

## Curtiss-Wright Corp. (CW)

**\$551.27** (Stock Price as of 12/31/2025)

Price Target (6-12 Months): **\$598.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 12/30/24)

Prior Recommendation: Outperform

Short Term: 1-3 Months

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

**2-Buy**

Zacks Style Scores:

VGM: D

Value: D

Growth: C

Momentum: D

## Summary

Curtiss-Wright ended the third quarter of 2025 on a mixed note. While its earnings beat the Zacks Consensus Estimate, revenues missed the same. The company stands to benefit from the global shift toward clean energy, particularly in nuclear power. It plays a key role in the construction of new nuclear power plants by supplying reactor coolant pumps for the Generation III+ Westinghouse AP1000 reactors. Our model predicts solid revenue growth for the company. The stock has outperformed the industry in the past year. Yet, equipment failures may hurt the company's operations. Labor shortage continues to pose a threat to Curtiss-Wright. Supply-chain challenges, further exacerbated by recently imposed U.S. import tariffs, might reduce the demand for aircraft components and thereby hurt the company.

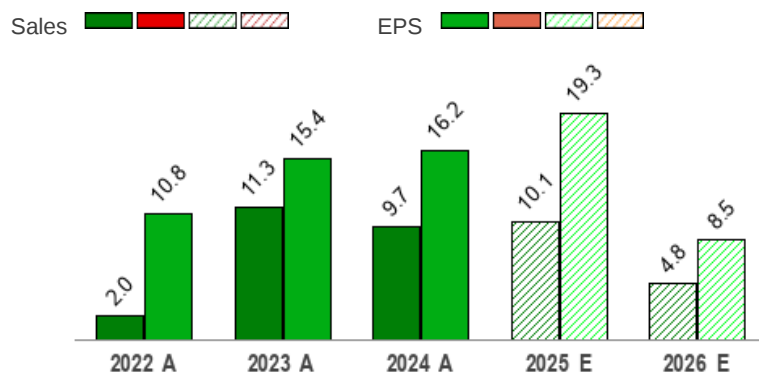
## Price, Consensus & Surprise<sup>(1)</sup>



## Data Overview

|                            |                                               |
|----------------------------|-----------------------------------------------|
| 52 Week High-Low           | \$612.28 - \$266.88                           |
| 20 Day Average Volume (sh) | 242,753                                       |
| Market Cap                 | \$20.6 B                                      |
| YTD Price Change           | 57.4%                                         |
| Beta                       | 0.93                                          |
| Dividend / Div Yld         | \$0.96 / 0.2%                                 |
| Industry                   | <a href="#">Aerospace - Defense Equipment</a> |
| Zacks Industry Rank        | Top 35% (85 out of 243)                       |

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



|                           |            |
|---------------------------|------------|
| Last EPS Surprise         | 3.7%       |
| Last Sales Surprise       | -0.3%      |
| EPS F1 Est- 4 week change | 0.0%       |
| Expected Report Date      | 02/11/2026 |
| Earnings ESP              | 0.0%       |

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

|      | Q1    | Q2    | Q3    | Q4    | Annual* |
|------|-------|-------|-------|-------|---------|
| 2026 | 852 E | 909 E | 914 E | 927 E | 3,602 E |
| 2025 | 806 A | 877 A | 869 A | 885 E | 3,436 E |
| 2024 | 713 A | 785 A | 799 A | 824 A | 3,121 A |

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

|      | Q1     | Q2     | Q3     | Q4     | Annual* |
|------|--------|--------|--------|--------|---------|
| 2026 | 2.95 E | 3.43 E | 3.64 E | 4.09 E | 14.11 E |
| 2025 | 2.82 A | 3.23 A | 3.40 A | 3.55 E | 13.00 E |
| 2024 | 1.99 A | 2.67 A | 2.97 A | 3.27 A | 10.90 A |

\*Quarterly figures may not add up to annual.

|         |      |
|---------|------|
| P/E TTM | 43.9 |
| P/E F1  | 42.4 |
| PEG F1  | 3.1  |
| P/S TTM | 6.1  |

(1) The data in the charts and tables, except the estimates, is as of 12/31/2025.

