



Tuesday December 19, 2023

# FactSet Earnings Call

## First Quarter Fiscal 2024



## 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 December 19, 2023, 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

## Key Metrics - First Quarter 2024

7.1%<sup>1</sup>

ORGANIC ASV +  
PROFESSIONAL SERVICES  
GROWTH

Driven by higher Wealth  
sales and increased sales  
of data.

+

37.6%<sup>2</sup>

ADJUSTED  
OPERATING  
MARGIN

Decreased by ~70 bps YoY due  
to higher technology expenses,  
which were partially offset by  
lower facilities  
expenses, professional fees  
and T&E expenses.

+

\$4.12<sup>2</sup>

ADJUSTED  
DILUTED  
EPS

Increased by 3.3% YoY due  
to revenue growth partially  
offset by margin  
compression and a higher  
tax rate.

<sup>1</sup> LTM organic growth rate based on November 30, 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 twelve months and foreign currency movements.

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

## Key Operational Metrics

# >95%

### ASV RETENTION

ASV retained from clients over the last twelve months.

▬ No change versus 2023 | Q1

# 90%

### CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▼ Down ~150bps versus 2023 | Q1

# 207,083

### USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 14% change since 2023 | Q1

# 7,945

### CLIENT COUNT

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

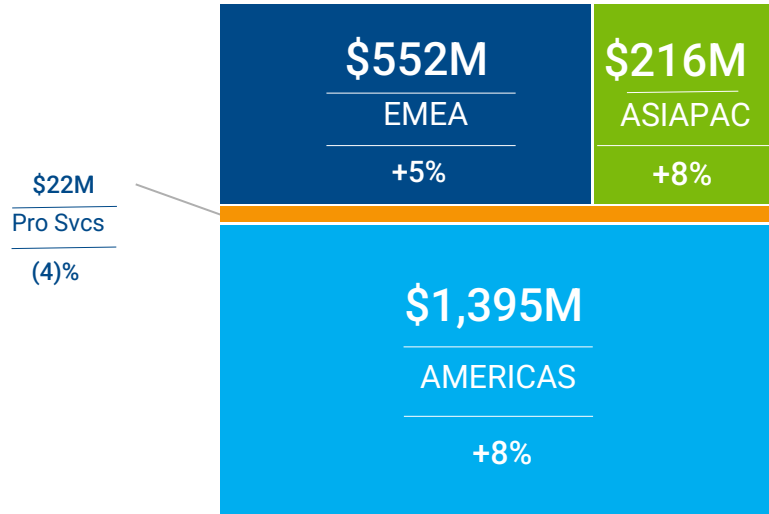
▲ 4% change since 2023 | Q1

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

**\$2,185 Million**

Organic ASV + Professional Services

**+7.1%**



\* LTM Organic ASV Growth Rate based on last twelve months as of November 30, 2023

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

Financial Overview



## First Quarter 2024 Financial Results\*

(in thousands, except per share data)

7.4%

Revenues

11/30/23 \$542,216  
11/30/22 \$504,815

7.2%

Organic Revenues

11/30/23 \$541,393  
11/30/22 \$504,815

10.0%

Operating Income

11/30/23 \$189,040  
11/30/22 \$171,895

5.5%

Adjusted Operating  
Income

11/30/23 \$203,965  
11/30/22 \$193,402

80bps

Operating Margin

11/30/23 34.9%  
11/30/22 34.1%

(70bps)

