

Second Quarter 2019 Results

July 30, 2019

Forward Looking Statement and Explanatory Note

Statements contained in this presentation regarding the growth and prospects of the business, the Company's projected 2019 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 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 as well as experienced sales personnel 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; cybersecurity incidents; general economic conditions; risks associated with the credit worthiness, budget cuts and shutdown of governments and agencies; the impact of the U.S. Tax Cut and Jobs Act of 2017; uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark; changes to laws and regulations; 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 Adj. Revenue, Adj. Contribution, Adj. Contribution Margin, Adj. EBITDA, Adj. Net Income, Adj. 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 the consolidated financial statements in Gartner's Annual Report on Form 10-K for the year ended December 31, 2018.

Unless otherwise indicated, or the content otherwise requires, all percentages indicated in this presentation are year-over-year growth rates.

The Company's SEC filings can be found on Gartner's website at investor.gartner.com and on the SEC's website at www.sec.gov. Forward looking statements included herein speak only as of July 30, 2019 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.

Some totals may not add due to rounding.

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2Q 2019 Growth and Financial Results

Contract Value

Global Technology Sales (GTS)

13.5% \$2.6B

Global Business Sales (GBS)

0.9% \$0.6B

Total

10.9% \$3.2B

% increases above

FX Neutral at 2019 rates

Consolidated Results

Adj. Revenue

9.3% \$1,071M

FX Neutral: +11.8%

Contribution*: 10%

64% margin*

Adj. EBITDA

1.2% \$185M

FX Neutral: +4.3%

17% margin*

Adj. EPS

\$1.45

Free Cash Flow

\$197M

Research

Adj. Revenue

7.7% \$826M

FX Neutral: +10.1%

Contribution*: 7.8%

69% margin*

Conferences

Adj. Revenue

26.9% \$141M

FX Neutral: +28.8%

Contribution*: 26.9%

57% margin*

Consulting

Revenue

7.5% \$104M

FX Neutral: +10.3%

Contribution: 1.6%

33% margin

Capital Allocation

\$123M

Repurchases: \$2M

Debt pay down: \$121M

Acquisitions: \$0

Medium Term Guidance

Organic, FX Neutral

Total Adj. Revenue: 10% – 14%

Adj. EBITDA: 10% – 14%

Free Cash Flow: 10% – 14%

2019 Guidance

Total Adj. Revenue

\$4,215 - 4,260M

9 to 10%

Adj. EBITDA

\$670 - 700M

-3 to 2%

Adj. EPS¹

\$3.39 - \$3.64

-7 to 0%

Free Cash Flow

\$400 - 430M

-2 to 5%

*Contribution is Adj. Contribution. Margin is Adjusted Contribution Margin.

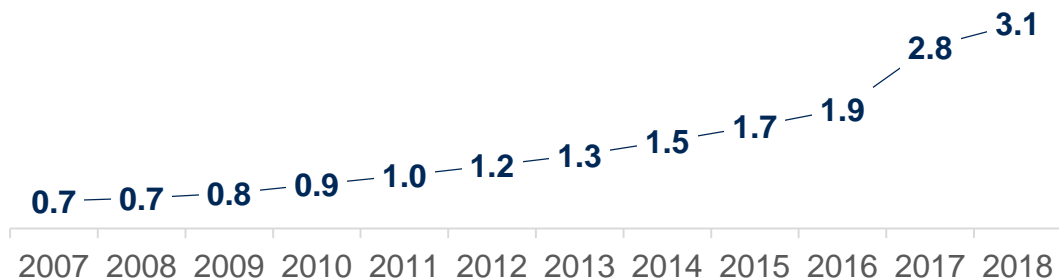
¹Adj. EPS growth rate based on 2018 Adj. EPS excluding divested operations.

Note: As set forth in the "Definitions" section of this supplement, Adj. Revenue, Adj. Contribution, Adj. Contribution Margin, and Adj. EBITDA exclude the results of divested operations. Unless otherwise noted, Adj. EPS and Adj. Net Income includes divested operations.

Note: 2019 Guidance growth rates are as reported. FX Neutral growth rates would be approximately 2 percentage points higher for revenue and Adjusted EBITDA guidance. See page 33 for 2018 Normalized Free Cash Flow walk.

Consolidated Financial Summary

Contract Value \$ billions @ '19 rates



Free Cash Flow \$ millions



\$ in millions except shares and per share amounts	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	2017	2018
	Adj. Revenue	862	818	985	899	980	910	1,088	970	1,071	3,436
Y/Y	41.4%	42.4%	40.1%	16.7%	13.6%	11.2%	10.4%	7.9%	9.3%		12.8%
Adj. Contribution	539	512	615	569	621	579	681	624	683	2,152	2,449
Y/Y	42.2%	45.8%	44.9%	17.1%	15.3%	13.0%	10.7%	9.6%	10.0%		13.8%
Adj. Contribution Margin	62.5%	62.6%	62.4%	63.3%	63.4%	63.6%	62.6%	64.3%	63.8%	62.6%	63.2%
Adj. EBITDA	165	130	200	144	183	149	211	142	185	625	687
Y/Y	40.5%	42.6%	38.0%	11.5%	10.4%	14.9%	5.6%	-1.9%	1.2%		10.0%
Adj. EPS*	na	na	na	0.62	0.98	0.83	1.20	0.58	1.45		3.63
Free Cash Flow	129	144	14	27	183	251	7	35	197	265	468
LTM Free Cash Flow	na	na	265	314	369	475	468	476	490		
Y/Y	na	na	-23.8%	2.5%	20.8%	45.2%	76.9%	51.4%	32.8%		76.9%
Avg. Diluted Shares	90.6	92.0	92.2	92.3	92.2	92.1	91.7	91.0	91.2	89.8	92.1

*Adj. EPS excludes divested operations.

Note: 2016 and prior is Gartner stand-alone. 2017 is on a combined basis.

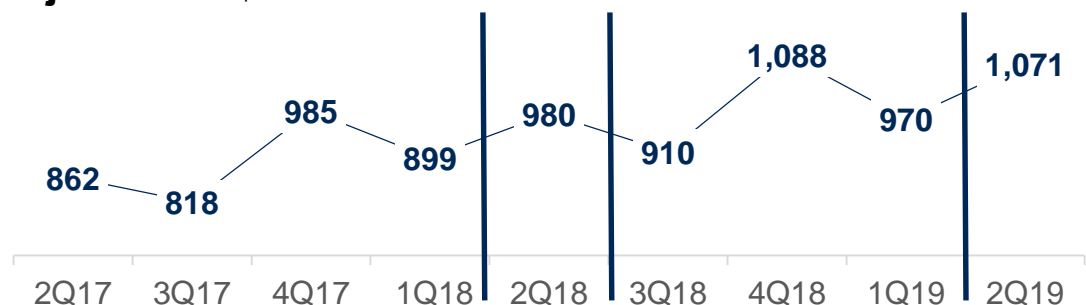
Contract Value includes both GTS and GBS values starting in 2017.

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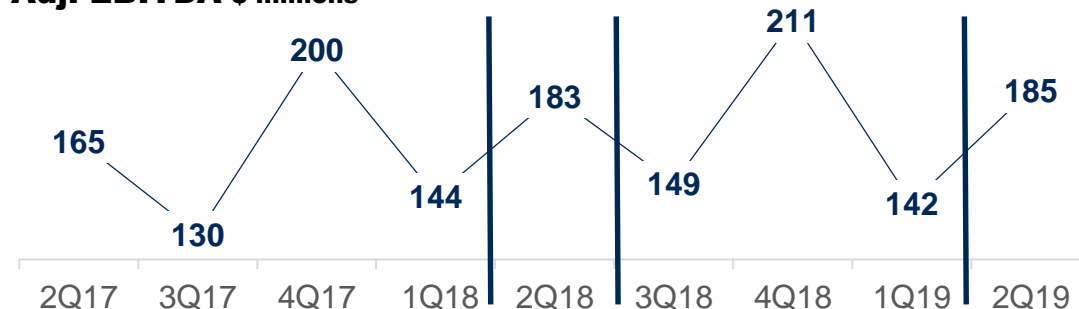


Normalized P&L (Non-GAAP)

Adj. Revenue \$ millions



Adj. EBITDA \$ millions



\$ millions, except shares and per share data

(All numbers below exclude divested operations)

