

## FedEx Corporation (FDX)

**\$275.40** (Stock Price as of 12/09/2025)

Price Target (6-12 Months): **\$303.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 12/20/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

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

**2-Buy**

Zacks Style Scores:

VGM: A

Value: A

Growth: B

Momentum: A

### Summary

FedEx is realigning its costs under a companywide initiative called DRIVE, given the post-COVID adjustments in business. These initiatives resulted in annual cost savings of \$2.2 billion in fiscal 2025. FDX continues paying dividends and buying back shares. FDX repurchased stock worth \$3 billion in fiscal 2025 and aims to repurchase shares in fiscal 2026, despite the headwinds. Earnings per share (adjusted) for fiscal 2026 is expected between \$17.20 and \$19. Weakness in the Federal Express segment, owing to volume-related woes, is concerning. Citing U.S.-China trade uncertainty surrounding FDX did not unveil any earnings and revenue predictions for the full year. FDX shares are more volatile than the market, and we advise caution and wait for a better entry point.

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



### Data Overview

52 Week High-Low	\$295.24 - \$194.30
20 Day Average Volume (sh)	1,473,625
Market Cap	\$65.3 B
YTD Price Change	-1.7%
Beta	1.32
Dividend / Div Yld	\$5.80 / 2.1%
Industry	<a href="#">Transportation - Air Freight and Cargo</a>
Zacks Industry Rank	Top 14% (34 out of 243)

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



Last EPS Surprise	4.9%
Last Sales Surprise	2.2%
EPS F1 Est- 4 week change	0.3%
Expected Report Date	12/18/2025
Earnings ESP	1.4%

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

	Q1	Q2	Q3	Q4	Annual*
2027	23,413 E	24,087 E	24,845 E	24,283 E	96,628 E
2026	22,244 A	22,922 E	23,265 E	23,390 E	91,821 E
2025	21,579 A	21,967 A	22,160 A	22,220 A	87,926 A

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

	Q1	Q2	Q3	Q4	Annual*
2027	4.29 E	3.90 E	5.17 E	5.25 E	18.62 E
2026	3.83 A	3.95 E	3.69 E	6.19 E	17.66 E
2025	3.60 A	4.05 A	4.51 A	6.07 A	18.19 A

\*Quarterly figures may not add up to annual.

P/E TTM	15.0
P/E F1	15.6
PEG F1	13.2
P/S TTM	0.7

(1) The data in the charts and tables, except the estimates, is as of 12/09/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/27/2025.

## Overview

Based in Memphis, TN, FedEx Corporation is the leader in global express delivery services. The company, founded in 1971, provides a broad portfolio of transportation, e-commerce, and business services through companies competing collectively, operating independently, and managed collaboratively, under the FedEx brand.

The company reported, primarily through the FedEx Express, FedEx Ground, FedEx Freight, and FedEx Services segments till fiscal 2024. The Express, Ground, and Freight segments contributed 46.6%, 39.1% and 10.4% respectively, to the company's total revenues in fiscal 2024. The FedEx Services segment accounted for the balance.

