

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)

February 4, 2021

GARTNER, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or Other Jurisdiction of
Incorporation)

1-14443

(Commission File Number)

04-3099750

(IRS Employer
Identification No.)

**P.O. Box 10212
56 Top Gallant Road
Stamford, CT 06902-7747**

(Address of Principal Executive Offices, including Zip Code)

(203) 316-1111

(Registrant's telephone number, including area code)

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

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

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

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

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

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

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On February 9, 2021, Gartner, Inc. (the “Company” or “Gartner”) announced financial results for the three months and year ended December 31, 2020. A copy of the Company’s Press Release is furnished herein as Exhibit 99.1.

ITEM 7.01. REGULATION FD DISCLOSURES.

Financial Results

Gartner has scheduled a webcast call at 8:00 a.m. Eastern time on Tuesday, February 9, 2021 to discuss the Company’s financial results for the fourth quarter of 2020. An earnings supplement will also be available via the Internet by accessing the Company’s website at <https://investor.gartner.com>. An audio replay of the webcast will also be available on the Company’s website.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01 of this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Share Repurchase Authorization

On February 4, 2021, the Company’s Board of Directors authorized incremental share repurchases of up to an additional \$300 million of Gartner’s common stock. This authorization is in addition to the previously authorized repurchases of up to \$1.2 billion, which as of the end of January 2021 had approximately \$568 million remaining.

Repurchases of common stock by the Company may be effected from time to time through open market purchases, trading plans established in accordance with the U.S. Securities and Exchange Commission’s rules, accelerated stock repurchases, private transactions or other means, depending on satisfactory market conditions, applicable legal requirements and other factors. The Company is not obligated to repurchase any particular amount of common stock, and it may be suspended at any time at the Company’s discretion.

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

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

EXHIBIT NO.	DESCRIPTION
<u>99.1</u>	<u>Press Release issued on February 9, 2021 with respect to financial results for Gartner, Inc. for the three months and year ended December 31, 2020.</u>
104	Cover Page Interactive Data File, formatted in Inline XBRL (included as Exhibit 101).

SIGNATURES

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

Gartner, Inc.

Date: February 9, 2021

By: /s/ Craig W. Safian

Craig W. Safian
Executive Vice President and Chief Financial Officer

Gartner

Press Release

Gartner Reports Fourth Quarter 2020 Financial Results

Total Contract Value \$3.6 billion, +4% YoY FX Neutral

FOURTH QUARTER 2020 HIGHLIGHTS

- Revenues: \$1.1 billion, -8% as reported; -9% FX neutral.
- Net income: \$120 million; adjusted EBITDA: \$245 million, +13% as reported, +10% FX neutral.
- Diluted EPS: \$1.33, +77%; adjusted EPS: \$1.59, +35%.
- Operating cash flow: \$260 million; free cash flow: \$237 million, +>100%.
- Repurchased 0.6 million common shares for \$100 million.
- Board of Directors increased the share repurchase authorization by \$300 million.

FULL YEAR 2020 HIGHLIGHTS

- Revenues: \$4.1 billion, -3% as reported and FX neutral.
- Net income: \$267 million; adjusted EBITDA: \$818 million, +20% as reported and FX neutral.
- Diluted EPS: \$2.96, +16%; adjusted EPS: \$4.89, +25%.
- Operating cash flow: \$903 million; free cash flow: \$819 million, +97%.
- Repurchased 1.2 million common shares for \$176 million.

STAMFORD, Conn., February 9, 2021 — Gartner, Inc. (NYSE: IT), the world's leading research and advisory company, today reported results for the fourth quarter 2020 and provided its financial outlook for the full year 2021. Additional information regarding the Company's results and 2021 financial outlook are provided in an earnings supplement available on the Company's Investor Relations website at <https://investor.gartner.com>.

