# AMER. STATES WATER NYSE-AWR

RECENT PRICE **84.85** | P/E RATIO **21.8** (Trailing: 23.2 Median: 30.0) | RELATIVE P/E RATIO **1.27** | DIV'D YLD **2.6%** | **VALUE LINE**

**TIMELINESS** 2 Raised 8/21/26
**SAFETY** 1 Raised 4/5/24
TECHNICAL 2 Raised 10/2/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

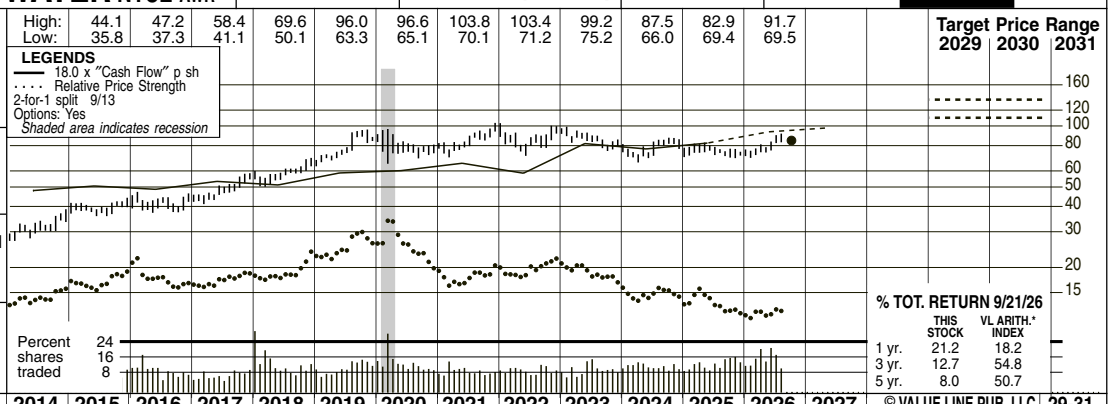
| Low-High | Midpoint (% to Mid) |
|---|---|
| $63-$97 | $80 (-5%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 135 | (+60%) | *14%* |
| Low | 110 | (+30%) | *9%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 127 | 187 | 194 |
| to Sell | 119 | 146 | 146 |
| Hld's(000) | 31564 | 36897 | 36820 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10.71 | 11.12 | 12.12 | 12.19 | 12.17 | 12.56 | 11.92 | 12.01 | 11.88 | 12.86 | 13.24 | 13.51 | 13.30 | 16.11 | 15.61 | 16.84 | *18.10* | *18.10* | Revenues per sh | *21.00* |
| 2.11 | 2.13 | 2.48 | 2.65 | 2.67 | 2.81 | 2.70 | 2.96 | 2.84 | 3.26 | 3.34 | 3.64 | 3.25 | 4.55 | 4.29 | 4.59 | *5.20* | *5.45* | "Cash Flow" per sh | *6.25* |
| 1.11 | 1.12 | 1.41 | 1.61 | 1.57 | 1.61 | 1.62 | 1.88 | 1.72 | 2.28 | 2.33 | 2.55 | 2.11 | 3.36 | 3.17 | 3.37 | *3.85* | *3.95* | Earnings per sh [A] | *4.55* |
| .52 | .55 | .64 | .76 | .83 | .87 | .91 | .99 | 1.06 | 1.16 | 1.28 | 1.40 | 1.53 | 1.66 | 1.79 | 1.94 | *2.10* | *2.28* | Div'd Decl'd per sh [B]■ | *2.85* |
| 2.12 | 2.13 | 1.77 | 2.52 | 1.89 | 2.39 | 3.55 | 3.08 | 3.44 | 4.12 | 3.54 | 3.91 | 4.50 | 5.10 | 6.08 | 6.06 | *6.20* | *6.35* | Cap'l Spending per sh | *6.50* |
| 10.13 | 10.84 | 11.80 | 12.72 | 13.24 | 12.77 | 13.52 | 14.45 | 15.19 | 16.33 | 17.39 | 18.57 | 19.20 | 20.99 | 24.12 | 26.76 | *28.65* | *29.75* | Book Value per sh [D] | *31.90* |
| 37.26 | 37.70 | 38.53 | 38.72 | 38.29 | 36.50 | 36.57 | 36.68 | 36.76 | 36.85 | 36.89 | 36.94 | 36.96 | 36.98 | 38.15 | 39.08 | *39.25* | *39.50* | Common Shs Outst'g [C] | *40.00* |
| 15.7 | 15.4 | 14.3 | 17.2 | 20.1 | 24.6 | 25.6 | 25.7 | 34.0 | 34.4 | 34.3 | 33.2 | 41.0 | 25.7 | 24.5 | 22.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *26.5* |
| 1.00 | .97 | .91 | .97 | 1.06 | 1.24 | 1.34 | 1.29 | 1.84 | 1.83 | 1.76 | 1.79 | 2.37 | 1.43 | 1.28 | 1.17 | | | Relative P/E Ratio | *1.45* |
| 3.0% | 3.2% | 3.1% | 2.7% | 2.6% | 2.2% | 2.2% | 2.0% | 1.8% | 1.5% | 1.6% | 1.7% | 1.8% | 1.9% | 2.3% | 2.6% | | | Avg Ann'l Div'd Yield | *2.4%* |
| 436.1 | 440.6 | 436.8 | 473.9 | 488.2 | 498.9 | 491.5 | 595.7 | 595.5 | 658.1 | *710* | *735* | Revenues ($mill) | *840* |
| 59.7 | 69.4 | 63.9 | 84.3 | 86.4 | 94.3 | 78.4 | 124.9 | 119.3 | 130.4 | *150* | *155* | Net Profit ($mill) | *180.0* |
| 36.8% | 36.0% | 22.0% | 22.6% | 24.6% | 24.4% | 23.2% | 25.0% | 20.2% | 23.2% | *23.0%* | *23.0%* | Income Tax Rate | *24.0%* |
| -- | -- | -- | -- | -- | -- | -- | -- | 2.5% | -- | *Nil* | *Nil* | AFUDC % to Net Profit | *Nil* |
| 39.4% | 38.0% | 40.5% | 44.4% | 47.2% | 46.1% | 39.9% | 52.8% | 46.7% | 43.0% | *41.5%* | *40.5%* | Long-Term Debt Ratio | *36.5%* |
| 60.6% | 62.0% | 59.5% | 55.6% | 52.8% | 53.9% | 60.1% | 47.2% | 53.3% | 57.0% | *58.5%* | *59.5%* | Common Equity Ratio | *64.0%* |
| 815.3 | 854.9 | 938.4 | 1082.5 | 1216.2 | 1272.6 | 1181.5 | 1643.2 | 1725.4 | 1828.3 | *1870* | *1905* | Total Capital ($mill) | *2000* |
| 1150.9 | 1205.0 | 1296.3 | 1415.7 | 1512.0 | 1626.0 | 1753.8 | 1892.3 | 2099.6 | 2296.3 | *2400* | *2625* | Net Plant ($mill) | *3100* |
| 8.6% | 9.3% | 7.9% | 8.9% | 8.0% | 8.3% | 7.6% | 8.8% | 8.3% | 8.2% | *8.5%* | *9.5%* | Return on Total Cap'l | *11.5%* |
| 12.1% | 13.1% | 11.4% | 14.0% | 13.5% | 13.8% | 11.0% | 16.1% | 13.0% | 12.5% | *13.5%* | *13.5%* | Return on Shr. Equity | *14.5%* |
| 12.1% | 13.1% | 11.4% | 14.0% | 13.5% | 13.8% | 11.0% | 16.1% | 13.0% | 12.5% | *13.5%* | *13.5%* | Return on Com Equity | *14.5%* |
| 5.3% | 6.2% | 4.5% | 6.9% | 6.1% | 6.2% | 3.1% | 8.2% | 5.7% | 5.2% | *6.0%* | *5.5%* | Retained to Com Eq | *5.5%* |
| 56% | 52% | 61% | 51% | 55% | 55% | 72% | 49% | 56% | 58% | *55%* | *58%* | All Div'ds to Net Prof | *63%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $790.9 mill.
**LT Debt** $717.7 mill. **LT Interest** $40.0 mill. (40% of Cap'l)

**Leases, Uncapitalized:** Annual rentals $2.4 mill.
**Pension Assets-12/25** $243.3 mill. **Oblig.** $200.7 mill.
**Pfd Stock** None

**Common Stock** 39,635,000 shs. as of **8/4/26**

**MARKET CAP: $3.4 billion (Small Cap)**

**CURRENT POSITION ($MILL.)**

| | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 26.7 | 18.8 | 21.7 |
| Accts Receivable | 37.7 | 38.2 | 41.7 |
| Other | 168.9 | 174.1 | 163.1 |
| Current Assets | 233.3 | 231.1 | 226.5 |
| Accts Payable | 88.6 | 86.0 | 79.5 |
| Debt Due | 124.4 | 8.2 | 73.2 |
| Other | 72.5 | 80.4 | 78.4 |
| Current Liab. | 285.5 | 174.6 | 231.1 |

**ANNUAL RATES of change (per sh)**

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 2.0% | 4.0% | *4.5%* |
| "Cash Flow" | 4.5% | 6.0% | *5.5%* |
| Earnings | 6.5% | 8.0% | *5.5%* |
| Dividends | 8.5% | 9.0% | *8.0%* |
| Book Value | 5.5% | 7.0% | *5.0%* |

**QUARTERLY REVENUES ($ mill.)**

| Calendar | Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 161.4 | 157.4 | 151.7 | 125.2 | 595.7 |
| 2024 | 135.3 | 155.3 | 161.8 | 143.1 | 595.5 |
| 2025 | 148.3 | 163.1 | 182.4 | 164.3 | 658.1 |
| 2026 | 169.2 | 181.3 | *195* | *164.2* | *710* |
| 2027 | *165* | *185* | *200* | *185* | *735* |

**EARNINGS PER SHARE [A]**

| Calendar | Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .93 | 1.03 | .85 | .55 | 3.36 |
| 2024 | .62 | .85 | .95 | .75 | 3.17 |
| 2025 | .70 | .87 | 1.06 | .74 | 3.37 |
| 2026 | .76 | 1.09 | *1.15* | *.85* | *3.85* |
| 2027 | *.80* | *1.10* | *1.22* | *.83* | *3.95* |

**QUARTERLY DIVIDENDS PAID [B]■**

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .365 | .365 | .3975 | .3975 | 1.53 |
| 2023 | .3975 | .3975 | .43 | .43 | 1.66 |
| 2024 | .43 | .43 | .4655 | .4655 | 1.79 |
| 2025 | .4655 | .4655 | .504 | .504 | 1.94 |
| 2026 | .504 | .504 | .545 | | |

**BUSINESS:** American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 265,142 customers in 11 California counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,915 customers in Big Bear Lake and San Bernardino Cnty. Provides water & wastewater services to U.S. military bases through its ASUS subsidiary. Sold Chaparral City Wtr. of AZ. (6/11). Employs 900. BlackRock, Inc. owns 16.9% of out. shares; Vanguard, 11.8%; off. & dir., 0.9% (4/26 Proxy). Chair.: Anne M. Holloway. Pres. & CEO: Robert Sprowls. Inc: CA. Addr.: 630 East Foothill Blvd., San Dimas, CA 91773. Tel.: 909-394-3600. Internet: www.aswater.com.

**American States Water Company's strong second-quarter 2026 results were buoyed partly by recent rate approvals from the California Public Utilities Commission.** Notably, increased rates went into effect on January 1, 2026, and are poised to lift full-year revenues as much as $32 million. The solid June-period top- and bottom-line showings also benefited from a 4% increase in water consumption and lesser purchased water. Elsewhere, the Electric and Contracted Services segments contributed modestly to revenues and earnings. All told, assuming weather is cooperative and customer water consumption remains elevated, we think American States is poised to deliver revenue growth of 8% this year, to $710 million, and earnings expansion of 14%, to $3.85 per share.

**We think prospects for improved performance from the Contracted Services segment is promising.** The company's private water business, ASUS, is focused on winning contracts with the U.S. military to supply water services to bases across the country. Growth has been steady in the division, but the higher-margined business offers significant long-term upside should management land additional deals in this sector.

**The board of directors raised the quarterly dividend payment 8%, to $0.545 per share.** This marks the 72nd consecutive annual increase to the distribution. What's more, even after the recent uptick in price, the current yield notably outpaces that of the *Value Line* median. Based on our outlook for respectable profit growth and a resilient business model, we think consistent raises to the quarterly payout are in the cards over the long haul.

**American States Water shares hold some investment appeal at the moment.** The stock is now ranked to outperform the broader market averages over the coming six to 12 months (Timeliness: 2). What's more, supported by an above-average dividend yield, total return potential out to the 2029-2031 horizon is attractive. All things considered, AWR shares ought to pique the interest of both short- and long-term-minded accounts, as well as investors looking to generate current income.

*Nicholas Patrikis* *October 2, 2026*

**(A)** Primary earnings. Excludes nonrecurring gains/(losses):; '10, (23¢); '11, 10¢. Next earnings report due early November.
**(B)** Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
**(C)** In millions, adjusted for split.
**(D)** Includes intangibles. As of 12/31/25; $6.1 million/$0.16 a share.

| | |
|---|---|
| **Company's Financial Strength** | A |
| **Stock's Price Stability** | 95 |
| **Price Growth Persistence** | 45 |
| **Earnings Predictability** | 85 |

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# CALIFORNIA WATER NYSE-CWT

RECENT PRICE 47.26 | P/E RATIO 18.3 (Trailing: 21.3 Median: 29.0) | RELATIVE P/E RATIO 1.06 | DIV'D YLD 3.5% | VALUE LINE

**TIMELINESS** 4 Lowered 9/4/26
**SAFETY** 2 Raised 4/5/24
TECHNICAL 1 Raised 10/2/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

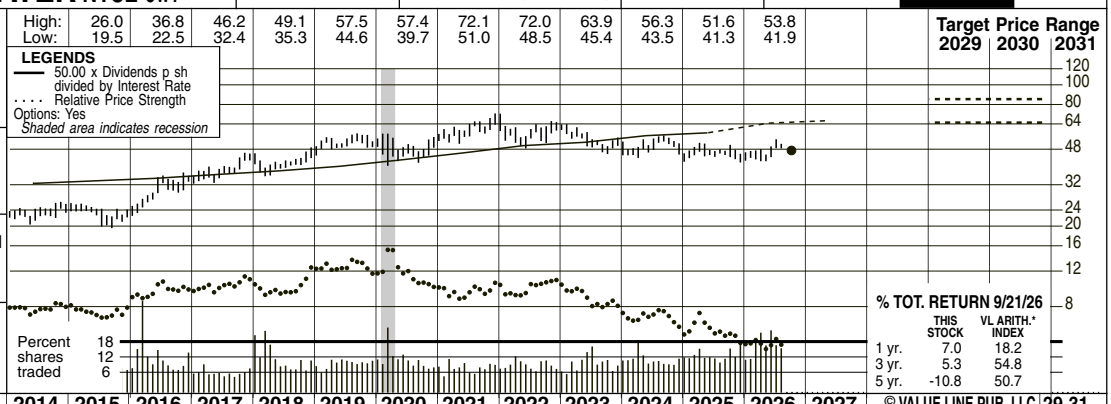
| Low-High | Midpoint (% to Mid) |
|---|---|
| $40-$63 | $52 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 85 | (+80%) | *18%* |
| Low | 65 | (+40%) | *11%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 96 | 185 | 189 |
| to Sell | 127 | 119 | 116 |
| Hld's(000) | 49459 | 58072 | 58794 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11.05 | 12.00 | 13.34 | 12.23 | 12.50 | 12.29 | 12.70 | 13.89 | 14.53 | 14.72 | 15.78 | 14.72 | 15.22 | 13.77 | 17.43 | 16.77 | *17.35* | *18.55* | Revenues per sh | *21.10* |
| 1.93 | 2.07 | 2.32 | 2.21 | 2.47 | 2.22 | 2.34 | 3.00 | 3.11 | 3.14 | 3.88 | 3.91 | 3.79 | 3.03 | 5.46 | 4.57 | *5.10* | *5.50* | "Cash Flow" per sh | *6.15* |
| .91 | .86 | 1.02 | 1.02 | 1.19 | .94 | 1.01 | 1.40 | 1.36 | 1.31 | 1.97 | 1.96 | 1.77 | .91 | 3.26 | 2.15 | *2.60* | *2.75* | Earnings per sh A | *3.15* |
| .60 | .62 | .63 | .64 | .65 | .67 | .69 | .72 | .75 | .79 | .85 | .92 | 1.00 | 1.04 | 1.12 | 1.20 | *1.34* | *1.38* | Div'd Decl'd per sh B ■ | *1.60* |
| 2.97 | 2.83 | 3.04 | 2.58 | 2.76 | 3.69 | 4.77 | 5.40 | 5.65 | 5.64 | 5.93 | 5.46 | 5.90 | 6.65 | 7.91 | 8.67 | *10.50* | *13.25* | Cap'l Spending per sh | *12.00* |
| 10.45 | 10.76 | 11.28 | 12.54 | 13.11 | 13.41 | 13.75 | 14.44 | 15.19 | 16.07 | 18.30 | 21.92 | 23.70 | 24.72 | 27.49 | 28.35 | *31.05* | *35.05* | Book Value per sh C | *38.40* |
| 41.67 | 41.82 | 41.98 | 47.74 | 47.81 | 47.88 | 47.97 | 48.01 | 48.07 | 48.53 | 50.33 | 53.72 | 55.60 | 57.72 | 59.48 | 59.64 | *62.00* | *62.00* | Common Shs Outst'g D | *63.00* |
| 20.3 | 21.3 | 17.9 | 20.1 | 19.7 | 24.8 | 29.6 | 26.9 | 30.3 | 39.3 | 24.9 | 30.5 | 33.0 | NMF | 15.3 | 21.5 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *24.0* |
| 1.29 | 1.34 | 1.14 | 1.13 | 1.04 | 1.25 | 1.55 | 1.35 | 1.64 | 2.09 | 1.28 | 1.65 | 1.91 | NMF | .80 | 1.12 | | | Relative P/E Ratio | *1.30* |
| 3.2% | 3.4% | 3.5% | 3.1% | 2.8% | 2.9% | 2.3% | 1.9% | 1.8% | 1.5% | 1.7% | 1.5% | 1.7% | 1.9% | 2.3% | 2.6% | | | Avg Ann'l Div'd Yield | *2.1%* |
| 609.4 | 666.9 | 698.2 | 714.6 | 794.3 | 790.9 | 846.4 | 794.6 | 1036.8 | 1000.1 | *1075* | *1150* | Revenues ($mill) E | *1330* |
| 48.7 | 67.2 | 65.6 | 63.1 | 96.8 | 101.1 | 96.0 | 51.9 | 190.8 | 128.2 | *160* | *170* | Net Profit ($mill) | *200* |
| 35.5% | 30.1% | 24.5% | 19.1% | 11.1% | 20.1% | 3.3% | - - | 18.3% | 13.0% | *20.0%* | *20.0%* | Income Tax Rate | *20.0%* |
| 6.1% | 3.5% | 3.1% | 5.8% | 3.3% | 1.7% | - - | - - | 1.7% | 2.9% | *3.0%* | *3.0%* | AFUDC % to Net Profit | *4.0%* |
| 44.6% | 42.7% | 49.3% | 50.2% | 45.9% | 47.3% | 44.4% | 42.5% | 40.3% | 46.5% | *45.0%* | *45.0%* | Long-Term Debt Ratio | *45.0%* |
| 55.4% | 57.3% | 50.7% | 49.8% | 54.1% | 52.7% | 55.6% | 57.5% | 59.7% | 53.5% | *55.0%* | *55.0%* | Common Equity Ratio | *55.0%* |
| 1191.2 | 1209.3 | 1440.2 | 1566.7 | 1702.4 | 2233.4 | 2370.1 | 2479.5 | 2739.8 | 3161.3 | *3500* | *3950* | Total Capital ($mill) | *4400* |
| 1859.3 | 2048.0 | 2232.7 | 2406.4 | 2650.6 | 2846.9 | 3058.9 | 3773.3 | 4134.6 | 4579.6 | *5075* | *5725* | Net Plant ($mill) | *6350* |
| 5.5% | 7.1% | 5.9% | 5.5% | 7.0% | 5.5% | 5.0% | 3.1% | 7.9% | 4.1% | *4.5%* | *4.5%* | Return on Total Cap'l | *4.5%* |
| 7.4% | 9.7% | 9.0% | 8.1% | 10.5% | 8.6% | 7.3% | 3.6% | 11.7% | 7.6% | *8.5%* | *8.0%* | Return on Shr. Equity | *8.0%* |
| 7.4% | 9.7% | 9.0% | 8.1% | 10.5% | 8.6% | 7.3% | 3.6% | 11.7% | 7.6% | *8.5%* | *8.0%* | Return on Com Equity | *8.0%* |
| 2.4% | 4.7% | 4.0% | 3.2% | 6.0% | 4.6% | 3.2% | NMF | 7.7% | 3.3% | *4.0%* | *4.0%* | Retained to Com Eq | *4.0%* |
| 68% | 51% | 55% | 60% | 43% | 47% | 56% | 114% | 34% | 56% | *52%* | *50%* | All Div'ds to Net Prof | *50%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $1677.5 mill.
**LT Debt** $1471.9 mill. **LT Interest** $80.0 mill.
(Total interest coverage: 1.5x) (45% of Cap'l)

**Pension Assets-12/25** $845.0 mill.
**Oblig.** $778.4 mill.

**Pfd Stock** None

**Common Stock** 61,839,101 shs.
**as of 7/20/26**

**MARKET CAP: $2.9 billion (Small Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 50.1 | 51.8 | 43.4 |
| Other | 274.0 | 302.6 | 363.8 |
| Current Assets | 324.1 | 354.4 | 407.2 |
| Accts Payable | 167.5 | 175.7 | 201.4 |
| Debt Due | 72.4 | 132.3 | 205.6 |
| Other | 298.5 | 110.2 | 173.7 |
| Current Liab. | 538.4 | 418.2 | 580.7 |

**BUSINESS:** California Water Service Group provides regulated and nonregulated water service to 499,400 customers in 100 communities in the state of California. Accounts for about 90% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '25: residential, 68%; business, 20%; industrial, 3%; public authorities, 6%; other 3%. Off. and dir. own 1% of common stock (4/26 proxy). Has 1,336 employees. Pres. and CEO: Martin A. Kropelnicki. Inc.: DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 2.0% | 1.5% | *4.5%* |
| "Cash Flow" | 6.0% | 6.0% | *6.0%* |
| Earnings | 6.5% | 8.0% | *7.0%* |
| Dividends | 5.0% | 7.0% | *6.0%* |
| Book Value | 7.5% | 10.5% | *6.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) E Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 131.1 | 194.0 | 255.0 | 214.5 | 794.6 |
| 2024 | 270.7 | 244.3 | 299.6 | 222.2 | 1036.8 |
| 2025 | 204.0 | 265.0 | 311.2 | 219.9 | 1000.1 |
| 2026 | 214.6 | 308.6 | *310* | *241.8* | *1075* |
| 2027 | *225* | *320* | *350* | *255* | *1150* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | d.40 | .17 | .60 | .52 | .91 |
| 2024 | 1.21 | .70 | 1.03 | .33 | 3.26 |
| 2025 | .22 | .71 | 1.03 | .19 | 2.15 |
| 2026 | .07 | .93 | *1.25* | *.35* | *2.60* |
| 2027 | *.05* | *1.00* | *1.30* | *.40* | *2.75* |

| Calendar | QUARTERLY DIVIDENDS PAID B ■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .250 | .250 | .250 | .250 | 1.00 |
| 2023 | .260 | .260 | .260 | .260 | 1.04 |
| 2024 | .280 | .280 | .280 | .280 | 1.12 |
| 2025 | .300 | .300 | .300 | .300 | 1.20 |
| 2026 | .335 | .335 | .335 | | |

**California Water Service Group is building momentum.** Second-quarter 2026 earnings were helped by delayed rate catch-ups, and adjusted earnings reached $0.93 per share, versus $0.71 a year earlier. Newly approved customer rates are now lifting the recurring earnings base and should support further earnings-per-share improvement over the next several quarters. Wholesale water, interest, and tax costs remain offsets, but the regulatory model allows many operating and financing costs to be recovered over time.

**Earnings growth should continue into next year.** California's $90.5 million 2026 revenue increase is now reaching customer bills, with another $43.2 million authorized for 2027, while Washington will add $4.1 million annually beginning in October. These increases should strengthen revenue, cash flow, and earnings. However, the company must also finance $627 million of 2026 infrastructure investment and a proposed $218 million acquisition after increasing its share count about 4%, meaning financing costs and dilution may absorb or offset some of the improvement.

**The broader market may be less supportive.** Interest rates remain elevated, inflation is still pressuring labor and construction costs, and bond yields provide investors with competitive income at lower risk. Those conditions typically make regulated utilities less attractive because their growth is capital-intensive and develops gradually. California Water can eventually recover much of its higher operating and financing costs through customer rates, but that process takes time. Financial performance may therefore improve even if the market remains reluctant to reward the stock.

**The long-term setup remains attractive.** Aging networks, stricter water standards, and more frequent drought and wildfire conditions make infrastructure spending a necessity not an optional growth project.

**Despite being untimely (4), the stock holds worthwhile long-term total capital appreciation potential at the recent quotation.** Near-term factors may pressure the stock, but a worthwhile long-term recovery could ensue under a more favorable investment backdrop.

*Earl B. Humes* *October 2, 2026*

**(A)** Next earnings report due late October.
**(B)** Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available.
**(C)** Incl. intangible assets. In '25 : $76.9 mill., $1.29/sh.
**(D)** In millions.
**(E)** Excludes non-regulated revenues.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 40 |
| Earnings Predictability | 40 |

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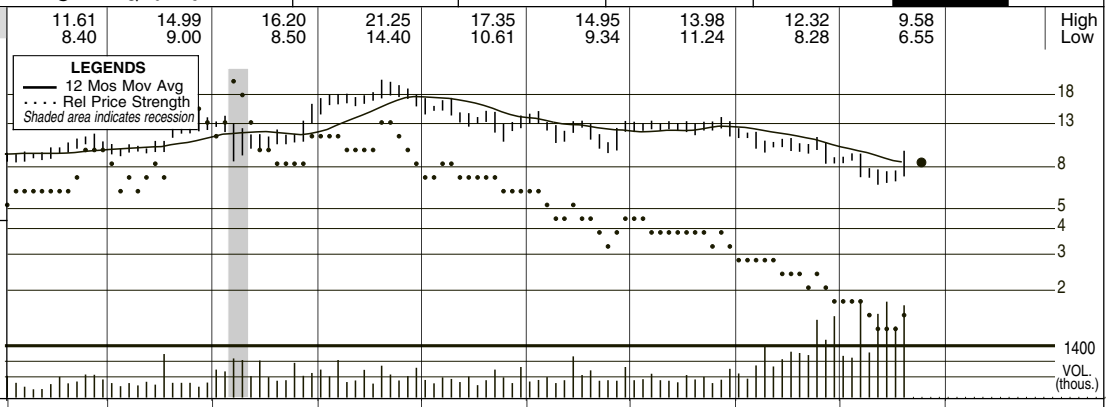
# GLOBAL WATER RES. NDQ--GWRS

RECENT PRICE **8.41** | TRAILING P/E RATIO **70.1** | RELATIVE P/E RATIO **4.05** | DIV'D YLD **3.6%** | **VALUE LINE**

## RANKS

| | | |
|---|---|---|
| **PERFORMANCE** | **4** | *Below Average* |
| Technical | **4** | *Below Average* |
| **SAFETY** | **3** | *Average* |
| **BETA** .90 | (1.00 = Market) | |

| | |
|---|---|
| **Financial Strength** | B |
| **Price Stability** | 75 |
| **Price Growth Persistence** | 30 |
| **Earnings Predictability** | 45 |




| © VALUE LINE PUBLISHING LLC | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027/2028 |
|---|---|---|---|---|---|---|---|---|---|---|
| REVENUES PER SH | 1.65 | 1.65 | 1.71 | 1.85 | 1.87 | 2.17 | 2.18 | 1.94 | -- | |
| "CASH FLOW" PER SH | .49 | .49 | .45 | .58 | .65 | .79 | .76 | .64 | -- | |
| EARNINGS PER SH | .15 | .10 | .05 | .16 | .24 | .33 | .24 | .11 | *NA* | *NA/NA* |
| DIV'DS DECL'D PER SH | .28 | .29 | .29 | .29 | .30 | .30 | .30 | .30 | -- | |
| CAP'L SPENDING PER SH | .22 | .52 | .40 | .81 | 1.42 | .91 | 1.33 | 2.34 | -- | |
| BOOK VALUE PER SH | 1.30 | 1.15 | 1.43 | 1.33 | 1.86 | 1.99 | 1.97 | 3.01 | -- | |
| COMMON SHS OUTST'G (MILL) | 21.47 | 21.54 | 22.59 | 22.65 | 23.87 | 24.49 | 24.23 | 28.76 | -- | |
| AVG ANN'L P/E RATIO | 63.9 | NMF | NMF | NMF | 58.9 | 36.7 | 52.2 | 93.1 | *NA* | *NA/NA* |
| RELATIVE P/E RATIO | 3.61 | NMF | NMF | NMF | 3.90 | 2.26 | 2.96 | 5.26 | -- | |
| AVG ANN'L DIV'D YIELD | 3.0% | 2.6% | 2.5% | 1.7% | 2.1% | 2.5% | 2.4% | 3.0% | -- | |
| REVENUES ($MILL) | 35.5 | 35.5 | 38.6 | 41.9 | 44.7 | 53.0 | 52.7 | 55.8 | -- | *Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.* |
| OPERATING MARGIN | 47.1% | 43.2% | 42.4% | 39.3% | 40.0% | 44.7% | 41.9% | 40.4% | -- | |
| DEPRECIATION ($MILL) | 7.5 | 8.4 | 9.0 | 9.5 | 10.1 | 11.4 | 12.7 | 15.4 | -- | |
| NET PROFIT ($MILL) | 3.1 | 2.2 | 1.1 | 3.6 | 5.5 | 8.0 | 5.8 | 3.0 | -- | |
| INCOME TAX RATE | 36.5% | 34.3% | 41.1% | 24.2% | 14.5% | 26.5% | 26.4% | 25.8% | -- | |
| NET PROFIT MARGIN | 8.7% | 6.3% | 2.9% | 8.6% | 12.3% | 15.1% | 11.0% | 5.3% | -- | |
| WORKING CAP'L ($MILL) | 7.7 | 2.2 | 11.1 | 2.1 | d2.1 | d2.5 | d2.8 | d4.6 | -- | |
| LONG-TERM DEBT ($MILL) | 114.5 | 114.7 | 112.7 | 108.9 | 104.9 | 103.7 | 118.5 | 133.5 | -- | |
| SHR. EQUITY ($MILL) | 27.9 | 24.7 | 32.2 | 30.0 | 44.4 | 48.6 | 47.6 | 86.6 | -- | |
| RETURN ON TOTAL CAP'L | 4.0% | 3.5% | 2.6% | 4.5% | 5.0% | 6.8% | 5.3% | 2.7% | -- | |
| RETURN ON SHR. EQUITY | 11.1% | 9.0% | 3.4% | 12.0% | 12.4% | 16.4% | 12.2% | 3.4% | -- | |
| RETAINED TO COM EQ | 11.1% | NMF | NMF | 12.0% | 12.4% | 1.6% | NMF | NMF | -- | |
| ALL DIV'DS TO NET PROF | -- | NMF | NMF | -- | -- | 90% | NMF | NMF | -- | |

**Note: No analyst estimates available.**

### ANNUAL RATES

| *of change (per share)* | 5 Yrs. | 1 Yr. |
|---|---|---|
| Sales | 4.5% | -11.0% |
| "Cash Flow" | 9.0% | -16.5% |
| Earnings | 18.0% | -54.0% |
| Dividends | 1.0% | 1.5% |
| Book Value | 12.5% | 53.5% |

### QUARTERLY SALES ($mill.)

| Fiscal Year | 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 12/31/24 | 11.6 | 13.5 | 14.3 | 13.3 | 52.7 |
| 12/31/25 | 12.6 | 14.2 | 15.5 | 13.5 | 55.8 |
| 12/31/26 | 13.3 | 17.8 | | | |
| 12/31/27 | | | | | |

### EARNINGS PER SHARE

| Fiscal Year | 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 12/31/23 | .10 | .07 | .11 | .05 | .33 |
| 12/31/24 | .03 | .07 | .12 | .02 | .24 |
| 12/31/25 | .02 | .06 | .06 | d.03 | .11 |
| 12/31/26 | d.01 | .10 | | | |
| 12/31/27 | | | | | |

### QUARTERLY DIVIDENDS PAID

| Cal-endar | 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 2023 | .074 | .074 | .074 | .074 | .30 |
| 2024 | .075 | .075 | .075 | .075 | .30 |
| 2025 | .076 | .076 | .076 | .076 | .30 |
| 2026 | .076 | .076 | .076 | | |

### INSTITUTIONAL DECISIONS

| | 4Q'25 | 1Q'26 | 2Q'26 |
|---|---|---|---|
| to Buy | 32 | 55 | 57 |
| to Sell | 36 | 39 | 40 |
| Hld's(000) | 8098 | 8323 | 6961 |

| ASSETS ($mill.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 9.0 | 4.1 | 1.5 |
| Receivables | 3.2 | 7.7 | 8.5 |
| Inventory | .0 | .0 | .0 |
| Other | 7.3 | 2.8 | 1.8 |
| Current Assets | 19.5 | 14.6 | 11.8 |
| Property, Plant & Equip, at cost | 513.0 | 614.8 | - - |
| Accum Depreciation | 153.6 | 169.0 | - - |
| Net Property | 359.4 | 445.8 | 449.4 |
| Other | 26.2 | 34.9 | 23.0 |
| Total Assets | 405.1 | 495.3 | 484.2 |
| **LIABILITIES ($mill.)** | | | |
| Accts Payable | 2.1 | 2.3 | 1.0 |
| Debt Due | 3.9 | 4.8 | 4.6 |
| Other | 16.3 | 12.1 | 11.6 |
| Current Liab | 22.3 | 19.2 | 17.2 |

**LONG-TERM DEBT AND EQUITY as of 6/30/26**

**Total Debt** $138.2 mill. **Due in 5 Yrs.** NA
**LT Debt** $133.6 mill.
**Including Cap. Leases** NA (61% of Cap'l)
**Leases, Uncapitalized** Annual rentals NA

**Pension Liability** None in '25 vs. None in '24

**Pfd Stock** None **Pfd Div'd Paid** None

**Common Stock** 28,795,000 shares (39% of Cap'l)

## INDUSTRY: Water Utility

**BUSINESS:** Global Water Resources, Inc. is a water resource management company that owns and operates 39 water, wastewater, and recycled water systems in strategically located communities, principally in metropolitan Phoenix and Tucson, Arizona. It seeks to deploy an integrated approach, referred to as "Total Water Management." Total Water Management is a comprehensive approach to water utility management that reduces demand on scarce non-renewable water sources and costly renewable water supplies, in a manner that ensures sustainability and greatly benefits communities both environmentally and economically. The company treats water to potable standards and also treats, cleans, and recycles wastewater for a variety of uses. Recycled water is created by taking wastewater and applying advanced tertiary treatment to create a high quality, non-potable water source. Has 129 employees. Chairman, C.E.O. & President: Ron L. Fleming Address: 21410 N. 19th Avenue #220, Phoenix, AZ 85027. Tel.: (480) 360-7775. Internet: www.gwresources.com.

*J.V.*

*October 2, 2026*

### TOTAL SHAREHOLDER RETURN

*Dividends plus appreciation as of 9/21/2026*

| 3 Mos. | 6 Mos. | 1 Yr. | 3 Yrs. | 5 Yrs. |
|---|---|---|---|---|
| 19.73% | 14.72% | -12.63% | -8.15% | -47.13% |

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# H2O AMERICA NYSE-HTO

RECENT PRICE **62.61** | P/E RATIO **19.0** (Trailing: 21.2 Median: 26.0) | RELATIVE P/E RATIO **1.10** | DIV'D YLD **2.7%** | **VALUE LINE**

**TIMELINESS** 4 Lowered 8/7/26
**SAFETY** 3 Lowered 11/21/25
TECHNICAL 3 Lowered 9/18/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

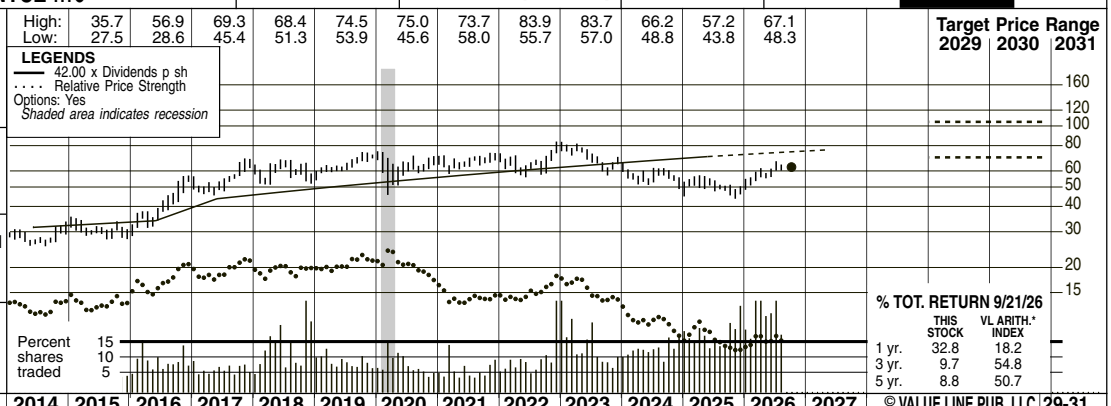
| Low-High | Midpoint (% to Mid) |
|---|---|
| $38-$73 | $56 (-10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 105 | (+70%) | *16%* |
| Low | 70 | (+10%) | *5%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 108 | 214 | 199 |
| to Sell | 92 | 90 | 103 |
| Hld's(000) | 30225 | 44354 | 48194 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11.62 | 12.85 | 14.01 | 13.73 | 15.76 | 14.97 | 16.61 | 18.97 | 14.00 | 14.78 | 19.77 | 19.01 | 20.15 | 20.93 | 22.26 | 22.17 | ***20.85*** | ***21.95*** | Revenues per sh | ***25.65*** |
| 2.38 | 2.80 | 2.97 | 2.90 | 4.42 | 3.86 | 4.76 | 5.24 | 3.29 | 3.13 | 5.28 | 5.13 | 5.79 | 6.03 | 6.22 | 6.18 | ***4.40*** | ***4.65*** | "Cash Flow" per sh | ***5.00*** |
| .84 | 1.11 | 1.18 | 1.12 | 2.54 | 1.85 | 2.57 | 2.86 | 1.82 | .82 | 2.14 | 2.03 | 2.43 | 2.68 | 2.87 | 2.99 | ***3.20*** | ***3.45*** | Earnings per sh [A] | ***3.75*** |
| .68 | .69 | .71 | .73 | .75 | .78 | .81 | 1.04 | 1.12 | 1.20 | 1.28 | 1.36 | 1.44 | 1.52 | 1.60 | 1.68 | ***1.75*** | ***1.82*** | Div'd Decl'd per sh [BD]■ | ***1.95*** |
| 5.65 | 3.75 | 5.67 | 4.68 | 5.02 | 5.24 | 6.95 | 7.26 | 5.08 | 6.25 | 7.44 | 8.32 | 7.85 | 9.01 | 11.22 | 14.48 | ***10.50*** | ***9.75*** | Cap'l Spending per sh | ***8.75*** |
| 13.75 | 14.20 | 14.71 | 15.92 | 17.75 | 18.83 | 20.61 | 22.57 | 31.31 | 31.27 | 32.12 | 34.28 | 36.06 | 38.52 | 40.65 | 42.66 | ***38.55*** | ***40.25*** | Book Value per sh | ***42.50*** |
| 18.55 | 18.59 | 18.67 | 20.17 | 20.29 | 20.38 | 20.46 | 20.52 | 28.40 | 28.46 | 28.56 | 30.18 | 30.80 | 32.02 | 33.63 | 36.12 | ***41.50*** | ***41.00*** | Common Shs Outst'g [C] | ***40.00*** |
| 29.1 | 21.2 | 20.4 | 24.3 | 11.2 | 16.6 | 15.7 | 18.8 | 32.7 | NMF | 30.0 | 32.9 | 27.3 | 26.4 | 19.9 | 16.9 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | ***23.0*** |
| 1.85 | 1.33 | 1.30 | 1.37 | .59 | .84 | .82 | .95 | 1.77 | NMF | 1.54 | 1.78 | 1.58 | 1.47 | 1.04 | .88 | | | Relative P/E Ratio | ***1.30*** |
| 2.8% | 2.9% | 3.0% | 2.7% | 2.6% | 2.5% | 2.0% | 1.9% | 1.9% | 1.9% | 2.0% | 2.0% | 2.2% | 2.1% | 2.8% | 3.3% | | | Avg Ann'l Div'd Yield | ***2.2%*** |
| 339.7 | 389.2 | 397.7 | 420.5 | 564.5 | 573.7 | 620.7 | 670.4 | 748.4 | 800.6 | ***865*** | ***900*** | Revenues ($mill) | ***1025*** |
| 52.8 | 59.2 | 38.8 | 23.4 | 61.5 | 60.5 | 73.8 | 85.0 | 94.0 | 102.6 | ***135*** | ***142*** | Net Profit ($mill) | ***150*** |
| 38.8% | 36.7% | 20.6% | 26.4% | 12.0% | 12.2% | 10.3% | 6.5% | 8.7% | 10.7% | ***21.0%*** | ***21.0%*** | Income Tax Rate | ***21.0%*** |
| - - | - - | - - | - - | - - | - - | 6.4% | - - | 6.4% | 7.2% | ***2.5%*** | ***2.5%*** | AFUDC % to Net Profit | ***2.5%*** |
| 50.7% | 48.2% | 32.7% | 59.1% | 58.4% | 59.1% | 57.3% | 55.3% | 55.5% | 54.8% | ***49.0%*** | ***46.0%*** | Long-Term Debt Ratio | ***39.5%*** |
| 49.3% | 51.8% | 67.3% | 40.9% | 41.6% | 40.9% | 42.7% | 44.7% | 44.5% | 45.2% | ***51.0%*** | ***54.0%*** | Common Equity Ratio | ***60.5%*** |
| 855.0 | 894.3 | 1320.7 | 2173.6 | 2204.7 | 2527.5 | 2602.8 | 2760.1 | 3073.9 | 3407.6 | ***3150*** | ***3050*** | Total Capital ($mill) | ***2850*** |
| 1146.4 | 1239.3 | 1328.8 | 2206.5 | 2334.9 | 2497.5 | 2630.3 | 3155.6 | 4473.5 | 3923.3 | ***3950*** | ***4000*** | Net Plant ($mill) | ***4150*** |
| 7.4% | 7.9% | 3.9% | 1.8% | 4.0% | 3.5% | 4.0% | 4.3% | 4.2% | 4.2% | ***4.5%*** | ***5.0%*** | Return on Total Cap'l | ***6.0%*** |
| 12.5% | 12.8% | 4.4% | 2.6% | 6.7% | 5.8% | 6.6% | 6.9% | 6.9% | 6.7% | ***8.5%*** | ***8.5%*** | Return on Shr. Equity | ***9.0%*** |
| 12.5% | 12.8% | 4.4% | 2.6% | 6.7% | 5.8% | 6.6% | 6.9% | 6.9% | 6.7% | ***8.5%*** | ***8.5%*** | Return on Com Equity | ***9.0%*** |
| 8.6% | 8.2% | 1.8% | NMF | 2.7% | 2.0% | 2.7% | 3.0% | 3.1% | 2.9% | ***4.0%*** | ***4.0%*** | Retained to Com Eq | ***4.0%*** |
| 31% | 36% | 60% | NMF | 59% | 66% | 59% | 56% | 55% | 57% | ***55%*** | ***53%*** | All Div'ds to Net Prof | ***52%*** |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $1890.1 mill.
**LT Debt** $1881.5 mill. **LT Interest** $50.0 mill.
(LT Interest Coverage: 8.5x)
(55% of Cap'l)

**Pension Assets-12/25** $323.5 mill.
**Oblig.** $293.1 mill.
**Pfd Stock** None.
**Common Stock** 41,852,900 shs.

**MARKET CAP: $2.6 billion (Small Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 11.1 | 20.7 | 104.1 |
| Accts Receivable | 68.7 | 141.9 | 153.4 |
| Other | 110.9 | 28.0 | 38.9 |
| Current Assets | 190.7 | 190.6 | 296.4 |
| Accts Payable | 56.3 | 75.4 | 70.4 |
| Debt Due | 3.6 | 110.3 | 8.6 |
| Other | 201.3 | 87.7 | 98.8 |
| Current Liab. | 261.2 | 273.4 | 177.8 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 4.0% | 6.0% | *3.0%* |
| "Cash Flow" | 5.0% | 9.5% | *-3.5%* |
| Earnings | 4.5% | 12.5% | *4.5%* |
| Dividends | 8.0% | 6.0% | *3.5%* |
| Book Value | 9.0% | 5.0% | *1.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 137.3 | 156.9 | 204.8 | 171.4 | 670.4 |
| 2024 | 149.4 | 176.2 | 225.1 | 197.7 | 748.4 |
| 2025 | 167.6 | 198.3 | 240.6 | 194.1 | 800.6 |
| 2026 | 183.3 | 210.5 | ***250*** | ***221.2*** | ***865*** |
| 2027 | ***190*** | ***215*** | ***265*** | ***230*** | ***900*** |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .37 | .58 | 1.13 | .59 | 2.68 |
| 2024 | .36 | .64 | 1.17 | .68 | 2.87 |
| 2025 | .50 | .75 | 1.27 | .45 | 2.99 |
| 2026 | .50 | .72 | ***1.33*** | ***.65*** | ***3.20*** |
| 2027 | ***.60*** | ***.77*** | ***1.35*** | ***.73*** | ***3.45*** |

| Calendar | QUARTERLY DIVIDENDS PAID [BD]■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .36 | .36 | .36 | .36 | 1.44 |
| 2023 | .38 | .38 | .38 | .38 | 1.52 |
| 2024 | .40 | .40 | .40 | .40 | 1.60 |
| 2025 | .42 | .42 | .42 | .42 | 1.68 |
| 2026 | .44 | .44 | .44 | | |

**BUSINESS:** H2O America engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 232,000 connections with a total population of roughly one million people in the San Jose area and 16,000 connections that reach about 90,000 residents in the region between San Antonio and Austin, Texas. The company merged with Connecticut Water (10/19) and services approx. 143,000 connections. H2O America changed its name from SJW Group in early 2025. Has 837 employees. Officers and directors own less than 1.0% of outstanding shares (4/26 proxy). C.E.O.: Andrew F. Walters. Inc.: California. Addr.: 110 West Taylor Street, San Jose, CA 95110. Tele.: (408) 279-7800. Internet: www.h2o-america.com.

**Shares of H2O America have risen roughly 10% in value over the past three months.** The stock is up strongly year-to-date, and recently traded at a fresh 52-week high. While financial results of late have been a mixed bag, we think investor enthusiasm has been largely underpinned by the impending closing of the previously announced Quadvest acquisition (discussed more below). At this time, however, the stock is ranked to trail the broader market averages over the coming six to 12 months (Timeliness: 4).

**Modest top- and bottom-line growth is probably on tap for this year and the next.** Second-quarter 2026 revenues rose 6%, to $211 million, supported by higher rates, particularly in California and Connecticut. Meanwhile, earnings of $0.72 per share slipped three cents year over year, as elevated operating and production expenses, along with a higher outstanding share count, kept the lid on share profit growth. Even so, we think the company is well positioned to maintain high-single-digit annual growth rates for both revenues and earnings in 2026 and 2027. Excluding contributions from the pending Quadvest acquisition, H2O ought to benefit from periodic rate increases and an expanding customer base.

**The $540 million purchase of water utility company Quadvest in Texas is nearly over the finish line.** In fact, the company received final regulatory approval in August from the Public Utility Commission of Texas. To that end, the deal, which is expected to significantly boost H2O's Texas customer base, is projected to close as we roll the presses on this issue (early October 2026).

**We are fans of the long-term growth story.** On top of a stable business model with steady demand trends (clean, reliable water sources), H2O is set to invest heavily in water delivery and treatment infrastructure in the years ahead. This suggests that additional base rate hikes are likely in the cards. Moreover, the dividend yield remains attractive, and annual increases to the quarterly payout should be par for the course. On balance, even after the recent price ascent, income-driven accounts with an eye to next decade may want to consider a position here.

*Nicholas Patrikis* *October 2, 2026*

**(A)** Diluted earnings. Excludes nonrecurring losses: '10, $0.46. GAAP accounting as of 2013, non-GAAP starting in 2025. Next earnings report due early November. Quarterly egs. may not add due to rounding.
**(B)** Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
**(C)** In millions.
**(D)** Paid special dividend of $0.17 per share on 11/17.

| | |
|---|---|
| Company's Financial Strength | B+ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 35 |
| Earnings Predictability | 55 |

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# MIDDLESEX WATER NDQ-MSEX

RECENT PRICE 55.23 | P/E RATIO 19.9 (Trailing: 21.3 Median: 28.0) | RELATIVE P/E RATIO 1.16 | DIV'D YLD 2.6% | VALUE LINE

**TIMELINESS** 3 Raised 8/14/26
**SAFETY** 3 Lowered 7/4/25
TECHNICAL 2 Raised 9/25/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**

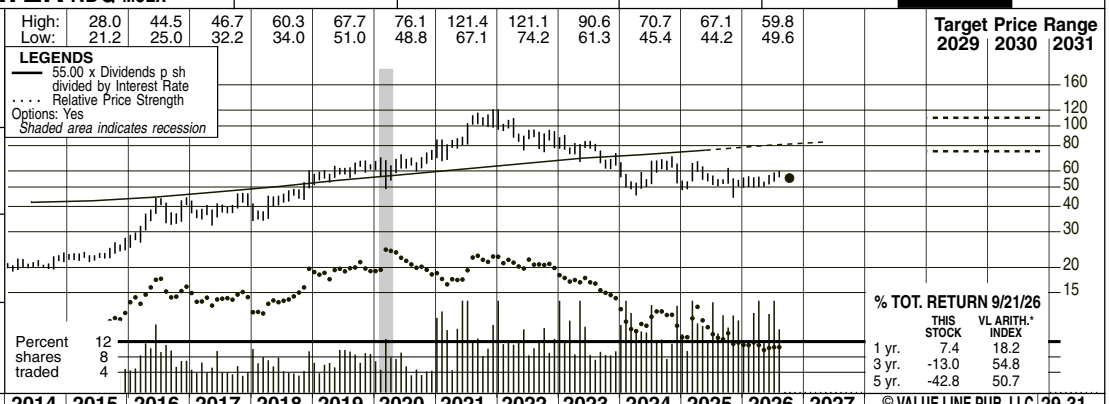
| Low-High | Midpoint (% to Mid) |
|---|---|
| $36-$66 | $51 (-10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 110 | (+100%) | 21% |
| Low | 75 | (+35%) | 10% |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 62 | 112 | 119 |
| to Sell | 82 | 80 | 78 |
| Hld's(000) | 15221 | 16730 | 16592 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6.60 | 6.50 | 6.98 | 7.19 | 7.26 | 7.77 | 8.16 | 8.00 | 8.42 | 7.72 | 8.10 | 8.17 | 9.21 | 9.33 | 10.73 | 10.51 | *11.60* | *12.20* | Revenues per sh | *13.60* |
| 1.55 | 1.46 | 1.56 | 1.72 | 1.84 | 1.97 | 2.17 | 2.24 | 2.89 | 2.90 | 3.25 | 3.28 | 3.70 | 3.41 | 4.04 | 3.99 | *3.75* | *3.90* | "Cash Flow" per sh | *4.50* |
| .96 | .84 | .90 | 1.03 | 1.13 | 1.22 | 1.38 | 1.38 | 1.96 | 2.01 | 2.18 | 2.07 | 2.39 | 1.76 | 2.47 | 2.36 | *2.70* | *2.85* | Earnings per sh [A] | *3.45* |
| .72 | .73 | .74 | .75 | .76 | .78 | .81 | .86 | .91 | .98 | 1.04 | 1.11 | 1.18 | 1.26 | 1.32 | 1.38 | *1.46* | *1.52* | Div'd Decl'd per sh [B]■ | *1.75* |
| 1.90 | 1.50 | 1.36 | 1.26 | 1.40 | 1.59 | 2.91 | 3.08 | 4.40 | 5.11 | 6.04 | 4.53 | 5.18 | 5.06 | 4.17 | 5.20 | *5.45* | *5.65* | Cap'l Spending per sh | *6.00* |
| 11.13 | 11.27 | 11.48 | 11.82 | 12.24 | 12.74 | 13.40 | 14.02 | 15.17 | 18.57 | 19.81 | 20.99 | 22.65 | 23.74 | 24.89 | 26.67 | *27.10* | *27.25* | Book Value per sh | *28.30* |
| 15.57 | 15.70 | 15.82 | 15.96 | 16.12 | 16.23 | 16.30 | 16.35 | 16.40 | 17.43 | 17.47 | 17.52 | 17.64 | 17.82 | 17.89 | 18.52 | *19.00* | *19.25* | Common Shs Outst'g [C] | *19.50* |
| 17.8 | 21.7 | 20.8 | 19.7 | 18.5 | 19.1 | 25.6 | 28.4 | 22.2 | 29.7 | 30.1 | 44.3 | 38.6 | 42.8 | 23.6 | 23.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *27.0* |
| 1.13 | 1.36 | 1.32 | 1.11 | .97 | .96 | 1.34 | 1.43 | 1.20 | 1.58 | 1.55 | 2.39 | 2.23 | 2.38 | 1.23 | 1.22 | | | Relative P/E Ratio | *1.50* |
| 4.2% | 4.0% | 4.0% | 3.7% | 3.7% | 3.3% | 2.3% | 2.2% | 2.1% | 1.6% | 1.6% | 1.2% | 1.3% | 1.7% | 2.3% | 2.5% | | | Avg Ann'l Div'd Yield | *1.9%* |
| 132.9 | 130.8 | 138.1 | 134.6 | 141.6 | 143.1 | 162.4 | 166.3 | 191.9 | 194.7 | *220* | *235* | Revenues ($mill) | *265* |
| 22.7 | 22.8 | 32.5 | 33.9 | 38.4 | 36.5 | 42.4 | 31.5 | 44.4 | 42.8 | *51.0* | *55.0* | Net Profit ($mill) | *67.0* |
| 34.0% | 32.7% | 2.8% | - - | - - | - - | 7.1% | 3.2% | 13.5% | 10.1% | *21.0%* | *21.0%* | Income Tax Rate | *21.0%* |
| 2.7% | 3.1% | 1.4% | 3.4% | 3.9% | - - | - - | - - | 3.9% | 1.5% | *2.0%* | *3.0%* | AFUDC % to Net Profit | *3.0%* |
| 37.9% | 37.5% | 37.8% | 41.5% | 44.0% | 45.3% | 41.9% | 45.7% | 44.1% | 43.5% | *42.0%* | *40.0%* | Long-Term Debt Ratio | *34.5%* |
| 61.5% | 61.8% | 61.6% | 58.2% | 55.7% | 54.4% | 57.7% | 54.0% | 55.7% | 56.4% | *57.5%* | *59.5%* | Common Equity Ratio | *65.5%* |
| 355.4 | 370.7 | 404.1 | 556.7 | 621.5 | 676.3 | 692.7 | 783.2 | 799.7 | 876.1 | *890* | *880* | Total Capital ($mill) | *845* |
| 517.8 | 557.2 | 618.5 | 705.7 | 796.6 | 865.4 | 920.6 | 998.3 | 1067.1 | 1161.5 | *1200* | *1225* | Net Plant ($mill) | *1275* |
| 7.1% | 6.9% | 8.9% | 6.7% | 6.8% | 6.0% | 6.8% | 4.8% | 6.3% | 5.7% | *6.0%* | *6.5%* | Return on Total Cap'l | *8.5%* |
| 10.3% | 9.8% | 12.9% | 10.4% | 11.0% | 9.9% | 10.5% | 7.4% | 9.9% | 8.6% | *10.0%* | *10.5%* | Return on Shr. Equity | *12.0%* |
| 10.3% | 9.9% | 13.0% | 10.4% | 11.1% | 9.9% | 10.6% | 7.4% | 9.9% | 8.4% | *10.0%* | *10.5%* | Return on Com Equity | *12.0%* |
| 4.3% | 3.8% | 7.0% | 5.4% | 5.8% | 4.6% | 5.4% | 2.1% | 4.7% | 3.3% | *4.5%* | *5.0%* | Retained to Com Eq | *6.0%* |
| 58% | 62% | 46% | 48% | 48% | 53% | 49% | 72% | 53% | 58% | *54%* | *53%* | All Div'ds to Net Prof | *51%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $437.3 mill.
**LT Debt** $395.6 mill. **LT Interest** $7.5 mill.
(Total interest coverage: 8.4x)
(43% of Cap'l)

**Pension Assets-12/25** $104.0 mill.
**Oblig.** $89.1 mill.
**Pfd Stock** $2.4 mill. **Pfd Div'd:** $.1 mill.

**Common Stock** 18,844,000 shs.
**as of 7/29/26**

**MARKET CAP: $1.0 billion (Small Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 4.2 | 2.8 | 1.8 |
| Other | 38.8 | 39.0 | 50.2 |
| Current Assets | 43.0 | 41.8 | 52.0 |
| Accts Payable | 28.1 | 31.3 | 31.0 |
| Debt Due | 7.7 | 36.7 | 41.7 |
| Other | 47.1 | 25.8 | 32.0 |
| Current Liab. | 82.9 | 93.8 | 104.7 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 3.0% | 4.5% | *3.0%* |
| "Cash Flow" | 7.5% | 5.0% | *2.5%* |
| Earnings | 7.0% | 1.5% | *8.0%* |
| Dividends | 5.5% | 6.0% | *5.0%* |
| Book Value | 7.5% | 7.0% | *2.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 38.2 | 42.8 | 46.7 | 38.6 | 166.3 |
| 2024 | 40.5 | 49.1 | 55.1 | 47.2 | 191.9 |
| 2025 | 44.3 | 49.3 | 54.1 | 47.0 | 194.7 |
| 2026 | 48.7 | 56.4 | *60.0* | *55.0* | *220* |
| 2027 | *55.0* | *60.0* | *63.0* | *57.0* | *235* |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .33 | .55 | .56 | .32 | 1.76 |
| 2024 | .59 | .59 | .80 | .49 | 2.47 |
| 2025 | .53 | .60 | .77 | .46 | 2.36 |
| 2026 | .57 | .79 | *.83* | *.51* | *2.70* |
| 2027 | *.65* | *.77* | *.85* | *.58* | *2.85* |

| Calendar | QUARTERLY DIVIDENDS PAID [B]■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .29 | .29 | .29 | .3125 | 1.18 |
| 2023 | .3125 | .3125 | .3125 | .325 | 1.26 |
| 2024 | .325 | .325 | .325 | .34 | 1.32 |
| 2025 | .34 | .34 | .34 | .36 | 1.38 |
| 2026 | .36 | .36 | .36 | | |

**BUSINESS:** Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 61,000 retail customers, primarily in Middlesex County, New Jersey. In 2025, the Middlesex System accounted for 67% of operating revenues. At 12/31/25, the company had 395 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers & directors own 1.9% of the com. stock; BlackRock Inst. Trust Co., 18.0% (4/26 proxy). Add.: 485 C Route 1 South, Suite 400, Iselin, NJ 08830. Tele.: 732-634-1500. Int.: www.middlesexwater.com.

**Middlesex Water posted solid financial results for the second quarter of 2026.** Notably, June-period revenues came in more than $5 million ahead of our call, at $56 million (+14% year over year), while earnings of $0.79 per share (32%) topped our expectation by $0.12. The performance was buoyed by stronger customer consumption, customer base growth, and rate increases across both the Middlesex and Tidewater Systems. Meanwhile, the bottom line, despite modestly rising operating expenses during the period, benefited from strong revenue expansion.

**We are upping our full-year 2026 revenue and earnings estimates accordingly.** At this time, we now think Middlesex will generate $220 million in revenues this year, up $15 million from our previous call. On the profit front, our model suggests that earnings may well improve 14% year over year, to $2.70 per share (up from $2.50).

**Significant capital spending is probably in the cards for 2027 and 2028.** Indeed, Middlesex has consistently increased the annual infrastructure investment budget over the past decade or so. For the next two years, management plans to strategically spend roughly $500 million, comprised of upgrades and replacements, as well as environmental compliance projects. Specifically, nearly $250 million will be allocated toward installing PFAS treatment solutions, with $35 million set to support the company's water main replacement initiative in New Jersey. Meanwhile, a new water treatment facility in Delaware is in the works. Going forward, Middlesex's aggressive capital spending forecast should prompt regulators to approve cumulative base rate increases in the years ahead.

**Supported by an above-average dividend yield, Middlesex shares offer attractive total return potential over the pull to 2029-2031.** To this point, we think a 54th-consecutive year of increasing the quarterly dividend payment is imminent. Moreover, the company's stable business model (necessity for clean water treatment and delivery) and expanding customer base augur well for long-term top- and bottom-line growth. All told, we like the stock for conservative accounts with a 3- to 5-year investment horizon.

*Nicholas Patrikis* *October 2, 2026*

**(A)** Diluted earnings. Represents non-GAAP earnings or loss starting in 2025. Quarterly figures may not sum due to rounding. Next earnings report due early November.
**(B)** Dividends historically paid in mid-Feb., May, Aug., and November.■ Div'd reinvestment plan available.
**(C)** In millions.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 70 |
| Price Growth Persistence | 50 |
| Earnings Predictability | 85 |

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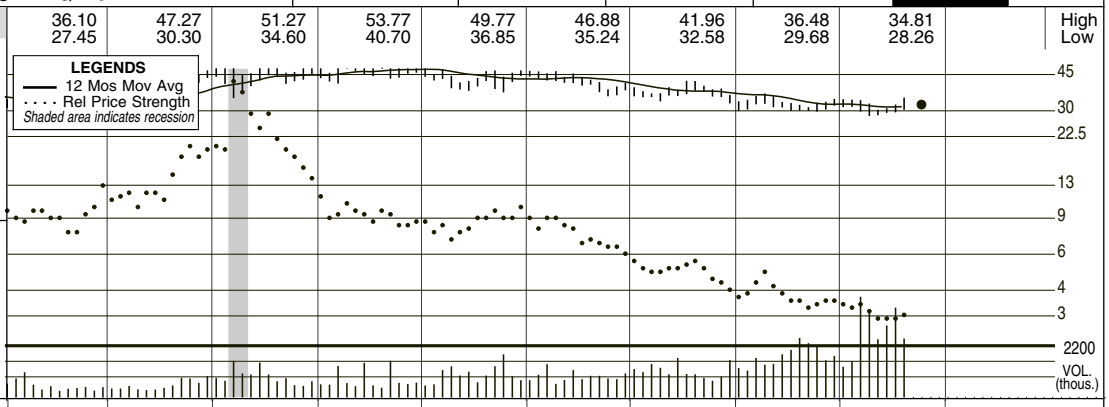
# YORK WATER CO NDQ--YORW

RECENT PRICE 32.19 | TRAILING P/E RATIO 20.1 | RELATIVE P/E RATIO 1.17 | DIV'D YLD 2.8% | VALUE LINE

## RANKS

| | | |
|---|---|---|
| PERFORMANCE | 3 | Average |
| Technical | 3 | Average |
| SAFETY | 2 | Above Average |
| BETA .70 | (1.00 = Market) | |

| | |
|---|---|
| Financial Strength | B+ |
| Price Stability | 100 |
| Price Growth Persistence | 30 |
| Earnings Predictability | 90 |




| © VALUE LINE PUBLISHING LLC | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027/2028 |
|---|---|---|---|---|---|---|---|---|---|---|
| REVENUES PER SH | 3.74 | 3.96 | 4.12 | 4.20 | 4.20 | 4.96 | 5.21 | 5.36 | -- | |
| "CASH FLOW" PER SH | 1.58 | 1.70 | 1.90 | 1.97 | 2.08 | 2.48 | 2.31 | 2.37 | -- | |
| EARNINGS PER SH | 1.04 | 1.11 | 1.27 | 1.30 | 1.40 | 1.66 | 1.42 | 1.39 | *NA* | *NA/NA* |
| DIV'D DECL'D PER SH | .67 | .70 | .73 | .76 | .79 | .82 | .85 | .89 | -- | |
| CAP'L SPENDING PER SH | -- | .16 | .09 | .91 | .24 | 4.55 | 3.35 | 3.37 | -- | |
| BOOK VALUE PER SH | 9.75 | 10.31 | 10.97 | 11.64 | 14.50 | 15.43 | 16.07 | 16.64 | -- | |
| COMMON SHS OUTST'G (MILL) | 12.94 | 13.02 | 13.06 | 13.11 | 14.29 | 14.33 | 14.39 | 14.45 | -- | |
| AVG ANN'L P/E RATIO | 30.3 | 33.8 | 35.7 | 36.7 | 30.7 | 25.1 | 25.8 | 23.2 | *NA* | *NA/NA* |
| RELATIVE P/E RATIO | 1.71 | 1.96 | 2.09 | 2.24 | 2.03 | 1.55 | 1.46 | 1.31 | -- | |
| AVG ANN'L DIV'D YIELD | 2.1% | 1.9% | 1.6% | 1.6% | 1.8% | 2.0% | 2.3% | 2.7% | -- | |
| REVENUES ($MILL) | 48.4 | 51.6 | 53.9 | 55.1 | 60.1 | 71.0 | 75.0 | 77.5 | -- | |
| NET PROFIT ($MILL) | 13.4 | 14.4 | 16.6 | 17.0 | 19.6 | 23.8 | 20.3 | 20.1 | -- | |
| INCOME TAX RATE | 15.7% | 13.5% | 10.8% | 6.2% | .1% | 5.1% | 6.2% | -- | -- | |
| AFUDC % TO NET PROFIT | 1.7% | 2.5% | 3.2% | 7.2% | -- | -- | -- | -- | -- | |
| LONG-TERM DEBT RATIO | 42.5% | 41.3% | 46.3% | 47.6% | 40.2% | 44.9% | 47.1% | 48.0% | -- | |
| COMMON EQUITY RATIO | 57.5% | 58.7% | 53.7% | 52.4% | 59.8% | 55.1% | 52.9% | 52.0% | -- | |
| TOTAL CAPITAL ($MILL) | 219.5 | 228.7 | 266.8 | 291.5 | 346.6 | 401.2 | 436.8 | 462.2 | -- | |
| NET PLANT ($MILL) | 299.2 | 313.2 | 343.6 | 382.9 | 431.2 | 493.7 | 532.5 | 569.9 | -- | |
| RETURN ON TOTAL CAP'L | 7.3% | 7.4% | 7.1% | 6.7% | 6.4% | 6.8% | 5.7% | 5.4% | -- | |
| RETURN ON SHR. EQUITY | 10.6% | 10.7% | 11.6% | 11.1% | 9.5% | 10.7% | 8.8% | 8.3% | -- | |
| RETURN ON COM EQUITY | 10.6% | 10.7% | 11.6% | 11.1% | 9.5% | 10.7% | 8.8% | 8.3% | -- | |
| RETAINED TO COM EQ | 3.8% | 4.0% | 5.0% | 4.7% | 4.3% | 5.5% | 3.6% | 3.1% | -- | |
| ALL DIV'DS TO NET PROF | 64% | 62% | 57% | 58% | 55% | 49% | 59% | 63% | -- | |

*Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.*

**Note: No analyst estimates available.**

### ANNUAL RATES

| *of change (per share)* | 5 Yrs. | 1 Yr. |
|---|---|---|
| Revenues | 5.5% | 3.0% |
| "Cash Flow" | 6.5% | 2.5% |
| Earnings | 5.5% | -2.0% |
| Dividends | 4.0% | 4.0% |
| Book Value | 9.0% | 3.5% |

| Fiscal Year | QUARTERLY SALES ($mill.) 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 12/31/24 | 17.6 | 18.8 | 19.7 | 18.9 | 75.0 |
| 12/31/25 | 18.4 | 19.2 | 20.4 | 19.5 | 77.5 |
| 12/31/26 | 20.1 | 23.5 | | | |
| 12/31/27 | | | | | |

| Fiscal Year | EARNINGS PER SHARE 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 12/31/23 | .26 | .45 | .53 | .42 | 1.66 |
| 12/31/24 | .30 | .35 | .41 | .36 | 1.42 |
| 12/31/25 | .25 | .35 | .43 | .36 | 1.39 |
| 12/31/26 | .33 | .48 | | | |
| 12/31/27 | | | | | |

| Cal-endar | QUARTERLY DIVIDENDS PAID 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 2023 | .203 | .203 | .203 | .203 | .81 |
| 2024 | .211 | .211 | .211 | .211 | .84 |
| 2025 | .219 | .219 | .219 | .219 | .88 |
| 2026 | .228 | .228 | .228 | | |

### INSTITUTIONAL DECISIONS

| | 4Q'25 | 1Q'26 | 2Q'26 |
|---|---|---|---|
| to Buy | 59 | 86 | 95 |
| to Sell | 51 | 66 | 68 |
| Hld's(000) | 8909 | 9684 | 9702 |

| ASSETS ($mill.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | .0 | .0 | .6 |
| Receivables | 6.8 | 13.5 | 14.2 |
| Inventory | 3.4 | 3.4 | 3.2 |
| Other | 6.3 | 1.5 | 2.1 |
| Current Assets | 16.5 | 18.4 | 20.1 |
| Property, Plant & Equip, at cost | 667.0 | 703.4 | - - |
| Accum Depreciation | 134.5 | 133.5 | - - |
| Net Property | 532.5 | 569.9 | 588.1 |
| Other | 84.5 | 107.1 | 95.8 |
| Total Assets | 633.5 | 695.4 | 704.0 |
| **LIABILITIES ($mill.)** | | | |
| Accts Payable | 9.5 | 8.4 | 9.3 |
| Debt Due | .0 | 10.3 | .3 |
| Other | 8.8 | 8.9 | 9.6 |
| Current Liab | 18.3 | 27.6 | 19.2 |

**LONG-TERM DEBT AND EQUITY as of 6/30/26**

**Total Debt** $189.7 mill. **Due in 5 Yrs.** NA
**LT Debt** $189.4 mill.
**Including Cap. Leases** NA (39% of Cap'l)
**Leases, Uncapitalized** Annual rentals NA

**Pension Liability** None in '25 vs. None in '24

**Pfd Stock** None **Pfd Div'd Paid** None

**Common Stock** 16,228,000 shares (61% of Cap'l)

## INDUSTRY: Water Utility

**BUSINESS:** The York Water Company is an investor-owned water utility. The company's primary business is to impound, purify to meet or exceed safe drinking water standards and distribute water. It also owns and operates three wastewater collection systems and ten wastewater collection and treatment systems. York Water operates within its franchised water and wastewater territory, which covers portions of 58 municipalities within four counties in south-central Pennsylvania. Water service is supplied through the company's own distribution system. It obtains the bulk of its water supply for its primary system for York and Adams Counties from both the South Branch and East Branch of the Codorus Creek, which together have an average daily flow of approximately 73 million gallons from a combined watershed area of about 117 square miles. As of June 30, 2026, the company's average daily availability was 41.1 million gallons, and average daily consumption was 23.2 million gallons. Has 129 employees. C.E.O. & President: Joseph T. Hand Address: 130 East Market Street, York, PA 17401. Tel.: (717) 845-3601. Internet: www.york-water.com. *J.V.*

*October 2, 2026*

### TOTAL SHAREHOLDER RETURN

*Dividends plus appreciation as of 9/21/2026*

| 3 Mos. | 6 Mos. | 1 Yr. | 3 Yrs. | 5 Yrs. |
|---|---|---|---|---|
| 9.82% | 8.57% | 7.97% | -11.32% | -16.49% |

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# ATMOS ENERGY CORP. NYSE-ATO

RECENT PRICE 167.92 | P/E RATIO 19.1 (Trailing: 20.0 Median: 21.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 2.5% | VALUE LINE

**TIMELINESS** 4 Lowered 12/12/25
**SAFETY** 1 Raised 6/6/14
TECHNICAL 2 Raised 8/21/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

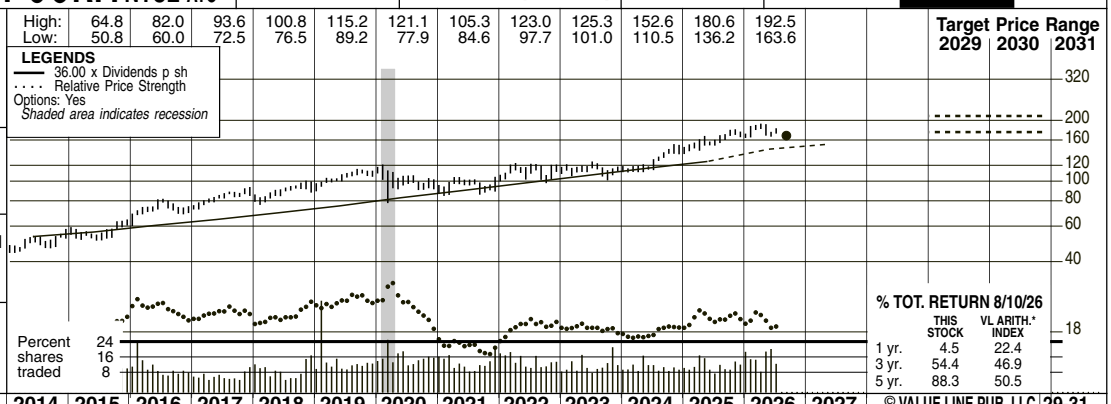
| Low-High | Midpoint (% to Mid) |
|---|---|
| $149-$241 | $195 (15%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 210 | (+25%) | *8%* |
| Low | 175 | (+5%) | *4%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 466 | 385 | 550 |
| to Sell | 324 | 292 | 389 |
| Hld's(000) | 160024 | 164040 | 180690 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 53.12 | 48.15 | 38.10 | 42.88 | 49.22 | 40.82 | 32.23 | 26.01 | 28.00 | 24.32 | 22.41 | 25.73 | 29.82 | 28.79 | 26.83 | 29.11 | *29.25* | *28.80* | Revenues per sh [A] | *32.50* |
| 4.64 | 4.72 | 4.76 | 5.14 | 5.42 | 5.81 | 6.19 | 6.62 | 7.24 | 7.57 | 8.03 | 8.64 | 9.30 | 10.04 | 11.03 | 11.97 | *12.90* | *13.65* | "Cash Flow" per sh | *16.30* |
| 2.16 | 2.26 | 2.10 | 2.50 | 2.96 | 3.09 | 3.38 | 3.60 | 4.00 | 4.35 | 4.72 | 5.12 | 5.60 | 6.10 | 6.83 | 7.46 | *8.45* | *9.05* | Earnings per sh [AB] | *11.00* |
| 1.34 | 1.36 | 1.38 | 1.40 | 1.48 | 1.56 | 1.68 | 1.80 | 1.94 | 2.10 | 2.30 | 2.50 | 2.72 | 2.96 | 3.22 | 3.48 | *4.00* | *4.24* | Div'ds Decl'd per sh [C■] | *5.05* |
| 6.02 | 6.90 | 8.12 | 9.32 | 8.32 | 9.61 | 10.46 | 10.72 | 13.19 | 14.19 | 15.38 | 14.87 | 17.35 | 18.90 | 18.92 | 22.04 | *24.55* | *23.75* | Cap'l Spending per sh | *20.10* |
| 24.16 | 24.98 | 26.14 | 28.47 | 30.74 | 31.48 | 33.32 | 36.74 | 42.87 | 48.18 | 53.95 | 59.71 | 66.85 | 73.20 | 78.31 | 83.92 | *90.95* | *96.00* | Book Value per sh | *111.00* |
| 90.16 | 90.30 | 90.24 | 90.64 | 100.39 | 101.48 | 103.93 | 106.10 | 111.27 | 119.34 | 125.88 | 132.42 | 140.90 | 148.49 | 155.26 | 161.57 | *171.00* | *180.00* | Common Shs Outst'g [D] | *200.00* |
| 13.2 | 14.4 | 15.9 | 15.9 | 16.1 | 17.5 | 20.8 | 22.0 | 21.7 | 23.2 | 22.3 | 18.8 | 19.3 | 18.7 | 17.3 | 20.3 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *17.5* |
| .84 | .90 | 1.01 | .89 | .85 | .88 | 1.09 | 1.11 | 1.17 | 1.24 | 1.15 | 1.02 | 1.12 | 1.04 | .90 | 1.05 | | | Relative P/E Ratio | *.95* |
| 4.7% | 4.2% | 4.1% | 3.5% | 3.1% | 2.9% | 2.4% | 2.3% | 2.2% | 2.1% | 2.2% | 2.6% | 2.5% | 2.6% | 2.7% | 2.3% | | | Avg Ann'l Div'd Yield | *2.6%* |
| 3349.9 | 2759.7 | 3115.5 | 2901.8 | 2821.1 | 3407.5 | 4201.7 | 4275.4 | 4165.2 | 4702.8 | *5000* | *5180* | Revenues ($mill) [A] | *6500* |
| 350.1 | 382.7 | 444.3 | 511.4 | 580.5 | 665.6 | 774.4 | 885.9 | 1042.9 | 1198.8 | *1410* | *1595* | Net Profit ($mill) | *2200* |
| 36.4% | 36.6% | 27.0% | 21.4% | 19.5% | 18.8% | 9.1% | 11.4% | 15.6% | 18.9% | *20.0%* | *21.0%* | Income Tax Rate | *25.0%* |
| 10.5% | 13.9% | 14.3% | 17.6% | 20.6% | 19.5% | 18.4% | 20.7% | 25.0% | 25.5% | *28.2%* | *30.8%* | Net Profit Margin | *33.8%* |
| 38.7% | 44.0% | 34.3% | 38.0% | 40.0% | 38.4% | 37.9% | 37.9% | 39.3% | 39.8% | *39.0%* | *40.0%* | Long-Term Debt Ratio | *40.0%* |
| 61.3% | 56.0% | 65.7% | 62.0% | 60.0% | 61.6% | 62.1% | 62.1% | 60.7% | 60.2% | *61.0%* | *60.0%* | Common Equity Ratio | *60.0%* |
| 5651.8 | 6965.7 | 7263.6 | 9279.7 | 11323 | 12837 | 15180 | 17509 | 20018 | 22534 | *25500* | *28800* | Total Capital ($mill) | *37000* |
| 8280.5 | 9259.2 | 10371 | 11788 | 13355 | 15064 | 17240 | 19607 | 22204 | 25293 | *28060* | *31000* | Net Plant ($mill) | *40000* |
| 7.2% | 6.4% | 6.9% | 6.1% | 5.5% | 5.5% | 5.4% | 5.5% | 5.7% | 5.7% | *6.5%* | *6.5%* | Return on Total Cap'l | *7.0%* |
| 10.1% | 9.8% | 9.3% | 8.9% | 8.5% | 8.4% | 8.2% | 8.1% | 8.6% | 8.8% | *9.0%* | *9.0%* | Return on Shr. Equity | *10.0%* |
| 10.1% | 9.8% | 9.3% | 8.9% | 8.5% | 8.4% | 8.2% | 8.1% | 8.6% | 8.8% | *9.0%* | *9.0%* | Return on Com Equity | *10.0%* |
| 5.1% | 4.9% | 4.8% | 4.6% | 4.4% | 4.3% | 4.2% | 4.2% | 4.5% | 4.8% | *4.5%* | *5.0%* | Retained to Com Eq | *5.5%* |
| 50% | 50% | 48% | 48% | 49% | 49% | 49% | 49% | 47% | 46% | *49%* | *48%* | All Div'ds to Net Prof | *46%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $10323.9 mill.
**LT Debt** $9812.5 mill. **LT Interest** $172.0 mill.
(LT interest earned: 9.6x; total interest coverage: 9.6x)
**Leases, Uncapitalized** Annual rentals $56.5 mill.

**Pfd Stock** None

**Pension Assets-9/25** $624.5 mill.
**Oblig.** $450.4 mill.
**Common Stock** 168,988,553 shs.
**as of 7/31/26**

**MARKET CAP: $28.4 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 307.3 | 202.7 | 521.0 |
| Other | 825.0 | 850.0 | 979.8 |
| Current Assets | 1132.3 | 1052.7 | 1500.8 |
| Accts Payable | 445.4 | 506.5 | 436.7 |
| Debt Due | 9.9 | 20.5 | 511.4 |
| Other | 750.6 | 835.6 | 896.3 |
| Current Liab. | 1205.9 | 1362.6 | 1844.4 |
| Fix. Chg. Cov. | 914% | 1164% | 1090% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | -4.5% | 2.5% | *2.5%* |
| "Cash Flow" | 7.5% | 7.5% | *7.0%* |
| Earnings | 9.0% | 9.5% | *8.5%* |
| Dividends | 8.0% | 9.0% | *8.0%* |
| Book Value | 10.0% | 10.0% | *6.0%* |

| Fiscal Year Ends | QUARTERLY REVENUES ($ mill.) [A] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1484.0 | 1541.0 | 662.7 | 587.7 | 4275.4 |
| 2024 | 1158.5 | 1647.2 | 701.5 | 658.0 | 4165.2 |
| 2025 | 1176.0 | 1950.5 | 838.8 | 737.5 | 4702.8 |
| 2026 | 1342.6 | 1962.4 | 879.0 | *816* | *5000* |
| 2027 | *1371* | *2040* | *905* | *864* | *5180* |

| Fiscal Year Ends | EARNINGS PER SHARE [A B E] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1.91 | 2.48 | .94 | .80 | 6.10 |
| 2024 | 2.08 | 2.85 | 1.08 | .86 | 6.83 |
| 2025 | 2.23 | 3.03 | 1.16 | 1.07 | 7.46 |
| 2026 | 2.44 | 3.47 | 1.43 | *1.11* | *8.45* |
| 2027 | *2.65* | *3.59* | *1.61* | *1.20* | *9.05* |

| Cal-endar | QUARTERLY DIVIDENDS PAID [C■] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .68 | .68 | .68 | .74 | 2.78 |
| 2023 | .74 | .74 | .74 | .805 | 3.03 |
| 2024 | .805 | .805 | .805 | .87 | 3.29 |
| 2025 | .87 | .87 | .87 | 1.00 | 3.61 |
| 2026 | 1.00 | 1.00 | 1.00 | | |

**BUSINESS:** Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to about 3.4 million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2025: residential, 68.7%; commercial, 27.2%; industrial, 2.9%; and other, 1.2%. The company sold Atmos Energy Marketing, 1/17. Officers and directors own approximately .4% of common stock (12/25 Proxy). President and Chief Executive Officer: Kevin Akers. Incorporated: Texas. Address: 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

**Atmos Energy Corporation's long streak of bottom-line growth will probably remain unbroken in fiscal 2026 (concludes September 30th).** During the first nine months, earnings per share of $7.34 were 14.3% above the previous year's $6.42 tally. That stemmed, to some extent, from the distribution segment, helped partly by rate adjustments (primarily in the Mid-Tex Division) and higher consumption. Furthermore, results of the pipeline & storage operation benefited, among other factors, from the Gas Reliability Infrastructure Program filings approved in June 2025 and May 2026 plus higher capacity contracted by tariff-based customers due to their increased peak-day demand. So, *Value Line* expects full-year consolidated profits to advance around 13%, to $8.45 a share, compared to fiscal 2025's $7.46 figure. Concerning fiscal 2027, the company's bottom line stands to grow another 7%, to $9.05 per share, assuming that business conditions continue to cooperate.

**The Financial Strength rating resides at A.** When the third quarter ended, cash and equivalents were $521.0 million. Moreover, long-term borrowings seemed manageable (just below 40% of total capital). Too, short-term debt, although up considerably from the second-quarter level, did not appear to be a major stumbling block. Also, $4.5 billion in common stock and/or debt securities remained available for issuance (out of $8.0 billion) under a shelf registration statement expiring in December, 2027. Finally, Atmos Energy possessed several revolving credit facilities aggregating $3.1 billion as well as a $1.5 billion commercial paper program. All things considered, there's ample liquidity to continue to easily satisfy various commitments, which include working capital requirements, dividend payments, and capital expenditures.

**These shares, ranked 4 (Below Average) for Timeliness, have unspectacular total return prospects over the 2029-2031 horizon.** Their dividend yield does not stand out relative to our Natural Gas Utility Industry average. Too, at the recent quotation, long-term capital appreciation potential is nothing to write home about.

