

The background is a solid blue color. It features several white circles of varying sizes scattered across the surface. Two prominent white lines, one straight and one curved, intersect on the left side of the image. A white rectangular box is positioned in the center-right area, containing the main title and logo.

# First Quarter 2018 Results

## May 8, 2018

**Gartner**<sup>®</sup>

# Forward Looking Statement and Explanatory Note

Statements contained in this presentation regarding the growth and prospects of the business, the Company's projected 2018 financial results, long-term objectives and all other statements in this presentation other than recitation of historical facts are forward looking statements (as defined in the Private Securities Litigation Reform Act of 1995). Such forward looking statements involve known and unknown risks, uncertainties and other factors; consequently, actual results may differ materially from those expressed or implied thereby.

Factors that could cause actual results to differ materially include, but are not limited to, the ability to achieve and effectively manage growth, including the ability to integrate our recent acquisitions, and consummate and integrate future acquisitions; the ability to pay Gartner's debt obligations, the ability to maintain and expand Gartner's products and services; the ability to expand or retain Gartner's customer base; the ability to grow or sustain revenue from individual customers; the ability to attract and retain a professional staff of research analysts and consultants upon whom Gartner is dependent; the ability to achieve continued customer renewals and achieve new contract value, backlog and deferred revenue growth in light of competitive pressures; the ability to carry out Gartner's strategic initiatives and manage associated costs; the ability to successfully compete with existing competitors and potential new competitors; the ability to enforce and protect our intellectual property rights; additional risks associated with international operations including foreign currency fluctuations; the impact of restructuring and other charges on Gartner's businesses and operations; general economic conditions; risks associated with the credit worthiness and budget cuts of governments and agencies; the impact of the Tax Cut and Jobs Act of 2017; and other risks listed from time to time in Gartner's reports filed with the Securities and Exchange Commission, including Gartner's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Non-GAAP financial measures such as Adjusted Revenue, Adjusted Contribution, Adjusted EBITDA, Adjusted EPS and Free Cash Flow, as included in this presentation, are supplemental measures that are not calculated in accordance with U.S. GAAP. Definitions of these measures and reconciliations to the most-directly comparable GAAP measures are included in the appendix.

In this presentation, we include "combined" numbers that, for periods prior to our acquisition of CEB (**unless expressly noted otherwise**), reflect numerical addition of the results of Gartner and CEB for each line item and do not include all the adjustments required with respect to the presentation of pro forma financial information under GAAP and the rules and regulations of the SEC. Accordingly, these "combined" numbers are non-GAAP, but are provided because Gartner believes they are useful in comparing performance of Gartner following the CEB acquisition with performance of Gartner and CEB independently prior to Gartner's acquisition of CEB. These combined numbers should be read together with the historical financial statements of Gartner and CEB included in their respective quarterly reports on Form 10-Q and annual reports on Form 10-K, and the pro forma financial statements included in Exhibit 99.1 to Gartner's Current Report on Form 8-K filed with the SEC on April 6, 2017 and footnote 2 to Gartner's Annual Report on Form 10-K for the year ended December 31, 2017.

The Company's SEC filings can be found on Gartner's website at [investor.gartner.com](http://investor.gartner.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov). Forward looking statements included herein speak only as of May 8, 2018 and the Company disclaims any obligation to revise or update such statements to reflect events or circumstances after this date or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law or regulation.

# 1Q 2018: Results, Performance and Summary

## Contract Value

Global Technology Sales

**13% ↑** \$2.3 B

Global Business Sales

**7% ↑** \$0.6 B

Total

**12% ↑** \$2.9 B

% increase in contract value  
is FX-neutral

## Consolidated Results

Adjusted Revenue

**16% ↑** \$973 M

Contribution: \$624 M  
19% increase  
64% margin

Adjusted EBITDA

**14% ↑** \$161 M

17% margin

Adjusted EPS

**\$0.72**

Free Cash Flow

**\$27 M**

## Excess Cash Use

**\$333 M**

Debt pay down: \$305 M  
Acquisitions: \$0  
Repurchases: \$28 M

## Segments

Research Adjusted Revenue

**17% ↑** \$770 M

Contribution: \$537 M  
18% increase  
70% margin

Events Adjusted Revenue

**26% ↑** \$46 M

Contribution: \$16 M  
41% increase  
35% margin

Consulting Adjusted Revenue

**5% ↑** \$83 M

Contribution: \$24 M  
1% increase  
29% margin

TA & Other Adjusted Revenue

**8% ↑** \$74 M

Contribution: \$47 M  
27% increase  
63% margin

## 2018 Guidance

Total Adjusted Revenue: \$3,930 – 4,035 M | Adjusted EBITDA: \$710 – 760 M | Adjusted Diluted Earnings Per Share: \$3.51 – \$3.91 | Free Cash Flow: \$416 – 456 M

## Medium Term Guidance

Total Adjusted Revenue: 10% – 14% | Adjusted EBITDA: 10% – 14% | Free Cash Flow: 10% – 14%

Note: The percentage changes on this page are on a combined basis.

