



# Mueller Industries (MLI)

Updated February 4<sup>th</sup>, 2026, by Derek English

## Key Metrics

|                             |       |                                             |             |                                  |                       |
|-----------------------------|-------|---------------------------------------------|-------------|----------------------------------|-----------------------|
| <b>Current Price:</b>       | \$113 | <b>5 Year Annual Expected Total Return:</b> | -7.0%       | <b>Market Cap:</b>               | \$13.7 B              |
| <b>Fair Value Price:</b>    | \$70  | <b>5 Year Growth Estimate:</b>              | 1.0%        | <b>Ex-Dividend Date:</b>         | 03/12/26 <sup>1</sup> |
| <b>% Fair Value:</b>        | 161%  | <b>5-Year Valuation Multiple Estimate:</b>  | -9.1%       | <b>Dividend Payment Date:</b>    | 03/27/26              |
| <b>Dividend Yield:</b>      | 0.8%  | <b>5-Year Price Target</b>                  | \$74        | <b>Years Of Dividend Growth:</b> | 5                     |
| <b>Dividend Risk Score:</b> | D     | <b>Sector:</b>                              | Industrials | <b>Rating:</b>                   | Hold                  |

## Overview & Current Events

Mueller Industries (MLI) manufactures and sells metal and plastic products worldwide through its three segments: Piping Systems, Industrial Metals, and Climate. The Piping Systems segment offers copper tubes and plumbing-related fittings, and it also resells steel pipes, brass, and other metal products to wholesalers in various industries. The Industrial Metals segment manufactures brass, bronze, and copper alloy rods and other metal products for OEMs in the industrial, construction, HVAC, plumbing, and refrigeration markets. Finally, the Climate segment offers valves, protection devices, and brass fittings for various OEMs in the commercial HVAC and refrigeration markets, as well as high-pressure components and accessories for the air-conditioning and refrigeration markets. Mueller strives to be an industry leader, as it follows the approach of competing where it can be first or second in its core products and key markets. Mueller has averaged a 24% return on invested capital over the past five years and aims to produce double-digit annual growth in operating income.

Mueller Industries released its fourth-quarter and full-year 2025 results on February 3<sup>rd</sup>, 2026, closing out a strong year despite increasingly challenging market conditions. Fourth-quarter net sales rose 4.2% year-over-year to \$962 million, driven mainly by higher selling prices related to elevated copper costs, partially offset by lower unit volumes in core copper and brass products. Operating income increased to \$172 million, while net income rose 11.6% to \$154 million, benefiting from higher pricing and cost control. Diluted earnings-per-share increased 14% to \$1.38 for the quarter. For the full year, Mueller delivered its highest operating and net income in company history. Net sales increased 10.5% to \$4.2 billion, while operating income surged 24% to \$959 million. Net income rose 26.5% to \$765 million, with diluted EPS climbing 29% to \$6.86. Mueller produced \$755 million in operating cash flow for the year and ended 2025 with \$1.39 billion in cash and short-term investments, no debt, and a current ratio of 5.9.

## Growth on a Per-Share Basis

| Year                      | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   | 2026          | 2031          |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| <b>EPS</b>                | \$0.87 | \$0.75 | \$0.91 | \$0.90 | \$1.24 | \$4.13 | \$5.82 | \$5.30 | \$5.31 | \$6.86 | <b>\$7.00</b> | <b>\$7.36</b> |
| <b>DPS</b>                | \$0.19 | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.26 | \$0.50 | \$0.60 | \$0.80 | \$1.00 | <b>\$1.00</b> | <b>\$1.08</b> |
| <b>Shares<sup>2</sup></b> | 114.0  | 116.0  | 114.0  | 114.0  | 114.0  | 114.0  | 114.0  | 113.7  | 113.9  | 113.9  | <b>113.7</b>  | <b>113.0</b>  |

Since 2016, earnings-per-share has grown at an impressive average of 25.8% annually. The company experienced extraordinary growth in 2021, which was well above the yearly earnings-per-share growth rate of 9.9% for the 2012 to 2020 period. With a high starting base and weakening product demand, we expect a lower earnings-per-share growth rate of 1% annually going forward. Our EPS target for 2026 has been adjusted based on the stock split and the results over the last year, as we foresee a continued trend of lower demand. The company saw significant growth in dividends, with an average annual rate of 20.3% over the past 10 years and 30.9% over the last five years. Recently, the company raised the quarterly dividend by 25% to \$0.25. However, we anticipate a slower dividend growth rate of 1.5% annually over the next five years due to lower earnings levels.

<sup>1</sup> Estimated Based on Historical dates

<sup>2</sup> Share count is in millions.

