



Top 10 Dividend Elite

Top Dividend Picks With 25+ Years of Rising Dividends

March 2025 Edition

A monthly special report service from Sure Dividend

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Top 10 Dividend Elite – March 2025

Name & Ticker	Div. Risk Score	Price	Fair Value	# Years Div. Inc	Div. Yield	Exp. Growth Return	Exp. Value Return	Exp. Total Return
Gorman-Rupp (GRC)	A	\$38	\$46	52	2.0%	11.0%	4.0%	16.7%
The Andersons (ANDE)	A	\$43	\$64	29	1.8%	6.0%	8.5%	16.1%
PPG Industries (PPG)	A	\$114	\$150	53	2.4%	7.0%	5.7%	14.8%
Farmers & Merch. (FMCB)	A	\$1,038	\$1,488	59	1.8%	5.0%	7.5%	14.1%
Sysco (SYU)	A	\$74	\$91	53	2.8%	7.0%	4.1%	13.5%
SEI Investments (SEIC)	A	\$79	\$88	34	1.2%	10.0%	2.1%	13.3%
Bank OZK (OZK)	A	\$48	\$69	31	3.5%	2.0%	7.7%	12.7%
Target (TGT)	A	\$123	\$138	56	3.7%	7.0%	2.4%	12.3%
S&P Global (SPGI)	A	\$525	\$499	52	0.7%	12.0%	-1.0%	11.5%
Badger Meter (BMI)	A	\$208	\$170	32	0.7%	15.0%	-4.0%	11.1%

Notes: Data for the table above is from the 2/28/25 spreadsheet of our [Sure Analysis Research Database](#). “Div.” stands for Dividend. “# Years Div. Inc” shows the consecutive years of dividend growth. “Exp.” Stands for Expected. Expected returns are annualized and based on 5-year forward projections. Data in the table above may be different than individual company analysis pages due to writing the company reports throughout the previous several days.

Disclosures: Sure Dividend’s Real Money Portfolio is long GRC, PPG, FMCB & OZK, and will buy additional shares of GRC on 3/4/25. Ben Reynolds is long PPG & FMCB.

There were 8 changes in this month’s Top 10 versus last month’s Top 10. SJW Group (SJW), California Water Service Group (CWT), Hormel Foods (HRL), Nordson (NDSN), Tennant (TNC), Johnson & Johnson (JNJ), Archer-Daniels-Midland (ADM), and Becton, Dickinson (BDX) were replaced by PPG Industries (PPG), Farmers & Merchants Bancorp (FMCB), Sysco (SYU), SEI Investments (SEIC), Bank OZK (OZK), Target (TGT), S&P Global (SPGI), and Badger Meter (BMI).

The Top 10 has the following average characteristics:

	Top 10 Dividend Elite	S&P 500 ¹
Dividend Yield:	2.1%	1.3%
Growth Rate:	8.2%	5.5%
Valuation Return:	3.7%	-1.3%
Expected Annual Total Returns:	13.6%	5.3%

Please keep reading to see detailed analyses on the Top 10 Dividend Elite.

Note: Data for this report is from 2/25/25 through 2/28/25.

¹ The S&P 500 valuation return uses the average P/E of the last 10 years for a fair value estimate.

The Gorman-Rupp Co. (GRC)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 16.1%

Overview & Current Events

Gorman-Rupp is a manufacturing company that began operations more than 90 years ago. Since then, Gorman-Rupp has grown into a niche industry leader in pumps and pump systems, with annual sales reaching nearly \$700 million and a market capitalization of \$1.01 billion. It generates about one-third of its sales from outside the U.S., providing diversification but also exposing the firm to currency translation risk. Gorman-Rupp also has an extremely impressive dividend increase streak of 52 years, making it a member of the highly prestigious Dividend Kings.

On February 7th, 2025, Gorman-Rupp announced its fourth-quarter and full-year results for the period ending December 31st, 2024, with earnings falling short of expectations. For the quarter, adjusted earnings-per-share (EPS) came in at \$0.42, missing estimates by \$0.03. Revenue rose 1.3% year-over-year to \$162.7 million, in line with forecasts, driven by prior-year price increases.

Gross profit fell to \$49.2 million (30.2% margin) from \$50.9 million (31.7%) last year. The 150-basis-point margin drop reflected a 220-bps rise in labor and overhead costs, offset by a 70-bps improvement in material costs.

The backlog stood at \$206 million, while incoming orders grew 6.8% to \$659 million. We expect 2025 EPS at \$2 per share, a 14.3% increase over fiscal 2024's figure of \$1.75.

Safety & Dividend Risk Analysis

Gorman-Rupp's outstanding record of over five decades of dividend hikes highlights the strength of its dividend safety. This stability is largely driven by the company's robust long-term earnings growth and a reasonable payout ratio of 37% of earnings. This blend of prudent payout management and sustained earnings expansion suggests a promising future for continued dividend growth. While Gorman-Rupp is somewhat sensitive to economic downturns and may feel the impact of recessions, the company has shown resilience by maintaining and raising its dividend through every economic cycle since the 1970s.

