UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

OR

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

Commission File Number 1-14443

Gartner, Inc.

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	04-3099750 (I.R.S. Employer Identification Number)
P.O. Box 10212 56 Top Gallant Road Stamford, Connecticut (Address of principal executive offices)	06902-7700 (Zip Code)

Registrant’s telephone number, including area code: (203) 964-0096

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $.0005 par value per share	IT	New York Stock Exchange

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

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

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

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐
		Smaller reporting company	☐	Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of April 28, 2023, 79,042,049 shares of the registrant’s common shares were outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GARTNER, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited; in thousands, except share data)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 893,512	$ 697,999
Fees receivable, net of allowances of $8,000 and $9,000, respectively	1,523,441	1,556,786
Deferred commissions	343,716	363,079
Prepaid expenses and other current assets	142,650	119,207
Assets held-for-sale	—	49,036
Total current assets	2,903,319	2,786,107
Property, equipment and leasehold improvements, net	256,863	264,581
Operating lease right-of-use assets	415,074	436,592
Goodwill	2,929,941	2,930,211
Intangible assets, net	564,138	584,714
Other assets	309,597	297,531
Total Assets	$ 7,378,932	$ 7,299,736
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 838,784	$ 1,115,198
Deferred revenues	2,607,072	2,443,762
Current portion of long-term debt	8,400	7,800
Liabilities held-for-sale	—	30,840
Total current liabilities	3,454,256	3,597,600
Long-term debt, net of deferred financing fees	2,452,369	2,453,607
Operating lease liabilities	575,963	597,267
Other liabilities	423,486	423,464
Total Liabilities	6,906,074	7,071,938
Stockholders' Equity		
Preferred stock, $0.01 par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $0.0005 par value, 250,000,000 shares authorized; 163,602,067 shares issued for both periods	82	82
Additional paid-in capital	2,222,511	2,179,604
Accumulated other comprehensive loss, net	(95,910)	(101,610)
Accumulated earnings	4,152,609	3,856,826
Treasury stock, at cost, 84,109,645 and 84,428,513 common shares, respectively	(5,806,434)	(5,707,104)
Total Stockholders' Equity	472,858	227,798
Total Liabilities and Stockholders' Equity	$ 7,378,932	$ 7,299,736

See the accompanying notes to Condensed Consolidated Financial Statements.

GARTNER, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited; in thousands, except per share data)

	Three Months Ended March 31,	
	2023	**2022**
Revenues:		
Research	$ 1,217,191	$ 1,136,380
Conferences	64,642	10,354
Consulting	127,036	116,006
Total revenues	1,408,869	1,262,740
Costs and expenses:		
Cost of services and product development	435,139	377,033
Selling, general and administrative	657,090	617,904
Depreciation	23,896	23,201
Amortization of intangibles	22,735	25,148
Acquisition and integration charges	1,368	2,207
Gain from sale of divested operation	(139,316)	—
Total costs and expenses	1,000,912	1,045,493
Operating income	407,957	217,247
Interest expense, net	(27,391)	(31,394)
Gain on event cancellation insurance claims	3,077	—
Other (expense) income, net	(2,366)	29,206
Income before income taxes	381,277	215,059
Provision for income taxes	85,494	42,544
Net income	$ 295,783	$ 172,515
Net income per share:		
Basic	$ 3.72	$ 2.10
Diluted	$ 3.68	$ 2.08
Weighted average shares outstanding:		
Basic	79,452	82,020
Diluted	80,282	82,973

See the accompanying notes to Condensed Consolidated Financial Statements.

GARTNER, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2023	**2022**
Net income	$ 295,783	$ 172,515
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	1,832	(6,798)
Interest rate swaps – net change in deferred gain or loss	3,834	5,370
Pension plans – net change in deferred actuarial loss	34	48
Other comprehensive income (loss), net of tax	5,700	(1,380)
Comprehensive income	$ 301,483	$ 171,135

See the accompanying notes to Condensed Consolidated Financial Statements.

GARTNER, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited; in thousands)

Three Months Ended March 31, 2023

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss, Net	Accumulated Earnings	Treasury Stock	Total
Balance at December 31, 2022	$ 82	$ 2,179,604	$ (101,610)	$ 3,856,826	$ (5,707,104)	$ 227,798
Net income	—	—	—	295,783	—	295,783
Other comprehensive income (loss), net	—	—	5,700	—	—	5,700
Issuances under stock plans	—	(2,141)	—	—	9,520	7,379
Common share repurchases	—	—	—	—	(108,850)	(108,850)
Stock-based compensation expense	—	45,048	—	—	—	45,048
Balance at March 31, 2023	$ 82	$ 2,222,511	$ (95,910)	$ 4,152,609	$ (5,806,434)	$ 472,858

Three Months Ended March 31, 2022

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss, Net	Accumulated Earnings	Treasury Stock	Total
Balance at December 31, 2021	$ 82	$ 2,074,896	$ (81,431)	$ 3,049,027	$ (4,671,516)	$ 371,058
Net income	—	—	—	172,515	—	172,515
Other comprehensive income (loss), net	—	—	(1,380)	—	—	(1,380)
Issuances under stock plans	—	579	—	—	6,385	6,964
Common share repurchases	—	—	—	—	(463,125)	(463,125)
Stock-based compensation expense	—	32,121	—	—	—	32,121
Balance at March 31, 2022	$ 82	$ 2,107,596	$ (82,811)	$ 3,221,542	$ (5,128,256)	$ 118,153

See the accompanying notes to Condensed Consolidated Financial Statements.

GARTNER, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited; in thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Operating activities:		
Net income	$ 295,783	$ 172,515
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	46,631	48,349
Stock-based compensation expense	45,048	32,121
Deferred taxes	(7,866)	(7,502)
Gain from sale of divested operation	(139,316)	—
Loss on impairment of lease related assets	8,720	23,878
Reduction in the carrying amount of operating lease right-of-use assets	17,644	17,951
Amortization and write-off of deferred financing fees	1,161	1,133
Loss (gain) on de-designated swaps	1,393	(29,896)
Changes in assets and liabilities, net of acquisitions and divestitures:		
Fees receivable, net	36,177	30,700
Deferred commissions	19,635	18,909
Prepaid expenses and other current assets	(18,370)	(13,596)
Other assets	(14,799)	(1,082)
Deferred revenues	155,153	195,306
Accounts payable and accrued and other liabilities	(282,315)	(321,001)
Cash provided by operating activities	164,679	167,785
Investing activities:		
Additions to property, equipment and leasehold improvements	(21,122)	(17,293)
Proceeds from sale of divested operation	158,733	—
Cash provided by (used in) investing activities	137,611	(17,293)
Financing activities:		
Proceeds from employee stock purchase plan	7,358	6,949
Payments on borrowings	(1,800)	(1,331)
Purchases of treasury stock	(106,850)	(451,070)
Cash used in financing activities	(101,292)	(445,452)
Net increase (decrease) in cash and cash equivalents and restricted cash	200,998	(294,960)
Effects of exchange rates on cash and cash equivalents	(5,485)	(5,358)
Cash and cash equivalents and restricted cash, beginning of period	698,599	760,602
Cash and cash equivalents and restricted cash, end of period	$ 894,112	$ 460,284

See the accompanying notes to Condensed Consolidated Financial Statements.

GARTNER, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 — Business and Basis of Presentation

Business. 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.

Segments. Gartner delivers its products and services globally through three business segments: Research, Conferences and Consulting. Revenues and other financial information for the Company's segments are discussed in Note 7 — Segment Information.

Basis of presentation. The accompanying interim Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 270 for interim financial information and with the applicable instructions of U.S. Securities and Exchange Commission ("SEC") Rule 10-01 of Regulation S-X on Form 10-Q, and should be read in conjunction with the consolidated financial statements and related notes of the Company in its Annual Report on Form 10-K for the year ended December 31, 2022.

The fiscal year of Gartner is the twelve-month period from January 1 through December 31. In the opinion of management, all normal recurring accruals and adjustments considered necessary for a fair presentation of financial position, results of operations and cash flows at the dates and for the periods presented herein have been included. The results of operations for the three months ended March 31, 2023 may not be indicative of the results of operations for the remainder of 2023 or beyond. When used in these notes, the terms "Gartner," the "Company," "we," "us," or "our" refer to Gartner, Inc. and its consolidated subsidiaries.

Principles of consolidation. The accompanying interim Condensed Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

Use of estimates. The preparation of the accompanying interim Condensed Consolidated Financial Statements requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the valuation of fees receivable, goodwill, intangible assets and other long-lived assets, as well as tax accruals and other liabilities. In addition, estimates are used in revenue recognition, income tax expense or benefit, performance-based compensation charges, depreciation and amortization. Management believes its use of estimates in these interim Condensed Consolidated Financial Statements to be reasonable.

Management continually evaluates and revises its estimates using historical experience and other factors, including the general economic environment and actions it may take in the future. Management adjusts these estimates when facts and circumstances dictate. However, these estimates may involve significant uncertainties and judgments and cannot be determined with precision. In addition, these estimates are based on management's best judgment at a point in time. As a result, differences between estimates and actual results could be material and would be reflected in the Company's consolidated financial statements in future periods.

Cash and cash equivalents and restricted cash. Below is a table presenting the beginning-of-period and end-of-period cash amounts from the Company's Condensed Consolidated Balance Sheets and the total cash amounts presented in the Condensed Consolidated Statements of Cash Flows (in thousands).

	March 31, 2023	December 31, 2022
Cash and cash equivalents	$ 893,512	$ 697,999
Restricted cash classified in (1):		
Other assets	600	600
Cash and cash equivalents and restricted cash	$ 894,112	$ 698,599

(1) Restricted cash consisted of an escrow account established in connection with one of the Company's business acquisitions. Generally, such cash is restricted to use due to provisions contained in the underlying stock or asset purchase agreement.

The Company will disburse the restricted cash to the sellers of the business upon satisfaction of any contingencies described in such agreements (e.g., potential indemnification claims, etc.).

