three Fiscal Years)

|                | Q1  | Q2  | Q3  | Q4  |
|----------------|-----|-----|-----|-----|
| <b>Revenue</b> | 24% | 25% | 26% | 26% |



# APPENDIX

# FY17 SUMMARY FINANCIAL RESULTS

*\$M, except per share amounts*

|                         | GAAP         |                | Non-GAAP <sup>1</sup> |                |
|-------------------------|--------------|----------------|-----------------------|----------------|
|                         | FY17         | Y/Y Change     | FY17                  | Y/Y Change     |
| Revenue                 | \$ 880       | 4%             | \$ 880                | 4%             |
| Gross Profit            | \$ 403       | 11%            | \$ 427                | 12%            |
| <i>Gross Margin</i>     | <i>45.7%</i> | <i>320 bps</i> | <i>48.5%</i>          | <i>370 bps</i> |
| Operating Income        | \$ 16        | 220%           | \$ 100                | 33%            |
| <i>Operating Margin</i> | <i>1.8%</i>  | <i>330 bps</i> | <i>11.4%</i>          | <i>250 bps</i> |
| EPS                     | \$ 0.05      | \$ (0.04)      | \$ 0.71               | \$ 0.12        |
| Share Count             | 79.8         |                | 79.8                  |                |

<sup>1</sup>Non-GAAP results exclude non-cash stock compensation, purchased intangible asset amortization, restructuring, merger and impairment charges, and separation and transformation costs



# FY17 ADJUSTED REVENUE

\$M

|   | FY17          | FY16          | Y/Y Change  |
|---|---------------|---------------|-------------|
| <b>US</b>                                 | <b>\$ 807</b> | <b>\$ 770</b> | <b>5%</b>   |
| Acxiom Impact Divestiture                 | \$ (20)       | \$ (60)       |             |
| <b>Adjusted US<sup>1</sup></b>            | <b>\$ 786</b> | <b>\$ 710</b> | <b>11%</b>  |
| <b>International</b>                      | <b>\$ 74</b>  | <b>\$ 80</b>  | <b>(8%)</b> |
| Brazil Exit                               | -             | \$ (2)        |             |
| Australia Transition                      | \$ (3)        | \$ (8)        |             |
| FX  | \$ 6          | -             |             |
| <b>Adjusted International</b>             | <b>\$ 76</b>  | <b>\$ 70</b>  | <b>9%</b>   |
| <b>Adjusted Total Revenue<sup>1</sup></b> | <b>\$ 863</b> | <b>\$ 780</b> | <b>11%</b>  |

<sup>1</sup>Revenue is not adjusted for the acquisitions of Arbor and Circulate given the deep integration of the organizations. However, on November 17, 2016 the Company stated that it expected incremental revenue of approximately \$5 million from the acquisitions of Arbor and Circulate in FY17.

