

## D.R. Horton, Inc. (DHI)

**\$155.12** (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$167.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 04/01/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: A

Value: B

Growth: B

Momentum: C

## Summary

Shares of D.R. Horton have outperformed the industry in the past six months. The company's prospects are gaining from its focus on the lot acquisition strategy and efforts to enhance capital efficiency. Moreover, its efforts toward offering sales incentives to drive traffic and sales, with strong liquidity and flexible lot supply, are expected to support growth in the upcoming period. These tailwinds enabled the company to expect homes closed within 86,000-88,000 in fiscal 2026, compared with 84,863 closed in fiscal 2025. However, the ongoing affordability issues surrounding the housing market in the United States due to the still-high mortgage rate scenario are restricting the prospects to some extent. Earnings estimates for fiscal 2026 have moved down in the past 30 days, depicting analysts' concerns about the stock's potential.

## Data Overview

52 Week High-Low	<b>\$184.54 - \$110.44</b>
20 Day Average Volume (sh)	<b>2,994,530</b>
Market Cap	<b>\$45.2 B</b>
YTD Price Change	<b>10.9%</b>
Beta	<b>1.38</b>
Dividend / Div Yld	<b>\$1.80 / 1.2%</b>
Industry	<b><u>Building Products - Home Builders</u></b>
Zacks Industry Rank	<b>Bottom 11% (215 out of 243)</b>

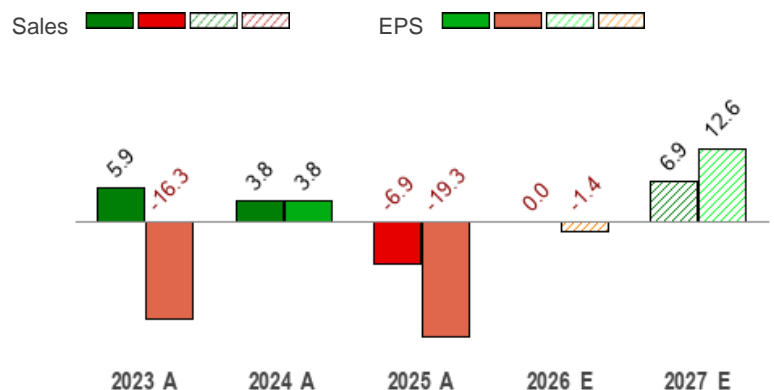
Last EPS Surprise	<b>-7.6%</b>
Last Sales Surprise	<b>2.4%</b>
EPS F1 Est- 4 week change	<b>0.0%</b>
Expected Report Date	<b>01/20/2026</b>
Earnings ESP	<b>0.0%</b>

P/E TTM	<b>13.4</b>
P/E F1	<b>13.6</b>
PEG F1	<b>2.5</b>
P/S TTM	<b>1.3</b>

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



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



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

	Q1	Q2	Q3	Q4	Annual*
2027	7,003 E	8,515 E	10,379 E	10,727 E	36,624 E
2026	6,707 E	7,834 E	9,653 E	10,072 E	34,267 E
2025	7,613 A	7,734 A	9,226 A	9,678 A	34,250 A

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

	Q1	Q2	Q3	Q4	Annual*
2027	2.27 E	2.91 E	3.77 E	3.90 E	12.85 E
2026	1.94 E	2.50 E	3.38 E	3.60 E	11.41 E
2025	2.61 A	2.58 A	3.36 A	3.04 A	11.57 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

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

## Overview

D.R. Horton, Inc., based in Texas, is one of the leading national homebuilders, primarily engaged in the construction and sale of single-family houses both in the entry-level and move-up markets. D.R. Horton's operations are spread across 126 markets in 36 states in the East, Midwest, Southeast, South Central, Southwest and West regions of the United States. Its houses are sold under the brand names D.R. Horton - America's Builder, Emerald Homes, Express Homes and Freedom Homes.

Its reporting segments are: Homebuilding (contributing 92.2% to total revenues in fiscal 2025), Forestar (4.1%), Financial Services (2.4%) and Rental (4.6%). Of the total revenues, 3.3% represents the elimination of intercompany transactions & Other.

