

Caterpillar Inc. (CAT)

\$561.89 (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **\$647.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 04/02/25)
Prior Recommendation: Underperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **2-Buy**
Zacks Style Scores: VGM: D
Value: D | Growth: C | Momentum: A

Summary

Caterpillar reported year-over-year growth in its third-quarter revenues after six quarters of declines. This improvement was attributed to volume growth in all of its segments. However, earnings declined in the quarter due to the impact of tariffs. This will continue through 2025 with the company expecting a \$1.6-\$1.75 billion impact for the year. The record high backlog of \$39.9 billion should support its top line. Going forward, the Construction Industries segment will gain from increased construction activities in the United States and globally. Resource Industries will be supported by commodity demand. The Energy & Transportation segment will gain on strong demand across all applications. Caterpillar's focus on aftermarket parts and service-related revenues (which generate high margins) will aid growth.

Data Overview

52 Week High-Low	\$627.50 - \$267.30
20 Day Average Volume (sh)	2,517,308
Market Cap	\$275.6 B
YTD Price Change	62.4%
Beta	1.57
Dividend / Div Yld	\$6.04 / 1.0%
Industry	Manufacturing - Construction and Mining
Zacks Industry Rank	Bottom 17% (201 out of 243)

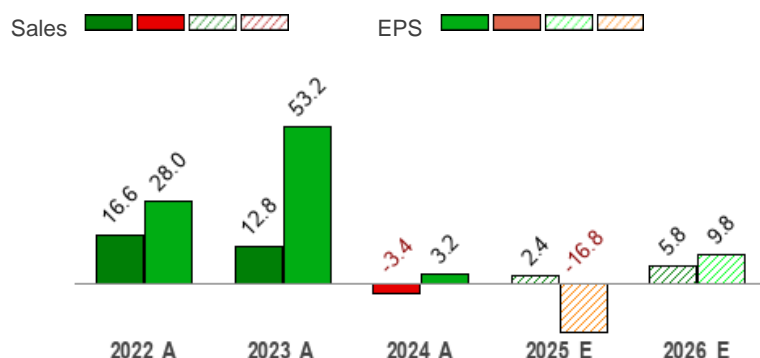
Last EPS Surprise	9.5%
Last Sales Surprise	5.3%
EPS F1 Est- 4 week change	0.1%
Expected Report Date	01/29/2026
Earnings ESP	-5.0%

P/E TTM	30.9
P/E F1	30.8
PEG F1	-7.0
P/S TTM	4.3

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	15,068 E	17,675 E	18,372 E	19,064 E	70,179 E
2025	14,249 A	16,569 A	17,638 A	17,886 E	66,342 E
2024	15,799 A	16,689 A	16,106 A	16,215 A	64,809 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	3.87 E	5.22 E	5.77 E	5.14 E	20.01 E
2025	4.25 A	4.72 A	4.95 A	4.31 E	18.23 E
2024	5.60 A	5.99 A	5.17 A	5.14 A	21.90 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 12/11/2025.

Overview

Caterpillar, known for its iconic yellow machines, is the largest global construction and mining equipment manufacturer. Given that it serves a gamut of sectors - infrastructure, construction, mining, oil & gas and transportation, the company is considered a bellwether of the global economy.

Since 1925, Caterpillar's product portfolio has evolved and boasts 20 brands and generated revenues of \$65 billion in 2024. It has more than 4 million products with an extensive dealer network of 156 dealers spanning 190 countries.

Caterpillar started using telematics in the 1990s and reached its target of 1 million connected assets in 2019. It currently has more than 1.5 million connected assets. The combination of innovation, and cutting-edge technology, coupled with the formidable reputation, set Caterpillar apart from its peers.

Caterpillar is the 34th largest company on the S&P 500 Index, with a market capitalization of around \$288 billion. It holds the second position in the Dow Jones Industrial Average, with a 7.87% weight. It is also a member of the S&P 500 Dividend Aristocrat Index.

The Irving, TX-based company has six operating segments.