*Frederick L. Harris, III* *August 21, 2026*

**(A)** Fiscal year ends Sept. 30th. **(B)** Diluted shrs. Excl. nonrec. gains (loss): '10, 5¢; '11, (1¢); '18, $1.43; '20, 17¢. Excludes discontinued operations: '11, 10¢; '12, 27¢; '13, 14¢; '17, 13¢. Next earnings report due early Nov. **(C)** Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail. **(D)** In millions. **(E)** Qtrs may not add due to change in shrs outstanding.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 100 |
| Price Growth Persistence | 70 |
| Earnings Predictability | 100 |

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# NISOURCE INC. NYSE-NI

RECENT PRICE **41.78** | P/E RATIO **20.0** (Trailing: 21.5 Median: 20.0) | RELATIVE P/E RATIO **1.10** | DIV'D YLD **3.0%** | **VALUE LINE**

**TIMELINESS** 4 Lowered 5/2/25
**SAFETY** 2 Raised 2/23/24
TECHNICAL 1 Raised 8/21/26
**BETA** .85 (1.00 = Market)

**18-Month Target Price Range**

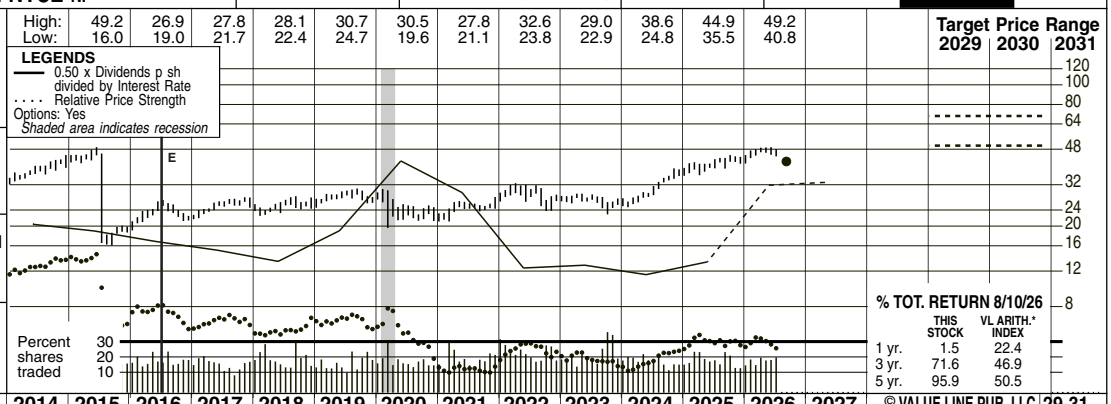
| Low-High | Midpoint (% to Mid) |
|---|---|
| $36-$61 | $49 (15%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 70 | (+70%) | *16%* |
| Low | 50 | (+20%) | *7%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 368 | 316 | 468 |
| to Sell | 339 | 235 | 321 |
| Hld's(000) | 449703 | 458862 | 518359 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 22.99 | 21.33 | 16.31 | 18.04 | 20.47 | 14.58 | 13.90 | 14.46 | 13.74 | 13.63 | 11.95 | 12.09 | 14.20 | 12.31 | 11.61 | 13.88 | *14.60* | *15.30* | Revenues per sh | *17.15* |
| 3.19 | 2.98 | 3.13 | 3.41 | 3.60 | 2.27 | 2.71 | 2.07 | 2.86 | 3.17 | 3.15 | 3.26 | 3.56 | 3.63 | 3.92 | 4.38 | *4.45* | *4.80* | "Cash Flow" per sh | *5.60* |
| 1.06 | 1.05 | 1.37 | 1.57 | 1.67 | .63 | 1.00 | .39 | 1.30 | 1.31 | 1.32 | 1.37 | 1.47 | 1.60 | 1.75 | 1.95 | *2.05* | *2.25* | Earnings per sh [A] | *3.00* |
| .92 | .92 | .94 | .98 | 1.02 | .83 | .64 | .70 | .78 | .80 | .84 | .88 | .94 | 1.00 | 1.06 | 1.12 | *1.20* | *1.28* | Div'd Decl'd per sh [B] ■ | *1.52* |
| 2.88 | 3.99 | 4.83 | 5.99 | 6.42 | 4.26 | 4.57 | 5.03 | 4.88 | 4.72 | 4.49 | 4.53 | 5.35 | 5.91 | 5.92 | 5.82 | *5.75* | *5.70* | Cap'l Spending per sh | *5.35* |
| 17.63 | 17.71 | 17.90 | 18.77 | 19.54 | 12.04 | 12.60 | 12.82 | 13.08 | 13.36 | 12.44 | 13.33 | 14.63 | 17.40 | 18.48 | 19.75 | *21.65* | *23.50* | Book Value per sh [C] | *34.25* |
| 279.30 | 282.18 | 310.28 | 313.68 | 316.04 | 319.11 | 323.16 | 337.02 | 372.36 | 382.14 | 391.76 | 405.30 | 412.14 | 447.38 | 469.82 | 478.43 | *485.00* | *490.00* | Common Shs Outst'g [D] | *525.00* |
| 15.3 | 19.4 | 17.9 | 18.9 | 22.7 | 37.3 | 23.2 | NMF | 19.3 | 21.3 | 18.7 | 18.0 | 19.6 | 16.8 | 17.5 | 20.8 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *20.0* |
| .97 | 1.22 | 1.14 | 1.06 | 1.19 | 1.88 | 1.22 | NMF | 1.04 | 1.13 | .96 | .97 | 1.13 | .93 | .91 | 1.08 | | | Relative P/E Ratio | *1.10* |
| 5.7% | 4.5% | 3.8% | 3.3% | 2.7% | 3.5% | 2.8% | 2.8% | 3.1% | 2.9% | 3.4% | 3.6% | 3.3% | 3.7% | 3.5% | 2.6% | | | Avg Ann'l Div'd Yield | *2.5%* |
| 4492.5 | 4874.6 | 5114.5 | 5208.9 | 4681.7 | 4899.6 | 5850.6 | 5505.4 | 5455.1 | 6642.2 | *7075* | *7500* | Revenues ($mill) | *9000* |
| 328.1 | 128.6 | 478.3 | 549.8 | 562.6 | 626.3 | 703.3 | 759.1 | 805.3 | 926.9 | *985* | *1110* | Net Profit ($mill) | *1585* |
| 35.7% | 71.0% | 19.7% | 17.0% | 18.3% | 15.7% | 16.5% | 17.8% | 16.3% | 17.0% | *17.0%* | *17.0%* | Income Tax Rate | *18.0%* |
| -- | -- | -- | -- | -- | -- | -- | -- | 3.0% | 3.0% | *2.8%* | *3.2%* | AFUDC % to Net Profit | *3.0%* |
| 59.8% | 63.5% | 55.3% | 56.8% | 61.6% | 56.9% | 55.7% | 57.2% | 58.2% | 62.1% | *60.0%* | *58.0%* | Long-Term Debt Ratio | *48.5%* |
| 40.2% | 36.5% | 37.9% | 36.9% | 32.5% | 33.5% | 35.3% | 40.3% | 41.8% | 37.9% | *40.0%* | *42.0%* | Common Equity Ratio | *51.5%* |
| 10129 | 11832 | 12856 | 13843 | 14972 | 16131 | 17099 | 19325 | 20759 | 24908 | *26100* | *27400* | Total Capital ($mill) | *34800* |
| 13068 | 14360 | 15543 | 16912 | 16620 | 17882 | 19843 | 22275 | 25454 | 28688 | *30325* | *31875* | Net Plant ($mill) | *36300* |
| 5.0% | 2.6% | 5.1% | 5.3% | 5.0% | 4.9% | 5.1% | 5.0% | 5.1% | 5.0% | *5.0%* | *5.5%* | Return on Total Cap'l | *5.5%* |
| 8.1% | 3.0% | 8.3% | 9.2% | 9.8% | 9.0% | 9.3% | 9.2% | 9.3% | 9.8% | *9.5%* | *9.5%* | Return on Shr. Equity | *9.0%* |
| 8.1% | 3.0% | 9.6% | 9.7% | 10.4% | 10.6% | 10.8% | 9.2% | 9.2% | 9.8% | *9.5%* | *9.5%* | Return on Com Equity | *9.0%* |
| 3.0% | NMF | 4.0% | 3.8% | 3.8% | 4.2% | 4.4% | 3.9% | 3.6% | 4.2% | *4.0%* | *4.0%* | Retained to Com Eq | *4.5%* |
| 63% | NMF | 60% | 64% | 67% | 64% | 62% | 60% | 61% | 57% | *58%* | *56%* | All Div'ds to Net Prof | *50%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $17403 mill.
**LT Debt** $15613 mill. **LT Interest** $715 mill. (57% of Cap'l)

**Leases, Uncapitalized** Annual rentals $10.0 mill.
**Pension Assets-12/25** $1.3 bill. **Oblig.** $1.3 bill.

**Common Stock** 479,560,100 shs.
**as of 7/29/26**

**MARKET CAP: $20.0 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 156.6 | 110.1 | 70.0 |
| Other | 1923.6 | 2267.1 | 2129.4 |
| Current Assets | 2080.2 | 2377.2 | 2199.4 |
| Accts Payable | 863.1 | 1124.5 | 1135.6 |
| Debt Due | 1885.8 | 755.7 | 1790.4 |
| Other | 1364.5 | 1577.2 | 1488.5 |
| Current Liab. | 4113.4 | 3457.4 | 4414.5 |
| Fix. Chg. Cov. | 280% | 290% | 225% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | -3.5% | -1.0% | *5.5%* |
| "Cash Flow" | 2.5% | 5.5% | *6.0%* |
| Earnings | 3.0% | 6.0% | *9.0%* |
| Dividends | 1.0% | 5.0% | *6.0%* |
| Book Value | 1.0% | 7.5% | *11.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1966 | 1090 | 1027 | 1422 | 5505.4 |
| 2024 | 1706 | 1085 | 1076 | 1588 | 5455.1 |
| 2025 | 2183 | 1283 | 1273 | 1903 | 6642.2 |
| 2026 | 2363 | 1342 | *1325* | *2045* | *7075* |
| 2027 | *2450* | *1450* | *1425* | *2175* | *7500* |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .77 | .11 | .19 | .53 | 1.60 |
| 2024 | .85 | .21 | .20 | .49 | 1.75 |
| 2025 | .98 | .22 | .19 | .53 | 1.95 |
| 2026 | 1.06 | .16 | *.25* | *.58* | *2.05* |
| 2027 | *1.10* | *.30* | *.25* | *.60* | *2.25* |

| Calendar | QUARTERLY DIVIDENDS PAID [B] ■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .235 | .235 | .235 | .235 | .94 |
| 2023 | .25 | .25 | .25 | .25 | 1.00 |
| 2024 | .265 | .265 | .265 | .265 | 1.06 |
| 2025 | .28 | .28 | .28 | .28 | 1.12 |
| 2026 | .30 | .30 | .30 | | |

**BUSINESS:** NiSource Inc. is a holding company for Northern Indiana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 496,534 electric in Indiana, 2.4 million gas in Indiana, Ohio, Pennsylvania, Kentucky, Virginia, Maryland, through its Columbia subsidiaries. Revenue breakdown, 2025: Residential, 67%; Industrial, 23%; Commercial, 6%; Other, 4%. Had 7,738 employees as of 12/31/2025. Officers & Directors own less than 1% of common stock; Vanguard, 11.3%; T. Rowe Price, 10.5% (3/26 proxy). Chairman: Kevin T. Kabat. President & CEO: Lloyd Yates. Incorporated: Delaware. Address: 801 East 86th Avenue, Merrillville, Indiana 46410. Telephone: 614-460-6000. Internet: www.nisource.com.

**NiSource Inc.'s second-quarter results did not impress.** Indeed, both revenue and earnings figures missed the mark. The top-line tally of $1.34 billion fell just shy of our estimate but did rise 5% year over year. What's more, adjusted earnings of $0.16 per share were down from the prior year, owing in part, to higher interest expenses.

**Near-term prospects are sound, however.** We are calling for moderate top- and bottom-line growth both this year and next. Demand from both the commercial and residential customer base ought to remain strong. Through its two operating units, Columbia and NIPSCO, the company should be able to continue to see growth in gas distribution and electric delivery. NiSource also is able to draw from a diverse power-generating base, including renewables, such as hydro, wind, and solar. Also, the company has continued to do a good job of modernizing and maintaining its energy sources.

**Partnerships with big names to develop data centers augur well for the long haul.** Earlier this year, NiSource announced a deal with Alphabet to power a large-scale data center in northern Indiana through its NIPSCO Generation unit. This comes on the heels of a deal with Amazon to build up to 3 gigawatts of gas-fired generation and battery storage to service its data centers. These partnerships should help lower costs for ratepayers. This is likely just the start of the company's investments in data centers. One concern, however, is that some states and municipalities are seeking to halt data center construction. Still, we are forecasting strong income growth out to early next decade. Continuing capital investments and buildouts are likely to pay dividends down the road.

**NiSource shares are ranked to trail the broader market averages in the year ahead.** The stock has slipped over 10% in value since our last full-page review in May. Too, capital appreciation potential out to 2029-2031 is subpar. As is the case with most utilities, this equity is primarily utilized as an income vehicle. The yield is above average and we expect future cash flow will be more than sufficient to fund steady dividend increases.

*Kevin P. O'Sullivan* *August 21, 2026*

**(A)** Dil. EPS. Excl. gains (losses) on disc. ops.: '15, (30¢); '18, ($1.48); '26 Q1-Q2, ($0.07). Next egs. report due early November. Qtl'y egs. may not sum to total due to rounding.
**(B)** Div'ds historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail.
**(C)** Incl. intang in '25: $1485.9 million, $3.11/sh.
**(D)** In mill.
**(E)** Spun off Columbia Pipeline Group (7/15)

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 95 |
| Price Growth Persistence | 50 |
| Earnings Predictability | 100 |

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# NEW JERSEY RES. NYSE-NJR

RECENT PRICE **53.68** | P/E RATIO **15.2** (Trailing: 14.8 Median: 17.0) | RELATIVE P/E RATIO **0.84** | DIV'D YLD **3.7%** | **VALUE LINE**

**TIMELINESS** 4 Lowered 8/21/26
**SAFETY** 2 Lowered 4/17/20
TECHNICAL 2 Raised 8/14/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

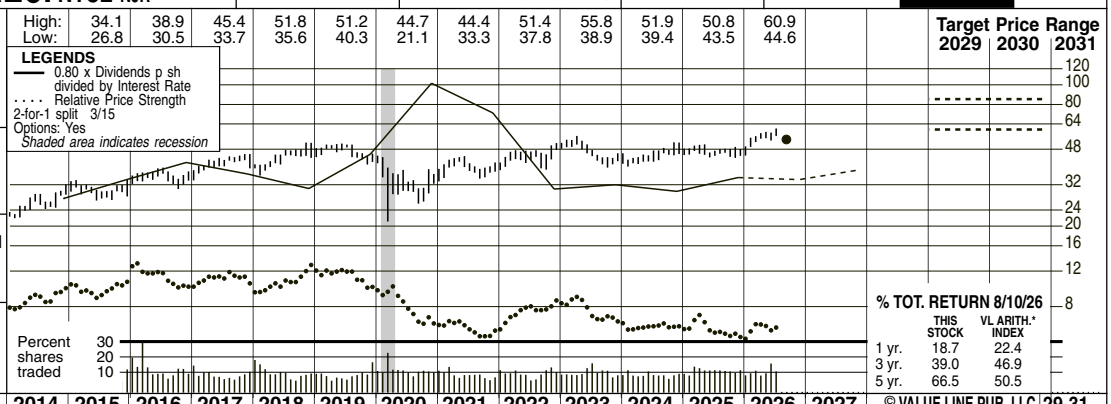
| Low-High | Midpoint (% to Mid) |
|---|---|
| $46-$70 | $58 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 85 | (+60%) | *15%* |
| Low | 60 | (+10%) | *6%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 206 | 124 | 239 |
| to Sell | 175 | 151 | 155 |
| Hld's(000) | 76532 | 76013 | 86821 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 32.05 | 36.30 | 27.08 | 38.38 | 44.40 | 32.09 | 21.90 | 26.28 | 33.24 | 29.01 | 20.39 | 22.71 | 30.19 | 20.12 | 18.06 | 20.27 | ***21.80*** | ***21.90*** | Revenues per sh [A] | ***24.75*** |
| 1.63 | 1.70 | 1.86 | 1.93 | 2.73 | 2.52 | 2.46 | 2.68 | 3.72 | 2.99 | 3.30 | 3.36 | 3.84 | 4.28 | 4.59 | 5.22 | ***5.45*** | ***5.45*** | "Cash Flow" per sh | ***6.65*** |
| 1.23 | 1.29 | 1.36 | 1.37 | 2.08 | 1.78 | 1.61 | 1.73 | 2.72 | 1.96 | 2.07 | 2.16 | 2.50 | 2.71 | 2.92 | 3.33 | ***3.55*** | ***3.65*** | Earnings per sh [B] | ***4.25*** |
| .68 | .72 | .77 | .81 | .86 | .93 | .98 | 1.04 | 1.11 | 1.19 | 1.27 | 1.36 | 1.45 | 1.56 | 1.71 | 1.80 | ***1.90*** | ***2.00*** | Div'ds Decl'd per sh [C]■ | ***2.40*** |
| 1.05 | 1.13 | 1.26 | 1.33 | 1.52 | 3.76 | 4.15 | 3.80 | 4.39 | 5.83 | 4.65 | 5.42 | 5.81 | 5.13 | 5.26 | 7.00 | ***7.35*** | ***7.40*** | Cap'l Spending per sh | ***7.60*** |
| 8.81 | 9.36 | 9.80 | 10.65 | 11.48 | 12.99 | 13.58 | 14.33 | 16.18 | 17.37 | 19.26 | 17.18 | 18.88 | 20.40 | 22.12 | 23.80 | ***25.30*** | ***26.50*** | Book Value per sh [D] | ***32.65*** |
| 82.35 | 82.89 | 83.05 | 83.32 | 84.20 | 85.19 | 85.88 | 86.32 | 87.69 | 89.34 | 95.80 | 94.95 | 96.25 | 97.58 | 99.46 | 100.48 | ***102.00*** | ***105.00*** | Common Shs Outst'g [E] | ***105.00*** |
| 15.0 | 16.8 | 16.8 | 16.0 | 11.7 | 16.6 | 21.3 | 22.4 | 15.6 | 24.3 | 17.7 | 17.5 | 17.0 | 17.6 | 14.9 | 14.1 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | ***17.0*** |
| .95 | 1.05 | 1.07 | .90 | .62 | .84 | 1.12 | 1.13 | .84 | 1.29 | .91 | .95 | .98 | .98 | .78 | .74 | | | Relative P/E Ratio | ***.95*** |
| 3.7% | 3.3% | 3.4% | 3.7% | 3.5% | 3.1% | 2.9% | 2.7% | 2.6% | 2.5% | 3.5% | 3.6% | 3.4% | 3.3% | 3.9% | 3.8% | | | Avg Ann'l Div'd Yield | ***3.3%*** |
| 1880.9 | 2268.6 | 2915.1 | 2592.0 | 1953.7 | 2156.6 | 2906.0 | 1963.0 | 1796.5 | 2036.4 | ***2225*** | ***2300*** | Revenues ($mill) [A] | ***2600*** |
| 138.1 | 149.4 | 240.5 | 175.0 | 196.2 | 207.7 | 240.3 | 264.7 | 289.8 | 335.6 | ***360*** | ***385*** | Net Profit ($mill) | ***445*** |
| 15.5% | 17.2% | - - | - - | - - | 10.3% | 22.0% | 15.9% | 23.0% | 22.7% | ***22.0%*** | ***22.0%*** | Income Tax Rate | ***22.0%*** |
| 7.3% | 6.6% | 8.2% | 6.7% | 10.0% | 9.6% | 8.3% | 13.5% | 16.1% | 16.5% | ***16.1%*** | ***16.7%*** | Net Profit Margin | ***17.1%*** |
| 47.7% | 44.6% | 45.4% | 49.8% | 55.1% | 57.0% | 57.8% | 58.2% | 56.7% | 57.5% | ***56.5%*** | ***54.5%*** | Long-Term Debt Ratio | ***52.5%*** |
| 52.3% | 55.4% | 54.6% | 50.2% | 44.9% | 43.0% | 42.2% | 41.8% | 43.3% | 42.5% | ***43.5%*** | ***44.5%*** | Common Equity Ratio | ***47.5%*** |
| 2230.1 | 2233.7 | 2599.6 | 3088.9 | 4104.2 | 3793.0 | 4302.6 | 4758.8 | 5079.9 | 5650.0 | ***5925*** | ***6200*** | Total Capital ($mill) | ***7200*** |
| 2407.7 | 2609.7 | 2651.0 | 3041.2 | 3983.0 | 4213.5 | 4649.9 | 5022.1 | 5403.2 | 5925.0 | ***6475*** | ***7100*** | Net Plant ($mill) | ***8700*** |
| 6.9% | 7.7% | 10.1% | 6.4% | 5.6% | 6.5% | 6.8% | 6.9% | 7.0% | 7.1% | ***7.5%*** | ***7.5%*** | Return on Total Cap'l | ***7.5%*** |
| 11.8% | 12.1% | 16.9% | 11.3% | 10.6% | 12.7% | 13.2% | 13.3% | 13.2% | 14.0% | ***14.0%*** | ***14.0%*** | Return on Shr. Equity | ***13.0%*** |
| 11.8% | 12.1% | 16.9% | 11.3% | 10.6% | 12.7% | 13.2% | 13.3% | 13.2% | 14.0% | ***14.0%*** | ***14.0%*** | Return on Com Equity | ***13.0%*** |
| 4.8% | 5.0% | 10.2% | 4.6% | 4.3% | 5.6% | 6.2% | 5.7% | 5.7% | 6.5% | ***6.5%*** | ***6.5%*** | Retained to Com Eq | ***5.5%*** |
| 60% | 59% | 40% | 59% | 60% | 56% | 53% | 57% | 57% | 54% | ***53%*** | ***54%*** | All Div'ds to Net Prof | ***57%*** |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $3703.0 mill.
**LT Debt** $3200.1 mill. **LT Interest** $120 mill.

**Pension Assets-9/25** $355 mill.
**Oblig.** $325 mill.

**Pfd Stock** None

**Common Stock** 101,467,946 shs.
**as of 7/31/26**

**MARKET CAP: $5.4 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 1.0 | .6 | 34.0 |
| Other | 553.6 | 569.3 | 585.4 |
| Current Assets | 554.6 | 569.9 | 619.4 |
| Accts Payable | 169.2 | 204.5 | 166.7 |
| Debt Due | 480.8 | 353.8 | 502.9 |
| Other | 237.8 | 222.6 | 267.1 |
| Current Liab. | 887.8 | 780.9 | 936.7 |
| Fix. Chg. Cov. | 418% | 365% | 425% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | -4.5% | -5.0% | *4.0%* |
| "Cash Flow" | 7.0% | 6.5% | *6.0%* |
| Earnings | 5.5% | 5.0% | *6.0%* |
| Dividends | 7.0% | 7.0% | *6.0%* |
| Book Value | 7.0% | 5.0% | *6.5%* |

| Fiscal Year Ends | QUARTERLY REVENUES ($ mill.) [A] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 723.6 | 644.0 | 264.1 | 331.3 | 1963.0 |
| 2024 | 467.2 | 657.9 | 275.6 | 395.8 | 1796.5 |
| 2025 | 488.4 | 913.0 | 298.9 | 336.1 | 2036.4 |
| 2026 | 604.9 | 939.4 | 349.2 | ***331.5*** | ***2225*** |
| 2027 | ***625*** | ***950*** | ***350*** | ***375*** | ***2300*** |

| Fiscal Year Ends | EARNINGS PER SHARE [A] [B] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1.14 | 1.16 | .10 | .30 | 2.71 |
| 2024 | .91 | 1.22 | d.12 | .92 | 2.92 |
| 2025 | 1.31 | 2.02 | d.15 | .15 | 3.33 |
| 2026 | 1.17 | 2.20 | .10 | ***.08*** | ***3.55*** |
| 2027 | ***1.25*** | ***2.10*** | ***.05*** | ***.25*** | ***3.65*** |

| Cal-endar | QUARTERLY DIVIDENDS PAID [C] ■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .3625 | .3625 | .3625 | .3625 | 1.45 |
| 2023 | .39 | .39 | .39 | .39 | 1.56 |
| 2024 | .42 | .42 | .42 | .45 | 1.71 |
| 2025 | .45 | .45 | .45 | .475 | 1.83 |
| 2026 | .475 | .475 | .475 | | |

**BUSINESS:** New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in NJ, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had 589,000 cust. at 9/30/25. Fiscal 2025 revenue breakdown: (Residential, 43%, Commercial, 18%, Firm Transportation, 5%, Out of Scope, 34%). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2025 dep. rate: 3.2%. Has 1,376 empls. Off./dir. own less than 1% of common; BlackRock, 15.2%; Vanguard, 11.0% (12/25 Proxy). CEO, President & Director: Stephen D. Westhoven. Incorporated: New Jersey. Address: 1415 Wyckoff Road, Wall, NJ 07719. Telephone: 732-938-1000. Internet: www.njresources.com.

**New Jersey Resources (NJR) is poised to deliver solid results in the near term.** The company is seeing a number of positive trends in its operations. Its largest division, New Jersey Natural Gas (NJRG), continues to benefit from increased base rates and additional customers being added in its operating territory. NJRG has also been investing in expansion, and recently placed a new utility plant into service. Too, higher firm storage rates at the Leaf River facility are beneficial. In Storage & Transportation, the expansion of the Adelphia Gateway received an early FERC certificate. There are also positive developments in Clean Energy Ventures, where solar projects are increasing. The end result should be solid growth in fiscal 2026. (Year ends September 30th.) Our estimates suggest a 9% top-line advance, to $2.23 billion and earnings of $3.55 per share, a 7% bump. In fiscal 2027, we are forecasting low-single-digit top- and bottom-line gains.

**Significant capital investments are planned through 2030.** The company expects to spend roughly $5.0 billion by that time, with most of the cash being spent at the NJNG and Clean Energy Ventures divisions. The end result should be increased capacity and more efficiency. This should also help keep rates down for customers.

**NJR remains committed to diverse power sources.** While natural gas will likely remain the largest supplier of energy over the long haul, the company is focused on developing other sources, including clean energy. The focus on lowering global emissions appears to be waning a bit, however, but future administrations may view it as more important.

**This equity is best suited for conservative accounts seeking a solid income component.** The stock generally trades in a tight range and is not an attractive selection for those seeking large price gains. NJR is ranked to lag the broader market averages in the next six to 12 months and capital appreciation potential out to 2029-2031 is not enticing. The yield, however, is well above the *Value Line* median and the company should be able to generate enough cash to maintain consistent dividend increases.

*Kevin P. O'Sullivan* *August 21, 2026*

**(A)** Fiscal year ends Sept. 30th.
**(B)** Diluted earnings. Qtly. revenues and egs. may not sum to total due to rounding and change in shares outstanding. Next earnings report due early November.
**(C)** Dividends historically paid in early Jan., April, July, and October. ■ Dividend reinvestment plan available.
**(D)** Includes regulatory assets in 2025: $721.4 million, $7.18/share.
**(E)** In millions, adjusted for 3/15 split.

| | |
|---|---|
| **Company's Financial Strength** | A |
| **Stock's Price Stability** | 95 |
| **Price Growth Persistence** | 40 |
| **Earnings Predictability** | 70 |

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# N.W. NATURAL NYSE-NWN

RECENT PRICE 49.57 | P/E RATIO 15.8 (Trailing: 17.0 Median: 23.0) | RELATIVE P/E RATIO 0.87 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 4 Lowered 5/22/26
SAFETY 2 Raised 2/23/24
TECHNICAL 3 Lowered 7/24/26
BETA .75 (1.00 = Market)

**18-Month Target Price Range**

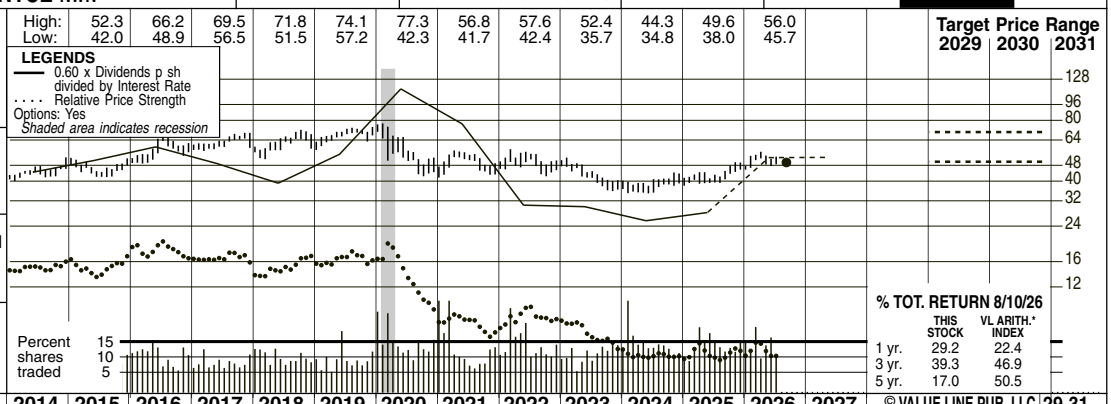
| Low-High | Midpoint (% to Mid) |
|---|---|
| $43-$61 | $52 (5%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 70 | (+40%) | 12% |
| Low | 50 | (Nil) | 4% |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 138 | 117 | 162 |
| to Sell | 121 | 85 | 131 |
| Hld's(000) | 33403 | 33909 | 38385 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 30.56 | 31.72 | 27.14 | 28.02 | 27.64 | 26.39 | 23.61 | 26.52 | 24.45 | 24.49 | 25.29 | 27.64 | 29.20 | 31.82 | 28.67 | 31.02 | *30.25* | *30.20* | Revenues per sh | *29.80* |
| 5.18 | 5.00 | 4.94 | 5.04 | 5.05 | 4.91 | 4.93 | 1.04 | 5.28 | 5.15 | 5.69 | 6.17 | 5.71 | 5.83 | 6.23 | 7.64 | *6.55* | *6.80* | "Cash Flow" per sh | *7.45* |
| 2.73 | 2.39 | 2.22 | 2.24 | 2.16 | 1.96 | 2.12 | d1.94 | 2.33 | 2.19 | 2.30 | 2.56 | 2.54 | 2.59 | 2.03 | 2.77 | *3.05* | *3.15* | Earnings per sh A | *3.35* |
| 1.68 | 1.75 | 1.79 | 1.83 | 1.85 | 1.86 | 1.87 | 1.88 | 1.89 | 1.90 | 1.91 | 1.92 | 1.93 | 1.94 | 1.95 | 1.96 | *1.97* | *1.97* | Div'ds Decl'd per sh B■ | *2.10* |
| 9.35 | 3.76 | 4.91 | 5.13 | 4.40 | 4.37 | 4.87 | 7.43 | 7.43 | 7.95 | 9.18 | 9.49 | 9.53 | 8.70 | 9.81 | 11.23 | *11.05* | *10.75* | Cap'l Spending per sh | *10.30* |
| 26.08 | 26.70 | 27.23 | 27.77 | 28.12 | 28.47 | 29.71 | 25.85 | 26.41 | 28.42 | 29.05 | 30.04 | 33.09 | 34.12 | 34.44 | 35.49 | *36.25* | *37.05* | Book Value per sh D | *39.40* |
| 26.58 | 26.76 | 26.92 | 27.08 | 27.28 | 27.43 | 28.63 | 28.74 | 28.88 | 30.47 | 30.59 | 31.13 | 35.53 | 37.63 | 40.22 | 41.56 | *43.00* | *46.00* | Common Shs Outst'g C | *50.00* |
| 17.0 | 19.0 | 21.1 | 19.4 | 20.7 | 23.7 | 26.9 | -- | 26.6 | 30.9 | 25.0 | 19.5 | 19.6 | 16.6 | 19.0 | 15.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *18.0* |
| 1.08 | 1.19 | 1.34 | 1.09 | 1.09 | 1.19 | 1.41 | -- | 1.44 | 1.65 | 1.28 | 1.05 | 1.13 | .92 | .99 | .80 | | | Relative P/E Ratio | *1.00* |
| 3.6% | 3.9% | 3.8% | 4.2% | 4.1% | 4.0% | 3.3% | 3.0% | 3.0% | 2.8% | 3.3% | 3.8% | 3.9% | 4.5% | 5.1% | 4.6% | | | Avg Ann'l Div'd Yield | *3.9%* |
| 676.0 | 762.2 | 706.1 | 746.4 | 773.7 | 860.4 | 1037.4 | 1197.5 | 1153.0 | 1289.4 | *1300* | *1390* | Revenues ($mill) | *1490* |
| 58.9 | d55.6 | 67.3 | 65.3 | 70.3 | 78.7 | 86.3 | 93.9 | 78.9 | 113.3 | *130* | *145* | Net Profit ($mill) | *180* |
| 40.9% | -- | 26.4% | 16.2% | 23.1% | 25.8% | 25.2% | 25.6% | 28.3% | 26.7% | *26.0%* | *27.0%* | Income Tax Rate | *27.0%* |
| 8.7% | NMF | 9.5% | 8.8% | 9.1% | 9.1% | 8.3% | 7.8% | 6.8% | 8.8% | *10.0%* | *10.4%* | Net Profit Margin | *12.1%* |
| 44.4% | 47.9% | 48.1% | 48.2% | 49.2% | 52.8% | 51.5% | 52.6% | 54.8% | 61.4% | *62.0%* | *61.0%* | Long-Term Debt Ratio | *65.0%* |
| 55.6% | 52.1% | 51.9% | 51.8% | 50.8% | 47.2% | 48.5% | 47.4% | 45.2% | 38.6% | *38.0%* | *37.0%* | Common Equity Ratio | *35.0%* |
| 1529.8 | 1426.0 | 1468.9 | 1672.0 | 1748.8 | 1979.7 | 2421.6 | 2709.3 | 3064.7 | 3822.3 | *3975* | *4080* | Total Capital ($mill) | *4485* |
| 2260.9 | 2255.0 | 2421.4 | 2438.9 | 2654.8 | 2871.4 | 3114.4 | 3358.1 | 3798.0 | 4420.2 | *4500* | *4650* | Net Plant ($mill) | *4930* |
| 5.1% | NMF | 5.8% | 5.2% | 5.2% | 5.1% | 4.7% | 4.9% | 3.9% | 4.6% | *3.5%* | *4.0%* | Return on Total Cap'l | *4.0%* |
| 6.9% | NMF | 8.8% | 7.5% | 7.9% | 8.4% | 7.3% | 7.3% | 5.7% | 7.7% | *8.0%* | *8.5%* | Return on Shr. Equity | *8.0%* |
| 6.9% | NMF | 8.8% | 7.5% | 7.9% | 8.4% | 7.3% | 7.3% | 5.7% | 7.7% | *8.0%* | *8.5%* | Return on Com Equity | *8.0%* |
| .9% | NMF | 2.1% | 1.4% | 1.7% | 2.4% | 2.0% | 2.1% | .4% | 2.4% | *2.0%* | *2.5%* | Retained to Com Eq | *2.5%* |
| 87% | NMF | 76% | 82% | 79% | 71% | 73% | 72% | 92% | 68% | *64%* | *63%* | All Div'ds to Net Prof | *60%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $2623.7 mill.
**LT Debt** $2376.7 mill. **LT Interest** $130.7 mill. (60% of capital)

**Pension Assets-12/25** $294.3 mill.
**Oblig.** $376.1 mill.
**Pfd Stock** None

**Common Stock** 42,310,429 shares
**as of 7/25/26**

**MARKET CAP $2.1 billion (Small Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 38.5 | 29.3 | 24.2 |
| Other | 519.3 | 514.2 | 475.0 |
| Current Assets | 557.8 | 543.5 | 499.2 |
| Accts Payable | 133.3 | 138.9 | 135.5 |
| Debt Due | 200.9 | 65.0 | 247.0 |
| Other | 314.8 | 313.1 | 264.6 |
| Current Liab. | 649.0 | 517.0 | 647.1 |
| Fix. Chg. Cov. | 410% | 420% | 415% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 1.0% | 4.5% | .5% |
| "Cash Flow" | 3.0% | 4.0% | 2.0% |
| Earnings | 1.5% | 1.5% | 6.0% |
| Dividends | .5% | .5% | Nil |
| Book Value | 2.0% | 4.5% | 2.0% |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 462.4 | 237.9 | 141.5 | 355.7 | 1197.5 |
| 2024 | 433.5 | 211.7 | 136.9 | 370.9 | 1153.0 |
| 2025 | 494.3 | 236.2 | 164.7 | 394.2 | 1289.4 |
| 2026 | 490.4 | 243.6 | *170* | *396* | *1300* |
| 2027 | *470* | *270* | *210* | *440* | *1390* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 2.01 | .03 | d.65 | 1.21 | 2.59 |
| 2024 | 1.69 | d.07 | d.71 | 1.12 | 2.03 |
| 2025 | 2.28 | .01 | d.73 | 1.21 | 2.77 |
| 2026 | 2.32 | .01 | *d.65* | *1.37* | *3.05* |
| 2027 | *2.40* | *d.05* | *d.60* | *1.40* | *3.15* |

| Calendar | QUARTERLY DIVIDENDS PAID B ■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .483 | .483 | .483 | .485 | 1.93 |
| 2023 | .485 | .485 | .485 | .488 | 1.94 |
| 2024 | .488 | .488 | .488 | .49 | 1.95 |
| 2025 | .49 | .49 | .49 | .493 | 1.96 |
| 2026 | .493 | .493 | .493 | | |

**BUSINESS:** Northwest Natural Holding Co. distributes natural gas to more than 800,000 customers in Oregon (88% of customers) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system. Owns local underground storage. Gas margin breakdown: residential, 63%; commercial, 26%; industrial, 7%; other, 4%. Also operates water and wastewater services across six states. Employs 1,200. BlackRock owns 16.0% of shares; Vanguard, 10.5%; State St., 5.0%; Off./Dir., .6% (4/26 proxy). CEO: Justin B. Palfreyman. Inc.: Oregon. Addr.: 250 SW Taylor St., Portland, OR 97204. Tel.: 503-226-4211. Internet: www.nwnatural.com.

**Northwest Natural Holding Co. operates in a tough environment.** Most of the company's natural-gas-heavy peers operate in pro-fossil-fuel states like Texas, Oklahoma, and Kansas. NWN does all its business in Oregon and southwest Washington, which have some of the strictest carbon and environmental mandates in the country. As such, Northwest has to invest heavily in expensive innovations like renewable natural gas procurement in order to meet said regulations.

**This has led to the regulated utility diversifying its revenue base.** To this end, it has acquired numerous water and wastewater services across six states. So far, this move has proved relatively productive. Northwest's larger competitors don't bother with the water utility business because it's too small for them to make much money from.

**Still, the company's earnings are deeply dependent on winter weather conditions.** This is because Northwest is primarily a natural gas distributor, and 90% of its residential customers use space- and water-heating appliances, which rely on natural gas in the winter months. If winters are warmer than usual, customers don't use much gas, and NWN doesn't make much money. If winters are very cold, NWN has had a habit of not having enough gas to sell to them, and has therefore had to buy it on the volatile (and usually expensive) spot market. To somewhat mitigate extremes, NWN has a billing arrangement with Oregon called Weather Adjusted Rate Mechanism, but this has rigid caps to help protect consumers.

**We have lowered this stock's 3- to 5-year Target Price Range.** The long-term debt ratio has climbed from 44.4% ten years ago to what we think will be 62% this year. The company has become highly capital intensive over the past few years (see capital spending in Array), and with interest rates likely to stay elevated for some time due to inflationary pressures, this situation is not a good one. Furthermore, the water business hasn't proven itself yet, and NWN operates in two highly regulated states. Still, at least the dividend yield is well above average, and should remain so.

*Jeremy J. Butler* *August 21, 2026*

**(A)** Diluted earnings per share. May not sum due to rounding. Next earnings report due in late October.
**(B)** Dividends historically paid in mid-February, May, August, and November.
■ Dividend reinvestment plan available.
**(C)** In millions.
**(D)** Includes intangibles. In 2025: $191 million, $4.60/share.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 95 |
| Price Growth Persistence | 10 |
| Earnings Predictability | 80 |

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# ONE GAS, INC. NYSE-OGS

RECENT PRICE 78.87 | P/E RATIO 15.6 (Trailing: 16.4 Median: 21.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 3.5% | VALUE LINE

**TIMELINESS** 4 Lowered 6/26/26
**SAFETY** 2 New 6/2/17
TECHNICAL 3 Lowered 7/24/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

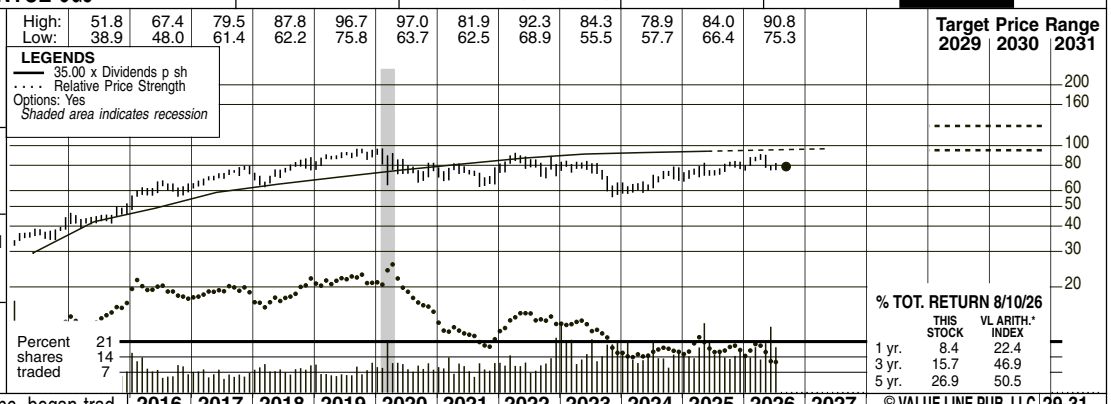
| Low-High | Midpoint (% to Mid) |
|---|---|
| $68-$103 | $86 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 125 | (+60%) | *15%* |
| Low | 95 | (+20%) | *8%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 175 | 114 | 211 |
| to Sell | 163 | 135 | 163 |
| Hld's(000) | 56126 | 57596 | 63029 |




| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 27.30 | 29.43 | 31.08 | 31.32 | 28.78 | 33.72 | 46.58 | 41.95 | 34.80 | 38.72 | *37.10* | *37.25* | Revenues per sh | *51.35* |
| | 5.43 | 5.96 | 6.32 | 6.96 | 7.36 | 7.71 | 8.13 | 9.04 | 8.68 | 9.38 | *9.65* | *10.20* | "Cash Flow" per sh | *11.60* |
| | 2.65 | 3.02 | 3.25 | 3.51 | 3.68 | 3.85 | 4.08 | 4.14 | 3.91 | 4.48 | *4.95* | *5.25* | Earnings per sh A | *6.30* |
| | 1.40 | 1.68 | 1.84 | 2.00 | 2.16 | 2.32 | 2.48 | 2.60 | 2.64 | 2.68 | *2.72* | *2.76* | Div'ds Decl'd per sh B■ | *2.95* |
| | 5.91 | 6.81 | 7.50 | 7.91 | 8.87 | 9.23 | 11.01 | 11.79 | 11.74 | 11.28 | *11.40* | *11.50* | Cap'l Spending per sh | *11.00* |
| | 36.12 | 37.47 | 38.86 | 40.35 | 42.01 | 43.81 | 46.69 | 48.91 | 51.85 | 54.87 | *56.60* | *57.90* | Book Value per sh | *59.20* |
| | 52.28 | 52.31 | 52.57 | 52.77 | 53.17 | 53.63 | 55.35 | 56.55 | 59.88 | 62.69 | *64.00* | *66.00* | Common Shs Outst'g C | *75.00* |
| | 22.7 | 23.5 | 23.1 | 25.3 | 21.7 | 18.9 | 19.9 | 18.0 | 17.0 | 16.9 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *17.5* |
| | 1.19 | 1.18 | 1.25 | 1.35 | 1.11 | 1.02 | 1.15 | 1.00 | .90 | .88 | | | Relative P/E Ratio | *.95* |
| | 2.3% | 2.4% | 2.5% | 2.3% | 2.7% | 3.2% | 3.1% | 3.5% | 4.0% | 3.5% | | | Avg Ann'l Div'd Yield | *2.7%* |
| | 1427.2 | 1539.6 | 1633.7 | 1652.7 | 1530.3 | 1808.6 | 2578.0 | 2372.0 | 2083.6 | 2427.4 | *2375* | *2460* | Revenues ($mill) | *3850* |
| | 140.1 | 159.9 | 172.2 | 186.7 | 196.4 | 206.4 | 221.7 | 231.2 | 222.9 | 271.0 | *310* | *345* | Net Profit ($mill) | *470* |
| | 37.8% | 36.4% | 23.7% | 18.7% | 17.5% | 16.3% | 17.3% | 14.9% | 14.0% | 17.8% | *18.0%* | *18.5%* | Income Tax Rate | *21.0%* |
| | 9.8% | 10.4% | 10.5% | 11.3% | 12.8% | 11.4% | 8.6% | 9.7% | 10.7% | 11.2% | *13.1%* | *14.0%* | Net Profit Margin | *12.2%* |
| | 38.7% | 37.8% | 38.6% | 37.7% | 41.5% | 61.1% | 50.7% | 43.9% | 43.5% | 40.7% | *40.0%* | *40.0%* | Long-Term Debt Ratio | *40.0%* |
| | 61.3% | 62.2% | 61.4% | 62.3% | 58.5% | 38.9% | 49.3% | 56.1% | 56.5% | 59.3% | *60.0%* | *60.0%* | Common Equity Ratio | *60.0%* |
| | 3080.7 | 3153.5 | 3328.1 | 3415.5 | 3815.7 | 6032.9 | 5246.2 | 4926.3 | 5489.8 | 5796.2 | *6035* | *6370* | Total Capital ($mill) | *7400* |
| | 3731.6 | 4007.6 | 4283.7 | 4565.2 | 4867.1 | 5190.8 | 5628.8 | 6135.2 | 6645.9 | 7122.2 | *7550* | *7900* | Net Plant ($mill) | *9000* |
| | 5.2% | 5.8% | 5.9% | 6.4% | 6.0% | 3.9% | 5.0% | 5.9% | 5.4% | 5.9% | *6.5%* | *6.5%* | Return on Total Cap'l | *7.5%* |
| | 7.4% | 8.2% | 8.4% | 8.8% | 8.8% | 8.8% | 8.6% | 8.4% | 7.2% | 7.9% | *8.5%* | *9.0%* | Return on Shr. Equity | *10.5%* |
| | 7.4% | 8.2% | 8.4% | 8.8% | 8.8% | 8.8% | 8.6% | 8.4% | 7.2% | 7.9% | *8.5%* | *9.0%* | Return on Com Equity | *10.5%* |
| | 3.5% | 3.7% | 3.7% | 3.8% | 3.7% | 3.5% | 3.4% | 3.2% | 2.4% | 3.2% | *4.0%* | *4.5%* | Retained to Com Eq | *5.5%* |
| | 52% | 55% | 56% | 56% | 58% | 60% | 60% | 62% | 67% | 59% | *56%* | *53%* | All Div'ds to Net Prof | *47%* |

The shares of ONE Gas, Inc. began trading "regular-way" on the New York Stock Exchange on February 3, 2014. That happened as a result of the separation of ONEOK's natural gas distribution operation. Regarding the details of the spinoff, on January 31, 2014, ONEOK distributed one share of OGS common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21. It should be mentioned that ONEOK did not retain any ownership interest in the new company.

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $3392.9 mill.
**LT Debt** $2340.8 mill. **LT Interest** $143.0 mill.
(LT interest earned: 3.3x; total interest coverage: 3.3x)
**Leases, Uncapitalized** Annual rentals $5.3 mill.
**Pfd Stock** None
**Pension Assets-12/25** $879.3 mill.
**Oblig.** $852.3 mill.
**Common Stock** 62,856,270 shs.
**as of 7/24/26**
**MARKET CAP: $5.0 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 58.0 | 10.6 | 7.9 |
| Other | 871.9 | 905.3 | 653.9 |
| Current Assets | 929.9 | 915.9 | 661.8 |
| Accts Payable | 261.3 | 222.1 | 111.0 |
| Debt Due | 943.6 | 1017.6 | 1052.1 |
| Other | 253.4 | 292.2 | 213.4 |
| Current Liab. | 1458.3 | 1531.9 | 1376.5 |
| Fix. Chg. Cov. | 325% | 387% | 400% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 2.0% | 5.0% | *5.0%* |
| "Cash Flow" | 7.0% | 5.5% | *4.5%* |
| Earnings | 7.0% | 3.5% | *7.0%* |
| Dividends | 10.0% | 5.5% | *2.0%* |
| Book Value | 4.0% | 5.0% | *2.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1032.1 | 398.1 | 335.8 | 606.0 | 2372.0 |
| 2024 | 758.3 | 354.1 | 340.4 | 630.8 | 2083.6 |
| 2025 | 935.2 | 423.7 | 379.1 | 689.4 | 2427.4 |
| 2026 | 831.7 | 411.6 | *398.4* | *733.3* | *2375* |
| 2027 | *863* | *425* | *415* | *757* | *2460* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1.84 | .58 | .45 | 1.27 | 4.14 |
| 2024 | 1.75 | .48 | .34 | 1.34 | 3.91 |
| 2025 | 1.99 | .54 | .47 | 1.48 | 4.48 |
| 2026 | 2.11 | .82 | *.50* | *1.52* | *4.95* |
| 2027 | *2.23* | *.78* | *.60* | *1.64* | *5.25* |

| Calendar | QUARTERLY DIVIDENDS PAID B■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .62 | .62 | .62 | .62 | 2.48 |
| 2023 | .65 | .65 | .65 | .65 | 2.60 |
| 2024 | .66 | .66 | .66 | .66 | 2.64 |
| 2025 | .67 | .67 | .67 | .67 | 2.68 |
| 2026 | .68 | .68 | .68 | | |

**BUSINESS:** ONE Gas, Inc. provides natural gas distribution services to more than two million customers. There are three divisions: Oklahoma Natural Gas, Kansas Gas Service, and Texas Gas Service. The company purchased 165 Bcf of natural gas supply in 2025, compared to 149 Bcf in 2024. Total volumes delivered by customer (in 2025): transportation, 57.9%; residential, 30.5%; commercial & industrial, 10.8%; other, .8%. ONE Gas has around 4,000 employees. BlackRock owns 12.8% of common stock; The Vanguard Group, 10.5%; American Century Investment, 6.6%; officers and directors, 1.1% (4/26 Proxy). CEO: Robert S. McAnnally. Incorporated: Oklahoma. Address: 15 East Fifth Street, Tulsa, Oklahoma 74103. Tel.: 918-947-7000. Internet: www.onegas.com.

**ONE Gas' bottom-line performance has been impressive thus far in 2026.** Through the first six months, profits climbed 15.8%, to $2.93 per share, compared to last year's $2.53 figure. This was brought about primarily by benefits from new rates. But results were squeezed, to some extent, by lower transport volumes and higher employee-related costs (due partially to planned investments in the workforce). Nevertheless, it appears that full-year earnings per share will end up in the vicinity of $4.95. That would show a roughly 10% advance relative to 2025's $4.48 tally. Turning to 2027, the company's bottom line might increase another 6% or so, to $5.25 a share, assuming additional expansion of operating margins.

**The Financial Strength rating sits at A.** When the June interim concluded, cash and equivalents were almost $8.0 million (excluding $22.7 million in restricted funds). Furthermore, long-term debt was a reasonable 40% of total capital and short-term borrowings did not seem to be a major stumbling block. Finally, ONE Gas held an untapped revolving credit facility amounting to $1.5 billion, with an expiration date of October, 2030. All told, it should continue to meet commitments with little trouble.

**This year's capital expenditures, including asset removal costs, are expected to be around $800 million.** (That would be 5.3% higher than the 2025 level of $759.5 million.) The majority of the budget is devoted to system integrity and pipeline replacement projects. It's important to state that the energy firm projects total spending to be $4.3 billion between 2026 and 2030, with roughly the same percentage of funds allocated to where they are at present. We believe these goals can be achieved assuming that the balance sheet stays healthy.

**The stock, though unfavorably ranked for Timeliness, has some investment appeal.** Its dividend yield is decent compared to the average of *Value Line's* Natural Gas Utility group. Moreover, at the recent quotation, capital appreciation potential for the pull to 2029-2031 looks worthwhile. Consider, too, the 2 (Above Average) Safety rank and high Price Stability grade.

*Frederick L. Harris, III* *August 21, 2026*

**(A)** Adjusted diluted EPS starting in 2025. Excludes nonrecurring gain (losses): 2017, $0.06; 2025, ($0.11); Q1 2026, ($0.07); Q2, ($0.08). Next earnings report due early Nov. Quarterly EPS figures for 2022 don't equal total due to rounding.
**(B)** Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan. Direct stock purchase plan.
**(C)** In millions.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 30 |
| Earnings Predictability | 100 |

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# SOUTHWEST GAS NYSE-SWX

RECENT PRICE 90.56 | P/E RATIO 19.7 (Trailing: 23.2 Median: 22.0) | RELATIVE P/E RATIO 1.08 | DIV'D YLD 2.8% | VALUE LINE

**TIMELINESS** — Suspended 11/17/23
**SAFETY** 2 Raised 2/23/24
TECHNICAL — Suspended 11/17/23
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $77-$114 | $96 (5%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 135 | (+50%) | *13%* |
| Low | 100 | (+10%) | *5%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 181 | 117 | 241 |
| to Sell | 129 | 121 | 135 |
| Hld's(000) | 66369 | 65857 | 72073 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 63.7 | 79.6 | 86.9 | 86.0 | 92.9 | 81.6 | 73.5 | 95.6 | 68.0 | 80.3 | 83.2 | 94.5 | | | | | | |
| Low: | 50.5 | 53.5 | 72.3 | 62.5 | 73.3 | 45.7 | 57.0 | 59.5 | 53.8 | 57.6 | 64.7 | 78.4 | | | | | | |

LEGENDS
40.0 x Dividends p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031

% TOT. RETURN 8/10/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 19.0 | 22.4 |
| 3 yr. | 52.3 | 46.9 |
| 5 yr. | 52.4 | 50.5 |

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| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 40.18 | 41.07 | 41.77 | 42.08 | 45.61 | 52.00 | 51.82 | 53.00 | 54.31 | 56.72 | 57.68 | 60.91 | 73.90 | 75.93 | 71.22 | 26.87 | *25.40* | *27.85* | Revenues per sh |
| | 6.46 | 6.81 | 7.73 | 8.24 | 8.47 | 8.62 | 9.29 | 8.83 | 8.14 | 9.40 | 9.87 | 9.46 | 3.98 | 8.27 | 8.88 | 8.25 | *9.05* | *9.80* | "Cash Flow" per sh |
| | 2.27 | 2.43 | 2.86 | 3.11 | 3.01 | 2.92 | 3.18 | 3.62 | 3.68 | 3.94 | 4.14 | 3.39 | d3.10 | 2.13 | 2.76 | 3.60 | *4.30* | *5.10* | Earnings per sh A |
| | 1.00 | 1.06 | 1.18 | 1.32 | 1.46 | 1.62 | 1.80 | 1.98 | 2.08 | 2.18 | 2.28 | 2.38 | 2.46 | 2.48 | 2.48 | 2.48 | *2.55* | *2.55* | Div'ds Decl'd per sh B■† |
| | 4.73 | 8.29 | 8.57 | 7.86 | 8.53 | 10.30 | 11.15 | 12.97 | 14.44 | 17.06 | 14.43 | 11.84 | 12.80 | 12.19 | 13.18 | 11.19 | *17.10* | *16.90* | Cap'l Spending per sh |
| | 25.62 | 26.66 | 28.35 | 30.47 | 31.95 | 33.61 | 35.03 | 37.74 | 42.47 | 45.56 | 46.77 | 48.89 | 45.57 | 46.25 | 48.82 | 54.84 | *58.20* | *60.15* | Book Value per sh |
| | 45.56 | 45.96 | 46.15 | 46.36 | 46.52 | 47.38 | 47.48 | 48.09 | 53.03 | 55.01 | 57.19 | 60.42 | 67.12 | 71.56 | 71.78 | 72.23 | *73.00* | *74.00* | Common Shs Outst'g C |
| | 14.0 | 15.7 | 15.0 | 15.8 | 17.9 | 19.4 | 21.6 | 22.2 | 20.6 | 21.3 | 16.8 | 19.9 | - - | 29.0 | 25.9 | 21.1 | | | Avg Ann'l P/E Ratio |
| | .89 | .98 | .95 | .89 | .94 | .98 | 1.13 | 1.12 | 1.11 | 1.13 | .86 | 1.08 | - - | 1.61 | 1.35 | 1.10 | | | Relative P/E Ratio |
| | 3.2% | 2.8% | 2.8% | 2.7% | 2.7% | 2.9% | 2.6% | 2.5% | 2.7% | 2.6% | 3.3% | 3.5% | 3.2% | 4.0% | 3.5% | 3.3% | | | Avg Ann'l Div'd Yield |
| | 2460.5 | 2548.8 | 2880.0 | 3119.9 | 3298.9 | 3680.5 | 4960.0 | 5434.0 | 5112.4 | 1940.4 | *1855* | *2060* | | | | | | | Revenues ($mill) |
| | 152.0 | 173.8 | 182.3 | 213.9 | 232.3 | 200.8 | d203.3 | 150.9 | 198.8 | 264.8 | *345* | *350* | | | | | | | Net Profit ($mill) |
| | 33.9% | 32.8% | 25.3% | 20.5% | 21.6% | 16.1% | - - | 21.2% | 15.1% | 27.0% | *20.0%* | *20.0%* | | | | | | | Income Tax Rate |
| | 6.2% | 6.8% | 6.3% | 6.9% | 7.0% | 5.5% | NMF | 2.8% | 3.9% | 13.6% | *17.0%* | *18.2%* | | | | | | | Net Profit Margin |
| | 48.2% | 49.8% | 48.3% | 47.9% | 50.5% | 58.2% | 59.0% | 58.2% | 55.4% | 46.4% | *55.0%* | *55.0%* | | | | | | | Long-Term Debt Ratio |
| | 51.8% | 50.2% | 51.7% | 52.1% | 49.5% | 41.8% | 41.0% | 41.8% | 44.6% | 53.6% | *45.0%* | *45.0%* | | | | | | | Common Equity Ratio |
| | 3213.5 | 3613.3 | 4359.3 | 4806.4 | 5407.2 | 7069.5 | 7462.1 | 7919.9 | 7852.5 | 7394.1 | *7765* | *8150* | | | | | | | Total Capital ($mill) |
| | 4132.0 | 4523.7 | 5093.2 | 5685.2 | 6176.1 | 7594.0 | 7024.5 | 7518.2 | 8109.1 | 8690.5 | *9125* | *9580* | | | | | | | Net Plant ($mill) |
| | 5.8% | 5.8% | 5.2% | 5.4% | 5.3% | 3.4% | NMF | 3.8% | 4.4% | 5.0% | *5.5%* | *6.5%* | | | | | | | Return on Total Cap'l |
| | 9.1% | 9.6% | 8.1% | 8.5% | 8.7% | 6.8% | NMF | 4.6% | 5.7% | 6.7% | *7.5%* | *8.5%* | | | | | | | Return on Shr. Equity |
| | 9.1% | 9.6% | 8.1% | 8.5% | 8.7% | 6.8% | NMF | 4.6% | 5.7% | 6.7% | *7.5%* | *8.5%* | | | | | | | Return on Com Equity |
| | 4.1% | 4.5% | 3.6% | 3.9% | 4.0% | 2.1% | NMF | NMF | .6% | 2.2% | *3.0%* | *4.0%* | | | | | | | Retained to Com Eq |
| | 55% | 53% | 55% | 54% | 54% | 69% | NMF | 116% | 89% | 67% | *59%* | *50%* | | | | | | | All Div'ds to Net Prof |

*Bold figures are Value Line estimates*

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $3509.9 mill.
**LT Debt** $3409.9 mill. **LT Interest** $153 mill. (61% of Cap'l)

**Leases, Uncapitalized** Nil
**Pension Assets-12/25** $1267.0 mill. **Oblig.** $1306.6 mill.
**Pfd Stock** None

**Common Stock** 72,445,853 shs. as of 7/31/26

**MARKET CAP: $6.6 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 363.8 | 576.6 | 58.9 |
| Other | 1100.7 | 615.5 | 585.2 |
| Current Assets | 1464.5 | 1192.1 | 644.1 |
| Accts Payable | 331.8 | 225.7 | 115.5 |
| Debt Due | 710.0 | 75.0 | 100.0 |
| Other | 790.3 | 685.8 | 561.9 |
| Current Liab. | 1832.1 | 929.9 | 777.4 |
| Fix. Chg. Cov. | 197% | 233% | 206% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 2.0% | .5% | *NMF* |
| "Cash Flow" | - - | -1.5% | *NMF* |
| Earnings | -.5% | -6.5% | *NMF* |
| Dividends | 5.5% | 2.5% | *NMF* |
| Book Value | 4.5% | 2.0% | *NMF* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1603.3 | 1293.6 | 1169.5 | 1387.6 | 5434.0 |
| 2024 | 1581.0 | 1182.2 | 1079.2 | 1307.6 | 5112.4 |
| 2025 | 1296.5 | 1120.4 | 316.9 | 480.7 | 3214.5F |
| 2026 | 585.1 | 358.2 | *350* | *561.7* | *1855* |
| 2027 | *610* | *420* | *410* | *620* | *2060* |

| Calendar | EARNINGS PER SHARE A D Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .67 | .40 | .04 | 1.02 | 2.13 |
| 2024 | 1.22 | .25 | - - | 1.28 | 2.76 |
| 2025 | 1.65 | .53 | .06 | 1.36 | 3.60 |
| 2026 | 1.91 | .45 | *.15* | *1.79* | *4.30* |
| 2027 | *2.20* | *.70* | *.20* | *2.00* | *5.10* |

| Calendar | QUARTERLY DIVIDENDS PAID B■† Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .595 | .62 | .62 | .62 | 2.46 |
| 2023 | .62 | .62 | .62 | .62 | 2.48 |
| 2024 | .62 | .62 | .62 | .62 | 2.48 |
| 2025 | .62 | .62 | .62 | .62 | 2.48 |
| 2026 | .62 | .645 | | | |

**BUSINESS:** Southwest Gas Holdings, Inc. is the parent holding company of Southwest Gas. Completed the registered public offering of Centuri Group shares 9/25. Southwest Gas is a regulated gas distributor serving 2.3 million customers in Arizona, Nevada, and California. 2025 revenue mix: residential 69%; small commercial, 19%; transportation, 7%; large commercial and industrial, 5%. Southwest has 2,453 employees as of 12/31/25. Off. & dir. own .5% of common stock; BlackRock, Inc. 12.9%; The Vanguard Group, 10.0%; Corvex Management, 7.0% (3/26 Proxy). Chairman: E. Renae Conley. Pres. & CEO: Justin Lee Brown. Inc.: DE. Addr.: 8360 S. Durango Drive, P.O. Box 98510 Las Vegas, Nevada 89193. Telephone: 702-876-7237. Internet: www.swgas.com.

**Southwest Gas expects to meet full year-2026 guidance.** Second-quarter earnings of $0.45 per share beat the year-earlier tally of $0.37 (which was adjusted for the Centuri Group spinoff), thanks to sharply lower interest expense. The first-half performance positions the energy supplier to generate earnings of $4.17 to $4.32 a share in 2026. For the full year, the company is looking for the rate base (which was approximately $6.7 billion at year-end 2025) to grow at a compound annual growth rate (CAGR) of 9.5% to 11.5% through 2030. Similarly, it expects adjusted earnings per share to advance 12% to 14% during the same period. All told, a spending budget of $1.25 billion in 2026 will probably be followed by significant levels of investments during the next five years.

**Short- and long-term catalysts are coming into focus.** The company is advancing rate cases in three states. The regulatory process in California yielded favorable results for Southwest, providing approximately $40 million of incremental annual revenue. Concurrently, management recently filed a general rate case in Nevada, requesting an annual increase of roughly $74 million. In Arizona, a rate case is progressing as expected and is on track for an effective date of April 2027. As for the long run, the key driver is fact that Southwest has secured binding commitments for the Great Basin 2028 expansion project.

**Southwest is in a healthy financial position.** The current backdrop suggests the company will not need to issue equity in 2026 but will instead raise debt at the utility level. An issuance will probably be needed to fund the $2.3 billion Great Basin 2028 project. The undertaking's estimated costs have jumped $600 million due to an upward revision in design size to handle surging demand from data centers.

**We have modestly raised our 3- to 5-year profit projections.** This was in reaction to management's comments that capital expenditures and rate-base forecasts should increase once it rolls out the 5-year plan early in 2027. Thanks to a solid yield, Southwest shares hold worthwhile total return potential out to 2029-2031.

*Dominic B. Silva* *August 21, 2026*

**(A)** Diluted earnings. Excl. nonrec. gains (losses): '22, 10¢. Next egs. report due early November. **(B)** Divd's historically paid early March, June, September, and December. ■† Div'd reinvestment and stock purchase plan avail. **(C)** In millions. **(D)** Totals may not sum due to rounding. **(E)** Rank suspended 11/17/2023 for reported spin-off of the Centuri Group (completed 9/25). **(F)** Company didn't provide proforma data to account for the Centuri spin-off. Thus, quarterly revenues don't match annual total.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | NMF |
| Earnings Predictability | 5 |

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# ALLSTATE CORP. NYSE-ALL

RECENT PRICE 258.10 | P/E RATIO 8.4 (Trailing: 5.3 Median: 11.0) | RELATIVE P/E RATIO 0.46 | DIV'D YLD 1.7% | VALUE LINE

**TIMELINESS** 1 Raised 7/31/26
**SAFETY** 2 Lowered 1/24/25
TECHNICAL 3 Raised 8/21/26
**BETA** .90 (1.00 = Market)

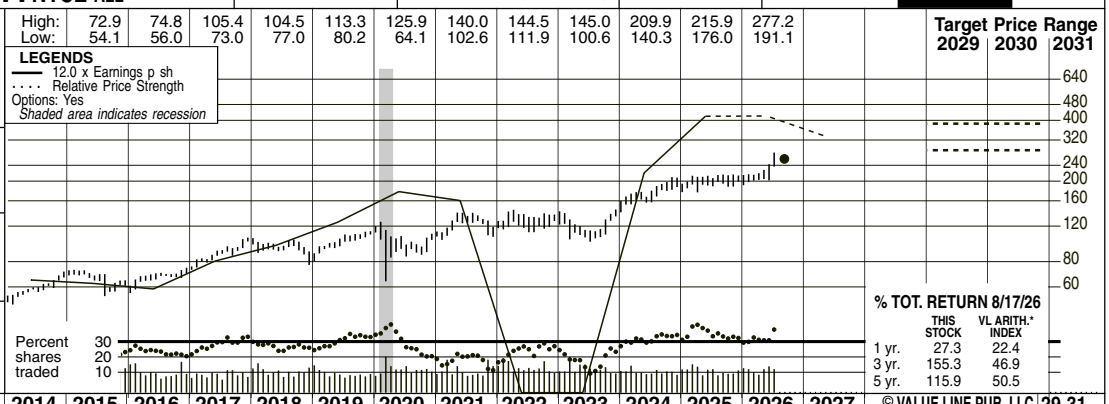
**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$213-$375 $294 (15%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 385 | (+50%) | *12%* |
| Low | 285 | (+10%) | *4%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 694 | 619 | 800 |
| to Sell | 612 | 542 | 664 |
| Hld's(000) | 205758 | 212353 | 246453 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 48.70 | 51.78 | 55.82 | 61.51 | 69.21 | 79.55 | 85.54 | 90.99 | 102.55 | 113.09 | 121.95 | 150.24 | 174.54 | 193.40 | 212.79 | 233.13 | *249.25* | *264.70* | P/C Prem Earned per sh [A] | *300.00* |
| 7.70 | 7.93 | 8.37 | 8.78 | 8.28 | 8.28 | 8.31 | 9.58 | 9.76 | 9.90 | 9.38 | 11.72 | 9.14 | 9.46 | 11.67 | 13.27 | *13.00* | *14.75* | Investment Inc per sh | *18.50* |
| d.58 | d4.19 | 2.49 | 4.95 | 4.25 | 4.06 | 3.36 | 5.83 | 6.58 | 10.56 | 16.40 | 9.10 | d7.29 | 2.11 | 12.20 | 57.50 | *28.65* | *29.10* | Underwriting Inc per sh | *30.00* |
| 2.83 | 1.34 | 4.34 | 5.70 | 5.42 | 5.21 | 4.89 | 6.71 | 8.03 | 10.45 | 14.81 | 13.38 | d1.10 | .91 | 18.32 | 34.95 | *35.00* | *27.50* | Earnings per sh [B] | *28.00* |
| .80 | .83 | 1.09 | .75 | 1.12 | 1.18 | 1.29 | 1.45 | 1.84 | 1.96 | 2.12 | 2.97 | 3.36 | 3.52 | 3.65 | 3.92 | *4.24* | *4.32* | Div'ds Decl'd per sh [C] | *4.41* |
| 35.68 | 37.27 | 42.96 | 46.04 | 49.04 | 47.82 | 51.28 | 58.61 | 58.38 | 74.45 | 92.74 | 82.40 | 58.75 | 60.19 | 73.18 | 110.03 | *139.20* | *160.80* | Book Value per sh | *195.60* |
| 533.00 | 501.00 | 479.00 | 449.00 | 418.00 | 381.00 | 366.00 | 355.00 | 332.00 | 319.00 | 304.00 | 281.00 | 263.00 | 262.00 | 265.00 | 260.00 | *255.00* | *255.00* | Common Shs Outst'g [D] | *250.00* |
| 86% | 77% | 82% | 108% | 121% | 138% | 131% | 150% | 162% | 135% | 108% | 149% | 217% | 200% | 238% | 182% | *Bold figures are Value Line estimates* | | Price to Book Value | *180%* |
| 10.8 | 21.6 | 8.2 | 8.7 | 11.0 | 12.6 | 13.8 | 13.1 | 11.8 | 9.6 | 6.8 | 9.2 | - - | NMF | 9.5 | 5.7 | | | Avg Ann'l P/E Ratio | *12.0* |
| .69 | 1.35 | .52 | .49 | .58 | .63 | .72 | .66 | .64 | .51 | .35 | .50 | - - | NMF | .50 | .30 | | | Relative P/E Ratio | *.65* |
| 2.6% | 2.9% | 3.1% | 1.5% | 1.9% | 1.8% | 1.9% | 1.6% | 1.9% | 1.9% | 2.1% | 2.4% | 2.6% | 2.9% | 2.1% | 2.0% | | | Avg Ann'l Div'd Yield | *1.3%* |
| 31307 | 32300 | 34048 | 36076 | 37073 | 42218 | 45904 | 50670 | 56388 | 60615 | *63555* | *67500* | P/C Premiums Earned [A] | *75000* |
| 71.0% | 67.9% | 67.1% | 66.5% | 59.3% | 69.4% | 81.2% | 78.2% | 70.5% | 62.0% | *67.0%* | *68.0%* | Loss to Prem Earned | *70.0%* |
| 25.1% | 25.7% | 26.5% | 24.2% | 27.2% | 24.5% | 23.0% | 20.7% | 23.8% | 21.4% | *21.5%* | *21.0%* | Expense to Prem Writ | *20.0%* |
| 3.9% | 6.4% | 6.4% | 9.3% | 13.5% | 6.1% | -4.2% | 1.1% | 5.7% | 38.0% | *11.5%* | *11.0%* | Underwriting Margin | *10.0%* |
| 35.1% | 29.8% | 18.3% | 20.5% | 14.3% | 19.5% | - - | 1.0% | 20.2% | 22.0% | *21.0%* | *21.0%* | Income Tax Rate | *20.0%* |
| 1843.0 | 2475.7 | 2954.0 | 3339.0 | 4797.0 | 4147.0 | d193.7 | 365.9 | 4667.0 | 10282 | *8925* | *7015* | Net Profit ($mill) | *7000* |
| 3.9% | 4.2% | 4.1% | 3.8% | 3.3% | 5.5% | 4.2% | 3.7% | 4.3% | 4.1% | *4.0%* | *3.8%* | Inv Inc/Total Inv | *5.0%* |
| 108610 | 112422 | 112249 | 119950 | 125987 | 99440 | 97957 | 103362 | 111617 | 119758 | *125000* | *131000* | Total Assets ($mill) | *137500* |
| 20573 | 22551 | 21312 | 25998 | 30217 | 25179 | 17475 | 17770 | 21442 | 30610 | *35500* | *41000* | Shr. Equity ($mill) | *48900* |
| 9.0% | 11.0% | 13.9% | 12.8% | 15.9% | 16.5% | NMF | 2.1% | 21.8% | 33.6% | *25.0%* | *17.0%* | Return on Shr. Equity | *14.5%* |
| NMF | 8.8% | 11.4% | 10.7% | 14.3% | 13.6% | NMF | NMF | 18.5% | 31.9% | *22.0%* | *14.5%* | Retained to Com Eq | *12.0%* |
| 33% | 26% | 25% | 24% | 16% | 24% | NMF | NMF | 23% | 11% | *12%* | *16%* | All Div'ds to Net Prof | *16%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $7492 mill.
**LT Debt** $7492 mill. **Total Interest** $445 mill. (18% of Cap'l)
**Leases, Uncapitalized** Annual rentals $92 mill.

**Pension Assets 12/25:** $4.41 bill. **Oblig.** $4.44 bill.
**Pfd Stock** $2.001 billion **Pfd Div'd.** $116 mill. (5% of Cap'l)
**Common Stock** 252,857,950 shs.
**as of 7/16/26**
**MARKET CAP: $65.3 billion (Large Cap)**

| FINANCIAL POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Bonds | 52747 | 59115 | 60809 |
| Stocks | 4463 | 8398 | 11159 |
| Mortgages | 784 | 879 | 842 |
| Other | 53623 | 51366 | 51946 |
| Total Assets | 111617 | 119758 | 124756 |
| Unearned Prems | 26909 | 29080 | 29388 |
| Reserves P/C | 41917 | 41079 | 40979 |
| Other | 11424 | 19010 | 20711 |
| Total Liabilities | 90250 | 89169 | 91078 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Premium Inc | 12.0% | 14.0% | *5.5%* |
| Invest Income | 2.0% | .5% | *8.5%* |
| Earnings | 1.5% | -6.5% | *7.5%* |
| Dividends | 13.5% | 15.0% | *3.0%* |
| Book Value | 3.5% | - - | *16.0%* |

| Calendar | NET PREMIUMS EARNED [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 12173 | 12470 | 12839 | 13188 | 50670 |
| 2024 | 13512 | 13952 | 14333 | 14591 | 56388 |
| 2025 | 14696 | 15041 | 15253 | 15625 | 60615 |
| 2026 | 15553 | 15670 | *16000* | *16332* | *63555* |
| 2027 | *16500* | *16750* | *17000* | *17250* | *67500* |

| Calendar | EARNINGS PER SHARE [B] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | d1.30 | d4.42 | .81 | 5.82 | .91 |
| 2024 | 5.13 | 1.61 | 3.91 | 7.67 | 18.32 |
| 2025 | 3.53 | 5.94 | 11.17 | 14.31 | 34.95 |
| 2026 | 10.65 | 8.99 | *6.44* | *8.92* | *35.00* |
| 2027 | *6.50* | *6.60* | *7.00* | *7.40* | *27.50* |

| Calendar | QUARTERLY DIVIDENDS PAID [C] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .81 | .85 | .85 | .85 | 3.36 |
| 2023 | .85 | .89 | .89 | .89 | 3.52 |
| 2024 | .89 | .92 | .92 | .92 | 3.65 |
| 2025 | .92 | 1.00 | 1.00 | 1.00 | 3.92 |
| 2026 | 1.00 | 1.08 | 1.08 | | |

**BUSINESS:** Allstate Corporation is a large property/casualty insurer, and one of the largest life insurers in the country. The P/C division is comprised of net premiums earned and investment income. Has approximately 54,000 employees. Property/Casualty insurance is comprised of standard automobile, nonstandard automobile, homeowners, and other personal lines. Life insurance includes annuity, term, universal life, and whole life. The Vanguard Group owns approximately 12.3% of common shares outstanding; BlackRock, 8.4%; officers & directors, 1.6% (4/26 proxy). Chairman and Chief Executive Officer: Thomas J. Wilson. Address: 3100 Sanders Road, Northbrook, Illinois 60062. Telephone: 847-402-5000. Internet: www.allstate.com.

**Allstate registered strong results for the June quarter.** Looking at it with more granularity, operating earnings per share, which excludes capital gains and losses from the investment portfolio, came in at $8.99, which marked a more-than-50% improvement from the year-before figure. The company benefited from strong underwriting results, as Property-Liability underwriting income advanced 57% on a year-over-year basis to about $2.0 billion. This resulted in a combined ratio of 86.6%, which implies that the company generated $13.40 in pretax income for every $100 in policies insured. The underwriting performance also benefited from lower-than-forecasted weather-related catastrophe losses and prior-year reserve development. Another positive variable was net investment income, which advanced at a robust double-digit clip, thanks to strong investment returns and a higher invested asset base.

**However, the company is up against difficult comparisons over the back half of this year.** The second half of 2025 was very strong, which will make for tough sledding (relative to the previous year) over the last six months of 2026. However, on an absolute basis we look for the company's results to remain solid, thanks to price increases, strong investment income growth, and likely favorable underwriting performance. The latter is based on the weather to an extent and is thus difficult to predict.

**We look for moderating growth trends starting next year and into the 2029-2031 time frame.** This isn't surprising, given the company's rapid bottom-line expansion over the past couple of years, thanks to company-specific and secular tailwinds.

**What about the stock?** These shares are up more than 25% year to date, doubling the performance of the S&P 500 Index.

**These shares are at the pinnacle of our ranking system.** This reflects the company's recent strong earnings momentum, coupled with solid share-price appreciation. However, the recent ascent leaves these shares with below-average appreciation potential relative to the *Value Line* median over the 3 to 5 years ahead.

*Alan G. House* *August 28, 2026*

**(A)** Excludes life insurance.
**(B)** Earnings from operations. May not sum due to changes in shares outstanding. Next earnings report due late Oct.
**(C)** Dividends historically paid early Jan., April, July, and Oct.
**(D)** In millions.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 75 |
| Earnings Predictability | 5 |

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# AMGEN NDQ-AMGN

RECENT PRICE 419.38 | P/E RATIO 18.3 (Trailing: 20.5 Median: 14.0) | RELATIVE P/E RATIO 1.01 | DIV'D YLD 2.4% | VALUE LINE

**TIMELINESS** 3 Raised 7/24/26
**SAFETY** 2 Lowered 11/14/25
TECHNICAL 3 Lowered 7/17/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$281-$502 $392 (-5%)

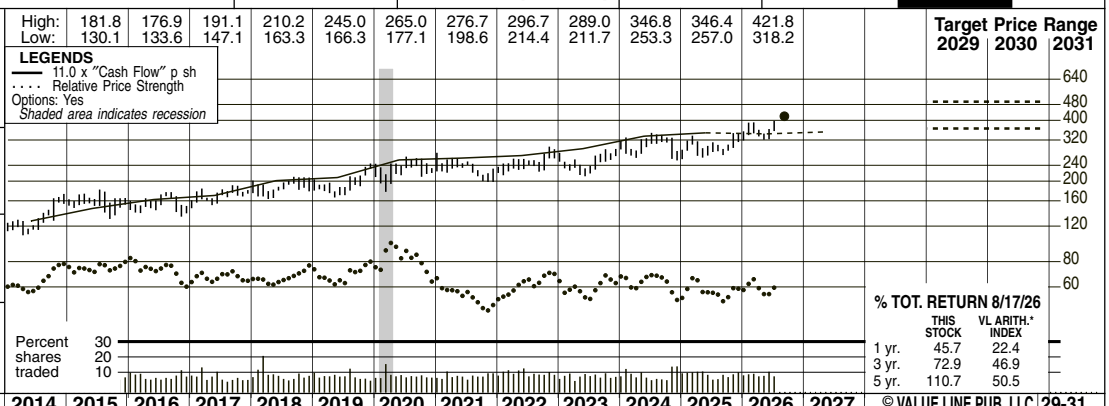
**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 495 | (+20%) | 7% |
| Low | 365 | (-15%) | Nil |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 1233 | 1292 | 1418 |
| to Sell | 1251 | 1030 | 1351 |
| Hld's(000) | 425237 | 434967 | 486143 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 181.8 | 176.9 | 191.1 | 210.2 | 245.0 | 265.0 | 276.7 | 296.7 | 289.0 | 346.8 | 346.4 | 421.8 | | | | | | | | |
| Low: | 130.1 | 133.6 | 147.1 | 163.3 | 166.3 | 177.1 | 198.6 | 214.4 | 211.7 | 253.3 | 257.0 | 318.2 | | | | | | | | |
| | 16.15 | 19.59 | 22.83 | 24.75 | 26.38 | 28.73 | 31.14 | 31.64 | 37.72 | 39.50 | 43.96 | 46.53 | 49.29 | 52.65 | 62.25 | 68.21 | *72.50* | *74.00* | Revenues per sh | *81.90* |
| | 6.39 | 7.35 | 8.16 | 9.41 | 11.56 | 13.34 | 14.75 | 15.48 | 18.30 | 18.99 | 23.16 | 23.64 | 24.32 | 26.34 | 30.41 | 31.56 | *31.85* | *32.75* | "Cash Flow" per sh | *36.95* |
| | 5.12 | 5.25 | 6.46 | 7.60 | 8.70 | 10.38 | 11.65 | 12.58 | 14.40 | 14.82 | 16.60 | 17.10 | 17.69 | 18.65 | 19.84 | 21.84 | *22.85* | *23.80* | Earnings per sh A | *27.00* |
| | - - | .56 | 1.44 | 1.88 | 2.44 | 3.16 | 4.00 | 4.60 | 5.28 | 5.80 | 6.40 | 7.04 | 7.76 | 8.64 | 9.13 | 9.66 | *10.20* | *10.68* | Div'ds Decl'd per sh D■ | *12.40* |
| | .62 | .71 | .91 | .92 | .94 | .79 | 1.00 | .92 | 1.17 | 1.05 | 1.05 | 1.58 | 1.75 | 2.08 | 2.04 | 3.45 | *4.85* | *4.10* | Cap'l Spending per sh | *4.00* |
| | 25.69 | 23.92 | 25.20 | 29.28 | 33.90 | 37.25 | 40.47 | 34.95 | 19.85 | 16.36 | 16.27 | 12.00 | 6.86 | 11.64 | 10.95 | 16.07 | *18.05* | *23.00* | Book Value per sh B | *31.45* |
| | 932.00 | 795.60 | 756.30 | 754.60 | 760.40 | 754.00 | 738.20 | 722.20 | 629.60 | 591.40 | 578.30 | 558.30 | 534.00 | 535.40 | 536.90 | 538.80 | *535.00* | *535.00* | Common Shs Outst'g C | *525.00* |
| | 10.9 | 10.7 | 11.8 | 13.7 | 15.1 | 15.2 | 13.4 | 13.6 | 13.1 | 13.3 | 13.9 | 13.6 | 13.9 | 13.5 | 15.3 | 13.6 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *16.0* |
| | .69 | .67 | .75 | .77 | .79 | .77 | .70 | .68 | .71 | .71 | .71 | .73 | .80 | .75 | .80 | .71 | | | Relative P/E Ratio | *.90* |
| | - - | 1.0% | 1.9% | 1.8% | 1.9% | 2.0% | 2.6% | 2.7% | 2.8% | 3.0% | 2.8% | 3.0% | 3.2% | 3.4% | 3.0% | 3.3% | | | Avg Ann'l Div'd Yield | *3.0%* |
| | | | | | | | 22991 | 22849 | 23747 | 23362 | 25424 | 25979 | 26323 | 28190 | 33424 | 36751 | *38800* | *39600* | Revenues ($mill) | *43000* |
| | | | | | | | 57.8% | 68.9% | 58.4% | 57.0% | 62.0% | 63.9% | 51.8% | 50.3% | 61.7% | 58.1% | *57.0%* | *57.0%* | Operating Margin | *56.0%* |
| | | | | | | | 2105.0 | 1955.0 | 1946.0 | 2206.0 | 3601.0 | 3398.0 | 3417.0 | 4071.0 | 5592.0 | 5167.0 | *4700* | *4700* | Depreciation ($mill) | *5000* |
| | | | | | | | 8785.1 | 9223.0 | 9577.7 | 9024.0 | 9795.1 | 9800.0 | 9570.0 | 10034 | 10734 | 11837 | *12350* | *12830* | Net Profit ($mill) | *14300* |
| | | | | | | | 15.8% | 29.3% | 12.1% | 14.2% | 10.7% | 18.9% | 13.8% | 16.5% | 14.5% | 15.9% | *16.0%* | *16.0%* | Income Tax Rate | *16.0%* |
| | | | | | | | 38.2% | 40.4% | 40.3% | 38.6% | 38.5% | 37.7% | 36.4% | 35.6% | 32.1% | 32.2% | *31.8%* | *32.4%* | Net Profit Margin | *33.3%* |
| | | | | | | | 34806 | 40456 | 24130 | 5605.0 | 9491.0 | 7201.0 | 6499.0 | 11940 | 5931.0 | 3568.0 | *6500* | *7000* | Working Cap'l ($mill) | *8500* |
| | | | | | | | 30193 | 34190 | 29510 | 26950 | 32895 | 33222 | 37354 | 63170 | 56549 | 50005 | *52000* | *52000* | Long-Term Debt ($mill) | *40000* |
| | | | | | | | 29875 | 25241 | 12500 | 9673.0 | 9409.0 | 6700.0 | 3661.0 | 6232.0 | 5877.0 | 8658.0 | *9650* | *12300* | Shr. Equity ($mill) | *16500* |
| | | | | | | | 15.7% | 16.6% | 24.5% | 26.4% | 24.6% | 26.0% | 25.0% | 15.9% | 19.7% | *22.5%* | *23.0%* | *23.0%* | Return on Total Cap'l | *27.0%* |
| | | | | | | | 29.4% | 36.5% | NMF | NMF | NMF | NMF | NMF | NMF | NMF | NMF | *NMF* | *NMF* | Return on Shr. Equity | *NMF* |
| | | | | | | | 19.4% | 23.2% | 48.6% | 57.0% | 64.2% | NMF | NMF | NMF | NMF | NMF | *NMF* | *NMF* | Retained to Com Eq | *NMF* |
| | | | | | | | 34% | 36% | 37% | 39% | 38% | 41% | 44% | 45% | 45% | 43% | *44%* | *45%* | All Div'ds to Net Prof | *45%* |




**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $57304 mill.
**LT Debt** $51859 mill. **LT Interest** $2700 mill.

(82% of Cap'l)

**Leases, Uncapitalized** Annual rentals $148 mill.

**No Defined Benefit Pension Plan**

**Common Stock** 540,632,005 shares
**as of 7/30/26**
**MARKET CAP: $227 billion (Mega Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 11973 | 9129 | 13989 |
| Receivables | 6782 | 9570 | 10227 |
| Inventory (FIFO) | 6998 | 6225 | 6220 |
| Other | 3277 | 4133 | 4525 |
| Current Assets | 29030 | 29057 | 34961 |
| Accts Payable | 1908 | 2367 | 2865 |
| Debt Due | 3550 | 4599 | 5445 |
| Other | 17641 | 18523 | 17192 |
| Current Liab. | 23099 | 25489 | 25502 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 8.5% | 8.5% | *5.5%* |
| "Cash Flow" | 11.0% | 9.0% | *4.5%* |
| Earnings | 9.5% | 6.0% | *5.5%* |
| Dividends | 16.0% | 10.0% | *5.5%* |
| Book Value | -10.5% | -16.0% | *18.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 6105 | 6986 | 6903 | 8196 | 28190 |
| 2024 | 7447 | 8388 | 8503 | 9086 | 33424 |
| 2025 | 8149 | 9179 | 9557 | 9866 | 36751 |
| 2026 | 8618 | 10054 | *9900* | *10228* | *38800* |
| 2027 | *8900* | *10200* | *10100* | *10400* | *39600* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 3.98 | 5.00 | 4.96 | 4.71 | 18.65 |
| 2024 | 3.96 | 4.97 | 5.58 | 5.31 | 19.84 |
| 2025 | 4.90 | 6.02 | 5.64 | 5.29 | 21.84 |
| 2026 | 5.15 | 6.29 | *5.75* | *5.66* | *22.85* |
| 2027 | *5.25* | *6.35* | *6.20* | *6.00* | *23.80* |

| Calendar | QUARTERLY DIVIDENDS PAID D■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | 1.94 | 1.94 | 1.94 | 1.94 | 7.76 |
| 2023 | 2.13 | 2.13 | 2.13 | 2.13 | 8.52 |
| 2024 | 2.25 | 2.25 | 2.25 | 2.25 | 9.00 |
| 2025 | 2.38 | 2.38 | 2.38 | 2.38 | 9.52 |
| 2026 | 2.52 | 2.52 | | | |

**BUSINESS:** Amgen Inc. is one of the world's largest independent biotech medicines companies. It discovers, develops, manufactures, and markets medicines for serious ailments. Product sales were 96% in '25, and include: *Aranesp* and *EPOGEN* (anemia in patients with chronic renal failure); *Neulasta* and *Neupogen* (fight infections in chemotherapy patients); and *Enbrel* (treats autoimmune diseases). '25 Research & Development: 20.4% of product sales. Has approx. 31,500 employees. Officers & directors own less than 1% of stock; BlackRock, Inc., 7.6%; State Street Corp., 5.5% (4/26 Proxy). Chairman & CEO: Robert A. Bradway. Inc.: DE. Address: One Amgen Center Drive, Thousand Oaks, CA 91320. Telephone: 805-447-1000. Internet: www.amgen.com.

**Since our May review, Amgen stock has rallied to a fresh all-time high.** The biotech's blow-out June quarter and raised full-year forecast was behind the roughly 30% price surge. Revenues and adjusted share profit in the period rose 10% and 4%, respectively, crushing expectations. The outperformance reflected strong momentum across the core drug portfolio, with six key growth drivers making up nearly 70% of product sales, including *Repatha* (cholesterol), *Evenity* (post-menopausal osteoporosis), *Tezspire* (inflammation), and biosimilars. Notably, 22 drugs posted double-digit sales gains.

**The 2026 outlook has brightened considerably.** Given the recent showing, management raised its forecasts for this year, with revenues in a range of $38.2 billion-$39.4 billion and share earnings of $22.30-$23.50, We've added $1.0 billion and $0.65 to our respective 2026 calls, and set the bar higher across the board, too, implying steady increases.

**A pipeline of drugs with vast growth opportunities should help offset sluggishness elsewhere.** Indeed, Amgen has an expanding lineup of medicines targeting therapeutic areas like rare diseases, cancer, and inflammation, where demand is high. Promising therapies include MariTide, a late-stage drug being developed for obesity/cardiometabolic conditions (to compete with Wegovy), as well as recently approved *IMDELLTRA* (cancer) and *Uplizna* (rare diseases). These should help counter declines from such key drugs as *Xgeva* (cancer-related bone disease), which faces stiff biosimilar competition, and *Otezla* and *Enbrel* (inflammation), which are facing pricing pressure, though the latter has seen some favorable changes there.

**Meanwhile, the *Tavneos* matter remains unsettled.** To briefly recap, the rare disease drug (acquired from ChemoCentryx in 2022) raised safety concerns after it was linked to a few deaths and serious liver injuries. The EU recently revoked the drug's market clearance, while the U.S. FDA has urged Amgen to withdraw the med, though Amgen has so far resisted, citing its solid benefit-risk profile.

