FactSet Research Systems, Inc. (FDS)

Updated October 26th, 2026 by Yiannis Zourmpanos

Key Metrics

Current Price:	$331	**5 Year Annual Expected Total Return:**	21.0%	**Market Cap:**	$11.68 B
Fair Value Price:	$550	**5 Year Growth Estimate:**	8.5%	**Ex-Dividend Date:**	11/27/26[1]
% Fair Value:	60%	**5 Year Valuation Multiple Estimate:**	10.7%	**Dividend Payment Date:**	12/18/26[2]
Dividend Yield:	1.4%	**5 Year Price Target**	$826	**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 September 30th, 2026, FactSet Research Systems announced Q4 2026 results, reporting non-GAAP EPS of $4.52 for the period, which beat market consensus by $0.17, and revenue that grew 6.3% year-over-year to $634.69 million.

FactSet's fiscal Q4 2026 results pointed to solid underlying commercial momentum, led by stronger subscription growth and continued traction in AI solutions. Organic Annual Subscription Value increased 7.0% year over year to $2.57 billion, representing a record annual increase, while annual ASV retention remained above 95%. Average renewal contract length also increased by roughly 30%, suggesting improving visibility across enterprise relationships. AI-related solutions were another bright spot, with AI solutions ASV added during fiscal 2026 more than doubling year over year. Regionally, organic ASV growth reached 10.6% in APAC, 7.1% in the Americas and 5.2% in EMEA.

Profitability was more mixed. Adjusted operating income increased 3.8%, although adjusted operating margin slipped to 33.0% from 33.8%, mainly due to higher ASV-linked compensation and technology spending. Operating cash flow declined 3.5% in Q4 to $204.7 million, while free cash flow was broadly stable at $177.3 million. For the full year, however, operating cash flow rose 13.2% and free cash flow increased 14.6%. FactSet also returned $179 million to shareholders during Q4, including $138 million through buybacks. Looking ahead, management expects fiscal 2027 organic ASV growth of 5.0%-6.5% and an adjusted operating margin of 34.75%-35.25%.

Growth on a Per-Share Basis

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	***2027***	***2032***
EPS	$6.55	$6.90	$9.25	$9.83	$10.56	$10.25	$12.03	$13.91	$15.55	$14.57	***$19.63***	***$29.51***
DPS	$2.12	$2.40	$2.72	$2.98	$3.18	$3.42	$3.74	$4.04	$4.28	$4.52	***$4.64***	***$7.64***
Shares[3]	39.4	38.7	38.1	37.9	37.9	37.9	38.9	38.6	38.4	36.6	***38.9***	***37.4***

FactSet has grown its earnings-per-share with a compound growth rate of 9.3% 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 $19.63 for 2027, 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 $29.51 by 2032. FactSet has increased its dividend for 27 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

[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] 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	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Now	2032
Avg. P/E	24.4	25.3	22.6	26.4	29.4	36.2	34.5	30.3	29.5	17.2	***16.9***	***28.0***
Avg. Yld.	1.3%	1.4%	1.3%	1.1%	1.0%	0.9%	0.9%	1.0%	0.9%	1.8%	***1.4%***	***0.9%***

FactSet has traded with a relatively high valuation multiple in the last decade. The stock's 10-year average P/E ratio is 27.6, and the five-year average is 29.5. 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 1.4%, 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

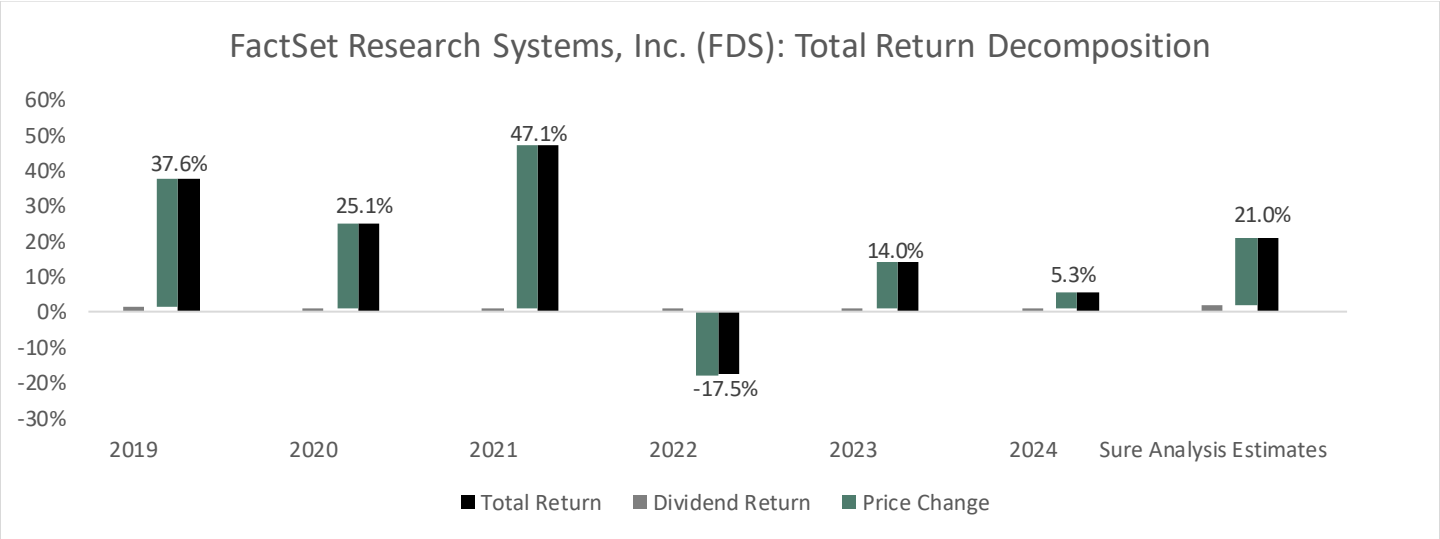
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2032
Payout	32%	35%	29%	30%	30%	33%	31%	29%	28%	31%	***24%***	***26%***

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 Q4, FactSet remained active on capital returns, repurchasing $138 million of shares during Q4, while $356 million remained available under its existing buyback authorization.

Final Thoughts & Recommendation

FactSet offers a safe, consistent, and steady long-term dividend growth record. We forecast 21.0% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 8.5%, the 1.4% 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.

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