

# **First Quarter 2025 Results**

**May 6, 2025**

# Forward Looking Statement and Explanatory Note

Statements contained in this presentation regarding the growth and prospects of the business, the Company's projected 2025 financial results, long-term objectives and all other statements in this presentation other than recitation of historical facts are forward looking statements within the meaning of Section 27A of the Securities 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 factors include, but are not limited to, the following: the impact of global economic and geopolitical conditions, including inflation, and recession; uncertain effects, both direct and indirect, of changes and volatility in tariffs and trade policies; risks associated with the creditworthiness, budget cuts, priorities and shutdown of governments and agencies; our ability to carry out our strategic initiatives and manage associated costs; 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 ("AI") and comply with evolving AI regulations; 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 or other disruptions to our information systems; our ability to meet sustainability commitments and comply with applicable regulatory requirements, as well as potential reactions by customers to these 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. Non-GAAP financial measures such as Adj. EBITDA, Adj. EBITDA Margin, Adj. Net Income, Adj. EPS and Free Cash Flow, as included in this presentation, are supplemental measures that are not calculated in accordance with U.S. GAAP. Definitions of these measures and reconciliations to the most-directly comparable GAAP measures are included in the appendix.

**Unless otherwise indicated, or the content otherwise requires, all percentages indicated in this presentation are year-over-year growth rates.**

The Company's SEC filings can be found on Gartner's website at [investor.gartner.com](http://investor.gartner.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov). Forward looking statements included herein speak only as of May 6, 2025 and the Company disclaims any obligation to revise or update such statements to reflect events or circumstances after this date or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law or regulation.

Some totals may not add due to rounding.

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Normalized P&L (Non-GAAP)

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# 1Q 2025 Growth and Financial Results

## Global Contract Value (CV)

**6.7%**      **\$5.1B**

## Consolidated Revenues

**4.2%**      **\$1,534M**

FX Neutral: 5.7%

69.0% Contribution Margin

## Research Revenues

**4.2%**      **\$1,322M**

FX Neutral: 5.8%

74.5% Contribution Margin

## Free Cash Flow

**\$288M**

## Global Technology Sales CV

**5.5%**      **\$3.9B**

## Adj. EBITDA

**0.7%**      **\$385M**

FX Neutral: 2.9%

25.1% Adj. EBITDA Margin

## Conference Revenues

**3.6%**      **\$73M**

FX Neutral: 5.4%

37.7% Contribution Margin

## Share Repurchases

**\$163M**

## Global Business Sales CV

**10.8%**      **\$1.2B**

## Adj. EPS

**\$2.98**

Growth: 1.7%

## Consulting Revenues

**3.7%**      **\$140M**

FX Neutral: 5.3%

38.2% Contribution Margin

% increases above are FX Neutral at 2025 rates

## Updated 2025 Guidance

\$ billions, except per share amounts

### Consolidated Revenues

≥ \$6.535B

### Adj. EBITDA

≥ \$1.535B

### Adj. EPS

≥ \$11.70

### Free Cash flow

≥ \$1.145B

# Guidance

## 2025 Guidance

\$ millions, except per share amounts; shares in millions

\$ at reported rates	Guidance as of February 4, 2025 At Least:	Incremental FX <sup>1</sup>	Updated Business Outlook	Guidance as of May 6, 2025 At Least:
Research Revenues	5,365	105	-135	5,335
Conferences Revenues	625	25	-25	625
Consulting Revenues	565	15	-5	575
Total Revenues	6,555	145	-165	6,535
Adj. EBITDA	1,510	50	-25	1,535
Adj. EPS	11.45	0.5	-0.25	11.70
Free Cash Flow	1,140	40	-35	1,145
Shares	~78	na	0	~78

	GAAP	Non-GAAP/Adj.
Depreciation	~ 124	na
Amortization	~ 81	na
Stock-Based Compensation	~ 176	na
Interest, net	~ 51	~ 47
Effective Tax Rate	~ 23%	~ 23%
Capital Expenditures	~ 130	na

<sup>1</sup> FX impact from January rates to April rates. na = not applicable.

- Research revenues reflect an expectation that both 1) Q1 new business and retention trends and 2) non-subscription traffic and pricing trends continue for the balance of the year.
- Conferences revenues reflect 53 in-person destination conferences.
- Consulting segment has similar visibility to prior years.
- Expenses reflect agile cost management while investing in key areas to drive future top-line growth and otherwise normal seasonality.
- Fully diluted, weighted-average shares outstanding based on repurchases through Q1'25 and offsetting dilution.
- At April rates, we expect FX to be a tailwind to growth of about 50 bps for revenues and 130 bps for Adj. EBITDA.

## Medium Term Guidance (unchanged)

Research	Conferences	Consulting	Revenues
12 - 16 %	5 - 10 %	3 - 8 %	≥ 10 %
EBITDA	EPS	Free Cash Flow	
≥ Revenue Growth	≥ EBITDA Growth	≥ EBITDA Growth	

# Research Metrics

## Global Technology Sales

\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25
Contract Value	3,650	3,689	3,754	3,911	3,853
Y/Y FX Neutral Growth	5.3 %	6.0 %	5.9 %	6.5 %	5.5 %
Quarterly NCVI	-23	39	65	157	-58
Quota Bearing Head Count	3,602	3,575	3,666	3,804	3,707
Y/Y Growth	-1.7 %	-2.4 %	1.0 %	4.5 %	2.9 %
Quarterly Productivity (\$ thousands)	-6	11	18	43	-15
Wallet Retention	100.5 %	101.4 %	101.4 %	102.1 %	101.1 %

## Global Business Sales

\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25
Contract Value	1,082	1,110	1,147	1,203	1,198
Y/Y FX Neutral Growth	13.1 %	12.8 %	12.4 %	12.6 %	10.8 %
Quarterly NCVI	13	28	38	56	-5
Quota Bearing Head Count	1,223	1,215	1,244	1,298	1,331
Y/Y Growth	7.2 %	5.7 %	8.3 %	9.3 %	8.8 %
Quarterly Productivity (\$ thousands)	11	23	31	45	-4
Wallet Retention	106.7 %	106.1 %	105.9 %	106.2 %	105.2 %

## Global Sales

\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25
Contract Value	4,732	4,799	4,902	5,114	5,051
Y/Y FX Neutral Growth	7.0 %	7.5 %	7.4 %	7.9 %	6.7 %
Quarterly NCVI	-10	67	103	213	-63
Quota Bearing Head Count	4,825	4,790	4,910	5,102	5,038
Y/Y Growth	0.4 %	-0.5 %	2.7 %	5.7 %	4.4 %
Quarterly Productivity (\$ thousands)	-2	14	21	43	-12
Wallet Retention	102.8 %	103.4 %	103.4 %	104.0 %	103.0 %

Note: All numbers are shown at 2025 FX rates where applicable.

