Section 1: 6-K (FORM 6-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of January, 2020

Commission file number: 001-38911

CLARIVATE ANALYTICS PLC
(Exact name of registrant as specified in its charter)

Friars House
160 Blackfriars Road
London SE1 8EZ United Kingdom
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐
Agreement to Acquire Decision Resources Group

On January 17, 2020, Clarivate Analytics Plc (“Clarivate”) announced that it has signed a definitive agreement to acquire Decision Resources Group (“DRG”), a premier provider of high-value data, analytics and insights products and services to the healthcare industry, from Piramal Enterprises Limited (“PEL”; NSE: PEL, BSE: 500302), part of global business conglomerate Piramal Group. Clarivate issued the press release attached hereto as Exhibit 99.1 announcing the proposed acquisition and will be delivering the investor presentation attached hereto as Exhibit 99.2 on the conference call referred to the press release.

Reaffirming Standalone 2020 Outlook

On January 17, 2020, Clarivate also reaffirmed its standalone outlook for the year ending December 31, 2020, initially announced on November 12, 2019. Standalone outlook does not reflect the proposed acquisition of DRG or the divestiture of the MarkMonitor brand protection, antipiracy and antifraud business, announced on November 5, 2019 and completed on January 1, 2020.

For the year ending December 31, 2020, excluding the proposed acquisition of DRG and divestiture of MarkMonitor, Clarivate expects:

- Adjusted Revenues in a range of $950 million to $970 million
- Adjusted EBITDA in a range of $330 million to $350 million
- Adjusted EBITDA margins in a range of 35% to 36%
- Adjusted Free Cash Flow in a range of $195 million to $210 million

The above outlook excludes the impact of the proposed DRG acquisition and MarkMonitor divestiture and assumes no further currency movements, acquisitions, divestitures or unanticipated events.

See Exhibit 99.3 attached hereto for information related to the above non-GAAP financial measures and reconciliations to financial measures calculated in accordance with GAAP.

Forward-Looking Statements

This Report on Form 6-K contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management’s current views concerning future business, events, trends, contingencies, financial performance, or financial condition, appear under the headings “Agreement to Acquire DRG” and “Reaffirming Standalone 2020 Outlook” above. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on management’s current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are difficult to predict and many are outside of our control. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include our failure to consummate the DRG acquisition as a result of a failure to obtain the necessary approval of PEL shareholders, over which we have no control, a failure to obtain necessary antitrust clearances, or otherwise; our failure to refinance borrowings under the bridge loan facility referred to above because of an inability to raise sufficient equity or debt capital or otherwise, which would likely materially increase our costs of financing the DRG acquisition and result in our failure to achieve the financial benefits we anticipate; our failure to achieve the anticipated cost and revenue synergies from the DRG acquisition; as well as the factors discussed under the caption “Risk Factors” in the prospectus Clarivate filed with the U.S. Securities and Exchange Commission (“SEC”) on December 6, 2019, along with our other filings with the SEC. However, those factors should not be considered to be a complete statement of all potential risks and uncertainties. Forward-looking statements are based only on information currently available to our management and speak only as of the date of this Report on Form 6-K. We do not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. Please consult our public filings with the SEC or on our website at www.clarivate.com.
No Incorporation by Reference

The information under “Reaffirming Standalone 2020 Outlook” in and Exhibits 99.2 and 99.3 to this Report on Form 6-K shall not be deemed to be incorporated by reference into the company’s registration statement on Form S-8 (Registration No. 333-231405).

Exhibits

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Document Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.3</td>
<td>Non-GAAP Financial Measures.</td>
</tr>
</tbody>
</table>
London, UK, & Philadelphia, US, January 17, 2020—Clarivate Analytics plc (NYSE: CCC; CCC.WS), a global leader in providing trusted insights and analytics to accelerate the pace of innovation, today announced it has signed a definitive agreement to acquire Decision Resources Group (“DRG”), a premier provider of high-value data, analytics and insights products and services to the healthcare industry, from Piramal Enterprises Limited (“PEL”, NSE: PEL, BSE: 500302), part of global business conglomerate Piramal Group. The $950 million purchase price—approximately 12x trailing DRG Adjusted EBITDA, taking into account acquisition cost synergies but not revenue synergies—includes $900 million in cash and approximately $50 million in Clarivate ordinary shares to be issued following the one-year anniversary of closing. The acquisition is expected to be accretive to Clarivate earnings in 2020.

