



# Shoe Carnival Inc. (SCVL)

Updated March 30<sup>th</sup>, 2026 by Felix Martinez

## Key Metrics

<b>Current Price:</b>	\$16	<b>5 Year Annual Expected Total Return:</b>	15.0%	<b>Market Cap:</b>	\$440.1M
<b>Fair Value Price:</b>	\$23	<b>5 Year Growth Estimate:</b>	5.0%	<b>Ex-Dividend Date:</b>	04/06/26
<b>% Fair Value:</b>	71%	<b>5 Year Valuation Multiple Estimate:</b>	7.0%	<b>Dividend Payment Date:</b>	04/20/26
<b>Dividend Yield:</b>	4.2%	<b>5 Year Price Target</b>	\$29	<b>Years Of Dividend Growth:</b>	16
<b>Dividend Risk Score:</b>	D	<b>Sector:</b>	Consumer Discretionary	<b>Rating:</b>	Hold

## Overview & Current Events

Shoe Carnival, Inc. is a leading U.S.-based retailer specializing in family footwear and accessories. Founded in 1978 and headquartered in Evansville, Indiana, the company operates a large network of stores, offering a wide variety of athletic, casual, and dress shoes for men, women, and children. Known for its unique in-store shopping experience, which often includes live product demonstrations and special promotions, Shoe Carnival differentiates itself from competitors through an engaging and customer-centric approach. With over 400 stores across the U.S. under the Shoe Carnival, Shoe Station, and Rogan's Shoes brands, the company has steadily expanded its market presence. In addition to its brick-and-mortar locations, Shoe Carnival has a growing e-commerce platform, supporting its omnichannel strategy to provide a seamless shopping experience across both physical and digital spaces. Shoe Carnival emphasizes value, offering competitively priced products from popular brands, and has built a reputation for maintaining a strong financial position.

On March 26<sup>th</sup>, 2026, Shoe Carnival reported fourth quarter results. The company reported fourth-quarter and fiscal 2025 results that slightly exceeded expectations despite softer sales. Fourth-quarter EPS came in at \$0.33, and full-year EPS reached \$1.90, both above consensus. However, quarterly revenue declined 3.4% year-over-year to \$254.1 million, with comparable store sales down 3.5%. For the full year, net sales fell 5.6% to \$1.135 billion, largely due to weakness in the core Shoe Carnival banner.

The company maintained strong profitability and financial discipline. Gross profit margin rose to 36.6%, marking the fifth consecutive year above 35%, driven by pricing strategy and inventory management. Shoe Station continued to outperform, with sales growing 2.7% and exceeding industry trends. Shoe Carnival also ended the year debt-free for the 21st straight year, with \$130.7 million in cash, and increased its dividend for the 12th consecutive year.

For fiscal 2026, management expects flat to slightly negative sales growth and a decline in gross margin to around 34% due to tariffs and increased promotions. Adjusted EPS is projected between \$1.40 and \$1.60. The company also plans to slow its store conversion strategy to refine execution, with the goal of improving long-term profitability beyond 2026.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$0.70	\$0.75	\$1.23	\$1.46	\$0.56	\$5.53	\$3.96	\$2.70	\$2.72	\$1.90	<b>\$1.50</b>	<b>\$1.91</b>
<b>DPS</b>	\$0.14	\$0.15	\$0.16	\$0.17	\$0.18	\$0.28	\$0.36	\$0.44	\$0.54	\$0.60	<b>\$0.68</b>	<b>\$0.71</b>
<b>Shares<sup>1</sup></b>	32.4	30.2	28.9	28.1	28.2	27.5	27.2	27.8	27.4	27.5	<b>27.6</b>	<b>25.0</b>

Shoe Carnival's growth prospects are strong, driven by its strategic store expansion plan and focus on increasing profitability. The company is growing e-commerce platform and successful execution of long-term strategies to boost sales, especially in key categories like children's and athletic footwear, position Shoe Carnival well for continued market share gains and increased shareholder value. Over the past ten years, the company has grown earnings as a CAGR of 11.7%. We expect a growth rate of 5% over the next five years.

<sup>1</sup> Share count is 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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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	19.2	18.1	15	13.1	30.9	7.7	5.8	10.7	12.2	8.9	<b>10.7</b>	<b>15.0</b>
Avg. Yld.	1.1%	1.1%	1.3%	0.9%	0.9%	0.8%	0.8%	1.3%	2.0%	3.2%	<b>4.2%</b>	<b>2.5%</b>

The company normally trades for about a 14.2x earnings. Right now, the company trades for 10.7x earnings which is low compared to over the past ten years average. Also, over the past five years the company traded hands for an average PE of 9.1x earnings. Thus, we think that the company has a fair value PE ratio of 15x earnings. At the current price, the stock is undervalued and had a valuation tailwind of 7.0% annually over the next five years.

