

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-11869

FACTSET RESEARCH SYSTEMS INC.

(Exact name of registrant as specified in its charter)



Delaware

(State or other jurisdiction of
incorporation or organization)

13-3362547

(I.R.S. Employer
Identification No.)

45 Glover Avenue, Norwalk, Connecticut

(Address of principal executive offices)

06850

(Zip Code)

Registrant's telephone number, including area code: **(203) 810-1000**

Former name, former address and former fiscal year, if changed since last report: None

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	FDS	New York Stock Exchange LLC
		The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** **No**

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** **No**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer **Accelerated filer** **Non-accelerated filer** **Smaller reporting company** **Emerging growth company**

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes **No**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

The number of shares outstanding of the registrant's common stock, \$.01 par value, as of December 31, 2024 was 38,030,046.

FactSet Research Systems Inc.
Form 10-Q
For the Quarter Ended November 30, 2024

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For additional information about FactSet Research Systems Inc. and access to its Annual Reports to Stockholders and Securities and Exchange Commission filings, free of charge, please visit FactSet's website (<https://investor.factset.com>). Any information on or linked from the website is not incorporated by reference into this Quarterly Report on Form 10-Q.

Special Note Regarding Forward-Looking Statements

FactSet Research Systems Inc. has made statements under the captions Part I, Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*, Part II, Item 1A. *Risk Factors*, and in other sections of this Quarterly Report on Form 10-Q for the three months ended November 30, 2024, that are forward-looking statements. In some cases, you can identify these statements by words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "intends," "projects," "indicates," "predicts," "potential," or "continue," and similar expressions.

These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance and anticipated trends in our business. These statements are only predictions based on our current expectations, estimates, forecasts and projections about future events. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. There are many important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including the numerous factors discussed under Part I, Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the fiscal year ended August 31, 2024, that should be specifically considered.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Forward-looking statements speak only as of the date they are made, and actual results could differ materially from those anticipated in forward-looking statements. We do not intend, and are under no duty, to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q to reflect actual results, future events or circumstances, or revised expectations.

We intend that all forward-looking statements we make will be subject to safe harbor protection of the federal securities laws as found in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

PART I – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****FactSet Research Systems Inc.****Consolidated Statements of Income – Unaudited**

<i>(in thousands, except per share data)</i>	Three Months Ended November 30,	
	2024	2023
Revenues	\$ 568,667	\$ 542,216
Operating expenses		
Cost of services	258,779	251,621
Selling, general and administrative	118,553	101,555
Total operating expenses	377,332	353,176
Operating income	191,335	189,040
Other income (expense), net		
Interest income	2,701	3,012
Interest expense	(14,400)	(16,738)
Other income (expense), net	103	(118)
Total other income (expense), net	(11,596)	(13,844)
Income before income taxes	179,739	175,196
Provision for income taxes	29,717	26,641
Net income	\$ 150,022	\$ 148,555
Basic earnings per common share	\$ 3.95	\$ 3.91
Diluted earnings per common share	\$ 3.89	\$ 3.84
Basic weighted average common shares	38,005	38,016
Diluted weighted average common shares	38,517	38,643

The accompanying notes are an integral part of these Consolidated Financial Statements.

FactSet Research Systems Inc.**Consolidated Statements of Comprehensive Income – Unaudited**

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Net income	\$ 150,022	\$ 148,555
Other comprehensive income (loss), net of tax		
Net unrealized gain (loss) on cash flow hedges ⁽¹⁾	(3,189)	(1,654)
Foreign currency translation adjustment gains (losses)	(17,619)	1,908
Other comprehensive income (loss)	(20,808)	254
Comprehensive income	\$ 129,214	\$ 148,809

(1) Presented net of a tax benefit of \$1,105 thousand and \$588 thousand for the three months ended November 30, 2024 and November 30, 2023, respectively.

The accompanying notes are an integral part of these Consolidated Financial Statements.

FactSet Research Systems Inc.
Consolidated Balance Sheets – Unaudited
(in thousands, except share data)

	November 30, 2024	August 31, 2024
ASSETS		
Cash and cash equivalents	\$ 289,168	\$ 422,979
Investments	69,623	69,619
Accounts receivable, net of reserves of \$15,755 at November 30, 2024 and \$14,581 at August 31, 2024	252,521	228,054
Prepaid taxes	78,682	55,103
Prepaid expenses and other current assets	60,702	60,093
Total current assets	750,696	835,848
Property, equipment and leasehold improvements, net	81,524	82,513
Goodwill	1,092,202	1,011,129
Intangible assets, net	1,870,332	1,844,141
Deferred taxes	40,317	61,337
Lease right-of-use assets, net	117,514	130,494
Other assets	96,000	89,578
TOTAL ASSETS	\$ 4,048,585	\$ 4,055,040
LIABILITIES		
Accounts payable and accrued expenses	\$ 151,297	\$ 178,250
Current debt	62,460	124,842
Current lease liabilities	31,434	31,073
Accrued compensation	51,760	93,279
Deferred revenues	157,062	159,761
Current taxes payable	44,551	40,391
Dividends payable	39,572	39,470
Total current liabilities	538,136	667,066
Long-term debt	1,296,643	1,241,131
Deferred taxes	15,048	8,452
Deferred revenues, non-current	914	1,344
Taxes payable	41,896	40,452
Long-term lease liabilities	161,372	177,521
Other liabilities	3,015	6,614
TOTAL LIABILITIES	\$ 2,057,024	\$ 2,142,580
Commitments and contingencies (see Note 12)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, none issued	\$ —	\$ —
Common stock, \$0.01 par value; 150,000,000 shares authorized; 42,830,024 and 42,598,915 shares issued; 38,049,811 and 37,952,270 shares outstanding at November 30, 2024 and August 31, 2024, respectively	428	426
Additional paid-in capital	1,531,278	1,478,839
Treasury stock, at cost: 4,780,213 and 4,646,645 shares at November 30, 2024 and August 31, 2024, respectively	(1,438,678)	(1,375,696)
Retained earnings	1,998,954	1,888,504
Accumulated other comprehensive loss	(100,421)	(79,613)
TOTAL STOCKHOLDERS' EQUITY	\$ 1,991,561	\$ 1,912,460
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,048,585	\$ 4,055,040

The accompanying notes are an integral part of these Consolidated Financial Statements.

FactSet Research Systems Inc.**Consolidated Statements of Cash Flows – Unaudited**

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 150,022	\$ 148,555
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	35,717	27,068
Amortization of lease right-of-use assets	7,572	7,618
Stock-based compensation expense	13,592	14,310
Deferred income taxes	21,943	6,703
Other, net	890	3,860
Changes in assets and liabilities, net of effects of acquisitions		
Accounts receivable	(23,377)	(9,758)
Prepaid expenses and other assets	(5,697)	(7,164)
Accounts payable and accrued expenses	(38,793)	31,284
Accrued compensation	(40,663)	(60,348)
Deferred revenues	(7,269)	(2,542)
Taxes payable, net of prepaid taxes	(17,806)	5,341
Lease liabilities, net	(9,759)	(9,783)
Net cash provided by operating activities	86,372	155,144
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, equipment, leasehold improvements and capitalized internal-use software	(25,874)	(16,466)
Acquisition of businesses, net of cash and cash equivalents acquired	(115,199)	—
Purchases of investments	(3,987)	(8,753)
Net cash provided by (used in) investing activities	(145,060)	(25,219)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt	55,000	—
Repayments of debt	(62,500)	(62,500)
Dividend payments	(39,246)	(37,053)
Proceeds from employee stock plans	38,850	28,404
Repurchases of common stock	(48,790)	(59,910)
Other financing activities	(13,385)	(13,505)
Net cash provided by (used in) financing activities	(70,071)	(144,564)
Effect of exchange rate changes on cash and cash equivalents	(5,052)	1,050
Net increase (decrease) in cash and cash equivalents	(133,811)	(13,589)
Cash and cash equivalents at beginning of period	422,979	425,444
Cash and cash equivalents at end of period	<u>\$ 289,168</u>	<u>\$ 411,855</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

FactSet Research Systems Inc.
Consolidated Statements of Changes in Stockholders' Equity- Unaudited

For the Three Months Ended November 30, 2024

<i>(in thousands, except share data)</i>	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Par Value		Shares	Amount			
Balance as of August 31, 2024	42,598,915	\$ 426	\$ 1,478,839	4,646,645	\$ (1,375,696)	\$ 1,888,504	\$ (79,613)	\$ 1,912,460
Net income						150,022		150,022
Other comprehensive income (loss)							(20,808)	(20,808)
Common stock issued for employee stock plans	161,097	1	38,848	—	(170)			38,679
Vesting of restricted stock	70,012	1	(1)	29,093	(13,215)			(13,215)
Excise tax on share repurchases					(807)			(807)
Repurchases of common stock				104,475	(48,790)			(48,790)
Stock-based compensation expense			13,592					13,592
Dividends declared						(39,572)		(39,572)
Balance as of November 30, 2024	42,830,024	\$ 428	\$ 1,531,278	4,780,213	\$ (1,438,678)	\$ 1,998,954	\$ (100,421)	\$ 1,991,561

FactSet Research Systems Inc.
Consolidated Statements of Changes in Stockholders' Equity- Unaudited

For the Three Months Ended November 30, 2023

<i>(in thousands, except share data)</i>	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Par Value		Shares	Amount			
Balance as of August 31, 2023	42,096,628	\$ 421	\$ 1,323,631	4,071,256	\$ (1,122,077)	\$ 1,505,096	\$ (87,141)	\$ 1,619,930
Net income						148,555		148,555
Other comprehensive income (loss)							254	254
Common stock issued for employee stock plans	125,104	1	28,403	146	(65)			28,339
Vesting of restricted stock	75,598	1	(1)	30,238	(13,439)			(13,439)
Repurchases of common stock				135,950	(59,910)			(59,910)
Stock-based compensation expense			14,310					14,310
Dividends declared						(37,299)		(37,299)
Balance as of November 30, 2023	42,297,330	\$ 423	\$ 1,366,343	4,237,590	\$ (1,195,491)	\$ 1,616,352	\$ (86,887)	\$ 1,700,740

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FactSet Research Systems Inc.

November 30, 2024

(Unaudited)

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1. DESCRIPTION OF BUSINESS

FactSet Research Systems Inc. and its wholly-owned subsidiaries (collectively, "we," "our," "us," the "Company" or "FactSet") is a global financial digital platform and enterprise solutions provider with open and flexible technologies that deliver financial intelligence to investment professionals worldwide.

Our platform delivers expansive data, sophisticated analytics and flexible technology used by global financial professionals to power their critical investment workflows. As of November 30, 2024, we had more than 8,200 clients comprised of over 218,000 investment professionals, including institutional asset managers, bankers, wealth managers, asset owners, partners, hedge funds, corporate users, and private equity and venture capital professionals. Our revenues are primarily derived from subscriptions to our multi-asset class data and solutions powered by our connected data and technology platform. Our products and services include workstations, portfolio analytics and enterprise data solutions. We also offer managed services that operate as an extension of our clients' internal teams to support data, performance, risk and reporting workflows.

We drive our business based on detailed understanding of our clients' workflows, which helps us to solve their most complex challenges. We provide financial data and market intelligence on securities, companies, industries and people to enable our clients to research investment ideas and analyze, monitor and manage their portfolios. Our solutions span the investment lifecycle of investment research, portfolio construction and analysis, trade execution, performance measurement, risk management and reporting. We provide open and flexible technology offerings, including a configurable desktop and mobile platform, comprehensive data feeds, cloud-based digital solutions and application programming interfaces ("APIs"). The CUSIP Global Services ("CGS") business supports security master files relied on by the investment industry for critical front, middle and back-office functions. All of our platforms and solutions are supported by our dedicated client service team.

We operate our business through three reportable segments ("segments"): the Americas, EMEA and Asia Pacific. Within each segment, we offer data, products and analytical applications by firm type: Institutional Buyside, Dealmakers, Wealth, and Partnerships and CGS. Refer to Note 16, *Segment Information* for further discussion on our segments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

We conduct business globally and manage our business on a geographic basis. The accompanying unaudited Consolidated Financial Statements and Notes to the Consolidated Financial Statements included in this Quarterly Report on Form 10-Q are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by GAAP for annual financial statements. As such, the information in this Quarterly Report on Form 10-Q should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2024. The accompanying unaudited Consolidated Financial Statements include our accounts and those of our wholly-owned subsidiaries; all intercompany activity and balances have been eliminated.

In the opinion of management, the accompanying unaudited Consolidated Financial Statements include all normal recurring adjustments, transactions or events discretely impacting the interim periods considered necessary to present fairly our results of operations, financial position, cash flows and equity.

Reclassifications

During the three months ended November 30, 2024, Asset impairments were included within Selling, general and administrative ("SG&A") in the Consolidated Statements of Income and within Other, net in the Consolidated Statements of Cash Flows. We conformed the comparative figures for the three months ended November 30, 2023 to the current period presentation.

During the three months ended November 30, 2024, Prepaid expenses and other assets, previously included within Other, net, were presented as a separate component of Cash Flows from Operating Activities in the Consolidated Statements of Cash Flows. We conformed the comparative figures for the three months ended November 30, 2023 to the current period presentation.

Use of Estimates

The preparation of our Consolidated Financial Statements and related disclosures in conformity with GAAP required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates may include income taxes, stock-based compensation, goodwill and intangible assets, business combinations, property, equipment and leasehold improvements ("PPE"), contingencies and impairment assessments. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of our assets and liabilities. Actual results could differ materially from those estimates.

Concentrations of Credit Risk

Credit risk arises from the potential nonperformance by counterparties to fulfill their financial obligations. Our financial instruments that potentially subject us to concentrations of credit risk consist primarily of our cash, cash equivalents, accounts receivable, investments in mutual funds and derivative instruments. The maximum credit exposure of our cash, cash equivalents, accounts receivable and investments in mutual funds is their carrying values as of the balance sheet date. The maximum credit exposure related to our derivative instruments is based upon their respective gross fair values as of the balance sheet date.

Cash, Cash Equivalents and Investments

We are exposed to credit risk on our cash, cash equivalents and investments in mutual funds in the event of default by the financial and governmental institutions with which we transact. We invest in a manner that aligns with our restrictive cash investment practices, preserves capital and provides liquidity, while minimizing our exposure to credit risk. We limit our exposure to credit loss by investing with multiple financial and governmental institutions that we believe are high-quality and credit-worthy. We have not experienced any credit losses relating to our cash, cash equivalents and investments in mutual funds.

Accounts Receivable

Our accounts receivable credit risk is dependent upon the financial stability of our individual clients. As of November 30, 2024 and August 31, 2024, our accounts receivable reserve was \$15.8 million and \$14.6 million, respectively. We do not require collateral from our clients; however, no single client represented more than 3.5% of our total revenues for the three months ended November 30, 2024 and November 30, 2023. Due to our large and geographically dispersed client base, our concentration of credit risk related to our accounts receivable is generally limited.

Derivative Instruments

Our use of derivative instruments exposes us to credit risk to the extent counterparties may be unable to meet the terms of their agreements. To mitigate credit risk, we limit counterparties to financial institutions we believe are credit-worthy and use several institutions to reduce concentration risk. We do not expect any losses as a result of default by our counterparties.

Concentrations of Data Providers

We integrate data from various third-party sources into our hosted proprietary data and analytics platform. As certain data sources have a limited number of suppliers, we make every effort to assure that, where reasonable, alternative sources are available. We are not dependent on any individual third-party data supplier to meet the needs of our clients, with only two data suppliers each representing more than 10% of our total data costs for the three months ended November 30, 2024 and November 30, 2023.

