

# ACXIOM

## Q3 FY18 Conference Call

February 6, 2018



# 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.

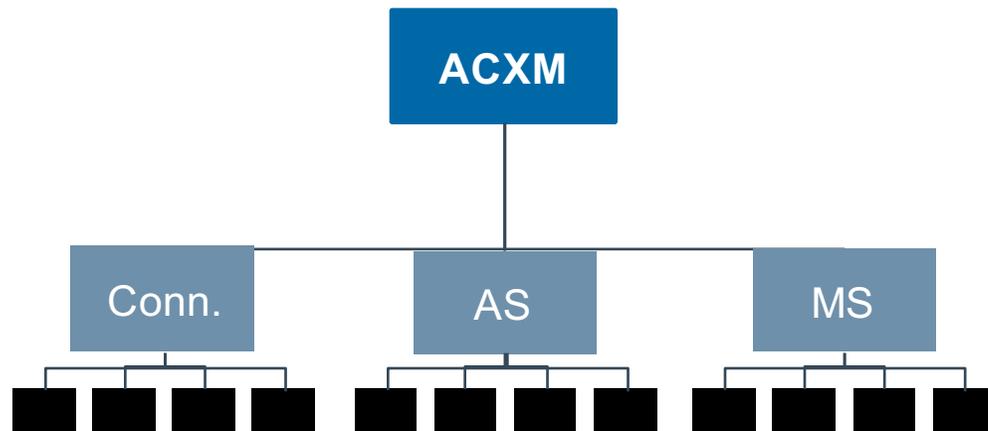
These issues and other factors that may be identified from time to time in the Company's reports filed with the SEC could cause actual results to differ materially from those indicated in the forward-looking statements.

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.

# PORTFOLIO REALIGNMENT

## Three Division Structure

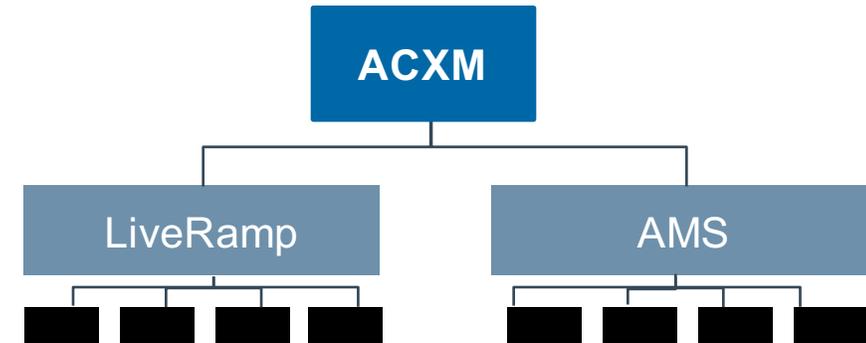


- Identity
- Integrations
- Data Store

- Identity

- Acxiom Data
- Data Services
- Database services
- Consulting & Analytics

## LiveRamp and Acxiom Marketing Solutions



- Identity
- Integrations
- Data Store

- Acxiom Data
- Data Services
- Database Services
- Consulting & Analytics

- Neutral
- Ubiquitous
- Network Effect

- Economies of Scale
- Service Quality
- New Capabilities

- SaaS / DaaS

- Services

# SEGMENT BRIDGE

Trailing Twelve Month Revenue & EBITDA, \$M

## Current Segments

MS	AS	Conn	Corp	Total
Revenue EBITDA <b>\$374 / \$110</b>	Revenue EBITDA <b>\$325 / \$144</b>	Revenue EBITDA <b>\$198 / \$24</b>	Revenue EBITDA <b>\$ - / \$(104)</b>	Revenue EBITDA <b>\$897 / \$174</b>
Rev Growth <sup>1</sup> / GM% / EBITDA% (5%) / 35% / 29%	Rev Growth / GM% / EBITDA% 3% / 63% / 44%	Rev Growth / GM% / EBITDA% 47% / 65% / 12%		Rev Growth <sup>1</sup> / GM% / EBITDA% 6% / 52% / 19%

## Combined MS + AS<sup>2</sup>

MS + AS	Conn	Corp	Total
Revenue EBITDA <b>\$700 / \$254</b>	Revenue EBITDA <b>\$198 / \$24</b>	Revenue EBITDA <b>\$ - / \$(104)</b>	Revenue EBITDA <b>\$897 / \$174</b>
Rev Growth <sup>1</sup> / GM% / EBITDA% (2%) / 48% / 36%	Rev Growth / GM% / EBITDA% 47% / 65% / 12%		Rev Growth <sup>1</sup> / GM% / EBITDA% 6% / 52% / 19%

<sup>1</sup> TTM revenue and revenue growth adjusted for the Acxiom Impact divestiture. See reconciliation of Marketing Services ex. Impact in the appendix.