**We'd pass on Amgen stock, for now.** It isn't timely and lacks long-term appeal. The *Tavneos* setback adds risk, too.

*J. Susan Ferrara* *August 28, 2026*

**(A)** EPS based on dil. shares. Excls. nonrec. items: '10, d33¢; '11, d$1.21; '12, d94¢; '13, d96¢; '14, d$2.00; '15, d$1.32; '16, d$1.41; '17, d$9.89; '18, d$1.78; '19, d$1.94; '20, d$4.29; '21, d$6.82; '22, d$5.58; '23, d$6.16; '24, d$12.28; '25, d$7.61; Q1-Q2 '26, d$3.73. May not sum due to change in shrs. or rounding. Next earnings report due early November.
**(B)** Incl. intangs. In '25: $40.956 bill., $76.01/sh. **(C)** In millions.
**(D)** Div'ds paid in early Mar., June, Sept., Dec. ■Div'd reinvestment plan available.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 90 |
| Earnings Predictability | 100 |

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# AUTOZONE, INC. NYSE-AZO

RECENT PRICE 2957.71 | P/E RATIO 19.7 (Trailing: 20.3 Median: 17.0) | RELATIVE P/E RATIO 1.07 | DIV'D YLD Nil | VALUE LINE

**TIMELINESS** 3 Raised 2/6/26
**SAFETY** 2 Raised 7/18/25
TECHNICAL 4 Lowered 7/17/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$2566-$4949 $3758 (25%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 3980 | (+35%) | *8%* |
| Low | 2950 | (Nil) | *Nil* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 575 | 386 | 495 |
| to Sell | 507 | 552 | 651 |
| Hld's(000) | 14976 | 15271 | 16670 |

| | 803.3 | 819.5 | 802.2 | 896.0 | 1274 | 1267 | 2110 | 2610 | 2750 | 3416 | 4388 | 3887 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 569.5 | 681.0 | 491.1 | 590.8 | 798.4 | 684.9 | 1111 | 1703 | 2277 | 2510 | 3162 | 2928 |
| Low: | | | | | | | | | | | | |

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
5000
4000
3000
2500
1250
800
600
500
400

Percent shares traded 36 24 12

**% TOT. RETURN 7/6/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -21.5 | 23.1 |
| 3 yr. | 18.7 | 52.8 |
| 5 yr. | 91.8 | 47.8 |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 163.23 | 201.28 | 232.36 | 266.75 | 293.32 | 332.28 | 365.26 | 391.21 | 435.91 | 493.54 | 540.38 | 692.10 | 849.75 | 977.61 | 1092.4 | 1136.4 | *1234.55* | *1303.80* | Sales per sh [A] | *1500.00* |
| 20.63 | 26.06 | 30.85 | 36.27 | 40.89 | 46.65 | 52.83 | 57.63 | 68.04 | 82.67 | 91.14 | 121.96 | 150.15 | 169.46 | 189.78 | 186.71 | *189.50* | *196.00* | "Cash Flow" per sh | *216.65* |
| 14.97 | 19.47 | 23.48 | 27.79 | 31.57 | 36.03 | 40.70 | 44.07 | 51.28 | 63.43 | 71.93 | 95.19 | 117.19 | 132.36 | 149.55 | 144.87 | *148.00* | *152.00* | Earnings per sh [B] | *165.00* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | Div'ds Decl'd per sh | *Nil* |
| d16.38 | d31.27 | d41.81 | d49.20 | d50.21 | d55.49 | d61.39 | d51.32 | d59.06 | d71.30 | d37.56 | d85.04 | d185.03 | d243.60 | d280.61 | d204.88 | *d185.20* | *d202.55* | Book Value per sh [C] | *d233.35* |
| 45.11 | 40.11 | 37.03 | 34.29 | 32.30 | 30.66 | 29.12 | 27.83 | 25.74 | 24.04 | 23.38 | 21.14 | 19.13 | 17.86 | 16.93 | 16.67 | *16.20* | *15.80* | Common Shs Outst'g [D] | *15.00* |
| 11.4 | 13.7 | 15.1 | 14.1 | 15.7 | 17.4 | 18.8 | 15.6 | 13.0 | 14.8 | 15.3 | 14.0 | 16.8 | 18.5 | 18.8 | 24.1 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *21.0* |
| .73 | .86 | .96 | .79 | .83 | .88 | .99 | .78 | .70 | .79 | .79 | .76 | .97 | 1.03 | .98 | 1.25 | | | Relative P/E Ratio | *1.10* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | | | Avg Ann'l Div'd Yield | *Nil* |
| 10636 | 10889 | 11221 | 11864 | 12632 | 14630 | 16252 | 17457 | 18490 | 18939 | *20000* | *20600* | Sales ($mill) [A] | *22500* |
| 55.5% | 55.7% | 56.3% | 56.8% | 56.7% | 55.5% | 54.9% | 54.8% | 56.1% | 55.9% | *53.5%* | *53.0%* | Gross Margin | *52.5%* |
| 22.2% | 22.1% | 22.1% | 21.8% | 22.3% | 22.9% | 22.8% | 22.8% | 23.5% | 22.3% | *21.0%* | *20.5%* | Operating Margin | *20.0%* |
| 5814 | 6029 | 6202 | 6411 | 6549 | 6767 | 6943 | 7140 | 7353 | 7657 | *8000* | *8275* | Number of Stores | *8800* |
| 1241.0 | 1280.9 | 1406.3 | 1617.2 | 1733.0 | 2170.3 | 2429.6 | 2528.4 | 2662.4 | 2498.2 | *2400* | *2400* | Net Profit ($mill) | *2475* |
| 35.1% | 33.5% | 28.2% | 20.4% | 21.8% | 21.1% | 21.1% | 20.2% | 20.2% | 20.3% | *20.5%* | *20.5%* | Income Tax Rate | *21.0%* |
| 11.7% | 11.8% | 12.5% | 13.6% | 13.7% | 14.8% | 14.9% | 14.5% | 14.4% | 13.2% | *12.0%* | *11.7%* | Net Profit Margin | *11.0%* |
| d450.7 | d155.0 | d392.8 | d483.4 | 528.8 | d954.5 | d1960 | d1733 | d1407 | d1178 | *d1100* | *d1000* | Working Cap'l ($mill) | *d700* |
| 4924.1 | 5081.2 | 5005.9 | 5206.3 | 5513.4 | 5269.8 | 6122.1 | 7668.5 | 9024.4 | 12182 | *8800* | *9000* | Long-Term Debt ($mill) [E] | *10000* |
| d1788 | d1428 | d1520 | d1714 | d878.0 | d1798 | d3539 | d4350 | d4750 | d3414 | *d3000* | *d3200* | Shr. Equity ($mill) | *d3500* |
| 42.0% | 37.2% | 43.0% | 49.1% | 39.6% | NMF | NMF | NMF | NMF | 31.3% | *41.5%* | *41.5%* | Return on Total Cap'l | *38.0%* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *NMF* | *NMF* | Return on Shr. Equity | *NMF* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *NMF* | *NMF* | Retained to Com Eq | *NMF* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | All Div'ds to Net Prof | *Nil* |

**CAPITAL STRUCTURE as of 5/9/26**
**Total Debt** $9016.5 mill.
**LT Debt** $9016.5 mill.[E] **LT Interest** $434.4 mill.
(Total interest coverage: 9.7x)

**Leases, Uncapitalized** Annual rentals $391.9 mill.
**No Defined Benefit Pension Plan**

**Preferred Stock** None
**Common Stock** 16,325,355 shares

**MARKET CAP: $48.3 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 5/9/26 |
|---|---|---|---|
| Cash Assets | 298.2 | 271.8 | 253.7 |
| Receivables | 545.6 | 670.1 | 764.9 |
| Inventory | 6155.2 | 7025.7 | 7559.1 |
| Other | 307.8 | 373.8 | 356.9 |
| Current Assets | 7306.8 | 8341.4 | 8934.6 |
| Accts Payable | 7355.7 | 8025.6 | 8401.3 |
| Debt Due[E] | 115.6 | - - | - - |
| Other | 1242.9 | 1493.8 | 1634.0 |
| Current Liab. | 8714.2 | 9519.4 | 10035.3 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 13.5% | 17.0% | *8.5%* |
| "Cash Flow" | 16.0% | 17.5% | *7.0%* |
| Earnings | 16.0% | 18.0% | *7.5%* |
| Dividends | - - | - - | *Nil* |
| Book Value | - - | - - | *NMF* |

| Fiscal Year Ends | QUARTERLY SALES ($ mill.) [A] Nov.Per | Feb.Per | May Per | Aug.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 3985.0 | 3691.0 | 4090.6 | 5690.6 | 17457.2 |
| 2024 | 4190.3 | 3859.1 | 4235.5 | 6205.4 | 18490.3 |
| 2025 | 4279.6 | 3952.0 | 4464.3 | 6242.7 | 18938.7 |
| 2026 | 4628.6 | 4274.1 | 4841.0 | *6256.3* | *20000* |
| 2027 | *4800* | *4450* | *4900* | *6450* | *20600* |

| Fiscal Year Ends | EARNINGS PER SHARE [AB] Nov.Per | Feb.Per | May Per | Aug.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 27.45 | 24.64 | 34.12 | 46.15 | 132.36 |
| 2024 | 32.55 | 28.89 | 36.69 | 48.11 | 149.55 |
| 2025 | 32.52 | 28.29 | 35.36 | 48.71 | 144.87 |
| 2026 | 31.04 | 27.63 | 38.07 | *51.26* | *148.00* |
| 2027 | *32.00* | *28.50* | *38.00* | *53.50* | *152.00* |

| Cal-endar | QUARTERLY DIVIDENDS PAID Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | | | | | |
| 2023 | NO CASH DIVIDENDS BEING PAID | | | | |
| 2024 | | | | | |
| 2025 | | | | | |
| 2026 | | | | | |

**BUSINESS:** AutoZone, Inc. is the leading retailer and distributor of automotive parts & accessories in the Americas. The company operates 6,627 stores in the U.S., including Puerto Rico and Saint Thomas; 883 stores in Mexico; and 147 stores in Brazil (8/25). Too, the company had a commercial sales program in 6,098 of its domestic stores and in all Mexico and Brazil stores. It conducts sales through various websites, including www.alldata.com and www.alldatadiy.com. Employs about 126,000. Off. & dir. own 0.2% of common; Vanguard Group, 10.9%; BlackRock, 7.7%; JPMorgan Chase, 6.4% (10/25 Proxy). Chrmn.: William Rhodes; Pres. & CEO: Phil Daniele. Inc.: NV. Addr.: 123 South Front St., Memphis, TN 38103. Telephone: 901-495-6500. Internet: www.autozone.com.

**AutoZone reported a robust sales increase for its fiscal 2026 third quarter (ended May 9th).** Net sales of $4.84 billion represented 8.4% growth over the prior year period, marking the sharpest annual increase in over three years. The top line benefited from the addition of 57 new domestic stores and 25 new international stores, in accordance with internal plans for 355-365 new store openings this fiscal year. This was accompanied by a 3.9% increase in same-store sales on a constant-currency basis, with domestic and international gains checking in at 4.1% and 1.6%, respectively. However, gross margin contracted for a third consecutive quarter, (57 basis points versus the prior year, as a result of a $20 million non-cash LIFO charge). Nonetheless, net income for the quarter expanded 5.4% to $641.5 million, compared to $608.4 million in the same period last year. This led to diluted share earnings of $38.07, representing a 7.7% increase from the year-ago figure of $35.36.

**Domestic commercial sales continue to demonstrate relative strength.** Commercial sales, which account for roughly 29% of the total, registered a 10.4% gain in the recent quarter. Indeed, over the trailing four quarters, the segment has exhibited 9.7% growth, compared with a consolidated sales gain of 5.7%. The outperformance is being driven by better inventory availability, the continued strength of the *Duralast* brand of auto parts, and improved speed of delivery.

**The company remains an active buyer of its own stock.** During the recent quarter, AutoZone's treasury repurchased 164,000 shares of its common stock at an average price per share of $3,582, for a total investment of $586.3 million. Furthermore, in mid-June, the Board of Directors authorized the repurchase of an additional $1.5 billion of common stock. However, investors should note that sizable share repurchases continue to buffer year-over-year earnings-per-share comparisons.

**AutoZone shares remain ranked 3 (Average) for Timeliness.** Even with the stock having pulled back more than 5% since our April review, long-term appreciation potential from the recent quotation appears lackluster.

*Steven Brachman* *July 17, 2026*

**(A)** Fiscal years end last Saturday in August. Fourth quarter is sixteen weeks. **(B)** Diluted earnings. May not sum to total due to changes in share count resulting from repurchases. Excludes nonrecurring gains/(losses): FY '18, ($2.51). Next earnings report due late Aug. **(C)** Includes intangible assets. In FY '25: $302.6 million, or $18.19 a share. **(D)** In millions. **(E)** Excludes finance lease liabilities (included in accrued expenses): FY'25, $395.4 million.

| | |
|---|---|
| **Company's Financial Strength** | B++ |
| **Stock's Price Stability** | 85 |
| **Price Growth Persistence** | 90 |
| **Earnings Predictability** | 95 |

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# BECTON, D'SON. NYSE-BDX

RECENT PRICE 158.92 | P/E RATIO 12.0 (Trailing: 12.2 Median: 20.0) | RELATIVE P/E RATIO 0.67 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 2 Lowered 5/8/26
SAFETY 2 Lowered 5/9/25
TECHNICAL 4 Lowered 7/31/26
BETA .80 (1.00 = Market)

**18-Month Target Price Range**
Low-High Midpoint (% to Mid)
$126-$246 $186 (15%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 270 | (+70%) | 16% |
| Low | 200 | (+25%) | 8% |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 703 | 510 | 715 |
| to Sell | 694 | 655 | 700 |
| Hld's(000) | 260910 | 267171 | 300531 |

| | High: | 157.5 | 181.8 | 229.7 | 265.9 | 275.5 | 286.7 | 267.4 | 280.6 | 287.3 | 249.9 | 252.0 | 213.1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Low: | 128.9 | 129.5 | 161.5 | 208.6 | 210.7 | 197.8 | 235.1 | 215.9 | 228.6 | 218.8 | 162.3 | 140.1 |

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Percent shares traded: 18, 12, 6

Target Price Range 2029 | 2030 | 2031
640, 480, 400, 320, 240, 200, 160, 120, 80, 60

% TOT. RETURN 7/27/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 11.8 | 23.1 |
| 3 yr. | -24.4 | 52.8 |
| 5 yr. | -11.2 | 47.8 |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 32.08 | 36.44 | 39.15 | 41.52 | 43.99 | 48.80 | 58.53 | 53.05 | 59.59 | 63.94 | 59.02 | 71.18 | 66.59 | 66.71 | 69.80 | 76.52 | *69.80* | *74.10* | Sales per sh [A] | *86.80* |
| 7.34 | 8.27 | 8.30 | 8.78 | 9.37 | 11.25 | 13.99 | 13.56 | 17.48 | 19.58 | 16.97 | 21.42 | 18.85 | 20.20 | 21.06 | 23.19 | *21.25* | *22.55* | "Cash Flow" per sh | *26.75* |
| 4.94 | 5.62 | 5.36 | 5.81 | 6.25 | 7.16 | 8.59 | 9.48 | 11.01 | 11.68 | 10.20 | 13.08 | 11.35 | 12.21 | 13.14 | 14.40 | *12.65* | *13.40* | Earnings per sh [AB] | *16.75* |
| 1.48 | 1.64 | 1.80 | 1.98 | 2.18 | 2.40 | 2.64 | 2.92 | 3.00 | 3.08 | 3.16 | 3.32 | 3.48 | 3.64 | 3.80 | 4.16 | *4.20* | *4.24* | Div'ds Decl'd per sh [C■] | *4.50* |
| 2.75 | 2.82 | 2.81 | 3.03 | 3.40 | 2.83 | 3.25 | 3.19 | 3.34 | 3.54 | 2.79 | 4.33 | 3.43 | 3.01 | 2.51 | 2.66 | *2.40* | *2.20* | Cap'l Spending per sh | *2.25* |
| 23.65 | 22.48 | 21.00 | 26.00 | 26.32 | 34.00 | 35.79 | 56.80 | 78.26 | 77.95 | 81.94 | 83.22 | 89.22 | 88.83 | 89.55 | 88.96 | *92.75* | *100.00* | Book Value per sh [D] | *128.30* |
| 229.82 | 214.82 | 196.91 | 194.00 | 191.98 | 210.70 | 213.29 | 227.94 | 268.22 | 270.43 | 290.02 | 284.48 | 283.36 | 290.39 | 289.10 | 285.40 | *275.00* | *270.00* | Common Shs Outst'g [E] | *265.00* |
| 14.9 | 14.5 | 14.1 | 15.6 | 18.1 | 19.5 | 18.4 | 19.4 | 20.8 | 20.8 | 24.7 | 18.9 | 22.3 | 20.6 | 18.2 | 14.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *14.0* |
| .95 | .91 | .90 | .88 | .95 | .98 | .97 | .98 | 1.12 | 1.11 | 1.27 | 1.02 | 1.29 | 1.15 | .95 | .75 | | | Relative P/E Ratio | *.75* |
| 2.0% | 2.0% | 2.4% | 2.2% | 1.9% | 1.7% | 1.7% | 1.6% | 1.3% | 1.3% | 1.3% | 1.3% | 1.4% | 1.4% | 1.6% | 2.0% | | | Avg Ann'l Div'd Yield | *1.9%* |
| 12483 | 12093 | 15983 | 17290 | 17117 | 20248 | 18870 | 19372 | 20178 | 21840 | *19200* | *20000* | Sales ($mill) [A] | *23000* |
| 30.5% | 32.9% | 37.0% | 39.2% | 35.3% | 35.3% | 33.5% | 35.4% | 35.9% | 38.0% | *37.5%* | *37.0%* | Operating Margin | *37.5%* |
| 1114.0 | 1088.0 | 1978.0 | 2253.0 | 2154.0 | 2273.0 | 2229.0 | 2288.0 | 2286.0 | 2462.0 | *2300* | *2400* | Depreciation ($mill) | *2650* |
| 1869.1 | 2072.0 | 2862.8 | 3195.0 | 2875.6 | 3911.0 | 3203.0 | 3577.0 | 3803.0 | 4156.0 | *3550* | *3690* | Net Profit ($mill) | *4440* |
| 20.0% | 15.2% | 17.3% | 18.8% | 15.3% | 11.4% | 13.8% | 12.9% | 13.4% | 14.0% | *16.0%* | *16.0%* | Income Tax Rate | *16.0%* |
| 15.0% | 17.1% | 17.9% | 18.5% | 16.8% | 19.3% | 17.0% | 18.5% | 18.8% | 19.0% | *18.5%* | *18.4%* | Net Profit Margin | *19.3%* |
| 1967.0 | 15291 | 195.0 | 1009.0 | 3133.0 | 2212.0 | 330.0 | 2035.0 | 1512.0 | 942.0 | *d430* | *d215* | Working Cap'l ($mill) | *1655* |
| 10550 | 18667 | 18894 | 18081 | 17224 | 17110 | 13886 | 14738 | 17940 | 17621 | *14000* | *13000* | Long-Term Debt ($mill) | *10000* |
| 7633.0 | 12948 | 20994 | 21081 | 23765 | 23677 | 25282 | 25796 | 25890 | 25390 | *25500* | *27000* | Shr. Equity ($mill) [D] | *34000* |
| 11.3% | 7.4% | 7.8% | 8.9% | 7.6% | 10.1% | 8.6% | 9.3% | 9.3% | 10.3% | *10.0%* | *10.0%* | Return on Total Cap'l | *10.5%* |
| 24.5% | 16.0% | 13.6% | 15.2% | 12.1% | 16.5% | 12.7% | 13.9% | 14.7% | 16.4% | *14.0%* | *13.5%* | Return on Shr. Equity | *13.0%* |
| 17.1% | 10.8% | 9.2% | 10.5% | 7.8% | 11.7% | 8.4% | 9.5% | 10.4% | 11.7% | *9.5%* | *9.5%* | Retained to Com Eq | *9.5%* |
| 30% | 33% | 32% | 31% | 36% | 29% | 34% | 31% | 29% | 29% | *33%* | *31%* | All Div'ds to Net Prof | *27%* |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $17279 mill.
**LT Debt** $14706 mill. **LT Interest** $510 mill.
(Total interest coverage: 3.6x) (38% of Capital)

**Leases, Uncapitalized** Annual rentals $174 mill.
**Pension Assets-9/25** $2466 mill.
**Oblig.** $2837 mill.

**Pfd Stock** None
**Common Stock** 275,540,427 shares
**as of 3/31/26**
**MARKET CAP: $43.8 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 2161 | 649 | 816 |
| Receivables | 3033 | 2994 | 2205 |
| Inventory (FIFO) | 3843 | 3894 | 3357 |
| Other | 1431 | 1718 | 1634 |
| Current Assets | 10468 | 9255 | 8012 |
| Accts Payable | 1896 | 1974 | *1900* |
| Debt Due | 2170 | 1560 | 2573 |
| Other | 4890 | 4779 | 4034 |
| Current Liab. | 8956 | 8313 | 8507 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 4.5% | 3.0% | *3.5%* |
| "Cash Flow" | 8.0% | 3.5% | *3.5%* |
| Earnings | 7.5% | 4.0% | *4.0%* |
| Dividends | 6.0% | 4.5% | *2.5%* |
| Book Value | 12.0% | 2.5% | *6.5%* |

| Fiscal Year Ends | QUARTERLY SALES ($ mill.) [A] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 4586 | 4821 | 4878 | 5087 | 19372 |
| 2024 | 4706 | 5045 | 4990 | 5437 | 20178 |
| 2025 | 5169 | 5272 | 5509 | 5890 | 21840 |
| 2026 | 4486 | 4714 | *4900* | *5100* | *19200* |
| 2027 | *4675* | *4850* | *5100* | *5375* | *20000* |

| Fiscal Year Ends | EARNINGS PER SHARE [AB] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 2.98 | 2.86 | 2.96 | 3.42 | 12.21 |
| 2024 | 2.68 | 3.17 | 3.50 | 3.81 | 13.14 |
| 2025 | 3.43 | 3.35 | 3.68 | 3.96 | 14.40 |
| 2026 | 2.48 | 2.90 | *3.15* | *4.12* | *12.65* |
| 2027 | *3.00* | *2.95* | *3.25* | *4.20* | *13.40* |

| Cal-endar | QUARTERLY DIVIDENDS PAID [C■] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .87 | .87 | .87 | .91 | 3.52 |
| 2023 | .91 | .91 | .91 | .95 | 3.68 |
| 2024 | .95 | .95 | .95 | 1.04 | 3.89 |
| 2025 | 1.04 | 1.04 | 1.04 | 1.05 | 4.17 |
| 2026 | 1.05 | 1.05 | | | |

**BUSINESS:** Becton, Dickinson & Company operates in four segments: Medical Essentials (35% of FY'26 1H revenues); Interventional, 29%, Connected Care, 25%; and BioPharma Systems, 11%. FY '25 Research & Development: $1,265 mill, 5.7% of revenues. Acquired C.R Bard 12/17. Divested Diabetes Care business 3/22. Separated Biosciences & Diagnostics Solutions business to Waters Corp. 2/26. Employs about 72,000. Officers & directors own less than 1.0% of comm. stock; Vanguard Group, 11.3%; BlackRock, 7.9%.; T. Rowe Price, 5.6% (12/25 proxy). Chairman, CEO and President: Thomas E. Polen. Incorporated: New Jersey. Address: One Becton Drive, Franklin Lakes, New Jersey 07417. Telephone: 201-847-6800. Internet: www.bd.com.

**Becton, Dickinson (BD) is leaning in to its position as a pure-play medical technology company.** Indeed, the transformation was cemented after the company completed the separation of its Biosciences & Diagnostics Solutions business to Waters Corp. back in February. This was likely one of the final pieces of the plan which saw BD make a number of divestitures along with some acquisitions over the past few years. The hope is that the new direction will help boost shareholder value, as the shares have lagged those of several other medical device manufacturers. The most recent deal also allowed BD to shore up its finances and return capital to shareholders. The $4 billion cash infusion helped BD pay down debt and finance share buybacks.

**Near-term prospects are decent.** BD is slated to report fiscal 2026 third-quarter results (year ends September 30th) shortly after our press time, but we are calling for low single-digit top-line growth this year on a comparable basis. All of BD's operating units are performing relatively well, with the Medical Essentials segment seeing nice gains in vascular access management. In Connected Care, advanced patient monitoring revenues have been gaining steam, while the Interventional division is seeing increases in the urology business. Meanwhile, we raised our adjusted earnings estimate by $0.15 per share, to $12.65. Efficiency measures have been implemented to help offset tariff costs. In fiscal 2027, we are forecasting a 4% sales bump and a 6% bottom-line advance.

**Product development should continue to help drive long-term growth.** BD continues to invest heavily in R&D, with artificial intelligence likely to play a big role ahead.

**In our view, this equity has appeal for a variety of investors.** The stock has risen roughly 6% in value since our last full-page review in May and is ranked to outperform the broader market averages in the next six to 12 months. Looking further out, capital appreciation potential is above average out to 2029-2031 based on our long-term earnings projections. The yield is also enticing when compared to the rest of the *Value Line* universe.

*Kevin P. O'Sullivan* *August 7, 2026*

**(A)** Fiscal years end September 30th.
**(B)** Dil EPS. Qtly EPS may not sum. Excl nonrecurring (losses): '16 ($4.10); '17, ($4.88); '18, ($10.41); '19, ($7.79); '20, ($7.49); '21, ($6.23); '22, ($5.97); '23, ($7.11); '24, ($7.28); '25, ($8.58); '26 Q1-Q2, ($4.42). Excludes discontinued gain/(loss): '22, $0.50, '23, ($0.16); '26, ($0.98). Next egs report due early Nov.
**(C)** Dividends paid in late Dec., late March, late June, and late Sep. ■ DRIP available.
**(D)** Includes intangibles. In FY'25: $36.0 billion, $126.14 a share. **(E)** In millions.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 25 |
| Earnings Predictability | 95 |

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# BRISTOL-MYERS SQ. NYSE-BMY

RECENT PRICE **64.10** | P/E RATIO **11.5** (Trailing: 12.2 Median: 23.0) | RELATIVE P/E RATIO **0.66** | DIV'D YLD **3.9%** | VALUE LINE **1611**

**TIMELINESS** 2 Raised 3/6/26
**SAFETY** 2 Lowered 9/26/25
TECHNICAL 3 Lowered 7/31/26
**BETA** .70 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $42-$75 | $59 (-10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 80 | (+25%) | *9%* |
| Low | 60 | (-5%) | *3%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 994 | 1315 | 1238 |
| to Sell | 898 | 1004 | 1078 |
| Hld's(000) | 163606 | 118015 | 141827816 |

| | High: | 70.9 | 77.1 | 66.1 | 70.1 | 64.8 | 68.3 | 69.8 | 81.4 | 75.2 | 61.1 | 63.3 | 68.6 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Low: | 51.8 | 49.0 | 46.0 | 46.9 | 42.5 | 45.8 | 53.2 | 60.9 | 48.3 | 39.3 | 42.5 | 52.1 |

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
128 96 80 64 48 40 32 24 16 12

Percent shares traded 30 20 10

**% TOT. RETURN 9/14/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 45.4 | 18.2 |
| 3 yr. | 24.1 | 54.8 |
| 5 yr. | 26.7 | 50.7 |

Bristol-Myers Squibb was incorporated in Delaware in August 1933 as successor to a New York business started in 1887. The company was formed by a merger between Bristol-Myers Company and Squibb Corporation on October 4, 1989. The combination was effected through an exchange of 2.4 shares of Bristol-Myers for each share of Squibb.The merger was effected utilizing the pooling-of-interests accounting method.

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $43120 mill.
**LT Debt** $42093 mill. **LT Interest** $2394 mill. (66% of Cap'l)
(Total interest coverage: 1.4x)
**Leases, Capitalized** $12.3 mill.

**Pension Assets-12/25** $7.5 bill. **Oblig.** $8.3 bill.

**Pfd Stock** None
**Common Stock** 2,042,715,347 shs.
**as of 7/14/26**

**MARKET CAP: $131 billion (Mega Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 10859 | 10679 | 11067 |
| Receivables | 10747 | 11414 | 10553 |
| Inventory (Avg Cst) | 2557 | 2690 | 2737 |
| Other | 5617 | 4607 | 4222 |
| Current Assets | 29780 | 29390 | 28579 |
| Accts Payable | 3602 | 3575 | 4158 |
| Debt Due | 2046 | 2261 | 1027 |
| Other | 18126 | 17581 | 13474 |
| Current Liab. | 23774 | 23417 | 18659 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 9.0% | 9.5% | *1.0%* |
| "Cash Flow" | 12.0% | 18.5% | *8.5%* |
| Earnings | -2.0% | 23.0% | *27.0%* |
| Dividends | 5.0% | 7.5% | *2.5%* |
| Book Value | 1.5% | -8.0% | *4.5%* |

| Calendar | QUARTERLY SALES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 11337 | 11226 | 10966 | 11477 | 45006 |
| 2024 | 11865 | 12201 | 11892 | 12342 | 48300 |
| 2025 | 11201 | 12269 | 12222 | 12502 | 48194 |
| 2026 | 11489 | 12973 | ***12500*** | ***12503*** | ***49465*** |
| 2027 | ***12000*** | ***12250*** | ***12250*** | ***12500*** | ***49000*** |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1.07 | .99 | .93 | .89 | 3.88 |
| 2024 | d5.89 | .83 | .60 | .05 | d4.41 |
| 2025 | 1.20 | .64 | 1.08 | .54 | 3.46 |
| 2026 | 1.31 | 1.62 | ***1.60*** | ***1.27*** | ***5.80*** |
| 2027 | ***1.10*** | ***1.20*** | ***1.20*** | ***1.10*** | ***4.60*** |

| Calendar | QUARTERLY DIVIDENDS PAID [B]■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .54 | .54 | .54 | .57 | 2.19 |
| 2023 | .57 | .57 | .57 | .57 | 2.28 |
| 2024 | .60 | .60 | .60 | .60 | 2.40 |
| 2025 | .62 | .62 | .62 | .62 | 2.48 |
| 2026 | .63 | .63 | .63 | | |

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales per sh | 11.67 | 12.79 | 13.89 | 11.61 | 18.95 | 21.32 | 22.25 | 22.53 | 24.08 | 23.67 | ***24.20*** | ***24.00*** | Sales per sh | ***24.60*** |
| "Cash Flow" per sh | 2.91 | 2.89 | 3.42 | 2.30 | .61 | 8.13 | 8.00 | 8.90 | .33 | 5.49 | ***8.50*** | ***8.65*** | "Cash Flow" per sh | ***8.10*** |
| Earnings per sh [A] | 2.65 | 2.32 | 3.01 | 2.02 | d3.99 | 3.15 | 2.97 | 3.88 | d4.41 | 3.46 | ***5.80*** | ***4.60*** | Earnings per sh [A] | ***4.10*** |
| Div'ds Decl'd per sh [B]■ | 1.53 | 1.57 | 1.60 | 1.64 | 1.80 | 1.96 | 2.19 | 2.31 | 2.40 | 2.49 | ***2.52*** | ***2.58*** | Div'ds Decl'd per sh [B]■ | ***2.76*** |
| Cap'l Spending per sh | .73 | .65 | .59 | .37 | .34 | .45 | .54 | .61 | .62 | .64 | ***.65*** | ***.65*** | Cap'l Spending per sh | ***.70*** |
| Book Value per sh [C] | 9.72 | 7.23 | 8.64 | 22.92 | 16.85 | 16.52 | 14.97 | 14.73 | 8.14 | 9.07 | ***11.55*** | ***12.20*** | Book Value per sh [C] | ***13.95*** |
| Common Shs Outst'g [D] | 1664.0 | 1625.0 | 1624.0 | 2251.0 | 2244.0 | 2176.0 | 2075.0 | 1998.0 | 2006.0 | 2036.0 | ***2042.0*** | ***2040.0*** | Common Shs Outst'g [D] | ***2015.0*** |
| Avg Ann'l P/E Ratio | 23.9 | 24.8 | 19.1 | 24.9 | - - | 20.0 | 24.5 | 16.2 | 16.2 | 14.6 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | ***17.0*** |
| Relative P/E Ratio | 1.25 | 1.25 | 1.03 | 1.33 | - - | 1.08 | 1.42 | .90 | .90 | .76 | | | Relative P/E Ratio | ***.95*** |
| Avg Ann'l Div'd Yield | 2.4% | 2.7% | 2.8% | 3.3% | 3.0% | 3.1% | 3.0% | 3.7% | 4.8% | 4.9% | | | Avg Ann'l Div'd Yield | ***3.9%*** |
| Sales ($mill) | 19427 | 20776 | 22561 | 26145 | 42518 | 46385 | 46159 | 45006 | 48300 | 48194 | ***49465*** | ***49000*** | Sales ($mill) | ***49520*** |
| Operating Margin | 23.8% | 17.4% | 25.4% | 29.3% | 29.7% | 37.5% | 40.2% | 37.9% | 32.1% | 39.9% | ***39.5%*** | ***40.0%*** | Operating Margin | ***38.0%*** |
| Depreciation ($mill) | 382.0 | 789.0 | 637.0 | 1746.0 | 10380 | 10686 | 10276 | 9760.0 | 9600.0 | 4121.0 | ***5500*** | ***6000*** | Depreciation ($mill) | ***8015*** |
| Net Profit ($mill) | 4457.0 | 3907.0 | 4920.0 | 3439.0 | d9015 | 6994.0 | 6327.0 | 8025.0 | d8948 | 7054.0 | ***11845*** | ***9385*** | Net Profit ($mill) | ***8260*** |
| Income Tax Rate | 24.6% | 23.9% | 17.1% | 30.5% | - - | 13.4% | 17.7% | 4.7% | 4.7% | 24.4% | ***18.0%*** | ***20.0%*** | Income Tax Rate | ***20.5%*** |
| Net Profit Margin | 22.9% | 18.8% | 21.8% | 13.2% | NMF | 15.1% | 13.7% | 17.8% | NMF | 14.6% | ***23.9%*** | ***19.2%*** | Net Profit Margin | ***16.7%*** |
| Working Cap'l ($mill) | 4863.0 | 5291.0 | 6506.0 | 11050 | 11112 | 11394 | 5383.0 | 9508.0 | 6006.0 | 5973.0 | ***6500*** | ***6500*** | Working Cap'l ($mill) | ***7600*** |
| Long-Term Debt ($mill) | 5716.0 | 6975.0 | 5646.0 | 43387 | 48336 | 39605 | 35056 | 36653 | 47603 | 44676 | ***42090*** | ***42050*** | Long-Term Debt ($mill) | ***43400*** |
| Shr. Equity ($mill) [C] | 16177 | 11741 | 14031 | 51598 | 37822 | 35946 | 31061 | 29430 | 16335 | 18473 | ***23600*** | ***24900*** | Shr. Equity ($mill) [C] | ***28070*** |
| Return on Total Cap'l | 21.1% | 21.9% | 26.0% | 4.1% | NMF | 9.9% | 10.5% | 13.0% | NMF | 12.7% | ***31.0%*** | ***18.5%*** | Return on Total Cap'l | ***11.5%*** |
| Return on Shr. Equity | 27.6% | 33.3% | 35.1% | 6.7% | NMF | 19.5% | 20.4% | 27.3% | NMF | 38.2% | ***50.0%*** | ***37.5%*** | Return on Shr. Equity | ***29.5%*** |
| Retained to Com Eq | 11.8% | 11.3% | 16.4% | 1.5% | NMF | 7.2% | 5.5% | 11.1% | NMF | 10.9% | ***28.5%*** | ***16.5%*** | Retained to Com Eq | ***9.5%*** |
| All Div'ds to Net Prof | 57% | 66% | 53% | 78% | NMF | 63% | 73% | 59% | NMF | 72% | ***30%*** | ***56%*** | All Div'ds to Net Prof | ***67%*** |

**BUSINESS:** Bristol-Myers Squibb is a specialty biopharmaceutical manufacturer. It has two divisions; Active Core Portfolio, and Legacy and Related Products. Major brand names include: *Revlimid*, *Eliquis*, *Opdivo*, *Orencia*, *Pomalyst*, *Sprycel*, *Yervoy*, *Abraxane*, *Empliciti*, *Reblozyl*, *Inrebic*, *Plavix*, *Avapro*, *Reyataz*, *Sustiva*, *Baraclude*, *Erbitux*, and *Taxol*. Foreign sales represent 31% of '25 total, (25% of op. profit); R&D, 22%. '25 depreciation rate: 10.2%. Estimated plant age: 20 years. Has about 34,300 employees. Off. & dir. own less than 1% of stock; Vanguard, 9.7%; BlackRock, 7.1% (4/26 proxy). Chairman and CEO: Christopher S. Boerner. Inc.: DE. Addr.: Route 206, Province Line Rd., Princeton, NJ 08543. Tel.: 212-546-4000. Internet: www.bms.com.

**Why have Bristol-Myers Squibb's earnings suddenly surged?** Although first-half sales have only risen 4.2%, share earnings have exploded by almost 60%. This is thanks to one huge last push by Bristol to sell its blockbuster blood thinner *Eliquis*. In early 2026, the company reduced the price of the drug for cash-paying and commercial patients. This cut allowed BMY to completely eliminate costly inflationary penalties, and statutory rebates, which are mandated by the U.S. government. This optimized net margins substantially on every pill sold. In tandem with this move, BMY significantly enhanced its marketing campaigns to gain a stranglehold on the blood thinner market. It now holds an unprecedented 80% share.

**This profit surge is expected to dissipate next year.** That's when *Eliquis* loses patent protection in Europe. It loses protection in the U.S. in 2028. Some of the drug company's newer medicines are expected to fill the sales and profit gap to a certain extent, but the drop off in legacy drug sales is likely to prevent any top- and bottom-line expansion. In addition, the Inflation Reduction Act (IRA) is expected to cap the price of many of Bristol's brand-name products.

**In order to counter the aforementioned, Bristol is shifting gears.** It's focusing more on expanding its immunology, oncology, and RNA-based treatment portfolios. Cancer drugs have longer periods of unnegotiated pricing freedom before they are subject to IRA pricing restrictions. Bristol is also leading the drug company legal charge against pricing restrictions by bringing lawsuits against the Department of Health & Human Services. Lastly, the company is forming alliances with other drug companies to share the cost of bringing promising pipeline drugs to market. Recent examples are the $15.2 billion collaboration with Hengrui, and its acquisition of Orbital Therapeutics.

**Most investors buy this stock for its relative price stability and above-average dividend yield.** Although with bond yields rising, the income-oriented attraction is diminishing. And long-term operational catalysts for growth are seemingly few and far between. As such, capital gains potential is minimal.

*Jeremy J. Butler* *September 25, 2026*

**(A)** Based on GAAP diluted shares outstanding. Next earnings report due in late November. Includes extraordinary charge of $0.83 in 2012; $1.10 in 2017. 2024 March qtr. earnings includes $6.86 a share for in-process R&D charges.
**(B)** Dividends historically paid in the first week of February, May, August, and November.
■ Dividend reinvestment plan available.
**(C)** Includes intangibles. In '25: $40.8 million, $20.04/sh.
**(D)** In millions.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 15 |
| Earnings Predictability | 5 |

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# CARDINAL HEALTH NYSE-CAH

RECENT PRICE 229.35 | P/E RATIO 19.5 (Trailing: 22.0 Median: 13.0) | RELATIVE P/E RATIO 1.09 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 1 Raised 10/31/25
SAFETY 3 Lowered 8/17/18
TECHNICAL 3 Raised 7/24/26
BETA .85 (1.00 = Market)

**18-Month Target Price Range**
Low-High Midpoint (% to Mid)
$183-$374 $279 (20%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 305 | (+35%) | 8% |
| Low | 205 | (-10%) | -1% |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 541 | 574 | 709 |
| to Sell | 566 | 424 | 606 |
| Hld's(000) | 208105 | 212790 | 233591 |

| | High: | 91.9 | 90.0 | 84.9 | 75.8 | 56.9 | 60.7 | 63.0 | 81.6 | 108.9 | 126.2 | 214.9 | 243.2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Low: | 74.8 | 62.7 | 54.7 | 42.2 | 41.0 | 39.1 | 45.8 | 48.4 | 68.5 | 93.2 | 117.5 | 180.5 |

LEGENDS
13.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2029 | 2030 | 2031

% TOT. RETURN 7/27/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 47.5 | 23.1 |
| 3 yr. | 159.9 | 52.8 |
| 5 yr. | 330.6 | 47.8 |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 276.38 | 292.35 | 313.56 | 297.02 | 270.56 | 312.59 | 377.47 | 411.32 | 442.75 | 486.74 | 521.92 | 558.31 | 664.34 | 816.78 | 930.27 | 931.29 | *1093.25* | *1192.00* | Sales per sh [A] | *1444.45* |
| 2.97 | 3.57 | 4.07 | 4.50 | 4.83 | 5.08 | 6.42 | 6.35 | 4.17 | 7.90 | 8.59 | 8.32 | 7.73 | 8.45 | 10.52 | 11.65 | *14.85* | *16.70* | "Cash Flow" per sh | *21.80* |
| 2.22 | 2.67 | 3.06 | 3.29 | 3.37 | 3.61 | 4.32 | 4.03 | .81 | 4.53 | 5.45 | 5.57 | 5.06 | 5.79 | 7.53 | 8.24 | *10.80* | *12.05* | Earnings per sh [A B] | *16.00* |
| .74 | .82 | .88 | 1.09 | 1.25 | 1.41 | 1.61 | 1.81 | 1.86 | 1.91 | 1.93 | 1.94 | 1.96 | 1.98 | 2.00 | 2.03 | *2.06* | *2.10* | Div'ds Decl'd per sh [C] | *2.26* |
| .72 | .83 | .77 | .57 | .74 | .91 | 1.44 | 1.22 | 1.24 | 1.10 | 1.28 | 1.37 | 1.42 | 1.92 | 2.09 | 2.29 | *2.40* | *2.50* | Cap'l Spending per sh | *2.80* |
| 14.80 | 16.66 | 18.20 | 17.56 | 19.01 | 19.07 | 20.41 | 21.54 | 19.61 | 21.16 | 6.11 | 6.15 | d2.60 | d11.36 | d13.17 | d11.64 | *d12.60* | *d12.30* | Book Value per sh [D] | *d8.90* |
| 356.40 | 351.10 | 343.00 | 340.36 | 336.65 | 328.00 | 322.00 | 316.00 | 309.00 | 299.00 | 293.00 | 291.00 | 273.00 | 251.00 | 244.00 | 239.00 | *234.00* | *232.00* | Common Shs Outst'g | *225.00* |
| 14.6 | 14.3 | 13.8 | 13.0 | 18.5 | 22.6 | 19.1 | 19.0 | NMF | 11.0 | 9.2 | 9.8 | 10.5 | 12.9 | 13.3 | 15.1 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *16.0* |
| .93 | .90 | .88 | .73 | .97 | 1.14 | 1.00 | .96 | NMF | .59 | .47 | .53 | .61 | .72 | .70 | .78 | | | Relative P/E Ratio | *.90* |
| 2.3% | 2.1% | 2.1% | 2.5% | 2.0% | 1.7% | 2.0% | 2.4% | 2.9% | 3.8% | 3.8% | 3.6% | 3.7% | 2.7% | 2.0% | 1.6% | | | Avg Ann'l Div'd Yield | *.9%* |
| 121546 | 129976 | 136809 | 145534 | 152922 | 162467 | 181364 | 205012 | 226986 | 222578 | *255820* | *276540* | Sales ($mill) [A] | *325000* |
| 2.9% | 2.7% | 2.1% | 2.1% | 2.2% | 1.9% | 1.5% | 1.1% | 1.4% | 1.6% | *1.9%* | *2.1%* | Operating Margin | *2.5%* |
| 641.0 | 717.0 | 1032.0 | 1000.0 | 913.0 | 783.0 | 692.0 | 692.0 | 710.0 | 790.0 | *950* | *1075* | Depreciation ($mill) | *1300* |
| 1427.0 | 1290.0 | 256.0 | 1363.0 | 1605.0 | 1637.0 | 1419.0 | 1428.0 | 1856.0 | 1994.0 | *2525* | *2795* | Net Profit ($mill) | *3600* |
| 37.1% | 32.7% | - - | 22.0% | 25.1% | 22.8% | 22.1% | 23.9% | 21.7% | 21.0% | *22.0%* | *22.0%* | Income Tax Rate | *22.0%* |
| 1.2% | 1.0% | .2% | .9% | 1.0% | 1.0% | .8% | .7% | .8% | .9% | *1.0%* | *1.0%* | Net Profit Margin | *1.1%* |
| 2255.0 | 7124.0 | 1660.0 | 1638.0 | 2325.0 | 3424.0 | 2385.0 | 127.0 | d756.0 | d2524 | *d4050* | *d3900* | Working Cap'l ($mill) | *d2500* |
| 4952.0 | 9068.0 | 8012.0 | 7579.0 | 6765.0 | 5365.0 | 4735.0 | 3909.0 | 4658.0 | 7977.0 | *8200* | *8000* | Long-Term Debt ($mill) | *7250* |
| 6571.0 | 6808.0 | 6059.0 | 6328.0 | 1789.0 | 1791.0 | d709.0 | d2852 | d3213 | d2781 | *d2950* | *d2850* | Shr. Equity ($mill) | *d2000* |
| 13.0% | 8.7% | 2.9% | 10.8% | 20.1% | 24.1% | 37.0% | NMF | NMF | 42.2% | *NMF* | *NMF* | Return on Total Cap'l | *NMF* |
| 21.7% | 18.9% | 4.2% | 21.5% | NMF | NMF | - - | - - | NMF | NMF | *NMF* | *NMF* | Return on Shr. Equity | *NMF* |
| 13.9% | 10.5% | NMF | 12.4% | NMF | NMF | - - | - - | NMF | NMF | *NMF* | *NMF* | Retained to Com Eq | *NMF* |
| 36% | 45% | NMF | 42% | 35% | 35% | 39% | 37% | 27% | 25% | *19%* | *17%* | All Div'ds to Net Prof | *14%* |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $8916.0 mill.
**LT Debt** $8245.0 mill. **LT Interest** $455.0 mill.

**Leases, Uncapitalized** $157.0 million
**No Defined Benefit Pension Plan**
**Pfd Stock** None

**Common Stock** 234,205,855 shs.
**as of 4/24/26**

**MARKET CAP: $53.7 billion (Large Cap)**

**CURRENT POSITION ($MILL.)**

| | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 5133 | 3874 | 3937 |
| Receivables | 12084 | 13242 | 13648 |
| Inventory | 14957 | 16831 | 18007 |
| Other | 2710 | 2426 | 2472 |
| Current Assets | 34884 | 36373 | 38064 |
| Accts Payable | 31759 | 34713 | 37834 |
| Debt Due | 434 | 550 | 671 |
| Other | 3447 | 3634 | 3484 |
| Current Liab. | 35640 | 38897 | 41989 |

**ANNUAL RATES** of change (per sh)

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 12.0% | 13.0% | *8.5%* |
| "Cash Flow" | 8.0% | 8.0% | *14.0%* |
| Earnings | 7.5% | 15.0% | *15.0%* |
| Dividends | 5.0% | 1.0% | *2.0%* |
| Book Value | - - | - - | *NMF%* |

**QUARTERLY SALES ($ mill.)[A]**

| Fiscal Year Ends | Sep.30 | Dec.31 | Mar.31 | Jun.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 49613 | 51459 | 50487 | 53453 | 205012 |
| 2024 | 54763 | 57445 | 54911 | 59867 | 226986 |
| 2025 | 52277 | 55264 | 54878 | 60159 | 222578 |
| 2026 | 64009 | 65627 | 60940 | *65244* | *255820* |
| 2027 | *69150* | *70725* | *66500* | *70165* | *276540* |

**EARNINGS PER SHARE [A B]**

| Fiscal Year Ends | Sep.30 | Dec.31 | Mar.31 | Jun.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1.19 | 1.32 | 1.74 | 1.54 | 5.79 |
| 2024 | 1.73 | 1.82 | 2.08 | 1.84 | 7.53 |
| 2025 | 1.88 | 1.93 | 2.35 | 2.08 | 8.24 |
| 2026 | 2.55 | 2.63 | 3.17 | *2.45* | *10.80* |
| 2027 | *2.85* | *2.95* | *3.50* | *2.75* | *12.05* |

**QUARTERLY DIVIDENDS PAID [C]**

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .4908 | .4908 | .4957 | .4957 | 1.97 |
| 2023 | .4957 | .4957 | .5006 | .5006 | 1.99 |
| 2024 | .5001 | .5001 | .5056 | .5056 | 2.01 |
| 2025 | .5056 | .5056 | .5107 | .5107 | 2.03 |
| 2026 | .5107 | .5107 | .5150 | | |

**BUSINESS:** Cardinal Health, Inc. is a healthcare services and products company. It engages in the provision of customized solutions for hospitals, health systems, pharmacies, ambulatory centers, labs, and physician offices. Operates in two segments: Pharmaceutical and Specialty Solutions, 93% of fiscal 2025 sales, and Global Medical Products and Distribution, 7%. Acquired AssuraMed, February '13, Harvard Drug, July '15, Cordis, October '15; Patient Recovery Business, July '17. Employs about 57,700. Officers & directors. own less than 1% of common stock; Vanguard, 12.9%; State Street, 6.1% (9/25 Proxy). CEO: Jason Hollar. Inc.: Ohio. Address: 7000 Cardinal Place, Dublin, Ohio 43017. Telephone: 614-757-5000. Internet: www.cardinal-health.com.

**We believe Cardinal Health closed out fiscal 2026 (year ended June 30th) with all-time high annual sales and earnings.** We won't know for sure until August 11th, but our expectation is that the company earned $10.80 in the fiscal year recently completed. This is likely to come on the back of a sales base of around $256 billion. Our view calls for strong momentum in the pharmaceutical side of operations, coupled with strong execution. Subscribers should note, however, that cost headwinds at the medical distribution arm were blowing as the year drew to a close. Earnings Predictability here (40 out of 100) is far from ideal.

**Fiscal 2027 is apt to be another record-breaking year on the top and bottom lines.** Share earnings are pegged to grow by a double-digit percentage in our model, aided by an 8% annual gain on the sales line. Profitability should get a shot in the arm later in the campaign when the Indianapolis distribution hub comes on line. Robotics and automated storage are key features. Specialty pharma receipts should continue to show strength due to increasingly favorable demand patterns from Cardinal's loyal customer base.

**With the good times rolling, management is not resting on its laurels.** The future growth strategy is being laid out. The expansion of specialty medicine, a ramp-up within its at-home care portfolio, and increased use of supply-chain automation are key tenets. Biopharma solutions will be highly emphasized on the medicine side of the coin, while recent acquisitions (namely AdaptHealth and Strive Medical) will bring a bevy of new at-home clients into the fold. Advanced distribution centers are also in the works to ease the burden on the supply chain. All told, we think earnings can rise to $16.00 a share on an adjusted basis out to early next decade.

**These shares continue to reside at the zenith (1: Highest) of our Timeliness Ranking Scale.** The stock is up 12% in the trailing three months, contributing to a nearly 50% incline over the last year. That said, the quote now sits within our upwardly revised long-term Target Price Range (was $195-$295). Conversely, we still think this equity has room to run over the coming six to 12 months.

*Erik M. Manning* *August 7, 2026*

**(A)** Fiscal year ends June 30th. Quarterly sales/earnings many not sum due to rounding. **(B)** Diluted earnings. Excl. nonrecur. (losses): '22, ($8.41); '23, ($4.79); '24, ($4.08); '25, ($1.79). Next earnings report due August 11th. GAAP accounting beginning fiscal 2014 in the array, began using non-GAAP in 2025. **(C)** Dividends paid in mid-January, April, July, and October. **(D)** Includes intangibles. As of 6/30/25, $12.58 billion/$52.64 a share.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 40 |
| Earnings Predictability | 45 |

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# CASEY'S GEN'L STRS. NDQ-CASY

RECENT PRICE 807.18 | P/E RATIO 37.5 (Trailing: 46.3 Median: 23.0) | RELATIVE P/E RATIO 2.04 | DIV'D YLD 0.3% | VALUE LINE

**TIMELINESS** 1 Raised 1/30/26
**SAFETY** 2 Raised 7/14/23
TECHNICAL 1 Raised 6/26/26
**BETA** .85 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$666-$1350 $1008 (25%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 835 | (+5%) | 1% |
| Low | 620 | (-25%) | -6% |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 370 | 317 | 520 |
| to Sell | 358 | 281 | 384 |
| Hld's(000) | 32004 | 32212 | 35383 |

| | 129.5 | 136.2 | 125.4 | 137.1 | 179.2 | 196.6 | 229.2 | 249.9 | 286.6 | 439.7 | 576.0 | 927.9 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 80.9 | 98.8 | 99.8 | 90.4 | 122.9 | 114.0 | 175.0 | 170.8 | 202.1 | 268.1 | 372.1 | 551.4 |
| Low: | | | | | | | | | | | | |

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031

Percent shares traded 30 20 10

% TOT. RETURN 7/6/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 56.7 | 23.1 |
| 3 yr. | 235.9 | 52.8 |
| 5 yr. | 329.7 | 47.8 |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 148.43 | 183.21 | 189.06 | 203.60 | 199.74 | 182.36 | 193.64 | 227.56 | 255.09 | 249.29 | 235.65 | 349.01 | 405.08 | 401.61 | 429.45 | 475.91 | *540.55* | *567.55* | Sales per sh [A] | *675.70* |
| 4.66 | 5.59 | 5.80 | 6.90 | 8.72 | 10.16 | 9.68 | 9.87 | 12.23 | 13.99 | 15.65 | 17.40 | 20.44 | 23.02 | 25.60 | 31.56 | *35.00* | *38.35* | "Cash Flow" per sh | *46.90* |
| 2.22 | 3.07 | 2.86 | 3.46 | 4.68 | 5.73 | 4.48 | 3.73 | 5.51 | 7.10 | 8.38 | 9.10 | 11.91 | 13.43 | 14.64 | 19.16 | *21.50* | *23.50* | Earnings per sh [A B] | *28.00* |
| .46 | .60 | .66 | .71 | .80 | .86 | .96 | 1.04 | 1.16 | 1.28 | 1.32 | 1.39 | 1.52 | 1.67 | 2.00 | 2.28 | *2.60* | *2.68* | Div'ds Decl'd per sh [C] | *3.15* |
| 10.64 | 13.27 | 15.70 | 18.69 | 22.51 | 27.74 | 30.71 | 34.47 | 38.42 | 44.65 | 52.31 | 60.38 | 71.40 | 81.48 | 94.53 | 107.09 | *125.70* | *145.95* | Book Value per sh | *191.90* |
| 37.97 | 38.14 | 38.35 | 38.51 | 38.89 | 39.06 | 38.77 | 36.87 | 36.67 | 36.81 | 36.95 | 37.11 | 37.26 | 37.01 | 37.12 | 36.90 | *37.00* | *37.00* | Common Shs Outst'g [D] | *37.00* |
| 17.8 | 15.6 | 19.4 | 19.6 | 17.0 | 18.6 | 26.8 | 29.8 | 21.9 | 22.3 | 21.6 | 21.8 | 18.0 | 20.0 | 26.8 | 29.8 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *26.0* |
| 1.13 | .98 | 1.23 | 1.10 | .89 | .94 | 1.41 | 1.50 | 1.18 | 1.19 | 1.11 | 1.18 | 1.04 | 1.11 | 1.40 | 1.58 | | | Relative P/E Ratio | *1.40* |
| 1.2% | 1.2% | 1.2% | 1.0% | 1.0% | .8% | .8% | .9% | 1.0% | .8% | .7% | .7% | .7% | .6% | .5% | .4% | | | Avg Ann'l Div'd Yield | *.4%* |
| 7506.6 | 8391.1 | 9352.9 | 9175.3 | 8707.2 | 12953 | 15094 | 14863 | 15941 | 17561.1 | *20000* | *21000* | Sales ($mill) [A] | *25000* |
| 22.4% | 21.1% | 20.9% | 23.4% | 27.1% | 21.3% | 20.4% | 22.5% | 23.5% | 24.6% | *25.0%* | *25.0%* | Gross Margin | *25.5%* |
| 6.8% | 5.8% | 6.0% | 7.0% | 8.3% | 6.2% | 6.3% | 7.1% | 7.5% | 8.4% | *8.0%* | *8.5%* | Operating Margin | *8.0%* |
| 1978 | 2073 | 2146 | 2207 | 2243 | 2452 | 2521 | 2658 | 2904 | 2944 | *3050* | *3150* | Number of Stores [E] | *3450* |
| 177.5 | 143.0 | 203.9 | 263.8 | 312.9 | 339.8 | 446.7 | 502.0 | 546.5 | 714.4 | *795* | *870* | Net Profit ($mill) | *1035* |
| 34.2% | 33.3% | 22.6% | 22.9% | 23.2% | 22.9% | 24.0% | 23.5% | 23.3% | 23.8% | *24.0%* | *24.0%* | Income Tax Rate | *24.0%* |
| 2.4% | 1.7% | 2.2% | 2.9% | 3.6% | 2.6% | 3.0% | 3.4% | 3.4% | 4.1% | *4.0%* | *4.1%* | Net Profit Margin | *4.1%* |
| d95.9 | d111.1 | d180.3 | d676.1 | 110.8 | d179.7 | d6.1 | d123.6 | d88.8 | 3.4 | *d50.0* | *d50.0* | Working Cap'l ($mill) | *250* |
| 907.4 | 1291.7 | 1283.3 | 714.5 | 1361.4 | 1663.4 | 1620.5 | 1582.8 | 2413.6 | 2330.2 | *2200* | *2200* | Long-Term Debt ($mill) | *3000* |
| 1190.6 | 1271.1 | 1408.8 | 1643.2 | 1932.7 | 2240.8 | 2660.7 | 3015.4 | 3508.7 | 3951.7 | *4650* | *5400* | Shr. Equity ($mill) | *7100* |
| 9.4% | 6.6% | 8.6% | 12.3% | 10.2% | 9.4% | 11.0% | 11.5% | 10.1% | 11.4% | *11.5%* | *11.5%* | Return on Total Cap'l | *10.5%* |
| 14.9% | 11.2% | 14.5% | 16.1% | 16.2% | 15.2% | 16.8% | 16.6% | 15.6% | 18.1% | *17.0%* | *16.0%* | Return on Shr. Equity | *14.5%* |
| 11.8% | 8.2% | 11.5% | 13.3% | 13.7% | 12.9% | 14.7% | 14.6% | 13.5% | 15.8% | *15.0%* | *14.5%* | Retained to Com Eq | *13.0%* |
| 21% | 27% | 20% | 17% | 15% | 15% | 12% | 13% | 13% | 12% | *12%* | *11%* | All Div'ds to Net Prof | *11%* |

**CAPITAL STRUCTURE as of 4/30/26**
**Total Debt** $2431.6 mill.
**LT Debt** $2330.2 mill. **LT Interest** $100 mill.
(Incl. $115 mill. capitalized leases; total interest coverage: 16x)
(37% of Cap'l)

**Leases, Uncapitalized** Annual rentals $36.9 mill.
**No Defined Benefit Pension Plan**

**Pfd Stock** None
**Common Stock** 37,004,914 shs.
**as of 6/16/26**

**MARKET CAP: $29.9 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2023 | 2024 | 4/30/26 |
|---|---|---|---|
| Cash Assets | 206.5 | 326.7 | 523.0 |
| Receivables | 151.8 | 180.7 | 243.5 |
| Inventory (LIFO) | 428.7 | 480.0 | 557.2 |
| Other | 42.9 | 25.5 | 40.3 |
| Current Assets | 829.9 | 1012.9 | 1364.0 |
| Accts Payable | 569.5 | 620.4 | 823.8 |
| Debt Due | 53.2 | 94.9 | 101.4 |
| Other | 330.8 | 386.4 | 425.4 |
| Current Liab. | 953.5 | 1101.7 | 1350.6 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 8.0% | 11.0% | *4.5%* |
| "Cash Flow" | 11.0% | 11.5% | *9.5%* |
| Earnings | 11.5% | 15.0% | *12.0%* |
| Dividends | 9.0% | 8.0% | *10.5%* |
| Book Value | 14.5% | 14.5% | *10.5%* |

| Fiscal Year Begins | QUARTERLY SALES ($ mill.) [A] Jul.31 | Oct.31 | Jan.31 | Apr.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 3869 | 4064 | 3329 | 3600 | 14862.9 |
| 2024 | 4098 | 3947 | 3904 | 3992 | 15940.9 |
| 2025 | 4567 | 4506 | 3916 | 4572 | 17561.1 |
| 2026 | *5200* | *5130* | *4460* | *5210* | *20000* |
| 2027 | *5460* | *5385* | *4685* | *5470* | *21000* |

| Fiscal Year Begins | EARNINGS PER SHARE [A B] Jul.31 | Oct.31 | Jan.31 | Apr.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 4.52 | 4.24 | 2.33 | 2.34 | 13.43 |
| 2024 | 4.83 | 4.85 | 2.33 | 2.63 | 14.64 |
| 2025 | 5.77 | 5.53 | 3.49 | 4.37 | 19.16 |
| 2026 | *6.45* | *6.20* | *3.90* | *4.95* | *21.50* |
| 2027 | *7.05* | *6.80* | *4.25* | *5.40* | *23.50* |

| Cal-endar | QUARTERLY DIVIDENDS PAID [C] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .35 | .35 | .38 | .38 | 1.46 |
| 2023 | .38 | .38 | .43 | .43 | 1.62 |
| 2024 | .43 | .43 | .50 | .50 | 1.86 |
| 2025 | .50 | .50 | .57 | .57 | 2.14 |
| 2026 | .57 | .57 | | | |

**BUSINESS:** Casey's General Stores operates convenience stores in sixteen Midwestern states, primarily in Iowa, Missouri, and Illinois. Stores sell gasoline and food (including pizza, doughnuts, hamburgers, etc.), beer and other beverages, and non-food items. In fiscal 2025, Casey's had 2,944 company-owned locations (vs 2,904 in 2024); gasoline accounted for 60% of net sales (vs 61% in 2024); nonfuel retail sales generated 36% of sales, 62% of gross profit over past three years. Has 23,490 full-time employees, 26,358 part time. Off. & Dir. own less than 1% of common stock out. (7/25 Proxy). Chairman, President & CEO: Darren M. Rebelez. Incorporated: IA. Address: One Convenience Blvd., Ankeny, IA 50021. Tel.: 515-965-6100. Internet: www.caseys.com.

**Casey's ended fiscal 2025 on a strong note.** (Year ended April 30th.) Earnings per share rose at a blistering 66% pace to $4.37. Higher inside-store profit and unusually strong fuel margins did the trick. Inside sales, which typically produce the majority of operating profit, increased by 6% on a same-store basis, with prepared food and dispensed beverages up 7%, and grocery and general merchandise up 5%. The company saw strong demand for its whole pizzas, appetizers, and sides offerings, and a positive trend in nonalcoholic beverages. Fuel same-store gallons rose 2%, while the fuel margin expanded to just under 47¢ per gallon, a level that may not be repeatable if wholesale prices stabilize or competitive pricing tightens.

**Management recently outlined its three-year strategy.** The newly announced plan targets 8% to 10% annual EBITDA growth, at least 400 additional stores, mid-single-digit inside sales growth, modest inside margin expansion, and improved free cash flow. To achieve this, Casey's will continue to build the food and beverage business, expand the store base, and use technology and process improvements to run stores more efficiently. The strategy is credible because Casey's has a strong competitive advantage from its pizza, rural scale, loyalty, and store control. These pillars support further share gains, but the targets are ambitious, and will likely depend on clean acquisitions, successful food growth, cost discipline, and less reliance on recent fuel margins.

**We've raised our top- and bottom-line estimates.** Given the fiscal fourth quarter's strong outperformance over our forecasts, and management's ambitious plan outline, we have raised our expectations. We now think year-ahead growth should be particularly soild, with sales expansion at 14%, to $20 billion, and earnings per share up 12%, to $21.50. We've also raised our outlook for the number of stores, with more than 100 additions likely to open this year.

**The stock has our Highest (1) Timeliness rank.** This suggests that recent price momentum may continue. However, the company's valuation is, in our view, already stretched, and our long-term forecasts leave much to be desired.

*Earl B. Humes* *July 17, 2026*

**(A)** Fiscal year ends April 30th of the following calendar year. Sales figures exclude royalty income and the revenues from franchised stores.
**(B)** Diluted egs. Adjusted (non-GAAP) egs. starting in 2025. Excludes nonrecurring gains (losses): '17, $4.61. Next earnings report due late August.
**(C)** Dividends historically paid early February, May, August, and November.
**(D)** In millions.
**(E)** Includes only company-owned stores.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 80 |
| Price Growth Persistence | 85 |
| Earnings Predictability | 90 |

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# CHEMED CORP. NYSE-CHE

RECENT PRICE 499.62 | P/E RATIO 19.2 (Trailing: 21.4 Median: 25.0) | RELATIVE P/E RATIO 1.12 | DIV'D YLD 0.6% | VALUE LINE

**TIMELINESS** 1 Raised 5/22/26
**SAFETY** 2 Lowered 8/22/25
TECHNICAL 1 Raised 9/25/26
**BETA** .65 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$397-$691 $544 (10%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 890 | (+80%) | *16%* |
| Low | 660 | (+30%) | *8%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 151 | 232 | 244 |
| to Sell | 227 | 261 | 244 |
| Hld's(000) | 13573 | 14671 | 14830 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 160.1 | 164.1 | 251.0 | 336.0 | 445.1 | 543.8 | 560.0 | 530.7 | 596.9 | 654.6 | 623.6 | 557.0 | | | | | | |
| Low: | 100.5 | 124.8 | 158.6 | 243.7 | 265.1 | 330.0 | 403.0 | 430.2 | 482.0 | 512.1 | 408.4 | 365.2 | | | | | | |

LEGENDS
19.5 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
1250 / 800 / 600 / 500 / 400 / 300 / 250 / 200 / 150 / 100 / 75

Percent shares traded 30 / 20 / 10

% TOT. RETURN 9/21/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 11.1 | 18.2 |
| 3 yr. | -0.9 | 54.8 |
| 5 yr. | 7.6 | 50.7 |

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| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 60.18 | 71.15 | 77.17 | 80.37 | 86.22 | 91.88 | 97.42 | 103.92 | 112.31 | 121.59 | 130.73 | 143.45 | 143.53 | 150.61 | 167.02 | 184.54 | *209.25* | *221.55* | Revenues per sh | *276.15* |
| 5.21 | 6.06 | 6.47 | 6.23 | 7.84 | 8.56 | 8.86 | 11.02 | 15.07 | 17.29 | 22.19 | 24.64 | 24.04 | 25.77 | 28.47 | 27.46 | *30.75* | *33.45* | "Cash Flow" per sh | *41.55* |
| 3.55 | 4.10 | 4.62 | 4.16 | 5.57 | 6.33 | 6.48 | 8.43 | 11.93 | 13.95 | 18.08 | 19.35 | 19.76 | 21.45 | 23.14 | 21.55 | *25.50* | *27.50* | Earnings per sh A | *33.70* |
| .52 | .60 | .68 | .76 | .84 | .92 | 1.00 | 1.08 | 1.16 | 1.24 | 1.32 | 1.40 | 1.48 | 1.56 | 1.80 | 2.20 | *2.60* | *3.00* | Div'ds Decl'd per sh B■ | *4.20* |
| 1.21 | 1.55 | 1.92 | 1.67 | 2.58 | 2.63 | 2.46 | 4.01 | 3.33 | 3.33 | 3.70 | 3.93 | 3.85 | 3.78 | 3.40 | 4.58 | *4.90* | *5.10* | Cap'l Spending per sh | *5.40* |
| 21.71 | 21.71 | 24.46 | 25.53 | 26.72 | 30.55 | 32.38 | 33.69 | 37.25 | 45.58 | 56.65 | 41.80 | 53.70 | 73.69 | 76.87 | 71.44 | *65.40* | *73.85* | Book Value per sh | *98.10* |
| 21.28 | 19.06 | 18.53 | 17.58 | 16.89 | 16.80 | 16.19 | 16.04 | 15.87 | 15.94 | 15.91 | 14.91 | 14.88 | 15.03 | 14.56 | 13.71 | *13.00* | *13.00* | Common Shs Outst'g C | *13.00* |
| 15.6 | 14.9 | 13.6 | 17.7 | 17.0 | 20.7 | 21.4 | 23.5 | 25.1 | 26.5 | 25.9 | 24.9 | 24.5 | 25.0 | 24.9 | 23.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *23.0* |
| .99 | .93 | .87 | .99 | .89 | 1.04 | 1.12 | 1.18 | 1.36 | 1.41 | 1.33 | 1.35 | 1.42 | 1.39 | 1.30 | 1.22 | | | Relative P/E Ratio | *1.30* |
| .9% | 1.0% | 1.1% | 1.0% | .9% | .7% | .7% | .5% | .4% | .3% | .3% | .3% | .3% | .3% | .3% | .4% | | | Avg Ann'l Div'd Yield | *.6%* |
| 1576.9 | 1666.7 | 1782.6 | 1938.6 | 2079.6 | 2139.3 | 2135.0 | 2264.4 | 2431.3 | 2530.0 | *2720* | *2880* | Revenues ($mill) | *3590* |
| 13.8% | 15.2% | 17.1% | 17.9% | 22.1% | 20.7% | 20.7% | 21.0% | 21.4% | 17.8% | *19.2%* | *19.8%* | Operating Margin | *22.1%* |
| 34.6 | 35.6 | 38.9 | 45.2 | 56.6 | 59.1 | 59.2 | 61.4 | 63.0 | 64.8 | *70.0* | *75.0* | Depreciation ($mill) | *100* |
| 108.7 | 141.1 | 200.4 | 230.5 | 296.4 | 308.4 | 298.4 | 326.0 | 351.4 | 311.7 | *330* | *360* | Net Profit ($mill) | *440* |
| 38.6% | 24.6% | 22.8% | 24.6% | 25.2% | 21.0% | 21.2% | 19.3% | 21.7% | 22.5% | *22.0%* | *22.0%* | Income Tax Rate | *25.0%* |
| 6.9% | 8.5% | 11.2% | 11.9% | 14.3% | 14.4% | 14.0% | 14.4% | 14.5% | 12.3% | *12.1%* | *12.5%* | Net Profit Margin | *12.3%* |
| d1.9 | d17.4 | d31.9 | d71.5 | 30.3 | d72.1 | d24.6 | 188.7 | 109.1 | 15.5 | *45.0* | *120* | Working Cap'l ($mill) | *285* |
| 100.0 | 91.2 | 89.2 | 90.0 | - - | 185.0 | 92.5 | - - | 92.5 | 102.9 | *110* | *85.0* | Long-Term Debt ($mill) | *Nil* |
| 524.1 | 540.4 | 591.3 | 726.6 | 901.2 | 623.3 | 798.7 | 1107.9 | 1119.0 | 979.4 | *850* | *960* | Shr. Equity ($mill) | *1275* |
| 17.7% | 22.7% | 29.7% | 28.5% | 33.0% | 38.3% | 33.7% | 29.4% | 31.4% | 28.9% | *34.5%* | *34.5%* | Return on Total Cap'l | *34.5%* |
| 20.7% | 26.1% | 33.9% | 31.7% | 32.9% | 49.5% | 37.4% | 29.4% | 31.4% | 31.8% | *39.0%* | *38.0%* | Return on Shr. Equity | *34.5%* |
| 17.6% | 22.9% | 30.7% | 29.0% | 30.6% | 45.9% | 34.6% | 27.3% | 29.0% | 28.6% | *35.0%* | *33.5%* | Retained to Com Eq | *30.0%* |
| 15% | 12% | 9% | 9% | 7% | 7% | 7% | 7% | 8% | 10% | *10%* | *11%* | All Div'ds to Net Prof | *12%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $140.0 mill.
**LT Debt** $140.0 mill. **LT Interest** $7.7 mill. (14% of Cap'l)

**Leases, Uncapitalized** Annual rentals $48.4 mill.
**No Defined Benefit Pension Plan**

**Pfd Stock** None

**Common Stock** 13,069,961 shares

**MARKET CAP: $6.5 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 178.4 | 74.5 | 40.2 |
| Receivables | 171.2 | 182.6 | 188.6 |
| Inventory | 8.2 | 7.5 | 7.6 |
| Other | 37.0 | 38.0 | 54.8 |
| Current Assets | 394.8 | 302.6 | 291.2 |
| Accts Payable | 44.1 | 64.5 | 84.7 |
| Debt Due | - - | - - | - - |
| Other | 241.6 | 222.6 | 235.1 |
| Current Liab. | 285.7 | 287.1 | 319.8 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 7.0% | 6.5% | *8.5%* |
| "Cash Flow" | 13.5% | 8.5% | *7.5%* |
| Earnings | 15.0% | 8.5% | *7.5%* |
| Dividends | 8.0% | 8.5% | *15.0%* |
| Book Value | 10.5% | 9.5% | *5.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 560.2 | 553.8 | 564.5 | 585.9 | 2264.4 |
| 2024 | 589.2 | 595.9 | 606.2 | 640.0 | 2431.3 |
| 2025 | 646.9 | 618.8 | 624.9 | 639.4 | 2530.0 |
| 2026 | 657.5 | 673.3 | *685* | *704.2* | *2720* |
| 2027 | *695* | *715* | *725* | *745* | *2880* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 4.82 | 4.71 | 5.32 | 6.60 | 21.45 |
| 2024 | 5.20 | 5.47 | 5.64 | 6.83 | 23.14 |
| 2025 | 5.63 | 4.27 | 5.27 | 6.42 | 21.55 |
| 2026 | 5.65 | 6.06 | *6.50* | *7.29* | *25.50* |
| 2027 | *6.15* | *6.55* | *7.00* | *7.80* | *27.50* |

| Calendar | QUARTERLY DIVIDENDS PAID B■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .36 | .36 | .38 | .38 | 1.48 |
| 2023 | .38 | .38 | .40 | .40 | 1.56 |
| 2024 | .40 | .40 | .50 | .50 | 1.80 |
| 2025 | .50 | .50 | .60 | .60 | 2.20 |
| 2026 | .60 | .60 | .70 | | |

**BUSINESS:** Chemed Corporation operates two wholly owned subsidiaries: VITAS Healthcare Corp. (64% of '25 sales) and Roto-Rooter (36%). VITAS provides end-of-life care in about 180 locations in 17 states and the District of Columbia. Over 97% of revenues are derived from Medicare/Medicaid. Roto-Rooter, through company-owned and independent franchise operations, provides plumbing, drain cleaning, and water restoration services. Sold Service America, 12/04. Has 15,811 employees. Offs. & dirs. own 3.3% of stock; Vanguard, 11.3%; BlackRock, 9.4% (4/26 proxy). Chrmn.: George J. Walsh III. Pres. and CEO: Kevin J. McNamara. Incorporated: DE. Addr.: 255 East Fifth Street, Suite 2600, Cincinnati, OH 45202. Tel.: 513-762-6690. Internet: www.chemed.com.

**Chemed's leadership has boosted its 2026 adjusted earnings bracket.** Second-quarter revenues clocked in at $673.3 million, or roughly $10 million ahead of the consensus call. As has been the case for several linked quarters, the VITAS Healthcare arm powered the performance. Here, accelerated admissions and lower labor costs combined to provide $443.3 million of the top line. Also, heightened profitability pushed share earnings to $6.06, which was $0.50 above our estimate. Roto-Rooter, the plumbing arm, saw commercial sales rise, but higher customer-acquisition expenses and online marketing costs dinged the bottom line. The earnings beat led management to provide an improved earnings view running from $25.00 to $25.75 a share (was $24.00 to $24.75). In turn, our figure has been lifted to $25.50 (previously $24.35).

**For next year, we think share earnings can rise to $27.50, representing an 8% advance on a year-over-year basis.** Our fresh call for revenues of $2.88 billion, up $25 million since our July report, leans on the VITAS arm to continue to provide the bulk of the gains. Geographic expansion into high-margined Florida areas and an aging U.S. population factor into our thesis. Separately, ancillary service expansion on the Roto-Rooter front should be beneficial.

**We like management's long-term strategy, but bear cases exist.** The average daily census target growth with regard to VITAS stands at around 6%, powered by strong demographics. This should occur at an in-house adjusted EBITDA margin approaching 20% excluding the Medicare cap. Further, building up the Roto-Rooter name and entering new markets should lead to a higher top line with EBITDA margins north of 20%. Still, naysayers point to increased regulatory oversight and changing hospice reimbursements on the healthcare front, and macroeconomic softness dampening non-essential plumbing demand.

**These good-quality shares are a solid option for both short- and long-term accounts.** CHE is timely and offers slightly above-average capital appreciation for the pull to 2029-2031. The yield is more of a byproduct than a focus.

*Erik M. Manning* *October 2, 2026*

**(A)** Diluted earnings. Excl. nonrecurring & disc. ops.: '17, ($2.57); '18, 30¢; '19, (64¢); '20, $1.40; '21, ($2.50); '22, ($3.23); '23, ($3.52); '24, ($3.25); '25, ($3.21). Quarterly figures may not sum to total due to rounding. Next earnings report due October 27th.
**(B)** Div'ds historically paid in early March, June, Sept. & Dec. ■ Div'd reinvest. plan avail.
**(C)** In millions.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 80 |
| Earnings Predictability | 95 |

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# CISCO SYSTEMS NDQ-CSCO

RECENT PRICE 110.23 | P/E RATIO 22.0 (Trailing: 27.1 Median: 14.0) | RELATIVE P/E RATIO 1.22 | DIV'D YLD 1.5% | VALUE LINE

**TIMELINESS** 3 Lowered 8/14/26
**SAFETY** 1 Raised 12/16/16
TECHNICAL 3 Lowered 8/21/26
**BETA** .85 (1.00 = Market)

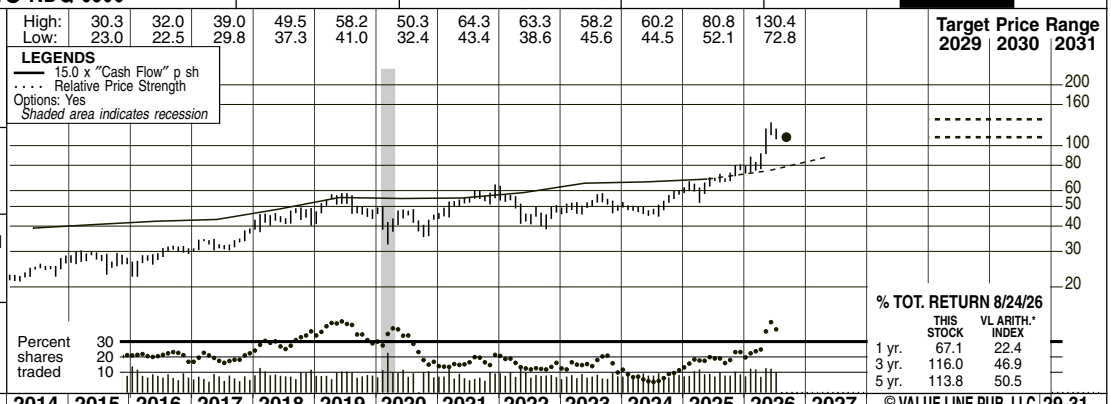
**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$62-$136 $99 (-10%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 135 | (+20%) | *7%* |
| Low | 110 | (Nil) | *2%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 1501 | 1708 | 1797 |
| to Sell | 1332 | 1718 | 1772 |
| Hld's(000) | 305760 | 934474 | 633523 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7.08 | 7.95 | 8.69 | 9.02 | 9.23 | 9.67 | 9.79 | 9.63 | 10.69 | 12.21 | 11.64 | 11.81 | 12.54 | 14.02 | 13.43 | 14.31 | *16.04* | *18.70* | Revenues per sh [A] | *22.95* |
| 1.73 | 2.12 | 2.38 | 2.45 | 2.60 | 2.71 | 2.82 | 2.88 | 3.23 | 3.69 | 3.65 | 3.68 | 3.91 | 4.35 | 4.41 | 4.55 | *5.01* | *5.90* | "Cash Flow" per sh | *7.40* |
| 1.33 | 1.62 | 1.85 | 2.02 | 2.06 | 2.21 | 2.36 | 2.39 | 2.60 | 3.10 | 3.21 | 3.22 | 3.36 | 3.89 | 3.73 | 3.81 | 4.33 | *5.15* | Earnings per sh [AB] | *6.50* |
| - - | .12 | .28 | .62 | .72 | .80 | .94 | 1.10 | 1.24 | 1.36 | 1.42 | 1.46 | 1.50 | 1.54 | 1.58 | 1.62 | 1.66 | *1.70* | Div'ds Decl'd per sh [F] | *1.82* |
| .18 | .22 | .21 | .22 | .25 | .24 | .23 | .19 | .18 | .21 | .18 | .16 | .12 | .21 | .17 | .23 | *.36* | *.35* | Cap'l Spending per sh | *.45* |
| 7.83 | 8.69 | 9.68 | 10.97 | 11.09 | 11.74 | 12.64 | 13.27 | 9.36 | 7.90 | 8.95 | 9.79 | 9.68 | 10.91 | 11.34 | 11.83 | *12.73* | *13.95* | Book Value per sh [G] | *17.55* |
| 5655.0 | 5435.0 | 5298.0 | 5389.0 | 5107.0 | 5085.0 | 5029.0 | 4983.0 | 4614.0 | 4250.0 | 4237.0 | 4217.0 | 4110.0 | 4066.0 | 4007.0 | 3960.0 | *3949.0* | *3900.0* | Common Shs Outst'g [C] | *3700.0* |
| 17.9 | 11.9 | 9.7 | 10.3 | 11.3 | 12.3 | 11.5 | 13.3 | 15.1 | 16.1 | 14.2 | 14.5 | 16.0 | 12.3 | 13.5 | 15.5 | 19.7 | | Avg Ann'l P/E Ratio | *19.0* |
| 1.14 | .75 | .62 | .58 | .59 | .62 | .60 | .67 | .82 | .86 | .73 | .78 | .92 | .68 | .71 | .81 | 1.04 | | Relative P/E Ratio | *1.00* |
| - - | .6% | 1.6% | 3.0% | 3.1% | 2.9% | 3.5% | 3.5% | 3.2% | 2.7% | 3.1% | 3.1% | 2.8% | 3.2% | 3.1% | 2.7% | 2.0% | | Avg Ann'l Div'd Yield | *2.1%* |
| 49247 | 48005 | 49330 | 51904 | 49301 | 49818 | 51557 | 56998 | 53803 | 56654 | 63325 | *73020* | Revenues ($mill) [A] | *85000* |
| 33.4% | 32.1% | 34.0% | 35.9% | 37.4% | 37.3% | 37.4% | 36.5% | 38.8% | 39.4% | 38.8% | *39.0%* | Operating Margin | *39.0%* |
| 2150.0 | 2286.0 | 2192.0 | 1897.0 | 1808.0 | 1862.0 | 1957.0 | 1726.0 | 2507.0 | 2811.0 | 2540.0 | *2925* | Depreciation ($mill) | *3400* |
| 12022 | 12067 | 12703 | 13787 | 13658 | 13636 | 14094 | 15979 | 15150 | 15213 | 17249 | *20075* | Net Profit ($mill) | *24025* |
| 21.8% | 22.1% | 21.0% | 19.0% | 19.2% | 19.1% | 18.9% | 18.0% | 18.5% | 18.4% | 19.0% | *18.5%* | Income Tax Rate | *18.5%* |
| 24.4% | 25.1% | 25.8% | 26.6% | 27.7% | 27.4% | 27.3% | 28.0% | 28.2% | 26.9% | 27.2% | *27.5%* | Net Profit Margin | *28.3%* |
| 53808 | 56120 | 34802 | 16043 | 18242 | 12855 | 11077 | 12039 | d3722 | d78.0 | d2860 | *500* | Working Cap'l ($mill) | *10000* |
| 24483 | 25725 | 20331 | 14475 | 11578 | 9018.0 | 8416.0 | 6658.0 | 19621 | 22861 | 19372 | *18200* | Long-Term Debt ($mill) | *15000* |
| 63586 | 66137 | 43204 | 33571 | 37920 | 41275 | 39773 | 44353 | 45457 | 46843 | 50285 | *54325* | Shr. Equity ($mill) | *65000* |
| 14.0% | 13.6% | 20.7% | 29.6% | 28.2% | 27.5% | 29.3% | 31.7% | 24.1% | 23.0% | 25.8% | *28.5%* | Return on Total Cap'l | *30.5%* |
| 18.9% | 18.2% | 29.4% | 41.1% | 36.0% | 33.0% | 35.4% | 36.0% | 33.3% | 32.5% | 34.3% | *37.0%* | Return on Shr. Equity | *37.0%* |
| 11.4% | 9.9% | 15.6% | 23.3% | 20.2% | 18.1% | 19.8% | 21.8% | 19.3% | 18.7% | 21.3% | *24.5%* | Retained to Com Eq | *26.5%* |
| 40% | 46% | 47% | 43% | 44% | 45% | 44% | 39% | 42% | 42% | 38% | *33%* | All Div'ds to Net Prof | *28%* |

**CAPITAL STRUCTURE as of 7/25/26**

**Total Debt** $29.5 bill.
**LT Debt** $19.4 bill. **LT Interest** $1.5 bill. (28% of Cap'l)
**Leases, Uncapitalized** Annual rentals $429 mill.

**No Defined Benefit Pension Plan**
**Pfd Stock** None

**Common Stock** 3,949,000,000 shs. (basic shares)

**MARKET CAP: $435 billion (Mega Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 7/25/26 |
|---|---|---|---|
| Cash Assets[D] | 17854 | 16110 | 15918 |
| Receivables[E] | 10023 | 9762 | 10862 |
| Inventory (FIFO) | 3373 | 3164 | 5694 |
| Other | 5612 | 5950 | 6191 |
| Current Assets | 36862 | 34986 | 38665 |
| Accts Payable | 2304 | 2528 | 3366 |
| Debt Due | 11341 | 5232 | 10161 |
| Other | 26939 | 27304 | 27998 |
| Current Liab. | 40584 | 35064 | 41525 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 4.0% | 4.0% | *8.5%* |
| "Cash Flow" | 5.5% | 4.5% | *9.0%* |
| Earnings | 6.0% | 5.0% | *9.5%* |
| Dividends | 8.5% | 3.5% | *2.5%* |
| Book Value | - - | 5.5% | *7.5%* |

| Fiscal Year Ends | QUARTERLY REVENUES ($ mill.) [A] Oct.Per | Jan.Per | Apr.Per | Jul.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 13632 | 13592 | 14571 | 15203 | 56998 |
| 2024 | 14668 | 12791 | 12702 | 13642 | 53803 |
| 2025 | 13841 | 13991 | 14149 | 14673 | 56654 |
| 2026 | 14883 | 15349 | 15841 | 17252 | 63325 |
| 2027 | *18115* | *17870* | *18135* | *18900* | *73020* |

| Fiscal Year Ends | EARNINGS PER SHARE [AB] Oct.Per | Jan.Per | Apr.Per | Jul.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | .86 | .88 | 1.00 | 1.15 | 3.89 |
| 2024 | 1.11 | .87 | .88 | .87 | 3.73 |
| 2025 | .91 | .94 | .96 | .99 | 3.81 |
| 2026 | 1.00 | 1.04 | 1.06 | 1.22 | 4.33 |
| 2027 | *1.33* | *1.20* | *1.25* | *1.37* | *5.15* |

| Calendar | QUARTERLY DIVIDENDS PAID [F] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .37 | .38 | .38 | .38 | 1.51 |
| 2023 | .38 | .39 | .39 | .39 | 1.55 |
| 2024 | .39 | .40 | .40 | .40 | 1.59 |
| 2025 | .40 | .41 | .41 | .41 | 1.63 |
| 2026 | .41 | .42 | .42 | | |

**BUSINESS:** Cisco Systems, Inc. designs and sells a broad range of technologies that help to power, secure and draw insights from the Internet. The company is incorporating artificial intelligence (AI) into its product portfolios across Networking (72% of fiscal 2026 Product revenue), Security (17%), Collaboration (9%) and Observability (2%), as well as integrating its products more tightly together. Product revenue accounted for 76% of FY26 total revenue and Services for 24%. R&D, 15% of rev. in FY26. Has about 86,200 employees. Off./dir. hold less than 1.0% of stock; The Vanguard Group, 9.7%; BlackRock, Inc., 8.9% (10/25 proxy). Chrmn. & CEO: Charles H. Robbins. Inc.: DE. Addr.: 170 W. Tasman Dr., San Jose, CA 95134. Tel.: 408-526-4000. Internet: www.cisco.com.

**Shares of Cisco Systems pulled back a bit after the technology leader announced fiscal 2026 (year ended July 25th) fourth-quarter results.** Despite a solid report, which included record top- and bottom-line performance with double-digit growth, investor concerns were centered on gross margin compression. During the July period, on a non-GAAP basis, total gross margin was 66.3%, compared to 68.4% in the prior-year period, a decline of 210 basis points. This reflects lower product gross margin as a result of higher hardware mix and memory costs. Regardless, adjusted earnings increased 23% year over year, to $1.22 a share, exceeding our estimate of $1.15.

**Investors should note that the stock is still up 45% year to date, given significant momentum in the business.** There has been broad-based, record high demand for Cisco's technology, and this ought to persist, supported by the networking supercycle that is underway and accelerated by artificial intelligence (AI). In fact, revenue from AI infrastructure from hyperscalers is expected to increase to $7.5 billion in fiscal 2027, versus around $4 billion last year. A multi-year, multi-billion-dollar campus networking refresh cycle should provide another durable growth driver alongside AI.

**Management provided favorable guidance for fiscal 2027.** Full-year revenues are expected to be between $72.2 billion and $73.4 billion, with non-GAAP earnings per share in the range of $5.05-$5.11. As a result, we have raised our top- and bottom-line estimates by $4.8 billion and $0.45 a share, respectively.

**High-quality Cisco shares remain an excellent way for conservative investors to gain exposure to the burgeoning AI infrastructure sector.** Moreover, due to the slight pullback in price, risk-adjusted long-term appreciation potential has improved, but remains below average. Additionally, the profitable growth of the business has resulted in healthy cash flows, which allow the company to return significant value to shareholders through share buybacks and dividends, including $12.7 billion in fiscal 2026. That said, Cisco shares have fallen one notch in Timeliness, to 3 (Average).

