DEVON ENERGY NYSE-DVN

RECENT PRICE **43.48** | P/E RATIO **11.0** (Trailing: 10.2 Median: 18.0) | RELATIVE P/E RATIO **0.57** | DIV'D YLD **2.2%** | **VALUE LINE**

TIMELINESS — Suspended 2/20/26
SAFETY 3 Raised 11/22/24
TECHNICAL — Suspended 2/20/26
BETA 1.35 (1.00 = Market)

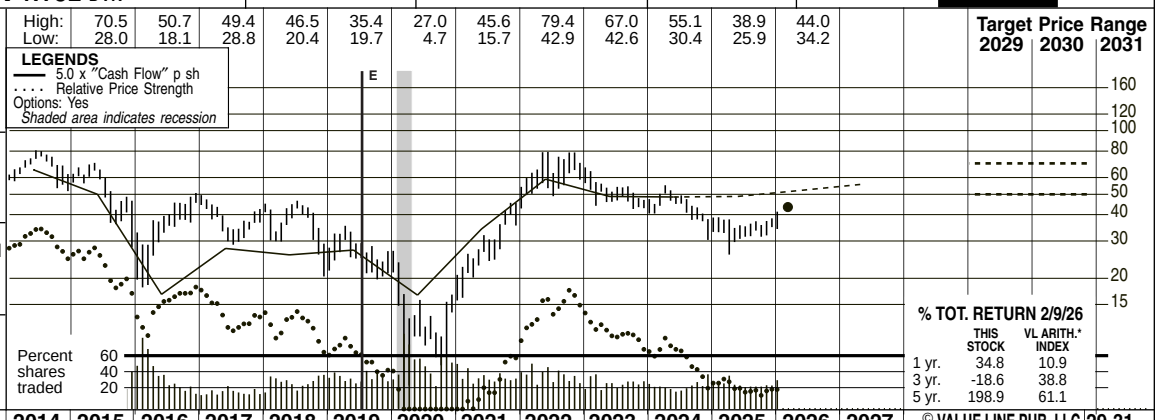
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$23-$55 $39 (-10%)

2029-31 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+60%)	*15%*
Low	50	(+15%)	*6%*

Institutional Decisions

	1Q2025	2Q2025	3Q2025
to Buy	603	512	501
to Sell	504	584	507
Hld's(000)	501801	494572	489105



