FactSet Research Systems, Inc. (FDS)

Updated August 1st, 2026 by Yiannis Zourmpanos

Key Metrics

Current Price:	$263	**5 Year Annual Expected Total Return:**	24.3%	**Market Cap:**	$9.35 B
Fair Value Price:	$497	**5 Year Growth Estimate:**	8.5%	**Ex-Dividend Date:**	08/28/26[1]
% Fair Value:	53%	**5 Year Valuation Multiple Estimate:**	13.6%	**Dividend Payment Date:**	09/18/26[2]
Dividend Yield:	1.8%	**5 Year Price Target**	$747	**Years Of Dividend Growth:**	27
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 July 1st, 2026, FactSet Research Systems announced Q3 2026 results, reporting non-GAAP EPS of $4.53 for the period, which beat market consensus by $0.08, and revenue that grew 6.4% year-over-year to $622.9 million.

FactSet delivered a mixed set of third-quarter fiscal 2026 results, with continued momentum in subscription growth and client engagement offset by softer profitability. Organic Annual Subscription Value (ASV) increased 7.1% year over year to $2.49 billion, supported by strong demand from institutional buy-side and wealth management clients. Operating income declined 14.3%, while adjusted operating income edged 1.7% lower as higher employee compensation, one-time charges, and increased technology investments weighed on margins. Operating margin contracted to 26.7% from 33.2% a year earlier, with the adjusted operating margin also narrowing to 34.0%. Despite the margin pressure, operating cash flow rose 12.1% year over year, and free cash flow increased 11.1%, reflecting the resilience of the company's subscription-based business model.

Operationally, FactSet continued to strengthen its competitive position through expanding AI capabilities and deeper client relationships. More than 90% of its top 50 clients now use four or more AI products, while new partnerships with Google Cloud, Finster AI, TIFIN.AI, J.P. Morgan, and Valutico broadened its product ecosystem across financial workflows and private markets. Enterprise renewals extended by an average of 30%, with annual ASV retention remaining above 95%, underscoring strong customer loyalty. The company also appointed Joshua B. Warren as Chief Financial Officer. Management reaffirmed its full-year fiscal 2026 guidance, reflecting confidence in sustained subscription growth, expanding AI adoption, and long-term execution.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$8.29	$6.55	$6.90	$9.25	$9.83	$10.56	$10.25	$12.03	$13.91	$15.55	***$17.75***	***$26.69***
DPS	$1.88	$2.12	$2.40	$2.72	$2.98	$3.18	$3.42	$3.74	$4.04	$4.28	***$4.64***	***$7.64***
Shares[3]	40.9	39.4	38.7	38.1	37.9	37.9	37.9	38.9	38.6	38.4	***38.9***	***37.6***

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 $17.75 for 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 $26.69 by 2031. FactSet has increased its dividend for 27 consecutive years, making it a member of the "Dividend Champions," which could gain

[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.

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.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	24.4	25.3	22.6	26.4	29.4	36.2	34.5	30.3	29.5	29.0	***14.8***	***28.0***
Avg. Yld.	1.3%	1.4%	1.3%	1.1%	1.0%	0.9%	0.9%	1.0%	0.9%	0.9%	***1.8%***	***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 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 1.8%, 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

