Dillard's Inc. (DDS)

Updated June 5th, 2026 by Josh Arnold

Key Metrics

Current Price:	$614	**5 Year CAGR Estimate:**	-10.8%	**Market Cap:**	$9.5 B
Fair Value Price:	$339	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	03/31/26
% Fair Value:	181%	**5 Year Valuation Multiple Estimate:**	-11.2%	**Dividend Payment Date:**	05/04/26
Dividend Yield:	0.2%	**5 Year Price Target**	$339	**Years Of Dividend Growth:**	15
Dividend Risk Score:	C	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Dillard's is a department store company that sells fashion apparel, cosmetics and home furnishings through about 300 stores and clearance centers. The company competes with larger peers such as Macy's and Kohl's. Dillard's was founded in 1938 and is headquartered in Little Rock, AR. Dillard's employs about 30,000 people, generates around $6.6 billion in annual revenue, and currently has a 15-year dividend increase streak. The market cap stands around $9.5 billion.

Dillard's posted first quarter earnings on May 14th, 2026, and results came in much better than expected on both the top and bottom lines. Earnings came to $16.04 per-share, which was $5.42 ahead of estimates. Revenue was up 2.6% year-over-year to $1.59 billion, beating estimates by $40 million. Total retail sales – which excludes the company's construction business – were up from $1.468 billion to $1.518 billion.

Comparable sales increased 3%, while retail gross margins were up from 45.5% of revenue to 45.8%. Ending inventory was up 3% as well.

All merchandise categories reported sales increases compared to the year-ago period. Sales were up significantly in home and furniture, ladies' accessories, and shoes.

Gross margin was driven by ladies' accessories and shoes, primarily. It was off in ladies' apparel and home and furniture, respectively.

We have boosted our estimate of earnings-per-share to $33.85 for this year, but that is still below each of the last five years as earnings continue to struggle.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.93	$4.89	$6.23	$4.38	($2.80)	$40.67	$50.81	$44.73	$36.84	$35.25	***$33.85***	***$33.85***
DPS	$0.28	$0.34	$0.40	$0.50	$0.60	$0.70	$0.80	$0.90	$1.00	$1.10	***$1.20***	***$1.93***
Shares[1]	32	28	27	25	22	19	17	16	16	16	***16***	***14***

Dillard's growth over time has been incredibly volatile. After posting an operating loss in 2020 during the COVID shutdown, earnings exploded to the upside for 2021 and 2022. Since then, we've seen three years of lower profits, and we believe that will be the case in 2026 as well. Inventory levels are very high and do not support higher profit margins, while sales have been fairly weak as well. We are looking for 0% earnings-per-share growth going forward from here due to these factors, and lack of upside catalysts to earnings.

Dillard's has returned a massive amount of cash to its owners via share repurchases in the past. The company's share count declined by more than half over the last decade, which has increased each share's portion of the company's earnings by more than double. We like the company's ability to return cash to shareholders, but note there are meaningful headwinds for profits for the foreseeable future.

We also note the company paid a $25 per share special dividend in January 2025, and a $30 per share special dividend for January 2026, clearly indicating management feels there is nowhere to invest this extra cash.

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[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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.4	11.6	9.6	16.7	N/A	6.0	6.4	9.0	12.7	12.7	***18.1***	***10.0***
Avg. Yld.	0.4%	0.6%	0.7%	0.7%	1.0%	0.3%	0.2%	0.2%	0.2%	0.2%	***0.2%***	***0.6%***

Dillard's valuation has been quite volatile over the past decade as earnings have moved around enormously in both directions. Given the company's weak 2024/2025 and weak outlook for this year, we're placing fair value at 10X earnings. At 18.1X profits today, we believe Dillard's is very overvalued. The yield is also quite unattractive at the moment, but we do see it rising over time if the valuation headwind comes to fruition, and as earnings are expected to be weak.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	6%	7%	6%	11%	-21%	2%	2%	2%	3%	3%	***4%***	***6%***