Revenue recognition. Revenue is recognized in accordance with the requirements of FASB ASC Topic 606, *Revenue from Contracts with Customers* ("ASC Topic 606"). Revenue is only recognized when all of the required criteria for revenue recognition have been met. The accompanying Condensed Consolidated Statements of Operations present revenue net of any sales or value-added taxes that we collect from customers and remit to government authorities. ASC Topic 270 requires certain disclosures in interim financial statements around the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Note 4 — Revenue and Related Matters provides additional information regarding the Company's revenues.

Gain on event cancellation insurance claims. In February 2023, the Company received $3.1 million of proceeds related to 2020 event cancellation insurance claims. The Company does not record any gain on insurance claims in excess of expenses incurred until the receipt of the insurance proceeds is deemed to be realizable.

Adoption of new accounting standard. The Company adopted the accounting standard described below during the three months ended March 31, 2023.

Reference Rate Reform — In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform—Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU No. 2020-04"). ASU No. 2020-04 provides that an entity can elect not to apply certain required modification accounting in U.S. GAAP to contracts where all changes to the critical terms relate to reference rate reform (e.g., the expected discontinuance of LIBOR and the transition to an alternative reference interest rate, etc.). In addition, the rule provides optional expedients and exceptions that enable entities to continue to apply hedge accounting for hedging relationships where one or more of the critical terms change due to reference rate reform. The rule became effective for all entities as of March 12, 2020 and will generally no longer be available to apply after December 31, 2022. ASU No. 2022-06, which was issued in December 2022, extended the deadline to December 31, 2024. During 2023, the Company adopted the practical expedient provided under ASU 2020-04 related to its debt and interest rate swap arrangements and as such, any amendments are treated as a continuation of the existing agreements and no gain or loss on the modification is recorded.

Note 2 — Acquisition and Divestiture

Acquisition

In October 2022, the Company acquired 100% of the outstanding capital stock of UpCity, Inc. (“UpCity”), a privately-held company based in Chicago, Illinois, for an aggregate purchase price of $6.4 million. UpCity’s online marketplace helps small businesses by connecting them to ratings and reviews of more than 50,000 B2B service providers.

Divestiture

In February 2023, the Company completed the sale of a non-core business, TalentNeuron, for approximately $164.2 million and realized $158.7 million in cash from the sale, which was net of certain closing expenses. The sale is subject to certain post-closing adjustments. The Company recorded a pre-tax gain of $139.3 million on the sale of TalentNeuron, which is included in Gain from sale of divested operation in the Condensed Consolidated Statement of Operations for the three months ended March 31, 2023. TalentNeuron was included in the Company’s Research segment. The principal components of the assets divested included goodwill, intangible assets, net, property, equipment and leasehold improvements, net, and accounts receivable, with carrying amounts of $16.0 million, $9.5 million, $4.5 million and $11.8 million, respectively, while the liabilities transferred with the sale primarily consisted of deferred revenue with a carrying amount of $24.4 million. Such assets and liabilities were included in Assets held-for-sale and Liabilities held-for-sale, respectively, on the Condensed Consolidated Balance Sheet at December 31, 2022 at their respective carrying values at that date.

Note 3 — Goodwill and Intangible Assets

Goodwill

Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair values of the tangible and identifiable intangible net assets acquired. Evaluations of the recoverability of goodwill are performed in accordance with FASB ASC Topic 350, which requires an annual assessment of potential goodwill impairment at the reporting unit level and whenever events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable.

When performing the annual assessment of the recoverability of goodwill, the Company initially performs a qualitative analysis evaluating whether any events or circumstances occurred or exist that provide evidence that it is more likely than not that the fair value of any of the Company’s reporting units is less than the related carrying amount. If the Company does not believe that it is more likely than not that the fair value of any of the Company’s reporting units is less than the related carrying amount, then no quantitative impairment test is performed. However, if the results of the qualitative assessment indicate that it is more likely than not that the fair value of a reporting unit is less than its respective carrying amount, then a quantitative impairment test is performed. Evaluating the recoverability of goodwill requires judgments and assumptions regarding future trends and events. As a result, both the precision and reliability of the estimates are subject to uncertainty.

The Company’s most recent annual impairment test of goodwill was a qualitative analysis conducted during the quarter ended September 30, 2022 that indicated no impairment. Subsequent to completing the 2022 annual impairment test, there were no events or changes in circumstances noted that required an interim impairment test.

The table below presents changes to the carrying amount of goodwill by segment during the three months ended March 31, 2023 (in thousands).

	Research	Conferences	Consulting	Total
Balance at December 31, 2022 (1)	$ 2,651,193	$ 183,951	$ 95,067	$ 2,930,211
Foreign currency translation impact	(390)	1	119	(270)
Balance at March 31, 2023 (1)	$ 2,650,803	$ 183,952	$ 95,186	$ 2,929,941

(1) The Company does not have any accumulated goodwill impairment losses.

Finite-Lived Intangible Assets

The tables below present reconciliations of the carrying amounts of the Company's finite-lived intangible assets as of the dates indicated (in thousands).

March 31, 2023	**Customer Relationships**	**Technology-related**	**Other**	**Total**
Gross cost at December 31, 2022	$ 1,060,541	$ 11,200	$ 10,436	$ 1,082,177
Foreign currency translation impact	3,931	—	—	3,931
Gross cost	1,064,472	11,200	10,436	1,086,108
Accumulated amortization (1)	(509,583)	(6,533)	(5,854)	(521,970)
Balance at March 31, 2023	$ 554,889	$ 4,667	$ 4,582	$ 564,138

December 31, 2022	**Customer Relationships**	**Technology-related**	**Other**	**Total**
Gross cost	$ 1,060,541	11,200	$ 10,436	$ 1,082,177
Accumulated amortization (1)	(486,260)	(5,600)	(5,603)	(497,463)
Balance at December 31, 2022	$ 574,281	$ 5,600	$ 4,833	$ 584,714

(1) Finite-lived intangible assets are amortized using the straight-line method over the following periods: Customer relationships—6 to 13 years; Technology-related—3 years; and Other—4 to 11 years.

Amortization expense related to finite-lived intangible assets was $22.7 million and $25.1 million during the three months ended March 31, 2023 and 2022, respectively. The estimated future amortization expense by year for finite-lived intangible assets is presented in the table below (in thousands).

2023 (remaining nine months)	$ 68,301
2024	89,160
2025	80,493
2026	77,818
2027	77,210
Thereafter	171,156
	$ 564,138

Note 4 — Revenue and Related Matters

Disaggregated Revenue — The Company's disaggregated revenue by reportable segment is presented in the tables below for the periods indicated (in thousands).

By Primary Geographic Market (1)

Three Months Ended March 31, 2023 **Primary Geographic Market**	**Research**	**Conferences**	**Consulting**	**Total**
United States and Canada	$ 809,399	$ 48,775	$ 76,975	$ 935,149
Europe, Middle East and Africa	268,657	9,207	32,938	310,802
Other International	139,135	6,660	17,123	162,918
Total revenues	$ 1,217,191	$ 64,642	$ 127,036	$ 1,408,869

Three Months Ended March 31, 2022 **Primary Geographic Market**	**Research**	**Conferences**	**Consulting**	**Total**
United States and Canada	$ 740,529	$ 7,652	$ 68,789	$ 816,970
Europe, Middle East and Africa	263,129	1,238	32,444	296,811
Other International	132,722	1,464	14,773	148,959
Total revenues	$ 1,136,380	$ 10,354	$ 116,006	$ 1,262,740

(1) Revenue is reported based on where the sale is fulfilled.

The Company's revenue is generated primarily through direct sales to clients by domestic and international sales forces and a network of independent international sales agents. Most of the Company's products and services are provided on an integrated worldwide basis and, because of this integrated delivery approach, it is not practical to precisely separate the Company's revenue by geographic location. Accordingly, revenue information presented in the above tables is based on internal allocations, which involve certain management estimates and judgments.

By Timing of Revenue Recognition

Three Months Ended March 31, 2023 **Timing of Revenue Recognition**	**Research**	**Conferences**	**Consulting**	**Total**
Transferred over time (1)	$ 1,109,796	$ —	$ 97,006	$ 1,206,802
Transferred at a point in time (2)	107,395	64,642	30,030	202,067
Total revenues	$ 1,217,191	$ 64,642	$ 127,036	$ 1,408,869

Three Months Ended March 31, 2022 **Timing of Revenue Recognition**	**Research**	**Conferences**	**Consulting**	**Total**
Transferred over time (1)	$ 1,025,810	$ —	$ 96,436	$ 1,122,246
Transferred at a point in time (2)	110,570	10,354	19,570	140,494
Total revenues	$ 1,136,380	$ 10,354	$ 116,006	$ 1,262,740

(1) Research revenues are recognized in connection with performance obligations that are satisfied over time using a time-elapsed output method to measure progress. Consulting revenues are recognized over time using labor hours as an input measurement basis.
(2) The revenues in this category are recognized in connection with performance obligations that are satisfied at the point in time that the contractual deliverables are provided to the customer.

Performance Obligations — For customer contracts that are greater than one year in duration, the aggregate amount of the transaction price allocated to performance obligations that were unsatisfied (or partially unsatisfied) as of March 31, 2023 was approximately $5.3 billion. The Company expects to recognize $2.4 billion, $2.1 billion and $0.8 billion of this revenue (most of which pertains to Research) during the remainder of 2023, the year ending December 31, 2024 and thereafter, respectively. The Company applies a practical expedient that is permitted under ASC Topic 606 and, accordingly, it does not disclose such performance obligation information for customer contracts that have original durations of one year or less. The Company's performance obligations for contracts meeting this ASC Topic 606 disclosure exclusion primarily include: (i) stand-ready services under Research subscription contracts; (ii) holding conferences and meetings where attendees and exhibitors can participate; and (iii) providing customized Consulting solutions for clients under fixed fee and time and materials engagements. The remaining duration of these performance obligations is generally less than one year, which aligns with the period that the parties have enforceable rights and obligations under the affected contracts.

Customer Contract Assets and Liabilities — The timing of the recognition of revenue and the amount and timing of the Company's billings and cash collections, including upfront customer payments, result in the recognition of both assets and liabilities on the Company's Condensed Consolidated Balance Sheets. The table below provides information regarding certain of the Company's balance sheet accounts that pertain to its contracts with customers (in thousands).

