D.R. Horton Inc. (DHI)

Updated April 28th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$156	**5 Year CAGR Estimate:**	10.5%	**Market Cap:**	$45 B
Fair Value Price:	$107	**5 Year Growth Estimate:**	18.0%	**Ex-Dividend Date[1]:**	05/07/2026
% Fair Value:	146%	**5 Year Valuation Multiple Estimate:**	-7.3%	**Dividend Payment Date[1]:**	05/14/2026
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 $45 billion market capitalization. In the trailing twelve months, D.R. Horton closed 83,832 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 second quarter fiscal 2026 results on April 21st, 2026, for the period ending March 31st, 2026. Homebuilding revenue declined 2% year-over-year to $7.1 billion. Net income decreased by 20% to $648 million and net income per share fell 13% to $2.24 compared to $2.58 in Q2 2025, but still beat analysts' estimates by $0.10.

Net sales orders increased by 11% from the same quarter last year, reaching 24,992 homes, while their total value grew by 9.5% to $9.2 billion.

The corporation repurchased 6.0 million shares of common stock for $904 million during Q2. Return on equity was 13.2% for the trailing twelve months.

D. R. Horton updated its FY 2026 guidance, expecting revenue to be $33.5B to $34.5B, and it is planning to repurchase $2.5 billion of shares. D.R. Horton now expects to close 86.0K to 87.5K 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	***$10.71***	***$24.50***
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.

[1] Estimate
[2] 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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From $10.71 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 24,992 homes, valued at $9.2 billion. The cancellation rate remained flat over the last year in second quarter FY 2026, at 16%.

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	***14.6***	***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 14.6 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

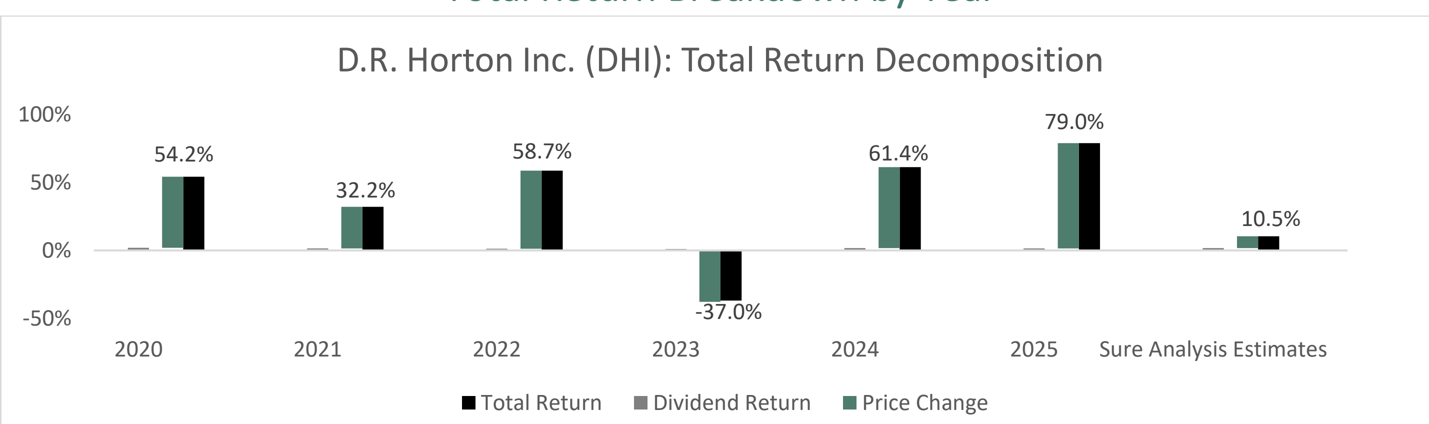
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	14%	15%	12%	14%	11%	7%	5%	7%	8%	14%	***17%***	***14%***

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 U.S.' 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 10.5% 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.