



SEE THE ADVANTAGE > **FACTSET**

FactSet Earnings Call  
Third Quarter Fiscal 2021

June 29, 2021

## 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 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 June 29, 2021, which are posted on [www.factset.com](http://www.factset.com) under the Investor Relations section.

# Agenda

- 01 Welcome / Introductions
- 02 Business Update
- 03 Financial Overview
- 04 Questions and Answers
- 05 Appendix



SEE THE ADVANTAGE › **FACTSET**

Business Update

# Key Metrics - Third Quarter 2021

**5.8%**<sup>1</sup>

ORGANIC ASV +  
PROFESSIONAL  
SERVICES

*Driven by improved  
sales of research and  
analytics solutions*

+

**31.6%**<sup>2</sup>

ADJUSTED  
OPERATING  
MARGIN

*390 basis points  
lower YoY due to higher  
operating expenses*

+

**\$2.72**<sup>2</sup>

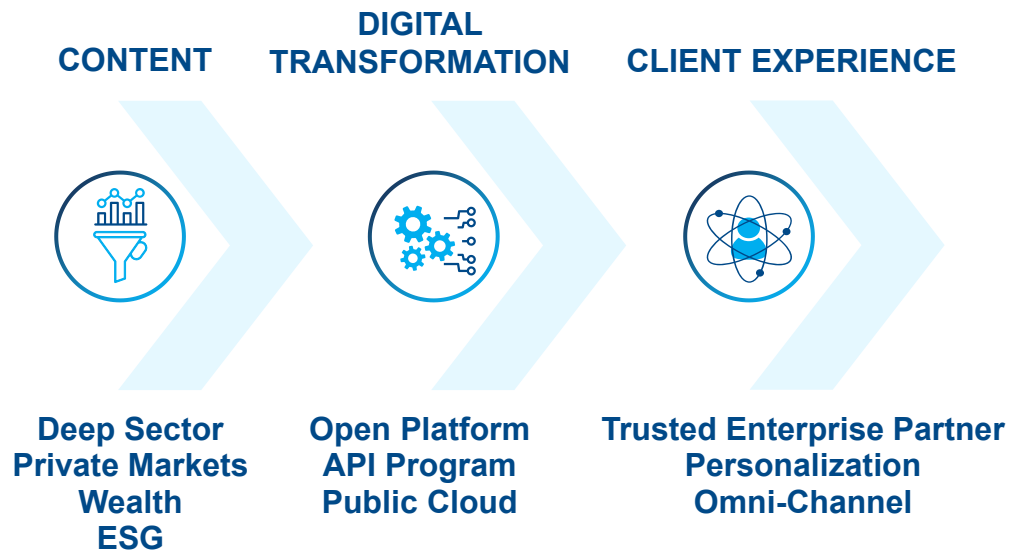
ADJUSTED  
DILUTED  
EPS

*5% decline YoY from  
higher operating  
expenses offset by  
higher revenue*

<sup>1</sup> LTM organic growth rate based on May 31, 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.

# Investment Plan is Yielding Results



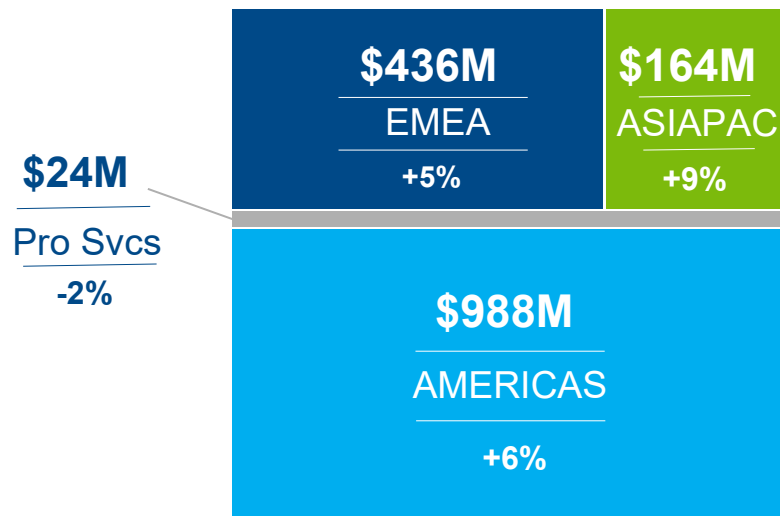
*Building the leading open content and analytics platform*

