

# Gartner at William Blair

Craig Safian, EVP & CFO  
June 2024

# Forward Looking Statement and Explanatory Note

Statements contained in this presentation regarding the growth and prospects of the business, the Company's projected 2024 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 general economic conditions, including inflation (and related monetary policy by governments in response to inflation), recession, and national elections in a number of large countries 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; 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 global geopolitical 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. 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 April 30, 2024 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.

# Gartner is a growth company and a people business

## Our Purpose

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We guide the leaders who shape the world.

## Our Mission

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We deliver actionable, objective insight that drives smarter decisions and stronger performance on an organization's mission-critical priorities.



**~\$6B  
Revenues**



**20,000+  
Associates**



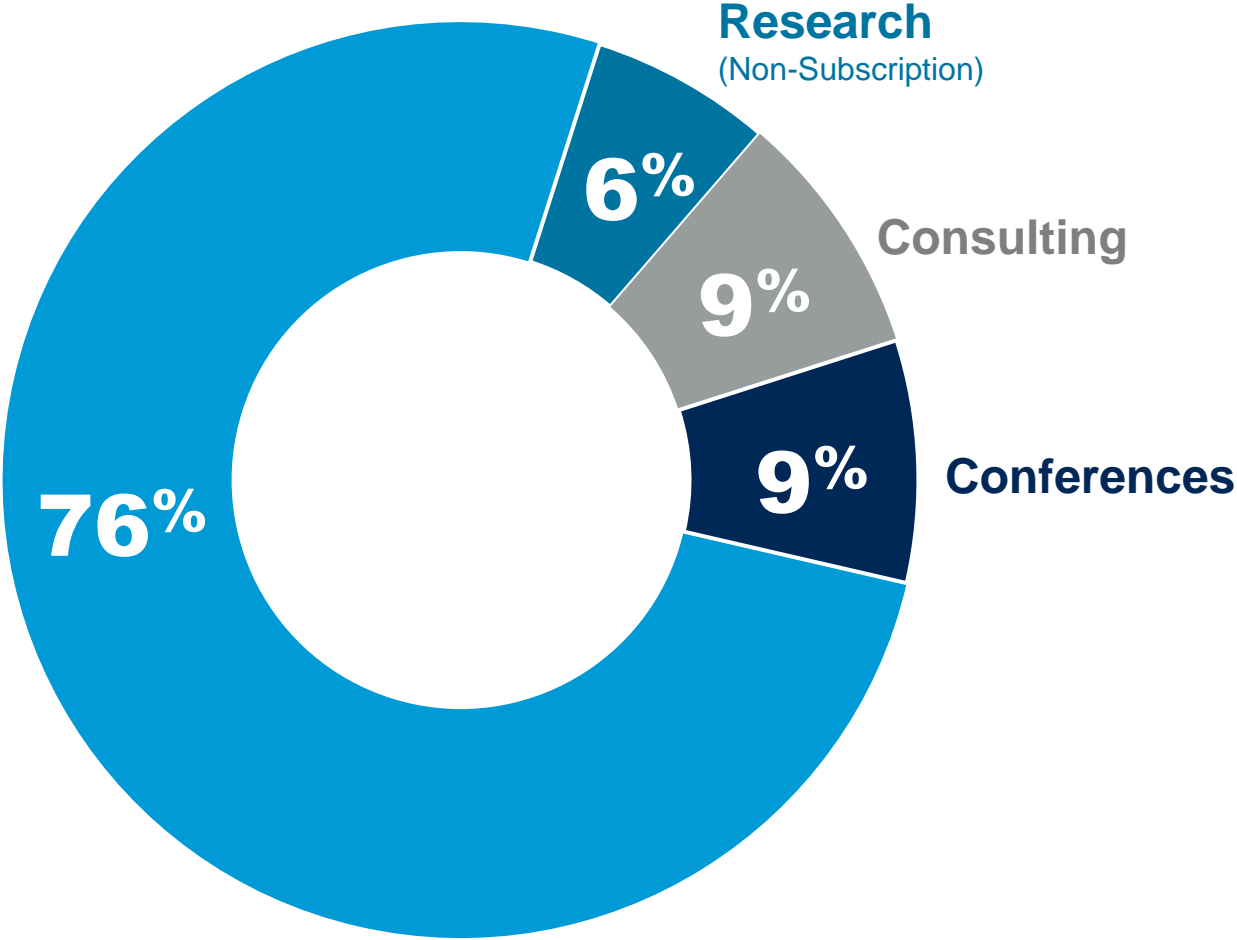
**~90  
Countries**



**Serving all major  
enterprise  
functions**

**Gartner®**

# Majority of revenue is subscription-based



2023 Total Revenue:

~\$6B

Research (Subscription)

