

# **Bankrate, Inc.** (NYSE:RATE)

## Q2 2016 Earnings Call

August 2016

# FORWARD-LOOKING STATEMENTS

This document is not intended as a full business or financial review and should be viewed in the context of all of the information made available by us in our filings with the Securities and Exchange Commission ("SEC"). To the extent there is any discrepancy between this document and the content of our SEC filings, the SEC filings are the authoritative sources of information.

## Cautionary Statement Regarding Forward-Looking Information

Certain matters included in this document may be "forward-looking statements" which involve risks and uncertainties. Those statements include statements regarding the intent, belief or current expectations of the Company and members of our management team. Such forward-looking statements include, without limitation, statements made with respect to future revenue, revenue growth, market acceptance of our products, our strategy and profitability. Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known or unknown factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include the following: the willingness or interest of banks, lenders, brokers, credit card issuers, senior care providers and other advertisers in the business verticals in which we operate to advertise on our websites or mobile applications, or purchase our leads, clicks, calls and referrals; changes in application approval rates by our credit card issuer customers; increased competition and its effect on our website traffic, click-through rates, advertising rates, margins, and market share; our dependence on internet search engines to attract a significant portion of the visitors to our websites and our ability to diversify the sources from which we obtain visitor traffic to our websites and mobile applications, including without limitation through use of social media channels; changes in the way that search engines display paid and organic search results and the impact of those changes on the number of consumers that visit our online network and the cost of driving consumers to our online network; our dependence on traffic from our partners to produce a significant portion of the Company's revenue and our ability to establish and maintain distribution arrangements; risks related to the successful integration of the NextAdvisor business acquired and the ability to realize the expected benefits from such acquisition; risks and uncertainties associated with the NextAdvisor business; the willingness of consumers to accept the Internet and our online network as a medium for obtaining information on financial products or senior care; shift of visitors from desktop to mobile and mobile app environments; the rate of conversion of consumers' visits to our websites or mobile applications into senior care referrals and the rate at which those referrals result in move-ins with our senior care customers; the number of consumers seeking information about the financial and senior care products we have on our websites or mobile applications; our ability to successfully execute on our strategies, and the effectiveness of our strategies and investments in our business, including without limitation whether they result in increased revenue or profitability; our ability to maintain good working relationships with our customers and third-party providers and to continue to attract new customers; the material weakness in the operating effectiveness of our internal controls over financial reporting discussed in our 2015 Annual Report on Form 10-K and our ability to remediate the weakness completely and promptly; risks relating to the defense or litigation of lawsuits, including without limitation the failure to obtain preliminary or final court approval of the proposed settlement of the putative securities law class action lawsuit described in our SEC filings or delay in obtaining such approval, risks related to decisions by class members to opt out of or object to the proposed settlement, or the potential impact of the proposed settlement on our stock price; the timing and outcome of, including potential expense associated with, and the potential impact on our business and stock price of any announcements regarding, the United States Department of Justice investigation relating to our financial reporting during 2012; the timing and outcome of, including potential expense associated with, and the potential impact on our business and stock price of any announcements regarding, the Consumer Financial Protection Bureau investigation; the costs of indemnification obligations to former directors, officers and employees; any delay, or failure to pay, or contractually required reduction in the deferred portion of the purchase price in connection with the sale of the Company's insurance business in December 2015; our ability to anticipate and manage cybersecurity risk and data security risk and to mitigate or resolve issues that may arise; the effects of any security breach, data breach or cyberattack on our systems, websites or mobile applications, or on our reputation, and the impact of any notification costs or other liability arising from any security breach, data breach or cyberattack on our business; technological changes and our ability to adapt to new or evolving technologies that affect our business environment or operations; our ability to maintain effective disclosure controls and procedures and internal control over financial reporting; our ability to manage traffic on our websites or mobile applications, and service interruptions; our ability to maintain and develop our brands and content; our indebtedness and the effect such indebtedness may have on our business; our need and our ability to obtain additional debt or equity financing; our ability to integrate the operations and realize the expected benefits of businesses that we have acquired and may acquire in the future; the effect of unexpected liabilities we assume (whether intentional or not) from our acquisitions; the effect of programmatic advertising platforms on display revenue; our ability to attract and retain executive officers and personnel; any failure or refusal by our insurance providers to provide coverage under our insurance policies, including without limitation in connection with the putative securities class action lawsuit; our ability to protect our intellectual property; the effects of potential liability for content on our websites or mobile applications; the effect of our operations in the United Kingdom and possible expansion to other international markets, in which we may have limited experience, and our ability to successfully execute on our business strategies in international markets; the strength of the U.S. economy in general and the financial services industry in particular; changes in monetary and fiscal policies of the U.S. government and interest rate volatility; changes in consumer spending and saving habits; review of our business and operations by regulatory or other governmental authorities; changes in laws and regulations or interpretations of laws and regulations, other changes in the legal and regulatory environment, and the impact of such changes on the operation of our business; any impairment to our goodwill and/or intangible assets, including without limitation the impairment of our Banking segment and the potential for impairment of the goodwill of our Senior Care segment as discussed in our SEC filings; changes in accounting principles, policies, practices or guidelines; and our ability to manage the risks involved in the foregoing. For more information about factors that could cause actual results to differ materially from our expectations, refer to our reports filed with the Securities and Exchange Commission, including the discussion without limitation under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015 along with any modifications or updates to those "Risk Factors" in our Quarterly Reports on Form 10-Q. These documents are available on the SEC's website at [www.sec.gov](http://www.sec.gov). Any factor described above or in our SEC reports could, by itself or together with one or more other factors, adversely affect our financial results and condition. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, except as otherwise required by law.

