Silgan Holdings (SLGN)

Updated October 30th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	$39	**5 Year Annual Expected Total Return:**	14.8%	**Market Cap:**	$4.12 B
Fair Value Price:	$54	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date[1]:**	12/02/2025
% Fair Value:	72%	**5 Year Valuation Multiple Estimate:**	6.9%	**Dividend Payment Date:**	12/16/2025
Dividend Yield:	2.1%	**5 Year Price Target**	$72	**Years Of Dividend Growth:**	21
Dividend Risk Score:	A	**Sector:**	Consumer Cyclical	**Rating:**	Buy

Overview & Current Events

Silgan Holdings manufactures and sells metal and plastic containers, as well as packaging closures. Its containers are found in everyday food consumables such as pet food, fruits and vegetables, and drinks, while its closures are applied to the beverage, garden, and personal care products. The company generates nearly $6.0 billion in annual revenues and is based in Stamford, Connecticut.

On October 29th, 2025, Silgan reported its Q3 results for the period ending September 30th, 2025. Quarterly revenues rose 15% year-over-year to $2.01 billion.

Specifically, the metal containers segment's sales grew 13% to $1.16 billion, primarily driven by a 9% price/mix benefit from the contractual pass-through of higher raw material and manufacturing costs and a 4% rise in overall volumes, led by double-digit growth in pet food products. Favorable foreign currency translation added about 1%. Adjusted EBIT in this segment declined slightly to $95.8 million from $97.1 million, mainly reflecting less favorable price/cost dynamics, partially offset by higher volumes. The dispensing & specialty closures segment posted record sales of $690.4 million, up 23% year-over-year, due to the inclusion of Weener Packaging and strong demand for high-value fragrance dispensing products, partially offset by 5% lower closure volumes for North American beverage markets. Adjusted EBIT grew 19% to a record $113.5 million. Lastly, custom containers posted a 1% revenue increase to $160.1 million, with volumes roughly flat overall. Excluding lower-margin business exited as part of footprint optimization plans, volumes rose 4%. Adjusted EBIT increased 16% to $23.1 million, benefiting from favorable mix and lower SG&A costs.

Adjusted EPS came in at $1.22, slightly above Q3-2024's $1.21. For FY2025, Silgan revised its adjusted EPS outlook to a range of $3.66 to $3.76, down from the prior $3.85 to $4.05 range, reflecting lower volume expectations in personal care and home care markets, as well as higher tax and interest expense. We now utilize the midpoint of the updated range in our estimates. Past figures in our tables reflect GAAP figures, nonetheless.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.41	$1.28	$2.44	$2.03	$1.75	$2.79	$3.25	$3.09	$3.00	$2.59	***$3.71***	***$4.96***
DPS	$0.32	$0.34	$0.36	$0.40	$0.44	$0.48	$0.56	$0.64	$0.72	$0.76	***$0.80***	***$1.12***
Shares[2]	122.0	119.7	110.4	110.6	110.9	110.7	110.4	110.1	106.6	106.8	***107.0***	***112.0***

Over the past decade, Silgan has averaged an EPS and DPS CAGR of 7.0% and 10.1%, respectively. Demand for packaged and canned foods, as well as sanitization products, has historically hovered stable levels. We believe the company will continue to enjoy stable demand over the long term as its containers and dispensing closures are primarily utilized in consumer staple products which in turn also enjoy stable demand.

We retain our EPS CAGR estimate at 6%, pricing in the possibility of a slowdown in earnings growth due to the company gradually maturing, and to be prudent. Share buybacks should mildly aid EPS growth over time. The company's share

[1] Estimated dates based on SLGN's past dividend dates
[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.

count has declined by about 12% over the past decade. Silgan repurchased a modest $174.7 million worth of stock last year. That said, we have set our DPS CAGR estimate at 7% as the current payout ratio should afford meaningful payout increases. Silgan has grown its DPS annually for 21 consecutive years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	19.9	20.1	22.6	11.1	17.6	12.5	13.5	13.6	15.5	18.0	***10.4***	***14.5***
Avg. Yld.	1.3%	1.3%	1.1%	1.6%	1.5%	1.5%	1.3%	1.5%	1.5%	1.6%	***2.1%***	***1.6%***

Silgan's valuation has remained relatively reasonable over the years, rarely outrunning its underlying financial growth. Shares appear quite undervalued at 10.4 times their FY2025 expected adjusted EPS. The stock's yield has almost always remained relatively low, at around 1% to 2%. Despite the rapid dividend increases, aggregate dividends paid out (as well as buybacks) have remained quite humble as the company reinvests most of its proceeds back into the business.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	23%	27%	15%	20%	25%	17%	17%	21%	24%	29%	***22%***	***23%***

