



Perrigo Co. plc (PRGO)

Updated March 18th, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$9.88	5 Year Annual Expected Total Return:	16.6%	Market Cap:	\$1.4 B
Fair Value Price:	\$13	5 Year Growth Estimate:	3.0%	Ex-Dividend Date:	03/02/26
% Fair Value:	77%	5 Year Valuation Multiple Estimate:	5.5%	Dividend Payment Date:	03/24/26
Dividend Yield:	11.7%	5 Year Price Target	\$15	Years Of Dividend Growth:	23
Dividend Risk Score:	C	Sector:	Health Care	Rating:	Hold

Perrigo's history goes all the way back to 1887 when Luther Perrigo, the proprietor of a general store and apple-drying business, had the idea to package and distribute patented medicines and household items for country stores. Today, Perrigo is headquartered in Ireland. It operates in the healthcare sector as a manufacturer of over-the-counter consumer products. Its Consumer Self-Care Americas segment is comprised of the U.S., Mexico and Canada consumer healthcare businesses. The Consumer Self-Care International segment includes branded consumer healthcare business primarily in Europe, but also Australia and Israel. The company generates ~\$4.1 billion in annual revenue.

On February 19th, 2025, Perrigo announced that it was raising its quarterly dividend 5.1% to \$0.29, extending the company's dividend growth streak to 23 consecutive years.

On February 26th, 2026, Perrigo announced fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue declined 2.5% to \$1.11 billion, but this was \$17.5 million above estimates. Adjusted earnings-per-share of \$0.77 compared to \$0.93 in the prior year and was \$0.01 less than expected. For the year, revenue declined 2.8% to \$4.25 billion while GAAP EPS of -\$10.12 was down from -\$1.17 in the prior year due to a Goodwill impairment charge. Adjusted earnings-per-share of \$2.75 was up from \$2.57 in 2024.

For the quarter, organic revenue was down 4.5% and the impact of divestitures and exited products was 0.4% headwind to results. These declines were offset by favorably currency translation of 2.3%. Consumer Self-Care Americas had an organic growth decline of 6.3%, primarily due to weaker results in infant formula, but lower demand from OTC contract manufacturing also contributed to the decrease. Consumer Self-Care International's sales were down 1.0%, as share gains in key brands, such as Compeed, and ellaOne, were offset by weaker OTC category consumption. The adjusted gross margin contracted 110 basis points to 36.1% in Q4. As mentioned last quarter, the Infant Formula segment remains under strategic review. The company announced a cost savings program in Q4 2023 called "Project Energize" that is projected to create pre-tax savings of \$140 million to \$170 million by 2026. In 2025, the company realized \$167 million of savings with \$35 million reinvested in the business.

Perrigo provided an outlook for 2026 as well. The company now expects organic revenue growth to be down by -1.5% to -5.5% for the year. Adjusted earnings-per-share is projected to be in a range of \$2.00 to \$2.30. We have initiated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$5.07	\$4.93	\$4.55	\$4.03	\$4.02	\$2.06	\$2.07	\$2.58	\$2.57	\$2.75	\$2.15	\$2.49
DPS	\$0.58	\$0.64	\$0.76	\$0.84	\$0.90	\$0.96	\$1.04	\$1.09	\$1.10	\$1.16	\$1.16	\$1.34
Shares¹	143	141	138	137	136	134	135	136	138	139	139	135

Perrigo grew earnings at a rapid pace in the years after the Great Recession ended. However, earnings have declined precipitously since 2015. Perrigo's problems started in 2013, when the company acquired biotechnology company Elan for nearly \$7 billion. This huge acquisition saddled Perrigo with lots of debt, and greatly expanded the company's pharmaceutical business—at just the wrong time. Falling drug prices and the recent backlash against opioids in the U.S.

¹ In millions of shares

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has caused a significant deterioration in Perrigo's earnings growth. In response, the company has scaled back its pharmaceutical operations. Consumer health products now represent the vast majority of total revenue. And, the company divested its pharmaceutical segment to further focus on consumer products. Focusing on consumer products will add stability to Perrigo, but these products typically grow at a lower rate than pharmaceuticals. Overall, we expect 3% annual earnings growth through 2031, down from 5% previously.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.7	15.8	16.5	12.3	12.9	18.9	16.5	12.5	10.0	4.9	5.0	6.0
Avg. Yld.	0.6%	0.8%	1.0%	1.7%	1.7%	2.5%	3.1%	3.4%	4.3%	8.2%	11.7%	9.0%

Shares have declined 28.7%, since our December 1st, 2025 report. Over the past 10 years, Perrigo stock traded for an average price-to-earnings ratio of 14.1. Investors should note that the 10-year average valuation includes several years of high earnings growth, which justified a higher valuation. That said, the earnings decline in recent years and expectations for future growth do not justify a price-to-earnings ratio above 20 in our opinion. Based on earnings-per-share guidance for 2026, the stock has a P/E of just 5. We have lowered our target price-to-earnings ratio to 6 from 10 due to recent poor results. Reverting to our valuation target by 2031 would result in a 5.5% tailwind to annual returns over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