DRG specializes in enabling the world’s leading pharma, biotech and medical technology companies to achieve commercial success in complex health markets with the creation of effective patient-centric commercial strategies. Together, DRG and Clarivate will be well-positioned in the $19 billion Life Sciences analytics market, which currently is enjoying double-digit growth, to support customers across the entire drug, device and medical technology lifecycle from research to outcome. The combined business will offer a one-stop shop for Life Sciences customers, helping them to improve the commercialization of life-changing therapies.

Jerre Stead, Executive Chairman and CEO, Clarivate Analytics: “This is a milestone acquisition which doubles the size of our Life Sciences business, is accretive to our 2020 earnings, and sets us up to become an essential, end-to-end, industry-leading data and analytics provider to the highly attractive Life Sciences ecosystem. We expect the acquisition of DRG to increase Clarivate’s total company revenue by 20%, deliver approximately $77 million in annual Adjusted EBITDA before the pursuit of any revenue synergies, and drive DRG’s Adjusted EBITDA margins towards Clarivate’s total company target of greater than 40%.
“Both companies have a great heritage—built on talented people with deep industry subject matter and technical expertise. Together, we look forward to unlocking the tremendous potential of a unified team.”

Ajay Piramal, Chairman Piramal Group: “We are pleased to have grown DRG’s market leadership over the last few years and believe that through this combination, Clarivate, with its size and scale, is well positioned to further accelerate DRG’s growth potential. This transaction demonstrates our continued commitment to create sustained long-term value for all stakeholders.

“Along with the ongoing equity capital raise in PEL, this transaction not only further strengthens the company’s balance sheet but also marks another step towards significantly unlocking value in future.”

Mukhtar Ahmed, President, Science Group, Clarivate Analytics: “The addition of DRG’s services and solutions to our portfolio supports our focus on creating exceptional customer value through delivering highly specialized analytics and expert insights and a wider range of Life Sciences solutions that help solve our customers’ most difficult challenges when discovering, developing and commercializing new drugs, medical devices and technologies. The acquisition also means that by combining expertise, data and technologies, Clarivate will be able to pursue significant growth opportunities through new product development and deeper market penetration driven by offering our customers a broader portfolio of tools and services.”

Vivek Sharma, CEO, DRG: “I am excited for this acquisition as it creates an even more powerful platform for DRG’s AI and analytics-enabled solutions to support our customers in their quest to improve patient health outcomes. This new and expanded platform will further empower our employees to continue their focus on customer centricity and collaborative innovation with our customers.”

DRG’s current CEO, Vivek Sharma, will depart the company following the completion of the transaction, when the business will join the Science Group at Clarivate Analytics, under the stewardship of Mukhtar Ahmed, President–Science Group. This Product Group includes both the Cortellis™ suite of Life Science intelligence solutions and Web of Science, the world’s largest publisher-neutral citation index and research intelligence platform.
Numerous Strategic Benefits to Drive Future Growth

- **Complementary Fit with Clarivate Life Sciences:** Combining the expertise, data and technologies of DRG with Clarivate will help customers make smarter and faster evidence-based decisions to boost clinical and commercial success. Clarivate’s Life Sciences products, including Cortellis, focus on innovation covering the front-end of Life Science development, encompassing pre-clinical and clinical development, regulatory review and business development, while DRG has largely focused on the delivery of essential solutions for the successful commercialization of pharmaceutical products and medical devices & technologies.

- **Creates a Top Data and Analytics Provider in Life Sciences:** DRG’s and Clarivate’s complementary solutions will better position the combined organization in a market that favors tech-enabled players with end-to-end capabilities and broad and proprietary data sets. Clarivate’s enhanced Life Sciences offering will be well-positioned to support customers across the entire drug, device and medical technology lifecycles.

