



THURSDAY, JUNE 22, 2023

FactSet Earnings Call

Third 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 June 22, 2023, which are posted on 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 2023

8.0%¹ORGANIC ASV +
PROFESSIONAL SERVICES
GROWTH

Driven by the strength of our recurring sales model and disciplined execution by our sales team.

+

36.0%²ADJUSTED
OPERATING
MARGIN

60 bps lower YoY driven by higher personnel costs & technology expenses partially offset by lower 3rd party content and facilities expenses plus a lower FX impact YoY.

+

\$3.79²ADJUSTED
DILUTED
EPS

0.8% increase YoY due to higher revenues and margin expansion partially offset by increased interest expense and higher taxes.

¹ LTM organic growth rate based on May 31, 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. Professional services are revenues derived from project-based consulting and implementation. Organic ASV excludes the effects of acquisitions and dispositions completed within the last 12 months and foreign currency movements.

² 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

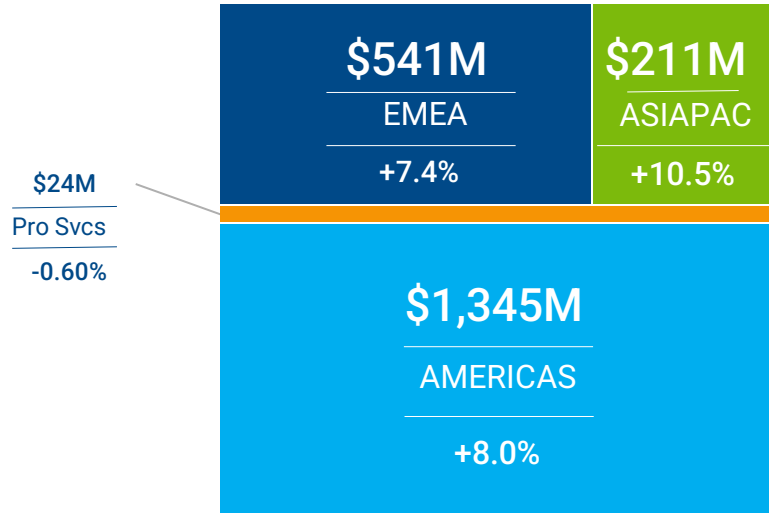
Provide open, flexible, adaptive, solutions as part of our open ecosystem with hyper-personalized digital products to provide the next best action across the investment lifecycle

ASV + Professional Services Growth Rates* – By Global Segments

\$2.1B

Organic ASV + Professional Services

+8.0%



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Financial Overview

Third Quarter 2023 Financial Results*

(in thousands, except per share data)

8.4%

Revenues

5/31/23 \$529,811
5/31/22 \$488,751

8.5%

Organic Revenues

5/31/23 \$530,321
5/31/22 \$488,752

76.8%

Operating Income

5/31/23 \$171,959
5/31/22 \$97,254

6.6%

Adjusted Operating
Income

5/31/23 \$190,932
05/31/22 \$179,066

1,260_{bps} (60)_{bps}

Operating Margin

5/31/23 32.5%
5/31/22 19.9%

Adjusted Operating
Margin

5/31/23 36.0%
5/31/22 36.6%

79.8%

Net Income

5/31/23 \$134,663
5/31/22 \$74,910

1.3%

Adjusted Net
Income

5/31/23 \$147,667
5/31/22 \$145,794

79.3%

Diluted EPS

5/31/23 \$3.46
5/31/22 \$1.93

0.8%

Adjusted Diluted EPS

5/31/23 \$3.79
5/31/22 \$3.76

15.6%

Adjusted EBITDA

5/31/23 \$205,284
5/31/22 \$177,610

9.1%

Free Cash Flow

5/31/23 \$192,584
5/31/22 \$176,568

* 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 2022 | Q3

92%

CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▬ No change versus 2022 | Q3

187,845

USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 8% change since 2022 | Q3