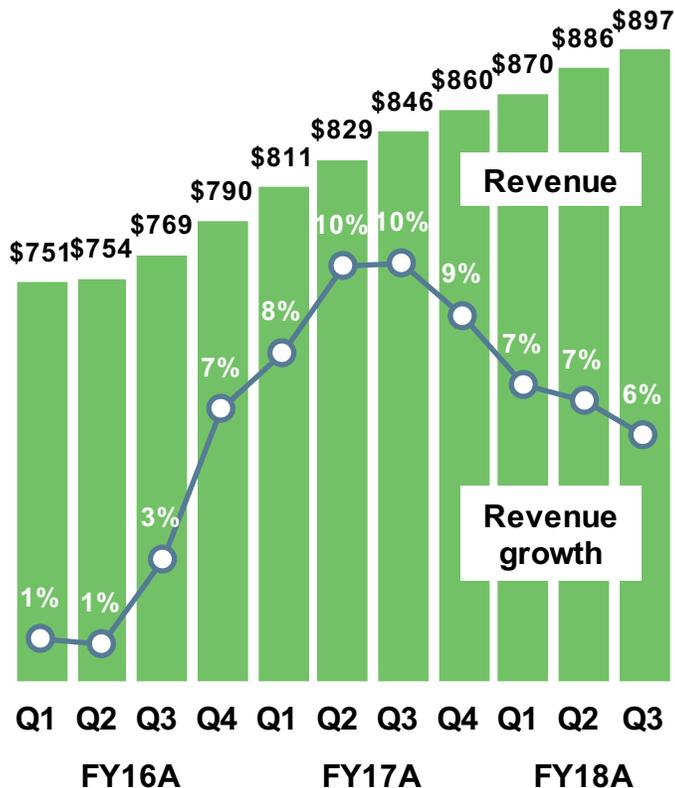
<sup>2</sup> Combined MS + AS is a sum of existing MS and AS divisions. New segments may differ from these amounts..

All figures calculated on a trailing twelve-month basis.

