

Broadcom Inc. (AVGO)

\$332.48 (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$367.00**

Long Term: 6-12 Months	Zacks Recommendation:	Neutral
	(Since: 05/26/25)	
	Prior Recommendation:	Outperform
Short Term: 1-3 Months	Zacks Rank: (1-5)	3-Hold
	Zacks Style Scores:	VGM: C
	Value: D	Growth: B
		Momentum: A

Summary

Broadcom is experiencing strong momentum fueled by growth in AI semiconductors and continued success with its VMware integration. Strong demand for its networking products and custom AI accelerators (XPUs) has been noteworthy. Its AI segment benefits from custom accelerators and advanced networking technology that supports large-scale AI deployments with improved performance and efficiency. Broadcom expects first-quarter fiscal 2026 AI revenues to double to \$8.2 billion. AVGO's networking portfolio is gaining from strong demand for Tomahawk 6 products, as well as the Jericho 4 Ethernet fabric router. The acquisition of VMware has benefited Infrastructure software solutions. A rich partner base is a key catalyst. However, gross margin in the fiscal first quarter is expected to contract sequentially. High debt level is a headwind.

Data Overview

52 Week High-Low	\$414.61 - \$138.10
20 Day Average Volume (sh)	39,669,736
Market Cap	\$1,628.6 B
YTD Price Change	-0.8%
Beta	1.21
Dividend / Div Yld	\$2.60 / 0.8%
Industry	Electronics - Semiconductors
Zacks Industry Rank	Top 38% (93 out of 244)

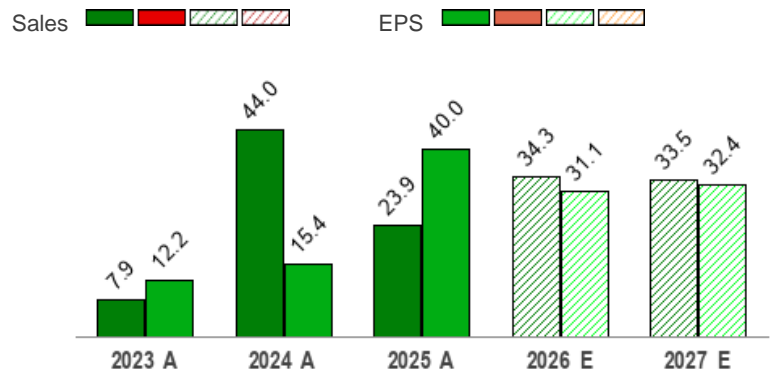
Last EPS Surprise	4.3%
Last Sales Surprise	2.9%
EPS F1 Est- 4 week change	7.7%
Expected Report Date	03/05/2026
Earnings ESP	0.0%

P/E TTM	50.4
P/E F1	37.2
PEG F1	1.2
P/S TTM	25.5

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	26,012 E	26,776 E	30,178 E	31,538 E	114,503 E
2026	19,150 E	20,022 E	22,346 E	24,276 E	85,795 E
2025	14,916 A	15,004 A	15,952 A	18,015 A	63,887 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	2.72 E	2.79 E	3.12 E	3.21 E	11.84 E
2026	1.97 E	2.08 E	2.37 E	2.52 E	8.94 E
2025	1.60 A	1.58 A	1.69 A	1.95 A	6.82 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/08/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/31/2025.

Overview

Broadcom is a premier designer, developer and global supplier of a broad range of semiconductor devices with a focus on complex digital and mixed signal complementary metal oxide semiconductor (CMOS) based devices and analog III-V based products.

Headquartered in San Jose, CA, Broadcom's semiconductor solutions are used in end products such as enterprise and data center networking, home connectivity, set-top boxes, broadband access, telecommunication equipment, smartphones and base stations, data center servers and storage systems, factory automation, power generation and alternative energy systems, and electronic displays.

Broadcom's infrastructure software solutions enable customers to plan, develop, automate, manage, and secure applications across mainframe, distributed, mobile, and cloud platforms. The company's Symantec cyber security solutions portfolio, include endpoint, network, information and identity security solutions.

Broadcom also offer mission critical fibre channel storage area networking ("FC SAN") products and related software in the form of modules, switches and subsystems incorporating multiple semiconductor products.