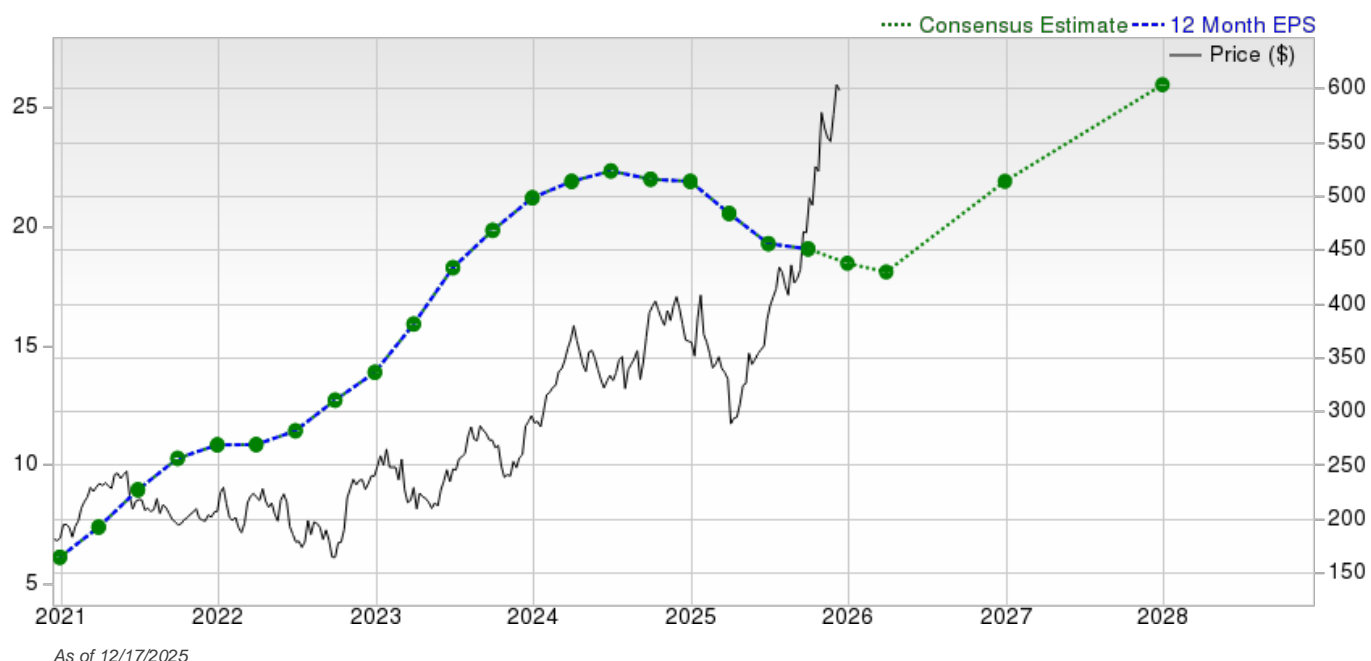
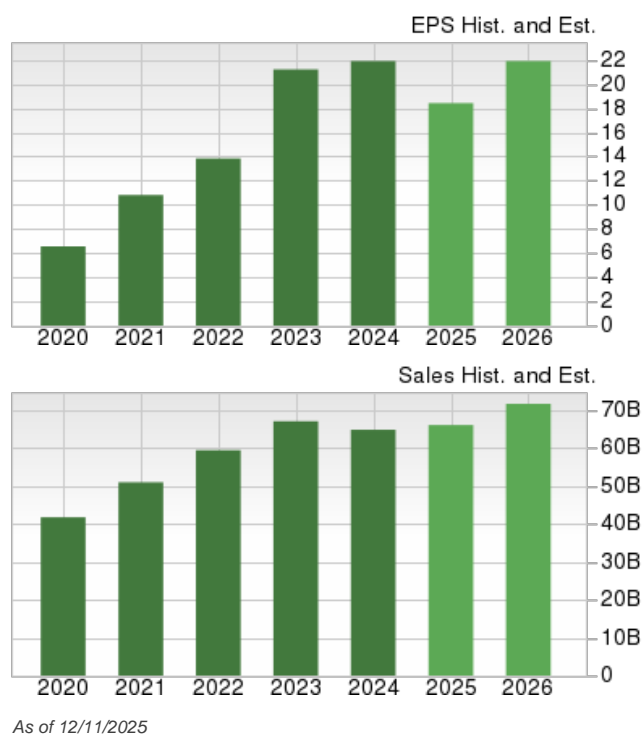
Machinery, Energy & Transportation (ME&T) (around 94% of total revenues in 2024) includes the Construction Industries segment, which manufactures machinery utilized in infrastructure, forestry and building construction.

The Resource Industries segment caters to customers using machinery in mining, quarry and aggregates, heavy construction, waste and material handling applications.

The Energy & Transportation segment supports customers in oil and gas, power generation, marine, rail and industrial applications.

