The York Water Company (YORW)

Updated March 16th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$31	**5 Year Annual Expected Total Return:**	6.1%	**Market Cap:**	$455 M
Fair Value Price:	$29	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	02/27/2026
% Fair Value:	108%	**5 Year Valuation Multiple Estimate:**	-5.4%	**Dividend Payment Date:**	04/15/2026
Dividend Yield:	2.9%	**5 Year Price Target**	$37	**Years Of Dividend Growth:**	29
Dividend Risk Score:	C	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

The York Water Company is a special one in the industry since it is the oldest investor-owned water utility in the United States, having functioned continuously since 1816. York Water has a unique record of over 200 years of uninterrupted dividend payments to shareholders. It operates entirely within its franchised water and wastewater territory, which covers portions of 58 municipalities across four counties in south-central Pennsylvania, with an estimated population of 214,000. The York Water Company reported average daily consumption of 23.7 million gallons and generated $77.5 million in annual operating revenues in 2025. The company is based in York, Pennsylvania.

On January 27th, 2026, The York Water Company raised its dividend by 4.0% to a quarterly rate of $0.228.

On March 3rd, 2026, The York Water Company reported its Q4 and full-year 2025 results for the period ending December 31st, 2025. Quarterly operating revenues were $19.5 million, up 3.2% year-over-year, driven primarily by growth in the customer base and the Distribution System Improvement Charge (DSIC), a Pennsylvania Public Utility Commission-approved charge that allows water utilities to recover qualifying aging infrastructure replacement costs from customers without filing for a rate case.

EPS for the quarter came in at $0.36, unchanged from the prior year. Quarterly net income increased modestly to $5.2 million from $5.1 million. Earnings benefited from higher revenues and a non-recurring gain on life insurance, partially offset by higher operation and maintenance expenses, depreciation, and interest on debt. For FY2025, EPS was $1.39. For FY2026, we expect EPS of $1.62.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.01	$1.04	$1.11	$1.27	$1.30	$1.30	$1.40	$1.66	$1.42	$1.39	***$1.62***	***$2.07***
DPS	$0.65	$0.67	$0.70	$0.73	$0.76	$0.76	$0.79	$0.82	$0.85	$0.89	***$0.91***	***$1.11***
Shares[1]	12.8	12.9	13.0	13.0	13.0	13.0	14.0	14.3	14.3	14.4	***14.4***	***15.0***

York Water is enjoying very stable and predictable cash flows due to water being a vital commodity for households. As a result, the company has seen very steady and gradual growth in its EPS, which features a 10-year CAGR of 3.6%. Future growth catalysts include a growing number of customers and distribution facilities, as well as acquisitions of wastewater systems. For context, during 2025, water customers grew by 1.6% to 73,580 (population served of about 214,000).

Besides organic growth and acquisitions, the company is able to achieve higher revenues over time as a result of increases in water and wastewater rates, which are usually capped at 5% annually and reset to zero when new base rates that reflect the costs of those additions become effective or when a utility's earnings exceed a regulatory benchmark. We expect EPS growth of around 5% in the medium-term, in line with the company's historical average. Due to such a predictable business model and financials, the company has been able to deliver one of the most impressive dividend records in the world, numbering 210 years of uninterrupted dividend payments. We expect DPS growth of

[1] Share count is 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.

around 4% in the medium-term, in line with its latest increase and the current trend of an improving payout ratio. Dividends have grown annually for 29 consecutive years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	32.2	34.7	29.8	41.5	35.4	36.1	31.2	24.8	26.3	23.8	***19.8***	***18.0***
Avg. Yld.	2.1%	1.9%	2.2%	1.5%	1.6%	1.5%	1.8%	2.0%	2.3%	2.7%	***2.9%***	***3.0%***

The York Water's valuation multiple was hovering at a steep premium between 2016 and 2022, as was the case with its industry peers. We believe that the stock should be priced significantly lower, but recognize the high likelihood of investors continuing to price shares at current levels due to their unique and sought-after qualities. Still, the valuation did indeed start to normalize from 2023 onwards, with rising rates likely reminding investors of the wide mispricing. At the current P/E of 19.8, we still think the stock is somewhat expensive despite its notable qualities as its growth potential seems soft. We expect the stock's yield to become slightly more attractive.