*Michelle Jensen* *September 4, 2026*

**(A)** Fiscal year ends on last Saturday in July (four 13-week quarters). **(B)** Diluted earnings. May not sum due to rounding. Next earnings report due mid-November. GAAP earnings prior to 2011, adjusted thereafter. **(C)** In millions. **(D)** Investments included in cash assets. **(E)** Includes financing receivables. **(F)** Dividend commenced March 29, 2011, paid in late Jan., April, July, and Oct. **(G)** Icludes intangibles. At 7/26/25: $68.3 billion, $17.25 a share.

| | |
|---|---|
| Company's Financial Strength | A+ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 55 |
| Earnings Predictability | 95 |

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# CASELLA WASTE SYS. NDQ-CWST

RECENT PRICE **91.99** | P/E RATIO **NMF** (Trailing: NMF / Median: NMF) | RELATIVE P/E RATIO **NMF** | DIV'D YLD **Nil** | **VALUE LINE**

**TIMELINESS** 4 Raised 10/3/25
**SAFETY** 3 Lowered 5/15/26
TECHNICAL 3 Raised 7/31/26
**BETA** .85 (1.00 = Market)

**18-Month Target Price Range**

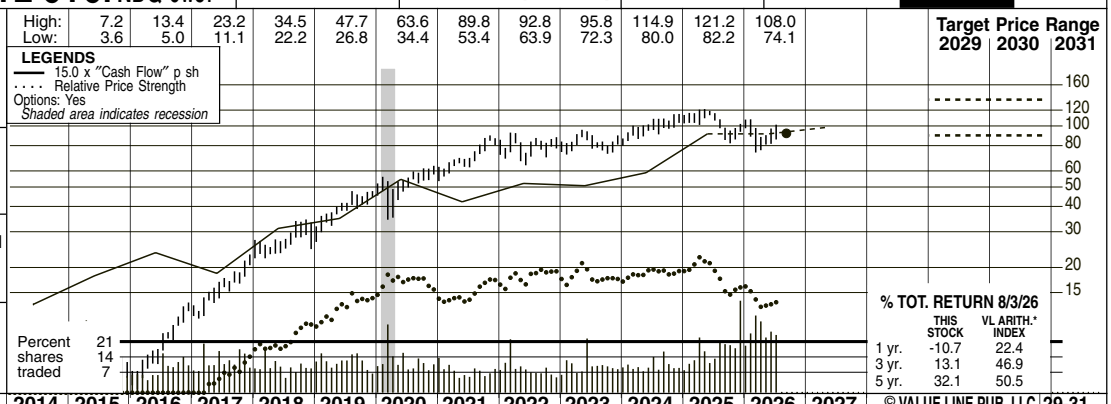
| Low-High | Midpoint (% to Mid) |
|---|---|
| $78-$163 | $121 (30%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 135 | (+45%) | *10%* |
| Low | 90 | (Nil) | *Nil* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 203 | 184 | 195 |
| to Sell | 177 | 121 | 199 |
| Hld's(000) | 66696 | 75914 | 81522 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 17.54 | 17.82 | 11.78 | 12.42 | 9.08 | 13.31 | 13.93 | 14.17 | 15.39 | 15.55 | 15.46 | 17.30 | 20.99 | 21.80 | 24.58 | 28.92 | *31.85* | *33.80* | Revenues per sh [D] | *39.70* |
| 2.05 | .79 | .17 | .93 | .87 | 1.21 | 1.58 | 1.24 | 2.08 | 2.33 | 3.63 | 2.81 | 3.47 | 3.38 | 3.92 | 6.10 | *6.10* | *6.60* | "Cash Flow" per sh | *7.60* |
| d.14 | d1.37 | d1.62 | d.58 | d.15 | d.32 | .05 | d.52 | .15 | .66 | 1.86 | .80 | 1.03 | .46 | .23 | 1.27 | *1.15* | *1.40* | Earnings per sh [A] | *2.00* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | Div'ds Decl'd per sh | *Nil* |
| 2.08 | 2.21 | 1.42 | 1.15 | 1.36 | 1.22 | 1.34 | 1.71 | 1.88 | 2.16 | 2.16 | 2.40 | 2.53 | 2.67 | 3.21 | 3.87 | *3.25* | *3.35* | Cap'l Spending per sh | *2.95* |
| 3.54 | .61 | .29 | d.21 | d.30 | d.52 | d.60 | d.90 | d.37 | 2.57 | 7.23 | 8.22 | 9.63 | 17.62 | 24.48 | 24.70 | *24.60* | *25.60* | Book Value per sh [B] | *28.30* |
| 26.58 | 26.98 | 38.66 | 40.07 | 40.58 | 41.05 | 40.57 | 42.29 | 42.93 | 47.79 | 50.10 | 51.41 | 51.69 | 58.00 | 63.36 | 63.51 | *65.00* | *66.00* | Common Shs Outst'g [C] | *68.00* |
| - - | - - | - - | - - | - - | - - | NMF | - - | NMF | NMF | 28.4 | NMF | NMF | NMF | NMF | NMF | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *NMF* |
| - - | - - | - - | - - | - - | - - | NMF | - - | NMF | NMF | 1.46 | NMF | NMF | NMF | NMF | NMF | | | Relative P/E Ratio | *NMF* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | | | Avg Ann'l Div'd Yield | *Nil* |
| 565.0 | 599.3 | 660.7 | 743.3 | 774.6 | 889.2 | 1085.1 | 1264.5 | 1557.3 | 1836.8 | *2070* | *2230* | Revenues ($mill) | *2700* |
| 19.1% | 21.2% | 20.4% | 19.1% | 20.2% | 21.1% | 21.1% | 21.9% | 21.8% | 23.9% | *24.0%* | *24.5%* | Operating Margin | *25.0%* |
| 61.9 | 74.4 | 82.7 | 79.8 | 90.8 | 103.6 | 126.4 | 170.7 | 234.9 | 306.8 | *320* | *340* | Depreciation ($mill) | *380* |
| 2.1 | d21.8 | 6.4 | 31.7 | 91.1 | 41.1 | 53.1 | 25.4 | 13.5 | 80.6 | *75.0* | *95.0* | Net Profit ($mill) | *135* |
| 71.9% | - - | - - | - - | - - | 29.2% | 29.2% | 31.4% | 35.7% | NMF | *36.0%* | *36.0%* | Income Tax Rate | *36.0%* |
| .4% | NMF | 1.0% | 4.3% | 11.8% | 4.6% | 4.9% | 2.0% | .9% | 4.4% | *3.6%* | *4.3%* | Net Profit Margin | *5.0%* |
| d3.8 | d4.2 | d14.4 | d27.8 | 116.1 | d5.7 | 29.9 | 147.4 | 306.0 | 75.4 | *150* | *180* | Working Cap'l ($mill) | *265* |
| 504.0 | 477.6 | 542.0 | 509.0 | 530.4 | 542.5 | 585.0 | 1007.7 | 1090.6 | 1201.4 | *1120* | *1110* | Long-Term Debt ($mill) | *990* |
| d24.5 | d37.9 | d15.8 | 122.8 | 362.1 | 422.5 | 497.9 | 1021.8 | 1550.8 | 1568.7 | *1600* | *1690* | Shr. Equity ($mill) | *1925* |
| 4.5% | NMF | 3.5% | 7.0% | 11.5% | 5.4% | 6.0% | 2.4% | 1.7% | 4.0% | *4.0%* | *4.5%* | Return on Total Cap'l | *5.5%* |
| - - | - - | - - | 25.8% | 25.2% | 9.7% | 10.7% | 2.5% | .9% | 5.1% | *4.5%* | *5.5%* | Return on Shr. Equity | *7.0%* |
| - - | - - | - - | 25.8% | 25.2% | 9.7% | 10.7% | 2.5% | .9% | 5.1% | *4.5%* | *5.5%* | Retained to Com Eq | *7.0%* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | All Div'ds to Net Prof | *Nil* |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $1151.4 mill.
**LT Debt** $1126.8 mill. **LT Interest** $60.0 mill.

(42% of Cap'l)
**Leases, Uncapitalized** Annual rentals $13.6 mill.

**No Defined Benefit Pension Plan**
**Pfd Stock** None.

**Common Stock** 63,609,941 shs.
(includes Cl. B shs. 988,200)
**as of 4/15/26**
**MARKET CAP: $5.9 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 383.3 | 123.8 | 126.9 |
| Receivables | 165.9 | 178.1 | 175.4 |
| Other | 64.1 | 67.4 | 57.4 |
| Current Assets | 613.3 | 369.3 | 359.7 |
| Accts Payable | 111.1 | 102.5 | 90.0 |
| Debt Due | 42.6 | 25.7 | 24.6 |
| Other | 153.6 | 165.7 | 145.4 |
| Current Liab. | 307.3 | 293.9 | 260.0 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 8.0% | 10.0% | *8.0%* |
| "Cash Flow" | 16.0% | 11.0% | *9.5%* |
| Earnings | - - | -6.0% | *20.5%* |
| Dividends | - - | - - | *Nil* |
| Book Value | - - | 48.0% | *4.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 262.6 | 289.6 | 352.7 | 359.6 | 1264.5 |
| 2024 | 341.0 | 377.2 | 411.6 | 427.5 | 1557.3 |
| 2025 | 417.0 | 465.3 | 485.4 | 469.1 | 1836.8 |
| 2026 | 457.3 | *530* | *550* | *532.7* | *2070* |
| 2027 | *500* | *575* | *555* | *600* | *2230* |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .07 | .10 | .31 | d.02 | .46 |
| 2024 | d.07 | .12 | .10 | .08 | .23 |
| 2025 | .19 | .36 | .42 | .30 | 1.27 |
| 2026 | .20 | *.40* | *.45* | *.10* | *1.15* |
| 2027 | *.25* | *.45* | *.50* | *.20* | *1.40* |

| Calendar | QUARTERLY DIVIDENDS PAID■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | | | | | |
| 2023 | NO CASH DIVIDENDS BEING PAID | | | | |
| 2024 | | | | | |
| 2025 | | | | | |
| 2026 | | | | | |

**BUSINESS:** Casella Waste Systems, Inc. operates as a regional vertically integrated solid waste, recycling, and resource management service. It provides waste mgmt. solutions to residential, commercial, municipal, and industrial customers in the northeastern U.S. It owns and operates 68 solid waste collection operations, 71 transfer stations, 28 recycling facilities, eight Subtitle D landfills, three landfill gas-to-energy facilities, and one landfill permitted to accept construction and demolition materials. Has 5,100 employees (12/25). Offs./dirs. own 14.2% of stock. BlackRock, 12.3%; Vanguard, 9.1% (4/26 Proxy). Exec. Chair: John W. Casella; CEO: Edmond R. Coletta. Inc.: DE. Addr.: 25 Greens Hill Ln., Rutland, VT 05701. Tel.: 802-775-0325. Internet: www.casella.com.

**Casella Waste Systems continues to perform well operationally.** The company has been benefiting from mid-single-digit solid waste pricing across the competitive Northeast market. Much of this strength reflects the region's stable demand environment and limited landfill availability. (Note: Second-quarter results were due to be released shortly after this report went to press). This positive momentum will likely help offset continued softness in special waste volumes.

**Management is taking steps to address regional landfill constraints and strengthen the disposal network.** Casella continues to expand its rail-to-road infrastructure, allowing it to transport waste from dense, capacity-constrained urban markets to larger regional disposal sites. An important part of this strategy is the expansion of the Hyland Landfill in New York, which is expected to more than double the facility's permitted annual throughput, to a million tons. The company is also increasing connectivity across its rail and transfer station network, which should support long-distance volume movements throughout New England and the Mid-Atlantic. These investments will help Casella transition away from the higher-cost Ontario landfill, scheduled to close in 2028. The shift toward Hyland will likely benefit share earnings notably in 2029.

**Share profit will probably remain under pressure this year, but recover in the next.** Higher acquisition-related and fuel costs have weighed on profitability. But, revenue growth and efforts to reduce general and administrative expenses should provide some relief. In all, we look for these measures to support a 22% rebound in 2027 share earnings, to $1.40.

**Technology investments should support additional efficiency gains.** The company is using artificial intelligence to improve route planning, expand digital payment capabilities, and strengthen driver coaching and safety programs. These initiatives ought to reduce operating costs and help improve margins over time.

**Shares of Casella are untimely.** At the recent quotation, the stock has below-average long-term capital appreciation potential.

*Emma Jalees* *August 14, 2026*

**(A)** 2025 & onward based on non-GAAP diluted shares. Next earnings report due late October. Excl. gains/losses: '25; $1.15. Earnings may not sum due to rounding/ changes in shares outstanding **(B)** Incl. intang. At '25; $1411 mill., $22.22/sh. **(C)** In millions. **(D)** Three- to five-year Target Price Range calculated using 4.0x book value per share.

| | |
|---|---|
| Company's Financial Strength | B+ |
| Stock's Price Stability | 80 |
| Price Growth Persistence | 90 |
| Earnings Predictability | 35 |

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# GILEAD SCIENCES NDQ-GILD

RECENT PRICE 146.41 | P/E RATIO NMF (Trailing: NMF Median: 17.0) | RELATIVE P/E RATIO NMF | DIV'D YLD 2.2% | VALUE LINE 1614

**TIMELINESS** 4 Lowered 5/15/26
**SAFETY** 1 Raised 3/27/26
TECHNICAL 4 Lowered 9/11/26
**BETA** .75 (1.00 = Market)

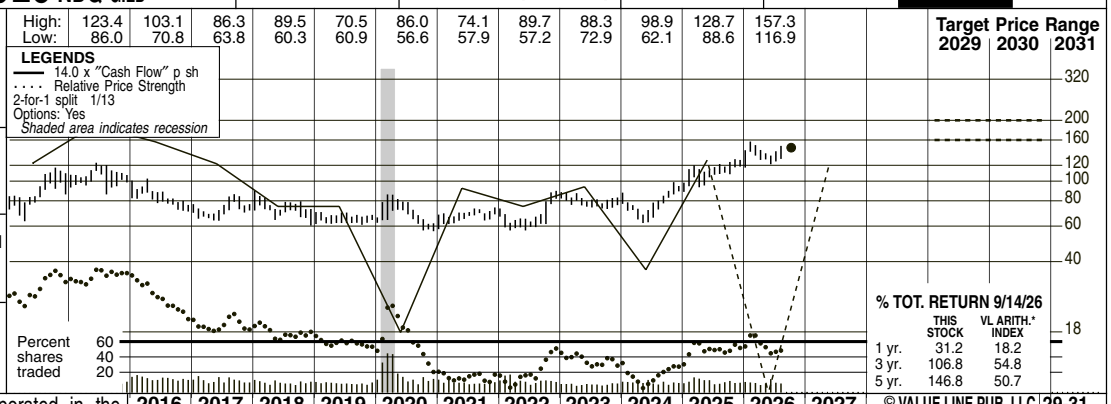
**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$121-$195 $158 (10%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 200 | (+35%) | *10%* |
| Low | 160 | (+10%) | *5%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 957 | 1105 | 1084 |
| to Sell | 703 | 975 | 996 |
| Hld's(000) | 1086091 | 1180484 | 1216142 |




Gilead Sciences was incorporated in the state of Delaware in June of 1987. The company completed its initial public offering in January of 1992, issuing 11.5 million shares of common stock for total proceeds of $86.25 million. Two more stock offerings followed, one of 3.34 million shares raising $50 million in December of 1992, and another of 4 million shares in August of 1995, which raised $94.2 million in proceeds.

**CAPITAL STRUCTURE as of 6/30/26**

**Total Debt** $26246 mill.
**LT Debt** $23832 mill. **LT Interest** $1387 mill.
(Includes 9.3 mill. shares underlying 9/30/26 warrants with a strike price of $127.50/sh.)
(66% of Cap'l)
**Leases, Uncapitalized:** $12.7 mill.

**No Defined Benefit Pension Plan**

**Common Stock** 1,240,069,616 shs.
**as of 7/31/26**

**MARKET CAP: $181 billion (Mega Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 9991 | 10605 | 3179 |
| Receivables | 4420 | 4913 | 5055 |
| Inventory (FIFO) | 1710 | 1767 | 1953 |
| Other | 3052 | 3589 | 3758 |
| Current Assets | 19173 | 20874 | 13945 |
| Accts Payable | 833 | 798 | 674 |
| Debt Due | 1815 | 2211 | 2414 |
| Other | 9356 | 8804 | 7932 |
| Current Liab. | 12004 | 11813 | 11020 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 4.0% | 4.5% | *2.5%* |
| "Cash Flow" | -3.0% | 9.0% | *11.0%* |
| Earnings | -5.5% | 6.5% | *15.0%* |
| Dividends | - - | 4.0% | *3.0%* |
| Book Value | 5.5% | 1.5% | *5.5%* |

| Calendar | QUARTERLY SALES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 6352 | 6599 | 7051 | 7114 | 27116 |
| 2024 | 6686 | 6954 | 7545 | 7569 | 28754 |
| 2025 | 6667 | 7082 | 7769 | 7925 | 29443 |
| 2026 | 6960 | 7803 | ***7760*** | ***8137*** | ***30660*** |
| 2027 | ***7500*** | ***7800*** | ***8000*** | ***8200*** | ***31500*** |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .80 | .83 | 1.73 | 1.14 | 4.50 |
| 2024 | d3.34 | 1.29 | 1.00 | 1.42 | .38 |
| 2025 | 1.04 | 1.56 | 2.43 | 1.75 | 6.78 |
| 2026 | 1.61 | d8.45 | ***2.10*** | ***2.09*** | ***d2.65*** |
| 2027 | ***1.90*** | ***1.90*** | ***2.00*** | ***2.10*** | ***7.90*** |

| Calendar | QUARTERLY DIVIDENDS PAID C Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .73 | .73 | .73 | .73 | 2.92 |
| 2023 | .75 | .75 | .75 | .75 | 3.00 |
| 2024 | .77 | .77 | .77 | .77 | 3.08 |
| 2025 | .79 | .79 | .79 | .79 | 3.16 |
| 2026 | .82 | .82 | .82 | | |

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales per sh | 23.20 | 19.96 | 17.26 | 17.73 | 19.69 | 21.77 | 21.88 | 21.76 | 23.08 | 23.73 | ***24.75*** | ***25.45*** | Sales per sh | ***26.70*** |
| "Cash Flow" per sh | 11.19 | 8.73 | 5.37 | 5.36 | 1.28 | 6.60 | 5.37 | 6.71 | 2.61 | 9.08 | ***d.35*** | ***10.30*** | "Cash Flow" per sh | ***11.60*** |
| Earnings per sh A | 9.94 | 7.68 | 4.17 | 4.22 | .10 | 4.93 | 3.64 | 4.50 | .38 | 6.78 | ***d2.65*** | ***7.90*** | Earnings per sh A | ***9.00*** |
| Div'ds Decl'd per sh C | 1.84 | 2.08 | 2.28 | 2.52 | 2.72 | 2.84 | 2.92 | 3.00 | 3.08 | 3.16 | ***3.28*** | ***3.40*** | Div'ds Decl'd per sh C | ***3.64*** |
| Cap'l Spending per sh | .57 | .45 | .72 | .65 | .52 | .46 | .58 | .47 | .42 | .45 | ***.50*** | ***.50*** | Cap'l Spending per sh | ***.70*** |
| Book Value per sh | 14.42 | 15.63 | 16.68 | 17.79 | 14.52 | 16.80 | 17.03 | 18.33 | 15.51 | 18.29 | ***11.45*** | ***13.55*** | Book Value per sh | ***23.80*** |
| Common Shs Outst'g B | 1310.0 | 1308.0 | 1282.0 | 1266.0 | 1254.0 | 1254.0 | 1247.0 | 1246.0 | 1246.0 | 1241.0 | ***1240.0*** | ***1238.0*** | Common Shs Outst'g B | ***1235.0*** |
| Avg Ann'l P/E Ratio | 8.4 | 9.4 | 17.7 | 15.6 | NMF | 13.7 | 18.4 | 17.7 | NMF | 16.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | ***20.0*** |
| Relative P/E Ratio | .44 | .47 | .96 | .83 | NMF | .74 | 1.06 | .98 | NMF | .85 | | | Relative P/E Ratio | ***1.10*** |
| Avg Ann'l Div'd Yield | 2.2% | 2.9% | 3.1% | 3.8% | 3.9% | 4.2% | 4.4% | 3.8% | 4.0% | 2.8% | | | Avg Ann'l Div'd Yield | ***2.6%*** |
| Sales ($mill) | 30390 | 26107 | 22127 | 22449 | 24689 | 27305 | 27281 | 27116 | 28754 | 29443 | ***30660*** | ***31500*** | Sales ($mill) | ***33000*** |
| Operating Margin | 58.0% | 59.0% | 43.5% | 25.4% | 22.5% | 43.8% | 44.5% | 38.2% | 46.2% | 49.5% | ***45.5%*** | ***45.0%*** | Operating Margin | ***43.5%*** |
| Depreciation ($mill) | 1158.0 | 1286.0 | 1429.0 | 1404.0 | 1480.0 | 2050.0 | 2103.0 | 2693.0 | 2767.0 | 2760.0 | ***2860*** | ***2950*** | Depreciation ($mill) | ***3200*** |
| Net Profit ($mill) | 13501 | 10128 | 5455.0 | 5386.0 | 123.0 | 6225.0 | 4592.0 | 5665.0 | 479.0 | 8510.0 | ***d3285*** | ***9780*** | Net Profit ($mill) | ***11115*** |
| Income Tax Rate | 21.0% | 25.0% | 30.0% | - - | NMF | 25.1% | 21.5% | 18.2% | 30.6% | 13.1% | ***NMF*** | ***18.0%*** | Income Tax Rate | ***18.5%*** |
| Net Profit Margin | 44.4% | 38.8% | 24.7% | 24.0% | .5% | 22.8% | 16.8% | 20.9% | 1.7% | 28.9% | ***NMF*** | ***31.0%*** | Net Profit Margin | ***33.7%*** |
| Working Cap'l ($mill) | 11226 | 20188 | 25231 | 20537 | 4599.0 | 3162.0 | 3206.0 | 4805.0 | 7169.0 | 6529.0 | ***5500*** | ***6000*** | Working Cap'l ($mill) | ***6675*** |
| Long-Term Debt ($mill) | 26346 | 30795 | 24574 | 22094 | 28645 | 25179 | 22957 | 23189 | 24896 | 22632 | ***23830*** | ***23850*** | Long-Term Debt ($mill) | ***24580*** |
| Shr. Equity ($mill) | 18887 | 20442 | 21387 | 22525 | 18202 | 21069 | 21240 | 22833 | 19330 | 22703 | ***14200*** | ***16800*** | Shr. Equity ($mill) | ***23375*** |
| Return on Total Cap'l | 30.9% | 20.9% | 13.0% | 13.2% | 1.3% | 14.5% | 11.4% | 13.3% | 2.2% | 19.9% | ***NMF*** | ***27.0%*** | Return on Total Cap'l | ***21.5%*** |
| Return on Shr. Equity | 71.5% | 49.5% | 25.5% | 23.9% | .7% | 29.5% | 21.6% | 24.8% | 2.5% | 37.5% | ***NMF*** | ***58.0%*** | Return on Shr. Equity | ***38.0%*** |
| Retained to Com Eq | 58.5% | 36.2% | 11.6% | 9.6% | NMF | 12.4% | 4.2% | 8.1% | NMF | 19.9% | ***NMF*** | ***33.0%*** | Retained to Com Eq | ***22.5%*** |
| All Div'ds to Net Prof | 18% | 27% | 54% | 60% | NMF | 58% | 81% | 67% | NMF | 47% | ***NMF*** | ***43%*** | All Div'ds to Net Prof | ***40%*** |

**BUSINESS:** Gilead Sciences discovers, develops, and commercializes proprietary treatments for viral diseases (specifically HIV/AIDS, influenza, hepatitis B and C, leukemia, and Lymphoma). Drugs currently on the market include *Biktarvy*, *Sovaldi*, *Harvoni*, *Stribild* (the *QUAD*), *Trodelvy*, *Lenacapavir*, *AmBisome*, *Atripla*, *Truvada*, *Viread*, *Veklury*, *Tamiflu*, *Remdesivir* and *Filgotinib*. 2025 depreciation rate: 9.8%; R&D expense: 21.4% of sales. Has about 17,100 employees. Officers and directors own .1% of common stock; Vanguard, 9.0%; BlackRock, 8.2%; FMR LLC, 5.3% (4/26 proxy). Chairman, President & CEO: Daniel O'Day. Incorporated: DE. Address: 333 Lakeside Drive, Foster City, CA 94404. Telephone: 650-574-3000. Internet: www.gilead.com.

**Gilead's second-quarter sales rose to a prometheon $7.8 billion.** This was thanks to increasing demand for HIV drugs that act prophylactically. Sales of Flagship HIV therapy *Biktarvy* increased by 7%, to $3.8 billion, while *Descovy* revenue jumped 48%, to $967 million. Meanwhile, newly-approved HIV prevention drug *Yeztugo* (*Lenacapavir*) helped push the pre-exposure prophylaxis (PrEP) business to over $1 billion in revenue.

**But the bottom line dropped heavily through the floorboards.** The collapse was due to $11.2 billion in upfront acquisition-related R&D (ARR&D) charges. In the first half of this year, the company went on a huge buying spree, acquiring Arcellx, Tubulis, and Ouro Medicines for a grand total of almost $13 billion. Accounting rules dictate that upon completion of the deals, the estimated market value of all the target companies unapproved pipeline drugs is fully expensed. We look for some more ARR&D charges in the third period. Absent the charges, second-quarter share earnings would have been $2.23.

**The stock price has rebounded to levels seen earlier in the year.** Investors appear happy with Gilead's greater emphasis on producing preventive, rather than reactive, HIV medicines. The patient population for such therapies is much larger than originally thought. Gilead used to be seen as a fading HIV legacy company, with quickly diminishing COVID-19 drug sales. But now, with the aforementioned acquisitions, Gilead has become a premier biotech company with pipeline catalysts in highly promising gene therapy and immunology fields.

**What's Gilead going to do with all that cash flow?** It's probably going to use it to acquire more companies with favorable pipeline drugs in the aforementioned categories. This is to help it buffer the loss in sales when some of the legacy HIV medicines go off-patent later this decade. It's also expected to use it to continue paying out an above-average dividend. Our three- to five-year sales projection assumes that recent and potential tack-on acquisitions will enable Gilead to generate the earnings necessary to send the stock to the high end of our Target Price Range.

*Jeremy J. Butler* *September 25, 2026*

**(A)** Diluted earnings. Next earnings report due early November. Includes extraordinary charge of $4.11 a share in '24 (1Q).
**(B)** In millions. Adjusted for split.
**(C)** Dividend payable at the end of March, June, September, and December.

| | |
|---|---|
| Company's Financial Strength | A+ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 30 |
| Earnings Predictability | 20 |

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# HENRY SCHEIN, INC. NDQ-HSIC

RECENT PRICE **84.61** | P/E RATIO **15.5** (Trailing: 16.5 Median: 22.0) | RELATIVE P/E RATIO **0.87** | DIV'D YLD **Nil** | **VALUE LINE**

**TIMELINESS** 3 Lowered 4/17/26
**SAFETY** 2 Raised 11/21/25
TECHNICAL 3 Raised 7/24/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $69-$127 | $98 (15%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 125 | (+50%) | *10%* |
| Low | 90 | (+5%) | *2%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 214 | 162 | 254 |
| to Sell | 292 | 213 | 245 |
| Hld's(000) | 127808 | 127914 | 134220 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 80.8 | 91.5 | 93.5 | 91.4 | 81.7 | 74.0 | 83.4 | 92.7 | 89.7 | 82.6 | 82.5 | 89.3 | | | | | | |
| Low: | 63.1 | 71.3 | 65.3 | 62.6 | 56.6 | 41.9 | 60.7 | 64.8 | 60.0 | 63.7 | 60.6 | 68.7 | | | | | | |

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 9/17
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031

% TOT. RETURN 7/27/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 18.4 | 23.1 |
| 3 yr. | 6.5 | 52.8 |
| 5 yr. | 7.6 | 47.8 |

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| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales per sh [A] | 40.93 | 47.43 | 50.88 | 55.83 | 61.73 | 64.49 | 72.87 | 81.08 | 87.20 | 69.66 | 71.03 | 90.42 | 95.96 | 95.47 | 102.07 | 113.88 | *121.70* | *128.40* |
| "Cash Flow" per sh | 2.37 | 2.69 | 2.92 | 3.27 | 3.68 | 3.87 | 4.26 | 4.83 | 4.91 | 6.18 | 4.13 | 6.13 | 5.69 | 5.14 | 5.53 | 7.91 | *8.25* | *8.90* |
| Earnings per sh [A] | 1.79 | 1.99 | 2.16 | 2.47 | 2.72 | 2.85 | 3.10 | 3.47 | 3.49 | 4.69 | 2.81 | 4.45 | 3.91 | 3.16 | 3.05 | 4.97 | *5.35* | *5.85* |
| Div'ds Decl'd per sh | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* |
| Cap'l Spending per sh | .21 | .25 | .29 | .35 | .49 | .43 | .44 | .53 | .60 | .53 | .34 | .58 | .73 | 1.14 | 1.19 | 1.20 | *1.20* | *1.20* |
| Book Value per sh [B] | 13.12 | 13.52 | 14.88 | 16.26 | 16.75 | 17.50 | 17.59 | 18.29 | 19.56 | 20.91 | 23.50 | 24.97 | 26.15 | 28.28 | 27.33 | 28.03 | *30.95* | *34.25* |
| Common Shs Outst'g [C] | 183.88 | 179.86 | 175.70 | 171.25 | 168.02 | 164.83 | 158.81 | 153.69 | 151.40 | 143.35 | 142.46 | 137.15 | 131.79 | 129.25 | 124.16 | 115.77 | *113.00* | *111.00* |
| Avg Ann'l P/E Ratio | 15.9 | 16.9 | 17.6 | 20.2 | 22.0 | 25.2 | 26.4 | 23.9 | 21.9 | 14.1 | 22.1 | 16.7 | 20.2 | 24.4 | 23.6 | 14.2 | *Bold figures are Value Line estimates* | |
| Relative P/E Ratio | 1.01 | 1.06 | 1.12 | 1.13 | 1.16 | 1.27 | 1.39 | 1.20 | 1.18 | .75 | 1.13 | .90 | 1.17 | 1.36 | 1.23 | .74 | | |
| Avg Ann'l Div'd Yield | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | | |
| Sales ($mill) [A] | 11572 | 12462 | 13202 | 9985.8 | 10119 | 12401 | 12647 | 12339 | 12673 | 13184 | *13750* | *14250* | | | | | | |
| Operating Margin | 8.5% | 8.4% | 8.0% | 9.2% | 7.4% | 8.6% | 8.6% | 5.2% | 8.1% | 10.1% | *10.0%* | *10.0%* | | | | | | |
| Depreciation ($mill) | 169.8 | 193.1 | 207.6 | 184.9 | 185.5 | 209.5 | 212.0 | 248.0 | 297.0 | 311.0 | *325* | *340* | | | | | | |
| Net Profit ($mill) | 506.8 | 549.3 | 535.9 | 700.7 | 402.8 | 631.2 | 538.0 | 416.0 | 390.0 | 605.0 | *605* | *650* | | | | | | |
| Income Tax Rate | 28.8% | 26.7% | 22.4% | 23.4% | 19.1% | 23.8% | 23.6% | 22.1% | 25.0% | 22.6% | *24.0%* | *24.0%* | | | | | | |
| Net Profit Margin | 4.4% | 4.4% | 4.1% | 7.0% | 4.0% | 5.1% | 4.3% | 3.4% | 3.1% | 4.6% | *4.4%* | *4.6%* | | | | | | |
| Working Cap'l ($mill) | 1022.1 | 1257.1 | 956.4 | 1188.1 | 1508.3 | 1537.5 | 1764.0 | 1805.0 | 1180.0 | 1236.0 | *1300* | *1370* | | | | | | |
| Long-Term Debt ($mill) | 715.5 | 907.8 | 1003.9 | 622.9 | 515.8 | 811.3 | 1040.0 | 1937.0 | 1830.0 | 2310.0 | *2200* | *2100* | | | | | | |
| Shr. Equity ($mill) | 2793.1 | 2811.5 | 2961.3 | 2998.0 | 3348.2 | 3425.1 | 3446.0 | 3655.0 | 3393.0 | 3245.0 | *3500* | *3800* | | | | | | |
| Return on Total Cap'l | 14.9% | 15.5% | 14.5% | 20.1% | 11.0% | 15.2% | 12.5% | 8.2% | 8.7% | 12.2% | *11.5%* | *11.5%* | | | | | | |
| Return on Shr. Equity | 18.1% | 19.5% | 18.1% | 23.4% | 12.0% | 18.4% | 15.6% | 11.4% | 11.5% | 18.6% | *17.5%* | *17.0%* | | | | | | |
| Retained to Com Eq | 18.1% | 19.5% | 18.1% | 23.4% | 12.0% | 18.4% | 15.6% | 11.4% | 11.5% | 18.6% | *17.5%* | *17.0%* | | | | | | |
| All Div'ds to Net Prof | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | | | | | | |

**CAPITAL STRUCTURE as of 3/28/26**
**Total Debt** $2362 mill.
**LT Debt** $2327 mill. **LT Interest** $90 mill. (37% of Cap'l)

**Leases, Uncapitalized** Annual Rentals $91.0 mill.

**Pension Assets-12/25** $106 mill. **Oblig.** $146 mill.

**Preferred Stock** None

**Common Stock** 113,916,757 shares
**as of 4/27/26**
**MARKET CAP: $9.6 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/28/26 |
|---|---|---|---|
| Cash Assets | 122 | 156 | 138 |
| Receivables | 1482 | 1651 | 1719 |
| Inventory (FIFO) | 1810 | 2002 | 2014 |
| Other | 569 | 655 | 625 |
| Current Assets | 3983 | 4464 | 4496 |
| Accts Payable | 962 | 1154 | 1043 |
| Debt Due | 56 | 33 | 35 |
| Other | 1785 | 2041 | 2219 |
| Current Liab. | 2803 | 3228 | 3297 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 5.5% | 6.5% | *6.5%* |
| "Cash Flow" | 5.5% | 4.0% | *10.0%* |
| Earnings | 3.5% | .5% | *11.5%* |
| Dividends | - - | - - | *Nil* |
| Book Value | 5.0% | 5.5% | *8.0%* |

| Calendar | QUARTERLY SALES ($ mill.) [A] Mar.Per | Jun.Per. | Sep.Per. | Dec.Per. | Full Year |
|---|---|---|---|---|---|
| 2023 | 3060 | 3100 | 3162 | 3017 | 12339 |
| 2024 | 3172 | 3136 | 3174 | 3191 | 12673 |
| 2025 | 3168 | 3240 | 3339 | 3437 | 13184 |
| 2026 | 3368 | *3370* | *3460* | *3552* | *13750* |
| 2027 | *3500* | *3500* | *3580* | *3670* | *14250* |

| Calendar | EARNINGS PER SHARE [A] Mar.Per. | Jun.Per. | Sep.Per. | Dec.Per. | Full Year |
|---|---|---|---|---|---|
| 2023 | .91 | 1.06 | 1.05 | .13 | 3.16 |
| 2024 | .72 | .80 | .78 | .74 | 3.05 |
| 2025 | 1.15 | 1.10 | 1.38 | 1.34 | 4.97 |
| 2026 | 1.32 | *1.24* | *1.36* | *1.43* | *5.35* |
| 2027 | *1.43* | *1.37* | *1.49* | *1.56* | *5.85* |

| Calendar | QUARTERLY DIVIDENDS PAID Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | | | | | |
| 2023 | NO CASH DIVIDENDS BEING PAID | | | | |
| 2024 | | | | | |
| 2025 | | | | | |
| 2026 | | | | | |

**BUSINESS:** Henry Schein, Inc. is a global provider of healthcare products and services primarily to office-based dental and medical practitioners. It serves more than 1 million customers worldwide across dental practices, laboratories, physician practices, and ambulatory surgery centers, as well as government, institutional health care clinics and other alternate care clinics. Has about 25,000 employees. Completed spinoff of Animal Health business (2/19). Acquired Acentus (1/25). Officers and directors own less than 1% of common stock; KKR Hawaii Aggregator L.P., 16.4%; Artisan Partners Limited, 5.7% (4/26 proxy). Chairman: William K. Daniel. CEO: Frederick M. Lowery. Inc.: DE. Addr.: 135 Duryea Road, Melville, NY 11747. Tel: 631-843-5500. Internet: www.henryschein.com.

**Henry Schein is expected to deliver solid numbers in 2026.** Leadership is forecasting adjusted earnings to reach $5.23-$5.37 a share this year, implying a gain of about 7% at the midpoint. The range reflects top-line improvement of 3%-5%, which we anticipate will be fueled by a good mix of organic and acquisition-related growth. Steady demand across the company's core dental distribution and technology segments has been a catalyst in recent quarters, and we anticipate these contributions to persist going forward. Benefits from targeted acquisitions, including Brazilian dental implant manufacturer S.I.N, as well as last year's purchase of Acentus, are also starting to materialize and have helped strengthen the business. All in all, we see adjusted earnings coming in at $5.35 a share in 2026. *Schein was scheduled to announce second-quarter results just as this Issue was going to press.*

**Efficiency initiatives will play a major role.** Continued execution of the company's multi-year *BOLD+1* efficiency strategy should remain supportive of bottom-line comparisons over the balance of 2026 and in 2027. The plan was implemented in 2025 with a primary focus of improving Schein's cost structure and creating a leaner, more-streamlined operation. *BOLD+1* has gained significant traction and leadership anticipates its value-creating initiatives to deliver over $200 million in annual operating income improvement within the next few years, with a $125 million run rate by the end of 2026. Our presentation suggests adjusted earnings will hit $5.85 a share next year.

**The company is expanding its high-margin business lines.** This is one of the key components in the *BOLD+1* strategy, as Schein seeks to derive more than 50% of its operating income from these segments by 2027. It includes building out lucrative complementary product portfolios (such as specialty dental implants), as well as an enhanced focus on digital technology and value-added services.

**The stock holds an Average (3) rank for Timeliness.** HSIC is up about 10% in value in 2026 and was trading at a multi-year high just last month. At these levels, long-term capital appreciation potential is below the current *Value Line* median.

*Michael Ratty* *August 7, 2026*

**(A)** Fiscal year ends last Saturday of December. Fully diluted GAAP earnings 2024 and prior; non-GAAP beginning in 2025. Quarters may not sum due to rounding/change in share count. Next earnings report due early November.
**(B)** Includes intangibles. In 2025: $5.23 bill. or $45.18 per share.
**(C)** In millions.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 25 |
| Earnings Predictability | 60 |

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# J. HENRY & ASSOC. NDQ-JKHY

RECENT PRICE 153.16 | P/E RATIO 22.3 (Trailing: 22.6 Median: 33.0) | RELATIVE P/E RATIO 1.21 | DIV'D YLD 1.6% | VALUE LINE

**TIMELINESS** 3 Lowered 7/31/26
**SAFETY** 1 Raised 8/11/17
TECHNICAL 5 Lowered 7/24/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$127-$254 $191 (25%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 265 | (+75%) | *16%* |
| Low | 215 | (+40%) | *10%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 352 | 331 | 383 |
| to Sell | 343 | 266 | 392 |
| Hld's(000) | 71971 | 71690 | 83121 |

| | High: | 79.9 | 91.1 | 119.8 | 163.7 | 152.9 | 201.0 | 180.0 | 212.6 | 184.2 | 189.6 | 196.0 | 193.4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Low: | 60.1 | 73.2 | 88.1 | 112.8 | 121.0 | 123.6 | 141.6 | 155.4 | 136.6 | 157.0 | 144.1 | 121.0 |

LEGENDS
20.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031

Percent shares traded 21 14 7

% TOT. RETURN 7/20/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -13.0 | 23.1 |
| 3 yr. | -7.2 | 52.8 |
| 5 yr. | -6.0 | 47.8 |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9.80 | 11.20 | 11.94 | 13.25 | 14.64 | 15.54 | 17.21 | 18.48 | 19.91 | 20.17 | 22.15 | 23.76 | 26.66 | 28.50 | 30.40 | 32.61 | ***35.65*** | ***38.55*** | Revenues per sh [A] | ***47.05*** |
| 1.81 | 2.08 | 2.33 | 2.68 | 3.07 | 3.28 | 3.81 | 3.82 | 4.29 | 4.15 | 4.55 | 4.92 | 5.68 | 7.65 | 7.98 | 8.78 | ***9.60*** | ***10.15*** | "Cash Flow" per sh | ***12.25*** |
| 1.38 | 1.59 | 1.78 | 2.04 | 2.36 | 2.59 | 3.12 | 3.14 | 3.65 | 3.52 | 3.86 | 4.12 | 4.94 | 5.02 | 5.23 | 5.95 | ***6.55*** | ***7.00*** | Earnings per sh [A] | ***8.60*** |
| .36 | .40 | .44 | .56 | .84 | .94 | 1.06 | 1.18 | 1.36 | 1.54 | 1.66 | 1.78 | 1.90 | 2.02 | 2.14 | 2.26 | 2.38 | ***2.50*** | Div'ds Decl'd per sh [B] | ***3.25*** |
| .64 | .37 | .48 | .54 | .40 | .67 | .72 | .54 | .52 | .70 | .70 | .31 | .48 | .54 | .80 | .73 | ***.75*** | ***.85*** | Cap'l Spending per sh | ***1.20*** |
| 8.79 | 10.19 | 11.43 | 12.58 | 12.56 | 12.26 | 12.66 | 13.33 | 16.42 | 18.56 | 20.22 | 17.83 | 18.96 | 22.07 | 25.28 | 29.26 | ***33.85*** | ***38.50*** | Book Value per sh [D] | ***53.50*** |
| 85.40 | 86.36 | 86.03 | 85.24 | 82.64 | 80.85 | 78.70 | 77.42 | 77.17 | 76.99 | 76.63 | 74.00 | 72.88 | 72.89 | 72.87 | 72.84 | ***71.00*** | ***70.00*** | Common Shs Outst'g [C] | ***68.00*** |
| 17.0 | 18.1 | 18.0 | 20.1 | 23.3 | 24.1 | 24.8 | 29.1 | 31.5 | 39.7 | 40.0 | 39.2 | 35.3 | 35.2 | 31.2 | 28.0 | ***26.4*** | | Avg Ann'l P/E Ratio | ***28.0*** |
| 1.08 | 1.14 | 1.15 | 1.13 | 1.23 | 1.21 | 1.30 | 1.46 | 1.70 | 2.11 | 2.05 | 2.12 | 2.04 | 1.96 | 1.63 | 1.45 | ***1.45*** | | Relative P/E Ratio | ***1.55*** |
| 1.5% | 1.4% | 1.4% | 1.4% | 1.5% | 1.5% | 1.4% | 1.3% | 1.2% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.3% | 1.3% | 1.4% | | Avg Ann'l Div'd Yield | ***1.3%*** |
| 1354.6 | 1431.1 | 1536.6 | 1552.7 | 1697.1 | 1758.2 | 1942.9 | 2077.7 | 2215.5 | 2375.3 | ***2530*** | ***2700*** | Revenues ($mill) [A] | ***3200*** |
| 30.4% | 29.2% | 28.5% | 25.4% | 25.5% | 25.7% | 27.0% | 32.3% | 31.1% | 32.6% | ***33.0%*** | ***32.0%*** | Operating Margin | ***32.0%*** |
| 50.6 | 49.7 | 48.0 | 47.4 | 52.2 | 52.5 | 50.8 | 190.7 | 199.9 | 204.8 | ***210*** | ***215*** | Depreciation ($mill) | ***240*** |
| 248.9 | 245.8 | 283.1 | 271.9 | 296.7 | 311.5 | 362.9 | 366.6 | 381.8 | 435.0 | ***470*** | ***495*** | Net Profit ($mill) | ***595*** |
| 31.0% | 33.0% | 27.6% | 21.7% | 22.2% | 21.7% | 23.2% | 22.7% | 23.3% | 24.0% | ***23.5%*** | ***23.0%*** | Income Tax Rate | ***24.0%*** |
| 18.4% | 17.2% | 18.4% | 17.5% | 17.5% | 17.7% | 18.7% | 17.6% | 17.2% | 18.3% | ***18.6%*** | ***18.5%*** | Net Profit Margin | ***18.5%*** |
| d11.8 | 48.8 | d19.4 | 99.5 | 174.2 | 22.8 | 69.7 | 104.2 | d1.8 | 145.7 | ***240*** | ***295*** | Working Cap'l ($mill) | ***350*** |
| - - | 50.0 | - - | - - | .2 | 100.1 | 115.0 | 275.0 | 60.0 | - - | ***100*** | ***100*** | Long-Term Debt ($mill) | ***100*** |
| 996.2 | 1032.1 | 1266.8 | 1429.0 | 1549.7 | 1319.3 | 1381.6 | 1608.5 | 1842.4 | 2130.8 | ***2400*** | ***2695*** | Shr. Equity ($mill) | ***3640*** |
| 25.1% | 22.8% | 22.4% | 19.1% | 19.2% | 22.0% | 24.3% | 19.9% | 20.5% | 20.4% | ***19.0%*** | ***18.0%*** | Return on Total Cap'l | ***16.0%*** |
| 25.0% | 23.8% | 22.3% | 19.0% | 19.1% | 23.6% | 26.3% | 22.8% | 20.7% | 20.4% | ***19.5%*** | ***18.5%*** | Return on Shr. Equity | ***16.5%*** |
| 16.5% | 14.9% | 14.1% | 10.7% | 10.9% | 13.5% | 16.2% | 13.6% | 12.3% | 12.7% | ***12.5%*** | ***12.0%*** | Retained to Com Eq | ***10.0%*** |
| 34% | 37% | 37% | 44% | 43% | 43% | 38% | 40% | 41% | 38% | ***36%*** | ***36%*** | All Div'ds to Net Prof | ***38%*** |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $90.0 mill.
**LT Debt** $90.0 mill. **LT Interest** $4.7 mill (4% of Cap'l)
**Leases, Uncapitalized:** None

**No Defined Benefit Pension Plan**

**Pfd Stock** None

**Common Stock** 71,051,000 shs.
**as of 4/24/26**
**MARKET CAP: $10.9 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 38.3 | 102.0 | 20.6 |
| Receivables | 333.0 | 318.0 | 282.5 |
| Other | 260.7 | 261.5 | 291.7 |
| Current Assets | 632.0 | 681.5 | 594.8 |
| Accts Payable | 25.3 | 28.2 | 19.9 |
| Debt Due | - - | - - | - - |
| Other | 608.5 | 507.6 | 321.2 |
| Current Liab. | 633.8 | 535.8 | 341.1 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 7.5% | 8.0% | *6.5%* |
| "Cash Flow" | 10.5% | 13.5% | *6.0%* |
| Earnings | 9.0% | 8.5% | *7.0%* |
| Dividends | 10.5% | 7.0% | *6.0%* |
| Book Value | 7.5% | 7.0% | *11.0%* |

| Fiscal Year Ends | QUARTERLY REVENUES ($ mill.) [A] Sep. 30 | Dec. 31 | Mar. 31 | Jun. 30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 529.2 | 505.3 | 508.6 | 534.6 | 2077.7 |
| 2024 | 571.4 | 545.7 | 538.6 | 559.8 | 2215.5 |
| 2025 | 601.0 | 573.8 | 585.1 | 615.4 | 2375.3 |
| 2026 | 644.7 | 619.3 | 636.2 | ***629.8*** | ***2530*** |
| 2027 | ***700*** | ***650*** | ***675*** | ***675*** | ***2700*** |

| Fiscal Year Ends | EARNINGS PER SHARE [A] Sep. 30 | Dec. 31 | Mar. 31 | Jun. 30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1.46 | 1.10 | 1.12 | 1.34 | 5.02 |
| 2024 | 1.39 | 1.26 | 1.19 | 1.39 | 5.23 |
| 2025 | 1.59 | 1.35 | 1.45 | 1.56 | 5.95 |
| 2026 | 1.86 | 1.66 | 1.56 | ***1.47*** | ***6.55*** |
| 2027 | ***2.00*** | ***1.70*** | ***1.70*** | ***1.60*** | ***7.00*** |

| Calendar | QUARTERLY DIVIDENDS PAID [B] Mar.31 | June.30 | Sept.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .49 | .49 | .49 | .49 | 1.90 |
| 2023 | .52 | .52 | .52 | .52 | 2.08 |
| 2024 | .55 | .55 | .55 | .55 | 2.20 |
| 2025 | .58 | .58 | .58 | .58 | 2.32 |
| 2026 | .61 | .61 | | | |

**BUSINESS:** Jack Henry & Associates, Inc. provides integrated computer systems and services to banks and financial institutions. It has developed several banking application software systems that it markets, along with computer hardware, to financial institutions. Also performs data conversion, software installation, and software customization for the implementation of its systems. It has agreements with several hardware producers to resell their hardware and services directly to its clients. Has 7,240 employees. Off. & dir. own less than 1% of stock; Vanguard, 11.9%; BlackRock, 8.5% (10/25 Proxy). Board Chair: Matt Flanigan. President and CEO: Gregory Adelson. Inc.: DE. Addr.: 663 Highway 60, P.O. Box 807, Monett, MO 65708. Tel.: 417-235-6652. Web: www.jackhenry.com.

**Jack Henry is poised for another year of solid growth.** The company likely posted a gain of 10% in earnings per share for the fiscal year that ended on June 30th. Comparisons late in the year narrowed due to more normal medical claims costs under the company's self-insured healthcare plan, but the full-year result was good. (Final results are expected in mid-August.) In fiscal 2027, we look for healthcare costs to return to more normal levels. And from an operating standpoint, results should benefit from new business that Jack Henry is adding.

**The company is targeting larger accounts as the pool of smaller banks continues to shrink due to mergers.** In late May, Jack Henry made its largest signing in the company's history. It brought Woodforest National Bank into the fold. This Missouri-based financial institution has over 740 branches and $9 billion in assets. Over the past three fiscal years, 44 financial institutions with over $1 billion in assets have chosen to switch their core banking platforms to Jack Henry, representing $94 billion in assets. This is a significant increase from 15 companies with $26 billion in assets signed in fiscal 2022 and 2023.

**Leadership is striving to manage its way through the changing banking landscape.** The emergence of alternative financial choices is one trend that traditional banks are grappling with. New services such as point-of-sale short-term loans, peer-to-peer lending, and online banking threaten to take share away from smaller institutions that do not offer such capabilities. Jack Henry is boosting its research and development spending in an effort to develop the software and hardware that will allow its customers to succeed in this shifting environment.

**These shares are ranked to mirror the performance of the average stock in the coming year.** Our system has accorded JKHY stock with an Average Timeliness Rank of 3. We also view the long-term outlook for the shares as encouraging. The stock has been a bit of a laggard over the past several years, but we think the company is making the necessary shifts in strategy to generate renewed investor interest in the company.

*Stuart J. Benway, CFA* *July 31, 2026*

**(A)** Fiscal year ends June 30th. Adjusted earning starting in 2025. GAAP diluted earnings previously. Next earnings report due mid-August. Quarterly earnings may not sum due to rounding. **(B)** Dividends historically paid in March, June, September, and December. **(C)** In millions. **(D)** Includes intangibles, as of fiscal '25: $847.9 million, $11.75/share.

| | |
|---|---|
| Company's Financial Strength | A+ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 55 |
| Earnings Predictability | 100 |

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# KENVUE INC. NYSE-KVUE

RECENT PRICE 18.88 | P/E RATIO 15.3 (Trailing: 16.0 Median: NMF) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 4.5% | VALUE LINE 1192

**TIMELINESS** — Suspended 11/14/25
**SAFETY** 2 Raised 9/12/25
TECHNICAL — Suspended 11/14/25
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

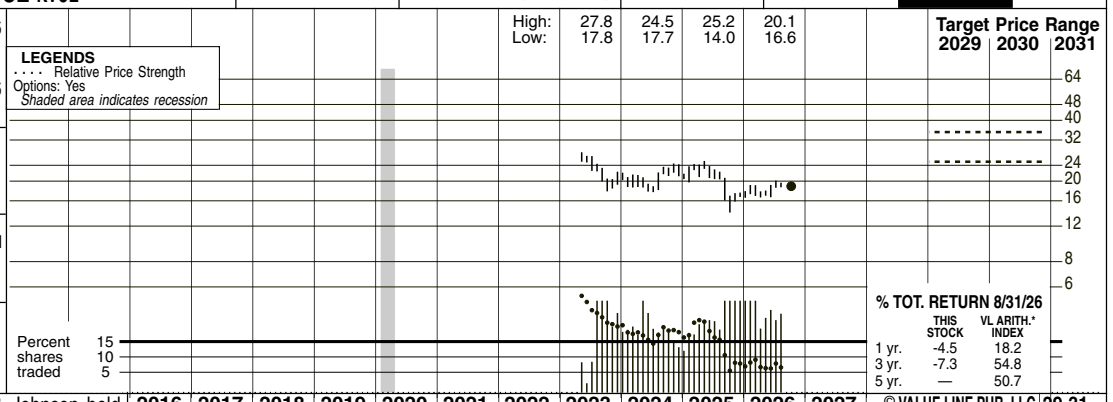
| Low-High | Midpoint (% to Mid) |
|---|---|
| $16-$26 | $21 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 35 | (+85%) | *19%* |
| Low | 25 | (+30%) | *11%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 421 | 551 | 541 |
| to Sell | 451 | 469 | 467 |
| Hld's(000) | 1864056 | 2016384 | 2013351 |




On May 4, 2023, Johnson & Johnson held an initial public offering of 198.7 million shares of Kenvue Inc. stock at $22.00 apiece. A subsequent exchange offer gave investors the opportunity to swap JNJ shares for up to 1.533 billion KVUE shares at a discount to their market price. After the IPO and exchange offer, J&J's stake in Kenvue was expected to fall below 10%.

**CAPITAL STRUCTURE as of 6/28/26**
**Total Debt** $8480 mill.
**LT Debt** $7074 mill. **LT Interest** $360 mill.
(Total interest coverage: 7.9x)
(40% of Cap'l)

**Leases, Uncapitalized** Annual rentals $48 mill.

**Pension Assets-12/25** $572 mill. **Oblig.** $832 mill.
**Pfd Stock** None

**Common Stock** 1,920,773,467 shs.
**as of 7/31/26**

**MARKET CAP: $36.3 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/28/26 |
|---|---|---|---|
| Cash Assets | 1070 | 1062 | 1110 |
| Receivables | 2165 | 2382 | 2476 |
| Inventory (FIFO) | 1591 | 1666 | 1722 |
| Other | 699 | 587 | 591 |
| Current Assets | 5525 | 5697 | 5899 |
| Accts Payable | 2254 | 2473 | 2577 |
| Debt Due | 1522 | 1453 | 1406 |
| Other | 1963 | 2019 | 1884 |
| Current Liab. | 5739 | 5945 | 5867 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | - - | - - | *2.0%* |
| "Cash Flow" | - - | - - | *2.5%* |
| Earnings | - - | - - | *2.5%* |
| Dividends | - - | - - | *5.0%* |
| Book Value | - - | - - | *6.0%* |

| Fiscal Year Ends | QUARTERLY SALES ($ mill.) A Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 3852 | 4011 | 3915 | 3666 | 15444 |
| 2024 | 3894 | 4000 | 3899 | 3662 | 15455 |
| 2025 | 3741 | 3839 | 3763 | 3780 | 15123 |
| 2026 | 3909 | 3955 | *3875* | *3886* | *15625* |
| 2027 | *4025* | *4075* | *3950* | *4000* | *16050* |

| Fiscal Year Ends | EARNINGS PER SHARE AB Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | .37 | .32 | .31 | .31 | 1.29 |
| 2024 | .28 | .32 | .28 | .26 | 1.14 |
| 2025 | .24 | .29 | .21 | .27 | 1.08 |
| 2026 | .32 | .31 | *.27* | *.30* | *1.20* |
| 2027 | *.35* | *.30* | *.25* | *.35* | *1.25* |

| Cal-endar | QUARTERLY DIVIDENDS PAID C Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | - - | - - | - - | - - | - - |
| 2023 | - - | - - | .20 | .20 | .40 |
| 2024 | .20 | .20 | .205 | .205 | .81 |
| 2025 | .205 | .205 | .208 | .208 | .83 |
| 2026 | .208 | .208 | .213 | | |

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | - - | - - | - - | - - | - - | - - | - - | 8.06 | 8.08 | 7.89 | *8.15* | *8.35* | Sales per sh | *9.00* |
| | - - | - - | - - | - - | - - | - - | - - | 1.40 | 1.47 | 1.37 | *1.50* | *1.55* | "Cash Flow" per sh | *1.65* |
| | - - | - - | - - | - - | - - | - - | - - | 1.29 | 1.14 | 1.08 | *1.20* | *1.25* | Earnings per sh | *1.35* |
| | - - | - - | - - | - - | - - | - - | - - | .40 | .81 | .83 | *.84* | *.85* | Div'ds Decl'd per sh | *.90* |
| | - - | - - | - - | - - | - - | - - | - - | .25 | .23 | .25 | *.20* | *.20* | Cap'l Spending per sh | *.20* |
| | - - | - - | - - | - - | - - | - - | - - | 5.85 | 5.05 | 5.62 | *6.00* | *6.40* | Book Value per sh | *7.85* |
| | - - | - - | - - | - - | - - | - - | - - | 1915.1 | 1913.8 | 1916.1 | *1920.0* | *1918.0* | Common Shs Outst'g | *1915.0* |
| | - - | - - | - - | - - | - - | - - | - - | 17.6 | 18.2 | 18.9 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *22.0* |
| | - - | - - | - - | - - | - - | - - | - - | .98 | .95 | .98 | | | Relative P/E Ratio | *1.20* |
| | - - | - - | - - | - - | - - | - - | - - | 1.8% | 3.9% | 4.0% | | | Avg Ann'l Div'd Yield | *3.0%* |
| | - - | - - | - - | - - | - - | - - | 14950 | 15444 | 15455 | 15123 | *15625* | *16050* | Sales ($mill) | *17250* |
| | - - | - - | - - | - - | - - | - - | 24.1% | 24.0% | 21.0% | 21.6% | *22.0%* | *22.0%* | Operating Margin | *22.0%* |
| | - - | - - | - - | - - | - - | - - | 284.0 | 305.0 | 622.0 | 557.0 | *500* | *525* | Depreciation ($mill) | *550* |
| | - - | - - | - - | - - | - - | - - | 2589.0 | 2383.0 | 2199.0 | 2076.0 | *2350* | *2415* | Net Profit ($mill) | *2585* |
| | - - | - - | - - | - - | - - | - - | 21.8% | 22.8% | 14.9% | 20.3% | *26.5%* | *26.0%* | Income Tax Rate | *25.0%* |
| | - - | - - | - - | - - | - - | - - | 17.3% | 15.4% | 14.2% | 13.7% | *15.0%* | *15.0%* | Net Profit Margin | *15.0%* |
| | - - | - - | - - | - - | - - | - - | 1951.0 | 657.0 | d214.0 | d248.0 | *d120* | *d50.0* | Working Cap'l ($mill) | *500* |
| | - - | - - | - - | - - | - - | - - | - - | 7687.0 | 7055.0 | 7071.0 | *7000* | *6500* | Long-Term Debt ($mill) | *6000* |
| | - - | - - | - - | - - | - - | - - | 20021 | 11211 | 9668.0 | 10765 | *11500* | *12275* | Shr. Equity ($mill) | *15000* |
| | - - | - - | - - | - - | - - | - - | 12.9% | 13.4% | 14.4% | 12.7% | *12.5%* | *13.0%* | Return on Total Cap'l | *12.5%* |
| | - - | - - | - - | - - | - - | - - | 12.9% | 21.3% | 22.7% | 19.3% | *20.5%* | *19.5%* | Return on Shr. Equity | *17.0%* |
| | - - | - - | - - | - - | - - | - - | 12.9% | 14.4% | 6.7% | 4.6% | *6.5%* | *6.5%* | Retained to Com Eq | *5.5%* |
| | - - | - - | - - | - - | - - | - - | - - | 32% | 71% | 76% | *69%* | *68%* | All Div'ds to Net Prof | *67%* |

**BUSINESS:** Kenvue is a leading global consumer healthcare company. The company was spun off from Johnson & Johnson in April 2023, and the IPO was held the following month. Brands include: *Aveeno, BAND-AID, Johnson's, Listerine, Neutrogena, Nicorette, Tylenol*, and *Zyrtec*. It has three reportable segments: Self Care (42% of 2025 sales), Skin Health and Beauty (27%), and Essential Health (31%). 52% of 2025 sales came from outside the United States. Has approximately 22,000 employees. Officers/directors own 1.6% of stock; Vanguard, 12.2%; BlackRock, 6.7%; State Street, 6.6% (3/26 Proxy). Chairman: Larry J. Merlo. CEO: Kirk L. Perry. Inc.: DE. Address: 1 Kenvue Way, Summit, NJ 07901. Telephone: 908-874-1200. Internet: www.kenvue.com.

**Kenvue is set to be acquired by Kimberly-Clark by the end of the year.** The takeover, first announced last November, has already received the go-ahead from shareholders of both companies and now awaits foreign regulatory approvals and other closing conditions. Under the terms of the deal, KVUE stockholders will receive $3.50 in cash and 0.14625 KMB shares (for a total valuation of approximately $48.7 billion), and would own 46% of the combined entity. The merger would create a complementary roster of global consumer health and wellness products, including 10 billion-dollar brands. The combination should precipitate robust growth opportunities and achieve significant synergies.

**On its own, the company has been reorganizing its business.** The 2026 Restructuring Initiative, which aims to optimize operations, improve the supply chain, drive operational efficiencies, and bolster core capabilities, has widened margins in recent months. Too, these measures have freed up capital for the company to invest in its brands and products.

**Kenvue seems poised to do well in the near term.** During the second quarter, earnings per share expanded nearly 7%, on a 3% sales gain. The company registered broad-based growth across regions and market categories. To wit, sales at Skin Health & Beauty increased 5% year over year, while the Self Care and Essential Health segments both grew sales at a 2% clip. In July, a federal appeals court revived hundreds of private lawsuits against Tylenol, and its legal troubles could hurt the company. Nonetheless, we think management's efforts will bolster results, and counter headwinds from increased tariffs, rising input and manufacturing costs and wavering consumer demand. Overall, we look for share earnings and sales to rise 10%-15% and 2%-5%, respectively, in 2026.

**This issue is unranked due to the pending merger.** The equity has a good dividend yield and offers a decent arbitrage discount. The appeal may be tempered by the recent drop in KMB's stock price, regulatory and execution risks, and concerns about the Tylenol litigation.

*Orly Seidman* *September 11, 2026*

**(A)** Fiscal years end the Sunday closest to December 31st.

**(B)** Diluted earnings. EPS may not sum due to changes in shares out or rounding. Next earnings report due early November.

**(C)** Quarterly dividend initiated 9/7/23. Dividend historically paid in mid-February, May, July, and October.

| | |
|---|---|
| **Company's Financial Strength** | A |
| **Stock's Price Stability** | 90 |
| **Price Growth Persistence** | NMF |
| **Earnings Predictability** | NMF |

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# L3HARRIS TECH. NYSE-LHX

RECENT PRICE 278.38 | P/E RATIO 22.5 (Trailing: 24.4 Median: NMF) | RELATIVE P/E RATIO 1.24 | DIV'D YLD 1.8% | VALUE LINE

**TIMELINESS** 3 Raised 8/14/26
**SAFETY** 2 New 1/17/20
TECHNICAL 3 Lowered 8/7/26
**BETA** .80 (1.00 = Market)

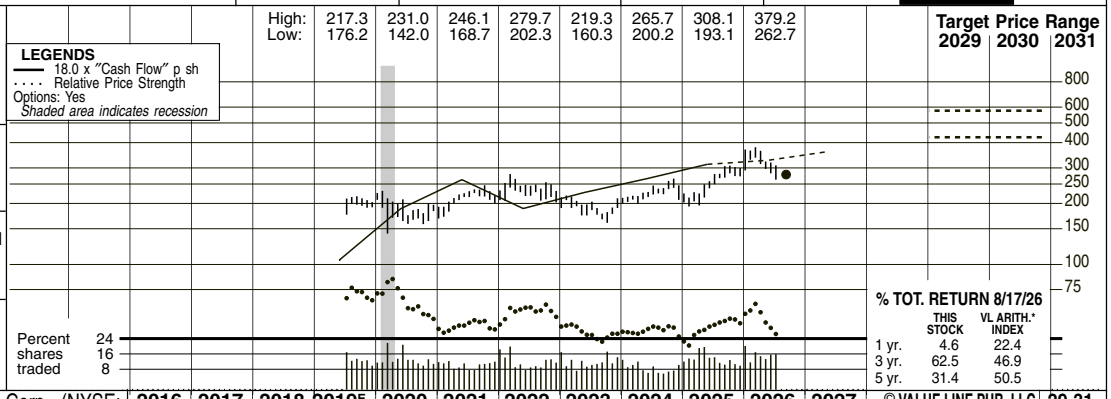
**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$234-$459 $347 (25%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 575 | (+105%) | *21%* |
| Low | 425 | (+55%) | *13%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 728 | 636 | 813 |
| to Sell | 556 | 495 | 692 |
| Hld's(000) | 167484 | 166935 | 189009 |




On July 1, 2019, Harris Corp. (NYSE: HRS) and L3 Technologies (NYSE: LLL) completed a merger of equals. The newly formed company was incorporated as L3Harris Technologies, and began trading on the NYSE under the ticker LHX.

**CAPITAL STRUCTURE as of 7/3/26**
**Total Debt** $10999 mill.
**LT Debt** $9184 mill. **LT Interest** $505 mill.
(31% of Cap'l)
**Leases, Uncapitalized** $174.0 mill.
**Pension Assets-12/25** $7.2 billion **Oblig.** $6.2 billion
**Pfd Stock** None
**Common Stock** 186,214,616 shs. **as of 7/24/26**

**MARKET CAP: $51.8 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 7/3/26 |
|---|---|---|---|
| Cash Assets | 615 | 1069 | 1521 |
| Receivables | 1093 | 1371 | 1950 |
| Inventory | 1330 | 1219 | 1272 |
| Other | 5180 | 4934 | 5340 |
| Current Assets | 8218 | 8593 | 10083 |
| Accts Payable | 2005 | 2461 | 2085 |
| Debt Due | 1155 | 673 | 1815 |
| Other | 4473 | 4092 | 4617 |
| Current Liab. | 7633 | 7226 | 8517 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | - - | 11.0% | *7.5%* |
| "Cash Flow" | - - | 13.0% | *11.5%* |
| Earnings | - - | 13.5% | *15.5%* |
| Dividends | - - | 13.5% | *4.5%* |
| Book Value | - - | - - | *3.5%* |

| Fiscal Year Ends | QUARTERLY SALES ($ mill.) A Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 4471 | 4693 | 4915 | 5340 | 19419 |
| 2024 | 5211 | 5299 | 5292 | 5523 | 21325 |
| 2025 | 5132 | 5426 | 5659 | 5648 | 21865 |
| 2026 | 5744 | 5881 | *6000* | *6005* | *23630* |
| 2027 | *6125* | *6275* | *6395* | *6415* | *25210* |

| Fiscal Year Ends | EARNINGS PER SHARE AB Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1.76 | 1.83 | 2.02 | .83 | 6.44 |
| 2024 | 1.48 | 1.92 | 2.10 | 2.37 | 7.87 |
| 2025 | 2.41 | 2.78 | 2.70 | 2.86 | 10.73 |
| 2026 | 2.72 | 3.13 | *2.95* | *3.20* | *12.00* |
| 2027 | *3.10* | *3.45* | *3.30* | *3.60* | *13.45* |

| Cal-endar | QUARTERLY DIVIDENDS PAID C Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | 1.12 | 1.12 | 1.12 | 1.12 | 4.48 |
| 2023 | 1.14 | 1.14 | 1.14 | 1.14 | 4.56 |
| 2024 | 1.16 | 1.16 | 1.16 | 1.16 | 4.64 |
| 2025 | 1.20 | 1.20 | 1.20 | 1.20 | 4.80 |
| 2026 | 1.25 | 1.25 | | | |

| | 2016 | 2017 | 2018 | 2019E | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | - - | - - | - - | 42.71 | 88.51 | 92.27 | 89.51 | 102.31 | 112.36 | 117.02 | *127.75* | *137.75* | Sales per sh A | *171.90* |
| | - - | - - | - - | 5.83 | 10.47 | 14.58 | 10.49 | 12.61 | 14.71 | 17.37 | *18.20* | *20.15* | "Cash Flow" per sh | *28.50* |
| | - - | - - | - - | 3.68 | 5.19 | 9.09 | 5.49 | 6.44 | 7.87 | 10.73 | *12.00* | *13.45* | Earnings per sh AB | *20.00* |
| | - - | - - | - - | 1.50 | 3.40 | 4.08 | 4.48 | 4.56 | 4.64 | 4.80 | *5.00* | *5.20* | Div'ds Decl'd per sh C | *6.00* |
| | - - | - - | - - | .80 | 1.79 | 1.74 | 1.32 | 2.37 | 2.15 | 2.27 | *2.45* | *2.55* | Cap'l Spending per sh | *3.00* |
| | - - | - - | - - | 104.14 | 100.81 | 99.52 | 97.18 | 98.86 | 102.82 | 105.09 | *108.40* | *111.50* | Book Value per sh F | *126.00* |
| | - - | - - | - - | 216.90 | 205.57 | 193.07 | 190.61 | 189.81 | 189.80 | 186.84 | *185.00* | *183.00* | Common Shs Outst'g D | *177.00* |
| | - - | - - | - - | NMF | 36.2 | 23.4 | 42.4 | 30.0 | 28.5 | 23.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *25.0* |
| | - - | - - | - - | NMF | 1.86 | 1.26 | 2.45 | 1.67 | 1.49 | 1.22 | | | Relative P/E Ratio | *1.40* |
| | - - | - - | - - | .7% | 1.8% | 1.9% | 1.9% | 2.4% | 2.1% | 1.9% | | | Avg Ann'l Div'd Yield | *1.2%* |
| | - - | - - | - - | 9263.0 | 18194 | 17814 | 17062 | 19419 | 21325 | 21865 | *23630* | *25210* | Sales ($mill) | *30425* |
| | - - | - - | - - | 13.8% | 12.1% | 16.0% | 16.8% | 15.5% | 15.2% | 17.1% | *17.4%* | *17.6%* | Operating Margin | *19.5%* |
| | - - | - - | - - | 442.0 | 1032.0 | 967.0 | 938.0 | 1166.0 | 1289.0 | 1224.0 | *1150* | *1225* | Depreciation ($mill) | *1500* |
| | - - | - - | - - | 823.0 | 1121.0 | 1847.0 | 1062.0 | 1227.0 | 1502.0 | 2021.0 | *2220* | *2460* | Net Profit ($mill) | *3540* |
| | - - | - - | - - | 8.0% | 17.7% | 19.3% | 16.7% | 1.9% | 5.3% | 13.9% | *10.0%* | *10.0%* | Income Tax Rate | *10.0%* |
| | - - | - - | - - | 8.9% | 6.2% | 10.4% | 6.2% | 6.3% | 7.0% | 9.2% | *9.4%* | *9.8%* | Net Profit Margin | *11.6%* |
| | - - | - - | - - | 2303.0 | 2427.0 | 1808.0 | 978.0 | 51.0 | 585.0 | 1367.0 | *1600* | *1775* | Working Cap'l ($mill) | *2200* |
| | - - | - - | - - | 6694.0 | 6908.0 | 7048.0 | 6225.0 | 11160 | 11081 | 10443 | *9075* | *8900* | Long-Term Debt ($mill) | *8200* |
| | - - | - - | - - | 22587 | 20724 | 19213 | 18523 | 18765 | 19514 | 19635 | *20050* | *20400* | Shr. Equity ($mill) | *22300* |
| | - - | - - | - - | 3.0% | 4.5% | 7.5% | 4.9% | 5.0% | 6.0% | 7.7% | *8.5%* | *9.0%* | Return on Total Cap'l | *12.5%* |
| | - - | - - | - - | 3.6% | 5.4% | 9.6% | 5.7% | 6.5% | 7.7% | 10.3% | *11.0%* | *12.0%* | Return on Shr. Equity | *16.0%* |
| | - - | - - | - - | 2.2% | 1.9% | 5.4% | 1.1% | 1.9% | 3.2% | 5.7% | *6.5%* | *7.5%* | Retained to Com Eq | *11.0%* |
| | - - | - - | - - | 41% | 65% | 44% | 81% | 71% | 59% | 45% | *42%* | *39%* | All Div'ds to Net Prof | *30%* |

**BUSINESS:** L3Harris Technologies was formed in 2019 via a merger of Harris Corp. and L3 Technologies. It operates in four different business segments: space & airborne sys. (32% of 2025 sales), integrated mission sys. (30%), communications sys. (26%), and Aerojet Rocketdyne (12%), which was acquired for $4.7 billion in mid-2023, and deals in solid rocket motors and tactical, air defense, and missile defense sys. R&D was 2% of sales in '25. Has 45,000 employees. Officers and Directors own less than 1.0% of common stock; Vanguard, 12.2%; BlackRock, 7.2%; Capital World Investors, 6.0% (3/26 proxy). CEO: Sam Mehta. Incorporated: Delaware. Address: 1025 West NASA Boulevard, Melbourne, Florida 32919. Telephone: 321-727-9100. Internet: www.l3harris.com.

**L3Harris has made a change at the CEO position.** Former chairman and CEO Christopher Kubasik left the company after a board investigation found he engaged in conduct inconsistent with its code of conduct. Sam Mehta assumed the CEO post, coming over from leading the space and mission systems arm.

**These shares have given back all the gains previously made in the year-to-date window.** The underlying business is doing fine. Still, the quotation peaked around $380 earlier this year. Since then, management has announced a delay in the missile/space propulsion business IPO to 2027. This removed a near-term catalyst for investors. Additionally, market focus shifted towards the company's balance sheet, but it is a strong cash-flow generator and the debt-to-total capital ratio remains at a manageable 31%, so we are not on board with this train of thought. Too, a cool down in geopolitical tensions in the Middle East, particularly regarding the U.S., caused some investors to take profits, and the CEO news did not help.

**The second quarter was a strong one, but Wall Street did not like the conservative 2026 outlook.** Sales came in $80 million above the consensus figure and earnings per share beat by $0.30. Orders totaled $7.3 billion, with a book-to-bill ratio of 1.2x. The total contractual backlog stands at a record $42 billion. The parameters for the top and bottom lines for the year were lifted, but modestly. This has led to reduced third-quarter expectations.

**We think sales can pass the $25 billion threshold next year, with earnings coming in around $13.45 a share.** All projections point to the highest U.S. defense budget in history, with heavy spending on space-based architecture, as well. This type of funding plays into the core competencies of L3Harris. Too, we anticipate the return of some investors to take part in the missile IPO.

**This good-quality selection grows more appealing with an elongated time frame.** The stock is neutrally ranked for year-ahead relative price performance. However, capital appreciation potential three to five years hence is handsome and a solid dividend also makes this equity a good choice for the total return-minded.

*Erik M. Manning* *August 28, 2026*

**(A)** Fiscal years end around December 31st. **(B)** Fully adjusted diluted earnings. Excludes nonrecurring loss of $2.20 a share in 2025. May not add due to rounding or change in share count. Next earnings report due late October. **(C)** Quarterly dividends historically paid mid-March, June, September, and December. **(D)** In millions. **(E)** 2019 data only includes financials from post merger, which was completed on July 1st. **(F)** Includes intangible assets. In 2025: $26.5 billion, $141.83 a share.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 40 |
| Earnings Predictability | 55 |

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# LANDSTAR SYSTEM NDQ-LSTR

RECENT PRICE 176.76 | P/E RATIO 29.5 (Trailing: 45.8 Median: 21.0) | RELATIVE P/E RATIO 1.63 | DIV'D YLD 1.0% | VALUE LINE

**TIMELINESS** 3 Raised 4/24/26
**SAFETY** 2 Lowered 8/15/25
TECHNICAL 1 Raised 8/14/26
**BETA** .90 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $106-$219 | $163 (-10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 315 | (+80%) | *17%* |
| Low | 235 | (+35%) | *8%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 175 | 143 | 287 |
| to Sell | 224 | 152 | 163 |
| Hld's(000) | 35414 | 34398 | 38807 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 73.6 | 90.8 | 107.6 | 128.7 | 120.2 | 140.4 | 188.6 | 182.0 | 208.6 | 200.4 | 179.7 | 228.5 | | | | | | |
| Low: | 54.0 | 53.0 | 80.0 | 90.2 | 93.6 | 85.3 | 132.4 | 137.1 | 160.0 | 165.4 | 119.3 | 129.8 | | | | | | |

**LEGENDS**
18.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
400
320
200
160
120
100
80
60
40

Percent shares traded 30 20 10

**% TOT. RETURN 8/3/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 41.1 | 22.4 |
| 3 yr. | -6.7 | 46.9 |
| 5 yr. | 23.6 | 50.5 |

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| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 50.15 | 56.70 | 60.14 | 58.58 | 71.10 | 78.29 | 75.71 | 86.84 | 115.05 | 103.61 | 107.76 | 173.44 | 206.99 | 148.48 | 136.46 | 139.28 | *164.20* | *189.25* | Revenues per sh |
| | 2.35 | 2.97 | 3.39 | 3.00 | 3.71 | 4.17 | 4.14 | 5.18 | 7.45 | 6.90 | 6.20 | 11.44 | 13.59 | 9.03 | 7.16 | 4.74 | *7.40* | *9.25* | "Cash Flow" per sh |
| | 1.77 | 2.38 | 2.77 | 2.36 | 3.07 | 3.37 | 3.25 | 4.21 | 6.18 | 5.72 | 4.98 | 9.98 | 11.76 | 7.36 | 5.51 | 3.31 | *5.90* | *7.60* | Earnings per sh A |
| | .19 | .21 | .73 | - - | .26 | .30 | .34 | .38 | .63 | .70 | .79 | .92 | 1.10 | 1.26 | 3.38 | 3.56 | *1.72* | *1.80* | Div'ds Decl'd per sh B |
| | .57 | .09 | .15 | .14 | .24 | .11 | .54 | .37 | .24 | .49 | .80 | .62 | .72 | .72 | .88 | .29 | *1.20* | *1.40* | Cap'l Spending per sh |
| | 5.26 | 6.43 | 8.17 | 9.99 | 10.90 | 10.99 | 12.97 | 15.50 | 17.12 | 18.28 | 18.02 | 22.87 | 24.70 | 27.55 | 27.54 | 23.36 | *23.15* | *25.40* | Book Value per sh |
| | 47.86 | 46.72 | 46.45 | 45.49 | 44.79 | 42.42 | 41.84 | 41.99 | 40.12 | 39.47 | 38.39 | 37.69 | 35.93 | 35.72 | 35.32 | 34.06 | *33.50* | *32.50* | Common Shs Outst'g C |
| | 22.4 | 18.6 | 18.5 | 23.4 | 21.5 | 19.4 | 21.0 | 21.3 | 17.7 | 19.0 | 23.6 | 16.4 | 13.1 | 24.7 | 33.6 | 42.7 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio |
| | 1.42 | 1.17 | 1.18 | 1.31 | 1.13 | .98 | 1.10 | 1.07 | .96 | 1.01 | 1.21 | .89 | .76 | 1.37 | 1.76 | 2.22 | | | Relative P/E Ratio |
| | .5% | .5% | 1.4% | - - | .4% | .5% | .5% | .4% | .6% | .6% | .7% | .6% | .7% | .7% | 1.8% | 2.5% | | | Avg Ann'l Div'd Yield |
| | | | | | | | 3167.6 | 3646.4 | 4615.1 | 4089.6 | 4136.4 | 6537.6 | 7436.6 | 5303.3 | 4819.2 | 4743.8 | *5500* | *6150* | Revenues ($mill) |
| | | | | | | | 9.1% | 7.7% | 8.0% | 8.4% | 7.7% | 8.5% | 9.0% | 8.4% | 7.3% | 4.6% | *5.6%* | *6.1%* | Operating Margin |
| | | | | | | | 35.8 | 40.6 | 43.6 | 44.5 | 45.9 | 49.6 | 57.5 | 58.2 | 56.7 | 46.4 | *50.0* | *54.0* | Depreciation ($mill) |
| | | | | | | | 137.4 | 177.1 | 255.3 | 227.7 | 192.1 | 381.5 | 430.9 | 264.4 | 195.9 | 115.0 | *200* | *245* | Net Profit ($mill) |
| | | | | | | | 37.4% | 26.5% | 22.3% | 23.0% | 22.8% | 24.0% | 24.1% | 24.0% | 23.0% | 23.6% | *23.0%* | *23.0%* | Income Tax Rate |
| | | | | | | | 4.3% | 4.9% | 5.5% | 5.6% | 4.6% | 5.8% | 5.8% | 5.0% | 4.1% | 2.4% | *3.6%* | *4.0%* | Net Profit Margin |
| | | | | | | | 357.1 | 412.6 | 435.6 | 445.0 | 402.1 | 512.9 | 561.3 | 677.5 | 646.7 | 520.5 | *440* | *420* | Working Cap'l ($mill) |
| | | | | | | | 93.3 | 83.1 | 84.9 | 70.2 | 65.4 | 75.2 | 67.2 | 43.3 | 69.2 | 48.8 | *40.0* | *40.0* | Long-Term Debt ($mill) |
| | | | | | | | 542.6 | 650.7 | 686.8 | 721.5 | 691.8 | 862.0 | 887.2 | 983.9 | 972.4 | 795.7 | *775* | *825* | Shr. Equity ($mill) |
| | | | | | | | 21.9% | 24.4% | 33.3% | 29.0% | 25.6% | 40.9% | 45.3% | 25.9% | 19.1% | 13.9% | *24.5%* | *28.5%* | Return on Total Cap'l |
| | | | | | | | 25.3% | 27.2% | 37.2% | 31.6% | 27.8% | 44.3% | 48.6% | 26.9% | 20.2% | 14.5% | *25.5%* | *30.0%* | Return on Shr. Equity |
| | | | | | | | 22.7% | 24.8% | 24.2% | 27.7% | 11.9% | 40.2% | 44.0% | 22.3% | 7.8% | 7.7% | *18.0%* | *23.0%* | Retained to Com Eq |
| | | | | | | | 10% | 9% | 35% | 12% | 57% | 9% | 9% | 17% | 61% | 108% | *29%* | *24%* | All Div'ds to Net Prof |

**CAPITAL STRUCTURE as of 6/27/26**
**Total Debt** $66.8 mill.
**LT Debt** $42.1 mill. **LT Interest** $2.4 mill.
(Total interest covered more than 25x)
(5% of Cap'l)

**No Defined Benefit Pension Plan**
**Leases, Uncapitalized** Annual Rentals $.8 mill.
**Pfd Stock** None

**Common Stock** 33,936,925 shares
**as of 7/20/26**
**MARKET CAP: $6.0 billion (Mid Cap)**

**CURRENT POSITION**

| ($MILL.) | 2024 | 2025 | 6/27/26 |
|---|---|---|---|
| Cash Assets | 566.6 | 452.2 | 347.8 |
| Receivables | 683.9 | 722.9 | 914.2 |
| Other | 69.4 | 41.2 | 59.0 |
| Current Assets | 1319.9 | 1216.3 | 1321.0 |
| Accts Payable | 444.7 | 369.6 | 468.8 |
| Debt Due | 33.1 | 85.3 | 24.7 |
| Other | 195.4 | 240.9 | 230.4 |
| Current Liab. | 673.2 | 695.8 | 723.9 |

**ANNUAL RATES**

| of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 7.5% | 5.5% | *7.5%* |
| "Cash Flow" | 7.0% | .5% | *13.0%* |
| Earnings | 6.5% | -1.0% | *15.0%* |
| Dividends | 31.0% | 31.0% | *5.0%* |
| Book Value | 9.5% | 8.0% | *6.5%* |

**QUARTERLY REVENUES ($ mill.)**

| Calendar | Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Year |
|---|---|---|---|---|---|
| 2023 | 1435 | 1373 | 1289 | 1204 | 5303.3 |
| 2024 | 1171 | 1225 | 1213 | 1209 | 4819.2 |
| 2025 | 1152 | 1211 | 1205 | 1174 | 4743.8 |
| 2026 | 1171 | 1432 | *1470* | *1427* | *5500* |
| 2027 | *1400* | *1600* | *1600* | *1550* | *6150* |

**EARNINGS PER SHARE A**

| Calendar | Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Year |
|---|---|---|---|---|---|
| 2023 | 2.17 | 1.85 | 1.71 | 1.63 | 7.36 |
| 2024 | 1.32 | 1.48 | 1.41 | 1.30 | 5.51 |
| 2025 | .85 | 1.20 | .56 | .70 | 3.31 |
| 2026 | 1.16 | 1.44 | *1.65* | *1.65* | *5.90* |
| 2027 | *1.75* | *1.95* | *2.00* | *1.90* | *7.60* |

**QUARTERLY DIVIDENDS PAID B**

| Calendar | Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Year |
|---|---|---|---|---|---|
| 2022 | .25 | .25 | .30 | .30 | 1.10 |
| 2023 | .30 | .30 | .33 | .33 | 1.26 |
| 2024 | .33 | .33 | .36 | .36 | 1.38 |
| 2025 | .36 | .40 | .40 | .40 | 1.56 |
| 2026 | .40 | .44 | | | |

**BUSINESS:** Landstar System, Inc. provides integrated transportation management solutions in the United States and internationally. Its Transportation Logistics segment provides truckload and less-than-truckload transportation, rail intermodal, air cargo, ocean cargo, and air delivery of time-critical freight. It serves the automotive products, building products, metals, chemicals, machinery, retail, and electronics industries. Has about 1,378 employees. Officers & directors own less than 1% of stock; Kanye Anderson, 11.1%; Vanguard, 10.2%; BlackRock, 9.9%; Morgan Stanley, 8.7% (3/26 Proxy). CEO & President: Frank Lonegro. Inc.: Delaware. Address: 13410 Sutton Park Drive South NA, Jacksonville, FL 32224. Telephone: 904-398-9400. Internet: www.landstar.com.

**Landstar System is at the beginning of a cyclical rebound.** First-half volumes rose year over year and pricing has begun to improve. Revenues were up 18% compared to last year. Revenue per truck load and the number of truck hauls both outpaced normal seasonality with heavy-haul volume up 9%, while revenue per load was up 8%. Tighter commercial driver license regulation has reduced the number of drivers in the industry. Supply was also reduced as a fair amount of independent truckers exited the business during the downturn. That said, this June quarter was the first positive increase in independent truckers, known as business capacity owners (BCO), on Landstar's system, which would mark the March quarter as the nadir. A total of 68 BCO's were added to the network, bringing the figure to 8,544. This was the first sequential increase since 2022, and follows a jump in the number of brokers and carriers in the March quarter.

**We expect margins to continue to improve.** As pricing recovers and shipments increase, revenue growth should leverage fixed costs. In addition, there is room for margins to return to past levels that peaked in 2021, which should lead to strong earnings growth over the next several years. While shipping conditions may not return to levels during the pandemic, which was exceptional, we do think they can reach pre-pandemic rates. Management has also been active on the share-repurchase front, which should support per-share metrics. The balance sheet is in good shape with low debt, and free cash flow is sufficient to fund buybacks.

**What about the equity?** The stock price has increased about 40% in the past 12 months, reflecting the improving operating environment. Our Timeliness Ranking System pegs these shares to be an average performer in the year ahead. Longer term, we think profits will rise at double-digit rates out to 2029-2031. From the current quotation, total return potential over the next 3- to 5-years looks worthwhile. Management recently raised the quarterly dividend to $0.44 per share. A special dividend of $2.00 per share has also been paid annually in January since 2020, which sweetens the investment appeal.

