



## **FactSet Research Systems Inc. (NYSE:FDS)**

Technology, Media & Telecommunications (TMT)

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# FactSet Research Systems Inc. (NYSE:FDS)



FactSet is a leading global provider of financial data, analytics, and technology solutions, enabling investment professionals to make informed decisions about markets and investments through connected content and innovative workflows.

## Company Description

FactSet, a financial intelligence and analytics firm, serves over 9,000 clients globally, including asset managers, investment banks, hedge funds, and corporations

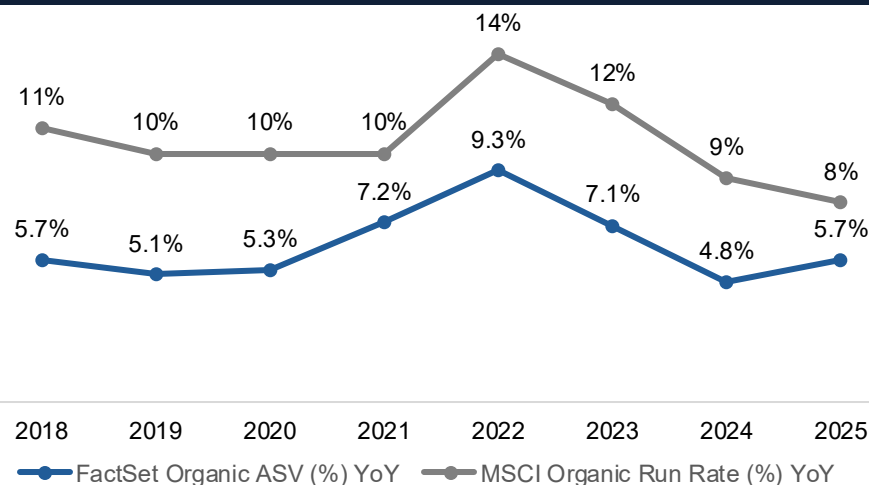
- Founded in New York City, FactSet now operates through 35+ offices in 20 countries, with headquarters in Norwalk, CT, and regional hubs in London and Singapore
- The company's main revenue driver is its subscription-based data and analytics platform, which generates recurring revenue from global financial institutions
  - They maintained a >95% annual subscription value (ASV) retention rate over the last 12 months, reflecting continued growth and client demand
- FactSet highlights its strategic investments in artificial intelligence, detailing a multi-year roadmap and six AI product releases designed to automate complex tasks

## Key Leadership



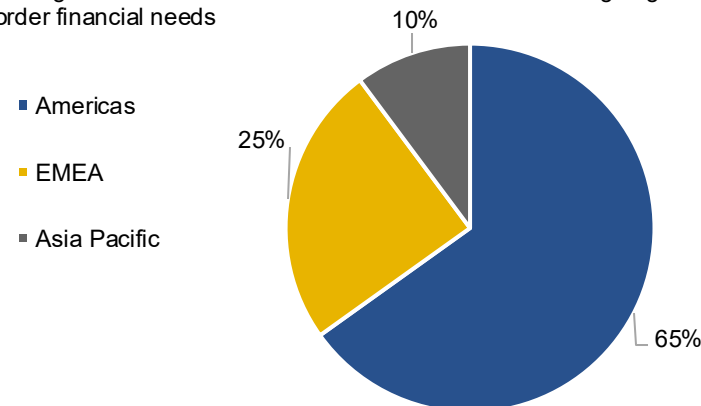
|            | Sankoe Viswanathan | Helen Shan | Kate Stepp |
|------------|--------------------|------------|------------|
| Position   | CEO                | CFO        | CTO        |
| Experience | 26+ years          | 20+ years  | 17+ years  |
| Tenure     | <1 year            | 7+ years   | 17+ years  |

## Organic Growth Comparison: FactSet vs. MSCI (2018–2025)



## FactSet FY2025 Revenue Distribution by Region

A diverse, international team strengthens FactSet's innovation and client service, demonstrating that its solutions are built with a true understanding of global markets and cross-border financial needs



FactSet's steady growth reflects its position as a smaller yet deeply trusted provider within the global financial data ecosystem

# Revenue Drivers

FactSet's revenue relies on scalable, subscription-based growth that strengthens as clients deepen platform usage, expand globally, and benefit from an increasingly integrated ecosystem.

## ASV and Client Base Growth

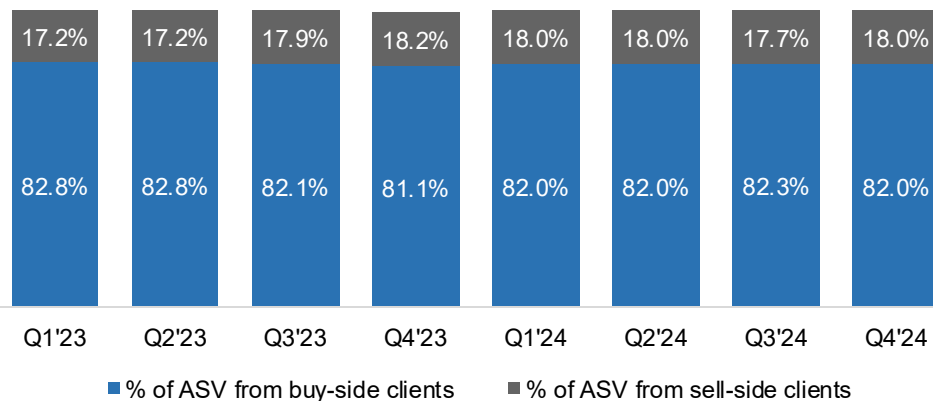
- Recurring ASV Growth drives predictable revenue as clients expand seats, add data packages, and adopt more workflow tools
- An expanding global client base increases total subscription demand and widens opportunities for cross-selling
  - New clients acquisition fuels adoption of analytics, data feeds, and research solutions, further expanding platform usage
  - Strong retention supports long-term revenue stability by maintaining a high-quality, engaged client base
- Higher usage results in higher value, as deeper platform engagement naturally lifts ASV over time

## Strategic Partnerships and Acquisitions

- Targeted M&A deepens client workflows, strengthening FactSet's end-to-end platform
  - Irwin enhances IR workflows with a unified solution for investor engagement, research, and corporate access
  - LogolIntern brings automation to manual junior-banker tasks, increasing efficiency
- Acquisitions and integrations enhance data, analytics, and cross-sell potential as embedded products drive natural cross-sell as clients adopt adjacent modules
- Strategic partnerships advance FactSet's open-platform strategy and broaden workflow coverage
  - Integrated real-time bond pricing from MarketAxess and BondCliQ expands fixed-income workflows
  - Expanded aftermarket research with JPM and Barclays adds to 1,800+ broker contributors

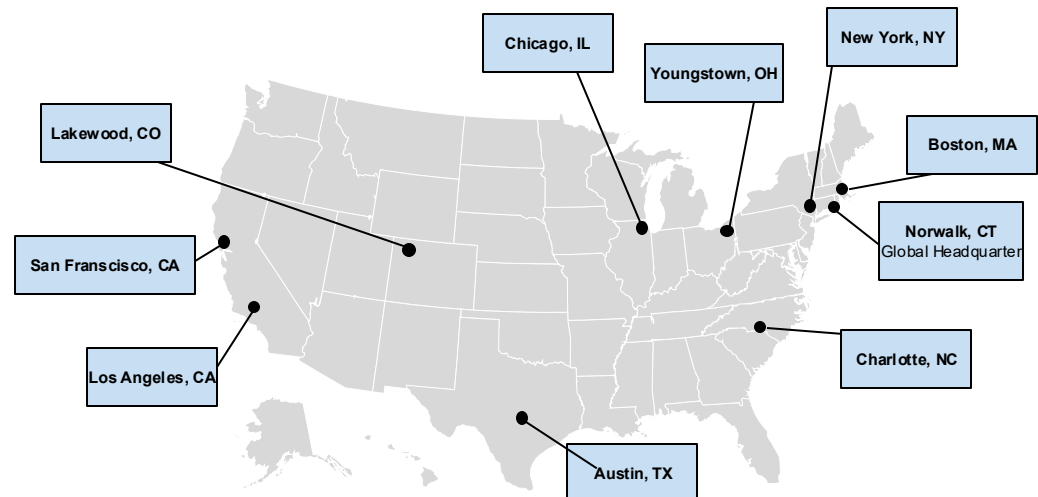
## ASV Revenue Mix by Client Type

- Buy-side clients (~82% of Organic ASV) represent FactSet's core revenue base and include firms that invest capital on behalf of institutions or individuals to generate returns
- Sell-side clients (~18% of Organic ASV) represent the remainder of revenue and consist of firms that provide advisory, research, and execution services to investors



