Altria Group, Inc. (MO)

Updated March 2nd, 2026 by Samuel Smith

Key Metrics

Current Price:	$69	**5 Year CAGR Estimate:**	3.9%	**Market Cap:**	$116 B
Fair Value Price:	$56	**5 Year Growth Estimate:**	1.4%	**Ex-Dividend Date:**	3/25/26[1]
% Fair Value:	123%	**5 Year Valuation Multiple Estimate:**	-4.1%	**Dividend Payment Date:**	4/30/26[2]
Dividend Yield:	6.1%	**5 Year Price Target**	$60	**Years Of Dividend Growth:**	55
Dividend Risk Score:	C	**Sector:**	Consumer Staples	**Rating:**	Hold

Overview & Current Events

Altria Group, Inc. is a major American tobacco and nicotine company that manufactures and sells a wide range of tobacco and nicotine products predominantly in the United States. The company's portfolio includes cigarettes under the iconic Marlboro brand, moist smokeless tobacco products under the Copenhagen and Skoal brands, and rapidly growing oral nicotine pouches marketed under the on! brand. Altria also owns e-vapor products through its NJOY brand and maintains a significant equity stake in Anheuser-Busch InBev. The business focuses on adult tobacco consumers and sells primarily to wholesalers and retail chains. Altria has a long history of returning capital to shareholders through dividends and share repurchases while navigating the industry's transition toward smoke-free alternatives.

On January 28, 2026, Altria Group, Inc. reported its 2025 fourth-quarter and full-year results, delivering solid earnings growth despite ongoing industry headwinds. The company generated adjusted diluted EPS of $5.42 for 2025, a 4.4 percent increase versus 2024, supported by higher adjusted operating companies income, share repurchases that reduced the share count, and a lower adjusted tax rate, highlighting the resilience of its earnings model. The smokable products segment remained the primary profit engine, producing over $11 billion in adjusted operating companies income with margins expanding 1.8 percentage points to 63.4 percent, even as Marlboro's retail share slipped below 40 percent and domestic cigarette volumes declined 10 percent for the year, underscoring persistent volume and share pressures in the core combustible category. The oral tobacco segment also contributed modestly to growth, with adjusted OCI up 1.3 percent and margins edging higher to 67.9 percent, and the FDA's authorization of on! PLUS products in December 2025 provided a regulatory milestone that supports Altria's transition toward smoke-free offerings. Shareholder returns were a clear positive, with $8 billion returned in 2025 through dividends and buybacks, including repurchase of more than 17 million shares for $1 billion, reflecting management's continued commitment to capital returns. Offsetting these strengths, the company recorded a substantial $2.2 billion non cash impairment charge in the e vapor segment, highlighting challenges in that business due to slower enforcement and adverse market dynamics. Looking to 2026, Altria projected adjusted diluted EPS of $5.56 to $5.72, implying 2.5 to 5.5 percent year over year growth, and outlined plans for a national rollout of on! PLUS nicotine pouches in the first half of 2026, which, if successful, could help counteract structural declines in cigarettes but still represents a relatively early stage growth driver in the context of broader combustible headwinds.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.03	$3.39	$3.99	$4.22	$4.36	$4.61	$4.84	$4.95	$5.12	$5.42	***$5.59***	***$6.00***
DPS	$2.35	$2.54	$3.00	$3.28	$3.44	$3.52	$3.76	$3.84	$4.00	$4.16	***$4.24***	***$5.10***
Shares[3]	1936.2	1898.1	1874.4	1858.4	1858.7	1817.3	1785.6	1763.5	1690.7	1680	***1647.6***	***1660***

[1] Estimate
[2] Estimate
[3] In millions

Disclosure: This analyst has a long position in the security discussed in this research report.

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Altria has generated steady earnings and dividend growth for many years after accounting for the spin-offs of Kraft Foods and Philip Morris International. This, however, is a period of transition for Altria. The decline in the U.S. smoking rate continues, though it has recently recovered some. In response to the negative long-term trend, Altria has invested heavily in new products that appeal to changing consumer preferences. They are also investing heavily into share repurchases to try to support continued earnings-per-share and dividend-per-share growth. We also note that the company's investments in Juul and Cronos have resulted in billions of dollars in losses for Altria since its inception. Moving forward, we expect the company to generate low-single-digit annualized earnings per share growth.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	15.8	17.7	19.3	19	20.2	12.9	13.2	8.1	10.6	10.6	***12.3***	***10.0***
Avg. Yld.	4.9%	4.2%	3.9%	4.1%	3.9%	5.9%	5.9%	9.6%	7.4%	7.2%	***6.1%***	***8.5%***

Altria stock trades for a price-to-earnings ratio of 12.3. Our fair value estimate for Altria is a price-to-earnings ratio of 10.0, a reasonable multiple for a highly profitable company with a strong moat and a lengthy track record of success that is facing volume declines in its core business. As a result, the stock is slightly overvalued at present. In addition, the yield is attractive at 6.1%, which is high both on an absolute basis and against Altria's own historical yields.