## Non-GAAP Measures

To supplement Bankrate's financial statements presented in accordance with generally accepted accounting principles ("GAAP"), Bankrate uses non-GAAP measures of certain components of financial performance, including EBITDA, Adjusted EBITDA and Adjusted EPS, which are adjusted from results based on GAAP to exclude certain expenses, gains and losses. These non-GAAP measures are provided to enhance investors' overall understanding of Bankrate's current financial performance and its prospects for the future. Specifically, Bankrate believes the non-GAAP results provide useful information to both management and investors by excluding certain expenses, gains and losses that may not be indicative of its core operating results. In addition, because Bankrate has historically reported certain non-GAAP results to investors, Bankrate believes the inclusion of non-GAAP measures provides consistency in its financial reporting. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. The non-GAAP measures included in this document have been reconciled to the nearest GAAP measure in the financial tables found in the "Supplemental Information" section of this document.

# Summary Financial Results

	2014				2015				2016		FY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Q4	Q1	Q2	2014	2015
<b>(in millions)</b>												
Total Revenue	\$84.2	\$85.3	\$90.4	\$92.1	\$89.2	\$89.3	\$99.7	\$93.7	\$93.5	\$98.3	\$352.1	\$372.0
<i>yr/yr growth</i>					6%	5%	10%	2%	5%	10%		6%
<b>Net Income</b>												
GAAP Net Income (loss)	\$4.1	(\$2.2)	(\$7.0)	\$10.3	\$5.0	\$0.3	(\$23.4)	\$4.8	\$0.3	(\$41.0)	\$5.2	(\$13.3)
Adjusted Net Income <sup>(2)</sup>	\$14.5	\$12.6	\$14.3	\$15.0	\$15.7	\$14.6	\$17.6	\$13.8	\$10.8	\$9.7	\$56.3	\$61.6
Adjusted EBITDA <sup>(3)</sup>	\$30.2	\$26.9	\$29.8	\$30.9	\$32.1	\$31.3	\$35.3	\$28.5	\$23.3	\$22.6	\$117.8	\$127.1
<i>Margin %</i>	35.9%	31.5%	32.9%	33.6%	36.0%	35.0%	35.4%	30.4%	24.9%	23.0%	33.5%	34.2%

(1) Additional notes and disclosures related to the items in this table are contained in the company's SEC filings for the applicable periods. All financials excludes previously sold Insurance segment.

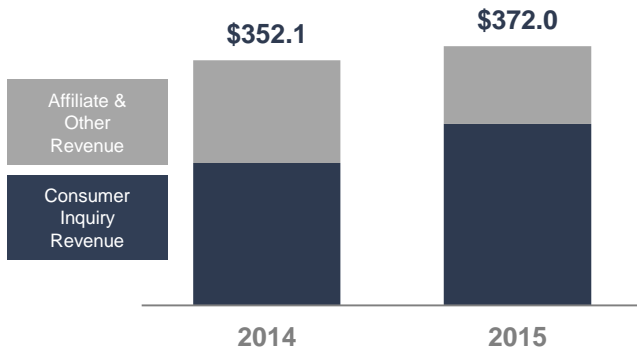
(2) Adjusted net income excludes China; adds back net (income) loss from discontinued operations; income tax (benefit) expense; non-recurring change in fair value of contingent acquisition consideration; loss on extinguishment of debt; legal settlements; acquisition, offering and related expenses; costs related to the restatement, the internal review, the SEC and DOJ investigations and related litigation and indemnification obligations; purchase accounting adjustments; CEO transition costs; stock-based compensation; and amortization, net of tax.

(3) Adjusted EBITDA excludes China EBITDA; adds back interest and other expense; income tax (benefit) expense; depreciation and amortization; net loss from discontinued operations; changes in fair value of contingent acquisition consideration; loss on extinguishment of debt; legal settlements; acquisition, offering and related expenses; costs related to the restatement, the internal review, the SEC and DOJ investigations and related litigation and indemnification obligations; purchase accounting adjustments; CEO transition costs; and stock-based compensation.

