

Waters Corporation (WAT)

\$385.42 (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$414.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 01/08/24)
Prior Recommendation: Underperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: VGM: B
Value: D | Growth: B | Momentum: A

Summary

Waters benefits from an expanding portfolio, with new product launches in both core markets and high-growth adjacencies. It is seeing robust replacement cycles in large pharma, CDMOs, and generics, supported by new product launches like Alliance iS and Xevo TQ Absolute XR, which have gained strong customer traction. Instrument sales grew 11% sequentially, largest third quarter growth, in WAT's history reflecting strong momentum. Alliance iS sales grew more than 300% as the customer adoption of the company's flagship HPLC product remains robust. PFAS growth remains robust with orders growing approximately 30%. Chemistry grew 13% with new product launched over the past five years growing 50% roughly. Strong growth in China benefited third-quarter 2025 results. However, a challenging macroeconomic environment is a concern for investors.

Data Overview

52 Week High-Low	\$423.56 - \$275.05
20 Day Average Volume (sh)	515,712
Market Cap	\$22.9 B
YTD Price Change	3.9%
Beta	1.16
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Medical - Instruments
Zacks Industry Rank	Bottom 42% (139 out of 243)

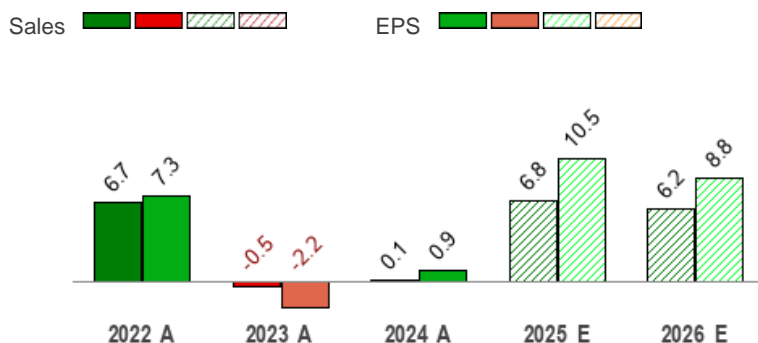
Last EPS Surprise	5.9%
Last Sales Surprise	2.6%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/11/2026
Earnings ESP	-0.1%

P/E TTM	30.3
P/E F1	29.4
PEG F1	3.1
P/S TTM	7.4

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	711 E	816 E	840 E	990 E	3,356 E
2025	662 A	771 A	800 A	927 E	3,160 E
2024	637 A	709 A	740 A	873 A	2,958 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2.52 E	3.27 E	3.54 E	4.91 E	14.25 E
2025	2.25 A	2.95 A	3.40 A	4.50 E	13.10 E
2024	2.21 A	2.63 A	2.93 A	4.10 A	11.86 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/15/2025.

(2) The report's text and the price target are as of 11/24/2025.

Overview

Milford, MA-based, Waters Corp. is an analytical instrument manufacturer and offers practical and sustainable products for laboratory-dependent organizations. Moreover, Waters provides analytical workflow solutions based on mass spectrometry (MS), liquid chromatography (LC) and thermal analysis technologies.

The company's products are used by pharmaceutical, life science, biochemical, industrial, academic and government customers, working in research and development, quality assurance and other laboratory applications. Waters serves customers through its strong sales and service networks.

Notably, the company generated \$2.958 billion of total revenues in 2024, flat over 2023.

The company operates in Asia, Americas and Europe. Waters organizes its business into two operating segments: Waters Division and TA Division.

Waters Division (88% of total revenues in 2024) - High Performance and Ultra Performance Liquid Chromatography (HPLC and UPLC).

