Winmark Corporation (WINA)

Updated July 20th, 2026 by Josh Arnold

Key Metrics

Current Price:	$388	**5 Year CAGR Estimate:**	1.4%	**Market Cap:**	$1.39 B
Fair Value Price:	$308	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	08/11/2026[1]
% Fair Value:	126%	**5 Year Valuation Multiple Estimate:**	-4.5%	**Dividend Payment Date:**	09/02/2026
Dividend Yield:	1.1%	**5 Year Price Target**	$393	**Years Of Dividend Growth:**	7
Dividend Risk Score:	C	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Winmark Corporation, which bills itself as "the Resale Company", is a franchisor of small businesses in the US and Canada. The company franchises retail stores that buy, sell, and trade merchandise. It operates a variety of brands, including Plato's Closet, Once Upon A Child, Play It Again Sports, Style Encore, and Music Go Round. Through these brands the company buys and resells clothing, sports equipment, toys, and musical instruments, among other categories. Winmark franchises about 1,400 stores, and claims to have bought and resold nearly 2 billion individual items since being founded. The company employs less than 100 people as it does not operate any stores itself, and generates nearly $90 million in annual revenue. Winmark was founded in 1988 and currently has a 7-year dividend increase streak.

Winmark posted second quarter earnings on July 15th, 2026, and results were somewhat mixed. Royalties revenue rose 8.1% year-over-year to $20.117 million. Total sales were higher from $20.417 million to $21.966 million, primarily from higher royalties revenue.

SG&A costs were $1.4 million, or almost 10%, higher from the year-ago period, rising from $6.6 million to $7.5 million.

Earnings-per-share fell from $2.89 to $2.81, factoring in higher revenue but also higher costs. We've updated our estimate of earnings-per-share to $11.40, which would still be a record, but only about 1% higher than 2025, if achieved.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$5.11	$5.66	$7.26	$7.84	$7.72	$10.48	$10.97	$11.04	$10.89	$11.30	***$11.40***	***$14.55***
DPS	$0.37	$0.43	$0.56	$0.90	$0.80	$1.60	$2.55	$3.10	$3.50	$3.78	***$4.08***	***$5.21***
Shares[2]	4.2	3.8	3.9	3.9	3.8	3.6	3.5	3.5	3.5	3.6	***3.6***	***3.8***

Earnings growth has been outstanding for Winmark over time, although it has slowed significantly in recent years. Earnings are estimated to be well over double that of 2016 this year at $11.40 per share currently. Part of the gains have been from higher revenue, which helps drive expense leverage and boosts profits. But Winmark has been steadily buying back its own stock, reducing the float and boosting earnings-per-share in the process, although that has waned recently. We see both of these continuing to boost earnings-per-share in the years ahead, albeit at a lower rate than before. We are currently estimating 5% annual earnings-per-share growth, which will come mostly from top line expansion.

The dividend has grown even more than earnings over time, rising from 27 cents annually in 2015 to $4.08 for this year. We see mid-single digit growth in the dividend now that the payout ratio is around 36%. We also note that Winmark has been paying enormous special dividends once per year that tend to be much larger than the quarterly dividend. The 2020 special dividend was $3 per share, 2021 was $7.50, 2022 was $3, 2023 was $9.40, 2024 was $7.50, and 2025 was

[1] Estimated date

[2] 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.

$10. While these payouts are erratic, they are significant and make the total yield much larger than the quarterly dividend would suggest, assuming they continue to be paid.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	24.5	23.3	22.0	25.3	24.1	22.3	22.6	33.8	35.7	35.8	***34.0***	***27.0***
Avg. Yld.	0.3%	0.3%	0.4%	0.5%	0.4%	0.7%	1.0%	0.8%	0.9%	0.9%	***1.1%***	***1.3%***

Winmark has generally traded with high earnings multiples given its asset-light, capital-efficient business model. Earnings growth has also been quite strong, and we see decent growth ahead. Shares trade for 34 times forward earnings today, which is well ahead of where we assess fair value. This is modestly higher than the average multiple in the past decade, and we have set it given the potential backdrop of consumer spending in the US in 2026, but also the fact that we don't think Winmark can replicate its prior rates of earnings growth.
The yield is 1.1%, roughly equal to that of the S&P 500, and we believe that's about where it will stay.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	7%	8%	8%	11%	10%	15%	23%	28%	32%	33%	***36%***	***36%***

