

## Carnival Corporation (CCL)

**\$28.04** (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **\$30.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 11/17/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: A

Value: A

Growth: B

Momentum: D

### Summary

Shares of Carnival have outperformed the industry in the past year. The company is benefitting from sustained demand strength, increased booking volumes and the destination strategy. Carnival reported that forward bookings for 2026 are outpacing capacity growth, with both North American and European brands achieving record pricing levels. Management emphasized the role of marketing in attracting new-to-cruise customers while deepening relationships with repeat guests. Upcoming campaigns, including a major Carnival Cruise Line promotion aligned with the 2026 wave season, are expected to strengthen brand awareness. Earnings estimates for fiscal 2026 have increased in the past 60 days, depicting analysts optimism regarding the stock growth potential. However, elevated expenses remain a concern.

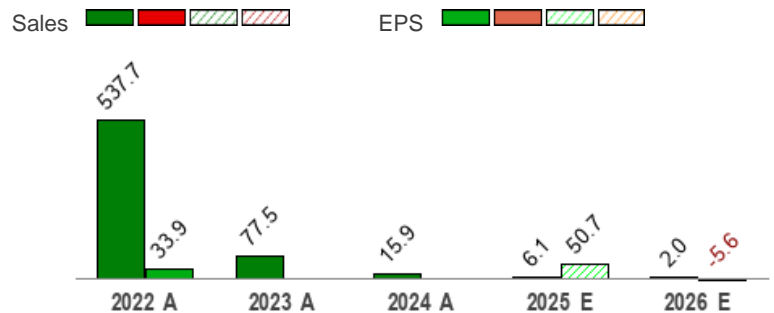
### Price, Consensus & Surprise<sup>(1)</sup>



### Data Overview

52 Week High-Low	\$32.80 - \$15.07
20 Day Average Volume (sh)	19,350,230
Market Cap	\$32.9 B
YTD Price Change	13.2%
Beta	2.53
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Leisure and Recreation Services</a>
Zacks Industry Rank	Top 32% (78 out of 243)

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



Last EPS Surprise	8.3%
Last Sales Surprise	1.0%
EPS F1 Est- 4 week change	0.1%
Expected Report Date	12/19/2025
Earnings ESP	-1.1%

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

	Q1	Q2	Q3	Q4	Annual*
2026	6,044 E	6,484 E	8,171 E	6,401 E	27,098 E
2025	5,810 A	6,328 A	8,153 A	6,266 E	26,557 E
2024	5,406 A	5,781 A	7,896 A	5,938 A	25,021 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	0.17 E	0.37 E	1.21 E	0.26 E	2.02 E
2025	0.13 A	0.35 A	1.43 A	0.23 E	2.14 E
2024	-0.14 A	0.11 A	1.27 A	0.14 A	1.42 A

\*Quarterly figures may not add up to annual.

P/E TTM	13.8
P/E F1	13.1
PEG F1	0.7
P/S TTM	1.3

(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 12/16/2025.

