Stewart Information Services Corp. (STC)

Updated December 8th, 2025 by Nathan Parsh

Key Metrics

Current Price:	$74	**5 Year Annual Expected Total Return:**	-1.0%	**Market Cap:**	$2.1 B
Fair Value Price:	$46	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	12/15/25
% Fair Value:	162%	**5 Year Valuation Multiple Estimate:**	-9.2%	**Dividend Payment Date:**	12/30/25
Dividend Yield:	2.8%	**5 Year Price Target**	$58	**Years Of Dividend Growth:**	5
Dividend Risk Score:	D	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Stewart Information Services is a global title insurance and real estate services company. Stewart provides services to both home buyers and sellers, residential and commercial real estate professionals, and others. The company's business segments include title insurance and related services, real estate solutions, and corporate. The company generates annual revenue of $2.5 billion and has a current market capitalization of $2.1 billion.

On June 2nd, 2025, Stewart raised its quarterly dividend 5% to $0.525, extending the company's dividend growth streak to five consecutive years.

On October 22nd, 2025, Stewart reported third quarter results for the period ending September 30th, 2025. For the quarter, revenue grew 19.3% to $796.9 million, which was $188.7 million better than expected. Net income of $44.3 million, or $1.55 per share, compared favorably to net income of $30.1 million, or $1.07 per share, in the prior year. Included in this was a $4.3 million unrealized gains on fair value changes of equity securities investments and a $1.2 million realized gain on the sale of a property. On an adjusted basis, earnings-per-share of $1.64 compared to $1.17 in the prior year and was $0.16 ahead of estimates.

For the Title segment, revenue grew 19% to $659.9 million during the quarter. The improvement was the result of higher demand for services, especially in the direct and agency title operations. Non-commercial direct title revenue increased 6% to $209.3 million while commercial direct title direct sales were up 23% to $90.4 million. In total, direct title revenue was higher by 11% to $299.7 million. Investment income grew 9% to $14.8 million due to higher earned interest income from escrow balances. Adjusted pretax income surged 40% to $60.8 million, leading to a 120 basis point expansion in the pretax margin to 9.1%. Real Estate Solutions revenue was up 21% to $116.6 million due to demand for credit information and valuation services businesses. The pretax margin contracted 150 basis points to 6.2%. The Corporate segment had revenue of $9.5 million for the period, which matched last year's result.

Stewart is projected to earn $4.56 per share in 2025, which would be a 75% improvement from last year's result of $2.61. We have initiated our forecast accordingly.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	-$0.26	$1.82	$2.06	$2.01	$3.30	$6.22	$11.90	$5.94	$1.11	$2.61	***$4.56***	***$5.82***
DPS	$0.80	$1.20	$1.20	$1.20	$1.20	$1.20	$1.37	$1.65	$1.85	$1.95	***$2.10***	***$2.68***
Shares[1]	24	23	24	24	24	25	27	27	28	28	***28***	***30***

Stewart's earnings-per-share have been prone to wild swings over the last decade. Despite the expectation for a significant increase this year, EPS has actually fallen over the last five years. This year's estimate, if it were to be accurate, would still be well below peak earnings-per-share. We project that earnings-per-share will grow at a rate of 5% annually through 2030, though we note that growth may not be linear. Another item that could impact results is that Stewart has diluted its share count by almost 2% annually over the last 10 years.

[1] In millions of shares

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Though the company did pause growth from 2017 through 2020, the dividend still has a compound annual growth rate of 10.4% over the last decade and 11.8% over the last five years. We expect that the dividend will grow in-line with earnings-per-share as the payout ratio has averaged around 50% over the last decade, excluding 2015. This likely does not leave much room for aggressive raises as the payout ratio is near this level currently.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	-	24.7	22.8	20.6	12.3	7.8	6.7	3.6	9.9	25.9	***16.2***	***10.0***
Avg. Yld.	2.1%	2.7%	2.9%	2.8%	3.0%	3.3%	2.1%	2.9%	4.0%	2.9%	***2.8%***	***4.6%***

Shares of Stewart have gained 10% year-to-date. The stock's valuation, much like its earnings-per-share, have seen aggressive swings in opposing directions over the last decade. Since 2015, the stock has an average price-to-earnings ratio of 14.9, but this shrinks to 10.8 when looking at the last 10 years. We believe a target price-to-earnings ratio of 10 is an appropriate starting place for shares of Stewart. Therefore, investors could be hit with a sizeable headwind from multiple contraction given that the stock is trading at 16.2x expected EPS for this year. Reverting to this valuation by 2030 would reduce annual returns by 9.2% over this period.

