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FactSet Earnings Call  
Second Quarter Fiscal 2018

March 27, 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 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 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 March 27, 2018, which are posted on [factset.com](http://factset.com) under the Investor Relations section.

# Agenda

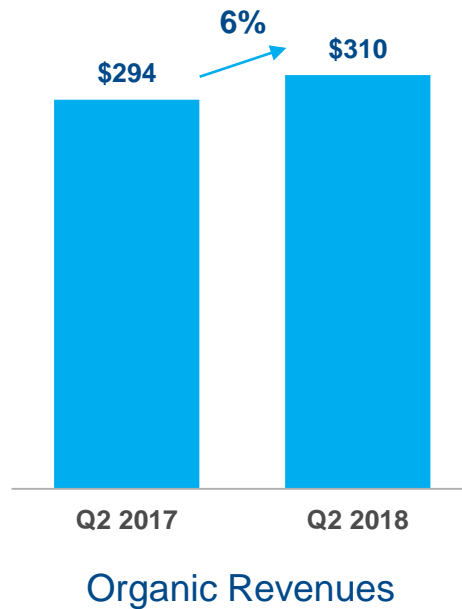
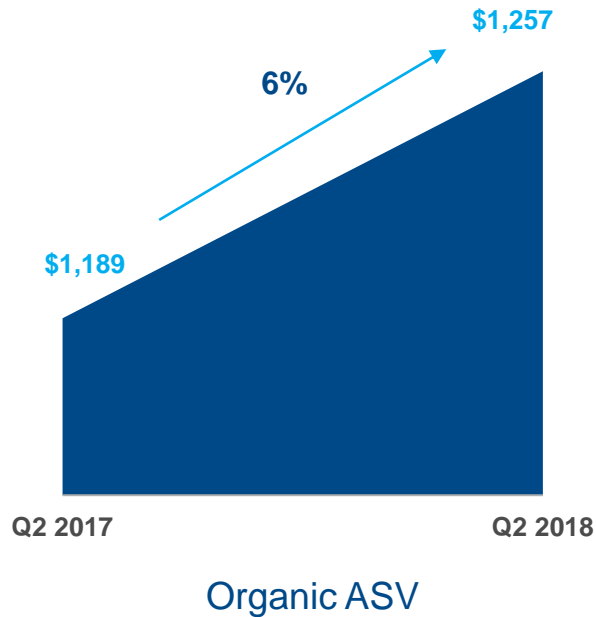
- Welcome/ Introductions
- Business Update
- Financial Overview
- Questions and Answers
- Appendix

