

Ametek Inc. (AME)

\$201.78 (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$206.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 06/10/19)
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **2-Buy**
Zacks Style Scores: VGM: F
Value: D | Growth: D | Momentum: F

Summary

AMETEK is benefiting from solid momentum across the Electromechanical Group (EMG) segment. Positive contributions from the Paragon Medical acquisition are driving the segment's performance. Strength in the Electronic Instruments Group (EIG) segment on the back of benefits from Faro Technologies, Kern Microtechnik and Virtek Vision buyouts is an upside. AMETEK's proper execution of the four core growth strategies, which include operational excellence, global market expansion, investments in product development and acquisitions, remains a plus. Shares of the company have outperformed the industry over the past year. However, a leveraged balance sheet and foreign exchange headwinds are woes. Also, exposure to rising U.S.-China tariffs poses a significant near-term earnings risk, with management estimating a \$70 million headwind in 2025.

Data Overview

52 Week High-Low	\$204.43 - \$145.02
20 Day Average Volume (sh)	1,360,719
Market Cap	\$46.5 B
YTD Price Change	11.9%
Beta	1.04
Dividend / Div Yld	\$1.24 / 0.6%
Industry	Electronics - Testing Equipment
Zacks Industry Rank	Top 19% (45 out of 243)

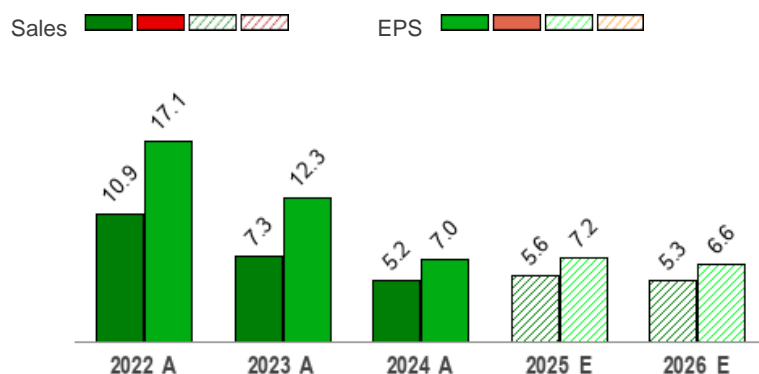
Last EPS Surprise	7.4%
Last Sales Surprise	4.2%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/03/2026
Earnings ESP	0.0%

P/E TTM	27.7
P/E F1	27.6
PEG F1	4.0
P/S TTM	6.5

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,854 E	1,924 E	1,924 E	2,021 E	7,723 E
2025	1,732 A	1,778 A	1,893 A	1,929 E	7,332 E
2024	1,736 A	1,735 A	1,709 A	1,762 A	6,941 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.84 E	1.91 E	1.94 E	2.11 E	7.80 E
2025	1.75 A	1.78 A	1.89 A	1.90 E	7.32 E
2024	1.64 A	1.66 A	1.66 A	1.87 A	6.83 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/28/2025.

Overview

AMETEK, located in Berwyn, PA, is one of the leading manufacturers of electronic appliances and electromechanical devices. AMETEK has more than 120 operating sites all over the world.

The company operates over 80 sales and service stations in North America, Europe, Asia and South America to support these operations.

