

Flowserve Corporation (FLS)

\$69.38 (Stock Price as of 12/31/2025)

Price Target (6-12 Months): **\$77.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/21/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: A

Value: B

Growth: A

Momentum: C

Summary

Flowserve is gaining from strength across its segments. The Flowserve Pump Division segment is particularly strong, driven by solid momentum in the aftermarket business. The increase in bookings across the energy and general industries end markets is aiding the Flow Control Division unit's performance. Strength across end markets, along with Flowserve's Diversify, Decarbonize and Digitize (3D) strategy, is driving its booking levels. Benefits from acquired assets are driving the company's performance of late. Its measures to reward its shareholders are encouraging. However, Flowserve has been dealing with high costs and expenses, which are likely to affect its margins and profitability. High debt levels may raise its financial obligations and drain its profitability. Foreign exchange headwinds might be worrying for the company.

Data Overview

52 Week High-Low	\$74.63 - \$37.34
20 Day Average Volume (sh)	985,798
Market Cap	\$8.8 B
YTD Price Change	0.0%
Beta	1.29
Dividend / Div Yld	\$0.84 / 1.2%
Industry	Manufacturing - General Industrial
Zacks Industry Rank	Top 43% (105 out of 243)

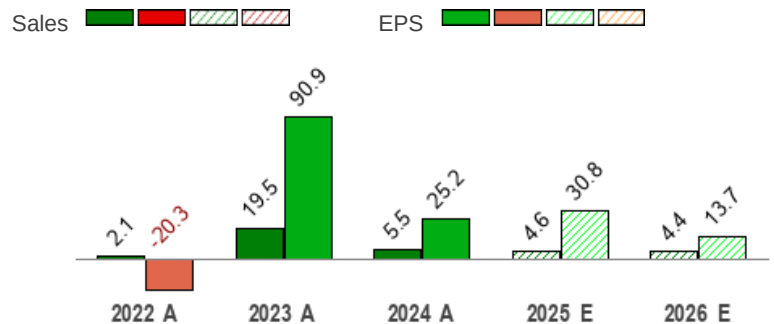
Last EPS Surprise	12.5%
Last Sales Surprise	-2.8%
EPS F1 Est- 4 week change	0.2%
Expected Report Date	02/17/2026
Earnings ESP	0.0%

P/E TTM	21.5
P/E F1	20.2
PEG F1	0.9
P/S TTM	1.9

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,188 E	1,244 E	1,244 E	1,301 E	4,976 E
2025	1,145 A	1,188 A	1,174 A	1,260 E	4,767 E
2024	1,087 A	1,157 A	1,133 A	1,180 A	4,558 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.82 E	0.95 E	0.97 E	1.18 E	3.91 E
2025	0.72 A	0.91 A	0.90 A	0.91 E	3.44 E
2024	0.58 A	0.73 A	0.62 A	0.70 A	2.63 A

*Quarterly figures may not add up to annual.

(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 12/05/2025.

Overview

Founded in 1912 and headquartered at Irving, TX, Flowserve Corporation is a leading manufacturer and aftermarket service provider of comprehensive flow control systems, globally.

The company develops and manufactures precision-engineered flow control equipment, such as pumps, valves and seals, for critical service applications that require high reliability. Flowserve uses its manufacturing platform to offer a broad array of aftermarket equipment services, such as installation, advanced diagnostics, repair and retrofitting.

