UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended May 31, 2022

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	**13-3362547**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
45 Glover Avenue, Norwalk, Connecticut	**06850**
(Address of principal executive offices)	(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** x **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** x **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 x **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** x

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 June 24, 2022 was 37,979,642.

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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 and nine months ended May 31, 2022, 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 Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the fiscal year ended August 31, 2021, 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

	Three Months Ended May 31,		Nine Months Ended May 31,	
(In thousands, except per share data)	2022	2021	2022	2021
Revenues	$ 488,751	$ 399,558	$ 1,344,595	$ 1,179,551
Operating expenses				
Cost of services	222,618	205,257	629,162	588,868
Selling, general and administrative	119,881	76,599	309,185	235,818
Long-lived asset impairments	48,998	—	62,985	—
Total operating expenses	391,497	281,856	1,001,332	824,686
Operating income	97,254	117,702	343,263	354,865
Other income (expense), net				
Interest expense, net	(12,051)	(1,839)	(15,218)	(4,682)
Other income (expense), net	77	(1,587)	(879)	(1,009)
Income before income taxes	85,280	114,276	327,166	349,174
Provision for income taxes	10,370	13,597	34,671	50,646
Net income	$ 74,910	$ 100,679	$ 292,495	$ 298,528
Basic earnings per common share	$ 1.97	$ 2.66	$ 7.76	$ 7.87
Diluted earnings per common share	$ 1.93	$ 2.62	$ 7.58	$ 7.73
Basic weighted average common shares	37,934	37,806	37,716	37,910
Diluted weighted average common shares	38,720	38,488	38,607	38,602

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

FactSet Research Systems Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME – Unaudited

	Three Months Ended May 31,		Nine Months Ended May 31,	
(In thousands)	2022	2021	2022	2021
Net income	$ 74,910	$ 100,679	$ 292,495	$ 298,528
Other comprehensive income (loss), net of tax				
Net unrealized gain (loss) on cash flow hedges*	810	1,017	5,620	2,204
Foreign currency translation adjustment	(22,096)	8,221	(43,792)	17,831
Other comprehensive income (loss)	(21,286)	9,238	(38,172)	20,035
Comprehensive income	$ 53,624	$ 109,917	$ 254,323	$ 318,563

*For the three and nine months ended May 31, 2022, the net unrealized gain on cash flow hedges were net of a tax expense of $1,350 thousand and a tax expense of $1,819 thousand, respectively. For the three and nine months ended May 31, 2021, the net unrealized gain on cash flow hedges were net of a tax expense of $344 thousand and a tax expense of $746 thousand, 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)	May 31, 2022	August 31, 2021
ASSETS		
Cash and cash equivalents	$ 526,966	$ 681,865
Investments	33,580	35,984
Accounts receivable, net of reserves of $3,387 at May 31, 2022 and $6,431 at August 31, 2021	226,488	151,187
Prepaid taxes	31,366	13,917
Prepaid expenses and other current assets	55,070	50,625
Total current assets	873,470	933,578
Property, equipment and leasehold improvements, net	85,625	131,377
Goodwill	978,860	754,205
Intangible assets, net	1,912,738	134,986
Deferred taxes	3,262	2,250
Lease right-of-use assets, net	176,884	239,064
Other assets	37,725	29,480
TOTAL ASSETS	$ 4,068,564	$ 2,224,940
LIABILITIES		
Accounts payable and accrued expenses	$ 100,319	$ 85,777
Current lease liabilities	30,757	31,576
Accrued compensation	78,483	104,403
Deferred revenues	169,361	63,104
Dividends payable	33,795	30,845
Total current liabilities	412,715	315,705
Long-term debt	2,105,142	574,535
Deferred taxes	14,973	14,752
Deferred revenues, non-current	8,172	8,394
Taxes payable	29,095	30,279
Long-term lease liabilities	227,047	259,980
Other liabilities	3,698	4,942
TOTAL LIABILITIES	$ 2,800,842	$ 1,208,587
Commitments and contingencies (see Note 13)		
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, 41,572,771 and 41,163,192 shares issued, 37,971,366 and 37,615,419 shares outstanding at May 31, 2022 and August 31, 2021, respectively	416	412
Additional paid-in capital	1,163,081	1,048,305
Treasury stock, at cost: 3,601,405 and 3,547,773 shares at May 31, 2022 and August 31, 2021, respectively	(927,818)	(905,917)
Retained earnings	1,109,177	912,515
Accumulated other comprehensive loss	(77,134)	(38,962)
TOTAL STOCKHOLDERS' EQUITY	$ 1,267,722	$ 1,016,353
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,068,564	$ 2,224,940

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

FactSet Research Systems Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS – Unaudited

	Nine Months Ended May 31,	
(in thousands)	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 292,495	$ 298,528
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	60,176	48,185
Amortization of lease right-of-use assets	32,936	32,241
Stock-based compensation expense	40,604	33,356
Deferred income taxes	(5,488)	(2,271)
Impairment charge	62,985	—
Changes in assets and liabilities, net of effects of acquisitions		
Accounts receivable, net of reserves	(39,005)	(6,795)
Accounts payable and accrued expenses	15,292	(1,712)
Accrued compensation	(23,992)	(11,066)
Deferred fees	4,091	8,898
Taxes payable, net of prepaid taxes	(18,552)	8,766
Lease liabilities, net	(35,961)	(31,156)
Other, net	1,343	(6,725)
Net cash provided by operating activities	386,924	370,249
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, equipment, leasehold improvements and internal-use software	(35,950)	(47,414)
Acquisition of businesses, net of cash and cash equivalents acquired	(1,981,641)	(41,916)
Purchases of investments	(678)	(1,250)
Proceeds from maturity or sale of investments	—	2,176
Net cash used in investing activities	(2,018,269)	(88,404)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt	2,238,355	—
Repayments of debt	(700,000)	—
Payments of debt issuance costs	(9,736)	—
Dividend payments	(92,334)	(87,144)
Proceeds from employee stock plans	74,173	46,962
Repurchases of common stock	(18,639)	(172,210)
Other financing activities	(3,263)	(2,366)
Net cash provided by / (used in) financing activities	1,488,556	(214,758)
Effect of exchange rate changes on cash and cash equivalents	(12,110)	5,648
Net (decrease) increase in cash and cash equivalents	(154,899)	72,735
Cash and cash equivalents at beginning of period	681,865	585,605
Cash and cash equivalents at end of period	$ 526,966	$ 658,340

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 May 31, 2022

	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
(in thousands, except share data)	Shares	Par Value		Shares	Amount			
Balance as of February 28, 2022	41,485,261	$ 415	$ 1,131,166	3,601,395	$ (927,814)	$ 1,068,062	$ (55,848)	$ 1,215,981
Net income						74,910		74,910
Other comprehensive income (loss)							(21,286)	(21,286)
Common stock issued for employee stock plans	87,486	1	17,248	—	—			17,249
Vesting of restricted stock	24	—		10	(4)			(4)
Repurchases of common stock								—
Stock-based compensation expense			14,667					14,667
Dividends declared						(33,795)		(33,795)
Balance as of May 31, 2022	41,572,771	$ 416	$ 1,163,081	3,601,405	$ (927,818)	$ 1,109,177	$ (77,134)	$ 1,267,722

For the Nine Months Ended May 31, 2022

	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
(in thousands, except share data)	Shares	Par Value		Shares	Amount			
Balance as of August 31, 2021	41,163,192	$ 412	$ 1,048,305	3,547,773	$ (905,917)	$ 912,515	$ (38,962)	$ 1,016,353
Net income						292,495		292,495
Other comprehensive income (loss)							(38,172)	(38,172)
Common stock issued for employee stock plans	391,195	4	74,172	260	(128)			74,048
Vesting of restricted stock	18,384	—		7,172	(3,134)			(3,134)
Repurchases of common stock				46,200	(18,639)			(18,639)
Stock-based compensation expense			40,604					40,604
Dividends declared						(95,833)		(95,833)
Balance as of May 31, 2022	41,572,771	$ 416	$ 1,163,081	3,601,405	$ (927,818)	$ 1,109,177	$ (77,134)	$ 1,267,722

For the Three Months Ended May 31, 2021

(in thousands, except share data)	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 February 28, 2021	40,943,660	$ 409	$ 989,918	3,098,662	$ (753,954)	$ 772,591	$ (28,496)	$ 980,468
Net income						100,679		100,679
Other comprehensive income							9,238	9,238
Common stock issued for employee stock plans	103,912	1	18,434					18,435
Vesting of restricted stock	52	—		22	(7)			(7)
Repurchases of common stock				178,100	(57,571)			(57,571)
Stock-based compensation expense			11,029					11,029
Dividends declared						(30,972)		(30,972)
Balance as of May 31, 2021	41,047,624	$ 410	$ 1,019,381	3,276,784	$ (811,532)	$ 842,298	$ (19,258)	$ 1,031,299

For the Nine Months Ended May 31, 2021

(in thousands, except share data)	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, 2020	40,767,708	$ 408	$ 939,067	2,737,456	$ (636,956)	$ 633,149	$ (39,293)	$ 896,375
Net income						298,528		298,528
Other comprehensive loss							20,035	20,035
Common stock issued for employee stock plans	260,921	2	46,959	318	(104)			46,857
Vesting of restricted stock	18,995	—		7,151	(2,262)			(2,262)
Repurchases of common stock				531,859	(172,210)			(172,210)
Stock-based compensation expense			33,355					33,355
Dividends declared						(89,379)		(89,379)
Balance as of May 31, 2021	41,047,624	$ 410	$ 1,019,381	3,276,784	$ (811,532)	$ 842,298	$ (19,258)	$ 1,031,299

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FactSet Research Systems Inc.
May 31, 2022
(Unaudited)

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 data and analytics company with an open and flexible digital platform which focuses on driving the investment community to see more, think bigger, and do its best work. Our strategy is to build the leading open content and analytics platform that delivers a differentiated advantage for our clients' success.

For over 40 years, the FactSet platform has delivered expansive data, sophisticated analytics, and flexible technology that global financial professionals need to power their critical investment workflows. Approximately 174,000 investment professionals including asset managers, asset owners, bankers, wealth managers, corporate users, private equity and venture capital professionals, and others use our personalized solutions to identify opportunities, explore ideas, and gain a competitive advantage. Our solutions span investment research, portfolio construction and analysis, trade execution, performance measurement, risk management, and reporting across the investment lifecycle.

We provide financial data and market intelligence on securities, companies, industries and people to enable our clients to research investment ideas, as well as offering them the capabilities to analyze, monitor and manage their portfolios. We combine dedicated client service with open and flexible technology offerings, such as a configurable desktop and mobile platform, comprehensive data feeds, cloud-based digital solutions, and application programming interfaces ("APIs"). We are a central figure within the global securities marketplace and a foundation for security master files relied on by critical front, middle and back-office functions around the world through CUSIP Global Services ("CGS"). Our revenues are primarily derived from subscriptions to our products and services such as workstations, portfolio analytics, and market data.

We advance our industry by comprehensively understanding our clients' workflows, solving their most complex challenges, and helping them achieve their goals. By providing them with the leading open content and analytics platform, an expansive universe of connected data they can trust, next-generation workflow support designed to help them grow and see their next best action, and the industry's most committed service specialists, we put our clients in a position to outperform.

We are focused on growing our business through three reportable segments ("segments"): the Americas, EMEA and Asia Pacific. Refer to Note 17, *Segment Information*, for further information. Within each of our segments, we deliver insight and information through our three workflows: Research & Advisory Solutions; Analytics & Trading Solutions; and Content & Technology Solutions ("CTS").

2. 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, 2021. The accompanying 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.

Use of Estimates

The preparation of our Consolidated Financial Statements and related disclosures, in conformity with GAAP, requires 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 amount of revenues and expenses during the reporting period. Significant estimates may have been made in areas that include income taxes, stock-based compensation, the valuation of goodwill and allocation of purchase price to acquired assets and liabilities, useful lives and impairments of long-lived tangible and intangible assets and reserves for litigation and other contingencies. 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 assets and liabilities. Actual results could differ from those estimates.

3. RECENT ACCOUNTING PRONOUNCEMENTS

As of May 31, 2022, we implemented all applicable new accounting standards and updates issued by the Financial Accounting Standards Board ("FASB") that were in effect. There were no new standards or updates adopted during the three and nine months ended May 31, 2022 that had a material impact on our Consolidated Financial Statements.

New Accounting Standards or Updates Recently Adopted

Income Tax Simplification

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740); Simplifying the Accounting for Income Taxes*, to simplify various aspects related to accounting for income taxes, eliminating certain exceptions to the general principles in accounting for income taxes related to intraperiod tax allocation, simplifying when companies recognize deferred taxes in an interim period, and clarifying certain aspects of the current guidance to promote consistent application. We have adopted this standard effective September 1, 2021. The adoption of this standard did not have an impact on our Consolidated Financial Statements.

Business Combinations

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASU 2021-08"), which requires an acquirer to recognize and measure contract assets and liabilities acquired in a business combination in accordance with Revenue from Contracts with Customers ("Topic 606") rather than adjust them to fair value at the acquisition date. We elected to early adopt this accounting standard in the second quarter of fiscal 2022, with retrospective application to business combinations that occurred in the current fiscal year. Results of operations for quarterly periods prior to September 1, 2021 remain unchanged as a result of the adoption of ASU No. 2021-08. The acquisitions of CGS and Cobalt Software, Inc ("Cobalt"), and all future acquisitions, will be accounted for in accordance with ASU 2021-08. Refer to Note 7, *Acquisitions* for further information. The adoption of this standard did not have a material impact on our Consolidated Financial Statements.

Recent Accounting Standards or Updates Not Yet Effective

Facilitation of the Effects of Reference Rate Reform on Financial Reporting

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848); Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, to provide optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships, and other transactions affected by the anticipated transition from the London Interbank Offered Rate ("LIBOR"). As a result of the reference rate reform initiative, certain widely used reference rates such as LIBOR are expected to be discontinued. The guidance is designed to simplify how entities account for contracts, such as receivables, debt, leases, derivative instruments and hedging, that are modified to replace LIBOR or other benchmark interest rates with new rates. The guidance is effective upon issuance and may be applied through December 31, 2022.

On March 1, 2022, we repaid in full and terminated the 2019 Credit Agreement, which bore interest based on the LIBOR rate. Concurrently, on March 1, 2022, we entered into the 2022 Credit Agreement, which bears interest based on rates other than LIBOR. As such, the adoption of this standard will not have an impact on our Consolidated Financial Statements.

Refer to Note 12, *Debt* for definitions of these terms and more information on the 2019 Credit Agreement and 2022 Credit Agreement.

No other new accounting pronouncements issued or effective as of May 31, 2022 have had, or are expected to have, a material impact on our Consolidated Financial Statements.

4. REVENUE RECOGNITION

We derive most of our revenues by providing client access to our hosted proprietary data and analytics platform which can include various combinations of products, content and services available over the contractual term (referred to as the "hosted platform"). The hosted platform is a subscription-based service that consists primarily of providing client access to products, content and services including workstations, portfolio analytics and market data. We also provide subscription access to a database of universally recognized identifiers reflecting differentiating characteristics for issuers and their financial instruments (referred to as the "identifier platform").

We determined that the majority of each of our hosted platform and 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. We also determined the primary nature of the promise to the client is to provide daily access to each of these data and analytics platforms. These platforms provide integrated financial information, analytical applications and industry-leading service for the investment community. Based on the nature of the services and products offered by us, we apply an output time-based measure of progress as the client is simultaneously receiving and consuming the benefits of the platform. We record revenues for these contracts using the over-time revenue recognition model as a client is invoiced or performance is satisfied.

We do not consider payment terms as a performance obligation for clients with contractual terms that are one year or less and we have elected the practical expedient.

Contracts with clients can include certain fulfillment costs, comprised of up-front costs to allow for the delivery of services and products, which are recoverable. Fulfillment costs are recognized as an asset, with the current portion recorded in the Prepaid expenses and other current assets and the non-current portion recorded in Other assets, based on the term of the license period. The fulfillment costs are amortized consistent with the associated revenues for providing the services. There are no significant judgments that would impact the timing of revenue recognition. 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 performance obligations completed to date, and therefore, we do not disclose the value of the remaining unsatisfied performance obligations.

Disaggregated Revenues

We disaggregate revenues from contracts with clients by our segments which consist of the Americas, EMEA and Asia Pacific. We believe these segments are reflective of how we manage our business and the markets in which we serve and best depict the nature, amount, timing and uncertainty of revenues and cash flows related to contracts with clients. Refer to Note 17, *Segment Information*, for further information.

The following table presents this disaggregation by segment:

	Three Months Ended May 31,		Nine Months Ended May 31,	
(in thousands)	2022	2021	2022	2021
Americas	$ 309,740	$ 253,786	$ 850,312	$ 746,112
EMEA	128,326	106,833	357,920	318,103
Asia Pacific	50,685	38,939	136,363	115,336
Total Revenues	$ 488,751	$ 399,558	$ 1,344,595	$ 1,179,551

5. 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 is permissible. We consider the principal or most advantageous market in which we would transact and consider assumptions that market participants would use when pricing the asset or liability.

Fair Value Hierarchy

The accounting guidance for fair value measurements establishes a 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. There are three levels of inputs that may be used to measure fair value based on the reliability of inputs. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. 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 levels. We have categorized our cash equivalents, investments and derivatives 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. These Level 1 assets and liabilities include our corporate money market funds that are classified as cash equivalents.

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. Our mutual funds and derivative instruments are classified as Level 2.

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.

(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 May 31, 2022 and August 31, 2021. We did not have any transfers between levels of fair value measurements during the periods presented. We held no Level 3 assets or liabilities measured at fair value on a recurring basis as of May 31, 2022 or August 31, 2021.

	Fair Value Measurements as of May 31, 2022		
(in thousands)	Level 1	Level 2	Total
Assets			
Corporate money market funds [1]	$ 237,803	$ —	$ 237,803
Mutual funds [2]	—	33,580	33,580
Derivative instruments [3]	—	8,605	8,605
Total assets measured at fair value	$ 237,803	$ 42,185	$ 279,988
Liabilities			
Derivative instruments [3]	$ —	$ 3,963	$ 3,963
Total liabilities measured at fair value	$ —	$ 3,963	$ 3,963

	Fair Value Measurements as of August 31, 2021		
(in thousands)	Level 1	Level 2	Total
Assets			
Corporate money market funds [1]	$ 232,519	$ —	$ 232,519
Mutual funds [2]	—	35,984	35,984
Derivative instruments [3]	—	1,384	1,384
Total assets measured at fair value	$ 232,519	$ 37,368	$ 269,887
Liabilities			
Derivative instruments [3]	$ —	$ 4,181	$ 4,181
Total liabilities measured at fair value	$ —	$ 4,181	$ 4,181

1. *Our corporate money market funds are readily convertible into cash and the net asset value of each fund on the last day of the quarter is used to determine its fair value. Our corporate money market funds are classified as Level 1 assets and are included in Cash and cash equivalents within the Consolidated Balance Sheets.*

2. *Our mutual funds have a fair value 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 the underlying investments is based on observable inputs. Our mutual funds are classified as Level 2 and are included in Investments (short-term) 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, and are classified as Level 2 assets. To estimate fair value for our interest rate swap agreements, we utilize a present value of future cash flows, leveraging a model-derived valuation that uses Level 2 observable inputs such as interest rate yield curves. Refer to Note 6, Derivative Instruments, for more information on our derivative instruments designed as cash flow hedges and their classification within the Consolidated Balance Sheets.*

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

Assets and liabilities that are measured at fair value on a non-recurring basis relate primarily to our tangible fixed assets, lease right-of-use ("ROU") assets, goodwill and intangible assets. The fair values of these non-financial assets and liabilities 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. These non-financial assets are required to be assessed for impairment whenever events or circumstances indicate that their carrying value may not be fully recoverable, and at least annually for goodwill.

During the three and nine months ended May 31, 2022, we incurred an impairment charge of $48.8 million and $62.2 million, respectively, related to our lease ROU assets and Property, equipment and leasehold improvements associated with vacating certain leased office space. For those locations we anticipate subleasing, we estimated the fair value of the lease ROU assets as of the cease use date, using a market approach, based on expected future cash flows from sublease income. To complete this assessment we relied on certain assumptions, which included estimates of the rental rate, period of vacancy, incentives and annual rent increases. We fully impaired the lease ROU assets for locations we will not sublease and substantially all the Property, equipment and leasehold improvements associated with the related vacated leased office space as there are no expected cash flows related to these items. Due to the subjective nature of the unobservable inputs used, the fair value measurement for the asset impairments are classified within Level 3 of the fair value hierarchy.

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

We elected not to carry our Long-term debt at fair value. The carrying value of our Long-term debt is net of related unamortized discount and debt issuance costs.

The fair value of our Senior Notes is estimated based on quoted prices in active markets as of the reporting date, given that the Senior Notes are publicly traded, 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.

The fair value of our 2019 Revolving Credit Facility approximated its carrying value as it bore interest at a floating interest rate, which is considered a Level 2 input. On March 1, 2022, we repaid in full and terminated the 2019 Credit Agreement.

Refer to Note 12, *Debt* for definitions of these terms and more information on the Senior Notes, 2022 Credit Facilities, 2019 Revolving Credit Facility and 2019 Credit Agreement.

The following table summarizes the outstanding principal amount, estimated fair value and related hierarchy level, unamortized discounts and debt issuance costs and net carrying value of our debt as of May 31, 2022:

		May 31, 2022		August 31, 2021	
(in thousands)	Fair Value Hierarchy	Principal Amount	Estimated Fair Value	Principal Amount	Estimated Fair Value
2027 Notes	Level 1	$ 500,000	$ 475,275	$ —	$ —
2032 Notes	Level 1	500,000	451,730	—	—
2022 Term Facility	Level 3	875,000	872,813	—	—
2022 Revolving Facility	Level 3	250,000	248,125	—	—
2019 Revolving Credit Facility	Level 2	—	—	575,000	575,000
Total principal amount		$ 2,125,000	$ 2,047,943	$ 575,000	$ 575,000
Total unamortized discounts and debt issuance costs		(19,858)		(465)	
Total net carrying value of debt		$ 2,105,142		$ 574,535	

6. DERIVATIVE INSTRUMENTS

Cash Flow Hedges

Foreign Currency Forward Contracts

We conduct business outside the U.S. in several currencies including the British Pound Sterling, Indian Rupee, Euro, and Philippine Peso. As such, we are exposed to movements in foreign currency exchange rates. We utilize derivative instruments (foreign currency forward contracts) to manage the exposures related to the effects of foreign exchange rate fluctuations and reduce the volatility of earnings and cash flows associated with changes in foreign currency. 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 to, and the availability, effectiveness, and cost of derivative instruments. Derivative instruments are only utilized for risk management purposes and are not used for speculative or trading purposes. We limit counterparties to credit-worthy financial institutions. Refer to Note 13, *Commitments and Contingencies – Concentrations of Credit Risk*, for further discussion on counterparty credit risk.

