Gilead Sciences Inc. (GILD)

Updated August 30th, 2025 by Jonathan Weber

Key Metrics

Current Price:	$113	**5 Year CAGR Estimate:**	0.5%	**Market Cap:**	$140B
Fair Value Price:	$81	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	09/15/25
% Fair Value:	140%	**5 Year Valuation Multiple Estimate:**	-6.4%	**Dividend Payment Date:**	09/29/25
Dividend Yield:	2.8%	**5 Year Price Target**	$99	**Years Of Dividend Growth:**	11
Dividend Risk Score:	D	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

Gilead Sciences is a biotechnology company that operates with a clear focus on antiviral medication and treatments. Its main products include treatments for HIV, Hepatitis B, and Hepatitis C (HBV/HCV), but Gilead has also ventured into other areas such as oncology. Gilead Sciences was founded in 1987, and is headquartered in Foster City, CA.

Gilead Sciences reported its second quarter earnings results in August. The company generated revenues of $7.1 billion during the quarter, which was above the analyst consensus estimate. The company's top line was up by 1.9% compared to the previous year's quarter. Gilead's COVID therapy Veklury (remdesivir) generated lower revenues compared to the previous year's quarter. Backing that out, Gilead's product sales were up by 4% year over year, which is very solid. HIV drug Biktarvy, Gilead's biggest drug in terms of sales volumes, grew by 9% compared to the previous year's quarter, while Gilead's oncology portfolio experienced a very small sales increase of 1%, which was still an improvement versus one quarter earlier, when oncology sales had declined slightly.

Gilead generated earnings-per-share of $2.01 during the second quarter. Gilead has updated its revenue guidance range for 2025, forecasting revenues of around $28.5 billion, while Gilead Sciences is also guiding for adjusted earnings-per-share of around $8.10 for the current year, which is quite compelling and which suggests that 2025 will be the best year in recent memory. 2025 will be way stronger than 2024, when earnings-per-share were artificially low due to one-time costs for acquisitions and higher taxes.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$11.91	$9.94	$8.84	$6.67	$6.63	$7.09	$7.18	$7.26	$6.72	$4.62	***$8.10***	***$9.85***
DPS	$1.29	$1.84	$2.08	$2.28	$2.52	$2.72	$2.84	$2.92	$3.00	$3.08	***$3.16***	***$3.66***
Shares[1]	1.42	1.31	1.31	1.30	1.27	1.26	1.26	1.25	1.25	1.25	***1.24***	***1.20***

Gilead's main sales driver for many years has been its HIV portfolio, until its $11 billion takeover of Pharmasset started to pay off a little more than one decade ago. With its HCV drugs, Gilead was able to grow its top line substantially. Due to strong operating leverage, Gilead's earnings-per-share exploded upwards. But since the HCV drug was a cure, not a treatment, these revenues weren't sustainable, which is why profits peaked in 2015 and remain below that peak level through this day. Between 2018 and 2023, Gilead's earnings-per-share were mostly flat, as a growing HIV business was balanced out by a declining HCV business. For 2025, the outlook is better compared to the last couple of years.

Gilead's HIV business continues to grow, and Gilead is very well-positioned in that market, which is why we believe that the company will deliver some business growth in the long run. COVID-19 treatment remdesivir has been a revenue source during the pandemic but has become less substantial compared to the peak pandemic years as the number of treatments declined, which is why this won't be a long-term growth driver. Gilead has been expanding into other areas such as oncology over time, and share repurchases have been a bit of an earnings-per-share growth tailwind as well. All in all, we believe that Gilead has a solid chance of delivering earnings-per-share growth in the mid-single-digits going forward, but there are some uncertainties due to the unknown success of the current drug pipeline.

