

April 13, 2023

# Fixed Income Call



## 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 as of the date such statements are made 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 that may be made in connection with this presentation, references non-GAAP financial measures, such as ASV, adjusted operating metrics, adjusted diluted EPS, EBITDA, 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.

# Our purpose is to drive the investment community to see more, think bigger, and do its best work

We are transforming the way our users discover, decide, and act on opportunities

## 01 **We are a growth company**

We drive sustainable growth through continued investment and executional excellence.

## 02 **Innovation drives us**

We relentlessly focus on products and solutions to meet the evolving needs of the market.

## 03 **Our large addressable market provides opportunity**

We are a market leader with unique content that provides a deep competitive moat.

## 04 **Our subscription business provides stability**

Our subscription-based model provides stable revenues and strong client retention.

## 05 **Talent and culture are our foundation**

We focus on recruiting, retaining, and rewarding a diverse and empowered workforce.



# FactSet at a glance<sup>1</sup>

GLOBAL FOOTPRINT (COUNTRIES)	20
OFFICES	38
EMPLOYEES	11K+
USERS	186K+
CLIENTS	7K+

\$1.9B <sup>2</sup>	ASV
9.1% <sup>3</sup>	FY23 ASV ORGANIC GROWTH RATE
37.0% <sup>3,4</sup>	FY23 ADJUSTED OPERATING MARGIN
43	CONSECUTIVE YEARS OF REVENUE GROWTH
\$3.80 <sup>3,4</sup>	DILUTED ADJUSTED EPS

<sup>1</sup> Figures as of FactSet Q2 FY2023, February 28, 2023

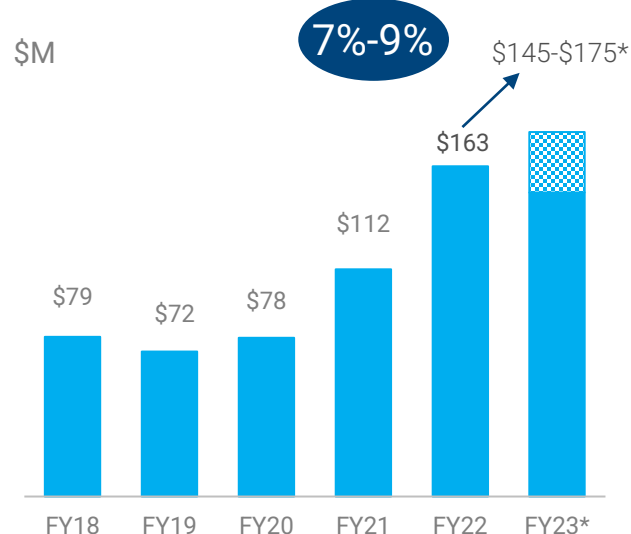
<sup>2</sup> LTM Organic ASV + Professional Services based on last twelve months as of February 28, 2023

<sup>3</sup> Q2 FY2023 actual as of February 28, 2023

<sup>4</sup> Includes CUSIP Global Services (CGS)

# We have accelerated top-line growth and maintained high retention

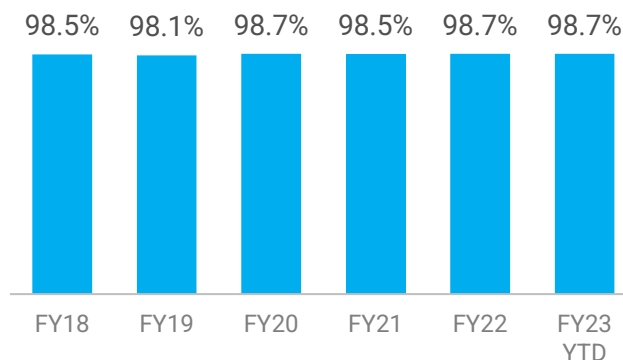
Incremental ASV<sup>1,2</sup> growth FY23 outlook\* \$145-\$175 million