In designing a specific hedging approach, we considered several factors, including offsetting exposures, the significance of exposures, the forecasting of risk and the potential effectiveness of the hedge. The gains and losses on foreign currency forward contracts offset the variability in operating expenses associated with currency movements. The changes in fair value for these foreign currency forward contracts are initially reported as a component of Accumulated Other Comprehensive Loss ("AOCL") and subsequently reclassified into Operating expenses when the hedge is settled. There was no discontinuance of cash flow hedges during the three and nine months ended May 31, 2022 or May 31, 2021, and as such, no corresponding gains or losses related to changes in the value of our contracts were reclassified into earnings prior to settlement.

As of May 31, 2022, we maintained foreign currency forward contracts to hedge a portion of our exposures primarily related to the British Pound Sterling, Indian Rupee, Euro and Philippine Peso. We entered into a series of forward contracts to mitigate our currency exposure ranging from 25% to 75%, as of May 31, 2022, over their respective hedged periods. The current foreign currency forward contracts are set to mature at various points between the fourth quarter of fiscal 2022 through the third quarter of fiscal 2023.

As of May 31, 2022, the gross notional value of foreign currency forward contracts to purchase Philippine Pesos and Indian Rupees with U.S. dollars was ₱1.4 billion and Rs2.6 billion, respectively. The gross notional value of foreign currency forward contracts to purchase Euros and British Pound Sterling with U.S. dollars was €37.4 million and £41.2 million, respectively.

Swap Agreement

2020 Swap Agreement

On March 5, 2020, we entered into an interest rate swap agreement ("2020 Swap Agreement") with a notional amount of $287.5 million. The 2020 Swap Agreement hedged a portion of our then outstanding floating LIBOR rate debt with a fixed interest rate of 0.7995% to mitigate our interest rate exposure. On March 1, 2022, we terminated the 2020 Swap Agreement, which resulted in a one-time benefit of $3.5 million recognized in Interest expense, net in the Consolidated Statements of Income during the third quarter of fiscal 2022, based on its fair market value.

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. The 2022 Swap Agreement hedges a portion of our outstanding floating Secured Overnight Financing Rate ("SOFR") rate debt with a fixed interest rate of 1.162% to maintain an intended fixed to floating interest rate ratio. The notional amount of the 2022 Swap Agreement will decline by $100.0 million on a quarterly basis, to align with our expected debt balances, beginning May 31, 2022 and maturing on February 28, 2024. As of May 31, 2022, the notional amount of the 2022 Swap Agreement was $700.0 million.

We have designated and accounted for this instrument as a cash flow hedge with the unrealized gains or losses on the 2022 Swap Agreement recorded in AOCL in the Consolidated Balance Sheets. Realized gains or losses are subsequently reclassified into Interest expense, net in the Consolidated Statements of Income when settled. Since its inception on March 1, 2022 and through May 31, 2022, the interest rate swap was considered highly effective. Refer to Note 12, Debt, for further discussion of the 2022 Credit Facilities.

Refer to *Interest Rate Risk* in Part I, Item 3 of this Quarterly Report on Form 10-Q for further discussion of our exposure to interest rate risk on our long-term debt outstanding.

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

	Gross Notional Value	
(in thousands)	May 31, 2022	August 31, 2021
Foreign currency forward contracts	$ 156,097	$ 154,728
Interest rate swap agreement	700,000	287,500
Total cash flow hedges	$ 856,097	$ 442,228

Fair Value of Derivative Instruments

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

	Fair Value of Derivative Instruments					
(in thousands)	Derivative Assets			Derivative Liabilities		
Derivatives designated as hedging instruments	Balance Sheet Classification	May 31, 2022	August 31, 2021	Balance Sheet Classification	May 31, 2022	August 31, 2021
Foreign currency forward contracts	Prepaid expenses and other current assets	$ 554	$ 1,384	Accounts payable and accrued expenses	$ 3,963	$ 1,201
Interest rate swap agreement	Prepaid expenses and other current assets	5,447	—	Accounts payable and accrued expenses	—	1,934
	Other assets	2,604	—	Other liabilities	—	1,045
Total cash flow hedges		$ 8,605	$ 1,384		$ 3,963	$ 4,181

All derivatives were designated as hedging instruments as of May 31, 2022 and August 31, 2021.

Derivatives in Cash Flow Hedging Relationships

The following table provides the pre-tax effect of derivative instruments in cash flow hedging relationships for the three months ended May 31, 2022 and May 31, 2021, respectively:

	Gain (Loss) Reclassified in AOCL on Derivatives			Gain (Loss) Reclassified from AOCL into Income	
(in thousands)	May 31,			May 31,	
Derivatives in Cash Flow Hedging Relationships	2022	2021	Location of Gain (Loss) Reclassified from AOCL into Income	2022	2021
Foreign currency forward contracts	$ (4,114)	$ 3,214	SG&A	$ (2,635)	$ 1,672
Interest rate swap agreement	5,629	(683)	Interest expense, net	1,990	(502)
Total cash flow hedges	$ 1,515	$ 2,531		$ (645)	$ 1,170

The following table provides the pre-tax effect of derivative instruments in cash flow hedging relationships for the nine months ended May 31, 2022 and May 31, 2021, respectively:

(in thousands)	Gain (Loss) Reclassified in AOCL on Derivatives		Location of Gain (Loss) Reclassified from AOCL into Income	Gain (Loss) Reclassified from AOCL into Income	
	May 31,			May 31,	
Derivatives in Cash Flow Hedging Relationships	2022	2021		2022	2021
Foreign currency forward contracts	$ (7,690)	$ 5,341	SG&A	$ (4,098)	$ 4,558
Interest rate swap agreement	12,007	723	Interest expense, net	976	(1,444)
Total cash flow hedges	$ 4,317	$ 6,064		$ (3,122)	$ 3,114

As of May 31, 2022, our cash flow hedges were effective, with no amount of ineffectiveness recorded in the Consolidated Statements of Income for these designated cash flow hedges, and all components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

As of May 31, 2022, we estimate that net pre-tax derivative gains of $2.0 million related to the cash flow hedges 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 May 31, 2022 and August 31, 2021, there were no material amounts recorded net on the Consolidated Balance Sheets.

7. ACQUISITIONS

During fiscal 2022 and 2021, we completed acquisitions of several businesses, with the most significant cash flows related to the acquisitions of CUSIP Global Services ("CGS"), Cobalt Software, Inc. ("Cobalt") and Truvalue Labs, Inc. ("TVL").

CUSIP Global Services

On March 1, 2022, we completed the acquisition of CGS, previously operated by S&P Global Inc. on behalf of the American Bankers Association ("ABA"), for a cash purchase price of $1.932 billion, inclusive of preliminary working capital adjustments. CGS manages a database of 60 different data elements uniquely identifying more than 50 million global financial instruments. It is the foundation for security master files relied on by critical front, middle and back-office functions. CGS is the exclusive provider of Committee on Uniform Security Identification Procedures ("CUSIP") and CUSIP International Number System ("CINS") identifiers globally and also acts as the official numbering agency for International Securities Identification Number ("ISIN") identifiers in the United States and as a substitute number agency for more than 35 other countries. We anticipate that the CGS acquisition will significantly expand our critical role in the global capital markets. The CGS purchase price was in excess of the fair value of net assets acquired, resulting in the recognition of goodwill. We expect to finalize the allocation of the purchase price for CGS as soon as possible, but in any event, no later than one year from the acquisition date. 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.

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[1]	$ 38,111		
Amortizable intangible assets			
Revenues-generating contract	1,583,000	36 years	Straight-line
Client relationships	164,000	26 years	Straight-line
Acquired databases	46,000	15 years	Straight-line
Goodwill	206,981		
Current liabilities[2]	(104,354)		
Deferred revenues, long-term	(1,482)		
Total purchase price	$ 1,932,256		

1. *Includes an accounts receivable balance of $38.0 million.*
2. *Includes a deferred revenues balance of $98.8 million.*

Goodwill totaling $207.0 million represents the excess of the CGS purchase price over the fair value of net assets acquired, representing future economic benefits that we expect to achieve as a result of the acquisition, and is included in the Americas segment. Goodwill generated from the CGS acquisition is deductible for income tax purposes. The majority of the net assets acquired relate to a Revenues-generating contract intangible which is a renewable license agreement with the ABA to manage the issuance, maintenance and access to the CUSIP numbering system and related database of CUSIP identifiers. This intangible asset's valuation and associated useful life considers the term of the current agreement and the likelihood of renewals. The useful life assigned to the Client relationships intangible asset considers the strong historical client retention as a basis for expected future retention. The useful life assigned to Acquired databases considers there are limited changes to the data on an annual basis, which extends the life of the acquired asset.

The results of CGS'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 March 1, 2022. Pro forma information has not been presented because the effect of the CGS acquisition is not material to our Consolidated Financial Statements.

Cobalt Software, Inc.

On October 12, 2021, we acquired all of the outstanding shares of Cobalt for a purchase price of $50.0 million, net of cash acquired. Cobalt is a leading portfolio monitoring solutions provider for the private capital industry. This acquisition advances our strategy to scale our data and workflow solutions through targeted investments as part of our multi-year investment plan and expands our private markets offering. The Cobalt purchase price was in excess of the fair value of net assets acquired, resulting in the recognition of goodwill. We expect to finalize the allocation of the purchase price for Cobalt as soon as possible, but in any event, no later than one year from the acquisition date. The preliminary purchase price allocation is subject to change due to the finalization of deferred tax balances.

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	$ 540		
Amortizable intangible assets			
Software technology	7,750	5 years	Straight-line
Client relationships	4,800	11 years	Straight-line
Goodwill	43,554		
Other assets	34		
Current liabilities	(6,653)		
Other liabilities	(7)		
Total purchase price	$ 50,018		

Goodwill totaling $43.6 million represents the excess of the Cobalt purchase price over the fair value of net assets acquired and is included in the Americas and EMEA segments. Goodwill generated from the Cobalt acquisition is not deductible for income tax purposes. The results of Cobalt's operations have been included in our Consolidated Financial Statements, within the Americas and EMEA segments, beginning with its acquisition on October 12, 2021. Pro forma information has not been presented because the effect of the Cobalt acquisition is not material to our Consolidated Financial Statements.

Truvalue Labs, Inc.

On November 2, 2020, we acquired all of the outstanding shares of TVL for a purchase price of $41.9 million, net of cash acquired. TVL is a leading provider of environmental, social, and governance ("ESG") information. TVL applies artificial intelligence driven technology to over 100,000 unstructured text sources in multiple languages, including news, trade journals, and non-governmental organizations and industry reports, to provide daily signals that identify positive and negative ESG behavior. The acquisition of TVL further enhances our commitment to providing industry leading access to ESG data across our platforms. The TVL purchase price was in excess of the fair value of net assets acquired, resulting in the recognition of goodwill. We finalized the purchase accounting for the TVL acquisition during the third quarter of fiscal 2021.

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	$ 812		
Amortizable intangible assets			
Software technology	8,100	7 years	Straight-line
Trade names	2,800	15 years	Straight-line
Client relationships	900	12 years	Straight-line
Goodwill	30,058		
Other assets	5,299		
Current liabilities	(3,069)		
Other liabilities	(2,984)		
Total purchase price	$ 41,916		

Goodwill totaling $30.1 million represents the excess of the TVL purchase price over the fair value of net assets acquired and is included in the Americas segment. Goodwill generated from the TVL acquisition is not deductible for income tax purposes. The results of TVL's operations have been included in our Consolidated Financial Statements, within the Americas segment, beginning with its acquisition on November 2, 2020. Pro forma information has not been presented because the effect of the TVL acquisition is not material to our Consolidated Financial Statements.

8. GOODWILL

Changes in the carrying amount of goodwill by segment for the nine months ended May 31, 2022 are as follows:

(in thousands)	Americas	EMEA	Asia Pacific	Total
Balance at August 31, 2021	$ 430,088	$ 321,150	$ 2,967	$ 754,205
Acquisitions	250,749	428	—	251,177
Foreign currency translations	—	(26,092)	(430)	(26,522)
Balance at May 31, 2022	$ 680,837	$ 295,486	$ 2,537	$ 978,860

Goodwill is not amortized as it is estimated to have an indefinite life. At least annually, we are required to test goodwill at the reporting unit level, which is consistent with our segments, for potential impairment, and, if impaired, we write down our goodwill to fair value based on the present value of discounted cash flows. We performed our annual goodwill impairment test during the fourth quarter of fiscal 2021 utilizing a qualitative analysis, consistent with the timing of previous years. We concluded it was more likely than not that the fair value of each of our segments was greater than its respective carrying value and no impairment charge was required.

9. INTANGIBLE ASSETS

We amortize intangible assets on a straight line basis over their estimated useful lives. The estimated useful life, gross carrying amounts and accumulated amortization totals related to our identifiable intangible assets are as follows:

		May 31, 2022			August 31, 2021		
(in thousands, except useful lives)	Estimated Useful Life (years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Revenue-generating contract	36	$ 1,583,000	$ 10,993	$ 1,572,007	$ —	$ —	$ —
Client relationships	8 to 26	264,931	53,485	211,446	101,077	49,139	51,938
Software technology	5 to 9	124,710	95,725	28,985	121,556	87,207	34,349
Developed technology	3 to 5	73,704	30,574	43,130	57,666	21,278	36,388
Acquired databases	15	46,000	767	45,233	—	—	—
Data content	5 to 20	35,814	26,186	9,628	36,681	26,835	9,846
Trade names	15	6,781	4,472	2,309	6,900	4,435	2,465
Total		$ 2,134,940	$ 222,202	$ 1,912,738	$ 323,880	$ 188,894	$ 134,986

The weighted average useful life of our intangible assets at May 31, 2022 was 32.8 years. As described in Note 7, *Acquisitions*, we acquired several intangible assets as part of the CGS acquisition. The weighted average useful life of our intangible assets excluding those acquired from CGS at May 31, 2022 was 9.9 years. We assess intangible assets for indicators of impairment on a quarterly basis, including an evaluation of our useful lives to determine if events and circumstances warrant a revision to the remaining period of amortization. If indicators of impairment are present, amortizable 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 have not identified a material impairment, nor a material change to the estimated remaining useful lives of our intangible assets, during fiscal years 2022 and 2021. The intangible assets have no assigned residual values.

Intangible asset amortization expense recorded during the three months ended May 31, 2022 and May 31, 2021 was $21.5 million and $8.2 million, respectively. For the nine months ended May 31, 2022 and May 31, 2021, intangible asset amortization expense was $40.6 million and $23.4 million, respectively.

As of May 31, 2022, estimated intangible asset amortization expense for each of the next five years and thereafter are as follows:

Fiscal Year *(in thousands)*		Estimated Amortization Expense
2022 (remaining three months)	$	22,725
2023		87,328
2024		78,287
2025		71,340
2026		65,451
Thereafter		1,587,607
Total	$	1,912,738

10. INCOME TAXES

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 and the tax bases of assets and liabilities using currently enacted tax rates.

Provision for Income Taxes

The provision for income taxes is as follows:

	Three Months Ended May 31,				Nine Months Ended May 31,			
(in thousands)		2022		2021		2022		2021
Income before income taxes	$	85,280	$	114,276	$	327,166	$	349,174
Provision for income taxes	$	10,370	$	13,597	$	34,671	$	50,646
Effective tax rate		12.2 %		11.9 %		10.6 %		14.5 %

Our effective tax rate is based on recurring factors and non-recurring events, including the taxation of foreign income. Our effective tax rate will vary based on, among other things, changes in levels of foreign income, as well as discrete and other non-recurring events that may not be predictable. Our effective tax rate is lower than the applicable U.S. corporate income tax rate for the three and nine months ended May 31, 2022, driven mainly by research and development ("R&D") tax credits and a foreign derived intangible income ("FDII") deduction. The effective tax rate for the three and nine months ended May 31, 2022 is further reduced by windfall tax benefits associated with the employee exercise of stock options.

For the three months ended May 31, 2022, the provision for income taxes was $10.4 million, compared with $13.6 million for the same period a year ago. The provision decreased mainly due to lower pretax income for the three months ended May 31, 2022, compared with the prior year period.

For the nine months ended May 31, 2022, the provision for income taxes was $34.7 million, compared with $50.6 million for the same period a year ago. The provision decreased mainly due to lower pretax income and $12.0 million in higher windfall tax benefits for the nine months ended May 31, 2022, compared with the prior year period.

11. LEASES

On September 1, 2019, we adopted ASC 842, *Leases* ("ASC 842"). As part of this adoption, we elected not to record operating lease ROU assets or operating lease liabilities for leases with an initial term of 12 months or less. We elected the practical expedient not to separate lease components from non-lease components but, rather, to combine them into one single lease component, which we recognize over the expected term on a straight-line expense basis in occupancy costs (a component of SG&A expense). 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 portfolio is primarily related to our office space, under various operating lease agreements. Our lease ROU assets and lease liabilities are recognized based on the present value of future minimum lease payments at lease commencement (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 our lease ROU assets may be required for items such as the payment of initial direct costs or incentives received.

As of May 31, 2022, we recognized $176.9 million of Lease right-of-use assets, net and $257.8 million of combined Current lease liabilities and Long-term lease liabilities in the Consolidated Balance Sheets. Such leases have a remaining lease term ranging from less than one year to just under 14 years and did not include any renewal or termination options that were not yet reasonably certain to be exercised.

The following table reconciles our future undiscounted cash flows related to our operating leases and the reconciliation to the combined Current lease liabilities and Long-term lease liabilities in the Consolidated Balance Sheets as of May 31, 2022:

(in thousands) Fiscal Years Ended August 31,	Minimum Lease Payments
2022 (remaining three months)	$ 10,286
2023	40,638
2024	37,710
2025	35,638
2026	34,449
Thereafter	150,925
Total	$ 309,646
Less: Imputed interest	51,842
Present value	$ 257,804

The components of lease cost related to our operating leases were as follows:

	Three Months Ended May 31,		Nine Months Ended May 31,	
(in millions)	2022	2021	2022	2021
Operating lease cost[1]	$ 9.8	$ 10.7	$ 30.5	$ 32.2
Variable lease cost[2]	$ 3.2	$ 2.6	$ 8.9	$ 10.3

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 elected by us.*
2. *Variable lease costs were not included in the measurement of lease liabilities. These costs primarily include variable non-lease costs and leases that qualified for the short-term lease exception. Our variable non-lease costs include costs that were not fixed at the lease commencement date and are not dependent on an index or rate. These costs relate to utilities, real estate taxes, insurance and maintenance.*

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

	May 31, 2022	August 31, 2021
Weighted average remaining lease term *(in years)*	8.7	9.4
Weighted average discount rate *(IBR)*	4.3 %	4.3 %

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

(in millions)	Nine Months Ended May 31, 2022	2021
Cash paid for amounts included in the measurement of lease liabilities	$ 32.9	$ 30.9
Lease ROU assets obtained in exchange for lease liabilities	$ 9.3	$ 5.5
Reductions to ROU assets resulting from reductions to lease liabilities[1]	$ (11.7)	$ —

1. *Primarily related 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.*

During the three and nine months ended May 31, 2022, we incurred an impairment charge of $24.2 million and $31.5 million, respectively, related to our lease ROU assets associated with vacating certain leased office space. Refer to Note 5, *Fair Value Measures* for more information on the lease ROU assets impairment methodology.

12. DEBT

We elected not to carry our Long-term debt at fair value. The carrying value of our debt is net of related unamortized discount and debt issuance costs. Our total debt obligations as of May 31, 2022 and August 31, 2021 consisted of the following:

(in thousands)	Issuance Date	Maturity Date	May 31, 2022	August 31, 2021
2019 Credit Agreement				
2019 Revolving Credit Facility	3/29/2019	3/29/2024	$ —	$ 575,000
2022 Credit Agreement				
2022 Term Facility	3/1/2022	3/1/2025	875,000	—
2022 Revolving Facility	3/1/2022	3/1/2027	250,000	—
Senior Notes				
2027 Notes	3/1/2022	3/1/2027	500,000	—
2032 Notes	3/1/2022	3/1/2032	500,000	—
Total unamortized discounts and debt issuance costs			(19,858)	(465)
Total Long-term debt			$ 2,105,142	$ 574,535

As of May 31, 2022, annual maturities on our total debt obligations, based on contract maturity, were as follows:

(in thousands) Fiscal Years Ended August 31,	Maturities
2022 (remaining three months)	$ —
2023	—
2024	—
2025	875,000
2026	—
Thereafter	1,250,000
Total	$ 2,125,000

2019 Credit Agreement

On March 29, 2019, we entered into a credit agreement, as the borrower, with PNC Bank, National Association ("PNC"), as the administrative agent and lender (the "2019 Credit Agreement"), which provided a $750.0 million revolving credit facility (the "2019 Revolving Credit Facility"). We borrowed $575.0 million of the available $750.0 million provided by the 2019 Revolving Credit Facility. We were required to pay a commitment fee using a pricing grid based on the daily amount by which the available balance in the 2019 Revolving Credit Facility exceeded the borrowed amount. All outstanding loan amounts were reported as Long-term debt within the Consolidated Balance Sheets.

Borrowings under the 2019 Revolving Credit Facility bore interest on the outstanding principal amount at a rate equal to the daily LIBOR plus a spread using a debt leverage pricing grid. Interest on the amounts outstanding under the 2019 Revolving Credit Facility was payable quarterly, in arrears, and on the maturity date.

During fiscal 2019, we incurred approximately $0.9 million in debt issuance costs related to the 2019 Credit Agreement. These costs were capitalized as debt issuance costs and were amortized into Interest expense, net in the Consolidated Statements of Income ratably over the term of the 2019 Credit Agreement.

The 2019 Credit Agreement contained covenants and requirements restricting certain of our activities, which were usual and customary for this type of loan. In addition, the 2019 Credit Agreement required that we maintain a consolidated net leverage ratio, as measured by total net funded debt/EBITDA (as defined in the 2019 Credit Agreement) below a specified level as of the end of each fiscal quarter. We were in compliance with all covenants and requirements within the 2019 Credit Agreement through the termination date of the 2019 Credit Agreement.

On March 1, 2022, we terminated the 2019 Credit Agreement and amortized the remaining related $0.4 million of capitalized debt issuance costs into Interest expense, net in the Consolidated Statements of Income.

