



# OneMain Holdings, Inc. (OMF)

Updated May 9<sup>th</sup>, 2026, by Ian Bezek

## Key Metrics

<b>Current Price:</b>	\$56	<b>5 Year Annual Expected Total Return:</b>	9.5%	<b>Market Cap:</b>	\$6.5 B
<b>Fair Value Price:</b>	\$54	<b>5 Year Growth Estimate:</b>	4.0%	<b>Ex-Dividend Date:</b>	05/11/26
<b>% Fair Value:</b>	104%	<b>5 Year Valuation Multiple Estimate:</b>	-0.7%	<b>Dividend Payment Date:</b>	05/15/26
<b>Dividend Yield:</b>	7.5%	<b>5 Year Price Target</b>	\$66	<b>Years Of Dividend Growth:</b>	6
<b>Dividend Risk Score:</b>	F	<b>Sector:</b>	Financials	<b>Rating:</b>	Hold

## Overview & Current Events

OneMain Holdings is a specialty finance company which provides personal loans to consumers. It came about as a spinout from Citigroup's financial services division. OneMain has focused on providing services to clients with lower credit scores and has products such as the BrightWay credit card which reward holders for consistent on-time payments. Investors often lump these types of businesses together as "subprime" lending, but OneMain's average customer has a FICO score in the low 600s, which is quite a bit higher in quality than several of its peers.

OneMain offers its services through its branch network of more than 1,300 locations along with its digital affiliates. It has more than 2.5 million customer accounts and total assets of \$27.0 billion as of March 31<sup>st</sup>, 2026. The company faces significant competition from other specialty personal lenders such as World Acceptance. However, OneMain has invested more quickly than rivals in online originations and in sophisticated data analysis while centralizing loan underwriting operations. It also has advertised heavily in credit coaching services, online credit aggregators, and other non-traditional venues which have boosted visibility.

On May 1<sup>st</sup>, 2026, OneMain reported its Q1 2026 results. Adjusted earnings of \$1.95 per share rose from the \$1.72 reported in the same quarter of 2025 thanks in part to an improvement in the firm's net charge-off rate along with continuing steady growth of the loan book. The EPS figure topped expectations by nine cents. OneMain had a mixed result on a credit basis. 30+ and 30-89+ day delinquency ratios improved versus the prior quarter. However, net charge-offs rose significantly versus both Q4 and on a year-over-year basis. This could indicate that OneMain's favorable credit performance throughout 2025 could start to slip this year. We have raised our 2026 EPS estimate based on the strong Q1 results. However, given the weakening employment picture and potential headwinds to consumer lending in 2026 such as the end of student loan forbearance, there could be some volatility in operating results.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$1.59	\$1.35	\$3.29	\$6.27	\$5.41	\$9.87	\$7.06	\$5.43	\$4.24	\$6.56	<b>\$7.20</b>	<b>\$8.76</b>
<b>DPS</b>	---	---	---	\$1.00	\$1.44	\$2.55	\$3.80	\$4.00	\$4.12	\$4.17	<b>\$4.20</b>	<b>\$4.64</b>
<b>Shares</b>	135	135	136	136	134	128	124	120	120	118	<b>115</b>	<b>111</b>

OneMain completed its IPO in late 2013. It started off as a much smaller and only marginally profitable lender in its first couple of years as a standalone company. However, it has grown tremendously since IPO, with revenues increasing from \$1.2 billion in 2014 to \$3.0 billion in 2025. OneMain has turned the revenue growth into strong profit growth as well. OneMain arguably earned excess profit in 2021 thanks to excellent credit conditions the economy enjoyed due to pandemic-related government assistance. Earnings have since decreased sharply, however the lender has enjoyed a considerable rebound in 2025.

It appears OneMain has already grabbed much of the available market share for its specialty loan products. To grow further, it will likely require competing more aggressively with its direct peers. Perhaps in a nod to its diminishing growth prospects, OneMain has increased capital returns. OneMain has given investors dramatic dividend increases and share repurchases in recent years. However, the most recent dividend increase, in October 2025, was a modest 1% increase.

*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.*



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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.0	19.1	9.6	5.7	5.9	5.6	4.6	7.6	8.2	8.5	7.8	7.5
Avg. Yld.	---	---	---	2.8%	4.5%	4.7%	9.5%	9.8%	9.7%	7.4%	7.5%	7.1%

OneMain has averaged a 6.9x P/E ratio over the past five years. The market appears to have a high degree of skepticism as to the quality and persistence of OneMain’s earnings stream. Given the negative associations around high-yield specialty lending, we expect the firm’s P/E ratio to remain at low levels.

OneMain’s dividend yield has grown tremendously in recent years as the firm has increased its dividend repeatedly and pushed its payout ratio from the 20% up to an estimated 58% for this year.