### Revenue

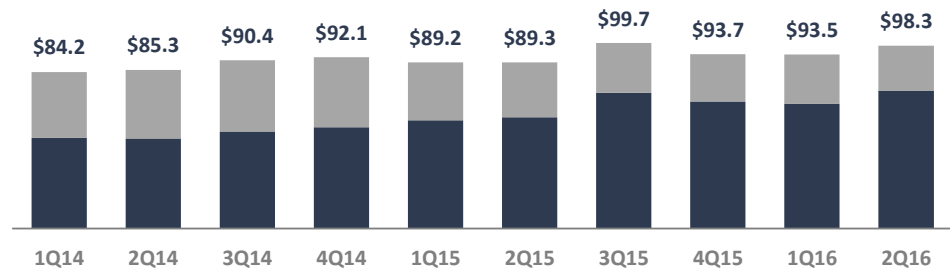
ANNUAL  
(IN MILLIONS)

6%  
Y-o-Y



QUARTERLY  
(IN MILLIONS)

10% Y-o-Y



Q2 '16

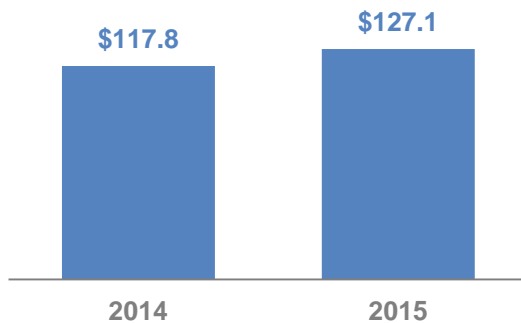
(18%) Y-o-Y

24% Y-o-Y

### Adj. EBITDA

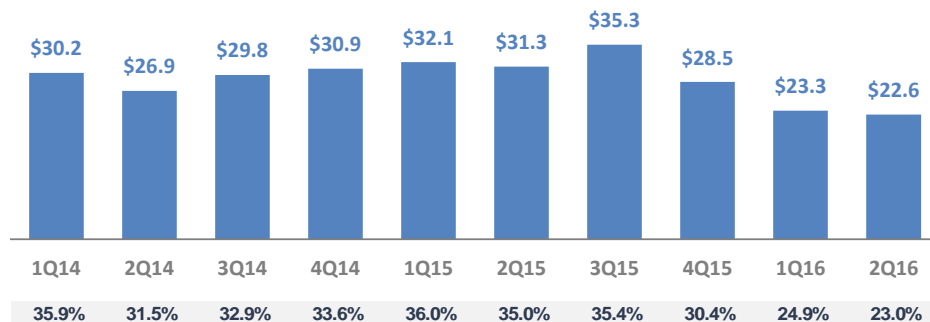
ANNUAL  
(IN MILLIONS)

8%  
Y-o-Y



QUARTERLY  
(IN MILLIONS)

(28%) Y-o-Y



Margin%	2014	2015
	33.5%	34.2%

as % of Revenue

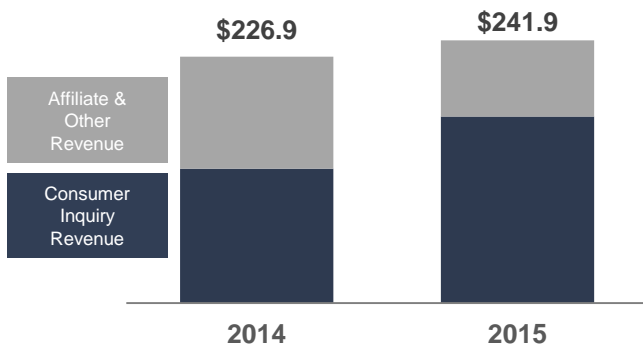


# CreditCards.com Credit Cards Segment

## Revenue

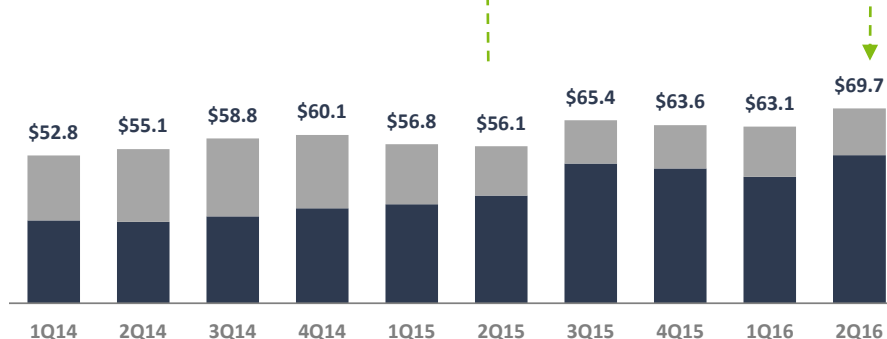
ANNUAL  
(IN MILLIONS)

7%  
Y-o-Y



QUARTERLY  
(IN MILLIONS)