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## Valuation Analysis

| Year      | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now         | 2031        |
|-----------|------|------|------|------|------|------|------|------|------|------|-------------|-------------|
| Avg. P/E  | 16.9 | 21.3 | 18.1 | 22.7 | 15.7 | 16.4 | 11.6 | 5.5  | 11.2 | 11.6 | <b>16.1</b> | <b>10.0</b> |
| Avg. Yld. | 1.0% | 0.9% | 1.2% | 1.2% | 1.4% | 1.4% | 1.4% | 1.1% | 1.4% | 1.4% | <b>0.8%</b> | <b>1.5%</b> |

Since 2016, the stock has averaged a P/E ratio of 15.1; over the past five years, the stock has averaged a P/E ratio of 11.3. We estimate that a P/E ratio of about 10 is fair for the business as the company's earnings-per-share growth is expected to slow. Shares are currently well ahead of our target valuation. In addition, the stock offers a 0.8% dividend yield today, which is low for investors who prioritize dividend income. The company's share price has surged since March 2020. The stock trades at 161% of our fair value estimate of \$70.

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

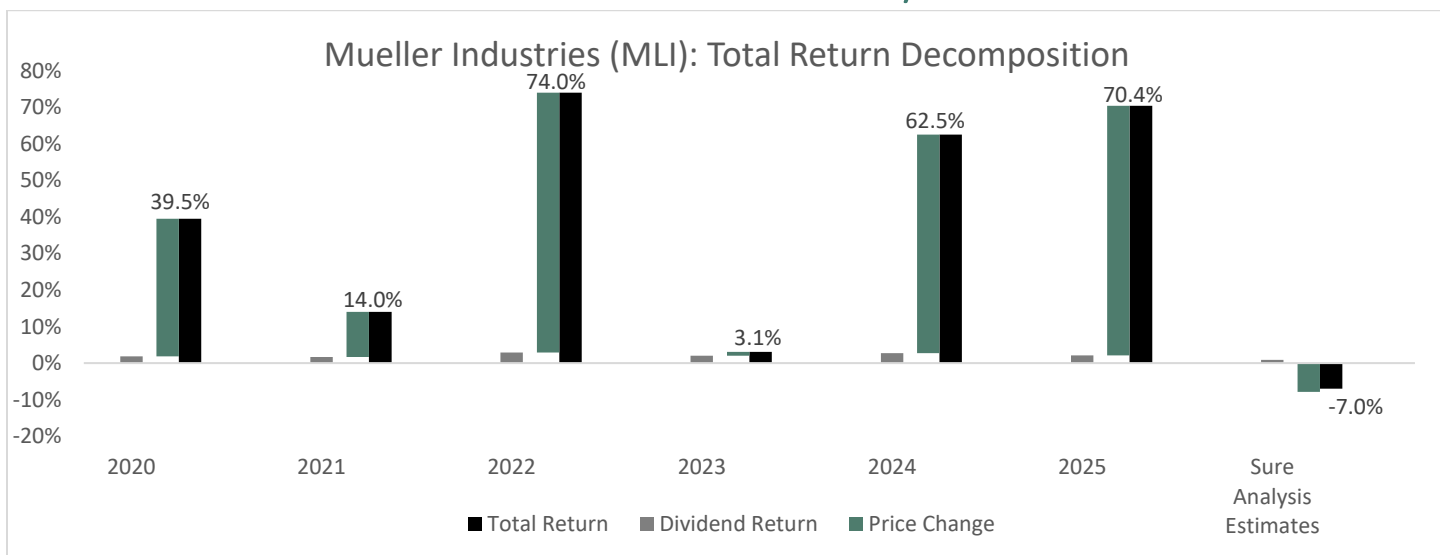
| Year   | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026       | 2031       |
|--------|------|------|------|------|------|------|------|------|------|------|------------|------------|
| Payout | 22%  | 27%  | 22%  | 22%  | 16%  | 6%   | 9%   | 11%  | 15%  | 15%  | <b>14%</b> | <b>15%</b> |

Since 2016, the business has demonstrated a conservative dividend policy, with the payout ratio typically below 22%. We expect the payout ratio to remain around low as earnings stabilize. Mueller's balance sheet is reasonably strong, with a current ratio of 5.9 and a little over \$1.39 million in long-term debt. While we project that the dividend is safe from being cut, the company has a history of maintaining the dividend for several years and rewarding shareholders with significant increases as earnings improve. Mueller Industries' competitive advantages are its strong global presence and brand reputation for quality and reliability. The company is the second-largest metal fabrication company by market cap. It offers a wide range of products in different industries, which helps mitigate the impact of market volatility in any specific market. This type of diversification helps keep the company resilient during a recession, where it typically maintains its dividend.

