

A. O. Smith (AOS)

\$65.41 (Stock Price as of 11/25/2025)

Price Target (6-12 Months): **\$73.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 03/31/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: B

Growth: B

Momentum: F

Summary

A. O. Smith remains focused on acquiring businesses to gain access to new customers, regions and product lines. The company's acquisition of Pureit will enable it to strengthen its position in the water treatment industry in India. Also, its strong cash position and policy of returning wealth to its shareholders are encouraging. The company's focus on cost management and operational excellence is supporting its margin performance. However, A. O. Smith is grappling with lower volumes of residential water treatment products in China within the Rest of World unit. A decline in orders for water heater products in the North America segment is also concerning. Supply-chain issues may inflate costs and delay the delivery of products to customers. Given the company's international exposure, forex woes are weighing on its top line.

Data Overview

52 Week High-Low	\$77.31 - \$58.83
20 Day Average Volume (sh)	1,399,339
Market Cap	\$9.1 B
YTD Price Change	-4.1%
Beta	1.30
Dividend / Div Yld	\$1.44 / 2.2%
Industry	Manufacturing - Electronics
Zacks Industry Rank	Top 12% (28 out of 243)

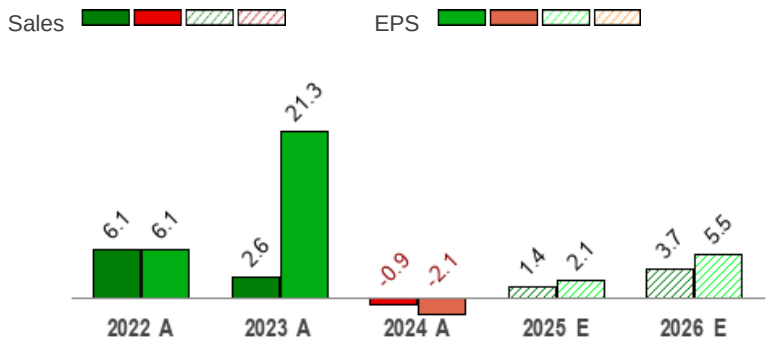
Last EPS Surprise	5.6%
Last Sales Surprise	0.7%
EPS F1 Est- 4 week change	-1.0%
Expected Report Date	01/29/2026
Earnings ESP	0.0%

P/E TTM	17.2
P/E F1	17.2
PEG F1	4.5
P/S TTM	2.4

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	992 E	1,042 E	971 E	1,014 E	4,018 E
2025	964 A	1,011 A	943 A	966 E	3,873 E
2024	979 A	1,024 A	903 A	912 A	3,818 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.98 E	1.10 E	0.93 E	1.01 E	4.02 E
2025	0.95 A	1.07 A	0.94 A	0.92 E	3.81 E
2024	1.00 A	1.06 A	0.82 A	0.85 A	3.73 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 11/25/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 10/15/2025.

Overview

Headquartered in Milwaukee, WI, A. O. Smith Corporation is one of the leading manufacturers of commercial and residential water heating equipment, and water treatment products of the world. The company specializes in offering innovative, and energy-efficient solutions and products, which are developed and sold globally.

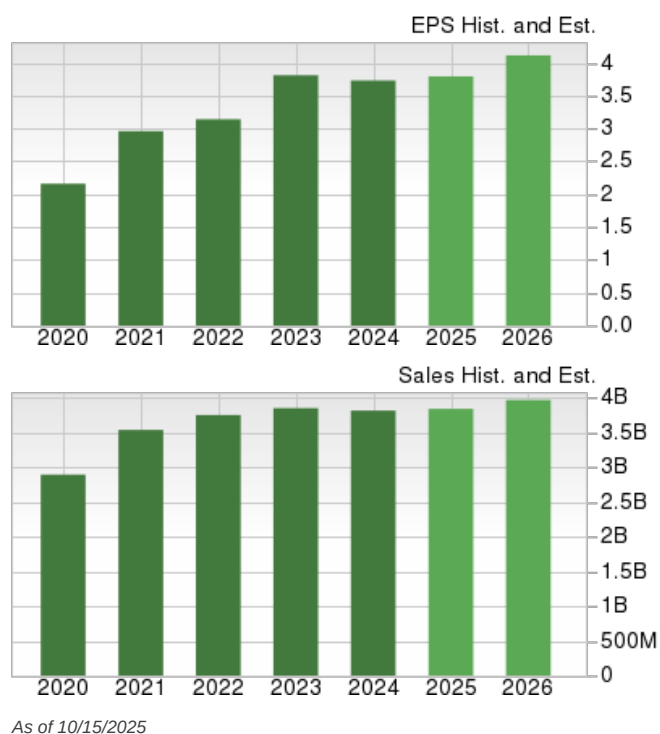
A. O. Smith reports operations under two geographic segments — North America and Rest of World. The segments are briefly discussed below:

North America (77.3% of total segmental sales generated in 2024): This segment manufactures and markets water heaters, boilers, water treatment products, commercial solar water heating systems, expansion tanks, swimming pool and spa heaters, and others. These products are sold primarily to the company's commercial and residential customers in North America.

The main product brands under this segment are Lochinvar, Aquasana, Bradford White, Rheem, Rinnai, Navien and Aerco.

Rest of the World (22.7%): This segment comprises operations in India, China, the Middle East and Europe markets. It manufactures and markets a broad range of products, including fully modulating non-condensing gas fired tankless water heaters. Apart from this, the segment manufactures air purifiers and water treatment products, especially in Asia.

In China, the company develops water purifier, combi boiler, gas tankless, residential & commercial heat pump, air purifier, and other products.



Reasons To Buy:

▲ A. O. Smith engages in bolt-on **acquisitions** to augment its portfolio and expand its business geographically. For instance, in November 2024, the company acquired the Pureit business from Unilever. The inclusion of Pureit's expertise in water treatment solutions, coupled with its strong brand recognition, will enable A. O. Smith to expand its customer offerings and boost its position in the water treatment industry in India. The company expects the addition of Pureit to contribute approximately \$50 million to its sales in 2025. In March 2024, it acquired privately held water treatment company Impact Water Products, which expanded its water treatment footprint in North America. The acquired company is included in the North America segment. The June 2022 acquisition of Atlantic Filter boosted the company's position in the water treatment industry and strengthened its customer base in Florida and the adjacent regions. The company spent \$145.9 million on acquisitions in 2024.

Accretive acquisitions and a sound liquidity position augur well for A.O. Smith. The company's commitment to rewarding its shareholders is impressive.

▲ A. O. Smith's commitment to rewarding its shareholders through **dividends and share buybacks** is encouraging. In the first six months of 2025, the company paid dividends worth \$97.5 million, up 3.5% year over year. In October 2025, it increased the quarterly dividend rate by 6% to 36 cents per share (annually: \$1.44). The company has increased its dividend consecutively for more than 30 years. In the first six months, it also repurchased 3.8 million shares for \$251.3 million. While exiting the second quarter, 3 million shares were left to be repurchased under the existing authorization. Also, in January 2025, the company's board boosted the buyback program by another 5 million shares. For 2025, it expects to repurchase shares worth approximately \$400 million.

▲ A. O. Smith's **investments in research & development (R&D)** and its efforts to improve manufacturing efficiency are expected to drive growth. In 2024, the company completed the construction of a new gas tankless water heater manufacturing facility in Juarez, Mexico. To mitigate the new imposed tariff charges, A. O. Smith plans to transfer its gas tankless water heater production from China to this Mexico facility. So far in 2025, the company unveiled a commercial R&D testing Lab facility in Lebanon, TN, to boost the production capacity of water heaters and boilers. These initiatives reflect A. O. Smith's commitment to innovation and operational efficiency, positioning the company for continued success in a competitive market.

▲ A. O. Smith's **focus on cost management and operational excellence** is supporting its margin performance. In the second quarter of 2025, its gross margin increased 60 basis points year over year to 39.3%. The company is benefiting from initiatives such as the expansion of the AOS operating system, lean manufacturing practices and strategic product mix optimization, which focus on enhancing operational efficiency, optimizing production schedules and improving profitability. Supported by these initiatives and 2024 restructuring actions, A. O. Smith expects to realize annual savings of approximately \$15 million in 2025, contributing to margin expansion.