24% Y-o-Y



Q2 '16

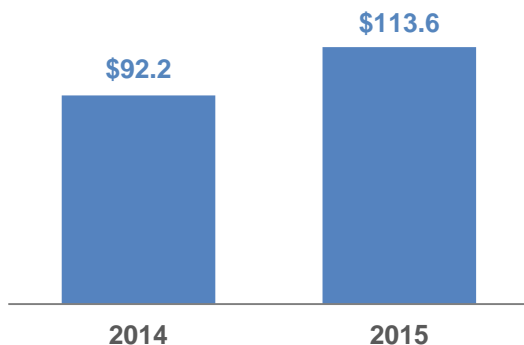
(5%) Y-o-Y

38% Y-o-Y

## Adj. EBITDA

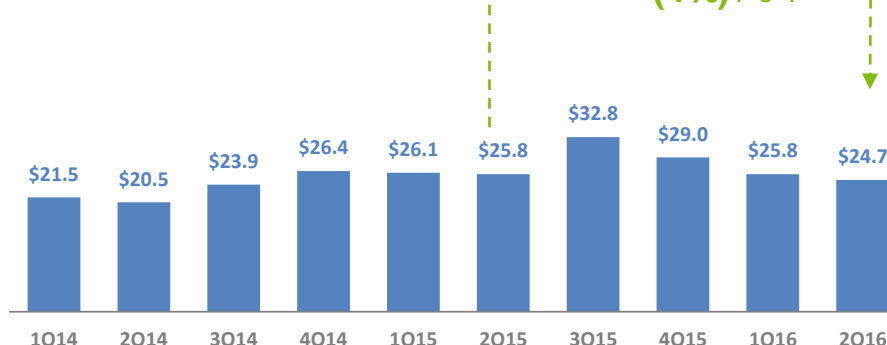
ANNUAL  
(IN MILLIONS)

23%  
Y-o-Y



QUARTERLY  
(IN MILLIONS)

(4%) Y-o-Y



Margin%	2014	2015
	40.7%	47.0%

as % of Revenue

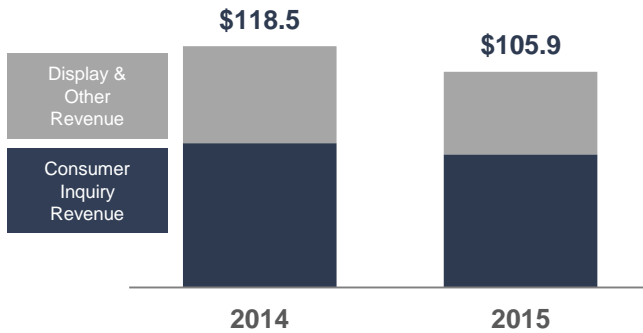
Quarter	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Margin%	40.6%	37.3%	40.6%	43.9%	46.0%	46.1%	50.1%	45.5%	40.9%	35.4%

# Bankrate™ Banking Segment

## Revenue

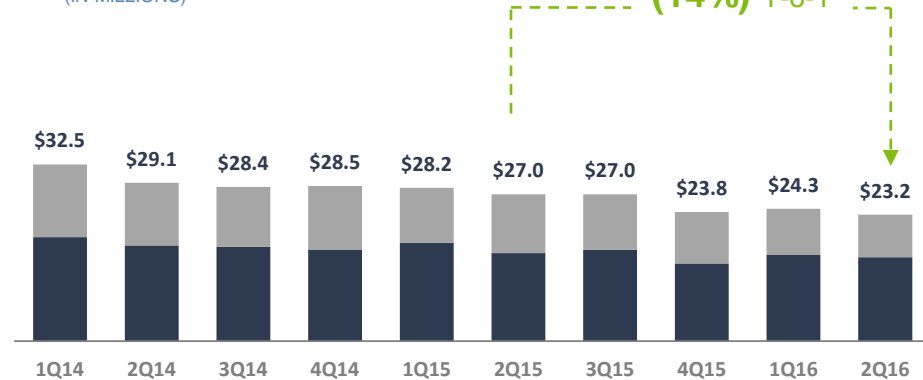
ANNUAL  
(IN MILLIONS)

(11%)  
Y-o-Y



QUARTERLY  
(IN MILLIONS)

(14%) Y-o-Y



Q2 '16

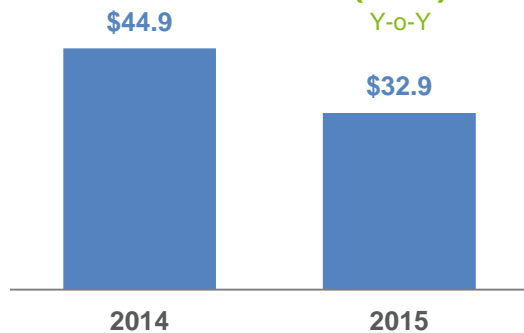
(27%) Y-o-Y

(5%) Y-o-Y

## Adj. EBITDA

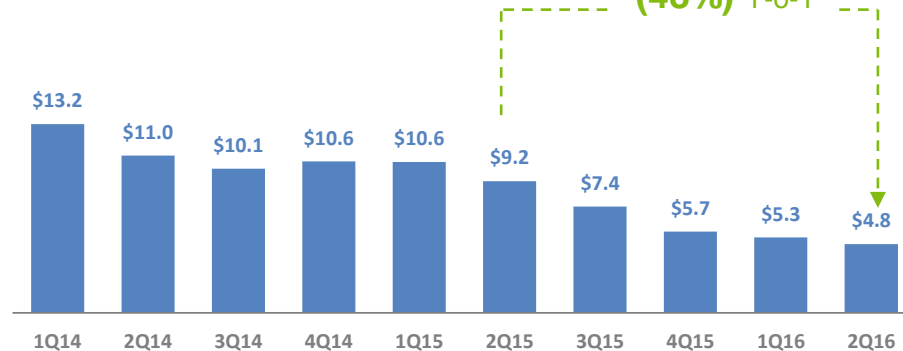
ANNUAL  
(IN MILLIONS)

