

# Acxiom

## Q1 FY19 Conference Call

August 9, 2018

acxiom®

 **LiveRamp**  
an acxiom company

# 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, the proposed sale of Acxiom Marketing Solutions to Interpublic Group, 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 appendix of this presentation and the Investor Relations section of our website, which include reconciliations to the comparable GAAP measures for each of the non-GAAP financial measures included in this discussion.

The location of our website is [www.acxiom.com](http://www.acxiom.com). The information contained on, or that can be accessed through, our website is not incorporated by reference into this presentation, and you should not consider any information contained on, or that can be accessed through, our website as part of this presentation.

# Transaction Update

- › On July 2<sup>nd</sup> Acxiom signed **definitive agreement to sell Acxiom Marketing Solutions (AMS) to Interpublic Group (IPG) for \$2.3B in cash**
- › **Strong outcome to highly competitive strategic process**
- › **Sharpens focus on LiveRamp** and strengthens position as the industry-leading SaaS identity platform
- › Provides **capital to further fund LiveRamp's growth and innovation**
- › **Big win for all constituencies** – IPG, the industry, clients, associates, and shareholders
- › **Transaction on track to close in the third fiscal quarter** pending Acxiom shareholder approval and other customary closing conditions

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# Q1 Results

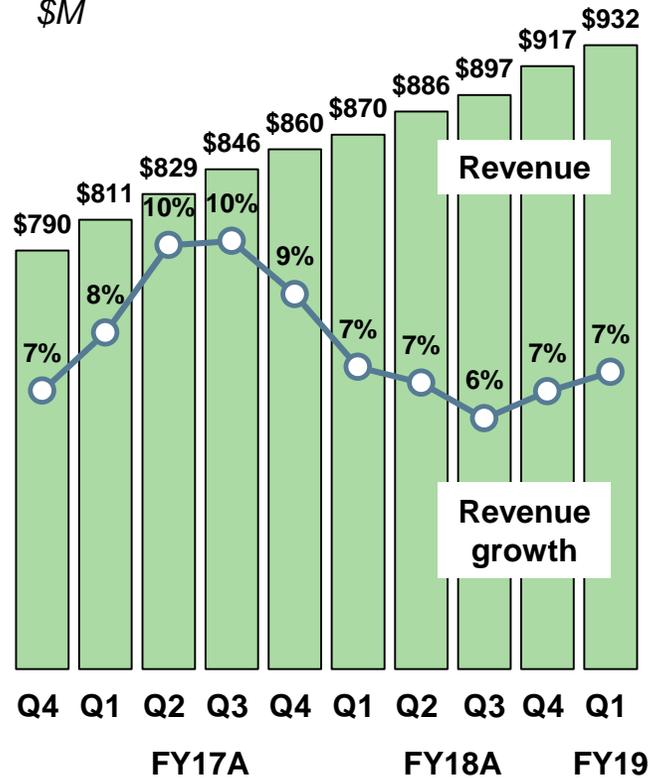
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# Transformation Report Card