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

## Overview

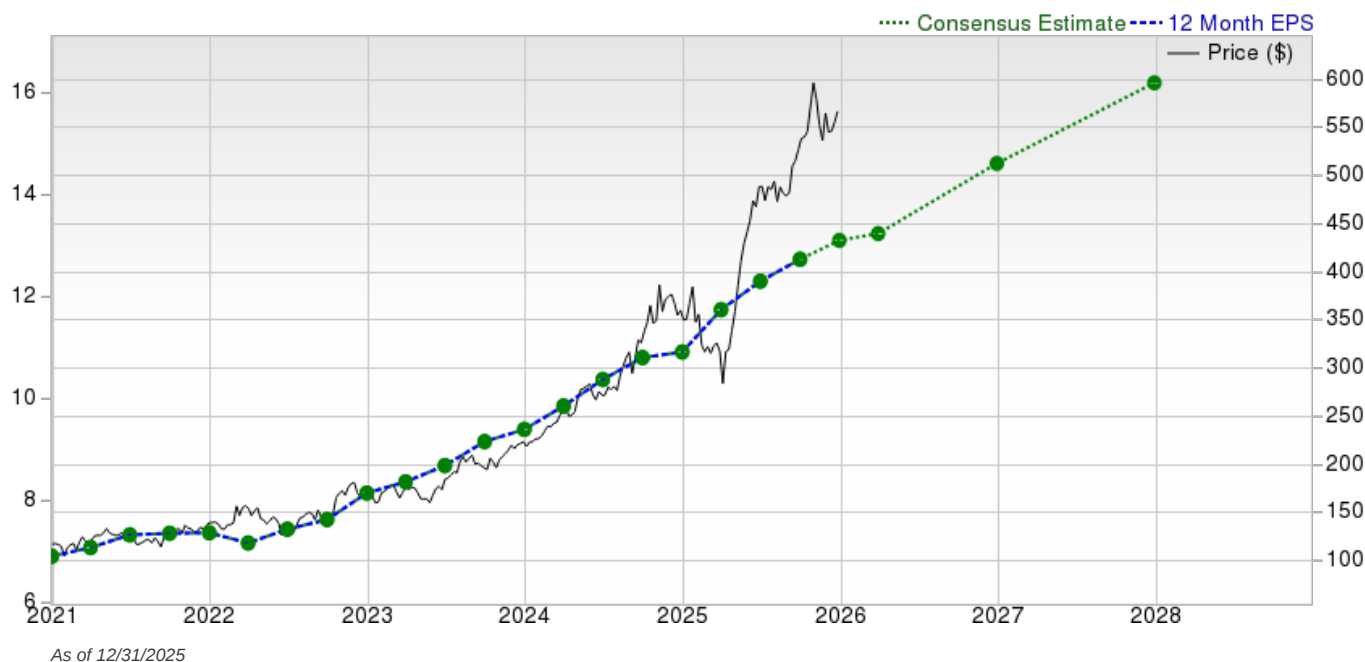
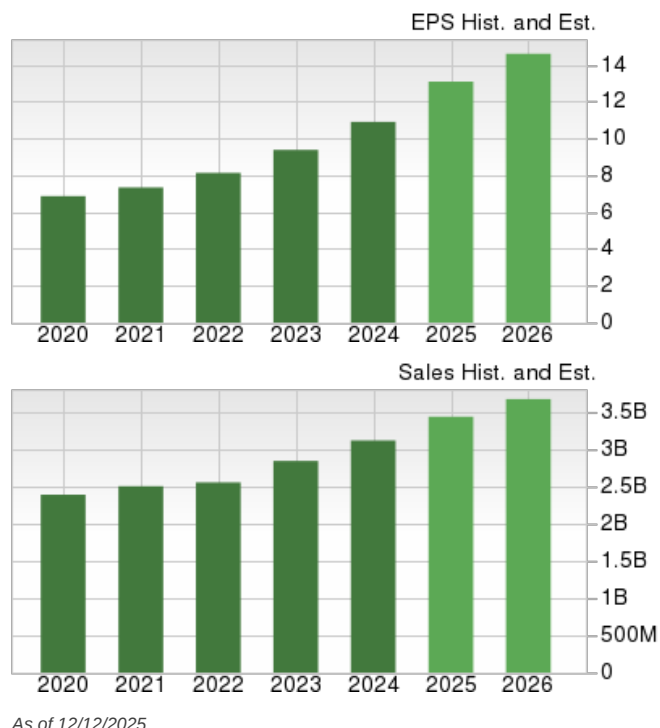
North Carolina-based Curtiss-Wright Corporation, incorporated in July 1929, is a diversified multinational company that designs and overhauls precision components. It provides highly engineered products and services for high-performance platforms, and critical applications in key areas such as commercial aerospace and defense electronics, reactor coolant pumps for next-generation nuclear reactors as well as advanced surface treatment technologies. The company's products and services are offered to the aerospace, defense, general industrial and power generation markets.

From Jan 1, 2021, Curtiss-Wright is operating through three new business segments namely — Aerospace & Industrial, Defense Electronics, and Naval & Power.

**Aerospace & Industrial:** Sales in this business segment are primarily generated from the commercial aerospace and general industrial markets, and to a lesser extent the defense and power & process markets. It generated sales of \$932.1 million in 2024, representing 29.9% of total sales.