*Tom Mulle, CFA* *August 14, 2026*

**(A)** Based on diluted shares. Next earnings report due late October. **(B)** Dividend is paid in March, May, August, and December. The company paid special dividends of $2.00 each January from 2020-2026. **(C)** In millions.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 75 |
| Earnings Predictability | 55 |

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# McCORMICK NYSE-MKC

RECENT PRICE **52.06** | P/E RATIO **16.6** (Trailing: 17.8 Median: 27.0) | RELATIVE P/E RATIO **0.91** | DIV'D YLD **3.5%** | **VALUE LINE**

**TIMELINESS** — Suspended 4/10/26
**SAFETY** 3 Lowered 5/15/26
TECHNICAL — Suspended 4/10/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $42-$92 | $67 (30%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 120 | (+130%) | *26%* |
| Low | 85 | (+65%) | *16%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 389 | 306 | 466 |
| to Sell | 511 | 418 | 481 |
| Hld's(000) | 225484 | 221401 | 262485 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 43.7 | 53.9 | 53.3 | 78.0 | 86.7 | 105.5 | 98.8 | 107.4 | 94.4 | 85.5 | 86.2 | 72.4 | | | | | | |
| Low: | 35.3 | 39.2 | 44.8 | 49.2 | 59.5 | 56.1 | 77.9 | 71.2 | 59.1 | 63.9 | 62.6 | 44.8 | | | | | | |

LEGENDS
23.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 12/20
Options: Yes
*Shaded area indicates recession*

2-for-1

Percent shares traded: 30, 20, 10

**Target Price Range** 2029 | 2030 | 2031: 200, 160, 100, 80, 60, 50, 40, 30, 20

**% TOT. RETURN 6/29/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -29.8 | 24.7 |
| 3 yr. | -35.4 | 61.3 |
| 5 yr. | -33.8 | 44.7 |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12.54 | 13.90 | 15.13 | 15.72 | 16.54 | 16.87 | 17.60 | 18.45 | 20.47 | 20.12 | 20.99 | 23.64 | 23.69 | 24.85 | 25.09 | 25.49 | *29.30* | *30.40* | Sales per sh [A] | *32.95* |
| 1.70 | 1.78 | 1.92 | 2.00 | 2.12 | 2.18 | 2.36 | 2.56 | 3.08 | 3.30 | 3.47 | 3.78 | 3.30 | 3.46 | 3.75 | 3.87 | *4.05* | *4.35* | "Cash Flow" per sh | *5.20* |
| 1.33 | 1.40 | 1.52 | 1.57 | 1.69 | 1.74 | 1.89 | 2.13 | 2.49 | 2.68 | 2.83 | 3.05 | 2.53 | 2.70 | 2.95 | 3.00 | *3.13* | *3.35* | Earnings per sh [A B] | *4.20* |
| .52 | .56 | .62 | .68 | .74 | .80 | .86 | .94 | 1.04 | 1.14 | 1.24 | 1.36 | 1.48 | 1.56 | 1.68 | 1.80 | *1.92* | *1.98* | Div'ds Decl'd per sh ■ [C] | *2.24* |
| .33 | .36 | .42 | .38 | .52 | .50 | .61 | .70 | .64 | .65 | .84 | 1.04 | .98 | .98 | 1.03 | .83 | *.85* | *1.10* | Cap'l Spending per sh | *1.10* |
| 5.49 | 6.08 | 6.41 | 7.42 | 7.05 | 6.56 | 6.49 | 9.77 | 12.00 | 12.96 | 14.71 | 16.50 | 17.46 | 18.88 | 19.74 | 21.37 | *26.20* | *27.15* | Book Value per sh [D] | *31.85* |
| 266.20 | 266.10 | 265.36 | 262.33 | 256.54 | 254.60 | 250.60 | 262.00 | 264.20 | 265.80 | 266.90 | 267.30 | 268.10 | 268.10 | 268.00 | 268.40 | *269.00* | *269.00* | Common Shs Outst'g [E] | *270.00* |
| 14.8 | 17.1 | 18.7 | 22.0 | 20.6 | 22.5 | 25.1 | 22.9 | 23.3 | 28.3 | 30.9 | 28.7 | 35.6 | 29.6 | 24.8 | 24.5 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *24.0* |
| .94 | 1.07 | 1.19 | 1.24 | 1.08 | 1.13 | 1.32 | 1.15 | 1.26 | 1.51 | 1.59 | 1.55 | 2.06 | 1.65 | 1.30 | 1.27 | | | Relative P/E Ratio | *1.30* |
| 2.6% | 2.3% | 2.2% | 2.0% | 2.1% | 2.0% | 1.8% | 1.9% | 1.8% | 1.5% | 1.4% | 1.6% | 1.6% | 2.0% | 2.3% | 2.5% | | | Avg Ann'l Div'd Yield | *2.0%* |
| 4411.5 | 4834.1 | 5408.9 | 5347.4 | 5601.3 | 6317.9 | 6350.5 | 6662.2 | 6723.7 | 6840.3 | *7885* | *8175* | Sales ($mill) [A] | *8900* |
| 17.4% | 18.4% | 20.2% | 21.3% | 21.1% | 20.2% | 17.6% | 18.4% | 19.0% | 19.1% | *19.5%* | *20.0%* | Operating Margin | *21.5%* |
| 108.7 | 125.2 | 150.7 | 158.8 | 165.0 | 186.3 | 200.6 | 199.3 | 208.8 | 231.3 | *250* | *270* | Depreciation ($mill) | *310* |
| 483.4 | 546.7 | 663.0 | 717.5 | 760.9 | 822.8 | 683.9 | 727.3 | 795.6 | 807.1 | *840* | *900* | Net Profit ($mill) | *1130* |
| 25.8% | 23.8% | 15.3% | 19.5% | 19.5% | 20.7% | 20.9% | 22.0% | 20.5% | 21.5% | *24.0%* | *23.0%* | Income Tax Rate | *21.0%* |
| 11.0% | 11.3% | 12.3% | 13.4% | 13.6% | 13.0% | 10.8% | 10.9% | 11.8% | 11.8% | *10.7%* | *11.0%* | Net Profit Margin | *12.7%* |
| d.9 | d330.3 | d521.8 | d604.2 | d962.9 | d1028 | d1046 | d1097 | d743.8 | d924.1 | *d710* | *d740* | Working Cap'l ($mill) | *d500* |
| 1054.0 | 4443.9 | 4052.9 | 3625.8 | 3753.8 | 3973.3 | 3642.3 | 3339.9 | 3593.6 | 3273.5 | *3600* | *3600* | Long-Term Debt ($mill) | *4000* |
| 1626.6 | 2559.9 | 3170.9 | 3444.2 | 3926.1 | 4411.0 | 4680.5 | 5060.7 | 5291.0 | 5736.5 | *7055* | *7300* | Shr. Equity ($mill) | *8595* |
| 19.1% | 8.5% | 10.3% | 11.2% | 10.8% | 10.6% | 9.1% | 9.9% | 10.1% | 10.0% | *8.0%* | *8.0%* | Return on Total Cap'l | *9.0%* |
| 29.7% | 21.4% | 20.9% | 20.8% | 19.4% | 18.7% | 14.6% | 14.4% | 15.0% | 14.1% | *12.0%* | *12.5%* | Return on Shr. Equity | *13.0%* |
| 16.3% | 12.1% | 12.3% | 12.1% | 11.0% | 10.4% | 6.1% | 6.1% | 6.5% | 5.6% | *7.5%* | *7.0%* | Retained to Com Eq | *8.5%* |
| 45% | 43% | 41% | 42% | 43% | 44% | 58% | 58% | 57% | 60% | *59%* | *57%* | All Div'ds to Net Prof | *75%* |

**CAPITAL STRUCTURE as of 5/31/26**
**Total Debt** $4933.5 mill.
**LT Debt** $3597.4 mill. **LT Interest** $190 mill.
(LT interest earned: $25 mill.) (35% of Cap'l)
**Leases, Uncapitalized** Annual rentals $61 mill.
**Pension Assets-** $897.8 mill.
**Oblig.** $936.2 mill.

**Pfd Stock** None
**Common Stock** 268,851,552 shs
(Includes 254,055,150 non-voting shs.)

**MARKET CAP: $14.0 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 5/31/26 |
|---|---|---|---|
| Cash Assets | 186.1 | 95.9 | 331.2 |
| Receivables | 587.4 | 628.9 | 709.4 |
| Inventory | 1239.9 | 1272.0 | 1408.6 |
| Other | 125.6 | 141.3 | 339.6 |
| Current Assets | 2139.0 | 2138.1 | 2788.8 |
| Accts Payable | 1238.1 | 1259.4 | 1259.4 |
| Debt Due | 748.3 | 949.4 | 1336.1 |
| Other | 896.4 | 853.4 | 2235.7 |
| Current Liab. | 2882.8 | 3062.2 | 3571.8 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 4.5% | 4.0% | *3.0%* |
| "Cash Flow" | 6.0% | 2.5% | *5.5%* |
| Earnings | 5.5% | 1.5% | *6.0%* |
| Dividends | 8.5% | 8.0% | *6.0%* |
| Book Value | 11.0% | 8.5% | *4.5%* |

| Fiscal Year Ends | QUARTERLY SALES ($ mill.)[A] Feb.28 | May 31 | Aug.31 | Nov.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1565 | 1659 | 1684 | 1752 | 6662.2 |
| 2024 | 1602 | 1643 | 1679 | 1798 | 6723.7 |
| 2025 | 1605 | 1660 | 1725 | 1850 | 6840.3 |
| 2026 | 1874 | 1937 | *1983* | *2091* | *7885* |
| 2027 | *1850* | *2000* | *2100* | *2225* | *8175* |

| Fiscal Year Ends | EARNINGS PER SHARE [A B] Feb.28 | May 31 | Aug.31 | Nov.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | .59 | .60 | .65 | .86 | 2.70 |
| 2024 | .63 | .69 | .83 | .80 | 2.95 |
| 2025 | .60 | .69 | .84 | .86 | 3.00 |
| 2026 | .66 | .80 | *.85* | *.82* | *3.13* |
| 2027 | *.65* | *.75* | *.95* | *1.00* | *3.35* |

| Cal-endar | QUARTERLY DIVIDENDS PAID [C] ■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .37 | .37 | .37 | .37 | 1.48 |
| 2023 | .39 | .39 | .39 | .39 | 1.56 |
| 2024 | .42 | .42 | .42 | .42 | 1.68 |
| 2025 | .45 | .45 | .45 | .45 | 1.80 |
| 2026 | .48 | .49 | | | |

**BUSINESS:** McCormick & Company, Inc. is a manufacturer, marketer, and distributor of spices, seasonings, flavorings, mixes, and condiments for the consumer, industrial, and foodservice markets. Has two segments: Consumer (accounted for 58% of total sales in fiscal 2025) and Flavor Solutions (42%). Acq. Reckitt Benckiser's Food Division (French's Mustard and Frank's RedHot), 8/17; Cholula Hot Sauce, 11/20; FONA Int'l, 12/20. For'gn operations were 39% of sales in 2025. Has 14,100 employees. Off./dir. own 24% of common stock, (including Lawrence E. Kurzius, 12.4%) (2/26 Proxy). Chrmn. Lawrence Kurtzius. CEO & Pres.: Brendan Foley. Inc.: MD. Addr.: 24 Schilling Road, Suite 1, Hunt Valley, MD 21031. Tel.: 410-771-7301. Internet: www.mccormick.com.

**McCormick & Company had strong second-quarter results.** (Fiscal 2026 ends November 30th.) Net sales rose 16.7% thanks to the consolidation of its Mexican joint venture, as well as a 2.7% gain from currency. Organic sales moved up 1.7%. Adjusted earnings rose 16% to $0.80 per share, or $0.10 above our call.

**Management reaffirmed fiscal 2026 guidance.** Despite earnings surpassing estimates in the May quarter, leadership kept its earnings-per-share forecast for the current fiscal year at $3.05 to $3.13. This earnings range assumes 13% to 17% net sales growth, including an 11%-13% contribution from the McCormick de Mexico acquisition. The consumer operations are expected to experience improving volume trends thanks to better distribution, and opportunities to enhance comparisons through packaging. On the Flavors Solutions side of the business, product development and R&D expertise should sustain the slightly better results witnessed in the second quarter. Management cited new opportunities flavoring energy beverages, as well as protein and fiber snacks. These positive trends may be offset by slight weakness in domestic spice and seasonings, and softer demand from foreign quick service restaurant customers.

**The proposed combination with Unilever Foods is still not finalized.** A timeline for completion, and the remaining regulatory hurdles, were not provided on the conference call. Our projections exclude the impact of a deal. Leadership has taken steps to prepare for the integration with IT changes and operating arrangements between related product groups. Earnings accretion is expected to be up in the mid-single digits in the first year post close, and then mid- to high-teens by the third year, but greater clarity will be given in September.

**The shares are unranked due to the possible transaction, but may interest patient accounts.** The stock's uncharacteristic decline in recent months seems a bit overdone, considering that subdued expectations have been generally exceeded. Of course, the Unilever deal is a big change for the steady 137 year old company. However, at MKC's current valuation, we think that the risk/reward is attractive.

*Charles C. Moran* *July 10, 2026*

**(A)** Fiscal year ends Nov. 30th. **(B)** Diluted Non-GAAP earnings. Excl. nonrecurring gains/(losses): '13, (11¢); '14, (2¢); '17, (27¢); '18, $1.02; '19, (6¢); '20, (5¢); '21, (25¢); '22 (1¢); '23, (11¢); '24, (3¢); '26, $3.11. Next earnings report due late Sep. Earnings may not add due to rounding. **(C)** Divs. historically paid in mid-Jan., Apr., July & Oct. ■ Div'd reinvestment plan available. **(D)** Includes intangibles. In fiscal 2025: $8594.1 million, $3.02/sh. **(E)** In mill., adjusted for split.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 40 |
| Earnings Predictability | 95 |

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# MONSTER BEVERAGE NDQ-MNST

RECENT PRICE 97.64 | P/E RATIO 43.4 (Trailing: 45.2 Median: 35.0) | RELATIVE P/E RATIO 2.38 | DIV'D YLD Nil | VALUE LINE

**TIMELINESS** 3 Lowered 8/15/25
**SAFETY** 1 Raised 1/14/22
TECHNICAL 3 Lowered 5/22/26
**BETA** .70 (1.00 = Market)

**18-Month Target Price Range**

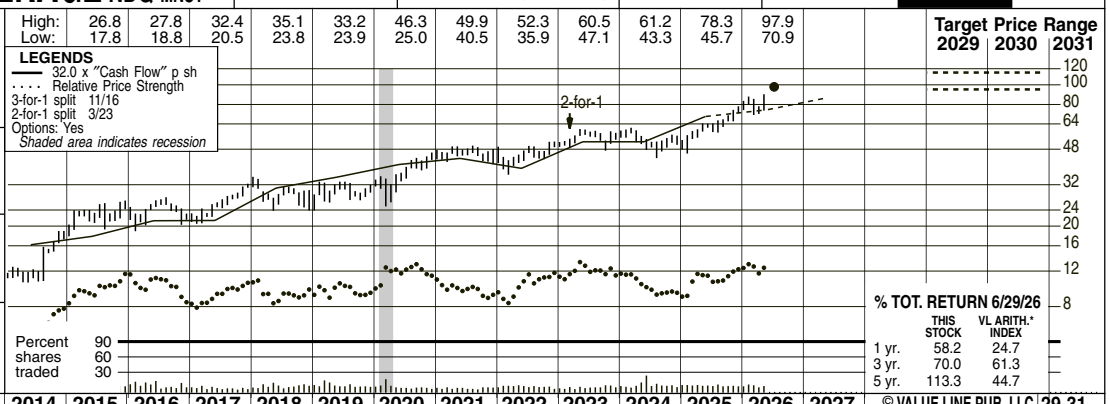
| Low-High | Midpoint (% to Mid) |
|---|---|
| $83-$141 | $112 (15%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 115 | (+20%) | 4% |
| Low | 95 | (-5%) | -1% |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 567 | 550 | 603 |
| to Sell | 435 | 328 | 561 |
| Hld's(000) | 634574 | 654603 | 718732 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.22 | 1.63 | 2.07 | 2.24 | 2.45 | 2.24 | 2.69 | 2.70 | 3.50 | 3.91 | 4.35 | 5.23 | 6.04 | 6.86 | 7.69 | 8.48 | *9.75* | *10.55* | Sales per sh | *11.85* |
| .21 | .29 | .36 | .36 | .51 | .56 | .67 | .67 | .97 | 1.09 | 1.26 | 1.35 | 1.21 | 1.63 | 1.63 | 2.18 | *2.35* | *2.70* | "Cash Flow" per sh | *3.15* |
| .19 | .26 | .31 | .33 | .46 | .56 | .60 | .68 | .88 | 1.02 | 1.19 | 1.29 | 1.12 | 1.54 | 1.49 | 2.05 | *2.25* | *2.60* | Earnings per sh A | *3.00* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | Div'ds Decl'd per sh | *Nil* |
| .01 | .02 | .04 | .04 | .03 | .03 | .09 | .07 | .06 | .09 | .05 | .04 | .18 | .21 | .27 | .16 | *.20* | *.25* | Cap'l Spending per sh | *.30* |
| .78 | .94 | .65 | .99 | 1.51 | 3.95 | 2.94 | 3.13 | 3.32 | 3.89 | 4.89 | 6.20 | 6.73 | 7.90 | 6.12 | 8.44 | *9.10* | *9.40* | Book Value per sh C | *10.25* |
| 1067.8 | 1045.7 | 994.66 | 1000.9 | 1006.3 | 1217.4 | 1133.1 | 1246.4 | 1087.4 | 1073.4 | 1056.2 | 1058.6 | 1044.6 | 1041.6 | 974.21 | 978.11 | *975.00* | *973.00* | Common Shs Outst'g B | *970.00* |
| 19.3 | 24.4 | 31.8 | 28.8 | 29.1 | 40.5 | 40.1 | 38.2 | 32.8 | 29.2 | 30.7 | 35.7 | 40.3 | 35.5 | 35.8 | 30.3 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *35.0* |
| 1.23 | 1.53 | 2.02 | 1.62 | 1.53 | 2.04 | 2.10 | 1.92 | 1.77 | 1.56 | 1.58 | 1.93 | 2.33 | 1.97 | 1.87 | 1.57 | | | Relative P/E Ratio | *1.95* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | | | Avg Ann'l Div'd Yield | *Nil* |
| 3049.4 | 3369.0 | 3807.2 | 4200.8 | 4598.6 | 5541.4 | 6311.1 | 7140.0 | 7492.7 | 8294.3 | *9500* | *10250* | Sales ($mill) | *11500* |
| 36.9% | 35.4% | 35.2% | 34.9% | 33.4% | 33.4% | 26.2% | 28.3% | 26.8% | 39.7% | *41.5%* | *43.0%* | Operating Margin | *45.0%* |
| 40.8 | 48.9 | 57.0 | 64.8 | 61.0 | 54.2 | 68.6 | 68.9 | 80.4 | 114.4 | *115* | *120* | Depreciation ($mill) | *135* |
| 712.7 | 780.9 | 993.0 | 1107.8 | 1270.6 | 1377.5 | 1191.6 | 1631.0 | 1509.0 | 2013.7 | *2200* | *2525* | Net Profit ($mill) | *2900* |
| 34.0% | 32.0% | 23.2% | 21.5% | 13.3% | 23.5% | 24.2% | 21.2% | 24.1% | 37.9% | *35.0%* | *35.0%* | Income Tax Rate | *30.0%* |
| 23.4% | 23.2% | 26.1% | 26.4% | 27.6% | 24.9% | 18.9% | 22.8% | 20.1% | 24.3% | *23.1%* | *24.6%* | Net Profit Margin | *25.2%* |
| 961.7 | 1526.0 | 1203.0 | 1655.2 | 2391.0 | 3717.0 | 3762.9 | 4427.3 | 2544.0 | 3913.3 | *3200* | *3700* | Working Cap'l ($mill) | *3850* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | Long-Term Debt ($mill) | *Nil* |
| 3329.7 | 3895.2 | 3610.9 | 4171.3 | 5160.9 | 6567.0 | 7025.0 | 8228.7 | 5957.7 | 8254.1 | *8875* | *9150* | Shr. Equity ($mill) | *9925* |
| 21.4% | 20.0% | 27.5% | 26.6% | 24.6% | 21.0% | 17.0% | 19.8% | 25.3% | 24.4% | *24.5%* | *27.5%* | Return on Total Cap'l | *29.0%* |
| 21.4% | 20.0% | 27.5% | 26.6% | 24.6% | 21.0% | 17.0% | 19.8% | 25.3% | 24.4% | *24.5%* | *27.5%* | Return on Shr. Equity | *29.0%* |
| 21.4% | 20.0% | 27.5% | 26.6% | 24.6% | 21.0% | 17.0% | 19.8% | 25.3% | 24.4% | *24.5%* | *27.5%* | Retained to Com Eq | *29.0%* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | All Div'ds to Net Prof | *Nil* |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** None

**Leases, Uncapitalized:** Annual rentals $14.1 mill.

**No Defined Benefit Pension Plan**
**Common Stock** 978,008,110 shs
**as of 4/30/26**

**MARKET CAP: $95.5 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 1533.2 | 2765.2 | 2984.9 |
| Receivables | 1221.6 | 1618.0 | 1882.8 |
| Inventory (FIFO) | 737.1 | 799.6 | 828.2 |
| Other | 149.6 | 178.2 | 215.7 |
| Current Assets | 3641.5 | 5361.0 | 5911.6 |
| Accts Payable | 466.7 | 565.9 | 783.8 |
| Debt Due | - - | - - | - - |
| Other | 630.8 | 881.8 | 1031.2 |
| Current Liab. | 1097.5 | 1447.7 | 1815.0 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 13.0% | 14.5% | *7.5%* |
| "Cash Flow" | 14.5% | 10.5% | *9.5%* |
| Earnings | 14.0% | 10.5% | *10.0%* |
| Dividends | - - | - - | *Nil* |
| Book Value | 13.5% | 13.0% | *5.5%* |

| Calendar | QUARTERLY SALES ($ mill.) Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1698.9 | 1854.9 | 1856.0 | 1730.2 | 7140.0 |
| 2024 | 1899.2 | 1900.6 | 1880.9 | 1812.0 | 7492.7 |
| 2025 | 1854.5 | 2111.5 | 2197.2 | 2131.1 | 8294.3 |
| 2026 | 2353.2 | *2450* | *2675* | *2021.8* | *9500* |
| 2027 | *2450* | *2625* | *2950* | *2225* | *10250* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .38 | .39 | .43 | .35 | 1.54 |
| 2024 | .42 | .41 | .38 | .28 | 1.49 |
| 2025 | .47 | .51 | .56 | .51 | 2.05 |
| 2026 | .58 | *.55* | *.59* | *.53* | *2.25* |
| 2027 | *.60* | *.65* | *.70* | *.65* | *2.60* |

| Calendar | QUARTERLY DIVIDENDS PAID Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | | | | | |
| 2023 | NO CASH DIVIDENDS BEING PAID | | | | |
| 2024 | | | | | |
| 2025 | | | | | |
| 2026 | | | | | |

**BUSINESS:** Monster Beverage Corporation develops, markets, sells, and distributes a line of all-natural beverages. The company's product line includes bottled juices, natural sodas, energy drinks, iced teas, lemonades, cocktails, and functional beverages. Functional beverages are intended to have added health benefits, as they are fortified with vitamins, minerals and herbs. Markets products through retail chains, club stores, and specialty stores. Has 6,891 employees. Off. & Dir. own about 8.3% of comm. shares; The Coca-Cola Company, 20.9%; The Vanguard Group; 6.5% (4/26 Proxy). '25 depr. rate: 8.0%. Chairman: Rodney C. Sacks. CEO: Hilton Schlosberg. DE. Addr.: 1 Monster Way, Corona, California 92879. Tel.: 951-739-6200. Internet: www.monsterbevcorp.com.

**Monster Beverage Corp. shares have been hitting their stride since our April report.** Investors appear emboldened following the energy drink manufacturer's 2026 first-quarter financial performance. During the March period, sales and adjusted earnings of $2.35 billion and $0.58 a share marked year-over-year increases of 26.9% and 23.4%, respectively. Demand trends remained favorable, and were a likely catalyst to the recent top- and bottom-line momentum. Also, higher pricing, packaging revisions, and product-line extensions, helped drive the favorable results as well.

**Sales and earnings should advance solidly over this year and next.** Positive consumer demand trends for the energy drink lineup remain intact. Monster's energy drink portfolio consists of the core offerings, including *Monster, Reign,* and *Bang*. Also, *FLRT* was created as a wellness energy drink category focused on female consumers. Additionally, the distribution agreement made with The Coca-Cola Company in 2024 gave Monster access to energy drinks such as *Fury* and *Predator*. Both portfolio categories experienced double-digit sales increases during the March period.

**Innovation remains a focus for growth.** Recently, the company introduced new products, including *Monster Ultra Punk Punch, Juice Monster Voodoo Grape,* and *Strawberry Shots,* in both sugar and zero sugar versions. Since its debut, the company's consumer-centric focus has increased the ability to gain market share. To wit, portfolio creations have pivoted with shifts in consumer taste preferences throughout the years. The healthy balance sheet ought to support innovation further, and allow the company to increase market share.

**There have been some challenges to operations, though.** Notably, Monster's push into the alcohol category has not been too successful. This line, which includes craft beers, posted a sales decline in the March period. Also, geopolitical tensions overseas may disrupt demand trends.

**These neutrally ranked shares possess underwhelming capital appreciation potential out to 2029-2031.**

*Nira Maharaj* *July 10, 2026*

**(A)** Fully diluted earnings. Excludes non recurring gains and (losses): '15, ($0.27); '17, $0.04; '20, $0.13; '25, ($0.11). May not sum due to rounding. Next earnings report due late August.
**(B)** In millions, adjusted for stock splits.
**(C)** Includes intangibles. In '25: $2,710.9 million, $2.77 share.

| | |
|---|---|
| Company's Financial Strength | A+ |
| Stock's Price Stability | 95 |
| Price Growth Persistence | 80 |
| Earnings Predictability | 85 |

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# MERCK & CO. NYSE-MRK

RECENT PRICE 144.85 | P/E RATIO 23.1 (Trailing: 45.1 Median: 15.0) | RELATIVE P/E RATIO 1.32 | DIV'D YLD 2.3% | VALUE LINE 1617

TIMELINESS 2 Raised 8/14/26
SAFETY 1 Raised 3/27/26
TECHNICAL 3 Lowered 8/28/26
BETA .70 (1.00 = Market)

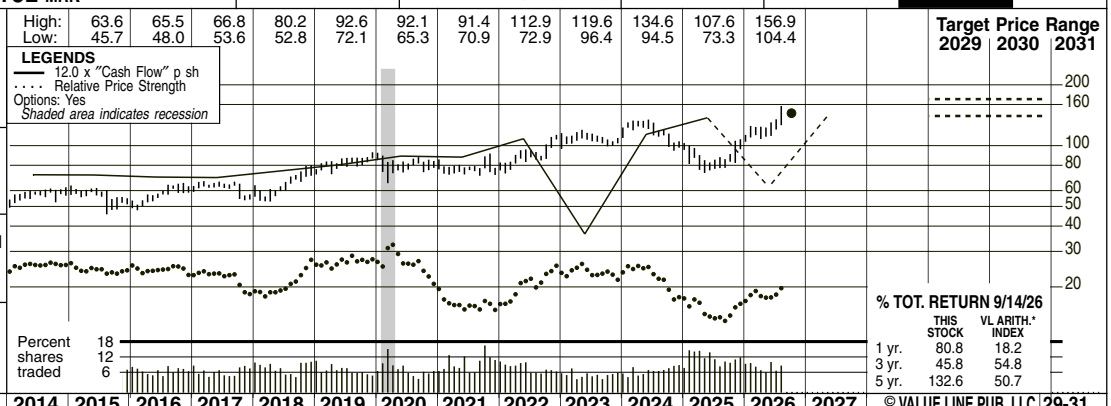
**18-Month Target Price Range**
Low-High: $84-$177 | Midpoint (% to Mid): $131 (-10%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 170 | (+15%) | 7% |
| Low | 140 | (-5%) | 2% |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 1545 | 1748 | 1794 |
| to Sell | 1271 | 1682 | 1646 |
| Hld's(000) | 193274821 | 909772194 | 547 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 14.92 | 15.80 | 15.62 | 15.04 | 14.88 | 14.20 | 14.48 | 14.88 | 16.31 | 18.45 | 18.97 | 19.27 | 23.36 | 23.75 | 25.39 | 26.27 | *27.30* | *28.65* | Sales per sh | *34.45* |
| 5.87 | 6.29 | 6.19 | 5.95 | 5.98 | 5.96 | 5.83 | 5.79 | 6.23 | 6.71 | 7.39 | 7.32 | 9.03 | 3.05 | 9.47 | 11.46 | *5.20* | *12.10* | "Cash Flow" per sh | *14.60* |
| 3.42 | 3.77 | 3.82 | 3.49 | 3.49 | 3.59 | 3.78 | 3.98 | 4.34 | 5.19 | 5.94 | 6.02 | 7.48 | 1.51 | 7.65 | 8.98 | *2.75* | *9.60* | Earnings per sh A | *12.00* |
| 1.52 | 1.52 | 1.68 | 1.72 | 1.76 | 1.80 | 1.84 | 1.88 | 1.92 | 2.20 | 2.44 | 2.60 | 2.76 | 2.92 | 3.08 | 3.24 | *3.40* | *3.56* | Div'ds Decl'd per sh B■ | *4.32* |
| .54 | .57 | .65 | .53 | .46 | .46 | .59 | .70 | 1.01 | 1.37 | 1.85 | 1.76 | 1.73 | 1.53 | 1.33 | 1.66 | *1.70* | *1.70* | Cap'l Spending per sh | *1.75* |
| 17.64 | 17.93 | 17.52 | 17.00 | 17.14 | 16.06 | 14.58 | 12.73 | 10.30 | 10.20 | 10.01 | 15.11 | 18.12 | 14.84 | 18.32 | 21.26 | *20.35* | *21.60* | Book Value per sh | *25.40* |
| 3082.1 | 3040.8 | 3026.6 | 2927.5 | 2838.1 | 2781.1 | 2748.7 | 2696.6 | 2592.6 | 2539.0 | 2530.2 | 2527.6 | 2537.8 | 2531.6 | 2527.6 | 2474.6 | *2460.0* | *2455.0* | Common Shs Outst'g C | *2440.0* |
| 10.5 | 9.1 | 10.8 | 13.3 | 16.4 | 15.8 | 15.2 | 15.6 | 14.8 | 15.9 | 13.6 | 12.9 | 12.0 | NMF | 15.5 | 9.7 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *13.0* |
| .67 | .57 | .69 | .75 | .86 | .80 | .80 | .78 | .80 | .85 | .70 | .70 | .69 | NMF | .81 | .50 | | | Relative P/E Ratio | *.70* |
| 4.2% | 4.4% | 4.1% | 3.7% | 3.1% | 3.2% | 3.2% | 3.0% | 3.0% | 2.7% | 3.0% | 3.4% | 3.1% | 2.7% | 2.6% | 3.7% | | | Avg Ann'l Div'd Yield | *3.0%* |
| 39807 | 40122 | 42294 | 46840 | 47994 | 48704 | 59283 | 60115 | 64168 | 65011 | *67100* | *70300* | Sales ($mill) | *84000* |
| 34.4% | 33.8% | 32.9% | 34.0% | 35.3% | 36.3% | 38.0% | 10.3% | 36.5% | 41.2% | *18.0%* | *39.5%* | Operating Margin | *41.0%* |
| 5441.0 | 4637.0 | 4519.0 | 3652.0 | 3625.0 | 3214.0 | 3909.0 | 3872.0 | 4499.0 | 5838.0 | *6000* | *6100* | Depreciation ($mill) | *6400* |
| 10580 | 10981 | 11625 | 13382 | 15082 | 15282 | 19005 | 3837.0 | 19444 | 22513 | *6770* | *23570* | Net Profit ($mill) | *29280* |
| 22.3% | 19.1% | 19.8% | 16.6% | 15.5% | 11.2% | 14.2% | 35.8% | 16.8% | 14.4% | *24.0%* | *24.0%* | Income Tax Rate | *24.0%* |
| 26.6% | 27.4% | 27.5% | 28.6% | 31.4% | 31.4% | 32.1% | 6.4% | 30.3% | 34.6% | *10.1%* | *33.5%* | Net Profit Margin | *34.9%* |
| 13410 | 6152.0 | 3669.0 | 5263.0 | 437.0 | 6394.0 | 11483 | 6474.0 | 10362 | 15189 | *11000* | *11500* | Working Cap'l ($mill) | *13000* |
| 24274 | 21353 | 19806 | 22736 | 25360 | 30690 | 28745 | 33683 | 34462 | 46750 | *51000* | *50000* | Long-Term Debt ($mill) | *47000* |
| 40088 | 34336 | 26701 | 25907 | 25317 | 38184 | 45991 | 37581 | 46313 | 52606 | *50000* | *53000* | Shr. Equity ($mill) | *62000* |
| 17.0% | 20.4% | 25.8% | 28.4% | 30.6% | 22.8% | 26.1% | 6.2% | 24.9% | 23.3% | *7.5%* | *24.0%* | Return on Total Cap'l | *28.0%* |
| 26.4% | 32.0% | 43.5% | 51.7% | 59.6% | 40.0% | 41.3% | 10.2% | 42.0% | 42.8% | *13.5%* | *44.5%* | Return on Shr. Equity | *47.0%* |
| 13.6% | 16.9% | 24.2% | 29.7% | 35.0% | 22.7% | 26.1% | NMF | 25.1% | 27.3% | *NMF* | *28.0%* | Retained to Com Eq | *30.0%* |
| 48% | 47% | 44% | 43% | 41% | 43% | 37% | NMF | 40% | 36% | *124%* | *37%* | All Div'ds to Net Prof | *36%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $53906 mill.
**LT Debt** $51081 mill. **LT Interest** $2054 mill. (55% of Cap'l)

**Leases, Uncapitalized** Annual rentals $335 mill.

**Pension Assets-12/25** $21.6 bill. **Oblig.** $19.1 bill.

**Common Stock** 2,467,171,638 shs. as of 7/31/26

**MARKET CAP: $357 billion (Mega Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 13689 | 14565 | 7141 |
| Receivables | 10278 | 11775 | 12564 |
| Inventory (LIFO) | 6109 | 6658 | 6207 |
| Other | 8706 | 10518 | 10767 |
| Current Assets | 38782 | 43516 | 36679 |
| Accts Payable | 4079 | 4404 | 3827 |
| Debt Due | 2649 | 2589 | 2825 |
| Other | 21692 | 21334 | 21079 |
| Current Liab. | 28420 | 28327 | 27731 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 5.5% | 7.0% | *5.5%* |
| "Cash Flow" | 3.0% | 3.5% | *10.5%* |
| Earnings | 5.5% | 3.0% | *12.0%* |
| Dividends | 6.0% | 7.0% | *6.0%* |
| Book Value | 1.0% | 12.5% | *6.0%* |

| Calendar | QUARTERLY SALES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 14487 | 15035 | 15962 | 14631 | 60115 |
| 2024 | 15775 | 16112 | 16657 | 15624 | 64168 |
| 2025 | 15529 | 15806 | 17276 | 16400 | 65011 |
| 2026 | 16286 | 16607 | *17340* | *16867* | *67100* |
| 2027 | *16600* | *17300* | *18700* | *17700* | *70300* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1.40 | d2.06 | 2.13 | .03 | 1.51 |
| 2024 | 2.07 | 2.28 | 1.57 | 1.72 | 7.65 |
| 2025 | 2.22 | 2.13 | 2.58 | 2.04 | 8.98 |
| 2026 | d1.28 | d.13 | *2.21* | *1.95* | *2.75* |
| 2027 | *2.24* | *2.30* | *2.61* | *2.45* | *9.60* |

| Calendar | QUARTERLY DIVIDENDS PAID B■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .69 | .69 | .69 | .69 | 2.76 |
| 2023 | .73 | .73 | .73 | .73 | 2.92 |
| 2024 | .77 | .77 | .77 | .77 | 3.08 |
| 2025 | .81 | .81 | .81 | .81 | 3.24 |
| 2026 | .85 | .85 | .85 | | |

**BUSINESS:** Merck & Co., Inc. is a global healthcare company that delivers innovative health solutions through its prescription medicines, vaccines, biologic therapies, and animal health products. Operations comprised of two segments: Pharmaceutical (89% of total sales) and Animal Health (11%). Top-grossing franchises in 2025: *Keytruda* (oncology), *Gardasil* (vaccine), *ProQuad* (vaccine), *Januvia* (diabetes), and *Bridion* (hospital acute care). Acquired Verona Pharma (10/25); Cidara Therapeutics (1/26). Has about 75,000 employees. Officers and directors own less than 1% of common stock; BlackRock, 8.2% (4/26 proxy). Chairman, President & CEO: Robert M. Davis. Inc.: NJ. Addr.: 126 East Lincoln Avenue, Rahway, NJ 07065. Tel.: 908-740-4000. Internet: www.merck.com.

**Merck delivered better-than-expected second-quarter results.** The drugmaker reported a loss of $0.13 a share, slightly narrower than our $0.15 estimate. Much of the upside can be attributed to a roughly $200 million beat on the top line, reflecting stronger contributions from key products *Keytruda* and *Winrevair*. The year-over-year decline in profits can be directly tied to charges from Merck's recent acquisition of Terns Pharmaceuticals, which reduced quarterly share earnings by $2.31. **We are maintaining our 2026 adjusted earnings call at $2.75 a share.** Top-line performance has been encouraging this year thanks in large part to continued momentum in the blockbuster *Keytruda* franchise. While the immunotherapy recently relinquished its title of world's best-selling drug to Eli Lilly's *Mounjaro*, it remains a powerhouse in the pharma space, generating around $16 billion in first-half sales. Strength in newer medicines, most notably lung disease drug *Winrevair*, has also been supportive of top-line comparisons this year. All that said, the impact of acquisition-related charges is expected to absorb a good amount of the trickle down to earnings. Our $2.75-a-share estimate for 2026 is near the higher end of the company's current $2.66-$2.76 outlook.

**Our model calls for a swift rebound in 2027.** Easing business development expenses should make for a more favorable earnings environment next year, alongside continued core product momentum. Investors are probably more focused on the post-2027 story, given that the *Keytruda* franchise is scheduled to face patent pressures in 2028. Merck has invested heavily in its portfolio and late-stage pipeline as part of a broader *Keytruda* mitigation strategy. It also implemented a multi-year cost-cutting initiative aimed at saving $3 billion annually, which should help to maintain long-term earnings stability.

**The stock holds an Above Average (2) rank for Timeliness.** MRK shares soared to a new 52-week high last month following some positive trial results, and are now up about 40% in value year to date. While our Ranking System pegs the equity for outperformance in the coming six to 12 months, upside potential further out has been noticeably discounted by the rally.

*Michael Ratty* *September 25, 2026*

**(A)** Diluted earnings (adjusted). Quarters may not sum due to rounding/changes in share count. Excludes nonrecurring gains/(losses): '10, ($3.16); '11, ($1.75); '12, ($1.66); '13, ($2.02); '14, 58¢; '15, ($2.03); '16, ($2.37); '17, ($3.11); '18, ($2.02); '19, ($1.38); '20, ($3.16); '21, (88¢); '22, ($1.77); '23, ($1.37); '24, (91¢); '25, ($1.70). Next egs. report due October 29th. **(B)** Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan available. **(C)** In millions.

| | |
|---|---|
| Company's Financial Strength | A+ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 80 |
| Earnings Predictability | 40 |

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# NEWMARKET CORP. NYSE-NEU

RECENT PRICE 909.98 | P/E RATIO 16.8 (Trailing: 19.6 Median: 18.0) | RELATIVE P/E RATIO 0.92 | DIV'D YLD 1.3% | VALUE LINE

**TIMELINESS** 2 Raised 5/15/26
**SAFETY** 3 Lowered 3/6/26
TECHNICAL 3 Lowered 8/14/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$703-$1343 $1023 (10%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 950 | (+5%) | *3%* |
| Low | 630 | (-30%) | *-7%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 231 | 133 | 196 |
| to Sell | 124 | 149 | 201 |
| Hld's(000) | 6171 | 6208 | 7544 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 483.3 | 448.0 | 483.9 | 437.6 | 505.2 | 488.8 | 432.5 | 360.8 | 578.3 | 650.0 | 876.0 | 913.4 | | | | | | |
| Low: | 348.4 | 322.5 | 377.3 | 352.9 | 382.9 | 304.7 | 297.3 | 280.3 | 310.9 | 494.0 | 480.0 | 580.0 | | | | | | |

LEGENDS
11.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031

% TOT. RETURN 8/10/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 25.3 | 22.4 |
| 3 yr. | 104.2 | 46.9 |
| 5 yr. | 200.1 | 50.5 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 128.07 | 160.36 | 165.70 | 174.08 | 187.55 | 179.18 | 173.01 | 186.62 | 204.73 | 195.75 | 184.13 | 227.36 | 284.97 | 281.38 | 292.55 | 290.00 | *308.50* | *323.40* | Revenues per sh | *349.45* |
| | 15.30 | 18.67 | 21.09 | 23.73 | 22.07 | 23.51 | 24.34 | 24.34 | 27.40 | 30.55 | 32.47 | 26.56 | 37.29 | 48.68 | 60.83 | 57.42 | *67.00* | *70.75* | "Cash Flow" per sh | *72.05* |
| | 12.09 | 15.09 | 17.85 | 19.90 | 18.38 | 19.45 | 20.54 | 19.54 | 20.34 | 22.73 | 24.64 | 17.71 | 27.77 | 40.44 | 48.22 | 44.44 | *53.65* | *56.70* | Earnings per sh A | *56.45* |
| | 1.57 | 2.39 | 3.00 | 3.55 | 4.40 | 5.60 | 6.40 | 6.85 | 7.00 | 7.15 | 7.60 | 7.80 | 8.40 | 8.85 | 10.00 | 11.25 | *12.00* | *12.60* | Div'ds Decl'd per sh B | *13.70* |
| | 5.54 | 3.99 | 2.89 | 4.46 | 4.80 | 10.59 | 12.06 | 12.62 | 6.67 | 5.31 | 8.54 | 7.62 | 5.79 | 5.04 | 6.02 | 8.26 | *8.30* | *8.00* | Cap'l Spending per sh | *7.65* |
| | 35.03 | 41.00 | 29.98 | 43.70 | 33.81 | 32.44 | 40.79 | 51.07 | 43.80 | 61.05 | 69.57 | 73.54 | 78.58 | 112.31 | 153.45 | 189.24 | *205.30* | *217.00* | Book Value per sh C | *245.70* |
| | 14.03 | 13.40 | 13.42 | 13.10 | 12.45 | 11.95 | 11.85 | 11.78 | 11.18 | 11.19 | 10.92 | 10.36 | 9.70 | 9.59 | 9.53 | 9.40 | *9.40* | *9.40* | Common Shs Outst'g D | *9.30* |
| | 8.9 | 10.7 | 12.6 | 14.2 | 20.8 | 21.9 | 19.6 | 22.3 | 19.6 | 19.4 | 16.1 | 20.1 | 11.3 | 10.5 | 11.6 | 15.1 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *14.0* |
| | .57 | .67 | .80 | .80 | 1.09 | 1.10 | 1.03 | 1.12 | 1.06 | 1.03 | .83 | 1.09 | .65 | .58 | .61 | .78 | | | Relative P/E Ratio | *.80* |
| | 1.5% | 1.5% | 1.3% | 1.3% | 1.2% | 1.3% | 1.6% | 1.6% | 1.8% | 1.6% | 1.9% | 2.2% | 2.7% | 2.1% | 1.8% | 1.7% | | | Avg Ann'l Div'd Yield | *1.7%* |
| | 2049.5 | 2198.4 | 2289.7 | 2190.3 | 2010.9 | 2356.1 | 2764.8 | 2698.4 | 2786.6 | 2725.2 | *2900* | *3040* | Revenues ($mill) | *3250* |
| | 19.9% | 17.8% | 15.9% | 19.4% | 19.7% | 14.5% | 15.8% | 20.8% | 25.4% | 24.5% | *25.0%* | *25.0%* | Operating Margin | *24.5%* |
| | 44.9 | 55.3 | 71.8 | 87.6 | 84.0 | 84.3 | 82.3 | 78.0 | 117.0 | 122.4 | *125* | *130* | Depreciation ($mill) | *145* |
| | 243.4 | 231.3 | 234.7 | 254.3 | 270.6 | 190.9 | 279.5 | 388.9 | 462.4 | 417.1 | *505* | *535* | Net Profit ($mill) | *525* |
| | 29.1% | 26.7% | 19.1% | 23.3% | 18.3% | 22.9% | 19.6% | 20.5% | 20.8% | 25.6% | *26.0%* | *25.0%* | Income Tax Rate | *24.0%* |
| | 11.9% | 10.5% | 10.3% | 11.6% | 13.5% | 8.1% | 10.1% | 14.4% | 16.6% | 15.3% | *17.4%* | *17.5%* | Net Profit Margin | *16.2%* |
| | 542.3 | 516.9 | 542.1 | 570.5 | 585.6 | 663.1 | 768.2 | 675.4 | 655.1 | 640.4 | *650* | *660* | Working Cap'l ($mill) | *710* |
| | 507.3 | 602.9 | 771.0 | 642.9 | 598.8 | 789.9 | 1003.7 | 663.5 | 989.0 | 960.5 | *855* | *950* | Long-Term Debt ($mill) | *1020* |
| | 483.3 | 601.6 | 489.9 | 683.1 | 759.8 | 762.1 | 762.4 | 1077.1 | 1461.6 | 1778.2 | *1930* | *2040* | Shr. Equity ($mill) | *2285* |
| | 25.4% | 20.1% | 19.7% | 20.3% | 20.9% | 13.4% | 16.8% | 23.4% | 20.0% | 16.0% | *18.5%* | *18.5%* | Return on Total Cap'l | *12.5%* |
| | 50.4% | 38.5% | 47.9% | 37.2% | 35.6% | 25.0% | 36.7% | 36.1% | 31.6% | 23.5% | *26.0%* | *26.5%* | Return on Shr. Equity | *23.0%* |
| | 34.7% | 24.7% | 31.5% | 25.3% | 24.6% | 13.8% | 25.6% | 28.2% | 25.1% | 17.5% | *20.5%* | *20.5%* | Retained to Com Eq | *17.5%* |
| | 31% | 36% | 34% | 32% | 31% | 45% | 30% | 22% | 21% | 25% | *22%* | *22%* | All Div'ds to Net Prof | *24%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $854.8 mill.
**LT Debt** $854.8 mill. **LT Interest** $41.3 mill.
(Total interest coverage: 3.9x) (32% of Cap'l)

**Leases, Uncapitalized** Annual rentals $22.4 mill.
**Pension Assets-12/25:** $56.4 mill.
**Oblig.:** $61.3 mill.
**Pfd Stock** None

**Common Stock** 9,196,112 shs.
**as of 7/11/26**
**MARKET CAP: $8.4 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 77.5 | 77.6 | 93.6 |
| Receivables | 395.5 | 422.1 | 480.7 |
| Inventory (FIFO) | 505.4 | 503.2 | 523.5 |
| Other | 51.2 | 56.8 | 52.6 |
| Current Assets | 1029.6 | 1059.7 | 1150.4 |
| Accts Payable | 225.9 | 238.4 | 341.6 |
| Debt Due | - - | - - | - - |
| Other | 148.6 | 180.9 | 169.2 |
| Current Liab. | 374.5 | 419.3 | 510.8 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 5.0% | 8.0% | *3.5%* |
| "Cash Flow" | 9.0% | 13.0% | *4.5%* |
| Earnings | 8.5% | 14.5% | *4.0%* |
| Dividends | 8.5% | 6.5% | *5.5%* |
| Book Value | 15.5% | 21.0% | *8.5%* |

| Calendar | QUARTERLY SALES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 702.8 | 685.1 | 667.2 | 643.3 | 2698.4 |
| 2024 | 696.7 | 710.2 | 724.9 | 654.8 | 2786.6 |
| 2025 | 700.9 | 698.5 | 690.3 | 635.5 | 2725.2 |
| 2026 | 669.7 | 747.1 | *750* | *733.2* | *2900* |
| 2027 | *750* | *770* | *770* | *750* | *3040* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 10.10 | 10.36 | 11.60 | 8.38 | 40.44 |
| 2024 | 11.23 | 11.63 | 13.79 | 11.57 | 48.22 |
| 2025 | 13.26 | 11.84 | 10.67 | 8.67 | 44.44 |
| 2026 | 12.62 | 14.54 | *14.30* | *12.19* | *53.65* |
| 2027 | *13.00* | *14.30* | *14.90* | *14.50* | *56.70* |

| Calendar | QUARTERLY DIVIDENDS PAID B Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | 2.10 | 2.10 | 2.10 | 2.10 | 8.40 |
| 2023 | 2.10 | 2.25 | 2.25 | 2.25 | 8.85 |
| 2024 | 2.25 | 2.50 | 2.50 | 2.75 | 10.00 |
| 2025 | 2.75 | 2.75 | 2.75 | 3.00 | 11.25 |
| 2026 | 3.00 | 3.00 | 3.00 | | |

**BUSINESS:** NewMarket Corporation develops, manufactures, and blends chemical additives through its Afton Chemical and Ethyl Corp. units. Has two segments: Petroleum Additives (91% of '25 revenues) provides lubricant, engine oil, driveline, industrial, and fuel additives under the HiTEC, GREENBURN, TecGARD, BioTEC, and MMT brands and TEL name. Specialty Materials (9%) sells critical chemicals. Has about 2,060 employees. Bruce C. Gottwald owns 10.1% of stock; Thomas Gottwald, 6.0%; Bank of America, 11.1%; Vanguard, 8.7%; The London Co., 5.9%; BlackRock, 6.4%; (3/26 Proxy). Chairman, Pres. & CEO: Thomas E. Gottwald. Incorporated: VA. Addr.: 330 S. Fourth St., Richmond, VA 23219-4350. Tel.: 804-788-5000. Internet: www.newmarket.com.

**NewMarket reported record second-quarter sales and share earnings of $747 million and $14.54, respectively.** The top-line benefitted from Petroleum Additive (PA) price hikes, surcharges implemented to cover Middle East supply chain chicanes, and a strong contribution from the Calca acquisition, now residing in the Specialty Materials segment. Earnings reaped the rewards of an exit from lower-margin business lines, as well as enhanced operating efficiencies, thanks to burgeonong IT spending.

**Investors are happier than they have been in a long time.** Hence the record stock price, and the big surge in monthly trading volume over the company's past 12 months. Not only are they pleased with margin expansion, thanks to manufacturing efficiencies and greater revenues, but they also like the increasing potential of the higher-margin Specialty Materials segment (9% of second-quarter sales). This unit primarily supplies chemicals for use in the construction of solid state rocket motors being built by the U.S. government's military and space departments. Not only does the government pay well, but the potential for growth is substantial, given depleted military hardware, and a greater interest in space travel to the Moon and Mars.

**Cash flow generation is strong.** Further share buybacks seem pointless given the prodigious per-share numbers. We think minor bolt-on acquisitions would be a better, more productive, use of cash. Perhaps some of the larger institutional investors are already envisioning this scenario. Meanwhile, the company can well afford to up the dividend payout, but appears content to simply ramp it up in an orderly manner.

**Ultimately, this company relies on its core PA operation.** And this business depends on an increasing number of internal combustion engines being built. This trend is likely to decline as the inevitable march toward global electrification gradually takes hold. As such, we are not raising our three- to five-year Target Price Range. Retail investors should note that this issue has a very slim float, and the price of one share is higher than the average monthly car payment.

*Jeremy J. Butler* *August 21, 2026*

**(A)** Diluted earnings. Excl. non-recurring gains/(losses): '13, $1.65. Next earnings report due late October.
**(B)** Dividends historically paid in first week of January, April, July, and October. Special cash dividend of $.90 a share paid in 4Q, 2012.
**(C)** Including intangibles: At 12/31/25, $762.3 mill., $81.10/share.
**(D)** In millions.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 35 |
| Earnings Predictability | 65 |

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# O'REILLY AUTO. NDQ-ORLY

RECENT PRICE **84.24** | P/E RATIO **25.9** (Trailing: 27.5 Median: 21.0) | RELATIVE P/E RATIO **1.41** | DIV'D YLD **Nil** | **VALUE LINE**

**TIMELINESS** 3 Lowered 12/12/25
**SAFETY** 2 Raised 7/21/23
TECHNICAL 3 Lowered 6/26/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$72-$138 $105 (25%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 140 | (+65%) | *14%* |
| Low | 100 | (+20%) | *5%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 774 | 636 | 728 |
| to Sell | 680 | 608 | 818 |
| Hld's(000) | 704992 | 710563 | 775258 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 18.5 | 19.5 | 18.9 | 24.2 | 30.3 | 32.5 | 47.4 | 58.1 | 67.1 | 85.6 | 108.7 | 102.1 | | | | | | |
| Low: | 11.9 | 15.0 | 11.3 | 14.5 | 22.0 | 16.8 | 28.3 | 37.5 | 51.2 | 61.0 | 78.8 | 82.7 | | | | | | |

**Target Price Range** 2029 | 2030 | 2031

LEGENDS
18.0 x "Cash Flow" p sh
Relative Price Strength
15-for-1 split 6/25
Options: Yes
*Shaded area indicates recession*

Percent shares traded

**% TOT. RETURN 7/6/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -7.8 | 23.1 |
| 3 yr. | 33.8 | 52.8 |
| 5 yr. | 117.8 | 47.8 |

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| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2.55 | 3.03 | 3.40 | 4.06 | 4.61 | 5.43 | 6.17 | 7.10 | 8.04 | 8.95 | 10.88 | 13.26 | 15.41 | 17.84 | 19.38 | 21.12 | *23.10* | *25.25* | Sales per sh | *32.85* |
| .28 | .36 | .42 | .52 | .62 | .78 | .90 | 1.08 | 1.34 | 1.47 | 1.94 | 2.48 | 2.71 | 3.11 | 3.30 | 3.62 | *3.90* | *4.20* | "Cash Flow" per sh | *5.45* |
| .20 | .25 | .32 | .40 | .49 | .61 | .72 | .84 | 1.07 | 1.19 | 1.57 | 2.07 | 2.23 | 2.56 | 2.71 | 2.97 | *3.25* | *3.55* | Earnings per sh A | *4.80* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | Div'ds Decl'd per sh | *Nil* |
| 1.52 | 1.49 | 1.16 | 1.20 | 1.29 | 1.34 | 1.17 | .52 | .30 | .35 | .13 | d.07 | d1.13 | d1.96 | d1.59 | d.91 | *d.20* | *.75* | Book Value per sh | *4.20* |
| 2115.4 | 1907.7 | 1817.7 | 1638.7 | 1563.9 | 1466.1 | 1392.8 | 1264.5 | 1185.7 | 1134.3 | 1066.8 | 1005.4 | 935.30 | 886.10 | 862.23 | 841.91 | *818.85* | *797.00* | Common Shs Outst'g B | *732.00* |
| 15.9 | 16.8 | 18.8 | 18.9 | 21.2 | 25.2 | 25.1 | 18.5 | 18.3 | 21.9 | 17.9 | 18.1 | 21.0 | 23.6 | 27.0 | 31.7 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *25.0* |
| 1.01 | 1.05 | 1.20 | 1.06 | 1.12 | 1.27 | 1.32 | .93 | .99 | 1.17 | .92 | .98 | 1.21 | 1.31 | 1.41 | 1.65 | | | Relative P/E Ratio | *1.40* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | | | Avg Ann'l Div'd Yield | *Nil* |
| 8593.1 | 8977.7 | 9536.4 | 10150 | 11604 | 13328 | 14410 | 15812 | 16708 | 17782 | *18900* | *20130* | Sales ($mill) | *24050* | | | | | | |
| 55.0% | 55.2% | 55.6% | 55.8% | 55.2% | 55.1% | 53.7% | 53.8% | 54.0% | 54.5% | *54.5%* | *54.5%* | Gross Margin | *55.0%* | | | | | | |
| 22.3% | 21.8% | 21.7% | 21.6% | 23.6% | 24.4% | 23.0% | 22.7% | 22.2% | 22.3% | *22.3%* | *22.3%* | Operating Margin | *23.0%* | | | | | | |
| 4829 | 5019 | 5219 | 5460 | 5616 | 5784 | 5971 | 6157 | 6378 | 6585 | *6815* | *7050* | Number of Stores | *7750* | | | | | | |
| 1037.7 | 1133.8 | 1324.5 | 1391.0 | 1752.3 | 2164.7 | 2172.7 | 2346.6 | 2386.7 | 2538.2 | *2700* | *2875* | Net Profit ($mill) | *3560* | | | | | | |
| 36.6% | 30.8% | 21.8% | 22.3% | 22.7% | 22.2% | 22.4% | 21.9% | 21.6% | 21.7% | *22.5%* | *22.5%* | Income Tax Rate | *22.5%* | | | | | | |
| 12.1% | 12.6% | 13.9% | 13.7% | 15.1% | 16.2% | 15.1% | 14.8% | 14.3% | 14.3% | *14.3%* | *14.3%* | Net Profit Margin | *14.8%* | | | | | | |
| d142.7 | d249.7 | d350.9 | d635.7 | d762.6 | d1370 | d2015 | d2103 | d2444 | d2032 | *d1950* | *d1850* | Working Cap'l ($mill) | *d1625* | | | | | | |
| 1887.0 | 2978.4 | 3417.1 | 3890.5 | 4123.2 | 3827.0 | 4371.7 | 5570.1 | 5520.9 | 6016.9 | *6015* | *6000* | Long-Term Debt ($mill) | *5850* | | | | | | |
| 1627.1 | 653.0 | 353.7 | 397.3 | 140.3 | d66.4 | d1061 | d1739 | d1371 | d763.4 | *d165* | *610* | Shr. Equity ($mill) | *3070* | | | | | | |
| 30.5% | 32.5% | 36.7% | 34.1% | 43.0% | 59.5% | 68.0% | 63.9% | 60.4% | 50.6% | *48.0%* | *45.5%* | Return on Total Cap'l | *41.0%* | | | | | | |
| 63.8% | NMF | NMF | NMF | NMF | - - | - - | - - | - - | - - | *NMF* | *NMF* | Return on Shr. Equity | *NMF* | | | | | | |
| 63.8% | NMF | NMF | NMF | NMF | - - | - - | - - | - - | - - | *NMF* | *NMF* | Retained to Com Eq | *NMF* | | | | | | |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | All Div'ds to Net Prof | *Nil* | | | | | | |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $6195.3 mill.
**LT Debt** $6195.3 mill. **LT Interest** $240 mill. (more than 100% of Cap'l)
(Total interest coverage: 13.9x)
**Leases, Uncapitalized** $446.8 mill.
**No Defined Benefit Pension Plan**

**Pfd Stock** None

**Common Stock** 828,715,079 shs.

**as of 5/4/26**

**MARKET CAP: $69.8 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 130.3 | 193.8 | 252.6 |
| Receivables | 356.8 | 389.8 | 431.2 |
| Inventory (LIFO) | 5095.8 | 5731.4 | 5810.1 |
| Other | 257.0 | 429.3 | 473.4 |
| Current Assets | 5839.9 | 6744.3 | 6967.3 |
| Accts Payable | 6524.8 | 7103.7 | 7237.1 |
| Debt Due | 200.0 | - - | - - |
| Other | 1558.7 | 1672.1 | 1987.2 |
| Current Liab. | 8283.5 | 8775.8 | 9224.3 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 15.5% | 16.0% | *9.0%* |
| "Cash Flow" | 18.0% | 16.0% | *8.5%* |
| Earnings | 18.5% | 16.5% | *9.5%* |
| Dividends | - - | - - | *Nil* |
| Book Value | - - | - - | *NMF* |

| Calendar | QUARTERLY SALES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 3708 | 4069 | 4203 | 3832 | 15812 |
| 2024 | 3976 | 4272 | 4364 | 4096 | 16708 |
| 2025 | 4137 | 4525 | 4706 | 4414 | 17782 |
| 2026 | 4561 | *4750* | *4980* | *4609* | *18900* |
| 2027 | *4750* | *5165* | *5300* | *4915* | *20130* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .55 | .68 | .71 | .62 | 2.56 |
| 2024 | .61 | .70 | .76 | .63 | 2.71 |
| 2025 | .62 | .78 | .85 | .71 | 2.97 |
| 2026 | .72 | *.84* | *.91* | *.78* | *3.25* |
| 2027 | *.76* | *.94* | *.99* | *.86* | *3.55* |

| Calendar | QUARTERLY DIVIDENDS PAID Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | | | | | |
| 2023 | NO CASH DIVIDENDS | | | | |
| 2024 | BEING PAID | | | | |
| 2025 | | | | | |
| 2026 | | | | | |

**BUSINESS:** O'Reilly Automotive, Inc. supplies aftermarket autoparts, tools, equipment, and accessories to both "do-it-yourself" (DIY) customers and professional mechanics or service technicians. Also offers services, including used oil/battery recycling and wiper/bulb replacement. As of Dec. 31, 2025, operated 6,585 stores in the U.S. (6,438), Mexico (112), Canada (26), and Puerto Rico (9). At 1/31/26, had 92,923 employees, including 14,665 part-timers. Offs./dirs. own 1.0% of common stock; Vanguard Group, 8.5%; BlackRock, 6.9% (3/26 Proxy). CEO: Brad Beckham; Chairman: Greg Henslee. Incorporated: Missouri. Address: 233 South Patterson, Springfield, Missouri 65802. Telephone: 417-862-6708. Internet: www.oreillyauto.com.

**O'Reilly Automotive probably experienced a bit of a slowdown in the June quarter.** To wit, the consensus of analyst estimates had comparable-store sales at the retailer and distributor of aftermarket autoparts rising 4.1% in the period, roughly half the breakneck 8.1% pace that the Ohio-based company enjoyed during the first three months of 2026. Notably, early-year tailwinds, including the benefit from generally higher personal income-tax refunds, likely faded a bit in the June period. What's more, unseasonably warm, pre-Spring weather probably pulled forward some demand for auto parts, specifically among do-it-yourselfers that like to tinker with their cars in the driveway or backyard. That said, we still think that O'Reilly gained a decent amount of market share in the second quarter, reflecting management's keen focus on customer service.

**O'Reilly recently reached a notable milestone.** According to leadership, the company's own private-label (PL) brands now represent more than half of the retailer's overall sales. Importantly, in contrast to the national brands that it distributes, O'Reilly has much greater control over PL sourcing and can typically call on several manufacturers for a single PL product, thus reducing certain supply-chain risk. Additionally, O'Reilly generally earns a fatter profit on its PL brands than it does on national labels.

**The industry backdrop still seems pretty good.** Within the U.S. alone, the market for replacement autoparts represents an estimated $147 billion-a-year opportunity for O'Reilly and its peers. Furthermore, through the acquisitions of Mayoreo de Autopartes y Aceites (completed November 2019) and Groupe Del Vasto (January 2024), O'Reilly has entered the Mexican and Canadian markets, which together serve large vehicle populations totaling roughly 81 million (representing about 22% of a North American fleet that numbers approximately 370 million).

**While we continue to view O'Reilly as the best of the parts-distribution bunch, its shares do not currently stand out for year-ahead price performance.** Buy-and-hold investors should also probably wait for a better entry point.

*Nils C. Van Liew* *July 17, 2026*

**(A)** Next earnings report due late July. Earnings may not sum due to rounding. Excludes nonrecurring charges: '10, $0.01; '11, $0.01.

**(B)** In millions.

| | |
|---|---|
| **Company's Financial Strength** | B++ |
| **Stock's Price Stability** | 90 |
| **Price Growth Persistence** | 90 |
| **Earnings Predictability** | 95 |

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# PRESTIGE CON NYSE-PBH

RECENT PRICE 51.78 | P/E RATIO 11.3 (Trailing: 11.7 Median: 14.0) | RELATIVE P/E RATIO 0.63 | DIV'D YLD Nil | VALUE LINE 1196

**TIMELINESS** 4 Raised 9/4/26
**SAFETY** 3 Lowered 9/12/25
TECHNICAL 4 Lowered 7/17/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $43-$82 | $63 (20%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 125 | (+140%) | *23%* |
| Low | 85 | (+65%) | *12%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 127 | 187 | 184 |
| to Sell | 140 | 176 | 181 |
| Hld's(000) | 51217 | 57928 | 57066 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 54.3 | 58.1 | 59.6 | 46.4 | 41.4 | 46.1 | 63.8 | 64.1 | 68.5 | 86.4 | 90.0 | 71.1 | | | | | | |
| Low: | 33.3 | 43.6 | 40.1 | 27.8 | 26.3 | 27.4 | 34.7 | 48.5 | 52.9 | 57.9 | 57.3 | 42.6 | | | | | | |

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2029 | 2030 | 2031
160 120 100 80 60 50 40 30 20 15

Percent shares traded 45 30 15

% TOT. RETURN 8/31/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -23.9 | 18.2 |
| 3 yr. | -11.2 | 54.8 |
| 5 yr. | -9.8 | 50.7 |

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| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues per sh | 6.71 | 8.77 | 12.20 | 11.62 | 13.81 | 15.28 | 16.66 | 19.63 | 18.94 | 19.23 | 18.90 | 21.62 | 22.69 | 22.59 | 22.98 | 23.01 | *27.95* | *30.45* | *38.90* |
| "Cash Flow" per sh | .78 | .95 | 1.54 | 1.89 | 1.85 | 2.51 | 2.43 | 8.38 | 3.44 | 3.50 | 4.00 | 4.81 | 5.01 | 4.86 | 5.22 | 5.22 | *5.65* | *6.40* | *8.10* |
| Earnings per sh A | .58 | .73 | 1.27 | 1.62 | 1.49 | 1.88 | 1.93 | 7.55 | 2.79 | 2.78 | 3.25 | 4.04 | 4.21 | 4.21 | 4.52 | 4.38 | *4.60* | *5.05* | *6.75* |
| Div'ds Decl'd per sh | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | *Nil* |
| Cap'l Spending per sh | .01 | .01 | .20 | .05 | .12 | .07 | .06 | .24 | .20 | .29 | .45 | .19 | .16 | .19 | .17 | .24 | *.55* | *.60* | *.75* |
| Book Value per sh B | 7.22 | 8.00 | 9.34 | 10.87 | 12.13 | 14.11 | 15.53 | 22.22 | 21.27 | 23.38 | 27.21 | 31.38 | 29.12 | 33.22 | 37.06 | 39.89 | *44.50* | *49.80* | *66.65* |
| Common Shs Outst'g C | 50.12 | 50.29 | 51.13 | 51.82 | 51.76 | 52.76 | 52.96 | 53.04 | 51.53 | 50.09 | 49.91 | 50.28 | 49.69 | 49.82 | 49.51 | 47.32 | *46.50* | *46.00* | *45.00* |
| Avg Ann'l P/E Ratio | 16.8 | 16.3 | 14.5 | 19.2 | 22.9 | 25.3 | 27.0 | 6.3 | 12.2 | 12.5 | 11.9 | 13.6 | 13.7 | 14.6 | 16.5 | 15.9 | *Bold figures are Value Line estimates* | | *15.5* |
| Relative P/E Ratio | 1.07 | 1.02 | .92 | 1.08 | 1.21 | 1.27 | 1.42 | .32 | .66 | .67 | .61 | .73 | .79 | .81 | .86 | .84 | | | *.85* |
| Avg Ann'l Div'd Yield | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | | | *Nil* |
| Revenues ($mill) | 882.1 | 1041.2 | 975.8 | 963.0 | 943.4 | 1086.8 | 1127.7 | 1125.4 | 1137.8 | 1088.7 | *1300* | *1400* | | | | | | | *1750* |
| Operating Margin | 32.1% | 34.2% | 33.5% | 33.6% | 35.3% | 33.7% | 34.1% | 33.3% | 33.4% | 31.3% | *34.0%* | *34.0%* | | | | | | | *34.0%* |
| Depreciation ($mill) | 25.4 | 40.2 | 31.8 | 32.8 | 35.1 | 36.3 | 37.0 | 30.7 | 31.9 | 31.3 | *42.0* | *50.0* | | | | | | | *55.0* |
| Net Profit ($mill) | 103.1 | 404.5 | 145.5 | 142.3 | 164.7 | 205.4 | 212.0 | 211.3 | 226.4 | 213.9 | *220* | *245* | | | | | | | *315* |
| Income Tax Rate | 36.6% | - - | 24.0% | 25.6% | 19.3% | 21.7% | 23.3% | 24.0% | 23.5% | 23.9% | *25.0%* | *25.0%* | | | | | | | *25.0%* |
| Net Profit Margin | 11.7% | 38.9% | 14.9% | 14.8% | 17.5% | 18.9% | 18.8% | 18.8% | 19.9% | 19.6% | *16.9%* | *17.5%* | | | | | | | *18.0%* |
| Working Cap'l ($mill) | 172.4 | 180.3 | 173.9 | 215.8 | 147.7 | 149.9 | 231.0 | 257.9 | 341.7 | 310.6 | *340* | *360* | | | | | | | *500* |
| Long-Term Debt ($mill) | 2193.7 | 1993.0 | 1798.6 | 1734.9 | 1486.5 | 1481.2 | 1347.5 | 1126.0 | 1013.0 | 1011.9 | *2000* | *1900* | | | | | | | *1500* |
| Shr. Equity ($mill) | 822.5 | 1178.6 | 1095.8 | 1171.0 | 1358.3 | 1577.6 | 1447.1 | 1655.1 | 1834.9 | 1887.5 | *2070* | *2290* | | | | | | | *3000* |
| Return on Total Cap'l | 5.0% | 14.4% | 6.8% | 6.6% | 7.2% | 7.8% | 8.8% | 8.8% | 8.8% | 7.4% | *6.5%* | *7.0%* | | | | | | | *8.5%* |
| Return on Shr. Equity | 12.5% | 34.3% | 13.3% | 12.2% | 12.1% | 13.0% | 14.6% | 12.8% | 12.3% | 11.3% | *10.5%* | *10.5%* | | | | | | | *10.5%* |
| Retained to Com Eq | 12.5% | 34.3% | 13.3% | 12.2% | 12.1% | 13.0% | 14.6% | 12.8% | 12.3% | 11.3% | *10.5%* | *10.5%* | | | | | | | *10.5%* |
| All Div'ds to Net Prof | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *Nil* | *Nil* | | | | | | | *Nil* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $2037.7 mill.
**LT Debt** $2024.5 mill. **LT Interest** $90.0 mill.
(Total interest coverage: 3.6x) (51% of Cap'l)

**Leases, Uncapitalized** Annual rentals $32.1 mill.
**No Defined Benefit Plan**

**Pfd Stock** None
**Common Stock** 47,374,522 shares
**as of 7/31/26**

**MARKET CAP: $2.5 billion (Small Cap)**

| CURRENT POSITION ($MILL.) | 2023 | 2024 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 46.5 | 97.9 | 89.1 |
| Receivables | 176.8 | 194.3 | 187.4 |
| Inventory | 138.7 | 147.7 | 190.2 |
| Other | 13.0 | 8.4 | 30.1 |
| Current Assets | 375.0 | 448.3 | 496.8 |
| Accts Payable | 39.0 | 18.9 | 36.8 |
| Debt Due | 1.5 | 2.5 | 13.1 |
| Other | 76.6 | 85.2 | 103.8 |
| Current Liab. | 117.1 | 106.6 | 153.8 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 5.5% | 3.5% | *7.0%* |
| "Cash Flow" | 9.0% | 6.5% | *8.0%* |
| Earnings | 10.0% | 8.0% | *7.5%* |
| Dividends | - - | - - | *Nil* |
| Book Value | 11.0% | 8.0% | *10.5%* |

| Calendar | QUARTERLY REVENUES ($ mill.) E Jun.Per. | Sep.Per. | Dec.Per. | Mar.Per. | Full Year |
|---|---|---|---|---|---|
| 2023 | 279.3 | 286.3 | 282.7 | 277.0 | 1125.4 |
| 2024 | 267.1 | 283.8 | 290.3 | 296.5 | 1137.8 |
| 2025 | 249.5 | 274.1 | 283.4 | 281.6 | 1088.7 |
| 2026 | 265.7 | *340* | *355* | *339.3* | *1300* |
| 2027 | *285* | *365* | *370* | *380* | *1400* |

| Calendar | EARNINGS PER SHARE A Jun.Per. | Sep.Per. | Dec.Per. | Mar.Per. | Full Year |
|---|---|---|---|---|---|
| 2023 | 1.06 | 1.07 | 1.06 | 1.02 | 4.21 |
| 2024 | .90 | 1.09 | 1.22 | 1.32 | 4.52 |
| 2025 | .95 | 1.07 | 1.14 | 1.23 | 4.38 |
| 2026 | .98 | *1.08* | *1.20* | *1.34* | *4.60* |
| 2027 | *1.00* | *1.25* | *1.30* | *1.50* | *5.05* |

| Calendar | QUARTERLY DIVIDENDS PAID Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | | | | | |
| 2023 | NO CASH DIVIDENDS | | | | |
| 2024 | BEING PAID | | | | |
| 2025 | | | | | |
| 2026 | | | | | |

**BUSINESS:** Prestige Consumer Healthcare, Inc., engages in the marketing, sale, and distribution of over-the-counter (OTC) healthcare and household cleaning products, primarily in the United States, Canada (North America) and Australia. The company has two operating segments: North American OTC Healthcare (84% of '25 sales) and International OTC Healthcare (16%). Prestige Consumer distributes its products through various retail channels. Has about 890 employees. All directors and officers own 1.5% of common stock; BlackRock, 14.4%; Ariel Investments, 8.7% (6/26 proxy). Chairman, CEO & President: Ronald M. Lombardi. Address: 660 White Plains Road NA, Tarrytown, NY 10591. Telephone: (914) 524-6800. Internet: www.prestigebrands.com.

**Shares of Prestige Consumer Healthcare have advanced about 13% since our June review.** The move followed two acquisitions that management closed in quick succession. The Breathe Right portfolio came aboard on June 12th for over $1.0 billion and brings in roughly $200 million of annual revenue, making it the largest addition here in some time. LaCorium Health of Australia followed on July 1st for about $150 million and adds close to $40 million more. Together the two lifted the revenue base by better than 20% and gave the company a foothold in the wellness and sleep aisle it did not have before.

**The June period was solid.** Revenue rose 6.5% to $265.7 million. Earnings came to $0.98 a share, three pennies higher than the year-earlier quarter. *Dramamine* and *Fleet* led gains, and *Compound W* boosted the skin care portfolio. *Clear Eyes* shipments remained constrained by supply, but the rest of the lineup more than covered the shortfall. Diversification paid off in the interim. What's more, free cash flow reached a quarterly record of $83.7 million.

**Management has lifted its fiscal 2026 (year began April 1st) performance targets, though the borrowing behind the deals is a bit concerning.** The company now looks for revenue of $1.29 billion to $1.315 billion and earnings of $4.55 to $4.65 a share. Our forecasts call for $1.30 billion and $4.60 this year, and $1.40 billion and $5.05 next year. Long-term debt now sits around $2.0 billion, roughly double the March figure, and interest expense will more than double along with it, absorbing a substantial portion of the profit the new brands were set to generate for Prestige. Fortunately, free cash flow of nearly $270 million should help to reduce debt and provide some profit-margin relief, and remain a priority this year.

**Our 3- to 5-year projections are unchanged, since the added interest offsets much of the sales upside.** The Target Price Range still points to worthwhile appreciation potential from the recent quotation. The Timeliness rank of 4 reflects earnings momentum that stalled during the *Clear Eyes* shortage and a price that has lagged the broader market.

*Simon R. Shoucair* *September 11, 2026*

**(A)** Fiscal year ends March 31st of the following calendar year. Diluted non-GAAP earnings. Next earnings report due early November.

**(B)** Incl. intangibles. In '25: $2880.7 mill., $57.03 p/sh.

**(C)** In millions.

| | |
|---|---|
| Company's Financial Strength | B+ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 50 |
| Earnings Predictability | 100 |

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# PFIZER INC. NYSE-PFE

RECENT PRICE **27.72** | P/E RATIO **9.4** (Trailing: 9.1 Median: 19.0) | RELATIVE P/E RATIO **0.54** | DIV'D YLD **6.2%** | VALUE LINE **1622**

**TIMELINESS** 3 Raised 8/21/26
**SAFETY** 2 Lowered 12/22/23
TECHNICAL 3 Raised 9/25/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$23-$36 $30 (5%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 40 | (+45%) | *14%* |
| Low | 30 | (+10%) | *7%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 1118 | 1527 | 1422 |
| to Sell | 1211 | 1240 | 1343 |
| Hld's(000) | 3715604 | 4312196 | 4325479 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 36.5 | 37.4 | 37.3 | 46.5 | 44.6 | 43.1 | 61.7 | 58.6 | 51.6 | 31.5 | 27.7 | 29.2 | | | | | | |
| Low: | 28.5 | 28.3 | 30.9 | 33.2 | 34.0 | 27.9 | 33.4 | 41.4 | 25.8 | 24.5 | 20.9 | 23.6 | | | | | | |

**LEGENDS**
10.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
128 96 80 64 48 40 32 24 16 12

Percent shares traded 18 12 6

**% TOT. RETURN 9/14/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 24.3 | 18.2 |
| 3 yr. | -1.5 | 54.8 |
| 5 yr. | -19.1 | 50.7 |

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| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 8.46 | 8.90 | 8.11 | 8.06 | 7.89 | 7.91 | 8.70 | 8.79 | 9.38 | 9.35 | 7.53 | 14.46 | 17.87 | 10.36 | 11.23 | 11.01 | *10.95* | *10.55* | Sales per sh | *10.35* |
| 2.09 | 2.34 | 2.35 | 2.77 | 2.32 | 1.96 | 2.13 | 2.82 | 3.07 | 4.03 | 2.11 | 4.91 | 6.49 | 1.49 | 2.65 | 4.40 | *4.10* | *4.00* | "Cash Flow" per sh | *3.85* |
| 1.03 | 1.11 | 1.26 | 1.65 | 1.41 | 1.11 | 1.17 | 1.73 | 1.87 | 2.87 | 1.24 | 3.93 | 5.47 | .37 | 1.41 | 3.22 | *3.00* | *2.90* | Earnings per sh A | *2.80* |
| .72 | .80 | .88 | .96 | 1.04 | 1.12 | 1.20 | 1.28 | 1.36 | 1.44 | 1.52 | 1.56 | 1.60 | 1.64 | 1.68 | 1.72 | *1.72* | *1.72* | Div'ds Decl'd per sh B■ | *1.72* |
| .19 | .22 | .18 | .19 | .19 | .23 | .30 | .33 | .36 | .39 | .40 | .48 | .58 | .69 | .51 | .46 | *.45* | *.45* | Cap'l Spending per sh | *.45* |
| 10.95 | 10.84 | 11.16 | 11.92 | 11.33 | 10.48 | 9.81 | 11.92 | 11.09 | 11.41 | 11.36 | 13.74 | 17.03 | 15.77 | 15.56 | 15.21 | *15.10* | *15.20* | Book Value per sh C | *15.60* |
| 8012.0 | 7575.0 | 7276.0 | 6399.0 | 6291.0 | 6175.0 | 6070.0 | 5979.0 | 5717.0 | 5534.0 | 5567.0 | 5620.0 | 5616.0 | 5646.0 | 5667.0 | 5686.0 | *5700.0* | *5700.0* | Common Shs Outst'g D | *5700.0* |
| 16.3 | 17.6 | 18.4 | 17.6 | 21.5 | 30.3 | 28.1 | 19.7 | 20.9 | 13.9 | 29.5 | 10.7 | 9.1 | NMF | 19.8 | 7.7 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *12.0* |
| 1.04 | 1.10 | 1.17 | .99 | 1.13 | 1.53 | 1.47 | .99 | 1.13 | .74 | 1.51 | .58 | .53 | NMF | 1.03 | .40 | | | Relative P/E Ratio | *.65* |
| 4.3% | 4.1% | 3.8% | 3.3% | 3.4% | 3.3% | 3.7% | 3.8% | 3.5% | 3.6% | 4.1% | 3.7% | 3.2% | 4.4% | 6.0% | 6.9% | | | Avg Ann'l Div'd Yield | *5.1%* |
| 52824 | 52546 | 53647 | 51750 | 41908 | 81288 | 100330 | 58496 | 63627 | 62579 | *62300* | *60000* | Sales ($mill) | *59000* |
| 44.6% | 47.8% | 49.1% | 47.4% | 40.5% | 35.8% | 44.8% | 24.3% | 42.8% | 37.1% | *35.0%* | *35.5%* | Operating Margin | *35.0%* |
| 5757.0 | 6269.0 | 6384.0 | 6010.0 | 4777.0 | 5191.0 | 5064.0 | 6290.0 | 7013.0 | 6592.0 | *6400* | *6300* | Depreciation ($mill) | *6000* |
| 7198.0 | 10606 | 11143 | 16269 | 6984.0 | 22414 | 31366 | 2134.0 | 8020.0 | 18406 | *17100* | *16530* | Net Profit ($mill) | *15960* |
| 13.4% | 13.4% | 5.9% | 7.8% | 6.4% | 7.6% | 9.6% | - - | - - | 12.5% | *15.0%* | *15.0%* | Income Tax Rate | *15.0%* |
| 13.6% | 20.2% | 20.8% | 31.4% | 16.7% | 27.6% | 31.3% | 3.6% | 12.6% | 29.4% | *27.4%* | *27.6%* | Net Profit Margin | *27.1%* |
| 7834.0 | 10714 | 18068 | d4501 | 9147.0 | 17022 | 9121.0 | d4461 | 7363.0 | 5914.0 | *6300* | *6700* | Working Cap'l ($mill) | *7900* |
| 31398 | 33538 | 32909 | 35955 | 37133 | 36195 | 32884 | 61538 | 57405 | 61641 | *59000* | *57000* | Long-Term Debt ($mill) | *51000* |
| 59544 | 71308 | 63407 | 63143 | 63238 | 77201 | 95661 | 89014 | 88203 | 86476 | *86000* | *86500* | Shr. Equity ($mill) | *89000* |
| 8.6% | 10.7% | 12.3% | 17.2% | 7.7% | 20.3% | 24.9% | 2.2% | 6.6% | 13.3% | *12.5%* | *12.5%* | Return on Total Cap'l | *12.5%* |
| 12.1% | 14.9% | 17.6% | 25.8% | 11.0% | 29.0% | 32.8% | 2.4% | 9.1% | 21.3% | *20.0%* | *19.0%* | Return on Shr. Equity | *18.0%* |
| NMF | 4.1% | 5.0% | 13.0% | NMF | 17.7% | 23.4% | NMF | NMF | 10.0% | *8.5%* | *8.0%* | Retained to Com Eq | *7.0%* |
| 102% | 72% | 72% | 49% | 121% | 39% | 29% | NMF | 119% | 53% | *57%* | *59%* | All Div'ds to Net Prof | *61%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $63194 mill.
**LT Debt** $60495 mill. **LT Interest** $2671 mill. (42% of Cap'l)

**Leases, Uncapitalized** Annual rentals $417.0 mill.

**Pension Assets-12/25** $16.7 bill. **Oblig.** $16.7 bill.

**Common Stock** 5,699,673,589 shs. **as of 7/29/26**

**MARKET CAP: $158 billion (Mega Cap)**

**CURRENT POSITION ($MILL.)**

| | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 20477 | 13596 | 11699 |
| Receivables | 11463 | 11874 | 12490 |
| Inventory (LIFO) | 10851 | 10654 | 9945 |
| Other | 7567 | 6774 | 7224 |
| Current Assets | 50358 | 42898 | 41358 |
| Accts Payable | 5633 | 5240 | 4581 |
| Debt Due | 6946 | 3154 | 2699 |
| Other | 30416 | 28590 | 25366 |
| Current Liab. | 42995 | 36984 | 32646 |

**ANNUAL RATES** of change (per sh)

| | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 3.0% | 4.5% | *-1.0%* |
| "Cash Flow" | 2.0% | -1.5% | *5.0%* |
| Earnings | 2.0% | -3.5% | *9.0%* |
| Dividends | 5.0% | 3.0% | *.5%* |
| Book Value | 3.5% | 6.5% | *Nil* |

**QUARTERLY SALES ($ mill.)**

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 18282 | 12734 | 13232 | 14249 | 58496 |
| 2024 | 14879 | 13283 | 17702 | 17763 | 63627 |
| 2025 | 13715 | 14653 | 16654 | 17557 | 62579 |
| 2026 | 14451 | 15034 | *15950* | *16865* | *62300* |
| 2027 | *13900* | *14300* | *15600* | *16200* | *60000* |

**EARNINGS PER SHARE A**

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .97 | .41 | d.42 | d.60 | .37 |
| 2024 | .55 | .01 | .78 | .07 | 1.41 |
| 2025 | .92 | .78 | .87 | .66 | 3.22 |
| 2026 | .75 | .77 | *.77* | *.71* | *3.00* |
| 2027 | *.69* | *.67* | *.78* | *.76* | *2.90* |

**QUARTERLY DIVIDENDS PAID B■**

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .40 | .40 | .40 | .40 | 1.60 |
| 2023 | .41 | .41 | .41 | .41 | 1.64 |
| 2024 | .42 | .42 | .42 | .42 | 1.68 |
| 2025 | .43 | .43 | .43 | .43 | 1.72 |
| 2026 | .43 | .43 | .43 | | |

**BUSINESS:** Pfizer Inc. is a research-based, global biopharmaceutical company engaged in the discovery, development, manufacture, and distribution of healthcare products. Customer Groups within its core Biopharma business include; Primary Care (internal medicine, migraine, vaccines, COVID-19 products); Specialty Care (inflammation & immunology, rare disease, anti-infective and immunoglobulin medicines); and Oncology (ADCs, small molecules, bispecifics). Acquired Seagen (12/23); Metsera 11/25). Has about 75,000 employees. Off./dirs. own less than 1% of common stock; Vanguard, 9.0%; BlackRock, 7.7%; State Street, 5.1% (3/26 proxy). Chairman/CEO: Albert Bourla. Inc.: DE. Addr.: 66 Hudson Boulevard East, New York, NY 10001. Tel.: 212-733-2323. Internet: www.pfizer.com.

**Pfizer delivered better-than-expected second-quarter results.** The New York City-based drugmaker reported adjusted earnings of $0.77 a share on total sales of $15.03 billion, surpassing our estimates by $0.08 and about $500 million, respectively. Much of the upside came from strength in non-COVID products, highlighted by continued momentum in its blockbuster blood thinner medicine *Eliquis* (sales +21% year over year). Ongoing efficiency efforts were also effective in protecting margins.

**We still expect earnings to contract in 2026.** It was an encouraging first half for Pfizer, as the company surpassed top- and bottom-line expectations in both the first and second quarters. However, earnings were still down markedly compared to 2025, due to a combination of higher R&D spending and COVID-19 product erosion. Resiliency across its core branded drug portfolio provided a solid offset, but an acceleration in Pfizer's patent cliff during the second half is expected to put considerable pressure on comparisons. All told, we are targeting adjusted earnings of $3.00 a share this year, which is at the higher end of the company's $2.80-$3.00 outlook.

**Expectations for a quick recovery have faded.** Patent losses are estimated to reduce Pfizer's sales by $1.1 billion-$1.5 billion this year, with that negative impact jumping to $4.5 billion in 2027. As part of its mitigation strategy, the company has allocated substantial resources in support of its obesity and oncology development programs. However, these investments will likely take some time to gain traction.

**The stock is currently ranked to track the broader market averages in the year ahead (Timeliness: 3).** PFE shares have rebounded off their mid-2026 lows, fueled in large part by the company's encouraging second-quarter results, an improved sales forecast, and some positive regulatory updates. The equity was trading at a 52-week high earlier this month, and although we have seen some cooling in recent weeks, it is still up about 10% in value this calendar year. At these levels, the upside potential isn't overly compelling across the intermediate- and long-term horizons. However, income-focused investors will likely continue to be drawn to the stock's robust 6.2% dividend yield.

*Michael Ratty* *September 25, 2026*

**(A)** Fully diluted GAAP earnings 2024 and prior; non-GAAP beg. in 2025. May not sum due to rounding/changes in share count. Excludes nonrecurring gains/(losses); '25, ($1.86). Next egs. report due early November.
**(B)** Dividends paid in early Mar., Jun, Sep., Dec.■ Div'd reinvest. plan.
**(C)** Includes intangibles. In '25: $125.0 bill., $21.98/sh.
**(D)** In millions.
**(E)** Completed spinoff of Upjohn (11/20).