	March 31, 2023	December 31, 2022
Assets:		
Fees receivable, gross (1)	$ 1,531,441	$ 1,565,786
Contract assets recorded in Prepaid expenses and other current assets (2)	$ 24,350	$ 21,183
Contract liabilities:		
Deferred revenues (current liability) (3)	$ 2,607,072	$ 2,443,762
Non-current deferred revenues recorded in Other liabilities (3)	32,272	39,115
Total contract liabilities	$ 2,639,344	$ 2,482,877

(1) Fees receivable represent an unconditional right to payment from the Company's customers and include both billed and unbilled amounts.
(2) Contract assets represent recognized revenue for which the Company does not have an unconditional right to payment as of the balance sheet date because the project may be subject to a progress billing milestone or some other billing restrictions.
(3) Deferred revenues represent amounts (i) for which the Company has received an upfront customer payment or (ii) that pertain to recognized fees receivable. Both situations occur before the completion of the Company's performance obligation(s).

The Company recognized revenue of $924.9 million and $833.9 million during the three months ended March 31, 2023 and 2022, respectively, that was attributable to deferred revenues that were recorded at the beginning of each such period. Those amounts primarily consisted of Research revenues that were recognized ratably as control of the goods or services passed to the customer during the reporting periods. During each of the three months ended March 31, 2023 and 2022, the Company did not record any material impairments related to its contract assets.

Note 5 — Computation of Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing net income by the weighted average number of shares of Common Stock outstanding during the period. Diluted EPS reflects the potential dilution of securities that could share in earnings. Potential shares of common stock are excluded from the computation of diluted earnings per share when their effect would be anti-dilutive.

The table below sets forth the calculation of basic and diluted income per share for the periods indicated (in thousands, except per share data).

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net income used for calculating basic and diluted income per share	$ 295,783	$ 172,515
Denominator:		
Weighted average common shares used in the calculation of basic income per share	79,452	82,020
Dilutive effect of outstanding awards associated with stock-based compensation plans (1)	830	953
Shares used in the calculation of diluted income per share	80,282	82,973
Basic income per share	$ 3.72	$ 2.10
Diluted income per share	$ 3.68	$ 2.08

(1) Certain outstanding awards associated with stock-based compensation plans were not included in the computation of diluted income per share because the effect would have been anti-dilutive. These anti-dilutive outstanding awards associated with stock-based compensation plans totaled approximately 0.3 million and 0.2 million for the three months ended March 31, 2023 and 2022, respectively.

Note 6 — Stock-Based Compensation

The Company grants stock-based compensation awards as an incentive for employees and directors to contribute to the Company's long-term success. The Company currently awards stock-settled stock appreciation rights, service-based and performance-based restricted stock units, and common stock equivalents. As of March 31, 2023, the Company had 1.9 million shares of its common stock, par value $0.0005 per share, (the "Common Stock") available for stock-based compensation awards under its current Long-Term Incentive Plan as amended and restated in January 2019 (the "Plan").

The tables below summarize the Company's stock-based compensation expense by award type and expense category line item during the periods indicated (in millions).

	Three Months Ended March 31,	
Award type	**2023**	**2022**
Stock appreciation rights	$ 2.5	$ 1.9
Restricted stock units	42.2	30.0
Common stock equivalents	0.3	0.2
Total (1)	$ 45.0	$ 32.1

	Three Months Ended March 31,	
Expense category line item	**2023**	**2022**
Cost of services and product development	$ 18.3	$ 11.5
Selling, general and administrative	26.7	20.6
Total (1)	$ 45.0	$ 32.1

(1) Includes costs of $26.8 million and $19.2 million during the three months ended March 31, 2023 and 2022, respectively, for awards to retirement-eligible employees. Those awards vest on an accelerated basis.

Note 7 — Segment Information

The Company's products and services are delivered through three segments – Research, Conferences and Consulting, as described below.

- ***Research*** equips executives and their teams from every function and across all industries with actionable, objective insight, guidance and tools. Our experienced experts deliver all this value informed by an unmatched combination of practitioner-sourced and data-driven research to help our clients address their mission critical priorities.

- ***Conferences*** provides executives and teams across an organization the opportunity to learn, share and network. From our Gartner Symposium/Xpo series, to industry-leading conferences focused on specific business roles and topics, to peer-driven sessions, our offerings enable attendees to experience the best of Gartner insight and guidance.

- ***Consulting*** serves senior executives leading technology-driven strategic initiatives leveraging the power of Gartner's actionable, objective insight. Through custom analysis and on-the-ground support we enable optimized technology investments and stronger performance on our clients' mission critical priorities.

The Company evaluates segment performance and allocates resources based on gross contribution margin. Gross contribution, as presented in the tables below, is defined as operating income or loss excluding certain Cost of services and product development expenses, Selling, general and administrative expenses, Depreciation, Amortization of intangibles, Acquisition and integration charges and Gain from sale of divested operation. Certain bonus and fringe benefit costs included in consolidated Cost of services and product development are not allocated to segment expense. The accounting policies used by the reportable segments are the same as those used by the Company. There are no intersegment revenues. The Company does not identify or allocate assets, including capital expenditures, by reportable segment. Accordingly, assets are not reported by segment because the information is not available by segment and is not reviewed in the evaluation of segment performance or in making decisions regarding the allocation of resources.

The tables below present information about the Company's reportable segments for the periods indicated (in thousands).

Three Months Ended March 31, 2023	**Research**	**Conferences**	**Consulting**	**Consolidated**
Revenues	$ 1,217,191	$ 64,642	$ 127,036	$ 1,408,869
Gross contribution	899,514	26,788	50,808	977,110
Corporate and other expenses				(569,153)
Operating income				$ 407,957

Three Months Ended March 31, 2022	**Research**	**Conferences**	**Consulting**	**Consolidated**
Revenues	$ 1,136,380	$ 10,354	$ 116,006	$ 1,262,740
Gross contribution	849,379	(2,876)	51,012	897,515
Corporate and other expenses				(680,268)
Operating income				$ 217,247

The table below provides a reconciliation of total segment gross contribution to net income for the periods indicated (in thousands).

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Total segment gross contribution	$ 977,110	$ 897,515
Costs and expenses:		
Cost of services and product development - unallocated (1)	3,380	11,808
Selling, general and administrative	657,090	617,904
Depreciation and amortization	46,631	48,349
Acquisition and integration charges	1,368	2,207
Gain from sale of divested operation	(139,316)	—
Operating income	407,957	217,247
Interest expense and other, net	(29,757)	(2,188)
Gain on event cancellation insurance claims	3,077	—
Less: Provision for income taxes	85,494	42,544
Net income	$ 295,783	$ 172,515

(1) 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. The Company's policy is to allocate bonuses to segments at 100% of a segment employee's target bonus. Amounts above or below 100% are absorbed by corporate.

Note 8 — Debt

The Company's total outstanding borrowings are summarized in the table below (in thousands).

Description	March 31, 2023	December 31, 2022
2020 Credit Agreement - Term loan facility (1)	$ 280,400	$ 282,200
2020 Credit Agreement - Revolving credit facility (1), (2)	—	—
Senior Notes due 2028 ("2028 Notes") (3)	800,000	800,000
Senior Notes due 2029 ("2029 Notes") (4)	600,000	600,000
Senior Notes due 2030 ("2030 Notes") (5)	800,000	800,000
Other (6)	5,000	5,000
Principal amount outstanding (7)	2,485,400	2,487,200
Less: deferred financing fees (8)	(24,631)	(25,793)
Net balance sheet carrying amount	$ 2,460,769	$ 2,461,407

(1) The contractual annualized interest rate as of March 31, 2023 on the 2020 Credit Agreement Term loan facility and the Revolving credit facility was 6.13%, which consisted of a floating Eurodollar base rate of 4.875% plus a margin of 1.250%. However, the Company has an interest rate swap contract that effectively convert the floating Eurodollar base rates on outstanding amounts to a fixed base rate.
(2) The Company had approximately $1.0 billion of available borrowing capacity on the 2020 Credit Agreement revolver (not including the expansion feature) as of March 31, 2023.
(3) Consists of $800.0 million principal amount of 2028 Notes outstanding. The 2028 Notes bear interest at a fixed rate of 4.50% and mature on July 1, 2028.
(4) Consists of $600.0 million principal amount of 2029 Notes outstanding. The 2029 Notes bear interest at a fixed rate of 3.625% and mature on June 15, 2029.
(5) Consists of $800.0 million principal amount of 2030 Notes outstanding. The 2030 Notes bear interest at a fixed rate of 3.75% and mature on October 1, 2030.
(6) Consists of a State of Connecticut economic development loan originated in 2019 with a 10-year maturity and bears interest at a fixed rate of 1.75%. This loan may be repaid at any time by the Company without penalty.

(7) The weighted average annual effective rate on the Company’s outstanding debt for the three months ended March 31, 2023, including the effects of its interest rate swaps discussed below, was 5.03%.
(8) Deferred financing fees are being amortized to Interest expense, net over the term of the related debt obligation.

2029 Notes

On June 18, 2021, the Company issued $600.0 million aggregate principal amount of 3.625% Senior Notes due 2029. The 2029 Notes were issued pursuant to an indenture, dated as of June 18, 2021 (the “2029 Note Indenture”), among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee.

The 2029 Notes were issued at an issue price of 100.0% and bear interest at a rate of 3.625% per annum. Interest on the 2029 Notes is payable on June 15 and December 15 of each year, beginning on December 15, 2021. The 2029 Notes will mature on June 15, 2029.

The Company may redeem some or all of the 2029 Notes at any time on or after June 15, 2024 for cash at the redemption prices set forth in the 2029 Notes Indenture, plus accrued and unpaid interest to, but excluding, the redemption date. Prior to June 15, 2024, the Company may redeem up to 40% of the aggregate principal amount of the 2029 Notes in connection with certain equity offerings, or some or all of the 2029 Notes with a “make-whole” premium, in each case subject to the terms set forth in the 2029 Note Indenture.