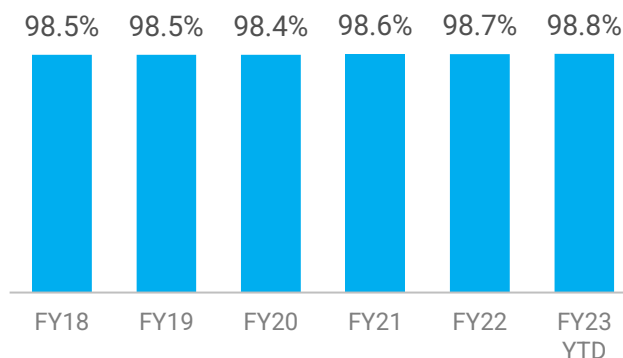
**\$1.9B**

Organic ASV + Professional Services<sup>1</sup>

ASV retention remains strong



Subscription based-business model



**186K+**

▲ 9% change since Q2/2022

GLOBAL USERS

**7.7K+**

▲ 8% change since Q2/2022

GLOBAL CLIENTS

<sup>1</sup> LTM Organic ASV + Professional Services Growth Rate is based on the last twelve months as of February 28, 2023

<sup>2</sup> Includes CUSIP Global Services (CGS)

\* FY23 Outlook as of March 23, 2023

## Key Highlights

- 01 **Robust financial model** with 95% subscription-based revenues supported by pricing discipline, demonstrated EBITDA flow-through and strong free cash flow conversion
- 02 **Strategic investments** drive best-in-class solutions and scale up the content refinery, accelerating top-line growth
- 03 **Disciplined capital allocation** drives value creation while ensuring we maintain our investment grade ratings status
- 04 **Sustainable earnings growth** driven by ASV growth, strategic investments and enterprise-wide productivity initiatives

\*FY23 Q2 Ending ASV and ASV LTM growth

\*\* Includes CUSIP Global Services (CGS)



# Maintaining CGS's positive trajectory while minimizing business disruption during migration off TSA

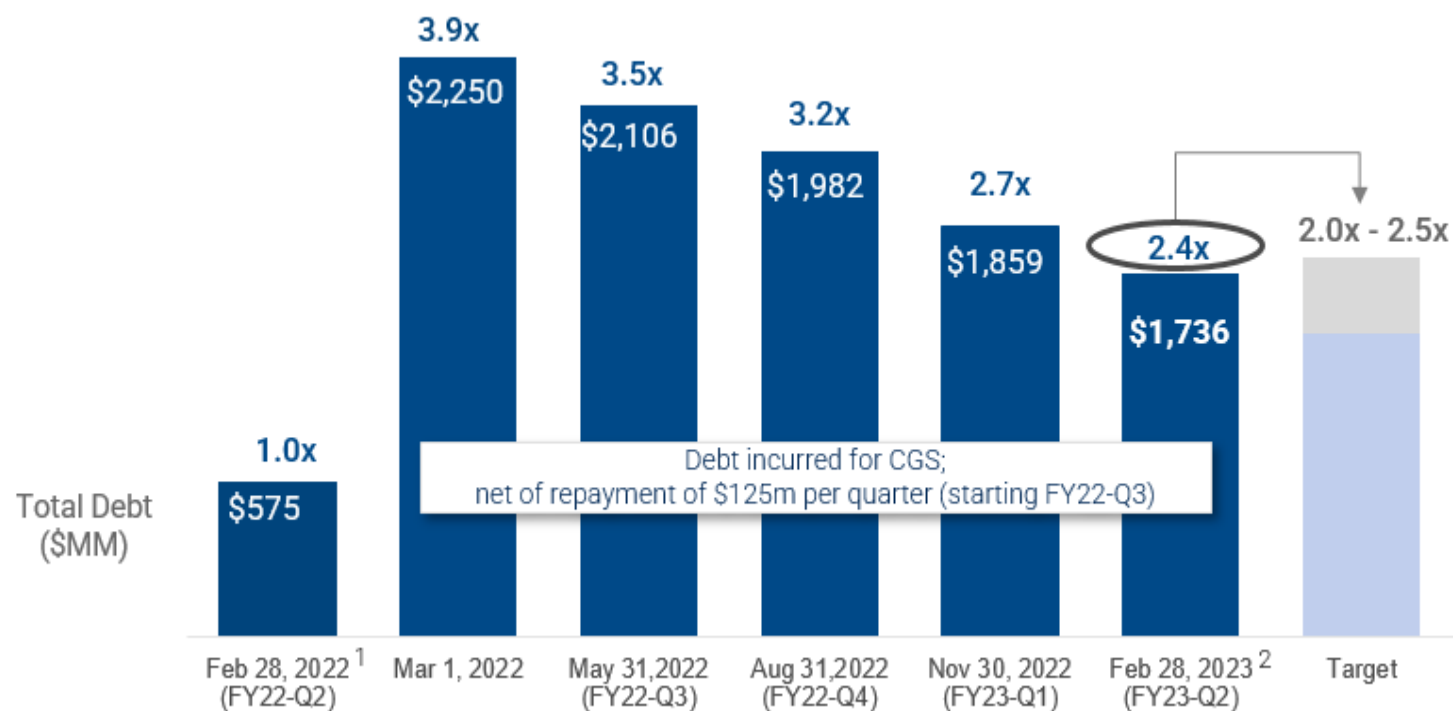
## Solid first year of ownership under FactSet