# 2018 Guidance: Revised for the April 2018 Divestitures

In \$ millions, except per share amounts

Total Adjusted Revenue  
**3,930 – 4,035**

Adjusted EBITDA  
**710 – 760**

Adjusted Diluted Earnings Per Share  
**\$3.51 – \$3.91**

Free Cash Flow  
**416 – 456**

Research Adjusted Revenue  
**3,100 – 3,150**

Consulting Adjusted Revenue  
**340 – 355**

Events Adjusted Revenue  
**380 – 400**

TA & Other Adjusted Revenue  
**110 – 130**

Depreciation  
**~ 80**

Interest Expense, net  
**~ 116**

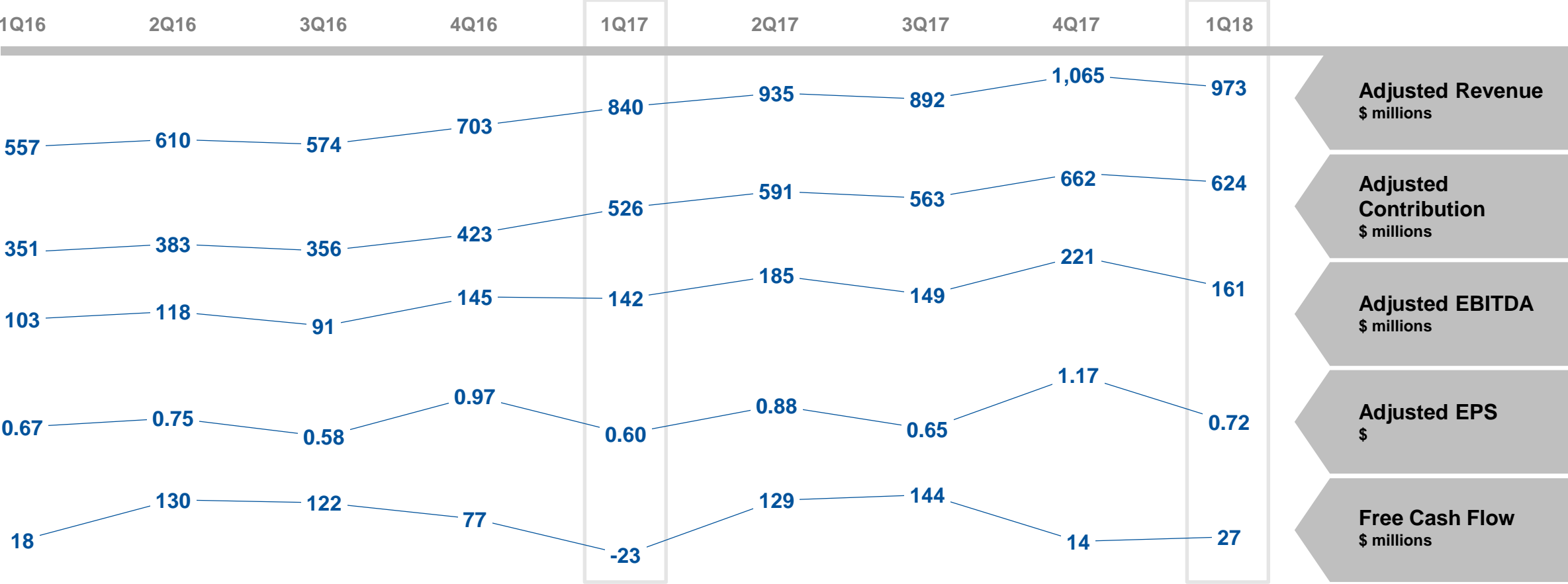
Stock-based compensation  
**~ 71**

Effective tax rate (adjusted)  
**~ 26%**

Shares  
**~ 93**

Note: Growth rates are on a combined basis. Operations related to divestitures are included for the ownership periods.

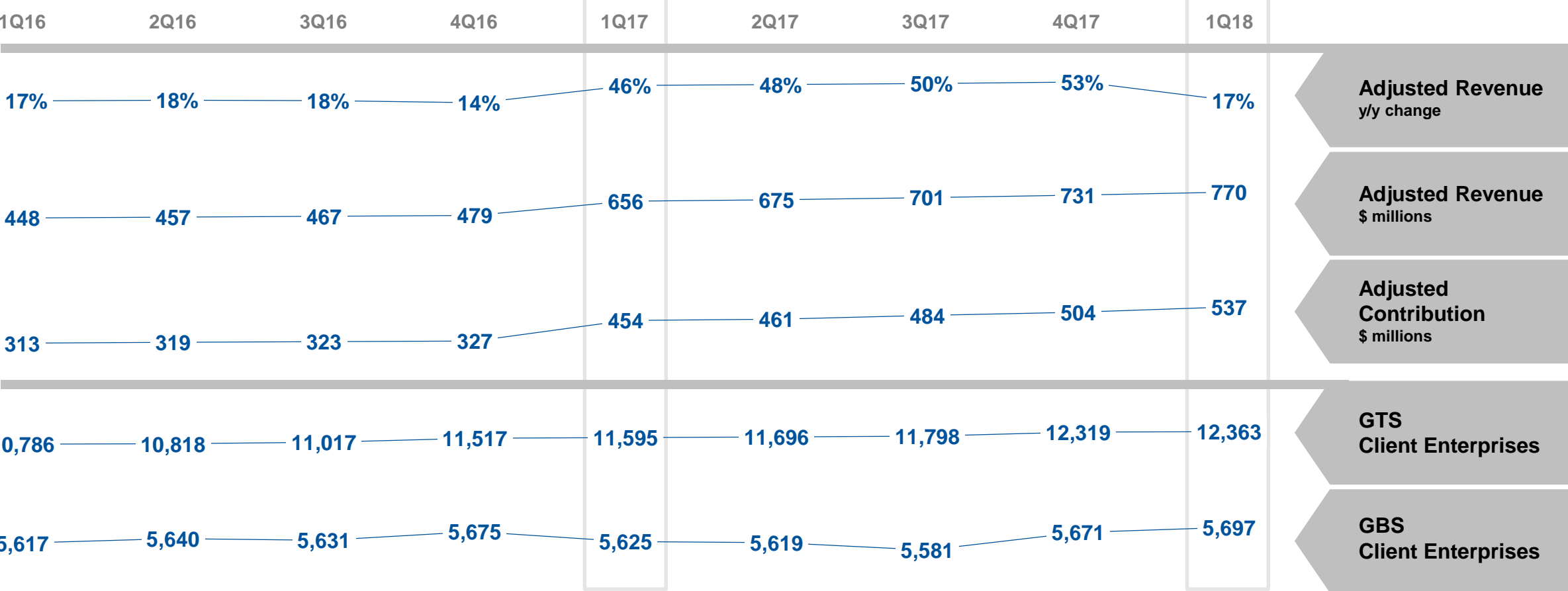
# Financial Summary: Consolidated



Note: 2016 is Gartner standalone. 1Q17 Adjusted EPS and Free Cash Flow are Gartner standalone. All other metrics are on a combined basis.



