



FactSet Research Systems, Inc. (FDS)

Updated July 6th, 2025 by Yiannis Zourmpanos

Key Metrics

Current Price:	\$448	5 Year Annual Expected Total Return:	10.8%	Market Cap:	\$17.0 B
Fair Value Price:	\$478	5 Year Growth Estimate:	8.5%	Ex-Dividend Date:	08/29/25 ¹
% Fair Value:	94%	5 Year Valuation Multiple Estimate:	1.3%	Dividend Payment Date:	09/19/25 ²
Dividend Yield:	1.0%	5 Year Price Target	\$719	Years Of Dividend Growth:	26
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 June 23rd, 2025, FactSet Research Systems announced Q3 2025 results, reporting non-GAAP EPS of \$4.27 for the period, beating market consensus by \$0.03, while revenue rose 5.9% to \$585.5 million.

FactSet Research Systems delivered a steady third quarter for fiscal 2025, reporting GAAP revenues of \$585.5 million, up nearly 6% year-over-year, driven by strong demand from wealth and institutional buy-side clients. Organic annual subscription value (ASV) climbed 4.5% to \$2.3 billion, highlighting the company's stickiness in recurring revenue. However, operating margins faced some pressure, with the GAAP figure slipping to 33.2% and adjusted margins down to 36.8%, impacted by higher compensation costs and acquisitions. Even so, the company continues to generate solid cash, posting free cash flow of \$228.6 million for the quarter.

The quarter also marked a significant milestone for FactSet's future: the announcement of Sanoke Viswanathan as the incoming CEO, succeeding longtime leader Phil Snow this September. Snow, who will stay on as a senior advisor through year-end, leaves behind a company with a resilient client base and a clear enterprise solutions roadmap. FactSet returned value to shareholders through \$80.7 million in share repurchases and increased its quarterly dividend for the 26th straight year. With a healthy sales pipeline and fresh leadership on the horizon, FactSet appears well-positioned to build on its strong foundation, even as it keeps an eye on margin discipline in the months ahead.

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	\$25.68
DPS	\$1.66	\$1.88	\$2.12	\$2.40	\$2.72	\$2.98	\$3.18	\$3.42	\$3.74	\$4.04	\$4.40	\$7.25
Shares³	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 maintain our EPS estimate for 2025 to \$17.08, matching the midpoint of the management's guidance, and we reaffirm our 8.5% annual earnings growth forecast for the next five years, leading to an estimated earnings-per-share of \$25.68 by 2030. FactSet has increased its dividend for 26 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 the following years. We

¹ Estimated ex-dividend date

² Estimated dividend payment date

³ Share count is in millions.

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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%	1.0%	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 30.0, 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 1.0%, 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

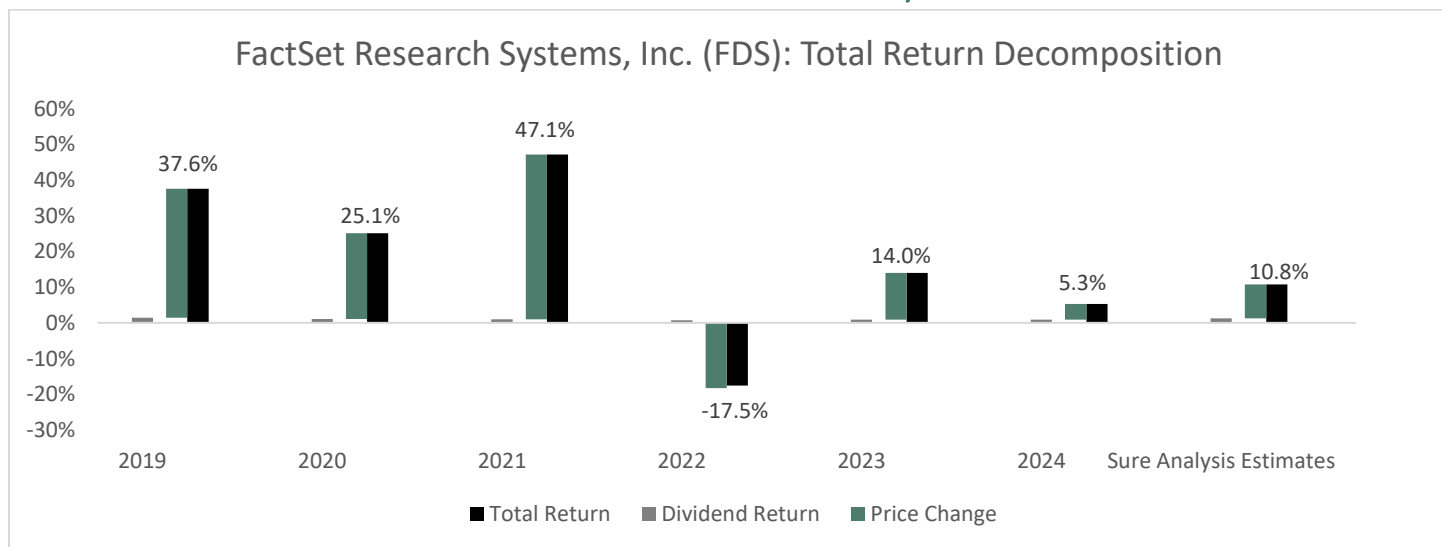
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	29%	23%	32%	35%	29%	30%	30%	33%	31%	29%	26%	28%

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 Q3, FactSet underscored its shareholder commitment by repurchasing 184,050 shares for \$80.7 million during the quarter, while also boosting its buyback capacity with a fresh \$400 million authorization set to kick in this September.

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 1.0% dividend yield, and 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.

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