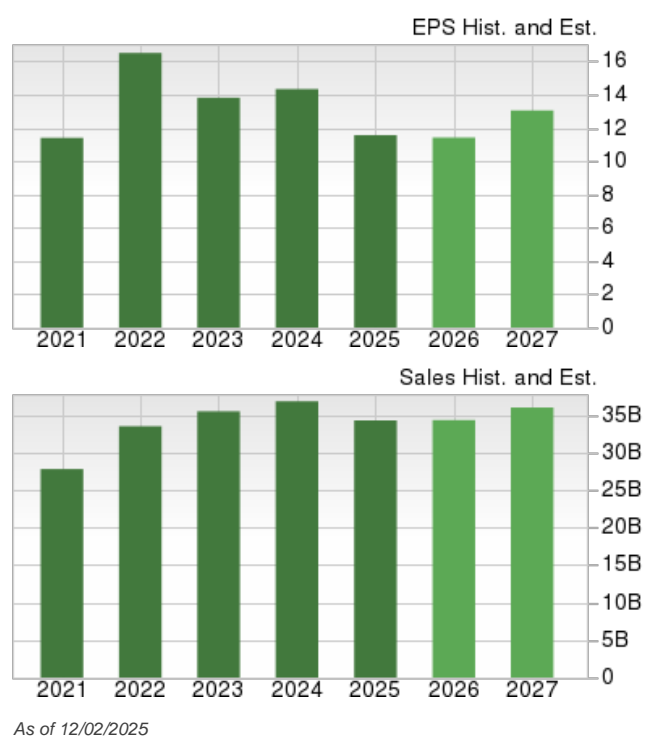
The Homebuilding segment comprises six reporting regions and derives revenues primarily from the sale of completed homes built on lots it develops and on finished lots purchased ready for home construction. In addition to single-family detached homes, the segment builds attached homes, such as town homes, duplexes, triplexes and condominiums. The segment also derives revenues by selling lands and lots.

The Forestar land development reporting segment operates in 64 markets across 23 states, where it owns — directly or through joint ventures — interests in residential and mixed-use projects. Forestar Group Inc. (FOR), a publicly traded residential and real estate development company, is a majority-owned subsidiary of D.R. Horton. On June 30, 2025, D.R. Horton owned 62% of Forestar's outstanding common stock.

The Financial Services segment, through the mortgage subsidiary, DHI Mortgage, provides mortgage financing and title agency services primarily to the company's homebuilding customers.

The Rental segment includes its single-family and multi-family rental operations. The single-family rental operations primarily construct and lease single-family homes within a community and then market each community for a bulk sale of rental homes. The multi-family rental operations develop, construct, lease and sell residential rental properties.

The company remains engaged in other business activities through subsidiaries, through which it conducts insurance-related operations and owns non-residential real estate. These operations are grouped and presented as Other.



## Reasons To Buy:

▲ **Accretive Acquisitions & Increased Capital Investments in Land:** Acquisitions have been an essential part of D.R. Horton's growth strategy. The company is fast acquiring homebuilding companies in desirable markets. The focus remains on small tuck-in acquisitions that expand the footprint in emerging geographies. These acquisitions often include acquiring both property and local talent, enhancing the company's strategic position.

In the fourth quarter of fiscal 2025, the company's homebuilding investments in lots, land and development were \$2 billion. Of the total investment, \$1.3 billion was for finished lots, \$540 million was for land development and \$120 million was for land acquisition. At the end of Sept. 30, 2025, the company's homebuilding lot position was 592,000 lots, wherein 25% were owned and 75% were controlled through purchase contracts. D.R. Horton is primarily focusing on maintaining and growing healthy relationships with land developers across the country to engage in building more homes on lots developed by others. This strategic move is undertaken to enhance its capital efficiency, returns and operational flexibility. At the end of the fourth quarter of fiscal 2025, the average number of active selling communities moved up 1% sequentially and 13% year over year.

The company's strong cash position and low debt/capital ratio allowed it to make strategic land purchases even during the downturn, in turn giving it a significant competitive advantage. The company has selectively invested in attractively priced land and lots in the past few years, allowing it to bring new attractive communities to desirable markets. D.R. Horton's well-stocked supply of land, plots and homes provides it with a strong competitive position to meet the demand in future quarters, thereby growing sales and home closings.