## Overview

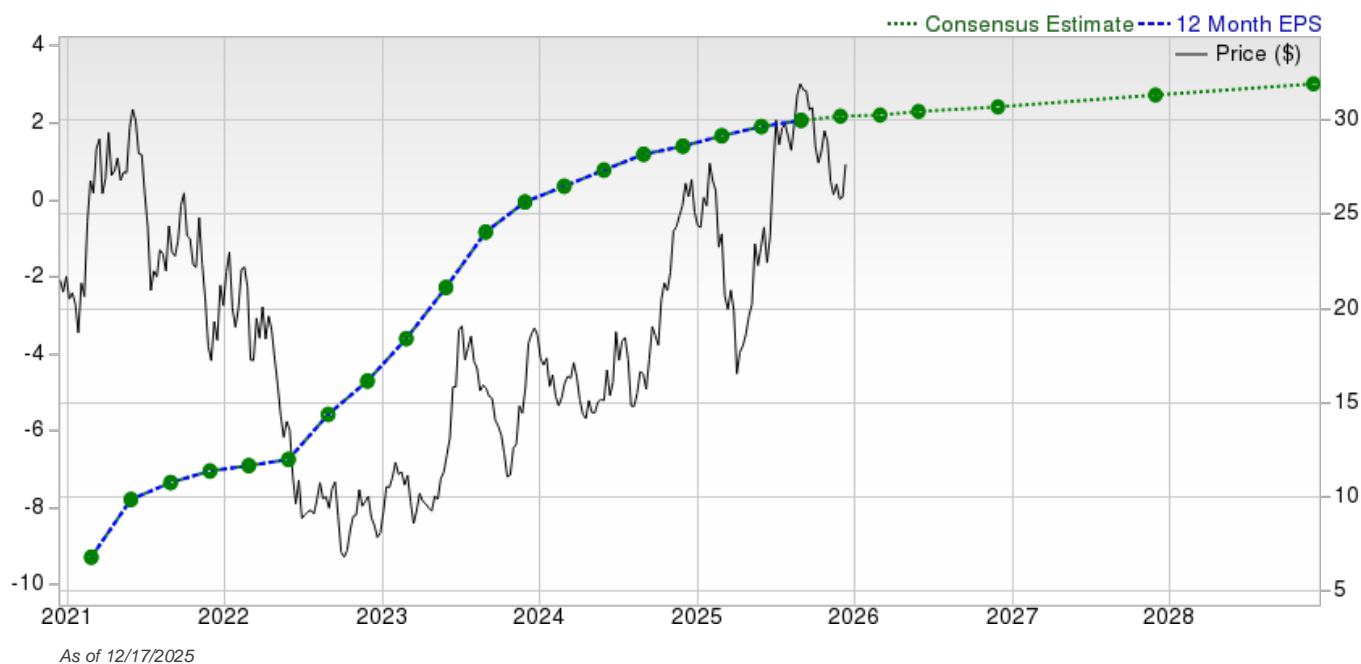
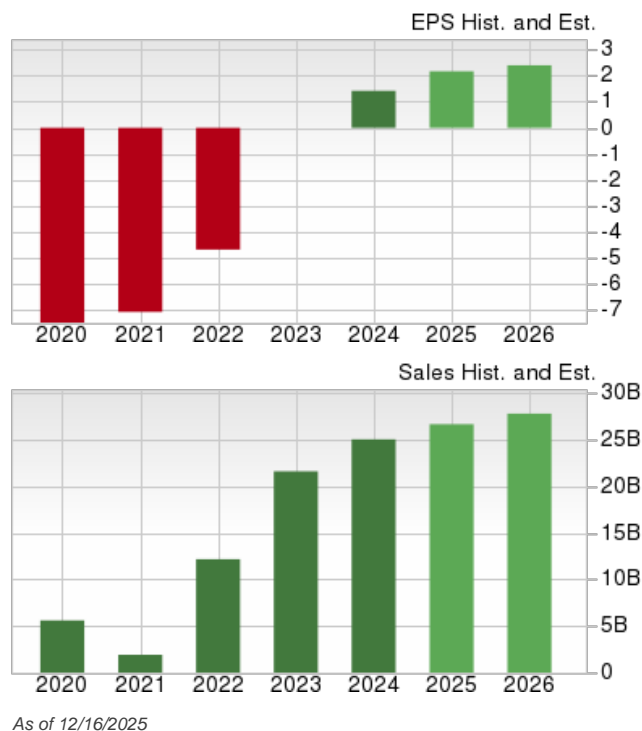
Founded in 1972 and headquartered in Miami, FL, Carnival operates as a cruise and vacation company. As a single economic entity, Carnival Corporation & Carnival plc forms the largest cruise operator in the world. It is the world's leading leisure travel firm and carries nearly half of the global cruise guests. The company operates in North America, Australia, Europe and Asia.

The firm's cruise brand include AIDA Cruises, Carnival Cruise Line, Costa Cruises, Cunard, Holland America Line, Princess Cruises, P&O Cruises (Australia), P&O Cruises (UK) and Seabourn. It is of the opinion that cruising provides a diverse array of products and services tailored to accommodate vacationing guests of various ages, backgrounds and interests.

Carnival has four reportable segments, including NAA cruise operations, Europe cruise operations (Europe), Cruise Support and Tour and Other.

The company has grouped the operating segments within its NAA and Europe reportable segments by combining them according to the similarity of their economic and other characteristics. The Cruise Support segment encompasses a range of services, including a portfolio of top port destinations and exclusive islands coupled with other related services, all operated for the benefit of the company's cruise brands. Meanwhile, the Tour and Other segment comprises the hotel and transportation operations of Holland America Princess Alaska Tours, along with other related activities.

