FirstService Corporation (FSV)

Updated July 25th, 2025, by Kody Kester

Key Metrics

Current Price:	$197	**5 Year CAGR Estimate:**	11.2%	**Market Cap:**	$9.0B
Fair Value Price:	$199	**5 Year Growth Estimate:**	10.5%	**Ex-Dividend Date:**	09/26/25[1]
% Fair Value:	99%	**5 Year Valuation Multipl e Estimate:**	0.2%	**Dividend Payment Date:**	10/06/25[1]
Dividend Yield:	0.6%	**5 Year Price Target**	$328	**Years Of Dividend Growth:**	10
Dividend Risk Score:	A	**Sector:**	Real Estate	**Rating:**	Buy

Overview & Current Events

FirstService Corporation was established in 1989 by Founder and Chairman Jay Hennick. Originally, FSV started as a Toronto-based swimming pool management company.

The same year as its founding, FSV established FirstService Brands. It is one of North America's largest providers of property services to residential and commercial customers via individually branded franchise systems and company-owned operations. These are leading brands in fragmented industries, including the top customer closets manufacturer California Closets, the largest residential painting contractor CertaPro Painters, and the leading floor franchise Floor Coverings International.

In 1996, the company acquired two Florida-based property management firms, with additional acquisitions in New York City and the Northeast U.S. regions soon thereafter. This led to the establishment of the FirstService Residential platform that year. In that time, FSV became the biggest residential community manager, managing over 9,000 communities.

FirstService Brands made up approximately $1.55 billion (58.1%) of FSV's total $2.67 billion in revenue in the first half of 2025. The remaining $1.12 billion (41.9%) of revenue was generated from the FirstService Residential division.

On July 24th, FSV released its earnings report for the second quarter ended June 30th, 2025. The company's total revenue grew by 9.1% year-over-year to $1.42 billion in the quarter. The FirstService Brands division posted $822.7 million in revenue during the quarter, which was up 11.2% over the year-ago period. This was the result of tuck-in acquisitions and a 1% organic revenue growth rate for the quarter. FSV's Residential Division reported $593 million in revenue in the quarter, which was a 6.4% year-over-year growth rate. That growth during the quarter was made possible by a mix of 3% organic growth and tuck-in acquisitions. FSV's adjusted EPS jumped 25.7% over the year-ago period to $1.71 for the quarter. This was $0.25 greater than the analyst consensus in the quarter.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.20	$1.62	$2.03	$2.61	$3.00	$3.46	$4.57	$4.24	$4.66	$4.96	***$5.85***	***$9.64***
DPS	$0.30	$0.44	$0.49	$0.54	$0.60	$0.66	$0.73	$0.81	$0.90	$1.00	***$1.10***	***$1.77***
Shares[2]	35.9	35.8	35.9	36.0	41.5	43.6	44.0	44.2	44.7	45.1	***45.7***	***47.8***

We believe that FSV's adjusted EPS can compound by 10.5% annually on a 2025 base of $5.85 through 2030. On the FirstService Residential side, FSV still benefits from continued trends toward more new homes sold in homeowners associations (HOAs). It's estimated that approximately 81% of new homes sold belong to HOAs, which remains a growth catalyst for FSV. On the FirstService Brands side, customer retention and referrals, and expansion to ancillary services can drive organic growth. FSV also has a leading market share in markets that are quite fragmented. This opens the door to more acquisitions in new geographies and company-owned portfolio expansion to fuel further growth.

[1] Estimated based on past dividend dates.

[2] Share count is in millions.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	33.7	29.3	34.5	26.2	31.8	39.5	43.0	28.9	34.8	36.5	***33.7***	***34.0***
Avg. Yld.	0.7%	0.9%	0.7%	0.8%	0.6%	0.5%	0.4%	0.7%	0.6%	0.6%	***0.6%***	***0.5%***

Over the past decade, shares of FSV have averaged a P/E ratio of approximately 34. We still think that this is a sensible fair value estimate. That's because FSV's growth profile appears to be holding up. Relative to the current P/E ratio of 33.7, FSV's shares look to be trading near fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	25%	27%	24%	21%	20%	19%	16%	19%	19%	20%	***19%***	***18%***

