Howmet Aerospace Inc (HWM)

Updated May 9th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$271	**5 Year CAGR Estimate:**	5.7%	**Market Cap:**	$108 B
Fair Value Price:	$155	**5 Year Growth Estimate:**	18.0%	**Ex-Dividend Date:**	05/08/2026
% Fair Value:	175%	**5 Year Valuation Multiple Estimate:**	-10.6%	**Dividend Payment Date:**	05/26/2026
Dividend Yield:	0.2%	**5 Year Price Target**	$354	**Years Of Dividend Growth:**	5
Dividend Risk Score:	A	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Howmet Aerospace (HWM) is a leading provider of advanced engineered solution for the aerospace and transportation industries. Its main products are jet engine components, aerospace fastening systems, airframe structural components, and forged aluminum wheels. It is a massive manufacturer, with a market cap of $108 billion.

Through its four segments, including Engine Products (which accounted for 52% of 2025 revenue), Fastening Systems (21%), Engineered Structures (14%), and Forged Wheels (13%), Howmet generated $8.3 billion in revenue in 2025.

Howmet was previously known as Arconic, but it changed its name and ticker (which was previously ARNC) to Howmet (HWM) on April 1, 2020, as a result of its separation into two companies. Even before that, Arconic only became a standalone company on November 1, 2016, after being spun off from Alcoa.

On July 29th, 2025, Howmet increased its dividend by 20% to $0.12 per share quarterly.

On February 6th, 2026, Howmet acquired Brunner Manufacturing Co. Inc, a fastener products producer, for $120 million. Then on March 31, 2026, it sold its disk forging facility for $230 million.

On April 6th, 2026, Howmet acquired Consolidated Aerospace Manufacturing, LLC (CAM) from Stanley Black & Decker for $1.8 billion. The deal is expected to close in H1 2026.

On May 7th, 2026, Howmet Aerospace published its first quarter earnings report for the period ended March 31st. The company's revenue rose by 19% over the year-ago period to $2.3 billion in the quarter. Adjusted EPS increased 42% to $1.22 from $0.86 in first quarter 2025.

Howmet also repurchased $300 million of its common stock during the quarter for an average share price of $230.43.

Management updated its guidance, which includes the impact of tariffs on its business that it expects to be able to pass onto its customers. It now expects $9.58B to $9.65B of revenue, and adjusted EPS of $4.88 to $5.00, for a $4.94 midpoint. Adjusted EBITDA and free cash flow are expected to be approximately $3.06B and $1.75B at the midpoint of guidance.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFOPS	---	$1.22	$1.36	$1.29	$0.80	$1.01	$1.40	$1.84	$2.69	$3.77	***$4.94***	***$11.30***
DPS	---	$0.24	$0.24	$0.12	$0.02	$0.04	$0.10	$0.17	$0.26	$0.44	***$0.48***	***$1.10***
Shares[1]	---	451	503	463	439	435	421	416	408	404	***403***	***375***

Howmet, as it's known today, only began with the year 2020, when it spun off its Global Rolled Products business as Arconic, and itself became Howmet. Therefore, earnings should be looked at from 2020 and beyond. However, in the table above, we have also elected to display Arconic's results prior to 2020.

From 2020 through 2025, Howmet's EPS grew at a stunning average annual rate of 36% per year. Furthermore, in the last three years, it has kept up this pace, with a 39% EPS CAGR.

[1] 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.

Howmet Aerospace Inc (HWM)

Updated May 9th, 2026 by Quinn Mohammed

Howmet is banking on continued solid demand in engine spares, defense aerospace, and industrial end markets. However, this is offset by current weakness in the commercial transportation market.

We believe the company will continue to deliver impressive growth rates, generating annual EPS growth of 18% over the next five years from the 2026 base of $4.94.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	---	17.1	13.0	15.1	23.2	31.0	25.0	25.0	31.4	44.1	***54.8***	***31.3***
Avg. Yld.	---	0.2%	1.4%	1.1%	0.5%	0.1%	0.2%	0.3%	0.3%	0.2%	***0.2%***	***0.3%***

Howmet's shares have traded at a wide valuation over its history, but following its transformation in 2020, the company has traded at a premium valuation. We peg fair value at 31.3 times earnings, its five-year average valuation, implying a meaningful valuation headwind from here. While we forecast 18% dividend growth, the yield is unlikely to move sharply higher as the share price keeps up.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	20%	18%	9%	3%	4%	7%	9%	10%	12%	***10%***	***10%***

