



Thursday, June 23, 2022

# FactSet Earnings Call

## Third Quarter Fiscal 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 June 23, 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

## Key Metrics - Third Quarter 2022

10.1%<sup>1</sup>ORGANIC ASV +  
PROFESSIONAL  
SERVICES GROWTH

Driven by higher sales of  
analytics and research &  
advisory solutions

+

36.6%<sup>2</sup>ADJUSTED  
OPERATING  
MARGIN

500 basis points higher YoY  
due to the acquisition of  
CUSIP Global Services and  
lower compensation expense

+

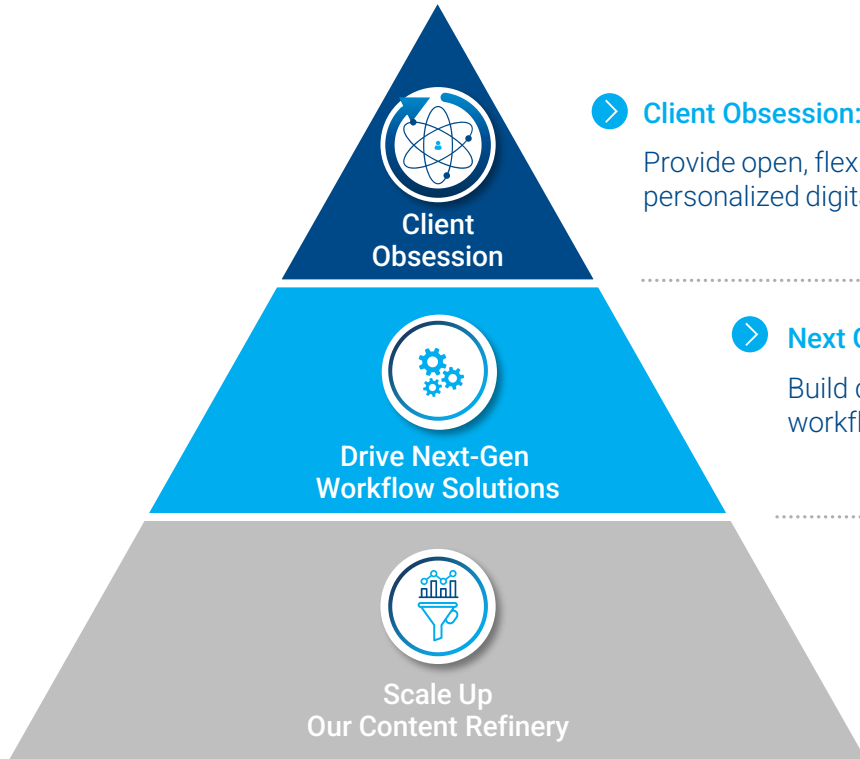
\$3.76<sup>2</sup>ADJUSTED  
DILUTED  
EPS

38.2% increase YoY from  
higher revenues and  
margin expansion

<sup>1</sup> LTM organic growth rate based on May 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.

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:**

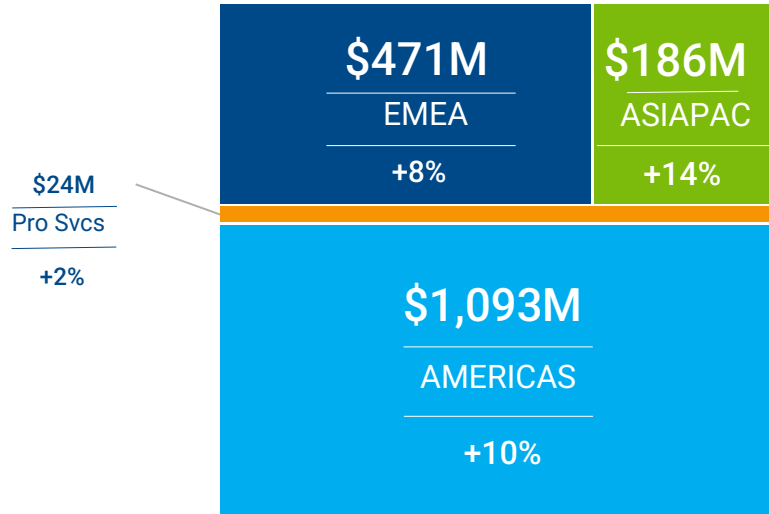
Provide the most comprehensive and connected inventory of client, proprietary, and third-party content in our industry

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

**\$1.8B**

Organic ASV + Professional Services

**+10%**



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

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Financial Overview



## Third Quarter 2022 Financial Results\*

(in thousands, except per share data)