Quarterly NCVI and Quarterly Productivity are on a sequential basis. Quarterly Productivity is Quarterly NCVI divided by prior quarter quota bearing head count.

# Research: Additional Metrics

## Global Technology Sales

\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25
LTM Net Contract Value Increase (NCVI)	183	208	210	238	203
Productivity (\$ thousands)	50	57	58	65	56
Y/Y Growth	-46.4%	-22.1%	-5.8%	11.0%	12.9%
Client Enterprises	12,815	12,617	12,461	12,432	12,107
Contract Value/ Enterprise (\$ thousands)	285	292	301	315	318
Client Retention	82.5%	82.5%	82.9%	83.8%	83.9%

## Global Business Sales

\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25
LTM Net Contract Value Increase (NCVI)	126	126	126	135	117
Productivity (\$ thousands)	110	109	110	113	95
Y/Y Growth	-22.7%	-16.5%	-12.7%	-2.8%	-13.2%
Client Enterprises	4,720	4,724	4,762	4,726	4,667
Contract Value/ Enterprise (\$ thousands)	229	235	241	255	257
Client Retention	86.5%	86.6%	87.4%	87.1%	87.4%

## Global Sales

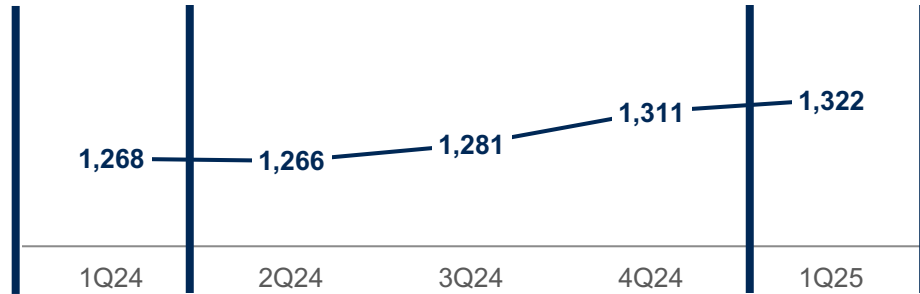
\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25
LTM Net Contract Value Increase (NCVI)	308	333	336	373	319
Productivity (\$ thousands)	64	69	70	77	66
Y/Y Growth	-38.9%	-19.9%	-7.8%	6.7%	3.2%
Client Enterprises	14,426	14,186	14,031	13,968	13,600
Contract Value/ Enterprise (\$ thousands)	328	338	349	366	371
Client Retention	83.1%	83.1%	83.6%	84.3%	84.4%

Note: All numbers are shown at 2025 FX rates where applicable.

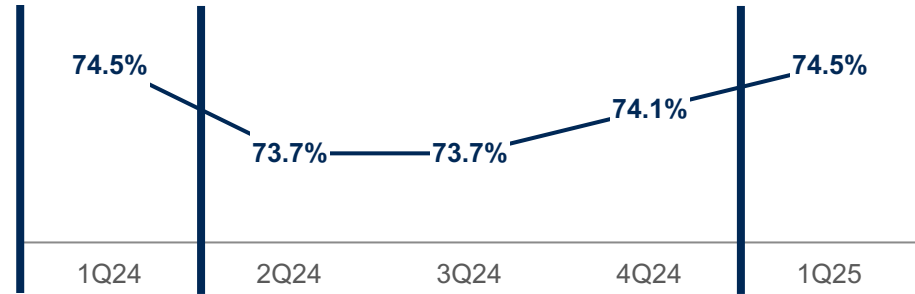
Enterprises that are clients of both GTS and GBS appear in both counts. Productivity is on a rolling twelve month basis. Productivity is LTM NCVI divided by opening period quota bearing headcount.

# Research Segment

Revenues \$ millions



Contribution Margin

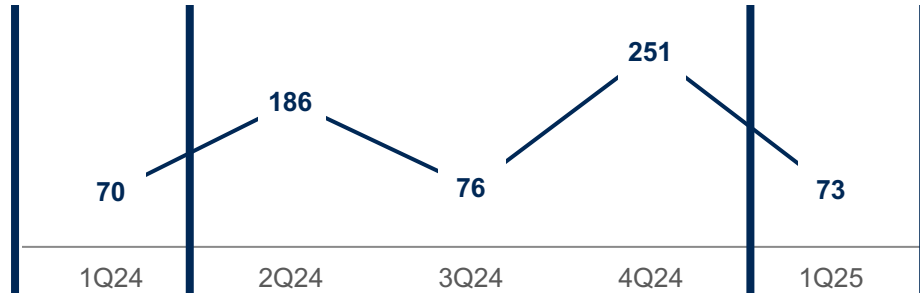


\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25	2024
Revenues	1,268	1,266	1,281	1,311	1,322	5,126
YY Growth	4.2%	4.8%	5.1%	5.4%	4.2%	4.9%
YY FX Neutral Growth	4.1%	5.5%	5.4%	5.7%	5.8%	5.2%
Contribution	945	933	943	972	985	3,793
Contribution Margin	74.5%	73.7%	73.7%	74.1%	74.5%	74.0%
Subscription Revenues	1,182	1,188	1,206	1,245	1,253	4,821
YY Growth	6.5%	6.7%	7.2%	7.5%	5.9%	7.0%
Non-subscription Revenues	86	78	75	66	69	305
YY Growth	-20.0%	-17.1%	-20.0%	-22.7%	-19.4%	-19.9%

