

nielsen
.....

3RD QUARTER 2018 RESULTS

THURSDAY OCTOBER 25, 2018

8:00 AM ET

NYSE: NLSN

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

The following discussion contains forward-looking statements, including those about Nielsen's outlook and prospects, that relate to the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those which are not historical facts. These and other statements that relate to future results and events are based on Nielsen's current expectations as of October 25, 2018.

Our actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. The risks and uncertainties that we believe are material are outlined in our disclosure filings and materials, which you can find on <http://ir.nielsen.com>, such as our most recent 10-K, 10-Q and 8-K reports. Please consult these documents for a more complete understanding of these risks and uncertainties, which include, but are not limited to: our review of strategic alternatives; technological changes; consolidation in the industries in which our clients operate; changes in client procurement strategies; adverse market conditions; our substantial indebtedness; our requirement to have a significant amount of cash as well as continued access to the capital markets; exposure to risk of increased interest rates; our ability to recruit sample participants; data protection laws and self-regulatory codes, including the European Union's General Data Protection Regulation, may restrict our activities and increase our costs; cybersecurity and protection of confidential information; breach of security measures and unauthorized access to proprietary information; protection of our intellectual property rights; third parties may claim that we are infringing on their intellectual property; exchange rate fluctuations, particularly the Euro and in hyperinflationary countries such as Argentina; risk associated with our international operations; criticism of our audience measurement service by various industry groups; loss of one of our largest clients; our reliance on third parties to provide certain data and services; our reliance on third parties for the performance of a significant portion of our worldwide information technology and operations functions; long-term disruptions in the mail, telecommunications infrastructure and/or air service; hardware and software failures, delays in the operations of our data gathering procedures, our computer and communication systems or the failure to implement system enhancements; presence of our Global Technology and Information Center at a single location in Florida; changes in tax laws; increasing competition; antitrust litigation or government investigation which may result in an award of money damages or force us to change the way we do business; our ability to manage ongoing organizational changes; our ability to attract, retain and engage employees; losses due to goodwill impairment charges; our reliance on acquisitions, joint ventures and other alliances to grow our business and expand technology and failure to complete or integrate acquisitions into our existing operations or successfully develop and maintain joint ventures and other alliances; U.S. and non-U.S. pension plans; ineffective internal controls; future legislation, regulatory reform or policy changes under the current U.S. administration; inadvertent use of certain open source software; if our clients experience financial distress or seek to change or delay payment terms; failure to meet the financial performance guidance or other forward-looking statements; design defects, errors, failures or delays.

For additional information on these and other factors that could cause Nielsen's actual results to materially differ from those set forth herein, please see Nielsen's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K.

Our outlook is provided for the purpose of providing information about current expectations for 2018. This information may not be appropriate for other purposes.

The forward-looking statements herein only speak as of the date of this presentation, and we assume no obligation to update any written or oral forward-looking statement made by or on our behalf as a result of new information, future events, or other factors as required by law.

JIM ATTWOOD

EXECUTIVE CHAIRMAN OF THE BOARD

3Q18 EARNINGS CALL AGENDA

Company Update

Jim Attwood, Executive Chairman of the Board

Introduction and Financial Updates

Dave Anderson, Chief Financial Officer

Watch

Megan Clarcken, President of Watch

International Buy

Pat Dodd, President of Global Markets

U.S. Buy / Global Tech & Operations

John Tavolieri, President, U.S. Buy / Ops and Tech

COMPANY UPDATE

Strategic Review

- Expanded Scope
- Broad Range of Options
- Moving with Urgency
- Expert Outside Advisors

CEO Search

- Parallel Process
- Search Underway
- World Class Talent
- High Caliber Candidates

New CFO

- Dave Anderson
- 11 Year Tenure at Honeywell
- In-Depth Operational Review
- Strategic Review with Board

DAVE ANDERSON

CHIEF FINANCIAL OFFICER

NIELSEN TODAY

HEADWINDS

- Changing End Markets
- Planning / Forecasting Process
- Pressure on Organization

TAILWINDS

- Mission Critical Data
- Global Franchise / Leading Positions
- Strong Operating Leaders

