

# **First Quarter 2024 Results**

**April 30, 2024**

# Forward Looking Statement and Explanatory Note

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

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

The Company's SEC filings can be found on Gartner's website at [investor.gartner.com](https://investor.gartner.com) and on the SEC's website at [www.sec.gov](https://www.sec.gov). Forward looking statements included herein speak only as of April 30, 2024 and the Company disclaims any obligation to revise or update such statements to reflect events or circumstances after this date or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law or regulation.

Some totals may not add due to rounding.

# Contents

## Consolidated Financials and Guidance

1Q 2024 Financial Results	<a href="#">Page 4</a>
Consolidated Financial Summary	<a href="#">Page 5</a>
Updated 2024 Guidance	<a href="#">Page 6</a>

## Segment Results

Research	<a href="#">Page 7 - 9</a>
Conferences	<a href="#">Page 10</a>
Consulting	<a href="#">Page 11</a>

## Capital Allocation

Capital Structure and Allocation	<a href="#">Page 12</a>
Free Cash Flow	<a href="#">Page 13</a>

## GAAP Financial Statements

1Q 2024 GAAP Financial Statements	<a href="#">Pages 14 - 17</a>
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## Appendix

Additional Charts	<a href="#">Pages 18 - 27</a>
Normalized P&L (Non-GAAP)	
Definitions	
Non-GAAP Reconciliations	

# 1Q 2024 Growth and Financial Results

**Global Contract Value (CV)**  
**6.9%**      **\$4.9B**

**Consolidated Revenue**  
**4.5%**      **\$1,473M**  
 FX Neutral: 4.6%  
 68.8% Contribution Margin

**Research Revenue**  
**4.2%**      **\$1,268M**  
 FX Neutral: 4.1%  
 74.5% Contribution Margin

**Free Cash Flow**  
**\$166M**

**Global Technology Sales CV**  
**5.4%**      **\$3.8B**

**Adj. EBITDA**  
**0.8%**      **\$382M**  
 FX Neutral: 1.7%  
 25.9% Adj. EBITDA Margin

**Conference Revenue**  
**8.4%**      **\$70M**  
 FX Neutral: 8.5%  
 33.2% Contribution Margin

**Share Repurchases**  
**\$225M**

**Global Business Sales CV**  
**12.3%**      **\$1.1B**

**Adj. EPS**  
**\$2.93**  
 Growth: 1.7%

**Consulting Revenue**  
**6.0%**      **\$135M**  
 FX Neutral: 6.9%  
 40.3% Contribution Margin

% increases above are FX Neutral at 2024 rates

## Updated 2024 Guidance

\$ billions, except per share amounts

<b>Consolidated Revenue</b>	<b>Adj. EBITDA</b>	<b>Adj. EPS</b>	<b>Free Cash flow</b>
≥ \$6.20B	≥ \$1.455B	≥ \$10.90	≥ \$1.08B

# Consolidated Financial Summary

\$ and shares in millions except per share amounts	1Q23	2Q23	3Q23	4Q23	1Q24	2023
Revenue	1,409	1,503	1,409	1,586	1,473	5,907
Y/Y Growth	11.6%	9.2%	5.8%	5.4%	4.5%	7.9%
Y/Y FX Neutral Growth	14.3%	10.0%	4.9%	4.4%	4.6%	8.2%
Contribution	974	1,016	958	1,056	1,013	4,004
Contribution Margin	69.1%	67.6%	68.0%	66.6%	68.8%	67.8%
Adj. EBITDA	379	384	333	386	382	1,483
Y/Y Growth	15.3%	-1.2%	0.6%	-8.3%	0.8%	0.8%
Adj. EBITDA Margin	26.9%	25.6%	23.7%	24.4%	25.9%	25.1%
Adj. EPS	2.88	2.85	2.56	3.04	2.93	11.33
Y/Y Growth	23.6%	0.0%	6.2%	-17.8%	1.7%	0.5%
Free Cash Flow	144	410	302	196	166	1,053
LTM Free Cash Flow	986	1,002	1,022	1,053	1075	1,053
Y/Y Growth	-21.6%	-8.0%	-1.9%	6.0%	9.0%	6.0%
Avg. Diluted Shares	80.3	79.8	79.5	79.0	79.0	79.7

Note: FX Neutral growth numbers are at 2024 rates; Consolidated contribution includes segment contribution and \$9 million of cost of services and product development – unallocated in 1Q24. 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.

# Guidance

## 2024 Guidance

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

\$ at reported rates	Guidance as of February 6, 2024 At Least:	Incremental FX Impact <sup>1</sup>	Updated Business Outlook	Guidance as of April 30, 2024 At Least:
Research Revenue	5,150	-35	0	5,115
Conferences Revenue	560	-5	5	560
Consulting Revenue	530	-10	5	525
Total Revenue	6,240	-50	10	6,200
Adj. EBITDA	1,435	-15	35	1,455
Adj. EPS	10.55	-0.15	0.50	10.90
Free Cash Flow	1,065	-10	25	1,080
Shares	~79	na	0	~79

	GAAP	Non-GAAP/Adj.
Depreciation	~ 113	N/A
Amortization	~ 90	N/A
Stock-Based Compensation	~ 157	N/A
Interest, net	~ 83	~ 78
Effective Tax Rate	~ 22%	~ 22%
Capital Expenditures	~ 110	N/A

<sup>1</sup> FX impact from January rates to April rates.

