



Friday, June 21, 2024

# FactSet Earnings Call

## Third 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 June 21, 2024, 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

## Key Metrics - Third Quarter 2024

5.0%<sup>1</sup>

ORGANIC ASV +  
PROFESSIONAL SERVICES  
GROWTH

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+

39.4%<sup>2</sup>

ADJUSTED  
OPERATING  
MARGIN

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+

\$4.37<sup>2</sup>

ADJUSTED  
DILUTED  
EPS

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<sup>1</sup> LTM organic growth rate based on May 31, 2024. 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 services. 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 | Q3

90%

CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▼ Down ~125bps versus 2023 | Q3

208,140

USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 11% change since 2023 | Q3

8,029

CLIENT COUNT

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

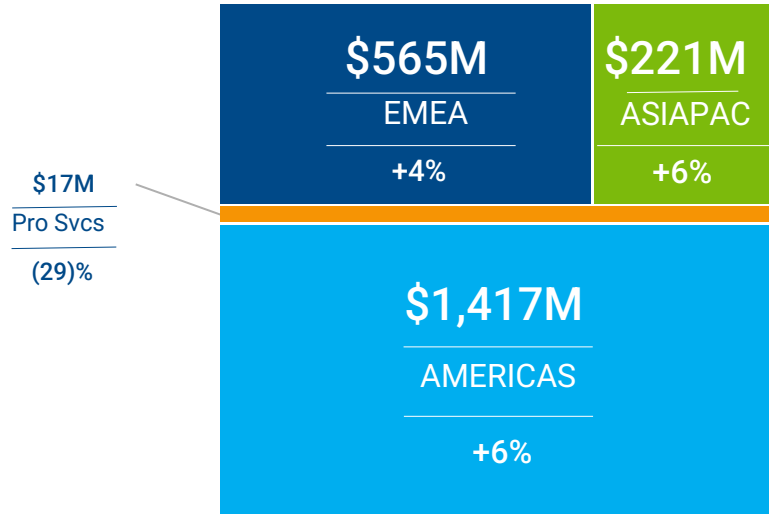
▲ 3% change since 2023 | Q3

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

**\$2,220M**

Organic ASV + Professional Services

**+5.0%**



\* LTM Organic ASV Growth Rate based on last twelve months as of May 31, 2024

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



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Financial Overview

## Third Quarter 2024 Financial Results\*

(in thousands, except per share data)

