



# Unitil Corporation (UTL)

Updated May 18<sup>th</sup>, 2026, by Kody Kester

## Key Metrics

<b>Current Price:</b>	\$51	<b>5 Year CAGR Estimate:</b>	13.0%	<b>Market Cap:</b>	\$916M
<b>Fair Value Price :</b>	\$60	<b>5 Year Growth Estimate:</b>	6.5%	<b>Ex-Dividend Date:</b>	08/13/26 <sup>1</sup>
<b>% Fair Value:</b>	85%	<b>5 Year Valuation Multiple Estimate:</b>	3.4%	<b>Dividend Payment Date:</b>	08/27/26 <sup>1</sup>
<b>Dividend Yield:</b>	3.7%	<b>5 Year Price Target</b>	\$82	<b>Years Of Dividend Growth:</b>	12
<b>Dividend Risk Score:</b>	C	<b>Sector:</b>	Utilities	<b>Rating:</b>	Hold

## Overview & Current Events

Unitil is made up of five wholly owned distribution utilities and can trace its corporate roots back to 1849, with the founding of Portland Gas Light Company. Its primary electric subsidiary, Unitil Energy Systems, was organized in 1901 as the Concord Electric Company and currently provides electric service to the capital and seacoast regions of New Hampshire.

Fitchburg Gas and Electric Light Company serves both electric and natural gas customers in the greater Fitchburg area of north central Massachusetts. Northern Utilities provides natural gas service to customers in southeastern New Hampshire and parts of southern and central Maine. Acquired in January 2025, Bangor Natural Gas Company serves the Greater Bangor area of central Maine. Joining the Unitil system last October, Maine Natural Gas Company serves nine communities in the greater Portland and Augusta regions. In total, Unitil currently serves 110,100 electric customers and 105,000 gas customers in New Hampshire, Massachusetts, and Maine.

In 2025, the company's natural gas utility operations comprised \$299.6 million (55.9%) of its \$536.0 million in total operating revenue. Unitil's electric utility operations chipped in the remaining \$236.4 million (44.1%) of total operating revenue. On May 4<sup>th</sup>, Unitil released its financial results for the first quarter ended March 31<sup>st</sup>, 2026. The company's operating revenue surged 27% higher over the year-ago period to \$216.9 million during the quarter. This was fueled by the acquisitions of Maine Natural Gas and Bangor Natural Gas, colder winter weather, and organic customer growth. Unitil's adjusted EPS rose by 8% year-over-year to \$1.88 in the quarter. This came in \$0.10 above the analyst consensus for the quarter.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$1.94	\$2.06	\$2.23	\$2.31	\$2.15	\$2.35	\$2.59	\$2.82	\$2.97	\$3.16	<b>\$3.25</b>	<b>\$4.45</b>
<b>DPS</b>	\$1.42	\$1.44	\$1.46	\$1.48	\$1.50	\$1.52	\$1.56	\$1.62	\$1.70	\$1.80	<b>\$1.90</b>	<b>\$2.54</b>
<b>Shares<sup>2</sup></b>	14.1	14.8	14.9	14.9	15.0	16.0	16.0	16.1	16.2	17.9	<b>18.0</b>	<b>20.0</b>

Since 2016, Unitil's adjusted EPS have compounded by almost 6.0% annually. This has accelerated to nearly 7.0% annually over the past five years. The utility is projecting capital spending of approximately \$1.2 billion from 2026 through 2030 (not including the pending acquisition of Aquarion Water companies). That's up from \$1.1 billion for 2025 through 2029.

This is anticipated to generate 6.5% to 8.5% annual rate base growth from a 2025 base of \$1.3 billion over that time (with the Maine acquisitions pushing that toward or even slightly above the high end). Moving forward, we think that 6.5% annual earnings growth is attainable through 2031, off an anticipated 2026 base of \$3.25. That should allow Unitil to keep raising the dividend by about 6% annually as well.

<sup>1</sup> Estimated dates based on past dividend dates.

<sup>2</sup> Share count is in millions.