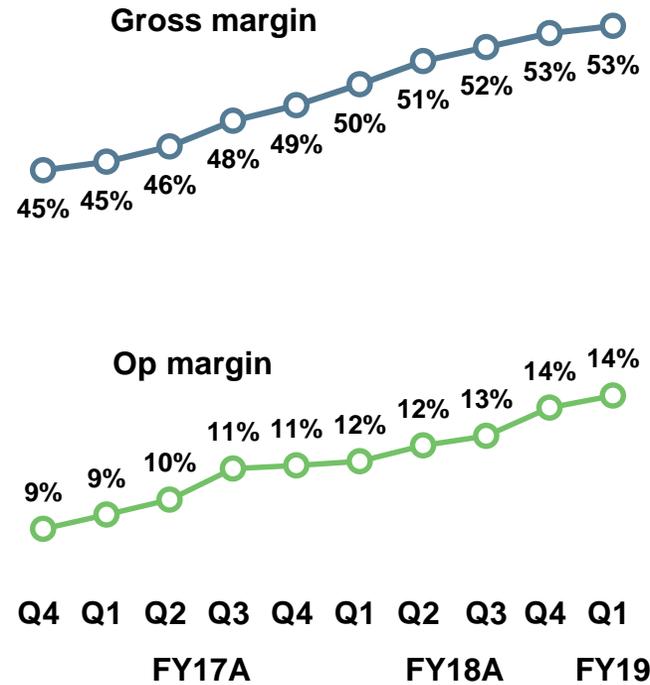
## Trailing Twelve Month Trend

### Revenue Growth<sup>1</sup>

\$M

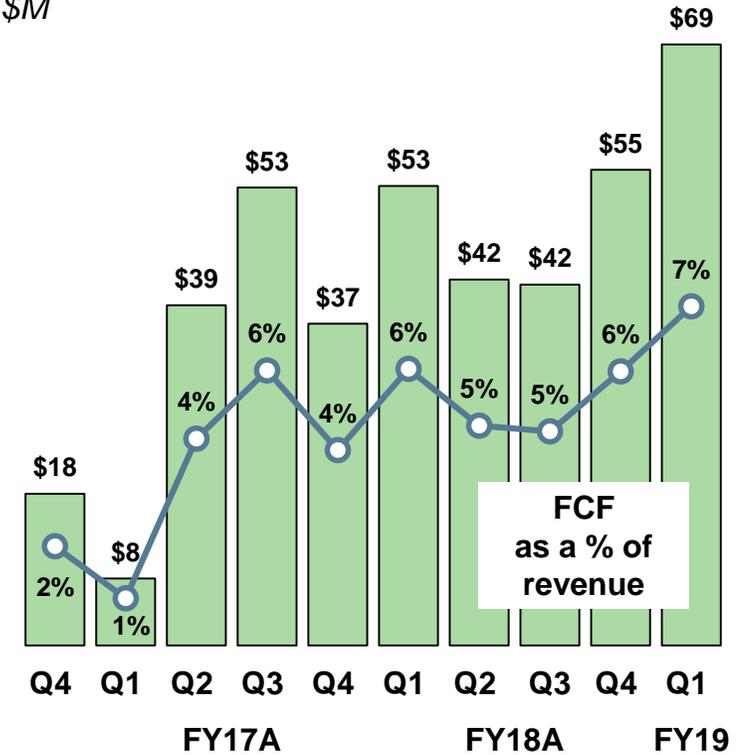


### Non-GAAP Margin Expansion<sup>2</sup>



### Free Cash Flow to Equity<sup>3</sup> Improvement

\$M



<sup>1</sup> TTM revenue and revenue growth adjusted for the Acxiom Impact divestiture.

<sup>2</sup> Non-GAAP gross profit reconciliation included in the appendix.

<sup>3</sup> TTM free cash flow to equity excludes \$25M proceeds from real estate sales in Q4'17.

All figures calculated on a trailing twelve-month basis.

# Q1 Summary Financial Results

*\$M, except per share amounts*

	GAAP		Non-GAAP <sup>1</sup>	
	Q119	YoY Change	Q119	YoY Change
Revenue	\$ 227	7%	\$ 227	7%
Gross Profit	\$ 110	11%	\$ 117	11%
<i>Gross Margin</i>	48.3%	190 bps	51.7%	180 bps
Operating Income (Loss)	(\$ 6)	NM	\$ 29	29%
<i>Operating Margin</i>	(2.5%)	20 bps	12.7%	220 bps
EPS <sup>2</sup>	(\$ 0.04)	(\$ 0.02)	\$ 0.24	\$ 0.10
Share Count	76.9 <sup>3</sup>		79.3 <sup>4</sup>	

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

<sup>2</sup> Current period results include a \$0.02 GAAP and non-GAAP benefit associated with the adoption of ASC 606.

<sup>3</sup> Basic shares are used to calculate GAAP EPS given there is GAAP net loss.

<sup>4</sup> Diluted shares are used to calculate Non-GAAP EPS given non-GAAP net income is positive.

# Q1 Revenue by Geography

\$M

	Q119	Q118	YoY Change
<b>US</b>			
LiveRamp	\$56	\$42	33%
Acxiom Marketing Solutions	\$150	\$152	(1%)
<b>Total US</b>	<b>\$207</b>	<b>\$194</b>	<b>6%</b>
<b>International:</b>			
LiveRamp	\$6	\$5	34%
Acxiom Marketing Solutions	\$14	\$14	4%
<b>Total International</b>	<b>\$20</b>	<b>\$18</b>	<b>12%</b>
<b>Total Company:</b>			
LiveRamp	\$62	\$47	34%
Acxiom Marketing Solutions	\$165	\$166	(1%)
<b>Total Company</b>	<b>\$227</b>	<b>\$213</b>	<b>7%</b>
<b>Total Company ex Facebook:</b>			
LiveRamp ex Facebook	\$59	\$41	44%
Acxiom Marketing Solutions ex Facebook	\$161	\$153	5%
<b>Total Company ex Facebook</b>	<b>\$220</b>	<b>\$194</b>	<b>13%</b>

Numbers may not foot due to rounding.

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# Segment Detail

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# LiveRamp Segment Q1 Summary Results

\$M

	Q119	Q118	YoY Change
Subscription Revenue	\$51	\$37	38%
Marketplace & Other Revenue	\$11	\$10	15%
<b>Total Revenue</b>	<b>\$62</b>	<b>\$47</b>	<b>34%</b>
Total Revenue ex Facebook	\$59	\$41	44%
<b>Gross Profit</b>	<b>\$44</b>	<b>\$28</b>	<b>57%</b>
<i>Gross Margin</i>	70.8%	60.4%	+1,040 bps
<b>Segment Income</b>	<b>\$9</b>	<b>(\$0)</b>	<b>NM</b>
<i>Segment Margin (Loss)</i>	14.7%	(0.2%)	+1,490 bps
<b>Segment EBITDA<sup>1</sup></b>	<b>\$13</b>	<b>\$3</b>	<b>352%</b>
<i>Segment EBITDA Margin</i>	20.8%	6.2%	+1,470 bps

<sup>1</sup>Segment EBITDA reconciliation included in the appendix.

# LiveRamp: A Best-in-Class SaaS Business

## PREDICTABLE RECURRING REVENUE MODEL

**\$250M<sup>1</sup>**

Revenue Run-Rate

**~80%**

Subscription Revenue

## PROVEN ABILITY TO LAND AND EXPAND

**>110%**

Dollar Based Net Retention

## STRONG COMMITMENT FROM CUSTOMERS

**625<sup>2</sup>**

Direct clients as of  
June 2018

**39<sup>3</sup>**

\$1M clients as of June 2018

## DEMONSTRATED LEVERAGE

**>70%**

Gross Margin

**>20%**

Segment EBITDA Margin

<sup>1</sup> Revenue run-rate defined as last quarter revenue times four.

