Analog Devices (ADI)

Updated May 24th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$397	**5 Year CAGR Estimate:**	8.4%	**Market Cap:**	$193 B
Fair Value Price:	$309	**5 Year Growth Estimate:**	15.0%	**Ex-Dividend Date:**	06/02/26
% Fair Value:	129%	**5 Year Valuation Multiple Estimate:**	-4.9%	**Dividend Payment Date:**	06/16/26
Dividend Yield:	1.1%	**5 Year Price Target**	$621	**Years Of Dividend Growth:**	22
Dividend Risk Score:	A	**Sector:**	Information Technology	**Rating:**	Hold

Overview & Current Events

Analog Devices (ADI) makes integrated circuits that are sold to OEMs (original equipment manufacturers) to be incorporated into equipment and systems for communications, computer, instrumentation, industrial, military/aerospace, and consumer electronics applications. ADI was founded in 1965 and is a $193 billion market cap company that's been increasing dividend payments to shareholders for 22 consecutive years.

While Analog Devices might seem like a legacy company because it earns about 50% of its revenues from products that it's been selling for 10 years or more, the business is also changing to meet the needs of new markets with its $10 billion investment in Research and Development over the past ten years, and its previous acquisitions of companies like Maxim Integrated, Linear Technology, and Hittite.

On February 17th, 2026, Analog Devices announced an 11% dividend increase to $1.10 per share quarterly.

On May 19th, 2026, Analog announced it will acquire Empower Semiconductor for $1.5 billion cash, expanding Analog's addressable market in the hypergrowth and AI category. The acquisition is expected to close in the second half of 2026.

On May 20th, 2026, Analog Devices reported second quarter 2026 results for the period ending May 2nd, 2026. For the quarter, the company reported revenue of $3.62 billion, up 37% compared to the prior year's quarter, which beat analysts' estimates by $100 million. The company saw adjusted earnings-per-share of $3.09, which also beat analysts' estimates by eighteen cents and represented a 67% improvement in EPS compared to the year-ago quarter.

Management forecasts Analog Devices will generate revenue of $3.9 billion in fiscal Q3 2026 with adjusted operating margins of roughly 49%, and adjusted EPS of about $3.30.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.07	$4.68	$5.95	$5.14	$4.91	$6.46	$9.57	$10.09	$6.38	$7.79	***$12.34***	***$24.82***
DPS	$1.68	$1.80	$1.92	$2.16	$2.48	$2.76	$2.97	$3.34	$3.62	$3.96	***$4.40***	***$6.77***
Shares	308.0	369.0	370.0	368.0	369.0	525.0	515.0	500.0	498.7	493.2	***490.0***	***478.0***

Over the past five and nine years, Analog Devices has grown earnings-per-share at an average rate of 9.7% and 10.9% annually, respectively. The business is targeting a long term annual revenue growth rate of 7% to 10%, as the company continues to build on its leading markets and benefits from secular trends like Industry 4.0, which is implementing machine learning into factory production, data centers, and augmented and virtual reality.

Analog sees growth coming from Industry 4.0 trends in its industrial segment, and growth in the EV market for its automotive segment. The share count grew in 2021 due to Analog's acquisition of Maxim Integrated, a designer and manufacturer of integrated circuits. We now expect that Analog Devices will see about $12.34 in adjusted earnings-per-share for the fiscal year 2026. Over the intermediate term, we expect earnings per share to grow at 15% annually, guiding our 2031 earnings-per-share estimate of $24.82.

