Sonoco Products Company (SON)

Updated March 3rd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$54	**5 Year Annual Expected Total Return:**	12.3%	**Market Cap:**	$5.3 Billion
Fair Value Price:	$66	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	02/25/26
% Fair Value:	82%	**5 Year Valuation Multiple Estimate:**	4.1%	**Dividend Payment Date:**	03/10/26
Dividend Yield:	3.9%	**5 Year Price Target**	$84	**Years Of Dividend Growth:**	49
Dividend Risk Score:	A	**Sector:**	Materials	**Rating:**	Buy

Overview & Current Events

Sonoco Products provides packaging, industrial products and supply chain services to its customers. The markets that use the company's products include those in the appliances, electronics, beverage, construction and food industries. Sonoco was founded in Hartsville, South Carolina in 1899 and introduced the first paper textile cone. The company generates $7.5 billion in annual sales. Sonoco Products is now composed of 2 major segments, Consumer Packaging, and Industrial Packaging, with all other businesses listed as "All Other".

On April 16th, 2025, Sonoco Products announced that it raised its quarterly dividend 1.9% to $0.53, extending the company's dividend growth streak to 49 consecutive years.

On September 7th, 2025, the company announced that it had agreed to sell its ThermoSafe business unit to Arsenal Capital Partners for $656 million in gross cash proceeds. The transaction closed on November 3rd, 2025.

On February 16th, 2026, Sonoco Products reported fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue grew 30.1% to $1.77 billion, which beat estimates by $10 million. Adjusted earnings-per-share of $1.05 compared to $1.00 in the prior year and was $0.05 better than expected. For the year, revenue increased 41.7% to $7.5 billion while adjusted earnings-per-share of $5.71 compared to $4.89 in 2024.

Revenues and earnings once again benefited from the addition of Eviosys. For the quarter, Consumer Packaging revenues were up 62.1% to $1.14 billion, mostly due to contributions from Eviosys. Results were once again aided by price increases that were implemented to offset inflation and tariff pressure. Sales for Industrial Paper Packing were down slightly to $568 million due to weaker volume following two plant divestitures in China last year. All Other declined 34.9% to $57 million due to the divestiture of ThermoSafe in November.

Sonoco Products provided an outlook for 2026 as well, with the company expecting adjusted earnings-per-share in a range of $5.80 to $6.20 for the year. 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	$2.72	$2.78	$3.37	$3.53	$3.41	$3.93	$6.48	$5.26	$4.89	$5.71	***$6.00***	***$7.66***
DPS	$1.46	$1.54	$1.62	$1.70	$1.72	$1.80	$1.92	$2.02	$2.07	$2.11	***$2.12***	***$2.71***
Shares[1]	99	99	101	101	101	99	99	99	99	100	***100***	***100***

Earnings-per-share declined 21% from 2008 to 2009, but Sonoco Products was able to return to growth the following year. The company has grown earnings-per-share at a rate of 8.6% since 2016. We maintain our expected growth rate of 5% due to the high base from which earnings-per-share are starting.

Sonoco Products has a long history of dividend growth. Given the very reasonable payout ratio, we project that dividend growth can continue for years to come. We see the payout reaching $2.71 by 2031.

[1] In millions of shares

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.8	18.5	15.8	17.0	15.6	16.3	9.4	10.6	10.0	7.6	***9.0***	***11.0***
Avg. Yld.	3.0%	3.0%	3.0%	2.8%	3.2%	3.1%	3.2%	3.6%	4.2%	4.8%	***3.9%***	***3.2%***

Shares of Sonoco Products have gained $12, or 28.6% since our October 23rd, 2025 update. Based off the company's guidance for the year, shares trade with a price-to-earnings ratio of 9.0. The stock has a 10-year average P/E ratio of 13.9, but the multiple falls to 10.8 when looking at just last five years. We have lowered our 2031 target P/E to 11 from 12 as this better reflects the average multiple over the medium-term. Reaching this target would add 4.1% annual returns over the next five years. Shares of Sonoco Products currently yield 3.9%, which is above the stock's long-term average yield of 3.4%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	54%	55%	48%	49%	50%	46%	30%	38%	42%	37%	***35%***	***35%***