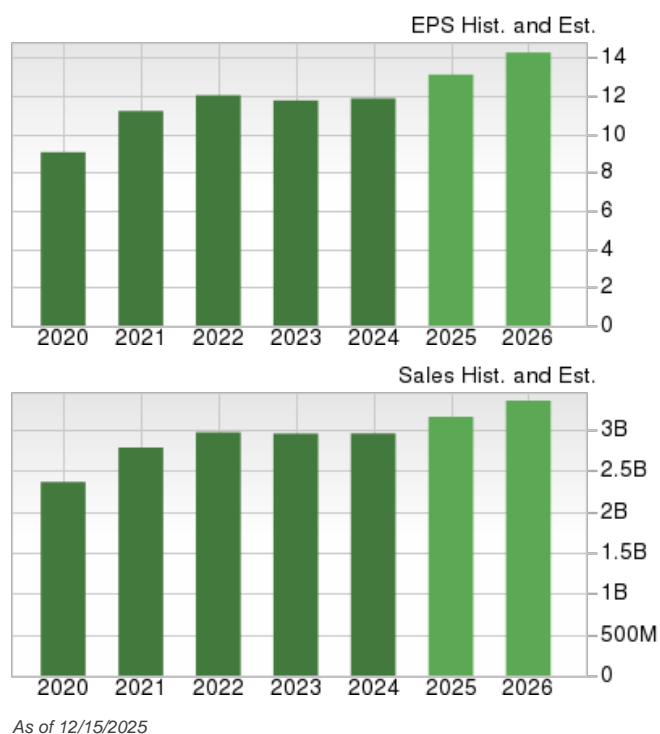
Developed in the 1950s, HPLC is the standard technique used to identify and analyze the constituent components of a variety of chemicals and other materials.

The company believes that HPLC's performance capabilities enable it to separate and identify approximately 80% of all known chemicals and materials. As a result, HPLC is used to analyze substances in a wide variety of industries for research and development purposes, quality control and process engineering applications.

TA Division (12% of total revenues in 2024) - Thermal Analysis, Rheometry and Calorimetry.

Thermal analysis measures the physical characteristics of materials as a function of temperature. The techniques are widely used in the development, production and characterization of materials in various industries, such as plastics, chemicals, automobiles, pharmaceuticals and electronics.

Rheometry instruments characterize the flow properties of materials and measures their viscosity, elasticity and deformation under different types of "loading" or conditions. The information obtained under such conditions provides insight into a material's behavior during manufacturing, transport, usage and storage.



Reasons To Buy:

- ▲ Waters continues to benefit from increasing regulation around food safety and quality, strict conditions for food testing, and environmental and fine chemical applications. Going forward, the company is very optimistic about the breadth of opportunity for this segment, across materials characterization, food safety and environmental applications. The company's governmental and academic category, is being driven largely by strong spending by academic institutions on biomedical research across U.S., Europe and Korea.
- ▲ Waters has a strong presence in the chromatography instrument and pharmaceuticals markets, and expects to reap benefits from these markets in the long run. The company, which is currently one of the leading players in the mass spectrometry market, has been garnering significantly from the sale of its advanced mass spectrometry instruments. Waters' global pharmaceuticals business, its largest single market and major revenue driver, is gaining traction over the last few quarters and fuelling the growth of Waters Division. Positive macro trends including, rising global regulatory standards, increasing access of patients to prescription drugs, growing testing needs of newer biological drugs and ever-increasing complexity in molecular structure, are acting as tailwinds for the pharmaceutical business. Moreover, well-performing small and large molecule applications will continue to aid the top-line growth within this market.
- ▲ Waters' acquisition of Wyatt Technology which offers innovative light scattering and field-flow fractionation instruments, software, accessories, and services. With Wyatt, Waters has bolstered its capabilities in bioanalytical characterization of new modalities including cell and gene therapies, which holds solid growth prospects. Moreover, the buyout has strengthened Waters' portfolio of separation and detection, and boosted its exposure to large molecule applications.
- ▲ Waters has an active research and development (R&D) division that is primarily focused on the development and commercialization of products that complement as well as update its existing product offerings. The company spends a significant amount on R&D as most of its products are manufactured in-house across its facilities. Moreover, an increased demand for research intensive products, especially the company's mass spectrometry solutions, is a positive for Waters' business which has been on an uptrend lately. Empower software adoption continues and is supported by upgrades and workflow expansions across QC labs, including new uses with QDa and BioAccord systems.