Carnival Cruise Line is one of the most recognizable brands in the cruise industry and carried more than 13.5 million guests in 2024.



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## Reasons To Buy:

▲ **Strong Brand Recognition:** Carnival continues to benefit from its powerful global brand portfolio, encompassing eight leading cruise brands that collectively cater to diverse market segments. The company's flagship lines, including Carnival Cruise Line and AIDA, have reinforced their leadership through differentiated customer experiences and destination exclusivity. Management highlighted that Carnival's extensive presence across North America, Europe, and Asia — supported by a robust network of private island destinations — has strengthened brand equity and guest loyalty. The company's ability to consistently deliver high-quality experiences across its portfolio underscores its reputation as a trusted industry leader and supports sustained customer retention and pricing power.

Increased focus on fleet and itinerary optimization against the backdrop of growing demand trends bodes well for the company.

▲ **Solid Booking Trends:** Booking momentum remains a key strength, with future reservations outpacing capacity growth and pricing reaching record levels across both North American and European brands. Nearly half of 2026 sailings are already booked at higher prices, indicating strong forward demand and limited pricing elasticity. Management also reported record bookings for voyages extending two years out, including an unprecedented start to 2027 sales. This continued strength in advance bookings highlights resilient consumer appetite for cruise travel and reinforces revenue visibility for the coming fiscal years.

▲ **Destination Strategy Accelerates Revenues:** The newly launched Celebration Key destination in the Bahamas — opened in July 2025 — has become a key growth engine. Within two months of operation, nearly 0.5 million guests visited the attraction, which features the Caribbean's largest freshwater lagoon and extensive recreational offerings. The destination is expected to welcome 2.8 million guests in 2026, supporting high utilization across 20 Carnival ships from 12 ports.

A pier expansion scheduled for completion next fall will accommodate up to four ships simultaneously, maximizing yield potential. The company's Caribbean destination network, including the upcoming RelaxAway at Half Moon Cay, is forecasted to capture over 8 million guest visits next year, nearly matching the rest of the cruise industry combined. This strategic portfolio enhances pricing power, drives incremental revenue, and deepens customer loyalty through exclusive experiences unavailable to competitors.

▲ **Strategic Initiatives Improve Revenue Yields:** Carnival's focus on optimizing same-ship yields and enhancing onboard revenue has driven meaningful improvement in overall profitability. During the third quarter of fiscal 2025, yields increased 4.6%, exceeding guidance due to robust close-in demand and higher onboard spending. These gains reflect the success of the company's targeted initiatives, including premium itinerary offerings, expanded destination experiences, and disciplined revenue management. The strong yield performance — achieved on 2.5% lower capacity year over year — demonstrates Carnival's ability to grow revenue per passenger through pricing precision and operational execution rather than fleet expansion.

▲ **Marketing Campaigns:** The company has intensified its marketing efforts to elevate brand visibility and promote key destinations such as Celebration Key. The opening of this new private island generated approximately 1.5 billion media impressions, underscoring Carnival's effective use of digital engagement and social media content. Management emphasized the role of marketing in attracting new-to-cruise customers while deepening relationships with repeat guests. Upcoming campaigns, including a major Carnival Cruise Line promotion aligned with the 2026 wave season, are expected to further strengthen brand awareness and stimulate advance bookings across markets.

▲ **Fleet Optimization Initiative:** Carnival's ongoing fleet optimization strategy focuses on maximizing the efficiency and profitability of existing ships. The company continues to modernize its vessels through programs like AIDA's "Evolutions" initiative, which upgrades midlife ships with improved energy efficiency and enhanced guest amenities. These refurbishments are delivering strong returns, reducing fuel consumption, and extending vessel lifespans. By prioritizing upgrades over excessive new builds, Carnival has achieved cost efficiencies while maintaining competitive fleet standards, contributing to its improved return on invested capital.

▲ **Focus on Fleet Expansion:** While maintaining capital discipline, Carnival remains committed to strategic fleet expansion that supports long-term growth. The company has seven ships on order for its Carnival and AIDA brands, including the recently introduced Star Princess, sister ship to the award-winning Sun Princess. New vessels are expected to further enhance guest experiences and yield performance, particularly in high-demand markets like the Caribbean and Europe. These additions, combined with the expansion of private destinations, position Carnival to capture incremental demand while sustaining operational leverage and future revenue growth.

