

# FCF Yield Leaders: B1000 Stocks Generating 15%+

A deep-dive analysis of ten large-cap US companies with the highest free cash flow yields in the Bloomberg US 1000 index

---

Screen date: May 23, 2026 · FCF yield threshold: 15% · Universe: Bloomberg US 1000

## Inside this report:

- › 10 high-yield stocks with expanded analysis beyond the public blog post
- › Key metrics table per company: FCF, market cap, FCF margin, capital allocation priority
- › Yield classification: Structural / Cyclical / Leveraged / Transition
- › The central analytical question for each name
- › Sector clustering insights and what they reveal about the current market
- › An investor checklist for evaluating any high-FCF-yield stock



# Introduction & Methodology

What this screen measures and how to use this report

## What Is Free Cash Flow Yield?

Free cash flow yield is free cash flow divided by market capitalization. It answers a direct question: for every dollar the market charges to own a business, how many cents does that business generate in actual cash? A 20% FCF yield means the company produces \$0.20 in free cash for every \$1.00 of market value — the inverse of a 5x FCF multiple.

FCF yield is more grounded than earnings yield because it starts from actual cash flow rather than accrual accounting profit. Depreciation schedules, revenue recognition timing, and non-cash charges all affect earnings but not cash. A business with a 20% FCF yield is almost certainly generating real cash; a business with a 20% earnings yield may or may not be, depending on how far its earnings diverge from cash.

## The B1000 Universe

The Bloomberg US 1000 (B1000) consists of the 1,000 largest US-listed companies by market capitalization. It is broader than the S&P 500 (500 names) and narrower than the Russell 2000 (small caps). The B1000 represents approximately 97% of US equity market capitalization and includes every major sector at meaningful weight.

## Screening Methodology

Step	Filter	Description
Step 1	Universe	Bloomberg US 1000 — 1,000 largest US-listed companies by market cap
Step 2	Primary filter	FCF yield $\geq$ 15% on trailing twelve-month FCF vs. current market cap
Step 3	Secondary filter	Excluded names where FCF is visibly distorted by asset sales, working capital releases, or one-time timing items
Step 4	Coverage selection	10 names examined in detail; linked companies with existing deep dives noted separately
Step 5	As of date	May 23, 2026 — yields shift with share prices and trailing FCF figures

## Yield Classification System

Each stock in this report is tagged with a yield classification based on the primary driver of its elevated FCF yield:

<b>Structural</b>	Business model creates persistently high FCF — low capex needs, pricing power, switching costs
<b>Cyclical</b>	Yield elevated by cycle peak; cash generation is real but may compress as cycle normalizes
<b>Leveraged</b>	Yield partly reflects debt overhang; FCF to equity holders is lower than headline yield implies
<b>Transition</b>	Post-divestiture or restructuring event temporarily elevates FCF; normalize carefully







# The Screen at a Glance

All 10 stocks ranked by FCF yield — B1000 screen as of May 23, 2026

Ticker	Company	FCF Yield	Mkt Cap	FCF (est.)	Sector	Type
ADT	ADT Inc	34.5%	\$5.4B	\$1.9B	Commercial Support Services	Leveraged
T	AT&T Inc	26.9%	\$173.6B	\$16.8B	Telecommunications	Structural
BBWI	Bath & Body Works	26.7%	\$3.2B	\$0.8B	Retail/Discretionary	Cyclical
CNC	Centene Corp	24.3%	\$29.2B	\$7.1B	Healthcare	Structural
KMX	CarMax Inc	24.2%	\$5.1B	\$1.2B	Retail/Discretionary	Cyclical
CHTR	Charter Communications	20.3%	\$19.9B	\$4.0B	Cable & Satellite	Cyclical
THC	Tenet Healthcare	20.3%	\$16.5B	\$3.4B	Healthcare	Transition
F	Ford Motor Co	18.3%	\$52B	\$9.5B	Automotive	Cyclical
HRB	H&R Block	15.5%	\$4.9B	\$0.8B	Commercial Support Services	Structural
HPQ	HP Inc	15%	\$19.2B	\$2.9B	Technology Hardware	Structural

\* FCF (est.) = FCF Yield × Market Cap. Figures are derived from the B1000 screen and may differ from company-reported FCF due to data sources and timing.

