Quaker Chemical Corporation (KWR)

Updated August 2nd, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$161	**5 Year Annual Expected Total Return:**	12.8%	**Market Cap:**	$2.79 B
Fair Value Price:	$221	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	10/16/26
% Fair Value:	73%	**5 Year Valuation Multiple Estimate:**	6.6%	**Dividend Payment Date:**	10/30/26
Dividend Yield:	1.3%	**5 Year Price Target**	$282	**Years Of Dividend Growth:**	20
Dividend Risk Score:	C	**Sector:**	Materials	**Rating:**	Hold

Overview & Current Events

Quaker Chemical Corporation (KWR), which operates as Quaker Houghton, was founded in 1918 as Quaker Oil Products Corporation. The company develops, produces, and markets a broad range of formulated chemical specialty products and offers chemical management services for various heavy industrial and manufacturing applications worldwide. The company's business is divided into four segments, namely the Americas, Europe, Middle East and Africa, Asia/Pacific, and Global Specialty Businesses. With over 35 locations in 21 countries, Quaker Houghton has a global presence and generates more than 50% of net sales outside the United States.

On July 30th, 2026, the company announced results for the second quarter of 2026. KWR reported Q2 non-GAAP EPS of $2.19, which beat market estimates by $0.53 and revenue of $532.6 million that was up 10.2% year-over-year.

Quaker Houghton delivered a solid second-quarter performance, driven by stronger profitability, robust volume growth and continued commercial momentum. Net income improved to $26.8 million from a loss of $66.6 million a year earlier, while non-GAAP net income increased 26% to $37.9 million. Adjusted EBITDA rose 13% year over year to a record $85.2 million, supported by higher sales volumes and pricing actions that helped offset raw material inflation, although higher SG&A expenses weighed on results. Sales volumes increased 7%, reflecting new business wins across all geographic segments, while management noted underlying end-market demand remained broadly stable despite geopolitical disruptions and temporary customer pre-buy activity linked to tensions in the Strait of Hormuz.

Regionally, operating earnings improved in both EMEA and Asia-Pacific, benefiting from stronger demand, improved margins and higher volumes, while the Americas experienced a modest decline due to elevated raw material costs and higher operating expenses. Cash flow from operations softened during the first half because of greater working capital outflows, though leverage remained manageable at approximately 2.3x net debt to trailing adjusted EBITDA. Capital allocation remained shareholder friendly, with the company increasing its quarterly dividend, repurchasing $24.2 million of shares during the quarter and authorizing a new $250 million share repurchase program. Looking ahead, management expects stable demand through the second half of 2026, with pricing and cost initiatives supporting margin stability and continued growth in adjusted EBITDA.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.63	$5.01	$6.05	$5.83	$4.78	$6.85	$5.80	$6.29	$6.51	($0.14)	***$7.38***	***$9.41***
DPS	$1.36	$1.41	$1.47	$1.53	$1.56	$1.62	$1.70	$1.78	$1.88	$1.99	***$2.12***	***$2.58***
Shares[1]	13.3	13.3	13.3	17.7	17.9	17.9	18.0	17.9	17.9	17.5	***18.1***	***21.6***

Quaker Chemical Corporation is pursuing a range of strategies to realize long-term growth. It is expanding its product portfolio through R&D, focusing on developing innovative solutions. KWR also targets new markets in emerging economies such as Asia, Latin America, and the Middle East by establishing local operations and partnerships. Strategic acquisitions of complementary businesses are also a crucial part of its growth strategy, such as Coral Chemical, allowing

[1] The shares are in millions.

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for quick access to new technologies and markets. In addition, the company focuses on improving operational efficiency through lean manufacturing and automation, reducing costs, and enhancing profitability.

We have revised our EPS forecast to $7.38 for 2026, which matches the midpoint of analysts' estimates. Additionally, we believe that the firm can grow annually slightly faster than the Special Chemical industry's projected growth of 4%. With a 5.0% annual growth rate, KWR's EPS could reach $9.41 by 2031. Quaker Chemical Corporation's has a DPS growth rate of 4.3% and 5.5% for the last 10- and five-year periods, respectively. The company's approach to managing its capital supports the payment of competitive cash dividends. Thus, we have assumed a relatively moderate annual growth of 4.0%.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.6	21.0	28.6	27.9	31.3	38.6	36.1	29.4	29.6	-	***21.8***	***30.0***
Avg. Yld.	1.5%	1.4%	1.0%	0.9%	0.8%	0.8%	0.7%	1.0%	1.0%	1.6%	***1.3%***	***0.9%***

Quaker Chemical Corporation is trading at a forward P/E of 21.8, significantly lower than the normalized 10-year average P/E of 29.3 and the five-year average of 33.4. Thus, we have assumed a stable P/E of 30.0 to value the company by 2031, which is close to its historical averages. This suggests a 2031 target price of $282.