STRONG COMMITMENT TO DELIVER ON ALL FRONTS

CFO PRIORITIES

- **2018 Execution**
 - Deliver on 2018 Results
 - Engage Global Management Team in Operational Review
- **2019 Operating Plan**
 - Aggressive Yet Achievable Targets
 - Driving Accountability Across Nielsen
 - Foundation for Future Outlook
- **Strategic Review Process with Board**
 - Internal Nielsen Team and Outside Experts
 - Regular Cadence of Report-Outs
- **Strengthened Communications and Relationship with Investors**
 - Increased Transparency and Clarity
 - Forward Looking Approach

TOTAL NIELSEN RESULTS – 3Q 2018

(\$ in millions, except per share amounts)

U.S. GAAP RESULTS	3Q 2017	3Q 2018	V% ^(a)
Revenue	\$1,641	\$1,600	(2.5)%
Net Income (NI)	\$146	\$96	(34.2)%
GAAP NI per share ^(c)	\$0.41	\$0.27	(34.1)%

NON-GAAP RESULTS	3Q 2017	3Q 2018	V% ^(b)
Revenue	\$1,641	\$1,600	(0.6)%
Adjusted EBITDA ^(d)	\$519	\$471	(7.5)%
Adjusted EBITDA margin % ^(d)	31.6%	29.4%	(219) bps
Free Cash Flow	\$425	\$266	(37.4)%

REVENUE, EBITDA, AND EPS ON TRACK, CASH FLOW BELOW

- (a) Growth as reported
 (b) Growth in constant currency, excluding Free Cash Flow
 (c) Calculated using weighted average diluted shares outstanding of 357.7 million for 3Q 2017 and 355.6 million for 3Q 2018
 (d) 2017 Adjusted EBITDA numbers are revised to reflect the adoption of ASU 2017-07 - Presentation of Net Periodic Pension Costs

WATCH SEGMENT RESULTS

(\$ in millions, growth in constant currency)

REVENUE	3Q17	3Q18	V%
Total Watch	\$838	\$845	1.4%
PROFITABILITY			
Adjusted EBITDA	\$390	\$377	(2.8)%
Margin	46.5%	44.6%	(196) bps

3Q DYNAMICS

- Total Watch Growth: 1.4%
 - Audience Measurement (Video/Text): 5.2%
 - Marketing Effectiveness: (10.1)%
 - Audio: (1.6)%
 - Other Watch/Corporate: (17.5)%
- Key Dynamics
 - Total Audience Measurement Momentum
 - Strength in National TV
 - Robust Gracenote Growth
 - Privacy/GDPR Pressure Continues
- Margins down 196 bps YoY CC
 - Driven by Softer Revenue / Mix

CONTINUED TOTAL AUDIENCE MEASUREMENT ADOPTION

BUY SEGMENT RESULTS

(\$ in millions, growth in constant currency)

REVENUE	3Q17	3Q18	V%
Total Buy	\$803	\$755	(2.7)%
PROFITABILITY			
Adjusted EBITDA	\$144	\$109	(19.9)%
Margin	17.9%	14.4%	(309) bps

3Q DYNAMICS

- Total Buy Revenue: (2.7)%
 - Developed: (0.8)%
 - Emerging: (2.5)%
- Continued Challenging Environment
 - Multinational Pressures
 - Focus on Key Growth Initiatives
 - Efficiency and Net Productivity
 - China Growth Plan
- Margins down 309 bps YoY CC
 - Revenue Pressures
 - Retailer Investments
 - Partial Offset from Productivity Initiatives

EXECUTE ON BOTH GROWTH AND PRODUCTIVITY INITIATIVES

2018 GUIDANCE

(Revenue and Adj. EBITDA margin growth in constant currency)

	PREVIOUS GUIDANCE	CURRENT GUIDANCE
Total Revenue Growth	~(1)%	~(1)%
Adj. EBITDA Margin Growth	~(230) bps	~(230) bps
GAAP Net Income per Share	\$0.95 - \$1.00	\$0.95 - \$1.00
Free Cash Flow	\$550M - \$575M	\$450M - \$500M