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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	23.4	22.2	22.8	26.5	20.6	19.6	19.8	18.7	18.3	15.7	<b>15.7</b>	<b>18.5</b>
Avg. Yld.	3.1%	3.2%	2.9%	2.4%	3.4%	3.3%	3.0%	3.1%	3.1%	3.7%	<b>3.7%</b>	<b>3.1%</b>

Over the last decade, Unitil’s average P/E ratio has been right around 21. We believe the 10-year U.S. Treasury yield will remain above the 10-year average for the foreseeable future. That’s why, even with stable growth prospects, we think fair value is one standard deviation below the 10-year average P/E ratio – or 18.5. Compared to the current year P/E ratio of 15.7, shares are moderately undervalued.

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

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	73%	70%	65%	64%	70%	65%	60%	57%	57%	57%	<b>58%</b>	<b>57%</b>

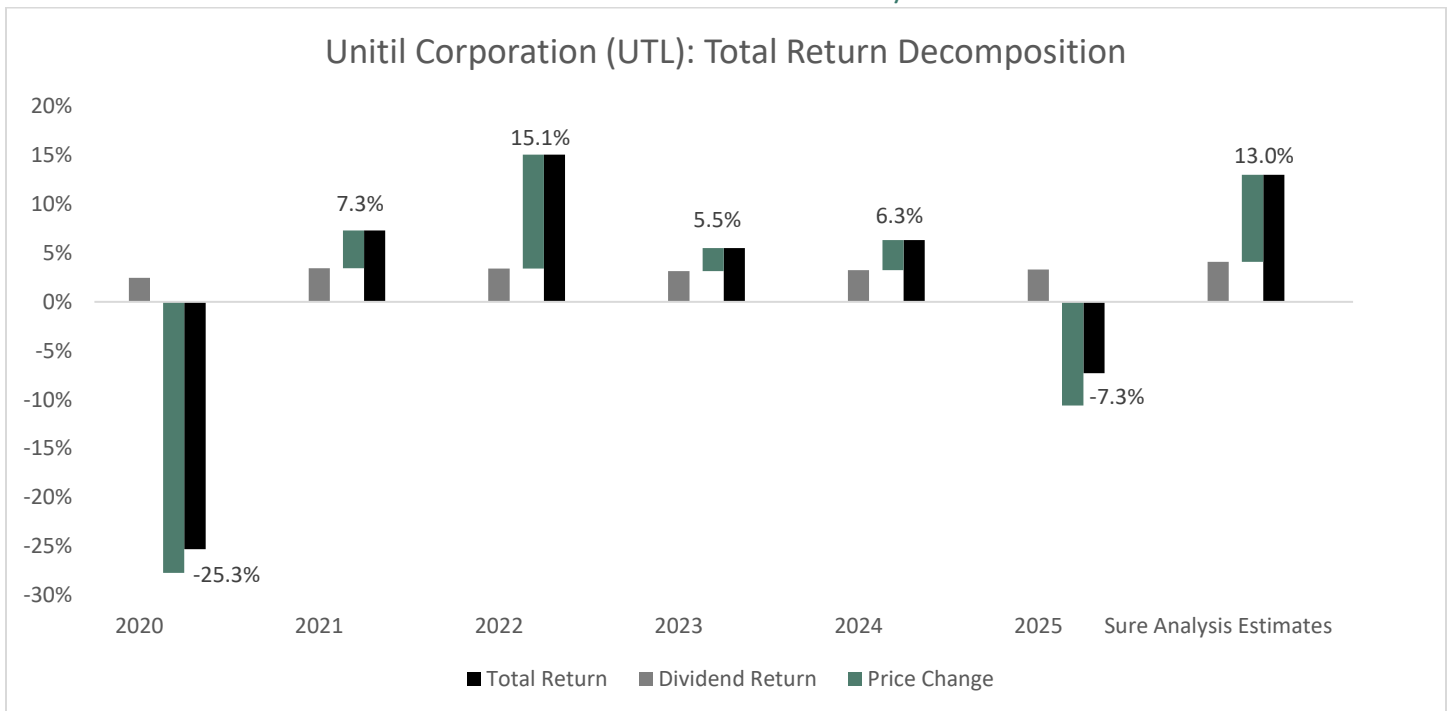
As a regulated utility, Unitil faces limited competition from other utilities in its service areas. The risk to the electric and gas utility is that the regulatory agencies overseeing them could be stingy with rate cases in the future. If this happened, it could put a damper on its growth potential.