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	2017	2018
Adjusted Revenue	862	818	985	899	980	910	1,088	970	1,071	3,436	3,877
Less Cost of Services	323	306	371	330	359	331	407	347	388	1,285	1,427
Adjusted Contribution	<u>539</u>	<u>512</u>	<u>615</u>	<u>569</u>	<u>621</u>	<u>579</u>	<u>681</u>	<u>624</u>	<u>683</u>	<u>2,152</u>	<u>2,449</u>
Less SG&A	385	393	434	458	455	443	488	519	515	1,595	1,845
Plus Equity Comp	16	12	8	29	14	10	10	32	13	64	63
Plus Other Adjustments*	-5	-2	12	4	3	3	9	5	4	5	19
Adjusted EBITDA	<u>165</u>	<u>130</u>	<u>200</u>	<u>144</u>	<u>183</u>	<u>149</u>	<u>211</u>	<u>142</u>	<u>185</u>	<u>625</u>	<u>687</u>
Less Equity Comp	na	na	na	29	14	10	10	32	13	na	63
Less Depreciation	na	na	na	16	17	17	18	20	20	na	69
Less Non-GAAP Interest, net	na	na	na	28	28	25	23	23	23	na	103
Less Other Expense (Income)	na	na	na	-1	0	2	1	0	0	na	1
Adjusted Pre-tax Income	<u>na</u>	<u>na</u>	<u>na</u>	<u>72</u>	<u>125</u>	<u>96</u>	<u>159</u>	<u>66</u>	<u>128</u>	<u>na</u>	<u>451</u>
Less Adjusted Tax	na	na	na	15	35	19	49	13	-4	na	117
Adjusted Net Income	<u>na</u>	<u>na</u>	<u>na</u>	<u>57</u>	<u>90</u>	<u>77</u>	<u>110</u>	<u>53</u>	<u>132</u>	<u>na</u>	<u>334</u>
Adjusted Earnings Per Share	na	na	na	0.62	0.98	0.83	1.20	0.58	1.45	na	3.63

*Other Adjustments include accretion, other non-recurring expenses, pre-acquisition commissions and CEB straightline rent. See pg. 22 for details of the methodology and pg. 27 to 33 for reconciliation of certain of these non-GAAP measures..

2Q 2019 Business Metrics

Global Technology Sales

CV	CV Growth	Enterprises	CV/Enterprise	NCVI
\$2.6B	13.5%	12,739	\$203K	\$308M
QBH	Productivity	Client Retention	Wallet Retention	
3,207	\$110K	82.2%	104.9%	

Global Business Sales

CV	CV Growth	Enterprises	CV/Enterprise	NCVI
\$0.6B	0.9%	5,173	\$116K	\$5M
QBH	Productivity	Client Retention	Wallet Retention	
919	\$7K	80.8%	94.8%	

Conferences

of Destination Conferences

27

of Destination Conference Attendees

26,416

Same Conference, FX Neutral Revenue Growth

20.9%

Consulting

Labor Revenue

\$79M

Backlog

\$110M

Utilization Rate

63.3%

Billable Headcount

773

CV: Contract Value

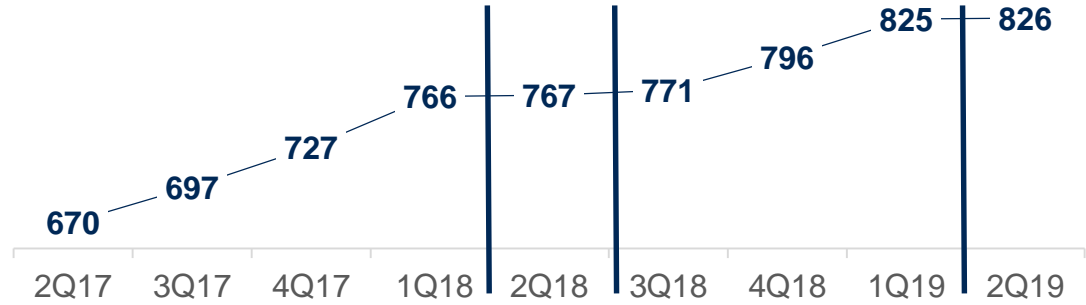
NCVI: Net Contract Value Increase (Y/Y on a rolling twelve month basis)

QBH: Quota Bearing Headcount

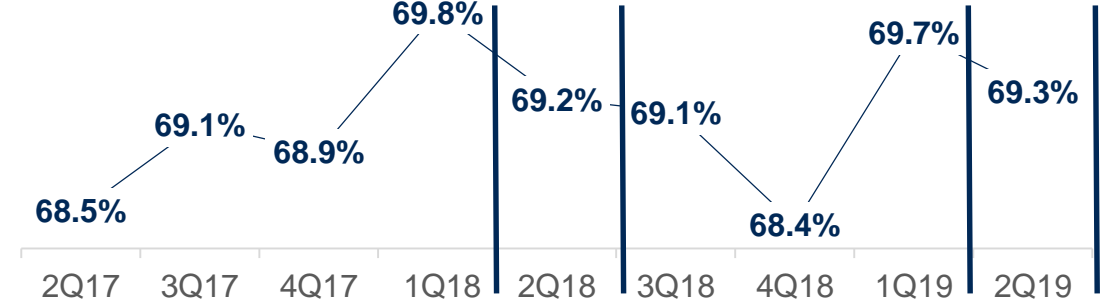
Productivity is NCVI divided by opening period quota-bearing headcount (see pages 9 & 10).

Research Segment

Adj. Revenue \$ millions



Adj. Contribution Margin

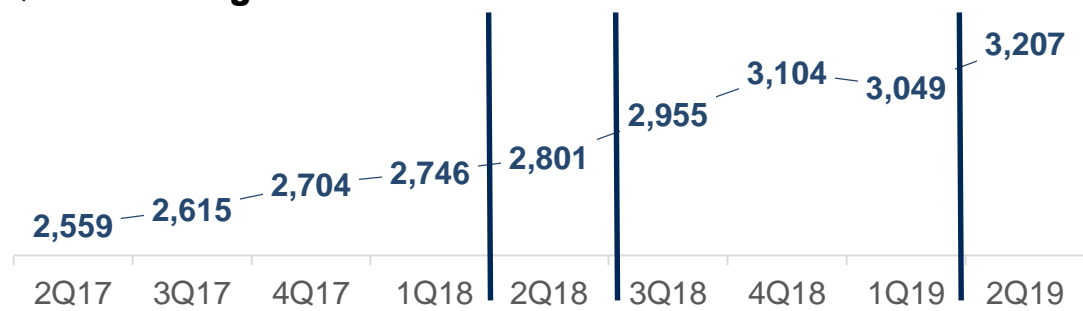


	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	2017	2018
Adj. Revenue (\$ millions)	670	697	727	766	767	771	796	825	826	2,746	3,101
Y/Y Growth	46.8%	49.2%	51.8%	17.6%	14.5%	10.6%	9.5%	7.7%	7.7%		12.9%
Adj. Contribution (\$ millions)	459	481	501	535	531	533	544	575	572	1,892	2,144
Y/Y Growth	44.0%	49.0%	53.2%	18.6%	15.7%	10.7%	8.7%	7.5%	7.8%		13.3%
Adj. Contribution Margin	68.5%	69.1%	68.9%	69.8%	69.2%	69.1%	68.4%	69.7%	69.3%	68.9%	69.1%
Contract Value (\$ billions)	2.6	2.6	2.8	2.8	2.9	2.9	3.1	3.1	3.2	2.8	3.1
Y/Y FX Neutral Growth	10.9%	10.5%	11.4%	11.7%	11.6%	11.7%	11.4%	11.2%	10.9%		11.4%

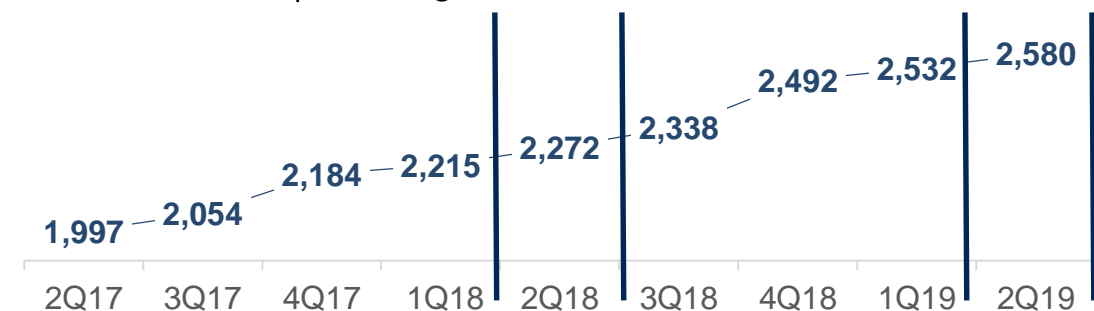
Note: Financial metrics are combined.

