

# ACXIOM

## Q2 FY18 Conference Call

November 1, 2017

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# 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.

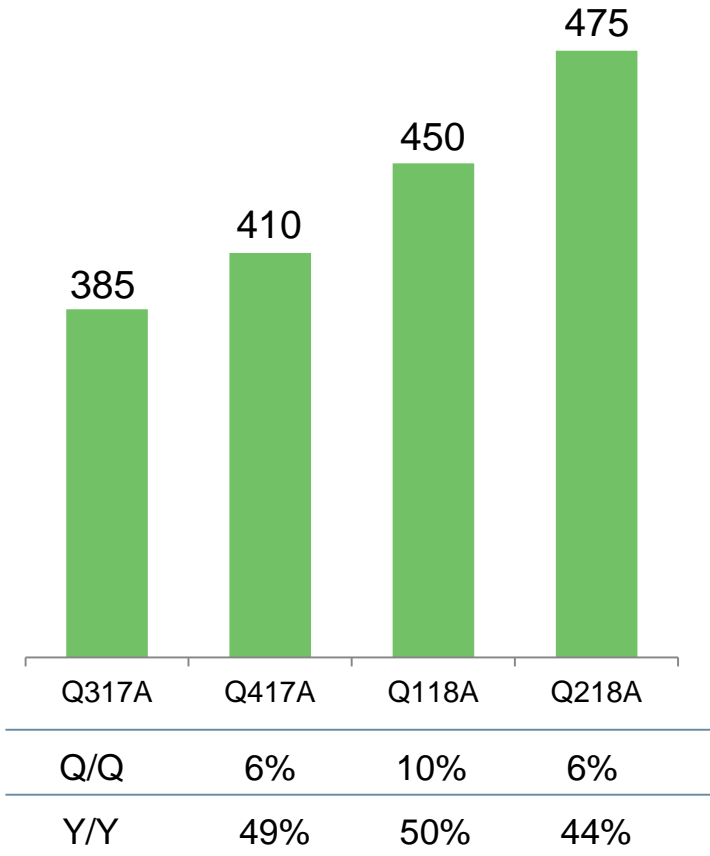
These issues and other factors that may be identified from time to time in the Company's reports filed with the SEC could cause actual results to differ materially from those indicated in the forward-looking statements.

Our discussion today will include non-GAAP financial measures. We refer you to the 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.

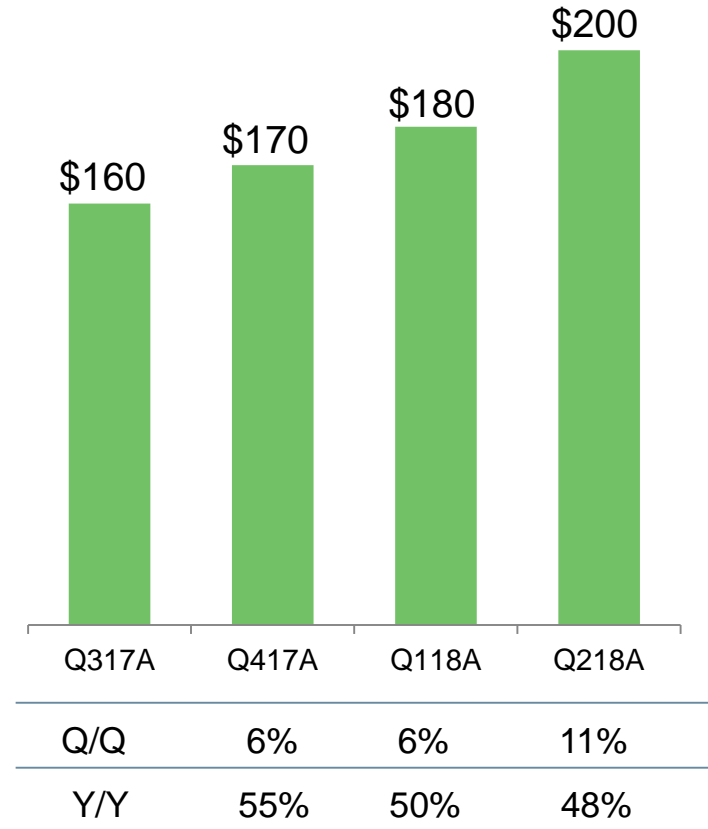
The location of our website is [www.acxiom.com](http://www.acxiom.com). The information contained on, or that can be accessed through, our website is not incorporated by reference into this presentation, and you should not consider any information contained on, or that can be accessed through, our website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

