NewMarket Corp. (NEU)

Updated May 22nd, 2026, by Ian Bezek

Key Metrics

Current Price:	$731	**5 Year Annual Expected Total Return:**	6.9%	**Market Cap:**	$6.6 B
Fair Value Price:	$744	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	06/15/2026
% Fair Value:	98%	**5 Year Valuation Multiple Estimate:**	0.4%	**Dividend Payment Date:**	07/01/2026
Dividend Yield:	1.6%	**5 Year Price Target**	$950	**Years Of Dividend Growth:**	19
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

NewMarket Corporation (NEU) is a holding company and is the parent company of Afton Chemical Corporation, Ethyl Corporation, NewMarket Services Corporation, and NewMarket Development Corporation. The company, through its subsidiaries, manufactures and sells petroleum additives, represents the sale of anti-knock compounds, as well as contract manufacturing and services. Founded in 1887 as a paper company, this $6.6 billion market cap company has come a long way from its roots.

NewMarket reported its Q1 earnings on April 22nd, 2026. For the quarter, the company earned $12.62 per share, down from the $13.26 reported for the same period of 2025. Meanwhile, revenues fell 4.5% to $670 million. The fall in earnings was driven in part by a 7% decline in petroleum additive sales, as the company is struggling with soft demand. It also exited some contracts with some lower-margin customers.

In April 2025, NewMarket announced a capital investment of up to $100 million at the company's AMPAC facility in Cedar City, Utah, to expand ammonium perchlorate production capacity by more than 50%. This is a plant which produces key materials for the U.S. military and space force.

We had been expecting NewMarket's growth spurt to slow down in 2025 due to tariffs and a weakening economy, and EPS did in fact fall 8% last year. We expected the market to turn around in 2026. However, Q1 results were a bit weaker than anticipated, and we trimmed our full-year estimate slightly as a result. That said, we still see a path to full-year EPS growth in 2026 driven by stronger performance in the specialty chemical business.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$20.54	$19.54	$20.34	$22.73	$24.64	$17.71	$27.77	$40.44	$48.22	$44.44	***$46.50***	***$59.35***
DPS	$6.40	$6.85	$7.00	$7.15	$7.60	$7.80	$8.40	$8.85	$10.00	$11.25	***$12.00***	***$15.32***
Shares	12	12	11	11	11	10	10	10	10	10	***10.0***	***10.0***

NewMarket has quite a unique mix of businesses and its segment-by-segment results can be quite volatile. Overall, however, the company is seemingly greater than the sum of its parts, as its mix of specialty and commodity businesses have delivered outsized growth. NewMarket has grown its EPS at a 9.0% annualized since 2016 and at more than 21% a year over the past five years. We believe that NewMarket's dramatic growth since 2021 is not sustainable, however, and forecast a more modest 5% annualized EPS growth rate going forward. There is room for upside here if new investments or M&A add to the firm's growth trajectory.

The company has grown its dividend at 6.5% annualized over the long-term, though this has accelerated in recent years. On October 30th, 2025, NewMarket announced that it is increasing its dividend by 9% to a new quarterly payout of $3.00 per share.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.9	19.6	22.3	19.6	19.4	16.1	20.1	9.9	11.8	14.5	***15.7***	***16.0***
Avg. Yld.	1.3%	1.6%	1.6%	1.8%	1.6%	1.9%	2.2%	2.2%	1.8%	1.7%	***1.6%***	***1.6%***

Over the past decade, NewMarket has averaged a 17.5 P/E ratio, with that slipping to 14.5 over the past five years. We think that is a fair range for the company given its historical performance and business profile; we forecast a 16 P/E ratio over the long-term. While the stock is no longer as cheap as it was in 2023 and 2024, shares are still trading a touch below fair value today. The stock's current 1.6% yield is in-line with our long-term forecast.

