

## Acuity Brands, Inc. (AYI)

**\$361.07** (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$393.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 11/18/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**4-Sell**

Zacks Style Scores:

VGM: A

Value: C

Growth: A

Momentum: A

### Summary

Shares of Acuity have outperformed the industry in the past six months. The company is benefiting from solid performances across the Acuity Intelligent Spaces and Acuity Brands Lighting segments, complemented by strategic acquisitions, disciplined cost control and operational excellence. Additionally, the company's diverse portfolio of innovative lighting and energy-efficient solutions—enhanced by the QSC integration—has contributed to meaningful margin expansion. Acuity is also advancing productivity initiatives and diversifying its supply chain to improve efficiency and sustain profitability. However, tariff-related cost pressures and ongoing macroeconomic uncertainties continue to pose challenges. Earnings estimates for 2026 have remained unchanged over the past 30 days, limiting the upside potential of the stock.

### Data Overview

52 Week High-Low	\$379.17 - \$216.81
20 Day Average Volume (sh)	233,015
Market Cap	\$11.2 B
YTD Price Change	24.8%
Beta	1.49
Dividend / Div Yld	\$0.68 / 0.2%
Industry	<a href="#">Technology Services</a>
Zacks Industry Rank	Top 34% (83 out of 243)

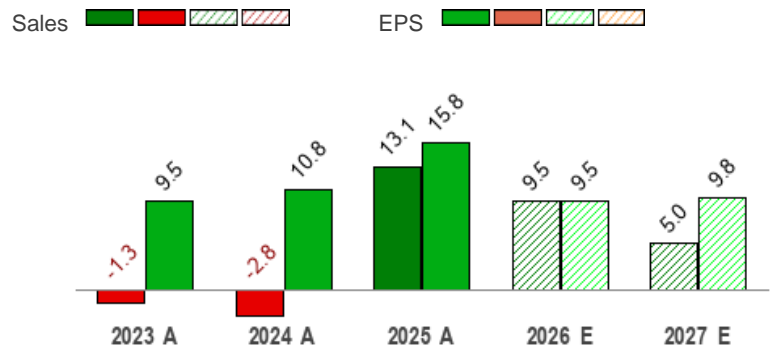
Last EPS Surprise	10.6%
Last Sales Surprise	-0.3%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/08/2026
Earnings ESP	0.0%

P/E TTM	20.2
P/E F1	18.3
PEG F1	1.9
P/S TTM	2.6

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	1,195 E	1,163 E	1,297 E	1,343 E	4,999 E
2026	1,135 E	1,116 E	1,232 E	1,275 E	4,759 E
2025	952 A	1,006 A	1,179 A	1,209 A	4,346 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	5.16 E	5.05 E	5.74 E	5.71 E	21.66 E
2026	4.46 E	4.28 E	5.41 E	5.57 E	19.72 E
2025	3.97 A	3.73 A	5.12 A	5.20 A	18.01 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/15/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/05/2025.

## Overview

Headquartered in Atlanta, GA, Acuity, Inc. is the parent company of Acuity Brands Lighting, Inc. and other subsidiaries. The company manufactures and distributes lighting fixtures and related components that comprise devices such as luminaires, lighting controls, and controllers for various building systems, power supplies, prismatic skylights, and drivers, as well as integrated systems designed to optimize energy efficiency and comfort for various indoor and outdoor applications.