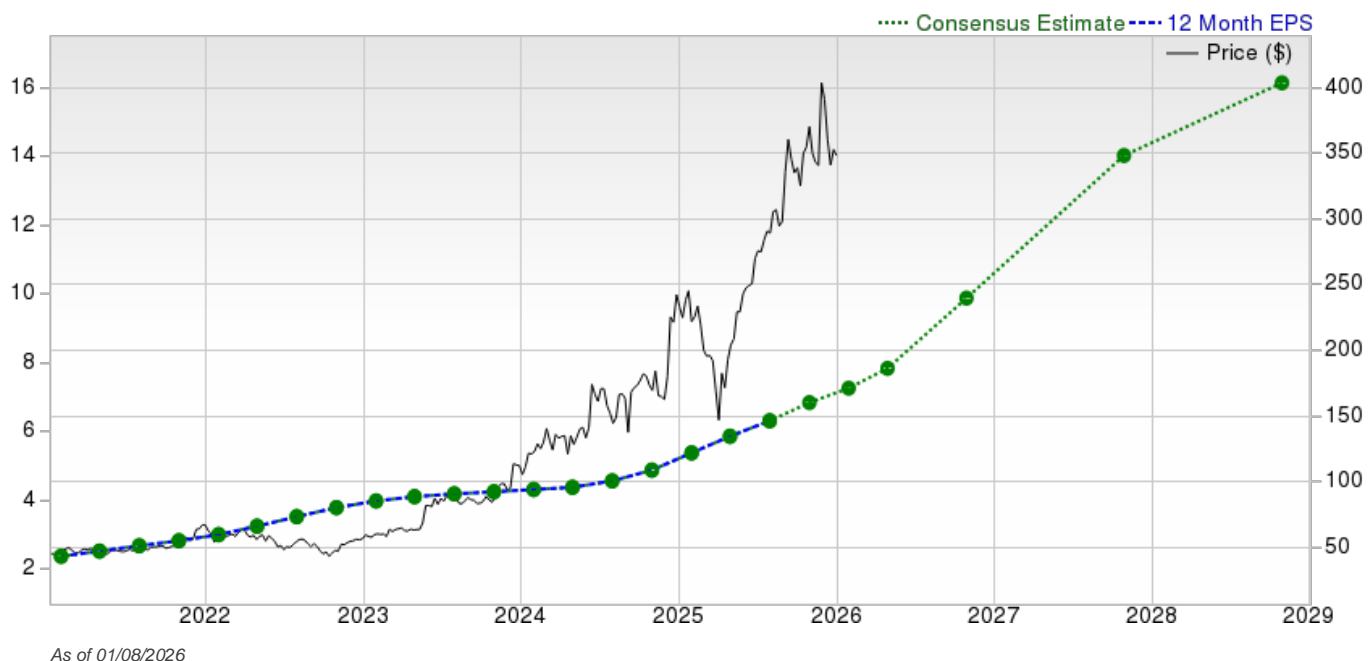
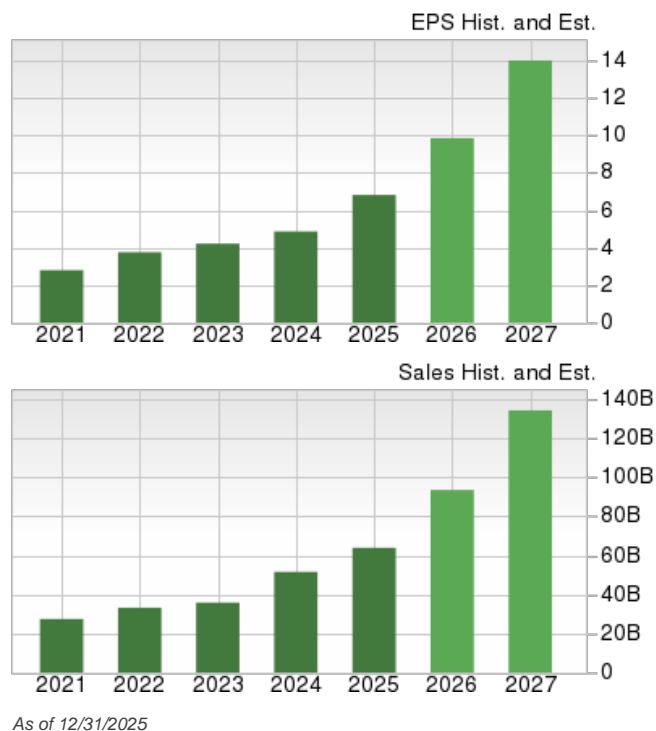
Broadcom has been aggressively pursuing strategic acquisitions to diversify end markets beyond semiconductors and has been looking to strengthen presence in the infrastructure software vertical particularly.