▲ A. O. Smith has a **sound liquidity position**. At the end of the second quarter, the company had cash and cash equivalents of \$177.9 million, much higher than the current debt of \$19.2 million. This implies that it has sufficient cash to meet its short-term debt obligations. Further, A. O. Smith stock looks less leveraged than the industry. Its total debt/capital ratio is currently 14.1%, lower than 39.5% of the industry.

Reasons To Sell:

- ▼ Given the nature of its products, the company's fortunes are closely tied to the construction market. Therefore, the ongoing challenges in the Chinese real estate market are a concern for A. O. Smith. Lower volumes of residential water treatment and water heater products in the region are challenging for the **Rest of World segment**. The segment's revenues declined 2% year over year in the second quarter of 2025. Also, A. O. Smith has issued a lackluster 2025 sales outlook for China. It currently expects the metric to decrease approximately 5-8% year over year in local currency.
- ▼ A decline in orders for water heater products in the **North America segment** is also concerning. In the second quarter, the North America segment's sales declined 1% year over year as higher boiler volumes were offset by lower volumes of residential water heaters. For 2025, the company expects North American water treatment sales to decrease approximately 5% year over year.
- ▼ A. O. Smith's operation can be impacted due to **supply-chain disruptions**. The company utilizes a variety of raw materials, including steel, copper, aluminum and various engineered electrical components in its businesses, and has to depend on others for the uninterrupted supply of raw materials at reasonable rates. The persistence of supply-chain constraints for specifically engineered components might inflate costs and delay the delivery of products to its customers.
- ▼ A. O. Smith has a significant presence in Asian countries like China and India. Since its products are priced in the local currencies of these countries, any increase in the value of the U.S. dollar relative to the local currencies would impact its revenues and profitability. For example, **adverse foreign currency movements** lowered the Rest of the World segment's revenues by \$6 million in the first six months of 2025 and \$13 million in 2024.

Softness in the real estate market of China, lower orders in North America, supply-chain constraints and foreign currency headwinds are concerns.

Last Earnings Report

A. O. Smith Q2 Earnings Surpass Estimates, Sales Decline Y/Y

A. O. Smith second-quarter 2025 adjusted earnings of \$1.07 per share beat the Zacks Consensus Estimate of 97 cents. The bottom line increased 1% on a year-over-year basis.

Net sales of \$1.01 billion also surpassed the consensus estimate of \$990.9 million. However, the top line decreased 1% year over year due to lower water heater volumes and decreased sales in China.

FY Quarter Ending	12/31/2024
Earnings Reporting Date	Oct 28, 2025
Sales Surprise	0.69%
EPS Surprise	5.62%
Quarterly EPS	0.94
Annual EPS (TTM)	3.81

Segmental Details

A. O. Smith's quarterly sales in North America (comprising the United States and Canada operations) decreased 1% year over year to \$779 million. Our estimate for segmental revenues was \$758.9 million. This downtick was caused by lower water heater volumes.

Segmental earnings were \$198.1 million, flat year over year.

Quarterly sales in the Rest of the World (including China, India and Europe) segment were \$240.1 million, down 2% year over year. Our estimate for sales in the segment was \$236.0 million. China sales decreased 11% year over year. Sales in India increased 19% year over year in local currency.

The segment's earnings were \$25.3 million, down 2.3% year over year due to cost reduction actions.

Margin Details

A.O. Smith's cost of sales was \$614.2 million, down 2.2% year over year. Selling, general & administrative expenses were \$191.3 million, up 1.5%.

Gross profit increased 0.3% year over year to \$397.1 million. The gross margin was 39.3% compared with 38.7% in the year-ago period. Interest expenses were \$4.6 million, up from \$1.8 million in the year-ago quarter.

A.O. Smith's Liquidity & Cash Flow

As of June 30, 2025, its cash and cash equivalents totaled \$177.9 million compared with \$239.6 million at the end of December 2024.

At the end of the quarter, long-term debt was \$284.2 million compared with \$183.2 million at the end of December 2024.

In the first six months of 2025, cash provided by operating activities totaled \$178.3 million compared with \$164 million in the year-ago period.

Share Repurchases

In the first six months of 2025, A.O. Smith repurchased 3.8 million shares for \$251.3 million. As of June 2025, 3 million shares were left to be repurchased under the existing share repurchase authorization.

