

## CACI International (CACI)

**\$560.75** (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **\$646.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 01/08/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: A

Value: B

Growth: B

Momentum: B

### Summary

CACI benefits from new business wins and organic expansions. Its disciplined business development actions, consistent operational excellence and high customer satisfaction help it win new deals at regular intervals. Having the government as a big client lends stability to the business and moderates fluctuations in revenues. CACI's sustained focus on its strategy to grow in larger markets and leverage mergers and acquisitions to further increase its market share and create long-term value for its shareholders is praiseworthy. Our estimates suggest that the company's revenues are expected to witness a CAGR of 5.6% through fiscal 2026-2028. However, intense competition and regulatory pressure remain possible headwinds for the company. Additionally, investments in CACI stock could be risky, considering its high debt level.

### Data Overview

52 Week High-Low	\$632.77 - \$318.60
20 Day Average Volume (sh)	239,091
Market Cap	\$12.4 B
YTD Price Change	38.8%
Beta	0.57
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Computer - Services</a>
Zacks Industry Rank	Top 32% (78 out of 243)

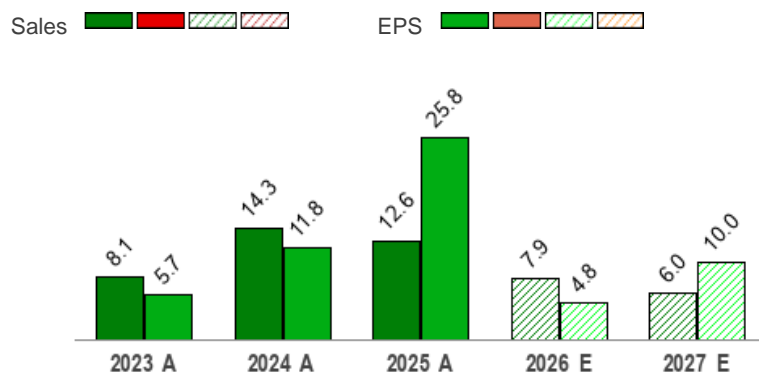
Last EPS Surprise	10.5%
Last Sales Surprise	1.7%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/28/2026
Earnings ESP	0.0%

P/E TTM	20.4
P/E F1	20.2
PEG F1	2.8
P/S TTM	1.4

### 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	2,394 E	2,416 E	2,467 E	2,585 E	9,862 E
2026	2,288 A	2,265 E	2,321 E	2,435 E	9,308 E
2025	2,057 A	2,100 A	2,167 A	2,304 A	8,628 A

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

	Q1	Q2	Q3	Q4	Annual*
2027	6.95 E	7.45 E	7.81 E	8.30 E	30.51 E
2026	6.85 A	6.33 E	6.93 E	7.63 E	27.74 E
2025	5.93 A	5.95 A	6.23 A	8.40 A	26.48 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/17/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/02/2025.

## Overview

Based in Reston, VA, CACI International delivers IT applications and infrastructure to improve communications and secure the integrity of information systems and networks, enhance data collection and analysis, and increase efficiency and mission effectiveness. The company's solutions enrich defense and intelligence capabilities, assure homeland security, improve decision-making, and help customers operate smartly and proficiently.

The company earns its revenues through four customer groups: Department of Defense (DoD), Intelligence Community, Federal Civilian Agencies, and Commercial and Other. DoD customers include the U.S. Army (CACI International's largest customer) and the U.S. Navy. Federal civilian agencies cater litigation support services to the Department of Justice (DoJ). In fiscal 2025, the company reported revenues of \$8.63 billion.

