



# Corteva, Inc. (CTVA)

Updated May 26<sup>th</sup>, 2026 by Josh Arnold

## Key Metrics

<b>Current Price:</b>	\$80	<b>5 Year CAGR Estimate:</b>	13.2%	<b>Market Cap:</b>	\$52 B
<b>Fair Value Price:</b>	\$94	<b>5 Year Growth Estimate:</b>	9.0%	<b>Ex-Dividend Date:</b>	06/01/2026
<b>% Fair Value:</b>	85%	<b>5 Year Valuation Multiple Estimate:</b>	3.2%	<b>Dividend Payment Date:</b>	06/15/2026
<b>Dividend Yield:</b>	0.9%	<b>5 Year Price Target</b>	\$144	<b>Years Of Dividend Growth:</b>	7
<b>Dividend Risk Score:</b>	B	<b>Sector:</b>	Industrials	<b>Rating:</b>	Buy

## Overview & Current Events

Corteva is an agricultural specialty business that is based in Indiana. The company operates two major segments: Seed, and Crop Protection. The Seed segment develops and supplies advanced germplasm and traits that help improve yields for farmers. The segment focuses on technologies that boost resistance to weather, disease, insects, and weeds. The Crop Protection segment offers products that protect against weeds, insects and pests, diseases, etc. The company operates globally, and was formed in 2018 after being spun off from the former DowDuPont Corporation. Corteva employs 21,500 people and should generate about \$18 billion in revenue this year.

Corteva posted first quarter earnings on May 6<sup>th</sup>, 2026, and results were better than expected on both the top and bottom lines, and by wide margins on both. Adjusted earnings-per-share came to \$1.50, which was 32 cents ahead of estimates. Revenue was up 11.1% year-over-year to \$4.91 billion, beating estimates by \$270 million.

Seed pricing and mix rose 3% during the quarter, while seed volumes were up 6%. Crop Protection price was down 2% while volumes were up 6%, with gains in every region.

Operating EBITDA was up 21% year-on-year while operating margin was 29% of revenue, up 240 basis points. On a dollar basis it rose \$250 million to \$1.4 billion.

The Crop Protection outlook is for modest growth in volume more than offsetting slightly negative pricing.

The company said it was on track to return \$500 million to shareholders in the first half of the year.

The planned separation is on track for the fourth quarter, which will be called Vylor. We have updated our estimate to \$3.75 in adjusted earnings-per-share.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$0.62	(\$0.22)	\$0.79	\$0.73	\$0.82	\$2.15	\$1.58	\$1.39	\$1.46	\$3.34	<b>\$3.75</b>	<b>\$5.77</b>
<b>DPS</b>	--	--	--	\$0.39	\$0.52	\$0.55	\$0.59	\$0.63	\$0.67	\$0.70	<b>\$0.72</b>	<b>\$1.06</b>
<b>Shares<sup>1</sup></b>	754	831	749	750	751	742	725	712	696	673	<b>655</b>	<b>590</b>

The company's growth in earnings has been lumpy to say the least as it's beholden to the world's farmers demanding its products, as well as things like weather and competition from other market entrants. Corteva has broad and deep scale in the agricultural industry, but there is little it can do about the inherent volatility in the industry. In addition, forex translation has proven to be a big factor in the company's results in recent years, including again in 2025.

This year should show record earnings, and well over double what was produced in 2024. We see robust double-digit growth from there, but note that the company's earnings are subject to substantial revisions both up and down over time. We see share repurchases as a big tailwind to earnings-per-share, as well as revenue growth, with margins less of a tailwind. We reiterate that forex headwinds are weighing on results currently, but at some point could become a tailwind if/when the dollar strengthens.

<sup>1</sup> Share count is in millions.

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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	--	--	--	38.9	47.2	22.5	38.6	34.1	38.3	20.1	<b>21.3</b>	<b>25.0</b>
Avg. Yld.	--	--	--	1.4%	1.3%	1.1%	1.0%	1.3%	1.2%	1.1%	<b>0.9%</b>	<b>0.7%</b>

The average dividend yield for Corteva since it began paying in 2019 is just over 1%, which is about where it is today as well. We see the yield potentially declining over time as the company has raised its dividend rather tentatively in recent years. We are looking for the share price, therefore, to rise more quickly than the payout, and for the 2031 yield to potentially be under 1%.