All Other Segments primarily comprise activities such as re-manufacturing CAT engines and components and re-manufacturing services for other companies and product management, development, manufacturing, marketing and product support.

Financial Products Segment (6% of total revenues in 2024) provides retail and wholesale financing alternatives for Caterpillar products.



Reasons To Buy:

▲ Caterpillar's backlog rose \$2. billion sequentially to an all-time high of \$39.9 billion at the end of the third quarter of 2025. The company maintains its broad spectrum of revenues, ranging from \$42 billion to \$72 billion. According to the revenue levels, margins are expected to be between 10% and 22%. In North America, demand from residential and non-residential construction will bolster Caterpillar's construction equipment sales in the long run. Due to the U.S. Infrastructure Investment and Jobs Act, the rising investment in roads, bridges, airports and waterways represents a massive opportunity for Caterpillar in the forthcoming years, given the wide range of construction equipment in its portfolio. We expect construction sales in North America (which generates around 50% of the total construction segments' sales) to gain on these trends and exhibit a CAGR of 4.2% over 2024-2027. Increased construction activity will also support demand in EAME and Latin America.

Caterpillar's focus on innovation, investment in digital capabilities and demand stemming from infrastructure spending and energy-transition trends should help it maintain an upbeat performance.

- ▲ Miners are bringing radical changes to mining operations to increase productivity, reduce cost and improve frontline safety and are, thus, increasingly relying on autonomous systems. Electric vehicle demand is also boosting demand for commodities. The intensifying global focus on shifting from fossil fuels to zero emissions will require a huge amount of commodities, which in turn, will boost demand for Caterpillar's mining equipment. Caterpillar is enhancing its autonomous capabilities and bringing innovative products into the markets to capitalize on this demand.
- ▲ In Energy & Transportation, strong order rates in most applications are expected to support revenues. In the Oil and Gas sector, focus on sustainability, and strength in reciprocating engine orders, especially for large engine replacements, will drive demand for equipment. As technology companies establish data centers globally to support their generative AI applications, Caterpillar is witnessing robust order levels for reciprocating engines for data centers. The company is planning to double its output with a multi-year capital investment. Sales will improve in transportation, courtesy of an increase in rail services driven by international locomotives. Growth in Marine as customers update aging fleets and growth in industrial will also drive the segment's performance.
- ▲ Caterpillar continues to focus on customers and the future by investing in digital capabilities, connecting assets and job sites, and developing the next generation of more productive and efficient products. The company is funding initiatives that drive long-term growth focused on areas of expanded offerings and services and digital initiatives like e-commerce, sustainability and electrification. Caterpillar launched its Cat DET system that can transfer energy to both diesel-electric and battery-electric large mining trucks while they are working around a mine site. The system, which can be customized per different mine sites, will help miners lower their operating costs and improve efficiency. Miners will be able to achieve production targets while meeting their energy demands and lowering greenhouse emissions.
- ▲ Caterpillar continues to maintain its target of doubling services revenues to \$28 billion by 2026 from the 2016 level. Caterpillar has a long-standing commitment to sustainability, boasting a history of sustainable innovation of more than 95 years. It aims to make 100% of its new products through 2030 to be more sustainable than the previous ones. The new products will offer improved design for rebuild/remanufacturing, lower emissions, enhanced efficiency and reduced waste. These sustainable offerings are expected to boost its revenues going forward.
- ▲ Caterpillar's cash and liquidity position remains strong, which enables it to invest in growth while returning cash to shareholders. The company generated an operating cash flow of \$3.7 billion in the third quarter of 2025 and ended the quarter with cash and cash equivalents of \$7.5 billion. It also has \$1.2 billion in liquid marketable securities. Including the impacts of tariffs, Caterpillar expects ME&T free cash flow in 2025 to be above the midpoint of its target of \$5-\$10 billion. The company has a target to return all of its ME&T free cash flow to shareholders over time. ME&T debt was \$10.7 billion as of Sept. 30, 2025. Compared with the base of 4.6 in 2020, its times interest earned ratio has improved substantially over the years and is currently at 7.4. The company's total debt to total capital ratio was 0.67 as of Sep. 30, 2025.

In the third quarter of 2025, the company returned around \$1.1 billion to shareholders as dividends and share repurchases. In June, Caterpillar had announced a 7% hike in quarterly dividend to \$1.51 per share. The company has paid higher annual dividends to shareholders for 32 straight years. The company is a member of the S&P 500 Dividend Aristocrat Index. CAT's payout ratio of 30.12% is also higher than the industry's 29.65%.