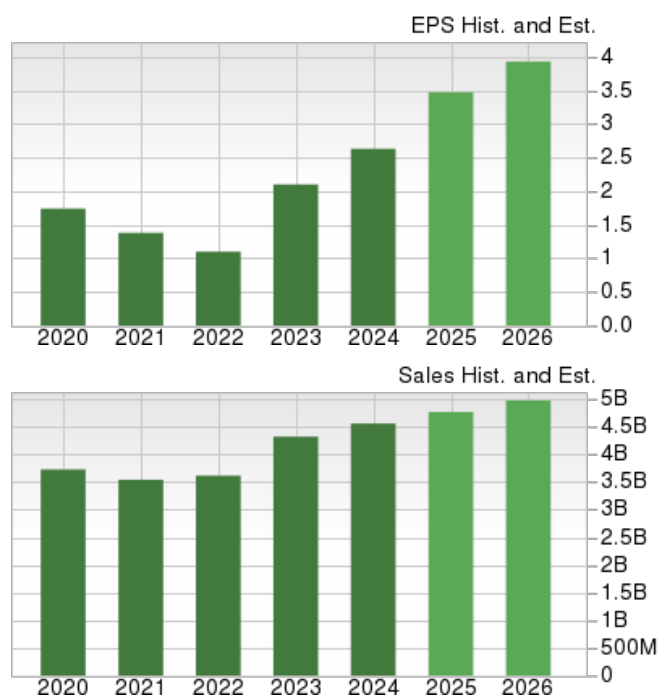
The company's revenues are sourced from original equipment manufacturing and aftermarket sales and services. Its original equipment revenues are related to sales of originally designed, manufactured and installed equipment that ranges from short-cycle products to highly-engineered equipment. Its aftermarket sales and services are sourced from sales of replacement equipment and maintenance, repair and retrofitting services.

The company uses a footprint of Quick Response Centers (QRCs) around the globe to deliver these aftermarket services. The company sells products and services to approximately 10,000 companies across more than 50 countries in the world.

On a geographical basis, Flowserve has operations in the North America (40.4% of total revenues generated in 2024), Latin America (7.2%), Middle East and Africa (16.8%), Asia Pacific (17.3%) and Europe (18.3%). As of Dec 31, 2024, the company has an employee base of 16,000 people. Flowserve currently has two reportable segments:

Flowserve Pump Division (FPD: 69.2% of total revenues generated in 2024): It is engaged in the manufacturing of highly engineered pumps, pump systems, industrial pumps, mechanical seals and auxiliary systems. Also, the segment provides parts of replacement purposes and related services. The segment has 35 manufacturing facilities and 133 QRCs. End markets served include power generation, chemical, general, and oil & gas markets.

Flow Control Division (30.8%): It is engaged in the manufacturing of valve, valve automation products, boiler controls and solutions. Notably, the segment has 44 manufacturing facilities and QRCs in several countries throughout the world. Several end markets served by the segment include mining, power generation, water management, chemical as well as oil and gas. Both segments generate original equipment and aftermarket revenue



As of 12/05/2025



As of 12/31/2025

Reasons To Buy:

- ▲ Flowserve is experiencing **strong momentum in the Flowserve Pump Division and Flow Control Division segments**. Strength in the aftermarket business, driven by a strong demand for products and services in North America, Middle East and Africa, is a prime catalyst for the Flowserve Pumps Division segment's growth (revenues up 1.6% year over year in the first nine months of 2025). An increase in bookings across general industries and power end markets also bodes well for the segment. Solid momentum across original equipment and aftermarket businesses, driven by an increase in demand for products and services in North America, Latin America, Asia Pacific and Europe, is supporting the Flow Control Division segment's performance (revenues up 9.1% year over year in the first nine months). The segment's bookings grew 11.7% year over year in the same period, supported by increased customer orders in the power generation, chemical, energy and general industries end markets. Driven by strength across its businesses in 2025, Flowserve expects total revenues to increase in the range of 4-5% from the year-ago level.
- ▲ **Strength in several end markets**, along with the company's Diversify, Decarbonize and Digitize (3D) strategy, is driving Flowserve's booking levels. With the 3D strategy, the company aims to expand its presence in diverse end markets and benefit from global investments in clean energy and greener infrastructure. The strategy has enabled it to pursue cycle-resilient end markets, including water and specialty chemicals. The company is benefiting from ongoing investments in stormwater infrastructure and drainage projects in the general industries end market. Strength in the chemical end market, led by increased investment in petrochemical projects in the Middle East and Asia, has also been positive. The company expects integration of chemical production facilities in the Americas and Europe regions to be a tailwind in the quarters ahead. Solid booking level in the power generation market is driven by ongoing global investments in nuclear energy and combined-cycle power generation projects. The company's third-quarter 2025 bookings of \$1.2 billion marked the 15th consecutive quarter of more than \$1 billion in bookings.
- ▲ The company aims to expand its market share, product offerings and customer base through **strategic acquisitions**. In October 2024, Flowserve completed the acquisition of MOGAS Industries. The MOGAS acquisition augmented the company's existing valve and automation product portfolio and accelerated its 3D growth strategy by significantly boosting its direct mining and mineral extraction exposure. The buyout has been integrated into Flowserve's Flow Control Division segment and improved its aftermarket potential and generated revenue growth synergies. In the first nine months of 2025, the buyout had a positive contribution of 2.8% to its sales growth. In July 2024, Flowserve acquired the intellectual property and in-process R&D related to cryogenic liquefied natural gas (LNG) submerged pump technology, systems and packaging from NexGen Cryogenic Solutions Inc. NexGen's pump and cold energy recovery turbine (CERT) technology for the liquefaction, shipping and regasification markets expanded the company's LNG product portfolio and complement its existing pumps, valves and mechanical seals offering. NexGen's technology has been added to Flowserve's Pumps Division segment.
- ▲ Flowserve is committed to **rewarding its shareholders handsomely**. In the first nine months of 2025, the company used \$82.7 million to distribute dividends and bought back shares worth \$197.9 million. Also, Flowserve paid dividends of \$110.4 million and bought back shares worth \$20.1 million in 2024. In the first quarter of 2024, Flowserve hiked its quarterly dividend by approximately 5% to 21 cents per share (annually: 84 cents).

Strength across both the segments, 3D strategy and acquisitions should continue to drive Flowserve's growth. The company's shareholder-friendly policies spark optimism.

Reasons To Sell:

- ▼ The **escalating cost of sales and expenses** poses a threat to Flowserve's bottom line. In the first nine months of 2025, the cost of sales increased 1.5% year over year to \$2.35 billion due to higher input costs. The metric, as a percentage of net sales, was 67%. Selling, general and administrative expenses increased 12.1% in the same period. The company's cost of sales increased 2.6% year over year in 2024. Also, its selling, general and administrative expenses increased 1.7% in 2024.
- ▼ **High debt levels** raise financial obligations and hurt the company's profitability. Flowserve exited the third quarter of 2025 with a high long-term debt of \$1.44 billion. Its interest expense was \$58.2 million in the first nine months of the year, up 19.3% year over year. Also, considering its high debt level, its cash and cash equivalents of \$833.8 million do not look impressive. The high debt level means that interest expenses are also substantial.
- ▼ Flowserve's international presence keeps it exposed to the **risk of adverse currency fluctuations**. This is because a strengthening U.S. dollar may require the company to either raise prices or contract profit margins in locations outside the United States. For instance, currency headwinds had an adverse impact of \$36.8 million on net earnings in the first nine months of 2025. Also, Flowserve's operation can be impacted due to supply-chain disruptions. It utilizes a variety of raw materials and components in its businesses and has to depend on others for the uninterrupted supply of raw materials at reasonable rates. The persistence of tariff-related concerns, particularly for steel and aluminum might also inflate costs and delay the delivery of products to its customers.
- ▼ Flowserve's operation can be impacted due to **supply-chain disruptions**. It utilizes a variety of raw materials and components in its businesses and has to depend on others for the uninterrupted supply of raw materials at reasonable rates. Due to inflation, the company's suppliers might increase their prices in response to increases in their costs of raw materials, energy and labor.

Escalating cost of sales, high debt level and forex woes are weighing on Flowserve.