Adjusted Operating  
Margin

11/30/23 37.6%  
11/30/22 38.3%

8.6%

Net Income

11/30/23 \$148,555  
11/30/22 \$136,798

2.5%

Adjusted Net  
Income

11/30/23 \$159,127  
11/30/22 \$155,171

9.1%

Diluted EPS

11/30/23 \$3.84  
11/30/22 \$3.52

3.3%

Adjusted Diluted EPS

11/30/23 \$4.12  
11/30/22 \$3.99

9.3%

EBITDA

11/30/23 \$219,002  
11/30/22 \$200,419

56.4%

Free Cash Flow

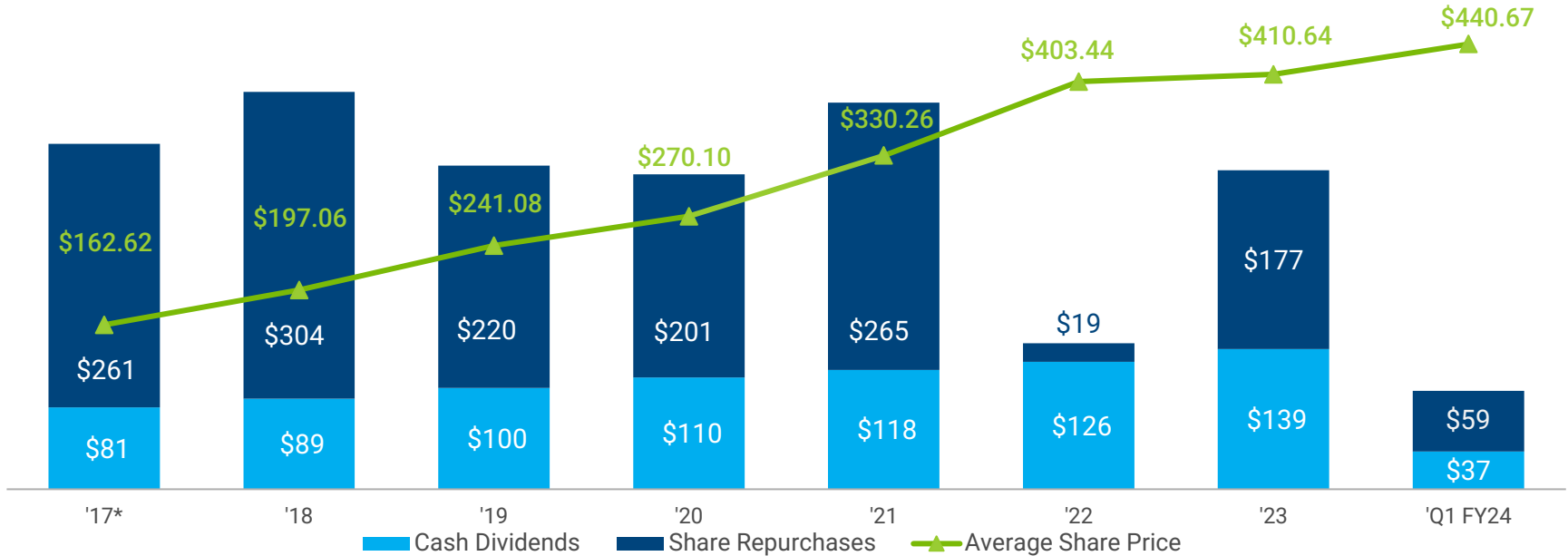
11/30/23 \$138,678  
11/30/22 \$88,676

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

## We remain focused on returning capital to shareholders

FactSet continued share repurchases in the first fiscal quarter of 2024

Figures in millions accept share price



\* Includes shares repurchased from employee stock options for 2017

At the midpoint, guidance for fiscal 2024 reflects ASV growth of 6% and adjusted operating margin of 36.5%, yielding expansion of 30bps over fiscal 2023. Adjusted EPS midpoint is \$15.80, for 7.8% growth

|   | <b>FISCAL 2024 OUTLOOK</b><br><i>As of December 19, 2023</i> |
|---|--|
| Organic ASV + Professional Services Growth <sup>1</sup> | \$110 - \$150 million  |
| Revenues  | \$2,200 - \$2,210 million                                    |
| Operating Margin  | 32.5% - 33.0%  |
| Adjusted Operating Margin                               | 36.3% - 36.7%  |
| Effective Tax Rate                                      | 16.5% - 17.5%  |
| Diluted EPS   | \$13.95 - \$14.35  |
| Adjusted Diluted EPS                                    | \$15.60 - \$16.00  |

*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*

<sup>1</sup> Organic ASV + Professional Services growth as compared to fiscal 2023

