
Clarivate™
Q1 2024
Earnings Call
CLVT
LISTED
NYSE
May 8, 2024

1. Introduction



Mark Donohue
VP Investor Relations

Safe Harbor Statement and Non-GAAP Financial Measures

Forward-Looking Statements

This communication includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions, or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements" within the meaning of the "safe harbor provisions" of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "seeks," "projects," "intends," "plans," "may," "will," or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts, and include statements regarding our intentions, beliefs, or current expectations concerning, among other things, anticipated cost savings, results of operations, financial condition, liquidity, prospects, growth, strategies, and the markets in which we operate. Such forward-looking statements are based on available current market material and management's expectations, beliefs and forecasts concerning future events impacting us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks and uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in Item *1A. Risk Factors* of our annual report on Form 10-K. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We do not undertake any 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 under applicable securities laws. Please consult our public filings with the SEC or on our website at www.clarivate.com.

Non-GAAP Financial Measures

This presentation contains financial measures which have not been calculated in accordance with United States generally accepted accounting principles ("GAAP"), including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow because they are a basis upon which our management assesses our performance, and we believe they reflect the underlying trends and indicators of our business. Although we believe these measures may be useful for investors for the same reasons, these financial measures should not be considered as an alternative to GAAP financial measures as a measure of the Company's financial condition, profitability, performance and liquidity. In addition, these financial measures may not be comparable to similar measures used by other companies. In the Appendix to this presentation, we provide further descriptions of these non-GAAP measures and reconciliations of these non-GAAP measures to the corresponding most closely-related GAAP measures.

Industry and Market Data

The market data and other statistical information used throughout this presentation are based on industry publications and surveys, public filings, and various government sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the included information. We have not independently verified such third-party information, nor have we ascertained the underlying economic assumptions relied upon in those sources, and we are unable to assure you of the accuracy or completeness of such information contained in this annual report. While we are not aware of any misstatements regarding our market, industry, or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors.

Agenda

1. Introduction	**Mark Donohue** Vice President Investor Relations
2. Business Review	**Jonathan Gear** Chief Executive Officer
3. Financial Review	**Jonathan Collins** Executive Vice President and Chief Financial Officer
4. Q&A	**All**

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2. Business Review

Jonathan Gear
Chief Executive Officer



Q1 2024 highlights

$621M

Revenues

1.7% organic decline

2.4% organic subscription growth

$236M

Adj. EBITDA[1]

38% margin[1]

$112M

Free Cash Flow[1]

47% Conversion

14¢

Adj. EPS[1]

(4)¢ YoY

Presented Clarivate **segment updates and AI strategy**, a key enabler to drive future growth



Leveraging best-in-class content and technology to drive innovation in A&G



Delivering actionable intelligence, integrated solutions and services in IP



Driving growth in LS&H through scalable platforms and AI-driven workflow solutions



Progressed key initiatives across **IP Patent Intelligence** and **LS&H Real World Data**

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[1]See the Appendix for a reconciliation of GAAP to Non-GAAP measures.

Leveraging best-in-class content and technology to drive innovation in Academia & Government

