Thermo Fisher Scientific (TMO)

Updated January 31st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$579	**5 Year Annual Expected Total Return:**	10.6%	**Market Cap:**	$213.7 B
Fair Value Price:	$588	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	03/13/2026[1]
% Fair Value:	98%	**5 Year Valuation Multiple Estimate:**	0.3%	**Dividend Payment Date:**	04/15/2026
Dividend Yield:	0.3%	**5 Year Price Target**	$947	**Years Of Dividend Growth:**	8
Dividend Risk Score:	A	**Sector:**	Healthcare	**Rating:**	Buy

Overview & Current Events

Thermo Fisher Scientific Inc. stands as the global forefront in addressing intricate analytical challenges, empowering its clientele to expedite advancements in life sciences research, enhance patient diagnostics, and elevate efficiency across international laboratories. The company's operational segments, along with their respective % of revenues for the full year 2025, are: Life Sciences Solutions (22%), Analytical Instruments (16%), Specialty Diagnostics (10%), and Laboratory Products and Biopharma (52%). Thermo Fisher generates around $47 billion in annual sales and is based in Waltham, Massachusetts.

On January 29th, 2026, Thermo Fisher reported its Q4 and full-year results for the fiscal year ending December 31st, 2025. Quarterly revenues reached $12.21 billion, an increase of 7% on a reported basis and 3% organically compared to the prior year. This growth was bolstered by strong performance in the Life Sciences Solutions segment and continued resilience across its core markets, successfully offset by the final stages of pandemic-related revenue runoff.

The adjusted operating income margin for the quarter was 23.6%, as the company utilized its PPI Business System to drive productivity and mitigate headwinds from tariffs and currency volatility. Disciplined operational execution resulted in adjusted EPS of $6.57 for the quarter, an 8% increase. For the full year, adjusted EPS reached $22.87, surpassing the top end of the guidance range provided in the previous quarter. GAAP EPS was $17.77.

Management continued to advance its innovation-led growth strategy, launching key products such as the Orbitrap Astral Zoom mass spectrometer and the Helios MX1 Plasma FIB-SEM. The company also significantly expanded its digital leadership by announcing a new strategic collaboration with NVIDIA to integrate advanced AI capabilities directly into laboratory instrumentation and workflows.

For fiscal 2026, management initiated guidance with expected revenues between $46.3 billion and $47.2 billion and adjusted EPS in the range of $24.22 to $24.80, representing a projected growth of 6% to 8%. We have utilized the midpoint of this range in our estimates. All past figures are on a GAAP basis.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$5.12	$5.63	$7.31	$9.24	$16.10	$19.62	$17.75	$15.52	$16.58	$17.77	***$24.51***	***$39.47***
DPS	$0.60	$0.60	$0.68	$0.76	$0.88	$1.04	$1.20	$1.40	$1.56	$1.72	***$1.72***	***$3.03***
Shares[2]	395	395	402	400	396	394	392	386	382	377	***377***	***360***

Thermo Fisher's growth over the past decade has been strong, constantly improving its operations and expanding its margins, resulting in an EPS CAGR of 14.8% from 2016 to 2025. The pandemic was proven a key catalyst for Thermo, as its healthcare operations were massively boosted, resulting in record profits in 2021 and 2022. The company has been taking advantage of its magnified cash inflows to increase its global presence, closing various acquisitions last year, such as those of Mesa Biotech and PPD.

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[1] Estimated dates based on past dividend dates.
[2] Share count is in millions.

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We retain our EPS growth expectations of around 10% in the medium-term as the company gradually expands its capacities to meet the underlying demand for its products and services. In terms of dividend payouts, management has been intentionally keeping payouts low relative to its net income as it reinvests the majority of its profits to grow the business. We have set our growth estimate to an annualized rate of 12% going forward. DPS growth could be higher, as Thermo Fischer could comfortably accelerate its dividend growth. Still, we remain prudent. The company repurchased $3 billion of stock in 2022, $3 billion in 2023, $4.0 billion in 2024, and $3.0 billion. Buybacks will keep aiding EPS growth.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.2	29.0	32.9	38.5	31.4	29.0	31.0	34.4	33.2	29.3	***23.6***	***24.0***
Avg. Yld.	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%	0.3%	0.2%	0.3%	0.3%	***0.3%***	***0.3%***

Over the past decade, shares have mainly hovered around 31 times their GAAP underlying earnings. The stock is now trading at 23.6 times management's expected adjusted EPS for FY2026, which is not far from our target multiple of 24x. The dividend has mostly been a token of shareholder returns. For this reason, the yield has remained extremely low over the years. Despite our rapid DPS growth estimates, we expect it to continue to be on the small side and only marginally contribute to shareholder returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

