

## Conagra Brands (CAG)

**\$17.94** (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$19.00**

Long Term: 6-12 Months	<b>Zacks Recommendation:</b>	<b>Neutral</b>
	(Since: 10/02/25)	
	Prior Recommendation: Underperform	
Short Term: 1-3 Months	<b>Zacks Rank: (1-5)</b>	<b>3-Hold</b>
	Zacks Style Scores:	VGM: C
	Value: A	Growth: D
		Momentum: F

### Summary

Conagra demonstrates long-term growth potential through strategic M&A, brand innovation, investments in frozen foods and snacks, and AI-driven initiatives to enhance productivity and reduce costs. The company has restored supply-chain service levels, expanded share in key categories and maintains strong cash flows to support dividends and shareholder returns. However, near-term challenges persist, including rising input costs, pressure in the Foodservice business, foreign exchange headwinds and tariffs. While management remains confident in its long-term strategy, guidance points to modest sales growth, continued margin pressure and constrained profitability, reflecting a challenging operating environment despite progress in portfolio reshaping, efficiency and innovation initiatives.

### Data Overview

52 Week High-Low	<b>\$28.52 - \$16.60</b>
20 Day Average Volume (sh)	<b>9,100,506</b>
Market Cap	<b>\$8.5 B</b>
YTD Price Change	<b>-36.0%</b>
Beta	<b>-0.01</b>
Dividend / Div Yld	<b>\$1.40 / 7.9%</b>
Industry	<b><u>Food - Miscellaneous</u></b>
Zacks Industry Rank	<b>Bottom 16% (203 out of 243)</b>

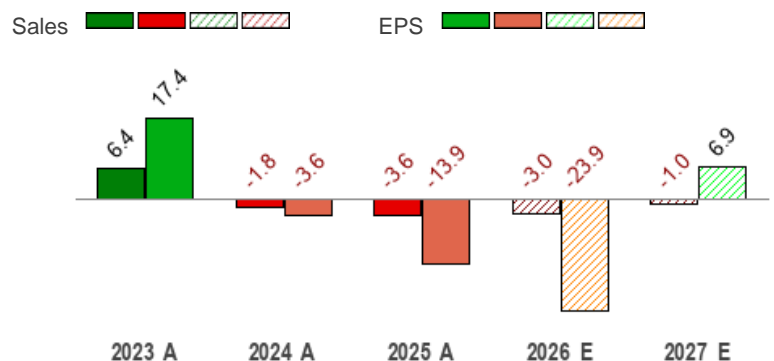
Last EPS Surprise	<b>18.2%</b>
Last Sales Surprise	<b>0.9%</b>
EPS F1 Est- 4 week change	<b>-0.3%</b>
Expected Report Date	<b>12/19/2025</b>
Earnings ESP	<b>0.1%</b>

P/E TTM	<b>8.2</b>
P/E F1	<b>10.3</b>
PEG F1	<b>-1.0</b>
P/S TTM	<b>0.7</b>

### 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	2,646 E	3,035 E	2,758 E	2,712 E	11,151 E
2026	2,633 A	3,007 E	2,732 E	2,889 E	11,260 E
2025	2,795 A	3,195 A	2,841 A	2,782 A	11,613 A

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

	Q1	Q2	Q3	Q4	Annual*
2027	0.40 E	0.53 E	0.46 E	0.48 E	1.87 E
2026	0.39 A	0.45 E	0.42 E	0.49 E	1.75 E
2025	0.53 A	0.70 A	0.51 A	0.56 A	2.30 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 11/27/2025.

## Overview

Chicago-based Conagra Brands, Inc. (CAG) is a consumer packaged goods food company offering premium edible products. The company merges a rich legacy of crafting exceptional food with an unwavering commitment to innovation.

Conagra maintains a highly dynamic product portfolio and incorporates alterations within it as per the preference pattern of the end-users. Some iconic brands of the company are Birds Eye, Duncan Hines, Healthy Choice, Marie Callender's, Reddi-wip, Slim Jim, Angie's BOOMCHICKAPOP and many more.

Conagra currently reports results in the following segments:

**Grocery & Snacks (42.2% of fiscal 2025 sales):** This unit includes branded, shelf stable food products sold in several retail channels in the United States.

**Refrigerated & Frozen (40.1% of fiscal 2025 sales):** This comprises branded, temperature-controlled food products sold in many retail channels in the United States.