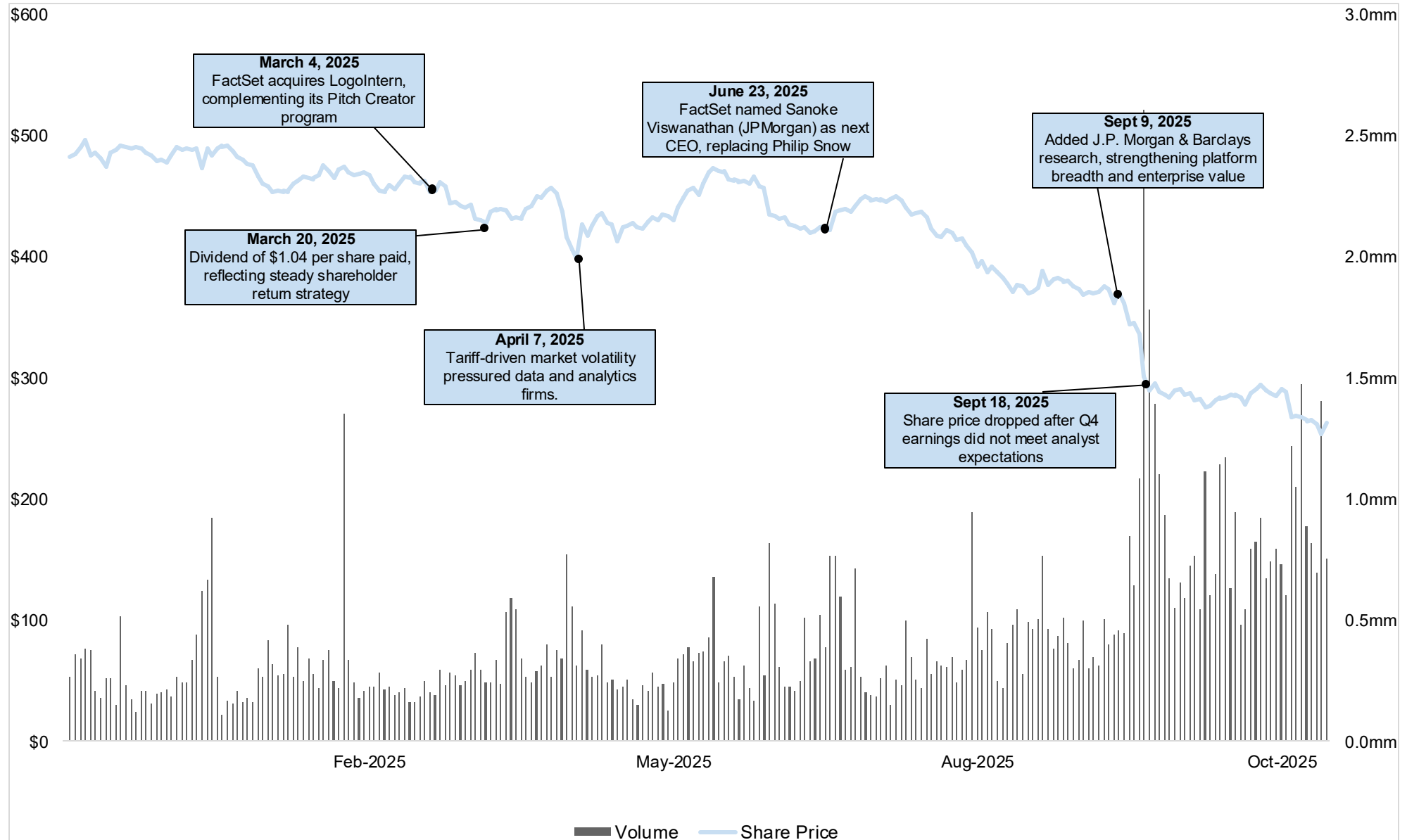
## Operating Locations Across the United States

FactSet's global footprint across the Americas, EMEA, and Asia Pacific drives revenue by keeping it close to major financial hubs - led by its strongest market, the United States.



# Price to Volume – LTM (C\$/Share)

FactSet's stock shows an overall stable trajectory, reflecting its consistent revenue model and the industry's reliance on its data and analytics services



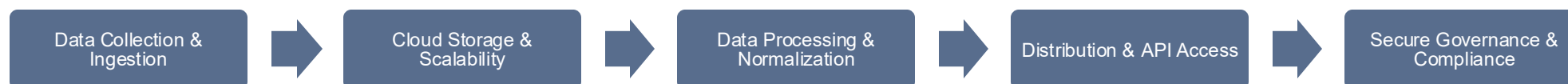
Source: FactSet, S&P Capital IQ

# Macroeconomic Overview – Trends

As global demand for AI-ready financial data increases, the need for FactSet's deeply integrated analytics and workflow tools is rising to support the development of automated, insight-driven investment processes.

## Expanding Data Infrastructure

- Expanding data infrastructure refers to the growing need for scalable, cloud-based systems that can ingest, process, and deliver massive volumes of financial and alternative data with speed, accuracy, and global reliability
- Regulatory and compliance demands reflect the increasing pressure on financial institutions to meet evolving global standards, requiring advanced reporting tools, transparent data lineage, and automated controls to ensure accuracy and auditability
- AI-enabled investment workflows highlight the accelerating shift toward machine-driven analysis, creating demand for integrated, high-quality datasets and scalable platforms that support modeling, automation, and faster decision-making
- Growth in alternative data usage underscores the industry's reliance on non-traditional, high-frequency sources, driving the need for systems that can efficiently integrate, normalize, and deliver these datasets into core analytical workflows



## AI, Analytics, and Workflow Automation

- AI is rapidly transforming how financial professionals analyze data, automate workflows, and generate insights across markets
- As firms seek to improve efficiency and decision-making, AI is gaining momentum for its:
  - Ability to process vast datasets instantly
  - Predictive modelling and pattern detection
  - Automation of repetitive, time-consuming tasks
- AI tools rely on high-quality, structured data to train accurate models and deliver reliable outputs in investment, risk, and research workflows
- In financial services, AI enhances tasks such as sentiment analysis, portfolio optimization, document summarization, and real-time monitoring
- The AI ecosystem in this industry includes data providers, model developers, analytics platforms, workflow tools, and cloud infrastructure partners

## SaaS, Subscription-Driven Ecosystems and ESG

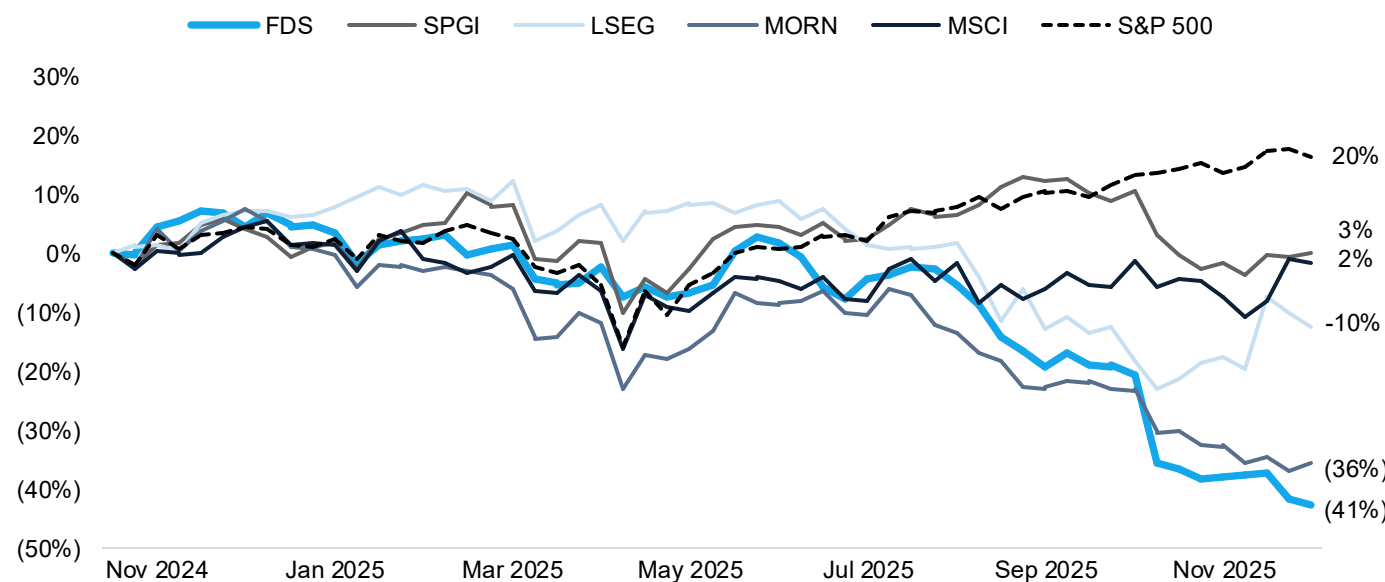
- Recurring revenue models create predictable, long-term growth for software providers
  - Integrated ecosystems boost client stickiness, as workflows become interconnected
  - Lower upfront costs and easy scaling drive broad adoption across organizations
- ESG, Sustainability, and Alternate Data:
  - ESG investing is accelerating as global regulators expand climate and sustainability disclosure requirements
  - Investors now depend on carbon, supply-chain, and governance metrics to guide long-term decisions
  - Alternative data, like satellite, IoT, and climate-risk signals, is becoming core to evaluating company performance

## Key Competitors

FactSet's competitive advantages lies in delivering comprehensive financial data through a flexible platform seamlessly integ rated with Excel. It prioritizes user interface and client service, offering more customizable workflows and AI-enabled technology than Bloomberg and S&P Capital IQ.

| Competitor            | Description  | Market Cap (\$USD)       | # of Users           | Product            |
|-----------------------|--|--------------------------|----------------------|--------------------|
| <b>Bloomberg</b>      | Dominant real-time terminal leader<br>Heavy AI push in news & sentiment analytics      | 120B (est.) <sup>1</sup> | ~355,000 (est.)      | Bloomberg Terminal |
| <b>S&amp;P Global</b> | Global ratings and data powerhouse<br>Expanding ESG and AI-driven risk solutions       | 149.5B                   | 50,000+              | S&P Capital IQ     |
| <b>LSEG</b>           | Post-Refinitiv trading infrastructure giant<br>AI chatbots and open data marketplaces  | 64.4B                    | 400,000+             | LSEG Workspace     |
| <b>MORNINGSTAR</b>    | Leading buy-side research and analytics<br>Strong growth in AI-powered direct indexing | 8.8B                     | 20,000+              | Morningstar Direct |
| <b>MSCI</b>           | Premier index and risk analytics provider<br>Advanced climate/ESG models with AI       | 43.4B                    | ~10,000 users (est.) | MSCI Analytics     |

