



nielsen

# 4<sup>TH</sup> QUARTER 2018 EARNINGS AND 2019 OUTLOOK

Thursday, February 28, 2019 | 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, as such term is defined in 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 the date of this presentation.

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 include, without limitation, our ongoing review of strategic alternatives, general economic conditions, conditions in the markets Nielsen is engaged in, behavior of customers, suppliers and competitors, technological developments, as well as legal and regulatory rules affecting Nielsen's business and other specific risk factors that 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 that have been filed with the Securities and Exchange Commission. Please consult these documents for a more complete understanding of these risks and uncertainties. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

Our outlook is provided for the purpose of providing information about current expectations for 2019. This information may not be appropriate for other purposes.

# **DAVID KENNY**

## **CHIEF EXECUTIVE OFFICER**

# **DAVE ANDERSON**

## **CHIEF FINANCIAL OFFICER**

# TODAY'S DISCUSSION

## KEY TOPICS

- Solid Finish to 2018
  - Financials On Track
  - Improved Operating Discipline
- Buy Impairment Charge
- Tax Benefit, Intercompany Restructuring
- 2019 Guidance: Grounded Outlook
  - Informed by Strategic Review
  - Significant Productivity, Reinvestment

## KEY TAKEAWAYS

- Constant Currency Revenue Growth (0.7)%
- Adjusted EBITDA Margin 28.4%
- Free Cash Flow \$542 million
- \$1.4B Charge, \$(3.97) per share
- \$370M, \$1.04 per share
- Bottom Up Approach, Media and Connect
  - Revenue Guidance: Flat to +1.5%
  - Adjusted EBITDA Margin: 28-29%

# TOTAL NIELSEN RESULTS – 4Q / FY 2018

(\$M, except per share amounts)

	4Q	2018	Commentary
Revenue Growth <sup>(a)</sup>	(3.5)%	(0.7)%	• In-Line with Guidance <sup>(c)</sup>
Adjusted EBITDA	\$488	\$1,850	• Above Guidance <sup>(c)</sup>
Adjusted EBITDA Margin	29.4%	28.4%	• Impacted by Revenue Pressure, Growth Investments, and Productivity
Adjusted EBITDA Margin YoY <sup>(a)</sup>	(332) bps	(221) bps	• Above Guidance <sup>(c)</sup>
GAAP NI per share <sup>(b)</sup>	\$(2.68)	\$(2.00)	• Impacted by Impairment, Tax, and Strategic Review Costs
NI per share excluding impairment, tax <sup>(b)(d)</sup>	\$0.28	\$0.96	• In-Line with Guidance
Free Cash Flow	\$397	\$542	• Significant Collections Improvement

***BUILDING ON A STRONGER FOUNDATION FOR 2019***

(a) Growth in Constant Currency.

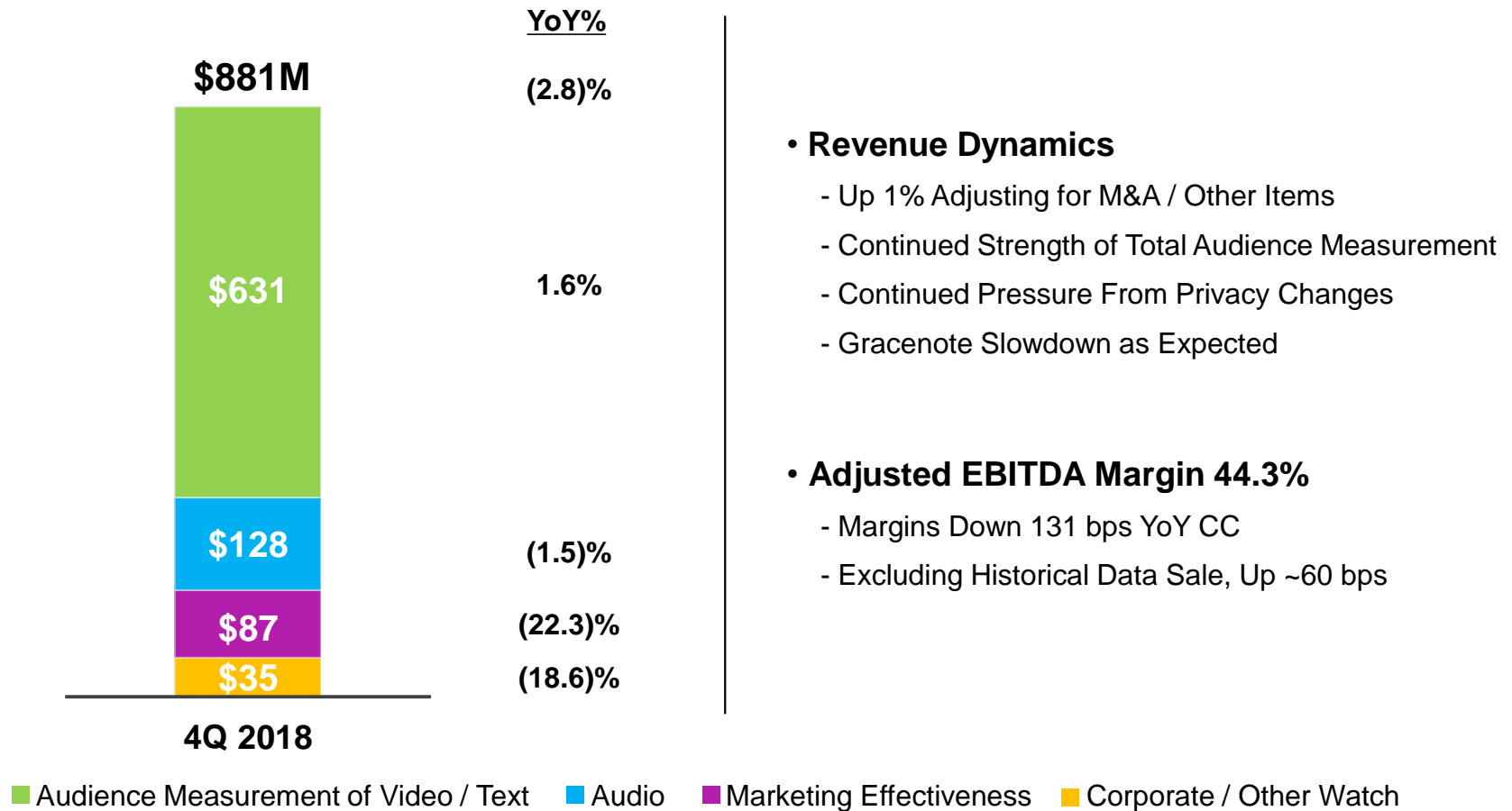
(b) Calculated using weighted average diluted shares outstanding of 355.2 million for 4Q 2018 and 355.6 million for FY 2018.