Last Earnings Report

Flowserve's Q3 Earnings Top Estimates, Revenues Increase Y/Y

Flowserve's third-quarter 2025 adjusted earnings (excluding 77 cents from non-recurring items) of 90 cents per share beat the Zacks Consensus Estimate of 80 cents. The bottom line increased 45.2% year over year. Results benefited primarily from higher revenues generated in the quarter.

Flowserve's total revenues of \$1.17 billion missed the consensus estimate of \$1.21 billion. However, the top line increased 3.6% year over year. Aftermarket sales increased 6.3% year over year, while original equipment sales decreased 4.9% year over year.

Total bookings amounted to \$1.21 billion, reflecting an increase of 0.8% year over year. The backlog at the end of the quarter was \$2.9 billion, up 4% year over year.

Segmental Details

Flowserve currently has two reportable segments, Flowserve Pump Division and Flow Control Division. A brief discussion of the segments is provided below:

Revenues from the Flowserve Pumps Division segment were \$800.3 million, up 2.3% year over year. Our estimate was \$818.2 million. Bookings decreased 7.6% year over year to \$819.5 million. Segmental operating income was \$134.9 million, up 23.4% year over year.

Revenues from the Flow Control Division segment were \$377.4 million, up 6.9% year over year. Our estimate was \$391.5 million. Bookings of \$396.1 million increased 24.4% on a year-over-year basis. The segment's operating income was \$46.4 million, relatively stable year over year.

Margin Profile

In the third quarter, Flowserve's cost of sales increased 2.3% year over year to \$794.1 million. Gross profit rose 6.5% year over year to \$380.3 million and the margin increased 90 basis points (bps) to 32.4%. Selling, general and administrative expenses were \$305.2 million, up 17.8% year over year.

Operating income decreased 23.2% year over year to \$79.3 million. The operating margin was 6.7%, down 240 bps year over year. The effective tax rate was 29.5%.

Flowserve's Balance Sheet and Cash Flow

Exiting the third quarter, Flowserve had cash and cash equivalents of \$833.8 million compared with \$675.4 million at the end of 2024. Long-term debt (due after one year) was \$1.44 billion compared with \$1.46 billion reported at the end of 2024.

In the first nine months of 2025, the company generated net cash of \$506.1 million from operating activities compared with \$228 million in the year-ago period. Capital expenditure totaled \$45.5 million, down 12.8% year over year.

During the same period, the company used \$82.7 million for distributing dividends and repurchased shares worth \$197.9 million.

2025 Guidance

Flowserve has updated its 2025 outlook. The company now expects a 4-5% increase in revenues from the year-ago level compared with 5-6% anticipated earlier. It currently anticipates earnings per share (on an adjusted basis) to be \$3.40-\$3.50 compared with \$3.25-\$3.40 expected earlier.

The adjusted tax rate is projected to be approximately 20%. The company forecasts net interest expense and capital expenditure to be \$70 million and \$75 million, respectively.

FY Quarter Ending **12/31/2025**

Earnings Reporting Date	Oct 28, 2025
Sales Surprise	-2.80%
EPS Surprise	12.50%
Quarterly EPS	0.90
Annual EPS (TTM)	3.23

Recent News

Dividend Update — Aug. 14, 2025

Flowserve's board has approved a quarterly cash dividend of 21 cents per share, payable to shareholders on Oct. 10, 2025, of record as of Sept. 26, 2025.

Termination of Merger Agreement — July 29, 2025

Flowserve terminated the merger agreement after Chart Industries' board accepted a superior offer from Baker Hughes. As part of the termination, Flowserve will receive a \$266 million payment under the terms of the merger agreement.

Acquisition of MOGAS — Oct. 15, 2024

Flowserve completed the acquisition of MOGAS Industries for \$290 million in cash with a potential \$15 million earnout.

The inclusion of MOGAS' differentiated valve products and its impressive brand and technical expertise in diverse end markets will enable Flowserve to expand its customer offerings and boost its position in mining, mineral extraction and process industries.