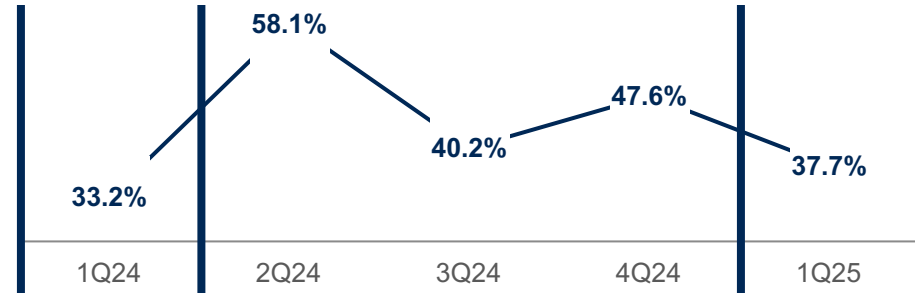
Note: FX neutral growth numbers are based on 2025 FX rates.

# Conferences Segment

Revenues \$ millions



Contribution Margin

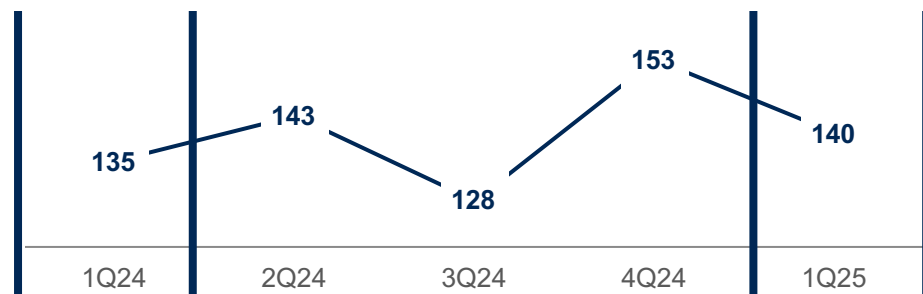


\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25	2024
Revenues	70	186	76	251	73	583
Y/Y Growth	8.4%	10.2%	32.5%	17.2%	3.6%	15.5%
Y/Y FX Neutral Growth	8.5%	10.8%	30.5%	17.1%	5.4%	15.5%
Contribution	23	108	30	120	27	281
Contribution Margin	33.2%	58.1%	40.2%	47.6%	37.7%	48.3%
Destination Conferences (#)	12	16	10	13	10	51
Destination Conference Attendees (#)	13,857	26,369	12,208	34,191	11,911	86,625
Same Conference Revenue Growth	8.1%	17.2%	23.1%	10.8%	12.1%	13.9%
Same Conference Attendee Growth	9.5%	15.0%	12.9%	7.3%	-2.6%	10.6%

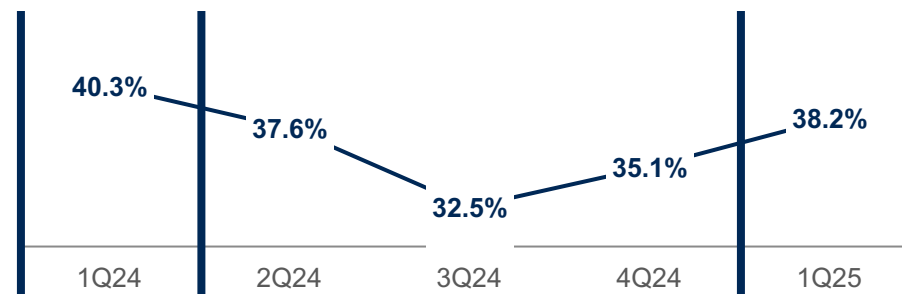
Note: FX neutral growth numbers are based on 2025 FX rates. Same Conference growth is based on the FX rates of the respective years.

# Consulting Segment

Revenues \$ millions



Contribution Margin



\$ millions	1Q24	2Q24	3Q24	4Q24	1Q25	2024
Revenues	135	143	128	153	140	559
YY Growth	6.0%	13.1%	-3.9%	19.3%	3.7%	8.5%
YY FX Neutral Growth	6.9%	14.9%	-3.7%	19.2%	5.3%	9.2%
Contribution	54	54	42	54	53	203
Contribution Margin	40.3%	37.6%	32.5%	35.1%	38.2%	36.4%
Labor Revenues	109	107	101	104	104	420
YY Growth	11.9%	2.6%	1.5%	4.2%	-4.1%	5.1%
Contract Optimization Revenues	26	36	26	50	36	138
YY Growth	-13.1%	61.9%	-20.4%	71.1%	36.2%	20.8%
Backlog	184	195	214	187	214	187
YY Growth	17.2%	16.1%	20.9%	17.6%	16.3%	17.6%
Billable Head Count	948	953	960	965	968	956
YY Growth	4.8%	2.0%	1.5%	1.3%	2.2%	2.4%
Utilization Rate	66.3%	66.5%	64.7%	61.7%	63.9%	64.8%
YY Change (bps)	-36	96	79	-70	-236	17

Note: FX neutral and Backlog growth are based on 2025 FX rates.