2022 Credit Agreement

On March 1, 2022, we entered into a credit agreement (the "2022 Credit Agreement") which provides for a senior unsecured term loan credit facility in an aggregate principal amount of $1.0 billion (the "2022 Term Facility") and a senior unsecured revolving credit facility in an aggregate principal amount of $500.0 million (the "2022 Revolving Facility" and, together with the 2022 Term Facility, the "2022 Credit Facilities"). 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 under the 2022 Revolving Facility from lenders or other financial institutions up to an aggregate principal amount of $750.0 million.

On March 1, 2022, we borrowed $1.0 billion under the 2022 Term Facility and $250.0 million of the available $500.0 million under the 2022 Revolving Facility. We are required to pay a commitment fee on the daily unused amount of the 2022 Revolving Facility using a pricing grid which was 0.125% as of May 31, 2022 and can fluctuate between 0.10% per annum and 0.25% per annum.

We used these 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 borrowings under the 2019 Credit Agreement and to pay related transaction fees, costs and expenses.

During the third quarter of 2022, we incurred approximately $9.5 million in debt issuance costs related to the 2022 Credit Facilities. We defer costs we incur to issue debt, which are presented in the Consolidated Balance Sheets as a direct deduction from the carrying amount of the related debt liability, and we amortize these costs to Interest expense, net in the Consolidated Statements of Income over the contractual term on a straight-line basis, which approximates the effective interest method.

Loans under the 2022 Term Facility are subject to scheduled amortization payments on the last day of each fiscal quarter, commencing with August 31, 2022 and ending on the last such day to occur prior to the maturity date. Each amortization payment is equal to 1.25% of the original principal amount of the 2022 Term Facility. Any remaining outstanding principal will be repaid in full on March 1, 2025, the maturity date of the 2022 Term Facility. The 2022 Credit Facilities are not otherwise subject to any mandatory prepayments. We may voluntarily prepay loans under the 2022 Credit Facilities at any time without premium or penalty. Prepayments of the 2022 Term Facility shall be applied to reduce the subsequent scheduled amortization payments in direct order of maturity. During the third quarter of fiscal 2022, we repaid $125.0 million under the 2022 Term Facility.

The 2022 Credit Agreement provides that loans denominated in U.S. dollars, at our option, will bear interest at either (i) one-month Term SOFR (with a 10 basis points credit spread adjustment and subject to a “zero” floor), (ii) Daily Simple SOFR (with a 10 basis points credit spread adjustment and subject to a “zero” floor) or (iii) an alternate base rate. Under the 2022 Credit Agreement, loans denominated in Pounds Sterling will bear interest at Daily Simple Sterling Overnight Index Average ("SONIA") (subject to a “zero” floor) and loans denominated in Euros will bear interest at Euro Interbank Offered Rate ("EURIBOR") (subject to a “zero” floor), in each case, plus an applicable interest rate margin. The interest rate margin will be based upon our senior unsecured non-credit enhanced long-term debt rating and our total leverage ratio.

The outstanding borrowings under the 2022 Credit Facilities through the third quarter of fiscal 2022 bore interest at a rate equal to the applicable Term SOFR rate plus a spread using a debt leverage pricing grid, currently at 1.1%. Interest on the 2022 Credit Facilities is currently payable on the last business day of each month, in arrears.

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 limitations on indebtedness of non-guarantor subsidiaries, liens, sale and leaseback transactions, mergers and certain other fundamental changes and change in nature of business. The 2022 Credit Agreement contains a financial covenant requiring maintenance of a total leverage ratio, permitting netting up to $350.0 million of unrestricted cash and cash equivalents, no greater than (a) 4.00 to 1.00 as of the last day of each fiscal quarter beginning with the fiscal quarter ending on May 31, 2022, (b) 3.75 to 1.00 as of the last day of each fiscal quarter beginning with the fiscal quarter ending on August 31, 2023 and (c) 3.50 to 1.00 as of the last day of each fiscal quarter beginning with the fiscal quarter ending on August 31, 2024, but if we consummate a material acquisition where the aggregate consideration payable is $200.0 million or more, we may, on no more than two occasions, increase the maximum total leverage ratio then applicable under the financial covenant by 0.50 to 1.00 with respect to the fiscal quarter in which such material acquisition is consummated and the subsequent four consecutive fiscal quarters.

The 2022 Credit Agreement provides that, in the event that we no longer have a senior unsecured non-credit enhanced long-term debt rating or a corporate rating from at least two of the rating agencies where such rating is Baa3, BBB- or BBB-, respectively, or higher, (i) our wholly-owned domestic subsidiaries will be required to guarantee the 2022 Credit Facilities, subject to customary exceptions, (ii) we will be subject to limitations on additional indebtedness, investments, dispositions, restricted payments and burdensome agreements, and (iii) we will be required to maintain an interest coverage ratio of no less than 3.00 to 1.00 for any period of four consecutive fiscal quarters.

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 during the third quarter of 2022 we incurred approximately $9.1 million in debt issuance costs related to the Senior Notes. We deferred the debt discounts and costs we incurred to issue debt, which are presented in the Consolidated Balance Sheets as a net direct deduction from the carrying amount of the related debt liability, and we amortize these costs to Interest expense, net in the Consolidated Statements of Income over the contractual term leveraging the effective interest method.

The 2027 Notes and the 2032 Notes will mature on March 1, 2027 and March 1, 2032, respectively. Interest on the Senior Notes is payable semiannually in arrears on March 1 and September 1 of each year, beginning September 1, 2022. The Senior Notes are unsecured unsubordinated obligations and will be effectively subordinated to any of our existing and future secured obligations to the extent of the value of the assets securing such obligations.

We may redeem the Senior Notes, in whole or in part, at any time at specified redemption prices, plus accrued and unpaid interest, if any. 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 accrued and unpaid interest, if any.

Swap Agreements

On March 5, 2020, we entered into the 2020 Swap Agreement to hedge a portion of our then outstanding floating LIBOR rate debt with a fixed interest rate of 0.7995%. On March 1, 2022, we terminated the 2020 Swap Agreement and concurrently entered into the 2022 Swap Agreement to hedge a portion of our outstanding floating SOFR rate debt with a fixed interest rate of 1.162%. Refer to Note 6, *Derivative Instruments* for further discussion of the 2020 Swap Agreement and 2022 Swap Agreement.

Interest Expense

On March 1, 2022, the 2019 Revolving Credit Facility and 2020 Swap Agreement were both terminated and concurrently replaced with the 2022 Credit Facilities, Senior Notes and 2022 Swap Agreement.

For the three months ended May 31, 2022 and May 31, 2021, we recorded interest expense on our outstanding debt, including the related amortization of debt issuance costs and debt discounts, net of the effects of the related interest rate swap agreements, of $15.8 million and $2.0 million, respectively in Interest expense, net in the Consolidated Statements of Income. For the nine months ended May 31, 2022 and May 31, 2021, we recorded interest expense on our outstanding debt, including the related amortization of debt issuance costs and debt discounts, net of the effects of the interest rate swap agreement, of $19.6 million and $6.0 million, respectively in Interest expense, net in the Consolidated Statements of Income.

Including the related amortization of debt issuance costs and debt discounts, net of the effects of the related interest rate swap agreement, the year-to-date weighted average interest rate on amounts outstanding under our outstanding debt was 1.75% and 1.38% as of May 31, 2022 and August 31, 2021, respectively. Refer to Note 6, *Derivative Instruments* for further discussion of the 2020 Swap Agreement and 2022 Swap Agreement.

13. 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).

Purchase Commitments with Suppliers and Vendors

Purchase obligations represent our legally-binding agreements to purchase fixed or minimum quantities at determinable prices. Our purchase obligations consist of two primary arrangements, data content and hosting services. As of August 31, 2021, we had total purchase commitments with suppliers of $191.9 million. During the second quarter of fiscal 2022, we entered into a software subscription agreement with total purchase commitments of approximately $10 million with a contract term of three years. During the third quarter of fiscal 2022, we entered into a cloud hosting contract with total purchase commitments of approximately $275.0 million with a contract term of six years. This cloud hosting contract replaced a previous contract which was included in the total purchase commitments as of August 31, 2021, with a minimum purchase commitment of $125.0 million.

We also have contractual obligations related to our lease liabilities and outstanding debt. Refer to Note 11, *Leases* and Note 12, *Debt* for further information.

Letters of Credit

From time to time, we are required to obtain letters of credit in the ordinary course of business. As of May 31, 2022, we had approximately $0.5 million of standby letters of credit outstanding. Refer to Note 12, *Debt* for more information on these covenants. No liabilities related to these arrangements are reflected in the Company's balance sheets.

Contingencies

Income Taxes
Uncertain income tax positions are accounted for in accordance with applicable accounting guidance, refer to Note 10, *Income Taxes*, for further details. We are currently under audit by tax 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 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.

Legal Matters
We accrue non-income tax liabilities for contingencies when management believes that a loss is probable, and the amounts can be reasonably estimated. Contingent gains are recognized only when realized. We are engaged in various legal proceedings, claims and litigation that have arisen in the ordinary course of business, including employment matters, commercial and intellectual property litigation. The outcome of all the matters against us are subject to future resolution, including the uncertainties of litigation. Based on information available as of May 31, 2022, 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.

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 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," cumulatively with the First Notice, the "Notices") additional sales taxes, interest and underpayment penalties from the Commonwealth relating to the tax periods from January 1, 2014 through December 31, 2018. Based upon the Notices, it is the Commonwealth's intention to assess sales tax, interest and underpayment penalties on previously recorded sales transactions. We have filed an appeal to the Notices and intend to contest any such assessment, if assessed. We continue to cooperate with the Commonwealth's inquiry with respect to the Notices.

On August 10, 2021, we received a letter (the "Letter") from the Commonwealth relating to the tax periods from January 1, 2019 through June 30, 2021, requesting additional sales information to determine if a notice of intent to assess should be issued to FactSet with respect to these tax periods. Based upon a preliminary review of the Letter, we believe the Commonwealth might seek to assess sales tax, interest and underpayment penalties on previously recorded sales transactions. We are cooperating with the Commonwealth's inquiry with respect to the Letter.

Due to the uncertainty surrounding the assessment process for both the Notices and Letter, we are unable to reasonably estimate the ultimate outcome of these matters and, as such, have not recorded a liability for any of these matters as of May 31, 2022. We believe that we will ultimately prevail if we are presented with a formal assessment for any of these matters; however, if we do not prevail, the amount of any assessment could have a material impact on our consolidated financial position, results of operations and cash flows.

Indemnifications
As permitted or required under Delaware law and to the maximum extent allowable under that law, we have certain obligations to indemnify 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. The maximum potential amount of future payments we could be required to make under these indemnification obligations is unlimited; however, we have a director and officer insurance policy that we believe mitigates our exposure and may enable us to recover a portion of any future amounts paid. We believe the estimated fair value of these indemnification obligations is immaterial.

Concentrations of Credit Risk

Cash equivalents
Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents. We are exposed to credit risk for 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. We have not experienced any losses from maintaining cash accounts in excess of such limits. 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.

Accounts Receivable
Our accounts receivable are subject to collection risk as they are unsecured and derived from revenues earned from clients located around the globe. We do not require collateral from our clients. We maintain reserves for potential write-offs and evaluate the adequacy of the reserves on a quarterly basis. These losses have historically been within expectations. No single client represented more than 3% of our total revenues in any period presented. As of May 31, 2022, the receivable reserve was $3.4 million compared with $6.4 million as of August 31, 2021.

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 credit-worthy financial institutions and distribute contracts among these institutions to reduce the concentration of credit risk. We do not expect any losses as a result of default by our counterparties.

Concentrations of Other Risk

Data Content Providers
We integrate data from various third-party sources into our hosted proprietary data and analytics platform, which our clients access to perform their analyses. 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 in order to meet the needs of our clients, with only two data suppliers each representing more than 10% of our total data costs for the nine months ended May 31, 2022.

14. STOCKHOLDERS' EQUITY

Shares of common stock outstanding were as follows:

	Nine Months Ended May 31,	
(in thousands)	2022	2021
Balance, beginning of period	37,615	38,030
Common stock issued for employee stock plans	409	280
Repurchase of common stock from employees[1]	(7)	(7)
Repurchase of common stock under the share repurchase program[2]	(46)	(532)
Balance, end of period	37,971	37,771

(1) For the nine months ended May 31, 2022 and May 31, 2021, we repurchased 7,432 and 7,469 shares from employees, or $3.3 million and $2.4 million of common stock, respectively, primarily to satisfy withholding tax obligations due upon the vesting of stock-based awards.

(2) Refer to Share Repurchase Program below for more information on the year over year change.

Share Repurchase Program

Under our share repurchase program, we may repurchase shares of our common stock from time to time in the open market and privately negotiated transactions, subject to market conditions.

Beginning in the second quarter of fiscal 2022, we suspended our share repurchase program through at least the second half of fiscal 2023, with the exception of potential minor repurchases to offset dilution from grants of equity awards or repurchases to satisfy withholding tax obligations due upon the vesting of stock-based awards. The suspension of our share repurchase program allows us to prioritize the repayment of debt under the 2022 Credit Facilities. Refer to Note 12, *Debt* for more information on the 2022 Credit Facilities.

As such, for the three months ended May 31, 2022, we did not make any repurchases under our existing share repurchase program, compared to 178,100 shares repurchased for $57.6 million for the three months ended May 31, 2021. During the nine months ended May 31, 2022, we repurchased 46,200 shares for $18.6 million under our existing share repurchase program compared with 531,859 shares for $172.2 million in the same period a year ago.

As of May 31, 2022, a total of $181.3 million remained authorized for future share repurchases under this program. There is no defined number of shares to be repurchased over a specified timeframe through the life of the share repurchase program.

Restricted Stock

Restricted stock awards entitle the holders to receive shares of common stock as the awards vest over time. For the nine months ended May 31, 2022, 18,384 shares of previously granted restricted stock vested and were included in common stock outstanding as of May 31, 2022 (recorded net of 7,172 shares repurchased from employees at a cost of $3.1 million to cover their cost of taxes upon vesting of the restricted stock). During the nine months ended May 31, 2021, 18,995 shares of previously granted restricted stock vested and were included in common stock outstanding as of May 31, 2021 (recorded net of 7,151 shares repurchased from employees at a cost of $2.3 million to cover their cost of taxes upon vesting of the restricted stock).

Dividends

Our Board of Directors declared dividends in the nine months ended May 31, 2022 and May 31, 2021 as follows:

Year Ended	Dividends per Share of Common Stock	Record Date	Total $ Amount (in thousands)	Payment Date
Fiscal 2022				
First Quarter	$ 0.82	November 30, 2021	$ 30,973	December 16, 2021
Second Quarter	$ 0.82	February 28, 2022	$ 31,065	March 17, 2022
Third Quarter	$ 0.89	May 31, 2022	$ 33,795	June 16, 2022
Fiscal 2021				
First Quarter	$ 0.77	November 30, 2020	$ 29,266	December 17, 2020
Second Quarter	$ 0.77	February 26, 2021	$ 29,141	March 18, 2021
Third Quarter	$ 0.82	May 31, 2021	$ 30,972	June 17, 2021

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

Accumulated Other Comprehensive Loss

The components of AOCL are as follows:

(in thousands)	May 31, 2022	August 31, 2021
Accumulated unrealized gains (losses) on cash flow hedges	$ 3,524	$ (2,095)
Accumulated foreign currency translation adjustment losses	(80,658)	(36,867)
Total AOCL	$ (77,134)	$ (38,962)

15. EARNINGS PER SHARE

A reconciliation of the weighted average shares outstanding used in the basic and diluted earnings per share ("EPS") computations is as follows:

	Three Months Ended May 31,		Nine Months Ended May 31,	
(in thousands, except per share data)	2022	2021	2022	2021
Numerator				
Net income used for calculating basic and diluted income per share	$ 74,910	$ 100,679	$ 292,495	$ 298,528
Denominator				
Weighted average common shares used in the calculation of basic income per share	37,934	37,806	37,716	37,910
Common stock equivalents associated with stock-based compensation plan	786	682	891	692
Shares used in the calculation of diluted income per share	38,720	38,488	38,607	38,602
Basic income per share	$ 1.97	$ 2.66	$ 7.76	$ 7.87
Diluted income per share	$ 1.93	$ 2.62	$ 7.58	$ 7.73

Dilutive potential common shares consist of stock options and unvested performance-based awards. There were 291,716 stock options excluded from the calculation of diluted EPS for the three and nine months ended May 31, 2022 as they were out-of-the-money and their inclusion would have been anti-dilutive. There were 8,810 stock options excluded from the calculation of diluted EPS for the three and nine months ended May 31, 2021 as they were out-of-the-money and their inclusion would have been anti-dilutive.

Performance-based awards are omitted from the calculation of diluted EPS until it is determined that the performance criteria has been met at the end of the reporting period. For the three and nine months ended May 31, 2022, there were 95,359 performance-based awards excluded from the calculation of diluted EPS. For the three and nine months ended May 31, 2021, there were 71,275 performance-based awards excluded from the calculation of diluted EPS.

16. STOCK-BASED COMPENSATION

We recognized total stock-based compensation expense of $14.7 million and $11.0 million during the three months ended May 31, 2022 and May 31, 2021, respectively. During the nine months ended May 31, 2022 and May 31, 2021, we recognized total stock-based compensation expense of $40.6 million and $33.4 million, respectively. As of May 31, 2022, $121.1 million of total unrecognized compensation expense related to non-vested awards is expected to be recognized over a weighted average period of 3.1 years. There was no stock-based compensation capitalized as of May 31, 2022 and May 31, 2021.

Employee Stock Option Awards

During the nine months ended May 31, 2022, we granted 302,952 stock options under the FactSet Research Systems Inc. Stock Option and Award Plan, as Amended and Restated (the "LTIP") with a weighted average exercise price of $434.64 to existing employees of FactSet, using the lattice-binomial option-pricing model. The majority of the stock options granted during the nine months ended May 31, 2022 are related to the annual employee grant on November 1, 2021 under the LTIP. The stock option awards granted on November 1, 2021 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 of May 31, 2022, we had 4.7 million share-based awards available for grant under the LTIP.

Employee Stock Option Fair Value Determinations

We utilize the lattice-binomial option-pricing model ("binomial model") to estimate the fair value of new employee stock option grants. The binomial model is affected by our stock price, as well as assumptions regarding several variables, which include, but are not limited to, our expected stock price volatility over the term of the awards, interest rates, option forfeitures and employee stock option exercise behaviors, to determine the grant date stock option award fair value.

The weighted average estimated fair value of employee stock options granted on November 1, 2021 was determined using the binomial model with the following weighted average assumptions:

November 1, 2021 Grant Details	
Risk-free interest rate	0.07% - 1.56%
Expected life (years)	6.91
Expected volatility	24.4 %
Dividend yield	0.85 %
Estimated fair value	$102.40
Exercise price	$434.82
Fair value as a percentage of exercise price	23.5 %

Non-Employee Director Stock Option Grant

The FactSet Research Systems Inc. Non-Employee Directors' Stock Option and Award Plan as Amended and Restated (the "Director Plan") provides for the grant of share-based awards, including stock options, to non-employee directors of FactSet. The expiration date of the Director Plan is December 19, 2027. The non-qualified stock options granted to directors vest 100% after three years on the anniversary date of the grant and expire seven years from the date the options were granted. As of May 31, 2022, we had 227,348 shares available for future grant under the Director Plan.

On January 18, 2022, we granted 6,329 stock options under the Director Plan to our non-employee directors, using the Black-Scholes option-pricing model with the following assumptions:

January 18, 2022 Grant Details	
Risk-free interest rate	1.53 %
Expected life (years)	5.7
Expected volatility	26.3 %
Dividend yield	0.72 %
Estimated fair value	$109.11
Exercise price	$428.71
Fair value as a percentage of exercise price	25.5 %

Employee Restricted Stock Units

During the nine months ended May 31, 2022, we granted 71,933 non-performance based restricted stock units ("RSUs") and 30,704 performance-based restricted stock units ("PSUs"; RSUs and PSUs, collectively, "Restricted Stock Awards") under the LTIP. The Restricted Stock Awards granted under the LTIP during the nine months ended May 31, 2022 had a weighted average grant date fair value of $418.16.

Restricted Stock Awards are subject to continued employment over a specified period and entitle the holders to shares of common stock as the Restricted Stock Awards vest over time. Vesting of the shares underlying the PSUs are also subject to achieving certain specified performance levels during the measurement period subsequent to the date of grant. The Restricted Stock Award holder is not entitled to dividends declared on the underlying shares while the stock subject to the Restricted Stock Award is unvested. The grant date fair value of Restricted Stock Awards is measured by reducing the grant date price of the common stock by the present value of the dividends expected to be paid on the underlying stock during the requisite service period, discounted at the appropriate risk-free interest rate. The expense associated with Restricted Stock Awards is amortized over the vesting period.

The majority of the Restricted Stock Awards granted during the nine months ended May 31, 2022 were related to the annual employee grant on November 1, 2021. With respect to the November 1, 2021 grant, RSUs granted vest 20% annually on the anniversary date of grant and are fully vested after five years and PSUs granted cliff vest on the third anniversary of the grant date, subject to the achievement of certain performance metrics. Substantially all the other RSUs granted during the nine months ended May 31, 2022 vest one-third annually on the anniversary date of grant and are fully vested after three years.

Non-Employee Director Restricted Stock Units

The Director Plan provides for the grant of share-based awards, including RSUs, to non-employee directors of FactSet. On January 18, 2022, we granted 1,629 RSUs to our directors that vest 100% on the first anniversary of the grant date. The RSUs granted under the Director Plan during the nine months ended May 31, 2022 had a weighted average grant date fair value of $425.49.

Employee Stock Purchase Plan

Shares of FactSet common stock may be purchased by eligible employees under the FactSet Research Systems Inc. Employee Stock Purchase Plan, as Amended and Restated (the "ESPP") in three-month intervals. The purchase price is equal to 85% of the lesser of the fair market value of our common stock on the first day or the last day of each three-month offering period. Employee purchases may not exceed 10% of their gross compensation, and there is a $25,000 contribution limit per employee during an offering period. Shares purchased through the ESPP cannot be sold or otherwise transferred for 18 months after purchase. Dividends paid on shares held in the ESPP are used to purchase additional ESPP shares at the market price on the dividend payment date.

During the three months ended May 31, 2022, employees purchased 9,904 shares through the ESPP at a weighted average price of $328.85 compared with 10,621 shares at a weighted average price of $267.02 for the three months ended May 31, 2021. During the nine months ended May 31, 2022, employees purchased 27,321 shares through the ESPP at a weighted average price of $336.22 compared with 29,418 shares at a weighted average price of $271.94 for the nine months ended May 31, 2021. Stock-based compensation expense related to the ESPP was $0.6 million for the three months ended May 31, 2022 and $0.5 million for the three months ended May 31, 2021. Stock-based compensation expense related to the ESPP was $1.7 million for the nine months ended May 31, 2022 and $1.5 million for the nine months ended May 31, 2021. As of May 31, 2022 the ESPP had 111,635 shares reserved for future issuance.

