Sonoco Products Company (SON)

Updated November 2nd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$50	**5 Year Annual Expected Total Return:**	11.9%	**Market Cap:**	$5.0 Billion
Fair Value Price:	$59	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	11/10/26
% Fair Value:	84%	**5 Year Valuation Multiple Estimate:**	3.5%	**Dividend Payment Date:**	12/10/26
Dividend Yield:	4.3%	**5 Year Price Target**	$76	**Years Of Dividend Growth:**	50
Dividend Risk Score:	A	**Sector:**	Materials	**Rating:**	Buy

Overview & Current Events

Sonoco Products provides packaging, industrial products and supply chain services to its customers. The markets that use the company's products include those in the appliances, electronics, beverage, construction and food industries. Sonoco was founded in Hartsville, South Carolina in 1899 and introduced the first paper textile cone. The company generates $7.5 billion in annual sales. Sonoco Products is composed of two major segments, Consumer Packaging, and Industrial Packaging.

On September 7th, 2025, the company announced that it had agreed to sell its ThermoSafe business unit to Arsenal Capital Partners for $656 million in gross cash proceeds. The transaction closed on November 3rd, 2025.

On April 15th, 2026, Sonoco Products announced that it raised its quarterly dividend 1.9% to $0.54, extending the company's dividend growth streak to 50 consecutive years.

On October 21st, 2026, Sonoco Products reported third quarter results for the period ending September 27th, 2026. For the quarter, revenue decreased 4.2% to $2.04 billion, which was $40 million less than expected. Adjusted earnings-per-share of $1.67 compared unfavorably to $1.92 in the prior year and missed estimates by $0.12.

The company has now lapped the comparable periods prior to the addition of Eviosys. For the quarter, Consumer Packaging revenues were lower by 2.9% to $1.4 billion as price increases were offset by adverse weather conditions that impacted vegetable harvests in the EMEA and Americas. Sales for Industrial Paper Packing grew 5.2% $646 million as higher prices offset an increase in costs.

Sonoco Products provided an updated outlook for 2026 as well, with the company now expecting adjusted earnings-per-share in a range of $5.30 to $5.50, compared to $5.80 to $6.20 previously.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.72	$2.78	$3.37	$3.53	$3.41	$3.93	$6.48	$5.26	$4.89	$5.71	***$5.40***	***$6.89***
DPS	$1.46	$1.54	$1.62	$1.70	$1.72	$1.80	$1.92	$2.02	$2.07	$2.11	***$2.16***	***$2.50***
Shares[1]	99	99	101	101	101	99	99	99	99	100	***100***	***100***

Earnings-per-share declined 21% from 2008 to 2009, but Sonoco Products was able to return to growth the following year. The company has grown earnings-per-share at a rate of 8.6% since 2016. We maintain our expected growth rate of 5% due to the high base from which earnings-per-share are starting.

Sonoco Products has a long history of dividend growth. Given the very reasonable payout ratio, we project that dividend growth can continue for years to come. However, we forecast a DPS growth rate of 3.0% due to the lower increases in recent years. We see the payout reaching $2.50 by 2031.

[1] In millions of shares

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.8	18.5	15.8	17.0	15.6	16.3	9.4	10.6	10.0	7.6	***9.3***	***11.0***
Avg. Yld.	3.0%	3.0%	3.0%	2.8%	3.2%	3.1%	3.2%	3.6%	4.2%	4.8%	***4.3%***	***3.3%***

Shares of Sonoco Products have declined $8, or 13.8% since our July 25th, 2026 update. Based off the company's guidance for the year, shares trade with a price-to-earnings ratio of 10.0. The stock has a 10-year average P/E ratio of 13.9, but the multiple falls to 10.8 when looking at just last five years. We reaffirm our 2031 target P/E of 11 from 12 as this better reflects the average multiple over the medium-term. Reaching this target would add 3.5% annual returns over the next five years. Shares of Sonoco Products currently yield 4.3%, which is above the stock's long-term average yield of 3.4%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	54%	55%	48%	49%	50%	46%	30%	38%	42%	37%	***40%***	***36%***