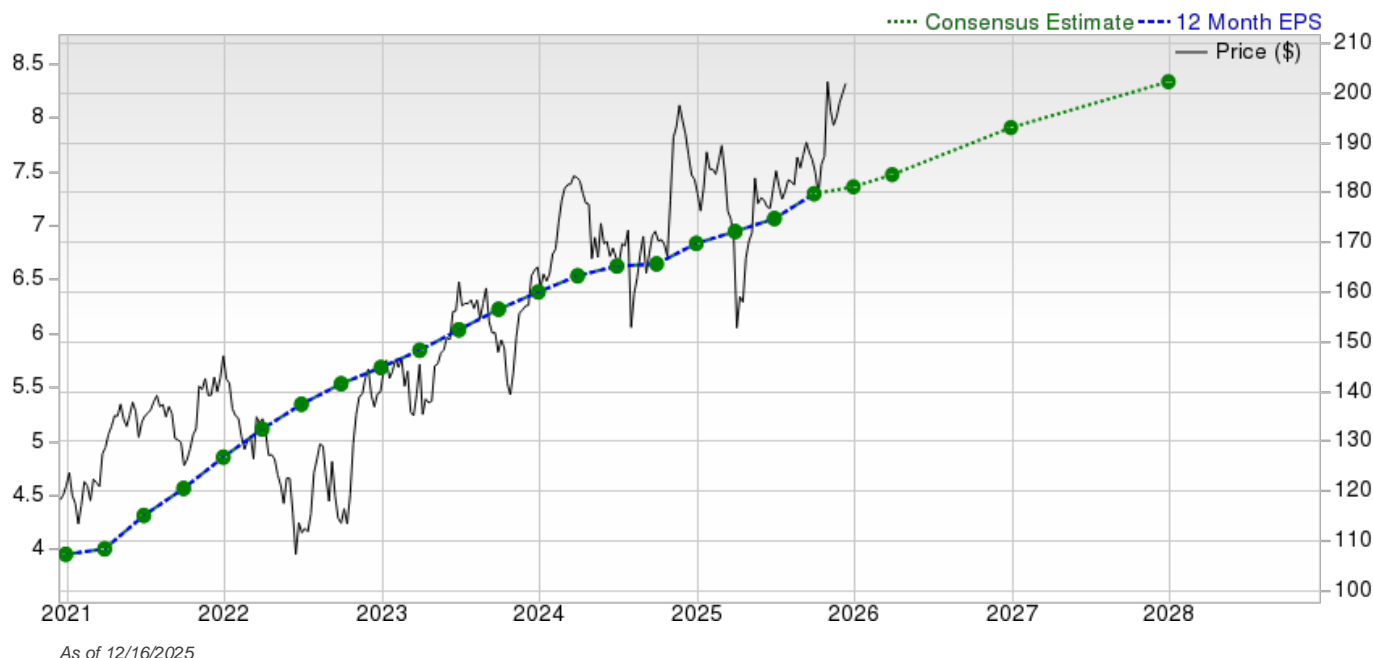
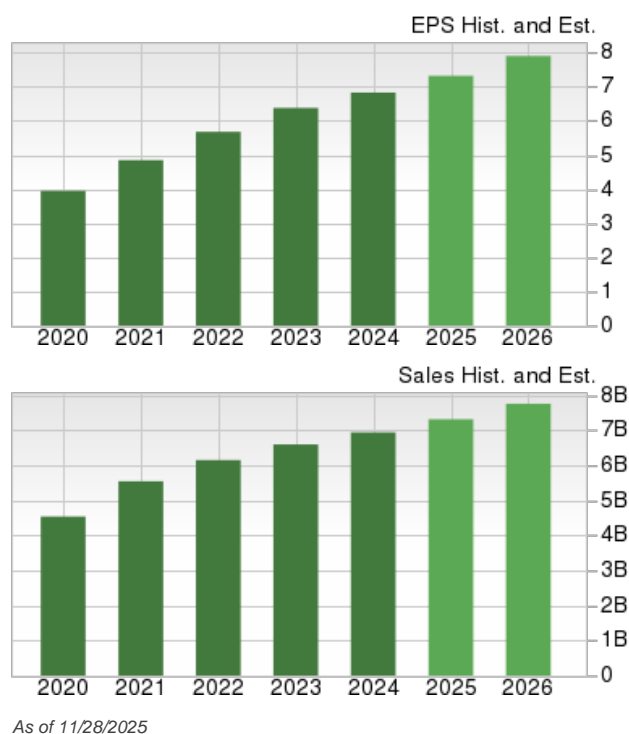
In 2024, the company generated \$6.9 billion in revenues. AMETEK sells its products globally through two operating groups, the Electronic Instruments Group ("EIG") and the Electromechanical Group ("EMG").

The Electronic Instruments Group ("EIG") specializes in manufacturing instruments employed for monitoring, examining, calibration and display purposes in the aerospace, power and industrial instrumentation markets. The segment is one of the leaders in many of the markets it serves, including airframe and aircraft engine sensors; process and analytical instruments; electric power generation, distribution and transmission instruments; and heavy-vehicle instrument panels.