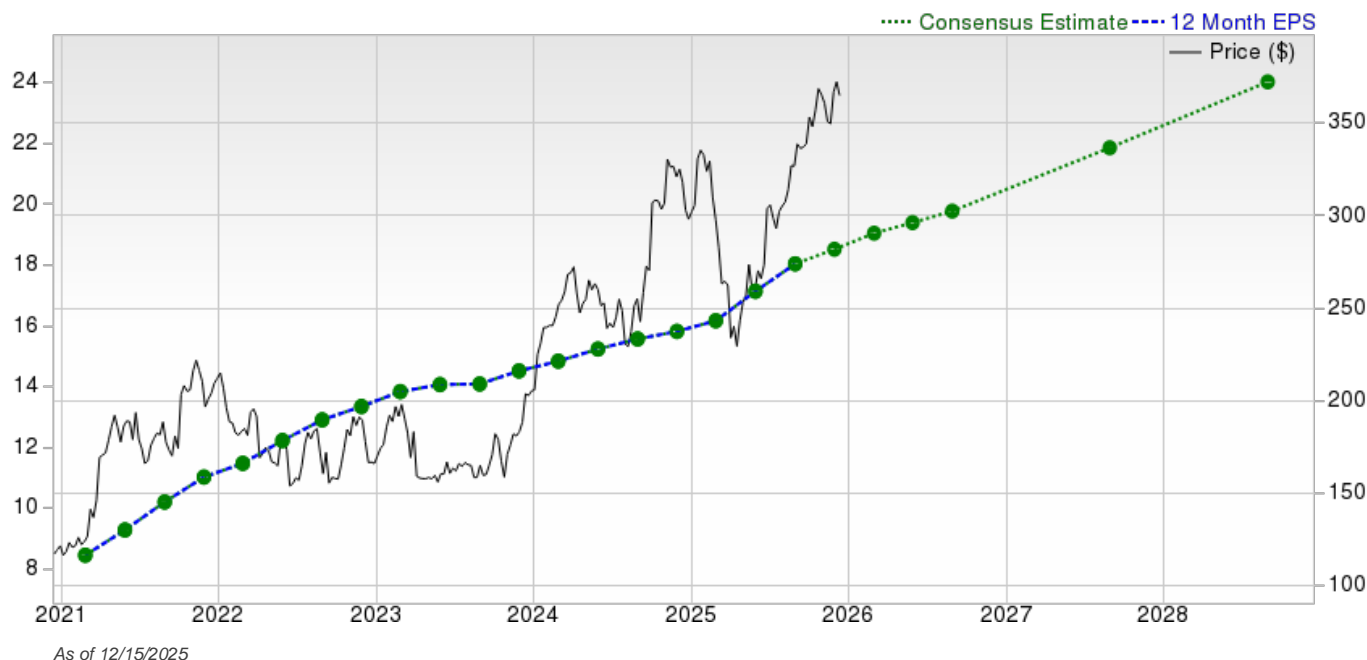
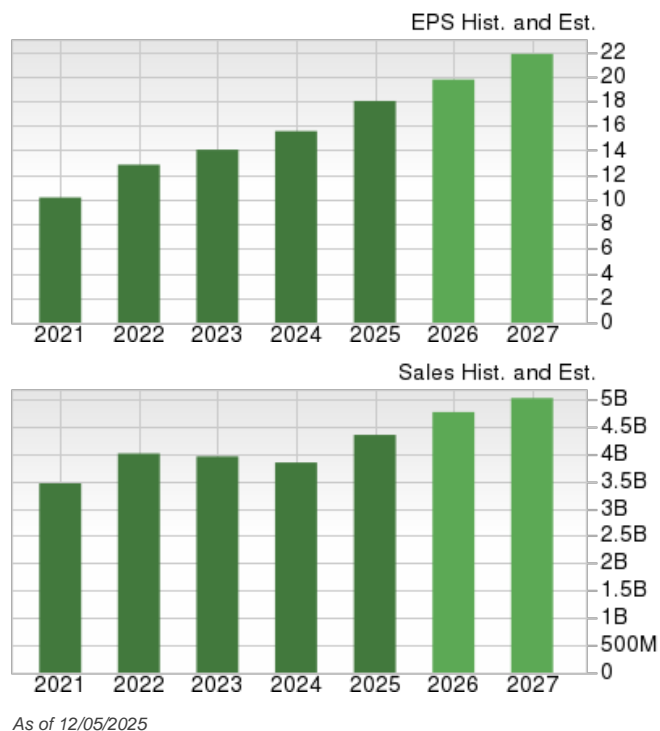
In March 2025, the company changed its name from Acuity Brands to Acuity. The company aims to drive long-term growth, create stakeholder value, and enhance shareholder returns.