Research: Global Technology Sales

Quota-Bearing Head Count



Contract Value \$ millions @ '19 rates



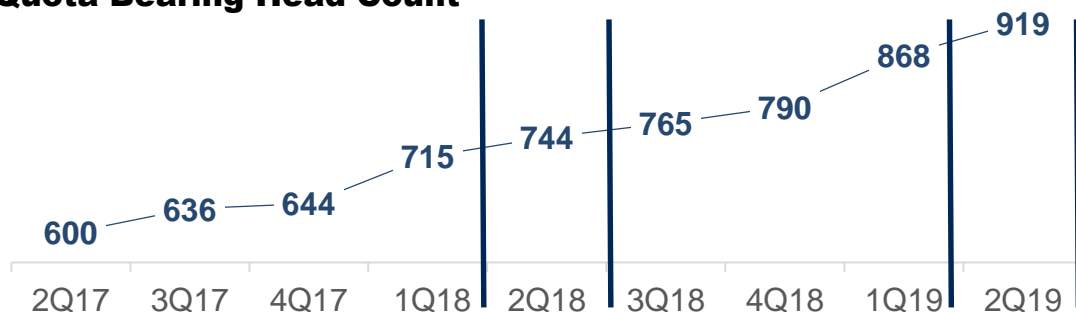
	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	2017	2018
Contract Value (\$ millions)	1,997	2,054	2,184	2,215	2,272	2,338	2,492	2,532	2,580	2,184	2,492
Contract Value FX Neutral Growth	12.8%	12.5%	13.1%	13.1%	13.8%	13.8%	14.1%	14.3%	13.5%		14.1%
Net Contract Value Increase (NCVI, \$ millions)	226	228	253	257	275	283	308	317	308	253	308
Quota Bearing Head Count	2,559	2,615	2,704	2,746	2,801	2,955	3,104	3,049	3,207	2,704	3,104
Y/Y	10.8%	11.8%	13.1%	13.1%	9.5%	13.0%	14.8%	11.0%	14.5%		14.8%
Productivity (\$ thousands)	98	97	106	106	107	108	114	115	110	106	114
Y/Y				13.3%	9.9%	11.3%	7.4%	9.1%	2.3%		7.4%
Client Enterprises	11,696	11,798	12,319	12,363	12,375	12,477	12,998	12,821	12,739	12,319	12,998
Contract Value / Enterprise (\$ thousands)	171	174	177	179	184	187	192	197	203	177	192
Wallet Retention	103.8%	103.7%	104.5%	104.2%	104.6%	104.9%	105.2%	105.5%	104.9%	104.5%	105.2%
Client Retention	82.6%	82.7%	83.3%	82.9%	82.2%	82.7%	82.9%	82.2%	82.2%	83.3%	82.9%

Note: All numbers are combined for all periods shown, at 2019 FX rates where applicable. Enterprises that are clients of both GTS and GBS appear in both counts.

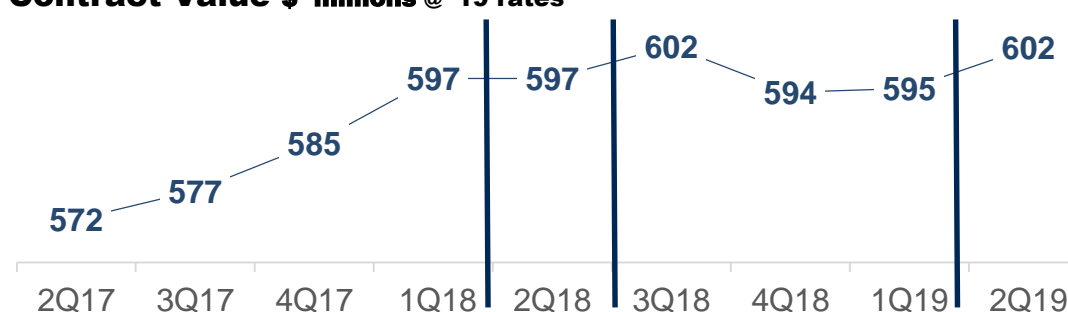
NCVI, or net change in contract value, and Productivity are on a rolling twelve month basis. Productivity is NCVI divided by opening period quota-bearing headcount (Opening period QBH not shown for 2017).

Research: Global Business Sales

Quota-Bearing Head Count



Contract Value \$ millions @ '19 rates

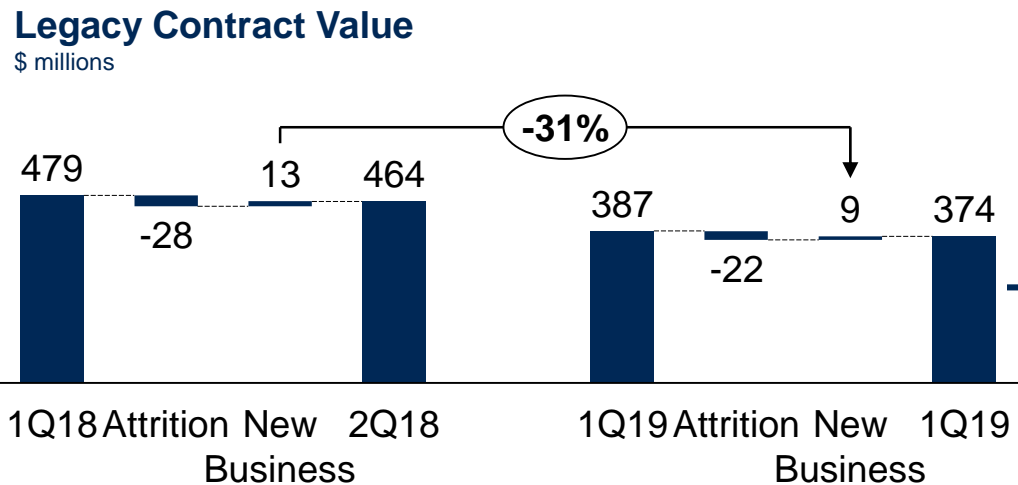
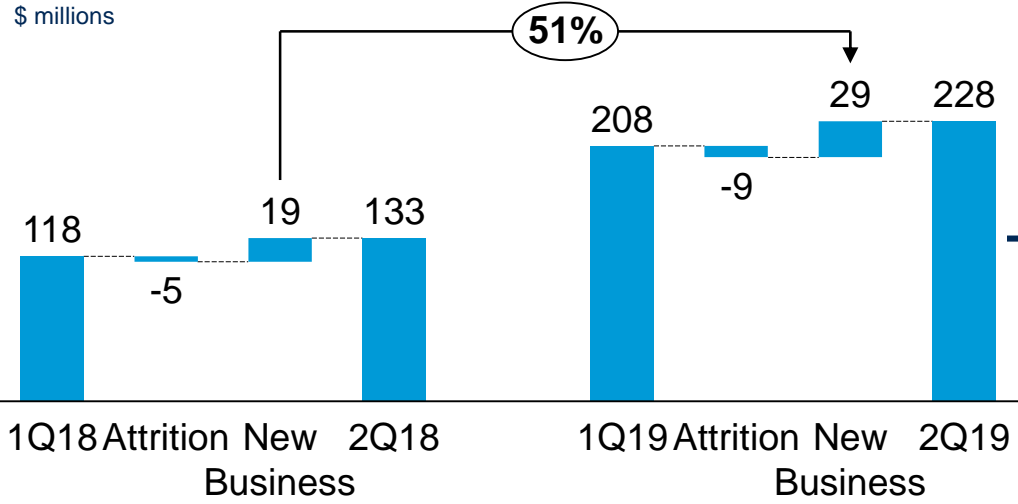


	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	2017	2018
Contract Value (\$ millions)	572	577	585	597	597	602	594	595	602	585	594
Contract Value FX Neutral Growth	4.9%	3.8%	5.6%	6.6%	4.2%	4.3%	1.5%	-0.3%	0.9%		1.5%
Net Contract Value Increase (NCVI, \$ millions)	27	21	31	37	24	25	9	-2	5	31	9
Quota Bearing Head Count	600	636	644	715	744	765	790	868	919	644	790
Y/Y	11.5%	18.0%	16.0%	22.0%	24.0%	20.3%	22.7%	21.4%	23.5%		22.7%
Productivity (\$ thousands)	49	40	56	63	40	39	14	-2	7	56	14
Y/Y				13.1%	-18.1%	-1.4%	-75.6%	-103.8%	-82.3%		-75.6%
Client Enterprises	5,618	5,580	5,668	5,694	5,659	5,675	5,451	5,254	5,173	5,668	5,451
Contract Value / Enterprise (\$ thousands)	102	103	103	105	105	106	109	113	116	103	109
Wallet Retention	96.4%	95.8%	100.0%	99.0%	96.8%	97.2%	95.5%	94.1%	94.8%	100.0%	95.5%
Client Retention	79.0%	79.6%	81.1%	82.5%	82.6%	83.4%	82.0%	81.3%	80.8%	81.1%	82.0%

