Oil-Dri Corporation of America (ODC)

Updated May 14th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$79	**5 Year Annual Expected Total Return:**	-1.1%	**Market Cap:**	$1.1 B
Fair Value Price:	$50	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	05/08/26
% Fair Value:	158%	**5 Year Valuation Multiple Estimate:**	-8.7%	**Dividend Payment Date:**	05/22/26
Dividend Yield:	1.0%	**5 Year Price Target:**	$70	**Years Of Dividend Growth:**	13
Dividend Risk Score:	C	**Sector:**	Consumer Staples	**Rating:**	Hold

Overview & Current Events

Oil-Dri Corporation (ODC) of America designs, produces, and markets sorbent products made from clay. Its absorbent goods include cat litter, floor products, animal toxin control agents, and agriculture chemical carriers. During the fiscal year 2022, the company employed 869 employees. The firm is divided into two business segments: Retail and Wholesale Products Group and Business to Business Products Group. Cat's Pride, Agsorb, Jonny Cat, Verge, Amlan, Ultra-Clear, and Pure-Flo are the brands under which the company's products are sold. The company serves several markets, including Pet Care, Fluids Purification, Industrial & Automotive, Animal Health & Nutrition, Agriculture & Horticulture, and Sports.

On March 12th, 2026, Oil-Dri Corporation of America announced its results for Q2 of fiscal year 2026, posting non-GAAP EPS of $0.87 and revenues of $117.74 million, which were up 0.7% year-over-year.

Oil-Dri Corporation of America reported mixed fiscal second-quarter 2026 results, as severe winter weather disruptions offset otherwise resilient demand trends across several core businesses. The company generated record second-quarter consolidated net while six-month sales declined 3% to $238.2 million. Net income for the quarter decreased 3% to $12.6 million, as Winter Storm Fern temporarily disrupted production, logistics, and customer shipments across portions of the southern and eastern United States. Management noted that the storm reduced fixed-cost absorption and delayed a meaningful amount of revenue recognition into the following quarter. Despite these challenges, President and CEO Daniel S. Jaffee said the company remains on track with its annual plan, supported by strong agricultural and cat litter demand, operational recovery efforts, and continued execution of strategic growth initiatives.

Performance across operating segments remained uneven but generally resilient. Retail & Wholesale sales increased 3% to $75.8 million, fueled by growth in co-packaged and domestic cat litter products, including continued momentum in lightweight litter offerings. Business-to-Business revenue declined 3% to $42.0 million, as strong agricultural product demand was offset by weaker sales in animal health and fluids purification products. Consolidated operating income fell 10% to $15.7 million, while EBITDA declined 2% to $21.7 million, reflecting elevated production costs and weather-related inefficiencies. Gross profit decreased 6% to $32.3 million, with gross margin narrowing to 27.4% from 29.5% a year earlier. Even with the operational setbacks, Oil-Dri ended the quarter with $46.9 million in cash and continued deploying capital toward infrastructure investments, dividends, and share repurchases, reinforcing management's confidence in the company's longer-term outlook.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.94	$0.74	$0.56	$0.84	$1.23	$0.77	$0.40	$2.07	$2.72	$3.70	***$2.50***	***$3.51***
DPS	$0.43	$0.45	$0.47	$0.49	$0.51	$0.53	$0.55	$0.57	$0.59	$0.65	***$0.82***	***$1.00***
Shares[1]	14.1	14.2	14.3	14.4	14.3	14.1	13.8	13.6	13.7	13.9	***13.9***	***13.8***

Oil-Dri is a leader in developing and marketing sorbent products. The robust nature of the company's performance in a challenging macro-environment can be attributed to its products' quality and customer base. The company has diversified

[1] In millions of shares

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.

sources of revenue with a large customer base, and no customer accounts for more than 10% of the total sales in the Business to Business Products Group.

Comparing this year to last, the domestic cost of goods sold per ton increased by 11% due to higher freight and non-fuel manufacturing costs, which include large labor, repair, and asset replacement expenditures. ODC has successfully passed on the cost pressures to customers, but there is still a way to go until they reach pre-pandemic levels. Therefore, we maintain our forecast as the company is well-positioned to keep posting solid results and forecasting a 7.0% growth in EPS through 2031. In addition, the company will be able to grow its dividends at a healthy pace in the future, and we have assumed a dividend growth rate of 4.0% for the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	42.2	55.6	35.8	29.3	52.3	92.4	15.7	12.7	9.4	13.3	***31.6***	***20.0***
Avg. Yld.	1.2%	1.2%	1.3%	1.6%	1.5%	1.6%	2.0%	1.1%	0.9%	1.3%	***1.0%***	***1.4%***

Oil-Dri Corporation of America is trading at a forward P/E of 31.6, which is higher than the company's five-year average P/E of 28.7. We expect the multiple to further contract, and we have used a P/E of 20.0 as our fair value target for the stock in 2031, suggesting a target price of $70.