**Defense Electronics:** Sales in this business segment are primarily generated from the defense markets and, to a lesser extent, the commercial aerospace market. It generated sales of \$910.7 million in 2024, representing 29.2% of total sales.

**Naval & Power:** Sales in this business segment are primarily generated from the power & process and naval defense markets. Sales from this division totaled \$1,278.4 million for 2024, representing 40.9% of total sales.



## Reasons To Buy:

▲ Curtiss-Wright is well-positioned to benefit from the global shift toward alternative energy, particularly in nuclear power, as countries aim to significantly reduce their greenhouse gas emissions amid rising electricity demand. According to the World Nuclear Organization, 65 new reactors are currently under construction across 15 countries, with 85 planned and more than 300 proposed over the next several decades. Curtiss-Wright plays a critical role in new-build nuclear reactor projects by supplying reactor coolant pumps, as well as a variety of ancillary plant products and services for the Generation III+ Westinghouse AP1000 reactors. The long-term growth opportunities for the company remain solid in this market, backed by new AP1000 orders, with the potential for 20 to 25 reactors to be built in Central and Eastern Europe, with both Poland and Bulgaria expected to begin production before the end of the decade. The company is also exploring opportunities in the United States,

Increased adoption of nuclear power, especially in the United States, bodes well for the company. It also boasts an impressive financial position

Curtiss-Wright is currently in active collaboration with more than 300 MW reactor designers to secure roles in the development of critical systems and equipment, projected to be deployed worldwide. To strengthen its nuclear footprint further, Curtiss-Wright completed the acquisition of Ultra Energy (in January 2025), a specialist in neutron and radiation monitoring, sensors and reactor protection systems, enhancing its nuclear solutions portfolio.

▲ Country-wise, the United States remains a key market for Curtiss-Wright's nuclear power expansion. With nuclear energy accounting for roughly 20% of U.S. electricity generation—spread across 94 reactors in 28 states—Curtiss-Wright's commercial nuclear aftermarket unit boasts robust growth potential, driven by aging infrastructure, planned plant outages, life extensions, modernization needs and digitalization initiatives.

Additionally, the U.S. Department of Energy's \$3.2 billion investment in advanced nuclear technology under the Advanced Reactor Demonstration Program, along with rising investment interest from tech giants such as Amazon, Microsoft, and Google to power their data centers, is boosting momentum in the U.S. nuclear power industry. Further, U.S. President Donald Trump signed a handful of executive orders (in May 2025), which are aimed at expanding America's nuclear energy capacity from approximately 100 gigawatts (GW) in 2024 to 400 GW by 2050. Such nuclear investment initiatives, backed by both government and corporate support, should offer continued growth opportunities for Curtiss-Wright in the evolving U.S. nuclear market. This should further boost the company's commercial nuclear aftermarket sales and is likely to have bolstered investors' confidence in the stock. The company's shares have risen 55.2% in the past year compared with the industry's growth of 24.6%.

▲ Increased demand for submarine programs, backed by solid budget funding offered by the U.S. administration, has been benefiting Curtiss-Wright, which offers products that support nuclear propulsion systems on naval vessels. Evidently, during the third quarter, its sales in the Naval & Power segment increased 12.5% year over year, with increased revenues supporting next-generation submarine development playing the role of a critical growth catalyst. Looking ahead, we may expect Curtiss-Wright to continue this growth trajectory in the naval defense market, backed by steady government funding in defense. In May 2025, U.S. President Trump proposed a 13% increase in the nation's defense spending to \$1.01 trillion (for fiscal year 2026), which included funding worth \$60 billion toward nuclear enterprise modernization, \$2.5 million for nuclear shipyard productivity enhancements, along with notable funding for 19 new Navy battle force ships. This is likely to significantly boost the growth prospects of Curtiss-Wright, which is a leading supplier of mission-critical applications for Virginia-class nuclear-powered submarines as well as DDG-51 Destroyer warships.

Moreover, the recent turbulence between Ukraine and Russia has led to many NATO countries proposing or ramping up defense spending to 2% or greater of GDP, with some countries now even pledging to increase spending to 5% of GDP. Such global defense budget increases tend to provide improved visibility and support for Curtiss-Wright's long-term growth outlook for its defense business. Our model predicts year-over-year revenue growth of 10.1% in 2025, 4.8% in 2026, and 7.9% in 2027, for Curtiss-Wright.

▲ Steadily improving global air traffic over the past few quarters has proved to be beneficial for Curtiss-Wright, which supplies critical components and systems for both commercial and defense aerospace markets. As airlines and aircraft manufacturers ramp up production and maintenance activities, demand for Curtiss-Wright's engineered products, such as flight control actuators, sensors and valves, is rising. Evidently, sales from its Aerospace & Industrial segment grew 8.3% year over year in the third quarter of 2025, partially driven by higher revenues from the commercial aerospace market, on account of increased demand and higher OEM sales of sensor products and surface treatment services on narrowbody and widebody jets. The International Air Transport Association (IATA) projects the number of air passengers globally to increase 5.2% year over year in 2025, as stated in its latest outlook published in December 2025. Curtiss-Wright may continue to benefit in the form of solid revenue generation from the commercial aerospace market.

