Sysco Corporation (SYY)

Updated June 13th, 2026 by Felix Martinez

Key Metrics

Current Price:	$79	**5 Year Annual Expected Total Return:**	11.4%	**Market Cap:**	$37.9B
Fair Value Price:	$92	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	07/02/26
% Fair Value:	86%	**5 Year Valuation Multiple Estimate:**	3.0%	**Dividend Payment Date:**	07/24/26
Dividend Yield:	2.8%	**5 Year Price Target**	$123	**Years Of Dividend Growth:**	56
Dividend Risk Score:	A	**Sector:**	Consumer Staples	**Rating:**	Buy

Overview & Current Events

Sysco Corporation (SYY) is the largest wholesale food distributor in the United States and is expanding internationally. The company was founded in Houston, Texas, in 1969 and now serves 600,000 locations with food delivery, including restaurants, hospitals, schools, hotels, and other facilities. According to estimates, the company has a 16% market share of total food delivery within the United States. The company has approximately 67,000 employees and a roughly $40.8 billion market capitalization.

On April 28th, 2026, Sysco reported third-quarter results for Fiscal Year 2026. The company reported third-quarter fiscal 2026 sales of $20.52 billion, up 4.7% year-over-year, and adjusted EPS of $0.94. Gross profit rose 6.5% to $3.8 billion with a 31 basis point margin expansion to 18.6%. Adjusted operating income was essentially flat at $768 million, while net earnings declined 15.2% to $340 million due to higher incentive compensation costs. U.S. Foodservice volumes grew 2.3% overall and 3.3% locally — the strongest local growth in over three years.

The U.S. Foodservice segment delivered 3.1% sales growth and 5.1% adjusted operating income growth. International Foodservice posted 12.4% reported sales growth (5.2% constant currency) and 12.5% adjusted operating income growth. The company generated strong cash flow, with year-to-date free cash flow up 19% to $1.1 billion. Net debt to adjusted EBITDA remained healthy at 2.8x, and Sysco returned $978 million to shareholders through dividends and share repurchases.

CEO Kevin Hourican highlighted momentum in local case growth, gross margin expansion, and productivity gains. Sysco reaffirmed confidence in delivering full-year adjusted EPS at the high end of its $4.50–$4.60 guidance range. The company also noted its pending acquisition of Jetro Restaurant Depot, expected to close by fiscal Q3 2027, as a strategic opportunity to expand its independent restaurant customer base.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.10	$2.34	$3.14	$3.55	$2.01	$1.44	$3.25	$4.01	$4.31	$4.46	***$4.59***	***$6.14***
DPS	$1.23	$1.30	$1.41	$1.53	$1.74	$1.88	$1.88	$1.96	$2.00	$2.04	***$2.17***	***$2.90***
Shares[1]	577.0	549.0	529.0	523.0	514.0	514.0	513.0	513.0	501.0	483.4	***482.0***	***480.0***

Sysco has grown earnings by 26% annually over the past five years and earnings growth of 8.7% over the past nine years. Earnings were growing nicely until the COVID-19 pandemic, which caused FY2020 and FY2021 earnings to decrease. Through acquisitions and more recently, the company growth organically, with share buybacks, has increased earnings. Tax cuts and share buybacks have accelerated earnings growth in recent years, but this level of growth will not be permanent. The company is also in the process of cutting overhead costs, which should mildly boost bottom-line growth. We anticipate 6.0% earnings growth over the next five years.

[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	24.9	22.2	18.70	30.80	27.20	54.00	26.50	18.50	16.60	17.30	***17.3***	***20.0***
Avg. Yld.	2.4%	2.6%	2.1%	2.2%	3.2%	2.3%	2.2%	2.6%	2.8%	2.7%	***2.8%***	***2.4%***

Over the past decade, Sysco has averaged a P/E ratio of 25.7x. The company was valued at a lower level in the post-recession years but quickly expanded to maintain a multiple that fluctuates around 20x in most market conditions. However, we think a fair value multiple estimates to 20x earnings is fair for this company.

Safety, Quality, Competitive Advantage, & Recession Resiliency

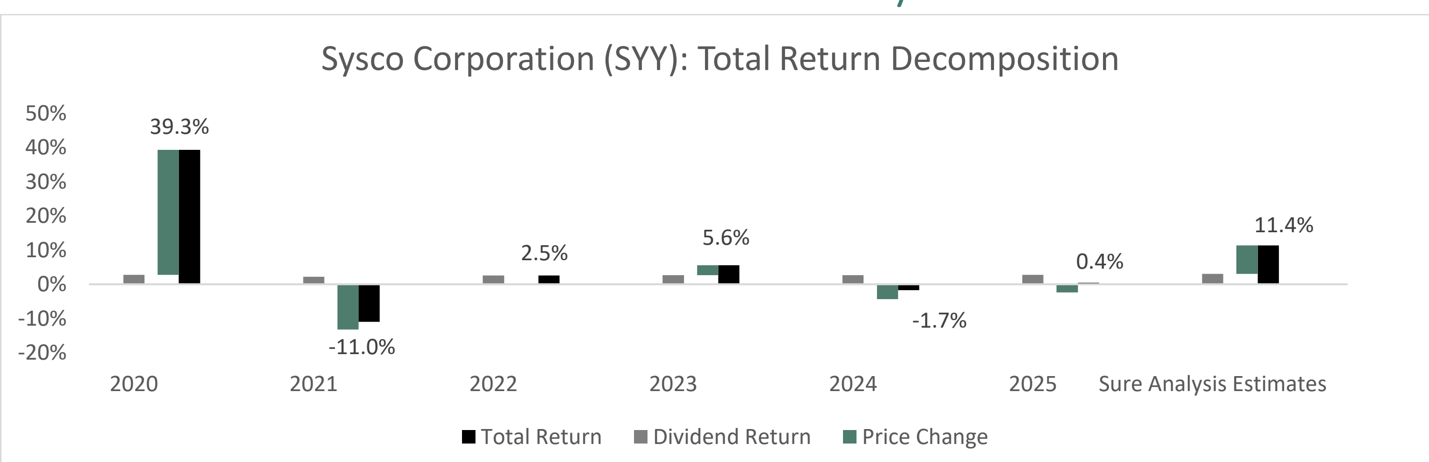
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	59%	56%	45%	43%	87%	131%	58%	49%	46%	46%	***47%***	***47%***