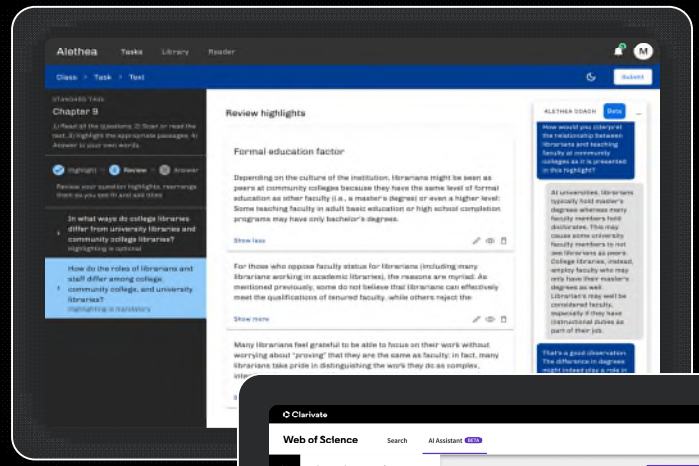
Realizing Our Growth Opportunity

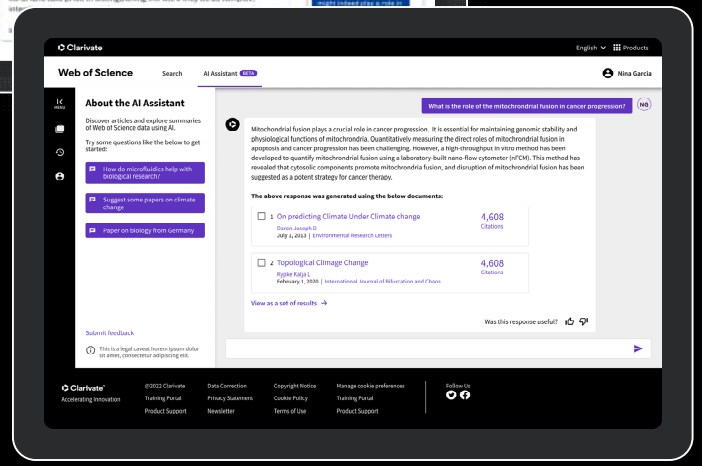
Research & Analytics	Drive actionable research insights across more domains through new Research Intelligence solution
Content Aggregation	Expand the premier content marketplace and aggregation portfolio internationally (non-English)
Workflow Solutions	Reach into more customer tiers, extend geographies, and expand decision analytics

AI Strategy

Advance Existing Solutions	Web of Science™ Research Assistant ProQuest™ Research Assistant
Innovate With New Solutions	Alethea (Academic Coach)

Alethea (Academic Coach)





Web of Science™ Research Assistant

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Delivering actionable intelligence and integrated solutions and services in Intellectual Property

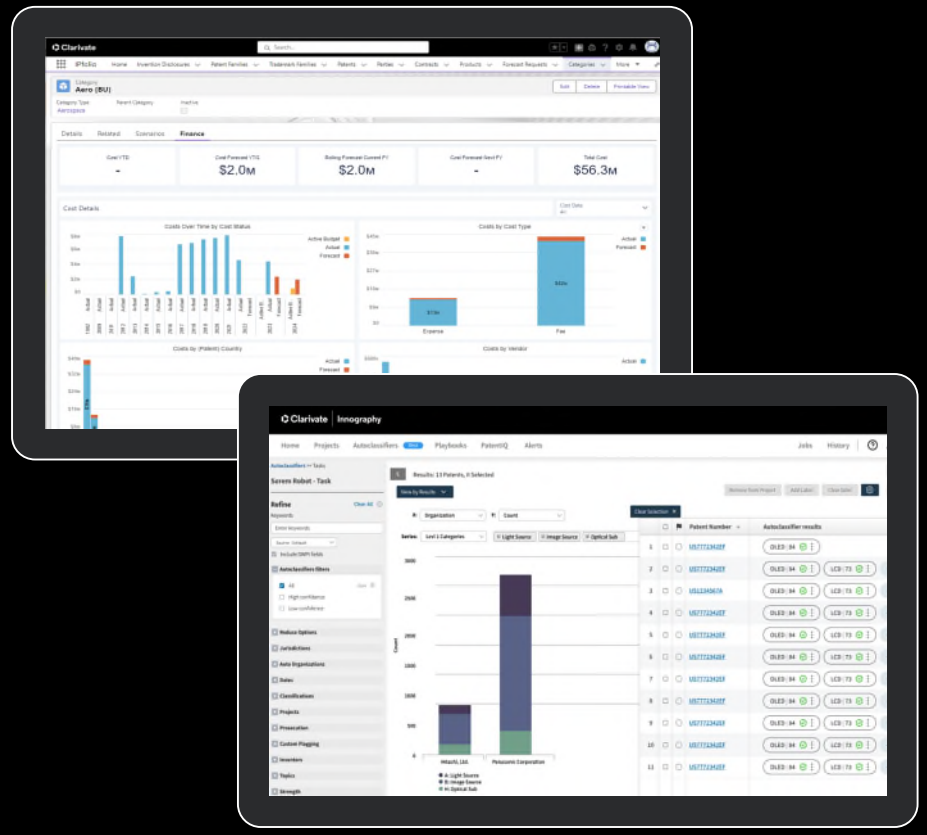
Realizing Our Growth Opportunity

Patent and Trademark Intelligence	Deliver use-case-specific intelligence embedded in decision-making processes to help customers gain competitive advantage
Patent and Trademark Management	Create a connected ecosystem of data, workflow solutions and expertise to drive productivity and collaboration in IP mgmt.
Patent and Trademark Maintenance Solutions	Leverage our domain knowledge and tech-enabled services to become an integral extension of our customers' teams