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Business Update

# Growth in Key Metrics\* - Second Quarter 2018

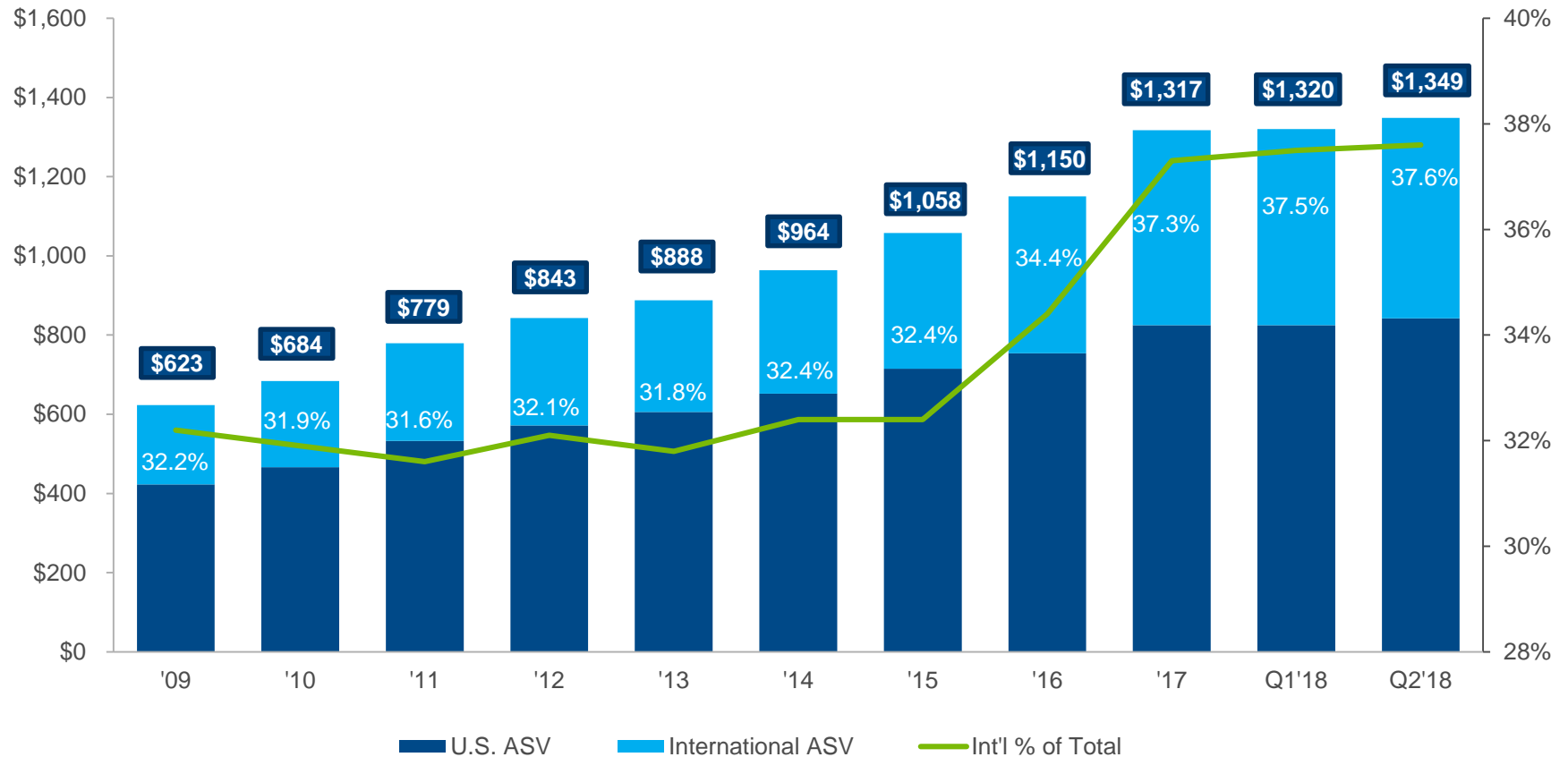
(in millions)