REVENUE, EBITDA, AND EPS ON TRACK, CASH FLOW BELOW

FINANCIAL REPORTING

CURRENT APPROACH

- GAAP EPS
- Constant Currency Revenue Growth
- Core / Non-Core and Sub-Segment Break-Outs
- Annual Guidance

POTENTIAL ENHANCEMENTS

- Non-GAAP EPS
- Organic Revenue Growth
- Maintain Focus on Key Segments and Sub-Segments / Simplify Message
- Annual Guidance with Color on Quarterly Expectations

REVIEWING NEW APPROACHES

MEGAN CLARKEN

PRESIDENT OF WATCH

WATCH

KEY HIGHLIGHTS

- Investments in Total Audience Driving Mid-Single Digit Growth in National TV
- Strong Renewals and Client Momentum
- Responding to Consumer Data Privacy Landscape / GDPR

STRATEGIC PRIORITIES

- Drive Adoption of Flexible Solutions / “Metrics to Monetize”
- Further Evolution of Digital Measurement
- Continue to Invest in Innovation and Client Delivery

ACKNOWLEDGED LEADER / UNIQUE STRENGTHS

PAT DODD

PRESIDENT OF GLOBAL MARKETS

BUY: INTERNATIONAL

KEY HIGHLIGHTS

- Stability in International Developed Markets
- Greater MNC Spending Pressure in Emerging Markets
- China Panel Expansion

STRATEGIC PRIORITIES

- Increase Coverage and Granularity
- Expand Ecommerce Offerings
- Emerging Market Growth Plan

INVESTING TO SUSTAIN LONG-TERM LEADERSHIP

JOHN TAVOLIERI

PRESIDENT, U.S. BUY / OPS AND TECH

BUY: U.S.

KEY HIGHLIGHTS

- Connected System Progress
- Traction with Retailer Initiatives
- Expanded Ecommerce Solutions

STRATEGIC PRIORITIES

- Drive Progress on 3 Key Growth Initiatives
- Small and Mid-Tier Client Penetration
- Leverage Data as an Enterprise Asset

BROADENING FOCUS ACROSS FULL MARKETPLACE

TECHNOLOGY AND OPERATIONS

KEY HIGHLIGHTS

- Automate Buy Data Collection
- Roll Out Watch Metering Technology
- Superhubs in Poland, Mexico and Malaysia

STRATEGIC PRIORITIES

- Increased Net Productivity
- Prioritize Investments: Sustain, Productivity, Growth
- Greater Superhub Penetration

TECHNOLOGY, EFFICIENCY, AND ENHANCED PRODUCTIVITY

Q&A

APPENDIX

CERTAIN NON-GAAP MEASURES

Overview of Non-GAAP Presentations

We use the non-GAAP financial measures discussed below to evaluate our results of operations, financial condition, liquidity and indebtedness. We believe that the presentation of these non-GAAP measures provides useful information to investors regarding financial and business trends related to our results of operations, cash flows and indebtedness and that when this non-GAAP financial information is viewed with our GAAP financial information, investors are provided with valuable supplemental information regarding our results of operations, thereby facilitating period-to-period comparisons of our business performance. These non-GAAP measures are also consistent with how management evaluates the Company's operating performance and liquidity. In addition, these non-GAAP measures address questions the Company routinely receives from analysts and investors and, in order to assure that all investors have access to similar data, the Company has determined that it is appropriate to make this data available to all investors. None of the non-GAAP measures presented should be considered as an alternative to net income or loss, operating income or loss, cash flows from operating activities, total indebtedness or any other measures of operating performance and financial condition, liquidity or indebtedness derived in accordance with GAAP. These non-GAAP measures have important limitations as analytical tools and should not be considered in isolation or as substitutes for an analysis of our results as reported under GAAP. Our use of these terms may vary from the use of similarly-titled measures by others in our industry due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation.

Constant Currency Presentation

We evaluate our results of operations on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations, thereby facilitating period-to-period comparisons of our business performance and is consistent with how management evaluates the Company's performance. We calculate constant currency percentages by converting our prior-period local currency financial results using the current period exchange rates and comparing these adjusted amounts to our current period reported results. No adjustment has been made to foreign currency exchange transaction gains or losses in the calculation of constant currency net income.

