Gilead Sciences Inc. (GILD)

Updated August 20th, 2026 by Jonathan Weber

Key Metrics

Current Price:	$143	**5 Year CAGR Estimate:**	2.2%	**Market Cap:**	$178B
Fair Value Price:	$111	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	09/15/26
% Fair Value:	129%	**5 Year Valuation Multiple Estimate:**	-5.0%	**Dividend Payment Date:**	09/29/26
Dividend Yield:	2.3%	**5 Year Price Target**	$141	**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 second quarter earnings results on August 5th. The company generated revenues of $7.8 billion during the quarter, which was above the analyst consensus estimate, beating it by a strong $400 million. The company's top line was up by 10% compared to the previous year's quarter. HIV drug Biktarvy, Gilead's biggest drug in terms of sales volumes, grew by 7% compared to the previous year's quarter, while Gilead's oncology portfolio experienced revenue growth as well, mainly due to a strong performance of Trodelvy, which grew its revenues by more than 20% versus one year earlier.

Gilead generated a loss-per-share of $6.75 during the second quarter, which was not comparable to one year earlier, with the loss being caused by acquisition-related costs. Gilead has updated its revenue guidance for 2026, forecasting revenues of around $30.3 billion, which would be up by around 3% versus 2025. Gilead Sciences is guiding for an adjusted loss-per-share of around $0.50 for the current year due to one-time acquisition-related costs. Since this isn't representative of Gilead's underlying earnings power, we use an earnings power figure of $8.50 for the current year.

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	***$8.50***	***$10.85***
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 it is diminished today as compared to the peak pandemic years as the number of treatments declined. 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, though there is significant uncertainty in that forecast tied to the future success of the company's new drug pipeline.

[1] In Billions

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	8.4	8.5	9.4	9.8	8.1	10.0	11.8	12.1	19.9	15.0	***16.8***	***13.0***
Avg. Yld.	2.2%	2.8%	3.6%	3.9%	4.8%	3.9%	3.4%	3.7%	3.3%	2.6%	***2.3%***	***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 above our fair value estimate, which is why we see some multiple compression headwinds to its total returns going forward.