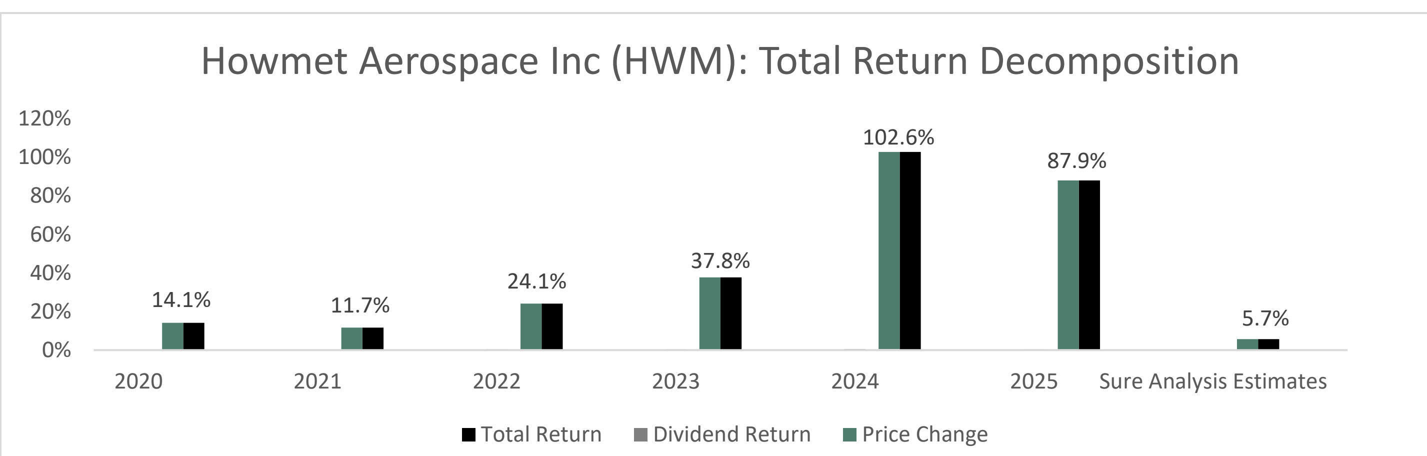
Howmet's patent portfolio, comprised of about 1,200 granted and pending patents, offers a significant competitive advantage to the company. And its revenue by markets, including Commercial Aerospace (which accounted for 53% of Q1 2026 revenue), Defense Aerospace (16%), Commercial Transportation (15%), Gas Turbines (12%), and Other (4%) offer some diversification in its sales.

At the end of Q1 2026, Howmet had $4.1 billion of long-term debt, partly offset by $2.4 billion of cash and cash equivalents. It is actively paying down debt, having paid $365 million in 2024 and $265 million in 2025. As a result, its leverage ratio hit a record low 0.9X, and its annualized interest expense is now roughly $22 million lower than in 2024.

Final Thoughts & Recommendation

Howmet's annual EPS growth potential of 18% and its 0.2% yield are likely to be partly offset by 10.6% P/E multiple contraction, leading to 5.7% annual total returns over the next five years. The company trades at a very high premium, making it expensive, but it also possesses impressive growth potential. Its dividend is growing at an incredible rate, but the growing share price has kept a lid on the yield. Shares of Howmet have already increased 32% year-to-date. HWM maintains its 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.

Howmet Aerospace Inc (HWM)

Updated May 9th, 2026 by Quinn Mohammed

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	12,394	12,960	6,778	7,098	5,259	4,972	5,663	6,640	7,430	8,252
Gross Profit	2,698	2,739	1,664	1,884	1,381	1,376	1,560	1,867	2,311	2,537
Gross Margin	21.8%	21.1%	24.6%	26.5%	26.3%	27.7%	27.5%	28.1%	31.1%	30.7%
SG&A Exp.	924	715	363	424	287	259	280	343	362	370
D&A Exp.	1,132	551	576	536	338	270	265	272	277	283
Operating Profit	1,109	1,364	946	1,137	798	830	983	1,216	1,639	2,130
Operating Margin	8.9%	10.5%	14.0%	16.0%	15.2%	16.7%	17.4%	18.3%	22.1%	25.8%
Net Profit	(941)	(74)	642	470	261	258	469	765	1,155	1,508
Net Margin	-7.6%	-0.6%	9.5%	6.6%	5.0%	5.2%	8.3%	11.5%	15.5%	18.3%
Free Cash Flow	(1,030)	(635)	(551)	(180)	(258)	250	540	682	977	1,431
Income Tax	1,476	544	119	84	(40)	66	137	210	228	332

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	20,038	18,718	18,693	17,562	11,443	10,219	10,255	10,428	10,519	11,180
Cash & Equivalents	1,863	2,150	2,277	1,577	1,610	720	791	610	564	748
Accounts Receivable	974	1,035	1,047	583	328	367	506	675	689	779
Inventories	2,253	2,480	2,492	1,607	1,488	1,402	1,609	1,765	1,840	1,849
Goodwill & Intang.	6,136	5,522	5,419	4,666	4,673	4,616	4,534	4,540	4,485	4,479
Total Liabilities	14,897	13,794	13,108	12,957	7,866	6,711	6,654	6,391	5,965	5,826
Acct. Payable	1,744	1,839	2,129	976	599	732	962	982	948	845
Long-Term Debt	8,084	6,844	6,330	5,940	5,075	4,232	4,162	3,706	3,315	3,171
Shareholder's Equity	5,057	4,855	5,518	4,536	3,522	3,453	3,546	3,982	4,499	5,353
LTD/E Ratio	1.58	1.39	1.14	1.29	1.42	1.21	1.16	0.92	0.73	0.60

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-3.3%	-0.4%	3.4%	2.6%	1.8%	2.4%	4.6%	7.4%	11.0%	13.9%
Return on Equity	-9.8%	-1.5%	12.2%	9.2%	6.4%	7.3%	13.2%	20.0%	26.9%	30.4%
ROIC	-5.2%	-0.6%	5.4%	4.2%	2.7%	3.1%	6.1%	9.9%	14.8%	18.2%
Shares Out.	-	451	503	463	439	435	421	416	410	406
Revenue/Share	28.30	28.74	13.48	15.33	11.98	11.43	13.45	15.96	18.12	20.33
FCF/Share	-2.35	(1.41)	(1.10)	(0.39)	(0.59)	0.57	1.28	1.64	2.38	3.53

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