- Research Revenue: subscription revenue reflects CV bottoming and re-accelerating during 2024; non-subscription revenue reflects a shift to higher quality traffic to drive better pricing and revenue over time.
- Conferences revenue reflects 51 in-person destination conferences; majority of 2024 revenue is under contract.
- Consulting segment has similar visibility to prior years.
- Expenses reflect typical growth and seasonality for the year.
- Fully diluted, weighted-average shares outstanding reflect repurchases through Q1'24.
- At April rates, we expect FX neutral growth to be higher than reported growth by about half of a point for revenue and around a full point for EBITDA.

## Medium Term Guidance (unchanged)

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

# Research Metrics

## Global Technology Sales

\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24
Contract Value	3,563	3,578	3,643	3,779	3,757
YY FX Neutral Growth	8.8 %	7.3 %	6.5 %	6.3 %	5.4 %
Quarterly NCVI	9	14	66	136	-22
Quota Bearing Head Count	3,666	3,664	3,630	3,641	3,602
YY Growth	21.8 %	13.2 %	4.5 %	0.3 %	-1.7 %
Quarterly Productivity (\$ thousands)	2	4	18	37	-6
Wallet Retention	103.8 %	102.4 %	101.6 %	101.4 %	100.5 %

## Global Business Sales

\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24
Contract Value	991	1,018	1,055	1,101	1,113
YY FX Neutral Growth	16.4 %	14.8 %	14.1 %	13.0 %	12.3 %
Quarterly NCVI	16	27	37	46	12
Quota Bearing Head Count	1,141	1,150	1,149	1,188	1,223
YY Growth	18.5 %	15.1 %	10.4 %	7.7 %	7.2 %
Quarterly Productivity (\$ thousands)	15	24	32	40	10
Wallet Retention	110.1 %	108.6 %	108.1 %	107.4 %	106.7 %

## Global Sales

\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24
Contract Value	4,555	4,596	4,698	4,880	4,870
YY FX Neutral Growth	10.4 %	8.9 %	8.1 %	7.8 %	6.9 %
Quarterly NCVI	25	41	102	182	-10
Quota Bearing Head Count	4,807	4,814	4,779	4,829	4,825
YY Growth	21.0 %	13.6 %	5.9 %	2.0 %	0.4 %
Quarterly Productivity (\$ thousands)	5	9	21	38	-2
Wallet Retention	106.0 %	104.6 %	104.0 %	103.6 %	102.8 %

Note: All numbers are shown at 2024 FX rates where applicable.

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

# Research: Additional Metrics

## Global Technology Sales

\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24
LTM Net Contract Value Increase (NCVI)	288	244	223	225	194
Productivity (\$ thousands)	96	75	64	62	53
Y/Y Growth	-31.6%	-44.8%	-51.6%	-43.4%	-44.9%
Client Enterprises	13,357	13,247	13,124	13,122	12,815
Contract Value/ Enterprise (\$ thousands)	267	270	278	288	293
Client Retention	85.1%	84.3%	83.3%	82.9%	82.5%

## Global Business Sales

\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24
LTM Net Contract Value Increase (NCVI)	140	131	130	126	122
Productivity (\$ thousands)	145	132	125	114	107
Y/Y Growth	-26.6%	-31.5%	-31.0%	-33.3%	-26.2%
Client Enterprises	4,749	4,729	4,740	4,767	4,720
Contract Value/ Enterprise (\$ thousands)	209	215	222	231	236
Client Retention	89.3%	88.2%	87.5%	87.3%	86.5%

## Global Sales

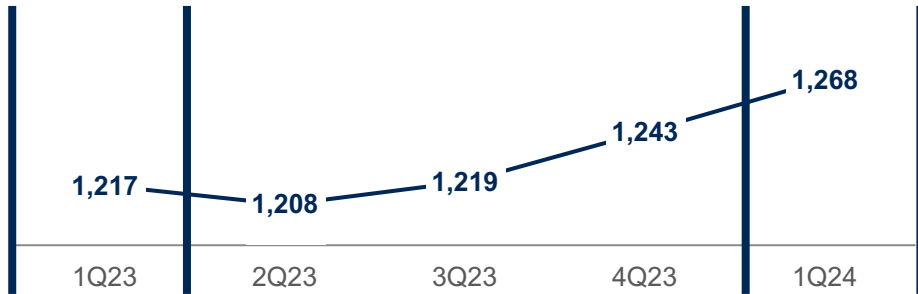
\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24
LTM Net Contract Value Increase (NCVI)	428	375	354	351	316
Productivity (\$ thousands)	108	89	78	74	66
Y/Y Growth	-29.4%	-40.5%	-45.5%	-39.9%	-39.1%
Client Enterprises	15,016	14,884	14,750	14,744	14,426
Contract Value/ Enterprise (\$ thousands)	303	309	319	331	338
Client Retention	85.7%	84.9%	83.8%	83.6%	83.1%

Note: All numbers are shown at 2024 FX rates where applicable. Historical Client Enterprises and associated metrics are based on the structure as of 12/31/2023. Enterprises that are clients of both GTS and GBS appear in both counts. Productivity is on a rolling twelve month basis. Productivity is LTM NCVI divided by opening period quota bearing headcount.

