

## TreeHouse Foods, Inc. (THS)

**\$23.72** (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$25.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 01/01/26)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM: B

Value: B

Growth: D

Momentum: A

## Summary

TreeHouse Foods faces challenges from weak consumer demand, ongoing restructuring costs, goodwill impairment and stiff industry competition, which have pressured volume, mix and overall performance. Product recalls, business exits and foreign currency fluctuations have added headwinds. Despite these challenges, the company is enhancing margins and profitability through targeted supply-chain initiatives, including TMOS, procurement savings and distribution network optimization. The Harris Tea acquisition strengthens its private-label portfolio in high-growth categories, while ongoing portfolio refinements focus on high-margin offerings. These actions position TreeHouse Foods for improved operational efficiency.

## Price, Consensus & Surprise<sup>(1)</sup>

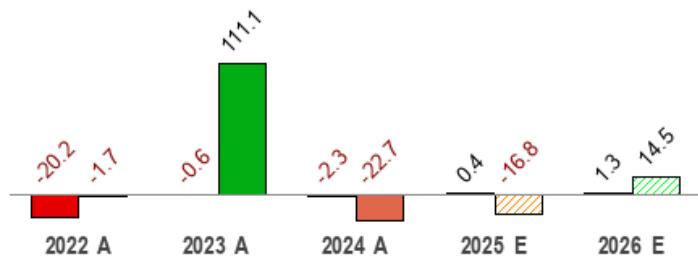


## Data Overview

52 Week High-Low	<b>\$40.77 - \$15.85</b>
20 Day Average Volume (sh)	<b>633,453</b>
Market Cap	<b>\$1.2 B</b>
YTD Price Change	<b>-0.8%</b>
Beta	<b>0.17</b>
Dividend / Div Yld	<b>\$0.00 / 0.0%</b>
Industry	<b>Food - Miscellaneous</b>
Zacks Industry Rank	<b>Bottom 21% (193 out of 244)</b>

## Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>

Sales      EPS



Last EPS Surprise	<b>-18.9%</b>
Last Sales Surprise	<b>-1.2%</b>
EPS F1 Est- 4 week change	<b>2.4%</b>
Expected Report Date	<b>02/13/2026</b>
Earnings ESP	<b>0.0%</b>

## Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	824 E	829 E	843 E	930 E	3,410 E
2025	792 A	801 A	842 A	921 E	3,360 E
2024	821 A	789 A	839 A	906 A	3,354 A

## EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	-0.02 E	0.23 E	0.63 E	1.03 E	1.86 E
2025	0.03 A	0.17 A	0.43 A	0.88 E	1.53 E
2024	-0.03 A	0.29 A	0.74 A	0.95 A	1.91 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 01/08/2026.

(2) The report's text and the price target are as of 01/02/2026.

## Overview

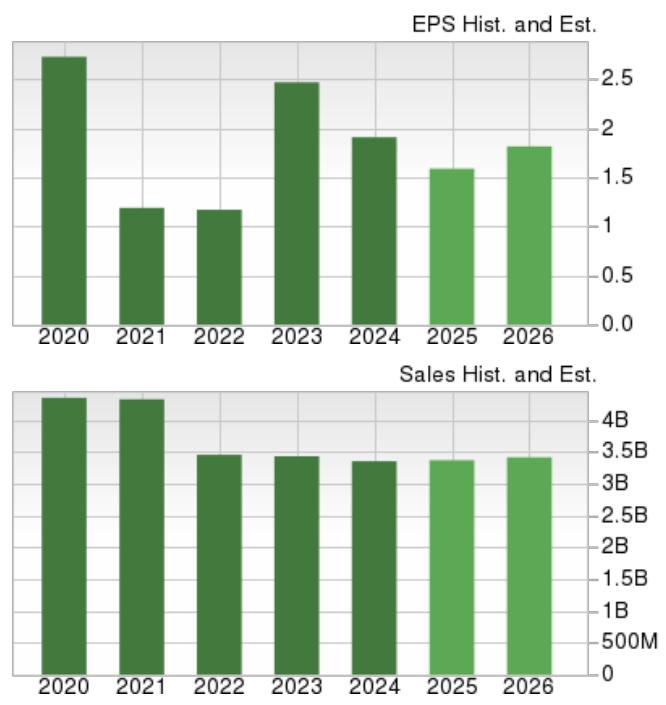
Oak Brook, Ill-based Treehouse Foods, Inc. is a manufacturer of packaged foods and beverages with more than 50 manufacturing facilities across the United States, Canada and Italy servicing retail grocery, food away from home, and industrial and export customers.