AI Strategy

Advance Existing Solutions	IP Forecast Portfolio Benchmarking & AI Classifier
Innovate With New Solutions	Patent Intelligence Watching

IP Forecast



Portfolio Benchmarking & AI Classifier

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Driving growth through scalable platforms and AI driven workflow solutions in Life Sciences & Healthcare

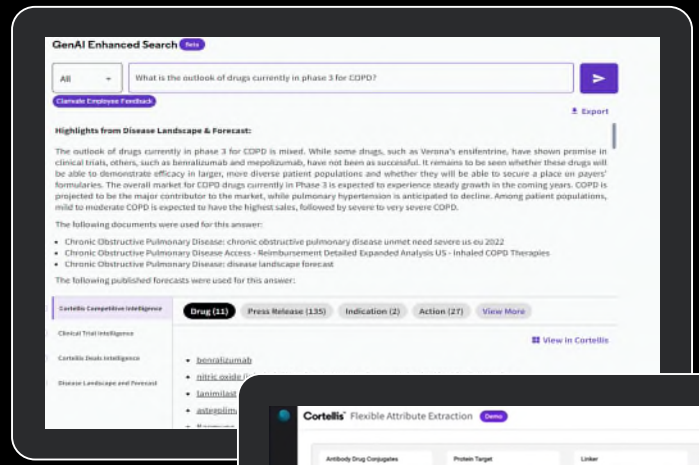
Realizing Our Growth Opportunity

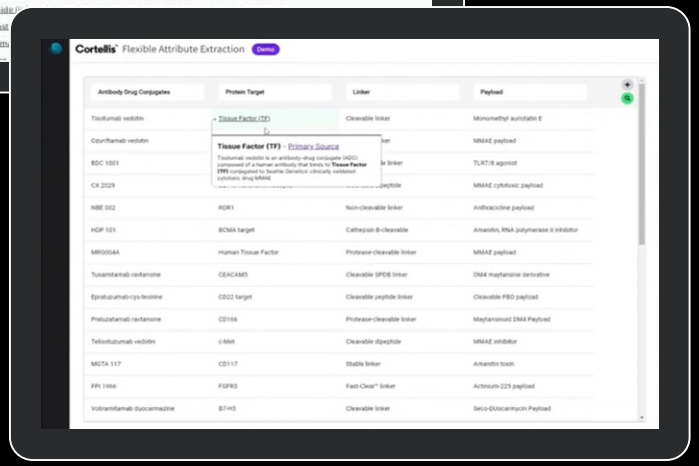
Corporate	Embed our market intelligence into workflows, translating data into recommended actions
Research and Development	Consolidate into scalable core platforms and leverage AI to drive product quality and advanced analytics
Commercial	Build enriched pharma-grade subscription-based real world data solutions focusing on differentiated therapy areas and indications

AI Strategy

Advance Existing Solutions	Cortellis™ Q&A Conversational Search Cortellis™ Contextual Insights
Innovate With New Solutions	AI-driven Competitive Intelligence through MotionHall Acquisition

Cortellis™ Q&A Conversational Search





Cortellis™ Contextual Insights

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Progressed key initiatives across IP Patent Intelligence and LS&H Real World Data

Intellectual Property | Patent Intelligence

Released Streamlined Patent Search Capability
Launched Derwent Innovation Search Management beta to market

Increased Customer Renewal Rates
Derwent Q1 renewal rate increased by ~2% compared to same period last year

Progressed Next Gen AI Powered Releases
On track for release of Derwent Innovation AI Search and AI Watch Solutions

Life Sciences & Healthcare | Real World Data

Released New Real World Data Framework
Driving higher level of quality and insights through comprehensively mastered medical claims data

Achieved Commercial Milestone
Secured first deal underpinned by our new real-world-data framework with a top 10 global pharmaceutical customer[1]

Increased Data Coverage
Expanded our portfolio of data assets with integration of new data sets across Latin America and Germany

[1]Top 20 Pharma Companies by 2023 Revenue (FiercePharma).