<sup>2</sup> Direct client count includes ~30 incremental international clients that were reclassified to LiveRamp as part of the segment reorganization.

Historical customer counts are as follows: Q117: 300, Q217: 340, Q317: 400, Q417: 435, Q118: 470, Q218: 490, Q318: 560, Q418: 590, Q119: 625

<sup>3</sup> \$1M clients are counted as \$250k or more subscription-only revenue in the quarter.

# AMS Segment Q1 Summary Results

\$M

	Q119	Q118	YoY Change
<b>Revenue</b>	\$165	\$166	(1%)
Revenue, ex Facebook	\$161	\$153	5%
<b>Gross Profit</b>	\$73	\$78	(6%)
<i>Gross Margin</i>	44.5%	47.0%	(250 bps)
<b>Segment Income</b>	\$47	\$48	(2%)
<i>AMS Segment Margin</i>	28.8%	29.2%	(40 bps)
<b>Segment EBITDA<sup>1</sup></b>	\$58	\$59	(2%)
<i>AMS Segment EBITDA Margin</i>	35.2%	35.7%	(60 bps)

<sup>1</sup>Segment EBITDA reconciliation included in the appendix.

Numbers may not foot due to rounding.

# Q1 Cash Flow Results

*\$M*

	Q119	Q118	YoY Change
Operating Cash Flow	\$ 17	\$ 5	247%
Free Cash Flow to Equity <sup>1</sup>	\$ 8	(\$ 6)	NM
Total Capital Spending <sup>1</sup>	\$ 8	\$ 10	(22%)

<sup>1</sup>Includes capital expenditures, capitalized software and data acquisition costs.

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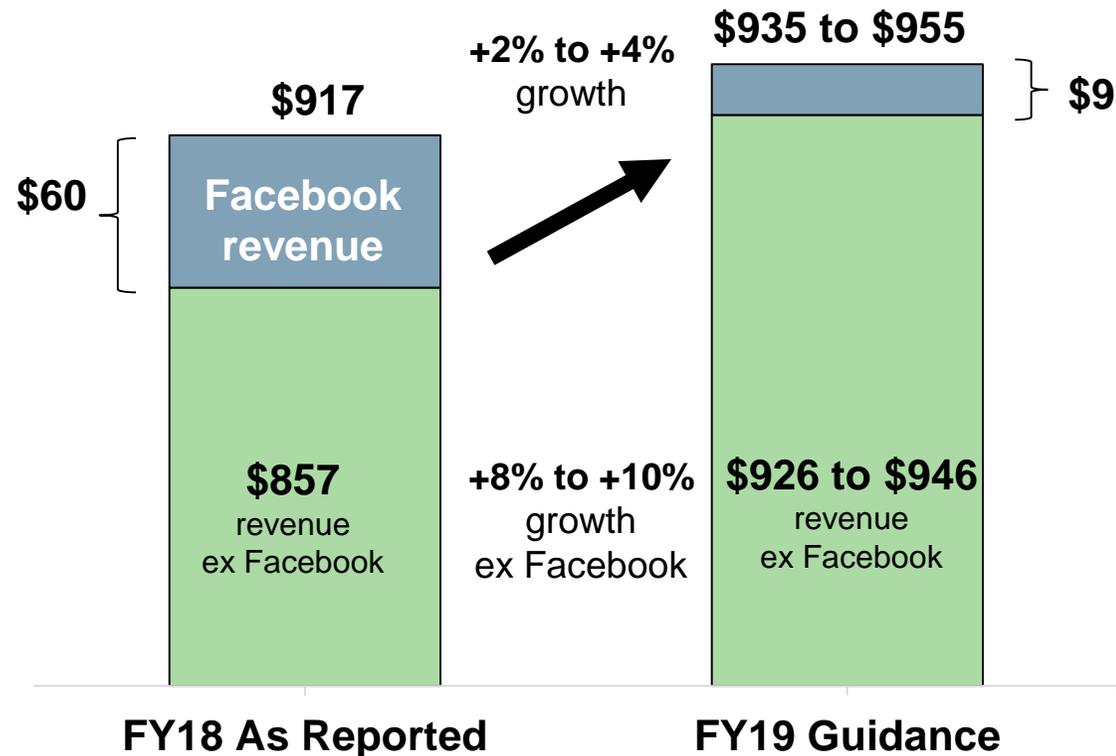
# Outlook

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# Fiscal 2019 Guidance

\$M, except per share amounts

## Revenue



Numbers may not foot due to rounding.