Growth, Value & Expected Total Return Analysis

Gorman-Rupp's earnings volatility remains a potential concern, but it's worth noting that, over time, its earnings growth has been excellent. We expect 11% growth in EPS going forward for now. We believe this can be powered by high single-digit sales growth and a gradual margin expansion after their recent compression. Specifically, the company's backlog should sustain rather predictable sales ahead. In the meantime, management is focusing on cost containment efforts, which should support margin recovery.

The stock is currently trading at 19.4 times our expected earnings-per-share of \$2.00 for 2025. This is below our target price-to-earnings ratio of 23 times, suggesting 3.5% annual tailwind to annual results from multiple expansion. Along with a starting yield of 1.9%, Gorman-Rupp is expected to return 16.1% annually over the next five years.

The Andersons Inc. (ANDE)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 16.1%

Overview & Current Events

The Andersons is an agricultural company with three main segments: Trade, Renewables, and Nutrient & Industrial. The Trade segment manages commodity merchandising and operates terminal grain elevators, accounting for over 68% of the company's sales in 2024. The Renewables segment is dedicated to the production, procurement, and sale of ethanol and its related coproducts. The Nutrient & Industrial segment offers a range of agricultural inputs, including fertilizers, turf care products, and corncob-based materials. Established in 1947 and headquartered in Maumee, Ohio, The Andersons employs about 2,700 people and has a market capitalization of \$1.46 billion.

On February 18th, 2025, The Andersons announced its fourth-quarter and full-year 2024 results for the period ending December 31st, 2024. Quarterly revenue was \$3.12 billion, down from \$3.21 billion last year, due to weaker commodity prices and market softness. Net income fell to \$45 million (\$1.31 per share) from \$51 million (\$1.49 per share).

The Trade segment's Q4 pretax income rose to \$54M (from \$47M) on strong grain accumulation and premium ingredient demand. Renewables earned \$25M (down from \$60M) as record production couldn't offset lower ethanol prices. Nutrient & Industrial saw \$3.5M (up from \$2.1M) amid better sales, though supply chain challenges persisted. Full-year earnings-per-share (EPS) rose to \$3.32 from \$2.94 in 2023. Management now targets \$475 million in adjusted EBITDA for FY2026 (growth of 17%), a one-year delay from the prior FY2025 goal.

Safety & Dividend Risk Analysis

The Andersons' competitive advantage lies in its significant scale, strong brand power, and diversified business model, which have enabled the company to perform resiliently even during economic downturns. Leveraging its extensive operations across agriculture, rail, and plant nutrient sectors, The Andersons has built a robust supply chain that helps mitigate risk during recessions. Moreover, the company's focus on essential industries allowed it to sustain growing sales and solid EBITDA during both the Great Financial Crisis of 2008-2009 and the COVID-19 pandemic. The Andersons should keep benefiting from the predictable demand for agricultural and logistical products. Its payout ratio also stands at a healthy 24%.

Growth, Value & Expected Total Return Analysis

The Andersons has a solid track record in volatile markets, supported by experienced trading, logistics, and operations. Critical growth drivers include rising global demand, product innovation, and M&A in fertilizers. We project 6.0% annual EPS growth over the next five years. We thus see total annual return potential at 16.1%, which can be attributed to the 6.0% growth rate, the current 1.8% starting dividend yield, and a valuation tailwind of 8.4%. The stock trades for just 13.3 times this year's EPS estimate, which is well below our estimate of fair value at 20.0 times earnings.

PPG Industries Inc. (PPG)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 14.6%

Overview & Current Events

PPG Industries is the largest paints and coatings company in the world. The company has just two competitors of similar size, Sherwin-Williams (SHW) and Dutch paint company Akzo Nobel. PPG Industries was founded in the late 1800s and has become a global company with operations in more than 70 countries. The company has a market capitalization of \$26 billion.

On October 17, 2024, PPG announced the \$550 million sale of its U.S. and Canadian architectural coatings business to American Industrial Partners. PPG sold this segment, which made \$2 billion in 2023 (11% of total sales) with low single-digit EBITDA margins, in order to focus on higher-margin, stronger-market-share businesses.

On January 31st, 2025, PPG reported its results for the fourth quarter of 2024. Revenue declined by 5% over the prior year's quarter and missed the analysts' estimates by 6% due to declines in the automotive original equipment manufacturer (OEM), industrial and architectural EMEA coatings businesses. Nevertheless, adjusted earnings-per-share (EPS) grew 3%, from \$1.56 to \$1.61, thanks to improved margins. Management expects earnings-per-share of \$7.75-\$8.05 this year. At the midpoint, this guidance implies essentially flat earnings-per-share vs. \$7.87 in 2024.

Safety & Dividend Risk Analysis

PPG Industries' primary competitive advantage is that it is one of the most well-known and respected companies in its industry, with a size and scale advantage that most competitors cannot match. This helps limit competition and prevent price wars. The company has greatly benefited from its strong position in its industry in recent years, as it has raised its prices without experiencing a significant decline in its volumes.

Operating in a cyclical industry, PPG Industries is not immune to the impact of a recession. Its adjusted earnings-per-share fell almost 60% from 2007 to 2009, but PPG Industries returned to growth the next year and established a new high for adjusted earnings-per-share in 2011. Revenues and earnings dipped during the pandemic as well, but have since rebounded quickly, with the latter hitting new all-time highs in each of the last two years. The company continued to grow its dividend through various downturns, boasting 53 consecutive years of raises.

