Amdocs Limited (DOX)

Updated May 23rd, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	$63	**5 Year Annual Expected Total Return:**	19.6%	**Market Cap:**	$6.7 B
Fair Value Price:	$104	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	06/30/26
% Fair Value:	60%	**5 Year Valuation Multiple Estimate:**	10.7%	**Dividend Payment Date:**	07/31/26
Dividend Yield:	3.6%	**5 Year Price Target**	$140	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:**	Information Technology	**Rating:**	Buy

Overview & Current Events

Amdocs Limited (DOX) is a B2B software company that serves communications service providers (CSPs). The business has software solutions that help CSPs to transition from working in the traditional data center environment to operating effectively in the cloud. The business has developed strong offerings around the cloud microservices architecture, which allows the large and cumbersome applications used by telecom companies to be divided into separate, simple components that can all be managed independently.

Amdocs is set to capitalize on megatrends in 5G, cloud, and digitalization, and management expects these drivers will continue to expand its serviceable addressable market. The company serves communications service providers globally with its 31,000 employees and maintains approximately 58% recurring revenue through managed services, reflecting strong resiliency from this model.

On May 13th, 2026, Amdocs Limited reported fiscal second-quarter results for the period ending March 31st, 2026. The company reported non-GAAP diluted earnings per share of $1.78, above the guidance range of $1.73 to $1.79, primarily driven by operational performance and favorable execution. Amdocs reported revenues of $1.172 billion, up 3.9% year-over-year as reported and up 2.2% in constant currency, coming in slightly above the guidance midpoint despite only a modest foreign exchange benefit of approximately $2 million. Amdocs' revenue performance reflected internal efficiency gains and continued demand for cloud, managed services, and AI-driven solutions, while continuing to phase out certain lower-margin activities. The North America region reported revenues of approximately $754 million (~64% of total revenues) and grew approximately 2.2% year-over-year. Europe revenues of around $192 million (~16%) increased approximately 6.2% year-over-year, representing a record revenue quarter in Europe, while Rest of the World revenues totaled approximately $226 million (~19%), growing approximately 8.0% year-over-year, with continued strength expected through fiscal 2026. Managed services revenue of approximately $759 million, representing approximately 65% of total revenue, remained a key contributor, supported by near-100% contract renewal rates. The quarter also reflected strong execution in strategic growth areas such as cloud and generative AI, with the company reporting commercial traction for aOS and AI-enabled deployments across customers. The 12-month backlog increased 2.6% year-over-year to $4.28 billion, up $30 million sequentially, supporting near-term revenue visibility.

Looking ahead, for fiscal 2026, Amdocs expects non-GAAP diluted EPS growth of 5.0% to 7.0% (6.0% midpoint) and revenue growth in constant currency of 2.0% to 4.0% (3.0% midpoint), reflecting continued momentum in cloud, managed services, and generative AI solutions. Management reiterated the midpoint of guidance while noting ongoing monitoring of the macroeconomic environment and customer spending trends.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS[1]	$2.71	$2.96	$2.47	$3.47	$3.71	$3.82	$4.44	$5.91	$6.44	$6.99	***$7.45***	***$9.97***
DPS	$0.76	$0.86	$0.97	$1.11	$1.27	$1.41	$1.58	$1.74	$1.92	$2.11	***$2.28***	***$3.05***
Shares	147	144	140	135	132	125	121	115	113	113	***108***	***105***

[1] Non-GAAP diluted EPS

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Over the past decade, Amdocs has seen earnings-per-share grow at an average annualized rate of 11.1%, and over the past five years, the business has seen earnings-per-share grow at 14.3% annually. Management guided for between 5% to 7% year-over-year adjusted earnings-per-share growth for 2026. We forecast that over the intermediate term, the business will grow earnings-per-share at 6% annually, which guided our 2031 earnings-per-share estimate of $9.97. Over the past decade, the business has grown dividends at 12.0% annually, and over the past five years, the business has grown dividends at 10.1% annually. The company has been able to increase its yearly dividend payout for 13 consecutive years. In February 2026, the quarterly dividend increased by 8% from $0.527 to $0.569 per share.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.2	20.8	26.9	17.4	17.3	19.2	18.0	14.0	13.0	11.7	***8.4***	***14.0***
Avg. Yld.	1.9%	1.4%	1.5%	1.8%	2.0%	1.9%	2.0%	2.0%	2.1%	2.4%	***3.6%***	***2.2%***

Over the past decade, Amdocs has averaged a P/E of 18.0, and over the past 5 years, the business has averaged a P/E of 15.2. We estimate that over the intermediate term, the business will trade for a P/E ratio of around 14. Today, the stock offers a 3.6% dividend yield, which might not be ideal for investors seeking higher levels of income. However, investors may find this business attractive because of the company's recurring revenue business model and the fact that the company is poised to benefit from megatrends like 5G, AI, cloud, and digitalization.

