FactSet Research Systems, Inc. (FDS)

Updated April 3rd, 2025 by Yiannis Zourmpanos

Key Metrics

Current Price:	$448	**5 Year Annual Expected Total Return:**	10.8%	**Market Cap:**	$17.2 B
Fair Value Price:	$478	**5 Year Growth Estimate:**	8.5%	**Ex-Dividend Date:**	05/30/25[1]
% Fair Value:	94%	**5 Year Valuation Multiple Estimate:**	1.3%	**Dividend Payment Date:**	06/20/25[2]
Dividend Yield:	0.9%	**5 Year Price Target**	$719	**Years Of Dividend Growth:**	25
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

FactSet Research Systems, Inc. (FDS), a financial data and analytics firm founded in 1978, provides integrated financial information and analytical tools to the investment community in the Americas, Europe, the Middle East, Africa, and the Asia Pacific. The company provides insight and information through research, analytics, trading workflow solutions, content and technology solutions, and wealth management.

On March 20th, 2025, FactSet Research Systems announced Q2 2025 results, reporting non-GAAP EPS of $4.28 for the period, beating market consensus by $0.10, while revenue rose 4.5% to $570.7 million.

Gains were driven by steady demand from wealth and institutional buy-side clients. Organic Annual Subscription Value (ASV) rose 4.1% to $2.28 billion, with ASV retention holding strong above 95%. Despite top-line growth, GAAP operating margin fell 80 basis points to 32.5%, and adjusted margin declined 100 basis points to 37.3%, largely due to acquisition-related costs and higher tech expenses. Notably, free cash flow jumped 23% to $150.2 million, reflecting solid operational efficiency.

The company reaffirmed key full-year targets, expecting $100–$130 million in organic ASV growth and GAAP revenue between $2.305 billion and $2.325 billion. FactSet also enhanced its tech suite with the launch of Pitch Creator, an AI-powered tool for automating investment banking presentations, and acquired LiquidityBook and LogoIntern to expand its workflow automation capabilities. CEO Phil Snow highlighted accelerating client engagement and a strong sales pipeline heading into the second half. Meanwhile, FactSet repurchased 136,714 shares for $64.4 million in Q2, with $186.9 million still authorized under its buyback program, reinforcing shareholder returns as it continues to invest in platform innovation and global expansion.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$5.80	$8.29	$6.55	$6.90	$9.25	$9.83	$10.56	$10.25	$12.03	$13.91	***$17.08***	***$25.67***
DPS	$1.66	$1.88	$2.12	$2.40	$2.72	$2.98	$3.18	$3.42	$3.74	$4.04	***$4.16***	***$6.85***
Shares[3]	41.6	40.9	39.4	38.7	38.1	37.9	37.9	37.9	38.9	38.6	***38.9***	***37.3***

FactSet has grown its earnings-per-share by an average compound growth rate of 10.2% over the last 10 years. The company's investments and improved product offerings could lead to significant margin expansion in the following years. We have slightly decreased our EPS estimate for 2025 to $17.08, matching the midpoint of the management's guidance, but we have maintained our 8.5% annual earnings growth forecast for the next five years, leading to an estimated earnings-per-share of $25.67 by 2030. FactSet has increased its dividend for 25 consecutive years, making it a member of the "Dividend Champions," which could gain it greater visibility for income investors. However, we do not anticipate a significant increase in the dividend payout; instead, we forecast dividend growth to align with earnings growth. In addition, the increased earnings arising from expanding margins could be a primary dividend growth driver in

[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

the following years. We also believe that the company's continued investments in its digital platforms will continue to drive user-base growth in the coming years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	27.8	19.2	26.7	30.2	28.1	31.6	35.1	40.4	35.0	33.0	***26.2***	***28.0***
Avg. Yld.	1.0%	1.2%	1.2%	1.1%	1.0%	1.0%	0.9%	0.8%	0.9%	0.9%	***0.9%***	***1.0%***

FactSet has traded with a relatively high valuation multiple in the last decade. The stock's 10-year average P/E ratio is around 26.0, and the five-year average is 35.0. We are using a P/E target of 28.0 as a fair value by 2030, making shares slightly undervalued today. While the dividend yield remains relatively low at 0.9%, the modest payout ratio and above-average expected growth rate should allow for a long dividend growth runway in the years ahead.