### Relative Performance – Last Twelve Months



### Commentary

- Financial data peers broadly underperformed the S&P 500 (+20%), with S&P Global (+3%), LSEG (-13%), MSCI (+2%), and Morningstar (-36%) all lagging
- Elevated rates pressured software multiples, while AI hype shifted capital to pure-play tech (e.g., NVDA), casting legacy terminals as "at risk" despite sticky revenue
- However, 95%+ client retention and accelerating AI workflow adoption signal resilience
- FactSet's mission-critical role in buy-side workflows and accelerating AI leadership position it as the clearest beneficiary when sentiment normalizes

Source: FactSet, Refinitiv, Yahoo Finance

1. Market cap estimate based on company revenue and Michael Bloomberg's wealth and 88% ownership

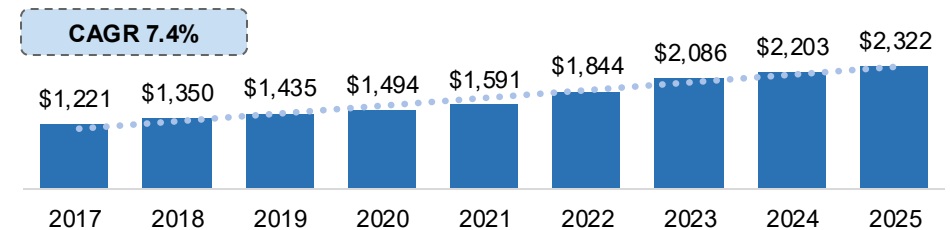
# Investment Thesis I

FactSet has a resilient business model supported by strong fundamentals, consistent revenue growth driven by a subscription model and an entrenched client base. This structure provides predictable cash flows, strengthens the stability of its core operations and supports long-term value creation.

## Fundamentals & Revenue Growth

- FactSet is a high-quality company with a consistent record of earnings growth and consistent revenue growth (guidance to grow about 5 - 6% in the next few years)
- The company's business is considered sticky, suggesting stable, recurring revenue streams with high customer retention
- FactSet's data feed and wealth management businesses represent strong growth opportunities for the firm
- While organic operating margins have decreased last year, a higher revenue base may make operating margin expansion more attainable in the future
- To offset margin pressure, FactSet has executed cost reductions: it reduced its real estate footprint (by ~1/3) and constrained certain data-provider costs

## Revenue (\$ US M, 2017 – 2025)

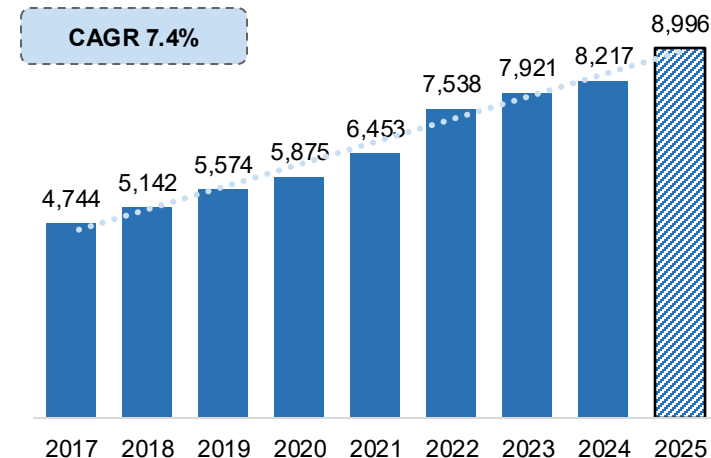


FactSet experienced higher revenue growth in 2022 and 2023 partially driven by the acquisition of CUSIP Global Services. However, it maintained robust organic growth of 9% and 7.5%, respectively. Beyond acquisitions, revenue growth has been consistent and strong, reflecting the strength of its subscription-based business model and continued expansion across both new and existing clients.

## High Customer Retention

- FactSet solutions are deeply integrated into client workflows, making switching providers costly and operationally disruptive
- The platform provides financial data, customizable analytics and reliable client support, ensuring clients renew and expand their subscriptions
- The total client count has grown steadily, demonstrating strong retention and ongoing success in acquiring new clients
- High client retention is a key driver of predictable, recurring revenue streams, reducing volatility and supporting long-term growth
- High ASV retention indicates that existing clients reliably renew at predictable levels and maintain consistent spending despite market volatility
- Retaining an existing client is far less costly than acquiring a new one, reducing total client acquisition costs and improving overall profitability

## Client Count With ASV Over 10,000 (2017 – 2025)



In 2025, FactSet achieved an **annual client retention rate of 91%**, a 1% increase from the previous year, with annual ASV retention exceeding 95%. **Total organic ASV grew 5.7% compared to 2024.**

**Deeply integrated client solutions drive stable, recurring revenue, high client retention and long-term strategic growth potential**

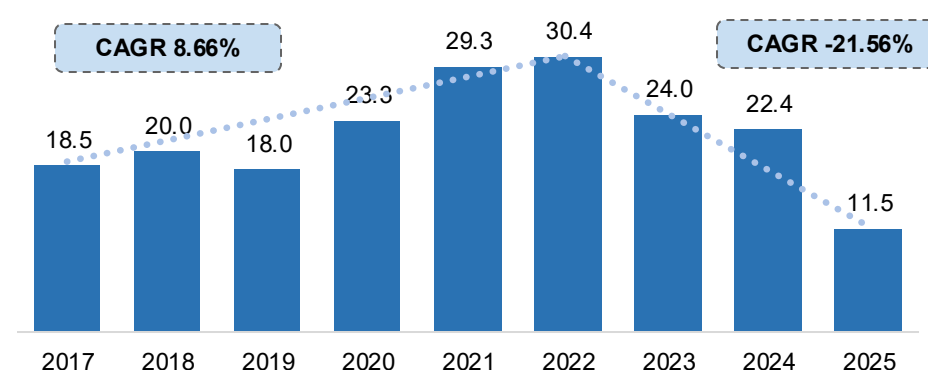
# Investment Thesis II

FactSet share price declined and is now trading at lower multiples due to a market overreaction on analyst missing estimates. The company's high-quality product, strong fundamentals, and consistent dividend growth (26 years increasing dividend), suggest meaningful upside potential.

## Historical & Projected Returns

- The stock price fell precipitously over 40%, primarily starting in early 2024 and continuing into 2025. This was due to a market overreaction to Q3 '25 report, driven by a modest 4% drop in Adjusted Operating Margin (37% to 33%) and new CEO transition
- Stock is now low based on historical norms the way the market values it
- Stock price expected to revert to its historical, market-based P/E multiple, which has consistently averaged around 20 to 30 times earnings
- Based on a return to this normal valuation, the potential returns are significant:
- A return to the 27.78 P/E multiple by the end of 2028 could yield a 29% annualized rate of return

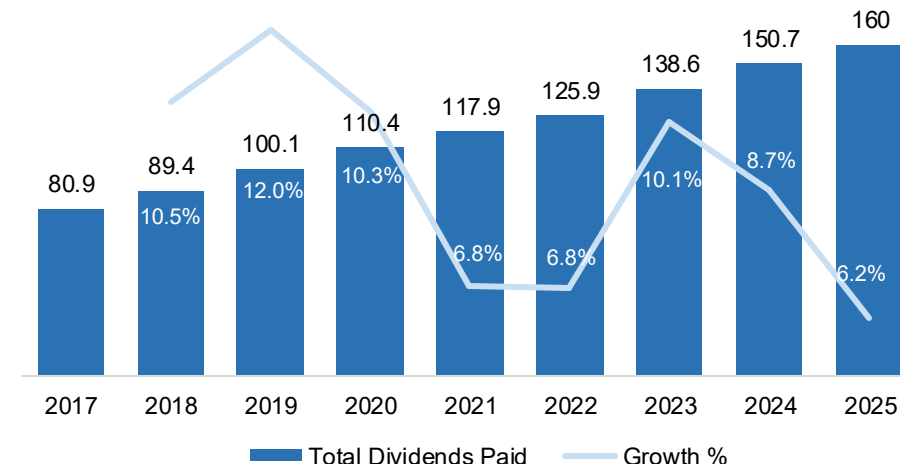
## EV/EBITDA Multiple (x, 2017 – 2025)



## Capital Return & Cash Generation

- FactSet is a reliable dividend payer, and the dividend has increased each year (CAGR 7.51% over the last 5 years)
- In May 2025, FactSet increased its quarterly cash dividend by 6% to \$1.10 per share. The \$0.06 per share increase marks the 26th consecutive year the Company has increased dividends on a stock split-adjusted basis, highlighting its continued commitment to return value to its stockholders
- FactSet is backed by strong cash generation, and long-term strategic investments. While they are increasing capex (especially on AI and internal platforms), their free cash flow remains robust
- Investors and analysts are keeping an eye on how these capital investments and working capital are going to impact future cash flow. For example, whether rising capex could compress free cash flow in the near term, but increase long term returns

## Total Annual Dividends Paid and Growth (US\$ M, %, 2017 – 2025)



**FDS stock price is currently low based on historical norms and is expected to revert to its historical multiple highlighted by the firm's strong fundamentals, ability to generate cash and pay dividends to shareholders**



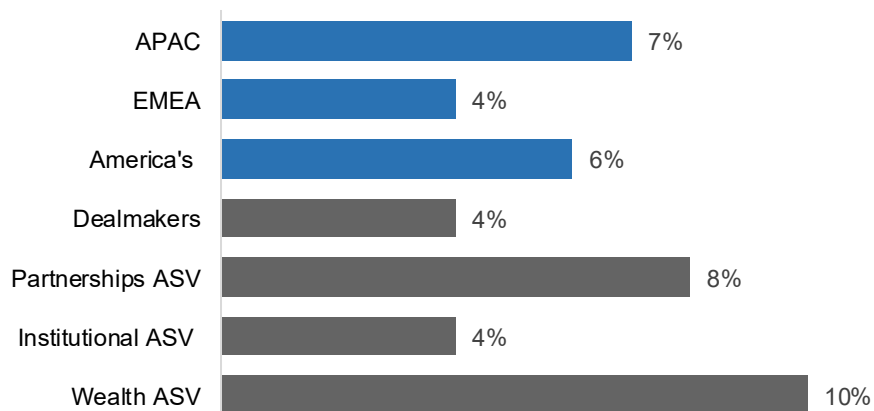
# Long-Term Growth & Capital Return Framework

FactSet is positioned for durable long-term growth driven by rising global demand for financial intelligence, multi-year AI investment, and disciplined shareholder returns.

