Ingredion Incorporated (INGR)

Updated May 28th, 2026, by Kody Kester

Key Metrics

Current Price:	$103	**5 Year Annual Expected Total Return:**	15.4%	**Market Cap:**	$6.5B
Fair Value Price:	$140	**5 Year Growth Estimate:**	6.5%	**Ex-Dividend Date:**	07/01/26
% Fair Value:	74%	**5 Year Valuation Multiple Estimate:**	6.3%	**Dividend Payment Date:**	07/21/26
Dividend Yield:	3.2%	**5 Year Price Target**	$192	**Years Of Dividend Growth:**	15
Dividend Risk Score:	B	**Sector:**	Consumer Staples	**Rating:**	Buy

Overview & Current Events

Ingredion Inc (INGR) is a multinational ingredient solutions company headquartered in Westchester, Illinois. Founded in 1906, INGR was incorporated as a Delaware corporation in 1997, has over 15,000 customers in 125 countries, and employs more than 11,000 people in 22 countries. The company is principally engaged in producing and selling starches and sweeteners for various industries. Essentially, INGR turns grains, fruits, vegetables, and other plant-based materials into value-added ingredient solutions for the food, beverage, animal nutrition, brewing, and industrial markets. Ingredion operates in three business segments: Texture & Healthful Solutions, Food & Industrial Ingredients-LATAM, and Food & Industrial Ingredients - U.S./Canada.

On May 5, INGR shared its earnings report for the first quarter ended March 31, 2026. The company's net sales decreased by 1.2% over the year-ago period to $1.79 billion in the quarter. That was due to a couple of headwinds more than offsetting a $33 million foreign currency translation tailwind (mostly stemming from the Mexican peso) during the quarter. Lower core volumes pulled sales down by almost 2% ($32 million) for the quarter. This was driven by weaker overall consumer demand versus a strong Q1 2025, as well as inventory constraints from operational delays in the quarter. A softer price/mix across the commodity-exposed portfolio dragged sales down by another 1% ($22 million) during the quarter. INGR's adjusted EPS declined by 21.2% for the quarter to $2.34. That missed the analyst consensus in the quarter by $0.13. Major production inefficiencies (due to operational challenges at the Argo facility) resulted in a 330 basis point contraction in gross margins to 22.4% during the quarter. Along with lower core volumes, these negatives more than countered favorable foreign currency translation and a reduction in the share count for the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$7.13	$7.70	$6.92	$6.65	$6.23	$6.67	$7.45	$9.42	$10.65	$11.13	***$10.80***	***$14.80***
DPS	$1.85	$2.10	$2.43	$2.50	$2.53	$2.57	$2.66	$2.91	$3.14	$3.22	***$3.28***	***$4.29***
Shares[1]	72.4	72.0	66.5	66.8	67.0	66.7	65.7	65.2	64.5	63.0	***63.1***	***60.0***

Since 2016, INGR's adjusted EPS has compounded by just over 5% annually. Moving forward, we think that the company's adjusted EPS can grow by 6.5% annually through 2031, off an anticipated 2026 base of $10.80 (this would be a moderate deceleration from the five-year CAGR of roughly 10%). Net sales growth is likely to remain modest. However, we believe that INGR's structural shift from lower-margin, volatile bulk sweeteners into high-value, high-margin specialty ingredients like clean-label starches, stevia, and plant proteins will contribute to margin expansion over time. Combined with the non-binding proposal to acquire Tate and Lyle recently announced (which would accelerate the specialty pivot if the deal is completed), this is how we arrive at our growth forecast.

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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	Now	2031
Avg. P/E	17.5	18.2	13.2	141	12.6	14.5	13.2	11.5	12.8	9.9	***9.6***	***13.0***
Avg. Yld.	1.5%	1.5%	2.7%	2.7%	3.2%	2.7%	2.7%	2.7%	2.3%	2.9%	***3.2%***	***2.2%***

Over the last decade, INGR has traded at a P/E ratio as low as the high single digits to as much as the upper-teens. The average P/E ratio over that time was nearly 14. In recent years, the P/E ratio has been just above 12. Looking ahead, we think that a reasonable fair value multiple for INGR is 13. Relative to the current-year P/E ratio of 9.6, this implies shares are meaningfully undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	26%	27%	35%	38%	41%	39%	36%	31%	29%	29%	***30%***	***29%***

