Brown & Brown Inc. (BRO)

Updated January 31st, 2026, by Josh Arnold

Key Metrics

Current Price:	$72	**5 Year CAGR Estimate:**	18.8%	**Market Cap:**	$24 B
Fair Value Price:	$108	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	11/05/25
% Fair Value:	67%	**5 Year Valuation Multiple Estimate:**	8.4%	**Dividend Payment Date:**	11/12/25
Dividend Yield:	0.9%	**5 Year Price Target**	$166	**Years Of Dividend Growth:**	32
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Brown & Brown Inc. is a leading insurance brokerage firm that provides risk management solutions to both individuals and businesses, with a focus on property & casualty insurance. Brown & Brown has a notably high level of insider ownership. Overall, Brown & Brown is a very shareholder-friendly company, as its 32-year streak of consecutive dividend increases qualifies it to be a member of the Dividend Aristocrats list. The company employs about 23,000 people, should produce about $7.2 billion in revenue this year, and trades with a $24 billion market capitalization.

Brown & Brown posted fourth quarter and full-year earnings on January 27th, 2026, and results were mixed. Earnings-per-share came to 93 cents, which was 29 cents ahead of estimates. Revenue was $1.6 billion, up 36% year-over-year but missing estimates by $50 million. Organic revenue was actually down 3%, with growth in revenue coming entirely from acquisitions. Management noted flood claims processing revenue that was recognized in the year-ago period as negatively impacting revenue this time.

EBITDAC margin on an adjusted basis was 32.9% of revenue, flat to a year earlier. Adjusted earnings-per-share rose 8%.

Cash flow from operations was $1.45 billion for the year, up 24% from 2024. Adjusted EBITDAC was $529 million.

We start 2026 with an estimate of $4.50 in adjusted earnings-per-share, noting the stock has been sold heavily in the past 12 months despite fairly rapidly increasing earnings.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.92	$1.42	$1.21	$1.40	$1.67	$2.19	$2.28	$2.81	$3.84	$4.26	***$4.50***	***$6.92***
DPS	$0.25	$0.28	$0.31	$0.33	$0.35	$0.37	$0.42	$0.48	$0.54	$0.62	***$0.66***	***$1.02***
BVPS	$8.42	$9.35	$10.73	$12.19	$13.50	$14.86	$15.22	$19.60	$22.45	$37.34	***$37.00***	***$55.00***
Shares[1]	276	278	276	275	278	283	283	285	286	336	***336***	***350***

Brown & Brown has a remarkable growth track record that includes a decade-long compound annual earnings growth rate of more than 18%. The company's book value per common share has grown at a similar rate, expanding at a double-digit rate over the last ten years. Brown & Brown's growth strategy is both simple and sustainable. Over the years, the company has actively acquired smaller insurance brokerage firms and integrated them into its larger operating base. We believe that this strategy has plenty of room left to run and forecast that the firm can continue to grow at 9% per year for the foreseeable future. Brown & Brown continues to perform well in all sorts of environments, and we see the growth runway as long.

In addition, we forecast 9% annual growth in the dividend for the foreseeable future given that Brown & Brown has exhibited strong earnings growth over time, and its strategy is sustainable. The company has also proven it is willing and able to return capital to shareholders via large dividend increases over time. We note the 32-year streak of dividend increases.

[1] Share count 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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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.6	24.2	18.5	23.9	25.7	24.9	25.0	25.3	26.6	18.7	***16.0***	***24.0***
Avg. Yld.	1.3%	1.2%	1.1%	1.0%	0.8%	0.7%	0.7%	0.7%	0.5%	0.8%	***0.9%***	***0.6%***

Brown & Brown has historically traded at a somewhat lofty valuation, with a 10-year average price-to-earnings ratio of ~23. Looking ahead, our fair value earnings multiple for Brown & Brown is a price-to-earnings ratio of 24. Using our 2026 earnings estimate of $4.50 and the company's current stock price, Brown & Brown is trading at a price-to-earnings ratio of 16, which is a decade-low according to our data. Given the valuation, we see a huge positive impact from the valuation in the coming years.

We see the yield probably declining, and the stock is highly unlikely to be a pure income stock anytime soon.

