H.B. Fuller (FUL)

Updated June 25th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$63	**5 Year CAGR Estimate:**	9.9%	**Market Cap:**	$3.3 B
Fair Value Price:	$71	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date[1]:**	7/30/26
% Fair Value:	88%	**5 Year Valuation Multiple Estimate:**	2.5%	**Dividend Payment Date:**	8/13/26
Dividend Yield:	1.6%	**5 Year Price Target**	$95	**Years Of Dividend Growth:**	57
Dividend Risk Score:	A	**Sector:** Materials		**Rating:**	Hold

Overview & Current Events

H.B. Fuller is a leading global manufacturer of adhesives, sealants, and other specialty chemical products. It has customers across more than 30 market segments in about 150 countries. The category of industrial adhesives is the core product offering of the company. Given the $3.3 billion market cap of H.B Fuller, its acquisition of Royal Adhesives & Sealants for $1.6 billion is critically important. This acquisition, which is the largest in the history of the company, boosted its annual sales by nearly one-third and enhanced its reach to more highly specialized adhesive segments.

On June 25th, 2026, H.B. Fuller offered to acquire Advanced Medical Solutions for £2.85 per share in cash, implying a total enterprise value of £715M. The deal value is 12.9 times EBITDA but it is less than 8 times EBITDA if the expected synergies of approximately $55 million per year are taken into account. The transaction is expected to accelerate the transformation of H.B. Fuller into a higher-growth, higher-margin business.

In late June, H.B. Fuller reported (6/24/26) financial results for the second quarter of fiscal 2026. Revenue grew 6% and organic revenue grew 3% over the prior year's quarter thanks to price hikes. Gross margin expanded from 32.2% to 34.2% thanks to price hikes and cost savings and adjusted earnings-per-share grew 19%, from $1.18 to $1.41, exceeding the analysts' consensus by $0.03. Thanks to improved business momentum, H.B. Fuller slightly improved its guidance for fiscal 2026. It still expects 0%-3% growth of organic revenue and raised its guidance for adjusted earnings-per-share from $4.55-$4.90 to $4.60-$4.90. Accordingly, we have raised our forecast for this year from $4.70 to $4.75.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.42	$1.13	$3.00	$2.96	$2.84	$3.47	$4.00	$3.87	$3.84	$4.24	***$4.75***	***$6.36***
DPS	$0.55	$0.59	$0.62	$0.64	$0.65	$0.67	$0.74	$0.81	$0.87	$0.93	***$0.98***	***$1.25***
Shares[2]	50.1	50.2	52.0	52.4	52.9	55.0	55.5	56.2	56.7	55.3	***55.0***	***55.0***

H.B. Fuller has exhibited a volatile performance record throughout the last decade. It is also very sensitive to the underlying global economic growth. However, the company has grown its earnings-per-share at a 6.4% average annual rate over the last nine years and by 6.2% per year on average over the last six years. H.B. Fuller has emerged stronger from the pandemic and has provided guidance for an improvement of its adjusted EBITDA, from 17% to more than 20% until the end of this year. Overall, we expect H.B. Fuller to grow its earnings-per-share at a 6.0% average annual rate over the next five years, roughly in line with its historical growth pace.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.7	46.9	17.1	16.0	15.5	18.9	17.2	18.0	20.5	13.7	***13.3***	***15.0***
Avg. Yld.	1.3%	1.1%	1.2%	1.4%	1.5%	1.0%	1.1%	1.2%	1.1%	1.6%	***1.6%***	***1.3%***

[1] Estimated date.
[2] In millions

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H.B. Fuller is currently trading at a price-to-earnings ratio of 13.3. While the historical average earnings multiple is 17.6, we assume a fair price-to-earnings ratio of 15.0 due to the high cyclicality of the stock. If the stock trades at our fair valuation level in five years, it will enjoy a 2.5% annualized gain in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	22.7%	52.2%	20.7%	21.6%	22.9%	19.3%	18.5%	20.9%	22.7%	21.9%	***20.6%***	***19.7%***