## Two Patterns Worth Noting

First, the list skews heavily toward capital-intensive or subscription-driven industries — telecom, cable, healthcare, and automotive — where businesses generate operating cash flows that dwarf reported earnings. Not a single technology growth company appears on this list, and the only software name in the broader top-20 screen is Dropbox. The market prices growth companies on future cash, not current.

Second, these are not growth stocks. Every name here trades at compressed multiples, and the high FCF yield partly reflects that compression. The screen identifies where the market has priced in pessimism — which is a hypothesis worth testing, not a conclusion worth acting on. The stock-by-stock analyses on the following pages examine whether the pessimism is justified, excessive, or not pessimistic enough.

YIELD TYPE LEGEND:

Structural

Cyclical

Leveraged

Transition







## ADT Inc (ADT)

MARKET CAP

**\$5.4B**

FCF (EST.)

**\$1.9B**

FCF MARGIN

**~25%**

CAPITAL ALLOCATION

**Debt reduction**

ADT's 34.5% yield sits at the top of the B1000 screen and demands scrutiny before enthusiasm. The company's monitoring subscription model — approximately 6.4 million residential and commercial accounts paying recurring monthly fees — generates predictable operating cash flow. Dealer acquisition costs and subscriber installation capex partially offset that, making the net FCF picture sensitive to subscriber growth assumptions.

The more important context is the balance sheet. ADT carries substantial debt from its Apollo Global Management-era leveraged buyout, and the elevated yield partly prices in that overhang. When a business generates \$1.86B in estimated FCF against \$8B+ in net debt, the cash available to equity holders after debt service is meaningfully lower than the yield implies. The cash generation is real; the question is whose pocket it flows into after interest payments.

ADT's strategic partnership with Google — providing integration between ADT's monitoring network and Nest devices — adds a defensive dimension to an otherwise commoditized business. That partnership has not materially moved FCF per share, but it complicates any thesis that ADT is a simple value play on a declining monitoring business.

**THE CENTRAL QUESTION**

How much FCF reaches equity holders after debt service — and at what pace is the balance sheet being deleveraged?







MARKET CAP

**\$173.6B**

FCF (EST.)

**\$16.8B**

FCF MARGIN

**~20%**

CAPITAL ALLOCATION

**Dividends + debt  
reduction**

AT&T's story since shedding WarnerMedia in 2022 is simpler than it was during the media acquisition era: a wireless and fiber broadband business generating \$16–17 billion in FCF annually. The 26.9% FCF yield reflects that genuine cash generation alongside the market's persistent skepticism about AT&T's competitive positioning against cable broadband operators encroaching on its wireline base.

The dividend consumed approximately \$8 billion in 2024, with the remainder directed toward debt reduction and selective buybacks. AT&T entered the WarnerMedia divestiture with over \$180B in debt; the current trajectory puts net debt in the \$120–130B range, manageable against the FCF base but still constraining relative to a pure wireless operator like Verizon. The fiber buildout — targeting 30M+ locations passed — is the growth lever, but it adds capex in the near term before delivering cash returns.

The key distinction from the pre-2022 AT&T is capital discipline. The company is no longer pursuing large acquisitions, the dividend has been right-sized, and management has been consistent about the debt reduction path. Whether that consistency is rewarded with multiple expansion depends on whether the market eventually concedes that a \$16B+ FCF business deserves a higher valuation than current pricing implies.

**THE CENTRAL QUESTION**

Can AT&T sustain \$16B+ FCF as wireless market growth slows and fiber build costs normalize?







# Bath & Body Works (BBWI)

MARKET CAP

**\$3.2B**

FCF (EST.)

**\$0.8B**

FCF MARGIN

**~15%**

CAPITAL ALLOCATION

**Buybacks + dividends**

Bath & Body Works is one of the more counterintuitive entries on this list. Specialty retail is not typically associated with high FCF yields — thin margins, inventory risk, and lease obligations usually consume cash before it reaches free cash flow. BBWI's model is structurally different: unusually high sales productivity per square foot, fragrance and body care products with genuine pricing power and brand loyalty, and minimal capex requirements relative to the earnings base.

