

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of Report (Date of earliest event reported)

February 15, 2018

GARTNER, INC.  
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation)

1-14443

(Commission  
File Number)

04-3099750

(IRS Employer  
Identification No.)

P.O. Box 10212  
56 Top Gallant Road  
Stamford, CT 06902-7747

(Address of principal executive offices, including Zip Code)

(203) 316-1111

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter):

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act:

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**Item 7.01 Regulation FD Disclosure.**

On February 15, 2018, Gartner, Inc. (the “Company”) plans to make investor presentations that include the slides furnished as Exhibit 99.1 to this Current Report on Form 8-K. The slides contained in Exhibit 99.1 are also posted on the Company’s website at [www.gartner.com](http://www.gartner.com).

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01 and in Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 8.01 Other Events.**

On February 15, 2018, the Company announced that it will hold its 2018 Annual Meeting of Stockholders at 10:00 a.m. eastern time on May 24, 2018 at the Company’s offices in Stamford, Connecticut.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Gartner, Inc. Investor Presentation dated February 15, 2018</a>

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**SIGNATURE**

Pursuant to requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Gartner, Inc.

Date: February 15, 2018

By: /s/ Craig W. Safian  
Craig W. Safian  
Executive Vice President and Chief Financial Officer

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## EXHIBIT INDEX

Exhibit No.	Description
99.1	Gartner, Inc. Investor Presentation dated February 15, 2018.

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2018

Investor  
Day

Gartner.

# Disclaimer & 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 and Quarterly Reports on Form 10-Q.

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 February 15, 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.

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 Current Report on Form 10-Q for the period ended September 30, 2017.

References in this presentation to "Heritage Gartner" operating results and business measurements refer to Gartner excluding CEB.

# Gartner Investor Day 2018 Agenda

- Gene Hall, CEO
- Peter Sondgaard, EVP, Research & Advisory
- Break for lunch
- Joe Beck, EVP, Global Technology Sales
- Chris Thomas, EVP, Global Business Sales
- Craig Safian, EVP & CFO
- Q&A – Gene Hall & Craig Safian

# Strategy for Achieving Sustained Double Digit Growth

GENE HALL

# Investor Day

**Gartner**





Detailed overview  
of our business



Continue creating  
extraordinary value



Long-term, double  
digit growth in key  
financial metrics

# Gartner Overview



**\$4B+**  
**Revenues**



**15,000**  
**Associates**

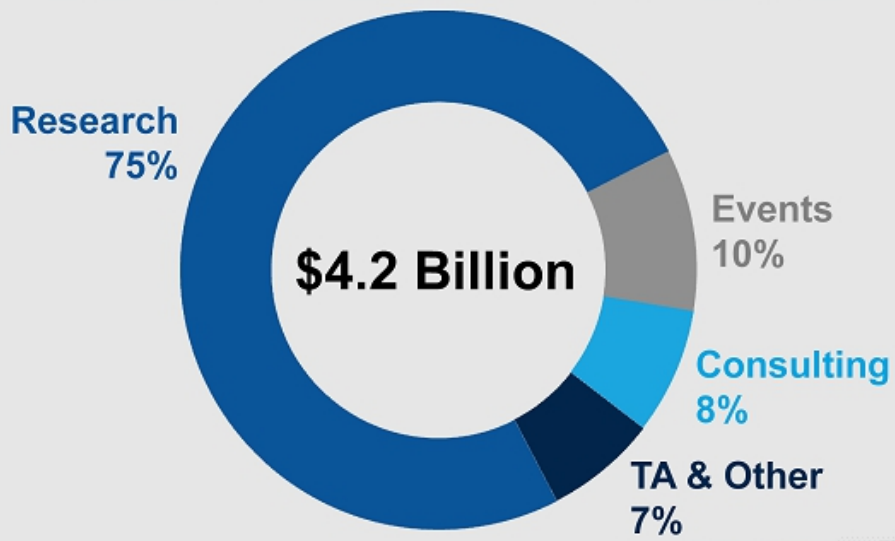


**12,000 Client**  
**Enterprises**

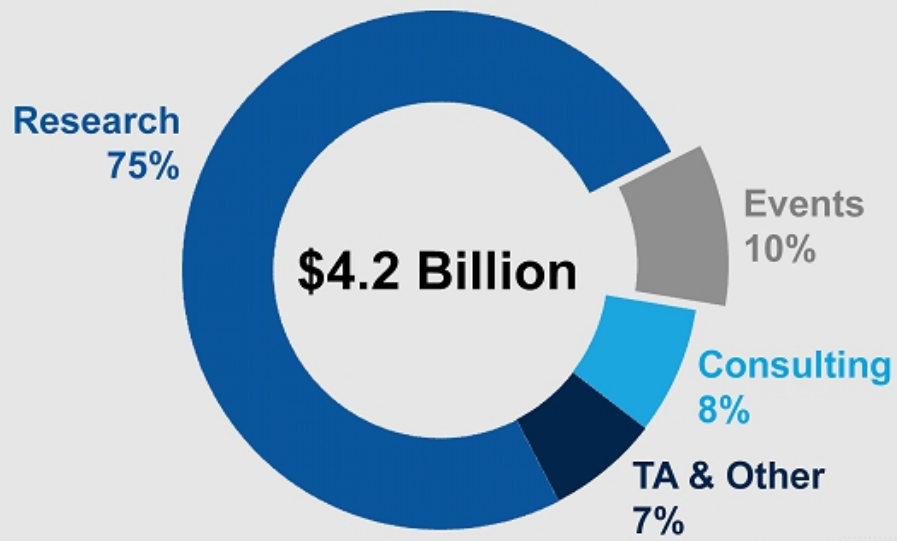


**100**  
**Countries**

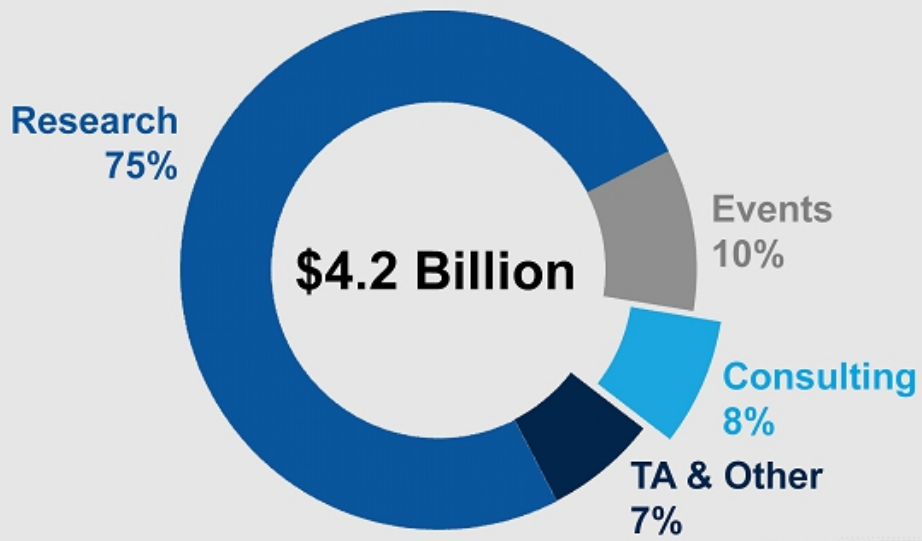
# Gartner Business Segments



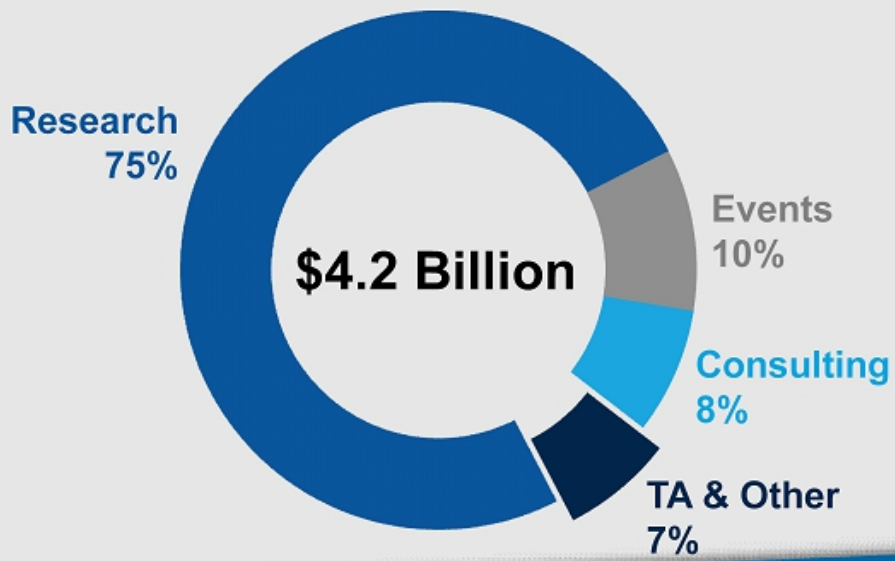
# Gartner Business Segments



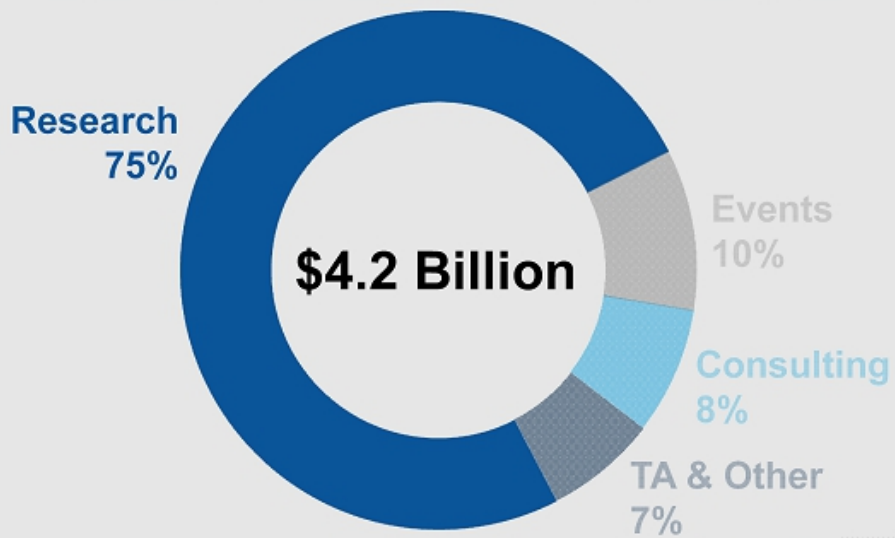
# Gartner Business Segments



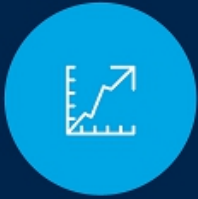
# Gartner Business Segments



# Gartner Business Segments



# Our Strong Value Proposition for Clients



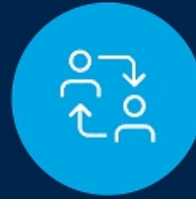
**Actionable  
Insights**



**Products, Pricing  
and Terms**



**Benchmarks**



**Connect  
with Peers**



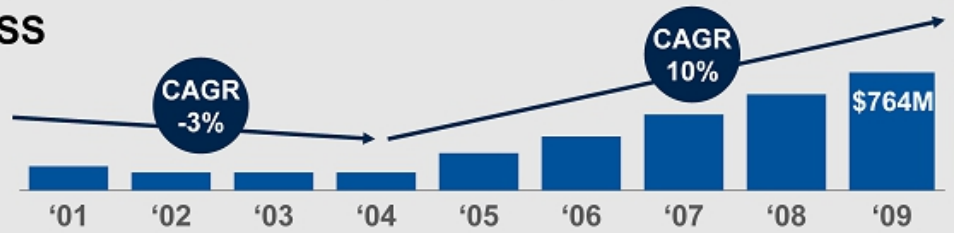
**Professional  
Development**



**Gartner®**

# Developing the Gartner Formula

## TECHNOLOGY BUSINESS



Indispensable Insights	v1
Exceptional Talent	v1
Sales Excellence	v1
Enabling Infrastructure	v1
Globally Consistent Execution	v1
Continuous Improvement & Innovation	v1

