



U.S. Global Investors, Inc. (GROW)

Updated September 12th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	\$2.43	5 Year Annual Expected Total Return:	-9.0%	Market Cap:	\$31.5 M
Fair Value Price:	\$1.00	5 Year Growth Estimate:	1.0%	Ex-Dividend Date:	09/15/2025
% Fair Value:	243%	5 Year Valuation Multiple Estimate:	-16.3%	Dividend Payment Date:	09/29/2025
Dividend Yield:	3.7%	5 Year Price Target	\$1.05	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Financials	Rating:	Sell

Overview & Current Events

U.S. Global Investors is a small investment adviser. Headquartered in San Antonio, Texas, the firm was founded in 1968 and operates in two main segments: Investment Management Services and Corporate Investments. The firm provides advisory and administrative services to U.S. Global Investors Funds (USGIF) and several exchange-traded funds (ETFs), including the U.S. Global Jets ETF (JETS), U.S. Global GO GOLD and Precious Metal Miners ETF (GOAU), U.S. Global Sea to Sky Cargo ETF (SEA), and The Travel UCITS ETF (TRIP), a European-based ETF. U.S. Global primarily focuses on sectors such as airlines, gold and precious metals, natural resources, and emerging markets. As of its latest quarterly filings, the firm had about \$1.3 billion in assets under management (AUM). The firm is generally recognized for its niche expertise in gold mining and exploration, natural resources, and the airline industry. It now has a market cap of just \$31.5 million.

On September 9th, 2025, U.S. Global Investors announced its full fiscal year 2025 results for the period ending June 30th, 2025. The company reported operating revenues of \$8.5 million, down from \$11.0 million in fiscal 2024, primarily reflecting lower average assets under management (AUM). AUM at year-end stood at approximately \$1.3 billion compared to \$1.6 billion a year earlier, a decline of 15.3%. Average AUM for the year was \$1.4 billion, down 23.9% from \$1.9 billion in fiscal 2024, with most of the outflows concentrated in the JETS ETF.

During the year, the company continued to diversify its investment approach, expanding exposure to the Bitcoin ecosystem through both balance sheet holdings and investments in HIVE Digital Technologies. Its ETF lineup also evolved: the U.S. Global Technology and Aerospace & Defense ETF (NYSE: WAR) began generating fees in FY 2025, supported by rising global defense spending, while the flagship GOAU gold-focused ETF benefited from gold prices climbing above \$3,500 per ounce amid strong central bank buying

Despite these bright spots, total advisory fees fell 23% year over year, with ETF-related revenues dropping 30% to \$6.6 million, partially offset by a 16% increase in USGIF mutual fund advisory fees. Operating expenses remained flat at \$11.4 million, though the revenue decline led to a wider operating loss of \$3.0 million, compared to a \$480,000 loss in the prior year.

The company posted a net loss of \$334,000, or \$0.03 per share, versus net income of \$1.3 million, or \$0.09 per share, in fiscal 2024. . The swing to a loss was driven by lower advisory fee income, though partially cushioned by stronger net investment income and lower tax expense. For fiscal 2026, we expect EPS of \$0.10.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	(\$0.14)	(\$0.02)	\$0.03	(\$0.11)	(\$0.10)	\$1.53	\$0.46	\$0.17	\$0.08	(\$0.01)	\$0.10	\$0.11
DPS	\$0.04	\$0.03	\$0.03	\$0.03	\$0.03	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Shares¹	15.3	15.2	15.2	15.1	15.1	15.1	15.0	14.6	14.2	13.3	13.3	12.5

U.S. Global Investors has struggled to post consistent earnings growth over the past decade due to its heavy reliance on niche, highly cyclical sectors like airlines and gold, which are prone to sharp market swings. The company's revenue is

¹ Share count is in millions.

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closely tied to AUM, which can decline quickly during volatile periods, while operating costs remain relatively fixed, leading to frequent losses. The standout surge in EPS to \$1.53 in 2021 was largely driven by a massive increase in assets and inflows into the JETS ETF, as investors piled into airline stocks during the post-COVID reopening rally. Nevertheless, this performance was not sustained, as flows normalized and markets cooled, highlighting the firm's dependence on short-lived sector trends rather than steady, diversified growth. For this reason, we have utilized a CAGR of just 1% in both our EPS and DPS estimates. GROW pays dividends on a monthly basis. No dividend hikes have occurred since 2021.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/B	---	---	---	---	---	3.5163	10.2	17.7	33.8	---	24.3	10.0
Avg. Yld.	3.0%	0.8%	2.7%	2.1%	0.8%	2.8%	2.0%	3.2%	3.3%	3.6%	3.7%	9.0%

Given the company's history of losses and volatile EPS, its P/E ratio is not a reliable valuation metric. That said, in a stable earnings environment, we believe a 10x multiple would fairly reflect its niche focus and earnings potential. Accordingly, we believe the stock is quite overvalued today. We believe investors pay a premium earnings-wise due to the appeal of the monthly dividend. It's worth noting, however, that the company has a net cash position of \$3 million, which is above its current market cap. This also explains why the current multiple appears elevated.

