Domino's Pizza, Inc. (DPZ)

Updated April 27th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$333	**5 Year CAGR Estimate:**	19.8%	**Market Cap:**	$11 B
Fair Value Price:	$500	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	6/15/2026
% Fair Value:	67%	**5 Year Valuation Multiple Estimate:**	8.5%	**Dividend Payment Date:**	6/30/2026
Dividend Yield:	2.4%	**5 Year Price Target**	$769	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:** Consumer Discretionary		**Rating:**	Buy

Overview & Current Events

Domino's Pizza was founded in 1960. It is the largest pizza company in the world based on global retail sales. The company operates more than 22,000 stores in more than 90 countries. It generates nearly half of its sales in the U.S. while 99% of its stores worldwide are owned by independent franchisees. It has a market capitalization of $11 billion.

Domino's proved to be one of the most resilient companies to the pandemic. Due to the lockdowns imposed in this crisis, the company faced a steep increase in its delivery orders. Domino's has also benefited from its leading position in digital orders. Its resilience to the pandemic is clearly reflected in its record earnings-per-share in 2020 and 2021.

In late April, Domino's reported (4/27/26) financial results for the first quarter of fiscal 2026. Its U.S. same-store sales grew 0.9% but its international same-store sales dipped -0.4% over the prior year's quarter. Earnings-per-share decreased -5%, from $4.33 to $4.13, mostly due to a remeasurement of the company's investment in DPC Dash. Earnings-per-share missed the analysts' consensus by $0.14. Domino's has beaten the analysts' estimates in 10 of the last 14 quarters. Domino's is facing some challenges due to a slowing global economy, high inflation cost, staffing shortages and the efforts of many consumers to lose weight. However, the pizza chain has faced challenges in some instances in the past but it has always returned to growth mode. We reaffirm our confidence in the bright future prospects of this best-of-breed stock.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.30	$5.91	$8.42	$9.57	$12.01	$13.60	$12.53	$14.66	$16.69	$17.57	***$20.00***	***$30.77***
DPS	$1.52	$1.84	$2.20	$2.60	$3.12	$3.76	$4.40	$4.84	$6.04	$6.96	***$7.96***	***$12.26***
Shares[1]	48.1	44.6	42.6	41.4	39.5	36.7	36.1	35.1	34.7	34.0	***33.0***	***31.0***

Despite heating competition in the U.S., the growth potential of Domino's is exciting, as the pizza chain has ample room to keep growing for years. Its management sees potential for the addition of more than 10,000 new stores in its top 15 markets. As the current store count in these countries is approximately 11,000, it is evident that there is still tremendous growth potential even without taking into account the growth potential in the other ~75 markets where the company is present. Domino's has provided a bright outlook until the end of 2028. It expects to grow its global retail sales and its operating income by 7% and 8% per year, respectively. Given also an expected tailwind from share repurchases and the exceptional record of Domino's in exceeding expectations, we expect 9% annual earnings-per-share growth over the next five years, roughly in line with the 6-year average of the stock.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	32.2	31.9	30.2	27.6	30.6	33.3	30.6	24.0	27.6	25.5	***16.7***	***25.0***
Avg. Yld.	1.1%	1.0%	0.9%	1.0%	0.8%	0.8%	1.1%	1.4%	1.3%	1.6%	***2.4%***	***1.6%***

[1] 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.

Domino's Pizza, Inc. (DPZ)

Updated April 27th, 2026 by Aristofanis Papadatos

Due to business deceleration, Domino's is currently trading at a nearly 10-year low price-to-earnings ratio of 16.7, which is much lower than its 10-year average of 29.4. We assume a fair earnings multiple of 25.0 for the stock. If Domino's trades at its fair valuation level in five years, it will enjoy an 8.5% annualized gain in its returns. We view the exceptionally cheap current valuation of Domino's as a great investing opportunity.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	35.3%	31.1%	26.1%	27.2%	26.0%	27.6%	35.1%	33.0%	36.2%	39.6%	***39.8%***	***39.8%***