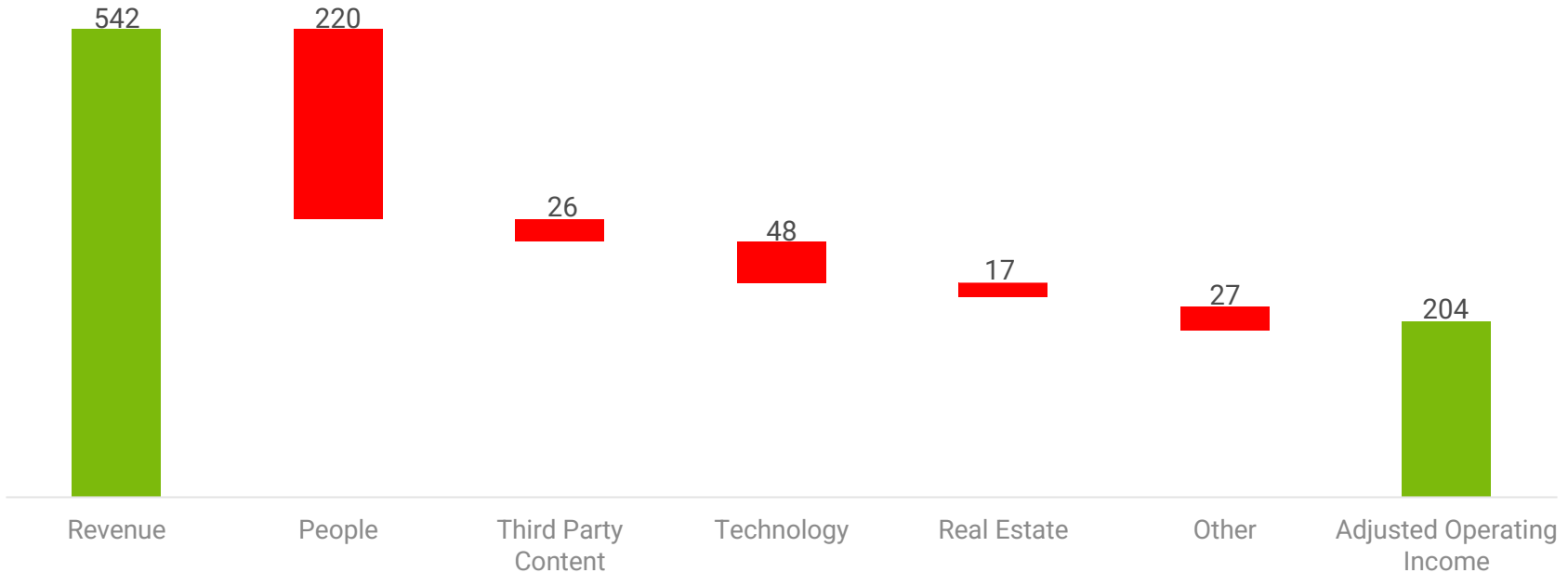
Questions & Answers

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Appendix

## First Quarter 2024 Adjusted Operating Income Walk

US\$ millions



## Non-GAAP Reconciliations

Organic Revenues

(in thousands)

FOR THE THREE MONTHS ENDED NOVEMBER 30

| (Unaudited)             | 2023             | 2022             | % Change    |
|-------------------------|------------------|------------------|-------------|
| GAAP Revenues           | \$542,216        | \$504,815        | 7.4%        |
| Acquired Revenues       | (174)            | -                |             |
| Currency Impact         | (649)            | -                |             |
| <b>Organic Revenues</b> | <b>\$541,393</b> | <b>\$504,815</b> | <b>7.2%</b> |

