Mueller Water Products, Inc. (MWA)

Updated November 14th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	$23.10	**5 Year Annual Expected Total Return:**	7.6%	**Market Cap:**	$3.61 B
Fair Value Price:	$24.84	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	11/10/25
% Fair Value:	93%	**5 Year Valuation Multiple Estimate:**	1.5%	**Dividend Payment Date:**	11/20/25
Dividend Yield:	1.2%	**5 Year Price Target**	$32	**Years Of Dividend Growth:**	11
Dividend Risk Score:	C	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Mueller Water Products is a leading manufacturer and marketer of products and services used to transmit, distribute, and measure water in North America. Mueller's products and services are used by municipalities and the residential and non-residential construction industries. The majority of its revenues (>90%) are derived from spending on water and wastewater infrastructure upgrades, repairs, and replacements, typically associated with the construction of new residential communities. Management estimates it has one of the largest installed bases of Iron Gate valves and fire hydrants in the United States. The company generates around $1.43 billion in annual sales and is based in Atlanta, Georgia. Mueller's fiscal year ends every September 30th.

On October 34th, 2025, Mueller Water raised its dividend by 4.5% to a quarterly rate of $0.07.

On November 6th, 2025, Mueller Water reported its fiscal Q4 and full-year results for the period ending September 30th, 2025. Revenues came in at $380.8 million, which was a year-over-year increase of 9.4%. The Water Management Solutions segment posted sales of $163.3 million, up 10.4% year-over-year. This increase was primarily due to higher volumes of hydrants and repair products and higher pricing across most product lines. The Water Flow Solutions segment posted sales of $217.5 million, an increase of 8.6% compared to last year. This increase was primarily driven by increased volumes of iron gate and specialty valves and higher pricing across most product lines. Due to higher sales, improved manufacturing efficiencies, and favorable price/cost performance, EPS came in at $0.33 compared to $0.06 last year. For the year, EPS was $1.23.

For fiscal 2026, the company expects total net sales between $1.45 billion and $1.47 billion, representing growth of 1.4% to 2.8% compared to fiscal 2025. The company also expects adjusted EBITDA between $345 million and $355 million for the year. Free cash flow as a percentage of adjusted net income is expected to be more than 85% in fiscal 2026. Based on these estimates, we forecast EPS of $1.38 for fiscal 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.40	$0.77	$0.67	$0.40	$0.45	$0.44	$0.49	$0.55	$0.74	$1.23	***$1.38***	***$1.76***
DPS	$0.10	$0.15	$0.19	$0.20	$0.21	$0.22	$0.23	$0.24	$0.26	$0.27	***$0.28***	***$0.34***
Shares[1]	161.3	160.1	158.2	157.8	157.8	158.4	158.0	156.8	156.9	157.5	***157.5***	***152.0***

Despite Mueller's revenues modestly growing over the past few years, they are still near the same levels they were a decade ago. The company has sustained a positive bottom line since 2015, but growth has lagged. The industry in which Mueller operates is very mature, with little to no expansion prospects. Hence apart from acquisitions, the company has few growth avenues. Further, the currently accelerated inflation could hurt the company if it isn't able to match higher costs with adequate price increases. Still, powered by growing revenues, we estimate EPS growth of 5% in the medium-term.

[1] 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.

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Mueller has never cut its dividend since its IPO. It has grown annually over the past 10 years, though at a humble rate since over the last five years. We expect DPS growth of around 4% going forward, considering Mueller's limited profitability growth catalysts ahead. Continuous buybacks could contribute to EPS growth, but only $10 million worth of stock was bought in both fiscal 2023 and fiscal 2024, and another $15 million in fiscal 2025.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	29.7	15.6	17.2	26.2	22.5	48.0	25.1	22.8	21.3	18.4	***16.7***	***18.0***
Avg. Yld.	0.8%	1.3%	1.7%	1.9%	2.0%	1,5%	1.9%	1.9%	1.6%	1.2%	***1.2%***	***1.1%***

Over the past decade, Mueller's valuation multiple has fluctuated based on profitability expectations. Currently, shares trade at 16.7 times our expected FY2026 EPS, despite limited growth prospects. We believe a fair valuation would be 18 times EPS. We don't believe the company's thin growth prospects warrant a premium. Still, a premium has historically been attributed to water-related investments attracting investor interest for their mature and mission-critical business models. We believe the stock's yield will likely remain low overall as well.