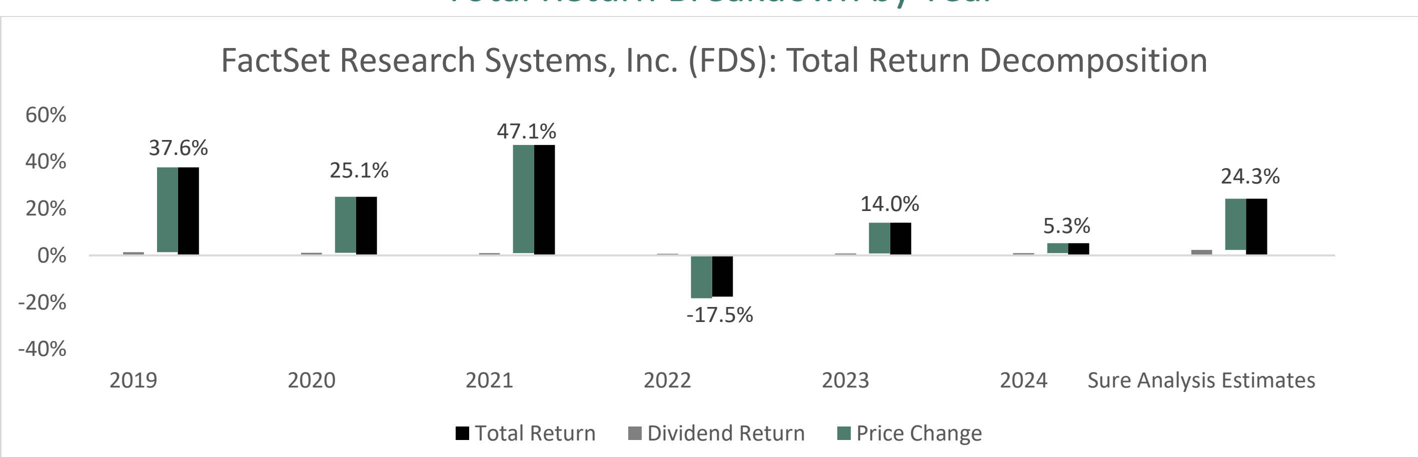
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	23%	32%	35%	29%	30%	30%	33%	31%	29%	28%	***26%***	***29%***

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 returned over $243 million to shareholders during the quarter, including $203.1 million in share repurchases, with $494.0 million remaining under its existing buyback authorization as of May 31st, 2026.

Final Thoughts & Recommendation

FactSet offers a safe, consistent, and steady long-term dividend growth record. We forecast 24.3% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 8.5%, the 1.8% 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
Revenue	1,221	1,350	1,435	1,494	1,591	1,844	2,086	2,203	2,322
Gross Profit	655	691	772	799	805	973	1,112	1,191	1,224
Gross Margin	53.6%	51.2%	53.8%	53.5%	50.6%	52.7%	53.3%	54.1%	52.7%
SG&A Exp.	302	325	334	359	331	433	457	485	476
D&A Exp.	48	57	60	101	107		138	156	189
Operating Profit	352	366	438	440	474	540	655	706	766
Op. Margin	28.8%	27.1%	30.5%	29.4%	29.8%	29.3%	31.4%	32.0%	33.0%
Net Profit	258	267	353	373	400	397	468	537	597
Net Margin	21.1%	19.8%	24.6%	25.0%	25.1%	20.1%	22.4%	24.4%	25.7%
Free Cash Flow	284	352	368	428	494		585	615	617
Income Tax	86	85	69	54	68	47	116	114	124

Balance Sheet Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,413	1,419	1,560	2,083	2,225	4,014	3,963	4,055	4,304
Cash & Equivalents	195	209	360	586	682	503	425	423	362
Acc. Receivable	148	157	146	155	151	204	238	228	271
Goodwill & Int.	881	851	810	831	889	2,862	2,864	2,855	3,201
Total Liabilities	854	894	888	1,187	1,209	2,683	2,343	2,143	2,118
Accounts Payable	59	72	80	82	86	108	122	178	134
Long-Term Debt	575	575	574	574	575	1,982	1,613	1,366	1,525
Total Equity	560	526	672	896	1,016	1,331	1,620	1,912	2,186
LTD/E Ratio	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
Return on Assets	21.2%	18.9%	23.7%	20.5%	18.5%	12.7%	11.7%	13.4%	14.3%
Return on Equity	48.0%	49.2%	58.9%	47.5%	41.8%	33.8%	31.7%	30.4%	29.1%
ROIC	26.5%	23.9%	30.1%	27.5%	26.1%	16.2%	14.3%	16.5%	16.5%
Shares Out.	39.4	38.7	38.1	37.9	37.9	38.7	39.9	38.6	38.4
Revenue/Share	30.81	34.29	36.92	38.66	41.26	47.69	53.61	57.05	60.49
FCF/Share	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.