Safety, Quality, Competitive Advantage, & Recession Resiliency

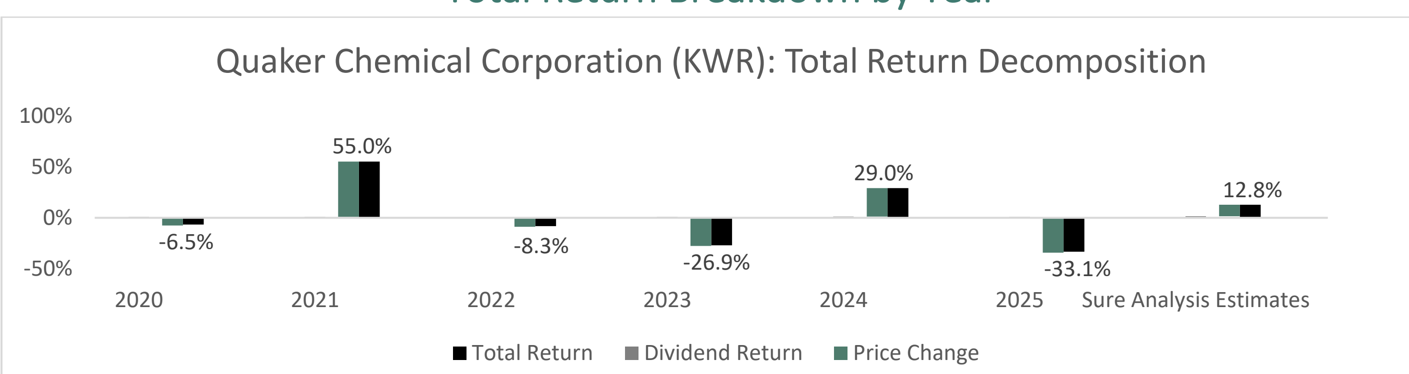
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	29%	28%	24%	26%	33%	24%	29%	28%	29%	-1421%	***29%***	***27%***

For heavy industrial and manufacturing applications, Quaker Chemical Corporation enjoys a competitive edge in producing and selling a variety of Special Chemical formulations. Because of this edge over competitors, the business can increase profits and benefit its shareholders. Quaker Chemical demonstrated outstanding financial performance with a 10.0% increase in revenue during FY2022 compared to FY2021 during the most recent economic downturn, and despite macroeconomic challenges, the company maintained resilient profitability in 2024, generating $1.84 billion in net sales while executing strategic acquisitions, cost-saving initiatives, and shareholder returns totaling $82.4 million through dividends and share repurchases. During Q2, Quaker Houghton continued returning capital to shareholders repurchasing $24.2 million of common stock while also authorizing a new $250 million share repurchase program that replaces the previous authorization and carries no expiration date.

Final Thoughts & Recommendation

Quaker Chemical Corporation earns a hold rating on the stock premised upon the 12.8% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, the 1.3% dividend yield, a valuation tailwind, and a moderate 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	747	820	868	1,134	1,418	1,761	1,944	1,953	1,840	1,889
Gross Profit	280	291	312	392	513	595	613	706	686	616
Gross Margin	37.5%	35.5%	36.0%	34.6%	36.2%	33.8%	31.5%	36.1%	37.3%	32.6%
SG&A Exp.	194	199	208	284	381	419	455	484	485	502
D&A Exp.	20	20	20	87	83	87	80	82	84	93
Operating Profit	87	94	105	109	136	191	156	223	205	177
Op. Margin	11.6%	11.4%	12.1%	9.7%	9.6%	10.8%	8.0%	11.4%	11.1%	9.4%
Net Profit	61	20	59	32	40	121	(16)	113	117	(2.4)
Net Margin	8.2%	2.5%	6.9%	2.8%	2.8%	6.9%	-0.8%	5.8%	6.4%	(0.1%)
Free Cash Flow	64	54	66	27	160	27	13	240	163	81
Income Tax	23	42	25	2	(5)	35	25	56	49	25

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	692	722	710	2,850	2,892	2,956	2,822	2,714	2,611	2,789
Cash & Equivalents	89	90	104	124	182	165	181	195	189	180
Acc. Receivable	195	208	202	376	373	431	473	445	400	417
Inventories	77	87	94	175	188	265	285	234	227	266
Goodwill & Int.	154	158	147	1,729	1,713	1,659	1,458	1,409	1,346	1,375
Total Liabilities	279	313	273	1,608	1,571	1,568	1,543	1,329	1,256	1,421
Accounts Payable	78	93	88	164	192	227	194	185	198	199
Long-Term Debt	66	67	37	921	888	893	953	754	707	893
Total Equity	403	408	435	1,241	1,320	1,387	1,278	1,384	1,354	1,373
D/E Ratio	0.17	0.16	0.08	0.74	0.67	0.64	0.75	0.54	0.52	0.66

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.9%	2.9%	8.3%	1.8%	1.4%	4.2%	-0.6%	4.1%	4.4%	(0.1%)
Return on Equity	15.8%	5.0%	14.1%	3.8%	3.1%	9.0%	-1.2%	8.5%	8.5%	(0.2%)
ROIC	13.0%	4.2%	12.5%	2.4%	1.8%	5.4%	-0.7%	5.2%	5.6%	(0.1%)
Shares Out.	13.3	13.3	13.3	17.7	17.9	17.9	18.0	17.9	17.9	17.5
Revenue/Share	56.74	61.91	65.20	74.75	79.87	98.64	108.84	109.03	102.95	109.09
FCF/Share	4.85	4.07	4.95	1.81	9.04	1.54	0.74	13.41	9.11	4.61

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