# Investors value Gartner for growth, margin expansion, and free cash flow



**Double-digit  
Growth**



**Modest Margin  
Expansion**



**Free Cash Flow  
Generation**

# Investors value Gartner for growth, margin expansion, and free cash flow



**Double-digit  
Growth**

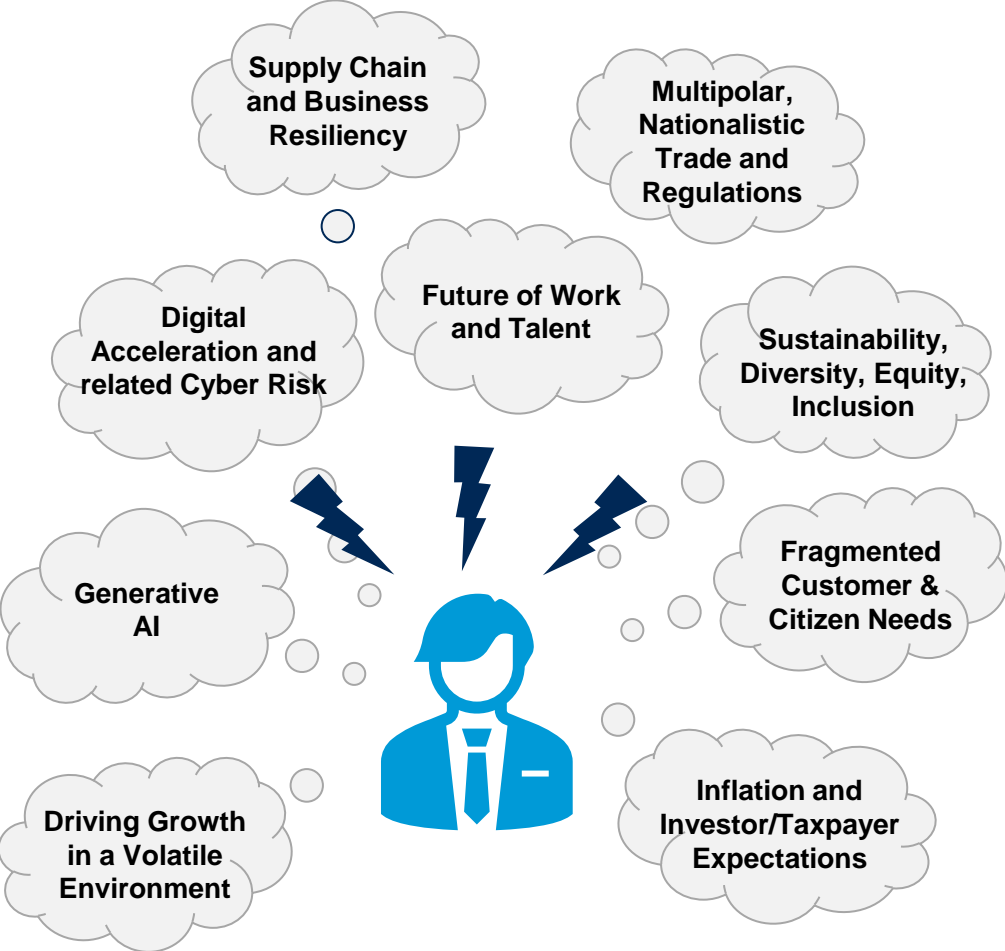


**Modest Margin  
Expansion**

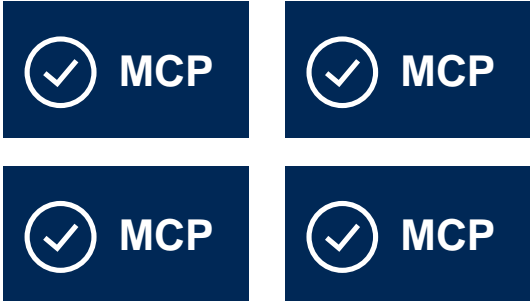


**Free Cash Flow  
Generation**

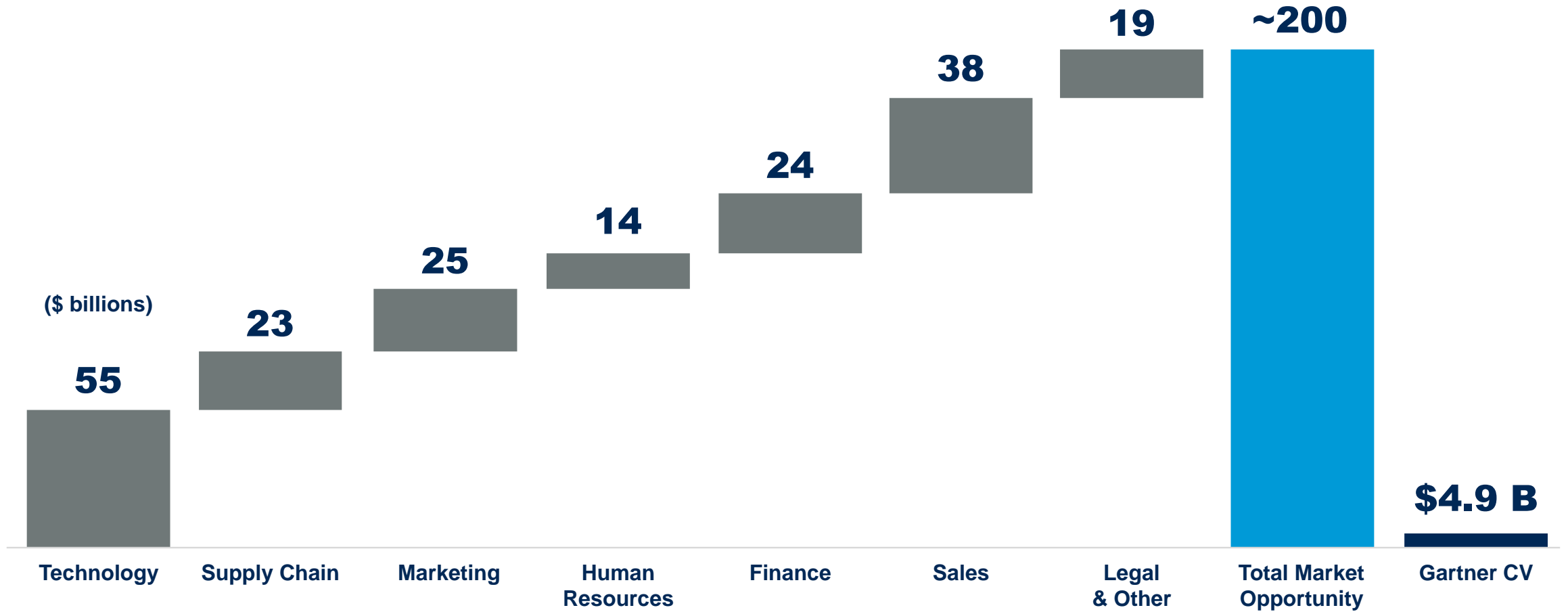
# Our Compelling Client Value Proposition