The company primarily operates with two segments:

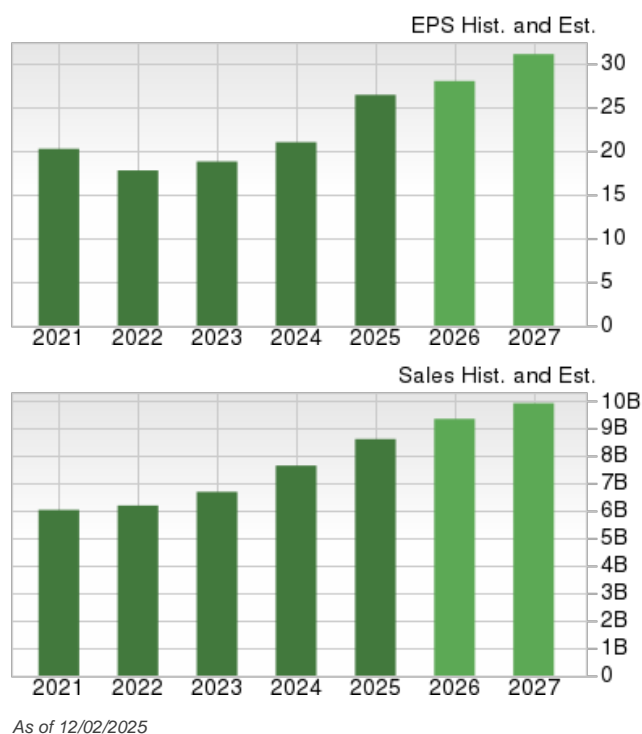
**Domestic Operations:** The operations are channeled through subsidiaries and a joint venture in which CACI International has a controlling stake. The services offered are categorized as Enterprise IT and Network Services; Data, Information and Knowledge Management Services; Business System Solutions, Logistics and Material Readiness Services; Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) Integration Services; Cyber Security, Integrated Security and Intelligence Solutions and Program Management; and System Engineering and Technical Assistance (SETA) Services.

**International Operations:** These operations are carried out through the company's subsidiary in Europe. International segment's solutions support commercial and government clients in telecommunications, education, financial services, healthcare services and transportation sectors. It furnishes solutions to specific technical or business requirement by planning, designing, implementing and managing solutions.

CACI's revenues come from three types of contracts:

Cost-plus-fee type contracts contributed 60.5% to fiscal 2025 revenues, fixed-price type contracts accounted for 26.3%, and time and materials added 13.2%.

CACI faces acute competition from Science Applications in the federal space.



## Reasons To Buy:

- ▲ A leader in IT outsourcing for the U.S. federal government, CACI International has ample exposure to the rapidly growing DoD and Department of Homeland Security budgets. CACI International's system integration skills and intelligence expertise consume a significant portion of the funds earmarked for the Department of Homeland Security while creating systems that foster the sharing of critical information among all intelligence agencies. We believe the company is comfortably positioned, given its favored relationship with the DoD. Moreover, cyber attacks are creating increased awareness, leading to more demand for cyber solutions. Our estimates suggest that the company's revenues are expected to witness a CAGR of 5.6% through fiscal 2026-2028.
- ▲ CACI International is a pure-play national security company, with 90% of its revenues derived from the U.S. defense, intelligence and homeland security agencies. The Department of Government Efficiency (DOGE) initiative aims to modernize government IT and networks — an area where CACI is a leader. IT modernization, AI-driven automation and software-defined solutions are key spending priorities, directly aligning with CACI's core capabilities. Enterprise IT as a Service (ITAS) contract with the U.S. Air Force and Space Force is rapidly scaling, with 700,000+ personnel supported today, expanding to 900,000+ by year-end. With geopolitical tensions rising, defense spending remains resilient, providing consistent funding streams for CACI International's mission-critical work.
- ▲ CACI International reported another quarter of double-digit growth, exceeding expectations on the top and bottom lines. The company's first-quarter fiscal 2026 revenues soared 11.2% year over year to \$2.29 billion. During the first quarter, it registered organic growth of 5.5%, demonstrating solid demand across its portfolio. Non-GAAP earnings of \$6.85 per share increased 15.5% year over year. These numbers indicate operational strength, disciplined cost management and expanding profitability, reinforcing CACI International's ability to scale its business efficiently.
- ▲ CACI International's growing contract wins and backlog provide long-term revenue stability. In the first quarter of fiscal 2026, the company grabbed contracts worth \$5 billion, contributing to a book-to-bill of 2.2X, signaling continued demand for its solutions. The total backlog reached \$33.9 billion at the end of the first quarter, up 4.6% year over year. The funded Backlog soared 25.6% year over year to \$5.4 billion. With a strong order pipeline and repeat customer wins, CACI International remains well-positioned to drive steady revenue expansion in the coming years.
- ▲ Having the government as a big client lends stability to CACI International's business and moderates fluctuations in revenues. Although the government generally has a lengthy approval process, the project earns money for a number of years after it is approved. Moreover, government contracts also improve the visibility of future revenue streams. The company has been doing very well with a record level of awards, which reflects its disciplined business development actions, consistent operational excellence and high customer satisfaction. The company's strategy of winning high-value contracts, delivering excellence to its customers and deploying its capital for growth is expected to help it achieve newer heights.
- ▲ CACI International's contract win momentum remains strong, with a significant pipeline of high-value opportunities. At the end of the first quarter of fiscal 2026, the company has \$6 billion in bids under evaluation, with 80% for new business. Also, it has \$13 billion in upcoming bid submissions, ensuring continued revenue expansion. Growing Counter-UAS (Unmanned Aerial Vehicle) and electronic warfare solutions demand, with CACI International leading CONUS and international deployments. With a pipeline heavily weighted toward new business, the company is well-positioned for sustained long-term growth.
- ▲ CACI is leveraging acquisitions to strengthen its portfolio in AI, cybersecurity and mission-critical solutions. The company has acquired a total of 22 companies, including two acquisitions completed in 2024. CACI's 2024 buyouts include Azure Summit Technology and Applied Insights. Azure Summit acquisition immediately contributed a \$300 million contract with the U.S. Navy, reinforcing CACI's position in defense electronics and intelligence systems. Applied Insight acquisition has expanded CACI's cloud, automation and DevSecOps capabilities, enhancing its value proposition for government agencies. The integration of Azure Summit and Applied Insight is progressing well, with Azure already securing an additional \$319 million contract post-acquisition. These acquisitions accelerate CACI's expansion in high-growth, high-margin areas, further differentiating it from traditional government contractors.