# The Gartner Formula

For Sustained  
Long-Term Double  
Digit Growth



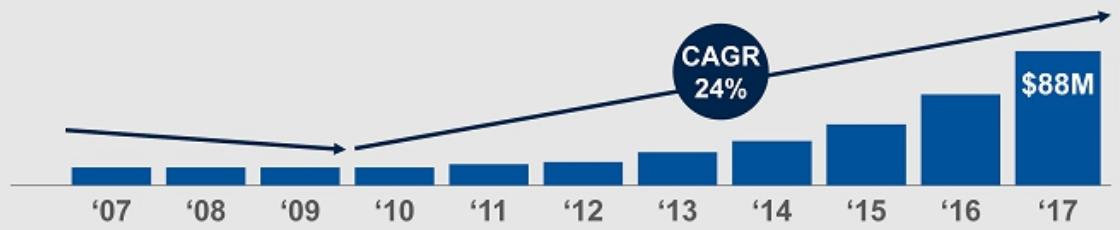
# Gartner Market Opportunity

\$55B



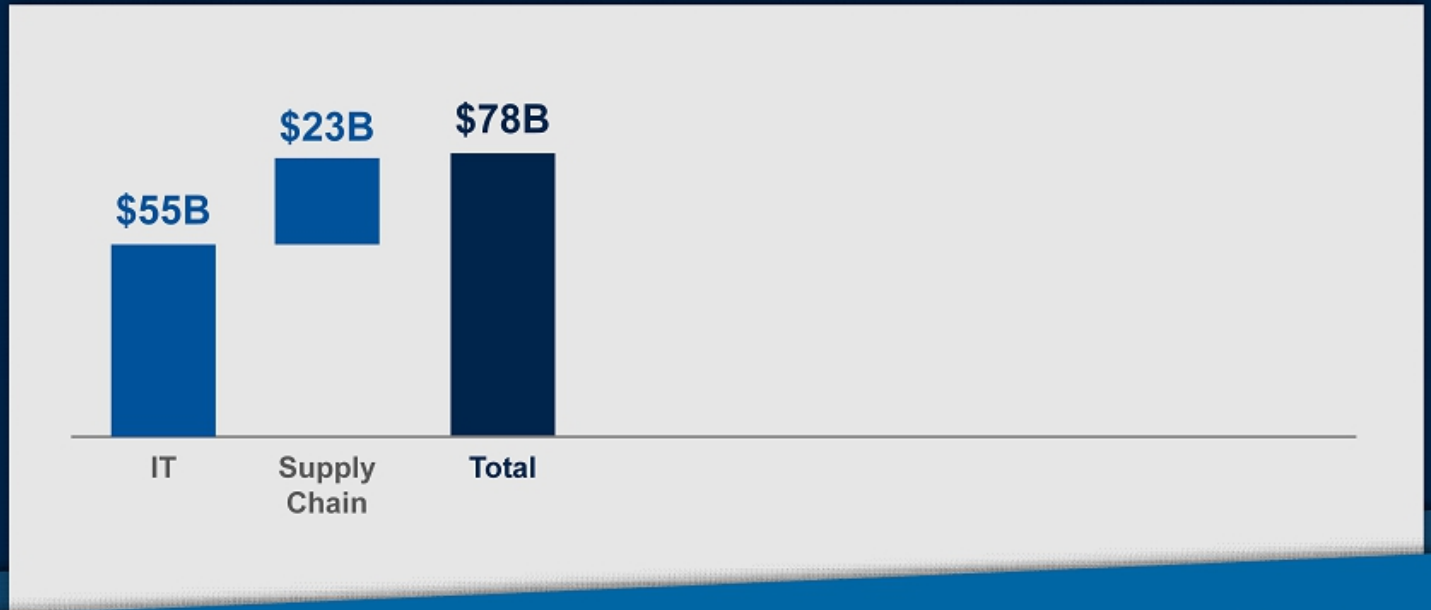
IT

# Applying the Gartner Formula to Accelerate Supply Chain

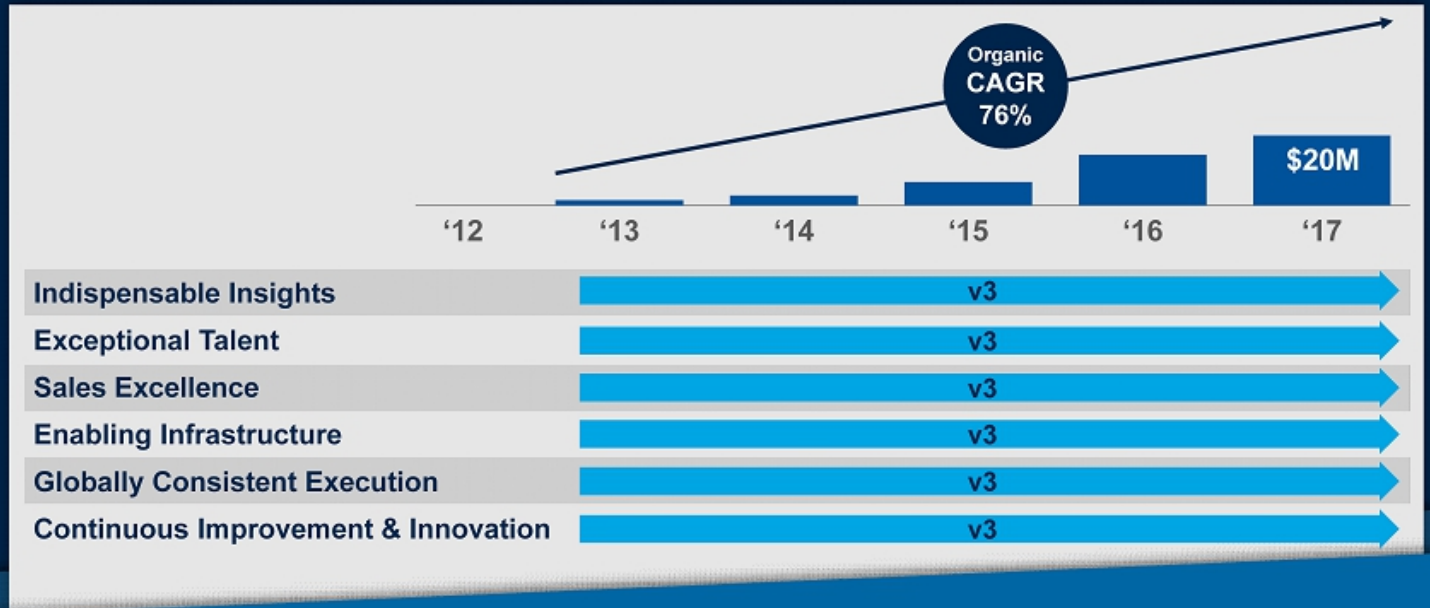


Indispensable Insights	v2	v3
Exceptional Talent	v2	v3
Sales Excellence	v2	v3
Enabling Infrastructure	v2	v3
Globally Consistent Execution	v2	v3
Continuous Improvement & Innovation	v2	v3

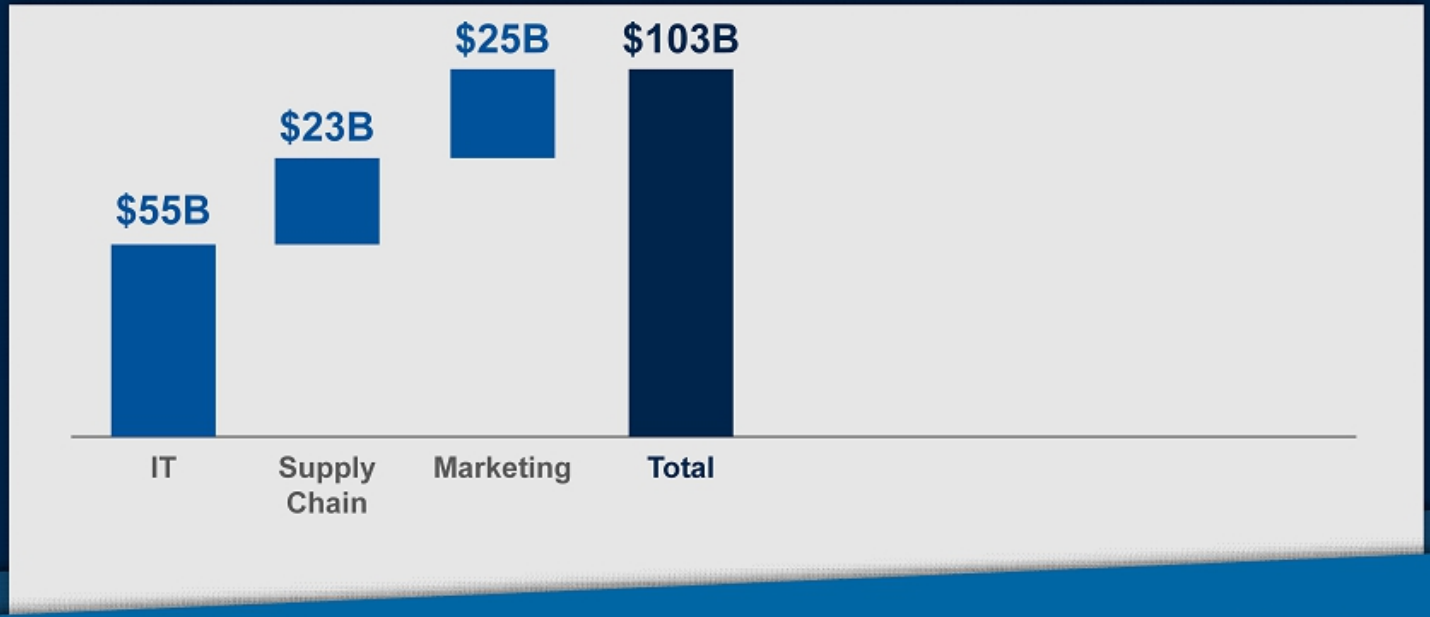
# Gartner Market Opportunity



# Applying the Gartner Formula to Grow Marketing

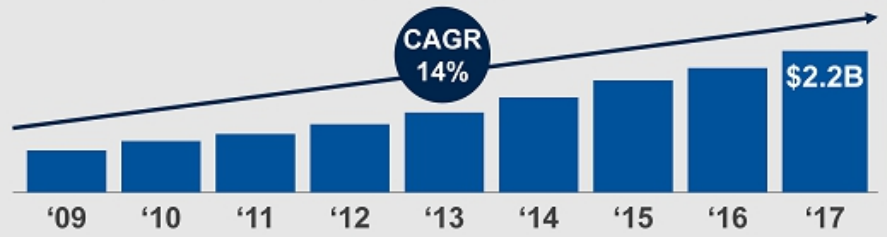


# Gartner Market Opportunity



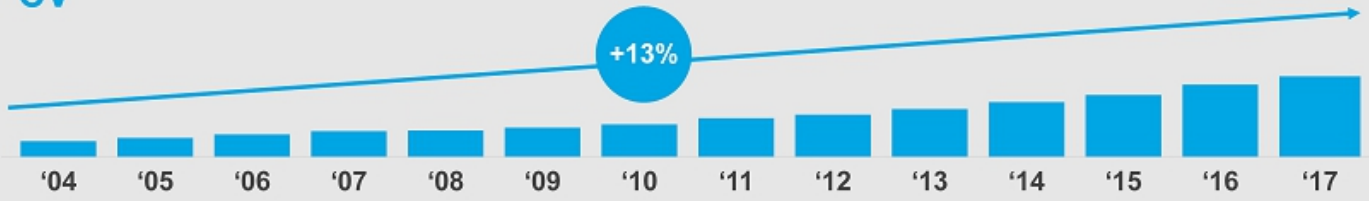


# Applying the Gartner Formula to Accelerate Technology Contract Value Growth

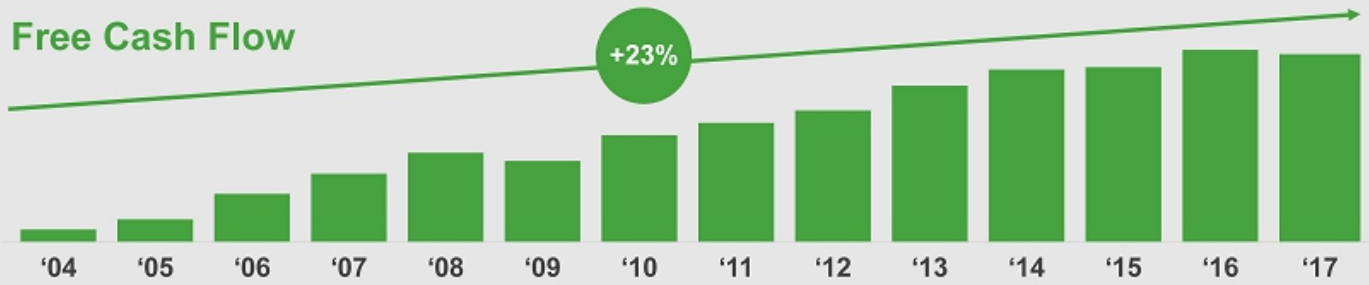


Indispensable Insights	v2	v3
Exceptional Talent	v2	v3
Sales Excellence	v2	v3
Enabling Infrastructure	v2	v3
Globally Consistent Execution	v2	v3
Continuous Improvement & Innovation	v2	v3

