



Exchange Income Corporation. (EIFZF)

Updated August 26th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$90	5 Year Annual Expected Total Return:	-2.0%	Market Cap:	\$5.02 B
Fair Value Price:	\$50	5 Year Growth Estimate:	7.0%	Ex-Dividend Date:	08/31/2026
% Fair Value:	179%	5 Year Valuation Multiple Estimate:	-11.0%	Dividend Payment Date:	09/15/2026
Dividend Yield:	2.3%	5 Year Price Target	\$70	Years Of Dividend Growth:	5
Dividend Risk Score:	F	Sector:	Industrials	Rating:	Hold

Overview & Current Events

Exchange Income Corporation engages in aerospace and aviation services by offering scheduled airline and charter services, emergency medical services, after-market aircraft & engines, and pilot flight training services. Additionally, the company is invested in manufacturing window wall systems used in skyscrapers, vessels, and other industrial purposes. Finally, Exchange Income also owns telecom towers, which it leases to America's and Canada's major telecom providers. The company generates just over \$1 billion in annual revenue, is based in Winnipeg, Canada, and aims to pay out the majority of its earnings through monthly dividends while it grows through acquisitions. All numbers in this report have been converted into US dollars, unless specified otherwise.

On August 11th, 2026, Exchange Income posted its Q2 results for the period ending June 30th, 2026. Revenue rose 32% to \$670.2 million from \$506.9 million. Aerospace & Aviation revenue increased 43% to \$456.9 million, helped by the Canadian North and Mach2 acquisitions, stronger aircraft leasing and parts demand, higher ISR flying, and solid passenger load factors. Manufacturing revenue rose 14% to \$213.3 million, as strong composite mat demand, Canadian mat rentals, and Precision Manufacturing growth outweighed softer Multi-Storey Window Solutions activity. Adjusted EPS rose 23% to \$0.80 from \$0.65, while adjusted net earnings increased 35% to \$44.8 million.

Adjusted EBITDA climbed 28% to \$159.1 million, reflecting growth across both segments, partially offset by higher corporate technology, cybersecurity, and performance-based compensation expenses. Management raised its 2026 adjusted EBITDA guidance to \$626.5 million to \$647.7 million. After quarter-end, Exchange Income also agreed to acquire TerraPro for \$21.1 million, adding an integrated Western Canadian access-matting platform to its Environmental Access Solutions operations. The transaction is expected to close early in Q4. We now expect adjusted EPS of \$3.35, excluding any one-off items. All other entries in our tables depict GAAP figures.

Exchange Income also raised its dividend 4.3% to a monthly rate of C\$0.24.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.63	\$1.85	\$1.65	\$1.99	\$0.63	\$1.46	\$2.01	\$2.05	\$1.77	\$2.33	\$3.35	\$4.70
DPS	\$1.49	\$1.67	\$1.59	\$1.72	\$1.79	\$1.80	\$1.78	\$1.92	\$1.84	\$1.94	\$2.08	\$2.30
Shares¹	28.2	31.0	31.5	32.4	35.0	37.4	40.3	45.0	47.6	52.3	57.5	65.0

Exchange Income pays dividends on a monthly basis. In its original Toronto listing, the company has never cut its payout since initiating it in 2004, growing it whenever management sees fit. In its TSX listing, its monthly dividend has grown from C\$0.10 in 2005 to C\$0.24, as of today, including the company paying a C\$0.19 monthly dividend for 33 consecutive months between 2019 and 2022.

However, American investors have experienced a weaker growth rate due to the depreciation of the C\$ against the USD. We have set our estimated adjusted EPS growth at 7% in the medium-term, to be driven by continued expansion in Aerospace & Aviation, improved leasing activity, and margin normalization as recent acquisitions are fully integrated.

¹ Share count is in millions.

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We also estimate DPS growth of around 2% through 2031, which makes for a prudent estimate considering that management's top priority, includes adequate dividend coverage.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.7	12.1	11.8	9.9	---	17.5	16.4	12.0	19.8	19.3	26.9	15.0
Avg. Yld.	7.4%	5.9%	6.8%	5.6%	5.6%	5.5%	5.4%	6.2%	5.2%	4.3%	2.3%	3.3%

Exchange Income shares have retained a relatively moderate valuation multiple throughout the years, as its operations mainly involve investing in other businesses (a holding company). The stock has mostly traded based on its yield, which has averaged close to 5.8% over the last decade. Following the recent market action, Exchange Income is now yielding just 2.4% and trades at 26.9 times our expected earnings. A significant P/E contraction in the medium term is possible from Exchange Income's current valuation levels, especially with rates remaining high.

