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FactSet Earnings Call  
First Quarter Fiscal 2020

December 19, 2019

## 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 December 19, 2019, which are posted on [factset.com](http://factset.com) under the Investor Relations section.

# Agenda

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



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## **Business Update**

## Progress in Areas of Accelerated Investment

### CONTENT



**Deep Sector** – new bank data, sector specialists hired, 2<sup>nd</sup> sector to be released fiscal Q2

**Wealth** – StreetAccount coverage expansion

**Private markets** – Two key datasets integrated

### TECHNOLOGY

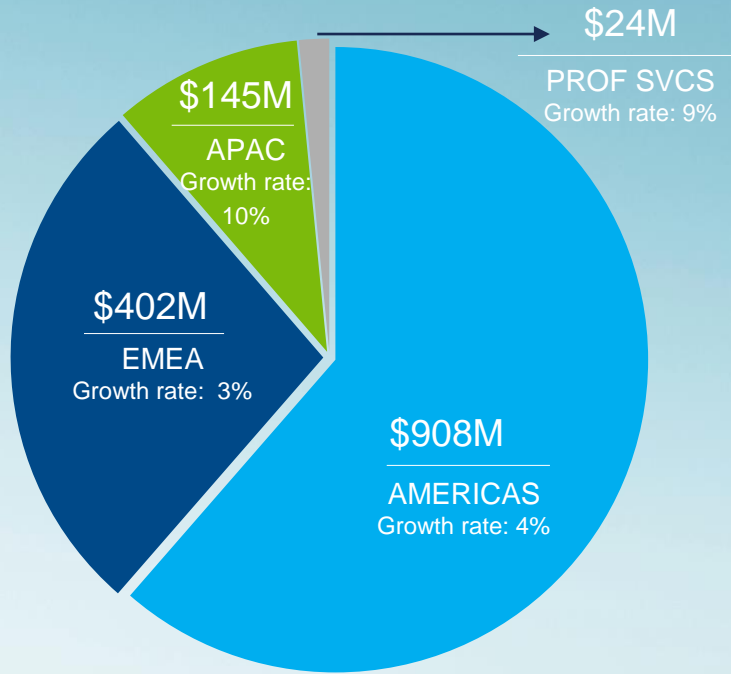


**Complete suite of APIs** – New API's

**Smarter, personalized content** – New signals in beta

**Shift to public cloud** – Migration underway

# Organic ASV + Professional Services – First Quarter 2020 By Region



ORGANIC GROWTH RATE 4.1%

= **\$1.48B**

TOTAL ASV + PROF SVCS



\* LTM Organic ASV Growth Rate is based on last twelve months as of November 30, 2019

# Key Metrics<sup>1</sup> - First Quarter 2020



<sup>1</sup> Please see Appendix for a reconciliation of these non-GAAP metrics to GAAP metrics.

<sup>2</sup> 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, dispositions and foreign currency. Professional services are revenues derived from project-based consulting and implementation.

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## Financial Overview



# First Quarter 2020 Financial Results\*

*(in thousands, except per share data)*

For the Three Months Ended Nov 30 2019	2019	2018	% Change
GAAP Revenues	\$366,658	\$ 351,640	4.3%
Organic Revenues	\$367,901	\$ 352,990	4.2%
Operating Income	\$113,186	\$ 100,539	12.6%
Adjusted Operating Income	\$124,722	\$ 111,266	12.1%
Operating Margin	30.9%	28.6%	-
Adjusted Operating Margin	33.9%	31.5%	-
Net Income	\$93,957	\$ 84,296	11.5%
Adjusted Net Income	\$99,655	\$ 91,309	9.1%
GAAP Diluted EPS	\$2.43	\$ 2.17	12.0%
Adjusted Diluted EPS	\$2.58	\$ 2.35	9.8%
Free Cash Flow	\$ 69,011	\$ 36,794	87.6%

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

# Key Operational Metrics

>95%

## ASV RETENTION

ASV retained from clients over the last twelve months.

▬ No change versus 2019 | Q1

89%

## CLIENT RETENTION

Percentage of clients retained over the last twelve months.