Net Debt and Net Debt Leverage Ratio

The net debt leverage ratio is defined as net debt (gross debt less cash and cash equivalents) as of the balance sheet date divided by Adjusted EBITDA for the twelve months then ended. Net debt and the net debt leverage ratio are commonly used metrics to evaluate and compare leverage between companies and are not presentations made in accordance with GAAP.

CERTAIN NON-GAAP MEASURES

(continued)

Adjusted EBITDA

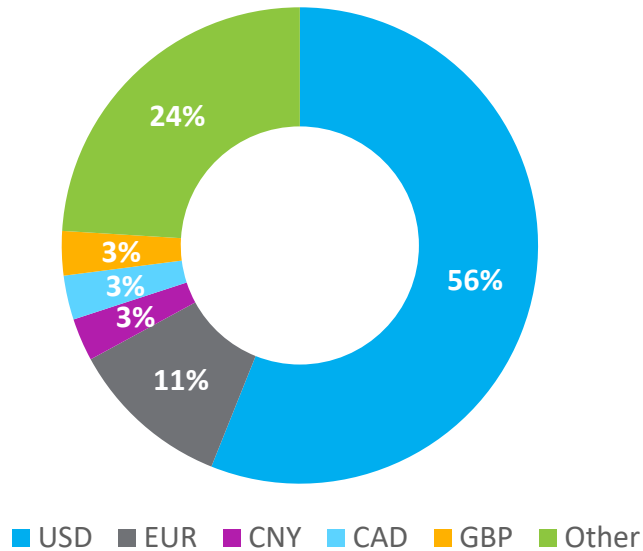
We define Adjusted EBITDA as net income or loss from our consolidated statements of operations before interest income and expense, income taxes, depreciation and amortization, restructuring charges, stock-based compensation expense and other non-operating items from our consolidated statements of operations as well as certain other items that arise outside the ordinary course of our continuing operations. We use Adjusted EBITDA to measure our performance from period to period both at the consolidated level as well as within our operating segments, to evaluate and fund incentive compensation programs and to compare our results to those of our competitors. Adjusted EBITDA margin is Adjusted EBITDA for a particular period expressed as a percentage of revenues for that period.

Free Cash Flow

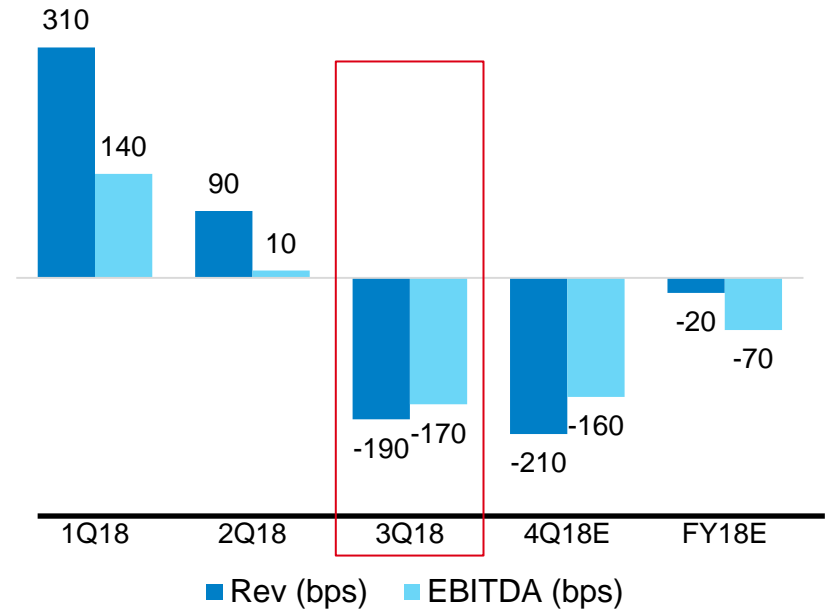
We define free cash flow as net cash provided by operating activities, less capital expenditures, net. We believe providing free cash flow information provides valuable supplemental liquidity information regarding the cash flow that may be available for discretionary use by us in areas such as the distributions of dividends, repurchase of common stock, voluntary repayment of debt obligations or to fund our strategic initiatives, including acquisitions, if any. However, free cash flow does not represent residual cash flows entirely available for discretionary purposes; for example, the repayment of principal amounts borrowed is not deducted from free cash flow. Key limitations of the free cash flow measure include the assumptions that we will be able to refinance our existing debt when it matures and meet other cash flow obligations from financing activities, such as principal payments on debt. Free cash flow is not a presentation made in accordance with GAAP.