▲ **Strategies to Overcome Affordability Issues:** The homebuilding industry has been plagued with affordability issues over the past two years, which have hindered the profitability of the companies. With the country's housing market getting used to the new normal benchmark of mortgage rates against the backdrop of rate cuts, the housing demand environment is improving gradually. Even though new and existing home inventories have been increasing compared with historically low levels, the supply of affordable housing options is limited in the market. In the fourth quarter of fiscal 2025, the company emphasized disciplined execution to balance pace, price and incentives, which helped drive a 5% increase in net sales orders.

D.R. Horton's focus on offering more affordable homes and improving operational efficiency continues to strengthen its market position. The company is designing and building homes that optimize labor and construction time, helping maintain affordability for buyers. With steady improvement in construction cycle times and a healthy supply of finished lots, D.R. Horton is well-positioned to capture demand in the entry-level segment and support consistent growth in fiscal 2026 and beyond.

▲ **Focus on Higher Returns:** The company strategically manages the pricing, incentives and sales pace across its markets in a manner that will optimize the returns on inventory investments. It believes a consistent sales pace through inventory turnover is the best way to maximize profits and returns. Notably, the company's homebuilding return on inventory or ROI improved over the years (except in fiscal 2019). In the trailing 12 months ended Sept 30, 2025, its return on equity (ROE) was 14.6%, homebuilding pre-tax return on inventory (ROI) was 20.1% and return on assets was 10%.

With 592,000 lots in inventory at the end of fiscal 2025, D.R. Horton is well-positioned for the upcoming years. The company is actively managing lot and land pipelines and investments in lots, land and development to meet needs during this transition in the housing market. During the fourth quarter of fiscal 2025, the company's construction cycle times improved by about two weeks from the comparative period in fiscal 2024. This enhancement benefits the company in managing homes and inventory more efficiently. D.R. Horton plans to sustain a strong start pace and maintain sufficient inventory to meet demand while focusing on improving capital efficiency.

▲ **Sufficient Liquidity:** D.R. Horton's consolidated cash, cash equivalents and restricted cash totaled \$3.03 billion at the end of the fourth quarter of fiscal 2025, down from \$4.54 billion at the end of fiscal 2024. Total liquidity as of Sept. 30, 2025, was \$6.6 billion. Although the company's current cash position is down from the fiscal 2024-end, it has no short-term debt in fiscal 2025.

With accretive acquisitions and a well-stocked inventory of land, lots and homes in place, D.R. Horton is expected to perform well in fiscal 2025 and beyond.

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## Reasons To Sell:

▼ **Fluctuating Mortgage Rates:** Although mortgage rates have declined from more than 7% last year, they remain shaky. Fluctuations in mortgage rates have been a big issue for homebuilders as they create affordability issues for buyers. Owing to continued affordability challenges and competitive market conditions, D.R. Horton's net sales orders in the fiscal 2025 tumbled 4% year over year to 83,423 homes. The value of net orders also decreased 6% to \$30.8 billion from \$32.71 billion year over year. Despite offering mortgage buydown programs, demand remained volatile through the quarter, with consumers hesitant amid rate fluctuations.

Affordability issues, rising land/labor and material costs, and mortgage fluctuations are major causes of concern.

▼ **Margin Pressure Persists:** D.R. Horton has been facing inflationary pressures due to increased employee-based compensation, material costs (other than lumber) and lot acquisition and building expenses. Such pressures are denting the company's margins despite its continuous efforts towards operational efficiency.

In the fourth quarter of fiscal 2025, the company leaned heavily on incentives, leading to higher costs and a 180-basis-point sequential decline in gross margin to 20%. The company also expects incentive levels to stay elevated in fiscal 2026, weighing on margins. Average selling prices continued to fall, down 3% year over year, while lot costs increased 8%, pressuring profitability further. Additionally, rising litigation expenses and weaker performance in key markets such as Florida and California highlighted ongoing operational headwinds. For the first quarter of fiscal 2026, the company expects home sales gross margin to be approximately between 20% and 20.5%, flat to slightly up from the fourth quarter of fiscal 2025. For fiscal 2026, our model expects home sales gross margin to contract year over year by 100 basis points to 20.5%.