+ Gartner®



# Vast Market Opportunity



Source: Internal Gartner estimates. CV as of March 31, 2024.

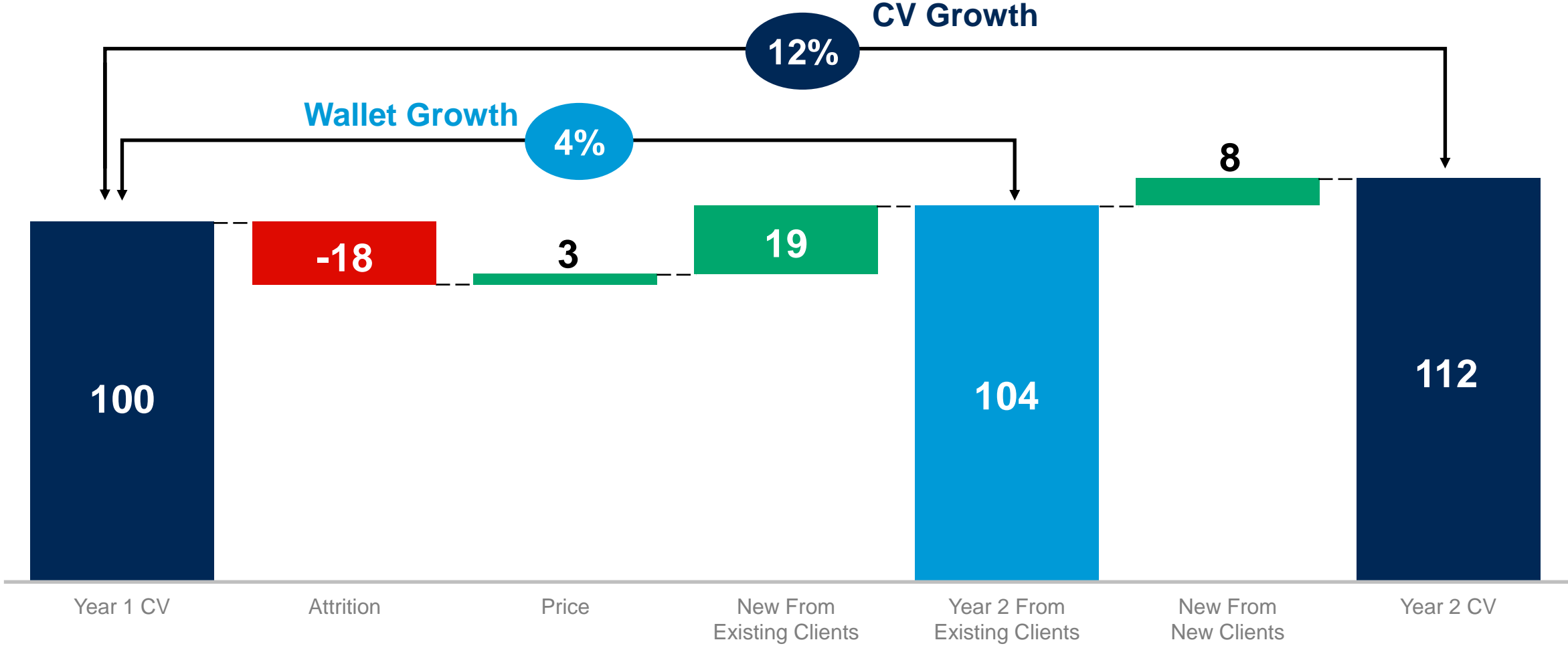
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# Illustrative Growth Algorithm