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 20 |
| Earnings Predictability | 20 |

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# PROGRESSIVE CORP. NYSE-PGR

RECENT PRICE 203.84 | P/E RATIO 12.3 (Trailing: 10.5 Median: 16.0) | RELATIVE P/E RATIO 0.68 | DIV'D YLD 0.2% | VALUE LINE

**TIMELINESS** 3 Lowered 6/20/25
**SAFETY** 2 Lowered 5/30/25
TECHNICAL 4 Raised 7/31/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$170-$337 $254 (25%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 435 | (+115%) | *21%* |
| Low | 320 | (+55%) | *12%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 764 | 673 | 864 |
| to Sell | 940 | 724 | 874 |
| Hld's(000) | 498783 | 507051 | 568669 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 33.9 | 35.9 | 57.2 | 73.7 | 85.0 | 102.1 | 107.6 | 134.5 | 165.6 | 270.6 | 293.0 | 239.4 | | | | | | |
| Low: | 25.2 | 29.3 | 35.2 | 50.8 | 58.1 | 62.2 | 84.9 | 100.8 | 111.4 | 159.3 | 199.9 | 189.2 | | | | | | |
| | 21.61 | 24.31 | 26.49 | 28.71 | 31.30 | 34.10 | 38.76 | 44.23 | 53.04 | 61.91 | 67.09 | 75.92 | 84.19 | 100.23 | 120.82 | 139.35 | *148.25* | *154.25* |
| | .79 | .78 | .73 | .71 | .69 | .78 | .83 | .97 | 1.41 | 1.78 | 1.60 | 1.47 | 2.15 | 3.23 | 4.78 | 6.06 | *6.75* | *7.50* |
| | 1.62 | 1.71 | 1.14 | 1.40 | 2.78 | 2.57 | 1.90 | 2.92 | 5.61 | 5.65 | 8.26 | 3.50 | 2.93 | 4.89 | 13.54 | 36.87 | *15.85* | *17.70* |
| | 1.51 | 1.48 | 1.15 | 1.58 | 1.92 | 2.01 | 1.70 | 2.65 | 5.01 | 5.32 | 7.47 | 3.48 | 4.08 | 6.11 | 14.07 | 19.25 | *17.60* | *16.20* |
| | .40 | .40 | .41 | .28 | .49 | .69 | .89 | .68 | 1.12 | 2.81 | 2.65 | 6.40 | .40 | .40 | 1.15 | 4.90 | *.43* | *.46* |
| | 9.13 | 9.47 | 9.94 | 10.39 | 11.79 | 13.29 | 14.56 | 15.96 | 17.71 | 22.54 | 28.26 | 30.35 | 26.32 | 33.80 | 42.43 | 51.75 | *60.70* | *68.40* |
| | 662.40 | 613.00 | 604.60 | 595.80 | 587.80 | 583.60 | 579.90 | 581.70 | 583.20 | 584.60 | 585.20 | 584.40 | 584.90 | 585.30 | 586.00 | 586.00 | *585.00* | *585.00* |
| | 213% | 208% | 213% | 246% | 212% | 218% | 224% | 278% | 352% | 330% | 301% | 314% | 445% | 415% | 517% | 486% | | |
| | 12.9 | 13.3 | 18.4 | 16.2 | 13.0 | 14.4 | 19.2 | 16.8 | 12.4 | 14.0 | 11.4 | 27.4 | 28.7 | 23.0 | 15.6 | 13.1 | | |
| | .82 | .83 | 1.17 | .91 | .68 | .73 | 1.01 | .84 | .67 | .75 | .59 | 1.48 | 1.66 | 1.28 | .82 | .68 | | |
| | 2.0% | 2.0% | 1.9% | 1.1% | 2.0% | 2.4% | 2.7% | 1.5% | 1.8% | 3.8% | 3.1% | 6.7% | .3% | .3% | .5% | 1.9% | | |
| | 22474 | 25730 | 30933 | 36192 | 39262 | 44369 | 49241 | 58664 | 70799 | 81661 | *86720* | *90250* | | | | | | |
| | 75.1% | 73.1% | 70.2% | 70.4% | 64.0% | 75.8% | 77.4% | 77.8% | 69.3% | 66.1% | *70.0%* | *70.0%* | | | | | | |
| | 20.0% | 20.3% | 19.2% | 20.5% | 23.7% | 19.6% | 19.1% | 17.3% | 19.5% | 21.3% | *19.5%* | *19.0%* | | | | | | |
| | 4.9% | 6.6% | 10.6% | 9.1% | 12.3% | 4.6% | 3.5% | 4.9% | 11.2% | 33.9% | *10.5%* | *11.0%* | | | | | | |
| | - - | 25.7% | 17.6% | 38.8% | 20.2% | 49.1% | 20.6% | 29.4% | 20.8% | 20.5% | *20.0%* | *20.0%* | | | | | | |
| | 995.9 | 1551.5 | 2939.7 | 3156.6 | 4423.6 | 2143.5 | 2251.3 | 3609.9 | 8480.0 | 11308 | *10295* | *9475* | | | | | | |
| | 2.4% | 2.3% | 2.6% | 2.8% | 2.2% | 1.7% | 2.5% | 2.9% | 3.5% | 3.6% | *3.3%* | *3.0%* | | | | | | |
| | 33428 | 38701 | 46575 | 54895 | 64098 | 71132 | 75465 | 88691 | 105745 | 123039 | *125000* | *127500* | | | | | | |
| | 8440.8 | 9284.8 | 10822 | 13673 | 17039 | 18232 | 15891 | 20277 | 25591 | 30323 | *35500* | *40000* | | | | | | |
| | 11.8% | 16.7% | 27.2% | 23.1% | 26.0% | 11.8% | 14.2% | 17.8% | 33.1% | 37.3% | *29.0%* | *23.5%* | | | | | | |
| | 5.7% | 12.5% | 22.0% | 11.3% | 17.2% | NMF | 12.9% | 16.8% | 31.4% | 27.8% | *28.5%* | *23.0%* | | | | | | |
| | 52% | 25% | 23% | 53% | 36% | NMF | 12% | 8% | 8% | 25% | *2%* | *3%* | | | | | | |

*Bold figures are Value Line estimates*

| | 29-31 |
|---|---|
| © VALUE LINE PUB. LLC | |
| P/C Prem Earned per sh [A] | *182.90* |
| Investment Inc per sh | *10.00* |
| Underwriting Inc per sh | *20.10* |
| Earnings per sh [B] | *21.00* |
| Div'ds Decl'd per sh [C] | *.64* |
| Book Value per sh | *83.75* |
| Common Shs Outst'g [D] | *585.00* |
| Price to Book Value | *500%* |
| Avg Ann'l P/E Ratio | *18.0* |
| Relative P/E Ratio | *1.00* |
| Avg Ann'l Div'd Yield | *.2%* |
| P/C Premiums Earned [A] | *107000* |
| Loss to Prem Earned | *71.0%* |
| Expense to Prem Writ | *18.0%* |
| Underwriting Margin | *11.0%* |
| Income Tax Rate | *20.0%* |
| Net Profit ($mill) | *420* |
| Inv Inc/Total Inv | *4.5%* |
| Total Assets ($mill) | *138000* |
| Shr. Equity ($mill) | *49000* |
| Return on Shr. Equity | *8.5%* |
| Retained to Com Eq | *24.5%* |
| All Div'ds to Net Prof | *3%* |

% TOT. RETURN 8/17/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -12.1 | 22.4 |
| 3 yr. | 65.1 | 46.9 |
| 5 yr. | 138.3 | 50.5 |

Target Price Range 2029 | 2030 | 2031

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $8387 mill.
**LT Debt** $8387 mill. **LT Interest** $505.0 mill. (20% of Cap'l)
**Leases, Uncapitalized** Annual rentals $74 mill.

**No Defined Pension Benefit Plan**
**Pfd Stock** None

**Common Stock** 581,371,770 shs.
**as of 7/2/26**
**MARKET CAP: $119 billion (Mega Cap)**

| FINANCIAL POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Bonds | 75332 | 82866 | 90435 |
| Stocks | 4303 | 4502 | 4808 |
| Premiums Due | 14369 | 15362 | 17106 |
| Other | 11741 | 20309 | 12576 |
| Total Assets | 105745 | 123039 | 124925 |
| Loss Reserves | 39057 | 43310 | 17106 |
| Unearned Prems | 23858 | 25219 | 27401 |
| Other | 17239 | 24187 | 46085 |
| Total Liabilities | 80154 | 92716 | 90592 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Premium Inc | 14.5% | 14.5% | *7.5%* |
| Invest Income | 20.5% | 24.0% | *13.5%* |
| Earnings | 21.5% | 17.0% | *8.0%* |
| Dividends | 16.0% | -0.5% | *NMF* |
| Book Value | 13.5% | 13.5% | *12.0%* |

| Calendar | NET PREM. EARNED ($ mill.) [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 13533 | 14464 | 14894 | 15772 | 58664 |
| 2024 | 16149 | 17210 | 18297 | 19143 | 70799 |
| 2025 | 19409 | 20310 | 20849 | 21093 | 81661 |
| 2026 | 20968 | 21573 | *21900* | *22279* | *86720* |
| 2027 | *22000* | *22500* | *22750* | *23000* | *90250* |

| Calendar | EARNINGS PER SHARE [B E] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .65 | .40 | 2.09 | 2.97 | 6.11 |
| 2024 | 3.76 | 2.65 | 3.58 | 4.08 | 14.07 |
| 2025 | 4.65 | 5.88 | 4.05 | 4.67 | 19.25 |
| 2026 | 4.96 | 4.85 | *3.65* | *4.14* | *17.60* |
| 2027 | *4.00* | *4.03* | *4.07* | *4.10* | *16.20* |

| Calendar | QUARTERLY DIVIDENDS PAID [C] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .10 | .10 | .10 | .10 | .40 |
| 2023 | .10 | .10 | .10 | .10 | .40 |
| 2024 | .85 | .10 | .10 | .10 | 1.15 |
| 2025 | 4.60 | .10 | .10 | .10 | 4.90 |
| 2026 | 13.60 | .10 | .10 | | |

**BUSINESS:** The Progressive Corporation is an insurance holding company that writes standard and nonstandard (i.e., high risk) private passenger automobile coverage. Also writes recreational vehicle, mobile home, nonstandard commercial vehicle, and credit-related insurance. Progressive has a significant presence in Florida, Texas, California, New York, Georgia, and Michigan, among other states. Has 55,100 employees. Officers and directors control less than 1% of common stock outstanding; The Vanguard Group, 8.8%; BlackRock, 7.2% (3/26 Proxy). President and Chief Executive Officer: Tricia Griffith. Incorporated: OH. Address: 300 North Commons Blvd., Mayfield Village, OH 44143. Telephone: 440-461-5000. Internet: www.progressive.com.

**Progressive had a solid June quarter despite declining on a year-over-year basis.** It should be noted that the company is up against an exceptionally strong 2025, which makes for tough comparisons. On that note, the company had made positive factors during the June quarter. The Personal auto segment remained the primary growth engine for the company during the second period. Specifically, aggregate personal policies in force increased 8% on a year-over-year basis, which helped to drive overall net premium growth more than 6%, to nearly $21.6 billion. Investment income results were also markedly higher due to continued strong bond reinvestment rates. On the other hand, the combined ratio increased (lower is better) by 1.1% relative to last year.

**The stock price has been under some pressure this year as the company's combined ratio has normalized relative to historical averages.** In fact, the combined ratio increased from 86.6% in June of 2025 to 90% this year, which didn't sit well with investors. (The company reports results on a monthly as well as a quarterly basis.) We view this as a normalization of the company's combined ratio as an underwriting margin (100% minus the combined ratio) of 15% or thereabouts is unsustainable longer term. Hence, we think the stock-price pressure resulting from the underwriting margin compression will ease over time.

**We project earnings of approximately $21.00 a share by the 2029-2031 time frame.** This translates to a high single-digit annual rate of bottom-line growth, on average, over that span. Sizable investment income gains and a profitable combined ratio underpin our earnings-growth assumptions.

**These shares are ranked to keep pace with the broader market averages in the year ahead.** However, they are more alluring when looking through a longer-term lens. Capital appreciation potential is above average over both the 18-month and 3- to 5-year intervals. Conservative investors ought to note that although the company's Earnings Predictability falls just outside the middle of the pack, Stock Price Stability is near the top of the *Value Line* universe.

*Alan G. House* *August 28, 2026*

**(A)** Incl. some D&O liab. insur. **(B)** Dil. EPS. Inc. cap. gains/(losses): '10, 10¢; '11, 11¢; '12, 33¢; '13, 35¢; '14, 23¢; '15, 14¢; '16, 6¢; '18, (59¢); '19, $1.41; '20, $2.19; '21, $2.18; '22, ($2.90). Next qrtly. egs report mid-Oct. **(C)** Beginning in 2007, a variable div'd is considered once a year. Returned to quarterly payout policy effective 2019. Approx. pmt. dates: mid.-Jan., April, July, and Oct. Has paid special dividend intermittently (not incl. in dividend yield calc. at top of page). **(D)** In millions. **(E)** Qtrs. may not sum due to change in sh. count.

| | |
|---|---|
| **Company's Financial Strength** | A |
| **Stock's Price Stability** | 90 |
| **Price Growth Persistence** | 100 |
| **Earnings Predictability** | 45 |

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# PHILIP MORRIS INT. NYSE-PM

RECENT PRICE 182.87 | P/E RATIO 21.6 (Trailing: 23.4 Median: 17.0) | RELATIVE P/E RATIO 1.19 | DIV'D YLD 3.2% | VALUE LINE

**TIMELINESS** 4 Lowered 3/20/26
**SAFETY** 1 Raised 7/11/25
TECHNICAL 2 Raised 7/3/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$147-$281 $214 (15%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 260 | (+40%) | *12%* |
| Low | 210 | (+15%) | *7%* |

**U.S. Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 1213 | 1117 | 1380 |
| to Sell | 1225 | 962 | 1140 |
| Hld's(000) | 1279238 | 1301073 | 1442905 |

| | High: | 90.3 | 104.2 | 123.6 | 111.3 | 92.7 | 90.2 | 106.5 | 112.5 | 105.6 | 134.1 | 186.7 | 193.0 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Low: | 75.3 | 84.5 | 90.0 | 64.7 | 65.7 | 56.0 | 78.3 | 82.9 | 87.2 | 87.8 | 116.1 | 151.6 |

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 2030 2031

Percent shares traded 12 8 4

**% TOT. RETURN 6/29/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 4.7 | 24.7 |
| 3 yr. | 113.0 | 61.3 |
| 5 yr. | 136.2 | 44.7 |

Philip Morris International, Inc. became an independent publicly held company when it was spun off from parent company, Altria Group on March 28, 2008. The spinoff was instituted in order to separate Altria's domestic and international businesses. All Altria's shareholders of record as of March 19, 2008 received one share of PM for every share of MO they owned.

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $51948 mil.
**LT Debt** $43808 mil. **LT Interest** $2060 mil.
(Total interest coverage, 20.7x)
**Leases, Uncapitalized:** Annual rentals $244 mill.

**Pfd Stock** None
**Pension Assets-12/25** $10.8 bill. **Oblig.** $11.1 bill.

**Common Stock** 1,558,558,846 shares
as of 4/17/26

**MARKET CAP: $285 billion (Mega Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 4216 | 4872 | 5450 |
| Receivables | 4675 | 5810 | 6390 |
| Inventory (LIFO) | 9453 | 11478 | 11392 |
| Other | 1826 | 2203 | 2370 |
| Current Assets | 20170 | 24363 | 25602 |
| Accts Payable | 3952 | 4407 | 3927 |
| Debt Due | 3529 | 3701 | 8140 |
| Other | 15434 | 17319 | 14155 |
| Current Liab. | 22915 | 25427 | 26222 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | -7.0% | -13.5% | *6.0%* |
| "Cash Flow" | 4.0% | 6.0% | *9.5%* |
| Earnings | 3.5% | 5.5% | *10.0%* |
| Dividends | 3.5% | 3.0% | *5.0%* |
| Book Value | -- | -- | *NMF* |

| Calendar | QUARTERLY REVENUES[E] ($ mil.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 8019 | 8967 | 9141 | 9047 | 35174 |
| 2024 | 8793 | 9468 | 9911 | 9706 | 37878 |
| 2025 | 9301 | 10140 | 10845 | 10362 | 40648 |
| 2026 | 10146 | *10600* | *11600* | *11154* | *43500* |
| 2027 | *10700* | *11600* | *12300* | *12100* | *46700* |

| Calendar | EARNINGS PER SHARE[A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1.38 | 1.60 | 1.67 | 1.36 | 6.01 |
| 2024 | 1.50 | 1.59 | 1.91 | 1.55 | 6.55 |
| 2025 | 1.69 | 1.91 | 2.24 | 1.70 | 7.54 |
| 2026 | 1.96 | *2.05* | *2.45* | *1.99* | *8.45* |
| 2027 | *2.00* | *2.35* | *2.65* | *2.20* | *9.20* |

| Calendar | QUARTERLY DIVIDENDS PAID[B]■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | 1.25 | 1.25 | 1.27 | 1.27 | 5.04 |
| 2023 | 1.27 | 1.27 | 1.30 | 1.30 | 5.14 |
| 2024 | 1.30 | 1.30 | 1.30 | 1.35 | 5.25 |
| 2025 | 1.35 | 1.35 | 1.47 | 1.47 | 5.64 |
| 2026 | 1.47 | 1.47 | | | |

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 48.31 | 50.28 | 51.35 | 50.08 | 48.83 | 53.04 | 52.04 | 22.66 | 24.36 | 26.11 | *27.90* | *29.95* | Revenues per sh | *34.80* |
| | 4.97 | 5.35 | 5.75 | 5.83 | 5.82 | 6.74 | 6.73 | 6.91 | 7.70 | 8.83 | *9.80* | *11.25* | "Cash Flow" per sh | *13.45* |
| | 4.48 | 4.72 | 5.10 | 5.19 | 5.17 | 6.08 | 5.96 | 6.01 | 6.55 | 7.54 | *8.45* | *9.20* | Earnings per sh [A] | *11.75* |
| | 4.12 | 4.22 | 4.49 | 4.62 | 4.74 | 4.90 | 5.04 | 5.14 | 5.25 | 5.64 | *6.04* | *6.48* | Div'ds Decl'd per sh [B]■ | *7.20* |
| | .76 | 1.00 | .92 | .55 | .39 | .48 | .69 | .85 | .93 | 1.01 | *1.00* | *1.05* | Cap'l Spending per sh | *1.10* |
| | d8.18 | d7.78 | d8.01 | d7.44 | d8.07 | d6.52 | d5.78 | d7.23 | d7.56 | d6.42 | *d5.45* | *d4.50* | Book Value per sh [C] | *d2.55* |
| | 1551.4 | 1553.2 | 1554.6 | 1555.9 | 1557.4 | 1550.2 | 1550.2 | 1552.4 | 1554.8 | 1556.7 | *1558.0* | *1560.0* | Common Shs Outst'g [D] | *1566.0* |
| | 21.5 | 23.4 | 17.3 | 15.7 | 15.0 | 15.4 | 16.4 | 16.0 | 16.5 | 21.1 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *20.0* |
| | 1.13 | 1.18 | .93 | .84 | .77 | .83 | .95 | .89 | .86 | 1.10 | | | Relative P/E Ratio | *1.10* |
| | 4.3% | 3.8% | 5.1% | 5.7% | 6.1% | 5.2% | 5.2% | 5.3% | 4.9% | 3.5% | | | Avg Ann'l Div'd Yield | *3.1%* |
| | 74953 | 78098 | 79823 | 77921 | 76047 | 82223 | 80669 | 35174 | 37878 | 40648 | *43500* | *46700* | Revenues ($mill) | *54500* |
| | 15.4% | 16.0% | 15.5% | 16.3% | 16.7% | 16.8% | 16.7% | 39.8% | 40.1% | 41.6% | *43.0%* | *45.5%* | Operating Margin | *46.5%* |
| | 743.0 | 963.0 | 989.0 | 964.0 | 981.0 | 998.0 | 1189.0 | 1398.0 | 1787.0 | 1996.0 | *2100* | *2250* | Depreciation ($mill) | *2700* |
| | 6967.0 | 7342.0 | 7942.0 | 8110.0 | 8077.0 | 9449.0 | 9250.0 | 9335.0 | 10185 | 11753 | *13200* | *15300* | Net Profit ($mill) | *18400* |
| | 27.9% | 28.3% | 22.8% | 23.0% | 21.7% | 18.1% | 19.0% | 19.5% | 23.2% | 19.2% | *22.0%* | *22.0%* | Income Tax Rate | *22.0%* |
| | 9.3% | 9.4% | 9.9% | 10.4% | 10.6% | 11.5% | 11.5% | 26.5% | 26.9% | 28.9% | *30.3%* | *32.8%* | Net Profit Margin | *33.8%* |
| | 1141.0 | 5632.0 | 2251.0 | 1681.0 | 1877.0 | d1538 | d7717 | d6628 | d2745 | d1064 | *d1000* | *d800* | Working Cap'l ($mill) | *d500* |
| | 25851 | 31334 | 26975 | 26656 | 28168 | 24783 | 34875 | 41243 | 42166 | 45134 | *44000* | *43000* | Long-Term Debt ($mill) | *40000* |
| | d12688 | d12086 | d12459 | d11577 | d12567 | d10106 | d8957 | d11225 | d11750 | d9994 | *d8500* | *d7000* | Shr. Equity ($mill) | *d4000* |
| | 56.3% | 40.4% | 56.9% | 55.6% | 53.7% | 66.4% | 36.7% | 32.8% | 35.3% | 34.7% | *39.0%* | *43.0%* | Return on Total Cap'l | *48.0%* |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | *NMF* | *NMF* | Return on Shr. Equity | *NMF* |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | *NMF* | *NMF* | Retained to Com Eq | *NMF* |
| | 92% | 89% | 87% | 88% | 91% | 80% | 84% | 85% | 80% | 73% | *69%* | *67%* | All Div'ds to Net Prof | *65%* |

**BUSINESS:** Philip Morris International, Inc. manufactures, sells, and distributes a wide range of tobacco products including cigarettes and smoke-free products. Brands include *Marlboro, Philip Morris, Chesterfield,* and *Parliament.* 2025 revenue breakdown: Europea, 42%; South and Southeast Asia, Middle East, and Africa, 31%; East Asia, Australia, and PMI, 16%, Americas, 11%; Has 50 factories and 84,900 employees in various international markets. Off. & dir. own less than 1% of stock; Vanguard Group, 8.6%; Capital World Investors, 8.2%; BlackRock, Inc., 6.2% (3/26 Proxy). Chairman: Andre Calantzopoulos. Chief Executive Officer: Jacek Olczak. Incorp.: VA. Addr. 677 Washington Blvd, Suite 1100, Stamford, CT 06901. Tel.: 203-905-2410. Internet: www.pmi.com.

**Philip Morris International reported good 2026 first-quarter results.** Revenues of $10.15 billion were nearly $250 million higher than our estimate and increased 9% compared to the previous-year tally. The advance was driven by both the International Smoke-Free and International Combustibles segments, along with favorable foreign exchange rates. The former group posted a 25% jump in the top line, supported by robust demand for heated tobacco products, primarily *IQOS*. The latter division reported a 7% rise in revenues, despite a 5% decline in cigarette volumes. The gain was largely driven by strong pricing. Share earnings of $1.96 were more than a dime above our call and increased 16% compared to the prior-year tally. The growth was boosted by the higher top line, favorable pricing, and better operating leverage. The ongoing mix shift toward higher-margined smoke-free products also provided a boost.

**We expect good top- and bottom-line growth in 2026.** While management looks for total cigarette volumes to decline 3%, it also believes smoke-free product shipments will rise at a high single-digit rate. All told, the company expects organic revenue growth of 5%-7%, with additional potential gains coming from favorable foreign exchange rates. We think the driver of the advance will continue to be the smoke-free business. Demand for *IQOS* heated tobacco products will likely remain the primary growth engine for the company. That product now holds a 77% global market share in that category. Share earnings are expected to rise at a 11%-13% rate this year. We think the growth will be driven by the higher revenues, a favorable pricing environment, and better operating leverage.

**Shares of Philip Morris are ranked to trail the broader market averages in the coming six to 12 months.** However, the equity could appeal to risk-averse investors, thanks to its Safety rank of 1 (Highest) and good score for Price Stability (90). The stock also offers an attractive dividend yield of 3.2%. But over the 3- to 5-year period, these shares offer below-average price appreciation potential at the recent quotation, which is up moderately since our April review.

*Iason Dalavagas* *July 10, 2026*

**(A)** Diluted earnings. Qtly. totals may not sum due to changes in share count. Next earnings report due late July.
**(B)** Dividends historically paid in early March, June, September, and December. ■ Dividend reinvestment plan available.
**(C)** Includes intangibles. At 12/31/25: $28,148 million ($18.08 per share).
**(D)** In millions.
**(E)** Includes excise tax on products through 2022, excludes excise tax thereafter.

| | |
|---|---|
| Company's Financial Strength | A+ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 40 |
| Earnings Predictability | 100 |

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# PRICESMART, INC. NDQ-PSMT

RECENT PRICE 194.10 | P/E RATIO 34.6 (Trailing: 38.3 Median: 25.0) | RELATIVE P/E RATIO 1.88 | DIV'D YLD 0.7% | VALUE LINE

TIMELINESS 2 Raised 4/10/26
SAFETY 3 New 5/7/10
TECHNICAL 4 Lowered 6/19/26
BETA .85 (1.00 = Market)

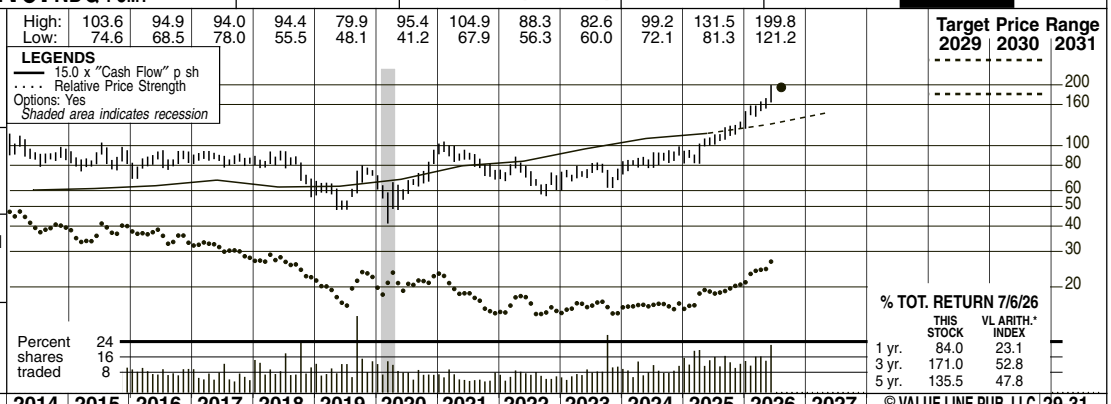
**18-Month Target Price Range**
Low-High Midpoint (% to Mid)
$122-$229 $176 (-10%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 265 | (+35%) | 9% |
| Low | 180 | (-5%) | -1% |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 145 | 120 | 173 |
| to Sell | 149 | 107 | 165 |
| Hld's(000) | 27331 | 26980 | 30127 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 46.69 | 57.33 | 67.88 | 76.07 | 83.34 | 92.85 | 95.56 | 98.57 | 103.96 | 105.57 | 108.55 | 117.70 | 131.57 | 142.42 | 160.40 | 171.41 | *186.30* | *209.85* | Revenues per sh [AE] | *260.30* |
| 2.16 | 2.78 | 3.03 | 3.60 | 4.02 | 4.09 | 4.23 | 4.51 | 4.17 | 4.20 | 4.54 | 5.30 | 5.58 | 6.43 | 7.23 | 7.68 | *8.50* | *9.75* | "Cash Flow" per sh | *12.65* |
| 1.65 | 2.07 | 2.24 | 2.78 | 3.07 | 2.95 | 2.92 | 2.98 | 2.44 | 2.40 | 2.55 | 3.18 | 3.38 | 4.06 | 4.57 | 4.82 | *5.40* | *6.50* | Earnings per sh [B] | *9.25* |
| .50 | .60 | .60 | .60 | .70 | .70 | .70 | .70 | .70 | .70 | .70 | .70 | .86 | .92 | 1.16 | 1.26 | *1.40* | *1.55* | Div'ds Decl'd per sh [C] | *2.20* |
| 11.24 | 12.57 | 13.87 | 15.91 | 18.15 | 18.77 | 20.99 | 23.31 | 24.88 | 26.11 | 27.12 | 29.76 | 32.07 | 35.74 | 36.66 | 40.57 | *42.65* | *44.60* | Book Value per sh | *50.00* |
| 29.90 | 29.90 | 30.21 | 30.23 | 30.21 | 30.19 | 30.40 | 30.40 | 30.46 | 30.54 | 30.67 | 30.76 | 30.90 | 30.98 | 30.64 | 30.75 | *31.00* | *31.20* | Common Shs Outst'g [D] | *31.50* |
| 13.5 | 19.6 | 31.1 | 29.2 | 32.1 | 29.6 | 28.6 | 29.0 | 34.7 | 26.4 | 24.9 | 27.2 | 22.1 | 17.3 | 17.2 | 19.9 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *24.0* |
| .86 | 1.23 | 1.98 | 1.64 | 1.69 | 1.49 | 1.50 | 1.46 | 1.87 | 1.41 | 1.28 | 1.47 | 1.28 | .96 | .90 | 1.03 | | | Relative P/E Ratio | *1.35* |
| 2.3% | 1.5% | .9% | .7% | .7% | .8% | .8% | .8% | .8% | 1.1% | 1.1% | .8% | 1.2% | 1.3% | 1.5% | 1.3% | | | Avg Ann'l Div'd Yield | *1.7%* |
| 2905.2 | 2996.6 | 3166.7 | 3223.9 | 3329.2 | 3619.9 | 4066.1 | 4411.8 | 4913.9 | 5270.1 | *5775* | *6400* | Revenues ($mill) [AE] | *8200* |
| 15.7% | 15.9% | 16.1% | 16.4% | 16.7% | 17.8% | 16.8% | 17.2% | 17.2% | 19.0% | *17.0%* | *17.0%* | Gross Margin [E] | *17.0%* |
| 6.1% | 6.2% | 5.6% | 5.3% | 5.5% | 6.2% | 5.8% | 6.2% | 6.2% | 6.2% | *6.0%* | *6.0%* | Operating Margin [E] | *6.0%* |
| 38 | 39 | 41 | 43 | 46 | 47 | 50 | 51 | 54 | 56 | *59* | *62* | Number of Stores | *70* |
| 88.7 | 90.7 | 74.3 | 73.2 | 78.1 | 98.0 | 104.5 | 126.5 | 138.9 | 147.9 | *165* | *205* | Net Profit ($mill) | *290* |
| 32.6% | 31.7% | 39.3% | 33.8% | 32.5% | 33.3% | 33.2% | 32.0% | 31.1% | 28.4% | *28.0%* | *28.0%* | Income Tax Rate | *28.0%* |
| 3.1% | 3.0% | 2.3% | 2.3% | 2.3% | 2.7% | 2.6% | 2.9% | 2.8% | 2.8% | *2.9%* | *3.2%* | Net Profit Margin | *3.5%* |
| 144.7 | 147.0 | 138.5 | 84.4 | 130.7 | 163.6 | 194.1 | 242.6 | 152.2 | 248.2 | *200* | *220* | Working Cap'l ($mill) | *230* |
| 73.5 | 87.9 | 87.7 | 63.7 | 112.6 | 110.1 | 103.6 | 119.5 | 94.4 | 270.2 | *140.0* | *120.0* | Long-Term Debt ($mill) | *Nil* |
| 638.1 | 708.8 | 758.0 | 797.4 | 831.7 | 915.3 | 991.1 | 1107.0 | 1123.0 | 1247.4 | *1300* | *1360* | Shr. Equity ($mill) | *1550* |
| 12.9% | 11.8% | 9.1% | 8.7% | 8.7% | 9.9% | 10.0% | 10.8% | 11.9% | 10.2% | *11.5%* | *13.5%* | Return on Total Cap'l | *18.5%* |
| 13.9% | 12.8% | 9.8% | 9.2% | 9.4% | 10.7% | 10.5% | 11.4% | 12.4% | 11.9% | *12.5%* | *15.0%* | Return on Shr. Equity | *18.5%* |
| 10.6% | 9.8% | 7.0% | 6.5% | 6.8% | 8.3% | 7.9% | 8.8% | 9.2% | 8.8% | *9.5%* | *11.0%* | Retained to Com Eq | *14.5%* |
| 24% | 23% | 29% | 30% | 28% | 22% | 25% | 23% | 26% | 26% | *25%* | *24%* | All Div'ds to Net Prof | *24%* |

**CAPITAL STRUCTURE as of 2/28/26**
**Total Debt** $167.1 mill.
**LT Debt** $129.1 mill. **LT Interest** $15.8 mill. (9% of Cap'l)
**Leases, Uncapitalized** Annual rentals $7.3 mill.

**No Defined Benefit Pension Plan.**

**Pfd Stock** None

**Common Stock** 30,895,879 shs.
**as of 3/31/26**

**MARKET CAP: $6.0 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 2/28/26 |
|---|---|---|---|
| Cash Assets | 225.5 | 314.2 | 306.0 |
| Receivables | 18.8 | 17.4 | 23.0 |
| Inventory (Avg Cst) | 528.7 | 560.7 | 623.1 |
| Other | 59.3 | 82.2 | 89.8 |
| Current Assets | 832.3 | 974.5 | 1041.9 |
| Accts Payable | 486.0 | 506.9 | 556.3 |
| Debt Due | 35.9 | 51.0 | 38.0 |
| Other | 158.2 | 168.4 | 210.9 |
| Current Liab. | 680.1 | 726.3 | 805.2 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 4.0% | 9.5% | *7.0%* |
| "Cash Flow" | 2.5% | 18.5% | *6.5%* |
| Earnings | 1.5% | 30.0% | *8.5%* |
| Dividends | -- | -- | *10.5%* |
| Book Value | -.5% | 1.0% | *5.0%* |

| Fiscal Year Ends | QUARTERLY REVENUES ($ mill.) [AE] Nov.30 | Feb.28 | May 31 | Aug.31 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1054.8 | 1142.2 | 1096.7 | 1118.2 | 4411.8 |
| 2024 | 1166.5 | 1292.0 | 1229.4 | 1226.0 | 4913.9 |
| 2025 | 1257.9 | 1363.9 | 1317.3 | 1331.0 | 5270.1 |
| 2026 | 1382.7 | 1495.5 | *1425* | *1471.8* | *5775* |
| 2027 | *1525* | *1635* | *1580* | *1660* | *6400* |

| Fiscal Year Ends | EARNINGS PER SHARE [A B] Nov.30 | Feb.28 | May 31 | Aug.31 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1.05 | 1.25 | 1.02 | .65 | 4.06 |
| 2024 | 1.24 | 1.31 | 1.08 | .94 | 4.57 |
| 2025 | 1.21 | 1.45 | 1.14 | 1.02 | 4.82 |
| 2026 | 1.29 | 1.62 | *1.25* | *1.24* | *5.40* |
| 2027 | *1.50* | *1.85* | *1.50* | *1.65* | *6.50* |

| Cal-endar | QUARTERLY DIVIDENDS PAID [C] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .43 | -- | .43 | -- | .86 |
| 2023 | .46 | -- | .46 | -- | .92 |
| 2024 | .58 | -- | .58 | -- | 1.16 |
| 2025 | .63 | -- | .63 | -- | 1.26 |
| 2026 | .70 | -- | | | |

**BUSINESS:** PriceSmart, Inc. operates U.S.-style membership shopping warehouse clubs in Latin America and the Caribbean. Sells brand name and private label consumer goods, perishable foods, and health services (optical, audiology, and pharmacy) at reduced prices to individuals and businesses. As of 8/31/25, it operated 56 warehouses, 32 in Central America, 10 in Colombia, and 14 in the Caribbean. Employs around 12,000 people. Officers and Directors. own 17.0% of common stock; BlackRock, 12.0%; The Vanguard Group, 10.8%; Black Creek Investment Management, 6.0%; (12/25 proxy). Chairman: Robert E. Price; CEO: David N. Price. Incorporated: DE. Address: 9797 Aero Drive, Suite 100 San Diego, CA 92123. Tele.: 858-404-8800. Web: www.pricesmart.com.

**PriceSmart is making good progress in transforming its supply chain.** A key driver in keeping prices low for members lay in the efficiency with which PriceSmart distributes merchandise to its clubs. To that end, during the recent quarter, PriceSmart expanded its roster of distribution centers, which already included locations in Miami, Costa Rica, Panama and Guatamala, by adding a new center in Trinidad. The company plans to open additional distribution centers in Colombia and Jamaica during fiscal 2026 (ends August 31st), followed by the Dominican Republic during fiscal 2027. These additional distribution centers stand to improve product availability and reduce lead times while lowering costs.

**PriceSmart continues to advance its migration to the RELEX forecasting and replenishment platform.** RELEX is an AI-driven supply chain and retail planning system designed to automate and optimize inventory, pricing, and promotions. PriceSmart is utilizing RELEX across its warehouse clubs to analyze historical sales data, local events, seasonality, and previous promotions to accurately predict customer demand. The platform also generates automated, optimized purchase and distribution orders that keep products adequately stocked on shelves. Following nearly three decades of reliance on legacy systems that required managing inventory through manual processes and emails, PriceSmart anticipates achieving full implementation of the RELEX platform during the current fiscal year.

**In early May, the company opened its sixth warehouse club in the Dominican Republic.** The new warehouse club occupies a five-acre property in La Romana, roughly 73 miles from the nearest club, in Santo Domingo. The newest club utilizes sustainable design practices that include solar panels, a heat reclamation water system, recycled steel, a modern CO2 refrigeration system, and an intelligent energy management system.

**The Timeliness rank on PriceSmart stock has climbed one notch, to 2 (Above Average).** However, with the shares having increased over 25% in value since our April review, appreciation potential to 2029-2031 is constrained.

*Steven Brachman* *July 17, 2026*

**(A)** Fiscal year ends August 31st. May not sum due to rounding.
**(B)** Diluted earnings. May-quarter earnings report due July 8th (as this issue went to press); fiscal fourth-quarter report due late October.
**(C)** Dividends recently paid in early February and August. Excludes special dividend of $1.00 paid 4/30/24.
**(D)** In millions.
**(E)** Incl. membership fees.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 25 |
| Earnings Predictability | 100 |

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# RLI CORP. NYSE-RLI

RECENT PRICE **62.42** | P/E RATIO **21.7** (Trailing: 14.3 Median: 30.0) | RELATIVE P/E RATIO **1.20** | DIV'D YLD **1.2%** | **VALUE LINE**

**TIMELINESS** 2 Raised 8/14/26
**SAFETY** 2 Raised 6/5/20
TECHNICAL 4 Raised 8/21/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $50-$89 | $70 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 130 | (+110%) | *21%* |
| Low | 100 | (+60%) | *14%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 225 | 181 | 204 |
| to Sell | 177 | 147 | 217 |
| Hld's(000) | 75374 | 79074 | 90201 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 31.6 | 35.7 | 31.8 | 40.0 | 50.0 | 55.3 | 58.9 | 67.4 | 74.8 | 91.1 | 83.0 | 66.9 | | | | | | |
| Low: | 23.3 | 27.1 | 25.2 | 29.3 | 32.3 | 33.0 | 47.8 | 48.1 | 61.5 | 66.1 | 57.8 | 47.3 | | | | | | |

**LEGENDS**
32.0 x Earnings p sh
Relative Price Strength
2-for-1 split 1/14
2-for-1 split 1/25
Options: Yes
*Shaded area indicates recession*

2-for-1

Percent shares traded 15 10 5

**Target Price Range** 2029 | 2030 | 2031
320 200 160 120 100 80 60 40 18

**% TOT. RETURN 8/17/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 1.6 | 22.4 |
| 3 yr. | 8.2 | 46.9 |
| 5 yr. | 43.2 | 50.5 |

© VALUE LINE PUB. LLC 29-31

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| P/C Prem Earned per sh | 5.88 | 6.36 | 6.78 | 7.34 | 7.97 | 8.04 | 8.29 | 8.36 | 8.89 | 9.35 | 9.59 | 10.83 | 12.58 | 14.18 | 16.64 | 17.57 | *18.70* | *20.00* |
| Investment Inc per sh | .80 | .75 | .69 | .61 | .65 | .63 | .60 | .62 | .70 | .77 | .75 | .76 | .95 | 1.32 | 1.55 | 1.74 | *1.80* | *1.90* |
| Underwriting Inc per sh | 1.14 | 1.39 | .74 | 1.24 | 1.24 | 1.25 | .87 | .30 | .47 | .75 | .77 | 1.43 | 1.96 | 1.90 | 2.05 | 2.63 | *2.70* | *2.80* |
| Earnings per sh [A] | 1.33 | 1.40 | 1.01 | 1.29 | 1.31 | 1.27 | 1.04 | .84 | 1.03 | 1.29 | 1.30 | 1.94 | 2.48 | 2.47 | 2.87 | 3.47 | *2.80* | *3.00* |
| Div'ds Decl'd per sh [B]■ | .29 | .30 | .32 | .34 | .36 | .38 | .40 | .42 | .44 | .46 | .48 | .50 | .52 | .54 | .57 | .63 | *.70* | *.78* |
| Book Value per sh | 9.44 | 9.67 | 9.36 | 9.64 | 9.80 | 9.46 | 9.37 | 9.67 | 9.06 | 11.09 | 12.58 | 13.57 | 12.95 | 15.49 | 16.59 | 19.35 | *19.80* | *21.10* |
| Common Shs Outst'g [C] | 83.86 | 84.65 | 85.05 | 85.96 | 86.21 | 87.09 | 87.89 | 88.30 | 89.01 | 89.74 | 90.29 | 90.58 | 90.94 | 91.28 | 91.74 | 91.88 | *91.00* | *90.00* |
| Price to Book Value | 146% | 159% | 182% | 208% | 230% | 283% | 346% | 296% | 379% | 379% | 349% | 396% | 441% | 432% | 451% | 363% | *Bold figures are Value Line estimates* | |
| Avg Ann'l P/E Ratio | 10.4 | 11.0 | 16.9 | 15.6 | 17.2 | 21.1 | 31.1 | 34.3 | 33.4 | 32.7 | 33.8 | 27.8 | 23.1 | 27.1 | 26.1 | 20.3 | | |
| Relative P/E Ratio | .66 | .69 | 1.08 | .88 | .91 | 1.06 | 1.63 | 1.73 | 1.80 | 1.74 | 1.74 | 1.50 | 1.33 | 1.51 | 1.38 | 1.05 | | |
| Avg Ann'l Div'd Yield | 2.1% | 1.9% | 1.8% | 1.7% | 1.6% | 1.4% | 1.2% | 1.4% | 1.3% | 1.1% | 1.1% | .9% | .9% | .8% | .8% | .9% | | |
| P/C Premiums Earned | 728.6 | 737.9 | 791.3 | 839.1 | 865.7 | 980.9 | 1144.4 | 1294.3 | 1526.5 | 1614.3 | *1700* | *1800* | | | | | | |
| Loss to Prem Earned | 48.0% | 54.4% | 54.1% | 49.3% | 51.2% | 46.5% | 44.9% | 46.7% | 48.4% | 45.0% | *46.0%* | *47.0%* | | | | | | |
| Expense to Prem Writ | 41.5% | 42.0% | 40.6% | 42.7% | 40.8% | 40.2% | 39.5% | 39.9% | 39.2% | 40.0% | *40.0%* | *40.0%* | | | | | | |
| Underwriting Margin | 10.5% | 3.6% | 5.3% | 8.1% | 8.0% | 13.2% | 15.6% | 13.4% | 12.4% | 15.0% | *14.0%* | *13.0%* | | | | | | |
| Income Tax Rate | 26.5% | 8.8% | 12.3% | 16.9% | 35.3% | 54.1% | 13.9% | 2.5% | 18.3% | 20.1% | *21.0%* | *22.0%* | | | | | | |
| Net Profit ($mill) | 92.9 | 74.6 | 92.2 | 117.4 | 118.4 | 178.1 | 209.4 | 224.6 | 266.2 | 318.8 | *255* | *270* | | | | | | |
| Inv Inc/Total Inv | 2.6% | 2.5% | 2.8% | 2.6% | 2.3% | 2.1% | 2.6% | 3.3% | 3.5% | 3.4% | *4.0%* | *5.0%* | | | | | | |
| Total Assets ($mill) | 2778 | 2947 | 3105 | 3546 | 3938 | 4508 | 4767 | 5180 | 5629 | 6162 | *6500* | *6600* | | | | | | |
| Shr. Equity ($mill) | 823.6 | 853.6 | 806.8 | 995.4 | 1136.0 | 1229.4 | 1177.3 | 1413.5 | 1522.0 | 1778.2 | *1800* | *1900* | | | | | | |
| Return on Shr. Equity | 11.3% | 8.7% | 11.4% | 11.8% | 10.4% | 14.5% | 17.8% | 15.9% | 17.5% | 17.9% | *14.0%* | *14.0%* | | | | | | |
| Retained to Com Eq | 7.1% | 4.5% | 6.6% | 7.7% | 6.7% | 10.8% | 13.8% | 12.4% | 14.1% | 14.7% | *10.5%* | *10.5%* | | | | | | |
| All Div'ds to Net Prof | 37% | 49% | 42% | 35% | 36% | 25% | 22% | 22% | 20% | 18% | *25%* | *26%* | | | | | | |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $297.0 mill.
**LT Debt** $297.0 mill. **LT Interest** $13.6 mill. (14% of Cap'l)
**Leases,Uncapitalized** Annual rentals $4.1 million

**No Defined Benefit Pension Plan**
**Pfd Stock** None

**Common Stock** 91,772,970 shs.
**as of 7/15/26**

**MARKET CAP: $5.7 billion (Mid Cap)**

| FINANCIAL POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Bonds | 3175.8 | 3533.3 | 3617.9 |
| Stocks | 736.2 | 898.9 | 959.4 |
| Other | 1716.8 | 1729.3 | 1835.7 |
| Total Assets | 5628.8 | 6161.5 | 6413.0 |
| Unearned Prems | 984.1 | 991.6 | 1063.2 |
| Reserves | 2693.5 | 2886.8 | 2937.2 |
| Other | 429.2 | 504.9 | 660.5 |
| Total Liab'ties | 4106.8 | 4383.3 | 4660.9 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Premium Inc | 6.0% | 8.0% | *7.0%* |
| Invest Income | 7.0% | 13.0% | *6.0%* |
| Earnings | 8.0% | 20.0% | *3.5%* |
| Dividends | 5.0% | 4.5% | *10.0%* |
| Book Value | 4.5% | 8.5% | *6.5%* |

| Calendar | NET PREMIUMS EARNED ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 307.7 | 322.3 | 318.4 | 345.9 | 1294.3 |
| 2024 | 360.7 | 379.1 | 389.5 | 397.2 | 1526.5 |
| 2025 | 398.3 | 401.9 | 407.7 | 406.4 | 1614.3 |
| 2026 | 411.4 | 417.1 | *430* | *441.5* | *1700* |
| 2027 | *435* | *445* | *455* | *465* | *1800* |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .82 | .58 | .31 | .76 | 2.47 |
| 2024 | .95 | .86 | .66 | .40 | 2.87 |
| 2025 | .92 | .84 | .83 | .94 | 3.47 |
| 2026 | .83 | .83 | *.45* | *.69* | *2.80* |
| 2027 | *.90* | *.90* | *.50* | *.70* | *3.00* |

| Calendar | QUARTERLY DIVIDENDS PAID [B]■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .125 | .13 | .13 | .13 | .52 |
| 2023 | .13 | .135 | .135 | .135 | .54 |
| 2024 | .135 | .145 | .145 | .145 | .57 |
| 2025 | .15 | .16 | .16 | .16 | .63 |
| 2026 | .16 | .18 | | | |

**BUSINESS:** RLI Corp., through its subsidiaries RLI Insurance and Mt. Hawley, writes multiple lines of insurance on an admitted basis in all 50 states. Also underwrites specialty property and casualty insurance on an admitted basis and excess and surplus business on a non-admitted basis. Underwrites earthquake risks in California. Other companies in the group include Replacement Lens, Inc. and License Express Services, Inc. Has 1,193 employees. Officers and directors own 2.4% of common stock; The Vanguard Group, 10.0%; State Street, 9.5%; Kayne Anderson, 7.9%; BlackRock, 7.8% (3/26 proxy). President and Chief Executive Officer: Craig Kliethermes. Inc.: Illinois. Address: 9025 North Lindbergh Drive, Peoria, Illinois 61615. Telephone: 309-692-1000. Internet: www.rlicorp.com.

**RLI Corp.'s top line is trending favorably.** Net premiums earned have increased due to an uptick in demand for the company's specialty insurance products. The top line has also benefited from rate hikes in RLI's Hawaii homeowners business. Net investment income, a separate revenue line item, has advanced as a result of higher bond reinvestment rates and a larger average asset base. The business continues to work on helping customers better understand risks, tailoring coverage to their needs, and delivering better claims outcomes.

**RLI has announced the launch of an entertainment & amusement insurance product.** This offering is designed to support a broad range of businesses across the industry. These include amusement parks, family entertainment centers, fairs, festivals, mobile amusements, concessionaires, and similar attractions. Property and casualty coverage is available on a non-admitted basis in all 50 states. This launch reflects RLI's continued focus on identifying opportunities to serve specialized markets.

**The bottom line is facing some headwinds, but ought to bounce back next year.** The company's expense ratio has risen due to higher incentive compensation outlays. On a better note, operating costs are decreasing, as a percentage of revenues. RLI's loss ratio has declined, thanks to fewer catastrophe losses in the most recent quarter. The company has also maintained a strong combined ratio of 85.6% as a result of targeted underwriting actions. RLI's underwriters are pursuing new business opportunities by offering more quotes, which oftentimes include multiple coverage options.

**Since our May report, this stock's Timeliness rank has moved up one notch, to 2 (Above Average).** The equity is also ranked 2 for Safety. In May, RLI's board of directors authorized a new $250 million share repurchase program. Since then, the company has bought back $12 million in common stock. Management plans to make more share repurchases in the next couple of months. Long-term price appreciation potential is attractive. Buy-and-hold investors might want to take a look.

*Keith R. Foldesi* *August 28, 2026*

**(A)** Adjusted diluted earnings, which excludes nonrecurring gains/(losses): '10, 18¢; '11, 13¢; '12, 19¢; '13, 33¢; '14, 24¢; '15, 30¢; '16, 24¢; '17, (35¢); '18, (32¢); '19, 83¢; '20, 43¢; '21, $1.12; '22, $3.90; '23, $1.74; '24, $0.87; '25, $0.90. Next earnings report due late October. **(B)** Div'ds. paid late March, June, Sept., and Dec. ■ Div'd. reinvest. plan avail. Pays a special dividend intermittently. **(C)** In mill., adj. for split.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 85 |
| Earnings Predictability | 85 |

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# ROLLINS, INC. NYSE-ROL

RECENT PRICE **38.19** | P/E RATIO **31.6** (Trailing: 33.5 Median: 49.0) | RELATIVE P/E RATIO **1.75** | DIV'D YLD **1.9%** | **VALUE LINE**

**TIMELINESS** 4 Lowered 8/7/26
**SAFETY** 3 Lowered 8/14/26
TECHNICAL 3 Lowered 7/17/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**

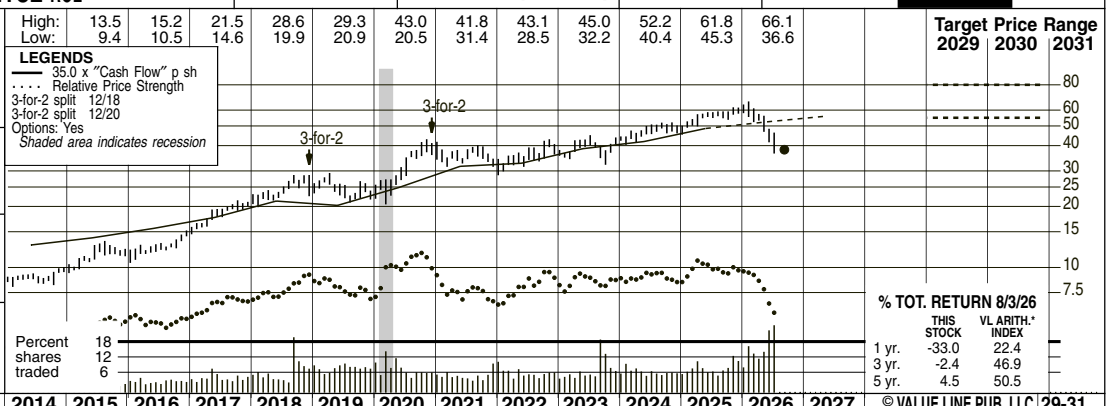
| Low-High | Midpoint (% to Mid) |
|---|---|
| $35-$84 | $60 (55%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 80 | (+110%) | *22%* |
| Low | 55 | (+45%) | *11%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 393 | 375 | 392 |
| to Sell | 325 | 236 | 459 |
| Hld's(000) | 257430 | 259644 | 323204 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2.29 | 2.44 | 2.58 | 2.72 | 2.87 | 3.02 | 3.21 | 3.41 | 3.71 | 4.10 | 4.40 | 4.93 | 5.47 | 6.35 | 7.00 | 7.82 | ***8.50*** | ***9.30*** | Revenues per sh | ***10.60*** |
| .25 | .28 | .30 | .33 | .37 | .40 | .45 | .50 | .61 | .58 | .71 | .90 | .93 | 1.10 | 1.20 | 1.39 | ***1.50*** | ***1.60*** | "Cash Flow" per sh | ***1.90*** |
| .18 | .20 | .23 | .25 | .28 | .31 | .34 | .39 | .47 | .41 | .53 | .71 | .75 | .89 | .96 | 1.12 | ***1.20*** | ***1.30*** | Earnings per sh [A] | ***1.60*** |
| .07 | .08 | .09 | .11 | .12 | .14 | .18 | .20 | .25 | .28 | .24 | .34 | .43 | .54 | .62 | .68 | ***.75*** | ***.80*** | Div'ds Decl'd per sh [B■] | ***.95*** |
| .03 | .04 | .04 | .04 | .06 | .08 | .07 | .05 | .06 | .06 | .05 | .06 | .06 | .07 | .06 | .06 | ***.10*** | ***.10*** | Cap'l Spending per sh | ***.10*** |
| .60 | .66 | .72 | .89 | .94 | 1.06 | 1.16 | 1.33 | 1.45 | 1.66 | 1.91 | 2.20 | 2.57 | 2.39 | 2.75 | 2.86 | ***3.25*** | ***3.85*** | Book Value per sh [C] | ***5.30*** |
| 496.74 | 493.60 | 492.80 | 492.29 | 491.14 | 492.19 | 490.03 | 490.48 | 490.96 | 491.15 | 491.61 | 491.91 | 492.45 | 484.08 | 484.37 | 481.19 | ***480.00*** | ***479.00*** | Common Shs Outst'g [D] | ***477.00*** |
| 24.7 | 29.0 | 29.1 | 30.7 | 32.0 | 36.9 | 37.0 | 47.4 | NMF | NMF | NMF | NMF | 47.3 | 43.9 | 49.1 | 49.6 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | ***42.0*** |
| 1.57 | 1.82 | 1.85 | 1.72 | 1.68 | 1.86 | 1.94 | 2.38 | NMF | NMF | NMF | NMF | 2.73 | 2.44 | 2.57 | 2.58 | | | Relative P/E Ratio | ***2.35*** |
| 1.6% | 1.4% | 1.4% | 1.4% | 1.4% | 1.2% | 1.4% | 1.1% | 1.0% | 1.1% | .8% | .9% | 1.2% | 1.4% | 1.3% | 1.2% | | | Avg Ann'l Div'd Yield | ***1.4%*** |
| 1573.4 | 1674.0 | 1821.6 | 2015.5 | 2161.2 | 2424.3 | 2695.8 | 3073.3 | 3388.7 | 3761.1 | ***4090*** | ***4450*** | Revenues ($mill) | ***5050*** |
| 19.7% | 20.9% | 20.7% | 19.8% | 21.1% | 22.0% | 21.7% | 22.4% | 22.7% | 23.3% | ***23.5%*** | ***24.0%*** | Operating Margin | ***24.0%*** |
| 50.9 | 56.6 | 66.8 | 81.1 | 88.3 | 94.2 | 91.3 | 99.8 | 113.2 | 124.7 | ***130*** | ***135*** | Depreciation ($mill) | ***140*** |
| 167.4 | 190.7 | 231.7 | 203.3 | 260.8 | 350.7 | 368.6 | 435.0 | 466.4 | 544.4 | ***580*** | ***625*** | Net Profit ($mill) | ***760*** |
| 35.8% | 35.2% | 25.4% | 22.1% | 26.5% | 26.1% | 26.1% | 25.8% | 26.0% | 24.9% | ***25.0%*** | ***25.0%*** | Income Tax Rate | ***25.0%*** |
| 10.6% | 11.4% | 12.7% | 10.1% | 12.1% | 14.5% | 13.7% | 14.2% | 13.8% | 14.5% | ***14.2%*** | ***14.0%*** | Net Profit Margin | ***15.0%*** |
| 13.2 | d31.8 | d13.0 | d100.2 | d157.7 | d138.8 | d145.2 | d170.1 | d202.6 | d312.8 | ***d290*** | ***d215.0*** | Working Cap'l ($mill) | ***d100.0*** |
| - - | - - | - - | 279.0 | 185.8 | 136.3 | 39.9 | 490.8 | 395.3 | 486.1 | ***485*** | ***450*** | Long-Term Debt ($mill) | ***260*** |
| 568.5 | 653.9 | 711.9 | 815.8 | 941.4 | 1082.0 | 1267.2 | 1155.6 | 1330.6 | 1374.3 | ***1565*** | ***1845*** | Shr. Equity ($mill) | ***2525*** |
| 29.4% | 29.2% | 32.5% | 18.9% | 23.4% | 28.8% | 28.3% | 27.0% | 27.8% | 30.0% | ***29.0%*** | ***28.0%*** | Return on Total Cap'l | ***28.0%*** |
| 29.4% | 29.2% | 32.5% | 24.9% | 27.7% | 32.4% | 29.1% | 37.6% | 35.1% | 39.6% | ***37.0%*** | ***34.0%*** | Return on Shr. Equity | ***30.0%*** |
| 14.1% | 13.8% | 15.4% | 6.1% | 10.7% | 13.1% | 12.4% | 14.8% | 12.7% | 15.8% | ***14.0%*** | ***13.0%*** | Retained to Com Eq | ***12.0%*** |
| 52% | 53% | 53% | 76% | 62% | 59% | 57% | 61% | 64% | 60% | ***62%*** | ***61%*** | All Div'ds to Net Prof | ***59%*** |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $487.1 mill.
**LT Debt** $487.1 mill. **LT Interest** $36.0 mill. (25% of Cap'l)
**Leases, Uncapitalized** Annual rentals $137.4 mill.

**Pension Assets-12/25** $3.3 mill. **Oblig.** $3.0 mill.
**Pfd Stock** None

**Common Stock** 481,145,404 shs.
**as of** 7/13/26
**MARKET CAP: $18.4 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 89.6 | 100.0 | 109.1 |
| Receivables | 236.4 | 247.2 | 288.3 |
| Inventory | 39.5 | 43.0 | 42.8 |
| Other | 77.1 | 82.5 | 150.2 |
| Current Assets | 442.6 | 472.7 | 590.4 |
| Accts Payable | 49.6 | 44.4 | 79.8 |
| Debt Due | - - | 123.7 | 215.9 |
| Other | 595.6 | 617.4 | 642.4 |
| Current Liab. | 645.2 | 785.5 | 938.1 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 9.5% | 11.5% | *7.0%* |
| "Cash Flow" | 13.0% | 14.0% | *8.5%* |
| Earnings | 13.5% | 16.0% | *8.5%* |
| Dividends | 17.0% | 19.0% | *7.5%* |
| Book Value | 10.5% | 9.5% | *13.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 658.0 | 820.8 | 840.4 | 754.1 | 3073.3 |
| 2024 | 748.3 | 891.9 | 916.3 | 832.2 | 3388.7 |
| 2025 | 822.6 | 999.5 | 1026 | 912.9 | 3761.1 |
| 2026 | 906.4 | 1078.6 | ***1100*** | ***1005*** | ***4090*** |
| 2027 | ***950*** | ***1100*** | ***1200*** | ***1200*** | ***4450*** |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .18 | .22 | .26 | .23 | .89 |
| 2024 | .19 | .27 | .28 | .22 | .96 |
| 2025 | .22 | .30 | .35 | .25 | 1.12 |
| 2026 | .24 | .32 | ***.35*** | ***.29*** | ***1.20*** |
| 2027 | ***.25*** | ***.30*** | ***.35*** | ***.40*** | ***1.30*** |

| Calendar | QUARTERLY DIVIDENDS PAID [B■] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .100 | .100 | .100 | .130 | .430 |
| 2023 | .130 | .130 | .130 | .150 | .540 |
| 2024 | .150 | .150 | .150 | .165 | .615 |
| 2025 | .165 | .165 | .165 | .183 | .677 |
| 2026 | .183 | .183 | | | |

**BUSINESS:** Rollins, Inc. owns and operates Orkin LLC Exterminating, one of the world's largest pest- and termite-control service providers. Has over 500 locations in the U.S., Canada, Europe, Latin America, the Caribbean, the Middle East, and Asia. Commercial and residential pest contol account for 81% of revenues, and the balance is mainly from the termite business. Acquired HomeTeam Pest Defense, 4/08; Crane Pest Control, 12/08; two acquisitions in Australia in 2014. Has approx. 22,000 employ. Rollins family & other dirs. own 71.1% and less than 1.0%, resp., of stock (3/26 proxy). Executive chairman: John F. Wilson. CEO: Jerry E. Gahlhoff. Inc.: DE. Address: 2170 Piedmont Rd., N.E., Atlanta, GA 30324. Telephone: 404-888-2000. Internet: www.rollins.com.

**Rollins reported good second-quarter results, despite some operating headwinds.** Revenue increased about 8% year over year, to $1.1 billion, supported by mid-single-digit organic growth. Residential pest control revenue advanced 6.6%, while commercial pest control and termite and ancillary services rose 8.6% and 10.5%, respectively. Each business benefited from a combination of organic growth and acquisitions. Meanwhile, adjusted share earnings rose 6.7%, to $0.32.

**Still, the performance fell somewhat short of management's expectations.** Growth slowed within portions of the residential pest control business, especially among brands that depend heavily on consumer-initiated demand through internet searches, digital media, and inbound calls. Lead volumes declined during the quarter, reflecting less pest activity compared with the prior-year period.

**Several factors should help offset these pressures.** Relationship-based sales channels continued to perform well, with the Fox door-to-door business generating high-teen organic growth and HomeTeam's home-builder partnerships increasing at a double-digit rate. Pricing initiatives and careful cost management should also support profitability. Rollins limited seasonal hiring in response to softer demand and entered into a new fleet agreement with Wheels that ought to improve vehicle utilization and reduce fuel-related expenses. In addition, more than three-quarters of revenue is recurring, providing a measure of stability and visibility. In all, we estimate share earnings will rise 7% in 2026, to $1.20, and more than 8% in 2027, to $1.30.

**Acquisitions remain an important part of the growth strategy.** Rollins completed about $117 million of transactions during the second quarter, including Romex, its largest purchase of the period. Management expects acquisitions to contribute roughly two to three percentage points to revenue growth this year.

**Shares of Rollins have declined more than 35% in price year to date.** This reflects weaker residential lead generation and slower organic volume growth. Following this pullback, the stock offers above-average long-term recovery potential.

*Emma Jalees* *August 14, 2026*

**(A)** Non-GAAP dil egs. 2025 & onwards. Excl. 2017 one-time tax: 5¢; non.rec.: '25, $0.03. Egs may not sum due to rdg. and/or change in shs. out. Next egs. report due late October.
**(B)** Div'd paid in mid-Mar., Jun., Sept., and Dec. Excl. special div'd: $0.08 paid 12/12, $0.06 paid 12/13, $0.07 paid 12/14, $0.10 paid 10/17, $0.14 paid 11/18, $0.05 paid 12/19, $0.13 paid 12/20, and $0.08 paid 12/21.
■ Div'd reinvest. plan available.
**(C)** Incl. intang. In '25: $1,957 mill., $4.07/sh.
**(D)** In mill., adj. for stock splits.

| | |
|---|---|
| **Company's Financial Strength** | B++ |
| **Stock's Price Stability** | 80 |
| **Price Growth Persistence** | 100 |
| **Earnings Predictability** | 90 |

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# SERVICE CORP. INT'L NYSE-SCI

RECENT PRICE 85.93 | P/E RATIO 20.1 (Trailing: 22.2 Median: 20.0) | RELATIVE P/E RATIO 1.11 | DIV'D YLD 1.6% | VALUE LINE

**TIMELINESS** 3 Raised 7/31/26
**SAFETY** 3 Raised 1/23/09
TECHNICAL 5 Lowered 7/24/26
**BETA** .85 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $72-$115 | $94 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 125 | (+45%) | *11%* |
| Low | 85 | (Nil) | *2%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 240 | 161 | 255 |
| to Sell | 255 | 216 | 245 |
| Hld's(000) | 119825 | 118824 | 141336 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 32.0 | 28.9 | 38.1 | 47.1 | 48.7 | 53.0 | 71.7 | 75.1 | 74.7 | 89.4 | 85.0 | 91.0 | | | | | | |
| Low: | 22.1 | 20.2 | 28.5 | 35.2 | 38.9 | 33.9 | 45.6 | 56.8 | 52.9 | 64.1 | 71.8 | 68.4 | | | | | | |

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
160 120 100 80 60 50 40 30 20 15

Percent shares traded 24 16 8

% TOT. RETURN 8/3/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 12.4 | 22.4 |
| 3 yr. | 39.7 | 46.9 |
| 5 yr. | 46.5 | 50.5 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9.12 | 10.46 | 11.42 | 12.04 | 14.76 | 15.25 | 16.00 | 16.59 | 17.58 | 17.83 | 20.57 | 25.40 | 26.69 | 26.27 | 28.93 | 30.85 | *32.45* | *33.85* | Revenues per sh | *38.65* |
| | 1.01 | 1.19 | 1.29 | 1.25 | 1.54 | 1.92 | 1.71 | 2.42 | 2.69 | 2.78 | 3.97 | 5.75 | 5.09 | 4.62 | 5.02 | 5.50 | *5.85* | *6.20* | "Cash Flow" per sh | *7.55* |
| | .50 | .61 | .70 | .67 | .82 | 1.14 | .90 | 1.55 | 1.79 | 1.90 | 2.91 | 4.57 | 3.80 | 3.48 | 3.52 | 3.85 | *4.20* | *4.55* | Earnings per sh [A] | *5.60* |
| | .16 | .20 | .23 | .27 | .34 | .44 | .51 | .58 | .68 | .72 | .78 | .88 | 1.02 | 1.12 | 1.19 | 1.30 | *1.40* | *1.50* | Div'ds Decl'd per sh [B] | *1.97* |
| | .41 | .53 | .55 | .53 | .71 | .77 | 1.02 | 1.15 | 1.30 | 1.32 | 1.30 | 1.86 | 2.40 | 2.32 | 2.58 | 2.78 | *2.95* | *3.10* | Cap'l Spending per sh | *3.70* |
| | 6.16 | 6.28 | 6.36 | 6.66 | 6.75 | 6.05 | 5.77 | 7.55 | 9.05 | 10.06 | 10.27 | 11.71 | 10.87 | 9.87 | 11.60 | 11.73 | *12.20* | *12.65* | Book Value per sh [C] | *14.25* |
| | 240.14 | 221.52 | 211.12 | 212.38 | 202.90 | 195.77 | 189.41 | 186.62 | 181.47 | 181.19 | 170.72 | 163.11 | 153.94 | 156.09 | 144.69 | 139.68 | *135.50* | *134.50* | Common Shs Outst'g [D] | *130.00* |
| | 16.6 | 17.0 | 17.7 | 25.9 | 24.8 | 24.0 | 28.9 | 21.3 | 22.2 | 23.3 | 15.1 | 12.6 | 17.4 | 18.7 | 21.3 | 20.6 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *18.5* |
| | 1.06 | 1.07 | 1.13 | 1.46 | 1.31 | 1.21 | 1.52 | 1.07 | 1.20 | 1.24 | .78 | .68 | 1.01 | 1.04 | 1.11 | 1.09 | | | Relative P/E Ratio | *1.05* |
| | 1.9% | 1.9% | 1.9% | 1.6% | 1.7% | 1.6% | 2.0% | 1.8% | 1.7% | 1.6% | 1.8% | 1.5% | 1.5% | 1.7% | 1.6% | 1.6% | | | Avg Ann'l Div'd Yield | *1.9%* |
| | 3031.1 | 3095.0 | 3190.2 | 3230.8 | 3511.5 | 4143.1 | 4108.7 | 4099.8 | 4186.4 | 4309.2 | *4400* | *4550* | Revenues ($mill) | *5025* |
| | 22.6% | 23.3% | 23.9% | 25.0% | 28.2% | 31.9% | 28.2% | 27.5% | 27.7% | 27.7% | *28.0%* | *28.0%* | Operating Margin | *29.0%* |
| | 147.2 | 153.1 | 153.7 | 151.0 | 155.3 | 159.3 | 175.3 | 191.3 | 208.2 | 219.7 | *220* | *220* | Depreciation ($mill) | *245* |
| | 177.0 | 298.5 | 335.2 | 352.9 | 521.7 | 777.9 | 607.9 | 529.3 | 517.9 | 548.8 | *575* | *615* | Net Profit ($mill) | *735* |
| | 45.7% | 27.5% | 23.0% | 22.3% | 22.5% | 23.5% | 25.1% | 24.4% | 23.7% | 25.0% | *23.5%* | *23.5%* | Income Tax Rate | *23.5%* |
| | 5.8% | 9.6% | 10.5% | 10.9% | 14.9% | 18.8% | 14.8% | 12.9% | 12.4% | 12.7% | *13.1%* | *13.5%* | Net Profit Margin | *14.6%* |
| | d183.5 | d347.7 | d224.4 | d183.1 | d439.7 | d287.2 | d439.4 | d250.8 | d346.5 | d333.9 | *d325* | *d325* | Working Cap'l ($mill) | *d325* |
| | 3196.6 | 3135.3 | 3532.2 | 3513.5 | 3514.2 | 3901.3 | 4251.1 | 4649.2 | 4751.4 | 5083.0 | *5025* | *5100* | Long-Term Debt ($mill) | *5350* |
| | 1092.7 | 1409.4 | 1641.9 | 1823.3 | 1752.7 | 1909.4 | 1673.2 | 1541.3 | 1678.0 | 1638.3 | *1650* | *1700* | Shr. Equity ($mill) | *1850* |
| | 6.0% | 8.4% | 8.2% | 8.4% | 11.5% | 14.7% | 11.7% | 10.5% | 10.1% | 10.1% | *10.5%* | *11.0%* | Return on Total Cap'l | *12.0%* |
| | 16.2% | 21.2% | 20.4% | 19.4% | 29.8% | 40.7% | 36.3% | 34.3% | 30.9% | 33.5% | *35.0%* | *36.0%* | Return on Shr. Equity | *39.5%* |
| | 7.2% | 13.5% | 12.9% | 12.1% | 21.9% | 33.0% | 26.8% | 23.4% | 20.4% | 22.2% | *23.5%* | *24.0%* | Retained to Com Eq | *25.5%* |
| | 56% | 36% | 37% | 37% | 26% | 19% | 26% | 32% | 34% | 34% | *33%* | *33%* | All Div'ds to Net Prof | *35%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $5303.1 mill.
**LT Debt** $5108.0 mill. **LT Interest** $255.4 mill.
(LT interest earned: 3.8x)
(76% of Cap'l)
**Leases, Uncapitalized** Annual rentals $54.9 mill.

**Pension Assets-12/25** Nil
**Oblig.** $12.3 mill.
**Pfd Stock** None

**Common Stock** 136,291,587 shs.
**as of 7/30/26**
**MARKET CAP: $11.7 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 218.8 | 243.6 | 260.4 |
| Receivables | 94.3 | 100.4 | 104.1 |
| Inventory | 33.3 | 35.2 | 38.2 |
| Other | 30.9 | 32.6 | 47.0 |
| Current Assets | 377.3 | 411.8 | 449.7 |
| Accts Payable | 233.5 | 268.3 | 650.8 |
| Debt Due | 83.9 | 56.8 | 195.1 |
| Other | 406.4 | 420.6 | .3 |
| Current Liab. | 723.8 | 745.7 | 846.2 |

| ANNUAL RATES (of change (per sh)) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 8.0% | 9.5% | *5.0%* |
| "Cash Flow" | 13.5% | 13.5% | *7.0%* |
| Earnings | 17.5% | 15.5% | *7.5%* |
| Dividends | 15.0% | 11.0% | *8.5%* |
| Book Value | 5.0% | 4.0% | *4.5%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1028.7 | 1013.4 | 1001.9 | 1055.8 | 4099.8 |
| 2024 | 1045.4 | 1034.0 | 1014.0 | 1093.0 | 4186.4 |
| 2025 | 1074.2 | 1065.4 | 1058.1 | 1111.5 | 4309.2 |
| 2026 | 1096.5 | 1103.3 | *1075* | *1125.2* | *4400* |
| 2027 | *1135* | *1125* | *1115* | *1175* | *4550* |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .93 | .83 | .78 | .93 | 3.48 |
| 2024 | .89 | .79 | .79 | 1.06 | 3.52 |
| 2025 | .96 | .88 | .87 | 1.14 | 3.85 |
| 2026 | .97 | .90 | *.95* | *1.38* | *4.20* |
| 2027 | *1.05* | *.97* | *.98* | *1.55* | *4.55* |

| Calendar | QUARTERLY DIVIDENDS PAID [B] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .25 | .25 | .25 | .27 | 1.02 |
| 2023 | .27 | .27 | .29 | .29 | 1.12 |
| 2024 | .29 | .30 | .30 | .30 | 1.19 |
| 2025 | .32 | .32 | .32 | .34 | 1.30 |
| 2026 | .34 | .34 | | | |

**BUSINESS:** Service Corp. International is the largest funeral services provider and cemetery operator in North America. The company owns and operates 1,495 funeral service locations and 505 cemeteries across 44 states in USA, 8 Canadian Provinces, and Puerto Rico (6/30/26). It also owns and operates flower shops, limousine services, and burial vaults. Acquired: Keystone North America (3/10). Approximately 25,187 employees. Off. & dirs. own 3.4% (incl. Thomas Ryan's 2.1% stake) of common stock; The Vanguard Group, 10.1%; BlackRock, Inc., 9.2%; Baillie Gifford & Co., 6.5% (3/26 proxy). Chairman, President & CEO: Thomas L. Ryan. Incorporated: Texas. Address: 1929 Allen Parkway, Houston, Texas 77019. Telephone: 713-522-5141. Internet: www.sci-corp.com.

**Service Corp. International remains on track to generate better top- and bottom-line figures this year.** North America's largest provider of funeral, cemetery, and cremation services reported good results in the second quarter. The number of funeral services performed rose to 5,985, from 5,807 in the year-ago period, and premiumization trends for product and service offerings improved the average revenue per service. The Funeral segment generated modestly higher revenues compared to the 2025 second quarter. However, the total comparable cremation rate increased 50 basis points, to 64.8%, leading to weaker gross margins. The Cemetery segment continued to be a strong performer, with 8% preneed product growth and solid revenue recognition from previously sold properties. Pricing power held firm, too. For the rest of the year, we anticipate funeral service volumes will remain choppy. The Cemetery business should continue to see strong preneed demand, and pricing-power strength is expected to persist. Ongoing share repurchases should augment per-share metrics.

**Demographic tailwinds provide a clear outlook of business prospects.** An aging population ought to support slowly rising death rates over time. The company plans to lean on its large preneed backlog for revenue visibility, pursue selective acquisitions, and maintain cost discipline. Moreover, scale advantages should be beneficial to margins. Revenues could surpass $5 billion by 2029-2031.

**In our view, this equity will prove to be a strong compounder over time.** The stock is expected to track the broader market in the next six to 12 months (Timeliness: 3). Moreover, investors looking for above-median appreciation potential out to 2029-2031 may want to look elsewhere. That said, there are two sure things in life, and Service Corp. International capitalizes on one of them. In all likelihood, the company's strong cash flow will be able to support ongoing dividend hikes and buybacks. If investors employ a dividend reinvestment strategy here, we think Albert Einstein's eighth wonder of the world could benefit those looking for a lifetime holding.

*Collin Cicconi* *August 14, 2026*

**(A)** Adj. diluted egs. Excl. nonrecurring gains (losses): '17, $1.30; '18, 60¢; '19, 9¢; '20, (3¢); '21, (15¢); '22, (27¢); '23, 6¢; '25, (5¢). Next egs. report due late October.
**(B)** Dividends historically paid late March, June, Sep., and Dec.
**(C)** Includes intangibles: In '25: $2,169.1 million, $15.53/share.
**(D)** In millions.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 95 |
| Earnings Predictability | 70 |

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# SELECTIVE INSUR. NDQ-SIGI

RECENT PRICE 92.10 | P/E RATIO 11.0 (Trailing: 11.3 Median: 16.0) | RELATIVE P/E RATIO 0.61 | DIV'D YLD 2.1% | VALUE LINE

**TIMELINESS** 1 Raised 7/24/26
**SAFETY** 2 Raised 11/28/25
TECHNICAL 1 Raised 8/28/26
**BETA** .85 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$75-$138 $107 (15%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 195 | (+110%) | *22%* |
| Low | 145 | (+55%) | *14%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 165 | 134 | 191 |
| to Sell | 191 | 127 | 174 |
| Hld's(000) | 51968 | 50845 | 57409 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 37.9 | 44.0 | 62.4 | 67.2 | 81.4 | 70.9 | 91.5 | 98.8 | 108.2 | 109.6 | 96.5 | 100.4 | | | | | | |
| Low: | 25.5 | 29.3 | 38.5 | 53.6 | 58.1 | 37.1 | 62.8 | 66.8 | 87.7 | 81.0 | 71.8 | 72.8 | | | | | | |

LEGENDS
14.0 x Earnings p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
320 200 160 120 100 80 60 40 18

Percent shares traded 12 8 4

**% TOT. RETURN 8/17/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 22.5 | 22.4 |
| 3 yr. | -3.6 | 46.9 |
| 5 yr. | 17.5 | 50.5 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 26.39 | 26.45 | 28.72 | 31.04 | 33.93 | 34.69 | 37.08 | 39.17 | 41.33 | 43.68 | 44.77 | 50.13 | 55.91 | 63.12 | 71.92 | 79.36 | *83.05* | *86.20* | P/C Prem Earned per sh | *96.35* |
| | 2.71 | 2.71 | 2.39 | 2.41 | 2.54 | 2.12 | 2.26 | 2.77 | 3.31 | 3.74 | 3.79 | 5.43 | 4.78 | 6.41 | 7.51 | 8.84 | *8.90* | *9.00* | Investment Inc per sh | *9.30* |
| | d.44 | d1.94 | d1.14 | .61 | 1.29 | 2.64 | 2.61 | 2.72 | 2.19 | 2.84 | 1.98 | 3.34 | 20.91 | 22.15 | 19.92 | 26.81 | *26.90* | *27.00* | Underwriting Inc per sh | *27.30* |
| | 1.35 | .34 | .59 | 1.65 | 2.17 | 2.70 | 2.75 | 3.11 | 3.66 | 4.40 | 4.15 | 6.50 | 5.03 | 5.89 | 3.25 | 7.38 | *8.10* | *9.10* | Earnings per sh [A] | *12.10* |
| | .52 | .52 | .52 | .52 | .53 | .57 | .61 | .66 | .74 | .83 | .94 | 1.03 | 1.14 | 1.25 | 1.43 | 1.62 | *1.82* | *2.02* | Div'ds Decl'd per sh [B]■ | *2.62* |
| | 19.96 | 20.39 | 19.77 | 20.63 | 23.36 | 24.37 | 26.42 | 29.28 | 30.40 | 36.91 | 42.38 | 46.24 | 38.57 | 45.42 | 47.99 | 60.07 | *62.70* | *65.50* | Book Value per sh | *74.55* |
| | 53.68 | 54.41 | 55.16 | 55.92 | 54.59 | 57.36 | 57.97 | 58.50 | 58.95 | 59.46 | 59.91 | 60.18 | 60.34 | 60.64 | 60.85 | 60.08 | *59.00* | *58.00* | Common Shs Outst'g [C] | *55.00* |
| | 81% | 80% | 91% | 117% | 103% | 124% | 141% | 172% | 198% | 190% | 134% | 165% | 217% | 219% | 202% | 140% | *Bold figures are Value Line estimates* | | Price to Book Value | *270%* |
| | 12.0 | 48.1 | 30.5 | 14.6 | 11.1 | 11.2 | 13.5 | 16.2 | 16.4 | 15.9 | 13.7 | 11.8 | 16.7 | 16.9 | 29.8 | 11.4 | | | Avg Ann'l P/E Ratio | *14.0* |
| | .76 | 3.02 | 1.94 | .82 | .58 | .56 | .71 | .81 | .89 | .85 | .70 | .64 | .96 | .94 | 1.56 | .59 | | | Relative P/E Ratio | *.80* |
| | 3.2% | 3.2% | 2.9% | 2.2% | 2.2% | 1.9% | 1.6% | 1.3% | 1.2% | 1.2% | 1.7% | 1.3% | 1.4% | 1.3% | 1.5% | 1.9% | | | Avg Ann'l Div'd Yield | *1.5%* |
| | 2149.6 | 2291.0 | 2436.2 | 2597.2 | 2681.8 | 3017.3 | 3373.4 | 3827.6 | 4376.4 | 4768.2 | *4900* | *5000* | P/C Premiums Earned | *5300* |
| | 57.4% | 58.7% | 61.5% | 59.7% | 61.0% | 60.1% | 62.6% | 64.9% | 72.3% | 66.2% | *67.0%* | *68.0%* | Loss to Prem Earned | *71.0%* |
| | 35.5% | 34.4% | 33.2% | 13.1% | 13.7% | 12.5% | 32.3% | 31.4% | 32.9% | 33.3% | *32.0%* | *30.0%* | Expense to Prem Writ | *24.0%* |
| | 7.0% | 6.9% | 5.3% | 27.1% | 25.3% | 27.4% | 5.0% | 3.7% | d5.2% | .5% | *1.0%* | *2.0%* | Underwriting Margin | *5.0%* |
| | 28.1% | 27.7% | 18.0% | 18.9% | 18.7% | 20.8% | 22.4% | 20.3% | 19.8% | 21.2% | *22.0%* | *23.0%* | Income Tax Rate | *26.0%* |
| | 161.7 | 184.9 | 218.6 | 264.4 | 249.7 | 403.8 | 306.4 | 368.0 | 209.3 | 443.4 | *480* | *530* | Net Profit ($mill) | *665* |
| | 2.5% | 2.9% | 3.5% | 3.5% | 3.2% | 4.3% | 4.0% | 4.6% | 4.9% | 4.7% | *5.0%* | *6.0%* | Inv Inc/Total Inv | *9.0%* |
| | 7356 | 7686 | 7953 | 8797 | 9688 | 10461 | 10802 | 11803 | 13514 | 15156 | *15700* | *15800* | Total Assets ($mill) | *16100* |
| | 1531.4 | 1713.0 | 1791.8 | 2194.9 | 2738.9 | 2982.9 | 2527.6 | 2954.4 | 3120.1 | 3609.0 | *3700* | *3800* | Shr. Equity ($mill) | *4100* |
| | 10.6% | 10.8% | 12.2% | 12.0% | 9.1% | 13.5% | 12.1% | 12.5% | 6.7% | 12.3% | *13.0%* | *14.0%* | Return on Shr. Equity | *16.0%* |
| | 8.4% | 8.6% | 9.8% | 9.9% | 7.7% | 12.0% | 9.9% | 10.3% | 3.9% | 9.6% | *10.0%* | *11.0%* | Retained to Com Eq | *12.5%* |
| | 21% | 20% | 19% | 18% | 22% | 17% | 25% | 23% | 45% | 22% | *22%* | *22%* | All Div'ds to Net Prof | *22%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $901.0 mill.
**LT Debt** $901.0 mill. **LT Interest** $52.8 mill. (20% of Cap'l)
**Leases, Uncapitalized** $7.2 million.
**Pension Assets-12/25** $347 mill. **Oblig.** $309 mill.
**Pfd Stock** None

**Common Stock** 59,569,119 shs.
**as of 7/17/26**

**MARKET CAP: $5.5 billion (Mid Cap)**

| FINANCIAL POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Bonds | 8152.7 | 9481.1 | 9929.9 |
| Stocks | 213.6 | 384.4 | 413.1 |
| Mortgages | - - | - - | - - |
| Other | 5147.9 | 5290.2 | 5272.9 |
| Total Assets | 13514.2 | 15155.7 | 15615.9 |
| Unearned Prems | 2616.3 | 2745.5 | 2765.7 |
| Reserves | 6589.8 | 7225.4 | 7681.4 |
| Other | 1188.0 | 1575.8 | 1505.9 |
| Total Liab. | 10394.1 | 11546.7 | 11953.0 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Premium Inc | 7.5% | 9.0% | *5.0%* |
| Invest Income | 10.0% | 13.5% | *3.5%* |
| Earnings | 12.5% | 5.0% | *14.0%* |
| Dividends | 9.5% | 11.5% | *10.5%* |
| Book Value | 7.5% | 6.5% | *6.5%* |

| Calendar | NET PREM. EARNED ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 902.3 | 942.2 | 981.9 | 1001.2 | 3827.6 |
| 2024 | 1050.9 | 1080.2 | 1112.2 | 1133.1 | 4376.4 |
| 2025 | 1158.8 | 1188.1 | 1204.7 | 1216.6 | 4768.2 |
| 2026 | 1217.2 | 1215.5 | *1230* | *1237.3* | *4900* |
| 2027 | *1240* | *1245* | *1255* | *1260* | *5000* |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1.44 | .99 | 1.51 | 1.95 | 5.89 |
| 2024 | 1.33 | d1.10 | 1.40 | 1.62 | 3.25 |
| 2025 | 1.76 | 1.31 | 1.75 | 2.57 | 7.38 |
| 2026 | 1.69 | 1.95 | *1.85* | *2.61* | *8.10* |
| 2027 | *1.95* | *2.20* | *2.10* | *2.85* | *9.10* |

| Calendar | QUARTERLY DIVIDENDS PAID [B]■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .28 | .28 | .28 | .30 | 1.14 |
| 2023 | .30 | .30 | .30 | .35 | 1.25 |
| 2024 | .35 | .35 | .35 | .38 | 1.43 |
| 2025 | .38 | .38 | .43 | .43 | 1.62 |
| 2026 | .43 | .43 | | | |

**BUSINESS:** Selective Insurance Group, Inc. is a holding company for ten property/casualty insurance companies. (Main subsidiary: Selective Insurance Company of America.) Markets products primarily in the East and Midwest. New Jersey accounted for 18% of premiums written in '25. Mix of 2025 premiums written: Commercial Lines, 79%; Personal Lines, 8%; Excess & Surplus (E&S) Lines, 11%. Has approximately 2,800 employees. Officers and directors own 1.0% of common stock; BlackRock, 13.0%; The Vanguard Group, 10.4%; FMR, 9.1%; AQR Capital Management, 6.8% (3/26 Proxy). Chairman, President & CEO: John J. Marchioni. Inc.: NJ. Address: 103 John F. Kennedy Parkway, Short Hills, NJ 07078. Telephone: 973-948-3000. Internet: www.selective.com.

**Selective Insurance's top line is gaining steam.** Net premiums earned have risen due to higher average renewal pure prices. In the most recent quarter, Selective delivered an operating ROE (return on equity) of 13.7%, which is within management's long-term target range. This marked the eighth consecutive quarter of double-digit operating returns. Net investment income, a separate revenue line item, has increased 18%. This has been driven by active portfolio management resulting in a higher after-tax portfolio yield. Selective is focused on working with its existing business partners and strategically appointing new agency locations. In the first half of 2026, the company added 100 agency locations. Moreover, Selective has added 14 states to its Standard Commercial Lines footprint since 2017. The company began writing new business in two more states, Montana and Wyoming, on July 1, 2026. (Please note that Selective has moved its corporate headquarters from Branchville, NJ to Short Hills, NJ.)

**We are confident that earnings per share will improve in the coming quarters.** Selective's loss and loss expense ratio has declined, thanks to lower net catastrophe and non-catastrophe property losses. This is due to fewer severe wind and convective storms compared to 2025. Leadership is taking a number of actions to boost profitability. For example, the company is using data analytics and technology to improve underwriting and claims outcomes. Selective has also made considerable progress in modernizing its policy acquisition and claims systems. System enhancements in the Excess and Surplus Lines segment have created significant operational efficiency.

**Since our May report, this stock's Timeliness rank has moved up one notch, to 1 (Highest).** In the most recent quarter, Selective bought back $32 million of common shares, bringing its total repurchases for 2026 to $62 million. Management plans to continue to buy back stock in the remainder of the year. In addition, the company is rewarding investors with dividends. Share-price appreciation potential to 2029-2031 is compelling. This good-quality issue may be suitable for conservative investors.

