



Cintas Corporation (CTAS)

Updated September 29th, 2025, by Josh Arnold

Key Metrics

Current Price:	\$204	5 Year CAGR Estimate:	7.7%	Market Cap:	\$83 B
Fair Value Price:	\$184	5 Year Growth Estimate:	9.0%	Ex-Dividend Date:	11/15/25 ¹
% Fair Value:	111%	5 Year Valuation Multiple Estimate:	-2.0%	Dividend Payment Date:	12/15/25
Dividend Yield:	0.9%	5 Year Price Target	\$284	Years Of Dividend Growth:	43
Dividend Risk Score:	A	Sector:	Industrials	Rating:	Hold

Overview & Current Events

Cintas Corporation is the U.S. industry leader in uniform design, manufacturing & rental. The company also offers first aid supplies, safety services, and other business-related services. Cintas was founded in 1968 and has grown to a market capitalization of \$83 billion with annual revenues of more than \$10 billion. Cintas qualifies to be a member of the Dividend Aristocrats Index with an impressive 43 years of consecutive dividend increases.

Cintas posted first quarter earnings on September 24th, 2025, and results were largely in line with expectations, including guidance, so the stock was little changed. Earnings-per-share came to \$1.20, which met expectations. Revenue was up 8.8% year-over-year to \$2.72 billion, and beat estimates slightly. Organic revenue was up 7.8% in Q1, which excludes the impacts of acquisitions and forex translation.

Cintas posted net income of \$491 million, up 8.7% year-over-year, while net income on a per-share basis was up 9.1% thanks to share repurchases. Operating income was up 10% year-on-year to \$618 million, as operating margin rose 30 basis points to 22.7% of revenue.

Cintas repurchased \$347 million in stock during the quarter, and paid \$182 million in dividends.

We've left our estimate of earnings-per-share unchanged after Q1 results at \$4.85.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.02	\$1.04	\$1.76	\$1.90	\$2.03	\$2.56	\$2.81	\$3.25	\$3.79	\$4.40	\$4.85	\$7.46
DPS	\$0.26	\$0.33	\$0.41	\$0.51	\$0.64	\$0.70	\$0.95	\$1.15	\$1.25	\$1.56	\$1.80	\$2.90
Shares²	416	420	424	432	428	416	408	408	403	403	395	403

Cintas has compounded its earnings-per-share at a rate of about 16% annually since 2012. Over full economic cycles, we believe the company can deliver continued earnings growth in the range of 9% per year. Applying a 9% growth rate to our 2026 estimate of \$4.85 per share gives a 2031 earnings-per-share estimate of \$7.46.

Cintas' two primary growth levers are higher organic revenue and higher margins. Cintas has proven it can grow revenue consistently over the years. It is also adept at removing cost redundancies, which drives operating margin higher over time. We see 2025 results as supportive of this thesis with good organic revenue growth, and very high and expanding operating margins. We also see share repurchases as a small tailwind going forward, as management is spending buyback capital heavily, which we find to be slightly misjudged with the valuation still elevated. Energy prices remain a wildcard for Cintas' earnings, in addition to the inherent operating leverage afforded by higher organic revenue.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.4	21.5	27.2	25.9	30.8	32.2	35.5	36.3	44.2	51.5	42.1	38.0
Avg. Yld.	1.2%	1.2%	1.2%	1.0%	1.0%	0.9%	1.0%	1.0%	0.7%	0.7%	0.9%	1.0%

¹ Estimated date

² Share count in millions

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Cintas’ price-to-earnings ratio had varied from ~15 to ~36 over the decade ended 2023, until 2024. However, we see fair value at 38 times earnings. This compares unfavorably to the current price-to-earnings ratio of 42.1, and is elevated by any standard. If the company’s valuation reverts to 38 times earnings over the next five years, this will introduce a meaningful annual headwind to the company’s annualized returns. The valuation is now at a premium to fair value of 11%. We also note the yield is at its historical lows, and is unattractive despite more than four decades of consecutive annual raises.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	25%	26%	32%	27%	31%	27%	34%	35%	33%	35%	37%	39%