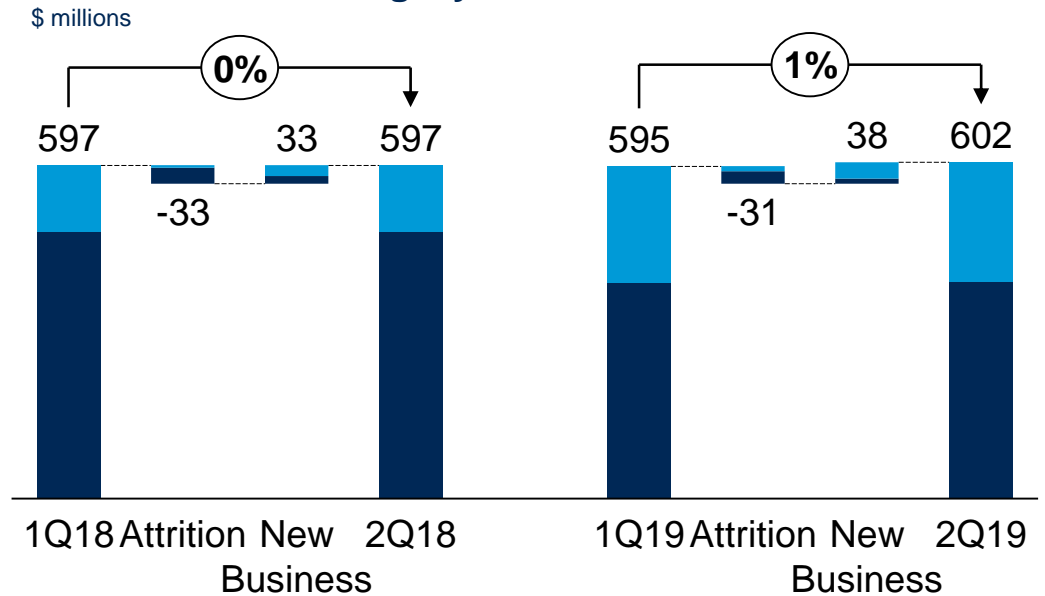
Note: All numbers are combined for all periods shown, at 2019 FX rates where applicable. Enterprises that are clients of both GTS and GBS appear in both counts. Numbers are updated to reflect recent divestitures and product retirements. NCVI, or net change in contract value, and Productivity are on a rolling twelve month basis. Productivity is NCVI divided by opening period quota-bearing headcount (Opening period QBH not shown for 2017).

GBS: Transition to GxL Products – 2Q Update

GxL Contract Value: 2Q19 +71% vs. 2Q18; new business +51%



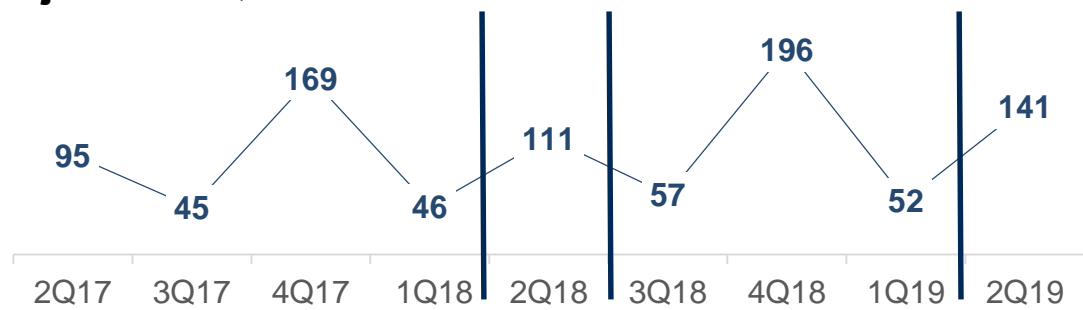
Total GBS: GxL + Legacy Contract Value



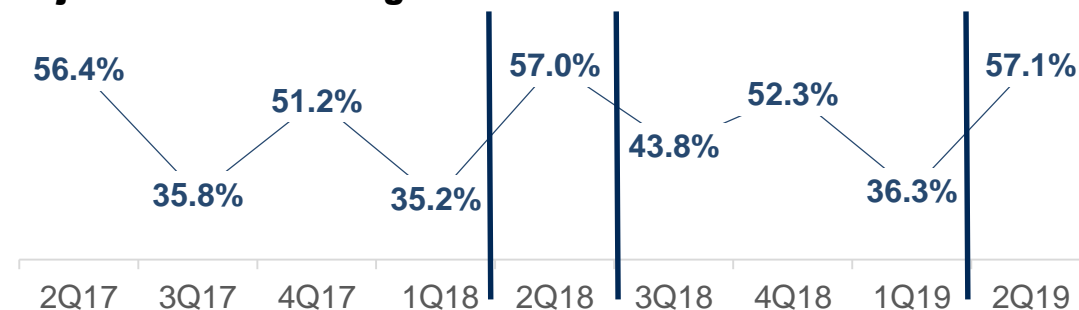
Note: All numbers are shown at 2019 FX rates where applicable.

Conferences Segment

Adj. Revenue \$ millions



Adj. Contribution Margin



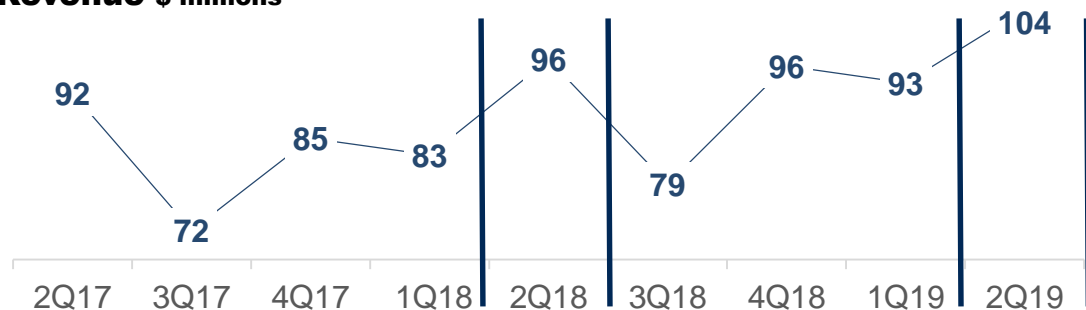
	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	2017	2018
Adj. Revenue	95	45	169	46	111	57	196	52	141	345	410
Y/Y Growth	42.5%	34.7%	23.8%	26.3%	16.9%	26.7%	16.2%	12.6%	26.9%		18.8%
Adj. Contribution (\$ millions)	54	16	86	16	63	25	103	19	81	168	207
Y/Y Growth	48.9%	11.2%	18.2%	41.1%	18.3%	55.0%	18.7%	16.5%	26.9%		23.6%
Adj. Contribution Margin	56.4%	35.8%	51.2%	35.2%	57.0%	43.8%	52.3%	36.3%	57.1%	48.6%	50.5%
Destination Conferences (#)	26	17	15	14	24	17	15	12	27	69	70
Destination Conference Attendees (#)	18,539	10,640	29,187	11,643	20,896	13,322	32,275	11,530	26,416	67,401	78,136
Same Conference Revenue Growth	13.4%	17.9%	8.1%	25.9%	16.2%	17.6%	15.6%	13.0%	18.7%	10.6%	17.5%
Same Conference Attendee Growth	17.9%	21.0%	11.7%	20.6%	16.2%	17.2%	10.8%	6.0%	17.7%	14.9%	14.6%

Note: Financial metrics are combined.

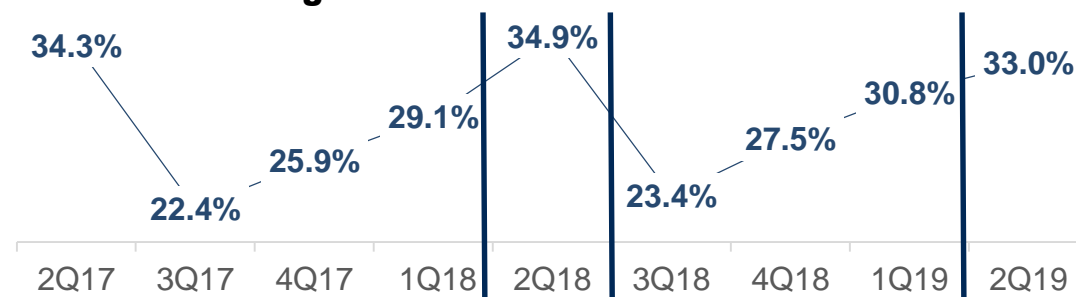
Same Conference Revenue Growth is shown at actual rates.

