



THURSDAY, SEPTEMBER 22, 2022

# FactSet Earnings Call

Fiscal 2022 & Q4 2022



## Forward-Looking Statements and Non-GAAP Measures

This presentation, and other statements that FactSet may make in connection with this presentation, contains forward-looking statements based on management's current expectations, assumptions, estimates, forecasts and projections about future events and circumstances. All statements that address expectations, guidance, outlook or projections about the future, including statements about our strategy, future financial results, anticipated growth, expected expenditure, product development, market position and trends, are forward-looking statements. Forward-looking statements may be identified by words like "expects," "believes," "anticipates," "plans," "intends," "estimates," "projects," "should," "indicates," "continues," "may," and similar expressions. These statements are not guarantees of future performance and involve numerous risks, uncertainties, and assumptions.

Many factors, including those discussed more fully in FactSet's filings with the Securities and Exchange Commission, particularly our latest annual report on Form 10-K and quarterly reports on Form 10-Q, could cause results to differ materially from those stated. These documents are available on our website at <http://investor.factset.com> and on the SEC's website at <http://www.sec.gov>. FactSet believes our expectations and assumptions are reasonable, but there can be no assurance that the expectations reflected herein will be achieved. Unless legally required, we undertake no obligation to update any forward-looking statements made in this presentation whether because of new information, future events or otherwise.

In addition, this presentation and oral statements made in connection with this presentation reference non-GAAP financial measures, such as ASV, organic revenues, adjusted operating income, adjusted operating margin, adjusted EBITDA, adjusted net income, adjusted diluted EPS and free cash flow. Forward-looking non-GAAP financial measures reflect management's current expectations and beliefs, and we are not able to reconcile such non-GAAP measures to reported measures without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact or exact timing of items that may impact comparability. Non-GAAP measures should be considered in addition to, not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP, as more fully discussed in FactSet's financial statements and filings with the SEC. The use of these non-GAAP measures are limited as they include and/or do not include certain items not included and/or included in the most directly comparable GAAP measure. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures is provided in the appendix to this presentation and in FactSet's earnings release issued on September 22, 2022, which are posted on [www.factset.com](http://www.factset.com) under the Investor Relations section.

## Agenda

- Welcome
- Business Update
- Financial Overview
- Questions and Answers
- Appendix

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Business Update

## 2022 Accomplishments

▲ **42**

Years of consecutive revenue growth



### ESG

FactSet commits to the Science Based Targets initiative

Establishes a 2040 net zero emission goal

**1<sup>st</sup>**

Year being part of the S&P 500

▲ **9.3%**

Year over year ASV growth

▲ **23**

Years of consecutive dividend growth

**7<sup>1</sup>**

Years of consecutive listing on the HRC corporate equality index

▲ **26**

Years of consecutive adjusted diluted EPS growth

**1<sup>st</sup>**

Year issuing publicly traded debt



### M&A

Purchase of CUSIP Global Services, largest acquisition in company's history

Acquisition of Cobalt Software Inc.



### Partnerships

Raymond James selects FactSet as market data provider for wealth management professionals across the US

State Street and FactSet partner to streamline data flows across front, middle & back office

FactSet and BlackRock offer Portware's EMS with Aladdin



### Won numerous awards

Won 30+ across multiple workflows, from research and wealth to risk and trading, including being named Snowflake Marketplace partner of the year

