



# National Fuel Gas Co. (NFG)

Updated January 29<sup>th</sup>, 2026 by Aristofanis Papadatos

## Key Metrics

<b>Current Price:</b>	\$83	<b>5 Year CAGR Estimate:</b>	10.5%	<b>Market Cap:</b>	\$7.9 B
<b>Fair Value Price:</b>	\$98	<b>5 Year Growth Estimate:</b>	5.0%	<b>Ex-Dividend Date:</b>	3/30/2026 <sup>1</sup>
<b>% Fair Value:</b>	85%	<b>5 Year Valuation Multiple Estimate:</b>	3.4%	<b>Dividend Payment Date:</b>	4/14/2026 <sup>1</sup>
<b>Dividend Yield:</b>	2.6%	<b>5 Year Price Target</b>	\$125	<b>Years Of Dividend Growth:</b>	55
<b>Dividend Risk Score:</b>	A	<b>Sector:</b>	Energy	<b>Rating:</b>	Hold

## Overview & Current Events

National Fuel Gas Co. is a diversified energy company that operates in four business segments: Upstream & Gathering, Pipeline & Storage, Utility, and Energy Marketing. The largest segment of the company is Exploration & Production. National Fuel Gas was founded in 1902 and has grown to a market capitalization of \$7.9 billion. With 55 years of consecutive dividend increases, National Fuel Gas qualifies to be a Dividend King.

In late January, National Fuel Gas reported (1/28/26) financial results for the first quarter of fiscal 2026. The company grew its production 12% over the prior year's quarter, primarily thanks to strong performance in new pads. In addition, the average realized price of natural gas grew 24%, from \$2.53 to \$2.89. As a result, earnings-per-share surged 24%, from \$1.66 to \$2.06, and exceeded the analysts' consensus by \$0.13. The company has beaten the analysts' estimates in 23 of the last 27 quarters.

National Fuel Gas reiterated its strong guidance for fiscal 2026, expecting earnings-per-share of \$7.60-\$8.10. Accordingly, we expect earnings-per-share of \$7.90. If this proves correct, it will mark 14% growth of earnings-per-share over the previous year. On the other hand, the material revision of the guidance of management in most of the last eight quarters is a reminder of the high sensitivity of National Fuel Gas to the swings of the price of natural gas. That's why this is not a buy-and-hold-forever stock.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	-\$3.43	\$3.30	\$3.34	\$3.45	\$2.92	\$4.29	\$5.88	\$5.17	\$5.01	\$6.91	<b>\$7.90</b>	<b>\$10.08</b>
<b>DPS</b>	\$1.60	\$1.64	\$1.68	\$1.72	\$1.76	\$1.80	\$1.86	\$1.94	\$2.02	\$2.10	<b>\$2.14</b>	<b>\$2.42</b>
<b>Shares<sup>2</sup></b>	85.1	85.5	86.0	86.8	91.0	91.9	92.2	92.4	91.3	91.2	<b>91.2</b>	<b>95.0</b>

National Fuel Gas pursues growth by growing its natural gas production and expanding its pipeline network. It has grown its earnings-per-share at a 9.7% average annual rate over the last eight years. Moreover, the company grew its proved reserves 8% in 2022, 9% in 2023 and 5% in 2024. This certainly bodes well for future growth prospects.

On the other hand, due to the high cyclicity of the price of natural gas, we need a margin of safety. Management has provided guidance for earnings-per-share of \$7.60-\$8.10 in fiscal 2026. We expect earnings-per-share to grow by 5.0% per year on average over the next five years in order to have a margin of safety. Gas prices may find support from the Ukrainian crisis and strong electricity demand from data centers in the short run but numerous countries are investing in renewable energy projects at full throttle to reduce their dependence on natural gas right now. As a result, we do not expect gas prices to return to their multi-year highs, which were reached in 2022, in the upcoming years. Essentially 100% of the output of National Fuel Gas is natural gas. Therefore, as the Upstream & Gathering segment generates nearly all the profits of the company, the latter greatly depend on the price of natural gas. As a result, there is always great uncertainty in the long-term forecasts of the earnings of this company.

<sup>1</sup> Estimated date.