During the third quarter of fiscal 2021, the company separated its lighting, lighting controls, and components business and intelligent buildings business, and realigned them into two units: Acuity Brands Lighting and Lighting Controls (contributing 83.1% to fiscal 2025 net sales), and Acuity Intelligent Spaces (17.6%).

Additionally, it has expanded its solutions portfolio, including software and services, that benefit the economy in data analytics that enable the Internet of Things (IoT) and support the advancement of smart buildings, cities, and grids. It also enables businesses to develop custom applications to scale their operations. The portfolio of lighting solutions comprises lighting products utilizing fluorescent, light-emitting diode (LED), organic LED (OLED), high-intensity discharge, metal halide, and incandescent light sources to illuminate several applications.

Acuity provides lighting solutions for commercial, institutional, industrial, infrastructure, and residential applications throughout North America as well as Europe and Asia. The company has one reportable segment serving the North American and select international markets.

The company has a wide collection of brands that include Lithonia Lighting, Holophane, Peerless, Gotham, Mark Architectural Lighting, Winona Lighting, Juno, Indy, Aculux, Healthcare Lighting, Hydrel, American Electric Lighting, Antique Street Lamps, Sunoptics, eldoLED, Distech Controls, nLight, ROAM, Sensor Switch, Power Sentry, IOTA, and Atrius.



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## Reasons To Buy:

▲ **Innovation Continues to Drive Growth:** Acuity's innovation drive is central to its transformation from a traditional lighting manufacturer into a diversified industrial technology leader. The company has built an integrated ecosystem spanning luminaires, electronics, controls, and intelligent building solutions, with Atrius DataLab, Distech, and QSC at the core. Its Visual Suite of digital tools is automating design, installation, and optimization processes, boosting contractor productivity and customer satisfaction. Meanwhile, product launches such as the Nightingale healthcare lighting portfolio and the Twist-to-Lock (TLS) sensor depict its ability to address underpenetrated verticals and create differentiated, value-added solutions. By fusing smart sensors, cloud connectivity, and building data interoperability, Acuity is positioning itself as a disruptor in making spaces smarter, safer and greener. This innovation-first strategy not only drives market share gains but also underpins its long-term growth algorithm across both core lighting and intelligent spaces.

The diversified portfolio of innovative lighting control solutions and energy-efficient luminaires and accretive buyouts bodes well.

▲ **Inorganic Moves:** Management has been disciplined in deploying capital, investing more than \$1.2 billion in fiscal 2025 in acquisitions, including QSC and M3 Innovation, which broaden the portfolio into smart building technologies.

On May 1, 2025, Acuity acquired M3 Innovation, LLC, a sports lighting startup firm that engages in using innovative technology to lower the overall installation and operation costs of sports lighting solutions. The acquired company is included under the Acuity Brands Lighting segment. Moreover, on Jan. 1, 2025, the company completed the acquisition of QSC, LLC. The company's Acuity Intelligent Spaces business has been significantly enhanced by the successful acquisition and integration of QSC, which added cutting-edge cloud-based and audio-visual technologies that are already helping to boost sales and margin improvement. Acuity's global reach has expanded as a result of the acquisition, particularly with the establishment of its experience center in India, which has become a focal point for presenting integrated Intelligent Spaces solutions and developing collaborative use cases for future workspaces. Looking ahead, management continues to focus on inorganic growth, with a steady pipeline of potential acquisitions within the smart building and data-driven technology ecosystem.

▲ **Cost-Saving Initiatives:** In order to reduce expenses and increase productivity at the Acuity Brands Lighting (ABL) division, management took decisive action. To lessen the effects of rising tariffs, they included supply chain optimization, organizational restructuring and a decrease in operational costs. At the end of the fiscal 2025, the adjusted operating margin expanded year over year by 100 basis points (bps) to 17.7%, with the same increasing 130 bps to 18.6% during the fiscal fourth quarter. Consistent improvements in gross margin, product vitality, effective price and cost management, and productivity aided the uptrend. Our model anticipates the adjusted operating margin to increase year-over-year by 70 bps to 18.4% in fiscal 2026.