# Capital Structure and Allocation

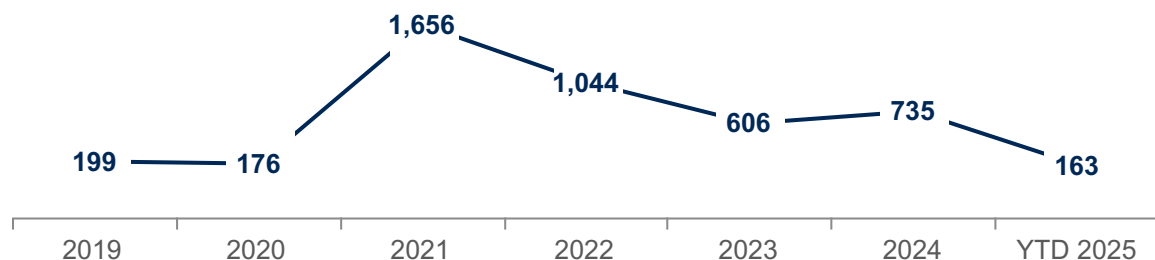
## Capital Structure

- Optimizes financial leverage benefits and financial flexibility
- Target 2-2.5x leverage<sup>1</sup>
- ~\$300-500M cash is needed to run the business

## Free Cash Flow deployment

- Expect to offset equity dilution
- Price sensitive, opportunistic, disciplined stock repurchases
- Strategic value-enhancing tuck-in acquisitions
- No current plans for material debt repayments

## Share Repurchases \$ millions



~\$70M repurchase authorization remaining as of March 31, 2025.

<sup>1</sup> Gross debt/Trailing twelve month Adjusted EBITDA.

<sup>2</sup> As defined in the Company's 2024 Credit Agreement.

\$ billions	3/31/2025	Rate	Maturity
Cash	2.1	nm	nm
Revolver	0.3	Term SOFR + 135	2029
2028 Bonds	0.8	4.50%	2028
2029 Bonds	0.6	3.63%	2029
2030 Bonds	0.8	3.75%	2030
<b>Total Debt</b>	2.5	4.71%	
Revolver Unused Capacity	0.7	15 bps	
Interest Rate Swaps	0.4	2.98%	
% Debt With Fixed Rates	100%		

Leverage Ratios	1Q 2025	Bank Covenant
Gross Debt/Adjusted EBITDA <sup>1</sup>	1.6x	na
Net Debt/Adjusted EBITDA	0.2x	na
Consolidated Leverage Ratio <sup>2</sup>	1.1x	≤ 4.0x

Debt Ratings	Investment Grade Ratings
Fitch	BBB
S&P	BBB-
Moody's	Baa3

# Free Cash Flow Conversion (LTM)

% of Revenue - LTM	1Q24	2Q24	3Q24	4Q24	1Q25
<b>Adjusted EBITDA</b>	24.9	25.0	24.8	24.8	24.6
Cash interest, net	(0.9)	(0.8)	(0.7)	(0.6)	(0.5)
Cash taxes	(5.4)	(4.9)	(5.3)	(5.0)	(4.9)
Adjusted working capital <sup>1</sup>	1.1	(1.0)	3.6	4.5	6.3
Capex	(1.8)	(1.8)	(1.7)	(1.6)	(1.7)
<b>Free Cash Flow</b>	18.0	16.6	20.7	22.1	23.8

% of GAAP Net Income - LTM	1Q24	2Q24	3Q24	4Q24	1Q25
<b>GAAP Net Income</b>	100.0	100.0	100.0	100.0	100.0
Depreciation and amortization	24.3	23.8	18.8	16.1	16.3
Stock-based compensation expense	17.0	17.3	14.1	12.4	12.3
Gain from sale of divested operation	0.5	—	—	—	—
Changes in assets/liabilities	5.8	(10.0)	(9.1)	(3.3)	7.2
Other adjustments	0.4	3.1	5.3	(6.8)	(7.4)
Capex	(13.2)	(13.1)	(10.0)	(8.1)	(8.4)
<b>Free Cash Flow</b>	134.8	121.2	119.1	110.2	119.9

Our typical Adjusted EBITDA margin to Free Cash Flow margin conversion is about 4-6 percentage points.

Our typical Free Cash Flow conversion from GAAP Net Income is around 140-160%.

As contract value accelerates, the conversion will move toward the higher end of the range.

Note: 2024 and 2025 Free Cash Flow conversion affected by 3Q24 after-tax insurance proceeds, 4Q24 tax planning benefits, and 4Q24 nonrecurring real estate payment.

Note: Percentages are based on rolling 4 quarter numbers.

<sup>1</sup> see p.23 for the definition of Adjusted working capital and a discussion on insurance proceeds and other non-recurring items

**1Q 2025  
GAAP  
Financial  
Statements**

# Condensed Consolidated Statements of Operations

Unaudited; in millions, except per share amounts

	Three Months Ended March 31,	
	2025	2024
<b>Revenues:</b>		
Research	\$ 1,321.8	\$ 1,268.2
Conferences	72.6	70.1
Consulting	139.7	134.6
<b>Total revenues</b>	<b>1,534.1</b>	<b>1,472.9</b>
<b>Costs and expenses:</b>		
Cost of services and product development	475.0	459.4
Selling, general and administrative	730.3	689.8
Depreciation	28.9	26.3
Amortization of intangibles	21.9	23.0
Acquisition and integration charges	—	0.5
<b>Total costs and expenses</b>	<b>1,256.1</b>	<b>1,199.0</b>
<b>Operating income</b>	<b>278.0</b>	<b>273.9</b>
Interest expense, net	(13.4)	(19.2)
Other income, net	2.4	4.8
<b>Income before income taxes</b>	<b>267.0</b>	<b>259.5</b>
Provision for income taxes	56.1	49.0
<b>Net income</b>	<b>\$ 210.9</b>	<b>\$ 210.5</b>
<b>Net income per share:</b>		
Basic	\$ 2.73	\$ 2.69
Diluted	\$ 2.71	\$ 2.67
<b>Weighted average shares outstanding:</b>		
Basic	77.4	78.3
Diluted	77.8	79.0

# Condensed Consolidated Balance Sheets

Unaudited; in millions

	March 31, 2025	December 31, 2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,091.0	\$ 1,933.1
Fees receivable	1,503.6	1,696.2
Deferred commissions	377.4	413.9
Prepaid expenses and other current assets	160.0	153.3
Total current assets	4,132.0	4,196.5
Property, equipment and leaseholds	249.5	243.0
Operating leases - right of use assets	246.2	257.4
Goodwill	2,933.1	2,930.2
Intangible assets, net	391.8	409.7
Other assets	527.2	497.9
<b>Total Assets</b>	<b>\$ 8,479.8</b>	<b>\$ 8,534.7</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 869.2	\$ 1,206.1
Deferred revenues	2,922.5	2,762.9
Total current liabilities	3,791.7	3,969.0
Long-term debt	2,460.9	2,459.9
Operating leases - liabilities	324.5	339.8
Other liabilities	404.8	406.8
<b>Total Liabilities</b>	<b>6,981.9</b>	<b>7,175.5</b>
<b>Total Stockholders' Equity</b>	<b>1,497.9</b>	<b>1,359.2</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 8,479.8</b>	<b>\$ 8,534.7</b>