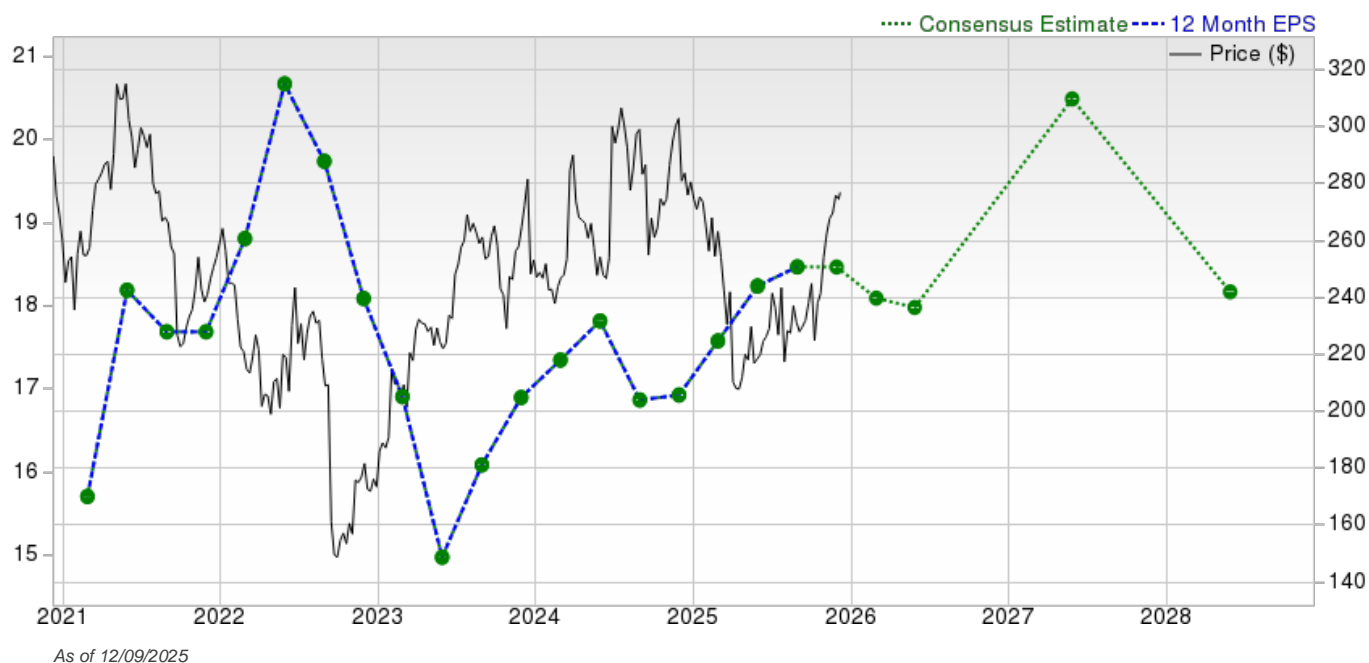
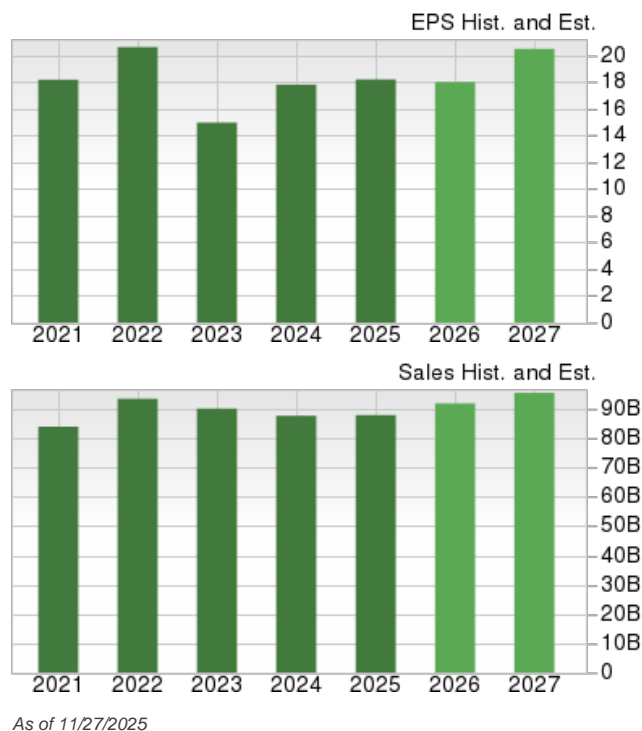
On June 1, 2024, FedEx Ground and FedEx Services merged into Federal Express, becoming a fully integrated, more air-ground express network. FedEx Freight continues to provide less-than-truckload freight transportation services as a separate subsidiary. FDX's current CEO Raj Subramaniam serves as president and CEO of the revamped organization.

Prior to the consolidation, FedEx Express offered time-definite delivery to more than 220 countries and territories, connecting markets that comprise almost the entire gross domestic product of the world. Similarly, FedEx Ground offered low-cost, day-certain service to any business address in the United States and Canada, as well as residential delivery in the United States through its FedEx Home Delivery service.

Through the FedEx Freight segment, the company offers less-than-truckload ("LTL") freight services in the United States. The division also offers freight delivery service to destinations in Canada, Mexico, Puerto Rico and the U.S. Virgin Islands. As of Jun 7, 2024, the segment operated approximately 30,000 vehicles and nearly 360 service centers. FedEx plans to spin off its Freight unit as a separate public company by June 2026 under the ticker FDXF.

Through the FedEx Services segment, which includes FedEx office and print services, the company offers various services like sales, marketing, information technology, billing, and collection.

In fiscal 2025 (ended May 31, 2025), the Federal Express segment accounted for 85.6% of total revenues. The FedEx Freight unit accounted for 10.1% and the balance came from others.