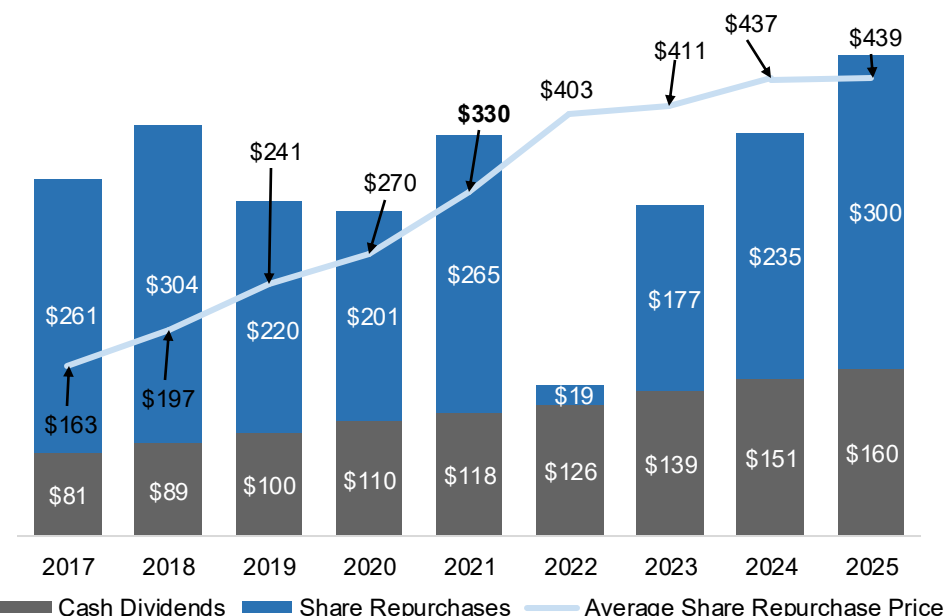
## Long-Term Trajectory

- Under a new CEO with a strong JPMorgan background, FactSet is doubling down on AI, data, and partnerships to be the core financial intelligence layer for global markets
- Growing analytics and data TAM:** The global **financial analytics market** is projected to grow from about **\$10.4B in 2025 to ~\$28.9B by 2034** (~12% CAGR), while **financial data services** are also expected to grow high-single digits annually. This expands FactSet's addressable market even if its share stays constant
- Rising spend on market data and software:** Global **financial market data spending** hit **\$44.3B in 2024**, up **6.4% YoY**, and has set new highs for a decade, while **financial services application software** is expected to grow from about **\$166B in 2025 to over \$307B by 2030** (~13% CAGR). This shows institutions are consistently allocating more budget to data and workflow software, directly benefiting platforms like FactSet
- Banks and asset managers modernizing tech stacks:** As banks and funds digitize, consolidate legacy systems, and scale AI, they increasingly rely on external providers for **clean data, analytics, and integrated workflows** rather than building everything in-house. FactSet's "data + analytics + workflow" model is aligned with this shift, giving it a long runway to deepen penetration and cross-sell into existing accounts

## Multi-Segment & Geographic Growth (YoY%) <sup>1</sup>



## Returning Capital to Shareholders



- FactSet returned **\$460.4 million** to shareholders in FY2025, demonstrating a strong and consistent capital return strategy
- The company has increased its dividend for **26 consecutive years**, with cash dividends rising from **\$81 million in 2017 to \$160 million in 2025**
- This steady dividend growth signals management's confidence in long-term cash flow stability and future earnings expansion
- FactSet repurchased **\$300.5 million** of shares in FY2025, reducing share count and supporting **EPS accretion**
- A new **\$400 million** buyback authorization for FY2026 reinforces the company's ongoing commitment to shareholder returns
- This combination of rising dividends and continued buybacks positions investors to benefit from near-term earnings uplift and sustained long-term value creation

# Comparable Company Analysis

A comparable company analysis was conducted for relative valuation market approach of FactSet based on EV/EBITDA from industry peers.

| Comparable Valuation         |                 |             |            |          |           |            |           |
|------------------------------|-----------------|-------------|------------|----------|-----------|------------|-----------|
| Company                      | Ticker          | Share Price | Market Cap | Net Debt | EV Latest | NTM EBITDA | EV/EBITDA |
| Msci Inc                     | (NYSE:MSCI)     | \$565.15    | 42,465     | 5,251    | 47,716    | 2,054      | 23.2x     |
| Morningstar Inc              | (NasdaqGS:MORN) | \$211.95    | 8,717      | 528      | 9,245     | 767        | 12.1x     |
| S&P Global Inc               | (NYSE:SPGI)     | \$493.90    | 149,553    | 10,310   | 164,428   | 8,238      | 20.0x     |
| Moody'S Corp                 | (NYSE:mco)      | \$479.48    | 85,537     | 5,198    | 90,890    | 4,165      | 21.8x     |
| CME Group Inc                | (NasdaqGS:CME)  | \$285.04    | 102,785    | 1,200    | 103,985   | 4,640      | 22.4x     |
| Intercontinental Exchange In | (NYSE:ICE)      | \$152.07    | 86,707     | 18,659   | 105,431   | 6,940      | 15.2x     |
| Nasdaq Inc                   | (NasdaqGS:NDAQ) | \$87.08     | 49,722     | 9,128    | 58,857    | 3,226      | 18.3x     |
| Donnelley Financial Solution | (NYSE:DFIN)     | \$46.04     | 1,222      | 141      | 1,363     | 237        | 5.8x      |
| Mean                         |                 |             |            |          |           |            | 17.3x     |
| Median                       |                 |             |            |          |           |            | 19.1x     |

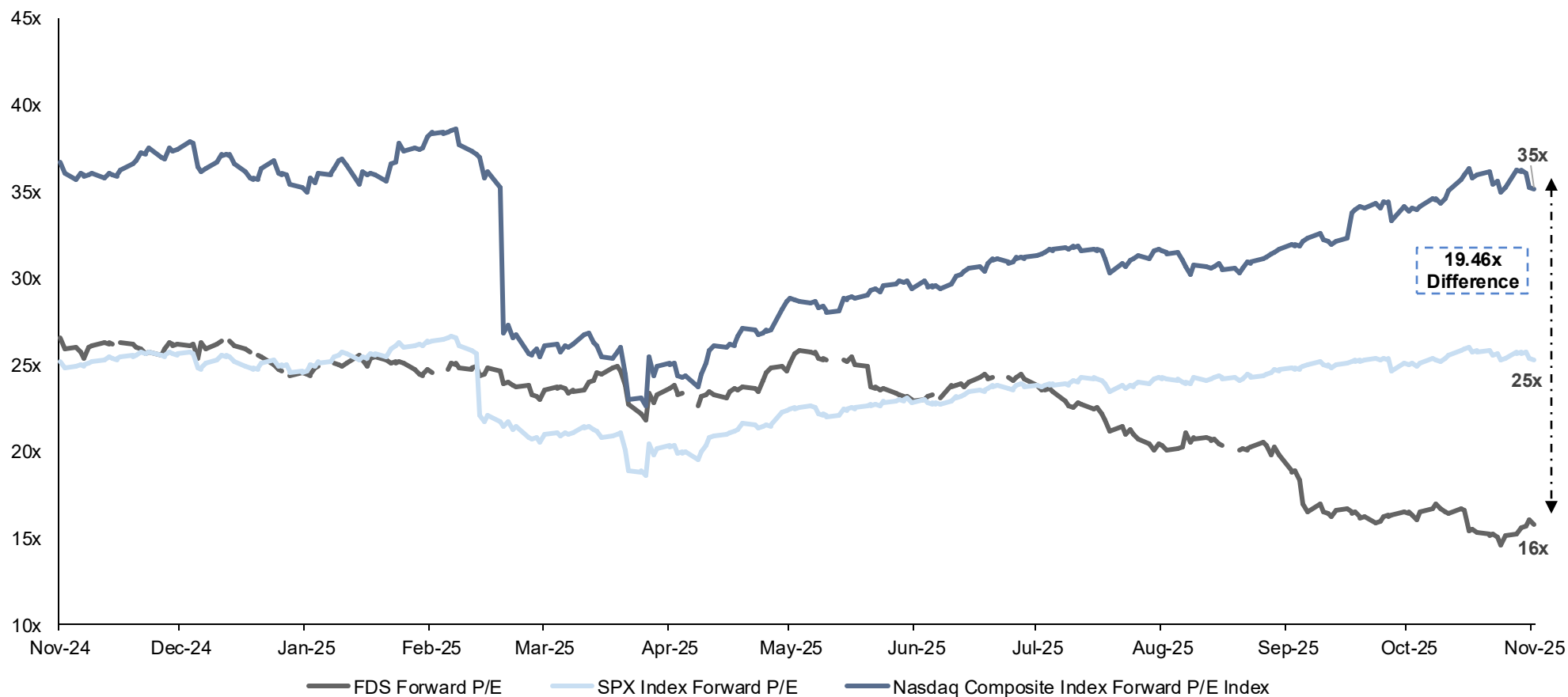
| Comparable Commentary   | EV/EBITDA Comp  |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
|---|---|---------|-----------|-----|-------|------|------|------|-------|-----|-------|-----|-------|-----|-------|------|-------|------|-------|------|-------|
| <p><b>Peer Selection Rationale:</b> The selected peers include S&amp;P Global, Moody's, MSCI, ICE, Nasdaq, Morningstar, and CME Group. These firms are all leaders in financial data, analytics, and market infrastructure, with similar recurring revenue models, strong margins, and institutional client bases. Together they provide a balanced and relevant benchmark for assessing FactSet's scale, business mix, and cash flow profile.</p> <p><b>FactSet's Differentiation:</b> FactSet distinguishes itself through an integrated data and analytics platform that serves buy-side, sell-side, and corporate clients. With 95 percent recurring revenue, consistent double-digit earnings growth, and mid-thirty percent margins, FactSet operates a resilient, asset-light model that compounds value over time.</p> <p><b>Conservative Valuation Approach:</b> An exit multiple of 14.4x EV/EBITDA was used, near the twenty-fifth percentile of the peer range and below the median of 19.1x. This conservative assumption reflects caution around elevated sector valuations and integration risks from recent acquisitions, while still recognizing FactSet's strong fundamentals, durable margins, and long-term growth potential.</p> | <table border="1"> <thead> <tr> <th>Company</th> <th>EV/EBITDA</th> </tr> </thead> <tbody> <tr> <td>FDS</td> <td>14.4x</td> </tr> <tr> <td>DFIN</td> <td>5.8x</td> </tr> <tr> <td>NDAQ</td> <td>18.3x</td> </tr> <tr> <td>ICE</td> <td>15.2x</td> </tr> <tr> <td>CME</td> <td>22.4x</td> </tr> <tr> <td>MCO</td> <td>21.8x</td> </tr> <tr> <td>SPGI</td> <td>20.0x</td> </tr> <tr> <td>MORN</td> <td>12.1x</td> </tr> <tr> <td>MSCI</td> <td>23.2x</td> </tr> </tbody> </table> <p><b>Valuation Confidence:</b> At 14.4x EV/EBITDA, our exit multiple reflects a conservative stance relative to the peer median of 19.1x. Given FactSet's <b>95%</b> recurring revenues, double-digit EPS growth, and leadership in AI-driven financial intelligence, this valuation remains disciplined while allowing for meaningful upside.</p> | Company | EV/EBITDA | FDS | 14.4x | DFIN | 5.8x | NDAQ | 18.3x | ICE | 15.2x | CME | 22.4x | MCO | 21.8x | SPGI | 20.0x | MORN | 12.1x | MSCI | 23.2x |
| Company   | EV/EBITDA   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| FDS   | 14.4x   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| DFIN  | 5.8x  |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| NDAQ  | 18.3x   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| ICE   | 15.2x   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| CME   | 22.4x   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| MCO   | 21.8x   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| SPGI  | 20.0x   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| MORN  | 12.1x   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |
| MSCI  | 23.2x   |         |           |     |       |      |      |      |       |     |       |     |       |     |       |      |       |      |       |      |       |

