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FactSet Earnings Call  
Fourth Quarter Fiscal 2018

September 25, 2018



## 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 forecasted 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 revenue, 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 September 25, 2018, which are posted on [factset.com](http://factset.com) under the Investor Relations section.

# Agenda

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

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Business Update

# 2018 Accomplishments

**40** **FACTSET**  
celebrated  
40 years as a  
Company

**38**↑  
Years of  
consecutive  
growth

**22**↑  
Years of  
consecutive  
adjusted  
diluted EPS  
growth

**Q4**  
Highest reported  
quarterly ASV in  
the history of the  
Company



**Won the largest single  
contract** in FactSet's history

**Open:FACTSET™**  
Launched **Open: FactSet marketplace**  
to address the growing demand for data

**5k+**  
Clients increased  
by 8%

**MAC**

**Enhanced Multi-Asset Class (MAC) risk models,**  
leading to several global client wins and strengthening  
its position in the analytics market



**Won numerous awards** including Excellence in Asset  
Management and Servicing, Data and Technology, Best Overall  
Technology Provider and Data Vendor of the Year

**91k+**  
Users increased  
by 3%

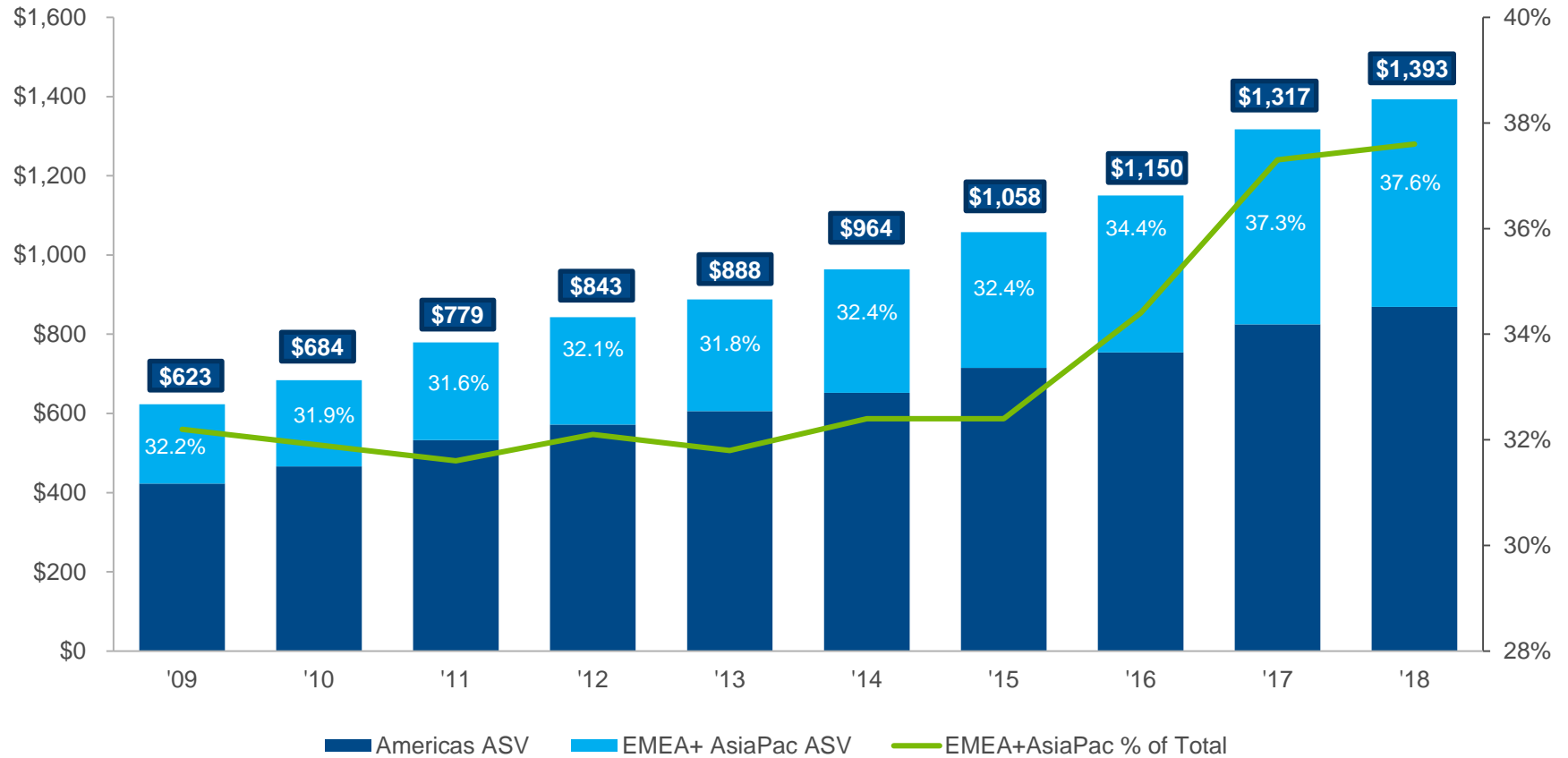
# Growth in Key Metrics\* - Fourth Quarter 2018



