# D.R. Horton Inc. (DHI)

*Updated January 27th, 2026 by Quinn Mohammed*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $150 | **5 Year CAGR Estimate:** | 11.5% | **Market Cap:** | $44 B |
| **Fair Value Price:** | $107 | **5 Year Growth Estimate:** | 18.0% | **Ex-Dividend Date[1]:** | 02/05/2026 |
| **% Fair Value:** | 140% | **5 Year Valuation Multiple Estimate:** | -6.5% | **Dividend Payment Date[1]:** | 02/12/2026 |
| **Dividend Yield:** | 1.2% | **5 Year Price Target** | $245 | **Years Of Dividend Growth:** | 10 |
| **Dividend Risk Score:** | A | **Sector:** | Consumer Discretionary | **Rating:** | Hold |

## Overview & Current Events

D.R. Horton was founded in 1978 in Fort Worth, Texas, and has been the largest homebuilder by volume since 2002. It operates in 126 markets in 36 states across the U.S. The company's brand portfolio includes D.R. Horton (quality & value brand), Express Homes (first-time homebuyer), Freedom Homes (active adult) and Emerald Homes (luxury), which constructs and sells high-quality homes with sales prices ranging from $200,000 to over $1 million. The corporation also provides mortgage financing, title services and insurance agency services for homebuyers through its mortgage, title, and insurance subsidiaries. D.R. Horton trades on the NYSE under the ticker symbol DHI and boasts a $44 billion market capitalization. In the trailing twelve months, D.R. Horton closed 83,622 homes. DHI also owns the majority of Forestar Group Inc. (FOR), a national residential lot development company.

On October 28th, 2025, the company raised its dividend by 13% to $0.45 a quarter, marking ten years of increases.

D. R. Horton reported first quarter fiscal 2026 results on January 20th, 2026, for the period ending December 31st, 2025. Homebuilding revenue declined 9% year-over-year to $6.5 billion. Net income decreased by 30% to $595 million and net income per share sank 22% to $2.03 compared to $2.61 in Q1 2025, but still beat analysts' estimates by $0.11.

Net sales orders increased by 3% from the same quarter last year, reaching 18,300 homes, while their total value grew slightly by 0.1% to $6.66 billion.

The corporation repurchased 4.4 million shares of common stock for $670 million during Q1. Return on equity was 13.7% for the trailing twelve months.

D. R. Horton reaffirmed its FY 2026 guidance, expecting revenue to be $33.5B to $35.0B, and share repurchase of $2.5 billion. D.R. Horton still expects to close 86K to 88K homes this year.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $2.36 | $2.74 | $4.09 | $4.29 | $6.41 | $11.41 | $16.51 | $13.82 | $14.34 | $11.57 | ***$10.70*** | ***$24.48*** |
| **DPS** | $0.32 | $0.40 | $0.50 | $0.60 | $0.70 | $0.83 | $0.90 | $1.00 | $1.20 | $1.60 | ***$1.80*** | ***$3.32*** |
| **Shares[2]** | 372.9 | 375.0 | 376.3 | 368.4 | 364.0 | 356.0 | 347.0 | 347.0 | 324.0 | 296.2 | ***285.0*** | ***270.0*** |

Since recovering from the financial crisis in 2011, D. R. Horton has seen steady growth in its earnings through 2024. Even with lackluster results in FY 2025, the corporation has grown its EPS by 19.3% and 12.5% CAGR over the last nine and five years, respectively.

Although higher interest rates first affected housing demand, limited availability of homes and population growth kept demand strong. However, interest rates are now on a downtrend and are expected to further decline in the near future, which is likely to improve affordability and thus raise the demand for housing. Furthermore, if interest rates continue to decline, home values would likely improve as well.

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[1] Estimate

[2] In millions

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From $10.70 per share for fiscal 2026, we are forecasting EPS growth at 18.0% per year over the next five years. Earnings could come in stronger if the housing boom continues. The company has a large backlog of homes under contract, most recently reported at 11,376 homes, valued at $4.3 billion. The cancellation rate remained flat over the last year in first quarter FY 2026, at 18%.