The stock was marked down significantly on consumer discretionary spending concerns, compressing the market cap denominator while FCF generation remained relatively stable. A specialty retailer sustaining 25%+ FCF yield through a consumer slowdown is unusual enough to warrant examination of whether those economics are as durable as recent numbers suggest.

The international expansion opportunity is real but early. BBWI has been selectively growing its franchise model outside North America, which adds revenue without proportionate capex. The core domestic business faces secular questions about whether in-store fragrance retail can sustain its current volume as shopping behavior evolves — but so far the data has not supported the bearish thesis.

## THE CENTRAL QUESTION

Is BBWI's FCF margin durable through a prolonged consumer spending slowdown, or does it normalize lower as traffic softens?







## Centene Corp (CNC)

MARKET CAP

**\$29.2B**

FCF (EST.)

**\$7.1B**

FCF MARGIN

**~5%**

CAPITAL ALLOCATION

**Buybacks + debt**

Centene is the largest managed Medicaid insurer in the United States, operating through the spread between premium revenue and medical claims — a float-like model when membership is stable. Revenue exceeds \$140 billion annually, which makes the 5% FCF margin look thin in percentage terms while generating \$7B+ in absolute FCF.

The elevated yield reflects two things: genuine cash generation from scale, and meaningful uncertainty about Medicaid enrollment following post-COVID redeterminations that reduced membership rolls across the industry. States unwound pandemic-era continuous enrollment protections, and Centene — with its heavy Medicaid weighting — faced more membership risk than commercial-focused peers. The company has navigated that transition reasonably well but investors have not fully repriced the uncertainty lower.

Management's capital allocation response has been consistent with a management team that believes the stock is undervalued: active buybacks at current FCF multiples, debt reduction, and selective state-level contract renewals over aggressive new state expansion. Healthcare policy remains the primary variable — changes to Medicaid funding formulas or managed care carve-outs can materially affect the earnings base faster than operational improvements can offset them.

**THE CENTRAL QUESTION**

How does Centene's Medicaid membership trajectory evolve as post-COVID redeterminations fully cycle through, and what is the normalized FCF level?







## CarMax Inc (KMX)

MARKET CAP

**\$5.1B**

FCF (EST.)

**\$1.2B**

FCF MARGIN

**~5%**

CAPITAL ALLOCATION

**Buybacks**

CarMax's presence on this list is partly an artifact of market repricing rather than a step-change in business quality. Used car prices normalized sharply from pandemic highs, CarMax's inventory margins compressed, and the stock was repriced to reflect that cyclical pressure. But CarMax's model — which earns fees from financing, extended warranties, and vehicle reconditioning alongside its retail margin — generates more FCF per dollar of revenue than a traditional auto dealer.

The 24.2% yield reflects a compressed stock price against a business that has historically operated at mid-teens FCF margins in normalized used-car market environments. CarMax's nationwide footprint, consistent consumer trust scores, and omnichannel buying experience (which allows online purchase completion, in-store test drives, or any combination) represent a competitive position that is difficult for regional dealers to replicate.

The analytical question is whether current inventory economics represent normalized or still-elevated conditions. Wholesale auction prices, used vehicle supply from lease returns, and consumer financing costs all feed into CarMax's unit economics. A return to pre-pandemic used-car market dynamics would likely coincide with FCF normalization and stock re-rating — in either direction depending on which way the cycle turns.

**THE CENTRAL QUESTION**

What does CarMax's FCF look like at normalized used-car market conditions, and is current market pricing already discounting that outcome?







## Charter Communications (CHTR)

MARKET CAP

**\$19.9B**

FCF (EST.)