Safety, Quality, Competitive Advantage, & Recession Resiliency

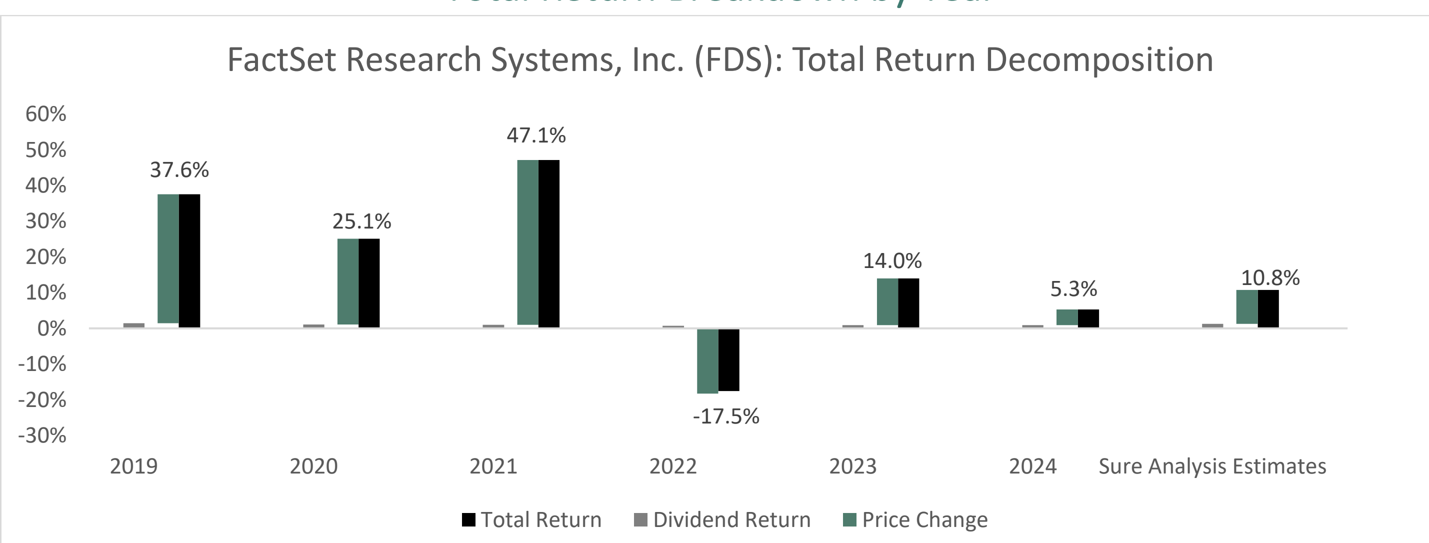
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	29%	23%	32%	35%	29%	30%	30%	33%	31%	29%	***24%***	***27%***

FactSet faces competition from Axioma, MSCI, Aladdin, S&P Capital IQ, Refinitiv, and Bloomberg. The company's proprietary data offerings differentiate the company in the marketplace, but alternative solutions by the other providers will dilute this competitive advantage over time. The high switching costs tied to changing providers provide the company with some protection and visibility over its cash flow because of its subscription-based offerings. However, the company remains exposed to fluctuations in the financial services industry, and any economic downturn that may lead to staffing contraction in the investment management industry will deteriorate FactSet's performance. During Q2, FactSet repurchased 136,714 shares for $64.4 million, signaling continued confidence in its long-term value and commitment to shareholder returns.

Final Thoughts & Recommendation

FactSet offers a safe, consistent, and steady long-term dividend growth record. We forecast 10.8% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 8.5%, the 0.9% dividend yield, a valuation tailwind. Therefore, we maintain our buy rating for the stock, as we believe the risk/reward profile is attractive at current levels.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,127	1,221	1,350	1,435	1,494	1,591	1,844	2,086	2,203
Gross Profit	640	655	691	772	799	805	973	1,112	1,191
Gross Margin	56.8%	53.6%	51.2%	53.8%	53.5%	50.6%	52.7%	53.3%	54.1%
SG&A Exp.	290	302	325	334	359	331	433	457	485
D&A Exp.	38	48	57	60	101	107		138	156
Operating Profit	350	352	366	438	440	474	540	655	706
Op. Margin	31.0%	28.8%	27.1%	30.5%	29.4%	29.8%	29.3%	31.4%	32.0%
Net Profit	339	258	267	353	373	400	397	468	537
Net Margin	30.1%	21.1%	19.8%	24.6%	25.0%	25.1%	20.1%	22.4%	24.4%
Free Cash Flow	283	284	352	368	428	494		585	615
Income Tax	122	86	85	69	54	68	47	116	114

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,019	1,413	1,419	1,560	2,083	2,225	4,014	3,963	4,055
Cash & Equivalents	228	195	209	360	586	682	503	425	423
Acc. Receivable	98	148	157	146	155	151	204	238	228
Goodwill & Int.	546	881	851	810	831	889	2,862	2,864	2,855
Total Liabilities	502	854	894	888	1,187	1,209	2,683	2,343	2,143
Accounts Payable	46	59	72	80	82	86	108	122	178
Long-Term Debt	300	575	575	574	574	575	1,982	1,613	1,366
Total Equity	517	560	526	672	896	1,016	1,331	1,620	1,912
LTD/E Ratio	0.58	1.03	1.09	0.85	0.64	0.57	1.48	1.00	0.71

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	38.6%	21.2%	18.9%	23.7%	20.5%	18.5%	12.7%	11.7%	13.4%
Return on Equity	64.6%	48.0%	49.2%	58.9%	47.5%	41.8%	33.8%	31.7%	30.4%
ROIC	49.0%	26.5%	23.9%	30.1%	27.5%	26.1%	16.2%	14.3%	16.5%
Shares Out.	40.9	39.4	38.7	38.1	37.9	37.9	38.7	39.9	38.6
Revenue/Share	27.25	30.81	34.29	36.92	38.66	41.26	47.69	53.61	57.05
FCF/Share	6.85	7.16	8.94	9.46	11.08	12.81	12.58	15.03	15.92

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.