(c) Comparisons of 2018 information to guidance refer to the Company's most recent statements on guidance made in October 2018.

(d) Also excludes after tax costs of \$8 million and \$9 million, respectively, for the fourth quarter and full year of 2018 associated with the strategic review.

# 4Q WATCH SEGMENT RESULTS

(\$M, growth in constant currency)



## • Revenue Dynamics

- Up 1% Adjusting for M&A / Other Items
- Continued Strength of Total Audience Measurement
- Continued Pressure From Privacy Changes
- Gracenote Slowdown as Expected

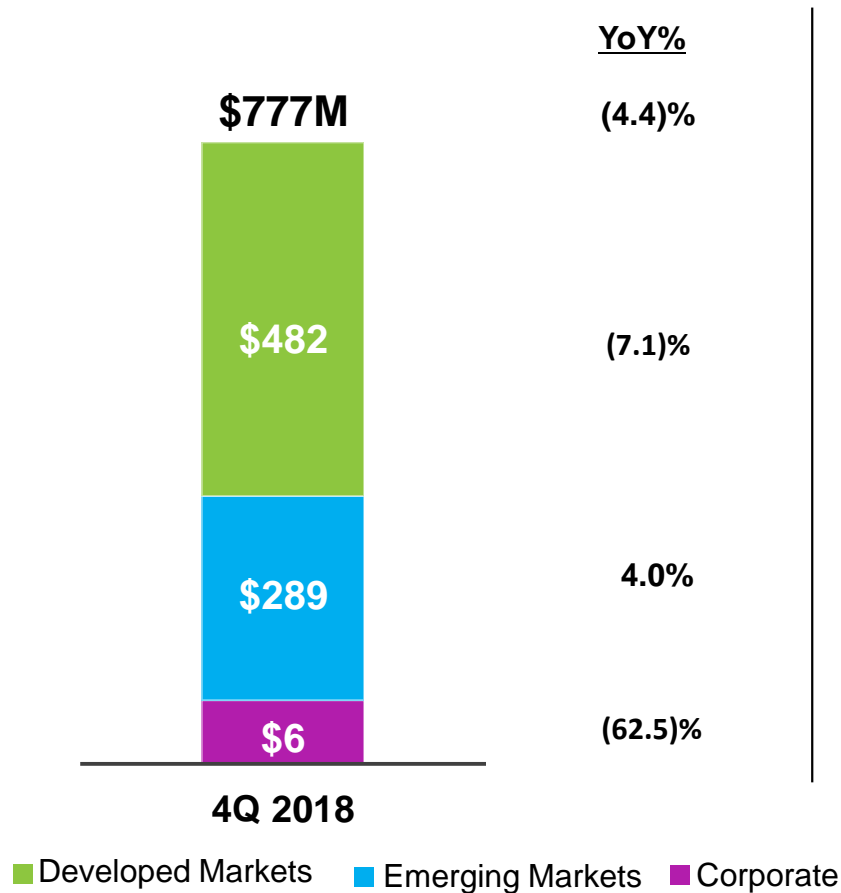
## • Adjusted EBITDA Margin 44.3%

- Margins Down 131 bps YoY CC
- Excluding Historical Data Sale, Up ~60 bps

***TOUGH QUARTER, UNDERLYING TAM STRENGTH***

# 4Q BUY SEGMENT RESULTS

(\$M, growth in constant currency)



## • Revenue Dynamics

- Continued FMCG Pressures
- Competitive Impacts in the U.S.
- Strength in Retail Programs
- China / Other Emerging Improving

## • Adjusted EBITDA Margin 13.9%

- Margins Down 578 bps YoY CC
- Driven by Softer Revenue / Mix
- Retailer and Other Investments

