



Free Stock Pick from our Safest Dividend Yields Model Portfolio for September 2025

A government shutdown, TrumpRx, and a presidential address that brought in nearly all high-ranking generals from around the world grabbed the headlines recently. These days, especially, no one knows what the story of the day will be, but prudent investors build their portfolio to withstand any headline.

For investors looking to avoid the volatility during these chaotic times, dividend investing can offer stability. But not all dividends [are created equal](#). Across the market, firms with weak free cash flow, excessive leverage, or high payout ratios will find dividend sustainability tested when growth slows or cash flows dry up.

On the flip side, several companies continue to stand out as dividend safe havens, through their resilient business models, disciplined capital allocation, and strong cash flows to support the dividend.

Our Safest Dividend Yields Model Portfolio only includes companies that generate sufficient cash flows to support dividend payments and stocks that earn our Attractive or Very Attractive rating. In other words, the stocks in this Model Portfolio give you the best of both worlds: safety and upside potential.

Below you will find a free stock pick from the latest edition of our Safest Dividend Yields Model Portfolio. This summary is not a full Long Idea report, but it will give you insight into the rigor of our research and approach to picking stocks.

Feel free to share this report with friends and colleagues.

We update this Model Portfolio monthly. [September's](#) Safest Dividend Yields Model Portfolio was updated and published for clients on September 23, 2025.

Free Stock Pick: Energizer Holdings (ENR: \$25/share)

Energizer Holdings (ENR) is the featured stock in September's Safest Dividend Yields Model Portfolio.

Energizer has grown revenue and net operating profit after tax ([NOPAT](#)) 4% and 5% compounded annually, respectively, since fiscal 2014. The company's [invested capital turns](#) were flat at 0.7 from fiscal 2021 to the trailing-twelve-months (TTM), while its NOPAT margin improved from 14.1% to 14.5% over the same time. Rising margins drive the company's return on invested capital ([ROIC](#)) from 9.4% in fiscal 2021 to 10.2% in the TTM.

Figure 1: Energizer's Revenue & NOPAT Since Fiscal 2014



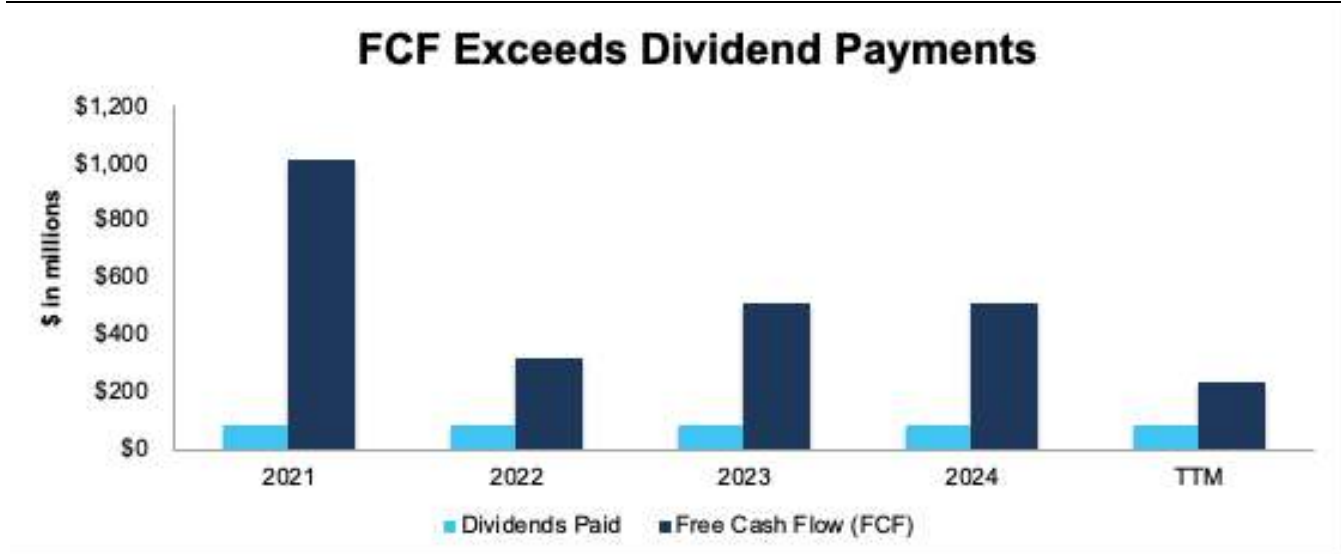
Sources: New Constructs, LLC and company filings

**Free Cash Flow Exceeds Regular Dividend Payments**

Energizer has maintained its regular dividend at \$0.30/share since 4Q18. The current quarterly dividend, when annualized provides a 4.8% dividend yield.

The company's free cash flow ([FCF](#)) easily exceeds its regular dividend payments. From 2021 through the first nine months of fiscal 2025, the company generated \$2.4 billion (55% of current [enterprise value](#)) in FCF while paying \$409 million in regular dividends. See Figure 2.