The Electromechanical Group ("EMG") produces engineered electrical connectors and electronics packaging for electronic applications in aerospace, defense, medical and industrial markets. In addition, it manufactures advanced technical motor and motion control products used in electronic data storage, medical appliances, company equipment, robotics and many other applications. It is also engaged in the production of precision motion control solutions, specialty metals and alloys; electric motors, blowers and heat exchangers.

The target customers are aerospace and defense industries, commercial and fitness equipment makers, food and beverage machine builders, and manufacturers of hydraulic pumps, industrial blowers and vacuum cleaners.

The company uses a direct sales model for the distribution of its products, which is supplemented by distributors and sales representatives as necessary. Given the scale of operations, the company has a host of competitors, including Agilent Technologies, Emerson Electric and Cognex.



Reasons To Buy:

- ▲ AMETEK has seen pretty strong growth rates in the last few years due to management's focus on productivity improvements, increasing organic sales through global market expansion, new product development and synergies from strategic acquisitions. This has helped AMETEK build an excellent backlog that has resulted in solid performance quarter after quarter. One of the key growth strategies of AMETEK is operational excellence. AMETEK has been focusing on operational improvements and efficiencies, which will help aid both competitive and financial growth. Steps taken to implement this strategy include global sourcing, strategic procurement, lean manufacturing, value engineering, value analysis and realignment actions. Additionally, AMETEK's diversified geographic and industrial operations, coupled with its highly differentiated product line, provide a cushion against unfavorable developments in any one industry or country at a given time. With the core business remaining steady, growth initiatives are reflected quickly in top and bottom-line performance.
- ▲ AMETEK's solid order momentum and near-record backlog reflect a resilient demand environment and reinforce the company's financial strength. In the third quarter of 2025, total orders grew 13% year over year and reached a record level of \$1.97. The company exited the quarter with a robust backlog of \$3.54 billion, providing clear visibility into future revenue streams. Increased demand from OEMs and key verticals like aerospace, automation and defense is driving the company's order book. This order strength supports AMETEK's ability to navigate macro uncertainty while maintaining disciplined execution, enabling consistent top-line growth and margin stability.
- ▲ AMETEK's EMG segment continues to deliver solid performance, with record third-quarter 2025 sales of \$646 million, up 13% year over year. Operating income grew 25%, and margins expanded 250 basis points to 25.4%, reflecting strong operational discipline and a favorable mix. A key driver was the Paragon Medical acquisition, which has made a strong recovery following earlier inventory normalization. This surge in orders signals renewed demand momentum and validates AMETEK's strategic acquisition efforts. With improved profitability, growing backlog and a strengthening pipeline — particularly in medical, aerospace and automation markets — EMG is well-positioned to drive incremental growth in the quarters ahead. Its performance reinforces AMETEK's balanced growth strategy and underpins long-term shareholder value.
- ▲ AMETEK's EIG segment continues to demonstrate resilience and profitability despite the dilutive impact of acquisitions and the impact of foreign currency. In the third quarter of 2025, EIG generated \$1.25 billion in revenues, up 10% year over year. Operating income increased 6% to \$360 million, and operating margins expanded 50 basis points to 30.4%. This performance highlights the strength of AMETEK's highly differentiated instrumentation portfolio, which is well-aligned with long-term secular demand in sectors like aerospace, energy and advanced industrial testing. With a record backlog and accelerating order activity, EIG is positioned to drive sustained margin strength and top-line growth through the remainder of 2025 and beyond.
- ▲ AMETEK supplements organic growth with strategic acquisitions. For this purpose, it generally looks for niche players that complement one of its many product lines or round out its portfolio. So far in 2025, the company has acquired two businesses — FARO Technologies and Kern Microtechnik. Acquired in May 2025, FARO Technologies has helped AMETEK expand its offerings in 3D measurement and imaging solutions. In February 2025, it acquired Kern Microtechnik, a leading manufacturer of high-precision machining and optical inspection solutions. The acquisition is anticipated to boost AMETEK's Ultra Precision Technologies division's capabilities. In 2024, AMETEK acquired Virtek Vision International, which enhanced its portfolio with advanced 3D laser projectors, smart cameras and quality control inspection systems. From 2019 to 2023, the company completed 15 acquisitions and generated \$1.6 billion worth of annualized sales.
- ▲ AMETEK's long-term growth is underpinned by its consistent focus on innovation to drive product differentiation and top-line expansion. The company's Vitality Index — representing revenues from products launched within the past three years — stood at a robust 26% in the third quarter of 2025, underscoring a strong innovation pipeline. AMETEK leverages its decentralized structure and deep engineering expertise to develop cutting-edge technologies across its niche markets, including advanced materials analysis, high-speed imaging, precision motion and industrial automation. Product launches such as Gatan's EDAX Elite Ultra system and Vision Research's Phantom KT-series cameras highlight its ability to deliver differentiated solutions for complex scientific and industrial applications. These high-value products not only command premium pricing but also deepen customer stickiness, supporting recurring demand. By reinvesting in R&D and targeting structurally growing end markets, AMETEK ensures a steady flow of innovative offerings that fuel sustainable top-line growth and reinforce its competitive moat.
- ▲ AMETEK is effectively mitigating the impact of escalating tariffs through a proactive and multifaceted approach. Despite an anticipated \$70 million China-related tariff headwind in 2025, the company raised its full-year guidance, reflecting confidence in its ability to offset these costs. Management is leveraging pricing adjustments, supply chain reengineering and increased localization of manufacturing to preserve margins. With over 100 facilities in the U.S. and 50+ internationally, AMETEK's global footprint provides flexibility to shift production and minimize exposure. This agility, combined with a decentralized operating model, enables rapid response to trade disruptions, ensuring operational continuity and protecting earnings quality.
- ▲ AMETEK's strong operating cash flow has helped it return cash through regular quarterly dividend payments and share repurchases. In 2024, the company generated approximately \$1.83 billion of operating cash flow and free cash flow of \$1.70 billion. Last year, it distributed approximately \$471 million through dividend payments and share buybacks. In the first three quarters of 2025, AMETEK generated operating cash flow and free cash flow of \$1.22 billion and \$1.14 billion, respectively. During the first nine months of 2025, it returned approximately \$378 million to its shareholders through stock buybacks and dividend payments. Share repurchases and dividend payments are a good way of returning cash to investors while boosting the company's earnings.