4.3%

Revenues

5/31/24 \$552,708  
5/31/23 \$529,811

4.5%

Organic Revenues

5/31/24 \$553,432  
5/31/23 \$529,811

17.7%

Operating Income

5/31/24 \$202,459  
5/31/23 \$171,959

14.2%

Adjusted Operating  
Income

5/31/24 \$217,960  
05/31/23 \$190,932

420<sub>bps</sub>

Operating Margin

5/31/24 36.6%  
5/31/23 32.5%

340<sub>bps</sub>

Adjusted Operating  
Margin

5/31/24 39.4%  
5/31/23 36.0%

17.4%

Net Income

5/31/24 \$158,135  
5/31/23 \$134,663

14.3%

Adjusted Net  
Income

5/31/24 \$168,796  
5/31/23 \$147,667

18.2%

Diluted EPS

5/31/24 \$4.09  
5/31/23 \$3.46

15.3%

Adjusted Diluted EPS

5/31/24 \$4.37  
5/31/23 \$3.79

16.9%

Adjusted EBITDA

5/31/24 \$239,930  
5/31/23 \$205,284

12.6%

Free Cash Flow

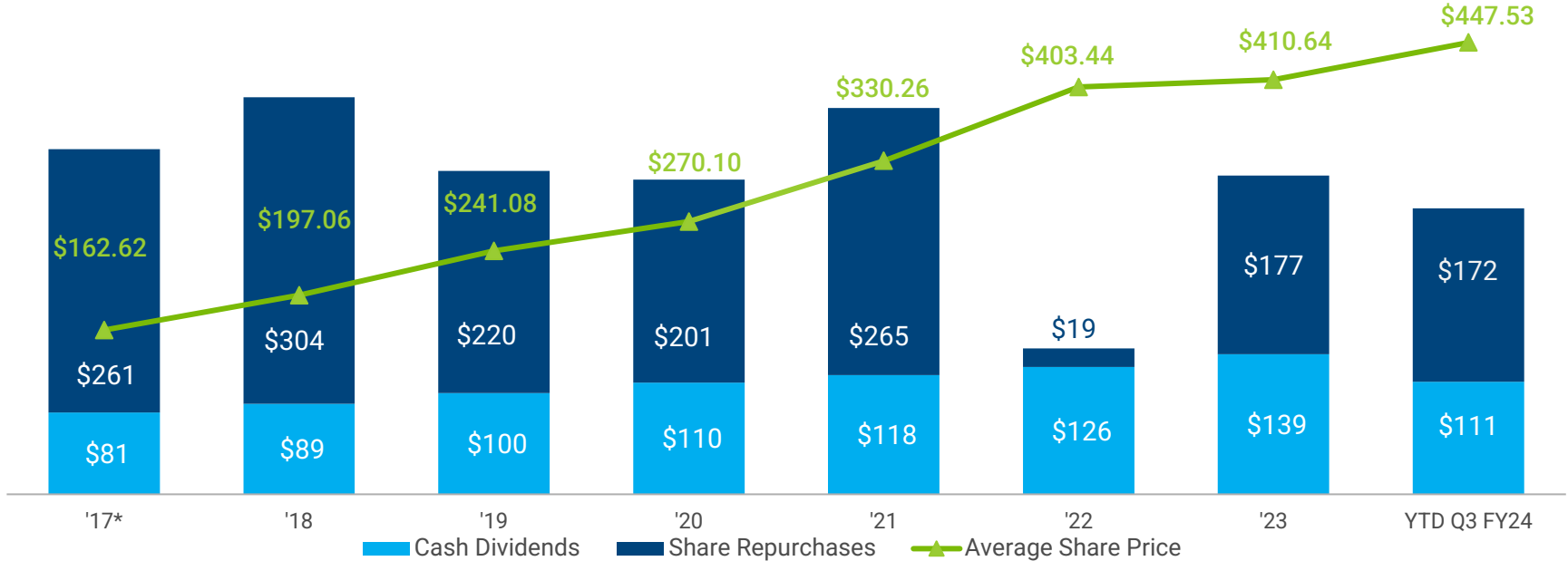
5/31/24 \$216,896  
5/31/23 \$192,584

\* 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 third fiscal quarter of 2024

Figures in millions accept share price



\* Includes shares repurchased from employee stock options for 2017

## We are revising our guidance for FY2024

	FISCAL 2024 OUTLOOK As of March 21, 2024	FISCAL 2024 OUTLOOK As of June 21, 2024
Organic ASV + Professional Services Growth <sup>1</sup>	\$110 - \$150 million (~5% to ~7%)	\$85 - \$120 million (~4.0% to ~5.5%)
Revenues	\$2,200- \$2,210 million	\$2,180 - \$2,190million
Operating Margin	32.5% - 33.0%	33.7% - 34.0%
Adjusted Operating Margin	36.3% - 36.7%	37.0% - 37.5%
Effective Tax Rate	16.5% - 17.5%	16.5% - 17.5%
Diluted EPS	\$13.95 - \$14.35	\$14.55 - \$14.95
Adjusted Diluted EPS	\$15.60 - \$16.00	\$16.00 - \$16.40