Broadcom reported revenues of \$63.89 billion in fiscal 2025. The company has two reporting segments: Semiconductor solutions and Infrastructure software.

Semiconductor solutions accounted for 58% of fiscal 2025 revenues. Apart from Broadcom's semiconductor solution product lines this segment includes IP licensing business.

Infrastructure software solutions accounted for 42% of fiscal 2025 revenues. The segment includes mainframe, BizOps, cyber security software solutions, and FC SAN businesses.

Broadcom faces stiff competition from Analog Devices, Cisco, Finisar, GlobalFoundries, Intel, Lumentum, MACOM, Marvell, Mediatek, NXP Semiconductors, Qorvo, Qualcomm, ON Semiconductor, Skyworks, Toshiba and Texas Instruments in the semiconductor solutions market.



Reasons To Buy:

- ▲ The Semiconductor Industry serves as a driver, enabler and indicator of technological progress. The Internet of Things (IoT) is creating newer avenues and is largely believed to be the next semiconductor growth opportunity with the potential for billions of connected devices. Broadcom's strong relationships with leading OEMs across multiple target markets have helped it to gain key insights into the requirements of customers. This insight has helped the company to be more efficient and productive in better serving the target markets and customers. In addition, the company maintains an efficient global supply chain with a variable, low-cost operating model.
- ▲ The company is benefiting from strong demand for its networking products and custom AI accelerators (XPU). In fiscal 2025, AI revenues jumped 20% over fiscal 2024 to \$20 billion. XPU are necessary to train Generative AI (GenAI) models, and they require complex integration of compute, memory, and I/O capabilities to achieve the necessary performance at lower power consumption and cost. Its next-generation XPU are in 3 nanometers and will be the first of its kind to market in that process node. The company sees massive opportunities in the AI space as specific hyperscalers have started to develop their own XPU. It believes by 2027 each of Broadcom's three hyperscalers plans to deploy 1 million XPU clusters across a single fabric. Serviceable Addressable Market for XPU and network are expected between \$60 billion and \$90 billion in fiscal 2027 alone.
- ▲ Acquisitions, over time, have been Broadcom's most favored mode for penetrating unexplored markets. Acquisitions of CA and Symantec's enterprise security business has expanded its addressable market. The acquisition of LSI Corporation helped the company to diversify its existing business line from wired infrastructure, wireless and industrial businesses into the storage chip market. The addition of Brocade enabled the company to further penetrate the FC SAN market and garner competitive prowess. The acquisition of VMware has benefited Infrastructure software solutions. Since closing the acquisition, AVGO added more than 70% of its largest 10,000 customers to VMware Cloud Foundation, which enables enterprises to deploy private cloud environments on-prem.
- ▲ Broadcom generates significant cash flow that enables it to pay out consistent dividend. The company is committed to returning half of the normalized free cash flow generated in the previous year to shareholders as cash dividends. As part of this strategy, Broadcom increased its quarterly cash dividend in the fourth quarter of fiscal 2025 to 65 cents per share, up 10%. The company generated free cash flow of \$26.91 billion in fiscal 2025. The company spent \$2.45 billion on share repurchases under its April 2025 plan and \$11.14 billion on dividends. Due to strong and relatively stable cash flow, we believe that the dividend payout is sustainable which makes the stock quite attractive.

Broadcom is a leading player in the semiconductor market based on its expanding product portfolio, multiple target markets, accretive acquisitions and strong cash flow.

Reasons To Sell:

- ▼ Broadcom operates in a highly competitive market. The company faces significant competition in most of its operating markets that negatively impacts top-line growth. Pricing pressure also keeps margin under pressure. In the FBAR technology market, the company faces significant competition from Skyworks surface acoustic wave (SAW) filters. Well-established companies like Cavium, Intel are its competitors in the wired infrastructure market. The acquisition of Brocade makes it a direct competitor of Cisco, a well-known name in the FC SAN market. We expect intensifying competition to keep profitability under pressure at least in the near-term.
- ▼ A significant portion of Broadcom's revenue comes from a handful of customers. Top five end customers accounted for roughly 40% of the company's top-line in fiscal 2025. Loss of any of these top five customers can significantly hurt top-line growth, which doesn't bode well for the investors.
- ▼ Broadcom's frequent acquisitions have escalated integration risks. We note that the large acquisitions negatively impacted the company's balance sheet in the form of high level of goodwill and intangible assets, which totaled \$130 billion or 76% of total assets as of Nov. 2, 2025.
- ▼ Acquisitions have negatively impacted Broadcom's balance sheet, as high indebtedness adds to the risk of investing in the company. As of Nov. 2, 2025, cash and cash equivalents were \$16.18 billion compared with total debt (including the current portion of \$3.15 billion) was \$65.14 billion. Although the company generates significant cash flow, the high debt level can jeopardize its ability to pursue accretive acquisitions and sustain dividend payout.