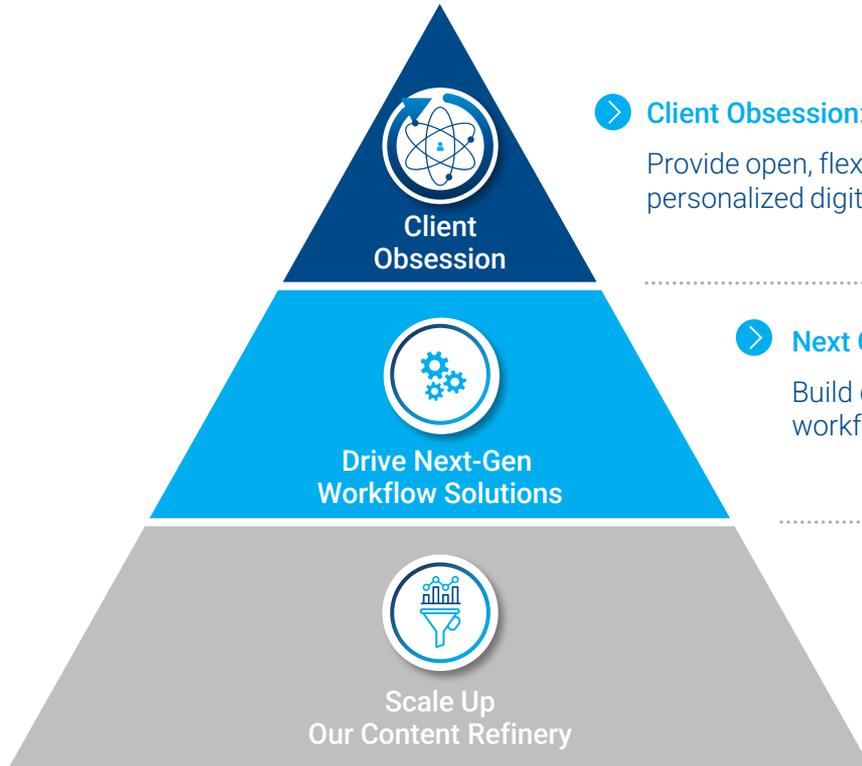


### Cloud Integration

Increased offerings on cloud-based platforms, including FactSet for CRM on Salesforce AppExchange

<sup>1</sup> Human Rights Campaign Corporate Equality Index is the national benchmarking tool on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer employees.

## Purpose: Drive the Investment Community to See More, Think Bigger, and Do Its Best Work



➤ **Client Obsession:**

Provide open, flexible, adaptive, solutions as part of our open ecosystem with hyper-personalized digital products to provide the next best action across the investment lifecycle

➤ **Next Generation Workflows:**

Build differentiated next generation solutions to streamline our clients' workflows and deliver tangible efficiencies for the front, middle, and back office

➤ **Content Refinery:**

Provide the most comprehensive and connected inventory of client, proprietary, and third-party content in our industry

## Key Metrics - Fourth Quarter 2022

9.3%<sup>1</sup>ORGANIC ASV +  
PROFESSIONAL  
SERVICES GROWTHDriven by higher sales of  
analytics and research &  
advisory solutions

+

31.5%<sup>2</sup>ADJUSTED  
OPERATING  
MARGIN10 basis points lower YoY due  
to higher personnel and  
technology expenses and  
foreign currency impact

+

\$3.13<sup>2</sup>ADJUSTED  
DILUTED  
EPS8.7% increase YoY from  
higher revenues offset by  
higher interest expenses

<sup>1</sup> LTM organic growth rate based on August 31, 2022. Annual Subscription Value (ASV) at any given point in time represents the forward-looking revenues for the next twelve months from all subscription services currently supplied to clients and excludes professional services fees billed in the last 12 months, which are not subscription-based. Organic ASV excludes the effects of acquisitions and dispositions completed within the last 12 months and foreign currency movements. Professional services are revenues derived from project-based consulting and implementation.