FOREIGN CURRENCY IMPACT

CURRENCY PROFILE - REVENUE



PROJECTED FX IMPACT^(a): REPORTED VS CONSTANT CURRENCY



(a) Projected impact assumes rates in effect at 10/24/18 remain in effect for the balance of 2018.

2018 GUIDANCE: OTHER FINANCIAL METRICS

	PREVIOUS GUIDANCE	CURRENT GUIDANCE
Net Book Interest	\$385M - \$395M	\$385M - \$395M
GAAP Tax Rate	~34%	~34%
Restructuring	\$135M - \$145M	\$135M - \$145M
Cash Restructuring	\$135M - \$145M	\$135M - \$145M
D&A	\$650M - \$670M	\$650M - \$670M
Average Diluted Shares	~356M	~356M
Net Debt Leverage Ratio	~4.3x	~4.35x

ADJUSTED EBITDA RECONCILIATION

(\$ in millions) (unaudited)

	Quarter Ended September 30	
	2017	2018
Net income	\$ 146	\$ 96
Interest expense, net	94	97
Provision for income taxes	92	59
Depreciation and amortization	<u>160</u>	<u>175</u>
EBITDA	492	427
Other non-operating expense, net	2	9
Restructuring charges	7	19
Stock-based compensation expense	8	1
Other items ^(a)	10	15
Adjusted EBITDA	\$ 519	\$ 471

(a) For the three months ended September 30, 2017 and 2018, other items primarily consists of business optimization costs and transaction related cost.

ADJUSTED EBITDA RECONCILIATION

(\$ in millions) (unaudited)

QUARTER ENDED SEPTEMBER 30, 2017

	Operating Income	Restructuring Charges	Depreciation and Amortization	Stock-Based Compensation Expense	Other Items ^(a)	Adjusted EBITDA
Buy	\$84	\$4	\$53	\$3	-	\$144
Watch	\$280	\$2	\$106	\$2	-	\$390
Corporate	\$(30)	\$1	\$1	\$3	\$10	\$(15)
Total	\$334	\$7	\$160	\$8	\$10	\$519

QUARTER ENDED SEPTEMBER 30, 2018

	Operating Income	Restructuring Charges	Depreciation and Amortization	Stock-Based Compensation Expense	Other Items ^(a)	Adjusted EBITDA
Buy	\$33	\$16	\$58	\$2	-	\$109
Watch	\$256	\$4	\$115	\$2	-	\$377
Corporate	\$(28)	\$(1)	\$2	\$(3)	\$15	\$(15)
Total	\$261	\$19	\$175	\$1	\$15	\$471

(a) For the three months ended September 30, 2017 and 2018, other items primarily consists of business optimization costs and transaction related costs

ADOPTION OF ASU 2017-07 – IMPACT ON ADJUSTED EBITDA

(\$ in millions) (unaudited)

FOR THE THREE MONTHS ENDED

Original – as reported	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	Full Year
Watch	\$ 323	\$ 357	\$ 390	\$ 415	\$ 1,485
Buy	108	163	145	171	587
Corporate	(9)	(8)	(13)	(7)	(37)
Adjusted EBITDA	\$ 422	\$ 512	\$ 522	\$ 579	\$ 2,035
Other income/(expense), net	\$ -	\$ (2)	\$ (1)	\$ (14)	\$ (17)
Net income attributable to Nielsen stockholders	\$ 71	\$ 131	\$ 146	\$ 81	\$ 429