Safety, Quality, Competitive Advantage, & Recession Resiliency

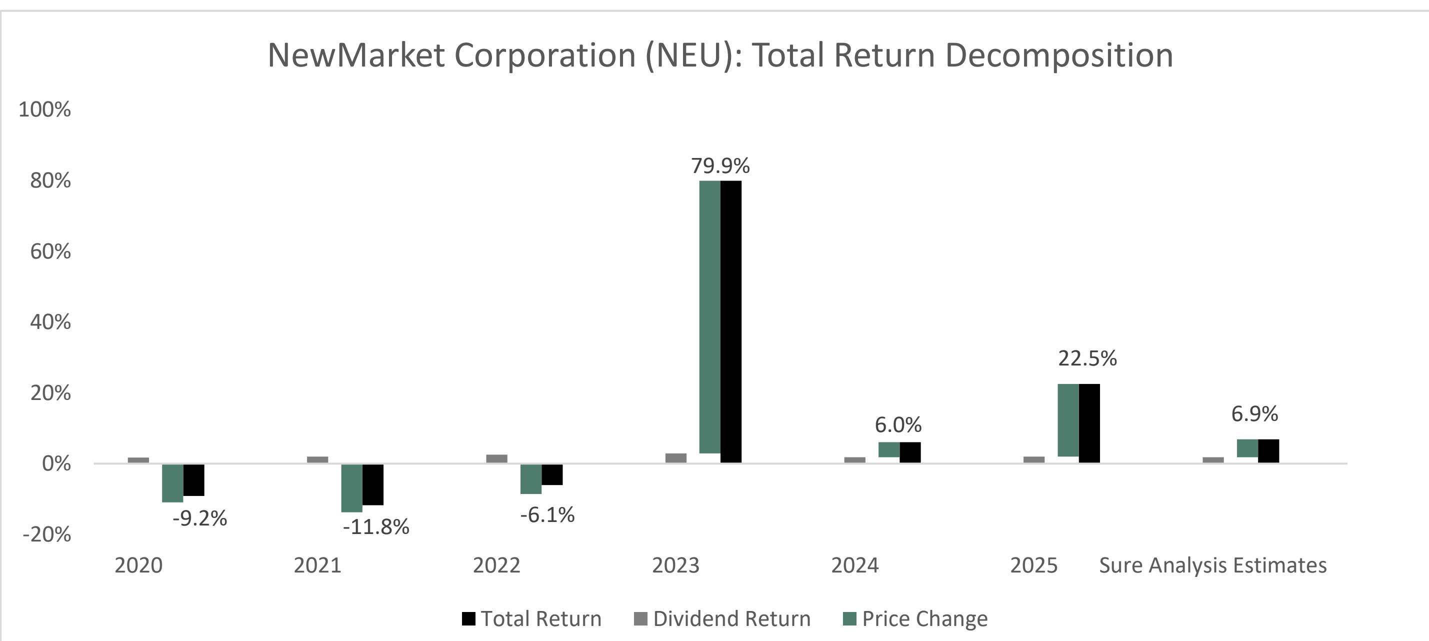
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	31%	35%	34%	31%	31%	44%	30%	22%	21%	25%	***26%***	***26%***

Newmarket has generally run a dividend payout ratio around 30% over the years. The current payout ratio is at 26%, even after the latest dividend hike, as earnings have increased more quickly than the dividend. This increases the firm's dividend safety and we see a long runway for meaningful hikes going forward. NewMarket's long-term debt load has crept up in recent years but remains at about $1.0 billion which is a manageable figure compared to its market capitalization and profitability. Chemical companies tend to be quite cyclical and prone to underperformance during recessions. However, NewMarket has many specialty products with more stable demand pictures when compared to commodity products. NewMarket's sales to the government and defense applications should be particularly durable regardless of economic stress.

Final Thoughts & Recommendation

Shares have rebounded since our prior update and are now close to estimated fair value. We are forecasting 6.9% annualized total returns from here, driven primarily by the firm's projected 5.0% annualized earnings growth. NewMarket stock earns a hold rating today.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,049	2,198	2,290	2,190	2,011	2,356	2,765	2,698	2,787	2,725
Gross Profit	677	636	585	630	595	548	640	773	886	857
Gross Margin	33.0%	28.9%	25.6%	28.8%	29.6%	23.2%	23.1%	28.7%	31.8%	31.4%
SG&A Exp.	162	168	152	148	143	146	145	151	171	182
D&A Exp.	45	55	72	88	84	84	82	78	117	122
Operating Profit	355	323	293	337	312	258	355	483	590	545
Op. Margin	17.3%	14.7%	12.8%	15.4%	15.5%	10.9%	12.8%	17.9%	21.2%	20.0%
Net Profit	243	191	235	254	271	191	280	389	462	417
Net Margin	11.9%	8.7%	10.3%	11.6%	13.5%	8.1%	10.1%	14.4%	16.6%	15.3%
Free Cash Flow	211	94	123	278	191	86	52	529	462	491
Income Tax	100	125	56	77	61	57	68	100	122	142

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,416	1,712	1,697	1,885	1,934	2,558	2,407	2,309	3,130	3,492
Cash & Equivalents	192	84	73	144	125	83	69	112	77	78
Acc. Receivable	266	311	277	290	285	317	385	368	346	362
Inventories	312	383	396	366	401	499	631	456	505	502
Goodwill & Int.	10	144	136	132	130	128	126	124	750	14.4%
Total Liabilities	933	1,111	1,207	1,202	1,174	1,796	1,644	1,232	1,668	1,714
Accounts Payable	142	159	152	179	190	246	273	231	226	239
Long-Term Debt	503	597	766	643	599	1,139	1,004	644	971	964
Total Equity	483	602	490	683	760	762	762	1077	1,462	1,778
LTD/E Ratio	1.04	0.99	1.56	0.94	0.79	1.49	1.32	0.59	0.66	0.55

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	18.0%	12.2%	13.8%	14.2%	14.2%	8.5%	11.3%	16.4%	17.0%	12.6%
Return on Equity	55.9%	35.1%	43.0%	43.4%	37.5%	25.1%	36.7%	42.3%	36.4%	25.8%
ROIC	26.1%	17.4%	19.1%	19.7%	20.2%	11.7%	15.2%	22.3%	22.3%	15.8%
Shares Out.	12	12	11	11	11	10	10	10	9.6	9.4
Revenue/Share	173.27	185.93	198.84	196.16	183.46	219.05	275.52	281.58	291.6	290.34
FCF/Share	17.80	7.96	10.71	24.88	17.41	8.03	5.23	55.15	48.38	52.35

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

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