17. 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 expenses, (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. At FactSet, our Chief Executive Officer functions as our CODM.

Our operating segments are consistent with our reportable segments and are how we, including our CODM, manage our business and the geographic markets in which we serve. Our internal financial reporting structure is based on three segments: the Americas; EMEA; and Asia Pacific.

The Americas segment serves our clients throughout North, Central, and South America. The EMEA segment serves our clients in Europe, the Middle East, and Africa. The Asia Pacific segment serves our clients in Asia and Australia. Segment revenue reflects sales to clients based in these respective geographic locations.

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 content collection centers, located in India, the Philippines and Latvia, benefit all our segments, and the expenses incurred at these locations are allocated to each segment based on a percentage of revenues.

The following tables reflect the results of operations of our segments as of May 31, 2022 and May 31, 2021:

(in thousands)	Americas	EMEA	Asia Pacific	Total
For the three months ended May 31, 2022				
Revenues	$ 309,740	$ 128,326	$ 50,685	$ 488,751
Operating income[(1)]	$ 11,212	$ 53,228	$ 32,814	$ 97,254
Capital expenditures	$ 12,362	$ 466	$ 2,576	$ 15,404

(in thousands)	Americas	EMEA	Asia Pacific	Total
For the three months ended May 31, 2021				
Revenues	$ 253,786	$ 106,833	$ 38,939	$ 399,558
Operating income	$ 51,800	$ 41,468	$ 24,434	$ 117,702
Capital expenditures	$ 8,636	$ 757	$ 9,263	$ 18,656

(in thousands) For the nine months ended May 31, 2022	Americas	EMEA	Asia Pacific	Total
Revenues	$ 850,312	$ 357,920	$ 136,363	$ 1,344,595
Operating income[(1)]	$ 115,613	$ 139,826	$ 87,824	$ 343,263
Capital expenditures	$ 29,911	$ 828	$ 5,211	$ 35,950

(in thousands) For the nine months ended May 31, 2021	Americas	EMEA	Asia Pacific	Total
Revenues	$ 746,112	$ 318,103	$ 115,336	$ 1,179,551
Operating income	$ 161,789	$ 122,392	$ 70,684	$ 354,865
Capital expenditures	$ 26,415	$ 1,390	$ 19,609	$ 47,414

(1) Includes an impairment charge related to our lease ROU assets and PPE associated with vacating certain leased office space. For the three months ended May 31, 2022, the impairment charge was $44.4 million in the Americas, $4.1 million in EMEA and $0.3 million in Asia Pacific. For the nine months ended May 31, 2022, the impairment charge was $57.7 million in the Americas, $4.2 million in EMEA and $0.3 million in Asia Pacific.

The following table reflects the total assets for our segments:

Segment Assets *(in thousands)*	May 31, 2022	August 31, 2021
Americas	$ 3,246,871	$ 1,144,693
EMEA	580,070	842,652
Asia Pacific	241,623	237,595
Total assets	$ 4,068,564	$ 2,224,940

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, 2021, 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 Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended August 31, 2021.

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
- Critical Accounting Policies and 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 data and analytics company with an open and flexible digital platform which focuses on driving the investment community to see more, think bigger, and do its best work. Our strategy is to build the leading open content and analytics platform that delivers a differentiated advantage for our clients’ success.

For over 40 years, the FactSet platform has delivered expansive data, sophisticated analytics, and flexible technology that global financial professionals need to power their critical investment workflows. Approximately 174,000 investment professionals including asset managers, asset owners, bankers, wealth managers, corporate users, private equity and venture capital professionals, and others use our personalized solutions to identify opportunities, explore ideas, and gain a competitive advantage. Our solutions span investment research, portfolio construction and analysis, trade execution, performance measurement, risk management, and reporting across the investment lifecycle.

We provide financial data and market intelligence on securities, companies, industries and people to enable our clients to research investment ideas, as well as offering them the capabilities to analyze, monitor and manage their portfolios. We combine dedicated client service with open and flexible technology offerings, such as a configurable desktop and mobile platform, comprehensive data feeds, cloud-based digital solutions, and application programming interfaces ("APIs"). We are a central figure within the global securities marketplace and a foundation for security master files relied on by critical front, middle and back-office functions around the world through CUSIP Global Services ("CGS"). Our revenues are primarily derived from subscriptions to our products and services such as workstations, portfolio analytics, and market data.

We advance our industry by comprehensively understanding our clients’ workflows, solving their most complex challenges, and helping them achieve their goals. By providing them with the leading open content and analytics platform, an expansive universe of connected data they can trust, next-generation workflow support designed to help them grow and see their next best action, and the industry’s most committed service specialists, we put our clients in a position to outperform.

We are focused on growing our business through three reportable segments ("segments"): the Americas, EMEA and Asia Pacific. Refer to Note 17, *Segment Information* for further discussion. Within each of our segments, we deliver insight and information through our three workflows: Research & Advisory Solutions; Analytics & Trading Solutions; and Content & Technology Solutions ("CTS").

Business Strategy

Client needs and market dynamics continue to evolve at an accelerated pace with an increasing demand for differentiated, personalized, and connected data, an ongoing shift to multi-asset class investing, and cost rationalization as the shift from active to passive investing continues. Clients are seeking new cloud-based solutions that enable self-service and automation, open and flexible systems, and increased efficiencies when integrating and managing data as part of their own broader digital transformations.

FactSet's strategy focuses on building the leading open content and analytics platform that delivers differentiated advantages for our clients' success, in keeping with our purpose of enabling the investment community to see more, think bigger and do their best work. We want to be the trusted partner of choice for clients, to anticipate their needs and provide them with the most innovative solutions to make them more efficient. This includes transforming the way our clients discover, decide, and act on an opportunity using our digital platform; purposefully increasing our pace and speed to market by streamlining how we work; and investing in our future workforce. To execute on our strategy, we plan on the following:

- **Growing our digital platform**: Scaling up our content refinery by providing the most comprehensive and connected inventory of industry, proprietary, and third-party data for the financial community, including granular data for key industry verticals, private companies, wealth, and environmental social and governance ("ESG"). Driving next-generation workflow solutions by creating personalized and integrated solutions to streamline workflows which includes solutions for asset managers, asset owners, sell side, wealth and corporate clients. Our goal is to deliver tangible efficiencies to our clients by connecting data and analytics with a cloud based eco-system, enabling them to manage work more effectively through an integrated investment lifecycle.

- **Delivering execution excellence**: Building a more agile and digital first-minded organization that increases the speed of our product creation and go-to-market strategy. To capitalize on market trends and give our clients innovative tools, we plan to release new products built on a cloud-based digital foundation as well as migrating our existing data and applications to the cloud. Additionally, we expect to rationalize our existing product portfolio to reinvest in higher return products.

- **Driving a growth mindset**: Recruiting, training and empowering a diverse and operationally efficient workforce to drive sustainable growth. To drive a more performance-based culture, we are investing in talent who can create leading technological solutions, efficiently execute our go-to-market strategy and achieve our growth targets.

At the center of our strategy is the relentless focus on our clients and their FactSet experience. We want to be a trusted partner and service provider, offering hyper-personalized digital products for clients to research ideas, uncover relevant insights, and leverage cognitive computing to help get the most out of their data and analytics. Additionally, we continually evaluate business opportunities such as acquisitions and partnerships to help us expand our capabilities and competitive differentiators across the investment portfolio lifecycle.

We are focused on growing our global business in three segments: the Americas, EMEA and Asia Pacific. We believe this geographical strategic alignment helps us better manage our resources, target our solutions and interact with our clients. We further execute on our growth strategy by offering data, products, and analytical applications within our three workflow solutions: Research & Advisory; Analytics & Trading; and CTS.

Fiscal 2022 Third Quarter in Review

Revenues in the third quarter of fiscal 2022 were $488.8 million, an increase of 22.3% from the prior year period. Revenues increased across each of our geographic segments, primarily in the Americas, followed by EMEA and Asia Pacific, supported by increased revenues in all our workflow solutions, mainly in CTS, followed by Research & Advisory and Analytics & Trading. Organic revenues contributed 10.5% of the growth during the third quarter of fiscal 2022, compared with the prior year period.

Organic revenues exclude revenue related to acquisitions and dispositions completed in the last 12 months, the amortization of deferred revenues' fair value adjustments from purchase accounting related to acquisitions prior to fiscal 2022, and the impacts of foreign currency movements on the current year period. Acquisitions during fiscal 2022 and all future acquisitions will be accounted for in accordance with our adoption of ASU 2021-08 and will not include a fair value adjustment. Refer to Note 3, *Recent Accounting Pronouncements* for more information on ASU 2021-08. Refer to *Non-GAAP Financial Measures* in Part I, Item 2 of this Quarterly Report on Form 10-Q for a reconciliation between revenues and organic revenues.

As of May 31, 2022, organic annual subscription value ("Organic ASV") plus Professional Services totaled $1.77 billion, an increase of 10.1% over May 31, 2021. Organic ASV increased across all our segments, with the majority of the increase related to the Americas, followed by EMEA and Asia Pacific, supported by increases in our workflow solutions, mainly Research & Advisory, followed by Analytics & Trading and CTS. Refer to *Annual Subscription Value* in Part I, Item 2 of this Quarterly Report on Form 10-Q for the definitions of Organic ASV and Organic ASV plus Professional Services.

Operating income decreased 17.4% and diluted earnings per share ("EPS") decreased 26.3% for the three months ended May 31, 2022 compared with the prior year period. Operating margin decreased to 19.9% during the three months ended May 31, 2022 compared with 29.5% in the prior year period. This decrease in operating margin on a year-over-year basis was primarily due to impairment charges related to vacating certain leased office space, higher professional fees driven by costs incurred in connection with the acquisition of CGS, higher amortization of intangibles related to amortization of acquired intangibles and higher royalty fees related to certain contracts acquired as part of the acquisition of CGS, partially offset by growth in revenues and lower costs related to employee compensation, when expressed as a percentage of revenue.

CUSIP Global Services Acquisition

On December 24, 2021, we entered into a definitive agreement to acquire CGS, previously operated by S&P Global Inc. on behalf of the American Bankers Association, for $1.932 billion in cash, inclusive of preliminary working capital adjustments. The acquisition was completed on March 1, 2022. CGS manages a database of 60 different data elements uniquely identifying more than 50 million global financial instruments. It is the foundation for security master files relied on by critical front, middle and back-office functions. CGS is the exclusive provider of Committee on Uniform Security Identification Procedures ("CUSIP") and CUSIP International Number System ("CINS") identifiers globally and also acts as the official numbering agency for International Securities Identification Number ("ISIN") identifiers in the United States. We anticipate that the CGS acquisition will significantly expand our critical role in the global capital markets. Revenue from CGS will be recognized based on geographic business activities in accordance with how our operating segments are currently aligned. CGS will function as part of CTS.

The purchase price for the CGS acquisition was financed from the net proceeds of the issuance of the Senior Notes and borrowings under the 2022 Credit Facilities. Refer to Note 7, *Acquisitions* and Note 11, *Debt* for more information on these defined terms as well as our acquisition of CGS, the Senior Notes and the 2022 Credit Facilities.

COVID-19 Update

A novel strain of coronavirus, now known as COVID-19 ("COVID-19"), was first reported in December 2019, and it has since extensively impacted the global health and economic environment, with the World Health Organization characterizing COVID-19 as a pandemic on March 11, 2020. In response to the COVID-19 pandemic, we implemented a business continuity plan with a dedicated incident management team to respond quickly and provide ongoing guidance so that we could continue offering our clients uninterrupted products, services and support while also protecting our employees. We believe these actions have been successful and that the pandemic, and our responses, have not significantly affected our financial results for the three months ended May 31, 2022.

At the outset of the pandemic, we required the vast majority of our employees at our offices across the globe (including our corporate headquarters) to work remotely and implemented global travel restrictions for our employees. Since that time, we have re-opened many of our offices globally with a focus on safety, while acting consistently with applicable local regulations. We anticipate that the ability to open offices will vary significantly from region to region based on a number of factors, including the availability of COVID-19 vaccines and the spread of COVID-19 variants. Our offices will not re-open fully until local authorities permit us to do so and our own criteria and conditions to ensure employee health and safety are satisfied.

As of May 31, 2022, there have been minimal interruptions in our ability to provide our products, services and support to our clients. Working remotely has had relatively little impact on the productivity of our employees, including our ability to gather content. We continue to work closely with our clients to provide consistent access to our products and services and have remained flexible to achieve client priorities.

Based on our success working in a remote environment during the COVID-19 pandemic, we have implemented a new work standard under which employees in many of our locations, where permitted by local laws and regulations, and where the role permits, have the opportunity to choose between different work arrangements. These include working in a hybrid arrangement, where an employee can split time between working from the office and working from a pre-approved remote location, or a fully remote arrangement, where an employee can work entirely from a pre-approved remote location.

Our revenues, earnings, and ASV are relatively stable and predictable as a result of our subscription-based business model. To date, the COVID-19 pandemic has not had a material negative impact on our revenues, earnings or ASV. As we continue to work in remote and hybrid environments, reductions in discretionary spending, particularly travel and entertainment, have more than offset any related increased expenses. Given our transition to our new work standard, we anticipate that many of these expense reductions will continue going forward, including incurring less travel and entertainment spending than we did pre-pandemic. We also reassessed our real estate footprint in light of these new work arrangements and have exited office space that we believe will no longer be necessary. For the nine months ended May 31, 2022, we recognized $62.2 million in impairment charges related to vacating certain leased office space to resize our real estate footprint for the hybrid work environment. While we will continue to evaluate our real estate needs, we expect that this initiative is largely complete, and we do not currently anticipate additional similarly-sized real estate impairment charges as part of the reduction of our real estate footprint.

Refer to Item 1A. *Risk Factors* of our Annual Report on Form 10-K for the fiscal year ended August 31, 2021 for further discussion of the potential impact of the COVID-19 pandemic on our business.

Ukraine/Russia Conflict

As the Russian invasion of Ukraine continues to evolve, we are closely monitoring the current and potential impact on our business, our people, and our clients. We have taken all necessary steps to ensure compliance with all applicable regulatory restrictions on international trade and financial transactions. On March 18, 2022, we announced that we are discontinuing all commercial operations and delivery of products and services to clients inside Russia. In addition, we have identified all active vendors in Russia and have terminated our contracts with them. We have suspended all new business, trials, and prospecting activities in Russia. Total revenues associated with clients in Russia are not material to our consolidated financial results, and we anticipate termination of Russian vendors will not have a material impact on our business or client relationships. We have no offices in Russia or Ukraine, and none of our employees or contractors has been directly impacted by the crisis. We are monitoring the regional and global ramifications of the unfolding events in the area, are in close contact with our office in Latvia, and are reviewing our business continuity plans to ensure that we are prepared in the event this office is impacted. Our cybersecurity teams are on high alert and ready to respond in the event of an attempted systems compromise.

Annual Subscription Value ("ASV")

We believe ASV reflects our ability to grow recurring revenues and generate positive cash flow and is the 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, excluding revenues from Professional Services.
- "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 on the current year period.
- "Professional Services" are revenues derived from project-based consulting and implementation.
- "Organic ASV plus Professional Services" at any point in time equals the sum of Organic ASV and Professional Services.

Organic ASV plus Professional Services

The following table presents the calculation of Organic ASV plus Professional Services as of May 31, 2022. With proper notice provided as contractually required, our clients can add to, delete portions of, or terminate service, subject to certain limitations.

(in millions)		As of May 31, 2022
As reported ASV plus Professional Services[(1)]	$	1,939.9
Currency impact[(2)]		5.6
Acquisition ASV[(3)]		(170.5)
Organic ASV plus Professional Services	$	1,775.0
Organic ASV plus Professional Services growth rate		*10.1 %*

(1) Includes $24.4 million in Professional Services as of May 31, 2022.

(2) The impact from foreign currency movements.

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

As of May 31, 2022, Organic ASV plus Professional Services was $1.77 billion, an increase of 10.1% compared with May 31, 2021. The increase in year-over-year Organic ASV was largely attributed to increased sales to existing clients, inclusive of price increases, followed by new client sales, partially offset by existing client cancellations.

Organic ASV increased across all our geographic segments, with the majority of the increase related to the Americas, followed by EMEA and Asia Pacific. This increase was driven by additional sales in our workflow solutions, primarily Research & Advisory, followed by Analytics & Trading and CTS. Sales increased in Research & Advisory mainly due to higher demand for our workstations. Sales increased in Analytics & Trading mainly from demand for our portfolio analytics solutions and performance and reporting products. CTS sales increased primarily due to purchases of company financial data, such as fundamentals, estimates and ownership, along with data management solutions to empower data connectivity.

Segment ASV

As of May 31, 2022, ASV from the Americas represented 64% of total ASV and was $1,220.4 million, an increase from $993.4 million as of May 31, 2021. Americas Organic ASV increased to $1,093.4 million as of May 31, 2022, a 10.1% increase compared with May 31, 2021.

As of May 31, 2022, ASV from EMEA represented 26% of total ASV and was $503.1 million, an increase from $436.4 million as of May 31, 2021. EMEA Organic ASV increased to $471.0 million as of May 31, 2022, a 8.3% increase compared with May 31, 2021.

As of May 31, 2022, ASV from Asia Pacific represented 10% of total ASV and was $192.0 million, an increase from $163.4 million as of May 31, 2021. Asia Pacific Organic ASV increased to $186.1 million as of May 31, 2022, a 14.3% increase compared with May 31, 2021.

The increase in Organic ASV across all our segments was largely attributed to increased sales to existing clients, inclusive of price increases, followed by new client sales, partially offset by existing client cancellations. Organic ASV increased in the Americas primarily due to higher sales in Research & Advisory, followed by Analytics & Trading. EMEA Organic ASV increased due to higher sales in Research & Advisory, followed by CTS and Analytics & Trading. The increase in Asia Pacific Organic ASV was driven by higher sales in Research & Advisory, followed by Analytics & Trading and CTS.

Buy-side and Sell-side Organic ASV Growth

Buy-side and sell-side Organic ASV growth rates at May 31, 2022, compared with May 31, 2021, were 9.6% and 12.9%, respectively. Buy-side clients account for approximately 84% of our Organic ASV, consistent with the prior year period, primarily including asset managers, wealth managers, asset owners, channel partners, hedge funds, and corporate firms. The remainder of our Organic ASV is derived from sell-side firms, primarily including broker-dealers, banking and advisory, private equity and venture capital firms.

Client and User Additions

The table below presents our total clients and users:

	As of May 31, 2022	As of May 31, 2021	Change
Clients[(1)]	7,319	6,172	18.6 %
Users	173,698	155,004	12.1 %

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

Our total client count was 7,319 as of May 31, 2022, a net increase of 18.6%, or 1,147 clients, in the last 12 months, mainly due to an increase in corporate, wealth management and private equity and venture capital clients. This increase is due to our continued focus on our on- and off-platform workflow-focused solutions, connected content and client-focused services.

As of May 31, 2022, there were 173,698 professionals using FactSet, representing a net increase of 12.1%, or 18,694 users, in the last 12 months, driven primarily by an increase in banking clients from the sell-side, followed by an increase in wealth management clients, asset managers and corporate clients from the buy-side. The increase in users was mainly due to increased new hiring at our banking clients and the addition of new clients.

Annual client retention was greater than 95% of ASV for the period ended May 31, 2022, consistent with the prior year period. When expressed as a percentage of clients, annual retention was approximately 92% for the period ended May 31, 2022, an improvement from approximately 91% for the period ended May 31, 2021.

Employee Headcount

As of May 31, 2022, our employee headcount was 10,691, a decrease of 0.2% compared with 10,713 employees as of May 31, 2021. This reduction in headcount was primarily due to a decrease of 6.2% in the Americas and a decrease of 0.1% in EMEA, partially offset by an increase of 1.9% in Asia Pacific. At May 31, 2022, 7,056 employees were located in Asia Pacific, 2,287 in the Americas, and 1,348 in EMEA.

Results of Operations

For an understanding of the significant factors that influenced our performance for the three and nine months ended May 31, 2022 and May 31, 2021, the following discussion should be read in conjunction with the Consolidated Financial Statements and related notes presented in this Quarterly Report on Form 10-Q.

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

	Three Months Ended May 31,			Nine Months Ended May 31,		
(in thousands, except per share data)	2022	2021	% Change	2022	2021	% Change
Revenues	$ 488,751	$ 399,558	22.3 %	$ 1,344,595	$ 1,179,551	14.0 %
Cost of services	$ 222,618	$ 205,257	8.5 %	$ 629,162	$ 588,868	6.8 %
Selling, general and administrative	$ 119,881	$ 76,599	56.5 %	$ 309,185	$ 235,818	31.1 %
Long-lived asset impairments	$ 48,998	$ —	N/M	$ 62,985	$ —	N/M
Operating income	$ 97,254	$ 117,702	(17.4)%	$ 343,263	$ 354,865	(3.3)%
Net income	$ 74,910	$ 100,679	(25.6)%	$ 292,495	$ 298,528	(2.0)%
Diluted earnings per common share	$ 1.93	$ 2.62	(26.3)%	$ 7.58	$ 7.73	(1.9)%
Diluted weighted average common shares	38,720	38,488		38,607	38,602	

Revenues

Three months ended May 31, 2022 compared with three months ended May 31, 2021

Revenues for the three months ended May 31, 2022 were $488.8 million, an increase of 22.3%. The increase in revenues was largely attributable to increased sales to existing clients, inclusive of price increases, followed by new client sales, partially offset by existing client cancellations. Revenues increased across all our geographic segments, primarily from the Americas, followed by EMEA and Asia Pacific, driven by increased revenues in all of our workflow solutions, primarily in CTS, followed by Research & Advisory and Analytics & Trading, compared with the prior year. Organic revenues increased to $441.7 million for the three months ended May 31, 2022, a 10.5% increase over the prior year period.

The growth in revenues of 22.3% was composed of growth in organic revenues of 10.5% and a 12.3% increase primarily related to acquisition-related revenues, partially offset by a 0.5% decrease from foreign currency exchange rate fluctuations.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

Revenues for the nine months ended May 31, 2022 was $1,344.6 million, an increase of 14.0%. The increase in revenues was largely attributable to increased sales to existing clients, inclusive of price increases, followed by new client sales, partially offset by existing client cancellations. Revenues increased across all our geographic segments, primarily from the Americas, followed by EMEA and Asia Pacific, driven by increased revenues in all of our workflow solutions, primarily in CTS and Research & Advisory, followed by Analytics & Trading, compared with the prior year. Organic revenues increased to $1,295.6 million for the nine months ended May 31, 2022, a 9.8% increase over the prior year period.