Sysco has an economic moat due to its large-scale and entrenched distribution infrastructure, which gives it a cost advantage over most competitors. This moat is evidenced by the company's double-digit returns on invested capital every year, much higher than its weighted average capital cost. It's also quite defensive; the company was almost unfazed by the previous recession and recovered from a mild earnings dip within one year. Thanks to this stability, Sysco has raised its dividend every year since it went public, and we expect it to continue to grow in the years to come. As one blemish, Sysco's balance sheet is mediocre. The company has a current Debt to Equity ratio of 6.0. Sysco's stable cash flows should allow them to service the debt in most environments comfortably, but this leverage level limits the company's ability in the future. Most of this debt increase occurred within the past few years and took part in share buybacks to take advantage of low-interest rates. The company has a BBB credit rating from S&P, which is towards the lower end of the investment grade.

Final Thoughts & Recommendation

Sysco has a moderate-growth business and a long track record of dividend growth. Because the global economy is currently experiencing slowing growth, many defensive companies are priced at a premium, and Sysco is no exception. Its valuation is modestly lower than its long-term average, and the company's leverage is also higher than it historically has been. While this is a great business, investors should exercise caution due to the overall market. We expect Sysco to generate 11.4% annual compounded returns going forward. Thus, we rate the stock a buy.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	50,367	55,371	58,727	60,114	52,893	51,298	68,636	76,320	78,840	81370
Gross Profit	9,040	10,558	11,085	11,409	9,902	9,357	12,321	13,950	14,610	14040
D&A Exp.	663	902	765	764	914	852	881	889	997	1086
Operating Profit	1,851	2,055	2,314	2,330	750	1,437	2,339	3,039	3,202	3512
Operating Margin	3.7%	3.7%	3.9%	3.9%	1.4%	2.8%	3.4%	4.0%	4.1%	4.3%
Net Profit	950	1,143	1,431	1,674	215	524	1,359	1,770	1,955	1828
Net Margin	1.9%	2.1%	2.4%	2.8%	0.4%	1.0%	2.0%	2.3%	2.5%	2.2%
Free Cash Flow	1,461	1,546	1,468	1,719	898	1,433	1,158	2,074	2,157	1604
Income Tax	483	624	525	332	78	61	388	515	610	587

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	16,722	17,757	18,070	17,967	22,628	21,414	22,086	22,820	24,920	26770
Cash & Equivalents	3,919	870	552	513	6,059	3,007	867	745	696	1071
Acc. Receivable	3,381	4,012	4,074	4,182	2,894	3,782	4,839	5,092	5,324	5502
Inventories	2,639	2,996	3,125	3,216	3,095	3,695	4,437	4,481	4,678	5053
Goodwill & Int.	2,329	4,954	4,935	4,754	4,513	4,690	5,495	5,505	6,341	6311
Total Liabilities	13,242	15,375	15,563	15,464	21,470	19,861	20,671	20,780	23,030	24920
Accounts Payable	2,936	3,971	4,136	4,315	3,447	4,885	5,753	6,026	6,290	6512
Long-Term Debt	7,435	8,195	8,327	8,163	14,447	11,083	10,648	10,410	11,980	14360
Total Equity	3,480	2,382	2,507	2,503	1,159	1,553	1,382	2,009	1,860	1830
LTD/E Ratio	2.14	3.44	3.32	3.26	12.47	7.14	7.7	5.18	6.44	7.92

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.5%	6.6%	8.0%	9.3%	1.1%	2.4%	6.2%	7.9%	8.2%	7.1%
Return on Equity	21.7%	39.0%	58.5%	66.8%	11.8%	38.7%	92.6%	104%	99.4%	97.6%
ROIC	8.1%	10.6%	13.4%	15.6%	1.6%	3.7%	11.0%	14.4%	14.9%	11.7%
Shares Out.	577.0	549.0	529.0	523.0	514.0	514.0	513.0	509.7	503.1	489.8
Revenue/Share	87.23	100.94	111.00	114.86	102.90	99.89	133.53	149.74	156.72	166.12
FCF/Share	2.53	2.82	2.77	3.28	1.75	2.79	2.25	4.07	4.29	3.28

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise. Sysco's corporate year ends on June 30th; table results are based on Sysco's fiscal year.