



Northwest Natural Holding Company (NWN)

Updated March 31st, 2026, by Kody Kester

Key Metrics

Current Price:	\$53	5 Year CAGR Estimate:	8.6%	Market Cap:	\$2.2B
Fair Value Price:	\$55	5 Year Growth Estimate:	5.0%	Ex-Dividend Date:	04/29/26 ¹
% Fair Value:	97%	5 Year Valuation Multiple Estimate:	0.6%	Dividend Payment Date:	05/14/26 ¹
Dividend Yield:	3.7%	5 Year Price Target	\$70	Years Of Dividend Growth:	70
Dividend Risk Score:	A	Sector:	Utilities	Rating:	Hold

Overview & Current Events

Founded in 1859, Northwest Natural Holding Company (NWN) is a diversified utility holding company that operates through three business segments: NWN Gas Utility, SiEnergy, and NWN Water. Its core gas utility serves 810,000 metered connections and around 2 million people in Oregon and southwest Washington, with approximately 88% of customers located in the former and the remaining 12% located in the latter. More recently, NWN has expanded its footprint into the high-growth Texas market through the acquisition of SiEnergy. This serves roughly 90,000 metered connections and 225,000 people in the Houston, Dallas-Fort Worth, and Austin area. Finally, NWN Water reaches 200,000 people across 80,000 connections in six states (Texas, Arizona, California, Idaho, Oregon, and Washington). Boasting a 70-year dividend growth streak, NWN is one of the most established Dividend Kings.

On February 27th, 2026, the company released its earnings report for the fourth quarter ended December 31st, 2025. NWN's total operating revenue grew by 6.3% over the year-ago period to \$394.2 million in the quarter. Key contributors to this topline growth during the quarter included new rates in Oregon for NWN Gas Utility, the SiEnergy Gas Utility acquisition in January 2025/Pines last June, and new rates for NWN Water Utility's Arizona utilities/water acquisitions. NWN's adjusted EPS decreased by 1.4% year-over-year to \$1.39 for the quarter. This topped the analyst consensus in the quarter by \$0.03. That was fueled by rate case tailwinds, which allowed it to recover a record \$467 million in capital investments made throughout the year and disciplined cost management.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$2.19	\$2.24	\$2.33	\$2.41	\$2.30	\$2.56	\$2.54	\$2.59	\$2.33	\$2.93	\$3.05	\$3.89
DPS	\$1.87	\$1.88	\$1.89	\$1.90	\$1.91	\$1.92	\$1.93	\$1.94	\$1.95	\$1.96	\$1.97	\$2.18
Shares²	28.6	28.7	28.9	30.5	30.6	31.1	35.5	37.6	40.2	41.6	41.6	50.0

Moving forward, we believe that NWN can compound its adjusted EPS by 5.0% annually through 2031, off an anticipated 2026 base of \$3.05. This is because the company is investing \$300 million to expand its existing Mist gas storage facility, which would add 4 billion to 5 billion cubic feet to storage capacity. Management is targeting a Notice to Proceed by late 2027, with the project slated to come into service by late 2029. Since this is a FERC-regulated project with 25-year contracts and a fixed 12.5% return on equity, it provides a crucial lift to NWN's growth story. Then, there's the fact that SiEnergy is growing its customer base at 15% to 20% annually. That is about 10 times the rate of the legacy Oregon business. Finally, NWN Water is acquiring small, fragmented water and wastewater utilities and rolling them up into a larger, more efficient platform. By applying NWN's centralized corporate services (billing, engineering, and safety) to these small utilities, they can expand profit margins considerably.

¹ Estimated dates based on past dividend dates.

² Share count is in millions.