Safety, Quality, Competitive Advantage, & Recession Resiliency

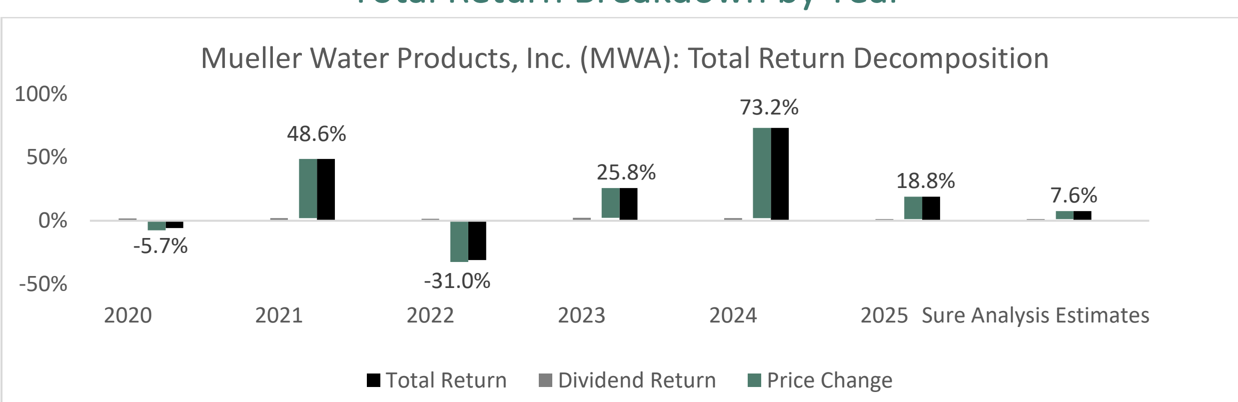
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	25%	19%	28%	50%	47%	50%	47%	44%	35%	22%	***20%***	***19%***

We consider the stock's dividend relatively safe even as the payout ratio has moved higher over the past few years. The company is a market leader in water and wastewater infrastructure upgrades that see relatively stable annual demand. Water utility companies must modernize their facilities every a certain time period; hence robust demand should remain. The company claims that while the valve and hydrant products industry is competitive, it is a mature one and many end users are slow to transition to brands other than their historically preferred brand. Hence sales should not fluctuate wildly. Sales should remain relatively stable under a recession as well, as was the case during the Great Financial Crisis. However, the company still has little to no competitive advantages and is subject to limited growth catalysts ahead. On the positive side, Mueller's total debt position has been declining consistently, from $1.3 billion in 2006 to $451.0 million as of the latest quarter. The company also has no outstanding debt maturities prior to June 2029, which should allow for flexible capital allocation in the medium-term.

Final Thoughts & Recommendation

Mueller Water Products possesses certain attractive qualities, such as robust revenues, an improving balance sheet, and a healthy dividend payout ratio. Moving forward, we forecast annualized returns of 7.6%, to be powered by the starting dividend yield and modest growth estimates, further aided by a soft valuation tailwind. We rate MWA a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	801	826	916	968	964	1111	1247	1276	1,351
Gross Profit	269	268	290	321	328	359	364	380	459
Gross Margin	33.6%	32.4%	31.6%	33.2%	34.0%	32.3%	29.2%	29.8%	34.0%
SG&A Exp.	150	155	167	183	198	219	239	242	245
D&A Exp.	40	42	44	53	58	60	61	63	66
Operating Profit	112	102	113	122	117	140	126	138	214
Operating Margin	14.0%	12.4%	12.3%	12.6%	12.1%	12.6%	10.1%	10.8%	15.8%
Net Profit	64	123	106	64	72	70	77	86	116
Net Margin	8.0%	14.9%	11.5%	6.6%	7.5%	6.3%	6.2%	7.6%	8.6%
Free Cash Flow	114	(25)	77	6	73	94	(2.4)	61	191
Income Tax	24	24	(10)	18	22	25	22	24	48

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,281	1,258	1,292	1,337	1,395	1,518	1,498	1,505	1,636
Cash & Equivalents	195	362	347	177	209	228	147	160	310
Accounts Receivable	132	145	164	173	181	212	228	218	213
Inventories	131	139	157	191	163	185	279	302	311
Goodwill & Int. Ass.	435	439	420	529	509	508	460	428	390
Total Liabilities	861	769	727	745	754	823	829	794	826
Accounts Payable	74	83	90	85	67	92	123	103	110
Long-Term Debt	484	481	445	446	448	447	447	447	450
Shareholder's Equity	418	488	563	590	641	695	669	712	810
LTD/E Ratio	1.16	0.98	0.79	0.76	0.70	0.64	0.67	0.63	0.55

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.1%	9.7%	8.3%	4.9%	5.3%	4.8%	5.1%	5.7%	7.4%
Return on Equity	16.3%	27.2%	20.1%	11.1%	11.7%	10.5%	11.2%	12.4%	15.2%
ROIC	7.3%	13.2%	10.7%	6.2%	6.8%	6.3%	6.8%	7.5%	9.6%
Shares Out.	161.3	160.1	158.2	157.8	157.8	159.2	158	157	157
Revenue/Share	4.90	5.11	5.74	6.09	6.08	6.98	7.90	8.14	8.38
FCF/Share	0.70	(0.15)	0.48	0.04	0.46	0.59		0.39	1.22

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