Customer concentration, intensifying competition, integration risks due to frequent acquisitions and leverage balance sheet are key headwinds.

Last Earnings Report

Broadcom Q4 Earnings Beat Estimates, Revenues Up Y/Y

Broadcom reported fourth-quarter fiscal 2025 non-GAAP earnings of \$1.95 per share, beating the Zacks Consensus Estimate by 4.3% and jumping 37.3% year over year.

Revenues rallied 28.2% year over year to \$18.02 billion and beat the Zacks Consensus Estimate by 2.94%.

AVGO's Q4 Details

Semiconductor solutions revenues (61.5% of net revenues) totaled \$11.07 billion, up 35% year over year. The uptick was driven by the strong AI revenues, which surged 74% year over year. Infrastructure software revenues (38.5% of net revenues) soared 19% year over year to \$6.94 billion.

The non-GAAP gross margin was 78% up 100 basis points (bps) year over year.

Research and development expenses, as a percentage of net revenues, decreased 150 bps year over year to 8.5%. SG&A expenses, as a percentage of net revenues, decreased 100 bps to 3.3%.

Adjusted EBITDA rose 34% year over year to \$12.22 billion. The adjusted EBITDA margin was 67.8% up 310 bps year over year.

The non-GAAP operating margin expanded 350 bps year over year to 66.2%.

AVGO's Balance Sheet & Cash Flow

As of Nov. 2, 2025, cash and cash equivalents were \$16.18 billion compared with \$10.72 billion as of Aug. 3, 2025.

Total debt (including the current portion of \$3.15 billion) was \$65.14 billion as of Aug. 3, 2025, compared with \$64.23 billion as of Aug. 3, 2025.

Broadcom generated \$7.70 billion in cash flow from operations compared with \$7.17 billion in the previous quarter. The free cash flow was \$7.47 billion compared with \$7.02 billion in the prior quarter.

On Sept. 30, 2025, AVGO paid a cash dividend of 59 cents per share, totaling \$2.80 billion. The company raised its quarterly dividend payout by 10% to 65 cents per share.

AVGO Offers Solid Q1 Guidance

For the first quarter of fiscal 2026, Broadcom expects revenues of \$19.1 billion. AI revenues are expected to double year over year to \$8.2 billion, driven by strong demand for custom AI accelerators and Ethernet AI switches.

The adjusted EBITDA margin is expected to be 67% for the first quarter of fiscal 2026.

FY Quarter Ending **10/31/2025**

Earnings Reporting Date	Dec 11, 2025
Sales Surprise	2.94%
EPS Surprise	4.28%
Quarterly EPS	1.95
Annual EPS (TTM)	6.82

Recent News

On Dec. 2, Broadcom and ING announced the expansion of their collaboration to update ING's private cloud infrastructure.

On Nov. 19, Broadcom announced the availability of the Brocade X8 Directors and Brocade G820 56-port switch, the industry's first 128G Fibre Channel platforms designed for mission-critical workloads and enterprise AI applications.

On Nov. 18, Broadcom announced plans to expand its strategic partnership with NEC to adopt a modern private cloud utilizing VMware Cloud Foundation.

On Oct. 14, Broadcom announced the industry's first Wi-Fi 8 silicon solutions for the broadband wireless edge ecosystem including residential gateways, enterprise access points, and smart mobile clients. AVGO also introduced Thor Ultra, the industry's first 800G AI Ethernet Network Interface Card (NIC), which is capable of interconnecting hundreds of thousands of XPU's to drive trillion-parameter AI workloads.

On Oct. 13, Broadcom and OpenAI announced a collaboration for 10 gigawatts of custom AI accelerators. These accelerators and related systems will be designed by OpenAI while development and deployment will be done by Broadcom.

On Oct. 8, Broadcom announced that Tomahawk 6 – Davisson (TH6-Davisson), the company's third-generation Co-Packaged Optics (CPO) Ethernet switch, is now being shipped. TH6-Davisson is specifically designed for the accelerating demands of AI networking, as it delivers an unprecedented 102.4 terabits per second of optically enabled switching capacity.