▲ **Focus on Intelligent Spaces Segment:** Acuity Intelligent Spaces specializes in providing products and services that enhance the intelligence, safety, and sustainability of spaces. Intelligent Spaces products and solutions are marketed under multiple brand names, including but not limited to Atrius and Distech Controls. The Atrius intelligent building software enhances occupant experience, streamlines system management, automates tasks and delivers energy efficiency and cost savings. During the fiscal fourth quarter, Atrius, Distech, and QSC each delivered strong results and continued to collaborate on new and innovative ways of working together. QSC's development of a full-stack AV platform—which unifies data, devices and a cloud-first architecture to deliver real-time actions, experiences, and insights—is a key step forward in that strategy. The addition of QSC has also expanded the global footprint of the AIS business. In fiscal 2025, Acuity Intelligent Spaces delivered strong growth, with net sales increasing significantly by 161.8% year over year to \$764.3 million, with a whopping 204.2% revenue growth in the fiscal fourth quarter. Acuity Intelligent Spaces' strategic pricing adjustments, in response to tariffs, are boding well for its business and profitability prospects. Our model projects net sales for the AIS segment to grow by 39.8% year-over-year to \$1.07 billion in fiscal 2026.

▲ **Driving Shareholder Value:** Acuity's balanced capital allocation approach is encouraging, as it ensures to return its excess cash flow to shareholders through dividend increases and share repurchases. At the end of fiscal 2025, the company repurchased nearly 0.44 million shares of its common stock for \$118.5 million and repaid \$200 million of term-loan borrowings. Moreover, it hiked its quarterly dividend by 13% to 17 cents per share.

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## Reasons To Sell:

- ▼ **Market Uncertainty and Tariffs:** The company faces significant challenges due to ongoing market uncertainty, particularly regarding tariffs. In response, it has implemented pricing actions and plans to accelerate productivity efforts to reduce the negative financial and operational impact. As the tariff policy evolves, the company will continue to adjust pricing and focus on improving productivity. It will also remain focused on factors within its control and take necessary actions as needed. Although the company has shifted sourcing away from China and optimized supplier relationships, tariffs still reduce the gross margin percentage by an estimated 50 to 100 basis points. This leaves Acuity exposed to policy-driven cost volatility that could persist into fiscal 2026.
- ▼ **Slowing Growth in Core Lighting Business:** While ABL delivered margin gains, its top-line growth remains muted, with only a 1% year-over-year increase in fiscal 2025 sales. Much of the performance improvement came from cost-cutting and productivity efforts rather than volume expansion. Management also noted that corporate accounts (a significant channel) declined nearly 24% for the year. In a soft end-market environment, ABL's growth algorithm is increasingly reliant on market share gains and penetration into new verticals, which may be difficult to sustain without broad demand recovery.
- ▼ **Higher Costs & Expenses:** Energy-efficient lighting products like LED fixtures need extensive research and development, and hence involve substantial costs and expenses that tend to have an adverse impact on Acuity's profitability to some extent. Again, inflation and higher costs of the inputs could dampen its overall results. Although the incremental cost of the technology is relatively low, the real cost of installation of that technology is still growing. Moreover, the company is highly committed to acquisitions and joint ventures, owing to which it experiences higher costs, thereby pressuring margins.
- Although adjusted margins expanded in fiscal 2025, GAAP results show that the operating margin declined to 13% from 14.4% in fiscal 2024. This reflects higher SG&A expenses, acquisition-related costs and non-cash pension settlement charges. At the end of fiscal 2025, Acuity's selling, distribution and administrative expenses increased 20.9% year over year to \$1.5 billion.
- ▼ **Vulnerable to Economic Volatility:** Acuity operates in a highly competitive industry that is affected by volatility owing to several general business and economic factors, such as gross domestic product growth, employment levels, credit availability, energy costs, and commodity costs. The company thrives on residential and non-residential construction, covering new, reconstruction, and retrofit activity, which is sensitive to volatility induced by economic factors.
- Deterioration in economic conditions might impact its sales channels, supply chain, manufacturing, and distribution, as well as overall construction, renovation, and consumer spending.