**\$4.0B**

FCF MARGIN

**~15%**

CAPITAL ALLOCATION

**Debt + buybacks**

Charter is a capital expenditure-intensive business in an unusually capital-intensive period. The company has significant rural broadband buildout obligations under RDOF agreements and is simultaneously defending its residential cable base against fixed wireless competition from T-Mobile and Verizon. Despite that dual pressure, operating cash flows remain substantial — the cable infrastructure advantage generates pricing power and high operating margins that support FCF even during heavy investment cycles.

The 20.3% yield prices in the competitive threat more than it reflects deterioration in current cash generation. Charter's fixed wireless competition concern is real but often overstated at the margin: fixed wireless works well in low-density suburban and rural markets but faces meaningful limitations in urban multi-dwelling units — which happen to be where cable has its highest customer density and lowest churn.

The capex normalization timeline is the key variable for FCF trajectory. As the RDOF buildout completes and rural broadband spending tapers, Charter's FCF should expand significantly on the current operating base. The market is discounting that normalization heavily, which creates opportunity if Charter successfully defends its core subscriber base through the competitive transition.

**THE CENTRAL QUESTION**

At what point does Charter's capex cycle normalize, and how much FCF does the business generate once the rural buildout obligation is fully funded?







## Tenet Healthcare (THC)

MARKET CAP

**\$16.5B**

FCF (EST.)

**\$3.4B**

FCF MARGIN

**~10%**

CAPITAL ALLOCATION

**Debt reduction +  
reinvestment**

Tenet divested its ambulatory surgery center business — USPH United Surgical Partners, a high-margin outpatient platform — and refocused on acute care hospitals. Post-divestiture, Tenet's FCF profile looks elevated partly because capex requirements are temporarily lower during the portfolio transition period. Acute care hospitals generate cash through volume: surgical procedures, inpatient admissions, and emergency services.

The consolidation strategy has shifted toward higher-acuity markets with stronger reimbursement rates. Tenet has been exiting lower-margin rural and community hospital markets and concentrating its remaining facilities in urban and suburban markets with better commercial insurance penetration and higher-complexity case mix. That strategy improves margin per admission at the cost of some revenue scale.

The 20.3% yield warrants examination of whether the divestiture-era FCF represents a sustainable run rate or a transitional figure. As the remaining hospital portfolio requires reinvestment to maintain technology infrastructure, recruit physicians, and compete with larger health systems, the maintenance capex burden will increase from its current post-divestiture low. The normalized FCF level — after reinvestment needs are fully reflected — may be somewhat lower than the trailing figure implies.

**THE CENTRAL QUESTION**

What is Tenet's normalized maintenance capex requirement for the remaining acute care portfolio, and does the current FCF survive full reinvestment?







## Ford Motor Co (F)

MARKET CAP

**\$52B**

FCF (EST.)

**\$9.5B**

FCF MARGIN

**~5%**

CAPITAL ALLOCATION

**Dividends + EV  
investment**

Ford's FCF yield is cyclically elevated. The automotive sector generates strong operating cash in upcycles — high transaction prices, lean inventories, and favorable financing spreads all contributed to Ford's recent FCF performance. Ford Pro, the commercial vehicle segment, has been the primary cash driver: fleet customers, construction companies, and logistics operators purchasing the F-Series at sustained high transaction prices.

The more relevant question is durability. Ford has committed over \$20 billion to EV development through its Ford Model e segment, which has been generating significant operating losses cross-subsidized by the profitable ICE truck business. The FCF yield on the consolidated company looks attractive at face value; the embedded cost is how that cross-subsidy evolves as EV penetration increases and the ICE truck business eventually faces transition pressure.

Ford's capital allocation has been more shareholder-friendly than historical patterns — special dividends alongside the regular dividend, buybacks during down periods. But the EV transition creates a long-dated uncertainty that prevents the market from valuing Ford's FCF on a stable-business multiple. Investors using this yield as a primary valuation input should model the ICE/EV transition dynamic explicitly rather than treating current FCF as a perpetuity.

**THE CENTRAL QUESTION**

How long can Ford's ICE truck business sustain its current margins while cross-subsidizing the EV segment's operating losses?







## H&amp;R Block (HRB)

MARKET CAP

**\$4.9B**

FCF (EST.)