▲ Curtiss-Wright's cash and cash equivalents amounted to \$225 million as of Sept. 30, 2025. At the end of the third quarter, its long-term debt totaled \$969 million, while its current debt was nil. Hence, although the company's cash reserves are significantly lower than its long-term debt, they comfortably exceed its short-term obligations. Thus, we may safely conclude that the company holds a strong solvency position, at least over the short term.

Curtiss-Wright's solid financial position enables the company to make notable payouts to its shareholders through solid dividends and share repurchases. During the first nine of 2025, the company repurchased approximately 0.7 million outstanding shares under its share repurchase program. No doubt the company's strong financial position must have supported this share buyback expansion program.

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## Reasons To Sell:

▼ Curtiss-Wright's manufacturing operations rely on complex, high-value equipment. Unexpected failures of this equipment can cause production delays, revenue losses, and hefty repair expenditures. Furthermore, the competitive nature of its operations necessitates ongoing process adjustments in order to achieve product enhancements and manufacturing efficiencies. These process adjustments may cause manufacturing delays. Any disruption in operations at the company's facilities due to equipment failures or process interruptions could have a negative impact on its business, thereby affecting the company's results of operations.

Unexpected production delays along with shortage of skilled labor may hurt this stock's growth. Supply chain challenges also remain a concern.

▼ The shortage of labor continues to pose a threat for industry players like Curtiss-Wright. Notably, as per the 2025 Workforce Study report released by the Aerospace Industries Association ("AIA"), in collaboration with McKinsey, the aging talent base, where nearly a quarter of the workforce is over 55, poses a retirement wave risk and a sudden deficit in critical institutional knowledge for the aerospace-defense industry. High early-career attrition has been exacerbating this issue, as the employees in younger age demographics who comprise the bulk of the manufacturing and engineering workforce are the most likely to leave the aerospace and defense sector for higher-paying jobs with greater workplace flexibility in other industries.

▼ Although the global supply-chain bottleneck has eased over the past few quarters, it still continues to remain a major challenge for the aerospace sector's growth trajectory. Being no exception, Curtiss-Wright also faces the brunt of supply-chain disruptions. Evidently, the company's supply chain has been and is expected to continue to be influenced by a variety of factors, including labor and material shortages as well as geopolitical events, such as China's relationship with the United States and Taiwan. Per the International Air Transport Association's (IATA) latest outlook report, published in December 2025, significant supply-chain issues will continue to impact the global aviation industry in 2025 and 2026.

This existing supply-chain challenge has been recently exacerbated by the significant tariff imposition implemented by the U.S. government on imported goods from almost all its trading nations, which include a 25% duty on steel and aluminum from all countries. Such tariffs bear the possibility of unavailability of these critical metals, crucial in aircraft manufacturing, in the near-term and thus might further extend the time (as mentioned above) needed to resolve the shortage of airline fleet issue. This might potentially reduce the demand for aircraft components like those made by Curtiss-Wright from major jet makers, which, in turn, could negatively impact the company's financial results.

## Last Earnings Report

### Curtiss-Wright Q3 Earnings Outpace Estimates, '25 View Raised

Curtiss-Wright reported adjusted earnings per share (EPS) of \$3.40, which beat the Zacks Consensus Estimate of \$3.28 by 3.7%. The bottom line also came in higher than the year-ago quarter's earnings of \$2.97 per share.

The company reported GAAP earnings of \$3.31 per share, up 14.5% from the prior-year period.

The year-over-year upside in GAAP earnings can be attributed to higher sales and operating income, along with lower interest expense compared with the year-ago level.

### CW's Operational Performance

The company's net sales of \$869.2 million increased 8.8% year over year. However, the top line missed the Zacks Consensus Estimate of \$872 million by 0.3%.

The company reported an adjusted operating income of \$166.3 million, up 14.7% year over year. Its adjusted operating margin was 19.6%, up 90 basis points (bps).

Curtiss-Wright's total backlog at the end of the third quarter was \$3.9 billion.

New orders of \$0.93 billion rose 8% year over year, driven by the strong demand in the company's commercial nuclear and commercial aerospace end markets.

### CW's Segmental Performance

Aerospace & Industrial: Sales in this segment improved 8% year over year to \$248 million.

The adjusted operating income improved 17% to \$46 million. Also, the unit's adjusted operating margin expanded 140 bps to 18.6%.