A.O. Smith's 2025 Outlook

A.O. Smith has raised the sales outlook for 2025. The company expects net sales to be in the range of \$3.85-\$3.93 billion compared with \$3.8-\$3.9 billion anticipated earlier. It reported sales of \$3.82 billion in 2024.

Management currently projects adjusted earnings per share (EPS) to be in the band of \$3.70-\$3.90 compared with \$3.60-\$3.90 expected earlier. The company reported earnings of \$3.63 per share in 2024.

Recent News

Dividend Hike — Oct 13, 2025

In a shareholder-friendly move, A. O. Smith announced a hike in its dividend payout. The company increased its quarterly dividend by 6% to 36 cents per share (annually: \$1.44). The new dividend will be paid out on Nov. 17, 2025, to shareholders of record as of Oct. 31.

Acquisition of Pureit — Nov. 1, 2024

A. O. Smith announced that it completed the acquisition of Unilever's Pureit unit for about \$120 million in cash.

The inclusion of Pureit's expertise in water treatment solutions, coupled with its strong brand recognition, will enable AOS to expand its customer offerings and boost its position in the water treatment industry in India.

Valuation

A. O. Smith's shares are up 0.9% and down 14.2% in the year-to-date period and over the trailing 12-month period respectively. Stocks in the Zacks sub-industry are up 10.1% in the year-to-date period, while those in the Zacks Industrial Products sector are up 3.4%. Over the past year, the Zacks sub-industry is up 10.6%, while the sector is down 0.9%.

The S&P 500 index is up 14% and 15.9% in the year-to-date period and over the past year, respectively.

The stock is currently trading at 16.82X forward 12-month price-to-earnings, which compares to 23.00X for the Zacks sub-industry, 19.73X for the Zacks sector and 23.26X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 29.07X and as low as 13.34X, with a 5-year median of 19.29X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$73 price target reflects 17.66X forward 12-month earnings.

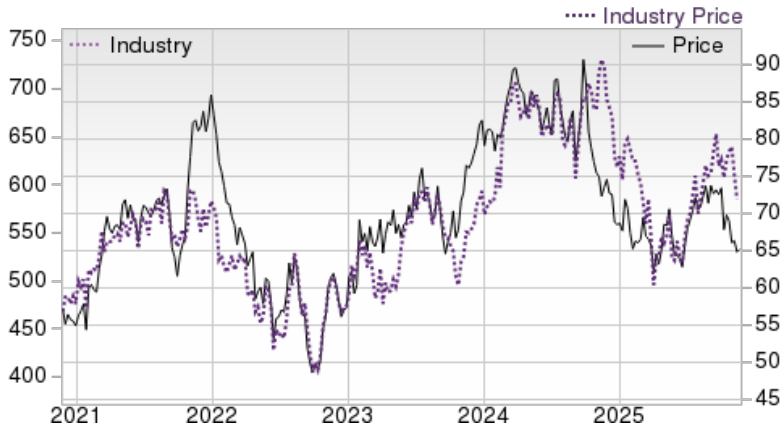
The table below shows summary valuation data for AOS

Valuation Multiples - AOS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	16.82	23	19.73	23.26
	5-Year High	29.07	25.51	22.86	23.59
	5-Year Low	13.34	14.65	13.22	15.72
	5-Year Median	19.29	21.07	18.09	21.2
P/Sales F12M	Current	2.41	3.95	3.95	5.33
	5-Year High	3.81	4.35	3.95	5.52
	5-Year Low	1.83	2.08	2.25	3.84
	5-Year Median	2.77	2.95	3.06	5.02

As of 10/14/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 12% (28 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Energysys (ENS)	Outperform	2
Zurn Elkay Water Sol...(ZWS)	Outperform	2
Emerson Electric Co. (EMR)	Neutral	3
Franklin Electric Co...(FELE)	Neutral	3
Plug Power, Inc. (PLUG)	Neutral	3
Roper Technologies, ...(ROP)	Neutral	3
Regal Rexnord Corpor...(RRX)	Underperform	4
ESCO Technologies In...(ESE)	NA	