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

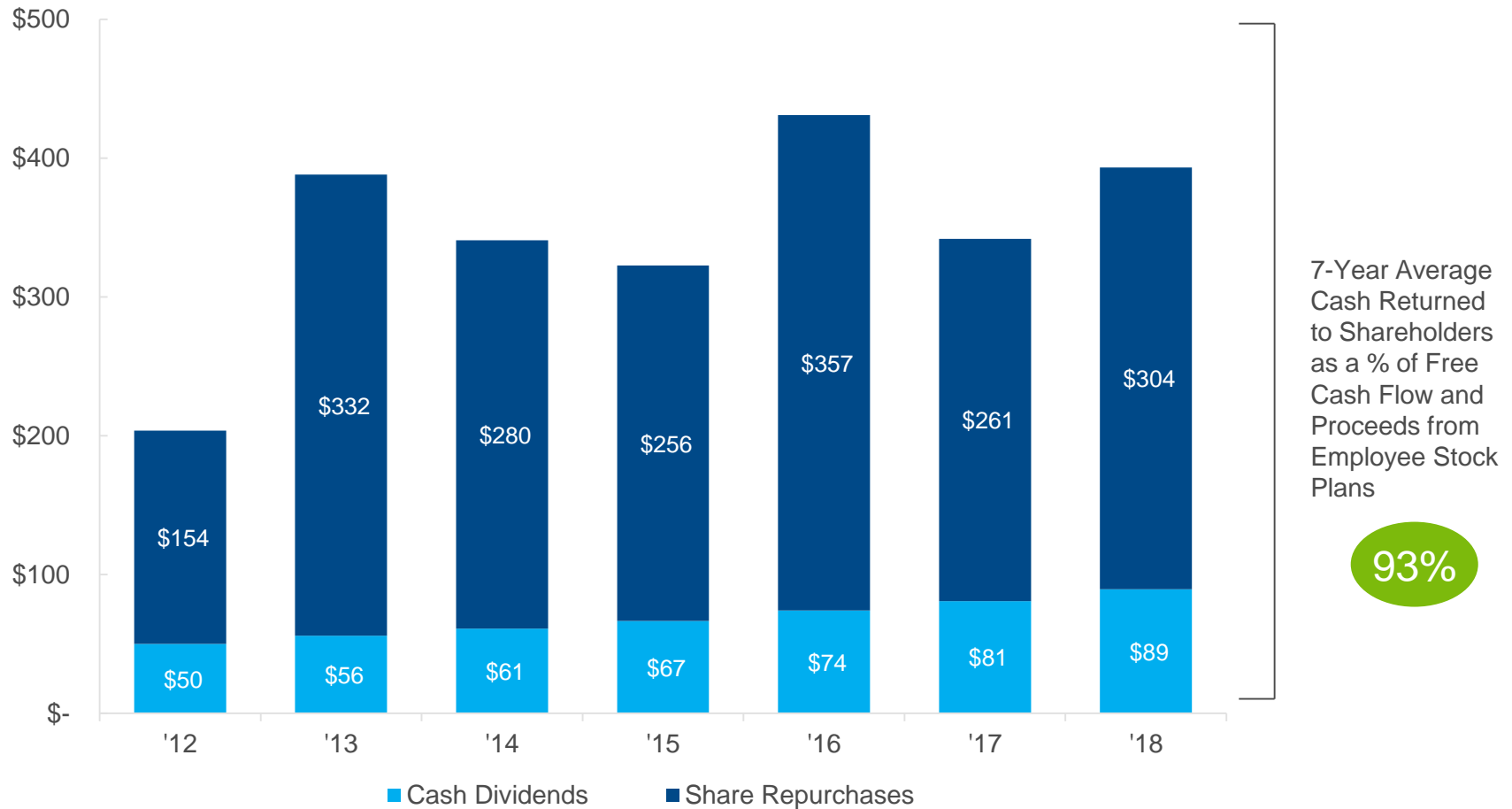
# Total ASV Growth

(in millions)



# Committed to Returning Capital to Shareholders

(in millions)





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Financial Overview

## Fiscal 2018 Results versus Guidance

Metric	Guidance	FY 2018 Results
Organic ASV Growth Rate	4.9% - 6.5%	5.7%
GAAP Revenues	\$1.34b - \$1.36b	\$1.35b
GAAP Operating Margin <sup>1</sup>	27.5% - 29.0%	27.1%
Adjusted Operating Margin	31.0% - 32.5%	31.3%
Adjusted Effective Tax Rate <sup>2</sup>	18.0% - 19.5%	18.0%
GAAP Diluted EPS <sup>1</sup>	\$6.92 - \$7.17	\$6.78
Adjusted Diluted EPS	\$8.37 - \$8.62	\$8.53

<sup>1</sup> Both GAAP operating margin and GAAP diluted EPS guidance did not include the effects of any non-recurring benefits or charges that arose in the fourth quarter of fiscal 2018.

<sup>2</sup> The U.S. Tax Cuts and Jobs Act ("TCJA"), lowered the U.S. federal corporate tax rate. The range of 18.0% and 19.5% excludes the one-time deemed repatriation tax on historical repatriated foreign earnings related to the TCJA. The Company's fiscal year end is August 31<sup>st</sup>, resulting in a blended federal statutory tax rate for the full 2018 fiscal year.