# Condensed Consolidated Statement of Cash Flows

Unaudited; in millions

	Three Months Ended March 31,	
	2025	2024
<b>Operating activities:</b>		
Net income	\$ 210.9	\$ 210.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	50.8	49.3
Stock-based compensation expense	50.2	50.5
Deferred taxes	(29.7)	(17.8)
Loss on impairment of lease related assets	—	0.5
Reduction in the carrying amount of operating lease right-of-use assets	17.7	16.0
Amortization and write-off of deferred financing fees	1.0	1.5
Gain on de-designated swaps	(0.2)	(4.5)
Changes in assets and liabilities, net of acquisitions and divestitures:		
Fees receivable, net	211.6	18.2
Deferred commissions	41.1	26.4
Prepaid expenses and other current assets	(5.3)	(47.5)
Other assets	(15.6)	(24.3)
Deferred revenues	131.1	173.6
Accounts payable and accrued and other liabilities	(350.1)	(263.6)
<b>Cash provided by operating activities</b>	<b>313.5</b>	<b>188.8</b>
<b>Investing activities:</b>		
Additions to property, equipment and leasehold improvements	(25.6)	(22.7)
Acquisition of business	—	(2.0)
<b>Cash used in investing activities</b>	<b>(25.6)</b>	<b>(24.7)</b>
<b>Financing activities:</b>		
Proceeds from employee stock purchase plan	9.7	8.0
Payments for deferred financing fees	—	(2.6)
Proceeds from revolving credit facility	—	274.4
Payments on borrowings	—	(274.4)
Purchases of treasury stock	(162.7)	(225.1)
<b>Cash used in financing activities</b>	<b>(153.0)</b>	<b>(219.7)</b>
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	<b>135.0</b>	<b>(55.6)</b>
<b>Effects of exchange rates on cash and cash equivalents</b>	<b>22.9</b>	<b>(27.6)</b>
<b>Cash and cash equivalents and restricted cash, beginning of period</b>	<b>1,933.1</b>	<b>1,319.6</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2,091.0</b>	<b>\$ 1,236.4</b>

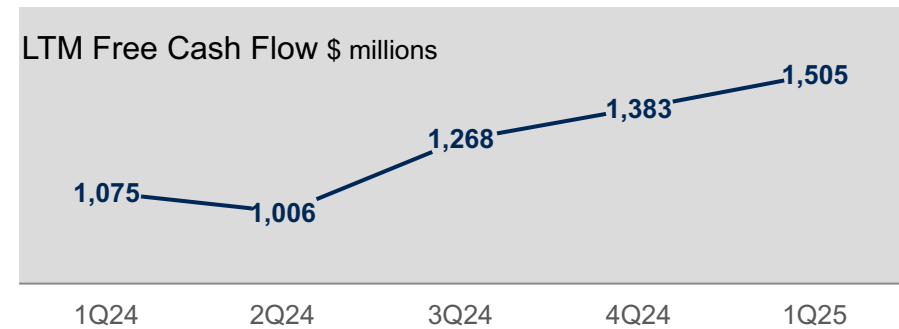
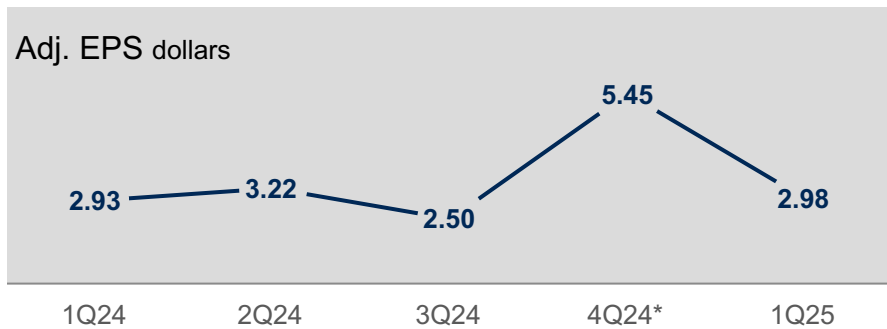
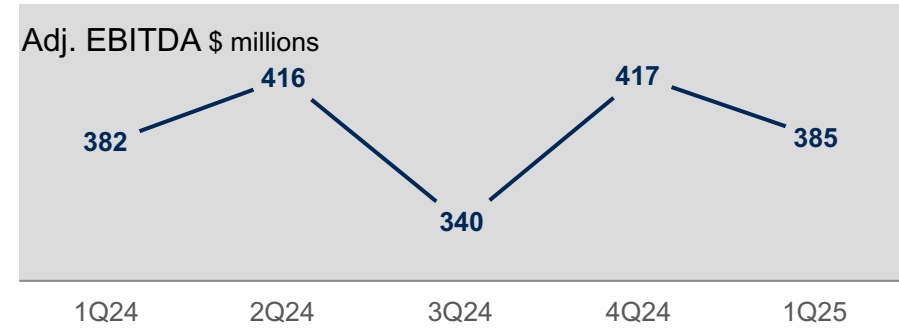
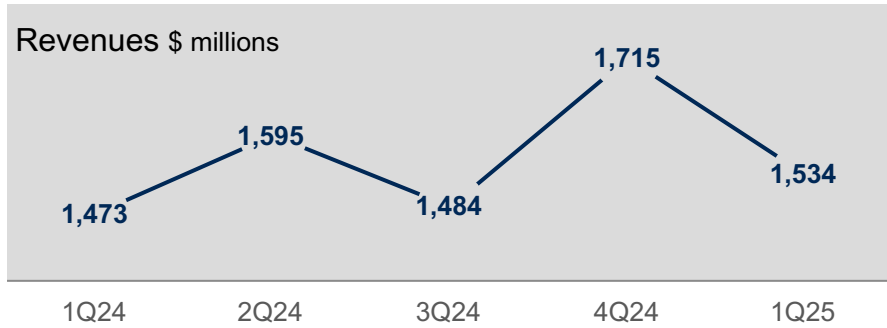
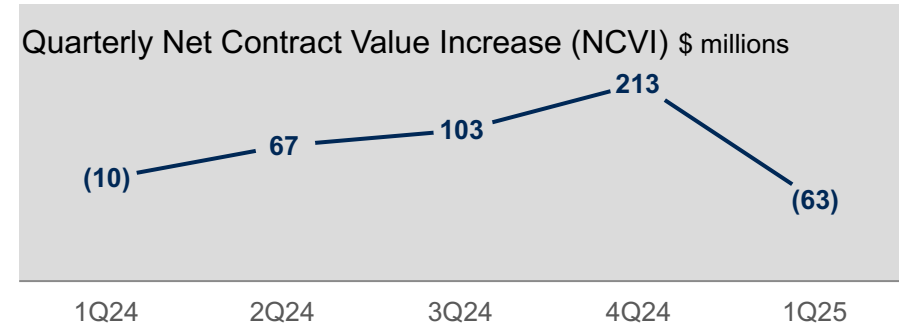
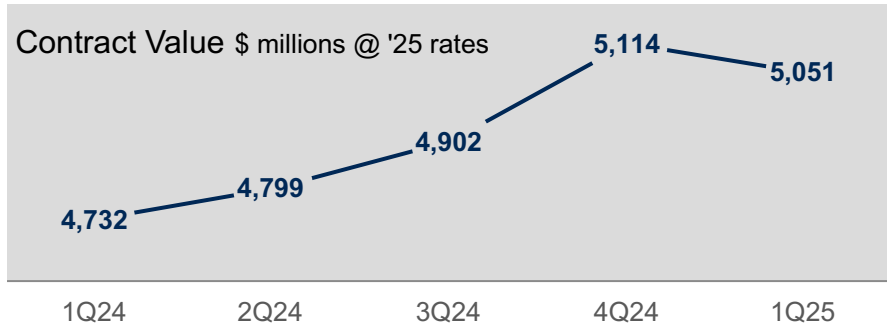
# Appendix