In fiscal 2025, homebuilding SG&A expenses increased to 8.3% of homebuilding revenues from 7.5% reported a year ago. The increase was primarily caused by the expansion of its platform and increased average community count. The company is cautious in controlling SG&A expenses while ensuring its platform effectively supports business needs.

▼ **Cyclical Business Nature:** The housing industry is cyclical and affected by consumer confidence levels, prevailing economic conditions and interest rates. The federal government's actions related to economic stimulus, taxation and borrowing limits could affect consumer confidence and spending levels, which could hurt both the economy and the housing market.

Currently, the U.S. housing industry remains challenging owing to unfavorable interest rates, inflation, and consumer sentiment. The Fed began to increase rates in early 2022 to counter the high ongoing inflation scenario in the market, and it started moving toward the 2% target. On Oct. 29, 2025, the Federal Reserve reduced interest rates by 0.25 percentage points for the second consecutive meeting, bringing the benchmark rate to a range of 3.75% to 4.00%. Earlier, the Fed had signaled two more rate cuts for the year, but recent remarks from Chair Jerome Powell reflected a more cautious tone. Policymakers now appear divided on further action, suggesting the possibility of a pause ahead. For the U.S. housing market, this shift limits hopes of additional relief, as inflation, high mortgage rates and affordability pressures continue to weigh on demand.

▼ **Supply Constraints:** Several years of production deficits during the housing downturn limited the supply of both rental and new homes in the country. At present, a shortage of buildable lots, skilled labor and available capital for smaller builders is limiting home production, thereby lowering the inventory of homes. The labor market has also tightened with limited availability of labor, arresting the rapid growth in housing production. If the supply picture does not improve, prices could go up, thereby affecting affordability.

## Last Earnings Report

### D.R. Horton Q4 Earnings Miss, Revenues Down Y/Y

D.R. Horton reported mixed fourth-quarter fiscal 2025 (ended Sept. 30, 2025) results, with earnings missing Zacks Consensus Estimate, while the total revenues beat the same. On a year-over-year basis, both metrics declined.

The continued housing market softness due to declining consumer confidence and affordability concerns marred the company's quarterly performance, resulting in lower home closings. Besides, such a weak market scenario also impacted the backlog level of the company. Furthermore, soft contributions from the Forestar operations and the Financial Services segment added to the downtrend.

Although the company is actively engaging in offering necessary sales incentives to drive traffic and incremental sales, it is adversely impacting the bottom line. This, alongside elevated selling, general and administrative expenses, is hurting the margins.

Nonetheless, the company's strong liquidity, low leverage and national scale offer significant operational and financial flexibility. Its disciplined approach to capital allocation, combined with its flexible lot supply and affordable product offerings, positions D.R. Horton to maximize returns across its communities while adapting to evolving market conditions.

It increased its quarterly dividend by 13% to 45 cents per share (or \$1.80 per share annually), which is to be paid on Nov. 20, 2025, to shareholders as of Nov. 13.

### D.R. Horton's Earnings, Revenue & Margin Discussion

The company reported adjusted earnings of \$3.04 per share, which missed the Zacks Consensus Estimate of \$3.29 by 7.6%. The reported figure was down 22% year over year from adjusted earnings per share (EPS) of \$3.92.

Total revenues (Homebuilding, Forestar, Rental and Financial Services) were \$9.68 billion, down 3.2% year over year. Contrarily, the reported figure surpassed the analysts' expectation of \$9.5 billion by 1.9%.

The consolidated pre-tax profit margin was 12.4% in the quarter, down from 17.1% a year ago.

### Segment Details of D.R. Horton

**Homebuilding** revenues of \$8.56 billion decreased 4% from the prior-year quarter. Home sales were \$8.54 billion (below our model's projection of \$8.74 billion), down 4.4% year over year. Home closings were down 1% from the prior-year quarter to 23,368 homes.

