



U.S. Global Investors, Inc. (GROW)

Updated February 23rd, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$3.44	5 Year Annual Expected Total Return:	14.6%	Market Cap:	\$41.7 M
Fair Value Price:	\$1.00	5 Year Growth Estimate:	1.0%	Ex-Dividend Date:	03/16/2026
% Fair Value:	334%	5 Year Valuation Multiple Estimate:	-21.4%	Dividend Payment Date:	03/30/2026
Dividend Yield:	2.7%	5 Year Price Target	\$1.05	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Financials	Rating:	Sell

Overview & Current Events

U.S. Global Investors is a small investment adviser. Headquartered in San Antonio, Texas, the firm was founded in 1968 and operates in two main segments: Investment Management Services and Corporate Investments. The firm provides advisory and administrative services to U.S. Global Investors Funds (USGIF) and several exchange-traded funds (ETFs), including the U.S. Global Jets ETF (JETS), U.S. Global GO GOLD and Precious Metal Miners ETF (GOAU), U.S. Global Sea to Sky Cargo ETF (SEA), and The Travel UCITS ETF (TRIP), a European-based ETF. U.S. Global primarily focuses on sectors such as airlines, gold and precious metals, natural resources, and emerging markets. As of its latest quarterly filings, the firm had about \$1.5 billion in assets under management (AUM). The firm is generally recognized for its niche expertise in gold mining and exploration, natural resources, and the airline industry. It now has a market cap of just \$41.7 million.

On February 20th, 2026, U.S. Global Investors posted its Q2 fiscal 2026 results for the period ending December 31st, 2025. The company reported operating revenues of \$2.51 million, up from \$2.23 million in the prior-year quarter and 11.5% higher than the prior quarter, reflecting sequential growth in assets under management and advisory fees. Total assets under management (AUM) were approximately \$1.5 billion at quarter-end, representing a 12% increase from the prior quarter and 5% above the year-ago level. Average AUM for the quarter was \$1.5 billion, in line with the same period last year.

Operating expenses declined to \$2.60 million from \$2.77 million in the year-ago quarter. As a result, operating loss narrowed significantly to \$88,000 compared to a \$539,000 loss in the prior-year quarter. Total other income increased to \$623,000 from \$423,000 a year earlier, contributing to income before taxes of \$535,000 versus a loss before taxes of \$116,000 in the December 2024 quarter.

During the quarter, the company recorded an income tax expense of \$1.38 million, compared to a \$30,000 tax benefit in the year-ago period, largely related to the tax treatment of certain HIVE Digital Technologies convertible securities. As a result, net loss was \$846,000, or \$(0.07) per share, compared to a net loss of \$86,000, or \$(0.01) per share, in the prior-year quarter. Management expects an offsetting tax benefit of about \$1.3 million in the March 2026 quarter, subject to IRS review. For fiscal 2026, we expect EPS of \$0.10.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	(\$0.14)	(\$0.02)	\$0.03	(\$0.11)	(\$0.10)	\$1.53	\$0.46	\$0.17	\$0.08	(\$0.01)	\$0.10	\$0.11
DPS	\$0.04	\$0.03	\$0.03	\$0.03	\$0.03	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Shares¹	15.3	15.2	15.2	15.1	15.1	15.1	15.0	14.6	14.2	13.3	13.0	12.5

U.S. Global Investors has struggled to post consistent earnings growth over the past decade due to its heavy reliance on niche, highly cyclical sectors like airlines and gold, which are prone to sharp market swings. The company's revenue is closely tied to AUM, which can decline quickly during volatile periods, while operating costs remain relatively fixed, leading to frequent losses. The standout surge in EPS to \$1.53 in 2021 was largely driven by a massive increase in assets and inflows into the JETS ETF, as investors piled into airline stocks during the post-COVID reopening rally. Nevertheless,

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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this performance was not sustained, as flows normalized and markets cooled, highlighting the firm's dependence on short-lived sector trends rather than steady, diversified growth. For this reason, we have utilized a CAGR of just 1% in both our EPS and DPS estimates. GROW pays dividends on a monthly basis. No dividend hikes have occurred since 2021.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/B	---	---	---	---	---	3.5163	10.2	17.7	33.8	---	33.4	10.0
Avg. Yld.	3.0%	0.8%	2.7%	2.1%	0.8%	2.8%	2.0%	3.2%	3.3%	3.6%	2.7%	9.0%

Given the company's history of losses and volatile EPS, its P/E ratio is not a reliable valuation metric. That said, in a stable earnings environment, we believe a 10x multiple would fairly reflect its niche focus and earnings potential. Accordingly, we believe the stock is quite overvalued today. We believe investors pay a premium earnings-wise due to the appeal of the monthly dividend. It's worth noting, however, that the company has a net cash position of \$34 million, which makes up a large chunk of its current market cap. This also explains why the current multiple appears elevated.