On Sept. 17, Broadcom and Lloyds Banking Group announced a significant expansion of their long-standing partnership through a new multi-year agreement. Lloyds Banking Group is set to deepen its use of Broadcom's infrastructure software portfolio, including VMware Cloud Foundation and mainframe solutions, to enhance the resilience, agility and scalability of its technology estate.

Valuation

Broadcom shares are up 32.1% in the past six-month period and 50.9% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 27.8% while those in the Zacks Computer & Technology sector are up 20.9% in the past six-month period. In the past year, stocks in the Zacks sub-industry and the sector are up 41% and 27.4%, respectively.

The S&P 500 is up 14.3% in the in the past six-month period and 19.7% in the past year.

The stock is currently trading at 33.78X forward 12-month earnings compared with 34.14X for the Zacks sub-industry, 27.87X for the Zacks sector and 23.35X for the S&P 500 index.

Over the past five years, the stock has traded as high as 66.74X and as low as 11.48X, with a 5-year median of 21.12X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$367 price target reflects 35.47X forward 12-month earnings.

The table below shows summary valuation data for AVGO

Valuation Multiples - AVGO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	33.78	34.14	27.87	23.35
	5-Year High	66.74	39.8	29.96	23.8
	5-Year Low	11.48	11.13	18.7	15.74
	5-Year Median	21.12	20.27	26.62	21.23
P/S F12M	Current	16.78	6.48	6.6	5.29
	5-Year High	26.95	9.84	7.38	5.49
	5-Year Low	4.95	3.52	4.23	3.82
	5-Year Median	9.12	5.88	6.27	5.04
EV/EBITDA TTM	Current	44.18	24.56	19.63	18.8
	5-Year High	51.93	27.99	23.62	22.34
	5-Year Low	9.12	8.09	11.99	13.86
	5-Year Median	16.18	15.79	18.31	17.93

As of 12/30/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 38% (93 out of 244)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Advanced Micro Devic...(AMD)	Neutral	3
Amkor Technology, In...(AMKR)	Neutral	3
Diodes Incorporated (DIOD)	Neutral	3
Infineon Technologie...(IFNNY)	Neutral	3
Texas Instruments In...(TXN)	Neutral	2
United Microelectron...(UMC)	Neutral	3
ASE Technology Holdi...(ASX)	Underperform	4
GlobalFoundries Inc. (GFS)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Electronics - Semiconductors

	AVGO	X Industry	S&P 500	AMD	ASX	IFNNY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	5	3
VGM Score	C	-	-	B	B	C
Market Cap	1,628.63 B	1.36 B	40.07 B	341.92 B	39.08 B	63.95 B
# of Analysts	13	3	22	17	1	4
Dividend Yield	0.76%	0.00%	1.38%	0.00%	1.48%	0.50%
Value Score	D	-	-	D	C	C
Cash/Price	0.01	0.12	0.04	0.02	0.07	0.04
EV/EBITDA	48.24	11.49	14.89	64.10	13.20	17.54
PEG Ratio	1.17	1.94	2.04	0.78	0.72	1.05
Price/Book (P/B)	20.03	3.96	3.41	5.62	3.45	3.39
Price/Cash Flow (P/CF)	44.59	20.83	15.44	45.47	13.72	15.48
P/E (F1)	37.19	34.84	18.58	33.56	20.25	26.98
Price/Sales (P/S)	25.49	6.16	3.06	10.68	1.95	4.01
Earnings Yield	2.87%	1.86%	5.38%	2.98%	4.94%	3.72%
Debt/Equity	0.76	0.03	0.57	0.04	0.64	0.36
Cash Flow (\$/share)	7.70	0.48	8.98	4.62	1.28	3.16
Growth Score	B	-	-	B	B	C
Hist. EPS Growth (3-5 yrs)	20.23%	-2.58%	8.24%	8.16%	-10.81%	11.96%
Proj. EPS Growth (F1/F0)	31.09%	25.02%	9.21%	19.64%	35.56%	18.18%
Curr. Cash Flow Growth	30.10%	-5.63%	7.00%	10.35%	-2.78%	-11.50%
Hist. Cash Flow Growth (3-5 yrs)	18.95%	10.40%	7.49%	54.62%	4.83%	17.77%
Current Ratio	1.71	2.82	1.19	2.31	1.13	1.70
Debt/Capital	43.26%	11.51%	38.14%	3.72%	39.20%	26.31%
Net Margin	36.20%	-2.63%	12.77%	10.32%	5.61%	7.57%
Return on Equity	37.45%	2.90%	17.03%	8.04%	10.67%	10.87%
Sales/Assets	0.38	0.50	0.53	0.44	0.81	0.50
Proj. Sales Growth (F1/F0)	34.30%	10.51%	5.29%	31.60%	NA	12.30%
Momentum Score	A	-	-	A	A	D
Daily Price Chg	-0.08%	-0.77%	-0.34%	-2.02%	0.69%	0.00%
1 Week Price Chg	-1.28%	1.60%	1.10%	3.94%	7.25%	3.20%
4 Week Price Chg	-16.82%	3.29%	0.50%	-5.15%	7.24%	13.44%
12 Week Price Chg	-2.23%	-2.01%	3.75%	-11.98%	47.69%	29.65%
52 Week Price Chg	49.80%	5.37%	16.94%	72.37%	63.76%	45.57%
20 Day Average Volume	39,669,736	526,487	2,431,070	24,982,788	6,052,494	167,855
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.97%
(F1) EPS Est 4 week change	7.73%	0.00%	0.00%	0.01%	0.00%	0.97%
(F1) EPS Est 12 week change	9.60%	2.68%	0.44%	5.31%	-10.31%	-10.42%
(Q1) EPS Est Mthly Chg	5.89%	0.00%	0.00%	0.00%	NA	NA