Net sales orders improved 5% year over year to 20,078 (down from our projection of 21,239 units). The value of net orders increased year over year to \$7.33 billion from \$7.15 billion. The cancellation rate (on gross sales orders) was 20%, down from 21% a year ago.

As of Sept. 30, 2025, the sales order backlog of homes was 10,785 homes, down 11.5% year over year. Moreover, the value of the backlog was down 13.6% from the prior-year period to \$4.12 billion.

**Financial Services'** revenues decreased 1.7% from the year-ago level to \$218.3 million (up from our expectation of \$213.9 million).

**Forestar** contributed \$670.5 million (up from our projection of \$550.5 million) to total quarterly revenues with 4,891 lots sold. In the year-ago quarter, this segment contributed \$551.4 million to total revenues on 5,374 lots sold.

The **Rental** business generated revenues of \$805.4 million for the quarter (we had projected \$422.2 million), up from \$704.8 million a year ago.

### Sneak Peek Into D.R. Horton's FY2025

Total revenues tumbled 6.9% to \$34.25 billion, primarily due to a decline in home sales revenues (down 7.3% to \$31.43 billion). Homes closed declined 5.4% to 84,863 units from fiscal 2024.

In fiscal 2025, the homebuilding pre-tax profit margin of 13.8% contracted 330 basis points from fiscal 2024.

During the fiscal year, the adjusted EPS of \$11.57 declined year over year by 19.3% from \$14.34.

### Financial Details of D.R. Horton

D.R. Horton's cash, cash equivalents and restricted cash totaled \$3.03 billion as of Sept. 30, 2025, compared with \$4.54 billion at the end of fiscal 2024. Total liquidity as of the fiscal fourth quarter was \$6.6 billion.

At the end of fiscal 2025, the company had 29,600 homes in inventory, of which 19,600 were unsold. D.R. Horton's homebuilding land and lot portfolio totaled 591,900 lots at the end of the fiscal 2025. Of these, 25% were owned and 75% were controlled through land and lot purchase contracts.

At the end of the fiscal fourth quarter, the debt-to-total capital ratio was 19.8%. The trailing 12-month return on equity was 14.6%.

### FY Quarter Ending 9/30/2025

Earnings Reporting Date	Oct 28, 2025
Sales Surprise	2.38%
EPS Surprise	-7.60%
Quarterly EPS	3.04
Annual EPS (TTM)	11.59

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During fiscal 2025, D.R. Horton repurchased 30.7 million shares of common stock for \$4.3 billion. As of Sept. 30, 2025, the company's remaining stock repurchase authorization was \$3.3 billion.

#### **D.R. Horton Unveils Fiscal 2026 Guidance**

The company expects consolidated revenues to be in the range of \$33.5-\$35 billion. This compares with \$34.25 billion in fiscal 2025.

Homes closed are anticipated to be within 86,000-88,000, compared with 84,863 closed in fiscal 2025.

The cash flow provided by operations is expected to be at least \$3 billion. The income tax rate is expected to be approximately 24.5%.

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## Valuation

D.R. Horton's shares are up 33% in the past six months, but down 5.8% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 21.7% and up 12.2% in the Zacks Construction sector, in the past six months. Over the past year, the Zacks sub-industry has been down 18.3%, and the sector is down 7.9%.

The S&P 500 index is up 17.8% in the past six months and 16.1% in the past year.

The stock is currently trading at 13.47X forward 12-month earnings, which compares to 12.64X for the Zacks sub-industry, 19.58X for the Zacks sector, and 23.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 15.3X and as low as 3.49X, with a 5-year median of 9.45X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$167 price target reflects 14.3X forward 12-month earnings.

The table below shows the summary valuation data for DHI.