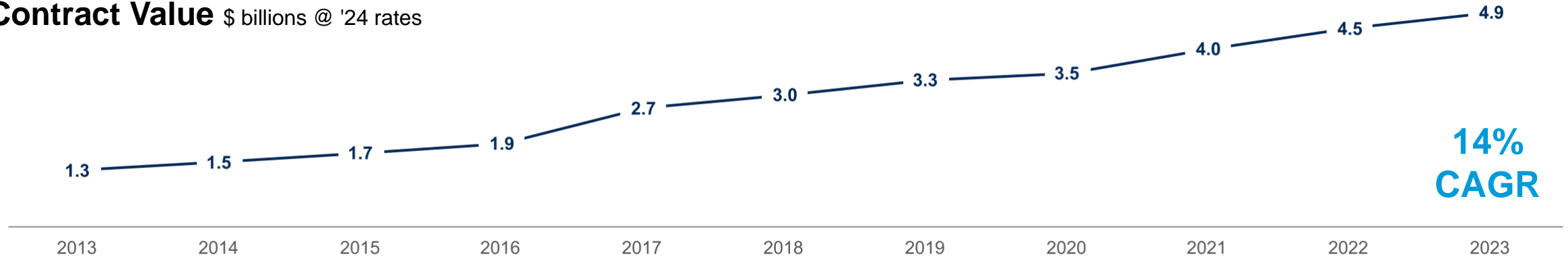


\*Wallet Retention = 1 + Wallet Growth

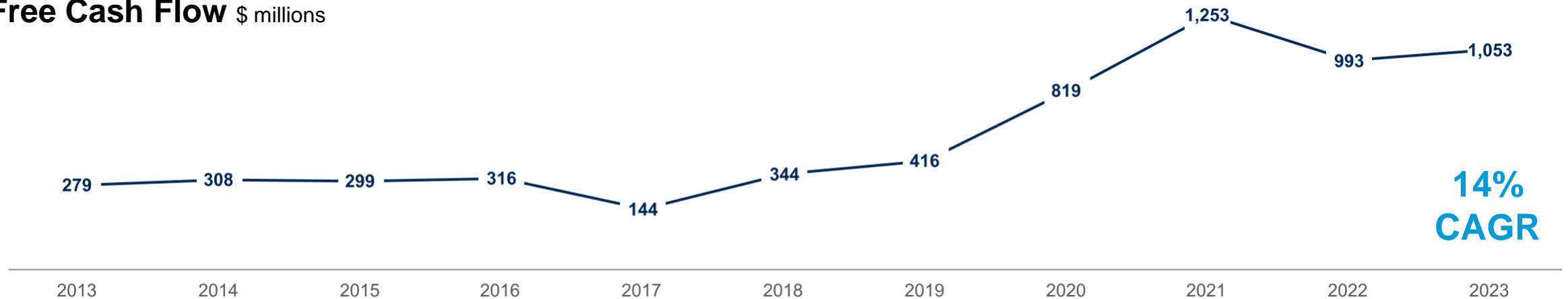


# Track Record of Strong Performance

**Contract Value** \$ billions @ '24 rates



**Free Cash Flow** \$ millions



Note: CV at 2024 FX rates, excludes 1Q23 divestiture and Russia as applicable.

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# Investors value Gartner for growth, margin expansion, and free cash flow