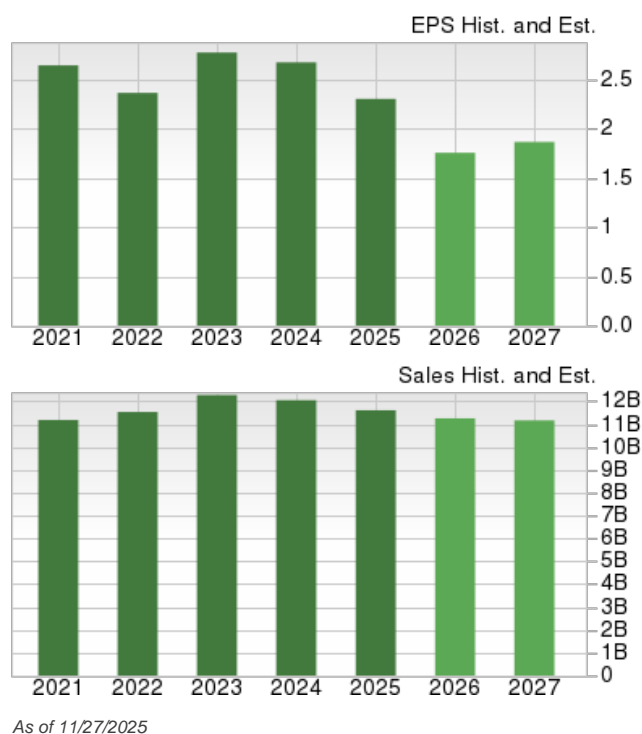
**International (8.2% of fiscal 2025 sales):** The segment takes care of branded food products, in various temperature states, offered to various retail and foodservice channels outside the United States.

**Foodservice (9.4% of fiscal 2025 sales):** The segment includes branded and customized food products, such as meals, entrees, sauces and a wide assortment of custom-made culinary products packaged for sale to restaurants and other foodservice setups in the United States.

In August 2024, Conagra acquired FATTY Smoked Meat Sticks and divested its majority stake in Indian subsidiary Agro Tech Foods Limited. Conagra acquired Pinnacle Foods in October 2018. Further, the company took over Sandwich Bros. in February 2018, which forms part of Conagra's Refrigerated and Frozen segment.

In October 2017, Conagra acquired Angie's Artisan Treats, LLC, which is a part of its Grocery & Snacks business. This segment also includes Thanasi Foods and BIGS LLC, which were acquired in April 2017. In September 2016, Conagra bought the assets of Frontera Foods, Inc. and Red Fork LLC.

On May 27, 2021, the company concluded the divestiture of its Egg Beaters liquid egg business. The divestiture mainly formed part of the company's Refrigerated & Frozen business.



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## Reasons To Buy:

- ▲ **Strategic Growth Efforts in Place:** Consumer preferences are constantly evolving, and Conagra actively evaluates opportunities to reshape the portfolio for sustained growth and margin expansion. This includes investments in innovation and brand modernization, as well as mergers and acquisitions (M&A) or value-accretive divestitures. Over the past decade, Conagra has made significant strides in transforming its portfolio and has recently resumed active reshaping through a strategic combination of acquisitions and divestitures of low-growth businesses. In the first quarter of fiscal 2025, Conagra acquired FATTY Smoked Meat Sticks, enhancing its leading position in the high-growth, high-margin meat stick category. FATTY business is now fully integrated and performing extremely well, with strong resonance among retail customers. In the first quarter of fiscal 2026, Conagra advanced its portfolio reshaping strategy. Management highlighted that the company continues to gain share in attractive categories such as frozen desserts, hot dogs, refrigerated whipped toppings, canned tomatoes, puddings and frozen multi-serve meals. Conagra has also launched a multiyear initiative to reengineer its operations, leveraging technology and AI, a forward-looking effort expected to enhance productivity, drive structural cost savings and improve long-term agility. The company also delivered more than 5% in productivity and tariff mitigation savings in the fiscal first quarter, demonstrating progress on efficiency initiatives. Looking ahead, Conagra will continue to explore opportunities to reshape its portfolio for faster growth and stronger margins.
- ▲ **Brand Strength and Demand Recovery:** Conagra's broad portfolio across frozen, snacks, and staples positions the company to capitalize on multiple consumer trends while mitigating risks from individual category fluctuations. Its strong presence in convenience-driven and innovation-focused categories ensures alignment with consumer demand, creating a stable foundation for sustained growth. In the first quarter of fiscal 2026, the company restored service levels to 98%, enabling the return of merchandising activities and innovation rollouts that had been delayed by last year's supply-chain disruptions. With those issues now behind it, Conagra is ready to meet strong demand, especially in frozen meals and snacks. The Snacks segment, led by Slim Jim and innovations like Buffalo Wild Wings Slim Jim, is gaining strong traction and, together with Frozen, is set to drive growth in fiscal 2026 and beyond.
- ▲ **Solid Frozen Category:** Frozen foods continue to be a standout segment for Conagra, a witness to the company's ability to align with consumer preferences for convenience and quality. In the first quarter of fiscal 2026, the Refrigerated & Frozen segment delivered positive organic sales growth of 0.2%, supported by volume gains of 0.5%, as the company cycled past last year's supply constraints in key products like Hebrew National. New product launches, such as premium-priced Dolly Parton frozen meals and desserts, are gaining early traction with consumers, reflecting Conagra's ability to capture both value-driven and premium demand. This strategic positioning within the frozen foods space ensures long-term growth potential.
- ▲ **Shareholder-Friendly Moves & Financial Leverage:** Conagra's healthy cash flows enable the company to make regular dividend payments. In the first quarter of fiscal 2026, Conagra generated \$121 million in net cash flows from operating activities, with capital expenditures amounting to \$147 million. During the quarter, Conagra paid a dividend of 35 cents per share. The company has a dividend payout of 61%, a dividend yield of 7.25% and a free cash flow yield of 14.2%. With an annual free cash flow return on investment of 7.02%, the dividend payout is likely to be sustainable.