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## Reasons To Sell:

- ▼ **High Costs:** Carnival's escalating expenses pose a near-term threat to profitability. During the third quarter of 2025, cruise costs excluding fuel per available lower berth day (ALBD) increased 5.5% year over year, reflecting persistent inflationary pressure and higher operating expenses. Rising expenses were driven by ongoing operational investments, including destination development and efficiency programs, which continue to inflate baseline costs. The company's reduced capacity, down 2.5% from the prior year, further amplified unit cost pressure by spreading fixed expenses across fewer sailings. While management emphasized cost-saving initiatives, sustained increases in labor, maintenance, and marketing expenditures could constrain future margin expansion and weigh on overall earnings momentum. Our model predicts fiscal 2025 total operating expenses to rise 2.6% year over year to \$16 billion.
- ▼ **Subject to Market Risks:** As Carnival operates on a global scale, it is subject to various market risks, including fuel prices, foreign currency fluctuations and alterations in governmental regulations. Fluctuations in fuel prices, along with its availability, determine the company's operations as the consumption level across its fleet is directly related to its cost structure. Furthermore, the company's operations mainly utilize the U.S. dollar, Euro, Sterling and the Australian dollar as the functional currencies. Any fluctuation noticed in foreign currency exchange rates will affect Carnival's financial statements.

Macro uncertainty and increased cruise costs remain potent headwinds.

## Last Earnings Report

# Carnival Q3 Earnings Beat Estimates, FY25 View Raised

Carnival reported impressive third-quarter fiscal 2025 (ended Aug. 31, 2025) results, with adjusted earnings and revenues beating the Zacks Consensus Estimate and increasing year over year. This upside was primarily driven by sustained demand strength and robust onboard revenues.

Furthermore, Carnival raised its full-year fiscal 2025 adjusted net income guidance for the third consecutive quarter, supported by stronger net yields along with effective cost and balance sheet management.

Moving ahead, the company aims to continue focusing on its strategy to deliver same-ship, high-margin revenue growth amid a favorable booking, to position for robust revenue visibility and profitability in fiscal 2026 and beyond.

**FY Quarter Ending** 11/30/2025

Earnings Reporting Date	Sep 29, 2025
Sales Surprise	0.99%
EPS Surprise	8.33%
Quarterly EPS	1.43
Annual EPS (TTM)	2.05

## CCL's Earnings & Revenues

In the quarter under review, the company reported adjusted earnings per share (EPS) of \$1.43, beating the Zacks Consensus Estimate of \$1.32 by 8.3%. In the year-ago quarter, CCL posted an adjusted EPS of \$1.27.

Revenues in the quarter totaled \$8.15 billion, beating the consensus mark of \$8.07 billion by 1%. The metric also increased 3.3% year over year.

During the quarter, passenger ticket revenues amounted to \$5.43 billion, up from \$5.24 billion reported in the prior-year quarter. Our estimate for passenger ticket revenues was pegged at \$5.25 billion.

Onboard and other revenues increased to \$2.72 billion from \$2.66 billion reported in the year-ago quarter. Our estimate for Onboard and other revenues was pegged at \$2.72 billion.

## Carnival's Financials

Adjusted net income in the quarter amounted to \$1.98 billion, up 13.2% year over year from \$1.75 billion. The uptick was attributable to strong close-in demand and effective cost management.

Adjusted EBITDA totaled \$3 billion, up from \$2.82 billion reported in the prior-year quarter.

## CCL's Balance Sheet

As of Aug. 31, 2025, cash and cash equivalents were \$1.76 billion compared with \$1.21 billion as of Nov. 30, 2024. Carnival ended the quarter with liquidity of \$6.26 billion. Total debt (current and long-term) as of Aug. 31, 2025, was \$26.5 billion compared with \$27.48 billion as of Nov. 30, 2024.

## Bookings Update of Carnival

Carnival has continued to see strong momentum in bookings since May, with volumes higher than last year and well ahead of capacity growth. This performance highlights the effectiveness of the company's demand generation efforts and the strength of its guest experiences, which are fueling excess demand and sustaining pricing power.