Analyst Earnings Model⁽²⁾

Broadcom Inc. (AVGO)

In \$MM, except per share data

	2023A	2024A	2025A				2026E				2027E	2028E		
	FY	FY	1QA	2QA	3QA	4QA	FY	1QE	2QE	3QE	4QE	FY	FY	
FY Ends October 31st	Oct-23	Nov-24	2-Feb-25	4-May-25	3-Aug-25	2-Nov-25	Nov-25	1-Feb-26	3-May-26	2-Aug-26	1-Nov-26	Nov-26	Oct-27	Oct-28
Income Statement														
Total Revenue	\$35,819.0	\$51,574.0	\$14,916.0	\$15,004.0	\$15,952.0	\$18,015.0	\$63,887.0	\$19,150.4	\$20,021.8	\$22,346.1	\$24,276.3	\$85,794.6	\$114,503.2	\$161,166.6
Cost of Revenue, Adjusted	\$9,062.0	\$12,115.0	\$3,120.0	\$3,093.0	\$3,453.0	\$3,976.0	\$13,642.0	\$4,416.5	\$4,374.4	\$4,951.2	\$5,652.6	\$19,394.7	\$29,256.3	\$54,505.5
Cost of Revenue, GAAP	\$11,129.0	\$19,065.0	\$4,771.0	\$4,807.0	\$5,249.0	\$5,766.0	\$20,593.0	\$6,508.1	\$6,553.8	\$7,353.5	\$8,231.6	\$28,646.9	\$41,569.0	\$71,823.7
Gross Profit, Adjusted	\$26,757.0	\$39,459.0	\$11,796.0	\$11,911.0	\$12,499.0	\$14,039.0	\$50,245.0	\$14,733.9	\$15,647.4	\$17,394.9	\$18,623.7	\$66,399.9	\$85,246.9	\$106,661.1
Gross Profit, GAAP	\$24,690.0	\$32,509.0	\$10,145.0	\$10,197.0	\$10,703.0	\$12,249.0	\$43,294.0	\$12,642.4	\$13,468.0	\$14,992.6	\$16,044.8	\$57,147.7	\$72,934.2	\$89,342.9
Research and Development, Adjusted	\$3,740.0	\$5,847.0	\$1,431.0	\$1,524.0	\$1,477.0	\$1,525.0	\$5,957.0	\$1,602.7	\$1,814.5	\$1,740.5	\$2,044.4	\$7,202.1	\$9,577.5	\$17,594.2
Research and Development, GAAP	\$5,253.0	\$9,310.0	\$2,253.0	\$2,693.0	\$3,050.0	\$2,981.0	\$10,977.0	\$3,098.6	\$3,493.6	\$3,647.8	\$4,036.0	\$14,275.9	\$19,075.9	\$30,972.0
Selling, General and Administrative, Adjusted	\$892.0	\$2,876.0	\$537.0	\$594.0	\$567.0	\$593.0	\$2,291.0	\$593.9	\$596.0	\$610.3	\$613.0	\$2,413.2	\$2,481.0	\$2,761.3
Selling, General and Administrative, GAAP	\$1,592.0	\$4,959.0	\$949.0	\$1,083.0	\$1,072.0	\$1,107.0	\$4,211.0	\$1,170.3	\$1,211.0	\$1,286.3	\$1,338.9	\$5,006.6	\$5,939.7	\$7,627.6
Amortization of Acquisition-Related Intangible Assets	\$1,394.0	\$3,244.0	\$511.0	\$506.0	\$507.0	\$507.0	\$2,031.0	\$612.4	\$628.8	\$688.9	\$742.6	\$2,672.7	\$3,549.7	\$4,991.2
Restructuring, Impairment and Disposal Charges	\$244.0	\$1,533.0	\$172.0	\$86.0	\$187.0	\$146.0	\$591.0	\$177.6	\$174.3	\$211.2	\$215.7	\$778.8	\$1,037.6	\$1,460.0