The growth in revenues of 14.0% was reflective of organic revenue growth of 9.8% and a 4.5% increase primarily related to acquisition-related revenue, partially offset by a 0.3% decrease from foreign currency exchange rate fluctuations.

Revenues by Segment

(in thousands)	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	% Change	Nine Months Ended May 31, 2022	Nine Months Ended May 31, 2021	% Change
Americas	$ 309,740	$ 253,786	22.0 %	$ 850,312	$ 746,112	14.0 %
% of revenues	*63.4 %*	*63.5 %*		*63.2 %*	*63.3 %*	
EMEA	$ 128,326	$ 106,833	20.1 %	$ 357,920	$ 318,103	12.5 %
% of revenues	*26.3 %*	*26.7 %*		*26.6 %*	*26.9 %*	
Asia Pacific	$ 50,685	$ 38,939	30.2 %	$ 136,363	$ 115,336	18.2 %
% of revenues	*10.3 %*	*9.8 %*		*10.2 %*	*9.8 %*	
Consolidated	$ 488,751	$ 399,558	22.3 %	$ 1,344,595	$ 1,179,551	14.0 %

Three months ended May 31, 2022 compared with three months ended May 31, 2021

Americas

Revenues from our Americas segment increased 22.0% to $309.7 million during the three months ended May 31, 2022, compared with $253.8 million from the same period a year ago. The increased revenues were driven by higher sales in all of our workflow solutions, primarily in Research & Advisory and CTS, followed by Analytics & Trading. The growth in revenues of 22.0% was reflective of increased organic revenues of 7.4% and a 14.6% increase primarily due to the impact of acquisition-related revenues.

EMEA

Revenues from our EMEA segment increased 20.1% to $128.3 million during the three months ended May 31, 2022, compared with $106.8 million from the same period a year ago. The increased revenues were driven by higher sales in all of our workflow solutions, primarily in CTS, followed by Research & Advisory and Analytics & Trading. The growth in revenues of 20.1% was reflective of increased organic revenues of 13.2% and an 8.2% increase primarily due to the impact of acquisition-related revenues, partially offset by a 1.3% decrease related to foreign currency exchange rate fluctuations.

Asia Pacific

Revenues from our Asia Pacific segment increased 30.2% to $50.7 million during the three months ended May 31, 2022, compared with $38.9 million from the same period a year ago. The increased revenues were driven by higher sales in all of our workflow solutions, primarily in CTS, followed by Research & Advisory and Analytics & Trading. The growth in revenues of 30.2% was reflective of increased organic revenues of 23.6% and an 8.9% increase due to the impact of acquisition-related revenues, partially offset by a 2.3% decrease related to foreign currency exchange rate fluctuations.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

Americas

Revenues from our Americas segment increased 14.0% to $850.3 million during the nine months ended May 31, 2022, compared with $746.1 million from the same period a year ago. The increased revenues were driven by higher sales in all of our workflow solutions, primarily in CTS and Research & Advisory, followed by Analytics & Trading. The growth in revenues of 14.0% was due to organic revenue growth of 8.4% and a 5.6% increase primarily due to the impact of acquisition-related revenue.

EMEA

Revenues from our EMEA segment increased 12.5% to $357.9 million during the nine months ended May 31, 2022, compared with $318.1 million from the same period a year ago. The increased revenues were driven by higher sales in all of our workflow solutions, primarily in CTS, followed by Research & Advisory and Analytics & Trading. The growth in revenues of 12.5% was driven by organic revenue growth of 10.5% and a 2.7% increase primarily due to the impact of acquisition-related revenue, partially offset by an 0.7% decrease from foreign currency exchange rate fluctuations.

Asia Pacific

Revenues from our Asia Pacific segment increased 18.2% to $136.4 million during the nine months ended May 31, 2022, compared with $115.3 million from the same period a year ago. The increased revenues were driven by higher sales across all of our workflow solutions, primarily in CTS, followed by Analytics & Trading and Research & Advisory. The growth in revenues of 18.2% was due mainly to organic revenues growth of 17.0% and a 3.0% increase from acquisition-related revenue, partially offset by a 1.8% decrease from foreign currency exchange rate fluctuations.

Revenues by Workflow Solution

Three months ended May 31, 2022 compared with three months ended May 31, 2021

The growth in revenues of 22.3% for the three months ended May 31, 2022, compared with the same period a year ago, was due to revenue growth across each of our segments supported by increased revenues from our workflow solutions, primarily from CTS, followed by Research & Advisory and Analytics & Trading. The increase in CTS revenues was driven mainly by sales of company financial data, such as fundamentals, estimates and ownership, and the inclusion of CUSIP related data licensing and issuance revenues. The increase in Research & Advisory revenues was driven mainly by higher demand for our workstations. The increase in revenues from Analytics & Trading was primarily due to increased demand for our portfolio analytics solutions.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

The growth in revenues of 14.0% for the nine months ended May 31, 2022, compared with the same period a year ago, was due to revenue growth across our segments supported by increased revenues from our workflow solutions, primarily from CTS and Research & Advisory, followed by Analytics & Trading. The increase in CTS revenues was driven mainly by increased purchases of company financial data, such as fundamentals, estimates and ownership, and the inclusion of CUSIP related data licensing and issuance revenues. The increase in Research & Advisory revenues was driven mainly by higher demand for our workstations. The increase in Analytics & Trading revenues was mainly due to increased sales of our performance and reporting products and portfolio analytics solutions.

Operating Expenses

	Three Months Ended May 31,			Nine Months Ended May 31,		
(in thousands)	2022	2021	% Change	2022	2021	% Change
Cost of services	$ 222,618	$ 205,257	8.5 %	$ 629,162	$ 588,868	6.8 %
Selling, general and administrative	119,881	76,599	56.5 %	309,185	235,818	31.1 %
Long-lived asset impairments	48,998	—	N/M	62,985	—	N/M
Total operating expenses	$ 391,497	$ 281,856	38.9 %	$ 1,001,332	$ 824,686	21.4 %
Operating income	$ 97,254	$ 117,702	(17.4)%	$ 343,263	$ 354,865	(3.3)%
Operating margin	*19.9 %*	*29.5 %*		*25.5 %*	*30.1 %*	

Cost of Services

Three months ended May 31, 2022 compared with three months ended May 31, 2021

Cost of services increased 8.5% to $222.6 million for the three months ended May 31, 2022, compared with $205.3 million in the same period a year ago, primarily due to an increase in amortization of intangible assets and royalty fees, partially offset by a decrease in employee compensation expense.

Cost of services, when expressed as a percentage of revenues, was 45.5% for the three months ended May 31, 2022, a decrease of 580 basis points compared with the same period a year ago. This decrease was primarily due to lower employee compensation expense, partially offset by an increase in amortization of intangible assets and royalty fees. Employee compensation expense decreased 740 basis points, due primarily to a shift in headcount distribution from higher to lower cost locations and a net reduction in cost of services employee headcount of 138, partially offset by higher base salaries. Amortization of intangible assets increased 230 basis points mainly due to increased amortization related to acquired intangible assets. Royalty fees increased cost of services by 170 basis points due to contracts acquired in connection with the acquisition of CGS.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

For the nine months ended May 31, 2022, cost of services increased 6.8% to $629.2 million compared with $588.9 million in the same period a year ago, primarily due to an increase in amortization of intangible assets, computer-related expenses, royalty fees, employee compensation expense and data costs.

Cost of services, when expressed as a percentage of revenues, was 46.8% for the nine months ended May 31, 2022, a decrease of 310 basis points compared with the same period a year ago. This decrease was primarily driven by lower employee compensation expense and data costs, partially offset by higher amortization of intangible assets and royalty fees as a percentage of revenue. Employee compensation expense decreased 390 basis points, primarily due to a shift in headcount distribution from higher to lower cost locations and a net reduction in cost of services employee headcount of 138, partially offset by higher annual base salaries, a one-time restructuring charge to drive organizational realignment and a decrease in capitalization of compensation costs related to development of our internal-use software projects. Data costs decreased 50 basis points, primarily due to revenue growth outpacing the cost of content, partially offset by a non-recurring charge for certain data content. Amortization of intangible assets increased 100 basis points, mainly due to higher amortization related to acquired intangibles and increased amortization from capitalized internal-use software. Royalty fees increased cost of services 60 basis points due to contracts acquired in connection with the acquisition of CGS.

Selling, General and Administrative

Three months ended May 31, 2022 compared with three months ended May 31, 2021

Selling, general and administrative ("SG&A") expenses increased 56.5% to $119.9 million for the three months ended May 31, 2022, compared with $76.6 million for the same period a year ago, primarily due to higher employee compensation expense and professional fees.

SG&A expenses, when expressed as a percentage of revenues, were 24.5% for the three months ended May 31, 2022, an increase of 540 basis points over the prior year period. This increase was primarily due to higher professional fees and employee compensation expense as a percentage of revenue. Professional fees increased 270 basis points, primarily driven by costs incurred in connection with the acquisition of CGS. Employee compensation expense increased 140 basis points, primarily due to increased variable compensation, a net increase in SG&A employee headcount of 116, increased stock-based compensation expense and higher annual base salaries.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

For the nine months ended May 31, 2022, SG&A expenses increased 31.1% to $309.2 million, compared with $235.8 million for the same period a year ago, primarily due to higher employee compensation expense and professional fees.

SG&A expenses, expressed as a percentage of revenues, were 23.0% for the nine months ended May 31, 2022, an increase of 300 basis points over the prior year period. This increase was primarily driven by higher professional fees and employee compensation expense as a percentage of revenue. Professional fees increased 130 basis points, primarily driven by costs incurred in connection with the acquisition of CGS. Employee compensation expense increased 100 basis points, primarily due to increased variable compensation, a net increase in SG&A employee headcount of 116, higher annual base salaries and higher stock-based compensation expense.

Long-Lived Asset Impairments

Three months ended May 31, 2022 compared with three months ended May 31, 2021

Long-lived asset impairments were $49.0 million, or 10.0% when expressed as a percentage of revenues, for the three months ended May 31, 2022. The impairment charges related primarily to lease ROU assets and Property, equipment and leasehold improvements ("PPE") associated with vacating certain leased office space. We fully impaired the lease ROU assets for locations we vacated with no intention to sublease. We recognized an impairment for locations we intend to sublease when the estimated fair value of the lease ROU asset was less than its carrying value. Substantially all the PPE associated with the vacated lease office space was fully impaired as there are no expected future cash flows related to these items. Impairment charges related to our lease ROU assets and PPE were $24.2 million and $24.6 million, respectively, for the three months ended May 31, 2022.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

Long-lived asset impairments were $63.0 million, or 4.7% when expressed as a percentage of revenues, for the nine months ended May 31, 2022. The impairment charges related primarily to lease ROU assets and PPE associated with vacating certain leased office space. We fully impaired the lease ROU assets for locations we vacated with no intention to sublease. We recognized an impairment for locations we intend to sublease when the estimated fair value of the lease ROU asset was less than its carrying value. Substantially all the PPE associated with the vacated lease office space was fully impaired as there are no expected future cash flows related to these items. Impairment charges related to our lease ROU assets and PPE were $31.5 million and $30.7 million, respectively, for the nine months ended May 31, 2022.

Operating Income and Operating Margin

Three months ended May 31, 2022 compared with three months ended May 31, 2021

Operating income decreased 17.4% to $97.3 million for the three months ended May 31, 2022, compared with $117.7 million in the prior year. Operating income decreased primarily due to impairment of long-lived assets, higher professional fees, higher amortization of intangible assets, higher employee compensation expense and higher royalty fees, partially offset by growth in revenues of 22.3%. Foreign currency exchange rate fluctuations, net of hedge activity, decreased operating income by $1.3 million.

Operating margin decreased to 19.9% during the three months ended May 31, 2022, compared with 29.5% in the prior year period. Operating margin decreased mainly due to the impairment of long-lived assets, professional fees, amortization of intangible assets and royalty fees, partially offset by growth in revenues and lower employee compensation expense.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

Operating income decreased 3.3% to $343.3 million for the nine months ended May 31, 2022 compared with $354.9 million in the prior year period. Operating income decreased primarily due to impairment of long-lived assets, higher employee compensation expense, professional fees, amortization of intangible assets, computer-related expenses, royalty fees and data costs, partially offset by growth in revenues of 14.0%. Foreign currency exchange rate fluctuations, net of hedge activity, decreased operating income by $6.7 million.

Operating margin decreased to 25.5% for the nine months ended May 31, 2022, compared with 30.1% in the prior year period. Operating margin decreased primarily due to impairment of long-lived assets, higher professional fees, amortization of intangible assets and royalty fees, partially offset by growth in revenues and lower employee compensation expense and data costs.

Operating Income by Segment

Our internal financial reporting structure is based on three reportable segments: the Americas; EMEA; and Asia Pacific. Refer to Note 17, *Segment Information* for further discussion regarding our segments.

	Three Months Ended May 31,			Nine Months Ended May 31,		
(in thousands)	2022	2021	% Change	2022	2021	% Change
Americas	$ 11,212	$ 51,800	(78.4)%	$ 115,613	$ 161,789	(28.5)%
EMEA	53,228	41,468	28.4 %	139,826	122,392	14.2 %
Asia Pacific	32,814	24,434	34.3 %	87,824	70,684	24.2 %
Total Operating Income	$ 97,254	$ 117,702	(17.4)%	$ 343,263	$ 354,865	(3.3)%

Three months ended May 31, 2022 compared with three months ended May 31, 2021

Americas

Americas operating income decreased 78.4% to $11.2 million during the three months ended May 31, 2022, compared with $51.8 million in the same period a year ago. This decrease in operating income was due to an impairment of long-lived assets, higher amortization of intangible assets, professional fees, employee compensation expense and royalty fees, partially offset by growth in revenues of 22.0%. The impairment charges related mainly to lease ROU assets and PPE associated with vacating certain leased office space. Amortization of intangible assets increased primarily due to increased amortization related to acquired intangibles. Professional fees increased primarily due to costs incurred in connection with the acquisition of CGS. Employee compensation expense increased mainly due to increased variable compensation, higher stock compensation expense and higher annual base salaries, partially offset by a net decrease in employee headcount of 152. Royalty fees increased due to contracts acquired in connection with the acquisition of CGS.

EMEA

EMEA operating income increased 28.4% to $53.2 million during the three months ended May 31, 2022, compared with $41.5 million recognized during the same period a year ago. The increase in EMEA operating income was due to growth in revenues of 20.1% as well as lower bad debt expense and employee compensation expense, partially offset by an impairment of long-lived assets. Employee compensation expense decreased mainly due to lower annual base salaries primarily driven by foreign currency exchange rate fluctuations and restructuring charges. The impairment charges related mainly to our lease ROU assets and PPE associated with vacating certain leased office space.

Asia Pacific

Asia Pacific operating income increased 34.3% to $32.8 million during the three months ended May 31, 2022, compared with $24.4 million in the same period a year ago. This increase in operating income was mainly due to growth in revenues of 30.2%, partially offset by higher employee compensation expense. Employee compensation expense increased mainly due to higher annual base salaries, inclusive of a net increase in employee headcount of 132.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

Americas

Americas operating income decreased 28.5% to $115.6 million during the nine months ended May 31, 2022, compared with $161.8 million in the same period a year ago. This decrease in operating income was due to an impairment of long-lived assets, higher employee compensation expense, professional fees, amortization of intangible assets, computer related expenses and royalty fees, partially offset by growth in revenues of 14.0%. The impairment charges related mainly to our lease ROU assets and PPE associated with vacating certain leased office space. Employee compensation expense increased primarily due to increased variable compensation, higher stock compensation expense, the impact of a one-time restructuring charge to drive organizational realignment, and a decrease in capitalization of compensation costs related to development of our internal-use software projects, partially offset by a decrease in annual base salary driven by a net decrease in employee headcount of 152. Professional fees increased primarily due to costs incurred in connection with the acquisition of CGS. Amortization of intangible assets increased primarily due to increased amortization related to acquired intangibles, as well as continued investment in capitalized internal-use software, with more assets placed in service. Computer-related expenses increased primarily due to increased spend from our migration to cloud-based hosting services and licensed software arrangements. Royalty fees increased due to contracts acquired in connection with the acquisition of CGS.

EMEA

EMEA operating income increased 14.2% to $139.8 million during the nine months ended May 31, 2022, compared with $122.4 million in the same period a year ago. The increase in EMEA operating income was primarily due to growth in revenues of 12.5%, a decrease in bad debt expense and amortization of intangible assets, partially offset by an impairment of long-lived assets, higher employee compensation expense and data costs. Amortization of intangible assets decreased as certain acquired intangible assets were fully amortized during the third quarter of fiscal 2022. The impairment charges related mainly to our lease ROU assets and PPE associated with vacating certain leased office space. Employee compensation expense increased mainly due to the impact of a one-time restructuring charge to drive organizational realignment. Data costs increased primarily due to a non-recurring charge for certain data content.

Asia Pacific

Asia Pacific operating income increased 24.2% to $87.8 million during the nine months ended May 31, 2022, compared with $70.7 million in the same period a year ago. The increase in Asia Pacific operating income was mainly due to growth in revenues of 18.2%, partially offset by an increase in employee compensation expense. Employee compensation expense increased mainly due to higher annual base salaries, inclusive of a net increase in employee headcount of 132, and increased variable compensation.

Income Taxes, Net Income and Diluted Earnings per Share

Income Taxes

The provision for income taxes is as follows:

	Three Months Ended May 31,		Nine Months Ended May 31,	
(in thousands)	2022	2021	2022	2021
Income before income taxes	$ 85,280	$ 114,276	$ 327,166	$ 349,174
Provision for income taxes	$ 10,370	$ 13,597	$ 34,671	$ 50,646
Effective tax rate	12.2 %	11.9 %	10.6 %	14.5 %

Our effective tax rate is lower than the applicable U.S. corporate income tax rate for the three and nine months ended May 31, 2022, driven mainly by research and development ("R&D") tax credits and a foreign derived intangible income ("FDII") deduction. Our effective tax rate for the three and nine months ended May 31, 2022 is further reduced by windfall tax benefits associated with the employee exercise of stock options.

Three months ended May 31, 2022 compared with three months ended May 31, 2021

For the three months ended May 31, 2022, the provision for income taxes was $10.4 million, compared with $13.6 million for the same period a year ago. The provision decreased mainly due to lower pretax income for the three months ended May 31, 2022, compared with the prior year period.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

For the nine months ended May 31, 2022, the provision for income taxes was $34.7 million, compared with $50.6 million for the same period a year ago. The provision decreased mainly due to lower pretax income and $12.0 million in higher windfall tax benefit from stock-based compensation for the nine months ended May 31, 2022, compared with the prior year period.

Net Income and Diluted Earnings per Share

	Three Months Ended May 31,			Nine Months Ended May 31,		
(in thousands, except for per share data)	2022	2021	% Change	2022	2021	% Change
Net income	$ 74,910	$ 100,679	(25.6)%	$ 292,495	$ 298,528	(2.0)%
Diluted earnings per common share	$ 1.93	$ 2.62	(26.3)%	$ 7.58	$ 7.73	(1.9)%
Diluted weighted average common shares	38,720	38,488	0.6 %	38,607	38,602	— %

Three months ended May 31, 2022 compared with three months ended May 31, 2021

Net income decreased 25.6% to $74.9 million and diluted earnings per share ("EPS") decreased 26.3% to $1.93 for the three months ended May 31, 2022, compared with the same period a year ago. Net income and diluted EPS decreased primarily due to lower operating income mainly due to impairment charges related to vacating certain leased office space and higher interest expense related to our debt refinancing, partially offset by a reduction in the provision for income taxes. EPS also decreased due to an increase in our diluted weighted average shares outstanding compared to the same period a year ago.

Nine months ended May 31, 2022 compared with nine months ended May 31, 2021

Net income decreased 2.0% to $292.5 million and diluted EPS decreased 1.9% to $7.58 for the nine months ended May 31, 2022, compared with the same period a year ago. Net income and diluted EPS decreased primarily due to lower operating income mainly due to impairment charges related to vacating certain leased office space and higher interest expense related to our debt refinancing, partially offset by a reduction 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, adjusted EBITDA and adjusted diluted EPS. The reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are show 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 the business as determined in accordance with GAAP. Other companies may calculate similarly titled non-GAAP financial measures differently that 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.

The table below provides an unaudited reconciliation of revenues to adjusted revenues and organic revenues.

	Three Months Ended May 31,		
(In thousands)	2022	2021	% Change
Revenues	$ 488,751	$ 399,558	22.3 %
Deferred revenues fair value adjustment[1]	1	181	
Adjusted revenues	488,752	399,739	22.3 %
Acquired revenues[2]	(49,385)	—	
Currency impact[3]	2,326	—	
Organic revenues	$ 441,693	$ 399,739	10.5 %

(1) The amortization effect of the purchase accounting adjustment on the fair value of acquired deferred revenues.
(2) Revenues from acquisitions completed within the last 12 months.
(3) The impact from foreign currency movements over the past 12 months.

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, adjusted EBITDA and adjusted diluted EPS.

(In thousands, except per share data)	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	% Change
Operating income	$ 97,254	$ 117,702	(17.4)%
Deferred revenues fair value adjustment	1	181	
Intangible asset amortization	18,548	5,741	
Real estate charges[4]	48,797	—	
Business acquisition costs	12,408	—	
Restructuring / severance	1,079	—	
Transformation costs [1]	979	2,841	
Adjusted operating income	$ 179,066	$ 126,465	41.6 %
Operating margin	19.9 %	29.5 %	
Adjusted operating margin[2]	36.6 %	31.6 %	
Net income	$ 74,910	$ 100,679	(25.6)%
Deferred revenues fair value adjustment	1	150	
Intangible asset amortization	16,184	4,746	
Real estate charges[4]	42,577	—	
Business acquisition costs	10,827	—	
Restructuring / severance	941	—	
Transformation costs[1]	854	2,349	
Income tax items	(500)	(3,114)	
Adjusted net income[3]	$ 145,794	$ 104,810	39.1 %
Net income	$ 74,910	$ 100,679	
Interest expense, net	12,051	1,839	
Income taxes	10,370	13,597	
Depreciation and amortization expense	27,349	17,223	
EBITDA	$ 124,680	$ 133,338	(6.5)%
Real estate charges[4]	48,797	—	
Adjusted EBITDA	$ 173,477	$ 133,338	30.1 %
Diluted earnings per common share	$ 1.93	$ 2.62	(26.3)%
Deferred revenues fair value adjustment	0.00	0.00	
Intangible asset amortization	0.42	0.12	
Real estate charges[4]	1.10	—	
Business acquisition costs	0.28	—	
Restructuring / severance	0.02	—	
Transformation costs[1]	0.02	0.06	
Income tax items	(0.01)	(0.08)	
Adjusted diluted earnings per common share[3]	$ 3.76	$ 2.72	38.2 %
Weighted average common shares (Diluted)	38,720	38,488	

(1) Costs primarily related to professional fees associated with the ongoing multi-year investment plan.