- **Sales Opportunities to Drive Growth:** Leveraging the expertise, content and technologies of both Clarivate and DRG will create significant revenue growth opportunities through new product development and support deeper market penetration, driven by offering each company’s customer base the benefits of a more comprehensive suite of products.

Financially Compelling Transaction

- **Accretive to Clarivate’s Earnings per Share:** The transaction is expected to be accretive to Clarivate’s earnings per share in 2020.

- **Growing Revenue and EBITDA Business with Significant Cost Savings Opportunities:** In 2019, DRG generated $207 million of revenue, with 9% organic growth, and $47 million of Adjusted EBITDA before the impact of acquisition cost synergies. Clarivate expects to achieve cost synergies of approximately $30 million within the first 18 months after the transaction closes, which in addition to revenue synergies, is expected to drive DRG’s Adjusted EBITDA growth and expand its Adjusted EBITDA margin towards the 40% range.

- **Strong Free Cash Flow Generation and Funding Plan Supports Deleveraging:** Clarivate remains committed to managing its balance sheet and its go-forward capital structure. The company plans to fund the transaction with an optimal mix of debt and equity capital proceeds.
Financing and Approvals

In connection with the transaction, Clarivate has secured a backstop of $900 million fully committed bridge facility from Citi and Goldman Sachs & Co. LLC. Clarivate expects to obtain long-term financing with proceeds from debt and equity capital markets before the closing of the transaction.

The transaction is expected to close within the first quarter of 2020, subject to the satisfaction of customary closing conditions and regulatory approvals, including approval by PEL’s shareholders.

Reaffirming Standalone 2020 Outlook

For the year ending December 31, 2020, excluding the acquisition of DRG and the divestiture of the MarkMonitor brand protection, antipiracy, and antifraud business, which Clarivate announced on November 12, 2019 and completed the divestiture on January 1, 2020, Clarivate continues to expect:

- Adjusted Revenues in a range of $950 million to $970 million
- Adjusted EBITDA in a range of $330 million to $350 million
- Adjusted EBITDA margins in a range of 35% to 36%
- Adjusted Free Cash Flow in a range of $195 million to $210 million

The above outlook assumes no further currency movements, acquisitions, divestitures, or unanticipated events.

Clarivate will issue its fourth quarter and full year 2019 financial results on February 27, 2020.

Advisors

Evercore is serving as lead financial advisor and Davis Polk & Wardwell LLP is serving as legal advisor to Clarivate. Covington & Burling LLP is serving as legal advisor to PEL.

Conference Call and Webcast

Clarivate will host a conference call and webcast to discuss the strategic and operating aspects of the DRG acquisition on Friday, January 17th at 8:00 a.m. Eastern Time. The conference call will be simultaneously webcast on the Investor Relations section of the company’s website.

Interested parties may access the live audio broadcast by dialing 1-888-317-6003 in the United States, 1-412-317-6061 for international, and 1-866-284-3684 in Canada. The conference ID number is 1421545. An audio replay will be available approximately two hours after the completion of the call at 1-877-344-7529 in the United States, 1-412-317-0088 for international, and 1-855-669-9658 in Canada. The Replay Conference ID number is 10138489. The recording will be available for replay through January 31, 2020.

The webcast can be accessed at https://services.choruscall.com/links/cc200117.html and will be available for replay.

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About Clarivate Analytics

Clarivate Analytics™ is a global leader in providing trusted insights and analytics to accelerate the pace of innovation. We have built some of the most trusted brands across the innovation lifecycle, including the Web of Science™, Cortellis™, Derwent™, CompuMark™, MarkMonitor™ and Techstreet™. Today, Clarivate Analytics is on a bold entrepreneurial mission to help customers reduce the time from new ideas to life-changing innovations. For more information, please visit clarivate.com.