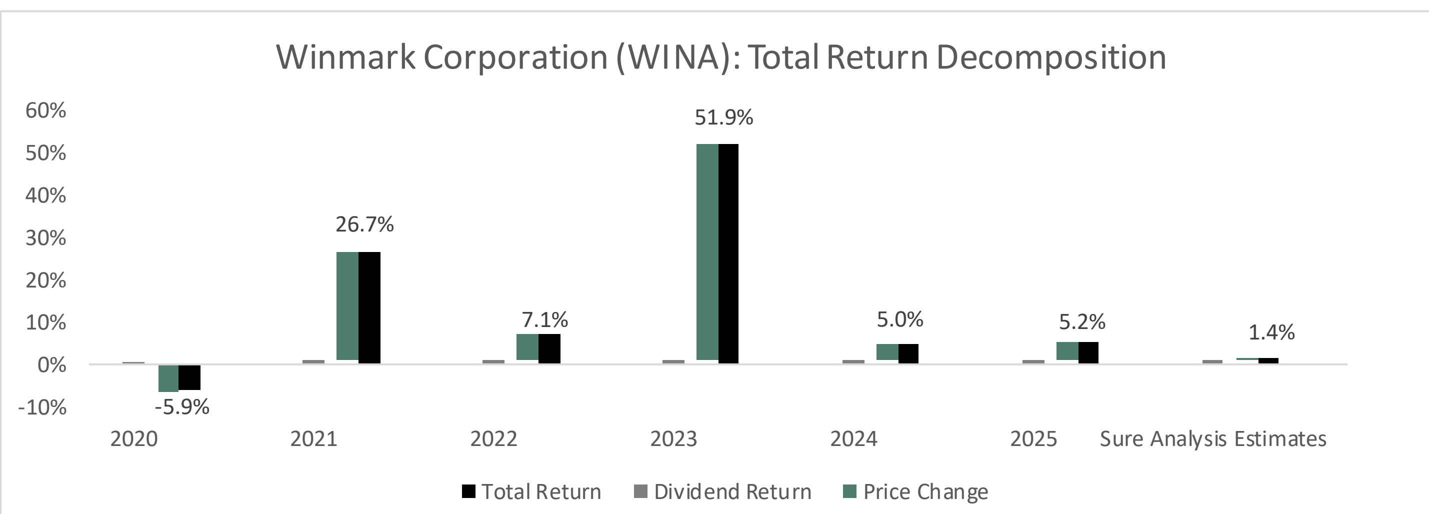
The payout ratio is 36% for this year, which is up on prior years. We think this is about where it will be long-term, and also think the dividend is quite safe, and is likely to be raised for many years to come. The implementation of large special dividends means Winmark could use some of that capital each year to protect and raise the quarterly dividend.

The company's business model requires very little financing and produces strong free cash flow. The issue arises during recessions when consumers may be more strapped for cash. During the Great Recession, profits declined by about two-thirds in 2008. However, Winmark remained profitable throughout. Still, a long recession is likely to be unkind to Winmark and could potentially threaten dividend safety.

Final Thoughts & Recommendation

We reiterate our hold rating on the stock after Q2 results. The company's earnings growth rate should be the bulk of total returns, as we see the stock as meaningfully overvalued today. The quarterly dividend is small, but we note that if Winmark continues to pay large special dividends, total returns could be larger.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	66.5	69.8	72.5	73.3	66.1	78.2	81.4	83.2	81.3	86
Gross Profit	62	64	68	69	61	73	77	78	78	83
Gross Margin	93.3%	91.8%	93.6%	93.9%	92.8%	93.9%	94.2%	94.2%	95.8%	96.4%
SG&A Exp.	23.9	25.2	26.0	25.7	21.2	22.3	23.2	25.1	24.9	28
D&A Exp.	0.4	0.4	0.3	0.7	0.9	0.7	0.9	1.1	1.1	1
Operating Profit	38.2	38.8	41.8	43.1	40.2	51.3	53.6	53.3	52.9	55
Operating Margin	57.4%	55.6%	57.6%	58.8%	60.9%	65.6%	65.9%	64.0%	65.1%	63.4%
Net Profit	22.1	24.6	30.1	32.1	29.8	39.9	39.4	40.2	40.0	42
Net Margin	33.3%	35.2%	41.5%	43.9%	45.1%	51.0%	48.4%	48.3%	49.2%	48.4%
Free Cash Flow	0.0	-0.3	11.1	41.5	39.1	48.1	40.1	43.6	42.0	45
Income Tax	13.7	11.9	9.2	9.3	8.7	9.9	11.4	11.2	11.3	11

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	48.6	48.8	46.7	61.8	31.3	26.9	30.5	29.0	26.8	25
Cash & Equivalents	1.3	1.1	2.5	25.1	6.7	11.4	13.6	13.4	12.2	10
Accounts Receivable	1.5	1.8	1.6	0.0	0.0	0.0	0.1	0.2	0.1	1
Goodwill & Int. Ass.	0.6	0.6	0.6	0.6	0.6	0.6	4.0	3.6	3.2	3
Total Liabilities	56.4	84.6	51.5	49.4	42.7	66.0	92.1	88.1	77.9	79
Accounts Payable	1.7	2.1	1.4	1.0	1.8	2.1	2.1	1.7	1.6	2
Long-Term Debt	45.3	67.5	28.8	25.6	21.9	47.6	73.3	69.1	59.9	62
Shareholder's Equity	-7.9	-35.7	-4.8	12.4	-11.4	-39.1	-61.6	-59.2	-51.0	-54
LTD/E Ratio	-5.8	-1.9	-6.0	2.1	-1.9	-1.2	-1.2	-1.2	-1.2	-1.17

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	46.1%	50.5%	63.1%	59.3%	64.0%	137.1%	137.5%	135.2%	143.2%	158.5%
ROIC	60.6%	71.0%	108.0%	103.6%	122.9%	419.9%	390.8%	372.7%	424.9%	378.3%
Shares Out.	4.3	4.3	4.1	4.1	3.9	3.8	3.6	3.6	3.7	3.7
Revenue/Share	15.4	16.1	17.5	17.9	17.1	20.5	22.7	22.9	22.2	23.5
FCF/Share	0.0	-0.1	2.7	10.1	10.1	12.6	11.2	12.0	11.4	12.1

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