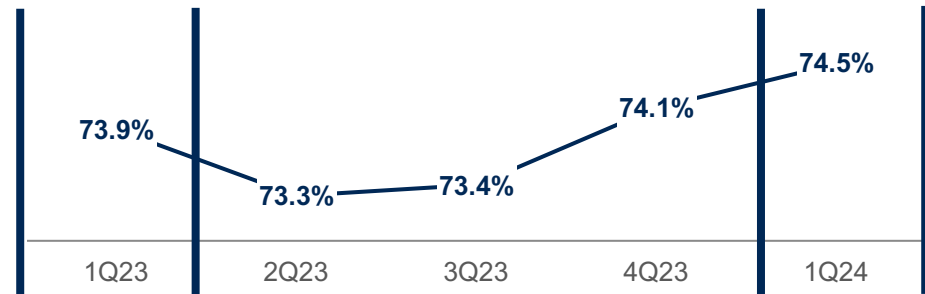


# Research Segment

Revenues \$ millions



Contribution Margin

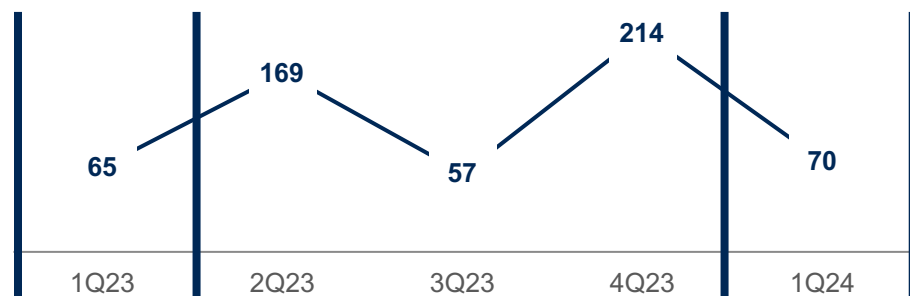


\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24	2023
Revenue	1,217	1,208	1,219	1,243	1,268	4,887
Y/Y Growth	7.1%	5.7%	6.2%	5.5%	4.2%	6.1%
Y/Y FX Neutral Growth	9.5%	6.5%	5.3%	4.6%	4.1%	6.4%
Contribution	900	885	894	921	945	3,600
Contribution Margin	73.9%	73.3%	73.4%	74.1%	74.5%	73.7%
Subscription Revenue	1,110	1,113	1,126	1,158	1,182	4,507
Y/Y Growth	8.2%	7.3%	7.7%	7.9%	6.5%	7.8%
Non-subscription Revenue	107	95	93	85	86	380
Y/Y Growth	-2.9%	-9.5%	-8.7%	-18.7%	-20.0%	-9.9%

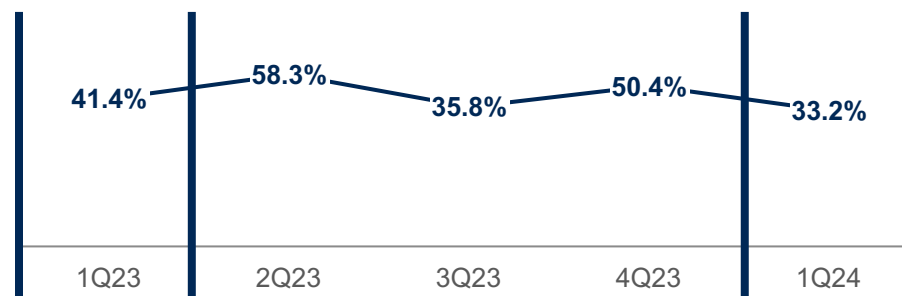
Note: FX neutral growth numbers are based on 2024 FX rates.

# Conferences Segment

Revenues \$ millions



Contribution Margin

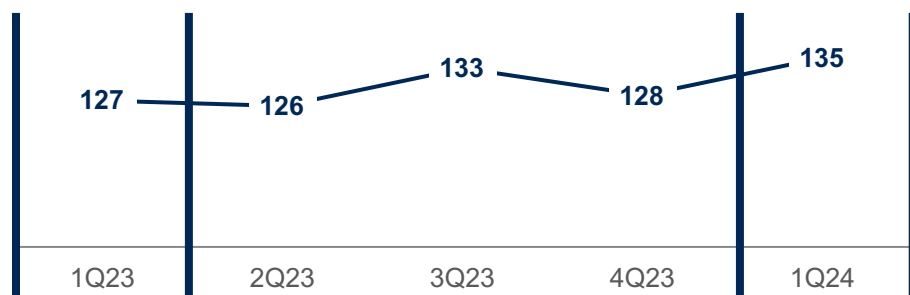


\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24	2023
Revenue	65	169	57	214	70	505
Y/Y Growth	524.3%	48.8%	-25.7%	13.8%	8.4%	29.8%
Y/Y FX Neutral Growth	544.3%	48.4%	-26.0%	12.3%	8.5%	28.6%
Contribution	27	98	20	108	23	254
Contribution Margin	41.4%	58.3%	35.8%	50.4%	33.2%	50.2%
Destination Conferences (#)	10	17	9	11	12	47
Destination Conference Attendees (#)	11,125	24,520	9,808	30,116	13,857	75,569

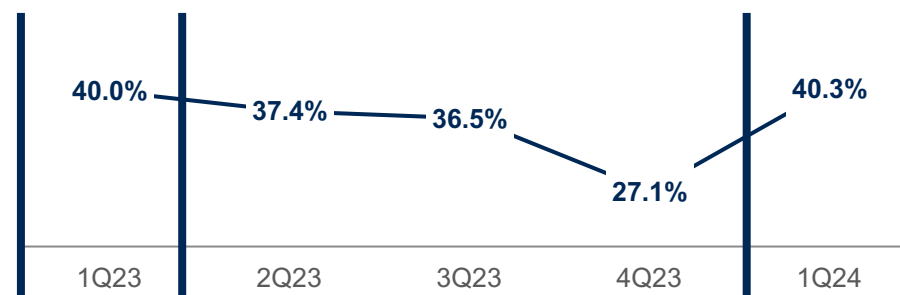
Note: FX neutral growth numbers are based on 2024 FX rates.