Northwest Natural Holding Company (NWN)

Updated March 31st, 2026, by Kody Kester

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	27.3	26.6	25.8	30.7	20.0	19.1	18.7	15.0	17.0	16.0	17.5	18.0
Avg. Yld.	3.1%	3.2%	3.1%	2.6%	4.2%	3.9%	4.1%	5.0%	4.9%	4.2%	3.7%	3.1%

Since 2016, NWN's P/E ratio has ranged from as low as the mid-teens to as much as the low-30s. The average P/E ratio over that time was just above 21. Moving forward, we think that NWN can realistically command a fair value multiple of 18. The company's uptick in growth prospects and its status as a Dividend King can cancel out at least some of the headwinds to the valuation arising from elevated interest rates. Compared to the current-year P/E ratio of 17.5, NWN's shares are slightly undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	85%	84%	81%	79%	83%	75%	76%	75%	84%	67%	65%	56%

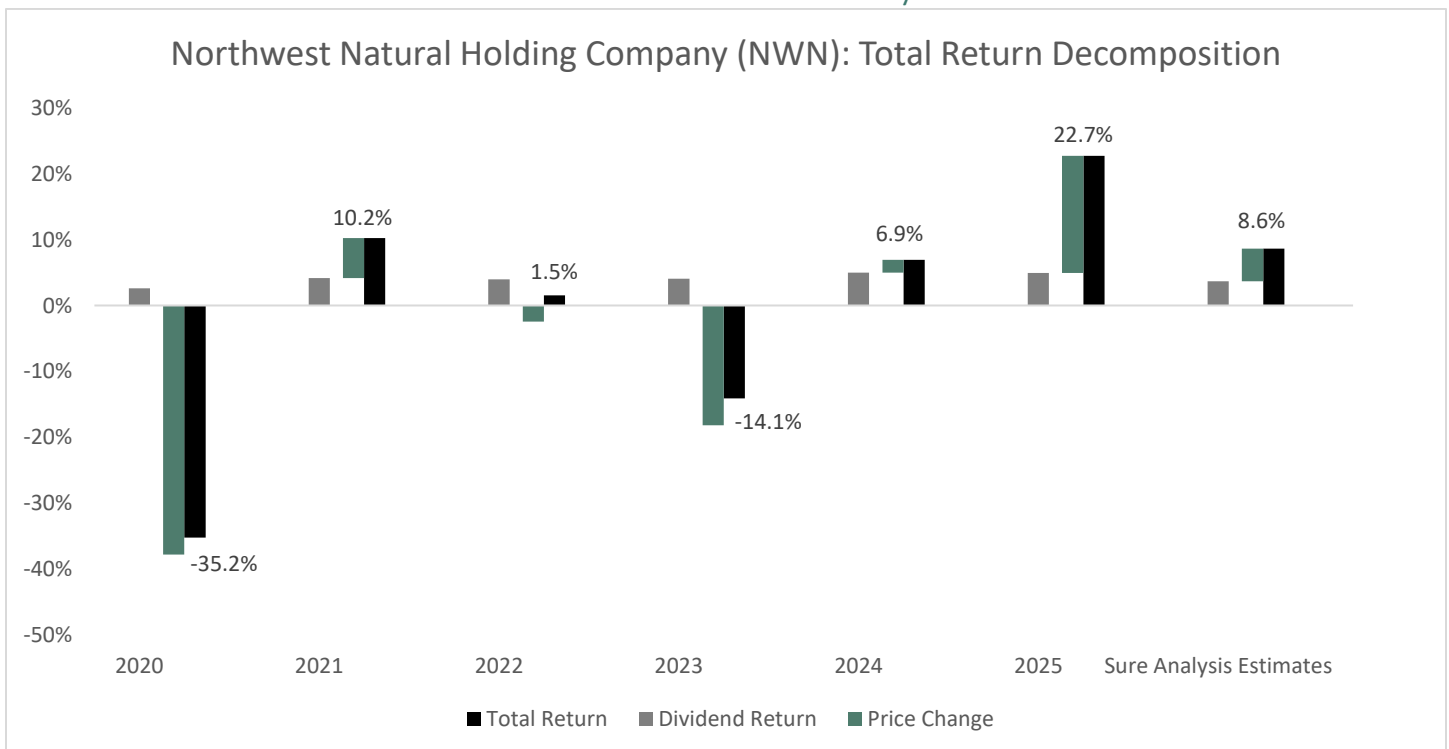
As a regulated utility, NWN faces virtually no competition in its service territories. Simultaneously, regulatory oversight limits its ability to drive strong profit growth through expansionary economic cycles. Due to this business model and the essential nature of its utility services, its adjusted EPS has gradually trended higher over time.

