National HealthCare Corp. (NHC)

Updated March 4th, 2026, by Ian Bezek

Key Metrics

Current Price:	$174	**5 Year Annual Expected Total Return:**	0.8%	**Market Cap:**	$2.6 B
Fair Value Price:	$124	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	03/31/26
% Fair Value:	140%	**5 Year Valuation Multiple Estimate:**	-6.6%	**Dividend Payment Date:**	04/30/26
Dividend Yield:	1.5%	**5 Year Price Target**	$166	**Years Of Dividend Growth:**	4
Dividend Risk Score:	D	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

National HealthCare was founded in 1971 to own and manage medical facilities. It operates skilled nursing facilities, home and hospice agencies, assisted living facilities, independent living facilities, and behavioral health hospitals. Besides operating its own facilities, National HealthCare leases some facilities to third-party operators. As of February 1st, 2026, National Healthcare operated or managed 80 skilled nursing facilities with 10,329 licensed beds in addition to its assortment of other healthcare, homecare, and hospice assets.

National HealthCare was traditionally a stable business with predictable growth. The pandemic upended this, however. Earnings plunged in 2020, soared in 2021 thanks to government relief payments, and then plunged again in 2022 as the payments wound down. Meanwhile, National HealthCare has adjusted its portfolio a bit to reflect the changing healthcare marketplace; it exited several Northeastern markets in 2022 to redouble its focus on its core Southern U.S. market. On August 1st, 2024, National HealthCare acquired White Oak, which added 15 skilled nursing facilities, two assisted living facilities, and four independent living facilities to its portfolio.

National HealthCare reported its Q4 results on February 27th, 2026. Adjusted earnings-per-share of $1.83 increased from the $1.66 figure recorded in the same period of 2024. Net patient revenues increased 4% to $374 million for the quarter. The firm's operating results improved as pandemic-related headwinds have finally subsided, and the White Oak acquisition has immediately contributed significantly to both the company's top- and bottom-line results. We believe 2025 was unusually profitable for National HealthCare and that higher labor costs and other expenses will lead to a slight decrease in 2026 EPS.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.32	$3.69	$3.87	$4.44	$2.72	$5.32	$2.42	$3.55	$4.93	$6.65	***$6.20***	***$8.30***
DPS	$1.75	$1.89	$1.98	$2.06	$2.08	$2.08	$2.26	$2.34	$2.42	$2.53	***$2.56***	***$3.27***
Shares[1]	16	15	15	15	15	15	15	15	15	15	***15***	***15***

National HealthCare had a generally increasing earnings-per-share trend over the past decade; at least that was the case until March 2020. With the onset of the pandemic, however, the business faced many additional costs for keeping facilities safe and well-staffed with qualified healthcare professionals, but it received government funding to offset this.

As this emergency aid wound down, however, the company's earnings slumped in 2022. However, earnings have surged since then with 2025 being a particularly impressive year. We are concerned about potential efforts to reduce government spending for the health care system, and higher labor costs are another potential headwind. And NHC's master lease with National Health Investors to use its properties ends in 2026, which could potentially lead to a significant increase in occupancy costs starting in 2027. We are forecasting 6% annualized EPS growth through 2031.

The company had delivered a strong series of dividend hikes prior to 2020. However, the dividend was paused during the pandemic before hikes resumed in 2022. The much better earnings performance recently could lead to larger dividend hikes. In May 2025, the company increased its dividend by 5% to 64 cents per quarter.

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[1] In millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	19.6	18.6	18.0	18.2	25.3	13.4	26.8	21.4	21.5	17.9	***28.1***	***20.0***
Avg. Yld.	2.7%	2.8%	2.8%	2.6%	3.0%	2.0%	3.7%	3.1%	2.3%	2.1%	***1.5%***	***2.0%***

National HealthCare has generally maintained a P/E ratio in the mid-to-high teens. We expect the P/E ratio to remain around 20x long-term. Shares appear to be overvalued today.

The company has traditionally offered a dividend yield between 2.0% and 3.0%. The firm's yield is now at its lowest point seen over the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	53%	51%	51%	46%	76%	39%	93%	66%	49%	38%	***41%***	***39%***