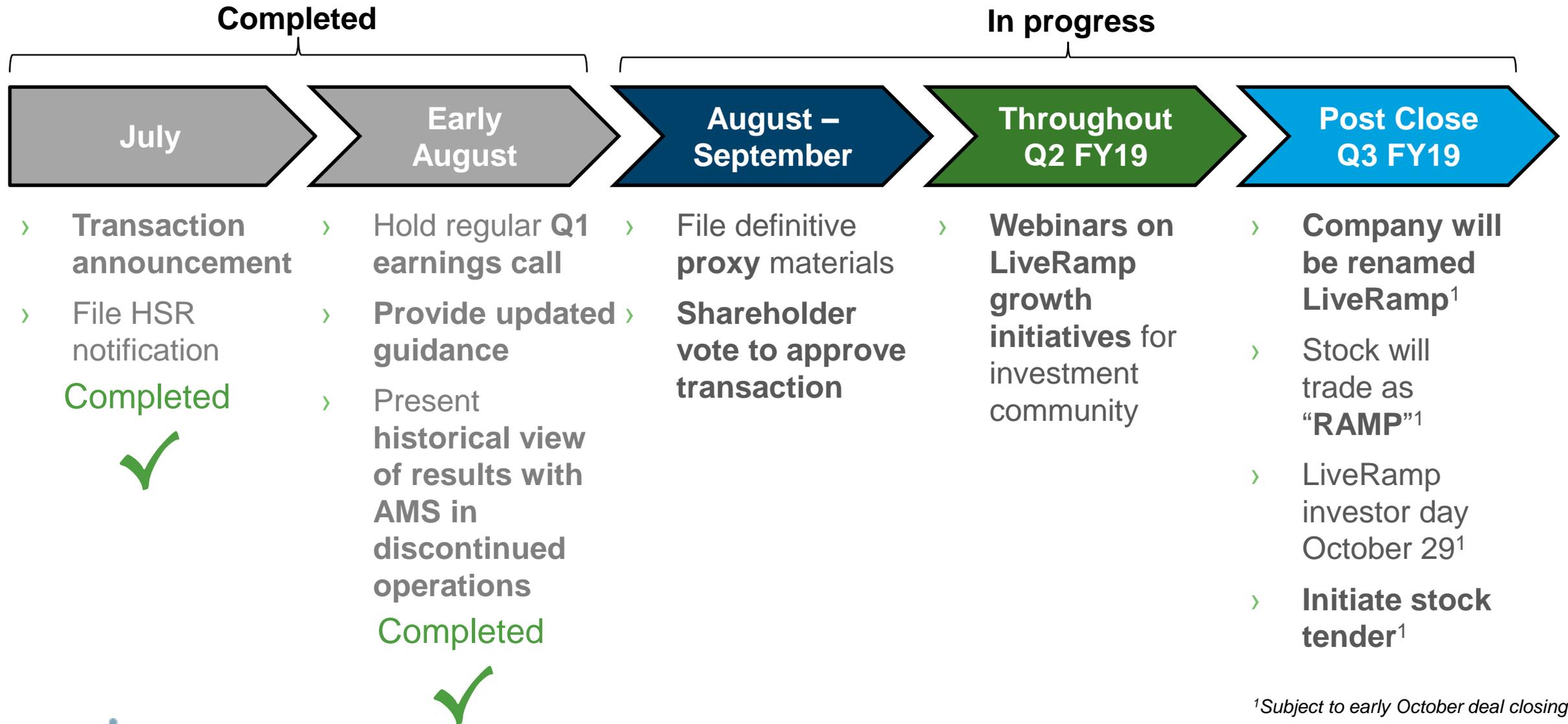
	GAAP	Non-GAAP <sup>1</sup>
Revenue	\$935 to \$955	\$935 to \$955
EPS <sup>2</sup>	(\$0.23) to (\$0.18)	\$0.90 to \$0.95

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

<sup>2</sup>GAAP loss per share calculation uses FY19 basic shares estimate of 81 million.

Non-GAAP EPS calculation uses FY19 diluted share estimate of 83 million.

# Timeline



<sup>1</sup>Subject to early October deal closing

# LiveRamp FY18A Standalone Pro Forma P&L

\$M

	GAAP vs. Non-GAAP FY18A				Non-GAAP vs. Historical Segment FY18A		
	GAAP	SBC	Other	Non-GAAP	Segment	Corp OH	Cont. Ops
<b>Revenue</b>	<b>\$220</b>	-	-	<b>\$220</b>	<b>\$220</b>	-	<b>\$220</b>
CoR	96	(3)	(24) <sup>1</sup>	69	72	(3)	69
<b>Gross Profit</b>	<b>\$124</b>	3	24	<b>\$151</b>	<b>\$148</b>	<b>(3)</b>	<b>\$151</b>
GM%	56%	1 pts	10 pts	68%	67%	1 pts	68%
R&D	58	(12)	-	45	42	3	45
S&M	110	(25)	-	85	78	7	85
G&A	88	(13)	(18) <sup>2</sup>	57	5	52	57
Gains, losses & other, net	3	-	(3) <sup>3</sup>	-	-	-	-
<b>Op Inc (Loss)</b>	<b>(\$134)</b>	53	44	<b>(\$36)</b>	<b>\$23</b>	<b>(\$59)</b>	<b>(\$36)</b>
OM% (Loss)	-61%	24 pts	20 pts	-17%	10%	-26 pts	-17%
<b>% of Revenues</b>							
R&D	26%	-6 pts		20%	19%	1 pts	20%
S&M	50%	-11 pts		39%	35%	3 pts	39%
G&A	40%	-14 pts		26%	2%	23 pts	26%

Pro forma figures are unaudited and subject to change.

Footnotes: <sup>1</sup> amortization of intangibles, <sup>2</sup> business separation, <sup>3</sup> restructuring.

Numbers may not foot due to rounding.

Figures on this slide have been slightly modified from the original version posted on 8/9/2018 to tie to the LiveRamp historical financial information included in our Definitive Proxy Statement filed on 8/24/2018.

