Altria Group, Inc. (MO)

Updated October 30th, 2026, by Kody Kester

Key Metrics

Current Price:	$78	**5 Year CAGR Estimate:**	6.5%	**Market Cap:**	$129B
Fair Value Price:	$66	**5 Year Growth Estimate:**	4.5%	**Ex-Dividend Date:**	12/24/26[1]
% Fair Value:	119%	**5 Year Valuation Multiple Estimate:**	-3.3%	**Dividend Payment Date:**	01/11/27[1]
Dividend Yield:	5.7%	**5 Year Price Target**	$82	**Years Of Dividend Growth:**	57
Dividend Risk Score:	B	**Sector:**	Consumer Staples	**Rating:**	Hold

Overview & Current Events

Altria Group, Inc. (MO) is a major American tobacco and nicotine company that manufactures and sells a wide range of tobacco and nicotine products predominantly in the United States. The company's portfolio includes cigarettes under the iconic Marlboro brand, moist smokeless tobacco products under the Copenhagen and Skoal brands, and rapidly growing oral nicotine pouches marketed under the on! brand. MO also maintains a significant equity stake in Anheuser-Busch InBev. The business focuses on adult tobacco consumers and sells primarily to wholesalers and retail chains. Altria has a long history of returning capital to shareholders through dividends and share repurchases while navigating the industry's transition toward smoke-free alternatives.

On Oct. 29, 2026, MO shared its financial results for the third quarter ended Sept. 30, 2026. The company's revenues net of excise taxes grew by 3.6% year-over-year to $5.44 billion in the quarter. That was fueled by a 3.7% uptick in the Smokeable Products segment revenues net of excise taxes to $4.76 billion during the quarter. MO's price increases on its combustible portfolio more than offset the 2.9% decrease (-4% adjusted for trade inventory movements) in domestic cigarette shipment volume for the quarter. The company's Oral Tobacco Products segment revenues net of excise taxes edged 0.3% higher over the year-ago period to $667 million in the quarter. Pricing increases more than countered a 4.3% decrease (-5% adjusted for trade inventory movements) during the quarter. MO's adjusted diluted EPS rose by 4.8% year-over-year to $1.52 for the quarter. This edged out the analyst consensus in the quarter by $0.01. In August, MO also raised its quarterly dividend per share by 4.7% to $1.11 (its 61st increase in the past 57 years).

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.03	$3.39	$3.99	$4.22	$4.36	$4.61	$4.84	$4.95	$5.12	$5.42	***$5.70***	***$7.10***
DPS	$2.31	$2.49	$2.86	$3.24	$3.38	$3.48	$3.64	$3.80	$3.96	$4.12	***$4.44***	***$5.40***
Shares[2]	1942	1901	1874	1858	1858	1823	1786	1763	1691	1674	***1663***	***1525***

Since 2016, MO has generated nearly 7% annual adjusted diluted EPS growth. In recent years, this has decelerated to just above 4%. Looking ahead, we think that MO can deliver 4.5% annual adjusted diluted EPS growth through 2031, off an anticipated 2026 base of $5.70 (the midpoint of its $5.66 to $5.74 guidance for 2026). Anchoring these assumptions is the fact that the addictive nature of MO's products and brand power affords plenty of pricing power, which it continued to flex with its Q3 2026 earnings results. Adding in incremental cost savings and share repurchases is the remaining calculus of how the consumer staple achieves our growth projections.

[1] Estimated dates based on past dividend dates.

[2] Share count is in millions.

Disclosure: This analyst has a long position in the security discussed in this research report.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	22.3	21.1	12.3	11.8	9.4	10.3	9.5	8.2	10.4	10.6	***13.6***	***11.5***
Avg. Yld.	3.4%	3.5%	5.8%	6.5%	8.2%	7.3%	8.0%	9.4%	7.5%	7.2%	***5.7%***	***6.6%***

Over the past decade, MO has traded at a valuation as low as the high single digits to as much as the low 20s. The average P/E ratio over that time was nearly 13. In recent years, the average multiple was roughly 10. Moving forward, we believe that splitting the difference between the two is a reasonable assumption. That's backed up by MO's strong market share, pricing power, and share buyback program. Against the current-year P/E ratio of 13.6, this implies shares are meaningfully overvalued following the recent rally.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	76%	73%	72%	77%	78%	75%	75%	77%	77%	76%	***78%***	***76%***