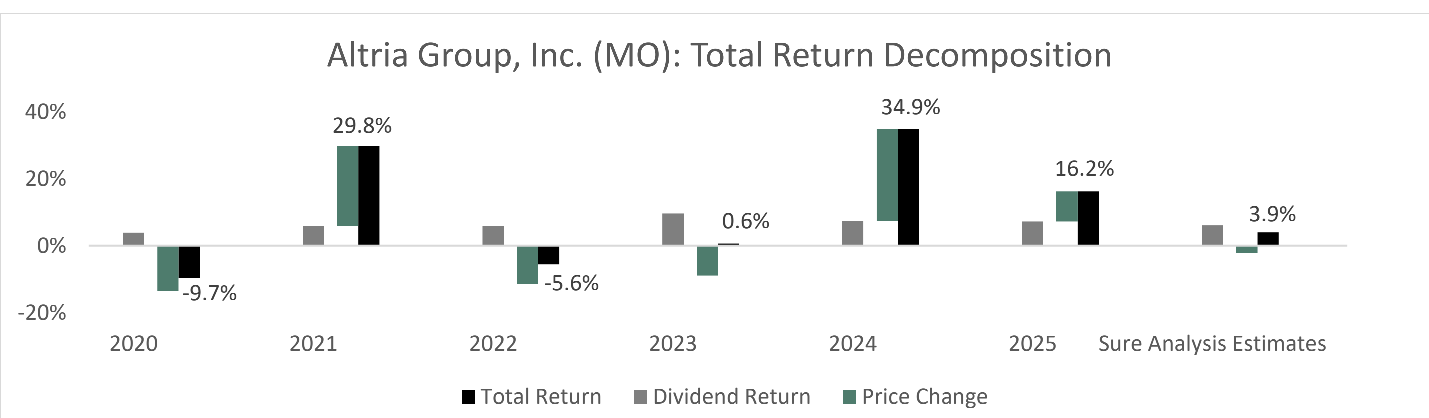
Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	77.6%	74.9%	75.2%	77.7%	78.9%	76.4%	77.7%	77.6%	78.1%	76.8%	***75.8%***	***85.0%***

Altria ranks very highly in terms of safety because the company has tremendous competitive advantages. It operates in a highly regulated industry, which virtually eliminates the threat of new competition in the tobacco industry. Altria enjoys strong brands across its product portfolio, including the No. 1 cigarette brand. As a result, it has pricing power and brand loyalty. In addition, tobacco companies enjoy low manufacturing and distribution costs, thanks to its economies of scale. This has fueled Altria's tremendous dividend growth, enabling it to boast an impressive dividend growth streak of 55 years. Altria's business model is also highly resistant to recessions. Sales of cigarettes and other tobacco products hold up well when the economy declines. This explains why Altria's earnings rose steadily throughout the Great Recession, and why earnings were unscathed during the brief 2020 recession.

Final Thoughts & Recommendation

Altria offers a 3.9% annualized total return potential along with an attractive 6.1% dividend yield and a very impressive dividend growth track record. Furthermore, its business model has proven to be defensive. As a result, it is a reasonably compelling dividend growth investment right now. The risk investors need to keep in mind is that the core industry is gradually declining as volumes continue to move lower year after year. Overall, we rate it a Hold.



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	19337	19494	19627	19796	20841	21111	20688	20502	20444	20116
Gross Profit	11615	12003	12109	12713	13073	13992	14246	14284	14367	17503
Gross Margin	60.1%	61.6%	61.7%	64.2%	62.7%	66.3%	68.9%	69.7%	70.3%	87.0%
SG&A Exp.	2650	2338	2756	2226	2154	2432	2327	2737	2737	2507
D&A Exp.	204	209	227	226	257	244	226	272	286	266
Operating Profit	9053	9737	9466	10559	10998	11733	12047	11977	11731	15070
Op. Margin	46.8%	49.9%	48.2%	53.3%	52.8%	55.6%	58.2%	58.4%	57.4%	74.9%
Net Profit	14220	10213	6959	-1305	4446	2464	5751	8113	11236	6927
Net Margin	73.5%	52.4%	35.5%	-6.6%	21.3%	11.7%	27.8%	39.6%	55.0%	34.4%
Free Cash Flow	3602	4702	8153	7591	8154	8236	8051	9091	8611	9074
Income Tax	7608	(399)	2374	2064	2436	1349	1625	2798	2394	2442

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	45,932	43,202	55,459	49,271	47,414	39,523	36,954	38,570	35,177	35,017
Cash & Equivalents	4,569	1,278	1,390	2,117	4,946	4,544	4,045	3,691	3,135	4,481
Acc. Receivable	151	142	142	152	137	47	1,721	-	177	263
Inventories	2,051	2,225	2,331	2,293	1,966	1,194	1,180	1,215	1,080	1,070
Goodwill & Int.	17,321	17,707	17,475	17,864	17,792	17,483	17,561	20,477	19,918	17,663
Total Liabilities	33,121	27,784	40,631	42,914	44,449	41,129	40,877	42,060	37,365	38,469
Accounts Payable	425	374	399	325	380	449	552	582	700	750
Long-Term Debt	13,881	13,894	13,042	28,042	29,471	28,044	26,680	26,233	24,926	25,709
Total Equity	12,770	15,377	14,787	6,222	2,839	(1,606)	(3,973)	(3,540)	(2,238)	(3,502)
LTD/E Ratio	1.09	0.90	1.74	4.51	10.38	(17.46)	(6.72)	(7.41)	(11.14)	(7.34)

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	36.7%	22.9%	14.1%	-2.5%	9.2%	5.7%	15.0%	21.5%	30.5%	19.7%
Return on Equity	180.9%	72.4%	46.0%	-12.3%	95.4%	362.6%				
ROIC	67.0%	36.5%	19.9%	-3.5%	13.3%	8.4%	23.4%	35.7%	49.4%	30.8%
Shares Out.	1936.2	1898.1	1874.4	1858.4	1858.7	1817.3	1785.6	1763.5	1690.7	1680
Revenue/Share	9.91	10.15	10.40	10.59	11.21	11.44	11.47	11.54	11.90	11.95
FCF/Share	1.85	2.45	4.32	4.06	4.39	4.46	4.46	5.12	5.01	5.39

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