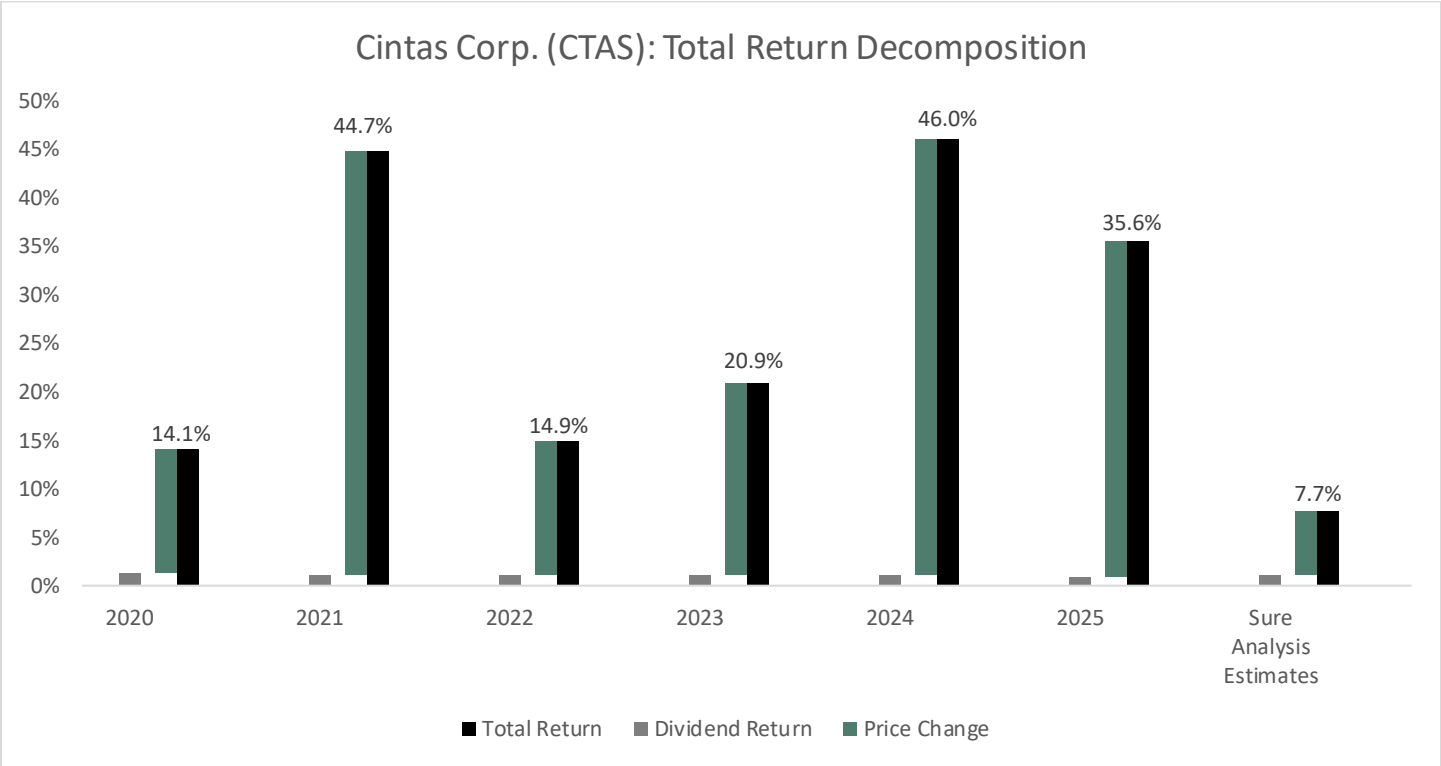
Cintas’ payout ratio has always been quite low, and that is no different today. We see the dividend remaining under 40% of earnings for the foreseeable future with years of steady increases on the way.