Industry Comparison ⁽¹⁾ Industry: Manufacturing - Electronics				Industry Peers		
	AOS	X Industry	S&P 500	ENS	FELE	RRX
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	2	3	4
VGM Score	B	-	-	A	B	B
Market Cap	9.11 B	5.21 B	37.87 B	5.21 B	4.24 B	9.77 B
# of Analysts	6	3	22	3	3	4
Dividend Yield	2.20%	0.41%	1.49%	0.74%	1.11%	0.95%
Value Score	B	-	-	B	C	B
Cash/Price	0.02	0.12	0.04	0.08	0.02	0.04
EV/EBITDA	11.57	12.65	14.46	10.75	14.51	12.07
PEG Ratio	4.53	1.87	2.20	0.92	1.91	1.53
Price/Book (P/B)	4.94	3.63	3.32	2.83	3.21	1.44
Price/Cash Flow (P/CF)	15.06	20.06	14.79	10.88	18.40	8.60
P/E (F1)	17.24	24.41	20.09	13.73	22.89	15.30
Price/Sales (P/S)	2.38	2.44	3.03	1.40	2.01	1.66
Earnings Yield	5.79%	3.85%	4.96%	7.29%	4.37%	6.53%
Debt/Equity	0.09	0.10	0.57	0.63	0.10	0.71
Cash Flow (\$/share)	4.34	2.33	8.99	12.97	5.17	17.11
Growth Score	B	-	-	B	B	C
Hist. EPS Growth (3-5 yrs)	10.33%	15.22%	8.17%	24.50%	10.29%	5.43%
Proj. EPS Growth (F1/F0)	2.14%	12.01%	8.30%	1.28%	7.77%	5.48%
Curr. Cash Flow Growth	-4.03%	6.41%	7.10%	16.91%	-3.73%	-4.75%
Hist. Cash Flow Growth (3-5 yrs)	6.93%	9.18%	7.32%	9.31%	12.06%	25.25%
Current Ratio	1.54	1.54	1.18	2.77	2.54	2.05
Debt/Capital	8.29%	10.06%	38.16%	38.81%	9.39%	41.38%
Net Margin	13.85%	12.81%	12.77%	9.05%	6.71%	4.38%
Return on Equity	29.34%	22.48%	17.03%	22.48%	14.24%	9.64%
Sales/Assets	1.19	0.78	0.53	0.92	1.09	0.42
Proj. Sales Growth (F1/F0)	1.40%	4.42%	5.59%	4.00%	5.80%	-1.40%
Momentum Score	F	-	-	C	D	C
Daily Price Chg	2.04%	1.93%	0.91%	0.39%	2.86%	2.96%
1 Week Price Chg	0.56%	-2.58%	2.24%	0.45%	-0.06%	-0.03%
4 Week Price Chg	-2.14%	-3.28%	-1.81%	15.85%	-0.05%	1.69%
12 Week Price Chg	-7.06%	-0.91%	5.46%	37.99%	-1.46%	0.68%
52 Week Price Chg	-11.49%	1.30%	12.36%	45.63%	-11.88%	-14.43%
20 Day Average Volume	1,399,339	257,659	3,102,844	565,087	257,659	982,403
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-1.00%	0.69%	0.26%	5.33%	0.08%	-3.37%
(F1) EPS Est 12 week change	-0.96%	0.56%	0.60%	5.33%	0.56%	-3.12%
(Q1) EPS Est Mthly Chg	-9.07%	-0.57%	-0.11%	7.89%	-0.74%	-10.00%