**CONTINUED DEVELOPED SOFTNESS, IMPROVED EMERGING MARKETS**



# **DAVID KENNY**

## **CHIEF EXECUTIVE OFFICER**

# STRATEGIC FOCUS

## Transforming to a Product-Driven Technology Company

Fewer Faster  
Bolder Products

*Driving Revenue with  
Scalable Services*

Align on Single  
Architecture

*Retire Legacy  
Systems*

AI and Machine  
Learning

*Drawing upon Our  
Biggest Asset*

World Class  
Product Teams

*Effectively Deploying  
Resources*

End-to-End  
Accountability

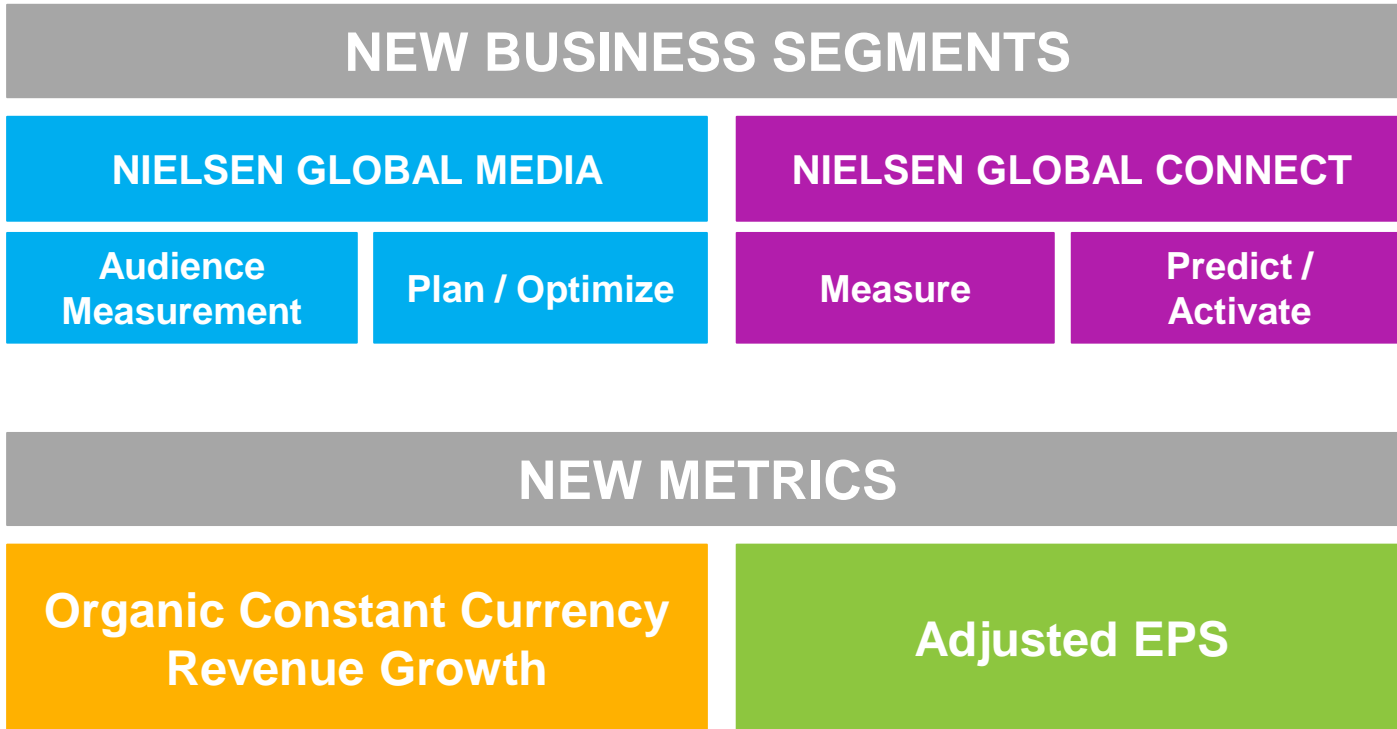
*Simplifying  
Operations*

**NIELSEN GLOBAL MEDIA AND NIELSEN GLOBAL CONNECT**

# **DAVE ANDERSON**

## **CHIEF FINANCIAL OFFICER**

# 2019 - UPDATED REPORTING



***GREATER TRANSPARENCY, ALIGNS TO STRATEGIC PRIORITIES***

# 2019 GUIDANCE

METRIC	GUIDANCE	COMMENTARY
Total Revenue Growth <sup>(a)</sup>	Flat to +1.5%	<ul style="list-style-type: none"> <li>Improving Trajectory</li> <li>Media: +2-3%</li> <li>Connect: -2% to Flat</li> </ul>
Adjusted EBITDA (\$M) Margin	\$1,800 - 1,900 28 - 29%	<ul style="list-style-type: none"> <li>Significant Productivity, Reinvestment</li> </ul>
Adjusted Earnings per Share	\$1.63 - 1.77	<ul style="list-style-type: none"> <li>Higher D&amp;A</li> <li>Interest Expense</li> </ul>
Free Cash Flow (\$M)	\$525 - 575	<ul style="list-style-type: none"> <li>Big Organizational Focus</li> </ul>