Conagra drives long-term growth through smart M&A, brand innovation, frozen & snack investment, strong cash flows and an AI-led transformation for cost and productivity gains.

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## Reasons To Sell:

- ▼ **Cost and Margin Concerns:** Conagra has been experiencing cost inflation for a while now, which is affecting its profitability. In the first quarter of fiscal 2026, adjusted gross profit declined 11.3% year over year to \$643.5 million, while the adjusted gross margin contracted 153 basis points to 24.4%. Management noted that productivity benefits were more than offset by lower net sales, cost of goods sold inflation and lost profit from divested businesses. Looking ahead, inflationary pressures are expected to remain elevated, with guidance projecting core inflation slightly above 4% and total cost of goods sold inflation in the low 7% range for fiscal 2026, caused in part by tariffs on tinplate steel, aluminum and certain Chinese imports. While management is pursuing cost savings and pricing actions to mitigate these pressures, near-term margin recovery appears constrained.
- ▼ **Foodservice Unit Concerns:** Conagra's Foodservice unit has been under pressure, reflecting broader industry challenges. In the first quarter of fiscal 2026, net sales declined 0.8% year over year to \$264 million, including a 1% drag from M&A, while volumes fell 3.6%. Adjusted operating profit for the segment fell sharply by 21.1% year over year to \$28 million, as higher input costs, unfavorable operating leverage and lost profit from divested businesses outweighed productivity gains. This underperformance limits Conagra's ability to leverage growth opportunities in the foodservice channel.
- ▼ **Foreign Exchange Headwinds Impact International Operations:** Conagra's presence in the global markets exposes it to volatile currency movements. The company's International segment was adversely affected by currency fluctuations. In the first quarter of fiscal 2026, net sales for the International segment declined 18% year over year to \$212 million, with foreign exchange contributing to a 1.3% decrease. The decrease in net sales also reflected the combined impact of M&A activity and a drop in organic sales. The impact of unfavorable currency translations remains a risk for the company's future performance.
- ▼ **Cautious Outlook:** Following the first-quarter fiscal 2026 results, Conagra has reaffirmed its fiscal 2026 guidance. The company still expects organic net sales growth between negative 1% and positive 1%. Adjusted earnings per share are projected to fall sharply to a range of \$1.70 to \$1.85, down from \$2.30 in fiscal 2025. At the same time, adjusted operating margin is forecasted to contract further to just 11-11.5%, down from 14.1% in fiscal 2025. Management has acknowledged that elevated inflation and macroeconomic uncertainty are expected to persist into fiscal 2026.

Conagra is grappling with profitability challenges from rising cost inflation, a sluggish Foodservice unit and adverse foreign currency fluctuations.

## Last Earnings Report

### Conagra Q1 Earnings Beat Estimates, Sales Decline 5.8% Y/Y

Conagra Brands posted first-quarter fiscal 2026 results, wherein both top and bottom lines beat the Zacks Consensus Estimate. However, both metrics declined year over year.

#### Conagra's Quarterly Performance: Key Metrics and Insights

Conagra's quarterly adjusted earnings per share (EPS) were 39 cents, which beat the Zacks Consensus Estimate of 33 cents. The bottom line declined 26.4% year over year.

The company generated net sales of \$2,632.6 million, which declined 5.8% year over year but surpassed the Zacks Consensus Estimate of \$2,609 million. The top-line decline resulted from a 5.1% unfavorable impact of M&A, a 0.6% decrease in organic net sales and 0.1% adverse currency movements.