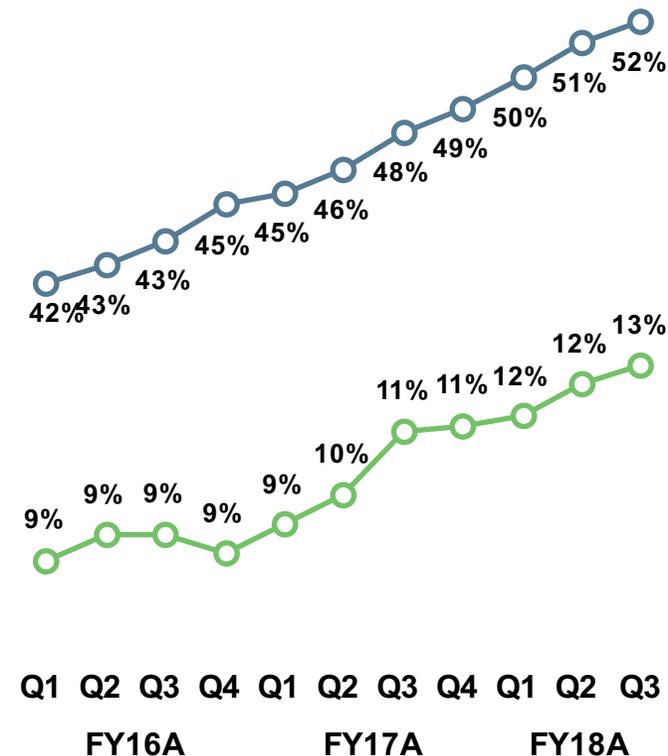
# THREE YEARS OF IMPROVEMENT

## Trailing Twelve Month Performance

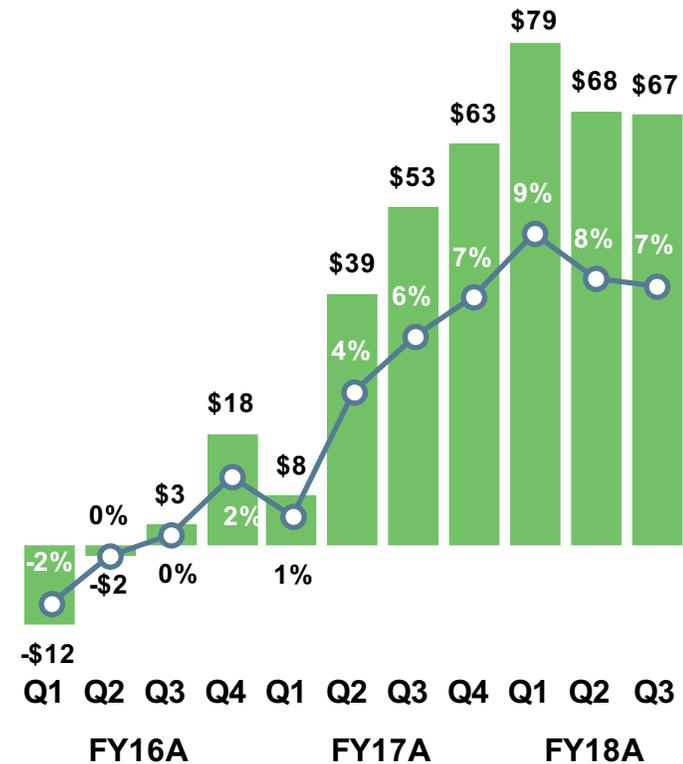
**Adjusted Revenue Growth<sup>1</sup>**  
\$M



**Non-GAAP Margin Expansion**



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



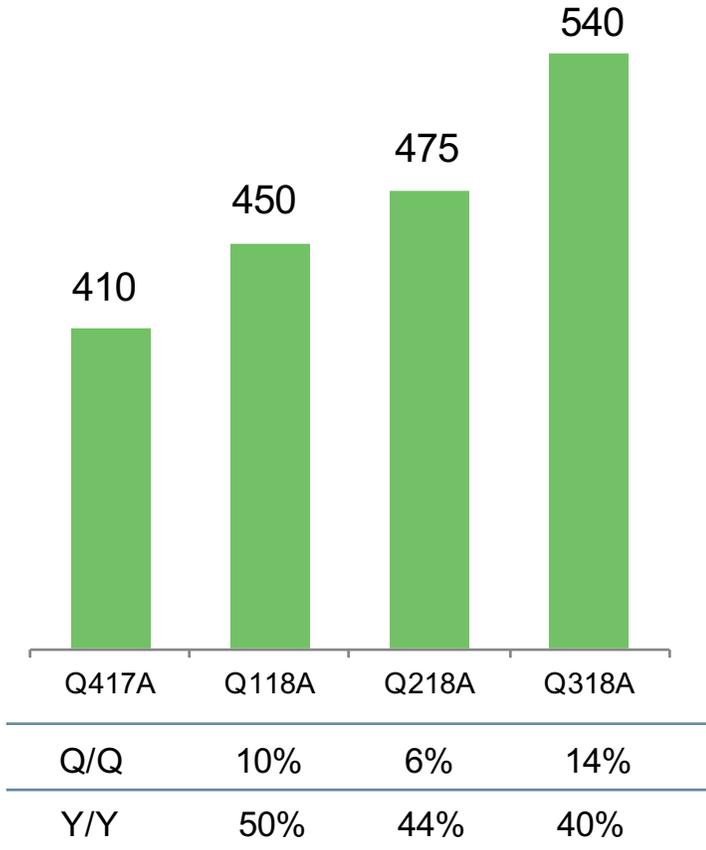
<sup>1</sup> TTM revenue and revenue growth adjusted for the Acxiom Impact divestiture. See reconciliation of Marketing Services ex. Impact in the appendix.

<sup>2</sup> TTM free cash flow to equity is as reported.