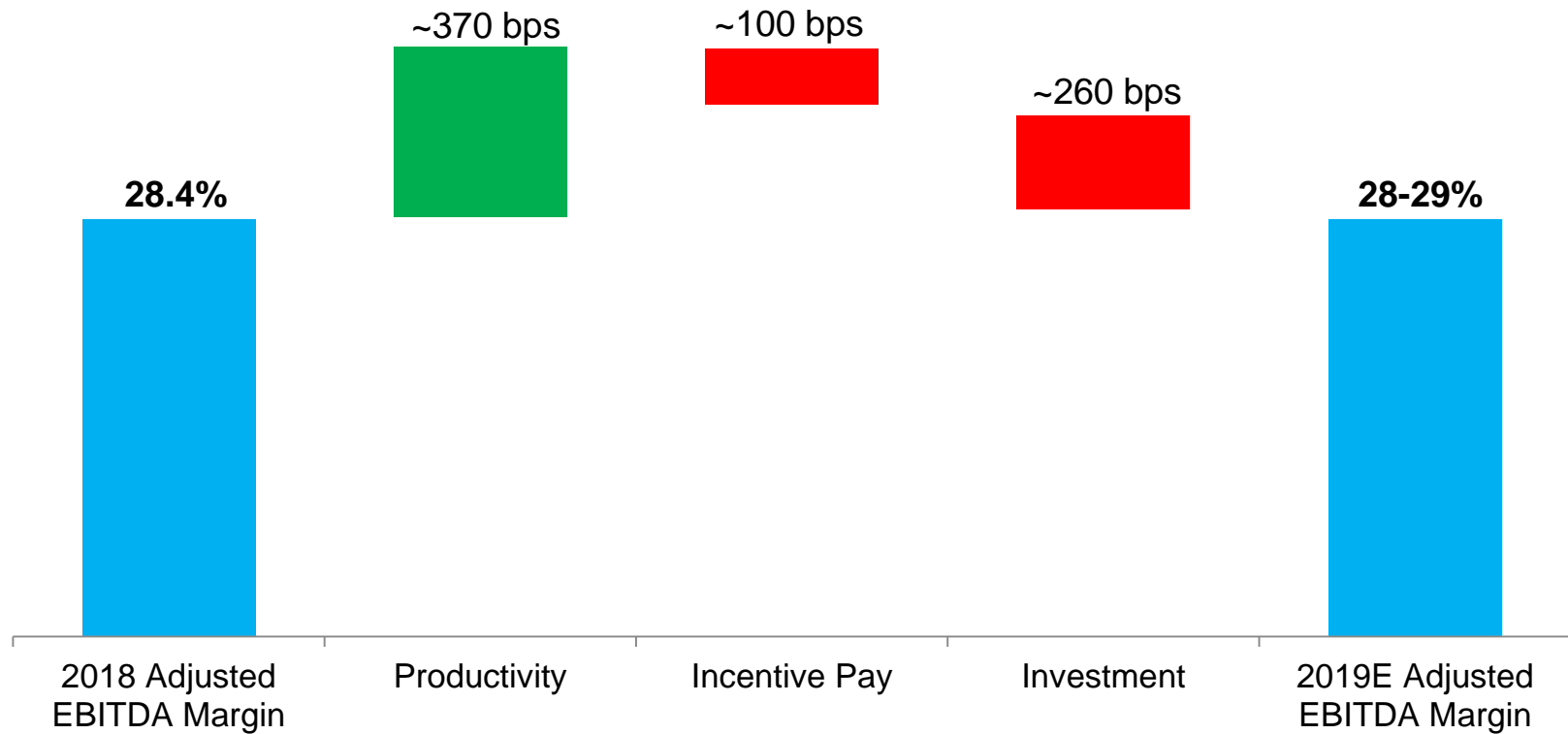
<sup>(a)</sup>Revenue Growth in Constant Currency

# 2019 SEGMENT OUTLOOK

	2018 Revenue	Guidance	Commentary
<b>Nielsen Global Media</b>			
Audience Measurement	\$2.4B	2 to 3%	<ul style="list-style-type: none"> <li>• Strength in National and Digital</li> <li>• Pressure In Local</li> </ul>
Plan / Optimize	\$1.0B	1 to 2%	<ul style="list-style-type: none"> <li>• Continued Privacy Headwind</li> </ul>
Total	\$3.4B	2 to 3%	

<b>Nielsen Global Connect</b>			
Measure	\$2.2B	-1% to +1%	<ul style="list-style-type: none"> <li>• International Growth Increases</li> <li>• Reduced Decline in U.S.</li> </ul>
Predict / Activate	\$0.9B	-4% to -2%	<ul style="list-style-type: none"> <li>• Analytics Improving</li> <li>• Less Drag From Innovation / CI</li> </ul>
Total	\$3.1B	-2% to Flat	

# 2019 MARGIN WALK



***STRONG PRODUCTIVITY WITH GROWTH REINVESTMENT***

# 1H19 VS 2H19 TIMING

METRIC	COMMENTARY
<b>REVENUE</b>	<ul style="list-style-type: none"> <li>• Tough 1H Revenue Compare Due to One-Time Items in 2018</li> <li>• Relative Revenue Strength in 2H19</li> <li>• 1Q Revenue ~ Flat YoY in Constant Currency</li> </ul>
<b>ADJUSTED EBITDA</b>	<ul style="list-style-type: none"> <li>• Correlated with Revenue Pattern</li> <li>• Cost Reduction Phased Mainly in 2Q-4Q</li> <li>• 1Q Margin Below Prior Year, 2Q Uptick</li> </ul>
<b>FREE CASH FLOW</b>	<ul style="list-style-type: none"> <li>• Quarterly Cash Flow Consistent with Historic Pattern</li> <li>• 1Q Improvement vs. 2018</li> </ul>

***REVENUE UPTICK AND MARGIN IMPROVEMENT IN 2H***



# Q&A

# APPENDIX

# CERTAIN NON-GAAP MEASURES

## Overview of Non-GAAP Presentations

The Company uses the non-GAAP financial measures discussed below to evaluate its results of operations, financial condition, liquidity and indebtedness. The Company believes 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

The Company evaluates its 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. The Company believes 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

The Company defines 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, share-based compensation expense and other non-operating items from its consolidated statements of operations as well as certain other items that arise outside the ordinary course of our continuing operations. The Company uses 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.