(2) *Adjusted operating margin is calculated as Adjusted operating income divided by Adjusted revenues as shown in the revenues reconciliation table above.*

(3) *For purposes of calculating Adjusted net income and Adjusted diluted earnings per share, Intangible asset amortization, Deferred revenues fair value adjustments and other items were taxed at the quarterly effective tax rates of 12.7% for fiscal 2022 and 17.3% for fiscal 2021.*

(4) *Costs related to impairment charges of our lease ROU assets and PPE associated with vacating certain leased office space.*

Liquidity and Capital Resources

Our cash flows provided by operating activities, existing cash and cash equivalents, supplemented with our long-term 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 the remaining available cash flow has been used to among other things, service our existing and future debt obligations, satisfy our working capital requirements and fund our capital expenditures, investments, acquisitions, 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.

Sources of Liquidity

Long-Term Debt

2022 Credit Agreement

On March 1, 2022, we entered into a credit agreement (the "2022 Credit Agreement") which provides for a senior unsecured term loan credit facility in an aggregate principal amount of $1.0 billion (the “2022 Term Facility”) and a senior unsecured revolving credit facility in an aggregate principal amount of $500.0 million (the “2022 Revolving Facility” and, together with the 2022 Term Facility, the “2022 Credit Facilities”). 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 under the 2022 Revolving Facility from lenders or other financial institutions up to an aggregate principal amount of $750.0 million.

On March 1, 2022, we borrowed $1.0 billion under the 2022 Term Facility and $250.0 million of the available $500.0 million under the 2022 Revolving Facility. We are required to pay a commitment fee on the daily unused amount of the 2022 Revolving Facility using a pricing grid which was 0.125% as of May 31, 2022 and can fluctuate between 0.10% per annum and 0.25% per annum.

We used these 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 borrowings under the 2019 Credit Agreement and to pay related transaction fees, costs and expenses.

During the third quarter of 2022, we incurred approximately $9.5 million in debt issuance costs related to the 2022 Credit Facilities. We defer costs we incur to issue debt, which are presented in the Consolidated Balance Sheets as a direct deduction from the carrying amount of the related debt liability, and we amortize these costs to Interest expense, net in the Consolidated Statements of Income over the contractual term on a straight-line basis, which approximates the effective interest method.

Loans under the 2022 Term Facility are subject to scheduled amortization payments on the last day of each fiscal quarter, commencing with August 31, 2022 and ending on the last such day to occur prior to the maturity date. Each amortization payment is equal to 1.25% of the original principal amount of the 2022 Term Facility. Any remaining outstanding principal will be repaid in full on March 1, 2025, the maturity date of the 2022 Term Facility. The 2022 Credit Facilities are not otherwise subject to any mandatory prepayments. We may voluntarily prepay loans under the 2022 Credit Facilities at any time without premium or penalty. Prepayments of the 2022 Term Facility shall be applied to reduce the subsequent scheduled amortization payments in direct order of maturity. During the third quarter of fiscal 2022, we repaid $125.0 million under the 2022 Term Facility.

The 2022 Credit Agreement provides that loans denominated in U.S. dollars, at our option, will bear interest at either (i) one-month Term SOFR (with a 10 basis points credit spread adjustment and subject to a “zero” floor), (ii) Daily Simple SOFR (with a 10 basis points credit spread adjustment and subject to a “zero” floor) or (iii) an alternate base rate. Under the 2022 Credit Agreement, loans denominated in Pounds Sterling will bear interest at Daily Simple SONIA (subject to a “zero” floor) and loans denominated in Euros will bear interest at EURIBOR (subject to a “zero” floor), in each case, plus an applicable interest rate margin. The interest rate margin will be based upon our senior unsecured non-credit enhanced long-term debt rating and our total leverage ratio.

The outstanding borrowings under the 2022 Term Facility through the third quarter of fiscal 2022 bore interest at a rate equal to the applicable Term SOFR rate plus a spread using a debt leverage pricing grid currently at 1.1%.

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.

Refer to Note 12, *Debt* for further discussion of the 2022 Credit 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 during the third quarter of 2022, we incurred approximately $9.1 million in debt issuance costs related to the Senior Notes. We deferred the debt discounts and costs we incurred to issue debt, which are presented in the Consolidated Balance Sheets as a net direct deduction from the carrying amount of the related debt liability, and we amortize these costs to Interest expense, net in the Consolidated Statements of Income over the contractual term leveraging the effective interest method.

The 2027 Notes and the 2032 Notes will mature on March 1, 2027 and March 1, 2032, respectively. Interest on the Senior Notes is payable semiannually in arrears on March 1 and September 1 of each year, beginning September 1, 2022. We may redeem the Senior Notes, in whole or in part, at any time at specified redemption prices, plus accrued and unpaid interest, if any.

The Senior Notes are unsecured unsubordinated obligations and will be effectively subordinated to any of our existing and future secured obligations to the extent of the value of the assets securing such obligations.

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 accrued and unpaid interest, if any.

2022 Swap Agreement

On March 1, 2022, we entered into the 2022 Swap Agreement to hedge a portion of our outstanding floating SOFR rate debt with a fixed interest rate of 1.162%. Refer to Note 6, *Derivative Instruments*, for defined terms and more information on the 2022 Swap Agreement.

2019 Credit Agreement

On March 29, 2019, we entered into a credit agreement with PNC Bank, National Association ("PNC") (the "2019 Credit Agreement"), which provided for a $750.0 million revolving credit facility (the "2019 Revolving Credit Facility"). The 2019 Revolving Credit Facility allowed for borrowings until its maturity date of March 29, 2024. The 2019 Credit Agreement also allowed for, subject to certain requirements, additional borrowings with PNC for an aggregate amount up to $500.0 million, provided that any such request for additional borrowings must be in a minimum amount of $25.0 million.

We borrowed $575.0 million of the available $750.0 million provided by the 2019 Revolving Credit Facility, resulting in $175.0 million that was available to be borrowed. We were required to pay a commitment fee using a pricing grid based on the daily amount by which the available balance in the 2019 Revolving Credit Facility exceeded the borrowed amount. All outstanding loan amounts were reported as Long-term debt within the Consolidated Balance Sheets.

Borrowings under the 2019 Revolving Credit Facility bore interest on the outstanding principal amount at a rate equal to the daily LIBOR plus a spread using a debt leverage pricing grid. Interest on the amounts outstanding under the 2019 Revolving Credit Facility was payable quarterly, in arrears, and on the maturity date.

During fiscal 2019, we incurred approximately $0.9 million in debt issuance costs related to the 2019 Credit Agreement. These costs were capitalized as debt issuance costs and were amortized into Interest expense, net in the Consolidated Statements of Income ratably over the term of the 2019 Credit Agreement.

The 2019 Credit Agreement contained covenants and requirements restricting certain of our activities, which were usual and customary for this type of loan. In addition, the 2019 Credit Agreement required that we maintain a consolidated net leverage ratio, as measured by total net funded debt/EBITDA (as defined in the 2019 Credit Agreement), below a specified level as of the end of each fiscal quarter.

As of March 1, 2022, we repaid in full and terminated the 2019 Credit Agreement. Refer to Note 12, *Debt* for more information on the termination.

Uses of Liquidity

Returning Value to Shareholders

For the nine months ended May 31, 2022, we returned $111.0 million to stockholders in the form of share repurchases and dividends. Over the last 12 months, we returned $234.2 million to stockholders in the form of share repurchases and dividends.

Share Repurchase Program

Under our share repurchase program, we may repurchase shares of our common stock from time to time in the open market and privately negotiated transactions, subject to market conditions.

Beginning in the second quarter of fiscal 2022, we suspended our share repurchase program through at least the second half of fiscal 2023, with the exception of potential minor repurchases to offset dilution from grants of equity awards or repurchases to satisfy withholding tax obligations due upon the vesting of stock-based awards. The suspension of our share repurchase program allows us to prioritize the repayment of debt of the 2022 Credit Facilities. Refer to Note 12, *Debt* for more information on the 2022 Credit Facilities.

As such, for the three months ended May 31, 2022, we did not make any repurchases under our existing share repurchase program, compared to 178,100 shares repurchased for $57.6 million for the three months ended May 31, 2021. During the nine months ended May 31, 2022, we repurchased 46,200 shares for $18.6 million under our existing share repurchase program, compared with 531,859 shares for $172.2 million in the same period a year ago.

As of May 31, 2022, $181.3 million remained available under the share repurchase program for future share repurchases. There is no defined number of shares to be repurchased over a specified timeframe through the life of the share repurchase program. It is expected that share repurchases will be paid using existing and future cash generated by operations.

Capital Expenditures

For the nine months ended May 31, 2022, capital expenditures were $36.0 million, compared with $47.4 million during the same period a year ago, a decrease of $11.6 million. Capital expenditures decreased primarily due to costs incurred for the build-out of our office space in the Philippines during the nine months ended May 31, 2021, partially offset by higher expenditures related to the development of capitalized internal-use software and peripherals for office space primarily in India during the nine months ended May 31, 2022.

Dividends

On April 28, 2022, our Board of Directors approved a regular quarterly dividend of $0.89 per share. The increase of $0.07 per share, or 8.5%, in the amount of our quarterly dividend marked the 23rd consecutive year we have increased dividends, highlighting our continued commitment to returning value to our shareholders. Dividends of $33.8 million were paid on June 16, 2022 to common stockholders of record at the close of business on May 31, 2022. Future cash dividends will depend on our earnings, capital requirements, financial condition and other factors considered relevant by us and are subject to final determination by our Board of Directors.

Acquisitions

During fiscal 2022 and 2021, we completed acquisitions of several businesses, with the most significant cash flows related to the acquisitions of CGS, Cobalt Software, Inc. ("Cobalt") and Truvalue Labs, Inc. ("TVL").

On March 1, 2022, we completed the acquisition of CGS, previously operated by S&P Global Inc. on behalf of the American Bankers Association, for a cash purchase price of $1.932 billion, inclusive of preliminary working capital adjustments. CGS manages a database of 60 different data elements uniquely identifying more than 50 million global financial instruments. CGS is the exclusive provider of Committee on Uniform Security Identification Procedures ("CUSIP") and CUSIP International Number System ("CINS") identifiers globally and also acts as the official numbering agency for International Securities Identification Number ("ISIN") identifiers in the United States and as a substitute number agency for more than 35 other countries. We anticipate that the CGS acquisition will significantly expand our critical role in the global capital markets.

On October 12, 2021, we acquired all of the outstanding shares of Cobalt for a purchase price of $50.0 million, net of cash acquired. Cobalt is a leading portfolio monitoring solutions provider for the private capital industry. This acquisition advances our strategy to scale our data and workflow solutions through targeted investments as part of our multi-year investment plan and expands our private markets offering.

On November 2, 2020, we acquired all of the outstanding shares of TVL for a purchase price of $41.9 million, net of cash acquired. TVL is a leading provider of ESG information. TVL applies artificial intelligence driven technology to over 100,000 unstructured text sources in multiple languages, including news, trade journals, and non-governmental organizations and industry reports, to provide daily signals that identify positive and negative ESG behavior. The acquisition of TVL further enhances our commitment to providing industry leading access to ESG data across our platforms.

Refer to Note 7, *Acquisitions*, for further discussion of the CGS, Cobalt and TVL acquisitions.

Contractual Obligations

Purchase obligations represent our legally-binding agreements to purchase fixed or minimum quantities at determinable prices. Our purchase obligations consist of two primary arrangements, data content and hosting services. We also have contractual obligations related to our lease liabilities and outstanding debt.

The effect of our contractual obligations on our liquidity and capital resources in future periods should incorporate the information described in Note 14, *Commitments and Contingencies* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 in our Annual Report on Form 10-K for fiscal year ended August 31, 2021, in conjunction with the factors mentioned here.

As of August 31, 2021, we had total purchase commitments of $191.9 million. During the second quarter of fiscal 2022, we entered into a software subscription agreement with total purchase commitments of approximately $10 million with a contract term of three years. During the third quarter of fiscal 2022, we entered into a cloud hosting contract with a total purchase commitments of approximately $$275.0 million with a contract term of six years. This cloud hosting contract replaced a previous contract which was included in the August 31, 2021 balance with a minimum purchase commitment of $125.0 million. Refer to Note 11, *Leases* and Note 12, *Debt* for information regarding lease commitments and outstanding debt obligations, respectively.

Summary of Cash Flows

The table below, for the periods indicated, provides selected cash flow information:

(in thousands)	Nine Months Ended May 31, 2022	Nine Months Ended May 31, 2021	$ Change	% Change
Net cash provided by operating activities	$ 386,924	$ 370,249	$ 16,675	4.5 %
Net cash used in investing activities	(2,018,269)	(88,404)	(1,929,865)	2183.0 %
Net cash provided by/(used in) financing activities	1,488,556	(214,758)	1,703,314	(793.1)%
Effect of exchange rate changes on cash and cash equivalents	(12,110)	5,648	(17,758)	(314.4)%
Net (decrease) increase in cash and cash equivalents	$ (154,899)	$ 72,735	$ (154,899)	(313.0)%

Operating

For the nine months ended May 31, 2022, net cash provided by operating activities was $386.9 million, compared with $370.2 million provided during the same period a year ago, an increase of $16.7 million. This increase was primarily driven by increased collections of accounts receivable and the timing of tax payments in certain jurisdictions, partially offset by higher payments related to variable compensation and lower net income.

Investing

For the nine months ended May 31, 2022, net cash used in investing activities was $2,018.3 million, compared with $88.4 million used during the same period a year ago, an increase of $1,929.9 million. This increase was primarily driven by higher spend on acquisitions, including the $1,932.3 million cash purchase price of CGS, inclusive of preliminary working capital adjustments, and the $50.0 million cash purchase price for Cobalt, net of cash acquired, during the nine months ended May 31, 2022, compared with the $41.9 million cash purchase price for TVL, net of cash acquired, in the prior year period. The increase in net cash used in investing was partially offset by a decrease in capital expenditures of $11.6 million for the nine months ended May 31, 2022 compared with the prior year period.

Financing

For the nine months ended May 31, 2022, net cash inflow in financing activities was $1,488.6 million, compared with an outflow of $214.8 million during the same period a year ago, a $1,703.3 million favorable change. This cash flow improvement was mainly driven by the $2,238.4 million proceeds received from the 2022 Credit Facilities and Senior Notes, a $153.6 million reduction in repurchases of common stock and a $27.2 million increase in proceeds from employee stock plans, partially offset by the repayment of $700.0 million of debt related to the termination of the 2019 Credit Agreement and partial prepayment of the 2022 Term Facility.

Free Cash Flow

We define free cash flow, a non-GAAP financial measure, as cash provided by operating activities less purchases of property, equipment, leasehold improvements 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 shareholders, 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:

(in thousands)	Nine Months Ended May 31, 2022	2021	Change
Net cash provided by operating activities	$ 386,924	$ 370,249	$ 16,675
Capital expenditures[1]	(35,950)	(47,414)	11,564
Free cash flow	$ 350,974	$ 322,835	$ 28,139

(1) Capital expenditures are included in net cash used in investing activities during each fiscal period reported and include property, equipment, leasehold improvements and capitalized internal-use software.

Free cash flow generated during the nine months ended May 31, 2022 was $351.0 million compared with $322.8 million during the same period a year ago, reflecting a 8.7% increase. This $28.1 million increase was comprised of a $16.7 million increase in operating cash flows and an $11.6 million decrease in capital expenditures. The operating cash flows increase was primarily driven by increased collections of accounts receivable and the timing of tax payments in certain jurisdictions, partially offset by higher payments related to variable compensation and lower net income. The capital expenditures decrease was primarily due to costs incurred for the build-out of our office space in the Philippines during the nine months ended May 31, 2021, partially offset by higher expenditures related to the development of capitalized internal-use software and peripherals for office space primarily in India during the nine months ended May 31, 2022.

Off-Balance Sheet Arrangements

At May 31, 2022 and August 31, 2021, we had no off-balance sheet financing or 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

Foreign Currency Exposure

We are exposed to foreign currency fluctuations from our international wholly-owned subsidiaries, primarily driven by employee compensation, with 79% of our employee headcount located in foreign locations. The functional currency of these foreign subsidiaries are primarily their respective local currencies. The revenues and expenses of these subsidiaries have been translated into U.S. dollars at average exchange rates prevailing during the period and the assets and liabilities translated at the rates of exchange on the balance sheet date. The net foreign currency translation adjustments are recorded in accumulated other comprehensive loss as a component of stockholders’ equity.

During the three months ended May 31, 2022, foreign currency exchange rate fluctuations, net of hedge activity, decreased operating income by $1.3 million, compared with a decrease of $0.6 million to operating income a year ago. During the nine months ended May 31, 2022, foreign currency exchange rate fluctuations, net of hedge activity, decreased operating income by $6.7 million, compared with a $1.4 million decrease to operating income a year ago. To mitigate the foreign currency exposure, we entered into a series of forward contracts to hedge a portion of our exposures primarily related to the British Pound Sterling, Indian Rupee, Euro, and Philippine Peso ranging from 25% to 75%, as of May 31, 2022, over their respective hedged periods. The current foreign currency forward contracts are set to mature at various points between the fourth quarter of fiscal 2022 through the third quarter of fiscal 2023.

As of May 31, 2022, the gross notional value of foreign currency forward contracts to purchase Philippine Pesos and Indian Rupees with U.S. dollars was ₱1.4 billion and Rs2.6 billion, respectively. The gross notional value of foreign currency forward contracts to purchase Euros and British Pound Sterling with U.S. dollars was €37.4 million and £41.2 million, respectively.

A loss on foreign currency forward contracts of $2.6 million was recorded into operating income for the three months ended May 31, 2022, compared with a gain on forward currency forward contracts of $1.7 million in the same period a year ago. For the nine months ended May 31, 2022, a loss on forward currency forward contracts of $4.1 million was recorded into operating income, compared with a gain on forward currency forward contracts of $4.6 million in the prior year period.

Critical Accounting Policies and 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 3, *Summary of Significant Accounting Policies*, of the Notes to the Consolidated Financial Statements included in Item 8 of our Annual Report on Form 10-K for the fiscal year ended August 31, 2021. These accounting policies were consistently applied in preparing our Consolidated Financial Statements for the three and nine months ended May 31, 2022.

We discuss our critical accounting estimates in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the fiscal year ended August 31, 2021. There were no significant changes in our critical accounting estimates during the three and nine months ended May 31, 2022.

New Accounting Pronouncements

See Note 3, *Recent Accounting Pronouncements*, in the Notes to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a full description of recent accounting pronouncements, including the expected dates of adoption, 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.

Foreign Currency Exchange Risk

We are exposed to foreign currency exchange risk as we conduct business outside the U.S. in several currencies including British Pound Sterling, Indian Rupee, Euro, and Philippine Peso. Changes in the exchange rates for such currencies into U.S. dollars can affect our revenues, earnings, and the carrying values of our assets and liabilities in our consolidated balance sheet, either positively or negatively.

To manage the exposures related to the effects of foreign exchange rate fluctuations, we utilize derivative instruments (foreign currency forward contracts). The changes in fair value for these foreign currency forward contracts are initially reported as a component of Accumulated other comprehensive loss ("AOCL") and subsequently reclassified into operating expenses when the hedged exposure affects earnings.

A sensitivity analysis was performed based on the estimated fair value of all foreign currency forward contracts outstanding at May 31, 2022. If the U.S. dollar had been 10% weaker, the fair value of outstanding foreign currency forward contracts would have increased by $15.0 million. Such a change in fair value of our financial instruments would be substantially offset by changes in our expense base. If we had no hedges in place as of May 31, 2022, a hypothetical 10% weaker U.S. dollar against all foreign currencies from the quoted foreign currency exchange rates at May 31, 2022, with operating results held constant in local currencies, would result in a decrease in operating income by $39.6 million over the next 12 months. A hypothetical 10% weaker U.S. dollar against all foreign currencies at May 31, 2022 would have increased the fair value of total assets by $65.6 million and equity by $45.9 million.

Refer to Note 6, *Derivative Instruments* for more information on our foreign currency exposures and our foreign currency forward contracts.

Interest Rate Risk

Cash and Cash Equivalents and Investments

The fair market value of our Cash and cash equivalents and Investments at May 31, 2022 was $560.5 million. Our cash and cash equivalents consist of demand deposits, money market funds and mutual funds not subject to maturities and are reported at fair value. We are exposed to interest rate risk through fluctuations of interest rates on our investments. As we have a restrictive investment policy, our financial exposure to fluctuations in interest rates is expected to remain low.

Debt

2022 Credit Agreement

On March 1, 2022, we borrowed $1.0 billion under the 2022 Term Facility and $250.0 million of the available $500.0 million under the 2022 Revolving Facility. As of May 31, 2022 we had an outstanding principal balance of $875.0 million under the 2022 Term Facility and $250.0 million under the 2022 Revolving Facility. The outstanding borrowings under the 2022 Credit Facilities bore interest at a rate equal to the applicable Term SOFR rate plus a spread using a debt leverage pricing grid, currently at 1.1% as of May 31, 2022.

The variable rate of interest on our debt creates exposure to interest rate volatility due to changes in SOFR. To mitigate this exposure, on March 1, 2022, we entered into the 2022 Swap Agreement with a notional amount of $800.0 million. The 2022 Swap Agreement will hedge a portion of our outstanding floating SOFR rate debt with a fixed interest rate of 1.162%, to maintain an intended fixed to floating interest rate ratio. The notional amount of the 2022 Swap Agreement declines by $100.0 million on a quarterly basis beginning May 31, 2022 and matures on February 28, 2024. As of May 31, 2022, the notional amount was $700.0 million.

Thus, our exposure is limited to fluctuations in SOFR on our borrowings from the 2022 Credit Facilities in excess of amounts that are not hedged, or $425.0 million of our outstanding principal balance. Assuming all terms of our outstanding long-term debt remained the same, a hypothetical 25 basis point change (up or down) in the one-month SOFR provided exposure of $1.1 million to our annual interest expense.

Refer to Note 12, *Debt* for more information on our 2022 Term Facility and 2022 Revolving Facility. Refer to Note 6, *Derivative Instruments* for more information on our 2022 Swap Agreement.

Current market events have not required us to modify materially or change our financial risk management strategies with respect to our exposures to foreign currency exchange risk and interest rate risk.