*Keith R. Foldesi* *August 28, 2026*

**(A)** Adjusted diluted earnings, which excludes nonrecurring gains/(losses): '22, $1.49; '23, ($0.05); '24, ($0.02); '25, $0.16. EPS may not total due to rounding. Next earnings report due late October.
**(B)** Dividends historically paid in early March, June, September, December.
■ Dividend reinvestment plan available.
**(C)** In millions.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 80 |
| Price Growth Persistence | 70 |
| Earnings Predictability | 55 |

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# CONSTELLATION NYSE-STZ

RECENT PRICE 139.66 | P/E RATIO 11.8 (Trailing: 11.8 Median: 21.0) | RELATIVE P/E RATIO 0.65 | DIV'D YLD 3.0% | VALUE LINE

TIMELINESS 3 Lowered 4/24/26
SAFETY 2 Raised 8/22/25
TECHNICAL 3 Lowered 6/5/26
BETA .70 (1.00 = Market)

**18-Month Target Price Range**
Low-High Midpoint (% to Mid)
$109-$224 $167 (20%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 305 | (+120%) | *23%* |
| Low | 225 | (+60%) | *15%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 414 | 337 | 519 |
| to Sell | 647 | 455 | 447 |
| Hld's(000) | 141817 | 144190 | 160773 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 144.9 | 173.5 | 229.4 | 236.6 | 214.5 | 220.0 | 251.7 | 261.5 | 273.7 | 274.9 | 228.9 | 168.6 | | | | | | |
| Low: | 96.5 | 130.2 | 144.0 | 156.3 | 150.4 | 104.3 | 207.4 | 207.6 | 208.1 | 219.5 | 126.4 | 135.1 | | | | | | |

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
640 480 400 320 240 200 160 120 80 60

% TOT. RETURN 6/29/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -11.0 | 24.7 |
| 3 yr. | -39.8 | 61.3 |
| 5 yr. | -33.9 | 44.7 |

Percent shares traded 60 40 20

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 15.86 | 13.66 | 14.73 | 24.78 | 30.21 | 32.83 | 37.68 | 39.65 | 42.43 | 43.27 | 44.40 | 46.45 | 51.59 | 54.46 | 57.29 | 52.90 | *52.60* | *54.55* | Sales per sh [A] | *72.60* |
| | 2.51 | 3.03 | 2.76 | 3.98 | 5.29 | 6.45 | 8.33 | 10.74 | 11.23 | 10.91 | 11.55 | 12.01 | 12.91 | 14.47 | 16.54 | 14.44 | *14.50* | *15.00* | "Cash Flow" per sh | *17.65* |
| | 1.91 | 2.35 | 2.19 | 3.25 | 4.44 | 5.43 | 6.76 | 8.72 | 9.28 | 9.12 | 9.97 | 10.20 | 10.65 | 12.06 | 13.78 | 11.82 | *11.85* | *12.25* | Earnings per sh [B] | *14.75* |
| | - - | - - | - - | - - | - - | 1.24 | 1.60 | 2.08 | 2.96 | 3.00 | 3.00 | 3.04 | 3.16 | 3.47 | 3.92 | 4.08 | *4.11* | *4.15* | Div'ds Decl'd per sh [E] | *6.00* |
| | .42 | .35 | .33 | 1.14 | 3.61 | 4.47 | 4.66 | 5.53 | 4.63 | 3.77 | 4.46 | 5.41 | 5.65 | 6.94 | 6.81 | 5.06 | *6.75* | *6.85* | Cap'l Spending per sh | *7.25* |
| | 12.14 | 13.77 | 15.07 | 25.35 | 28.92 | 32.89 | 35.41 | 42.06 | 65.62 | 62.92 | 70.09 | 61.78 | 45.92 | 53.27 | 38.62 | 46.78 | *46.95* | *48.25* | Book Value per sh [C] | *52.85* |
| | 210.11 | 194.31 | 189.78 | 196.48 | 199.55 | 199.46 | 194.60 | 191.31 | 191.28 | 192.82 | 194.01 | 189.89 | 183.22 | 182.91 | 178.19 | 172.77 | *173.00* | *170.00* | Common Shs Outst'g [D] | *168.00* |
| | 9.5 | 8.7 | 13.6 | 18.4 | 20.3 | 23.6 | 23.3 | 22.7 | 22.2 | 21.1 | 18.6 | 22.4 | 22.3 | 20.1 | 17.3 | 13.5 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *18.0* |
| | .60 | .55 | .87 | 1.03 | 1.07 | 1.19 | 1.22 | 1.14 | 1.20 | 1.12 | .96 | 1.21 | 1.29 | 1.12 | .90 | .70 | | | Relative P/E Ratio | *1.00* |
| | - - | - - | - - | - - | - - | 1.0% | 1.0% | 1.1% | 1.4% | 1.6% | 1.6% | 1.3% | 1.3% | 1.4% | 1.6% | 2.6% | | | Avg Ann'l Div'd Yield | *2.3%* |
| | 7331.5 | 7585.0 | 8116.0 | 8343.5 | 8614.9 | 8820.7 | 9452.6 | 9961.8 | 10209 | 9139.0 | *9100* | *9275* | Sales ($mill) [A] | *12200* |
| | 33.1% | 30.5% | 36.3% | 36.7% | 35.6% | 36.3% | 34.8% | 41.9% | 33.1% | 42.2% | *31.5%* | *32.5%* | Operating Margin | *35.0%* |
| | 237.5 | 293.8 | 333.1 | 326.5 | 293.8 | 337.3 | 383.8 | 429.2 | 445.7 | 420.0 | *460* | *475* | Depreciation ($mill) | *485* |
| | 1384.2 | 1761.5 | 1815.2 | 1777.9 | 1946.5 | 1944.2 | 1982.3 | 2216.8 | 2501.0 | 2074.7 | *2050* | *2080* | Net Profit ($mill) | *2480* |
| | 26.5% | 19.0% | 18.1% | 14.4% | 17.1% | 21.0% | 19.7% | 19.3% | 19.3% | 28.3% | *21.0%* | *21.0%* | Income Tax Rate | *19.0%* |
| | 18.9% | 23.2% | 22.4% | 21.3% | 22.6% | 22.0% | 21.0% | 22.3% | 24.5% | 22.7% | *22.5%* | *22.4%* | Net Profit Margin | *20.3%* |
| | 532.4 | 1529.3 | 520.2 | 1172.3 | 1775.4 | 630.9 | 527.8 | 587.8 | d318.8 | 216.5 | *800* | *825* | Working Cap'l ($mill) | *950* |
| | 7720.7 | 9417.6 | 11760 | 11211 | 10413 | 9488.2 | 11287 | 10681 | 9289.0 | 9692.9 | *9700* | *9500* | Long-Term Debt ($mill) | *9000* |
| | 6891.2 | 8046.1 | 12551 | 12132 | 13599 | 11732 | 8413.6 | 9743.1 | 6882.0 | 8082.4 | *8120* | *8200* | Shr. Equity ($mill) | *8875* |
| | 10.6% | 11.0% | 8.3% | 8.5% | 8.9% | 10.0% | 11.1% | 11.9% | 16.7% | 12.9% | *12.5%* | *12.5%* | Return on Total Cap'l | *14.5%* |
| | 20.1% | 21.9% | 14.5% | 14.7% | 14.3% | 16.6% | 23.6% | 22.8% | 36.3% | 25.7% | *25.0%* | *25.5%* | Return on Shr. Equity | *28.0%* |
| | 15.5% | 16.9% | 10.0% | 10.0% | 10.1% | 11.7% | 16.6% | 16.0% | 25.7% | 16.8% | *16.5%* | *17.0%* | Retained to Com Eq | *16.5%* |
| | 23% | 23% | 31% | 32% | 30% | 29% | 30% | 29% | 29% | 34% | *35%* | *34%* | All Div'ds to Net Prof | *41%* |

**CAPITAL STRUCTURE as of 5/31/26**
**Total Debt** $10.5 bill.
**LT Debt** $9.1 bill. **LT Interest** $285.0 mill. (55% of Cap'l)
**Leases, Uncapitalized** Annual rentals $128.6 mill.
**No Defined Benefit Pension Plan**
**Common Stock** 172,198,467 shs.
Includes 25,923 '1' shares that have limited voting rights.
**as of 4/17/26**

**MARKET CAP: $24.0 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 5/31/26 |
|---|---|---|---|
| Cash Assets | 68.1 | 102.4 | 96.6 |
| Receivables | 736.5 | 947.3 | 726.7 |
| Inventory (FIFO) | 1437.2 | 1433.9 | 1452.6 |
| Other | 1474.6 | 422.7 | 765.1 |
| Current Assets | 3716.4 | 2906.3 | 3041.0 |
| Accts Payable | 939.8 | 960.2 | 1000.1 |
| Debt Due | 2208.7 | 875.6 | 1438.9 |
| Other | 886.7 | 854.0 | 890.0 |
| Current Liab. | 4035.2 | 2689.8 | 3329.0 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 6.5% | 5.0% | *5.0%* |
| "Cash Flow" | 11.0% | 6.0% | *2.5%* |
| Earnings | 11.0% | 6.0% | *2.5%* |
| Dividends | - - | 5.0% | *8.0%* |
| Book Value | 5.0% | -7.0% | *2.5%* |

| Fiscal Year Begins | QUARTERLY SALES ($ mill.) [A] May Per | Aug.Per | Nov.Per | Feb.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 2514.2 | 2836.8 | 2470.9 | 2139.2 | 9961.8 |
| 2024 | 2661.8 | 2918.9 | 2463.8 | 2164.2 | 10208.7 |
| 2025 | 2515.1 | 2481.1 | 2222.8 | 1920.0 | 9139.0 |
| 2026 | 2432.7 | *2500* | *2235* | *1932.3* | *9100* |
| 2027 | *2550* | *2525* | *2250* | *1950* | *9275* |

| Fiscal Year Begins | EARNINGS PER SHARE [A] [B] May Per | Aug.Per | Nov.Per | Feb.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 2.91 | 3.70 | 3.19 | 2.26 | 12.06 |
| 2024 | 3.57 | 4.32 | 3.25 | 2.63 | 13.78 |
| 2025 | 3.22 | 3.63 | 3.06 | 1.90 | 11.82 |
| 2026 | 3.43 | *3.50* | *3.00* | *1.92* | *11.85* |
| 2027 | *3.30* | *3.70* | *3.20* | *2.05* | *12.25* |

| Cal-endar | QUARTERLY DIVIDENDS PAID[E] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .76 | .80 | .80 | .80 | 3.16 |
| 2023 | .80 | .89 | .89 | .89 | 3.47 |
| 2024 | .89 | 1.01 | 1.01 | 1.01 | 3.92 |
| 2025 | 1.01 | 1.02 | 1.02 | 1.02 | 4.07 |
| 2026 | 1.02 | 1.03 | | | |

**BUSINESS:** Constellation Brands, Inc. is an international producer and marketer of beverage alcohol brands with a portfolio of wine, spirits, and beers including *Robert Mondavi* and *Corona*. Acq'd *SVEDKA* Vodka in '07. U.S., and North American operations of Grupo Modelo in '13. *Four Corners Beer* in '19. Consists of three divisions: Beer, 91% of 2025 sales, Wine & Spirits (9%), Corporate Operations (NMF). Owns 30 production facilities. Has about 9,400 employees. Sands family owns 12.4% Class A shares Capital World Investors, 7.3%; The Vanguard Group, 6.1% (6/26 Proxy). Chairman.: Christopher J. Baldwin. CEO: Nicholas Fink. Inc.: DE. Address: 50 East Broad Street, Rochester, New York, 14614. Telephone: 585-678-7100. Internet: www.cbrands.com.

**Constellation Brands' fiscal 2026 (year ends February 28, 2027) first-quarter results were mixed.** During the May period, sales declined 3.3% to $2.43 billion. Although shipment volumes in the Beer division increased 1.8%, depletion rates in the Wine & Spirits category fell 64.1%, and resulted in the overall anemic sales showing. Adjusted earnings of $3.43 were better than expected, increasing 6.5% year over year. Profitability improved thanks to Constellation's cost-disciplined spending practices and streamlining of the business.

**The fiscal 2026 outlook is mixed.** We have pared our sales and earnings forecasts, and now anticipate a slight top-line decline, and modest bottom-line increase. Constellation's two business divisions possess unique headwinds at the moment. With regards to Beer, demand trends for popular brands, including *Corona* and *Modelo* are expected to lag historical trends. This is of concern since the beer category is the brewer's main breadwinner. Vast amounts of money have been allotted toward innovation, acquisitions, and promotional activities, in order to retain significant market share. With regard to Wine & Spirits, transition strategies are taking a while to gain traction. In the recent past, the company has sold several of its lower-priced wine labels in order to create and maintain more-premium offerings. Although such actions should prove beneficial over the longer term, the immediate impact has led to lower sales contributions. From a broader market view, geopolitical tensions overseas, and macroeconomic challenges, are expected to dampen Constellation's operations.

**The fiscal 2026 first-quarter financial results marks the first under Constellation's new leadership.** Recently appointed CEO, Nicholas Fink, has outlined some growth objectives. These include a consumer-centric portfolio and business efficiencies aimed at improving operations. The investment community did not react notably after the release.

**These shares are neutrally ranked for year-ahead relative price performance.** Patient and income-oriented types may consider the stock. Total return potential over the 2029-2031 time frame is above the *Value Line* median.

*Nira Maharaj* *July 10, 2026*

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 45 |
| Earnings Predictability | 95 |

**(A)** Excl. excise taxes. Fiscal yr. ends last day of February of the foll. calendar year. **(B)** Dil. non-GAAP earnings. Excl. nonrecurring gains/(losses): '10, 71¢ '11, (22¢); '12, (15¢); '13, $6.58; '14, (27¢); '15, (25¢); '16, 76¢; '17, $2.83; '18, $8.29; '19, ($9.19); '20, 26¢; '21, ($10.42); '22, ($10.76); '23, (2.67); '24, ($14.23); '25, ($2.21). May not sum due to rounding. Next earnings report due late September. **(C)** Incl. intangibles: In '25: $7.76 bill., $44.95/sh. **(D)** In millions. **(E)** Div'ds paid mid-Feb, May, Aug., and Nov.

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# MOLSON COORS NYSE-TAP

RECENT PRICE **39.75** | P/E RATIO **8.0** (Trailing: 7.2 Median: 17.0) | RELATIVE P/E RATIO **0.44** | DIV'D YLD **4.9%** | **VALUE LINE**

**TIMELINESS** 3 Lowered 6/26/26
**SAFETY** 3 Lowered 10/20/17
TECHNICAL 3 Raised 7/10/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

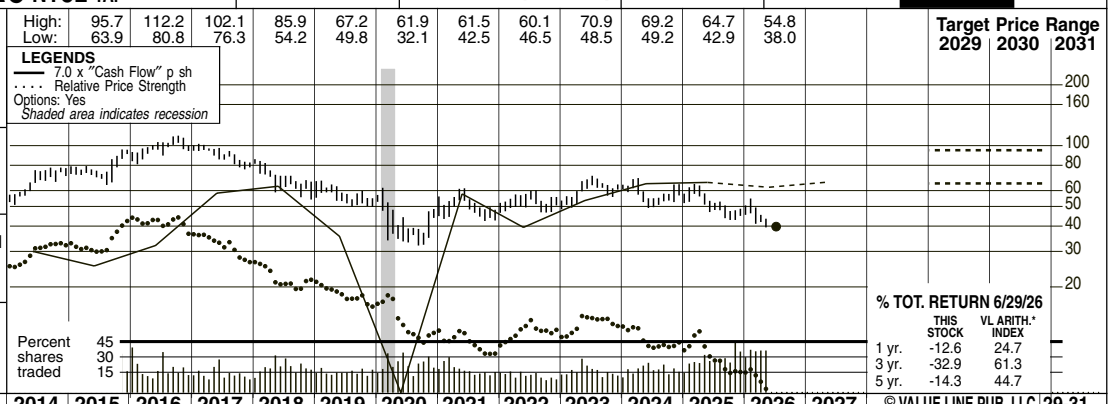
| Low-High | Midpoint (% to Mid) |
|---|---|
| $32-$57 | $45 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 95 | (+140%) | *27%* |
| Low | 65 | (+65%) | *17%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 286 | 249 | 295 |
| to Sell | 339 | 270 | 335 |
| Hld's(000) | 168104 | 165732 | 188131 |




| 2010F | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 17.42 | 18.75 | 20.72 | 21.94 | 21.48 | 19.34 | 21.77 | 51.08 | 49.15 | 48.91 | 44.55 | 47.37 | 50.07 | 54.86 | 57.22 | 58.39 | *60.80* | *63.35* | Sales per sh [A] | *77.15* |
| 4.65 | 4.75 | 3.78 | 4.62 | 4.28 | 3.63 | 4.58 | 8.32 | 9.01 | 5.09 | d.12 | 8.26 | 5.63 | 7.65 | 9.26 | 9.39 | *8.90* | *9.45* | "Cash Flow" per sh | *11.95* |
| 3.56 | 3.62 | 2.43 | 3.08 | 2.76 | 1.91 | 2.99 | 4.52 | 5.15 | 1.11 | d4.38 | 4.62 | 2.39 | 4.37 | 5.35 | 5.42 | *5.00* | *5.25* | Earnings per sh [A B] | *7.25* |
| 1.08 | 1.24 | 1.28 | 1.28 | 1.48 | 1.64 | 1.64 | 1.64 | 1.64 | 1.96 | .57 | .68 | 1.52 | 1.64 | 1.76 | 1.88 | *1.92* | *2.00* | Div'ds Decl'd per sh [C] | *2.52* |
| .95 | 1.26 | 1.18 | 1.53 | 1.34 | 1.49 | 1.52 | 2.78 | 2.97 | 2.75 | 2.65 | 2.41 | 3.10 | 3.15 | 3.32 | 3.76 | *3.85* | *3.90* | Cap'l Spending per sh | *4.10* |
| 41.75 | 40.79 | 42.15 | 45.06 | 40.74 | 38.17 | 50.89 | 61.40 | 61.65 | 62.04 | 57.06 | 61.83 | 59.38 | 61.87 | 64.43 | 53.62 | *56.75* | *59.70* | Book Value per sh [D] | *68.55* |
| 186.80 | 187.50 | 189.00 | 191.70 | 193.00 | 184.50 | 224.40 | 215.40 | 219.10 | 216.30 | 216.70 | 217.00 | 213.70 | 213.30 | 203.20 | 190.80 | *185.00* | *180.00* | Common Shs Outst'g [E] | *175.00* |
| 12.6 | 12.2 | 17.5 | 16.3 | 24.3 | 40.8 | 32.7 | 19.9 | 13.3 | NMF | - - | 10.8 | 22.0 | 13.6 | 10.9 | 9.6 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *11.0* |
| .80 | .77 | 1.11 | .92 | 1.28 | 2.05 | 1.72 | 1.00 | .72 | NMF | - - | .58 | 1.27 | .76 | .57 | .50 | | | Relative P/E Ratio | *.60* |
| 2.4% | 2.8% | 3.0% | 2.5% | 2.2% | 2.1% | 1.7% | 1.8% | 2.4% | 3.4% | 1.4% | 1.4% | 2.9% | 2.8% | 3.0% | 3.6% | | | Avg Ann'l Div'd Yield | *3.2%* |
| 4885.0 | 11003 | 10770 | 10579 | 9654.0 | 10280 | 10701 | 11702 | 11627 | 11141 | *11250* | *11400* | Sales ($mill) [A] | *13500* |
| 13.8% | 23.3% | 20.8% | 22.0% | 23.3% | 22.7% | 16.4% | 19.4% | 22.1% | 30.1% | *31.5%* | *33.0%* | Operating Margin | *35.0%* |
| 388.4 | 812.8 | 857.5 | 859.0 | 922.0 | 786.1 | 684.8 | 682.8 | 759.4 | 711.3 | *725* | *750* | Depreciation ($mill) | *825* |
| 639.1 | 978.8 | 1116.5 | 241.7 | d949.0 | 1005.7 | 517.8 | 948.9 | 1122.4 | 1079.9 | *925* | *950* | Net Profit ($mill) | *1270* |
| 9.8% | 27.6% | 16.6% | 48.7% | - - | 18.6% | 35.3% | 23.6% | 23.0% | 22.5% | *21.0%* | *22.0%* | Income Tax Rate | *22.0%* |
| 13.1% | 8.9% | 10.4% | 2.3% | NMF | 9.8% | 4.8% | 8.1% | 9.7% | 9.7% | *8.2%* | *8.3%* | Net Profit Margin | *9.4%* |
| d987.9 | d1210 | d1535 | d1511 | d1491 | d843.5 | d737.4 | d1244 | d196.8 | d2375 | *d1285* | *d1225* | Working Cap'l ($mill) | *1250* |
| 11388 | 10599 | 8893.8 | 8109.5 | 7208.2 | 6647.2 | 6165.2 | 5312.1 | 6113.9 | 3865.4 | *3500* | *3250* | Long-Term Debt ($mill) | *3000* |
| 11419 | 13226 | 13507 | 13419 | 12365 | 13417 | 12690 | 13196 | 13092 | 10230 | *10500* | *10750* | Shr. Equity ($mill) | *12000* |
| 3.4% | 4.8% | 5.7% | 1.8% | NMF | 5.7% | 3.4% | 5.8% | 6.6% | 8.6% | *7.0%* | *7.0%* | Return on Total Cap'l | *9.0%* |
| 5.6% | 7.4% | 8.3% | 1.8% | NMF | 7.5% | 4.1% | 7.2% | 8.6% | 10.6% | *9.0%* | *9.0%* | Return on Shr. Equity | *10.5%* |
| 2.5% | 4.7% | 5.6% | NMF | NMF | 6.4% | 1.5% | 4.5% | 5.8% | 6.9% | *6.5%* | *5.5%* | Retained to Com Eq | *7.0%* |
| 55% | 36% | 32% | NMF | NMF | 15% | 64% | 37% | 33% | 35% | *24%* | *38%* | All Div'ds to Net Prof | *35%* |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $6271.9 mill.
**LT Debt** $3848.5 mill. **LT Interest** $115.0 mill. (27% of Cap'l)

**Leases, Uncapitalized:** Annual rentals $68.3 mill.
**Pension Assets - 12/25** $2400.0 mill.
**Oblig.:** $2455.7 mill.
**Common Stock** 187,551,360 shs.
(includes 2,678,963 shares of Class A shares, 7,093,946 of exch. shares)
**as of 4/23/26**
**MARKET CAP: $7.5 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 969.3 | 896.5 | 382.6 |
| Receivables | 693.1 | 890.3 | 971.9 |
| Inventory (FIFO) | 727.8 | 715.9 | 812.8 |
| Other | 458.2 | 432.8 | 576.5 |
| Current Assets | 2848.4 | 2935.5 | 2743.8 |
| Accts Payable | 2274.6 | 1822.8 | 2700.6 |
| Debt Due | 32.2 | 2434.1 | 2423.4 |
| Other | 738.4 | 1053.9 | - - |
| Current Liab. | 3045.2 | 5310.8 | 5124.0 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 10.5% | 3.5% | *5.0%* |
| "Cash Flow" | 7.5% | 13.5% | *5.5%* |
| Earnings | 7.0% | 52.0% | *6.0%* |
| Dividends | 2.0% | 5.0% | *6.0%* |
| Book Value | 4.0% | - - | *2.5%* |

| Calendar | QUARTERLY SALES ($ mill.)[A] Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Year |
|---|---|---|---|---|---|
| 2023 | 2347 | 3266 | 3298 | 2791 | 11702 |
| 2024 | 2596 | 3252 | 3043 | 2736 | 11627 |
| 2025 | 2304 | 3201 | 2974 | 2662 | 11141 |
| 2026 | 2351 | *3225* | *2985* | *2689* | *11250* |
| 2027 | *2325* | *3250* | *3075* | *2750* | *11400* |

| Calendar | EARNINGS PER SHARE[A B] Mar.Per | Jun.Per | Sep.Per | Dec.Per | Full Year |
|---|---|---|---|---|---|
| 2023 | .33 | 1.57 | 1.98 | .48 | 4.37 |
| 2024 | .97 | 2.03 | .96 | 1.39 | 5.35 |
| 2025 | .50 | 2.05 | 1.67 | 1.21 | 5.42 |
| 2026 | .62 | *1.83* | *1.55* | *1.00* | *5.00* |
| 2027 | *.65* | *1.90* | *1.60* | *1.10* | *5.25* |

| Calendar | QUARTERLY DIVIDENDS PAID[C] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .38 | .38 | .38 | .38 | 1.52 |
| 2023 | .41 | .41 | .41 | .41 | 1.64 |
| 2024 | .44 | .44 | .44 | .44 | 1.76 |
| 2025 | .47 | .47 | .47 | .47 | 1.88 |
| 2026 | .48 | .48 | | | |

**BUSINESS:** Molson Coors Beverage Company, created by the February 2005 merger of Molson and Adolph Coors Company, is one of the largest brewers in the world. Brands include *Coors Light*, *Molson Canadian*, *Carling*, *Blue Moon*, *Coors* & *Staropramen*. Drinks are divided into three types: Above Premium, Premium, and Value. Began a domestic joint venture (MillerCoors) with SABMiller, 7/08; Acq'd StarBev, 6/12; Acq'd controlling interest in MillerCoors, 10/16. Has 16,200 employees and 33 breweries worldwide. Officers & Directors own 2.3% of comm. stock; The Vanguard Group, 12.0% (4/26 proxy). Pres. and C.E.O.: Rahul Goyal. Inc.: DE. Address: P.O. Box 4030, BC555, Golden, Colorado, USA. 80401. Telephone: 303-279-6565. Internet: www.molsoncoors.com.

**Molson Coors' 2026 first-quarter results were better than expected.** During the March period, sales of $2.35 billion marked a 2% year-over-year increase. The top line was buoyed by a favorable product mix, and higher pricing aligned with industry norms. At this juncture, further price hikes are likely to help drive a full-year sales increase of 1%, to $11.25 billion. Adjusted earnings of $0.62 a share was far better than our $0.40 estimate and increased 24.0% versus last year's comparable period. The company intends to maintain and fine tune further cost-disciplined spending practices. However, elevated manufacturing and distribution costs, lower-than-historical demand trends in some categories, and (on a positive note) turnaround and expansion efforts will likely lead to a full-year share earnings decrease of 7.7%, to $5.00 a share.

**Growth platforms are being explored, and may well help to improve business conditions in 2027.** The beer and alcohol beverage manufacturer has acquired Atomic Brands for $275 million. This company is the maker of the highly regarded Monaco Cocktails. The deal will expand Molson Coors' reach in the ready-to-drink category. The augmented portfolio should help drive single-digit sales and earnings growth next year, to $11.4 billion and $5.25 a share, respectively. Portfolio reconfigurations and innovation are also catalysts expected to help the company move beyond the beer division.

**Near-term operations will likely continue to pose challenges.** Like its industry peers, Molson Coors is experiencing declining demand trends for certain labels such as seltzers. Also, geopolitical tensions overseas adds a layer of uncertainty. On a brighter note, company initiatives geared toward navigating headwinds, should offset disruptions, to an extent. Furthermore, diversification strategies ought to help broaden the customer base.

**Investors seem to be maintaining a wait-and-see approach.** These neutrally ranked shares have declined nominally since our April review. The equity appears suited to patient investors with an income-growth mindset. Total return potential over the 2029-2031 time frame is above average.

*Nira Maharaj* *July 10, 2026*

**(A)** Excl. excise taxes. Excl. nonrec. gains and (losses): '16, $6.19; '17, $2.00; '22, ($3.20); '25, ($16.17). Fiscal year ends last Sunday in Dec. **(B)** Based on dil. shares. Next egs. rpt. due late August. **(C)** Dividends paid in mid-March, June, September, and December. **(D)** Includes intangibles. '25: $13,978 mill., $73.25/sh. **(E)** In millions. Incl. exchangeable shares. **(F)** Sales exclude U.S. operations from the September period of 2008 to 2016 due to the MillerCoors venture.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 10 |
| Earnings Predictability | 10 |

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# TYSON FOODS 'A' NYSE-TSN

RECENT PRICE 58.65 | P/E RATIO 13.5 (Trailing: 15.0 Median: 13.0) | RELATIVE P/E RATIO 0.74 | DIV'D YLD 3.5% | VALUE LINE

TIMELINESS 4 Lowered 6/26/26
SAFETY 3 New 7/27/90
TECHNICAL 2 Lowered 7/10/26
BETA .70 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $48-$83 | $66 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 110 | (+90%) | 19% |
| Low | 75 | (+30%) | 9% |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 412 | 343 | 484 |
| to Sell | 373 | 308 | 369 |
| Hld's(000) | 243944 | 250497 | 286097 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 54.4 | 77.1 | 84.6 | 82.5 | 94.1 | 94.2 | 87.5 | 100.7 | 74.1 | 66.9 | 64.4 | 69.5 | | | | | | |
| Low: | 37.1 | 48.5 | 57.2 | 49.8 | 52.8 | 42.6 | 62.6 | 59.4 | 44.9 | 51.2 | 50.6 | 54.6 | | | | | | |

LEGENDS
8.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2029 | 2030 | 2031

% TOT. RETURN 6/29/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 9.8 | 24.7 |
| 3 yr. | 28.3 | 61.3 |
| 5 yr. | -6.6 | 44.7 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 75.41 | 87.21 | 92.70 | 99.92 | 99.95 | 112.12 | 102.16 | 103.97 | 109.43 | 115.86 | 118.32 | 128.90 | 148.01 | 148.54 | 149.74 | 154.22 | *162.00* | *164.45* | Sales per sh [A] | *183.05* |
| | 3.39 | 3.39 | 3.34 | 3.92 | 4.16 | 5.52 | 6.85 | 7.41 | 8.79 | 8.46 | 9.04 | 11.61 | 12.33 | 5.11 | 7.03 | 8.02 | *8.10* | *8.75* | "Cash Flow" per sh | *11.40* |
| | 2.06 | 1.97 | 1.90 | 2.26 | 2.92 | 3.21 | 4.53 | 5.31 | 6.16 | 5.46 | 5.78 | 8.28 | 8.73 | 1.34 | 3.10 | 4.12 | *4.15* | *4.65* | Earnings per sh [AB] | *6.75* |
| | .16 | .16 | .17 | .33 | .33 | .45 | .60 | .98 | 1.28 | 1.55 | 1.71 | 1.80 | 1.86 | 1.93 | 1.97 | 2.00 | *2.04* | *2.08* | Div'ds Decl'd per sh [C] | *2.40* |
| | 1.46 | 1.74 | 1.92 | 1.62 | 1.68 | 2.31 | 1.93 | 2.90 | 3.28 | 3.44 | 3.29 | 3.31 | 5.24 | 5.45 | 3.18 | 2.77 | *2.55* | *3.00* | Cap'l Spending per sh | *3.95* |
| | 13.70 | 15.29 | 16.75 | 18.03 | 23.64 | 26.26 | 26.62 | 28.64 | 34.98 | 38.48 | 42.37 | 48.56 | 54.73 | 50.94 | 51.66 | 51.23 | *53.30* | *55.90* | Book Value per sh [D] | *66.80* |
| | 377.00 | 370.00 | 359.00 | 344.00 | 376.00 | 369.00 | 361.00 | 368.00 | 366.00 | 366.00 | 365.00 | 365.00 | 360.00 | 356.00 | 356.00 | 353.00 | *352.00* | *349.00* | Common Shs Outst'g [E] | *330.00* |
| | 7.7 | 8.9 | 9.7 | 10.4 | 12.5 | 12.8 | 13.6 | 11.9 | 11.6 | 12.9 | 12.3 | 8.6 | 9.8 | 43.7 | 18.0 | 14.0 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *13.5* |
| | .49 | .56 | .62 | .58 | .66 | .64 | .71 | .60 | .63 | .69 | .63 | .46 | .57 | 2.43 | .94 | .73 | | | Relative P/E Ratio | *.75* |
| | 1.0% | .9% | .9% | 1.4% | .9% | 1.1% | 1.0% | 1.5% | 1.8% | 2.2% | 2.4% | 2.5% | 2.2% | 3.3% | 3.5% | 3.5% | | | Avg Ann'l Div'd Yield | *2.5%* |
| | 36881 | 38260 | 40052 | 42405 | 43185 | 47049 | 53282 | 52881 | 53309 | 54441 | *57025* | *57400* | Sales ($mill) [A] | *60400* |
| | 9.6% | 10.5% | 10.6% | 9.5% | 9.9% | 11.6% | 10.5% | 4.3% | 6.0% | 6.3% | *6.3%* | *6.8%* | Operating Margin | *8.0%* |
| | 705.0 | 761.0 | 943.0 | 1098.0 | 1192.0 | 1214.0 | 1202.0 | 1339.0 | 1400.0 | 1361.0 | *1375* | *1400* | Depreciation ($mill) | *1500* |
| | 1768.0 | 1966.0 | 2273.0 | 1998.0 | 2109.0 | 3022.0 | 3238.0 | 479.0 | 1103.0 | 1470.0 | *1470* | *1650* | Net Profit ($mill) | *2265* |
| | 31.8% | 33.8% | 23.6% | 20.9% | 22.4% | 22.0% | 21.7% | 20.5% | 23.4% | 14.8% | *25.0%* | *25.0%* | Income Tax Rate | *25.0%* |
| | 4.8% | 5.1% | 5.7% | 4.7% | 4.9% | 6.4% | 6.1% | .9% | 2.1% | 2.7% | *2.6%* | *2.9%* | Net Profit Margin | *3.8%* |
| | 2126.0 | 2226.0 | 657.0 | 1656.0 | 3649.0 | 3497.0 | 4317.0 | 2223.0 | 4964.0 | 3527.0 | *4000* | *4350* | Working Cap'l ($mill) | *4725* |
| | 6200.0 | 9297.0 | 7962.0 | 9830.0 | 10791 | 8281.0 | 7862.0 | 7611.0 | 9713.0 | 7921.0 | *7950* | *7900* | Long-Term Debt ($mill) | *7450* |
| | 9608.0 | 10541 | 12803 | 14082 | 15465 | 17723 | 19702 | 18133 | 18390 | 18085 | *18765* | *19510* | Shr. Equity ($mill) | *22040* |
| | 11.9% | 10.6% | 11.7% | 9.1% | 8.9% | 12.4% | 12.4% | 2.6% | 4.8% | 6.4% | *6.0%* | *6.5%* | Return on Total Cap'l | *8.5%* |
| | 18.4% | 18.7% | 17.8% | 14.2% | 13.6% | 17.1% | 16.4% | 2.6% | 6.0% | 8.1% | *8.0%* | *8.5%* | Return on Shr. Equity | *10.5%* |
| | 16.2% | 15.6% | 14.4% | 10.4% | 9.8% | 13.5% | 13.1% | NMF | 2.3% | 4.3% | *4.0%* | *4.5%* | Retained to Com Eq | *6.5%* |
| | 12% | 16% | 19% | 27% | 28% | 21% | 20% | NMF | 62% | 47% | *49%* | *45%* | All Div'ds to Net Prof | *35%* |

**CAPITAL STRUCTURE as of 3/28/26**
**Total Debt** $8083 mill. **LT Interest** $365 mill.
**LT Debt** $7942 mill.
(Long-term interest earned: 5.3x) (30% of Cap'l)
**Leases, Uncapitalized** Annual rentals $232 mill.
**Pension Assets-9/25** $30.0 mill.
**Oblig.** $176 mill.

**Pfd Stock** None
**Common Stock** 352,129,402 shs.
Incl. 70,009,005 Class B shs., which are entitled to 10 votes each. Dividends on Class B shs. cannot exceed 90% of those on Class A shs.

**MARKET CAP: $20.7 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/28/26 |
|---|---|---|---|
| Cash Assets | 1717 | 1229 | 500 |
| Receivables | 2406 | 2524 | 2399 |
| Inventory | 5195 | 5681 | 5478 |
| Other | 433 | 482 | 497 |
| Current Assets | 9751 | 9916 | 8874 |
| Accts Payable | 2402 | 2601 | 2467 |
| Debt Due | 38 | 909 | 141 |
| Other | 2347 | 2879 | 2240 |
| Current Liab. | 4787 | 6389 | 4848 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 4.0% | 5.5% | *3.5%* |
| "Cash Flow" | 4.0% | -5.0% | *9.0%* |
| Earnings | - - | -13.0% | *15.5%* |
| Dividends | 18.5% | 5.5% | *3.5%* |
| Book Value | 8.5% | 6.0% | *4.5%* |

| Fiscal Year Ends | QUARTERLY SALES ($ mill.) [A] Dec.Per | Mar.Per | Jun.Per | Sep.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 13260 | 13133 | 13140 | 13348 | 52881 |
| 2024 | 13319 | 13072 | 13353 | 13565 | 53309 |
| 2025 | 13623 | 13074 | 13884 | 13860 | 54441 |
| 2026 | 14313 | 13653 | *14475* | *14584* | *57025* |
| 2027 | *14400* | *13775* | *14575* | *14650* | *57400* |

| Fiscal Year Ends | EARNINGS PER SHARE [A B] Dec.Per | Mar.Per | Jun.Per | Sep.Per | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | .85 | d.04 | .15 | .38 | 1.34 |
| 2024 | .69 | .62 | .87 | .92 | 3.10 |
| 2025 | 1.14 | .92 | .91 | 1.15 | 4.12 |
| 2026 | .97 | .87 | *1.05* | *1.26* | *4.15* |
| 2027 | *1.15* | *1.02* | *1.13* | *1.35* | *4.65* |

| Calendar | QUARTERLY DIVIDENDS PAID [C] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .46 | .46 | .46 | .48 | 1.86 |
| 2023 | .48 | .48 | .48 | .49 | 1.93 |
| 2024 | .49 | .49 | .49 | .50 | 1.97 |
| 2025 | .50 | .50 | .50 | .51 | 2.01 |
| 2026 | .51 | .51 | | | |

**BUSINESS:** Tyson Foods, Inc. is one of the world's largest processors and marketers of beef, chicken, and pork products. Major customers: grocery chains, wholesale clubs, meat distributors, restaurants, and military commissaries. Brands include *Tyson, Jimmy Dean, Hillshire Farm,* and *Ball Park.* Acq'd AdvancePierre, 6/17; Hillshire Farms, 8/14. Exports generated 8.8% of fiscal '25 sales. Walmart acc'ted for 18.7% of fiscal '25 sales. Has 133,000 employees. Tyson Ltd. Partnership controls 99.9% of Class B shrs.; off./dir., 2.1% of Class A shrs.; Vanguard, 12.6%; BlackRock, 8.8% (12/25). Chairman: John Tyson. CEO: Donnie King. Incorporated: DE. Address: 2200 Don Tyson Parkway, Springdale, AR 72762-6999. Telephone: 479-290-4000. Internet: www.tyson.com.

**Tyson Foods is outperforming expectations thus far in fiscal 2026.** (Fiscal year ends October 3rd.) Through the first six months of fiscal 2026, the meat processor posted adjusted earnings per share of $1.84. That tally was down versus the prior-year total, but came in a bit above the consensus forecast. This is no small feat, given the challenging landscape for the beef industry, which accounts for the largest percentage of the company's annual total sales. A low U.S. cattle supply has wrecked havoc on the category. The shortage of red meat has pushed selling prices higher, but has also caused a sharp reduction in Tyson's beef volume, which was down 10.1% during the first half of fiscal 2026. The beef weakness has been offset by strong showings from Tyson's Chicken and Prepared Foods division. This, along with leadership's focus on cost efficiency, has provided support for the operating margin and ultimately the bottom line. For fiscal 2026, we now expect Tyson to produce a slight earnings-per-share gain, which is a far cry from the low double-digit decline we were estimating at the time of our last full-page report.

**The company, though, faces a challenging operating environment.** The United States Department of Agriculture (USDA) predicts that domestic protein production will increase just 1% compared to fiscal 2025 levels. And even more alarming from a Tyson standpoint, the USDA projects that domestic beef production will decrease approximately 2% in fiscal 2026. Conversely, domestic chicken and pork production will increase approximately 2% each this fiscal year. Nevertheless, beef remains Tyson's biggest processing business and, until there is a sustained improvement in the U.S. red meat conditions, we expect the company to produce only minimal top-line gains.

**Tyson Foods shares have weakened some since our mid-April report.** We would continue to recommend most investors, especially those with a short-term investment horizon, avoid this untimely stock until there are signs that the company's beef processing operations have stabilized. That said, income-oriented investors may find the stock's well-covered quarterly dividend appealing.

*William G. Ferguson* *July 10, 2026*

**(A)** FY ends on the Sat. nearest Sept. 30th. **(B)** Dil. egs. Excl. net nonrecurring gains/losses: '12, d32¢; '13, d29¢; '14, d55¢; '15, d26¢; '17, d52¢; '18, $2.03; '19, 6¢; '20, 8¢; '23, d$3.21; '24, d85¢; '25, d$2.79; '26 Q1-Q2, d87¢. Next earnings report due early August. **(C)** For Class A shs. Div'ds. paid in mid-March, June, Sept., and Dec. Currently pays qtly. div'd. of $0.459/shr. on Class B shrs. Special div'd of 10¢ paid in '13. **(D)** Includes intangibles. At 3/28/26, $14.998 or $42.49/sh. **(E)** In millions.

| | |
|---|---|
| Company's Financial Strength | B+ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 15 |
| Earnings Predictability | 40 |

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# UNIVERSAL CORP. NYSE-UVV

RECENT PRICE **52.96** | P/E RATIO **12.3** (Trailing: 20.1 Median: 15.0) | RELATIVE P/E RATIO **0.68** | DIV'D YLD **6.3%** | **VALUE LINE**

**TIMELINESS** 4 Lowered 6/12/26
**SAFETY** 3 Lowered 7/11/25
TECHNICAL 4 Raised 7/3/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $45-$84 | $65 (20%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 95 | (+80%) | *20%* |
| Low | 65 | (+25%) | *10%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 121 | 71 | 106 |
| to Sell | 106 | 80 | 107 |
| Hld's(000) | 20122 | 20162 | 23013 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 58.9 | 64.2 | 83.4 | 77.0 | 63.2 | 58.3 | 60.9 | 64.1 | 67.5 | 67.8 | 67.3 | 59.4 | | | | | | |
| Low: | 39.0 | 49.9 | 52.1 | 45.9 | 49.1 | 37.0 | 44.9 | 43.6 | 44.4 | 45.2 | 49.4 | 49.2 | | | | | | |

**LEGENDS**
5.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

**Target Price Range** 2029 | 2030 | 2031
200 / 160 / 100 / 80 / 60 / 50 / 40 / 30 / 20

Percent shares traded: 45 / 30 / 15

**% TOT. RETURN 6/29/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -4.0 | 24.7 |
| 3 yr. | 27.6 | 61.3 |
| 5 yr. | 27.8 | 44.7 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 110.65 | 105.21 | 105.45 | 109.50 | 100.55 | 93.33 | 81.95 | 81.58 | 89.12 | 78.21 | 80.90 | 85.69 | 104.66 | 111.85 | 119.25 | 117.34 | *120.85* | *130.45* | Revenues per sh [A] | *165.00* |
| | 7.90 | 5.21 | 6.98 | 7.45 | 6.17 | 5.77 | 5.19 | 5.84 | 5.65 | 4.51 | 5.39 | 5.67 | 7.39 | 7.24 | 6.26 | 5.37 | *6.80* | *8.35* | "Cash Flow" per sh | *16.50* |
| | 5.30 | 3.25 | 4.66 | 5.25 | 4.06 | 3.92 | 3.87 | 3.97 | 4.11 | 2.86 | 3.53 | 3.47 | 4.97 | 4.78 | 3.78 | 2.64 | *4.30* | *5.30* | Earnings per sh [A B] | *11.50* |
| | 1.90 | 1.94 | 1.98 | 2.02 | 2.06 | 2.10 | 2.14 | 2.18 | 2.80 | 3.04 | 3.08 | 3.10 | 3.14 | 3.18 | 3.22 | 3.26 | *3.30* | *3.34* | Div'ds Decl'd per sh [C ■] | *3.46* |
| | 1.68 | 1.64 | 1.32 | 1.97 | 2.58 | 2.08 | 1.41 | 1.37 | 1.55 | 1.44 | 2.70 | 2.17 | 2.23 | 2.69 | 2.53 | 1.96 | *2.10* | *2.60* | Cap'l Spending per sh | *4.50* |
| | 41.85 | 41.73 | 44.79 | 50.19 | 50.95 | 52.94 | 50.90 | 53.85 | 53.50 | 51.05 | 53.33 | 54.60 | 56.90 | 58.49 | 59.01 | 56.79 | *62.50* | *69.60* | Book Value per sh | *95.00* |
| | 23.24 | 23.26 | 23.34 | 23.22 | 22.59 | 22.72 | 25.27 | 24.93 | 24.99 | 24.42 | 24.52 | 24.55 | 24.56 | 24.57 | 24.72 | 24.92 | *24.00* | *23.00* | Common Shs Outst'g [D] | *20.00* |
| | 7.9 | 13.0 | 10.6 | 10.5 | 11.9 | 13.5 | 15.5 | 14.8 | 14.7 | 18.8 | 13.1 | 15.4 | 10.9 | 11.0 | 13.8 | 20.7 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *7.0* |
| | .50 | .82 | .67 | .59 | .63 | .68 | .81 | .74 | .79 | 1.00 | .67 | .83 | .63 | .61 | .72 | 1.13 | | | Relative P/E Ratio | *.40* |
| | 4.5% | 4.6% | 4.0% | 3.7% | 4.3% | 4.0% | 3.6% | 3.7% | 4.6% | 5.6% | 6.7% | 5.8% | 5.8% | 6.0% | 6.2% | 6.0% | | | Avg Ann'l Div'd Yield | *4.3%* |
| | 2071.2 | 2033.9 | 2227.2 | 1910.0 | 1983.4 | 2103.6 | 2569.8 | 2748.6 | 2947.3 | 2924.5 | *2900* | *3000* | Revenues ($mill) [A] | *3300* |
| | 10.6% | 10.1% | 9.8% | 9.0% | 10.6% | 10.5% | 9.3% | 10.3% | 10.3% | 10.5% | *11.0%* | *12.0%* | Operating Margin | *15.0%* |
| | 35.9 | 34.8 | 37.1 | 38.4 | 44.7 | 52.5 | 57.3 | 58.3 | 59.8 | 53.4 | *60.0* | *70.0* | Depreciation ($mill) | *100.0* |
| | 106.3 | 110.8 | 104.1 | 71.7 | 87.4 | 86.6 | 124.1 | 119.6 | 95.0 | 80.5 | *105* | *120* | Net Profit ($mill) | *230* |
| | 33.5% | 33.5% | 27.2% | 31.1% | 23.4% | 27.2% | 8.3% | 19.0% | 26.6% | 45.5% | *46.0%* | *46.0%* | Income Tax Rate | *46.0%* |
| | 5.1% | 5.4% | 4.7% | 3.8% | 4.4% | 4.1% | 4.8% | 4.4% | 3.2% | 2.8% | *3.6%* | *4.1%* | Net Profit Margin | *7.0%* |
| | 1293.4 | 1321.3 | 1334.4 | 1212.2 | 1262.2 | 1229.3 | 1360.9 | 1391.1 | 1405.9 | 1407.5 | *1500* | *1600* | Working Cap'l ($mill) | *1900* |
| | 368.7 | 369.1 | 368.5 | 368.8 | 518.2 | 518.5 | 616.8 | 617.4 | 617.9 | 616.7 | *700* | *800* | Long-Term Debt ($mill) | *1100* |
| | 1286.5 | 1342.4 | 1337.1 | 1246.7 | 1307.3 | 1340.5 | 1397.1 | 1437.2 | 1458.6 | 1415.4 | *1500* | *1600* | Shr. Equity ($mill) | *1900* |
| | 6.9% | 6.9% | 6.5% | 5.0% | 5.4% | 5.4% | 7.4% | 7.4% | 6.5% | 5.8% | *6.5%* | *7.0%* | Return on Total Cap'l | *9.5%* |
| | 8.3% | 8.3% | 7.8% | 5.7% | 6.7% | 6.5% | 8.9% | 8.3% | 6.5% | 5.7% | *7.0%* | *7.5%* | Return on Shr. Equity | *12.0%* |
| | 3.5% | 4.2% | 2.6% | NMF | .9% | .8% | 3.3% | 2.9% | 1.1% | NMF | *1.5%* | *3.0%* | Retained to Com Eq | *8.5%* |
| | 57% | 49% | 67% | 105% | 86% | 88% | 62% | 66% | 84% | NMF | *77%* | *63%* | All Div'ds to Net Prof | *30%* |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $616.7 mill.
**LT Debt** $616.7 mill. **LT Interest** $74.0 mill.
(Total interest coverage: 4.6x)
(30% of Cap'l)
**Leases, Uncapitalized** Annual Rentals $40.2 mill.
**Pension Assets-3/26** $171.0 mill.
**Oblig.** $188.0 mill.

**Common Stock** 24,923,496 shares
**as of 5/28/26**

**MARKET CAP: $1.3 billion (Small Cap)**

| CURRENT POSITION ($MILL.) | 2023 | 2024 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 55.6 | 260.1 | 62.2 |
| Receivables | 525.3 | 625.9 | 576.2 |
| Inventory | 1264.1 | 995.9 | 1213.1 |
| Other | 257.5 | 274.2 | 120.2 |
| Current Assets | 2102.5 | 2156.1 | 1971.7 |
| Accts Payable | 108.7 | 98.0 | 90.6 |
| Debt Due | - - | - - | - - |
| Other | 602.7 | 652.2 | 473.6 |
| Current Liab. | 711.4 | 750.2 | 564.2 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 1.5% | 7.0% | *6.5%* |
| "Cash Flow" | .5% | 5.5% | *17.5%* |
| Earnings | -.5% | 4.0% | *20.5%* |
| Dividends | 4.5% | 1.5% | *1.5%* |
| Book Value | 1.5% | 2.0% | *8.5%* |

| Fiscal Year Begins | QUARTERLY REVENUES ($ mill.) [A] Jun.30 | Sep.30 | Dec.31 | Mar.31 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 517.7 | 638.5 | 821.5 | 770.9 | 2748.6 |
| 2024 | 597.1 | 710.8 | 937.2 | 702.2 | 2947.3 |
| 2025 | 593.8 | 754.2 | 861.3 | 715.2 | 2924.5 |
| 2026 | *590* | *730* | *780* | *800* | *2900* |
| 2027 | *615* | *755* | *805* | *825* | *3000* |

| Fiscal Year Begins | EARNINGS PER SHARE [A B] Jun.30 | Sep.30 | Dec.31 | Mar.31 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | d.08 | 1.12 | 2.12 | 1.62 | 4.78 |
| 2024 | .01 | 1.03 | 2.37 | .37 | 3.78 |
| 2025 | .38 | 1.36 | 1.35 | d.45 | 2.64 |
| 2026 | *.25* | *1.20* | *1.35* | *1.50* | *4.30* |
| 2027 | *.50* | *1.45* | *1.60* | *1.75* | *5.30* |

| Cal-endar | QUARTERLY DIVIDENDS PAID [C ■] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .78 | .78 | .79 | .79 | 3.14 |
| 2023 | .79 | .79 | .80 | .80 | 3.18 |
| 2024 | .80 | .80 | .81 | .81 | 3.22 |
| 2025 | .81 | .81 | .82 | .82 | 3.26 |
| 2026 | .82 | .82 | .83 | | |

**BUSINESS:** Universal Corporation (formerly Universal Leaf Tobacco) is the largest leaf tobacco exporter/importer in the world. Engaged in the purchasing, processing, and selling of tobacco to cigarette, pipe tobacco, and cigar manufacturers. Tobacco sales consist primarily of flue-cured and burley tobaccos. Conducts business in more than 30 countries and employs more than 25,000 permanent and seasonal workers. Officers and directors own 1.9% of common stock; BlackRock, 14.9%; The Vanguard Group, 12.0%; Dimensional Fund Advisors, 7.7%; State Street Corporation, 5.0% (7/25 Proxy). Chairman and CEO: Preston Wigner. Inc.: VA. Address: 9201 Forest Hill Avenue, Richmond, VA 23235. Telephone: 804-359-9311. Internet: www.universalcorp.com.

**Universal's top line is facing some obstacles, but ought to rebound in fiscal 2027.** In fiscal 2025 (Year ended March 31, 2026), revenues at the Tobacco Operations segment declined slightly because of a drop in sales volumes and prices. Persistent customer market headwinds, including tariff impacts and broader softness in the consumer packaged goods sector, negatively affected demand for the company's traditional core products and new offerings. Lower sales of dark, air-cured tobacco were driven by weaker-than-anticipated demand, coupled with longer sales and inventory cycles. Uncommitted tobacco inventory levels were outside leadership's target range, due to delayed customer purchase commitments. The top line will probably slip 1%, to $2.9 billion, in fiscal 2026. On a more positive note, the overall decrease in revenue was partially offset by higher third-party tobacco processing volume and a more favorable product mix. The Ingredients Operations segment benefited from higher sales volume. We believe revenue will recover 3%, to $3.0 billion, in fiscal 2027, assuming demand strengthens.

**The bottom line is currently under pressure, but should bounce back in the coming quarters.** Universal's cost of goods sold has increased due to an uptick in inventory write-downs of dark, air-cured tobacco. The business has incurred a non-cash, goodwill impairment charge of $41.1 million. Selling, general, & administrative expenditures have risen due to higher costs related to the company's ingredients manufacturing facility in Lancaster, Pennsylvania. Nevertheless, this has been partially offset by lower sales commissions and compensation outlays. Overall, operating expenses are declining, as a percentage of revenue. The bottom line will likely expand 63%, to $4.30 a share, in fiscal 2026, as improving volume should lead to better operating leverage. In fiscal 2027, we expect share earnings to step up by a smaller 23%, to $5.30.

**Since our April report, this stock's Timeliness rank has fallen one notch, to 4 (Below Average).** However, Universal's dividend yield is well above the *Value Line* average. This equity is a good selection for income-oriented investors.

*Keith R. Foldesi* *July 10, 2026*

**(A)** Fiscal year ends March 31st. **(B)** Adjusted diluted earnings, which excludes nonrecurring gains/(losses): '25, ($1.34). May not sum to total due to change in shares outstanding and conversion of preferred stock. Next earnings report due early August. **(C)** Dividends historically paid in Feb., May, Aug., and Nov. ■ Div'd. reinvestment plan avail. **(D)** In millions.

| | |
|---|---|
| Company's Financial Strength | B+ |
| Stock's Price Stability | 85 |
| Price Growth Persistence | 10 |
| Earnings Predictability | 70 |

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# VERISK ANALYTICS NDQ-VRSK

RECENT PRICE 193.11 | P/E RATIO 25.0 (Trailing: 27.2 Median: 38.0) | RELATIVE P/E RATIO 1.38 | DIV'D YLD 1.0% | VALUE LINE

TIMELINESS 1 Raised 5/15/26
SAFETY 3 Lowered 7/10/26
TECHNICAL 4 Raised 8/14/26
BETA .85 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $155-$320 | $238 (25%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 485 | (+150%) | *26%* |
| Low | 355 | (+85%) | *17%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 457 | 409 | 477 |
| to Sell | 496 | 344 | 533 |
| Hld's(000) | 127899 | 128304 | 146585 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 82.0 | 86.0 | 98.6 | 126.0 | 165.0 | 210.7 | 231.6 | 227.9 | 249.3 | 296.6 | 322.9 | 226.4 | | | | | | |
| Low: | 62.3 | 64.8 | 75.6 | 90.6 | 104.9 | 116.6 | 159.8 | 156.0 | 169.7 | 217.3 | 197.0 | 155.9 | | | | | | |

LEGENDS
25.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
640 480 400 320 240 200 160 120 80 60

Percent shares traded 18 12 6

% TOT. RETURN 8/3/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | -28.3 | 22.4 |
| 3 yr. | -14.4 | 46.9 |
| 5 yr. | 6.0 | 50.5 |

© VALUE LINE PUB. LLC 29-31

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6.69 | 8.11 | 9.15 | 9.53 | 11.06 | 12.21 | 11.95 | 13.01 | 14.61 | 15.98 | 17.10 | 18.55 | 16.14 | 18.71 | 20.52 | 22.20 | *25.80* | *28.30* | Revenues per sh |
| 1.83 | 2.20 | 2.58 | 2.82 | 3.25 | 4.27 | 4.05 | 4.81 | 5.46 | 4.74 | 6.58 | 6.49 | 6.20 | 7.31 | 8.95 | 9.61 | *10.40* | *11.65* | "Cash Flow" per sh |
| 1.30 | 1.63 | 1.92 | 1.99 | 2.20 | 3.01 | 2.64 | 3.29 | 3.56 | 2.70 | 4.31 | 4.08 | 5.01 | 5.71 | 6.66 | 7.16 | *7.65* | *8.65* | Earnings per sh [A] |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | 1.00 | 1.08 | 1.16 | 1.24 | 1.36 | 1.56 | 1.80 | *2.00* | *2.20* | Div'ds Decl'd per sh [B] |
| .23 | .36 | .44 | .87 | .93 | .98 | .94 | 1.11 | 1.41 | 1.33 | 1.52 | 1.66 | 1.78 | 1.61 | 1.59 | 1.76 | *2.20* | *2.45* | Cap'l Spending per sh |
| d.67 | d.60 | 1.52 | 3.27 | 1.34 | 8.10 | 7.98 | 11.68 | 12.63 | 13.86 | 16.57 | 17.42 | 11.31 | 2.16 | .71 | 2.23 | *d7.30* | *d4.65* | Book Value per sh [C] |
| 170.06 | 164.29 | 167.73 | 167.46 | 157.91 | 169.43 | 166.92 | 164.88 | 163.97 | 163.16 | 162.82 | 161.65 | 154.70 | 143.31 | 140.42 | 138.40 | *125.00* | *122.00* | Common Shs Outst'g [D] |
| 22.5 | 21.0 | 24.4 | 30.9 | 28.2 | 24.2 | 30.0 | 25.6 | 30.8 | NMF | 40.2 | 47.4 | 37.3 | 37.8 | 38.8 | 38.1 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio |
| 1.43 | 1.32 | 1.55 | 1.74 | 1.48 | 1.22 | 1.57 | 1.29 | 1.66 | NMF | 2.06 | 2.56 | 2.15 | 2.10 | 2.03 | 1.98 | | | Relative P/E Ratio |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | .7% | .6% | .6% | .7% | .6% | .6% | .7% | | | Avg Ann'l Div'd Yield |
| 1995.2 | 2145.2 | 2395.1 | 2607.1 | 2784.6 | 2998.6 | 2497.0 | 2681.4 | 2881.7 | 3072.7 | *3225* | *3450* | Revenues ($mill) | | | | | | |
| 49.7% | 48.4% | 47.2% | 39.4% | 49.4% | 50.6% | 51.8% | 53.1% | 54.5% | 57.6% | *53.0%* | *54.0%* | Operating Margin | | | | | | |
| 224.6 | 237.4 | 296.1 | 323.7 | 358.1 | 383.6 | 164.2 | 206.8 | 305.9 | 326.7 | *345* | *370* | Depreciation ($mill) | | | | | | |
| 451.5 | 555.1 | 598.7 | 449.9 | 712.7 | 666.2 | 795.7 | 841.4 | 951.4 | 1002.8 | *955* | *1055* | Net Profit ($mill) | | | | | | |
| 30.9% | 19.7% | 16.8% | 20.8% | 20.6% | 23.9% | 19.2% | 24.3% | 22.6% | 20.8% | *23.0%* | *23.0%* | Income Tax Rate | | | | | | |
| 22.6% | 25.9% | 25.0% | 17.3% | 25.6% | 22.2% | 31.9% | 31.4% | 33.0% | 32.6% | *29.7%* | *30.6%* | Net Profit Margin | | | | | | |
| d120.7 | d740.0 | d680.1 | d746.9 | d636.6 | d940.6 | d1394 | 38.7 | d327.3 | 465.1 | *d275* | *d215* | Working Cap'l ($mill) | | | | | | |
| 2280.2 | 2284.4 | 2050.5 | 2651.6 | 2699.6 | 2342.8 | 2343.2 | 2852.2 | 2546.9 | 3365.2 | *4200* | *4500* | Long-Term Debt ($mill) | | | | | | |
| 1332.4 | 1925.4 | 2070.6 | 2260.8 | 2698.2 | 2816.5 | 1749.3 | 310.0 | 100.1 | 309.0 | *d915* | *d565* | Shr. Equity ($mill) | | | | | | |
| 14.2% | 14.6% | 16.1% | 10.4% | 14.5% | 14.1% | 21.1% | 28.4% | 38.3% | 29.6% | *29.0%* | *27.0%* | Return on Total Cap'l | | | | | | |
| 33.9% | 28.8% | 28.9% | 19.9% | 26.4% | 23.7% | 45.5% | NMF | NMF | NMF | *NMF* | *NMF* | Return on Shr. Equity | | | | | | |
| 33.9% | 28.8% | 28.9% | 12.7% | 19.9% | 17.0% | 34.3% | NMF | NMF | NMF | *NMF* | *NMF* | Retained to Com Eq | | | | | | |
| - - | - - | - - | 36% | 25% | 28% | 25% | 23% | 23% | 25% | *26%* | *26%* | All Div'ds to Net Prof | | | | | | |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $4473.5 mill.
**LT Debt** $4215.8 mill. **LT Interest** $211.2 mill.
(Total interest coverage: 6.7x) (100% of Cap'l)

**Leases, Uncapitalized** Annual rentals $32.4 mill.

**Pension Assets-12/25** $141 mill.
**Obligation** $297 mill.

**Pfd Stock** None
**Common Stock** 130,156,012 shs.
**as of 7/24/26**

**MARKET CAP: $25.1 billion (Large Cap)**

| CURRENT POSITION (MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 291.2 | 2178.2 | 551.4 |
| Receivables | 434.4 | 422.2 | 400.0 |
| Inventories | - - | - - | - - |
| Other | 186.0 | 165.0 | 171.0 |
| Current Assets | 911.6 | 2765.4 | 1122.4 |
| Accts Payable | 249.8 | 319.1 | 254.3 |
| Debt Due | 514.2 | 1508.9 | 257.7 |
| Other | 474.9 | 472.3 | 604.3 |
| Current Liab. | 1238.9 | 2300.3 | 1116.3 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 6.5% | 5.0% | *11.0%* |
| "Cash Flow" | 9.5% | 9.0% | *11.0%* |
| Earnings | 10.5% | 13.0% | *10.5%* |
| Dividends | - - | 18.0% | *8.0%* |
| Book Value | -8.5% | -34.5% | *32.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 651.6 | 675.0 | 677.6 | 677.2 | 2681.4 |
| 2024 | 704.0 | 716.8 | 725.3 | 735.6 | 2881.7 |
| 2025 | 753.0 | 772.6 | 768.3 | 778.8 | 3072.7 |
| 2026 | 782.6 | 806.3 | *810* | *826.1* | *3225* |
| 2027 | *840* | *865* | *865* | *880* | *3450* |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1.29 | 1.51 | 1.52 | 1.39 | 5.71 |
| 2024 | 1.52 | 2.15 | 1.54 | 1.45 | 6.66 |
| 2025 | 1.73 | 1.88 | 1.72 | 1.83 | 7.16 |
| 2026 | 1.82 | 1.98 | *1.95* | *1.90* | *7.65* |
| 2027 | *1.90* | *2.25* | *2.35* | *2.15* | *8.65* |

| Calendar | QUARTERLY DIVIDENDS PAID [B] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .31 | .31 | .31 | .31 | 1.24 |
| 2023 | .34 | .34 | .34 | .34 | 1.36 |
| 2024 | .39 | .39 | .39 | .39 | 1.56 |
| 2025 | .45 | .45 | .45 | .45 | 1.80 |
| 2026 | .50 | .50 | | | |

**BUSINESS:** Verisk Analytics, Inc. provides information about risk. It offers risk assessment services for property/casualty insurers and other entities. Its decision analytics technology helps customers understand and manage risks such as loss protection, fraud detection and prevention, and loss quantification. Key industries served are property and casualty insurance, reinsurance, supply chain, and energy. Sold mortgage unit 3/14 and healthcare unit 6/16. Has 8,000 full- and part-time employees. Officers and directors own less than 1% of stock; Vanguard, 12.3%; BlackRock, 7.8% (4/26 proxy). Chairman: Bruce Hansen. President and CEO: Lee Shavel. Inc.: DE. Address: 545 Washington Boulevard, Jersey City, NJ 07310-1686. Telephone: 201-469-3000. Internet: www.verisk.com.

**Verisk Analytics reported steady growth for the second quarter of 2026.** Revenues grew 4.3% year over year in the June period. Without unfavorable currency headwinds, the figure would have been 5.8%. The company's insurance industry customers are healthy, benefiting from both strong premium growth and improving profitability. The solid results were despite a 4.2% decline in revenues from the transactional segment, due to lower weather-related volumes, and lower travel-related business associated with the conflict in the Middle East. Transaction revenues accounted for 17% of the companywide total. The remaining 83% comes from recurring subscriptions, which provide much more stability. These revenues grew 8% with the help of strong price realizations and renewals. Both underwriting and claims products saw solid mid-single digit growth. All told, adjusted earnings grew almost 6% compared to last year and were $0.03 better than our estimate.

**In May, the company launched an artificial intelligence (AI) offering.** The firm's analytics were integrated into Anthropic's Claude AI model. Insurance customers, as well as property restoration professionals, can access insights from Verisk's analytics through efficient and conversational methods.

**Management has entered into an accelerated share repurchase program.** Over the next few months, the company's bankers will repurchase $200 million of common stock. This should enhance bottom line growth going forward, and given the healthy balance sheet, we would not be surprised to see additional buybacks in the years ahead.

**The stock earns our Highest rank for Timeliness.** Concerns about potential competitive threats from AI and slowing growth led to the pursuit of an acquisition outside of Verisk's core business that has since been abandoned. Still, the stock price dropped more than 40% during the process. Even after a modest recovery, we think positive stock price momentum will continue. Long term, the valuation remains historically attractive and 3- to 5-year total return potential is wide from current levels.

*Tom Mulle, CFA* *August 14, 2026*

**(A)** Adjusted diluted earnings starting in 2025, GAAP prior. Next earnings report due early November.
Excludes extraordinary gains; 2022, $1.79; Excludes discontinued operations; '23, ($0.90).
**(B)** Dividend initiated 2/19. Payment dates in late March, June, September, and December.
**(C)** Incl. intangibles. As of 12/31/25: $2.2 bill., $16.73/sh.
**(D)** In millions.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 80 |
| Price Growth Persistence | 95 |
| Earnings Predictability | 85 |

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# VERISIGN NDQ-VRSN

RECENT PRICE 308.18 | P/E RATIO 31.6 (Trailing: 33.4 Median: 30.0) | RELATIVE P/E RATIO 1.84 | DIV'D YLD 1.0% | VALUE LINE

**TIMELINESS** 2 Raised 9/11/26
**SAFETY** 2 Raised 5/7/21
TECHNICAL 3 Lowered 8/7/26
**BETA** .90 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $236-$443 | $340 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 380 | (+25%) | 7% |
| Low | 280 | (-10%) | -1% |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 297 | 422 | 465 |
| to Sell | 344 | 417 | 385 |
| Hld's(000) | 87408 | 86595 | 96783 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3.94 | 4.84 | 5.70 | 7.22 | 8.53 | 9.62 | 11.08 | 11.94 | 10.12 | 10.55 | 11.15 | 12.01 | 13.53 | 14.74 | 16.39 | 18.03 | *20.80* | *23.05* | Sales per sh | *28.75* |
| .75 | 1.22 | 2.39 | 2.98 | 3.76 | 3.97 | 4.84 | 5.29 | 5.26 | 5.64 | 5.90 | 6.04 | 6.84 | 7.82 | 8.66 | 9.32 | *10.55* | *11.50* | "Cash Flow" per sh | *14.15* |
| .39 | .83 | 1.91 | 2.17 | 2.71 | 2.82 | 3.42 | 3.75 | 4.75 | 5.15 | 5.40 | 5.52 | 6.24 | 7.22 | 8.00 | 8.81 | *9.65* | *10.45* | Earnings per sh [A] | *12.75* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | 2.31 | *3.24* | *3.32* | Div'ds Decl'd per sh [D] | *3.75* |
| .47 | 1.21 | .35 | .49 | .33 | .37 | .26 | .51 | .31 | .35 | .38 | .48 | .26 | .45 | .30 | .25 | *.50* | *.65* | Cap'l Spending per sh | *1.15* |
| 3.92 | d.55 | d.06 | d3.17 | d7.46 | d9.73 | d11.65 | d12.91 | d11.54 | d12.77 | d12.25 | d11.41 | d14.84 | d15.61 | d20.61 | d23.44 | *d22.95* | *d22.40* | Book Value per sh [C] | *d20.65* |
| 172.74 | 159.42 | 153.39 | 133.72 | 118.45 | 110.07 | 103.09 | 97.59 | 120.04 | 116.72 | 113.47 | 110.52 | 105.30 | 101.30 | 95.00 | 91.90 | *85.00* | *82.50* | Common Shs Outst'g [B] | *80.00* |
| NMF | 40.3 | 21.6 | 22.4 | 20.1 | 24.5 | 23.9 | 25.6 | 28.7 | 37.0 | 37.8 | 39.2 | 31.2 | 29.2 | 23.3 | 29.3 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *26.0* |
| NMF | 2.53 | 1.38 | 1.26 | 1.06 | 1.23 | 1.25 | 1.29 | 1.55 | 1.97 | 1.94 | 2.12 | 1.80 | 1.62 | 1.22 | 1.52 | | | Relative P/E Ratio | *1.45* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | .9% | | | Avg Ann'l Div'd Yield | *1.1%* |
| 1142.2 | 1165.1 | 1215.0 | 1231.7 | 1265.1 | 1327.6 | 1424.9 | 1493.1 | 1557.4 | 1656.6 | *1770* | *1900* | Sales ($mill) | *2300* |
| 65.2% | 65.0% | 67.1% | 69.2% | 68.8% | 68.9% | 69.5% | 70.0% | 70.3% | 69.6% | *70.5%* | *71.5%* | Operating Margin | *71.0%* |
| 58.2 | 49.9 | 48.4 | 46.3 | 46.4 | 47.9 | 46.9 | 44.1 | 36.9 | 31.2 | *75.0* | *85.0* | Depreciation ($mill) | *110* |
| 440.6 | 466.2 | 582.5 | 612.3 | 622.9 | 619.3 | 673.8 | 748.3 | 785.7 | 825.7 | *820* | *860* | Net Profit ($mill) | *1020* |
| 24.2% | 22.2% | 20.2% | 19.3% | 17.0% | 20.8% | 23.4% | 23.4% | 23.1% | 22.7% | *21.0%* | *21.0%* | Income Tax Rate | *21.0%* |
| 38.6% | 40.0% | 47.9% | 49.7% | 49.2% | 46.7% | 47.3% | 50.1% | 50.4% | 49.8% | *46.3%* | *45.4%* | Net Profit Margin | *44.3%* |
| 320.3 | 885.7 | 369.4 | 313.4 | 229.2 | 194.7 | d78.2 | d200.2 | d867.3 | d680.6 | *d300* | *d200* | Working Cap'l ($mill) | *500* |
| 1237.2 | 1782.5 | 1785.0 | 1787.6 | 1790.1 | 1785.7 | 1787.9 | 1790.2 | 1492.5 | 1792.2 | *1500* | *1275* | Long-Term Debt ($mill) | *1000* |
| d1201 | d1260 | d1385 | d1490 | d1390 | d1261 | d1562 | d1581 | d1958 | d2154 | *d1950* | *d1850* | Shr. Equity ($mill) | *d1650* |
| NMF | 98.9% | 160.1% | 221.1% | 167.0% | 125.9% | NMF | NMF | NMF | NMF | *NMF* | *NMF* | Return on Total Cap'l | *NMF* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *NMF* | *NMF* | Return on Shr. Equity | *NMF* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | - - | *NMF* | *NMF* | Retained to Com Eq | *NMF* |
| - - | - - | - - | - - | - - | - - | - - | - - | - - | 26% | *34%* | *32%* | All Div'ds to Net Prof | *29%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $2334.4 mill.
**LT Debt** $1785.1 mill. **LT Interest** $75.0 mill.

**Leases, Uncapitalized** $5.1 mill.
**No Defined Benefit Pension Plan**

**Pfd Stock** None

**Common Stock** 90.3 million shs.
**as of 7/17/26**
**MARKET CAP: $27.8 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 599.9 | 580.5 | 1034.1 |
| Receivables | - - | 14.9 | - - |
| Inventory | - - | - - | - - |
| Other | 63.9 | 57.1 | 88.2 |
| Current Assets | 663.8 | 652.5 | 1122.3 |
| Accts Payable | 257.8 | 13.8 | 265.0 |
| Debt Due | 299.8 | 5.8 | 549.3 |
| Other | 973.5 | 1313.5 | 1084.8 |
| Current Liab. | 1531.1 | 1333.1 | 1899.1 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 7.0% | 9.0% | *10.0%* |
| "Cash Flow" | 9.0% | 9.0% | *8.5%* |
| Earnings | 12.0% | 9.5% | *8.0%* |
| Dividends | - - | - - | *30.0%* |
| Book Value | - - | - - | *NMF* |

| Calendar | QUARTERLY SALES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 364.4 | 372.0 | 376.3 | 380.4 | 1493.1 |
| 2024 | 384.3 | 387.1 | 390.6 | 395.4 | 1557.4 |
| 2025 | 402.3 | 409.9 | 419.1 | 425.3 | 1656.6 |
| 2026 | 428.9 | 434.6 | *445* | *461.5* | *1770* |
| 2027 | *465* | *475* | *475* | *485* | *1900* |

| Calendar | EARNINGS PER SHARE [A] [E] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 1.70 | 1.79 | 1.83 | 1.92 | 7.22 |
| 2024 | 1.92 | 2.01 | 2.07 | 2.00 | 8.00 |
| 2025 | 2.10 | 2.21 | 2.27 | 2.23 | 8.81 |
| 2026 | 2.34 | 2.38 | *2.42* | *2.51* | *9.65* |
| 2027 | *2.45* | *2.60* | *2.65* | *2.75* | *10.45* |

| Calendar | QUARTERLY DIVIDENDS PAID Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | - - | - - | - - | - - | - - |
| 2023 | - - | - - | - - | - - | - - |
| 2024 | - - | - - | - - | - - | - - |
| 2025 | - - | .77 | .77 | .77 | 2.31 |
| 2026 | .81 | .81 | .81 | | |

**BUSINESS:** VeriSign, Inc. is a global provider of domain name registry services and Internet infrastructure. The company enables the security, stability, and resiliency of important Internet infrastructure and services, and provides Root Zone Maintainer services. VeriSign has one reportable segment. The company's international sales approximated 34% of the total for 2025. Berkshire Hathaway, Inc. owns 9.9% of common stock; BlackRock, Inc., 8.0%; Ninety One UK Ltd., 5.8%; officers & directors, less than 1.0% (4/26 Proxy). Had 928 employees at 12/31/25. Executive Chairman & Chief Executive Officer: D. James Bidzos. Incorporated: Delaware. Address: 12061 Bluemont Way, Reston, Virginia 20190. Telephone: 703-948-3200. Internet: investor.verisign.com.

**VeriSign stock has risen sharply in value over the past three months.** Following a nearly 25% surge in price since our early July review, VRSN shares recently traded near all-time high territory. Indeed, the investment community appears to be applauding the company's latest quarterly results and solid long-term growth prospects.

**Recent operating metrics are encouraging.** Moderate year-over-year revenue and adjusted earnings growth in the second quarter of 2026 was supported by a 5% increase versus the like-2025 period in .com and .net domain name registrations (ended the June period with 179.1 million). Moreover, the official renewal rate for the most recent stanza improved roughly 80 basis points, year over year, to 76.3%. Lastly, new domain name registrations are trending in the right direction.

**Stock buybacks are ramping up.** The board of directors recently boosted the total repurchase authorization by an additional $884 million, to $1.5 billion. The buyback program has no expiration and should be utilized going forward. Meanwhile, the balance sheet has ample cash reserves, and annual raises to the quarterly dividend payout are likely, although the yield leaves something to be desired.

**Several long-term growth drivers exist here, in our view.** First, the recent, and still relatively early-stage boom of the AI landscape, ought to spark increased demand for registrations. Second, growth in the global e-commerce arena in the years ahead should also be supportive. Meanwhile, the potential for additional price hikes further down the road are encouraging. On balance, given the company's stable business model, we think VeriSign is well positioned to deliver low-double-digit annual revenue growth over the pull to next decade.

**Based on recent price and earnings momentum, short-term-minded accounts are best suited here at this juncture.** Shares of VeriSign have been upgraded one notch on our Timeliness Ranking scale, to 2 (Above Average). On the other hand, total return potential over the 2029-2031 time frame is unenticing. Thus, patient investors would be wise to turn the page.

*Nicholas Patrikis* *October 2, 2026*

**(A)** Diluted earnings. Non-GAAP starting in 2025. Excludes nonrecurring gains/losses: '10, $4.25; '11, 3¢; '12, 4¢; '13, $1.32; '14, (19¢); '17, (7¢); '20, $1.67; '21, $1.48. Next earnings report due late October. **(B)** In millions. **(C)** Includes intangibles. In 2025: $52.5 million, $0.57 per share. **(D)** Special cash dividends of $3.00 per share and $2.75 per share were paid on 12/20/10 and 5/18/11, respectively. Initiated quarterly dividend in Q2 2025 **(E)** Totals may not sum due to rounding.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 80 |
| Price Growth Persistence | 65 |
| Earnings Predictability | 100 |

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# WALMART INC. NDQ-WMT

RECENT PRICE 110.65 | P/E RATIO 38.2 (Trailing: 41.0 Median: 22.0) | RELATIVE P/E RATIO 2.08 | DIV'D YLD 0.9% | VALUE LINE

**TIMELINESS** 3 Lowered 11/28/25
**SAFETY** 1 Raised 2/15/02
TECHNICAL 2 Lowered 7/10/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**

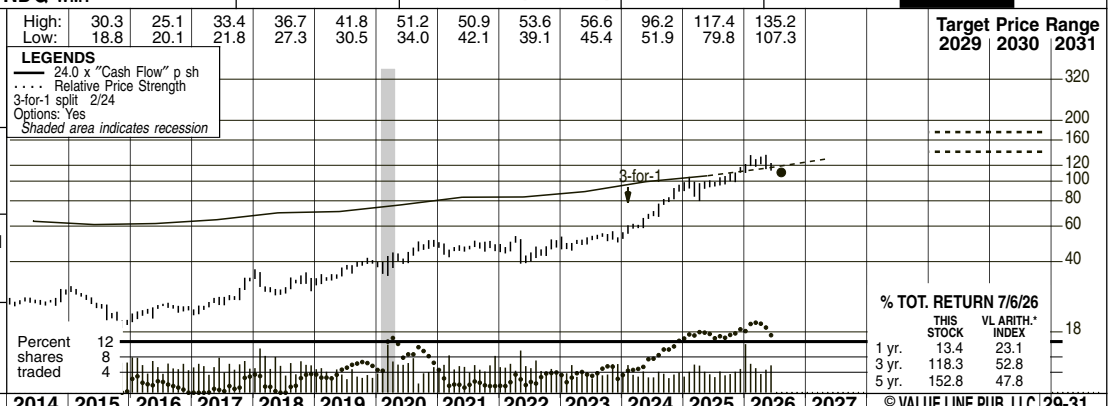
| Low-High | Midpoint (% to Mid) |
|---|---|
| $92-$189 | $141 (25%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 175 | (+60%) | *13%* |
| Low | 140 | (+25%) | *7%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 1956 | 1743 | 1968 |
| to Sell | 1588 | 1495 | 2086 |
| Hld's(000) | 283514 | 291309 | 332593 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 39.99 | 43.59 | 47.19 | 49.11 | 50.15 | 50.83 | 53.14 | 56.50 | 59.58 | 61.67 | 66.07 | 69.15 | 75.66 | 80.47 | 84.87 | 89.49 | ***94.05*** | ***98.20*** | Sales per sh [A] | ***113.55*** |
| 2.14 | 2.31 | 2.56 | 2.64 | 2.64 | 2.55 | 2.57 | 2.69 | 2.91 | 2.95 | 3.19 | 3.48 | 3.48 | 3.70 | 4.14 | 4.44 | ***4.85*** | ***5.40*** | "Cash Flow"per sh | ***6.40*** |
| 1.36 | 1.48 | 1.67 | 1.70 | 1.69 | 1.52 | 1.44 | 1.47 | 1.64 | 1.64 | 1.85 | 2.15 | 2.10 | 2.22 | 2.51 | 2.64 | ***2.90*** | ***3.30*** | Earnings per sh [A B] | ***4.50*** |
| .40 | .49 | .53 | .63 | .64 | .65 | .67 | .68 | .70 | .71 | .72 | .73 | .75 | .76 | .83 | .94 | ***.99*** | ***.99*** | Div'ds Decl'd per sh ■[C] | ***1.25*** |
| 6.50 | 6.95 | 7.68 | 7.86 | 8.41 | 8.49 | 8.51 | 8.79 | 8.40 | 8.79 | 9.56 | 10.05 | 9.49 | 10.41 | 11.34 | 12.50 | ***13.45*** | ***14.75*** | Book Value per sh | ***18.55*** |
| 10548 | 10254 | 9942.0 | 9699.0 | 9684.0 | 9486.0 | 9144.0 | 8856.0 | 8634.0 | 8496.0 | 8463.0 | 8283.0 | 8079.0 | 8054.0 | 8024.0 | 7969.0 | ***7920.0*** | ***7870.0*** | Common Shs Outst'g [D] | ***7750.0*** |
| 13.1 | 12.4 | 13.5 | 14.9 | 15.4 | 15.5 | 16.2 | 18.6 | 18.7 | 22.3 | 23.8 | 21.9 | 22.0 | 23.2 | 29.2 | 38.3 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | ***35.0*** |
| .83 | .78 | .86 | .84 | .81 | .78 | .85 | .94 | 1.01 | 1.19 | 1.22 | 1.18 | 1.27 | 1.29 | 1.53 | 1.99 | | | Relative P/E Ratio | ***1.95*** |
| 2.3% | 2.7% | 2.3% | 2.5% | 2.5% | 2.8% | 2.9% | 2.5% | 2.3% | 1.9% | 1.6% | 1.6% | 1.6% | 1.5% | 1.1% | .9% | | | Avg Ann'l Div'd Yield | ***.8%*** |
| 485873 | 500343 | 514405 | 523964 | 559151 | 572754 | 611289 | 648125 | 680985 | 713163 | ***745000*** | ***773000*** | Sales ($mill) [A] | ***880000*** |
| 25.6% | 25.4% | 25.1% | 24.7% | 24.8% | 25.1% | 24.1% | 24.4% | 24.9% | 24.9% | ***25.0%*** | ***25.0%*** | Gross Margin | ***26.0%*** |
| 6.7% | 6.7% | 6.3% | 6.2% | 6.1% | 6.4% | 5.8% | 6.0% | 6.2% | 6.3% | ***6.5%*** | ***7.0%*** | Operating Margin | ***7.0%*** |
| 11695 | 11718 | 11361 | 11501 | 11443 | 10593 | 10623 | 10500 | 10771 | 10955 | ***10980*** | ***11020*** | Number of Stores | ***11100*** |
| 13452 | 13283 | 14460 | 14081 | 15814 | 18133 | 17196 | 17975 | 20283 | 21171 | ***23115*** | ***26135*** | Net Profit ($mill) | ***34900*** |
| 30.6% | 31.4% | 24.5% | 24.2% | 23.7% | 24.0% | 25.2% | 22.9% | 22.9% | 24.5% | ***24.5%*** | ***24.5%*** | Income Tax Rate | ***24.5%*** |
| 2.8% | 2.7% | 2.8% | 2.7% | 2.8% | 3.2% | 2.8% | 2.8% | 3.0% | 3.0% | ***3.1%*** | ***3.4%*** | Net Profit Margin | ***4.0%*** |
| d9239 | d18857 | d15580 | d15984 | d2578 | d6309 | d16543 | d15538 | d17126 | d22595 | ***d23700*** | ***d24795*** | Working Cap'l ($mill) | ***d26400*** |
| 42018 | 36825 | 50203 | 48021 | 45041 | 39107 | 39492 | 41841 | 39324 | 40529 | ***40580*** | ***40600*** | Long-Term Debt ($mill) | ***38000*** |
| 77798 | 77869 | 72496 | 74669 | 80925 | 83253 | 76693 | 83861 | 91013 | 99617 | ***106390*** | ***116235*** | Shr. Equity ($mill) | ***143760*** |
| 12.1% | 12.1% | 12.7% | 12.5% | 13.4% | 15.6% | 15.7% | 15.4% | 16.6% | 16.1% | ***15.5%*** | ***16.5%*** | Return on Total Cap'l | ***19.0%*** |
| 17.3% | 17.1% | 19.9% | 18.9% | 19.5% | 21.8% | 22.4% | 21.4% | 22.3% | 21.3% | ***21.5%*** | ***22.5%*** | Return on Shr. Equity | ***24.5%*** |
| 9.3% | 9.2% | 11.5% | 10.8% | 12.0% | 14.4% | 14.4% | 14.1% | 14.9% | 13.7% | ***14.0%*** | ***15.5%*** | Retained to Com Eq | ***17.5%*** |
| 46% | 46% | 42% | 43% | 39% | 34% | 36% | 34% | 33% | 35% | ***34%*** | ***30%*** | All Div'ds to Net Prof | ***28%*** |

**CAPITAL STRUCTURE as of 4/30/26**
**Total Debt** $57.278 mill.
**LT Debt** $42.709 bill. **LT Interest** $2.480 bill.
Incl. $5.905 bill. in finance lease obligations.

(Total interest coverage: 10.5x) (30% of Cap'l)

**Leases, Uncapitalized** Annual rentals $2447 mill.

**No Defined Benefit Pension Plan**

**Common Stock** 7,958,079,155 shs.
**as of 5/27/26**

**MARKET CAP: $881 billion (Mega Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 4/30/26 |
|---|---|---|---|
| Cash Assets | 9037 | 10727 | 10729 |
| Receivables | 9975 | 11172 | 10662 |
| Inventory (LIFO) | 56435 | 58851 | 62570 |
| Other | 4011 | 4124 | 4433 |
| Current Assets | 79458 | 84874 | 88394 |
| Accts Payable | 58666 | 63061 | 62876 |
| Debt Due | 6466 | 10994 | 14569 |
| Other | 31452 | 33414 | 37138 |
| Current Liab. | 96584 | 107469 | 114583 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Sales | 5.5% | 6.5% | *4.5%* |
| "Cash Flow" | 4.5% | 6.5% | *8.5%* |
| Earnings | 4.0% | 7.5% | *9.5%* |
| Dividends | 3.0% | 3.5% | *8.0%* |
| Book Value | 3.5% | 5.0% | *7.5%* |

| Fiscal Year Begins | QUARTERLY SALES ($ mill.) [A] Apr.30 | Jul.31 | Oct.31 | Jan.31 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 152301 | 161632 | 160804 | 173388 | 648125 |
| 2024 | 161508 | 169335 | 169588 | 180554 | 680985 |
| 2025 | 165609 | 177402 | 179496 | 190656 | 713163 |
| 2026 | 177751 | ***184000*** | ***186000*** | ***197249*** | ***745000*** |
| 2027 | ***180000*** | ***192000*** | ***194000*** | ***207000*** | ***773000*** |

| Fiscal Year Begins | EARNINGS PER SHARE [A B] Apr.30 | Jul.31 | Oct.31 | Jan.31 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | .49 | .61 | .51 | .61 | 2.22 |
| 2024 | .60 | .67 | .58 | .66 | 2.51 |
| 2025 | .61 | .68 | .62 | .74 | 2.64 |
| 2026 | .66 | ***.74*** | ***.70*** | ***.80*** | ***2.90*** |
| 2027 | ***.75*** | ***.85*** | ***.75*** | ***.95*** | ***3.30*** |

| Cal-endar | QUARTERLY DIVIDENDS PAID ■ [C] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .18 | .37 | .19 | - - | .75 |
| 2023 | .19 | .38 | .19 | - - | .76 |
| 2024 | .2075 | .415 | .2075 | - - | .83 |
| 2025 | .2075 | .470 | .235 | - - | .91 |
| 2026 | .235 | .2475 | | | |

**BUSINESS:** Walmart Inc. owns the world's largest retail chain, operating 3,566 supercenters (includes grocery departments), 351 discount stores, 601 Sam's Clubs, and 694 Neighborhood Markets in the U.S., plus 5,743 foreign stores, many in Latin America, with the rest in Asia, Canada, and the U.K., as of 1/31/26. Total store space: 1.057 billion square feet. Retail space is largely owned, and most stores are within 400 miles of a distribution center. Groceries accounted for 60% of U.S. sales; sales per square foot in 2025: about $647. Has 2,100,000 employees. Off./dir. own less than 1% of shares (4/26 proxy). Chairman: Gregory B. Penner. CEO and Pres.: John Furner. Inc.: DE. Addr.: 702 S.W. 8th St., Bentonville, AR 72716. Tel.: 479-273-4000. Internet: www.walmart.com.

**Walmart continues to invest in areas that strengthen its competitive position as the world's largest retailer.** The company is taking an enterprise approach to its platforms, scaling tech-powered businesses such as advertising and fulfillment services, alongside its core retail operations, to drive growth at decreasing marginal cost. Indeed, Walmart is becoming progressively more AI-native, serving customer needs in a manner that previous technologies simply could not meet. *Sparky,* the company's AI shopping agent, is enabling easier and more personalized shopping that continues to result in an average order value that exceeds those conducted without the AI agent by roughly 35%.

**The company is also becoming faster and more reliable with its order fulfillment.** During the recent quarter, enterprise e-commerce sales grew 26%, with the company delivering more than 3.5 billion units, same or next day, globally. Investments in the supply chain and AI are improving inventory positioning while enabling more effective real-time fulfillment decisions. Within Walmart U.S., delivery expanded 45%, with more than 36% of all U.S. store-fulfilled deliveries completed in under three hours. Meanwhile, at Sam's Club U.S., delivery grew by more than 90%, with sales mix achieved through e-commerce reaching an all-time high.

**Walmart is strengthening its business mix by scaling higher-margin segments.** These include advertising, marketplace, and membership, each of which are becoming increasingly more meaningful contributors to overall profitability. During the March interim, global advertising grew by 37%, U.S. marketplace sales increased by nearly 50%, and enterprise membership fee revenue expanded 17%. Collectively, these profitable units represent approximately one-third of blended operating income.