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

# \$1.6B

Organic ASV + Professional Services

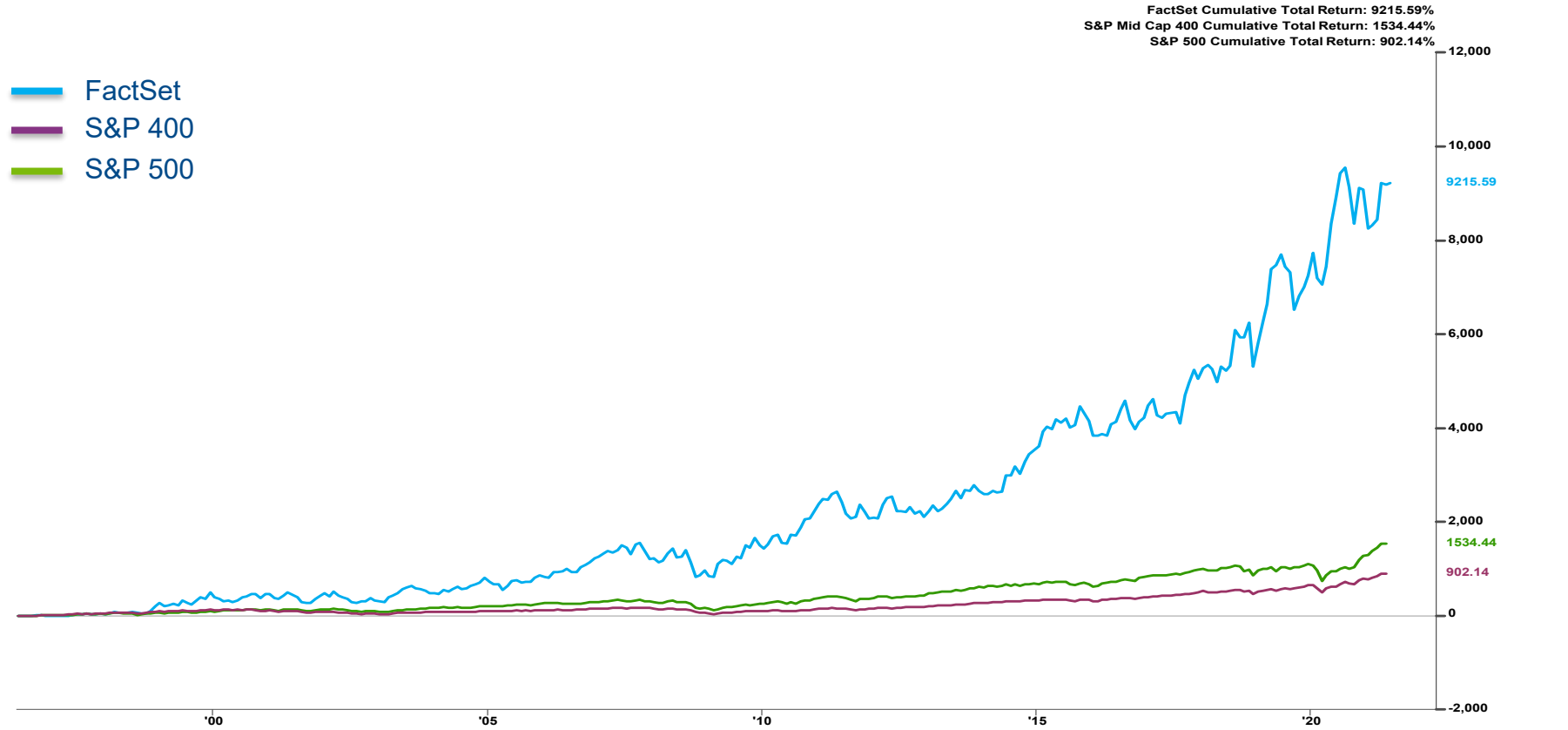
## +5.8%



\* Organic ASV plus professional services growth rate is based on last twelve months as of May 31, 2021

# 25 Years of Strong Returns

FactSet 25 Year Total Return % Vs S&P 500 and S&P 400





SEE THE ADVANTAGE › **FACTSET**

Financial Overview

## Third Quarter 2021 Financial Results\*

(in thousands, except per share data)