3. Financial Review



Jonathan Collins
Chief Financial Officer

Q1 2024 Financial Results

Revenues

- YoY reduction from organic decline

Net Income

- YoY decrease due primarily to non-recurring items from Q1'23: legal settlement of $49m and favorable resolution of income tax dispute of $70m

Operating Cash Flow

- YoY decline due to working capital timing

Changes from Prior Year			
$m except per share data	**Q1 '24**	**Q1 '23**	**Change**
Revenues	**$621**	**$629**	**$(8)**
Income / (Loss) from Operations	5	55	(50)
Fair Value Adjustment of Warrants (Gain) / Loss	(5)	1	(6)
Interest Expense, Net	70	74	(4)
Income Tax Expense (Benefit)	15	(64)	79
Net Income / (Loss) to Ordinary Shares	**$(94)**	**$25**	**$(119)**
Net Income / (Loss) Per Share, basic	$(0.14)	$0.04	$(0.18)
Adjusted EBITDA[1]	236	253	(17)
Adjusted EBITDA Margin[1]	*38.0%*	*40.2%*	*(220 bps)*
Adjusted Diluted EPS[1]	$0.14	$0.18	$(0.04)
Operating Cash Flow	**$176**	**$228**	**$(52)**
Capital Spending	64	59	5
Free Cash Flow[1]	112	168	(56)

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[1] See the Appendix for a reconciliation of GAAP to Non-GAAP measures. Amounts in table may not sum due to rounding.

Q1 2024 Revenues and Adj. EBITDA[1]

Organic

- Margin pressure due to cost inflation

Inorganic Impact

- Nominal revenue contribution from MotionHall acquisition

Cost Synergies

- M&A integration cost synergies completed and fully captured in 2023

Foreign Exchange

- Negligible FX impact in the quarter

Changes from Prior Year



[1] See the Appendix for a reconciliation of GAAP to Non-GAAP measures. Amounts in table may not sum due to rounding.

Q1 2024 Cash Flow

Free Cash Flow[1]

- YoY decline due to working capital timing

Capital Allocation

- Refinanced existing term loan in January 2024 with maturity extended to 2031. Repaid $47m principal as part of refinancing and incurred fees associated with transaction

Changes from Prior Year			
$m	**Q1 '24**	**Q1 '23**	**Change**
Adj. EBITDA[1]	**$236**	**$253**	**$(17)**
One-Time Costs	(19)	(33)	14
Interest	(37)	(41)	4
Taxes	(8)	(3)	(5)
Working Capital / Other	3	51	(48)
Operating Cash Flow	176	228	(52)
Capital Spending	(64)	(59)	(5)
Free Cash Flow[1]	**$112**	**$168**	**$(56)**
Conversion	***47%***	***66%***	**(19)%pts**
Preferred Dividend	(19)	(19)	-
Share Repurchase	-	-	-
Debt Repayment	(47)	(125)	78
Other[2]	(36)	(9)	(27)
Cash Flow	**$10**	**$15**	**$(5)**

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[1] See the Appendix for a reconciliation of GAAP to Non-GAAP measures. Amounts in table may not sum due to rounding.
[2] Fx, Acquisition, Tax withholding for stock comp and refinancing cost.

Reaffirmed FY 2024 Outlook

Organic Growth

- Expect organic growth to improve modestly in all three segments
- Anticipate a sequential improvement to a decline of ~1% in Q2

Revenues

- Expect organic growth to be offset by divestiture and FX

Profit Margin, EPS and FCF

- Profit Margin contraction as modest topline growth more than offset by growth in investments, net of cost savings initiatives
- EPS decline v. prior year primarily due to lower EBITDA 4¢ and higher D&A 3¢ from increased investments
- Strong free cash flow with increased capital investment to accelerate product innovation



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[1] See the Appendix for a reconciliation of GAAP to Non-GAAP measures.

FY 2024 Revenues and Adj. EBITDA[1] Outlook

Organic Growth

- Driven by stable subscription growth of ~2%, partially offset by transactional headwinds

