



THURSDAY, MARCH 23, 2023

# FactSet Earnings Call

## Second Quarter Fiscal 2023



## 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 March 23, 2023, 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 - Second Quarter 2023

9.1%<sup>1</sup> ▲ORGANIC ASV +  
PROFESSIONAL SERVICES  
GROWTHDriven by increased sales of  
Content & Technology and  
Analytics & Trading  
solutions

+

37.0%<sup>2</sup> ▲ADJUSTED  
OPERATING  
MARGIN330 bps higher YoY due to  
higher revenue, lower third-  
party content costs, and  
reduced facilities expenses

+

\$3.80<sup>2</sup> ▲ADJUSTED  
DILUTED  
EPS16.2% increase YoY from  
higher revenues and  
margin expansion

<sup>1</sup> LTM organic growth rate based on February 28, 2023. 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.

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

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

Next  
Generation  
Workflow  
Solutions

Build differentiated next generation solutions to streamline our clients' workflows and deliver tangible efficiencies for the front, middle, and back office

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



# 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

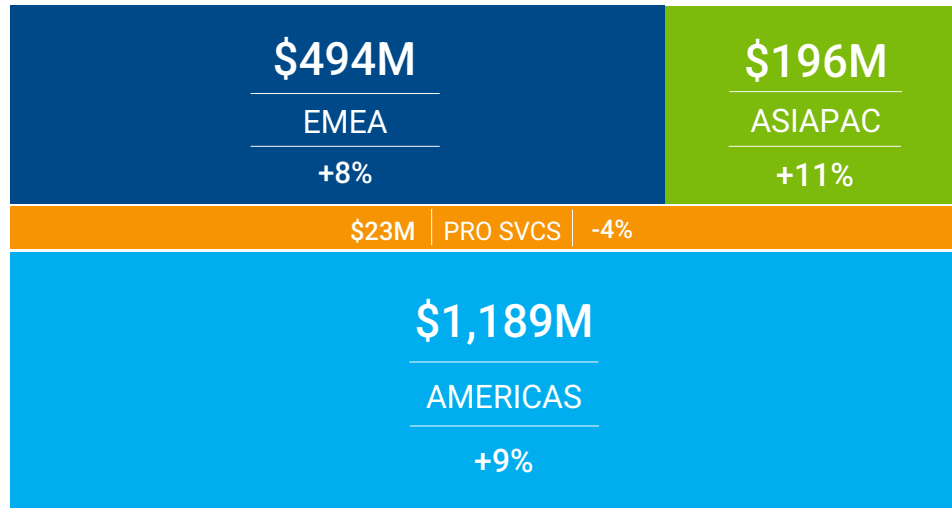
Key Financial Metrics	Prior Guidance	Achievement of Goal
Annual Subscription Value (ASV)	Mid-to-High Single Digit Growth	✓
Annual Revenues	Mid-to-High Single Digit Growth	✓
% Subscription	> 85%	✓
% Operating Margin	> Mid-50%	✓

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

**\$1.9B**

Organic ASV + Professional Services

**+9.1%**





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

FACTSET 2022 Sustainability Report

### Overall Highlights

**Environment**

**Net Zero**  
by 2040 goal

**SBTi**  
commitment letter signed

**17K**  
Volunteer hours

**Glassdoor's Best Places to Work**  
recognition earned in 2023

**Global Pay Equity**  
review completed

**Sustainable Procurement Policy Developed**

**Silver Medal**  
EcoVadis award earned

**286,000**  
employee learning hours

**Best Place to Work**  
for LGBTQ+ Equality on the HRC Corporate Equality Index

**Governance**

**98%**

of employees completed training on the Code of Business Conduct and Ethics

**Updated Code of Business Conduct and Ethics**

**45K**  
hours of employee security-related training

**Updated Enterprise Risk Management (ERM) Policy**

Scan QR code to read FactSet's 2022 Sustainability Report



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Financial Overview

## Second Quarter 2023 Financial Results\*

(in thousands, except per share data)