(27%)  
Y-o-Y



QUARTERLY  
(IN MILLIONS)

(48%) Y-o-Y



Margin%

37.9%

31.0%

as % of Revenue

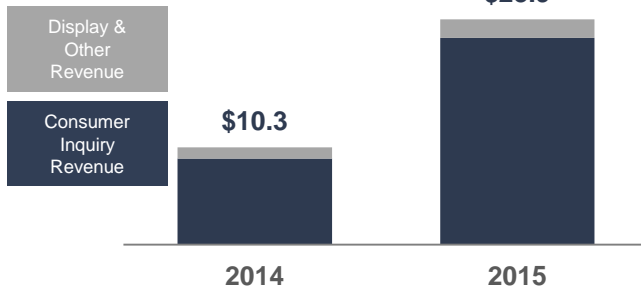
40.6% 37.7% 35.5% 37.1% 37.5% 34.1% 27.5% 23.9% 21.7% 20.7%

## Revenue

ANNUAL  
(IN MILLIONS)

132%  
Y-o-Y

\$23.9



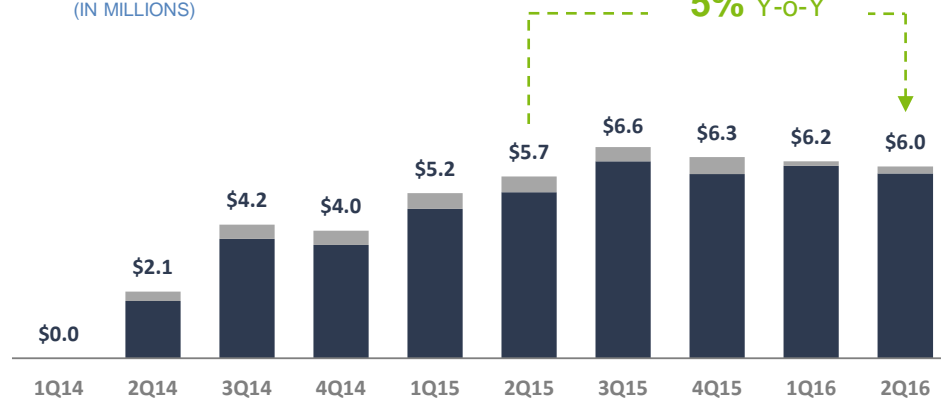
QUARTERLY  
(IN MILLIONS)

5% Y-o-Y

Q2 '16

(56)%  
Y-o-Y

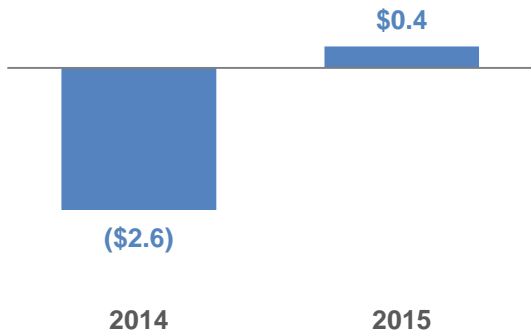
11% Y-o-Y



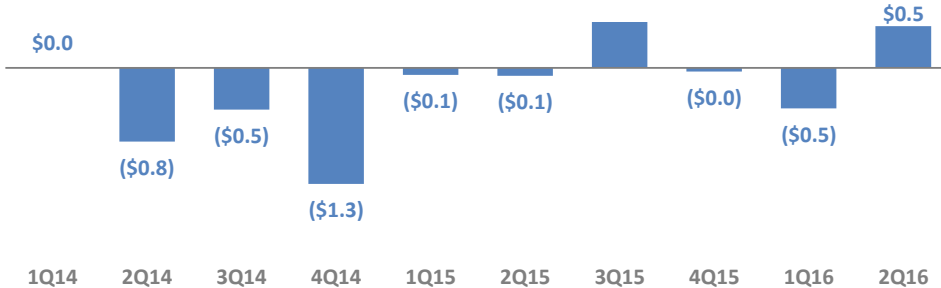
## Adj. EBITDA

ANNUAL  
(IN MILLIONS)

\$0.4



QUARTERLY  
(IN MILLIONS)



# Guidance Range

(IN MILLIONS)

	Q3 2016	FY 2016
Revenue	\$110 – \$116	\$419 – \$430
Adj. EBITDA	\$23 – \$25	\$99 – \$103



# Supplemental Information

Additional metrics and reconciliation of non-GAAP measures

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# Additional Metrics (Unaudited)