The company manufactures a variety of shelf-stable, refrigerated, and fresh products. The product categories include beverages; salad dressings; snacks; beverage enhancers; pickles; Mexican and other sauces; soup and infant feeding; cereals; dry dinners; aseptic products; jams; and other products. The company also offers natural, organic, and preservative-free ingredients in many categories.

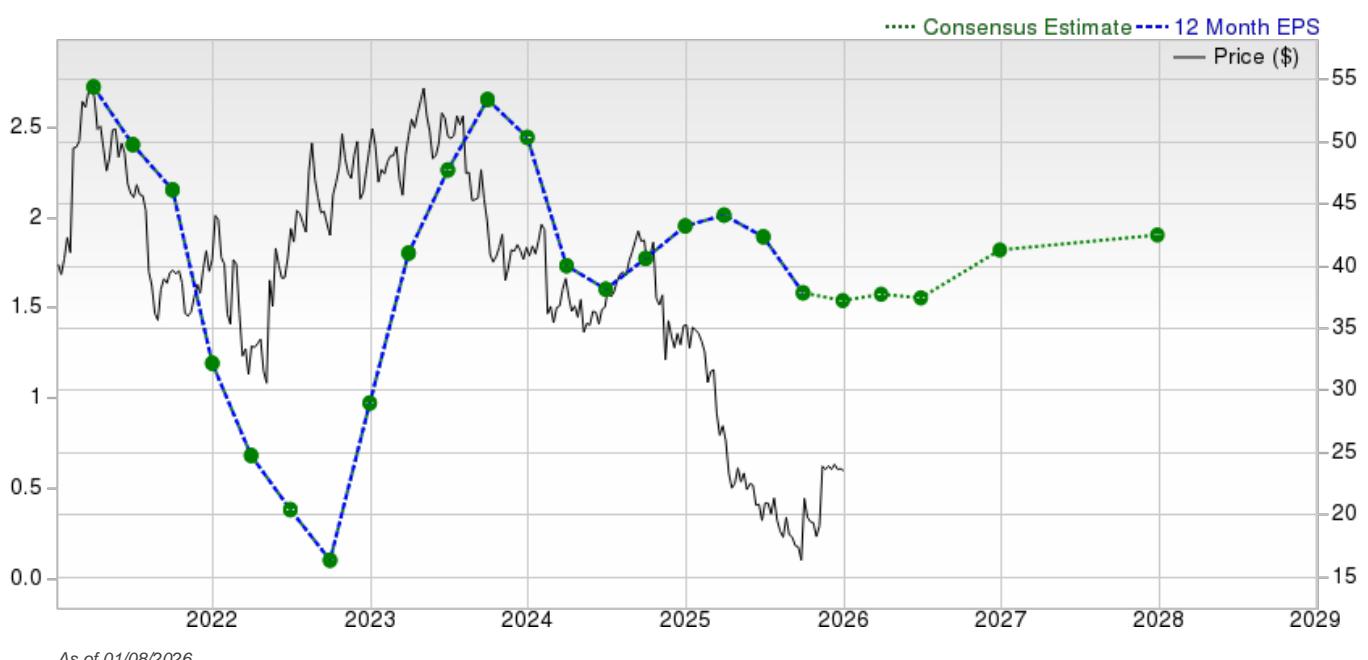
On Nov. 10, 2025, TreeHouse Foods announced a definitive agreement to be acquired by Investindustrial for \$2.9 billion.