About DRG

DRG is uniquely positioned to help healthcare businesses improve the lives of patients around the world by creating patient-centric commercial strategies that drive better outcomes and better access. DRG helps clients propel commercial success with evidence-based business decisions by delivering expert consultation, data, and analysis enhanced by machine learning artificial intelligence (AI). With collaborative experts spanning healthcare markets, disease areas, and data science disciplines, DRG clients have unprecedented access to the expertise, data, and AI-technology solutions they require to anticipate customer needs and generate new solutions to healthcare challenges. DRG's market access solutions give Life Sciences the most comprehensive view of patient access, and payer and health system dynamics at local levels for the global healthcare ecosystem. For more information please visit decisionresourcesgroup.com.

About Piramal Group

The Piramal Group, led by Ajay Piramal, is one of India’s leading business conglomerates with a global footprint. With operations in 30 countries and brand presence in over 100 countries, the Group’s turnover was ~$2.2 billion in FY2019. The Group's diversified portfolio includes presence in Piramal Enterprises Limited, Piramal Glass and Piramal Realty.

About Piramal Enterprises Limited

Piramal Enterprises Limited is one of India’s large diversified companies, with a presence in Financial Services, Pharmaceuticals and Healthcare Insights & Analytics. PEL’s consolidated revenues were ~US$1.9 billion in FY2019, with around ~40% of revenues generated from outside India. PEL is listed in India on the BSE Limited and the National Stock Exchange of India Limited.

Non-GAAP Financial Measures

The non-GAAP financial measures discussed herein are not recognized terms under, and should not be considered as a substitute for, financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Our definitions of and method of calculating non-GAAP financial measures may vary from the definitions and methods used by other companies, which may limit their usefulness as a comparative measure. Our presentation of non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by any of the adjusted items, or that our projections and estimates will be realized in their entirety or at all. In addition, because of these limitations, non-GAAP financial measures should not be considered as measures of liquidity or discretionary cash available to us to fund our cash needs, including investing in the growth of our business and meeting our obligations. See the Appendix to this press release for definitions of the non-GAAP measures used herein and a reconciliation to the most directly comparable GAAP measures.
Forward-Looking Statements

This press release contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on management’s current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are difficult to predict, and many are outside of our control. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include our failure to consummate the DRG acquisition as a result of a failure to obtain the necessary approval of PEL shareholders, over which we have no control, a failure to obtain necessary antitrust clearances, or otherwise; our failure to refinance borrowings under the bridge loan facility referred to above because of an inability to raise sufficient equity or debt capital or otherwise, which would likely materially increase our costs of financing the DRG acquisition and result in our failure to achieve the financial benefits we anticipate; our failure to achieve the anticipated cost and revenue synergies from the DRG acquisition; as well as the factors discussed under the caption “Risk Factors” in the prospectus Clarivate filed with the U.S. Securities and Exchange Commission (“SEC”) on December 6, 2019, along with our other filings with the SEC. However, those factors should not be considered to be a complete statement of all potential risks and uncertainties. Forward-looking statements are based only on information currently available to our management and speak only as of the date of this press release. We do not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. Please consult our public filings with the SEC or on our website at www.clarivate.com.

Trademarks

Clarivate and its logo, as well as all other trademarks used herein are trademarks of their respective owners and used under license.

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Section 3: EX-99.2 (EXHIBIT 99.2)

Clarivate to Acquire Decisions Resources Group
Supplemental Materials

January 17, 2020
Forward-Looking Statements

These materials contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on management’s current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to a degree of uncertainty and are beyond our control. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include our failure to consummate the DRG acquisition as a result of a failure to obtain the necessary approval of PEL shareholders, or if we are unable to obtain necessary antitrust clearances, or otherwise, our failure to finance the acquisition under the bridge loan facility referred to above because of an inability to raise sufficient equity or debt capital, or otherwise, which would likely materially increase our costs of financing the DRG acquisition and result in our failure to achieve the financial benefits we anticipate, our failure to achieve the anticipated cost and revenue synergies from the DRG acquisition, as well as the factors discussed under the caption "Risk Factors" in the prospectus Clarivate filed with the U.S. Securities and Exchange Commission ("SEC") on December 6, 2019, along with our other filings with the SEC. However, these factors should not be considered as a complete statement of all potential risks and uncertainties. Forward-looking statements are based on information currently available to our management and speak only as of the date of this press release. We do not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. Please consult our public filings with the SEC or our website at www.clarivate.com.

