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FactSet Earnings Call  
Third Quarter Fiscal 2018

June 26, 2018

## Forward-Looking Statements and Non-GAAP Measures

This presentation may contain forward looking statements reflecting management's current expectations based on currently available information. Actual results may differ materially from what is expressed or forecasted in such forward-looking statements. More information about factors that could affect FactSet's business and financial results are in FactSet's filings with the SEC, including its most recent 10-K and 10-Q. FactSet undertakes no obligation to publicly update any forward-looking statements as a result 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 revenue, adjusted operating metrics, adjusted diluted EPS and free cash flow. 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 June 26, 2018, which are posted on [factset.com](http://factset.com) under the Investor Relations section.

# Agenda

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

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Business Update

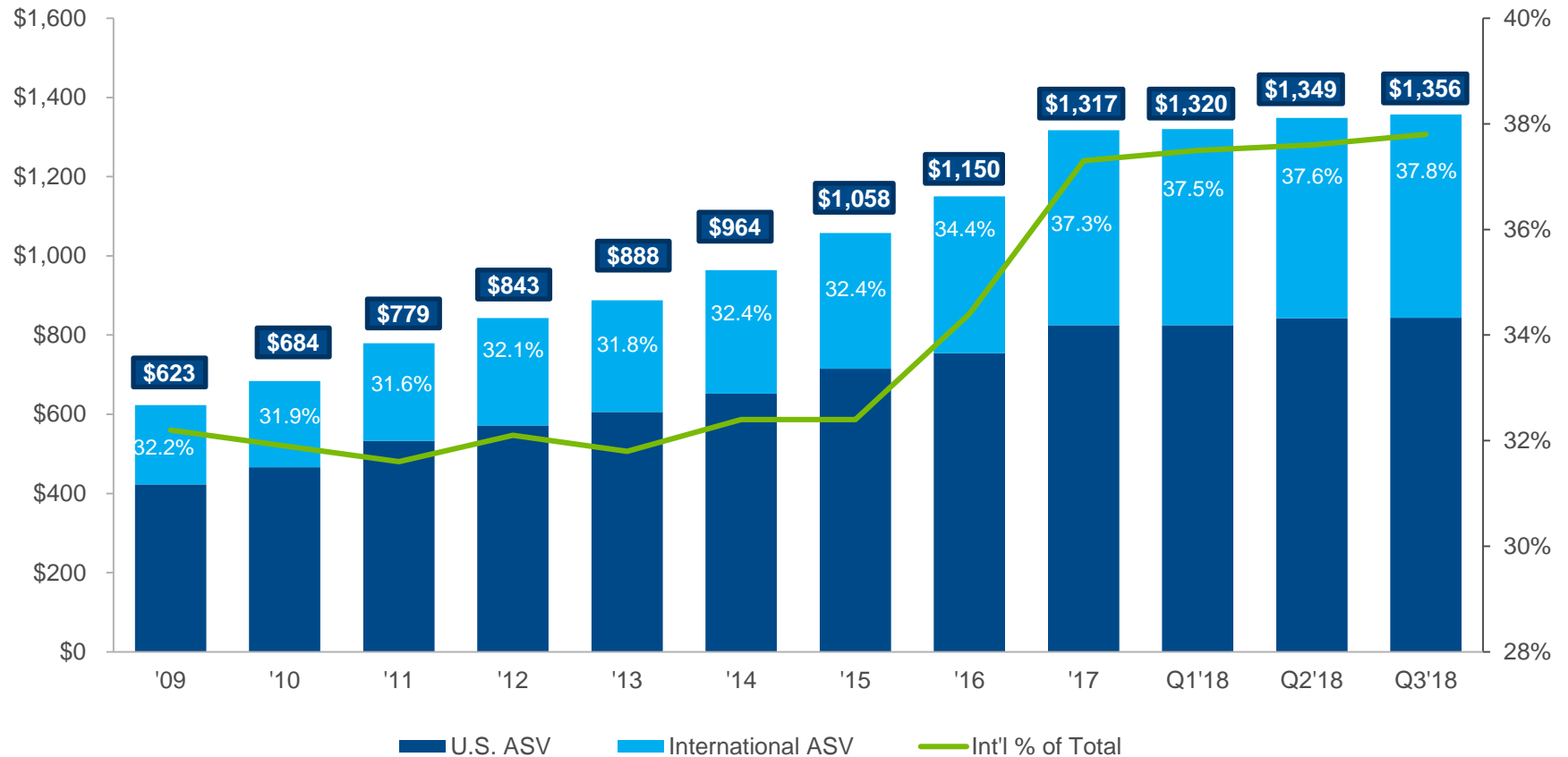
# Growth in Key Metrics\* - Third Quarter 2018