Growth, Value & Expected Total Return Analysis

PPG Industries' EPS have grown by 4.8% per year on average over the last decade. We forecast EPS growth of 7.0% per year through 2030, powered by the strength of its business model and pricing power without significant volume declines. Shares currently trade at a price-to-earnings ratio of 14.6. Our target P/E ratio is 19.0. If the stock reaches our target valuation level, it will enjoy a 5.5% annualized valuation tailwind.

In total, we project total annual returns of 14.6% through 2030, driven by 7.0% EPS growth, a 2.4% dividend yield, and a 5.5% valuation tailwind.

Farmers & Merchants Bancorp (FMCB)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 14.0%

Overview & Current Events

Farmers & Merchants Bancorp is a small community bank operating 33 locations in California. F&M is a traditional bank, with the business focuses on taking in deposits and lending them profitably. It was founded in 1916 and has a current market cap of \$715 million. Also, the company has paid dividends to shareholders for 89 consecutive years and has raised its dividend for 59 years. Given that longevity, the company is a part of the elite Dividend Kings club.

In late January, F&M Bank reported results for the fourth quarter of 2024. The bank grew its earnings-per-share 9% over the prior year's quarter, from \$28.55 to a new all-time high of \$31.11. Loans and deposits grew 1% each. Net interest income dipped -3% due to a contraction of net interest margin from 4.30% to 4.05% amid higher deposit costs.

Management remains optimistic, highlighting F&M Bank's strong net interest margin, which is one of the widest in the sector. F&M Bank has proven its resilience during downturns, such as the pandemic, potential recessions, and the financial crisis that included the collapses of Silicon Valley Bank, Credit Suisse, and First Republic about two years ago. Given the bank's positive performance, we expect record earnings-per-share of \$125.00 for this year.

Safety & Dividend Risk Analysis

F&M's appeal is in its conservative management approach. This extends to its deposit and lending practices, and also the way its capital base is managed. Total risk-based capital is currently 14.5%, which is well above regulatory minimums and the bank is extremely well capitalized as a result. This also boosts its ability to see stable earnings and translates to its ability to pay a dividend. Further, this aids F&M Bank in weathering recessions, and there is perhaps no better proof of its ability to do that than its nearly nine decades of dividend payments to shareholders.

The stock has a payout ratio of 15%, which means that dividend safety is outstanding. Growth in the payout has been modest in recent years and is unlikely to change.

Growth, Value & Expected Total Return Analysis

We see the bank with potential for 5.0% growth moving forward, which we see accruing from higher loan balances, but also from the relatively new branch in Oakland. That estimate is likely on the conservative side, as F&M has grown its earnings-per-share by 14.8% per year on average over the last decade. Share repurchases aid in the company's growth; the company's share count declined 6% in 2024.

The stock is currently trading at 8.3 times this year's expected earnings, which is well below the 10-year average price-to-earnings ratio of 11.9 of the stock. We expect the stock to revert to its average valuation level over the next five years. In such a case, the stock will enjoy a 7.4% valuation tailwind. We estimate total annual return potential at 14.0% thanks to 5.0% growth, a 1.9% dividend and a valuation tailwind of 7.4%.

Sysco Corp. (SYY)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 13.5%

Overview & Current Events

Sysco Corp. (SYY) is the largest wholesale food distributor in the United States and is expanding internationally. The company was founded in Houston, Texas, in 1969 and now serves 600,000 locations with food delivery, including restaurants, hospitals, schools, hotels, and other facilities. According to estimates, the company has a 16% market share of total food delivery within the United States. The company has approximately 67,000 employees and a roughly \$36.6 billion market capitalization.

On January 28th, 2025, Sysco reported its Q2 2025 results, with sales up 4.5% to \$20.2 billion. Gross profit grew 3.9%, while adjusted operating income climbed 5.1%.

Earnings-per-share (EPS) remained at \$0.82, but adjusted EPS increased 4.5% to \$0.93.

More specifically, U.S. Foodservice sales grew 4.1% to \$14.0 billion, though local case volume dipped slightly. International operations saw operating income jump 14.5%, with adjusted operating income up 26.5%. The International Foodservice segment posted 3.6% sales growth to \$3.7 billion, while gross margin rose by 71 basis points to 20.4%. Sysco credited its performance to cost controls, volume growth, and strategic investments.

The company reaffirmed its full-year outlook, expecting 4%-5% sales growth and 6%-7% adjusted EPS growth.

Safety & Dividend Risk Analysis

Sysco boasts a strong economic moat, driven by its large-scale, entrenched distribution network that provides a notable cost advantage over most competitors. This is reflected in its consistently high double-digit returns on invested capital, well above its capital costs. The company is also highly defensive, having weathered the Great Recession with only a mild earnings dip and a swift one-year recovery. Though the pandemic dealt a heavy blow, slashing earnings-per-share by 59% from 2019 to 2021, Sysco has recovered at a rapid pace, achieving record earnings in the past two years.

Thanks to this stability, Sysco has raised its dividend every year since it went public 53 years ago. Given the healthy payout ratio of 45%, its defensive business model and its reliable growth trajectory, we expect Sysco to keep raising its dividend for many more years. On the other hand, the stock is offering a modest dividend yield of 2.8% and has grown its dividend by only 3.2% per year on average over the last three years.