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Transaction Highlights

- Clarivate has signed a definitive agreement to acquire Decision Resources Group (“DRG”), a division of Piramal Enterprises Limited (“PEL”), for $900 million in cash and approximately $50 million in Clarivate stock (to be issued following the first anniversary of closing)

- DRG is a premier provider of high-value data, analytics and insights solutions to the Life Sciences (LS) industry, serving pharmaceutical, biotech and medical device companies as well as healthcare payers and providers

- Transaction expected to close within the first quarter 2020 subject to customary closing conditions and approval by PEL shareholders

- Cash component of transaction will be backstopped with a committed bridge facility; Clarivate expects to raise a combination of debt and equity capital in advance of closing the transaction to optimize go-forward capital structure

Transformative Life Sciences acquisition delivers significant strategic and financial benefits for Clarivate
Strategic and Financial Highlights

- Combines Clarivate’s leading pre-clinical solutions with DRG’s commercialization solutions to deliver a complete data-driven solution across the entire Life Sciences, drug, device and medical technology value chain.

- Creates a leading Life Sciences data and analytics provider of differentiated scale and capabilities, and doubles the size of Clarivate’s Life Sciences business.

- Combination elevates Clarivate’s position in the $19 billion Life Sciences analytics market, growing at 12%.

- DRG’s and Clarivate’s complementary solutions will better position Clarivate going forward in a market that favors tech-enabled players with end-to-end capabilities and broad and proprietary datasets.

- Sales opportunities in high-growth international markets leveraging Clarivate’s global footprint.

- Brings together best talent across both organizations to address critical needs and adopt best practices from each.
Strategic and Financial Highlights

- In 2019, DRG generated $207 million in revenue, with 9% organic growth and $47 million of Adjusted EBITDA which increases to $77 million upon attainments of $30m of cost synergies.
- DRG’s 2019 revenue composition is 42% subscription, 27% re-occurring and 31% value-add analytical and consultative services.
- Approximately $30 million in identified cost savings will be realized over 18 months, implying ~12x LTM Adjusted EBITDA multiple.
- Adjusted EPS accretive in 2020, including impact of equity offering.
- Revenue growth acceleration from sales into shared client base and new products that leverage complementary datasets and expertise.
- Adjusted EBITDA margin and cash flow margin accretive, including run-rate cost savings.
Adjusted Revenue Overview

Note: Charts reflect Adjusted Revenue data. This data excludes the divested IPM business as well as the impact of the deferred revenues purchase accounting adjustments. DRS data reflects reported revenues.
DRG: Leading Provider of Data & Insights for the Life Sciences Vertical

Business Overview

- DRG provides data-driven resources and analytics solutions to enable healthcare market participants to make informed business decisions about critical commercial challenges.
- DRG has a highly-regarded brand, broad set of capabilities, and strong customer relationships with some of the largest players in the health and Life Sciences space.
- DRG is a division of Piramal Enterprises Limited, a publicly-traded company in India.

Business Model

- Revenue is earned through Product sales (access to best-in-class research), Analytics (data and insights offering and value-add Services (strategic consulting, training)
- ~70% of revenue is subscription/reoccurring in nature

Product / Service Offering by Use Case

- **Understand Patients & Markets**
  - Patient and market landscape/forecasting, treatment analysis, new product development, brand tracking/strategy

- **Optimize Access for Patients**
  - Policy analytics, HEOR, promotion tools, pricing and reimbursement insights, eLearning

- **Engage Key Stakeholders**
  - Commercial targeting and strategy, patient segmentation, digital marketing, social analytics
DRG: Deep and Broad Customer Relationships

Life Sciences
[DRG] works with 50 of the Top 50 Life Sciences companies

Med Tech
[DRG] works with 19 of the top 20 medical device companies

Payers/Providers
[DRG] works with 8 of the top 10 U.S. payers and top U.S. health systems
Acquisition Completes the Pre-Clinical to Commercial Data Value Chain

