Sysco Corporation (SYY)

Updated August 27th, 2026 by Felix Martinez

Key Metrics

Current Price:	$83	**5 Year Annual Expected Total Return:**	12.4%	**Market Cap:**	$39.9B
Fair Value Price:	$102	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	10/02/26
% Fair Value:	82%	**5 Year Valuation Multiple Estimate:**	4.1%	**Dividend Payment Date:**	10/23/26
Dividend Yield:	2.6%	**5 Year Price Target**	$136	**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 continues expanding internationally. Founded in Houston, Texas, in 1969, the company now serves approximately 670,000 customer locations with food and related products, including restaurants, hospitals, schools, hotels, healthcare and educational facilities, and other venues. It estimates an 18% share of the roughly $377 billion annual U.S. foodservice market. The company employs about 75,000 people and has a market capitalization of roughly $39.9 billion. It operates 333 distribution centers across 10 countries and generated over $84 billion in sales in fiscal year 2026.

On August 4th, 2026, Sysco reported fourth-quarter results for Fiscal Year 2026. The company reported fourth-quarter fiscal 2026 sales of $22.1 billion, a 4.7% increase from the prior-year period, driven by positive case growth across local, national, and international customers. Gross profit rose 3.7% to $4.1 billion. Operating income increased 10.6% to $983 million, while adjusted operating income grew 4.1% to $1.1 billion. Adjusted diluted earnings per share reached $1.53, up 3.4%.

For the full fiscal year, sales increased 3.9% to $84.6 billion, with U.S. Foodservice volume up 1.4% and local volume up 1.7%. Adjusted operating income rose 2.6% to $3.6 billion, and adjusted diluted EPS increased 3.4% to $4.61. The company generated $2.6 billion in cash from operations and $2.1 billion in free cash flow, returning approximately $1.2 billion to shareholders through dividends and share repurchases.

Management issued fiscal 2027 guidance of 6%–7% sales growth and 9%–11% adjusted EPS growth on a 53-week basis. The outlook includes approximately $100 million in expected efficiency gains from AI-powered process improvements and previously announced cost-out initiatives. Leadership highlighted continued momentum in volume growth, supply-chain productivity, and international results as key supports for further margin expansion.

Growth on a Per-Share Basis

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2031
EPS	$2.34	$3.14	$3.55	$2.01	$1.44	$3.25	$4.01	$4.31	$4.46	$4.61	***$5.08***	***$6.80***
DPS	$1.30	$1.41	$1.53	$1.74	$1.88	$1.88	$1.96	$2.00	$2.04	$2.16	***$2.21***	***$2.96***
Shares[1]	549.0	529.0	523.0	514.0	514.0	513.0	513.0	501.0	483.4	480.6	***478.0***	***475.0***

Sysco has grown earnings by 9.3% annually over the past five years and earnings growth of 7.8% over the past nine years. Earnings were growing nicely until the COVID-19 pandemic, which caused FY2020 and FY2021 earnings to decrease. The company has increased earnings thanks to a combination of M&A and improved organic growth from the operating business. Share buybacks have also contributed to EPS increases. 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.

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Valuation Analysis

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2026	2031
Avg. P/E	22.2	18.70	30.80	27.20	54.00	26.50	18.50	16.60	17.30	17.90	***16.4***	***20.0***
Avg. Yld.	2.6%	2.1%	2.2%	3.2%	2.3%	2.2%	2.6%	2.8%	2.7%	2.6%	***2.6%***	***2.2%***

Over the past decade, Sysco has averaged a P/E ratio of 19.4x. 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. We think a fair value multiple of about 20x earnings is reasonable for this company.