Total Operating Expenses, Adjusted	\$4,632.0	\$8,723.0	\$1,968.0	\$2,118.0	\$2,044.0	\$2,118.0	\$8,248.0	\$2,196.6	\$2,410.5	\$2,350.8	\$2,657.4	\$9,615.2	\$12,058.5	\$20,355.6
Total Operating Expenses, GAAP	\$8,483.0	\$19,046.0	\$3,885.0	\$4,368.0	\$4,816.0	\$4,741.0	\$17,810.0	\$5,058.8	\$5,507.8	\$5,834.2	\$6,333.1	\$22,734.0	\$29,603.0	\$45,050.9
Adjusted EBITDA	\$23,213.0	\$31,897.0	\$10,083.0	\$10,001.0	\$10,702.0	\$12,218.0	\$43,004.0	\$12,838.6	\$13,545.1	\$15,396.6	\$16,351.0	\$58,131.3	\$74,987.5	\$88,839.1
EBITDA, GAAP	\$16,709.0	\$14,056.0	\$6,402.0	\$5,971.0	\$6,029.0	\$7,656.0	\$26,058.0	\$7,756.3	\$8,138.4	\$9,354.2	\$9,923.5	\$35,172.4	\$44,340.0	\$45,710.8
Stock-Based Compensation Expense	\$2,171.0	\$5,670.0	\$1,280.0	\$1,771.0	\$2,322.0	\$2,195.0	\$7,568.0	\$2,256.2	\$2,519.0	\$2,854.9	\$2,993.4	\$10,623.5	\$14,258.1	\$20,080.7
Depreciation	\$502.0	\$593.0	\$142.0	\$142.0	\$142.0	\$148.0	\$574.0	\$172.8	\$178.2	\$195.8	\$211.8	\$758.7	\$1,008.7	\$1,418.7
Amortization of Purchased Intangibles & Right-of-use Assets	\$86.0	\$150.0	\$37.0	\$35.0	\$34.0	\$33.0	\$139.0	\$42.0	\$42.5	\$46.3	\$49.9	\$180.6	\$239.4	\$336.4
Operating Income, Adjusted	\$22,125.0	\$30,736.0	\$9,828.0	\$9,793.0	\$10,455.0	\$11,921.0	\$41,997.0	\$12,537.4	\$13,236.9	\$15,044.1	\$15,966.3	\$56,784.7	\$73,188.4	\$86,305.5
Operating Income, GAAP	\$16,207.0	\$13,463.0	\$6,260.0	\$5,829.0	\$5,887.0	\$7,508.0	\$25,484.0	\$7,583.5	\$7,960.2	\$9,158.4	\$9,711.6	\$34,413.8	\$43,331.2	\$44,292.0
Interest Expense, Adjusted	\$1,622.0	\$3,796.0	\$808.0	\$769.0	\$754.0	\$741.0	\$3,072.0	\$927.9	\$941.6	\$1,027.3	\$1,108.1	\$4,004.9	\$5,310.0	\$7,464.1
Interest Expense, GAAP	\$1,622.0	\$3,953.0	\$873.0	\$769.0	\$807.0	\$761.0	\$3,210.0	\$970.0	\$974.8	\$1,073.6	\$1,150.8	\$4,169.2	\$5,525.6	\$7,766.7
Other (Income) Expense, Net, Adjusted	(\$500.0)	(\$418.0)	(\$76.0)	(\$31.0)	(\$71.0)	(\$116.0)	(\$294.0)	(\$86.4)	(\$87.4)	(\$110.4)	(\$123.0)	(\$407.3)	(\$551.1)	(\$778.4)
Other (Income) Expense, Net, GAAP	(\$512.0)	(\$406.0)	(\$103.0)	(\$25.0)	(\$205.0)	(\$122.0)	(\$455.0)	(\$135.0)	(\$141.8)	(\$188.6)	(\$178.1)	(\$643.5)	(\$867.6)	(\$1,222.9)
Pre-Tax Income, Adjusted	\$21,003.0	\$27,358.0	\$9,096.0	\$9,055.0	\$9,772.0	\$11,296.0	\$39,219.0	\$11,695.8	\$12,382.8	\$14,127.3	\$14,981.2	\$53,187.1	\$68,429.4	\$79,619.9