*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 over fiscal 2023

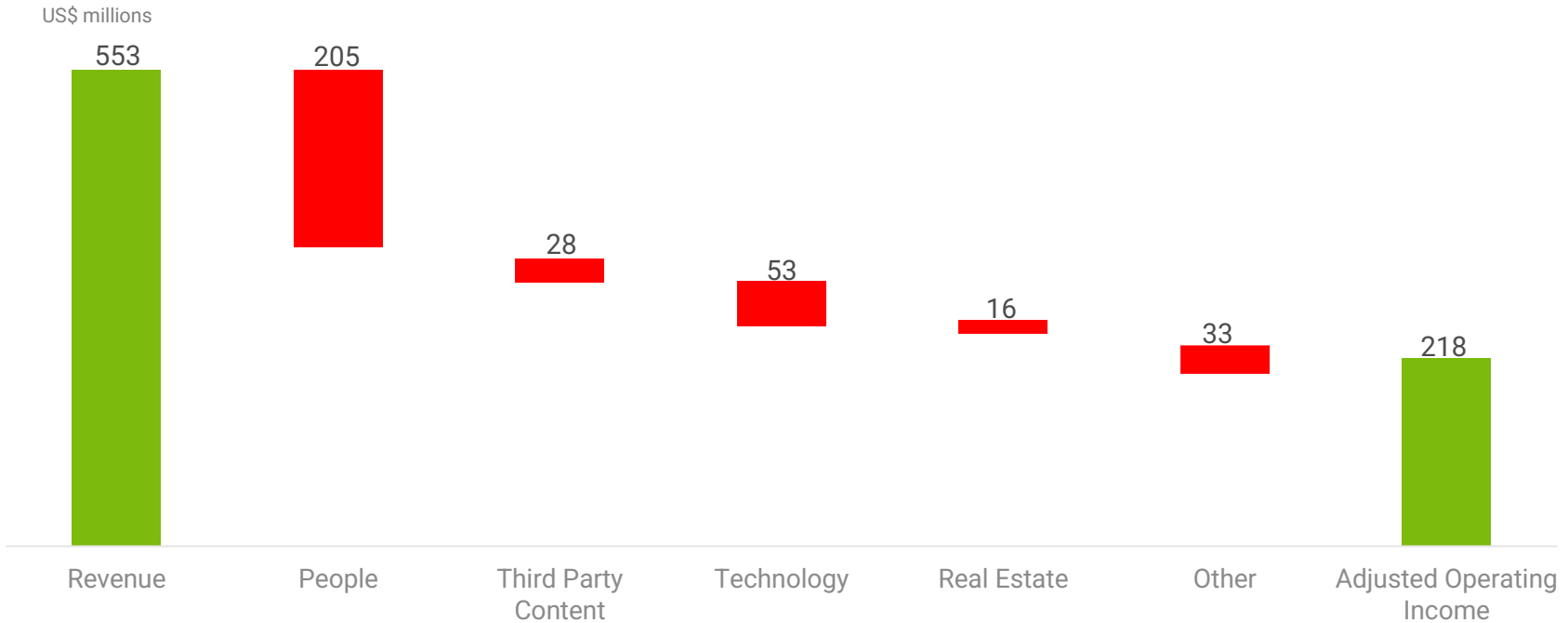
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Questions & Answers

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Appendix

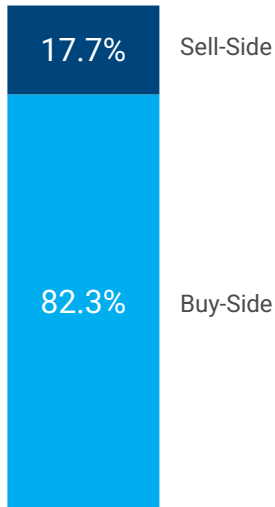
## Third Quarter 2024 Adjusted Operating Income Walk



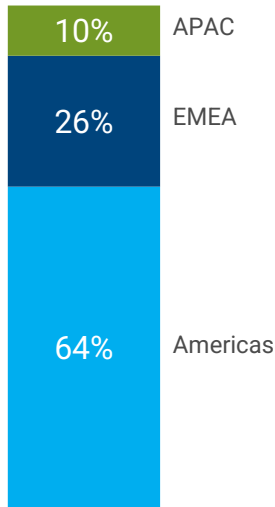
# Executing our strategy through workflow solutions that leverage our content refinery

## ASV Split by Client, Geography, and Firm Type

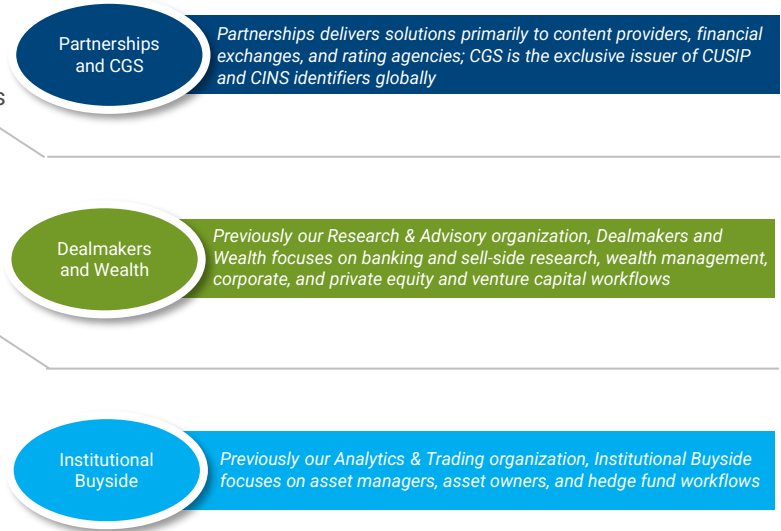
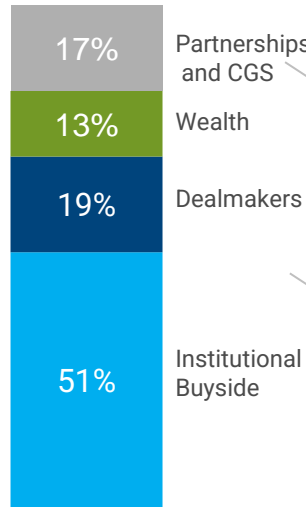
By Client Type<sup>1,2</sup>