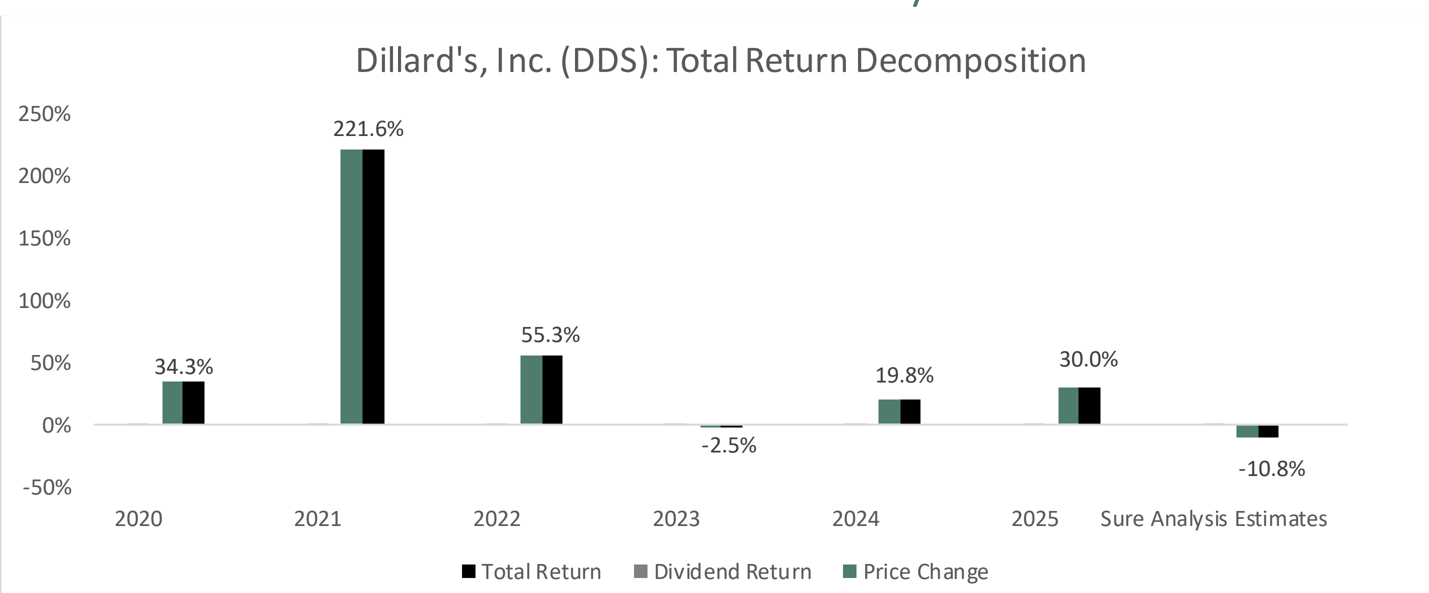
Dillard's pays out only a marginal amount of its net profits in the form of dividends to shareholders. Management is much more focused on reducing the share count, which the company has done very successfully in the past. It is very likely that management will continue to prioritize buybacks over dividends going forward. We note the $25 special dividend in January 2025, and the further $30 declared for January 2026.

One advantage that Dillard's has over some of its competitors is that it is not only active in apparel and cosmetics, but also in home furnishings, which provides some diversification and makes it less reliant on the performance of apparel sales – which are more easily done online compared to furniture. Dillard's is not a recession-resilient stock, and we note that competitive advantages are difficult to come by for retailers like Dillard's.

Final Thoughts & Recommendation

Dillard's is a small department store chain that has a somewhat unique product portfolio, due to selling furniture and related items on top of the usual soft-line categories sold by most department store chains. The company rebounded massively in 2021 to 2023, but profits will likely decline this year for the fourth consecutive year. We see total projected returns at -10.8% annually, but rate Dillard's a hold on its robust dividend increase streak.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	6,418	6,423	6,503	6,343	4,433	6,624	6,996	6,874	6,590	6,563
Gross Profit	2,252	2,223	2,212	2,107	1,364	2,877	3,013	2,843	2,671	2,467
Gross Margin	35.1%	34.6%	34.0%	33.2%	30.8%	43.4%	43.1%	41.4%	40.5%	37.6%
SG&A Exp.	1,673	1,713	1,720	1,717	1,234	1,559	1,697	1,739	1,753	1,778
D&A Exp.	246	234	226	224	216	201	190	181	180	181
Operating Profit	335	278	268	167	(83)	1,118	1,127	925	740	689
Operating Margin	5.2%	4.3%	4.1%	2.6%	-1.9%	16.9%	16.1%	13.5%	11.2%	10.5%
Net Profit	169	221	170	111	(72)	862	892	739	594	571
Net Margin	2.6%	3.4%	2.6%	1.8%	-1.6%	13.0%	12.7%	10.7%	9.0%	8.7%
Free Cash Flow	407	144	230	262	192	1,176	828	751	610	620
Income Tax	89	(8)	38	23	(82)	226	218	178	136	125

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,888	3,683	3,431	3,430	3,093	3,246	3,329	3,449	3,531	3,505
Cash & Equivalents	347	187	124	277	360	717	650	808	718	1,073
Accounts Receivable	48	38	50	46	37	40	57	61	56	40
Inventories	1,406	1,464	1,528	1,465	1,088	1,080	1,120	1,094	1,172	1,201
Total Liabilities	2,171	1,975	1,753	1,807	1,652	1,794	1,731	1,752	1,735	1,726
Accounts Payable	636	658	743	713	565	629	590	783	795	772
Long-Term Debt	813	726	566	566	566	566	521	521	522	548
Shareholder's Equity	1,717	1,708	1,678	1,623	1,441	1,451	1,599	1,697	1,796	1,779
LTD/E Ratio	0.47	0.43	0.34	0.35	0.39	0.39	0.33	0.31	0.29	0.31

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.4%	5.8%	4.8%	3.2%	-2.2%	27.2%	27.1%	21.8%	17.0%	16.2%
Return on Equity	9.6%	12.9%	10.1%	6.7%	-4.7%	59.6%	58.5%	44.8%	34.0%	31.9%
ROIC	6.6%	8.9%	7.3%	5.0%	-3.4%	42.9%	43.1%	34.1%	26.2%	24.3%
Shares Out.	32	28	27	25	22	19	17	16	16	16
Revenue/Share	187.07	217.81	238.11	250.09	195.32	321.69	398.67	416.63	409.33	418.04
FCF/Share	11.87	4.88	8.43	10.32	8.48	57.09	47.20	45.50	37.86	39.51

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