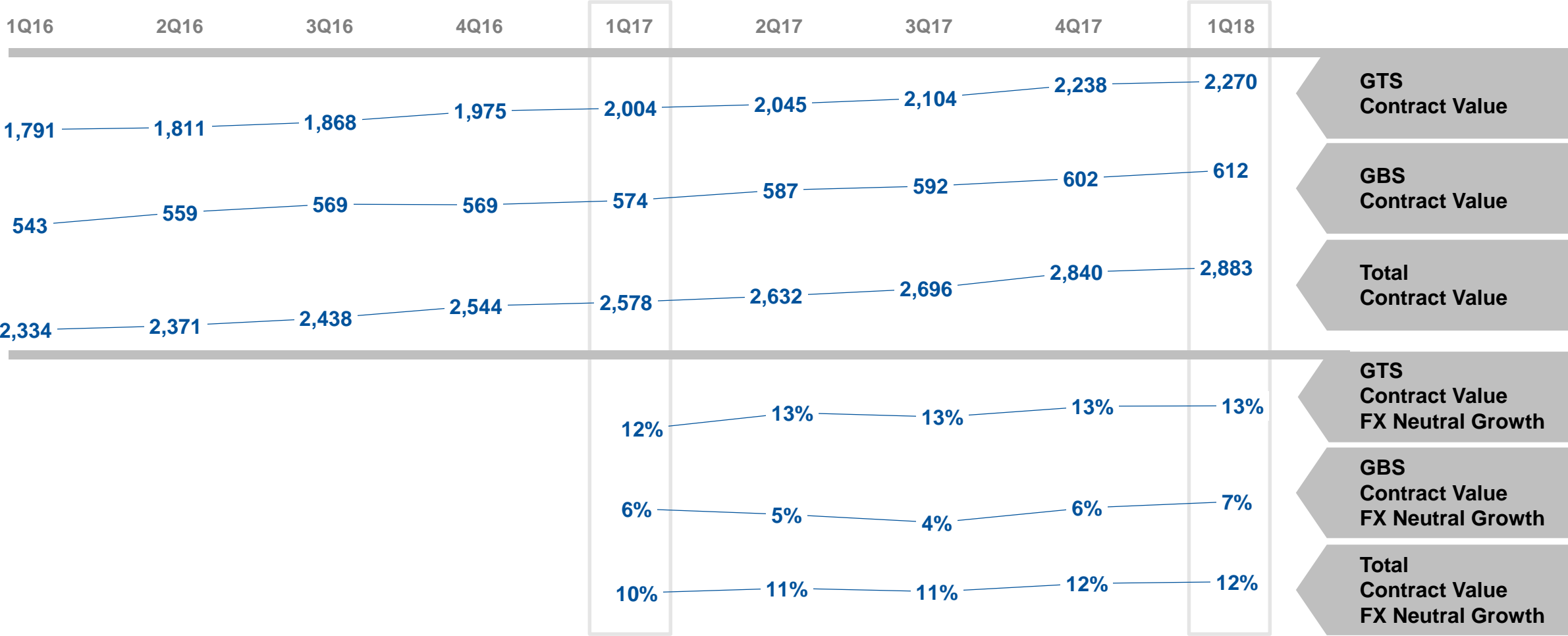
# Research Segment



Note: 2016 financial metrics are Gartner standalone. Financial metrics for 1Q17 and forward are combined. Enterprise counts are combined for all periods. Enterprises which are clients of both GTS and GBS appear in both counts.

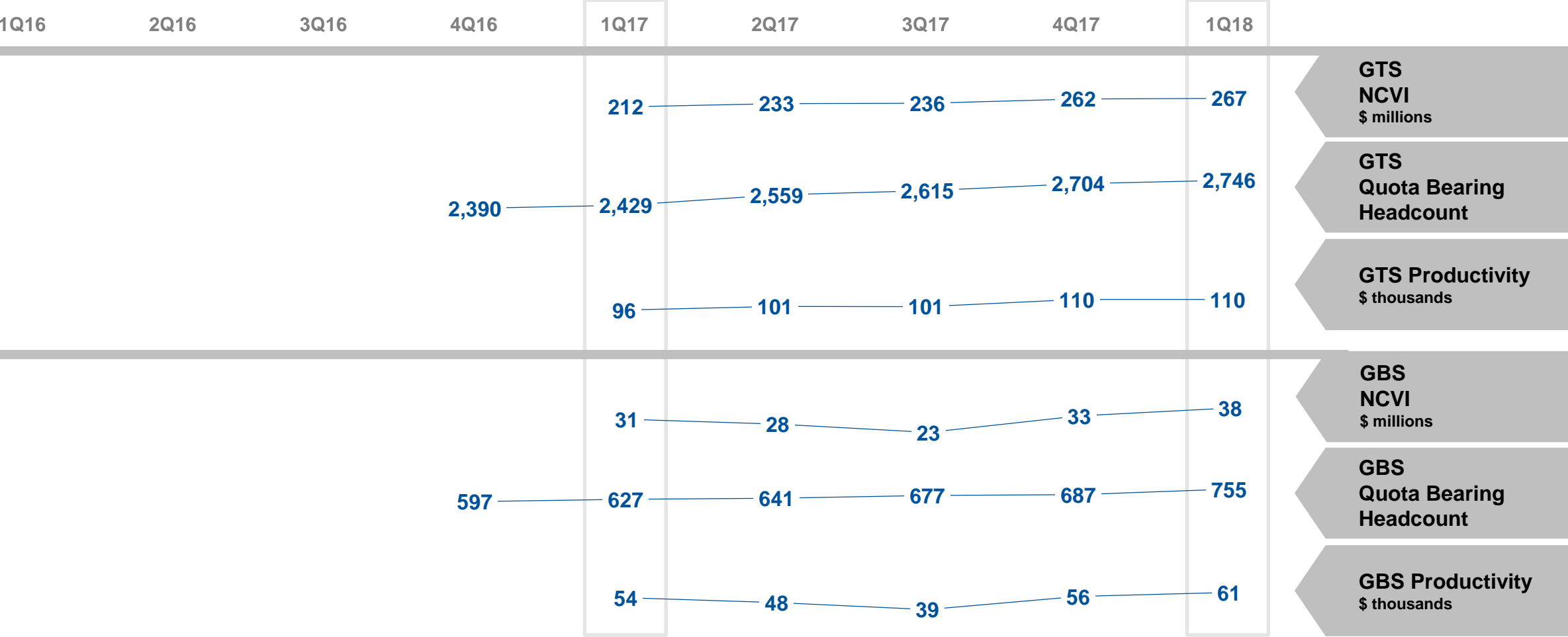


# Research Segment: Contract Value



Note: All numbers are combined for all periods shown, at 2018 FX rates. 4Q16 is updated by \$14 million for renewals effective January 1, 2017 signed in 1Q17.