Defense Electronics: Sales in this segment improved 4% year over year to \$253 million.

The unit's adjusted operating income improved 15% to \$74 million. The adjusted operating margin expanded 270 bps to 29.2%.

Naval & Power: Sales in this segment increased 12% year over year to \$368 million.

The segment's adjusted operating income increased 14% to \$61 million. The adjusted operating margin also expanded 20 bps to 16.6%.

### Financial Position of CW

CW's cash and cash equivalents as of Sept. 30, 2025, were \$225.4 million compared with \$385 million as of Dec. 31, 2024.

The long-term debt was \$0.97 billion compared with \$0.96 billion as of Dec. 31, 2024.

The net cash flow from operating activities amounted to \$290.7 million during the first nine months of 2025 compared with \$243 million in the prior-year period.

The free cash flow as of Sept. 30, 2025, was \$238.6 million compared with \$205.3 million a year ago.

### 2025 Guidance of CW

Curtiss-Wright has once again raised its financial guidance for 2025.

CW now expects to generate adjusted earnings in the band of \$12.95-\$13.20 per share, compared with the earlier projection of \$12.70-\$13.00. The Zacks Consensus Estimate for earnings is pegged at \$13.09 per share, which lies above the mid-point of the company's newly guided range.

Curtiss-Wright now expects to generate sales in the range of \$3.42-\$3.46 billion, up from the prior guidance of \$3.39-\$3.44 billion. The Zacks Consensus Estimate for sales is pegged at \$3.44 billion, which lies near the midpoint of the company's revised guidance.

The company still expects to generate free cash flow in the band of \$520-\$535 million.

### FY Quarter Ending 12/31/2025

| Earnings Reporting Date | Nov 05, 2025 |
|-------------------------|--------------|
| Sales Surprise          | -0.31%       |
| EPS Surprise            | 3.66%        |
| Quarterly EPS           | 3.40         |
| Annual EPS (TTM)        | 12.72        |

## Valuation

Curtiss Wright's shares are up 60.4% in the year-to-date period and 55.2% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 28.5%, while the Zacks Aerospace sector is up 27.1% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry is up 24.6%, while the sector is up 23.8%.

The S&P 500 index is up 19.5% in the year-to-date period and 16.1% in the past year.

The stock is currently trading at 39.20X forward 12-month earnings, which compares with 45.17X for the Zacks sub-industry, 31.84X for the Zacks sector and 23.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 43.18X and as low as 14.09X, with a median of 20.18X.

Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$598 price target reflects 41.17X forward 12-month earnings.

The table below shows summary valuation data for CW.

| Valuation Multiples - CW |               |       |              |        |         |
|--------------------------|---------------|-------|--------------|--------|---------|
|                          |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M                 | Current       | 39.2  | 45.17        | 31.84  | 23.61   |
|                          | 5-Year High   | 43.18 | 50.91        | 34.49  | 23.78   |
|                          | 5-Year Low    | 14.09 | 25.3         | 18.54  | 15.73   |
|                          | 5-Year Median | 20.18 | 35.31        | 24.54  | 21.21   |
| EV/SALES F12M            | Current       | 5.8   | 9.79         | 2.89   | 5.22    |
|                          | 5-Year High   | 6.43  | 11.03        | 3.12   | 5.67    |
|                          | 5-Year Low    | 2.02  | 4.33         | 1.52   | 3.67    |
|                          | 5-Year Median | 2.91  | 6.65         | 1.98   | 4.91    |
| P/B TTM                  | Current       | 8.48  | 16.31        | 6.9    | 8.57    |
|                          | 5-Year High   | 8.96  | 17.68        | 7.32   | 9.16    |
|                          | 5-Year Low    | 2.41  | 6.83         | 2.68   | 6.6     |
|                          | 5-Year Median | 3.43  | 9.37         | 3.43   | 8.05    |

As of 12/11/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 40% (98 out of 243)



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

| Company (Ticker)              | Rec          | Rank |
|-------------------------------|--------------|------|
| AAR Corp. (AIR)               | Neutral      | 3    |
| AeroVironment, Inc. (AVAV)    | Neutral      | 3    |
| Ducommun Incorporate...(DCO)  | Neutral      | 3    |
| Heico Corporation (HEI)       | Neutral      | 3    |
| Hexcel Corporation (HXL)      | Neutral      | 3    |
| Kratos Defense & Sec...(KTOS) | Neutral      | 3    |
| Moog Inc. (MOG.A)             | Neutral      | 2    |
| CAE Inc (CAE)                 | Underperform | 5    |