**6.8%**

**GAAP Revenues**

05/31/21 \$399,558  
05/31/20 \$374,083

**5.9%**

**Organic Revenues**

05/31/21 \$397,443  
05/31/20 \$375,252

**3.2%**

**GAAP Operating Income**

05/31/21 \$117,702  
05/31/20 \$121,640

**5.2%**

**Adjusted Operating Income**

05/31/21 \$126,465  
05/31/20 \$133,380

**300**bps

**GAAP Operating Margin**

05/31/21 29.5%  
05/31/20 32.5%

**390**bps

**Adjusted Operating Margin**

05/31/21 31.6%  
05/31/20 35.5%

**0.5%**

**GAAP Net Income**

05/31/21 \$100,679  
05/31/20 \$101,216

**4.8%**

**Adjusted Net Income**

05/31/21 \$104,810  
05/31/20 \$110,085

**0.4%**

**GAAP Diluted EPS**

05/31/21 \$2.62  
05/31/20 \$2.63

**4.9%**

**Adjusted Diluted EPS**

05/31/21 \$2.72  
05/31/20 \$2.86

**13.1%**

**Free Cash Flow**

05/31/21 \$121,657  
05/31/20 \$139,943

\* 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 2020 | Q3

91%

### CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▲ 200bps higher versus 2020 | Q3

155,004

### USER COUNT

Number of individuals accessing FactSet's solutions.

▲ 11% change since 2020 | Q3

6,172

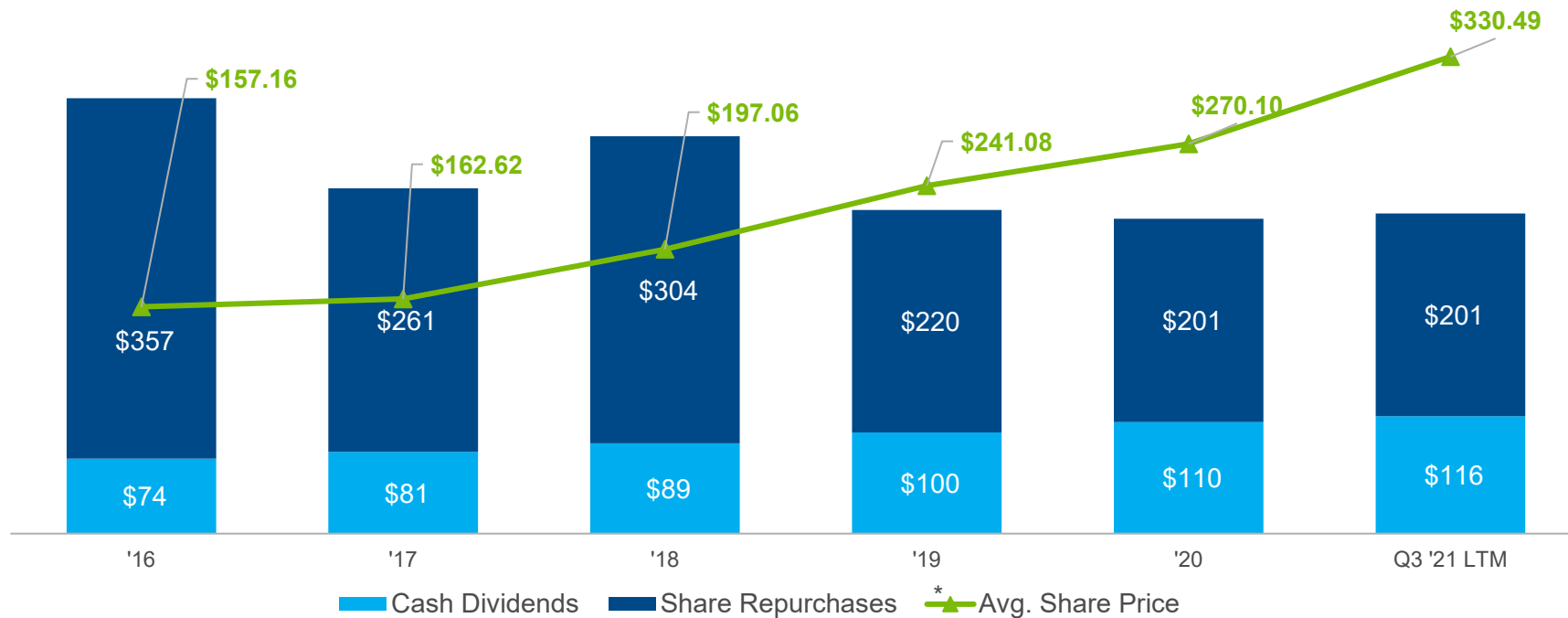
### CLIENT COUNT

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

▲ 7% change since 2020 | Q3

# Returning Capital to Shareholders

(in millions except share price)



\* Includes shares repurchased from employee stock options for 2016 and 2017

# Business Outlook – Fiscal 2021<sup>1</sup>

The Business Outlook - Fiscal 2021 shown here is a forward-looking statement. Given the risk factors, uncertainties and assumptions, particularly the ongoing uncertainty surrounding the duration, magnitude and impact of the novel coronavirus 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.