# Research Segment: Productivity

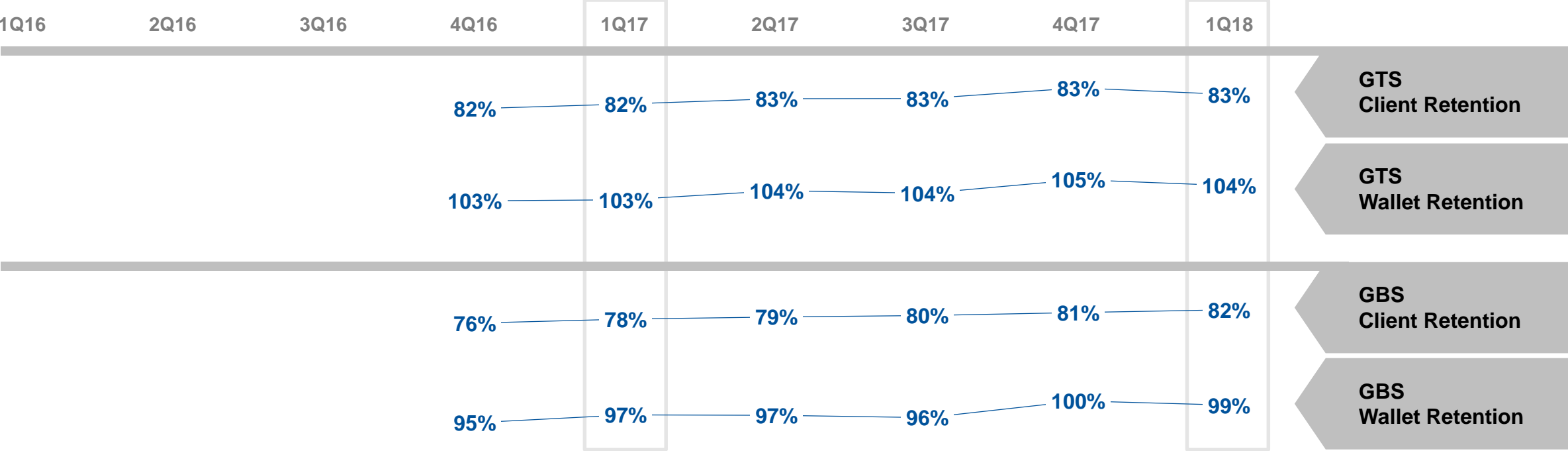


Note: NCVI = net contract value increase over the prior year period. Productivity = last twelve months NCVI divided by beginning period quota bearing headcount.