# KEY GROWTH METRICS

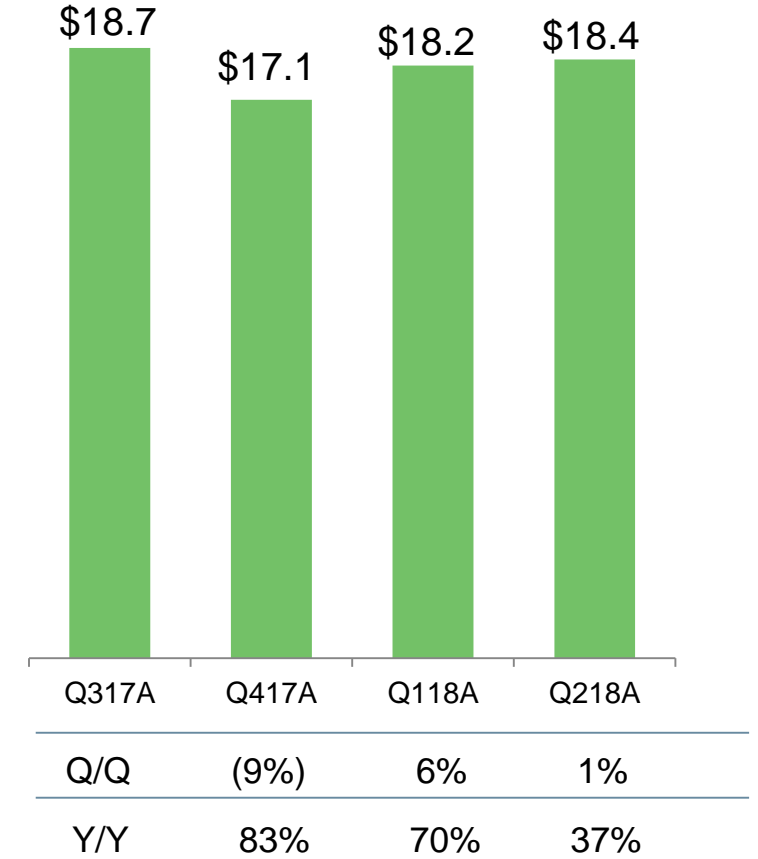
## Direct Connectivity Customers<sup>1</sup>



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



## Audience Solutions Digital Data Revenue \$M



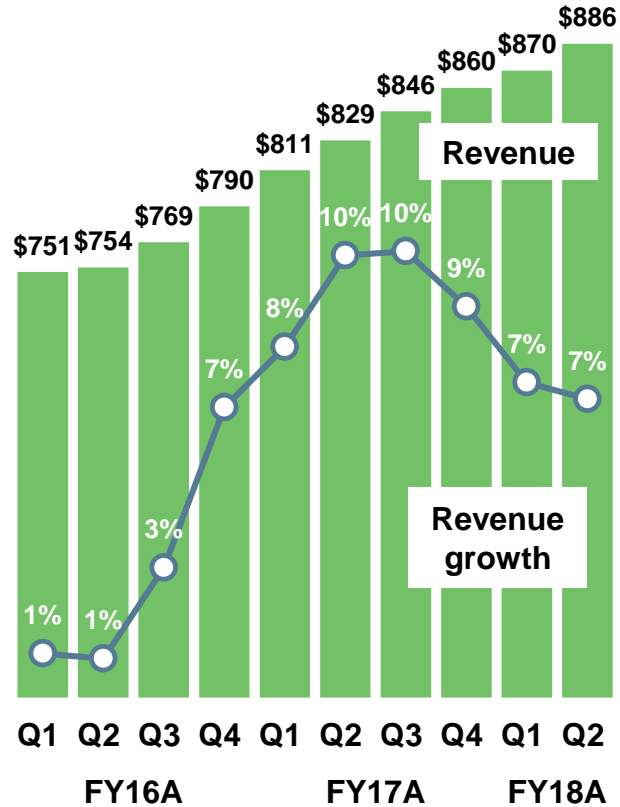
<sup>1</sup>Excludes agency and reseller deployments and Data Store-only customers.