[1] In Billions

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	8.9	8.4	8.5	9.4	9.8	8.1	10.0	11.8	12.1	19.9	***14.0***	***10.0***
Avg. Yld.	1.2%	2.2%	2.8%	3.6%	3.9%	4.8%	3.9%	3.4%	3.7%	3.3%	***2.8%***	***3.7%***

Gilead Sciences has not traded at a high valuation over the last decade, which can be explained by the mediocre business performance during most of that time frame, following the sales declines in its HCV franchise. Shares are currently trading above our fair value estimate, using our earnings per share estimate of $8.10.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	11%	19%	24%	34%	38%	38%	40%	40%	45%	67%	***39%***	***37%***

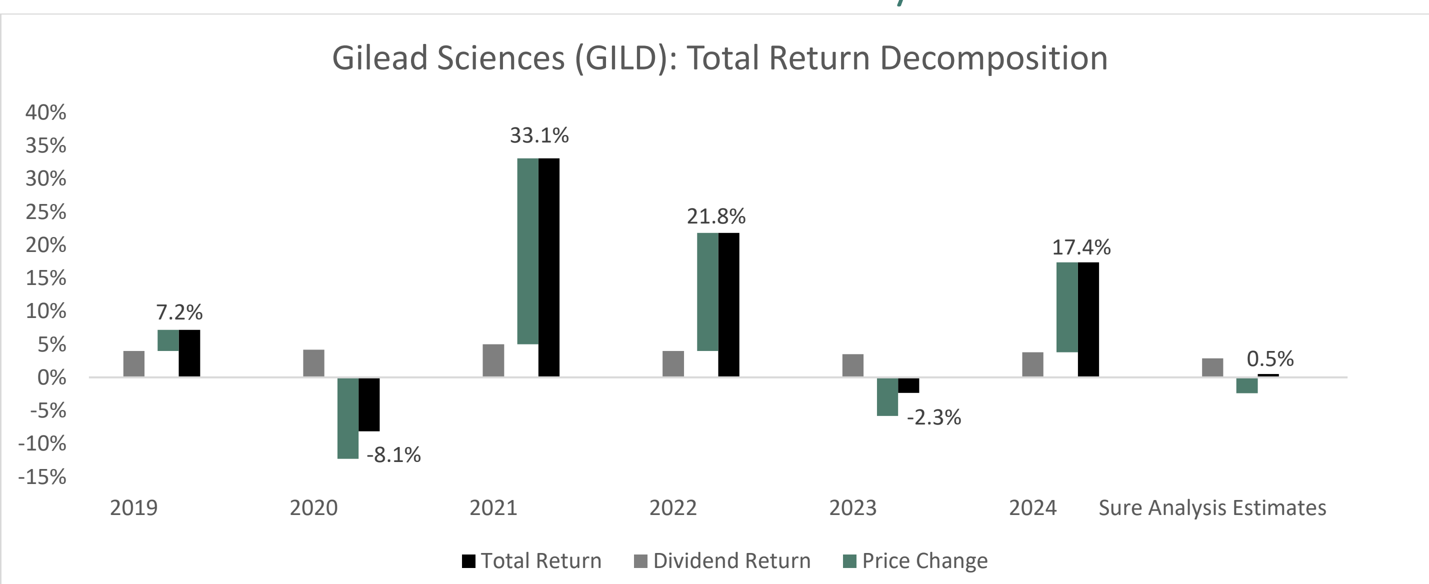
Gilead Sciences started to pay dividends in the 2010s. Since then, the dividend has been increased reliably. Due to a combination of a meaningful dividend growth rate and declining earnings-per-share, Gilead's dividend payout ratio has risen substantially since the dividend introduction. As we forecast positive earnings growth going forward, the payout ratio should be more stable going forward.

In the HIV market, which continues to grow globally, Gilead continues to be the market leader, holding a large market share. It is unlikely that Gilead will lose its market position, and the major players have no interest in engaging in a price war. Gilead's main problem over the last few years was that the HCV market continued to shrink as more patients were cured. Gilead is not negatively impacted by recessions to a large degree, as demand for medicine is not based on how well the economy is doing. During the Great Recession, Gilead's profits continued to rise.

