



# Permianville Royalty Trust (PVL)

Updated March 27<sup>th</sup>, 2026 by Aristofanis Papadatos

## Key Metrics

<b>Current Price:</b>	\$1.85	<b>5 Year CAGR Estimate:</b>	8.2%	<b>Market Cap:</b>	\$61 M
<b>Fair Value Price:</b>	\$1.20	<b>5 Year Growth Estimate:</b>	10.0%	<b>Ex-Dividend Date:</b>	3/31/26
<b>% Fair Value:</b>	154%	<b>5 Year Valuation Multiple Estimate:</b>	-8.3%	<b>Dividend Payment Date:</b>	4/14/26
<b>Dividend Yield:</b>	6.5%	<b>5 Year Price Target</b>	\$1.93	<b>Years Of Dividend Growth:</b>	1
<b>Dividend Risk Score:</b>	D	<b>Sector:</b>	Energy	<b>Rating:</b>	Hold

## Overview & Current Events

Permianville Royalty Trust (PVL) was incorporated in 2011 and is based in Houston, Texas. It operates as a statutory trust and owns a net profits interest representing the right to receive 80% of the net profits from the sale of oil and natural gas production from properties located in the states of Texas, Louisiana and New Mexico. The company was formerly known as Enduro Royalty Trust and changed its name to Permianville Royalty Trust in September 2018. It has a market capitalization of \$61 million. The trust's assets are static in that no further properties can be added. In addition, the trust is passive, as it has no control over operating costs and the rate of production.

Due to its pure upstream nature, PVL is highly sensitive to the cycles of oil and gas prices. Due to the collapse in these prices caused by the pandemic, PVL suspended its distribution for 13 consecutive months, from mid-2020 to mid-2021. In late March, PVL reported (3/23/26) results for the full fiscal 2025. Gas volumes increased 16% but oil volumes decreased -31% over the prior year. In addition, the average realized oil and gas prices decreased -19% and -27%, respectively. Nevertheless, thanks to much lower operating expenses, total distributions grew from \$0.09 to \$0.13. PVL suspended its distributions in the first half of 2024, as its operating expenses exceeded its operating income, primarily due to low prices and high operating expenses. The trust resumed distributions in July-2024 but it suspended distributions again in the first seven months of last year. It reinstated its distributions in August-2025. If the war in Iran lasts for a considerable period, it will provide a strong tailwind to PVL thanks to nearly 4-year high oil prices. Based on the distributions in the first three months of 2026, PVL is offering an annualized yield of 6.5%.

## Growth on a Per-Unit Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>DCFU</b>	\$0.24	\$0.21	\$0.42	\$0.31	\$0.13	\$0.12	\$0.44	\$0.37	\$0.09	\$0.13	<b>\$0.12</b>	<b>\$0.19</b>
<b>DPU</b>	\$0.24	\$0.21	\$0.42	\$0.31	\$0.13	\$0.12	\$0.44	\$0.37	\$0.09	\$0.13	<b>\$0.12</b>	<b>\$0.19</b>
<b>Units<sup>1</sup></b>	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	<b>33.0</b>	<b>33.0</b>

PVL has generated an average distributable and distributed cash flow of \$0.25/unit per year for the past decade, though with a noticeable decrease in the last nine years. Given the natural decline of the production of oil wells and gas wells, the long-term downtrend in cash flows should be expected. Over the last decade, the total output of PVL has declined at an average annual rate of -2%. The trust posted high distributable cash flow per unit in 2022-2023 thanks to multi-year high oil and gas prices, which resulted from the sanctions of western countries on Russia, but it suffered from high operating costs in 2024-2025. Given the low comparison base formed this year, we expect 10% growth of distributable cash flow per unit until 2031.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
<b>P/DCFU</b>	9.9	12.5	7.8	8.3	8.9	14.6	7.4	6.4	16.7	13.1	<b>15.4</b>	<b>10.0</b>
<b>Avg. Yld.</b>	10.1%	8.0%	12.8%	12.1%	11.2%	6.9%	13.5%	15.7%	6.0%	7.6%	<b>6.5%</b>	<b>10.0%</b>

<sup>1</sup> Average Weighted Unit count is in millions.

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The trust's DCFU price multiple has averaged 10.0 over the past 10 years. We consider this a fair valuation multiple due to our natural expectations for declining production volumes in the long run. PVL is currently trading at a valuation multiple of 15.4. If it trades at our assumed fair valuation level in five years, it will incur an -8.3% annualized drag in its returns, which will partly offset the expected growth of distributable cash flow.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