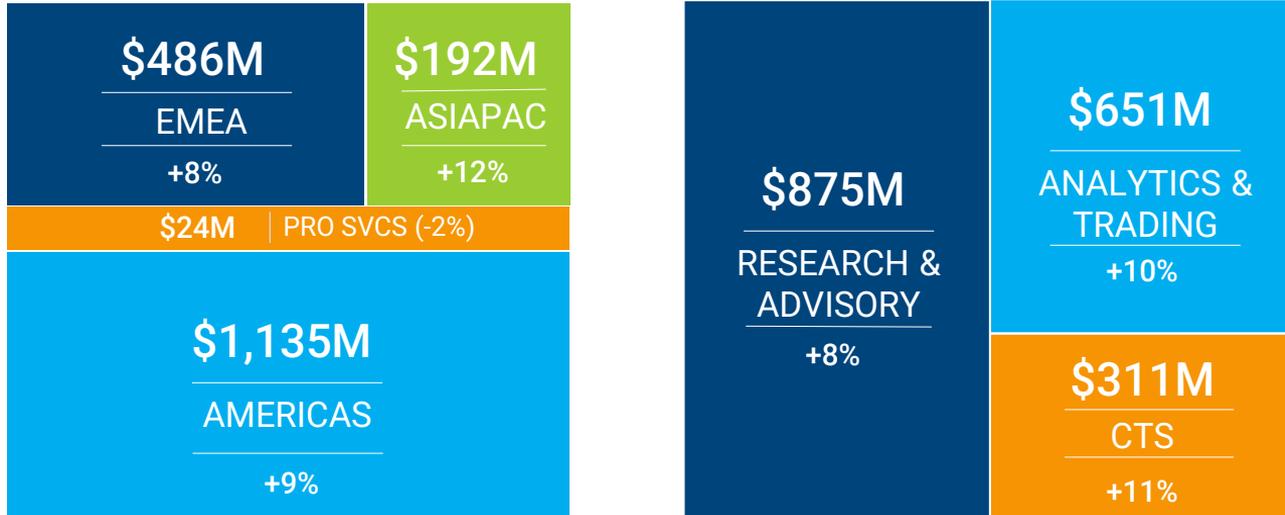
<sup>2</sup> Please see Appendix for a reconciliation of these non-GAAP metrics to GAAP metrics.

ASV + Professional Services Growth Rates\* – By Global Segments & Businesses

**\$1.84B**

Organic ASV + Professional Services

**+ 9.3%**



\* LTM Organic ASV Growth Rate is based on last twelve months as of August 31, 2022

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Financial Overview

## Fiscal 2022 Results vs. Guidance

|   | FISCAL 2022 GUIDANCE <sup>1</sup> | FISCAL 2022 Results  |
|---|-----------------------------------|--|
| Organic ASV + Professional Services Growth <sup>2</sup> | \$130 - \$150 million             | \$158M    |
| Revenues <sup>3</sup>                                   | \$1,800 - \$1,830 million         | \$1,844M  |
| Operating Margin <sup>3</sup>                           | 25.5% - 26.5%                     | 25.8%     |
| Adjusted Operating Margin <sup>3,4</sup>                | 33% - 34%                         | 33.9%     |
| Effective Tax Rate <sup>3</sup>                         | 12.5% - 13.5%                     | 12.3%     |
| Diluted EPS <sup>3</sup>                                | \$9.75 - \$10.15                  | \$10.25   |
| Adjusted Diluted EPS <sup>3,4</sup>                     | \$12.75 - \$13.15                 | \$13.43   |

<sup>1</sup> FactSet's expectations as of June 23, 2022

<sup>2</sup> Growth over fiscal 2021

<sup>3</sup> Includes CUSIP Global Services (CGS)

<sup>4</sup> Please see Appendix for a reconciliation of these non-GAAP metrics to GAAP metrics.

## Fourth Quarter 2022 Financial Results\*

(in thousands, except per share data)

21.2%

Revenues

8/31/22 \$499,297  
8/31/21 \$411,894

9.8%

Organic Revenues

8/31/22 \$452,482  
8/31/21 \$410,133

10.9%

Operating Income

8/31/22 \$132,219  
8/31/21 \$119,176

20.8%

Adjusted Operating  
Income

8/31/22 \$157,478  
8/31/21 \$130,384

(240bps) (10bps)

Operating Margin

8/31/22 26.5%  
8/31/21 28.9%

Adjusted Operating  
Margin

8/31/22 31.5%  
8/31/21 31.6%

3.3%

Net Income

8/31/22 \$104,422  
8/31/21 \$101,062

9.6%

Adjusted Net  
Income

8/31/22 \$121,511  
8/31/21 \$110,874

2.3%

Diluted EPS

8/31/22 \$2.69  
8/31/21 \$2.63

8.7%

Adjusted Diluted  
EPS

8/31/22 \$3.13  
8/31/21 \$2.88

15.9%

Adjusted EBITDA

8/31/22 \$158,514  
8/31/21 \$136,783

(20.5%)