FOR THE THREE MONTHS ENDED

Revised in accordance with ASU 2017-07	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	Full Year
Watch	\$ 323	\$ 357	\$ 390	\$ 416	\$ 1,486
Buy	108	162	144	170	584
Corporate	(11)	(10)	(15)	(10)	(46)
Adjusted EBITDA	\$ 420	\$ 509	\$ 519	\$ 576	\$ 2,024
Other income/(expense), net	\$ 2	\$ 1	\$ 2	\$ (11)	\$ (6)
Net income attributable to Nielsen stockholders	\$ 71	\$ 131	\$ 146	\$ 81	\$ 429

REVENUE RECONCILIATION

(\$ in millions) (unaudited)

QUARTER ENDED SEPTEMBER 30

	2017 Reported	2018 Reported	% V Reported	2017 Constant Currency	% V Constant Currency
Developed Markets	\$491	\$481	(2.0)%	\$485	(0.8)%
Emerging Markets	297	269	(9.4)%	276	(2.5)%
Core Buy	\$788	\$750	(4.8)%	\$761	(1.4)%
Corporate	15	5	(66.7)%	15	(66.7)%
Buy	\$803	\$755	(6.0)%	\$776	(2.7)%
Video and Text	\$580	\$607	4.7%	\$577	5.2%
Audio	127	125	(1.6)%	127	(1.6)%
Marketing Effectiveness	89	80	(10.1)%	89	(10.1)%
Core Watch	\$796	\$812	2.0%	\$793	2.4%
Corporate/Other Watch	42	33	(21.4)%	40	(17.5)%
Watch	\$838	\$845	0.8%	\$833	1.4%
Total Core Buy and Watch	\$1,584	\$1,562	(1.4)%	\$1,554	0.5%
Total	\$1,641	\$1,600	(2.5)%	\$1,609	(0.6)%

FREE CASH FLOW RECONCILIATION

(\$ in millions) (unaudited)

	Quarter Ended September 30,	
	<u>2017</u>	<u>2018</u>
Net cash provided by operating activities	\$538	\$387
Less: Capital expenditures, net	<u>(113)</u>	<u>(121)</u>
Free cash flow	\$425	\$266

2018 GUIDANCE NON-GAAP RECONCILIATIONS

(\$ in millions)

ADJUSTED EBITDA RECONCILIATION

2018 Guidance Range

Net income	\$340 - \$360
Interest expense, net	\$385 - \$395
Provision for income taxes	\$170 - \$195
Depreciation and amortization	\$650 - \$670
Restructuring charges	\$135 - \$145
Stock-based compensation and other ^(a)	\$100 - \$120
Adjusted EBITDA	\$1,820 - \$1,840

FREE CASH FLOW

Net cash provided by operating activities	\$975 – \$1,025
Less: Capital expenditures, net	<u>~ \$(525)</u>
Free cash flow	\$450 – \$500

NET DEBT LEVERAGE RATIO

Gross Debt	~\$ 8,500
Cash	<u>~\$ 500</u>
Net Debt	~\$ 8,000
Adjusted EBITDA	\$1,820 - \$1,840
Net Debt Leverage Ratio	~4.35x

(a) Other represents certain expenses that arise outside the ordinary course of our continuing operations. Such costs primarily include legal settlements, acquisition related expenses, business optimization costs and other transaction costs

2018 GUIDANCE NON-GAAP RECONCILIATIONS

(\$ in millions)

REVENUE RECONCILIATION

	2017 Constant Currency	% V Constant Currency	2018 Guidance
Total	\$6,555	~(1)%	~\$6,490

DEBT CAPITAL TABLE

(\$ in millions)

DEBT CAPITAL TABLE			
	12/31/17	9/30/18 (unaudited)	Change
Loan Debt (secured)	\$4,074	\$4,246	\$172
4.50% Sr. Notes (10/1/20)	795	796	1
5.50% Sr. Notes (10/1/21)	620	621	1
5.00% Sr. Notes (4/15/22)	2,288	2,290	2
5.00% Sr. Notes (2/1/25)	496	496	-
Capital lease/misc. debt	168	162	(6)
Total Debt	\$8,441	\$8,611	\$170
Less Cash	656	446	(210)
Net Debt	\$7,785	\$8,165	\$380
Adjusted EBITDA^(a)	\$2,024	\$1,938	\$(86)
Net Debt Leverage Ratio^(b)	3.85x	4.21x	0.36x
Weighted avg. interest rate^(c)	4.32%	4.55%	23bps