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

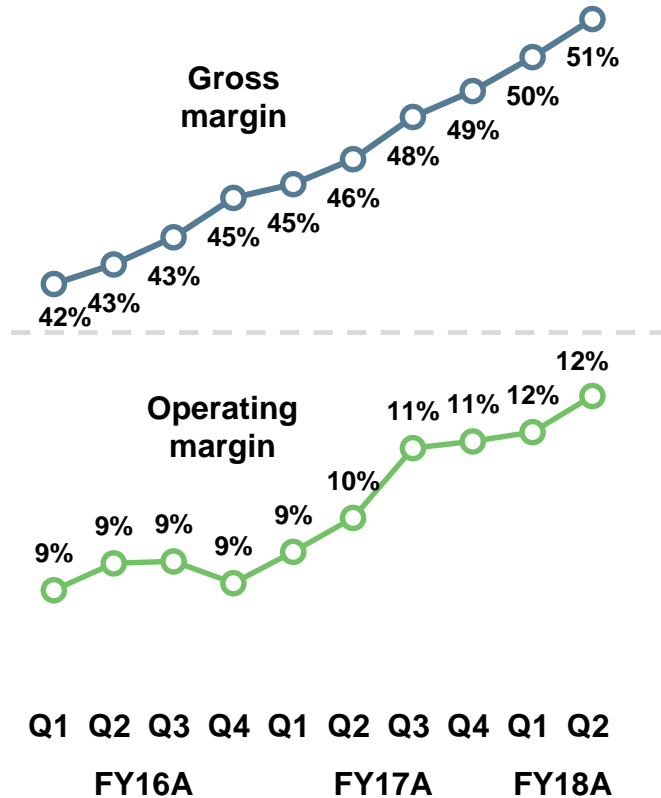
# THREE YEARS OF IMPROVEMENT

## Trailing Twelve Month Performance

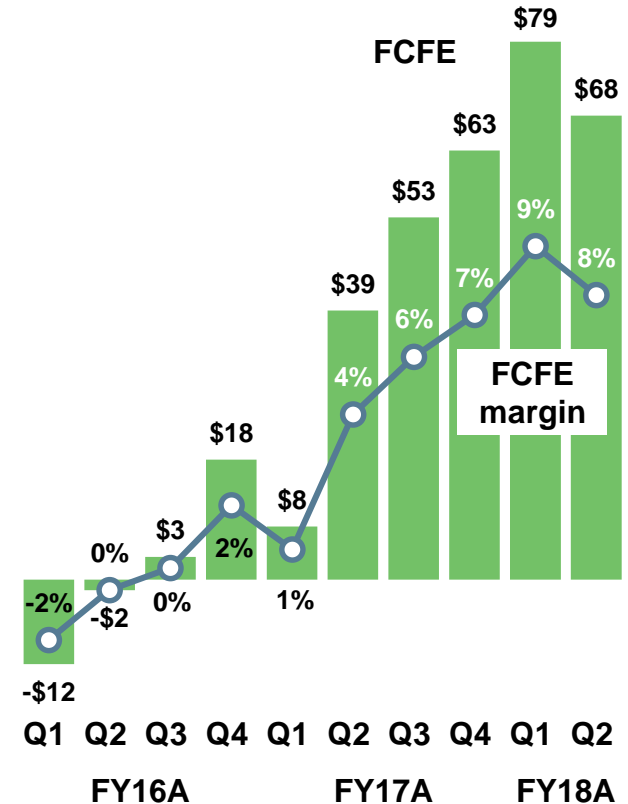
**Adjusted Revenue Growth<sup>1</sup>**  
\$M



**Non-GAAP Margin Expansion**



**Free Cash Flow to Equity<sup>2</sup> Improvement**  
\$M



<sup>1</sup> TTM revenue and revenue growth adjusted for the Acxiom Impact divestiture. <sup>2</sup> TTM free cash flow to equity is as reported.

All figures calculated on a trailing twelve-month basis.

