Gilead Sciences Inc. (GILD)

Updated March 2nd, 2026 by Jonathan Weber

Key Metrics

Current Price:	$150	**5 Year CAGR Estimate:**	1.6%	**Market Cap:**	$186B
Fair Value Price:	$112	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	03/13/26
% Fair Value:	133%	**5 Year Valuation Multiple Estimate:**	-5.6%	**Dividend Payment Date:**	03/30/26
Dividend Yield:	2.2%	**5 Year Price Target**	$144	**Years Of Dividend Growth:**	12
Dividend Risk Score:	C	**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 fourth quarter earnings results in February. The company generated revenues of $7.93 billion during the quarter, which was above the analyst consensus estimate. The company's top line was up by 4.8% 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 a nice 7% year over year during the quarter. HIV drug Biktarvy, Gilead's biggest drug in terms of sales volumes, grew by 5% compared to the previous year's quarter, while Gilead's oncology portfolio experienced flat revenues, which was a bit of an improvement compared to the small sales decline the unit experienced one quarter earlier.

Gilead generated earnings-per-share of $1.86 during the fourth quarter, down slightly from $1.90 one year earlier. Gilead has issued its revenue guidance for 2026, forecasting revenues of around $29.8 billion, which would be up by 1% to 2% versus 2025. Gilead Sciences is guiding for adjusted earnings-per-share of around $8.65 for the current year, which would mean an improvement of around 6% versus last year -- a solid, although not great growth rate. In February, Gilead Sciences has also declared a dividend increase of 4%, bringing the quarterly payout to $0.82 per share.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$9.94	$8.84	$6.67	$6.63	$7.09	$7.18	$7.26	$6.72	$4.62	$8.15	***$8.65***	***$11.04***
DPS	$1.84	$2.08	$2.28	$2.52	$2.72	$2.84	$2.92	$3.00	$3.08	$3.16	***$3.28***	***$3.99***
Shares[1]	1.31	1.31	1.30	1.27	1.26	1.26	1.25	1.25	1.25	1.24	***1.23***	***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. For many years following the peaking of the HCV business, earnings were more or less flat, as a growing HIV business and a declining HCV business mostly offset each other.

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 a lot 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

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	8.4	8.5	9.4	9.8	8.1	10.0	11.8	12.1	19.9	15.0	***17.3***	***13.0***
Avg. Yld.	2.2%	2.8%	3.6%	3.9%	4.8%	3.9%	3.4%	3.7%	3.3%	2.6%	***2.2%***	***2.8%***

Gilead Sciences has not traded at a high valuation throughout most of the last decade, which can be explained by the mediocre business performance during most of that time frame. Shares are currently trading well above our fair value estimate, following a steep run-up in its share price over the last couple of months.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	19%	24%	34%	38%	38%	40%	40%	45%	67%	39%	***38%***	***36%***

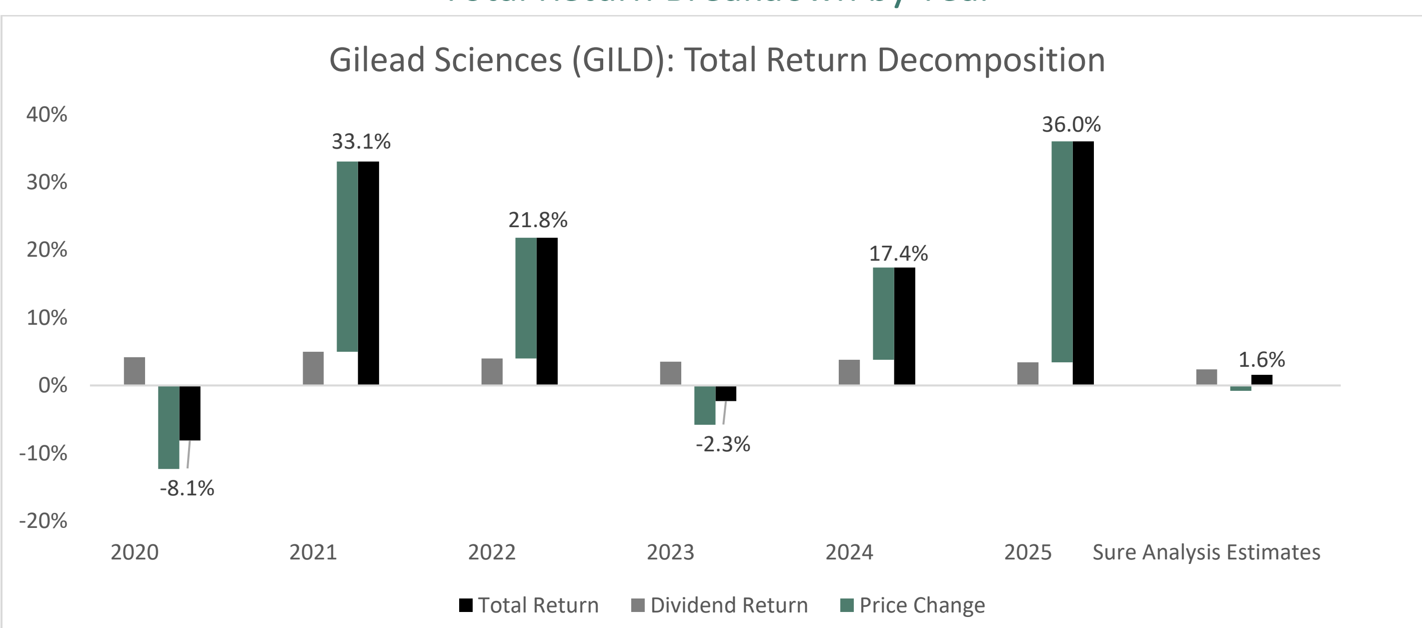
Gilead Sciences started to pay dividends in the 2010s. Since then, the dividend has been increased reliably. Due to a meaningful dividend growth rate despite a lack of earnings-per-share growth, Gilead's dividend payout ratio has risen substantially since the introduction of the dividend. As we forecast 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 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 decade was that the HCV market continued to shrink as more patients have been 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, for example.

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, 2025 saw solid revenue growth, and 2026 will be a growth year as well, according to management's guidance. Shares are trading above our fair value estimate, however, and do not promise very compelling returns, which is why we rate Gilead Sciences a hold right now.

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	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.