7,770

CLIENT COUNT

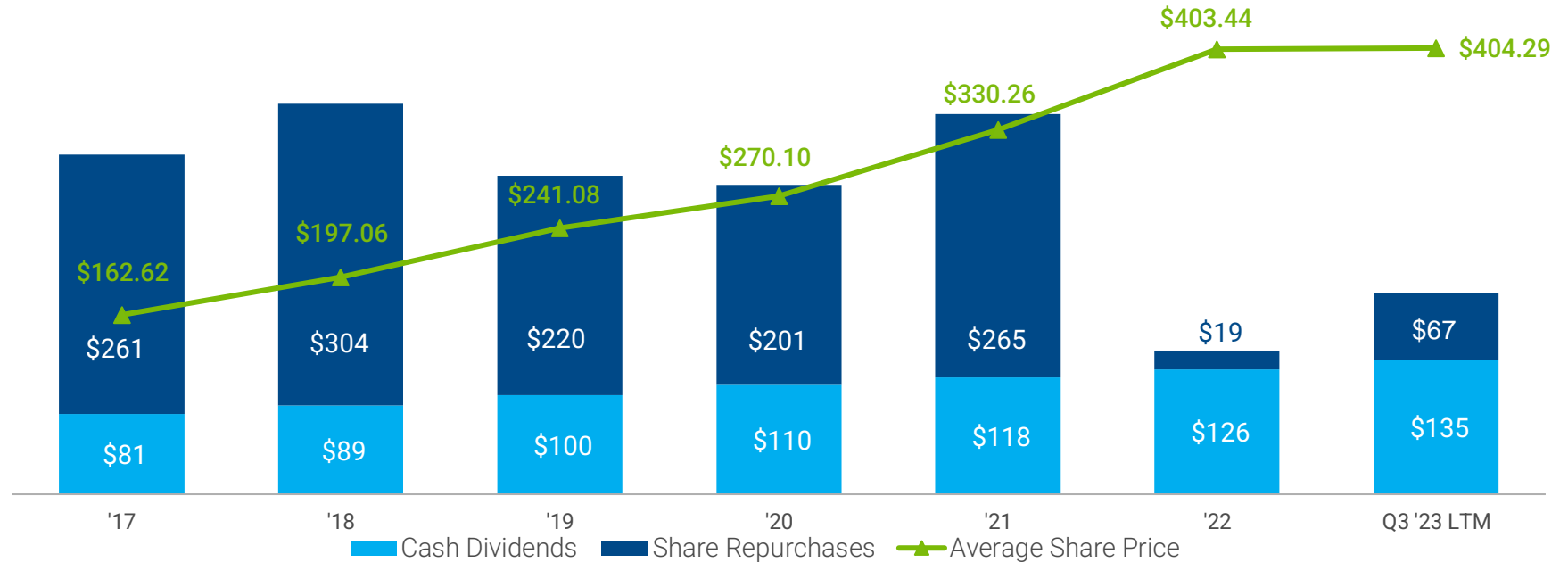
Companies subscribing to FactSet services with an ASV greater than \$10,000.

▲ 6% change since 2022 | Q3

We remain focused on returning capital to shareholders

FactSet resumed 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: Increases in adjusted margin and adjusted EPS, with lower end of guidance range for revenue and ASV

	FISCAL 2023 OUTLOOK <i>As of June 22, 2023</i>	FISCAL 2023 OUTLOOK <i>As of September 22, 2022</i>
Organic ASV + Professional Services Growth ¹	\$145 - \$175 million ²	\$150 - \$180 million
Revenues	\$2,080 - \$2,100 million	\$2,100 - \$2,115 million
Operating Margin	29.0% - 30.0%	30.0% - 31.0%
Adjusted Operating Margin	35.0% - 36.0%	34.0% - 35.0%
Effective Tax Rate	14.0% - 15.0%	13.5% - 14.5%
Diluted EPS	\$12.25 - \$12.65	\$12.70 - \$13.10
Adjusted Diluted EPS	\$14.75 - \$15.15	\$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

