Artesian Resources Corp. (ARTNA)

Updated August 12th, 2026, by Kody Kester

Key Metrics

Current Price:	$35	**5 Year CAGR Estimate:**	11.1%	**Market Cap:**	$362M
Fair Value Price:	$41	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	08/17/26
% Fair Value:	86%	**5 Year Valuation Multiple Estimate:**	3.1%	**Dividend Payment Date:**	08/28/26
Dividend Yield:	3.6%	**5 Year Price Target**	$52	**Years Of Dividend Growth:**	33
Dividend Risk Score:	C	**Sector:**	Utilities	**Rating:**	Hold

Overview & Current Events

Artesian Resources Corp. (ARTNA) was founded in 1905. Through its subsidiaries, the company provides water, wastewater, and other services, primarily in the Delaware region. Artesian Resources sells and distributes water to residential, commercial, industrial, governmental, and utility customers throughout the state. In addition, Artesian Resources provides water for public and private fire protection in Delaware, Maryland, and Pennsylvania. The company produces 9.7 billion gallons of water annually through over 1,500 miles of water main, serving approximately 301,000 people.

On Aug. 6, 2026, ARTNA shared its financial results for the second quarter ended Jun. 30, 2026. The company's total operating revenue rose by 7.4% year-over-year to $30.66 million during the quarter. In absolute dollars, this was driven by a 5.8% increase in water sales to $24.43 million in the quarter. That was from temporary rate increases and customer base growth. ARTNA's other utility operating revenue surged 16% over the year-ago period to $4.22 million for the quarter. This was powered by residential and commercial wastewater customer growth (+6.6% in the past 12 months) and expanded industrial wastewater treatment services. The water utility's non-utility operating revenue grew by 10.2% year-over-year to $2.01 million during the quarter. Greater customer enrollment and increased fees for its Service Line Protection Plans at the beginning of the year led to these results in the quarter. ARTNA's diluted EPS inched 4.9% higher over the year-ago period to $0.64 for the quarter. Higher operating expenses and interest charges explain why diluted EPS growth trailed operating revenue growth during the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.41	$1.51	$1.54	$1.60	$1.79	$1.79	$1.90	$1.67	$1.98	$2.21	***$2.27***	***$2.90***
DPS	$0.90	$0.93	$0.96	$0.98	$1.01	$1.05	$1.09	$1.14	$1.18	$1.23	***$1.28***	***$1.56***
Shares[1]	9.1	9.2	9.3	9.3	9.4	9.4	9.5	10.3	10.3	10.3	***10.3***	***11.0***

Since 2016, ARTNA's diluted EPS has compounded by just over 5% annually. Moving forward, we think that this level of growth can be sustained. That's why we're modeling a 5.0% annual growth rate through 2031, off an anticipated 2026 base of $2.27. In the first half of 2026, the company invested $25.9 million into infrastructure upgrades (a huge amount relative to its size), including PFAS treatment facilities. Coupled with slow and steady customer growth, this provides a path for ARTNA to achieve our growth forecasts.

[1] 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	22.7	25.6	22.6	22.9	20.7	25.9	30.8	24.8	15.7	14.2	***15.5***	***18.0***
Avg. Yld.	2.8%	2.4%	2.7%	2.7%	2.7%	2.3%	1.9%	2.8%	3.8%	3.9%	***3.6%***	***3.0%***

In recent years, ARTNA's valuation multiple has ranged from as low as the low-teens to as high as the low-30s. Since 2016, the average P/E ratio has been 22.6. Because interest rates are meaningfully higher now than they were throughout most of that time, we believe a reasonable fair value P/E ratio is roughly two standard deviations less than the average P/E ratio of 22.6, or around 18x. Compared to the current-year P/E ratio of 15.5, this implies shares are still moderately undervalued following the rally in recent months.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	64%	62%	62%	61%	56%	59%	57%	68%	60%	56%	***56%***	***54%***

