



TUESDAY, DECEMBER 21, 2021

# FactSet Earnings Call

First Quarter Fiscal 2022



## 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 forecast 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 8-K, 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 revenues, 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 December 21, 2021, which are posted on [www.factset.com](http://www.factset.com) under the Investor Relations section.

## Agenda

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

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Business Update

## Key Metrics - First Quarter 2022

8.9%<sup>1</sup>

ORGANIC ASV +  
PROFESSIONAL  
SERVICES

Driven by improved sales of  
analytics and research &  
advisory solutions



33.6%<sup>2</sup>

ADJUSTED  
OPERATING  
MARGIN

70 basis points lower YoY due  
to higher operating expenses  
offset by lower compensation  
expense



\$3.25<sup>2</sup>

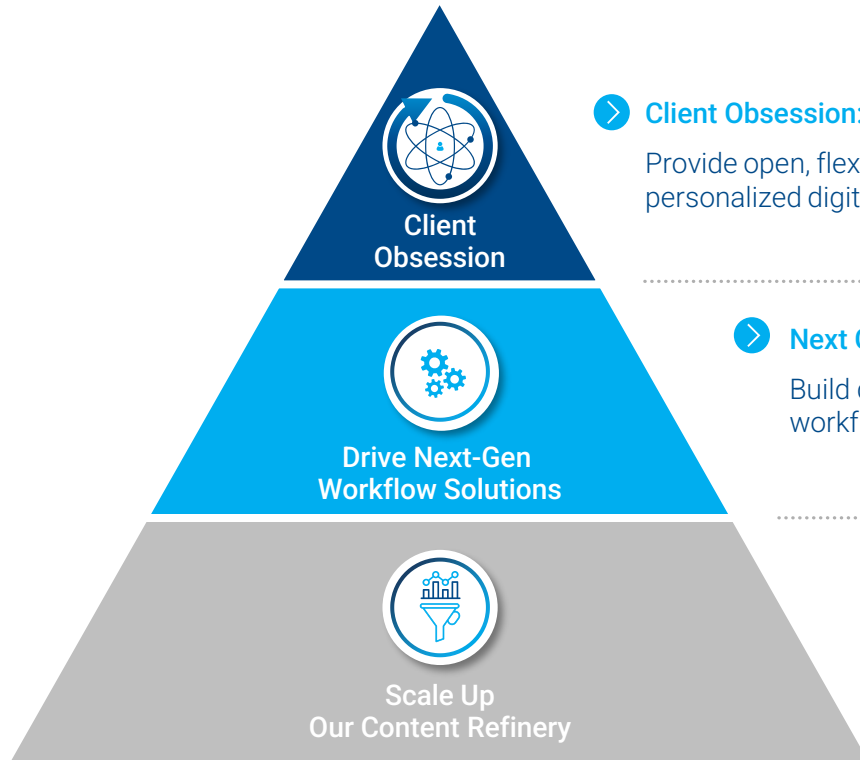
ADJUSTED  
DILUTED  
EPS

12.8% increase YoY from  
higher revenues and lower  
tax rate

<sup>1</sup> LTM organic growth rate based on November 30, 2021. 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:**

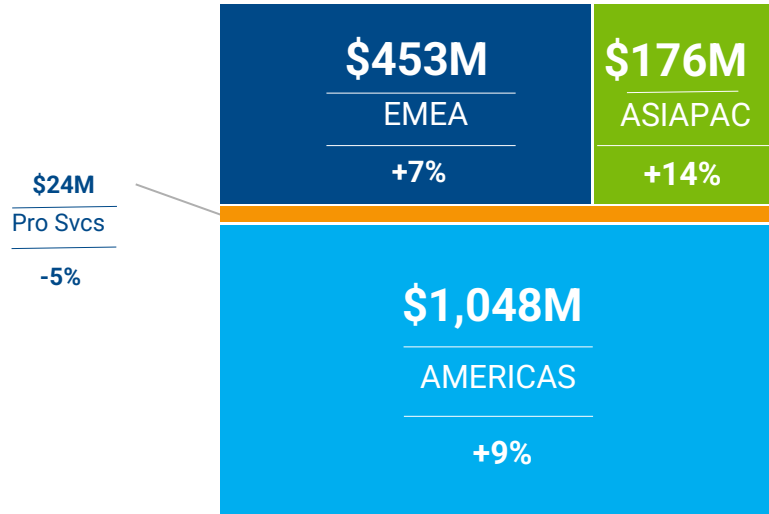
Provide the most comprehensive and connected inventory of client, proprietary, and third-party content in our industry

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

**\$1.7B**

Organic ASV + Professional Services

**+9%**



\* LTM Organic ASV Growth Rate is based on last twelve months as of November 30, 2021





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Financial Overview

## First Quarter 2022 Financial Results\*

(in thousands, except per share data)