¹ Organic ASV + Professional Services growth over fiscal 2023

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

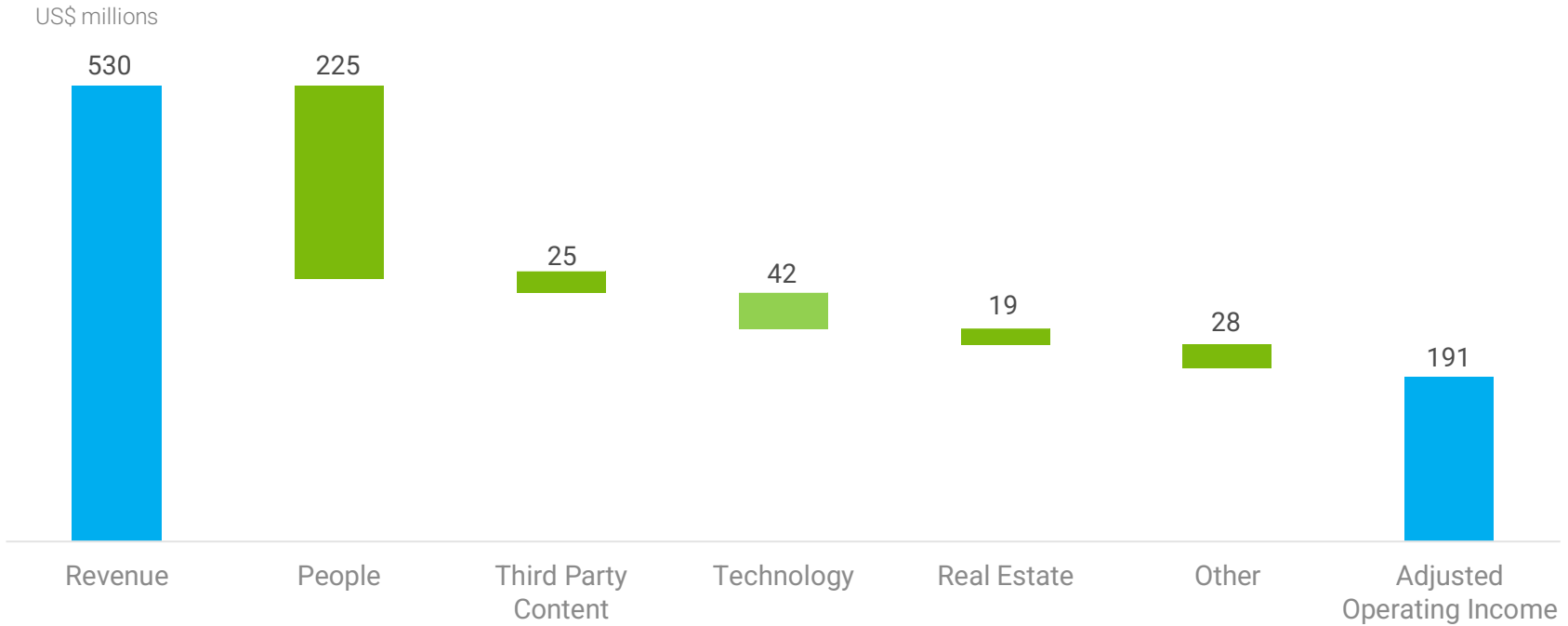
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Questions & Answers

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Appendix

Third Quarter 2023 Adjusted Operating Income Walk



Non-GAAP Reconciliations

Organic Revenues

(in thousands)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2023	2022	% Change
GAAP Revenues	\$529,811	\$488,751	8.4%
Deferred Revenues Fair Value Adjustment	0	1	
Adjusted Revenues	\$529,811	\$488,752	8.4%
Acquired Revenues	0	0	
Currency Impact	510	0	
Organic Revenues	\$530,321	\$488,752	8.5%

