



Thursday, September 21, 2023

FactSet Earnings Call

Fourth Quarter Fiscal 2023



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 21, 2023, which are posted on www.factset.com under the Investor Relations section.

Agenda

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

We continued to deliver on our strategy: **To build the leading open content and analytics platform that delivers differentiated advantage for our clients' success**

Scale Up
Our Content
Refinery

Deep Sector is driving wins and renewals within banking, positioning us to increase market share

Next
Generation
Workflow
Solutions

Industry leading **analytics** and **middle office solutions** drove a key performance win as asset managers and asset owners rely on our portfolio lifecycle

Growing demand for cloud-native solutions contribute to **real time** deployments

Client
Obsession

Generative AI is fueling innovation and development, allowing us to reimagine the client experience across workflows

Key Metrics - Fourth Quarter 2023

7.1% ¹

ORGANIC ASV +
PROFESSIONAL SERVICES
GROWTH

Driven by the strength of our recurring sales model and disciplined execution by our sales team.

+

33.6% ²

ADJUSTED
OPERATING
MARGIN

210 bps higher YoY due to lower bonus accrual, partially offset by higher salary expenses. Higher technology expenses were offset by lower third-party content, facilities expenses and FX impact.

+

\$2.93 ²

ADJUSTED
DILUTED
EPS

6.4% decrease YoY due to higher tax provision adjustments, partially offset by revenue growth, margin expansion and lower interest expense.

¹ LTM organic growth rate based on August 31, 2023. 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. Professional services are revenues derived from project-based consulting and implementation. Organic ASV excludes the effects of acquisitions and dispositions completed within the last 12 months and foreign currency movements.

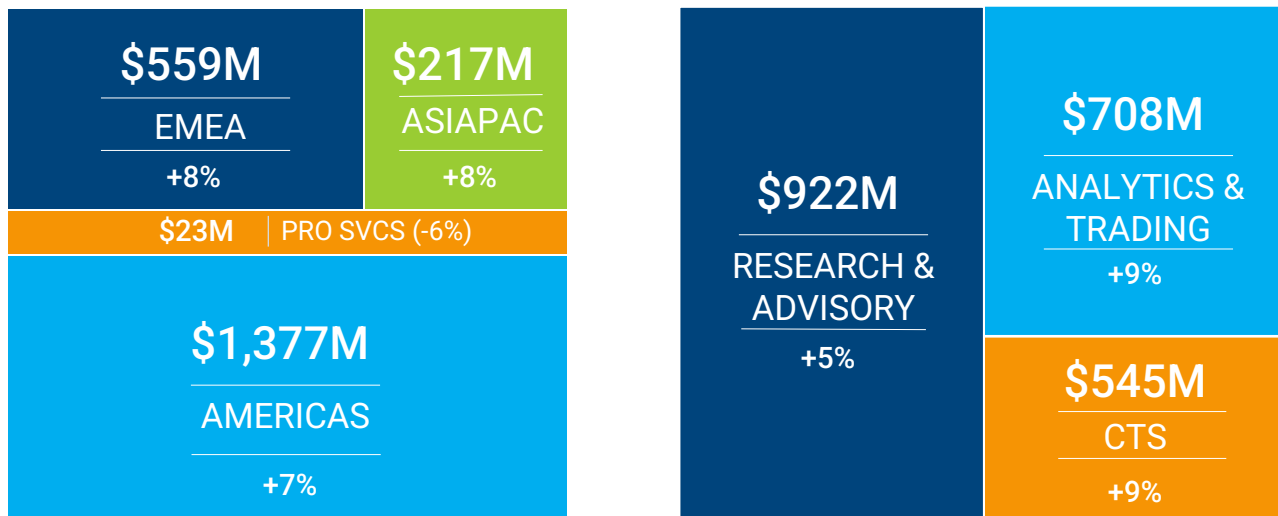
² Please see Appendix for a reconciliation of these non-GAAP metrics to GAAP metrics.

