



Gartner Free Cash Flow

November 5, 2024

Forward Looking Statement and Explanatory Note

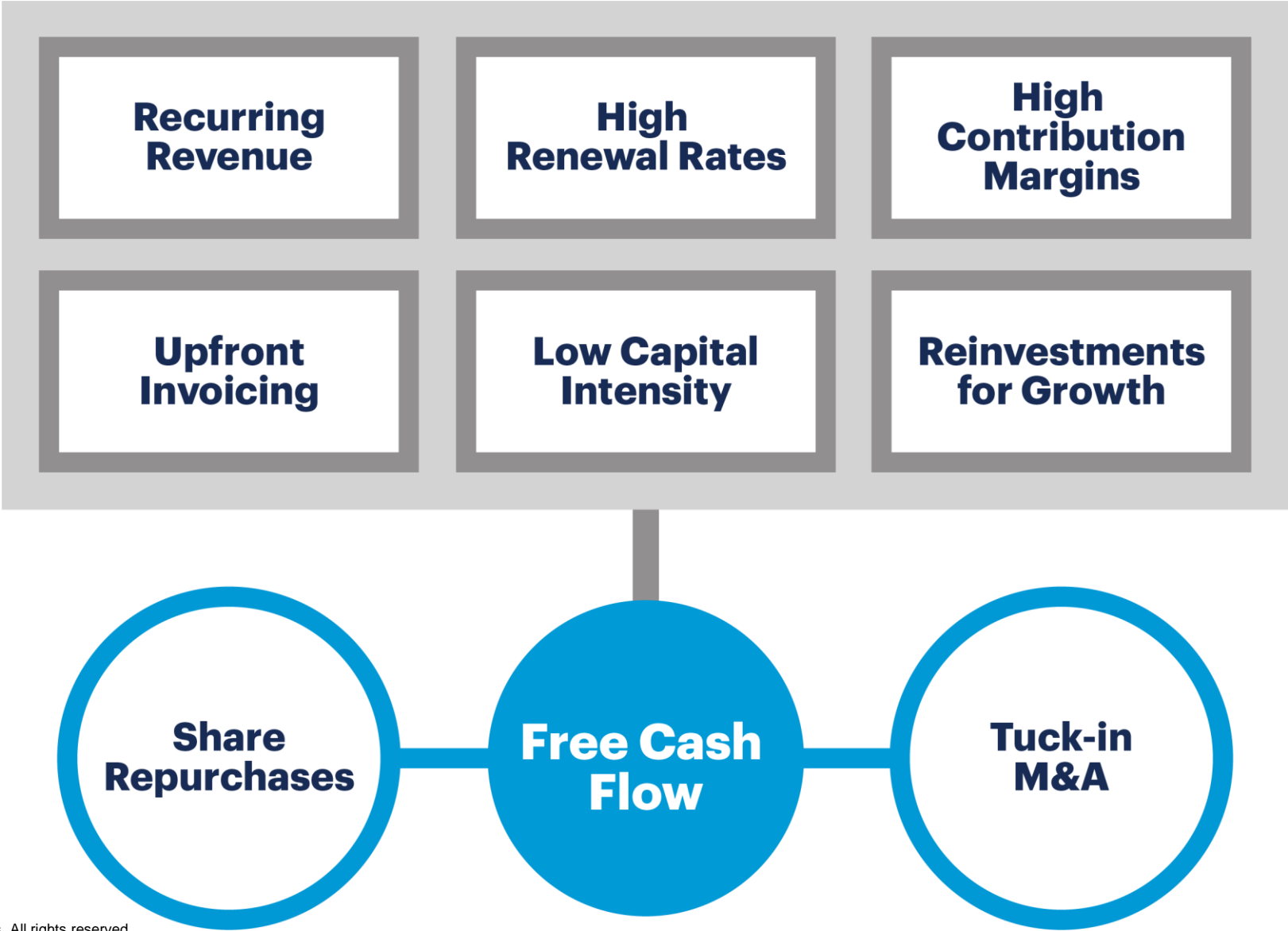
Statements contained in this presentation regarding the growth and prospects of the business, the Company's projected 2024 financial results, long-term objectives and all other statements in this presentation other than recitation of historical facts are forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, estimates, uncertainties and other factors that may cause actual results to be materially different. Such factors include, but are not limited to, the following: the impact of general economic conditions, including inflation (and related monetary policy by governments in response to inflation), recession, and national elections in a number of large countries on economic activity and our operations; changes in macroeconomic and market conditions and market volatility, including interest rates and the effect on the credit markets and access to capital; our ability to carry out our strategic initiatives and manage associated costs; the timing of conferences and meetings, in particular our Gartner Symposium/Xpo series that normally occurs during the fourth quarter; our ability to achieve and effectively manage growth, including our ability to integrate our acquisitions and consummate and integrate future acquisitions; our ability to pay our debt obligations; our ability to maintain and expand our products and services; our ability to expand or retain our customer base; our ability to grow or sustain revenue from individual customers; our ability to attract and retain a professional staff of research analysts and consultants as well as experienced sales personnel upon whom we are dependent, especially in light of labor competition; our ability to achieve continued customer renewals and achieve new contract value, backlog and deferred revenue growth in light of competitive pressures; our ability to successfully compete with existing competitors and potential new competitors; our ability to enforce and protect our intellectual property rights; our ability to keep pace with technological developments in artificial intelligence; additional risks associated with international operations, including foreign currency fluctuations; the impact on our business resulting from changes in global geopolitical conditions, including those resulting from the conflict in the Middle East, the war in Ukraine and current and future sanctions imposed by governments or other authorities; the impact of restructuring and other charges on our businesses and operations; cybersecurity incidents; risks associated with the creditworthiness, budget cuts, and shutdown of governments and agencies; our ability to meet ESG commitments; the impact of changes in tax policy (including global minimum tax legislation) and heightened scrutiny from various taxing authorities globally; changes to laws and regulations; and other risks and uncertainties described under "Risk Factors" in our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Non-GAAP financial measures such as Adj. EBITDA, Adj. EBITDA Margin, Adj. Net Income, Adj. EPS and Free Cash Flow, as included in this presentation, are supplemental measures that are not calculated in accordance with U.S. GAAP. Definitions of these measures and reconciliations to the most-directly comparable GAAP measures are included in the appendix.