# CONNECTIVITY BY THE NUMBERS

## Q2 Segment Results

**\$200M**  
Revenue Run-Rate

**67%**  
Gross Margin

**11%**  
Segment Margin

## Customer Detail<sup>1</sup>

**475**  
Direct Customers

**13%**  
of Fortune 500

**30+**  
\$1M+ Customers  
Today

## SaaS Revenue Metrics<sup>1</sup>

**>110%**  
Dollar-based  
Net Retention<sup>2</sup>

**85%**  
Committed  
Recurring Revenue<sup>2</sup>

**~\$400K<sup>3</sup>**  
Revenue per Head

<sup>1</sup>Customer Detail and Key SaaS Metrics are for LiveRamp US only.

<sup>2</sup>85% recurring revenue excludes Data Store revenue, non-recurring one-time revenues and credits.

<sup>3</sup>Revenue per head calculation excludes headcount related to shared corporate functions.

# Q2 SUMMARY FINANCIAL RESULTS

*\$M, except per share amounts*

	GAAP	
	Q218	Y/Y Change
Revenue	\$ 225	4%
Gross Profit	\$ 110	13%
<i>Gross Margin</i>	<i>48.9%</i>	<i>420 bps</i>
Operating Income	\$ 0	(94%)
<i>Operating Margin</i>	<i>0.2%</i>	<i>(310) bps</i>
EPS	\$ (0.04)	\$ (0.13)
Share Count	79.2	

	Non-GAAP <sup>1</sup>	
	Q218	Y/Y Change
Revenue	\$ 225	4%
Gross Profit	\$ 118	15%
<i>Gross Margin</i>	<i>52.3%</i>	<i>530 bps</i>
Operating Income	\$ 31	27%
<i>Operating Margin</i>	<i>13.9%</i>	<i>250 bps</i>
EPS	\$ 0.22	\$ 0.04
Share Count	81.5	

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

# Q2 REVENUE BY GEOGRAPHY

\$M

	Q218	Q217	Y/Y Change
<b>US</b>			
Connectivity	\$ 48	\$ 31	57%
Audience Solutions	\$ 71	\$ 71	(0%)
Marketing Services	\$ 87	\$ 98	(11%)
<b>Total US</b>	<b>\$ 206</b>	<b>\$ 200</b>	<b>3%</b>
<b>International:</b>			
Connectivity	\$ 4	\$ 2	77%
Audience Solutions	\$ 8	\$ 7	9%
Marketing Services	\$ 7	\$ 8	(11%)
<b>Total International</b>	<b>\$ 19</b>	<b>\$ 18</b>	<b>9%</b>
<b>Total Company:</b>			
Connectivity	\$ 52	\$ 33	58%
Audience Solutions	\$ 79	\$ 79	0%
Marketing Services	\$ 94	\$ 106	(12%)
<b>Total Company</b>	<b>\$ 225</b>	<b>\$ 217</b>	<b>4%</b>

Numbers may not foot due to rounding.

# Q2 ADJUSTED REVENUE

\$M

	Q218	Q217	Y/Y Change
<b>US</b>	<b>\$ 206</b>	<b>\$ 200</b>	<b>3%</b>
Acxiom Impact Divestiture	-	\$ (8)	
<b>Adjusted US<sup>1</sup></b>	<b>\$ 206</b>	<b>\$ 192</b>	<b>8%</b>
<b>International</b>	<b>\$ 19</b>	<b>\$ 18</b>	<b>9%</b>
Australia Transition	\$ (0)	\$ (1)	
FX	\$ (0)	-	
<b>Adjusted International</b>	<b>\$ 19</b>	<b>\$ 17</b>	<b>12%</b>
<b>Adjusted Total Revenue<sup>1</sup></b>	<b>\$ 225</b>	<b>\$ 208</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.

Numbers may not foot due to rounding.