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## Reasons To Buy:

▲ FDX continues to struggle due to the normalization of volume and pricing trends in the post-COVID scenario. In the second quarter of 2023, FedEx announced DRIVE, a comprehensive program to improve the company's long-term profitability. The DRIVE program resulted in \$1.8 billion in permanent savings in fiscal 2024. The program resulted in \$2.2 billion cost savings in fiscal 2025. These cost reduction initiatives include reducing flight frequencies, parking aircraft and cutting staff. For fiscal 2026, management expects to achieve \$1 billion of transformation-related savings, which includes DRIVE and Network2.0. We are impressed by FDX's efforts to control costs in the face of persistent revenue weakness.

Efforts to reward its shareholders bode well for FDX. Cost-cutting initiatives are likely to support the bottom line in the face of post-COVID volume normalization.

▲ The company's efforts to reward its shareholders are likely to support its share price. In its latest shareholder-friendly move, FedEx raised its quarterly dividend by 5.1% to \$1.45 per share (or \$5.80 annually). FDX is also active on the buyback front. FDX has repurchased shares worth \$3 billion in fiscal 2025. FDX returned \$4.3 billion to shareholders in fiscal 2025, through dividends and buybacks, exceeding the target of \$3.8 billion. Despite near-term tariff-induced challenges, it's worth noting that the company has the brand and the network to continue generating steady cash flows in the long run. In fact, dividend stocks like FDX are generally safe bets for creating wealth, as these payouts act as a hedge against economic uncertainty.

▲ FedEx's liquidity position is solid. The company's current ratio, a measure of liquidity, was pegged at 1.25 at the end of fiscal 2025. A current ratio of more than 1 indicates that the company's assets will be able to cover its short-term obligations that fall due before the end of the year. The reading also compares favorably to its industry's reading.

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## Reasons To Sell:

- ▼ Geopolitical uncertainty, tariff woes, and higher inflation continue to hurt consumer sentiment and growth expectations. The resultant weakness in package volumes drove FedEx's revenues down 3% year over year in fiscal 2024. The Express unit, FDX's largest segment, saw segmental revenues declining 4 % while FedEx Freight revenues declined 6%. FDX's total revenues in fiscal 2025, was flat on a year-over-year basis.
- ▼ Given the high inflation and weak demand, stock prices of transportation companies like FDX are notoriously volatile. As such, shares of FDX may not be suitable for investors who are not comfortable with the often substantial day-to-day volatility.
- ▼ Despite signs of easing trade tensions, we do not expect the trade-related uncertainty to dissipate until a concrete long-term trade deal is in place. Due to weakness in demand, headwinds like weak package volumes will continue to hurt FDX going forward till economic uncertainties remain. The global trade environment is expected to result in a \$1 billion headwind in fiscal 2026.

Weakness in the FedEx Express segment owing to volume-related woes is concerning.

## Last Earnings Report

### Earnings Beat at FedEx in Q1

Quarterly earnings (excluding 37 cents from non-recurring items) of \$3.83 per share beat the Zacks Consensus Estimate of \$3.65 as well as improved 6.4% year over year. Share repurchases boosted fiscal first-quarter earnings by 2 cents per share. Revenues of \$22.2 billion came ahead of the Zacks Consensus Estimate of \$21.7 billion and improved 3% from the year-ago fiscal quarter's reported figure.

Operating income, on a reported basis, increased 10% to \$1.19 billion from the year-ago fiscal quarter's reported number. Operating margin rose to 5.3% from 5.0% in the year-ago reported quarter. Operating results improved in the first quarter on the back of strength in U.S. domestic package revenues and continued structural cost reduction. However, results were unfavorably affected by a non-recurring income tax expense of \$16 million (7 cents per share).

Operating expenses (reported basis) increased by 3% to \$21.1 billion.

The planned spin-off of FedEx Freight into a new publicly traded company is on it way and is anticipated to be achieved in a tax-efficient manner for FDX shareholders and executed by June 2026. Once completed, FedEx Freight will operate as a separately traded public company, listed on the New York Stock Exchange under the ticker symbol FDXF.

### Segmental Performance During the Quarter

FedEx Express segment's revenues grew 4% year over year to \$19.1 billion. Federal Express segment was aided by higher U.S. domestic and international priority package yields, continued cost savings from transformation initiatives, and increased U.S. domestic package volume. These were partially offset by higher wage and purchased transportation rates, the impact of the evolving global trade environment on international export package demand, and the expiration of the U.S. Postal Service contract.

FedEx Freight revenues fell 3% from the year-ago fiscal quarter's reported figure to \$2.25 billion. The FedEx Freight segment was hurt by lower revenue, higher wage rates and the hiring of additional dedicated LTL sales professionals.

Average daily shipments fell 2% year over year. Capital expenditures for the reported quarter came in at \$623 million.