22.3%

Revenues

5/31/22 \$488,751

5/31/21 \$399,558

10.5%

Organic Revenues

5/31/22 \$441,693

5/31/21 \$399,793

(17.4%) 41.6%

Operating Income

5/31/22 \$97,254

5/31/21 \$117,702

Adjusted Operating  
Income

5/31/22 \$179,066

5/31/21 \$126,465

(960<sub>bps</sub>) 500<sub>bps</sub>

Operating Margin

5/31/22 19.9%

5/31/21 29.5%

Adjusted Operating  
Margin

5/31/22 36.6%

5/31/21 31.6%

(25.6%) 39.1%

Net Income

5/31/22 \$74,910

5/31/21 \$100,679

Adjusted Net  
Income

5/31/22 \$145,794

5/31/21 \$104,810

(26.3%) 38.2%

Diluted EPS

5/31/22 \$1.93

5/31/21 \$2.62

Adjusted Diluted  
EPS

5/31/22 \$3.76

5/31/21 \$2.72

30.1%

Adjusted EBITDA

5/31/22 \$173,477

5/31/21 \$133,338

45.1%

Free Cash Flow

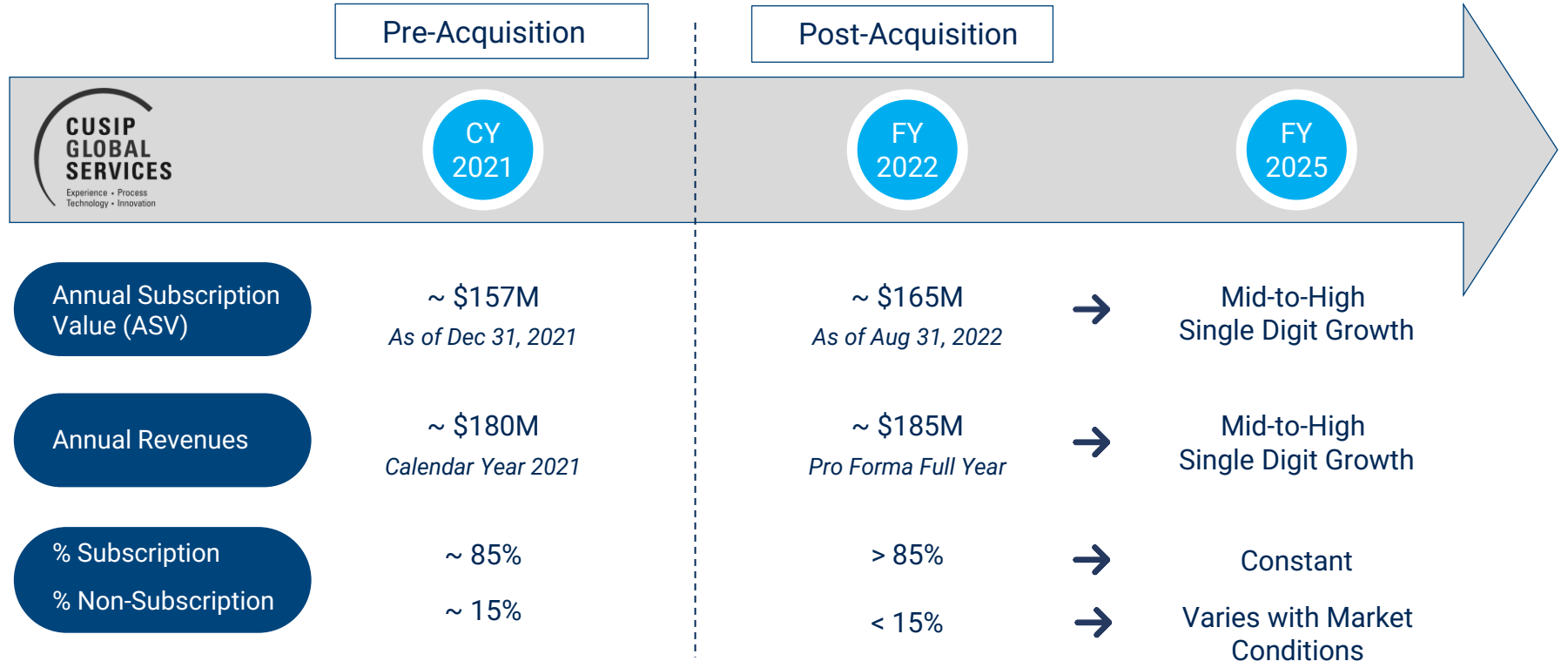
5/31/22 \$176,568

5/31/21 \$121,567

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

## CUSIP Global Services

Integration going well, with strong financial performance in Q3. On track to contribute \$5M ASV in fiscal 2022



## Key Operational Metrics

>95%

### ASV RETENTION

ASV retained from clients over the last twelve months.