Waters remains confident on its improving position in the Governmental & Academic market. Also, its mass spectrometry portfolio and liquid chromatography systems continues to perform well.

Reasons To Sell:

- ▼ Significant portions of Waters' contracts are on a fixed-price basis. As the company generally executes these contracts via third parties, it runs the risks of losses if the sub-contractors are not able to complete the required amount of work in scheduled time. Additionally, such contracts are generally from outside U.S. and hence, are subject to several economic and political uncertainties across the globe. The company may also have to bear losses if these costs exceed expectations. In recent times, slower budgetary releases in the U.S. have hurt the company's pharmaceutical business in the U.S. The company sales were limited due to macroeconomic and government policy uncertainties.
- ▼ Waters generates a substantial portion of its revenues from non-U.S. markets. Therefore, currency volatility considerably impacts its revenues. Financial markets in certain foreign countries have been experiencing economic inconsistencies. The inherent instability of the currency markets poses a risk to the company's financials. In recent times, the negative impact of currency translation has reduced sales growth, and this remains a risk for future quarters as well.
- ▼ Waters is highly dependent on capital spending and any delay in its release can hinder its business. The company's business is significantly reliant on government, academic and research institutions capital spending. Fluctuations in these funds can affect Waters' business significantly by reducing the ongoing research and development activities. The company's business in Japan and China also depends largely on such funding. The company's government and academic businesses have suffered in the past on account of increased variability in the purchasing pattern and high selling prices of the advanced systems. There is a risk that this segment might revert to such performance in the future. In addition, the company's industrial business also remains susceptible to high quarterly variability.
- ▼ Waters has a highly leveraged balance sheet. As of Sept. 27, 2025, cash and cash equivalents totalled \$459.1 million compared with total debt of \$1.47 billion. Debt-to-capital of 35.66% is significantly high compared with the industry's 10.51%. The high-debt level can jeopardize its ability to sustain dividend payout and buy back shares and dent its ability to pursue accretive acquisitions.

Waters continually grapples with currency volatility and high fixed-cost structure, which does not bode well for its revenues as well as margins. Further, high debt level remains a major headwind.

Last Earnings Report

Waters Q3 Earnings Surpass Estimates, Revenue Rise Y/Y

Waters reported third-quarter 2025 non-GAAP earnings of \$3.40 per share, beating the Zacks Consensus Estimate by 5.92% and increasing 16% year over year.

Net sales of \$800 million topped the Zacks Consensus Estimate by 2.59%. The figure increased by 8% both on a reported basis and on a constant currency (cc) basis year over year.

Waters' Q3 Top Line in Detail

WAT operates under two organized segments: Waters and TA. The Waters segment generated sales worth \$713.4 million, up 9% both on a reported and cc basis, year over year. Sales in the TA segment were \$86.5 million, reflecting year-over-year growth of 2% both on a reported and cc basis.

Products & Services: The division comprises three segments: Instruments, Services, and Chemistry. Instruments sales were \$341.5 million, increased 6% on a reported and cc basis, year over year. Services sales were \$299.9 million, which increased 8% year over year on a reported basis and 7% at cc. Chemistry sales were \$158.5 million, which grew 14% on a reported basis and 13% at cc, year over year. The Services and Chemistry segments jointly generated recurring revenues of \$458.4 million, up 10% on a reported basis and 9% at cc, year over year.

Waters serves three end markets: Pharmaceutical, Industrial, and Governmental & Academic. The Pharmaceutical market generated sales of \$479.8 million, which increased 12% on a year-over-year basis, reportedly and 11% at cc. Industrial sales were \$235.7 million, up 3% reportedly and 4% at cc, on a year-over-year basis. Government & Academic sales increased 2% reportedly and 1% at cc to \$84.4 million.

Waters' operating regions include Asia, the Americas and Europe. Asia generated sales of \$269.7 million, up 7% and 13% on a reported and cc basis, respectively. Americas sales were \$292.8 million, which increased 5% in both reported and cc terms. Europe generated sales of \$237.4 million, which increased 13% reportedly and 5% at cc.