Over the past five and nine years, Analog Devices has seen the dividend grow at 9.8% and 10% annually. Currently, Analog Devices pays a quarterly dividend of $1.10, which is $4.40 annually. Over the intermediate term, we expect the dividend per share to increase by 9% annually, which guides our 2031 dividend estimate of $6.77.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	18.9	16.8	15.5	20.3	23.1	24.5	16.8	18.0	33.4	29.0	***32.2***	***25.0***
Avg. Yld.	2.9%	2.3%	2.1%	2.1%	2.2%	1.5%	1.9%	1.9%	1.7%	1.7%	***1.1%***	***1.1%***

Over the past five and ten years, Analog Devices has averaged a P/E ratio of 24.3 and 21.6, respectively. The stock currently trades at a P/E ratio of 32.2, which is much higher than its historical average. We peg fair value at 25.0 times earnings, implying the potential for a moderate valuation headwind.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	55%	38%	32%	42%	51%	43%	31%	33%	57%	51%	***36%***	***27%***

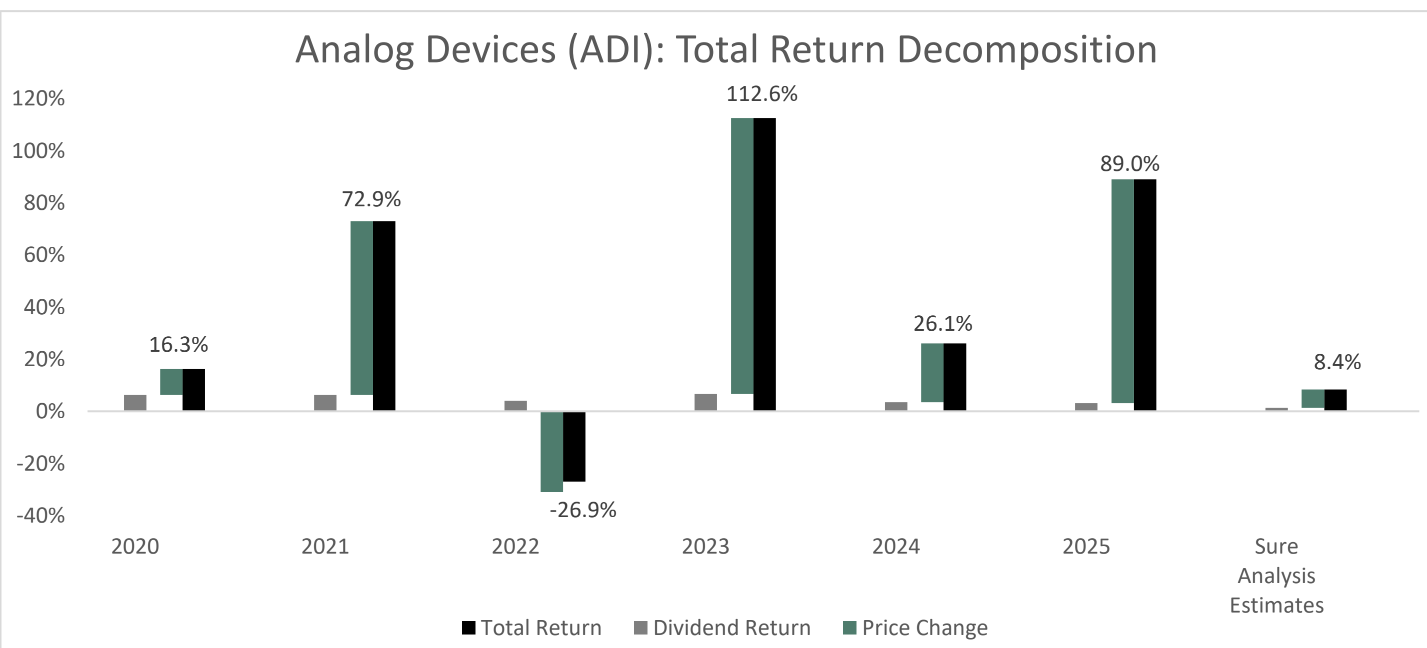
Analog Devices has a competitive advantage in the Integrated Circuit market, where the company's scale allows it to compete against rivals like Texas Instruments (TXN), Broadcom (AVGO) and Monolithic Power Systems (MPWR).