Organic net sales decreased 0.6%, reflecting a 0.6% positive impact from price/mix, driven by favorable trade expense timing and product mix, offset by a 1.2% decline in volume. During the quarter, the company gained volume share in several categories, including frozen desserts, refrigerated whipped topping, hot dogs, pudding, canned tomatoes, and frozen multi-serve meals.

The adjusted gross profit declined 11.3% to \$644 million, as productivity gains were outweighed by lower sales, cost inflation and lost profit from divested businesses. The adjusted gross margin contracted 153 basis points (bps) to 24.4%.

Adjusted SG&A expenses, excluding advertising and promotional costs, increased 1.5% year over year to \$333 million, driven by higher incentive compensation.

Adjusted EBITDA (including equity method investment earnings and pension and post-retirement non-service income) was \$441 million, down 16.4% year over year.

#### Decoding Conagra's Segmental Performance

**Grocery & Snacks:** Quarterly net sales in the segment were \$1,079.6 million, which was down 8.7% year over year. The decline was driven by a 7.7% adverse impact from M&A and a 1.0% drop in organic net sales. Within organic results, a 0.6% benefit from price/mix was more than offset by a 1.6% decline in volume.

**Refrigerated & Frozen:** Net sales decreased 0.9% year over year to \$1,076.2 million. Results reflected a 1.1% headwind from M&A, partially offset by a 0.2% increase in organic net sales. Organic performance included a 0.3% decline from price/mix and a 0.5% increase in volume.

**International:** Net sales declined 18% year over year to \$212.3 million. The decrease was attributable to a 13.2% unfavorable impact from M&A, a 3.5% decline in organic net sales, and a 1.3% drag from foreign exchange. Organic results reflected a 1.7% benefit from price/mix, offset by a 5.2% decline in volume.

**Foodservice:** Reported sales were \$264.5 million, down 0.8% year over year. The decline included a 1.0% headwind from M&A, partly offset by a 0.2% increase in organic net sales. Organic results reflected a 3.8% benefit from price/mix, largely offset by a 3.6% decline in volume.

#### Conagra's Financial Health Snapshot

The company exited the quarter with cash and cash equivalents of \$698.1 million, senior long-term debt (excluding current installments) of \$7,222.6 million and total stockholders' equity of \$8,915.8 million.

For the first quarter of fiscal 2026, Conagra generated \$120.6 million in net cash flows from operating activities, with capital expenditures amounting to \$146.8 million. The company generated a free cash flow of negative \$26.2 million.

Conagra also declared a quarterly dividend of 35 cents per share, payable on Nov. 26, 2025, to its shareholders of record as of Oct. 30.

#### What to Expect From Conagra in FY26?

For fiscal 2026, the company still expects a negative 1% to positive 1% in organic net sales growth. The adjusted operating margin is anticipated between 11% and 11.5%, while adjusted earnings are forecasted between \$1.70 and \$1.85 per share, down from \$2.30 in fiscal 2025.

**FY Quarter Ending** **5/31/2025**

Earnings Reporting Date	Oct 01, 2025
Sales Surprise	0.89%
EPS Surprise	18.18%
Quarterly EPS	0.39
Annual EPS (TTM)	2.16

## Valuation

Conagra Brands' shares are down 35.8% in the year-to-date period and nearly 35.1% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer staples sector are down 13.5% and 0.4%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are down 18% and 5.7%, respectively.

The S&P 500 index is up 17.6% in the year-to-date period and 15.8% in the past year.

The stock is currently trading at 9.82X forward 12-month earnings, which compares to 14.72X for the Zacks sub-industry, 16.40X for the Zacks sector and 23.36X for the S&P 500 index.

Over the past five years, the stock has traded as high as 15.78X and as low as 8.83X, with a 5-year median of 12.27X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$19 price target reflects 10.41X forward 12-month earnings.

The table below shows summary valuation data for CAG

Valuation Multiples - CAG					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9.82	14.72	16.40	23.36
	5-Year High	15.78	20.73	20.30	23.81
	5-Year Low	8.83	14.72	16.15	15.73
	5-Year Median	12.27	17.83	18.16	21.21
P/S F12M	Current	0.76	1.07	7.84	5.28
	5-Year High	1.71	1.99	10.80	5.50
	5-Year Low	0.71	1.07	6.50	3.83
	5-Year Median	1.30	1.53	8.78	5.04
EV/EBITDA TTM	Current	8.49	8.21	34.15	18.43
	5-Year High	12.49	15.16	44.86	22.40
	5-Year Low	8.21	8.08	33.17	13.87
	5-Year Median	10.90	13.17	39.70	17.95