## Adjusted EPS

The Company defines Adjusted Earnings per Share as net income attributable to Nielsen shareholders per share (diluted) from continuing operations from our consolidated statements of operations, excluding depreciation and amortization associated with acquired tangible and intangible assets, restructuring charges, impairment of goodwill and other long-lived assets, share based compensation expense, other non-operating items from our consolidated statements of operations and certain other items considered unusual or non-recurring in nature, adjusted for income taxes related to these items. Management believes that this non-GAAP measure is useful in providing period-to-period comparisons of the results of the Company's ongoing operating performance.

## Free Cash Flow

The Company defines free cash flow as net cash provided by operating activities, less capital expenditures, net. The Company believes providing free cash flow information provides valuable supplemental liquidity information regarding the cash flow that may be available for discretionary use by the Company 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 the Company 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.

# 2019 GUIDANCE: KEY METRICS

	Metrics	Commentary
Interest Expense, Net	\$405M - \$415M	- Higher Rates on Floating Rate Debt
GAAP Tax Rate	33-35%	- Lower US Tax Rate Offset By High Tax Jurisdictions
Restructuring Expense	\$145M - \$155M	- Significant Productivity Initiatives
D&A	\$720M - \$730M	-Increasing Investment in Technology
Average Diluted Shares	~356M	- Essentially Flat YoY
Net Debt Leverage Ratio	~4.30x	- Essentially Flat YoY

# WATCH VS. NIELSEN GLOBAL MEDIA REPORTING

Watch		Nielsen Global Media	
Category	Contents	Category	Contents
<b>Audience Measurement of Video / Text</b>	National TV Local TV Digital Ratings International TAM Gracenote Planning NCS <sup>1</sup> Sports <sup>1</sup> NMC <sup>1</sup> Social	<b>Audience Measurement</b>	National TV Local TV Digital Ratings International TAM Gracenote - ACR Sports Measurement Social Audio
<b>Audio</b>	Audio		Planning Gracenote – excl. ACR Sports - excl. Measurement NCS NMC MMM
<b>Marketing Effectiveness</b>	NCS <sup>1</sup> Sports <sup>1</sup> NMC <sup>1</sup> MMM Media Analytics MTA Brand Effect	<b>Plan/Optimize</b>	Media Analytics MTA Brand Effect Telecom Connectivity Other Screens Digital Rankings Music** Games**
<b>Other</b>	Telecom Connectivity Telecom Consumer Insights* Neurofocus* Other Screens Digital Rankings		

\*Products that have moved from Watch to Connect

\*\* Products that have moved from Buy to Media

<sup>1</sup> NCS, Sports and NMC revenues are segmented and reported in both Audience Measurement of Video / Text and Marketing Effectiveness

# NIELSEN GLOBAL CONNECT

## Category

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**Measure**

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**Predict / Activate**

## Contents

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**Retail Measurement Services (RMS)**

**Consumer Panel Services (CPS)**

**Book**

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**Consumer Insights**

**Innovation**

**Everyday Analytics**

**Brandbank**

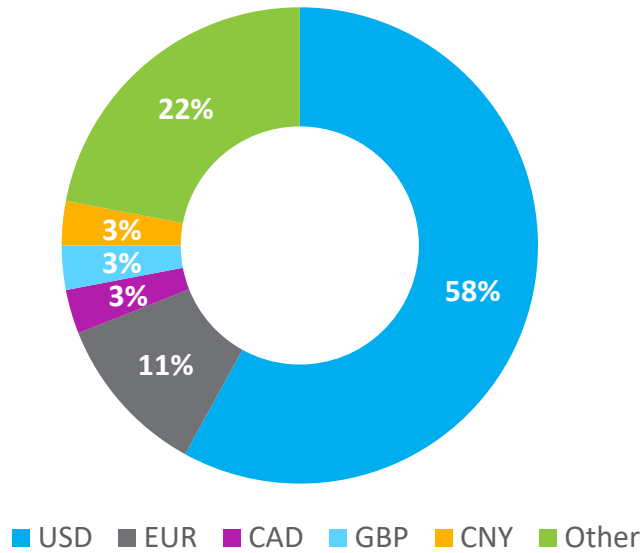
**RMS Analytics**

**Neurofocus\***

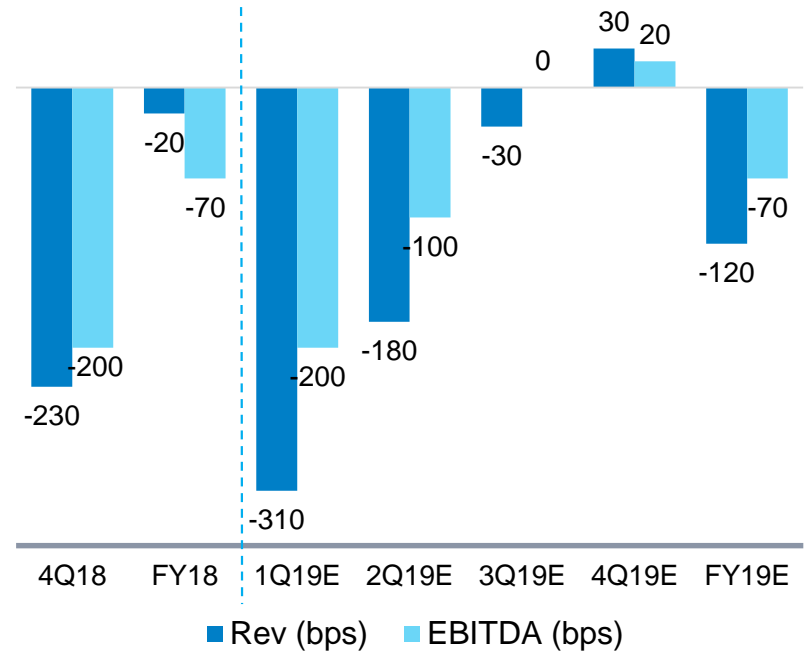
\*Products that have moved from Watch to Connect