Reasons To Sell:

- ▼ The Institute for Supply Management's manufacturing index had been in contraction for 26 consecutive months (below 50) until December 2024. The index showed expansion in January and February but this recovery was short-lived, with the index slipping into contraction again in March with a reading of 49%. The index has been in contraction since, with the last reading of 48.2% in November. The New Orders Index has also been in contraction for three months, It had showed a brief expansion in August with 51.4% reading, after six consecutive months of contraction. The index has not delivered consistent growth since the end of its 24-month expansion streak in May 2022. Customers have been pulling in orders due to anxiety about uncertainty regarding tariffs and pricing pressures. This is concerning for Caterpillar.
- ▼ CAT's earnings have declined over the past five quarters. The earnings decline has been more pronounced this year, with a 24.1% decline in the first quarter of 2025, 21.2% in the second quarter, worse than the single-digit drop in the previous two quarters. However, the company has reported a single-digit decline with a 4% decline in the third quarter. This stint of declines is a disappointing turn after 14 consecutive quarters of growth (from the first quarter of 2021 to the third quarter of 2024), which was particularly impressive as Caterpillar managed to deliver earnings growth despite the broader industry challenges during that time, including the pandemic, supply-chain disruptions and a slowdown in manufacturing.
- ▼ Caterpillar had been witnessing a decline in revenues over the past six quarters, but returned to growth in the third quarter of 2025. Volume growth has been positive in the past two quarters. Both the Resource Industries and Construction Industries segments have returned to volume growth in the third quarter. Looking at 2025, Caterpillar expects revenues to be modestly higher than those reported in 2024. Considering the ongoing uncertainty regarding tariffs, it remains to be seen whether this improvement will be sustained.
- ▼ The company estimates a tariff-related impact of \$650-\$800 million in the fourth quarter and \$1.6-\$1.75 billion (updated from \$1.5-\$1.8 billion) for the year. Caterpillar emphasized that it will continue to take actions to mitigate the impacts on margins, and it anticipates the 2025 adjusted operating margin landing near the bottom of the target range.
- ▼ Caterpillar had been witnessing higher costs of materials as well as higher freight costs. Even though these headwinds have somewhat abated, labor constraints and high labor costs are expected to hinder margins. Caterpillar expects restructuring expenses in 2025 to be \$300-\$350 million. The company has been ramping up R&D project spending to support investments related to initiatives such as sustainability, electrification and digital. This will weigh on margins.

The downtrend in volumes in Caterpillar's major segments - Construction & Resource Industries will hurt results. The impacts of tariffs will continue to strain margins.

Last Earnings Report

CAT Q3 Earnings & Revenues Beat Estimates on Higher Volumes

Caterpillar reported adjusted earnings per share of \$4.95 for the third quarter of 2025, which beat the Zacks Consensus Estimate of \$4.52 by a margin of 10%. The bottom line was, however, down 4% compared with the year-ago quarter.

CAT delivered higher revenues, marking a return to positive growth after six consecutive quarters of declines, which was driven by increased volumes across all segments. These gains were, however, partially offset by elevated tariff-related costs.

Including one-time items, Caterpillar's earnings per share were \$4.88, a 4% decline from the reported figure of \$5.06 in the year-ago quarter.

CAT's Q3 Revenues Up on Higher Volumes in All Segments

Caterpillar reported revenues of around \$17.6 billion, which surpassed the Zacks Consensus Estimate of \$16.75 billion by a margin of 5.33%. The company achieved growth across all segments, with the figure representing an all-time quarterly record.

The top line increased 9.5% year over year due to higher sales volume of \$1.55 billion (around 10%). This was attributed to improved sales volume in each of its segments, reflecting higher sales of equipment to end users. This was somewhat offset by unfavorable price realization of \$191 million (1.3%) and favorable currency impact of \$132 million or 1%.

Caterpillar witnessed revenue growth in all regions, led by 13% in North America, followed by 10% in Latin America, 7% in Asia Pacific and 1% in EAME.

Caterpillar reported a sequential backlog growth of \$2.4 billion in the quarter. Its backlog is currently at an all-time high of \$39.9 billion.

Caterpillar's Q3 Profits Pressured by Tariffs & Expenses

Cost of sales increased 16% year over year to approximately \$11.7 billion, primarily driven by unfavorable manufacturing costs, including the impact of higher tariffs.

Gross profit was down 1.2% to \$5.97 billion from the prior-year quarter. The gross margin was 33.8% compared with 37.5% in the year-ago quarter.