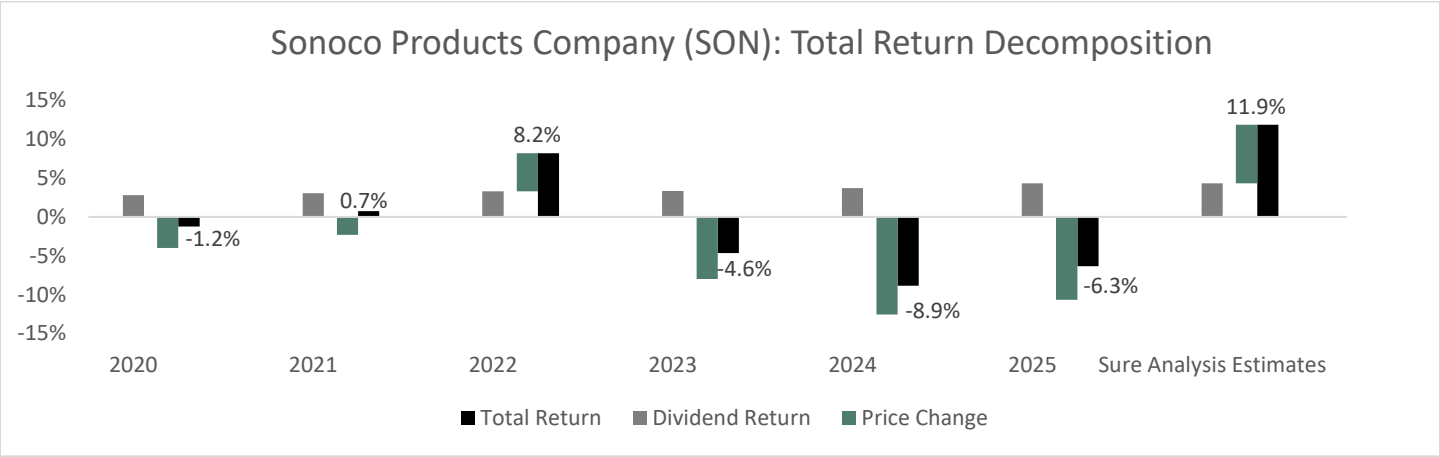
Sonoco Products showed in the last recession that it is somewhat susceptible to deteriorating market conditions. Over the past decade the company has averaged a 45% dividend payout ratio, but it is projected to be much lower than that this year. Sonoco Products has a very reasonable dividend payout ratio of 40% based off our expectations for 2026. As such, Sonoco Products' dividend appears safe.

A key competitive advantage for Sonoco Products is that the company is usually able to pass along rising raw material and transportation costs to its customers. Ability to pass along costs is an advantage as this shows that the company's offerings are in demand. Also helping grow the top and bottom lines is Sonoco Products' history of acquisitions. The Eviosys, Ball Metalpack, Conitex, and Can Packaging purchases are prime examples of growing through acquisitions.

Final Thoughts & Recommendation

Following third quarter earnings results, Sonoco Products Company is now expected to offer a total annual return of 11.9% through 2031, up from our previous estimate of 10.0%. Our projected return stems from our expected earnings growth rate of 5%, the 4.3% starting yield, and a low single-digit contribution from multiple expansion. Sonoco Products reduced its EPS guidance for the year, but shares offer a compelling yield at current levels. We have lowered our 2031 target price $5 to $76 due to EPS estimates, but we now view shares of Sonoco Products as a buy due to projected returns and the strong 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	4,792	5,025	5,391	5,373	5,244	5,587	7,247	5,431	5,307	7,515
Gross Profit	946	952	1,042	1,059	1,051	1,056	1,492	1,215	1,144	1,592
Gross Margin	19.7%	19.0%	19.3%	19.7%	20.0%	18.9%	20.6%	22.4%	21.6%	21.2%
SG&A Exp.	506	508	563	531	528	558	707	742	724	862
Operating Profit	448	460	492	537	527	513	826	602	537	773
Operating Margin	9.3%	9.2%	9.1%	10.0%	10.0%	9.2%	11.4%	11.1%	10.1%	10.3%
Net Profit	288	177	315	293	207	(83)	467	380	68	591
Net Margin	6.0%	3.5%	5.8%	5.4%	4.0%	-1.5%	6.4%	7.0%	1.3%	7.9%
Free Cash Flow	204	159	397	230	497	43	180	520	441	346
Income Tax	165	147	75	93	53	(67)	119	120	6	184

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,923	4,558	4,583	5,126	5,277	5,073	7,053	7,192	12,508	11,162
Cash & Equivalents	257	255	120	145	565	171	227	139	431	378
Accounts Receivable	625	725	786	755	707	807	919	701	975	921
Inventories	373	474	494	504	451	562	1,096	604	1,016	1,121
Goodwill & Int. Ass.	1,317	1,573	1,661	1,818	1,711	1,603	2,417	2,025	5,112	5,195
Total Liabilities	2,368	2,828	2,811	3,311	3,367	3,224	4,980	4,760	10,222	7,531
Accounts Payable	478	548	556	538	537	721	819	538	1,131	1,084
Long-Term Debt	1,053	1,288	1,190	1,935	1,962	1,845	3,473	3,230	7,299	4,590
Shareholder's Equity	1,532	1,707	1,759	1,803	1,900	1,837	2,066	2,424	2,272	3,614
LTD/E Ratio	0.69	0.85	0.79	1.10	1.06	1.03	1.71	1.35	3.24	1.29

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.3%	4.2%	6.9%	6.0%	4.0%	-1.6%	7.7%	5.3%	0.7%	5.0%
Return on Equity	18.6%	10.8%	18.0%	16.3%	11.1%	-4.4%	23.8%	16.9%	2.9%	20.0%
ROIC	10.9%	6.1%	9.9%	8.4%	5.4%	-2.2%	10.0%	6.7%	0.9%	6.6%
Shares Out.	99	99	101	101	101	99	99	99	99	100
Revenue/Share	47.08	49.82	53.37	53.10	51.81	56.09	73.40	54.92	53.44	75.47
FCF/Share	2.00	1.58	3.93	2.27	4.91	0.43	1.83	5.26	4.44	3.47

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

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