Mueller Water Products, Inc. (MWA)

Updated February 9th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$29	**5 Year Annual Expected Total Return:**	3.5%	**Market Cap:**	$4.60 B
Fair Value Price:	$26	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	02/10/26
% Fair Value:	113%	**5 Year Valuation Multiple Estimate:**	-2.4%	**Dividend Payment Date:**	02/20/26
Dividend Yield:	1.0%	**5 Year Price Target**	$33	**Years Of Dividend Growth:**	11
Dividend Risk Score:	C	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Mueller Water Products is a leading manufacturer and marketer of products and services used to transmit, distribute, and measure water in North America. Mueller's products and services are used by municipalities and the residential and non-residential construction industries. The majority of its revenues (>90%) are derived from spending on water and wastewater infrastructure upgrades, repairs, and replacements, typically associated with the construction of new residential communities. Management estimates it has one of the largest installed bases of Iron Gate valves and fire hydrants in the United States. The company generates around $1.43 billion in annual sales and is based in Atlanta, Georgia. Mueller's fiscal year ends every September 30th.

On February 4th, 2026, Mueller Water Products reported its fiscal Q1 results for the period ending December 31st, 2025. Revenues came in at $318.2 million, which was a year-over-year increase of 4.6%. The Water Management Solutions segment posted sales of $145.2 million, up 12.0% year-over-year. This increase was primarily due to higher pricing across most product lines and higher volumes of hydrants, partially offset by lower volumes of natural gas distribution and repair products. The Water Flow Solutions segment posted sales of $173.0 million, a decrease of 0.9% compared to last year. This decrease was primarily driven by lower volumes of service brass products, partially offset by higher pricing across most product lines and increased volumes of specialty valves. Due to higher pricing and manufacturing efficiencies, EPS came in at $0.27 compared to $0.22 last year. Adjusted EPS was $0.29 for the quarter.

For fiscal 2026, the company raised its total net sales guidance to between $1.47 billion and $1.49 billion, representing growth of 2.8% to 4.2% compared to fiscal 2025. The company also raised its adjusted EBITDA expectations to between $355 million and $360 million for the year. Free cash flow as a percentage of adjusted net income is still expected to exceed 85% in fiscal 2026. Based on these estimates, we forecast EPS of $1.45 for fiscal 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.40	$0.77	$0.67	$0.40	$0.45	$0.44	$0.49	$0.55	$0.74	$1.23	***$1.45***	***$1.85***
DPS	$0.10	$0.15	$0.19	$0.20	$0.21	$0.22	$0.23	$0.24	$0.26	$0.27	***$0.28***	***$0.34***
Shares[1]	161.3	160.1	158.2	157.8	157.8	158.4	158.0	156.8	156.9	157.5	***157.5***	***152.0***

Despite Mueller's revenues modestly growing over the past few years, they are still near the same levels they were a decade ago. The company has sustained a positive bottom line since 2015, but growth has lagged. The industry in which Mueller operates is very mature, with little to no expansion prospects. Hence apart from acquisitions, the company has few growth avenues. Also, EPS could come under pressure if the company isn't able to match higher material costs with adequate price increases. Still, driven by growing revenues, we estimate EPS growth of 5% in the medium-term.

Mueller has never cut its dividend since its IPO. It has grown annually over the past 10 years, though at a humble rate since over the last five years. We expect DPS growth of around 4% going forward, considering Mueller's limited

[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.

profitability growth catalysts ahead. Continuous buybacks could contribute to EPS growth, but only $10 million worth of stock was bought in both fiscal 2023 and fiscal 2024, and another $15 million in fiscal 2025.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	29.7	15.6	17.2	26.2	22.5	48.0	25.1	22.8	21.3	18.4	***20.3***	***18.0***
Avg. Yld.	0.8%	1.3%	1.7%	1.9%	2.0%	1,5%	1.9%	1.9%	1.6%	1.2%	***1.0%***	***1.0%***

Over the past decade, Mueller's valuation multiple has fluctuated based on profitability expectations. Currently, shares trade at 20.3 times our expected FY2026 EPS, despite limited growth prospects. We believe a fair valuation would be 18 times EPS. We don't believe the company's thin growth prospects warrant a premium. Still, a premium has historically been attributed to water-related investments attracting investor interest for their mature and mission-critical business models. We believe the stock's yield will likely remain low overall as well.