## Industry Comparison<sup>(1)</sup> Industry: Aerospace - Defense Equipment

|                                  | CW      | X Industry | S&P 500   | CAE          | DCO     | MOG.A   |
|----------------------------------|---------|------------|-----------|--------------|---------|---------|
| Zacks Recommendation (Long Term) | Neutral | -          | -         | Underperform | Neutral | Neutral |
| Zacks Rank (Short Term)          | 2       | -          | -         | 4            | 3       | 2       |
| VGM Score                        | D       | -          | -         | D            | B       | A       |
| Market Cap                       | 20.60 B | 7.88 B     | 39.67 B   | 9.87 B       | 1.42 B  | 7.80 B  |
| # of Analysts                    | 6       | 3          | 22        | 10           | 2       | 4       |
| Dividend Yield                   | 0.17%   | 0.00%      | 1.4%      | 0.00%        | 0.00%   | 0.47%   |
| Value Score                      | D       | -          | -         | C            | C       | B       |
| Cash/Price                       | 0.01    | 0.03       | 0.04      | 0.01         | 0.04    | 0.01    |
| EV/EBITDA                        | 31.63   | 23.56      | 14.72     | 14.55        | 18.52   | 17.77   |
| PEG Ratio                        | 3.10    | 2.38       | 2.21      | 2.32         | NA      | NA      |
| Price/Book (P/B)                 | 8.32    | 4.05       | 3.34      | 2.63         | 2.19    | 3.91    |
| Price/Cash Flow (P/CF)           | 40.29   | 29.40      | 15.38     | 17.36        | 17.04   | 20.39   |
| P/E (F1)                         | 42.77   | 39.10      | 20.05     | 35.26        | 25.86   | 25.05   |
| Price/Sales (P/S)                | 6.10    | 4.05       | 3.14      | 2.86         | 1.76    | 2.02    |
| Earnings Yield                   | 2.34%   | 2.41%      | 4.94%     | 2.83%        | 3.87%   | 3.99%   |
| Debt/Equity                      | 0.38    | 0.25       | 0.57      | 0.60         | 0.33    | 0.47    |
| Cash Flow (\$/share)             | 13.86   | 1.87       | 8.98      | 1.77         | 5.58    | 12.08   |
| Growth Score                     | C       | -          | -         | D            | A       | A       |
| Hist. EPS Growth (3-5 yrs)       | 14.24%  | 19.52%     | 8.21%     | 10.37%       | 3.16%   | 17.15%  |
| Proj. EPS Growth (F1/F0)         | 19.27%  | 19.68%     | 8.58%     | 3.57%        | 12.54%  | 13.12%  |
| Curr. Cash Flow Growth           | 10.15%  | 18.10%     | 7.00%     | 17.30%       | 20.44%  | 9.79%   |
| Hist. Cash Flow Growth (3-5 yrs) | 4.86%   | 8.28%      | 7.48%     | 2.62%        | 6.10%   | 9.44%   |
| Current Ratio                    | 1.75    | 2.85       | 1.18      | 0.83         | 2.04    | 2.12    |
| Debt/Capital                     | 27.69%  | 21.02%     | 38.15%    | 37.33%       | 24.89%  | 32.15%  |
| Net Margin                       | 13.78%  | 6.50%      | 12.77%    | 8.98%        | -4.29%  | 6.03%   |
| Return on Equity                 | 18.82%  | 11.10%     | 17.03%    | 7.60%        | 7.70%   | 14.59%  |
| Sales/Assets                     | 0.67    | 0.62       | 0.53      | 0.43         | 0.69    | 0.89    |
| Proj. Sales Growth (F1/F0)       | 10.10%  | 10.12%     | 5.85%     | 8.10%        | 5.00%   | 8.90%   |
| Momentum Score                   | D       | -          | -         | C            | C       | C       |
| Daily Price Chg                  | -0.63%  | 0.00%      | -0.14%    | -1.48%       | -0.99%  | -1.31%  |
| 1 Week Price Chg                 | 2.03%   | 2.09%      | -0.20%    | 4.18%        | 2.36%   | 1.51%   |
| 4 Week Price Chg                 | 2.05%   | 5.94%      | 0.98%     | 14.98%       | 5.62%   | 7.75%   |
| 12 Week Price Chg                | 3.37%   | 0.55%      | 2.71%     | 7.83%        | -1.32%  | 18.08%  |
| 52 Week Price Chg                | 57.40%  | 46.88%     | 17.25%    | 21.00%       | 49.47%  | 25.09%  |
| 20 Day Average Volume            | 242,753 | 286,608    | 2,628,137 | 575,509      | 94,536  | 195,092 |
| (F1) EPS Est 1 week change       | 0.00%   | 0.00%      | 0.00%     | 0.00%        | 0.00%   | 0.00%   |
| (F1) EPS Est 4 week change       | 0.00%   | 0.00%      | 0.00%     | 0.00%        | 0.00%   | 1.62%   |
| (F1) EPS Est 12 week change      | 1.37%   | 0.80%      | 0.69%     | -6.51%       | -1.47%  | 2.55%   |
| (Q1) EPS Est Mthly Chg           | 0.00%   | 0.00%      | 0.00%     | 0.00%        | 0.00%   | -3.46%  |

