SEI Investments (SEIC)

Updated May 18th, 2026, by Josh Arnold

Key Metrics

Current Price:	$91	**5 Year CAGR Estimate:**	15.3%	**Market Cap:**	$11 B
Fair Value Price:	$106	**5 Year Growth Estimate:**	11.0%	**Ex-Dividend Date:**	06/27/26[1]
% Fair Value:	86%	**5 Year Valuation Multiple Estimate:**	3.1%	**Dividend Payment Date:**	07/23/26
Dividend Yield:	1.1%	**5 Year Price Target**	$179	**Years Of Dividend Growth:**	35
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

SEI Investments was founded in 1968 and over the last 50+ years has grown into a market capitalization of $11 billion. SEI is a global provider of investment processing, investment management, and investment operations solutions for financial institutions and advisors. SEI has about $1.6 trillion combined in assets under administration and management. The company should produce about $2.6 billion in revenue this year.

SEI posted first quarter earnings on April 22nd, 2026, and results were much better than expected on both the top and bottom lines. Adjusted earnings-per-share came to $1.44, which was 12 cents ahead of estimates. Revenue was up 12.8% year-over-year to $622 million, beating estimates by $12 million.

Adjusted operating profit was up 6% sequentially and by 24% year-over-year. Investment Management Services saw more than $50 million of net sales events and that demand for IMS remains very strong.

Net inflows were about $1.5 billion net of inflows, and assets under administration rose 4%.

The company repurchased $208 million in common shares during the quarter, and ended Q1 with $363 million in cash on the balance sheet.

We've boosted our estimate for this year to $5.90 in adjusted earnings-per-share after a good start to 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.03	$2.42	$3.14	$3.24	$3.00	$3.81	$3.81	$3.51	$4.41	$5.63	***$5.90***	***$9.94***
DPS	$0.54	$0.58	$0.63	$0.68	$0.72	$0.77	$0.83	$0.89	$0.95	$1.01	***$1.04***	***$1.39***
Shares[2]	159	157	159	154	146	138	134	131	127	122	***117***	***100***

From 2013 to 2019, SEI managed to double its earnings, and looking forward, we believe that strong growth can continue. SEI saw higher earnings-per-share in each year since 2011, until the COVID-impacted 2020. We are forecasting 11% earnings-per-share growth over the next five years as momentum remains strong. We see SEI achieving this result through continued revenue expansion as more customers adopt its SEI Wealth Platform, and its relatively newer IT services, as well as assets under management and advisement growth. We see mid-single-digit revenue growth as the primary driver of earnings going forward. SEI also buys back stock at low single-digit rates and is seeing margin expansion with its higher revenue. The key is revenue growth as SEI invests heavily in its future, and revenue growth has slowed.

SEI's dividend growth has been decent in recent years but it is not a high-income stock at this point. We see dividend growth going forward, but keep in mind that investors own SEI for the earnings growth potential, not for the yield, and that is not going to change anytime soon. Indeed, the payout ratio remains very low and given how much SEI invests in its platform on a regular basis, in addition to share repurchases, we expect the payout ratio to remain fairly constant.

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[1] Estimated date

[2] Share count 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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	22.60	22.3	20.3	15.8	18.3	16	15.3	18.1	18.7	14.7	***15.4***	***18.0***
Avg. Yld.	1.2%	1.0%	1.0%	1.2%	1.3%	1.3%	1.4%	1.4%	1.2%	1.2%	***1.1%***	***0.8%***

SEI's price-to-earnings multiple is lower than our last report, and it is now trading at 15.4 times this year's earnings, which is well below our estimate of fair value at 18 times earnings. The stock's historical range is fairly narrow at 16 to 22 times earnings. We therefore see a meaningful positive impact from the valuation looking forward. The dividend is not a priority for SEI as it continues to spend cash on its products and services to fuel future growth. This is not a stock one owns for the yield, and its yield is quite close to that of the S&P 500.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	27%	24%	20%	21%	24%	20%	22%	25%	22%	18%	***18%***	***14%***