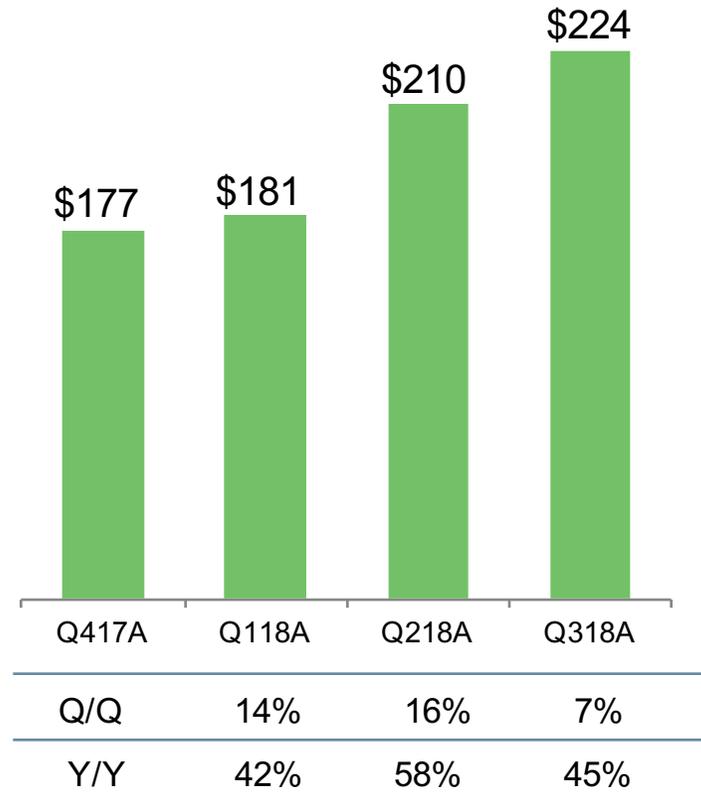
All figures calculated on a trailing twelve-month basis.

# KEY GROWTH METRICS

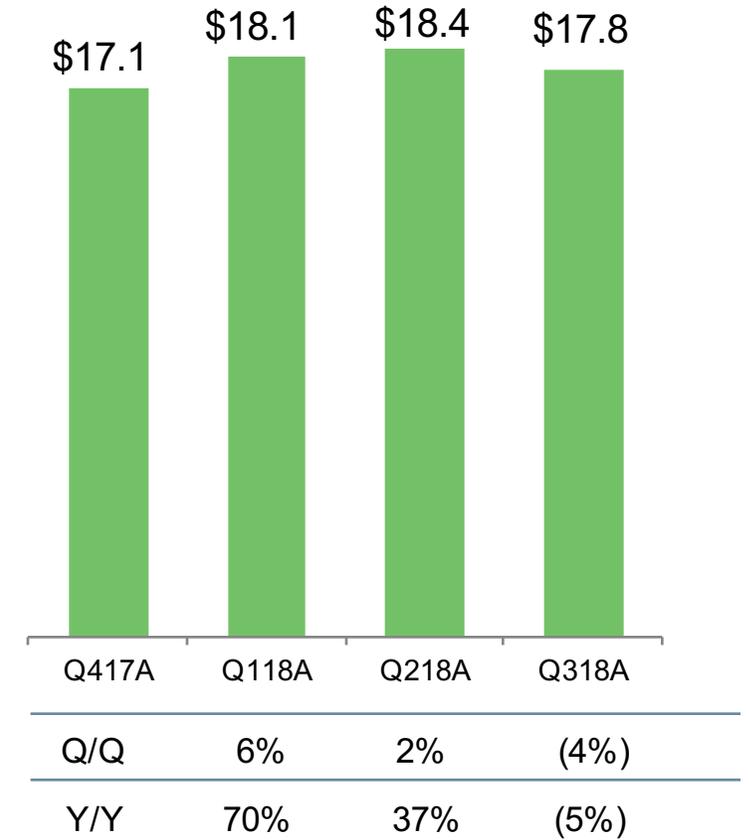
**Direct Connectivity Customers<sup>1</sup>**



**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 is calculated as quarterly Connectivity revenue as reported multiplied by four.

# CONNECTIVITY BY THE NUMBERS

## Q3 Segment Results

**\$224M**  
Revenue Run-Rate

**68%**  
Gross Margin

**12%**  
Segment Margin

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

**540**  
Direct Customers

**14%**  
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.

# Q3 SUMMARY FINANCIAL RESULTS

\$M, except per share amounts

	GAAP	
	Q318	Y/Y Change
Revenue	\$ 235	5%
Gross Profit	\$ 119	11%
<i>Gross Margin</i>	<i>50.6%</i>	<i>280 bps</i>
Operating Income	\$ 11	21%
<i>Operating Margin</i>	<i>4.7%</i>	<i>60 bps</i>
EPS	\$ 0.28	\$ 0.27
Share Count	81.9	

	Non-GAAP <sup>1</sup>	
	Q318	Y/Y Change
	\$ 235	5%
	\$ 127	11%
	<i>53.9%</i>	<i>300 bps</i>
	\$ 38	14%
	<i>16.2%</i>	<i>120 bps</i>
	\$ 0.31	\$ 0.07
	81.9	