Concentrations of Cloud Providers

Our clients rely on us for the delivery of time-sensitive, up-to-date data and applications. Our business is dependent on our ability to process substantial volumes of data and transactions rapidly and efficiently. We currently use multiple providers of cloud services; however, one supplier provided the majority of our cloud computing support for the three months ended November 30, 2024 and November 30, 2023. We maintain back-up facilities and other redundancies at our data centers, take security measures and have emergency planning procedures to minimize the risk that an event will disrupt our operations.

Recently Adopted Accounting Pronouncements

We did not adopt any new standards or updates issued by the Financial Accounting Standards Board ("FASB") during the three

months ended November 30, 2024 that had a material impact on our Consolidated Financial Statements.

Accounting Pronouncements Not Yet Adopted

Income Statement - Disaggregation of Income Statement Expenses

In November 2024, the FASB issued Accounting Standards Update ("ASU") 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40) - Disaggregation of Income Statement Expenses*. This ASU requires disaggregation of certain income statement expense captions into specified categories to be disclosed within the footnotes to the financial statements. This ASU does not change the expense captions on the income statement. The amendments in this ASU are to be applied prospectively, although retrospective application is permitted, and are effective for our annual financial statements starting in fiscal 2028 and interim periods starting in fiscal 2029. Early adoption is permitted. This ASU is not expected to have a material impact on our Consolidated Financial Statements. We are currently assessing the impact of the new requirements on our disclosures.

U.S. Securities and Exchange Commission ("SEC") Disclosures - The Enhancement and Standardization of Climate-Related Disclosures for Investors

In March 2024, the SEC adopted a final rule under SEC Release Nos. 33-11275 and 34-99678, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which would require disclosure of certain climate-related information in various filings with the SEC. In April 2024, the SEC stayed implementation of the final rule pending completion of judicial review. We are currently assessing the potential impact of the rule on our disclosures.

Codification Improvements - Amendments to Remove References to the Concepts Statements

In March 2024, the FASB issued ASU 2024-02, *Codification Improvements - Amendments to Remove References to the Concepts Statements*. This ASU amends the FASB Accounting Standards Codification ("the Codification") to remove references to various FASB Concepts Statements and impacts a variety of topics in the Codification. The amendments apply to all reporting entities within the scope of the affected accounting guidance, but in most instances the references removed are extraneous and not required to understand or apply the guidance. The amendments in this ASU are to be applied prospectively, although retrospective application is permitted, and are effective for our interim and annual financial statements starting in fiscal 2026. Early adoption is permitted. This ASU is not expected to have a material impact on our Consolidated Financial Statements or related disclosures.

Income Taxes - Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. This ASU enhances annual income tax disclosures primarily related to our effective tax rate reconciliation and income taxes paid. The amendments in this ASU are to be applied prospectively, although retrospective application is permitted, and are effective for our annual financial statements starting in fiscal 2026. Early adoption is permitted. This ASU is not expected to have a material impact on our Consolidated Financial Statements. We are currently assessing the impact of the new requirements on our disclosures.

Segment Reporting - Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures*. This ASU enhances segment disclosures primarily related to significant segment expenses for both interim and annual periods. The amendments in this ASU are to be applied retrospectively and are effective for our annual financial statements starting in fiscal 2025 and interim periods starting in fiscal 2026. Early adoption is permitted. This ASU is not expected to have a material impact on our Consolidated Financial Statements. We are currently assessing the impact of the new requirements on our disclosures.

Disclosure Improvements - Codification Amendment in Response to the SEC's Disclosure Update and Simplification Initiative

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements - Codification Amendment in Response to the SEC's Disclosure Update and Simplification Initiative*. The ASU incorporates several disclosure and presentation requirements currently residing in the SEC Regulations S-X and S-K. The amendments will be applied prospectively and are effective when the SEC removes the related requirements from Regulations S-X or S-K. Any amendments the SEC does not remove by June 30, 2027 will not be effective. As we are currently subject to these SEC requirements, this ASU is not expected to have a material impact on our Consolidated Financial Statements or related disclosures.

No other new accounting pronouncements issued or effective during the three months ended November 30, 2024 have had, or are expected to have, a material impact on our Consolidated Financial Statements.

3. REVENUE RECOGNITION

We derive most of our revenues by delivering client access to our multi-asset class solutions powered by our platform of connected data and technology that is available over the contractual term (referred to as the "Hosted Platform"). The Hosted Platform is a subscription-based service that provides client access to various combinations of products and services including workstations, portfolio analytics and enterprise solutions. We also derive revenues through the CGS platform, a subscription-based service that provides access to a database of universally recognized security identifiers and related descriptive data for issuers and their financial instruments (referred to as the "Identifier Platform").

The majority of each of our contracts with clients, whether for Hosted Platform or Identifier Platform services, represents a single performance obligation covering a series of distinct products and services that are substantially the same and that have the same pattern of transfer to the client. The primary nature of the promise to the client is to provide daily access to each of these data and analytics platforms over the associated contractual term. These platforms provide integrated financial information, analytical applications and industry-leading service for the investment community. Based on the nature of the products and services offered by these platforms, we apply an output time-based measure of progress as the client is simultaneously receiving and consuming the benefits of the respective platform. We recognize revenue for the majority of these platforms in accordance with the 'as invoiced' practical expedient, because the consideration that we have the right to invoice corresponds directly with the value of our performance to date. There are no significant judgments that would impact the timing of revenue recognition.

Due to our election of the practical expedient, we do not consider payment terms as a financing component within a client contract when, at contract inception, the period between the transfer of the promised services to the client and the payment timing for those services will be one year or less.

The majority of client contracts have a duration of one year, or the amount we are entitled to receive corresponds directly with the value of our performance obligations completed to date. Therefore, we do not disclose the value of the remaining unsatisfied performance obligations.

Disaggregated Revenues

We disaggregate revenues from our client contracts by segment based on the geographic region where the sale originated. Our business segmentation by geography is aligned with the operational and economic characteristics of our business. Refer to Note 16, *Segment Information*, for further information.

The following table presents revenues disaggregated by segment:

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Americas	\$ 367,242	\$ 348,367
EMEA	143,725	139,561
Asia Pacific	57,700	54,288
Total Revenues	\$ 568,667	\$ 542,216

4. FAIR VALUE MEASURES

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, the use of various valuation methodologies, including market, income and cost approaches are permissible. When pricing an asset or liability, the inputs to these valuation methodologies consider market comparable information, taking into account the principal or most advantageous market in which we would transact.

Fair Value Hierarchy

The accounting guidance for fair value measurements establishes a three-level fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy ranks the reliability of the inputs, based upon the lowest level of input that is significant to the fair value measurement, used to determine fair value. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect its placement within the fair value hierarchy. We have categorized our assets and liabilities within the fair value hierarchy as follows:

Level 1 – applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 – applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The assumptions used in determining fair value represent our best estimates, but these estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change, our fair value estimates could be materially different in the future and may adversely affect our business and financial results.

(a) Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables show, by level within the fair value hierarchy, our assets and liabilities that are measured at fair value on a recurring basis as of November 30, 2024 and August 31, 2024. We did not have any transfers between levels of fair value measurements during the three months ended November 30, 2024 and the fiscal year ended August 31, 2024.

<i>(in thousands)</i>	Fair Value Measurements as of November 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds ⁽¹⁾	\$ 48,317	\$ —	\$ —	\$ 48,317
Mutual funds ⁽²⁾	—	69,623	—	69,623
Derivative instruments ⁽³⁾	—	—	—	—
<i>Total assets measured at fair value</i>	\$ 48,317	\$ 69,623	\$ —	\$ 117,940
Liabilities				
Derivative instruments ⁽³⁾	\$ —	\$ 1,925	\$ —	\$ 1,925
Contingent liabilities ⁽⁴⁾	—	—	16,930	16,930
<i>Total liabilities measured at fair value</i>	\$ —	\$ 1,925	\$ 16,930	\$ 18,855

<i>(in thousands)</i>	Fair Value Measurements as of August 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds ⁽¹⁾	\$ 129,635	\$ —	\$ —	\$ 129,635
Mutual funds ⁽²⁾	—	69,619	—	69,619
Derivative instruments ⁽³⁾	—	2,619	—	2,619
<i>Total assets measured at fair value</i>	\$ 129,635	\$ 72,238	\$ —	\$ 201,873
Liabilities				
Derivative instruments ⁽³⁾	\$ —	\$ 250	\$ —	\$ 250
Contingent liability ⁽⁴⁾	—	—	4,193	4,193
<i>Total liabilities measured at fair value</i>	\$ —	\$ 250	\$ 4,193	\$ 4,443

(1) Our money market funds are readily convertible into cash. The net asset value of each fund on the last day of the reporting period is used to determine its fair value. Our money market funds are included in Cash and cash equivalents within the Consolidated Balance Sheets.

(2) Our mutual funds' fair value is based on the fair value of the underlying investments held by the mutual funds, allocated to each share of the mutual fund using a net asset value approach. The fair value of each underlying investment is based on observable inputs. Our mutual funds are included in Investments within the Consolidated Balance Sheets.

(3) Our derivative instruments include our foreign exchange forward contracts and interest rate swap agreements. We utilize the income approach to measure fair value for our foreign exchange forward contracts. The income approach uses pricing models that rely on market observable inputs such as spot, forward and interest rates, as well as credit default swap spreads. To estimate fair value for our interest rate swap agreement, we utilize a present value of future cash flows, leveraging a model-derived valuation that uses observable inputs such as interest rate yield curves. Refer to Note 5, *Derivative Instruments* for more information on our derivative instruments and their classification within the Consolidated Balance Sheets.

(4) Our contingent liabilities resulted from the acquisition of Platform Group Limited ("Irwin") during fiscal 2025 and the acquisition of another business during fiscal 2023. These liabilities reflect the present value of potential future payments that are contingent upon the achievement of certain specified milestones. The acquisition date fair value of the contingent liabilities for fiscal 2025 and 2023 was \$12.7 million and \$7.9 million, respectively, and was valued using a scenario-based method. This method incorporates unobservable inputs and assumptions made by management, including the probability of achieving specified milestones, expected time until payment and the discount rate. The fair value of the contingent liabilities is reduced by milestone achievement and remeasured each reporting period until the contingencies are resolved, with any changes in fair value recorded in SG&A within the Consolidated Statements of Income. Aside from milestone achievement, the remaining changes in the fair value of the contingent liabilities from their respective acquisition dates through November 30, 2024 were driven by the passage of time, with no changes made to key assumptions used in our fair value estimates. Refer to Note 6, *Acquisitions* for more information on the Irwin transaction.

(b) Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

Assets that are measured at fair value on a non-recurring basis primarily include our PPE, lease right-of-use ("ROU") assets, goodwill and intangible assets. These assets are assessed for impairment whenever events or circumstances indicate their carrying value may not be fully recoverable, and at least annually for goodwill. The fair values of these non-financial assets are determined based on valuation techniques using the best information available, and may include quoted market prices, market comparable information and discounted cash flow projections.

(c) Assets and Liabilities Measured at Fair Value for Disclosure Purposes Only

We elected not to carry our debt, which includes our Current debt and Long-term debt, at fair value on the Consolidated Balance Sheets. The carrying value of our debt is net of related unamortized discounts and debt issuance costs.

Our debt is comprised of our Senior Notes and 2022 Credit Facilities. Our Senior Notes are publicly traded; therefore, the fair value of our Senior Notes is estimated based on quoted prices in active markets as of the reporting date, which are considered Level 1 inputs. The fair value of our 2022 Credit Facilities is estimated based on quoted market prices for similar instruments, adjusted for unobservable inputs to ensure comparability to our investment rating, maturity terms and principal outstanding, which are considered Level 3 inputs. Refer to Note 11, *Debt* for definitions of, and more information on, our Senior Notes and 2022 Credit Facilities.

The following table summarizes information on our outstanding debt as of November 30, 2024 and August 31, 2024:

(in thousands)	Fair Value Hierarchy	November 30, 2024		August 31, 2024	
		Principal Amount	Estimated Fair Value	Principal Amount	Estimated Fair Value
2027 Notes	Level 1	\$ 500,000	\$ 479,745	\$ 500,000	\$ 479,760
2032 Notes	Level 1	500,000	448,405	500,000	449,380
2022 Revolving Facility	Level 3	305,000	308,182	250,000	246,578
2022 Term Facility	Level 3	62,500	62,655	125,000	125,242
Total principal amount		\$ 1,367,500	\$ 1,298,987	\$ 1,375,000	\$ 1,300,960
Total unamortized discounts and debt issuance costs		(8,397)		(9,027)	
Total net carrying value of debt		\$ 1,359,103		\$ 1,365,973	

5. DERIVATIVE INSTRUMENTS

Cash Flow Hedges

In designing our hedging approach, we consider several factors, including offsetting exposures, the significance of exposures, the forecasting of risk and the potential effectiveness of the hedge to reduce the volatility of our earnings and cash flows. Factors considered in the decision to hedge an underlying market exposure include the materiality of the risk, the volatility of the market, the duration of the hedge, the degree to which the underlying exposure is committed, and the availability, effectiveness and cost of derivative instruments.

We utilize derivative instruments to manage risk and not for speculative or trading purposes. We limit counterparties to financial institutions we believe are credit-worthy. Refer to Note 2, *Summary of Significant Accounting Policies - Concentrations of Credit Risk*, for further discussion on counterparty credit risk.

We leverage foreign currency forward contracts and interest rate swap agreements to mitigate certain operational exposures from the impact of changes in foreign currency exchange rates and to manage our floating interest rate exposure, respectively. Our foreign currency forward contracts and interest rate swap agreements are designated as cash flow hedges at inception.

For highly effective cash flows hedges, the change in the derivative's fair value is recorded in Accumulated other comprehensive loss ("AOCL"), net of tax, in the Consolidated Balance Sheets. Our cash flow hedges were highly effective with no amount of ineffectiveness recorded in the Consolidated Statements of Income during the three months ended November 30, 2024 and November 30, 2023.

Realized gains or losses from the settlement of our foreign currency forward contracts and interest rate swap agreements are subsequently reclassified into SG&A and Interest expense, respectively, in the Consolidated Statements of Income. There was no discontinuance of our cash flow hedges during the three months ended November 30, 2024 and November 30, 2023. As such, no corresponding gains or losses were reclassified into earnings prior to settlement during those respective periods.

Foreign Currency Forward Contracts

As we operate globally, we are exposed to the risk that our financial condition, results of operations and cash flows could be impacted by changes in foreign currency exchange rates. During the three months ended November 30, 2024 and November 30, 2023, we maintained a series of foreign currency forward contracts to hedge a portion of our projected operating expenses in our primary currency exposures, namely the British Pound Sterling, Euro, Indian Rupee and Philippine Peso. As of November 30, 2024, the hedge maturity periods of our outstanding foreign currency forward contracts range from the second quarter of fiscal 2025 through the first quarter of fiscal 2026.

The following table summarizes the gross notional value of our foreign currency forward contracts to purchase the respective local currency with U.S. dollars as of November 30, 2024 and August 31, 2024:

(in thousands)	November 30, 2024		August 31, 2024	
	Local Currency Amount	Notional Contract Amount (USD)	Local Currency Amount	Notional Contract Amount (USD)
British Pound Sterling	£ 43,500	\$ 55,341	£ 41,200	\$ 52,372
Indian Rupee	Rs 4,347,919	51,300	Rs 4,651,351	55,200
Euro	€ 36,700	40,178	€ 43,800	48,183
Philippine Peso	₱ 1,952,008	33,600	₱ 1,850,674	32,400
Total		\$ 180,419		\$ 188,155

Refer to Part I, Item 3. *Quantitative and Qualitative Disclosures About Market Risk* of this Quarterly Report on Form 10-Q for further discussion on our exposure to foreign exchange rate fluctuations.

