



AMETEK (AME)

Updated October 31st, 2025 by Derek English

Key Metrics

Current Price:	\$200	5 Year Annual Expected Total Return:	2.2%	Market Cap:	\$45.80B
Fair Value Price:	\$148	5 Year Growth Estimate:	7.0%	Ex-Dividend Date:	12/05/25 ¹
% Fair Value:	130%	5 Year Valuation Multiple Estimate:	-5.1%	Dividend Payment Date:	12/19/25
Dividend Yield:	0.6%	5 Year Price Target	\$216	Years Of Dividend Growth:	6
Dividend Risk Score:	B	Sector:	Industrials	Rating:	Hold

Overview & Current Events

Headquartered in Berwyn, Pennsylvania, AMETEK, established in 1930 as American Machine and Metals, is a global manufacturer of electronic instruments and electromechanical devices with operations across North America, Europe, Asia, and South America. The company's diverse product offerings are organized into two segments: Electronic Instruments (EIG), which designs advanced instruments for various markets including process, power, industrial, and aerospace; and Electromechanical (EMG), which provides precision motion control solutions, thermal management systems, and specialty metals to sectors such as aerospace, defense, and medical. Approximately 50% of AMETEK's sales are generated outside the U.S., driven by continuous investment in sales and service in key growth regions.

AMETEK released its Q3 2025 results on October 30th, 2025, reporting record quarterly sales of \$1.89 billion, up 11% year-over-year. GAAP earnings per diluted share were \$1.60, while adjusted earnings reached a record \$1.89, a 14% increase from Q3 2024. Operating income rose to \$488 million, with an adjusted operating margin of 27.0%, expanding 90 basis points excluding recent acquisitions. The Electronic Instruments Group (EIG) achieved record sales of \$1.25 billion, up 10%, with adjusted operating income of \$360 million. The Electromechanical Group (EMG) delivered another strong performance, with sales up 13% to \$646 million and operating income climbing 25% to \$164 million, driven by robust growth at Paragon Medical. Following this strong performance, management raised its full-year 2025 adjusted EPS guidance to a range of \$7.32 to \$7.37, reflecting 7% to 8% growth over 2024.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$2.55	\$2.30	\$2.61	\$3.29	\$4.19	\$3.95	\$4.85	\$5.68	\$6.38	\$6.83	\$7.32	\$10.27
DPS	\$0.36	\$0.36	\$0.36	\$0.56	\$0.56	\$0.72	\$0.80	\$0.88	\$1.00	\$1.12	\$1.24	\$1.66
Shares²	242	234	232	233	229	231	233	232	232	232	232	230

Over the past decade, AMETEK has demonstrated significant growth in earnings per share (EPS) and dividends per share (DPS), showcasing its robust financial performance. From 2015 to 2024, AMETEK's EPS increased from \$2.55 to \$6.83, representing a compound annual growth rate (CAGR) of 11.6%. DPS grew from \$0.36 to \$1.12 in the same period, with a CAGR of 13.4%. The strong growth can be attributed to AMETEK's strategic acquisitions, which have expanded its technological capabilities and market presence. Standout acquisitions include Gatan in 2019, which enhanced AMETEK's analytical instrumentation offerings, and Magnetrol International in 2021, bolstering its level and flow measurement technology capabilities. For 2025, AMETEK's outlook remains positive, with overall sales expected to grow in the low double digits compared to 2024. The adjusted EPS for 2025 is projected to be in the range of \$7.32 to \$7.37, indicating a growth rate of 7% to 8% over 2024. We have estimated at the lower end of their range to be prudent. We expect dividends to continue to grow at the same pace as earnings due to AMETEK's statement that it is committed to paying a consistently increasing cash dividend in the 2023 annual report. AMETEK recently raised its dividend by 10.7% to \$ 0.31. We estimate a dividend of \$1.66 per share by 2030.

¹ Estimated based on historical dates

² Share count is in millions.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	19.6	19.6	22.2	21.6	19.8	23.5	26.6	22.0	23.2	26.4	27.3	21.0
Avg. Yld.	0.7%	0.8%	0.6%	0.8%	0.7%	0.8%	0.6%	0.7%	0.7%	0.6%	0.6%	0.8%

AMETEK has traded at an average P/E ratio of ~22 over the last decade due to its strong financial performance and history of strategic acquisitions, which have significantly expanded its product portfolio and market reach. As a result, AMETEK is a leader in several niche markets. We believe a P/E ratio of 21 is reasonable for a company with solid growth prospects in a growing industry. However, this means that even with high single-digit dividend growth, we expect the dividend yield to remain below 1%. We estimate the stock is trading at 130% of its \$148 fair value. Our five-year price target is \$216, based on annual earnings growth of 7% and a P/E ratio of 21.