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

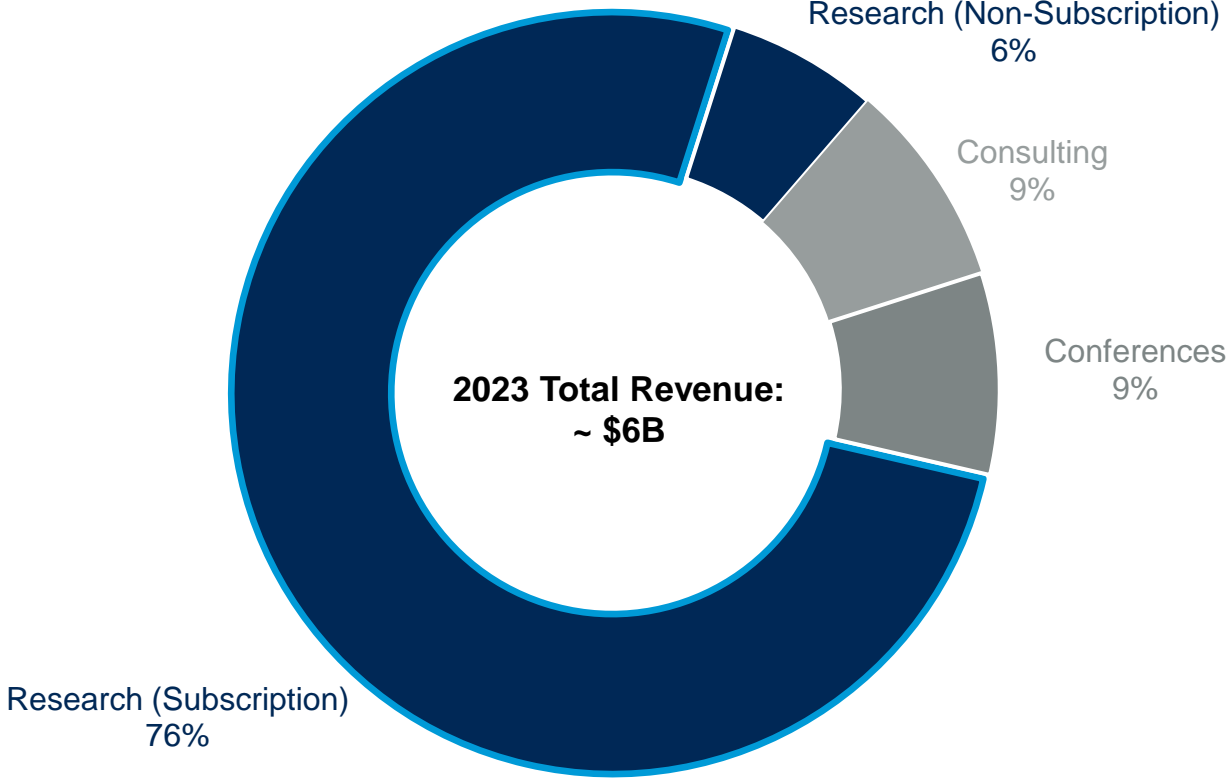
The Company's SEC filings can be found on Gartner's website at investor.gartner.com and on the SEC's website at www.sec.gov. Forward looking statements included herein speak only as of November 5, 2024 and the Company disclaims any obligation to revise or update such statements to reflect events or circumstances after this date or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law or regulation.