Interest Rate Swap Agreements

2024 Swap Agreement

On March 1, 2024, we entered into an interest rate swap agreement ("2024 Swap Agreement") with a notional amount of \$200.0 million to hedge a portion of our outstanding floating Secured Overnight Financing Rate ("SOFR") debt with a fixed interest rate of 5.145%. The notional amount of the 2024 Swap Agreement declines by \$50.0 million on a quarterly basis beginning May 31, 2024. As of November 30, 2024, the notional amount of the 2024 Swap Agreement was \$50.0 million. The 2024 Swap Agreement matures on February 28, 2025.

2022 Swap Agreement

On March 1, 2022, we entered into an interest rate swap agreement ("2022 Swap Agreement") with a notional amount of \$800.0 million to hedge a portion of our outstanding floating SOFR debt with a fixed interest rate of 1.162%. The notional amount of the 2022 Swap Agreement declined by \$100.0 million on a quarterly basis beginning May 31, 2022. Effective December 30, 2022, we partially novated our 2022 Swap Agreement to equally apportion the then-outstanding notional amount of the interest rate swap between two counterparties. No other terms of the 2022 Swap Agreement were amended, terminated, or otherwise modified prior to its maturity. The 2022 Swap Agreement matured on February 28, 2024.

Refer to Note 11, *Debt*, for further discussion of our outstanding floating rate debt and refer to Part I, Item 3. *Quantitative and Qualitative Disclosures About Market Risk*, in this Quarterly Report on Form 10-Q for further discussion of our exposure to interest rate risk on our outstanding floating rate debt.

Gross Notional Value and Fair Value of Derivative Instruments

The following is a summary of the gross notional values of our derivative instruments:

<i>(in thousands)</i>	Gross Notional Value	
	November 30, 2024	August 31, 2024
Foreign currency forward contracts	\$ 180,419	\$ 188,155
Interest rate swap agreement	50,000	100,000
Total cash flow hedges	\$ 230,419	\$ 288,155

The following is a summary of the fair values of our derivative instruments:

<i>(in thousands)</i>	Fair Value of Derivative Instruments					
	Derivative Assets			Derivative Liabilities		
Derivatives designated as hedging instruments	Balance Sheet Classification	November 30, 2024	August 31, 2024	Balance Sheet Classification	November 30, 2024	August 31, 2024
Foreign currency forward contracts	Prepaid expenses and other current assets	\$ —	\$ 2,619	Accounts payable and accrued expenses	\$ 1,842	\$ 127
Interest rate swap agreement	Prepaid expenses and other current assets	—	—	Accounts payable and accrued expenses	83	123
Total cash flow hedges		\$ —	\$ 2,619		\$ 1,925	\$ 250

Derivative Recognition

The following table provides the pre-tax effect of cash flow hedge accounting on our AOCL for the three months ended November 30, 2024 and November 30, 2023:

<i>(in thousands)</i>	Gain (Loss) Recognized in AOCL on Derivatives		Location of Gain (Loss) Reclassified from AOCL into Income	Gain (Loss) Reclassified from AOCL into Income	
	November 30, 2024	November 30, 2023		November 30, 2024	November 30, 2023
Derivatives in Cash Flow Hedging Relationships					
Foreign currency forward contracts	\$ (4,135)	\$ 217	SG&A	\$ 199	\$ 365
Interest rate swap agreement	(14)	10	Interest expense	(54)	2,104
Total cash flow hedges	\$ (4,149)	\$ 227		\$ 145	\$ 2,469

As of November 30, 2024, we estimate that net pre-tax derivative losses of \$1.9 million included in AOCL will be reclassified into earnings within the next 12 months.

Offsetting of Derivative Instruments

We enter into master netting arrangements designed to permit net settlement of derivative transactions among the respective counterparties, settled on the same date and in the same currency. As of November 30, 2024 and August 31, 2024, there were no material amounts recorded net in the Consolidated Balance Sheets.

6. ACQUISITIONS

Platform Group Limited ("Irwin")

On November 5, 2024, we completed the acquisition of Irwin for a purchase price of \$123.2 million, net of cash acquired, and inclusive of preliminary working capital adjustments. The purchase price includes contingent consideration of \$12.7 million

which reflects the acquisition date fair value of potential future payments that are contingent upon the achievement of certain specified milestones. Refer to Note 4, *Fair Value Measures*, for information regarding the contingent consideration.

Irwin is a leading investor relations and capital markets platform for public companies and their advisors. This acquisition builds on a recent successful partnership between FactSet and Irwin, and expands our ability to address the holistic workflow needs of investor relations professionals with an integrated, modern solution. The Irwin purchase price was in excess of the fair value of net assets acquired, resulting in the recognition of goodwill. The preliminary purchase price allocation is subject to change pending a final valuation of the assets and liabilities acquired and the finalization of working capital adjustments. We expect to finalize the allocation of the purchase price for Irwin as soon as possible, but in any event, no later than one year from the acquisition date.

The acquisition date fair values of major classes of assets acquired and liabilities assumed are as follows:

	Acquisition Date Fair Value (in thousands)	Acquisition Date Useful Life (in years)	Amortization Method
Current assets	\$ 3,574		
Amortizable intangible assets			
Trade names	1,400	10 years	Straight-line
Software technology	36,100	12 years	Straight-line
Client relationships	1,700	11 years	Straight-line
Goodwill	92,310		
Current liabilities			
Deferred revenues	(4,244)		
Other current liabilities	(646)		
Other liabilities	(7,002)		
Total purchase price	<u>\$ 123,192</u>		

Goodwill totaling \$92.3 million represents the excess of the Irwin purchase price over the fair value of net assets acquired and considers future economic benefits that we expect to achieve as a result of the acquisition. The goodwill is included in the Americas segment, subject to final allocation, and is not deductible for income tax purposes.

The results of Irwin's operations have been included in our Consolidated Financial Statements, within the Americas, EMEA and Asia Pacific segments, beginning with the closing of the acquisition on November 5, 2024. Pro forma information has not been presented because the effect of the Irwin acquisition is not material to our Consolidated Financial Statements.

7. GOODWILL

Changes in the carrying value of goodwill by segment for the three months ended November 30, 2024 are as follows:

<i>(in thousands)</i>	Americas	EMEA	Asia Pacific	Total
Balance at August 31, 2024	\$ 704,454	\$ 304,442	\$ 2,233	\$ 1,011,129
Acquisitions	92,310	—	—	92,310
Foreign currency translations	(643)	(10,541)	(53)	(11,237)
Balance at November 30, 2024	<u>\$ 796,121</u>	<u>\$ 293,901</u>	<u>\$ 2,180</u>	<u>\$ 1,092,202</u>

Goodwill is not amortized as it is estimated to have an indefinite life. Goodwill impairment is tested at the reporting unit level, which is consistent with our reportable segments. We test goodwill annually during the fourth quarter of each fiscal year or more frequently if events and circumstances occur indicating that it is more likely than not that the fair value of any one of our reporting units is less than its respective carrying value. If the carrying value of the reporting unit exceeds the fair value, then the goodwill is considered impaired and written down to the reporting unit's fair value.

We tested our goodwill for impairment during the fourth quarter of fiscal 2024 utilizing a qualitative analysis. We concluded there was no impairment as it was more likely than not that the fair value of each of our reporting units was not less than its

respective carrying value. No events or circumstances were identified during the three months ended November 30, 2024 that would indicate it is more likely than not that goodwill has been impaired.

8. INTANGIBLE ASSETS

We amortize intangible assets on a straight-line basis over their estimated useful lives. The following table presents the estimated useful life, gross carrying amounts and accumulated amortization related to our identifiable intangible assets as of November 30, 2024 and August 31, 2024:

<i>(in thousands, except useful lives)</i>	November 30, 2024			August 31, 2024			
	Estimated Useful Life (years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
ABA business process	36	\$ 1,583,000	\$ 120,924	\$ 1,462,076	\$ 1,583,000	\$ 109,930	\$ 1,473,070
Client relationships	11 to 26	266,037	82,667	183,370	266,419	80,904	185,515
Developed technology	3 to 5	199,093	81,370	117,723	181,492	68,286	113,206
Software technology	3 to 12	178,579	117,606	60,973	143,685	117,189	26,496
Data content	7 to 20	83,497	38,886	44,611	84,374	38,725	45,649
Trade names	10	1,392	—	1,392	—	—	—
Non-compete agreements	4	290	103	187	290	85	205
Total		\$ 2,311,888	\$ 441,556	\$ 1,870,332	\$ 2,259,260	\$ 415,119	\$ 1,844,141

The weighted average useful life of our intangible assets as of November 30, 2024 was 31.4 years. Intangible assets are tested for impairment qualitatively on a quarterly basis or whenever events or changes in circumstances indicate that the carrying amount of an asset group is not recoverable. If indicators of impairment are present, our intangible assets are tested for impairment by comparing the carrying value to undiscounted cash flows and, if impaired, written down to fair value based on discounted cash flows. We did not identify a material impairment nor a material change to the estimated remaining useful lives of our intangible assets during the three months ended November 30, 2024 and November 30, 2023. Our intangible assets have no assigned residual values.

The following table presents the amortization expense for our intangible assets which is included in Cost of services in our Consolidated Statements of Income:

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Amortization expense	\$ 29,872	\$ 22,165

As of November 30, 2024, estimated intangible asset amortization expense for each of the next five years and thereafter is as follows:

<i>(in thousands)</i>	Estimated Amortization Expense	
Fiscal Years Ended August 31,		
2025 (remaining nine months)	\$	92,467
2026		116,708
2027		91,107
2028		68,980
2029		64,344
Thereafter		1,436,726
Total	\$	1,870,332

9. INCOME TAXES

We are subject to taxation in the United States and various foreign jurisdictions in which we conduct our business. Income tax expense is based on taxable income determined in accordance with current enacted laws and tax rates. Deferred income taxes are recorded for the temporary differences between the financial statement carrying amounts and the tax basis of our assets and liabilities using currently enacted tax rates.

Provision for Income Taxes and Effective Tax Rate

The provision for income taxes and the effective tax rate are as follows:

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Income before income taxes	\$ 179,739	\$ 175,196
Provision for income taxes	\$ 29,717	\$ 26,641
Effective tax rate	16.5 %	15.2 %

Our provision for income taxes for interim periods is calculated by applying an estimate of our annual effective tax rate to our quarter and year-to-date results, adjusted for discrete items recorded in the period. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pretax income (or loss) for the year, projections of the proportion of income (or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences and the likelihood of recovering deferred tax assets, then adjusted for any discrete items. On a quarterly basis, we update the estimate of our annual effective tax rate as new events occur, assumptions change, or additional information is obtained.

Our effective tax rate for the three months ended November 30, 2024 was 16.5%, compared with 15.2% for the three months ended November 30, 2023. This increase was primarily due to the revaluation of a deferred tax asset associated with a foreign tax rate change.

For the periods presented, our effective tax rates were lower than the statutory federal income tax rate primarily due to excess tax benefits from stock-based compensation, utilization of foreign tax credits, and research and development ("R&D") tax credits, partially offset by our net state taxes.

Base Erosion and Profit Shifting Pillar Two

The Organization for Economic Co-operation and Development released Base Erosion and Profit Shifting Pillar Two rules ("Pillar Two") to introduce a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds. Certain aspects of Pillar Two are effective for tax years beginning on or after January 1, 2024. Although the U.S. has not yet enacted legislation to adopt Pillar Two, certain countries in which we operate have already adopted, or are in the process of adopting, legislation to implement Pillar Two. After considering the applicable tax law changes associated with Pillar Two legislation, we determined there was no material impact to our provision for income taxes for the three months ended November 30, 2024.

10. LEASES

Our operating lease arrangements relate to our office space and data centers. We review new arrangements at inception to evaluate whether we obtain substantially all the economic benefits of and have the right to control the use of an asset. Our lease ROU assets and lease liabilities are recognized based on the present value of future minimum lease payments at lease commencement or modification date (which includes fixed lease payments and certain qualifying index-based variable payments) over the reasonably certain lease term, leveraging an estimated incremental borrowing rate ("IBR"). Certain adjustments to calculate our lease ROU assets may be required due to prepayments, lease incentives received and initial direct costs incurred. We account for lease and non-lease components as a single lease component, which we recognize over the expected lease term on a straight-line expense basis in occupancy costs (a component of SG&A expense) in our Consolidated Statements of Income.

As of November 30, 2024, we recognized \$117.5 million of Lease ROU assets, net and \$192.8 million of combined Current lease liabilities and Long-term lease liabilities in the Consolidated Balance Sheets. Our leases have a remaining lease term ranging from less than one year to just over 11 years. Our lease agreements may include options to extend or terminate the lease which are included in the measurement of our lease term when it is reasonably certain that we will exercise the option.

The following table presents our future minimum lease payments and a reconciliation to the combined Current lease liabilities and Long-term lease liabilities in the Consolidated Balance Sheets as of November 30, 2024:

<i>(in thousands)</i>	Minimum Lease Payments	
Fiscal Years ended August 31,		
2025 (remaining nine months)	\$	29,747
2026		38,036
2027		36,364
2028		32,056
2029		26,250
Thereafter		60,475
Total minimum lease payments	\$	222,928
Less: Imputed interest		30,122
Total lease liabilities	\$	192,806

The following table includes components of our occupancy costs:

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Operating lease costs ⁽¹⁾	\$ 7,572	\$ 7,618
Variable lease costs ⁽²⁾	\$ 4,888	\$ 4,489

(1) Operating lease costs include costs associated with fixed lease payments and index-based variable payments that qualified for lease accounting under ASC 842, *Leases* and complied with the practical expedients and exceptions we elected.

(2) Variable lease costs include costs that are not fixed and are not dependent on an index or rate. These costs were not included in the measurement of lease liabilities and primarily include variable non-lease costs, such as utilities, real estate taxes, insurance and maintenance, as well as lease costs for those leases that qualified for the short-term lease exception.

The following table summarizes our weighted average remaining lease term and weighted average discount rate related to our operating leases recorded on the Consolidated Balance Sheets:

	As of November 30, 2024	As of August 31, 2024
Weighted average remaining lease term <i>(in years)</i>	6.7	6.9
Weighted average discount rate <i>(IBR)</i>	4.6 %	4.6 %

The following table summarizes supplemental cash flow information related to our operating leases:

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities	\$ 9,762	\$ 9,850
Lease ROU assets obtained in exchange for lease liabilities ⁽¹⁾	\$ —	\$ 911
Reductions to ROU assets resulting from reductions to lease liabilities ⁽²⁾	\$ (5,529)	\$ —

(1) Primarily includes new lease arrangements entered into during the respective period and contract modifications that extend our lease terms and/or provide additional rights.

(2) Primarily relates to lease term reassessments based on contractual options to early terminate, resulting in a reduction to the lease liability and the corresponding lease ROU asset.

11. DEBT

We elected not to carry our debt at fair value. The carrying value of our debt is net of related unamortized discounts and debt issuance costs. Our debt obligations as of November 30, 2024 and August 31, 2024 consisted of the following:

<i>(in thousands)</i>	Issuance Date	Contractual Maturity Date	November 30, 2024	August 31, 2024
Current debt				
2022 Term Facility	3/1/2022	3/1/2025	\$ 62,500	\$ 125,000
Total unamortized debt issuance costs on Current debt			(40)	(158)
Total Current debt			\$ 62,460	\$ 124,842
Long-term debt				
2022 Revolving Facility	3/1/2022	3/1/2027	\$ 305,000	\$ 250,000
2027 Notes	3/1/2022	3/1/2027	500,000	500,000
2032 Notes	3/1/2022	3/1/2032	500,000	500,000
Total unamortized discounts and debt issuance costs			(8,357)	(8,869)
Total Long-term debt			\$ 1,296,643	\$ 1,241,131
Total debt			\$ 1,359,103	\$ 1,365,973

As of November 30, 2024, annual maturities on our debt obligations, based on contractual maturity dates, were as follows:

<i>(in thousands)</i>	Maturities
Fiscal Years ended August 31,	
2025 (remaining nine months)	\$ 62,500
2026	—
2027	805,000
2028	—
2029	—
Thereafter	500,000
Total	\$ 1,367,500

2022 Credit Agreement

On March 1, 2022, we entered into a credit agreement (the "2022 Credit Agreement") and borrowed an aggregate principal amount of \$1.0 billion under its senior unsecured term loan credit facility (the "2022 Term Facility") and \$250.0 million of the available \$500.0 million under its senior unsecured revolving credit facility (the "2022 Revolving Facility"). During the three

months ended November 30, 2024, we borrowed an additional \$55.0 million under the 2022 Revolving Facility.