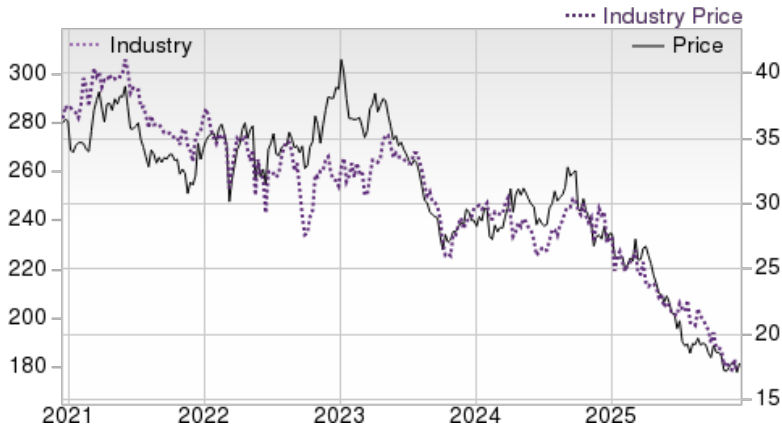
As of 11/26/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 16% (203 out of 243)

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



Company (Ticker)	Rec	Rank
B&G Foods, Inc. (BGS)	Neutral	3
The Campbell's Compa...(CPB)	Neutral	4
General Mills, Inc. (GIS)	Neutral	3
The J. M. Smucker Co...(SJM)	Neutral	3
Ingredion Incorporat...(INGR)	Underperform	5
Post Holdings, Inc. (POST)	Underperform	4
TreeHouse Foods, Inc...(THS)	Underperform	4

Industry Comparison <sup>(1)</sup> Industry: Food - Miscellaneous				Industry Peers		
	CAG	X Industry	S&P 500	CPB	GIS	SJM
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	4	3	3
VGM Score	C	-	-	B	C	B
Market Cap	8.49 B	1.67 B	39.38 B	8.57 B	24.91 B	10.84 B
# of Analysts	7	3	22	9	8	8
Dividend Yield	7.89%	0.00%	1.41%	5.43%	5.23%	4.33%
Value Score	A	-	-	B	A	B
Cash/Price	0.08	0.07	0.04	0.02	0.04	0.01
EV/EBITDA	7.65	9.61	14.60	9.21	9.28	11.83
PEG Ratio	-1.04	1.92	2.23	10.05	0.87	6.90
Price/Book (P/B)	0.95	1.89	3.35	2.16	2.62	1.79
Price/Cash Flow (P/CF)	5.68	9.48	15.20	6.46	8.78	11.58
P/E (F1)	10.21	15.59	19.78	11.76	12.82	11.25
Price/Sales (P/S)	0.74	0.91	3.06	0.84	1.30	1.24
Earnings Yield	9.86%	6.21%	4.99%	8.49%	7.80%	8.89%
Debt/Equity	0.81	0.42	0.57	1.54	1.28	1.16
Cash Flow (\$/share)	3.13	1.82	8.99	4.45	5.32	8.77
Growth Score	D	-	-	C	D	B
Hist. EPS Growth (3-5 yrs)	-1.47%	7.15%	8.16%	-0.11%	3.67%	2.86%
Proj. EPS Growth (F1/F0)	-23.91%	4.01%	8.57%	-17.85%	-13.54%	-10.77%
Curr. Cash Flow Growth	-11.23%	0.63%	6.75%	-2.00%	-9.04%	-36.46%
Hist. Cash Flow Growth (3-5 yrs)	-0.16%	4.64%	7.43%	1.58%	0.59%	-8.38%
Current Ratio	1.06	1.53	1.19	0.82	0.66	0.89
Debt/Capital	44.75%	34.55%	38.01%	60.63%	56.21%	53.74%
Net Margin	7.42%	2.70%	12.78%	5.69%	15.24%	-13.61%
Return on Equity	11.72%	9.71%	17.00%	21.84%	23.46%	15.26%
Sales/Assets	0.55	0.91	0.53	0.67	0.58	0.49
Proj. Sales Growth (F1/F0)	-3.00%	0.00%	5.77%	-3.30%	-4.70%	4.00%
Momentum Score	F	-	-	C	D	F
Daily Price Chg	0.85%	0.00%	-1.07%	1.09%	1.00%	0.65%
1 Week Price Chg	4.11%	0.28%	-0.63%	-2.91%	1.65%	1.46%
4 Week Price Chg	1.72%	0.00%	1.39%	-8.15%	-1.52%	-6.94%
12 Week Price Chg	-4.26%	-6.63%	2.45%	-14.03%	-7.27%	-6.63%
52 Week Price Chg	-37.06%	-16.33%	12.83%	-33.15%	-29.99%	-10.54%
20 Day Average Volume	9,100,506	147,704	2,728,366	6,817,123	5,813,390	1,683,086
(F1) EPS Est 1 week change	-0.24%	0.00%	0.00%	-0.25%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.33%	0.00%	0.00%	-0.78%	-0.33%	-1.09%
(F1) EPS Est 12 week change	0.36%	-1.49%	0.69%	-0.68%	-0.20%	-0.95%
(Q1) EPS Est Mthly Chg	-0.84%	0.00%	0.00%	-8.03%	-0.11%	-7.97%