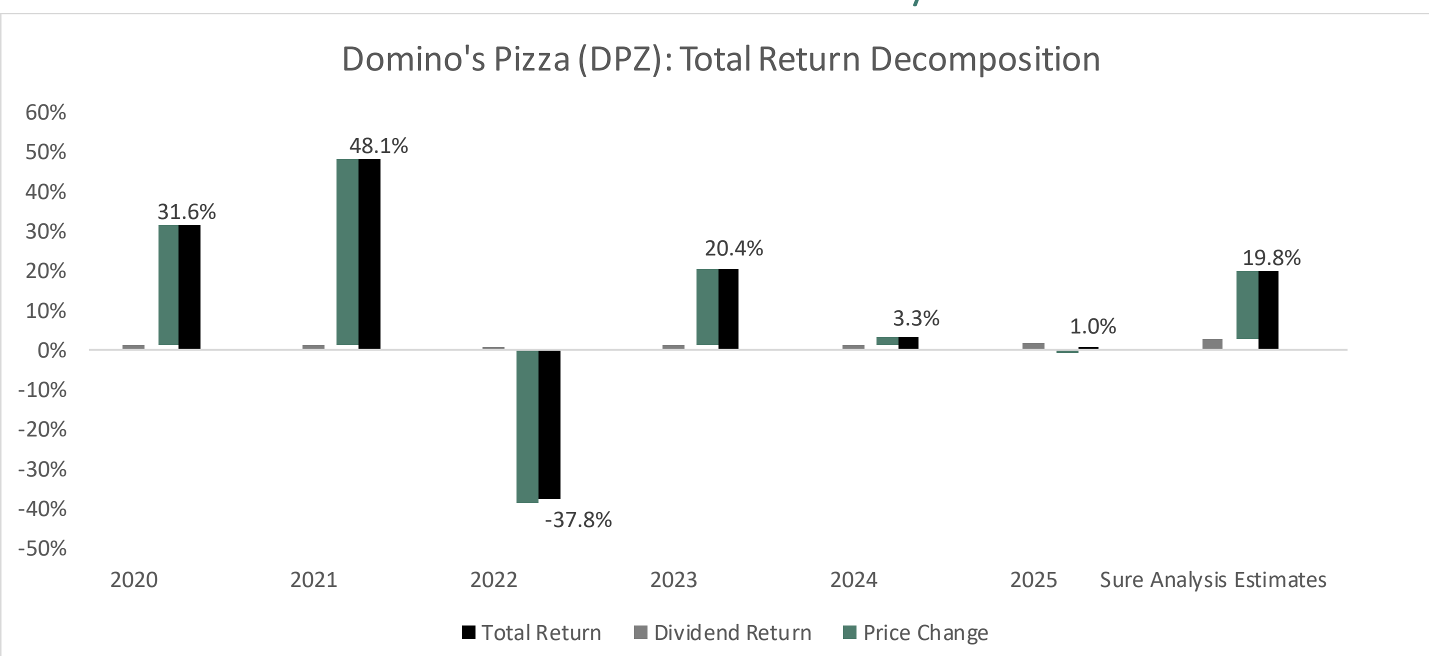
Domino's has greatly increased its debt load in recent years in order to boost its shareholder returns. Consequently, its debt/assets ratio has skyrocketed to 327%, its book value has collapsed to negative levels and its net debt has climbed tremendously. Still, as its interest expense consumes only 19% of its operating income and the company grows at a fast pace, the debt will be manageable moving forward.

Despite the strong competition in the fast-food sector, the unparalleled decades-long growth record of Domino's reveals the existence of a moat in its business. Indeed, the superior taste and value proposition have contributed to a strong brand name. Moreover, Domino's is certainly the digital leader, as it generates more than 85% of its U.S. sales and about two-thirds of its global retail sales from digital channels.

Final Thoughts & Recommendation

Domino's has better growth potential than most of the other stocks in our investment universe. The stock has markedly underperformed the S&P 500 in the last 12 months (-32% vs. +30%), but we view the headwinds from staffing shortages and tough comparisons vs. blowout results in 2021-2023 as temporary and remain confident in the long-term prospects of this best-of-breed pizza chain. Nevertheless, the recent focus of management on boosting earnings-per-share via aggressive share repurchases sends us a warning signal. We will closely monitor the situation. Domino's can offer a 19.8% average annual return over the next five years thanks to 9.0% growth of earnings-per-share, its 2.4% dividend and an 8.5% valuation tailwind. We reiterate that Domino's has one of the most compelling growth stories in the stock market. Given also its exceptionally cheap valuation, the stock receives a strong buy rating.

Total Return Breakdown by Year



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.

Domino's Pizza, Inc. (DPZ)

Updated April 27th, 2026 by Aristofanis Papadatos

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2473	2788	3433	3619	4,117	4,357	4,537	4,479	4,706	4,940
Gross Profit	768	866	1303	1402	1,594	1,688	1,649	1,727	1,849	1,934
Gross Margin	31.0%	31.1%	37.9%	38.8%	38.7%	38.7%	36.3%	38.6%	39.3%	39.2%
SG&A Exp.	314	345	731	773	869	908	902	908	969	464
D&A Exp.	38	44	54	60	65	73	80	81	88	89
Operating Profit	454	521	572	629	726	780	768	820	879	952
Operating Margin	18.4%	18.7%	16.7%	17.4%	17.6%	17.9%	16.9%	18.3%	18.7%	19.3%
Net Profit	215	278	362	401	491	510	452	519	584	602
Net Margin	8.7%	10.0%	10.5%	11.1%	11.9%	11.7%	10.0%	11.6%	12.4%	12.2%
Free Cash Flow	234	251	274	411	504	560	388	485	512	672
Income Tax	130	122	67	82	64	115	121	133	138	169

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	716	837	907	1382	1,567	1,672	1,602	1,675	1,737	1,801
Cash & Equivalents	43	36	25	191	169	148	60	114	186	434
Accounts Receivable	150	174	190	210	245	255	257	283	309	334
Inventories	40	40	46	53	67	68	82	83	71	79
Goodwill & Int. Ass.	56	68	79	88	96	111	120	146	167	170
Total Liabilities	2599	3572	3947	4798	4,868	5,881	5,791	5,745	5,699	5,703
Accounts Payable	112	107	93	111	94	92	90	106	86	135
Long-Term Debt	2188	3154	3532	4095	4,119	4,994	4,948	4,990	4,975	5,001
Shareholder's Equity	-1883	-2735	-3040	-3416	-3,300	-4,210	-4,189	-4,070	-3,962	-3,901
LTD/E Ratio	-1.16	-1.15	-1.16	-1.20	-1.25	-1.19	-1.18	-1.23	-1.26	-1.29

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	28.3%	35.8%	41.5%	35.0%	33.3%	31.5%	27.6%	31.7%	34.2%	33.3%
Return on Equity	---	---	---	---	---	---	---	---	---	---
ROIC	57.6%	76.9%	79.5%	69.5%	64.8%	66.2%	58.6%	59.2%	60.4%	50.5%
Shares Out.	48.1	44.6	42.6	41.4	39.5	36.7	36.1	35.4	35.0	34.2
Revenue/Share	49.53	58.48	79.22	86.32	103.87	115.61	125.70	126.53	134.50	144.29
FCF/Share	4.69	5.27	6.33	9.81	12.71	14.86	10.75	13.71	14.63	19.61

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