Consulting Segment

Revenue \$ millions



Contribution Margin



	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	2017	2018
Revenue (\$ millions)	92	72	85	83	96	79	96	93	104	328	354
Y/Y Growth	5.9%	-2.2%	-3.3%	5.5%	5.2%	9.2%	12.1%	12.4%	7.5%		7.9%
Contribution (\$ millions)	31	16	22	24	34	18	26	29	34	94	103
Y/Y Growth	10.9%	-11.1%	-5.3%	0.8%	7.2%	13.8%	19.1%	19.0%	1.6%		9.5%
Contribution Margin	34.3%	22.4%	25.9%	29.1%	34.9%	23.4%	27.5%	30.8%	33.0%	28.6%	29.0%
Labor Revenue (\$ millions)	68	64	72	74	77	70	74	79	79	269	295
Y/Y Growth	3.7%	-5.1%	2.7%	14.1%	12.8%	8.2%	2.7%	6.7%	2.5%		9.3%
Backlog (\$ millions)	93	93	97	101	103	106	108	108	110	97	108
Y/Y Growth	-0.9%	3.0%	8.9%	11.6%	11.1%	13.5%	11.7%	6.9%	6.7%		11.7%
Billable Head Count	667	682	682	694	710	727	738	739	773	669	718
Y/Y Growth	6.9%	9.2%	8.4%	7.5%	6.5%	6.6%	8.2%	6.5%	8.8%		7.3%
Utilization Rate	65.3%	61.1%	64.1%	65.4%	66.8%	59.4%	61.3%	69.1%	63.3%	63.7%	63.1%
Y/Y Change (bps)	-365	-153	-58	81	153	-172	-277	366	-352		-60

Note: Backlog is at 2019 FX rates where applicable.

Capital Structure and Allocation

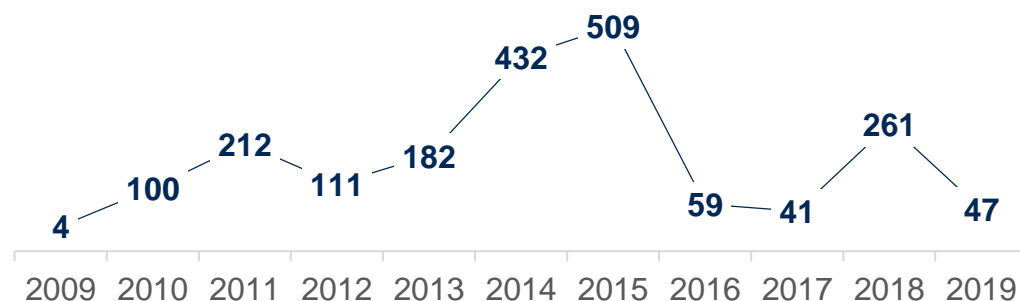
	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Gross Debt \$ billions	3.5	3.4	3.3	3.0	2.5	2.2	2.3	2.3	2.2
Cash \$ billions	0.6	0.6	0.5	0.2	0.1	0.2	0.2	0.1	0.2
Net Debt \$ billions	2.9	2.8	2.8	2.8	2.3	2.0	2.2	2.2	2.0
Gross Debt/ LTM Adj EBITDA	5.0x	4.9x	4.8x	4.2x	3.4x	3.0x	3.2x	3.3x	3.2x
Net Debt/ LTM Adj EBITDA	4.1x	4.0x	4.0x	3.9x	3.2x	2.7x	3.0x	3.1x	2.9x

Note: LTM Adj. EBITDA is the sum of the last four quarters of combined Adj. EBITDA and includes divested operations in periods when owned.

Debt \$ billions	6/30/2019	Rate ⁽¹⁾
Revolver	0.1	LIBOR + 175
TLA	1.3	LIBOR + 175
Bonds	0.8	5.13%
Total Debt	2.2	4.14%
Revolver Unused Capacity	1.1	30 bps
Interest Rate Hedges	1.4	1.84%
% Debt With Fixed Rates	100%	

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

Share Repurchases \$ millions



**\$850M+ repurchase authorization remaining
as of 6/30/2019 of \$1.2B plan**

2019 Guidance

In \$ millions, except per share amounts; shares in millions	Prior	Current	Current vs 2018
Research Revenue	3,405 - 3,465	3,355 - 3,380	8 to 9%
Conferences Revenue	455 - 475	480 - 490	17 to 19%
Consulting Revenue	360 - 375	380 - 390	7 to 10%
Total Adj. Revenue	4,220 - 4,315	4,215 - 4,260	9 to 10%
Adj. EBITDA	720 - 765	670 - 700	-3 to 2%
Adj. Earnings per Share ¹	\$3.82 - \$4.19	\$3.39 - \$3.64	-7 to 0%
Free Cash Flow	455 - 485	400 - 430	-2 to 5%
Depreciation		~85	
Amortization		~129	
Stock-based compensation		~71	
GAAP Interest Expense, net		~103	
Adj. Interest Expense, net		~97	
GAAP Effective Tax Rate		~25.5%	
Adj. Effective Tax Rate		~25.5%	
Shares		~91	
Capital Expenditures		147 - 157	

¹Adj. EPS growth rate based on 2018 Adj. EPS excluding divested operations.

Note: 2019 Guidance growth rates are as reported. FX Neutral growth rates would be approximately 2 percentage points higher for revenue and EBITDA guidance.

Adj. Interest Expense, net excludes deferred financing fees.

See page 33 for 2018 Normalized Free Cash Flow walk.

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**2Q 2019
GAAP
Financial
Statements**

Condensed Consolidated Balance Sheets

	June 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 218.5	\$ 156.4
Fees receivable, net	1,112.9	1,255.1
Deferred commissions	211.7	235.0
Prepaid expenses and other current assets	148.1	165.2
Total current assets	1,691.1	1,811.7
Property, equipment and leasehold improvements, net	291.3	267.7
Operating leases - right-of-use assets	637.7	-
Goodwill	2,930.3	2,923.1
Intangible assets, net	973.4	1,042.6
Other assets	205.8	156.4
Total Assets	\$ 6,729.6	\$ 6,201.5
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 564.7	\$ 710.1
Deferred revenues	1,796.3	1,745.2
Current portion of long-term debt	121.1	165.6
Total current liabilities	2,482.2	2,620.9
Long-term debt, net of deferred financing fees	2,059.1	2,116.1
Operating leases - liabilities	768.2	-
Other liabilities	456.3	613.7
Total Liabilities	5,765.8	5,350.7
Total Stockholders' Equity	963.8	850.8
Total Liabilities and Stockholders' Equity	\$ 6,729.6	\$ 6,201.5

(Unaudited; in millions)

Condensed Consolidated Statements of Operations

	Three Months Ended June 30,	
	2019	2018
Revenues:		
Research	\$ 826.1	\$ 770.3
Conferences	141.2	111.3
Consulting	103.7	96.5
Other	-	23.3
Total revenues	1,070.9	1,001.3
Costs and expenses:		
Cost of services and product development	388.0	367.6
Selling, general and administrative	515.0	460.8
Depreciation	20.1	16.7
Amortization of intangibles	32.2	50.1
Acquisition and integration charges (credits)	(0.4)	20.0
Total costs and expenses	954.9	915.2
Operating income	116.0	86.1
Interest expense, net	(24.7)	(37.6)
Gain (loss) from divested operations	-	25.5
Other (expense) income, net	(0.2)	1.1
Income before income taxes	91.0	75.1
(Benefit) provision for income taxes	(12.4)	28.8
Net income	<u>\$ 103.4</u>	<u>\$ 46.3</u>
Net income per share:		
Basic	<u>\$ 1.15</u>	<u>\$ 0.51</u>
Diluted	<u>\$ 1.13</u>	<u>\$ 0.50</u>
Weighted average shares outstanding:		
Basic	<u>90.1</u>	<u>91.0</u>
Diluted	<u>91.2</u>	<u>92.2</u>

(Unaudited; in millions, except per share amounts)

Condensed Consolidated Statements of Cash Flows

	Three Months Ended June 30,	
	2019	2018
Operating activities:		
Net income	\$ 103.4	\$ 46.3
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	52.3	66.8
Stock-based compensation expense	13.1	14.3
Deferred taxes	(23.9)	21.2
Gain from divested operations	-	(25.5)
Amortization of lease right-of-use assets	21.6	-
Amortization and write-off of deferred financing fees	1.6	8.7
Change in assets and liabilities:		
Fees receivable, net	62.5	24.5
Deferred commissions	18.9	22.3
Prepaid expenses and other current assets	7.8	(29.1)
Other assets	(21.0)	9.4
Deferred revenues	(37.8)	10.5
Accounts payable, accrued, and other liabilities	29.0	4.5
Cash provided by operating activities	227.5	174.0
Investing activities:		
Additions to property, equipment and leasehold improvements	(39.4)	(22.4)
Divestitures - cash received (net of cash transferred)	0.0	405.5
Cash (used in) provided by investing activities	(39.4)	383.1
Financing activities:		
Proceeds from employee stock purchase plan	4.0	3.5
Payments on borrowings	(121.0)	(553.8)
Purchases of treasury stock	(1.7)	(67.9)
Cash (used in) financing activities	(118.7)	(618.2)
Net increase (decrease) in cash and cash equivalents and restricted cash	69.4	(61.1)
Effects of exchange rates on cash and cash equivalents and restricted cash	(0.2)	(6.6)
Cash and cash equivalents and restricted cash, beginning of period	149.3	227.6
Cash and cash equivalents and restricted cash, end of period	\$ 218.5	\$ 160.0

(Unaudited; in millions)

Appendix

Definitions

Adj. Revenue: Represents GAAP revenue plus: (i) revenue from pre-acquisition periods, as applicable and (ii) the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues; less (iii) revenue related to divested operations. Non-cash fair value adjustments on pre-acquisition deferred revenues are generally recognized ratably over the remaining period of the underlying revenue contract. We believe Adjusted Revenue is an important measure of our recurring operations as it provides a more accurate period-over-period comparison of trends in revenues.