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

# Q3 REVENUE BY GEOGRAPHY

\$M

	Q318	Q317	Y/Y Change
<b>US</b>			
Connectivity	\$ 51	\$ 36	40%
Audience Solutions	\$ 74	\$ 74	0%
Marketing Services	\$ 88	\$ 93	(6%)
<b>Total US</b>	<b>\$ 213</b>	<b>\$ 203</b>	<b>5%</b>
<b>International:</b>			
Connectivity	\$ 5	\$ 3	100%
Audience Solutions	\$ 10	\$ 9	9%
Marketing Services	\$ 7	\$ 8	(17%)
<b>Total International</b>	<b>\$ 22</b>	<b>\$ 20</b>	<b>11%</b>
<b>Total Company:</b>			
Connectivity	\$ 56	\$ 39	45%
Audience Solutions	\$ 84	\$ 83	1%
Marketing Services	\$ 94	\$ 101	(7%)
<b>Total Company</b>	<b>\$ 235</b>	<b>\$ 223</b>	<b>5%</b>

Numbers may not foot due to rounding.



# Q3 ADJUSTED REVENUE

\$M

	Q318	Q317	Y/Y Change
<b>US<sup>1</sup></b>	<b>\$ 213</b>	<b>\$ 203</b>	<b>5%</b>
<b>International</b>	<b>\$ 22</b>	<b>\$ 20</b>	<b>11%</b>
Australia Transition	-	\$ (1)	
FX	\$ (2)	-	
<b>Adjusted International</b>	<b>\$ 21</b>	<b>\$ 20</b>	<b>7%</b>
<b>Adjusted Total Revenue<sup>1</sup></b>	<b>\$ 233</b>	<b>\$ 223</b>	<b>5%</b>

<sup>1</sup>Revenue is not adjusted for the acquisitions of Arbor and Circulate given the deep integration of the organizations. The divestiture of Impact no longer affects the growth rate.

Numbers may not foot due to rounding.

# Q3 MARKETING SERVICES RESULTS

\$M

	Q318	Q317	Y/Y Change
<b>US:</b>			
<b>Revenue<sup>1</sup></b>	<b>\$ 88</b>	<b>\$ 93</b>	<b>(6%)</b>
<b>Gross Profit</b>	<b>\$ 34</b>	<b>\$ 35</b>	<b>(3%)</b>
<i>Gross Margin</i>	38.4%	37.4%	100 bps
<b>Segment Income</b>	<b>\$ 23</b>	<b>\$ 21</b>	<b>10%</b>
<b>Global:</b>			
<b>Revenue<sup>1</sup></b>	<b>\$ 94</b>	<b>\$ 101</b>	<b>(7%)</b>
<b>Gross Profit</b>	<b>\$ 36</b>	<b>\$ 37</b>	<b>(5%)</b>
<i>Gross Margin</i>	37.9%	37.1%	80 bps
<b>Segment Income</b>	<b>\$ 22</b>	<b>\$ 21</b>	<b>4%</b>
<b>Segment EBITDA<sup>2</sup></b>	<b>\$ 29</b>	<b>\$ 28</b>	<b>2%</b>

<sup>1</sup>Revenue is not adjusted for the acquisitions of Arbor and Circulate given the deep integration of the organizations. The divestiture of Impact has been fully anniversary'ed and no longer affects the growth rate.

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

Numbers may not foot due to rounding.

# Q3 AUDIENCE SOLUTIONS RESULTS

\$M

	Q318	Q317	Y/Y Change
<b>US:</b>			
<b>Revenue</b>	<b>\$ 74</b>	<b>\$ 74</b>	<b>0%</b>
<b>Gross Profit</b>	<b>\$ 47</b>	<b>\$ 49</b>	<b>(2%)</b>
<i>Gross Margin</i>	63.9%	65.5%	(160) bps
<b>Segment Income</b>	<b>\$ 30</b>	<b>\$ 32</b>	<b>(7%)</b>
<b>Global:</b>			
<b>Revenue</b>	<b>\$ 84</b>	<b>\$ 83</b>	<b>1%</b>
<b>Gross Profit</b>	<b>\$ 53</b>	<b>\$ 53</b>	<b>(1%)</b>
<i>Gross Margin</i>	62.6%	63.7%	(110) bps
<b>Segment Income</b>	<b>\$ 33</b>	<b>\$ 35</b>	<b>(4%)</b>
<b>Segment EBITDA<sup>1</sup></b>	<b>\$ 38</b>	<b>\$ 39</b>	<b>(4%)</b>

