

Broadridge Financial Solutions, Inc.

# 2014 Investor & Analyst Day

## Supplemental Materials

# Definitions

The following terms are used in the 2014 Investor & Analyst Day Presentations:

**Acquisition Amortization and Other Costs** represent amortization charges associated with intangible asset values as well as other deal costs associated with the Company's acquisitions.

**Adjusted Debt/EBITDAR** ratio is calculated as  $(\text{Debt} + 8x \text{ Rent Expense}) / (\text{EBITDA} + \text{Rent Expense})$ .

**Closed Sales** represent anticipated revenues for new client contracts that were signed by Broadridge during the periods referenced. A sale is considered closed when the Company has received the signed client contract. For recurring revenue closed sales, the amount of the closed sale is generally a reasonable estimate of annual revenues based on client volumes or activity, excluding pass-through revenues such as distribution revenues.

**Distribution revenues** consist primarily of postage-related expenses incurred in connection with our Investor Communication Solutions segment.

**Earnings results and related metrics** that are provided on a consolidated basis are Non-GAAP measures as they are adjusted to exclude the impact of certain significant events from our GAAP results such as the impact of Acquisition Amortization and Other Costs.

**EBIT** is a Non-GAAP measure and is defined as Earnings Before Interest and Taxes.

**Event-Driven revenues** are based on the number of special events and corporate transactions we process. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. As such, the timing and level of event-driven activity and its potential impact on revenues and earnings is difficult to forecast.

**Free Cash Flows (FCF)** is a Non-GAAP measure and is defined by Broadridge as cash flows from operating activities, less capital expenditures and software purchases.

**IBM Migration Costs** are the costs incurred by Broadridge in connection with the migration of its data centers to IBM.

**Net New Business** refers to recurring revenue closed sales less revenue from recurring revenue client losses.

# Non-GAAP to GAAP Reconciliations

## Free Cash Flows FY11-FY14

**Broadridge Financial Solutions**  
**Reconciliation of Non-GAAP to GAAP Measures**  
**Free Cash Flows Reconciliation FY2011 to FY2014**  
**(in \$ millions)**

	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Net cash flows provided by continuing operating activities (GAAP)	191	291	271	388
Capital Expenditures and Software Purchases	<u>47</u>	<u>47</u>	<u>51</u>	<u>53</u>
<b>Free Cash Flows (Non-GAAP)</b>	<b><u>143</u></b>	<b><u>244</u></b>	<b><u>220</u></b>	<b><u>334</u></b>

Note: Totals may not sum due to rounding

# Non-GAAP to GAAP Reconciliations

## Free Cash Flows Since Becoming a Public Company

**Broadridge Financial Solutions**  
**Reconciliation of Non-GAAP to GAAP Measures**  
**Free Cash Flows Reconciliation Q42007 to FY2014**  
**(in \$ millions)**

	<u>Q42007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Net cash flows provided by operating activities - continuing	85	308	277	360	191	291	271	388	2,170
Net cash flows provided by operating activities - discontinued		174	82	134	23	(6)			406
Net cash flows provided by operating activities (GAAP)	85	482	359	494	214	284	271	388	2,576
Capital Expenditures and Software Purchases	14	47	30	53	47	47	51	53	342
<b>Free Cash Flows (Non-GAAP)</b>	<b>71</b>	<b>436</b>	<b>329</b>	<b>441</b>	<b>167</b>	<b>238</b>	<b>220</b>	<b>334</b>	<b>2,235</b>

Notes: Totals may not add up due to rounding

Table above includes cash flows provided by operating activities of discontinued operations

# Non-GAAP to GAAP Reconciliations

## EBIT, EBIT Margins and Earnings

**Broadridge Financial Solutions, Inc.**  
**Reconciliation of Non-GAAP to GAAP Measures**  
**EBIT, EBIT Margins and Earnings Reconciliation**  
**(in \$ millions)**

	FY2011	FY2014
EBIT from continuing operations (Non-GAAP)	285	420
Acquisition Amortization and Other Costs	19	25
Interest and Other	(8)	(25)
Adjusted net earnings from continuing operations before income taxes (Non-GAAP)	295	420
Acquisition Amortization and Other Costs	(19)	(25)
IBM Migration Costs	(6)	-
Earnings from continuing operations before income taxes (GAAP)	270	396
EBIT margins (Non-GAAP)	13.1%	16.4%
Adjusted Pre-tax margins (Non-GAAP)	13.6%	16.4%
Pre-tax margins (GAAP)	12.4%	15.5%
Adjusted Net Earnings from continuing operations (Non-GAAP)	188	279
Acquisition Amortization and Other Costs	(12)	(16)
IBM Migration Costs	(4)	-
Total Net Earnings from continuing operations (GAAP)	172	263