Gene Hall, Gartner's Chief Executive Officer, commented, "Gartner delivered strong results in 2020 despite a challenging economic environment. Research resilience continued, we successfully pivoted our conferences to a virtual format, and effective cost management drove outstanding EBITDA and Free Cash Flow. We are well-positioned for 2021 and to drive both double digit top-line growth and margin expansion in the years beyond."

CONFERENCE CALL INFORMATION

The Company will host a webcast call at 8:00 a.m. Eastern time on Tuesday, February 9, 2021 to discuss the Company's financial results. The call will be available via the Company's website at <https://investor.gartner.com> or by dialing 844-413-7151 (conference ID 1779672). A replay of the webcast will be available on the Company's website for approximately 30 days following the call.

CONSOLIDATED RESULTS HIGHLIGHTS

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

	Three Months Ended		Inc/(Dec)	Inc/(Dec) FX Neutral
	December 31,			
	2020	2019		
GAAP Metrics:				
Revenues	\$ 1,113	\$ 1,203	(8)%	(9)%
Net income	120	68	77 %	na
Diluted EPS	1.33	0.75	77 %	na
Operating cash flow	260	83	>100%	na

Non-GAAP Metrics:

Adjusted EBITDA	\$ 245	\$ 218	13 %	10 %
Adjusted EPS	1.59	1.18	35 %	na
Free cash flow	237	30	>100%	na

na=not available.

SEGMENT RESULTS HIGHLIGHTS

- Global Technology Sales Contract Value (GTS CV): \$2.9 billion, +4% YoY FX Neutral
- Global Business Sales Contract Value (GBS CV): \$0.7 billion, +7% YoY FX Neutral

Our segment results for the three months ended December 31, 2020 were as follows:
(Unaudited; \$ in millions)

	Research	Conferences	Consulting
GAAP Metrics:			
Revenues	\$ 926	\$ 93	\$ 94
Inc/(Dec)	5 %	(57)%	(10)%
Inc/(Dec) - FX neutral	4 %	(58)%	(12)%
Gross contribution	\$ 669	\$ 73	\$ 25
Inc/(Dec)	8 %	(37)%	(15)%
Contribution margin	72 %	78 %	26 %

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

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

ANNUAL MEETING OF STOCKHOLDERS

Gartner will hold its 2021 Annual Meeting of Stockholders virtually at 10:00 a.m. Eastern time on Thursday, June 3, 2021.

ABOUT GARTNER

Gartner, Inc. (NYSE: IT) is the world's leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow. Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 14,000 enterprises in more than 100 countries — across all major functions, in every industry and enterprise size. To learn more about how we help decision makers fuel the future of business, visit gartner.com.

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FORWARD LOOKING STATEMENTS

Statements contained in this press release regarding the Company's growth and prospects, projected financial results, long-term objectives, and all other statements in this release other than recitation of historical facts are forward-looking statements within the meaning of Section 27A of the Securities Exchange Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, estimates, uncertainties and other factors that may cause actual results to be materially different, and are currently, or in the future could be, amplified by the COVID-19 pandemic. Such factors include, but are not limited to, the following: uncertainty of the magnitude, duration, geographic reach and impact on the global economy of the COVID-19 pandemic; the current, and uncertain future, impact of the COVID-19 pandemic and governments' responses to it on our business, growth, reputation, projections, prospects, financial condition, operations, cash flows, and liquidity; the adequacy or effectiveness of steps we take to respond to the crisis, including cost reduction or other mitigation programs; our ability to recover potential claims under our event cancellation insurance; the timing of our Gartner Symposium/Xpo series that normally occurs during the fourth quarter (but was cancelled in 2020 as a result of the COVID-19 pandemic), as well as of our other conferences and meetings; 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; 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 carry out our strategic initiatives and manage associated costs; 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 U.K.'s exit from the European Union and its impact on our results; the impact of restructuring and other charges on our businesses and operations; cybersecurity incidents; general economic conditions; changes in macroeconomic and market conditions and market volatility (including developments and volatility arising from the COVID-19 pandemic), including interest rates and the effect on the credit markets and access to capital; risks associated with the creditworthiness, budget cuts, and shutdown of governments and agencies; the impact of changes in tax policy and heightened scrutiny from various taxing authorities globally; uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark; changes to laws and regulations; and other factors described under "Risk Factors" in our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, which can be found on Gartner's website at <https://investor.gartner.com> and the SEC's website at www.sec.gov. Forward-looking statements included herein speak only as of the date hereof and Gartner disclaims any obligation to revise or update such statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law.