*In millions unless stated otherwise*

	2014				2015				2016		FY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Q1	Q2	2014	2015
<b>Banking</b>												
# of Consumer Inquiries (Rate Table Clicks & Calls) <sup>1</sup>	1.7	1.7	1.7	1.6	1.7	1.6	1.7	1.5	1.8	1.8	6.6	6.6
Yo Y % Change					(12%)	(4.0%)	5.8%	(3.3%)	7.8%	15.9%	5.5%	(0.7%)
Consumer Inquiry Revenue	\$19.1	\$17.6	\$17.4	\$16.9	\$18.1	\$16.2	\$16.8	\$14.3	\$15.9	\$15.4	\$70.9	\$65.4
Yo Y % Change					(5.3%)	(7.8%)	(3.2%)	(15.1%)	(2.0%)	(4.9%)	16.2%	(7.7%)
Display and Other Revenue	\$13.3	\$11.6	\$11.0	\$11.7	\$10.1	\$10.8	\$10.2	\$9.4	\$8.4	\$7.8	\$47.6	\$40.5
Yo Y % Change					(24.6%)	(6.9%)	(7.5%)	(18.9%)	(16.4%)	(27.3%)	(1.0%)	(16.0%)
<b>Total Segment Revenue</b>	<b>\$32.5</b>	<b>\$29.1</b>	<b>\$28.4</b>	<b>\$28.5</b>	<b>\$28.2</b>	<b>\$27.0</b>	<b>\$27.0</b>	<b>\$23.8</b>	<b>\$24.3</b>	<b>\$23.2</b>	<b>\$118.5</b>	<b>\$105.9</b>
Yo Y % Change					(13.2%)	(7.4%)	(4.9%)	(16.7%)	(13.6%)	(13.8%)	8.6%	(10.6%)
<b>Segment Adjusted EBITDA</b>	<b>\$13.2</b>	<b>\$11.0</b>	<b>\$10.1</b>	<b>\$10.6</b>	<b>\$10.6</b>	<b>\$9.2</b>	<b>\$7.4</b>	<b>\$5.7</b>	<b>\$5.3</b>	<b>\$4.8</b>	<b>\$44.9</b>	<b>\$32.9</b>
Margin %	40.6%	37.7%	35.5%	37.1%	37.5%	34.1%	27.5%	23.9%	21.7%	20.7%	37.9%	31.0%
<b>Credit Cards</b>												
# of Consumer Inquiries (Credit Card Offer Clicks & Calls) <sup>2</sup>	2.6	2.5	2.5	2.8	2.7	2.9	3.3	3.6	3.0	3.5	10.3	12.5
Yo Y % Change					4.7%	15.6%	31.8%	30.9%	9.4%	20.2%	8.1%	20.9%
Consumer Inquiry Revenue	\$29.6	\$29.0	\$31.0	\$33.9	\$35.4	\$38.4	\$49.9	\$48.2	\$45.2	\$52.9	\$123.6	\$171.9
Yo Y % Change					19.5%	32.3%	60.9%	41.9%	27.7%	37.6%	36.2%	39.1%
Affiliate & Other Revenue	\$23.2	\$26.0	\$27.8	\$26.2	\$21.4	\$17.6	\$15.4	\$15.5	\$18.0	\$16.8	\$103.2	\$69.9
Yo Y % Change					(7.9%)	(32.2%)	(44.4%)	(41.0%)	(16.0%)	(4.9%)	36.2%	(32.3%)
<b>Total Segment Revenue</b>	<b>\$52.8</b>	<b>\$55.1</b>	<b>\$58.8</b>	<b>\$60.1</b>	<b>\$56.8</b>	<b>\$56.1</b>	<b>\$65.4</b>	<b>\$63.6</b>	<b>\$63.1</b>	<b>\$69.7</b>	<b>\$226.9</b>	<b>\$241.9</b>
Yo Y % Change					7.5%	18%	11%	5.8%	11.2%	24.3%	13.1%	6.6%
<b>Segment Adjusted EBITDA</b>	<b>\$21.5</b>	<b>\$20.5</b>	<b>\$23.9</b>	<b>\$26.4</b>	<b>\$26.1</b>	<b>\$25.8</b>	<b>\$32.8</b>	<b>\$29.0</b>	<b>\$25.8</b>	<b>\$24.7</b>	<b>\$92.2</b>	<b>\$113.6</b>
Margin %	40.6%	37.3%	40.6%	43.9%	46.0%	46.1%	50.1%	45.5%	40.9%	35.4%	40.7%	47.0%

(1) Clicks and calls that are generated on rate tables hosted on owned and operated properties and partner properties

(2) Clicks and calls that are generated on credit card listings hosted on owned and operated properties; excludes offer clicks for (primarily subprime) cards where Bankrate get paid on a "per completed application," as well as offer clicks generated on affiliate websites and international websites

