Virtus Investment Partners, Inc. (VRTS)

Updated February 17th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$139	**5 Year Annual Expected Total Return:**	15.6%	**Market Cap:**	$933 M
Fair Value Price:	$200	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	04/30/26[1]
% Fair Value:	70%	**5 Year Valuation Multiple Estimate:**	7.5%	**Dividend Payment Date:**	05/14/26[2]
Dividend Yield:	6.9%	**5 Year Price Target**	$232	**Years Of Dividend Growth:**	8
Dividend Risk Score:	D	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Virtus Investment Partners, Inc. is a distinctive partnership of boutique investment managers, singularly committed to the long-term success of individual and institutional investors. The firm offers a diverse range of investment strategies across asset classes, including equity, fixed income, multi-asset, as well as alternative investments. These strategies are available in multiple product forms, such as open-end mutual funds, closed-end funds, ETFs, retail separate accounts, and institutional accounts. Virtus operates through a multi-manager model, partnering with affiliated managers and select unaffiliated sub-advisers, each maintaining distinct investment philosophies and processes. This structure allows Virtus to offer clients access to specialized expertise and a broad array of solutions tailored to meet various financial objectives. The company trades at a market cap of $933 million.

On February 6th, 2026, Virtus reported its Q4 results for the period ending December 31st, 2025. Total AUM declined 9% year-over-year to $159.5 billion, reflecting market performance and net outflows across U.S. retail funds, institutional, and retail separate accounts, partially offset by positive ETF flows. Net outflows were ($8.1) billion compared to ($4.8) billion last year, driven by outflows in institutional large-cap growth and retail small- and small/mid-cap strategies. Adjusted EPS declined 13% year-over-year to $6.50, as lower average assets and related revenues more than offset a reduction in operating expenses, including lower variable incentive compensation. For FY2025, GAAP EPS was $20.27. For FY2026, we expect adjusted EPS of $25.00. All past figures reflect GAAP results.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$6.34	$4.09	$9.37	$12.54	$10.49	$27.13	$15.90	$18.02	$17.19	$20.27	***$25.00***	***$28.98***
DPS	$1.80	$1.80	$2.00	$2.44	$2.98	$4.64	$6.30	$7.10	$8.30	$9.30	***$9.60***	***$12.25***
Shares[3]	7.6	7.0	7.2	7.0	7.6	7.7	7.4	7.2	7.1	6.8	***6.8***	***6.5***

Virtus Investment Partners' EPS performance from 2016 to 2025 reflects its navigation through market cycles, strategic acquisitions, and adaptation to evolving industry trends. After a tough couple of years, EPS recovered to $6.34 in 2016 and $4.09 in 2017 was due to cost controls and improved market performance, though growth stayed tempered by industry-wide challenges. By 2018, EPS surged to $9.37, driven by the acquisition of Sustainable Growth Advisers, which expanded institutional and international capabilities. The momentum continued into 2019 with EPS reaching $12.54.

In 2020, the COVID 19 pandemic pushed EPS down to $10.49 as markets were disrupted and investors pulled back, though the business held up relatively well. EPS then jumped to $27.13 in 2021, helped by acquisitions such as Stone Harbor Investment Partners, NFJ Investment Group, and Westchester Capital Management, which broadened the firm's capabilities in global credit, value equity, and event driven strategies. Strong markets and the added scale drove record AUM and profitability. In 2022, EPS settled at $15.90 as market headwinds cooled growth, but it improved to $18.02 in 2023, reflecting steady client demand and the advantages of a diversified multi manager approach. In 2024, EPS dipped

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[1] Estimated ex-dividend date.

[2] Estimated dividend payment date.

[3] 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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slightly to $17.19 as institutional redemptions and market related AUM declines outweighed ETF and fund inflows. By 2025, EPS rose again, with net income attributable to Virtus up 14%to $138.4 million despite lower revenue.

Looking ahead, we anticipate Virtus to achieve an EPS CAGR of just 3%, as the company could face intense competition from larger asset management firms and lower-cost funds passive funds. Also, we believe Virtus is positioned to sustain a 5% annual dividend growth rate during this period. Virtus has raised its dividend for eight consecutive years, boasting a five-year average growth rate of nearly 16%.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	15.5	26.5	12.5	8.6	11.9	9.0	14.8	10.8	12.7	8.8	***5.6***	***8.0***
Avg. Yld.	1.8%	1.7%	1.7%	2.3%	2.4%	1.9%	2.7%	3.7%	3.8%	5.2%	***6.9%***	***5.3%***

Virtus Investment Partners' P/E ratio fluctuated notably over the past decade. High multiples in 2016 and 2017 reflected EPS declines and recovery optimism, while strong EPS growth in 2018-2019 compressed valuations. During COVID-19, uncertainty modestly lifted the P/E in 2020, but record EPS in 2021 brought it down. In 2022-2023, the P/E normalized as market volatility eased and earnings stabilized. Today, shares are trading at 5.6x this year's expected EPS. While the below-average P/E reflects anxiety over AUM growth, we view shares as undervalued and have set a fair P/E of 8.0x.