NWN is financially stable as well. The company enjoys an A- S&P credit rating with a stable outlook. NWN's adjusted EPS is likely to be around 65% in 2026. That's on the high end of the payout ratio range that it's targeting (55% to 65%). As a result, we believe that NWN's dividend growth will moderately lag earnings growth for at least a few more years.

Final Thoughts & Recommendation

NWN's 3.7% dividend yield, 5.0% annual adjusted EPS growth prospects, and 0.6% annual valuation multiple upside potential could deliver 8.6% annual total returns through 2031. That's why we're downgrading shares to a Hold rating.

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.



Northwest Natural Holding Company (NWN)

Updated March 31st, 2026, by Kody Kester

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	675	763	704	747	775	860	1,037	1,197	1,153	1,289
Gross Profit	173	206	205	218	209	153	26	28	418	510
Gross Margin	25.6%	27.0%	29.1%	29.2%	26.9%	17.8%	2.5%	2.3%	36.3%	39.6%
Operating Profit	143	174	139	152	140	76	(60)	(73)	315	405
Operating Margin	21.1%	22.8%	19.8%	20.3%	18.0%	8.8%	-5.8%	-6.1%	27.3%	31.4%
Net Profit	59	(56)	67	65	70	79	86	94	79	113
Net Margin	8.7%	-7.3%	9.6%	8.7%	9.1%	9.1%	8.3%	7.8%	6.8%	8.8%
Free Cash Flow	83	(7)	(46)	(57)	(138)	(135)	(192)	(47)	(194)	(198)
Income Tax	41	(31)	24	13	21	27	29	32	31	41

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,080	3,118	3,300	3,486	3,837	4,140	4,820	4,935	5,304	6,237
Cash & Equivalents	21	5	22	16	44	75	235	61	55	41
Accounts Receivable	130	130	124	123	143	182	255	201	215	215
Inventories	54	48	44	44	43	57	87	113	107	128
Total Liabilities	2,229	2,375	2,538	2,620	2,949	3,205	3,645	3,651	3,918	4,762
Accounts Payable	86	112	116	113	98	133	181	145	133	176
Long-Term Debt	719	780	736	882	1,036	1,124	1,416	1,653	1,786	2,508
Shareholder's Equity	850	743	763	866	889	935	1,175	1,284	1,385	1,475
LTD/E Ratio	0.91	1.12	1.25	1.19	1.51	1.62	1.43	1.36	1.41	1.82

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.9%	-1.8%	2.1%	1.9%	1.9%	2.0%	1.9%	1.9%	1.5%	2.0%
Return on Equity	7.2%	-7.0%	8.9%	8.0%	8.0%	8.6%	8.2%	7.6%	5.9%	7.9%
ROIC	3.6%	-3.5%	4.1%	3.6%	3.4%	3.4%	3.3%	3.2%	2.5%	3.0%
Shares Out.	28.6	28.7	28.9	30.5	30.6	31.1	35.5	37.6	40.2	41.6
Revenue/Share	24.30	26.62	24.40	25.02	25.32	27.98	30.52	33.02	29.66	31.48
FCF/Share	2.97	(0.24)	(1.59)	(1.91)	(4.51)	(4.39)	(5.64)	(1.31)	(4.99)	(4.83)

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

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.