Growth, Value & Expected Total Return Analysis

Sysco has consistently grown its earnings-per-share at a compound annual growth rate of 9.9% over the last decade. We believe earnings growth of 7% is achievable given the company's market share and historical performance. Shares of Sysco are trading at 16.3 times expected earnings-per-share for the Fiscal Year. Our five-year price-to-earnings ratio target is 20.0, implying a 4.1% annual return from multiple expansion over the next five years. Given also 7.0% expected growth of earnings-per-share and a 2.8% starting dividend, the stock could offer a 13.5% average annual total return through 2030.

SEI Investments Co. (SEIC)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 13.4%

Overview & Current Events

SEI Investments was founded in 1968 and over the last 50+ years has grown into a market capitalization of \$10 billion. SEI is a global provider of investment processing, investment management, and investment operations solutions for financial institutions and advisors. SEI Investments has \$1.6 trillion combined in assets under administration and management. The company generated \$2.1 billion in revenue last year.

SEI Investments posted fourth-quarter and full-year earnings on January 29th, 2025. Results were very strong. Revenue soared 15% year-on-year, slightly above the analysts' estimates. Adjusted earnings-per-share grew 23%, from \$0.97 to \$1.19, in line with the analysts' estimates. The earnings would have been even greater if it was not for higher incentive compensation, the timing of stock-based compensation, and forex translation. In the full year, SEI Investments grew its earnings-per-share 26%, to a record level. Given the strong business momentum of the company and the absence of any signs of fatigue, we expect 11% growth of earnings-per-share this year, from \$4.41 to \$4.90.

Safety & Dividend Risk Analysis

SEI's competitive advantage is in its platform and services, which allow it to drive efficiencies and lower risk for its clients. That does not make it immune from economic downturns, however, as the Great Recession dinged revenue and earnings meaningfully. Given the industry SEI serves, it is reasonable to expect material weakness during a recession, so that is something investors should consider.

SEI Investments has raised its dividend for 34 consecutive years and thus it is a Dividend Aristocrat. Thanks to its low payout ratio (20%) and its promising growth prospects, the company is likely to keep raising its dividend for many more years. On the other hand, the 1.2% dividend yield is lackluster.

Growth, Value & Expected Total Return Analysis

SEI Investments has grown its earnings-per-share by 9.4% per year on average over the last decade. It has somewhat decelerated in the last five years, with a 6.4% average growth rate, but it seems to be re-accelerating again. We expect 10% earnings-per-share growth over the next five years. We expect such growth through continued revenue expansion, as more customers adopt SEI Wealth Platform and the relatively newer IT services, as well as growth of assets under management and advisement. Growth is also likely to be assisted by margin expansion and share repurchases.

The stock is currently trading at 16.1 times its expected earnings in 2025. If it trades at our assumed fair earnings multiple of 18.0 in five years, it will enjoy a 2.2% annualized valuation tailwind. Given also 10.0% earnings growth and a 1.2% dividend, the stock can offer a 13.4% total annual return over the next five years.

Bank OZK (OZK)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 12.4%

Overview & Current Events

Bank OZK, previously Bank of the Ozarks, is a regional bank that offers services such as checking, business banking, commercial loans, and mortgages to its customers in Arkansas, Florida, North Carolina, Texas, Alabama, South Carolina, New York, and California. The \$5.5 billion market cap bank was founded in 1903 and is headquartered in Little Rock, AR.

On January 2nd, 2025, Bank OZK announced a \$0.42 quarterly dividend, representing a 2.4% raise over the previous quarter's payment and a 10.5% raise year-over-year. This marks the company's 58th consecutive *quarter* of raising its dividend.

On January 16th, 2025, Bank OZK reported financial results for the fourth quarter of 2024. Total loans and deposits grew 13% each over the prior year's quarter. Net interest income grew 2% over the prior year's quarter, despite higher costs of deposits. Earnings-per-share grew 4%, from \$1.50 to a new all-time high of \$1.56, and exceeded the analysts' consensus by \$0.11. Bank OZK has exceeded the analysts' consensus in 17 of the last 19 quarters.

Bank OZK has posted record earnings-per-share for 9 consecutive quarters. Management expects a recovery of net interest margin from mid-2025 thanks to lower deposit costs. We expect 2% growth of earnings-per-share, from \$6.14 to a new all-time high of \$6.25.

Safety & Dividend Risk Analysis

Bank OZK remained profitable during the Great Recession and managed to grow its earnings and dividends as well. It also managed to grow its dividend in 2020, though earnings-per-share declined 32% before reaching new all-time highs in 2021, 2022, 2023, and 2024.

The bank has managed to raise its dividend through difficult economic periods because it has achieved profitability through recessions, and because it maintains a conservative payout ratio. Bank OZK's payout ratio is just 27% of expected 2025 earnings.

Growth, Value & Expected Total Return Analysis

We believe that Bank OZK will continue to grow. Non-interest income makes up just a small amount of the bank's profits. Due to record earnings-per-share expected this year, we expect 2.0% earnings-per-share growth over the next five years. This is much lower than the 12.7% average annual growth rate of Bank OZK over the last decade but is warranted due to the high comparison base.