# LiveRamp Q119A Standalone Pro Forma P&L

\$M

	GAAP vs. Non-GAAP Q119A				Non-GAAP vs. Historical Segment Q119A		
	GAAP	SBC	Other	Non-GAAP	Segment	Corp OH	Cont. Ops
<b>Revenue</b>	<b>\$62</b>	-	-	<b>\$62</b>	<b>\$62</b>	-	<b>\$62</b>
CoR	24	(1)	(6)	17	18	(1)	17
<b>Gross Profit</b>	<b>\$39</b>	1	6	<b>\$45</b>	<b>\$44</b>	<b>1</b>	<b>\$45</b>
GM%	62%	1 pts	9 pts	73%	71%	2 pts	73%
R&D	17	(4)	-	13	12	1	13
S&M	33	(10)	-	24	22	2	24
G&A	18	(3)	-	15	2	14	15
<b>Op Inc (Loss)</b>	<b>(\$30)</b>	(17)	(6)	<b>(\$6)</b>	<b>\$9</b>	<b>(\$15)</b>	<b>(\$6)</b>
OM% (Loss)	-47%	28 pts	9 pts	-9%	15%	-24 pts	-9%
<b>% of Revenues</b>							
R&D	27%	-7 pts		20%	19%	1 pt	20%
S&M	53%	-16 pts		38%	35%	3 pts	38%
G&A	29%	-4 pts		24%	3%	22 pts	24%

Pro forma figures are unaudited and subject to change.

Footnotes: <sup>1</sup> amortization of intangibles, <sup>2</sup> business separation, <sup>3</sup> restructuring

Numbers may not foot due to rounding.

Figures on this slide have been slightly modified from the original version posted on 8/9/2018 to tie to the LiveRamp historical financial information included in our Definitive Proxy Statement filed on 8/24/2018.

# LiveRamp Pro Forma Balance Sheet

*\$M, as of March 31, 2018*

(in millions)	Historical Acxiom	AMS Adjustment	Other Pro Forma Adjustments	Pro Forma Consolidated
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$142	(\$2)	\$2,022	\$2,162
Trade accounts receivable, net	167	(115)	-	52
Refundable income taxes	10	(10)	-	-
Other current assets	41	(21)	-	20
<b>Total current assets</b>	<b>360</b>	<b>(149)</b>	<b>2,022</b>	<b>2,234</b>
PP&E, net	157	(124)	-	32
Software, net	35	(21)	-	14
Goodwill	596	(392)	-	204
Purchased software licenses, net	8	(8)	-	-
Deferred income taxes	12	37	(49)	-
Other assets, net	41	(4)	-	37
<b>Total Assets</b>	<b>\$1,209</b>	<b>(\$661)</b>	<b>\$1,973</b>	<b>\$2,522</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Current installments of long-term debt	2	-	(2)	-
Trade accounts payable	47	(27)	-	20
Accrued payroll and related expenses	42	(29)	-	14
Other accrued expenses	56	(16)	-	40
Deferred revenue	32	(27)	-	5
Income taxes payable	-	-	496	496
<b>Total current liabilities</b>	<b>\$178</b>	<b>(\$99)</b>	<b>\$495</b>	<b>\$574</b>
Long term debt	228	-	(228)	-
Deferred income taxes	40	(40)	-	-
Other liabilities	14	(6)	-	8
<b>Total equity</b>	<b>\$749</b>	<b>(\$515)</b>	<b>\$1,706</b>	<b>\$1,940</b>
<b>Total Liabilities and Equity</b>	<b>\$1,209</b>	<b>(\$661)</b>	<b>\$1,973</b>	<b>\$2,522</b>

*Pro forma figures are unaudited and subject to change. Other pro forma adjustments reflect net proceeds from sale of AMS. Numbers may not foot due to rounding.*

# LiveRamp Revenue Guidance Detail

\$M

## FY19 Revenue Guidance

	FY18A	FY19 Guidance
LiveRamp <sup>1</sup>	\$220 / +43%	+25% to +30%
<b>LiveRamp ex FB</b>	<b>\$199 / +47%</b>	<b>37%+</b>

<sup>1</sup> LiveRamp subscription revenue growth expected to be above 30% in FY19 and represent approximately 80% of total LiveRamp revenue.

LiveRamp FY18 subscription revenue was \$172 million and grew 50%.

Guidance reflects adoption of ASC 606.

Numbers may not foot due to rounding.

## Revenue Phasing

FY19E			
Q1A	Q2E	Q3E	Q4E
22%	22%	27%	29%
Prior 2 Years			
Q1A	Q2A	Q3A	Q4A
21%	23%	27%	28%

Numbers may not foot to 100% due to rounding.

# LiveRamp Other Guidance

*All figures in USD millions except percentages*

		FY19E				
	FY18A	Q1A	Q2E	Q3E	Q4E	FY19E
<b>Revenue Phasing by Quarter</b>	<b>100%</b>	<b>22%</b>	<b>22%</b>	<b>27%</b>	<b>29%</b>	<b>100%</b>
SBC associated w/ acquisitions	\$30	\$11	\$10	\$10	\$10	\$41
Non-acquisition related SBC	\$23	\$7	\$8	\$7	\$7	\$29
<b>Total Stock-Based Comp</b>	<b>\$53</b>	<b>\$18</b>	<b>\$18</b>	<b>\$17</b>	<b>\$17</b>	<b>\$70</b>
Interest income				\$11	\$8	\$19
Non-GAAP Tax Rate						0%
<b>Capital Spending</b>						<b>\$15-\$18</b>

*Figures reflect stand-alone LiveRamp assuming the AMS transaction closes in early October.  
Pro forma figures are unaudited and subject to change.*