The 2022 Term Facility matures on March 1, 2025, and the 2022 Revolving Facility matures on March 1, 2027. The 2022 Revolving Facility allows for the availability of up to \$100.0 million in the form of letters of credit and up to \$50.0 million in the form of swingline loans. We may seek additional commitments of up to \$750.0 million under the 2022 Revolving Facility from lenders or other financial institutions. The 2022 Revolving Facility, together with the 2022 Term Facility, are referred to as the "2022 Credit Facilities".

We used the March 1, 2022 borrowings, along with the net proceeds from the issuance of the Senior Notes (as defined below) and cash on hand, to finance the consideration for the CGS acquisition, to repay prior outstanding borrowings and to pay related transaction fees, costs and expenses.

During fiscal 2022, we incurred approximately \$9.5 million in debt issuance costs related to the 2022 Credit Facilities. Debt issuance costs are presented in the Consolidated Balance Sheets as a direct deduction from the carrying amount of the debt liability. Debt issuance costs are amortized to Interest expense in the Consolidated Statements of Income on a straight-line basis over the contractual term of the debt, which approximates the effective interest method.

We may voluntarily prepay loans under the 2022 Credit Facilities at any time without premium or penalty. During the three months ended November 30, 2024, we repaid \$62.5 million under the 2022 Term Facility, inclusive of voluntary prepayments of \$50.0 million. Since loan inception on March 1, 2022, we have repaid \$937.5 million under the 2022 Term Facility, inclusive of voluntary prepayments of \$812.5 million.

From the borrowing date through November 30, 2023, the outstanding borrowings under the 2022 Credit Facilities bore interest at a rate equal to the applicable one-month Term SOFR plus a 1.1% spread (comprised of a 1.0% interest rate margin based on a debt leverage pricing grid plus a 0.1% credit spread adjustment). From December 1, 2023 through November 30, 2024, the spread decreased to 0.975% (comprised of a 0.875% interest rate margin based on a debt leverage pricing grid plus a 0.1% credit spread adjustment). Interest on the 2022 Credit Facilities is currently payable on the last business day of each month, in arrears.

Additionally, we pay a commitment fee on the daily unused amount of the 2022 Revolving Facility using a pricing grid based on our senior unsecured non-credit enhanced long-term debt rating and our total leverage ratio. From the borrowing date through November 30, 2023, the commitment fee was 0.125%, which subsequently decreased to 0.1% through November 30, 2024.

The 2022 Credit Agreement contains usual and customary event of default provisions for facilities of this type, which are subject to usual and customary grace periods and materiality thresholds. If an event of default occurs under the 2022 Credit Agreement, the lenders may, among other things, terminate their commitments and declare all outstanding borrowings immediately due and payable.

The 2022 Credit Agreement contains usual and customary affirmative and negative covenants for facilities of this type, including a financial covenant requiring maintenance of a total leverage ratio of no greater than 3.50 to 1.00 as of November 30, 2024. We were in compliance with all covenants and requirements of the 2022 Credit Agreement as of November 30, 2024.

Swap Agreements

2024 Swap Agreement

On March 1, 2024, we entered into the 2024 Swap Agreement to hedge a portion of our outstanding floating SOFR debt with a fixed interest rate of 5.145%. The 2024 Swap Agreement matures on February 28, 2025.

2022 Swap Agreement

On March 1, 2022, we entered into the 2022 Swap Agreement to hedge a portion of our outstanding floating SOFR debt with a fixed interest rate of 1.162%. Effective December 30, 2022, we apportioned the then outstanding notional amount of the 2022 Swap Agreement between two counterparties. The 2022 Swap Agreement matured on February 28, 2024.

Refer to Note 5, *Derivative Instruments* for further discussion of the 2024 Swap Agreement and the 2022 Swap Agreement.

Senior Notes

On March 1, 2022, we completed a public offering of \$500.0 million aggregate principal amount of 2.900% Senior Notes due March 1, 2027 (the "2027 Notes") and \$500.0 million aggregate principal amount of 3.450% Senior Notes due March 1, 2032 (the "2032 Notes" and, together with the 2027 Notes, the "Senior Notes"). The Senior Notes were issued pursuant to an indenture, dated as of March 1, 2022, by and between us and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the supplemental indenture, dated as of March 1, 2022, between us and the Trustee (the "Supplemental Indenture").

The Senior Notes were issued at an aggregate discount of \$2.8 million and we incurred approximately \$9.1 million in debt issuance costs. Debt discounts and debt issuance costs are presented in the Consolidated Balance Sheets as a net direct deduction from the carrying amount of the debt liability. The debt discounts and debt issuance costs are amortized to Interest expense in the Consolidated Statements of Income over the contractual term of the debt, leveraging the effective interest method.

Interest on the Senior Notes is payable semiannually in arrears on March 1 and September 1 of each year.

We may redeem the Senior Notes, in whole or in part, at any time at specified redemption prices, plus any accrued and unpaid interest. Upon the occurrence of a change of control triggering event (as defined in the Supplemental Indenture), we must offer to repurchase the Senior Notes at 101% of their principal amount, plus any accrued and unpaid interest.

Interest Expense

The following table presents the interest expense on our outstanding debt which is a component of Interest expense in our Consolidated Statements of Income:

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Interest expense on outstanding debt ⁽¹⁾	\$ 14,367	\$ 16,729

(1) Interest expense on our outstanding debt includes the related amortization of debt issuance costs and debt discounts. Interest expense is net of the effects of our interest rate swap agreements.

12. COMMITMENTS AND CONTINGENCIES

Commitments represent obligations, such as those for future purchases of goods or services that are not yet recorded on the balance sheet as liabilities. We record liabilities for commitments when incurred (i.e., when the goods or services are received).

Except for income tax contingencies, we accrue for contingencies when we believe that a loss is probable and the amount can be reasonably estimated. Judgment is required to determine both the probability and the estimated amount of loss. If the reasonable estimate of a probable loss is a range, we record an accrual for the most probable estimate of the loss or the minimum amount when no amount within the range is a better estimate than any other amount. We review these accruals on a quarterly basis and adjust, as necessary, to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other current information. Contingent gains are recognized only when realized.

Income tax contingencies related to uncertain tax positions are accounted for in accordance with applicable accounting guidance. Refer to Note 2, *Summary of Significant Accounting Policies - Income Taxes* in the Notes to the Consolidated Financial Statements included in Part II, Item 8. of our Annual Report on Form 10-K for the fiscal year ended August 31, 2024 for further details.

Purchase Commitments with Suppliers and Vendors

Purchase obligations represent our legally-binding agreements to purchase fixed or minimum quantities at determinable prices. As of August 31, 2024, we had total purchase obligations with suppliers and vendors of \$382.6 million. Our total purchase obligations as of August 31, 2024 primarily related to hosting services, acquisition of data and, to a lesser extent, third-party software providers. For the three months ended November 30, 2024, there were no new material purchase obligations.

We also have contractual obligations related to our lease liabilities and outstanding debt. Refer to Note 10, *Leases* and Note 11, *Debt*, for information regarding lease commitments and outstanding debt obligations, respectively.

Letters of Credit

From time to time, we are required to obtain letters of credit in the ordinary course of business. As of both November 30, 2024 and August 31, 2024, we had \$0.4 million of standby letters of credit outstanding, respectively. No liabilities related to these arrangements are reflected in the Consolidated Balance Sheets.

Our 2022 Revolving Facility allows for the availability of up to \$100.0 million in the form of letters of credit. We have not obtained any letters of credit under the 2022 Revolving Facility since its inception. Refer to Note 11, *Debt*, for information regarding the 2022 Revolving Facility.

Contingencies

Legal Matters

In the normal course of our business, we are, or may be, engaged in various legal proceedings, claims, litigation and regulatory proceedings. In view of the uncertainty inherent in litigation and regulatory matters, we cannot predict the eventual outcome of such matters or the timing of their resolution, or in most cases reasonably estimate what the eventual judgments, damages, fines, penalties or impact of activity (if any) restrictions may be. While we cannot predict the outcome of these matters, based on information available at November 30, 2024, our management believes that the ultimate outcome of these unresolved matters against us, individually or in the aggregate, will not have a material adverse effect on our consolidated financial position, our results of operations or our cash flows.

Income Taxes

As a multinational company operating in many states and countries, we are routinely audited by various taxing authorities and have reserved for potential adjustments to our provision for income taxes that may result from examinations by, or any negotiated settlements with, these tax authorities. We believe that the final outcome of these examinations or settlements will not have a material effect on our consolidated financial position, results of operations or our cash flows. If events occur which indicate payment of these amounts is unnecessary, the reversal of the liabilities would result in the recognition of tax benefits in the period we determine the liabilities are no longer necessary. If our estimates of the federal, state and foreign income tax liabilities are less than the ultimate assessment, additional expense would result.

Sales Tax Matters

On August 8, 2019, we received a Notice of Intent to Assess (the "First Notice") additional sales taxes, interest and underpayment penalties (the "Sales Taxes") from the Commonwealth of Massachusetts Department of Revenue (the "Commonwealth") relating to the tax periods from January 1, 2006 through December 31, 2013. On July 20, 2021, we received a Notice of Intent to Assess (the "Second Notice") additional Sales Taxes from the Commonwealth relating to the tax periods from January 1, 2014 through December 31, 2018. On December 29, 2022, we received a Notice of Intent to Assess (the "Third Notice"; cumulatively with the First and Second Notices, the "Notices") additional Sales Taxes from the Commonwealth relating to the tax periods from January 1, 2019 through June 30, 2021. We requested pre-assessment conferences with the Department of Revenue's Office of Appeals to appeal the Notices and on May 24, 2023, we received a Letter of Determination from the Commonwealth upholding the Notices, along with a Notice of Assessment for all the periods covered by the Notices. On June 22, 2023, we filed an Application for Abatement with the Commonwealth disputing all amounts assessed, which was subsequently denied. On February 20, 2024, we received a "Notice of Selection for Audit" for sales tax for the period from July 1, 2021 through December 31, 2023.

During the first quarter of fiscal 2025 and the fourth quarter of fiscal 2024, we took charges of approximately \$2.4 million and \$54.0 million, respectively, related to this dispute and made corresponding payments of \$56.4 million to the Commonwealth during the first quarter of fiscal 2025. In addition to reserves taken in prior fiscal years, this brought our total charge and cash payments with respect to this matter to approximately \$66.2 million. We entered into an agreement with the Commonwealth which fully resolved all matters relating to the Sales Taxes and do not anticipate taking additional charges with respect to this matter.

Indemnifications

As permitted or required under Delaware law and to the maximum extent allowable under that law, we have certain obligations to indemnify each of our current and former officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. These indemnification obligations are valid as long as the director or officer acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of FactSet, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. It is not possible to determine the maximum potential amount for claims made under the indemnification obligations due to the unique set of facts and circumstances likely to be involved in each particular claim and indemnification provision; however, we have purchased a director and officer insurance policy that mitigates our exposure and may enable us to recover a portion of any future amounts paid. We do not believe, based on historical experience and information currently available, that it is probable that any material amounts will be required to be paid under such indemnification obligations.

13. STOCKHOLDERS' EQUITY

The following table presents the shares of common stock repurchased under our share repurchase program and acquired from holders of our stock-based awards upon vesting to satisfy tax withholding requirements:

Share Repurchases

<i>(in thousands, except share data)</i>	Three Months Ended November 30,	
	2024	2023
Repurchases of common stock under the share repurchase program	104,475	135,950
Total cost of common stock repurchased under the share repurchase program ⁽¹⁾	\$ 48,790	\$ 59,910
Repurchases of common stock to satisfy tax withholding requirements due upon vesting of stock-based awards	29,093	30,384
Total cost of repurchases of common stock to satisfy withholding requirements due upon vesting of stock-based awards	\$ 13,385	\$ 13,504

(1) For the three months ended November 30, 2024, amount excludes a 1% excise tax of \$0.8 million on corporate stock repurchases required under the Inflation Reduction Act of 2022.

We may repurchase shares of our common stock under our share repurchase program from time-to-time in the open market or via privately negotiated transactions, subject to market conditions. There is no defined number of shares to be repurchased over a specified timeframe through the life of our share repurchase program. On September 17, 2024, our Board of Directors authorized up to \$300 million for share repurchases during fiscal 2025. As of November 30, 2024, \$251.2 million remained authorized under our share repurchase program. Refer to Part II, Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*, of this Quarterly Report on Form 10-Q for further discussion on our share repurchase program.

In addition to our share repurchase program, we also acquire shares of our common stock from holders of our stock-based awards to satisfy withholding tax requirements due at vesting. Shares acquired from these holders do not reduce the amount authorized for repurchase under the share repurchase program.

Equity-based Awards

Refer to Note 15, *Stock-Based Compensation* for more information on equity awards issued during the three months ended November 30, 2024 and November 30, 2023.

Dividends

Our Board of Directors approved the following dividends:

Year Ended	Dividends per Share of Common Stock	Record Date	Total Amount (in thousands)	Payment Date
Fiscal 2025				
First Quarter	\$ 1.04	November 29, 2024	\$ 39,572	December 19, 2024
Fiscal 2024				
First Quarter	\$ 0.98	November 30, 2023	\$ 37,299	December 21, 2023

Future cash dividend payments are subject to final determination by our Board of Directors and will depend on our earnings, capital requirements, financial condition and other relevant factors.

Accumulated Other Comprehensive Loss

The components of AOCL as of November 30, 2024 and August 31, 2024 were as follows:

(in thousands)	November 30, 2024	August 31, 2024
Accumulated unrealized gains (losses) on cash flow hedges, net of tax	\$ (1,346)	\$ 1,843
Accumulated foreign currency translation adjustments	(99,075)	(81,456)
Total AOCL	\$ (100,421)	\$ (79,613)

14. EARNINGS PER SHARE

Basic earnings per common share ("Basic EPS") is computed by dividing net income by the number of weighted average common shares outstanding during the period. Diluted earnings per common share ("Diluted EPS") is calculated by using the treasury stock method which assumes the issuance of common stock for all potentially dilutive stock-based awards.

The following is a reconciliation of our Basic and Diluted EPS computations:

(in thousands, except per share data)	Three Months Ended November 30,	
	2024	2023
Numerator		
Net income used for calculating Basic EPS and Diluted EPS	\$ 150,022	\$ 148,555
Denominator		
Weighted average common shares used in the calculation of Basic EPS	38,005	38,016
Common stock equivalents associated with stock-based compensation plans	512	627
Shares used in the calculation of Diluted EPS	38,517	38,643
Basic EPS	\$ 3.95	\$ 3.91
Diluted EPS	\$ 3.89	\$ 3.84

The following table presents the potential common shares that were excluded from Diluted EPS as they relate to stock-based awards that were antidilutive or subject to performance conditions which have not been satisfied by the end of the reporting period:

(in thousands)	Three Months Ended November 30,	
	2024	2023
Stock options	721	—
Restricted stock units and Performance share units	98	96

15. STOCK-BASED COMPENSATION

Our stock-based compensation expense consists of:

- Stock options, restricted stock units ("RSUs") and performance share units ("PSUs") issued to eligible employees under the FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated (the "LTIP").
- Stock options and RSUs issued to non-employee members of the Board of Directors ("non-employee directors") under the FactSet Research Systems Inc. Non-Employee Directors' Stock Option and Award Plan, as Amended and Restated (the "Director Plan").
- Common stock purchased by eligible employees under the FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated (the "ESPP").