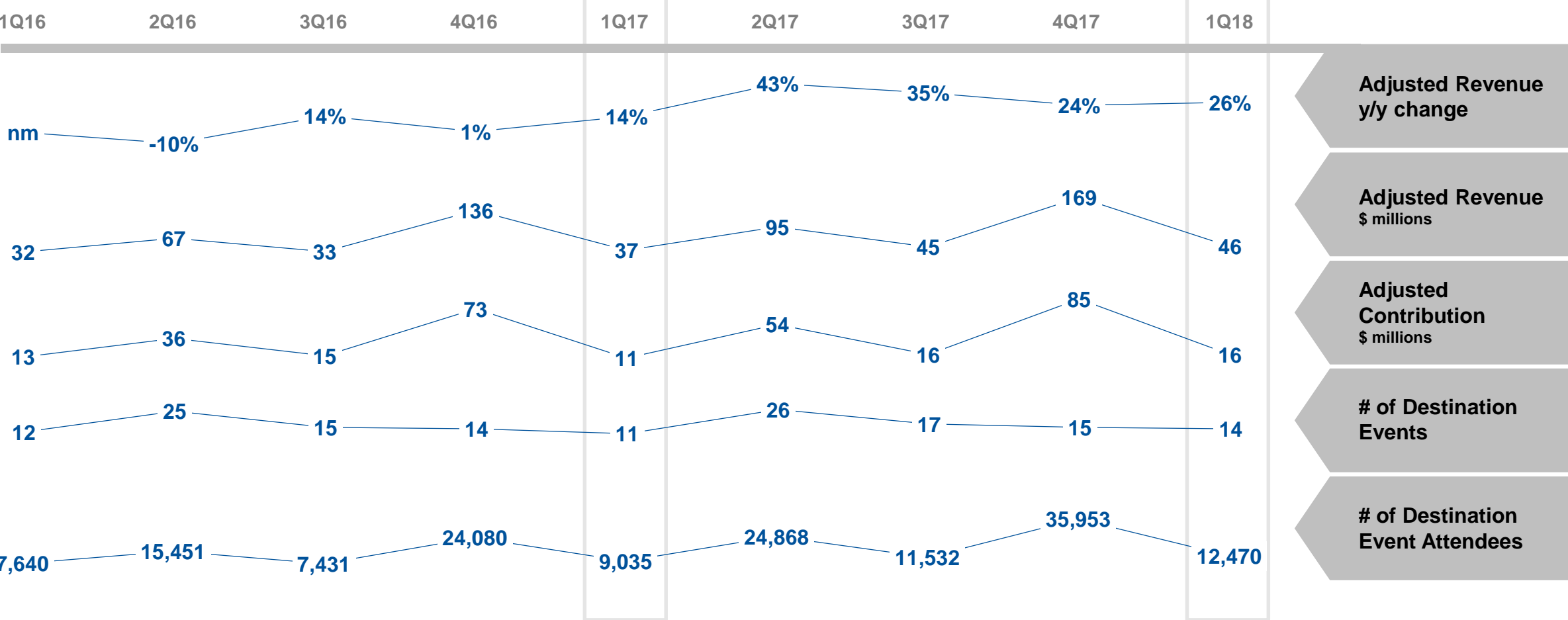




# Research Segment: Retention



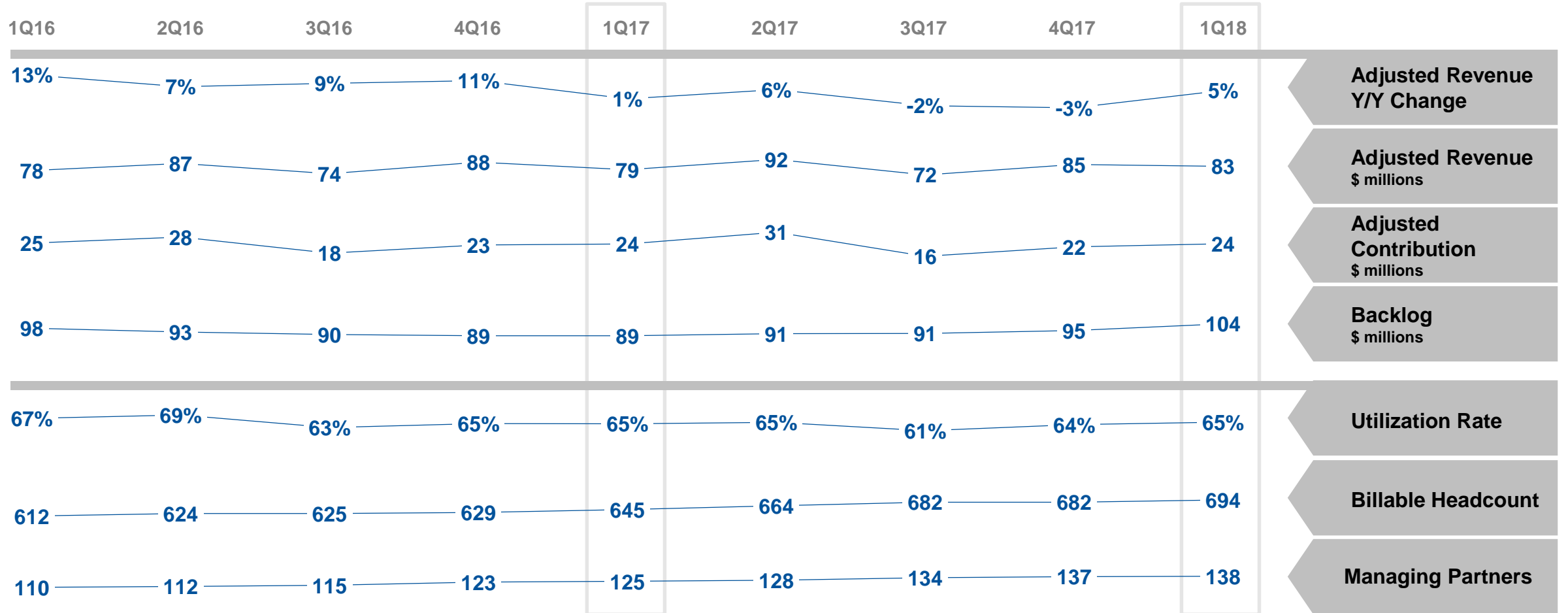
# Events Segment



Note: 2016 financial metrics are Gartner standalone. Financial metrics for 1Q17 and forward are combined. All other metrics are on a combined basis.



# Consulting Segment



Note: All numbers are on a combined basis.