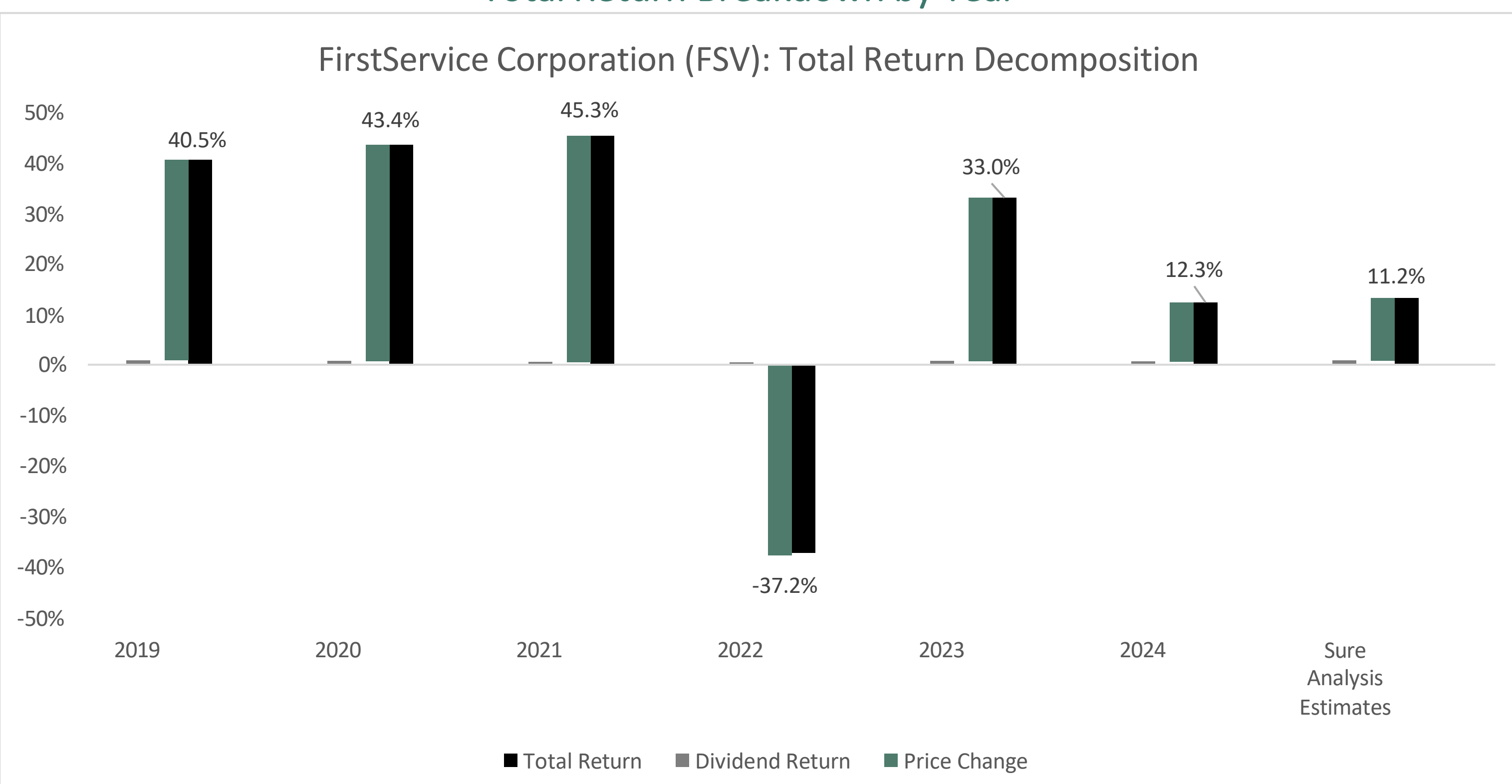
FSV's culture of service excellence drives robust client retention, repeat business, and referrals. Paired with a high share of contractual revenue, this generates significant free cash flow to be returned to shareholders via a growing dividend. That's how the company has reliably increased its payout over the last 10 years. A payout ratio that's positioned to remain in the high-teen to low-20% range in 2025 should set up the dividend for more double-digit annual growth in the years ahead.

FSV's financial condition is also decent. That is backed up by the fact that the company's net debt to trailing 12 months EBITDA ratio was 1.8x as of June 30th, 2025.

Final Thoughts & Recommendation

FSV's 0.6% dividend yield, 10.5% annual adjusted EPS growth prospects, and 0.2% annual valuation multiple expansion potential could deliver 11.2% annual total returns over the medium term. As a result, we're reiterating our buy 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.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,264	1,483	1,729	1,931	2,407	2,772	3,249	3,746	4,335	5,217
Gross Profit	380	433	540	611	773	901	1,046	1,180	1,388	1,718
Gross Margin	30.1%	29.2%	31.2%	31.6%	32.1%	32.5%	32.2%	31.5%	32.0%	32.9%
SG&A Exp.	279	305	385	426	546	629	734	846	99	1,230
D&A Exp.	29	37	42	53	80	98	99	110	128	165
Operating Profit	72	91	113	132	(167)	174	214	224	266	323
Operating Margin	5.7%	6.1%	6.5%	6.8%	-6.9%	6.3%	6.6%	6.0%	6.1%	6.2%
Net Profit	21	34	51	66	(252)	87	135	121	100	134
Net Margin	1.7%	2.3%	3.0%	3.4%	-10.5%	3.1%	4.2%	3.2%	2.3%	2.6%
Free Cash Flow	67	80	79	59	61	252	109	28	188	173
Income Tax	23	27	22	25	27	36	53	49	56	70

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	600	771	848	1,007	1,955	2,197	2,509	2,775	3,626	4,195
Cash & Equivalents	46	43	57	66	121	184	166	136	188	228
Accounts Receivable	115	164	186	240	394	419	552	636	842	957
Inventories	16	30	38	48	95	142	161	242	246	280
Goodwill & Int.	300	387	426	484	1,011	1,083	1,225	1,255	1,808	2,110
Total Liabilities	356	488	538	620	1,355	1,343	1,490	1,634	2,269	2,558
Accounts Payable	24	32	41	42	76	99	100	116	143	174
Long-Term Debt	201	251	270	335	767	590	653	734	1,182	1,257
Shareholder's Equity	167	181	192	236	426	660	800	907	1,024	1,637
D/E Ratio	1.20	1.39	1.40	1.42	1.80	0.89	0.82	0.81	1.15	0.77

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.5%	4.9%	6.4%	7.1%	-17.0%	4.2%	5.7%	4.6%	3.1%	3.4%
Return on Equity	8.8%	12.7%	17.3%	18.9%	-50.9%	12.0%	14.4%	11.2%	8.0%	12.2%
ROIC	4.6%	6.9%	9.2%	10.1%	-24.1%	6.2%	8.7%	6.8%	4.5%	4.0%
Shares Out.	35.9	35.8	35.9	36.0	41.5	43.6	44.0	44.2	44.7	45.6
Revenue/Share	34.70	40.78	47.29	52.81	62.27	64.2	73.18	84.19	96.76	114.41
FCF/Share	1.85	2.20	2.17	1.61	1.58	5.84	2.46	0.64	4.19	3.79

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