# Q2 MARKETING SERVICES RESULTS

\$M

	Q218	Q217	Y/Y Change
<b>US:</b>			
<b>Revenue<sup>1</sup></b>	<b>\$ 87</b>	<b>\$ 98</b>	<b>(11%)</b>
<b>Gross Profit</b>	<b>\$ 33</b>	<b>\$ 32</b>	<b>1%</b>
<i>Gross Margin</i>	37.4%	32.8%	450 bps
<b>Segment Income</b>	<b>\$ 22</b>	<b>\$ 19</b>	<b>15%</b>
<b>Global:</b>			
<b>Revenue<sup>1</sup></b>	<b>\$ 94</b>	<b>\$ 106</b>	<b>(11%)</b>
<b>Gross Profit</b>	<b>\$ 34</b>	<b>\$ 34</b>	<b>(0%)</b>
<i>Gross Margin</i>	36.5%	32.6%	390 bps
<b>Segment Income</b>	<b>\$ 22</b>	<b>\$ 20</b>	<b>10%</b>
<b>Segment EBITDA<sup>2</sup></b>	<b>\$ 28</b>	<b>\$ 28</b>	<b>1%</b>

<sup>1</sup>Prior period revenue includes approximately \$8M associated with the divested Acxiom Impact business. Excluding these revenues, Marketing Services revenue was down 3% in the US and 4% globally.

<sup>2</sup>Adjusted EBITDA reconciliation included in the appendix.

Numbers may not foot due to rounding.

# Q2 AUDIENCE SOLUTIONS RESULTS

\$M

	Q218	Q217	Y/Y Change
<b>US:</b>			
<b>Revenue</b>	<b>\$ 71</b>	<b>\$ 71</b>	<b>(0%)</b>
<b>Gross Profit</b>	<b>\$ 45</b>	<b>\$ 45</b>	<b>(1%)</b>
<i>Gross Margin</i>	63.3%	63.4%	(10) bps
<b>Segment Income</b>	<b>\$ 28</b>	<b>\$ 29</b>	<b>(3%)</b>
<b>Global:</b>			
<b>Revenue</b>	<b>\$ 79</b>	<b>\$ 79</b>	<b>0%</b>
<b>Gross Profit</b>	<b>\$ 48</b>	<b>\$ 48</b>	<b>1%</b>
<i>Gross Margin</i>	61.3%	61.1%	20 bps
<b>Segment Income</b>	<b>\$ 29</b>	<b>\$ 30</b>	<b>(2%)</b>
<b>Segment EBITDA<sup>1</sup></b>	<b>\$ 34</b>	<b>\$ 35</b>	<b>(3%)</b>

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

# Q2 CONNECTIVITY RESULTS

\$M

	Q218	Q217	Y/Y Change
<b>Revenue</b>	<b>\$ 52</b>	<b>\$ 33</b>	<b>58%</b>
<b>Gross Profit</b>	<b>\$ 35</b>	<b>\$ 20</b>	<b>78%</b>
<i>Gross Margin</i>	67.4%	60.0%	740 bps
<b>Segment Income</b>	<b>\$ 6</b>	<b>\$ 2</b>	<b>244%</b>
<b>Segment EBITDA<sup>1</sup></b>	<b>\$ 9</b>	<b>\$ 3</b>	<b>147%</b>

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

# Q2 CASH FLOW RESULTS

*\$M*

	Q218	Q217	Y/Y Change
<b>Operating Cash Flow</b>	<b>\$ 28</b>	<b>\$ 35</b>	<b>(22%)</b>
<b>Free Cash Flow to Equity<sup>1</sup></b>	<b>\$ 20</b>	<b>\$ 30</b>	<b>(36%)</b>
<b>Total Capital Spending<sup>2</sup></b>	<b>\$ 12</b>	<b>\$ 14</b>	<b>(17%)</b>