WAT's Q3 Operating Details

In the third quarter of 2025, non-GAAP selling and administrative expenses were \$179.7 million, up 8.3% year over year. As a percentage of net sales, the figure was flat on a year-over-year basis.

Research and development expenses of \$49.9 million increased 11.7% year over year. As a percentage of net sales, the figure increased 20 bps year over year.

The adjusted operating margin was 30.3%, which contracted 50 bps year over year.

Waters Balance Sheet & Cash Flow

As of Sept. 27, 2025, cash and cash equivalents were \$459.1 million, up from \$367.2 million as of June 28.

Waters generated cash from operations of \$187.3 million in the reported quarter. The company reported a free cash flow of \$159.6 million.

WAT Raises 2025 Guidance

Waters raises 2025 cc sales growth guidance between 6.7% and 7.3%. Sales growth on a reported basis is expected in the 6.5%-7.1% range.

Waters is raising 2025 non-GAAP earnings in the \$13.05 to \$13.15 per share range. This reflects year-over-year growth of approximately more than 10% to more than 11% and more than 11% to more than 12% on a cc basis.

For the fourth quarter of 2025, Waters expects cc sales growth between 5% and 7%. Sales growth on a reported basis is expected in the 5.2%-7.2% range.

Waters expects non-GAAP earnings in the \$4.45 to \$4.55 per share range. This reflects year-over-year growth of approximately more than 9% to more than 11%.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Nov 04, 2025
Sales Surprise	2.59%
EPS Surprise	5.92%
Quarterly EPS	3.40
Annual EPS (TTM)	12.70

Recent News

On Oct 13, Waters Corporation unveiled the Waters Xevo Charge Detection Mass Spectrometer (CDMS), a groundbreaking system enabling direct, high-precision measurement of mega-mass biomolecules up to 150+ MDa for next-generation therapeutic and structural biology research.

On July 14, Waters Corporation announced a definitive agreement to merge BD's (Becton, Dickinson, and Company) Bioscience and Diagnostic Solutions business with Waters in a tax-efficient Reverse Morris Trust transaction value at approximately \$17.5 billion. The combination aims to create a leading life science and diagnostic company with pioneering technologies and a strong financial outlook.

On June 17, Waters Corporation announced version 2.0 of its Alliance iS HPLC System software, adding secure user authentication at the touchscreen to ensure traceable, auditable access. The release, expected in August 2025, supports end-to-end traceability, enhances audit readiness and reduces user errors by up to 40% in pharmaceutical labs.

On June 2, Waters Corporation unveiled the Xevo TQ Absolute XR Mass Spectrometer, its most advanced benchtop tandem quadrupole, setting a new industry standard for sensitivity, efficiency, and robustness.

Valuation

Waters' shares have climbed 6.2% in the year-to-date period and 4.1% over the trailing 12-month period. Stocks in the Zacks sub-industry have returned 3.6% while the Zacks Medical sector has increased 5.9% year to date. Over the past year, the Zacks sub-industry has inched up 0.4% while the sector dropped 1.8%.

The S&P 500 is up 16.7% year to date and 12.9% in the past year.

The stock is currently trading at 27.88X forward 12-month earnings, which compares to 30.45X for the Zacks sub-industry, 20.97X for the Zacks sector and 22.79X for the S&P 500 index.

Over the past five years, the stock has traded as high as 37.66X and as low as 18.48X, with a five-year median of 26.49X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$414 price target reflects 29.27X forward 12-month earnings.

The table below shows summary valuation data for WAT

Valuation Multiples - WAT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	27.88	30.45	20.97	22.79
	5-Year High	37.66	40.62	23.63	23.81
	5-Year Low	18.48	25.6	17.88	15.73
	5-Year Median	26.49	32.14	20.59	21.20
P/S F12M	Current	7.03	4.38	2.11	5.17
	5-Year High	9.1	6.41	3.39	5.52
	5-Year Low	4.39	3.89	2.01	3.84
	5-Year Median	6.5	4.85	2.63	5.06
EV/Sales TTM	Current	7.71	5.35	2.83	5.51
	5-Year High	10.11	7.01	4.28	5.82
	5-Year Low	5.28	4.48	2.53	3.78
	5-Year Median	7.22	5.6	3.08	5.13