Shares are presently trading hands at just 7.7 times our estimate of 2025 earnings. Our fair value multiple is 11.0 times earnings, indicating the potential for a 7.4% annual tailwind from valuation expansion over the next five years. When combined with the 3.5% starting dividend yield and 2.0% anticipated growth, this implies the potential for 12.4% annual total returns over the next five years.

Target Corp. (TGT)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 12.1%

Overview & Current Events

Target, founded in 1902, operates exclusively in the U.S. market after an unsuccessful attempt to expand into Canada. The company runs about 1,850 big-box stores that sell general merchandise and groceries while also serving as distribution hubs for its growing e-commerce business. With a market capitalization of \$56.1 billion, Target is expected to generate over \$106 billion in total revenue this year. Additionally, the company boasts an impressive 56-year streak of consecutive dividend increases.

On November 20th, 2024, Target reported its Q3 results, triggering a sharp stock decline due to dismal Q4 guidance. Revenue reached \$25.67 billion, up 1.1% year-over-year but missed estimates by \$230 million. Adjusted earnings-per-share (EPS) was \$1.85, falling short by 45 cents.

Comparable sales rose just 0.3% versus the expected 1.5%, while guest traffic grew 2.4% and digital sales jumped 10.8%, driven by Target Circle 360 and Drive Up. Operating margin declined to 4.6% from 5.2%, with gross margins down 20 basis points to 27.2%, impacted by higher digital fulfillment and supply chain costs.

The company bought back \$354 million in shares, with \$9.2 billion remaining in buyback authorization (16.4% of market cap). Still, management slashed full-year EPS guidance to \$8.60, prompting estimate cuts.

Target is set to release its Q4 and full-year report on March 4th, before the opening bell.

Safety & Dividend Risk Analysis

Target's dividend safety is supported by its Dividend King status, with over 50 years of consecutive increases. While the payout ratio has increased to 52% of earnings, above its historical norm, it remains manageable, and future earnings growth is expected to bring it back down, though with more modest dividend hikes.

The company has repeatedly shown resilience in economic downturns. During the Great Recession, EPS fell 14%, but Target recovered in just a year, outperforming many peers. Even during the COVID-19 pandemic, Target's EPS actually increased, demonstrating its adaptability. Still, Target remains exposed to shifts in consumer spending, particularly during recessions, which investors should keep in mind.

Growth, Value & Expected Total Return Analysis

Target has averaged 8% annual EPS growth over the past decade, though earnings lagged from 2012 to 2017 due to increased competition and a failed Canadian expansion. Recent turnaround efforts have driven improvement, but share count has remained unchanged for two years, despite stronger buybacks in previous years. With recent margin pressures, we expect 7% annualized growth from a modest 2024 baseline.

The stock is now trading at 14.4 times its projected 2024 earnings. If it gradually returns to our fair P/E ratio of 16.0 over the next five years, it would generate a 2.1% annualized valuation gain. Adding a 7.0% earnings growth rate and a 3.6% dividend yield, the stock has the potential to deliver a total annual return of 12.1% over the next five years.

S&P Global Inc. (SPGI)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 11.3%

Overview & Current Events

S&P Global is a worldwide provider of financial services and business information with a market capitalization of \$164 billion and annual revenue of \$14 billion. Through its various segments, it provides credit ratings, benchmarks and indices, analytics, and other data to commodity market participants, capital markets, and automotive markets. S&P Global has paid dividends continuously since 1937 and has increased its payout for 52 consecutive years, thus being one of the newest members of Dividend Kings.

S&P posted fourth-quarter and full-year results on February 11th, 2025. The results were much better than expected on both the top and bottom lines. Adjusted earnings-per-share grew 20%, from \$3.13 to \$3.77, and exceeded the analysts' estimates by \$0.30. Revenue grew 14% year-over-year, beating the analysts' estimates by 4%. The company posted revenue growth in all of its operating segments, in addition to strong operating margin expansion. It has also beaten estimates by a wide margin for 4 consecutive quarters.

Thanks to sustained business momentum and the absence of any signs of fatigue, management provided strong guidance for 2025. It expects earnings-per-share of \$17.00-\$17.25, thus implying 9% growth at the midpoint. Our forecast is \$17.20.

Safety & Dividend Risk Analysis

The most important feature of S&P Global is its strong competitive position. It operates in the highly concentrated financial ratings industry where the three well-known rating agencies control over 90% of global financial debt ratings. On the other hand, S&P Global is vulnerable to recessions, as companies, countries and individuals become much more conservative during such periods, and thus their interest in financial services and debt issuance greatly decreases. This was evident in the Great Recession, when S&P Global's earnings-per-share fell 21%, from \$2.94 in 2007 to \$2.33 in 2009. However, given that it was a financial crisis and most companies saw their earnings collapse, the performance of S&P Global was solid overall. To its credit, S&P Global posted record earnings in 2020, despite the fierce recession caused by the pandemic.

Growth, Value & Expected Total Return Analysis

S&P Global benefits from a strong secular trend, namely the fast-rising amount of global debt issued by countries and corporations. It has grown its earnings-per-share by an impressive 15% per year on average over the last decade. We project 12.0% annual earnings-per-share growth over the next five years.