# Consolidated Financial Summary

\$ and shares in millions except per share amounts	1Q24	2Q24	3Q24	4Q24	1Q25	2024
Revenues	1,473	1,595	1,484	1,715	1,534	6,267
Y/Y Growth	4.5%	6.1%	5.4%	8.1%	4.2%	6.1%
Y/Y FX Neutral Growth	4.6%	6.9%	5.6%	8.3%	5.7%	6.4%
Contribution	1,013	1,082	1,009	1,140	1,059	4,244
Contribution Margin	68.8%	67.8%	68.0%	66.5%	69.0%	67.7%
Adj. EBITDA	382	416	340	417	385	1,556
Y/Y Growth	0.8%	8.2%	2.1%	8.0%	0.7%	4.9%
Adj. EBITDA Margin	25.9%	26.1%	22.9%	24.3%	25.1%	24.8%
Adj. EPS	2.93	3.22	2.50	5.45	2.98	14.09
Y/Y Growth	1.7%	13.0%	-2.3%	79.3%	1.7%	24.3%
Free Cash Flow	166	341	565	311	288	1,383
LTM Free Cash Flow	1,075	1,006	1,268	1,383	1,505	1,383
Y/Y Growth	9.0%	0.4%	24.1%	31.4%	40.0%	31.4%
Avg. Diluted Shares	79.0	78.3	78.0	78.0	77.8	78.3

Note: FX Neutral growth numbers are at 2025 rates; Consolidated contribution includes segment contribution and \$6 million of cost of services and product development – unallocated in 1Q25. The unallocated amounts consist of certain bonus and fringe costs recorded in consolidated Cost of services and product development that are not allocated to segment expense; Q3 2024 Free Cash Flow includes \$300M of proceeds related to 2020 and 2021 event cancellation insurance claims.

# Quarterly Financial Summary Charts



\*see note (f) on slide 26

# Non-GAAP P&L

\$ millions except per share amounts	1Q24	2Q24	3Q24	4Q24	1Q25	2024
Revenues	1,473	1,595	1,484	1,715	1,534	6,267
Less Cost of Services	459	513	475	575	475	2,023
Contribution	1,013	1,082	1,009	1,140	1,059	4,244
Less SG&A	690	712	712	771	730	2,885
Plus Equity Comp	51	40	34	30	50	155
Plus Other Adjustments *	8	6	9	18	6	41
Adj. EBITDA	382	416	340	417	385	1,556
Less Equity Comp	51	40	34	30	50	155
Less Depreciation	26	28	29	29	29	112
Less Non-GAAP Interest, net	18	19	17	11	12	65
Less Other Expense (Income)	0	0	-2	6	-2	3
Adjusted Pre-tax Income	288	330	262	341	296	1,221
Less Adjusted Tax	56	77	67	-84	63	116
Adjusted Net Income	232	252	195	425	232	1,103
Adj. EPS	2.93	3.22	2.50	5.45	2.98	14.09

\* Consists of direct and incremental expenses related to acquisitions and divestitures, impairment loss for lease related assets, facility-related exit costs and other non-recurring items.

# Definitions

**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) other (income) expense, net; (v) stock-based compensation expense; (vi) depreciation, amortization, and accretion; (vii) loss on impairment of lease related assets, as applicable; and (viii) 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) loss on impairment of lease related assets, as applicable; (v) the non-cash (gain) loss on de-designated interest rate swaps, as applicable; and (vi) 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) loss on impairment of lease related assets, as applicable; (v) the non-cash (gain) loss on de-designated interest rate swaps, as applicable; and (vi) 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.