Safety, Quality, Competitive Advantage, & Recession Resiliency

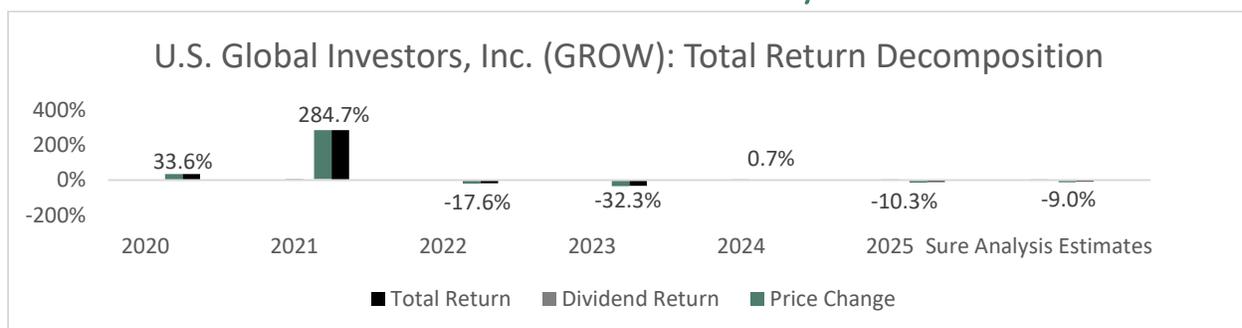
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	100%	---	---	6%	20%	53%	113%	---	90%	90%

The business lacks a significant competitive advantage due to its small size, but it is recognized for its expertise in precious metals and emerging markets. These niche sectors allow it to compete more effectively and build stronger relationships with clients. Specifically, one of the largest holders of its funds is BlackRock, a leading name in asset management, which supports the firm's credibility. The company has also branched into airline and crypto-themed ETFs (areas outside its traditional focus) that have nonetheless attracted strong investor interest and boosted AUM. Still, we do not view the stock as a reliable income investment. However, despite the balance sheet being solid, EPS has been volatile, dividend cuts have been frequent and severe, and the business remains vulnerable to both competition and broader market disruption.

Final Thoughts & Recommendation

U.S. Global Investors is a bit of a gamble given how erratic its earnings and dividends have been over the past decade. While the company appears to be trending in the right direction thanks to some popular funds, there is not enough of a competitive advantage or track record here to have confidence in continued robust growth moving forward. The balance sheet is very strong too, but other than that there isn't much to like here. In fact, we believe the stock might not be able to produce positive returns to investors in the coming years. For this reason we have assigned GROW a sell rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	7	6	7	6	3	4	22	25	15	11
Gross Profit	2	1	3	2	1	2	14	19	10	6
Gross Margin	26.4%	10.7%	44.5%	31.8%	16.6%	36.6%	66.0%	75.5%	68.2%	56.3%
SG&A Exp.	5	4	4	4	3	4	6	7	7	6
D&A Exp.	0	0	0	0	0	0	0	(0)	(0)	(0)
Operating Profit	(4)	(4)	(1)	(2)	(3)	(2)	8	11	4	(0)
Operating Margin	-47.8%	-75.9%	-12.9%	-36.5%	-79.7%	-53.7%	37.7%	45.0%	23.4%	-4.3%
Net Profit	(4)	(4)	(1)	1	(3)	(5)	32	3	3	1
Net Margin	-55.0%	-66.8%	-7.6%	10.3%	-97.9%	-105%	147.6%	13.9%	20.9%	12.1%
Free Cash Flow	(1)	3	1	(0)	(1)	(2)	5	10	3	1
Income Tax	1	(0)	0	0	(1)	(0)	5	2	1	1

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	31	26	26	29	24	19	62	58	56	52
Cash & Equivalents	4	4	4	6	1	2	14	22	25	27
Accounts Receivable	2	1	1	1	0	1	3	2	1	1
Total Liabilities	2	1	1	3	2	2	8	5	4	3
Accounts Payable	1	1	0	1	0	0	1	1	1	1
Long-Term Debt	-	-	-	-	-	0	-	-	-	-
Shareholder's Equity	29	25	24	26	22	17	54	54	52	49
LTD/E Ratio	-	-	-	-	-	0.03	-	-	-	-

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	-11.7%	-12.9%	-2.0%	2.4%	-12.9%	-22.0%	78.8%	5.7%	5.5%	2.5%
Return on Equity	-12.4%	-13.6%	-2.1%	2.6%	-14.0%	-24.1%	89.9%	6.4%	6.0%	2.6%
ROIC	-12.4%	-13.6%	-2.1%	2.6%	-14.0%	-23.8%	89.4%	6.4%	6.0%	2.6%
Shares Out.	15.4	15.3	15.2	15.2	15.1	15.1	15.1	15.0	14.6	14.2
Revenue/Share	0.48	0.36	0.44	0.41	0.23	0.30	1.44	1.65	1.03	0.77
FCF/Share	(0.05)	0.20	0.05	(0.00)	(0.07)	(0.13)	0.31	0.69	0.20	0.05

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

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