Omega Flex, Inc. (OFLX)

Updated June 4th, 2026, by Kody Kester

Key Metrics

Current Price:	$30	**5 Year CAGR Estimate:**	3.4%	**Market Cap:**	$305M
Fair Value Price:	$23	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	06/30/26[1]
% Fair Value:	134%	**5 Year Valuation Multiple Estimate:**	-5.7%	**Dividend Payment Date:**	07/10/26[1]
Dividend Yield:	4.5%	**5 Year Price Target**	$29	**Years Of Dividend Growth:**	7
Dividend Risk Score:	F	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Omega Flex, Inc. (OFLX) is based in Exton, Pennsylvania, and manufactures and sells flexible metal hoses and accessories for residential, commercial, and industrial applications across North America and internationally. Its products include flexible gas piping, medical tubing, and containment piping, marketed under brands like TracPipe, CounterStrike, and MediTrac. Serving industries such as construction, manufacturing, and healthcare, the company distributes its products through representatives, distributors, wholesalers, and direct sales. Founded in 1975 as Tofle America, Inc., it adopted its current name in 1996.

On April 29, OFLX released its earnings report for the first quarter ended March 31, 2026. The company's net sales decreased by 1.0% over the year-ago period to $23.09 million in the quarter. That was mostly due to relatively flat demand across its core commercial, residential, and industrial construction markets during the quarter. Rather than being a result of product failures or customer churn, the broader macroeconomic environment of elevated interest rates and softness in building starts limited volume growth. OFLX's diluted EPS dropped 40% year-over-year to $0.21 for the quarter. The slightly reduced sales base, coupled with higher raw material costs and tariffs, put immense pressure on the bottom line in the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.42	$1.55	$2.00	$1.71	$1.97	$2.60	$2.34	$2.06	$1.78	$1.47	***$1.25***	***$1.60***
DPS	-	$0.66	$0.94	$1.08	$1.12	$1.18	$1.26	$1.31	$1.35	$1.36	***$1.36***	***$1.43***
Shares[2]	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	***10.1***	***10.1***

Moving forward, we believe that OFLX can grow its diluted EPS by 5.0% annually through 2031, off an anticipated 2026 base of $1.25. At a macro level, the U.S. is facing a housing shortage of anywhere from 1.2 million (NAHB) to as many as 4 million units (Realtor.com). While OFLX is temporarily facing headwinds from the elevated rate environment (housing affordability has been negatively impacted by these circumstances), further interest rate cuts could jump start a recovery over the next 12 to 18 months. At a company-specific level, the drivers for our assumptions include the development of new products to replace rigid piping systems and cost cuts/improving operating efficiencies. In the meantime, we anticipate the share count will remain just above 10 million, as it has for the last decade.

[1] Estimate based on past dividend dates.
[2] Share count is in millions.

Omega Flex, Inc. (OFLX)

Updated June 4th, 2026, by Kody Kester

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	39.3	46.1	27.2	64.5	74.1	48.8	39.9	34.2	23.2	19.8	***24.2***	***18.0***
Avg. Yld.	-	0.9%	1.7%	1.0%	0.8%	0.9%	1.4%	1.9%	3.3%	4.7%	***4.5%***	***5.0%***

Since 2016, OFLX has traded at a P/E ratio as high as the 80s in the early 2020s to as low as the current valuation multiple in the high-teens. After years of contracting valuation multiples, we believe that the stock's multiple should now be relatively stabilized. We think that a fair value P/E ratio of 18 in the years ahead is realistic. This can be justified by OFLX's high gross margins for its industry (consistently around 60%), debt-free balance sheet, and modest growth prospects. Compared to the current-year P/E ratio of 24.2, the stock is meaningfully overvalued following a reset in our diluted EPS expectations for 2026.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	43%	47%	63%	57%	45%	54%	64%	76%	93%	***109%***	***90%***