# TA & Other Segment

**1Q18 Adjusted Revenue: \$74 million | 1Q18 Adjusted Contribution: \$47 million**

## **Divestitures**

**April 3, 2018 CEB Talent Assessment**  
for \$400 million

**April 30, 2018 CEB Workforce Surveys**  
for \$29 million

## **Included in 1Q18 From Divested Businesses**

**Adjusted Revenue:** About \$54 million

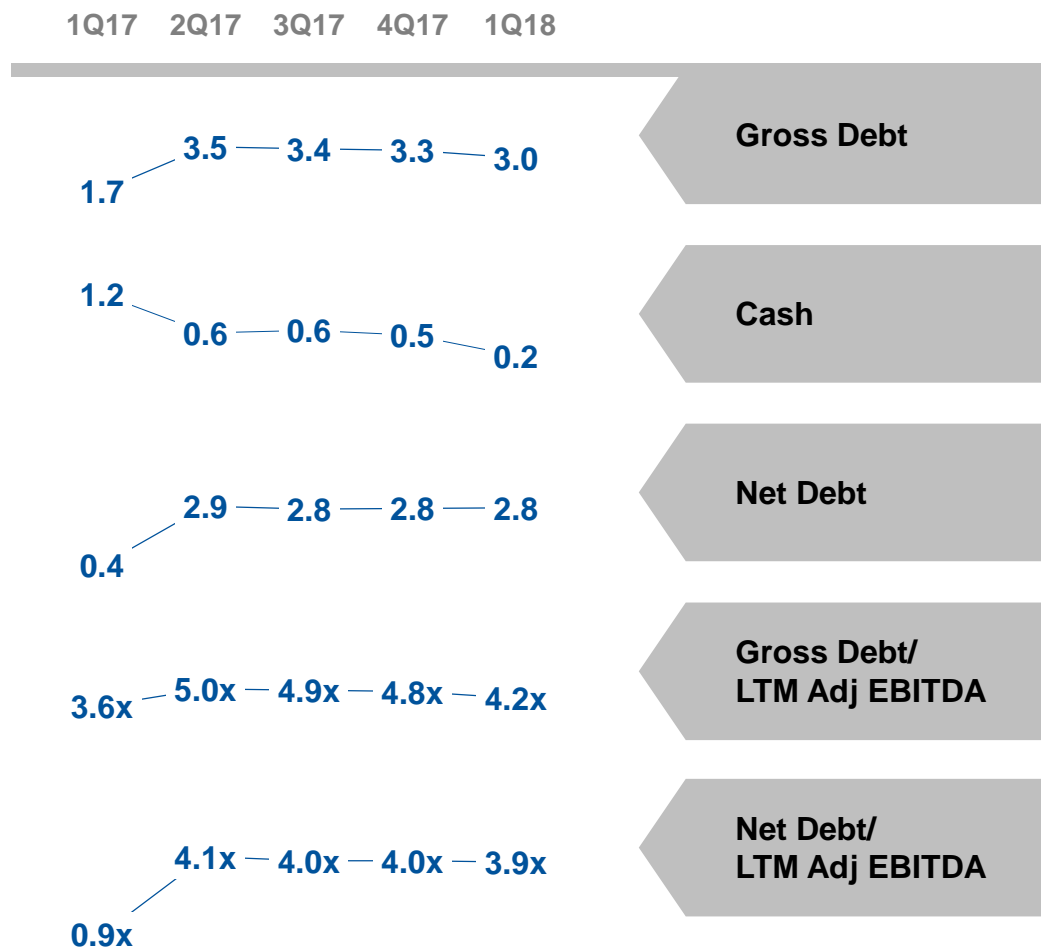
**Adjusted EBITDA:** About \$8 million

## **Revised Segment Outlook for Full 2018**

**Adjusted Revenue:** \$110-130 million

# Debt (\$ in billions) and Interest (\$ in millions)

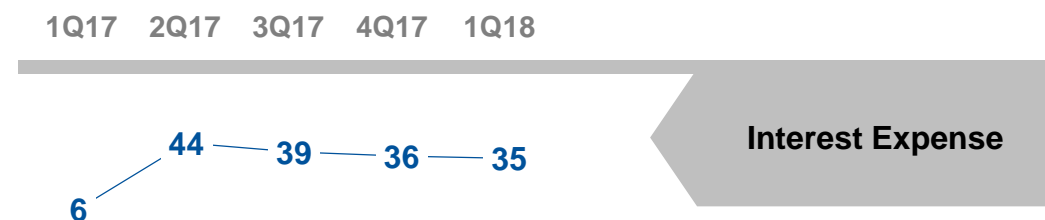
In April 2018, Gartner repaid \$450 million of its debt.



Note: LTM adjusted EBITDA is the sum of the last four quarters of combined adjusted EBITDA beginning with 2Q17.

Debt	3/31/2018	Rate <sup>(1)</sup>
Revolver	0.3	LIBOR + 250
TLA	1.4	LIBOR + 200
TLB	0.5	LIBOR + 200
Bonds	0.8	5.13%
Other	0.0	3.00%
<b>Total Debt</b>	<b>3.0</b>	<b>4.24%</b>
Revolver Unused Capacity	0.9	40 bps
Interest Rate Hedges	1.4	1.84%
% debt with fixed rates	73%	

(1) Floating and total rates reflect LIBOR and spread as of date shown



**2018 interest expense, net, guidance: \$116 million**

Note: Interest expense excludes amortization of debt issuance costs

# Appendix

# Definitions

## Adjusted Revenue

Represents GAAP revenue plus, as applicable (i) revenue for pre-acquisition period(s) from CEB, as applicable; and (ii) the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues. The majority of the non-cash fair value adjustments on pre-acquisition deferred revenues is recognized ratably over the remaining period of the underlying revenue contract.

## Foreign Currency Neutral (FX Neutral)

We provide foreign currency neutral dollar amounts and percentages for our contract values and revenues and certain expenses. These foreign currency neutral dollar amounts and percentages eliminate the effects of exchange rate fluctuations and thus provide a more accurate and meaningful trend in the underlying data being measured. We calculate foreign currency neutral dollar amounts by converting the underlying amounts in local currency for different periods into U.S. dollars by applying the same foreign exchange rates.

## Adjusted Gross Contribution

Adjusted Revenue less Direct Expenses.

## Adjusted Gross Margin

Adjusted Gross Contribution divided by Adjusted Revenue.

## Adjusted EBITDA

Represents GAAP net (loss) income plus (i) stock-based compensation expense; depreciation, amortization, and accretion on excess facilities obligations; the amortization of non-cash fair adjustments on pre-acquisition deferred revenues; acquisition and integration charges; and certain other non-recurring items; (ii) the EBITDA related to pre-acquisition periods for CEB, as applicable.

## Adjusted Net Income

Represents GAAP net income adjusted for the impact of certain items directly related to acquisitions and other non-recurring items. These adjustments include the amortization of identifiable intangibles from acquisitions; incremental and directly-related acquisition and integration charges related to the achievement of certain performance targets and employment conditions, as well as legal, consulting, severance, and other costs; fair value adjustments on pre-acquisition deferred revenues; the non-recurring impact from the enactment of the Tax Cuts and Jobs Act of 2017; and other non-recurring items.

## Adjusted EPS

Represents Adjusted Net Income divided by the weighted average diluted shares outstanding.

## Free Cash Flow

Represents cash provided by operating activities determined in accordance with GAAP plus payments for acquisition and integration items directly-related to our acquisitions and certain nonrecurring items; less payments for capital expenditures.

# Definitions of Key Metrics/Calculations

## Segment

## Business Measurements

### Research

Total contract value represents the value attributable to all of our subscription-related contracts. It is calculated as the annualized value of all contracts in effect at a specific point in time, without regard to the duration of the contract. Total contract value primarily includes Research deliverables for which revenue is recognized on a ratable basis, as well as other deliverables (primarily Events tickets) for which revenue is recognized when the deliverable is utilized. Our Total contract value consists of Global Technology Sales (GTS) contract value, which includes sales to users and providers of technology, and Global Business Sales (GBS) contract value, which includes sales to all other functional leaders.

Client retention rate represents a measure of client satisfaction and renewed business relationships at a specific point in time. Client retention is calculated on a percentage basis by dividing our current clients, who were also clients a year ago, by all clients from a year ago. Client retention is calculated at an enterprise level, which represents a single company or customer.

