



# FactSet Research Systems, Inc. (FDS)

Updated April 30<sup>th</sup>, 2026 by Yiannis Zourmpanos

## Key Metrics

<b>Current Price:</b>	\$225	<b>5 Year Annual Expected Total Return:</b>	28.1%	<b>Market Cap:</b>	\$8.46 B
<b>Fair Value Price:</b>	\$495	<b>5 Year Growth Estimate:</b>	8.5%	<b>Ex-Dividend Date:</b>	05/30/26 <sup>1</sup>
<b>% Fair Value:</b>	45%	<b>5 Year Valuation Multiple Estimate:</b>	17.1%	<b>Dividend Payment Date:</b>	06/17/26 <sup>2</sup>
<b>Dividend Yield:</b>	2.0%	<b>5 Year Price Target</b>	\$745	<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 March 31<sup>st</sup>, 2026, FactSet Research Systems announced Q2 2026 results, reporting non-GAAP EPS of \$4.46 for the period, which beat market consensus by \$0.08, and revenue that grew 7.1% to \$611 million.

FactSet Research Systems Inc. delivered a solid second quarter for fiscal 2026, with results coming in ahead of expectations on both the top and bottom lines and overall profitability metrics. Organic revenue growth held at 6.8%, reinforcing the idea that FactSet's core business continues to expand at a healthy, if not flashy, pace. Meanwhile, Annual Subscription Value (ASV) a key gauge of recurring demand reached roughly \$2.45 billion, up 6.7% from a year ago, reflecting sustained client engagement and incremental wins.

That said, the quarter wasn't without its trade-offs. Operating margins narrowed, with GAAP margin slipping to 30.3% and adjusted margin to 35.0%, primarily due to higher compensation and ongoing technology investments. Expenses are clearly creeping up, and while that's not unusual for a company investing in growth, it does weigh on near-term efficiency. On the upside, cash flow was a standout, with free cash flow jumping more than 23% year over year, giving FactSet flexibility to continue buybacks and reinvestment. Management also raised its full-year outlook, now guiding for revenue between \$2.45 billion and \$2.47 billion, alongside stronger expected ASV growth an indication that momentum, while measured, is still very much intact.

## 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>\$17.70</b>	<b>\$26.61</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 \$17.70 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 \$26.61 by 2031. 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

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

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

<sup>3</sup> Share count is in millions.

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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.

## 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>12.7</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>2.0%</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 28.8, 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 2.0%, 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

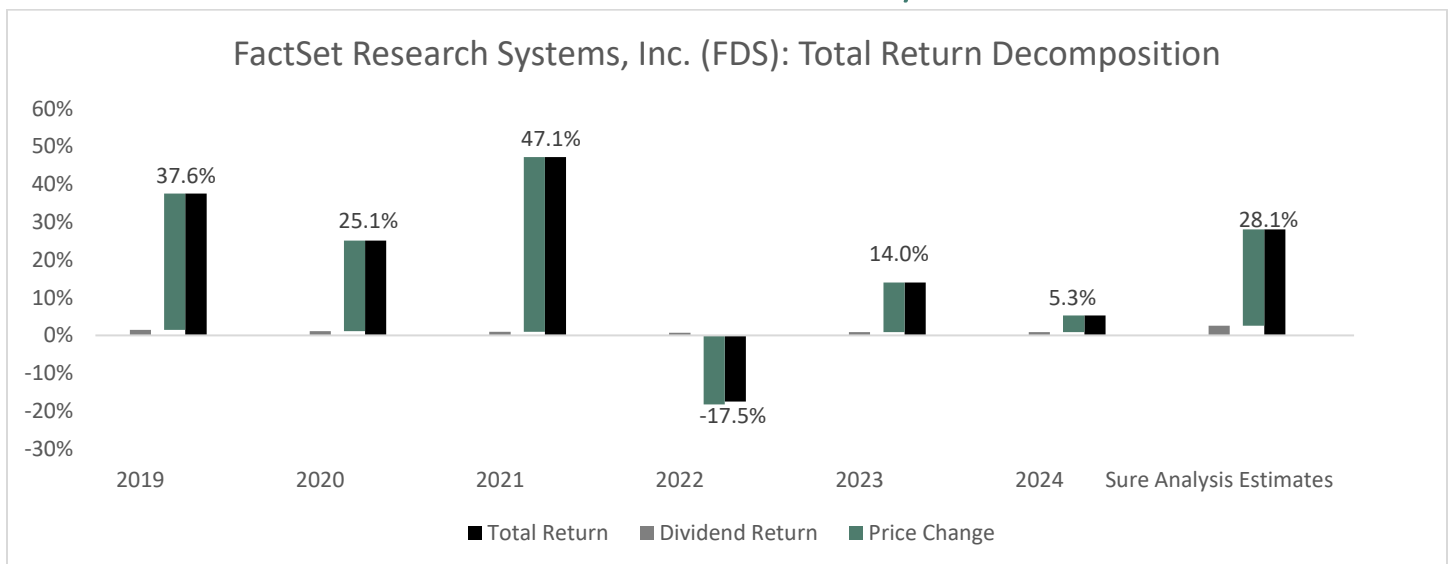
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>Payout</b>	23%	32%	35%	29%	30%	30%	33%	31%	29%	28%	<b>25%</b>	<b>27%</b>

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 Q2, the company repurchased 651,750 shares for \$163.0 million during the quarter, with approximately \$697.1 million still available under its existing authorization.

## Final Thoughts & Recommendation

FactSet offers a safe, consistent, and steady long-term dividend growth record. We forecast 28.1% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 8.5%, the 2.0% 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	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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