Value Line, Inc. (VALU)

Updated March 31st, 2026, by Ian Bezek

Key Metrics

Current Price:	$36	**5 Year Annual Expected Total Return:**	8.5%	**Market Cap:**	$338 M
Fair Value Price:	$45	**5 Year Growth Estimate:**	1.0%	**Ex-Dividend Date:**	04/28/26[1]
% Fair Value:	81%	**5 Year Valuation Multiple Estimate:**	4.4%	**Dividend Payment Date:**	05/12/26[1]
Dividend Yield:	3.6%	**5 Year Price Target**	$47	**Years Of Dividend Growth:**	11
Dividend Risk Score:	F	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Value Line is a financial services company which offers investment research and fund management operations. The company was organized in 1982 as a successor to the Arnold Bernhard & Co., and investors should note that Arnold Bernhard & Co retains control of 91.6% of all outstanding VALU shares. Value Line has long published industry-leading periodicals such as the Value Line Investment Survey and the Value Line 600. The company has adapted to the changing times, offering many of its publications, newsletters, and other such information products through digital channels. Value Line sells subscriptions to various clients including individual investors, professional fund managers, and libraries. In addition, Value Line holds a substantial non-voting interest in EULAV Asset Management, which is the investment advisor and distributor for the Value Line Family of mutual funds.

Value Line is a steady business with a stable, but not meaningfully increasing, subscription base. To that point, Value Line generated $36 million in revenues in fiscal year 2016, and $35 million in fiscal year 2025, showing a slight decline in nominal terms and a meaningful decline in the business when adjusted for inflation over the past decade. Both Value Line's investment research offerings and mutual fund portfolios face significant competition.

On March 17th, 2026, Value Line reported its financial results for the third quarter of its fiscal year 2026 period ending January 31st, 2026. Earnings per share of 63 cents increased from the 55 cents earned in the same portion of last year. The strong top-line results were almost entirely thanks to a sharp jump in investment gains for the quarter versus the prior year. Meanwhile, the operating business is continuing to struggle. In Q3, total publishing revenues fell from $9.0 million to $8.3 million and overall income from operations dropped by more than a third year-over-year. We believe core profitability is decreasing and that investment gains may be fickle, in fact, with the recent market sell-off, earnings are likely to come in lower next quarter. We have trimmed our full-year outlook slightly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.75	$1.07	$1.52	$1.24	$1.55	$2.43	$2.50	$1.91	$2.02	$2.20	***$2.35***	***$2.47***
DPS	$0.65	$0.69	$0.73	$0.77	$0.81	$0.85	$0.91	$1.03	$1.14	$1.22	***$1.30***	***$1.51***
Shares	10	10	10	10	10	10	9	9	9	9	***9***	***9***

Value Line has more than doubled its earnings per share over the past decade. However, the company has not grown top-line revenues whatsoever. Rather, it has enjoyed stronger returns on its investment portfolio along with the benefits of a modest share repurchase program. As of January 31st, 2026, the company held $85 million in cash and short-term securities. The company actively manages its investments and cash position and generates a large chunk of its total earnings from this portfolio. Over the past few years, thanks to higher interest rates and strong stock market performance, Value Line has generated more investment income than it did in prior years. We are uncertain if this positive trend will continue.

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[1] Estimated dividend date.

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	21.9	16.4	12.8	18.6	19.9	12.6	26.1	23.9	17.9	20.0	***15.3***	***19.0***
Avg. Yld.	4.0%	3.5%	3.6%	3.2%	3.2%	2.8%	2.6%	1.6%	2.5%	2.8%	***3.6%***	***3.2%***

Value Line has averaged a 19x P/E ratio since 2015 and a 20.1x P/E ratio over the past five years. We are assuming a similar P/E multiple in the future, though there is risk to the downside if the recent drop in publication revenues continues. Value Line has averaged a 3.0% dividend yield since 2016, and we expect shares to continue to offer a similar yield in future years. The current 3.6% yield is slightly above our long-term forecast.

