Value Line, Inc. (VALU)

Updated July 29th, 2025, by Ian Bezek

Key Metrics

Current Price:	$39	**5 Year CAGR Estimate:**	8.7%	**Market Cap:**	$359 M
Fair Value Price:	$45	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	07/28/25
% Fair Value:	87%	**5 Year Valuation Multiple Estimate:**	2.9%	**Dividend Payment Date:**	08/11/25
Dividend Yield:	3.3%	**5 Year Price Target**	$52	**Years Of Dividend Growth:**	11
Dividend Risk Score:	D	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Value Line is a financial services company which offers investment research and fund management operations. The company was organized in 1982 as a successor to the Arnold Bernhard & Co., and investors should note that Arnold Bernhard & Co retains control of 91.6% of all outstanding VALU shares. Value Line has long published industry-leading periodicals such as the Value Line Investment Survey and the Value Line 600. The company has adapted to the changing times, offering many of its publications, newsletters, and other such information products through digital channels. Value Line sells subscriptions to various clients including individual investors, professional fund managers, and libraries. In addition, Value Line holds a substantial non-voting interest in EULAV Asset Management, which is the investment advisor and distributor for the Value Line Family of mutual funds.

Value Line is a steady business with a stable, but not meaningfully increasing, subscription base. To that point, Value Line generated $36 million in revenues in fiscal year 2016, and $35 million in fiscal year 2025, showing a slight decline in nominal terms and a meaningful decline in the business when adjusted for inflation over the past decade. Both Value Line's investment research offerings and mutual fund portfolios face significant competition.

On July 29th, 2025, Value Line reported its financial results for its Q4 and full-year fiscal 2025 period ending April 30th, 2025. Earnings per share of 43 cents fell from the 51 cents earned in the same portion of last year. The company saw weaker results from its investment portfolio in Q4 which was driven by the decline in financial markets earlier this year. Note that Value Line's reporting period ended in April, when markets were still at a relative low point related to the tariff jitters this spring. Subsequent to that date, financial markets have recovered sharply and so Value Line should report stronger results in Q1 of its FY' 26. The company's Q4 earnings decline did not impact our broader view of the company, and we expect modest overall EPS growth in fiscal year 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.75	$1.07	$1.52	$1.24	$1.55	$2.43	$2.50	$1.91	$2.02	$2.20	***$2.25***	***$2.61***
DPS	$0.65	$0.69	$0.73	$0.77	$0.81	$0.85	$0.91	$1.03	$1.14	$1.22	***$1.30***	***$1.51***
Shares	10	10	10	10	10	10	9	9	9	9	***9***	***9***

Value Line has more than doubled its earnings per share over the past decade. However, the company has not grown top-line revenues whatsoever. Rather, it has enjoyed stronger returns on its investment portfolio. As of January 31st, 2025, the company held $45 million in short-term investments along with $34 million in cash. The company actively manages these investments and cash position and generates a large chunk of its total earnings from this portfolio. Over the past few years, thanks to higher interest rates and strong stock market performance, Value Line has generated more investment income than it did in prior years. We are uncertain if this positive trend will continue. That's especially true if the Federal Reserve cuts interest rates significantly, which could lower Value Line's future returns on its fixed income holdings. As such, we model more conservative 3% earnings growth going forward. We expect 3% annualized dividend growth, in line with its earnings growth.

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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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.9	16.4	12.8	18.6	19.9	12.6	26.1	23.9	17.9	20.0	***17.3***	***20.0***
Avg. Yld.	4.0%	3.5%	3.6%	3.2%	3.2%	2.8%	2.6%	1.6%	2.5%	2.8%	***3.3%***	***2.9%***

Value Line has averaged a 19x P/E ratio since 2015 and a 20.1x P/E ratio over the past five years. Given the stability in the company's business and the limited top-line growth prospects, we do not expect any considerable change in its valuation going forward. Value Line has averaged a 3.0% dividend yield since 2016, and we expect shares to continue to offer a similar yield in future years. The current 3.3% yield is slightly above our long-term forecast.