19.5%

Revenues

2/28/23 \$515,085  
2/28/22 \$431,119

8.9%

Organic Revenues

2/28/23 \$469,547  
2/28/22 \$431,057

37.2%

Operating Income

2/28/23 \$169,250  
2/28/22 \$123,348

31.4%

Adjusted Operating  
Income

2/28/23 \$190,721  
02/28/22 \$145,139

430<sub>bps</sub>

Operating Margin

2/28/23 32.9%  
2/28/22 28.6%

330<sub>bps</sub>

Adjusted Operating  
Margin

2/28/23 37.0%  
2/28/22 33.7%

19.7%

Net Income

2/28/23 \$131,593  
2/28/22 \$109,938

16.9%

Adjusted Net  
Income

2/28/23 \$148,114  
2/28/22 \$126,675

19.0%

Diluted EPS

2/28/23 \$3.38  
2/28/22 \$2.84

16.2%

Adjusted Diluted EPS

2/28/23 \$3.80  
2/28/22 \$3.27

35.8%

Adjusted EBITDA

2/28/23 \$199,710  
2/28/22 \$147,047

33.8%

Free Cash Flow

2/28/23 \$147,222  
2/28/22 \$110,071

## Key Operational Metrics

# >95%

### ASV RETENTION

ASV retained from clients over the last twelve months.

▬ No change versus 2022 | Q2

# 92%

### CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▬ No change versus 2022 | Q2

# 186,463

### USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 9% change since 2022 | Q2

# 7,730

### CLIENT COUNT

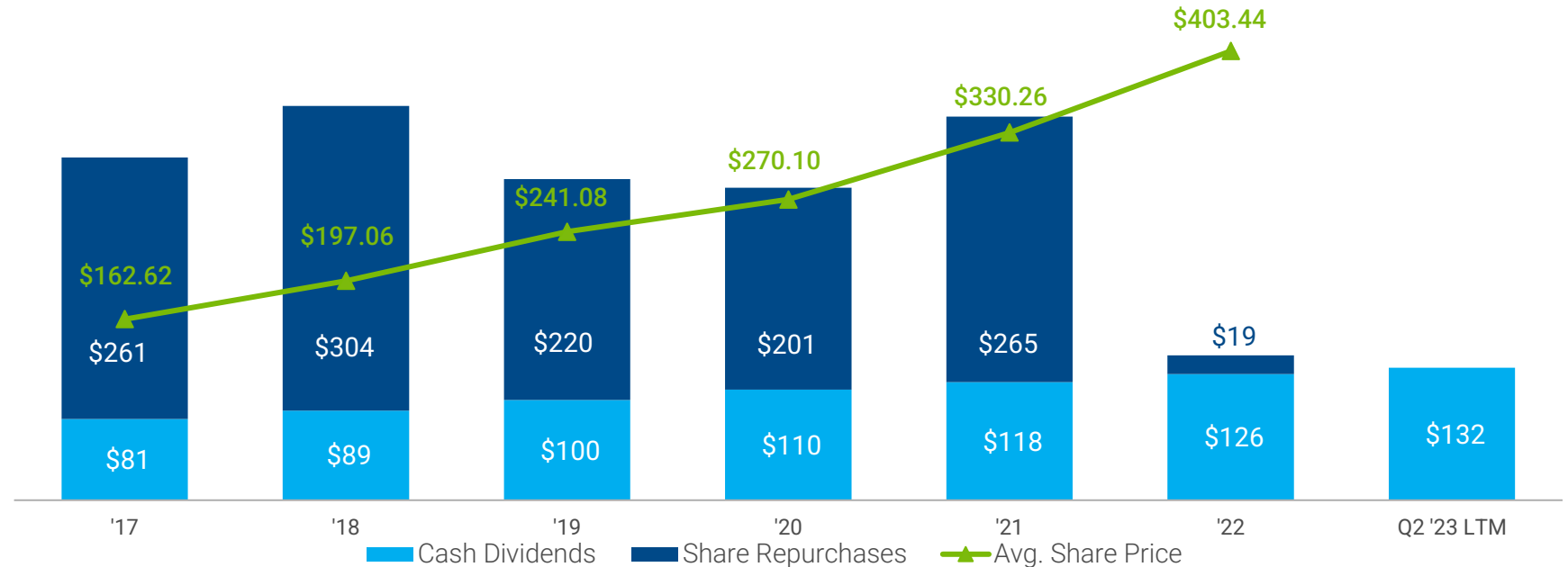
Companies subscribing to FactSet services with an ASV greater than \$10,000.

▲ 8% change since 2022 | Q2

## We remain focused on returning capital to shareholders

FactSet intends to resume share repurchases in the third fiscal quarter of 2023

(in millions except share price)



\* Includes shares repurchased from employee stock options for 2017

Updated FY23 guidance includes CUSIP Global Services (+\$10mm) and slightly reduced core ASV (-\$15mm). GAAP Operating Margin guidance is moderately lower.