2030 Notes

On September 28, 2020, the Company issued $800.0 million aggregate principal amount of 3.75% Senior Notes due 2030. The 2030 Notes were issued pursuant to an indenture, dated as of September 28, 2020 (the “2030 Note Indenture”), among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee.

The 2030 Notes were issued at an issue price of 100.0% and bear interest at a rate of 3.75% per annum. Interest on the 2030 Notes is payable on April 1 and October 1 of each year, beginning on April 1, 2021. The 2030 Notes will mature on October 1, 2030.

The Company may redeem some or all of the 2030 Notes at any time on or after October 1, 2025 for cash at the redemption prices set forth in the 2030 Note Indenture, plus accrued and unpaid interest to, but excluding, the redemption date. Prior to October 1, 2025, the Company may redeem up to 40% of the aggregate principal amount of the 2030 Notes in connection with certain equity offerings, or some or all of the 2030 Notes with a “make-whole” premium, in each case subject to the terms set forth in the 2030 Note Indenture.

2028 Notes

On June 22, 2020, the Company issued $800.0 million aggregate principal amount of 4.50% Senior Notes due 2028. The 2028 Notes were issued pursuant to an indenture, dated as of June 22, 2020 (the “2028 Note Indenture”), among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee.

The 2028 Notes were issued at an issue price of 100.0% and bear interest at a rate of 4.50% per annum. Interest on the 2028 Notes is payable on January 1 and July 1 of each year, beginning on January 1, 2021. The 2028 Notes will mature on July 1, 2028.

The Company may redeem some or all of the 2028 Notes at any time on or after July 1, 2023 for cash at the redemption prices set forth in the 2028 Note Indenture, plus accrued and unpaid interest to, but excluding, the redemption date. Prior to July 1, 2023, the Company may redeem up to 40% of the aggregate principal amount of the 2028 Notes in connection with certain equity offerings, or some or all of the 2028 Notes with a “make-whole” premium, in each case subject to the terms set forth in the 2028 Note Indenture.

2020 Credit Agreement

The Company has a credit facility that currently provides for a $400.0 million Term loan facility and a $1.0 billion Revolving credit facility (the “2020 Credit Agreement”). The 2020 Credit Agreement contains certain customary restrictive loan covenants, including, among others, financial covenants that apply a maximum consolidated leverage ratio and a minimum consolidated interest expense coverage ratio. The Company was in compliance with all financial covenants as of March 31, 2023.

The Term loan is being repaid in consecutive quarterly installments that commenced on December 31, 2020, plus a final payment to be made on September 28, 2025. The Revolving credit facility may be borrowed, repaid and re-borrowed through September 28, 2025, at which all then-outstanding amounts must be repaid.

Interest Rate Swaps

As of March 31, 2023, the Company had one fixed-for-floating interest rate swap contract with a notional value of $350.0 million that matures in 2025. The Company pays a base fixed rate of 3.04% and in return receives a floating Eurodollar base rate on 30-day notional borrowings.

Effective June 30, 2020, the Company de-designated all of its interest rate swaps and discontinued hedge accounting. Accordingly, subsequent changes to the fair value of the interest rate swaps are recorded in Other (expense) income, net. The amounts previously recorded in Accumulated other comprehensive loss are amortized into Interest expense, net over the terms of the hedged forecasted interest payments. As of March 31, 2023, $47.2 million is remaining in Accumulated other comprehensive loss, net. See Note 11 — Derivatives and Hedging for the amounts remaining in Accumulated other comprehensive loss, net of tax effect, at March 31, 2023 and December 31, 2022. See Note 12 — Fair Value Disclosures for a discussion of the fair values of Company's interest rate swaps.

Note 9 — Equity

Share Repurchase Authorization

In 2015, the Company's Board of Directors (the "Board") authorized a share repurchase program to repurchase up to $1.2 billion of the Company's common stock. The Board authorized incremental share repurchases of up to an additional $1.6 billion, $1.0 billion and $0.4 billion of the Company's common stock during 2021, 2022, and February 2023, respectively. As of March 31, 2023, $954.5 million remained available under the share repurchase program. The Company may repurchase its common stock from time-to-time in amounts, at prices and in the manner that the Company deems appropriate, subject to the availability of stock, prevailing market conditions, the trading price of the stock, the Company's financial performance and other conditions. Repurchases may be made through open market purchases (which may include repurchase plans designed to comply with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended), accelerated share repurchases, private transactions or other transactions and will be funded by cash on hand and borrowings. Repurchases may also be made from time-to-time in connection with the settlement of the Company's stock-based compensation awards.

The Company's share repurchase activity is presented in the table below for the periods indicated.

	Three Months Ended March 31,	
	2023	**2022**
Number of shares repurchased (1)	327,680	1,627,709
Cash paid for repurchased shares (in thousands) (2)	$ 106,850	$ 451,070

(1) The average purchase price for repurchased shares was $332.18 and $284.53 for the three months ended March 31, 2023 and 2022, respectively. The repurchased shares during the three months ended March 31, 2023 and 2022 included purchases for both open market purchases and stock-based compensation award settlements.

(2) The cash paid for repurchased shares during the three months ended March 31, 2023 excluded $2.0 million of open market purchases with trade dates in March 2023 that settled in April 2023. The cash paid for repurchased shares during the three months ended March 31, 2022 excluded $12.1 million of open market purchases with trade dates in March 2022 that settled in April 2022.

Accumulated Other Comprehensive Loss, net ("AOCL")

The tables below provide information about the changes in AOCL by component and the related amounts reclassified out of AOCL to income during the periods indicated (net of tax, in thousands) (1).

Three Months Ended March 31, 2023

	Interest Rate Swaps	Defined Benefit Pension Plans	Foreign Currency Translation Adjustments	Total
Balance - Balance at December 31, 2022	$ (39,248)	$ (4,247)	$ (58,115)	$ (101,610)
Other comprehensive income (loss) activity during the period:				
Change in AOCL before reclassifications to income	—	—	1,832	1,832
Reclassifications from AOCL to income (2), (3)	3,834	34	—	3,868
Other comprehensive income (loss), net	3,834	34	1,832	5,700
Balance – March 31, 2023	$ (35,414)	$ (4,213)	$ (56,283)	$ (95,910)

Three Months Ended March 31, 2022

	Interest Rate Swaps	Defined Benefit Pension Plans	Foreign Currency Translation Adjustments	Total
Balance – December 31, 2021	$ (56,323)	$ (6,672)	$ (18,436)	$ (81,431)
Other comprehensive income (loss) activity during the period:				
Change in AOCL before reclassifications to income	—	—	(6,798)	(6,798)
Reclassifications from AOCL to income (2), (3)	5,370	48	—	5,418
Other comprehensive income (loss), net	5,370	48	(6,798)	(1,380)
Balance – March 31, 2022	$ (50,953)	$ (6,624)	$ (25,234)	$ (82,811)

(1) Amounts in parentheses represent debits (deferred losses).

(2) $5.1 million and $7.2 million of the reclassifications related to interest rate swaps (cash flow hedges) were recorded in Interest expense, net, for the three months ended March 31, 2023 and 2022, respectively. See Note 8 — Debt and Note 11 — Derivatives and Hedging for information regarding the cash flow hedges.

(3) The reclassifications related to defined benefit pension plans were recorded in Other (expense) income, net.

The estimated net amount of the existing losses on the Company's interest rate swaps that are reported in Accumulated other comprehensive loss, net at March 31, 2023 that is expected to be reclassified into earnings within the next 12 months is $19.8 million.

Note 10 — Income Taxes

The provision for income taxes was $85.5 million and $42.5 million for the three months ended March 31, 2023 and 2022, respectively. The effective income tax rate was 22.4% and 19.8% for the three months ended March 31, 2023 and 2022, respectively. The year-over-year increase in the effective income tax rate was primarily due to the sale of the TalentNeuron business.

The Company had gross unrecognized tax benefits of $141.0 million on March 31, 2023 and $137.2 million on December 31, 2022. It is reasonably possible that gross unrecognized tax benefits will decrease by approximately $12.3 million within the next twelve months due to the anticipated closure of audits and the expiration of certain statutes of limitation.

Note 11 — Derivatives and Hedging

The Company enters into a limited number of derivative contracts to mitigate the cash flow risk associated with changes in interest rates on variable-rate debt and changes in foreign exchange rates on forecasted foreign currency transactions. The Company accounts for its outstanding derivative contracts in accordance with FASB ASC Topic 815, which requires all derivatives, including derivatives designated as accounting hedges, to be recorded on the balance sheet at fair value. The tables below provide information regarding the Company's outstanding derivative contracts as of the dates indicated (in thousands, except for number of contracts).

March 31, 2023

Derivative Contract Type	Number of Contracts		Notional Amounts		Fair Value Asset (Liability), Net (3)	Balance Sheet Line Item		Unrealized Loss Recorded in AOCL, net of tax
Interest rate swaps (1)	1	$	350,000	$	1,681	Other assets	$	(35,414)
					5,909	Other current assets		
Foreign currency forwards (2)	38		232,475		(483)	Accrued liabilities		—
Total	39	$	582,475	$	7,107		$	(35,414)

December 31, 2022

Derivative Contract Type	Number of Contracts		Notional Amounts		Fair Value Asset (Liability), Net (3)	Balance Sheet Line Item		Unrealized Loss Recorded in AOCL, net of tax
Interest rate swaps (1)	1	$	350,000	$	3,952	Other assets	$	(39,248)
					6,346	Other current assets		
Foreign currency forwards (2)	138		687,763		625	Other current assets		—
Total	139	$	1,037,763	$	10,923		$	(39,248)

(1) Effective June 30, 2020, the Company de-designated all of its interest rate swaps and discontinued hedge accounting. Accordingly, subsequent changes to fair value of the interest rate swaps are recorded in Other (expense) income, net. The amounts previously recorded in Accumulated other comprehensive loss are amortized into Interest expense, net over the terms of the hedged forecasted interest payments. See Note 8 — Debt for additional information regarding the Company's interest rate swap contracts.
(2) The Company has foreign exchange transaction risk because it typically enters into transactions in the normal course of business that are denominated in foreign currencies that differ from the local functional currency. The Company enters into short-term foreign currency forward exchange contracts to mitigate the cash flow risk associated with changes in foreign currency rates on forecasted foreign currency transactions. These contracts are accounted for at fair value with realized and unrealized gains and losses recognized in Other (expense) income, net because the Company does not designate these contracts as hedges for accounting purposes. All of the outstanding foreign currency forward exchange contracts at March 31, 2023 matured before April 30, 2023.
(3) See Note 12 — Fair Value Disclosures for the determination of the fair values of these instruments.