Adj. Contribution and Adj. Contribution Margin: GAAP gross contribution is derived from our GAAP-based financial statements and represents revenue less direct expense. Adjusted Contribution represents GAAP gross contribution plus: (i) contribution from pre-acquisition periods, as applicable and (ii) the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues; less (iii) contribution related to divested operations; and (iv) an adjustment for unallocated corporate costs. Adjusted Contribution Margin represents the contribution margin on Adjusted Revenue. We believe these are important measures of our recurring operations as they provide a more accurate and consistent period-over-period comparison of our segment results.

Adj. EBITDA: Represents GAAP net income (loss) adjusted for: (i) interest expense, net; (ii) tax provision (benefit); (iii) other operating expense/income, net; (iv) stock-based compensation expense; (v) depreciation, amortization, and accretion; (vi) the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues, as applicable; (vii) acquisition and integration charges and certain other non-recurring items; (viii) EBITDA from pre-acquisition periods, as applicable; (ix) gain/loss on divestitures, as applicable; and (x) EBITDA from divested operations, as applicable. We believe Adjusted EBITDA is an important measure of our recurring operations as it excludes items not representative of our core operating results.

Adj. Net Income: Represents GAAP net income (loss) adjusted for the impact of certain items directly related to acquisitions and other non-recurring items. These adjustments include: (i) the amortization of acquired intangibles; (ii) acquisition and integration charges and other non-recurring items; (iii) the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues; (iv) the non-recurring impact from the enactment of the Tax Cuts and Jobs Act of 2017, as applicable; (v) gain/loss on divestitures; and (vi) the related tax effect. Adjusted Net Income includes the operating results of our divested operations. We believe Adjusted Net Income is an important measure of our recurring operations as it excludes items not indicative of our core operating results.

Adj. EPS: Represents GAAP EPS adjusted for the impact of certain items directly related to acquisitions and other non-recurring items. These adjustments include on a per share basis: (i) the amortization of acquired intangibles; (ii) acquisition and integration charges and other non-recurring items; (iii) the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues, as applicable; (iv) the non-recurring impact from the enactment of the Tax Cuts and Jobs Act of 2017, as applicable; (v) gain/loss on divestitures, as applicable; and (vi) the related tax effect, as applicable. Adjusted EPS includes the operating results of our divested operations. We believe Adjusted EPS is an important measure of our recurring operations as it excludes items that may not be indicative of our core operating results.

Free Cash Flow: Represents cash provided by operating activities determined in accordance with GAAP: (i) plus payments for acquisition and integration items directly-related to our acquisitions and certain other non-recurring items; (ii) less payments for capital expenditures. Free Cash Flow includes the results of our divested operations. We believe that Free Cash Flow is an important measure of the recurring cash generated by the Company's core operations that may be available to be used to repay debt obligations, repurchase our stock, invest in future growth through new business development activities, or make acquisitions.

Foreign Currency Neutral (FX Neutral): We provide foreign currency neutral dollar amounts and percentages for our contract values, revenues, certain expenses, and other metrics. 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.

Net Debt: Represents the gross debt less cash.

Non-GAAP Interest: Interest expense, net excluding amortization of deferred financing fees and the interest expense assuming net divestiture proceeds would have been used to repay debt on December 31, 2017.

Normalized P&L (Non-GAAP) Methodology

- All numbers are on a combined basis excluding divested operations.
- For 2018, interest is calculated assuming net divestiture proceeds would have been used on December 31, 2017 to pay down debt.
- The tax rate for 2018 is calculated using the adjusted tax rate for the respective quarter.
- Shares used to calculate adjusted earnings per share are the diluted weighted average shares as then reported.

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 Conferences 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.

Attrition represents the dollar amount of contract value lost on renewal transactions during the measurement period.

New business growth represents the dollar amount of incremental contract value signed with both existing and new clients during the measurement period.

Definitions of Key Metrics/Calculations

Segment

Business Measurements

Conferences

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

Number of destination attendees represents the total number of people who attend conferences. Single day, local meetings 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.

Non-GAAP Reconciliations

Segment Results Summary

2Q 2019

\$ in millions	Research	Conferences	Consulting	Other	Unalloc.	Total
GAAP revenue	826.1	141.2	103.7	0.0	0.0	1,070.9
Add: Amortization of deferred revenue fair value adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Less: Divested operations	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Adjusted revenue	<u>826.1</u>	<u>141.2</u>	<u>103.7</u>	<u>0.0</u>	<u>0.0</u>	<u>1,070.9</u>
Year/Year Growth	7.7%	26.9%	7.5%	na	nm	9.3%
FX Neutral Year/Year Growth	10.1%	28.8%	10.3%	na	nm	11.8%
GAAP contribution	572.3	80.6	34.2	0.0	0.0	687.1
Add: Amortization of deferred revenue fair value adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Less: Divested operations	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Adjusted contribution	<u>572.3</u>	<u>80.6</u>	<u>34.2</u>	<u>0.0</u>	<u>-4.2</u>	<u>682.9</u>
Year/Year Growth	7.8%	26.9%	1.6%	na	nm	10.0%
FX Neutral Year/Year Growth	10.7%	27.0%	4.4%	na	nm	12.8%
Adjusted contribution margin	69.3%	57.1%	33.0%	na	nm	63.8%

2Q 2018

	Research	Conferences	Consulting	Other	Unalloc.	Total
GAAP revenue	770.3	111.3	96.5	23.3	0.0	1,001.3
Add: Amortization of deferred revenue fair value adjustment	0.5	0.0	0.0	0.0	0.0	0.5
Less: Divested operations	-3.6	0.0	0.0	-18.4	0.0	-22.1
Adjusted revenue	<u>767.2</u>	<u>111.3</u>	<u>96.5</u>	<u>4.9</u>	<u>0.0</u>	<u>979.8</u>
GAAP contribution	532.9	63.5	33.7	15.1	0.0	645.2
Add: Amortization of deferred revenue fair value adjustment	0.5	0.0	0.0	0.0	0.0	0.5
Less: Divested operations	-2.3	0.0	0.0	-11.0	0.0	-13.3
Adjusted contribution	<u>531.1</u>	<u>63.5</u>	<u>33.7</u>	<u>4.1</u>	<u>-11.5</u>	<u>621.0</u>
Adjusted contribution margin	69.2%	57.0%	34.9%	nm	nm	63.4%