D. R. Horton's share count has grown over the long term, however since 2018 the company has made efforts to reduce its share count, and we see this as another tailwind to earnings in the coming years.

The corporation's dividend has grown by 24% on average over the past nine years, and we estimate it will grow by around 13% in the next five years.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Avg. P/E | 12.9 | 11.8 | 11.0 | 9.7 | 8.6 | 7.7 | 5.5 | 7.3 | 11.1 | 10.1 | ***14.0*** | ***10.0*** |
| Avg. Yld. | 1.1% | 1.2% | 1.1% | 1.4% | 1.3% | 0.9% | 1.1% | 0.9% | 0.7% | 1.1% | ***1.2%*** | ***1.4%*** |

D.R. Horton's price-to-earnings multiple appears to be overvalued at 14.0 based on 2026 forecast earnings, and we peg fair value at 10.0 times earnings, in line with its ten-year average. As a result, we see the potential for a valuation headwind. DHI yields 1.2% and we expect the yield to increase slightly from here due to its impressive dividend growth.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

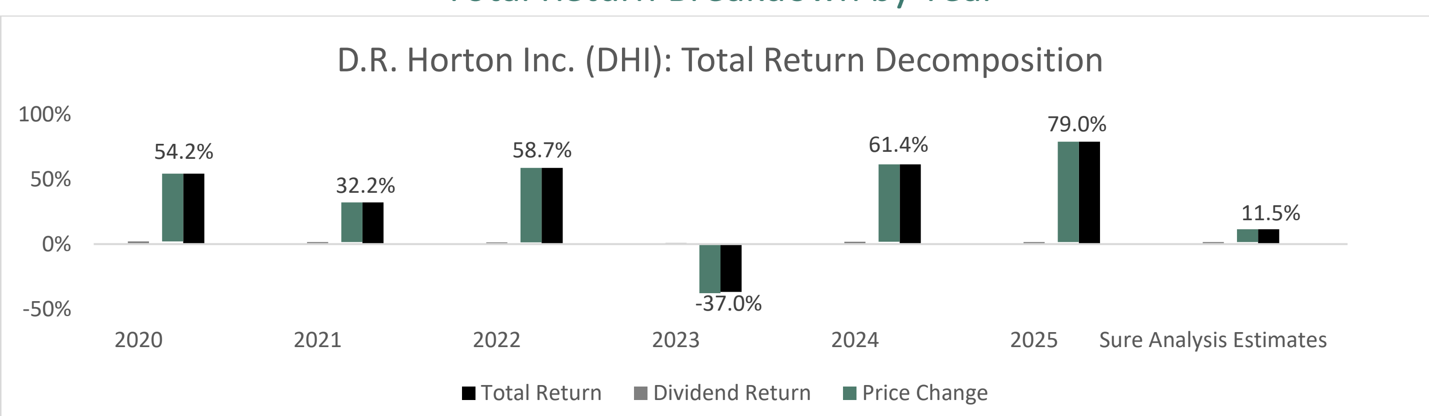
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Payout | 14% | 15% | 12% | 14% | 11% | 7% | 5% | 7% | 8% | 14% | ***17%*** | ***14%*** |

The payout ratio is low at only 17% of net income, and we estimate that the company has a long runway of dividend growth ahead of it. However, it must be noted that DHI faced many hardships in the Great Financial Crisis, which caused it to report losses from 2007 to 2009 and caused the dividend to be cut significantly. The company only eclipsed its 2005 per share earnings in 2020. This demonstrates that D.R. Horton is not recession resistant. Additionally, interest rates and housing demand can cause volatile earnings in a recession. DHI's competitive advantage lies in its leading industry position in homebuilding, which it has dominated since 2002.

## Final Thoughts & Recommendation

D. R. Horton has been the US' largest homebuilder by volume for more than 20 years, and has closed over 1.2 million homes in its 45-year+ history. Since the Great Financial Crisis, the corporation has compounded earnings and the dividend at strong double digits, and we see this continuing. D.R. Horton earns a hold rating with 11.5% annualized total returns forecasted through 2031.