Valuation Multiples - DHI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	13.47	12.64	19.58	23.57
	5-Year High	15.3	12.64	19.58	23.82
	5-Year Low	3.49	4.2	8.92	15.73
	5-Year Median	9.45	9.16	15.23	21.19
P/B TTM	Current	1.9	1.45	4.9	8.52
	5-Year High	2.84	1.95	5.43	9.16
	5-Year Low	1.18	0.86	2.96	6.6
	5-Year Median	1.89	1.42	4.41	8.04
P/S F12M	Current	1.33	1.12	2.84	5.33
	5-Year High	1.7	1.45	3.11	5.5
	5-Year Low	0.58	0.59	1.55	3.83
	5-Year Median	1.12	1.04	2.26	5.04

As of 12/01/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 11% (215 out of 243)



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

Company (Ticker)	Rec	Rank
KB Home (KBH)	Neutral	4
Lennar Corporation (LEN)	Neutral	2
M/I Homes, Inc. (MHO)	Neutral	3
NVR, Inc. (NVR)	Neutral	3
PulteGroup, Inc. (PHM)	Neutral	3
Meritage Homes Corpo...(MTH)	Underperform	5
Taylor Morrison Home...(TMHC)	Underperform	4
Toll Brothers Inc. (TOL)	Underperform	4

## Industry Comparison<sup>(1)</sup> Industry: Building Products - Home Builders

	DHI	X Industry	S&P 500	LEN	PHM	TOL
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	2	3	4
VGM Score	A	-	-	D	C	D
Market Cap	45.16 B	3.18 B	38.58 B	29.98 B	24.25 B	13.37 B
# of Analysts	16	3	22	6	6	6
Dividend Yield	1.16%	0.00%	1.42%	1.70%	0.84%	0.72%
Value Score	B	-	-	C	B	B
Cash/Price	0.12	0.09	0.04	0.05	0.06	0.09
EV/EBITDA	9.40	5.96	14.55	6.05	5.96	6.87
PEG Ratio	2.52	1.85	2.20	4.92	1.00	1.11
Price/Book (P/B)	1.87	1.21	3.33	1.32	1.89	1.61
Price/Cash Flow (P/CF)	12.54	7.13	15.10	8.03	8.75	9.16
P/E (F1)	13.60	11.77	19.71	12.82	10.97	10.55
Price/Sales (P/S)	1.32	0.81	3.09	0.88	1.38	1.22
Earnings Yield	7.37%	8.51%	5.06%	7.80%	9.12%	9.48%
Debt/Equity	0.24	0.19	0.57	0.15	0.13	0.34
Cash Flow (\$/share)	12.37	8.68	8.99	14.64	14.22	15.14
Growth Score	B	-	-	F	D	F
Hist. EPS Growth (3-5 yrs)	6.88%	9.65%	8.16%	6.05%	22.71%	28.91%
Proj. EPS Growth (F1/F0)	-1.38%	-14.59%	8.57%	13.77%	-22.80%	-2.59%
Curr. Cash Flow Growth	-23.89%	8.87%	6.75%	-6.40%	7.30%	5.50%
Hist. Cash Flow Growth (3-5 yrs)	9.23%	15.85%	7.43%	15.44%	22.26%	18.21%
Current Ratio	6.48	4.20	1.18	4.49	0.81	4.38
Debt/Capital	19.43%	16.55%	38.01%	13.41%	11.23%	25.17%
Net Margin	10.47%	7.92%	12.78%	6.08%	14.93%	12.28%
Return on Equity	14.39%	12.91%	17.00%	9.21%	19.58%	16.74%
Sales/Assets	0.96	0.91	0.53	0.98	1.00	0.77
Proj. Sales Growth (F1/F0)	0.00%	-1.48%	5.79%	1.20%	-5.20%	-2.70%
Momentum Score	C	-	-	B	D	C
Daily Price Chg	-0.86%	-1.34%	-0.24%	-1.80%	-1.68%	-1.27%
1 Week Price Chg	-1.37%	0.00%	-0.59%	-3.66%	-0.44%	0.15%
4 Week Price Chg	12.04%	6.24%	2.76%	1.38%	9.60%	9.72%
12 Week Price Chg	-6.71%	-5.52%	2.15%	-4.61%	-4.35%	1.52%
52 Week Price Chg	5.73%	-11.33%	12.39%	-22.38%	7.33%	4.48%
20 Day Average Volume	2,994,530	233,407	2,743,646	9,529,800	1,521,035	1,293,435
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-2.03%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.77%	0.00%	-5.76%
(F1) EPS Est 12 week change	-5.09%	-4.15%	0.69%	-5.88%	-0.01%	-6.41%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.78%	0.00%	8.03%