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

\$2.2B








Organic ASV + Professional Services

+7.1%



* LTM Organic ASV Growth Rate is based on last twelve months as of August 31, 2023

Fiscal 2023 Results vs. Guidance

	FISCAL 2023 GUIDANCE ¹	FISCAL 2023 Results
Organic ASV + Professional Services Growth ²	\$145 - \$175M	\$145M 
Revenues ³	\$2,080 - \$2,100M	\$2,086M 
Operating Margin ³	29.0% - 30.0%	30.2% 
Adjusted Operating Margin ^{3,4}	35.0% - 36.0%	36.2% 
Effective Tax Rate ³	14.0% - 15.0%	20.0% 
Diluted EPS ³	\$12.25 - \$12.65	\$12.03 
Adjusted Diluted EPS ^{3,4}	\$14.75 - \$15.15	\$14.55 

¹ FactSet's expectations as of June 22, 2023

² Growth over fiscal 2022

³ Includes CUSIP Global Services (CGS)

⁴ Please see Appendix for a reconciliation of these non-GAAP metrics to GAAP metrics.

Fourth Quarter 2023 Financial Results*

(in thousands, except per share data)

7.3%

Revenues

8/31/23 \$535,797
8/31/22 \$499,297

7.2%

Organic Revenues

8/31/23 \$535,224
8/31/22 \$499,297

(11.4)%

Operating Income

8/31/23 \$117,103
8/31/22 \$132,219

14.4%

Adjusted Operating Income

8/31/23 \$180,134
08/31/22 \$157,480

(460)bps 210bps

Operating Margin

8/31/23 21.9%
8/31/22 26.5%

Adjusted Operating Margin

8/31/23 33.6%
8/31/22 31.5%

(37.7)% (6.5)%

Net Income

8/31/23 \$65,080
8/31/22 \$104,422

Adjusted Net Income

8/31/23 \$113,556
8/31/22 \$121,512

(37.5)%

Diluted EPS

8/31/23 \$1.68
8/31/22 \$2.69

(6.4)%

Adjusted Diluted EPS

8/31/23 \$2.93
8/31/22 \$3.13

8.6%

Adjusted EBITDA

8/31/23 \$172,207
8/31/22 \$158,514

14.8%

Free Cash Flow

8/31/23 \$156,305
8/31/22 \$136,147

Key Operational Metrics

>95%

ASV RETENTION

ASV retained from clients over the last twelve months.

▬ No change versus 2022 | Q4

91%

CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▼ ~50bps versus 2022 | Q4

189,972

USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 6% change since 2022 | Q4

7,921

CLIENT COUNT

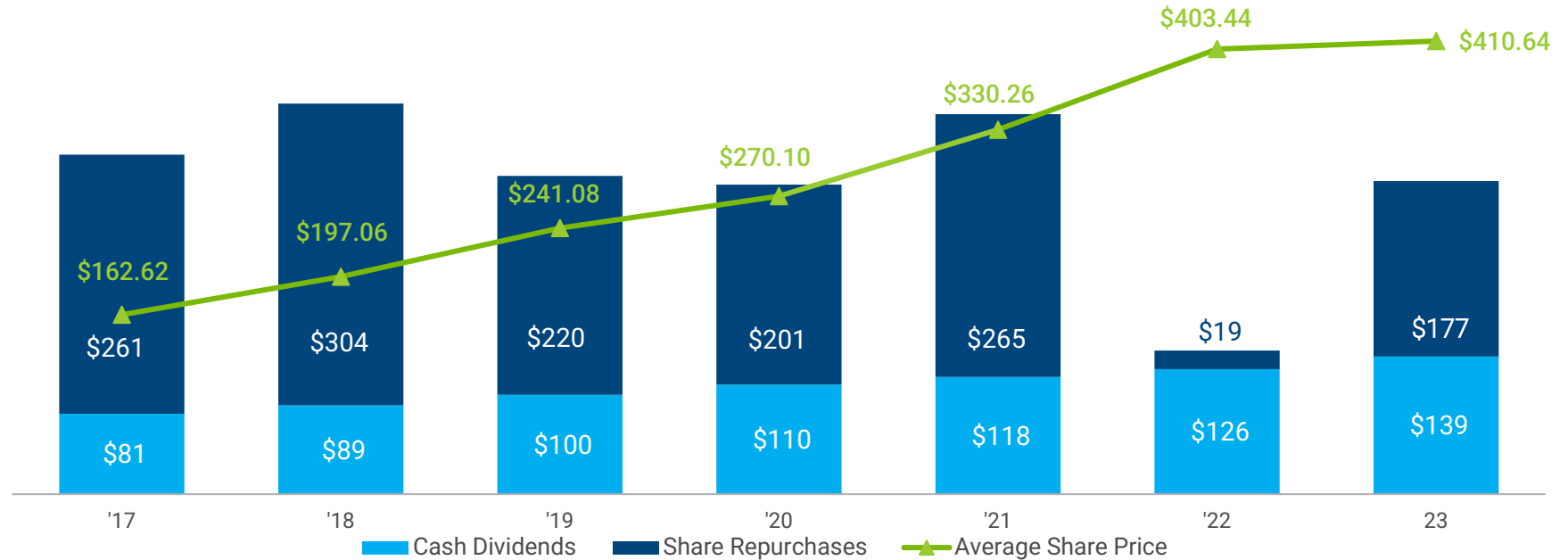
Companies subscribing to FactSet services with an ASV greater than \$10,000.