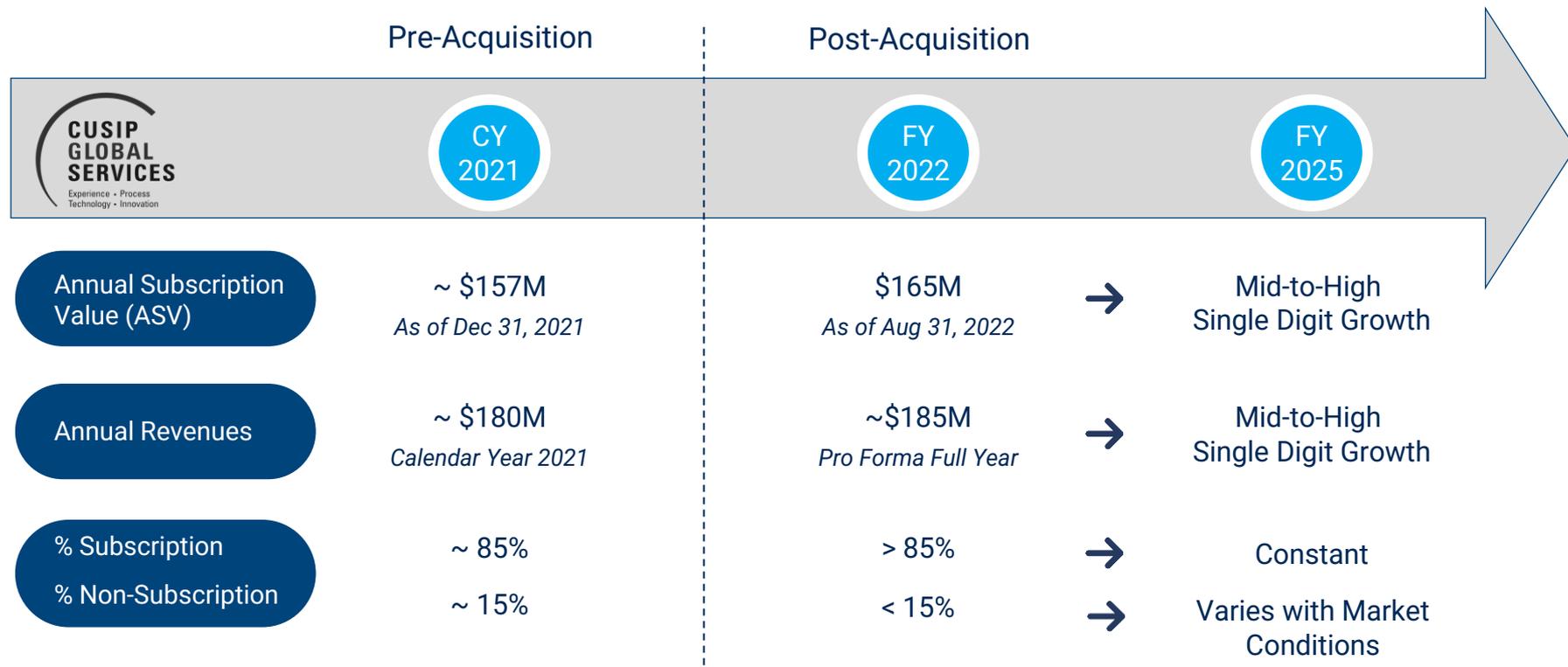
Free Cash Flow

8/31/22 \$136,146  
8/31/21 \$171,157

\* Please see Appendix for a reconciliation of non-GAAP metrics to GAAP metrics.

## CUSIP Global Services

Exceeded financial goals at end of the fiscal year, with \$6M in incremental ASV; integration going well



## Key Operational Metrics

**>95%**

### ASV RETENTION

ASV retained from clients over the last twelve months.