At March 31, 2023, all of the Company's derivative counterparties were investment grade financial institutions. The Company did not have any collateral arrangements with its derivative counterparties and none of the derivative contracts contained credit-risk related contingent features. The table below provides information regarding amounts recognized in the accompanying Condensed Consolidated Statements of Operations for derivative contracts for the periods indicated (in thousands).

	Three Months Ended March 31,			
Amount recorded in:		**2023**		**2022**
Interest expense, net (1)	$	5,117	$	7,166
Other expense (income), net (2)		1,904		(26,900)
Total expense (income), net	$	7,021	$	(19,734)

(1) Consists of interest expense from interest rate swap contracts.
(2) Consists of net realized and unrealized gains and losses on foreign currency forward contracts and gains and losses on de-designated interest rate swaps.

Note 12 — Fair Value Disclosures

The Company's financial instruments include cash equivalents, fees receivable from customers, accounts payable and accrued liabilities, all of which are normally short-term in nature. The Company believes that the carrying amounts of these financial instruments reasonably approximate their fair values due to their short-term nature. The Company's financial instruments also include its outstanding variable-rate borrowings under the 2020 Credit Agreement. The Company believes that the carrying amounts of its variable-rate borrowings reasonably approximate their fair values because the rates of interest on those borrowings reflect current market rates of interest for similar instruments with comparable maturities.

The Company enters into a limited number of derivatives transactions but does not enter into repurchase agreements, securities lending transactions or master netting arrangements. Receivables or payables that result from derivatives transactions are recorded gross in the Company's Condensed Consolidated Balance Sheets.

FASB ASC Topic 820 provides a framework for the measurement of fair value and a valuation hierarchy based on the transparency of inputs used in the valuation of assets and liabilities. Classification within the valuation hierarchy is based on the lowest level of input that is significant to the resulting fair value measurement. The valuation hierarchy contains three levels. Level 1 measurements consist of quoted prices in active markets for identical assets or liabilities. Level 2 measurements include significant other observable inputs such as quoted prices for similar assets or liabilities in active markets; identical assets or liabilities in inactive markets; observable inputs such as interest rates and yield curves; and other market-corroborated inputs. Level 3 measurements include significant unobservable inputs such as internally-created valuation models. Generally, the Company does not utilize Level 3 valuation inputs to remeasure any of its assets or liabilities. However, Level 3 inputs may be used by the Company when certain long-lived assets, including identifiable intangible assets, goodwill, and right-of-use assets are measured at fair value on a nonrecurring basis when there are indicators of impairment. Additionally, Level 3 inputs may be used by the Company in its required annual impairment review of goodwill. Information regarding the periodic assessment of the Company's goodwill is included in Note 3 — Goodwill and Intangible Assets. The Company does not typically transfer assets or liabilities between different levels of the valuation hierarchy.

The table below presents the fair values of certain financial assets and liabilities that are measured at fair value on a recurring basis in the Company's financial statements (in thousands).

Description	**March 31, 2023**	**December 31, 2022**
Assets:		
Values based on Level 1 inputs:		
Deferred compensation plan assets (1)	$ 13,208	$ 6,065
Total Level 1 inputs	13,208	6,065
Values based on Level 2 inputs:		
Deferred compensation plan assets (1)	89,517	84,318
Foreign currency forward contracts (2)	42	3,236
Interest rate swap contract (3)	7,590	10,298
Total Level 2 inputs	97,149	97,852
Total Assets	$ 110,357	$ 103,917
Liabilities:		
Values based on Level 2 inputs:		
Deferred compensation plan liabilities (1)	$ 108,171	$ 96,641
Foreign currency forward contracts (2)	525	2,611
Total Level 2 inputs	108,696	99,252
Total Liabilities	$ 108,696	$ 99,252

(1) The Company has a deferred compensation plan for the benefit of certain highly compensated officers, managers and other key employees. The assets consist of investments in money market funds, mutual funds and company-owned life insurance contracts, which are valued based on Level 1 or Level 2 inputs. The related deferred compensation plan liabilities are recorded at fair value, or the estimated amount needed to settle the liability, which the Company considers to be a Level 2 input.

(2) The Company enters into foreign currency forward exchange contracts to hedge the effects of adverse fluctuations in foreign currency exchange rates (see Note 11 — Derivatives and Hedging). Valuation of these contracts is based on observable foreign currency exchange rates in active markets, which the Company considers to be a Level 2 input.

(3) The Company has an interest rate swap contract that hedges the risk of variability from interest payments on its borrowings (see Note 8 — Debt). The fair value of the interest rate swap is based on mark-to-market valuations prepared by a third-party broker. This valuation are based on observable interest rates from recently executed market transactions and other observable market data, which the Company considers to be Level 2 inputs. The Company independently corroborates the reasonableness of the valuations prepared by the third-party broker by using an electronic quotation service.

The table below presents the carrying amounts (net of deferred financing costs) and fair values of financial instruments that are not recorded at fair value in the Company's Condensed Consolidated Balance Sheets (in thousands). The estimated fair value of the financial instruments was derived from quoted market prices provided by an independent dealer, which the Company considers to be a Level 2 input.

	Carrying Amount		Fair Value	
Description	**March 31, 2023**	**December 31, 2022**	**March 31, 2023**	**December 31, 2022**
2028 Notes	$ 793,218	$ 792,934	$ 762,480	$ 740,864
2029 Notes	594,158	593,951	539,976	523,842
2030 Notes	792,537	792,324	720,104	688,856
Total	$ 2,179,913	$ 2,179,209	$ 2,022,560	$ 1,953,562

Assets and liabilities measured at fair value on a non-recurring basis

The Company's certain long-lived assets, including identifiable intangible assets, goodwill, right-of-use assets and other long-lived assets, are measured at fair value on a nonrecurring basis when there are indicators of impairment. During the three months ended March 31, 2023 and 2022, the Company recorded impairment charges of $8.7 million and $23.9 million, respectively, on right-of-use assets and other long-lived assets primarily related to certain office leases that the Company determined will no longer be used. The impairments were derived by comparing the fair value of the impacted assets to the carrying value of those assets as of the impairment measurement date, as required under ASC Topic 360 using Level 3 inputs. See Note 14 — Leases for additional discussion related to these impairment charges.

Note 13 — Contingencies

Legal Matters. The Company is involved in legal proceedings and litigation arising in the ordinary course of business. A provision is recorded for pending litigation in the Company's consolidated financial statements when it is determined that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. The Company believes that the potential liability, if any, in excess of amounts already accrued from all proceedings, claims and litigation will not have a material effect on its financial position, cash flows or results of operations when resolved in a future period.

Indemnifications. The Company has various agreements that may obligate it to indemnify the other party with respect to certain matters. Generally, these indemnification clauses are included in contracts arising in the normal course of business under which the Company customarily agrees to hold the other party harmless against losses arising from a breach of representations related to matters such as title to assets sold and licensed or certain intellectual property rights. It is not possible to predict the maximum potential amount of future payments under these indemnification agreements due to the conditional nature of the Company's obligations and the unique facts of each particular agreement. Historically, payments made by the Company under these agreements have not been material. As of March 31, 2023, the Company did not have any material payment obligations under any such indemnification agreements.

Note 14 — Leases

The Company's leasing activities are primarily for facilities under cancelable and non-cancelable lease agreements expiring during 2023 and through 2038. These facilities support our executive and administrative activities, sales, systems support, operations, and other functions. The Company also has leases for office equipment and other assets, which are not significant. Certain of these lease agreements include (i) renewal options to extend the lease term for up to ten years and/or (ii) options to terminate the agreement within one year. Additionally, certain of the Company's lease agreements provide standard recurring escalations of lease payments for, among other things, increases in a lessor's maintenance costs and taxes. Under some lease agreements, the Company may be entitled to allowances, free rent, lessor-financed tenant improvements and other incentives. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company subleases certain office space that it does not intend to occupy. Such sublease arrangements expire during 2023 and through 2032 and primarily relate to facilities in Arlington, Virginia. Certain of the Company's sublease agreements: (i) include renewal and termination options; (ii) provide for customary escalations of lease payments in the normal course of business; and (iii) grant the subtenant certain allowances, free rent, Gartner-financed tenant improvements and other incentives.

All of the Company's leasing and subleasing activity is recognized in Selling, general and administrative expense in the accompanying Condensed Consolidated Statements of Operations. The table below presents the Company's net lease cost and certain other information related to the Company's leasing activities as of and for the periods indicated (dollars in thousands).

	Three Months Ended March 31,	
Description:	**2023**	**2022**
Operating lease cost (1)	$ 28,799	$ 30,364
Lease cost (2)	4,720	4,268
Sublease income	(12,641)	(10,925)
Total lease cost, net (3) (4)	$ 20,878	$ 23,707
Cash paid for amounts included in the measurement of operating lease liabilities	$ 34,948	$ 34,817
Cash receipts from sublease arrangements	$ 12,439	$ 11,164
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 1,647	$ 6,930

(1) Included in operating lease cost was $10.6 million and $10.5 million for the three months ended March 31, 2023 and 2022, respectively, for costs related to subleasing activities.
(2) These amounts are primarily variable lease and nonlease costs that are not fixed at the lease commencement date or are dependent on something other than an index or a rate.
(3) The Company did not capitalize any operating lease costs during any of the periods presented.
(4) Amount excludes impairment charges on lease related assets totaling $8.7 million and $23.9 million, for the three months ended March 31, 2023 and 2022, respectively, as discussed below.