**Non-GAAP Interest:** Interest expense, net excluding amortization of certain deferred financing fees.

# Definitions of Key Metrics/Calculations

## Segment

### Business Measurements

#### Research

**Contract value** represents the dollar value attributable to all of our subscription-related contracts. It is calculated as the annualized value of all contracts in effect at a specific point in time, without regard to the duration of the contract. Contract value primarily includes Research deliverables for which revenue is recognized on a ratable basis, as well as other deliverables (primarily Conferences tickets) for which revenue is recognized when the deliverable is utilized. Comparing contract value year-over-year not only measures the short-term growth of our business, but also signals the long-term health of our Research subscription business since it measures revenue that is highly likely to recur over a multi-year period. Our contract value consists of Global Technology Sales contract value, which includes sales to users and providers of technology, and Global Business Sales contract value, which includes sales to all other functional leaders.

**Client retention rate** represents a measure of client satisfaction and renewed business relationships at a specific point in time. Client retention is calculated on a percentage basis by dividing our current clients, who were also clients a year ago, by all clients from a year ago. Client retention is calculated at an enterprise level, which represents a single company or customer.

**Wallet retention rate** represents a measure of the amount of contract value we have retained with clients over a twelve-month period. Wallet retention is calculated on a percentage basis by dividing the contract value of our current clients, who were also clients a year ago, by the contract value from a year ago, excluding the impact of foreign currency exchange. When wallet retention exceeds client retention, it is an indication of retention of higher-spending clients, or increased spending by retained clients, or both. Wallet retention is calculated at an enterprise level, which represents a single company or customer.

#### Conference

**Number of destination conferences** represents the total number of hosted in-person conferences completed during the period. Single day, local meetings are excluded.

**Number of destination attendees** represents the total number of people who attend in-person conferences. Single day, local meetings are excluded.

#### Consulting

**Consulting backlog** represents future revenue to be derived from in-process consulting and benchmark analytics engagements.

**Utilization rate** represents a measure of productivity of our consultants. Utilization rates are calculated for billable headcount on a percentage basis by dividing total hours billed by total hours available to bill.

# Adjusted Working Capital and Non-Recurring Items

**Adjusted working capital** = Free Cash Flow - Adjusted EBITDA + Cash Taxes + Cash Interest Net of Interest income + Capex

\$ millions

<b>Non-Recurring Items Included in Free Cash Flow:</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>4Q24</b>	<b>1Q25</b>
Insurance Proceeds	—	—	300	—	—
Real Estate Payments	—	—	—	(24)	—

# **Non-GAAP Reconciliations**

# Non-GAAP Reconciliations

\$ millions

Reconciliation- Net Income to Adjusted EBITDA:	1Q24	2Q24	3Q24	4Q24	1Q25
<b>Net Income</b>	210.5	229.5	415.0	398.6	210.9
Interest expense, net	19.2	20.0	18.0	12.3	13.4
Gain on event cancellation insurance claims <sup>(a)</sup>	—	—	(300.0)	—	—
Other (income) expense, net	(4.9)	(0.5)	1.0	3.8	(2.4)
Tax provision	49.0	69.7	111.8	(96.9)	56.1
Operating income	273.9	318.8	245.8	317.8	278.0
<b>Adjustments:</b>					
Stock-based compensation expense <sup>(b)</sup>	50.5	39.7	34.3	30.2	50.2
Depreciation, accretion, and amortization <sup>(c)</sup>	49.6	50.8	51.5	51.5	51.0
Loss on impairment of lease related assets <sup>(d)</sup>	0.5	—	2.4	8.0	—
Acquisition and integration charges and other nonrecurring items <sup>(e)</sup>	7.6	6.6	6.3	9.9	5.7
<b>Adjusted EBITDA</b>	<b>382.1</b>	<b>415.9</b>	<b>340.4</b>	<b>417.3</b>	<b>384.9</b>

- (a) Consists of the gain on event cancellation insurance claims for events cancelled in 2020 and 2021.
- (b) Consists of charges for stock-based compensation.
- (c) Includes depreciation expense, amortization of intangibles, and accretion on asset retirement obligations.
- (d) Includes impairment loss for lease related assets.
- (e) Consists of incremental and directly-related charges related to acquisitions and divestitures, facility-related exit costs, and other non-recurring items, if applicable.
- (f) Cash provided by operating activities and Free Cash Flow in 2021 and Q3 2024 included ~\$167 million and \$300 million, respectively, of proceeds related to 2020 and 2021 event cancellation insurance claims.

\$ millions

Reconciliation - Cash Provided by Operating Activities to Free Cash Flow:	2019	2020	2021	2022	2023
<b>Cash provided by operating activities <sup>(f)</sup></b>	565.4	903.2	1,312.5	1,101.4	1,155.7
Less: cash paid for capital expenditures	(149.0)	(83.8)	(59.8)	(108.1)	(103.2)
<b>Free Cash Flow <sup>(f)</sup></b>	<b>416.4</b>	<b>819.3</b>	<b>1,252.7</b>	<b>993.2</b>	<b>1,052.7</b>

\$ millions

Reconciliation - Cash Provided by Operating Activities to Free Cash Flow:	1Q24	2Q24	3Q24	4Q24	1Q25
<b>Cash provided by operating activities <sup>(f)</sup></b>	188.8	370.0	590.8	335.4	313.5
Less: cash paid for capital expenditures	(22.7)	(29.4)	(25.8)	(23.9)	(25.6)
<b>Free Cash Flow <sup>(f)</sup></b>	<b>166.2</b>	<b>340.6</b>	<b>565.0</b>	<b>311.4</b>	<b>287.9</b>

