



Erie Indemnity (ERIE)

Updated March 23rd, 2026 by Jonathan Weber

Key Metrics

Current Price:	\$240	5 Year CAGR Estimate:	12.4%	Market Cap:	\$13B
Fair Value Price:	\$297	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	04/08/26 ¹
% Fair Value:	81%	5 Year Valuation Multiple Estimate:	4.4%	Dividend Payment Date:	04/23/26 ²
Dividend Yield:	2.4%	5 Year Price Target	\$397	Years Of Dividend Growth:	36
Dividend Risk Score:	B	Sector:	Financials	Rating:	Buy

Overview & Current Events

Erie Indemnity is an insurance company is an Erie, Pennsylvania-based insurance company. It does not belong to the largest players in the US, but the company has established itself in fields such as life insurance, auto, home, and commercial insurance. The company's history dates to the 1920s.

Erie Indemnity reported that its revenues totaled \$1.06 billion during the fourth quarter, which was 3% more than the revenues that Erie Indemnity was able to generate during the previous year's quarter. Erie Indemnity's revenue growth was driven by higher management fee revenues (for policy issuance and renewal services) to a large degree, which rose by around \$30 million year over year. Administrative services fee revenue was up by 12%, but from a much smaller base. Erie Indemnity's investment income was up substantially on a year-over-year basis during the quarter, rising from \$20 million one year ago to \$25 million during the most recent quarter.

Erie Indemnity generated GAAP earnings-per-share of \$1.21 during the fourth quarter, which was down by more than half from the previous year's quarter's earnings-per-share. The earnings-per-share decline was partially caused by a donation to a charitable foundation, totaling \$100 million during the quarter. Earnings-per-share had risen in both 2023 and 2024, but pulled back in 2025, with full-year earnings-per-share coming in at \$10.69, down by a couple of percentage points. For the current year, earnings-per-share are forecasted to grow nicely, with the consensus estimate implying growth of more than 20% in fiscal 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$4.01	\$3.76	\$5.51	\$6.06	\$5.61	\$5.69	\$5.71	\$8.53	\$11.48	\$10.69	\$13.50	\$18.07
DPS	\$2.92	\$3.13	\$3.36	\$3.60	\$3.86	\$4.14	\$4.44	\$4.76	\$5.10	\$5.46	\$5.85	\$7.47
Shares³	52.3	52.3	52.3	52.3	52.3	52.3	52.3	52.3	52.3	52.3	52.3	52.3

Erie increased its earnings-per-share by ~11% annually between 2016 and 2025, but that growth was easy to achieve thanks to a relatively low profit base around one decade ago. Back then, interest rates were pretty low, which is why Erie Indemnity's investment income was low as well. Like other insurance companies, Erie Indemnity has a sizable float - cash that it has received through premiums and that it needs to invest, thus the company's results are dependent on market rates, e.g. for treasuries. With interest rates rising in the recent past, Erie Indemnity experienced a major profit increase, but earnings will most likely not continue to grow at that pace.

Recently, Erie Indemnity has achieved appealing revenue growth, and we believe that revenues should grow in the foreseeable future, too. We believe that Erie Indemnity should be able to grow its profits at a mid-single-digit pace throughout the coming years, with growing revenues being a growth driver, while investment income could, dependent on the market environment, either be a growth driver or a bit of a headwind relative to the recent past. Our forecasted long-term growth rate of 6% is not unattractive for an insurer.

¹ Estimated date

² Estimated date

³ 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	24.6	31.9	24.1	27.4	43.9	33.9	43.6	39.3	35.9	26.8	17.8	22.0
Avg. Yld.	3.0%	2.6%	2.5%	2.2%	1.6%	2.1%	1.8%	1.4%	1.2%	1.9%	2.4%	1.9%

Erie Indemnity has traded at relatively high valuations throughout the last decade. In fact, the company's shares were never valued at less than 20 times annual net profits. Right now, shares trade at 18 times 2026's expected earnings. Based on Erie Indemnity's past record and the forecasted earnings-per-share growth rate, we believe that the company's shares should be valued at around 22 times net earnings, which results in solid upside potential.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	73%	83%	61%	59%	69%	73%	78%	56%	44%	51%	43%	41%