Safety, Quality, Competitive Advantage, & Recession Resiliency

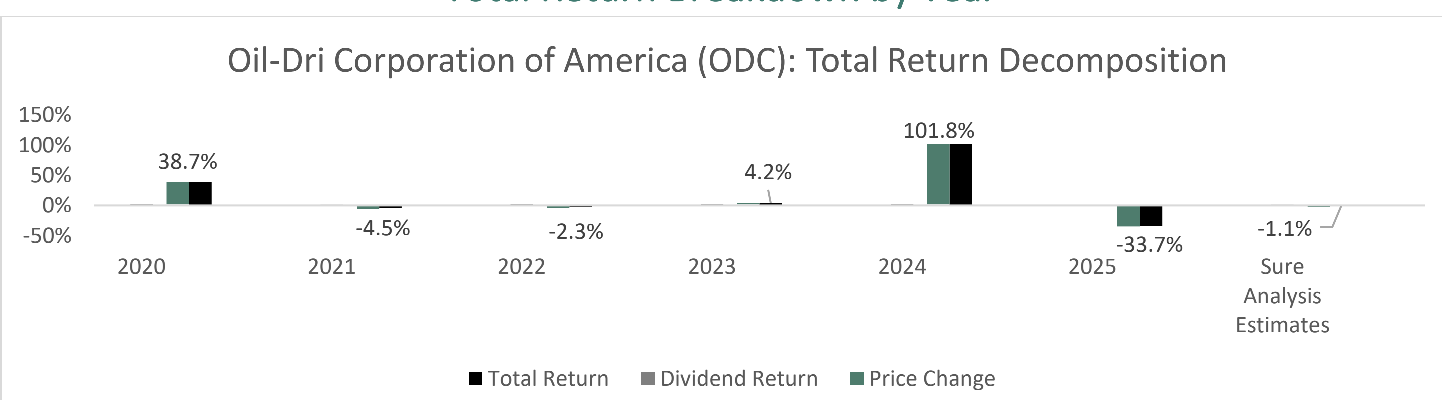
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	46%	61%	84%	58%	41%	69%	138%	28%	22%	18%	***33%***	***28%***

Oil-Dri has continued to invest in organic growth opportunities, including lightweight cat litter, animal health, and agricultural products, which has continued to drive demand for the company's products. The company is committed to providing returns to shareholders, and its five-year average payout ratio stands at 55%.

Final Thoughts & Recommendation

Oil-Dri has continued to post solid results despite the challenging macro-environment and is on its way to improving margins to pre-pandemic levels. The betterment in margins could cause an expansion in the stock's valuation. The global market for cat litter has expanded in recent years, and, given the substantial brand value of the company's products, we expect a healthy growth rate in the company's revenue in the coming years. During Q2, the company also continued returning capital to shareholders repurchasing more than 150,000 shares year to date as management reaffirmed confidence in Oil-Dri's long-term growth outlook. Following the strong bull run of the stock, we assign a hold rating. This is premised upon the -1.1% annualized total returns for the medium-term, stemming from the forecasted earnings-per-share growth of 7.0%, the 1.0% dividend yield, and a valuation headwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	262	262	266	277	283	305	349	413	438	486
Gross Profit	77	74	72	66	69	65	63	103	125	143
Gross Margin	29.4%	28.1%	27.0%	23.7%	24.3%	21.4%	17.9%	24.9%	28.5%	29.4%
SG&A Exp.	62	58	56	55	57	52	52	62	73	75
D&A Exp.	12	13	13	13	14	14	13	16	19	22
Operating Profit	15	15	16	10	25	13	10	41	52	68
Op. Margin	5.9%	5.8%	6.0%	3.8%	8.8%	4.3%	3.0%	9.9%	11.9%	14.0%
Net Profit	14	11	8	13	19	11	6	30	39	51
Net Margin	5.2%	4.1%	3.1%	4.6%	6.7%	3.6%	1.6%	7.3%	8.9%	10.5%
Free Cash Flow	14	12	(4)	12	28	(5)	(13)	25	28	48
Income Tax	1	4	7	2	4	2	0	5	10	12

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	205	213	195	205	236	228	250	286	355	392
Cash & Equivalents	19	9	13	22	41	25	16	32	23	50
Acc. Receivable	30	33	34	35	35	41	52	59	62	69
Inventories	23	23	23	24	24	24	36	43	54	52
Goodwill & Int.	14	13	13	12	12	11	5	5	42	42
Total Liabilities	89	87	63	70	88	68	99	109	144	133
Accounts Payable	7	10	7	8	13	9	13	17	15	17
Long-Term Debt	15	12	9	6	10	9	33	32	51	51
Total Equity	116	126	132	136	148	160	151	177	211	259
LTD/E Ratio	0.13	0.10	0.07	0.05	0.07	0.06	0.22	0.18	0.24	0.21

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.9%	5.2%	4.0%	6.3%	8.6%	4.8%	2.4%	11.0%	12.3%	13.8%
Return on Equity	12.0%	8.9%	6.4%	9.4%	13.3%	7.2%	3.7%	18.0%	20.3%	21.9%
ROIC	10.5%	8.0%	5.9%	8.9%	12.6%	6.8%	3.2%	15.1%	16.8%	17.3%
Shares Out.	7.1	7.2	7.2	7.3	7.3	7.2	7.1	8.7	17.7	16.9
Revenue/Share	36.98	36.65	36.83	38.21	53.99	42.24	49.37	47.24	24.76	28.77
FCF/Share	2.04	1.70	(0.62)	1.62	5.28	(0.72)	(1.84)	2.91	1.60	2.82

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