9.4%

GAAP Revenues  
11/30/21 \$424,725  
11/30/20 \$388,206

9.1%

Organic Revenues  
11/30/21 \$423,153  
11/30/20 \$387,891

1.3%

GAAP Operating  
Income  
11/30/21 \$122,661  
11/30/20 \$121,031

7.3%

Adjusted Operating  
Income  
11/30/21 \$142,710  
11/30/20 \$133,003

230bps

GAAP Operating  
Margin  
11/30/21 28.9%  
11/30/20 31.2%

70bps

Adjusted Operating  
Margin  
11/30/21 33.6%  
11/30/20 34.3%

6.4%

GAAP Net Income  
11/30/21 \$107,647  
11/30/20 \$101,206

12.6%

Adjusted Net  
Income  
11/30/21 \$125,341  
11/30/20 \$111,283

6.5%

GAAP Diluted  
EPS  
11/30/21 \$2.79  
11/30/20 \$2.62

12.8%

Adjusted Diluted  
EPS  
11/30/21 \$3.25  
11/30/20 \$2.88

9.3%

Free Cash Flow  
11/30/21 \$64,335  
11/30/20 \$70,943

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

## Key Operational Metrics

>95%

### ASV RETENTION

ASV retained from clients over the last twelve months.

= No change versus 2021 | Q1

92%

### CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▲ 200bps higher versus 2021 | Q1

162,161

### USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 11% change since 2021 | Q1

6,759

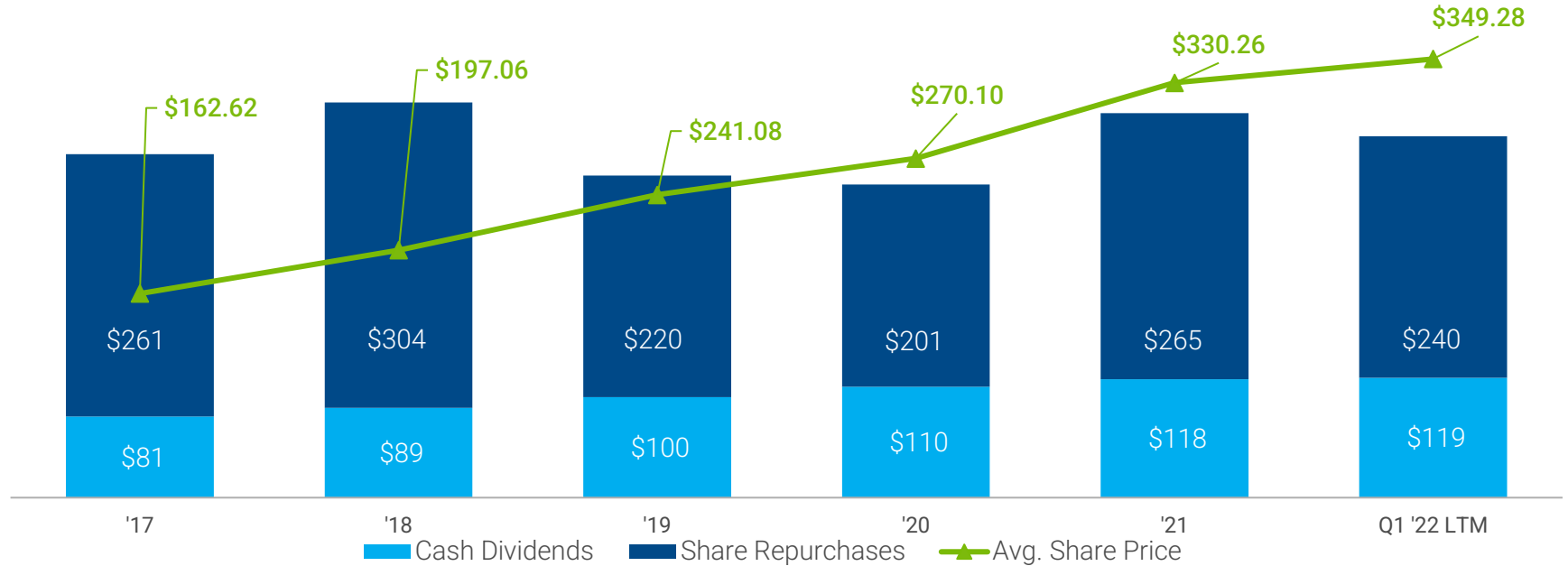
### CLIENT COUNT

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

▲ 14% change since 2021 | Q1

## Returning Capital to Shareholders

(in millions except share price)



\* Includes shares repurchased from employee stock options for 2017

## In Fiscal 2022, We Expect to Deliver 7% or Higher ASV<sup>1</sup> Growth and Expanded Margin

	Fiscal 2022 Outlook <sup>2</sup>
Organic ASV + Professional Services Growth <sup>3</sup>	\$105 - \$135 million
GAAP Revenues	\$1,705 - \$1,720 million
GAAP Operating Margin	31% - 32%
Adjusted Operating Margin <sup>4</sup>	32.5% - 33.5%
Effective Tax Rate	14.5% - 15.5%
GAAP Diluted EPS	\$11.60 - \$11.90
Adjusted Diluted EPS <sup>4</sup>	\$12.00 - \$12.30

The Fiscal 2022 Outlook shown here is a forward-looking statement. Given the risks, uncertainties and assumptions related to FactSet's business and operations, including the ongoing uncertainty surrounding the duration, magnitude and impact of the COVID pandemic, 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 September 28, 2021. Actual results may differ materially from expectations above.