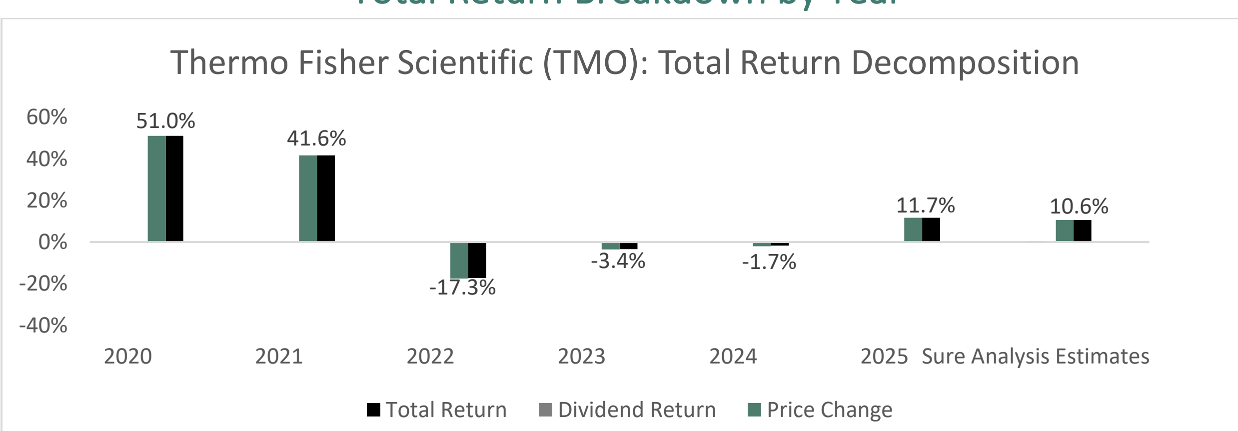
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	12%	11%	9%	8%	5%	5%	7%	9%	9%	10%	***7%***	***8%***

In terms of its payout ratio, dividends remain exceptionally safe and should only continue growing from here. The company continues to benefit from the trusted partner status that it has earned over many years with its pharma and biotech customers. As the company continues to expand its international diagnostics capacity, we can see its strong momentum lasting over the next few years. Additionally, Thermo Fisher remains financially robust, ending the year with a $10.1 billion cash position and maintaining a healthy net debt/EBITDA ratio of ~2.6. We believe that Thermo Fisher's robust growth will continue, further bolstering its competitive advantage in the life-sciences sector.

Final Thoughts & Recommendation

Thermo Fisher Scientific stock remains below its 2021 peak, attributed to the company's financial performance not yet matching the inflated levels achieved during the pandemic. Nevertheless, Thermo Fisher remains highly profitable. We forecast annualized returns of 10.6% through 2031, powered by our earnings growth estimate, the small yield, and the possibility of a soft valuation headwind. We rate TMO stock as a buy.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	16965	18274	20918	24358	25542	32220	39210	44920	42860	42880
Gross Profit	7756	8372	9448	10857	11328	16500	19640	18970	17100	17700
Gross Margin	45.7%	45.8%	45.2%	44.6%	44.4%	51.2%	50.1%	42.2%	39.0%	41.3%
SG&A Exp.	4612	4971	5504	6057	6144	5764	8007	8993	8445	8595
D&A Exp.	1688	1758	2033	2267	2277	2325	2592	3381	3406	3108
Operating Profit	2452	2647	3057	3833	4181	7893	10220	8507	7318	7717
Op. Margin	14.5%	14.5%	14.6%	15.7%	16.4%	24.5%	26.1%	18.9%	17.1%	18.0%
Net Profit	1975	2022	2225	2938	3696	6375	7725	6950	5995	6335
Net Margin	11.6%	11.1%	10.6%	12.1%	14.5%	19.8%	19.7%	15.5%	14.0%	14.8%
Free Cash Flow	2519	2814	3497	3785	4047	6815	6789	6911	6927	7267
Income Tax	-44	-1	201	324	374	850	1109	703	284	657

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	40834	45908	56669	56232	58381	69050	95120	97150	98730	97320
Cash & Equivalents	452	786	1335	2103	2399	10320	4477	8524	8077	4009
Acc. Receivable	2545	3049	3879	4136	4349	5741	7977	8115	8221	8191
Inventories	1992	2213	2971	3005	3370	4029	5051	5634	5088	4978
Goodwill & Int.	31586	35297	41974	40325	39728	38730	62040	58640	60690	6139
Total Liabilities	19484	24368	31256	28646	28706	34540	54150	53010	51880	47650
Accounts Payable	822	926	1428	1615	1920	---	2867	3381	2872	3079
Long-Term Debt	12472	16627	21008	18990	17752	21740	34870	34490	34920	31280
Total Equity	21350	21540	25413	27586	29675	34510	40790	43980	46740	49580
LTD/E Ratio	0.58	0.77	0.83	0.69	0.60	0.63	0.85	0.78	0.75	0.63

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.7%	4.7%	4.3%	5.2%	6.4%	10.0%	9.4%	7.2%	6.1%	6.5%
Return on Equity	9.4%	9.4%	9.5%	11.1%	12.9%	19.9%	20.5%	16.4%	13.2%	13.1%
ROIC	5.7%	5.6%	5.3%	6.3%	7.9%	12.3%	11.7%	9.0%	7.5%	7.8%
Shares Out.	402	397	398	406	403	399	397	394	388	383
Revenue/Share	42	46	53	60	63	80.8	98.77	114.00	110.46	111.96
FCF/Share	6	7	9	9	10	17.1	17.10	17.54	17.85	18.97

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