The valuation is now just 21.3 times earnings, which is a cheap valuation by recent standards. With Corteva's earnings profile maturing, we see 25 times earnings as fair value. With the stock at 21.3 times earnings, we see Corteva as modestly undervalued today.

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

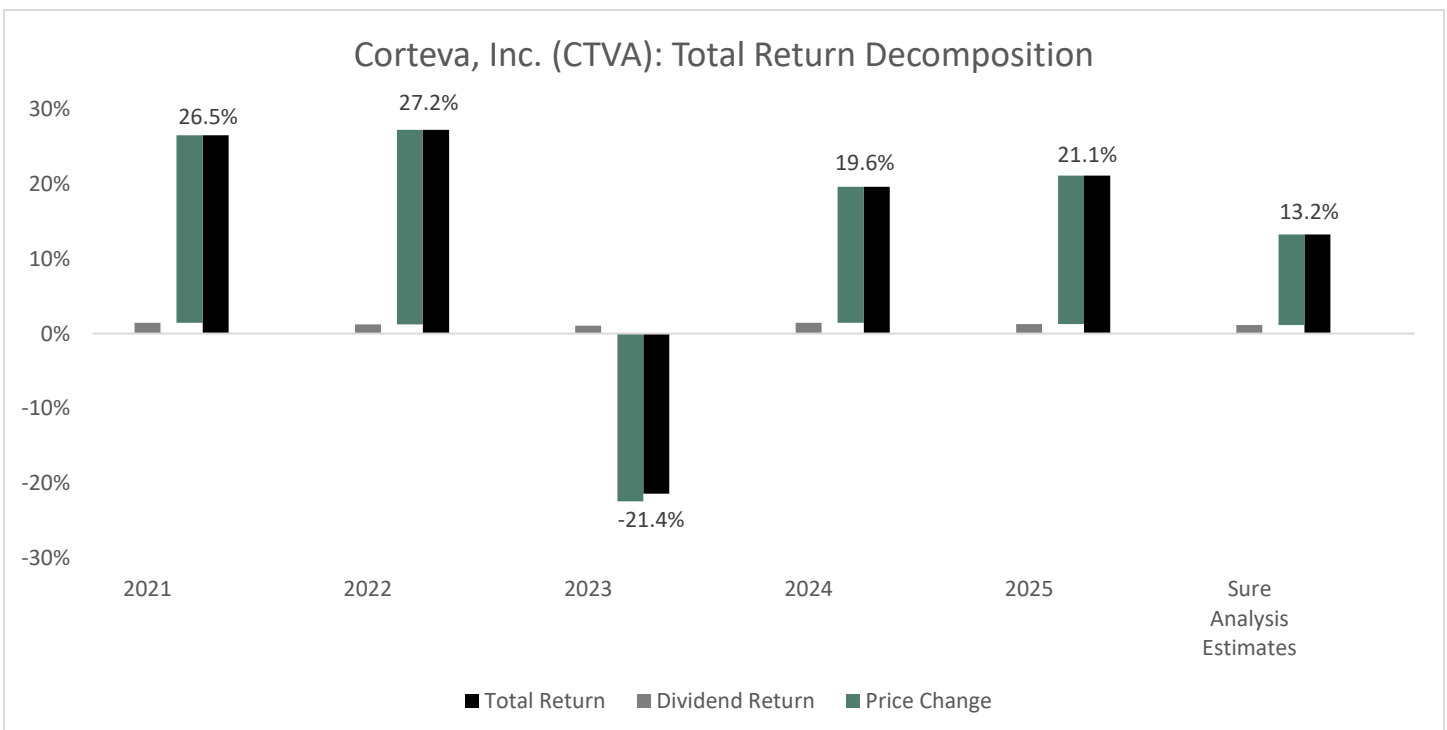
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	--	--	--	53%	63%	26%	37%	45%	46%	21%	<b>19%</b>	<b>18%</b>

The payout ratio is quite reasonable at about a fifth of earnings, and should improve over time as earnings rise. Corteva has certain competitive advantages with its scale in the industry, and reputation for the best offerings in niche agriculture applications. Its resiliency is negatively impacted by inherent volatility in agriculture. On the plus side, Corteva has no net debt, so its balance sheet is in excellent condition.