Shares are trading at 30.8 times expected earnings in 2025, in line with the 5-year average of the stock. We assume a fair earnings multiple of 29.0 for the sake of safety, indicating the possibility for a -1.2% annual headwind from valuation contraction over the next five years. When combined with the 0.7% dividend and 12.0% anticipated growth, this implies the potential for 11.3% annual total returns over the next five years.

Badger Meter Inc. (BMI)

Dividend Risk Score: A

5-Year Expected Annual Total Returns: 11.1%

Overview & Current Events

Badger Meter was founded in 1905 in Milwaukee, WI. The company's first product was a "frost proof" water meter. Today, Badger Meter manufactures and markets meters and valves that are used to measure and control the flow of liquids, such as water, oil, and various chemicals. The company's products are also used to control the flow of air and gases. Badger Meter generated \$827 million in revenues last year. The company is also a founding member of the American Water Works Association, a trade group that sets water measurement standards in the U.S.

On January 31st, 2025, Badger Meter reported its fourth-quarter and full-year results for the period ending December 31st, 2024. For the quarter, revenue increased 12.5% to \$205.2 million, beating estimates by \$2.45 million. Earnings-per-share (EPS) rose to \$1.04, up from \$0.84 the previous year, beating estimates by \$0.04.

The utility water business continued its strong performance, growing 14% in the quarter. This was driven by increased demand for ORION Cellular endpoints, E-Series Ultrasonic meters, and BEACON Software as a Service (Saas). Sales from flow instrumentation products grew 1% year-over-year, as modest gains in water-focused end markets were offset by reduced emphasis on other applications globally.

Gross margins expanded by 110 basis points to 40.3%. The operating margin improved by 150 basis points to 19.1%. For the full year, revenue grew 18% to a record \$826.6 million. EPS also reached a new high of \$4.23, compared to \$3.14 in 2023.

Safety & Dividend Risk Analysis

Badger Meter's 32-year dividend increase streak and conservative 28% payout ratio indicate a safe and sustainable dividend. The company's revenue base, primarily tied to municipal water utilities, provides stability, as water infrastructure spending remains highly critical regardless of economic cycles. Evidently, the company has never posted a loss in its 40-year history in the public markets, with earnings-per-share rising even during both the Great Financial Crisis and the COVID-19 pandemic. The critical nature of water access reduces revenue volatility, supporting reliable cash flows to fund dividends. Given these factors, we believe Badger Meter presents minimal dividend risk, with a strong foundation for continued dividend payments.

Growth, Value & Expected Total Return Analysis

Badger Meter boasts an impressive track record, with earnings-per-share growing at an annual rate of 18.8% over the past decade and accelerating to 23.5% per year over the last five years. We project an annual earnings-per-share growth rate of 15.0% over the next five years.

Thus, we estimate a total annual return potential of 11.1%, powered by the 15.0% growth rate and the starting 0.7% dividend yield, offset by the potential for a valuation headwind of 4.0%. The stock now trades at 42.9 times this year's EPS estimate, which is notably above our fair value estimate of 35.0 times earnings.

Ranking Procedure

The method we use to compute the rankings for the Top 10 Dividend Elite is as follows:

Note: Rankings are done using [Sure Analysis Research Database](#) data from between 2 and 5 days before the publication of the Top 10 Dividend Elite special report in order to allow for analysis and publication of the report.

1. Filter for securities with 25+ years of consecutive dividend increases with a Dividend Risk Score of “A” and expected total returns of 10% or higher.
2. Sort by expected total returns (the higher the better).
3. If there are fewer than 10 securities, repeat the procedure for securities with a Dividend Risk Score of “B.”
4. If there are still fewer than 10 securities, repeat the steps above with a minimum expected total return threshold of 9%.
5. If there are still fewer than 10 securities, continue reducing the minimum expected total return threshold by 1 percentage point and redo steps 1 through 3 until we have 10 securities.

Note: We will veto securities as necessary from our Top 10 based on qualitative analysis. We also remove international securities from the Top 10.

To receive an A Dividend Risk Score, a security must be in the top 20% for dividend safety. To receive a B Dividend Risk Score, a security must be in the top 40% for dividend safety. The formula for the Dividend Risk Score is below:

Dividend Risk Score (Raw) = Payout Ratio x 100 – # Years of Steady or Rising Dividends + 50 if deemed risky during a recession

We view securities with A and B Dividend Risk Scores as generally having secure dividends that are very unlikely to be reduced in the near future.

Our expected total returns are calculated in the [Sure Analysis Research Database](#). They are based on expected returns over the next five years. Our expected total returns take into account dividends, growth, and valuation returns.

Note that our expected total returns are based on the idea that the economy will continue forward “as is” for the foreseeable future, and not encounter a recession. Recessions happen, of course, and we seek to recommend securities likely to pay steady or rising dividends during recessions. Recession safety factors into our Dividend Risk Scores, and in turn our Top 10 Dividend Elite rankings.

List of Securities with 25+ Years of Rising Dividends by Dividend Risk Score

Each of the securities with 25+ years of rising dividends in the *Sure Analysis Research Database* are grouped according to Dividend Risk Score and sorted (from highest to lowest) by expected 5-year total return using data from the *Sure Analysis Research Database*. Dividend Yield is included next to each security's ticker symbol.

