The Marzetti Company (MZTI)

Updated February 22nd, 2026, by Josh Arnold

Key Metrics

Current Price:	$166	**5 Year CAGR Estimate:**	9.5%	**Market Cap:**	$4.6 B
Fair Value Price:	$196	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	03/06/26
% Fair Value:	85%	**5 Year Valuation Multiple Estimate:**	3.4%	**Dividend Payment Date:**	03/31/26
Dividend Yield:	2.4%	**5 Year Price Target**	$238	**Years Of Dividend Growth:**	63
Dividend Risk Score:	A	**Sector:**	Consumer Staples	**Rating:**	Hold

Overview & Current Events

The Marzetti Company, formerly known as Marzetti , has been making food products since 1969, after shifting away from housewares. The move has afforded the company some meaningful growth in the past five decades and the stock has a $4.6 billion market capitalization on about $2 billion in annual revenue. Marzetti makes various meal accessories like croutons and bread products in frozen and non-frozen categories. Marzetti also has one of the best dividend increase streaks in the entire market, with more than six decades of consecutive increases.

Marzetti posted second quarter earnings on February 3rd, 2026, and results were worse than expected on both the top and bottom lines. The company saw earnings-per-share come to $2.15, which missed estimates by eight cents. Revenue was up 1.7% year-over-year to $518 million, missing expectations by $2.37 million. The company also noted $8.2 million of revenue was attributed to a temporary supply agreement that is expected to conclude on March 31st.

Gross profit was $137.3 million, while gross margin was up 80 basis points on an adjusted basis. SG&A costs were up by $3.3 million, primarily driven by higher marketing spending and the expanded launch of Texas Roadhouse rolls.

Capex for the quarter was $17.7 million, while the company paid a $28 million dividend and repurchased $20 million in stock. Marzetti still has no debt and $201 million in cash on hand.

Management is buying Bachan's, the maker of Japanese-American barbeque sauces – for $400 million. They noted the acquisition is expected to be accretive immediately. Bachan posted net sales of $87 million in 2025, so the acquisition is far from cheap.

We have slightly lowered our estimate for this year to $7 in adjusted earnings-per-share.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.44	$4.20	$4.92	$5.46	$4.97	$5.05	$4.38	$4.76	$6.19	$6.72	***$7.00***	***$8.52***
DPS	$1.96	$2.15	$2.40	$2.55	$2.75	$3.00	$3.15	$3.40	$3.55	$3.80	***$4.00***	***$4.87***
Shares[1]	27	27	28	28	28	28	28	28	28	28	***28***	***28***

The company's earnings-per-share growth has been spotty as its revenue tends to ebb and flow with restaurant traffic. It recovered nicely from the Great Recession, but the drop in 2008 earnings was very steep. We note the COVID recession saw Marzetti's retail and foodservice diversification come into its own as foodservice demand essentially disappeared.

We are forecasting 4% earnings-per-share growth annually ahead, comprised of low single-digit sales and growing margins over time, with the caveat that margins are generally volatile. Marzetti does not buy back stock in meaningful quantities, typically. The company's average revenue growth has been and should remain in the low single-digits, but keep in mind the possibility for earnings volatility going forward - there will be years where it dips and other years where it may rise rapidly, as it did in 2018, and again in 2019. Organic growth has been a problem for Marzetti , but it does complete sizable acquisitions regularly. We believe the company has a very strong chance to set record earnings again in 2026.

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[1] Share count in millions

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We are forecasting modest dividend growth annually for the next five years as Marzetti continues its impressive streak of payouts to shareholders; the payout could be $4.87 per share in five years. Marzetti is not a strong income stock, but it does prioritize growth in the payout each year, and that should continue. The company raised the dividend in November 2025 for the 63rd consecutive year, a streak we expect to continue indefinitely.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	24.3	31.2	31.4	28.8	30.0	35.0	29.4	42.2	30.5	25.7	***23.7***	***28.0***
Avg. Yld.	1.8%	1.6%	1.7%	1.6%	1.8%	1.7%	2.4%	1.7%	1.9%	2.2%	***2.4%***	***2.0%***

The stock's price-to-earnings ratio has spent the past few years around 30, but given the company's exposure to restaurants, we see fair value at 28 times earnings. Today, shares trade for 23.7 times our fiscal 2026 earnings estimate, so we see it as undervalued for now.

We see the yield remaining about where it is today given the forecasted moves in the valuation, earnings, and payout. Marzetti's current yield remains better than the S&P 500.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	49%	44%	47%	47%	55%	48%	72%	71%	57%	57%	***57%***	***57%***