TreeHouse Foods made a bold move in the coffee market with its acquisition of Farmer Brothers Company's Northlake, TX, coffee facility and non-Direct Store Delivery coffee business for approximately \$100 million on Jun 30, 2023. This strategic acquisition solidifies TreeHouse Foods' position as a leading player in the private-label snacking and beverage industry, while propelling its presence in the thriving coffee sector. On Sep 29, 2023, the company concluded the sale of its Snack Bars business as part of the strategic review process, aligning with the single plan of disposal. This follows the divestiture of a substantial portion of the Meal Preparation business in the fourth quarter of 2022. Since the third quarter of 2023, the Snack Bars Business has been categorized as discontinued operations, and its figures are excluded from continuing operations for all relevant periods.

During the second quarter of 2024, the Company made the decision to exit the Ready-to-drink ("RTD") business as part of the Company's portfolio optimization strategy to focus on higher-growth, higher margin categories. On January 2, 2025, the Company completed the acquisition of certain subsidiaries that operate the private brand tea business of Harris Freeman & Co, Inc. ("Harris Tea"), a leading private brand tea manufacturer in the United States.



As of 01/08/2026



As of 01/08/2026

## Reasons To Buy:

▲ **Supply Chain Initiatives Fuel Margins:** TreeHouse Foods is continuing to enhance operational efficiencies through strong supply chain initiatives. In the third quarter of 2025, gross margin expanded meaningfully to 18.8%, up 320 basis points year over year, reflecting the combined impact of supply-chain savings initiatives, disciplined margin management actions and favorable mix from the Harris Tea acquisition. These benefits more than offset headwinds from volume/mix softness and fixed-cost absorption pressures tied to broader macroeconomic consumption trends. Adjusted EBITDA for the quarter reached \$91.6 million, underscoring the company's ability to sustain solid earnings power even as it executes planned restructuring and portfolio optimization actions. Management highlighted that supply-chain savings initiatives were a key offset to volume-related pressures, reinforcing the durability of these efficiency programs as a foundation for improved profitability going forward.

TreeHouse Foods drives margin growth through supply-chain savings and the accretive Harris Tea acquisition, all supporting stronger profitability.

▲ **TMOS Initiatives Bode Well:** The company remains committed to implementing the TMOS and other supply-chain initiatives aimed at enhancing execution, margin performance and enriching ties with customers. Its key priorities include TMOS, procurement and improvements in the distribution network. The ongoing advancements in these supply chain initiatives are expected to bolster margins in the years ahead. TreeHouse Foods has established a strong foundation with its supply chain initiatives. Key components of these initiatives include enhancing manufacturing efficiencies through TMOS, capitalizing on procurement savings opportunities and improving network efficiency.

▲ **Focus on Refining Portfolio:** The company has always been focused on expanding its product offerings through acquisitions. In January 2025, TreeHouse Foods' acquisition of Harris Tea marks a strategic move to enhance its presence in the fast-growing private label tea market. This acquisition aligns with the company's long-term strategy of expanding its private label offerings and increasing operational efficiencies through vertical integration. From the acquisition date through Sept. 30, 2025, Harris Tea contributed approximately \$110.6 million in net sales and \$8.1 million in income before income taxes, while also providing favorable margin contributions cited in the third-quarter results. In January 2024, TreeHouse Foods bought Bick's pickles, Habitant pickled beets, Woodman's horseradish and McLaren's pickled onions brands from The J.M. Smucker. In full-year 2023, the company fueled its portfolio strategy by investing in growth categories like seasoned pretzels, coffee and pickles. In June 2023, TreeHouse Foods completed the acquisition of Farmer Brothers Company's Northlake, TX, coffee facility and non-Direct Store Delivery coffee business (known as Direct Ship). This acquisition will solidify TreeHouse Foods' position as a leading player in the private-label snacking and beverage industry, while propelling its presence in the coffee sector. In April 2023, the company added seasoned pretzel capabilities to its portfolio. In December 2020, the company acquired the majority of Riviana Foods' U.S.-branded pasta portfolio.