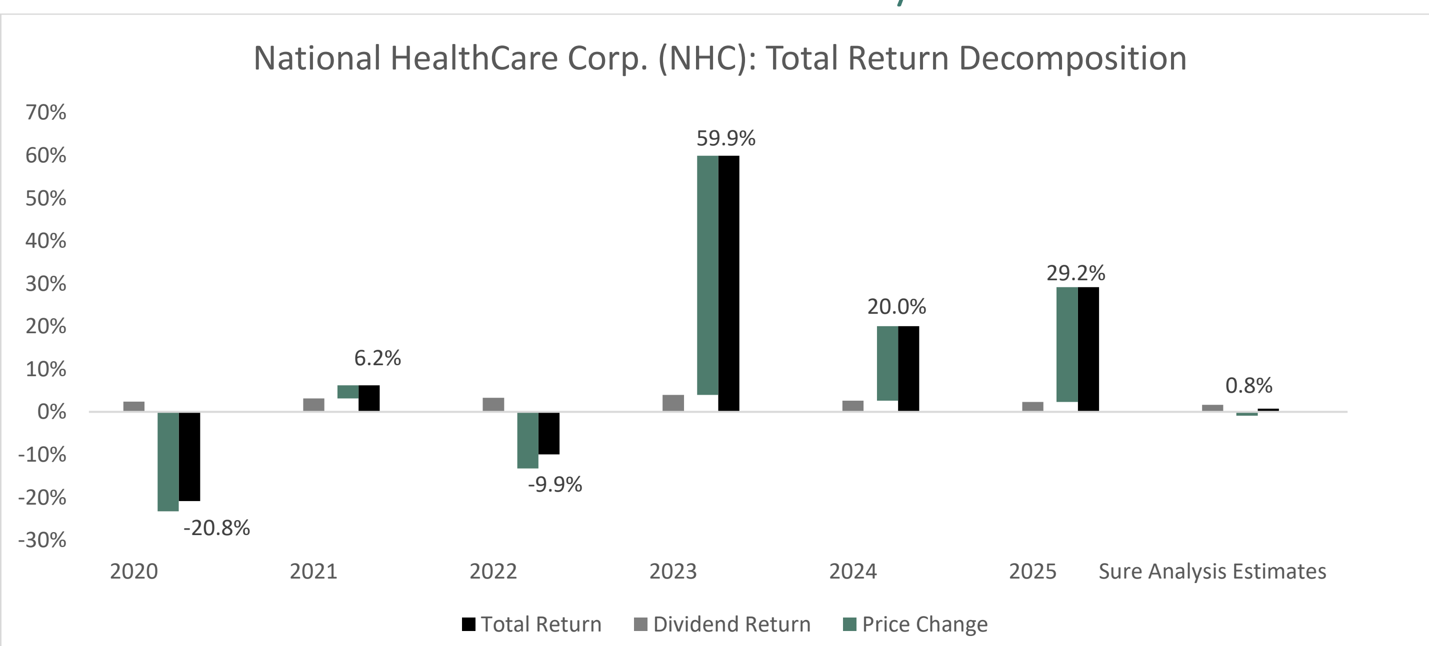
National HealthCare saw its payout ratio spike in 2022 given the fall in its earnings, but it is back to more sustainable territory now. The pandemic highlighted several risk factors within the skilled healthcare industry that investors previously hadn't focused on. That said, the industry has normally been viewed as a defensive one serving a growing market given America's aging demographics.

In addition, National HealthCare has a pristine balance sheet, holding a significant net cash position even after its recent White Oak acquisition. This gives it additional flexibility to navigate shifts in the industry going forward.

Final Thoughts & Recommendation

National HealthCare has now fully put its pandemic-related disruptions behind it and has returned to solid growth. The firm's White Oak acquisition is also generating significant shareholder value right out of the gate. Furthermore, the company's strong balance sheet is an asset, and the essential nature of its business leads to steady revenues. Shares have surged over the past year and that has pushed NHC's stock price to a point far above fair value. The annualized total return outlook has dropped to just 0.8%. We maintain a hold rating on National HealthCare today.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	907	924	964	980	996	981	1,011	1,074	1,142	1,298
SG&A Exp.	573	589	612	624	633	650	670	727	42	43
D&A Exp.	37	39	43	42	42	42	41	40	42	42
Operating Profit	70	64	59	61	52	50	60	29	57	90
Op. Margin	7.7%	7.0%	6.1%	6.2%	5.2%	5.1%	5.9%	2.7%	5.0%	6.9%
Net Profit	53	51	56	59	68	42	139	22	67	102
Net Margin	5.9%	5.5%	5.8%	6.0%	6.8%	4.3%	13.7%	2.0%	5.9%	7.9%
Free Cash Flow	25	28	62	69	74	181	23	(21)	83	80
Income Tax	32	30	19	16	20	10	11	7	23	34

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,045	1,087	1,097	1,081	1,287	1,362	1,403	1,275	1,311	1,524
Cash & Equivalents	38	26	59	43	50	147	108	59	107	76
Acc. Receivable	84	83	87	97	93	90	96	100	109	135
Inventories	8	8	7	7	7	9	9	7	7.4	9
Goodwill & Int.	18	18	18	21	21	21	175	175	175	190
Total Liabilities	414	418	393	346	508	564	495	398	400	541
Accounts Payable	20	19	16	20	19	21	22	17	19	25
Long-Term Debt	120	120	100	55	10	-	-	-	-	137
Total Equity	631	670	703	733	779	795	903	874	909	980
LTD/E Ratio	0.19	0.18	0.14	0.08	0.01	-	-	-	-	0.14

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.0%	4.7%	5.1%	5.4%	5.8%	3.2%	10.0%	1.7%	5.2%	7.2%
Return on Equity	8.9%	7.8%	8.2%	8.2%	9.0%	5.3%	16.3%	2.5%	7.5%	10.8%
ROIC	7.1%	6.6%	7.1%	7.4%	8.6%	5.3%	16.2%	2.5%	7.5%	10.0%
Shares Out.	15	16	15	15	15	15	15	15.5	15.4	15.6
Revenue/Share	62.56	60.73	63.34	64.34	64.87	63.81	65.57	69.55	74.24	83.21
FCF/Share	1.72	1.86	4.08	4.51	4.80	11.80	1.49	(1.39)	5.42	5.11

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