= No change versus 2021 | Q4

**92%**

### CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▲ 1% change versus 2021 | Q4

**179,982**

### USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 12% change since 2021 | Q4

**7,538**

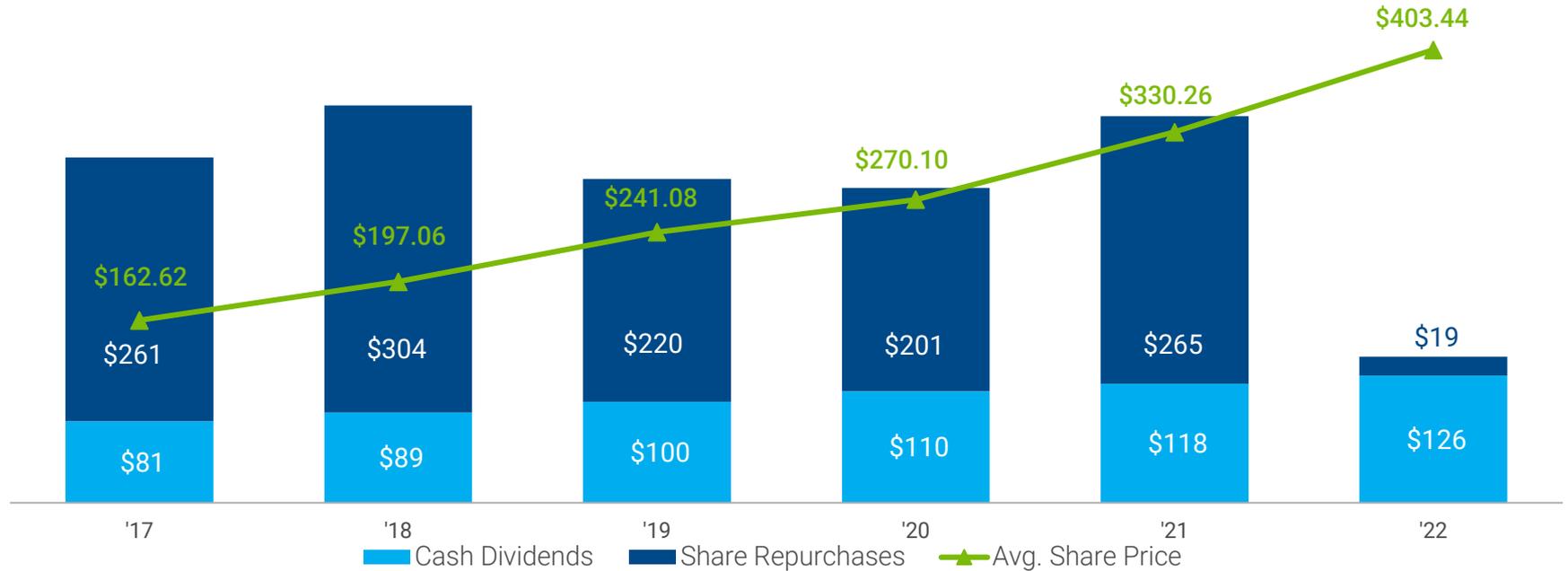
### CLIENT COUNT

Companies subscribing to FactSet services with an ASV greater than \$10,000.