Clarivate Will Now Offer a Broader Synergistic Portfolio of Tools and Services Across the Entire Lifecycle from Research to Outcome

- Combines expertise, data and technologies of DRG with Clarivate, helping customers make smarter and faster evidence-based decisions, boosting clinical and commercial success
- DRG’s and Clarivate’s combined sales and content capabilities create significant revenue growth opportunities through new product development and deeper market penetration
Life Sciences Analytics and Information Services is a Large and Growing Market

Global Life Sciences Analytics to Grow at ~12% CAGR

- 2019E: $19bn
- 2024E: $33bn

Projected Growth by Geography (CAGR 2019-2024)

- MedTech (11% CAGR)
- Pharma (13% CAGR)
- Payer Provider, Others (10% CAGR)

Clarivate's Global Footprint Provides Sales Opportunities in High-Growth International Markets

Source: Markets and Markets Life Science Analytics Market forecasts to 2024
Transaction Parameters and Financing Considerations

- Purchase Price: $950 million
  - $900 million backstopped via a committed bridge facility
  - Clarivate expects to raise the capital in the form of debt and equity before the closing of the transaction
  - $50 million equity issued to Piramal Enterprises Limited
    - Stock will be issued following the first anniversary of closing
  - Adjusted EPS accretive in 2020, including impact of equity offering
Reconciliation of Non-GAAP financial measures and required reported data

DRG Adjusted EBITDA for the Years Ended December 31, 2019 and 2018 ( unaudited) 

<table>
<thead>
<tr>
<th>Description</th>
<th>Year Ended December 31, 2019 (unaudited)</th>
<th>Year Ended December 31, 2018 (unaudited)</th>
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</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>(21.7)</td>
<td>(52.5)</td>
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<tr>
<td>(+) Benefit for income taxes</td>
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<tr>
<td>(+) Depreciation and amortization</td>
<td>36.4</td>
<td>12.7</td>
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<tr>
<td>(+) Interest, net</td>
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<tr>
<td>(+) Loss on extinguishment of debt</td>
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<tr>
<td>(+) Restructuring (1)</td>
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<tr>
<td>(+) Transaction related costs (2)</td>
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<tr>
<td>(+) Transaction, Transformation, and Integration (3)</td>
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<tr>
<td>(+) Impairment of intangible assets</td>
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<td>(+) Deferred revenue adjustment</td>
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<td>(+) Share-based compensation</td>
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<tr>
<td>(+) Litigation related costs</td>
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<tr>
<td>(--) Loss on sale of assets</td>
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<td>0.9</td>
</tr>
<tr>
<td>(--) Other (4)</td>
<td>(2.4)</td>
<td>(0.4)</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>57.6</td>
<td>81.8</td>
</tr>
</tbody>
</table>

1. Includes costs incurred related to various restructuring efforts as a result of changes in leadership and the integration of acquisitions. Costs include mainly severance expense for terminated personnel from acquired businesses and exit cost obligations related to exiting certain facilities.

2. Reflects costs related to completed and uncompleted acquisitions, primarily related to third-party professional fees.

3. Costs in 2019 relate primarily to retention bonuses paid to certain employees and incremental executive salaries paid in contemplation of the sale of the Company, as well as management fees paid to a related party. Costs in 2018 primarily relate to retention bonuses paid to employees of acquired companies, severance paid to certain executives and management fees paid to a related party.

4. Reflects primarily a one-time payment received in 2019 related to a failed sale of one of the Company's businesses and other one-time adjustments.
Section 4: EX-99.3 (EXHIBIT 99.3)

Non-GAAP Financial Measures

Non-GAAP financial measures are not recognized terms under, and should not be considered as a substitute for, financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”).

Our definitions of and method of calculating non-GAAP financial measures may vary from the definitions and methods used by other companies, which may limit their usefulness as a comparative measure. Our presentation of non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by any of the adjusted items, or that our projections and estimates will be realized in their entirety or at all. In addition, because of these limitations, non-GAAP financial measures should not be considered as measures of liquidity or discretionary cash available to us to fund our cash needs, including investing in the growth of our business and meeting our obligations.