Wallet retention rate represents a measure of the amount of contract value we have retained with clients over a twelve-month period. Wallet retention is calculated on a percentage basis by dividing the contract value of clients, who were clients one year ago, by the total contract value from a year ago, excluding the impact of foreign currency exchange. When wallet retention exceeds client retention, it is an indication of retention of higher-spending clients, or increased spending by retained clients, or both. Wallet retention is calculated at an enterprise level, which represents a single company or customer.

### Events

Number of events represents the total number of hosted events completed during the period. Single day, local events are excluded.

Number of attendees represents the total number of people who attend events. Single day, local events are excluded.

### Consulting

Consulting backlog represents future revenue to be derived from in-process consulting and measurement engagements.

Utilization rate represents a measure of productivity of our consultants. Utilization rates are calculated for billable headcount on a percentage basis by dividing total hours billed by total hours available to bill.

Billing rate represents earned billable revenue divided by total billable hours.

Average annualized revenue per billable headcount represents a measure of the revenue generating ability of an average billable consultant and is calculated periodically by multiplying the average billing rate per hour times the utilization percentage times the billable hours available for one year.

Note: Please see Gartner's 2017 SEC Form 10-K and first quarter 2018 SEC for 10-Q for additional definitions and explanations about the business.



# Non-GAAP Reconciliations

# Non-GAAP Reconciliations

Reconciliation - GAAP to Adjusted Revenue and Gross Contribution:	GAAP Revenue	Deferred Revenue		GAAP Direct Expense	Adjusted Gross Contribution
		Fair Value Adjustment	Adjusted Revenue		
<b>Three Months Ended 3/30/18</b>					
Research	763,924	5,931	769,855	232,468	537,387
Consulting	82,896	0	82,896	58,772	24,124
Events	46,087	17	46,104	29,945	16,159
Talent Assessment & Other	70,659	3,662	74,321	27,614	46,707
TOTAL	963,566	9,610	973,176	348,799	624,377
<b>Three Months Ended 12/31/17</b>					
Research	692,799	38,674	731,473	227,690	503,783
Consulting	85,257	0	85,257	63,172	22,085
Events	166,476	2,240	168,716	83,309	85,407
Talent Assessment & Other	69,977	9,172	79,149	28,240	50,909
TOTAL	1,014,509	50,086	1,064,595	402,411	662,184
<b>Three Months Ended 9/30/17</b>					
Research	653,443	47,725	701,168	217,221	483,947
Consulting	72,117	0	72,117	55,929	16,188
Events	44,953	147	45,100	28,942	16,158
Talent Assessment & Other	57,572	15,783	73,355	26,357	46,998
TOTAL	828,085	63,655	891,740	328,449	563,291
<b>Three Months Ended 6/30/17</b>					
Research	613,732	60,835	674,567	213,161	461,406
Consulting	91,693	0	91,693	60,260	31,433
Events	91,205	3,948	95,153	41,470	53,683
Talent Assessment & Other	47,101	26,759	73,860	29,804	44,056
TOTAL	843,731	91,542	935,273	344,695	590,578
<b>Three Months Ended 3/31/17</b>					
Research	655,539	143	655,682	201,992	453,690
Consulting	78,594	0	78,594	54,658	23,936
Events	36,449	60	36,509	25,022	11,487
Talent Assessment & Other	68,837	0	68,837	31,917	36,920
TOTAL	839,419	203	839,622	313,589	526,033

Note: Please see Gartner's 2017 annual report on Form 10-K and first quarter 2018 quarterly report on Form 10-Q filed with the SEC for additional information about the business. Please see Gartner's Investor Relations website at [investor.gartner.com](http://investor.gartner.com) for reconciliation of the 2016 non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures.

# Non-GAAP Reconciliations

<b>Reconciliation - Net income to Adjusted EBITDA (a):</b>	<b>1Q17</b>	<b>2Q17</b>	<b>3Q17</b>	<b>4Q17</b>	<b>1Q18</b>
<b>Net (loss) income</b>	N/A	(92,281)	(48,180)	107,307	(19,587)
Interest expense, net	N/A	43,956	38,762	36,312	35,059
Other (income) expense, net	N/A	407	(1,171)	(1,795)	(899)
Tax provision	N/A	(50,470)	(13,760)	(78,930)	(23,284)
Operating (loss) income	53,514	(98,388)	(24,349)	62,894	(8,711)
Normalizing adjustments:					
Stock-based compensation expense (b)	22,576	16,557	13,198	8,972	29,616
Depreciation, accretion, and amortization (c)	16,553	83,584	68,960	71,802	68,164
Amortization of pre-acquisition deferred revenues (d)	143	91,542	63,655	50,085	9,610
Acquisition and integration charges and other nonrecurring items (e)	13,272	91,712	27,523	27,173	62,670
Plus: CEB pre-acquisition (1Q17) EBITDA	35,871	0	0	0	0
<b>Adjusted EBITDA</b>	<b>141,929</b>	<b>185,007</b>	<b>148,987</b>	<b>220,926</b>	<b>161,349</b>
<b>Reconciliation - Cash Provided by Operating Activities to Free Cash Flow (a):</b>	<b>1Q17</b>	<b>2Q17</b>	<b>3Q17</b>	<b>4Q17</b>	<b>1Q18</b>
<b>Cash provided by (used in) operating activities</b>	(29,605)	112,323	149,549	22,250	2,724
Adjustments:					
Plus: cash paid for acquisition, integration, and other non-recurring items	17,585	47,515	28,504	27,270	42,058
Less: cash paid for capital expenditures	(10,700)	(30,927)	(33,992)	(35,146)	(17,679)
<b>Free Cash Flow</b>	<b>(22,720)</b>	<b>128,911</b>	<b>144,061</b>	<b>14,374</b>	<b>27,103</b>

(a) Adjusted EBITDA is based on GAAP operating income adjusted for certain normalizing adjustments.  
 (b) Consists of charges for stock-based compensation awards.  
 (c) Includes depreciation expense, accretion on excess facilities accruals, and amortization of intangibles.  
 (d) Consists of the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues. The majority of the pre-acquisition deferred revenue is recognized ratably over the remaining period of the underlying revenue contract.  
 (e) Consists of incremental and directly-related charges related to acquisitions and other non-recurring items.