▲ 17% change since 2021 | Q4

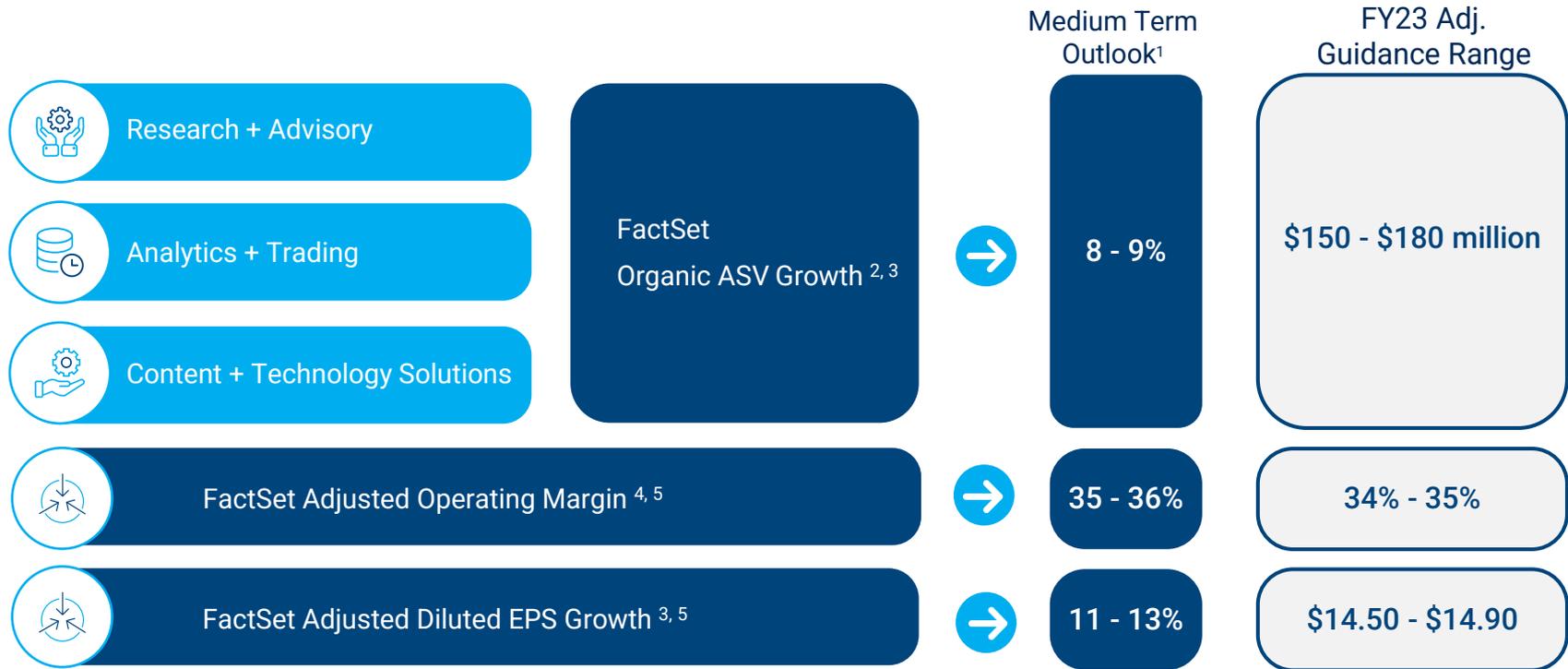
## Returning Capital to Shareholders

(in millions except share price)



\* Includes shares repurchased from employee stock options for 2017

## Fiscal 2023 guidance is in line with our medium-term outlook shared on Investor Day



<sup>1</sup> Medium term outlook represents FactSet's expectations as of April 5, 2022. Actual results may differ materially from expectations above.

<sup>2</sup> Organic ASV + Professional Services

<sup>3</sup> Average target growth rate through FY25 (per year on average)

<sup>4</sup> Target margin by year-end FY25

<sup>5</sup> Includes CUSIP Global Services (CGS)

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Questions & Answers

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Appendix

## Fiscal 2023 Guidance

|   | <b>FISCAL 2023 OUTLOOK</b><br><i>As of September 22, 2022</i> |
|---|---|
| Organic ASV + Professional Services Growth <sup>1</sup> | \$150 - \$180 million   |
| Revenues  | \$2,100 - \$2,115 million                                     |
| Operating Margin  | 30% - 31%   |
| Adjusted Operating Margin                               | 34% - 35%   |
| Effective Tax Rate                                      | 12.5% - 13.5%   |
| Diluted EPS   | \$12.70 - \$13.10   |
| Adjusted Diluted EPS                                    | \$14.50 - \$14.90   |

*The Fiscal 2023 Outlook shown here is a forward-looking statement. Given the risks, uncertainties and assumptions related to FactSet's business and operations, FactSet's actual future results may differ materially from these expectations. Investors should review the Company's cautionary statements and risk factors referred to in this presentation*

<sup>1</sup> Organic ASV + Professional Services growth over fiscal 2022

## Non-GAAP Reconciliations

Organic Revenues  
(in thousands)

FOR THE THREE MONTHS ENDED AUGUST 31

FOR THE YEAR ENDED AUGUST 31

| (Unaudited)                            | 2022       | 2021       | % Change | 2022         | 2021         | % Change |
|--|------------|------------|----------|--------------|--------------|----------|
| GAAP Revenues                          | \$ 499,297 | \$ 411,894 | 21.2%    | \$ 1,843,892 | \$ 1,591,445 | 15.9%    |
| Deferred revenue fair value adjustment | -          | 117        |          | 25           | 539          |          |
| Adjusted revenues                      | 499,297    | 412,011    | 21.2%    | 1,843,917    | 1,591,984    | 15.8%    |
| Acquired revenues                      | (50,189)   | -          |          | (103,732)    | -            |          |
| Currency impact                        | 3,374      | -          |          | 7,898        | -            |          |
| Organic Revenues                       | \$ 452,482 | \$ 412,011 | 9.8%     | \$ 1,748,092 | \$ 1,591,984 | 9.8%     |