The company excels in making strategic acquisitions, driving operational efficiencies, introducing new products and taking core competencies to the global marketplace.

Reasons To Sell:

- ▼ AMETEK's exposure to rising U.S.-China tariffs poses a significant near-term earnings risk, with management estimating a \$70 million headwind in 2025. The tariffs primarily affect instruments imported from China, placing pressure on the company's cost structure. Although AMETEK has outlined mitigation strategies — such as price increases and supply chain adjustments — these efforts introduce execution risk. Customers may resist price hikes, which could erode demand or compress margins. If these countermeasures fall short, earnings could come under pressure in the quarters ahead. The situation introduces uncertainty into an otherwise stable operating model and may limit the company's growth momentum until the tariff impact is fully absorbed.
- ▼ AMETEK's growth trajectory faces pressure from uneven demand across its end markets. While aerospace and defense remain resilient, softness in segments like industrial automation and engineered solutions — particularly within the EMG segment — reflects inventory destocking and delayed project spending. These conditions introduce volatility in order flow and revenue recognition, making it difficult for AMETEK to maintain its historically consistent earnings cadence. With no clear signs of a broad-based industrial recovery, growth could remain patchy and unpredictable in the near term.
- ▼ AMETEK's balance sheet remains leveraged. As of Sept. 30, 2025, the company's long-term debt amounted to \$1.43 billion, while it had cash and equivalents of a mere \$439 million. Accumulating such high debt levels may impede sufficient cash flow generation, which is needed to meet future debt obligations. Further, this may keep the company from accessing the debt market and refinancing at suitable rates.
- ▼ Acquisitions are a part of AMETEK's growth strategy to supplement the top line. However, the company's inability to identify suitable acquisition candidates, unsuccessful execution and integration of new acquisitions and an increase in acquisition costs due to stiff competition could negatively impact its sales/margin performance. The large number of acquisitions increases the chances of integration issues.
- ▼ Its nature of business makes AMETEK vulnerable to foreign exchange headwinds. The company has manufacturing operations in 17 countries outside the United States and 47% of total sales come from these operations. Thus, appreciation or depreciation of the U.S. dollar versus foreign currencies could impact the company's financial results.