## Non-GAAP Reconciliations

### Adjusted Operating Income, Margin, Net Income

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED NOVEMBER 30

| (Unaudited)                      | 2023               | 2022               | % Change    |
|----------------------------------|--------------------|--------------------|-------------|
| GAAP Operating Income            | \$189,040          | \$171,895          | 10.0%       |
| Intangible Asset Amortization    | 17,344             | 18,008             |             |
| Restructuring/ Severance         | (2,419)            | -                  |             |
| Business Acquisition Costs       | -                  | \$3,499            |             |
| <b>Adjusted Operating Income</b> | <b>\$203,965</b>   | <b>\$193,402</b>   | <b>5.5%</b> |
| Operating Margin                 | 34.9% <sup>1</sup> | 34.1% <sup>1</sup> |             |
| <b>Adjusted Operating Margin</b> | <b>37.6%</b>       | <b>38.3%</b>       |             |
| GAAP Net Income                  | \$148,555          | \$136,798          | 8.6%        |
| Intangible Asset Amortization    | 12,368             | 15,577             |             |
| Restructuring/ Severance         | (1,725)            | -                  |             |
| Business Acquisition Costs       | -                  | 3,026              |             |
| Income Tax Items                 | (71)               | (230)              |             |
| <b>Adjusted Net Income</b>       | <b>\$159,127</b>   | <b>\$155,171</b>   | <b>2.5%</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

EBITDA  
(in thousands)

FOR THE THREE MONTHS ENDED NOVEMBER 30

| (Unaudited)                           | 2023             | 2022             | % Change    |
|---------------------------------------|------------------|------------------|-------------|
| Net Income                            | \$148,555        | \$136,798        | 8.6%        |
| Interest Expense, net                 | 16,738           | 16,537           |             |
| Income taxes                          | 26,641           | 21,087           |             |
| Depreciation and amortization expense | 27,068           | 25,997           |             |
| <b>EBITDA</b>                         | <b>\$219,002</b> | <b>\$200,419</b> | <b>9.3%</b> |

## Non-GAAP Reconciliations

### Adjusted Diluted EPS

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED NOVEMBER 30

| (Unaudited)                                | 2023          | 2022          | % Change    |
|--|---------------|---------------|-------------|
| GAAP Diluted Earnings per Common Share     | \$3.84        | \$3.52        | 9.1%        |
| Intangible Asset Amortization              | 0.32          | 0.40          |             |
| Restructuring/ Severance                   | (0.04)        | -             |             |
| Business Acquisition Costs                 | -             | 0.08          |             |
| Income Tax Items                           | 0.00          | (0.01)        |             |
| Adjusted Diluted Earnings per Common Share | <b>\$4.12</b> | <b>\$3.99</b> | <b>3.3%</b> |
| Weighted Average Common Shares (Diluted)   | 38,643        | 38,914        |             |

## Non-GAAP Reconciliations

Free Cash Flow  
(in thousands)

FOR THE THREE MONTHS ENDED NOVEMBER 30

| (Unaudited)                               | 2023      | 2022      | % Change |
|---|-----------|-----------|----------|
| Net Cash Provided by Operating Activities | \$155,144 | \$106,636 |          |
| Capital Expenditures                      | (16,466)  | (17,960)  |          |
| Free Cash Flow                            | \$138,678 | \$88,676  | 56.4%    |

## 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                         | \$2,200          | \$2,210           |
| Operating Income                 | \$ 715           | \$729             |
| <b>Operating Margin</b>          | <b>32.5%</b>     | <b>33.0%</b>      |
| Intangible Asset Amortization    | 84               | 82                |
| Adjusted Operating Income        | \$ 799           | \$ 811            |
| <b>Adjusted Operating Margin</b> | <b>36.3%</b>     | <b>36.7%</b>      |
| Net Income                       | \$ 540           | \$ 556            |
| Intangible Asset Amortization    | 70               | 68                |
| Discrete Tax Items               | (6)              | (5)               |
| <b>Adjusted Net Income</b>       | <b>\$604</b>     | <b>\$618</b>      |

Note: Columns may not foot due to rounding

*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*

## Non-GAAP Reconciliations

### Business Outlook Diluted EPS

(in millions, except per share data)

|  | Low End of Range | High End of Range |
|--|------------------|-------------------|
| Diluted Earnings per Common Share          | \$13.95          | \$14.35           |
| Intangible Asset Amortization              | 1.81             | 1.75              |
| Discrete Tax Items                         | (0.16)           | (0.13)            |
| Adjusted Diluted Earnings per Common Share | <b>\$15.60</b>   | <b>\$16.00</b>    |

Note: Columns may not foot due to rounding

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Thank you