## Final Thoughts & Recommendation

Mueller Industries is a metal fabrication business that has long delivered high returns on capital. Based on the current share price, we predict a negative total return annually over the next five years. This return is driven by a 0.8% dividend yield, an expected 1% annual growth in earnings-per-share, and a negative headwind from a contracting multiple. Hence, we rate Mueller Industries as a hold.

## Total Return Breakdown by Year



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## Income Statement Metrics

| Year             | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenue          | 2,100 | 2,056 | 2,266 | 2,508 | 2,431 | 2,398 | 3,769 | 3,982 | 3,420 | 3,769 |
| Gross Profit     | 290   | 332   | 325   | 357   | 395   | 432   | 830   | 1,118 | 987   | 1,044 |
| Gross Margin     | 13.8% | 16.2% | 14.4% | 14.3% | 16.3% | 18.0% | 22.0% | 28.1% | 28.9% | 27.7% |
| SG&A Exp.        | 130   | 136   | 141   | 149   | 162   | 159   | 184   | 203   | 208   | 227   |
| D&A Exp.         | 35    | 35    | 34    | 40    | 43    | 45    | 45    | 44    | 40    | 53    |
| Operating Profit | 125   | 160   | 143   | 168   | 189   | 223   | 596   | 869   | 738   | 762   |
| Operating Margin | 6.0%  | 7.8%  | 6.3%  | 6.7%  | 7.8%  | 9.3%  | 15.8% | 21.8% | 21.6% | 20.2% |
| Net Profit       | 88    | 100   | 86    | 104   | 101   | 139   | 469   | 658   | 603   | 605   |
| Net Margin       | 4.2%  | 4.9%  | 3.8%  | 4.2%  | 4.2%  | 5.8%  | 12.4% | 16.5% | 17.6% | 16.1% |
| Free Cash Flow   | 131   | 120   | (2)   | 129   | 169   | 201   | 280   | 686   | 619   | 566   |
| Income Tax       | 43    | 48    | 38    | 31    | 35    | 55    | 166   | 223   | 221   | 205   |

## Balance Sheet Metrics

| Year                 | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Assets         | 1,339 | 1,447 | 1,320 | 1,370 | 1,371 | 1,529 | 1,729 | 2,242 | 2,759 | 3,291 |
| Cash & Equivalents   | 275   | 351   | 120   | 73    | 98    | 119   | 88    | 461   | 1,171 | 1,037 |
| Accounts Receivable  | 252   | 256   | 245   | 273   | 270   | 358   | 472   | 380   | 352   | 450   |
| Inventories          | 239   | 242   | 328   | 330   | 292   | 315   | 430   | 449   | 380   | 462   |
| Goodwill & Int. Ass. | 161   | 160   | 172   | 212   | 213   | 245   | 233   | 212   | 198   | 618   |
| Total Liabilities    | 479   | 511   | 784   | 806   | 709   | 728   | 472   | 428   | 401   | 487   |
| Accounts Payable     | 88    | 103   | 103   | 104   | 86    | 148   | 181   | 128   | 120   | 174   |
| Long-Term Debt       | 216   | 227   | 465   | 497   | 386   | 328   | 2     | 2     | 1     | 1.1   |
| Shareholder's Equity | 827   | 899   | 522   | 548   | 643   | 777   | 1,222 | 1,791 | 2,337 | 2,773 |
| D/E Ratio            | 0.26  | 0.25  | 0.89  | 0.91  | 0.60  | 0.42  | 0.00  | 0.00  | 0.00  | 0.00  |

## Profitability & Per Share Metrics

| Year             | 2015  | 2016  | 2017   | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  |
|------------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| Return on Assets | 6.6%  | 7.2%  | 6.2%   | 7.8%  | 7.4%  | 9.6%  | 28.8% | 33.2% | 24.1% | 20.0% |
| Return on Equity | 11.1% | 11.6% | 12.0%  | 19.5% | 16.9% | 19.6% | 46.9% | 43.7% | 28.9% | 23.4% |
| ROIC             | 8.3%  | 8.9%  | 7.9%   | 10.1% | 9.6%  | 12.8% | 39.2% | 42.8% | 28.9% | 23.4% |
| Shares Out.      | 57    | 57    | 58     | 57    | 57    | 57    | 57    | 56.6  | 113.7 | 114   |
| Revenue/Share    | 36.86 | 35.96 | 39.42  | 43.79 | 43.14 | 42.53 | 66.36 | 70.42 | 30.09 | 33.07 |
| FCF/Share        | 2.30  | 2.10  | (0.04) | 2.26  | 3.01  | 3.57  | 4.93  | 12.14 | 5.44  | 4.96  |

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

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