<sup>2</sup> 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.*



# National Fuel Gas Co. (NFG)

Updated January 29<sup>th</sup>, 2026 by Aristofanis Papadatos

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	17.2	12.8	15.6	14.6	11.1	11.1	11.0	10.7	10.9	<b>10.5</b>	<b>12.4</b>
Avg. Yld.	2.5%	3.1%	2.9%	3.2%	4.1%	3.8%	2.8%	3.4%	3.8%	2.8%	<b>2.6%</b>	<b>1.9%</b>

National Fuel Gas is trading at a price-to-earnings ratio of 10.5, which is lower than the historical 7-year average of 12.4 of the stock. If the stock trades at its average valuation level in five years, it will enjoy a 3.4% annualized valuation gain.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	49.7%	50.3%	50.0%	60.3%	42.0%	31.6%	37.5%	40.3%	30.4%	<b>27.1%</b>	<b>24.0%</b>

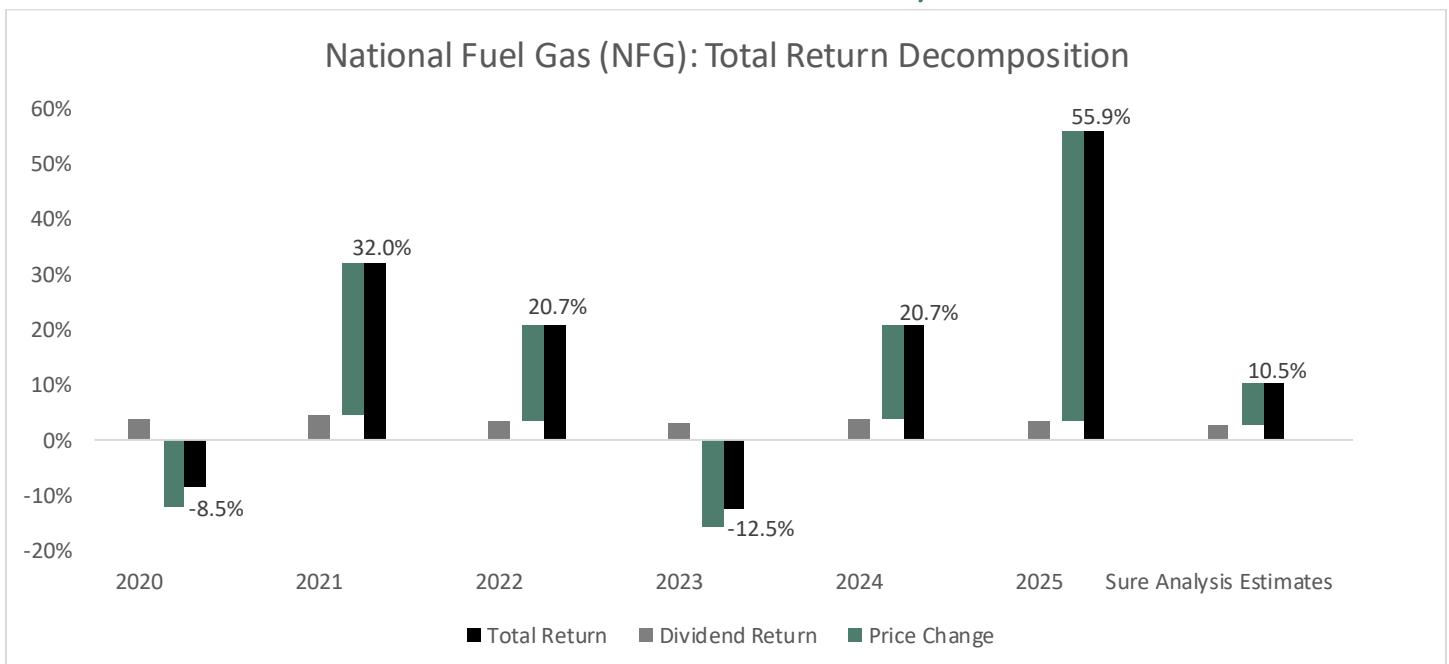
National Fuel Gas has a healthy balance sheet while its interest coverage level stands at a strong 6.3. Moreover, its dividend payout ratio is sufficiently low to enable continued dividend growth even if earnings stall temporarily. Management has always targeted a dividend payout ratio around 50% in order to have a wide margin of safety against the wide fluctuations of the price of natural gas. As the 2.6% dividend yield of National Fuel Gas is more than double the yield of the S&P 500 (1.1%), the stock may entice income-oriented investors. However, these investors should be aware of the company's high dependence on the price of natural gas.