Looking ahead, nearly half of fiscal 2026 is already booked, matching the record levels of the same time last year, but now at historical high prices in constant currency across both North America and Europe. The outlook for fiscal 2027 is also encouraging, with the year already achieving record booking volumes during the third quarter, positioning Carnival well for long-term growth.

Total customer deposits as of Aug. 31, 2025, were \$6.69 billion compared with \$8.08 billion reported in the preceding quarter.

## CCL Unveils Q4 View & Raises Fiscal 2025 Outlook

For fourth-quarter fiscal 2025, Carnival expects adjusted EBITDA to be approximately \$1.34 billion. It expects adjusted net income to be about \$300 million. The company expects adjusted EPS to be nearly 23 cents.

For fiscal 2025, the company now anticipates adjusted EBITDA to be approximately \$7.05 billion (up from the previous expectation of about \$6.9 billion), indicating more than 15% growth year over year. Adjusted net income is now anticipated to be about \$2.925 billion, up from the previously expected value of \$2.69 billion. CCL now expects adjusted EPS to be approximately \$2.14, up from \$1.97 expected earlier.

## Valuation

Carnival's shares are up 22.8% in the past six months period and 11.2% in the trailing 12-month period. The Zacks sub-industry is up 5.5% but the Zacks Consumer Discretionary sector are down 2.5% in the past six months period. Over the past year, the Zacks sub-industry is down 2.6% and the sector is down 1.3%.

The S&P 500 index is up 16.6% in the past six months period and 14.7% in the past year.

The stock is currently trading at 1.2X forward 12-month sales, which compares to 2.31X for the Zacks sub-industry, 2.36X for the Zacks sector and 5.27X for the S&P 500 index.

Over the past five years, the stock has traded as high as 7.87X and as low as 0.33X, with a 5-year median of 0.88X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$30 price target reflects 1.25X forward 12-month sales.

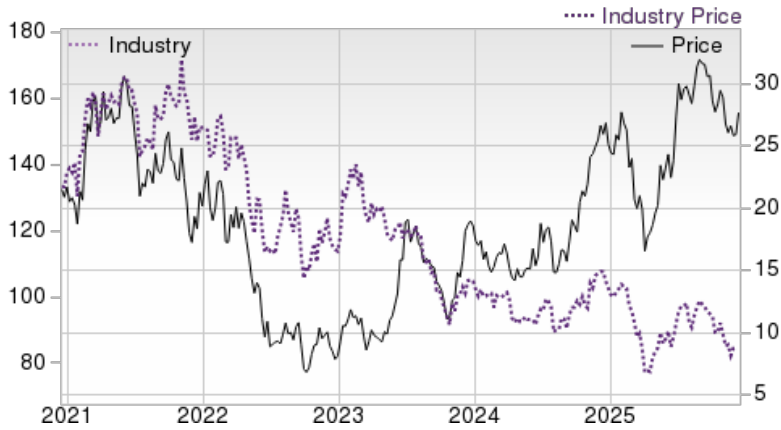
The table below shows summary valuation data for CCL.

Valuation Multiples - CCL					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	1.2	2.31	2.36	5.27
	5-Year High	7.87	6.37	3.5	5.5
	5-Year Low	0.33	1.68	1.68	3.83
	5-Year Median	0.88	2.24	2.3	5.05
P/B TTM	Current	2.8	3.99	3.48	8.49
	5-Year High	3.79	5.47	5.57	9.17
	5-Year Low	0.84	1.3	2.47	6.6
	5-Year Median	2.02	4.04	3.55	8.05
EV/EBITDA TTM	Current	7.93	11.16	10.37	18.58
	5-Year High	30.69	208.23	17.4	22.41
	5-Year Low	N/A	N/A	8.04	13.88
	5-Year Median	8.75	14.08	10.29	17.97

As of 12/15/2025

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
Trip.com Group Limit...(TCOM)	Outperform	1
AMC Entertainment Ho...(AMC)	Neutral	3
Camping World (CWH)	Neutral	4
Caesars Entertainmen...(CZR)	Neutral	3
Lindblad Expeditions (LIND)	Neutral	3
Live Nation Entertai...(LYV)	Neutral	3
Norwegian Cruise Lin...(NCLH)	Neutral	3
Royal Caribbean Crui...(RCL)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Leisure And Recreation Services