Safety, Quality, Competitive Advantage, & Recession Resiliency

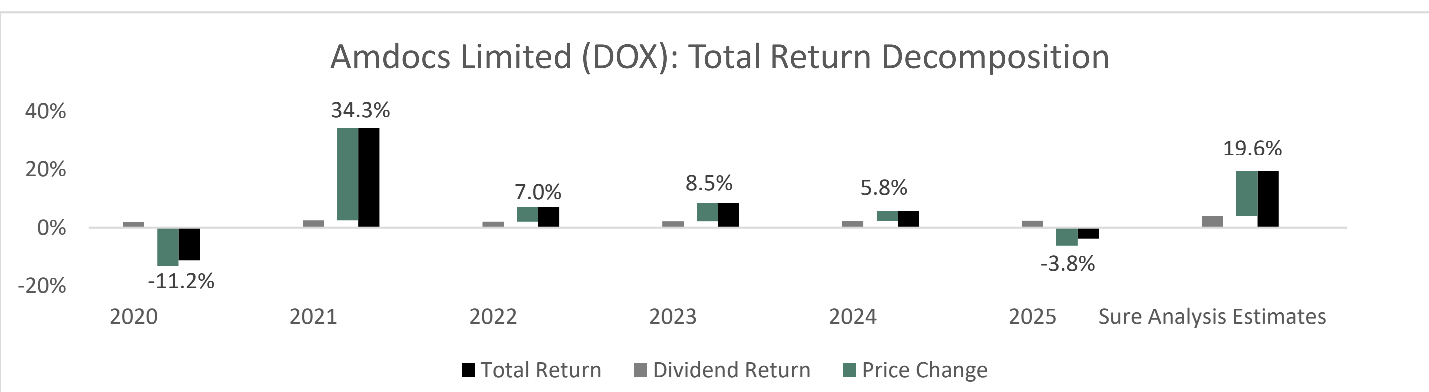
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	28%	29%	39%	32%	34%	37%	36%	29%	30%	30%	***31%***	***31%***

The company has averaged a payout ratio of 32% over the past 10 years, and 33% over the past five years. With a low payout ratio, we expect that the dividend is safe from any cuts or decreases because it is well-covered by earnings. The business has a strong balance sheet, with almost enough cash on hand to cover all debt. As a recurring revenue business, this company has strong recession resiliency, and has seen revenue increase every year for the past 10 years. This business may have a competitive advantage because of its niche offering it provides to CSPs.

Final Thoughts & Recommendation

Amdocs Limited has a recurring revenue business model that is helping to digitize business for communications service providers. Management expects the company to benefit from megatrends like 5G, the cloud, AI, and digitalization. At today's price, we rate the stock as a buy because total return prospects come in at 19.6% annually over the next five years. This estimate is driven by a 3.6% dividend yield, an estimated 6.0% annual earnings-per-share growth rate over the intermediate-term, and a valuation tailwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,718	3,867	3,975	4,087	4,169	4,289	4,577	4,888	5,005	4,534
Gross Profit	1,310	1,359	1,380	1,433	1,413	1,478	1,619	1,728	1,755	1,652
Gross Margin	35.2%	35.2%	34.7%	35.1%	33.9%	34.5%	35.4%	35.4%	35.1%	36.4%
SG&A Exp.	465	473	481	492	459	487	529	571	573	506
D&A Exp.	212	215	211	206	198	209	225	196	193	195
Operating Profit	483	517	513	570	595	599	665	725	760	798
Op. Margin	13.0%	13.4%	12.9%	13.9%	14.3%	14.0%	14.5%	14.8%	15.2%	17.6%
Net Profit	409	437	354	479	498	688	550	541	493	557
Net Margin	11.0%	11.3%	8.9%	11.7%	11.9%	16.1%	12.0%	11.1%	9.9%	12.3%
Free Cash Flow	490	503	326	528	453	715	530	698	619	645
Income Tax	75	76	67	88	85	126	99	93	95	125

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,331	5,279	5,348	5,293	6,342	6,512	6,390	6,426	6,386	6,250
Cash & Equivalents	769	650	419	472	983	709	573	520	346	325
Acc. Receivable	684	635	708	761	685	705	947	733	666	936
Goodwill & Int.	2,493	2,399	2,710	2,668	2,875	2,882	2,841	2,931	3,006	3,047
Total Liabilities	1,878	1,705	1,856	1,750	2,676	2,877	2,830	2,859	2,887	2,779
Accounts Payable	137	126	195	177	110	121	-	293	306	371
Long-Term Debt	200	-	-	-	744	645	645	646	646	788
Total Equity	3,454	3,574	3,449	3,500	3,623	3,593	3,518	3,524	3,457	3,429
LTD/E Ratio	0.06	-	-	-	0.21	0.18	0.18	0.18	0.19	0.24

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.7%	8.2%	6.7%	9.0%	8.6%	10.7%	8.5%	8.4%	7.7%	8.8%
Return on Equity	11.9%	12.4%	10.1%	13.8%	14.0%	19.1%	15.5%	15.2%	14.0%	16.0%
ROIC	11.2%	12.1%	10.0%	13.6%	12.5%	15.8%	13.0%	12.9%	11.8%	13.0%
Shares Out.	147	144	140	135	132	125	124	118	114	110
Revenue/Share	24.81	26.44	27.87	29.79	31.29	33.51	37.01	41.25	43.92	41.35
FCF/Share	3.27	3.44	2.29	3.85	3.40	5.59	4.28	5.89	5.43	5.88

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