# Forward P/E Comparison

FACTSET

CFAC  
PORTFOLIO MANAGEMENT

## Forward P/E Chart & Commentary



| Implied Multiples | 2022A  | 2023A  | 2024A  | 2025A  | NTM (11/14/25) | 2026E  | 2027E  |
|-------------------|--------|--------|--------|--------|----------------|--------|--------|
| EV/Revenue        | 9.85x  | 8.62x  | 7.71x  | 6.57x  | 4.93x          | 4.69x  | 4.69x  |
| EV/EBITDA         | 30.23x | 23.44x | 19.99x | 16.28x | 12.22x         | 12.25x | 11.40x |
| P/E               | 31.99x | 32.29x | 29.71x | 24.11x | 17.14x         | 15.81x | 14.58x |

FactSet trades at a forward P/E roughly **19.46x below the Nasdaq**, despite delivering stronger revenue stability, higher margins, and far lower cyclicality than typical tech names. With accelerating AI adoption and expanding buy- and sell-side penetration, a re-rating toward benchmark multiples offers compelling upside.

Source: Bloomberg

1. Gaps in FDS Forward P/E due to Holiday's

# Discounted Cash Flow Model

The DCF returned an implied share price of \$303.06 from the Perpetuity Method, a 11% premium to the current share price. This valuation is driven by a terminal UFCF of \$825mm grown at 2.5% in perpetuity and discounted at a 8.4% WACC.

## DCF Output Table

| (US\$mm)<br>Period                            | Historicals |       |       | Forecast Period |       |       |       |       |
|---|-------------|-------|-------|-----------------|-------|-------|-------|-------|
|   | 2023A       | 2024A | 2025A | 2026F           | 2027F | 2028F | 2029F | 2030F |
|   |             |       |       | 1               | 2     | 3     | 4     | 5     |
| <b>Revenue</b>                                | 2,086       | 2,203 | 2,322 | 2,439           | 2,566 | 2,698 | 2,838 | 2,985 |
| Growth Rate (%)                               |             | 5.6%  | 5.4%  | 5.1%            | 5.2%  | 5.2%  | 5.2%  | 5.2%  |
| (-) COGS                                      | 973         | 1,012 | 1,098 | 1,147           | 1,200 | 1,256 | 1,314 | 1,374 |
| <b>Gross Profit</b>                           | 1,112       | 1,191 | 1,224 | 1,292           | 1,365 | 1,443 | 1,525 | 1,611 |
| Margin %                                      | 53.3%       | 54.1% | 52.7% | 53.0%           | 53.2% | 53.5% | 53.7% | 54.0% |
| (-) SG&A                                      | 483         | 436   | 473   | 515             | 542   | 570   | 599   | 630   |
| As a % of Revenue                             | 23.2%       | 19.8% | 20.4% | 21.1%           | 21.1% | 21.1% | 21.1% | 21.1% |
| <b>EBIT (Operating Income)</b>                | 629         | 755   | 751   | 777             | 824   | 873   | 925   | 981   |
| Margin %                                      | 30.2%       | 34.3% | 32.3% | 31.9%           | 32.1% | 32.4% | 32.6% | 32.9% |
| (-) Taxes                                     | 116         | 114   | 124   | 134             | 142   | 150   | 159   | 169   |
| Tax Rate (%)                                  | 18.4%       | 15.1% | 16.5% | 17.2%           | 17.2% | 17.2% | 17.2% | 17.2% |
| <b>Net Operating Profit After Tax (NOPAT)</b> | 513         | 641   | 627   | 644             | 682   | 723   | 766   | 812   |
| (+) Depreciation & Amortization               | 138         | 156   | 189   | 186             | 183   | 179   | 174   | 168   |
| As a % of Revenue                             | 6.6%        | 7.1%  | 8.1%  | 7.6%            | 7.1%  | 6.6%  | 6.1%  | 5.6%  |
| (+ / -) Change in NWC                         | -60         | -22   | 54    | -12             | -13   | -14   | -15   | -15   |
| As a % of Revenue                             | -2.9%       | -1.0% | 2.3%  | -0.5%           | -0.5% | -0.5% | -0.5% | -0.5% |
| (-) Capital Expenditures                      | 61          | 86    | 109   | 114             | 120   | 126   | 133   | 140   |
| As a % of Revenue                             | 2.9%        | 3.9%  | 4.7%  | 4.7%            | 4.7%  | 4.7%  | 4.7%  | 4.7%  |
| <b>Unlevered Free Cash Flow (UFCF)</b>        | 530         | 689   | 761   | 703             | 732   | 762   | 793   | 825   |
| Growth Rate (%)                               |             | 30.0% | 10.4% | -7.7%           | 4.1%  | 4.1%  | 4.1%  | 4.1%  |
| WACC (%)                                      |             |       |       | 8.4%            | 8.4%  | 8.4%  | 8.4%  | 8.4%  |
| <b>Present Value UFCF</b>                     |             |       |       | 648             | 623   | 598   | 574   | 551   |
| Sum of Present Value UFCF                     |             |       | 2,994 |                 |       |       |       |       |

## Summary of Key Assumptions

|                                   |          |
|-----------------------------------|----------|
| <b>WACC</b>                       | 8.4%     |
| <b>Perpetuity Growth Rate</b>     | 2.5%     |
| <b>Exit EV/EBITDA</b>             | 14.4x    |
| <b>Diluted Shares Outstanding</b> | 37.5     |
| <b>Current Share Price</b>        | \$273.91 |

## Terminal Value – Perpetuity Method

| Terminal Value - Perpetuity Method  |                 |
|-------------------------------------|-----------------|
| Terminal Year UFCF                  | 825             |
| Perpetuity Growth Rate              | 2.5%            |
| Terminal Value                      | 14,331          |
| (+) PV of Terminal Value            | 9,574           |
| (+) Sum of PV of UFCFs              | 2,994           |
| <b>Implied Enterprise Value</b>     | <b>12,568</b>   |
| Implied Exit Multiple               | 8.0x            |
| % of Implied EV from Terminal Value | 76%             |
| Enterprise Value to Equity Value    |                 |
| Implied Enterprise Value            | 12,568          |
| (-) Net Debt                        | 1,203           |
| <b>Implied Equity Value</b>         | <b>11,365</b>   |
| Diluted Shares Outstanding          | 38              |
| <b>Implied Share Price</b>          | <b>\$303.06</b> |
| Premium / Discount to Current       | 11%             |

# Discounted Cash Flow Model

The DCF returned an implied share price of \$342.57 from the Exit Multiple Method, a 25% premium to the current share price. This valuation is made by applying a 14.4x EBITDA multiple taken from the 25<sup>th</sup> percentile of our comps to terminal-year EBITDA.