## Non-GAAP Reconciliations

### Adjusted Operating Income, Margin, Net Income

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED AUGUST 31

FOR THE YEAR ENDED AUGUST 31

| (Unaudited)                                  | 2022              | 2021              | % Change     | 2022              | 2021              | % Change      |
|--|-------------------|-------------------|--------------|-------------------|-------------------|---------------|
| GAAP Operating Income                        | \$ 132,219        | \$ 119,176        | 10.9%        | \$ 475,482        | \$ 474,041        | 0.3%          |
| Deferred revenue fair value adjustment       | -                 | 117               |              | 25                | 539               |               |
| Intangible asset amortization                | 18,210            | 5,902             |              | 49,122            | 23,257            |               |
| Business acquisition costs                   | 3,152             | -                 |              | 20,608            | -                 |               |
| Transformation costs                         | 621               | 2,136             |              | 3,368             | 14,113            |               |
| Restructuring/ severance                     | (332)             | 3,053             |              | 9,975             | 5,028             |               |
| Contingent Liability                         | 3610              |                   |              | 3610              |                   |               |
| Real estate charges                          | -                 | -                 |              | 62,205            | 62,205            |               |
| <b>Adjusted Operating Income</b>             | <b>\$ 157,478</b> | <b>\$ 130,384</b> | <b>20.8%</b> | <b>\$ 624,395</b> | <b>\$ 517,694</b> | <b>20.6%</b>  |
| <b>Operating Margin</b>                      | <b>26.5%</b>      | <b>28.9%</b>      |              | <b>25.8%</b>      | <b>29.8%</b>      |               |
| <b>Adjusted Operating Margin<sup>1</sup></b> | <b>31.5%</b>      | <b>31.6%</b>      |              | <b>33.9%</b>      | <b>32.5%</b>      |               |
| GAAP Net Income                              | \$ 104,422        | \$ 101,062        | 3.3%         | 396,917           | 399,590           | (0.7)%        |
| Deferred revenue fair value adjustment       | -                 | 100               |              | 22                | 456               |               |
| Intangible asset amortization                | 15,617            | 5,048             |              | 43,266            | 19,672            |               |
| Business acquisition costs                   | 2,703             | -                 |              | 18,151            | -                 |               |
| Transformation costs                         | 533               | 1,826             |              | 2,967             | 11,938            |               |
| Restructuring/ severance                     | (285)             | 2,611             |              | 8,786             | 4,253             |               |
| Contingent Liability                         | 3,096             | -                 |              | 3,180             | -                 |               |
| Real estate charges                          | -                 | -                 |              | 54,789            | 606               |               |
| Income tax items                             | (4,574)           | 227               |              | (7,799)           | (4,466)           |               |
| <b>Adjusted Net Income</b>                   | <b>\$ 121,512</b> | <b>\$ 110,874</b> | <b>9.6%</b>  | <b>\$ 520,279</b> | <b>\$ 432,049</b> | <b>(0.7)%</b> |

<sup>1</sup> Adjusted operating margin is calculated as adjusted operating income divided by adjusted revenues as shown in the revenues table above.

## Non-GAAP Reconciliations

Adjusted EBITDA

(in thousands)

FOR THE THREE MONTHS ENDED AUGUST 31

| (Unaudited)                           | 2022       | 2021       | % Change |
|---------------------------------------|------------|------------|----------|
| Net Income                            | \$ 104,422 | \$ 101,062 |          |
| Interest Expense                      | 15,580     | 2,049      |          |
| Income taxes                          | 12,005     | 17,381     |          |
| Depreciation and amortization expense | 26,507     | 16,291     |          |
| EBITDA                                | 158,514    | 136,783    |          |
| Non-recurring cash expenses           | --         | --         |          |
| Adjusted EBITDA                       | \$ 158,514 | \$ 136,783 | 15.9%    |