Selling, general and administrative (SG&A) expenses moved up 9.2% year over year to around \$1.82 billion due to higher compensation expense. Research and development (R&D) expenses were up 4% to \$555 million.

CAT reported an operating profit of \$3.05 billion, a 3% decline from the year-ago quarter. Unfavorable price realization, elevated manufacturing costs and SG&A and R&D expenses offset the gains from higher volumes. The operating margin was 17.3%, a 220-basis-point contraction from the year-ago quarter.

Adjusted operating profit was around \$3.09 billion, down 4% from the year-ago quarter. The adjusted operating margin was 17.5% compared with 20% in the third quarter of 2024.

CAT's Segment Performances in Q3

Machinery and Energy & Transportation (ME&T) sales rose 10% year over year to around \$16.7 billion, attributed to higher volumes on increased sales of equipment to end users.

Construction Industries' total sales were up 7% year over year to \$6.76 billion on higher sales volume and favorable currency impact, offset by unfavorable price realization.

Regionally, sales were up 8% in North America, 6% in EAME and 3% in Asia/Pacific, which was offset by a 1% dip in Latin America.

Total sales in the Resource Industries segment were up 2% year over year to \$3.11 billion. Sales in EAME, Latin America and North America were up 22%, 9% and 1%, respectively, but were offset by an 8% decline in sales in Asia/Pacific.

Sales of the Energy & Transportation segment were around \$8.4 billion, a 17% increase from last year's quarter, aided by higher sales volumes, favorable currency impacts and price realization.

The segment reported sales growth in Power Generation (31%), Oil and Gas sector (20%) and 5% growth in both the Industrial and Transportation sectors. Regionally, a 27% sales increase in Asia/Pacific, 26% in North America and 24% in Latin America were offset by decreases of 8% in EAME.

The ME&T segment reported an operating profit of around \$3 billion, down 3% year over year.

The Energy & Transportation segment reported a 17% year-over-year increase in operating profit to \$1.68 billion.

The Construction Industries segment's operating profit was down 7% year over year to \$1.38 billion.

The Resource Industries segment's operating profit slumped 19% year over year to around \$0.5 billion.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 29, 2025
Sales Surprise	5.32%
EPS Surprise	9.51%
Quarterly EPS	4.95
Annual EPS (TTM)	19.06

Financial Products' total revenues rose 4% from the year-ago quarter to \$1.08 billion. The segment reported a profit of \$241 million, marking a 2% decline year over year.

Caterpillar's Cash Position

Caterpillar generated an operating cash flow of \$8.15 billion in the first nine-month period of 2025 compared with \$8.64 billion in the prior-year comparable period.

The company returned around \$1.1 billion in cash to shareholders as dividends and share repurchases through the third quarter. CAT ended the quarter with cash and equivalents of around \$7.5 billion, higher than the cash holding of around \$6.9 billion at 2024-end.

CAT's Expectations for Q425 & 2025

The company anticipates revenues in the fourth quarter of 2025 to grow at a solid pace year over year. CAT anticipates \$650-\$800 million in headwind from tariffs for the quarter.

Adjusted operating margin is anticipated to be higher year over year, excluding tariff impact. However, including the impact of tariffs, the adjusted operating margin will be lower than the year-ago quarter.

CAT now expects 2025 revenues to be "modestly" higher compared with 2024, an improvement from its prior projection of "slightly" higher revenues.

The company projects net incremental tariffs of around \$1.6-\$1.75 billion for 2025. CAT outlined its outlook for 2025 operating margins for both scenarios, including and excluding tariffs.

Excluding tariffs, adjusted operating margin is expected to be in the top half of its target range, corresponding to the anticipated level of revenues. Considering the impact of tariffs, Caterpillar expects the adjusted operating margin to be near the bottom of its target range.

The company maintains its revenue projection at \$42-\$72 billion, and margins are anticipated between 10% and 22%, corresponding to the respective revenue levels.

Caterpillar expects ME&T free cash flow in 2025 to be above the midpoint of its targeted range of \$5-\$10 billion.

Recent News

CAT to Boost Mining Technology Solutions With RPMGlobal Holdings Deal

Caterpillar on Oct 12 announced that it has inked an agreement to acquire RPMGlobal Holdings Limited for a total equity value of AUD 1.12 billion (\$732 million). With RPMGlobal's long-standing expertise in providing data-driven software solutions for every stage of the mining lifecycle, it will strengthen CAT's current capabilities and help its mining customers operate with greater efficiency.