# Consulting Segment

Revenues \$ millions



Contribution Margin



\$ millions	1Q23	2Q23	3Q23	4Q23	1Q24	2023
Revenue	127	126	133	128	135	515
YY Growth	9.5%	4.8%	24.1%	-7.0%	6.0%	6.8%
YY FX Neutral Growth	14.1%	5.9%	23.2%	-7.3%	6.9%	7.9%
Contribution	51	47	49	35	54	182
Contribution Margin	40.0%	37.4%	36.5%	27.1%	40.3%	35.3%
Labor Revenue	97	104	100	99	109	400
YY Growth	0.6%	9.2%	10.4%	3.3%	11.9%	5.8%
Contract Optimization Revenue	30	22	33	29	26	115
YY Growth	53.4%	-11.7%	98.4%	-31.1%	-13.1%	10.5%
Backlog	161	172	181	163	188	163
YY Growth	13.9%	16.9%	15.1%	20.6%	16.7%	20.6%
Billable Head Count	904	935	946	953	948	934
YY Growth	15.9%	17.0%	11.0%	8.6%	4.8%	13.0%
Utilization Rate	66.6%	65.6%	63.9%	62.4%	66.3%	64.6%
YY Change (bps)	-541	-539	-225	-763	-36	-517

Note: FX neutral and Backlog growth are based on 2024 FX rates.

# Capital Structure and Allocation

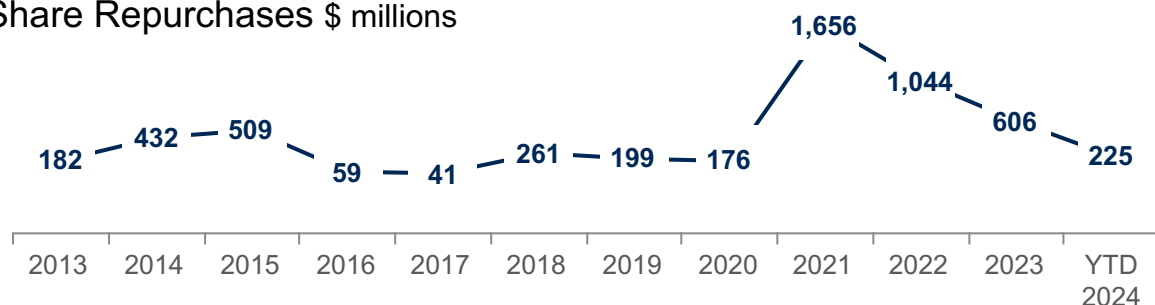
## Capital Structure

- Optimizes financial leverage benefits and financial flexibility
- Target 2-2.5x leverage<sup>1</sup>
- ~\$200M cash is needed to run the business

## Free Cash Flow deployment

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

## Share Repurchases \$ millions



~\$830M repurchase authorization remaining as of 3/31/2024

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

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

\$ billions	3/31/2024	Rate	Maturity
Cash	1.2	nm	nm
Revolver	0.3	Term SOFR + 135	2029
2028 Bonds	0.8	4.50%	2028
2029 Bonds	0.6	3.63%	2029
2030 Bonds	0.8	3.75%	2030
<b>Total Debt</b>	2.5	5.06%	
Revolver Unused Capacity	0.7	15 bps	
Interest Rate Swaps	0.4	2.98%	
% Debt With Fixed Rates	100%		

Leverage Ratios	1Q 2024	Bank Covenant
Gross Debt/Adjusted EBITDA <sup>1</sup>	1.7x	na
Net Debt/Adjusted EBITDA	0.8x	na
Consolidated Leverage Ratio <sup>2</sup>	1.4x	≤ 4.0x

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

# Free Cash Flow Conversion (LTM)

% of Revenue - LTM	1Q23	2Q23	3Q23	4Q23	1Q24
<b>Adjusted EBITDA</b>	27.1	26.4	26.0	25.1	24.9
Cash interest, net	(1.7)	(1.5)	(1.3)	(1.4)	(0.9)
Cash taxes	(3.0)	(4.8)	(4.8)	(5.2)	(5.4)
Insurance proceeds	0.1	0.1	0.1	0.1	—
Changes in assets/liabilities	(2.8)	(0.7)	(0.5)	1.0	1.1
Capex	(2.0)	(2.0)	(1.9)	(1.7)	(1.8)
<b>Free Cash Flow</b>	17.5	17.4	17.5	17.8	18.0

% of GAAP Net Income - LTM	1Q23	2Q23	3Q23	4Q23	1Q24
<b>GAAP Net Income</b>	100.0	100.0	100.0	100.0	100.0
Depreciation and amortization	20.4	20.5	20.5	21.7	24.3
Stock-based compensation expense	11.1	12.0	12.6	14.7	17.0
Gain from sale of divested operation	(15.0)	(14.7)	(14.6)	(15.3)	0.5
Changes in assets/liabilities	(5.2)	(1.7)	1.3	5.2	5.8
Other adjustments	6.6	4.9	2.1	4.7	0.4
Capex	(12.0)	(12.6)	(12.1)	(11.7)	(13.2)
<b>Free Cash Flow</b>	105.9	108.4	109.8	119.3	134.8

Note: Percentages are based on rolling 4 quarter numbers.

