DTE Energy Co. (DTE)

Updated February 18th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$144	**5 Year CAGR Estimate:**	10.4%	**Market Cap:**	$30 B
Fair Value Price:	$142	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	3/16/2026
% Fair Value:	101%	**5 Year Valuation Multiple Estimate:**	-0.2%	**Dividend Payment Date:**	4/15/2026
Dividend Yield:	3.2%	**5 Year Price Target**	$209	**Years Of Dividend Growth:**	16
Dividend Risk Score:	C	**Sector:** Utilities		**Rating:**	Hold

Overview & Current Events

DTE Energy was founded in 1849, as City of Detroit Gas. Since then, the company has changed its name multiple times and has grown significantly. It operates all around the United States, with the majority of its business being conducted in Michigan. Now that DTE Energy has spun off its midstream segment, it operates under four reportable segments: Electric, Gas, Power & Industrial Projects, and Energy Trading. Its Electric and Gas segments are state-regulated utilities which generate nearly all the net income. The large percentage of income coming from regulated utilities gives the company reliable growth and supports the dividend. DTE Energy has a market capitalization of $30 billion.

On July 1st, 2021, DTE Energy completed the spin-off of its midstream business, which includes non-utility natural gas pipeline, storage and gathering operations. The spin-off has rendered DTE Energy an almost pure play regulated electric and natural gas utility. Due to the spin-off, the dividend of DTE Energy in 2021 was lower than in 2020, but the total dividend (including DTM's dividend) was higher.

In mid-February, DTE Energy reported (2/17/26) financial results for the full fiscal 2025. Operating earnings-per-share grew 8%, from $6.83 to $7.36, as rate hikes and favorable weather (too hot in the summer and too cold in the winter) offset higher operating and maintenance costs. DTE Energy has beaten the analysts' estimates in 7 of the last 8 quarters. The company provided guidance for operating earnings-per-share of $7.59-$7.73 in 2026. As it has exceeded its own annual guidance in 18 of the last 19 years, we have assumed earnings-per-share of $7.73 for this year. Even the high end of the guidance may prove conservative but we prefer to have a margin of safety.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.83	$5.73	$6.17	$6.31	$7.19	$5.99	$6.10	$5.73	$6.83	$7.36	***$7.73***	***$11.36***
DPS	$3.06	$3.36	$3.60	$3.78	$4.05	$3.88	$3.61	$3.88	$4.15	$4.44	***$4.66***	***$5.92***
Shares[1]	179.4	179.4	181.0	185.0	196.0	194.0	194.0	206.0	207.0	207.0	***207.0***	***220.0***

DTE Energy just raised its 5-year capital plan from $30 to $36.5 billion thanks to booming demand for power from data centers. As this amount exceeds the market cap of the stock, it is evident that DTE Energy is heavily investing in growth.

Moving forward, DTE has been taking steps to produce cleaner energy, which is where the utility industry is generally headed in the foreseeable future. The company's goal is to have over half of its energy produced coming from renewable sources by 2030. DTE Energy has announced plans to replace its coal fleet with renewable options. The company's renewable investments have already started paying off.

DTE Energy has grown its earnings-per-share by 4.8% per year on average over the last nine years but it has accelerated in the last two years. Moreover, the future looks bright, as the company expects to exceed its long-term guidance of 6%-8% average annual growth of earnings-per-share until 2030 thanks to strong demand for power from data centers. We expect 8% average annual earnings-per-share growth over the next five years thanks to heavy investment in the regulated segments, growth of renewable energy sales and growth of demand from data centers.

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[1] 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	19.0	18.6	17.4	19.9	16.1	19.4	20.3	18.9	17.1	18.6	***18.6***	***18.4***
Avg. Yld.	3.3%	3.2%	3.3%	3.0%	3.5%	3.3%	2.9%	3.6%	3.5%	3.2%	***3.2%***	***2.8%***

DTE Energy is trading at a price-to-earnings ratio of 18.6, which is slightly higher than the 5-year average of 18.4 of the stock. If the stock trades at its average valuation level in five years, it will incur a -0.2% annualized valuation drag.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	57%	58%	56%	61%	56%	65%	59%	68%	61%	60%	***60%***	***52%***