Some totals may not add due to rounding.

Business Model Drives Strong Free Cash Flow



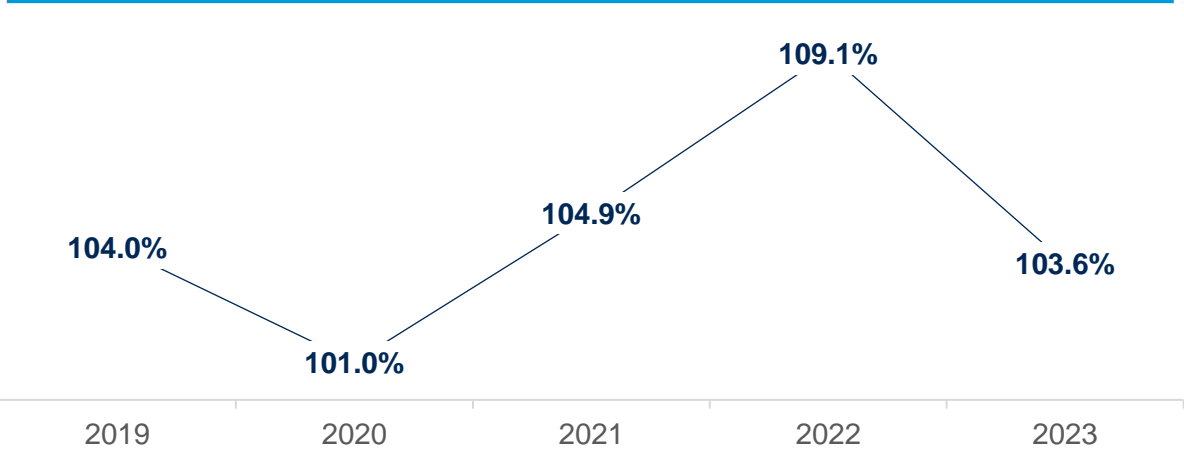
Recurring Revenue



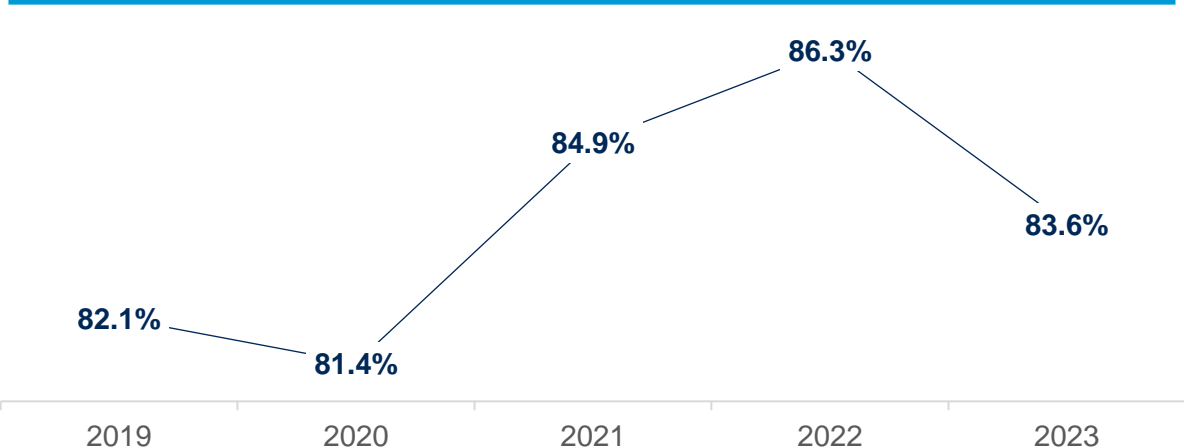
- Gartner delivers actionable, objective insight to enterprise leaders through a subscription model
- \$200B Total Addressable Market (TAM) built on strong client value proposition
- ~70% of Research Revenue contracts are multi-year agreements
- Contracts are generally non-cancellable and have an average length of ~1.7 years

High Renewal Rates

Wallet Retention



Client Retention

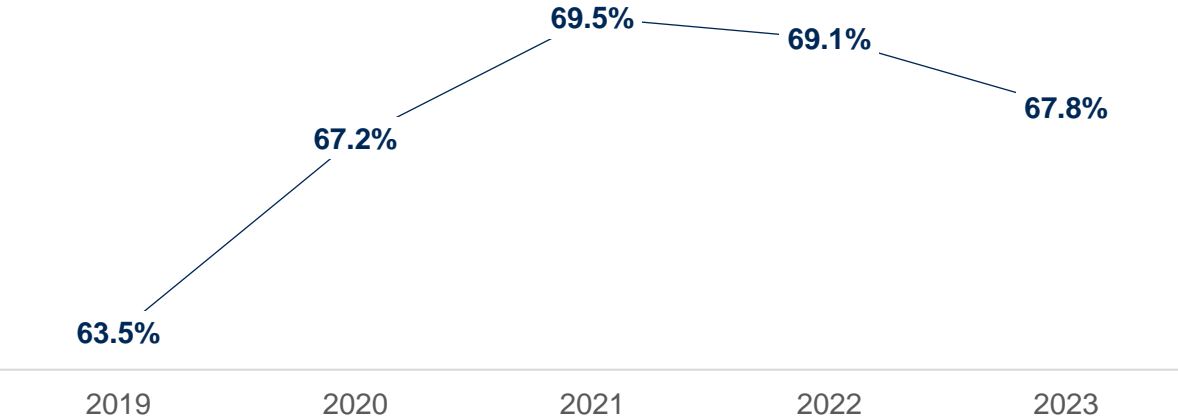