### Liquidity

FedEx exited first-quarter fiscal 2026 with cash and cash equivalents of \$6.16 billion compared with \$5.50 billion at the end of the prior quarter. Long-term debt (less current portion) was \$20.2 billion compared with \$19.1 billion at the end of the prior quarter.

FedEx completed \$500 million in share repurchases during the reported quarter. As of Aug 31, 2025, FDX had \$1.6 billion available for repurchases under its 2024 stock repurchase authorization.

### Outlook

For the full year fiscal 2026, FedEx expects revenue growth in the range of 4-6% on a year-over-year basis. The effective tax rate (ETR) is estimated at around 25%. Pension contributions are now expected to be up to \$400 million compared with the prior view of \$600 million.

Diluted earnings per share are anticipated between \$14.20 and \$16.00 before the MTM retirement plans accounting adjustments, and after excluding costs related to business optimization initiatives, the planned spin-off of FedEx Freight, and the planned change in the company's fiscal year end, EPS is expected between \$17.20 and \$19.00.

For full-year fiscal 2026, FedEx continues to anticipate permanent cost reductions of \$1 billion in transformation-related savings from structural cost reductions and the advancement of Network 2.0. FDX anticipates capital spending of \$4.5 billion, prioritizing investments in network optimization and efficiency improvement, which includes fleet and facility modernization and automation.

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

Earnings Reporting Date	Sep 18, 2025
Sales Surprise	2.15%
EPS Surprise	4.93%
Quarterly EPS	3.83
Annual EPS (TTM)	18.46

## Recent News

### Dividend Update — Nov 21, 2025

FedEx's board of directors approved declared a quarterly cash dividend of \$1.45 per share. The dividend is payable Jan. 6, 2026, to stockholders of record at the close of business on Dec 15, 2025. The move reflects FDX's intention to utilize free cash to enhance its shareholders' returns.

## Valuation

FDX's shares are down 2% year to date. Shares declined 9.6% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 14.8%, and the Zacks Transportation sector is down 2.5% year to date. Over the past year, the Zacks sub-industry has been down 22.8%, and the Zacks Transportation sector is down 11.6%.

The S&P 500 index is up 18% year to date and 16% in a year.

The stock is currently trading at 14.39X forward 12-month price to earnings, which compares to 13.74X for the Zacks sub-industry, 13.81X for the Zacks sector, and 23.39X for the S&P 500 Index.

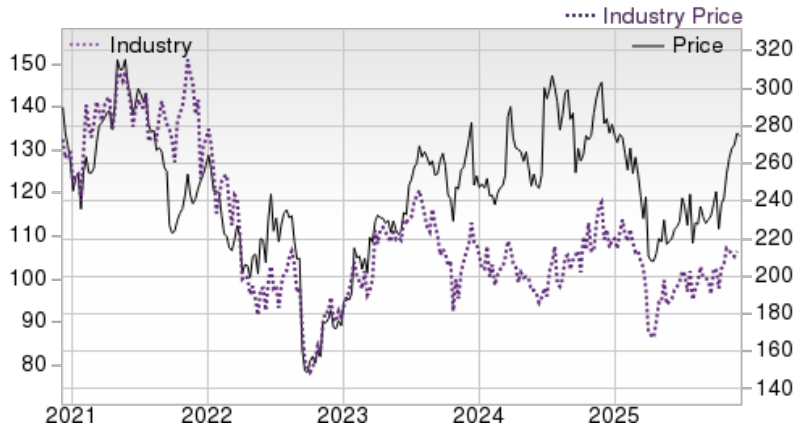
Over the past five years, the stock has traded as high as 18.38X and as low as 6.45X, with a 5-year median of 12.56X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$303.00 price target reflects 15.81X forward 12-month earnings. The table below shows summary valuation data for FDX

Valuation Multiples - FDX					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	14.39	13.74	13.81	23.39
	5-Year High	18.38	19.54	28.27	23.62
	5-Year Low	6.45	11.3	11.82	15.73
	5-Year Median	12.56	14.99	14.41	21.2
EV/EBITDA TTM	Current	7.77	8.88	9.98	18.35
	5-Year High	11.11	14.09	24.93	22.59
	5-Year Low	4.29	7.4	8.39	13.95
	5-Year Median	7.84	10.34	11.33	18.11
P/S F12M	Current	0.7	1.01	1.46	5.41
	5-Year High	1.01	1.92	2.72	5.55
	5-Year Low	0.33	0.88	1.36	3.84
	5-Year Median	0.69	1.29	1.73	5.01