## DCF Output Table

| (US\$mm)<br>Period                            | Historicals |       |       | Forecast Period |       |       |       |       |
|---|-------------|-------|-------|-----------------|-------|-------|-------|-------|
|   | 2023A       | 2024A | 2025A | 2026F           | 2027F | 2028F | 2029F | 2030F |
|   |             |       |       | 1               | 2     | 3     | 4     | 5     |
| <b>Revenue</b>                                | 2,086       | 2,203 | 2,322 | 2,439           | 2,566 | 2,698 | 2,838 | 2,985 |
| Growth Rate (%)                               |             | 5.6%  | 5.4%  | 5.1%            | 5.2%  | 5.2%  | 5.2%  | 5.2%  |
| (-) COGS                                      | 973         | 1,012 | 1,098 | 1,147           | 1,200 | 1,256 | 1,314 | 1,374 |
| <b>Gross Profit</b>                           | 1,112       | 1,191 | 1,224 | 1,292           | 1,365 | 1,443 | 1,525 | 1,611 |
| Margin %                                      | 53.3%       | 54.1% | 52.7% | 53.0%           | 53.2% | 53.5% | 53.7% | 54.0% |
| (-) SG&A                                      | 483         | 436   | 473   | 515             | 542   | 570   | 599   | 630   |
| As a % of Revenue                             | 23.2%       | 19.8% | 20.4% | 21.1%           | 21.1% | 21.1% | 21.1% | 21.1% |
| <b>EBIT (Operating Income)</b>                | 629         | 755   | 751   | 777             | 824   | 873   | 925   | 981   |
| Margin %                                      | 30.2%       | 34.3% | 32.3% | 31.9%           | 32.1% | 32.4% | 32.6% | 32.9% |
| (-) Taxes                                     | 116         | 114   | 124   | 134             | 142   | 150   | 159   | 169   |
| Tax Rate (%)                                  | 18.4%       | 15.1% | 16.5% | 17.2%           | 17.2% | 17.2% | 17.2% | 17.2% |
| <b>Net Operating Profit After Tax (NOPAT)</b> | 513         | 641   | 627   | 644             | 682   | 723   | 766   | 812   |
| (+) Depreciation & Amortization               | 138         | 156   | 189   | 186             | 183   | 179   | 174   | 168   |
| As a % of Revenue                             | 6.6%        | 7.1%  | 8.1%  | 7.6%            | 7.1%  | 6.6%  | 6.1%  | 5.6%  |
| (+ / -) Change in NWC                         | -60         | -22   | 54    | -12             | -13   | -14   | -15   | -15   |
| As a % of Revenue                             | -2.9%       | -1.0% | 2.3%  | -0.5%           | -0.5% | -0.5% | -0.5% | -0.5% |
| (-) Capital Expenditures                      | 61          | 86    | 109   | 114             | 120   | 126   | 133   | 140   |
| As a % of Revenue                             | 2.9%        | 3.9%  | 4.7%  | 4.7%            | 4.7%  | 4.7%  | 4.7%  | 4.7%  |
| <b>Unlevered Free Cash Flow (UFCF)</b>        | 530         | 689   | 761   | 703             | 732   | 762   | 793   | 825   |
| Growth Rate (%)                               |             | 30.0% | 10.4% | -7.7%           | 4.1%  | 4.1%  | 4.1%  | 4.1%  |
| WACC (%)                                      |             |       |       | 8.4%            | 8.4%  | 8.4%  | 8.4%  | 8.4%  |
| <b>Present Value UFCF</b>                     |             |       |       | 648             | 623   | 598   | 574   | 551   |
| Sum of Present Value UFCF                     |             |       | 2,994 |                 |       |       |       |       |

## Summary of Key Assumptions

|                                   |          |
|-----------------------------------|----------|
| <b>WACC</b>                       | 8.4%     |
| <b>Perpetuity Growth Rate</b>     | 2.5%     |
| <b>Exit EV/EBITDA</b>             | 14.4x    |
| <b>Diluted Shares Outstanding</b> | 37.5     |
| <b>Current Share Price</b>        | \$273.91 |

## Terminal Value – Exit Multiple Method

| Terminal Value - Exit Multiple      |                 |
|-------------------------------------|-----------------|
| Terminal Year EBITDA                | 1,149           |
| Exit EV/EBITDA                      | 14.4x           |
| Terminal Value                      | 16,548          |
| (+) PV of Terminal Value            | 11,056          |
| (+) Sum of PV of UFCFs              | 2,994           |
| <b>Implied Enterprise Value</b>     | <b>14,050</b>   |
| Implied Growth Rate                 | 3%              |
| % of Implied EV from Terminal Value | 79%             |
| Enterprise Value to Equity Value    |                 |
| Implied Enterprise Value            | 14,050          |
| (-) Net Debt                        | 1,203           |
| <b>Implied Equity Value</b>         | <b>12,846</b>   |
| Diluted Shares Outstanding          | 38              |
| <b>Implied Share Price</b>          | <b>\$342.57</b> |
| Premium / Discount to Current       | 25%             |

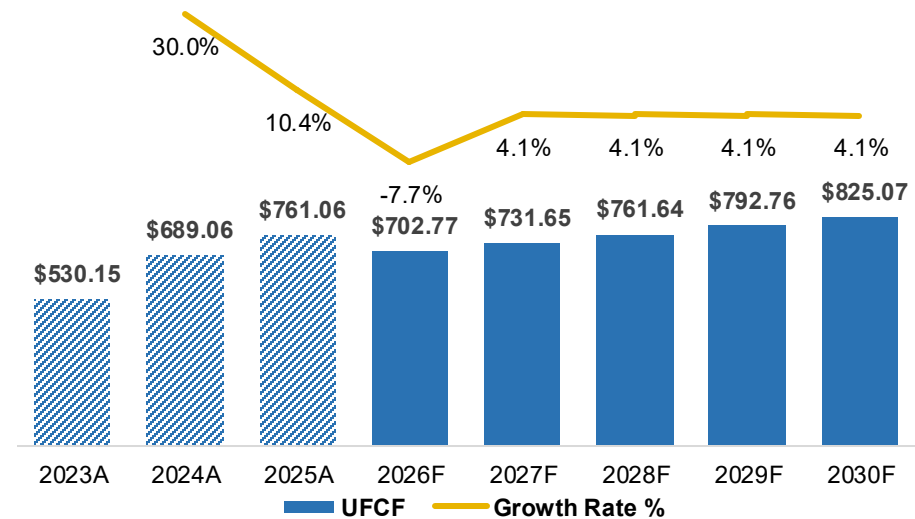
# Discounted Cash Flow Model – Results Summary

Stable, subscription-driven cash flows and low capex produce a tight DCF range, with the market-based exit multiple (\$342.57) valuing FactSet above the conservative perpetuity approach (\$303.06).

## Results Summary

- The 8.4% WACC is driven primarily by the cost of equity being elevated to business risk, as a D/(D+E) at only 13.2% and 0.99 levered beta indicates low operational volatility
  - Given the stability of cash flows and low credit risk, a lower WACC would materially increase intrinsic value, suggesting **upside potential is understated**
- UFCF compounds predictably from \$703mm in 2026F → \$825mm in 2030F, reflecting FactSet's subscription-heavy model, >95% retention, and minimal churn
  - Low capital intensity (~4.7% of revenue) and stable working capital needs **support high cash conversion and reduce forecasting uncertainty**
- The exit multiple method implies a higher share price of \$342.57 compared to the \$303.06 from the perpetuity method, even after using a 25<sup>th</sup> percentile multiple
  - The 14.4× terminal EBITDA multiple reflects premium peer valuations, so the market prices FactSet's durable cash flows more richly than the conservative growth embedded in the perpetuity method

After a slight drop in UFCF in 2026 due to a decrease in NWC, we see expected steady growth from their strong client retention and strong revenue growth



### Perpetuity Method

Implied Share Price  
▲ \$303.06

### Exit Multiple Method

Implied Share Price  
▲ \$342.57

## Exit Multiple Sensitivity Analysis

|               |       | WACC  |       |       |       |       |       |        |
|---------------|-------|-------|-------|-------|-------|-------|-------|--------|
|               |       | 6.15% | 6.90% | 7.65% | 8.40% | 9.15% | 9.90% | 10.65% |
| Exit Multiple | 15.9x | \$378 | \$377 | \$375 | \$373 | \$372 | \$370 | \$369  |
|               | 15.4x | \$368 | \$366 | \$365 | \$363 | \$361 | \$360 | \$358  |
|               | 14.9x | \$358 | \$356 | \$354 | \$353 | \$351 | \$350 | \$348  |
|               | 14.4x | \$348 | \$346 | \$344 | \$343 | \$341 | \$339 | \$338  |
|               | 13.9x | \$337 | \$336 | \$334 | \$332 | \$331 | \$329 | \$328  |
|               | 13.4x | \$327 | \$325 | \$324 | \$322 | \$321 | \$319 | \$317  |
|               | 12.9x | \$317 | \$315 | \$314 | \$312 | \$310 | \$309 | \$307  |

