AptarGroup Inc. (ATR)

Updated March 7th, 2026 by Felix Martinez

Key Metrics

Current Price:	$132	**5 Year Annual Expected Total Return:**	4.6%	**Market Cap:**	$8.5 B
Fair Value Price:	$110	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	02/04/26
% Fair Value:	120%	**5 Year Valuation Multiple Estimate:**	-3.6%	**Dividend Payment Date:**	02/25/26
Dividend Yield:	1.5%	**5 Year Price Target**	$154	**Years Of Dividend Growth:**	32
Dividend Risk Score:	B	**Sector:**	Materials	**Rating:**	Hold

Overview & Current Events

AptarGroup Inc. (ATR) began trading as an independent company in 1993 and is now one of the leading businesses in the global dispensing systems industry. With a market capitalization of approximately $8.5 billion, The company has over 13,000 employees in 20 countries and produced $3.8 billion in revenue in 2025. The company is divided into three business segments: "Beauty + Home," "Food + Beverage," and "Pharma."

The company reported fourth-quarter results for Fiscal Year 2025 on February 5th , 2026. The company reported strong Q4 2025 revenue of $962.7 million, up 14% year-over-year, while adjusted EPS reached $1.25, slightly beating expectations. Core sales increased 5%, with growth across all three segments. Pharma revenue rose 10%, supported by strong demand for injectables and nasal drug-delivery technologies, while Beauty sales surged 24% with 10% core growth driven by fragrance and personal-care dispensing systems. Closures revenue increased 5%, though profitability declined as the adjusted EBITDA margin fell to 19.8% from 23.0% due to product mix and higher production costs.

For the full year 2025, Aptar generated $3.78 billion in revenue, up 5%, with net income of $392 million and EPS of $5.89, a 7% increase year-over-year. Core sales grew 2%, led by Pharma (+3%), Beauty (+2%), and Closures (+1%). Operating cash flow totaled $570 million, producing $303 million in free cash flow. The company also returned significant capital to shareholders, distributing $486 million through dividends and share repurchases, while maintaining a strong balance sheet with $410 million in cash and a leverage ratio of 1.38.

Looking ahead, Aptar expects continued growth in Pharma, particularly in injectables, systemic nasal drug delivery, and consumer healthcare solutions, while Beauty demand, especially prestige fragrance, shows early signs of improvement. The company projects Q1 2026 adjusted EPS of $1.13–$1.21 and plans $260–$280 million in capital investments in 2026, supported by productivity improvements, innovation, and a strong balance sheet that enables continued shareholder returns.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.13	$3.40	$4.00	$3.95	$3.64	$3.88	$3.79	$4.78	$5.64	$5.74	***$5.50***	***$7.71***
DPS	$1.22	$1.28	$1.32	$1.42	$1.44	$1.50	$1.52	$1.58	$1.72	$1.83	***$1.96***	***$2.38***
Shares[1]	62.2	61.9	62.9	66.0	67.0	67.7	66.7	66.9	67.7	66.7	***66.7***	***65.0***

AptarGroup's growth strategy encompasses both organic expansion and strategic acquisitions, with a noteworthy $528 million investment in acquisitions during 2018, poised to fuel substantial future growth. While the company historically employed cash or debt for share buybacks resulting in a modest annual decrease in shares, recent years have shown an increase in total shares. The Pharma segment, constituting a third of sales but contributing two-thirds of EBITDA, stands out as the company's profit leader and primary growth driver, despite challenges posed by currency fluctuations and tax changes. Anticipated are 7.0% annual earnings and 4.0% dividend growth over the next five years, reflecting a moderate slowdown from historical dividend growth rates of 4.6% over a decade and a 4.3% five-year dividend CAGR.

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[1] 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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	21.6	23.9	24.1	32.1	29.3	37.6	31.6	29.0	25.9	21.4	***24.0***	***20.00***
Avg. Yld.	1.7%	1.6%	1.6%	1.4%	1.2%	1.1%	1.2%	1.4%	1.3%	1.5%	***1.5%***	***1.5%***

AptarGroup currently trades for a valuation of 24x earnings, which we consider high for a company with low growth. The security looks fairly valued compared to its 10-year average of 27.6 times earnings. Additionally, the dividend yield is slightly higher with its ten-year average of 1.4%.

From this point, there is more potential for a valuation reduction rather than valuation expansion over the next five years, in our view. We believe that a valuation of 20x earnings, modestly below its 10-year average, is fair given the company's moderate expected growth potential.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	39%	38%	33%	36%	40%	39%	40%	33%	30%	32%	***36%***	***31%***

AptarGroup has over 5,000 customers, with no customer accounting for more than 6% of sales. Additionally, three-quarters of sales come from outside the United States, with more than half of sales coming from Europe. The company has various patents and trademarks to protect its designs. However, it faces stiff competition and has historically achieved returns on invested capital marginally higher than its weighted average capital cost. However, the Pharma segment enjoys high switching costs due to regulatory certification and has higher profit margins.