▼ 200bps lower versus 2019 | Q1

126,785

## USER COUNT

Number of individuals accessing FactSet's workstations.

▲ 10% change since 2019 | Q1

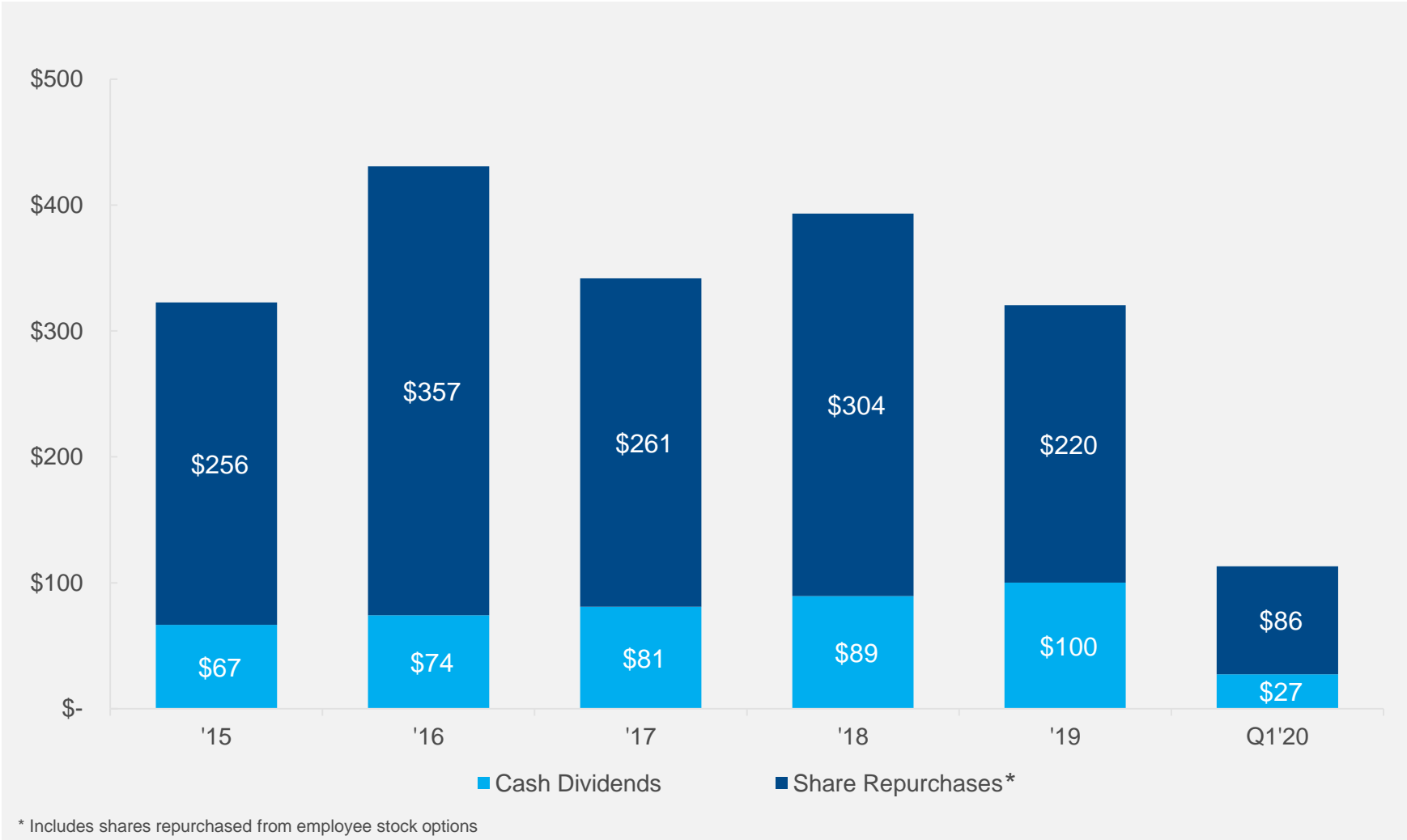
5,601

## CLIENT COUNT

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

▲ 5.8% change since 2019 | Q1

# Returning Capital to Shareholders (in millions)



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## Questions & Answers

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## Appendix

# Business Outlook – Fiscal 2020<sup>1</sup>

	Guidance
Organic ASV + Professional Services Growth <sup>2</sup>	\$65 - \$85 million
GAAP Revenues	\$1.49 - \$1.50 billion
GAAP Operating Margin	28.5% - 29.5%
Adjusted Operating Margin <sup>3</sup>	31.5% - 32.5%
Effective Tax Rate	17.0% - 17.5%
GAAP Diluted EPS	\$8.70 - \$9.00
Adjusted Diluted EPS <sup>3</sup>	\$9.85 - \$10.15

*The Business Outlook - Fiscal 2020 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 December, 2019. Actual results may differ materially from expectations above.

<sup>2</sup> Growth over fiscal 2019

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

# Non-GAAP Reconciliations

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

(in thousands, except per share data)

FISCAL 2020 (FULL YEAR)	Low End of Range	High End of Range
GAAP operating margin	28.5%	29.5%
Intangible asset amortization	1.6%	1.6%
Deferred revenue fair value adjustment	0.3%	0.3%
Other non-recurring items	1.1%	1.1%
Adjusted Operating Margin	31.5%	32.5%
GAAP Net Income	\$ 337,000	\$ 349,000
Intangible asset amortization	19,485	19,485
Deferred revenue fair value adjustment	3,900	3,900
Other non-recurring items	21,150	21,150
Adjusted Net Income	\$ 381,535	\$ 393,535
GAAP Diluted Earnings per Common Share	\$ 8.70	\$ 9.00
Intangible asset amortization	0.50	0.50
Deferred revenue fair value adjustment	0.10	0.10