Non-GAAP Reconciliations

\$ in millions	Deferred Revenue Fair Value			Adjusted Revenue Total	GAAP Direct Expense Total	GAAP Gross Contribution Total	Deferred Revenue Fair Value			GAAP Gross Contribution Margin	Adjusted Contribution Margin
	GAAP Revenue Total	Adjustment Total	Divestitures Total				Adjustment Total	Divestitures Total	Adjusted Contribution Total		
Three Months Ended 12/31/18											
Research	\$ 797.3	\$ 0.2	\$ 1.1	\$ 796.4	\$ 252.5	\$ 544.8	\$ 0.2	\$ 0.5	\$ 544.5	68%	68%
Conferences	196.0	-	-	196.0	93.4	102.6	-	-	102.6	52%	52%
Consulting	95.6	-	-	95.6	69.3	26.3	-	-	26.3	28%	28%
Other COS	-	-	-	-	(7.3)	7.3	-	-	7.3	n/a	n/a
TOTAL	\$ 1,088.9	\$ 0.2	\$ 1.1	\$ 1,088.0	\$ 407.8	\$ 681.0	\$ 0.2	\$ 0.5	\$ 680.7	63%	63%
Three Months Ended 9/30/18											
Research	\$ 774.2	\$ 0.3	\$ 3.4	\$ 771.0	\$ 239.3	\$ 534.9	\$ 0.3	\$ 2.1	\$ 533.1	69%	69%
Conferences	57.1	(0.0)	-	57.1	32.1	25.0	(0.0)	-	25.0	44%	44%
Consulting	78.8	-	-	78.8	60.3	18.4	-	-	18.4	23%	23%
Talent Assessment & Other	11.6	0.0	8.6	3.0	4.7	6.9	0.0	4.9	2.0	60%	68%
Other COS	-	-	-	-	(0.3)	0.3	-	-	0.3	n/a	n/a
TOTAL	\$ 921.7	\$ 0.3	\$ 12.0	\$ 909.9	\$ 336.1	\$ 585.6	\$ 0.3	\$ 7.0	\$ 578.8	64%	64%
Three Months Ended 6/30/18											
Research	\$ 770.3	\$ 0.5	\$ 3.6	\$ 767.2	\$ 237.4	\$ 532.9	\$ 0.5	\$ 2.3	\$ 531.1	69%	69%
Conferences	111.3	0.0	-	111.3	47.8	63.5	0.0	-	63.5	57%	57%
Consulting	96.5	-	-	96.5	62.8	33.7	-	-	33.7	35%	35%
Talent Assessment & Other	23.3	0.0	18.4	4.9	8.2	15.1	0.0	11.0	4.1	65%	85%
Other COS	-	-	-	-	11.5	(11.5)	-	-	(11.5)	n/a	n/a
TOTAL	\$ 1,001.3	\$ 0.5	\$ 22.1	\$ 979.8	\$ 367.6	\$ 633.7	\$ 0.5	\$ 13.3	\$ 621.0	63%	63%
Three Months Ended 3/31/18											
Research	\$ 763.9	\$ 5.9	\$ 3.7	\$ 766.2	\$ 232.5	\$ 531.5	\$ 5.9	\$ 2.4	\$ 535.0	70%	70%
Conferences	46.1	0.0	-	46.1	29.9	16.2	0.0	-	16.2	35%	35%
Consulting	82.9	-	-	82.9	58.8	24.1	-	-	24.1	29%	29%
Talent Assessment & Other	70.7	3.7	70.3	4.0	27.6	43.0	3.7	44.6	2.1	63%	52%
Other COS	-	-	-	-	8.5	(8.5)	-	-	(8.5)	n/a	n/a
TOTAL	\$ 963.6	\$ 9.6	\$ 74.0	\$ 899.2	\$ 357.2	\$ 606.4	\$ 9.6	\$ 47.0	\$ 569.0	63%	63%

Non-GAAP Reconciliations

\$ in millions	GAAP Revenue	Deferred Revenue Fair Value Adjustment	Divestitures	Adjusted Revenue	GAAP Direct Expense	GAAP Gross Contribution	Deferred Revenue Fair Value Adjustment	Divestitures	Adjusted Contribution	GAAP Gross Contribution Margin	Adjusted Contribution Margin
	Total	Total		Total		Total		Total	Total		
Three Months Ended 12/31/17											
Research	\$ 692.8	\$ 38.7	\$ 4.1	\$ 727.4	\$ 227.7	\$ 465.1	\$ 38.7	\$ 2.8	\$ 501.0	69%	69%
Conferences	166.5	2.2	-	168.7	82.3	84.2	2.2	-	86.4	51%	51%
Consulting	85.3	-	-	85.3	63.2	22.1	-	-	22.1	26%	26%
Talent Assessment & Other	70.0	9.2	75.2	4.0	28.2	41.7	9.2	48.4	2.5	64%	63%
Other COS	-	-	-	-	(3.0)	3.0	-	-	3.0	n/a	n/a
TOTAL	\$ 1,014.5	\$ 50.1	\$ 79.2	\$ 985.3	\$ 398.4	\$ 616.1	\$ 50.1	\$ 51.2	\$ 615.0	63%	62%
	Total	Total		Total		Total			Total		
Three Months Ended 09/30/17											
Research	\$ 653.4	\$ 47.7	\$ 4.0	\$ 697.2	\$ 217.2	\$ 436.2	\$ 47.7	\$ 2.5	\$ 481.4	69%	69%
Conferences	45.0	0.1	-	45.1	28.9	16.0	0.1	-	16.2	36%	36%
Consulting	72.1	-	-	72.1	55.9	16.2	-	-	16.2	22%	22%
Talent Assessment & Other	57.6	15.8	69.8	3.6	26.4	31.2	15.8	44.8	2.2	64%	62%
Other COS	-	-	-	-	3.8	(3.8)	-	-	(3.8)	n/a	n/a
TOTAL	\$ 828.1	\$ 63.7	\$ 73.8	\$ 818.0	\$ 332.2	\$ 495.9	\$ 63.7	\$ 47.3	\$ 512.3	63%	63%
	Total	Total		Total		Total			Total		
Three Months Ended 06/30/17											
Research	\$ 613.7	\$ 60.8	\$ 4.3	\$ 670.3	\$ 213.2	\$ 400.6	\$ 60.8	\$ 2.5	\$ 458.9	68%	68%
Conferences	91.2	3.9	-	95.2	41.5	49.7	3.9	-	53.7	56%	56%
Consulting	91.7	-	-	91.7	60.3	31.4	-	-	31.4	34%	34%
Talent Assessment & Other	47.1	26.8	68.8	5.1	29.8	17.3	26.8	42.3	1.8	60%	35%
Other COS	-	-	-	-	7.3	(7.3)	-	-	(7.3)	n/a	n/a
TOTAL	\$ 843.7	\$ 91.5	\$ 73.0	\$ 862.3	\$ 352.0	\$ 491.7	\$ 91.5	\$ 44.8	\$ 538.5	62%	62%
	Total	Total		Total		Total			Total		

Non-GAAP Reconciliations

\$ millions

Reconciliation - Net Income (Loss) to Adjusted EBITDA:

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Net (loss) income	(92.3)	(48.2)	107.3	(19.6)	46.3	11.8	84.0	20.8	103.4
Interest expense, net	44.0	38.8	36.3	35.1	37.6	27.0	24.6	24.8	24.7
(Gain)/loss on divested operations ^(a)	-	-	-	-	(25.5)	(13.0)	(6.9)	2.1	-
Other (income) expense, net	0.4	(1.2)	(1.8)	(0.9)	(1.1)	0.8	1.0	0.8	0.2
Tax provision (benefit)	(50.5)	(13.8)	(78.9)	(23.3)	28.8	26.2	26.9	0.3	(12.4)
Operating income (loss)	(98.4)	(24.3)	62.9	(8.7)	86.1	52.7	129.6	48.8	116.0

Adjustments:

Stock-based compensation expense ^(b)	16.6	13.2	9.0	29.6	14.2	10.4	10.0	31.7	13.0
Depreciation, accretion, and amortization ^(c)	83.6	69.0	71.8	68.2	67.5	68.9	53.2	53.6	52.4
Amortization of pre-acquisition deferred revenues ^(d)	91.5	63.7	50.1	9.6	0.5	0.3	0.2	0.0	-
Acquisition and integration charges and other nonrecurring items ^(e)	91.7	27.5	27.2	62.7	22.7	19.8	18.7	7.6	3.3

Less: Divested operations EBITDA ^(f)	19.7	19.2	20.8	17.1	8.5	2.9	(0.3)	-	-
Adjusted EBITDA	165.4	129.8	200.2	144.3	182.6	149.1	211.4	141.6	184.6

\$ millions

Reconciliation - Cash Provided by Operating Activities to Free Cash Flow (a):

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash provided by (used in) operating activities	148.3	184.4	161.9	205.5	255.6	279.8	315.7	346.8	345.6	365.6
Adjustments:										
Plus: cash paid for acquisition, integration, and other non-recurring items	0.0	0.0	0.0	8.0	0.0	1.4	1.1	3.7	17.0	31.4
Less: cash paid for capital expenditures	-24.2	-24.3	-15.1	-21.7	-42.0	-44.3	-36.5	-38.5	-46.1	-49.9
Free Cash Flow	124.2	160.0	146.8	191.8	213.6	236.9	280.3	312.0	316.4	347.2
	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Cash provided by (used in) operating activities	-29.6	112.3	149.5	22.3	2.7	174.0	249.3	45.1	35.6	227.5
Adjustments:										
Plus: cash paid for acquisition, integration, and other non-recurring items	17.6	47.5	28.5	27.3	42.1	31.4	25.8	24.5	19.6	8.5
Less: cash paid for capital expenditures	-10.7	-30.9	-34.0	-35.1	-17.7	-22.4	-24.5	-62.2	-20.1	-39.4
Free Cash Flow	-22.7	128.9	144.1	14.4	27.1	183.0	250.5	7.4	35.1	196.5

- (a) Consists of net gain or loss from divestitures of non-core businesses.
- (b) Consists of charges for stock-based compensation awards.
- (c) Includes depreciation expense, amortization of intangibles, and accretion on asset retirement obligations.
- (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 from acquisitions and other non-recurring items.
- (f) Consists of EBITDA from divested non-core businesses.

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

Numbers may differ from other presentations due to rounding.