# Additional Metrics (Unaudited)

In millions unless stated otherwise	2014				2015				2016		FY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Q1	Q2	2014	2015
<b>Senior Care</b>												
# of Consumer Inquirers (in 000's) <sup>1</sup>		11.9	19.0	18.8	24.0	26.8	25.8	22.7	29.3	21.4	49.7	99.3
Yo Y % Change						25.8%	35.7%	20.6%	22.1%	(20.0%)		99.9%
Consumer Inquiry Revenue		\$1.8	\$3.8	\$3.6	\$4.7	\$5.2	\$6.2	\$5.8	\$6.0	\$5.8	\$9.1	\$21.9
Yo Y % Change						89.4%	64.8%	62.4%	28.6%	11.3%		40.0%
Display and Other Revenue		\$0.3	\$0.4	\$0.4	\$0.5	\$0.5	\$0.4	\$0.5	\$0.1	\$0.2	\$0.1.2	\$0.2
Yo Y % Change						71.9%	(0.5%)	20.1%	(70.5%)	(56.4%)		66.2%
<b>Senior Care Revenue</b>		<b>\$2.1</b>	<b>\$4.2</b>	<b>\$4.0</b>	<b>\$5.2</b>	<b>\$5.7</b>	<b>\$6.6</b>	<b>\$6.3</b>	<b>\$6.2</b>	<b>\$6.0</b>	<b>\$10.3</b>	<b>\$23.9</b>
Yo Y % Change						173.2%	57.8%	57.8%	19.3%	5.4%		131.6%
<b>Senior Care Adjusted EBITDA</b>		<b>(\$0.8)</b>	<b>(\$0.5)</b>	<b>(\$1.3)</b>	<b>(\$0.1)</b>	<b>(\$0.1)</b>	<b>\$0.6</b>	<b>(\$0.0)</b>	<b>(\$0.5)</b>	<b>\$0.5</b>	<b>(\$2.6)</b>	<b>\$0.4</b>
Margin %		N/A	N/A	N/A	N/A	N/A	9.0%	N/A	N/A	7.7%	N/A	16%
<b>Corporate</b>												
Revenue Elimination & Other <sup>2</sup>	(\$1.1)	(\$1.0)	(\$0.9)	(\$0.5)	(\$0.9)	\$0.6	\$0.7	\$0.0	(\$0.2)	(\$0.6)	(\$3.6)	\$0.4
Corporate Expenses	(\$4.5)	(\$3.8)	(\$3.7)	(\$4.8)	(\$4.5)	(\$3.7)	(\$5.5)	(\$6.1)	(\$7.3)	(\$7.4)	(\$16.7)	(\$19.8)
<b>Total Company</b>												
<b>Total GAAP Revenue</b>	<b>\$84.2</b>	<b>\$85.3</b>	<b>\$90.4</b>	<b>\$92.1</b>	<b>\$89.2</b>	<b>\$89.3</b>	<b>\$99.7</b>	<b>\$93.7</b>	<b>\$93.5</b>	<b>\$98.3</b>	<b>\$352.1</b>	<b>\$372.0</b>
Yo Y % Change					6.0%	4.7%	10.2%	1.7%	4.8%	10.0%	8.8%	5.7%
<b>Total Adjusted EBITDA</b>	<b>\$30.2</b>	<b>\$26.9</b>	<b>\$29.8</b>	<b>\$30.9</b>	<b>\$32.1</b>	<b>\$31.3</b>	<b>\$35.3</b>	<b>\$28.5</b>	<b>\$23.3</b>	<b>\$22.6</b>	<b>\$117.8</b>	<b>\$127.1</b>
Margin %	35.9%	31.5%	32.9%	33.6%	36.0%	35.0%	35.4%	30.4%	24.9%	23.0%	33.5%	34.2%
Yo Y % Change					6.3%	1.2%	8.4%	(7.9%)	(27.3%)	(27.7%)	6.7%	7.9%

(1) Senior Housing Consumer Inquiries

(2) Includes the impact of Quizzle, LLC acquisition as of April 1, 2015; includes China revenues

(3) Excludes China EBITDA

# Reconciliation of Non-GAAP Measures<sup>1</sup>

	2014				2015				2016		FY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Q4	Q1	Q2	2014	2015
<b>Reconciliation of adjusted EBITDA<sup>2</sup> (in millions)</b>												
Net income (loss)	\$4.1	(\$2.2)	(\$7.0)	\$10.3	\$5.0	\$0.3	(\$23.4)	\$4.8	\$0.3	(\$410)	\$5.2	(\$13.3)
Interest and other expenses	5.2	5.2	5.2	5.2	5.3	6.4	5.6	5.0	4.8	5.0	20.8	22.3
Income tax expense (benefit)	4.9	(0.4)	7.0	(3.2)	3.7	16	3.1	17	3.7	(7.4)	8.3	10.1
Depreciation and amortization	7.9	8.6	8.9	9.2	9.6	9.7	10.0	11.6	9.6	11.1	34.5	40.8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	22.0	11.1	14.1	21.6	23.4	18.1	(4.7)	23.1	18.4	(32.3)	68.7	59.9
Net loss (income) from discontinued operations	0.2	1.0	0.3	0.4	(0.6)	1.8	29.1	(0.1)	0.4	(0.4)	1.9	30.2
China Adjusted EBITDA loss	0.4	0.3	0.1	(0.2)	0.2	0.1	0.0	0.1	0.2	0.6	0.6	0.4
Change in fair value of contingent acquisition consideration	14	0.7	0.7	0.8	(0.2)	0.6	0.3	(12)	(0.2)	0.3	3.6	(0.4)
Impairment Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0
Loss on extinguishment of debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition, divestiture and related expenses	2.4	0.2	0.2	0.8	0.3	0.3	0.6	(0.6)	0.0	1.3	3.6	0.6
Stock-based compensation	3.1	3.6	3.6	3.5	4.8	5.0	8.8	0.9	3.9	4.8	13.9	19.4
Restatement charges	0.7	0.6	18.3	4.0	4.2	5.4	1.1	0.8	1.4	2.0	23.6	11.4
Impact of purchase accounting	0.0	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0
Other non-recurring charges (credits)	0.0	9.2	(7.7)	(0.1)	0.0	0.0	0.1	5.5	(0.9)	2.14	1.4	5.6
<b>Adjusted EBITDA</b>	<b>\$30.2</b>	<b>\$26.9</b>	<b>\$29.8</b>	<b>\$30.9</b>	<b>\$32.1</b>	<b>\$31.3</b>	<b>\$35.3</b>	<b>\$28.5</b>	<b>\$23.3</b>	<b>\$22.6</b>	<b>\$117.8</b>	<b>\$127.1</b>
% of GAAP Revenue	35.9%	31.6%	32.9%	33.6%	36.0%	35.0%	35.4%	30.4%	24.9%	23.0%	33.5%	34.2%

