Costco

Costco Wholesale Corporation · COST · NASDAQ

A $30 special dividend and four price target raises lifted shareholder-return hopes, but a 45.8x forward P/E leaves little room if growth slows

Overall Verdict
HOLD
Bull 3 · Bear 3 · Deferred 1

Price at Issue	External Average Target Price	52-Week Low · High	Next Earnings
$1,066.14	$1,073.35	$844.06 ~ $1,096.50	Dec 10
Nov 10, 2026 close · 0.0%	+0.7% · 37 analysts	vs. high −2.8%	Q4 2026

01 4 Key Data Points

$30 per-share special dividend ($13.30B in total)
Announced Nov 10 · record date Nov 24 · payable Dec 4 · 2.8% of market cap · $4B buyback reauthorized

Four target raises vs one cut
JPMorgan $1,150 (Nov 5) · Tigress $1,250 (Oct 15) · Bernstein $1,155 and Mizuho $1,100 (Nov 11 reports)

Q3 2026 revenue of $95.72B (+11.1%)
Fiscal Q4 (16 weeks) · operating income $3.80B (+13.8%) · diluted EPS $6.75 (+15.0%)

Forward PER 45.8x, PEG 3.8
Peer median 16.6x · Walmart forward P/E 39.9x

02 Research Team Debate — 6 Issues

$30 special dividend ×2	Bull	With operating cash flow at 1.2 times the payout, the damage to finances is limited and the return really did get bigger, so the verdict goes to Bull. Bear is right, though, that the ex-dividend adjustment creates no value.
Valuation	Bear	A high multiple is fine when growth backs it up, but EPS growth is slowing to about 10% and a PEG of 3.8 is above Walmart's 2.9 and BJ's 2.6, so the verdict goes to Bear.
Dec 10 fiscal Q1 results	보류	This event has not happened yet, so the verdict is on hold. The Dec 10 report will show whether revenue of $74.38B and EPS of $4.92 are met, and the verdict on this issue reopens with that result.
Price target raises	Bull	Target issues are judged by the direction of recent changes, and four raises to one cut favors Bull. The average sitting near the close does limit further upside.
Rates	Bear	Financial risk is small, but an earnings yield under half the Treasury yield leaves the multiple poorly defended, so the verdict goes to Bear.
Price action	Bear	The trend is up, but the widening gap to the 20- and 60-day averages and lower volume make the short-term strain heavier, so the verdict goes to Bear.

The overall verdict is HOLD. The special dividend and target raises lifted shareholder returns and expectations, but a 45.8x forward P/E, a 2.2% earnings yield and short-term strain weigh equally against them. The verdict reopens if Dec 10 fiscal Q1 results confirm revenue of $74.38B and EPS of $4.92 or better.

03 Conditions That Change the Verdict

▲ Upgrade Conditions

Dec 10 fiscal Q1 results
Revenue at or above the $74.38B consensus and EPS of $4.92 or more, with EPS growth above +9.3%

Holding after the dividend
The close stays above the 20-day average of $1,015.26 after the Nov 24 record date

52-week high breakout
The close rises above $1,096.50, the May 19 high

▼ Downgrade Conditions

Dec 10 fiscal Q1 results
Revenue below $74.38B or EPS growth below +9.3%

Support break
The close falls below Supertrend at $1,006.95

Targets turn lower
The average target drops below $1,050 or Sell ratings increase

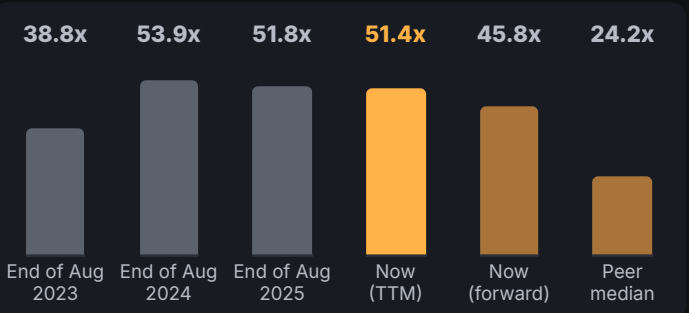
Sources: SEC EDGAR 8-K 2026.11.10 https://www.sec.gov/Archives/edgar/data/909832/000090983226000134/cost-20261107.htm · Yahoo Finance · Yahoo Finance news headlines , search summaries · Yahoo Finance quarterly and annual statements

04 Quarterly Results Unit: $B

	Q3 2025	Q4	Q1 2026	Q2	Q3
Revenue	86.2	67.3	69.6	70.5	**95.7**
Operating Income	3.3	2.5	2.6	2.8	**3.8**
Net Income	2.6	2	2	2.2	**3**
Operating Margin	3.9%	3.7%	3.7%	4.0%	**4.0%**

Operating margin	Net margin	Operating cash flow margin	Free cash flow margin
4.0%	**3.1%**	**4.9%**	**2.6%**
Year ago 3.9%	Year ago 3.0%	Year ago 4.5%	Year ago 2.2%

05 P/E trend



06 Street Opinions

Buy 25 Hold 14 Sell 2

Avg $1,073.35 · High $1,315.00 · Low $770.00

JPMorgan	**1,150**	Target raised
CICC	**1,050**	Initiation
Tigress Financial	**1,250**	Target raised
RBC Capital	**1,000**	Maintained

07 Financial Strength

Cash and short-term investments (8/31)	Total debt (8/31)	Equity (8/31)	Shares outstanding (8/31)
$21.30B	**$8.58B**	**$35.80B**	**443M**
$15.28B → +39.4%	$8.25B → +4.0%	$29.16B → +22.8%	443M → 0.0%

08 Recent News

11/11 $30 special dividend and $4B buyback reauthorization announced
Company press release and 8-K (Item 8.01) · record date Nov 24, payable Dec 4 · announced after the Nov 10 close, so not in the price; figures below are the Nov 10 close

11/10 Director Helena Foulkes resignation disclosed (8-K Item 5.02)
Resigned Nov 7, filed Nov 10 · sat on the Audit and Nominating and Governance committees · the 8-K states it was not due to a disagreement (checked in the S3 filing) · figures below are the Nov 10 close

11/5 JPMorgan raises target from $1,015 to $1,150
Yahoo Finance target change · Overweight kept

09 Upcoming Events

Nov 13 (Fri) · Weekly options expiry
Max pain $1,042.50 · open interest put/call 2.04

Nov 20 (Fri) · Monthly options expiry
Max pain $980 · open interest put/call 1.57

Nov 24 (Tue) · Special dividend record date
$30 per share · holders at the close (8-K)

10 Key Risks

High multiple against slowing growth (forward P/E 45.8x vs EPS growth around 10%)
Impact Medium · Likelihood High · Watch Dec 10 earnings

Fiscal Q1 revenue and EPS miss the consensus ($74.38B and $4.92)
Impact Medium · Likelihood High · Watch Dec 10 earnings

Higher rates (10-year yield 4.98%, earnings yield 2.2%)
Impact Medium · Likelihood Medium · Watch Next rate data

11 Checkpoints

★★★ **Nov 24 record date and Dec 4 payment**
Watch how the price adjusts by $30 after the record date. Cash and short-term investments are $21.30B and the dividend totals $13.30B.

★★★ **Dec 10 fiscal Q1 results**
Watch whether revenue reaches the $74.38B consensus, EPS reaches $4.92, and growth holds near 10%.

★★☆ **Target trend**
Watch whether the average target rises above $1,073.35. Recent changes are four raises and one cut.