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 that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

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 and nine months ended May 31, 2022 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 13, *Commitments and Contingencies*, contained in the Notes to the Consolidated Financial Statements of 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, 2021, except for the addition of certain language in the sections "Operational Risks - Operations outside the United States involve additional requirements and burdens that we may not be able to control or manage successfully" and "Legal & Regulatory Risks - Legislative and regulatory changes in the environments in which we and our clients operate" as set out below.

In addition, included below are risk factors related to the CGS acquisition, the offering of Senior Notes and the entrance into the 2022 Credit Facilities, which took place on March 1, 2022. Refer to Note 7, *Acquisitions* and Note 12, *Debt*, for more information on these transactions.

Operational Risks

Operations outside the United States involve additional requirements and burdens that we may not be able to control or manage successfully.

In fiscal 2021, approximately 40% of our revenues related to operations located outside the U.S. In addition, a significant number of our employees, approximately 78%, are located in offices outside the U.S. We expect our growth to continue outside the U.S., with non-U.S. revenues accounting for an increased portion of our total revenue in the future. Our non-U.S. operations involve risks that differ from or are in addition to those faced by our U.S. operations. These risks include difficulties in developing products, services and technology tailored to the needs of non-U.S. clients, including in emerging markets; different employment laws and rules; rising labor costs in lower-wage countries; difficulties in staffing and managing personnel that are located outside the U.S.; different regulatory, legal and compliance requirements, including in the areas of privacy and data protection, anti-bribery and anti-corruption, trade sanctions and currency controls, marketing and sales and other barriers to conducting business; social and cultural differences, such as language; diverse or less stable political, operating and economic environments and market fluctuations; civil disturbances or other catastrophic events that reduce business activity, including the risk that the current conflict between Ukraine and Russia expands in a way that impacts our business and operations; limited recognition of our brand and intellectual property protection; differing accounting principles and standards; restrictions on or adverse tax consequences from entity management efforts; and changes in U.S. or foreign tax laws. If we are not able to adapt

efficiently or manage the business effectively in markets outside the U.S., our business prospects and operating results could be materially and adversely affected.

Legal & Regulatory Risks

Legislative and regulatory changes in the environments in which we and our clients operate.

MiFID

In the European Union, the new version of the Markets in Financial Instruments Directive (recast), also known as "MiFID II" became effective in January 2018. Prior to the effectiveness of the UK's withdrawal from the European Union on January 1, 2021, the UK laws and regulations implementing MiFID II were modified to transpose aspects of EU law and address deficiencies that would have otherwise been created as a result of the withdrawal. MiFID II built upon many of the initiatives introduced through MiFID and is intended to help improve the functioning of the European Union single market by achieving a greater consistency of regulatory standards. MiFID originally became effective in 2007. We believe that compliance with MiFID II requirements is time-consuming and costly for the investment managers who are subject to it and will cause clients to adapt their pricing models and business practices significantly. These increased costs may impact our clients' spending and may cause some investment managers to lose business or withdraw from the market, which may adversely affect demand for our services. However, MiFID II may also present us with new business opportunities for new service offerings. In May 2022, the UK government announced the new Financial Services and Markets Bill, set to be unveiled later in 2022, which which would reform financial service regulation in the UK and represent a divergence from the existing UK MiFID regime. Regulatory reform may impact some of our

UK-regulated clients and may require them to devote more resources towards realigning their compliance measures, and in some cases ensuring compliance with both the UK and EU regimes. We continue to monitor the impact of UK regulatory change on our clients. We continue to monitor the impact of MiFID II on the investment process and trade lifecycle. We also continue to review the application of key MiFID II requirements and plan to work with our clients to navigate through them.

Brexit

On January 31, 2020, the United Kingdom formally left the European Union when the UK-EU Withdrawal Agreement became effective. Under the Withdrawal Agreement, a transition period began that ran until December 31, 2020. On January 1, 2021, the UK left the EU Single Market and Customs Union, as well as all EU policies and international agreements. As a result, the free movement of persons, goods, services and capital between the UK and the EU ended, and the EU and the UK formed two separate markets. On December 24, 2020, the EU reached a trade agreement with the UK (the "Trade Agreement"). The Trade Agreement offers UK and EU companies preferential access to each other's markets, ensuring imported goods will be free of tariffs and quotas; however, economic relations between the UK and EU will now be on more restricted terms than existed previously. The Trade Agreement does not incorporate the full scope of the services sector, and businesses such as banking and finance face uncertainty. In March 2021, the UK and EU had agreed on a framework for voluntary regulatory cooperation and dialogue on financial services issues between the two countries in a Memorandum of Understanding (the "MOU"), which is expected to be signed after formal steps are completed, although this has not yet occurred. Earlier this year, the European Affairs Committee in the UK launched an inquiry to address the impact of Brexit in the UK financial services sector. This report was expected by May 2022, but has not yet been issued. At this time, we cannot predict the impact that the Trade Agreement, the MOU or any future agreements on services, particularly financial services, will have on our business and our clients. It is possible that new terms may adversely affect our operations and financial results. We continue to evaluate our own risks and uncertainty related to Brexit, and partner with our clients to help them navigate the fluctuating international markets. This uncertainty may have an impact on our clients' expansion or spending plans, which may in turn negatively impact our revenue or growth.

Risks Relating to the CGS Transaction

We may fail to realize the anticipated benefits of the CGS Transaction.

The success of our acquisition of the CGS business (the "CGS Business") will depend on, among other things, our ability to incorporate the CGS Business into our business in a manner that enhances our value proposition to clients and facilitates other growth opportunities. We must successfully include the CGS Business within our business in a manner that permits these growth opportunities to be realized. In addition, we must achieve the growth opportunities without adversely affecting current revenues and investments in other future growth. If we are not able to successfully achieve these objectives, the anticipated benefits of the acquisition of CGS (the "CGS Transaction") may not be realized fully, if at all, or may take longer to realize than expected. Additionally, management may face challenges in incorporating certain elements and functions of the CGS Business with the FactSet business, and this process may result in additional and unforeseen expenses. The CGS Transaction may also
disrupt the CGS Business's and FactSet's ongoing business or cause inconsistencies in standards, controls, procedures and policies that adversely affect our relationships with third party partners, employees, suppliers, customers and others with whom the CGS Business and FactSet have business or other dealings or limit our ability to achieve the anticipated benefits of the CGS Transaction. It is possible that our experience in operating the CGS Business will require us to adjust our expectations regarding the impact of the CGS Transaction on our operating results. If we are not able to successfully add the CGS Business to the existing FactSet business in an efficient, effective and timely manner, anticipated benefits, including the opportunities for growth we expect from the CGS Transaction, may not be realized fully, if at all, or may take longer to realize than expected, and our cash flow and financial condition may be negatively affected.

We have incurred and may incur additional significant transaction costs in connection with the CGS Transaction.

We have incurred a number of non-recurring costs associated with the CGS Transaction. These costs and expenses include financial advisory, legal, accounting, consulting and other advisory fees and expenses, filing fees and other related charges. There is also a large number of processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the CGS Transaction. While we have assumed that a certain level of expenses would be incurred in connection with the CGS Transaction and related transactions, there are many factors beyond our control that could affect the total amount or the timing of the integration and implementation expenses.

There may also be additional unanticipated significant costs in connection with the CGS Transaction that we may not recoup. These costs and expenses could reduce the benefits and additional income we expect to achieve from the CGS Transaction. Although we expect that these benefits will offset the transaction expenses and implementation costs over time, this net benefit may not be achieved in the near term or at all.

Third parties may terminate or alter existing contracts or relationships with FactSet or the CGS Business.

The CGS Business has contracts with customers, licensors and other business partners which may require the CGS Business to obtain consent from these other parties in connection with the CGS Transaction. If these consents cannot be obtained, the CGS Business may suffer a loss of potential future revenue and may lose rights that are material to the CGS Business. In addition, third parties with which we or the CGS Business currently have relationships may terminate or otherwise reduce the scope of their relationships with us following the CGS Transaction. Any such disruptions could limit our ability to achieve the anticipated benefits of the CGS Transaction.

FactSet and the CGS Business may have difficulty attracting, motivating and retaining key personnel and other employees in light of the CGS Transaction.

The CGS Business's success after the CGS Transaction will depend in part on its ability to attract and retain key personnel and other employees. Following the CGS Transaction, FactSet and the CGS Business may lose key personnel or may be unable to attract, retain and motivate qualified individuals, or the associated costs may increase. If the CGS Business cannot retain employees of the CGS Business because of uncertainty relating to the CGS Transaction or the difficulty of integration or for any other reason, the CGS Business's ability to realize the anticipated benefits of the CGS Transaction could be reduced, and it may have a material adverse impact on the business and operations of the CGS Business.

Risks Relating to Our Debt

Our indebtedness may impair our financial condition and prevent us from fulfilling our obligations under the Senior Notes and our other debt instruments.

As of May 31, 2022, giving effect to the issuance of the Senior Notes and the incurrence of borrowings under the 2022 Credit Facilities and the repayment of the 2019 Revolving Facility, the total outstanding principal amount of debt of FactSet was $2.13 billion, none of which is secured. Under the 2022 Revolving Facility, we have $250.0 million of unused commitments and an option to increase the size of the facility by an additional $750.0 million.

Our indebtedness could have important consequences to investors, including:

a. making it more difficult for us to satisfy our obligations;
b. limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of our growth strategy and other purposes;
c. requiring us to dedicate a substantial portion of our cash flow from operations to pay interest on our debt and scheduled amortization on the 2022 Term Facility, which would reduce availability of our cash flow to fund working capital, capital expenditures, acquisitions, execution of our strategy and other general corporate purposes;
d. making us more vulnerable to adverse changes in general economic, industry and government regulations and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions;
e. placing us at a competitive disadvantage compared with those of our competitors that have less debt; and
f. exposing us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expense in the event of increases in market interest rates.

In addition, we may not be able to generate sufficient cash flow from our operations to repay our indebtedness when it becomes due and to meet our other cash needs. If we are not able to pay our debts as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness or selling additional debt or equity securities. We may not be able to refinance our debt or sell additional debt or equity securities or our assets on favorable terms, if at all, and if we must sell our assets, it may negatively affect our ability to generate revenues.

Despite current indebtedness levels, we may still incur more debt. The incurrence of additional debt could further exacerbate the risks associated with our indebtedness.

Subject to certain limitations, the 2022 Credit Agreement and the indenture governing the Senior Notes permit us and our subsidiaries to incur additional debt. If new debt is added to our or any such subsidiary's current debt levels, the risks described above in the previous risk factor could intensify.

The restrictive covenants in our debt may affect our ability to operate our business successfully.

The 2022 Credit Agreement contains, and our future debt instruments may contain, various provisions that limit our ability to, among other things: incur liens; incur additional indebtedness, guarantees or other contingent obligations; enter into sale and leaseback transactions; engage in mergers and consolidations; make investments and acquisitions; change the nature of our business; and make sales, transfers and other dispositions of property and assets. The indenture governing the Senior Notes also contains various provisions that limit our ability to, among other things: incur liens; enter into sale and leaseback transactions; engage in mergers and consolidations; and make sales, transfers and other dispositions of property and assets. These covenants could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities.

In addition, the 2022 Credit Agreement requires us to maintain specified financial ratios and satisfy certain financial condition tests. Events beyond our control, including changes in general economic and business conditions, may affect our ability to meet those financial ratios and financial condition tests. We cannot assure you that we will meet those tests or that the lenders will waive any failure to meet those tests. A breach of any of these covenants or any other restrictive covenants contained in the definitive documentation governing our indebtedness would result in a default or an event of default. If an event of default in respect of any of our indebtedness occurs, the holders of the affected indebtedness could declare all amounts outstanding, together with accrued interest, to be immediately due and payable, which, in turn, could cause the default and acceleration of the maturity of our other indebtedness. We expect we will be permitted to incur substantial amounts of secured debt under the covenants in the indenture governing the Senior Notes and the 2022 Credit Facilities. If, upon an acceleration, we were unable to pay amounts owed in respect of any such indebtedness secured by liens on our assets, then the lenders of such indebtedness could proceed against the collateral pledged to them.

Certain of our borrowings and other obligations are based upon variable rates of interest, which could result in higher expense in the event of increases in interest rates.

The 2022 Credit Agreement provides that (i) loans denominated in U.S. dollars, at our option, will bear interest at either one-month Term SOFR (with a 10 basis points credit spread adjustment and subject to a "zero" floor), Daily Simple SOFR (with a 10 basis points credit spread adjustment and subject to a "zero" floor) or an alternate base rate, (ii) loans denominated in Pounds Sterling will bear interest at Daily Simple Sterling Overnight Index Average ("SONIA") (subject to a "zero" floor) and (iii) loans denominated in Euros will bear interest at Euro Interbank Offered Rate ("EURIBOR") (subject to a "zero" floor), in each case, plus an applicable interest rate margin. An increase in the alternate base rate, Term SOFR, Daily Simple SOFR, SONIA or EURIBOR would increase our interest payment obligations under the 2022 Credit Facilities and could have a negative effect on our cash flow and financial condition.

To mitigate this exposure, on March 1, 2022, we entered into an interest rate swap agreement with a notional amount of $800.0 million to hedge the variable interest rate obligation on a portion of our outstanding balance under the 2022 Credit Facilities.
However, as the interest rate swap agreement covers only a portion of our outstanding balance under the 2022 Credit Facilities, a substantial portion of our outstanding balance under the 2022 Credit Facilities continues to be exposed to interest rate volatility. An increase in the applicable rates would increase our interest payment obligations under the 2022 Credit Facilities and could have a negative effect on our cash flow and financial condition.

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 (in thousands, except share and per share data)

The following table provides a month-to-month summary of the share repurchase activity during the three months ended May 31, 2022:

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]	Maximum Number of Shares (or Approximate Dollar Value) that May Yet be Purchased Under the Plans or Programs (in US$)[2]
March 2022	—	$ —	—	$ 181,254
April 2022	—	$ —	—	$ 181,254
May 2022	10	$ 403.49	—	$ 181,254
Total	10		—	

(1) *Includes 10 shares repurchased to satisfy withholding tax obligations due upon the vesting of stock-based awards.*

(2) *Beginning in the second quarter of fiscal 2022, we suspended our share repurchase program through at least the second half of fiscal 2023, with the exception of potential minor repurchases to offset dilution from grants of equity awards or repurchases to satisfy withholding tax obligations due upon the vesting of stock-based awards. The suspension of our share repurchase program allows us to prioritize the repayment of debt under the 2022 Credit Facilities. Refer to* Note 12, *Debt for more information on the 2022 Credit Facilities.*

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) EXHIBITS

(b) The information required by this Item is set forth below.

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit No.	Filing Date	Filed Herewith
2.1	Asset Purchase Agreement, dated as of December 24, 2021, by and between S&P Global Inc. and FactSet Research Systems Inc.	8-K	001-11869	2.1	3/1/2022	
2.2	Amendment No. 1 to Asset Purchase Agreement, dated as of February 11, 2022, by and between S&P Global Inc. and FactSet Research Systems Inc.	8-K	001-11869	2.2	3/1/2022	
4.1	Indenture, dated as of March 1, 2022, between FactSet Research Systems Inc. and U.S. Bank Trust Company, National Association, as trustee	8-K	001-11869	4.1	3/1/2022	
4.2	Supplemental Indenture, dated as of March 1, 2022, between FactSet Research Systems Inc. and U.S. Bank Trust Company, National Association, as trustee	8-K	001-11869	4.2	3/1/2022	
4.3	Form of 2.900% Global Note due 2027 (included in Exhibit A-1 to Exhibit 4.2 above)	8-K	001-11869	4.3	3/1/2022	
4.4	Form of 3.450% Global Note due 2032 (included in Exhibit A-2 to Exhibit 4.2 above)	8-K	001-11869	4.4	3/1/2022	
4.5	Credit Agreement dated as of March 1, 2022, among FactSet Research Systems Inc., the Borrowing Subsidiaries party thereto, the Lenders party thereto, and PNC Bank, National Association, as the Administrative Agent	8-K	001-11869	4.5	3/1/2022	
10.1	Separation Agreement and General Release of Claims dated April 26, 2022 between FactSet Research Systems Inc. and Gene Fernandez					X
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

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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: July 1, 2022

/s/ LINDA S. HUBER

Linda S. Huber
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)

Exhibit 10.1

SEPARATION AGREEMENT AND GENERAL RELEASE OF CLAIMS

FactSet Research Systems Inc. (the "Company") and I, Gene Fernandez have entered into this Separation Agreement and General Release of Claims (this "Agreement") to settle all known and unknown claims I might have against the Company and all related parties. Except to the extent governed by federal law or any applicable non-U.S. law, this Agreement shall be governed by the statutes and common law of Connecticut, excluding any that mandate the use of another jurisdiction's laws. Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Company's Executive Severance Plan, as may be amended from time to time in accordance with its terms.

The Company and I agree as follows:

Section 1 -- In General

The Company and I hereby agree that my employment with the Company will end on November 30, 2022 (the "Date of Termination"). Effective as of the Date of Termination (or such earlier date as determined by the Company in its sole discretion), I shall irrevocably resign from all offices, titles, position, and appointments at the Company and any of its Affiliates, including as a member of the Board (or a committee thereof), provided that during the period from the date of this Agreement to the Date of Termination (such period, the "Transition Period"), I will remain employed by the Company pursuant to this Agreement.

Section 2 -- Transition Period

During the Transition Period, subject to my continued employment, the Company promises that I will remain on active payroll and continue to receive the compensation and benefits as provided to me immediately prior to the date of this Agreement, including my current base salary ($425,000.00 per annum), less all applicable federal, state, local and non-U.S. deductions and withholding, except I will not be entitled to receive any additional equity-based awards during the Transition Period.

Section 3 -- Severance Payments and Benefits

The Company promises that I will receive the compensation and benefits set forth in Appendix A attached hereto ("Appendix A"), which includes amounts payable under the Company's Executive Severance Plan and pursuant to the Company's equity-based awards, that are conditioned on my execution of this Agreement and compliance with its terms. I understand and agree that I am not otherwise entitled to receive the compensation and benefits set forth in Appendix A. I understand that this Agreement shall be immediately effective upon my execution and delivery of the Agreement to the Company, provided that if I fail to comply with this Agreement (including the Second Release requirement pursuant to Section 5), I will not receive the amounts or benefits that are set forth in Appendix A, and this Agreement will never go into effect.

Section 4 -- First Complete General Release of Claims

I acknowledge and represent that the consideration provided by the Company in this Agreement is adequate and satisfactory in exchange for the general release provided by me in this Section 4 and for the other commitments I make in this

Agreement, and that, in exchange for the compensation and benefits set forth on Appendix A, the following releases are made as of the date of this Agreement:

(a) **Claims Released**: Except for the claims identified in Section 4(b), I irrevocably and unconditionally release (i.e., give up), acquit and forever discharge all known and unknown claims, promises, causes of action, charges, complaints, demands, liabilities, obligations, agreements, controversies, damages, suits, entitlements, costs, losses, debts and expenses (including attorneys' fees and legal expenses) or similar rights of any type that I currently may have ("Claims") with respect to any Released Party listed in Section 4(c). I understand that I am not releasing future rights or claims, meaning rights or claims that arise after the date of this Agreement. I understand that the Claims I am releasing might arise under many different federal, state, local or non-U.S. laws (including statutes, regulations, other administrative guidance, and common law doctrines). Without limiting the generality of the foregoing, I acknowledge that I knowingly and voluntarily waive and release any and all Claims under the Age Discrimination in Employment Act (the "ADEA") and Executive Order 11,141, which prohibit age discrimination in employment, as well as all Claims under the following:

(i) Anti-discrimination statutes, such as Title VII of the Civil Rights Act of 1964, Sections 1981 and 1983 of the Civil Rights Act of 1866, and Executive Order 11,246, which prohibit discrimination based on race, color, national origin, religion, or sex; the Equal Pay Act, which prohibits paying men and women unequal pay for equal work; the Americans With Disabilities Act ("ADA") and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; the Genetic Information Nondiscrimination Act of 2008 ("GINA"), which prohibits discrimination based on genetic information; and any other federal, state, local or non-U.S. laws prohibiting discrimination in employment based on a protected category, such as actual or perceived race, religion, color, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, sex, sexual orientation, or association with a person who has, or is perceived to have, any of those characteristics;

(ii) Federal employment statutes, such as the Worker Adjustment and Retraining Notification Act ("WARN Act"), which requires that advance notice be given of certain work force reductions; the Employee Retirement Income Security Act of 1974 ("ERISA"), which, among other things, protects employee benefits; and any other federal laws relating to employment, such as veterans' reemployment rights laws; and

(iii) Other laws, such as any federal, state, local or non-U.S. laws mandating leaves of absence, restricting an employer's right to terminate employees, or otherwise regulating employment; any federal, state, local or non-U.S. law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; any other federal, state, local or non-U.S. laws providing recourse for alleged wrongful discharge, tort, physical or personal injury, emotional distress, fraud, negligent misrepresentation, defamation, and similar or related Claims; any other law relating to salary, commission, compensation, benefits, and other matters; and family and medical leave laws.

Examples of released Claims include, but are not limited to the following (except to the extent explicitly preserved by Section 3 or 4(b) of this Agreement):

(i) Claims that in any way relate to or arose during my employment with the Company, or the termination of that employment, such as Claims for compensation, bonuses, commissions, lost wages, or unused accrued vacation or sick pay; (ii) Claims that in any way relate to the design or administration of any employee benefit program; (iii) Claims that I have irrevocable or vested rights to severance or similar benefits or to post-employment health or group insurance benefits; (iv) any Claims to attorneys' fees or other indemnities (such as under the Civil Rights Attorneys' Fees Act), with respect to Claims I am releasing; or (v) Claims under the Connecticut Human Rights and Opportunities Law, the Connecticut Family and Medical Leave Law, the Connecticut Age Discrimination and Employee Insurance Benefits Law, and the Connecticut Smokers' Rights Law.

(b) **Claims Not Released**: This Agreement does not release any claims that the law does not permit me to release. Nothing herein affects my rights to indemnification in respect of my service as a director or officer of the Company or any of its Affiliates, reimbursement for business expenses incurred through the date of this Agreement in accordance with Company policy, payment of accrued salary, payment for accrued but unused vacation in accordance with Company policy, vested benefits under the Company's 401(k) plan and any other rights pursuant to the employee benefit plans of the Company and its Subsidiaries that are accrued and vested as of the date of this Agreement, subject to the terms of the applicable plan. Furthermore, this Agreement does not release my rights to the payments set forth in Appendix A.

(c) **Released Parties**: The Released Parties are the Company, all current and former parents, Subsidiaries, Affiliates, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, present, and future employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under or in concert with any of the persons or entities listed in this subsection, and their successors.