Numbers may not foot due to rounding

# FY15 – 17 PRO-FORMA EX. IMPACT

*\$M, Non-GAAP*

## Marketing Services Pro Forma

|                        | FY15A |       |       |       | FY16A |       |        |        | FY17  |       |        |       | Full Year |        |        |
|------------------------|-------|-------|-------|-------|-------|-------|--------|--------|-------|-------|--------|-------|-----------|--------|--------|
|                        | Q115A | Q215A | Q315A | Q415A | Q116A | Q216A | Q316A  | Q416A  | Q117A | Q217A | Q317A  | Q417A | FY15A     | FY16A  | FY17A  |
| <b>Revenue</b>         | \$ 93 | \$ 97 | \$ 97 | \$ 94 | \$ 92 | \$ 97 | \$ 101 | \$ 100 | \$ 97 | \$ 98 | \$ 101 | \$ 94 | \$ 381    | \$ 390 | \$ 390 |
| <b>Gross Profit</b>    | 33    | 35    | 35    | 31    | 31    | 33    | 34     | 37     | 36    | 34    | 38     | 31    | 135       | 136    | 139    |
| GM %                   | 36%   | 36%   | 36%   | 34%   | 33%   | 34%   | 34%    | 37%    | 37%   | 34%   | 37%    | 33%   | 35%       | 35%    | 35%    |
| <b>EBIT</b>            | 16    | 16    | 16    | 14    | 13    | 15    | 18     | 18     | 20    | 20    | 21     | 20    | 62        | 64     | 81     |
| EBIT %                 | 17%   | 17%   | 17%   | 15%   | 15%   | 15%   | 18%    | 18%    | 21%   | 20%   | 21%    | 21%   | 16%       | 16%    | 21%    |
| <b>Adjusted EBITDA</b> | \$ 23 | \$ 22 | \$ 23 | \$ 20 | \$ 20 | \$ 21 | \$ 24  | \$ 24  | \$ 27 | \$ 27 | \$ 28  | \$ 27 | \$ 88     | \$ 90  | \$ 109 |
| EBITDA %               | 25%   | 22%   | 24%   | 22%   | 22%   | 22%   | 24%    | 24%    | 28%   | 28%   | 28%    | 28%   | 23%       | 23%    | 28%    |

## Acxiom Pro Forma

|                        | FY15A  |        |        |        | FY16A  |        |        |        | FY17   |        |        |        | Full Year |        |        |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|--------|--------|
|                        | Q115A  | Q215A  | Q315A  | Q415A  | Q116A  | Q216A  | Q316A  | Q416A  | Q117A  | Q217A  | Q317A  | Q417A  | FY15A     | FY16A  | FY17A  |
| <b>Revenue</b>         | \$ 170 | \$ 189 | \$ 191 | \$ 190 | \$ 181 | \$ 192 | \$ 206 | \$ 211 | \$ 202 | \$ 209 | \$ 223 | \$ 225 | \$ 740    | \$ 790 | \$ 860 |
| <b>Gross Profit</b>    | 65     | 79     | 80     | 82     | 79     | 86     | 96     | 103    | 96     | 101    | 114    | 114    | 306       | 365    | 425    |
| GM %                   | 38%    | 42%    | 42%    | 43%    | 44%    | 45%    | 46%    | 49%    | 47%    | 48%    | 51%    | 51%    | 41%       | 46%    | 49%    |
| <b>EBIT</b>            | 4      | 10     | 15     | 18     | 11     | 15     | 20     | 19     | 21     | 25     | 34     | 21     | 46        | 65     | 101    |
| EBIT %                 | 2%     | 5%     | 8%     | 9%     | 6%     | 8%     | 10%    | 9%     | 10%    | 12%    | 15%    | 9%     | 6%        | 8%     | 12%    |
| <b>Adjusted EBITDA</b> | \$ 18  | \$ 23  | \$ 31  | \$ 34  | \$ 26  | \$ 31  | \$ 35  | \$ 34  | \$ 37  | \$ 40  | \$ 49  | \$ 37  | \$ 106    | \$ 126 | \$ 163 |
| EBITDA %               | 11%    | 12%    | 16%    | 18%    | 15%    | 16%    | 17%    | 16%    | 18%    | 19%    | 22%    | 16%    | 14%       | 16%    | 19%    |

*Pro-forma amounts exclude the results of the divested Acxiom Impact business for all periods*