Safety, Quality, Competitive Advantage, & Recession Resiliency

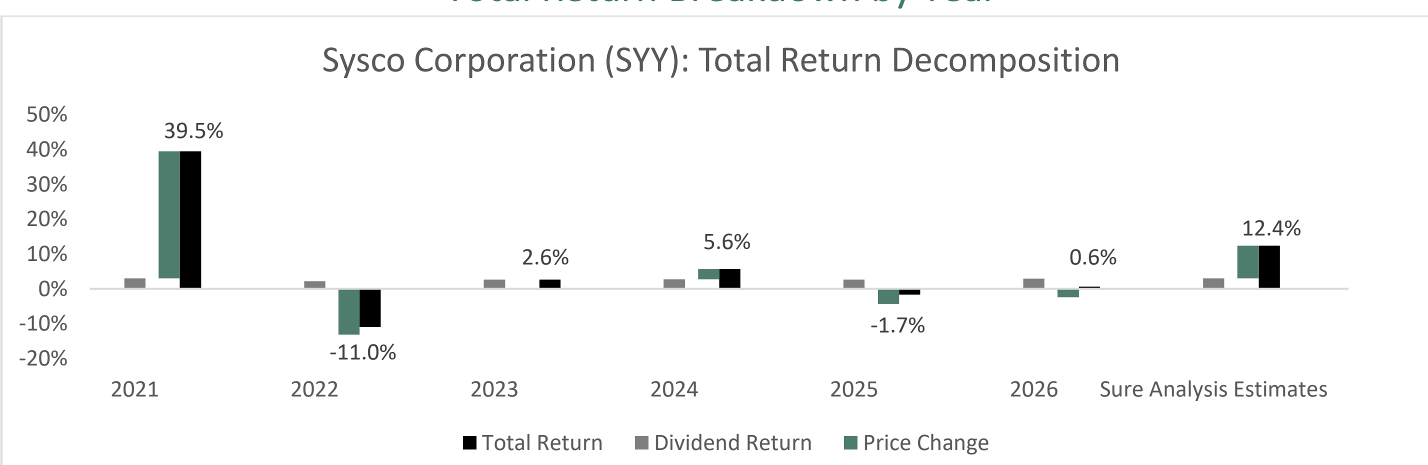
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2032
Payout	56%	45%	43%	87%	131%	58%	49%	46%	46%	47%	***44%***	***44%***

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, which is 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 6.0x. 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 had been. We expect Sysco to generate 12.4% annual compounded returns going forward. Thus, we rate the stock a buy.

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	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue	55,371	58,727	60,114	52,893	51,298	68,636	76,320	78,840	81370	84553
Gross Profit	10,558	11,085	11,409	9,902	9,357	12,321	13,950	14,610	14040	15639
D&A Exp.	902	765	764	914	852	881	889	997	1086	1129
Operating Profit	2,055	2,314	2,330	750	1,437	2,339	3,039	3,202	3512	3095
Operating Margin	3.7%	3.9%	3.9%	1.4%	2.8%	3.4%	4.0%	4.1%	4.3%	3.7%
Net Profit	1,143	1,431	1,674	215	524	1,359	1,770	1,955	1828	1757
Net Margin	2.1%	2.4%	2.8%	0.4%	1.0%	2.0%	2.3%	2.5%	2.2%	2.1%
Free Cash Flow	1,546	1,468	1,719	898	1,433	1,158	2,074	2,157	1604	1938
Income Tax	624	525	332	78	61	388	515	610	587	519

Balance Sheet Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Assets	17,757	18,070	17,967	22,628	21,414	22,086	22,820	24,920	26770	28397
Cash & Equivalents	870	552	513	6,059	3,007	867	745	696	1071	1786
Acc. Receivable	4,012	4,074	4,182	2,894	3,782	4,839	5,092	5,324	5502	5865
Inventories	2,996	3,125	3,216	3,095	3,695	4,437	4,481	4,678	5053	5338
Goodwill & Int.	4,954	4,935	4,754	4,513	4,690	5,495	5,505	6,341	6311	6176
Total Liabilities	15,375	15,563	15,464	21,470	19,861	20,671	20,780	23,030	24920	25731
Accounts Payable	3,971	4,136	4,315	3,447	4,885	5,753	6,026	6,290	6512	6640
Long-Term Debt	8,195	8,327	8,163	14,447	11,083	10,648	10,410	11,980	14360	13600
Total Equity	2,382	2,507	2,503	1,159	1,553	1,382	2,009	1,860	1830	2666
LTD/E Ratio	3.44	3.32	3.26	12.47	7.14	7.7	5.18	6.44	7.92	5.61

Profitability & Per Share Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Return on Assets	6.6%	8.0%	9.3%	1.1%	2.4%	6.2%	7.9%	8.2%	7.1%	6.4%
Return on Equity	39.0%	58.5%	66.8%	11.8%	38.7%	92.6%	104%	99.4%	97.6%	78.2%
ROIC	10.6%	13.4%	15.6%	1.6%	3.7%	11.0%	14.4%	14.9%	11.7%	13.9%
Shares Out.	549.0	529.0	523.0	514.0	514.0	513.0	509.7	503.1	489.8	480.6
Revenue/Share	100.94	111.00	114.86	102.90	99.89	133.53	149.74	156.72	166.12	175.93
FCF/Share	2.82	2.77	3.28	1.75	2.79	2.25	4.07	4.29	3.28	4.03

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.