Tractor Supply Company (TSCO)

Updated February 18th, 2026 by Samuel Smith

Key Metrics

Current Price:	$52.7	**5 Year CAGR Estimate:**	6.8%	**Market Cap:**	$27.8 B
Fair Value Price:	$43.6	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	5/24/26[1]
% Fair Value:	121%	**5 Year Valuation Multiple Estimate:**	-3.7%	**Dividend Payment Date:**	6/10/26[2]
Dividend Yield:	1.8%	**5 Year Price Target**	$67	**Years Of Dividend Growth:**	15
Dividend Risk Score:	B	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Tractor Supply Company (TSCO) is the largest rural lifestyle retailer in the United States, founded in 1938 and headquartered in Brentwood, Tennessee. As of year-end 2025, Tractor Supply operates approximately 2,600 retail locations across 49 states under the Tractor Supply and Petsense by Tractor Supply banners. The company serves recreational farmers, ranchers, tradesmen, and pet owners with a broad assortment of farm and ranch supplies, pet food and supplies, clothing, livestock feed, power equipment, and seasonal merchandise. Tractor Supply generated $15.52 billion in net sales in fiscal 2025 and has increased its annual dividend for 15 consecutive years.

On January 29, 2026, Tractor Supply Company reported fourth-quarter and full-year 2025 results demonstrating resilience amid challenging market dynamics. For the full year 2025, net sales reached $15.52 billion with diluted earnings per share of $2.06, reflecting the impact of hurricane recovery demand normalization from prior-year comparisons. Fourth-quarter 2025 showed net sales growth of 3.3% to $3.90 billion, although comp-store sales increased a modest 0.3%, indicating a transition from the prior year's elevated hurricane-related sales. Diluted EPS for Q4 was $0.43, missing analyst estimates of $0.46, with management citing the waning hurricane recovery demand headwind as a significant factor pressuring profitability in the quarter. However, the company maintained solid growth in store expansion, opening 99 new stores during 2025, demonstrating confidence in long-term market opportunity despite near-term sales pressures. Management announced the declaration of a 15th consecutive dividend increase, reflecting shareholder commitment despite near-term earnings challenges. For fiscal year 2026, management provided measured guidance reflecting cautious near-term demand conditions: net sales growth of 4 percent to 6 percent, comp-store sales growth of 1 percent to 3 percent, and diluted earnings per share of $2.13 to $2.23. This guidance incorporates assumptions of moderating consumer spending and continued retail normalization while maintaining growth investments in store expansion and omnichannel capabilities.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.65	$0.67	$0.86	$0.94	$1.37	$1.72	$1.92	$2.02	$2.04	$2.06	***$2.18***	***$3.35***
DPS	$0.15	$0.18	$0.24	$0.27	$0.30	$0.42	$0.74	$0.82	$0.88	$0.92	***$0.96***	***$1.45***
Shares[1]	655	625	605	585	580	565	550	540	532	528	***528***	***500***

Tractor Supply has recorded very compelling growth over the last decade. Its earnings-per-share rose by mid-teens annually from 2015-2024. 2025's earnings-per-share were well over three times as high as what the company earned during 2015.

This growth was made possible by several contributing factors, including comparable store sales growth, the opening of new stores, margin expansion, and share repurchases. These factors will likely persist going forward, which is why the

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[1] Estimate

[2] Estimate

1. Shares in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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earnings-per-share growth outlook for Tractor Supply remains pretty high despite the company facing very tough comparable metrics and a potential economic downturn in the coming years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	25.4	29.1	25.5	19.1	19	20.5	19.7	26.2	24.3	25.2	***24.2***	***20.0***
Avg. Yld.	0.9%	0.9%	1.1%	1.5%	1.2%	1.2%	2.0%	1.5%	1.8%	1.8%	***1.8%***	***2.2%***

TSCO operates in an attractive niche market of the large brick-and-mortar retail industry. The company has produced consistent and attractive growth over the last decade. After slightly reducing our fair value multiple estimates to account for higher interest rates, the increased prospect of a recession, and the expectation of decelerating growth rates in the near term as the company faces abnormally high comparable numbers, we see shares trading well above fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	23%	27%	28%	29%	22%	24%	39%	41%	43%	45%	***44%***	***43%***

Since 2011, Tractor Supply has paid dividends, and the payout has risen considerably since. This was made possible by a combination of earnings growth, share buybacks, and a rising payout ratio.