Tariff headwinds, muted core growth and higher costs could pressure Acuity's performance.

## Last Earnings Report

### Acuity Brands' Q4 Earnings Topping Estimates, Sales Miss, Both Up Y/Y

Acuity Inc. (AYI) reported mixed fourth-quarter fiscal 2025 results, with earnings surpassing the Zacks Consensus Estimate and revenues missing the same. Meanwhile, both the top and bottom lines increased from the prior-year quarter's reported figure.

The quarter's performance was underpinned by effective strategic execution and decisive actions taken over the past two quarters to sustain margins amid the impact of higher tariffs and related price adjustments. Growth was further supported by strong contributions from both the Acuity Intelligent Spaces and Acuity Brands Lighting segments, driven by margin expansion and continued product innovation. Additionally, robust results across the Atrius, Distech, and QSC platforms — with QSC evolving the geographic footprint of the AIS business, accelerating multinational expansion — further strengthened overall performance.

**FY Quarter Ending** **8/31/2025**

Earnings Reporting Date	Oct 01, 2025
Sales Surprise	-0.27%
EPS Surprise	10.64%
Quarterly EPS	5.20
Annual EPS (TTM)	18.02

### Acuity's Q4 Earnings & Sales Performance

The company reported adjusted earnings per share (EPS) of \$5.20, which topped the Zacks Consensus Estimate of \$4.70 by 10.6%. The metric also increased 21% from the year-ago reported EPS of \$4.30.

Net sales of \$1.209 billion missed the consensus mark of \$1.212 billion by 0.3% but improved 17.1% from the prior-year quarter's level.

### Acuity's Segment Details

The Acuity Brands Lighting segment, responsible for the majority of sales, experienced an increase in quarterly sales by 0.8% to \$962.4 million.

Net sales in the Independent Sales Network were up 3.7% year over year to \$702.4 million. Sales from the Direct Sales Network were down 3.9% from the prior-year period's level to \$105.3 million.

Retail sales of \$43.4 million were up 1.9% from the prior-year quarter's level. Sales in the Corporate Accounts channel decreased 19.6% from the prior-year quarter to \$52.9 million. The original equipment manufacturer and other channel sales of \$58.4 million were also down 2.5% from the prior-year period's level.

The adjusted operating profit in the segment increased 12.6% from the prior year's level to \$193.6 million. The adjusted operating margin was up 210 basis points (bps) year over year to 20.1%.

Acuity Intelligent Spaces generated net sales of \$255.2 million, which were significantly up 204.2% year over year. The adjusted operating profit was \$54.6 million, up by a whopping 154% from the year-ago period. The adjusted operating margin, however, contracted 420 bps year over year to 21.4%.

### AYI's Operating Highlights

The adjusted operating profit increased 26.2% year over year to \$225.3 million. The adjusted operating margin of 18.6% was up 130 bps year over year.

Adjusted EBITDA rose 25.8% to \$240.7 million from the year-ago period. The adjusted EBITDA margin expanded 140 bps from the year-ago period to 19.9%.

### Acuity's Financials

As of the fiscal fourth quarter, Acuity had cash and cash equivalents of \$422.5 million compared with \$845.8 million at the fiscal 2024-end. Long-term debt was \$896.8 million, up from \$496.2 million at the fiscal 2024 end.

For the full year of fiscal 2025, cash provided by operating activities totaled \$601.4 million, down from \$619.2 million in the prior-year period. Adjusted free cash flow was down 4% year over year to \$533 million at the end of fiscal 2025.

At the end of fiscal 2025, the company repurchased nearly 0.44 million shares of its common stock for \$118.5 million and repaid \$200 million of term-loan borrowings. Moreover, it hiked its quarterly dividend by 13% to 17 cents per share.