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%	***39%***	***37%***

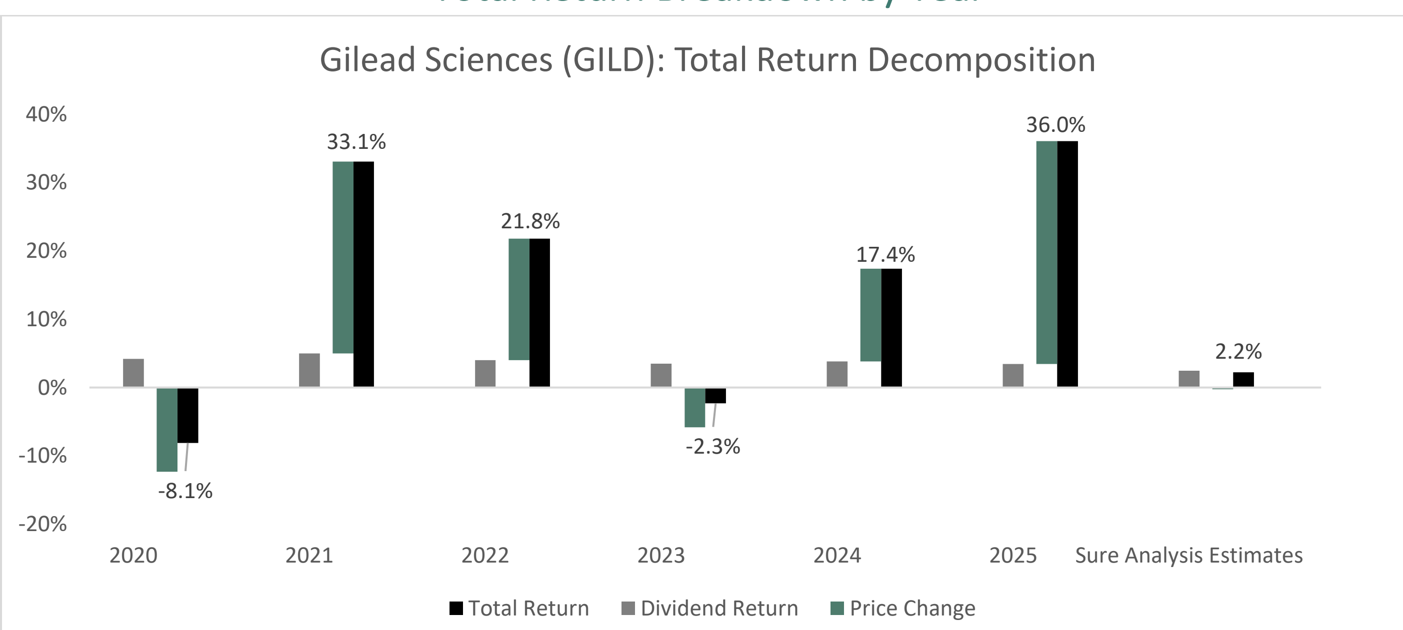
Gilead Sciences started to pay dividends in the 2010s. Since then, the dividend has reliably increased. Due to a meaningful dividend growth rate despite a lack of underlying earnings-per-share growth, Gilead's dividend payout ratio has risen substantially since the introduction of the dividend. As we 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 dominant market share. It's likely that Gilead will be able to maintain this 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 quite upbeat. 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.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	30,390	26,107	22,127	22,449	24,689	27,305	27,281	27,116	28,754	29,442
Gross Profit	26,129	21,736	17,274	17,774	20,117	20,704	21,624	20,618	22,503	23,208
Gross Margin	86.0%	83.3%	78.1%	79.2%	81.5%	75.8%	79.3%	76.0%	78.3%	78.8%
SG&A Exp.	3,398	3,878	4,056	4,381	5,151	5,246	5,673	6,090	6,091	5,708
D&A Exp.	1,158	1,286	1,429	1,404	1,480	2,050	2,103	2,693	2,767	2,760
Operating Profit	17,633	14,124	9,298	9,338	9,927	10,857	10,974	8,810	10,505	11,701
Operating Margin	58.0%	54.1%	42.0%	41.6%	40.2%	39.8%	40.2%	32.5%	36.5%	39.7%
Net Profit	13,501	4,628	5,455	5,386	123	6,225	4,592	5,665	480	8,510
Net Margin	44.4%	17.7%	24.7%	24.0%	0.5%	22.8%	16.8%	20.9%	1.7%	28.9%
Free Cash Flow	16,299	11,308	7,476	8,319	7,518	10,805	8,344	7,421	10,305	9,456
Income Tax	3,609	8,885	2,339	(204)	1,580	2,077	1,248	1,247	211	1,286

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	56,977	70,283	63,675	61,627	68,407	67,952	63,171	62,125	58,995	59,023
Cash & Equivalents	8,229	7,588	17,940	11,631	5,997	5,338	5,412	6,085	9,991	7,564
Accounts Receivable	4,514	3,851	3,327	3,582	4,892	4,493	4,777	4,660	4,420	4,913
Inventories	1,587	801	814	922	1,683	1,618	1,507	1,787	1,710	1,774
Goodwill & Int.	10,143	21,259	19,855	17,903	41,234	41,787	37,207	34,768	28,262	25,292
Total Liabilities	37,614	49,782	42,141	38,977	50,186	46,888	41,962	39,376	39,749	36,405
Accounts Payable	1,206	814	790	713	844	705	905	550	833	5,144
Long-Term Debt	26,346	33,542	27,322	24,593	31,402	26,695	25,230	24,987	26,711	22,129
Shareholder's Equity	18,887	20,442	21,387	22,525	18,202	21,069	21,240	22,833	19,330	22,618
LTD/E Ratio	1.39	1.64	1.28	1.09	1.73	1.27	1.19	1.09	1.38	1.10

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	24.8%	7.3%	8.1%	8.6%	0.2%	9.1%	7.0%	9.0%	0.8%	14.4%
Return on Equity	70.2%	23.2%	26.0%	24.4%	0.6%	31.7%	21.7%	25.8%	2.3%	40.5%
ROIC	31.1%	9.3%	10.6%	11.2%	0.3%	12.8%	9.7%	12.0%	1.0%	21.9%
Shares Out.	1.31	1.31	1.30	1.27	1.26	1.26	1.25	1.25	1.25	1.25
Revenue/Share	22.38	19.79	16.92	17.58	19.55	21.64	21.62	21.55	22.91	23.46
FCF/Share	12.00	8.57	5.72	6.51	5.95	8.56	6.61	5.90	8.21	7.54

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