(a) Adjusted EBITDA calculated based on last twelve months basis by adding reported amounts for each of the quarters contained therein

(b) Reflects Net Debt (gross debt minus cash), divided by Adjusted EBITDA calculated on last twelve months basis

(c) Excludes capital leases

SELECTED FINANCIAL METRICS & BALANCE SHEET ITEMS

(\$ in millions) (unaudited)

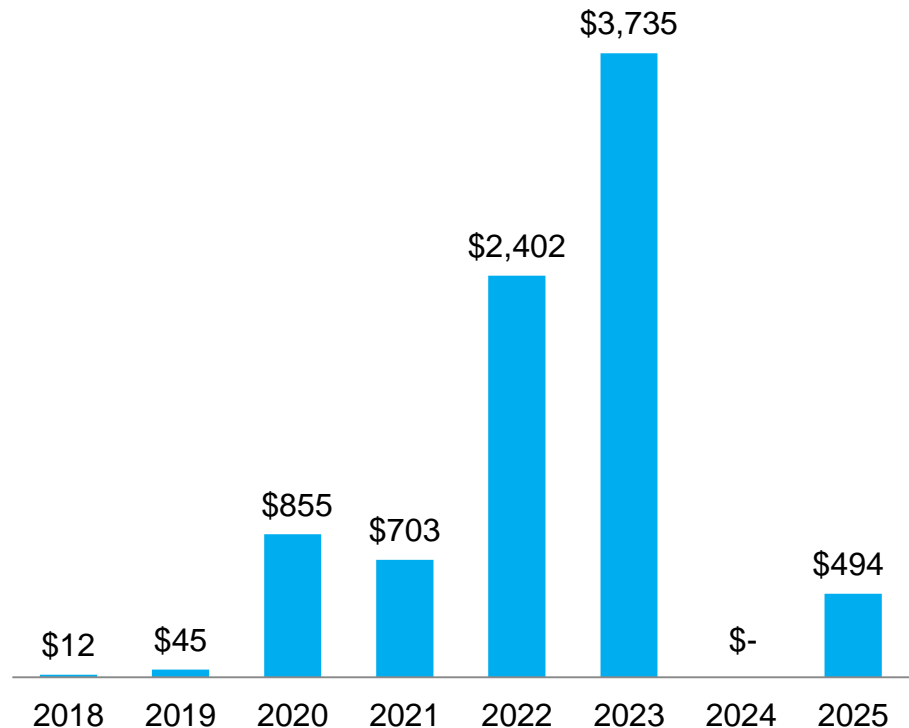
FINANCIAL METRICS

	3Q18
Free Cash Flow	\$266
Capital Expenditures, net	\$121
D&A ^(b)	\$175
Net Book Interest	\$97
Cash Taxes	\$35
Cash Restructuring	\$44
Wtd. avg. diluted shares	355.6

BALANCE SHEET – 9/30/18

Gross Debt	\$8,611
Cash	\$446
Net Debt	\$8,165
Net Debt Leverage Ratio ^(c)	4.21x

CURRENT DEBT MATURITY PROFILE – 9/30/18^(a)



(a) Excludes revolver (\$204M) and capital leases/other (\$162M)

(b) Includes \$55M of depreciation and amortization associated with tangible and intangible assets acquired in business combinations

(c) Reflects Net Debt (gross debt minus cash), divided by Adjusted EBITDA calculated on last twelve months basis by adding reported amounts for each of the quarters contained therein



NIELSEN INVESTOR RELATIONS

ir@nielsen.com

+1.646.654.4602

<http://ir.nielsen.com>

Follow @Nielsen 



This artwork was created using Nielsen data.

Copyright © 2018 The Nielsen Company (US), LLC. Confidential and proprietary. Do not distribute.