# FOREIGN CURRENCY IMPACT

## CURRENCY PROFILE - REVENUE



## PROJECTED FX IMPACT<sup>(a)</sup>: REPORTED VS CONSTANT CURRENCY



(a) Projected impact assumes rates in effect at 02/25/19 remain in effect for the balance of 2019.



# ADJUSTED EBITDA RECONCILIATION

(\$ in millions) (unaudited)

	Quarter Ended December 31		Year Ended December 31	
	2017	2018	2017	2018
<b>Net income</b>	<b>\$ 81</b>	<b>\$ (952)</b>	<b>\$ 429</b>	<b>\$ (712)</b>
Interest expense, net	96	97	370	386
Provision/(benefit) for income taxes	162	(324)	388	(182)
Depreciation and amortization	<u>163</u>	<u>171</u>	<u>640</u>	<u>675</u>
EBITDA	502	(1,008)	1,827	167
Impairment of goodwill and other long-lived assets	-	1,413	-	1,413
Other non-operating expense, net	15	8	27	33
Restructuring charges	32	31	80	139
Share-based compensation expense	10	14	45	35
Other items <sup>(a)</sup>	17	30	45	63
<b>Adjusted EBITDA</b>	<b>\$ 576</b>	<b>\$ 488</b>	<b>\$ 2,024</b>	<b>\$ 1,850</b>

(a) For the three months ended December 31, 2017, other items primarily consists of transaction related and business optimization costs. For the three months ended December 31, 2018, other items primarily consists of business optimization, including strategic review costs, and transaction related costs. For the year ended December 31, 2017, other items primarily consists of transaction related and business optimization costs. For the year ended December 31, 2018, other items primarily consists of business optimization, including strategic review costs, and transaction related costs.

# ADJUSTED EBITDA RECONCILIATION

(\$ in millions) (unaudited)

## QUARTER ENDED DECEMBER 31, 2017

	Operating Income	Restructuring Charges	Depreciation and Amortization	Impairment of Goodwill & Other Long-Lived Assets	Share-Based Compensation Expense	Other Items <sup>(a)</sup>	Adjusted EBITDA
Buy	\$102	\$11	\$54	\$ -	\$3	\$ -	\$170
Watch	300	6	107	-	3	-	416
Corporate	(48)	15	2	-	4	17	(10)
<b>Total</b>	<b>\$354</b>	<b>\$32</b>	<b>\$163</b>	<b>\$ -</b>	<b>\$10</b>	<b>\$17</b>	<b>\$576</b>

## QUARTER ENDED DECEMBER 31, 2018

	Operating Income	Restructuring Charges	Depreciation and Amortization	Impairment of Goodwill & Other Long-Lived Assets	Share-Based Compensation Expense	Other Items <sup>(a)</sup>	Adjusted EBITDA
Buy	\$(1,383)	\$17	\$59	\$1,411	\$4	\$ -	\$108
Watch	272	4	110	-	4	-	390
Corporate	(60)	10	2	2	6	30	(10)
<b>Total</b>	<b>\$(1,171)</b>	<b>\$31</b>	<b>\$171</b>	<b>\$1,413</b>	<b>\$14</b>	<b>\$30</b>	<b>\$488</b>

(a) For the three months ended December 31, 2017, other items primarily consists of transaction related and business optimization costs. For the three months ended December 31, 2018, other items primarily consists of business optimization, including strategic review costs, and transaction related costs.

# ADJUSTED EBITDA RECONCILIATION

(\$ in millions) (unaudited)

## YEAR ENDED DECEMBER 31, 2017

	Operating Income	Restructuring Charges	Depreciation and Amortization	Impairment of Goodwill & Other Long-Lived Assets	Share-Based Compensation Expense	Other Items <sup>(a)</sup>	Adjusted EBITDA
Buy	\$319	\$42	\$210	\$ -	\$13	\$ -	\$584
Watch	1,034	15	425	-	12	-	1,486
Corporate	(139)	23	5	-	20	45	(46)
<b>Total</b>	<b>\$1,214</b>	<b>\$80</b>	<b>\$640</b>	<b>\$ -</b>	<b>\$45</b>	<b>\$45</b>	<b>\$2,024</b>

## YEAR ENDED DECEMBER 31, 2018

	Operating Income	Restructuring Charges	Depreciation and Amortization	Impairment of Goodwill & Other Long-Lived Assets	Share-Based Compensation Expense	Other Items <sup>(a)</sup>	Adjusted EBITDA
Buy	\$(1,342)	\$103	\$226	\$1,411	\$13	\$ -	\$411
Watch	1,010	22	442	-	11	-	1,485
Corporate	(143)	14	7	2	11	63	(46)
<b>Total</b>	<b>\$(475)</b>	<b>\$139</b>	<b>\$675</b>	<b>\$1,413</b>	<b>\$35</b>	<b>\$63</b>	<b>\$1,850</b>