Double-digit  
Growth

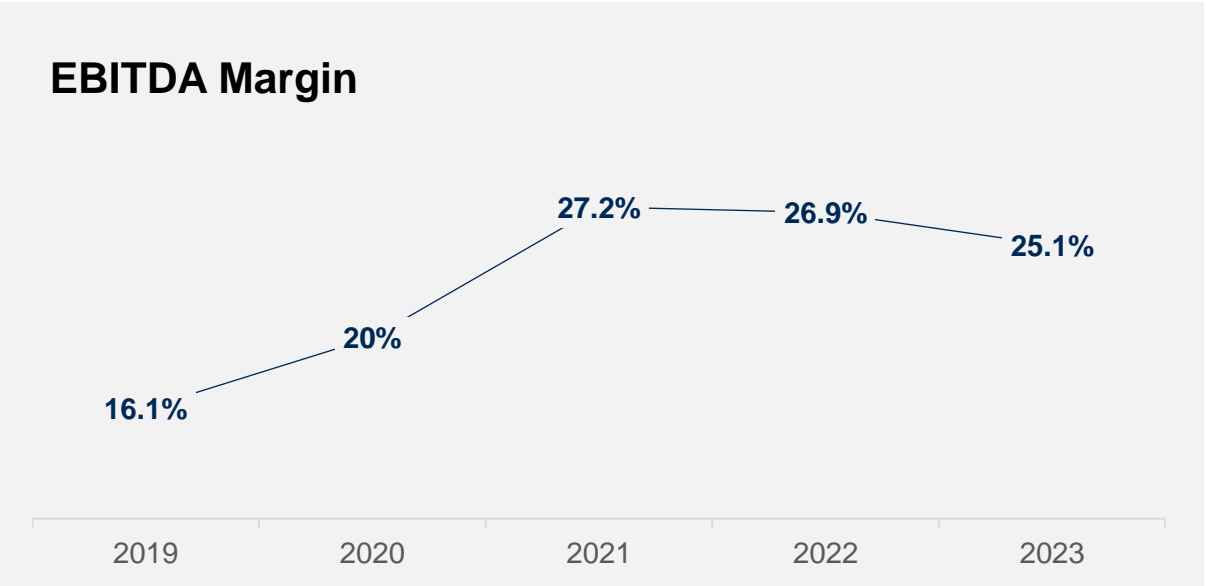
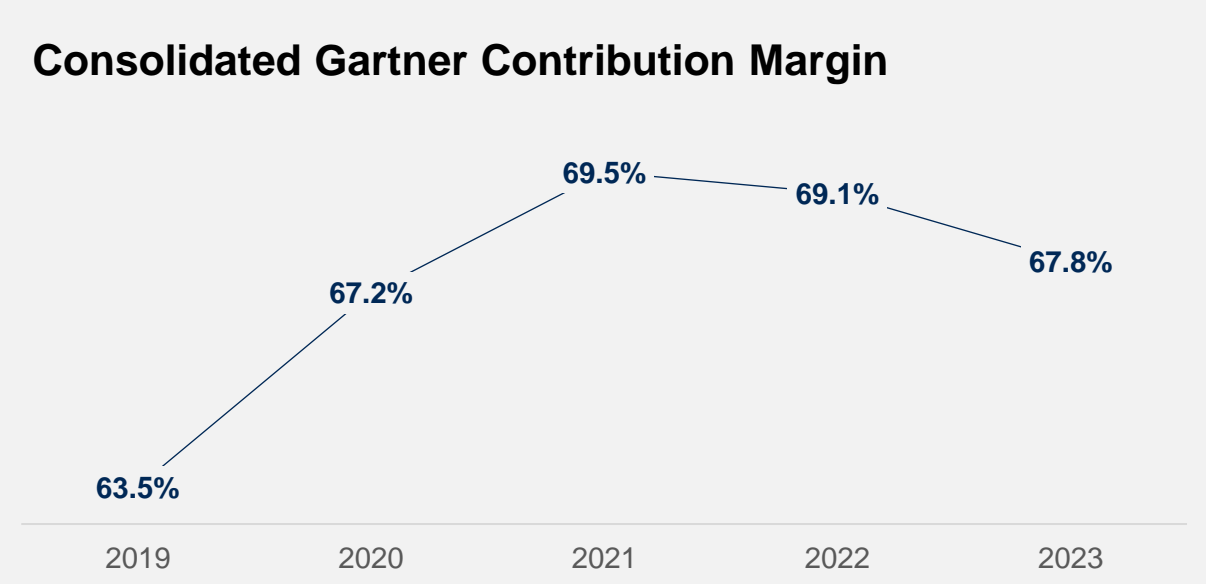


