

INVESTOR'S EDGE

# Here's a top performer that you've never heard about

*Thermo Fisher Scientific has more than doubled the return of the S&P 500.*

*"Natural forces within us are the true healers of disease" — Hippocrates*



**Jim Burns CFA**  
*Contributing columnist*

If you have read my columns long enough, you know that I am a big fan of

American health care companies and the fabulous research, treatments, and innovation they produce. It's a sector I am firmly bullish on.

The bio-technology/medical device part of the health care industry has delivered investors both wonderful profits and vicious losses. As we know, many companies in this space are reliant on just one or two therapeutics, and a single trial result or FDA decision could quite literally make or break the company. Not the best investing strategy, if you ask me.

One specific health care stock I believe to be a great long-term buy is Thermo Fisher Scientific, a company that is helping to lead American medical innovation and comes without the risk of being reliant on a flagship drug or therapeutic.

After all, why have one when you can have them all?

Thermo Fisher Scientific (ticker symbol: TMO) is the world's largest and most diversified life sciences company. The company develops innovative medical products including diagnostic instruments, laboratory equipment, medical software, life science solutions and analytical instruments.

The company employs more than 80,000 people around the world and takes in more than \$30 billion in annual revenue. At the time of this writing, TMO sells at around \$550 per share and boasts a \$215 billion market cap.

TMO has been one of the best performing stocks you probably have never heard of. Over the last 10 years, TMO has more than doubled the return of the S&P 500, which I need not remind you has had a spectacular decade as well.

The bullish case for TMO centers

around its industry-leading life sciences technology, unparalleled reach, and unrivaled portfolio of products. The TMO brand has become the gold standard in biology and medical labs across the globe. They supply the equipment, materials, chemicals, and other inputs that go into medical and pharmaceutical research. In other words, TMO is the indispensable, behind-the-scenes company that provides the axes, picks, and shovels to the biopharmaceutical industry to produce winning therapeutics and treatments.

When the COVID-19 pandemic struck over a year and a half ago, TMO was the first company to develop and distribute an effective PCR COVID test. The company also played a vital role in supporting the production of COVID-19 vaccines and therapeutics.

The company generated \$6.6 billion in COVID-related sales last year and is looking for \$6.7 billion this year. While these revenue boosts from the pandemic are likely only short term, they provide the company with a lot of cash that can be used to reinvest in growth, acquisitions, and further innovations.

In addition to organic growth, TMO has quietly expanded into nearly every area of the health care industry. For example, TMO recently announced its acquisition of PPD Inc., a leader in clinical trial management services for drug developers. This is one of the industry's fastest growing markets and once completed, will allow TMO to participate in the entire pharmaceutical chain from drug research and development to manufacturing and distribution.

Perhaps the biggest medical innovation we expect to witness in the coming years is the adoption of precision medicine. Essentially, precision medicine is a specialized approach for disease treatment and prevention that considers a variety of factors including an individual's genetic makeup, family history, lifestyle, and other molecular and cellular analysis.

TMO's Ion Torrent next-generation sequencing machine can map a patient's complete genetic profile and help doctors make better decisions about treatment and care. They also provide advanced



diagnostic and testing tools that help drug developers identify and understand how to better fight diseases and how certain people will react to various treatments. When combined, this gives TMO a major role in the adoption of precision medicine and a great opportunity for growth.

Readers should be aware that as a company focused almost exclusively on growth, TMO pays a small 0.20% dividend yield, which is far below peer companies.

The stock price has been fueled by COVID-19 tailwinds and is up more than 20% in the last six months. If the stock pulls back in the short term, it could present a great buying opportunity. For long term investors, as I usually say, buy TMO now and don't worry about the price.

September is upon us, and the summer lull is over. Step up your portfolio with an investment in Thermo Fisher Scientific. I am confident it will measure up to some of the other recommendations I have made over the years.

*Jim Burns, a chartered financial analyst, is president of J.W. Burns & Co. The opinions expressed here are his and do not necessarily reflect those of The Post-Standard. Readers should do research before deciding on an investment. Contact him at [jburns@jwburns.com](mailto:jburns@jwburns.com)*

J.W. BURNS & COMPANY, INC.  
INVESTMENT COUNSEL

Important Disclosure Information

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by J.W. Burns & Company, Inc.), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from J.W. Burns & Company, Inc.. Please remember to contact J.W. Burns & Company, Inc., **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/reviving our previous recommendations and/or services. J.W. Burns & Company, Inc. is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. A copy of the J.W. Burns & Company, Inc.'s current written disclosure statement discussing our advisory services and fees continues to remain available upon request.

**A Thermo Fisher Scientific Inc. -80C Benchtop Freezer is displayed at the White House during a vaccine summit on Dec. 8.**  
*Al Drago, Bloomberg*