

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)

February 6, 2024

GARTNER, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or Other Jurisdiction of
Incorporation)

1-14443

(Commission File Number)

04-3099750

(IRS Employer
Identification No.)

P.O. Box 10212

56 Top Gallant Road

Stamford, CT 06902-7747

(Address of Principal Executive Offices, including Zip Code)

(203) 964-0096

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.0005 par value per share	IT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter): 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:

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On February 6, 2024, Gartner, Inc. (the “Company” or “Gartner”) announced financial results for the three months and year ended December 31, 2023. A copy of the Company’s Press Release is furnished herein as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02 and in Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 7.01. REGULATION FD DISCLOSURES.**Financial Results**

Gartner has scheduled a webcast call at 8:00 a.m. Eastern time on Tuesday, February 6, 2024 to discuss the Company’s financial results for the three months and year ended December 31, 2023. An earnings supplement will also be available via the Internet by accessing the Company’s website at <https://investor.gartner.com>. An audio replay of the webcast will also be available on the Company’s website.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**(d) Exhibits**

EXHIBIT NO.	DESCRIPTION
<u>99.1</u>	<u>Press Release issued on February 6, 2024 with respect to financial results for Gartner, Inc. for the three months and year ended December 31, 2023.</u>
104	Cover Page Interactive Data File, formatted in Inline XBRL (included as Exhibit 101).

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 hereunto duly authorized.

Gartner, Inc.

Date: February 6, 2024

By: /s/ Craig W. Safian

Craig W. Safian
Executive Vice President and Chief Financial Officer



Press Release

Gartner Reports Fourth Quarter 2023 Financial Results

Contract Value \$4.8 billion, +8% YoY FX Neutral

FOURTH QUARTER 2023 HIGHLIGHTS

- Revenues: \$1.6 billion, +5% as reported, +4% FX neutral.
- Net income: \$209 million, -19%; adjusted EBITDA: \$386 million, -8% as reported, -9% FX neutral.
- Diluted EPS: \$2.64, -18%; adjusted EPS: \$3.04, -18%.
- Operating cash flow: \$224 million, +10%; free cash flow: \$196 million, +19%.

FULL YEAR 2023 HIGHLIGHTS

- Revenues: \$5.9 billion, +8% as reported and FX neutral.
- Net income: \$882 million, +9%; adjusted EBITDA: \$1.5 billion, +1% as reported, +2% FX neutral.
- Diluted EPS: \$11.08, +11%; adjusted EPS: \$11.33, +1%.
- Operating cash flow: \$1.2 billion, +5%; free cash flow: \$1.1 billion, +6%.
- Repurchased 1.8 million common shares for \$0.6 billion; 1% reduction in outstanding share count YoY.

STAMFORD, Conn., February 6, 2024 — Gartner, Inc. (NYSE: IT), today reported results for the fourth quarter of 2023 and provided its financial outlook for the full year 2024. Additional information regarding the Company's results and 2024 financial outlook are provided in an earnings supplement available on the Company's Investor Relations website at <https://investor.gartner.com>.

Gene Hall, Gartner's Chief Executive Officer, commented, "Gartner delivered another strong year, providing exceptional value for our clients, driving high single digit growth in contract value and generating more than \$1 billion of free cash flow. Entering 2024, our associate team is the best we've ever had, positioning us for long-term, sustained, double-digit growth. We are introducing guidance which is achievable across a wide range of economic scenarios, with the opportunity for upside."

CONFERENCE CALL INFORMATION

The Company will host a webcast call at 8:00 a.m. Eastern time on Tuesday, February 6, 2024 to discuss the Company's financial results. Listeners can access the webcast live at <https://edge.media-server.com/mmc/p/8au4rmz5>. To participate actively in the live call via dial-in, please register at <https://register.vevent.com/register/B1e86287ab7c5c4158baacfa155679d9d9>. Once registered, participants will receive a dial-in number and a unique PIN to access the call. A replay of the webcast will be available on the Company's website for approximately 30 days following the call.