*Numbers may not foot due to rounding*



# ADJUSTED EBITDA

*\$M, Non-GAAP*

|  | FY15A   | Q116A   | Q216A   | Q316A   | Q416A   | FY16A   | Q117A   | Q217A   | Q317A   | Q417A   | FY17A   |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Revenue</b>                             | \$ 805  | \$ 197  | \$ 207  | \$ 221  | \$ 225  | \$ 850  | \$ 215  | \$ 217  | \$ 223  | \$ 225  | \$ 880  |
| <i>Y/Y Change</i>                          | 0%      | 5%      | 2%      | 6%      | 9%      | 6%      | 9%      | 5%      | 1%      | 0%      | 4%      |
| <b>Loss from Operations (EBIT)</b>         | \$ (33) | \$ (3)  | \$ (2)  | \$ (0)  | \$ (8)  | \$ (13) | \$ 8    | \$ 7    | \$ 9    | \$ (9)  | \$ 16   |
| Gains, losses, and other items, net        | \$ 23   | \$ 1    | \$ 3    | \$ 4    | \$ 5    | \$ 12   | \$ 0    | \$ 0    | \$ 2    | \$ 4    | \$ 7    |
| Impairment of goodwill and other           | \$ -    | \$ -    | \$ 1    | \$ -    | \$ 6    | \$ 7    | \$ -    | \$ -    | \$ -    | \$ 1    | \$ 1    |
| Business separation & transformation costs | \$ 31   | \$ 3    | \$ 6    | \$ 7    | \$ 5    | \$ 21   | \$ -    | \$ 1    | \$ 4    | \$ 3    | \$ 9    |
| Non-cash stock compensation expense        | \$ 28   | \$ 8    | \$ 7    | \$ 8    | \$ 8    | \$ 31   | \$ 9    | \$ 12   | \$ 13   | \$ 15   | \$ 49   |
| Purchased intangible asset amortization    | \$ 11   | \$ 4    | \$ 4    | \$ 4    | \$ 4    | \$ 15   | \$ 4    | \$ 4    | \$ 5    | \$ 6    | \$ 19   |
| Accelerated software amortization          | \$ 4    | \$ 1    | \$ 0    | \$ 0    | \$ 0    | \$ 2    | \$ -    | \$ -    | \$ -    | \$ -    | \$ -    |
| <b>Adjusted EBIT</b>                       | \$ 65   | \$ 15   | \$ 18   | \$ 22   | \$ 20   | \$ 76   | \$ 21   | \$ 25   | \$ 33   | \$ 21   | \$ 100  |
| <i>Y/Y Change</i>                          | 3%      | 71%     | 30%     | 7%      | -7%     | 16%     | 44%     | 34%     | 50%     | 5%      | 33%     |
| Depreciation and amortization              | \$ 64   | \$ 16   | \$ 16   | \$ 17   | \$ 17   | \$ 67   | \$ 17   | \$ 16   | \$ 15   | \$ 16   | \$ 64   |
| <b>Adjusted EBITDA</b>                     | \$ 129  | \$ 31   | \$ 35   | \$ 39   | \$ 38   | \$ 142  | \$ 38   | \$ 41   | \$ 49   | \$ 37   | \$ 165  |
| <i>Y/Y Change</i>                          | 8%      | 28%     | 23%     | 4%      | -4%     | 10%     | 22%     | 18%     | 25%     | -2%     | 16%     |
| <b>Adjusted Earnings per Share</b>         | \$ 0.49 | \$ 0.09 | \$ 0.14 | \$ 0.18 | \$ 0.18 | \$ 0.59 | \$ 0.15 | \$ 0.18 | \$ 0.24 | \$ 0.15 | \$ 0.71 |
| <b>Capital Spending</b>                    | \$ 77   | \$ 16   | \$ 14   | \$ 15   | \$ 19   | \$ 64   | \$ 15   | \$ 14   | \$ 13   | \$ 22   | \$ 63   |
| <b>Total Depreciation and Amortization</b> | \$ 80   | \$ 22   | \$ 21   | \$ 21   | \$ 22   | \$ 85   | \$ 21   | \$ 20   | \$ 20   | \$ 22   | \$ 83   |