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

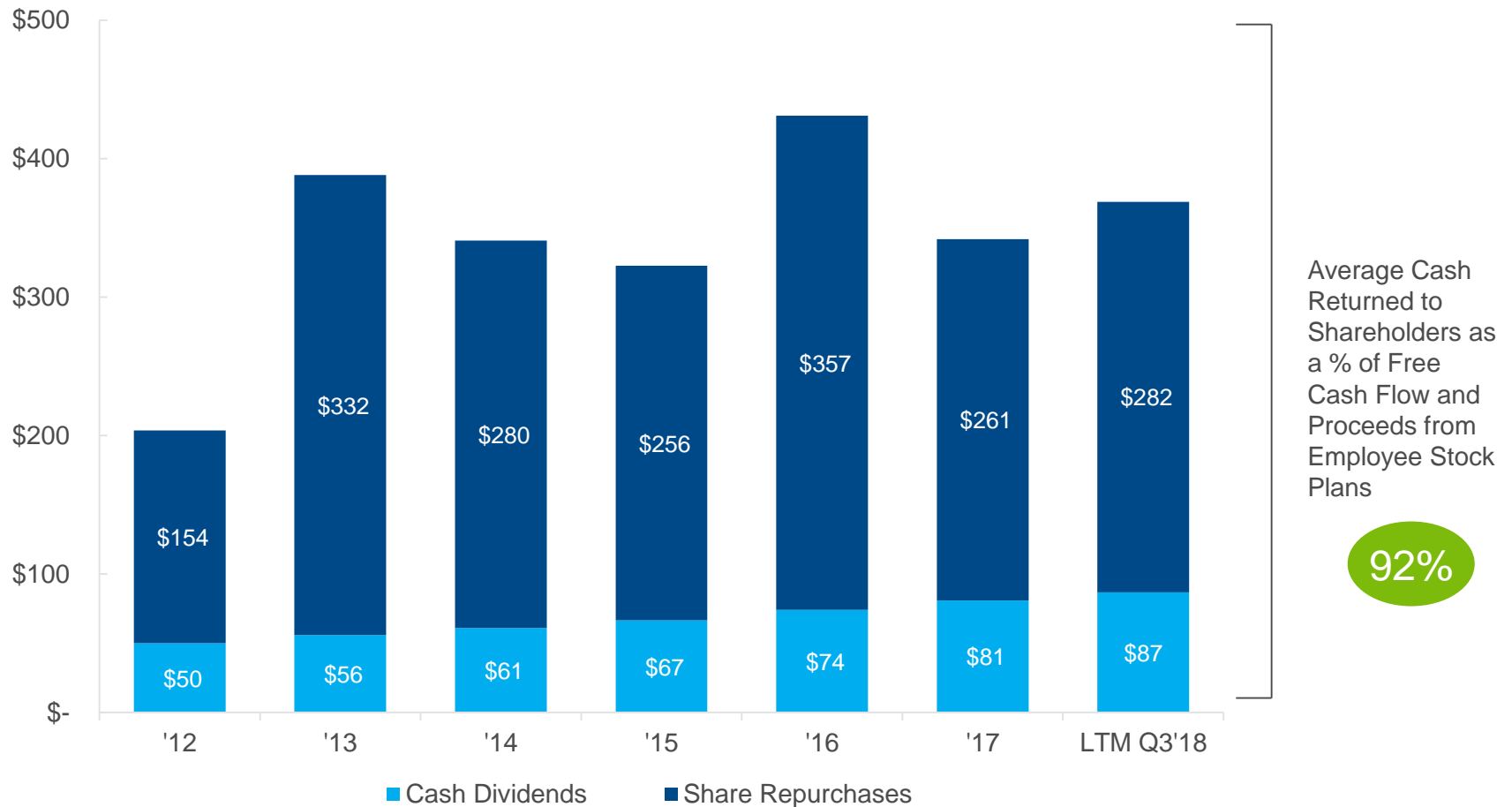
# Total ASV and International ASV Growth

(in millions)



# Committed to Returning Capital to Shareholders

(in millions)



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Financial Overview



# KEY METRICS

Q3 | 2018

\$332.5 M

## ORGANIC REVENUE

Organic revenues exclude the effects of acquisitions, dispositions, deferred revenue fair value adjustments and foreign currency.

▲ 5.7% change since 2017 | Q3

89,506

## USER COUNT

Number of individuals accessing FactSet services across all client sites.

▲ 4.0% change since 2017 | Q3

\$1.36 B

## ANNUAL SUBSCRIPTION VALUE

(ASV) The forward-looking revenues for the next 12 months from all subscription services currently being supplied to clients. Organic ASV excludes the effects of acquisitions, dispositions and foreign currency.

▲ 5.3% organically

4,975

## CLIENT COUNT

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

▲ 7.5% change since 2017 | Q3

\$105.7 M

## ADJUSTED OPERATING INCOME

Revenue minus the costs of operations (i.e. operating expenses, which include the cost of services and selling, general and administration expenses).

▲ 5.3% change since 2017 | Q3

\$2.18

## ADJUSTED DILUTED EPS

Net income divided by diluted shares outstanding. Earnings Per Share is one of the key measures investors and industry analysts follow to determine how successfully we are managing our business.

▲ 17.8% change since 2017 | Q3

31.0 %

## ADJUSTED OPERATING MARGIN

Adjusted operating margin in Q3 2018 is calculated as adjusted operating income divided by GAAP revenues plus the deferred revenue fair value adjustment.

