



Equitable Holdings, Inc. (EQH)

Updated May 9th, 2025, by Kody Kester

Key Metrics

Current Price:	\$51	5 Year CAGR Estimate:	7.7%	Market Cap:	\$15.7B
Fair Value Price:	\$47	5 Year Growth Estimate:	8.0%	Ex-Dividend Date:	06/02/2025 ¹
% Fair Value:	110%	5 Year Valuation Multiple Estimate:	-2.0%	Dividend Payment Date:	06/09/2025 ¹
Dividend Yield:	1.9%	5 Year Price Target	\$68	Years Of Dividend Growth:	6
Dividend Risk Score:	B	Sector:	Financials	Rating:	Hold

Overview & Current Events

Equitable Holdings, Inc. (EQH) is a leading financial services company. The company operates the following six segments: Individual Retirement, Group Retirement, Asset Management, Protection Solutions, Wealth Management, and Legacy. With a history dating back to 1859, the firm was formerly a fully owned subsidiary of France's AXA. EQH completed its U.S. initial public offering in 2018, and the company has raised its dividend each year over that time. As of March 31st, 2025, EQH managed approximately \$1 trillion in assets. That was via the Equitable retirement and protection strategies franchise, the AllianceBernstein diversified investment services franchise, and the Equitable Advisors financial planning/wealth management/retirement planning/protection and risk management services franchise.

Last month, EQH announced the results of its cash tender offer for up to 46 million shares of AllianceBernstein for \$38.50 each. Approximately 19.7 million shares were properly tendered. This resulted in the company paying \$757.8 million to increase its AllianceBernstein stake by 17.8% to an economic interest of 68.6% today.

Later in the month, on April 29th, EQH shared its financial results for the first quarter ended March 31st, 2025. The company's non-GAAP operating EPS decreased by 6.5% year-over-year to \$1.30 during the quarter. That came in \$0.18 below the analyst consensus in the quarter.

Overall, EQH kicked off 2025 with a strong start, recording \$6.3 billion in net inflows throughout its business. This helped the company's total assets under management/administration edge 3.2% higher over the year-ago period to top \$1 trillion. The company has yet to announce its next dividend hike. However, after four straight quarterly dividends per share amounting to \$0.24 each, we think EQH will hike its quarterly dividend per share by 8.3% to \$0.26 next month.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	--	--	--	\$3.89	\$4.85	\$4.99	\$6.58	\$5.08	\$4.59	\$5.93	\$6.65	\$9.77
DPS	--	--	--	\$0.26	\$0.58	\$0.66	\$0.71	\$0.78	\$0.86	\$0.94	\$0.96	\$1.41
Shares²	--	--	--	528.9	463.7	440.8	391.3	365.1	333.9	309.9	306.3	213.1

Over the last five years, EQH has generated roughly 6% annual non-GAAP operating EPS growth. We believe the company can generate 8% annual non-GAAP operating EPS growth over the medium term, off an anticipated base of \$6.65 for 2025. Double-digit non-GAAP operating EPS growth is expected in 2025 because of a reinsurance transaction that's expected to close mid-2025 (likely around July 1st). That will free up \$2 billion of capital, which could be used to purchase additional shares or repay debt. Both of which would be accretive to non-GAAP operating EPS. Beyond 2025, EQH's increased stake in AllianceBernstein should be a key growth driver. The company has an outstanding reputation in a quickly growing industry. EQH also has the free cash flow to reduce its share count by about 7% annually.

¹ Estimated date.

² Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Equitable Holdings, Inc. (EQH)

Updated May 9th, 2025, by Kody Kester

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	--	--	--	4.3	5.1	5.1	5.0	5.7	7.3	8.0	7.7	7.0
Avg. Yld.	--	--	--	1.6%	2.3%	2.6%	2.2%	2.7%	2.6%	2.0%	1.9%	2.1%

Since its IPO in 2018, EQH has traded at an average P/E ratio of just below 6. We believe that forward growth will come in higher than its average growth rate in recent years. Thus, a fair value P/E ratio of 7 could be a sensible fair value multiple in the years ahead. Relative to the current valuation multiple of 7.7, shares of EQH are arguably moderately overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	--	--	--	7%	12%	13%	11%	15%	19%	16%	14%	14%

As a standalone company, EQH is a relative newcomer. However, its corporate history dates back well over a century. Unsurprisingly, that remarkable reputation earns it the top market share in 403(b) retirement plans for educators in the United States.