Inorganic Impact

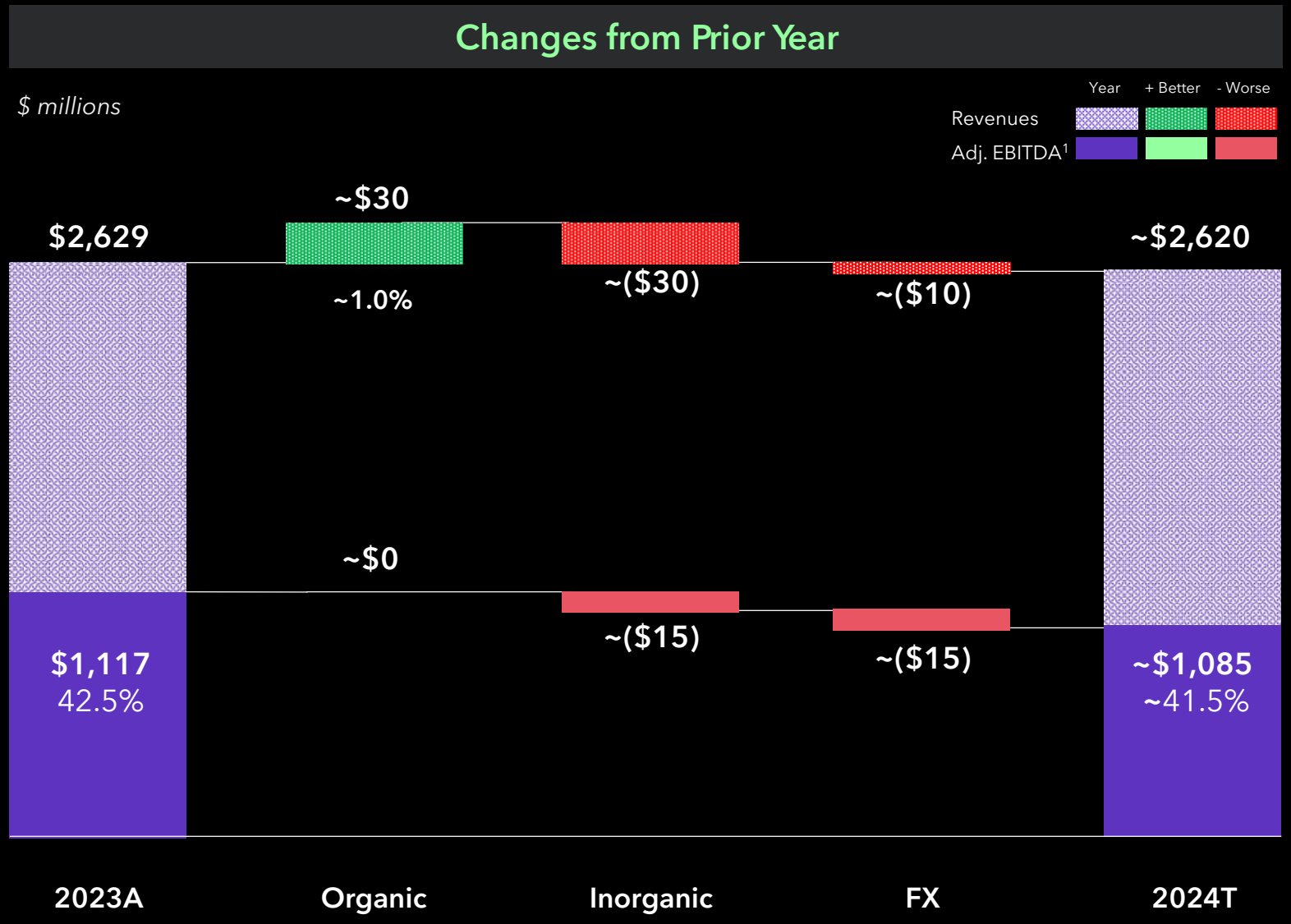
- Valipat divestiture in IP announced in July 2023, completed in April 2024

Cost Synergies

- ProQuest acquisition integration savings fully captured in 2023

Foreign Exchange

- Unfavorable translation impact on revenues due to slightly stronger USD. Higher unfavorable impact on profit as transactional FX gains expected to be materially lower than 2023



[1] See the Appendix for a reconciliation of GAAP to Non-GAAP measures. Amounts in table may not sum due to rounding.

FY 2024 Cash Flow Outlook

Free Cash Flow[1]

- One-time costs expected to be lower as acquisition integration complete
- Interest cost expected to be lower due to deleveraging and TLB refinancing benefit
- Cash tax expected to be higher due to timing of payments and jurisdictional mix
- Working capital expected to be relatively flat

Capital Allocation

- Planned increase of capital spending to drive product innovation
- Preferred shares to convert to common in Q2
- Continue to prioritize debt repayment

Changes from Prior Year			
$m	**2024 Outlook**	**2023 Actuals**	**Change**
Adj. EBITDA[1]	**~$1,085**	**$1,117**	**~$(30)**
One-Time Costs	~(40)	(61)	~20
Interest	~(260)	(274)	~15
Taxes	~(60)	(43)	~(15)
Working Capital / Other	~0	5	~(5)
Operating Cash Flow	~725	744	~(20)
Capital Spending	~(265)	(243)	~(20)
Free Cash Flow[1]	**~$460**	**$502**	**~$(40)**
Conversion	***~42%***	***45%***	***~(3)%***
Preferred Dividend	~(40)	(76)	~35
Share Repurchase	~(400)	(100)	~0
Debt Repayment		(300)	
Other[2]	~(70)	(12)	~(60)
Cash Flow	**~$(50)**	**$14**	**~$(65)**

[1] See the Appendix for a reconciliation of GAAP to Non-GAAP measures. Amounts in table may not sum due to rounding.
[2] Fx, Acquisition, Tax withholding for stock comp and refinancing cost.