Modest Margin  
Expansion



Free Cash Flow  
Generation

# High Contribution Margins and Growing EBITDA



# Investors value Gartner for growth, margin expansion, and free cash flow



Double-digit  
Growth

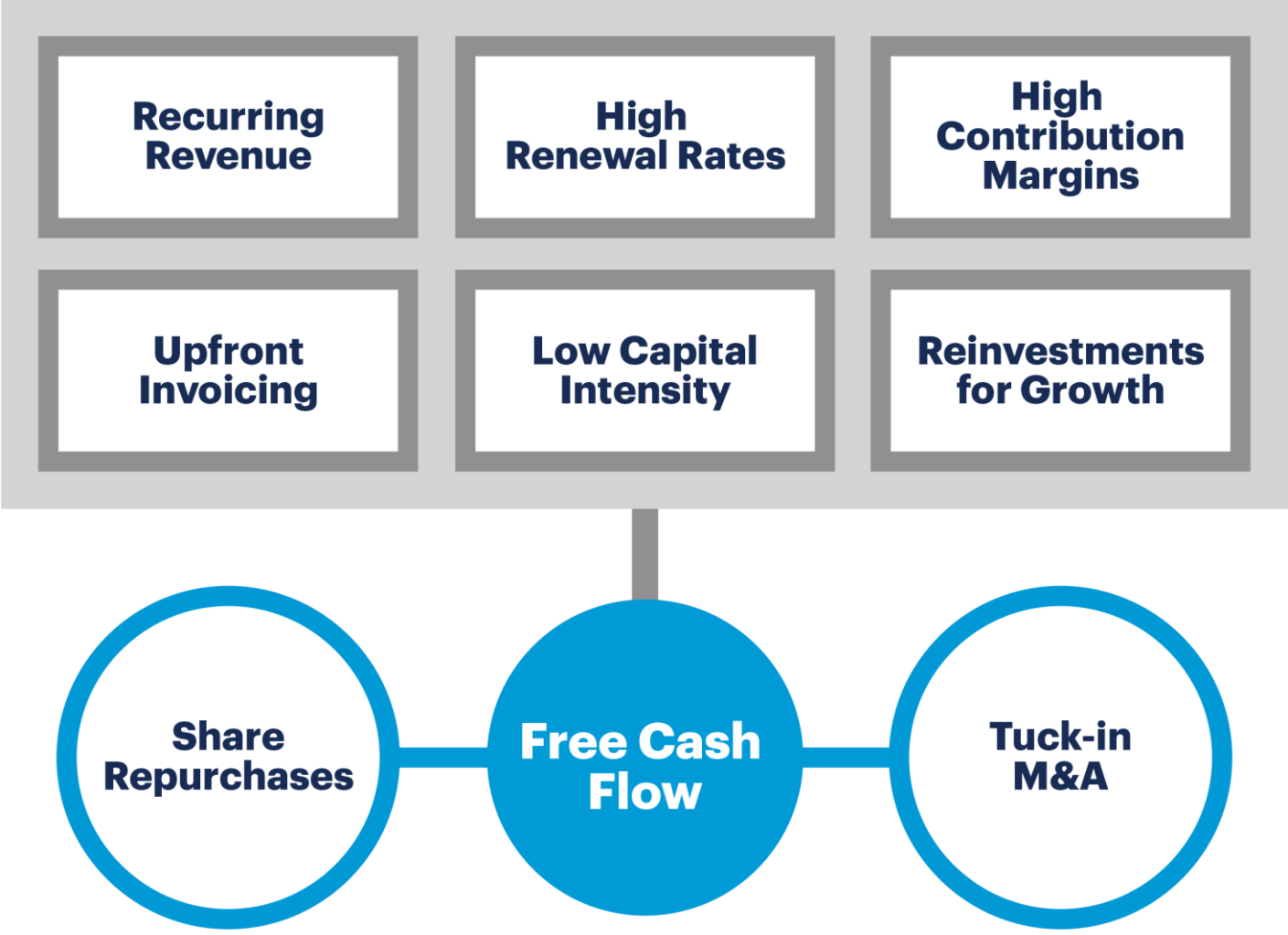


Modest Margin  
Expansion



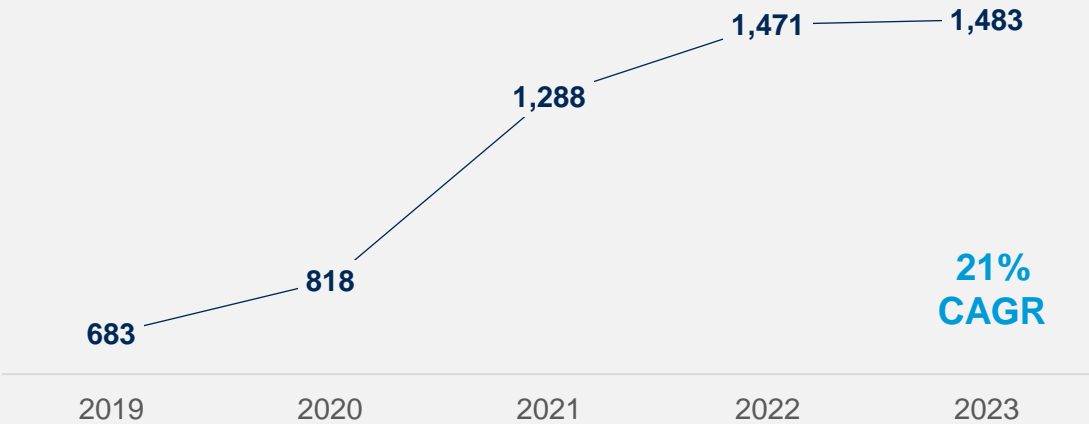
Free Cash Flow  
Generation

# Business model drives strong free cash flow

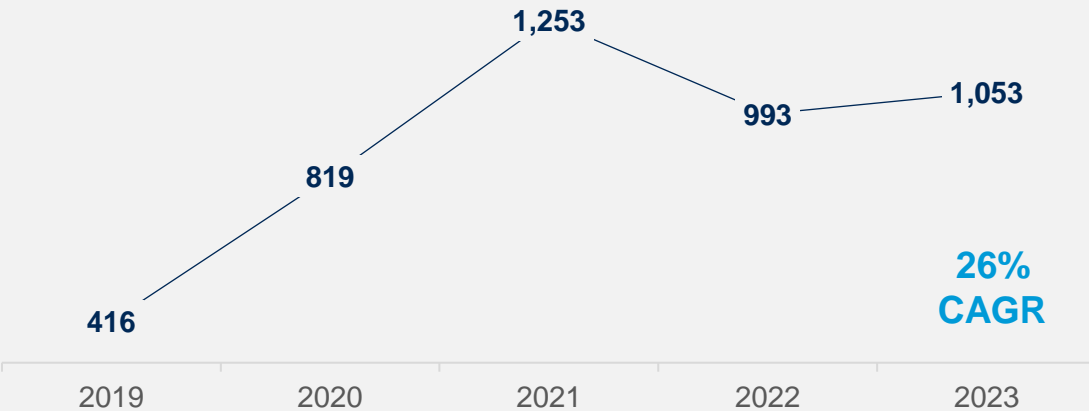


# Strong FCF Conversion & Growth

EBITDA (\$ millions)



FCF (\$ millions)