Shares yield 2.8% currently, which is just below the long-term average yield of 2.9%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	-308%	66%	58%	60%	36%	19%	12%	28%	167%	75%	***46%***	***46%***

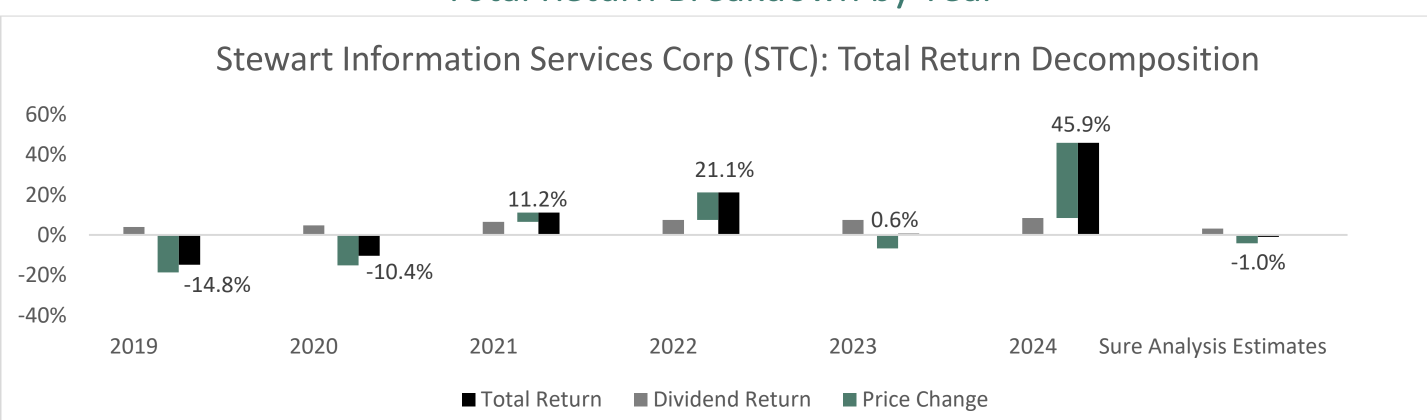
Stewart does not appear to hold any significant advantages relative to its peers. Operating in the insurance industry is difficult as the company has many peers, all of whom offer similar services. Having a real estate solutions business does help differ Stewart from other insurance companies slightly, but the industry can be cutthroat as insurers try to capture more business.

The dividend is likely safe given its current payout ratio, which is below the long-term average of 58%. The company did pause its dividend growth for several years in the mid-2010s, but growth has been aggressive in recent years.

Final Thoughts & Recommendation

After third quarter results, Stewart is projected to return -1.0% annually through 2030. This estimate stems from an earnings-per-share growth rate of 5% and the current yield of 2.8%, which are more than offset by expected multiple contraction. We initiate coverage of Stewart Information Services with a hold recommendation due to expected returns and a weak dividend risk score.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,035	2,013	1,956	1,908	1,940	2,288	3,306	3,069	2,257	2,490
Total D&A	30	30	26	25	23	19	36	57	62	62
Operating Profit	57	106	84	91	141	224	439	251	81	134
Operating Margin	2.8%	5.3%	4.3%	4.8%	7.3%	9.8%	13.3%	8.2%	3.6%	5.4%
Net Profit	4	56	60	59	90	170	340	182	46	88
Net Margin	0.2%	2.8%	3.1%	3.1%	4.7%	7.4%	10.3%	5.9%	2.0%	3.5%
Free Cash Flow	61	105	92	74	149	261	350	144	45	95
Income Tax	6	20	15	14	27	49	94	51	15	26

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,322	1,342	1,406	1,373	1,593	1,979	2,813	2,738	2,703	2,730
Cash & Equivalents	179	186	150	192		433	486	248	233	216
Goodwill & Int. Ass.	236	228	241	259	254	469	1,155	1,272	1,265	1,257
Total Liabilities	684	693	727	693	839	966	1,519	1,368	1,324	1,319
Accounts Payable	118	116	118	109	127	225	287	197	190	215
Long-Term Debt	102	107	109	108	175	221	633	595	581	565
Shareholder's Equity	629	641	672	674	747	1,005	1,282	1,362	1,371	1,402
LTD/E Ratio	0.16	0.17	0.16	0.16	0.30	0.22	0.49	0.44	0.42	0.40

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.3%	4.2%	4.4%	4.2%	6.1%	9.5%	14.2%	6.5%	1.7%	3.2%
Return on Equity	0.6%	8.8%	9.1%	8.7%	12.6%	19.2%	29.5%	13.6%	3.3%	6.3%
ROIC	0.5%	7.5%	7.8%	7.5%	10.2%	15.3%	21.5%	9.3%	2.3%	4.5%
Shares Out.	24	23	24	24	24	25	27	27	28	28
Revenue/Share	86.42	85.76	82.88	80.54	81.67	91.86	121.68	112.24	82.03	88.54
FCF/Share	2.58	4.47	3.88	3.10	6.28	10.47	12.90	5.26	1.64	3.38

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