Safety, Quality, Competitive Advantage, & Recession Resiliency

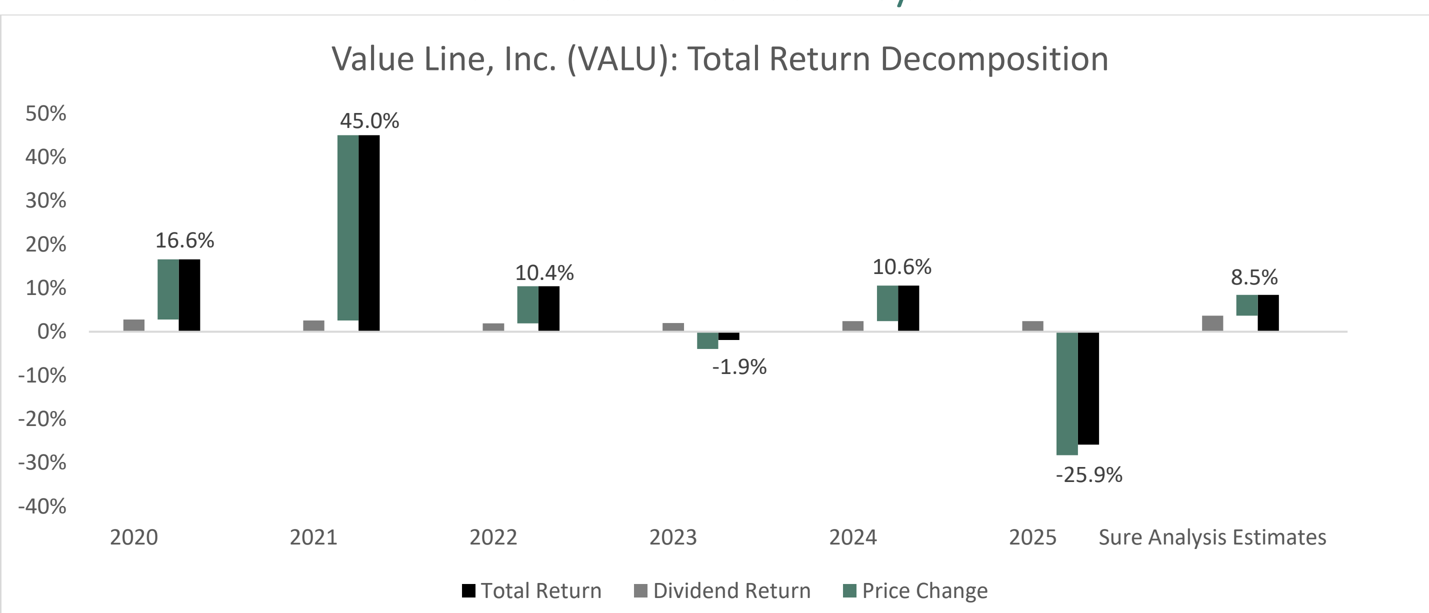
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	87%	64%	48%	62%	52%	35%	36%	54%	56%	55%	***55%***	***61%***

Value Line has a tremendous balance sheet. It has no debt or other meaningful long-term obligations. And on the assets side, it holds a considerable chunk of cash, fixed income, and equity investments in comparison to its market capitalization. The company's subscription-based revenues have proven to be largely stable throughout various economic climates, and the mutual fund business is also fairly predictable. Over the longer-term, Value Line faces intense competition in both of its business lines, which will limit its growth prospects. However, the company has plenty of resources with which to adapt to the changing financial services landscape.

Final Thoughts & Recommendation

Value Line's stability and strong balance sheet are appealing aspects. However, the company's slow growth rate puts a limit on the firm's forward prospects. Historically, Value Line was able to generate more earnings out of its investment portfolio thanks to higher interest rates and a rapidly rising overall U.S. stock market, but we are not sure investors can count on similar conditions over the next five years. Value Line shares are now trading at a moderate discount to our fair value estimate, but the gap is not wide enough to change our overall opinion too much. Our total return outlook is 8.5% annualized, and shares remain at a hold rating today.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	35	35	36	36	40	40	41	40	37	35
Gross Profit	19	17	17	18	22	22	23	24	23	15
Gross Margin	54.5%	49.5%	48.5%	51.0%	54.9%	53.3%	57.3%	61.7%	60.4%	42.9%
SG&A Exp.	17	18	15	13	13	14	12	13	13	8.7
D&A Exp.	4	5	1	0	0	1	1	1	1	1.3
Operating Profit	2	(1)	3	5	9	8	11	11	9	6
Op. Margin	5.4%	-1.9%	7.2%	14.9%	22.6%	18.7%	26.7%	28.9%	24.4%	17.1%
Net Profit	7	10	15	12	15	23	24	18	19	21
Net Margin	21.1%	30.0%	41.1%	33.1%	37.1%	57.6%	58.8%	45.5%	50.7%	60.0%
Free Cash Flow	0	2	9	11	14	16	25	18	18	20
Income Tax	3	5	(3)	4	6	7	7	6	6	7

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	87	87	87	92	110	121	129	131	136	145
Cash & Equivalents	13	7	6	6	5	19	30	8	4	77
Acc. Receivable	1	1	1	2	4	4	2	2	1	1.3
Goodwill & Int.	5	1	0	0	0	0	0	0	0	0
Total Liabilities	52	49	43	44	56	54	49	47	45	45
Accounts Payable	3	1	2	2	2	2	1	1	1	1.5
Long-Term Debt	-	-	-	-	2	2	-	-	-	2.3
Total Equity	35	38	44	48	54	67	80	84	91	100
LTD/E Ratio	-	-	-	-	0.04	0.03	-	-	-	0.36

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.4%	12.0%	17.0%	13.4%	14.8%	20.2%	19.1%	13.9%	14.2%	14.8%
Return on Equity	21.1%	28.6%	36.2%	26.4%	29.6%	38.6%	32.5%	22.1%	21.8%	21.7%
ROIC	21.1%	28.6%	36.2%	26.4%	28.9%	37.2%	32.0%	22.1%	21.8%	20.8%
Shares Out.	10	10	10	10	10	10	9	9	9	9.4
Revenue/Share	3.53	3.56	3.70	3.74	4.18	4.21	4.25	4.20	3.98	3.73
FCF/Share	0.00	0.24	0.98	1.17	1.42	1.69	2.58	1.91	1.89	2.12

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