*Numbers may not foot due to rounding*

# ADJUSTED EBITDA BY SEGMENT

\$M, Non-GAAP

|                        | FY16A     |           |           |           |            | FY17A     |           |           |           |            | Q4 Y/Y Change |            |
|------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|------------|---------------|------------|
|                        | Q116A     | Q216A     | Q316A     | Q416A     | FY16A      | Q117A     | Q217A     | Q317A     | Q417A     | FY17A      | V%            | V\$        |
| <b>Adjusted EBIT</b>   |           |           |           |           |            |           |           |           |           |            |               |            |
| Marketing Services     | 17        | 18        | 20        | 19        | 74         | 20        | 20        | 21        | 20        | 81         | 1%            | 0          |
| Audience Solutions     | 24        | 25        | 31        | 30        | 110        | 25        | 30        | 35        | 34        | 123        | 14%           | 4          |
| Connectivity           | (1)       | (1)       | (1)       | (0)       | (3)        | 0         | 2         | 2         | 1         | 5          | 454%          | 2          |
| Corporate              | (25)      | (23)      | (28)      | (28)      | (105)      | (24)      | (27)      | (24)      | (33)      | (109)      | -18%          | (5)        |
| <b>Total</b>           | <b>15</b> | <b>18</b> | <b>22</b> | <b>20</b> | <b>76</b>  | <b>21</b> | <b>25</b> | <b>33</b> | <b>21</b> | <b>100</b> | <b>5%</b>     | <b>1</b>   |
| <b>D&amp;A</b>         |           |           |           |           |            |           |           |           |           |            |               |            |
| Marketing Services     | 8         | 8         | 8         | 8         | 32         | 8         | 8         | 7         | 7         | 30         | -14%          | (1)        |
| Audience Solutions     | 5         | 6         | 5         | 5         | 21         | 6         | 5         | 5         | 5         | 21         | -9%           | (0)        |
| Connectivity           | 2         | 2         | 2         | 2         | 7          | 2         | 2         | 2         | 2         | 8          | 16%           | 0          |
| Corporate              | 2         | 2         | 2         | 2         | 7          | 1         | 1         | 1         | 1         | 6          | -23%          | (0)        |
| <b>Total</b>           | <b>16</b> | <b>17</b> | <b>17</b> | <b>17</b> | <b>67</b>  | <b>17</b> | <b>16</b> | <b>15</b> | <b>16</b> | <b>64</b>  | <b>-10%</b>   | <b>(2)</b> |
| <b>Adjusted EBITDA</b> |           |           |           |           |            |           |           |           |           |            |               |            |
| Marketing Services     | 25        | 25        | 28        | 27        | 106        | 28        | 28        | 28        | 27        | 111        | -3%           | (1)        |
| Audience Solutions     | 29        | 31        | 36        | 35        | 131        | 31        | 35        | 39        | 38        | 144        | 10%           | 4          |
| Connectivity           | 1         | 1         | 1         | 2         | 4          | 2         | 3         | 4         | 4         | 13         | 141%          | 2          |
| Corporate              | (24)      | (22)      | (26)      | (26)      | (98)       | (23)      | (25)      | (23)      | (32)      | (103)      | -21%          | (5)        |
| <b>Total</b>           | <b>31</b> | <b>35</b> | <b>39</b> | <b>37</b> | <b>142</b> | <b>38</b> | <b>41</b> | <b>49</b> | <b>37</b> | <b>165</b> | <b>-2%</b>    | <b>(1)</b> |

D&A by segment includes allocated corporate D&A for shared facilities and infrastructure based on usage