- Wallet retention¹ represents the spending by current clients who were clients in the year ago period. It is comprised of new sales to existing clients and price increases, net of dollar attrition (effectively measuring growth before new clients)
- Client retention is calculated on a percentage basis by dividing our current clients, who were also clients a year ago, by all clients from a year ago

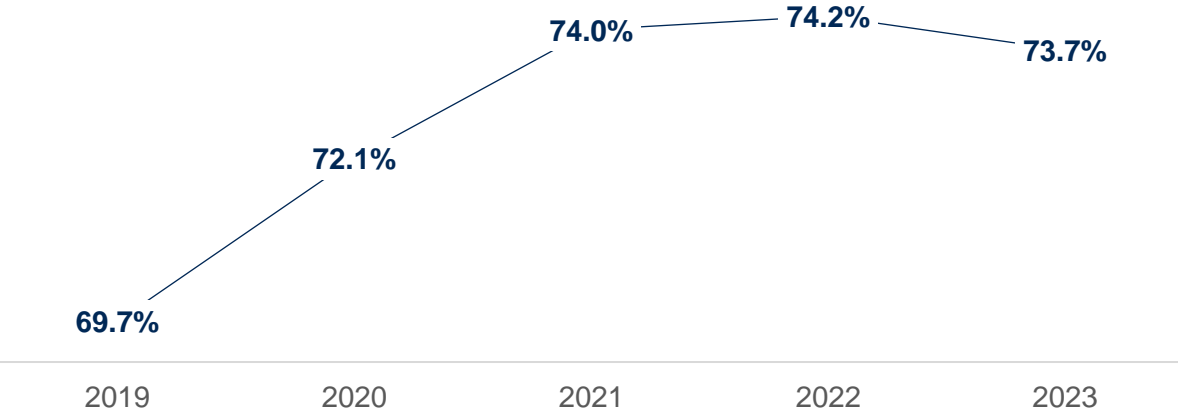
¹Wallet retention is calculated on a percentage basis by dividing the contract value of our current clients, who were also clients a year ago, by the contract value from a year ago, excluding the impact of foreign exchange