As of 11/26/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 14% (34 out of 243)



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

Company (Ticker)	Rec	Rank
AngloGold Ashanti PL... (AU)	Outperform	1
Crocs, Inc. (CROX)	Outperform	1
Great Lakes Dredge &... (GLDD)	Outperform	1
Air T, Inc. (AIRT)	Neutral	
GXO Logistics, Inc. (GXO)	Neutral	3
Rigel Pharmaceutical... (RIGL)	Neutral	3
United Parcel Servic... (UPS)	Neutral	3
Radiant Logistics, I... (RLGT)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Transportation - Air Freight And Cargo

	FDX	X Industry	S&P 500	GXO	UPS
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	2	-	-	3	3
<b>VGM Score</b>	A	-	-	B	B
Market Cap	65.27 B	3.47 B	38.71 B	6.06 B	81.06 B
# of Analysts	10	10	22	7	11
Dividend Yield	2.10%	0.00%	1.45%	0.00%	6.87%
<b>Value Score</b>	A	-	-	B	B
Cash/Price	0.10	0.09	0.04	0.06	0.08
EV/EBITDA	7.55	8.24	14.41	11.89	8.24
PEG Ratio	13.23	2.17	2.20	2.17	2.28
Price/Book (P/B)	2.35	2.19	3.39	2.03	5.11
Price/Cash Flow (P/CF)	7.61	7.79	14.91	8.43	7.98
P/E (F1)	15.61	15.37	19.78	21.38	13.87
Price/Sales (P/S)	0.74	0.47	2.99	0.47	0.91
Earnings Yield	6.51%	6.51%	5.05%	4.67%	7.21%
Debt/Equity	0.73	0.73	0.57	0.73	1.50
Cash Flow (\$/share)	36.37	6.28	8.99	6.28	11.98
<b>Growth Score</b>	B	-	-	B	D
Hist. EPS Growth (3-5 yrs)	1.13%	-3.74%	8.13%	1.85%	-9.18%
Proj. EPS Growth (F1/F0)	-2.91%	-7.97%	8.48%	-11.79%	-10.75%
Curr. Cash Flow Growth	-2.34%	-2.34%	7.00%	11.94%	-6.37%
Hist. Cash Flow Growth (3-5 yrs)	5.89%	4.54%	7.31%	14.39%	2.81%
Current Ratio	1.25	1.30	1.18	0.71	1.30
Debt/Capital	42.22%	42.18%	38.15%	42.14%	60.08%
Net Margin	4.65%	1.64%	12.82%	0.69%	6.15%
Return on Equity	16.33%	12.43%	17.00%	10.45%	40.07%
Sales/Assets	1.02	1.27	0.53	1.11	1.27
Proj. Sales Growth (F1/F0)	4.40%	0.00%	5.70%	12.20%	-3.40%
<b>Momentum Score</b>	A	-	-	F	A
Daily Price Chg	0.86%	0.79%	-0.35%	0.69%	0.72%
1 Week Price Chg	-0.50%	-0.73%	0.50%	3.55%	-0.96%
4 Week Price Chg	8.96%	3.54%	0.21%	3.73%	2.68%
12 Week Price Chg	22.58%	4.26%	3.50%	4.26%	13.72%
52 Week Price Chg	-1.03%	-8.19%	13.11%	6.33%	-25.66%
20 Day Average Volume	1,473,625	576,743	2,744,237	1,009,185	5,864,805
(F1) EPS Est 1 week change	0.37%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.30%	0.30%	0.02%	-0.12%	0.93%
(F1) EPS Est 12 week change	-1.82%	-1.82%	0.70%	-2.19%	5.61%
(Q1) EPS Est Mthly Chg	1.13%	1.13%	0.00%	-0.34%	1.37%