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

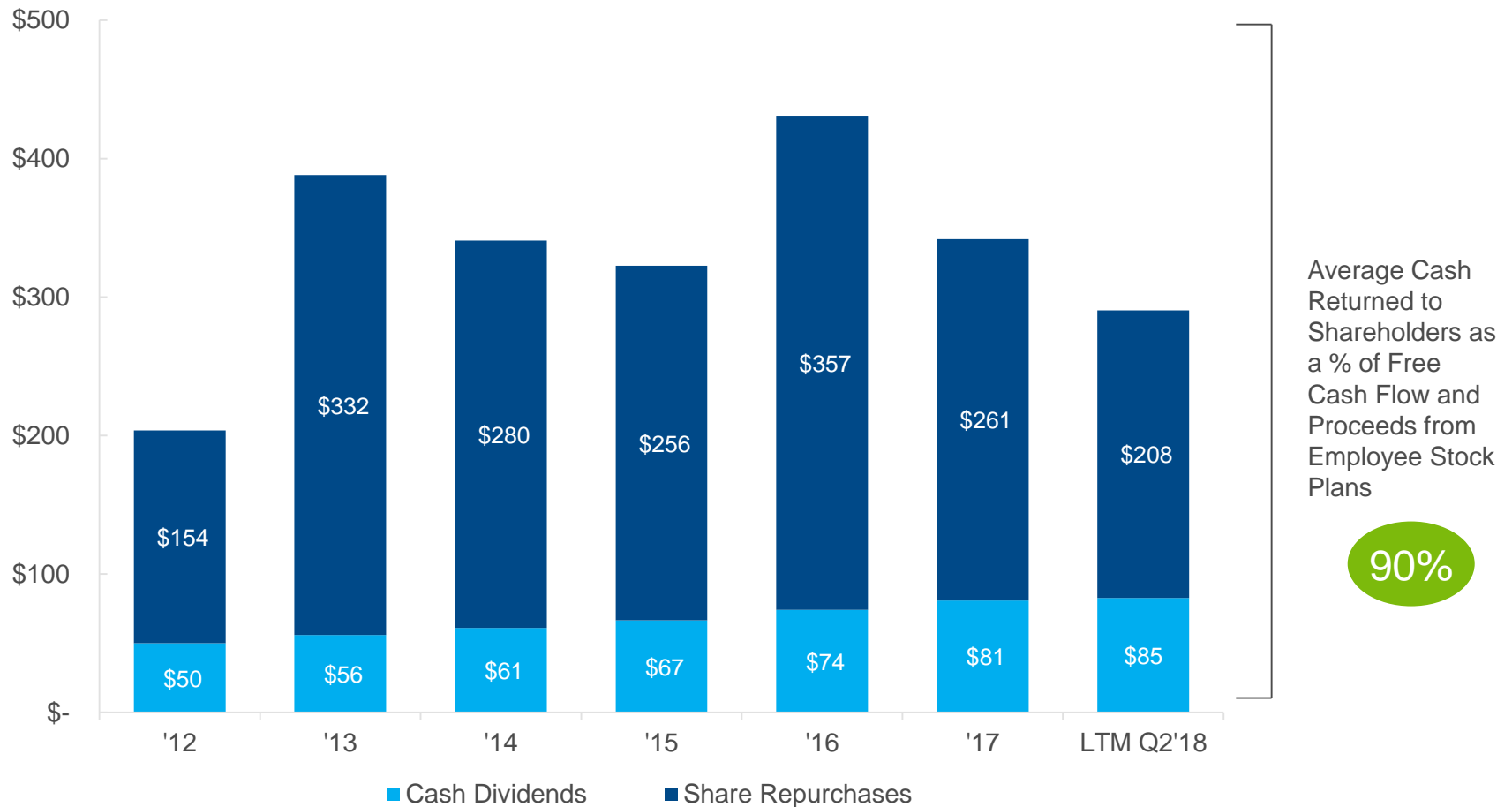
# Total ASV and International ASV Growth

(in millions)



# Committed to Returning Capital to Shareholders

(in millions)