NON-GAAP FINANCIAL MEASURES

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

Adjusted EBITDA and Adjusted EBITDA Margin: Represents GAAP net income (loss) adjusted for: (i) interest expense, net; (ii) tax provision (benefit); (iii) loss on extinguishment of debt, as applicable; (iv) other expense/income, net; (v) stock-based compensation expense; (vi) depreciation, amortization, and accretion; (vii) the amortization of non-cash fair value adjustments on pre-acquisition deferred revenues, as applicable; (viii) acquisition and integration charges and certain other non-recurring items; and (ix) gain/loss on divestitures and other similar items, as applicable. Adjusted EBITDA Margin represents Adjusted EBITDA divided by GAAP Revenue. We believe Adjusted EBITDA and Adjusted EBITDA Margin are important measures of our recurring operations as they exclude items not representative of our core operating results.

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

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

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

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

SUPPLEMENTAL INFORMATION - NON-GAAP RECONCILIATIONS

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

Reconciliation - GAAP Net Income to Adjusted EBITDA

(Unaudited; \$ in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
GAAP net income	\$ 120	\$ 68	\$ 267	\$ 233
Interest expense, net	26	26	114	100
Loss on extinguishment of debt ^(a)	—	—	45	—
Loss from divested operations ^(b)	—	—	—	2
Other (income) expense, net	(4)	(1)	6	(8)
Tax provision	37	43	59	42
Operating income	178	136	490	370
Adjustments:				
Stock-based compensation expense ^(c)	6	11	63	69
Depreciation, amortization and accretion ^(d)	57	54	220	212
Acquisition and integration charges and other non-recurring items ^(e)	4	17	45	33
Adjusted EBITDA	\$ 245	\$ 218	\$ 818	\$ 684

(a) Includes \$30.8 million early redemption premium payment and \$14.0 million write-off of unamortized deferred financing fees related to the early repayment of the 2025 Senior Notes and the 2016 Credit Agreement.

(b) Consists of the net loss from divestitures of non-core businesses.

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

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

(e) Consists of incremental and directly-related charges related to acquisitions, abandoned office space, workforce reductions and other non-recurring items.

Reconciliation - GAAP Net Income to Adjusted Net Income and Adjusted EPS

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

	Three Months Ended December 31,			
	2020		2019	
	Amount	Per Share	Amount	Per Share
GAAP net income	\$ 120	\$ 1.33	\$ 68	\$ 0.75
Acquisition and other adjustments:				
Amortization of acquired intangibles ^(a)	30	0.34	32	0.36
Acquisition and integration charges and other non-recurring items ^{(b), (c)}	5	0.05	18	0.20
Gain on de-designated interest rate swaps ^(h)	(3)	(0.03)	—	—
Tax impact of adjustments ⁽ⁱ⁾	(9)	(0.10)	(12)	(0.13)
Adjusted net income and Adjusted EPS ^(j)	\$ 143	\$ 1.59	\$ 106	\$ 1.18