Adjusted Revenues. We present Adjusted Revenues because we believe it is useful to investors to better understand the underlying trends in our operations. Adjusted Revenues excludes the impact of the deferred revenues purchase accounting adjustment (recorded in connection with the separation of Clarivate’s business from Thomson Reuters in 2016 (the “2016 Transaction”)) and the revenues from divestitures.

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>High</th>
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<tbody>
<tr>
<td>Revenues, net</td>
<td>$949.9</td>
<td>$969.9</td>
</tr>
<tr>
<td>Deferred revenues adjustment(2)</td>
<td>0.1</td>
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<tr>
<td>Adjusted revenues</td>
<td>$950.0</td>
<td>$970.0</td>
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</table>

(1) Excludes impact of proposed DRG acquisition and MarkMonitor divestiture, and assumes no further currency movements, acquisitions, divestitures or other unanticipated events.

(2) Reflects the deferred revenues fair value accounting adjustment arising from the purchase price allocation in connection with the 2016 Transaction.

Adjusted EBITDA and Adjusted EBITDA margin. We believe Adjusted EBITDA is useful to investors because similar measures are frequently used by securities analysts, investors, ratings agencies and other interested parties to evaluate our competitors and to measure the ability of companies to service their debt. We calculate Adjusted EBITDA by using net income before provision for income taxes, depreciation and amortization and interest income and expense...
adjusted to exclude acquisition or disposal-related transaction costs (such costs include net income from continuing operations before provision for income taxes, depreciation and amortization and interest income and expense from divestitures), losses on extinguishment of debt, stock-based compensation, unrealized foreign currency gains/(losses), net transition services agreement benefit, separation and integration costs, transformational and restructuring expenses, acquisition-related adjustments to deferred revenues, non-cash income/(loss) on equity and cost method investments, non-operating income or expense, the impact of certain non-cash and other items that are included in net income for the period that Clarivate does not consider indicative of its ongoing operating performance, and certain unusual items impacting results in a particular period.
Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Adjusted Revenues.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$2.3</td>
<td>$16.3</td>
</tr>
<tr>
<td>Benefit for income taxes</td>
<td>14.7</td>
<td>14.7</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>193.0</td>
<td>194.0</td>
</tr>
<tr>
<td>Interest, net</td>
<td>81.0</td>
<td>82.0</td>
</tr>
<tr>
<td>Net transition services agreement benefit(2)</td>
<td>(4.0)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Transition, transformation and integration expense(3)</td>
<td>38.0</td>
<td>39.0</td>
</tr>
<tr>
<td>Deferred revenue adjustment(4)</td>
<td>—</td>
<td>1.0</td>
</tr>
<tr>
<td>Transaction related costs(5)</td>
<td>1.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Share-based compensation expense(6)</td>
<td>4.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Other(7)</td>
<td>—</td>
<td>1.0</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$330.0</td>
<td>$350.0</td>
</tr>
<tr>
<td>Adjusted revenues</td>
<td>$950.0</td>
<td>$970.0</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin</td>
<td>35%</td>
<td>36%</td>
</tr>
</tbody>
</table>

(1) Excludes the effect of the Company’s recent debt refinancing that closed October 31, 2019 and the related impact on tax, excludes the impact of proposed DRG acquisition and MarkMonitor divestiture, and assumes no further currency movements, acquisitions, divestitures or other unanticipated events.

(2) Related to a new transition services agreement and offset by the reverse transition services agreement from the sale of MarkMonitor assets.

(3) These costs relate primarily to the ongoing transformation of our business following the May 2019 merger transaction, focused on the integration of separate business units into one functional organization and enhancements in our technology. Remaining costs are associated with ongoing restructuring and other cost savings initiatives.

(4) Reflects the deferred revenues fair value accounting adjustment arising from the purchase price allocation in connection with the 2016 Transaction.