# Non-GAAP Reconciliations

In millions except per share amounts

<b>Reconciliations - GAAP Net Income to Adjusted Net Income:</b>	1Q24	2Q24	3Q24	4Q24	1Q25
<b>GAAP net income</b>	210.5	229.5	415.0	398.6	210.9
Acquisition and other adjustments:		—	—	—	—
Amortization of acquired intangibles <sup>(a)</sup>	23.0	22.9	22.2	22.1	21.9
Acquisition and integration charges and other nonrecurring items <sup>(b)</sup>	9.1	7.6	7.3	10.9	6.8
Gain on event cancellation insurance claims <sup>(c)</sup>	—	—	(300.0)	—	—
Loss on impairment of lease related assets <sup>(d)</sup>	0.5	—	2.4	8.0	—
(Gain) loss on de-designated interest rate swaps <sup>(e)</sup>	(4.5)	(0.6)	2.9	(1.7)	(0.2)
Tax impact of adjustments	(7.1)	(7.5)	44.9	(12.7)	(7.3)
<b>Adjusted net income</b>	<b>231.6</b>	<b>252.0</b>	<b>194.7</b>	<b>425.2</b>	<b>232.1</b>
Diluted shares	79.0	78.3	78.0	78.0	77.8
<b>Adjusted EPS <sup>(f)</sup></b>	<b>2.93</b>	<b>3.22</b>	<b>2.50</b>	<b>5.45</b>	<b>2.98</b>

<b>Reconciliations - GAAP Net Income per diluted share to Adjusted EPS:</b>	1Q24	2Q24	3Q24	4Q24	1Q25
<b>GAAP net income per diluted share <sup>(f)</sup></b>	<b>2.67</b>	<b>2.93</b>	<b>5.32</b>	<b>5.11</b>	<b>2.71</b>
Acquisition and other adjustments:					
Amortization of acquired intangibles <sup>(a)</sup>	0.29	0.29	0.28	0.28	0.28
Acquisition and integration charges and other nonrecurring items <sup>(b)</sup>	0.12	0.10	0.09	0.14	0.09
Gain on event cancellation insurance claims <sup>(c)</sup>	—	—	(3.85)	—	—
Loss on impairment of lease related assets <sup>(d)</sup>	0.01	—	0.03	0.10	—
(Gain) loss on de-designated interest rate swaps <sup>(e)</sup>	(0.06)	(0.01)	0.04	(0.02)	—
Tax impact of adjustments	(0.09)	(0.10)	0.58	(0.16)	(0.09)
<b>Adjusted EPS <sup>(f)</sup></b>	<b>2.93</b>	<b>3.22</b>	<b>2.50</b>	<b>5.45</b>	<b>2.98</b>

- (a) Consists of non-cash amortization charges from acquired intangibles.
- (b) Consists of incremental and directly-related charges related to acquisitions and divestitures, facility-related exit costs, and other nonrecurring items, if applicable. Includes the amortization and write-off of deferred financing fees, which are recorded in Interest expense, net in the (Condensed) Consolidated Statements of Operations.
- (c) Consists of the gain on event cancellation insurance claims for events cancelled in 2020 and 2021.
- (d) Includes impairment loss for lease related assets.
- (e) Represents the fair value adjustment for interest rate swaps after de-designation.
- (f) Gaap net income per diluted share and adjusted EPS for 4Q24 included a tax benefit of approximately \$2.08 per share related to intercompany sales of certain intellectual property.

# Non-GAAP Reconciliations

\$ millions

<b>Reconciliation - Interest, net to Non-GAAP Interest, net</b>	1Q24	2Q24	3Q24	4Q24	1Q25
Interest, net	19.2	20.0	18.0	12.3	13.4
Less amortization of deferred financing fees	(1.5)	(1.0)	(1.0)	(1.0)	(1.0)
Non-GAAP Interest, net	17.7	19.0	16.9	11.3	12.4

<b>Effective GAAP Tax Rate to Adjusted Tax Rate:</b>	1Q24	2Q24	3Q24	4Q24	1Q25
GAAP Rate	18.9 %	23.3 %	21.2 %	(32.1)%	21.0 %
Acquisition and Other Adjustments	25.3 %	25.1 %	16.9 %	32.2 %	25.8 %
Adjusted Tax Rate	19.5 %	23.5 %	25.6 %	(24.7)%	21.5 %

# Non-GAAP Reconciliations - 2025 Guidance

## Financial Outlook Reconciliation: GAAP Net Income to Adjusted EBITDA

(unaudited; \$ in millions)	<b>2025 Guidance</b>
GAAP net income	≥\$ 835
Interest expense, net <sup>(a)</sup>	~ 51
Other (income) expense, net	~ 6
Tax provision	~ 248
Operating Income	<u>≥ 1,140</u>
Adjustments	
Stock-based compensation expense	~ 176
Depreciation, accretion, and amortization	~ 205
Acquisition and integration charges and other non-recurring items <sup>(b)</sup>	~ 14
Adjusted EBITDA	<u>≥\$ 1,535</u>

<sup>(a)</sup> Assumes approximately \$4M of amortization of deferred financing fees, which is reported in interest expense, net in the Company's Consolidated Statement of Operations.

<sup>(b)</sup> Consists of incremental and directly-related charges related to acquisitions and divestitures, facility-related exit costs and other non-recurring items.

## Financial Outlook Reconciliation: GAAP Cash Provided by Operating Activities to Free Cash Flow:

	<b>2025 Guidance</b>
GAAP cash provided by operating activities	≥\$ 1,275
Capital expenditures	~ (130)
Free Cash Flow	<u>≥\$ 1,145</u>

## Financial Outlook Reconciliation: GAAP Diluted EPS to Adjusted EPS

(unaudited; \$ in millions)	<b>2025 Guidance</b>
GAAP Diluted EPS <sup>(a)</sup>	≥\$ 10.75
Adjustments (after-tax):	
Amortization of acquired intangibles	~ 0.77
Acquisition and integration charges and other non-recurring items <sup>(b)</sup>	~ 0.18
Adjusted EPS <sup>(a)</sup>	<u>≥\$ 11.70</u>

<sup>(a)</sup> GAAP Diluted EPS and Adjusted EPS are calculated based on approximately 78M of diluted shares for 2025.

<sup>(b)</sup> Consists of incremental and directly-related charges related to acquisitions and divestitures, facility-related exit costs and other non-recurring items.

Note: Reconciliation of Guidance as of February 4, 2025 included in our Q4 2024 Earnings Supplement is available on our website at investor.gartner.com.