▲ 5% change since 2022 | Q4

We remain focused on returning capital to shareholders

FactSet resumed share repurchases in the third fiscal quarter of 2023

(in millions except share price)



* Includes shares repurchased from employee stock options for 2017

At the midpoint, guidance for fiscal 2024 reflects ASV growth of 7% and adjusted operating margin of 36.5%, an expansion of 30bps over fiscal 2023

	FISCAL 2024 OUTLOOK <i>As of September 21, 2023</i>
Organic ASV + Professional Services Growth ¹	\$130 - \$175M
Revenues	\$2,210 - \$2,230M
Operating Margin	33.1% - 33.5%
Adjusted Operating Margin	36.3% - 36.7%
Effective Tax Rate	17% - 18%
Diluted EPS	\$14.20 - \$14.70
Adjusted Diluted EPS	\$15.65 - \$16.15

The Fiscal 2024 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

¹ Organic ASV + Professional Services growth as compared to fiscal 2023

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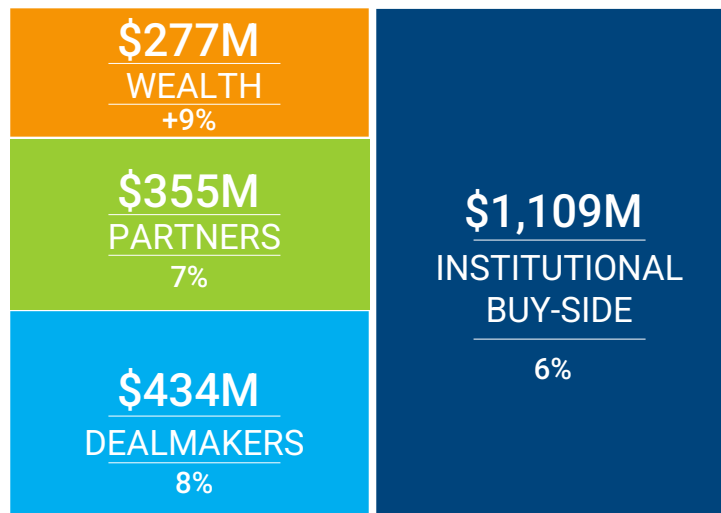
Appendix

ASV + Professional Services Growth Rates* – Preliminary View by New Business Alignment