**\$0.8B**

FCF MARGIN

**~25%**

CAPITAL ALLOCATION

**Buybacks + dividends**

H&R Block is one of the most structurally durable high-yield businesses on this list. Tax preparation is recession-resistant — households file regardless of economic conditions — and the H&R Block brand commands pricing power in a category with meaningful switching friction. Millions of customers return to H&R Block year after year because switching requires re-establishing trust with a new preparer and potentially risks a less favorable filing outcome.

The financial profile reflects those structural advantages: capex is minimal (no manufacturing, no heavy infrastructure), there is no inventory, and seasonal cash flow dynamics allow the company to return capital aggressively through buybacks. HRB has sustained a FCF yield above 10% for most of the past decade. Share count has declined consistently, supporting per-share FCF growth even as total cash generation has been roughly flat.

The primary structural risk is IRS free-file expansion and competition from TurboTax and other digital-first alternatives. In-person filing volumes have declined gradually over time, and H&R Block's response — building its own DIY digital product and AI-assisted filing tools — has had mixed results. The question is not whether digital disruption is occurring (it clearly is) but whether it occurs fast enough to materially compress FCF before the company's share reduction program creates a floor on per-share value.

**THE CENTRAL QUESTION**

At what rate does digital tax filing erode H&R Block's in-person volume, and can the company's digital product offset that pressure fast enough to sustain current FCF levels?







## HP Inc (HPQ)

MARKET CAP

**\$19.2B**

FCF (EST.)

**\$2.9B**

FCF MARGIN

**~10%**

CAPITAL ALLOCATION

**Buybacks +  
dividends (near 100%)**

HP Inc — the PC and printing business, not HP Enterprise — generates more free cash flow than most observers expect from a mature hardware company. The reason is the printer consumables business: ink and toner cartridges carry gross margins above 50% and generate recurring revenue that flows almost entirely to FCF given the minimal incremental capex required to maintain that stream. The PC business is commoditized and margin-thin, but the installed printer base creates an annuity-like revenue stream that has been remarkably stable.

HP's capital allocation has been straightforward: return essentially all FCF to shareholders through buybacks and dividends, gradually reducing share count and supporting per-share FCF growth even as total cash generation has been roughly flat for several years. The company has repurchased over 40% of its outstanding shares in the past decade — a significant return of capital that is often underappreciated in headline revenue and earnings comparisons that don't adjust for share count.

The long-term risk is secular: printer volumes are declining as document workflows shift digital, and the consumables annuity erodes as the installed base shrinks. HP has attempted to manage this through subscription printing programs (HP Instant Ink) and commercial managed print services, with partial success. The business is in managed decline — the question is whether the FCF generation holds long enough for the capital return program to create adequate equity value before the secular headwind becomes an existential one.

**THE CENTRAL QUESTION**

How many years can HP's consumables annuity sustain current FCF while printer volumes decline, and does the capital return program create sufficient equity value in that window?







# What the Sector Clustering Tells You

Reading the list as a market signal, not just a stock screen

## Telecom & Cable: Three of Ten Names

AT&T (26.9%), Charter (20.3%), and Comcast — examined separately in the full site analysis — account for three of the ten names and collectively represent the largest sector cluster. All three share a structural characteristic: enormous infrastructure investments that generate high depreciation charges (flattering operating cash flow relative to earnings) in businesses facing competitive transitions they have not fully navigated. The market is pricing risk, not manufacturing it. The question is whether the risk is priced correctly or excessively.

---

## Healthcare: Two Names, Different Dynamics

Centene and Tenet represent healthcare, but through different mechanisms. Centene's FCF comes from the spread between managed care premiums and claims across a \$140B+ revenue base — a float-like model where the yield reflects enrollment uncertainty, not business deterioration. Tenet's FCF reflects a post-divestiture portfolio that is temporarily light on capex. Both are real cash generators; neither is a simple value play without policy and reinvestment risk.

---

## Automotive: Cyclical Elevation

Ford and CarMax both appear through cyclical mechanisms. Ford's ICE truck business is generating cash at rates that may not persist through the EV transition; CarMax's FCF reflects normalized used-car market conditions against a stock price still discounting pandemic-era inventory distortions. Both are worth examining on normalized FCF rather than the trailing figure that drove them onto this screen.