On the flip side, the company is committed to exiting underperforming businesses and shifting focus toward areas with high growth potential. On Sep 29, 2023, it concluded the sale of its Snack Bars business as part of the strategic review process, aligning with the single plan of disposal. On Oct 3, 2022, TreeHouse Foods concluded the sale of a significant portion of its Meal Preparation business, which included pasta, pourable and spoonable dressing; preserves, red sauces, syrup, dry blends; and baking, dry dinners, pie filling, pita chips and other sauces. These divestitures place TreeHouse Foods well to fuel growth across its higher-margin private-label snacking and beverage categories. Prior to this, it concluded the sale of its Ready-to-eat Cereal business to Post Holdings in June 2021. These actions highlight the company's focus on areas with higher growth potential and solidifying its balance sheet.

## Reasons To Sell:

▼ **Weak Consumption Trend Hurts:** TreeHouse Foods has been operating amid a dynamic environment characterized by challenging consumer trends, slower category growth and operational disruptions. In the third quarter of 2025, the company experienced an 11.6% decline in volume and mix, caused by a combination of factors. Planned margin management actions led to a 3% decline. Additional pressures on sales came from product recall returns, which contributed to a 0.2% decline, the exit from certain businesses, which led to a 1% drop and a 0.1% impact from foreign currency fluctuations. These headwinds were partially offset by contributions from the Harris Tea acquisition, favorable pricing to recover commodity inflation and gains in distribution.

▼ **Restructuring and Financial Pressures Cloud Near-Term Outlook:** TreeHouse Foods faces near-term pressure from elevated restructuring activity, which is weighing on earnings visibility. During the first nine months of 2025, the company incurred \$67.9 million in restructuring costs. In addition, the company recorded a \$289.7 million non-cash goodwill impairment in the third quarter of 2025, reflecting a sustained decline in market capitalization. Collectively, these factors heighten execution risk and could continue to pressure valuation until operational benefits materialize.

▼ **Stiff Competition:** The food industry is grappling with stiff competition and an aggressive promotional environment. Traditional Food companies face competition from rival companies, which are strengthening their franchises through acquisitions and offering alternative outlets for food and other staples. Such industry-wide headwinds may dent the company's performance.

TreeHouse Foods faces weak consumer demand, heavy restructuring costs, goodwill impairment and fierce competition, weighing on performance.

## Last Earnings Report

### TreeHouse Foods Q3 Earnings Miss Estimates, Sales Rise Y/Y

TreeHouse Foods reported third-quarter 2025 results, wherein both top and bottom lines missed the Zacks Consensus Estimate. While net sales increased, earnings decreased from the year-ago period's actuals.

TreeHouse Foods announced that it has entered into a definitive agreement to be acquired by Investindustrial for \$2.9 billion. In connection with the pending transaction, the company has withdrawn all financial guidance.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Nov 10, 2025
Sales Surprise	-1.20%
EPS Surprise	-18.87%
Quarterly EPS	0.43
Annual EPS (TTM)	1.58

### TreeHouse Foods' Quarterly Performance: Key Insights

TreeHouse Foods posted adjusted earnings of 43 cents per share, missing the Zacks Consensus Estimate, which was pegged at 53 cents. The adjusted earnings decreased from 74 cents per share reported in the year-ago quarter.

Net sales of \$840.3 million rose 0.1% year over year, driven by favorable pricing actions to recover commodity inflation, the acquisition of a private-brand tea business and distribution gains. These benefits were partially offset by volume and mix declines reflecting broader macroeconomic consumption trends, distribution losses, planned margin management actions and the exit from the ready-to-drink business. Adjusted net sales were \$841.9 million, up 1.5% from the prior year but missed the consensus estimate of \$852 million.

In the third quarter, volume/mix had a negative impact of 8.6%, partially offset by a 4.3% contribution from a recent business acquisition. Pricing actions added 6.5%, while the business exit resulted in a 0.7% decline. Product recall returns contributed a 1.7% increase and unfavorable foreign currency reduced net sales by 0.1%.

### TreeHouse Foods' Margin & Cost Details

TreeHouse Foods' gross profit as a percentage of net sales rose 3.2 percentage points to 18.8% in the third quarter of 2025. This improvement was primarily driven by \$17.5 million in insurance recoveries related to voluntary product recalls, supply-chain cost-saving initiatives and favorable margins from the Harris Tea acquisition. These gains were partially offset by unfavorable fixed-cost absorption resulting from softer consumption trends.