\$2.2B

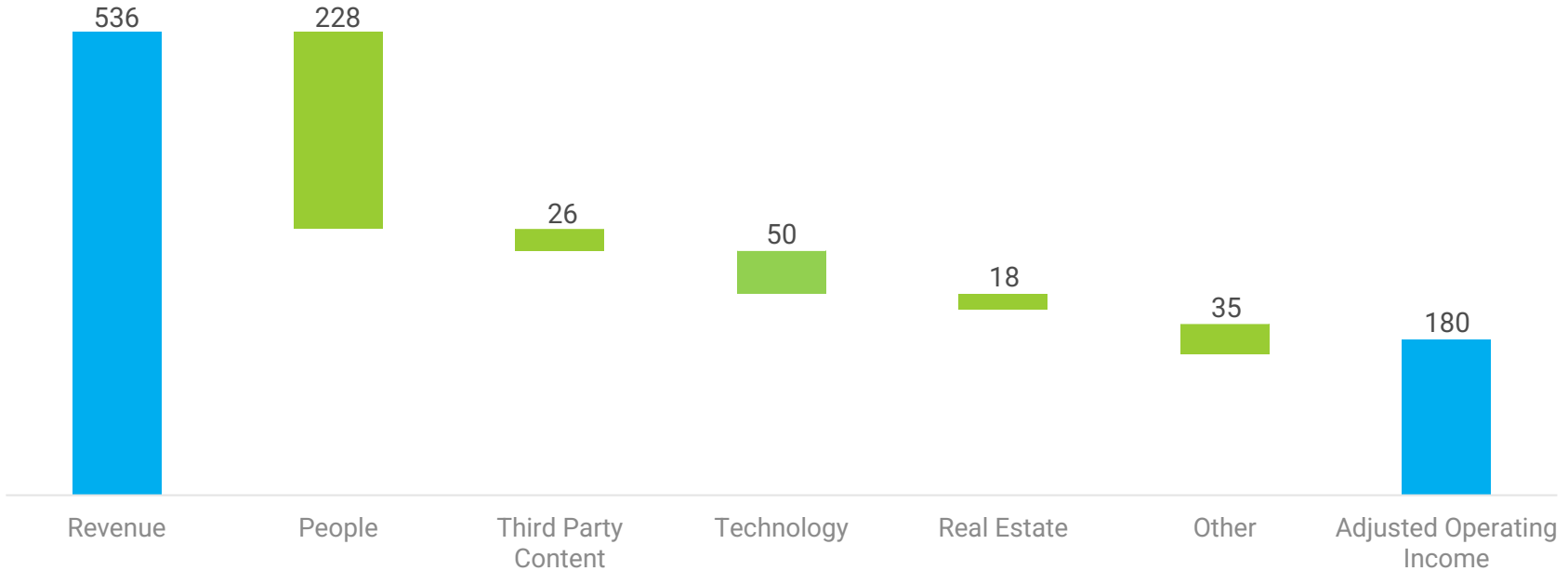
Organic ASV + Professional Services

+7.1%



Fourth Quarter 2023 Adjusted Operating Income Walk

US\$ millions



Non-GAAP Reconciliations

Organic Revenues

(in thousands)

FOR THE THREE MONTHS ENDED AUGUST 31

FOR THE YEAR ENDED AUGUST 31

(Unaudited)	2023	2022	% Change	2023	2022	% Change
GAAP Revenues	\$ 535,797	\$ 499,297	7.3%	\$ 2,085,508	\$ 1,843,892	13.1%
Deferred revenue fair value adjustment	-	-		-	25	
Adjusted revenues	535,797	499,297	7.3%	2,085,508	1,843,917	13.1%
Acquired revenues	(128)	-		(95,953)	-	
Currency impact	(445)	-		5,398	-	
Organic Revenues	\$ 535,224	\$ 499,297	7.2%	\$ 1,994,953	\$ 1,843,917	8.2%