CACI is executing exceptionally well, benefiting from resilient defense funding, continued contract wins, strategic acquisitions and a robust backlog.

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## Reasons To Sell:

- ▼ CACI International's revenues are highly dependent on U.S. government contracts, making it vulnerable to policy changes, budget constraints, and shifting priorities. The recently announced Department of Government Efficiency (DOGE) initiative under the Donald Trump administration, while aimed at modernizing IT, also focuses on reducing the size of the government workforce and cutting inefficient spending. Nearly 5% of CACI's revenues come from non-defense federal civilian agencies, but if budget reductions extend to defense or intelligence programs, contract delays or cancellations could impact revenue growth. A U.S. government shutdown, prolonged budget negotiations, or a shift in funding priorities under the new administration could slow contract awards and program execution. While national security remains a priority, fiscal tightening could introduce revenue volatility.
- ▼ CACI International's reliance on a few major government agencies presents a significant risk if key customers delay or reduce spending. Over 90% of CACI's revenues come from the Department of Defense (DoD), intelligence agencies, and the Department of Homeland Security (DHS). While this provides stability, it also concentrates risk, meaning any funding cuts or delays from a key agency could significantly impact revenues. Recompete risk remains high, as large government contracts are regularly put up for renewal and increased competition could lead to pricing pressures. Without a more diversified customer base, CACI International remains exposed to shifts in government procurement policies.
- ▼ CACI International operates in a highly competitive tech and defense contracting industry, where attracting and retaining top talent is crucial. However, rising labor costs pose a margin risk. Wage inflation and increased security clearance requirements are making it harder to recruit skilled workers for classified government projects. Moreover, AI and software talent is in high demand, requiring CACI International to pay competitive salaries to retain top employees, which could erode margins. Also, hiring delays could impact project execution, leading to slower revenue recognition and potential contract penalties. If labor market challenges persist, CACI may struggle to maintain its growth pace without margin compression.
- ▼ CACI International competes primarily in the government IT services arena, which, like other government sectors, consists of many competitors of various sizes. Its main competitors include Booz Allen Hamilton, Science Applications International Corporation, Northrop Grumman and Leidos, all of whom are established players in the industry with their respective strengths. Consequently, CACI International has to continuously invest in value drivers that act as a hedge against competition. These increase its operating costs and reduce its profitability.
- ▼ Investment in CACI stock could be a risky bet considering its high debt level. The company's long-term debt has increased in the past 10 years. The figure rose to \$2.85 billion at the end of fiscal 2025 from \$1.03 billion at the end of fiscal 2015. As a result, its annualized interest expenses has increased during the same time frame. Additionally, the long-term debt level of \$2.71 billion as of Sept. 30, 2025 is much more than the cash and cash equivalents of \$133 million. Furthermore, CACI's total debt to total capital ratio of 0.33 is significantly higher than the industry's average of 0.1.