Safety, Quality, Competitive Advantage, & Recession Resiliency

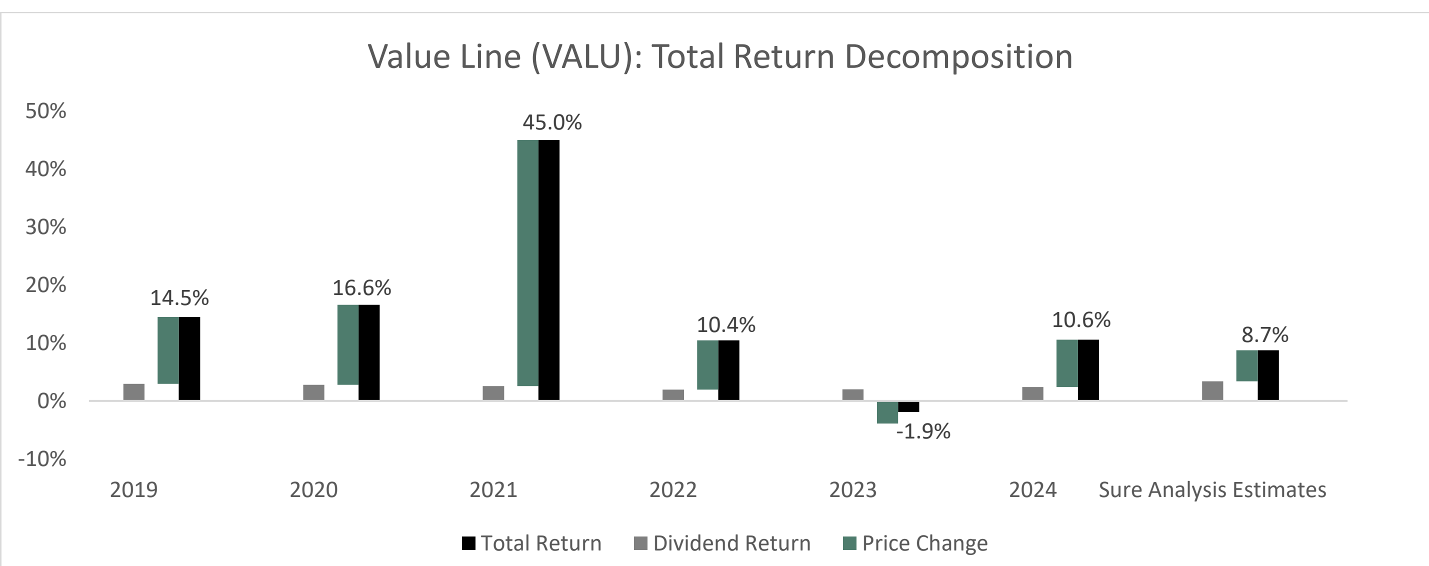
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	87%	64%	48%	62%	52%	35%	36%	54%	56%	55%	***58%***	***58%***

Value Line has a tremendous balance sheet. It has no debt or other meaningful long-term obligations. And on the assets side, it holds a considerable chunk of cash, fixed income, and equity investments in comparison to its market capitalization. The company's subscription-based revenues have proven to be stable throughout various economic climates, and the mutual fund business is also fairly predictable. Over the longer-term, Value Line faces intense competition in both of its business lines, which will limit its growth prospects. However, the company has plenty of resources with which to adapt to the changing financial services landscape.

Final Thoughts & Recommendation

Value Line's stability and strong balance sheet are appealing aspects. However, the company's slow growth rate puts a limit on the firm's forward prospects. Historically, Value Line was able to generate more earnings out of its investment portfolio thanks to higher interest rates and a rapidly rising overall U.S. stock market, but we are not sure investors can count on similar conditions over the next five years. Value Line shares are now trading at a moderate discount to our fair value estimate, but the gap is not wide enough to change our overall opinion too much. Our total return outlook is 8.7% annualized, and shares remain at a hold rating today.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	36	35	35	36	36	40	40	41	40	37
Gross Profit	20	19	17	17	18	22	22	23	24	23
Gross Margin	55.1%	54.5%	49.5%	48.5%	51.0%	54.9%	53.3%	57.3%	61.7%	60.4%
SG&A Exp.	17	17	18	15	13	13	14	12	13	13
D&A Exp.	3	4	5	1	0	0	1	1	1	1
Operating Profit	2	2	(1)	3	5	9	8	11	11	9
Op. Margin	6.8%	5.4%	-1.9%	7.2%	14.9%	22.6%	18.7%	26.7%	28.9%	24.4%
Net Profit	7	7	10	15	12	15	23	24	18	19
Net Margin	20.5%	21.1%	30.0%	41.1%	33.1%	37.1%	57.6%	58.8%	45.5%	50.7%
Free Cash Flow	(1)	0	2	9	11	14	16	25	18	18
Income Tax	3	3	5	(3)	4	6	7	7	6	6

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	87	87	87	87	92	110	121	129	131	136
Cash & Equivalents	6	13	7	6	6	5	19	30	8	4
Acc. Receivable	1	1	1	1	2	4	4	2	2	1
Goodwill & Int.	7	5	1	0	0	0	0	0	0	0
Total Liabilities	53	52	49	43	44	56	54	49	47	45
Accounts Payable	2	3	1	2	2	2	2	1	1	1
Long-Term Debt	-	-	-	-	-	2	2	-	-	-
Total Equity	34	35	38	44	48	54	67	80	84	91
LTD/E Ratio	-	-	-	-	-	0.04	0.03	-	-	-

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	8.4%	8.4%	12.0%	17.0%	13.4%	14.8%	20.2%	19.1%	13.9%	14.2%
Return on Equity	21.5%	21.1%	28.6%	36.2%	26.4%	29.6%	38.6%	32.5%	22.1%	21.8%
ROIC	21.5%	21.1%	28.6%	36.2%	26.4%	28.9%	37.2%	32.0%	22.1%	21.8%
Shares Out.	10	10	10	10	10	10	10	9	9	9
Revenue/Share	3.62	3.53	3.56	3.70	3.74	4.18	4.21	4.25	4.20	3.98
FCF/Share	(0.12)	0.00	0.24	0.98	1.17	1.42	1.69	2.58	1.91	1.89

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