As of 11/21/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 42% (139 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Advanced Energy Indus...(AEIS)	Outperform	1
Agilent Technologies...(A)	Neutral	3
Apple Inc. (AAPL)	Neutral	3
Analog Devices, Inc. (ADI)	Neutral	2
Bruker Corporation (BRKR)	Neutral	3
Masimo Corporation (MASI)	Neutral	3
Mettler-Toledo Inter...(MTD)	Neutral	3
Thermo Fisher Scient...(TMO)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Medical - Instruments

	WAT	X Industry	S&P 500	BRKR	MTD	TMO
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	B	-	-	F	B	D
Market Cap	22.94 B	161.85 M	39.38 B	6.86 B	28.47 B	215.01 B
# of Analysts	8	2	22	6	5	13
Dividend Yield	0.00%	0.00%	1.41%	0.44%	0.00%	0.30%
Value Score	D	-	-	D	D	C
Cash/Price	0.02	0.14	0.04	0.04	0.00	0.02
EV/EBITDA	22.61	-0.93	14.60	21.88	24.73	21.09
PEG Ratio	3.06	2.26	2.23	6.64	4.50	4.18
Price/Book (P/B)	9.84	2.98	3.35	2.80	NA	4.21
Price/Cash Flow (P/CF)	25.48	17.01	15.20	12.57	29.16	19.05
P/E (F1)	29.41	25.37	19.78	23.94	33.06	25.17
Price/Sales (P/S)	7.39	3.79	3.06	1.99	7.22	4.92
Earnings Yield	3.40%	-3.52%	4.99%	4.17%	3.03%	3.97%
Debt/Equity	0.41	0.02	0.57	0.81	-8.61	0.62
Cash Flow (\$/share)	15.12	-0.31	8.99	3.59	47.80	30.03
Growth Score	B	-	-	F	B	F
Hist. EPS Growth (3-5 yrs)	3.49%	9.03%	8.16%	6.79%	7.85%	-2.43%
Proj. EPS Growth (F1/F0)	10.46%	13.24%	8.57%	-21.58%	2.55%	4.03%
Curr. Cash Flow Growth	4.12%	-2.40%	6.75%	10.05%	4.50%	-2.40%
Hist. Cash Flow Growth (3-5 yrs)	4.58%	6.23%	7.43%	11.12%	8.75%	9.64%
Current Ratio	1.53	2.29	1.19	1.85	1.07	1.50
Debt/Capital	28.90%	11.33%	38.01%	45.28%	NA	38.53%
Net Margin	20.89%	-14.85%	12.78%	-0.61%	21.20%	15.02%
Return on Equity	36.59%	-21.72%	17.00%	15.45%	-426.97%	16.97%
Sales/Assets	0.66	0.60	0.53	0.56	1.18	0.44
Proj. Sales Growth (F1/F0)	6.80%	2.11%	5.77%	1.60%	3.30%	3.20%
Momentum Score	A	-	-	A	A	A
Daily Price Chg	-1.75%	-0.15%	-1.07%	-2.67%	-1.97%	-1.14%
1 Week Price Chg	-2.40%	0.00%	-0.63%	-6.04%	-1.50%	-0.09%
4 Week Price Chg	1.56%	1.43%	1.39%	8.43%	-0.67%	-1.11%
12 Week Price Chg	28.07%	0.00%	2.45%	36.06%	10.12%	19.33%
52 Week Price Chg	1.87%	-13.75%	12.83%	-21.83%	9.14%	8.61%
20 Day Average Volume	515,712	206,432	2,728,366	2,285,654	140,054	1,495,199
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.16%	0.02%	-0.01%
(F1) EPS Est 12 week change	0.92%	1.06%	0.69%	-5.67%	0.30%	0.97%
(Q1) EPS Est Mthly Chg	-0.01%	0.00%	0.00%	-4.59%	0.03%	0.04%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	B
Momentum Score	A
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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