A weak balance sheet, foreign exchange headwinds and vulnerability to integration issues due to an extremely aggressive acquisition strategy remain major concerns.

Last Earnings Report

AMETEK Q3 Earnings and Revenues Beat Estimates

AMETEK reported better-than-expected results for the third quarter of 2025. The company reported its third-quarter non-GAAP earnings of \$1.89 per share, beating the Zacks Consensus Estimate by 7.4%. The figure increased 14% year over year.

AMETEK's top line of \$1.89 billion surpassed the Zacks Consensus Estimate by 4.2%. The figure increased 11% year over year.

The company experienced an increase in sales in its largest EIG segment and a year-over-year improvement in the EMG segment.

AMETEK's Q3 2025 Details

EIG sales (65.9% of total revenue) in the second quarter were \$1.25 billion, up 10% from the year-ago quarter's reported figure. Our model estimate for the EIG sales was pegged at \$1.16 billion.

In the third quarter, revenues from EMG (34.1% of total revenues) were \$646.3 million, up 13% from the year-ago quarter. Our model estimate for the EMG sales was pegged at \$618.5 million.

For the third quarter, operating income increased 11% year over year to \$496.1 million and operating margin expanded 10 basis points (bps) from the year-ago quarter.

EIG's third-quarter operating income was \$352.4 million, and operating income margins were 28.3% in the quarter.

EMG's operating income in the quarter increased 25% to \$163.9 million with operating income margins of 25.4%, reflecting an increase of 250 bps from the year-ago reported figure.

AME's Balance Sheet & Cash Flow

As of Sept. 30, 2025, AME had cash and cash equivalents of \$439.2 million compared with the previous quarter's \$619.7 million.

As of June 30, 2025, AME's long-term debt was \$1.43 billion, down from the previous quarter's \$1.53 billion.

Operating cash flow in the third quarter was \$440.9 million, and free cash flow was \$420 million. In the first three quarters of 2025, it generated operating and free cash flows of approximately \$1.22 billion and \$1.14 billion, respectively. In the third quarter, the company's free cash flow to net income conversion was 113%.

AME Raises Guidance

For 2025, AME expects overall sales to be up in mid-single digits on a percentage basis compared to the 2024 reported level. The company expects its adjusted earnings per share to be in the range of \$7.32-\$7.37, up from the earlier guidance of \$7.06-\$7.20.

For the fourth quarter of 2025, the company expects overall sales to be up approximately 10% compared with the same period last year. Adjusted earnings for the fourth quarter are expected to be in the range of \$1.90 -\$1.95, indicating a year-over-year increase of 2-4%.

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

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	4.16%
EPS Surprise	7.39%
Quarterly EPS	1.89
Annual EPS (TTM)	7.29

Recent News

On Nov. 7, AMETEK declared a quarterly dividend of \$0.31 per share, payable on Dec. 19 to shareholders of record as of Dec. 5.

On Nov. 7, AMETEK appointed Robert J. Amodei as Senior Vice President and Controller and Scott M. DelOrefice as Vice President, Group Controller, effective Jan. 1, 2026.

On Aug. 8, AMETEK declared a quarterly dividend of 31 cents per share for the third quarter of 2025, payable on Sept. 30 to shareholders of record as of Sept. 15.

On July 21, AMETEK completed its \$920 million acquisition of FARO Technologies for \$44.00 per share in cash, following shareholder and regulatory approvals.

On May 8, AMETEK declared a regular quarterly cash dividend of 31 cents per share to be payable on June 30 to its shareholders of record as of June 13.

On May 6, AMETEK announced entering a definitive agreement to acquire FARO Technologies in a deal worth \$920 million.

Valuation

AMETEK shares have gained 8.9% year to date and 1% over the trailing 12-month period. Stocks in the Zacks sub-industry have declined 3.2% year to date, while the Computer & Technology sector has gained 26.5%. Over the past year, the Zacks sub-industry has declined 9.9%, while the sector has returned 28.5%.

The S&P 500 index has returned 18.3% year to date and 16% in the past year.