= No change versus 2021 | Q3

92%

### CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▲ 120bps higher versus 2021 | Q3

173,698

### USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 12% change since 2021 | Q3

7,319

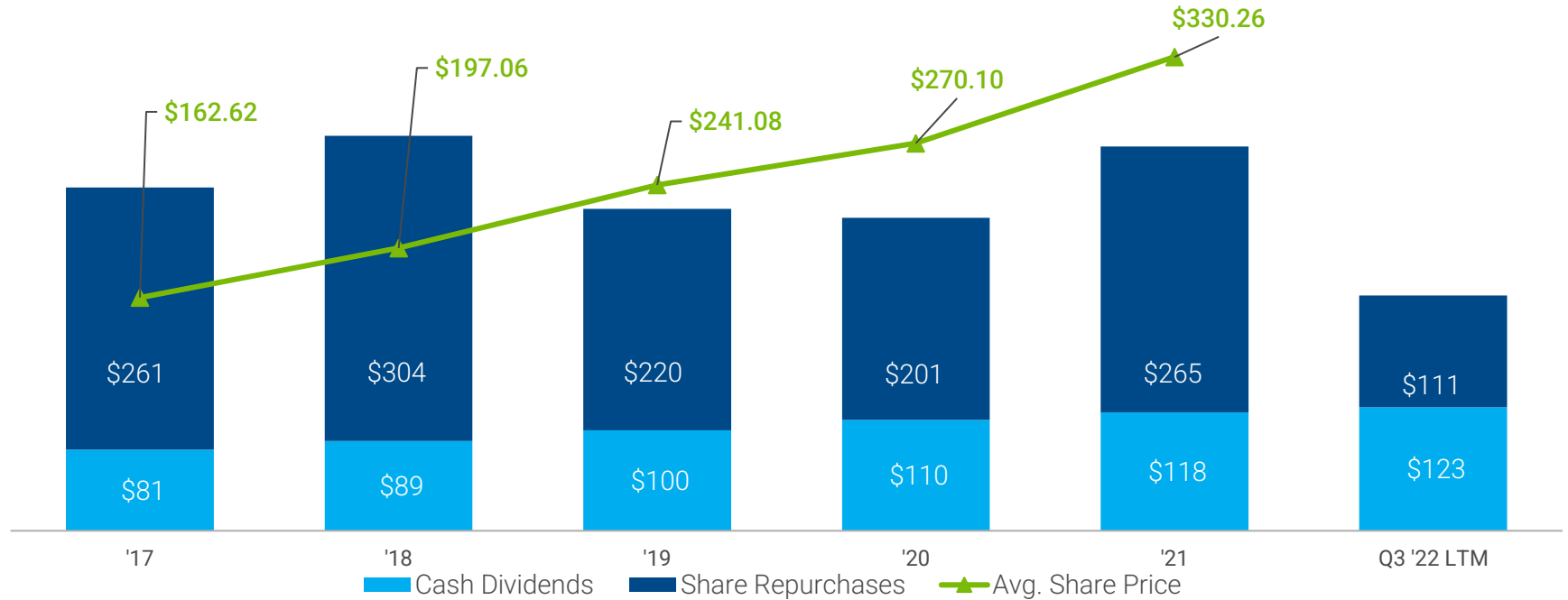
### CLIENT COUNT

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

▲ 19% change since 2021 | Q3

## Returning Capital to Shareholders

(in millions except share price)



## We reaffirm fiscal 2022 guidance of 8% - 9% ASV<sup>1</sup> growth and expanded margin

Guiding to the higher end of the ranges, with tax expected to come in at the lower end of the range

	<b>FISCAL 2022 OUTLOOK</b> <i>As of June 21, 2022<sup>2</sup></i>
Organic ASV + Professional Services Growth <sup>3</sup>	\$130 - \$150 million
Revenues	\$1,800 - \$1,830 million
Operating Margin	25.5% - 26.5%
Adjusted Operating Margin	33% - 34%
Effective Tax Rate	12.5% - 13.5%
Diluted EPS	\$9.75 - \$10.15
Adjusted Diluted EPS	\$12.75 - \$13.15

*The Fiscal 2022 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

<sup>2</sup> FactSet's expectations as of June 21, 2022. Actual results may differ materially from the expectations above

<sup>3</sup> Growth over fiscal 2021.