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Financial Overview



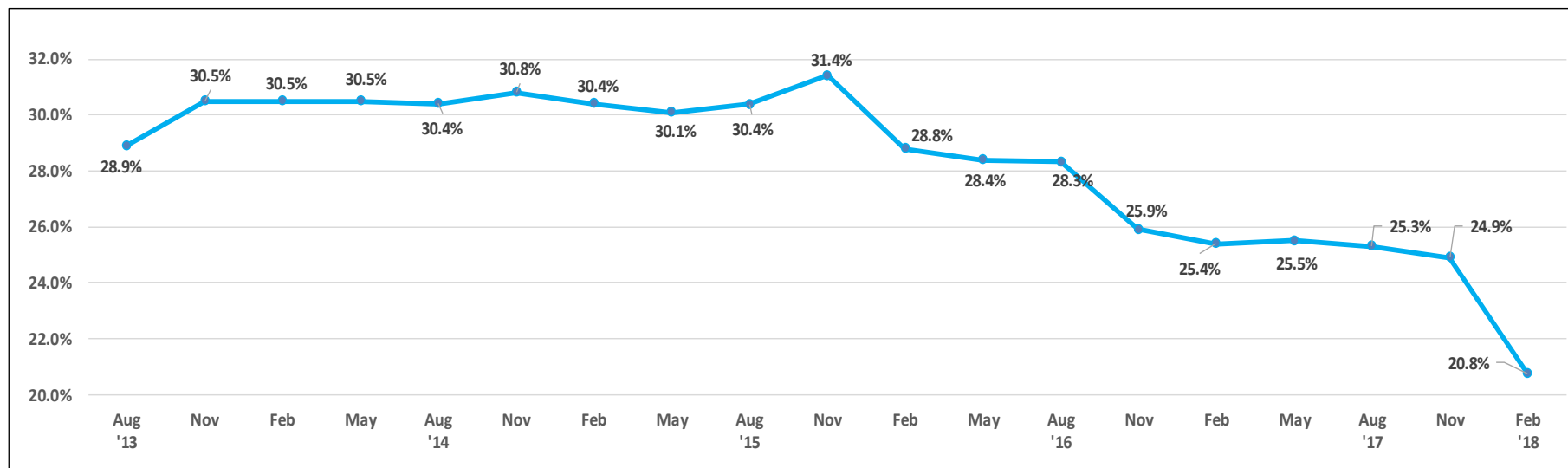
# Second Quarter 2018 Financial Results\*

(in thousands, except per share data)

For the Three Months Ended	February 28, 2018	February 28, 2017	% Change
Organic ASV	\$1,257,304	\$1,188,834	5.8%
GAAP Revenues	\$335,231	\$294,354	13.9%
Organic Revenues	\$310,381	\$293,756	5.7%
Adjusted Operating Income	\$106,024	\$97,420	8.8%
Adjusted Operating Margin	31.4%	33.1%	-
Adjusted Net Income	\$84,345	\$71,844	17.4%
Adjusted Diluted EPS	\$2.12	\$1.81	17.1%
Free Cash Flow	\$86,083	\$71,436	20.5%

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

# Income Tax Update



## Impact of the new tax legislation to FactSet's Effective Tax Rate

- The U.S. federal corporate tax rate was lowered from 35% to 21% as of January 1, 2018
- One-time tax charge of \$22.9 million recorded in the second quarter of fiscal 2018, primarily related to the estimated tax expense from the deemed repatriation of historical unrepatriated foreign earnings
- In Fiscal 2018, FactSet will receive a benefit from the lower tax rate for eight months of the fiscal year. This will lower the annual effective tax rate to between 18% and 19.5%.

## Business Outlook – Fiscal 2018\*

Fiscal 2018 Original Guidance		Fiscal 2018 Updated Guidance
Organic ASV Growth Rate	4.9% - 6.5%	No change
GAAP Revenues	\$1.34b - \$1.36b	No change
GAAP Operating Margin <sup>1</sup>	28.5% - 30.0%	27.5% - 29.0%
Adjusted Operating Margin	31.0% - 32.5%	No change
Effective Tax Rate <sup>2</sup>	21.0% - 22.5%	18.0% - 19.5%
GAAP Diluted EPS <sup>1,3</sup>	\$7.60 - \$7.80	\$6.95 - \$7.15
Adjusted Diluted EPS <sup>3</sup>	\$8.25 - \$8.45	\$8.35 - \$8.55

<sup>1</sup> Both GAAP operating margin and GAAP diluted EPS guidance do not include the effects of any non-recurring benefits or charges that may arise in the next two quarters of fiscal 2018.

<sup>2</sup> As a result of the U.S. Tax Cuts and Jobs Act (“TCJA”) and the lowering of the U.S. federal corporate tax rate, FactSet’s annual effective tax rate is now expected to be lower than the guidance provided during the first quarter of 2018. This excludes the one-time tax items related to the TCJA. The Company’s fiscal year end is August 31, so the change to the federal corporate tax rate results in a blended federal statutory tax rate for fiscal year 2018.