The stock is currently trading at 25.05x forward 12-month earnings, which compares to 23.48x for the Zacks sub-industry, 28.60x for the Zacks sector, and 23.48x for the S&P 500 index.

Over the past five years, the stock has traded as high as 30.96x and as low as 19.11x, with a five-year median of 24.41x. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$206 price target reflects a 26.30x forward 12-month earnings multiple.

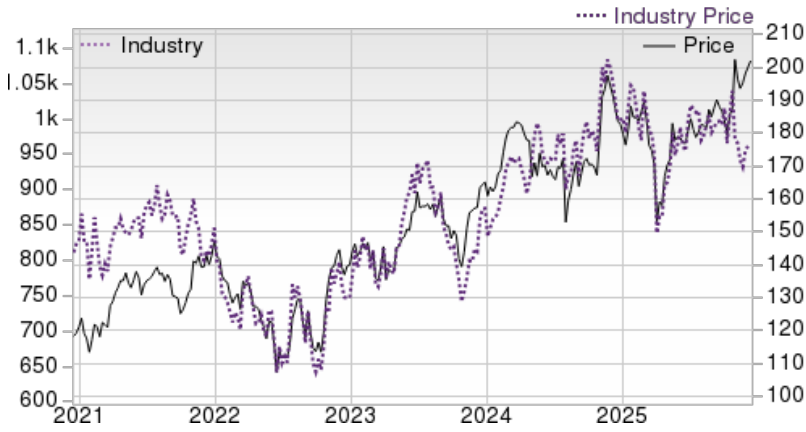
The table below shows summary valuation data for AME.

Valuation Multiples - AME					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	25.05	23.48	28.60	23.48
	5-Year High	30.96	33.81	30.04	23.81
	5-Year Low	19.11	19.23	18.70	15.73
	5-Year Mediar	24.41	23.85	26.62	21.21
EV/Sales TTM	Current	6.47	4.70	8.08	5.71
	5-Year High	7.23	6.73	8.35	5.81
	5-Year Low	4.54	4.25	4.17	3.77
	5-Year Mediar	6.01	5.29	6.93	5.11
EV/EBITDA TTM	Current	18.89	15.52	19.42	18.54
	5-Year High	23.76	39.30	23.69	22.40
	5-Year Low	14.52	13.00	12.05	13.87
	5-Year Mediar	18.16	16.77	18.37	17.95

As of 11/26/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 19% (45 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
nVent Electric PLC (NVT)	Outperform	2
Teradyne, Inc. (TER)	Outperform	2
Agilent Technologies..(A)	Neutral	3
Cognex Corporation (CGNX)	Neutral	3
Emerson Electric Co. (EMR)	Neutral	3
Fortive Corporation (FTV)	Neutral	3
Itron, Inc. (ITRI)	Neutral	3
Jabil, Inc. (JBL)	Neutral	2