The Dividend Risk Score uses payout ratio, dividend history, and recession resiliency to measure a company's dividend safety. You can learn more about how the score is calculated in the [Sure Analysis Glossary](#). See our [Ranking Procedure](#) for more information.

Click on the name of any security below to go to that security's Sure Analysis page (if you are a member of the [Sure Analysis Research Database](#)).

A-Rated Dividend Risk Scores

- | | |
|---|--|
| 1. Stepan Co. (SCL): 2.5% | 36. Colgate-Palmolive Co. (CL): 2.2% |
| 2. Sonoco Products Co. (SON): 4.5% | 37. MSA Safety Inc (MSA): 1.3% |
| 3. SJW Group (SJW): 3.2% | 38. A.O. Smith Corp. (AOS): 2.1% |
| 4. Gorman-Rupp Co. (GRC): 1.9% | 39. Automatic Data Processing Inc. (ADP): 2% |
| 5. Andersons Inc. (ANDE): 1.8% | 40. Community Trust Bancorp, Inc. (CTBI): 3.5% |
| 6. Hormel Foods Corp. (HRL): 4% | 41. Consolidated Edison, Inc. (ED): 3.4% |
| 7. California Water Service Group (CWT): 2.6% | 42. Lowe's Cos., Inc. (LOW): 1.9% |
| 8. PPG Industries, Inc. (PPG): 2.4% | 43. H.B. Fuller Company (FUL): 1.6% |
| 9. Archer Daniels Midland Co. (ADM): 4.3% | 44. Stanley Black & Decker Inc (SWK): 3.8% |
| 10. Farmers & Merchants Bancorp (FMCB): 1.8% | 45. First Farmers Financial Corp (FFMR): 2.9% |
| 11. Nordson Corp. (NDSN): 1.5% | 46. Chesapeake Financial Shares Inc (CPKF): 3.3% |
| 12. Sysco Corp. (SYY): 2.8% | 47. Middlesex Water Co. (MSEX): 2.6% |
| 13. Becton Dickinson & Co. (BDX): 1.8% | 48. Coca-Cola Co (KO): 2.9% |
| 14. SEI Investments Co. (SEIC): 1.2% | 49. Eagle Financial Services, Inc. (EFSI): 3.8% |
| 15. Tennant Co. (TNC): 1.4% | 50. ABM Industries Inc. (ABM): 2% |
| 16. Bank OZK (OZK): 3.5% | 51. National Fuel Gas Co. (NFG): 2.8% |
| 17. Brown-Forman Corp. (BF.B): 2.8% | 52. Illinois Tool Works, Inc. (ITW): 2.3% |
| 18. Target Corp (TGT): 3.6% | 53. Universal Corp. (UVV): 6.1% |
| 19. John Wiley & Sons Inc. (WLY): 3.6% | 54. Tootsie Roll Industries, Inc. (TR): 1.2% |
| 20. S&P Global Inc (SPGI): 0.7% | 55. Tompkins Financial Corp (TMP): 3.7% |
| 21. Donaldson Co. Inc. (DCI): 1.6% | 56. RPM International, Inc. (RPM): 1.7% |
| 22. Genuine Parts Co. (GPC): 3.4% | 57. Roper Technologies Inc (ROP): 0.6% |
| 23. Badger Meter Inc. (BMI): 0.7% | 58. Lancaster Colony Corp. (LANC): 2% |
| 24. Johnson & Johnson (JNJ): 3% | 59. Atmos Energy Corp. (ATO): 2.3% |
| 25. Carlisle Companies Inc. (CSL): 1.2% | 60. Westamerica Bancorporation (WABC): 3.5% |
| 26. W.W. Grainger Inc. (GWW): 0.8% | 61. Graco Inc. (GGG): 1.3% |
| 27. FactSet Research Systems Inc. (FDS): 0.9% | 62. General Dynamics Corp. (GD): 2.3% |
| 28. Stryker Corp. (SYK): 0.9% | 63. Caterpillar Inc. (CAT): 1.6% |
| 29. Eastern Bankshares Inc. (EBC): 2.7% | 64. Church & Dwight Co., Inc. (CHD): 1.1% |
| 30. Brady Corp. (BRC): 1.3% | 65. Brown & Brown, Inc. (BRO): 0.5% |
| 31. Medtronic Plc (MDT): 3.1% | 66. Cincinnati Financial Corp. (CINF): 2.5% |
| 32. Nucor Corp. (NUE): 1.6% | 67. Northeast Indiana Bancorp Inc. (NIDB): 4.1% |
| 33. Emerson Electric Co. (EMR): 1.8% | 68. Jack Henry & Associates, Inc. (JKHY): 1.4% |
| 34. Fresenius Medical Care AG (FMS): 2.7% | 69. McDonald's Corp (MCD): 2.3% |
| 35. RenaissanceRe Holdings Ltd (RNR): 0.7% | 70. Dover Corp. (DOV): 1% |
| | 71. ITT Inc (ITT): 1% |