## Non-GAAP Reconciliations

### Adjusted Diluted EPS

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED AUGUST 31

FOR THE YEAR ENDED AUGUST 31

| (Unaudited)                                       | 2022           | 2021           | % Change    | 2022            | 2021            | % Change     |
|---|----------------|----------------|-------------|-----------------|-----------------|--------------|
| GAAP Diluted Earnings per Common Share            | \$ 2.69        | \$ 2.63        | 2.3%        | \$ 10.25        | \$ 10.36        | (1.1)%       |
| Deferred revenue fair value adjustment            | 0.00           | 0.00           |             | 0.00            | 0.01            |              |
| Intangible asset amortization                     | 0.41           | 0.13           |             | 1.11            | 0.51            |              |
| Impairment of investment                          | 0.00           | 0.00           |             | 0.00            | 0.00            |              |
| Transformation costs                              | 0.01           | 0.04           |             | 0.08            | 0.31            |              |
| Restructuring/ severance                          | (0.01)         | 0.07           |             | 0.23            | 0.11            |              |
| Real estate charges                               | 0.00           | 0.00           |             | 1.41            | 0.02            |              |
| Acquisition costs                                 | 0.07           | --             |             | 0.47            | --              |              |
| Contingent Liability                              | 0.08           | 0.00           |             | 0.08            | 0.00            |              |
| Income tax items                                  | (0.12)         | 0.01           |             | (0.20)          | (0.12)          |              |
| <b>Adjusted Diluted earnings per Common Share</b> | <b>\$ 3.13</b> | <b>\$ 2.88</b> | <b>8.7%</b> | <b>\$ 13.43</b> | <b>\$ 11.20</b> | <b>19.9%</b> |
| Weighted Average Common Shares (Diluted)          | 38,820         | 38,476         |             | 38,736          | 38,570          |              |

## Non-GAAP Reconciliations

Free Cash Flow  
(in thousands)

FOR THE THREE MONTHS ENDED AUGUST 31

FOR THE YEAR ENDED AUGUST 31

| (Unaudited)                               | 2022        | 2021        | % Change | 2022        | 2021        | % Change |
|---|-------------|-------------|----------|-------------|-------------|----------|
| Net Cash Provided by Operating Activities | \$ 151,352  | \$ 184,978  |          | \$ 538,276  | \$ 555,226  |          |
| Capital Expenditures                      | \$ (15,206) | \$ (13,821) |          | \$ (51,156) | \$ (61,325) |          |
| Free Cash Flow                            | \$ 136,146  | \$ 171,157  | (20.5)%  | \$ 487,120  | \$ 493,901  | (1.4)%   |

## Non-GAAP Reconciliations

Business Outlook Operating Margin, Net Income  
(in millions, except per share data)

| Fiscal 2023 (Forward Looking)    | Low End of Range | High End of Range |
|----------------------------------|------------------|-------------------|
| Revenues                         | \$2,100          | \$2,115           |
| Operating Income                 | \$ 600           | \$656             |
| <b>Operating Margin</b>          | <b>30.0%</b>     | <b>31.0%</b>      |
| Intangible Asset Amortization    | 73               | 73                |
| Integration Costs                | 11               | 11                |
| Adjusted Operating Income        | \$ 714           | \$ 740            |
| <b>Adjusted Operating Margin</b> | <b>34.0%</b>     | <b>35.0%</b>      |
| Net Income                       | \$ 492           | \$ 508            |
| Intangible Asset Amortization    | 64               | 63                |
| Integration Costs                | 9                | 9                 |
| Discrete tax items               | (4)              | (3)               |
| <b>Adjusted Net Income</b>       | <b>\$ 561</b>    | <b>\$ 577</b>     |

## Non-GAAP Reconciliations

Business Outlook Adjusted Diluted EPS  
(in thousands, except per share data)

| (\$ millions)                                     | Low-end of range | High-end of range |
|---|------------------|-------------------|
| Diluted earnings per common share                 | \$12.70          | \$13.10           |
| Intangible asset amortization                     | 1.64             | 1.62              |
| Integration Costs                                 | 0.23             | 0.24              |
| Discrete tax items                                | (0.07)           | (0.06)            |
| <b>Adjusted diluted earnings per common share</b> | <b>\$14.50</b>   | <b>\$14.90</b>    |

Note: Columns may not foot due to rounding

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Thank you