Total operating expenses reached \$412 million, up from \$99.4 million in the third quarter of 2024, an increase of \$312.6 million. The increase was primarily caused by a non-cash goodwill impairment loss of \$289.7 million, higher restructuring costs mainly related to severance and professional fees, increased operating expenses associated with the Harris Tea acquisition and elevated employee incentive compensation. These increases were partially offset by cost reduction initiatives implemented in 2025.

Adjusted EBITDA decreased to \$91.6 million, down from \$102.5 million in the same period of 2024. The decline was primarily caused by unfavorable volume and mix impacts resulting from planned margin management actions and broader macroeconomic consumption trends. These factors were partially offset by supply-chain savings initiatives, the accretive contribution from the Harris Tea acquisition and ongoing cost reduction efforts.

### TreeHouse Foods' Financial Health Snapshot

The company concluded the quarter with cash and cash equivalents of \$21 million, long-term debt of \$1,486.1 million and total shareholders' equity of \$1,262.5 million. In the nine months ended Sept. 30, 2025, the company's net cash used in operating activities was \$62.5 million.

## Valuation

TreeHouse Foods shares are up 12.8% in the past six-month period and down 33% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 13.8% and the Zacks Consumer Staples sector has declined 7.5% in the past six-month period. Over the past year, the Zacks sub-industry went down 15.9% and the sector up 0.2%.

The S&P 500 index is up 11.8% in the past six-month period and 17.5% in the past year.

The stock is currently trading at 14.83X forward 12-month earnings, which compares to 15.22X for the Zacks sub-industry, 17.60X for the Zacks sector and 26.10X for the S&P 500 index.

Over the past five years, the stock has traded as high as 42.84X and as low as 8.26X, with a 5-year median of 16.12X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$25 price target reflects 15.72X forward 12-month earnings.

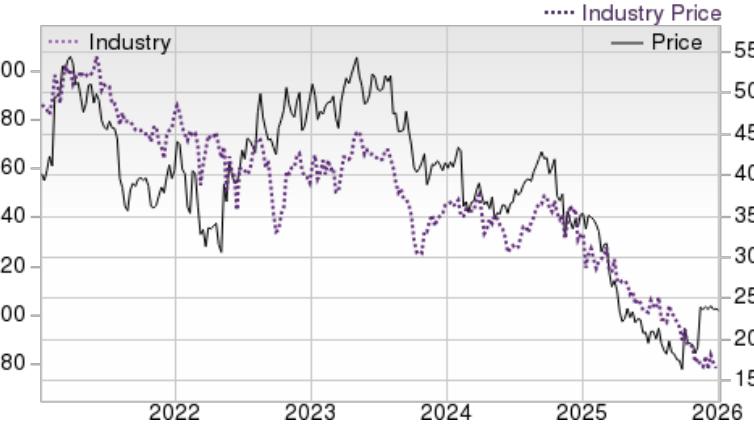
The table below shows summary valuation data for THS

Valuation Multiples - THS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	14.83	15.22	17.60	26.10
	5-Year High	42.84	20.73	20.29	26.10
	5-Year Low	8.26	14.77	16.10	15.74
	5-Year Median	16.12	17.30	17.98	21.21
P/S F12M	Current	0.35	1.07	8.14	5.87
	5-Year High	0.82	1.99	10.94	5.87
	5-Year Low	0.24	1.07	6.59	3.82
	5-Year Median	0.54	1.51	8.77	5.04
EV/EBITDA TTM	Current	8.00	8.06	34.16	18.64
	5-Year High	36.56	15.21	45.14	22.34
	5-Year Low	6.21	8.04	33.37	13.86
	5-Year Median	11.43	13.11	39.80	17.93

As of 12/31/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 21% (193 out of 244)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
B&G Foods, Inc. (BGS)	Neutral	3
Celsius Holdings Inc... (CELH)	Neutral	3
The Chefs' Warehouse... (CHEF)	Neutral	4
Laird Superfood, Inc... (LSF)	Neutral	3
Nomad Foods Limited (NOMD)	Neutral	3
SunOpta, Inc. (STKL)	Neutral	3
The Hain Celestial G... (HAIN)	Underperform	5
Post Holdings, Inc. (POST)	Underperform	4