Government budget constraints, contract delays, margin volatility, high customer concentration, procurement delays and rising labor costs remain possible headwinds for the company.

## Last Earnings Report

### CACI International Q1 Earnings & Revenues Beat Estimates

CACI reported first-quarter fiscal 2026 non-GAAP earnings of \$6.85 per share, which beat the Zacks Consensus Estimate by 10.48%. The bottom line increased 15.5% on a year-over-year basis, primarily driven by higher revenues and efficient cost management.

In the first quarter, CACI reported revenues of \$2.29 billion, which topped the consensus mark by 1.66%. The top line increased 11.2% from the prior-year quarter, primarily driven by 5.5% organic growth.

**FY Quarter Ending** **6/30/2025**

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	1.66%
EPS Surprise	10.48%
Quarterly EPS	6.85
Annual EPS (TTM)	27.43

### CACI's Q1 Details

In the first quarter of fiscal 2026, contract awards totaled \$5 billion, with approximately 60% for new business. Awards exclude ceiling values of multi-award, indefinite delivery and indefinite quantity contracts.

The total backlog as of Sept. 30, 2025 was \$31.4 billion, up 9.8% from \$28.6 billion reported a year ago. The funded backlog was \$4.2 billion, up 31.3% from \$3.2 billion reported a year ago. Our estimates for the total backlog and funded backlog were pegged at \$33.9 billion and \$5.4 billion, respectively.

In terms of the customer mix, the Department of Defense contributed 51.5% to total revenues in the reported quarter. Intelligence Community made up for 26.1%, Federal Civilian Agencies accounted for 18%, and Commercial and other customers accounted for 4.4%. Revenues from the Department of Defense, Intelligence Community, Federal Civilian Agencies, and Commercial and Other customers increased 8.5%, 11.6%, 16.9% and 20.2%, respectively.

The Prime Contractor and Subcontractor accounted for 90.8% and 9.2% of total revenues, respectively. Revenues from the Prime Contractor and Subcontractor increased 10.4% and 19.4%, respectively.

In terms of contract type, cost-plus-fee-type, fixed-price, and time and material-type contracts contributed 60.5%, 26.7% and 12.8%, respectively, to total revenues. Revenues from cost-plus-fee-type and fixed-price contracts grew 8% and 28.7%, respectively. However, sales from time and material-type contracts declined 2.7%.

Expertise and Technology accounted for 43.1% and 56.9% of total revenues, respectively. Revenues from Expertise declined 0.1%, while those from the Technology segment soared 21.7%.

The operating income for the quarter amounted to \$212.3 million, up 18% year over year. The operating margin expanded 60 basis points (bps) to 9.3%.

Adjusted EBITDA increased 24.4% year over year to \$268.6 million, while the adjusted EBITDA margin expanded 120 bps to 11.7%.

### CACI's Balance Sheet & Cash Flow

As of Sept. 30, 2025, CACI had cash and cash equivalents of \$133 million compared with the previous quarter's \$106.2 million.

The total long-term (net of the current portion) debt was \$2.71 billion, down from \$2.85 billion as of June 30, 2025.

The company generated operating cash flow (excluding mini-automatic radar plotting aid or MARPA) of \$160 million in the first quarter of fiscal 2026, up 162.8% from the year-ago quarter. The company generated free cash flow of \$143 million, up from \$49.4 million in the year-ago quarter.