CONSOLIDATED RESULTS HIGHLIGHTS

(Unaudited; \$ in millions, except per share amounts)

	Three Months Ended December 31,		Inc/(Dec)	Inc/(Dec) FX Neutral
	2023	2022		
GAAP Metrics:				
Revenues	\$ 1,586	\$ 1,505	5 %	4 %
Net income	209	257	(19)%	na
Diluted EPS	2.64	3.21	(18)%	na
Operating cash flow	224	203	10 %	na
Non-GAAP Metrics:				
Adjusted EBITDA	\$ 386	\$ 421	(8)%	(9)%
Adjusted EPS	3.04	3.70	(18)%	na
Free cash flow	196	166	19 %	na

na=not available

CONTRACT VALUE HIGHLIGHTS

- Global Technology Sales Contract Value (GTS CV): \$3.7 billion, +6% YoY FX Neutral
- Global Business Sales Contract Value (GBS CV): \$1.1 billion, +13% YoY FX Neutral

SEGMENT RESULTS HIGHLIGHTS

Our segment results for the three months ended December 31, 2023 were as follows:

(Unaudited; \$ in millions)

	Research	Conferences	Consulting
Revenues	\$ 1,243	\$ 214	\$ 128
Inc/(Dec)	6 %	14 %	(7)%
Inc/(Dec) - FX neutral	5 %	12 %	(7)%
Gross contribution	\$ 921	\$ 108	\$ 35
Inc/(Dec)	6 %	8 %	(32)%
Contribution margin	74 %	50 %	27 %

Additional details regarding our segment results can be obtained in the earnings supplement and on our webcast call.

Certain financial metrics contained in this Press Release are considered non-GAAP financial measures. Definitions of these non-GAAP financial measures are included in this Press Release under "Non-GAAP Financial Measures" and the related reconciliations are under "Supplemental Information — Non-GAAP Reconciliations." In this Press Release, some totals may not add due to rounding. The percentage changes are based on the unrounded whole number and recalculation based on millions may yield a different result.

ABOUT GARTNER

Gartner, Inc. (NYSE: IT) delivers actionable, objective insight to executives and their teams. Our expert guidance and tools enable faster, smarter decisions and stronger performance on an organization's mission critical priorities.

CONTACTS

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FORWARD LOOKING STATEMENTS

Statements contained in this press release regarding the Company's growth and prospects, projected financial results, long-term objectives, and all other statements in this release other than recitation of historical facts are forward-looking statements within the meaning of Section 27A of the Securities Exchange Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, estimates, uncertainties and other factors that may cause actual results to be materially different. Such forward-looking statements involve known and unknown risks, estimates, uncertainties and other factors that may cause actual results to be materially different. Such factors include, but are not limited to, the following: the impact of general economic conditions, including inflation (and related monetary policy by governments in response to inflation), on economic activity and our operations; changes in macroeconomic and market conditions and market volatility, including interest rates and the effect on the credit markets and access to capital; the impact of global economic and geopolitical conditions, including inflation, and recession; our ability to carry out our strategic initiatives and manage associated costs; our ability to recover potential claims under our event cancellation insurance; the timing of conferences and meetings, in particular our Gartner Symposium/Xpo series that normally occurs during the fourth quarter; our ability to achieve and effectively manage growth, including our ability to integrate our acquisitions and consummate and integrate future acquisitions; our ability to pay our debt obligations; our ability to maintain and expand our products and services; our ability to expand or retain our customer base; our ability to grow or sustain revenue from individual customers; our ability to attract and retain a professional staff of research analysts and consultants as well as experienced sales personnel upon whom we are dependent, especially in light of labor competition; our ability to achieve continued customer renewals and achieve new contract value, backlog and deferred revenue growth in light of competitive pressures; our ability to successfully compete with existing competitors and potential new competitors; our ability to enforce and protect our intellectual property rights; our ability to keep pace with technological developments in artificial intelligence; additional risks associated with international operations, including foreign currency fluctuations; the impact on our business resulting from changes in international conditions, including those resulting from the conflict in the Middle East, the war in Ukraine and current and future sanctions imposed by governments or other authorities; the impact of restructuring and other charges on our businesses and operations; cybersecurity incidents; risks associated with the creditworthiness, budget cuts, and shutdown of governments and agencies; our ability to meet ESG commitments; the impact of changes in tax policy (including global minimum tax legislation) and heightened scrutiny from various taxing authorities globally; changes to laws and regulations; and other risks and uncertainties described under "Risk Factors" in our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, which can be found on Gartner's website at <https://investor.gartner.com> and the SEC's website at www.sec.gov. Forward-looking statements included herein speak only as of the date hereof and Gartner disclaims any obligation to revise or update such statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law.

NON-GAAP FINANCIAL MEASURES

Certain financial measures used in this Press Release are not defined by U.S. generally accepted accounting principles (“GAAP”) and as such are considered non-GAAP financial measures. We provide these measures to enhance the user’s overall understanding of the Company’s current financial performance and the Company’s prospects for the future. Investors are cautioned that these non-GAAP financial measures may not be defined in the same manner by other companies and, as a result, may not be comparable to other similarly titled measures used by other companies. Also, these non-GAAP financial measures should not be construed as alternatives, or superior, to other measures determined in accordance with GAAP. The non-GAAP financial measures used in this Press Release are defined below.