# Capital Allocation

## Free Cash Flow deployment

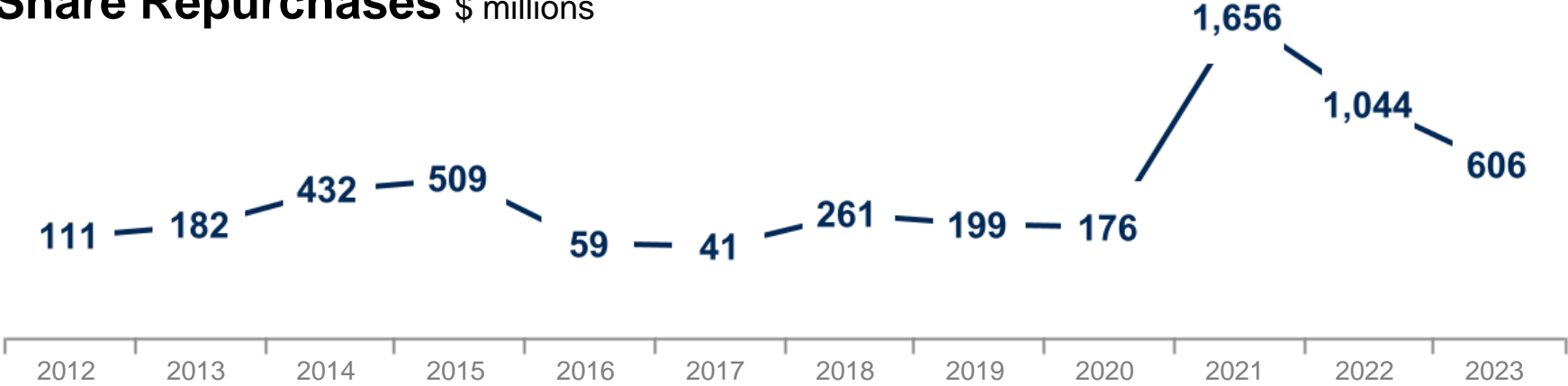
Expect to offset equity dilution

Price-sensitive, opportunistic and disciplined stock repurchases

Strategic value-enhancing tuck-in acquisitions

No current plans for material debt repayments

Share Repurchases \$ millions





# Medium Term Guidance

## Segment Revenue Guidance

**Research (GTS & GBS)**

12 – 16%

**Conferences**

5 – 10%

**Consulting**

3 – 8%

## Consolidated Guidance

**Revenue**

≥ 10%

**EBITDA**

≥ Revenue Growth

**EPS**

≥ EBITDA Growth

**Free Cash Flow**

≥ EBITDA Growth

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Countries**



**Serving all major  
enterprise  
functions**

**Gartner®**



# Appendix



# 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) 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, 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, 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, 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.

**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 virtual or 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 virtual or 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.

Note: Please see Gartner's 2022 SEC Form 10-K for additional definitions and explanations about the business.

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# Appendix

## Corporate Responsibility at Gartner

<https://www.gartner.com/en/about/corporate-responsibility>

## Corporate Responsibility Report

<https://emt.gartnerweb.com/ngw/globalassets/en/about/documents/2023-gartner-corporate-responsibility-report.pdf>

## Governance Documents

<https://investor.gartner.com/corporate-governance/governance-overview>

## Gartner Policies

<https://www.gartner.com/en/about/policies/overview>

## Management Team

<https://www.gartner.com/en/about/management>

# Non-GAAP Reconciliations

\$ millions

Reconciliation- Net Income to Adjusted EBITDA:	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
<b>Net Income</b>	172.5	204.9	173.5	256.8	295.8	198.0	180.0	208.6
Interest expense, net	31.4	29.7	30.3	29.9	27.4	24.6	21.8	20.5
Gain on event cancellation insurance claims <sup>(a)</sup>	—	—	—	—	(3.1)	—	—	—
Other (income) expense, net	(29.2)	(8.5)	(8.9)	(1.7)	2.4	(5.6)	(1.9)	3.7
Tax provision	42.5	71.0	58.5	47.3	85.5	66.1	44.5	68.6
Operating income	217.2	297.1	253.4	332.3	408.0	283.1	244.4	301.4
<b>Adjustments:</b>								
Stock-based compensation expense <sup>(b)</sup>	32.1	24.5	21.0	13.0	45.0	32.2	27.0	25.5
Depreciation, accretion, and amortization <sup>(c)</sup>	48.6	47.9	47.5	48.9	46.9	46.8	48.8	49.6
Loss on impairment of lease related assets <sup>(d)</sup>	23.9	11.6	2.0	16.4	8.7	10.0	0.3	1.3
Acquisition and integration charges and other nonrecurring items <sup>(e)</sup>	7.0	8.0	7.4	10.6	9.7	8.3	12.8	8.6
Gain from sale of divested operation <sup>(f)</sup>	—	—	—	—	(139.3)	3.9	—	—
<b>Adjusted EBITDA</b>	<b>328.8</b>	<b>389.1</b>	<b>331.5</b>	<b>421.3</b>	<b>379.0</b>	<b>384.4</b>	<b>333.4</b>	<b>386.4</b>

\$ millions

Reconciliation - Cash Provided by Operating Activities to Free Cash Flow:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Cash provided by operating activities <sup>(g)</sup></b>	279.8	315.7	346.8	345.6	365.6	254.5	471.2	565.4	903.2	1,312.5
Less: cash paid for capital expenditures	(44.3)	(36.5)	(38.5)	(46.1)	(49.9)	(110.8)	(126.9)	(149.0)	(83.8)	(59.8)
<b>Free Cash Flow <sup>(g)</sup></b>	<b>235.5</b>	<b>279.2</b>	<b>308.3</b>	<b>299.4</b>	<b>315.8</b>	<b>143.8</b>	<b>344.3</b>	<b>416.4</b>	<b>819.3</b>	<b>1,252.7</b>