Industry Comparison⁽¹⁾ Industry: Electronics - Testing Equipment

	AME	X Industry	S&P 500	A	FTV	TER
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Outperform
Zacks Rank (Short Term)	2	-	-	3	3	2
VGM Score	F	-	-	D	F	F
Market Cap	46.45 B	6.17 B	38.58 B	39.46 B	17.36 B	30.11 B
# of Analysts	8	5.5	22	7	6	9
Dividend Yield	0.61%	0.44%	1.42%	0.71%	0.44%	0.25%
Value Score	D	-	-	C	C	D
Cash/Price	0.01	0.04	0.04	0.05	0.02	0.01
EV/EBITDA	21.99	16.71	14.55	22.19	11.43	40.71
PEG Ratio	4.01	2.88	2.20	4.04	3.31	2.01
Price/Book (P/B)	4.41	3.41	3.33	5.85	2.67	11.08
Price/Cash Flow (P/CF)	23.72	18.54	15.10	20.99	9.90	48.56
P/E (F1)	27.57	24.19	19.71	23.48	20.81	54.80
Price/Sales (P/S)	6.48	4.87	3.09	5.68	3.38	10.53
Earnings Yield	3.63%	4.22%	5.06%	4.26%	4.81%	1.83%
Debt/Equity	0.14	0.23	0.57	0.45	0.33	0.00
Cash Flow (\$/share)	8.51	6.33	8.99	6.63	5.52	3.96
Growth Score	D	-	-	C	F	F
Hist. EPS Growth (3-5 yrs)	13.43%	10.06%	8.16%	7.88%	6.68%	-13.72%
Proj. EPS Growth (F1/F0)	7.17%	18.48%	8.57%	6.08%	-32.39%	9.01%
Curr. Cash Flow Growth	8.42%	11.34%	6.75%	4.68%	14.27%	9.30%
Hist. Cash Flow Growth (3-5 yrs)	10.47%	4.37%	7.43%	7.15%	3.80%	0.98%
Current Ratio	1.16	1.67	1.18	1.96	0.70	1.76
Debt/Capital	11.93%	18.23%	38.01%	31.15%	24.54%	0.00%
Net Margin	20.50%	11.33%	12.78%	18.75%	11.72%	15.49%
Return on Equity	16.66%	14.35%	17.00%	25.20%	12.04%	18.04%
Sales/Assets	0.47	0.48	0.53	0.57	0.32	0.76
Proj. Sales Growth (F1/F0)	5.60%	0.00%	5.79%	5.30%	-33.70%	8.00%
Momentum Score	F	-	-	F	F	B
Daily Price Chg	-0.69%	0.00%	-0.24%	-1.00%	-1.25%	-1.24%
1 Week Price Chg	0.97%	-1.73%	-0.59%	-3.99%	2.20%	-3.69%
4 Week Price Chg	6.26%	2.58%	2.76%	-3.23%	8.50%	17.45%
12 Week Price Chg	8.09%	-20.68%	2.15%	10.52%	12.84%	42.78%
52 Week Price Chg	8.07%	-14.56%	12.39%	2.00%	-27.82%	50.22%
20 Day Average Volume	1,360,719	1,360,719	2,743,646	2,161,032	2,621,404	3,085,721
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-0.02%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	-0.83%	0.00%	1.41%
(F1) EPS Est 12 week change	2.67%	8.19%	0.69%	-1.33%	5.34%	12.06%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	-3.04%	0.00%	-0.16%

