Thermo Fisher Scientific (TMO)

Updated July 28th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$573	**5 Year Annual Expected Total Return:**	7.5%		**Market Cap:**	$208 B
Fair Value Price:	$503	**5 Year Growth Estimate:**	10.0%		**Ex-Dividend Date:**	09/15/2026
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.6%		**Dividend Payment Date:**	10/15/2026
Dividend Yield:	0.3%	**5 Year Price Target**	$809		**Years Of Dividend Growth:**	9
Dividend Risk Score:	A	**Sector:**	Healthcare		**Rating:**	Hold

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 July 23rd, 2026, Thermo Fisher posted its Q2 results for the fiscal quarter ending June 27th, 2026. Quarterly revenues reached $11.99 billion, an increase of 10% on a reported basis and 5% organically compared to the prior year. Growth was broad-based, led by continued strength in bioproduction, electron microscopy, specialty diagnostics, research and safety products, and clinical research, while customer activity improved across the company's major end markets.

The quarter's adjusted operating income margin was 22.8%, up 90 basis points year-over-year, as strong PPI Business System productivity and favorable volume leverage more than offset unfavorable business mix and continued strategic investments. Adjusted EPS increased 13% to $6.03, while GAAP EPS rose 9% year-over-year to $4.68.

Management advanced its innovation-led growth strategy with the launch of the Orbitrap Tribrid Apex and Orbitrap Excedion mass spectrometers, which incorporate AI-driven analytical capabilities, as well as the Applied Biosystems PowerFlex Thermal Cycler. The company also opened its flagship U.S. Bioprocess Design Center and expanded its precision-medicine capabilities through a collaboration with Precision Health Research, Singapore. Thermo Fisher additionally agreed to sell its microbiology business to Astorg for approximately $1.08 billion and repurchased $1.0 billion of stock during the quarter.

For fiscal 2026, management raised guidance, expecting revenues between $47.4 billion and $48.1 billion and adjusted EPS in the range of $24.93 to $25.33, representing projected adjusted EPS growth of 9% to 11%. The company now sees organic revenue growth of about 4%, at the upper end of its previous range, reflecting the strong Q2 performance and improved second-half outlook, partially offset by foreign-exchange headwinds and the pending microbiology divestiture. 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	***$25.13***	***40.47***
DPS	$0.60	$0.60	$0.68	$0.76	$0.88	$1.04	$1.20	$1.40	$1.56	$1.72	***$1.88***	***$3.03***
Shares[1]	395	395	402	400	396	394	392	386	382	377	***371***	***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

[1] Share count is in millions.

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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.

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. The company repurchased $3 billion of stock in 2022, $3 billion in 2023, $4.0 billion in 2024, and $3.0 billion in 2025. Buybacks should also aid 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	***22.8***	***20.0***
Avg. Yld.	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%	0.3%	0.2%	0.3%	0.3%	***0.3%***	***0.4%***

Over the past decade, shares have mainly hovered around 31 times their GAAP underlying earnings. The stock is now trading at 22.8 times management's expected adjusted EPS for FY2026, which is slightly above our fair multiple of 20.0. For this reason, we forecast a 2.6% annual valuation headwind through 2031. The dividend has mostly been a token of shareholder returns, which is why 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

