Smith & Wesson Brands Inc. (SWBI)

Updated June 18th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$15.90	**5 Year Annual Expected Total Return:**	-4.0%	**Market Cap:**	$710 M
Fair Value Price:	$9.40	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	07/01/26
% Fair Value:	169%	**5 Year Valuation Multiple Estimate:**	-10.0%	**Dividend Payment Date:**	07/15/26
Dividend Yield:	3.3%	**5 Year Price Target**	$10.38	**Years Of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Smith & Wesson Brands is a manufacturer and designer of firearms, including handguns, long guns, and suppressor products. The company markets its products under the Smith & Wesson and Gemtech brands to a variety of customers, including collectors, hunters, sportsmen, competitive shooters, firearm enthusiasts, individuals desiring home and personal protection, and law enforcement and military agencies in the U.S. and around the globe. The company has a market capitalization of $710 million.

On June 17th, 2026, Smith & Wesson announced earnings results for the fourth quarter and fiscal year 2026 which ended April 30th, 2026. For the quarter, revenue grew 26.7% to $178.4 million, which was $23 million better than expected. Adjusted earnings-per-share of $0.36 compared favorably to $0.20 in the prior year and was $0.13 above estimates. For the year, revenue grew 10.4% to $523.8 million while earnings-per-share of $0.41 was up from $0.30 in FY 2025.

For the quarter, Handgun sales were once again very strong for the period, with sales increasing 23.2% in the sporting goods channel. Gross margin expanded 100 basis points to 29.8%. Management noted that demand remains strong for the company's products, which should lead to higher sales in FY 2027.

Given management's guidance for the year, we project that Smith & Wesson will earn $0.47 per share in fiscal year 2027.

Growth on a Per-Share Basis

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2032
EPS	$2.25	$0.37	$0.33	$(1.11)	$4.55	$4.08	$0.80	$0.89	$0.30	$0.41	***$0.47***	***$0.52***
DPS	-	-	-	-	$0.15	$0.32	$0.40	$0.48	$0.52	$0.52	***$0.52***	***$0.52***
Shares[1]	57	55	55	55	55	48	46	46	45	45	***45***	***43***

Earnings-per-share for Smith & Wesson have varied greatly over the last decade. The company has seen a drastic changes in results as earnings-per-share have declined with a compound annual growth rate of ~17% over the last 10 years. Note that the company saw an incredible improvement in EPS in FY 2021 and 2022. This is due to heightened demand following the worst of the Covid-19 pandemic that has since dissipated. For example, firearm sales surged 64% from 2019 to 2020 and have declined annually ever since. The firearm industry has reacted to this decline and lowered its manufacturing output. Additionally, the company has propped EPS results up with buybacks as the share count has been reduced by 2.6% over the last decade and fallen by 1.3% over the last five years. With demand slowing greatly in recent years combined with a low starting base for EPS, we believe that Smith & Wesson will be able to grow its earnings-per-share at 2.0% per year over the next five years.

Smith & Wesson's dividend has a five-year CAGR of 10.2%. While impressive, much of this growth occurred in the aftermath of the surge in demand following Covid-19. At current levels, the dividend is not covered by earnings-per-share. The company has maintained the same dividend for eight consecutive quarters. Therefore, a cut or elimination of the dividend is entirely possible.

[1] In millions of shares.

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Valuation Analysis

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Now	2032
Avg. P/E	9.0	16.2	124	26.0	3.3	5.1	21.2	12.3	44.5	36.1	***33.8***	***20.0***
Avg. Yld.	-	-	-	-	1.6%	4.4%	3.4%	5.1%	5.3%	3.3%	***3.3%***	***5.0%***

Shares of Smith & Wesson have gained 12.1% since our March 23rd, 2026, report. Unpredictable earnings growth has resulted in a wide variance in the valuation for the stock. The average price-to-earnings ratio over the last decade is nearly 30. Excluding 2019 and 2025 when the valuation skyrocketed, Smith & Wesson has traded with an average price-to-earnings ratio of 16 over the long-term. Shares currently have a P/E of 33.8. While the firearm industry is still recovering from the fall off in demand, Smith & Wesson possess very popular brands. We believe that a target price-to-earnings ratio of 20 is a fair starting place for the stock. Still, reverting to our target valuation by 2032 would reduce annual returns by 10.0% over this period.

Shares of Smith & Wesson yield 3.3% at current levels, which is below the stock's medium-term average yield of 3.9%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