High Contribution Margins

Consolidated Gartner Contribution Margin



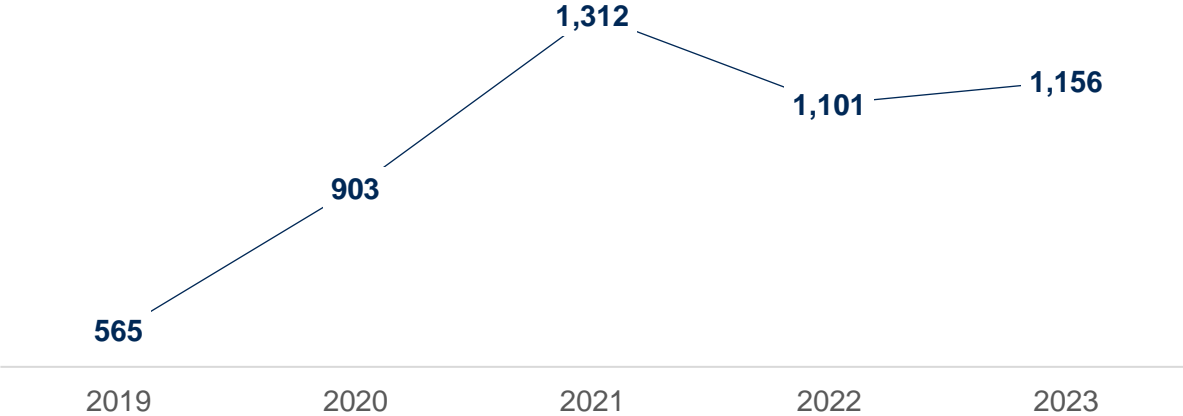
Research Segment Contribution Margin



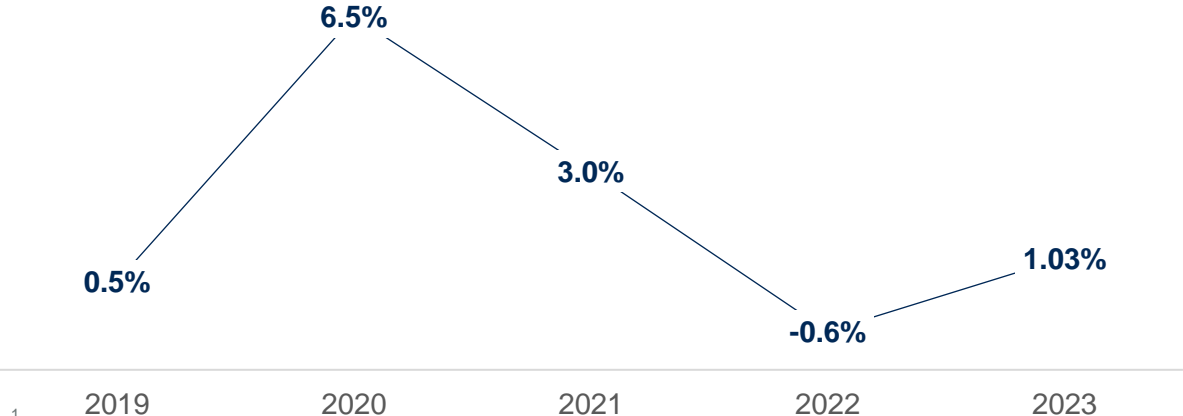
- High incremental margins driven by Research, usually our fastest growing business segment
- Opportunity to expand contribution margins modestly over time due to product mix and operating leverage
- Pricing power with annual price increases about in line with wage inflation
- Multi-year agreements include price escalators