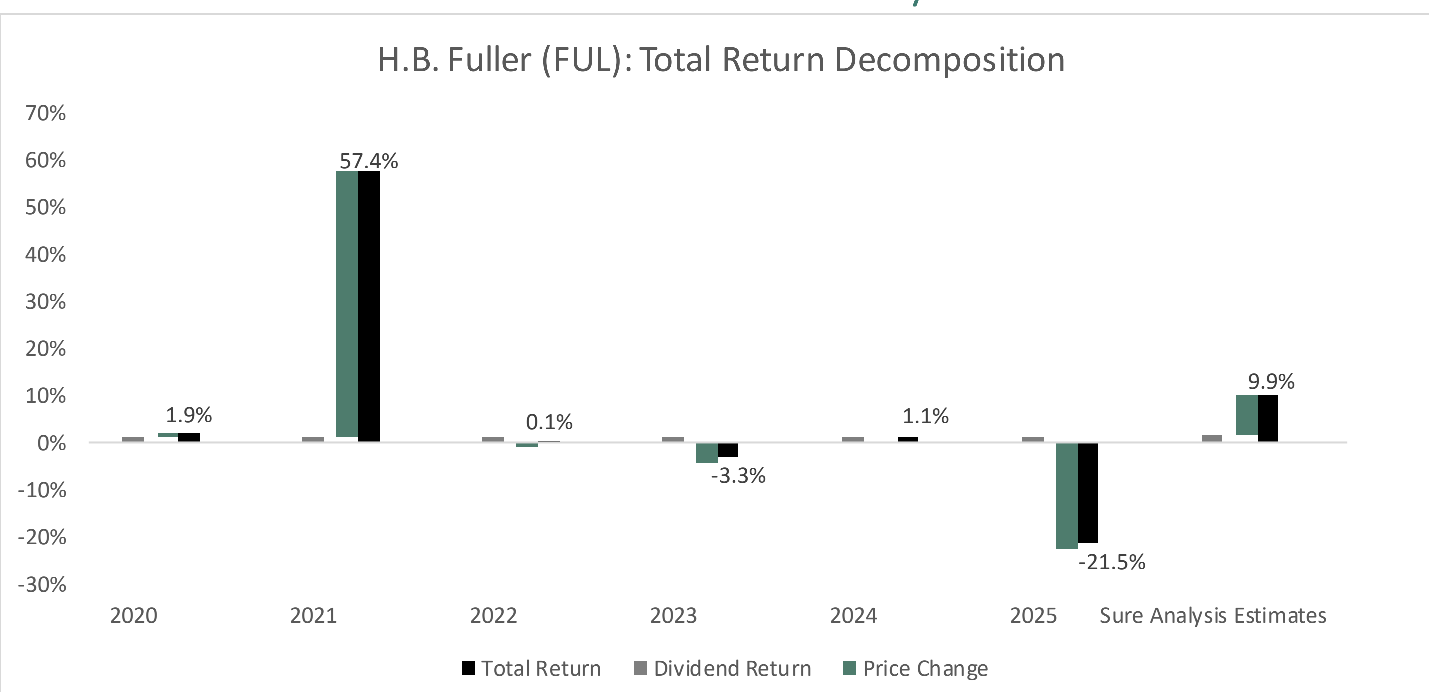
Due to the acquisition of Royal Adhesives & Sealants, interest coverage fell to 2.0 in 2018 but it has improved to 3.3, as the company has been using a major portion of its free cash flows to reduce debt. In addition, the company has a healthy leverage ratio (Net Debt to EBITDA) of 3.1. H.B. Fuller just raised its dividend by 4% and thus it has now raised its dividend for 57 consecutive years. The company is likely to keep raising its dividend for years thanks to its low payout ratio but it is offering a dividend yield of only 1.6%.