## CV

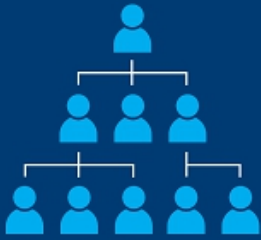


## Free Cash Flow



Note: Free cash flow is combined for 2017  
Please see appendix for free cash flow definition and reconciliation

# Three Megaforces Driving Unprecedented Change



TECHNOLOGY  
PERVASIVENESS



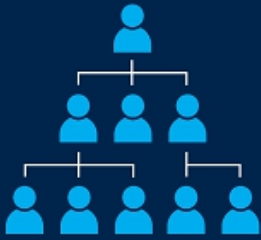
TECHNOLOGY-DRIVEN  
INDUSTRY DISRUPTION



MACROECONOMIC  
& POLITICAL VOLATILITY



# Three Megaforces Driving Unprecedented Change



TECHNOLOGY  
PERVASIVENESS



TECHNOLOGY-DRIVEN  
INDUSTRY DISRUPTION



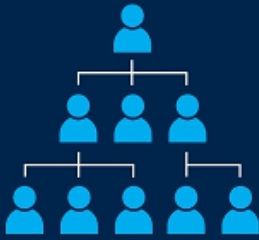
MACROECONOMIC  
& POLITICAL VOLATILITY

# The Scope, Scale and Impact of Technology-Driven Disruption is Enormous

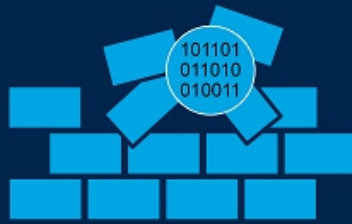


\*Trademarks depicted are the property of the respective companies.

# Three Megaforces Driving Unprecedented Change



TECHNOLOGY  
PERVASIVENESS



TECHNOLOGY-DRIVEN  
INDUSTRY DISRUPTION



MACROECONOMIC  
& POLITICAL VOLATILITY

# Technology + Business Expertise Drives Value



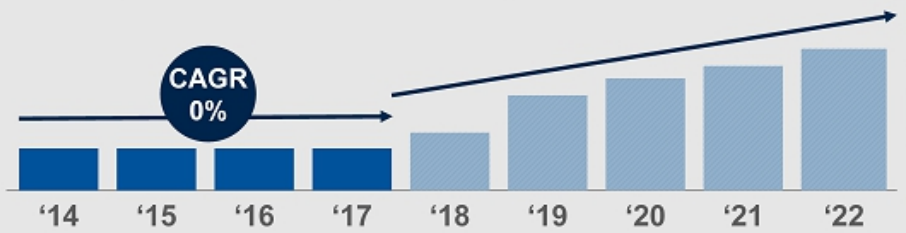
Functional  
Expertise



Technology  
Expertise

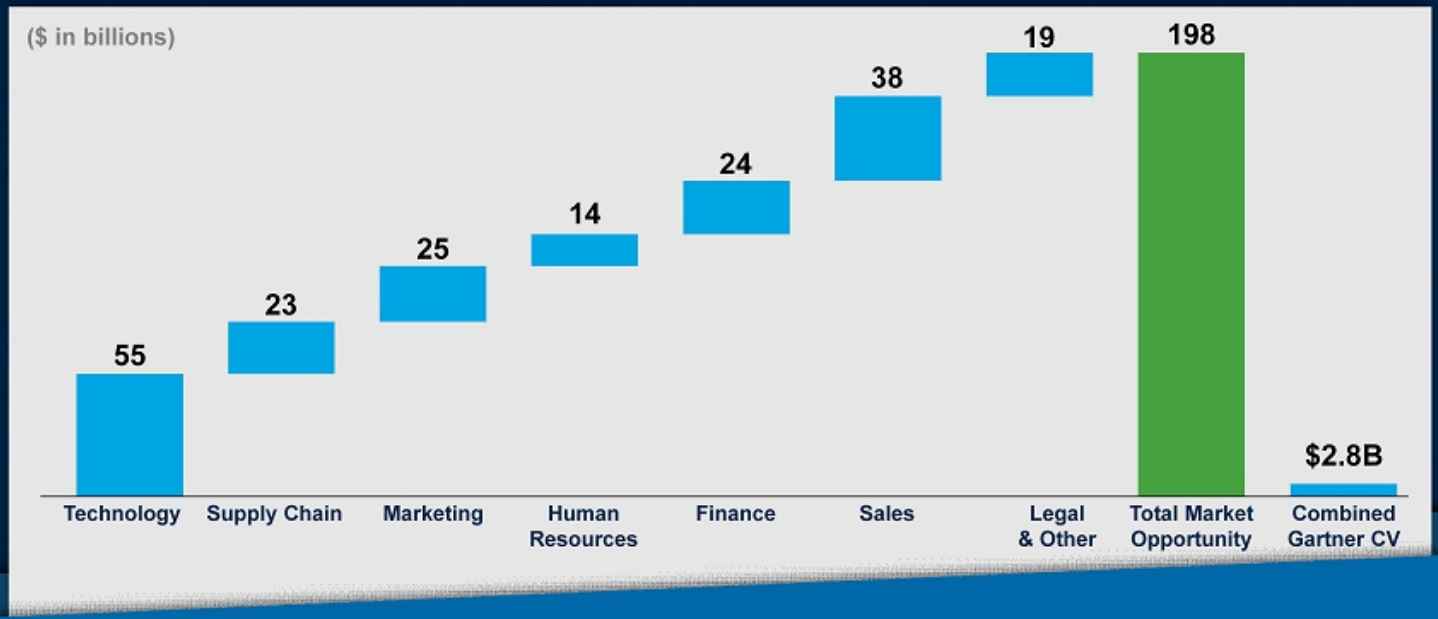


# Applying the Gartner Formula to Grow Heritage CEB

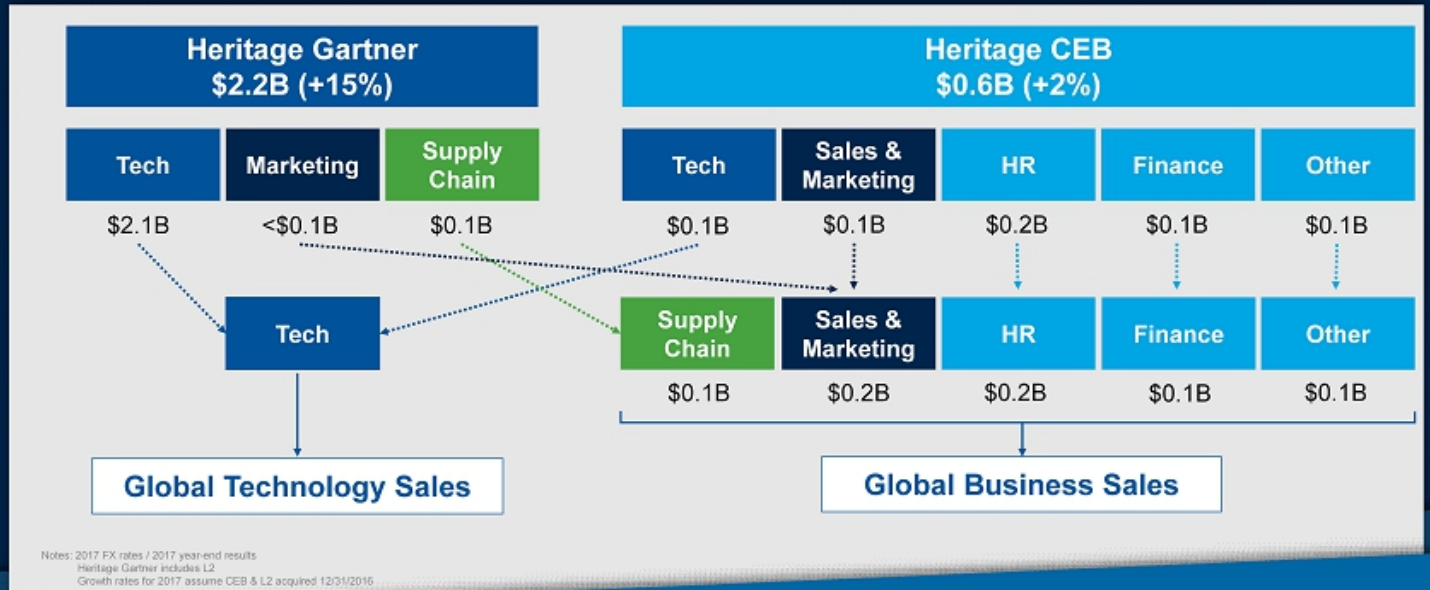


Indispensable Insights	v4
Exceptional Talent	v4
Sales Excellence	v4
Enabling Infrastructure	v4
Globally Consistent Execution	v4
Continuous Improvement & Innovation	v4

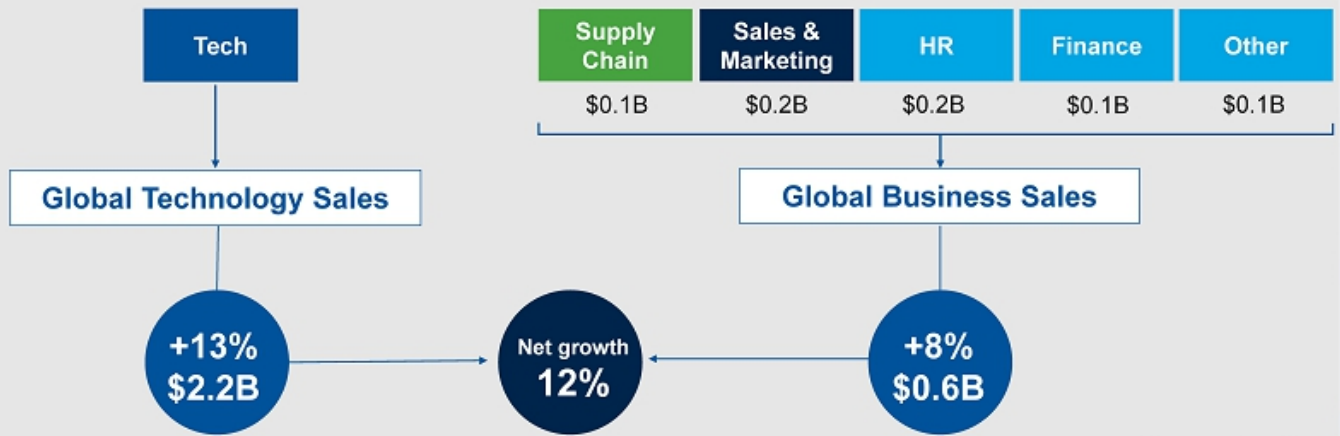
# Large Market Opportunity



# Maximizing Growth While Minimizing Risk



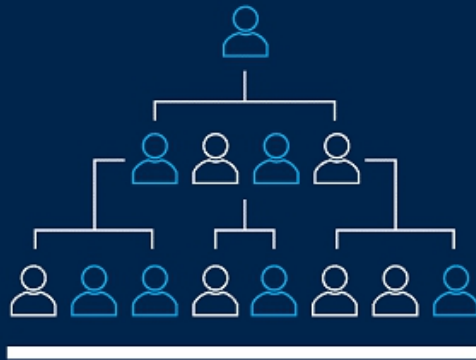
# Maximizing Growth While Minimizing Risk