We measure and recognize stock-based compensation expense for all stock-based awards and purchases of common stock under the ESPP based on their estimated grant date fair value.

We utilize a lattice-binomial option-pricing model ("binomial model") to estimate the grant date fair value for our employee stock options and the Black-Scholes model to estimate the grant date fair value for non-employee director stock options and common stock purchased by eligible employees under our ESPP.

Both the binomial model and Black-Scholes model involve certain estimates and assumptions such as:

- **Risk-free interest rate** - based on the U.S. Treasury yield curve in effect at the time of grant with maturities equal to the expected terms of the stock-based awards granted.
- **Expected life** - the weighted average period the stock-based awards are expected to remain outstanding.
- **Expected volatility** - based on a blend of historical volatility of the stock-based award's useful life and the weighted average implied volatility for call option contracts traded in the 90 days preceding the stock-based award's valuation date.
- **Dividend yield** - the expectation of dividend payouts based on our history.

The binomial model also incorporates market conditions, vesting restrictions and exercise patterns.

For RSUs and PSUs (collectively, "Restricted Stock Awards"), the grant date fair value is measured by reducing the grant date price of our common stock by the present value of expected future dividend payments on the underlying stock during the requisite service period, discounted at the appropriate risk-free interest rate. The number of PSUs granted assumes target-level achievement of the specified performance levels within the payout range. The ultimate number of common shares that may be earned pursuant to our PSU awards depends on the level of our achievement of stated financial performance objectives.

Stock-based compensation expense for stock option and RSU awards is recognized over the requisite service period using the straight-line method. For stock options and RSU grants, the amount of stock-based compensation expense recognized on any date is at least equal to the vested portion of the award on that date.

Our PSUs require us to make assumptions regarding the probability of achieving specified performance levels established at the time of grant. We recognize stock-based compensation expense for PSUs using the straight-line method over the requisite service period. The probability of achieving the specified performance levels is reviewed on a quarterly basis to ensure the amount of stock-based compensation expense appropriately reflects the expected achievement.

For our ESPP, stock-based compensation expense is recognized on a straight-line basis over the offering period.

Our stock-based awards are generally subject to the continued employment and continued service at the time of vesting by employees and non-employee directors, respectively. Compensation expense for stock-based awards is recorded net of estimated forfeitures, which are based on historical forfeiture rates and are revised if actual forfeitures differ from those estimates.

Stock-based Compensation Expense

The following table presents the stock-based compensation for the periods presented:

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Stock-based compensation expense	\$ 13,592	\$ 14,310

There were no stock-based compensation costs capitalized in any periods presented. As of November 30, 2024, \$161.6 million of total unrecognized compensation expense related to non-vested stock-based awards is expected to be recognized over the remaining weighted average vesting period of 3.4 years.

Employee Stock Option Awards

Our annual employee stock option grant, made during the first quarter of each fiscal year, makes up the majority of our employee stock options granted under the LTIP in each fiscal year.

The following table presents the employee stock options granted under the LTIP for the three months ended November 30, 2024 and November 30, 2023:

	Three Months Ended November 30,	
	2024	2023
Stock options granted ⁽¹⁾	200,693	242,371
Weighted average exercise price	\$ 458.80	\$ 436.57
Weighted average grant date fair value	\$ 133.10	\$ 132.60

(1) Reflects the annual employee grant on November 1, 2024 and November 1, 2023, respectively which vest 20% annually on the anniversary date of the grant and are fully vested after five years, expiring ten years from the date of grant.

As part of the November 1, 2024 annual employee grant, the estimated grant date fair value, using the binomial model, leveraged the following assumptions:

November 1, 2024 Annual Employee Grant Details

Stock options granted	200,693
Risk-free interest rate	4.31% - 4.87%
Expected life (years)	6.62
Expected volatility	24.49 %
Dividend yield	0.95%
Estimated fair value	\$133.10
Exercise price	\$458.80

Employee Restricted Stock Awards

Our annual employee Restricted Stock Awards grant, made during the first quarter of each fiscal year, makes up the majority of our employee Restricted Stock Awards granted under the LTIP in each fiscal year. These awards entitle the holders to shares of common stock as the Restricted Stock Awards vest, but not to dividends declared on the underlying shares while the stock, subject to the Restricted Stock Awards, is unvested.

The following table presents the employee Restricted Stock Awards granted under the LTIP for the three months ended November 30, 2024 and November 30, 2023:

	Three Months Ended November 30,			
	2024		2023	
	Shares	Weighted Average Grant Date Fair Value Per Award	Shares	Weighted Average Grant Date Fair Value Per Award
RSUs Granted ⁽¹⁾	76,448	\$ 445.89	64,187	\$ 424.63
PSUs Granted ⁽²⁾	33,756	\$ 445.97	36,860	\$ 424.63
Performance adjustment - PSUs ⁽³⁾	7,364	\$ 424.01	14,472	\$ 306.33
Total Restricted Stock Awards	117,568		115,519	

(1) Reflects the annual employee grant on November 1, 2024 and November 1, 2023, respectively which vest 20% annually on the anniversary date of the grant and are fully vested after five years.

(2) Reflects the annual employee grant on November 1, 2024 and November 1, 2023, respectively, which cliff vest on the third anniversary of the grant date, subject to the achievement of certain performance metrics. The ultimate number of common shares that may be earned pursuant to our PSU awards depends on the level of our achievement of stated financial performance objectives. The achievement range was 0% to 200% for both the November 1, 2024 and November 1, 2023 annual grants.

(3) Additional PSUs were granted during the first quarter of fiscal 2025 and fiscal 2024 based on performance above the specified target level of achievement for PSUs granted on November 1, 2021 and November 9, 2020, respectively.

Stock-based Awards Available for Grant

As of November 30, 2024, we had 3.3 million employee stock-based awards available for grant under the LTIP and 0.2 million non-employee director stock-based awards available for grant under the Director Plan. In accordance with the LTIP and Director Plan, each Restricted Stock Award granted or canceled/forfeited is equivalent to 2.5 shares deducted from or added back to, respectively, the aggregate number of stock-based awards available for grant.

16. SEGMENT INFORMATION

Operating segments are defined as components of an enterprise that have the following characteristics: (i) they engage in business activities from which they may earn revenue and incur expense, (ii) their operating results are regularly reviewed by the chief operating decision maker ("CODM") for resource allocation decisions and performance assessment, and (iii) their discrete financial information is available. Our Chief Executive Officer functions as our CODM.

We have three operating segments: Americas, EMEA and Asia Pacific. This is how our CODM manages our business and the geographic markets in which we operate. These operating segments are consistent with our reportable segments.

The Americas segment primarily sells to clients throughout North, Central, and South America. The EMEA segment primarily sells to clients in Europe, the Middle East, and Africa. The Asia Pacific segment primarily sells to clients in Asia and Australasia. Segment revenues reflect sales to our clients based on the geographic region where the sale originated.

Each segment records expenses related to its individual operations with the exception of expenditures associated with our data centers, third-party data costs and corporate headquarters charges, which are recorded by the Americas segment and are not allocated to the other segments. The expenses incurred at our content collection centers, located in India, the Philippines and Latvia, are allocated to each segment based on their respective percentage of revenues as this reflects the benefits provided by each segment.

Intercompany revenue and expense amounts have been eliminated within each segment in order to report on the basis that management uses internally for evaluating segment performance.

The following tables reflect the results of operations of our segments:

<i>(in thousands)</i>	Americas	EMEA	Asia Pacific	Total
For the three months ended November 30, 2024				
Revenues	\$ 367,242	\$ 143,725	\$ 57,700	\$ 568,667
Operating income	\$ 81,798	\$ 69,038	\$ 40,499	\$ 191,335
Capital expenditures ⁽¹⁾	\$ 24,954	\$ 375	\$ 545	\$ 25,874

<i>(in thousands)</i>	Americas	EMEA	Asia Pacific	Total
For the three months ended November 30, 2023				
Revenues	\$ 348,367	\$ 139,561	\$ 54,288	\$ 542,216
Operating income	\$ 80,848	\$ 68,865	\$ 39,327	\$ 189,040
Capital expenditures ⁽¹⁾	\$ 14,778	\$ 961	\$ 727	\$ 16,466

(1) Capital expenditures include purchases of PPE and capitalized internal-use software.

Segment Total Assets

The following table reflects the total assets for our segments as of November 30, 2024 and August 31, 2024:

<i>(in thousands)</i>	November 30, 2024	August 31, 2024
Segment Assets		
Americas	\$ 3,301,189	\$ 3,178,800
EMEA	527,332	600,206
Asia Pacific	220,064	276,034
Total assets	\$ 4,048,585	\$ 4,055,040

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Consolidated Financial Statements and related Notes included in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the fiscal year ended August 31, 2024, our Current Reports on Form 8-K and our other filings with the Securities and Exchange Commission. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause such differences include, but are not limited to, those identified below and those discussed in Part I, Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the fiscal year ended August 31, 2024.

Our MD&A is designed to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. Our MD&A is presented in the following sections:

- Executive Overview
- Annual Subscription Value ("ASV")
- Client and User Additions
- Employee Headcount
- Results of Operations
- Non-GAAP Financial Measures
- Liquidity and Capital Resources
- Off-Balance Sheet Arrangements
- Foreign Currency Exposure
- Critical Accounting Estimates
- New Accounting Pronouncements

Executive Overview

FactSet Research Systems Inc. and its wholly-owned subsidiaries (collectively, "we," "our," "us," the "Company" or "FactSet") is a global financial digital platform and enterprise solutions provider with open and flexible technologies that deliver financial intelligence to investment professionals worldwide.

Our platform delivers expansive data, sophisticated analytics, and flexible technology used by global financial professionals to power their critical investment workflows. As of November 30, 2024, we had more than 8,200 clients comprised of over 218,000 investment professionals, including institutional asset managers, bankers, wealth managers, asset owners, partners, hedge funds, corporate users, and private equity and venture capital professionals. Our revenues are primarily derived from subscriptions to our multi-asset class data and solutions powered by our connected data and technology platform. Our products and services include workstations, portfolio analytics and enterprise data solutions. We also offer managed services that operate as an extension of our clients' internal teams to support data, performance, risk and reporting workflows.

We drive our business based on our detailed understanding of our clients' workflows, which helps us to solve their most complex challenges. We provide financial data and market intelligence on securities, companies, industries and people to enable our clients to research investment ideas and analyze, monitor and manage their portfolios. Our solutions span the investment lifecycle of investment research, portfolio construction and analysis, trade execution, performance measurement, risk management and reporting. We provide open and flexible technology offerings, including a configurable desktop and mobile platform, comprehensive data feeds, cloud-based digital solutions, and application programming interfaces ("APIs"). The CUSIP Global Services ("CGS") business supports security master files relied on by the investment industry for critical front, middle and back-office functions. All of our platforms and solutions are supported by our dedicated client service team.

We operate our business through three reportable segments ("segments"): the Americas, EMEA and Asia Pacific. Within each segment, we offer data, products and analytical applications by firm type:

- "Institutional Buyside" focuses on global asset managers, asset owners, and hedge fund professionals,
- "Dealmakers" focuses on investment bankers, sell-side research analysts, corporate users, investor relations officers and private equity and venture capital professionals,
- "Wealth" focuses on wealth management clients, and

- "Partnerships and CGS": "Partnerships" delivers solutions to firms in the financial services ecosystem including data, analytics and technology platform providers. "CGS" is a leader in securities identification, managed on behalf of the American Bankers Association to bring reliability to all sectors of the global financial markets.

Refer to Note 16, *Segment Information*, in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q for more information on our segments.

Business Strategy

We strive to be a trusted enterprise partner and service provider to our clients across the financial services spectrum, delivering relevant intelligence, insights and execution solutions tailored to our clients' business models.

We are focused on growing our global business through three strategically aligned geographic segments: the Americas, EMEA and Asia Pacific. This approach allows us to better manage resources, target solutions and interact with clients effectively.

To execute our strategy, we are focused on three core pillars and primary areas of investment:

- **Expanding our data offerings:** We continue to scale up our data ecosystem to provide a comprehensive inventory of industry, proprietary and third-party data. This includes granular data for key industry verticals, real-time market data, fund data and sustainable finance. We believe that our breadth of high-quality, connected data will serve as critical raw material for large language models. In addition to using our growing data catalog to power our artificial intelligence ("AI") powered workstation products, we aim to continue to expand our data delivery capabilities in the cloud and through other methods to advance our position as an enterprise data provider for our clients.
- **Embedding deeper in client workflows:** Through continued innovation, we aim to deepen our integration into our clients' workflows. We are focused on expanding further into the buy-side front office by leveraging our expertise in portfolio performance, analytics, and risk management. In addition, we are building on our strong presence on advisor desktops by expanding into prospecting and digital reporting workflows. We are also working to introduce next-generation automation in research, financial modeling, and pitch creation.
- **Innovating with AI:** Our artificial intelligence roadmap, driven by our FactSet AI Blueprint, continues to resonate with our clients. We recently launched new AI-powered solutions for generating portfolio performance commentary, analyzing earnings call transcripts, and requesting FactSet data using natural language queries in client-built environments and chatbots. We believe that our pragmatic, open and flexible approach to leveraging AI to enhance our clients' workflows will differentiate FactSet from our competitors and drive growth.

Fiscal 2025 First Quarter in Review

Revenues in the first quarter of fiscal 2025 were \$568.7 million, an increase of 4.9% from the comparable prior year period. This 4.9% growth in revenues was driven by a 4.7% increase in organic revenues, a 0.1% increase from acquisition-related revenues and a net increase of 0.1% from foreign currency exchange rate fluctuations. Revenues increased in all our segments, primarily in the Americas. Revenues increased due to higher demand and price increases primarily from workstations, CGS and data solutions. Refer to Part I, Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations, Non-GAAP Financial Measures*, of this Quarterly Report on Form 10-Q for a definition of organic revenues and a reconciliation between revenues and organic revenues.

As of November 30, 2024, organic annual subscription value ("Organic ASV") totaled \$2,258.8 million, an increase of 4.5% over the prior year. Organic ASV increased in all our segments, with the majority of the increase in the Americas. The Organic ASV increase was driven by higher demand and price increases primarily from workstations and, to a lesser extent, CGS. Refer to Part I, Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations, Annual Subscription Value*, of this Quarterly Report on Form 10-Q for the definitions of Organic ASV.

Operating margin decreased to 33.6% during the three months ended November 30, 2024, compared with 34.9% in the prior year period. When expenses are expressed as a percentage of revenues, this decrease in operating margin was mainly due to higher amortization of intangible assets and professional fees, partially offset by growth in revenues and a decrease in employee compensation costs. Diluted earnings per common share ("Diluted EPS") for the three months ended November 30, 2024 was \$3.89, an increase of 1.3% compared with the prior year period.

We returned \$88.0 million to our stockholders in the form of share repurchases and dividends during the three months ended November 30, 2024.

As of November 30, 2024, our client and user count was 8,249 and 218,267, respectively. Our employee headcount was 12,575 as of November 30, 2024, up 0.5% compared to the prior year. This increase was driven by net headcount growth of 1.4% in Asia Pacific and 0.3% in EMEA, while the Americas experienced a net headcount reduction of 2.6%.