(d) **Covenant not to Sue**: I affirm that (i) I have not filed, and have not caused to be filed, and am not presently party to, any lawsuit or arbitration against any Released Party in any forum and (ii) agree not to sue any of the Released Parties or become a party to a lawsuit on the basis of any Claims of any type to date that arise out of any aspect of my employment or severance from employment other than, in each case, in order to enforce rights under Appendix A or Section 4(b). I understand that this is an affirmative promise not to sue any of the Released Parties, which is in addition to my general release of claims in Section 4(a). If, despite this Agreement, I sue or bring an arbitration action asserting any Claim that I have released, (i) I will be liable to the Released Party (as defined below) for its attorneys' fees, other defense costs, and any other damages that my suit or arbitration causes, except those attributable to ADEA claims and (ii) the Company shall have no obligation to pay any amounts set forth in Appendix A and the Company shall be entitled to recover any amounts set forth in Appendix A paid to me prior to the date of such actual or threatened violation. I promise not to accept any relief or remedies not set forth in this Agreement as to any Claim I have released by signing it.

(e) **California Law**: I acknowledge that I have read and understand Section 1542 of the California Civil Code that reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to the release of any claims herein.

Section 5 -- **Second Release of Claims**

I agree that my eligibility to receive the compensation and benefits set forth on Appendix A is subject to my execution, not later than 21 days following the Date of Termination, of a second release of claims (the "Second Release") in the form attached hereto as Appendix B, and the non-revocation of the Second Release during the period specified therein. If I fail to execute and deliver the Second Release within 21 days following the Date of Termination, or if I revoke the Second Release as provided therein, I will forfeit my right to receive the compensation and benefits set forth on Appendix A.

Section 6 -- **Promises**

(a) **Employment Termination**: I agree that my employment with the Company and its Affiliates will end as of the Date of Termination, and that I will receive the payments and benefits under this Agreement (subject to my compliance with the terms of this Agreement) in lieu of any such other rights or benefits to which I possibly could be or become entitled. I have not been told that the Company or any Released Party will rehire me.

(b) **Company Property and Debts**: On or before the Date of Termination, I will return to the Company all files, memoranda, documents, records, copies of the foregoing, Company-provided credit cards, keys, building passes, security passes, access or identification cards, devices and equipment belonging to the Company (including computers, laptops, tablets, smart phones, handheld electronic devices, telephone equipment, and other electronic devices), and any other property of the Company or any Released Party in my possession or control, other than specific mutually approved devices, all with the Company's consent. I have cooperated with the Company and will cooperate with the Company regarding the proper handling of any digital property of the Company that may be retained in mobile phone or related digital storage devices, media or accounts. As of the Date of Termination, I will have cleared all expense accounts, repaid everything I owe to the Company or any Released Party, paid all amounts I owe on Company-provided credit cards or accounts (such as mobile or smart phone accounts), and canceled or personally assumed any such credit cards or accounts.

(c) **Taxes**: I am responsible for paying any taxes on amounts I receive because I signed this Agreement. I agree that the Company is to withhold all taxes it determines it is legally required to withhold. I agree not to make any claim against the Company or any other person based on how the Company reports amounts paid under this Agreement to tax authorities.

(d) **Ownership of Claims**: I have not assigned or transferred any Claim I am purporting to release, nor have I attempted to do so.

(e) **Communication with Government Agency; Immunity**: This Agreement does not preclude me from filing an administrative charge or otherwise communicating with any federal, state, local or non-U.S. government office, official or agency, or from reporting possible violations of any law or regulation, making disclosures to, and/or participating in any investigation or proceeding conducted by any federal, state, local or non-U.S. agency, including the National Labor Relations Board, the Equal Employment Opportunity Commission, the Securities and Exchange Commission ("SEC"), the Department of Fair Employment and Housing and/or any governmental authority charged with the enforcement of any employment laws. However, I understand that by signing this Agreement I am waiving the right to recover any damages or to receive other relief in any claim or suit brought by any such federal, state, local or non-U.S agency on my behalf, or with respect to any Claim released by Paragraph 2(a) of this Agreement, to the fullest extent permitted by applicable law. Furthermore, nothing in this Agreement prohibits me from: (i) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934 (the "Exchange Act"), maintaining the confidentiality of a claim with the SEC; (ii) providing Confidential Information (as defined in Section 6(g) below) to the SEC, or providing the SEC with information that would otherwise violate any provision of this Agreement, to the extent permitted by Section 21F of the Exchange Act; (iii) cooperating, participating or assisting in an SEC investigation or proceeding without notifying the Company; or (iv) receiving a monetary award as set forth in Section 21F of the Exchange Act. Notwithstanding my confidentiality obligations set forth in this Agreement, I understand that, pursuant to the Defend Trade Secrets Act of 2016, I will not be held criminally or civilly liable under any U.S. Federal or State trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, local or non-U.S. government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. I also understand that if I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the trade secret to my attorney and use the trade secret information in the court proceeding, if I (i) file any document containing the trade secret under seal; and (ii) do not disclose the trade secret, except pursuant to court order. I understand that if a disclosure of trade secrets was not done in good faith pursuant to the above, then I may be subject to liability, including, without limitation, punitive damages and attorneys' fees.

(f) **Mutual Agreement Not to Disparage or Harm**: Subject to Section 6(e), I agree not to criticize, denigrate, or disparage any Released Party and, in particular, not to criticize, denigrate, or disparage any current or former employee of the Company. I understand and agree that breach of this provision will result in damages that are difficult to quantify. The Company likewise agrees not to criticize, denigrate, or disparage me or my work in any communication to a third party. I agree not to incur any expenses, obligations, or liabilities on behalf of the Company.

(g) **Confidential and Proprietary Information and Existing Obligations**: Subject to Section 6(e), I understand that, at all times in the future, I will remain bound by any Company or Company Affiliate agreement or policy relating to non-solicitation, non-competition, confidential information, proprietary information, invention, or similar matters to which I am now subject, in accordance with the terms of such agreement or policy, including but not limited to any FactSet Research Systems Inc. Intellectual Property Agreement which I previously signed and any non-competition, non-solicitation and confidentiality restrictions to which I am subject pursuant to the Company's Stock Option and Award Plan, as amended from time to time, and any award agreements thereunder, and which are expressly incorporated by reference herein, and I agree that to the extent any provision in any such agreement, plan or policy conflicts with any provision in this Agreement, the provision or interpretation affording the greater protection to the Company shall govern. In particular, I acknowledge that my employment by the Company created a relationship of confidence and trust with respect to any information of a confidential or secret nature disclosed to me by the Company or a third party that (i) related to the business of the Company or to the business of any parent, Subsidiary, Affiliate, customer or supplier of the Company or any other party with whom the Company agreed to hold information of such party in confidence, (ii) was not generally known to the public or to other persons in the industry, or if generally known, was used, selected or arranged by the Company in a manner not generally known and was made the property of the Company by mutual agreement of the parties, including by the Invention Assignment and Proprietary Information Agreement, and/or similar agreement, and (iii) that the Company has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure (the "Confidential Information"). I agree and represent that I have not disclosed, copied, disseminated, shared or transmitted any Confidential Information to any person, firm, corporation or entity for any reason or purpose whatsoever, except in the course of carrying out my duties and responsibilities of employment with the Company. I also agree, at all times in the future, not to make use of any Confidential Information for my own purposes or for the benefit of any person, firm, corporation or other entity. I further warrant and represent that all Confidential Information in my possession, custody or control that is or was a property of the Company has been or shall be returned to the Company by the Date of Termination.

(h) **Implementation**: I agree to sign any documents and do anything else that in the future is needed to implement this Agreement.

(i) **Other Representations**: In addition to my other representations in this Agreement, I have made the following representations to the Company, on which I acknowledge it also has relied in entering into this Agreement with me:

i. I have not suffered any job-related wrongs or injuries, such as any type of discrimination, for which I might still be entitled to compensation or relief in the future. I have properly reported any and all job-related wrongs or injuries for which I might still be entitled to compensation or relief, such as an injury for which I might receive a workers' compensation award in the future. I have properly reported all hours that I have worked and I have been paid all wages, overtime, commissions, compensation, benefits, and other amounts that the Company or any Released Party should have paid me in the past.

ii. This Agreement is not an admission of wrongdoing by the Company or any other Released Party.

iii. I am intentionally releasing claims that I do not know I might have and that, with hindsight, I might regret having released.

iv. If the Company or I successfully assert that any provision in this Release is void, the rest of the Agreement shall remain valid and enforceable.

(j) **False Claims Representations and Promises**: I have disclosed to the Company any information I have concerning any conduct involving the Company or any Affiliate that I have any reason to believe may be unlawful or that involves any false claims to the United States. I promise to cooperate fully in any investigation the Company or any Affiliate undertakes into matters occurring during my employment with the Company or any Affiliate. I understand that nothing in this Agreement prevents me from cooperating with any U.S. government investigation. In addition, to the fullest extent permitted by law, I hereby irrevocably assign to the U.S. government any right I might have to any proceeds or awards in connection with any false claims proceedings against the Company or any Affiliate.

(k) **Cooperation Required**: I agree that when requested by the Company, I will promptly and fully respond to all inquiries from the Company or any Affiliate and its representatives relating to any lawsuit in which I am identified as having factual information needed by the Company. To the extent I incur reasonable out-of-pocket expenses (such as postage costs or telephone charges) in assisting the Company or any Affiliate at its request, the Company will mail me a reimbursement check for those expenses within 15 days after it receives my request for payment, along with satisfactory written substantiation of the claimed expenses.

(l) **Disclosure**: Nothing herein shall prevent the Company or me from disclosing the terms of this Agreement if required to do so under applicable law or by a court of competent jurisdiction.

Section 7 -- **Consequences of Violating Promises**

I agree that the Company would be irreparably harmed by any actual or threatened violation of Section 6 that involves disclosure or use of confidential information, proprietary information, trade secrets or the violation of any obligations to the Company or its Affiliates in respect of non-competition or non-solicitation, and that the Company will be entitled to an injunction prohibiting me from committing any such violation. In addition, I agree that, in the event of any actual or threatened violation of Section 6 or any confidentiality, non-solicitation or non-competition agreement with the Company or any of its Subsidiaries, then the Company shall (a) have no obligation to pay any amounts set forth in Appendix A and (b) will be entitled to recover any amounts set forth in Appendix A previously paid to me.

Section 8 -- **Miscellaneous**

(a) **Entire Agreement**: In addition to any Company or Company Affiliate agreement, plan or policy relating to non-solicitation, non-competition, the confidentiality of Proprietary Information, inventions, or similar matters referenced in Section 6 above, this Agreement is the entire agreement between me and the Company relating to my termination of employment or the subject matter of this Agreement. This Agreement may not be modified or canceled in any manner, nor may any provision of it or any legal remedy with respect to it be waived, except by a writing signed by both me and an authorized Company official. I acknowledge that the Company has made no representations or promises to me (such as that my former position will remain vacant), other than those in or referred to by this Agreement. If any provision in this Agreement is found to be unenforceable, all other provisions will remain fully enforceable.

(b) **Successors**: This Agreement binds my heirs, administrators, representatives, executors, successors, and assigns, and will inure to the benefit of all Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns.

(c) **Interpretation**: This Agreement shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against me or any Released Party. Unless the context indicates otherwise, the term “or” shall be deemed to include the term “and” and the singular or plural number shall be deemed to include the other. Captions are intended solely for convenience of reference and shall not be used in the interpretation of this Agreement.

Section 9 -- **Arbitration of Disputes**

The Company and I agree to resolve any disputes we may have with each other through final, binding and confidential arbitration consistent with applicable law. For example, I am agreeing to arbitrate any dispute about the validity of this Agreement or any discrimination claim. I also agree to resolve through final, binding and confidential arbitration any disputes I have with any other Released Party who elects to arbitrate those disputes under this subsection. Arbitration shall be conducted by the American Arbitration Association in accordance with its employment dispute resolution rules which can be found at www.adr.org/employment, and consistent with state law. A neutral arbitrator will preside over the arbitration and issue a written decision subject to limited judicial review. The decision shall remain confidential between the parties and shall not be published by the arbitrator or the AAA. All remedies available under law will be available in the Arbitration. The Arbitration proceedings will allow for adequate discovery. Commencement of the Arbitration will be at a minimal cost to me. This agreement to arbitrate does not apply to government agency proceedings. By agreeing to this Agreement, I understand that I am waiving my right to a jury trial.

(*remainder of page left intentionally blank*)

YOU MAY NOT MAKE ANY CHANGES TO THE TERMS OF THIS AGREEMENT.

BEFORE SIGNING THIS AGREEMENT, TAKE IT HOME, READ IT, AND CAREFULLY CONSIDER IT. IF YOU CHOOSE, DISCUSS IT WITH YOUR ATTORNEY (AT YOUR OWN EXPENSE).

BY SIGNING THIS AGREEMENT, YOU WILL BE WAIVING YOUR KNOWN AND UNKNOWN CLAIMS.

Executed at Norwalk, Connecticut, this 26th day of April, 2022, and signed under penalty of perjury under the laws of the state of Connecticut.

/s/ GENE FERNANDEZ
Signature

Gene Fernandez

Executed at Norwalk, Connecticut this 26th day of April, 2022.

For FactSet Research Systems Inc.

/s/ F. PHILIP SNOW
Name: F. Philip Snow
Title: Chief Executive Officer

Severance Payments and Benefits

Type of Payment/Benefit	Form and Amount of Payment/Benefit	Timing of Payment/Benefit
Cash	One Time FY 2022 base salary and target bonus plus FY23 ratable bonus at FY22 Rate, $954,795.00	Earlier of (i) the first payroll after the expiration of the seven-day revocation period for the second release and (ii) December 31, 2022
Acceleration of Equity (Stock Options)	The accelerated vesting of 1,409 stock options granted on November 1, 2018; The accelerated vesting of 997 stock options granted on November 1, 2019; The accelerated vesting of 894 stock options granted on November 9, 2020; and The accelerated vesting of 732 stock options granted on November 1, 2021.	Exercisable for 90 days after Date of Termination
Settling of Performance Units Granted on November 9, 2020 and November 1, 2021	(1) 983 Performance Units; and (2) 295 Performance Units. Number of Performance Units is estimated and is subject to the achievement of Company goals to be paid out within 30 days of the end of the Performance Period.	(1) Vesting to be settled on or about November 10, 2023; payment to be within 30 days after November 10, 2023. (2) Vesting to be settled on or about November 4, 2024; payment to be within 30 days after November 4, 2024.

Welfare Continuation Reimbursement	Reimbursement by the Company of the cost of the employee's premiums for continued coverage under the group health plan at the current level of coverage as of the Date of Termination, for a period of 12 months from the Date of Termination, for an approximate total amount of $25,733.04.	Payment to be made by Company directly to providers.
Outplacement Assistance	Reasonable outplacement assistance with a firm determined by the Company for up to one year following the Date of Termination (or, if earlier, the date you commence employment with a subsequent employer).	Up to a maximum cost of $25,000.00, paid directly to the outplacement firm by the Company.

Second Release

This release (this "Second Release") is made by Gene Fernandez ("Employee") as of the date set forth below in connection with the Separation Agreement and General Release of Claims between Employee and FactSet Research Systems Inc. (the "Company"), made [●], 2022 (the "Separation Agreement"), and in association with the termination of Employee's employment with the Company. Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Company's Executive Severance Plan, as may be amended from time to time in accordance with its terms.

1. In consideration of payments to be made to Employee and other benefits to be received by Employee pursuant to the Separation Agreement, Employee, being of lawful age, irrevocably and unconditionally releases (i.e., gives up), acquits and forever discharges all known and unknown claims, promises, causes of action, charges, complaints, demands, liabilities, obligations, agreements, controversies, damages, suits, entitlements, costs, losses, debts and expenses (including attorneys' fees and legal expenses) or similar rights of any type that Employee currently may have ("Claims") with respect to the Company, all current and former parents, Subsidiaries, Affiliates, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, present, and future employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under or in concert with any of the persons or entities listed in this subsection, and their successors (collectively, the "Released Parties"). Employee understands that Employee is not releasing future rights or claims, meaning rights or claims that arise after the date that Employee executes and delivers this Second Release. Employee understands that the Claims Employee is releasing might arise under many different federal, state, local or non-U.S. laws (including statutes, regulations, other administrative guidance, and common law doctrines). Without limiting the generality of the foregoing, Employee acknowledges that Employee knowingly and voluntarily waives and releases any and all Claims under the Age Discrimination in Employment Act (the "ADEA") and Executive Order 11,141, which prohibit age discrimination in employment, as well as all Claims under the following:

(i) Anti-discrimination statutes, such as Title VII of the Civil Rights Act of 1964, Sections 1981 and 1983 of the Civil Rights Act of 1866, and Executive Order 11,246, which prohibit discrimination based on race, color, national origin, religion, or sex; the Equal Pay Act, which prohibits paying men and women unequal pay for equal work; the Americans With Disabilities Act ("ADA") and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; the Genetic Information Nondiscrimination Act of 2008 ("GINA"), which prohibits discrimination based on genetic information; and any other federal, state, local or non-U.S. laws prohibiting discrimination in employment based on a protected category, such as actual or perceived race, religion, color, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, sex, sexual orientation, or association with a person who has, or is perceived to have, any of those characteristics;

(ii) Federal employment statutes, such as the Worker Adjustment and Retraining Notification Act ("WARN Act"), which requires that advance notice be given of certain work force reductions; the Employee Retirement Income Security Act of 1974 ("ERISA"), which, among other things, protects employee benefits; and any other federal laws relating to employment, such as veterans' reemployment rights laws; and

(iii) Other laws, such as any federal, state, local or non-U.S. laws mandating leaves of absence, restricting an employer's right to terminate employees, or otherwise regulating employment; any federal, state, local or non-U.S. law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; any other federal, state, local or non-U.S. laws providing recourse for alleged wrongful discharge, tort, physical or personal injury, emotional distress, fraud, negligent misrepresentation, defamation, and similar or related claims; any other law relating to salary, commission, compensation, benefits, and other matters; and family and medical leave laws.

Examples of released Claims include, but are not limited to the following (except to the extent explicitly preserved by Section 3 or 4(b) of the Separation Agreement): (i) Claims that in any way relate to or arose during Employee's employment with the Company, or the termination of that employment, such as Claims for compensation, bonuses, commissions, lost wages, or unused accrued vacation or sick pay; (ii) Claims that in any way relate to the design or administration of any employee benefit program; (iii) Claims that Employee has irrevocable or vested rights to severance or similar benefits or to post-employment health or group insurance benefits; (iv) any Claims to attorneys' fees or other indemnities (such as under the Civil Rights Attorneys' Fees Act), with respect to Claims Employee is releasing; or (v) Claims under the Connecticut Human Rights and Opportunities Law, the Connecticut Family and Medical Leave Law, the Connecticut Age Discrimination and Employee Insurance Benefits Law, and the Connecticut Smokers' Rights Law.

2. Employee acknowledges that Employee has read and understands Section 1542 of the California Civil Code that reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Employee hereby expressly waives and relinquishes all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to the release of any claims herein.

3. Employee hereby acknowledges and agrees that the Covenant not to Sue set forth in Section 4(d) of the Separation Agreement applies to all Claims released pursuant to this Second Release.

4. Notwithstanding anything to the contrary, nothing in this Second Release shall constitute a release of any rights of Employee that are preserved pursuant to Section 3 or 4(b) of the Separation Agreement, and nothing herein shall prohibit or restrict Employee from taking any actions permitted by Section 6(e) of the Separation Agreement. In addition, nothing in this Second Release shall prohibit or restrict Employee from challenging the knowing and voluntary nature of Employee's release of claims under the ADEA pursuant to the Older Workers Benefit Protection Act.

5. Employee acknowledges that, before signing this Second Release, Employee was given at least 21 days in which to consider this Second Release. Employee waives any right Employee might have to additional time within which to consider this Second Release. Employee further acknowledges that: (1) Employee took advantage of the time Employee was given to consider this Second Release before signing it; (2) Employee carefully read this Second Release; (3) Employee fully understands it; (4) Employee is entering into it voluntarily; (5) Employee is receiving valuable consideration in exchange for Employee's execution of this Second Release that Employee would not otherwise be entitled to receive; (6) the Company, by this writing, encouraged Employee to discuss this Second Release with Employee's attorney (at Employee's own expense) before signing it, and that Employee did so to the extent Employee deemed appropriate; and (7) any changes made to this Second Release, whether material or immaterial, will not restart the 21 day consideration period. Employee understands that Employee is entitled to revoke this Second Release, in writing, within 7 days once Employee signs it. Such revocation must be delivered to the Company as provided herein within the 7 day period, in which case Employee will receive no benefits pursuant to Appendix A of the Separation Agreement. If Employee does not revoke this Second Release, it will become enforceable on the eighth day after Employee signs it. The Company need not sign this Second Release for it to become effective and irrevocable.

(*remainder of page left intentionally blank*)

YOU MAY NOT MAKE ANY CHANGES TO THE TERMS OF THIS SECOND RELEASE.

BEFORE SIGNING THIS SECOND RELEASE, TAKE IT HOME, READ IT, AND CAREFULLY CONSIDER IT. IF YOU CHOOSE, DISCUSS IT WITH YOUR ATTORNEY (AT YOUR OWN EXPENSE). YOU HAVE 21 DAYS TO CONSIDER THIS AGREEMENT. IF YOU DO NOT SIGN AND RETURN THIS AGREEMENT WITHIN THIS 21-DAY PERIOD, IT AUTOMATICALLY EXPIRES.

ONCE YOU SIGN THIS AGREEMENT, YOU WILL HAVE AN ADDITIONAL 7 DAYS TO REVOKE IT. IF YOU CHOOSE TO REVOKE THIS AGREEMENT, YOU MUST DELIVER A WRITTEN NOTICE OF REVOCATION TO:

RACHEL STERN, CHIEF LEGAL OFFICER
FACTSET RESEARCH SYSTEMS INC.
45 GLOVER AVENUE, NORWALK, CT 06850

BY SIGNING THIS AGREEMENT, YOU WILL BE WAIVING YOUR KNOWN AND UNKNOWN CLAIMS.

Executed at Norwalk, Connecticut, this [●]th day of [●], 20[●], and signed under penalty of perjury under the laws of the state of Connecticut.

____
Signature

____
Print Name

EXHIBIT 31.1

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: July 1, 2022

/s/ F. PHILIP SNOW

F. Philip Snow
Chief Executive Officer

EXHIBIT 31.2

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, Linda S. Huber, 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: July 1, 2022

/s/ LINDA S. HUBER

Linda S. Huber
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

**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 May 31, 2022, 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
July 1, 2022

EXHIBIT 32.2

**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 May 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Linda S. Huber, 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/ LINDA S. HUBER

Linda S. Huber
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)
July 1, 2022