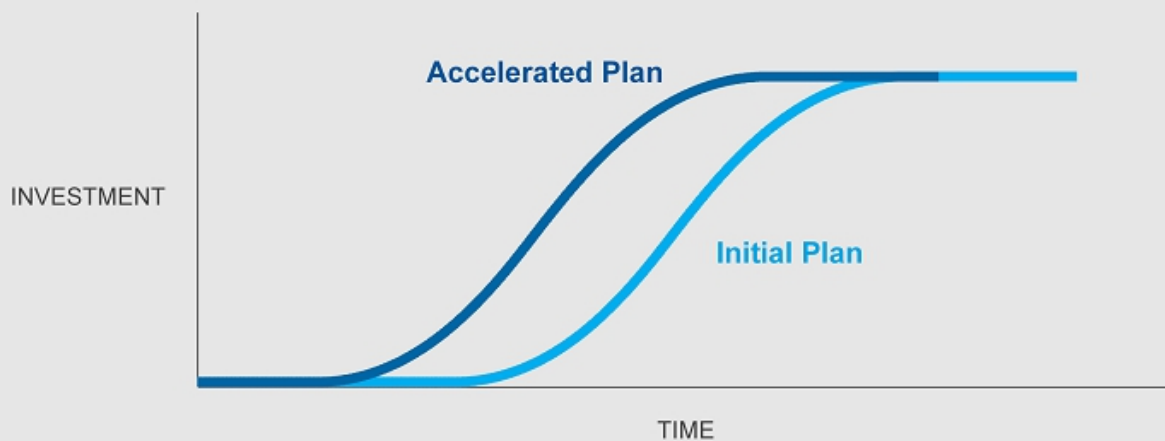
Notes: 2017 FX rates / 2017 year-end results  
Heritage Gartner includes L2  
Growth rates for 2017 assume CEB & L2 acquired 12/31/2016

Better Together

Gartner® +  CEB  
is now Gartner.



# Accelerating Growth Investments



# In Summary



The **Gartner Formula** drives sustained, double digit growth



Gartner + CEB gives us **leading capabilities and a large market opportunity**



**Experienced, capable** leadership team



Integration approach to **maximize growth while minimizing risk**

**Gartner®**



# Indispensable Insights for Every Function Across the Enterprise

PETER SONDERGAARD

# Investor Day

**Gartner.**



Better  
Together



Leverage  
Everywhere



Urgent and  
Relevant

# Gartner Research & Advisory

Combined two exceptional research models

**Gartner**<sup>®</sup>



 **CEB**  
is now Gartner.

**Analyst-driven, syndicated  
research and advisory services**

**Best practices and talent  
management insights**



**Better Together**

**Gartner.**

# Gartner Serves All Major Functions



Information  
Technology



Supply Chain



Marketing



Human  
Resources



Sales



Customer  
Svc. & Support



Finance



Legal



General  
Manager



# Three Complementary Research Models



# One Research & Advisory Organization at Scale





# Better Together



**Gartner**

**HELEN POITEVIN**  
*Research Director,*  
Human Capital  
Management Technologies

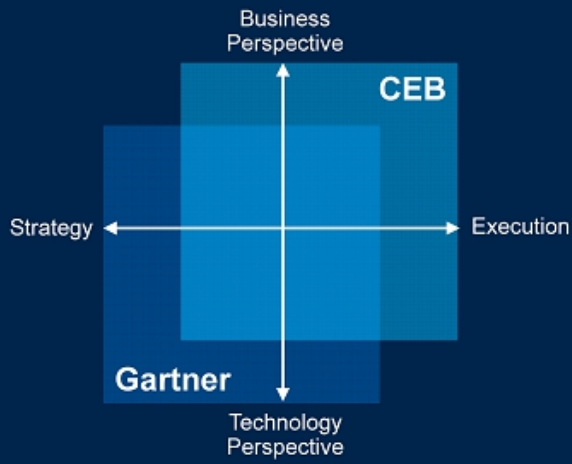


 **CEB**  
is now Gartner

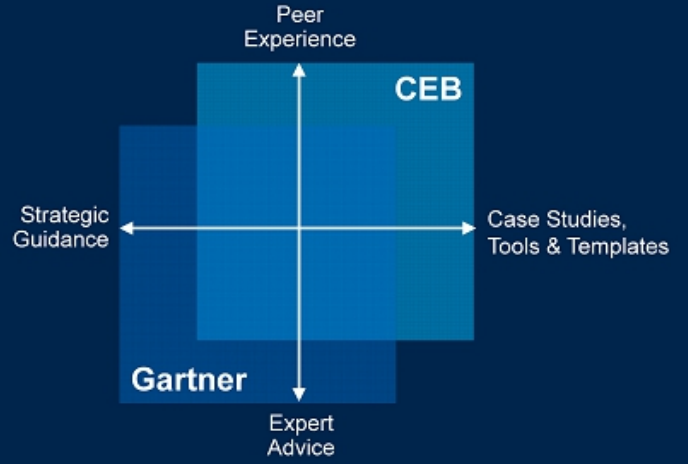
**DION LOVE**  
*Principal Executive Advisor,*  
HR

# Highly Complementary Value Propositions

## What Clients Need



## How Needs are Met



Source: Interviews with joint clients

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**Gartner**



**Leverage Everywhere**

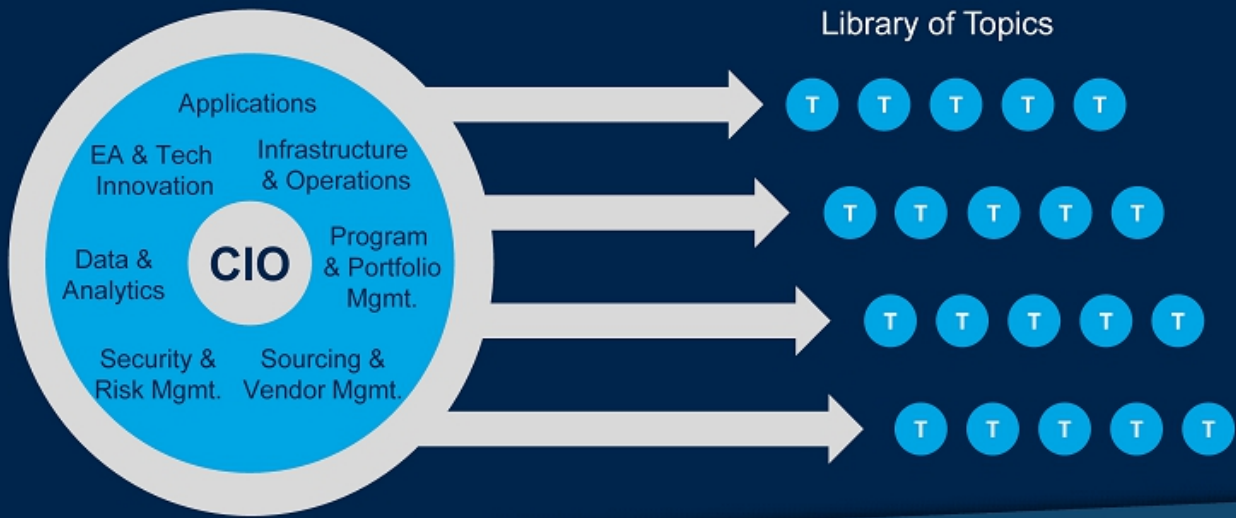
**Gartner.**

	 Information Technology	 Supply Chain	 Marketing	 Human Resources	 Sales	 Customer Svc. & Support	 Finance	 Legal	 General Manager
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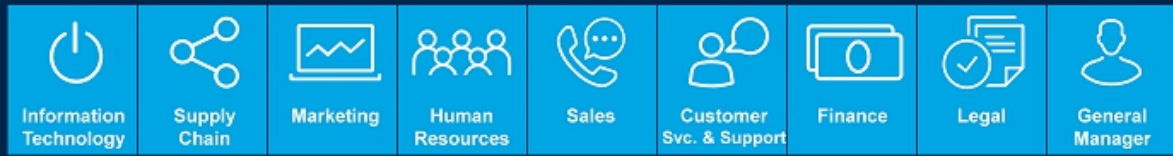
Global CxO	●	●	●	●	●	●	●	●	●
CxO	●	●	●	●	●	●	●	●	●
Enterprise Leaders	●	●	●	●	●	●	●	●	●
Leaders	●	●	●	●	●	●	●	●	●
Professionals	●	●	●	●	●	●	●	●	●

● Research & Advisory coverage

# Gartner Prioritizes and Invests in Covering What is Important to Each Role

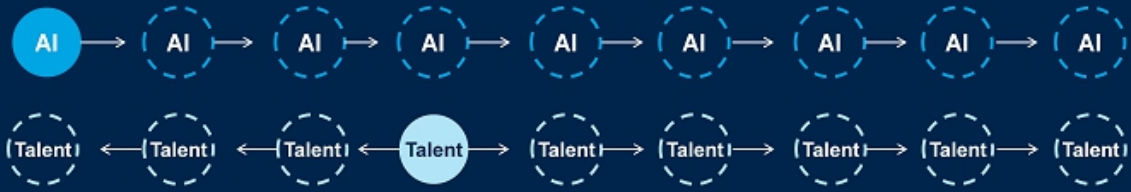
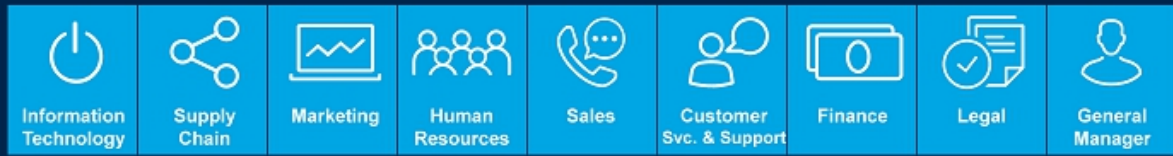


# Leveraging Content Everywhere



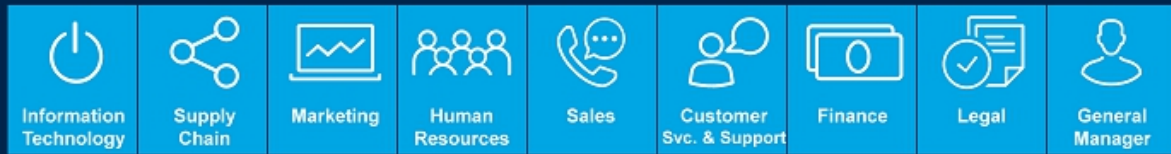
# VIDEO

# Leveraging Content Everywhere





# Topics That Impact All Functions





# Urgent and Relevant

Gartner.