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# Appendix

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# Q1 Revenue Reconciliation

\$M

	Q119	Q118	YoY Change
<b>US</b>	<b>\$ 207</b>	<b>\$ 194</b>	<b>6%</b>
<b>International</b>	<b>\$ 20</b>	<b>\$ 18</b>	<b>12%</b>
FX (benefit)	\$ (1)	-	
<b>Adjusted International</b>	<b>\$ 19</b>	<b>\$ 18</b>	<b>5%</b>
<b>Adjusted Total Revenue</b>	<b>\$ 226</b>	<b>\$ 213</b>	<b>6%</b>

*Numbers may not foot due to rounding.*

# Segment Revenue ex FB Summary

\$Ms

	Q217	Q317	Q417	FY17	Q118	Q218	Q318	Q418	FY18	Q119
<b>LiveRamp revenue</b>	<b>\$35</b>	<b>\$41</b>	<b>\$46</b>	<b>\$154</b>	<b>\$47</b>	<b>\$54</b>	<b>\$59</b>	<b>\$60</b>	<b>\$220</b>	<b>\$62</b>
<i>YoY % change</i>	54%	37%	40%	46%	41%	56%	43%	32%	43%	34%
Facebook revenue, net	4	5	4	19	5	5	6	4	21	3
<b>LiveRamp revenue ex FB</b>	<b>\$31</b>	<b>\$37</b>	<b>\$41</b>	<b>\$136</b>	<b>\$41</b>	<b>\$49</b>	<b>\$53</b>	<b>\$56</b>	<b>\$199</b>	<b>\$60</b>
<i>YoY % change, ex FB</i>	57%	50%	51%	52%	52%	59%	46%	35%	47%	44%
<b>AMS revenue</b>	<b>\$183</b>	<b>\$182</b>	<b>\$179</b>	<b>\$726</b>	<b>\$166</b>	<b>\$171</b>	<b>\$176</b>	<b>\$185</b>	<b>\$697</b>	<b>\$165</b>
<i>YoY % change</i>	3%	3%	0%	3%	(2%)	(2%)	(3%)	3%	(1%)	(1%)
Facebook Revenue, Net	8	13	12	40	13	11	9	7	40	4
<b>AMS revenue ex FB</b>	<b>\$174</b>	<b>\$169</b>	<b>\$167</b>	<b>\$686</b>	<b>\$153</b>	<b>\$160</b>	<b>\$167</b>	<b>\$178</b>	<b>\$657</b>	<b>\$161</b>
<i>YoY % change, ex FB</i>	0%	(1%)	(3%)	0%	(6%)	(4%)	(1%)	6%	(1%)	5%
<b>Total Company revenue</b>	<b>\$217</b>	<b>\$223</b>	<b>\$225</b>	<b>\$880</b>	<b>\$213</b>	<b>\$225</b>	<b>\$235</b>	<b>\$245</b>	<b>\$917</b>	<b>\$227</b>
<i>YoY % change</i>	9%	8%	7%	9%	5%	8%	5%	9%	7%	7%
Facebook Revenue, Net	12	18	16	59	18	17	15	11	61	7
<b>Total Company revenue ex FB</b>	<b>\$205</b>	<b>\$206</b>	<b>\$208</b>	<b>\$822</b>	<b>\$194</b>	<b>\$209</b>	<b>\$220</b>	<b>\$234</b>	<b>\$857</b>	<b>\$220</b>
<i>YoY % change, ex FB <sup>2</sup></i>	6%	5%	4%	6%	2%	6%	7%	12%	7%	13%

<sup>1</sup> AMS growth excludes Acxiom Impact revenue of \$60 million and \$20 million in FY16 and FY17, respectively.

Numbers may not foot due to rounding.

# LiveRamp Segment Trended P&L

\$Ms, Non-GAAP

	Q217	Q317	Q417	FY17	Q118	Q218	Q318	Q418	FY18	Q119
<b>REVENUE</b>										
LiveRamp subscription	\$26	\$30	\$36	\$115	\$37	\$42	\$46	\$47	\$172	\$51
LiveRamp marketplace & other	8	11	10	40	10	12	14	13	48	11
<b>LiveRamp revenue</b>	<b>\$35</b>	<b>\$41</b>	<b>\$46</b>	<b>\$154</b>	<b>\$47</b>	<b>\$54</b>	<b>\$59</b>	<b>\$60</b>	<b>\$220</b>	<b>\$62</b>
<i>YoY % change</i>	54%	37%	40%	46%	41%	56%	43%	32%	43%	34%
LiveRamp subscription ex FB	\$26	\$30	\$36	\$115	\$37	\$42	\$46	\$47	\$172	\$51
LiveRamp marketplace & other ex FB	5	6	6	21	4	7	8	9	27	8
<b>LiveRamp ex. FB</b>	<b>\$31</b>	<b>\$37</b>	<b>\$41</b>	<b>\$136</b>	<b>\$41</b>	<b>\$49</b>	<b>\$53</b>	<b>\$56</b>	<b>\$199</b>	<b>\$59</b>
<i>YoY change %, ex FB</i>	57%	50%	51%	52%	52%	59%	46%	35%	47%	44%
<b>GROSS PROFIT</b>										
<b>LiveRamp gross profit</b>	<b>\$20</b>	<b>\$25</b>	<b>\$29</b>	<b>\$93</b>	<b>\$28</b>	<b>\$36</b>	<b>\$41</b>	<b>\$43</b>	<b>\$148</b>	<b>\$44</b>
<i>LiveRamp gross margin</i>	59%	62%	63%	60%	60%	67%	69%	71%	67%	71%
<i>YoY bps change</i>	(100)	+410	+230	+90	+430	+770	+700	+740	+660	+1,040
<b>SEGMENT INCOME</b>										
<b>LiveRamp segment income</b>	<b>\$1</b>	<b>\$4</b>	<b>\$2</b>	<b>\$8</b>	<b>(\$0)</b>	<b>\$6</b>	<b>\$9</b>	<b>\$8</b>	<b>\$23</b>	<b>\$9</b>
<i>LiveRamp segment margin</i>	4%	9%	4%	5%	0%	11%	15%	13%	10%	15%
<i>YoY bps change</i>	+1,100	+980	+860	+850	(180)	+660	+630	+910	+540	+1,490
<b>EBITDA</b>										
<b>LiveRamp EBITDA</b>	<b>\$4</b>	<b>\$6</b>	<b>\$5</b>	<b>\$17</b>	<b>\$3</b>	<b>\$9</b>	<b>\$12</b>	<b>\$11</b>	<b>\$36</b>	<b>\$13</b>
<i>LiveRamp EBITDA margin</i>	10%	15%	10%	11%	6%	17%	21%	19%	16%	21%
<i>YoY bps change</i>	+880	+880	+770	+690	(100)	+680	+560	+870	+530	+1,470