Companies should be able to withstand periods of economic hardship, and it's important that they have strong liquidity and solvency ratios. Analog Devices has conservative debt ratios, and as of second quarter FY 2026, its net leverage ratio was 0.8X. As a result, the company is currently under no great pressure to reduce its debt. While the dividend payout ratio of 36% is reasonable, strong EPS growth ahead should clear the way for a lower payout over the next five years, enabling Analog Devices to continue boosting its dividend growth streak.

Final Thoughts & Recommendation

Shares of Analog Devices have the potential to be a solid investment over the intermediate term. Total return prospects come in at 8.4% annually over the next five years based on the combination of 15% EPS growth, a 1.1% dividend yield and a negative impact from the valuation rerating downwards. This security may be particularly attractive for dividend growth investors as the stock offers a reliable dividend which has grown by double digits in the last ten years, and increased for over two decades. Analog Devices earns a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,421	5,246	6,225	5,991	5,603	7,318	12,014	12,310	9427	11,020
Gross Profit	2,227	3,168	4,250	4,014	3,690	4,525	7,532	7,877	5381	6,025
Gross Margin	65.1%	60.4%	68.3%	67.0%	65.9%	61.8%	62.7%	64.0%	57.1%	54.7%
SG&A Exp.	461	691	696	648	660	915	1,266	1,274	1069	1,255
D&A Exp.	210	584	799	811	811	1,075	2,297	2,293	2104	1,999
Operating Profit	1,042	1,212	1,961	1,806	1,551	1,777	3,553	3,984	2070	3,005
Op. Margin	30.4%	23.1%	31.5%	30.1%	27.7%	24.3%	29.6%	32.4%	22.0%	27.3%
Net Profit	862	805	1,507	1,363	1,221	1,390	2749	3,315	1635	2,267
Net Margin	25.2%	15.4%	24.2%	22.8%	21.8%	19.0%	22.9%	26.9%	17.3%	20.6%
Free Cash Flow	1,164	950	2,187	1,978	1,843	2,391	3,776	3,556	3122	4,279
Income Tax	95	129	148	123	91	(62)	350	293	142	445

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,970	21,141	20,438	21,393	21,469	52,322	50,302	48,790	48230	47,990
Cash & Equivalents	921	1,048	817	648	1,056	1,978	1,471	958	1991	3,652
Acc. Receivable	478	689	640	635	738	1,459	1,800	1,470	1336	1,436
Inventories	377	551	587	610	608	1,201	1,400	1,642	1448	1,656
Goodwill & Int.	2,228	17,537	17,031	16,474	15,929	42,186	40,179	38,230	36500	34,960
Total Liabilities	2,805	10,980	9,170	9,683	9,471	14,330	13,837	13,230	13050	14,180
Accounts Payable	171	237	261	225	227	443	582	493	487	544
Long-Term Debt	1,732	7,851	6,333	5,492	5,145	6,770	6,549	6,949	7582	8,429
Total Equity	5,166	10,162	11,268	11,709	11,998	37,993	36,465	35,570	35180	33,820
LTD/E Ratio	0.34	0.77	0.56	0.47	0.43	0.18	0.18	0.20	0.22	0.25

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	11.5%	5.5%	7.2%	6.5%	5.7%	3.8%	5.4%	6.7%	3.4%	4.7%
Return on Equity	16.8%	10.5%	14.1%	11.9%	10.3%	5.6%	7.4%	9.2%	4.6%	6.6%
ROIC	13.4%	6.5%	8.5%	7.8%	7.1%	4.5%	6.3%	7.8%	3.8%	5.3%
Shares Out.	308	369	370	368	369	525	523	506	499	497.0
Revenue/Share	10.96	14.97	16.60	16.07	15.06	18.24	22.96	24.32	18.90	22.19
FCF/Share	3.73	2.71	5.83	5.30	4.95	5.96	7.22	7.03	6.26	8.61

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