The table below indicates where the discounted operating lease payments from the above table are classified in the accompanying Condensed Consolidated Balance Sheets (in thousands).

Description:	**March 31, 2023**	**December 31, 2022**
Accounts payable and accrued liabilities	$ 99,674	$ 99,717
Operating lease liabilities	575,963	597,267
Total operating lease liabilities included in the Condensed Consolidated Balance Sheets	$ 675,637	$ 696,984

As a result and in consideration of the changing nature of the Company's use of office space for its workforce and the transitioning to a virtual-first hybrid work environment, the Company has been evaluating its existing real estate lease portfolio. In connection with this evaluation, the Company reviewed certain of its right-of-use assets and related other long-lived assets for impairment under ASC 360. As a result of the evaluation, the Company recognized impairment losses during the three months ended March 31, 2023 and 2022 of $8.7 million and $23.9 million, respectively, which are included as a component of Selling, general and administrative expenses in the accompanying Condensed Consolidated Statements of Operations. The impairment losses recorded include $6.3 million and $17.7 million related to right-of-use assets and $2.4 million and $6.2 million related to other long-lived assets, primarily leasehold improvements, for the three months ended March 31, 2023 and 2022, respectively.

The fair values for the asset groups relating to the impaired long-lived assets were estimated primarily using discounted cash flow models (income approach) with Level 3 inputs. The significant assumptions used in estimating fair values include the expected downtime prior to the commencement of future subleases, projected sublease income over the remaining lease periods and discount rates that reflect the level of risk associated with receiving future cash flows.

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

The purpose of this Management's Discussion and Analysis ("MD&A") is to facilitate an understanding of significant factors influencing the quarterly operating results, financial condition and cash flows of Gartner, Inc. Additionally, the MD&A conveys our expectations of the potential impact of known trends, events or uncertainties that may impact future results. You should read this discussion in conjunction with our Condensed Consolidated Financial Statements and related notes included in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K"). Historical results and percentage relationships are not necessarily indicative of operating results for future periods. References to "Gartner," the "Company," "we," "our" and "us" in this MD&A are to Gartner, Inc. and its consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q contains certain 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. Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions, projections or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as "may," "will," "expect," "should," "could," "believe," "plan," "anticipate," "estimate," "predict," "potential," "continue" or other words of similar meaning.

We operate in a very competitive and rapidly changing environment that involves numerous known and unknown risks and uncertainties, some of which are beyond our control. Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future quarterly and annual revenues, operating income, results of operations and cash flows, as well as any forward-looking statement, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the Securities and Exchange Commission. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, among others, 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, recession and the COVID-19 pandemic; 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 increasing 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; 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 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 the recently enacted Inflation Reduction Act of 2022) and heightened scrutiny from various taxing authorities globally; changes to laws and regulations; and other risks and uncertainties. The potential fluctuations in our operating income could cause period-to-period comparisons of operating results not to be meaningful and could provide an unreliable indication of future operating results A description of the risk factors associated with our business is included under "Risk Factors" in Item 1A. of the 2022 Form 10-K, which is incorporated herein by reference.

Forward-looking statements are subject to risks, estimates and uncertainties that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those listed above or described under "Risk Factors" in Item 1A of the 2022 Form 10-K. Readers should not place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date on which they were made. Forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date hereof, and forward-looking statements in documents attached that are incorporated by reference speak only as of the date of those documents. Except as required by law, we disclaim any obligation to review or update these forward-looking statements to reflect events or circumstances as they occur.

BUSINESS OVERVIEW

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.

We deliver our products and services globally through three business segments – Research, Conferences and Consulting, as described below.

- ***Research*** equips executives and their teams from every function and across all industries with actionable, objective insight, guidance and tools. Our experienced experts deliver all this value informed by an unmatched combination of practitioner-sourced and data-driven research to help our clients address their mission critical priorities.

- ***Conferences*** provides executives and teams across an organization the opportunity to learn, share and network. From our Gartner Symposium/Xpo series, to industry-leading conferences focused on specific business roles and topics, to peer-driven sessions, our offerings enable attendees to experience the best of Gartner insight and guidance.

- ***Consulting*** serves senior executives leading technology-driven strategic initiatives leveraging the power of Gartner’s actionable, objective insight. Through custom analysis and on-the-ground support we enable optimized technology investments and stronger performance on our clients’ mission critical priorities.

As of March 31, 2023 we had approximately 19,830 employees globally, an increase of 15.1% from March 31, 2022.

Recent Events

The invasion of Ukraine by Russia and the sanctions and other measures being imposed in response to this conflict have increased the level of economic and political uncertainty. In 2022, we exited our business in Russia. Russia has not composed a material portion of our consolidated revenues, net income, net assets or workforce. We do not have a business in Ukraine. Other impacts due to this evolving situation are currently unknown and could subject our business to materially adverse consequences should the situation escalate or cause an expansion of economic disruption beyond its current scope to the rest of Europe, where a material portion of our business is carried out. A prolonged disruption may adversely affect our business operations, financial performance and results of operations.

Inflation rates, particularly in North America and Europe, have increased significantly in the past year. Inflation has not had a material effect on our business operations, financial performance and results of operations, other than its impact on the general economy. However, if our costs, in particular personnel-related costs, were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases in future periods. Our inability or failure to realize these offsets could adversely affect our business operations, financial performance and results of operations.

On August 16, 2022, the Inflation Reduction Act of 2022 was enacted into law in the United States. The statute includes a 15% corporate alternative minimum tax on U.S. corporations with adjusted financial statement income in excess of $1.0 billion which is effective for taxable years beginning after December 31, 2022. The statute also includes a 1% excise tax on publicly traded U.S. corporations for the value of any of its stock that is repurchased by the corporation, excluding certain excepted repurchases. We do not expect it will have a material impact on our future U.S. tax expense, cash taxes and effective tax rate. We also do not expect it to have a material impact on the amount of potential future share repurchases.

In February 2023, we completed the sale of a non-core business, TalentNeuron, for approximately $164.2 million and realized $158.7 million in cash from the sale, which was net of certain closing expenses. The sale is subject to certain post-closing adjustments. TalentNeuron was included in our Research segment. The Company recorded a pre-tax gain of $139.3 million on the sale of TalentNeuron, which is included in Gain from sale of divested operation in the Condensed Consolidated Statement of Operations for the three months ended March 31, 2023.

BUSINESS MEASUREMENTS

We believe that the following business measurements are important performance indicators for our business segments:

BUSINESS SEGMENT	BUSINESS MEASUREMENT
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.
Conferences	**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 conferences 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.

EXECUTIVE SUMMARY OF OPERATIONS AND FINANCIAL POSITION

The fundamentals of our strategy include a focus on creating actionable insights for executive leaders and their teams, delivering innovative and highly differentiated product offerings, building a strong sales capability, providing world class client service with a focus on client engagement and retention, and continuously improving our operational effectiveness.

We had total revenues of $1.4 billion during the first quarter of 2023, an increase of 12% compared to the first quarter of 2022. During the first quarter of 2023, revenues for Research increased by 7%, Conferences revenue increased by 524%, and Consulting revenues increased by 10%, compared to the first quarter of 2022. For a more complete discussion of our results by segment, see Segment Results below.

For the first quarter of 2023 and 2022, we had net income of $295.8 million and $172.5 million, respectively, and diluted income per share of $3.68 and $2.08, respectively. Cash provided by operating activities was $164.7 million and $167.8 million during the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023, we had $893.5 million of cash and cash equivalents and approximately $1.0 billion of available borrowing capacity on our revolving credit facility. For a more complete discussion of our cash flows and financial position, see the Liquidity and Capital Resources section below.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

For information regarding our critical accounting policies and estimates, please refer to Part II, Item 7, “Critical Accounting Policies and Estimates” contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. There have been no material changes to the critical accounting policies previously disclosed in that report.

RECENTLY ISSUED ACCOUNTING STANDARDS

The FASB has issued accounting standards that have not yet become effective and that may impact the Company’s consolidated financial statements or its disclosures in future periods. Note 1 — Business and Basis of Presentation in the Notes to Condensed Consolidated Financial Statements provides information regarding those accounting standards.

RESULTS OF OPERATIONS

Consolidated Results

In addition to GAAP results, we provide foreign currency neutral dollar amounts and percentages for our revenues, certain expenses, contract values 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 business performance 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.

The table below presents an analysis of selected line items and period-over-period changes in our interim Condensed Consolidated Statements of Operations for the periods indicated (in thousands).

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Increase (Decrease)	Increase (Decrease) %
Total revenues	$ 1,408,869	$ 1,262,740	$ 146,129	12 %
Costs and expenses:				
Cost of services and product development	435,139	377,033	58,106	15
Selling, general and administrative	657,090	617,904	39,186	6
Depreciation	23,896	23,201	695	3
Amortization of intangibles	22,735	25,148	(2,413)	(10)
Acquisition and integration charges	1,368	2,207	(839)	(38)
Gain from sale of divested operation	(139,316)	—	(139,316)	nm
Operating income	407,957	217,247	190,710	88
Interest expense, net	(27,391)	(31,394)	(4,003)	(13)
Gain on event cancellation insurance claims	3,077	—	3,077	nm
Other (expense) income, net	(2,366)	29,206	(31,572)	nm
Less: Provision for income taxes	85,494	42,544	42,950	101
Net income	$ 295,783	$ 172,515	$ 123,268	71 %

nm = not meaningful.

Total revenues for the three months ended March 31, 2023 were $1.4 billion, an increase of $146.1 million, or 12% compared to the same period in 2022 on a reported basis and 14% excluding the foreign currency impact. Refer to the section of this MD&A below entitled “Segment Results” for a discussion of revenues and results by segment.

Cost of services and product development was $435.1 million during the three months ended March 31, 2023, an increase of $58.1 million compared to the same period in 2022, or 15% on a reported basis and 17% excluding the foreign currency impact. The increase in Cost of services and product development was primarily due to increased compensation costs as a result of higher headcount, and increased conference related expenses, due to the return to in-person destination conferences. Cost of services and product development as a percent of revenues was 31% and 30% for the three months ended March 31, 2023 and 2022, respectively.