RPMGlobal Holdings is an Australian-based provider of mining software solutions. The addition of RPMGlobal Holdings' software solutions is expected to enhance Caterpillar's existing technology in asset and fleet management, and autonomy. The acquisition will further benefit from RPMGlobal Holdings' agile approach and culture to developing solutions and Caterpillar's customer-centric focus.

The deal is expected to be completed in the first quarter of 2026. The closing of the transaction is subject to approval by RPMGlobal shareholders and other closing conditions.

Valuation

Caterpillar's shares have gone up 69.5% in the last six-month period and 61.7% over the trailing 12-month period. Stocks in the Zacks Manufacturing – Construction and Mining industry are up 61.7% and the Zacks Industrial Products sector are up 4.6% in the last six-month period. Over the past year, the Zacks sub-industry are up 53.5% and the sector are down 1.3%.

The S&P 500 index is up 16.3% in the last six-month period and up 15.3% in the past year.

The stock is currently trading at 28.4X forward 12-month earnings, which compares with 25.28X for the Zacks sub-industry, 20.43X for the Zacks sector and 23.44X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.51X and as low as 10.69X, with a 5-year median of 16.42X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$647 price target reflects 35.5X our 2025 earnings per share estimate.

The table below shows summary valuation data for CAT.

Valuation Multiples - CAT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	28.40	25.28	20.43	23.44
	5-Year High	28.51	26.14	23.07	23.78
	5-Year Low	10.69	10.39	13.38	15.73
	5-Year Median	16.42	15.54	18.27	21.21
P/S F12M	Current	4.04	2.92	4.12	5.30
	5-Year High	4.04	2.92	4.21	5.50
	5-Year Low	1.44	1.15	2.32	3.83
	5-Year Median	2.19	1.79	3.17	5.05
EV/EBITDA TTM	Current	21.75	17.29	25.05	18.63
	5-Year High	21.75	17.51	28.43	22.41
	5-Year Low	8.72	7.54	14.11	13.87
	5-Year Median	13.22	11.28	18.22	17.96

As of 12/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 17% (201 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
CNH Industrial N.V. (CNH)	Neutral	4
Deere & Company (DE)	Neutral	3
Hyster-Yale, Inc. (HY)	Neutral	4
Terex Corporation (TEX)	Neutral	3
Komatsu Ltd. (KMTUY)	Underperform	4
AB Volvo (VLVLY)	Underperform	5
HITACHI CONSTR (HTCMY)	NA	
The Manitowoc Compan... (MTW)	NA	

Industry Comparison ⁽¹⁾ Industry: Manufacturing - Construction And Mining			Industry Peers	
	CAT	X Industry	S&P 500	
Zacks Recommendation (Long Term)	Neutral	-	-	Underperform
Zacks Rank (Short Term)	2	-	-	5
VGM Score	D	-	-	C
Market Cap	275.61 B	2.45 B	38.58 B	30.43 B
# of Analysts	10	1	22	1
Dividend Yield	1.03%	1.20%	1.42%	2.92%
Value Score	D	-	-	C
Cash/Price	0.03	0.10	0.04	0.08
EV/EBITDA	17.07	7.89	14.55	5.90
PEG Ratio	-7.01	3.74	2.20	4.70
Price/Book (P/B)	13.34	1.20	3.33	1.32
Price/Cash Flow (P/CF)	21.87	7.42	15.10	7.68
P/E (F1)	30.91	14.07	19.71	12.55
Price/Sales (P/S)	4.26	0.72	3.09	1.13
Earnings Yield	3.13%	6.42%	5.06%	7.97%
Debt/Equity	1.34	0.48	0.57	0.18
Cash Flow (\$/share)	26.93	5.97	8.99	4.17
Growth Score	C	-	-	B
Hist. EPS Growth (3-5 yrs)	28.39%	25.95%	8.16%	24.44%
Proj. EPS Growth (F1/F0)	-16.76%	-17.10%	8.57%	-18.01%
Curr. Cash Flow Growth	-1.27%	-1.27%	6.75%	NA
Hist. Cash Flow Growth (3-5 yrs)	7.76%	8.17%	7.43%	8.58%
Current Ratio	1.38	2.12	1.18	2.09
Debt/Capital	57.31%	32.85%	38.01%	14.95%
Net Margin	14.34%	3.21%	12.78%	10.25%
Return on Equity	47.16%	12.17%	17.00%	12.41%
Sales/Assets	0.73	1.05	0.53	0.69
Proj. Sales Growth (F1/F0)	2.40%	0.00%	5.79%	NA
Momentum Score	A	-	-	D
Daily Price Chg	-0.14%	0.00%	-0.24%	-0.78%
1 Week Price Chg	-0.88%	0.00%	-0.59%	-0.99%
4 Week Price Chg	7.69%	10.24%	2.76%	-1.45%
12 Week Price Chg	24.97%	-1.51%	2.15%	-10.54%
52 Week Price Chg	56.71%	23.53%	12.39%	18.13%
20 Day Average Volume	2,517,308	168,420	2,743,646	105,392
(F1) EPS Est 1 week change	0.12%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.12%	0.00%	0.00%	-5.90%
(F1) EPS Est 12 week change	2.84%	-1.19%	0.69%	-3.04%
(Q1) EPS Est Mthly Chg	0.49%	0.00%	0.00%	NA