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

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

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

Note: Includes insurance proceeds and cash taxes on gain on sale of divested operation, as applicable, which can materially affect the conversion rates.

**1Q 2024  
GAAP  
Financial  
Statements**

# Condensed Consolidated Statements of Operations

Unaudited; in millions, except per share amounts

	Three Months Ended March 31,	
	2024	2023
<b>Revenues:</b>		
Research	\$ 1,268.2	\$ 1,217.3
Conferences	70.1	64.6
Consulting	134.6	127.0
<b>Total revenues</b>	<b>1,472.9</b>	<b>1,408.9</b>
<b>Costs and expenses:</b>		
Cost of services and product development	459.4	435.1
Selling, general and administrative	689.8	657.1
Depreciation	26.3	23.9
Amortization of intangibles	23.0	22.7
Acquisition and integration charges	0.5	1.4
Gain from sale of divested operation	—	(139.3)
<b>Total costs and expenses</b>	<b>1,199.0</b>	<b>1,000.9</b>
Operating income	273.9	408.0
Interest expense, net	(19.2)	(27.4)
Gain on event cancellation insurance claims	—	3.1
Other income (expense), net	4.8	(2.4)
Income before income taxes	259.5	381.3
Provision for income taxes	49.0	85.5
<b>Net income</b>	<b>\$ 210.5</b>	<b>\$ 295.8</b>
<b>Net income per share:</b>		
Basic	\$ 2.69	\$ 3.72
Diluted	\$ 2.67	\$ 3.68
<b>Weighted average shares outstanding:</b>		
Basic	78.3	79.5
Diluted	79.0	80.3

# Condensed Consolidated Balance Sheets

Unaudited; in millions

	March 31, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,235.8	\$ 1,319.0
Fees receivable	1,566.0	1,601.2
Deferred commissions	350.7	380.5
Prepaid expenses and other current assets	173.8	127.2
Total current assets	3,326.3	3,427.9
Property, equipment and leaseholds	256.5	262.7
Operating leases - right of use assets	352.4	366.8
Goodwill	2,934.4	2,937.3
Intangible assets, net	477.7	502.0
Other assets	362.5	339.3
<b>Total Assets</b>	<b>\$ 7,709.8</b>	<b>\$ 7,836.0</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 844.3	\$ 1,127.6
Deferred revenues	2,796.0	2,640.5
Current portion of long-term debt	—	9.6
Total current liabilities	3,640.3	3,777.7
Long-term debt	2,456.9	2,448.7
Operating leases - liabilities	491.2	513.4
Other liabilities	403.2	415.6
<b>Total Liabilities</b>	<b>6,991.6</b>	<b>7,155.4</b>
<b>Total Stockholders' Equity</b>	<b>718.2</b>	<b>680.6</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 7,709.8</b>	<b>\$ 7,836.0</b>



# Condensed Consolidated Statement of Cash Flows

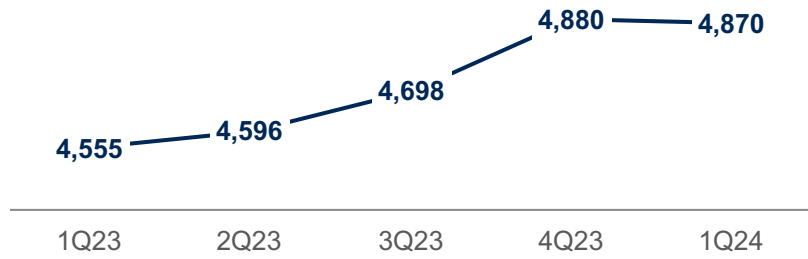
Unaudited; in millions

	Three Months Ended March 31,	
	2024	2023
<b>Operating activities:</b>		
Net income	\$ 210.5	\$ 295.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	49.3	46.6
Stock-based compensation expense	50.5	45.0
Deferred taxes	(17.8)	(7.9)
Gain from sale of divested operation	—	(139.3)
Loss on impairment of lease related assets	0.5	8.7
Reduction in the carrying amount of operating lease right-of-use assets	16.0	17.6
Amortization and write-off of deferred financing fees	1.5	1.2
(Gain) loss on de-designated swaps	(4.5)	1.4
Changes in assets and liabilities, net of acquisitions and divestitures:		
Fees receivable, net	18.2	36.2
Deferred commissions	26.4	19.6
Prepaid expenses and other current assets	(47.5)	(18.4)
Other assets	(24.3)	(14.8)
Deferred revenues	173.6	155.2
Accounts payable and accrued and other liabilities	(263.6)	(282.2)
<b>Cash provided by operating activities</b>	<b>188.8</b>	<b>164.7</b>
<b>Investing activities:</b>		
Additions to property, equipment and leasehold improvements	(22.7)	(21.1)
Acquisition of business	(2.0)	—
Proceeds from sale of divested operation	—	158.7
<b>Cash (used in) provided by investing activities</b>	<b>(24.7)</b>	<b>137.6</b>
<b>Financing activities:</b>		
Proceeds from employee stock purchase plan	8.0	7.4
Payments for deferred financing fees	(2.6)	—
Proceeds from revolving credit facility	274.4	—
Payments on borrowings	(274.4)	(1.8)
Purchases of treasury stock	(225.1)	(106.9)
<b>Cash used in financing activities</b>	<b>(219.7)</b>	<b>(101.3)</b>
<b>Net (decrease) increase in cash and cash equivalents and restricted cash</b>	<b>(55.6)</b>	<b>201.0</b>
<b>Effects of exchange rates on cash and cash equivalents</b>	<b>(27.6)</b>	<b>(5.5)</b>
<b>Cash and cash equivalents and restricted cash, beginning of period</b>	<b>1,319.6</b>	<b>698.6</b>
<b>Cash and cash equivalents and restricted cash, end of period</b>	<b>\$ 1,236.4</b>	<b>\$ 894.1</b>