- All systems transitioned to FactSet with zero disruption and no major issues
- Successfully exited transition services agreement (TSA) on time and under budget
- Strong financial performance despite market uncertainty
  - **\$190M+** revenue since acquisition (LTM Q2 FY23)
  - Added **\$170M+** to FactSet ASV (Feb 28, 2023)
- Pursuing growth plans in Loan Entity ID's (CEI / LSTA collaboration) and Private Entity / Alt ID's
- Continuing to "seed the (asset class) garden" with further efforts and partnerships in Crypto, Digital Assets, ESG/Carbon Credits

Key Financial Metrics	Prior Guidance	Achievement of Goal
Annual Subscription Value (ASV)	Mid-to-High Single Digit Growth	✓
Annual Revenues	Mid-to-High Single Digit Growth	✓
% Subscription	> 85%	✓
% Operating Margin	> Mid-50%	✓

# Optimizing capital structure to ensure flexibility

## Gross Leverage (Debt / LTM EBITDA)



## Capital Structure Optimization

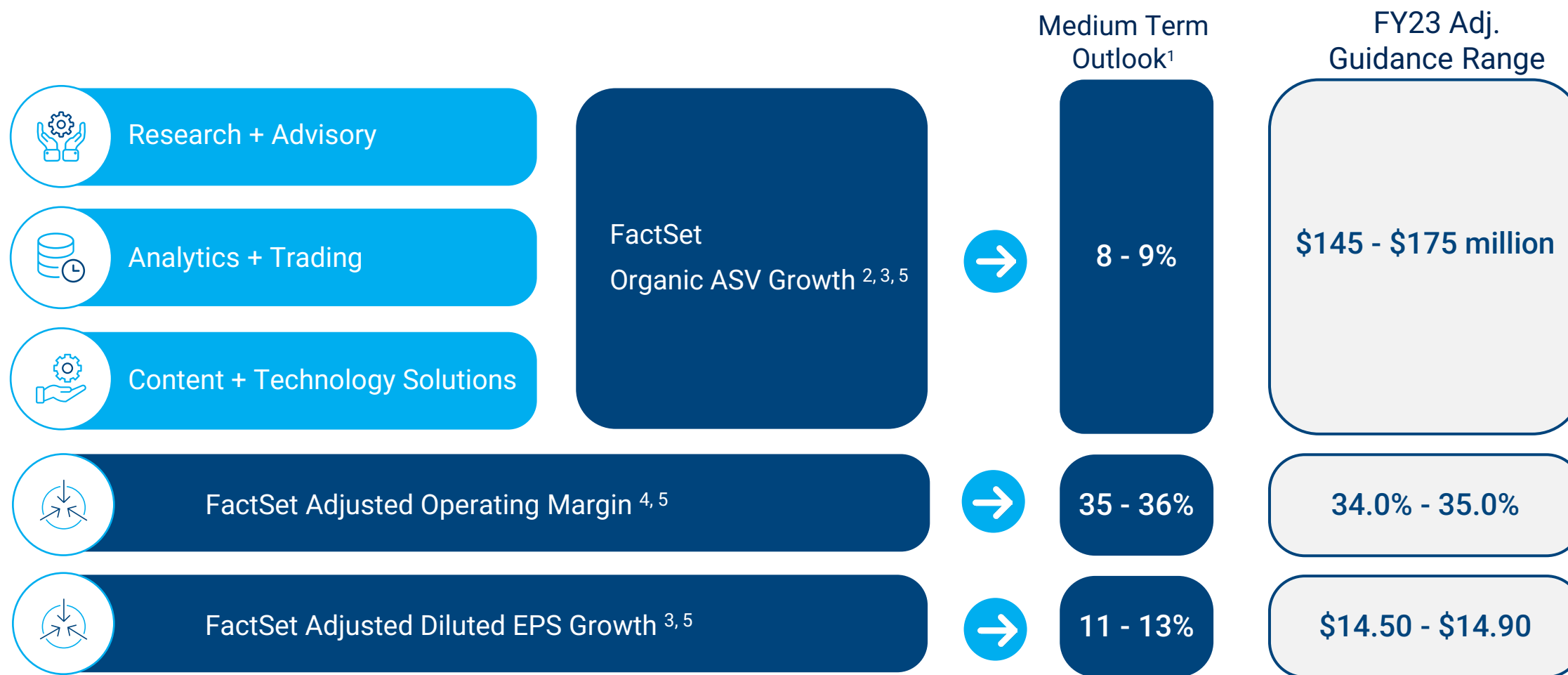
- Investment grade ratings from Moody's (Baa3) and Fitch (BBB)
- New credit agreement with \$500 million revolver (\$250 million drawn) and additional \$750 million accordion feature
- \$1 billion unsecured senior notes issued:
  - 5-year \$500 million with a 2.90% coupon
  - 10-year \$500 million with a 3.45% coupon
- \$1 billion pre-payable three-year term loan - \$500 million outstanding as of February 28, 2023
- Annual interest expense ~\$50 million, ramping down to ~\$40 million as term loan is repaid
- Floating rate exposure hedged with 24-month fixed rate swap

Debt incurred for CGS on March 1, 2022, included \$1.0B of new senior notes, \$1.0B of new term loan, \$250M drawn new revolver, net of repayment of \$575M previous revolver

<sup>1</sup> Based on \$575M of drawn revolver as of February 28, 2022, and \$561M of FY22 Q2 LTM Adjusted EBITDA (excludes CGS); see appendix for Adjusted EBITDA reconciliation

<sup>2</sup> Based on Feb 28, 2023, net of repayment of \$125m of the term facility, Q2 Debt of \$1,736m / \$736m FY23 Q2 LTM Adj. EBITDA = 2.4x

# Fiscal 2023 guidance is in line with our medium-term outlook shared on 2022 Investor Day



<sup>1</sup> Medium term outlook represents FactSet's expectations as of March 23, 2023. Actual results may differ materially from expectations above.

<sup>2</sup> Organic ASV + Professional Services

<sup>3</sup> Average target growth rate through FY25 (per year on average)