## Final Thoughts & Recommendation

We see Corteva's growth potential as attractive, but note it will likely never be a strong income stock. With prospective returns remaining strong, we're reiterating the stock at a buy rating after Q1 results.

## 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>	4,041	14,240	14,287	13,846	14,217	15,655	17,455	17,226	16,908	17,401
<b>Gross Profit</b>	5,650	5,838	4,339	5,271	5,710	6,435	7,019	7,306	7,379	7,754
<b>Gross Margin</b>	40.2%	41.0%	30.4%	38.1%	40.2%	41.1%	40.2%	42.4%	43.6%	44.6%
<b>SG&amp;A Exp.</b>	2,937	2,972	3,041	3,065	3,043	3,209	3,173	3,176	3,196	3,492
<b>D&amp;A Exp.</b>	---	---	2,790	1,599	1,177	1,243	1,223	1,211	1,227	1,203
<b>Operating Profit</b>	886	188	(448)	584	843	1,317	1,928	2,110	2,096	2,788
<b>Operating Margin</b>	6.3%	1.3%	-3.1%	4.2%	5.9%	8.4%	11.0%	12.2%	12.4%	16.0%
<b>Net Profit</b>	503	2,534	(5,065)	(959)	681	1,759	1,147	735	907	1,204
<b>Net Margin</b>	3.6%	17.8%	-35.5%	-6.9%	4.8%	11.2%	6.6%	4.3%	5.4%	6.9%
<b>Free Cash Flow</b>	---	---	(1,018)	(93)	1,589	2,154	267	1,174	1,548	2,815
<b>Income Tax</b>	(270)	(2,943)	(31)	(46)	(81)	524	210	152	412	484

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	---	---	108,683	42,397	42,649	42,344	42,618	42,996	40,825	42,845
<b>Cash &amp; Equivalents</b>	---	---	2,270	1,764	3,526	4,459	3,191	2,644	3,106	4,734
<b>Accounts Receivable</b>	---	---	3,649	4,225	3,754	3,441	4,261	4,329	4,615	5,068
<b>Inventories</b>	---	---	5,310	5,032	4,882	5,180	6,811	6,899	5,432	5,667
<b>Goodwill &amp; Int. Ass.</b>	---	---	22,248	21,653	21,016	20,151	19,301	20,231	19,284	18,766
<b>Total Liabilities</b>	---	---	33,530	17,842	17,586	16,721	17,077	17,717	16,795	18,459
<b>Accounts Payable</b>	---	---	2,602	3,702	3,615	4,126	4,895	4,280	4,039	4,398
<b>Long-Term Debt</b>	---	---	7,846	118	1,105	1,117	1,304	2,488	2,703	2,761
<b>Shareholder's Equity</b>	---	---	74,660	24,309	24,824	25,384	25,302	25,037	23,789	24,144
<b>LTD/E Ratio</b>	---	---	0.11	0.00	0.04	0.04	0.05	0.10	0.11	0.12

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	---	---	---	-1.3%	1.6%	4.1%	2.7%	1.7%	2.2%	2.9%
<b>Return on Equity</b>	---	---	---	-1.9%	2.7%	6.9%	4.5%	2.9%	3.7%	5.0%
<b>ROIC</b>	---	---	---	-1.8%	2.7%	6.6%	4.3%	2.7%	3.3%	4.4%
<b>Shares Out.</b>	754.1	831.3	749.4	749.5	751.2	741.6	724.5	711.9	696.0	681.4
<b>Revenue/Share</b>	18.74	19.00	19.06	18.47	18.93	21.11	24.09	24.20	24.29	25.54
<b>FCF/Share</b>	---	---	(1.36)	(0.12)	2.12	2.90	0.37	1.65	2.22	4.13

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

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