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

# Q3 CONNECTIVITY RESULTS

\$M

	Q318	Q317	Y/Y Change
<b>Revenue</b>	<b>\$ 56</b>	<b>\$ 39</b>	<b>45%</b>
<b>Gross Profit</b>	<b>\$ 38</b>	<b>\$ 23</b>	<b>64%</b>
<i>Gross Margin</i>	67.7%	59.6%	810 bps
<b>Segment Income</b>	<b>\$ 7</b>	<b>\$ 2</b>	<b>263%</b>
<b>Segment EBITDA<sup>1</sup></b>	<b>\$ 10</b>	<b>\$ 4</b>	<b>134%</b>

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

# Q3 CASH FLOW RESULTS

\$M

	Q318	Q317	Y/Y Change
<b>Operating Cash Flow</b>	<b>\$ 44</b>	<b>\$ 49</b>	<b>(11%)</b>
<b>Free Cash Flow to Equity<sup>1</sup></b>	<b>\$ 27</b>	<b>\$ 28</b>	<b>(2%)</b>
<b>Total Capital Spending<sup>1</sup></b>	<b>\$ 16</b>	<b>\$ 13</b>	<b>21%</b>

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

# TAX REFORM IMPACT

*\$M, except per share amounts and tax rate*

\$M, except EPS	Q318 Results	Q318 Tax Reform Impact	Updated Fiscal 2018 Guidance (Low)	Updated Fiscal 2018 Guidance (High)	Fiscal 2018 Tax Reform Impact
GAAP Net Income <sup>1,2</sup>	\$23	\$23	\$16	\$19	\$23
GAAP EPS	\$0.28	\$0.28	\$0.19	\$0.23	\$0.28
Non-GAAP Net Income	\$25	\$4	\$70	\$74	\$4
Non-GAAP EPS	\$0.31	\$0.04	\$0.85	\$0.89	\$0.04 to \$0.05
Non-GAAP Effective Tax Rate	29.8%	(8.7 pts)	36.5%	36.5%	(3.0 pts)

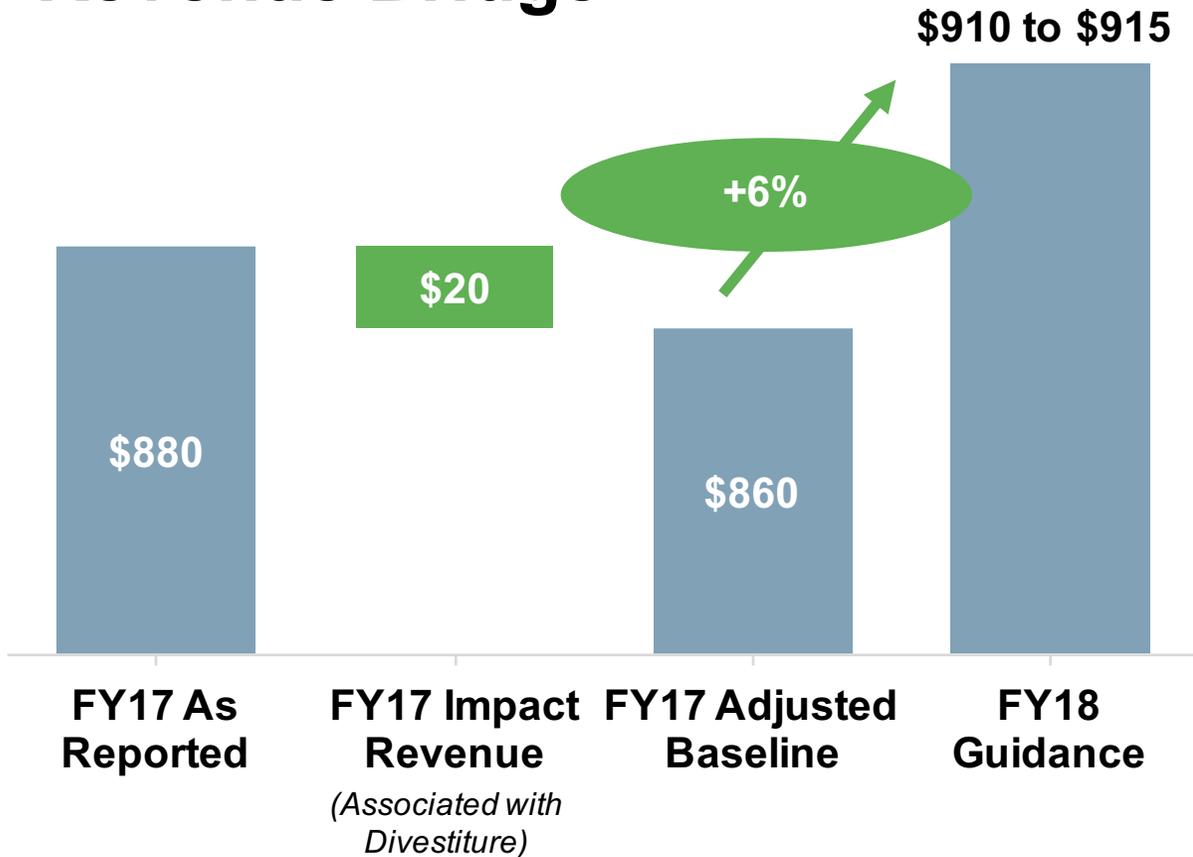
<sup>1</sup> Q3'18 GAAP net income and GAAP EPS before tax reform are estimated to be \$0.0M and \$0.00, respectively.