### CACI Reiterates Fiscal 2026 Guidance

For fiscal 2026, CACI continues to anticipate revenues between \$9.2 billion and \$9.4 billion (\$9.3 billion at the midpoint). Adjusted net income for fiscal 2026 is still projected in the band of \$605-\$625 million. The company still estimates non-GAAP earnings per share in the range of \$27.13-\$28.03. Free cash flow is anticipated to be at least \$710 million in fiscal 2026.

## Recent News

On Oct. 2, CACI announced that it has been awarded a five-year contract worth more than \$73 million from the U.S. Air Force.

On Sept. 17, CACI announced that it has been awarded a five-year task order worth \$180 million from the U.S. Air Force.

On Aug. 25, CACI announced that it has been awarded two contracts from the Canadian Armed Forces as part of the second phase of the Counter Uncrewed Aircraft System Urgent Operational Requirement.

On July 15, CACI announced the passing of its Chairman of the board, Michael A. Daniels, and the election of Lisa S. Disbrow as the new Chair.

On June 12, CACI announced that it has secured a seven-year task order (one base year plus six option years) with a ceiling of \$437 million to support U.S. Africa Command (USAFRICOM).

On June 2, CACI announced that it has secured a place in Fortune 500 companies' list.

## Valuation

Shares of CACI have returned 44.1% in the past six months and 35.7% in the past year. Stocks in the Zacks sub-industry have returned 5%, and the technology sector returned 27.1% in the past six months. In the past year, the Zacks sub-industry declined 0.8% while the sector rose 26%.

The S&P 500 Index has gained 17% in the past six months while increasing 15.4% in the past year.

The stock is currently trading at 20.84x forward 12-month earnings, compared with 17.08x for the Zacks sub-industry, 28.53x for the Zacks sector, and 23.41x for the S&P 500 Index.

Over the past five years, the stock has traded as high as 23.62x and as low as 12.51x, with a five-year median of 15.71x. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$646 price target reflects 21.88x forward 12-month earnings.

The table below shows a summary of valuation data for CACI.

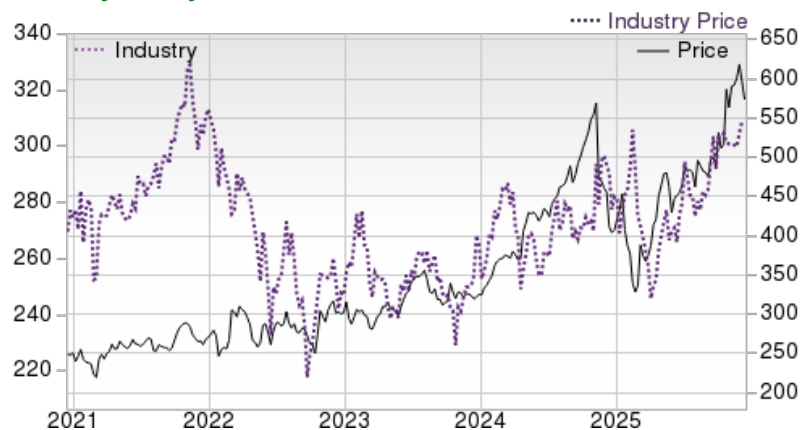
Valuation Multiples - CACI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	20.84	17.08	28.53	23.41
	5-Year High	23.62	19.59	30.04	23.82
	5-Year Low	12.51	13.14	18.70	15.73
	5-Year Median	15.71	16.33	26.45	21.19
EV/EBITDA TTM	Current	14.41	9.59	19.46	18.54
	5-Year High	15.95	11.60	23.68	22.41
	5-Year Low	10.51	8.79	12.05	13.87
	5-Year Median	12.00	10.11	18.36	17.96
EV/Sales TTM	Current	1.82	1.89	8.10	5.71
	5-Year High	1.83	2.21	8.36	5.81
	5-Year Low	1.14	1.60	4.17	3.77
	5-Year Median	1.34	1.86	6.92	5.12

As of 12/01/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 32% (78 out of 243)