72. United Bankshares, Inc. (UBSI): 4.2%
73. Abbott Laboratories (ABT): 1.7%
74. Pentair plc (PNR): 1.1%
75. RTX Corp (RTX): 2%
76. Cintas Corporation (CTAS): 0.8%
77. Air Products & Chemicals Inc. (APD): 2.3%
78. Lincoln Electric Holdings, Inc. (LECO): 1.4%
79. Enterprise Bancorp, Inc. (EBTC): 2.3%
80. Walmart Inc (WMT): 1%
81. PSB Holdings Inc (WI) (PSBQ): 2.5%
82. Chubb Limited (CB): 1.3%
83. McGrath RentCorp (MGRC): 1.5%
84. AbbVie Inc (ABBV): 3.2%
85. American States Water Co. (AWR): 2.4%
86. Federal Realty Investment Trust. (FRT): 4.2%
87. Procter & Gamble Co. (PG): 2.4%
88. Franklin Electric Co., Inc. (FELE): 1%
89. Aflac Inc. (AFL): 2.2%
90. Sherwin-Williams Co. (SHW): 0.9%
91. AptarGroup Inc. (ATR): 1.2%
92. Parker-Hannifin Corp. (PH): 1%
93. West Pharmaceutical Services, Inc. (WST): 0.4%
94. Bancfirst Corp. (BANF): 1.5%
95. Linde Plc. (LIN): 1.2%
96. Commerce Bancshares, Inc. (CBSH): 1.7%
97. Exxon Mobil Corp. (XOM): 3.6%
98. Kenvue Inc (KVUE): 3.5%
99. 1st Source Corp. (SRCE): 2.2%
100. Expeditors International (EXPD): 1.2%
101. Ecolab, Inc. (ECL): 1%
102. MGE Energy, Inc. (MGEE): 1.9%
103. RLI Corp. (RLI): 0.8%
104. Imperial Oil Ltd. (IMO): 2.9%
105. Cardinal Health, Inc. (CAH): 1.6%
106. Erie Indemnity Co. (ERIE): 1.4%
107. Casey`s General Stores, Inc. (CASY): 0.5%
12. NextEra Energy Inc (NEE): 3.2%
13. NNN REIT Inc (NNN): 5.5%
14. Southside Bancshares Inc (SBSI): 4.8%
15. Universal Health Realty Income Trust (UHT): 7.4%
16. Polaris Inc (PII): 5.8%
17. Matthews International Corp. (MATW): 3.9%
18. Black Hills Corporation (BKH): 4.5%
19. Enbridge Inc (ENB): 6.3%
20. Fortis Inc. (FTS): 3.9%
21. Essential Utilities Inc (WTRG): 3.5%
22. Community Financial System Inc. (CBU): 2.9%
23. Nacco Industries Inc. (NC): 2.8%
24. Canadian National Railway Co. (CNI): 2.4%
25. Old Republic International Corp. (ORI): 2.9%
26. Clorox Co. (CLX): 3.2%
27. McCormick & Co., Inc. (MKC): 2.2%
28. Norwood Financial Corp. (NWFL): 4.8%
29. Unilever plc (UL): 3.3%
30. Roche Holding AG (RHHBY): 3.2%
31. Kimberly-Clark Corp. (KMB): 3.6%
32. Canadian Utilities Ltd. (CDUAF): 5.4%
33. Nestle SA (NSRGY): 3.2%
34. Altria Group Inc. (MO): 7.4%
35. Albemarle Corp. (ALB): 2.1%
36. UGI Corp. (UGI): 4.5%
37. UMB Financial Corp. (UMBF): 1.5%
38. Thomson-Reuters Corp (TRI): 1.3%
39. Essex Property Trust, Inc. (ESS): 3.4%
40. York Water Co. (YORW): 2.6%
41. Cullen Frost Bankers Inc. (CFR): 2.8%
42. Entergy Corp. (ETR): 2.8%
43. Chevron Corp. (CVX): 4.4%
44. C.H. Robinson Worldwide, Inc. (CHRW): 2.5%
45. International Business Machines Corp. (IBM): 2.6%

C-Rated Dividend Risk Securities

1. Sanofi (SNY): 3.7%
2. Arrow Financial Corp. (AROW): 4.2%
3. Franklin Resources, Inc. (BEN): 6.2%
4. Realty Income Corp. (O): 5.7%
5. Calvin b. Taylor Bankshares, Inc. (TYCB): 2.4%
6. Fastenal Co. (FAST): 2.3%
7. Andover Bancorp, Inc. (ANDC): 3.8%

D-Rated Dividend Risk Securities

1. TC Energy Corporation (TRP): 5.4%

F-Rated Dividend Risk Securities

N/A

B-Rated Dividend Risk Securities

1. Eversource Energy (ES): 4.7%
2. PepsiCo Inc (PEP): 3.8%
3. Artesian Resources Corp. (ARTNA): 3.7%
4. New Jersey Resources Corporation (NJR): 3.7%
5. Novartis AG (NVS): 3.5%
6. J.M. Smucker Co. (SJM): 4%
7. Northwest Natural Holding Co (NWN): 4.7%
8. T. Rowe Price Group Inc. (TROW): 4.9%
9. L`Oreal (LRLCF): 2%
10. Novo Nordisk (NVO): 2.1%
11. Enterprise Products Partners L P (EPD): 6.5%

Disclaimer

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