



# FactSet Research Systems, Inc. (FDS)

Updated December 30<sup>th</sup>, 2025 by Yiannis Zourmpanos

## Key Metrics

<b>Current Price:</b>	\$293	<b>5 Year Annual Expected Total Return:</b>	21.4%	<b>Market Cap:</b>	\$10.9 B
<b>Fair Value Price:</b>	\$493	<b>5 Year Growth Estimate:</b>	8.5%	<b>Ex-Dividend Date:</b>	02/27/26 <sup>1</sup>
<b>% Fair Value:</b>	59%	<b>5 Year Valuation Multiple Estimate:</b>	11.0%	<b>Dividend Payment Date:</b>	03/20/26 <sup>2</sup>
<b>Dividend Yield:</b>	1.5%	<b>5 Year Price Target</b>	\$741	<b>Years Of Dividend Growth:</b>	26
<b>Dividend Risk Score:</b>	A	<b>Sector:</b>	Financials	<b>Rating:</b>	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 December 18<sup>th</sup>, 2025, FactSet Research Systems announced Q1 2026 results, reporting non-GAAP EPS of \$4.51 for the period, beating market consensus by \$0.15, and revenue that grew 6.8% to \$607.6 million.

FactSet reported a solid start to fiscal 2026, with solid results that were driven by continued demand from institutional buy-side and dealmakers clients. Organic revenues increased 6.0%, while organic Annual Subscription Value reached \$2.39 billion as of November 30<sup>th</sup>, 2025, representing 5.9% growth from the prior year.

Profitability metrics softened modestly as FactSet continued to invest in technology, content, and talent. GAAP operating margin declined to 31.6%, down roughly 200 basis points year over year, while adjusted operating margin decreased 137 basis points to 36.2%. Despite margin pressure, cash generation remained strong, with operating cash flow increasing more than 40% and free cash flow up nearly 50% from the prior year. Reflecting confidence in its financial position and long-term outlook, FactSet's Board of Directors approved an expansion of the company's share repurchase authorization from \$400 million to \$1 billion, reinforcing its commitment to disciplined capital allocation and shareholder returns.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$8.29	\$6.55	\$6.90	\$9.25	\$9.83	\$10.56	\$10.25	\$12.03	\$13.91	\$15.55	<b>\$17.61</b>	<b>\$26.47</b>
<b>DPS</b>	\$1.88	\$2.12	\$2.40	\$2.72	\$2.98	\$3.18	\$3.42	\$3.74	\$4.04	\$4.28	<b>\$4.40</b>	<b>\$7.25</b>
<b>Shares<sup>3</sup></b>	40.9	39.4	38.7	38.1	37.9	37.9	37.9	38.9	38.6	38.4	<b>38.9</b>	<b>37.6</b>

FactSet has grown its earnings-per-share with a compound growth rate of 7.2% over the last 10 years. The company's investments and improved product offerings could lead to significant margin expansion in the following years. We estimate EPS of \$17.61 by 2026, matching the midpoint of the analysts' estimates, and we reaffirm our 8.5% annual earnings growth forecast for the next five years, leading to an estimated earnings-per-share of \$26.47 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 also believe that the company's continued investments in its digital platforms will continue to drive user-base growth in the coming years.

<sup>1</sup> Estimated ex-dividend date

<sup>2</sup> Estimated dividend payment date

<sup>3</sup> 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.*



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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
<b>Avg. P/E</b>	24.4	25.3	22.6	26.4	29.4	36.2	34.5	30.3	29.5	29.0	<b>16.6</b>	<b>28.0</b>
<b>Avg. Yld.</b>	1.3%	1.4%	1.3%	1.1%	1.0%	0.9%	0.9%	1.0%	0.9%	0.9%	<b>1.5%</b>	<b>1.0%</b>

FactSet has traded with a relatively high valuation multiple in the last decade. The stock's 10-year average P/E ratio is ~29.0, and the five-year average is 31.9. We are using a P/E target of 28.0 as a fair value target for 2031, making shares very undervalued today. While the dividend yield remains relatively low at 1.5%, 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