Financial Objectives



1

Accelerate organic growth to market levels



2

Durable margins through the investment cycle



3

Attractive cash flow engine



4

Disciplined capital allocation

~10%	Capital Spending	>40%	Profit Margin[1]	>40%	Free Cash Flow[1] Conversion	<4x	Leverage

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[1] See the Appendix for a reconciliation of GAAP to Non-GAAP measures.



4. Q&A Session



About Clarivate

Clarivate™ is a leading global provider of transformative intelligence. We offer enriched data, insights & analytics, workflow solutions and expert services in the areas of Academia & Government, Intellectual Property and Life Sciences & Healthcare. For more information, please visit www.clarivate.com

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Appendix
Presentation of Certain Non-GAAP Financial Measures

Presentation of Certain Non-GAAP Financial Measures

This presentation contains financial measures which have not been calculated in accordance with generally accepted accounting principles in the United States of America ("US GAAP"), including Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income, Adjusted diluted EPS and Free cash flow because they are a basis upon which our management assesses our performance, and we believe they reflect the underlining trends and indicators of our business.

Adjusted EBITDA

Adjusted EBITDA represents Net income (loss) before the Provision (benefit) for income taxes, Depreciation and amortization, and Interest expense, net, adjusted to exclude acquisition and/or disposal-related transaction costs, share-based compensation, mandatory convertible preferred shares ("MCPS") dividend expense, unrealized foreign currency gains/losses, restructuring expenses, non-operating income and/or expense, the impact of certain non-cash fair value adjustments on financial instruments, legal settlements, impairments, and other items that are included in Net income (loss) for the period that we do not consider indicative of our ongoing operating performance.

In evaluating Adjusted EBITDA, you should be aware that in the future the Company may incur expenses that are the same as or similar to some of the included adjustments. The Company's presentation of Adjusted EBITDA should not be construed as an inference that the Company's future results will be unaffected by any of the adjusted items, or that the Company's projections and estimates will be realized in their entirety or at all.

Presentation of Certain Non-GAAP Financial Measures

Adjusted EBITDA

The use of Adjusted EBITDA instead of US GAAP has limitations as an analytical tool, and you should not consider Adjusted EBITDA in isolation, or as a substitute for analysis of the Company's results of operations and operating cash flows as reported under US GAAP. For example, Adjusted EBITDA does not reflect:

- the Company's cash expenditures or future requirements for capital expenditures
- changes in, or cash requirements for, the Company's working capital needs
- interest expense, or the cash requirements necessary to service interest or principal payments, on the Company's debt
- any cash income taxes that the Company may be required to pay
- any cash requirements for replacements of assets that are depreciated or amortized over their estimated useful lives and may have to be replaced in the future
- all non-cash income or expense items that are reflected in the Company's statements of cash flows

The Company's definition of and method of calculating Adjusted EBITDA may vary from the definitions and methods used by other companies when calculating Adjusted EBITDA, which may limit their usefulness as comparative measures.

The Company prepared the information included in this presentation based upon available information and assumptions and estimates that it believes are reasonable. The Company cannot assure you that its estimates and assumptions will prove to be accurate.

Adjusted EBITDA margin

Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Revenues.

Presentation of Certain Non-GAAP Financial Measures

Adjusted net income and Adjusted diluted EPS

We use Adjusted net income and Adjusted diluted earnings per share ("Adjusted diluted EPS") in our analysis of the financial performance of the Company. We believe Adjusted net income and Adjusted diluted EPS are meaningful measures of the performance of the Company because they adjust for items that do not directly affect our ongoing operating performance in the period.