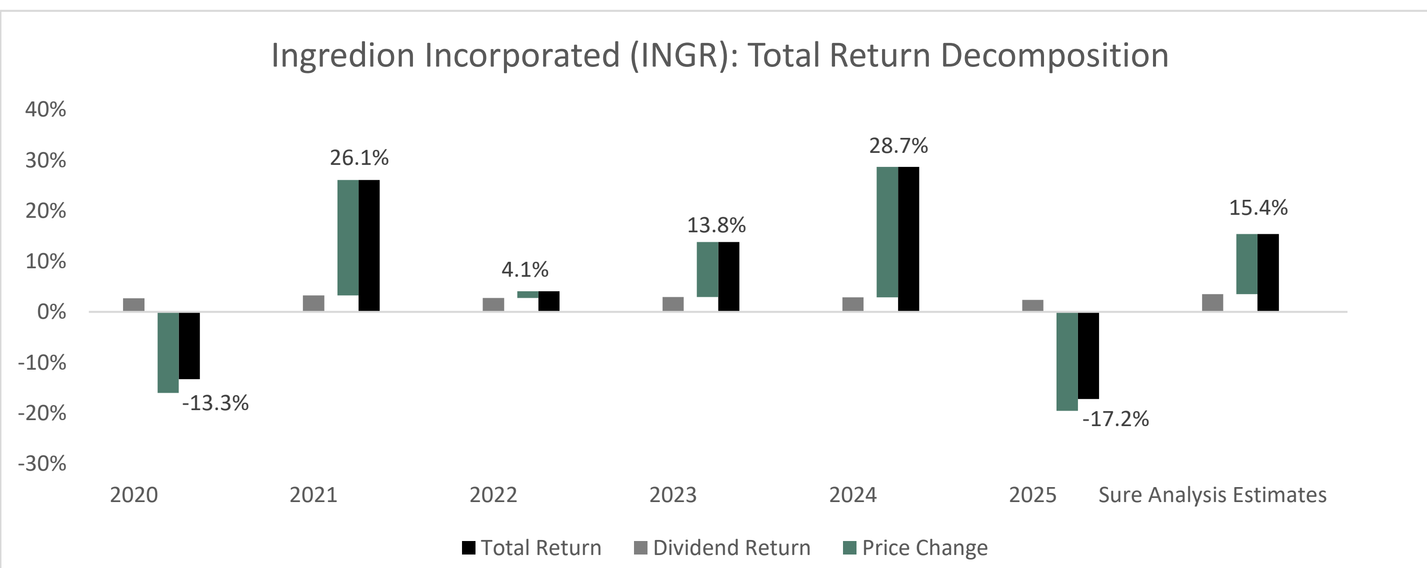
INGR is a leading provider of ingredients to industries that show growth potential, including the food and beverage industry. The company has a simple business model and has firmly positioned itself in the global food supply chain. When a food or beverage giant wants to reformulate a product, they partner with INGR's technical teams to co-develop a precise molecular texture or flavor profile. This integrates the company into the long-term product pipelines of customers, which helps with overall retention. INGR also has cost advantages due to a very high barrier to entry to construct a modern facility like their Argo plant. And because raw agricultural outputs and bulk liquids are heavy and expensive to transport over long distances, its localized plant network and railcar infrastructure create a regional logistics moat.

INGR is also financially healthy. In Q1 2026, the company's interest coverage ratio was 22.6x. That supports a BBB S&P credit rating with a stable outlook. INGR's dividend is also reasonably safe, which is evidenced by the fact that the adjusted EPS payout ratio is poised to be in the high-20% to low-30% range in 2026. That positions the company to extend its 15-year dividend growth streak for the foreseeable future.

Final Thoughts & Recommendation

INGR's 3.2% dividend yield, 6.5% annual adjusted EPS growth prospects, and 6.3% annual valuation multiple expansion potential could deliver 15.4% annual total returns through 2031. As a result, we're upgrading shares to a Buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5,704	5,832	6,289	6,209	5,987	6,894	7,946	8,160	7,430	7,219
Gross Profit	1,449	1,472	1,368	1,312	1,272	1,331	1,494	1,997	1,977	1,871
Gross Margin	25.4%	25.2%	21.8%	21.1%	21.2%	19.3%	18.8%	24.5%	26.6%	25.9%
SG&A Exp.	579	616	611	610	628	668	715	789	782	815
D&A Exp.	196	209	247	220	213	220	215	219	214	222
Operating Profit	873	862	762	724	680	678	779	1,208	1,195	1,056
Operating Margin	15.3%	14.8%	12.1%	11.7%	11.4%	9.8%	9.8%	14.8%	16.1%	14.6%
Net Profit	496	532	454	424	354	125	502	651	654	736
Net Margin	8.7%	9.1%	7.2%	6.8%	5.9%	1.8%	6.3%	8.0%	8.8%	10.2%
Free Cash Flow	487	455	353	352	480	92	(148)	741	1,135	511
Income Tax	246	237	167	158	152	123	166	188	277	238

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,782	6,080	5,728	6,040	6,858	6,999	7,561	7,642	7,444	7,897
Cash & Equivalents	516	604	334	268	665	332	239	409	1,008	1,033
Accounts Receivable	714	741	778	814	834	930	1,130	1,103	881	998
Inventories	789	823	824	861	917	1,172	1,597	1,450	1,187	1,227
Goodwill & Int. Ass.	1,286	1,296	1,251	1,238	1,346	1,348	1,301	1,303	1,264	1,269
Total Liabilities	3,187	3,163	3,320	3,299	3,816	3,810	4,347	4,047	3,614	3,531
Accounts Payable	440	493	452	504	599	774	873	778	585	665
Long-Term Debt	1,850	1,744	1,931	1,886	1,884	1,892	2,086	1,897	1,932	1,860
Shareholder's Equity	2,565	2,891	2,388	2,720	2,951	3,100	3,147	3,538	3,804	4,274
D/E Ratio	0.76	0.64	0.88	0.74	0.80	0.72	0.85	0.68	0.54	0.46

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.1%	9.0%	7.7%	7.2%	5.5%	1.8%	6.9%	8.6%	8.7%	9.6%
Return on Equity	20.8%	19.3%	17.1%	16.5%	12.2%	4.0%	15.7%	19.1%	17.6%	18.1%
ROIC	11.6%	11.4%	9.8%	9.2%	7.0%	2.3%	8.9%	11.0%	11.0%	12.1%
Shares Out.	72.4	72.0	66.5	66.8	67.0	66.7	65.7	65.2	64.5	63.0
Revenue/Share	76.98	79.35	87.59	92.12	88.57	101.68	118.60	121.79	111.56	110.72
FCF/Share	6.57	6.19	4.92	5.22	7.10	1.36	(2.21)	11.06	17.04	7.84

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