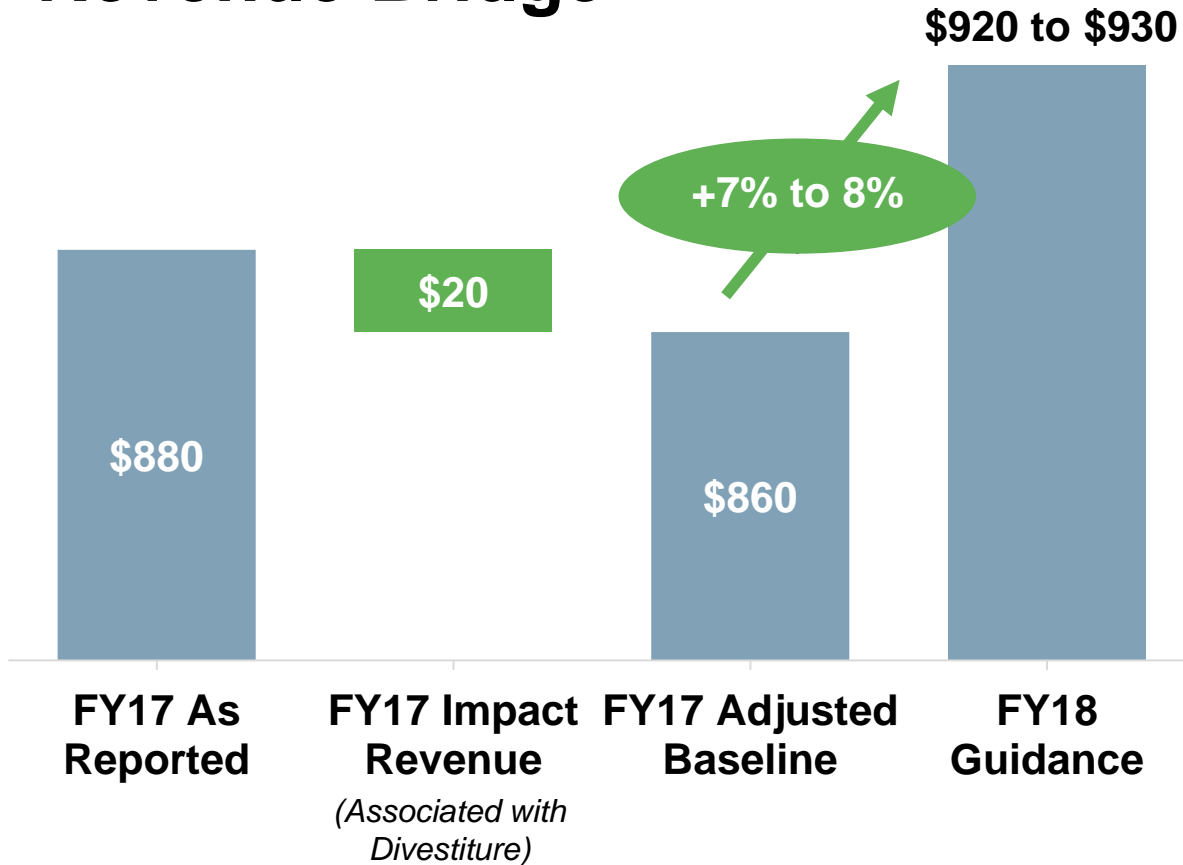
<sup>1</sup>Q217 free cash flow to equity includes proceeds of \$17 million associated with the divestiture of Acxiom Impact compared to \$4 million in the current quarter.

<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	\$920 to \$930	\$920 to \$930
Diluted EPS	(\$0.08) to (\$0.04)	\$0.80 to \$0.85

<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> (estimated)	23%	24%	26%	27%

Historical Average (Last Three Fiscal Years)

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

# FISCAL 2018 OTHER GUIDANCE ITEMS

*\$M*

	FY18E
Capital Spending <sup>1</sup>	~\$60
Non-Cash Stock Compensation Expense <sup>2</sup>	~\$65
One-Time Separation Expense <sup>3</sup>	\$15 – \$20
Non-GAAP Tax Rate	39.5% – 40.0%
Diluted Shares Outstanding <sup>4</sup>	~82.5M

<sup>1</sup>Includes capital expenditures, capitalized software and data acquisition costs. Capital spending guidance has been reduced from prior guidance of \$65 million.

<sup>2</sup>Approximately 40% of our non-cash stock compensation expense in FY18 is acquisition related.

<sup>3</sup>One-time separation expense has been increased from prior guidance of \$15 million.

<sup>4</sup>Assumes no additional buyback activity.