Adjusted net income is calculated using Net income (loss), adjusted to exclude acquisition and/or disposal-related transaction costs (such costs include net income from continuing operations before the provision for income taxes, depreciation and amortization, and interest income and expense from the divested business), amortization related to acquired intangible assets, share-based compensation, MCPS dividend expense, unrealized foreign currency gains/losses, restructuring expenses, the impact of certain non-cash fair value adjustments on financial instruments, legal settlements, impairments, and other items that are included in net income (loss) for the period that we do not consider indicative of our ongoing operating performance and the income tax impact of any adjustments.

We calculate Adjusted diluted EPS by using Adjusted net income divided by Adjusted diluted weighted average shares for the period. The Adjusted diluted weighted average shares assumes that all instruments in the calculation are dilutive.

Free cash flow

We use Free cash flow in our operational and financial decision-making and believe Free cash flow is useful to investors because similar measures are frequently used by securities analysts, investors, ratings agencies and other interested parties to evaluate the ability of a company to service its debt. Free cash flow is calculated using Net cash provided by (used for) operating activities less Capital expenditures.

Reconciliation of Non-GAAP Financial Measures

Net income (loss) to Adjusted EBITDA and Adjusted EBITDA margin

(In millions)	Three Months Ended March 31, 2024	2023
Net income (loss) attributable to ordinary shares	**$ (93.8)**	**$ 24.7**
Dividends on preferred shares	18.8	18.8
Net income (loss)	**(75.0)**	**43.5**
Provision (benefit) for income taxes	15.0	(63.6)
Depreciation and amortization	179.4	172.6
Interest expense, net	70.2	73.6
Transaction related costs	4.4	1.7
Share-based compensation expense	15.4	41.2
Restructuring	9.5	9.4
Fair value adjustment of warrants	(5.2)	1.1
Other[1]	22.6	(26.8)
Adjusted EBITDA	**$ 236.3**	**$ 252.7**
Adjusted EBITDA margin	**38.0 %**	**40.2 %**

Descriptions

1. Primarily reflects the net impact of foreign exchange gains and losses related to the remeasurement of balances and other items that do not reflect our ongoing operating performance. The three months ended March 31, 2024 also includes a $15.8 loss on a small divestiture. The three months ended March 31, 2023 also includes a $49.4 gain on legal settlement.

Reconciliation of Non-GAAP Financial Measures

Net income (loss) to Adjusted EBITDA and Adjusted EBITDA margin

(In millions)	Year Ended December 31, 2023
Net income (loss) attributable to ordinary shares	**$ (986.6)**
Dividends on preferred shares	75.4
Net income (loss)	**(911.2)**
Provision (benefit) for income taxes	(101.3)
Depreciation and amortization	708.3
Interest expense, net	293.7
Transaction related costs[1]	8.2
Share-based compensation expense	108.9
Gain on sale from divestitures	–
Goodwill and intangible asset impairments	979.9
Restructuring and other impairments	40.0
Fair value adjustment of warrants	(15.9)
Other[2]	6.6
Adjusted EBITDA	**$ 1,117.2**
Adjusted EBITDA margin	**42.5%**

Descriptions

1. Includes costs incurred to complete business combination transactions, including acquisitions, dispositions and capital market activities and include advisory, legal, and other professional and consulting costs.
2. Primarily reflects the net impact of foreign exchange gains and losses related to the remeasurement of balances and other items that do not reflect our ongoing operating performance. This also includes a $49.4 gain on legal settlement.

Reconciliation of Non-GAAP Financial Measures

Net income (loss) and Net income (loss) per share to Adjusted net income and Adjusted diluted EPS

(In millions, except per share amounts)	Three Months Ended March 31, 2024 Amount	2024 Per Share	2023 Amount	2023 Per Share
Net income (loss) attributable to ordinary shares	**(93.8)**	**(0.14)**	**24.7**	**0.04**
Dividends on preferred shares	18.8	0.03	18.8	0.03
Net income (loss) and EPS	**(75.0)**	**(0.11)**	**43.5**	**0.06**
Transaction related costs	4.4	0.01	1.7	–
Share-based compensation expense	15.4	0.02	41.2	0.06
Amortization related to acquired intangible assets	138.5	0.21	144.4	0.21
Restructuring	9.5	0.01	9.4	0.01
Fair value adjustment of warrants	(5.2)	(0.01)	1.1	–
Other[1]	22.6	0.02	(26.8)	(0.04)
Income tax impact of related adjustments	(6.7)	(0.01)	(83.6)	(0.12)
Adjusted net income and Adjusted diluted EPS	**$ 103.5**	**$ 0.14**	**$ 130.9**	**$ 0.18**
Adjusted weighted-average ordinary shares (diluted)	727.6		734.7	

Descriptions

1. Primarily reflects the net impact of foreign exchange gains and losses related to the remeasurement of balances and other items that do not reflect our ongoing operating performance. The three months ended March 31, 2024 also includes a $15.8 loss on a small divestiture. The three months ended March 31, 2023 also includes a $49.4 gain on legal settlement.