Safety, Quality, Competitive Advantage, & Recession Resiliency

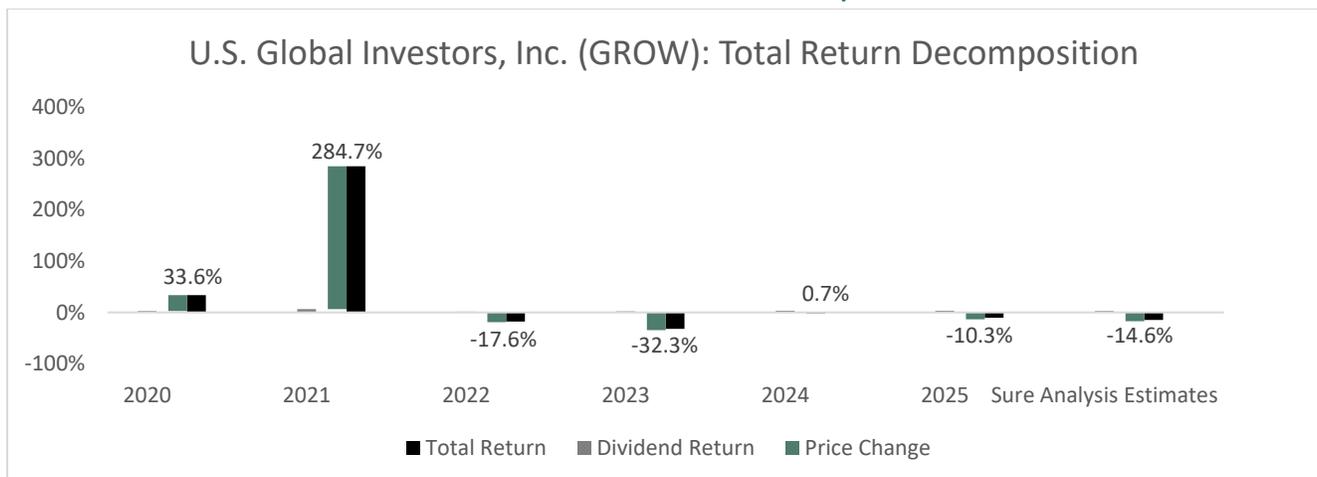
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	100%	---	---	6%	20%	53%	113%	---	90%	90%

The business lacks a notable competitive advantage due to its small size, but it is recognized for its expertise in precious metals and emerging markets. These niche sectors allow it to compete more effectively and build stronger relationships with clients. Specifically, one of the largest holders of its funds is BlackRock, a leading name in asset management, which supports the firm's credibility. The company has also branched into airline and crypto-themed ETFs (areas outside its traditional focus) that have nonetheless attracted strong investor interest and boosted AUM. Still, we do not view the stock as a reliable income investment. Still, despite the balance sheet being solid, EPS has been volatile, dividend cuts have been frequent and severe, and the business remains vulnerable to competition and broader market disruption.

Final Thoughts & Recommendation

U.S. Global Investors is a bit of a gamble given how erratic its earnings and dividends have been over the past decade. While the company appears to be trending in the right direction thanks to some popular funds, there is not enough of a competitive advantage or track record here to have confidence in continued robust growth moving forward. The balance sheet is very strong too, but other than that there isn't much to like here. In fact, we believe the stock might not be able to produce positive returns to investors in the coming years. For this reason we have assigned GROW a sell rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	6	7	6	3	4	22	25	15	11	8.9
Gross Profit	1	3	2	1	2	14	19	10	6	8.8
Gross Margin	10.7%	44.5%	31.8%	16.6%	36.6%	66.0%	75.5%	68.2%	56.3%	98.9%
SG&A Exp.	4	4	4	3	4	6	7	7	6	0
D&A Exp.	0	0	0	0	0	0	(0)	(0)	(0)	(0.1)
Operating Profit	(4)	(1)	(2)	(3)	(2)	8	11	4	(0)	(2.7)
Operating Margin	-75.9%	-12.9%	-36.5%	-79.7%	-53.7%	37.7%	45.0%	23.4%	-4.3%	-30.3%
Net Profit	(4)	(1)	1	(3)	(5)	32	3	3	1	(0.33)
Net Margin	-66.8%	-7.6%	10.3%	-97.9%	-105%	147.6%	13.9%	20.9%	12.1%	-3.7%
Free Cash Flow	3	1	(0)	(1)	(2)	5	10	3	1	(0.8)
Income Tax	(0)	0	0	(1)	(0)	5	2	1	1	0.1

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	26	26	29	24	19	62	58	56	52	48
Cash & Equivalents	4	4	6	1	2	14	22	25	27	26
Accounts Receivable	1	1	1	0	1	3	2	1	1	-
Total Liabilities	1	1	3	2	2	8	5	4	3	3.2
Accounts Payable	1	0	1	0	0	1	1	1	1	-
Long-Term Debt	-	-	-	-	0	-	-	-	-	0.1
Shareholder's Equity	25	24	26	22	17	54	54	52	49	45
LTD/E Ratio	-	-	-	-	0.03	-	-	-	-	-

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-12.9%	-2.0%	2.4%	-12.9%	-22.0%	78.8%	5.7%	5.5%	2.5%	-0.7%
Return on Equity	-13.6%	-2.1%	2.6%	-14.0%	-24.1%	89.9%	6.4%	6.0%	2.6%	-0.7%
ROIC	-13.6%	-2.1%	2.6%	-14.0%	-23.8%	89.4%	6.4%	6.0%	2.6%	-0.7%
Shares Out.	15.3	15.2	15.2	15.1	15.1	15.1	15.0	14.6	14.2	13.3
Revenue/Share	0.36	0.44	0.41	0.23	0.30	1.44	1.65	1.03	0.77	0.66
FCF/Share	0.20	0.05	(0.00)	(0.07)	(0.13)	0.31	0.69	0.20	0.05	(0.06)

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

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