### Acuity Fiscal 2026 Guidance

For fiscal 2026, Acuity expects net sales between \$4.7 billion and \$4.9 billion (indicating growth from \$3.84 billion reported in fiscal 2024), with adjusted EPS in the range of \$19-\$20.50 (depicting growth from \$15.56 reported in fiscal 2024). The focus remains on maintaining a balance between growth and margin expansion.

## Valuation

Acuity's shares are up 38.8% in the past six months and 15.4% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 12.4% but the Zacks Business Services sector is down 13.3% in the past six months. Over the past year, the Zacks sub-industry has been up 5%, but the sector has been down 14.2%.

The S&P 500 index is up 17.1% in the past six months and 15.1% in the past year.

The stock is currently trading at 18.46X forward 12-month earnings, which compares to 26.55X for the Zacks sub-industry, 20.29X for the Zacks sector, and 23.53X for the S&P 500 index.

Over the past five years, the stock has traded as high as 21.39X and as low as 11.8X, with a 5-year median of 16.13X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$393 price target reflects 19.36X forward 12-month earnings.

The table below shows the summary valuation data for AYI.

Valuation Multiples - AYI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	18.46	26.55	20.29	23.53
	5-Year High	21.39	33.13	32.17	23.82
	5-Year Low	11.8	15.74	17.12	15.73
	5-Year Median	16.13	20.98	20.83	21.19
P/S F12M	Current	2.37	2.7	3.54	5.33
	5-Year High	2.54	2.7	5.7	5.5
	5-Year Low	1.22	1.14	2.69	3.83
	5-Year Median	1.71	1.79	3.63	5.04
EV/EBITDA TTM	Current	14.31	18.03	10.68	18.66
	5-Year High	14.72	27.84	16.64	22.41
	5-Year Low	7.4	9.2	9.39	13.87
	5-Year Median	11.08	12.41	11.42	17.96

As of 12/04/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 30% (72 out of 243)

## Top Peers<sup>(1)</sup>



Company (Ticker)	Rec	Rank
Rockwell Automation,...(ROK)	Outperform	2
Vertiv Holdings Co. (VRT)	Outperform	2
Eaton Corporation, P...(ETN)	Neutral	3
Ingersoll Rand Inc. (IR)	Neutral	3
Johnson Controls Int...(JCI)	Neutral	3
LSI Industries Inc. (LYTS)	Neutral	3
Orion Energy Systems...(OESX)	Neutral	2
Stanley Black & Deck...(SWK)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Technology Services