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

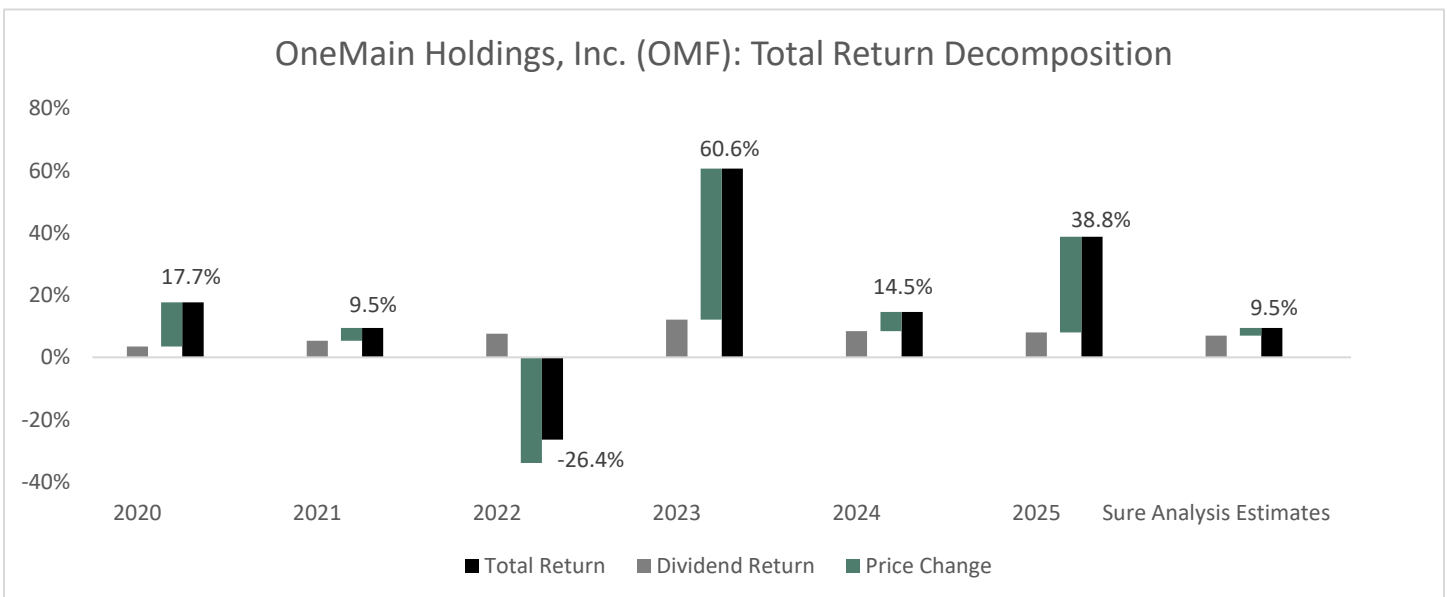
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	16%	27%	26%	54%	74%	97%	64%	58%	53%

OneMain has been collecting data and building its proprietary information technology system since it was still a part of Citigroup. The company has far more experience dealing with recessions, such as the 2001 downturn and 2008 financial crisis, than its peers. This sets OneMain apart from much of the lending crowd which often relies more on predictive algorithms than historical data and analysis. OneMain also operates in nearly all the U.S. states and has diversification across its loan book so that a financial crisis in one state or economic sector would not overly impact the company.

## Final Thoughts & Recommendation

OneMain seems well-positioned for an economic downturn given its sound risk management systems and past performance. Its strong balance sheet gives it further operating flexibility during economic volatility. We had previously seen OneMain shares as being moderately overvalued. However, shares have pulled back amid the surge in gas prices and associated fears around potential rising consumer credit write-offs. While those are factors to consider, the correction has pushed shares back to around fair value, and improved the annualized total return forecast to 9.5%. OneMain 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
<b>Revenue</b>	2,873	2,969	3,366	3,712	3,906	4,036	4,199	4,280	4,537	6,242
<b>SG&amp;A Exp.</b>	955	961	1,109	993	998	1,015	986	1,044	1,068	-
<b>D&amp;A Exp.</b>	521	328	289	271	264	264	262	257	277	287
<b>Net Profit</b>	215	183	447	855	730	1,314	878	641	509	783
<b>Net Margin</b>	7.5%	6.2%	13.3%	23.0%	18.7%	32.6%	20.9%	15.0%	11.2%	12.5%
<b>Free Cash Flow</b>	1,322	1,555	2,046	2,362	2,212	2,247	2,387	2,519	2,699	3,132
<b>Income Tax</b>	113	248	177	243	247	427	285	199	158	218

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	18,123	19,433	20,090	22,817	22,471	22,079	22,533	24,290	25,910	27,390
<b>Cash &amp; Equivalents</b>	579	987	679	1,227	2,272	541	498	1,014	458	1,613
<b>Acc. Receivable</b>	-	-	-	-	-	-	-	-	-	-
<b>Goodwill &amp; Int.</b>	1,914	1,862	1,810	1,765	1,728	1,711	1,698	1,697	1,760	1,756
<b>Total Liabilities</b>	15,057	16,155	16,291	18,487	19,030	18,986	19,504	21,110	22,720	23,990
<b>Accounts Payable</b>	61	58	-	-	-	-	-	-	-	-
<b>Long-Term Debt</b>	13,959	15,050	15,178	17,212	17,800	17,750	18,281	19,810	21,440	22,690
<b>Total Equity</b>	3,066	3,278	3,799	4,330	3,441	3,093	3,029	3,186	3,191	3,401
<b>LTD/E Ratio</b>	4.55	4.59	4.00	3.98	5.17	5.74	6.04	6.22	6.72	6.67

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	1.1%	1.0%	2.3%	4.0%	3.2%	5.9%	3.9%	2.7%	2.0%	2.9%
<b>Return on Equity</b>	7.3%	5.8%	12.6%	21.0%	18.8%	40.2%	28.7%	20.7%	16.0%	23.8%
<b>ROIC</b>	1.2%	1.0%	2.4%	4.2%	3.4%	6.2%	4.2%	2.9%	2.1%	3.1%
<b>Shares Out.</b>	135	135	136	136	134	128	124	121	120.1	119.3
<b>Revenue/Share</b>	21.26	21.88	24.74	27.23	28.95	30.33	33.75	35.48	37.77	52.34
<b>FCF/Share</b>	9.78	11.46	15.04	17.33	16.40	16.89	19.19	20.88	22.47	26.26

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

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