AMETEK, Inc. (AME)

Updated August 7th, 2026, by Kody Kester

Key Metrics

Current Price:	$256	**5 Year Annual Expected Total Return:**	5.9%	**Market Cap:**	$58.7B
Fair Value Price:	$216	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	09/15/26
% Fair Value:	119%	**5 Year Valuation Multiple Estimate:**	-3.4%	**Dividend Payment Date:**	09/30/26
Dividend Yield:	0.5%	**5 Year Price Target**	$332	**Years Of Dividend Growth:**	7
Dividend Risk Score:	A	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Headquartered in Berwyn, Pennsylvania, AMETEK, Inc. (AME) was established in 1930 as American Machine and Metals. AME is a global manufacturer of electronic instruments and electromechanical devices with operations across North America, Europe, Asia, and South America. The company's diverse product offerings are organized into two segments: Electronic Instruments Group (EIG), which designs advanced instruments for various markets including process, power, industrial, and aerospace (~65% of total H1 2026 sales); and Electromechanical Group (EMG), which provides precision motion control solutions, thermal management systems, and specialty metals to sectors such as aerospace, defense, and medical (~35% of H1 2026 sales). Roughly half of AME's sales are generated outside the U.S., driven by continuous investment in sales and service in key growth regions.

On Aug. 4, AME released its financial results for the second quarter ended Jun. 30, 2026. The company's net sales climbed 15% higher year-over-year to $2.04 billion in the quarter. That was fueled by a mix of bolt-on acquisitions and organic growth during the quarter. The latter was up 10% over the year-ago period, which was due to broad-based growth across all AME divisions for the quarter (+7% in the EIG segment and +15% in the EMG segment). The remaining five percentage points of topline growth in the quarter came from bolt-on acquisitions over the last 12 months, including FARO Technologies in July 2025 (which enhanced capabilities in 3D measurement and imaging for the aerospace and architecture sectors). AME's adjusted diluted EPS vaulted 17.4% higher year-over-year to $2.09 in the quarter. This topped the analyst consensus during the quarter by $0.10.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.30	$2.61	$3.66	$4.19	$3.95	$4.85	$5.68	$6.38	$6.83	$7.43	***$8.30***	***$12.77***
DPS	$0.36	$0.36	$0.56	$0.56	$0.72	$0.80	$0.88	$1.00	$1.12	$1.24	***$1.36***	***$2.19***
Shares[1]	229.4	231.2	227.1	229.1	230.5	231.7	230.1	230.9	230.7	229.0	***229.3***	***227.0***

In the last decade, AME's adjusted diluted EPS has compounded by almost 14% annually. In recent years, the law of large numbers has led to a deceleration in growth to roughly 11%. Moving forward, we believe that AME can compound its adjusted diluted EPS by at least 9.0% annually through 2031, off an anticipated 2026 base of $8.30. This accounts for modest organic topline growth, the pending acquisition of Indicor Instrumentation, set to close in the second half of 2026 (an all-cash transaction for $5 billion), a record backlog of $4.11 billion, and incremental margin expansion over time. It also takes into consideration some cyclicality in industrial end markets.

[1] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.1	27.8	18.3	24.1	30.6	30.3	24.6	25.9	26.3	28.1	***30.9***	***26.0***
Avg. Yld.	0.7%	0.5%	0.8%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	***0.5%***	***0.7%***

Since 2016, AME's shares have been valued at a P/E ratio as low as the high-teens to as expensive as the low 30s. Over that time, the average P/E ratio was roughly 26. Looking ahead, we believe that such a multiple can be maintained as margin expansion (up 60 basis points year-over-year to 26.6% in Q2 2026) can offset the slowdown in growth versus five or 10 years ago. Relative to the current-year P/E ratio of 30.9, this implies shares remain overvalued by a double-digit percentage to our fair value estimate.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	16%	14%	15%	13%	18%	16%	15%	16%	16%	17%	***16%***	***17%***