Analyst Earnings Model⁽²⁾

AMETEK, Inc. (AME)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Net Sales	\$6,150.5	\$6,597.0	\$6,941.2	\$1,732.0	\$1,778.1	\$1,892.6	\$1,929.4	\$7,332.0	\$1,854.2	\$1,923.8	\$1,924.3	\$2,020.6	\$7,722.9	\$7,870.4
Organic Growth	11.0%	4.0%	(2.0%)	(1.0%)	0.0%	4.0%	2.3%	1.3%	0.1%	1.3%	(5.3%)	(2.5%)	(1.7%)	(5.1%)
Acquisitions/Divestiture	2.0%	3.0%	7.0%	1.0%	2.0%	6.0%	6.2%	3.8%	5.9%	5.9%	5.9%	6.2%	6.0%	6.0%
Foreign Currency	(2.0%)	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	0.7%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Cost of Sales	\$4,005.3	\$4,212.5	\$4,464.7	\$1,107.0	\$1,142.2	\$1,206.5	\$1,268.2	\$4,723.8	\$1,220.5	\$1,267.3	\$1,245.8	\$1,295.9	\$5,029.4	\$5,045.1
Gross Profit	\$2,145.3	\$2,384.5	\$2,476.5	\$625.0	\$635.9	\$686.1	\$661.2	\$2,608.2	\$633.7	\$656.5	\$678.6	\$724.7	\$2,693.5	\$2,825.3
Selling, General and Administrative	\$644.6	\$677.0	\$696.9	\$170.2	\$174.3	\$197.8	\$192.2	\$734.4	\$182.6	\$186.5	\$193.6	\$198.4	\$761.2	\$784.6
Total Operating Expenses	\$4,649.8	\$4,889.5	\$5,161.6	\$1,277.1	\$1,316.4	\$1,404.3	\$1,460.4	\$5,458.2	\$1,403.1	\$1,453.8	\$1,439.4	\$1,494.3	\$5,790.6	\$5,829.7
EBITDA, Adjusted	\$1,829.7	\$2,014.7	\$2,180.9	\$558.5	\$565.1	\$592.2	\$582.5	\$2,298.3	\$561.1	\$581.4	\$589.2	\$644.2	\$2,375.9	\$2,478.2
EBITDA, GAAP	\$1,829.7	\$2,014.7	\$2,151.7	\$558.5	\$565.1	\$572.4	\$582.5	\$2,278.5	\$561.1	\$581.4	\$589.2	\$644.2	\$2,375.9	\$2,478.2
Interest Income	(\$1.7)	(\$11.1)	(\$5.8)	(\$1.2)	(\$1.7)	(\$1.1)	(\$1.1)	(\$5.1)	(\$1.1)	(\$1.1)	(\$1.1)	(\$1.1)	(\$4.4)	(\$4.4)
Depreciation & Amortization	\$319.5	\$337.6	\$383.0	\$106.4	\$107.7	\$103.1	\$115.7	\$432.9	\$112.1	\$114.8	\$112.7	\$120.9	\$460.6	\$456.2
Operating Income	\$1,500.7	\$1,707.5	\$1,779.6	\$454.8	\$461.6	\$488.4	\$469.0	\$1,873.8	\$451.1	\$470.0	\$484.9	\$526.3	\$1,932.3	\$2,040.7
Interest Expense	\$83.2	\$81.8	\$113.0	\$19.0	\$16.9	\$22.5	\$20.3	\$78.7	\$19.9	\$20.8	\$22.4	\$22.9	\$86.0	\$88.2
Other (Income) Expense, net	(\$11.2)	\$19.3	\$5.1	\$1.6	\$2.6	\$17.9	\$1.1	\$23.2	\$1.0	\$2.3	\$7.3	\$1.9	\$12.6	\$14.3
Pre-Tax Income	\$1,428.7	\$1,606.4	\$1,661.5	\$434.2	\$442.2	\$448.0	\$447.6	\$1,771.9	\$430.2	\$446.9	\$455.2	\$501.5	\$1,833.8	\$1,938.2
Income Taxes	\$269.2	\$293.2	\$285.4	\$82.5	\$83.8	\$76.5	\$76.5	\$319.4	\$73.6	\$76.4	\$77.8	\$85.8	\$313.6	\$331.4
Tax Rate	18.8%	18.3%	17.2%	19.0%	19.0%	17.1%	17.1%	18.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%
Net Income, Adjusted	\$1,315.1	\$1,477.1	\$1,585.7	\$405.2	\$412.0	\$437.9	\$438.0	\$1,693.1	\$423.3	\$437.0	\$443.7	\$481.9	\$1,785.8	\$1,870.2
Net Income, GAAP	\$1,159.5	\$1,313.2	\$1,376.1	\$351.8	\$358.4	\$371.4	\$371.0	\$1,452.6	\$366.6	\$370.5	\$377.3	\$415.8	\$1,520.2	\$1,606.7
Basic Shares Outstanding	230.2	230.5	231.3	230.7	230.8	230.7	229.9	230.5	229.1	228.4	227.7	227.0	228.1	226.2
Diluted Shares Outstanding	231.5	231.5	232.2	231.5	231.5	231.7	230.9	231.4	230.1	229.4	228.7	228.0	229.0	227.1
Basic EPS	\$5.04	\$5.70	\$5.95	\$1.52	\$1.55	\$1.61	\$1.61	\$6.29	\$1.56	\$1.62	\$1.66	\$1.83	\$6.67	\$7.10
Diluted EPS, Adjusted	\$5.68	\$6.38	\$6.83	\$1.75	\$1.78	\$1.89	\$1.90	\$7.32	\$1.84	\$1.91	\$1.94	\$2.11	\$7.80	\$8.23
Diluted EPS, GAAP	\$5.01	\$5.67	\$5.93	\$1.52	\$1.55	\$1.60	\$1.61	\$6.28	\$1.55	\$1.62	\$1.65	\$1.82	\$6.64	\$7.07
Dividend per Share	\$0.88	\$1.00	\$1.12	\$0.31	\$0.31	\$0.31	\$0.31	\$1.24	\$0.34	\$0.34	\$0.34	\$0.34	\$1.38	\$1.53

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	D
Momentum Score	F
VGM Score	F

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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