Upfront Invoicing

Cash Provided by Operating Activities (\$ millions)



Change in Assets and Liabilities as % of Revenue¹



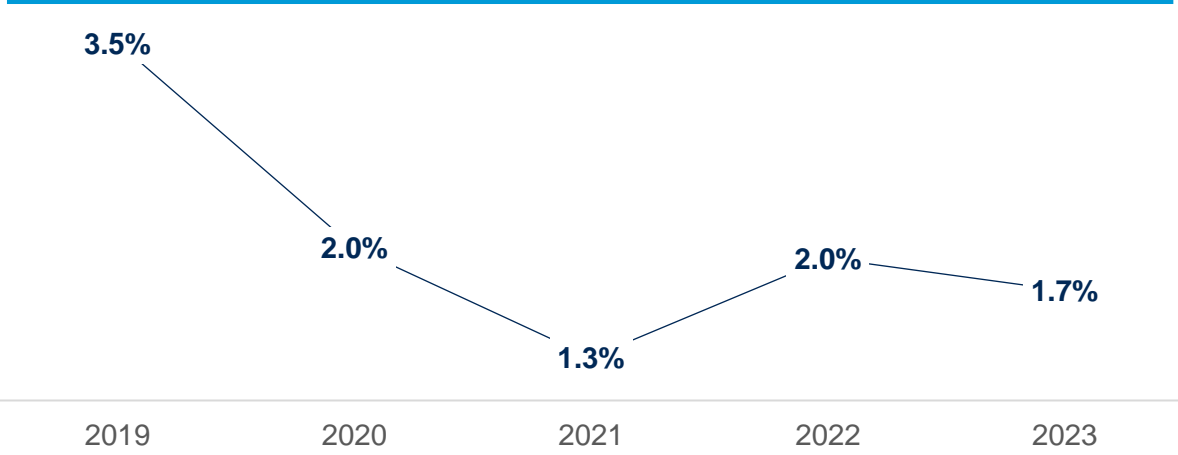
¹ Based on the Consolidated Statement of Cash Flows



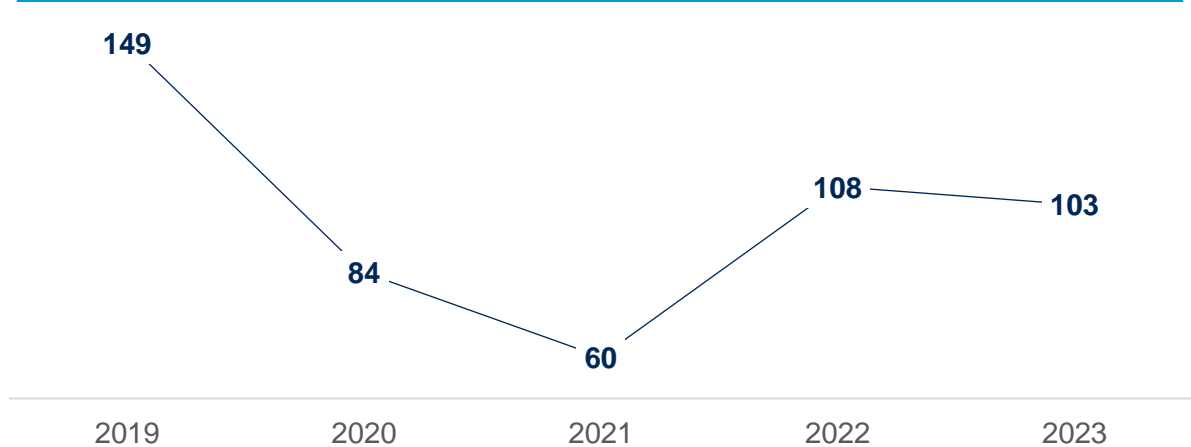
- Working capital is a source of cash with predominantly upfront invoicing
- Research contracts are billed at the start of the contract term
- Multi-year contracts (~70% of total) are billed 1 year in advance and are generally non-cancellable
- Timing of collections and cash outflows is a durable aspect of the business model