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

### FedEx Corporation (FDX)

In \$MM, except per share data

	2023A	2024A	2025A	2026E					2027E					2028E
	FY	FY	FY	1QA	2QE	3QE	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends May 31st	May-23	May-24	May-25	31-Aug-25	30-Nov-25	28-Feb-26	31-May-26	May-26	31-Aug-26	30-Nov-26	28-Feb-27	31-May-27	May-27	May-28
<b>Income Statement</b>														
<b>Total Revenue</b>	<b>\$90,155.0</b>	<b>\$87,693.0</b>	<b>\$87,926.0</b>	<b>\$22,244.0</b>	<b>\$22,921.8</b>	<b>\$23,265.1</b>	<b>\$23,390.3</b>	<b>\$91,821.2</b>	<b>\$23,413.3</b>	<b>\$24,086.6</b>	<b>\$24,845.0</b>	<b>\$24,282.7</b>	<b>\$96,627.6</b>	<b>\$97,367.4</b>
Salaries & Benefits	\$31,019.0	\$30,961.0	\$31,232.0	\$8,062.0	\$9,046.7	\$9,647.5	\$9,343.4	\$36,099.5	\$9,215.5	\$9,890.0	\$10,051.9	\$9,277.4	\$38,434.8	\$38,484.1
Purchased Transportation	\$21,790.0	\$20,921.0	\$21,768.0	\$5,488.0	\$5,297.9	\$5,195.5	\$4,808.7	\$20,790.1	\$5,307.5	\$5,339.5	\$5,225.3	\$5,003.9	\$20,876.2	\$20,704.0
Rentals and Landing Fees	\$4,738.0	\$4,571.0	\$4,647.0	\$1,192.0	\$1,210.4	\$1,226.4	\$1,230.4	\$4,859.2	\$1,239.2	\$1,270.9	\$1,310.6	\$1,281.2	\$5,101.9	\$5,138.9
Depreciation & Amortization	\$4,176.0	\$4,287.0	\$4,264.0	\$1,092.0	\$1,106.9	\$1,122.9	\$1,129.8	\$4,451.6	\$1,135.2	\$1,164.3	\$1,201.2	\$1,320.2	\$4,820.9	\$5,067.9
Fuel	\$5,909.0	\$4,710.0	\$3,775.0	\$873.0	\$924.7	\$922.4	\$924.6	\$3,644.6	\$952.7	\$964.7	\$993.3	\$1,215.7	\$4,126.3	\$4,549.6
Maintenance & Repairs	\$3,357.0	\$3,291.0	\$3,245.0	\$843.0	\$843.3	\$849.8	\$861.4	\$3,397.5	\$866.5	\$886.1	\$914.0	\$894.9	\$3,561.6	\$3,586.9
Goodwill and Other Asset Impairment Charges	\$117.0	\$157.0	\$21.0	\$45.0	\$45.0	\$45.0	\$45.0	\$180.0	\$45.0	\$45.0	\$45.0	\$45.0	\$180.0	\$180.0
Business Optimization and Realignment Costs	\$309.0	\$582.0	\$756.0	\$67.0	\$88.6	\$82.2	\$72.2	\$310.0	\$79.0	\$83.5	\$83.6	\$80.7	\$326.8	\$328.5
FedEx Freight Spinoff Costs			\$0.0	\$0.0	\$200.0	\$200.0	\$200.0	\$800.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FedEx Ground Legal Matters			\$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 Expenses, Adjusted	\$13,793.0	\$12,711.0	\$12,875.0	\$3,396.0	\$2,931.6	\$3,313.9	\$2,871.2	\$12,512.7	\$3,171.1	\$3,182.6	\$3,309.1	\$3,420.9	\$13,083.7	\$13,440.9
Other Expenses, GAAP	\$13,828.0	\$12,654.0	\$13,001.0	\$3,396.0	\$2,849.5	\$3,098.4	\$3,048.7	\$12,392.5	\$3,140.3	\$3,143.0	\$3,280.3	\$3,442.0	\$13,005.6	\$13,387.1
<b>Total Operating Expenses, Adjusted</b>	<b>\$84,782.0</b>	<b>\$81,452.0</b>	<b>\$81,806.0</b>	<b>\$20,946.0</b>	<b>\$21,368.8</b>	<b>\$22,285.8</b>	<b>\$21,184.6</b>	<b>\$85,785.2</b>	<b>\$21,887.8</b>	<b>\$22,698.0</b>	<b>\$23,005.5</b>	<b>\$22,414.2</b>	<b>\$90,005.5</b>	<b>\$90,972.3</b>