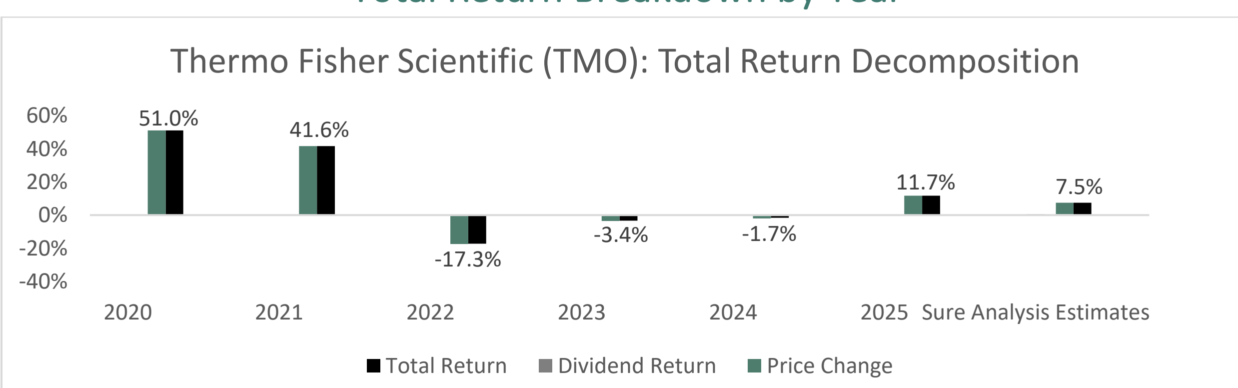
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	12%	11%	9%	8%	5%	5%	7%	9%	9%	10%	***7%***	***7%***

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 quarter with $4.1 billion of cash and equivalents and a net debt/adjusted EBITDA ratio of 3.3x. 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 7.5% through 2031, powered by our earnings growth estimate, the small yield, and the possibility of a valuation headwind. We rate TMO stock 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	18274	20918	24358	25542	32220	39210	44920	42860	42880	44560
Gross Profit	8372	9448	10857	11328	16500	19640	18970	17100	17700	18310
Gross Margin	45.8%	45.2%	44.6%	44.4%	51.2%	50.1%	42.2%	39.0%	41.3%	41.1%
SG&A Exp.	4971	5504	6057	6144	5764	8007	8993	8445	8595	8732
D&A Exp.	1758	2033	2267	2277	2325	2592	3381	3406	3108	2780
Operating Profit	2647	3057	3833	4181	7893	10220	8507	7318	7717	8398
Op. Margin	14.5%	14.6%	15.7%	16.4%	24.5%	26.1%	18.9%	17.1%	18.0%	18.8%
Net Profit	2022	2225	2938	3696	6375	7725	6950	5995	6335	6720
Net Margin	11.1%	10.6%	12.1%	14.5%	19.8%	19.7%	15.5%	14.0%	14.8%	16.1%
Free Cash Flow	2814	3497	3785	4047	6815	6789	6911	6927	7267	6293
Income Tax	-1	201	324	374	850	1109	703	284	657	547

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	45908	56669	56232	58381	69050	95120	97150	98730	97320	110340
Cash & Equivalents	786	1335	2103	2399	10320	4477	8524	8077	4009	10110
Acc. Receivable	3049	3879	4136	4349	5741	7977	8115	8221	8191	10570
Inventories	2213	2971	3005	3370	4029	5051	5634	5088	4978	5425
Goodwill & Int.	35297	41974	40325	39728	38730	62040	58640	60690	61390	65200
Total Liabilities	24368	31256	28646	28706	34540	54150	53010	51880	47650	56810
Accounts Payable	926	1428	1615	1920	---	2867	3381	2872	3079	3622
Long-Term Debt	16627	21008	18990	17752	21740	34870	34490	34920	31280	40580
Total Equity	21540	25413	27586	29675	34510	40790	43980	46740	49580	53410
LTD/E Ratio	0.77	0.83	0.69	0.60	0.63	0.85	0.78	0.75	0.63	0.77

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.7%	4.3%	5.2%	6.4%	10.0%	9.4%	7.2%	6.1%	6.5%	6.5%
Return on Equity	9.4%	9.5%	11.1%	12.9%	19.9%	20.5%	16.4%	13.2%	13.1%	13.0%
ROIC	5.6%	5.3%	6.3%	7.9%	12.3%	11.7%	9.0%	7.5%	7.8%	7.6%
Shares Out.	397	398	406	403	399	397	394	388	383	378
Revenue/Share	46	53	60	63	80.8	98.77	114.00	110.46	111.96	117.87
FCF/Share	7	9	9	10	17.1	17.10	17.54	17.85	18.97	15.65

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