# Technology Trends Impacting All Functions

- ✓ Artificial Intelligence
- ✓ Software Everywhere
- ✓ Internet of Things
- ✓ Cloud to the Edge
- ✓ Blockchain

# Nexus of Forces



# Key Priorities for HR Leaders



Customize HR-Employee Interactions



Team-Based Performance Management



Digitalize HR

Source: Gartner Survey, December 2017

# VIDEO

# Key Priorities for Finance Leaders



Optimize Costs



Grow the Business



Recruit and Retain the Best Talent

Source: Gartner Survey, December 2017

# Key Priorities for Sales Leaders



New Customer Acquisition



Existing Account Retention and Growth

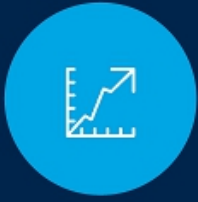


Sales Talent Acquisition and Retention

Source: Gartner Survey, December 2017



# Our Strong Value Proposition for Clients



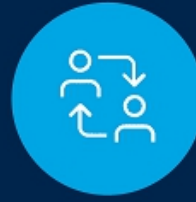
**Actionable  
Insights**



**Products, Pricing  
and Terms**



**Benchmarks**



**Connect  
with Peers**



**Professional  
Development**

# Summary



Better  
Together



Leverage  
Everywhere



Urgent and  
Relevant

# Global Technology Sales

JOE BECK, EVP

# Investor Day

**Gartner.**



**\$2.2B**  
in Contract Value



**2,700**  
sales people



**1,200**  
enterprises

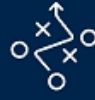


Selling in  
**100**  
countries



LARGE

**Opportunity**



EFFECTIVE

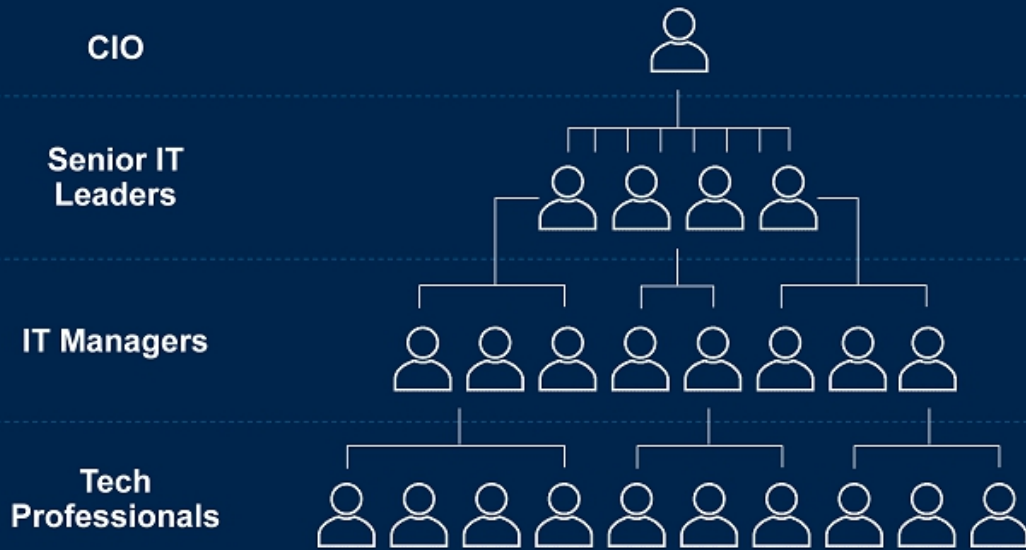
**Strategy**



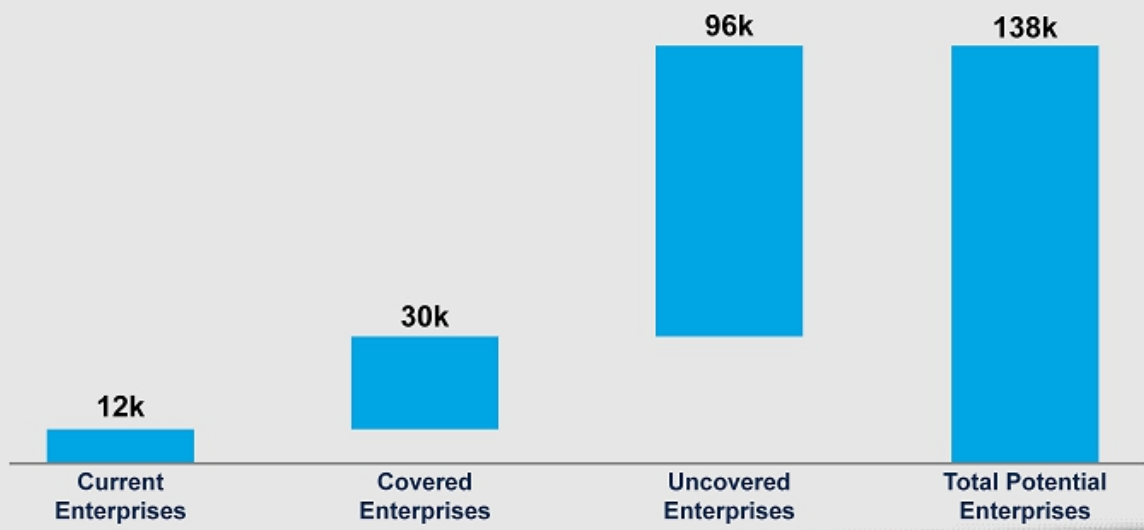
UNRIVALED

**Capabilities**

# Covering the Entire IT Organization



# Market Opportunity – New Enterprise Opportunity

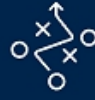


# GTS Sales Excellence



LARGE

**Opportunity**



EFFECTIVE

**Strategy**

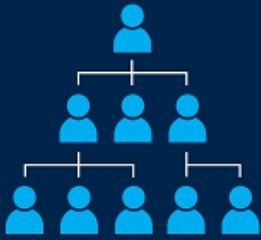


UNRIVALED

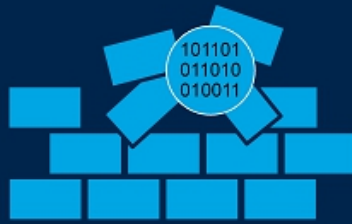
**Capabilities**



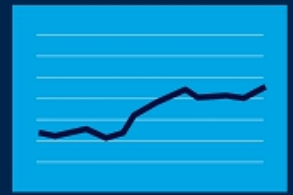
# Three Megaforces Driving Unprecedented Change



TECHNOLOGY  
PERVASIVENESS



TECHNOLOGY-DRIVEN  
INDUSTRY DISRUPTION



MACROECONOMIC  
& POLITICAL VOLATILITY



## Helping Clients Cut Costs

- Leverage tools
- Optimize cost
- Return to growth

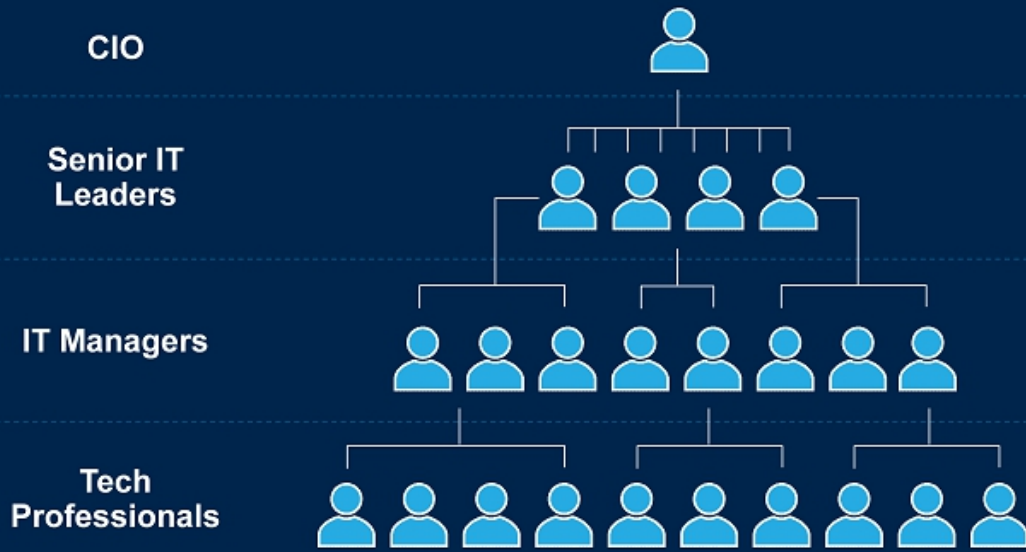


# Helping Clients Fuel Growth





# Covering the Entire IT Organization



Better Together

Gartner®

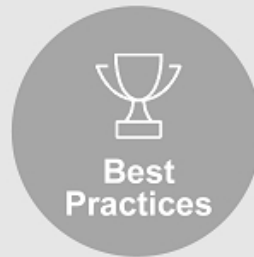


 **CEB**  
is now Gartner®

# VIDEO



# Sales Excellence Playbook



# Strategies to Capture Market Opportunity



Globally Diverse  
Sales Organization



Matched to  
Global Opportunity



Agile Territory  
Planning Capabilities

# Gartner Sales: A Great Place to Work

## Gartner Culture

- Strategic relationships
- Collaboration
- Leading tools and best practices
- Innovative products



# Gartner Sales: A Great Place to Work

**glassdoor** Best Place To Work, Employees' Choice Winner 2013, 2014, 2015 and 2016

**Forbes** Most Innovative Growth Companies 2015  
America's Best Midsize Employers 2016 & 2017  
Best Mgmt. Consulting Firms 2017

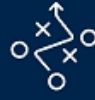
**LinkedIn** Top 50 Companies To Work For 2017  
Top 25 Most Socially Engaged Companies





LARGE

**Opportunity**



EFFECTIVE

**Strategy**



UNRIVALED

**Capabilities**

The image features the Gartner logo in white text on a blue background. The background is composed of several overlapping geometric shapes in different shades of blue, creating a dynamic, layered effect. The logo itself is the word "Gartner" in a bold, sans-serif font, followed by a registered trademark symbol (®).

**Gartner®**

# Global Business Sales

CHRIS THOMAS, EVP

# Investor Day

**Gartner.**

# Applying the Gartner Formula Across GBS







Who  
are we?



How have we  
reset the foundation?



How are we applying  
Sales Excellence to drive  
accelerated growth?

- Information Technology
- Supply Chain
- Marketing
- Human Resources
- Sales
- Customer Svc. & Support
- Finance
- Legal
- General Manager



**\$600M**  
in Contract Value



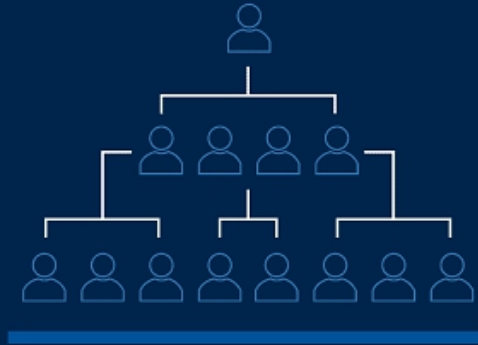
**700**  
sales people



**73%**  
of sales people are  
based in the U.S.

Better Together

Gartner® +  CEB  
is now Gartner.