Qualitatively, National Fuel Gas' competitive advantage is its combination of regulated and stable businesses (like pipelines and utilities) with cyclical and potentially higher-growth sectors (like exploration & production). This allows the company to endure difficult operating environments and downturns, such as the coronavirus crisis, with less difficulty than its peers who may focus exclusively on the more cyclical areas of the energy sector.

## Final Thoughts & Recommendation

National Fuel Gas has sustained production growth, a promising outlook and a reasonable valuation. It has rallied 22% in the last 12 months but it could still offer a 10.5% average annual return over the next five years thanks to 5.0% growth of earnings-per-share, a 2.6% dividend and a 3.4% valuation tailwind. The stock maintains its hold rating.

## 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.



# National Fuel Gas Co. (NFG)

Updated January 29<sup>th</sup>, 2026 by Aristofanis Papadatos

## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	1,452	1,580	1,593	1,693	1,546	1,743	2,186	2,174	1,945	2,232
<b>Gross Profit</b>	1,055	1,080	1,014	1,031	568	760	903	848	818	1,004
<b>Gross Margin</b>	72.6%	68.4%	63.7%	60.9%	36.7%	43.6%	41.3%	39.0%	42.0%	45.0%
<b>Operating Profit</b>	532	594	520	512	479	665	802	755	729	909
<b>Operating Margin</b>	36.6%	37.6%	32.6%	30.2%	31.0%	38.2%	36.7%	34.7%	37.5%	40.7%
<b>Net Profit</b>	(291)	283	392	304	(124)	364	566	477	78	519
<b>Net Margin</b>	-20.0%	17.9%	24.6%	18.0%	-8.0%	20.9%	25.9%	21.9%	4.0%	23.2%
<b>Free Cash Flow</b>	7	234	31	(94)	(482)	40	1	227	135	187
<b>Income Tax</b>	(233)	161	(7)	85	19	115	117	165	10	176

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	5,636	6,103	6,036	6,462	6,965	7,465	7,896	8,280	8,320	8,823
<b>Cash &amp; Equivalents</b>	130	556	230	20	21	32	46	55	38	43
<b>Accounts Receivable</b>	133	112	141	140	144	205	362	161	127	197
<b>Inventories</b>	71	74	78	80	85	120	172	81	83	90
<b>Goodwill &amp; Int. Ass.</b>	5	5	5	5	5	5	5	5	5	5
<b>Total Liabilities</b>	4,109	4,400	4,099	4,323	4,993	5,679	5,816	5,317	5,471	5,728
<b>Accounts Payable</b>	108	126	160	132	134	172	179	152	165	185
<b>Long-Term Debt</b>	2,086	2,384	2,131	2,189	2,660	2,787	2,692	2,672	2,779	2,713
<b>Shareholder's Equity</b>	1,527	1,704	1,937	2,139	1,972	1,786	2,080	2,963	2,848	3,095
<b>D/E Ratio</b>	1.37	1.40	1.10	1.02	1.35	1.56	1.29	0.90	0.98	0.93

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	-4.8%	4.8%	6.5%	4.9%	-1.8%	5.0%	7.4%	5.9%	0.9%	6.0%
<b>Return on Equity</b>	-16.4%	17.5%	21.5%	14.9%	-6.0%	19.4%	29.3%	18.9%	2.7%	17.4%
<b>ROIC</b>	-7.5%	7.4%	9.6%	7.2%	-2.8%	7.9%	12.1%	9.2%	1.4%	8.9%
<b>Shares Out.</b>	85.1	85.5	86.0	86.8	91.0	91.9	92.1	92.3	92.34	91.23
<b>Revenue/Share</b>	17.12	18.37	18.43	19.51	17.58	19.01	23.73	23.55	21.06	24.46
<b>FCF/Share</b>	0.09	2.72	0.36	(1.09)	(5.47)	0.43	0.01	2.46	1.46	2.05

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

### Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.