Low Capital Intensity

Capex as % of Revenue



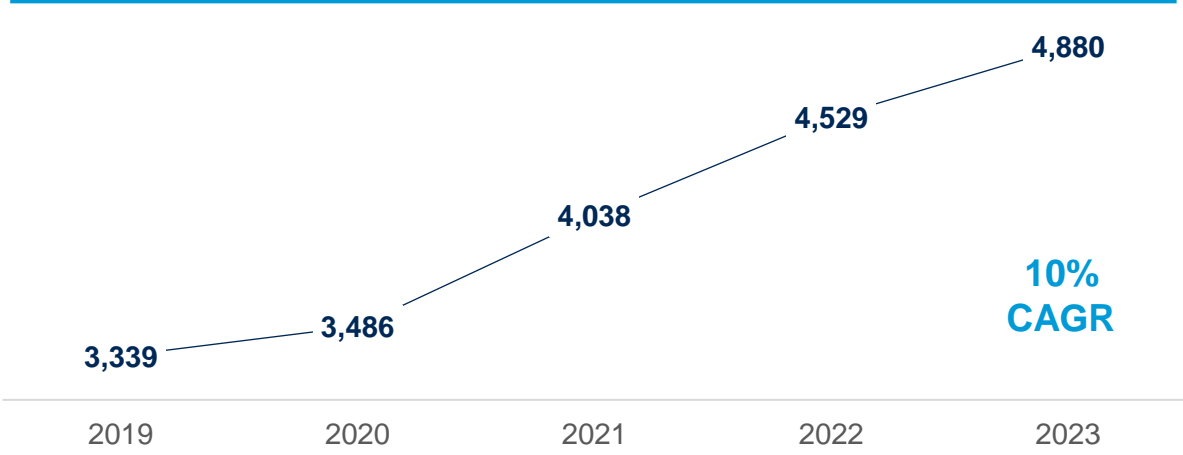
Capex Spend (\$ millions)



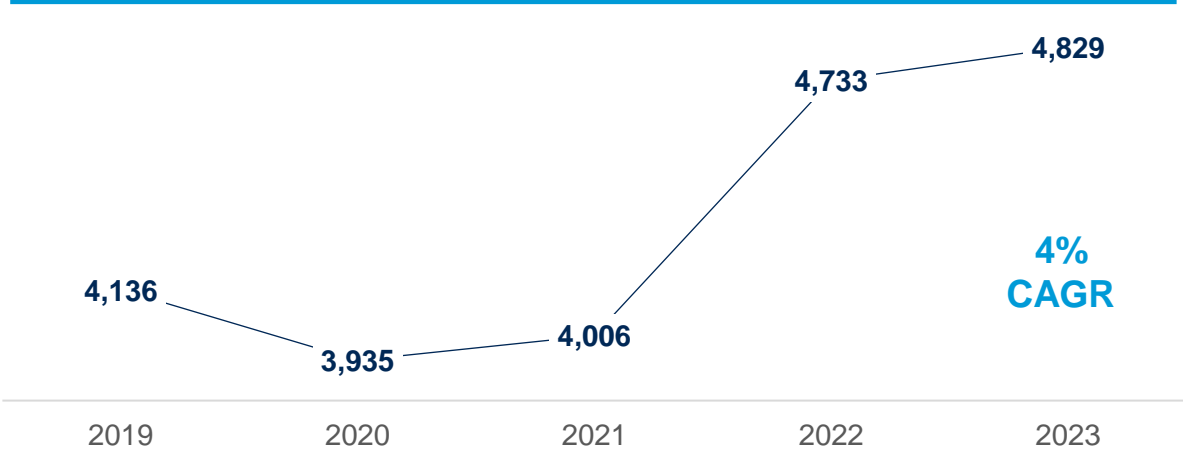
- Capex spending is for business initiatives, real estate improvements and technology infrastructure
- Capex is expected to run ~2% of Revenue

Reinvestments for Growth

Contract Value (\$ millions at '24 FX rates)