By Geography<sup>1,2</sup>



By Firm Type<sup>1</sup>



<sup>1</sup> Percentage of Organic ASV + Professional Services as of May 31, 2024

<sup>2</sup> Professional Services of \$17.2M not allocated by client type and geography



## Non-GAAP Reconciliations

Organic Revenues  
(in thousands)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2024	2023	% Change
GAAP Revenues	\$552,708	\$529,811	4.3%
Acquired Revenues	(119)	0	
Currency Impact	843	0	
<b>Organic Revenues</b>	<b>\$553,432</b>	<b>\$529,811</b>	<b>4.5%</b>

## Non-GAAP Reconciliations

### Adjusted Operating Income, Margin, Net Income

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2024	2023	% Change
GAAP Operating Income	\$202,459	\$171,959	17.7%
Intangible Asset Amortization	16,674	17,655	
Business acquisition / integration costs	423	0	
Restructuring / severance	(1,596)	\$1,318	
<b>Adjusted Operating Income</b>	<b>\$217,960</b>	<b>\$190,932</b>	<b>14.2%</b>
Operating Margin	36.6% <sup>1</sup>	32.5% <sup>1</sup>	
<b>Adjusted Operating Margin</b>	<b>39.4%</b>	<b>36.0%</b>	
GAAP Net Income	\$158,135	\$134,663	17.4%
Intangible Asset Amortization	11,466	14,406	
Business acquisition / integration costs	291	0	
Restructuring / severance	(1,096)	1,075	
Income Tax Items	0	(2,477)	
<b>Adjusted Net Income</b>	<b>\$168,796</b>	<b>\$147,667</b>	<b>14.3%</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 MAY 31

(Unaudited)	2024	2023	% Change
Net Income	\$158,135	\$134,663	17.4%
Interest Expense	16,894	16,354	
Income taxes	32,397	27,335	
Depreciation and amortization expense	32,504	26,473	
EBITDA	\$239,930	204,825	
Non-recurring non-cash expenses	—	459	
Adjusted EBITDA	\$239,930	\$205,284	16.9%

## Non-GAAP Reconciliations

### Adjusted Diluted EPS

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2024	2023	% Change
GAAP Diluted Earnings per Common Share	\$4.09	\$3.46	18.2%
Intangible Asset Amortization	0.30	0.36	
Business acquisition / integration costs	0.01	0.00	
Restructuring / severance	(0.03)	0.03	
Income Tax Items	0.00	(0.06)	
<b>Adjusted Diluted Earnings per Common Share</b>	<b>\$4.37</b>	<b>\$3.79</b>	<b>15.3%</b>
Weighted Average Common Shares (Diluted)	38,640	38,912	

## Non-GAAP Reconciliations

Free Cash Flow  
(in thousands)

FOR THE THREE MONTHS ENDED MAY 31

<b>(Unaudited)</b>	<b>2024</b>	<b>2023</b>	<b>% Change</b>
Net Cash Provided by Operating Activities	\$238,235	\$218,589	
Capital Expenditures	(21,339)	(26,005)	
<b>Free Cash Flow</b>	<b>\$216,896</b>	<b>\$192,584</b>	<b>12.6%</b>

## 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	\$2,180	\$2,190
Operating Income	\$ 735	\$745
<b>Operating Margin</b>	<b>33.7%</b>	<b>34.0%</b>
Intangible Asset Amortization	66	70
Restructuring / severance	6	6
Adjusted Operating Income	\$807	\$821
<b>Adjusted Operating Margin</b>	<b>37.0%</b>	<b>37.5%</b>
Net Income	\$ 563	\$ 578
Intangible Asset Amortization	55	57
Restructuring / severance	5	5
Discrete Tax Items	(5)	(7)
<b>Adjusted Net Income</b>	<b>\$618</b>	<b>\$633</b>

Note: Columns may not foot due to rounding

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## Non-GAAP Reconciliations

### Business Outlook Diluted EPS

(in millions, except per share data)

	Low End of Range	High End of Range
<b>Diluted Earnings per Common Share</b>	\$14.55	\$14.95
Intangible Asset Amortization	1.42	1.49
Restructuring / severance	0.13	0.13
Discrete Tax Items	(0.10)	(0.17)
<b>Adjusted Diluted Earnings per Common Share</b>	<b>\$16.00</b>	<b>\$16.40</b>

Note: Columns may not foot due to rounding

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Thank you