Cintas’ competitive advantage is in its massive size and scale, being the largest company of its kind. It has a huge customer book, and these customers have relatively high switching costs, so retention is strong. However, recessions are not kind to Cintas as it serves businesses, and revenue is dependent upon its customers’ headcount. When a recession strikes and unemployment rises, Cintas’ earnings will suffer. We note that the slowdown from COVID-19 was better than feared, and that Cintas continues to build upon strength.

Final Thoughts & Recommendation

The fundamentals of Cintas are still attractive as the company is performing very well. However, the stock is still overvalued in our view, and we expect modest total returns to shareholders in the coming years. The company’s strong forecasted 9% earnings growth rate could be offset by a 2% headwind from a lower valuation, and the diminutive yield of just 0.9% is not attractive. Based on modest projected returns but a 43-year dividend increase streak, we’re reiterating a hold rating on the stock.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	4,796	5,323	6,477	6,892	7,085	7,116	7,854	8,816	9,597	10,340
Gross Profit	2,101	2,380	2,909	3,129	3,234	3,315	3,632	4,173	4,686	5,174
Gross Margin	43.8%	44.7%	44.9%	45.4%	45.6%	46.6%	46.2%	47.3%	48.8%	50.0%
SG&A Exp.	1,332	1,527	1,917	1,981	2,071	1,929	2,045	2,371	2,618	2,814
D&A Exp.	165	197	279	360	379	388	400	409	442	494
Operating Profit	769	853	992	1,148	1,163	1,385	1,587	1,803	2,069	2,360
Operating Margin	16.0%	16.0%	15.3%	16.7%	16.4%	19.5%	20.2%	20.5%	21.6%	22.8%
Net Profit	694	481	843	885	876	1,111	1,236	1,348	1,572	1,812
Net Margin	14.5%	9.0%	13.0%	12.8%	12.4%	15.6%	15.7%	15.3%	16.4%	17.5%
Free Cash Flow	190	491	692	791	1,061	1,217	1,297	1,267	1,670	1,757
Income Tax	257	230	57	220	182	177	263	345	402	452

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	4,099	6,844	6,958	7,437	7,670	8,237	8,147	8,546	9,169	9,825
Cash & Equivalents	139	169	139	97	145	494	90	124	342	264
Accounts Receivable	546	736	805	910	870	902	1,006	1,153	1,244	1,417
Inventories	249	278	280	335	409	1,292	1,389	1,519	1,450	1,585
Goodwill & Int. Ass.	1,356	3,406	3,433	3,545	3,551	3,322	3,435	3,403	3,534	3,710
Total Liabilities	2,256	4,541	3,942	4,434	4,435	4,549	4,839	4,682	4,852	5,141
Accounts Payable	111	177	215	226	231	231	252	302	339	485
Long-Term Debt	1,294	3,134	2,535	2,850	2,540	2,542	2,796	2,486	2,476	2,425
Shareholder's Equity	1,843	2,303	3,017	3,003	3,235	3,688	3,308	3,864	4,316	4,684
LTD/E Ratio	0.70	1.36	0.84	0.95	0.79	0.69	0.85	0.64	0.57	0.52

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	16.7%	8.8%	12.2%	12.3%	11.6%	14.0%	15.1%	16.2%	17.7%	19.1%
Return on Equity	36.7%	23.2%	31.7%	29.4%	28.1%	32.1%	35.3%	37.6%	38.4%	40.3%
ROIC	21.8%	11.2%	15.3%	15.5%	15.1%	18.5%	20.0%	21.6%	23.9%	26.1%
Shares Out.	104	105	106	108	107	104	105	103	103	410
Revenue/Share	43.62	49.39	58.98	62.95	66.21	66.07	74.43	85.28	92.84	25.20
FCF/Share	1.73	4.55	6.31	7.23	9.92	11.30	12.29	12.25	16.16	4.28

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

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