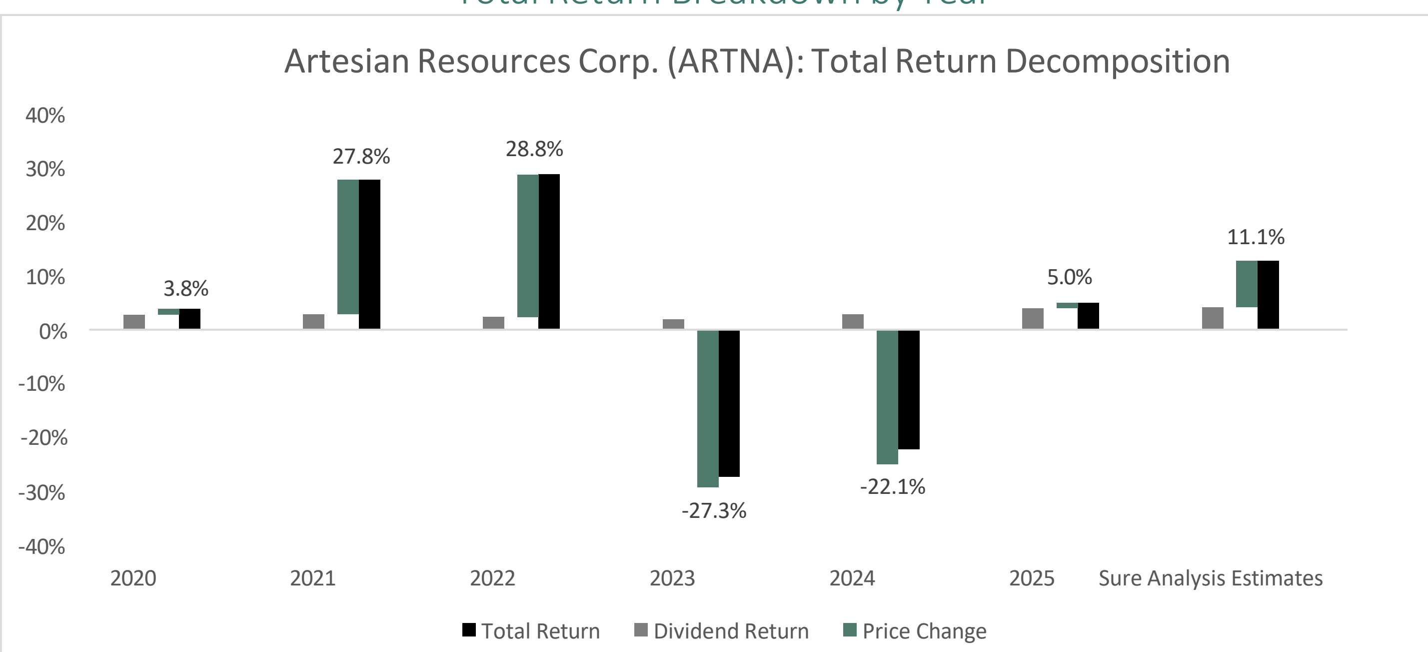
As a regulated utility, ARTNA operates under the business model of essentially being a monopoly. On the one hand, this limits competition. On the other hand, it contends with the risk of underwhelming rate case outcomes with state regulators. Overall, this business model has led to gradual growth in its diluted EPS over time.

ARTNA is financially stable, too. Through the first half of 2026, the company's interest coverage ratio was 3.7x. For a regulated utility, this is indicative of solid financial health. ARTNA's dividend is also very sustainable, with the payout ratio likely to be in the mid-50% range for 2026. That should give it the flexibility to extend its 31-year dividend growth streak for the foreseeable future.

Final Thoughts & Recommendation

ARTNA's 3.6% dividend yield, 5.0% annual diluted EPS growth potential, and 3.1% annual valuation multiple expansion could generate 11.1% annual total returns through 2031. Still, the C Dividend Risk Score is what serves as our basis to maintain 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
Revenue	79	82	80	84	88	91	99	99	108	113
Gross Profit	32	32	29	30	34	34	36	35	40	42
Gross Margin	40.0%	38.5%	36.0%	36.2%	38.4%	37.0%	36.1%	35.4%	36.9%	37.2%
D&A Exp.	9	10	10	11	11	12	13	13	14	
Operating Profit	27	27	24	25	28	28	30	29	33	36
Operating Margin	34.3%	32.7%	29.8%	30.0%	32.3%	30.9%	30.1%	29.1%	31.0%	31.5%
Net Profit	13	14	14	15	17	17	18	17	20	23
Net Margin	16.4%	17.0%	17.8%	17.9%	19.1%	18.5%	18.2%	16.9%	18.9%	20.2%
Free Cash Flow	2	(5)	(20)	(22)	(14)	(10)	(24)	(30)	(9)	
Income Tax	8	7	5	5	6	6	6	6	7	8

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	451	495	531	561	594	625	720	767	806	851
Cash & Equivalents	0	1	0	1	0	0	1	3	1	
Accounts Receivable	9	10	10	8	11	9	15	15	13	
Inventories	2	2	1	1	2	2	5	6	4	
Total Liabilities	312	348	378	401	424	447	532	537	567	601
Accounts Payable	6	9	8	8	6	10	11	10	11	
Long-Term Debt	104	107	118	146	145	145	178	181	179	174
Shareholder's Equity	139	147	153	160	169	178	188	230	239	
LTD/E Ratio	0.80	0.80	0.87	0.96	1.01	0.97	1.06	0.79	0.75	0.70

Profitability & Per-Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.9%	3.0%	2.8%	2.7%	2.9%	2.8%	2.7%	2.2%	2.6%	2.8%
Return on Equity	9.5%	9.8%	9.5%	9.5%	10.2%	9.7%	9.8%	8.0%	8.7%	9.3%
ROIC	5.2%	5.4%	5.2%	5.0%	5.1%	4.9%	4.9%	4.2%	4.9%	5.4%
Shares Out.	9.1	9.2	9.3	9.3	9.4	9.4	9.5	10.3	10.3	10.3
Revenue/Share	8.63	8.90	8.65	8.96	9.41	9.64	10.43	9.86	10.48	10.95
FCF/Share	0.17	(0.58)	(2.14)	(2.34)	(1.49)	(1.01)	(2.55)	(3.03)	(0.89)	

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