---

## The Absent Sectors

No technology growth company, no AI infrastructure name, no high-multiple software business appears on this list. The inverse of the B1000 high-yield screen — the lowest FCF yields — is populated entirely by companies the market believes will generate substantially more cash in the future than they do today: Nvidia, Microsoft's AI cloud segment, semiconductor equipment. Neither extreme is universally right. FCF yield analysis is most useful for identifying where the market has priced pessimism, not for determining what to own.

---







# Investor Checklist

Five questions to answer before acting on any high-FCF-yield stock

## 1 Is the FCF run rate sustainable or cyclically elevated?

Compare trailing FCF to normalized prior-cycle FCF. If FCF is 2x the five-year average, understand what drove the expansion before assuming it persists. Asset sales, pandemic-era inventory dynamics, and deferred capex all inflate trailing FCF temporarily.

---

## 2 What does the balance sheet look like after debt service?

A 25% FCF yield on a business carrying 8x net debt/FCF looks very different than on a business carrying 1x. Calculate levered FCF — operating cash flow minus capex minus interest minus mandatory debt repayment — to understand what actually reaches equity holders.

---

## 3 How is management allocating the cash?

Buybacks at depressed valuations create value. Dividends during deleveraging periods constrain the balance sheet. Acquisitions at the top of the cycle destroy value. Read the last three annual reports and capital allocation commentary before assuming that high FCF generation translates into equity value creation.

---

## 4 Is the business model structurally durable or secularly threatened?

Distinguish between cyclically low prices (CarMax, Ford) and secularly declining economics (HP's printer volumes, H&R Block's in-person filing share). The former may revert; the latter compounds the problem over time. Neither is automatically uninvestable, but the investment thesis differs fundamentally.

---

## 5 What would need to be true for the yield to compress to a market multiple?

Work backwards. If the market average FCF yield is 4% and your stock yields 20%, it would need to 5x its market cap — or lose 80% of its FCF — to converge. What would drive that convergence? Multiple expansion (market recognizes value), FCF decline (market was right), or buybacks (share count shrinks, per-share FCF rises). Know which thesis you are betting on.

---







# About & Disclaimer

## About FreeCashFlow.org

FreeCashFlow.org publishes FCF analysis, investor guides, and stock research focused on free cash flow as the primary lens for evaluating businesses. The site hosts an FCF yield calculator, a B1000 stock screener updated regularly, and a library of company deep dives covering FCF quality, capital allocation, and valuation.

Resources referenced in this report:

- › FCF Yield Calculator: [freecashflow.org/calculator](https://freecashflow.org/calculator)
- › B1000 Stock Screener: [freecashflow.org/stock](https://freecashflow.org/stock)
- › FCF Yield Guide: [freecashflow.org/understanding](https://freecashflow.org/understanding)
- › Company Cash Flow Analyzer: [freecashflow.org/company-analyzer](https://freecashflow.org/company-analyzer)
- › Blog & Research: [freecashflow.org/blog](https://freecashflow.org/blog)

---

## Important Disclaimer

This report is for educational and informational purposes only. It does not constitute investment advice, financial advice, trading advice, or any other type of professional advice. The analysis and data presented in this report should not be relied upon as the sole basis for any investment decision.

FreeCashFlow.org is not a registered investment advisor, broker-dealer, or financial institution. The authors and publishers of this report are not licensed financial advisors. Nothing in this report constitutes a solicitation, recommendation, endorsement, or offer to buy or sell any security.

All investments carry risk, including the potential loss of principal. Past performance does not guarantee future results. The FCF yield figures presented in this report are derived from the FreeCashFlow.org B1000 screener as of May 23, 2026 and may differ from figures published by other financial data providers due to methodology and timing differences.

Always conduct your own due diligence and consult with a licensed financial advisor before making any investment decisions. The analysis in this report reflects the views of the authors at the time of publication and may not reflect subsequent developments.

---