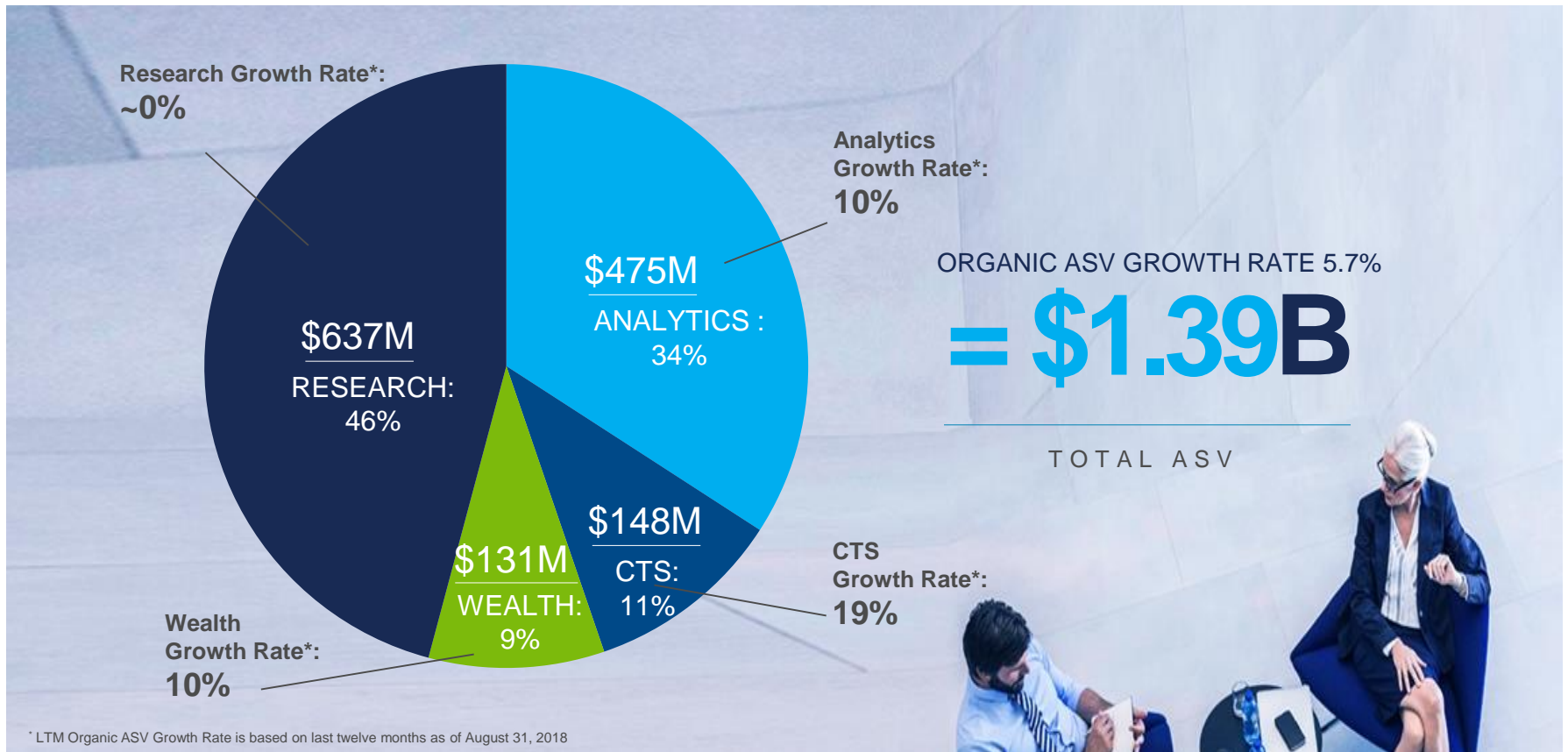
# Fourth Quarter 2018 Financial Results\*

(in thousands, except per share data)

For the Three Months Ended August 31	2018	2017	% Change
Organic ASV	\$ 1,394,747	\$ 1,320,336	5.7%
GAAP Revenues	\$ 345,861	\$ 326,642	5.9%
Organic Revenues	\$ 347,102	\$ 329,597	5.3%
Adjusted Operating Income	\$ 108,684	\$ 102,735	5.8%
Adjusted Operating Margin	31.3%	31.2%	-
Adjusted Net Income	\$ 85,492	\$ 74,721	14.4%
Adjusted Diluted EPS	\$ 2.20	\$ 1.90	15.8%
Free Cash Flow	\$ 91,179	\$ 89,335	2.1%

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

# Workflow Solutions: ASV Breakout – Fiscal 2018



## Business Outlook – Fiscal 2019<sup>1</sup>

Metric	Guidance
Organic ASV + Professional Services <sup>2</sup>	\$75 - \$90 million
GAAP Revenues	\$1.41 - \$1.45 billion
GAAP Operating Margin <sup>3</sup>	29% - 30%
Adjusted Operating Margin <sup>3,4</sup>	31.5% - 32.5%
Effective Tax Rate	17.5% - 18.5%
GAAP Diluted EPS	\$8.70 - \$8.90
Adjusted Diluted EPS <sup>4</sup>	\$9.45 - \$9.65

The Business Outlook - Fiscal 2019 shown above is a forward-looking statement. Investors should review the Company's cautionary statements and risk factors referred to in this presentation, including the next slide. FactSet undertakes no obligation to publicly update any forward-looking statements as a result of new information, future events, or otherwise.

<sup>1</sup> FactSet's expectations as of September 25, 2018. Actual results may differ materially from expectations above.