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
22.27	28.34	23.40	25.61	47.84	31.45	23.32	26.57	23.91	16.28	12.64	18.41	29.36	24.00	24.50	*26.95*	*29.55*	*31.90*	Sales per sh	*34.90*
10.02	11.71	10.09	11.15	13.04	9.98	3.35	5.54	5.17	5.45	3.32	6.84	11.79	9.77	9.70	*9.75*	*10.45*	*11.20*	"Cash Flow" per sh	*12.45*
5.75	5.94	3.26	4.29	4.91	2.52	d.13	1.59	1.28	1.41	d.09	3.52	8.31	5.70	4.83	*4.00*	*4.05*	*4.30*	Earnings per sh [A]	*5.45*
.64	.67	.80	.86	.94	.96	.42	.24	.30	.35	.42	.44	.70	.80	.88	.96	*1.04*	*1.12*	Div'ds Decl'd per sh [B]	*1.26*
14.51	18.64	20.26	16.65	17.09	12.70	4.46	5.26	5.46	5.08	3.02	3.00	3.89	6.11	5.60	*5.90*	*6.20*	*6.55*	Cap'l Spending per sh	*6.55*
43.14	53.03	52.41	50.49	52.66	16.86	11.33	17.63	20.46	15.19	7.55	13.97	17.10	18.97	22.28	*24.80*	*26.70*	*29.20*	Book Value per sh [C]	*40.90*
446.30	404.10	406.00	406.00	409.00	418.00	523.00	525.00	449.00	382.00	382.00	663.00	653.00	635.70	650.70	*625.00*	*580.00*	*550.00*	Common Shs Outst'g [D]	*550.00*
11.7	12.8	18.9	13.5	13.7	21.0	--	23.8	28.9	18.7	--	8.2	7.5	9.0	9.1	*8.5*	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*11.0*
.74	.80	1.20	.76	.72	1.06	--	1.20	1.56	1.00	--	.44	.43	.50	.48	*.44*			Relative P/E Ratio	*.60*
1.0%	.9%	1.3%	1.5%	1.4%	1.8%	1.2%	.6%	.8%	1.3%	3.2%	1.5%	1.1%	1.6%	2.0%	2.8%			Avg Ann'l Div'd Yield	*2.0%*
12197	13949	10734	6220.0	4828.0	12206	19169	15258	15940	*16850*	*17150*	*17550*	Sales ($mill)	*19200*
34.5%	22.5%	30.9%	27.0%	24.6%	44.5%	53.0%	49.1%	46.7%	*44.0%*	*44.0%*	*44.0%*	Operating Margin	*45.0%*
1792.0	2074.0	1658.0	1497.0	1300.0	2158.0	2223.0	2554.0	3255.0	*3600*	*3700*	*3800*	Depreciation ($mill)	*3850*
d38.0	835.0	662.0	583.0	d30.0	2374.0	5476.0	3659.0	3054.0	*2500*	*2350*	*2360*	Net Profit ($mill)	*2990*
--	--	16.0%	--	--	17.4%	24.0%	20.1%	19.9%	*27.0%*	*27.0%*	*27.0%*	Income Tax Rate	*27.0%*
NMF	6.0%	6.2%	9.4%	NMF	19.4%	28.6%	24.0%	19.2%	*14.8%*	*13.7%*	*13.4%*	Net Profit Margin	*15.6%*
1156.0	1476.0	2211.0	1924.0	1820.0	1162.0	786.0	208.0	118.0	*100*	*250*	*420*	Working Cap'l ($mill)	*545*
10154	10291	5785.0	4294.0	4298.0	6482.0	6189.0	5672.0	8398.0	*7250*	*7100*	*7000*	Long-Term Debt ($mill)	*6750*
5927.0	9254.0	9186.0	5802.0	2885.0	9262.0	11167	12061	14496	*15500*	*15550*	*16120*	Shr. Equity ($mill) [C]	*22500*
1.3%	5.5%	6.4%	7.0%	1.5%	16.1%	32.4%	21.5%	14.1%	*12.0%*	*11.5%*	*11.0%*	Return on Total Cap'l	*11.0%*
NMF	9.0%	7.2%	10.0%	NMF	25.6%	49.0%	30.3%	21.1%	*16.0%*	*15.0%*	*14.5%*	Return on Shr. Equity	*13.5%*
NMF	7.7%	5.6%	7.6%	NMF	22.4%	45.0%	26.1%	17.1%	*12.5%*	*11.0%*	*11.0%*	Retained to Com Eq	*10.0%*
NMF	15%	23%	24%	NMF	13%	8%	14%	19%	*24%*	*26%*	*26%*	All Div'ds to Net Prof	*23%*

CAPITAL STRUCTURE as of 9/30/25
Total Debt $8,391 bill. **Due in 5 Yrs** $2273 mill.
LT Debt $7,393 bill. **LT Interest** $460 mill.
(Total interest coverage: 11.7x) (32% of Cap'l)

Leases, Uncapitalized Annual rentals $28.0 mill.
Pension Assets-12/24 $447 mill.
Oblig. $627 mill.

Pfd Stock None

Common Stock 627,300,000 shares.
as of 10/23/25

MARKET CAP: $27.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2023	2024	9/30/25
Cash Assets	875	846	1278
Receivables	1573	1972	1835
Inventory (Avg Cst)	249	294	361
Other	460	315	393
Current Assets	3157	3427	3867
Accts Payable	760	806	934
Debt Due	483	485	998
Other	1706	2018	2110
Current Liab.	2949	3309	4042