Numbers may not foot due to rounding.

# AMS Segment Trended P&L

*\$Ms, Non-GAAP*

	Q217	Q317	Q417	FY17	Q118	Q218	Q318	Q418	FY18	Q119
<b>REVENUE</b>										
AMS revenue	\$183	\$182	\$179	\$726	\$166	\$171	\$176	\$185	\$697	\$165
YoY % change <sup>1</sup>	3%	3%	0%	3%	(2%)	(2%)	(3%)	3%	(1%)	(1%)
<b>AMS revenue ex FB</b>	<b>\$174</b>	<b>\$169</b>	<b>\$167</b>	<b>\$686</b>	<b>\$153</b>	<b>\$160</b>	<b>\$167</b>	<b>\$178</b>	<b>\$657</b>	<b>\$161</b>
YoY change %, ex FB <sup>1</sup>	0%	(1%)	(3%)	0%	(6%)	(4%)	(1%)	6%	(1%)	5%
<b>GROSS PROFIT</b>										
<b>AMS gross profit</b>	<b>\$82</b>	<b>\$88</b>	<b>\$85</b>	<b>\$334</b>	<b>\$78</b>	<b>\$82</b>	<b>\$86</b>	<b>\$89</b>	<b>\$335</b>	<b>\$73</b>
AMS Gross Margin	45%	48%	48%	46%	47%	48%	49%	48%	48%	44%
YoY bps change	+340	+530	+260	+330	+380	+300	+40	+70	+200	(250)
<b>SEGMENT INCOME</b>										
<b>AMS segment income</b>	<b>\$50</b>	<b>\$54</b>	<b>\$53</b>	<b>\$202</b>	<b>\$48</b>	<b>\$51</b>	<b>\$53</b>	<b>\$50</b>	<b>\$203</b>	<b>\$47</b>
AMS Segment Margin	27%	30%	29%	28%	29%	30%	30%	27%	29%	29%
YoY bps change	+390	+330	+340	+300	+440	+250	+50	(200)	+130	(30)
<b>EBITDA</b>										
<b>AMS EBITDA</b>	<b>\$63</b>	<b>\$65</b>	<b>\$64</b>	<b>\$251</b>	<b>\$59</b>	<b>\$62</b>	<b>\$64</b>	<b>\$62</b>	<b>\$247</b>	<b>\$58</b>
AMS EBITDA Margin	35%	36%	36%	35%	36%	36%	36%	33%	35%	35%
YoY bps change	+390	+290	+290	+280	+360	+170	+40	(240)	+80	(60)

<sup>1</sup> Revenue growth adjusted for the Acxiom Impact divestiture.

Numbers may not foot due to rounding.

# Adjusted EBITDA by Segment

\$M

	FY18A					FY19A	Q1 Y/Y Change	
	Q118A	Q218A	Q318A	Q418A	FY18A	Q119A	V%	V\$
<b>Segment Income from Operations</b>								
LiveRamp	(\$0)	\$6	\$9	\$8	\$23	\$9	NM	\$9
Acxiom Marketing Solutions	\$48	\$51	\$53	\$50	\$203	\$47	-2%	(\$1)
<b>Total Segment Income from Operations</b>	<b>\$48</b>	<b>\$57</b>	<b>\$62</b>	<b>\$59</b>	<b>\$226</b>	<b>\$57</b>	<b>17%</b>	<b>\$8</b>
<b>Segment D&amp;A</b>								
LiveRamp	\$3	\$3	\$3	\$3	\$13	\$4	28%	\$1
Acxiom Marketing Solutions	\$11	\$11	\$11	\$11	\$44	\$10	-4%	(\$0)
<b>Total Segment D&amp;A</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$57</b>	<b>\$14</b>	<b>3%</b>	<b>\$0</b>
<b>Segment EBITDA</b>								
LiveRamp	\$3	\$9	\$12	\$11	\$36	\$13	352%	\$10
Acxiom Marketing Solutions	\$59	\$62	\$64	\$62	\$247	\$58	-2%	(\$1)
<b>Total Segment EBITDA</b>	<b>\$62</b>	<b>\$71</b>	<b>\$76</b>	<b>\$73</b>	<b>\$282</b>	<b>\$71</b>	<b>14%</b>	<b>\$9</b>

Segment EBITDA is a non-GAAP measure. We believe Segment EBITDA provides useful supplemental information to and facilitates analysis by investors in evaluating segment performance and trends. The presentation of Segment EBITDA is not meant to be considered in isolation or as an alternative to Segment Income from Operations as an indicator of segment performance. This schedule reconciles Segment Income from Operations to Segment EBITDA.