<b>Total Operating Expenses, GAAP</b>	<b>\$85,243.0</b>	<b>\$82,134.0</b>	<b>\$82,709.0</b>	<b>\$21,058.0</b>	<b>\$21,612.9</b>	<b>\$22,390.0</b>	<b>\$21,664.2</b>	<b>\$86,725.1</b>	<b>\$21,981.0</b>	<b>\$22,786.9</b>	<b>\$23,105.3</b>	<b>\$22,560.9</b>	<b>\$90,434.2</b>	<b>\$91,427.0</b>
<b>Adjusted EBITDA</b>	<b>\$9,549.0</b>	<b>\$10,528.0</b>	<b>\$10,384.0</b>	<b>\$2,390.0</b>	<b>\$2,659.9</b>	<b>\$2,102.2</b>	<b>\$3,335.6</b>	<b>\$10,487.6</b>	<b>\$2,660.8</b>	<b>\$2,552.8</b>	<b>\$3,040.7</b>	<b>\$3,188.7</b>	<b>\$11,443.0</b>	<b>\$11,463.0</b>
<b>EBITDA, GAAP</b>	<b>\$9,088.0</b>	<b>\$9,846.0</b>	<b>\$9,481.0</b>	<b>\$2,278.0</b>	<b>\$2,415.8</b>	<b>\$1,998.0</b>	<b>\$2,855.9</b>	<b>\$9,547.7</b>	<b>\$2,567.5</b>	<b>\$2,463.9</b>	<b>\$2,940.9</b>	<b>\$3,041.9</b>	<b>\$11,014.3</b>	<b>\$11,008.3</b>
<b>Operating Income, Adjusted</b>	<b>\$5,373.0</b>	<b>\$6,241.0</b>	<b>\$6,120.0</b>	<b>\$1,298.0</b>	<b>\$1,553.0</b>	<b>\$979.3</b>	<b>\$2,205.7</b>	<b>\$6,036.0</b>	<b>\$1,525.5</b>	<b>\$1,388.6</b>	<b>\$1,839.5</b>	<b>\$1,868.5</b>	<b>\$6,622.1</b>	<b>\$6,395.1</b>
<b>Operating Income, GAAP</b>	<b>\$4,912.0</b>	<b>\$5,559.0</b>	<b>\$5,217.0</b>	<b>\$1,186.0</b>	<b>\$1,308.9</b>	<b>\$875.1</b>	<b>\$1,726.1</b>	<b>\$5,096.1</b>	<b>\$1,432.3</b>	<b>\$1,299.7</b>	<b>\$1,739.7</b>	<b>\$1,721.7</b>	<b>\$6,193.4</b>	<b>\$5,940.4</b>
Total Interest & Other Income (Expense), Adjusted	(\$199.0)	(\$285.0)	(\$274.0)	(\$50.0)	\$0.0	\$0.0	\$0.0	(\$50.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interest Expense/(Income), net	\$496.0	\$375.0	\$426.0	\$119.0	\$139.9	\$150.4	\$137.4	\$546.7	\$139.3	\$146.9	\$151.5	\$145.8	\$583.4	\$588.7
Other Retirement Plans Income (Expenses), net	\$1,054.0	\$722.0	\$713.0	\$60.0	\$60.0	\$60.0	\$60.0	\$240.0	\$60.0	\$60.0	\$60.0	\$60.0	\$240.0	\$240.0
Other Income (Expense), net	(\$107.0)	(\$70.0)	(\$63.0)	\$7.0	\$7.0	\$7.0	\$7.0	\$28.0	\$7.0	\$7.0	\$7.0	\$7.0	\$28.0	\$28.0
Total Interest & Other Income (Expense), GAAP	\$451.0	\$277.0	\$224.0	(\$52.0)	(\$72.9)	(\$83.4)	(\$70.4)	(\$278.7)	(\$72.3)	(\$79.9)	(\$84.5)	(\$78.8)	(\$315.4)	(\$320.7)
<b>Pre-Tax Income, Adjusted</b>	<b>\$5,174.0</b>	<b>\$5,956.0</b>	<b>\$5,846.0</b>	<b>\$1,248.0</b>	<b>\$1,553.0</b>	<b>\$979.3</b>	<b>\$2,205.7</b>	<b>\$5,986.0</b>	<b>\$1,525.5</b>	<b>\$1,388.6</b>	<b>\$1,839.5</b>	<b>\$1,868.5</b>	<b>\$6,622.1</b>	<b>\$6,395.1</b>
<b>Pre-Tax Income, GAAP</b>	<b>\$5,363.0</b>	<b>\$5,836.0</b>	<b>\$5,441.0</b>	<b>\$1,134.0</b>	<b>\$1,236.1</b>	<b>\$791.6</b>	<b>\$1,655.7</b>	<b>\$4,817.4</b>	<b>\$1,360.0</b>	<b>\$1,219.8</b>	<b>\$1,655.2</b>	<b>\$1,642.9</b>	<b>\$5,877.9</b>	<b>\$5,619.8</b>
Income Tax, Adjusted	\$1,335.0	\$1,477.0	\$1,418.0	\$336.0	\$621.2	\$117.5	\$772.0	\$1,846.7	\$533.9	\$486.0	\$643.8	\$654.0	\$2,317.7	\$2,238.3
