# AMETEK (AME)

*Updated February 3rd, 2026, by Derek English*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $231 | **5 Year Annual Expected Total Return:** | 1.0% | **Market Cap:** | $52.42B |
| **Fair Value Price:** | $168 | **5 Year Growth Estimate:** | 7.0% | **Ex-Dividend Date:** | 03/12/26[1] |
| **% Fair Value:** | 138% | **5 Year Valuation Multiple Estimate:** | -6.2% | **Dividend Payment Date:** | 03/31/26 |
| **Dividend Yield:** | 0.5% | **5 Year Price Target** | $236 | **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 reported record full-year 2025 results on February 3rd, 2026, displaying strong organic growth. Full-year sales increased 7% year-over-year to $7.40 billion, while fourth-quarter sales rose 13% to a record $2.00 billion. GAAP earnings per diluted share for the year rose to $6.40, while adjusted EPS rose 9% year-over-year to a record $7.43. Operating performance remained strong, with adjusted operating income increasing 7% to $1.94 billion and adjusted operating margins increasing to 26.2%. The Electronic Instruments Group (EIG) delivered record full-year sales of $4.92 billion, up 6% year-over-year, with fourth-quarter sales rising 13% to $1.37 billion. Adjusted operating income in the quarter reached a record $414 million, supported by positive organic growth, recent acquisitions, and continued core margin expansion. The Electromechanical Group (EMG) also produced an excellent year, with full-year sales increasing 9% to $2.48 billion. Fourth-quarter operating cash flow reached a record $584 million, while free cash flow totaled $527 million, representing a conversion rate of 132% of net income.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $2.30 | $2.61 | $3.29 | $4.19 | $3.95 | $4.85 | $5.68 | $6.38 | $6.83 | $7.43 | ***$8.00*** | ***$11.22*** |
| **DPS** | $0.36 | $0.36 | $0.56 | $0.56 | $0.72 | $0.80 | $0.88 | $1.00 | $1.12 | $1.24 | ***$1.24*** | ***$1.66*** |
| **Shares[2]** | 234.0 | 232.0 | 233.0 | 229.0 | 231.0 | 233.0 | 232.0 | 232.0 | 232.0 | 232.0 | ***232.0*** | ***230.0*** |

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 2016 to 2025, AMETEK's EPS increased from $2.30 to $7.43, representing a compound annual growth rate (CAGR) of 13.9%. DPS grew from $0.36 to $1.14 in the same period, with a CAGR of 14.7%. 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 2026, AMETEK's outlook remains positive, with overall sales expected to grow in the high single digits compared to 2025. The adjusted EPS for 2026 is projected to be in the range of $7.87 to $8.07, indicating a growth rate of 7% to 8% over 2025. We have estimated around the middle 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

[1] Estimated based on historical dates

[2] Share count is in millions.

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consistently increasing cash dividend in the 2023 annual report. AMETEK last raised its dividend by 10.7% to $ 0.31. We estimate a dividend of $1.66 per share by 2031.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Avg. P/E | 19.6 | 22.2 | 21.6 | 19.8 | 23.5 | 26.6 | 22.0 | 23.2 | 26.4 | 26.9 | ***28.9*** | ***21.0*** |
| Avg. Yld. | 0.8% | 0.6% | 0.8% | 0.7% | 0.8% | 0.6% | 0.7% | 0.7% | 0.6% | 0.6% | ***0.5%*** | ***0.7%*** |

AMETEK has traded at an average P/E ratio of ~23 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 138% of its $168 fair value. Our five-year price target is $236, based on annual earnings growth of 7% and a target P/E ratio of 21.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

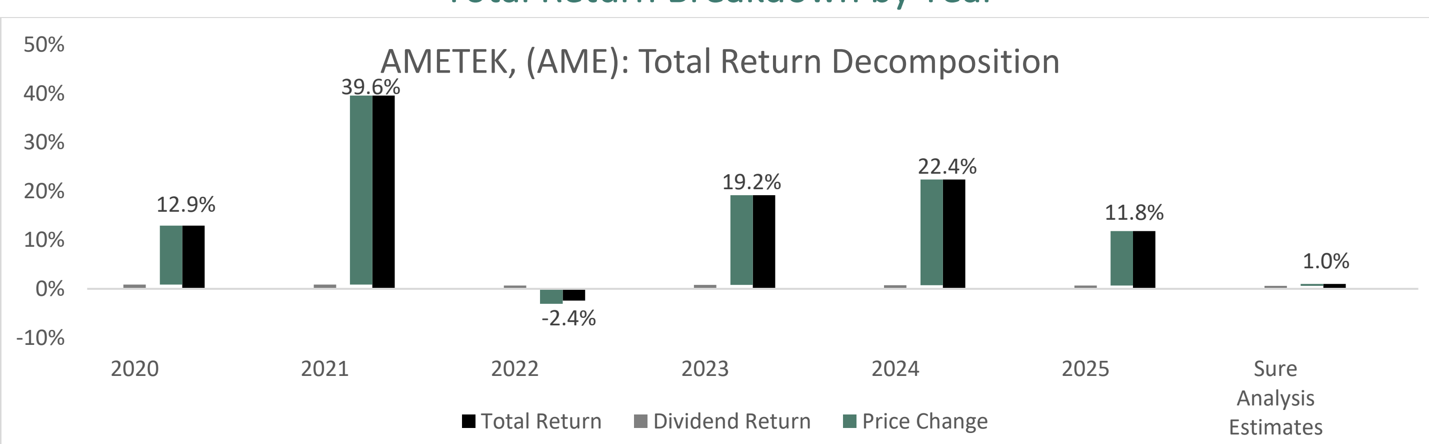
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Payout | 16% | 14% | 17% | 13% | 18% | 16% | 15% | 16% | 16% | 17% | ***16%*** | ***15%*** |

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 28.9. 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 an elevated valuation have led us to project an annual return rate of just 1.0%. Therefore, we currently rate AMETEK as a hold.

## 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 | 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.*