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

### D.R. Horton, Inc. (DHI)

In \$MM, except per share data

	2023A	2024A	2025A				2026E				2027E	2028E		
	FY	FY	1QA	2QA	3QA	4QA	FY	1QE	2QE	3QE	4QE	FY	FY	FY
FY Ends September 30th	Sep-23	Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	Sep-25	31-Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	Sep-26	Sep-27	Sep-28
Income Statement														
Total Revenue	\$35,460.4	\$36,801.4	\$7,613.0	\$7,734.0	\$9,225.7	\$9,677.8	\$34,250.4	\$6,707.4	\$7,833.9	\$9,653.1	\$10,072.0	\$34,266.5	\$36,624.2	\$37,336.9
YoY % Chng	5.9%	3.8%	(1.5%)	(15.1%)	(7.4%)	(3.2%)	(6.9%)	(11.9%)	1.3%	4.6%	4.1%	0.0%	6.9%	1.9%
Cost of Sales	\$26,110.0	\$27,266.0	\$5,702.8	\$5,833.8	\$7,016.5	\$7,581.1	\$26,134.2	\$5,223.9	\$6,049.8	\$7,420.8	\$7,803.7	\$26,498.1	\$28,241.1	\$28,782.7
YoY % Chng	13.6%	4.4%	(0.3%)	(13.9%)	(4.2%)	1.8%	(4.2%)	(8.4%)	3.7%	5.8%	2.9%	1.4%	6.6%	1.9%
Gross Profit	\$9,350.4	\$9,535.4	\$1,910.2	\$1,900.2	\$2,209.2	\$2,096.7	\$8,116.2	\$1,483.5	\$1,784.1	\$2,232.4	\$2,268.3	\$7,768.4	\$8,383.1	\$8,554.2
YoY % Chng	(11.0%)	2.0%	(4.8%)	(18.5%)	(16.4%)	(17.9%)	(14.9%)	(22.3%)	(6.1%)	1.0%	8.2%	(4.3%)	7.9%	2.0%
SG&A	\$3,248.8	\$3,599.5	\$878.1	\$898.7	\$944.3	\$970.9	\$3,692.0	\$777.5	\$883.2	\$1,006.4	\$1,013.8	\$3,680.9	\$3,849.6	\$3,899.0
YoY % Chng	10.7%	10.8%	5.2%	2.1%	2.2%	1.1%	2.6%	(11.5%)	(1.7%)	6.6%	4.4%	(0.3%)	4.6%	1.3%
Depreciation & Amortization	\$91.6	\$87.1	\$24.1	\$24.6	\$25.2	\$27.4	\$101.3	\$26.7	\$24.9	\$30.7	\$33.2	\$115.4	\$129.6	\$139.4
YoY % Chng	12.5%	(4.9%)	20.5%	16.6%	12.5%	16.1%	16.3%	10.7%	1.3%	21.8%	21.0%	14.0%	12.2%	7.6%
Gain on Sale of Assets	\$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
YoY % Chng														
Loss on Extinguishment of Debt	\$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
YoY % Chng														
Other (Income) Expense	(\$213.1)	(\$348.8)	(\$77.8)	(\$65.6)	(\$93.2)	(\$79.0)	(\$315.7)	(\$56.5)	(\$65.3)	(\$57.8)	(\$95.0)	(\$274.7)	(\$282.1)	(\$284.1)
YoY % Chng	(289.4%)	(63.7%)	(2.0%)	13.9%	(15.6%)	31.7%	9.5%	27.3%	0.5%	37.9%	(20.3%)	13.0%	(2.7%)	(0.7%)
Pre-Tax Income	\$6,314.7	\$6,284.7	\$1,109.9	\$1,067.1	\$1,358.1	\$1,204.8	\$4,739.9	\$762.6	\$966.2	\$1,283.8	\$1,349.5	\$4,362.2	\$4,815.7	\$4,939.3
YoY % Chng	(17.2%)	(0.5%)	(11.0%)	(30.2%)	(24.5%)	(29.5%)	(24.6%)	(31.3%)	(9.5%)	(5.5%)	12.0%	(8.0%)	10.4%	2.6%