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Questions & Answers

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Appendix

## Non-GAAP Reconciliations

Organic Revenues

(in thousands)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2022	2021	% Change
Revenues	\$488,751	\$ 399,558	22.3%
Deferred Revenues Fair Value Adjustment	1	181	
<b>Adjusted Revenues</b>	<b>488,752</b>	<b>399,739</b>	<b>22.3%</b>
Acquired Revenues	(49,385)	--	
Currency Impact	2,326	--	
<b>Organic Revenues</b>	<b>\$441,693</b>	<b>\$ 399,739</b>	<b>10.5%</b>



## Non-GAAP Reconciliations

### Adjusted Operating Income, Margin, Net Income

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2022	2021	% Change
Operating Income	\$97,254	\$117,702	(17.4)%
Intangible Asset Amortization	18,548	5,741	
Deferred Revenues Fair Value Adjustment	1	181	
Transformation Costs	979	2,841	
Business Acquisition Costs	12,408	--	
Restructuring/ Severance	1,079	--	
Real Estate Charges	48,797	--	
<b>Adjusted Operating Income</b>	<b>\$179,066</b>	<b>\$126,465</b>	<b>41.6%</b>
Operating Margin	19.9% <sup>1</sup>	29.5% <sup>1</sup>	
<b>Adjusted Operating Margin</b>	<b>36.6%</b>	<b>31.6%</b>	
Net Income	\$74,910	\$100,679	(25.6)
Intangible Asset Amortization	16,184	4,746	
Deferred Revenues Fair Value Adjustment	1	150	
Transformation Costs	854	2,349	
Restructuring/ Severance	10,827	--	
Business Acquisition Costs	941	--	
Real Estate Charges	42,577	--	
Income Tax Items	(500)	(3,114)	
<b>Adjusted Net Income</b>	<b>\$145,794</b>	<b>\$104,810</b>	<b>39.1%</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)	2022	2021	% Change
Net Income	\$74,910	\$ 100,679	(25.6%)
Interest Expense, net	12,051	1,839	
Income taxes	10,370	13,597	
Depreciation and amortization expense	27,349	17,223	
EBITDA	124,680	133,338	(6.5%)
Non-recurring cash expenses	48,797	--	
<b>Adjusted EBITDA</b>	<b>173,477</b>	<b>133,338</b>	<b>30.1%</b>

## Non-GAAP Reconciliations

### Adjusted Diluted EPS

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2022	2021	% Change
Diluted Earnings per Common Share	\$1.93	\$2.62	(26.3)
Intangible Asset Amortization	0.42	0.12	
Deferred Revenues Fair Value Adjustment	0.00	0.00	
Transformation Costs	0.02	0.06	
Business Acquisition Costs	0.28	0.00	
Restructuring/ Severance	0.02	--	
Real Estate Charges	1.10	--	
Income Tax Items	(0.01)	(0.08)	
<b>Adjusted Diluted Earnings per Common Share</b>	<b>\$3.76</b>	<b>\$2.72</b>	<b>38.2%</b>
Weighted Average Common Shares (Diluted)	38,720	38,488	

## Non-GAAP Reconciliations

Free Cash Flow  
(in thousands)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2022	2021	% Change
Net Cash Provided by Operating Activities	\$191,972	\$ 140,313	
Capital Expenditures	(15,404)	(18,656)	
Free Cash Flow	\$176,568	\$ 121,657	45.1%

## Non-GAAP Reconciliations

### Business Outlook Operating Margin, Net Income

(in millions, except per share data)

Fiscal 2022 (Full Year)	Low End of Range	High End of Range
Revenues	\$1,800	\$1,830
Operating Income	\$ 459	\$485
<b>Operating Margin</b>	<b>25.5%</b>	<b>26.5%</b>
Intangible Asset Amortization	26	26
Transformation Costs	5	5
Real Estate Charges	55	55
Restructuring/Severance	9	9
Business Acquisition Costs	40	42
Adjusted Operating Income	\$ 594	\$ 622
<b>Adjusted Operating Margin</b>	<b>33.0%</b>	<b>34.0%</b>
Net Income	\$ 376	\$ 391
Intangible Asset Amortization	22	22
Transformation Costs	4	4
Real Estate Charges	48	48
Restructuring/Severance	8	8
Business Acquisition Costs	35	35
Discrete Tax Items	(2)	(2)
<b>Adjusted Net Income</b>	<b>\$ 492</b>	<b>\$ 507</b>

## Non-GAAP Reconciliations

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

Fiscal 2022 (Full Year)	Low End of Range	High End of Range
Diluted Earnings per Common Share	\$ 9.75	\$ 10.15
Intangible Asset Amortization	0.58	0.58
Transformation Costs	0.11	0.11
Real Estate Charges	1.26	1.26
Restructuring/Severance	0.20	0.20
Business Acquisition Costs	0.91	0.91
Discrete Tax Items	(0.06)	(0.06)
<b>Adjusted Diluted Earnings per Common Share</b>	<b>\$ 12.75</b>	<b>\$ 13.15</b>

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Thank you