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)	2023	2022	% Change	2023	2022	% Change
GAAP Operating Income	\$ 117,103	\$ 132,219	(11.4)%	\$ 630,207	\$ 475,482	32.5%
Deferred revenue fair value adjustment	-	-		-	25	
Intangible asset amortization	18,131	18,210		71,503	49,122	
Asset Impairments	20,327	-		20,327	62,205	
Restructuring / severance	18,128	(332)		19,879	9,975	
Contingent Liability	6,239	3,610		6,239	3,610	
Business acquisition / integration costs	206	3,152		7,033	20,608	
Transformation costs	-	621		-	3,368	
Adjusted Operating Income	\$ 180,134	\$ 157,480	14.4%	\$ 755,188	\$ 624,395	20.9%
Operating Margin	21.9%	26.5%		30.2%	25.8%	
Adjusted Operating Margin¹	33.6%	31.5%		36.2%	33.9%	
GAAP Net Income	\$ 65,080	\$ 104,422	(37.7)%	468,134	396,917	17.9%
Deferred revenue fair value adjustment	-	-		-	22	
Intangible asset amortization	14,496	15,617		59,422	43,266	
Asset Impairments	16,251	-		16,893	54,789	
Restructuring / severance	14,493	(285)		16,520	8,786	
Contingent Liability	4,988	3,096		5,185	3,180	
Business acquisition / integration costs	165	2,703		5,845	18,151	
Transformation costs	-	533		-	2,967	
Income tax items	(1,917)	(4,574)		(6,009)	(7,799)	
Adjusted Net Income	\$ 113,556	\$ 121,512	(6.5)%	\$ 565,990	\$ 520,279	8.8%

¹ 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)	2023	2022	% Change
Net Income	\$ 65,080	\$ 104,422	
Interest Expense	16,691	15,580	
Income taxes	43,229	12,006	
Depreciation and amortization expense	26,703	26,506	
EBITDA	151,703	158,514	
Non-recurring cash expenses	20,504	--	
Adjusted EBITDA	\$ 172,207	\$ 158,514	8.6%

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)	2023	2022	% Change	2023	2022	% Change
GAAP Diluted Earnings per Common Share	\$ 1.68	\$ 2.69	(37.5)%	\$ 12.03	\$ 10.25	(17.4)%
Deferred revenue fair value adjustment	-	0.00		-	0.00	
Intangible asset amortization	0.38	0.41		1.53	1.11	
Asset Impairments	0.42	0.00		0.43	1.41	
Restructuring/severance	0.37	(0.01)		0.43	0.23	
Contingent Liability	0.13	0.08		0.13	0.08	
Business acquisition/integration costs	-	0.07		0.15	0.47	
Transformation costs	-	0.01		-	0.08	
Income tax items	(0.05)	(0.12)		(0.15)	(0.20)	
Adjusted Diluted earnings per Common Share	\$ 2.93	\$ 3.13	(6.4)%	\$ 14.55	\$ 13.43	8.3%
Weighted Average Common Shares (Diluted)	38,784	38,820		38,898	38,736	

Non-GAAP Reconciliations

Free Cash Flow

(in thousands)

FOR THE THREE MONTHS ENDED AUGUST 31

FOR THE YEAR ENDED AUGUST 31

(Unaudited)	2023	2022	% Change	2023	2022	% Change
Net Cash Provided by Operating Activities	\$ 175,911	\$ 147,212		\$ 645,573	\$ 524,537	
Capital Expenditures	\$ (19,606)	\$ (11,065)		\$ (60,786)	\$ (37,236)	
Free Cash Flow	\$ 156,305	\$ 136,146	14.8%	\$ 584,787	\$ 487,121	20.0%

Non-GAAP Reconciliations

Business Outlook Operating Margin, Net Income

(in millions, except per share data)

Fiscal 2024 (Forward Looking)	Low End of Range	High End of Range
Revenues	\$2,210	\$2,230
Operating Income	\$ 732	\$747
Operating Margin	33.1%	33.5%
Intangible Asset Amortization	70	71
Adjusted Operating Income	\$ 802	\$ 818
Adjusted Operating Margin	36.3%	36.7%
Net Income	\$ 550	\$ 569
Intangible Asset Amortization	60	59
Discrete tax items	(4)	(3)
Adjusted Net Income	\$ 606	\$ 625

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Non-GAAP Reconciliations

Business Outlook Adjusted Diluted EPS

(in thousands, except per share data)

	Low-end of range	High-end of range
Diluted earnings per common share	\$14.20	\$14.70
Intangible asset amortization	1.54	1.53
Discrete tax items	(0.09)	(0.08)
Adjusted diluted earnings per common share	\$15.65	\$16.15

Note: Columns may not foot due to rounding

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