## Fiscal 2021 Outlook

**Revised Organic ASV + Professional Services Growth<sup>2</sup>** **\$85 - \$95 million**

---

**GAAP Revenues** \$1,570 - \$1,585 million

---

**GAAP Operating Margin** 29.5% - 30.5%

---

**Adjusted Operating Margin<sup>3</sup>** 32.0% - 33.0%

---

**Effective Tax Rate** 15.0% - 16.5%

---

**GAAP Diluted EPS** \$10.05 - \$10.45

---

**Adjusted Diluted EPS<sup>3</sup>** \$10.75 - \$11.15

---

<sup>1</sup> FactSet's expectations as of June 29, 2021. Actual results may differ materially from expectations above.

<sup>2</sup> Growth over fiscal 2020.

<sup>3</sup> Please see Appendix for a reconciliation of these non-GAAP metrics to GAAP metrics.

SEE THE ADVANTAGE › **FACTSET**

Questions & Answers

SEE THE ADVANTAGE › **FACTSET**

Appendix

# Non-GAAP Reconciliations

## Organic Revenues

(in thousands)

### FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2021	2020	% Change
GAAP Revenues	\$ 399,558	\$ 374,083	6.8%
Deferred revenue fair value adjustment	181	1,169	
Adjusted revenues	399,739	375,252	6.5%
Acquired revenues	(1,030)	–	
Currency impact	(1,266)	–	
Organic Revenues	\$ 397,443	\$ 375,252	5.9%



# Non-GAAP Reconciliations

## Adjusted Operating Income, Margin, Net Income

(in thousands, except per share data)

### FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2021	2020	% Change
GAAP Operating Income	\$ 117,702	\$ 121,640	(3.2)%
Intangible asset amortization	5,741	5,107	
Deferred revenue fair value adjustment	181	1,169	
Transformation costs	2,841	4,630	
Restructuring/ Severance	–	161	
Real estate charges	–	673	
Adjusted Operating Income	\$ 126,465	\$ 133,380	(5.2)%
Operating margin	29.5%	32.5%	
Adjusted Operating Margin	31.6%	35.5%	
GAAP Net Income	\$ 100,679	\$ 101,216	(0.5)%
Intangible asset amortization	4,746	4,204	
Deferred revenue fair value adjustment	150	963	
Transformation costs	2,349	3,812	
Restructuring/ Severance	–	132	
Real estate charges	–	554	
Other investment income	–	(62)	
Income tax items	(3,114)	(734)	
Adjusted Net Income	\$ 104,810	\$ 110,085	(4.8)%

# Non-GAAP Reconciliations

## Adjusted Diluted EPS

(in thousands, except per share data)

### FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2021	2020	% Change
GAAP Diluted Earnings per Common Share	\$ 2.62	\$ 2.63	(0.4)%
Intangible asset amortization	0.12	0.11	
Deferred revenue fair value adjustment	0.00	0.03	
Transformation costs	0.06	0.10	
Restructuring/ Severance	–	0.00	
Real estate charges	–	0.02	
Other investment income	–	0.00	
Income tax items	(0.08)	(0.03)	
Adjusted Diluted earnings per Common Share	\$ 2.72	\$ 2.86	(4.9)%
Weighted Average Common Shares (Diluted)	38,488	38,481	

# Non-GAAP Reconciliations

## Free Cash Flow

(in thousands)

### FOR THE THREE MONTHS ENDED MAY 31

(Unaudited)	2021	2020	% Change
Net Cash Provided by Operating Activities	\$ 140,313	\$ 150,953	
Capital Expenditures	\$ (18,656)	(11,010)	
Free Cash Flow	\$ 121,657	\$ 139,943	(13.1)%

## Non-GAAP Reconciliations

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

(in millions, except per share data)

FISCAL 2021 (FULL YEAR)	Low End of Range	High End of Range
GAAP Revenue	\$1,585	\$1,570
GAAP operating income	\$ 468	\$479
<i>GAAP operating margin</i>	29.5%	30.5%
Intangible asset amortization	25	25
Transformation costs	14	14
Adjusted operating income	\$ 507	\$ 518
<i>Adjusted Operating Margin</i>	32.0%	33.0%
GAAP Net Income	\$ 386	\$ 402
Intangible asset amortization	21	21
Transformation costs	12	12
Discrete tax items	(5)	(5)
Adjusted Net Income	\$ 415	\$ 430
GAAP Diluted Earnings per Common Share	\$ 10.05	\$ 10.45
Intangible asset amortization	0.55	0.55
Transformation costs	0.30	0.30
Discrete tax items	(0.15)	(0.15)
Adjusted Diluted earnings per Common Share	\$ 10.75	\$ 11.15



SEE THE ADVANTAGE > **FACTSET**

Thank you.