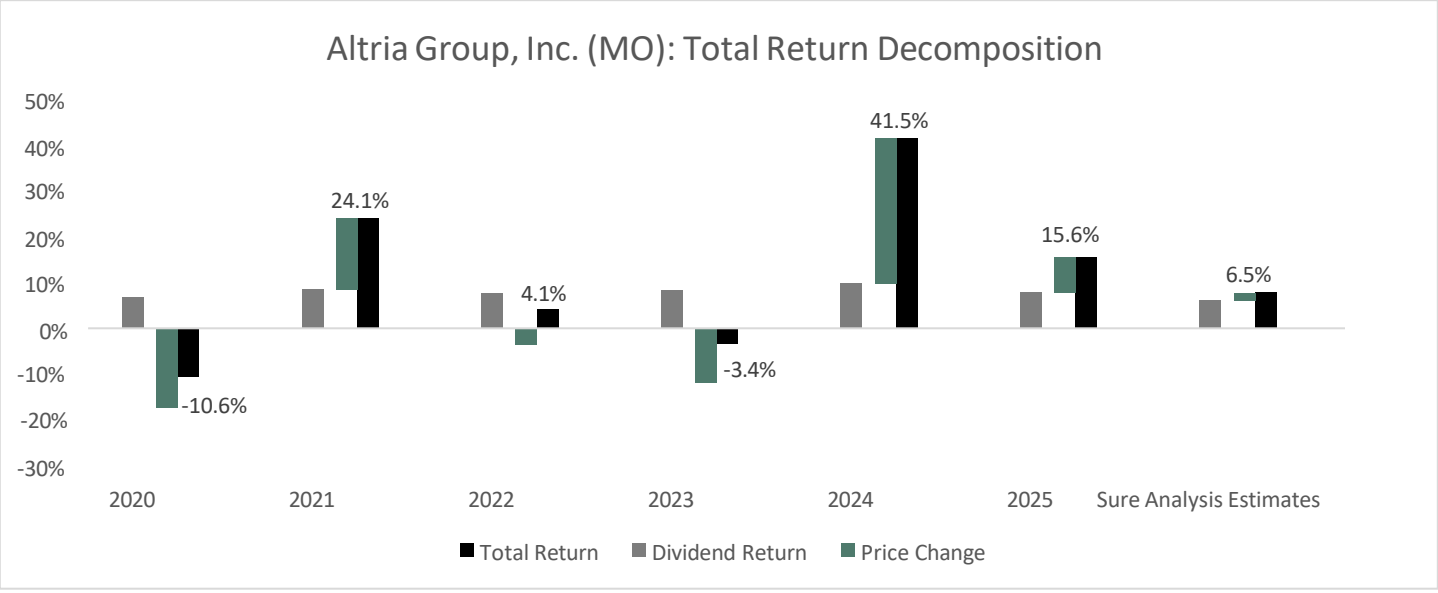
MO ranks very highly in terms of safety because the company has tremendous competitive advantages. It operates in a highly regulated industry, which virtually eliminates the threat of new competition in the tobacco industry. MO enjoys strong brands across its product portfolio, including the No. 1 cigarette brand. As a result, it has pricing power and brand loyalty. In addition, tobacco companies enjoy low manufacturing and distribution costs, thanks to their economies of scale.

MO is also financially stable, with a BBB+ S&P credit rating and a stable outlook. The company's dividend is also reasonably secure, which is evidenced by the 57-year dividend growth streak that makes it a Dividend King. The company's adjusted diluted EPS payout ratio is set to be in the upper-70% range for 2026. That provides it with flexibility for future payout growth to roughly match adjusted diluted EPS growth.

Final Thoughts & Recommendation

MO's 5.7% dividend yield, 4.5% annual adjusted diluted EPS growth prospects, and 3.3% annual valuation multiple contraction could produce 6.5% annual total returns over the medium term. As a result, we're reiterating our 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	19337	19494	19627	19796	20841	21111	20688	20502	20444	20116
Gross Profit	11615	12003	12109	12713	13073	13992	14246	14284	14367	17503
Gross Margin	60.1%	61.6%	61.7%	64.2%	62.7%	66.3%	68.9%	69.7%	70.3%	87.0%
SG&A Exp.	2650	2338	2756	2226	2154	2432	2327	2737	2737	2507
D&A Exp.	204	209	227	226	257	244	226	272	286	266
Operating Profit	9053	9737	9466	10559	10998	11733	12047	11977	11731	15070
Op. Margin	46.8%	49.9%	48.2%	53.3%	52.8%	55.6%	58.2%	58.4%	57.4%	74.9%
Net Profit	14220	10213	6959	-1305	4446	2464	5751	8113	11236	6927
Net Margin	73.5%	52.4%	35.5%	-6.6%	21.3%	11.7%	27.8%	39.6%	55.0%	34.4%
Free Cash Flow	3602	4702	8153	7591	8154	8236	8051	9091	8611	9074
Income Tax	7608	(399)	2374	2064	2436	1349	1625	2798	2394	2442

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	45,932	43,202	55,459	49,271	47,414	39,523	36,954	38,570	35,177	35,017
Cash & Equivalents	4,569	1,278	1,390	2,117	4,946	4,544	4,045	3,691	3,135	4,481
Acc. Receivable	151	142	142	152	137	47	1,721	-	177	263
Inventories	2,051	2,225	2,331	2,293	1,966	1,194	1,180	1,215	1,080	1,070
Goodwill & Int.	17,321	17,707	17,475	17,864	17,792	17,483	17,561	20,477	19,918	17,663
Total Liabilities	33,121	27,784	40,631	42,914	44,449	41,129	40,877	42,060	37,365	38,469
Accounts Payable	425	374	399	325	380	449	552	582	700	750
Long-Term Debt	13,881	13,894	13,042	28,042	29,471	28,044	26,680	26,233	24,926	25,709
Total Equity	12,770	15,377	14,787	6,222	2,839	(1,606)	(3,973)	(3,540)	(2,238)	(3,502)
LTD/E Ratio	1.09	0.90	1.74	4.51	10.38	(17.46)	(6.72)	(7.41)	(11.14)	(7.34)

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	36.7%	22.9%	14.1%	-2.5%	9.2%	5.7%	15.0%	21.5%	30.5%	19.7%
Return on Equity	180.9%	72.4%	46.0%	-12.3%	95.4%	362.6%				
ROIC	67.0%	36.5%	19.9%	-3.5%	13.3%	8.4%	23.4%	35.7%	49.4%	30.8%
Shares Out.	1936.2	1898.1	1874.4	1858.4	1858.7	1817.3	1785.6	1763.5	1690.7	1680
Revenue/Share	9.91	10.15	10.40	10.59	11.21	11.44	11.47	11.54	11.90	11.95
FCF/Share	1.85	2.45	4.32	4.06	4.39	4.46	4.46	5.12	5.01	5.39

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