Adjusted EBITDA and Adjusted EBITDA Margin: Represents GAAP net income (loss) adjusted for: (i) interest expense, net; (ii) tax provision (benefit); (iii) gain on event cancellation insurance claims, as applicable; (iv) gain/loss on divestitures, as applicable; (v) other (income) expense, net; (vi) stock-based compensation expense; (vii) depreciation, amortization, and accretion; (viii) loss on impairment of lease related assets, net, as applicable; and (ix) acquisition and integration charges and certain other non-recurring items. Adjusted EBITDA Margin represents Adjusted EBITDA divided by GAAP Revenue. We believe Adjusted EBITDA and Adjusted EBITDA Margin are important measures of our recurring operations as they exclude items not representative of our core operating results.

Adjusted Net Income: Represents GAAP net income (loss) adjusted for the impact of certain items directly related to acquisitions and other non-recurring items. These adjustments include: (i) the amortization of acquired intangibles; (ii) acquisition and integration charges and other non-recurring items; (iii) gain on event cancellation insurance claims, as applicable; (iv) gain/loss on divestitures, as applicable; (v) loss on impairment of lease related assets, net as applicable; (vi) the non-cash (gain) loss on de-designated interest rate swaps, as applicable; and (vii) the related tax effect. We believe Adjusted Net Income is an important measure of our recurring operations as it excludes items that may not be indicative of our core operating results.

Adjusted EPS: Represents GAAP diluted EPS adjusted for the impact of certain items directly related to acquisitions and other non-recurring items. These adjustments include on a per share basis: (i) the amortization of acquired intangibles; (ii) acquisition and integration charges and other non-recurring items; (iii) gain on event cancellation insurance claims, as applicable; (iv) gain/loss on divestitures, as applicable; (v) loss on impairment of lease related assets, net as applicable; (vi) the non-cash (gain) loss on de-designated interest rate swaps, as applicable; and (vii) the related tax effect. We believe Adjusted EPS is an important measure of our recurring operations as it excludes items that may not be indicative of our core operating results.

Free Cash Flow: Represents cash provided by operating activities determined in accordance with GAAP less payments for capital expenditures. We believe Free Cash Flow is an important measure of the recurring cash generated by the Company’s core operations that may be available to be used to repay debt obligations, repurchase our stock, invest in future growth through new business development activities, or make acquisitions.

Foreign Currency Neutral (FX Neutral): We provide foreign currency neutral dollar amounts and percentages for our contract values, revenues, certain expenses, and other metrics. These foreign currency neutral dollar amounts and percentages eliminate the effects of exchange rate fluctuations and thus provide a more accurate and meaningful trend in the underlying data being measured. We calculate foreign currency neutral dollar amounts by converting the underlying amounts in local currency for different periods into U.S. dollars by applying the same foreign exchange rates to all periods presented.

SUPPLEMENTAL INFORMATION - NON-GAAP RECONCILIATIONS

The tables below provide reconciliations of certain Non-GAAP financial measures used in this Press Release with the most directly comparable GAAP measure. See “Non-GAAP Financial Measures” above for definitions of these measures.

Reconciliation - GAAP Net Income to Adjusted EBITDA

(Unaudited; \$ in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
GAAP net income	\$ 209	\$ 257	\$ 882	\$ 808
Interest expense, net	20	30	94	121
Gain on event cancellation insurance claims ^(a)	—	—	(3)	—
Other expense (income), net	4	(2)	(1)	(48)
Tax provision	69	47	265	219
Operating income	301	332	1,237	1,100
Adjustments:				
Stock-based compensation expense ^(b)	26	13	130	91
Depreciation, amortization and accretion ^(c)	50	49	192	193
Loss on impairment of lease related assets, net ^(d)	1	16	20	54
Acquisition and integration charges and other non-recurring items ^(e)	9	11	39	33
Gain from sale of divested operation ^(f)	—	—	(135)	—
Adjusted EBITDA	\$ 386	\$ 421	\$ 1,483	\$ 1,471

(a) Consists of the gain on event cancellation insurance claims for events cancelled in 2020.

(b) Consists of charges for stock-based compensation awards.

(c) Includes depreciation expense, amortization of intangibles and accretion on asset retirement obligations.

(d) Includes impairment loss for lease related assets, net of a reduction in lease liabilities.

(e) Consists of direct and incremental expenses related to acquisitions and divestitures, facility-related exit costs, and other non-recurring items.

(f) Consists of the gain on our February 2023 divestiture.