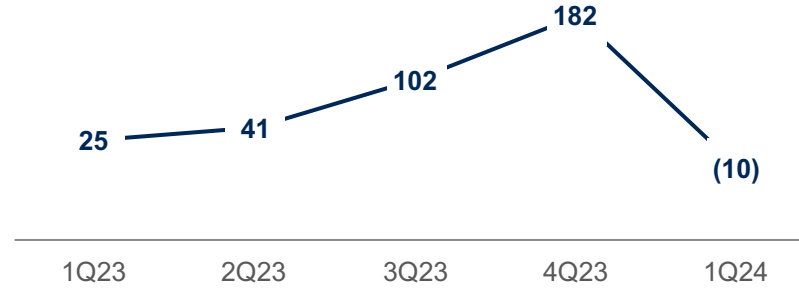
# Appendix

# Quarterly Financial Summary Charts

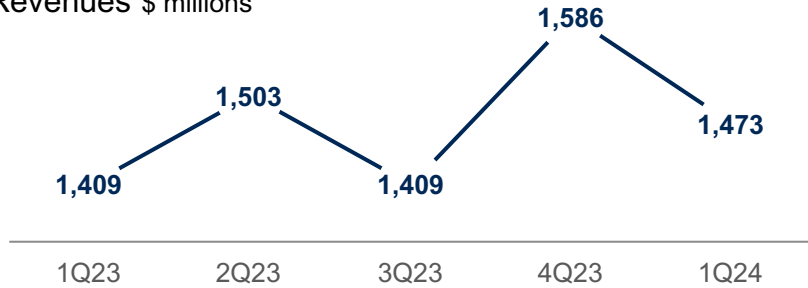
Contract Value \$ millions @ '24 rates



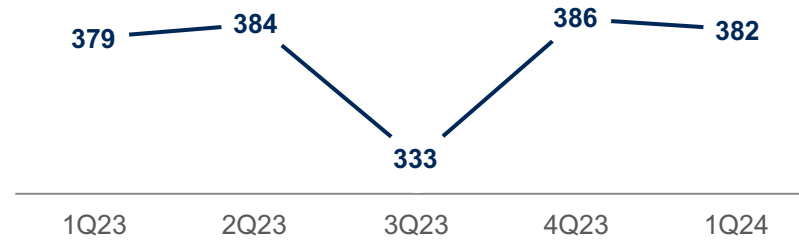
Quarterly Net Contract Value Increase (NCVI) \$ millions



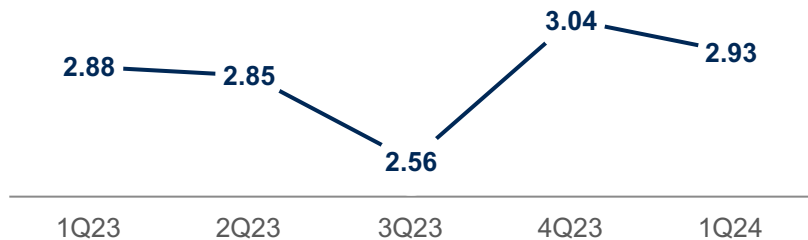
Revenues \$ millions



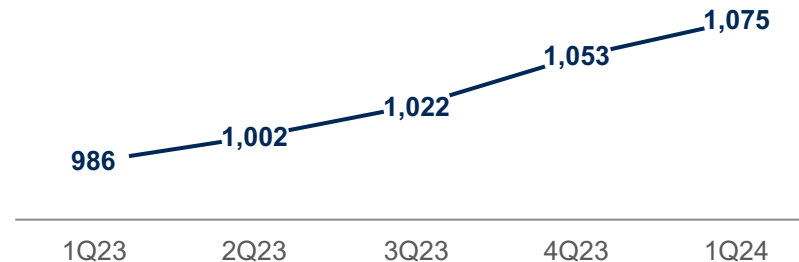
Adj. EBITDA \$ millions



Adj. EPS



LTM Free Cash Flow \$ millions



# Non-GAAP P&L

\$ millions except per share amounts	1Q23	2Q23	3Q23	4Q23	1Q24	2023
Revenue	1,409	1,503	1,409	1,586	1,473	5,907
Less Cost of Services	435	487	451	530	459	1,903
Contribution	974	1,016	958	1,056	1,013	4,004
Less SG&A	657	680	661	704	690	2,702
Plus Equity Comp	45	32	27	26	51	130
Plus Other Adjustments *	17	17	9	8	8	51
Adj. EBITDA	379	384	333	386	382	1,483
Less Equity Comp	45	32	27	26	51	130
Less Depreciation	24	24	25	26	26	99
Less Non-GAAP Interest, net	26	23	21	19	18	90
Less Other Expense (Income)	1	1	1	0	0	3
Adjusted Pre-tax Income	283	304	260	315	288	1,162
Less Adjusted Tax	51	77	57	74	56	259
Adjusted Net Income	231	227	203	241	232	903
Adj. EPS	2.88	2.85	2.56	3.04	2.93	11.33