**Walmart stock is ranked 3 (Average) for Timeliness.** The shares have decreased almost 13% in value since our April review, and offer slightly above average total-return potential to 2029-2031 from the recent quotation. Investors seeking defensive growth may wish to take a closer look.

*Steven Brachman* *July 17, 2026*

**(A)** Fiscal year ends Jan. 31st of following calendar year. Sales exclude rentals from licensed depts. **(B)** Based on adjusted diluted shares. May not sum due to rounding. Next earnings report due August 20th. **(C)** Divds. historically paid in January., April, May, and Sept.■ Dividend reinvestment plan available. **(D)** In millions.

| | |
|---|---|
| Company's Financial Strength | A++ |
| Stock's Price Stability | 95 |
| Price Growth Persistence | 85 |
| Earnings Predictability | 100 |

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# AMERICAN WATER NYSE-AWK

RECENT PRICE 133.97 | P/E RATIO 21.5 (Trailing: 23.2 Median: 29.0) | RELATIVE P/E RATIO 1.25 | DIV'D YLD 2.7% | VALUE LINE

**TIMELINESS** 4 Lowered 5/30/25
**SAFETY** 2 Raised 10/4/24
TECHNICAL 3 Raised 10/2/26
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $113-$177 | $145 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 230 | (+70%) | 17% |
| Low | 170 | (+25%) | 9% |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 352 | 534 | 537 |
| to Sell | 461 | 519 | 524 |
| Hld's(000) | 181000 | 215608 | 215511 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 61.2 | 85.2 | 92.4 | 98.2 | 129.9 | 172.6 | 189.6 | 189.3 | 162.6 | 150.7 | 155.5 | 142.4 | | | | | | |
| Low: | 48.4 | 58.9 | 70.0 | 76.0 | 88.0 | 92.0 | 131.0 | 122.8 | 114.3 | 113.3 | 118.7 | 120.6 | | | | | | |

LEGENDS
17.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2029 | 2030 | 2031: 320, 200, 160, 120, 100, 80, 60, 40, 18

Percent shares traded: 21, 14, 7

% TOT. RETURN 9/21/26

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 1.8 | 18.2 |
| 3 yr. | 7.9 | 54.8 |
| 5 yr. | -16.4 | 50.7 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 15.49 | 15.18 | 16.25 | 16.28 | 16.78 | 17.72 | 18.54 | 18.81 | 19.04 | 19.97 | 20.83 | 21.58 | 20.85 | 21.74 | 24.03 | 27.67 | *26.65* | *28.45* | Revenues per sh | *33.00* |
| | 3.56 | 3.73 | 4.27 | 4.36 | 4.75 | 5.13 | 5.26 | 5.14 | 6.15 | 6.65 | 7.24 | 10.46 | 8.08 | 8.46 | 9.43 | 10.27 | *10.50* | *11.25* | "Cash Flow" per sh | *12.85* |
| | 1.53 | 1.72 | 2.11 | 2.06 | 2.39 | 2.64 | 2.62 | 2.38 | 3.15 | 3.43 | 3.91 | 6.95 | 4.51 | 4.90 | 5.39 | 5.69 | *6.05* | *6.60* | Earnings per sh [A] | *8.00* |
| | .86 | .90 | 1.21 | .84 | 1.21 | 1.33 | 1.47 | 1.62 | 1.78 | 1.96 | 2.15 | 2.36 | 2.57 | 2.78 | 3.00 | 3.25 | *3.50* | *3.75* | Div'd Decl'd per sh [B]■ | *4.90* |
| | 4.38 | 5.27 | 5.25 | 5.50 | 5.33 | 6.51 | 7.36 | 8.04 | 8.78 | 9.15 | 10.05 | 9.71 | 12.63 | 13.22 | 14.65 | 16.02 | *17.50* | *16.50* | Cap'l Spending per sh | *15.00* |
| | 23.59 | 24.11 | 25.11 | 26.52 | 27.39 | 28.25 | 29.24 | 30.13 | 32.42 | 33.83 | 35.58 | 40.18 | 42.30 | 50.31 | 53.01 | 55.52 | *57.50* | *61.25* | Book Value per sh [D] | *70.40* |
| | 175.00 | 175.66 | 176.99 | 178.25 | 179.46 | 178.28 | 178.10 | 178.44 | 180.68 | 180.81 | 181.30 | 181.61 | 181.86 | 194.73 | 194.92 | 195.18 | *203.50* | *204.00* | Common Shs Outst'g [C] | *206.00* |
| | 14.6 | 16.8 | 16.7 | 19.9 | 20.0 | 20.5 | 27.7 | 33.8 | 27.3 | 32.9 | 35.3 | 23.6 | 33.6 | 28.6 | 24.4 | 25.6 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *25.0* |
| | .93 | 1.05 | 1.06 | 1.12 | 1.05 | 1.03 | 1.45 | 1.70 | 1.47 | 1.75 | 1.81 | 1.28 | 1.94 | 1.59 | 1.28 | 1.33 | | | Relative P/E Ratio | *1.40* |
| | 3.8% | 3.1% | 3.4% | 2.0% | 2.5% | 2.5% | 2.0% | 2.0% | 2.1% | 1.7% | 1.6% | 1.4% | 1.7% | 2.0% | 2.3% | 2.4% | | | Avg Ann'l Div'd Yield | *2.5%* |
| | | | | | | | 3302.0 | 3357.0 | 3440.0 | 3610.0 | 3777.0 | 3920.0 | 3792.0 | 4234.0 | 4684.0 | 5140.0 | *5420* | *5800* | Revenues ($mill) | *6800* |
| | | | | | | | 468.0 | 426.0 | 567.0 | 621.0 | 709.0 | 1263.0 | 820.0 | 944.0 | 1051.0 | 1111.0 | *1230* | *1345* | Net Profit ($mill) | *1650* |
| | | | | | | | 39.2% | 53.3% | 28.2% | 25.5% | 23.3% | 23.0% | 18.7% | 21.1% | 22.7% | 21.9% | *22.0%* | *22.5%* | Income Tax Rate | *22.0%* |
| | | | | | | | - - | - - | - - | - - | - - | - - | - - | - - | 5.1% | 3.5% | *3.5%* | *3.5%* | AFUDC % to Net Profit | *4.0%* |
| | | | | | | | 52.4% | 54.7% | 56.3% | 58.5% | 59.1% | 58.6% | 58.7% | 54.5% | 54.8% | 54.0% | *54.5%* | *55.0%* | Long-Term Debt Ratio | *56.0%* |
| | | | | | | | 47.5% | 45.3% | 43.6% | 41.4% | 40.9% | 41.4% | 41.3% | 45.5% | 45.2% | 46.0% | *45.5%* | *45.0%* | Common Equity Ratio | *44.0%* |
| | | | | | | | 10967 | 11875 | 13433 | 14760 | 15787 | 17639 | 18619 | 21512 | 22850 | 23617 | *25700* | *27750* | Total Capital ($mill) | *33000* |
| | | | | | | | 14992 | 16246 | 17409 | 18232 | 19710 | 21084 | 23223 | 25438 | 28038 | 30576 | *32000* | *34000* | Net Plant ($mill) | *40000* |
| | | | | | | | 5.6% | 4.9% | 5.4% | 5.4% | 5.7% | 8.2% | 5.5% | 5.4% | .7% | 5.8% | *5.0%* | *5.0%* | Return on Total Cap'l | *5.0%* |
| | | | | | | | 9.0% | 7.9% | 9.7% | 10.1% | 11.0% | 17.3% | 10.7% | 9.6% | 10.2% | 10.3% | *10.5%* | *11.0%* | Return on Shr. Equity | *11.5%* |
| | | | | | | | 9.0% | 7.9% | 9.7% | 10.1% | 11.0% | 17.3% | 10.7% | 9.6% | 10.2% | 10.3% | *10.5%* | *11.0%* | Return on Com Equity | *11.5%* |
| | | | | | | | 4.0% | 2.5% | 4.2% | 4.4% | 5.0% | 11.4% | 4.6% | 4.2% | 4.5% | 4.1% | *4.5%* | *4.5%* | Retained to Com Eq | *4.5%* |
| | | | | | | | 56% | 68% | 56% | 57% | 55% | 34% | 57% | 56% | 56% | 60% | *58%* | *57%* | All Div'ds to Net Prof | *61%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $15988 mil.
**LT Debt** $14043 mil. **LT Interest** $500.0 mil. (55% of Cap'l)

**Leases, Uncapitalized:** Annual rentals $12.0 mill.
**Pension Assets 12/25** $1411.0 mill **Oblig.** $1518.0 mill.
**Pfd Stock** $3.0 mill. **Pfd Div'd** $.1 mill

**Common Stock** 198,729,000 shares as of 7/20/26

**MARKET CAP: $26.6 billion (Large Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 125 | 119 | 209 |
| Accts Receivable | 416 | 395 | 432 |
| Other | 74 | 1677 | 1068 |
| Current Assets | 1215 | 2191 | 1709 |
| Accts Payable | 346 | 378 | 326 |
| Debt Due | 1516 | 3067 | 1945 |
| Other | 1288 | 1302 | 998 |
| Current Liab. | 3150 | 4747 | 3269 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 3.0% | 3.0% | *5.5%* |
| "Cash Flow" | 7.0% | 7.5% | *5.5%* |
| Earnings | 8.5% | 10.5% | *7.0%* |
| Dividends | 10.0% | 9.5% | *8.5%* |
| Book Value | 6.5% | 8.5% | *5.0%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 938.0 | 1097 | 1167 | 1032 | 4234.0 |
| 2024 | 1011 | 1149 | 1323 | 1201 | 4684.0 |
| 2025 | 1142 | 1276 | 1451 | 1271 | 5140.0 |
| 2026 | 1207 | 1355 | *1550* | *1308* | *5420* |
| 2027 | *1300* | *1450* | *1600* | *1450* | *5800* |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .91 | 1.45 | 1.66 | .88 | 4.90 |
| 2024 | .95 | 1.42 | 1.80 | 1.22 | 5.39 |
| 2025 | 1.05 | 1.48 | 1.94 | 1.22 | 5.69 |
| 2026 | 1.01 | 1.61 | *2.10* | *1.33* | *6.05* |
| 2027 | *1.20* | *1.70* | *2.25* | *1.45* | *6.60* |

| Calendar | QUARTERLY DIVIDENDS PAID [B]■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .6025 | .655 | .655 | .655 | 2.57 |
| 2023 | .655 | .7075 | .7075 | .7075 | 2.78 |
| 2024 | .7075 | .765 | .765 | .765 | 3.00 |
| 2025 | .765 | .8275 | .8275 | .8275 | 3.25 |
| 2026 | .8275 | .895 | .895 | | |

**BUSINESS:** American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to approximately 14 million people in 24 states. Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 92% of 2025 revenues. Pennsylvania (24%); New Jersey (23%); Missouri (12%); and Illinois (12%) are its largest markets. Has 7,000 employees. Vanguard owns 12.3% of outstanding shares; BlackRock, 10.1%; State St., 5.7%; officers & directors, less than 1.0% (3/26 Proxy). President & Chief Executive Officer: John C. Griffith. Address: 1 Water Street, Camden, NJ 08102. Telephone: 856-346-8200. Internet: www.amwater.com.

**American Water Works is inching closer to satisfying terms of the previously announced merger with Essential Utilities.** Following several state regulatory approvals from Kentucky, Virginia, and Ohio earlier this year, the remaining approvals, including Texas, which has already reached a tentative agreement, are likely to be finalized in the months ahead. Moreover, the waiting period under the HSR Antitrust Improvements Act has been satisfied. Adding it all up, the roughly $63 billion merger is on track to be completed in the first quarter of 2027. Essential stockholders will receive .305 of a share of American Water for each share held.

**The company recently completed an acquisition.** American Water's Missouri subsidiary closed the purchase of water and wastewater systems from the City of Neosho, further expanding its operating footprint in the area. Approximately $35 million worth of upgrades are expected imminently, and more than 10,000 customer connections were added to the roster. Indeed, this aligns nicely with management's secular growth-through-acquisition strategy, given the country's highly fragmented water and wastewater landscape.

**Aggressive capital investment ought to remain a top priority over the pull to next decade.** To start, American Water anticipates full-year spending on aging pipelines and water delivery systems to be in the realm of $4 billion this year. And by 2030, total investment may well reach $20 billion. Infrastructure renewal projects ought to command the largest allocation, while water quality (PFAS treatment enhancements) and operational efficiency and resiliency should also be key investment areas. On balance, we look for steady increases to customer base rates over the next several years.

**Good-quality American Water shares hold some long-term appeal.** Alluring 3- to 5-year total return potential is supported by an above-average dividend yield. The stock also earns a favorable score for Price Stability. On the other hand, the equity is ranked to trail the year-ahead broader market averages and thus is not a suitable selection for short-term-minded accounts.

*Nicholas Patrikis* *October 2, 2026*

**(A)** Diluted earnings. Excludes nonrecurring losses: '11, $0.07. Discontinued operations: '11, $0.03; '12, ($0.10); '13,($0.01). GAAP used 2014-2025. Includes $2.70 sh. gain from sale of HOS sub. in Q4,'21. Next earnings report due early November.
**(B)** Dividends paid in March, June, September, and December. ■ Div. reinvestment available.
**(C)** In millions. **(D)** Includes intangibles. On 12/31/25: $1.156 billion, $5.92/share.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 50 |
| Earnings Predictability | 65 |

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# CHESAPEAKE UTIL. NYSE-CPK

RECENT PRICE 132.36 | P/E RATIO 19.8 (Trailing: 21.1 Median: 23.0) | RELATIVE P/E RATIO 1.09 | DIV'D YLD 2.3% | VALUE LINE

**TIMELINESS** 4 Lowered 6/20/25
**SAFETY** 2 New 6/5/15
TECHNICAL 3 Raised 8/14/26
**BETA** .70 (1.00 = Market)

**18-Month Target Price Range**

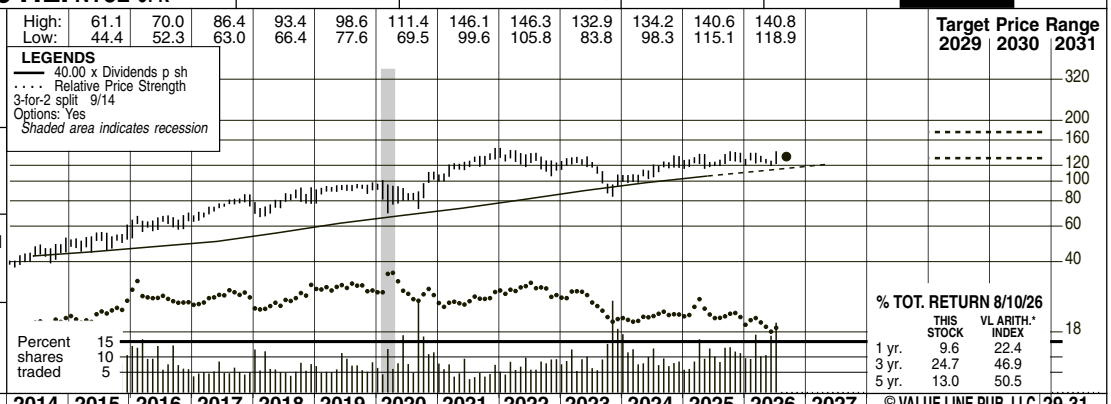
| Low-High | Midpoint (% to Mid) |
|---|---|
| $115-$182 | $149 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 175 | (+30%) | *10%* |
| Low | 130 | (Nil) | *2%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 141 | 105 | 173 |
| to Sell | 145 | 112 | 126 |
| Hld's(000) | 21327 | 21370 | 23668 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 29.93 | 29.13 | 27.26 | 30.73 | 34.19 | 30.07 | 30.60 | 37.79 | 43.81 | 29.24 | 27.96 | 32.28 | 38.37 | 30.16 | 34.38 | 38.92 | *43.35* | *48.35* | Revenues per sh | *72.10* |
| 3.50 | 3.69 | 3.95 | 4.35 | 4.73 | 5.05 | 5.16 | 5.42 | 6.47 | 6.50 | 7.37 | 8.28 | 8.87 | 6.87 | 8.05 | 9.74 | *11.45* | *13.20* | "Cash Flow" per sh | *18.25* |
| 1.82 | 1.91 | 1.99 | 2.26 | 2.47 | 2.68 | 2.86 | 2.68 | 3.45 | 3.72 | 4.21 | 4.73 | 4.97 | 4.73 | 5.26 | 6.01 | *6.55* | *7.15* | Earnings per sh A | *9.50* |
| .87 | .91 | .96 | 1.01 | 1.07 | 1.12 | 1.19 | 1.26 | 1.39 | 1.55 | 1.69 | 1.84 | 2.03 | 2.25 | 2.46 | 2.65 | *2.84* | *3.04* | Div'ds Decl'd per sh B■ | *3.65* |
| 3.18 | 3.28 | 5.00 | 6.72 | 6.66 | 9.47 | 10.42 | 10.73 | 16.47 | 11.26 | 9.48 | 10.59 | 7.23 | 8.48 | 15.52 | 18.77 | *23.95* | *25.00* | Cap'l Spending per sh | *24.75* |
| 15.84 | 16.78 | 17.82 | 19.28 | 20.59 | 23.45 | 27.36 | 29.75 | 31.65 | 34.23 | 39.92 | 43.85 | 46.94 | 56.04 | 60.71 | 66.89 | *75.05* | *81.35* | Book Value per sh | *90.00* |
| 14.29 | 14.35 | 14.40 | 14.46 | 14.59 | 15.27 | 16.30 | 16.34 | 16.38 | 16.40 | 17.46 | 17.66 | 17.74 | 22.24 | 22.90 | 23.90 | *24.00* | *24.00* | Common Shs Outst'g C | *26.00* |
| 12.2 | 14.2 | 14.8 | 15.6 | 17.7 | 19.1 | 21.8 | 27.8 | 22.9 | 24.7 | 21.6 | 25.6 | 25.8 | 24.3 | 21.5 | 21.0 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *16.0* |
| .78 | .89 | .94 | .88 | .93 | .96 | 1.14 | 1.40 | 1.24 | 1.32 | 1.11 | 1.38 | 1.49 | 1.35 | 1.13 | 1.09 | | | Relative P/E Ratio | *.90* |
| 3.9% | 3.4% | 3.3% | 2.9% | 2.4% | 2.2% | 1.9% | 1.7% | 1.8% | 1.7% | 1.9% | 1.5% | 1.6% | 2.0% | 2.2% | 2.1% | | | Avg Ann'l Div'd Yield | *2.4%* |
| 498.9 | 617.6 | 717.5 | 479.6 | 488.2 | 570.0 | 680.7 | 670.6 | 787.2 | 930.0 | *1040* | *1160* | Revenues ($mill) | *1875* |
| 44.7 | 43.8 | 56.6 | 61.1 | 70.6 | 83.5 | 88.4 | 87.2 | 118.6 | 141.1 | *155* | *170* | Net Profit ($mill) | *250* |
| 38.8% | 39.5% | 27.1% | 25.6% | 25.0% | 25.9% | 27.4% | 24.4% | 26.7% | 27.4% | *27.5%* | *27.5%* | Income Tax Rate | *29.0%* |
| 9.0% | 7.1% | 7.9% | 12.7% | 14.5% | 14.6% | 13.0% | 13.0% | 15.1% | 15.2% | *14.9%* | *14.7%* | Net Profit Margin | *13.3%* |
| 23.5% | 28.9% | 37.9% | 43.9% | 42.2% | 41.5% | 41.0% | 48.8% | 47.6% | 45.4% | *45.0%* | *45.0%* | Long-Term Debt Ratio | *48.0%* |
| 76.5% | 71.1% | 62.1% | 56.1% | 57.8% | 58.5% | 59.0% | 51.2% | 52.4% | 54.6% | *55.0%* | *55.0%* | Common Equity Ratio | *52.0%* |
| 583.0 | 683.7 | 834.5 | 1001.7 | 1205.6 | 1324.0 | 1411.2 | 2433.2 | 2651.9 | 2925.6 | *3275* | *3550* | Total Capital ($mill) | *4500* |
| 986.7 | 1126.0 | 1384.0 | 1463.8 | 1601.2 | 1744.9 | 1810.5 | 2456.4 | 2735.9 | 3118.4 | *3480* | *3760* | Net Plant ($mill) | *4700* |
| 8.6% | 7.3% | 7.8% | 7.2% | 6.8% | 7.1% | 7.1% | 4.3% | 5.8% | 6.1% | *6.0%* | *6.0%* | Return on Total Cap'l | *7.0%* |
| 10.0% | 9.0% | 10.9% | 10.9% | 10.1% | 10.8% | 10.6% | 7.0% | 8.5% | 8.8% | *8.5%* | *8.5%* | Return on Shr. Equity | *10.5%* |
| 10.0% | 9.0% | 10.9% | 10.9% | 10.1% | 10.8% | 10.6% | 7.0% | 8.5% | 8.8% | *8.5%* | *8.5%* | Return on Com Equity | *10.5%* |
| 6.1% | 4.9% | 6.7% | 6.5% | 6.2% | 6.7% | 6.4% | 3.8% | 4.6% | 5.0% | *5.0%* | *5.0%* | Retained to Com Eq | *6.5%* |
| 39% | 45% | 39% | 40% | 38% | 38% | 40% | 46% | 46% | 43% | *44%* | *43%* | All Div'ds to Net Prof | *38%* |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $1687.7 mill.
**LT Debt** $1317.9 mill. **LT Interest** $72.5 mill.
(LT interest earned: 3.7x; total interest coverage: 3.7x) (44% of Cap'l)

**Pfd Stock** None
**Pension Assets-12/25** $50.0 mill.
**Oblig.** $46.3 mill.
**Common Stock** 24,106,455 shs.
**as of 8/3/26**

**MARKET CAP: $3.2 billion (Small Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 7.9 | 1.8 | .4 |
| Other | 196.4 | 235.2 | 187.6 |
| Current Assets | 204.3 | 237.0 | 188.0 |
| Accts Payable | 78.3 | 115.2 | 93.6 |
| Debt Due | 222.0 | 292.6 | 369.8 |
| Other | 119.1 | 122.1 | 131.3 |
| Current Liab. | 419.4 | 529.9 | 594.7 |
| Fix. Chg. Cov. | 393% | 405% | 425% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 1.0% | .5% | *13.0%* |
| "Cash Flow" | 5.5% | 4.0% | *14.5%* |
| Earnings | 8.0% | 7.0% | *10.0%* |
| Dividends | 8.5% | 9.5% | *7.0%* |
| Book Value | 11.0% | 11.5% | *6.5%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 218.1 | 135.6 | 131.5 | 185.4 | 670.6 |
| 2024 | 245.7 | 166.3 | 160.1 | 215.1 | 787.2 |
| 2025 | 298.7 | 192.8 | 179.6 | 258.9 | 930.0 |
| 2026 | 353.1 | 201.9 | *198.1* | *286.9* | *1040* |
| 2027 | *390* | *230* | *225* | *315* | *1160* |

| Calendar | EARNINGS PER SHARE A Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 2.04 | .90 | .53 | 1.26 | 4.73 |
| 2024 | 2.07 | .82 | .78 | 1.60 | 5.26 |
| 2025 | 2.22 | 1.04 | .82 | 1.94 | 6.01 |
| 2026 | 2.47 | 1.05 | *.95* | *2.08* | *6.55* |
| 2027 | *2.62* | *1.20* | *1.10* | *2.23* | *7.15* |

| Calendar | QUARTERLY DIVIDENDS PAID B■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .48 | .48 | .535 | .535 | 2.03 |
| 2023 | .535 | .535 | .59 | .59 | 2.25 |
| 2024 | .59 | .59 | .64 | .64 | 2.46 |
| 2025 | .64 | .64 | .685 | .685 | 2.65 |
| 2026 | .685 | .685 | .735 | | |

**BUSINESS:** Chesapeake Utilities Corporation consists of two main units. The Regulated Energy segment distributes natural gas in Delaware, Maryland, and Florida; distributes electricity in Florida; and transmits natural gas on the Delmarva Peninsula and in Florida. The Unregulated Energy operation wholesales and distributes propane; markets natural gas; and provides other unregulated energy services, including midstream services in Ohio. Revenue breakdown for 2025: Regulated Energy, 74.0%; Unregulated Energy, 29.2%; Other, d3.2%. Officers and directors own 1.4% of common stock; BlackRock, 16.1% (3/26 Proxy). Chairman and CEO: Jeffry Householder. Inc.: DE. Address: 500 Energy Lane, Dover, DE 19901. Tel.: (302) 734-6799. Internet: www.chpk.com.

**Chesapeake Utilities has registered decent results thus far in 2026.** During the first half, earnings per share grew 8%, to $3.52, versus last year's $3.26 tally. One factor was transmission system expansions to support increased distribution demand. Other positives included contributions from regulated infrastructure programs and improved rates from certain rate cases completed in 2025. So, at this juncture, it seems that full-year profits will finish in the neighborhood of $6.55 a share. That would indicate a nearly 10% advance relative to 2025's $6.01 figure. Regarding 2027, the bottom line may rise at a similar percentage rate, to $7.15 per share. That improvement ought to be made possible by such factors as additional expansion of the customer base, new projects, and rate cases.

**The balance sheet is solid.** When the June interim concluded, long-term debt appeared manageable (i.e., 44% of total capital). Too, short-term borrowings of $369.8 million were not a big obstacle. Also, $207.1 million was available, out of $650.0 million, through a revolving credit facility.

**Capital expenditures for this year are now expected to be between $550 million and $600 million.** (They were raised from the earlier $450 million-$500 million target due to advances on various projects.) The bulk of the investments are being deployed to the Regulated Energy division, with a focus on the natural gas distribution and transmission segments. Moreover, Chesapeake projects total capital spending to exceed $2.2 billion (up from a previous range of $1.5 billion and $1.8 billion partly because of a recently announced project) for the five-year period between 2024 and 2028. All told, we think those objectives can be reached assuming, of course, that finances remain sound.

**The equity is not an enticing choice at this juncture.** The dividend yield looks unimpressive when measured against *Value Line's* Natural Gas Utility average. Also, 3- to 5-year capital appreciation potential lacks appeal. That's because the recent quotation already lies within our Target Price Range. Meanwhile, these shares possess a 4 (Below Average) rank for Timeliness.

*Frederick L. Harris, III* *August 21, 2026*

**(A)** Adjusted diluted EPS starting in 2025. Excludes nonrecurring gains (loss): '15, 6¢; '17, 87¢; '22, 8¢; '25, (4¢). Excludes discontinued operations: '19, 24¢; '20, 5¢. Next earnings report due early Nov. Quarters for '24 don't add up to total due to rounding. **(B)** Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan. Direct stock purchase plan available. **(C)** In millions, adjusted for split.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 95 |
| Price Growth Persistence | 65 |
| Earnings Predictability | 100 |

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# ESSENTIAL UTIL. NYSE-WTRG

RECENT PRICE **40.48** | P/E RATIO **16.6** (Trailing: 20.1 Median: 26.0) | RELATIVE P/E RATIO **0.97** | DIV'D YLD **3.4%** | **VALUE LINE**

**TIMELINESS** — [E]
**SAFETY** **2** Raised 4/5/24
TECHNICAL — [E]
**BETA** .80 (1.00 = Market)

**18-Month Target Price Range**

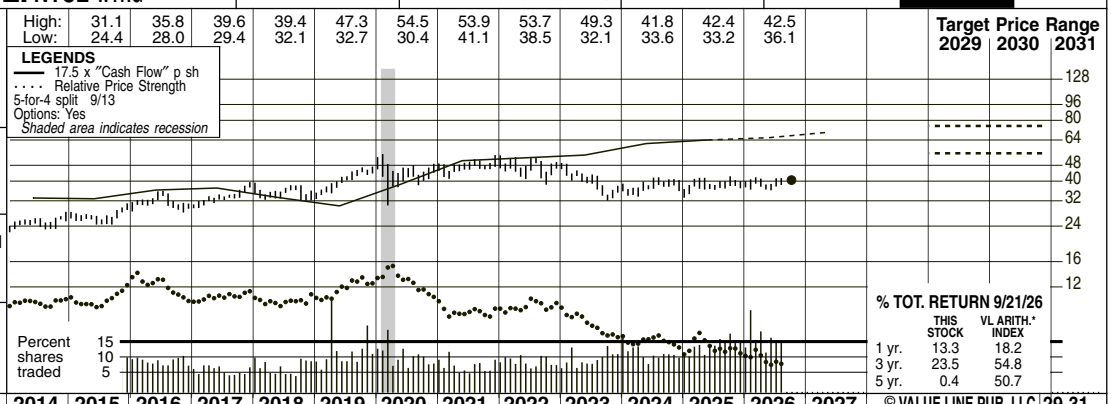
| Low-High | Midpoint (% to Mid) |
|---|---|
| $35-$50 | $43 (5%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 75 | (+85%) | *19%* |
| Low | 55 | (+35%) | *11%* |

**Institutional Decisions**

| | 4Q2025 | 1Q2026 | 2Q2026 |
|---|---|---|---|
| to Buy | 228 | 311 | 307 |
| to Sell | 252 | 319 | 317 |
| Hld's(000) | 226605 | 251239 | 247192 |




| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4.21 | 4.10 | 4.32 | 4.32 | 4.37 | 4.61 | 4.62 | 4.56 | 4.71 | 4.03 | 5.96 | 7.43 | 8.68 | 7.52 | 7.59 | 8.74 | ***9.40*** | ***10.10*** | Revenues per sh | ***11.05*** |
| 1.42 | 1.45 | 1.51 | 1.82 | 1.89 | 1.87 | 2.07 | 2.12 | 1.90 | 1.73 | 2.21 | 2.89 | 2.98 | 3.08 | 3.51 | 3.65 | ***3.75*** | ***4.00*** | "Cash Flow" per sh | ***4.15*** |
| .72 | .83 | .87 | 1.16 | 1.20 | 1.14 | 1.32 | 1.35 | 1.08 | 1.04 | 1.12 | 1.67 | 1.77 | 1.86 | 2.17 | 2.20 | ***2.30*** | ***2.50*** | Earnings per sh | ***2.85*** |
| .47 | .50 | .54 | .58 | .63 | .69 | .74 | .79 | .85 | .91 | .97 | 1.04 | 1.11 | 1.19 | 1.27 | 1.33 | ***1.40*** | ***1.50*** | Div'd Decl'd per sh [B] | ***1.75*** |
| 1.89 | 1.90 | 1.98 | 1.73 | 1.84 | 2.07 | 2.16 | 2.69 | 2.78 | 2.49 | 3.41 | 4.04 | 4.03 | 4.39 | 4.84 | 5.25 | ***5.25*** | ***5.70*** | Cap'l Spending per sh | ***6.00*** |
| 6.81 | 7.21 | 7.90 | 8.63 | 9.27 | 9.78 | 10.43 | 11.02 | 11.28 | 17.58 | 19.09 | 20.50 | 20.39 | 21.57 | 22.56 | 24.22 | ***23.45*** | ***23.95*** | Book Value per sh [D] | ***26.80*** |
| 172.46 | 173.60 | 175.43 | 177.93 | 178.59 | 176.54 | 177.39 | 177.71 | 178.09 | 220.76 | 245.39 | 252.87 | 263.74 | 273.30 | 274.82 | 283.08 | ***283.50*** | ***282.00*** | Common Shs Outst'g [C] | ***280.00*** |
| 21.1 | 21.3 | 21.9 | 21.2 | 20.8 | 23.5 | 23.9 | 24.7 | 32.6 | 39.1 | 39.6 | 28.3 | 26.6 | 21.6 | 17.5 | 17.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | ***23.0*** |
| 1.34 | 1.34 | 1.39 | 1.19 | 1.09 | 1.18 | 1.25 | 1.24 | 1.76 | 2.08 | 2.03 | 1.53 | 1.54 | 1.20 | .91 | .90 | | | Relative P/E Ratio | ***1.30*** |
| 3.1% | 2.8% | 2.8% | 2.4% | 2.5% | 2.6% | 2.3% | 2.4% | 2.4% | 2.2% | 2.2% | 2.2% | 2.4% | 3.0% | 3.3% | 3.5% | | | Avg Ann'l Div'd Yield | ***2.8%*** |
| 819.9 | 809.5 | 838.1 | 889.7 | 1462.7 | 1878.1 | 2288.0 | 2053.8 | 2086.1 | 2474.6 | ***2670*** | ***2845*** | Revenues ($mill) | ***3100*** |
| 234.2 | 239.7 | 192.0 | 224.5 | 284.8 | 431.6 | 465.2 | 498.2 | 595.3 | 616.4 | ***655*** | ***705*** | Net Profit ($mill) | ***795*** |
| 8.2% | 6.6% | - - | - - | - - | - - | - - | - - | - - | .6% | ***5.0%*** | ***10.0%*** | Income Tax Rate | ***20.0%*** |
| 3.8% | 6.3% | 6.8% | 7.2% | 4.5% | 4.8% | 1.3% | 2.2% | 2.2% | 1.3% | ***2.0%*** | ***2.0%*** | AFUDC % to Net Profit | ***2.0%*** |
| 48.4% | 50.6% | 54.4% | 43.1% | 54.0% | 52.7% | 54.2% | 53.7% | 54.3% | 54.3% | ***54.0%*** | ***54.5%*** | Long-Term Debt Ratio | ***54.5%*** |
| 51.6% | 49.4% | 45.6% | 56.9% | 46.0% | 47.3% | 45.8% | 46.3% | 45.7% | 45.7% | ***46.0%*** | ***45.5%*** | Common Equity Ratio | ***45.5%*** |
| 3587.7 | 3965.4 | 4407.8 | 6824.2 | 10192 | 10964 | 11748 | 12722 | 13567 | 14989 | ***14450*** | ***14850*** | Total Capital ($mill) | ***16500*** |
| 5001.6 | 5399.9 | 5930.3 | 6345.8 | 9512.9 | 10252 | 11131 | 12097 | 13143 | 14290 | ***14500*** | ***15250*** | Net Plant ($mill) | ***17100*** |
| 7.6% | 7.1% | 5.5% | 4.2% | 3.7% | 4.8% | 5.0% | 5.0% | 5.4% | 5.2% | ***4.5%*** | ***5.0%*** | Return on Total Cap'l | ***5.0%*** |
| 12.7% | 12.2% | 9.6% | 5.8% | 6.1% | 8.3% | 8.7% | 8.5% | 9.6% | 9.0% | ***10.0%*** | ***10.5%*** | Return on Shr. Equity | ***10.5%*** |
| 12.7% | 12.2% | 9.6% | 5.8% | 6.1% | 8.3% | 8.7% | 8.5% | 9.6% | 9.0% | ***10.0%*** | ***10.5%*** | Return on Com Equity | ***10.5%*** |
| 5.6% | 5.1% | 2.1% | .9% | 1.1% | 3.3% | 3.3% | 3.1% | 4.0% | 3.5% | ***4.0%*** | ***4.0%*** | Retained to Com Eq | ***4.0%*** |
| 56% | 59% | 79% | 84% | 82% | 60% | 62% | 64% | 58% | 61% | ***61%*** | ***60%*** | All Div'ds to Net Prof | ***62%*** |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $8557.2 mill.
**LT Debt** $8473.9 mill. **LT Interest** $300.0 mill. (54% of Cap'l)

**Pension Assets-12/25** $295.6 mill. **Oblig.** $288.2 mill.

**Pfd Stock** None
**Common Stock** 283,779,000 shares **as of 7/27/26**

**MARKET CAP: $11.5 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 9.2 | 34.8 | 8.6 |
| Receivables | 294.5 | 384.3 | 305.5 |
| Inventory (AvgCst) | 93.9 | 112.5 | 95.7 |
| Other | 88.3 | 78.8 | 55.5 |
| Current Assets | 485.9 | 610.4 | 465.3 |
| Accts Payable | 306.3 | 276.1 | 198.9 |
| Debt Due | 329.3 | 204.1 | 83.3 |
| Other | 339.1 | 284.3 | 316.8 |
| Current Liab. | 974.7 | 764.5 | 599.0 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 6.0% | 10.0% | *5.5%* |
| "Cash Flow" | 6.5% | 12.0% | *3.5%* |
| Earnings | 6.0% | 14.0% | *5.5%* |
| Dividends | 7.0% | 7.0% | *5.5%* |
| Book Value | 9.5% | 7.5% | *2.5%* |

| Calendar | QUARTERLY REVENUES ($ mill.) Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | 726.5 | 436.7 | 411.1 | 479.5 | 2053.8 |
| 2024 | 612.1 | 434.4 | 435.3 | 604.3 | 2086.1 |
| 2025 | 783.6 | 514.9 | 477.0 | 699.1 | 2474.6 |
| 2026 | 861.8 | 530.9 | ***525*** | ***752.3*** | ***2670*** |
| 2027 | ***865*** | ***605*** | ***575*** | ***800*** | ***2845*** |

| Calendar | EARNINGS PER SHARE [A] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2023 | .72 | .34 | .30 | .50 | 1.86 |
| 2024 | .97 | .28 | .25 | .67 | 2.17 |
| 2025 | 1.03 | .38 | .33 | .47 | 2.20 |
| 2026 | .83 | .38 | ***.36*** | ***.73*** | ***2.30*** |
| 2027 | ***.97*** | ***.42*** | ***.38*** | ***.73*** | ***2.50*** |

| Calendar | QUARTERLY DIVIDENDS PAID [B] ■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .2682 | .2682 | .287 | .287 | 1.11 |
| 2023 | .287 | .287 | .3071 | .3071 | 1.19 |
| 2024 | .3071 | .3071 | .3255 | .3255 | 1.27 |
| 2025 | .326 | .326 | .342 | .342 | 1.33 |
| 2026 | .342 | .342 | .36 | | |

**BUSINESS:** Essential Utilities, Inc. became the new name for Aqua America on Feb. 3, 2020, to reflect the acquisition of Peoples, a natural gas utility, which occurred in 3/20. In 2025, the company provided water and wastewater services in the states of PA, OH, TX, IL, NC, NJ, IN, VA, NS, WS. Acquired AquaSource, 7/13; N. Maine Util., 7/15; and others. Water respn. for 54% of revenues in 2025; residential, 30%; commercial, 8%; industrial, wastewater & other, 16%. Gas 45%; other, 1%. Employs 3,291. Off. & dir. own less than 1% of the common stock; BlackRock, 12.6%; Vanguard, 9.9%; (3/26 proxy). President & CEO: Christopher Franklin. Inc.: PA Addr.: 762 W Lancaster Ave., Bryn Mawr, PA 19010. Tel.: 610-525-1400. Internet: www.essential.com.

**Essential Utilities posted relatively soft financial results for the June period.** Notably, the top line logged a modest 3% advance, on a year-over-year basis, to $531 million. Meanwhile, adjusted earnings of $0.38 per share came in flat. A weaker showing from the regulated natural gas division weighed on revenue growth, and higher operating expenses, namely employee-related costs and higher water production expenses, kept a lid on the bottom line. On a positive note, the company's pipeline of potential water and wastewater municipal customers continues to balloon, which augurs well for an expanding customer base.

**We think the company can return to growth mode.** Our model suggests that revenues and earnings may well advance 7% and 9%, respectively, next year. This cautiously optimistic stance is supported by prospects for higher customer water rates. At this time, Essential Utilities has pending rate case and surcharge filings in multiple states, totaling nearly $80 million in future revenues. In the meantime, capital investment in water and wastewater infrastructure (pipe replacement, PFAS treatment facility upgrades, as well as natural gas operating improvements) is poised to remain aggressive in the years ahead.

**The previously announced merger with American Water Works Company is moving along swimmingly.** To reiterate, shareholder and board approval have been received from both companies. Most recently, Virginia state regulators gave the transaction the nod (in addition to Kentucky and Ohio), and only a few state approvals remain outstanding. On balance, Essential Utilities continues to expect the deal to be finalized within the first quarter of 2027.

**Essential Utilities stock holds some investment appeal at this juncture.** Supported by a recent 5% increase to the quarterly payout, the dividend yield notably outpaces that of the *Value Line* median. What's more, 3- to 5-year capital appreciation potential is alluring. All things considered, while final conditions are being buttoned up for the abovementioned merger, unranked WTRG shares ought to appeal to income-seeking investors.

*Nicholas Patrikis* *October 2, 2026*

**(A)** Dil. egs. Represents non-GAAP earnings or loss starting in 2025. Includes unusual gain: '24, Q1, 24¢; Excludes nr gain: '12, 18¢. Excludes gains from dis. operations: '12, 7¢; '13, 9¢; '14, 11¢. Next egs. report early November.
**(B)** Dividends historically paid in early March, June, Sept., & Dec. ■ Div'd. reinvestment plan available (5% discount).
**(C)** In millions, adjusted for stock split.
**(D)** Includes intangibles: 12/31/25, $2.351 bill./$8.31 a share.
**(E)** Suspended due to pending merger.

| | |
|---|---|
| Company's Financial Strength | A |
| Stock's Price Stability | 95 |
| Price Growth Persistence | 35 |
| Earnings Predictability | 85 |

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# UGI CORP. NYSE-UGI

RECENT PRICE **33.99** | P/E RATIO **11.0** (Trailing: 13.6 Median: 15.0) | RELATIVE P/E RATIO **0.60** | DIV'D YLD **4.4%** | **VALUE LINE**

**TIMELINESS** 3 Lowered 5/1/26
**SAFETY** 3 Lowered 5/26/23
TECHNICAL 3 Lowered 7/17/26
**BETA** .95 (1.00 = Market)

**18-Month Target Price Range**

| Low-High | Midpoint (% to Mid) |
|---|---|
| $28-$47 | $38 (10%) |

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 65 | (+90%) | *21%* |
| Low | 45 | (+30%) | *11%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 265 | 228 | 286 |
| to Sell | 276 | 193 | 269 |
| Hld's(000) | 197339 | 200378 | 218763 |

| | 38.6 | 48.1 | 52.0 | 59.3 | 57.3 | 45.3 | 48.6 | 47.0 | 43.2 | 30.5 | 39.6 | 41.3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 31.5 | 31.6 | 45.0 | 42.5 | 40.5 | 21.8 | 34.4 | 31.2 | 20.2 | 21.7 | 27.8 | 31.7 |

LEGENDS
30.0 x Dividends p sh
Relative Price Strength
3-for-2 split 9/14
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031
128 96 80 64 48 40 32 24 16 12

Percent shares traded 18 12 6

**% TOT. RETURN 8/10/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 0.9 | 22.4 |
| 3 yr. | 66.6 | 46.9 |
| 5 yr. | -9.3 | 50.5 |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | © VALUE LINE PUB. LLC | 29-31 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 34.01 | 36.31 | 38.56 | 42.10 | 47.92 | 38.65 | 32.84 | 35.18 | 43.94 | 35.03 | 31.31 | 35.49 | 48.00 | 42.33 | 33.36 | 33.58 | *34.95* | *36.10* | Revenues per sh [A] | *41.95* |
| 2.87 | 2.75 | 3.05 | 3.75 | 4.05 | 4.20 | 4.39 | 4.73 | 5.40 | 4.12 | 4.99 | 5.26 | 5.43 | 5.43 | 5.59 | 5.94 | *5.45* | *6.15* | "Cash Flow" per sh | *7.15* |
| 1.59 | 1.37 | 1.17 | 1.59 | 1.92 | 2.01 | 2.05 | 2.29 | 2.74 | 2.28 | 2.67 | 2.96 | 2.90 | 2.84 | 3.06 | 3.32 | *2.75* | *3.35* | Earnings per sh [AB] | *4.00* |
| .60 | .68 | .71 | .74 | .79 | .89 | .93 | .96 | 1.02 | 1.15 | 1.31 | 1.35 | 1.41 | 1.46 | 1.50 | 1.50 | *1.50* | *1.60* | Div'ds Decl'd per sh [C] ■ | *1.86* |
| 2.11 | 2.15 | 2.01 | 2.84 | 2.64 | 2.83 | 3.26 | 3.67 | 3.30 | 3.37 | 3.13 | 3.29 | 3.82 | 4.62 | 3.68 | 3.86 | *3.75* | *3.75* | Cap'l Spending per sh | *3.75* |
| 11.10 | 11.79 | 13.21 | 14.59 | 15.39 | 15.55 | 16.46 | 18.18 | 21.14 | 18.27 | 19.70 | 25.27 | 27.76 | 19.75 | 20.10 | 22.01 | *24.45* | *26.20* | Book Value per sh [D] | *32.20* |
| 164.38 | 167.75 | 169.06 | 170.88 | 172.73 | 173.12 | 173.15 | 173.99 | 174.14 | 209.01 | 209.51 | 209.84 | 210.56 | 210.91 | 216.12 | 217.03 | *214.60* | *214.60* | Common Shs Outst'g [E] | *214.60* |
| 10.9 | 15.0 | 16.4 | 15.4 | 15.8 | 17.7 | 19.3 | 20.8 | 17.8 | 23.4 | 13.8 | 13.9 | 14.1 | 11.4 | 7.7 | 9.6 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio | *14.0* |
| .69 | .94 | 1.04 | .87 | .83 | .89 | 1.01 | 1.05 | .96 | 1.25 | .71 | .75 | .81 | .63 | .40 | .50 | | | Relative P/E Ratio | *.80* |
| 3.5% | 3.3% | 3.7% | 3.0% | 2.6% | 2.5% | 2.3% | 2.0% | 2.1% | 2.2% | 3.6% | 3.3% | 3.5% | 4.5% | 6.4% | 4.7% | | | Avg Ann'l Div'd Yield | *3.0%* |
| 5685.7 | 6120.7 | 7651.2 | 7320.4 | 6559.0 | 7447.0 | 10106 | 8928.0 | 7210.0 | 7287.0 | *7500* | *7750* | Revenues ($mill) [A] | *9000* |
| 360.0 | 406.5 | 485.6 | 412.9 | 561.0 | 629.0 | 626.0 | 613.0 | 658.0 | 728.0 | *590* | *720* | Net Profit ($mill) | *860* |
| 31.4% | 26.5% | - - | 16.6% | 19.4% | 45.4% | 24.9% | - - | 15.9% | 2.4% | *22.0%* | *22.0%* | Income Tax Rate | *22.0%* |
| 6.3% | 6.6% | 6.3% | 5.6% | 8.6% | 8.4% | 6.2% | 6.9% | 9.1% | 10.0% | *7.9%* | *9.3%* | Net Profit Margin | *9.6%* |
| 56.9% | 55.8% | 53.0% | 60.2% | 59.2% | 53.4% | 51.7% | 59.9% | 59.7% | 57.8% | *55.0%* | *55.0%* | Long-Term Debt Ratio | *55.0%* |
| 43.1% | 44.2% | 47.0% | 39.8% | 40.8% | 44.7% | 46.6% | 38.1% | 40.3% | 42.2% | *45.0%* | *45.0%* | Common Equity Ratio | *45.0%* |
| 6616.9 | 7157.9 | 7827.9 | 9597.4 | 10109 | 11861 | 12549 | 10929 | 10788 | 11308 | *11750* | *11925* | Total Capital ($mill) | *12700* |
| 5238.0 | 5537.0 | 5808.2 | 6687.8 | 6960.0 | 7558.0 | 8040.0 | 8547.0 | 8763.0 | 9080.0 | *9260* | *9445* | Net Plant ($mill) | *10025* |
| 7.2% | 7.2% | 7.7% | 5.6% | 7.1% | 6.6% | 6.3% | 7.3% | 7.9% | 8.3% | *6.5%* | *7.5%* | Return on Total Cap'l | *8.0%* |
| 12.6% | 12.9% | 13.2% | 10.8% | 13.6% | 11.4% | 10.3% | 14.0% | 15.1% | 15.2% | *11.0%* | *12.5%* | Return on Shr. Equity | *12.5%* |
| 12.6% | 12.9% | 13.2% | 10.8% | 13.6% | 11.4% | 10.7% | 14.7% | 15.1% | 15.2% | *11.0%* | *12.5%* | Return on Com Equity | *12.5%* |
| 7.0% | 7.5% | 8.4% | 5.6% | 7.0% | 6.0% | 5.6% | 7.3% | 7.8% | 8.5% | *5.0%* | *7.0%* | Retained to Com Eq | *6.5%* |
| 45% | 42% | 36% | 48% | 49% | 45% | 47% | 50% | 48% | 44% | *55%* | *48%* | All Div'ds to Net Prof | *46%* |

**CAPITAL STRUCTURE as of 3/31/26**
**Total Debt** $7041 mill.
**LT Debt** $5985 mill. **LT Interest** $260 mill. (58% of Cap'l)

**Leases, Uncapitalized** Annual rentals $121 mill.
**Pension Assets-9/25** $679 mill. **Oblig.** $692 mill.

**Pfd Stock** None

**Common Stock** 214,494,967 shares
**as of 7/31/26**

**MARKET CAP: $7.3 bill. (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 3/31/26 |
|---|---|---|---|
| Cash Assets | 213 | 355 | 530 |
| Other | 1438 | 1411 | 1981 |
| Current Assets | 1651 | 1766 | 2511 |
| Accts Payable | 544 | 511 | 578 |
| Debt Due | 700 | 603 | 1056 |
| Other | 816 | 867 | 873 |
| Current Liab. | 2060 | 1981 | 2507 |
| Fix. Chg. Cov. | 146% | 303% | 256% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | -1.5% | - - | *2.0%* |
| "Cash Flow" | 3.5% | 3.0% | *4.0%* |
| Earnings | 5.5% | 3.5% | *4.5%* |
| Dividends | 6.5% | 5.0% | *4.0%* |
| Book Value | 3.0% | 1.0% | *7.5%* |

| Fiscal Year Ends | QUARTERLY REVENUES ($ mill.) [A] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 2759 | 3106 | 1659 | 1404 | 8928 |
| 2024 | 2121 | 2467 | 1380 | 1242 | 7210 |
| 2025 | 2030 | 2667 | 1393 | 1197 | 7287 |
| 2026 | 2083 | 2685 | 1331 | *1401* | *7500* |
| 2027 | *2100* | *2800* | *1450* | *1400* | *7750* |

| Fiscal Year Ends | EARNINGS PER SHARE [A B] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1.14 | 1.68 | - - | .02 | 2.84 |
| 2024 | 1.20 | 1.97 | .06 | d.17 | 3.06 |
| 2025 | 1.37 | 2.21 | d.01 | d.23 | 3.32 |
| 2026 | 1.26 | 2.09 | d.20 | *d.40* | *2.75* |
| 2027 | *1.35* | *2.35* | *.05* | *d.40* | *3.35* |

| Cal-endar | QUARTERLY DIVIDENDS PAID [C] ■ Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .345 | .345 | .36 | .36 | 1.41 |
| 2023 | .36 | .36 | .375 | .375 | 1.47 |
| 2024 | .375 | .375 | .375 | .375 | 1.50 |
| 2025 | .375 | .375 | .375 | .375 | 1.50 |
| 2026 | .375 | .375 | .375 | | |

**BUSINESS:** UGI Corp. operates four business segments: AmeriGas Propane (accounted for 30% of revenues in 2025), UGI International (30%), Utilities (23%), and Midstream & Marketing (17%). UGI Utilities distributes natural gas and electricity to over 694,000 customers mainly in Pennsylvania; wholly-owned AmeriGas Partners is the largest U.S. propane marketer, serving about 1.5 million users in 50 states; Midstream sells energy products to 9,700 customers. Acquired Energy Transfer Partners (1/12). Vanguard Group owns 11.3% of stock; Officers/directors, less than 1% (12/25 proxy). Has 10,000 empls. President & CEO: Robert Flexon. Inc.: PA. Address: 500 N. Gulph Rd., King of Prussia, PA 19406. Telephone: 610-337-1000. Internet: www.ugicorp.com.

**UGI Corporation missed the mark in the 2026 fiscal third quarter (year ends September 30th).** We expected the company to break even in the June period, but certain areas of weakness resulted in an earnings-per-share loss of $0.20. That said, the showing brought the year-to-date adjusted bottom line to $3.17 per share, compared to $3.55 in the year-earlier period. The decline was driven by the absence of investment tax credits realized last year and higher interest expense. Given the seasonal slowdown typically reported by the company in the second half of every year, an earnings loss is probable in the September interim, as well. As for the full year, management has affirmed its adjusted bottom-line guidance of $2.75 to $2.90.

**Various factors suggest better days ahead.** Modernization efforts by the natural gas business, which has received a lion's share of the company's fiscal 2026 budget, come at a time when it is attracting new customers. Specifically, the company added more than 8,500 new heating customers across regulated utilities. Separately, Pennsylvania approved UGI Utilities' joint petition to settle gas rate cases in a two-step process, with $40 million in incremental annual revenues effective in October 2026 and another $25 million scheduled one year later. Another positive factor is the completion of several debt transactions (mainly by extending its maturity profile or retiring notes that hold relatively high coupons) in recent quarters, which have positioned the company to cut annual borrowing costs by $30 million. All told, the company appears poised to generate a compound annual growth rate of 5%-7% through fiscal 2029.

**Supported by a solid dividend yield, UGI Corporation shares hold wide long-term appreciation potential out to 2029-2031.** Our projections are underpinned by the likelihood of annual rate-base growth of almost 10% and some success in turning around operations. Specifically, the company noted some success in efforts to overhaul its propane subsidiary, AmeriGas Partners. The strategy focuses on restructuring a hefty debt load, improving operating efficiency, and expanding sales across myriad channels.

*Dominic B. Silva* *August 21, 2026*

**(A)** Fiscal year ends Sept. 30. Quarterly sales and earnings may not sum to total due to rounding and/or change in share count. **(B)** Diluted earnings. Excludes nonrecur. gains/(losses): '15, (41¢); '16, 3¢; '17, 17¢; '18, $1.32; '21, $3.96; '22, $2.07; '23, ($10.00); '24, ($1.81); '25, (23¢). Next egs. report due early Nov. **(C)** Dividends historically paid in early Jan., April, July, and Oct. ■ Div. reinvest. plan available. **(D)** Incl. intang. At 9/25: $3,262 mill., $14.65/sh. **(E)** In mill., adjusted for stock split.

| | |
|---|---|
| **Company's Financial Strength** | B++ |
| **Stock's Price Stability** | 70 |
| **Price Growth Persistence** | 10 |
| **Earnings Predictability** | 95 |

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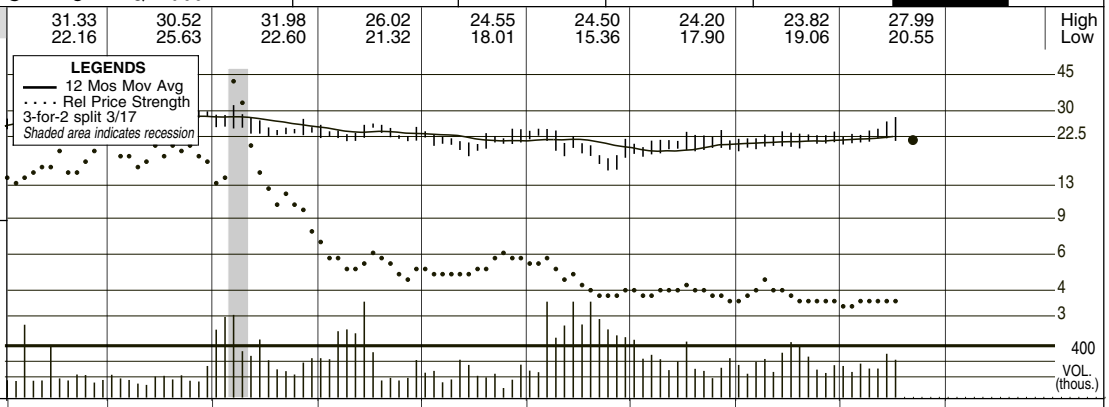
# RGC RESOURCES INC NDQ--RGCO

RECENT PRICE 21.59 | TRAILING P/E RATIO 16.1 | RELATIVE P/E RATIO 0.86 | DIV'D YLD 4.0% | VALUE LINE

## RANKS

PERFORMANCE 3 Average
Technical 3 Average
SAFETY 3 Average
BETA .65 (1.00 = Market)

Financial Strength B
Price Stability 75
Price Growth Persistence 20
Earnings Predictability 35




| © VALUE LINE PUBLISHING LLC | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027/2028 |
|---|---|---|---|---|---|---|---|---|---|---|
| SALES PER SH | 8.20 | 8.43 | 7.73 | 8.98 | 8.57 | 9.73 | 8.26 | 9.22 | -- | |
| "CASH FLOW" PER SH | 1.80 | 2.02 | 2.29 | 2.24 | 1.35 | 2.13 | 2.17 | 2.39 | -- | |
| EARNINGS PER SH | .95 | 1.08 | 1.30 | 1.22 | .44 | 1.14 | 1.16 | 1.29 | *NA* | *NA/NA* |
| DIV'DS DECL'D PER SH | .62 | .66 | .70 | .74 | .78 | .79 | .80 | .83 | -- | |
| CAP'L SPENDING PER SH | 2.91 | 2.71 | 2.81 | 2.38 | 2.59 | 2.53 | 2.16 | 2.01 | -- | |
| BOOK VALUE PER SH | 9.95 | 10.29 | 10.89 | 11.90 | 9.48 | 10.06 | 10.55 | 10.98 | -- | |
| COMMON SHS OUTST'G (MILL) | 8.00 | 8.07 | 8.16 | 8.38 | 9.82 | 10.02 | 10.25 | 10.34 | -- | |
| AVG ANN'L P/E RATIO | 28.3 | 25.9 | 20.3 | 19.4 | 48.6 | 18.7 | 17.0 | 16.3 | *NA* | *NA/NA* |
| RELATIVE P/E RATIO | 1.60 | 1.50 | 1.19 | 1.18 | 3.22 | 1.15 | .96 | .92 | -- | |
| AVG ANN'L DIV'D YIELD | 2.3% | 2.4% | 2.7% | 3.1% | 3.6% | 3.7% | 4.0% | 3.9% | -- | |
| SALES ($MILL) | 65.5 | 68.0 | 63.1 | 75.2 | 84.2 | 97.4 | 84.6 | 95.3 | -- | *Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.* |
| OPERATING MARGIN | 31.4% | 28.2% | 36.2% | 34.2% | 28.6% | 30.8% | 35.8% | 31.4% | -- | |
| DEPRECIATION ($MILL) | 7.1 | 7.6 | 8.1 | 8.7 | 9.2 | 10.0 | 10.5 | 11.5 | -- | |
| NET PROFIT ($MILL) | 7.3 | 8.7 | 10.6 | 10.1 | 4.1 | 11.3 | 11.8 | 13.3 | -- | |
| INCOME TAX RATE | 28.4% | 23.4% | 23.8% | 24.1% | 65.9% | 23.6% | 23.9% | 23.6% | -- | |
| NET PROFIT MARGIN | 11.1% | 12.8% | 16.8% | 13.4% | 4.8% | 11.6% | 13.9% | 13.9% | -- | |
| WORKING CAP'L ($MILL) | d8.5 | d5.2 | d2.2 | d.9 | 13.3 | d6.1 | d3.6 | .8 | -- | |
| LONG-TERM DEBT ($MILL) | 70.3 | 103.4 | 123.8 | 133.5 | 135.7 | 125.8 | 136.7 | 146.1 | -- | |
| SHR. EQUITY ($MILL) | 79.6 | 83.1 | 88.9 | 99.7 | 93.1 | 100.7 | 108.1 | 113.6 | -- | |
| RETURN ON TOTAL CAP'L | 5.7% | 5.6% | 5.9% | 5.2% | 2.8% | 6.2% | 6.1% | 6.4% | -- | |
| RETURN ON SHR. EQUITY | 9.2% | 10.5% | 11.9% | 10.1% | 4.4% | 11.2% | 10.9% | 11.7% | -- | |
| RETAINED TO COM EQ | 3.3% | 4.2% | 5.6% | 4.1% | NMF | 3.5% | 3.4% | 4.2% | -- | |
| ALL DIV'DS TO NET PROF | 64% | 60% | 53% | 60% | NMF | 69% | 69% | 64% | -- | |

**Note: No analyst estimates available.**

### ANNUAL RATES

| *of change (per share)* | 5 Yrs. | 1 Yr. |
|---|---|---|
| Sales | 2.0% | 11.5% |
| "Cash Flow" | 2.0% | 10.0% |
| Earnings | 1.5% | 11.0% |
| Dividends | 4.0% | 4.0% |
| Book Value | 0.5% | 4.0% |

| Fiscal Year | QUARTERLY SALES ($mill.) 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 09/30/24 | 24.4 | 32.6 | 14.5 | 13.1 | 84.6 |
| 09/30/25 | 27.3 | 36.4 | 17.3 | 14.3 | 95.3 |
| 09/30/26 | 30.3 | 45.5 | 17.1 | | |
| 09/30/27 | | | | | |

| Fiscal Year | EARNINGS PER SHARE 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 09/30/23 | .33 | .64 | .07 | .10 | 1.14 |
| 09/30/24 | .50 | .63 | .02 | .01 | 1.16 |
| 09/30/25 | .52 | .74 | .05 | d.02 | 1.29 |
| 09/30/26 | .47 | .84 | .05 | | |
| 09/30/27 | | | | | |

| Cal-endar | QUARTERLY DIVIDENDS PAID 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 2023 | .198 | .198 | .198 | .198 | .79 |
| 2024 | .20 | .20 | .20 | .20 | .80 |
| 2025 | .207 | .207 | .207 | .207 | .83 |
| 2026 | .217 | .217 | .217 | | |

### INSTITUTIONAL DECISIONS

| | 3Q'25 | 4Q'25 | 1Q'26 |
|---|---|---|---|
| to Buy | 39 | 23 | 45 |
| to Sell | 30 | 34 | 34 |
| Hld's(000) | 4129 | 4092 | 4589 |

| ASSETS ($mill.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | .9 | 2.3 | 2.5 |
| Receivables | 4.5 | 4.8 | 6.3 |
| Inventory | 10.3 | 10.1 | 2.0 |
| Other | 9.4 | 6.1 | 11.2 |
| Current Assets | 25.1 | 23.3 | 22.0 |
| Property, Plant & Equip, at cost | 354.5 | 375.4 | - - |
| Accum Depreciation | 92.5 | 100.1 | - - |
| Net Property | 262.0 | 275.3 | 282.5 |
| Other | 33.6 | 31.2 | 35.2 |
| Total Assets | 320.7 | 329.8 | 339.7 |
| **LIABILITIES ($mill.)** | | | |
| Accts Payable | 5.4 | 7.1 | 8.5 |
| Debt Due | 12.0 | 2.9 | 2.8 |
| Other | 11.3 | 12.5 | 12.1 |
| Current Liab | 28.7 | 22.5 | 23.4 |

**LONG-TERM DEBT AND EQUITY as of 6/30/26**

**Total Debt** $148.5 mill. **Due in 5 Yrs.** NA
**LT Debt** $145.6 mill.
**Including Cap. Leases** NA
(54% of Cap'l)
**Leases, Uncapitalized** Annual rentals NA

**Pension Liability** None in '25 vs. $.1 mill. in '24

**Pfd Stock** None **Pfd Div'd Paid** None

**Common Stock** 10,418,255 shares
(46% of Cap'l)

## INDUSTRY: Natural Gas Utility

**BUSINESS:** RGC Resources, Inc. is engaged in the regulated sale and distribution of natural gas to approximately 63,900 residential, commercial, and industrial customers in Roanoke, Virginia and the surrounding localities through its Roanoke Gas Company subsidiary. The utility operations of Roanoke Gas are regulated by the Virginia State Corporation Commission (SCC), which oversees the terms, conditions, and rates charged to customers for natural gas service, safety standards, extension of service, and depreciation. Nearly all of the company's revenues, excluding equity in earnings of Mountain Valley Pipeline (MVP), are derived from the sale and delivery of natural gas to Roanoke Gas customers based on rates and fees authorized by the SCC. As a wholly owned subsidiary of Resources, RGC Midstream, L.L.C. (Midstream), is a more than 1% investor in MVP and a less than 1% investor in Mountain Valley Pipeline, LLC's Southgate project (Southgate). Has 106 employees. C.E.O. & President: Paul W. Nester Address: 519 Kimball Avenue, N.E., Roanoke, VA 24016. Tel.: (540) 777-4427. Internet: www.rgcresources.com.

*J.V.*

*August 21, 2026*

### TOTAL SHAREHOLDER RETURN

*Dividends plus appreciation as of 8/10/2026*

| 3 Mos. | 6 Mos. | 1 Yr. | 3 Yrs. | 5 Yrs. |
|---|---|---|---|---|
| -6.11% | 2.05% | 5.40% | 30.01% | 6.87% |

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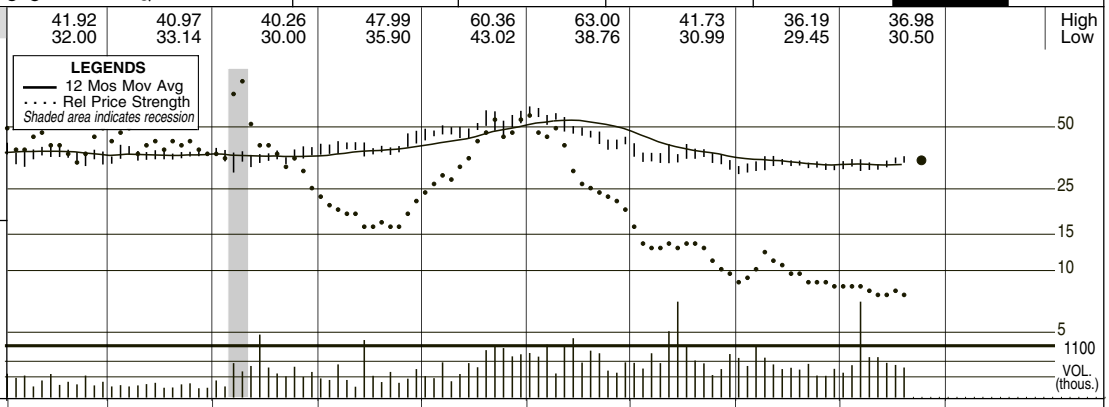
# ARTESIAN RES. CORP. NDQ--ARTNA

RECENT PRICE 34.39 | TRAILING P/E RATIO 15.0 | RELATIVE P/E RATIO 0.87 | DIV'D YLD 3.7% | VALUE LINE

## RANKS

| | | |
|---|---|---|
| PERFORMANCE | 2 | Above Average |
| Technical | 2 | Above Average |
| SAFETY | 3 | Average |
| BETA .70 | (1.00 = Market) | |

| | |
|---|---|
| Financial Strength | B+ |
| Price Stability | 85 |
| Price Growth Persistence | 30 |
| Earnings Predictability | 90 |




| © VALUE LINE PUBLISHING LLC | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027/2028 |
|---|---|---|---|---|---|---|---|---|---|---|
| SALES PER SH | 8.69 | 9.00 | 9.42 | 9.65 | 10.41 | 9.61 | 10.48 | 10.95 | -- | |
| "CASH FLOW" PER SH | 2.66 | 2.77 | 2.99 | 3.05 | 3.22 | 2.92 | 3.30 | 3.55 | -- | |
| EARNINGS PER SH | 1.54 | 1.60 | 1.79 | 1.79 | 1.90 | 1.67 | 1.98 | 2.21 | *NA* | *NA/NA* |
| DIV'DS DECL'D PER SH | .96 | .98 | 1.01 | 1.05 | 1.09 | 1.14 | 1.18 | 1.23 | -- | |
| CAP'L SPENDING PER SH | 5.30 | 4.38 | 3.66 | 4.34 | 5.10 | 6.04 | 4.46 | 5.70 | -- | |
| BOOK VALUE PER SH | 16.57 | 17.25 | 18.11 | 18.91 | 19.78 | 22.39 | 23.22 | 24.23 | -- | |
| COMMON SHS OUTST'G (MILL) | 9.25 | 9.29 | 9.36 | 9.41 | 9.50 | 10.29 | 10.30 | 10.32 | -- | |
| AVG ANN'L P/E RATIO | 23.9 | 22.8 | 20.2 | 22.3 | 26.2 | 29.6 | 18.3 | 14.8 | *NA* | *NA/NA* |
| RELATIVE P/E RATIO | 1.35 | 1.32 | 1.18 | 1.36 | 1.74 | 1.82 | 1.04 | .84 | -- | |
| AVG ANN'L DIV'D YIELD | 2.6% | 2.7% | 2.8% | 2.6% | 2.2% | 2.3% | 3.3% | 3.8% | -- | |
| SALES ($MILL) | 80.4 | 83.6 | 88.1 | 90.9 | 98.9 | 98.9 | 108.0 | 112.9 | -- | *Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.* |
| OPERATING MARGIN | 46.1% | 43.0% | 47.8% | 48.1% | 49.8% | 42.6% | 43.6% | 43.8% | -- | |
| DEPRECIATION ($MILL) | 10.3 | 10.8 | 11.1 | 11.9 | 12.6 | 13.3 | 13.6 | 13.8 | -- | |
| NET PROFIT ($MILL) | 14.3 | 14.9 | 16.8 | 16.8 | 18.0 | 16.7 | 20.4 | 22.8 | -- | |
| INCOME TAX RATE | -- | -- | -- | -- | -- | 27.5% | 26.4% | 25.5% | -- | |
| NET PROFIT MARGIN | 17.8% | 17.9% | 19.1% | 18.5% | 18.2% | 16.9% | 18.9% | 20.2% | -- | |
| WORKING CAP'L ($MILL) | d21.6 | d11.4 | d26.1 | d28.5 | d16.3 | 8.2 | d1.1 | d12.3 | -- | |
| LONG-TERM DEBT ($MILL) | 115.9 | 144.2 | 142.3 | 143.3 | 175.6 | 178.3 | 176.5 | 174.3 | -- | |
| SHR. EQUITY ($MILL) | 153.3 | 160.3 | 169.4 | 178.0 | 187.9 | 230.4 | 239.2 | 249.9 | -- | |
| RETURN ON TOTAL CAP'L | 6.5% | 6.1% | 6.6% | 6.4% | 6.1% | 5.2% | 6.0% | 6.4% | -- | |
| RETURN ON SHR. EQUITY | 9.3% | 9.3% | 9.9% | 9.5% | 9.6% | 7.2% | 8.5% | 9.1% | -- | |
| RETAINED TO COM EQ | 3.6% | 3.6% | 4.4% | 3.9% | 4.1% | 2.4% | 3.4% | 4.1% | -- | |
| ALL DIV'DS TO NET PROF | 62% | 61% | 56% | 58% | 57% | 67% | 60% | 56% | -- | |

**Note: No analyst estimates available.**

### ANNUAL RATES

| *of change (per share)* | 5 Yrs. | 1 Yr. |
|---|---|---|
| Sales | 2.5% | 4.5% |
| "Cash Flow" | 3.0% | 7.5% |
| Earnings | 3.5% | 11.5% |
| Dividends | 4.0% | 4.0% |
| Book Value | 6.0% | 4.5% |

### QUARTERLY SALES ($mill.)

| Fiscal Year | 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 12/31/24 | 24.6 | 27.4 | 29.1 | 26.9 | 108.0 |
| 12/31/25 | 25.9 | 28.5 | 30.5 | 28.0 | 112.9 |
| 12/31/26 | 27.8 | 30.7 | | | |
| 12/31/27 | | | | | |

### EARNINGS PER SHARE

| Fiscal Year | 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 12/31/23 | .40 | .44 | .49 | .34 | 1.67 |
| 12/31/24 | .43 | .52 | .66 | .37 | 1.98 |
| 12/31/25 | .52 | .61 | .68 | .40 | 2.21 |
| 12/31/26 | .57 | .64 | | | |
| 12/31/27 | | | | | |

### QUARTERLY DIVIDENDS PAID

| Cal-endar | 1Q | 2Q | 3Q | 4Q | Full Year |
|---|---|---|---|---|---|
| 2023 | .278 | .284 | .284 | .29 | 1.14 |
| 2024 | .29 | .296 | .296 | .301 | 1.18 |
| 2025 | .301 | .307 | .307 | .313 | 1.23 |
| 2026 | .313 | .319 | .319 | | |

### INSTITUTIONAL DECISIONS

| | 4Q'25 | 1Q'26 | 2Q'26 |
|---|---|---|---|
| to Buy | 22 | 59 | 59 |
| to Sell | 31 | 28 | 34 |
| Hld's(000) | 5584 | 6004 | 5965 |

| ASSETS ($mill.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 1.1 | .1 | 9.8 |
| Receivables | 11.3 | 12.2 | 13.5 |
| Inventory | 4.3 | 3.7 | 3.7 |
| Other | 7.8 | 5.4 | 3.8 |
| Current Assets | 24.5 | 21.4 | 30.8 |
| Property, Plant & Equip, at cost | 943.0 | 1008.9 | - - |
| Accum Depreciation | 192.2 | 203.3 | - - |
| Net Property | 750.8 | 805.6 | 829.8 |
| Other | 23.3 | 31.6 | 23.4 |
| Total Assets | 798.6 | 858.6 | 884.0 |
| **LIABILITIES ($mill.)** | | | |
| Accts Payable | 11.3 | 14.0 | 9.5 |
| Debt Due | 2.2 | 8.0 | 2.5 |
| Other | 12.1 | 11.7 | 18.4 |
| Current Liab | 25.6 | 33.7 | 30.4 |

**LONG-TERM DEBT AND EQUITY as of 6/30/26**

**Total Debt** $185.1 mill. **Due in 5 Yrs.** NA
**LT Debt** $182.6 mill.
**Including Cap. Leases** NA (42% of Cap'l)
**Leases, Uncapitalized** Annual rentals NA

**Pension Liability** None in '25 vs. None in '24

**Pfd Stock** None **Pfd Div'd Paid** None

**Common Stock** 10,327,000 shares (58% of Cap'l)

## INDUSTRY: Water Utility

**BUSINESS:** Artesian Resources Corp. operates as a holding company of subsidiaries offering water and wastewater services, and related business services. Artesian Water Co., Inc. distributes and sells water to residential, commercial, industrial, governmental, municipal and utility customers throughout Delaware. In addition, it provides services to other water utilities, including operations, and has contract operation agreements with private, municipal and state water providers. Artesian Water also provides water for public and private fire protection to customers in service territories. Artesian Wastewater Management, Inc. owns wastewater collection and treatment infrastructure and provides wastewater services to customers in Sussex County, DE. Artesian Water Maryland, Inc. distributes and sells water to residential, commercial, industrial and municipal customers in Cecil County, MD. Artesian Water Pennsylvania, Inc. provides water service to a residential community in Chester County, PA. Has 272 employees. Chairman, C.E.O. & President: Nicholle R. Taylor Address: 664 Churchmans Rd., Newark, DE 19702. Tel.: (302) 453-6900. Internet: www.artesianwater.com. *E.B.*

*October 2, 2026*

### TOTAL SHAREHOLDER RETURN

*Dividends plus appreciation as of 9/21/2026*

| 3 Mos. | 6 Mos. | 1 Yr. | 3 Yrs. | 5 Yrs. |
|---|---|---|---|---|
| 7.51% | 14.95% | 13.11% | -14.29% | 4.45% |

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# SPIRE INC. NYSE-SR

RECENT PRICE 81.04 | P/E RATIO 18.3 (Trailing: 9.7 Median: 18.0) | RELATIVE P/E RATIO 1.00 | DIV'D YLD 4.2% | VALUE LINE

**TIMELINESS** 4 Lowered 11/14/25
**SAFETY** 2 Raised 6/20/03
TECHNICAL 3 Lowered 7/31/26
**BETA** .75 (1.00 = Market)

**18-Month Target Price Range**
**Low-High** **Midpoint (% to Mid)**
$71-$110 $91 (10%)

**2029-31 PROJECTIONS**

| | Price | Gain | Ann'l Total Return |
|---|---|---|---|
| High | 115 | (+40%) | *13%* |
| Low | 85 | (+5%) | *6%* |

**Institutional Decisions**

| | 3Q2025 | 4Q2025 | 1Q2026 |
|---|---|---|---|
| to Buy | 176 | 131 | 220 |
| to Sell | 157 | 119 | 135 |
| Hld's(000) | 54880 | 51396 | 58796 |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High: | 61.0 | 71.2 | 82.9 | 81.1 | 88.0 | 88.0 | 77.9 | 79.2 | 75.8 | 73.6 | 91.1 | 95.3 | | | | | | |
| Low: | 49.1 | 57.1 | 62.3 | 60.1 | 71.7 | 50.6 | 59.3 | 61.5 | 53.8 | 56.4 | 65.1 | 75.9 | | | | | | |

LEGENDS
25.00 x Dividends p sh
Relative Price Strength
Options: Yes
*Shaded area indicates recession*

Target Price Range 2029 | 2030 | 2031

Percent shares traded 18 12 6

**% TOT. RETURN 8/10/26**

| | THIS STOCK | VL ARITH.* INDEX |
|---|---|---|
| 1 yr. | 10.9 | 22.4 |
| 3 yr. | 54.3 | 46.9 |
| 5 yr. | 40.3 | 50.5 |

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| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 77.83 | 71.48 | 49.90 | 31.10 | 37.68 | 45.59 | 33.68 | 36.07 | 38.78 | 38.30 | 35.96 | 43.24 | 41.88 | 50.12 | 44.94 | 41.97 | *41.85* | *41.60* | Revenues per sh [A] |
| | 4.11 | 4.62 | 4.58 | 3.12 | 3.87 | 6.15 | 6.16 | 6.54 | 7.55 | 7.12 | 5.25 | 9.09 | 8.44 | 8.60 | 8.92 | 9.47 | *9.90* | *11.90* | "Cash Flow" per sh |
| | 2.43 | 2.86 | 2.79 | 2.02 | 2.35 | 3.16 | 3.24 | 3.43 | 4.33 | 3.52 | 1.44 | 4.96 | 3.95 | 3.85 | 4.19 | 4.44 | *4.00* | *5.50* | Earnings per sh [A B] |
| | 1.57 | 1.61 | 1.66 | 1.70 | 1.76 | 1.84 | 1.96 | 2.10 | 2.25 | 2.37 | 2.49 | 2.60 | 2.74 | 2.88 | 3.02 | 3.14 | *3.30* | *3.46* | Div'ds Decl'd per sh [C ■] |
| | 2.56 | 3.02 | 4.83 | 4.00 | 3.96 | 6.68 | 6.42 | 9.08 | 9.86 | 16.15 | 12.37 | 12.09 | 10.52 | 12.45 | 14.93 | 15.63 | *13.40* | *14.50* | Cap'l Spending per sh |
| | 24.02 | 25.56 | 26.67 | 32.00 | 34.93 | 36.30 | 38.73 | 41.26 | 44.51 | 45.14 | 44.19 | 46.74 | 49.08 | 50.29 | 51.83 | 53.35 | *60.05* | *62.10* | Book Value per sh [D] |
| | 22.29 | 22.43 | 22.55 | 32.70 | 43.18 | 43.36 | 45.65 | 48.26 | 50.67 | 50.97 | 51.60 | 51.70 | 52.50 | 53.20 | 57.70 | 59.00 | *59.50* | *62.50* | Common Shs Outst'g [E] |
| | 13.7 | 13.0 | 14.5 | 21.3 | 19.8 | 16.5 | 19.6 | 19.8 | 16.7 | 22.8 | NMF | 13.6 | 17.5 | 17.3 | 14.6 | 16.4 | *Bold figures are Value Line estimates* | | Avg Ann'l P/E Ratio |
| | .87 | .82 | .92 | 1.20 | 1.04 | .83 | 1.03 | 1.00 | .90 | 1.21 | NMF | .73 | 1.01 | .96 | .76 | .85 | | | Relative P/E Ratio |
| | 4.7% | 4.3% | 4.1% | 4.0% | 3.8% | 3.5% | 3.1% | 3.1% | 3.1% | 3.0% | 3.4% | 3.8% | 4.0% | 4.3% | 4.9% | 4.3% | | | Avg Ann'l Div'd Yield |
| | 1537.3 | 1740.7 | 1965.0 | 1952.4 | 1855.4 | 2235.5 | 2198.5 | 2666.3 | 2593.0 | 2476.4 | *2490* | *2600* | | | | | | | Revenues ($mill) [A] |
| | 144.2 | 161.6 | 214.2 | 184.6 | 88.6 | 271.7 | 220.8 | 217.5 | 250.9 | 275.5 | *235* | *345* | | | | | | | Net Profit ($mill) |
| | 32.5% | 32.4% | - - | 15.7% | 12.3% | 20.1% | 21.1% | 15.1% | 19.0% | 18.0% | *18.5%* | *19.0%* | | | | | | | Income Tax Rate |
| | 9.4% | 9.3% | 10.9% | 9.5% | 4.8% | 12.2% | 10.0% | 8.2% | 9.7% | 11.1% | *9.4%* | *13.3%* | | | | | | | Net Profit Margin |
| | 50.9% | 50.0% | 45.7% | 45.0% | 49.0% | 52.5% | 51.2% | 54.9% | 53.4% | 49.9% | *62.0%* | *60.0%* | | | | | | | Long-Term Debt Ratio |
| | 49.1% | 50.0% | 54.3% | 49.7% | 46.1% | 43.2% | 44.6% | 41.3% | 43.1% | 46.6% | *38.0%* | *40.0%* | | | | | | | Common Equity Ratio |
| | 3601.9 | 3986.3 | 4155.5 | 4625.6 | 4946.0 | 5597.3 | 5777.0 | 6471.3 | 6937.1 | 6758.8 | *9400* | *9700* | | | | | | | Total Capital ($mill) |
| | 3300.9 | 3665.2 | 3970.5 | 4352.0 | 4680.1 | 5055.7 | 5370.4 | 5778.9 | 6243.3 | 6756.5 | *8975* | *9300* | | | | | | | Net Plant ($mill) |
| | 4.9% | 5.0% | 6.3% | 5.1% | 2.9% | 5.8% | 4.9% | 4.8% | 5.1% | 5.6% | *4.5%* | *5.5%* | | | | | | | Return on Total Cap'l |
| | 8.2% | 8.1% | 9.5% | 7.3% | 3.5% | 10.2% | 7.8% | 7.5% | 7.8% | 8.1% | *6.5%* | *9.0%* | | | | | | | Return on Shr. Equity |
| | 8.2% | 8.1% | 9.5% | 7.9% | 3.2% | 10.6% | 8.0% | 7.6% | 7.9% | 8.3% | *6.5%* | *9.0%* | | | | | | | Return on Com Equity |
| | 3.3% | 3.3% | 4.7% | 2.7% | NMF | 5.1% | 2.5% | 1.9% | 2.3% | 2.5% | *1.0%* | *3.5%* | | | | | | | Retained to Com Eq |
| | 59% | 60% | 51% | 66% | NMF | 54% | 71% | 76% | 72% | 72% | *84%* | *63%* | | | | | | | All Div'ds to Net Prof |

**CAPITAL STRUCTURE as of 6/30/26**
**Total Debt** $7955.1 mill.
**LT Debt** $5762.0 mill. **LT Interest** $204.1 mill.
(Total interest coverage: 2.7x)

**Leases, Uncapitalized** Annual rentals $8.8 mill.
**Pension Assets-9/25** $803.1 mill.
**Oblig.** $850.4 mill.
**Pfd Stock** None
**Common Stock** 59,112,807 shs.
**as of 7/31/26**

**MARKET CAP: $4.8 billion (Mid Cap)**

| CURRENT POSITION ($MILL.) | 2024 | 2025 | 6/30/26 |
|---|---|---|---|
| Cash Assets | 4.5 | 5.7 | 20.7 |
| Other | 766.8 | 802.0 | 769.2 |
| Current Assets | 771.3 | 807.7 | 789.9 |
| Accts Payable | 237.2 | 248.3 | 194.4 |
| Debt Due | 989.0 | 1804.5 | 1501.6 |
| Other | 477.7 | 495.8 | 436.5 |
| Current Liab. | 1703.9 | 2548.6 | 2132.5 |
| Fix. Chg. Cov. | 305% | 313% | 330% |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '23-'25 to '29-'31 |
|---|---|---|---|
| Revenues | 2.0% | 4.0% | *.5%* |
| "Cash Flow" | 7.5% | 6.5% | *7.5%* |
| Earnings | 5.0% | 6.0% | *8.5%* |
| Dividends | 5.5% | 5.0% | *5.0%* |
| Book Value | 4.0% | 3.0% | *4.0%* |

| Fiscal Year Ends | QUARTERLY REVENUES ($ mill.)[A] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 814.0 | 1123.4 | 418.5 | 310.4 | 2666.3 |
| 2024 | 756.6 | 1128.5 | 414.1 | 293.8 | 2593.0 |
| 2025 | 669.1 | 1051.3 | 421.9 | 334.1 | 2476.4 |
| 2026 | 698.7 | 1020.0 | 420.2 | *351.1* | *2490* |
| 2027 | *730* | *1045* | *453* | *372* | *2600* |

| Fiscal Year Ends | EARNINGS PER SHARE [A B F] Dec.31 | Mar.31 | Jun.30 | Sep.30 | Full Fiscal Year |
|---|---|---|---|---|---|
| 2023 | 1.66 | 3.33 | d.48 | d.66 | 3.85 |
| 2024 | 1.52 | 3.58 | d.28 | d.51 | 4.19 |
| 2025 | 1.34 | 3.60 | .01 | d.47 | 4.44 |
| 2026 | 1.52 | 3.76 | d.26 | *d1.02* | *4.00* |
| 2027 | *1.77* | *3.95* | *.10* | *d.32* | *5.50* |

| Calendar | QUARTERLY DIVIDENDS PAID [C ■] Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|---|---|---|---|---|---|
| 2022 | .685 | .685 | .685 | .685 | 2.74 |
| 2023 | .72 | .72 | .72 | .72 | 2.88 |
| 2024 | .755 | .755 | .755 | .755 | 3.02 |
| 2025 | .785 | .785 | .785 | .785 | 3.14 |
| 2026 | .825 | .825 | .825 | | |

**BUSINESS:** Spire Inc., formerly known as the Laclede Group, Inc., is a holding company for natural gas utilities, which distributes natural gas across Missouri, including the cities of St. Louis and Kansas City, Alabama, Tennessee, and Mississippi. It has nearly two million customers. Utility volumes sold and transported in fiscal 2025: 3.3 bill Ccf. Revenue mix for regulated operations: residential, 66%; commercial & industrial, 23%; transportation, 6%; other, 5%. Officers and directors own 2.3% of common shares; BlackRock, 13.3%; The Vanguard Group, 10.9%; State Street Corporation, 5.7% (12/25 proxy). Chairman: Rob L. Jones; CEO: Scott Doyle. Incorporated: Missouri. Address: 700 Market Street, St. Louis, Missouri 63101. Tel.: 314-342-0500. Internet: www.spireenergy.com.

**At Spire Inc., divesting non-strategic units has been a priority.** It recently completed the sale of Spire Storage to Subterra Energy Holdings, an affiliate of I Squared Capital, for $607 million in cash at closing, plus a $50 million deferred payment expected to be received in fiscal 2027. (The company's fiscal years end on September 30th.) That followed the sale of the gas marketing business, named Spire Marketing, to Boardwalk Pipelines for $212 million. Lastly, an agreement was made to sell the Spire Mississippi gas utility, serving around 18,000 customers, to Delta Utilities for $75 million. (That deal is slated for completion during the first quarter of fiscal 2027.) Leadership contends that these transactions are intended, among other things, to improve the business risk profile and enhance earnings visibility.

**The Financial Strength rating sits at B++.** When the June interim concluded, cash and equivalents were $20.7 million. Furthermore, there was $1.5 billion available via a revolving credit facility expiring in October, 2030. Also, short-term borrowings of roughly $1.5 billion did not appear to be a big hurdle. But we think long-term debt looked a bit on the heavy side, at about 62% of total capital. Nonetheless, Spire should be able to satisfy its various obligations for quite some time.

**Capital spending for this year is anticipated to be $797 million.** (That's 13.6% lower than the fiscal 2025 level of $922.4 million.) The bulk of the funds are devoted to infrastructure upgrades and new business development initiatives at the utilities. Management adds that it expects total capital expenditures from fiscal 2026 through fiscal 2035 to be around $11.2 billion. Assuming that the balance sheet remains in decent shape, we believe that the energy firm will have little trouble achieving those goals.

**These shares, though untimely, ought to attract the attention of income-conscious investors with a conservative orientation.** The dividend yield does look enticing versus the *Value Line* Natural Gas Utility group average. Consider, too, the 2 (Above Average) Safety rank, below-market Beta coefficient, and high score for Price Stability.

*Frederick L. Harris, III* *August 21, 2026*

**(A)** Fiscal year ends Sept. 30th.
**(B)** Based on adjusted diluted shares outstanding starting in fiscal 2025. Excludes nonrecurring losses: '25, $0.07; Q1-Q3 '26, $0.80. Excludes gain from discontinued operations: '26, $5.49. Next earnings report due late Oct. **(C)** Dividends paid in early January, April, July, and October. ■ Dividend reinvestment plan available. **(D)** Includes deferred charges. In '25: $1,171.6 mill., $19.86/sh. **(E)** In millions. **(F)** Quarterly earnings may not sum due to rounding or change in shares outstanding.

| | |
|---|---|
| Company's Financial Strength | B++ |
| Stock's Price Stability | 95 |
| Price Growth Persistence | 25 |
| Earnings Predictability | 50 |

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