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

<sup>4</sup> Please see Appendix for a reconciliation of these non-GAAP metrics to GAAP metrics.

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Questions & Answers

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Appendix

## Non-GAAP Reconciliations

Organic Revenues  
(in thousands)

FOR THE THREE MONTHS ENDED NOVEMBER 30

(Unaudited)	2021	2020	% Change
GAAP Revenues	\$424,725	\$ 388,206	9.4%
Deferred Revenues Fair Value Adjustment	86	60	
Acquired Revenues	(2,267)	(375)	
Currency Impact	609	--	
<b>Organic Revenues</b>	<b>\$423,153</b>	<b>\$ 387,891</b>	<b>9.1%</b>



## Non-GAAP Reconciliations

Adjusted Operating Income, Margin, Net Income  
(in thousands, except per share data)

FOR THE THREE MONTHS ENDED NOVEMBER 30

(Unaudited)	2021	2020	% Change
GAAP Operating Income	\$122,661	\$121,031	1.3%
Intangible Asset Amortization	6,052	5,699	
Deferred Revenues Fair Value Adjustment	86	60	
Transformation Costs	1,188	4,252	
Business Acquisition Costs	--	230	
Restructuring/ Severance	9,028	1,014	
Real Estate Charges	3,695	717	
<b>Adjusted Operating Income</b>	<b>\$142,710</b>	<b>\$133,003</b>	<b>7.3%</b>
Operating Margin	28.9%	31.2%	
<b>Adjusted Operating Margin</b>	<b>33.6%</b>	<b>34.3%</b>	
GAAP Net Income	\$107,647	\$101,206	
Intangible Asset Amortization	5,419	4,797	
Deferred Revenues Fair Value Adjustment	77	51	
Transformation Costs	1,064	3,579	
Restructuring/ Severance	8,084	853	
Business Acquisition Costs	--	194	
Real Estate Charges	3,309	603	
Income Tax Items	(259)	--	
<b>Adjusted Net Income</b>	<b>\$125,341</b>	<b>\$111,283</b>	<b>12.6%</b>

## Non-GAAP Reconciliations

### Adjusted Diluted EPS

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED NOVEMBER 30

(Unaudited)	2021	2020	% Change
GAAP Diluted Earnings per Common Share	\$2.79	\$2.62	6.5%
Intangible Asset Amortization	0.14	0.12	
Deferred Revenues Fair Value Adjustment	0.00	0.00	
Transformation Costs	0.03	0.10	
Business Acquisition Costs	--	0.00	
Restructuring/ Severance	0.21	0.02	
Real Estate Charges	0.09	0.02	
Income Tax Items	(0.01)	--	
<b>Adjusted Diluted Earnings per Common Share</b>	<b>\$3.25</b>	<b>\$2.88</b>	<b>12.8%</b>
Weighted Average Common Shares (Diluted)	38,641	38,697	

## Non-GAAP Reconciliations

Free Cash Flow  
(in thousands)

FOR THE THREE MONTHS ENDED NOVEMBER 30

<b>(Unaudited)</b>	<b>2021</b>	<b>2020</b>	<b>% Change</b>
Net Cash Provided by Operating Activities	72,918	\$ 89,276	
Capital Expenditures	(8,583)	\$ (18,333)	
<b>Free Cash Flow</b>	<b>\$64,335</b>	<b>\$ 70,943</b>	<b>(9.3)%</b>

## Non-GAAP Reconciliations

### Business Outlook Operating Margin, Net Income, Diluted EPS

(in millions, except per share data)

Fiscal 2022 (Full Year)	Low End of Range	High End of Range
GAAP Revenues	\$1,705	\$1,720
GAAP Operating Income	\$ 528	\$550
<b>GAAP Operating Margin</b>	<b>31.0%</b>	<b>32.0%</b>
Intangible Asset Amortization	18	18
Transformation Costs	8	8
Adjusted Operating Income	\$ 554	\$ 576
<b>Adjusted Operating Margin</b>	<b>32.5%</b>	<b>33.5%</b>
GAAP Net Income	\$ 446	\$ 457
Intangible Asset Amortization	16	16
Transformation Costs	6	6
Discrete Tax Items	(7)	(7)
<b>Adjusted Net Income</b>	<b>\$ 461</b>	<b>\$ 472</b>
GAAP Diluted Earnings per Common Share	\$ 11.60	\$ 11.90
Intangible Asset Amortization	0.41	0.41
Transformation Costs	0.16	0.16
Discrete Tax Items	(0.17)	(0.17)
<b>Adjusted Diluted Earnings per Common Share</b>	<b>\$ 12.00</b>	<b>\$ 12.30</b>

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Thank you