(a) Free cash flow is based on cash provided by operating activities determined in accordance with GAAP plus cash acquisition and integration payments less additions to capital expenditures.

Note: Please see Gartner's 2017 annual report on Form 10-K and first quarter 2018 quarterly report on Form 10-Q filed with the SEC for additional information about the business. Please see Gartner's Investor Relations website at [investor.gartner.com](http://investor.gartner.com) for reconciliation of the 2016 non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures.

# Non-GAAP Reconciliations

<b>Reconciliation - GAAP Net (Loss) Income to Adjusted Net Income (a):</b>	<b>1Q17</b>	<b>2Q17</b>	<b>3Q17</b>	<b>4Q17</b>	<b>1Q18</b>
<b>GAAP net (loss) income</b>	36,433	(92,281)	(48,180)	107,307	(19,587)
Acquisition and other adjustments:					
Amortization of acquired intangibles (b)	6,196	65,406	51,130	53,260	51,646
Amortization of pre-acquisition deferred revenues (c)	143	91,542	63,655	50,085	9,610
Acquisition and integration charges and other nonrecurring items (d)	13,272	100,721	31,282	29,034	64,539
Impact of Tax Cuts and Jobs Act of 2017 (e)	0	0	0	(59,599)	0
Tax impact of adjustments	(5,406)	(85,951)	(38,371)	(72,044)	(40,213)
<b>Adjusted net income</b>	<b>50,638</b>	<b>79,437</b>	<b>59,516</b>	<b>108,043</b>	<b>65,995</b>
GAAP Diluted Shares	82,835	89,297	90,624	90,785	91,005
Dilutive Equity Shares	1,260	1,313	1,423	1,367	1,263
Non-GAAP diluted shares	84,095	90,610	92,047	92,152	92,268
<b>Adjusted EPS</b>	<b>0.60</b>	<b>0.88</b>	<b>0.65</b>	<b>1.17</b>	<b>0.72</b>

(a) Adjusted net income represents GAAP net (loss) income adjusted for the impact of certain items directly related

to acquisitions and other non-recurring items.

(b) Consists of non-cash amortization charges from acquired intangibles.

(c) Consists of the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues. The majority of the pre-acquisition deferred revenue is recognized ratably over the remaining period of the underlying revenue contract.

(d) Consists of incremental and directly-related charges related to acquisitions and other non-recurring items.

(e) Consists of the provisional, non-recurring net income tax benefit from the reduction of certain deferred tax liabilities and the repatriation tax on foreign earnings resulting from the Tax Cuts and Jobs Act of 2017.

<b>Reconciliation - GAAP Net (Loss) Income to Adjusted Net Income (a) per share:</b>	<b>1Q17</b>	<b>2Q17</b>	<b>3Q17</b>	<b>4Q17</b>	<b>1Q18</b>
<b>GAAP net (loss) income</b>	0.44	(1.03)	(0.53)	1.18	(0.22)
Acquisition and other adjustments:					
Amortization of acquired intangibles (b)	0.00	0.00	0.00	0.00	0.00
Amortization of pre-acquisition deferred revenues (c)	0.07	0.72	0.56	0.58	0.56
Acquisition and integration charges and other nonrecurring items (d)	0.00	1.01	0.69	0.54	0.10
Impact of Tax Cuts and Jobs Act of 2017 (e)	0.16	1.11	0.34	0.32	0.70
Tax impact of adjustments	0.00	0.00	0.00	(0.65)	0.00
Rounding	(0.06)	(0.95)	(0.42)	(0.78)	(0.44)
<b>Adjusted net income</b>	<b>0.60</b>	<b>0.88</b>	<b>0.65</b>	<b>1.17</b>	<b>0.72</b>

Note: Please see Gartner's 2017 annual report on Form 10-K and first quarter 2018 quarterly report on Form 10-Q filed with the SEC for additional information about the business. Please see Gartner's Investor Relations website at [investor.gartner.com](http://investor.gartner.com) for reconciliation of the 2016 non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures.

# Non-GAAP Reconciliations – 2018 Guidance

<b>GAAP to Adjusted Revenue:</b>	<b>2018</b>		
<b>GAAP Revenue</b>	<b>3,920</b>	-	<b>4,025</b>
Deferred Revenue Fair Value Adjustment	10	-	10
<b>Adjusted Revenue</b>	<b>3,930</b>	-	<b>4,035</b>

<b>Net income to Adjusted EBITDA (a):</b>	<b>2018</b>		
<b>Net (loss) income</b>	<b>101</b>	-	<b>137</b>
Interest expense, net <sup>(a)</sup>	124	-	124
Other (income) expense, net	1	-	2
Tax provision	38	-	51
Operating (loss) income	264	-	314
Normalizing adjustments:			
Stock-based compensation expense	71	-	71
Depreciation, accretion, and amortization	270	-	270
Deferred Revenue Fair Value Adjustment	10	-	10
Acquisition and integration charges and other nonrecurring items	95	-	95
<b>Adjusted EBITDA</b>	<b>710</b>	-	<b>760</b>

(a) Approximately \$8.0 million of deferred financing charges is included in Interest expense, net.

<b>GAAP to Adjusted EPS:</b>	<b>2018</b>		
<b>GAAP EPS</b>	<b>1.08</b>	-	<b>1.47</b>
Normalizing adjustments:			
Amortization of Acquired Intangibles	1.52	-	1.52
Acquisition and integration charges and other nonrecurring items	0.82	-	0.82
Deferred Revenue Fair Value Adjustment	0.09	-	0.09
Rounding	0.00	-	0.01
<b>Adjusted EPS</b>	<b>3.51</b>	-	<b>3.91</b>

<b>Operating Cash Flow to Free Cash Flow</b>	<b>2018</b>		
<b>Operating Cash Flow</b>	<b>425</b>	-	<b>475</b>
Acquisition and Integration payments	126	-	126
Capital Expenditures	(135)	-	(145)
<b>Free Cash Flow</b>	<b>416</b>	-	<b>456</b>