# Resetting the Foundation for Growth

Functional Alignment

Research Growth

Seat-Based Solutions

No Discounting

Consistent Price Increases

GBS

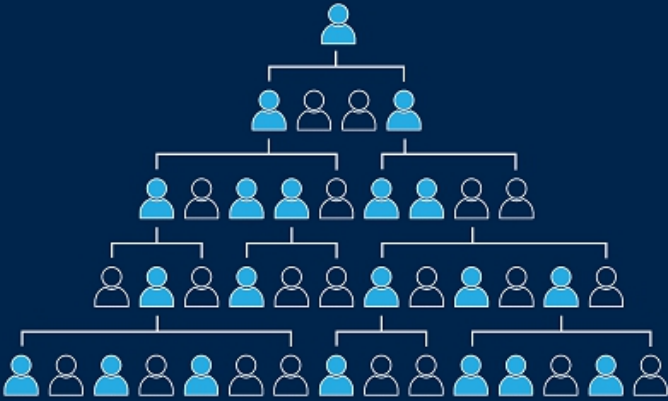
Marketing

Supply Chain

Tech

# Enterprise

# Seat-Based



# Resetting the Foundation for Growth

Functional Alignment

Research Growth

Seat-Based Solutions

No Discounting

Consistent Price Increases

GBS

Marketing

Supply Chain

Tech



TEAM



OPPORTUNITY



CAPACITY



CAPABILITIES



BEST  
PRACTICES



TEAM



OPPORTUNITY



CAPACITY



CAPABILITIES



BEST  
PRACTICES



# VIDEO



TEAM



OPPORTUNITY



CAPACITY



CAPABILITIES



BEST  
PRACTICES



TEAM



OPPORTUNITY



CAPACITY



CAPABILITIES



BEST  
PRACTICES

A photograph of a man in a dark suit and white shirt standing at a podium on a stage. The stage is lit with blue light. Behind him is a large screen displaying the Gartner logo. In the foreground, the silhouettes of an audience are visible, looking towards the speaker.

Gartner

Distribution Resources Warehouse  
Logistics Manufacturing  
People **Technology** Shipping  
Processing Transportation Materials  
Availability Inventory Operations  
Planning Storage

# VIDEO



TEAM



OPPORTUNITY



CAPACITY



CAPABILITIES



BEST  
PRACTICES



TEAM



OPPORTUNITY



CAPACITY



CAPABILITIES



BEST  
PRACTICES





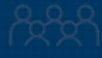
Information



Supply Chain



Marketing



Human Resources



Sales



Customer Svc. & Support



Finance



Legal



General Manager

12,000

\$90,000

\$1Billion+





TEAM



OPPORTUNITY



CAPACITY



CAPABILITIES



BEST  
PRACTICES

# Three Complimentary Research Models





TEAM



OPPORTUNITY



CAPACITY

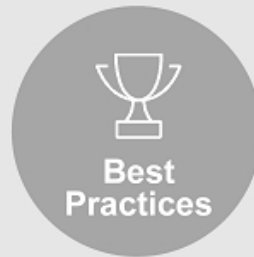


CAPABILITIES



BEST  
PRACTICES

# Sales Excellence Playbook



# Leveraging Gartner's Enabling Infrastructure



# Sustained Long-Term Double Digit Growth



TEAM



OPPORTUNITY



CAPACITY



CAPABILITIES



BEST  
PRACTICES



# The Gartner Business Model

CRAIG SAFIAN

Investor  
Day

Gartner.

# The Gartner Formula



Large Market Opportunity

Attractive Gartner Business Model

Invest to Drive Growth and Value

# The Gartner Formula



Large Market Opportunity

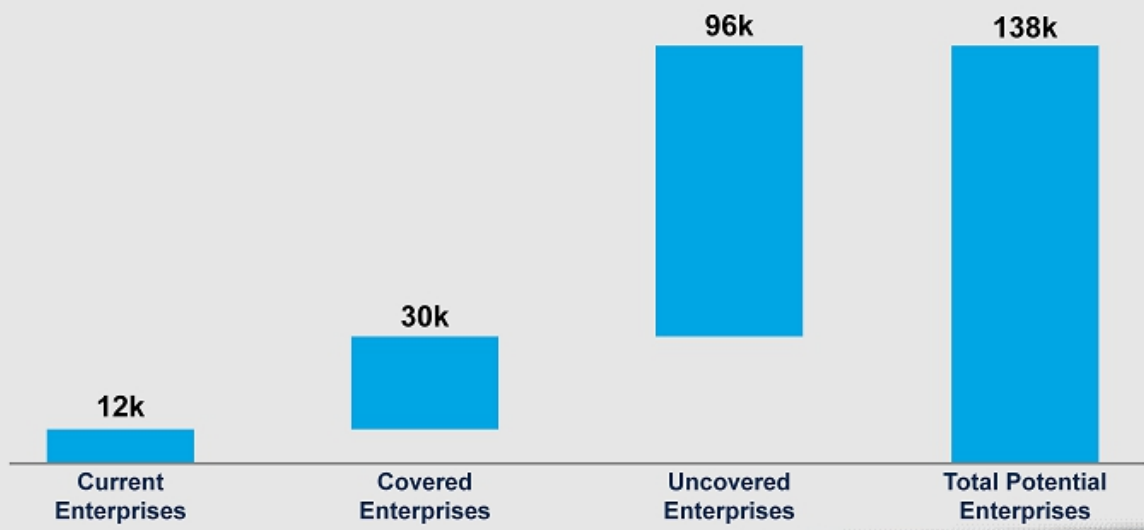
Attractive Gartner Business Model

Invest to Drive Growth and Value

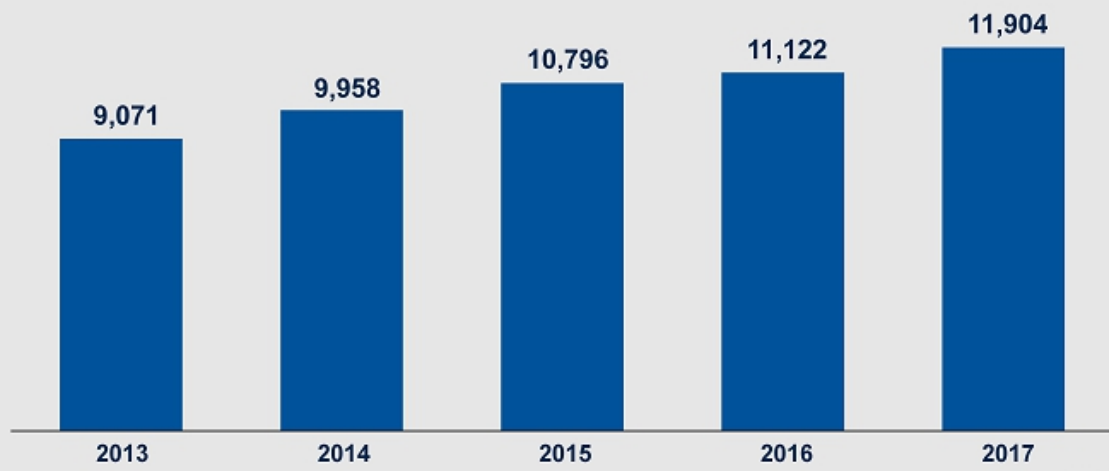
# In Depth Look at Our Market Opportunity