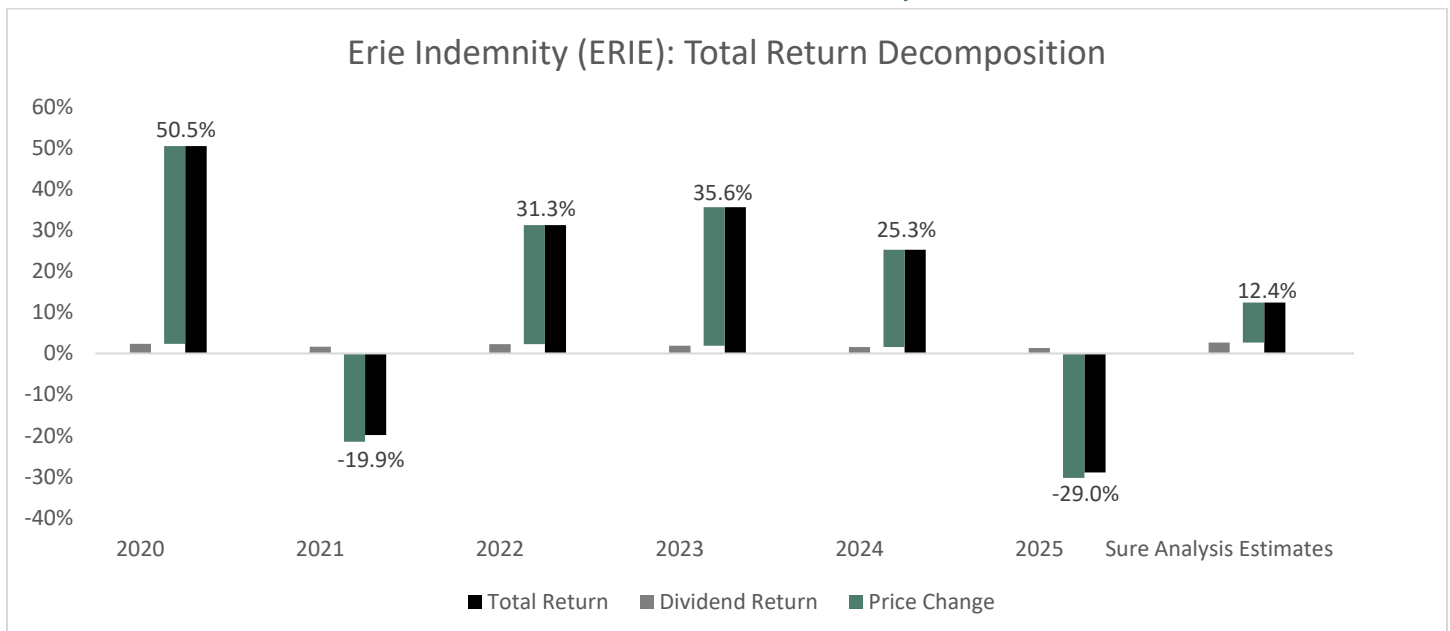
Unlike many other financial companies, Erie Indemnity did not cut its dividend during the Great Recession. Instead, the company continued to raise its payout even during those troubled years, keeping its dividend growth track record intact. The company's solid earnings growth made the dividend payout ratio decline to less than 50%, although the ratio has been a bit volatile in the past. We believe that the dividend is relatively safe.

Erie Indemnity is not an overly large insurance company, it thus does not have any major scale advantages over its peers. But the company was, compared to many other insurance companies and financial corporations, relatively stable during the Great Recession, which is a positive from a risk perspective. Its earnings took a hit, but the company managed to remain profitable and was able to raise its dividend, whereas many peers had to cut their payouts.

Final Thoughts & Recommendation

Erie Indemnity has grown its earnings-per-share at a nice pace in the past, and 2026 should be a new record year for the company. The long-term growth outlook is not spectacular, but solid. Following a recent share price pullback, Erie Indemnity now trades below our fair value estimate. Erie Indemnity looks like a relatively stable insurance company with good fundamentals, and thanks to a compelling total return outlook we rate it a buy right here.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,522	1,617	1,718	2,408	2,517	2,570	2,670	2,851	3,309	3,862
SG&A Exp.	227	-	-	580	582	609	638	668	737	806
Net Profit	175	210	197	288	317	293	298	299	446	600
Net Margin	11.5%	13.0%	11.5%	12.0%	12.6%	11.4%	11.2%	10.5%	13.5%	15.5%
Income Tax	92	110	119	83	80	75	79	78	116	157

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,407	1,549	1,666	1,778	2,016	2,117	2,242	2,239	2,472	2,889
Cash & Equivalents	183	189	216	266	337	161	184	130	132	275
Total Liabilities	638	732	809	805	883	929	900	791	809	901
Accounts Payable	89	88	105	111	135	151	138	166	176	190
Long-Term Debt	-	25	75	100	98	96	94	-	-	-
Total Equity	770	817	857	974	1,133	1,188	1,342	1,448	1,663	1,987
LTD/E Ratio	-	0.03	0.09	0.10	0.09	0.08	0.07	-	-	-

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	12.8%	14.2%	12.3%	16.7%	16.7%	14.2%	13.7%	13.3%	18.9%	22.4%
Return on Equity	23.7%	26.5%	23.5%	31.5%	30.1%	25.3%	23.5%	21.4%	28.7%	32.9%
ROIC	23.7%	26.1%	22.2%	28.7%	27.5%	23.3%	21.9%	20.7%	28.7%	32.9%
Shares Out.	52.3	52.3	52.3	52.3	52.3	52.3	52.3	52.3	52.3	52.3
Revenue/Share	25.98	27.63	29.39	41.22	48.11	44.00	51.04	54.52	63.27	73.84

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

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