	<b>FISCAL 2023 OUTLOOK</b> <i>As of March 23, 2023</i>	<b>FISCAL 2023 OUTLOOK</b> <i>As of September 22, 2022</i>
Organic ASV + Professional Services Growth <sup>1</sup>	\$145 - \$175 million <sup>2</sup>	\$150 - \$180 million
Revenues	\$2,080 - \$2,100 million	\$2,100 - \$2,115 million
GAAP Operating Margin	29.5% - 30.5%	30.0% - 31.0%
Adjusted Operating Margin	34.0% - 35.0%	34.0% - 35.0%
Effective Tax Rate	13.5% - 14.5%	13.5% - 14.5%
GAAP Diluted EPS	\$12.45 - \$12.85	\$12.70 - \$13.10
Adjusted Diluted EPS	\$14.50 - \$14.90	\$14.50 - \$14.90

*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*

<sup>1</sup> Organic ASV + Professional Services growth over fiscal 2023

<sup>2</sup> Core ASV guidance was reduced by \$15M (\$135 - \$165m), including CGS organic ASV increased the range by \$10M

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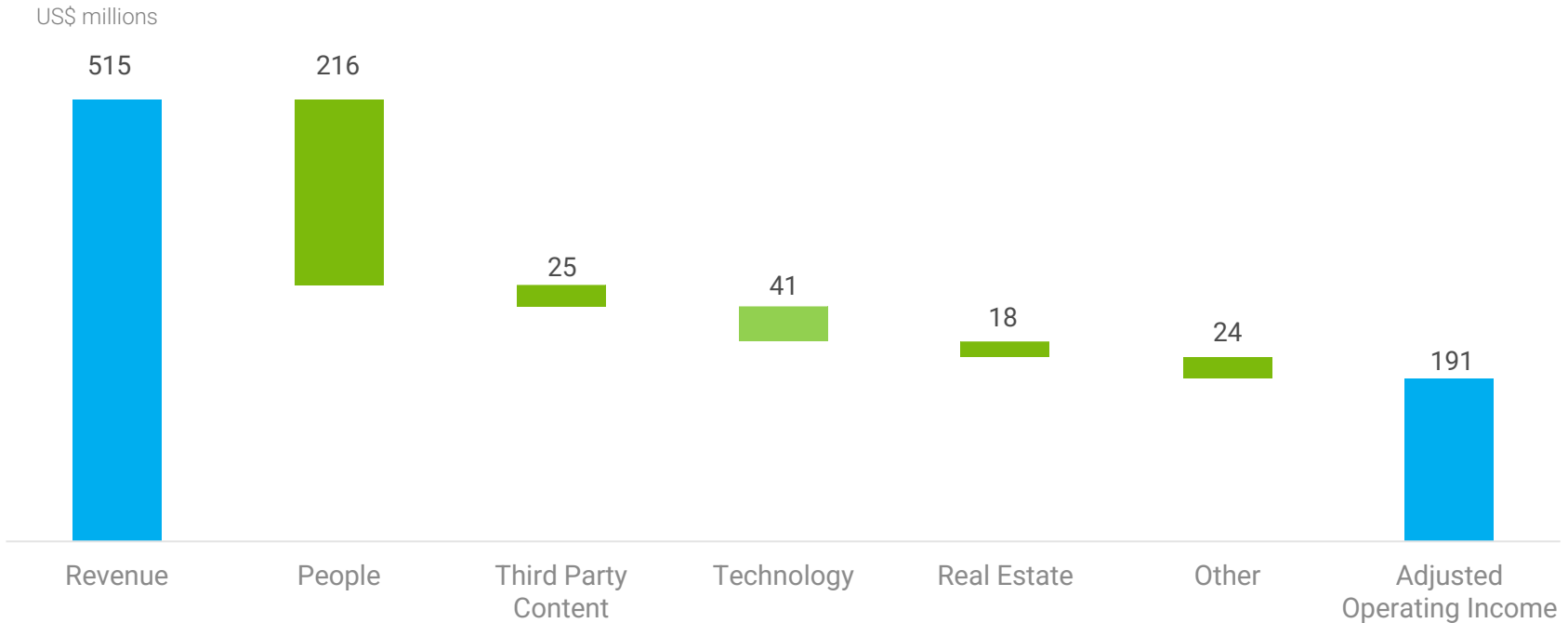
Questions & Answers