<sup>2</sup> Updated GAAP pre-tax income (loss) for FY18 is expected to be between (\$3M) to \$2.5M. GAAP income tax benefit is expected to be \$18.5M to \$16.5M netting to \$15.5M and \$19M in GAAP net income, respectively.

# FISCAL 2018 GUIDANCE

\$M, except per share amounts

## Revenue Bridge



	GAAP	Non-GAAP <sup>1</sup>
Revenue	\$910 to \$915	\$910 to \$915
Diluted EPS	\$0.19 to \$0.23	\$0.85 to \$0.89

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

# 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	\$20
Non-GAAP Tax Rate	36.5%
Diluted Shares Outstanding <sup>3</sup>	82.5M

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

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

<sup>3</sup>Assumes no additional buyback activity.



# APPENDIX

# FY16 – Q3 FY18 MS EX. IMPACT

\$M

Marketing Services	FY16A				FY17A				FY18A			Full Year	
	Q116A	Q216A	Q316A	Q416A	Q117A	Q217A	Q317A	Q417A	Q118A	Q218A	Q318A	FY16A	FY17A
<b>Revenue</b>	\$ 108	\$ 113	\$ 116	\$ 113	\$ 110	\$ 106	\$ 101	\$ 94	\$ 92	\$ 94	\$ 94	\$ 450	\$ 411
V%	-1%	0%	1%	3%	2%	-6%	-13%	-17%	-17%	-11%	-7%	1%	-9%
<b>Gross Profit</b>	36	37	38	40	37	34	37	31	31	34	36	152	141
GM %	33%	33%	33%	35%	34%	33%	37%	33%	34%	36%	38%	34%	34%
<b>Segment Income</b>	17	18	20	19	20	20	21	20	20	22	22	74	81
Segment Margin %	16%	16%	18%	17%	18%	19%	21%	21%	22%	23%	23%	17%	20%

Acxiom Impact	FY16A				FY17A				FY18A			Full Year	
	Q116A	Q216A	Q316A	Q416A	Q117A	Q217A	Q317A	Q417A	Q118A	Q218A	Q318A	FY16A	FY17A
<b>Revenue</b>	\$ 16	\$ 16	\$ 15	\$ 14	\$ 12	\$ 8	-	-	-	-	-	\$ 60	\$ 20
<b>Gross Profit</b>	6	4	4	3	1	1	-	-	-	-	-	17	2
GM %	35%	27%	27%	21%	11%	10%	-	-	-	-	-	28%	10%
<b>Segment Income</b>	3	3	3	1	(0)	0	-	-	-	-	-	10	(0)
Segment Margin %	21%	19%	17%	11%	0%	2%	-	-	-	-	-	17%	-1%

Marketing Services ex. Impact	FY16A				FY17A				FY18A			Full Year	
	Q116A	Q216A	Q316A	Q416A	Q117A	Q217A	Q317A	Q417A	Q118A	Q218A	Q318A	FY16A	FY17A
<b>Revenue</b>	\$ 92	\$ 97	\$ 101	\$ 100	\$ 97	\$ 98	\$ 101	\$ 94	\$ 92	\$ 94	\$ 94	\$ 390	\$ 390
V%	-1%	0%	3%	6%	6%	0%	0%	-5%	-6%	-4%	-7%	2%	0%
<b>Gross Profit</b>	31	33	34	37	36	34	38	31	31	34	36	136	139
GM %	33%	34%	34%	37%	37%	34%	37%	33%	34%	37%	38%	35%	35%
<b>Segment Income</b>	13	15	18	18	20	20	21	20	20	22	22	64	81
Segment Margin %	15%	15%	18%	18%	21%	20%	21%	21%	22%	23%	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