Numbers may not foot due to rounding

# GAAP TO NON-GAAP RECON

*\$M, Non-GAAP*

|   | Q417<br>GAAP | Restructuring | Intangible<br>Amort. | SBC     | Separation/<br>Transformation | Tax       | Q417<br>Non-GAAP |
|---|--------------|---------------|----------------------|---------|-------------------------------|-----------|------------------|
| Revenue   | \$ 224.9     | \$ -          | \$ -                 | \$ -    | \$ -                          | \$ -      | \$ 224.9         |
| Cost of revenue                                       | 118.3        | -             | (6.1)                | (1.5)   | -                             | -         | 110.8            |
| Gross profit  | 106.6        | -             | 6.1                  | 1.5     | -                             | -         | 114.1            |
| <b>% Gross margin</b>                                 | <b>47.4%</b> |               |                      |         |                               |           | <b>50.7%</b>     |
| Operating expenses:                                   |              |               |                      |         |                               |           |                  |
| Research and development                              | 23.5         | -             | -                    | (3.9)   | -                             | -         | 19.6             |
| Sales and marketing                                   | 48.4         | -             | -                    | (6.0)   | -                             | -         | 42.4             |
| General and administrative                            | 37.7         | -             | -                    | (3.8)   | (3.1)                         | -         | 30.9             |
| Impairment of goodwill and other                      |              |               |                      |         |                               |           |                  |
| Gains, losses and other items, net                    | 4.3          | (4.3)         | -                    | -       | -                             | -         | -                |
| Total operating expenses                              | 114.0        | (4.3)         | -                    | (13.7)  | (3.1)                         | -         | 92.8             |
| Income (loss) from operations                         | (7.4)        | 4.3           | 6.1                  | 15.2    | 3.1                           | -         | 21.3             |
| <b>% Margin</b>                                       | <b>-3.3%</b> |               |                      |         |                               |           | <b>9.5%</b>      |
| Other income (expense):                               |              |               |                      |         |                               |           |                  |
| Interest expense                                      | (2.1)        | -             | -                    | -       | -                             | -         | (2.1)            |
| Other, net  | 0.2          | -             | -                    | -       | -                             | -         | 0.2              |
| Total other expense                                   | (1.9)        | -             | -                    | -       | -                             | -         | (1.9)            |
| Income from continuing operations before income taxes | (9.3)        | 4.3           | 6.1                  | 15.2    | 3.1                           | -         | 19.3             |
| Income taxes  | (2.6)        | 1.8           | 2.3                  | 4.1     | 1.3                           | 0.3       | 7.1              |
| Net earnings  | (6.8)        | 2.6           | 3.8                  | 11.0    | 1.8                           | (0.3)     | 12.2             |
| Diluted earnings (loss) per share:                    | \$ (0.09)    | \$ 0.03       | \$ 0.05              | \$ 0.14 | \$ 0.02                       | \$ (0.00) | \$ 0.15          |
| Basic shares  | 78.0         | 78.0          | 78.0                 | 78.0    | 78.0                          | 78.0      | 78.0             |
| FDWA Shares   | 80.9         | 80.9          | 80.9                 | 80.9    | 80.9                          | 80.9      | 80.9             |

All reconciling items tax effected at 41.0% unless the nature of the reconciling item included a non-deductible expense for tax purposes. Tax adjustment to balance to non-GAAP tax expense.

Numbers may not foot due to rounding

# NON-CASH STOCK COMPENSATION TREND

*\$M*

|   | FY15A | FY16A | FY17A | FY18E |
|---|-------|-------|-------|-------|
| Non-Cash Stock Compensation Expense                   |       |       |       |       |
| Time-Based  | \$ 10 | \$ 12 | \$ 20 | \$ 29 |
| Performance   | \$ 1  | \$ 1  | \$ 14 | \$ 9  |
| Acquisition Related                                   | \$ 17 | \$ 19 | \$ 16 | \$ 28 |
| Total   | \$ 28 | \$ 32 | \$ 49 | \$ 66 |
| <i>% of Total Non-Cash Stock Compensation Expense</i> |       |       |       |       |
| <i>Time-Based</i>                                     | 37%   | 37%   | 40%   | 43%   |
| <i>Performance</i>                                    | 1%    | 4%    | 28%   | 14%   |
| <i>Acquisition Related</i>                            | 62%   | 59%   | 32%   | 43%   |

*Numbers may not foot due to rounding*

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