(a) For the year ended December 31, 2017, other items primarily consist of transaction related costs and business optimization costs. For the year ended December 31, 2018, other items primarily consist of business optimization, including strategic review 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)
<b>Adjusted EBITDA</b>	<b>\$ 422</b>	<b>\$ 512</b>	<b>\$ 522</b>	<b>\$ 579</b>	<b>\$ 2,035</b>
Other income/(expense), net	\$ -	\$ (2)	\$ (1)	\$ (14)	\$ (17)
<b>Net income attributable to Nielsen stockholders</b>	<b>\$ 71</b>	<b>\$ 131</b>	<b>\$ 146</b>	<b>\$ 81</b>	<b>\$ 429</b>

## 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)
<b>Adjusted EBITDA</b>	<b>\$ 420</b>	<b>\$ 509</b>	<b>\$ 519</b>	<b>\$ 576</b>	<b>\$ 2,024</b>
Other income/(expense), net	\$ 2	\$ 1	\$ 2	\$ (11)	\$ (6)
<b>Net income attributable to Nielsen shareholders</b>	<b>\$ 71</b>	<b>\$ 131</b>	<b>\$ 146</b>	<b>\$ 81</b>	<b>\$ 429</b>

# REVENUE RECONCILIATION

(\$ in millions) (unaudited)

## QUARTER ENDED DECEMBER 31

	2017 Reported	2018 Reported	% V Reported	2017 Constant Currency	% V Constant Currency
Developed Markets	\$527	\$482	(8.5)%	\$519	(7.1)%
Emerging Markets	304	289	(4.9)%	278	4.0%
<b>Core Buy</b>	<b>\$831</b>	<b>\$771</b>	<b>(7.2)%</b>	<b>\$797</b>	<b>(3.3)%</b>
Corporate	17	6	(64.7)%	16	(62.5)%
<b>Buy</b>	<b>\$848</b>	<b>\$777</b>	<b>(8.4)%</b>	<b>\$813</b>	<b>(4.4)%</b>
Video and Text	\$626	\$631	0.8%	\$621	1.6%
Audio	131	128	(2.3)%	130	(1.5)%
Marketing Effectiveness	113	87	(23.0)%	112	(22.3)%
<b>Core Watch</b>	<b>\$870</b>	<b>\$846</b>	<b>(2.8)%</b>	<b>\$863</b>	<b>(2.0)%</b>
Corporate/Other Watch	43	35	(18.6)%	43	(18.6)%
<b>Watch</b>	<b>\$913</b>	<b>\$881</b>	<b>(3.5)%</b>	<b>\$906</b>	<b>(2.8)%</b>
<b>Total Core Buy and Watch</b>	<b>\$1,701</b>	<b>\$1,617</b>	<b>(4.9)%</b>	<b>\$1,660</b>	<b>(2.6)%</b>
<b>Total</b>	<b>\$1,761</b>	<b>\$1,658</b>	<b>(5.8)%</b>	<b>\$1,719</b>	<b>(3.5)%</b>

# REVENUE RECONCILIATION

(\$ in millions) (unaudited)

## YEAR ENDED DECEMBER 31

	2017 Reported	2018 Reported	% V Reported	2017 Constant Currency	% V Constant Currency
Developed Markets	\$1,999	\$1,922	(3.9)%	\$2,025	(5.1)%
Emerging Markets	1,164	1,145	(1.6)%	1,123	2.0%
<b>Core Buy</b>	<b>\$3,163</b>	<b>\$3,067</b>	<b>(3.0)%</b>	<b>\$3,148</b>	<b>(2.6)%</b>
Corporate	68	30	(55.9)%	68	(55.9)%
<b>Buy</b>	<b>\$3,231</b>	<b>\$3,097</b>	<b>(4.1)%</b>	<b>\$3,216</b>	<b>(3.7)%</b>
Video and Text	\$2,308	\$2,446	6.0%	\$2,311	5.8%
Audio	501	497	(0.8)%	500	(0.6)%
Marketing Effectiveness	350	337	(3.7)%	351	(4.0)%
<b>Core Watch</b>	<b>\$3,159</b>	<b>\$3,280</b>	<b>3.8%</b>	<b>\$3,162</b>	<b>3.7%</b>
Corporate/Other Watch	182	138	(24.2)%	181	(23.8)%
<b>Watch</b>	<b>\$3,341</b>	<b>\$3,418</b>	<b>2.3%</b>	<b>\$3,343</b>	<b>2.2%</b>
<b>Total Core Buy and Watch</b>	<b>\$6,322</b>	<b>\$6,347</b>	<b>0.4%</b>	<b>\$6,310</b>	<b>0.6%</b>
<b>Total</b>	<b>\$6,572</b>	<b>\$6,515</b>	<b>(0.9)%</b>	<b>\$6,559</b>	<b>(0.7)%</b>

# FREE CASH FLOW RECONCILIATION

(\$ in millions) (unaudited)

	Quarter Ended December 31		Year Ended December 31	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Net cash provided by operating activities	\$506	\$546	1,310	1,058
Less: Capital expenditures, net	<u>(156)</u>	<u>(149)</u>	<u>(447)</u>	<u>(516)</u>
<b>Free cash flow</b>	<b>\$350</b>	<b>\$397</b>	<b>\$863</b>	<b>\$542</b>

# 2019 GUIDANCE NON-GAAP RECONCILIATIONS

(\$ in millions)