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Appendix



## Second Quarter 2023 Adjusted Operating Income Walk



## Non-GAAP Reconciliations

Organic Revenues  
(in thousands)

FOR THE THREE MONTHS ENDED FEBRUARY 28

(Unaudited)	2023	2022	% Change
GAAP Revenues	\$515,085	\$431,119	19.5%
Deferred Revenues Fair Value Adjustment	0	(62)	
<b>Adjusted Revenues</b>	<b>\$515,085</b>	<b>\$431,057</b>	<b>19.5%</b>
Acquired Revenues	(47,370)	0	
Currency Impact	1,832	0	
<b>Organic Revenues</b>	<b>\$469,547</b>	<b>\$431,057</b>	<b>8.9%</b>

## Non-GAAP Reconciliations

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

FOR THE THREE MONTHS ENDED FEBRUARY 28 2023

(Unaudited)	2023	2022	% Change
GAAP Operating Income	\$169,250	\$123,348	37.2%
Deferred Revenues Fair Value Adjustment	0	(62)	
Intangible Asset Amortization	17,709	6,291	
Business Acquisition Costs	3,329	5,048	
Restructuring/ Severance	433	200	
Real Estate Charges	0	9,734	
Transformation Costs	0	580	
<b>Adjusted Operating Income</b>	<b>\$190,721</b>	<b>\$145,139</b>	<b>31.4%</b>
Operating Margin	32.9% <sup>1</sup>	28.6% <sup>1</sup>	
<b>Adjusted Operating Margin</b>	<b>37.0%</b>	<b>33.7%</b>	
GAAP Net Income	\$131,593	\$109,938	19.7%
Deferred Revenues Fair Value Adjustment	0	(55)	
Intangible Asset Amortization	14,717	5,543	
Business Acquisition Costs	2,766	4,448	
Restructuring/ Severance	360	177	
Real Estate Charges	0	8,578	
Transformation Costs	0	512	
Income Tax Items	(1,322)	(2,466)	
<b>Adjusted Net Income</b>	<b>\$148,114</b>	<b>\$126,675</b>	<b>16.9%</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 FEBRUARY 28

(Unaudited)	2023	2022	% Change
Net Income	\$131,593	\$109,938	19.7%
Interest Expense, net	16,737	1,962	
Income taxes	25,169	12,018	
Depreciation and amortization expense	26,211	13,395	
<b>EBITDA</b>	<b>\$199,710</b>	<b>\$137,313</b>	<b>45.4%</b>
Non-recurring cash expenses	0	9,734	
<b>Adjusted EBITDA</b>	<b>\$199,710</b>	<b>\$147,047</b>	<b>35.8%</b>

## Non-GAAP Reconciliations

Adjusted Diluted EPS

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED FEBRUARY 28

(Unaudited)	2023	2022	% Change
GAAP Diluted Earnings per Common Share	\$3.38	\$2.84	19.0%
Intangible Asset Amortization	0.37	0.14	
Deferred Revenues Fair Value Adjustment	0.00	0.00	
Transformation Costs	0.00	0.01	
Business Acquisition Costs	0.07	0.11	
Restructuring/ Severance	0.01	0.01	
Real Estate Charges	0.00	0.22	
Income Tax Items	(0.03)	(0.06)	
<b>Adjusted Diluted Earnings per Common Share</b>	<b>\$3.80</b>	<b>\$3.27</b>	<b>16.2%</b>
Weighted Average Common Shares (Diluted)	38,981	38,761	

## Non-GAAP Reconciliations

Free Cash Flow  
(in thousands)

FOR THE THREE MONTHS ENDED FEBRUARY 28

(Unaudited)	2023	2022	% Change
Net Cash Provided by Operating Activities	\$164,678	\$122,034	
Capital Expenditures	(17,456)	(11,963)	
<b>Free Cash Flow</b>	<b>\$147,222</b>	<b>\$110,071</b>	<b>33.8%</b>

## Non-GAAP Reconciliations

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

Fiscal 2023 (Full Year)	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 Costs /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 Costs /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 Diluted EPS

(in millions, except per share data)

Fiscal 2023 (Full Year)	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 Costs/Integration Costs	0.14 <sup>1</sup>	0.14 <sup>1</sup>
Discrete Tax Items	(0.01)	(0.03)
<b>Adjusted Diluted Earnings per Common Share</b>	<b>\$14.50</b>	<b>\$14.90</b>

<sup>1</sup> Note: Amounts may not add due to rounding



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Thank you