# APPENDIX



# FY16 – Q2 FY18 MS EX. IMPACT

\$M

Marketing Services	FY16A				FY17A				FY18		Full Year	
	Q116A	Q216A	Q316A	Q416A	Q117A	Q217A	Q317A	Q417A	Q118A	Q218A	FY16A	FY17A
Revenue	\$ 108	\$ 113	\$ 116	\$ 113	\$ 110	\$ 106	\$ 101	\$ 94	\$ 92	\$ 94	\$ 450	\$ 411
V%	-1%	0%	1%	3%	2%	-6%	-13%	-17%	-17%	-11%	1%	-9%
Gross Profit	36	37	38	40	37	34	37	31	31	34	152	141
GM %	33%	33%	33%	35%	34%	33%	37%	33%	34%	36%	34%	34%
Segment Income	17	18	20	19	20	20	21	20	20	22	74	81
Segment Margin %	16%	16%	18%	17%	18%	19%	21%	21%	22%	23%	17%	20%

Acxiom Impact	FY16A				FY17A				FY18		Full Year	
	Q116A	Q216A	Q316A	Q416A	Q117A	Q217A	Q317A	Q417A	Q118A	Q218A	FY16A	FY17A
Revenue	\$ 16	\$ 16	\$ 15	\$ 14	\$ 12	\$ 8	-	-	-	-	\$ 60	\$ 20
Gross Profit	6	4	4	3	1	1	-	-	-	-	17	2
GM %	35%	27%	27%	21%	11%	10%	-	-	-	-	28%	10%
Segment Income	3	3	3	1	(0)	0	-	-	-	-	10	(0)
Segment Margin %	21%	19%	17%	11%	0%	2%	-	-	-	-	17%	-1%

Marketing Services ex. Impact	FY16A				FY17A				FY18		Full Year	
	Q116A	Q216A	Q316A	Q416A	Q117A	Q217A	Q317A	Q417A	Q118A	Q218A	FY16A	FY17A
Revenue	\$ 92	\$ 97	\$ 101	\$ 100	\$ 97	\$ 98	\$ 101	\$ 94	\$ 92	\$ 94	\$ 390	\$ 390
V%	-1%	0%	3%	6%	6%	0%	0%	-5%	-6%	-4%	2%	0%
Gross Profit	31	33	34	37	36	34	38	31	31	34	136	139
GM %	33%	34%	34%	37%	37%	34%	37%	33%	34%	37%	35%	35%
Segment Income	13	15	18	18	20	20	21	20	20	22	64	81
Segment Margin %	15%	15%	18%	18%	21%	20%	21%	21%	22%	23%	16%	21%

Marketing Services ex. Impact revenue, gross profit, and segment income are non-GAAP financial measures. We believe these non-GAAP measures provide investors with meaningful supplemental information to evaluate the ongoing performance of the Marketing Services segment after the divestiture of Acxiom Impact. This schedule reconciles the results excluding the divested business to the reported Marketing Services segment results.

Numbers may not foot due to rounding.

# ADJUSTED EBITDA BY SEGMENT

\$M

	FY16A					FY17A					FY18A		Q2 Y/Y Change	
	Q116A	Q216A	Q316A	Q416A	FY16A	Q117A	Q217A	Q317A	Q417A	FY17A	Q118A	Q218A	V%	V\$
<b>Segment Income from Operations</b>														
Marketing Services	\$17	\$18	\$20	\$19	\$74	\$20	\$20	\$21	\$20	\$81	\$20	\$22	10%	\$2
Audience Solutions	\$24	\$25	\$31	\$30	\$110	\$25	\$30	\$35	\$34	\$123	\$29	\$29	-2%	(\$0)
Connectivity	(\$1)	(\$1)	(\$1)	(\$0)	(\$3)	\$0	\$2	\$2	\$1	\$5	(\$0)	\$6	244%	\$4
<b>Total Segment Income from Operations</b>	<b>\$40</b>	<b>\$42</b>	<b>\$50</b>	<b>\$48</b>	<b>\$181</b>	<b>\$46</b>	<b>\$51</b>	<b>\$58</b>	<b>\$55</b>	<b>\$209</b>	<b>\$48</b>	<b>\$57</b>	<b>11%</b>	<b>\$6</b>
<b>Segment D&amp;A</b>														
Marketing Services	\$8	\$8	\$8	\$8	\$32	\$8	\$8	\$7	\$7	\$30	\$7	\$6	-20%	(\$2)
Audience Solutions	\$5	\$6	\$5	\$5	\$21	\$6	\$5	\$5	\$5	\$21	\$5	\$5	-8%	(\$0)
Connectivity	\$2	\$2	\$2	\$2	\$7	\$2	\$2	\$2	\$2	\$8	\$3	\$3	60%	\$1
<b>Total Segment D&amp;A</b>	<b>\$15</b>	<b>\$15</b>	<b>\$15</b>	<b>\$15</b>	<b>\$60</b>	<b>\$15</b>	<b>\$15</b>	<b>\$14</b>	<b>\$14</b>	<b>\$59</b>	<b>\$14</b>	<b>\$14</b>	<b>-6%</b>	<b>-97%</b>
<b>Segment EBITDA</b>														
Marketing Services	\$25	\$25	\$28	\$27	\$106	\$28	\$28	\$28	\$27	\$111	\$26	\$28	1%	\$0
Audience Solutions	\$29	\$31	\$36	\$35	\$131	\$31	\$35	\$39	\$38	\$144	\$33	\$34	-3%	(\$1)
Connectivity	\$1	\$1	\$1	\$2	\$4	\$2	\$3	\$4	\$4	\$13	\$2	\$9	147%	\$5
<b>Total Segment EBITDA</b>	<b>\$55</b>	<b>\$57</b>	<b>\$65</b>	<b>\$64</b>	<b>\$240</b>	<b>\$61</b>	<b>\$67</b>	<b>\$71</b>	<b>\$69</b>	<b>\$268</b>	<b>\$62</b>	<b>\$71</b>	<b>7%</b>	<b>\$5</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 RECON