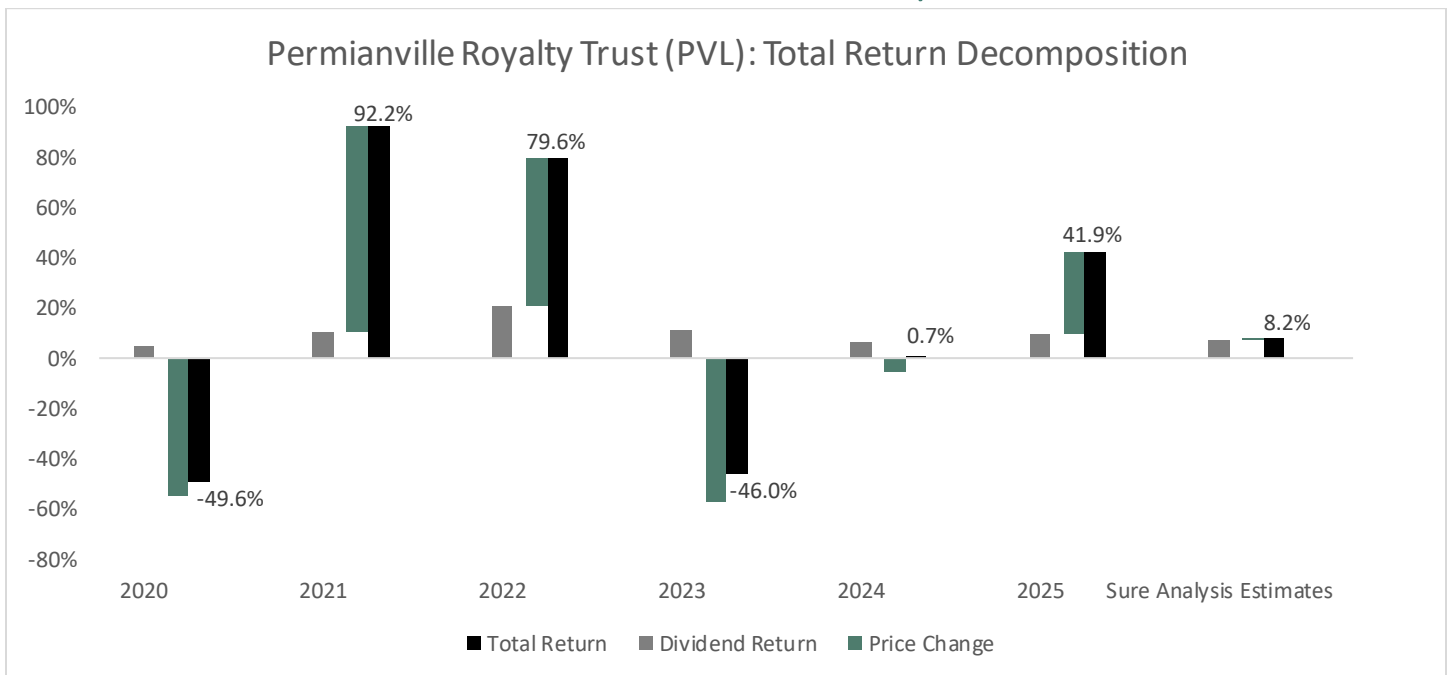
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

As PVL was formed only in 2011, it has a short history but it has offered an average 10.4% distribution yield over the last decade (albeit with high volatility in the distributions). However, future distributions are highly unpredictable due to the absence of any guidance and the unknown path of oil and gas prices. The trust suspended its distributions in the first seven months of last year, primarily due to lackluster prices of oil and gas and high operating costs. In addition, whenever the energy market enters another downcycle, the trust is likely to exhibit poor performance. The suspension of the distribution for 13 months in 2020-2021, for 6 months in 2024, for 7 months in 2025 and the 67% plunge of the stock in the first month of the pandemic are stern reminders of the risk and high sensitivity of PVL to recessions and downturns of the energy market.

## Final Thoughts & Recommendation

PVL suspended its distributions in the first half of 2024 due to depressed gas prices and high operating costs and it suspended its distributions again last year amid high operating costs. However, PVL has now reinstated its distributions and currently benefits from exceptionally high oil prices amid the war in Iran. It is impossible to predict how long the war in Iran will last but we believe that the U.S. will do its best to put an end to the ongoing energy crisis promptly, particularly given the upcoming midterm elections. PVL could offer an 8.2% average annual return over the next five years thanks to 10% growth of distributions per unit and a 6.5% initial distribution yield, partly offset by an -8.3% valuation headwind. The stock receives a hold rating. We also reiterate that PVL is not a buy-and-hold-forever stock due to the natural decline of its production in the long run and its high risk.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	9	8	15	9	6	4	15	10	4	5
<b>SG&amp;A Exp.</b>	1	1	1	1	1	1	1	1	1	0
<b>Operating Profit</b>	8	7	14	9	5	3	13	9	3	3
<b>Operating Margin</b>	92.1%	88.7%	89.5%	98.3%	90.3%	70.5%	88.8%	86.6%	61.6%	60.0%
<b>Net Profit</b>	8	45	14	10	5	3	13	14	3	4
<b>Net Margin</b>	92.1%	585%	94.5%	100%	90.3%	74.3%	89.7%	136%	66.2%	80.0%

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	107	94	84	77	71	65	61	52	44	39
<b>Total Liabilities</b>	---	---	---	---	---	---	---	---	---	---
<b>Long-Term Debt</b>	---	---	---	---	---	---	---	---	---	---
<b>Book Value</b>	107	94	84	77	71	65	61	52	44	39
<b>LTD/E Ratio</b>	---	---	---	---	---	---	---	---	---	---

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Shares Out.</b>	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
<b>Revenue/Share</b>	0.28	0.23	0.46	0.29	0.17	0.13	0.46	0.31	0.13	0.14

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

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