Income Tax	\$1,519.5	\$1,478.7	\$258.0	\$248.0	\$325.0	\$288.0	\$1,119.0	\$186.8	\$236.7	\$314.5	\$330.6	\$1,068.7	\$1,179.8	\$1,210.1
YoY % Chng	(12.4%)	(2.7%)	(11.6%)	(28.1%)	(24.8%)	(29.7%)	(24.3%)	(27.6%)	(4.6%)	(3.2%)	14.8%	(4.5%)	10.4%	2.6%
Tax Rate	24.1%	23.5%	23.2%	23.2%	23.9%	23.9%	23.6%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%
Non-Controlling Interest	\$49.5	\$49.6	\$7.0	\$8.7	\$8.5	\$11.5	\$35.7	\$7.0	\$8.7	\$8.5	\$11.5	\$35.7	\$35.7	\$35.7
YoY % Chng	29.9%	0.2%	(15.7%)	(25.0%)	(35.6%)	(29.9%)	(28.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	\$4,745.7	\$4,756.4	\$844.9	\$810.4	\$1,024.6	\$905.3	\$3,585.2	\$568.8	\$720.8	\$960.8	\$1,007.4	\$3,257.7	\$3,600.1	\$3,693.5
YoY % Chng	(19.0%)	0.2%	(10.8%)	(30.9%)	(24.3%)	(29.5%)	(24.6%)	(32.7%)	(11.1%)	(6.2%)	11.3%	(9.1%)	10.5%	2.6%
Basic Shares Outstanding	340.7	329.5	321.5	312.5	304.1	296.2	308.5	291.9	287.6	283.3	279.0	285.5	279.0	279.0
YoY % Chng	(3.1%)	(3.3%)	(3.5%)	(5.6%)	(7.4%)	(8.9%)	(6.4%)	(9.2%)	(8.0%)	(6.8%)	(5.8%)	(7.5%)	(2.3%)	0.0%
Diluted Shares Outstanding	343.3	331.6	323.3	314.0	304.9	297.4	309.9	293.1	288.8	284.5	280.2	286.7	280.2	280.2
YoY % Chng	(3.2%)	(3.4%)	(3.7%)	(5.8%)	(7.6%)	(9.1%)	(6.5%)	(9.3%)	(8.0%)	(6.7%)	(5.8%)	(7.5%)	(2.3%)	0.0%
Basic EPS	\$13.93	\$14.44	\$2.63	\$2.59	\$3.37	\$3.06	\$11.62	\$1.95	\$2.51	\$3.39	\$3.61	\$11.46	\$12.90	\$13.24
YoY % Chng	(16.3%)	3.7%	(7.4%)	(26.8%)	(18.2%)	(22.5%)	(19.5%)	(25.9%)	(3.2%)	0.6%	18.0%	(1.4%)	12.6%	2.6%
Diluted EPS	\$13.82	\$14.34	\$2.61	\$2.58	\$3.36	\$3.04	\$11.57	\$1.94	\$2.50	\$3.38	\$3.60	\$11.41	\$12.85	\$13.18
YoY % Chng	(16.3%)	3.8%	(7.4%)	(26.7%)	(18.0%)	(22.4%)	(19.3%)	(25.6%)	(3.3%)	0.5%	18.3%	(1.4%)	12.6%	2.6%
Dividend Per Share	\$1.00	\$1.20	\$0.40	\$0.40	\$0.40	\$0.45	\$1.65	\$0.45	\$0.45	\$0.45	\$0.50	\$1.85	\$2.00	\$2.00
YoY % Chng	11.1%	20.0%	33.3%	33.3%	33.3%	50.0%	37.5%	12.5%	12.5%	12.5%	11.1%	12.1%	8.1%	0.0%

## Zacks Stock Rating System

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

### Zacks Recommendation

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

### Zacks Rank

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

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

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

Value Score	<b>B</b>
Growth Score	<b>B</b>
Momentum Score	<b>C</b>
VGM Score	<b>A</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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