Safety, Quality, Competitive Advantage, & Recession Resiliency

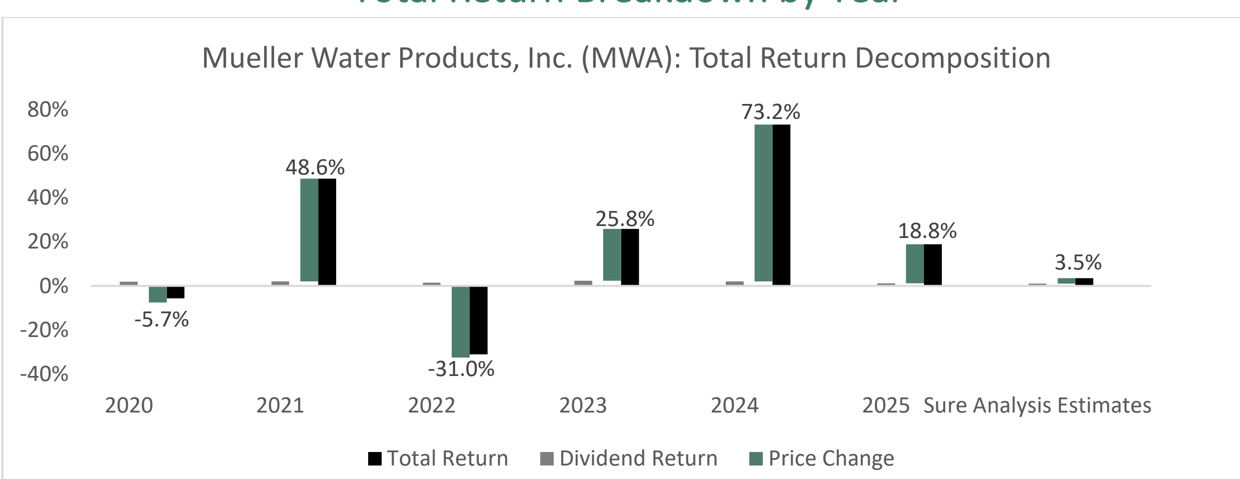
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	25%	19%	28%	50%	47%	50%	47%	44%	35%	22%	***19%***	***18%***

We consider the stock's dividend relatively safe even as the payout ratio has moved higher over the past few years. The company is a market leader in water and wastewater infrastructure upgrades that see relatively stable annual demand. Water utility companies must modernize their facilities every a certain time period; hence robust demand should remain. The company claims that while the valve and hydrant products industry is competitive, it is a mature one and many end users are slow to transition to brands other than their historically preferred brand. Hence sales should not fluctuate wildly. Sales should remain relatively stable under a recession as well, as was the case during the Great Financial Crisis. However, the company still has little to no competitive advantages and is subject to limited growth catalysts ahead. On the positive side, Mueller's total debt position has been declining consistently, from $1.3 billion in 2006 to $452.3 million as of the latest quarter. The company also has no outstanding debt maturities prior to June 2029, which should allow for flexible capital allocation in the medium-term.

Final Thoughts & Recommendation

Mueller Water Products possesses certain attractive qualities, such as robust revenues, an improving balance sheet, and a healthy dividend payout ratio. However, moving forward, we forecast annualized returns of just 3.5%, as the starting dividend yield and modest growth estimates could be offset by a valuation tailwind. We rate MWA as a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	826	916	968	964	1111	1247	1276	1,351	1,430
Gross Profit	268	290	321	328	359	364	380	459	517
Gross Margin	32.4%	31.6%	33.2%	34.0%	32.3%	29.2%	29.8%	34.0%	36.2%
SG&A Exp.	155	167	183	198	219	239	242	245	247
D&A Exp.	42	44	53	58	60	61	63	66	47
Operating Profit	102	113	122	117	140	126	138	214	269
Operating Margin	12.4%	12.3%	12.6%	12.1%	12.6%	10.1%	10.8%	15.8%	18.8%
Net Profit	123	106	64	72	70	77	86	116	192
Net Margin	14.9%	11.5%	6.6%	7.5%	6.3%	6.2%	7.6%	8.6%	13.4%
Free Cash Flow	(25)	77	6	73	94	(2.4)	61	191	172
Income Tax	24	(10)	18	22	25	22	24	48	63

Balance Sheet Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,258	1,292	1,337	1,395	1,518	1,498	1,505	1,636	1,912
Cash & Equivalents	362	347	177	209	228	147	160	310	432
Accounts Receivable	145	164	173	181	212	228	218	213	212
Inventories	139	157	191	163	185	279	302	311	329
Goodwill & Int. Ass.	439	420	529	509	508	460	428	390	397
Total Liabilities	769	727	745	754	823	829	794	826	931
Accounts Payable	83	90	85	67	92	123	103	110	134
Long-Term Debt	481	445	446	448	447	447	447	450	458
Shareholder's Equity	488	563	590	641	695	669	712	810	982
LTD/E Ratio	0.98	0.79	0.76	0.70	0.64	0.67	0.63	0.55	0.47

Profitability & Per Share Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.7%	8.3%	4.9%	5.3%	4.8%	5.1%	5.7%	7.4%	10.8%
Return on Equity	27.2%	20.1%	11.1%	11.7%	10.5%	11.2%	12.4%	15.2%	21.4%
ROIC	13.2%	10.7%	6.2%	6.8%	6.3%	6.8%	7.5%	9.6%	14.0%
Shares Out.	160.1	158.2	157.8	157.8	159.2	158	157	157	158
Revenue/Share	5.11	5.74	6.09	6.08	6.98	7.90	8.14	8.38	9.08
FCF/Share	(0.15)	0.48	0.04	0.46	0.59		0.39	1.22	1.09

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