	FY17A					FY18A			Q3 Y/Y Change	
	Q117A	Q217A	Q317A	Q417A	FY17A	Q118A	Q218A	Q318A	V%	V\$
<b>Segment Income from Operations</b>										
Marketing Services	\$20	\$20	\$21	\$20	\$81	\$20	\$22	\$22	4%	\$1
Audience Solutions	\$25	\$30	\$35	\$34	\$123	\$29	\$29	\$33	-4%	(\$1)
Connectivity	\$0	\$2	\$2	\$1	\$5	(\$0)	\$6	\$7	263%	\$5
<b>Total Segment Income from Operations</b>	<b>\$46</b>	<b>\$51</b>	<b>\$58</b>	<b>\$55</b>	<b>\$209</b>	<b>\$48</b>	<b>\$57</b>	<b>\$62</b>	<b>8%</b>	<b>\$4</b>
<b>Segment D&amp;A</b>										
Marketing Services	\$8	\$8	\$7	\$7	\$30	\$7	\$6	\$7	-6%	(\$0)
Audience Solutions	\$6	\$5	\$5	\$5	\$21	\$5	\$5	\$5	1%	\$0
Connectivity	\$2	\$2	\$2	\$2	\$8	\$3	\$3	\$3	24%	\$1
<b>Total Segment D&amp;A</b>	<b>\$15</b>	<b>\$15</b>	<b>\$14</b>	<b>\$14</b>	<b>\$59</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>1%</b>	<b>\$0</b>
<b>Segment EBITDA</b>										
Marketing Services	\$28	\$28	\$28	\$27	\$111	\$26	\$28	\$29	2%	\$1
Audience Solutions	\$31	\$35	\$39	\$38	\$144	\$33	\$34	\$38	-4%	(\$1)
Connectivity	\$2	\$3	\$4	\$4	\$13	\$2	\$9	\$10	134%	\$5
<b>Total Segment EBITDA</b>	<b>\$61</b>	<b>\$67</b>	<b>\$71</b>	<b>\$69</b>	<b>\$268</b>	<b>\$62</b>	<b>\$71</b>	<b>\$76</b>	<b>6%</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

	Q318 GAAP	Restructuring	Intangible Amort.	SBC	Separation	Tax	Q318 Non-GAAP
Revenue	\$234.9	-	-	-	-	-	\$234.9
Cost of revenue	115.9	-	(6.0)	(1.6)	-	-	108.3
Gross profit	119.0	-	6.0	1.6	-	-	126.5
<b>% Gross margin</b>	<b>50.6%</b>						<b>53.9%</b>
Operating expenses:							
Research and development	23.3	-	-	(3.8)	-	-	19.5
Sales and marketing	53.7	-	-	(7.0)	-	-	46.8
General and administrative	30.9	-	-	(3.5)	(5.2)	-	22.1
Gains, losses and other items, net	(0.0)	0.0	-	-	-	-	-
Total operating expenses	107.9	0.0	-	(14.3)	(5.2)	-	88.4
Income (loss) from operations	11.1	(0.0)	6.0	15.9	5.2	-	38.1
<b>% Margin</b>	<b>4.7%</b>						<b>16.2%</b>
Other expense:							
Interest expense	(2.6)	-	-	-	-	-	(2.6)
Other, net	0.4	-	-	-	-	-	0.4
Total other expense	(2.1)	-	-	-	-	-	(2.1)
Earnings (loss) before income taxes	8.9	(0.0)	6.0	15.9	5.2	-	36.0
Income taxes	(14.0)	(0.1)	0.8	1.7	0.8	21.5	10.7
Net earnings (loss)	22.9	0.1	5.1	14.2	4.4	(21.5)	25.3
<b>Diluted earnings (loss) per share:</b>	<b>\$0.28</b>	<b>\$0.00</b>	<b>\$0.06</b>	<b>\$0.17</b>	<b>\$0.05</b>	<b>(\$0.27)</b>	<b>\$0.31</b>
Basic shares	79.0	79.0	79.0	79.0	79.0	79.0	79.0
FDWA Shares	81.9	81.9	81.9	81.9	81.9	81.9	81.9

All reconciling items include applicable tax impact.

# NON-CASH STOCK COMPENSATION TREND

\$M

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

<b>% of Total Non-Cash Stock Compensation Expense</b>				
<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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