Safety, Quality, Competitive Advantage, & Recession Resiliency

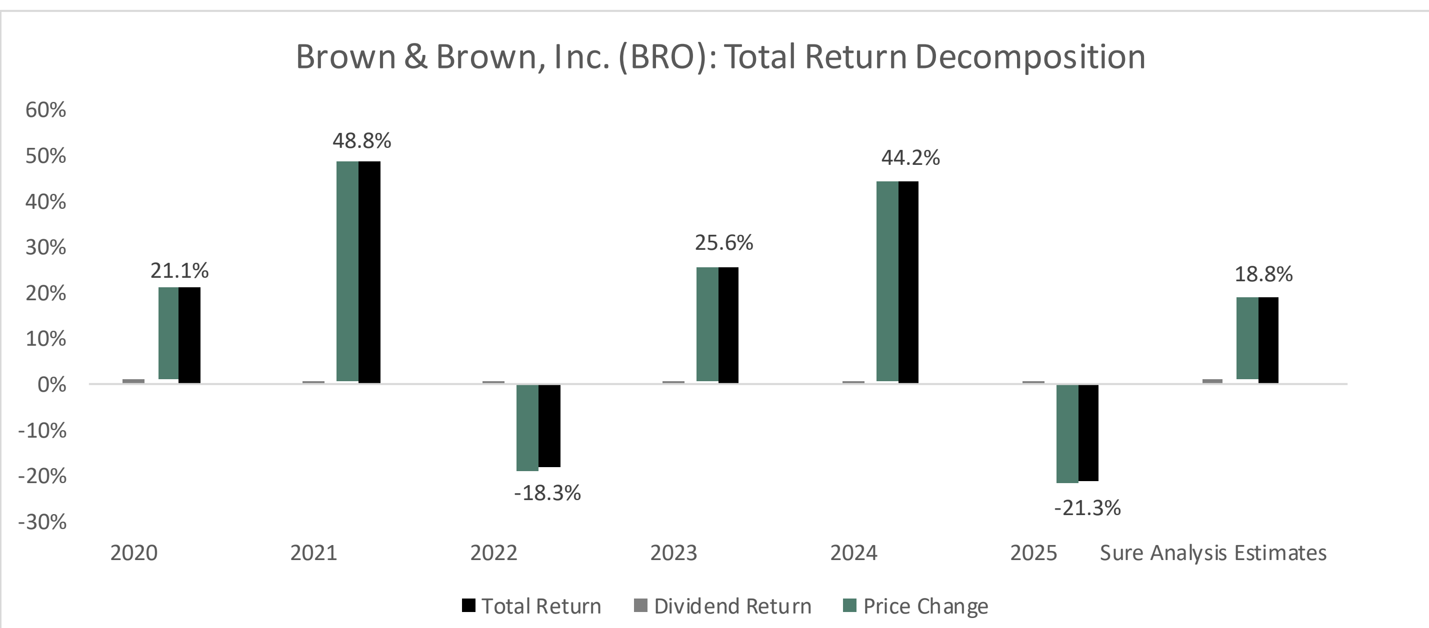
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	27%	20%	26%	24%	21%	17%	18%	17%	14%	15%	***15%***	***15%***

Brown & Brown's competitive advantage comes from its willingness to execute small and frequent acquisitions. This growth-by-acquisition strategy gives the company an enduring opportunity to continue growing its business for the foreseeable future. Brown & Brown is also modestly recession resistant. The company's earnings-per-share declined by just 20.5% during the worst of the 2007-2009 financial crisis, while its dividend continued to grow. We note the company's 2020 and 2021 results were unaffected by the COVID-19 crisis.

Final Thoughts & Recommendation

Brown & Brown has many of the characteristics of a high-quality business. It has increased its dividend for 32 consecutive years, and company insiders own a great deal of its outstanding stock. With the selloff in the stock, the valuation has markedly improved. We are reiterating the stock at a buy with 18.8% projected total returns. We see the growth story as very attractive at 9% annually, but the yield is just 0.9%. With the valuation as a tailwind, Brown & Brown looks very attractive as a strong total return opportunity today.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,763	1,857	2,010	2,385	2,606	3,048	3,573	4,205	4,712	5,956
Gross Profit	838	863	941	1,077	1,170	1,411	1,757	2,018	2,306	2,828
Gross Margin	47.5%	46.4%	46.8%	45.1%	44.9%	46.3%	49.2%	48.0%	48.9%	47.5%
SG&A Exp.	---	---	---	---	---	---	---	---	---	---
D&A Exp.	108	108	109	129	135	153	186	206	222	367
Operating Profit	469	493	501	572	673	855	974	1,162	1,374	1,695
Operating Margin	26.6%	26.6%	24.9%	24.0%	25.8%	28.0%	27.3%	27.6%	29.2%	28.5%
Net Profit	257	400	344	399	481	587	672	871	1,002	1,067
Net Margin	14.6%	21.5%	17.1%	16.7%	18.4%	19.3%	18.8%	20.7%	21.3%	17.9%
Free Cash Flow	393	418	526	605	651	903	829	941	1,092	1,382
Income Tax	166	50	118	127	144	176	204	276	301	304

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,263	5,748	6,689	7,623	8,967	9,795	13,974	14,916	17,612	29,991
Cash & Equivalents	516	573	439	542	817	887	650	700	675	3,550
Accounts Receivable	581	1,024	910	1,001	1,143	1,279	2,355	915	2,422	---
Goodwill & Int. Ass.	3,383	3,357	4,332	4,663	5,446	5,818	8,269	8,962	9,784	19,993
Total Liabilities	2,903	3,165	3,688	4,273	5,212	5,599	9,367	9,337	11,175	17,418
Accounts Payable	717	749	945	1,114	1,389	1,591	2,551	491	373	---
Long-Term Debt	1,074	976	1,507	1,555	2,096	2,023	3,942	3,796	3,824	7,855
Shareholder's Equity	2,360	2,583	3,001	3,350	3,754	4,197	4,607	5,579	6,420	12,572
LTD/E Ratio	0.46	0.38	0.50	0.46	0.56	0.48	0.86	0.68	0.60	0.62

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.0%	7.3%	5.5%	5.6%	5.8%	6.3%	5.7%	6.0%	6.2%	4.5%
Return on Equity	11.4%	16.2%	12.3%	12.5%	13.5%	14.8%	15.3%	17.1%	16.7%	11.2%
ROIC	7.7%	11.4%	8.5%	8.5%	8.9%	9.7%	9.1%	9.7%	10.2%	6.9%
Shares Out.	276	278	276	275	278	283	279	281	284	313
Revenue/Share	6.40	6.69	7.29	8.68	9.45	10.99	12.82	14.97	16.59	19.03
FCF/Share	1.43	1.51	1.91	2.20	2.36	3.26	2.97	3.35	3.85	4.42

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