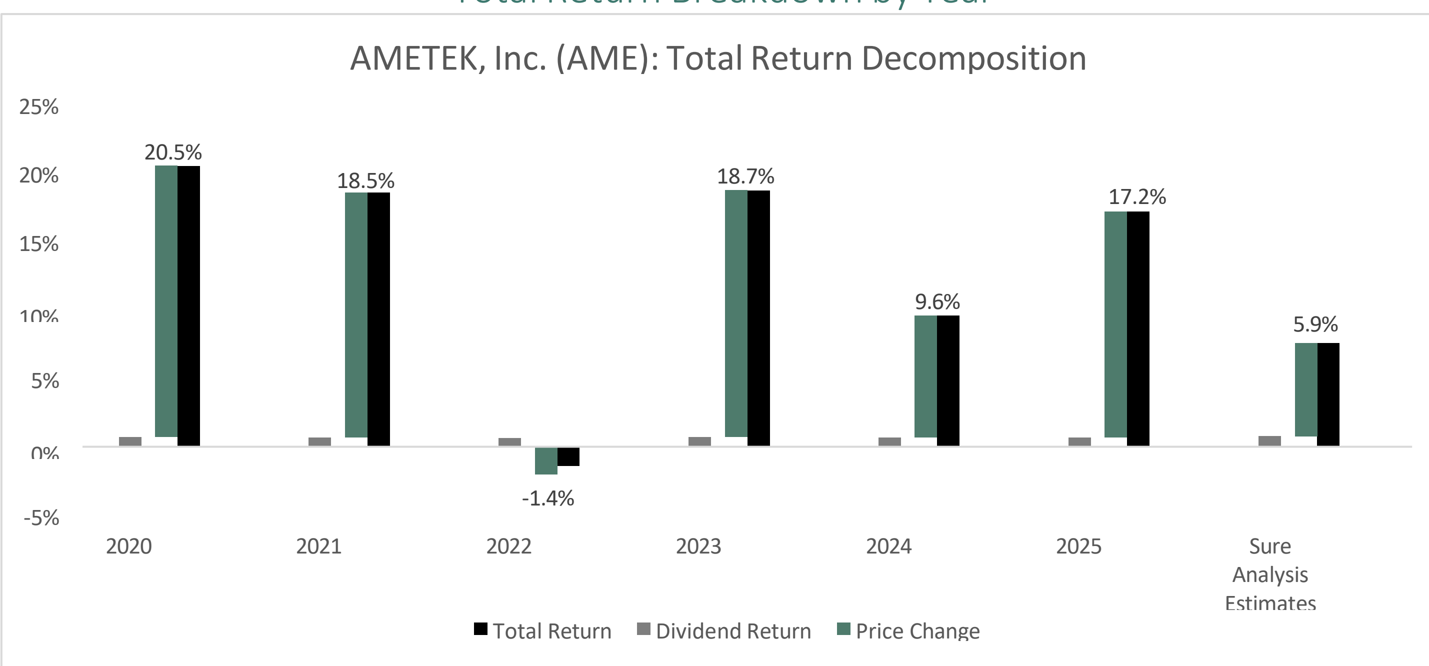
Rather than competing on price in broad markets, AME focuses on niche differentiation. They provide mission-critical components that represent a small fraction of a customer's total cost but are essential for the system to function. Since the cost of skimping on these parts is high, this provides AME with solid pricing power.

The company is also financially stable. AME's interest coverage ratio was 20.4x in the first half of 2026. That earns it a BBB+ S&P credit rating with a stable outlook. AME's dividend is also very safe, with the adjusted diluted EPS payout ratio likely to be in the mid- to upper-teens in 2026. That's why we think it can deliver 10% annual payout growth for the foreseeable future, which would be about in line with the five-year CAGR of 11.2%.

Final Thoughts & Recommendation

AME's 0.5% dividend yield, 9.0% annual adjusted diluted EPS growth prospects, and 3.4% annual valuation multiple contraction potential could deliver 5.9% annual total returns through 2031. This is why we're reiterating our Hold rating.

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	3,840	4,300	4,846	5,159	4,540	5,547	6,151	6,597	6,941	7,401
Gross Profit	1,415	1,552	1,801	1,950	1,746	2,107	2,344	2,605	2,742	2,929
Gross Margin	36.8%	36.1%	37.2%	37.8%	38.5%	38.0%	38.1%	39.5%	39.5%	39.6%
SG&A Exp.	463	535	584	610	516	604	645	677	697	757
D&A Exp.	180	183	199	234	255	292	319	338	383	423
Operating Profit	841	887	1,076	1,177	1,072	1,309	1,501	1,707	1,809	1,936
Operating Margin	21.9%	20.6%	22.2%	22.8%	23.6%	23.6%	24.4%	25.9%	26.1%	26.2%
Net Profit	512	681	778	861	872	990	1,160	1,313	1,376	1,480
Net Margin	13.3%	15.8%	16.1%	16.7%	19.2%	17.9%	18.9%	19.9%	19.8%	20.0%
Free Cash Flow	694	758	843	1,012	1,207	1,050	1,010	1,599	1,702	1,672
Income Tax	181	115	210	208	210	233	269	293	285	318

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,101	7,796	8,662	9,845	10,357	11,898	12,431	15,024	14,631	16,068
Cash & Equivalents	717	646	354	393	1,213	347	345	410	374	458
Accounts Receivable	592	668	791	818	666	924	1,039	1,154	1,085	1,279
Inventories	492	541	625	625	559	769	1,044	1,132	1,022	1,106
Goodwill & Int. Ass.	4,553	5,129	6,016	6,810	6,849	8,607	8,715	10,613	10,471	11,299
Total Liabilities	3,844	3,768	4,420	4,729	4,408	5,026	4,955	6,293	4,976	5,439
Accounts Payable	370	437	400	377	360	470	497	517	523	618
Long-Term Debt	2,342	2,174	2,633	2,414	2,410	2,358	2,288	3,496	2,270	2,510
Shareholder's Equity	3,257	4,028	4,242	5,115	5,949	6,872	7,477	8,730	9,655	10,629
LTD/E Ratio	0.72	0.54	0.62	0.58	0.43	0.40	0.34	0.41	0.24	0.24

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.4%	9.1%	9.5%	9.3%	8.6%	8.9%	9.5%	9.6%	9.3%	9.6%
Return on Equity	15.7%	18.7%	18.8%	18.4%	15.8%	15.4%	16.2%	16.2%	15.0%	14.6%
ROIC	9.5%	11.6%	11.9%	11.5%	10.5%	10.9%	11.8%	11.8%	11.3%	11.8%
Shares Out.	229.4	231.2	227.1	229.1	230.5	231.7	230.1	230.9	230.7	229.0
Revenue/Share	16.43	18.55	20.82	22.49	19.64	23.82	26.56	28.50	29.90	32.00
FCF/Share	2.97	3.27	3.62	4.41	5.22	4.51	4.36	6.91	7.33	7.23

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