<sup>4</sup> Target margin by year-end FY25

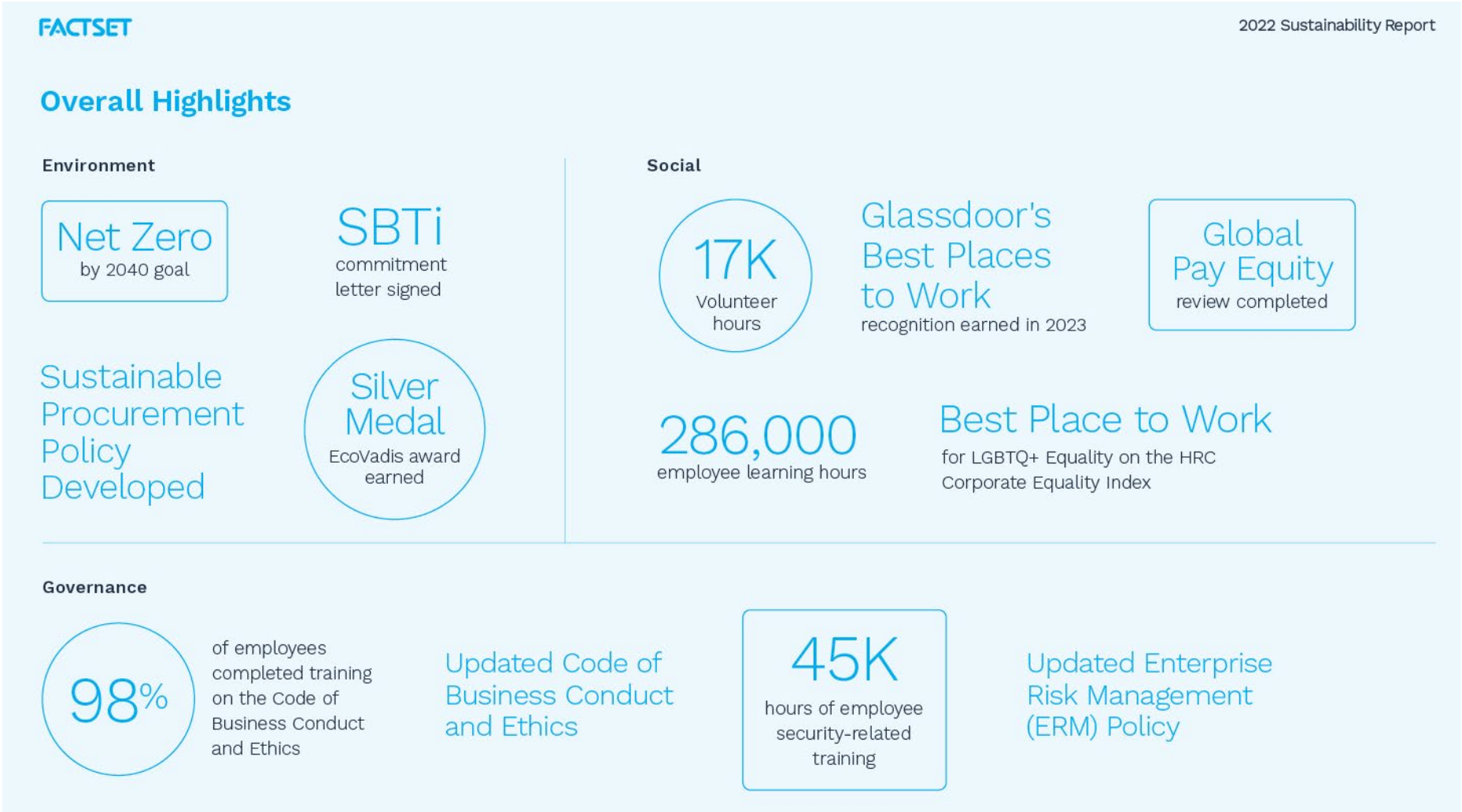
<sup>5</sup> Includes CUSIP Global Services (CGS)



FACTSET

APPENDIX

We are committed to sustainable growth for our clients, employees, investors, and communities