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

### Curtiss-Wright Corporation (CW)

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 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                   |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Product Revenue                    | \$2,135.9 | \$2,389.7 | \$2,640.0 | \$679.0   | \$746.7   | \$739.1   | \$750.3   | \$2,915.1 | \$723.0   | \$772.0   | \$776.4   | \$786.9   | \$3,058.3 | \$3,299.4 |
| Service Revenue                    | \$421.1   | \$455.7   | \$481.2   | \$126.7   | \$129.9   | \$130.1   | \$134.4   | \$521.0   | \$129.3   | \$136.6   | \$138.0   | \$140.2   | \$544.1   | \$586.8   |
| Total Revenue                      | \$2,557.0 | \$2,845.4 | \$3,121.2 | \$805.6   | \$876.6   | \$869.2   | \$884.7   | \$3,436.1 | \$852.3   | \$908.6   | \$914.4   | \$927.1   | \$3,602.4 | \$3,886.2 |
| Organic                            | 3.0%      | 10.0%     | 9.0%      | 11.0%     | 9.0%      | 6.0%      | 6.0%      | 7.9%      | 6.8%      | 6.5%      | 6.5%      | 6.4%      | 6.6%      | 5.9%      |
| Acquisitions                       | 0.0%      | 2.0%      | 1.0%      | 3.0%      | 3.0%      | 3.0%      | 1.9%      | 2.7%      | 2.3%      | 2.3%      | 2.1%      | 2.1%      | 2.2%      | 2.2%      |
| Foreign Currency                   | (1.0%)    | (1.0%)    | 0.0%      | (1.0%)    | 0.0%      | 0.0%      | (0.5%)    | (0.4%)    | (3.4%)    | (5.2%)    | (3.4%)    | (3.8%)    | (3.9%)    | (0.2%)    |
| Cost of Product Sales              | \$1,348.6 | \$1,507.5 | \$1,690.6 | \$442.1   | \$479.3   | \$470.7   | \$466.7   | \$1,858.7 | \$454.0   | \$493.7   | \$484.6   | \$471.4   | \$1,903.7 | \$2,049.9 |
| Cost of Service Sales              | \$253.8   | \$270.7   | \$277.1   | \$71.1    | \$71.2    | \$71.0    | \$70.4    | \$283.6   | \$84.5    | \$77.6    | \$79.0    | \$81.2    | \$322.4   | \$342.6   |
| Cost of Sales                      | \$1,602.4 | \$1,778.2 | \$1,967.6 | \$513.2   | \$550.4   | \$541.7   | \$537.0   | \$2,142.3 | \$538.5   | \$571.2   | \$563.7   | \$552.7   | \$2,226.1 | \$2,392.5 |
| Gross Profit of Product Sales      | \$787.3   | \$882.2   | \$949.4   | \$236.9   | \$267.4   | \$268.4   | \$283.7   | \$1,056.4 | \$269.1   | \$278.3   | \$291.8   | \$315.4   | \$1,154.6 | \$1,249.5 |
| Gross Profit of Service Sales      | \$167.3   | \$184.9   | \$204.2   | \$55.6    | \$58.7    | \$59.1    | \$64.0    | \$237.4   | \$44.8    | \$59.1    | \$59.0    | \$59.0    | \$221.8   | \$244.3   |
| Gross Profit                       | \$954.6   | \$1,067.2 | \$1,153.5 | \$292.5   | \$326.2   | \$327.5   | \$347.7   | \$1,293.8 | \$313.8   | \$337.4   | \$350.7   | \$374.4   | \$1,376.3 | \$1,493.7 |
| Research and Development Expenses  | \$80.8    | \$85.8    | \$91.6    | \$23.0    | \$23.3    | \$23.4    | \$25.1    | \$94.8    | \$23.5    | \$24.9    | \$25.2    | \$25.7    | \$99.3    | \$107.2   |
| Selling Expenses                   | \$121.6   | \$137.1   | \$145.4   | \$39.9    | \$41.8    | \$40.6    | \$42.8    | \$165.0   | \$44.2    | \$41.5    | \$44.0    | \$44.5    | \$174.2   | \$195.0   |
| General & Administrative Expenses  | \$324.1   | \$359.7   | \$373.5   | \$99.0    | \$104.1   | \$96.4    | \$107.2   | \$406.8   | \$104.4   | \$107.5   | \$108.1   | \$111.3   | \$431.3   | \$464.1   |
| Loss on Divestiture                | \$4.7     | \$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     |
| Impairment of Assets Held for Sale | \$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     | \$0.0     |