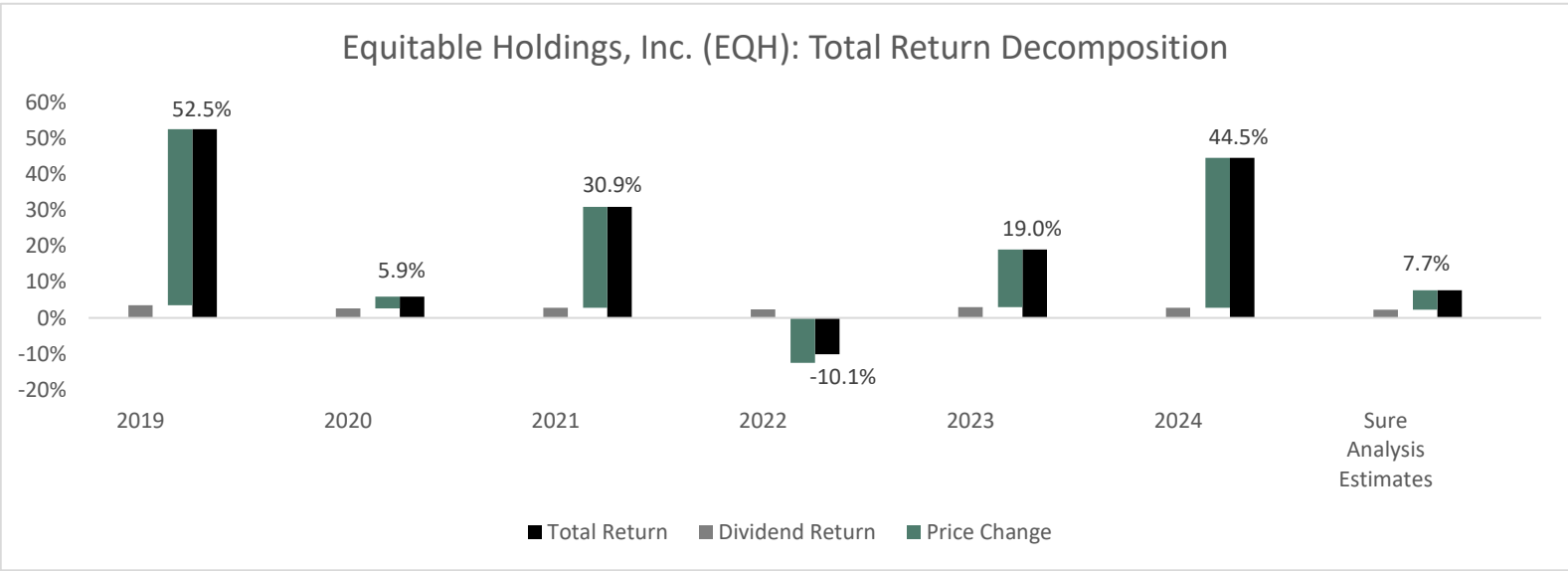
EQH ended 2024 with an NAIC RBC ratio of approximately 425%. The company also had \$1.1 billion of holding company liquidity to close out 2024. After accounting for the upcoming \$2 billion benefit from the reinsurance transaction, EQH’s already healthy balance sheet will be even stronger. Management anticipates that the RBC ratio will improve by about 75 to 100 basis points over 2024 by the second half of 2025. That’s why EQH enjoys an A- credit rating from S&P on a stable outlook.

The company’s dividend is also quite secure, with the payout ratio positioned to be in the low to mid-teens for 2025. That should provide EQH with plenty of flexibility to build on its six-year dividend growth streak.

Final Thoughts & Recommendation

EQH’s 1.9% dividend yield, 8.0% annual non-GAAP operating EPS growth prospects, and 2.0% annual valuation multiple contraction potential could generate 7.7% annual total returns through 2030. Thus, we’re issuing a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Equitable Holdings, Inc. (EQH)

Updated May 9th, 2025, by Kody Kester

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	10079	11763	12460	12069	9619	12415	11036	14017	10530	12437
SG&A Exp.	2165	1965	1980	2079	2081	2096	2360	2199	2328	2441
D&A Exp.	9	758	399	296	675	1757	497	814	812	832
Net Profit	333	1254	834	1855	(1764)	(648)	(439)	1785	1302	1256
Net Margin	3.3%	10.7%	6.7%	15.4%	-18.3%	-5.2%	-4.0%	12.7%	12.4%	10.1%
Free Cash Flow	(275)	(333)	(345)	(62)	(309)	(168)	(876)	(1018)	(325)	1853
Income Tax	(217)	378	49	301	(593)	(744)	(145)	499	(905)	288

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	205569	216614	235615	220797	249818	275397	292262	253468	276810	295866
Cash & Equivalents	6557	5654	4814	4469	4405	6179	5188	4281	8239	6964
Acc. Receivable	5270	5220	5023	4895	4592	4566	14679	17201	8352	12002
Goodwill & Int.	5242	5243	4824	4780	4751	4737	4728	5482	5433	5371
Total Liabilities	192000	202017	219097	205365	234771	258220	278699	249615	271660	292298
Accounts Payable	1945	2048	2219	1869	2126	2824	2664	2248	4883	4129
Long-Term Debt	6451	4509	6030	4955	4111	4428	5122	5231	5633	5949
Total Equity	10440	11455	13421	13866	12681	14307	9957	96	1087	3568
LTD/E Ratio	0.62	0.39	0.45	0.36	0.31	0.28	0.44	3.16	2.13	1.67

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets		0.6%	0.4%	0.8%	-0.7%	-0.2%	-0.2%	0.7%	0.5%	0.5%
Return on Equity		11.5%	6.7%	13.6%	-13.3%	-4.8%	-3.6%	35.5%	29.7%	61.7%
Shares Out.				528	463	450	417	380	352	325
Revenue/Share	17.97	20.97	22.21	21.69	19.49	27.56	26.44	36.90	29.94	38.27
FCF/Share	(0.49)	(0.59)	(0.62)	(0.11)	(0.63)	(0.37)	(2.10)	(2.68)	(0.92)	5.70

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.