<sup>2</sup> Growth over fiscal 2018

<sup>3</sup> Both GAAP operating margin and GAAP diluted EPS guidance do not include certain effects of any non-recurring benefits or charges that may arise in fiscal 2019.

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

# Forward-Looking Statements

This presentation contains forward-looking statements based on management's current expectations, estimates, forecasts and projections about industries in which FactSet operates and the beliefs and assumptions of management. All statements that address expectations, guidance, outlook or projections about the future, including statements about the Company's strategy for growth, product development, revenues, future financial results, anticipated growth, market position, subscriptions, expected expenditures, trends in FactSet's business and financial results, 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 a number of risks, uncertainties and assumptions. Many factors, including those discussed more fully in FactSet's filings with the Securities and Exchange Commission, particularly its latest annual report on Form 10-K and quarterly reports on Form 10-Q, as well as others, could cause results to differ materially from those stated. These factors include, but are not limited to: the ability to integrate newly acquired companies, clients and businesses; strains on resources as a result of growth, the volatility and stability of global securities markets, including declines in equity or fixed income returns impacting the buying power of investment management clients; the ability to hire and retain qualified personnel; the maintenance of the Company's leading technological position and reputation; failure to maintain or improve FactSet's competitive position in the marketplace; fraudulent, misappropriation or unauthorized data access, including cyber-security and privacy breaches; failures or disruptions of telecommunications, data centers, network systems, facilities, or the Internet; uncertainty, consolidation and business failures in the global investment banking industry; the continued shift from active to passive investing, the negotiation of contract terms with vendors, data suppliers and landlords; the retention of clients and the attraction of new ones; the absence of U.S. or foreign governmental regulation restricting international business; the unfavorable resolution of tax assessments and legal proceedings; and legislative and regulatory changes in the environments in which FactSet and its clients operate. Forward-looking statements speak only as of the date they are made, and FactSet assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

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Questions and Answers

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Appendix



# Key Metrics

Q4 | 2018

**\$347.1M**

## ORGANIC REVENUES

Organic revenues exclude the effects of acquisitions, dispositions, deferred revenue fair value adjustments and foreign currency.

▲ 5.3% change since 2017 | Q4

**\$1.39B**

## ANNUAL SUBSCRIPTION VALUE (ASV)

The forward-looking revenues for the next 12 months from all subscription services currently being supplied to clients. Organic ASV excludes the effects of acquisitions, dispositions and foreign currency.

▲ 5.7% organically

**\$108.7M**

## ADJUSTED OPERATING INCOME

Revenue minus the costs of operations (i.e. operating expenses, which include the cost of services and selling, general and administrative expenses).

▲ 5.8% change since 2017 | Q4

**31.3%**

## ADJUSTED OPERATING MARGIN

Adjusted operating margin is calculated as adjusted operating income divided by GAAP revenues plus the deferred revenue fair value adjustment.

▲ 10 bps change since 2017 | Q4

**91,897**

## USER COUNT

Number of individuals accessing FactSet services across all client sites.

▲ 3.4% change since 2017 | Q4

**5,142**

## CLIENT COUNT

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

▲ 8.4% change since 2017 | Q4

**\$2.20**

## ADJUSTED DILUTED EPS

Adjusted net income divided by diluted shares outstanding. EPS is one of the key measures investors and industry analysts follow to determine how successfully we are managing our business.

▲ 15.8% change since 2017 | Q4

# Non-GAAP Reconciliations

## Organic Revenues

(in thousands)

FOR THE THREE MONTHS ENDED  
AUGUST 31,

FOR THE YEAR ENDED  
AUGUST 31,

(Unaudited)	2018	2017	% Change	2018	2017	% Change
GAAP Revenues	\$ 345,861	\$ 326,642	5.9%	\$ 1,350,145	\$ 1,221,179	10.6%
Deferred revenue fair value adjustment	1,397	2,955		7,691	5,486	
Acquired revenues	–	–		(58,624)	(1,222)	
Currency impact	(156)	–		(4,952)	–	
Organic Revenues	\$ 347,102	\$ 329,597	5.3%	\$ 1,294,260	\$ 1,225,443	5.6%