Safety, Quality, Competitive Advantage, & Recession Resiliency

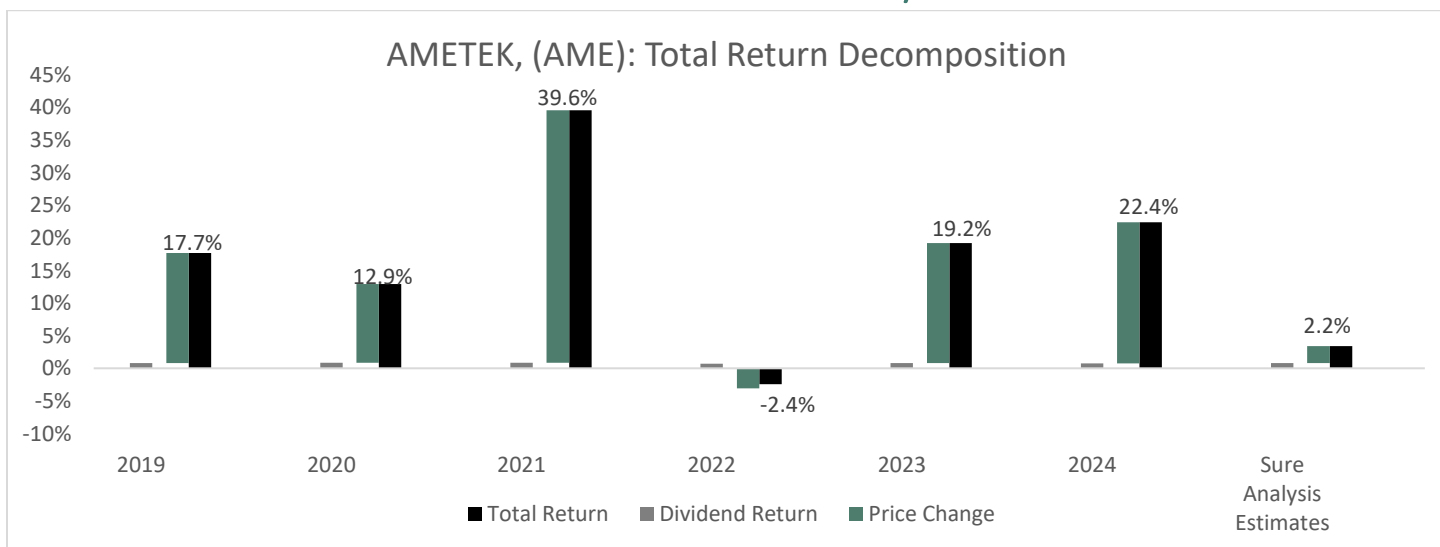
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	14%	16%	14%	17%	13%	18%	16%	15%	16%	16%	17%	16%

AMETEK's competitive advantage lies within its significant market share, healthy technological innovation, efficient manufacturing operations, and experienced management team, all of which position it well against competitors. The company's growth model emphasizes operational excellence, strategic acquisitions, global market expansion, and new product development, ensuring the ability to adapt to evolving customer needs, particularly in Europe and Asia. During the last recession, AMETEK demonstrated resilience by maintaining its commitment to shareholders through consistent dividend payments, unlike many companies that reduced or suspended dividends in 2008-2009. Even during challenging economic periods, this consistent dividend policy underscores AMETEK's strong financial management and stability, reinforcing investor confidence in the company.

Final Thoughts & Recommendation

AMETEK's impressive earnings growth has driven the company to achieve double-digit total returns in five of the last six years, resulting in a current P/E ratio of 27.3. The company is currently trading above our fair value estimate and we anticipate the P/E ratio to revert to our target of 21. A low dividend yield and a high share price have led us to project an annual return rate of just 2.2%. Therefore, we currently rate AMETEK as a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3,974	3,840	4,300	4,846	5,159	4,540	5,547	6,151	6,597	6,941
Gross Profit	1,356	1,255	1,439	1,660	1,788	1,544	1,913	2,145	2,384	2,476
Gross Margin	34.1%	32.7%	33.5%	34.2%	34.7%	34.0%	34.5%	34.9%	36.1%	35.7%
SG&A Exp.	449	464	535	584	610	516	604	645	677	697
D&A Exp.	149	180	183	199	234	255	292	319	338	383
Operating Profit	908	791	904	1,076	1,177	1,028	1,309	1,501	1,707	1,780
Operating Margin	22.8%	20.6%	21.0%	22.2%	22.8%	22.6%	23.6%	24.4%	25.9%	25.6%
Net Profit	591	512	681	778	861	872	990	1,160	1,313	1,376
Net Margin	14.9%	13.3%	15.8%	16.1%	16.7%	19.2%	17.9%	18.9%	19.9%	19.8%
Free Cash Flow	603	694	758	843	1,012	1,207	1,050	1,010	1,599	1,702
Income Tax	216	181	115	210	208	210	233	269	293	285

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	6,660	7,101	7,796	8,662	9,845	10,357	11,898	12,431	15,024	14,630
Cash & Equivalents	381	717	646	354	393	1,213	347	345	410	374
Accounts Receivable	603	592	668	733	745	597	829	919	1,013	949
Inventories	514	492	541	625	625	559	769	1,044	1,132	1,022
Goodwill & Int. Ass.	4,380	4,553	5,129	6,016	6,810	6,849	8,607	8,715	10,613	10,470
Total Liabilities	3,406	3,844	3,768	4,420	4,729	4,408	5,026	4,955	6,293	4,976
Accounts Payable	365	370	437	400	377	360	470	497	517	523
Long-Term Debt	1,938	2,342	2,174	2,633	2,769	2,414	2,544	2,385	3,313	2,080
Shareholder's Equity	3,255	3,257	4,028	4,242	5,115	5,949	6,872	7,477	8,730	9,655
D/E Ratio	0.60	0.72	0.54	0.62	0.54	0.41	0.37	0.32	0.38	0.22

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	9.0%	7.4%	9.1%	9.5%	9.3%	8.6%	8.9%	9.5%	9.6%	9.3%
Return on Equity	18.2%	15.7%	18.7%	18.8%	18.4%	15.8%	15.4%	16.2%	16.2%	15.0%
ROIC	11.6%	9.5%	11.6%	11.9%	11.7%	10.7%	11.1%	12.0%	12.0%	11.6%
Shares Out.	242	234	232	233	229	231	233	232	232	232
Revenue/Share	16.45	16.43	18.55	20.82	22.49	19.64	23.82	26.56	28.50	29.90
FCF/Share	2.50	2.97	3.27	3.62	4.41	5.22	4.51	4.36	6.91	7.33

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

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