As the customers of H.B. Fuller are manufacturers of a wide range of products, the performance of H.B. Fuller is closely tied to underlying economic conditions. Moreover, H.B. Fuller is highly leveraged to economic growth and hence the stock could outperform the market in rallies and underperform the market in rough periods. The company is notably vulnerable to recessions. During the Great Recession, its earnings-per-share plunged -79%, from $1.68 in 2007 to $0.36 in 2008, and the stock lost two-thirds of its market cap in less than six months. This is a significant risk factor to keep in mind, although the company proved markedly resilient throughout the coronavirus crisis.

Final Thoughts & Recommendation

H.B Fuller has a volatile earnings record and is vulnerable to economic downturns. After posting record earnings in 2021 and 2022, the company faced deceleration of its business due to a slowing global economy and cost inflation but it has greatly improved its performance in the last five quarters. We expect the stock to offer a 9.9% average annual return over the next five years thanks to 6.0% growth of earnings-per-share, a 1.6% dividend and a 2.5% valuation tailwind. We consider the stock attractive and maintain our hold rating. The stock is on the verge of earning a buy rating.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,095	2,306	3,041	2,897	2,790	3,278	3,749	3,511	3,569	3,474
Gross Profit	606	599	828	807	757	845	964	1,009	1,062	1,090
Gross Margin	28.9%	26.0%	27.2%	27.9%	27.1%	25.8%	25.7%	28.7%	29.8%	31.4%
SG&A Exp.	408	479	555	544	501	553	596	654	714	726
D&A Exp.	78	87	145	141	139	143	147	160	175	178
Operating Profit	198	120	238	226	218	253	323	355	348	372
Operating Margin	9.5%	5.2%	7.8%	7.8%	7.8%	7.7%	8.6%	10.1%	9.8%	10.7%
Net Profit	122	59	171	131	124	161	80	145	130	152
Net Margin	5.8%	2.6%	5.6%	4.5%	4.4%	4.9%	2.1%	4.1%	3.6%	4.4%
Free Cash Flow	132	111	185	207	244	117	127	259	162	121
Income Tax	49	10	(6)	49	42	63	77	94	56	67

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,056	4,373	4,176	3,986	4,037	4,275	4,464	4,724	4,933	5,183
Cash & Equivalents	142	194	151	112	101	62	80	179	169	107
Accounts Receivable	351	474	495	493	515	615	607	578	558	564
Inventories	247	372	348	337	323	448	492	442	467	472
Goodwill & Int. Ass.	572	2,338	2,213	2,081	2,068	1,986	2,095	2,216	2,302	2,486
Total Liabilities	1,118	3,321	3,023	2,763	2,655	2,677	2,853	2,968	3,103	3,180
Accounts Payable	163	268	273	299	316	500	461	440	491	470
Long-Term Debt	703	2,452	2,248	1,979	1,774	1,616	1,765	1,838	2,011	2,068
Shareholder's Equity	938	1,051	1,153	1,222	1,381	1,597	1,610	1,755	1,829	2,003
D/E Ratio	0.75	2.33	1.95	1.62	1.28	1.01	1.10	1.05	1.10	1.04

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.9%	1.8%	4.0%	3.2%	3.1%	3.9%	4.1%	3.2%	2.7%	3.0%
Return on Equity	13.4%	6.0%	15.5%	11.0%	9.5%	10.8%	11.2%	8.6%	7.3%	7.9%
ROIC	7.5%	2.3%	5.0%	4.0%	3.9%	5.1%	5.5%	4.2%	3.5%	3.8%
Shares Out.	50.1	50.2	52.0	52.4	52.9	55.0	55.3	56.0	56.6	55.4
Revenue/Share	40.85	44.67	58.51	55.73	53.13	60.35	67.84	62.74	63.02	62.75
FCF/Share	2.58	2.16	3.56	3.99	4.65	2.16	2.29	4.63	2.86	2.19

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