Abbott Laboratories (ABT)

Updated July 16th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$99	**5 Year Annual Expected Total Return:**	13.5%	**Market Cap:**	$173 B
Fair Value Price:	$122	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	07/15/26
% Fair Value:	81%	**5 Year Valuation Multiple Estimate:**	4.2%	**Dividend Payment Date:**	08/17/26
Dividend Yield:	2.5%	**5 Year Price Target**	$171	**Years Of Dividend Growth:**	54
Dividend Risk Score:	A	**Sector:**	Health Care	**Rating:**	Buy

Overview & Current Events

Abbott Laboratories, founded in 1888, is one of the largest medical appliances & equipment manufacturers in the world, comprised of four segments: Nutrition, Diagnostics, Established Pharmaceuticals and Medical Devices. Abbott Laboratories provides products in over 160 countries and employs 114,000 people. The company generated $44 billion in sales in 2025.

On December 12th, 2025, Abbott Laboratories raised its quarterly dividend 6.8% to $0.63, extending the company's dividend growth streak to 54 years.

On March 23rd, 2026, the company announced that it had completed its purchase of Exact Sciences, which makes products for early cancer detection.

On July 16th, 2026, Abbott Laboratories released second quarter results for the period ending June 30th, 2026. For the quarter, revenue grew 13% to $12.6 billion, which topped estimates by $70 million. Adjusted earnings-per-share of $1.31 compared to $1.26 in the prior year and was $0.03 better than expected.

For the quarter, U.S. sales were up 22% while international was higher by 7.5%. Currency exchange was a 0.8% headwind for the period. Comparable sales grew 4.8% for Q2. Comparable sales for Nutrition fell 3.6% due as higher prices were offset by weaker demand. Sales were up $127 million, or 17.1%, from Q1 2026. Diagnostics improved 2.9% as gains in Laboratory Diagnostics in the U.S. and Latin America were partially offset by weaker respiratory virus tests. Cancer Diagnostics were up mid-teens due to higher demand from Cologuard. Established Pharmaceuticals grew 8.7% as key emerging countries continue to perform well. Medical Devices increased 8.4% for the quarter. Growth was the result of strong demand in areas of Rhythm Management, Diabetes Care, and Heart Failure.

Abbott Laboratories provided updated guidance for 2026 as well, with the company now expecting adjusted earnings-per-share in a range of $5.45 to $5.60 for the year, compared to $5.38 to $5.58 and $5.55 to $5.80 earlier. This includes $0.20 of dilution related to the purchase of Exact Sciences. At the new midpoint, this would represent growth of 7.4% from 2025.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.20	$2.50	$2.88	$3.24	$3.65	$5.21	$5.34	$4.44	$4.67	$5.15	***$5.53***	***$7.76***
DPS	$1.04	$1.06	$1.12	$1.28	$1.44	$1.80	$1.88	$2.04	$2.20	$2.36	***$2.52***	***$3.53***
Shares[1]	1,473	1,744	1,756	1,781	1,786	1,789	1,754	1,748	1,746	1,749	***1,743***	***1,730***

Abbott Laboratories spun off its biotech business (which is publicly-traded as AbbVie with the ticker ABBV) in 2013. AbbVie has been a very successful standalone company. When it was still owned by Abbott Laboratories it was a major growth driver. However, since the spin-off Abbott Laboratories' earnings-per-share growth rate has still been very solid. Results have also been very consistent. Earnings-per-share have a CAGR of 9.9% since 2016. With its strong position in growth markets such as diagnostics, where Abbott Laboratories is the market leader in point-of-care diagnostics, and

[1] In millions.

Disclosure: This analyst has a long position in the security discussed in this research report.

medical devices, the company should be able to generate attractive long-term growth rates for both earnings-per-share and dividends. We forecast 7% growth coming off expected earnings-per-share of $5.53 for 2026.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	18.4	19.4	22.3	24.9	26.3	22.6	20.6	24.5	24.2	24.3	***17.9***	***22.0***
Avg. Yld.	2.1%	2.2%	1.7%	1.6%	1.5%	1.5%	1.7%	1.9%	1.9%	1.9%	***2.5%***	***2.1%***

Shares of Abbott Laboratories have gained $8, or 8.8%, since our April 25th, 2026 report. The stock's price-to-earnings ratio expanded after the spin-off of AbbVie, which is not surprising, as AbbVie had been the somewhat riskier part of the business. In addition, shares were coming off recession lows. Abbott Laboratories as a more med-tech pure play is a low-risk investment. We reaffirming our target price-to-earnings ratio of 22 from 20 as this better reflects the stock's average earnings multiple over the last decade. With shares trading at 17.9 times earnings estimates, this implies a 4.2% tailwind to annual returns from multiple expansion through 2031.