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

Company (Ticker)	Rec	Rank
CSG Systems Internat...(CSGS)	Neutral	3
CGI Group, Inc. (GIB)	Neutral	3
Science Applications...(SAIC)	Neutral	2
Forrester Research, ...(FORR)	Underperform	4
Computer Services In...(CSVI)	NA	
Ebix, Inc. (EBIXQ)	NA	
Formula Systems (198...(FORTY)	NA	
OBIC CO (OBIIF)	NA	

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

	CACI	X Industry	S&P 500	CSGS	GIB
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3
VGM Score	A	-	-	B	B
Market Cap	12.38 B	1.62 B	38.58 B	2.20 B	20.23 B
# of Analysts	9	3	22	4	4
Dividend Yield	0.00%	0.00%	1.42%	1.66%	0.52%
Value Score	B	-	-	B	B
Cash/Price	0.01	0.09	0.04	0.07	0.03
EV/EBITDA	15.53	13.75	14.55	11.97	10.25
PEG Ratio	2.75	1.63	2.20	1.63	NA
Price/Book (P/B)	3.08	3.67	3.33	7.65	2.80
Price/Cash Flow (P/CF)	15.57	18.12	15.10	12.31	11.40
P/E (F1)	20.21	18.30	19.71	16.26	14.27
Price/Sales (P/S)	1.40	1.81	3.09	1.80	1.78
Earnings Yield	5.01%	5.01%	5.06%	6.16%	7.01%
Debt/Equity	0.67	0.19	0.57	1.86	0.27
Cash Flow (\$/share)	35.97	2.53	8.99	6.26	7.97
Growth Score	B	-	-	B	C
Hist. EPS Growth (3-5 yrs)	9.09%	8.95%	8.16%	8.95%	9.53%
Proj. EPS Growth (F1/F0)	4.76%	15.95%	8.57%	0.42%	9.11%
Curr. Cash Flow Growth	27.72%	5.01%	6.75%	13.01%	5.01%
Hist. Cash Flow Growth (3-5 yrs)	12.73%	5.77%	7.43%	1.54%	5.09%
Current Ratio	1.54	1.52	1.18	1.50	0.99
Debt/Capital	40.22%	15.58%	38.01%	65.04%	21.36%
Net Margin	5.70%	6.28%	12.78%	6.85%	10.41%
Return on Equity	15.92%	13.61%	17.00%	42.54%	18.55%
Sales/Assets	1.03	0.87	0.53	0.84	0.85
Proj. Sales Growth (F1/F0)	7.90%	5.31%	5.79%	1.70%	5.50%
Momentum Score	B	-	-	D	C
Daily Price Chg	-1.27%	0.00%	-0.24%	0.01%	-0.08%
1 Week Price Chg	-3.89%	0.00%	-0.59%	0.13%	-1.63%
4 Week Price Chg	-6.20%	0.82%	2.76%	-1.56%	5.62%
12 Week Price Chg	13.64%	0.07%	2.15%	17.09%	0.07%
52 Week Price Chg	34.94%	4.82%	12.39%	43.77%	-17.22%
20 Day Average Volume	230,918	90,852	2,743,646	428,086	312,452
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	0.17%
(F1) EPS Est 12 week change	3.14%	-0.21%	0.69%	-0.45%	-0.21%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%