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

# Definitions

**Adjusted EBITDA and Adjusted EBITDA Margin:** Represents GAAP net income (loss) adjusted for: (i) interest expense, net; (ii) tax provision (benefit); (iii) gain on event cancellation insurance claims, as applicable; (iv) gain/loss on divestitures, as applicable; (v) other (income) expense, net; (vi) stock-based compensation expense; (vii) depreciation, amortization, and accretion; (viii) loss on impairment of lease related assets, as applicable; and (ix) acquisition and integration charges and certain other non-recurring items. Adjusted EBITDA Margin represents Adjusted EBITDA divided by GAAP Revenue. We believe Adjusted EBITDA and Adjusted EBITDA Margin are important measures of our recurring operations as they exclude items not representative of our core operating results.

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

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

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

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

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

# Definitions of Key Metrics/Calculations

## Segment

### Business Measurements

#### Research

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

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

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

#### Conference

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

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

#### Consulting

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

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

# **Non-GAAP Reconciliations**

# Non-GAAP Reconciliations

\$ millions

Reconciliation- Net Income to Adjusted EBITDA:	1Q23	2Q23	3Q23	4Q23	1Q24
<b>Net Income</b>	295.8	198.0	180.0	208.6	210.5
Interest expense, net	27.4	24.6	21.8	20.5	19.2
Gain on event cancellation insurance claims <sup>(a)</sup>	(3.1)	—	—	—	—
Other (income) expense, net	2.4	(5.6)	(1.9)	3.7	(4.9)
Tax provision	85.5	66.1	44.5	68.6	49.0
Operating income	408.0	283.1	244.4	301.4	273.9
<b>Adjustments:</b>					
Stock-based compensation expense <sup>(b)</sup>	45.0	32.2	27.0	25.5	50.5
Depreciation, accretion, and amortization <sup>(c)</sup>	46.9	46.8	48.8	49.6	49.6
Loss on impairment of lease related assets <sup>(d)</sup>	8.7	10.0	0.3	1.3	0.5
Acquisition and integration charges and other nonrecurring items <sup>(e)</sup>	9.7	8.3	12.8	8.6	7.6
Gain from sale of divested operation <sup>(f)</sup>	(139.3)	3.9	—	—	—
<b>Adjusted EBITDA</b>	<b>379.0</b>	<b>384.4</b>	<b>333.4</b>	<b>386.4</b>	<b>382.1</b>

- (a) Consists of the gain on event cancellation insurance claims for events cancelled in 2020.
- (b) Consists of charges for stock-based compensation.
- (c) Includes depreciation expense, amortization of intangibles, and accretion on asset retirement obligations.
- (d) Includes impairment loss for lease related assets.
- (e) Consists of incremental and directly-related charges related to acquisitions and divestitures, facility-related exit costs, and other non-recurring items, if applicable.
- (f) Consists of the gain on our February 2023 divestiture, as finalized in 2Q23
- (g) Cash provided by operating activities and Free Cash Flow in 2021 included ~\$167 million of proceeds related to 2020 event cancellation insurance claims.

\$ millions

Reconciliation - Cash Provided by Operating Activities to Free Cash Flow:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Cash provided by operating activities <sup>(g)</sup></b>	315.7	346.8	345.6	365.6	254.5	471.2	565.4	903.2	1,312.5	1,101.4
Less: cash paid for capital expenditures	(36.5)	(38.5)	(46.1)	(49.9)	(110.8)	(126.9)	(149.0)	(83.8)	(59.8)	(108.1)
<b>Free Cash Flow <sup>(g)</sup></b>	<b>279.2</b>	<b>308.3</b>	<b>299.4</b>	<b>315.8</b>	<b>143.8</b>	<b>344.3</b>	<b>416.4</b>	<b>819.3</b>	<b>1,252.7</b>	<b>993.2</b>

\$ millions

Reconciliation - Cash Provided by Operating Activities to Free Cash Flow:	1Q23	2Q23	3Q23	4Q23	1Q24
<b>Cash provided by operating activities</b>	164.7	435.8	330.9	224.3	188.8
Less: cash paid for capital expenditures	(21.1)	(25.6)	(28.5)	(28.0)	(22.7)
<b>Free Cash Flow</b>	<b>143.6</b>	<b>410.2</b>	<b>302.5</b>	<b>196.4</b>	<b>166.2</b>