Final Thoughts & Recommendation

Thanks to its strong HIV portfolio and investments in its oncology franchise, Gilead Sciences' sales outlook for the coming years is far from bad. Backing out the declining sales of COVID drug Veklury, 2024 saw positive revenue growth, and the same is expected for the current year. Earnings-per-share are forecasted to hit a multi-year high this year as well. Shares are trading above our fair value estimate, however, and do not promise very compelling returns, which is why we only rate Gilead Sciences a hold right now.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	32,639	30,390	26,107	22,127	22,449	24,689	27,305	27,281	27,116	28,754
Gross Profit	28,633	26,129	21,736	17,274	17,774	20,117	20,704	21,624	20,618	22,503
Gross Margin	87.7%	86.0%	83.3%	78.1%	79.2%	81.5%	75.8%	79.3%	76.0%	78.3%
SG&A Exp.	3,426	3,398	3,878	4,056	4,381	5,151	5,246	5,673	6,090	6,091
D&A Exp.	1,098	1,158	1,286	1,429	1,404	1,480	2,050	2,103	2,693	2,767
Operating Profit	22,193	17,633	14,124	9,298	9,338	9,927	10,857	10,974	8,810	10,505
Operating Margin	68.0%	58.0%	54.1%	42.0%	41.6%	40.2%	39.8%	40.2%	32.5%	36.5%
Net Profit	18,108	13,501	4,628	5,455	5,386	123	6,225	4,592	5,665	480
Net Margin	55.5%	44.4%	17.7%	24.7%	24.0%	0.5%	22.8%	16.8%	20.9%	1.7%
Free Cash Flow	20,503	16,299	11,308	7,476	8,319	7,518	10,805	8,344	7,421	10,305
Income Tax	3,553	3,609	8,885	2,339	(204)	1,580	2,077	1,248	1,247	211

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	51,716	56,977	70,283	63,675	61,627	68,407	67,952	63,171	62,125	58,995
Cash & Equivalents	12,851	8,229	7,588	17,940	11,631	5,997	5,338	5,412	6,085	9,991
Accounts Receivable	5,854	4,514	3,851	3,327	3,582	4,892	4,493	4,777	4,660	4,420
Inventories	1,955	1,587	801	814	922	1,683	1,618	1,507	1,787	1,710
Goodwill & Int. Ass.	11,419	10,143	21,259	19,855	17,903	41,234	41,787	37,207	34,768	28,262
Total Liabilities	32,603	37,614	49,782	42,141	38,977	50,186	46,888	41,962	39,376	39,749
Accounts Payable	1,178	1,206	814	790	713	844	705	905	550	833
Long-Term Debt	22,055	26,346	33,542	27,322	24,593	31,402	26,695	25,230	24,987	26,711
Shareholder's Equity	18,534	18,887	20,442	21,387	22,525	18,202	21,069	21,240	22,833	19,330
LTD/E Ratio	1.19	1.39	1.64	1.28	1.09	1.73	1.27	1.19	1.09	1.38

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	41.9%	24.8%	7.3%	8.1%	8.6%	0.2%	9.1%	7.0%	9.0%	0.8%
Return on Equity	104%	70.2%	23.2%	26.0%	24.4%	0.6%	31.7%	21.7%	25.8%	2.3%
ROIC	52.2%	31.1%	9.3%	10.6%	11.2%	0.3%	12.8%	9.7%	12.0%	1.0%
Shares Out.	1.42	1.31	1.31	1.30	1.27	1.26	1.26	1.25	1.25	1.25
Revenue/Share	21.46	22.38	19.79	16.92	17.58	19.55	21.64	21.62	21.55	22.91
FCF/Share	13.48	12.00	8.57	5.72	6.51	5.95	8.56	6.61	5.90	8.21

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