(5) Includes consulting and accounting costs associated with the sale of certain assets of the MarkMonitor product line and tuck in acquisitions.

(6) Share-based compensation expense for the year ending December 31, 2020 includes only the amortization of expense for awards granted as of September 30, 2019. This does not include any future expense related to new options granted under the 2019 plan or the vesting of any outstanding awards triggered by a market performance measure.

(7) Includes primarily the net impact of foreign exchange gains and losses related to the re-measurement of balances and other one-time adjustments.
*Adjusted Free Cash Flow.* We use Adjusted Free Cash Flow in our operational and financial decision-making and believe Adjusted 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 our competitors and to measure the ability of companies to service their debt. We define Adjusted Free Cash Flow as net cash provided by operating activities less capital expenditures and unusual non-operating items.

<table>
<thead>
<tr>
<th>Year Ending December 31, 2020 (Forecasted)(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(in millions)</strong></td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
</tr>
<tr>
<td>Capital expenditures</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
</tr>
<tr>
<td>Net transition services agreement benefit(^{(2)})</td>
</tr>
<tr>
<td>Transition, transformation and integration expense(^{(3)})</td>
</tr>
<tr>
<td>Transaction related costs(^{(4)})</td>
</tr>
<tr>
<td><strong>Adjusted Free Cash Flow</strong></td>
</tr>
</tbody>
</table>

(1) Excludes impact of proposed DRG acquisition and MarkMonitor divestiture, and assumes no further currency movements, acquisitions, divestitures or other unanticipated events.

(2) Related to a new transition services agreement and offset by the reverse transition services agreement from the sale of MarkMonitor assets.

(3) These costs relate primarily to the ongoing transformation of our business following the May 2019 merger transaction, focused on the integration of separate business units into one functional organization and enhancements in our technology. Remaining costs are associated with ongoing restructuring and other cost savings initiatives.

(4) Includes consulting and accounting costs associated with the sale of certain assets of the MarkMonitor product line and tuck in acquisitions.
DRG Adjusted EBITDA. DRG Adjusted EBITDA is calculated by using net (loss) before provision for income taxes, depreciation and amortization and interest income and expense adjusted to exclude the other items identified in the table below that DRG does not consider indicative of its ongoing operating performance.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Year Ended December 31</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(unaudited)</td>
<td>(unaudited)</td>
</tr>
<tr>
<td>Net (loss)</td>
<td>$ (21.7)</td>
<td>$ (32.5)</td>
<td></td>
</tr>
<tr>
<td>Benefit for income taxes</td>
<td>1.4</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>30.4</td>
<td>32.7</td>
<td></td>
</tr>
<tr>
<td>Interest, net</td>
<td>24.6</td>
<td>25.2</td>
<td></td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>—</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>Restructuring&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>7.2</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Transaction-related costs&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>0.1</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>Transition, transformation and integration&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>5.3</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>0.1</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Deferred revenues adjustment</td>
<td>—</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>0.9</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Litigation-related costs</td>
<td>1.3</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Loss on sale of assets</td>
<td>0.4</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Other&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>(2.4)</td>
<td>(0.4)</td>
<td></td>
</tr>
<tr>
<td>DRG Adjusted EBITDA</td>
<td>$ 47.6</td>
<td>$ 31.8</td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Includes costs incurred related to various restructuring efforts as a result of changes in leadership and the integration of acquisitions. Costs include mainly severance expense for terminated personnel from acquired businesses and exit cost obligations related to exiting certain facilities.

<sup>(2)</sup> Reflects costs related to completed and uncompleted acquisitions, primarily related to third party professional fees.

<sup>(3)</sup> Costs in 2019 relate primarily to retention bonuses paid to certain employees and incremental executive salaries paid in contemplation of the sale of the Company, as well as management fees paid to a related party. Costs in 2018 primarily relate to retention bonuses paid to employees of acquired companies, severance paid to certain executives and management fees paid to a related party.

<sup>(4)</sup> Reflects primarily a one-time payment received in 2019 related to a failed sale of one of the Company's businesses and other one-time adjustments.

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