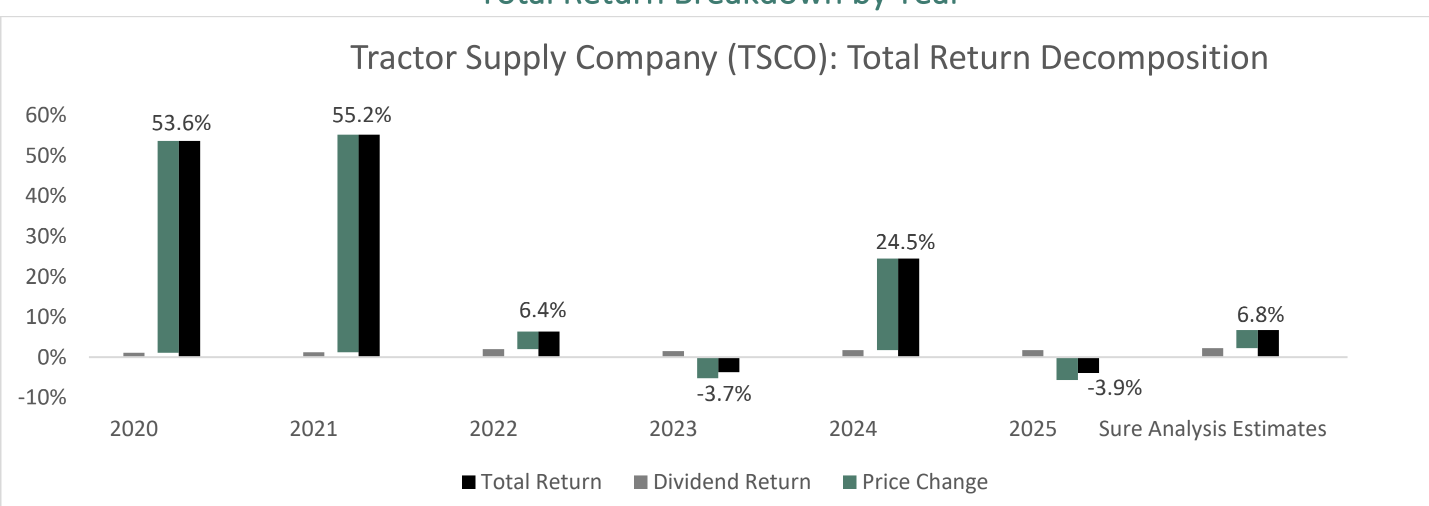
Many brick-and-mortar retailers feel the impact that Amazon (AMZN) and other online retailers are having on traffic at their stores, but Tractor Supply is relatively safe from the e-commerce threat. Many of the items the company sells are large and complex, and therefore not easily purchased online or shipped to customers' homes. This serves as a major advantage versus many other brick-and-mortar retailers.

Tractor Supply also does not have a lot of competition in the niche market it serves. Profits declined by 10% from 2007 to 2008, during a recession, but recovered quickly and hit a new record high in 2009. We believe that Tractor Supply is not as vulnerable to recessions and economic downturns as other retail industries.

Final Thoughts & Recommendation

Tractor Supply is a strong company with a significant growth runway still ahead of it. Given that we expect annualized total returns moving forward of 6.8% through the next half decade as a result of strong growth and a small but growing dividend, partially offset by expected multiple compression, we rate the stock a Hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	6,780	7,256	7,911	8,352	10,620	12,731	14,205	14,556	14,883	15,524
Gross Profit	2,182	2,326	2,525	2,676	3,544	4,207	4,629	4,835	4,949	5,160
Gross Margin	32.2%	32.1%	31.9%	32.0%	33.4%	33.0%	32.6%	33.2%	33.3%	33.2%
SG&A Exp.	1,488	1,640	1,823	1,933	2,479	2,900	3,194	3,356	3,482	3,693
D&A Exp.	143	166	177	196	217	270	343	393	447	494
Operating Profit	694	686	702	743	1,188	1,370	1,435	1,479	1,468	1,467
Operating Margin	10.2%	9.5%	8.9%	8.9%	11.2%	10.8%	10.1%	10.2%	9.9%	9.5%
Net Profit	437	423	532	562	749	997	1,089	1,107	1,101	1,096
Net Margin	6.4%	5.8%	6.7%	6.7%	7.1%	7.8%	7.7%	7.6%	7.4%	7.1%
Free Cash Flow	425	381	416	594	1,101	510	584	580	637	740
Income Tax	251	250	151	161	219	283	316	325	312	302

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,760	2,945	3,187	5,289	7,049	8,646	9,434	9,188	9,805	10,934
Cash & Equivalents	54	109	86	84	1,342	878	203	397	251	194
Inventories	1,370	1,453	1,590	1,603	1,783	2,191	2,710	2,646	2,840	3,084
Goodwill & Int. Ass.	126	124	124	124	56	56	253	270	270	399
Total Liabilities	1,307	1,527	1,625	3,722	5,125	6,644	7,392	7,038	7,535	8,352
Accounts Payable	520	577	620	643	976	1,156	1,398	1,180	1,236	1,391
Long-Term Debt	301	462	440	2,432	3,243	3,598	3,924	4,667	5,028	5,493
Shareholder's Equity	1,453	1,419	1,562	1,567	1,924	2,003	2,042	2,150	2,270	2,581
LTD/E Ratio	0.21	0.33	0.28	1.73	1.84	1.96	2.09	2.34	2.39	2.30

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	16.8%	14.8%	17.4%	13.3%	12.1%	12.7%	12.0%	11.9%	11.6%	10.6%
Return on Equity	30.7%	29.4%	35.7%	35.9%	42.9%	50.8%	53.8%	52.8%	49.8%	45.2%
ROIC	26.4%	23.3%	27.4%	17.9%	15.4%	17.5%	17.8%	16.4%	14.8%	13.5%
Shares Out.	655	625	605	585	580	565	550	540	532	528
Revenue/Share	10.13	11.32	12.81	13.83	18.09	21.98	25.33	26.53	27.58	29.17
FCF/Share	0.63	0.59	0.67	0.98	1.87	0.88	1.04	1.06	1.18	1.39

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