(1) Additional notes and disclosures related to the items in this table are contained in the company's SEC filings for the applicable periods. All financials excludes previously sold Insurance segment.

(2) Adjusted EBITDA excludes China EBITDA; adds back interest and other expense; income tax (benefit) expense; depreciation and amortization; net loss from discontinued operations; changes in fair value of contingent acquisition consideration; loss on extinguishment of debt; legal settlements; acquisition, offering and related expenses; costs related to the restatement, the internal review, the SEC and DOJ investigations and related litigation and indemnification obligations; purchase accounting adjustments; CEO transition costs; and stock-based compensation.

# Reconciliation of Non-GAAP Measures<sup>1</sup>

	2014				2015				2016		FY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Q4	Q1	Q2	2014	2015
<b>Reconciliation of adjusted net income<sup>2</sup> (in millions)</b>												
Net income (loss)	\$4.1	(\$2.2)	(\$7.0)	\$ 0.3	\$5.0	\$0.3	(\$23.4)	\$4.8	\$0.3	(\$410)	\$5.2	(\$13.3)
Net loss (income) from discontinued operations	0.2	1.0	0.3	0.4	(0.6)	1.8	29.1	(0.1)	0.4	(0.4)	1.9	30.2
Income tax expense (benefit)	4.9	(0.4)	7.0	(3.2)	3.7	1.6	3.1	1.7	3.7	(7.4)	8.3	10.1
Amortization	7.5	8.1	8.5	8.8	9.2	9.4	9.5	11.0	9.1	9.4	32.9	39.0
China Adjusted EBITDA loss	0.4	0.3	0.1	(0.2)	0.2	0.1	0.0	0.1	0.2	0.6	0.6	0.4
Change in fair value of contingent acquisition consideration due to change in estimate	0.5	0.0	(0.0)	0.0	(0.9)	0.0	0.0	(1.5)	(0.3)	0.1	0.5	(2.5)
Impairment Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0
Loss on extinguishment of debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition, divestiture and related expenses	2.4	0.2	0.2	0.8	0.3	0.3	0.6	(0.6)	0.0	1.3	3.6	0.6
Stock-based compensation	3.1	3.6	3.6	3.5	4.8	5.0	8.8	0.9	3.9	4.8	13.9	19.4
Restatement charges	0.7	0.6	18.3	4.0	4.2	5.4	1.1	0.8	1.4	2.0	23.6	11.4
Impact of purchase accounting	0.0	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0
Other non-recurring charges (credits)	0.001	9.190	(7.7)	(0.1)	0.0	0.0	0.1	5.5	(0.9)	2.14	1.4	5.6
<b>Adjusted Income Before Tax</b>	<b>\$23.7</b>	<b>\$20.6</b>	<b>\$23.5</b>	<b>\$24.5</b>	<b>\$25.7</b>	<b>\$23.9</b>	<b>\$28.8</b>	<b>\$22.6</b>	<b>\$17.7</b>	<b>\$15.8</b>	<b>\$92.3</b>	<b>\$101.0</b>
Income tax	(\$9.2)	(\$8.0)	(\$9.2)	(\$9.6)	(\$10.0)	(\$9.3)	(\$11.2)	(\$8.8)	(\$6.9)	(\$6.2)	(\$36.0)	(\$39.4)
<b>Adjusted net income</b>	<b>\$14.5</b>	<b>\$12.6</b>	<b>\$14.3</b>	<b>\$15.0</b>	<b>\$15.7</b>	<b>\$14.6</b>	<b>\$17.6</b>	<b>\$13.8</b>	<b>\$10.8</b>	<b>\$9.7</b>	<b>\$56.3</b>	<b>\$61.6</b>
% of GAAP Revenue	17.2%	14.7%	15.8%	16.2%	17.6%	16.3%	17.7%	14.7%	11.6%	9.8%	16.0%	16.6%

(1) Additional notes and disclosures related to the items in this table are contained in the company's SEC filings for the applicable periods. All financials excludes previously sold Insurance segment.

(2) Adjusted net income excludes China; adds back net (income) loss from discontinued operations; income tax (benefit) expense; non-recurring change in fair value of contingent acquisition consideration; loss on extinguishment of debt; legal settlements; acquisition, offering and related expenses; costs related to the restatement, the internal review, the SEC and DOJ investigations and related litigation and indemnification obligations; purchase accounting adjustments; CEO transition costs; stock-based compensation; and amortization, net of tax.