Scan QR code to read FactSet's 2022 Sustainability Report



## FactSet EBITDA and Adjusted EBITDA reconciliation

(\$ in millions)	FY2018 <sup>1</sup>	FY2019 <sup>1</sup>	FY2020 <sup>1</sup>	FY2021 <sup>1</sup>	FY2022 <sup>1</sup>	LTM Q2FY2023 <sup>2</sup>	YTD Q2 FY2023 <sup>3</sup>
Net Income	\$267.1	\$352.8	\$372.9	\$399.6	\$396.9	\$447.7	\$268.4
Interest Expense <sup>4</sup>	16.3	20.1	13.1	8.2	35.7	65	33.3
Income Taxes	84.8	69.2	54.2	68.0	46.7	68.6	46.3
Depreciation and Amortization Expense	57.3	60.5	57.6	64.5	86.7	106.1	52.2
<b>EBITDA</b>	<b>\$425.5</b>	<b>\$502.6</b>	<b>\$497.8</b>	<b>\$540.3</b>	<b>\$566.0</b>	<b>\$687.5</b>	<b>\$400.1</b>
Non-Recurring Non- Cash Expenses <sup>5</sup>	—	—	16.5	—	62.2	48.8	—
<b>Adjusted EBITDA</b>	<b>\$425.5</b>	<b>\$502.6</b>	<b>\$514.3</b>	<b>\$540.3</b>	<b>\$628.2</b>	<b>\$736.3</b>	<b>\$400.1</b>

Note: Columns may not foot due to rounding

<sup>1</sup> Fiscal year ending August 31

<sup>2</sup> Last twelve months ending February 28, 2023

<sup>3</sup> Three months ending February 28, 2023

<sup>4</sup> Gross interest expense

<sup>5</sup> FY2020 Impairment charge to reflect the estimated fair value of an investment in a company and 2022 impairment charge related to the exit of certain leased office space

## FactSet free cash flow reconciliation

(\$ millions)	FY2018 <sup>1</sup>	FY2019 <sup>1</sup>	FY2020 <sup>1</sup>	FY2021 <sup>1</sup>	FY2022 <sup>1</sup>	YTD Q2 FY2023 <sup>2</sup>
Net cash provided by operating activities	\$385.7	\$427.1	\$505.8	\$555.2	\$538.3	\$271.3
Capital Expenditures <sup>3</sup>	(33.5)	(59.4)	(77.6)	(61.3)	(51.2)	(35.4)
<b>Free Cash Flow</b>	<b>\$352.1</b>	<b>\$367.8</b>	<b>\$428.2</b>	<b>\$493.9</b>	<b>\$487.1</b>	<b>\$235.9</b>

Note: Columns may not foot due to rounding

<sup>1</sup> Fiscal year ending August 31

<sup>2</sup> Three months ending February 28, 2023

<sup>3</sup> Includes property, equipment, leasehold improvements and capitalized internal-use software

## Non-GAAP Reconciliations

Business Outlook Operating Margin, Net Income  
(in millions, except per share data)

Fiscal 2023 (Forward Looking)	Low End of Range	High End of Range
Revenues	\$2,080	\$2,100
Operating Income	\$614	\$641
<b>Operating Margin</b>	<b>29.5%</b>	<b>30.5%</b>
Intangible Asset Amortization	71	71
Real estate charges	15	16
Business Acquisition / Integration Costs	7	7
Adjusted Operating Income	\$ 707	\$ 735
<b>Adjusted Operating Margin</b>	<b>34.0%</b>	<b>35.0%</b>
Net Income	\$480	\$500
Intangible Asset Amortization	61	61
Real estate charges	13	14
Business Acquisition /Integration Costs	6	6
Discrete tax items	(1)	(5)
<b>Adjusted Net Income</b>	<b>\$559</b>	<b>\$576</b>

## Non-GAAP Reconciliations

### Business Outlook Adjusted Diluted EPS

<i>(In Millions Excet Per Share Data)</i>	Low-end of range	High-end of range
Diluted earnings per common share	\$12.45	\$12.85
Intangible asset amortization	1.58	1.56
Real estate charges	0.33	0.37
Business acquisition / integration costs	0.14	0.14
Discrete tax items	(0.01)	(0.03)
Adjusted diluted earnings per common share	\$14.50	\$14.90

*Note: Amounts may not add due to rounding*

*The Fiscal 2023 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*