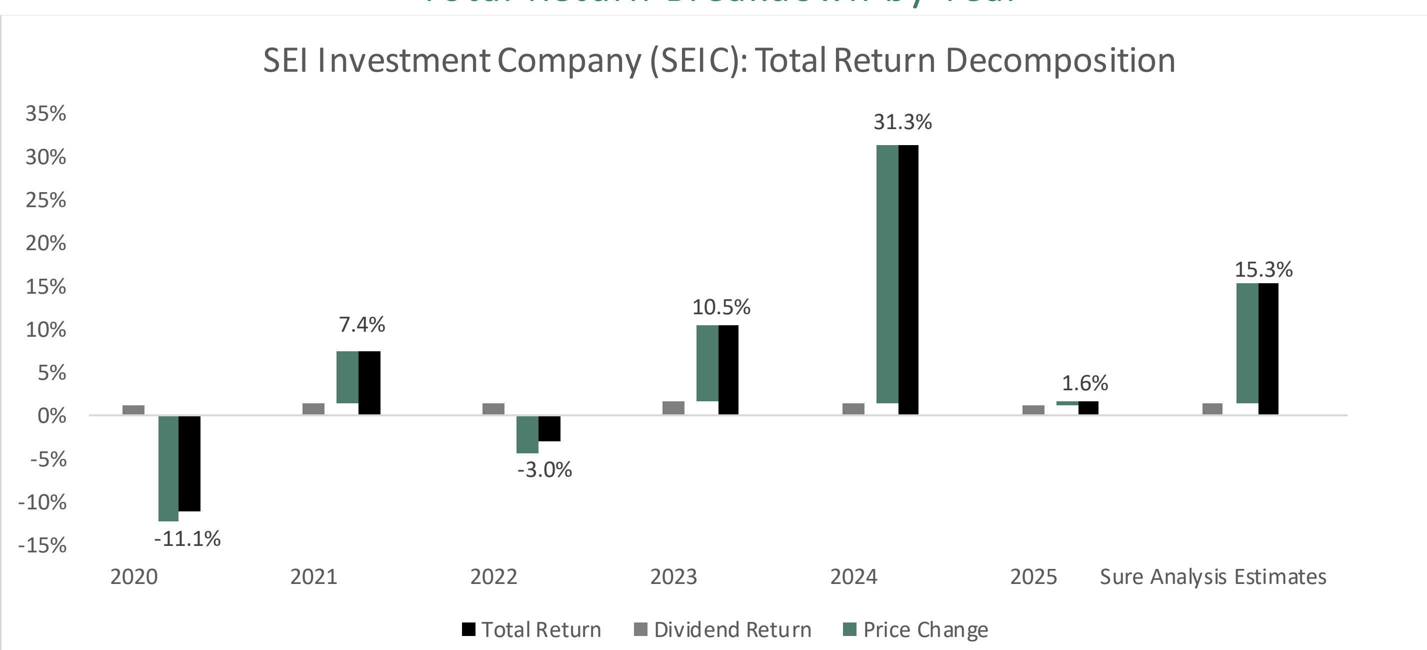
The payout ratio is very low as earnings-per-share expansion has outpaced dividend growth in recent years. There may come a time when the dividend is a significant source of returns, but SEI is understandably focused on growth today.

SEI's competitive advantage is in its platform and services, which allow it to drive efficiencies and lower risk for its clients. That does not make it immune from economic downturns, however, as the Great Recession dinged revenue and earnings meaningfully. Given the industry SEI serves, it is reasonable to expect material weakness during a recession, so that is something investors should consider. In addition, weak equity market performance is another headwind that comes up from time to time.

Final Thoughts & Recommendation

Overall, SEI looks like an undervalued stock with good growth potential. We are forecasting 15.3% total annual returns going forward, comprised of the 1.1% current yield, 11% earnings-per-share growth, and a 3.1% tailwind from the valuation. We're reiterating the stock at a buy after Q1 results. So long as assets in custody rise, SEI is a strong growth stock to consider owning.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,402	1,527	1,624	1,650	1,684	1,918	1,991	1,920	2,125	2,303
Gross Profit	763	840	900	921	946	1,088	1,045	984	1,128	1,979
Gross Margin	54.5%	55.0%	55.4%	55.8%	56.2%	56.7%	52.5%	51.3%	53.1%	85.9%
SG&A Exp.	316	367	380	379	416	442	482	263	270	---
D&A Exp.	72	76	78	81	84	93	88	74	75	77
Operating Profit	376	397	442	460	446	553	476	425	552	633
Operating Margin	26.8%	26.0%	27.2%	27.9%	26.5%	28.8%	24.2%	22.1%	26.0%	27.5%
Net Profit	334	404	506	501	447	547	475	462	581	718
Net Margin	23.8%	26.5%	31.1%	30.4%	26.6%	28.5%	23.9%	24.1%	27.3%	31.2%
Free Cash Flow	352	373	515	468	410	581	492	388	622	553
Income Tax	175	153	108	130	121	147	134	132	166	199

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,637	1,853	1,972	2,151	2,167	2,354	2,384	2,520	2,685	3,260
Cash & Equivalents	696	744	755	841	785	825	853	835	840	434
Accounts Receivable	110	133	126	140	154	501	519	557	622	---
Goodwill & Int. Ass.	296	392	406	389	360	429	408	460	484	723
Total Liabilities	334	377	379	413	427	494	430	388	432	556
Accounts Payable	6	5	11	4	8	10	13	11	13	---
Long-Term Debt	---	30	---	---	---	40	---	---	24	20
Shareholder's Equity	1,303	1,477	1,593	1,739	1,740	1,861	1,954	2,132	2,252	2,448
LTD/E Ratio	---	0.02	---	---	---	0.02	---	---	0.01	0.00

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	20.7%	23.2%	26.5%	24.3%	20.7%	24.2%	20.1%	18.9%	22.3%	24.0%
Return on Equity	25.7%	29.1%	33.0%	30.1%	25.7%	30.4%	24.9%	22.6%	26.5%	29.0%
ROIC	25.7%	28.8%	32.6%	30.1%	25.7%	30.0%	24.7%	22.6%	26.5%	28.7%
Shares Out.	159	157	159	154	146	138	137	134	132	127
Revenue/Share	8.52	9.41	10.07	10.65	11.30	13.39	14.49	14.36	16.13	18.12
FCF/Share	2.14	2.30	3.19	3.02	2.75	4.05	3.58	2.90	4.72	4.35

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