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

### Conagra Brands, Inc. (CAG)

In SMM, except per share data

	2023A	2024A	2025A	1Q	2Q	2026E	4Q	FY	1Q	2Q	2027E	4Q	FY	2028E
FY Ends May 31st	FY	FY	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	FY
	May-23	May-24	May-25	31-Aug-25	30-Nov-25	22-Feb-26	31-May-26	May-26	30-Aug-26	29-Nov-26	28-Feb-27	30-May-27	May-27	May-28
<b>Income Statement</b>														
<b>Net Sales</b>	<b>\$12,277.0</b>	<b>\$12,050.9</b>	<b>\$11,612.8</b>	<b>\$2,632.6</b>	<b>\$3,006.5</b>	<b>\$2,732.1</b>	<b>\$2,889.0</b>	<b>\$11,260.3</b>	<b>\$2,646.0</b>	<b>\$3,035.3</b>	<b>\$2,757.5</b>	<b>\$2,712.1</b>	<b>\$11,150.9</b>	<b>\$11,269.4</b>
Volume	(7.5%)	(3.3%)	(1.7%)	(1.2%)	(1.3%)	(0.4%)	(0.4%)	(0.8%)	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%
Pricing	14.1%	1.2%	(1.2%)	0.6%	(0.1%)	1.2%	1.4%	0.7%	0.5%	0.5%	0.4%	0.4%	0.4%	0.6%
Organic Growth	6.6%	(2.1%)	(2.9%)	(0.6%)	(1.4%)	0.8%	1.0%	(0.1%)	1.0%	1.0%	0.9%	0.9%	0.9%	1.1%
Acquisitions/Divestitures	0.0%	0.0%	(0.3%)	(5.1%)	(4.4%)	(4.8%)	(4.5%)	(4.7%)	(0.4%)	0.0%	0.0%	0.0%	(0.1%)	0.0%
Impact of 53rd week	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.0%	1.7%	0.0%	0.0%	0.0%	(7.0%)	(1.8%)	0.0%
Currency	(0.2%)	0.3%	(0.4%)	(0.1%)	(0.1%)	0.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Goods Sold, Adjusted	\$8,949.8	\$8,715.1	\$8,623.9	\$1,989.1	\$2,311.6	\$2,087.5	\$2,201.3	\$8,589.5	\$1,984.4	\$2,290.6	\$2,087.9	\$2,047.8	\$8,410.7	\$8,437.6
Cost of Goods Sold, GAAP	\$9,012.2	\$8,717.5	\$8,609.3	\$1,992.0	\$2,311.6	\$2,087.5	\$2,201.3	\$8,592.4	\$1,984.4	\$2,290.6	\$2,087.9	\$2,047.8	\$8,410.7	\$8,437.6
<b>Gross Profit, Adjusted</b>	<b>\$3,327.2</b>	<b>\$3,335.8</b>	<b>\$2,988.9</b>	<b>\$643.5</b>	<b>\$694.9</b>	<b>\$644.6</b>	<b>\$687.8</b>	<b>\$2,670.7</b>	<b>\$661.6</b>	<b>\$744.6</b>	<b>\$669.7</b>	<b>\$664.3</b>	<b>\$2,740.3</b>	<b>\$2,831.8</b>
<b>Gross Profit, GAAP</b>	<b>\$3,264.8</b>	<b>\$3,333.4</b>	<b>\$3,003.5</b>	<b>\$640.6</b>	<b>\$694.9</b>	<b>\$644.6</b>	<b>\$687.8</b>	<b>\$2,667.8</b>	<b>\$661.6</b>	<b>\$744.6</b>	<b>\$669.7</b>	<b>\$664.3</b>	<b>\$2,740.3</b>	<b>\$2,831.8</b>
Selling, General and Administrative Expenses, Adjusted	\$1,120.5	\$1,123.5	\$1,354.4	\$332.8	\$369.1	\$337.1	\$358.2	\$1,397.2	\$343.6	\$363.0	\$336.1	\$338.5	\$1,381.1	\$1,392.9
Advertising & Promotion Expenses	\$290.1	\$289.6	\$263.2	\$52.9	\$75.6	\$77.7	\$71.3	\$277.5	\$69.0	\$77.1	\$73.2	\$69.2	\$288.5	\$284.4
Selling, General and Administrative Expenses, GAAP	\$2,189.5	\$1,487.5	\$1,537.3	\$335.6	\$369.1	\$337.1	\$358.2	\$1,400.0	\$343.6	\$363.0	\$336.1	\$338.5	\$1,381.1	\$1,392.9