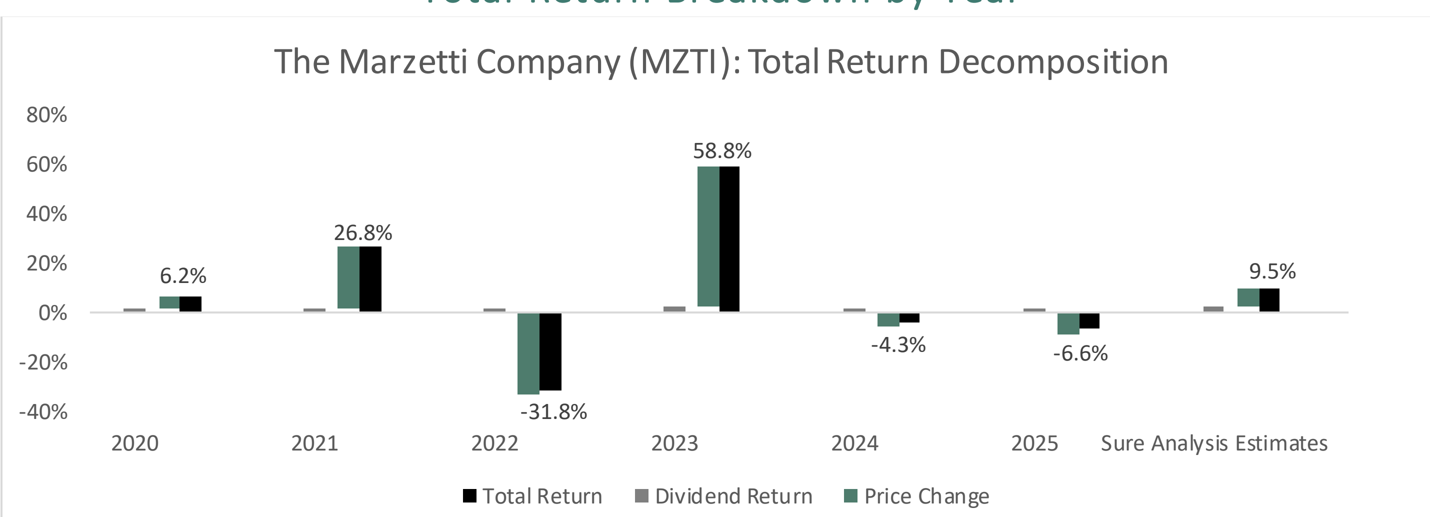
Marzetti's payout should remain near where it is today as dividend growth roughly matches earnings growth. Given its Dividend King status, we know the payout is important to management and the dividend is very safe.

Marzetti's competitive advantage is in its leadership position within the niche categories in which it competes. The company goes after accessory categories like bread, dressings, and croutons where competition tends to be lighter. It also has strong distribution partnerships with companies like Walmart and McLane Company, a major restaurant distributor. Its recession performance track record is spotty because it is reliant upon restaurant traffic, something that suffers mightily during times of economic stress and input cost inflation.

Final Thoughts & Recommendation

We forecast Marzetti to provide shareholders with total annualized returns of 9.5% over the next five years, comprised of 4% growth rate, a 2.4% dividend yield, and a 3.4% tailwind from the valuation. We reiterate the stock at a hold rating after Q2 earnings that missed the mark.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,191	1,202	1,223	1,308	1,334	1,467	1,676	1,823	1,872	1,909
Gross Profit	300	319	304	326	358	387	356	389	432	456
Gross Margin	25.2%	26.5%	24.8%	24.9%	26.8%	26.4%	21.2%	21.3%	23.1%	23.9%
SG&A Exp.	115	143	130	150	181	205	212	222	218	---
D&A Exp.	24	25	27	32	38	45	46	51	56	62
Operating Profit	185	176	174	176	177	181	144	166	214	225
Operating Margin	15.5%	14.6%	14.2%	13.5%	13.3%	12.4%	8.6%	9.1%	11.4%	11.8%
Net Profit	122	115	135	151	137	142	90	111	159	167
Net Margin	10.2%	9.6%	11.1%	11.5%	10.3%	9.7%	5.4%	6.1%	8.5%	8.7%
Free Cash Flow	129	119	130	127	88	86	-30	136	184	203
Income Tax	63	60	39	45	42	43	23	32	47	46

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	635	716	804	905	993	1,101	1,090	1,113	1,207	1,320
Cash & Equivalents	118	143	206	196	198	188	60	88	163	161
Accounts Receivable	66	70	73	76	87	98	135	115	96	96
Inventories	76	76	91	86	85	122	145	158	173	169
Goodwill & Int. Ass.	189	228	224	279	274	267	241	213	208	223
Total Liabilities	121	140	152	179	210	258	246	251	281	322
Accounts Payable	40	41	58	77	71	110	115	112	119	118
Long-Term Debt	---	---	---	---	---	---	---	0	0	56
Shareholder's Equity	514	576	652	727	783	843	845	862	926	998
LTD/E Ratio	---	---	---	---	---	---	---	0	0	0.06

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	18.2%	17.1%	17.8%	17.6%	14.4%	13.6%	8.2%	10.1%	13.7%	13.0%
Return on Equity	22.2%	21.2%	22.0%	21.8%	18.1%	17.5%	10.6%	13.0%	17.7%	17.3%
ROIC	22.2%	21.2%	22.0%	21.8%	18.1%	17.5%	10.6%	13.0%	17.7%	16.4%
Shares Out.	27	27	28	28	28	28	27	27	27	27
Revenue/Share	43.51	43.80	44.54	47.49	48.53	53.31	61.02	66.32	68.16	69.45
FCF/Share	4.72	4.35	4.72	4.60	3.21	3.14	-1.10	4.94	6.70	7.40

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