Pre-Tax Income, GAAP	\$15,097.0	\$9,916.0	\$5,490.0	\$5,085.0	\$5,285.0	\$6,869.0	\$22,729.0	\$6,748.5	\$7,127.3	\$8,273.4	\$8,738.9	\$30,888.1	\$38,673.2	\$37,748.2
Income Tax, Adjusted	\$2,625.0	\$3,625.0	\$1,273.0	\$1,268.0	\$1,368.0	\$1,582.0	\$5,491.0	\$1,929.8	\$2,043.2	\$2,331.0	\$2,471.9	\$8,775.9	\$9,580.1	\$11,146.8
Income Tax, GAAP	\$1,015.0	\$3,748.0	(\$13.0)	\$120.0	\$1,145.0	(\$1,649.0)	(\$397.0)	\$539.9	\$570.2	\$661.9	\$699.1	\$2,471.0	\$3,093.9	\$3,019.9
Tax Rate, Adjusted	12.5%	13.3%	14.0%	14.0%	14.0%	14.0%	14.0%	16.5%	16.5%	16.5%	16.5%	16.5%	14.0%	14.0%
Tax Rate, GAAP	6.7%	37.8%	(0.2%)	2.4%	21.7%	(24.0%)	(1.7%)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Net Income, Adjusted	\$18,378.0	\$23,733.0	\$7,823.0	\$7,787.0	\$8,404.0	\$9,714.0	\$33,728.0	\$9,766.0	\$10,339.6	\$11,796.3	\$12,509.3	\$44,411.2	\$58,849.3	\$68,473.1
Net Income, GAAP	\$14,082.0	\$6,168.0	\$5,503.0	\$4,965.0	\$4,140.0	\$8,518.0	\$23,126.0	\$6,208.6	\$6,557.1	\$7,611.6	\$8,039.8	\$28,417.0	\$35,579.3	\$34,728.4
Income from Discontinued Operations, Net of Income Taxes	\$0.0	\$273.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income Attributable to Common Stock	\$14,082.0	\$5,895.0	\$5,503.0	\$4,965.0	\$4,140.0	\$8,518.0	\$23,126.0	\$6,208.6	\$6,557.1	\$7,611.6	\$8,039.8	\$28,417.0	\$35,579.3	\$34,728.4
Basic Shares Outstanding	4,150.0	4,624.0	4,695.0	4,707.0	4,714.0	4,732.0	4,712.0	4,732.0	4,732.0	4,732.0	4,732.0	4,732.0	4,732.0	4,732.0
Diluted Shares Outstanding, Adjusted	4,350.0	4,877.0	4,895.0	4,937.0	4,972.0	4,969.0	4,943.0	4,969.0	4,969.0	4,969.0	4,969.0	4,969.0	4,969.0	4,969.0
Diluted Shares Outstanding, GAAP	4,270.0	4,778.0	4,836.0	4,826.0	4,860.0	4,889.0	4,853.0	4,902.0	4,902.0	4,902.0	4,902.0	4,902.0	4,902.0	4,902.0
Basic EPS	\$3.39	\$1.27	\$1.17	\$1.05	\$0.88	\$1.80	\$4.91	\$1.31	\$1.39	\$1.61	\$1.70	\$6.01	\$7.52	\$7.34
Diluted EPS, Adjusted	\$4.23	\$4.87	\$1.60	\$1.58	\$1.69	\$1.95	\$6.82	\$1.97	\$2.08	\$2.37	\$2.52	\$8.94	\$11.84	\$13.78
Diluted EPS, GAAP	\$3.30	\$1.23	\$1.14	\$1.03	\$0.85	\$1.74	\$4.77	\$1.27	\$1.34	\$1.55	\$1.64	\$5.80	\$7.26	\$7.08
Dividend Per Share	\$1.84	\$2.11	\$0.59	\$0.59	\$0.59	\$0.59	\$2.36	\$0.65	\$0.65	\$0.65	\$0.65	\$2.60	\$2.86	\$3.12

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	C

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.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.