Reconciliation of Non-GAAP Financial Measures

Net cash provided by operating activities to Free cash flow

(In millions)	Three Months Ended March 31, 2024	2023
Net cash provided by operating activities	**$ 176.2**	**$ 227.5**
Capital expenditures	(64.4)	(59.3)
Free cash flow	**$ 111.8**	**$ 168.2**

(In millions)	Year Ended December 31, 2023
Net cash provided by operating activities	**$ 744.2**
Capital expenditures	(242.5)
Free cash flow	**$ 501.7**

Reconciliation of Non-GAAP Financial Measures – 2024 Outlook

The following table presents our calculation of Adjusted EBITDA and Adjusted EBITDA margin for the FY2024 outlook and reconciles these non-GAAP measures to our Net income (loss) for the same period:

Net income (loss) to Adjusted EBITDA and Adjusted EBITDA margin

(In millions)	Year Ending December 31, 2024 (Forecasted) Low	High
Net income (loss) attributable to ordinary shares	**$ (160)**	**$ (100)**
Dividends on preferred shares[1]	35	35
Net income (loss)	**(125)**	**(65)**
Provision (benefit) for income taxes	60	60
Depreciation and amortization	720	720
Interest expense, net	280	280
Restructuring [2]	10	10
Transaction related costs	15	15
Fair value adjustment of warrants	(5)	(5)
Share-based compensation expense	80	80
Other	20	20
Adjusted EBITDA	**$ 1,055**	**$ 1,115**
Adjusted EBITDA margin	**41.0 %**	**42.0 %**

Descriptions

1. Dividends on our MCPS are payable quarterly at an annual rate of 5.25% of the liquidation preference of $100 per share. For the purposes of calculating net loss attributable to Clarivate, we have excluded the accrued and anticipated MCPS dividends.
2. Reflects restructuring costs expected to be incurred in 2024 associated with the Segment Optimization restructuring program.

Reconciliation of Non-GAAP Financial Measures – 2024 Outlook

The following table presents our calculation of Adjusted diluted EPS for the FY2024 outlook and reconciles this non-GAAP measure to our per share Net income (loss) for the same period:

Net income (loss) per fully diluted weighted shares outstanding to Adjusted diluted EPS

	Year Ending December 31, 2024 (Forecasted)	
	Low	High
Net income (loss) attributable to ordinary shares	**$ (0.24)**	**$ (0.14)**
Dividends on preferred shares[1]	0.05	0.05
Net income (loss)	**(0.19)**	**(0.09)**
Restructuring[2]	0.01	0.01
Transaction related costs	0.02	0.02
Share-based compensation expense	0.11	0.11
Amortization related to acquired intangible assets	0.75	0.75
Mark to market adjustment of financial instruments	(0.01)	(0.01)
Other	0.05	0.05
Income tax impact of related adjustments	(0.04)	(0.04)
Adjusted diluted EPS	**$ 0.70**	**$ 0.80**
Adjusted weighted-average ordinary shares (diluted)[3]	730 million	

Descriptions

1. Dividends on our MCPS are payable quarterly at an annual rate of 5.25% of the liquidation preference of $100 per share. For the purposes of calculating net loss attributable to Clarivate, we have excluded the accrued and anticipated MCPS dividends.
2. Primarily reflects restructuring costs expected to be incurred in 2024 associated with the Segment Optimization restructuring program.
3. For the purposes of calculating Adjusted diluted EPS, we have excluded the accrued and anticipated MCPS dividends and assumed the "if-converted" method of share dilution.

Reconciliation of Non-GAAP Financial Measures – 2024 Outlook

The following table presents our calculation of Free cash flow for the FY2024 outlook and reconciles this non-GAAP measure to our Net cash provided by operating activities for the same period:

Net cash provided by operating activities to Free cash flow

(In millions)	Year Ending December 31, 2024 (Forecasted)	
	Low	High
Net cash provided by operating activities	**$ 685**	**$ 765**
Capital expenditures	(265)	(265)
Free cash flow	**$ 420**	**$ 500**