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

### CACI International Inc (CACI)

In \$MM, except per share data

	2023A	2024A	2025A	2026E	2026E	2026E	2026E	2026E	2027E	2027E	2027E	2027E	2027E	2028E
	FY	FY	FY	1QA	2QE	3QE	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends June 30th	Jun-23	Jun-24	Jun-25	30-Sep-25	31-Dec-25	31-Mar-26	30-Jun-26	Jun-26	30-Sep-26	31-Dec-26	31-Mar-27	30-Jun-27	Jun-27	Jun-28
<b>Income Statement</b>														
Total Revenue	\$6,702.5	\$7,659.8	\$8,627.8	\$2,287.6	\$2,264.9	\$2,320.6	\$2,435.0	\$9,308.1	\$2,394.2	\$2,415.9	\$2,467.4	\$2,584.5	\$9,862.1	\$10,166.3
YoY % Chng	8.1%	14.3%	12.6%	11.2%	7.9%	7.1%	5.7%	7.9%	4.7%	6.7%	6.3%	6.1%	6.0%	3.1%
Direct Costs	\$4,402.7	\$5,147.5	\$5,835.6	\$1,547.2	\$1,530.5	\$1,565.5	\$1,645.2	\$6,288.4	\$1,620.1	\$1,630.0	\$1,664.1	\$1,742.9	\$6,657.0	\$6,828.8
YoY % Chng	8.7%	16.9%	13.4%	9.4%	9.1%	9.1%	3.9%	7.8%	4.7%	6.5%	6.3%	5.9%	5.9%	2.6%
Gross Profit	\$2,299.8	\$2,512.3	\$2,792.3	\$740.4	\$734.4	\$755.1	\$789.8	\$3,019.7	\$774.1	\$786.0	\$803.4	\$841.6	\$3,205.0	\$3,337.5
YoY % Chng	6.9%	9.2%	11.1%	15.2%	5.3%	3.1%	9.7%	8.1%	4.5%	7.0%	6.4%	6.6%	6.1%	4.1%
Indirect Costs and Selling Expenses	\$1,590.8	\$1,720.4	\$1,833.0	\$473.9	\$486.4	\$486.8	\$498.3	\$1,945.4	\$503.2	\$504.6	\$511.7	\$534.4	\$2,053.8	\$2,082.0
YoY % Chng	4.6%	8.2%	6.5%	10.7%	4.2%	1.2%	8.9%	6.1%	6.2%	3.7%	5.1%	7.2%	5.6%	1.4%
Depreciation and Amortization	\$141.6	\$142.1	\$195.1	\$54.3	\$54.9	\$56.6	\$58.8	\$224.6	\$57.8	\$58.5	\$59.8	\$62.5	\$238.6	\$246.1
YoY % Chng	5.1%	0.4%	37.3%	56.6%	10.6%	3.0%	5.3%	15.1%	6.4%	6.6%	5.6%	6.3%	6.2%	3.1%
Total Operating Expenses	\$6,135.0	\$7,010.1	\$7,863.6	\$2,075.3	\$2,071.8	\$2,108.9	\$2,202.4	\$8,458.4	\$2,181.1	\$2,193.0	\$2,235.5	\$2,339.8	\$8,949.5	\$9,156.9
YoY % Chng	7.5%	14.3%	12.2%	10.6%	8.0%	7.0%	5.0%	7.6%	5.1%	5.9%	6.0%	6.2%	5.8%	2.3%
EBITDA	\$716.0	\$798.0	\$966.8	\$268.6	\$250.1	\$270.4	\$291.7	\$1,080.8	\$272.6	\$283.0	\$293.2	\$308.6	\$1,157.3	\$1,261.6
YoY % Chng	12.3%	11.5%	21.2%	24.4%	7.4%	6.7%	10.3%	11.8%	1.5%	13.2%	8.4%	5.8%	7.1%	9.0%
Depreciation and Amortization (Including Amounts Within Direct Costs)	\$148.5	\$148.3	\$202.6	\$56.3	\$57.0	\$58.8	\$59.1	\$231.1	\$59.5	\$60.1	\$61.3	\$63.9	\$244.7	\$252.1
YoY % Chng	5.2%	(0.1%)	36.6%	56.3%	10.5%	2.8%	2.1%	14.1%	5.6%	5.5%	4.3%	8.1%	5.9%	3.0%
Operating Income	\$567.5	\$649.7	\$764.2	\$212.3	\$193.1	\$211.6	\$232.6	\$849.6	\$213.1	\$222.9	\$231.9	\$244.7	\$912.6	\$1,009.5