Analyst Earnings Model⁽²⁾

Caterpillar Inc. (CAT)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Consolidated														
Total Revenue	\$59,427.0	\$67,060.0	\$64,809.0	\$14,249.0	\$16,569.0	\$17,638.0	\$17,886.0	\$66,342.0	\$15,067.9	\$17,675.1	\$18,371.5	\$19,064.2	\$70,178.8	\$74,493.2
Cost of Goods Sold	\$41,350.0	\$42,767.0	\$40,199.0	\$8,965.0	\$10,807.0	\$11,673.0	\$12,358.3	\$43,803.3	\$9,842.7	\$11,488.4	\$11,701.6	\$12,515.2	\$45,547.8	\$47,693.5
Gross Profit	\$18,077.0	\$24,293.0	\$24,610.0	\$5,284.0	\$5,762.0	\$5,965.0	\$5,527.7	\$22,538.7	\$5,225.2	\$6,186.7	\$6,670.0	\$6,549.1	\$24,631.0	\$26,799.7
Selling, General and Administrative Expense	\$5,651.0	\$6,371.0	\$6,667.0	\$1,593.0	\$1,694.0	\$1,822.0	\$1,967.6	\$7,076.6	\$1,615.5	\$1,765.8	\$1,831.3	\$1,919.8	\$7,132.3	\$7,525.8
Research and Development Expense	\$1,814.0	\$2,108.0	\$2,107.0	\$480.0	\$551.0	\$555.0	\$702.6	\$2,288.6	\$525.4	\$611.3	\$640.3	\$684.6	\$2,461.6	\$2,679.9
Interest Expense of Financial Products	\$565.0	\$1,030.0	\$1,286.0	\$326.0	\$336.0	\$346.0	\$287.2	\$1,295.2	\$350.5	\$350.9	\$358.4	\$303.2	\$1,363.1	\$1,424.8
Goodwill Impairment Charge	\$925.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating Expense (Income)	\$1,218.0	\$1,818.0	\$1,478.0	\$306.0	\$321.0	\$190.0	\$440.9	\$1,257.9	\$468.2	\$364.5	\$410.9	\$414.5	\$1,658.0	\$1,744.2
Total Operating Expenses	\$51,523.0	\$54,094.0	\$51,737.0	\$11,670.0	\$13,709.0	\$14,586.0	\$15,756.6	\$55,721.6	\$12,802.3	\$14,580.9	\$14,942.5	\$15,837.2	\$58,162.9	\$61,068.3
Depreciation & Amortization	\$2,219.0	\$2,144.0	\$2,153.0	\$540.0	\$554.0	\$570.0	\$616.5	\$2,280.5	\$520.3	\$595.4	\$620.1	\$650.3	\$2,386.1	\$2,529.8
EBITDA	\$10,123.0	\$15,110.0	\$15,225.0	\$3,119.0	\$3,414.0	\$3,622.0	\$2,745.9	\$12,900.9	\$2,786.0	\$3,689.6	\$4,049.1	\$3,877.3	\$14,402.0	\$15,954.7
Operating Income, Adjusted	\$9,128.0	\$13,746.0	\$13,431.0	\$2,611.0	\$2,916.0	\$3,089.0	\$2,353.0	\$10,969.0	\$2,265.7	\$3,094.2	\$3,429.0	\$3,227.1	\$12,015.9	\$13,424.9
Restructuring Costs - Divestiture of two non-U.S. entities		\$0.0	\$164.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restructuring and Other Costs	\$1,224.0	\$780.0	\$195.0	\$32.0	\$56.0	\$37.0	\$223.6	\$348.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Income, GAAP	\$7,904.0	\$12,966.0	\$13,072.0	\$2,579.0	\$2,860.0	\$3,052.0	\$2,129.4	\$10,620.4	\$2,265.7	\$3,094.2	\$3,429.0	\$3,227.1	\$12,015.9	\$13,424.9
Interest Expense Excluding Financial Products	\$443.0	\$511.0	\$512.0	\$116.0	\$126.0	\$133.0	\$120.8	\$495.8	\$125.8	\$130.5	\$137.6	\$138.1	\$531.9	\$541.4