Safety, Quality, Competitive Advantage, & Recession Resiliency

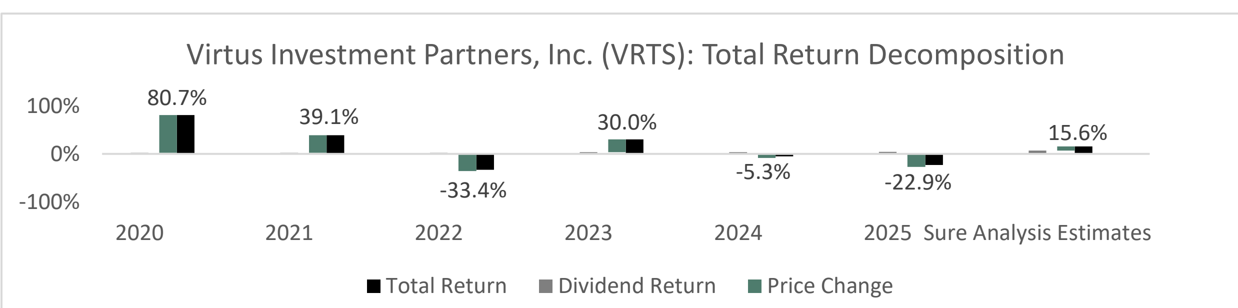
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	28%	44%	21%	19%	28%	17%	40%	39%	48%	46%	***38%***	***42%***

Virtus operates in the highly competitive asset management industry, facing pressure from larger players with broader distribution networks and greater scale. However, Virtus's multi-manager model provides a key advantage by offering differentiated strategies via boutique affiliate managers and select sub-advisors, allowing it to attract clients looking for specialized and actively managed solutions. Its diverse product portfolio, including mutual funds, ETFs, and institutional accounts, helps mitigate risks from reliance on a single asset class or client segment. Despite these strengths, the asset management industry is inherently susceptible to market downturns, as fluctuations in asset prices directly impact revenues tied to AUM. Virtus navigates this challenge through its balanced mix of equity, fixed income, and alternative strategies, which can appeal to investors during periods of heightened market volatility. Still, Virtus' EPS turned negative in the Great Financial Crisis and dipped slightly during the COVID-19 pandemic.

Final Thoughts & Recommendation

Virtus Investment Partners has demonstrated strong earnings growth through strategic acquisitions, a diversified multi-manager platform, and disciplined cost management. We believe Virtus can grow EPS at 3% per annum through 2031, although we are wary over AUM headwinds. Regardless, along with the stock's starting yield of 6.9% and a 7.5% annual valuation tailwind, we see annualized returns of 15.6% during this period. We rate the stock 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	380	322	424	551	562	603	975	882	841	903
Gross Profit	243	186	233	313	322	336	616	510	437	470
Gross Margin	63.9%	57.8%	54.9%	56.7%	57.2%	55.7%	63.2%	57.9%	51.9%	52.0%
SG&A Exp.	90	69	72	92	82	77	141	113	97	96
D&A Exp.	7	6	18	33	40	39	51	64	68	69
Operating Profit	80	55	69	113	127	144	338	209	147	178
Operating Margin	21.1%	17.1%	16.2%	20.5%	22.6%	23.9%	34.7%	23.8%	17.4%	19.7%
Net Profit	35	49	37	76	96	80	208	118	131	122
Net Margin	9.2%	15.1%	8.7%	13.7%	17.0%	13.3%	21.4%	13.3%	15.5%	13.5%
Free Cash Flow	(214)	19	(184)	(74)	(44)	(227)	660	126	228	(3.8)
Income Tax	37	21	40	33	35	44	91	57	45	55

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	860	824	2,591	2,871	3,205	3,467	3,934	3,953	3,679	3,994
Cash & Equivalents	97	83	233	254	321	333	586	589	340	400
Accounts Receivable	39	36	66	70	74	84	124	99	109	117
Goodwill & Int. Ass.	48	45	472	629	601	571	839	791	829	775
Total Liabilities	276	465	1,981	2,169	2,455	2,630	2,959	3,016	2,705	2,986
Accounts Payable	23	25	30	28	23	25	48	33	39	49
Long-Term Debt	153	359	1,706	1,949	2,112	2,392	2,300	2,338	2,176	2,404
Shareholder's Equity	510	322	478	519	565	711	828	817	864	897
LTD/E Ratio	0.30	1.12	2.90	3.09	3.13	3.36	2.78	2.86	2.52	2.68

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.5%	5.8%	2.2%	2.8%	3.1%	2.4%	5.6%	3.0%	3.4%	3.2%
Return on Equity	6.0%	10.3%	7.6%	11.5%	13.2%	10.1%	23.0%	12.3%	13.7%	12.3%
ROIC	5.3%	6.7%	2.4%	3.0%	3.5%	2.6%	6.4%	3.6%	4.1%	3.7%
Shares Out.	8.8	7.6	7.0	7.2	7.0	7.6	7.7	7.4	7.2	7.2
Revenue/Share	42.43	41.13	58.56	64.66	69.00	75.63	121.79	116.29	114.10	125.22
FCF/Share	(23.90)	2.42	(25.44)	(8.71)	(5.43)	(28.48)	82.46	16.63	30.96	(0.53)

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