Abbott Laboratories has declared more than 400 consecutive dividends and is a Dividend King.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	47%	42%	39%	40%	39%	35%	35%	46%	47%	46%	***46%***	***46%***

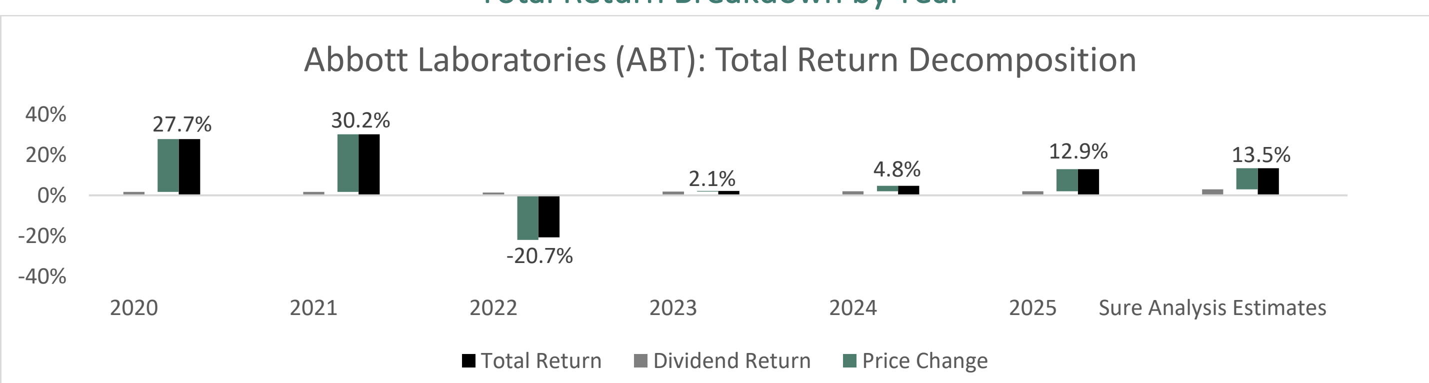
Abbott Laboratories' dividend payout ratio has never been above 50% throughout the last decade. Coupled with the fact that the company's earnings-per-share did not decline during both the last financial crisis and the Covid-19 pandemic (it actually continued to grow) and Abbott Laboratories' dividend looks very safe.

Abbott Laboratories has proven to be a very stable performer with a solid outlook. The markets that the company addresses are not cyclical as medical devices and diagnostics are needed whether the economy is doing well or not. This explains why the company has performed so well during adverse economic conditions. Moreover, for future recessions, we believe Abbott Laboratories will most likely not be vulnerable. The company is a leader in the markets it addresses, such as in point-of-care diagnostics, which provides competitive advantages due to Abbott Laboratories' scale and global reach. This was especially true during the worst of the Covid-19 pandemic.

Final Thoughts & Recommendation

After second quarter results, Abbott Laboratories is projected to produce a total annual return of 13.5% through 2031, down from 15.2% previously. This estimate stems from 7% earnings growth, a starting dividend yield of 2.5%, and a mid-single-digit contribution from multiple expansion. We continue to like the long-term story of the company. We have raised our five-year price target $2 to $171 and we reaffirm our buy rating on the stock due to projected returns and a strong dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	20853	27390	30578	31904	34608	43075	43653	40109	41950	44328
Gross Profit	11759	14981	17872	18673	19605	24538	24511	22134	23244	23373
Gross Margin	56.4%	54.7%	58.4%	58.5%	56.6%	57.0%	56.1%	55.2%	55.4%	52.7%
SG&A Exp.	6736	9182	9744	9765	9696	11324	11248	10949	11697	12332
D&A Exp.	1353	3021	3278	3014	3327	3538	3267	3243	3218	3116
Operating Profit	3026	1564	3650	4532	5357	8425	8362	6478	6825	8264
Op. Margin	14.5%	5.7%	11.9%	14.2%	15.5%	19.6%	19.2%	16.2%	16.3%	18.6%
Net Profit	1400	477	2368	3687	4495	7071	6933	5723	13402	6500
Net Margin	6.7%	1.7%	7.7%	11.6%	13.0%	16.4%	15.9%	14.3%	31.9%	14.7%
Free Cash Flow	2082	4435	4906	4498	5724	8648	7804	5059	6351	7395
Income Tax	350	1878	539	390	497	1140	1373	941	(6389)	1942

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	52666	76250	67173	67887	72548	75196	74438	73214	81414	86713
Cash & Equivalents	18620	9407	3844	3860	6838	9799	9882	6896	7616	8939
Acc. Receivable	3248	5249	5182	5425	6414	6487	6218	6565	6925	7929
Inventories	2434	3601	3796	4316	5012	5157	6173	6570	6194	6488
Goodwill & Int.	12222	45493	42196	40220	38528	35970	33253	32494	29755	29561
Total Liabilities	31949	45152	36451	36586	39545	39172	37533	34387	33513	33942
Accounts Payable	1178	2402	2975	3252	3946	4408	4607	4295	4195	4240
Long-Term Debt	22006	27924	19566	18139	18747	18050	16773	14679	14125	13860
Total Equity	20538	30897	30524	31088	32784	35802	36686	38603	47664	52130
LTD/E Ratio	1.07	0.90	0.64	0.58	0.57	0.50	0.46	0.38	0.30	0.27

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.0%	0.7%	3.3%	5.5%	6.4%	9.6%	9.3%	7.8%	17.3%	7.7%
Return on Equity	6.7%	1.8%	7.7%	11.9%	14.0%	20.5%	19.0%	15.1%	30.9%	12.9%
ROIC	3.8%	0.9%	4.3%	7.4%	8.9%	13.4%	12.9%	10.7%	23.2%	10.0%
Shares Out.	1473	1744	1756	1781	1786	1789	1754	1748	1746	1749
Revenue/Share	14.06	15.66	17.28	17.91	19.38	24.08	24.75	22.93	24.00	25.36
FCF/Share	1.40	2.54	2.77	2.53	3.20	4.83	4.42	2.89	3.63	4.23

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