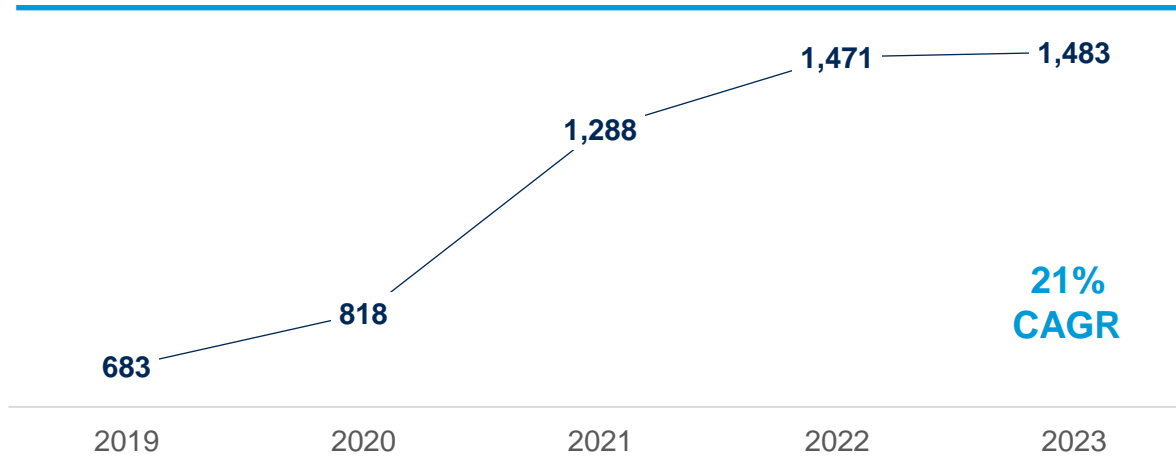
Quota Bearing Headcount (GTS & GBS)



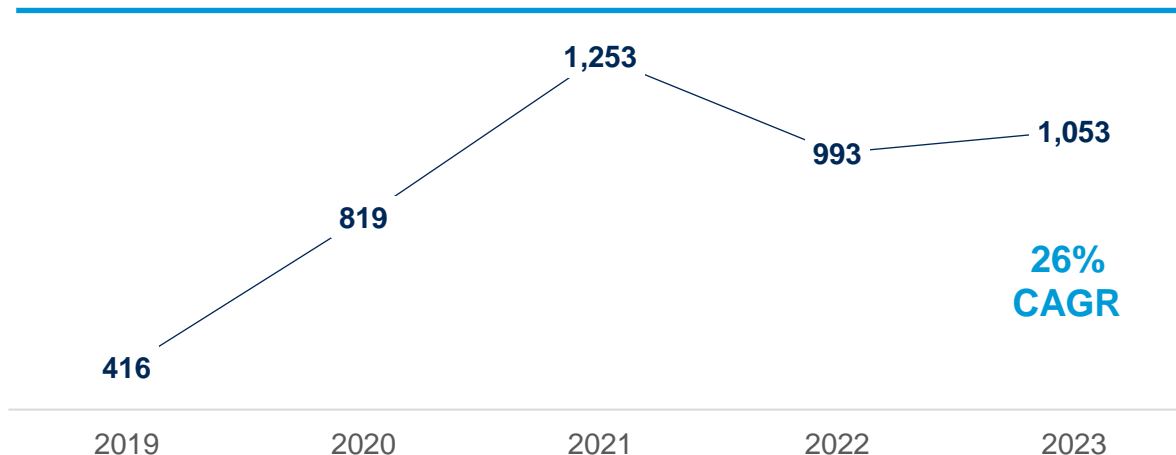
- Our largest investments are in our salesforce in order to capture our vast, underpenetrated addressable market
- Sales investments are fully funded through the P&L, with significant excess capital to return to shareholders
- We manage sales costs to grow about in line with revenue over time, offsetting wage inflation with pricing
- Contract value will generally grow faster than Quota Bearing Headcount over time

Track Record of Strong Performance

EBITDA (\$ millions)



Free Cash Flow (\$ millions)



- Significant free cash flow in excess of net income deployed to repurchase shares and opportunistically make tuck-in acquisitions
- Free Cash Flow conversion from EBITDA, historically ~70-80% (140-160% of GAAP Net Income)
- Cash interest, cash taxes and modest capex are partially offset by strong working capital cash inflows
- ~\$300-500M cash is needed to run the business
- Strong balance sheet with target leverage of 2-2.5x¹

¹ Gross debt/Trailing twelve month Adjusted EBITDA

For Further Information

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