| Restructuring Expenses             | \$0.0     | \$0.0     | \$14.4    | \$1.3     | \$0.7     | \$0.8     | \$0.8     | \$3.6     | \$0.8     | \$0.8     | \$0.8     | \$0.8     | \$3.2     | \$3.2     |
| EBITDA                             | \$535.5   | \$600.8   | \$636.3   | \$160.0   | \$187.6   | \$197.4   | \$197.0   | \$742.1   | \$170.4   | \$193.3   | \$202.9   | \$222.2   | \$788.8   | \$853.2   |
| Depreciation & Amortization        | \$112.0   | \$116.2   | \$107.7   | \$30.8    | \$31.3    | \$31.2    | \$25.2    | \$118.5   | \$29.5    | \$30.6    | \$30.3    | \$30.1    | \$120.5   | \$129.0   |
| Operating Income, Adjusted         | \$443.1   | \$493.8   | \$545.9   | \$134.0   | \$160.0   | \$170.4   | \$175.0   | \$639.4   | \$144.9   | \$166.4   | \$176.3   | \$195.7   | \$683.4   | \$739.2   |
| Operating Income, GAAP             | \$423.4   | \$484.6   | \$528.6   | \$129.2   | \$156.3   | \$166.3   | \$171.8   | \$623.6   | \$140.9   | \$162.7   | \$172.6   | \$192.1   | \$668.3   | \$724.3   |
| Interest Expense                   | \$47.0    | \$51.4    | \$44.9    | \$10.1    | \$10.5    | \$10.5    | \$11.0    | \$42.2    | \$10.5    | \$11.1    | \$11.2    | \$11.4    | \$44.1    | \$47.6    |
| Other Income, net                  | \$12.7    | \$29.9    | \$38.3    | \$6.0     | \$11.0    | \$5.4     | \$6.8     | \$29.2    | \$7.2     | \$7.9     | \$7.1     | \$7.6     | \$29.8    | \$31.9    |
| Pre-Tax Income                     | \$389.2   | \$463.1   | \$522.1   | \$125.1   | \$156.8   | \$161.2   | \$167.6   | \$610.6   | \$137.7   | \$159.5   | \$168.5   | \$188.3   | \$654.0   | \$708.5   |
| Income Tax                         | \$94.8    | \$108.6   | \$117.1   | \$23.8    | \$35.7    | \$36.3    | \$37.7    | \$133.5   | \$30.3    | \$35.1    | \$37.1    | \$41.4    | \$143.9   | \$155.9   |
| Tax Rate                           | 24.4%     | 23.4%     | 22.4%     | 19.0%     | 22.8%     | 22.5%     | 22.5%     | 21.9%     | 22.0%     | 22.0%     | 22.0%     | 22.0%     | 22.0%     | 22.0%     |
| Net Income, Adjusted               | \$314.2   | \$361.4   | \$418.3   | \$106.7   | \$122.4   | \$128.1   | \$133.3   | \$490.5   | \$110.8   | \$127.8   | \$134.7   | \$150.2   | \$523.5   | \$565.8   |
| Net Income, GAAP                   | \$294.3   | \$354.5   | \$405.0   | \$101.3   | \$121.1   | \$124.8   | \$129.9   | \$477.1   | \$107.4   | \$124.4   | \$131.4   | \$146.8   | \$510.1   | \$552.6   |
| Diluted Shares Outstanding         | \$38.6    | \$38.5    | \$38.4    | \$37.9    | \$37.9    | \$37.7    | \$37.6    | \$37.7    | \$37.5    | \$37.2    | \$37.0    | \$36.7    | \$37.1    | \$36.5    |
| Diluted EPS, Adjusted              | \$8.13    | \$9.38    | \$10.90   | \$2.82    | \$3.23    | \$3.40    | \$3.55    | \$13.00   | \$2.95    | \$3.43    | \$3.64    | \$4.09    | \$14.11   | \$15.52   |
| Diluted EPS, GAAP                  | \$7.62    | \$9.20    | \$10.55   | \$2.68    | \$3.19    | \$3.31    | \$3.46    | \$12.64   | \$2.86    | \$3.34    | \$3.55    | \$4.00    | \$13.75   | \$15.16   |
| Dividend per Share                 | \$0.75    | \$0.79    | \$0.83    | \$0.21    | \$0.24    | \$0.24    | \$0.24    | \$0.93    | \$0.24    | \$0.25    | \$0.25    | \$0.25    | \$0.99    | \$1.03    |

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## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

|                |          |
|----------------|----------|
| Value Score    | <b>D</b> |
| Growth Score   | <b>C</b> |
| Momentum Score | <b>D</b> |
| VGM Score      | <b>D</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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