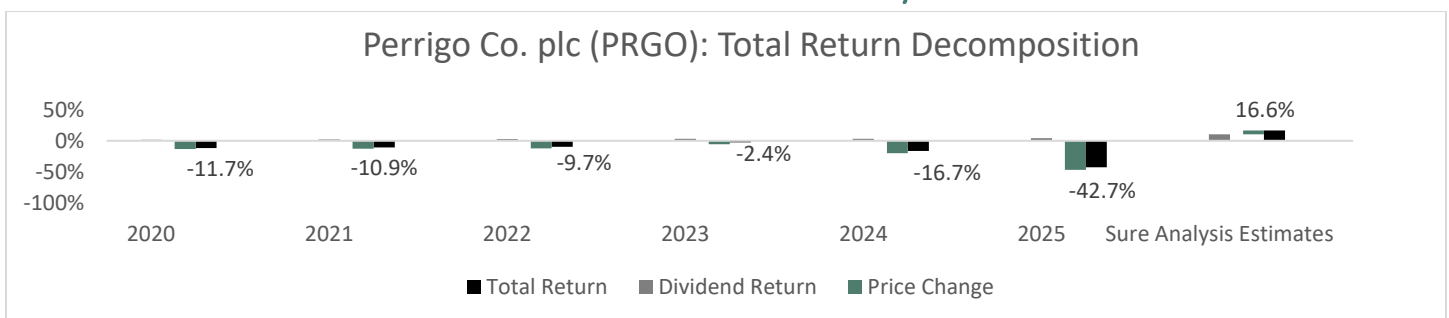
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	11%	13%	17%	21%	22%	47%	50%	42%	43%	42%	54%	54%

Perrigo does not rank highly in terms of safety. The debt incurred from the Elan acquisition caused its interest coverage ratio to erode significantly in recent years. That said, the company does have a significant competitive advantage. Perrigo is one of the largest manufacturers of OTC products, which gives it a leading position in its key markets. It also should perform well in a recession as these product categories tend to hold up, even if the economy enters a downturn. Perrigo's expected dividend payout ratio for 2026 is 54% of the expected adjusted EPS for the year. However, the company has seen much weaker GAAP EPS in each of the last two years. Additionally, the dividend has now been maintained for five consecutive quarters. We believe that there is some risk for a dividend cut in the future.

Final Thoughts & Recommendation

Perrigo is projected to return 16.6% annually over the next five years, down from 22.5% previously. This projected return stems from a 3% earnings growth rate, a starting dividend yield of 11.7%, and a mid-single-digit contribution from multiple expansion. Perrigo's segments remain challenged, with both struggling to gain traction. We have lowered our five-year price target \$17 to \$15 due to guidance for the year and a lower target multiple. Despite attractive return potential, we continue to rate shares of Perrigo as a hold due to a weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5,279	4,945	4,731	4,837	4,088	4,141	4,451	4,655	4,374	4,253
Gross Profit	2,048	1,971	1,829	1,774	1,492	1,417	1,459	1,679	1,543	1,495
Gross Margin	38.8%	39.9%	38.7%	36.7%	36.5%	34.2%	32.8%	36.1%	35.3%	35.2%
SG&A Exp.	1,206	1,147	1,126	1,166	1,109	1,111	1,210	1,275	1,113	1,056
D&A Exp.	457	445	424	397	385	312	339	360	326	338
Operating Profit	656	670	485	436	261	225	173	282	318	344
Operating Margin	12.4%	13.5%	10.2%	9.0%	6.4%	5.4%	3.9%	6.1%	7.3%	8.1%
Net Profit	(4,013)	120	131	146	44	(131)	(131)	(4)	(161)	(1,402)
Net Margin	-76.0%	2.4%	2.8%	3.0%	1.1%	-3.2%	-2.9%	-0.1%	-3.7%	-33.0%
Free Cash Flow	484	606	455	101	431	(66)	211	304	231	144
Income Tax	(836)	161	160	25	(38)	390	(8)	(4)	80	104

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	13,870	11,629	10,983	11,301	11,488	10,426	11,017	10,809	9,648	8,535
Cash & Equivalents	661	696	561	361	634	1,865	601	751	559	532
Accounts Receivable	1,176	1,131	1,073	1,270	613	693	739	768	686	650
Inventories	795	807	878	967	1,059	1,020	1,150	1,141	1,082	1,149
Goodwill & Int. Ass.	7,561	7,556	6,888	7,107	5,584	5,151	6,779	6,515	5,749	4,406
Total Liabilities	7,913	5,458	5,315	5,497	5,833	5,274	6,175	6,041	5,328	5,600
Accounts Payable	472	450	475	520	452	411	537	478	495	475
Long-Term Debt	5,797	3,341	3,242	3,471	3,697	3,668	4,296	4,233	3,772	3,792
Shareholder's Equity	5,958	6,170	5,668	5,804	5,655	5,152	4,842	4,768	4,319	2,936
LTD/E Ratio	0.97	0.54	0.57	0.60	0.66	0.72	0.89	0.89	0.88	1.30

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-24.2%	0.9%	1.2%	1.3%	0.4%	-1.2%	-1.2%	0.0%	-1.6%	-15.4%
Return on Equity	-50.0%	2.0%	2.2%	2.5%	0.8%	-2.4%	-2.6%	-0.1%	-3.5%	-38.7%
ROIC	-28.8%	1.1%	1.4%	1.6%	0.5%	-1.4%	-1.5%	0.0%	-1.9%	-18.9%
Shares Out.	143	141	138	137	136	134	135	136	138	139
Revenue/Share	36.84	34.67	34.21	35.44	30.04	31.00	33.09	34.41	31.83	30.71
FCF/Share	3.37	4.25	3.29	0.74	3.16	(0.50)	1.57	2.25	1.68	1.04

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

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