Non-GAAP Reconciliations

Adjusted Operating Income, Margin, Net Income

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED MAY 31 2023

(Unaudited)	2023	2022	% Change
GAAP Operating Income	\$171,959	\$97,254	76.8%
Deferred Revenues Fair Value Adjustment	0	1	
Intangible Asset Amortization	17,655	18,548	
Business Acquisition Costs	0	\$12,408	
Restructuring/ Severance	1,318	1,079	
Real Estate Charges	0	48,797	
Transformation Costs	0	979	
Adjusted Operating Income	\$190,932	\$179,066	6.6%
Operating Margin	32.5% ¹	19.9% ¹	
Adjusted Operating Margin	36.0%	36.6%	
GAAP Net Income	\$134,663	\$74,910	79.8%
Deferred Revenues Fair Value Adjustment	0	1	
Intangible Asset Amortization	14,406	16,184	
Business Acquisition Costs	0	10,827	
Restructuring/ Severance	1,075	941	
Real Estate Charges	0	42,577	
Transformation Costs	0	854	
Income Tax Items	(2,477)	(500)	
Adjusted Net Income	\$147,667	\$145,794	1.3%

¹ 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)	2023	2022	% Change
Net Income	\$134,663	\$74,910	79.8%
Interest Expense, net	16,354	16,184	
Income taxes	27,335	10,370	
Depreciation and amortization expense	26,473	27,349	
EBITDA	\$204,825	\$128,813	59.0%
Non-cash Severance	459		
Non-recurring cash expenses	0	48,797	
Adjusted EBITDA	\$205,284	\$177,610	15.6%

Non-GAAP Reconciliations

Adjusted Diluted EPS

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2023	2022	% Change
GAAP Diluted Earnings per Common Share	\$3.46	\$1.93	79.3%
Intangible Asset Amortization	0.36	0.42	
Deferred Revenues Fair Value Adjustment	0.00	0.00	
Transformation Costs	0.00	0.02	
Business Acquisition Costs	0.00	0.28	
Restructuring/ Severance	0.03	0.02	
Real Estate Charges	0.00	1.10	
Income Tax Items	(0.06)	(0.01)	
Adjusted Diluted Earnings per Common Share	\$3.79	\$3.76	0.8%
Weighted Average Common Shares (Diluted)	38,912	38,720	

Non-GAAP Reconciliations

Free Cash Flow
(in thousands)

FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2023	2022	% Change
Net Cash Provided by Operating Activities	\$218,589	\$191,972	
Capital Expenditures	(26,005)	(15,404)	
Free Cash Flow	\$192,584	\$176,568	9.1%

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	\$603	\$630
Operating Margin	29.0%	30.0%
Intangible Asset Amortization	71	71
Restructuring / severance	29	29
Real estate charges	18	20
Business Acquisition / Integration Costs	7	7
Adjusted Operating Income	\$ 728	\$ 756
Adjusted Operating Margin	35.0%	36.0%
Net Income	\$469	\$497
Intangible Asset Amortization	60	61
Restructuring /severance	24	24
Real estate charges	15	17
Business Acquisition /Integration Costs	6	6
Discrete tax items	(7)	(7)
Adjusted Net Income	\$567	\$598

Non-GAAP Reconciliations

Business Outlook Adjusted Diluted EPS

<i>(In Millions Except Per Share Data)</i>	Low-end of range	High-end of range
Diluted earnings per common share	\$12.25	\$12.65
Intangible asset amortization	1.55	1.57
Restructuring / severance	0.58	0.51
Real estate charges	0.39	0.44
Business acquisition / integration costs	0.15	0.15
Discrete tax items	(0.17)	(0.17)
Adjusted diluted earnings per common share	\$14.75	\$15.15

Note: Amounts may not add due to rounding

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Thank you