Murphy USA (MUSA)

Updated August 19th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$574	**5 Year CAGR Estimate:**	-3.5%	**Market Cap:**	$10.7 B
Fair Value Price:	$420	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	8/24/2026
% Fair Value:	137%	**5 Year Valuation Multiple Estimate:**	-6.1%	**Dividend Payment Date:**	9/3/2026
Dividend Yield:	0.5%	**5 Year Price Target**	$464	**Years Of Dividend Growth:**	6
Dividend Risk Score:	C	**Sector:** Consumer Discretionary		**Rating:**	Hold

Overview & Current Events

Murphy USA is one of the largest independent retailers of gasoline products and convenience store merchandise, with more than 1,750 locations in 27 states across the Southwest, Southeast, Midwest and Northeast U.S. Its stores are 100% company owned and operated and most of them are adjacent to Walmart stores. The company also owns seven terminals, which support an advantaged fuel supply and help the company purchase fuel at or below benchmark prices. Murphy USA serves approximately 2 million customers per day and has a market capitalization of $10.7 billion. The company was founded in 1996 and is headquartered in El Dorado, Arkansas.

The location of the stores of Murphy USA next to Walmart stores is a key factor in the success of the company. Many consumers who shop at Walmart for its attractive prices combine their shopping trip with Murphy USA, which sells fuel at attractive prices as well. The other major key feature of Murphy USA is the fact that its target group involves low-end consumers, who struggle to make ends meet. About one-third of U.S. households makes less than $50,000 per year. Thanks to its bargain prices, Murphy USA is an ideal choice for these consumers.

In early August, Murphy USA reported (8/5/26) financial results for the second quarter of fiscal 2026. Total retail gallons grew 3.9% and margin surged from 32.0 to 40.6 cents per gallon thanks to the great price volatility, which resulted from the war in Iran. Merchandise sales grew 4%. Earnings-per-share surged 53%, from $7.36 to $11.27, and exceeded the analysts' estimates by $1.25. The company has beaten the analysts' estimates in 21 of the last 28 quarters. Management expects to open more than 50 new stores in 2026 and has a share repurchase program of $2 billion, sufficient to reduce the share count by 19% at the current stock price. Given the strong tailwind from exceptionally wide margins amid a tight global oil market, we have raised our forecast for annual earnings-per-share from $32.00 to $35.00.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$5.59	$6.78	$6.48	$4.86	$13.08	$14.92	$28.16	$25.62	$24.72	$25.00	***$35.00***	***$38.64***
DPS	---	---	---	---	$0.25	$1.04	$1.27	$1.55	$1.79	$2.15	***$2.60***	***$4.19***
Shares[1]	39.6	36.2	33.0	31.9	29.5	25.7	22.6	21.4	20.5	18.8	***18.0***	***15.0***

Murphy USA enjoys strong retention of its members (~85%) and its members increase their spending over time after they become members. The average monthly spending per member has grown 52% over the last four years. The company does its best to source fuel and merchandise at discounted prices and thus attract an increasing number of low-end consumers.

The results of the business model of Murphy USA are clearly reflected in its exceptional performance record. The retailer has grown its earnings-per-share by 18.1% per year on average over the last decade and by 13.8% per year on average over the last five years. The stock rallied more than 20% per year every year in 2013-2024. Moreover, management has provided a bright outlook until 2028. It expects to grow EBITDA by 18%, enhance margin from 32 to 34 cents per gallon

[1] 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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and reduce the share count by about 5% per year. Given the outstanding performance record of Murphy USA but also the high comparison base this year, we expect 2% average annual growth of earnings-per-share until 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.0	10.3	11.9	18.5	9.1	10.1	8.8	11.9	19.0	17.0	***16.4***	***12.0***
Avg. Yld.	---	---	---	---	0.2%	0.7%	0.5%	0.5%	0.4%	0.5%	***0.5%***	***0.9%***

Murphy USA has traded at an average price-to-earnings ratio of 13.4 over the last five years. Despite its impressive growth trajectory, the stock has consistently traded with an earnings multiple between 9.0 and 12.0 most of the time over the last decade. However, the market has appreciated the growth prospects of the company lately and thus the stock is now trading at a price-to-earnings ratio of 16.4. While we are excited about the growth prospects of Murphy USA, we have assumed a fair price-to-earnings ratio of 12.0 for 2031, in order to be on the safe side. If this turns out to be correct, the stock will incur a -6.1% annualized drag in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