	CCL	X Industry	S&P 500	LIND	LYV	RCL
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	A	-	-	A	F	B
Market Cap	32.92 B	978.14 M	38.58 B	783.37 M	32.42 B	76.77 B
# of Analysts	7	4	22	2	8	8
Dividend Yield	0.00%	0.00%	1.42%	0.00%	0.00%	1.42%
Value Score	A	-	-	A	C	B
Cash/Price	0.05	0.11	0.04	0.38	0.20	0.01
EV/EBITDA	8.83	10.43	14.55	14.87	18.45	15.13
PEG Ratio	0.69	1.24	2.20	NA	NA	0.85
Price/Book (P/B)	2.76	2.44	3.33	NA	28.72	7.46
Price/Cash Flow (P/CF)	7.09	7.09	15.10	29.67	20.67	15.34
P/E (F1)	13.21	17.68	19.71	NA	NA	18.00
Price/Sales (P/S)	1.26	1.15	3.09	1.06	1.32	4.40
Earnings Yield	8.51%	3.55%	5.06%	-3.32%	-0.09%	5.56%
Debt/Equity	2.10	0.03	0.57	-2.59	5.41	1.67
Cash Flow (\$/share)	3.98	1.78	8.99	0.48	6.68	18.35
Growth Score	B	-	-	A	D	C
Hist. EPS Growth (3-5 yrs)	NA%	22.77%	8.16%	NA	49.94%	NA
Proj. EPS Growth (F1/F0)	50.70%	10.70%	8.57%	29.85%	NA	32.54%
Curr. Cash Flow Growth	81.24%	13.14%	6.75%	391.95%	31.51%	45.53%
Hist. Cash Flow Growth (3-5 yrs)	-2.55%	6.42%	7.43%	-12.29%	23.36%	8.30%
Current Ratio	0.34	0.76	1.18	0.83	0.92	0.16
Debt/Capital	67.75%	33.29%	38.01%	NA	86.04%	62.58%
Net Margin	10.07%	-2.22%	12.78%	-4.03%	3.66%	23.33%
Return on Equity	27.86%	1.71%	17.00%	NA	97.90%	44.68%
Sales/Assets	0.53	0.52	0.53	0.80	1.12	0.46
Proj. Sales Growth (F1/F0)	6.10%	0.00%	5.79%	17.50%	8.10%	8.90%
Momentum Score	D	-	-	D	F	A
Daily Price Chg	-1.40%	-0.29%	-0.24%	-0.70%	-2.51%	-1.99%
1 Week Price Chg	6.76%	0.00%	-0.59%	12.54%	2.73%	8.23%
4 Week Price Chg	9.47%	6.50%	2.76%	21.79%	5.16%	11.97%
12 Week Price Chg	-8.17%	-3.73%	2.15%	9.10%	-15.86%	-14.85%
52 Week Price Chg	9.64%	-16.41%	12.39%	18.42%	0.17%	16.29%
20 Day Average Volume	19,350,230	433,634	2,743,646	379,924	2,984,182	2,502,769
(F1) EPS Est 1 week change	0.47%	0.00%	0.00%	0.00%	0.00%	0.01%
(F1) EPS Est 4 week change	0.05%	0.00%	0.00%	0.00%	-616.59%	0.02%
(F1) EPS Est 12 week change	4.12%	1.32%	0.69%	-67.98%	-111.87%	0.04%
(Q1) EPS Est Mthly Chg	-9.86%	0.00%	0.00%	0.00%	-10.38%	0.06%