Safety, Quality, Competitive Advantage, & Recession Resiliency

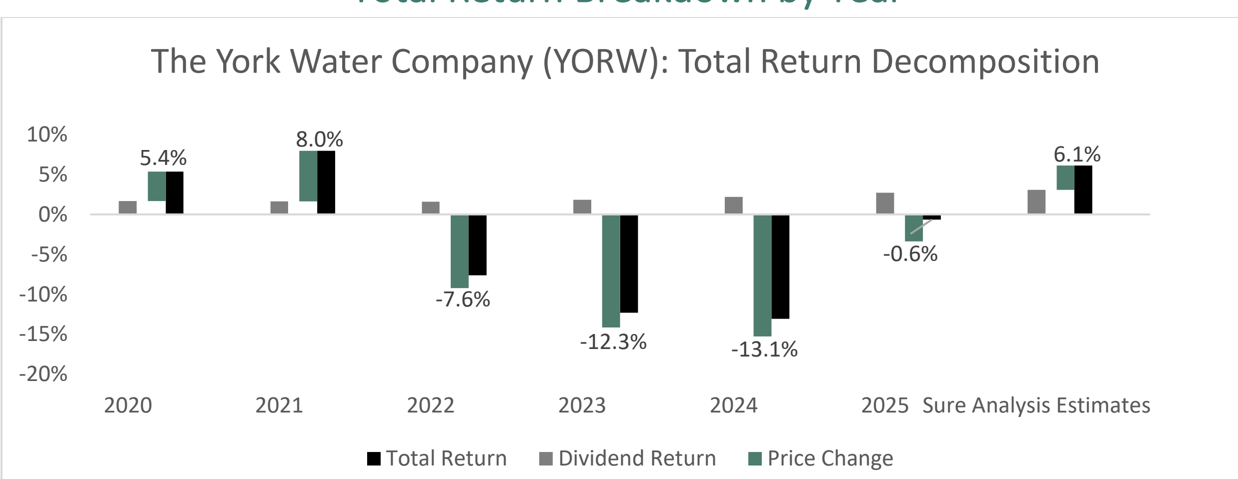
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	64%	64%	63%	57%	58%	58%	56%	49%	60%	64%	***56%***	***54%***

As mentioned, the York Water Company's revenues should remain ultimately resilient in the future, powered by a very predictable business model and slow but gradual growth catalysts. The company's cash flows are unlikely to be affected by any potential recession, as was the case during the Great Financial Crisis and the COVID-19 pandemic. York should soon declare its 621st consecutive dividend, which is a testament to its ability to produce solid financials under any potential economic scenario. Finally, the company operates within an exclusive franchised territory that is substantially free from direct competition with other public utilities, municipalities, and other entities, adding another layer of safety to its business model. We believe York's dividend is extremely safe and certainly trustworthy.

Final Thoughts & Recommendation

The York Water company displays one of the longest and most impressive shareholder value creation stories in history. Few companies can boast such an extended record of success and dividend payments. Despite its predictable growth catalysts and a great moat, however, the stock remains expensive. The company's mature operations should deliver relatively modest growth metrics. However, we believe that valuation pressures may offset any benefits from growth and dividends. Still, very conservative income investors may appreciate its robust qualities. Shares earn a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	47	48	49	48	52	54	55	60	71	75
Gross Profit	39	40	40	39	41	43	43	46	54	55
Gross Margin	82.9%	83.1%	81.7%	80.0%	79.9%	80.0%	78.2%	76.7%	76.1%	73.3%
SG&A Exp.	9	9	8	8	9	9	10	10	12	13
D&A Exp.	6	6	7	7	8	8	9	10	12	13
Operating Profit	23	23	24	23	24	24	23	24	28	28
Operating Margin	48.1%	48.1%	48.8%	46.5%	46.1%	45.4%	41.8%	40.0%	39.4	37.3%
Net Profit	12	12	13	13	14	17	17	20	24	20
Net Margin	26.5%	24.9%	26.7%	27.6%	27.9%	30.8%	30.9%	33.3%	33.8%	26.7%
Free Cash Flow	7	6	(5)	1	(2)	(13)	(23)	(32)	(34)	(18.5)
Income Tax	5	5	5	2	2	2	1	0	1.3	1.4

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	311	320	332	345	364	407	459	511	588	633
Cash & Equivalents	3	4	0	0	0	0	0	0	0	0
Accounts Receivable	4	5	5	5	5	6	5	7	8	8.4
Inventories	1	1	1	1	1	1	2	2	3	3.4
Total Liabilities	201	206	213	219	229	264	306	303	367	402
Accounts Payable	2	4	3	3	3	7	7	11	11	9.5
Long-Term Debt	85	85	91	94	101	124	146	139	180	206
Shareholder's Equity	109	114	119	126	134	143	153	207	221	231
LTD/E Ratio	0.78	0.74	0.76	0.75	0.75	0.86	0.96	0.67	0.81	0.89

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.1%	3.8%	4.0%	4.0%	4.1%	4.3%	3.9%	4.0%	4.3%	3.3%
Return on Equity	11.7%	10.6%	11.1%	10.9%	11.1%	12.0%	11.5%	10.9%	11.1%	9.0%
ROIC	6.5%	6.0%	6.3%	6.2%	6.3%	6.6%	6.0%	6.1%	6.4%	4.9%
Shares Out.	12.8	12.8	12.8	12.9	13.0	13.0	13.1	13.9	14.3	14.4
Revenue/Share	3.67	3.70	3.78	3.75	3.98	4.13	4.22	4.30	4.97	5.23
FCF/Share	0.51	0.48	(0.39)	0.12	(0.13)	(1.00)	(1.79)	(2.29)	(2.33)	(1.29)

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