# Market Opportunity: New Enterprise Opportunity

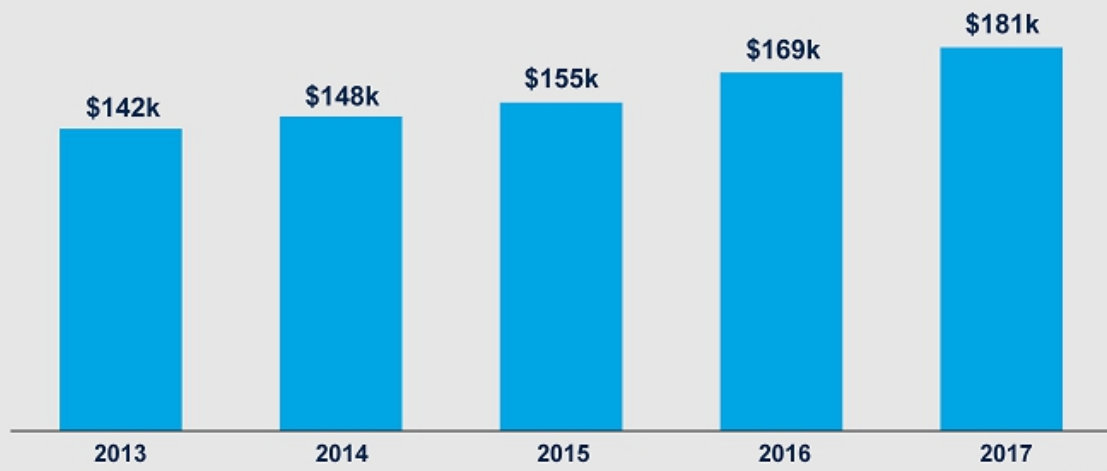


# Increasing Number of Enterprises



Note: Heritage Gartner

# Increasing Average CV per Enterprise



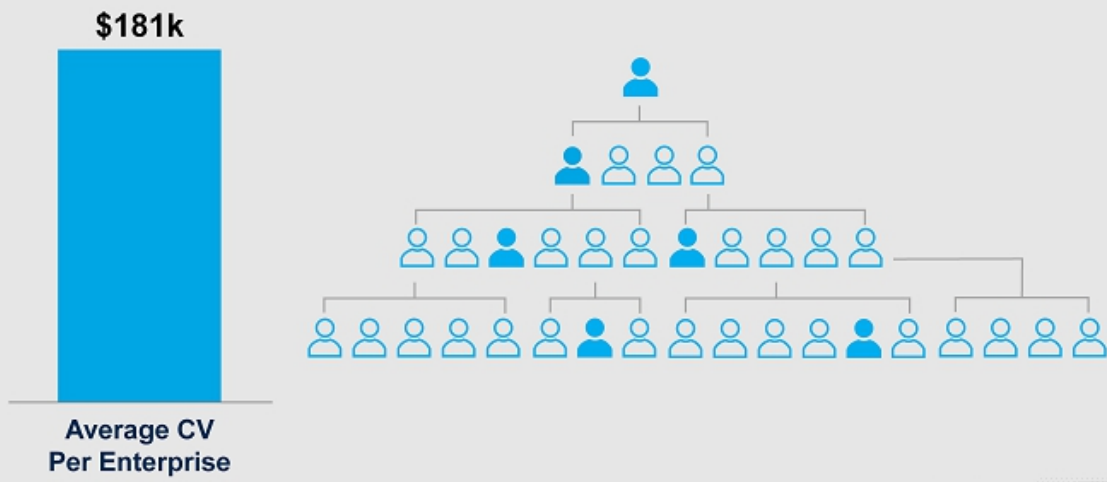
Note: Heritage Gartner, Tech only

# Growing Within Existing Enterprises

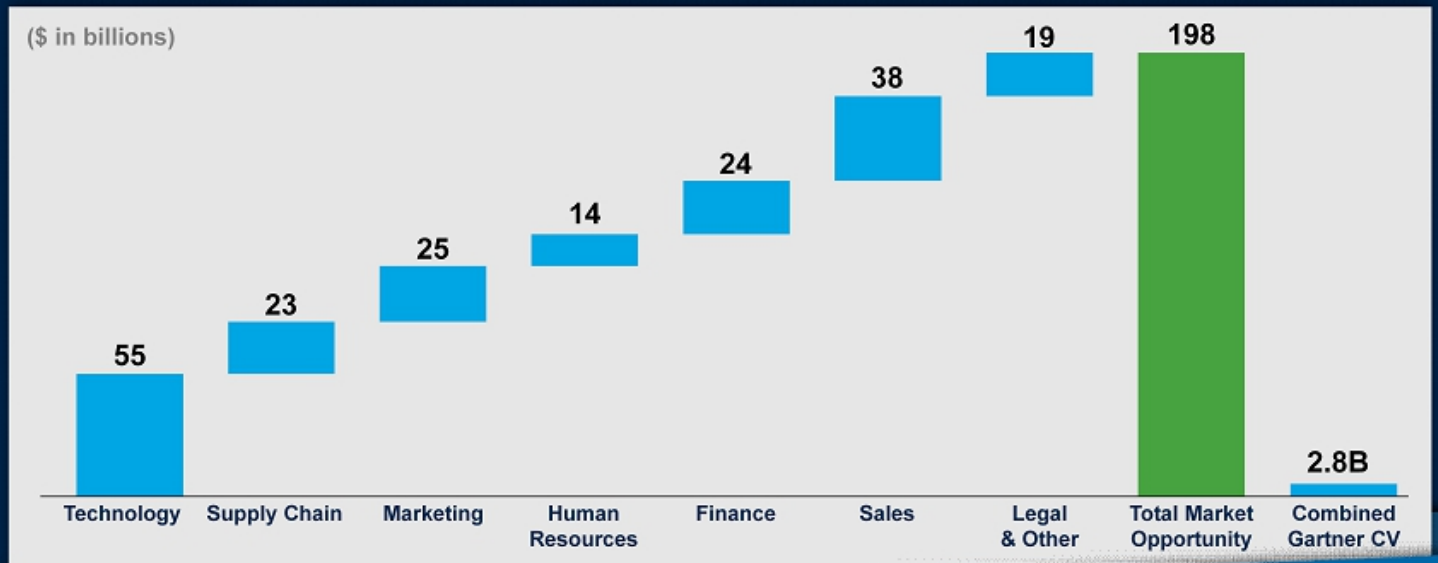




# Growing Within Existing Enterprises



# Large Market Opportunity



Source: Internal Gartner estimates

Technology




Supply Chain




Marketing




Human Resources



Sales




Customer Svc. & Support



Finance



Legal



General Manager

12,000

\$90,000

\$1 Billion+

# The Gartner Formula

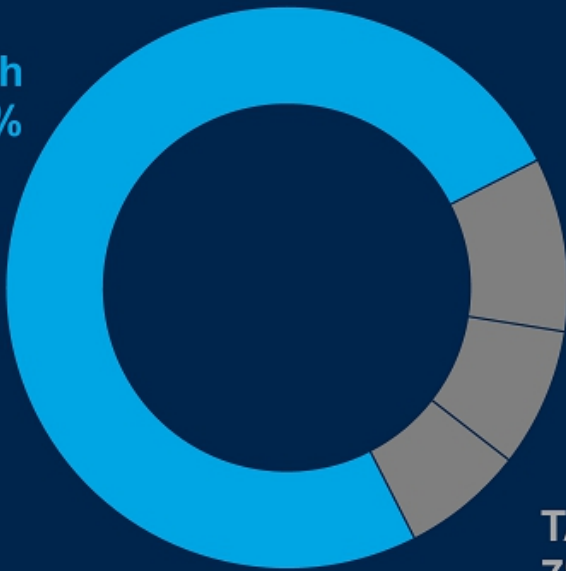


Large Market Opportunity

Attractive Gartner Business Model

Invest to Drive Growth and Value

**Research**  
75%



**Events**  
10%

**Consulting**  
8%

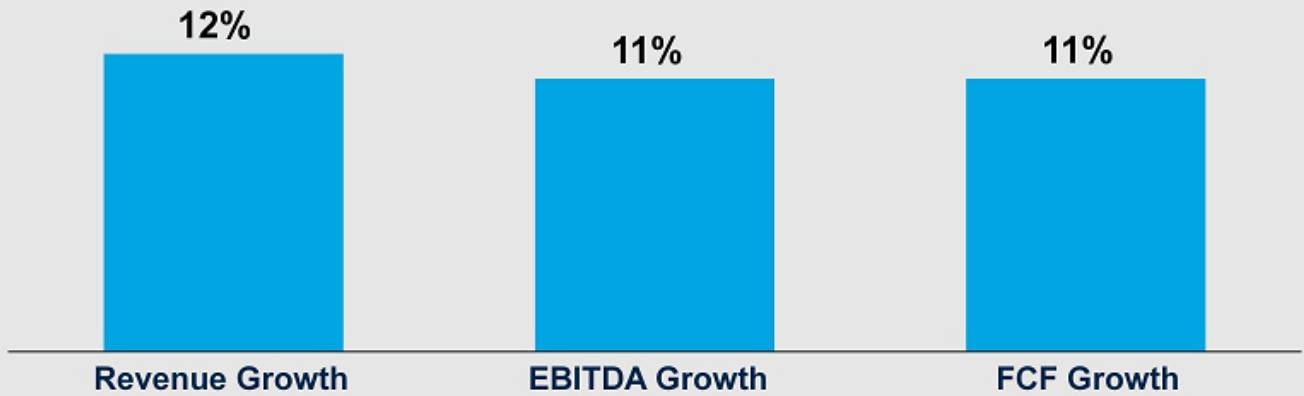
**TA & Other**  
7%

# The Gartner Business Model

For Sustained  
Long-Term Double  
Digit Growth

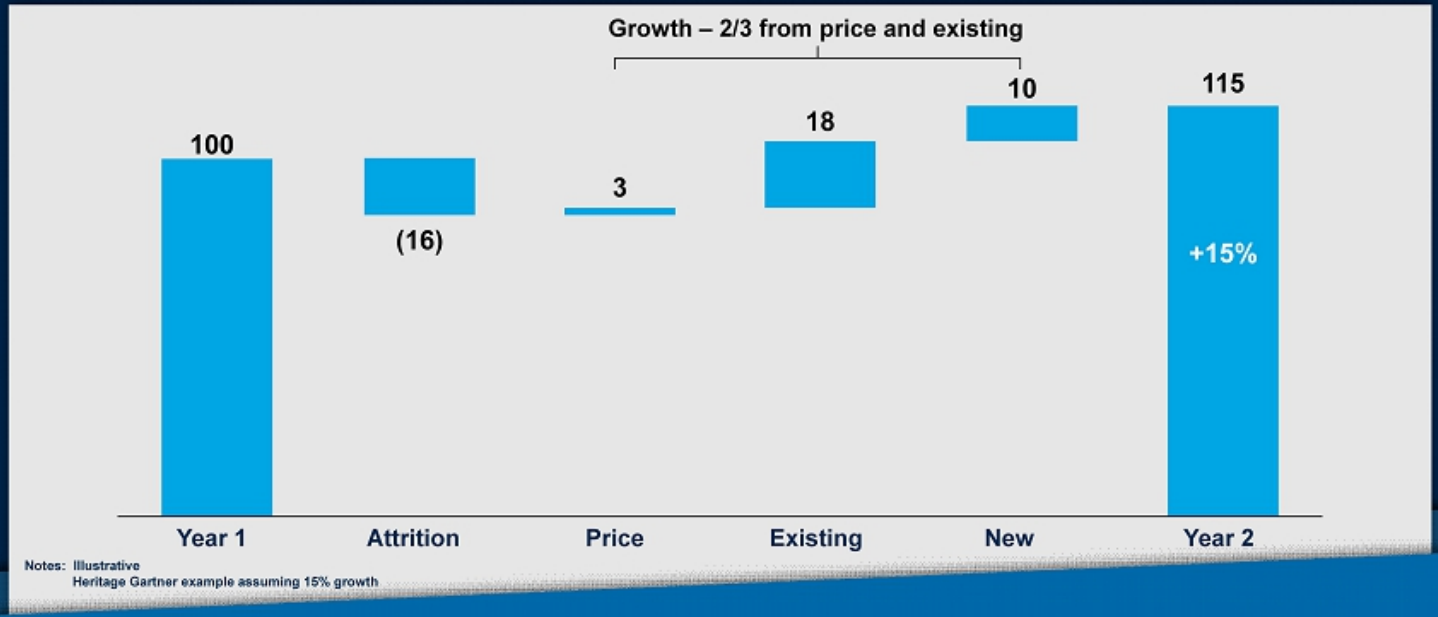


# Projected Double Digit Growth in 2018



Notes: Growth based on mid-point of 2018 guidance  
Revenue growth based on combined adjusted revenue  
EBITDA growth based on combined adjusted EBITDA  
FCF based on combined free cash flow, adjusted for Q4 billing timing  
Please see appendix for non-GAAP reconciliation

# CV Growth Algorithm





# The Gartner Business Model

For Sustained  
Long-Term Double  
Digit Growth



# Research Gross Contribution Margin



# Total Gross Contribution Margin



G&A



Selling

**EBITDA** → **Free Cash Flow**

# The Gartner Formula



Large Market Opportunity

Attractive Gartner Business Model

Invest to Drive Growth and Value

# New Hire Investment



# Sales Productivity Gains



Note: Illustrative example



# Enabling Infrastructure



Recruiting



Training



Facilities



CRM with Smart AI

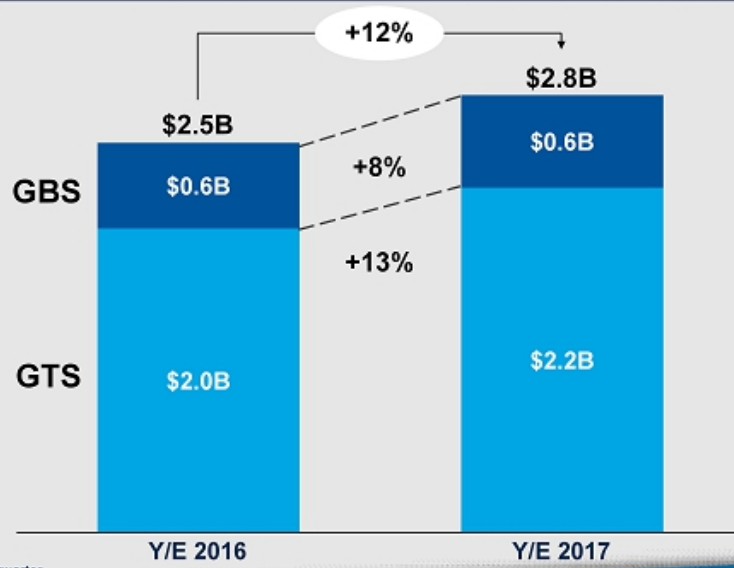


Sales Support



Centers of Excellence

# Global Technology and Global Business Sales: 2017 CV



Note: See appendix for details by quarter

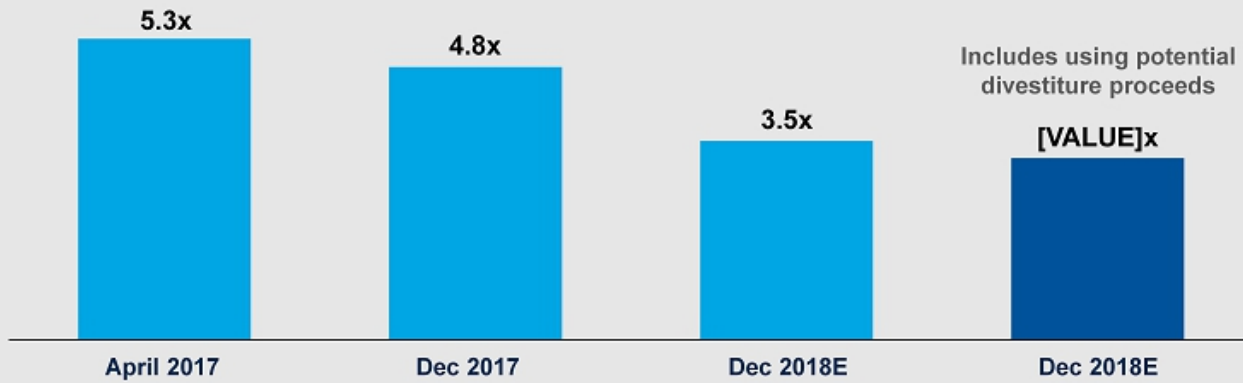
# Growth Objectives

		Growth Rate
Research	GTS	12 – 16%
	GBS	12 – 16%
Events		5 – 10%
Consulting		3 – 8%
Revenue		10 – 14%
Adjusted EBITDA		10 – 14%
Free Cash Flow		10 – 14%

Note: Please see appendix for non-GAAP definitions

# Capital Structure and Leverage

## Debt to EBITDA



Notes: April 2017 was time of closing for CEB acquisition  
Debt to EBITDA based on gross debt balances divided by LTM adjusted EBITDA  
Please see appendix for non-GAAP definitions

