AptarGroup Inc. (ATR)

Updated August 26th, 2026 by Felix Martinez

Key Metrics

Current Price:	$135	**5 Year Annual Expected Total Return:**	4.2%	**Market Cap:**	$8.6 B
Fair Value Price:	$110	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	10/23/26
% Fair Value:	122%	**5 Year Valuation Multiple Estimate:**	-4.0%	**Dividend Payment Date:**	11/13/26
Dividend Yield:	1.4%	**5 Year Price Target**	$154	**Years Of Dividend Growth:**	32
Dividend Risk Score:	B	**Sector:**	Materials	**Rating:**	Hold

Overview & Current Events

AptarGroup Inc. (ATR) began trading as an independent company in 1993 and is now one of the leading businesses in the global dispensing systems industry. With a market capitalization of approximately $8.6 billion, The company has over 13,000 employees in 20 countries and produced $3.8 billion in revenue in 2025. The company is divided into three business segments: "Beauty + Home," "Food + Beverage," and "Pharma."

The company reported second-quarter results for Fiscal Year 2026 on July 30th , 2026. The company reported second-quarter 2026 sales of $1.03 billion, a 6% increase from the prior-year period and the first-time quarterly revenue surpassed $1 billion. Core sales rose 1% after adjusting for currency and acquisitions. Reported diluted earnings per share were $1.36, while adjusted diluted EPS totaled $1.42. Adjusted EBITDA margin was 20.7%, down from 22.6% a year earlier, reflecting temporary product-mix and operational pressures.

All three segments delivered revenue growth. Pharma sales increased 4% (1% core), supported by solid demand in injectables, consumer healthcare, and prescription applications excluding emergency-medicine destocking. Beauty sales rose 10% (1% core), driven by prestige fragrance and related categories, while Closures grew 7% (4% core) on strong beverage-dispensing demand. Segment margins declined modestly due to mix, volume timing, and the ramp-up of new production capacity.

Management expressed confidence in the company's long-term margin profile and growth trajectory. For the third quarter of 2026, Aptar expects adjusted earnings per share in the range of $1.45–$1.53. The company returned $81 million to shareholders during the quarter through dividends and share repurchases and declared a quarterly dividend of $0.48 per share. Leadership highlighted continued strength across key end markets and an improving operational outlook as the company transitions to new CEO leadership.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.13	$3.40	$4.00	$3.95	$3.64	$3.88	$3.79	$4.78	$5.64	$5.74	***$5.50***	***$7.71***
DPS	$1.22	$1.28	$1.32	$1.42	$1.44	$1.50	$1.52	$1.58	$1.72	$1.83	***$1.96***	***$2.38***
Shares[1]	62.2	61.9	62.9	66.0	67.0	67.7	66.7	66.9	67.7	66.7	***66.7***	***65.0***

AptarGroup's growth strategy encompasses both organic expansion and strategic acquisitions, with a noteworthy $528 million investment in acquisitions during 2018, poised to fuel substantial future growth. While the company historically employed cash or debt for share buybacks resulting in a modest annual decrease in shares, recent years have shown an increase in total shares. The Pharma segment, constituting a third of sales but contributing two-thirds of EBITDA, stands out as the company's profit leader and primary growth driver, despite challenges posed by currency fluctuations and tax changes. Anticipated are 7.0% annual earnings and 4.0% dividend growth over the next five years, reflecting a moderate slowdown from historical dividend growth rates of 4.6% over a decade and a 5.5% five-year dividend CAGR.

[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	21.6	23.9	24.1	32.1	29.3	37.6	31.6	29.0	25.9	21.4	***24.5***	***20.00***
Avg. Yld.	1.7%	1.6%	1.6%	1.4%	1.2%	1.1%	1.2%	1.4%	1.3%	1.5%	***1.4%***	***1.5%***

AptarGroup currently trades for a valuation of 24.5x earnings, which we consider high for a company with low growth. The security looks fairly valued compared to its 10-year average of 27.6 times earnings. Additionally, the dividend yield is in line with its ten-year average of 1.4%.

From this point, there is more potential for a multiple contraction rather than expansion over the next five years, in our view. We believe that a valuation of 20x earnings, modestly below its 10-year average, is fair given the company's moderate expected growth potential.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	39%	38%	33%	36%	40%	39%	40%	33%	30%	32%	***36%***	***31%***

AptarGroup has over 5,000 customers, with no customer accounting for more than 6% of sales. Additionally, three-quarters of sales come from outside the United States, with more than half of sales coming from Europe. The company has various patents and trademarks to protect its designs. However, it faces stiff competition and has historically achieved returns on invested capital marginally higher than its weighted average capital cost. However, the Pharma segment enjoys high switching costs due to regulatory certification and has higher profit margins.