## Industry Peers

	AYI	X Industry	S&P 500	LYTS	OESX	VRT
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Outperform
Zacks Rank (Short Term)	3	-	-	3	2	1
VGM Score	A	-	-	D	B	C
Market Cap	11.20 B	76.64 M	39.38 B	597.29 M	62.43 M	61.66 B
# of Analysts	5	2	22	1	2	7
Dividend Yield	0.19%	0.00%	1.41%	1.04%	0.00%	0.16%
Value Score	B	-	-	B	D	F
Cash/Price	0.04	0.15	0.04	0.01	0.08	0.03
EV/EBITDA	17.81	-0.56	14.60	13.07	-8.20	52.19
PEG Ratio	1.91	1.81	2.23	NA	NA	1.30
Price/Book (P/B)	4.10	2.10	3.35	2.43	5.17	17.57
Price/Cash Flow (P/CF)	16.72	12.08	15.20	15.55	NA	44.29
P/E (F1)	18.49	19.07	19.78	20.22	NA	39.20
Price/Sales (P/S)	2.58	2.27	3.06	1.01	0.78	6.36
Earnings Yield	5.42%	1.86%	4.99%	4.95%	-4.52%	2.55%
Debt/Equity	0.33	0.00	0.57	0.20	0.81	0.83
Cash Flow (\$/share)	21.82	-0.10	8.99	1.24	-2.41	3.64
Growth Score	A	-	-	D	A	B
Hist. EPS Growth (3-5 yrs)	16.00%	11.53%	8.16%	29.60%	NA	47.51%
Proj. EPS Growth (F1/F0)	9.49%	29.64%	8.57%	20.25%	75.00%	44.21%
Curr. Cash Flow Growth	22.83%	-12.71%	6.75%	5.67%	1.94%	43.89%
Hist. Cash Flow Growth (3-5 yrs)	10.92%	11.82%	7.43%	25.51%	NA	42.59%
Current Ratio	1.95	1.66	1.19	2.19	1.34	1.83
Debt/Capital	24.76%	3.19%	38.01%	16.33%	44.83%	45.23%
Net Margin	9.13%	-9.43%	12.78%	4.21%	-7.81%	10.67%
Return on Equity	20.81%	-16.03%	17.00%	10.96%	-43.64%	50.82%
Sales/Assets	0.97	0.63	0.53	1.55	1.58	0.97
Proj. Sales Growth (F1/F0)	9.50%	0.00%	5.77%	4.90%	3.80%	27.50%
Momentum Score	B	-	-	D	C	B
Daily Price Chg	-2.66%	-1.12%	-1.07%	-0.31%	0.45%	-9.73%
1 Week Price Chg	-1.97%	0.00%	-0.63%	2.51%	7.67%	-14.68%
4 Week Price Chg	4.05%	0.00%	1.39%	4.40%	24.16%	-5.67%
12 Week Price Chg	8.31%	-12.73%	2.45%	-17.84%	92.38%	12.31%
52 Week Price Chg	14.77%	-20.20%	12.83%	-4.52%	111.18%	28.22%
20 Day Average Volume	233,015	167,660	2,728,366	155,431	63,236	6,818,035
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	25.70%	0.00%
(F1) EPS Est 12 week change	3.98%	1.27%	0.69%	2.15%	57.03%	7.62%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	37.50%	0.00%