# Capital Allocation Strategy

**Strategic  
Acquisitions**

**Share  
Repurchases**

## The Gartner Formula



For Sustained  
Long-Term Double  
Digit Growth

## The Gartner Business Model



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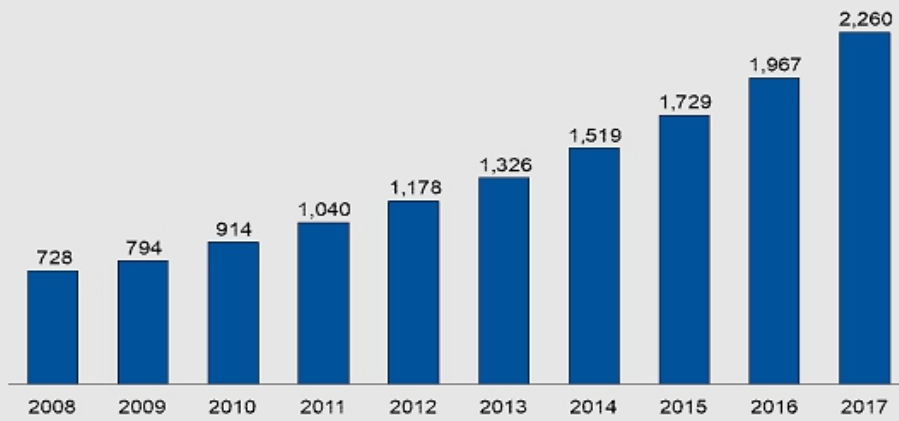
**Gartner®**

# Global Technology Sales and Global Business Sales

	Contract Value @ 2018 rates (\$M)								
	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
<b>GTS</b>	1,769	1,791	1,811	1,868	1,973	2,004	2,045	2,104	2,238
<b>GBS</b>	530	543	559	569	557	574	587	592	602

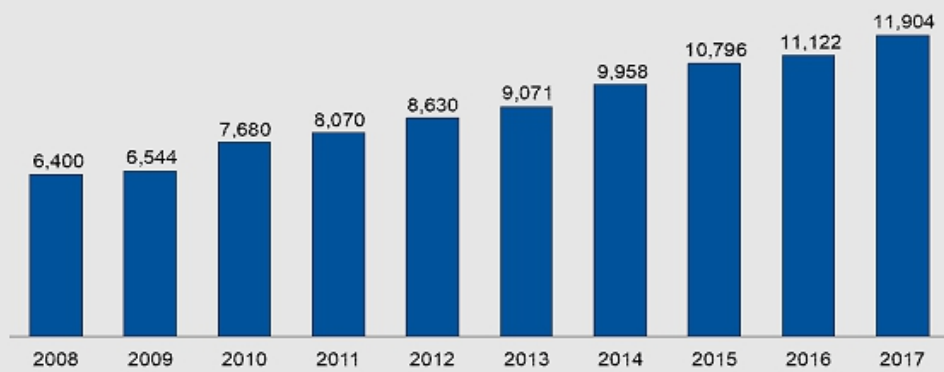


# Heritage Gartner: Contract Value\* (\$M)

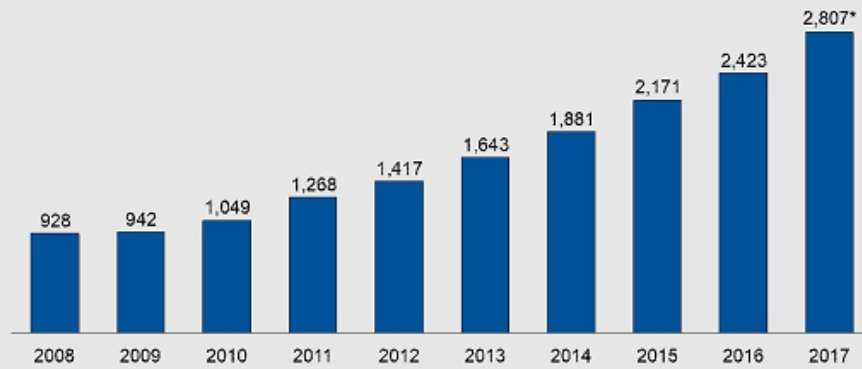


\*At 2018 FX rates  
Does not include CEB or L2

# Heritage Gartner: Client Enterprises



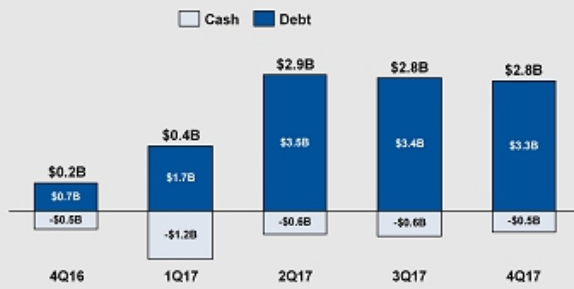
# Heritage Gartner: Sales Quota Bearing Headcount



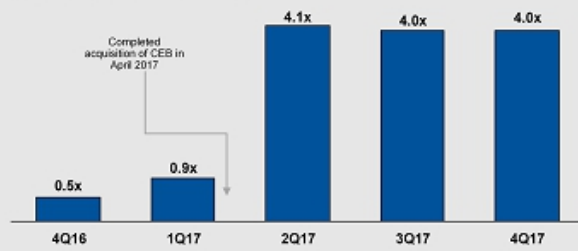
\* Includes L2

# Balance Sheet and Capital Structure

## Net Debt (\$B)



## Net Debt\* / EBITDA Ratio



\*Net Debt in Leverage Ratio calculated using LTM of Adjusted EBITDA of \$697M of Adjusted EBITDA.  
 Revolver capacity was \$55M as of the end of 4Q17.  
 68% of gross debt has fixed interest rates.  
 Total cash includes a \$10M unrestricted cash balance, which is classified as a held for sale asset.  
 Please refer to the reconciliation slides in the appendix for definition of non-GAAP measures and the reconciliation to the most directly comparable GAAP measures.

# Definitions

**Adjusted Revenue:** Represents GAAP revenue plus 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.

**Adjusted EBITDA:** Represents GAAP operating (loss) income excluding stock-based compensation expense; depreciation, amortization, and accretion on obligations related to excess facilities; amortization of pre-acquisition deferred revenues; acquisition and integration charges; and other non-recurring items.

**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.

**Adjusted Gross Contribution:** Adjusted Revenue less Direct Expenses.

**Adjusted Gross Margin:** Adjusted Gross Contribution divided by Adjusted Revenue.

# 2018 Guidance

In \$ millions, except per share amounts	2018 Guidance Range
Research adjusted revenue	3,100 - 3,150
Consulting adjusted revenue	340 - 355
Events adjusted revenue	380 - 400
Talent Assessment & Other adjusted revenue	285 - 305
<b>Total Adjusted Revenue</b>	<b>4,105 - 4,210</b>
<b>Adjusted EBITDA</b>	<b>750 - 800</b>
<b>Adjusted Diluted Earnings Per Share</b>	<b>\$3.71 - \$4.11</b>
Fully Diluted Number of Shares	93
<b>Operating Cash Flow</b>	<b>460 - 510</b>
Acquisition and Integration Payments	126
Capital Expenditures	(135) - (145)
<b>Free Cash Flow</b>	<b>451 - 491</b>

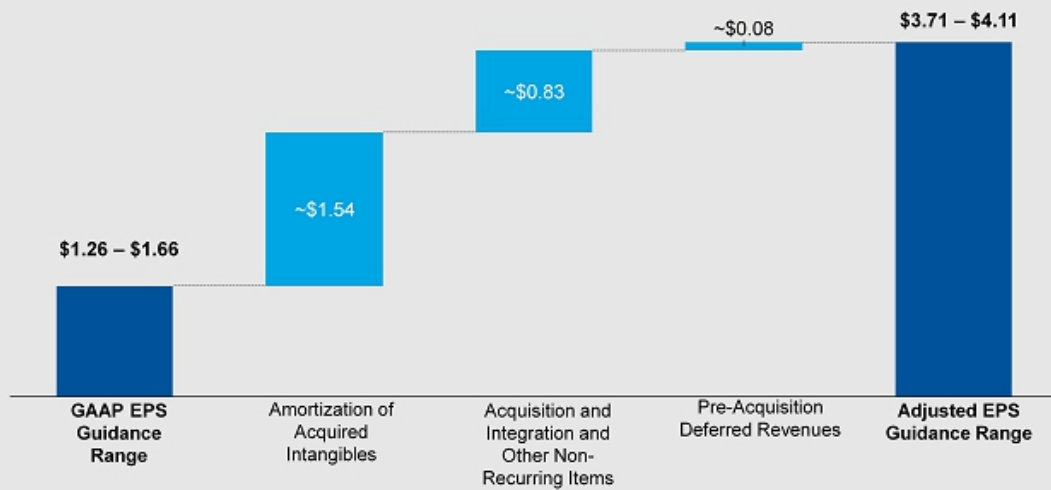
Please refer to the reconciliation slides in the appendix for definition of non-GAAP measures and the reconciliation to the most directly comparable GAAP measures.

# Additional 2018 Guidance Items

<b>In \$ millions, except per share amounts</b>	<b>2018 Guidance Range</b>
Stock-based compensation	73 - 74
Depreciation	80 - 81
Amortization of intangible assets	190
Interest Expense (net)	129
Effective tax rate (GAAP)	27 - 28%
Effective tax rate (adjusted)	26%

Please refer to the reconciliation slides in the appendix for definition of non-GAAP measures and the reconciliation to the most directly comparable GAAP measures.

# GAAP and Adjusted EPS\* 2018 Outlook



\*Adjusting items calculated at the midpoint of guidance range



# Adjusted Revenue Reconciliation: 2018 Guidance

In \$ millions	2018 GAAP Revenue Guidance	Deferred Revenue Fair Value Adjustment	2018 Adjusted Revenue
Research revenue	3,095 - 3,145	5 - 5	3,100 - 3,150
Consulting revenue	340 - 355	-	340 - 355
Events revenue	380 - 400	-	380 - 400
Talent Assessment & Other	280 - 300	5 - 5	285 - 305
<b>Total Revenue</b>	<b>4,095 - 4,200</b>	<b>10 - 10</b>	<b>4,105 - 4,210</b>

# Reconciliation: GAAP Revenue to Adjusted Revenue\*

In \$ millions	2016	2017
Total revenue (GAAP)	2,445	3,311
Deferred revenue fair value adjustment	0	205
<b>Total Adjusted Revenue</b>	<b>2,445</b>	<b>3,517</b>

\* Adjusted Revenue represents GAAP revenue plus 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. 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.

# Reconciliation: Operating Income to Adjusted EBITDA <sup>(a)</sup>

In \$ millions	2016	2017
Net (loss) income	194	3
Interest expense, net	25	125
Other (income) expense, net	(8)	(3)
Tax provision	95	(131)
Operating (loss) income	305	(6)
Adjustments:		
Stock-based compensation expense (b)	47	61
Depreciation, accretion, and amortization (c)	62	241
Amortization of pre-acquisition deferred revenues (d)	0	205
Acquisition and integration charges and other nonrecurring items (e)	43	160
Adjusted EBITDA	457	661

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

# Reconciliation: Operating Income to Adjusted Net Income <sup>(a)</sup>

In \$ millions, except per share amounts	2016	2017
GAAP net (loss) income	194	3
Acquisition and other adjustments:		
Amortization of acquired intangibles (b)	24	176
Amortization of pre-acquisition deferred revenues (c)	0	205
Acquisition and integration charges and other nonrecurring items (d)	43	174
Impact of Tax Cuts and Jobs Act of 2017 (e)		(60)
Tax impact of adjustments (f)	(13)	(202)
Adjusted net income	248	298
GAAP Diluted Shares	84	90
Adjusted Earnings per Share	2.95	3.31

- 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
- f) The effective tax rate was 00% for the twelve months ended December 31, 2017 19% and twelve months ended December 31, 2016

# Reconciliation: GAAP Cash Provided by Operating Activities to Free Cash Flow <sup>(a)</sup>

In \$ millions	2016	2017
Cash provided by operating activities	366	255
Adjustments:		
Cash paid for acquisition and integration	31	121
Cash paid for capital expenditures	(50)	(111)
Free Cash Flow	347	265

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