## Industry Comparison<sup>(1)</sup> Industry: Food - Miscellaneous

	THS	X Industry	S&P 500	CHEF	NOMD	UNFI
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral	Outperform
<b>Zacks Rank (Short Term)</b>	3	-	-	4	3	1
<b>VGM Score</b>	B	-	-	A	B	A
Market Cap	1.18 B	1.72 B	40.07 B	2.44 B	1.79 B	2.03 B
# of Analysts	2	2.5	22	1	2	1
Dividend Yield	0.00%	0.00%	1.38%	0.00%	5.83%	0.00%
<b>Value Score</b>	B	-	-	B	A	A
Cash/Price	0.02	0.06	0.04	0.03	0.12	0.02
EV/EBITDA	10.87	8.90	14.89	16.00	7.17	12.52
PEG Ratio	-5.31	1.40	2.04	NA	NA	NA
Price/Book (P/B)	0.94	2.02	3.41	4.24	0.60	1.31
Price/Cash Flow (P/CF)	4.84	8.65	15.44	18.70	4.56	5.53
P/E (F1)	12.63	12.60	18.58	27.06	5.76	16.32
Price/Sales (P/S)	0.35	0.82	3.06	0.60	0.53	0.06
Earnings Yield	7.95%	7.07%	5.38%	3.70%	17.40%	6.13%
Debt/Equity	1.18	0.42	0.57	1.23	0.81	1.25
Cash Flow (\$/share)	4.84	2.05	8.98	3.21	2.56	6.03
<b>Growth Score</b>	D	-	-	B	F	B
Hist. EPS Growth (3-5 yrs)	6.64%	7.15%	8.24%	19.61%	1.31%	-43.98%
Proj. EPS Growth (F1/F0)	-19.90%	5.01%	9.21%	29.25%	-1.04%	187.32%
Curr. Cash Flow Growth	-11.92%	3.62%	7.00%	17.70%	4.29%	11.28%
Hist. Cash Flow Growth (3-5 yrs)	-6.41%	4.81%	7.49%	16.88%	4.17%	-15.61%
Current Ratio	1.29	1.54	1.19	2.14	1.02	1.38
Debt/Capital	54.07%	34.55%	38.14%	55.24%	44.85%	55.47%
Net Margin	-7.25%	2.29%	12.77%	1.85%	6.56%	-0.32%
Return on Equity	5.52%	9.73%	17.03%	14.11%	9.73%	4.35%
Sales/Assets	0.85	0.92	0.53	2.15	0.48	4.16
Proj. Sales Growth (F1/F0)	0.20%	2.10%	5.29%	8.10%	4.00%	1.00%
<b>Momentum Score</b>	A	-	-	A	A	D
Daily Price Chg	0.39%	-0.22%	-0.34%	-1.20%	-2.42%	-1.68%
1 Week Price Chg	-0.76%	-1.63%	1.10%	-1.79%	-2.33%	0.03%
4 Week Price Chg	-1.60%	-2.48%	0.50%	-2.36%	-5.43%	5.98%
12 Week Price Chg	21.74%	-7.51%	3.75%	1.57%	-2.42%	-22.63%
52 Week Price Chg	-32.24%	-15.03%	16.94%	20.18%	-27.11%	15.43%
20 Day Average Volume	633,453	184,839	2,431,070	325,843	1,628,533	846,896
(F1) EPS Est 1 week change	2.39%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	2.39%	0.00%	0.00%	0.00%	1.25%	0.00%
(F1) EPS Est 12 week change	2.20%	-2.13%	0.44%	-14.94%	-4.48%	7.37%
(Q1) EPS Est Mthly Chg	-130.77%	0.00%	0.00%	0.00%	0.00%	0.00%

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<span style="border: 1px solid black; padding: 2px;">B</span>
Growth Score	<span style="border: 1px solid black; padding: 2px;">D</span>
Momentum Score	<span style="border: 1px solid black; padding: 2px;">A</span>
VGM Score	<span style="border: 1px solid black; padding: 2px;">B</span>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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