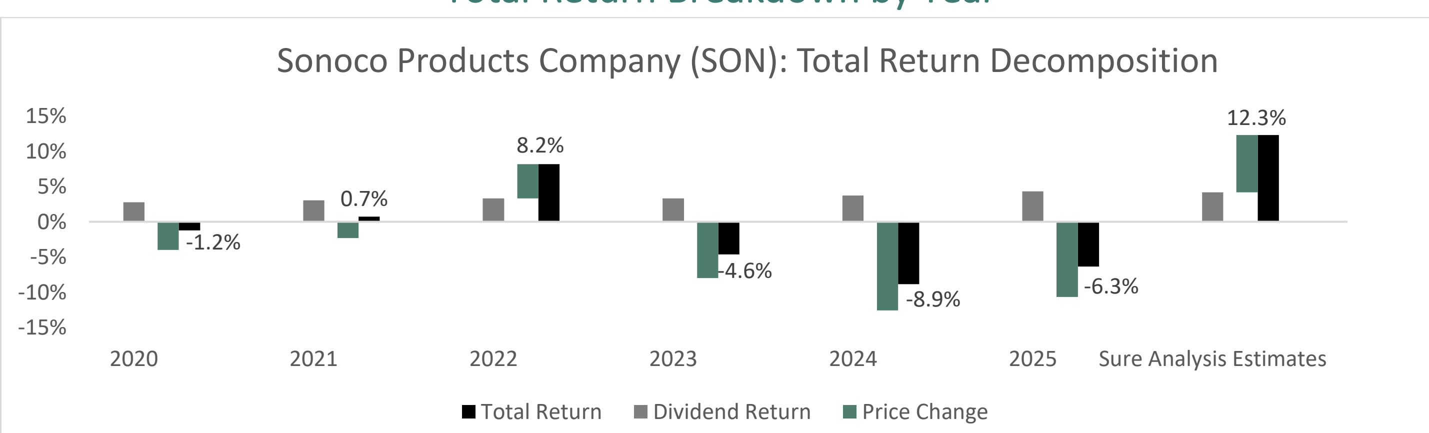
Sonoco Products showed in the last recession that it is somewhat susceptible to deteriorating market conditions. Over the past decade the company has averaged a 45% dividend payout ratio, but it is projected to be much lower than that this year. Sonoco Products has a very reasonable dividend payout ratio of 35% based off our expectations for 2026. As such, Sonoco Products' dividend appears safe.

A key competitive advantage for Sonoco Products is that the company is usually able to pass along rising raw material and transportation costs to its customers. Ability to pass along costs is an advantage as this shows that the company's offerings are in demand. Also helping grow the top and bottom lines is Sonoco Products' history of acquisitions. The Eviosys, Ball Metalpack, Conitex, and Can Packaging purchases are prime examples of growing through acquisitions.

Final Thoughts & Recommendation

After fourth quarter earnings results, Sonoco Products Company is now expected to offer a total annual return of 12.3% through 2031, down from our previous estimate of 18.9%. Our projected return stems from our expected earnings growth rate of 5%, the 3.9% starting yield, and a single-digit tailwind from multiple expansion. Sonoco Products provided guidance for 2026 that implies growth year-over-year and shares still trade below our fair value target. There is much to like about the company and the stock, including the dividend growth history and the valuation. We have lowered our five-year price target $3 to $84 due to a lower target multiple, but we continue to view shares of Sonoco Products as a buy due to projected returns and the strong 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	4,792	5,025	5,391	5,373	5,244	5,587	7,247	5,431	5,307	7,515
Gross Profit	946	952	1,042	1,059	1,051	1,056	1,492	1,215	1,144	1,592
Gross Margin	19.7%	19.0%	19.3%	19.7%	20.0%	18.9%	20.6%	22.4%	21.6%	21.2%
SG&A Exp.	506	508	563	531	528	558	707	742	724	862
Operating Profit	448	460	492	537	527	513	826	602	537	773
Operating Margin	9.3%	9.2%	9.1%	10.0%	10.0%	9.2%	11.4%	11.1%	10.1%	10.3%
Net Profit	288	177	315	293	207	(83)	467	380	68	591
Net Margin	6.0%	3.5%	5.8%	5.4%	4.0%	-1.5%	6.4%	7.0%	1.3%	7.9%
Free Cash Flow	204	159	397	230	497	43	180	520	441	346
Income Tax	165	147	75	93	53	(67)	119	120	6	184

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,923	4,558	4,583	5,126	5,277	5,073	7,053	7,192	12,508	11,162
Cash & Equivalents	257	255	120	145	565	171	227	139	431	378
Accounts Receivable	625	725	786	755	707	807	919	701	975	921
Inventories	373	474	494	504	451	562	1,096	604	1,016	1,121
Goodwill & Int. Ass.	1,317	1,573	1,661	1,818	1,711	1,603	2,417	2,025	5,112	5,195
Total Liabilities	2,368	2,828	2,811	3,311	3,367	3,224	4,980	4,760	10,222	7,531
Accounts Payable	478	548	556	538	537	721	819	538	1,131	1,084
Long-Term Debt	1,053	1,288	1,190	1,935	1,962	1,845	3,473	3,230	7,299	4,590
Shareholder's Equity	1,532	1,707	1,759	1,803	1,900	1,837	2,066	2,424	2,272	3,614
LTD/E Ratio	0.69	0.85	0.79	1.10	1.06	1.03	1.71	1.35	3.24	1.29

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.3%	4.2%	6.9%	6.0%	4.0%	-1.6%	7.7%	5.3%	0.7%	5.0%
Return on Equity	18.6%	10.8%	18.0%	16.3%	11.1%	-4.4%	23.8%	16.9%	2.9%	20.0%
ROIC	10.9%	6.1%	9.9%	8.4%	5.4%	-2.2%	10.0%	6.7%	0.9%	6.6%
Shares Out.	99	99	101	101	101	99	99	99	99	100
Revenue/Share	47.08	49.82	53.37	53.10	51.81	56.09	73.40	54.92	53.44	75.47
FCF/Share	2.00	1.58	3.93	2.27	4.91	0.43	1.83	5.26	4.44	3.47

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