In the Great Recession, Unitil’s dividend was frozen. This was because, leading up to the Great Recession, the payout ratio was high (between 80% and 90%). Moving forward, the company should have much more room to keep growing the dividend. The expected payout ratio of 58% for 2026 remains within the targeted range of between 55% and 65%. Unitil is also financially stable as the company possesses a BBB+ credit rating from S&P with a stable outlook.

## Final Thoughts & Recommendation

Unitil’s 3.7% dividend yield, 6.5% annual earnings growth prospects, and 3.4% annual valuation multiple upside potential could produce 13.0% annual total returns through 2030. While the utility offers value, we still argue that there are higher-quality regulated utilities with comparable total return potential. As a result, we’re reiterating our 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.



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## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	383	406	444	438	419	473	563	557	495	536
<b>Gross Profit</b>	85	97	94	96	95	102	106	116	121	136
<b>Gross Margin</b>	22.2%	23.8%	21.1%	21.9%	22.8%	21.6%	18.9%	20.8%	24.5%	25.3%
<b>D&amp;A Exp.</b>	47	47	50	52	55	60	63	67	76	89
<b>Operating Profit</b>	66	75	71	73	71	78	81	87	91	104
<b>Operating Margin</b>	17.1%	18.6%	16.0%	16.7%	17.1%	16.4%	14.3%	15.6%	18.5%	19.5%
<b>Net Profit</b>	27	29	33	44	32	36	41	45	47	50
<b>Net Margin</b>	7.1%	7.1%	7.4%	10.1%	7.7%	7.6%	7.4%	8.1%	9.5%	9.4%
<b>Free Cash Flow</b>	(30)	(33)	(24)	(14)	(47)	(7)	(24)	(34)	(44)	(54)
<b>Income Tax</b>	15	18	8	14	10	12	11	13	14	15

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	1,128	1,298	1,346	1,412	1,520	1,581	1,607	1,684	1,813	2,148
<b>Cash &amp; Equivalent</b>	6	9	8	5	6	7	9	7	6	16
<b>Accounts Receivable</b>	65	81	80	69	76	81	80	82	82	108
<b>Inventories</b>	1	8	8	9	9	10	13	15	15	17
<b>Total Liabilities</b>	835	961	994	1,035	1,131	1,132	1,140	1,195	1,301	1,539
<b>Accounts Payable</b>	32	42	43	38	33	52	69	48	50	63
<b>Long-Term Debt</b>	345	415	412	460	536	509	499	518	649	676
<b>Shareholder's Equity</b>	293	337	351	377	389	448	467	489	512	609
<b>LTD/E Ratio</b>	1.46	1.35	1.41	1.38	1.52	1.28	1.32	1.39	1.48	1.53

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	2.5%	2.4%	2.5%	3.2%	2.2%	2.3%	2.6%	2.7%	2.7%	2.5%
<b>Return on Equity</b>	9.4%	9.2%	9.6%	12.1%	8.4%	8.6%	9.0%	9.4%	9.4%	8.9%
<b>ROIC</b>	3.9%	3.8%	4.0%	5.1%	3.4%	3.6%	3.9%	4.0%	3.9%	3.6%
<b>Shares Out.</b>	14.1	14.8	14.9	14.9	15.0	16.0	16.0	16.1	16.2	17.9
<b>Revenue/Share</b>	27.39	28.80	29.95	29.41	28.00	30.78	35.21	34.70	30.72	31.93
<b>FCF/Share</b>	(2.13)	(2.35)	(1.61)	(0.96)	(3.14)	(0.47)	(1.53)	(2.12)	(2.73)	(3.20)

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

### Disclaimer

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