Reconciliation - GAAP Net Income and GAAP income per share to Adjusted Net Income and Adjusted EPS

(Unaudited; \$ in millions, except per share amounts)

	Three Months Ended December 31,			
	2023		2022	
	Amount	Per Share	Amount	Per Share
GAAP net income	\$ 209	\$ 2.64	\$ 257	\$ 3.21
Acquisition and other adjustments:				
Amortization of acquired intangibles ^(a)	23	0.29	24	0.30
Acquisition and integration charges and other non-recurring items ^{(b), (c)}	10	0.12	12	0.15
Loss on impairment of lease related assets, net ^(f)	1	0.02	16	0.21
Loss (gain) on de-designated interest rate swaps ^(g)	4	0.05	(1)	(0.01)
Tax impact of adjustments ^(h)	(6)	(0.07)	(12)	(0.15)
Adjusted net income and Adjusted EPS ⁽ⁱ⁾	\$ 241	\$ 3.04	\$ 297	\$ 3.70

	Year Ended December 31,			
	2023		2022	
	Amount	Per Share	Amount	Per Share
GAAP net income	\$ 882	\$ 11.08	\$ 808	\$ 9.96
Acquisition and other adjustments:				
Amortization of acquired intangibles ^(a)	92	1.16	99	1.22
Acquisition and integration charges and other non-recurring items ^{(b), (c)}	44	0.55	38	0.47
Gain on event cancellation insurance claims ^(d)	(3)	(0.04)	—	—
Gain from sale of divested operation ^(e)	(135)	(1.70)	—	—
Loss on impairment of lease related assets, net ^(f)	20	0.26	54	0.67
Gain on de-designated interest rate swaps ^(g)	(4)	(0.05)	(52)	(0.65)
Tax impact of adjustments ^(h)	6	0.07	(32)	(0.40)
Adjusted net income and Adjusted EPS ⁽ⁱ⁾	\$ 903	\$ 11.33	\$ 914	\$ 11.27

(a) Consists of non-cash amortization charges from acquired intangibles.

(b) Consists of direct and incremental expenses related to acquisitions and divestitures, facility-related exit costs, and other non-recurring items.

(c) Includes the amortization and write-off of deferred financing fees, which are recorded in Interest expense, net in the Company's accompanying Condensed Consolidated Statements of Operations and in the Adjusted EBITDA table above.

(d) Consists of the gain on event cancellation insurance claims for events cancelled in 2020.

(e) Consists of the gain on our February 2023 divestiture.

(f) Includes impairment loss for lease related assets, net of a reduction in lease liabilities.

(g) Represents the fair value adjustment for interest rate swaps after de-designation.

(h) The blended effective tax rates on the adjustments were approximately 15% and 23% for the three months ended December 31, 2023 and 2022, respectively, and (39)% and 23% for the years ended December 31, 2023 and 2022, respectively.

(i) Adjusted EPS was calculated based on 79.0 million and 80.1 million diluted shares for the three months ended December 31, 2023 and 2022, respectively, and 79.7 million and 81.1 million diluted shares for the years ended December 31, 2023 and 2022, respectively.

Reconciliation - GAAP Cash Provided by Operating Activities to Free Cash Flow
(Unaudited; \$ in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
GAAP cash provided by operating activities	\$ 224	\$ 203	\$ 1,156	\$ 1,101
Cash paid for capital expenditures	(28)	(38)	(103)	(108)
Free cash flow	\$ 196	\$ 166	\$ 1,053	\$ 993

GARTNER, INC.

Condensed Consolidated Statements of Operations

(Unaudited; in millions, except per share data)

	Three Months Ended December 31,	
	2023	2022
Revenues:		
Research	\$ 1,243.2	\$ 1,178.3
Conferences	214.4	188.3
Consulting	128.5	138.1
Total revenues	1,586.1	1,504.7
Costs and expenses:		
Cost of services and product development	529.8	475.4
Selling, general and administrative	703.8	645.0
Depreciation	26.5	24.4
Amortization of intangibles	22.8	24.3
Acquisition and integration charges	1.8	3.3
Total costs and expenses	1,284.7	1,172.4
Operating income	301.4	332.3
Interest expense, net	(20.5)	(29.9)
Other (expense) income, net	(3.7)	1.7
Income before income taxes	277.2	304.1
Provision for income taxes	68.6	47.3
Net income	\$ 208.6	\$ 256.8
Net income per share:		
Basic	\$ 2.66	\$ 3.24
Diluted	\$ 2.64	\$ 3.21
Weighted average shares outstanding:		
Basic	78.4	79.2
Diluted	79.0	80.1

Source: Gartner, Inc.

Gartner-IR