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

Numbers may not foot due to rounding.

# EBITDA Reconciliation

\$M

	FY18A					FY19A
	Q118A	Q218A	Q318A	Q418A	FY18A	Q119A
<b>Revenue</b>	<b>\$213</b>	<b>\$225</b>	<b>\$235</b>	<b>\$245</b>	<b>\$917</b>	<b>\$227</b>
<i>YoY Change</i>	5%	8%	5%	9%	7%	7%
<b>Income (Loss) from Operations (EBIT)</b>	<b>-\$6</b>	<b>\$0</b>	<b>\$11</b>	<b>\$5</b>	<b>\$11</b>	<b>-\$6</b>
Gains, losses, and other items, net	\$0	\$4	\$0	\$3	\$6	\$1
Business separation & transformation costs	\$7	\$5	\$5	\$3	\$21	\$7
Non-cash stock compensation expense	\$15	\$16	\$16	\$17	\$63	\$20
Purchased intangible asset amortization	\$6	\$6	\$6	\$6	\$24	\$6
Accelerated software amortization	\$0	\$0	\$0	\$1	\$1	\$0
<b>Adjusted EBIT</b>	<b>\$22</b>	<b>\$31</b>	<b>\$38</b>	<b>\$34</b>	<b>\$126</b>	<b>\$29</b>
<i>YoY Change</i>	6%	27%	14%	72%	27%	29%
Depreciation and amortization	\$15	\$15	\$15	\$16	\$61	\$15
<b>Adjusted EBITDA</b>	<b>\$37</b>	<b>\$47</b>	<b>\$53</b>	<b>\$50</b>	<b>\$187</b>	<b>\$44</b>
<i>YoY Change</i>	-1%	13%	10%	41%	15%	18%
<b>Adjusted Earnings per Share</b>	<b>\$0.14</b>	<b>\$0.22</b>	<b>\$0.31</b>	<b>\$0.27</b>	<b>\$0.94</b>	<b>\$0.24</b>
<b>Capital Spending</b>	<b>\$10</b>	<b>\$12</b>	<b>\$16</b>	<b>\$21</b>	<b>\$59</b>	<b>\$8</b>
<b>Total Depreciation and Amortization</b>	<b>\$21</b>	<b>\$21</b>	<b>\$21</b>	<b>\$23</b>	<b>\$86</b>	<b>\$22</b>

Segment EBITDA is a non-GAAP measure. We believe Segment EBITDA provides useful supplemental information to and facilitates analysis by investors in evaluating segment performance and trends. The presentation of Segment EBITDA is not meant to be considered in isolation or as an alternative to Segment Income from Operations as an indicator of segment performance. This schedule reconciles Segment Income from Operations to Segment EBITDA.

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 Reconciliation

\$M, Non-GAAP

	Q119 GAAP	Restructuring	Intangible Amortization	SBC	Separation	Tax	Q119 Non-GAAP
Revenue	\$227.0	-	-	-	-	-	\$227.0
Cost of revenue	117.3	-	(6.1)	(1.6)	-	-	109.6
Gross profit	109.7	-	6.1	1.6	-	-	117.4
<b>% Gross margin</b>	<b>48.3%</b>						<b>51.7%</b>
Operating expenses:							
Research and development	24.5	-	-	(4.5)	-	-	20.0
Sales and marketing	54.9	-	-	(10.9)	-	-	43.9
General and administrative	34.7	-	-	(3.3)	(6.8)	-	24.6
Gains, losses and other items, net	1.3	(1.3)	-	-	-	-	-
Total operating expenses	115.4	(1.3)	-	(18.7)	(6.8)	-	88.6
Income (loss) from operations	(5.7)	1.3	6.1	20.3	6.8	-	28.8
<b>% Margin</b>	<b>-2.5%</b>						<b>12.7%</b>
Other expense:							
Interest expense	(2.8)	-	-	-	-	-	(2.8)
Other, net	0.5	-	-	-	-	-	0.5
Total other expense	(2.3)	-	-	-	-	-	(2.3)
Earnings (loss) before income taxes	(8.0)	1.3	6.1	20.3	6.8	-	26.5
Income taxes	(5.0)	0.4	2.2	7.5	2.8	(0.4)	7.5
Net earnings (loss)	(3.0)	0.9	3.9	12.9	4.0	0.4	19.0
<b>Diluted earnings (loss) per share:</b>	<b>(\$0.04)</b>	<b>\$0.01</b>	<b>\$0.05</b>	<b>\$0.16</b>	<b>\$0.05</b>	<b>\$0.00</b>	<b>\$0.24</b>
Basic shares	76.9	76.9	76.9	76.9	76.9	76.9	76.9
FDWA Shares	79.3	79.3	79.3	79.3	79.3	79.3	79.3
Tax rate	62.4%	27.4%	36.0%	36.6%	41.6%		28.2%

All reconciling items include applicable tax impact.

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