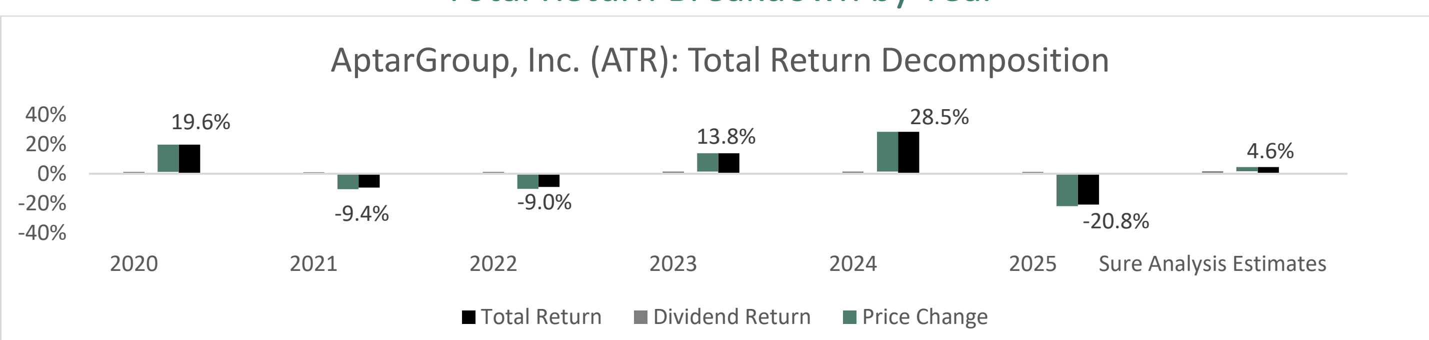
AptarGroup has paid growing dividends for 32 consecutive years and maintains a low payout ratio. The company was only mildly affected by the previous recession, as it remained profitable and quickly recovered to all-time high sales and earnings in 2010. Its products across all three business segments are not very cyclical.

The company has nearly doubled its long-term debt over the past four years, but its interest coverage ratio remains healthy at over 10.3x. Also, the company has a debt-to-equity ratio of 0.5x which is really good. AptarGroup makes substantial use of leverage, although its consistent earnings should allow it to support that leverage safely.

Final Thoughts & Recommendation

In our view, AptarGroup is a durable company with a long history of growing dividends. However, the valuation is higher than its historical average and what we consider fair for its growth outlook. The company's sizeable foreign exposure is both a source of opportunity and a risk. We rate AptarGroup as a Hold now due to its low expected total returns of 4.6% per year for the next five years.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2317	2331	2469	2765	2860	2929	3227	3322	3487	3583
Gross Profit	814	835	866	952	1041	1087	1157	1164	1263	1356
Gross Margin	35.2%	35.8%	35.1%	34.4%	36.4%	37.1%	35.8%	35.0%	36.2%	37.8%
SG&A Exp.	351	366	387	430	455	500	551	544	566	582
D&A Exp.	139	155	153	172	195	220	235	234	249	264
Operating Profit	324	314	326	350	392	366	371	386	449	510
Operating Margin	14.0%	13.5%	13.2%	12.7%	13.7%	12.5%	11.5%	11.6%	12.9%	14.2%
Net Profit	199	206	220	195	242	214	244	239	284	375
Net Margin	8.6%	8.8%	8.9%	7.0%	8.5%	7.3%	7.6%	7.2%	8.1%	10.5%
Free Cash Flow	174	194	168	102	267	318	56	163	257	349
Income Tax	95	75	75	71	100	87	78	95	91	96

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2437	2607	3138	3378	3562	3990	4141	4203	4452	4432
Cash & Equivalents	490	466	713	262	242	300	123	142	224	224
Accounts Receivable	392	433	510	570	562	573	671	677	678	658
Inventories	295	297	337	381	376	379	441	487	513	462
Goodwill & Int. Ass.	342	502	539	967	1055	1243	1337	1261	1247	1191
Total Liabilities	1287	1433	1826	1955	1990	2139	2157	2135	2131	1946
Accounts Payable	115	116	154	165	193	244	285	320	329	296
Long-Term Debt	818	947	1257	1290	1196	1173	1193	1175	1139	1026
Shareholder's Equity	1149	1174	1312	1423	1572	1850	1969	2054	2307	2472
D/E Ratio	0.71	0.81	0.96	0.91	0.76	0.63	0.61	0.57	0.49	0.42

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	8.2%	8.2%	7.7%	6.0%	7.0%	5.7%	6.0%	5.7%	6.6%	8.4%
Return on Equity	17.7%	17.7%	17.7%	14.2%	16.2%	12.5%	12.8%	11.9%	13.0%	15.6%
ROIC	10.2%	10.1%	9.4%	7.4%	8.8%	7.4%	7.9%	7.4%	8.5%	10.7%
Shares Out.	62.5	62.2	61.9	62.9	66.0	67.0	67.7	66.7	66.9	67.7
Revenue/Share	35.93	35.94	38.23	42.56	43.23	43.95	47.68	49.79	52.13	52.93
FCF/Share	2.70	2.99	2.60	1.57	4.04	4.77	0.82	2.44	3.84	5.16

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

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