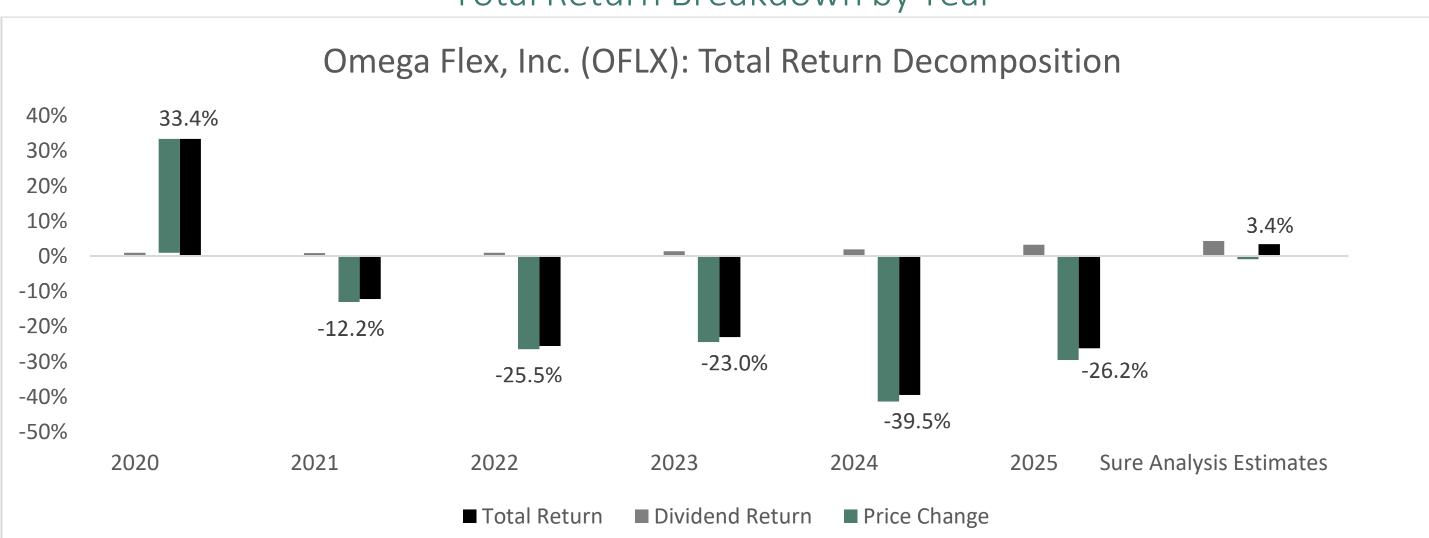
OFLX benefits from a strong competitive advantage due to its leadership in flexible gas piping systems, providing innovative and regulatory-compliant solutions for residential, commercial, and industrial applications. The company has built a solid reputation through its proprietary products, long-term customer relationships, and demand driven by safety regulations. Simultaneously, industry-wide slowdowns could still put downward pressure on demand in the future.

OFLX is financially stable. One of its biggest appeals is the fact that it had no long-term debt against a cash and cash equivalents position of $49.76 million as of March 31, 2026. At a time when most companies are servicing debt, this is how it generated $0.46 million in interest *income* in Q1 2026. The payout ratio is likely to be temporarily elevated beyond 100% in 2026. While this can be backed up by the balance sheet for now, we expect virtually no dividend growth for the foreseeable future due to this fact.

Final Thoughts & Recommendation

Between OFLX's 4.5% dividend yield, expected 5.0% diluted EPS CAGR, and 5.7% annual valuation multiple downside, we expect 3.4% annual total returns through 2031. This is why we're maintaining 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.

Omega Flex, Inc. (OFLX)

Updated June 4th, 2026, by Kody Kester

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	94	102	108	111	106	130	125	111	102	98
Gross Profit	55	59	63	67	63	78	74	65	58	55
Gross Margin	59.0%	58.3%	58.0%	60.1%	59.7%	59.6%	59.1%	58.3%	57.5%	56.2%
SG&A Exp.	33	34	35	44	36	42	43	39	37	-
D&A Exp.	0	1	1	1	1	1	1	1	1	1
Operating Profit	22	24	26	22	27	35	31	26	22	17
Operating Margin	23.3%	23.8%	24.3%	19.7%	25.2%	27.0%	24.7%	23.1%	21.2%	17.2%
Net Profit	15	16	20	17	20	26	24	21	18	15
Net Margin	15.5%	15.6%	18.7%	15.6%	18.9%	20.2%	18.8%	18.6%	17.6%	14.8%
Free Cash Flow	15	15	19	15	19	24	14	22	19	15
Income Tax	7	8	6	5	7	9	7	7	6	5

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	71	77	87	61	72	89	98	100	106	105
Cash & Equivalents	35	38	47	16	24	33	38	46	52	53
Accounts Receivable	15	16	16	17	20	21	18	15	14	14
Inventories	7	8	8	11	12	16	18	16	15	13
Goodwill & Int. Ass.	4	4	4	4	4	4	4	4	4	4
Total Liabilities	25	21	21	23	25	28	27	21	23	21
Accounts Payable	2	3	3	2	2	3	2	2	3	3
Long-Term Debt	-	-	-	0	0	3	3	2	5	4
Shareholder's Equity	46	55	66	37	46	60	71	79	83	84
LTD/E Ratio	-	-	-	0.02	0.01	0.06	0.05	0.04	0.06	0.06

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	21.3%	21.5%	24.7%	23.6%	30.1%	32.7%	25.4%	20.9%	17.4%	13.8%
Return on Equity	33.4%	31.0%	33.1%	33.5%	47.6%	49.1%	35.9%	27.6%	22.1%	17.4%
ROIC	33.4%	31.0%	33.1%	33.3%	46.8%	47.4%	34.2%	26.5%	21.0%	16.5%
Shares Out.	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1
Revenue/Share	9.32	10.09	10.73	11.03	10.48	12.88	12.43	11.04	10.07	9.74
FCF/Share	1.44	1.48	1.90	1.47	1.86	2.40	1.42	2.16	1.87	1.52

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