Analyst Earnings Model⁽²⁾

A. O. Smith Corporation (AOS)

In \$MM, except per share data

	2022A	2023A	2024A	1QA	2QA	2025E	4QE	FY	1QE	2QE	2026E	4QE	FY	2027E
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	\$3,753.9	\$3,852.8	\$3,818.1	\$963.9	\$1,011.3	\$931.8	\$966.0	\$3,873.0	\$991.8	\$1,041.6	\$970.5	\$1,014.3	\$4,018.2	\$4,155.5
YoY % Chng	6.1%	2.6%	(0.9%)	(1.5%)	(1.3%)	3.2%	5.9%	1.4%	2.9%	3.0%	4.2%	5.0%	3.8%	3.4%
Cost of Products Sold	\$2,424.3	\$2,368.0	\$2,362.0	\$588.5	\$614.2	\$576.2	\$595.5	\$2,374.4	\$608.2	\$639.3	\$597.3	\$623.5	\$2,468.4	\$2,553.8
YoY % Chng	8.8%	(2.3%)	(0.3%)	(0.9%)	(2.2%)	1.9%	3.7%	0.5%	3.3%	4.1%	3.7%	4.7%	4.0%	3.5%
Gross Profit	\$1,329.6	\$1,484.8	\$1,456.1	\$375.4	\$397.1	\$355.6	\$370.5	\$1,498.6	\$383.7	\$402.2	\$373.2	\$390.8	\$1,549.9	\$1,601.7
YoY % Chng	1.4%	11.7%	(1.9%)	(2.4%)	0.3%	5.4%	9.6%	2.9%	2.2%	1.3%	5.0%	5.5%	3.4%	3.3%
Selling, General and Administrative Expenses	\$670.9	\$727.4	\$739.3	\$192.6	\$191.3	\$192.3	\$200.1	\$776.3	\$203.2	\$198.5	\$202.3	\$204.8	\$808.7	\$787.4
YoY % Chng	(4.3%)	8.4%	1.6%	0.2%	1.5%	8.9%	9.9%	5.0%	5.5%	3.7%	5.2%	2.3%	4.2%	(2.6%)
Impairment Expense, before Tax	\$0.0	\$18.8	\$17.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
YoY % Chng			(0)											
EBITDA	\$727.3	\$823.8	\$786.5	\$204.7	\$226.7	\$185.1	\$194.6	\$811.1	\$204.2	\$225.9	\$193.7	\$207.7	\$831.6	\$907.7
YoY % Chng	2.8%	13.3%	(4.5%)	(4.0%)	(0.6%)	3.8%	16.6%	3.1%	(0.2%)	(0.3%)	4.6%	6.8%	2.5%	9.2%
Depreciation & Amortization	\$76.9	\$78.3	\$78.8	\$20.7	\$20.5	\$19.9	\$18.9	\$80.0	\$20.5	\$21.3	\$19.9	\$20.6	\$82.3	\$84.9
YoY % Chng	(1.3%)	1.8%	0.6%	5.6%	4.6%	(2.0%)	(2.1%)	1.5%	(1.0%)	4.0%	0.1%	9.0%	2.9%	3.2%
Other Expense (Income), Net	\$425.6	(\$6.9)	(\$8.5)	(\$1.2)	(\$0.4)	(\$2.0)	(\$5.2)	(\$8.8)	(\$3.3)	(\$0.9)	(\$2.8)	(\$1.1)	(\$8.1)	(\$8.5)
YoY % Chng	2,186.3%	(101.6%)	(23.2%)	0.0%	55.6%	(177.3%)	41.9%	(4.0%)	(173.0%)	(112.8%)	(41.2%)	78.4%	8.4%	(5.0%)
Severance and Restructuring Expenses	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
YoY % Chng														
Operating Income	\$233.1	\$745.5	\$707.7	\$184.0	\$206.2	\$165.2	\$175.7	\$731.1	\$183.7	\$204.6	\$173.8	\$187.1	\$749.3	\$822.8
YoY % Chng	(63.0%)	219.8%	(5.1%)	(5.0%)	(1.1%)	4.5%	19.1%	3.3%	(0.1%)	(0.8%)	5.2%	6.5%	2.5%	9.8%
Interest Expense	\$9.4	\$12.0	\$6.7	\$2.9	\$4.6	\$4.2	\$5.5	\$17.1	\$4.4	\$5.0	\$4.7	\$5.0	\$19.0	\$19.9
YoY % Chng	118.6%	27.7%	(44.2%)	190.0%	155.6%	177.2%	127.9%	155.6%	51.2%	8.1%	12.7%	(8.7%)	11.1%	4.8%