# Non-GAAP Reconciliations

In millions except per share amounts

<b>Reconciliations - GAAP Net Income to Adjusted Net Income:</b>	1Q23	2Q23	3Q23	4Q23	1Q24
<b>GAAP net income</b>	295.8	198.0	180.0	208.6	210.5
Acquisition and other adjustments:					
Amortization of acquired intangibles <sup>(a)</sup>	22.7	22.9	24.0	22.8	23.0
Acquisition and integration charges and other nonrecurring items <sup>(b)</sup>	10.9	9.5	14.0	9.8	9.1
Gain on event cancellation insurance claims <sup>(c)</sup>	(3.1)	—	—	—	—
Gain from sale of divested operation <sup>(d)</sup>	(139.3)	3.9	—	—	—
Loss on impairment of lease related assets <sup>(e)</sup>	8.7	10.0	0.3	1.3	0.5
(Gain) loss on de-designated interest rate swaps <sup>(f)</sup>	1.4	(6.5)	(2.5)	3.7	(4.5)
Tax impact of adjustments	34.3	(10.6)	(12.5)	(5.6)	(7.1)
Adjusted net income	231.5	227.3	203.3	240.7	231.6
Diluted shares	80.3	79.8	79.5	79.0	79.0
<b>Adjusted EPS</b>	2.88	2.85	2.56	3.04	2.93

<b>Reconciliations - GAAP Net Income per diluted share to Adjusted EPS:</b>	1Q23	2Q23	3Q23	4Q23	1Q24
<b>GAAP net income per diluted share</b>	3.68	2.48	2.26	2.64	2.67
Acquisition and other adjustments:					
Amortization of acquired intangibles <sup>(a)</sup>	0.28	0.29	0.30	0.29	0.29
Acquisition and integration charges and other nonrecurring items <sup>(b)</sup>	0.14	0.12	0.18	0.12	0.12
Gain on event cancellation insurance claims <sup>(c)</sup>	(0.04)	—	—	—	—
Gain from sale of divested operation <sup>(d)</sup>	(1.74)	0.05	—	—	—
Loss on impairment of lease related assets <sup>(e)</sup>	0.11	0.13	—	0.02	0.01
(Gain) loss on de-designated interest rate swaps <sup>(f)</sup>	0.02	(0.08)	(0.03)	0.05	(0.06)
Tax impact of adjustments	0.43	(0.13)	(0.16)	(0.07)	(0.09)
<b>Adjusted EPS</b>	2.88	2.85	2.56	3.04	2.93

- (a) Consists of non-cash amortization charges from acquired intangibles.
- (b) Consists of incremental and directly-related charges related to acquisitions and divestitures, facility-related exit costs, and other nonrecurring items, if applicable. Includes the amortization and write-off of deferred financing fees, which are recorded in Interest expense, net in the (Condensed) Consolidated Statements of Operations.
- (c) Consists of the gain on event cancellation insurance claims for events cancelled in 2020.
- (d) Consists of the gain on our February 2023 divestiture, as finalized in 2Q23
- (e) Includes impairment loss for lease related assets.
- (f) Represents the fair value adjustment for interest rate swaps after de-designation.

# Non-GAAP Reconciliations

\$ millions

<b>Reconciliation - Interest, net to Non-GAAP Interest, net</b>	1Q23	2Q23	3Q23	4Q23	1Q24
Interest, net	27.4	24.6	21.8	20.5	19.2
Less amortization of deferred financing fees	(1.2)	(1.2)	(1.2)	(1.2)	(1.5)
Non-GAAP Interest, net	26.2	23.4	20.6	19.3	17.7

<b>Effective GAAP Tax Rate to Adjusted Tax Rate:</b>	1Q23	2Q23	3Q23	4Q23	1Q24
GAAP Rate	22.4 %	25.0 %	19.8 %	24.8 %	18.9 %
Acquisition and Other Adjustments	34.8 %	26.6 %	34.9 %	14.9 %	25.3 %
Adjusted Tax Rate	18.1 %	25.2 %	21.9 %	23.6 %	19.5 %

# Non-GAAP Reconciliations - 2024 Guidance

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

(unaudited; \$ in millions)

**2024 Guidance**

GAAP net income	≥\$ 775
Interest expense, net <sup>(a)</sup>	~ 83
Other (income) expense, net	~ (1)
Tax provision	~ 214
Operating Income	≥ 1,071
Adjustments	
Stock-based compensation expense	~ 157
Depreciation, accretion, and amortization	~ 204
Acquisition and integration charges and other non-recurring items <sup>(b)</sup>	~ 23
Adjusted EBITDA	≥\$1,455

<sup>(a)</sup> Assumes approximately \$5M of amortization of deferred financing fees, which is reported in interest expense, net in the Company's Consolidated Statement of Operations.

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

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

**2024 Guidance**

GAAP cash provided by operating activities	≥\$1,190
Capital expenditures	~ (110)
Free Cash Flow	≥\$1,080

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

(unaudited; \$ in millions)

**2024 Guidance**

GAAP Diluted EPS <sup>(a)</sup>	≥\$ 9.82
Adjustments (after-tax):	
Amortization of acquired intangibles	~ 0.85
Acquisition and integration charges and other non-recurring items <sup>(b)</sup>	~ 0.23
Adjusted EPS <sup>(a)</sup>	≥\$ 10.90

<sup>(a)</sup> GAAP Diluted EPS and Adjusted EPS are calculated based on approximately 79M of diluted shares for 2024.

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

Note: Reconciliation of Guidance as of February 6, 2024 included in our Q4 2023 Earnings Supplement is available on our website at [investor.gartner.com](http://investor.gartner.com).