## Analyst Earnings Model<sup>(2)</sup>

### Acuity Brands, Inc. (AYI)

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
FY Ends August 31st	Aug-23	Aug-24	30-Nov-24	28-Feb-25	31-May-25	31-Aug-25	Aug-25	30-Nov-25	28-Feb-26	31-May-26	31-Aug-26	Aug-26	Aug-27	Aug-28
Income Statement														
Net Sales	\$3,952.2	\$3,841.0	\$951.6	\$1,006.3	\$1,178.6	\$1,209.1	\$4,345.6	\$1,135.4	\$1,115.9	\$1,231.9	\$1,275.4	\$4,758.6	\$4,998.9	\$5,244.1
Cost of Products Sold	\$2,239.0	\$2,059.3	\$502.3	\$538.3	\$608.4	\$618.1	\$2,267.1	\$606.0	\$579.8	\$627.0	\$643.0	\$2,455.9	\$2,557.9	\$2,645.2
Gross Profit	\$1,713.2	\$1,781.7	\$449.3	\$468.0	\$570.2	\$591.0	\$2,078.5	\$529.3	\$536.1	\$604.8	\$632.4	\$2,302.7	\$2,440.9	\$2,598.9
Selling, Distribution & Administrative Expenses	\$1,212.9	\$1,228.4	\$316.0	\$357.8	\$400.7	\$410.4	\$1,484.9	\$370.6	\$387.0	\$414.7	\$413.7	\$1,585.9	\$1,665.1	\$1,745.3
Special Charges	\$26.9	\$0.0	\$0.0	\$0.0	\$29.7	\$0.0	\$29.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Acquisition-Related Items		\$0.0	\$4.6	\$14.1	\$2.5	\$2.6	\$23.8	\$2.6	\$2.6	\$2.6	\$2.6	\$10.4	\$10.4	\$10.4
Acquired Profit in Inventory		\$0.0	\$0.0	\$10.4	\$19.2	\$0.0	\$29.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDA	\$648.5	\$691.0	\$171.6	\$176.6	\$236.3	\$240.7	\$825.2	\$205.3	\$200.9	\$247.8	\$287.6	\$941.6	\$1,018.5	\$1,109.2
Amortization of Acquired Intangible Assets	\$42.1	\$39.7	\$8.7	\$16.8	\$20.0	\$31.0	\$76.5	\$13.8	\$19.9	\$25.9	\$35.3	\$94.9	\$108.4	\$115.8
Depreciation and Amortization	\$93.2	\$91.1	\$21.6	\$30.5	\$34.6	\$46.4	\$133.1	\$28.6	\$37.2	\$42.0	\$52.2	\$159.9	\$176.6	\$187.2
Operating Income, Adjusted	\$597.4	\$639.6	\$158.7	\$162.9	\$221.7	\$225.3	\$768.6	\$190.5	\$183.6	\$231.7	\$270.7	\$876.5	\$950.3	\$1,037.8
Operating Income, GAAP	\$473.4	\$553.3	\$133.3	\$110.2	\$139.8	\$180.6	\$563.9	\$158.8	\$149.1	\$190.2	\$218.8	\$716.8	\$775.8	\$853.5
Interest Expense, Net	\$18.9	(\$4.5)	(\$4.0)	\$6.9	\$12.1	\$7.0	\$22.0	\$5.3	\$7.7	\$8.5	\$7.7	\$29.3	\$31.6	\$33.3
Miscellaneous (Income) Expense, Net	\$7.8	\$9.2	\$2.5	\$1.0	\$2.3	\$35.9	\$41.7	\$2.6	\$1.4	\$2.8	\$36.8	\$43.7	\$46.3	\$48.7
Total Other Expense	\$26.7	\$4.7	(\$1.5)	\$7.9	\$14.4	\$42.9	\$63.7	\$7.9	\$9.1	\$11.3	\$44.6	\$72.9	\$78.0	\$82.0
Pre-Tax Income	\$446.7	\$548.6	\$134.8	\$102.3	\$125.4	\$137.7	\$500.2	\$150.8	\$140.0	\$178.8	\$174.2	\$643.9	\$697.9	\$771.6
Income Tax	\$100.7	\$126.0	\$28.1	\$24.8	\$27.0	\$23.7	\$103.6	\$35.4	\$32.9	\$42.0	\$40.9	\$151.3	\$164.0	\$181.3
Tax Rate	22.5%	23.0%	20.8%	24.2%	21.5%	17.2%	20.7%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%
Net Income, Adjusted	\$452.0	\$489.1	\$126.3	\$118.1	\$161.5	\$164.0	\$569.8	\$140.3	\$134.1	\$169.2	\$173.6	\$617.2	\$669.8	\$733.7
Net Income, GAAP	\$346.0	\$422.6	\$106.7	\$77.5	\$98.4	\$114.0	\$396.6	\$115.4	\$107.1	\$136.8	\$133.3	\$492.6	\$533.9	\$590.3
Basic Shares Outstanding	31.8	30.9	30.9	31.0	30.9	30.7	30.9	30.6	30.5	30.4	30.3	30.5	30.1	29.7
Diluted Shares Outstanding	32.2	31.4	31.8	31.7	31.6	31.5	31.6	31.4	31.3	31.3	31.2	31.3	30.9	30.6
Basic EPS	\$10.88	\$13.68	\$3.45	\$2.50	\$3.19	\$3.71	\$12.85	\$3.77	\$3.51	\$4.50	\$4.40	\$16.18	\$17.75	\$19.86
Diluted EPS, Adjusted	\$14.05	\$15.56	\$3.97	\$3.73	\$5.12	\$5.20	\$18.01	\$4.46	\$4.28	\$5.41	\$5.57	\$19.72	\$21.66	\$24.01
Diluted EPS, GAAP	\$10.76	\$13.44	\$3.35	\$2.45	\$3.12	\$3.61	\$12.53	\$3.67	\$3.42	\$4.38	\$4.28	\$15.74	\$17.26	\$19.31
Dividend per Share	\$0.52	\$0.58	\$0.15	\$0.17	\$0.17	\$0.17	\$0.66	\$0.17	\$0.17	\$0.17	\$0.17	\$0.68	\$0.68	\$0.68



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## 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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### 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	<b>B</b>
Growth Score	<b>A</b>
Momentum Score	<b>B</b>
VGM Score	<b>A</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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