Pre-Tax Income	\$223.7	\$733.5	\$701.0	\$181.1	\$201.6	\$161.1	\$170.2	\$714.0	\$179.4	\$199.6	\$169.1	\$182.1	\$730.2	\$802.8
YoY % Chng	(64.2%)	227.9%	(4.4%)	(6.0%)	(2.4%)	2.9%	17.3%	1.9%	(1.0%)	(1.0%)	5.0%	7.0%	2.3%	9.9%
Income Tax	(\$12.0)	\$176.9	\$167.4	\$44.5	\$49.4	\$38.7	\$40.8	\$173.4	\$43.0	\$47.9	\$40.6	\$43.7	\$175.3	\$192.7
YoY % Chng	(108.7%)	1,574.2%	(5.4%)	(1.3%)	(2.0%)	5.9%	15.4%	3.6%	(3.3%)	(3.0%)	5.0%	7.0%	1.1%	9.9%
Tax Rate	(5.4%)	24.1%	23.9%	24.6%	24.5%	24.0%	24.0%	24.3%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Net Income, Adjusted	\$488.7	\$574.8	\$548.0	\$136.6	\$152.2	\$122.4	\$129.3	\$540.6	\$136.3	\$151.7	\$128.5	\$138.4	\$555.0	\$610.1
YoY % Chng	2.4%	17.6%	(4.7%)	(7.5%)	(2.6%)	1.9%	4.2%	(1.4%)	(0.2%)	(0.3%)	5.0%	7.0%	2.7%	9.9%
Net Income, GAAP	\$235.7	\$556.6	\$533.6	\$136.6	\$152.2	\$122.4	\$129.3	\$540.6	\$136.3	\$151.7	\$128.5	\$138.4	\$555.0	\$610.1
YoY % Chng	(51.6%)	136.1%	(4.1%)	(7.5%)	(2.6%)	1.9%	17.9%	1.3%	(0.2%)	(0.3%)	5.0%	7.0%	2.7%	9.9%
Basic Shares Outstanding	154.8	150.0	146.0	143.6	141.6	140.6	139.6	141.4	137.7	137.7	136.7	135.7	137.2	133.2
YoY % Chng	(3.2%)	(3.1%)	(2.6%)	(2.4%)	(3.3%)	(3.4%)	(3.4%)	(3.2%)	(3.4%)	(2.8%)	(2.8%)	(2.8%)	(3.0%)	(2.9%)
Diluted Shares Outstanding	155.8	151.0	147.1	144.4	142.5	141.5	140.5	142.2	139.5	138.5	137.5	136.5	138.0	134.1
YoY % Chng	(3.4%)	(3.1%)	(2.6%)	(2.6%)	(3.5%)	(3.6%)	(3.6%)	(3.3%)	(3.4%)	(2.8%)	(2.8%)	(2.8%)	(3.0%)	(2.9%)
Basic EPS	\$1.52	\$3.71	\$3.65	\$0.95	\$1.07	\$0.87	\$0.93	\$3.82	\$0.98	\$1.10	\$0.94	\$1.02	\$4.05	\$4.58
YoY % Chng	(50.2%)	144.1%	(1.6%)	(5.0%)	0.0%	6.2%	21.9%	4.6%	3.5%	3.0%	8.0%	10.1%	6.0%	13.2%
Diluted EPS, Adjusted	\$3.14	\$3.81	\$3.73	\$0.95	\$1.07	\$0.87	\$0.92	\$3.81	\$0.98	\$1.10	\$0.93	\$1.01	\$4.02	\$4.55
YoY % Chng	6.1%	21.3%	(2.1%)	(5.0%)	0.9%	5.5%	8.3%	2.0%	2.9%	2.4%	8.0%	10.1%	5.6%	13.2%
Diluted EPS, GAAP	\$1.51	\$3.69	\$3.63	\$0.95	\$1.07	\$0.87	\$0.92	\$3.81	\$0.98	\$1.10	\$0.93	\$1.01	\$4.02	\$4.55
YoY % Chng	(50.0%)	144.4%	(1.6%)	(5.0%)	0.9%	5.5%	22.7%	4.8%	2.9%	2.4%	8.0%	10.1%	5.6%	13.2%
Dividend per Share	\$1.14	\$1.22	\$1.30	\$0.34	\$0.34	\$0.34	\$0.36	\$1.38	\$0.36	\$0.36	\$0.36	\$0.38	\$1.46	\$1.54
YoY % Chng	7.5%	7.0%	6.6%	6.3%	6.3%	6.3%	5.9%	6.2%	5.9%	5.9%	5.9%	5.6%	5.8%	5.5%

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.

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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	B
Growth Score	B
Momentum Score	F
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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