Safety, Quality, Competitive Advantage, & Recession Resiliency

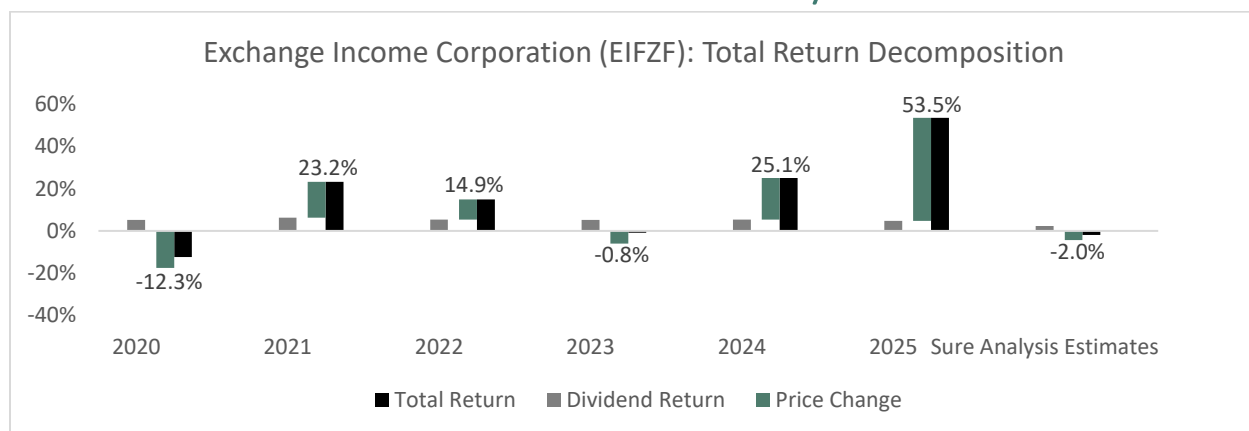
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	91%	90%	96%	86%	284%	123%	89%	94%	104%	83%	62%	49%

At the beginning of the decade, the company had an artificially high payout ratio, mostly attributed to accounting reasons amid its serial acquisitions. And while the dividend appears to lack coverage in some years (2020 and 2021,) this is due to the company's GAAP figures, including some non-cash items due to its constant acquisitions that affect results. The dividend has historically been covered from a free-cash flow per share or adjusted earnings-per-share point of view, hence the 19 increases over the past 22 years (in CAD terms). Additionally, while the company's businesses, such as aviation and manufacturing, are very recession-sensitive and subject to brutal competition, they are usually powered by multi-year contracts in the case of Exchange Income, resulting in a bit more stable revenues. Further, the company's cargo segment is seeing increased volumes amid growing e-commerce sales. Hence, revenues remained relatively robust during the pandemic compared to the other (mostly passenger-focused) aviation businesses.

Final Thoughts & Recommendation

Exchange Income's goal, as its name suggests, is to provide sustainable and growing income to its shareholders. While U.S. investors may be subject to currency fluctuations, the CAD/USD rate is not as volatile as most currencies. We see the stock delivering negative annualized returns over the medium-term. This is because the 2.3% yield and our growth estimates could be offset by the possibility of a heavy valuation headwind. Conservative investors looking for reliable income may find the stock an attractive non-U.S. option. Shares earn a hold rating only due to the growing dividend.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	673	782	929	1,011	858	1127	1583	1850	1940	2346
Gross Profit	183	216	249	273	204	267	378	440	480	581
Gross Margin	27.1%	27.6%	26.8%	27.1%	23.8%	23.7%	23.9%	23.8%	24.7%	24.8%
SG&A Exp.	93	116	141	154	128	152	196	226	248	317
D&A Exp.	71	92	107	128	136	149	169	197	226	275
Operating Profit	89	100	108	120	76	114	182	215	232	264
Op. Margin	13.3%	12.8%	11.6%	11.8%	8.9%	10.1%	11.5%	11.6%	12.0%	11.3%
Net Profit	46	56	55	63	21	55	84	91	88	120
Net Margin	6.9%	7.1%	5.9%	6.2%	2.4%	4.9%	5.3%	4.9%	4.5%	5.1%
Free Cash Flow	(98)	(110)	(21)	(28)	85	4.5	(24)	(113)	(97)	(59)
Income Tax	19	18	14	17	11	20	32	30	34	43

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,057	1,391	1,437	1,735	1,799	2,030	2,615	3,075	3,204	3,839
Cash & Equivalents	20	58	32	17	55	59	103	78	50	106
Acc. Receivable	112	163	171	216	207	237	320	410	428	478
Inventories	96	142	159	172	185	200	247	308	346	373
Goodwill & Int.	272	337	342	401	439	524	683	788	830	856
Total Liabilities	696	932	984	1,176	1,261	1,403	1,864	2,137	2,222	2,553
Accounts Payable	95	---	---	---	168	210	333	348	330	421
Long-Term Debt	487	673	718	789	871	941	1,189	1,377	1,500	1,775
Total Equity	361	459	453	559	538	628	751	939	982	1,282
LTD/E Ratio	1.35	1.47	1.59	1.41	1.62	1.50	1.58	1.47	1.53	1.38

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.8%	4.5%	3.9%	4.0%	1.2%	2.9%	3.6%	3.2%	2.8%	3.4%
Return on Equity	13.6%	13.6%	12.0%	12.5%	3.8%	9.4%	12.2%	10.7%	9.2%	10.6%
ROIC	6.1%	5.6%	4.7%	5.0%	1.5%	3.7%	4.8%	4.3%	3.7%	4.2%
Shares Out.	28.2	31.0	31.5	32.4	36	38.1	47.3	52	52.8	57
Revenue/Share	19.82	21.71	26.72	26.53	23.85	29.59	33.45	35.59	36.72	41.18
FCF/Share	(2.87)	(3.06)	(0.59)	(0.74)	2.36	0.12	(0.51)	(2.17)	(1.84)	(1.03)

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

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