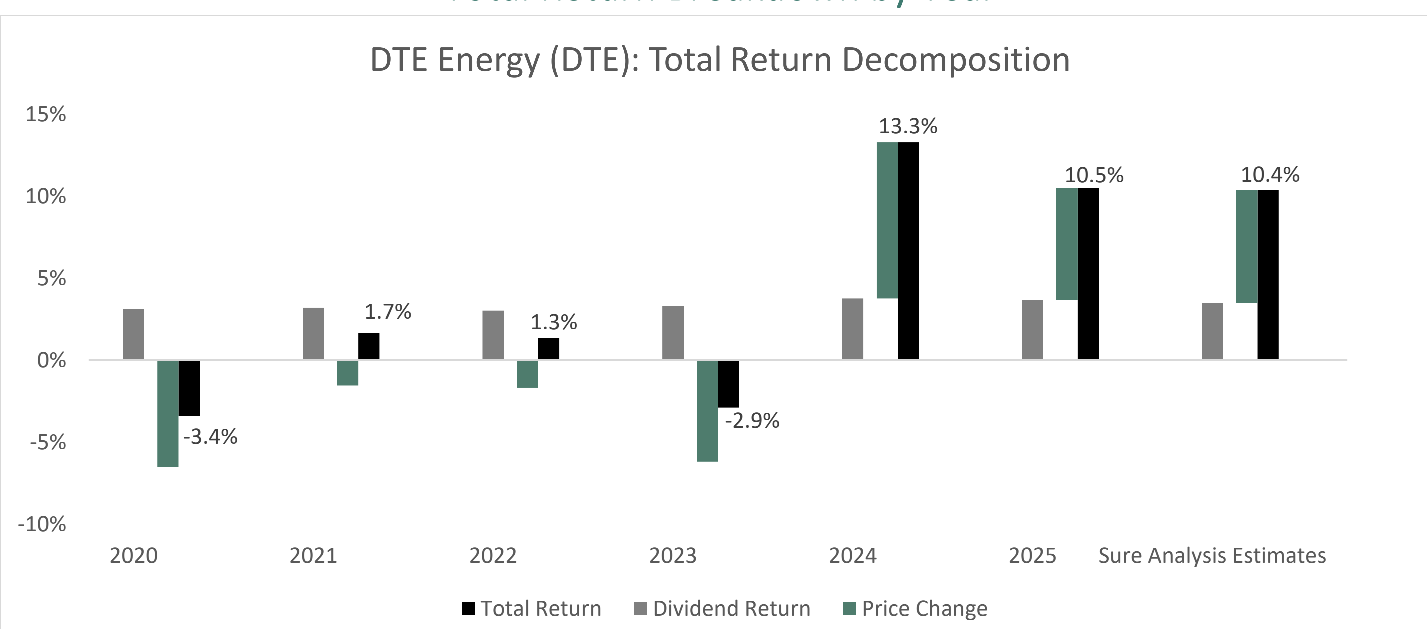
As DTE Energy is primarily a regulated utility, its revenue is protected by local regulators. This provides DTE Energy with reliable growth projects and a safe dividend. The company has been able to keep its payout ratio close to 60% over the past decade and is expected to maintain its payout ratio around this level for the foreseeable future. This payout ratio is much healthier than the payout ratio of most utilities. On the other hand, DTE Energy is offering a dividend yield of only 3.2% but it is likely to grow its dividend at an attractive 5%-7% annual rate over the next five years. As a result, the stock is suitable for income-oriented investors.

Since DTE Energy has been operating in the Michigan area for so long, the company has favorable relationships with local regulators, which takes away some risk of new regulation surprises. Another factor that protects the company from unexpected regulation changes is its proactive effort to reduce its carbon emissions.

Final Thoughts & Recommendation

DTE Energy has more promising growth prospects than most utilities and is much more resilient to high inflation and a potential recession than the vast majority of stocks. It is thus ideal for risk-averse, income-oriented investors. The stock has rallied 33% in the last two years but it could still offer a 10.4% average annual return over the next five years thanks to 8.0% earnings growth and its 3.2% dividend, partly offset by a -0.2% valuation headwind. The stock receives a hold 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	10,337	10,630	12,607	14,212	12,168	11,423	14,964	19,228	12,745	12,457
Gross Profit	2,561	2,839	3,173	3,150	3,019	3,279	3,336	3,668	4,327	4,338
Gross Margin	24.8%	26.7%	25.2%	22.2%	24.8%	28.7%	22.3%	19.1%	34.0%	34.8%
D&A Exp.	852	976	1,030	1,124	1,263	1,443	1,459	1,468	1,606	1,332
Operating Profit	1,345	1,493	1,752	1,621	1,468	1,617	1,555	1,772	2,301	2,205
Operating Margin	13.0%	14.0%	13.9%	11.4%	12.1%	14.2%	10.4%	9.2%	18.1%	17.7%
Net Profit	727	868	1,134	1,120	1,169	1,368	907	1,083	1,397	1,404
Net Margin	7.0%	8.2%	9.0%	7.9%	9.6%	12.0%	6.1%	5.6%	11.0%	11.3%
Free Cash Flow	(104)	39	(133)	(33)	(348)	(160)	(705)	(1,401)	(714)	(824)
Income Tax	230	271	175	98	71	37	(130)	29	169	(34)

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	28,662	32,041	33,767	36,288	42,268	45,496	39,719	42,683	44,755	48,846
Cash & Equivalents	37	92	66	71	93	472	28	33	26	24
Acc. Receivable	656	708	758	1,789	1,642	1,773	1,922	2,038	1,632	1,827
Inventories	803	772	779	811	759	708	858	942	1,054	1,245
Goodwill & Int.	2,107	3,128	3,160	3,142	4,857	2,192	2,170	2,159	2,149	2,137
Total Liabilities	19,867	22,542	23,777	25,571	30,432	32,907	31,006	32,282	33,700	37,142
Accounts Payable	809	1,079	1,171	1,329	1,076	1,000	1,414	1,604	1,361	1,387
Long-Term Debt	9,717	11,775	12,914	14,235	17,439	19,484	18,144	19,148	20,832	23,035
Total Equity	8,772	9,011	9,512	10,237	11,672	12,425	8,705	10,397	11,050	11,699
LTD/E Ratio	1.11	1.31	1.36	1.39	1.49	1.57	2.08	1.84	1.89	1.97

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.6%	2.9%	3.4%	3.2%	3.0%	3.1%	2.1%	2.6%	3.2%	3.0%
Return on Equity	8.5%	9.8%	12.2%	11.3%	10.7%	11.4%	8.6%	11.3%	13.0%	12.3%
ROIC	4.1%	4.4%	5.1%	4.7%	4.3%	4.5%	3.1%	3.8%	4.5%	4.2%
Shares Out.	179.5	179.4	179.4	181.0	185.0	196.0	194.0	196.0	206.0	207.0
Revenue/Share	57.75	59.39	70.43	78.52	68.48	63.09	77.13	98.10	61.87	60.18
FCF/Share	(0.58)	0.22	(0.74)	(0.18)	(1.88)	(0.83)	(3.63)	(7.15)	(3.47)	(3.98)

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