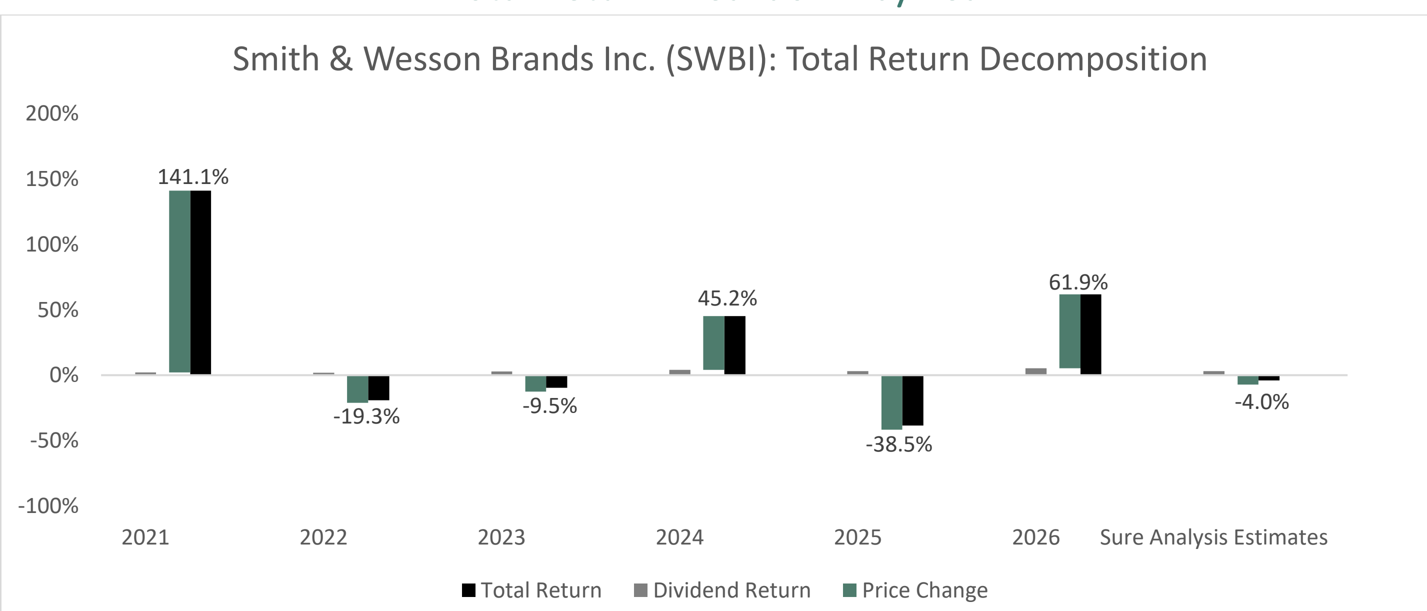
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2032
Payout	-	-	-	-	3%	8%	50%	54%	173%	121%	***111%***	***100%***

Smith & Wesson has some of the most famous firearm brands in the industry. That said, the company has not been immune to the decrease in demand for firearms and related products. As a result, earnings have declined and the company has a payout ratio that exceeds 100%. Without a return to EPS growth, the dividend could be at risk.

Final Thoughts & Recommendation

Smith & Wesson is projected to return -4.0% annually through FY 2032, compared to our prior estimate of a -9.1% return. Our projected return stems from a 2% earnings growth rate and a starting yield of 3.3% that are more than offset by double-digit multiple contraction. The firearm industry is still recovering from peak sales following the pandemic, but Smith & Wesson does expect to post growth this fiscal year. Again, the dividend appears to be in danger of being cut or eliminated. Income investors are encouraged to look elsewhere. We reaffirm our hold rating on shares of Smith & Wesson due to projected returns and a weak dividend risk score.

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.

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Income Statement Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue	903	607	638	530	1,059	864	479	536	475	524
Gross Profit	351	169	197	156	439	370	149	148	115	128
Gross Margin	38.8%	27.9%	30.8%	29.4%	41.5%	42.8%	31.2%	27.7%	24.3%	24.4%
SG&A Exp.	165	157	165	108	122	116	99	106	96	102
D&A Exp.	49	51	53	31	31	30	31	32	32	31
Operating Profit	204	28	48	55	328	262	56	54	23	29
Operating Margin	22.6%	4.6%	7.6%	10.3%	31.0%	30.3%	11.6%	10.1%	4.7%	5.5%
Net Profit	128	20	18	28	244	194	37	41	13	18
Net Margin	14.2%	3.3%	2.9%	5.2%	23.0%	22.5%	7.7%	7.7%	2.8%	3.5%
Free Cash Flow	88	43	23	82	293	114	(73)	16	(29)	90
Income Tax	63	(3)	10	12	74	58	11	10	6	7

Balance Sheet Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Assets	788	745	767	730	446	512	553	593	574	528
Cash & Equivalents	62	49	41	125	113	121	54	61	25	33
Accounts Receivable	108	57	85	61	67	63	55	59	56	40
Inventories	132	153	164	104	78	137	177	161	190	156
Goodwill & Int. Ass.	310	304	274	23	23	23	23	22	21	21
Total Liabilities	395	323	322	342	180	151	168	193	202	152
Accounts Payable	53	34	36	31	57	30	37	42	27	35
Long-Term Debt	218	209	202	200	44	41	64	77	115	53
Shareholder's Equity	393	422	444	387	266	361	385	400	372	377
LTD/E Ratio	0.55	0.50	0.45	0.52	0.17	0.12	0.17	0.20	0.31	0.14

Profitability & Per Share Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Return on Assets	18.2%	2.6%	2.4%	3.7%	41.4%	40.6%	6.9%	7.2%	2.3%	3.4%
Return on Equity	36.5%	4.9%	4.2%	6.7%	74.5%	62.0%	9.9%	10.5%	3.5%	4.9%
ROIC	23.4%	3.2%	2.9%	4.5%	54.1%	54.5%	8.6%	8.9%	2.8%	4.0%
Shares Out.	57	55		55	55	55	48	46	46	45
Revenue/Share	15.88	11.07	11.56	9.63	19.14	18.11	10.38	11.59	10.56	11.66
FCF/Share	1.55	0.78	0.42	1.49	5.29	2.38	(1.58)	0.34	(0.65)	2.01

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