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

### Carnival Corporation & plc (CCL)

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 November 30th	Nov-22	Nov-23	Nov-24	28-Feb-25	31-May-25	31-Aug-25	30-Nov-25	Nov-25	28-Feb-26	31-May-26	31-Aug-26	30-Nov-26	Nov-26	Nov-27
Income Statement														
Passenger Ticket	\$7,022.0	\$14,067.0	\$16,463.0	\$3,832.0	\$4,104.0	\$5,430.0	\$4,053.5	\$17,419.5	\$3,915.5	\$4,189.4	\$5,416.7	\$4,138.9	\$17,660.5	\$18,492.2
Onboard and Other	\$5,147.0	\$7,526.0	\$8,558.0	\$1,978.0	\$2,224.0	\$2,723.0	\$2,212.1	\$9,137.1	\$2,127.9	\$2,294.4	\$2,753.8	\$2,261.8	\$9,437.9	\$9,613.9
Total Revenue	\$12,168.0	\$21,593.0	\$25,021.0	\$5,810.0	\$6,328.0	\$8,153.0	\$6,265.6	\$26,556.6	\$6,043.5	\$6,483.9	\$8,170.5	\$6,400.7	\$27,098.4	\$28,106.2
Commissions, Transportation and Other	\$1,630.0	\$2,761.0	\$3,232.0	\$850.0	\$780.0	\$973.0	\$780.9	\$3,383.9	\$921.1	\$889.1	\$964.6	\$805.6	\$3,580.5	\$3,802.9
Onboard and Other	\$1,528.0	\$2,375.0	\$2,678.0	\$599.0	\$671.0	\$883.0	\$713.1	\$2,866.1	\$781.9	\$759.7	\$924.3	\$767.4	\$3,233.3	\$3,482.9
Payroll and Related	\$2,181.0	\$2,373.0	\$2,464.0	\$640.0	\$640.0	\$636.0	\$690.4	\$2,606.4	\$692.2	\$682.7	\$675.0	\$702.6	\$2,752.6	\$2,912.5
Fuel	\$2,157.0	\$2,047.0	\$2,007.0	\$465.0	\$468.0	\$451.0	\$418.6	\$1,802.6	\$489.2	\$489.2	\$489.2	\$489.2	\$1,966.9	\$1,898.4
Food	\$863.0	\$1,335.0	\$1,457.0	\$354.0	\$372.0	\$398.0	\$364.2	\$1,488.2	\$310.9	\$364.9	\$381.3	\$349.8	\$1,407.0	\$1,418.4
Ship and Other Impairments	\$440.0	\$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	\$2,958.0	\$3,426.0	\$3,801.0	\$858.0	\$955.0	\$1,044.0	\$1,034.5	\$3,891.5	\$764.2	\$948.0	\$1,019.1	\$1,007.7	\$3,738.9	\$3,761.2
Total Operating Costs and Expenses	\$11,757.0	\$14,317.0	\$15,638.0	\$3,766.0	\$3,886.0	\$4,385.0	\$4,001.8	\$16,038.8	\$3,959.6	\$4,133.6	\$4,463.5	\$4,122.4	\$16,669.0	\$17,276.4
Selling and Administrative	\$2,515.0	\$2,950.0	\$3,252.0	\$848.0	\$816.0	\$779.0	\$929.6	\$3,372.6	\$898.0	\$844.8	\$798.2	\$969.9	\$3,510.9	\$3,624.2
Depreciation and Amortization	\$2,275.0	\$2,370.0	\$2,557.0	\$654.0	\$692.0	\$717.0	\$730.0	\$2,793.0	\$662.4	\$678.8	\$778.4	\$660.4	\$2,779.9	\$2,756.0
Total Operating Expenses	\$16,547.0	\$19,637.0	\$21,447.0	\$5,268.0	\$5,394.0	\$5,881.0	\$5,661.4	\$22,204.4	\$5,520.0	\$5,657.2	\$6,030.0	\$5,752.7	\$22,959.9	\$23,656.5
Adjusted EBITDA	(\$1,684.0)	\$4,231.0	\$6,110.0	\$1,205.0	\$1,508.0	\$2,993.0	\$1,337.7	\$7,043.7	\$1,181.5	\$1,505.3	\$2,918.3	\$1,306.7	\$6,911.8	\$7,257.0
EBITDA	(\$2,104.0)	\$4,326.0	\$6,131.0	\$1,197.0	\$1,626.0	\$2,988.0	\$1,334.2	\$7,145.2	\$1,185.9	\$1,505.4	\$2,918.8	\$1,308.4	\$6,918.5	\$7,205.6