## Total Return Breakdown by Year

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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 12157 | 14091 | 16068 | 17593 | 20311 | 27774 | 33480 | 35460 | 36800 | 34,250 |
| Gross Profit | 2655 | 3048 | 3670 | 3872 | 4938 | 7875 | 10504 | 9350 | 9535 | 8,116 |
| Gross Margin | 21.8% | 21.6% | 22.8% | 22.0% | 24.3% | 28.4% | 31.4% | 26.4% | 25.9% | 23.7% |
| SG&A Exp. | 1320 | 1472 | 1677 | 1833 | 2048 | 2556 | 2934 | 3249 | 3600 | 3,692 |
| D&A Exp. | 61 | 55 | 62 | 72 | 80 | 74 | 81 | 92 | 87 | 101.3 |
| Operating Profit | 1335 | 1577 | 1993 | 2040 | 2890 | 5319 | 7570 | 6102 | 5936 | 4,424 |
| Operating Margin | 11.0% | 11.2% | 12.4% | 11.6% | 14.2% | 19.2% | 22.6% | 17.2% | 16.1% | 12.9% |
| Net Profit | 886 | 1038 | 1460 | 1619 | 2374 | 4176 | 5858 | 4746 | 4756 | 3,621 |
| Net Margin | 7.3% | 7.4% | 9.1% | 9.2% | 11.7% | 15.0% | 17.5% | 13.4% | 12.9% | 10.6% |
| Free Cash Flow | 546 | 283 | 407 | 668 | 1135 | 267 | 414 | 4156 | 2024 | 3,284 |
| Income Tax | 467 | 564 | 598 | 507 | 603 | 1165 | 1734 | 1520 | 1479 | 1,119 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 11559 | 12185 | 14115 | 15607 | 18912 | 24016 | 30351 | 32580 | 36100 | 35,470 |
| Cash & Equivalents | 1303 | 1008 | 1473 | 1494 | 3019 | 3210 | 2541 | 3874 | 4516 | 3,033 |
| Inventories | 8341 | 9237 | 10395 | 11282 | 12237 | 16479 | 21656 | 22370 | 24900 | 25,290 |
| Goodwill & Int. Ass. | 80 | 80 | 109 | 164 | 181 | 164 | 174 | 164 | 164 | 163.5 |
| Total Liabilities | 4766 | 4437 | 4956 | 5312 | 6791 | 8800 | 10566 | 9444 | 10280 | 10,730 |
| Accounts Payable | 578 | 580 | 625 | 634 | 901 | 1177 | 1360 | 1246 | 1346 | 1,222 |
| Long-Term Debt | 3271 | 2872 | 3204 | 3399 | 4283 | 5412 | 6067 | 5094 | 5918 | 5,966 |
| Shareholder's Equity | 6793 | 7747 | 8984 | 10021 | 11840 | 14887 | 19396 | 22700 | 25310 | 24,190 |
| D/E Ratio | 0.48 | 0.37 | 0.36 | 0.34 | 0.36 | 0.36 | 0.31 | 0.22 | 0.23 | 0.2466 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 7.8% | 8.7% | 11.1% | 10.9% | 13.8% | 19.5% | 21.5% | 15.1% | 13.9% | 10.1% |
| Return on Equity | 14.0% | 14.3% | 17.5% | 17.0% | 21.7% | 31.2% | 34.2% | 22.6% | 19.4% | 14.3% |
| ROIC | 9.0% | 10.0% | 12.7% | 12.4% | 15.8% | 22.6% | 25.2% | 17.6% | 15.9% | 11.6% |
| Shares Out. | 372.9 | 375.0 | 376.3 | 368.4 | 364.0 | 356.0 | 354.8 | 343.3 | 331.6 | 309.9 |
| Revenue/Share | 32.41 | 37.19 | 41.91 | 46.62 | 54.87 | 75.93 | 94.36 | 103.3 | 111.0 | 110.52 |
| FCF/Share | 1.46 | 0.75 | 1.06 | 1.77 | 3.07 | 0.73 | 1.17 | 12.10 | 6.11 | 10.60 |

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