Selling, general and administrative (“SG&A”) expense was $657.1 million during the three months ended March 31, 2023, an increase of $39.2 million compared to the same period in 2022, or 6% on a reported basis and 9% excluding the foreign currency impact. The increase in SG&A expense during the three months ended March 31, 2023 was primarily as a result of higher personnel expenses due to increased headcount. This increase was partially offset by lower charges associated with the impairment of right-of-use assets and other long-lived assets of $8.7 million, compared to $23.9 million in the prior year. The number of quota-bearing sales associates in Global Technology Sales increased by 22% to 3,666 and in Global Business Sales, adjusted for the sale of our TalentNeuron business, increased by 18% to 1,141 compared to March 31, 2022. On a combined basis, the total number of quota-bearing sales associates increased by 21% when compared to March 31, 2022. SG&A expense as a percent of revenues was 47% and 49% during the three months ended March 31, 2023 and 2022, respectively.

Depreciation increased by 3% during the three months ended March 31, 2023, compared to the same period in 2022. The increase for the three months ended March 31, 2023 was primarily due to increased computer equipment and software additions in 2022, partially offset by a reduction in leasehold improvements depreciation as a result of the impairment losses recorded during calendar year 2022.

Amortization of intangibles decreased by 10% during the three months ended March 31, 2023 compared to the same period in 2022 primarily due to intangible assets divested as part of the sale of our TalentNeuron business.

Acquisition and integration charges decreased by $0.8 million during the three months ended March 31, 2023, compared to the same period in 2022.

Gain from sale of divested operation of $139.3 million was attributable to the sale of our TalentNeuron business in February 2023.

Operating income was $408.0 million and $217.2 million during the three months ended March 31, 2023 and 2022, respectively. The increase in operating income for the three months ended March 31, 2023 as compared to the prior year period was primarily due to the gain from sale of divested operation, as well as increased revenue, partially offset by an increase in cost of services and product development and selling, general and administrative expenses.

Interest expense, net decreased by $4.0 million during the three months ended March 31, 2023, compared to the same period in 2022, resulting from increased interest income and lower interest expense due to the maturation of $700.0 million in fixed-for-floating interest rate swap contracts in March 2022, partially offset by higher interest rate on our term loan.

Gain on event cancellation insurance claims of $3.1 million during the three months ended March 31, 2023 reflected proceeds related to 2020 conference cancellation insurance claims.

Other (expense) income, net for the periods presented herein included the net impact of foreign currency gains and losses from our hedging activities. Other (expense) income, net for the three months ended March 31, 2023 and March 31, 2022 also included losses (gains) of $1.4 million and $(29.9) million, respectively, on de-designated interest rate swaps.

The provision for income taxes was $85.5 million and $42.5 million for the three months ended March 31, 2023 and 2022, respectively. The effective income tax rate was 22.4% and 19.8% for the three months ended March 31, 2023 and 2022, respectively. The year-over-year increase in the effective income tax rate was primarily due to the sale of our TalentNeuron business.

Net income for the three months ended March 31, 2023 and 2022 was $295.8 million and $172.5 million, respectively. Our diluted net income per share during the three months ended March 31, 2023 increased by $1.60 compared to the same period in 2022. The increase in net income during the three months ended March 31, 2023 was primarily the result of the gain from sale of divested operations, as well as increased revenue, partially offset by increased operating expenses, a lower gain from de-designated interest rate swaps and higher income tax expense.

SEGMENT RESULTS

We evaluate reportable segment performance and allocate resources based on gross contribution margin. Gross contribution is defined as operating income or loss excluding certain Cost of services and product development expenses, SG&A expenses, Depreciation, Amortization of intangibles, Acquisition and integration charges and Gain from sale of divested operation. Gross contribution margin is defined as gross contribution as a percent of revenues.

Reportable Segments

The sections below present the results of the Company’s three reportable business segments: Research, Conferences and Consulting.

Research

	As Of And For The Three Months Ended March 31, 2023	As Of And For The Three Months Ended March 31, 2022	Increase (Decrease)	Percentage Increase (Decrease)
Financial Measurements:				
Revenues (1)	$ 1,217,191	$ 1,136,380	$ 80,811	7 %
Gross contribution (1)	$ 899,514	$ 849,379	$ 50,135	6 %
Gross contribution margin	74 %	75 %	(1) point	—
Business Measurements:				
Global Technology Sales (2):				
Contract value (1), (3)	$ 3,534,000	$ 3,246,000	$ 288,000	9 %
Client retention	85 %	86 %	(1) point	—
Wallet retention	104 %	107 %	(3) points	—
Global Business Sales (2):				
Contract value (1), (3), (4)	$ 983,000	$ 845,000	$ 138,000	16 %
Client retention	89 %	87 %	2 points	—
Wallet retention	110 %	115 %	(5) points	—

(1) Dollars in thousands.
(2) Global Technology Sales includes sales to users and providers of technology. Global Business Sales includes sales to all other functional leaders.
(3) Contract values are on a foreign exchange neutral basis. Contract values as of March 31, 2022 have been calculated using the same foreign currency rates as 2023.
(4) Contract value as of March 31, 2022 excludes the TalentNeuron business sold in February 2023.

Research revenues increased by $80.8 million during the three months ended March 31, 2023 compared to the same period in 2022, or 7% on a reported basis and 9% excluding the foreign currency impact. The segment gross contribution margin was 74% and 75% for the three months ended March 31, 2023 and 2022, respectively. The increase in revenues during 2023 was primarily due to strong Research contract value growth in 2022.

Contract value increased to $4.5 billion at March 31, 2023, or 10% compared to March 31, 2022 excluding the foreign currency impact. Global Technology Sales ("GTS") contract value increased by 9% at March 31, 2023 when compared to March 31, 2022. The increase in GTS contract value was primarily due to new business from new and existing clients. GTS contract value increased by at least high single-digits for all enterprise sizes and all sectors but Healthcare and Tech and Telecom. Global Business Sales ("GBS") contract value increased by 16% year-over-year, also primarily driven by new business from new and existing clients. The majority of our GBS practices achieved double-digit growth rates, with all enterprise sizes and nearly all sectors growing double-digits year-over-year.

GTS client retention was 85% and 86% as of March 31, 2023 and 2022, respectively, while wallet retention was 104% and 107%, respectively. GBS client retention was 89% and 87% as of March 31, 2023 and 2022, respectively, while wallet retention was 110% and 115%, respectively. The decrease in GTS and GBS wallet retention was largely due to lower levels of incremental spending by existing clients.

Conferences

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Increase (Decrease)	Percentage Increase (Decrease)
Financial Measurements:				
Revenues (1)	$ 64,642	$ 10,354	$ 54,288	524 %
Gross contribution (1)	$ 26,788	$ (2,876)	$ 29,664	nm
Gross contribution margin	41 %	(28)%	69 points	—
Business Measurements:				
Number of destination conferences (2)	10	5	5	100 %
Number of destination conferences attendees (2)	11,125	3,904	7,221	185 %

nm = not meaningful.

(1) Dollars in thousands.
(2) Includes both virtual and in-person conferences. Single day, local meetings are excluded.

Conferences revenues increased by $54.3 million during the three months ended March 31, 2023 compared to the same period in 2022. The increase in revenues for the three months ended March 31, 2023 was primarily due to the return to in-person destination conferences, beginning in the second quarter of 2022. We held 10 in-person destination conferences during the three months ended March 31, 2023, compared to 5 virtual conferences during the three months ended March 31, 2022. Gross contribution increased to $26.8 million during the three months ended March 31, 2023 compared to negative $2.9 million in the same period last year. The increase in gross contribution was primarily the result of the return to in-person destination conferences noted above.

Consulting

	As Of And For The Three Months Ended March 31, 2023		As Of And For The Three Months Ended March 31, 2022		Increase (Decrease)		Percentage Increase (Decrease)
Financial Measurements:							
Revenues (1)	$	127,036	$	116,006	$	11,030	10 %
Gross contribution (1)	$	50,808	$	51,012	$	(204)	— %
Gross contribution margin		40 %		44 %		(4) points	—
Business Measurements:							
Backlog (1), (2)	$	160,600	$	140,800	$	19,800	14 %
Billable headcount		904		780		124	16 %
Consultant utilization		67 %		72 %		(5) points	—

(1) Dollars in thousands.
(2) Backlog is on a foreign exchange neutral basis. Backlog as of March 31, 2022 has been calculated using the same foreign currency rates as 2023.

Consulting revenues increased by 10% during the three months ended March 31, 2023 compared to the same period in 2022 on a reported basis and 14% excluding the foreign currency impact, with an increase in labor-based consulting revenue of 1% and an increase in contract optimization revenue of 53%, each on a reported basis. Contract optimization revenue may vary significantly and, as such, revenues for the first quarter of 2023 may not be indicative of results for the remainder of 2023 or beyond. The segment gross contribution margin was 40% and 44% for the three months ended March 31, 2023 and 2022, respectively. The decrease in gross contribution margin during the first quarter of 2023 was primarily due to increased personnel expense related to higher headcount.

Backlog increased by $19.8 million, or 14%, from March 31, 2022 to March 31, 2023 excluding the foreign currency impact.

LIQUIDITY AND CAPITAL RESOURCES

We finance our operations through cash generated from our operating activities and, to a lesser extent, borrowings. Note 8 — Debt in the Notes to Condensed Consolidated Financial Statements provides additional information regarding the Company's outstanding debt obligations. At March 31, 2023, we had $893.5 million of cash and cash equivalents and approximately $1.0 billion of available borrowing capacity on the revolving credit facility under our 2020 Credit Agreement. We believe that the Company has adequate liquidity to meet its currently anticipated needs for both the next twelve months and the foreseeable future.

We have historically generated significant cash flows from our operating activities, benefiting from the favorable working capital dynamics of our subscription-based business model in our Research segment, which is our largest business segment and historically has constituted a significant portion of our total revenues. The majority of our Research customer contracts are paid in advance and, combined with a strong customer retention rate and high incremental margins, our subscription-based business model has resulted in continuously strong operating cash flow. Cash flow generation has also benefited from our ongoing efforts to improve the operating efficiencies of our businesses as well as a focus on the optimal management of our working capital as we increase sales.