# Non-GAAP Reconciliations

## Adjusted Operating Income, Margin, Net Income and Diluted EPS

(in thousands, except per share data)

(Unaudited)	FOR THE THREE MONTHS ENDED AUGUST 31,			FOR THE YEAR ENDED AUGUST 31,		
	2018	2017	% Change	2018	2017	% Change
GAAP Operating Income	\$ 88,356	\$ 82,428	7.2%	\$ 366,204	\$ 325,135	4.0%
Intangible asset amortization	6,079	6,159		24,665	19,924	
Deferred revenue fair value adjustment	1,397	2,955		7,691	5,486	
Other non-recurring Items	12,852	11,193		26,950	17,969	
Adjusted Operating Income	\$ 108,684	\$102,735	5.8%	\$ 425,510	\$ 395,514	7.6%
Adjusted Operating Margin	31.3%	31.2%		31.3%	32.2%	
GAAP Net Income	\$ 68,823	\$ 59,552	15.6%	\$ 267,085	\$ 258,259	3.4%
Intangible asset amortization	4,985	4,601		19,723	14,845	
Deferred revenue fair value adjustment	1,146	2,207		6,084	4,093	
Other non-recurring Items	10,538	8,361		21,614	14,308	
Income tax items	–	–		21,310	(1,918)	
Adjusted Net Income	\$ 85,492	\$ 74,721	14.4%	\$ 335,816	\$ 289,587	16.0%
GAAP Diluted Earnings per Common Share	\$ 1.77	\$ 1.52	16.4%	\$ 6.78	\$ 6.51	4.1%
Intangible asset amortization	0.13	0.12		0.50	0.37	
Deferred revenue fair value adjustment	0.03	0.06		0.15	0.10	
Other non-recurring Items	0.27	0.21		0.56	0.35	
Income tax items	–	–		0.53	(0.05)	
Adjusted Diluted earnings per Common Share	\$ 2.20	\$ 1.90	15.8%	\$ 8.53	\$ 7.31	16.7%
Weighted Average Common Shares (Diluted)	38,879	39,281		39,377	39,642	

# Non-GAAP Reconciliations

## Free Cash Flow

(in thousands)

(Unaudited)	FOR THE THREE MONTHS ENDED AUGUST 31,			FOR THE YEAR ENDED AUGUST 31,		
	2018	2017	% Change	2018	2017	% Change
Net Cash Provided by Operating Activities	\$ 106,324	\$ 100,215		\$ 385,668	\$ 320,527	
Capital Expenditures	(15,145)	(10,880)		(33,520)	(36,862)	
Free Cash Flow	\$ 91,179	\$ 89,335	2.1%	\$ 352,148	\$ 283,665	24.1%

# Non-GAAP Reconciliations

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

(in thousands, except per share data)

<b>FISCAL 2019 (FULL YEAR)</b>	<b>Low End of Range</b>	<b>High End of Range</b>
GAAP operating margin	29.0%	30.0%
Intangible asset amortization	1.7%	1.7%
Deferred revenue fair value adjustment	0.4%	0.4%
Other non-recurring items	0.4%	0.4%
<b>Adjusted Operating Margin</b>	<b>31.5%</b>	<b>32.5%</b>
GAAP Net Income	\$ 333,506	\$ 341,406
Intangible asset amortization	19,746	19,746
Deferred revenue fair value adjustment	4,378	4,378
Other non-recurring items	4,970	4,970
<b>Adjusted Net Income</b>	<b>\$ 362,600</b>	<b>\$ 370,500</b>
GAAP Diluted Earnings per Common Share	\$ 8.70	\$ 8.90
Intangible asset amortization	0.51	0.51
Deferred revenue fair value adjustment	0.11	0.11
Other non-recurring items	0.13	0.13
<b>Adjusted Diluted earnings per Common Share</b>	<b>\$ 9.45</b>	<b>\$ 9.65</b>
Weighted Average Common Shares (Diluted)	38,381	38,381



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Thank you.