	Year Ended December 31,			
	2020		2019	
	Amount	Per Share	Amount	Per Share
GAAP net income	\$ 267	\$ 2.96	\$ 233	\$ 2.56
Acquisition and other adjustments:				
Amortization of acquired intangibles ^(a)	125	1.39	130	1.43
Acquisition and integration charges and other non-recurring items ^{(b), (c)}	53	0.59	39	0.43
Loss on extinguishment of debt ^(d)	45	0.50	—	—
Loss from sale of divested operations ^(e)	—	—	2	0.02
Gain on sale of an equity security ^(f)	—	—	(9)	(0.10)
Amortization of deferred swap losses from de-designation ^(g)	10	0.11	—	—
Gain on de-designated interest rate swaps ^(h)	(2)	(0.02)	—	—
Tax impact of adjustments ⁽ⁱ⁾	(58)	(0.64)	(40)	(0.44)
Adjusted net income and Adjusted EPS ^(j)	\$ 440	\$ 4.89	\$ 355	\$ 3.90

- (a) Consists of non-cash amortization charges from acquired intangibles.
- (b) Consists of incremental and directly-related charges related to acquisitions, abandoned office space, workforce reductions and other non-recurring items.
- (c) Includes the amortization and write-off of deferred financing fees, which are recorded in Interest expense, net in the Company's accompanying Condensed Consolidated Statements of Operations and in the Adjusted EBITDA table above.
- (d) Includes \$30.8 million early redemption premium payment and \$14.0 million write-off of unamortized deferred financing fees related to the early repayment of the 2025 Senior Notes and the 2016 Credit Agreement.
- (e) Consists of the net loss from divestitures of non-core businesses.
- (f) Represents a realized pretax gain related to a minority equity investment that the Company sold in 2019. Such gain was recorded in Other income/expense, net in the Company's accompanying Condensed Consolidated Statements of Operations and in the Adjusted EBITDA table above.
- (g) Consists of the non-cash loss on de-designated interest rate swaps as a result of the prepayment of \$787.9 million under the 2016 Credit Agreement Term Loan A facility and the repayment of all amounts outstanding under the 2016 Credit Agreement revolving credit facility in June 2020.
- (h) Represents the fair value adjustment for interest rate swaps after de-designation.
- (i) The blended effective tax rates on the adjustments were approximately 28% and 24% for the three months ended December 31, 2020 and 2019, respectively, and 25% for the years ended December 31, 2020 and 2019.
- (j) Adjusted EPS was calculated based on 90.1 million and 90.6 million diluted shares for the three months ended December 31, 2020 and 2019, respectively, and 90.0 million and 91.0 million diluted shares for the years ended December 31, 2020 and 2019, respectively.

Reconciliation - GAAP Cash Provided by Operating Activities to Free Cash Flow

(Unaudited; \$ in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
GAAP cash provided by operating activities	\$ 260	\$ 83	\$ 903	\$ 565
Cash paid for capital expenditures	(23)	(53)	(84)	(149)
Free cash flow (a)	\$ 237	\$ 30	\$ 819	\$ 416

- (a) Previously reported free cash flow added back cash paid for acquisition, integration, and other non-recurring items. These items totaled \$10 million and \$45 million and previously reported free cash flow was \$40 million and \$462 million for the three months and year ended December 31, 2019, respectively.

GARTNER, INC.

Condensed Consolidated Statements of Operations

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

	Three Months Ended December 31,	
	2020	2019
Revenues:		
Research	\$ 925.6	\$ 882.1
Conferences	93.2	217.4
Consulting	94.0	103.9
Total revenues	1,112.8	1,203.4
Costs and expenses:		
Cost of services and product development	351.5	450.9
Selling, general and administrative	526.1	557.5
Depreciation	25.9	21.4
Amortization of intangibles	30.4	32.2
Acquisition and integration charges	0.8	5.3
Total costs and expenses	934.7	1,067.3
Operating income	178.1	136.1
Interest expense, net	(26.4)	(26.1)
Other income, net	4.4	0.6
Income before income taxes	156.1	110.6
Provision for income taxes	36.5	42.9
Net income	\$ 119.6	\$ 67.7
Net income per share:		
Basic	\$ 1.34	\$ 0.76
Diluted	\$ 1.33	\$ 0.75
Weighted average shares outstanding:		
Basic	89,339	89,428
Diluted	90,081	90,561

Source: Gartner, Inc.

Gartner-IR