*\$M, Non-GAAP*

	Q218 GAAP	Restructuring	Intangible Amort.	SBC	Separation	Q218 Non-GAAP
Revenue	\$225.2	-	-	-	-	\$225.2
Cost of revenue	115.1	-	(6.0)	(1.7)	-	107.4
Gross profit	110.2	-	6.0	1.7	-	117.9
<b>% Gross margin</b>	<b>48.9%</b>					<b>52.3%</b>
Operating expenses:						
Research and development	24.0	-	-	(3.9)	-	20.1
Sales and marketing	50.1	-	-	(6.8)	-	43.3
General and administrative	31.9	-	-	(3.4)	(5.4)	23.1
Gains, losses and other items, net	3.7	(3.7)	-	-	-	-
Total operating expenses	109.7	(3.7)	-	(14.1)	(5.4)	86.5
Income (loss) from operations	0.5	3.7	6.0	15.8	5.4	31.3
<b>% Margin</b>	<b>0.2%</b>					<b>13.9%</b>
Other expense:						
Interest expense	(2.5)	-	-	-	-	(2.5)
Other, net	0.2	-	-	-	-	0.2
Total other expense	(2.3)	-	-	-	-	(2.3)
Earnings (loss) before income taxes	(1.9)	3.7	6.0	15.8	5.4	29.0
Income taxes	1.5	1.5	2.0	4.3	2.0	11.3
Net earnings (loss)	(3.3)	2.2	4.0	11.5	3.4	17.7
<b>Diluted earnings (loss) per share:</b>	<b>(\$0.04)</b>	<b>\$0.03</b>	<b>\$0.05</b>	<b>\$0.14</b>	<b>\$0.04</b>	<b>\$0.22</b>
Basic shares	79.2	79.2	79.2	79.2	79.2	79.2
FDWA Shares	81.5	81.5	81.5	81.5	81.5	81.5

All reconciling items include applicable tax impact.

# NON-CASH STOCK COMPENSATION TREND

\$M

	FY15A	FY16A	FY17A	FY18E
<i>Non-Cash Stock Compensation Expense</i>				
<i>Time-Based</i>	\$ 10	\$ 12	\$ 20	\$ 26
<i>Performance</i>	\$ 1	\$ 1	\$ 14	\$ 11
<i>Acquisition Related</i>	\$ 17	\$ 19	\$ 16	\$ 28
<b>Total</b>	<b>\$ 28</b>	<b>\$ 32</b>	<b>\$ 49</b>	<b>\$ 65</b>

<i>% of Total Non-Cash Stock Compensation Expense</i>				
<i>Time-Based</i>	37%	37%	40%	40%
<i>Performance</i>	1%	4%	28%	17%
<i>Acquisition Related</i>	62%	59%	32%	43%

Numbers may not foot due to rounding.

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