Figure 2: Energizer's FCF Vs. Regular Dividends Since Fiscal 2021



Sources: New Constructs, LLC and company filings

As Figure 2 shows, this company's dividends are backed by a history of reliable cash flows. Dividends from companies with low or negative FCF are less dependable since the company might not have the cash to sustain paying dividends.

ENR Is Undervalued

At its current price of \$25/share, ENR has a price-to-economic book value ([PEBV](#)) ratio of 0.4. This ratio means the market expects the company's NOPAT to permanently fall 60% from TTM levels. This expectation seems overly pessimistic given that the company has grown NOPAT by 5% compounded annually since fiscal 2014 and 3% compounded annually since fiscal 2019.

Even if the company's:

- NOPAT margin immediately falls to 9% (compared to 14.5% in the TTM and 5-yr average of 12.6%) through fiscal 2034, and
- revenue grows just 1% (below CAGR of 4% over the last decade) compounded annually through 2034, then

the stock would be worth \$34/share today – a 36% upside. In this scenario, the company's NOPAT would fall 2% compounded annually through 2034. [Contact us for the math behind this reverse DCF scenario.](#)

Should the company's NOPAT grow more in line with recent growth rates, the stock has even more upside.

Critical Details Found in Financial Filings by Our [Robo-Analyst Technology](#)

Below are specifics on the adjustments we make based on Robo-Analyst findings in this featured stock's 10-K and 10-Qs:

Income Statement: we made over \$500 million in adjustments with a net effect of removing just over \$300 million in [non-operating expenses](#). Professional members can see all adjustments made to the company's income statement on the GAAP Reconciliation tab on the Ratings page on our website.



Balance Sheet: we made over \$1.0 billion in adjustments to calculate invested capital with a net increase of over \$600 million. One of the most notable adjustments was for [asset write downs](#). Professional members can see all adjustments made to the company's balance sheet on the GAAP Reconciliation tab on the Ratings page on our website.

Valuation: we made over \$2.6 billion in adjustments with a net decrease in shareholder value of ~\$2.6 billion. Apart from [total debt](#), the most notable adjustment to shareholder value was for [pensions](#). Professional members can see all adjustments to the company's valuation on the GAAP Reconciliation tab on the Ratings page on our website.

This article was originally published on [October 3, 2025](#).

Disclosure: David Trainer, Kyle Guske II, and Hakan Salt receive no compensation to write about any specific stock, style, or theme.

Questions on this report or others? Join our [online community](#) and connect with us directly.



It's Official: We Deliver the Best Fundamental Data in the World

Many firms claim their research is superior, but none of them can prove it with independent studies from highly-respected institutions as we can. Three different papers from both the public and private sectors show:

1. The stock market is missing footnotes – and only we have that critical data.
2. Legacy fundamental datasets suffer from significant inaccuracies, omissions, and biases.
3. Our proprietary drives novel alpha. Our measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

Best Fundamental Data in the World

In [The Journal of Financial Economics](#), a top peer-reviewed journal, [Core Earnings: New Data & Evidence](#) proves our Robo-Analyst technology overcomes material shortcomings in legacy firms' data collection processes to provide superior [fundamental data](#), [earnings](#) models, and [research](#). More [details](#).

Key quotes from the paper:

- “[New Constructs’] *Total Adjustments* differs significantly from the items identified and excluded from Compustat’s adjusted earnings measures. For example... 50% to 70% of the variation in *Total Adjustments* is not explained by S&P Global’s (SPGI) *Adjustments* individually.” – pp. 14, 1st para.
- “A final source of differences [between New Constructs’ and S&P Global’s data] is due to data collection oversights...we identified cases where Compustat did not collect information relating to firms’ income that is useful in assessing core earnings.” – pp. 16, 2nd para.

Superior Models

Ernst & Young features the superiority of our ROIC, NOPAT and Invested Capital research to Capital IQ & Bloomberg’s in [Getting ROIC Right](#). See the [Appendix](#) for direct comparison details.

Key quotes from the paper:

- “...an accurate calculation of ROIC requires more diligence than often occurs in some of the common, off-the-shelf ROIC calculations. Only by scouring the footnotes and the MD&A [as New Constructs does] can investors get an accurate calculation of ROIC.” – pp. 8, 5th para.
- “The majority of the difference...comes from New Constructs’ machine learning approach, which leverages technology to calculate ROIC by applying accounting adjustments that may be buried deeply in the footnotes across thousands of companies.” – pp. 4, 2nd para.

Superior Stock Ratings

Robo-Analysts’ stock ratings outperform those from human analysts as shown in this [paper](#) from Harvard Business School. Bloomberg features the paper [here](#).

Key quotes from the paper:

- “the portfolios formed following the buy recommendations of Robo-Analysts earn abnormal returns that are statistically and economically significant.” – pp. 6, 3rd para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3rd para.

Our mission is to provide the best fundamental analysis of public and private businesses in the world and make it affordable for all investors, not just Wall Street insiders.

We believe every investor deserves to know the whole truth about the profitability and valuation of any company they consider for investment. More details on our cutting-edge technology and how we use it are [here](#).



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