Operating Income	(\$4,379.0)	\$1,956.0	\$3,574.0	\$543.0	\$934.0	\$2,271.0	\$604.2	\$4,352.2	\$523.5	\$826.6	\$2,140.4	\$647.9	\$4,138.5	\$4,449.7
Interest Income	\$74.0	\$233.0	\$93.0	\$7.0	\$12.0	\$15.0	\$10.3	\$44.3	\$10.8	\$11.4	\$30.5	\$28.4	\$81.1	\$155.8
Interest Expense, Net of Capitalized Interest	\$1,609.0	\$2,066.0	\$1,755.0	\$377.0	\$341.0	\$317.0	\$279.1	\$1,314.1	\$276.6	\$279.3	\$363.3	\$284.4	\$1,203.6	\$954.5
(Gains) Losses on Debt Extinguishment, Net	\$1.0	\$111.0	\$79.0	\$252.0	\$4.0	\$111.0	\$50.0	\$417.0	\$50.0	\$50.0	\$50.0	\$50.0	\$200.0	\$200.0
Other (Income) Expense, Net	\$165.0	\$75.0	(\$83.0)	(\$8.0)	\$20.0	\$2.0	\$10.5	\$24.5	\$10.2	\$7.8	\$12.5	\$9.4	\$40.0	\$24.1
Total Non-Operating (Income) Expense	\$1,701.0	\$2,018.0	\$1,659.0	\$614.0	\$353.0	\$415.0	\$329.3	\$1,711.3	\$326.0	\$325.7	\$395.3	\$315.5	\$1,362.4	\$1,022.8
Pre-Tax Income	(\$6,080.0)	(\$62.0)	\$1,915.0	(\$71.0)	\$582.0	\$1,857.0	\$274.9	\$2,642.9	\$197.5	\$501.0	\$1,745.2	\$332.4	\$2,776.1	\$3,426.9
Income Taxes	\$14.0	\$13.0	(\$1.0)	\$7.0	\$17.0	\$6.0	\$2.7	\$32.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Tax Rate	(0.2%)	(21.0%)	(0.1%)	(9.9%)	2.9%	0.3%	1.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income, Adjusted	(\$5,508.0)	\$1.0	\$1,891.0	\$174.0	\$470.0	\$1,982.0	\$336.1	\$2,962.1	\$253.3	\$558.7	\$1,807.1	\$390.2	\$3,009.3	\$3,702.4
Net Income, GAAP	(\$6,093.0)	(\$74.0)	\$1,916.0	(\$78.0)	\$565.0	\$1,852.0	\$272.1	\$2,611.1	\$197.5	\$501.0	\$1,745.2	\$332.4	\$2,776.1	\$3,426.9
Interest Expense on Dilutive Convertible Notes		\$24.0	\$94.0	\$17.0	\$18.0	\$18.0	\$18.0	\$71.0	\$18.0	\$18.0	\$18.0	\$18.0	\$72.0	\$72.0
Net Income, GAAP for Diluted Earnings Per Share	(\$6,093.0)	(\$50.0)	\$2,009.0	(\$61.0)	\$582.0	\$1,870.0	\$290.1	\$2,681.1	\$215.5	\$519.0	\$1,763.2	\$350.4	\$2,848.1	\$3,498.9
Basic Shares Outstanding	1,180.0	1,262.0	1,274.0	1,309.0	1,400.0	1,313.0	1,226.0	1,312.0	1,226.0	1,226.0	1,226.0	1,226.0	1,226.0	1,226.0
Diluted Shares Outstanding	1,180.0	1,262.0	1,398.0	1,309.0	1,400.0	1,402.0	1,493.0	1,401.0	1,493.0	1,493.0	1,493.0	1,493.0	1,493.0	1,493.0
Basic EPS	(\$5.16)	(\$0.06)	\$1.50	(\$0.06)	\$0.43	\$1.41	\$0.22	\$2.00	\$0.16	\$0.41	\$1.42	\$0.27	\$2.26	\$2.80
Diluted EPS, Adjusted	(\$4.67)	\$0.00	\$1.42	\$0.13	\$0.35	\$1.43	\$0.23	\$2.14	\$0.17	\$0.37	\$1.21	\$0.26	\$2.02	\$2.48
Diluted EPS, GAAP	(\$5.16)	(\$0.06)	\$1.44	(\$0.06)	\$0.42	\$1.33	\$0.18	\$1.87	\$0.13	\$0.34	\$1.17	\$0.22	\$1.86	\$2.30



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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	A
Growth Score	B
Momentum Score	D
VGM Score	A

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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