Goodwill Impairment Charges		\$526.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Intangible Asset Impairment Charges		\$430.2	\$72.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Loss on Divestitures		\$36.4	\$29.5	(\$42.4)	(\$42.4)	(\$42.4)	(\$42.4)	(\$169.6)	(\$42.4)	(\$42.4)	(\$42.4)	(\$42.4)	(\$169.6)	(\$169.6)
<b>Adjusted EBITDA</b>	<b>\$2,520.2</b>	<b>\$2,484.2</b>	<b>\$2,224.6</b>	<b>\$441.0</b>	<b>\$381.0</b>	<b>\$360.7</b>	<b>\$396.1</b>	<b>\$1,578.9</b>	<b>\$375.6</b>	<b>\$437.4</b>	<b>\$389.7</b>	<b>\$383.8</b>	<b>\$1,586.6</b>	<b>\$1,671.2</b>
Depreciation & Amortization	\$369.9	\$400.9	\$390.2	\$95.3	\$92.4	\$90.4	\$103.8	\$381.9	\$94.8	\$93.0	\$93.3	\$95.2	\$376.3	\$381.0
<b>Operating Income, Adjusted</b>	<b>\$1,916.6</b>	<b>\$1,922.7</b>	<b>\$1,634.5</b>	<b>\$310.7</b>	<b>\$325.8</b>	<b>\$307.5</b>	<b>\$329.5</b>	<b>\$1,273.6</b>	<b>\$318.0</b>	<b>\$381.6</b>	<b>\$333.6</b>	<b>\$325.9</b>	<b>\$1,359.1</b>	<b>\$1,439.0</b>
<b>Operating Income, GAAP</b>	<b>\$1,075.3</b>	<b>\$852.8</b>	<b>\$1,364.6</b>	<b>\$347.4</b>	<b>\$368.2</b>	<b>\$349.9</b>	<b>\$371.9</b>	<b>\$1,437.5</b>	<b>\$360.4</b>	<b>\$424.0</b>	<b>\$376.0</b>	<b>\$368.3</b>	<b>\$1,528.7</b>	<b>\$1,608.6</b>
Interest Expense	\$420.9	\$445.0	\$427.5	\$98.5	\$101.4	\$98.5	\$102.8	\$401.1	\$101.1	\$103.9	\$99.9	\$99.1	\$403.9	\$396.3
Interest Income	\$3.9	\$5.7	\$2.5	\$2.6	\$0.7	\$0.8	\$0.8	\$4.9	\$1.7	\$0.6	\$0.6	\$0.7	\$3.6	\$4.3
Interest Capitalized	\$7.4	\$8.8	\$8.3	\$2.1	\$1.5	\$1.2	\$1.4	\$6.2	\$1.4	\$1.2	\$1.2	\$1.5	\$5.4	\$4.1
Interest Expense, Net	\$409.6	\$430.5	\$416.7	\$93.8	\$99.2	\$96.5	\$100.5	\$390.0	\$97.9	\$102.0	\$98.1	\$96.9	\$394.8	\$387.8
Pension & Post-Retirement Non-Service Income (Expense), Adjusted	\$24.2	(\$1.2)	\$12.9	\$6.1	\$3.4	\$3.3	\$14.9	\$27.7	\$4.5	\$3.2	\$3.2	\$15.1	\$26.0	\$26.7
Pension & Post-Retirement Non-Service Income (Expense), GAAP	\$24.2	\$10.3	\$25.9	\$6.1	\$3.4	\$3.3	\$14.9	\$27.7	\$4.5	\$3.2	\$3.2	\$15.1	\$26.0	\$26.7
Equity Method Investment Earnings	\$212.0	\$177.6	\$182.4	\$29.4	\$54.3	\$49.3	\$61.5	\$194.4	\$28.5	\$50.4	\$47.9	\$56.8	\$183.7	\$189.7
Ardent JV Restructuring Activities		\$7.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Pre-Tax Income, Adjusted</b>	<b>\$1,743.2</b>	<b>\$1,668.6</b>	<b>\$1,420.3</b>	<b>\$252.4</b>	<b>\$284.3</b>	<b>\$263.6</b>	<b>\$305.4</b>	<b>\$1,105.8</b>	<b>\$253.2</b>	<b>\$333.2</b>	<b>\$286.5</b>	<b>\$301.0</b>	<b>\$1,174.0</b>	<b>\$1,267.6</b>