Other Expense (Income), net	(\$1,291.0)	(\$595.0)	(\$813.0)	(\$107.0)	(\$84.0)	(\$208.0)	(\$388.5)	(\$787.5)	(\$186.1)	(\$162.0)	(\$144.3)	\$46.8	(\$445.6)	(\$360.2)
Pre-Tax Income, Adjusted	\$9,370.0	\$13,733.0	\$13,578.0	\$2,603.0	\$2,874.0	\$3,164.0	\$2,620.6	\$11,261.6	\$2,326.0	\$3,125.7	\$3,435.7	\$3,042.2	\$11,929.5	\$13,243.7
Pension/OPEB mark-to-Market (gains) Losses		\$97.0	\$154.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Pre-Tax Income, GAAP	\$8,752.0	\$13,050.0	\$13,373.0	\$2,570.0	\$2,818.0	\$3,127.0	\$2,397.0	\$10,912.0	\$2,326.0	\$3,125.7	\$3,435.7	\$3,042.2	\$11,929.5	\$13,243.7
Income Tax, Adjusted	\$2,051.0	\$2,910.0	\$2,910.0	\$582.0	\$658.0	\$845.0	\$615.9	\$2,700.9	\$535.0	\$718.9	\$790.2	\$699.7	\$2,743.8	\$3,046.1
Income Tax, GAAP	\$2,067.0	\$2,781.0	\$2,629.0	\$574.0	\$646.0	\$836.0	\$621.0	\$2,677.0	\$517.4	\$694.1	\$762.2	\$825.7	\$2,799.4	\$3,169.5
Tax Rate, Adjusted	21.9%	21.3%	21.4%	22.4%	22.9%	26.7%	23.5%	24.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
Tax Rate, GAAP	23.6%	21.3%	19.7%	14.3%	22.9%	26.7%	25.9%	24.5%	22.2%	22.2%	22.2%	27.1%	23.5%	23.9%
Non-Controlling Interest	(\$1.0)	(\$3.0)	(\$4.0)	\$0.0	\$0.0	(\$1.0)	(\$1.0)	(\$2.0)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)	(\$4.0)	(\$4.0)
Equity in Profit (Loss) of Unconsolidated Affiliated Companies	\$19.0	\$63.0	\$44.0	\$7.0	\$7.0	\$8.0	\$9.1	\$31.1	\$7.0	\$8.1	\$8.6	\$9.3	\$33.0	\$35.2
Net Income, Adjusted	\$7,339.0	\$10,890.0	\$10,716.0	\$2,028.0	\$2,226.0	\$2,328.0	\$2,014.9	\$8,596.9	\$1,799.0	\$2,415.9	\$2,655.1	\$2,352.8	\$9,222.8	\$10,236.9
Net Income, GAAP	\$6,705.0	\$10,335.0	\$10,792.0	\$2,003.0	\$2,179.0	\$2,300.0	\$1,786.2	\$8,268.2	\$1,816.6	\$2,440.7	\$2,683.0	\$2,226.8	\$9,167.1	\$10,113.4
Diluted Shares Outstanding	530.4	513.6	489.4	477.1	471.5	470.8	467.1	471.6	464.7	462.4	460.1	457.8	461.3	452.5
Diluted EPS, Adjusted	\$13.84	\$21.21	\$21.90	\$4.25	\$4.72	\$4.95	\$4.31	\$18.23	\$3.87	\$5.22	\$5.77	\$5.14	\$20.01	\$22.62
Diluted EPS, GAAP	\$12.64	\$20.12	\$22.05	\$4.20	\$4.62	\$4.88	\$3.82	\$17.52	\$3.91	\$5.28	\$5.83	\$4.86	\$19.88	\$22.35
Dividend per Share	\$4.71	\$5.10	\$5.53	\$1.41	\$1.51	\$1.51	\$1.51	\$5.94	\$1.51	\$1.62	\$1.62	\$1.62	\$6.36	\$6.80

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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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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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	C
Momentum Score	A
VGM Score	D

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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