Our cash and cash equivalents are held in numerous locations throughout the world with 47% held outside the U.S. at March 31, 2023. We intend to reinvest substantially all of its accumulated undistributed foreign earnings, except in instances where repatriation would result in minimal additional tax.

The table below summarizes the changes in the Company's cash balances for the periods indicated (in thousands).

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Increase (Decrease)
Cash provided by operating activities	$ 164,679	$ 167,785	$ (3,106)
Cash provided by (used in) investing activities	137,611	(17,293)	154,904
Cash used in financing activities	(101,292)	(445,452)	344,160
Net increase (decrease) in cash and cash equivalents and restricted cash	200,998	(294,960)	495,958
Effects of exchange rates	(5,485)	(5,358)	(127)
Beginning cash and cash equivalents and restricted cash	698,599	760,602	(62,003)
Ending cash and cash equivalents and restricted cash	$ 894,112	$ 460,284	$ 433,828

Operating

Cash provided by operating activities was $164.7 million and $167.8 million during the three months ended March 31, 2023 and 2022, respectively. The year-over-year decrease was primarily due to lower contribution from deferred revenue growth partially offset by increased operating income.

Investing

Cash provided by (used in) investing activities was $137.6 million and $(17.3) million during the three months ended March 31, 2023 and 2022, respectively. The increase from 2022 to 2023 was the result of the proceeds received from the sale of our TalentNeuron business in February 2023, partially offset by increased capital expenditures primarily due to higher capitalized software and computer equipment additions.

Financing

Cash used in financing activities was $101.3 million and $445.5 million during the three months ended March 31, 2023 and 2022, respectively. During the 2023 period, we used $106.9 million of cash for share repurchases and paid a net $1.8 million in debt principal repayments. During the 2022 period, we used $451.1 million of cash for share repurchases and repaid a net $1.3 million in debt principal repayments.

Debt

As of March 31, 2023, the Company had $2.5 billion of principal amount of debt outstanding, of which $6.0 million is to be repaid in the remainder of fiscal year 2023. Note 8 — Debt in the Notes to Condensed Consolidated Financial Statements provides additional information regarding the Company's outstanding debt obligations. From time to time, the Company may seek to retire or repurchase its outstanding debt through various methods including open market repurchases, negotiated block transactions, or otherwise, all or some of which may be effected through Rule 10b5-1 plans. Such transactions, if any, depend on prevailing market conditions, our liquidity and capital requirements, contractual restrictions, and other factors, and may involve material amounts.

OFF BALANCE SHEET ARRANGEMENTS

From January 1, 2023 through March 31, 2023, the Company has not entered into any material off-balance sheet arrangements or transactions with unconsolidated entities or other persons.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISK

As of March 31, 2023, the Company had $2.5 billion in total debt principal outstanding. Note 8 — Debt in the Notes to Condensed Consolidated Financial Statements provides additional information regarding the Company's outstanding debt obligations.

Approximately $280.4 million of the Company's total debt outstanding as of March 31, 2023 was based on a floating base rate of interest, which potentially exposes the Company to increases in interest rates. However, we reduce our overall exposure to interest rate increases through our interest rate swap contract, which effectively converts the floating base interest rates on all of our variable rate borrowings to fixed rates.

FOREIGN CURRENCY RISK

A significant portion of our revenues are typically derived from sales outside of the United States. Among the major foreign currencies in which we conduct business are the Euro, the British Pound, the Japanese Yen, the Australian dollar and the Canadian dollar. The reporting currency of our Condensed Consolidated Financial Statements is the U.S. dollar. As the values of the foreign currencies in which we operate fluctuate over time relative to the U.S. dollar, the Company is exposed to both foreign currency translation and transaction risk.

Translation risk arises as our foreign currency assets and liabilities are translated into U.S. dollars because the functional currencies of our foreign operations are generally denominated in the local currency. Adjustments resulting from the translation of these assets and liabilities are deferred and recorded as a component of stockholders' equity. A measure of the potential impact of foreign currency translation can be determined through a sensitivity analysis of our cash and cash equivalents. At March 31, 2023, we had $893.5 million of cash and cash equivalents, with a substantial portion denominated in foreign currencies. If the exchange rates of the foreign currencies we hold all changed in comparison to the U.S. dollar by 10%, the amount of cash and cash equivalents we would have reported on March 31, 2023 could have increased or decreased by approximately $49.3 million. The translation of our foreign currency revenues and expenses historically has not had a material impact on our consolidated earnings because movements in and among the major currencies in which we operate tend to impact our revenues and expenses fairly equally. However, our earnings could be impacted during periods of significant exchange rate volatility, or when some or all of the major currencies in which we operate move in the same direction against the U.S. dollar.

Transaction risk arises when we enter into a transaction that is denominated in a currency that may differ from the local functional currency. As these transactions are translated into the local functional currency, a gain or loss may result, which is recorded in current period earnings. We typically enter into foreign currency forward exchange contracts to mitigate the effects of some of this foreign currency transaction risk. Our outstanding foreign currency forward exchange contracts as of March 31, 2023 had an immaterial net unrealized loss.

CREDIT RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of short-term, highly liquid investments classified as cash equivalents, fees receivable, interest rate swap contracts and foreign currency forward exchange contracts. The majority of the Company's cash and cash equivalents, interest rate swap contracts and foreign currency forward exchange contracts are with large investment grade commercial banks. Fees receivable balances deemed to be collectible from customers have limited concentration of credit risk due to our diverse customer base and geographic dispersion.

ITEM 4. CONTROLS AND PROCEDURES

We have established disclosure controls and procedures that are designed to ensure that the information we are required to disclose in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and such information is accumulated and communicated to our executive management team, including our chief executive officer and our chief financial officer, to allow timely decisions regarding required disclosure.

Management conducted an evaluation, as of March 31, 2023, of the effectiveness of the design and operation of our disclosure controls and procedures, under the supervision and with the participation of our chief executive officer and chief financial officer. Based upon that evaluation, our chief executive officer and chief financial officer have concluded that the Company’s disclosure controls and procedures are effective in alerting them in a timely manner to material Company information required to be disclosed by us in reports filed or submitted under the Exchange Act.

There have been no changes in the Company’s internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in legal and administrative proceedings and litigation arising in the ordinary course of business. We believe that the potential liability, if any, in excess of amounts already accrued from all proceedings, claims and litigation will not have a material effect on our financial position, cash flows or results of operations when resolved in a future period.

ITEM 1A. RISK FACTORS

There were no material changes to the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022.

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

There were no unregistered sales of equity securities during the period covered by this report.

Issuer Purchases of Equity Securities

In May 2015, the Company's Board of Directors (the "Board") authorized a share repurchase program to repurchase up to $1.2 billion of the Company's common stock. The Board authorized incremental share repurchases of up to an additional $1.6 billion, $1.0 billion and $0.4 billion of the Company's common stock during 2021, 2022, and February 2023, respectively. The Company may repurchase its common stock from time-to-time in amounts, at prices and in the manner that the Company deems appropriate, subject to the availability of stock, prevailing market conditions, the trading price of the stock, the Company's financial performance and other conditions. Repurchases may be made through open market purchases (which may include repurchase plans designed to comply with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended), accelerated share repurchases, private transactions or other transactions and will be funded by cash on hand and borrowings. Repurchases may also be made from time-to-time in connection with the settlement of the Company's stock-based compensation awards. The table below summarizes the repurchases of our common stock during the three months ended March 31, 2023.

Period	Total Number of Shares Purchased (#)	Average Price Paid Per Share ($)	Total Number of Shares Purchased Under Announced Programs (#)	Maximum Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in thousands)
January 1, 2023 to January 31, 2023	4,913	$ 333.94	—	$ 606,007
February 1, 2023 to February 28, 2023	181,537	343.47	24,098	998,008
March 1, 2023 to March 31, 2023	141,230	317.61	137,097	$ 954,519
Total for the quarter (1)	327,680	$ 332.18	161,195	

(1) The repurchased shares during the three months ended March 31, 2023 included purchases for both the settlement of stock-based compensation awards and open market purchases.

ITEM 6. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
3.1(1)	Restated Certificate of Incorporation of the Company.
3.2(2)	By-laws of Gartner, Inc. (as amended through April 29, 2021).
31.1*	Certification of chief executive officer under Rule 13a — 14(a)/15d — 14(a).
31.2*	Certification of chief financial officer under Rule 13a — 14(a)/15d — 14(a).
32*	Certification under 18 U.S.C. 1350.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File, formatted in Inline XBRL (included as Exhibit 101).

* Filed with this report.
(1) Incorporated by reference from the Company's Current Report on Form 8-K filed on July 6, 2005.
(2) Incorporated by reference from the Company's Current Report on Form 8-K filed on May 5, 2021.

Items 3 and 4 of Part II are not applicable and have been omitted.

SIGNATURE

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

Gartner, Inc.

Date: May 2, 2023

/s/ Craig W. Safian
Craig W. Safian
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Eugene A. Hall, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, of Gartner, Inc.;

(2) Based on my knowledge, this 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 disclosure 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(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 a significant role in the registrant's internal control over financial reporting.

/s/ Eugene A. Hall
Eugene A. Hall
Chief Executive Officer
Date: May 2, 2023

Exhibit 31.2

CERTIFICATION

I, Craig W. Safian, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, of Gartner, Inc.;

(2) Based on my knowledge, this 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 disclosure 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(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 a significant role in the registrant's internal control over financial reporting.

/s/ Craig W. Safian
Craig W. Safian
Chief Financial Officer
Date: May 2, 2023

Exhibit 32

CERTIFICATION 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 Gartner, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Eugene A. Hall, Chief Executive Officer of the Company, and Craig W. Safian, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 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/ Eugene A. Hall
Name: Eugene A. Hall
Title: Chief Executive Officer
Date: May 2, 2023

/s/ Craig W. Safian
Name: Craig W. Safian
Title: Chief Financial Officer
Date: May 2, 2023

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.