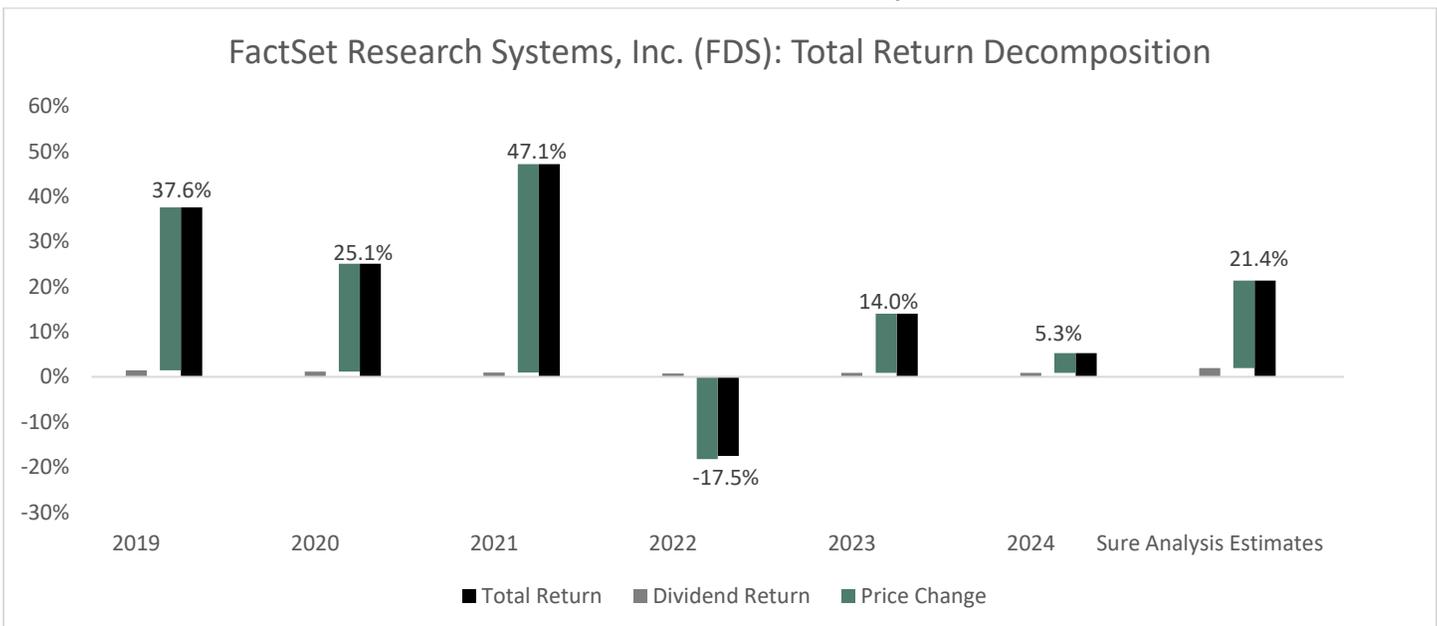
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>Payout</b>	23%	32%	35%	29%	30%	30%	33%	31%	29%	28%	<b>25%</b>	<b>27%</b>

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 Q1, FactSet repurchased 478,100 shares for \$139.9 million at an average price of \$292.61 under its share repurchase program.

## Final Thoughts & Recommendation

FactSet offers a safe, consistent, and steady long-term dividend growth record. We forecast 21.4% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 8.5%, the 1.5% 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	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	1,221	1,350	1,435	1,494	1,591	1,844	2,086	2,203	2,322
<b>Gross Profit</b>	655	691	772	799	805	973	1,112	1,191	1,224
<b>Gross Margin</b>	53.6%	51.2%	53.8%	53.5%	50.6%	52.7%	53.3%	54.1%	52.7%
<b>SG&amp;A Exp.</b>	302	325	334	359	331	433	457	485	476
<b>D&amp;A Exp.</b>	48	57	60	101	107		138	156	189
<b>Operating Profit</b>	352	366	438	440	474	540	655	706	766
<b>Op. Margin</b>	28.8%	27.1%	30.5%	29.4%	29.8%	29.3%	31.4%	32.0%	33.0%
<b>Net Profit</b>	258	267	353	373	400	397	468	537	597
<b>Net Margin</b>	21.1%	19.8%	24.6%	25.0%	25.1%	20.1%	22.4%	24.4%	25.7%
<b>Free Cash Flow</b>	284	352	368	428	494		585	615	617
<b>Income Tax</b>	86	85	69	54	68	47	116	114	124

## Balance Sheet Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	1,413	1,419	1,560	2,083	2,225	4,014	3,963	4,055	4,304
<b>Cash &amp; Equivalents</b>	195	209	360	586	682	503	425	423	362
<b>Acc. Receivable</b>	148	157	146	155	151	204	238	228	271
<b>Goodwill &amp; Int.</b>	881	851	810	831	889	2,862	2,864	2,855	3,201
<b>Total Liabilities</b>	854	894	888	1,187	1,209	2,683	2,343	2,143	2,118
<b>Accounts Payable</b>	59	72	80	82	86	108	122	178	134
<b>Long-Term Debt</b>	575	575	574	574	575	1,982	1,613	1,366	1,525
<b>Total Equity</b>	560	526	672	896	1,016	1,331	1,620	1,912	2,186
<b>LTD/E Ratio</b>	1.03	1.09	0.85	0.64	0.57	1.48	1.00	0.71	0.71

## Profitability & Per Share Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	21.2%	18.9%	23.7%	20.5%	18.5%	12.7%	11.7%	13.4%	14.3%
<b>Return on Equity</b>	48.0%	49.2%	58.9%	47.5%	41.8%	33.8%	31.7%	30.4%	29.1%
<b>ROIC</b>	26.5%	23.9%	30.1%	27.5%	26.1%	16.2%	14.3%	16.5%	16.5%
<b>Shares Out.</b>	39.4	38.7	38.1	37.9	37.9	38.7	39.9	38.6	38.4
<b>Revenue/Share</b>	30.81	34.29	36.92	38.66	41.26	47.69	53.61	57.05	60.49
<b>FCF/Share</b>	7.16	8.94	9.46	11.08	12.81	12.58	15.03	15.92	16.09

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

### Disclaimer

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