## ADJUSTED EBITDA RECONCILIATION

### 2019 Guidance Range

<b>Net income</b>	<b>\$240 - \$300</b>
Interest expense, net	~\$410
Provision for income taxes	~\$140
Depreciation and amortization	~\$725
Restructuring charges	~\$150
Share-based compensation and other <sup>(a)</sup>	~\$150

**Adjusted EBITDA** **\$1,800 - \$1,900**

## FREE CASH FLOW

Net cash provided by operating activities	\$1,055 – \$1,105
Less: Capital expenditures, net	<u>~ \$(530)</u>
Free cash flow	\$525 – \$575

## NET DEBT LEVERAGE RATIO

Gross Debt	~\$ 8,400
Cash	<u>~\$ 400</u>
Net Debt	~\$ 8,000
Adjusted EBITDA	\$1,800 - \$1,900
Net Debt Leverage Ratio	~4.30x

(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



# 2019 GUIDANCE NON-GAAP RECONCILIATIONS

(\$ in millions)

## REVENUE RECONCILIATION

	2018 Constant Currency	% V Constant Currency	2019 Guidance
Total	\$6,435	Flat - 1.5%	~\$6,485

## ADJUSTED EARNINGS PER SHARE RECONCILIATION

### 2019 Guidance Range

<b>Net income attributable to Nielsen Shareholders</b>	<b>\$230 - \$285</b>
Depreciation and amortization associated with acquisition-related tangible and intangible assets	~\$200
Restructuring charges	~\$150
Share-based compensation expense and Other	~\$150
Tax effect of above items	~\$(160)
<b>Adjusted net income</b>	<b>\$580 - \$630</b>
<b>Adjusted earnings per share</b>	<b>\$1.63 - \$1.77</b>

# DEBT CAPITAL TABLE

(\$ in millions)

DEBT CAPITAL TABLE			
	12/31/17	12/31/18	Change
Loan Debt (secured)	\$4,074	\$4,020	\$(54)
4.50% Sr. Notes (10/1/20)	795	797	2
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	163	(5)
<b>Total Debt</b>	<b>\$8,441</b>	<b>\$8,387</b>	<b>\$(54)</b>
Less Cash	656	524	(132)
<b>Net Debt</b>	<b>\$7,785</b>	<b>\$7,863</b>	<b>\$78</b>
<b>Adjusted EBITDA<sup>(a)</sup></b>	<b>\$2,024</b>	<b>\$1,850</b>	<b>\$(174)</b>
<b>Net Debt Leverage Ratio<sup>(b)</sup></b>	<b>3.85x</b>	<b>4.25x</b>	<b>0.40x</b>
<b>Weighted avg. interest rate<sup>(c)</sup></b>	<b>4.32%</b>	<b>4.67%</b>	<b>35bps</b>

(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)

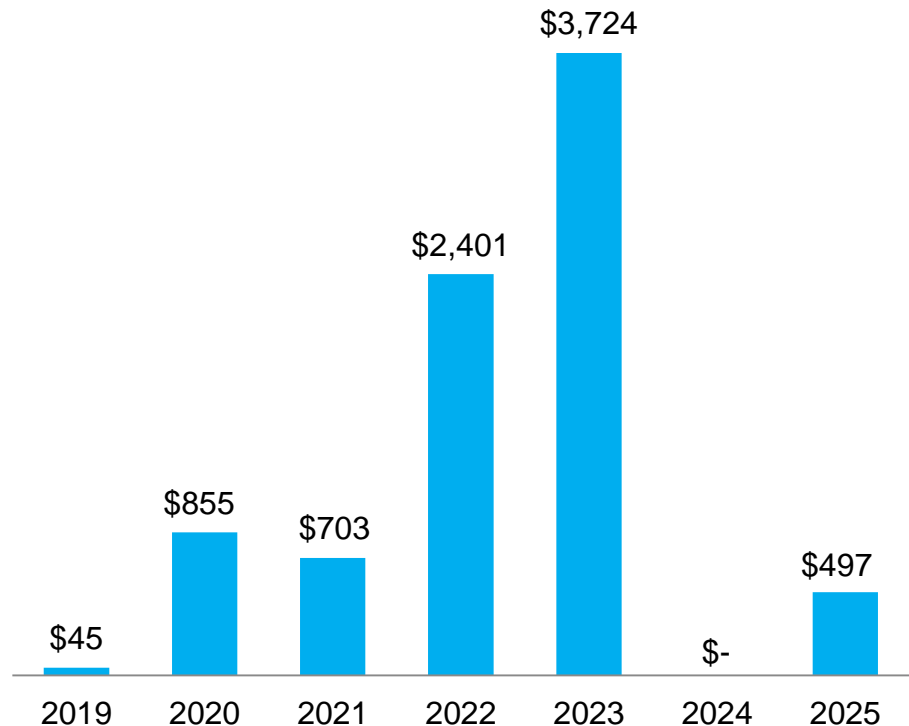
## FINANCIAL METRICS

	4Q18
Free Cash Flow	\$397
Capital Expenditures, net	\$149
D&A <sup>(b)</sup>	\$171
Net Book Interest	\$97
Cash Taxes	\$50
Cash Restructuring	\$29
Wtd. avg. diluted shares	355.2

## BALANCE SHEET – 12/31/18

Gross Debt	\$8,387
Cash	\$524
Net Debt	\$7,863
Net Debt Leverage Ratio <sup>(c)</sup>	4.25x

## CURRENT DEBT MATURITY PROFILE – 12/31/18<sup>(a)</sup>



(a) Excludes capital leases (\$161M) and bank overdrafts (\$1M)

(b) Includes \$53M 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



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