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '29-'31
Sales	-2.0%	3.0%	*4.5%*
"Cash Flow"	-1.0%	14.0%	*2.5%*
Earnings	4.0%	34.5%	*-2.0%*
Dividends	-1.0%	21.5%	*7.0%*
Book Value	-9.5%	2.0%	*11.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	3823	3454	3836	4145	15258
2024	3596	3917	4024	4403	15940
2025	4452	4284	4331	*3783*	*16850*
2026	*4400*	*4300*	*4350*	*4100*	*17150*
2027	*4400*	*4500*	*4450*	*4200*	*17550*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	1.46	1.18	1.65	1.41	5.70
2024	1.16	1.41	1.10	1.16	4.83
2025	1.21	.84	1.04	*.91*	*4.00*
2026	*1.00*	*1.00*	*1.05*	*1.00*	*4.05*
2027	*1.05*	*1.15*	*1.10*	*1.00*	*4.30*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.16	.18	.18	.18	.70
2023	.20	.20	.20	.20	.80
2024	.22	.22	.22	.22	.88
2025	.24	.24	.24	.24	.96
2026					

BUSINESS: Devon Energy Corp. is a North American oil, NGL, and gas exploration and production company. It acquired the Williston Basin business from Grayson Mill, 9/24; completed an all-stock merger with WPX Energy, 1/21; sold Barnett Shale assets, 10/20. 2024 production: 737,000 boe, including 1,196 MMcf gas and 191 Mbbls liquids. Proved reserves at 12/31/24: 2,155 mill. Bbls. of oil equiv., including 1,526 MMbls liquids and 3,776 bcf natural gas. Has about 2,300 emplys. Off./Dir. own less than 1.0% of common; The Vanguard Group, 11.5%; BlackRock, Inc., 8.1% (4/25 proxy). Chrmn.: John E. Bethancourt. CEO: Rick Muncrief. Incorporated: OK. Address: 333 West Sheridan Avenue, Oklahoma City, OK 73102. Telephone: 405-235-3611. Internet: www.devonenergy.com.

Devon has agreed to buy Coterra Energy in an all-stock transaction. Under terms of the proposed deal, Devon will issue .70 of a DVN share for each Coterra share, implying a combined enterprise value of $58 billion. Both businesses see the tie-up as an opportunity to increase scale, accelerate free cash growth, and generate $1.0 billion in pre-tax synergies. The new energy supplier would have a presence in all major U.S. shale areas. Both companies have considerable holdings in the Permian Basin, while Devon owns assets in the Eagle Ford and Williston basins and Coterra has acreage in the Marcellus. Combining liquids-rich land in the Permian with the natural gas-abundant areas in the Marcellus helps bring exposure to myriad energy markets. Note that pro forma 2025 third-quarter production exceeded 1.6 million barrels of oil equivalent (boe).

Management's focus remains on enhancing capital efficiency. Fourth-quarter results (to be released shortly after we went to press with this report) probably included 383,000 to 388,000 barrels of oil and 828,000 to 844,000 boe. As for 2026, total output will probably be in a range of 835,000 to 855,000 boe (including around 388,000 barrels of oil). While the company is looking to maintain recent production levels in 2026, capital requirements for the 52-week period are apt to moderate by approximately $500 million. Devon is in the middle of a business optimization plan (60% complete at the end of the September period) that is intended to generate an incremental $1.0 billion in annual pretax free cash flow. This follows the completion of numerous gas marketing agreements to sell natural gas into markets offering premiums.

Devon shares recently rose to a new 52-week high price. Positive momentum coincided with price gains for various energy products and reports of the aforementioned merger, which led us to suspend the stock's Timeliness rank. As the company is currently configured, the issue holds worthwhile 3- to 5-year total return potential, supported by an ongoing $5.0 billion share-repurchase program (worth between $200 million and $300 million in buybacks per quarter) and debt reduction initiatives.

Dominic B. Silva *February 20, 2026*

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '18, (11¢); '19, ($1.62); '20, ($6.69). Excl. disc. operations: '18, $4.97; '19, (68¢); '20, 34¢; '21, 67¢; '22, 81¢; '23, 14¢; '24, 1Q: (22¢). Next earnings report due mid-May. **(B)** Dividends historically paid at the end of March, June, September, and December. Paid 26¢ special dividend in 10/20. Excludes variable dividends: '21: $1.53; '22: $4.47; '23: $2.07; '24: 35¢. **(C)** Includes intangibles: '24: $753 million, $1.16/share. **(D)** In millions. **(E)** Divested EnLink.

Company's Financial Strength	B++
Stock's Price Stability	35
Price Growth Persistence	30
Earnings Predictability	30

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