▼ 90 bps change since 2017 | Q3

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# Third Quarter 2018 Financial Results\*

(in thousands, except per share data)

For the Three Months Ended May 31	2018	2017	% Change
Organic ASV	\$1,357,841	\$1,290,200	5.3%
GAAP Revenues	\$ 339,911	\$ 312,120	8.9%
Organic Revenues	\$ 332,508	\$ 314,453	5.7%
Adjusted Operating Income	\$ 105,681	\$ 100,331	5.3%
Adjusted Operating Margin	31.0%	31.9%	-
Adjusted Net Income	\$ 85,113	\$ 72,949	16.7%
Adjusted Diluted EPS	\$ 2.18	\$ 1.85	17.8%
Free Cash Flow	\$ 119,654	\$ 84,318	41.9%

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

## Business Outlook – Fiscal 2018\*

<b>Fiscal 2018 Guidance</b>	
Organic ASV Growth Rate	4.9% - 6.5%
GAAP Revenues	\$1.34b - \$1.36b
GAAP Operating Margin <sup>1</sup>	27.5% - 29.0%
Adjusted Operating Margin	31.0% - 32.5%
Effective Tax Rate <sup>2</sup>	18.0% - 19.5%
GAAP Diluted EPS <sup>1,3,4</sup>	\$6.92 - \$7.17
Adjusted Diluted EPS <sup>3,4</sup>	\$8.37 - \$8.62

<sup>1</sup> Both GAAP operating margin and GAAP diluted EPS guidance do not include the effects of any non-recurring benefits or charges that may arise in the fourth quarter of fiscal 2018.

<sup>2</sup> As a result of the U.S. Tax Cuts and Jobs Act (“TCJA”), which lowered the U.S. federal corporate tax rate, FactSet’s annual effective tax rate is expected to be lower than original guidance provided during the first quarter of 2018. The updated range of 18.0% and 19.5% excludes the one-time deemed repatriation tax on historical repatriated foreign earnings related to the TCJA. The Company’s fiscal year end is August 31<sup>st</sup>, resulting in a blended federal statutory tax rate for the full 2018 fiscal year.

<sup>3</sup> The updated guidance includes the impact of the TCJA and previously reported non-recurring benefits and charges incurred during the first nine months of fiscal 2018. The midpoint of the updated adjusted EPS range represents 16% growth over the prior year.

<sup>4</sup> EPS ranges were refined during the quarter based on FactSet’s latest expectations for how the Company expects to close the full fiscal 2018 year. FactSet has also enhanced its disclosure by providing a reconciliation of GAAP to Non-GAAP EPS in the back of the press release.

\* FactSet’s expectations as of June 26, 2018. Actual results may differ materially from expectations above.

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Questions and Answers

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Appendix

# Non-GAAP Reconciliations

## Organic Revenues

(in thousands)

For the Three Months Ended May 31	2018	2017	% Change
GAAP Revenues	\$ 339,911	\$ 312,120	8.9%
Deferred Revenue Fair Value Adjustment	1,488	2,531	
Acquired Revenues	(6,985)	(198)	
Currency Impact	(1,906)	–	
Organic Revenues	\$ 332,508	\$ 314,453	5.7%

# Non-GAAP Reconciliations

## Adjusted Operating Income, Margin, Net Income and Diluted EPS

(in thousands, except per share data)

For the Three Months Ended May 31	2018	2017	% Change
GAAP Operating Income	\$ 93,265	\$ 87,642	6.4%
Intangible Asset Amortization	6,215	5,779	
Deferred Revenue Fair Value Adjustment	1,488	2,531	
Other Non-recurring Items	4,713	4,379	
Adjusted Operating Income	\$ 105,681	\$ 100,331	5.3%
Adjusted Operating Margin	31.0%	31.9%	
GAAP Net Income	\$ 74,746	\$ 65,414	14.3%
Intangible Asset Amortization	5,190	4,305	
Deferred Revenue Fair Value Adjustment	1,242	1,886	
Other Non-recurring Items	3,935	3,262	
Income Tax items	-	(1,918)	
Adjusted Net Income	\$ 85,113	\$ 72,949	16.7%
GAAP Diluted Earnings per Common Share	\$ 1.91	\$ 1.66	15.1%
Intangible Asset Amortization	0.13	0.11	
Deferred Revenue Fair Value Adjustment	0.03	0.05	
Other Non-recurring Items	0.10	0.08	
Income Tax items	-	(0.05)	
Adjusted Diluted earnings per Common Share	\$ 2.18	\$ 1.85	17.8%
Weighted Average Common Shares (Diluted)	39,104	39,457	

# Non-GAAP Reconciliations

## Free Cash Flow

(in thousands)

For the Three Months Ended May 31	2018	2017	% Change
Net Cash Provided by Operating Activities	\$ 125,654	\$ 92,253	
Capital Expenditures	(6,000)	(7,935)	
Free Cash Flow	\$ 119,654	\$ 84,318	41.9%





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Thank you.