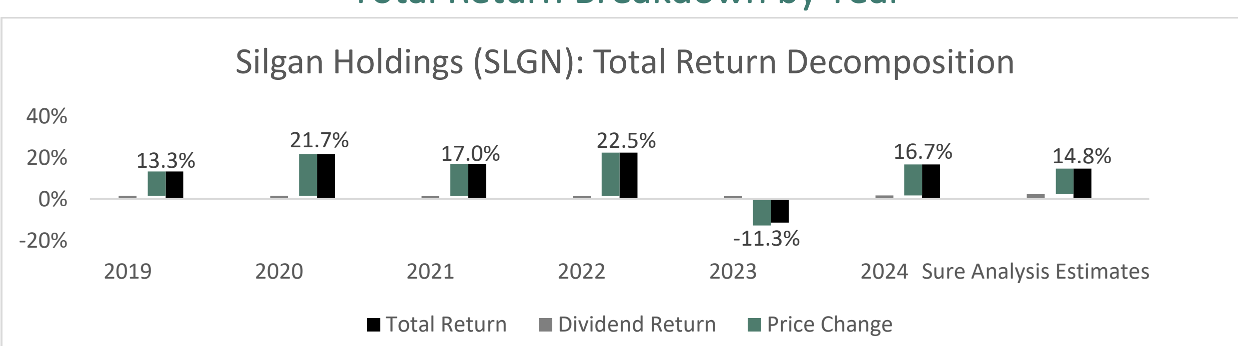
Investors can rely on Silgan's dividends since the company's payout ratio has historically remained quite low. It currently stands at 22%. Since the company's IPO in 1996, Silgan has never reported a money-losing quarter. Its products are vital for various consumer staples. Hence, its operations are quite stable, displayed in its 21-year dividend growth record. At the same time, however, Silgan operates in a massively competitive space, with quite thin margins. The company's competitors include firms that are multiple times larger than Silgan, such as the Ball Corp. (BLL), the Packaging Corporation of America (PKG), keeping Silgan's net profit margins in the mid-single-digits.

Overall, we believe that the company has showcased decades of robust cash flow generation, with little volatility to its financials. Its operations should remain relatively stable even under adverse economic conditions. Silgan's financial resiliency is evident by the 2026 senior secured notes issue in the midst of the pandemic, in which the company managed to secure $500 million at an ultra-low rate of 1.4%.

Final Thoughts & Recommendation

Silgan has a long history of stable returns, with the stock lacking any wild fluctuations in its share price throughout the decades. Combining our relatively modest growth expectations, the dividend yield, and a valuation tailwind, we forecast annualized returns of around 14.8% in the medium-term. Hence, we rate shares as a buy. However, we remind investors that they must be aware of the company's single-digit net income margins, which could easily be compressed following incompetence in passing inflationary costs through. Failure to do so could impact future returns. The pass-through of costs to Silgan's product pricing has been managed well historically, nonetheless.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3764	3613	4090	4449	4490	4922	5677	6411	5988	5855
Gross Profit	554	512	635	690	714	867	918	1048	993	1012
Gross Margin	14.7%	14.2%	15.5%	15.5%	15.9%	17.6%	16.2%	16.3%	16.6%	17.3%
SG&A Exp.	220	220	305	308	316	378	378	417	389	437
D&A Exp.	142	143	174	192	206	224	250	263	269	276
Operating Profit	334	319	363	418	416	582	540	631	604	575
Op. Margin	8.9%	8.8%	8.9%	9.4%	9.3%	10.7%	9.5%	9.8%	10.1%	9.8%
Net Profit	172	153	270	224	194	309	359	341	326	276
Net Margin	4.6%	4.2%	6.6%	5.0%	4.3%	6.3%	6.3%	5.3%	5.4%	4.7%
Free Cash Flow	98	203	215	316	276	378	325	533	256	459
Income Tax	80	79	-30	69	58	98	107	133	96	72

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	3193	3149	4645	4579	4931	6520	7771	7346	7611	8585
Cash & Equivalents	100	25	54	73	204	410	631	585	643	823
Accounts Receivable	281	288	455	511	505	620	711	658	600	594
Inventories	628	603	721	635	633	678	799	769	941	928
Goodwill & Int. Ass.	808	785	1589	1532	1497	2379	2869	2749	2739	3185
Total Liabilities	2553	2680	3879	3698	3908	5267	6208	5628	5722	6595
Accounts Payable	477	505	660	713	727	803	1133	974	1076	1112
Long-Term Debt	1514	1562	2547	2305	2244	3251	3793	3425	3427	4137
Total Equity	639	469	766	881	1023	1253	1563	1718	1889	1990
LTD/E Ratio	2.4	3.3	3.3	2.6	2.2	2.6	2.4	2.0	2.0	2.1

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.3%	4.8%	6.9%	4.9%	4.1%	5.4%	5.0%	4.5%	4.4%	3.4%
Return on Equity	25.6%	27.7%	43.7%	27.2%	20.4%	27.1%	25.5%	20.8%	18.1%	14.3%
ROIC	7.8%	7.3%	10.1%	6.9%	6.0%	7.9%	7.3%	6.5%	6.2%	4.8%
Shares Out.	122.6	120.5	111.4	111.6	111.5	111.4	111.2	111.0	109.2	107.1
Revenue/Share	30.70	29.98	36.73	39.85	40.27	44.18	51.07	57.75	54.84	54.66
FCF/Share	0.80	1.68	1.93	2.83	2.48	3.40	2.92	4.80	2.34	4.29

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