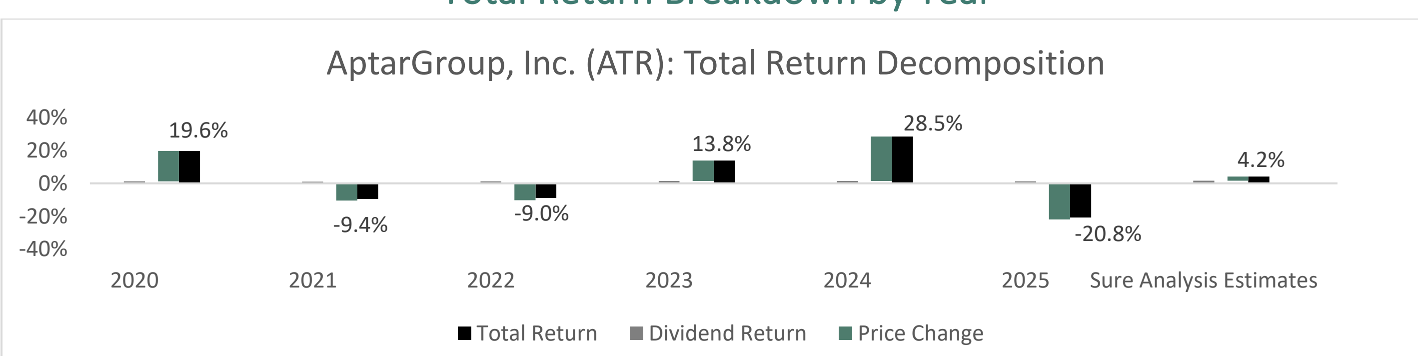
AptarGroup has paid growing dividends for 32 consecutive years and maintains a low payout ratio. The company was only mildly affected by the previous recession, as it remained profitable and quickly recovered to all-time high sales and earnings in 2010. Its products across all three business segments are not very cyclical.

The company has nearly doubled its long-term debt over the past four years, but its interest coverage ratio remains healthy at over 10.3x. Also, the company has a debt-to-equity ratio of 0.5x which is really good. AptarGroup makes substantial use of leverage, although its consistent earnings should allow it to support that leverage safely.

Final Thoughts & Recommendation

In our view, AptarGroup is a durable company with a long history of growing dividends. However, the valuation is higher than its historical average and what we consider fair for its growth outlook. The company's sizeable foreign exposure is both a source of opportunity and a risk. We rate AptarGroup as a Hold now due to its expected total returns of 4.2% per year for the next five years.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2331	2469	2765	2860	2929	3227	3322	3487	3583	3777
Gross Profit	835	866	952	1041	1087	1157	1164	1263	1356	1405
Gross Margin	35.8%	35.1%	34.4%	36.4%	37.1%	35.8%	35.0%	36.2%	37.8%	37.2%
SG&A Exp.	366	387	430	455	500	551	544	566	582	606
D&A Exp.	155	153	172	195	220	235	234	249	264	287
Operating Profit	314	326	350	392	366	371	386	449	510	511
Operating Margin	13.5%	13.2%	12.7%	13.7%	12.5%	11.5%	11.6%	12.9%	14.2%	13.5%
Net Profit	206	220	195	242	214	244	239	284	375	393
Net Margin	8.8%	8.9%	7.0%	8.5%	7.3%	7.6%	7.2%	8.1%	10.5%	10.4%
Free Cash Flow	194	168	102	267	318	56	163	257	349	295
Income Tax	75	75	71	100	87	78	95	91	96	99

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2607	3138	3378	3562	3990	4141	4203	4452	4432	5253
Cash & Equivalents	466	713	262	242	300	123	142	224	224	402
Accounts Receivable	433	510	570	562	573	671	677	678	658	804
Inventories	297	337	381	376	379	441	487	513	462	538
Goodwill & Int.	502	539	967	1055	1243	1337	1261	1247	1191	1333
Total Liabilities	1433	1826	1955	1990	2139	2157	2135	2131	1946	2540
Accounts Payable	116	154	165	193	244	285	320	329	296	341
Long-Term Debt	947	1257	1290	1196	1173	1193	1175	1139	1026	1139
Shareholder's Equity	1174	1312	1423	1572	1850	1969	2054	2307	2472	2668
D/E Ratio	0.81	0.96	0.91	0.76	0.63	0.61	0.57	0.49	0.42	0.57

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.2%	7.7%	6.0%	7.0%	5.7%	6.0%	5.7%	6.6%	8.4%	8.1%
Return on Equity	17.7%	17.7%	14.2%	16.2%	12.5%	12.8%	11.9%	13.0%	15.6%	15.3%
ROIC	10.1%	9.4%	7.4%	8.8%	7.4%	7.9%	7.4%	8.5%	10.7%	10.1%
Shares Out.	62.2	61.9	62.9	66.0	67.0	67.7	66.7	66.9	67.7	65.7
Revenue/Share	35.94	38.23	42.56	43.23	43.95	47.68	49.79	52.13	52.93	56.61
FCF/Share	2.99	2.60	1.57	4.04	4.77	0.82	2.44	3.84	5.16	4.42

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