<b>Pre-Tax Income, GAAP</b>	<b>\$901.9</b>	<b>\$610.2</b>	<b>\$1,156.2</b>	<b>\$289.1</b>	<b>\$326.7</b>	<b>\$306.0</b>	<b>\$347.8</b>	<b>\$1,269.7</b>	<b>\$295.6</b>	<b>\$375.6</b>	<b>\$328.9</b>	<b>\$343.4</b>	<b>\$1,343.6</b>	<b>\$1,437.2</b>
Income Tax, Adjusted	\$411.2	\$388.2	\$318.4	\$63.2	\$67.7	\$62.7	\$72.7	\$266.3	\$60.3	\$79.3	\$68.2	\$71.6	\$279.4	\$301.7
Income Tax, GAAP	\$218.7	\$262.5	\$3.7	\$124.6	\$140.8	\$131.9	\$149.9	\$547.2	\$127.4	\$161.9	\$141.8	\$148.0	\$579.1	\$619.4
Tax Rate, Adjusted	23.6%	23.3%	22.4%	25.0%	23.8%	23.8%	23.8%	24.1%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%
Tax Rate, GAAP	19.6%	43.0%	0.3%	43.1%	43.1%	43.1%	43.1%	43.1%	43.1%	43.1%	43.1%	43.1%	43.1%	43.1%
Non-Controlling Interest	(\$0.4)	\$0.5	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Net Income, Adjusted</b>	<b>\$1,331.2</b>	<b>\$1,279.9</b>	<b>\$1,101.8</b>	<b>\$189.2</b>	<b>\$216.6</b>	<b>\$200.9</b>	<b>\$232.7</b>	<b>\$839.5</b>	<b>\$193.0</b>	<b>\$253.9</b>	<b>\$218.3</b>	<b>\$229.3</b>	<b>\$894.6</b>	<b>\$965.9</b>
<b>Net Income, GAAP</b>	<b>\$683.6</b>	<b>\$347.2</b>	<b>\$1,152.4</b>	<b>\$164.5</b>	<b>\$185.9</b>	<b>\$174.1</b>	<b>\$197.9</b>	<b>\$722.4</b>	<b>\$168.2</b>	<b>\$213.7</b>	<b>\$187.2</b>	<b>\$195.4</b>	<b>\$764.5</b>	<b>\$817.8</b>
Basic Shares Outstanding	478.9	478.6	478.3	478.7	478.7	478.7	478.7	478.7	478.7	478.7	478.7	478.7	478.7	478.7
Diluted Shares Outstanding	480.7	480.0	479.7	479.6	479.6	479.6	479.6	479.6	479.6	479.6	479.6	479.6	479.6	479.6
<b>Basic EPS</b>	<b>\$1.43</b>	<b>\$0.73</b>	<b>\$2.41</b>	<b>\$0.34</b>	<b>\$0.39</b>	<b>\$0.36</b>	<b>\$0.41</b>	<b>\$1.50</b>	<b>\$0.35</b>	<b>\$0.45</b>	<b>\$0.39</b>	<b>\$0.41</b>	<b>\$1.60</b>	<b>\$1.70</b>
<b>Diluted EPS, Adjusted</b>	<b>\$2.77</b>	<b>\$2.67</b>	<b>\$2.30</b>	<b>\$0.39</b>	<b>\$0.45</b>	<b>\$0.42</b>	<b>\$0.49</b>	<b>\$1.75</b>	<b>\$0.40</b>	<b>\$0.53</b>	<b>\$0.46</b>	<b>\$0.48</b>	<b>\$1.87</b>	<b>\$2.01</b>
<b>Diluted EPS, GAAP</b>	<b>\$1.42</b>	<b>\$0.72</b>	<b>\$2.40</b>	<b>\$0.34</b>	<b>\$0.39</b>	<b>\$0.36</b>	<b>\$0.41</b>	<b>\$1.50</b>	<b>\$0.35</b>	<b>\$0.45</b>	<b>\$0.39</b>	<b>\$0.41</b>	<b>\$1.60</b>	<b>\$1.70</b>
Dividend per Share	\$1.32	\$1.38	\$1.40	\$0.35	\$0.35	\$0.35	\$0.35	\$1.40	\$0.35	\$0.35	\$0.35	\$0.35	\$1.40	\$1.40



## 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.

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## 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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Value Score	A
Growth Score	D
Momentum Score	F
VGM Score	C

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