\$ millions

Reconciliation - Cash Provided by Operating Activities to Free Cash Flow:	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
<b>Cash provided by operating activities</b>	167.8	415.6	314.8	203.1	164.7	435.8	330.9	224.3
Less: cash paid for capital expenditures	(17.3)	(21.1)	(32.1)	(37.6)	(21.1)	(25.6)	(28.5)	(28.0)
<b>Free Cash Flow</b>	<b>150.5</b>	<b>394.5</b>	<b>282.7</b>	<b>165.5</b>	<b>143.6</b>	<b>410.2</b>	<b>302.5</b>	<b>196.4</b>

- (a) Consists of the gain on event cancellation insurance claims for events cancelled in 2020.
- (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) Consists of the gain on our February 2023 divestiture, as finalized in 2Q23
- (g) Cash provided by operating activities and Free Cash Flow in 2021 included ~\$167 million of proceeds related to 2020 event cancellation insurance claims.

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# Non-GAAP Reconciliations

In millions except per share amounts

Reconciliations - GAAP Net Income to Adjusted Net Income:	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP net income</b>	172.5	204.9	173.5	256.8	295.8	198.0	180.0	208.6
Acquisition and other adjustments:								
Amortization of acquired intangibles <sup>(a)</sup>	25.1	24.8	24.4	24.3	22.7	22.9	24.0	22.8
Acquisition and integration charges and other nonrecurring items <sup>(b)</sup>	8.2	9.1	8.7	11.8	10.9	9.5	14.0	9.8
Gain on event cancellation insurance claims <sup>(c)</sup>	—	—	—	—	(3.1)	—	—	—
Gain from sale of divested operation <sup>(d)</sup>	—	—	—	—	(139.3)	3.9	—	—
Loss on impairment of lease related assets <sup>(e)</sup>	23.9	11.6	2.0	16.4	8.7	10.0	0.3	1.3
(Gain) loss on de-designated interest rate swaps <sup>(f)</sup>	(29.9)	(10.7)	(11.2)	(0.6)	1.4	(6.5)	(2.5)	3.7
Tax impact of adjustments	(6.5)	(8.7)	(4.8)	(12.1)	34.3	(10.6)	(12.5)	(5.6)
Adjusted net income	193.3	231.0	192.7	296.7	231.5	227.3	203.3	240.7
Diluted shares	83.0	81.0	80.1	80.1	80.3	79.8	79.5	79.0
<b>Adjusted EPS</b>	2.33	2.85	2.41	3.70	2.88	2.85	2.56	3.04
<b>Reconciliations - GAAP Net Income per diluted share to Adjusted EPS:</b>								
<b>GAAP net income per diluted share</b>	2.08	2.53	2.17	3.21	3.68	2.48	2.26	2.64
Acquisition and other adjustments:								
Amortization of acquired intangibles <sup>(a)</sup>	0.30	0.31	0.30	0.30	0.28	0.29	0.30	0.29
Acquisition and integration charges and other nonrecurring items <sup>(b)</sup>	0.10	0.11	0.11	0.15	0.14	0.12	0.18	0.12
Gain on event cancellation insurance claims <sup>(c)</sup>	—	—	—	—	(0.04)	—	—	—
Gain from sale of divested operation <sup>(d)</sup>	—	—	—	—	(1.74)	0.05	—	—
Loss on impairment of lease related assets <sup>(e)</sup>	0.29	0.14	0.03	0.21	0.11	0.13	—	0.02
(Gain) loss on de-designated interest rate swaps <sup>(f)</sup>	(0.36)	(0.13)	(0.14)	(0.01)	0.02	(0.08)	(0.03)	0.05
Tax impact of adjustments	(0.08)	(0.11)	(0.06)	(0.15)	0.43	(0.13)	(0.16)	(0.07)
<b>Adjusted EPS</b>	2.33	2.85	2.41	3.70	2.88	2.85	2.56	3.04

- (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.
- (d) Consists of the gain on our February 2023 divestiture, as finalized in 2Q23
- (e) Includes impairment loss for lease related assets.
- (f) Represents the fair value adjustment for interest rate swaps after de-designation.

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# Non-GAAP Reconciliations

\$ millions

<b>Reconciliation - Interest, net to Non-GAAP Interest, net</b>	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Interest, net	31.4	29.7	30.3	29.9	27.4	24.6	21.8	20.5
Less amortization of deferred financing fees	(1.1)	(1.1)	(1.1)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
Non-GAAP Interest, net	30.3	28.6	29.1	28.8	26.2	23.4	20.6	19.3

<b>Effective GAAP Tax Rate to Non-GAAP Tax Rate:</b>	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
GAAP Rate	19.8 %	25.7 %	25.2 %	15.6 %	22.4 %	25.0 %	19.8 %	24.8 %
Acquisition and Other Adjustments	24.0 %	25.0 %	20.2 %	23.2 %	34.8 %	26.6 %	34.9 %	14.9 %
Non-GAAP Tax Rate	20.3 %	25.7 %	24.7 %	16.7 %	18.1 %	25.2 %	21.9 %	23.6 %

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# For Further Information

## Contact Details

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