Annual Subscription Value ("ASV")

We believe ASV reflects our ability to grow recurring revenues and generate positive cash flows, and thus serves as a key indicator of the successful execution of our business strategy.

- "ASV" at any point in time represents our forward-looking revenues for the next 12 months from all subscription services currently being supplied to clients.
- "Organic ASV" at any point in time equals our ASV excluding ASV from acquisitions and dispositions completed within the last 12 months and the effects of foreign currency movements.

Beginning in fiscal 2025, we are reporting Organic ASV, rather than Organic ASV plus professional services, to focus on the recurring nature of our revenues. This underscores the shift of FactSet's offerings toward providing more managed services and less project-based services.

Organic ASV

The following table presents the calculation of Organic ASV as of November 30, 2024. With proper notice provided as contractually required, our clients can add to, delete portions of, or terminate service, subject to certain limitations.

<i>(dollar amounts in millions)</i>	As of November 30, 2024	
ASV	\$	2,265.9
Currency impact ⁽¹⁾		2.0
Acquisition ASV ⁽²⁾		(9.1)
Organic ASV	\$	2,258.8
<i>Organic ASV annual growth rate</i>		4.5 %

(1) The impact from foreign currency movements.

(2) Acquired ASV from acquisitions completed within the last 12 months.

As of November 30, 2024, Organic ASV was \$2,258.8 million, an increase of 4.5% compared with November 30, 2023. Organic ASV increased in all our segments, with the majority of the increase in the Americas. The increase in Organic ASV was driven by higher sales to existing clients, price increases to existing clients and sales to new clients, partially offset by existing client cancellations. These higher sales and price increases were primarily attributable to workstations and, to a lesser extent, CGS.

Segment ASV

As of November 30, 2024, ASV from the Americas represented 65% of total ASV and was \$1,464.5 million, an increase from \$1,393.1 million as of November 30, 2023. Americas Organic ASV was \$1,456.4 million as of November 30, 2024, a 4.5% increase from the prior year period. The Organic ASV increase in the Americas was driven by higher demand and price increases primarily from workstations and, to a lesser extent, CGS.

As of November 30, 2024, ASV from EMEA represented 25% of total ASV and was \$572.4 million, an increase from \$551.7 million as of November 30, 2023. EMEA Organic ASV was \$572.4 million as of November 30, 2024, a 3.6% increase from the prior year period. The EMEA Organic ASV increase was driven by higher demand and price increases mainly from middle office solutions, data solutions and CGS.

As of November 30, 2024, ASV from Asia Pacific represented 10% of total ASV and was \$229.0 million, an increase from \$214.6 million as of November 30, 2023. Asia Pacific Organic ASV was \$230.0 million as of November 30, 2024, a 7.0% increase from the prior year period. The Asia Pacific Organic ASV increase was driven by higher demand and price increases primarily from data solutions and workstations.

Buy-side and Sell-side Organic ASV Growth

The buy-side and sell-side Organic ASV annual growth rates as of November 30, 2024 were 4.3% and 3.5%, respectively. Buy-side clients account for approximately 82% of our Organic ASV, consistent with the prior year period, and primarily include institutional asset managers, wealth managers, asset owners, partners, hedge funds and corporate clients. The remaining Organic ASV is derived from sell-side firms, primarily including broker-dealers, banking and advisory firms, and private equity and venture capital firms.

Client and User Additions

The table below presents our total clients and users:

	As of November 30, 2024	As of November 30, 2023	Change
Clients ⁽¹⁾⁽²⁾	8,249	7,945	3.8 %
Users ⁽²⁾	218,267	207,083	5.4 %

(1) The client count includes clients with ASV of \$10,000 and above.

(2) The client and user count does not reflect the acquisition of Platform Group Limited ("Irwin").

Our total client count was 8,249 as of November 30, 2024, a net increase of 3.8% or 304 clients in the last 12 months, mainly due to an increase in corporate clients and wealth management clients.

As of November 30, 2024, there were 218,267 professionals using FactSet, representing a net increase of 5.4% or 11,184 users in the last 12 months, primarily driven by an increase in wealth users.

Annual ASV retention was greater than 95% of ASV for the period ended November 30, 2024 and November 30, 2023. When expressed as a percentage of clients, annual retention was 91% for the period ended November 30, 2024, compared with 90% for the period ended November 30, 2023.

Employee Headcount

As of November 30, 2024, our net employee headcount increased by 0.5% to 12,575, compared with 12,515 employees as of November 30, 2023. This net headcount growth was primarily driven by an increase in employees based in India, as a result of our continued investment in our centers of excellence ("COEs"). Approximately 68% of our employees are located in our COEs.

As of November 30, 2024, compared to November 30, 2023, our net headcount growth was 1.4% in Asia Pacific and 0.3% in EMEA, while the Americas experienced a net headcount reduction of 2.6%. As of November 30, 2024, we had 8,715 employees located in Asia Pacific, 2,436 in the Americas and 1,424 in EMEA.

Results of Operations

For an understanding of the significant factors that influenced our performance for the three months ended November 30, 2024 and November 30, 2023, the following discussion should be read in conjunction with the Consolidated Financial Statements and related Notes presented in Part I, Item 1. in this Quarterly Report on Form 10-Q.

The following table summarizes the results of operations for the periods described:

<i>(in thousands, except per share data)</i>	Three Months Ended November 30,		
	2024	2023	% Change
Revenues	\$ 568,667	\$ 542,216	4.9 %
Cost of services	258,779	251,621	2.8 %
Selling, general and administrative	118,553	101,555	16.7 %
Operating income	\$ 191,335	\$ 189,040	1.2 %
Net income	\$ 150,022	\$ 148,555	1.0 %
Diluted weighted average common shares	38,517	38,643	
Diluted EPS	\$ 3.89	\$ 3.84	1.3 %

Revenues

Three months ended November 30, 2024 compared with three months ended November 30, 2023

Revenues for the three months ended November 30, 2024 were \$568.7 million, an increase of 4.9%. This 4.9% growth in revenues was driven by a 4.7% increase in organic revenues, which totaled \$567.7 million for the three months ended November 30, 2024, a 0.1% increase from acquisition-related revenues and a net increase of 0.1% from foreign currency exchange rate fluctuations. Revenues increased in all our segments, primarily in the Americas. The increase in revenues was driven by higher demand and price increases primarily from workstations, CGS and data solutions.

Revenues by Segment

The following table summarizes our revenues by segment:

<i>(dollar amounts in thousands)</i>	Three Months Ended November 30,		
	2024	2023	% Change
Americas	\$ 367,242	\$ 348,367	5.4 %
<i>% of revenues</i>	<i>64.6 %</i>	<i>64.3 %</i>	
EMEA	\$ 143,725	\$ 139,561	3.0 %
<i>% of revenues</i>	<i>25.3 %</i>	<i>25.7 %</i>	
Asia Pacific	\$ 57,700	\$ 54,288	6.3 %
<i>% of revenues</i>	<i>10.1 %</i>	<i>10.0 %</i>	
Consolidated	\$ 568,667	\$ 542,216	4.9 %

Three months ended November 30, 2024 compared with three months ended November 30, 2023

Americas

Americas revenues increased 5.4% to \$367.2 million during the three months ended November 30, 2024, compared with \$348.3 million from the same period a year ago. This growth in revenues was reflective of a 5.2% increase in organic revenues and a 0.2% increase from acquisition-related revenues. The increase in revenues was driven by higher demand and price increases primarily from workstations and, to a lesser extent, CGS.

EMEA

EMEA revenues increased 3.0% to \$143.8 million during the three months ended November 30, 2024, compared with \$139.6 million from the same period a year ago. This growth in revenues was reflective of organic revenues growth of 2.7%, a net increase of 0.2% from foreign currency exchange rate fluctuations and a 0.1% increase from acquisition-related revenues. The

increase in revenues was driven by higher demand and price increases primarily from middle office solutions, CGS and data solutions.

Asia Pacific

Asia Pacific revenues increased 6.3% to \$57.7 million during the three months ended November 30, 2024, compared with \$54.3 million from the same period a year ago. This growth in revenues was reflective of a 6.2% increase in organic revenues and a 0.1% increase from acquisition-related revenues. The increase in revenues was driven by higher demand and price increases primarily from workstations and data solutions.

Operating Expenses

Principal Operating Expenses

Cost of services is mainly comprised of employee compensation costs and also includes expenses related to data costs, computer-related expenses, amortization of intangible assets, royalty fees, telecommunication costs and computer depreciation.

Selling, general and administrative ("SG&A") consists primarily of employee compensation costs and also includes expenses related to occupancy costs, professional fees, depreciation of furniture and fixtures, amortization of leasehold improvements, travel and entertainment expenses, marketing costs, other employee-related expenses, internal communication costs and bad debt expense.

Employee compensation costs are a major component of both our Cost of services and SG&A. These expenses primarily include costs related to salaries, incentive compensation and sales commissions, stock-based compensation, benefits, employment taxes, and any applicable restructuring costs.

We assign employee compensation costs between Cost of services and SG&A based on the roles and activities associated with each employee. We categorize employees within the content collection, consulting, product development, software and systems engineering groups as Cost of services personnel. Employees included in our sales department and those that serve in various other support departments, including marketing, finance, legal, human resources and administrative services, are classified as SG&A.

The following table summarizes the components of our total operating expenses and operating margin:

<i>(dollar amounts in thousands)</i>	Three Months Ended		% Change
	November 30,		
	2024	2023	
Cost of services	\$ 258,779	\$ 251,621	2.8 %
SG&A	118,553	101,555	16.7 %
Total operating expenses	\$ 377,332	\$ 353,176	6.8 %
Operating income	\$ 191,335	\$ 189,040	1.2 %
<i>Operating margin</i>	<i>33.6 %</i>	<i>34.9 %</i>	

Cost of Services

Three months ended November 30, 2024 compared with three months ended November 30, 2023

Cost of services increased 2.8% to \$258.8 million for the three months ended November 30, 2024, compared with \$251.6 million for the same period a year ago, primarily due to an increase in amortization of intangible assets, partially offset by a decrease in employee compensation costs.

Cost of services, when expressed as a percentage of revenues, was 45.5% for the three months ended November 30, 2024, a decrease of 90 basis points compared with the same period a year ago. This decrease was primarily due to lower employee compensation costs, partially offset by an increase in amortization of intangible assets.

When expressed as a percentage of revenues:

- Employee compensation costs decreased by 180 basis points primarily driven by a decrease in variable compensation costs.
- Amortization of intangible assets increased 120 basis points mainly due to higher amortization from increased capitalized costs related to the development of our internal-use software.

Selling, General and Administrative

Three months ended November 30, 2024 compared with three months ended November 30, 2023

SG&A increased 16.7% to \$118.6 million for the three months ended November 30, 2024, compared with \$101.6 million from the same period a year ago, primarily driven by higher employee compensation costs and professional fees.

SG&A, when expressed as a percentage of revenues, was 20.8% for the three months ended November 30, 2024, an increase of 210 basis points compared with the same period a year ago. This increase was primarily driven by higher employee compensation costs and professional fees.

When expressed as a percentage of revenues:

- Employee compensation costs increased by 100 basis points, primarily driven by an increase in variable compensation costs, higher restructuring charges (as the prior year benefited from the release of certain severance-related accruals) and an increase in employee-benefit costs driven by lower capitalized SG&A expenses associated with the development of our internal-use software.
- Professional fees increased by 70 basis points mainly due to costs incurred in connection with the acquisition of Irwin.

Operating Income and Operating Margin

Three months ended November 30, 2024 compared with three months ended November 30, 2023

Operating income increased 1.2% to \$191.3 million for the three months ended November 30, 2024, compared with \$189.0 million in the prior year period. This increase was primarily driven by growth in revenues, partially offset by an increase in amortization of intangible assets, employee compensation costs and professional fees. Foreign currency exchange rate fluctuations, net of hedge activity, decreased operating income by \$1.1 million for the three months ended November 30, 2024 compared with the three months ended November 30, 2023.

Operating margin decreased to 33.6% during the three months ended November 30, 2024, compared with 34.9% in the prior year period. When expenses are expressed as a percentage of revenues, this decrease in operating margin was mainly due to higher amortization of intangible assets and professional fees, partially offset by growth in revenues and a decrease in employee compensation costs.

We operate our business through three segments: the Americas; EMEA; and Asia Pacific. Refer to Note 16, *Segment Information* in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q for further discussion regarding our segments. The following table summarizes our operating income by segment:

<i>(dollar amounts in thousands)</i>	Three Months Ended		% Change
	November 30,		
	2024	2023	
Americas	\$ 81,798	\$ 80,848	1.2 %
EMEA	69,038	68,865	0.3 %
Asia Pacific	40,499	39,327	3.0 %
Total Operating Income	\$ 191,335	\$ 189,040	1.2 %

Three months ended November 30, 2024 compared with three months ended November 30, 2023

Americas

Americas operating income increased 1.2% to \$81.8 million during the three months ended November 30, 2024, compared with \$80.8 million in the same period a year ago. This increase was primarily due to growth in revenues of 5.4%, partially offset by higher amortization of intangible assets and employee compensation costs. Amortization of intangible assets increased mainly due to higher amortization from increased capitalized costs related to the development of our internal-use software. Employee compensation costs increased primarily due to higher variable compensation costs.

EMEA

EMEA operating income increased 0.3% to \$69.0 million during the three months ended November 30, 2024, compared with \$68.9 million in the same period a year ago. This increase was primarily due to growth in revenues of 3.0%, partially offset by an increase in bad debt expense.

Asia Pacific

Asia Pacific operating income increased 3.0% to \$40.5 million during the three months ended November 30, 2024, compared with \$39.3 million in the same period a year ago. This increase was mainly due to growth in revenues of 6.3%, partially offset by an increase in employee compensation costs. Employee compensation costs increased primarily due to higher annual base salaries driven by annual merit increases and a net headcount increase of 120 employees, partially offset by a decrease in variable compensation costs and post-employment benefits.

Income Taxes

The provision for income taxes and the effective tax rate are as follows:

<i>(dollar amounts in thousands)</i>	Three Months Ended November 30,		% Change
	2024	2023	
Income before income taxes	\$ 179,739	\$ 175,196	2.6 %
Provision for income taxes	\$ 29,717	\$ 26,641	11.5 %
Effective tax rate	16.5 %	15.2 %	

We are subject to taxation in the United States ("U.S.") and various foreign jurisdictions in which we conduct our business.

Our provision for income taxes for interim periods is calculated by applying an estimate of our annual effective tax rate to our quarter and year-to-date results, adjusted for discrete items recorded in the period. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pretax income (or loss) for the year, projections of the proportion of income (or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences and the likelihood of recovering deferred tax assets, then adjusted for any discrete items. On a quarterly basis, we update the estimate of our annual effective tax rate as new events occur, assumptions change, or additional information is obtained.

Our effective tax rate for the three months ended November 30, 2024 was 16.5%, compared with 15.2% for the three months ended November 30, 2023. This increase was primarily due to the revaluation of a deferred tax asset associated with a foreign tax rate change.

For the periods presented, our effective tax rates were lower than the statutory federal income tax rate primarily due to excess tax benefits from stock-based compensation, utilization of foreign tax credits, and research and development ("R&D") tax credits, partially offset by our net state taxes.

Net Income and Diluted EPS

<i>(in thousands, except per share data)</i>	Three Months Ended November 30,		% Change
	2024	2023	
Net income	\$ 150,022	\$ 148,555	1.0 %
Diluted weighted average common shares	38,517	38,643	(0.3)%
Diluted EPS	\$ 3.89	\$ 3.84	1.3 %

The increase in Net income and Diluted EPS for the three months ended November 30, 2024, compared to the respective prior year period, was primarily driven by higher operating income and a decrease in interest expense, partially offset by an increase in the provision for income taxes.

Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), we use non-GAAP financial measures including organic revenues, adjusted operating income, adjusted operating margin, adjusted net income, EBITDA and adjusted Diluted EPS. The reconciliations from our financial measures calculated and presented in accordance with GAAP to these non-GAAP financial measures are shown in the tables below. These non-GAAP financial measures should not be considered in isolation from, as a substitute for, or superior to, financial measures reported in accordance with GAAP. Moreover, these non-GAAP financial measures have limitations in that they do not reflect all the items associated with the operations of our business as determined in accordance with GAAP. Other companies may calculate similarly titled non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

Despite the limitations of these non-GAAP financial measures, we believe these adjusted financial measures and the information they provide are useful in viewing our performance using the same tools that management uses to gauge progress in achieving our goals. Adjusted measures may also facilitate comparisons to our historical performance.

Organic revenues exclude the current year impact of revenues from acquisitions and dispositions completed within the past 12 months ("Acquisition revenues" and "Disposition revenues", respectively) and the current year impact from changes in foreign currency. The table below provides an unaudited reconciliation of revenues to organic revenues:

<i>(dollar amounts in thousands)</i>	Three Months Ended November 30,		% Change
	2024	2023	
Revenues	\$ 568,667	\$ 542,216	4.9 %
Acquisition revenues	(696)	—	
Currency impact	(298)	—	
Organic revenues	\$ 567,673	\$ 542,216	4.7 %

The table below provides an unaudited reconciliation of Operating income, operating margin, Net income and Diluted EPS to adjusted operating income, adjusted operating margin, adjusted net income, EBITDA and adjusted Diluted EPS. Adjusted operating income and margin, adjusted net income, and adjusted Diluted EPS exclude the impact of acquisition-related intangible asset amortization and non-recurring items. EBITDA represents earnings before interest expense, provision for income taxes and depreciation and amortization.

<i>(in thousands, except per share data)</i>	Three Months Ended		% Change
	2024	November 30, 2023	
Operating income	\$ 191,335	\$ 189,040	1.2%
Intangible asset amortization	16,581	17,344	
Business acquisitions and related costs	3,753	—	
Sales tax dispute ⁽¹⁾	2,398	—	
Restructuring/Severance	(317)	(2,419)	
Adjusted operating income	\$ 213,750	\$ 203,965	4.8%
Operating margin	33.6%	34.9%	
Adjusted operating margin ⁽²⁾	37.6%	37.6%	
Net income	\$ 150,022	\$ 148,555	1.0 %
Intangible asset amortization	12,397	12,368	
Business acquisitions and related costs	2,806	—	
Sales tax dispute ⁽¹⁾	1,793	—	
Restructuring/Severance	(237)	(1,725)	
Income tax items	1,351	(71)	
Adjusted net income ⁽³⁾	\$ 168,132	\$ 159,127	5.7 %
Net income	\$ 150,022	\$ 148,555	1.0 %
Interest expense	14,400	16,738	
Income taxes	29,717	26,641	
Depreciation and amortization expense	35,717	27,068	
EBITDA	\$ 229,856	\$ 219,002	5.0 %
Diluted EPS	\$ 3.89	\$ 3.84	1.3 %
Intangible asset amortization	0.32	0.32	
Business acquisitions and related costs	0.08	—	
Sales tax dispute ⁽¹⁾	0.05	—	
Restructuring/Severance	(0.01)	(0.04)	
Income tax items	0.04	0.00	
Adjusted diluted EPS ⁽³⁾	\$ 4.37	\$ 4.12	6.1 %
Weighted average common shares (diluted)	38,517	38,643	

(1) Sales tax dispute relates to a resolved matter with the Massachusetts Department of Revenue.

(2) Adjusted operating margin is calculated as Adjusted operating income divided by Revenues.

(3) For purposes of calculating Adjusted net income and Adjusted diluted EPS, all adjustments for the three months ended November 30, 2024 and November 30, 2023 were taxed at an adjusted tax rate of 25.2% and 28.7%, respectively.

Liquidity and Capital Resources

As of November 30, 2024, Cash and cash equivalents were \$289.2 million, compared with \$423.0 million as of August 31, 2024. Refer to *Summary of Cash Flows* within this section below, for more information on cash flows during the first quarter of fiscal 2025.

Our cash and cash equivalents are held in numerous locations throughout the world, with \$130.8 million in the Americas, \$100.5 million in EMEA (predominantly in the UK) and the remaining \$57.9 million in Asia Pacific (predominantly in the Philippines and India) as of November 30, 2024.

Our cash flows provided by operating activities, existing cash and cash equivalents, supplemented with our debt borrowings, have been sufficient to fund our operations while allowing us to invest in activities that support the long-term growth of our operations. Generally, some or all of our remaining available cash flows have been used to, among other things, service our existing and future debt obligations, satisfy our working capital requirements and fund various activities, including our capital expenditures, acquisitions, investments, dividend payments and repurchases of our common stock. Based on past performance and current expectations, we believe our sources of liquidity, including the available capacity under our existing revolving credit facility and other financing alternatives, will provide us the necessary capital to fund these transactions and achieve our planned growth for the next 12 months and the foreseeable future. We are exposed to credit risk for our cash and cash equivalents held in financial institutions in the event of a default, to the extent that such amounts are in excess of applicable insurance limits; however, we do not believe our concentration of cash and cash equivalents presents a significant credit risk as the counterparties to the instruments consist of multiple high-quality, credit-worthy financial institutions.

Sources of Liquidity

Debt and Swap Agreements

2022 Credit Agreement

On March 1, 2022, we entered into a credit agreement (the "2022 Credit Agreement") and borrowed an aggregate principal amount of \$1.0 billion under its senior unsecured term loan credit facility (the "2022 Term Facility") and \$250.0 million of the available \$500.0 million under its senior unsecured revolving credit facility (the "2022 Revolving Facility"). During the three months ended November 30, 2024, we borrowed an additional \$55.0 million under the 2022 Revolving Facility.

The 2022 Term Facility matures on March 1, 2025, and the 2022 Revolving Facility matures on March 1, 2027. The 2022 Revolving Facility allows for the availability of up to \$100.0 million in the form of letters of credit and up to \$50.0 million in the form of swingline loans. We may seek additional commitments of up to \$750.0 million under the 2022 Revolving Facility from lenders or other financial institutions. The 2022 Revolving Facility, together with the 2022 Term Facility, are referred to as the "2022 Credit Facilities".

We used the March 1, 2022 borrowings, along with the net proceeds from the issuance of the Senior Notes (as defined below) and cash on hand, to finance the consideration for the CGS acquisition, to repay prior outstanding borrowings and to pay related transaction fees, costs and expenses.

We may voluntarily prepay loans under the 2022 Credit Facilities at any time without premium or penalty. During the three months ended November 30, 2024, we repaid \$62.5 million under the 2022 Term Facility, inclusive of voluntary prepayments of \$50.0 million. Since loan inception on March 1, 2022, we have repaid \$937.5 million under the 2022 Term Facility, inclusive of voluntary prepayments of \$812.5 million. As of November 30, 2024, we had short-term liquidity requirements of \$62.5 million related to the outstanding balance of the 2022 Term Facility which becomes due March 1, 2025.

From the borrowing date through November 30, 2023, the outstanding borrowings under the 2022 Credit Facilities bore interest at a rate equal to the applicable one-month Term Secured Overnight Financing Rate ("SOFR") plus a 1.1% spread (comprised of a 1.0% interest rate margin based on a debt leverage pricing grid plus a 0.1% credit spread adjustment). From December 1, 2023 through November 30, 2024, the spread decreased to 0.975% (comprised of a 0.875% interest rate margin based on a debt leverage pricing grid plus a 0.1% credit spread adjustment). Interest on the 2022 Credit Facilities is currently payable on the last business day of each month, in arrears.

Additionally, we pay a commitment fee on the daily unused amount of the 2022 Revolving Facility using a pricing grid based on our senior unsecured non-credit enhanced long-term debt rating and our total leverage ratio. From the borrowing date through November 30, 2023, the commitment fee was 0.125%, which subsequently decreased to 0.1% through November 30, 2024.

The 2022 Credit Agreement contains usual and customary event of default provisions for facilities of this type, which are subject to usual and customary grace periods and materiality thresholds. If an event of default occurs under the 2022 Credit Agreement, the lenders may, among other things, terminate their commitments and declare all outstanding borrowings immediately due and payable.

The 2022 Credit Agreement contains usual and customary affirmative and negative covenants for facilities of this type, including a financial covenant requiring maintenance of a total leverage ratio of no greater than 3.50 to 1.00 as of November 30, 2024. We were in compliance with all covenants and requirements of the 2022 Credit Agreement as of November 30, 2024.

Refer to Note 11, *Debt* in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q, for further discussion of the 2022 Credit Agreement.

2024 Swap Agreement

On March 1, 2024, we entered into an interest rate swap agreement ("2024 Swap Agreement") to hedge a portion of our outstanding floating SOFR debt with a fixed interest rate of 5.145%. The 2024 Swap Agreement matures on February 28, 2025. Refer to Note 5, *Derivative Instruments*, in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q, for more information on the 2024 Swap Agreement.

2022 Swap Agreement

On March 1, 2022, we entered into an interest rate swap agreement (the "2022 Swap Agreement") to hedge a portion of our outstanding floating SOFR debt with a fixed interest rate of 1.162%. The 2022 Swap Agreement matured on February 28, 2024. Refer to Note 5, *Derivative Instruments*, in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q, for more information on the 2022 Swap Agreement.

Senior Notes

On March 1, 2022 we completed a public offering of \$500.0 million aggregate principal amount of 2.900% Senior Notes due March 1, 2027 (the "2027 Notes") and \$500.0 million aggregate principal amount of 3.450% Senior Notes due March 1, 2032 (the "2032 Notes" and, together with the 2027 Notes, the "Senior Notes"). The Senior Notes were issued pursuant to an indenture, dated as of March 1, 2022, by and between us and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the supplemental indenture, dated as of March 1, 2022, between us and the Trustee (the "Supplemental Indenture"). Interest on the Senior Notes is payable semiannually in arrears on March 1 and September 1 of each year.

We may redeem the Senior Notes, in whole or in part, at any time at specified redemption prices, plus any accrued and unpaid interest. Upon the occurrence of a change of control triggering event (as defined in the Supplemental Indenture), we must offer to repurchase the Senior Notes at 101% of their principal amount, plus any accrued and unpaid interest.

Uses of Liquidity

Returning Value to Stockholders

We returned \$88.0 million and \$97.0 million to our stockholders in the form of share repurchases and dividends during the three months ended November 30, 2024 and November 30, 2023, respectively. Over the last 12 months, we returned \$377.0 million to our stockholders in the form of share repurchases and dividends.

Share Repurchase Program

We may repurchase shares of our common stock under our share repurchase program from time-to-time in the open market or via privately negotiated transactions, subject to market conditions. During the three months ended November 30, 2024 and November 30, 2023, we repurchased 104,475 shares for \$48.8 million and 135,950 shares for \$59.9 million, respectively.

There is no defined number of shares to be repurchased over a specified timeframe through the life of our share repurchase program. On September 17, 2024, our Board of Directors authorized up to \$300 million for share repurchases during fiscal 2025. As of November 30, 2024, \$251.2 million remained authorized under our share repurchase program. Refer to Part II, Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*, of this Quarterly Report on Form 10-Q for further discussion on our share repurchase program.

Dividends

During the three months ended November 30, 2024 and November 30, 2023, we paid dividends of \$39.2 million and \$37.1 million, respectively. Future cash dividend payments are subject to final determination by our Board of Directors and will depend on our earnings, capital requirements, financial condition and other relevant factors.

Capital Expenditures

For the three months ended November 30, 2024, capital expenditures increased by 57.1% to \$25.9 million, compared with \$16.5 million for the same period a year ago. This increase was primarily due to higher capitalized costs related to the development of our internal-use software.

Acquisitions

On November 5, 2024, we completed the acquisition of Irwin for a purchase price of \$123.2 million, net of cash acquired, and inclusive of preliminary working capital adjustments. The purchase price includes contingent consideration of \$12.7 million which reflects the acquisition date fair value of potential future payments that are contingent upon the achievement of certain specified milestones. Irwin is a leading investor relations and capital markets platform for public companies and their advisors. This acquisition builds on a recent successful partnership between FactSet and Irwin, and expands our ability to address the holistic workflow needs of investor relations professionals with an integrated, modern solution. Refer to Note 6, *Acquisitions* in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q for further discussion of this acquisition.

Contractual Obligations

Purchase obligations represent our legally-binding agreements to purchase fixed or minimum quantities at determinable prices. As of August 31, 2024, we had total purchase obligations with suppliers and vendors of \$382.6 million. Our total purchase obligations as of August 31, 2024 primarily related to hosting services, acquisition of data and, to a lesser extent, third-party software providers. For the three months ended November 30, 2024, there were no new material contractual obligations.

We also have contractual obligations related to our lease liabilities and outstanding debt. Refer to Note 10, *Leases* and Note 11, *Debt* in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q for information regarding lease commitments and outstanding debt obligations, respectively.

Summary of Cash Flows

The following table provides a summary of our net cash flow activity for the periods presented:

<i>(dollar amounts in thousands)</i>	Three Months Ended November 30,		
	2024	2023	\$ Change
Net cash provided by operating activities	\$ 86,372	\$ 155,144	\$ (68,772)
Net cash provided by (used in) investing activities	(145,060)	(25,219)	(119,841)
Net cash provided by (used in) financing activities	(70,071)	(144,564)	74,493
Effect of exchange rate changes on cash and cash equivalents	(5,052)	1,050	(6,102)
Net increase (decrease) in cash and cash equivalents	\$ (133,811)	\$ (13,589)	\$ (120,222)

Operating

For the three months ended November 30, 2024, net cash provided by operating activities was \$86.4 million, which included net income of \$150.0 million, non-cash charges of \$79.8 million and a net cash outflow of \$143.4 million to support our working capital requirements. The non-cash charges were primarily driven by depreciation and amortization and deferred income taxes. The change in our working capital was primarily driven by cash outflows related to payments of our annual variable compensation, payments to resolve an outstanding sales tax dispute and timing of income tax and vendor payments.

For the three months ended November 30, 2023, net cash provided by operating activities was \$155.1 million, which included net income of \$148.6 million, non-cash charges of \$59.5 million and a net cash outflow of \$53.0 million to support our working capital requirements. The non-cash charges were primarily driven by depreciation and amortization and stock-based compensation expense. The change in our working capital was primarily driven by a cash outflow related to our annual variable compensation payment, partially offset by the timing of payments related to accrued expenses.

Investing

For the three months ended November 30, 2024, net cash used in investing activities was \$145.1 million. The cash used in investing activities primarily consisted of \$115.2 million of acquisition-related consideration, mainly related to the Irwin transaction, and \$25.9 million of capital expenditures driven by the capitalization of internal-use software development costs.

For the three months ended November 30, 2023, net cash used in investing activities was \$25.2 million. The cash used in investing activities was primarily related to capital expenditures of \$16.5 million mainly due to the capitalization of compensation costs related to the development of our internal-use software and investments in network-related equipment.

Financing

For the three months ended November 30, 2024, net cash used in financing activities was \$70.1 million, consisting mainly of \$62.5 million related to the partial repayment of the 2022 Term Facility and \$48.8 million of share repurchases, partially offset by \$55 million of proceeds related to additional borrowings under the 2022 Revolving Facility.

For the three months ended November 30, 2023, net cash used in financing activities was \$144.6 million, consisting mainly of \$62.5 million related to the partial repayment of the 2022 Term Facility, \$59.9 million of share repurchases and \$37.1 million of dividend payments, partially offset by \$28.4 million of proceeds from employee stock plans.