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

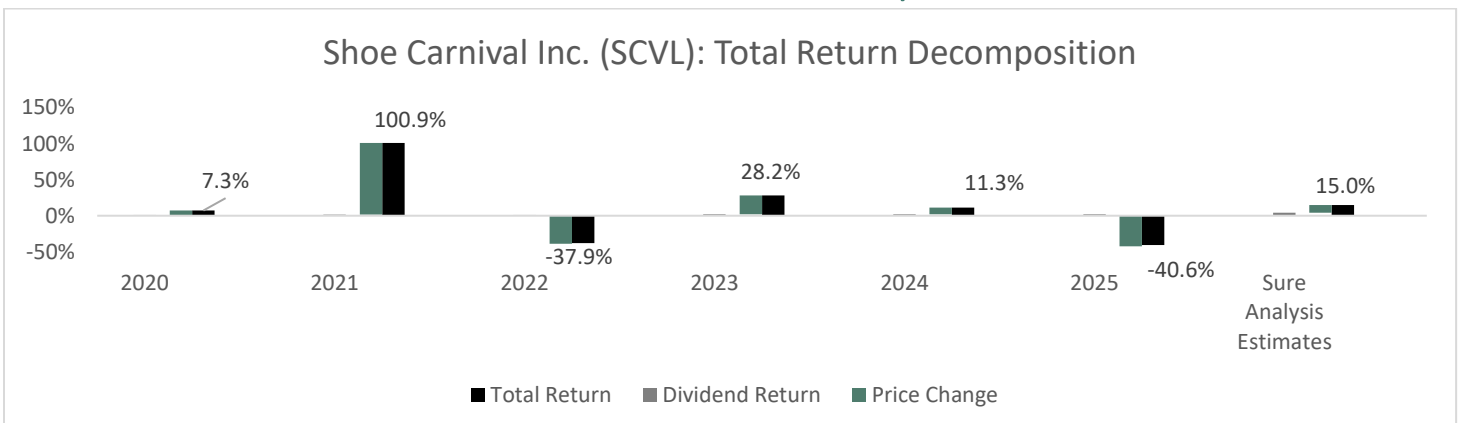
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	20%	20%	13%	12%	32%	5%	9%	16%	20%	32%	<b>45%</b>	<b>37%</b>

Shoe Carnival's competitive advantage lies in its unique in-store experience, broad product selection, and strong value proposition. The company offers a dynamic shopping environment with live promotions and special deals, enhancing customer engagement. Its extensive network of over 400 stores allows for significant market penetration, while its growing e-commerce platform complements its physical presence. Additionally, Shoe Carnival's focus on offering competitive pricing and a wide range of footwear for the entire family helps attract a broad customer base, setting it apart from other retailers in the family footwear sector. During the Great Recession of 2008 and 2009, Shoe Carnival faced decreased consumer spending but leveraged its value-oriented approach to manage the downturn effectively. The company's focus on affordable footwear and promotions helped it maintain a competitive edge despite challenging conditions. Strategic adjustments, such as inventory optimization and operational efficiencies, allowed Shoe Carnival to stabilize and recover as the economy improved. The company currently has a debt-to-equity ratio of 0.5x which is good. It also has an interest coverage of 189 times, which is excellent. Thus, the company has a great balance sheet.

## Final Thoughts & Recommendation

Investing in Shoe Carnival carries several risks. First, the retail industry is highly competitive and sensitive to changes in consumer spending, which can affect sales and profitability. Second, fluctuations in economic conditions, such as recessions or shifts in consumer behavior, can impact financial performance. Finally, supply chain disruptions and rising costs for goods and operations may strain margins and affect overall profitability. However, we think that the company warrants a hold rating.

## Total Return Breakdown by Year





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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenue</b>	984	1,001	1,019	1,030	1,037	977	1,330	1,262	1,176	1203
<b>Gross Profit</b>	291	289	296	309	312	280	527	468	421	429
<b>Gross Margin</b>	29.5%	28.9%	29.1%	30.0%	30.1%	28.7%	39.6%	37.1%	35.8%	35.6%
<b>SG&amp;A Exp.</b>	244	251	259	259	258	258	319	322	328	338
<b>D&amp;A Exp.</b>	23	24	24	22	17	16	19	23	29	31
<b>Operating Profit</b>	47	38	38	50	54	22	208	146	94	91
<b>Operating Margin</b>	4.7%	3.8%	3.7%	4.8%	5.2%	2.2%	15.6%	11.6%	8.0%	7.6%
<b>Net Profit</b>	29	24	19	38	43	16	155	110	73	74
<b>Net Margin</b>	2.9%	2.3%	1.9%	3.7%	4.1%	1.6%	11.6%	8.7%	6.2%	6.1%
<b>Free Cash Flow</b>	31	42	21	67	48	51	117	(27)	66	69
<b>Income Tax</b>	18	14	18	12	12	6	52	37	23	24

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Assets</b>	481	458	416	418	628	643	812	990	1,042	1124
<b>Cash &amp; Equivalents</b>	69	63	48	67	62	107	117	51	99	109
<b>Accounts Receivable</b>	2	4	6	1	3	7	14	3	3	9
<b>Inventories</b>	293	280	261	258	259	233	285	390	346	386
<b>Goodwill &amp; Int. Ass.</b>						-	44	45	45	59
<b>Total Liabilities</b>	141	140	108	114	331	333	360	464	459	475
<b>Accounts Payable</b>	72	68	42	49	61	58	69	79	58	52
<b>Long-Term Debt</b>	-	-	-	-	-	-	-	-	-	-
<b>Shareholder's Equity</b>	340	319	307	304	297	310	453	526	583	649
<b>D/E Ratio</b>	-	-	-	-	-	-	-	-	-	-

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Return on Assets</b>	6.1%	5.0%	4.3%	9.1%	8.2%	2.5%	21.3%	12.2%	7.2%	6.8%
<b>Return on Equity</b>	8.6%	7.1%	6.0%	12.5%	14.3%	5.3%	40.6%	22.5%	13.2%	12.0%
<b>ROIC</b>	8.6%	7.1%	6.0%	12.5%	14.3%	5.3%	40.6%	22.5%	13.2%	12.0%
<b>Shares Out.</b>	38.8	36.0	32.4	30.2	28.9	28.1	28.2	27.5	27.2	27.5
<b>Revenue/Share</b>	25.32	27.77	31.40	33.22	35.29	34.28	46.52	45.38	42.90	43.70
<b>FCF/Share</b>	0.79	1.16	0.64	2.15	1.65	1.79	4.07	(0.97)	2.43	2.52

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

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