## Perpetuity Sensitivity Analysis

|                        |      | WACC  |       |       |       |       |       |        |
|------------------------|------|-------|-------|-------|-------|-------|-------|--------|
|                        |      | 6.15% | 6.90% | 7.65% | 8.40% | 9.15% | 9.90% | 10.65% |
| Perpetuity Growth Rate | 4.0% | \$400 | \$398 | \$397 | \$395 | \$393 | \$392 | \$390  |
|                        | 3.5% | \$363 | \$361 | \$360 | \$358 | \$357 | \$355 | \$354  |
|                        | 3.0% | \$333 | \$331 | \$330 | \$328 | \$326 | \$325 | \$323  |
|                        | 2.5% | \$308 | \$306 | \$305 | \$303 | \$301 | \$300 | \$298  |
|                        | 2.0% | \$287 | \$285 | \$284 | \$282 | \$280 | \$279 | \$277  |
|                        | 1.5% | \$269 | \$267 | \$266 | \$264 | \$262 | \$261 | \$259  |
|                        | 1.0% | \$253 | \$252 | \$250 | \$248 | \$247 | \$245 | \$244  |

# Catalysts and Risks

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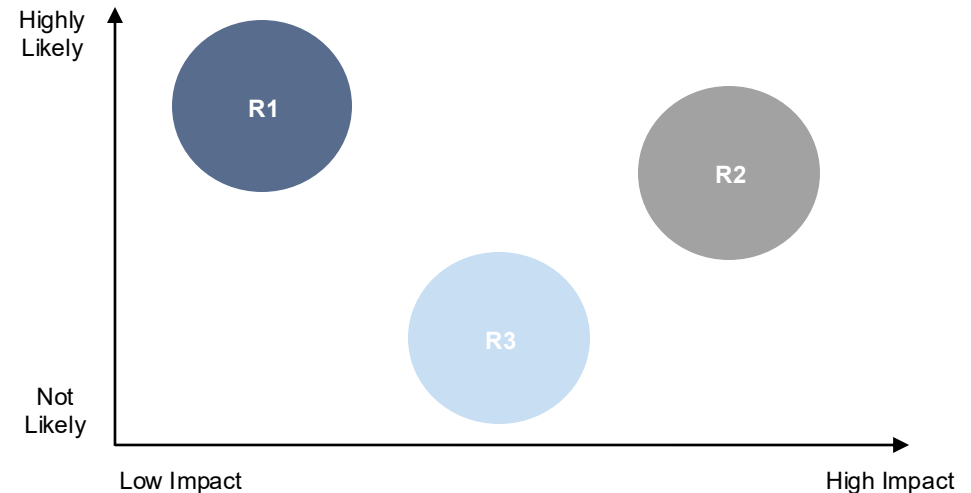
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Navigating short-term headwinds, backed by strong tailwinds and multi-year growth catalysts ahead.

## Key Risks

| Risk  | Mitigation  |
|---|---|
| <b>1 AI Implementation Delays and Adoption Risk:</b> Heavy AI investment may not yield immediate returns; delays in Copilot or Commentary rollout could pressure FY26 margins and EPS guidance          | <b>12%+ AI upsell already live in &gt;30% of top clients;</b> \$150M R&D focused on high-ROI use cases; 95%+ retention provides revenue cushion during ramp-up                |
| <b>2 Competitive Intensity and Pricing Pressure:</b> Rapid AI advancements by Bloomberg and LSEG could force price concessions or erode market share in buy-side analytics over the next 18–24 months   | <b>Deep buy-side workflow integration and open API</b> create switching barriers; highest retention in peer set (95%+); client co-development model ensures feature relevance |
| <b>3 Global Economic Uncertainty and Client Consolidation:</b> Prolonged market volatility or M&A among asset managers could reduce demand, slow user growth, and cap organic ASV expansion beyond FY27 | <b>Strategic diversification into wealth and RIA segments</b> via Macrobond; 220,000+ recurring users; AUM growth tailwinds (8%+ annually) support long-term demand           |

## Risk Likelihood



## Catalysts

|   |   |                   |
|---|---|-------------------|
| <b>1 AI Workflow Upsell Acceleration:</b> Copilot & Commentary drive 12%+ upsell; Q4/Q1 FY26 inflection     | ➡ | Next 3 Quarters   |
| <b>2 Buy-Side AUM Tailwinds:</b> Global AUM +8%/yr; open API wins share from legacy platforms               | ➡ | FY26–FY27         |
| <b>3 Macrobond integration Strategic Rollout &amp; AI Scaling:</b> + full AI suite → \$2.7B revenue by 2028 | ➡ | FY28+, Continuous |

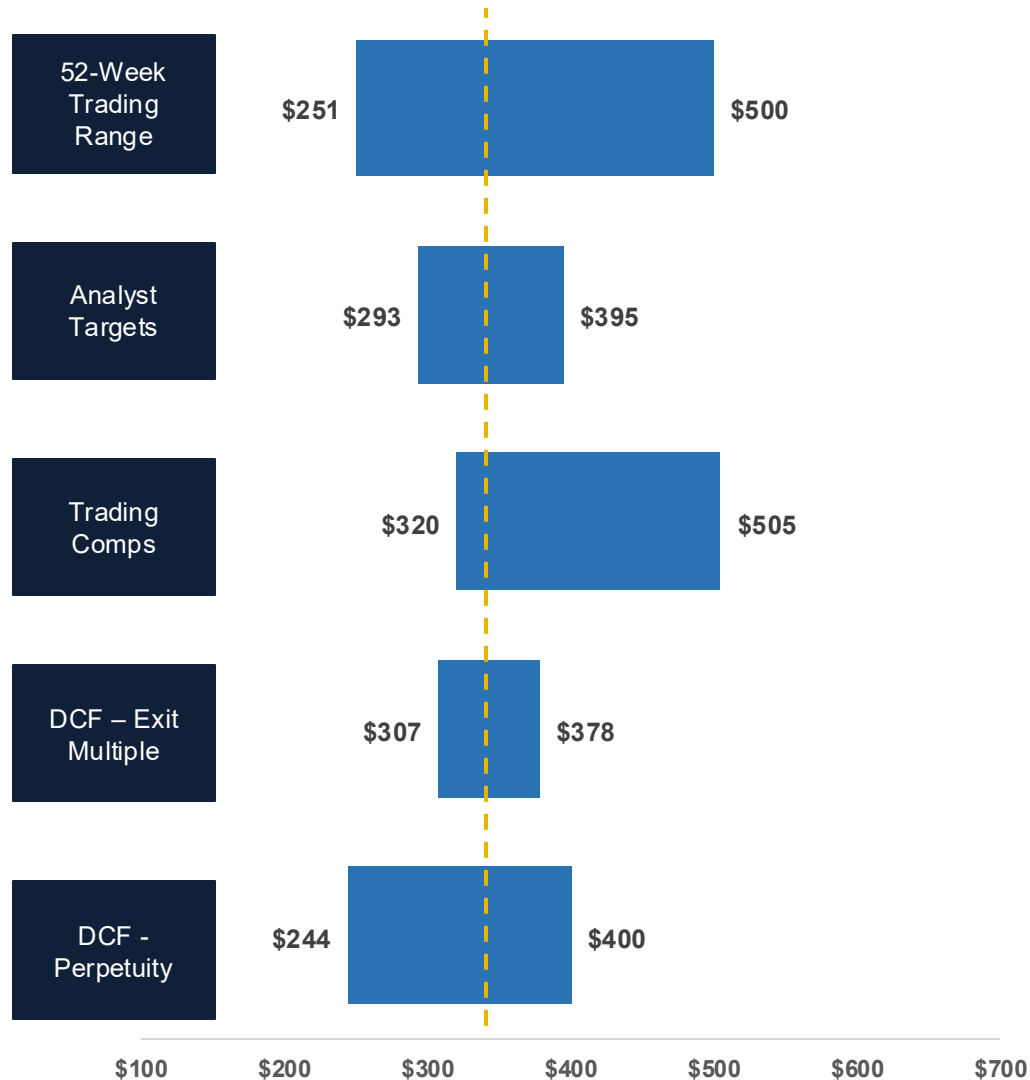
# Buy Recommendation - Target Price of \$324.37

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The valuation analysis supports a 'Buy' recommendation with a target price of \$324.37, reflecting a 18.42% upside from the current price of \$273.91. It is well-supported by the clustering of all four valuation methodologies and external analyst targets around the same range.

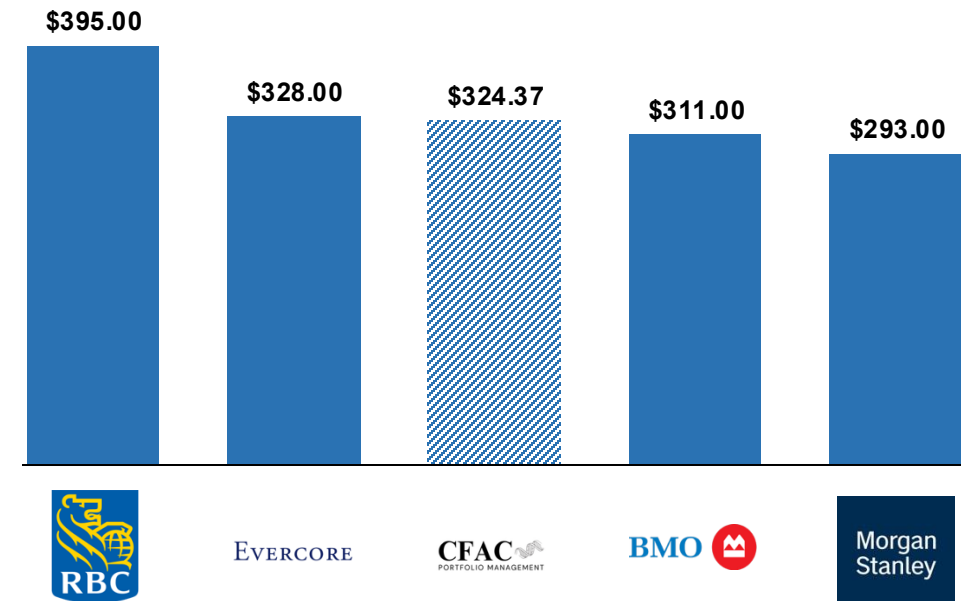
## Indicative Valuation Range



## Price Target

| Method                 | Price           | Weight        |
|------------------------|-----------------|---------------|
| DCF - Exit Multiple    | \$303.06        | 25%           |
| DCF - Perpetuity       | \$342.57        | 25%           |
| Trading Comps          | \$320.08        | 25%           |
| Analyst Targets        | \$331.75        | 25%           |
| <b>Price Target</b>    | <b>\$324.37</b> | <b>100%</b>   |
| <b>Upside/Downside</b> |                 | <b>18.42%</b> |