Income Tax, GAAP	\$1,391.0	\$1,505.0	\$1,349.0	\$310.0	\$337.9	\$216.4	\$452.6	\$1,316.9	\$371.8	\$333.4	\$452.5	\$449.1	\$1,606.8	\$1,536.3
Tax Rate, Adjusted	25.8%	24.8%	24.3%	26.9%	40.0%	12.0%	35.0%	25.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Tax Rate, GAAP	25.9%	25.8%	24.8%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%
<b>Net Income, Adjusted</b>	<b>\$3,839.0</b>	<b>\$4,479.0</b>	<b>\$4,429.0</b>	<b>\$912.0</b>	<b>\$931.8</b>	<b>\$861.8</b>	<b>\$1,433.7</b>	<b>\$4,139.3</b>	<b>\$991.6</b>	<b>\$902.6</b>	<b>\$1,195.7</b>	<b>\$1,214.5</b>	<b>\$4,304.4</b>	<b>\$4,156.8</b>
<b>Net Income, GAAP</b>	<b>\$3,972.0</b>	<b>\$4,331.0</b>	<b>\$4,092.0</b>	<b>\$824.0</b>	<b>\$898.2</b>	<b>\$575.2</b>	<b>\$1,203.1</b>	<b>\$3,500.5</b>	<b>\$988.2</b>	<b>\$886.3</b>	<b>\$1,202.7</b>	<b>\$1,193.8</b>	<b>\$4,271.1</b>	<b>\$4,083.5</b>
Net Earnings Available to Participating Securities	\$6.0	\$6.0	\$5.0	\$1.0	\$1.0	\$1.0	\$1.0	\$4.0	\$1.0	\$1.0	\$1.0	\$1.0	\$4.0	\$4.0
<b>Net Earnings Allocable to Common Shares, Adjusted</b>	<b>\$3,833.0</b>	<b>\$4,473.0</b>	<b>\$4,424.0</b>	<b>\$911.0</b>	<b>\$930.8</b>	<b>\$860.8</b>	<b>\$1,432.7</b>	<b>\$4,135.3</b>	<b>\$990.6</b>	<b>\$901.6</b>	<b>\$1,194.7</b>	<b>\$1,213.5</b>	<b>\$4,300.4</b>	<b>\$4,152.8</b>
<b>Net Earnings Allocable to Common Shares, GAAP</b>	<b>\$3,966.0</b>	<b>\$4,325.0</b>	<b>\$4,088.0</b>	<b>\$823.0</b>	<b>\$897.2</b>	<b>\$574.2</b>	<b>\$1,202.1</b>	<b>\$3,496.5</b>	<b>\$987.2</b>	<b>\$885.3</b>	<b>\$1,201.7</b>	<b>\$1,192.8</b>	<b>\$4,267.1</b>	<b>\$4,079.5</b>
Basic Shares Outstanding	254.0	248.0	241.0	236.0	233.8	231.7	229.5	232.8	233.9	229.1	229.1	229.1	229.2	229.1
Diluted Shares Outstanding	256.0	251.0	243.0	238.0	235.8	233.7	231.5	234.8	231.3	231.1	231.1	231.1	231.2	231.1
<b>Basic EPS</b>	<b>\$15.60</b>	<b>\$17.41</b>	<b>\$16.96</b>	<b>\$3.48</b>	<b>\$3.84</b>	<b>\$2.48</b>	<b>\$5.24</b>	<b>\$15.04</b>	<b>\$4.31</b>	<b>\$3.87</b>	<b>\$5.25</b>	<b>\$5.21</b>	<b>\$18.64</b>	<b>\$17.82</b>
<b>Diluted EPS, Adjusted</b>	<b>\$14.96</b>	<b>\$17.80</b>	<b>\$18.19</b>	<b>\$3.83</b>	<b>\$3.95</b>	<b>\$3.69</b>	<b>\$6.19</b>	<b>\$17.66</b>	<b>\$4.29</b>	<b>\$3.90</b>	<b>\$5.17</b>	<b>\$5.25</b>	<b>\$18.62</b>	<b>\$17.98</b>
<b>Diluted EPS, GAAP</b>	<b>\$15.48</b>	<b>\$17.21</b>	<b>\$16.81</b>	<b>\$3.46</b>	<b>\$3.81</b>	<b>\$2.46</b>	<b>\$5.20</b>	<b>\$14.93</b>	<b>\$4.27</b>	<b>\$3.83</b>	<b>\$5.20</b>	<b>\$5.16</b>	<b>\$18.47</b>	<b>\$17.67</b>



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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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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	A
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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