<sup>3</sup> The updated guidance includes the impact of the TCJA. The midpoint of the updated adjusted EPS range represents 16% growth over the prior year. Adjusted diluted EPS for the fiscal 2018 includes an estimated \$0.26 impact from the adoption of an accounting standard update which impacts the Company’s accounting for employee share-based payment transactions.

\* FactSet’s expectations as of March 27, 2018. Actual results may differ materially from expectations above.

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Questions and Answers

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Appendix

# KEY METRICS

Q2 | 2018

\$310.4<sub>M</sub>

## ORGANIC REVENUE

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

▲ 5.7% change since 2017 | Q2

\$1.35<sub>B</sub>

## 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.

▲ 5.8% organically

\$106.0<sub>M</sub>

## 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).

▲ 8.8% change since 2017 | Q2

31.4%

## ADJUSTED OPERATING MARGIN

Adjusted operating margin in Q2 2018 is calculated as adjusted operating income divided by GAAP revenues plus the deferred revenue fair value adjustment.

▼ 170 bps change since 2017 | Q2

88,646

## USER COUNT

Number of individuals accessing FactSet services across all client sites.

▲ 3.3% change since 2017 | Q2

4,895

## CLIENT COUNT

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

▲ 11.1% change since 2017 | Q2

\$2.12

## ADJUSTED DILUTED EPS

Net income divided by diluted shares outstanding. Earnings Per Share is one of the key measures investors and industry analysts follow to determine how successfully we are managing our business.

▲ 17.1% change since 2017 | Q2

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# Non-GAAP Reconciliations

## Organic Revenues

(in thousands)

For the Three Months Ended  
February 28,

(Unaudited)	2018	2017	% Change
GAAP Revenues	\$335,231	\$294,354	13.9%
Deferred Revenue Fair Value Adjustment	2,087	–	
Acquired Revenues	(24,666)	(598)	
Currency Impact	(2,271)	–	
Organic Revenues	\$310,381	\$293,756	5.7%

# Non-GAAP Reconciliations

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

(in thousands, except per share data)

For the Three Months Ended  
February 28,

(Unaudited)	2018	2017	% Change
GAAP Operating Income	\$95,485	\$91,746	4.1%
Intangible Asset Amortization	6,213	4,230	
Deferred Revenue Fair Value Adjustment	2,087	–	
Other Non-recurring Items	2,239	1,444	
Adjusted Operating Income	\$106,024	\$97,420	8.8%
Adjusted Operating Margin	31.4%	33.1%	
GAAP Net Income	\$53,137	\$66,710	(20.3)%
Intangible Asset Amortization	4,924	3,156	
Deferred Revenue Fair Value Adjustment	1,654	–	
Other Non-recurring Items	1,774	1,978	
Income Tax items	22,856	–	
Adjusted Net Income	\$84,345	\$71,844	17.4%
GAAP Diluted Earnings per Common Share	\$1.33	\$1.68	(20.8)%
Intangible Asset Amortization	0.12	0.08	
Deferred Revenue Fair Value Adjustment	0.04	–	
Other Non-recurring Items	0.04	0.05	
Income Tax items	0.57	–	
Adjusted Diluted earnings per Common Share	\$2.12	\$1.81	17.1%
Weighted Average Common Shares (Diluted)	39,846	39,700	



# Non-GAAP Reconciliations

## Free Cash Flow

(in thousands)

For the Three Months Ended  
February 28,

(Unaudited)	2018	2017	% Change
Net Cash Provided by Operating Activities	\$92,546	\$76,945	
Capital Expenditures	(6,463)	(5,509)	
Free Cash Flow	\$86,083	\$71,436	20.5%



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Thank You