YoY % Chng	14.3%	14.5%	17.6%	18.0%	6.5%	7.8%	12.6%	11.2%	0.4%	15.4%	9.6%	5.2%	7.4%	10.6%
Interest Expense and Other, Net	\$83.9	\$105.1	\$158.8	\$46.2	\$45.4	\$45.5	\$46.1	\$183.2	\$47.2	\$42.5	\$41.8	\$42.1	\$173.5	\$174.7
YoY % Chng	100.8%	25.3%	51.2%	92.6%	3.1%	0.9%	0.8%	15.3%	2.1%	(6.5%)	(8.1%)	(8.6%)	(5.3%)	0.6%
Pre-Tax Income	\$483.6	\$544.6	\$605.3	\$166.1	\$147.7	\$166.1	\$186.6	\$666.4	\$165.9	\$180.4	\$190.1	\$202.6	\$739.1	\$834.8
YoY % Chng	6.4%	12.6%	11.1%	6.6%	7.6%	9.8%	15.9%	10.1%	(0.1%)	22.2%	14.5%	8.6%	10.9%	13.0%
Income Tax	\$98.9	\$124.7	\$105.5	\$41.3	\$34.0	\$38.2	\$42.9	\$156.4	\$38.2	\$41.5	\$43.7	\$46.6	\$170.0	\$192.0
YoY % Chng	12.7%	26.1%	(15.4%)	15.7%	24.5%	(3.0%)	1,270.4%	48.2%	(7.6%)	22.2%	14.5%	8.6%	8.7%	13.0%
Tax Rate	20.4%	22.9%	17.4%	24.9%	23.0%	23.0%	23.0%	23.5%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
Net Income, Adjusted	\$440.9	\$475.1	\$593.0	\$151.7	\$140.9	\$154.9	\$171.2	\$618.8	\$156.0	\$167.1	\$175.0	\$186.0	\$684.1	\$761.1
YoY % Chng	4.6%	7.7%	24.8%	13.5%	5.0%	11.2%	(7.9%)	4.4%	2.8%	18.6%	13.0%	8.7%	10.6%	11.3%
Intangible Amortization Expense	\$75.4	\$73.8	\$124.6	\$36.0	\$35.3	\$35.1	\$35.7	\$142.2	\$36.6	\$36.7	\$37.2	\$38.9	\$149.4	\$153.7
YoY % Chng	1.7%	(2.2%)	68.9%	100.1%	8.9%	(4.5%)	(4.4%)	14.1%	1.6%	3.8%	5.9%	8.9%	5.0%	2.9%
Tax Effect of Intangible Amortization	(\$19.2)	(\$18.6)	(\$31.5)	(\$9.1)	(\$8.1)	(\$8.1)	(\$8.2)	(\$33.5)	(\$8.4)	(\$8.4)	(\$8.6)	(\$8.9)	(\$34.4)	(\$35.3)
Net Income, GAAP	\$384.7	\$419.9	\$499.8	\$124.8	\$113.7	\$127.9	\$143.6	\$510.1	\$127.8	\$138.9	\$146.4	\$156.0	\$569.1	\$642.8
YoY % Chng	4.9%	9.1%	19.0%	3.9%	3.4%	14.3%	(9.0%)	2.0%	2.4%	22.2%	14.5%	8.6%	11.6%	13.0%
Diluted Shares Outstanding	23.4	22.6	22.4	22.2	22.3	22.3	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
YoY % Chng	(1.1%)	(3.6%)	(0.8%)	(1.7%)	(1.2%)	(0.2%)	1.5%	(0.4%)	1.2%	0.7%	0.3%	(0.1%)	0.5%	(0.1%)
Diluted EPS, Adjusted	\$18.83	\$21.05	\$26.48	\$6.85	\$6.33	\$6.93	\$7.63	\$27.74	\$6.95	\$7.45	\$7.81	\$8.30	\$30.51	\$34.00
YoY % Chng	5.7%	11.8%	25.8%	15.5%	6.4%	11.3%	(9.2%)	4.8%	1.5%	17.7%	12.6%	8.8%	10.0%	11.4%
Diluted EPS, GAAP	\$16.43	\$18.60	\$22.32	\$5.63	\$5.11	\$5.72	\$6.40	\$22.86	\$5.70	\$6.19	\$6.53	\$6.96	\$25.38	\$28.71
YoY % Chng	6.1%	13.2%	20.0%	5.6%	4.7%	14.4%	(10.3%)	2.4%	1.2%	21.2%	14.1%	8.8%	11.0%	13.1%



## 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>B</b>
Growth Score	<b>B</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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