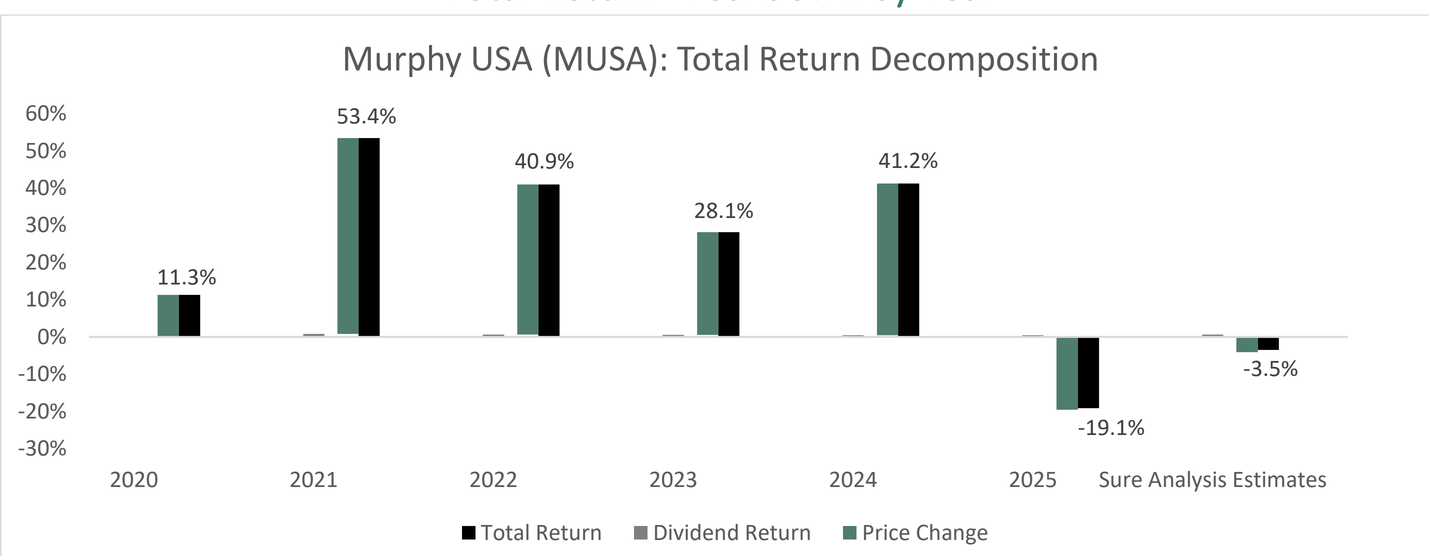
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	---	2%	7%	5%	6%	7%	9%	***7%***	***11%***

Murphy USA is a retailer of gasoline and other merchandise, but it is far more resilient to downturns than a typical oil company. To be sure, the company posted blowout earnings during the pandemic, when almost all the oil companies suffered. It also nearly doubled its earnings-per-share during the energy crisis in 2022, when fuel prices skyrocketed and consumers became highly price-conscious. Overall, Murphy USA is not immune to recessions but it is much more resilient than most oil companies thanks to its defensive business model, which relies on thin profit margins.

Final Thoughts & Recommendation

Murphy USA is one of the extremely few oil companies that have outperformed the S&P 500 by a wide margin over the last decade (+681% vs. +253%). Murphy USA rallied more than 20% every year during 2013-2024 thanks to its consistent earnings growth and still has promising earnings growth prospects ahead. However, we prefer to be cautious in reference to valuation. The stock could offer a -3.5% average annual return over the next five years, as its 2% growth and its 0.5% dividend may be offset by a -6.1% valuation drag. The stock maintains its hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	11,594	12,827	14,363	14,035	11,264	17,361	23,446	21,529	20,244	19,384
Gross Profit	1,016	1,062	1,089	1,127	1,443	1,849	2,400	2,314	2,307	971
Gross Margin	8.8%	8.3%	7.6%	8.0%	12.8%	10.7%	10.2%	10.7%	11.4%	5.0%
SG&A Exp.	123	141	136	145	171	194	233	241	235	232
Operating Profit	300	287	276	268	559	613	968	827	756	739
Op. Margin	2.6%	2.2%	1.9%	1.9%	5.0%	3.5%	4.1%	3.8%	3.7%	3.8%
Net Profit	222	245	214	155	386	397	673	557	503	471
Net Margin	1.9%	1.9%	1.5%	1.1%	3.4%	2.3%	2.9%	2.6%	2.5%	2.4%
Free Cash Flow	75	25	194	109	333	463	689	448	390	374
Income Tax	131	(5)	60	48	123	125	211	178	149	139

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,089	2,331	2,361	2,687	2,686	4,048	4,123	4,340	4,542	4,726
Cash & Equivalents	154	170	185	280	164	256	61	118	47	29
Acc. Receivable	184	225	139	173	169	196	282	337	269	276
Inventories	153	183	222	228	279	292	319	341	402	413
Goodwill & Int.					35	469	468	468	468	467
Total Liabilities	1,392	1,593	1,554	1,884	1,902	3,241	3,483	3,511	3,702	4,102
Accounts Payable	310	340	275	281	261	393	548	520	874	865
Long-Term Debt	670	881	863	1,038	1,002	1,815	1,807	1,800	1,848	2,717
Total Equity	697	738	807	803	784	807	641	829	840	624
LTD/E Ratio	0.96	1.19	1.07	1.29	1.28	2.25	2.82	2.17	2.20	4.36

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	11.1%	11.1%	9.1%	6.1%	14.4%	11.8%	16.5%	13.2%	11.3%	10.0%
Return on Equity	29.7%	34.2%	27.6%	19.2%	48.7%	49.9%	92.9%	75.8%	60.2%	64.3%
ROIC	16.7%	16.4%	13.0%	8.8%	21.3%	18.0%	26.5%	21.9%	18.9%	14.4%
Shares Out.	39.6	36.2	33.0	31.9	29.5	25.7	22.6	21.4	20.8	19.5
Revenue/Share	292.45	354.76	435.46	440.54	381.50	652.55	978.96	985.64	971.32	992.73
FCF/Share	1.90	0.70	5.89	3.41	11.28	17.39	28.79	20.53	18.69	19.17

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