Free Cash Flow

We define free cash flow, a non-GAAP financial measure, as cash provided by operating activities less purchases of property, equipment and leasehold improvements ("PPE") and capitalized internal-use software. We believe free cash flow is a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that, after capital expenditures, can be used for strategic opportunities, including returning value to stockholders, investing in our business, making strategic acquisitions and strengthening the balance sheet. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity.

The following table reconciles our net cash provided by operating activities to free cash flow:

<i>(dollar amounts in thousands)</i>	Three Months Ended		\$ Change
	2024	November 30, 2023	
Net cash provided by operating activities	\$ 86,372	\$ 155,144	\$ (68,772)
Less: purchases of property, equipment, leasehold improvements and capitalized internal-use software	(25,874)	(16,466)	(9,408)
Free cash flow	\$ 60,498	\$ 138,678	\$ (78,180)

We generated free cash flow of \$60.5 million during the three months ended November 30, 2024, a decrease of \$78.2 million compared with the same period a year ago. This decrease was driven by a \$68.8 million reduction in cash provided by operating activities, primarily due to an increase in working capital requirements, and higher capitalized costs mainly related to the development of our internal-use software. The increase in working capital was mainly due to the resolution of a sales tax dispute and the timing of income tax and vendor payments.

Off-Balance Sheet Arrangements

As of November 30, 2024 and August 31, 2024, we had no off-balance sheet financing other than letters of credit incurred in the ordinary course of business. Refer to Note 11, *Debt* and Note 12, *Commitments and Contingencies* in the Notes to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on our letters of credit.

As of November 30, 2024 and August 31, 2024, we also had no other arrangements with unconsolidated entities or financial partnerships (such as entities often referred to as structured finance or special purpose entities) established for purposes of facilitating off-balance sheet financing, other debt arrangements, or other contractually limited purposes.

Foreign Currency Exposure

As we operate globally, we are exposed to the risk that our financial condition, results of operations and cash flows could be impacted by changes in foreign currency exchange rates. During the three months ended November 30, 2024 and November 30, 2023, we maintained a series of foreign currency forward contracts to hedge a portion of our projected operating expenses in our primary currency exposures, namely the British Pound Sterling, Euro, Indian Rupee and Philippine Peso. As of November 30, 2024, the hedge maturity periods of our outstanding foreign currency forward contracts range from the second quarter of fiscal 2025 through the first quarter of fiscal 2026.

The following table summarizes the gross notional value of our foreign currency forward contracts to purchase the respective local currency with U.S. dollars as of:

(in thousands)	November 30, 2024		August 31, 2024	
	Local Currency Amount	Notional Contract Amount (USD)	Local Currency Amount	Notional Contract Amount (USD)
British Pound Sterling	£ 43,500	\$ 55,341	£ 41,200	\$ 52,372
Indian Rupee	Rs 4,347,919	51,300	Rs 4,651,351	55,200
Euro	€ 36,700	40,178	€ 43,800	48,183
Philippine Peso	₱ 1,952,008	33,600	₱ 1,850,674	32,400
Total		\$ 180,419		\$ 188,155

Refer to Part I, Item 3. *Quantitative and Qualitative Disclosures About Market Risk* of this Quarterly Report on Form 10-Q for more information on our foreign currency exposures.

Critical Accounting Estimates

We prepare the Consolidated Financial Statements in conformity with GAAP, which requires us to make certain estimates and apply judgements that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. We base our estimates on historical experience and other assumptions that we believe to be reasonable at the time the Consolidated Financial Statements are prepared and, as such, they may ultimately differ materially from actual results.

We describe our significant accounting policies in Note 2, *Summary of Significant Accounting Policies* in the Notes to the Consolidated Financial Statements included in Part II, Item 8. of our Annual Report on Form 10-K for the fiscal year ended August 31, 2024. These accounting policies were consistently applied in preparing our Consolidated Financial Statements for the three months ended November 30, 2024.

We disclosed our critical accounting estimates in Part II, Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations, Critical Accounting Estimates*, of our Annual Report on Form 10-K for the fiscal year ended August 31, 2024. There were no significant changes in our critical accounting estimates during the three months ended November 30, 2024.

New Accounting Pronouncements

For a discussion of accounting pronouncements recently adopted and those issued but not yet adopted, refer to Note 2, *Summary of Significant Accounting Policies*, in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q, which we include herein by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to foreign currency exchange risk and interest rate risk that could impact our financial position and results of operations. Current market events have not required us to materially modify our financial risk management strategies with respect to our exposures to foreign currency exchange risk or interest rate risk.

Foreign Currency Transaction Risk

As we operate globally, we are exposed to the risk that our financial condition, results of operations and cash flows could be impacted by changes in foreign currency exchange rates. During the three months ended November 30, 2024, we maintained a series of foreign currency forward contracts to hedge a portion of our projected operating expenses in these primary currency exposures, namely the British Pound Sterling, Euro, Indian Rupee and Philippine Peso. As of November 30, 2024, the hedge maturity periods of our outstanding foreign currency forward contracts range from the second quarter of fiscal 2025 through the first quarter of fiscal 2026. Foreign currency exchange rate fluctuations, net of hedge activity, decreased operating income by \$1.1 million for the three months ended November 30, 2024, when compared to the same respective period a year ago. We utilize cash flow hedges to manage risk and not for speculative or trading purposes.

We performed a sensitivity analysis to determine the effects on both the fair value of our outstanding foreign currency forward contracts and our operating income, excluding these forward contracts, of a hypothetical devaluation of the U.S. dollar by 10% as of November 30, 2024, relative to the other foreign currencies in which we transact. The sensitivity analysis indicated that a devaluation of the U.S. dollar by 10% would have increased the fair value of our outstanding forward contracts by approximately \$17 million as of November 30, 2024 and decreased our operating income, excluding these forward contracts, by an estimated \$11 million for three months ended November 30, 2024. This sensitivity analysis has inherent limitations as it disregards the possibility that rates of multiple foreign currencies will not always move in the same direction relative to the value of the U.S. dollar over time and does not account for our forward contracts that we utilize to mitigate fluctuations in exchange rates.

Refer to Note 5, *Derivative Instruments* in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q, for more information on our foreign currency exposures and our foreign currency forward contracts.

Foreign Currency Translation Risk

We are exposed to foreign currency risk due to the translation of our results from certain international operations into U.S. Dollars, as part of the consolidation process. Fluctuations in foreign currency exchange rates can create volatility in our results of operations and our financial condition.

The following table reflects the foreign currency translation adjustment gains and losses recorded in Other comprehensive income (loss):

<i>(in thousands)</i>	Three Months Ended November 30,	
	2024	2023
Foreign currency translation adjustment gains (losses)	\$ (17,619)	\$ 1,908

Interest Rate Risk

Cash and Cash Equivalents and Investments

As of November 30, 2024, we had Cash and cash equivalents of \$289.2 million and Investments of \$69.6 million. Our Cash and cash equivalents consist of cash and highly liquid investments including demand deposits and money market funds and our Investments consist of mutual funds. We are exposed to interest rate risk through fluctuations of interest rates on these investments. As we have a restrictive investment policy, our financial exposure to fluctuations in interest rates is expected to remain low. Refer to Note 2, *Summary of Significant Accounting Policies* in the Notes to the Consolidated Financial Statements included in Part II, Item 8. of our Annual Report on Form 10-K for more information on our Cash and cash equivalents.

Debt

As of November 30, 2024, our outstanding floating rate debt included \$62.5 million under the 2022 Term Facility and \$305.0 million under the 2022 Revolving Facility. As of November 30, 2024, the outstanding borrowings under the 2022 Credit

Facilities bore interest at a rate equal to the applicable one-month Term SOFR plus a 0.975% spread (comprised of a 0.875% interest rate margin based on a debt leverage pricing grid plus a 0.1% credit spread adjustment).

To mitigate our exposure to interest rate volatility due to changes in SOFR, we entered into the 2024 Swap Agreement on March 1, 2024, to hedge a portion of our outstanding floating SOFR debt with a fixed interest rate of 5.145%. As of November 30, 2024, the 2024 Swap Agreement has a notional amount of \$50.0 million and matures on February 28, 2025.

Our Senior Notes have a fixed interest rate and are not subject to interest rate change. As such, our interest rate exposure is limited to the outstanding principal balance of our floating rate debt under our 2022 Credit Facilities in excess of our swap agreements. As of November 30, 2024, our interest rate exposure on our floating rate debt, net of our 2024 Swap Agreement, was \$317.5 million. Assuming the principal balance of our outstanding floating rate debt, net of the 2024 Swap Agreement, remained at \$317.5 million, a hypothetical 25 basis point change (up or down) in the one-month SOFR would result in an approximate \$1 million change to our annual interest expense as of November 30, 2024.

Refer to Note 5, *Derivative Instruments* and Note 11, *Debt* in the Notes to the Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q for more information on our swap agreements and outstanding borrowings as of November 30, 2024, respectively.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, including our Principal Executive Officer and Principal Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Based on the evaluation of our disclosure controls and procedures, our Principal Executive Officer and Principal Financial Officer have concluded that, as a result of material weaknesses in our internal control over financial reporting identified in connection with the preparation and audit of our Consolidated Financial Statements for the year ended August 31, 2024, our disclosure controls and procedures were not effective as of November 30, 2024.

Notwithstanding the material weakness, management has concluded the Consolidated Financial Statements included in this Quarterly Report on Form 10-Q present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Material Weakness in Internal Control over Financial Reporting

As included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2024, management identified certain control deficiencies related to the design and operation of our information technology ("IT") general controls ("ITGCs") that support our revenues, accounts receivable, and deferred revenues processes which, in the aggregate, rise to a material weakness in internal control over financial reporting. The deficiencies related to program change management and user access in connection with segregation of duties and restriction to appropriate users. As a result, the automated controls and IT dependent manual business process controls that rely upon information from the affected financial applications were also deemed not effective. Management has also concluded the material weakness existed in the prior year. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

After giving full consideration to the material weakness, and the additional analyses and other procedures we performed to ensure that our Consolidated Financial Statements included in this Quarterly Report on Form 10-Q were prepared in accordance with GAAP, our management has concluded that our Consolidated Financial Statements present fairly, in all material respects, our financial position, results of operations and cash flows for the periods disclosed in conformity with GAAP. We have developed and are implementing a remediation plan for the material weakness, which is described below.

Remediation Efforts

Management is committed to remediating the material weakness in a timely manner. We are in the process of implementing and enhancing our internal controls related to the design and operation of our ITGCs that support our revenues, accounts receivable, and deferred revenues processes. As previously disclosed in our Annual Report on Form 10-K for the fiscal year ended August 31, 2024, our remediation plan includes, but is not limited to: (i) increasing timely reviews of IT system changes made; (ii) rationalizing access privileges for developer system users; (iii) implementing or modifying controls related to program change management and certain computer operations; and (iv) training of relevant personnel on the design and operation of any new or modified ITGCs.

These steps are subject to ongoing management review, as well as oversight by the Audit Committee of our Board of Directors. Additional or modified measures may also be required to remediate the material weakness. We believe that these actions, collectively, will remediate the material weakness identified. However, we will not be able to conclude that we have completely remediated the material weakness until the applicable controls are fully implemented and operated for a sufficient period of time and management has concluded, through formal testing, that the remediated controls are operating effectively. We expect to complete these remediation measures as early as practicable in fiscal 2025. We will continue to monitor the design and effectiveness of these and other processes, procedures, and controls and will make any further changes management deems appropriate.

No system of controls, no matter how well designed and operated, can provide absolute assurance that the objectives of the system of controls will be met, and no evaluation of controls can provide absolute assurance that all control deficiencies or material weaknesses have been or will be detected. There is no assurance that our remediation efforts will be fully effective. If these remediation efforts do not prove effective and control deficiencies and material weaknesses persist or occur in the future, the accuracy and timing of our financial reporting may be adversely affected.

Changes in Internal Control over Financial Reporting

As discussed above, we are implementing our remediation plan related to the material weakness. There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended November 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth under "Contingencies" in Note 12, *Commitments and Contingencies*, contained in the Notes to the Consolidated Financial Statements included in Part I, Item 1., to this Quarterly Report on Form 10-Q is incorporated by reference in answer to this Item.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors identified in our Annual Report on Form 10-K for the fiscal year ended August 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Items 2(a) and (b) are not applicable as there have been no unregistered sales of equity securities.

(i) Issuer Purchases of Equity Securities

The following table provides a month-to-month summary of our share repurchase activity during the three months ended November 30, 2024:

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs ⁽²⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs ⁽²⁾
September 2024	4,775	\$ 438.50	4,775	\$ 297,906
October 2024	56,898	\$ 460.35	56,575	\$ 271,862
November 2024	71,895	\$ 471.36	43,125	\$ 251,210
Total	133,568		104,475	

(1) Includes 104,475 shares purchased under the stock repurchase program, as well as 29,093 shares repurchased to satisfy withholding tax obligations due upon the vesting of stock-based awards.

(2) On September 17, 2024, our Board of Directors authorized up to \$300 million for share repurchases, which are available during fiscal 2025. As of November 30, 2024, \$251.2 million remained authorized under our share repurchase program. Repurchases may be made from time-to-time in the open market or via privately negotiated transactions, subject to market conditions. There is no defined number of shares to be repurchased over a specified timeframe through the life of our share repurchase program. It is expected that share repurchases will be paid using existing and future cash generated by operations. Refer to Part I, Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources*, of this Quarterly Report on Form 10-Q for further discussion on our share repurchase program.

Trading Arrangements

On September 26, 2024, we entered into an agreement to adopt a trading arrangement for the repurchase of shares of our common stock in the open market consistent with the provisions of Rule 10b5-1 of the Exchange Act. The arrangement provides for the repurchase of up to \$250 million of our common stock during the period from September 27, 2024 through August 28, 2025 pursuant to a written algorithm for determining the amount, price and date for purchase of shares of our common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On September 26, 2024, F. Philip Snow, our Chief Executive Officer, adopted a trading plan for the monthly exercise of non-qualified stock options and the sale of shares of FactSet common stock issued upon exercise of those options, with an effective date of January 2, 2025 and an expiration date of December 5, 2025. This plan is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act. Pursuant to the plan, the aggregate number of options to be exercised, and the aggregate number of shares of common stock to be sold upon exercise of those options, is not to exceed 36,000.

None of our other directors or officers (as defined in Section 16 of the Exchange Act), adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408(a) and (c) of Regulation S-K) during the three months ended November 30, 2024.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Form	Incorporated by Reference			Filed Herewith
			File No.	Exhibit No.	Filing Date	
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended					X
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended					X
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	XBRL Taxonomy Extension Schema					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase					X
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FACTSET RESEARCH SYSTEMS INC.
(Registrant)

Date: January 8, 2025

/s/ HELEN L. SHAN

Helen L. Shan
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

/s/ GREGORY T. MOSKOFF

Gregory T. Moskoff
Managing Director, Controller and Chief Accounting Officer
(Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, F. Philip Snow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FactSet Research Systems Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have any significant role in the registrant's internal control over financial reporting.

Date: January 8, 2025

/s/ F. PHILIP SNOW

F. Philip Snow
Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Helen L. Shan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FactSet Research Systems Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have any significant role in the registrant's internal control over financial reporting.

Date: January 8, 2025

/s/ HELEN L. SHAN

Helen L. Shan

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of FactSet Research Systems Inc. (the “Company”) on Form 10-Q for the quarter ended November 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, F. Philip Snow, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ F. PHILIP SNOW

F. Philip Snow
Chief Executive Officer
January 8, 2025

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of FactSet Research Systems Inc. (the “Company”) on Form 10-Q for the quarter ended November 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Helen L. Shan, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ HELEN L. SHAN

Helen L. Shan

Executive Vice President, Chief Financial Officer

(Principal Financial Officer)

January 8, 2025