Gartner

Non-GAAP Reconciliations

\$ millions

Reconciliation - GAAP Net (Loss) Income to Adjusted Net Income ^(a) :	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
GAAP net income (loss)	(92.0)	(48.2)	107.3	(19.6)	46.3	11.8	84.0	20.8	103.4
Acquisition and other adjustments:									
Amortization of acquired intangibles ^(b)	65.4	51.1	53.3	51.6	50.1	50.9	34.4	33.7	32.2
Amortization of pre-acquisition deferred revenues ^(c)	91.5	63.7	50.1	9.6	0.5	0.3	0.2	-	-
Acquisition and integration charges and other nonrecurring items ^(d)	100.7	31.3	29.0	64.5	31.5	21.4	20.3	9.2	4.9
Impact of Tax Cuts and Jobs Act of 2017 ^(e)	-	-	(59.6)	-	0.7	-	(6.1)	-	-
(Gain)/loss on divested operations ^(f)	-	-	-	-	(25.5)	(13.0)	(6.9)	2.1	-
Tax impact of adjustments	(86.0)	(38.4)	(72.0)	(40.2)	(8.6)	6.7	(15.5)	(12.8)	(8.6)
Adjusted net income	79.4	59.5	108.0	66.0	95.0	77.9	110.4	52.9	131.9
Diluted shares	90.6	92.0	92.2	92.3	92.2	92.1	91.7	91.0	91.2
Adjusted EPS	0.88	0.65	1.17	0.72	1.03	0.85	1.20	0.58	1.45
Excluding divested operations	na	na	na	(0.10)	(0.05)	(0.02)	-	-	-
Adjusted EPS excluding divested operations	na	na	na	0.62	0.98	0.83	1.20	0.58	1.45

Reconciliation - GAAP Net (Loss) Income to Adjusted Net Income ^(a) per share:	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
GAAP net income (loss)	(1.03)	(0.53)	1.16	(0.22)	0.50	0.13	0.92	0.23	1.13
Acquisition and other adjustments:									
Amortization of acquired intangibles ^(b)	0.72	0.56	0.58	0.56	0.54	0.55	0.37	0.37	0.35
Amortization of pre-acquisition deferred revenues ^(c)	1.01	0.69	0.54	0.10	0.01	0.00	0.00	-	-
Acquisition and integration charges and other nonrecurring items ^(d)	1.11	0.34	0.32	0.70	0.34	0.23	0.22	0.10	0.05
Impact of Tax Cuts and Jobs Act of 2017 ^(e)	-	-	(0.65)	-	0.01	-	(0.07)	-	-
(Gain)/loss on divested operations ^(f)	-	-	-	-	(0.28)	(0.14)	(0.07)	0.02	-
Tax impact of adjustments	(0.95)	(0.42)	(0.78)	(0.44)	(0.09)	0.07	(0.17)	(0.14)	(0.09)
Rounding	0.01	0.01	-	0.00	-	-	-	-	0.01
Adjusted net income	0.88	0.65	1.17	0.72	1.03	0.85	1.20	0.58	1.45
Excluding divested operations	na	na	na	(0.10)	(0.05)	(0.02)	-	-	-
Adjusted net income excluding divested operations	na	na	na	0.62	0.98	0.83	1.20	0.58	1.45

- (a) Adj. 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. Includes the amortization and write-off of deferred financing fees, which are recorded in Interest expense, net in the Consolidated Statement of Operations and in the Adj. EBITDA on the prior page.
- (e) Consists of the 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.
- (f) Consists of net gain or loss from divestitures of non-core businesses.

Non-GAAP Reconciliations

\$ millions

Reconciliation - Stock-based compensation expense to Stock-based compensation expense excluding divested operations:

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Stock-based compensation expense	16.6	13.2	9.0	29.6	14.2	10.4	10.2	31.8	13.1
Less divested operations	(0.9)	(0.7)	(0.8)	(0.4)	(0.6)	(0.4)	-	-	-
Stock-based compensation expense ex D.O.	15.7	12.5	8.2	29.2	13.6	10.0	10.2	31.8	13.1

\$ millions

Reconciliation - Cost of Services to Cost of Services excluding divested operations:

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Cost of Services	352.0	332.2	398.4	357.2	367.6	336.1	407.8	346.6	388.0
Less divested operations	(29.3)	(26.2)	(27.1)	(27.7)	(8.8)	(5.0)	(0.6)	-	-
Cost of Services ex D.O.	322.7	306.0	371.3	329.5	358.9	331.1	407.2	346.6	388.0

\$ millions

Reconciliation - SG&A to SG&A excluding divested operations:

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Selling, general and administrative	408.2	421.2	465.4	488.0	461.0	448.0	488.1	518.8	515.0
Less divested operations	(23.3)	(28.3)	(31.6)	(29.7)	(5.5)	(4.9)	(0.3)	-	-
Selling, general and administrative ex D.O.	385.0	392.9	433.8	458.3	455.5	443.1	487.8	518.8	515.0

\$ billions

Reconciliation - Gross Debt to Net Debt:

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Gross Debt	3.5	3.4	3.3	3.0	2.5	2.2	2.3	2.3	2.2
Less Cash	0.6	0.6	0.5	0.2	0.1	0.2	0.2	0.1	0.2
Net Debt	2.9	2.8	2.8	2.8	2.3	2.0	2.2	2.2	2.0

Note: ex D.O.: Excluding Divested Operations.

Non-GAAP Reconciliations

\$ millions

Reconciliation - Depreciation to Depreciation excluding divested operations:

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Depreciation	16.4	16.7	17.3	18.1	19.8	20.1
Less divested operations	(0.0)	0.0	0.0	-	-	-
Depreciation ex D.O.	16.4	16.7	17.3	18.1	19.8	20.1

\$ millions

Reconciliation - Income (loss) before income taxes to Adjusted Pre-tax Income excluding divested operations:

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Income (loss) before income taxes	(42.9)	75.1	38.0	111.0	21.1	91.0
Other Adjustments	125.8	56.7	59.5	48.0	44.9	36.9
Less divested operations	(11.2)	(6.7)	(1.8)	-	-	-
Adjusted Pre-tax Income ex D.O.	71.7	125.1	95.7	159.0	66.0	127.9

\$ millions

Reconciliation - Interest Expense, net to Non-GAAP Interest:

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Interest Expense, net	35.1	37.6	27.0	24.6	24.8	24.7
Less Non-GAAP Interest items (a)	-7.3	-9.9	-2.4	-1.7	-1.6	-1.5
Non-GAAP Interest, net	27.7	27.7	24.6	22.9	23.2	23.2

Effective GAAP Tax Rate to Non-GAAP Tax Rate:

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
GAAP Rate	54.3%	38.4%	69.0%	24.3%	1.2%	-13.6%
Acquisition and Other Adjustments	32.0%	15.1%	-11.5%	32.6%	28.5%	23.1%
Adjusted Tax Rate	20.4%	27.9%	19.9%	30.6%	19.8%	-3.0%

(a) Non-GAAP Interest: Interest expense, net excluding amortization of deferred financing fees and the interest expense assuming net divestiture proceeds would have been used to repay debt on December 31, 2017.

Note: ex D.O.: Excluding Divested Operations.

Non-GAAP Reconciliations – 2019 Guidance

Financial Outlook Reconciliation: GAAP Net Income to Adjusted EBITDA

	Full Year 2019 Guidance	
	Low	High
Net Income	\$ 190	\$ 213
Interest Expense, net (a)	103	103
Other (income) expense, net	3	3
Loss on Divestitures	2	2
Tax Provision	65	73
Operating Income	363	393
Stock-based compensation expense	71	71
Depreciation, accretion, and amortization	215	215
Acquisition and integration changes and other non-recurring items	21	21
Adjusted EBITDA	\$ 670	\$ 700

(a) Includes approximately \$6.0 million of amortization of deferred financing fees, which is reported in Interest expense, net

Financial Outlook Reconciliation: GAAP EPS to Adjusted EPS

(\$ in millions, except per share data)

	Full Year 2019 Guidance	
	Low	High
GAAP EPS	\$ 2.09	\$ 2.34
<i>Normalizing Adjustments</i>		
Amortization of acquired intangibles	1.06	1.06
Acquisition and integration charges and other nonrecurring items	0.22	0.22
Loss on divestitures	0.02	0.02
Adjusted EPS	\$ 3.39	\$ 3.64

Financial Outlook Reconciliation: GAAP Cash Provided by operating activities to Free Cash Flow

(\$ in millions, except per share data)

	Full Year 2019 Guidance	
	Low	High
Operating Cash Flow	\$ 487	\$ 527
Acquisition, integration and other nonrecurring payments	60	60
Capital Expenditures	(147)	(157)
Free Cash Flow	\$ 400	\$ 430

2018 Normalized Free Cash Flow Walk

(\$ in millions)

	2018
Cash Provided by Operating Activities	\$ 471
Plus: cash paid for acquisition, integration, and other non-recurring items	124
Less: cash paid for capital expenditures	(127)
2018 Free Cash Flow	\$ 468
Less: Working Capital Timing Benefit	(40)
Less: Cash Flow from Divested Operations	(19)
2018 Normalized Free Cash Flow	\$ 409