Other non-recurring items	0.55	0.55
Adjusted Diluted earnings per Common Share	\$ 9.85	\$ 10.15

# Non-GAAP Reconciliations

## Organic Revenues

(in thousands)

FOR THE THREE MONTHS ENDED  
NOVEMBER 30,

(Unaudited)	2019	2018	% Change
GAAP Revenues	\$366,658	\$351,640	4.3%
Deferred revenue fair value adjustment	1,216	1,350	
Currency impact	27	—	
Organic Revenues	\$367,901	\$352,990	4.2%



# Non-GAAP Reconciliations

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

(in thousands, except per share data)

FOR THE THREE MONTHS ENDED  
NOVEMBER 30,

(Unaudited)	2019	2018	% Change
GAAP Operating Income	\$113,186	\$ 100,539	12.6%
Intangible asset amortization	5,152	5,893	
Deferred revenue fair value adjustment	1,216	1,350	
Other non-recurring Items	5,168	3,484	
Adjusted Operating Income	\$124,722	\$ 111,266	12.1%
Adjusted Operating Margin	33.9%	31.5%	
GAAP Net Income	\$93,957	\$ 84,296	11.5%
Intangible asset amortization	4,181	4,792	
Deferred revenue fair value adjustment	987	1,098	
Other non-recurring Items	4,011	2,832	
Income tax items	(3,481)	(1,709)	
Adjusted Net Income	\$99,655	\$ 91,309	9.1%
GAAP Diluted Earnings per Common Share	\$2.43	\$ 2.17	12.0%
Intangible asset amortization	0.11	0.12	
Deferred revenue fair value adjustment	0.03	0.03	
Other non-recurring Items	0.10	0.07	
Income tax items	(0.09)	(0.04)	
Adjusted Diluted earnings per Common Share	\$2.58	\$ 2.35	9.8%
Weighted Average Common Shares (Diluted)	38,587	38,809	

# Non-GAAP Reconciliations

## Free Cash Flow

(in thousands)

**FOR THE THREE MONTHS ENDED  
NOVEMBER 30,**

<b>(Unaudited)</b>	<b>2019</b>	<b>2018</b>	<b>% Change</b>
Net Cash Provided by Operating Activities	\$ 95,791	\$ 46,320	
Capital Expenditures	(26,780)	(9,526)	
Free Cash Flow	\$ 69,011	\$ 36,794	87.6%



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Thank you.

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