## Selected Broker Summary





# Appendix Network

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## Main Presentation

[Slide 1: Title Slide](#)[Slide 2: Company Overview](#)[Slide 3: Revenue Drivers](#)[Slide 4: Stock Analysis](#)[Slide 5: Macroeconomic Overview - Trends](#)[Slide 6: Key Competitors](#)[Slide 7: Investment Thesis I](#)[Slide 8: Investment Thesis II](#)[Slide 9: Long-Term Growth & Capital Return Framework](#)[Slide 10: Comparable Company Analysis](#)[Slide 11: Forward P/E Comparison](#)[Slide 12: Discounted Cash Flow Model](#)[Slide 13: Discounted Cash Flow Model](#)[Slide 14: Discounted Cash Flow Model – Results Summary](#)[Slide 15: Catalysts and Risks](#)[Slide 16: Buy Recommendation](#)

## Appendix

Valuation:

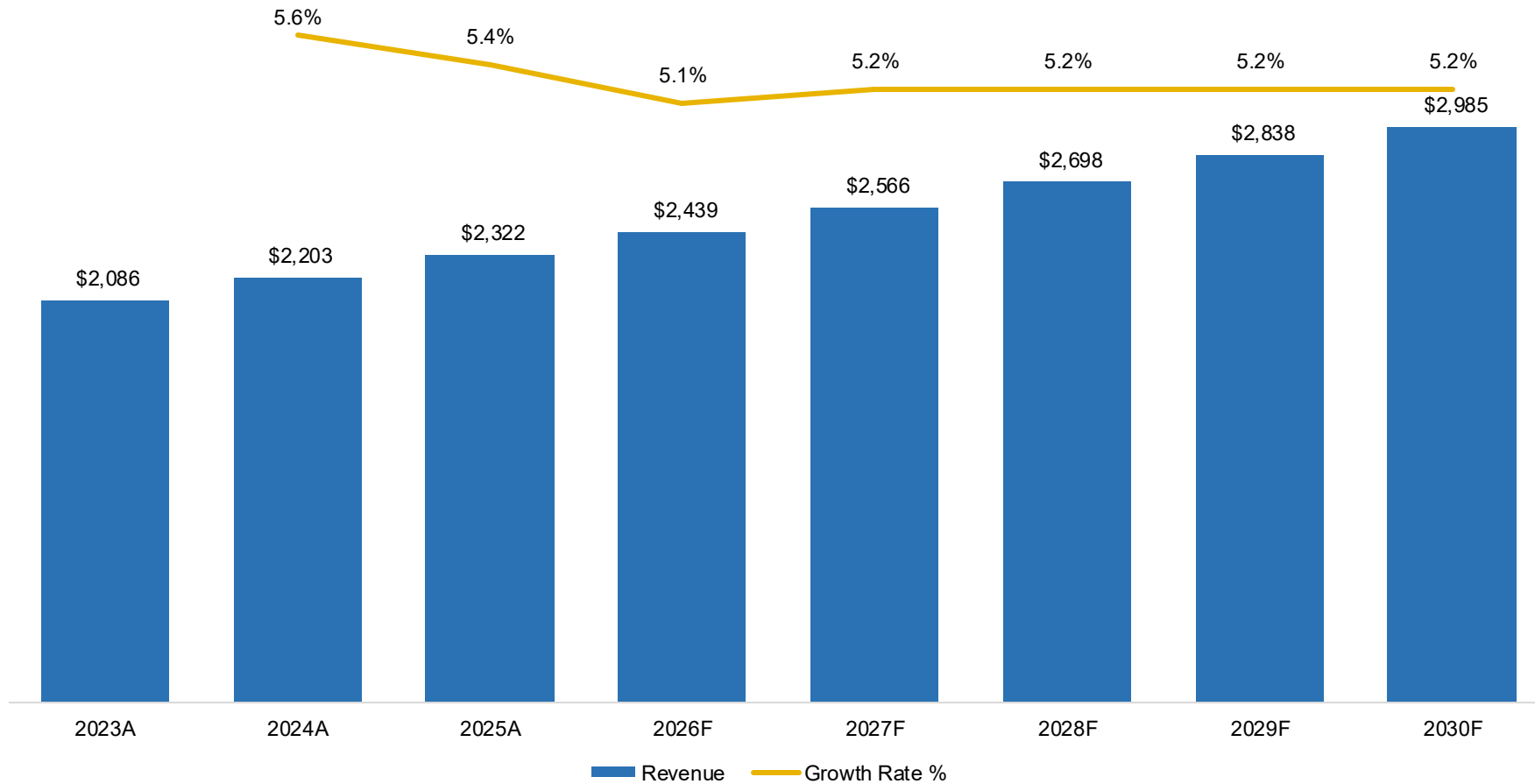
[A1: Revenue Growth](#)[A2: Comparables](#)

# Appendix

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## Revenue Growth



Revenue was forecasted based on the average of the Annual Subscription Value (ASV) Growth in % to calculate the ASV and then the ASV Retention Rate was used to adjust to Revenue

# Appendix

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## Comparable Companies

|                              |               | Share |            | Net    | Market  |         | Revenue |        | EV/Revenue |       | EV/EBITDA |       | P/E    |       | P/B    |
|------------------------------|---------------|-------|------------|--------|---------|---------|---------|--------|------------|-------|-----------|-------|--------|-------|--------|
| Company                      | Country       | Price | # of       | Debt   | Cap     | EV      |         |        | FY24       |       | FY24      |       | FY24   |       |        |
| Valuation as of 14 Nov 25    |               | (LcL) | shares (m) | (LTM)  | (USD m) | (USD m) | LTM     | NTM    | (FY-1)     | NTM   | (FY-1)    | NTM   | (FY-1) | NTM   | Latest |
| FactSet Comps                |               |       |            |        |         |         |         |        |            |       |           |       |        |       |        |
| Msci Inc                     | United States | 565   | 77         | 5,251  | 42,465  | 47,716  | 3,055   | 3,353  | 17.7x      | 14.2x | 29.6x     | 23.2x | 38.5x  | 30.1x | -44.2x |
| Morningstar Inc              | United States | 212   | 42         | 528    | 8,717   | 9,245   | 2,395   | 2,544  | 4.7x       | 3.6x  | 18.0x     | 12.1x | 46.8x  | 20.8x | 5.7x   |
| S&P Global Inc               | United States | 494   | 313        | 10,310 | 149,553 | 164,428 | 15,012  | 16,121 | 12.7x      | 10.2x | 29.0x     | 20.0x | 51.1x  | 25.7x | 4.5x   |
| Moody'S Corp                 | United States | 479   | 179        | 5,198  | 85,537  | 90,890  | 7,501   | 8,103  | 14.5x      | 11.2x | 32.2x     | 21.8x | 49.2x  | 30.0x | 23.7x  |
| Cme Group Inc                | United States | 285   | 360        | 1,200  | 102,785 | 103,985 | 6,385   | 6,616  | 17.1x      | 15.7x | 24.7x     | 22.4x | 29.2x  | 25.1x | 3.6x   |
| Intercontinental Exchange In | United States | 152   | 572        | 18,659 | 86,707  | 105,431 | 9,750   | 10,354 | 13.1x      | 10.2x | 20.8x     | 15.2x | 36.5x  | 21.0x | 3.2x   |
| Nasdaq Inc                   | United States | 87    | 574        | 9,128  | 49,722  | 58,857  | 8,168   | 5,494  | 14.5x      | n.a.  | 28.1x     | 18.3x | 46.7x  | 23.7x | 4.5x   |
| Donnelley Financial Solution | United States | 46    | 27         | 141    | 1,222   | 1,363   | 751     | 773    | n.a.       | 10.7x | n.a.      | 5.8x  | n.a.   | 10.9x | 3.3x   |
| Mean                         |               |       |            |        |         |         |         |        | 13.5x      | 10.8x | 26.0x     | 17.3x | 42.6x  | 23.4x | 0.5x   |
| Median                       |               |       |            |        |         |         |         |        | 14.5x      | 10.7x | 28.1x     | 19.1x | 46.7x  | 24.4x | 4.1x   |

| Company                      | Country       | Share | # of<br>shares<br>(m) | Net    | Market  | EV     | Revenue |        | EV/Revenue |        | EV/EBITDA |        | P/E       |       | P/B    |
|------------------------------|---------------|-------|-----------------------|--------|---------|--------|---------|--------|------------|--------|-----------|--------|-----------|-------|--------|
|                              |               | Price |                       | Debt   | Cap     |        | LTM     | NTM    | FY24       | FY25   | FY24      | FY25   | FY24      | FY25  | Latest |
|                              |               | (LcL) |                       | (LTM)  | (USD m) |        | (USD m) | (FY-1) | (Current)  | (FY-1) | (Current) | (FY-1) | (Current) |       |        |
| Valuation as of 14 Nov 25    |               |       |                       |        |         |        |         |        |            |        |           |        |           |       |        |
| Factset Research Systems Inc | United States | 274   | 37                    | 11,463 | 10,260  | 11,463 | 2,322   | 2,441  | 5.6x       | 4.7x   | 14.3x     | 12.5x  | 17.8x     | 15.8x | 5.0x   |