Acquisition Of NexGen's LNG Pumping Technology — July 23, 2024

Flowserve acquired the intellectual property and in-process R&D related to cryogenic liquefied natural gas (LNG) submerged pump technology, systems and packaging from NexGen Cryogenic Solutions Inc. NexGen's pump and cold energy recovery turbine (CERT) technology for the liquefaction, shipping and regasification markets will expand the company's LNG product portfolio and complement its existing pumps, valves and mechanical seals offering. NexGen's technology has been added to Flowserve's Pumps Division segment.

Valuation

Flowserve's shares are up 25.0% in the year-to-date period and up 18.2% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 9.3% in the year-to-date period, while those in the Zacks Industrial Products sector are up 7.4%. Over the past year, the Zacks sub-industry and the sector are down 1.1% and 1.8% respectively.

The S&P 500 index is up 19.1% and 15.2% in the year-to-date period and over the past year respectively.

The stock is currently trading at 18.48X forward 12-month price-to-earnings, which compares to 21.84X for the Zacks sub-industry, 20.78X for the Zacks sector and 23.54X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 34.04X and as low as 11.82X, with a 5-year median of 17.53X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$77 price target reflects 19.40X forward 12-month earnings.

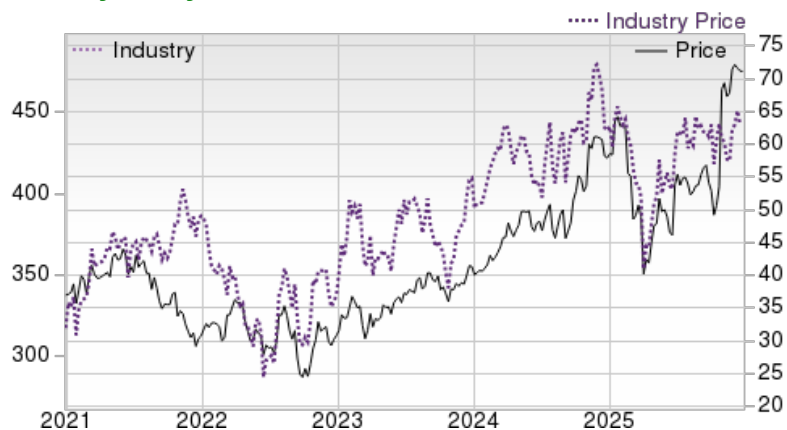
The table below shows summary valuation data for FLS

Valuation Multiples - FLS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	18.48	21.84	20.78	23.54
	5-Year High	34.04	26.71	23.07	23.82
	5-Year Low	11.82	16.05	13.38	15.73
	5-Year Median	17.53	21.41	18.24	21.19
P/Sales F12M	Current	1.83	3.15	4.21	5.33
	5-Year High	1.83	3.43	4.21	5.5
	5-Year Low	0.82	2.24	2.32	3.83
	5-Year Median	1.23	3.09	3.16	5.04

As of 12/04/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 43% (105 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
The Middleby Corpora...(MIDD)	Outperform	3
Applied Industrial T...(AIT)	Neutral	2
Generac Holdings Inc...(GNRC)	Neutral	3
Gates Industrial Cor...(GTES)	Neutral	4
Chart Industries, In...(GTLS)	Neutral	4
IDEX Corporation (IEX)	Neutral	3
Trimble Inc. (TRMB)	Neutral	3
GEA Group AG (GEAGF)	NA	

Industry Comparison⁽¹⁾ Industry: Manufacturing - General Industrial

	FLS	X Industry	S&P 500	Industry Peers		
				AIT	GNRC	GTLS
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	2	3	4
VGM Score	A	-	-	B	C	C
Market Cap	8.82 B	3.71 B	39.51 B	9.68 B	8.00 B	9.27 B
# of Analysts	5	4	22	4	7	4
Dividend Yield	1.21%	0.00%	1.42%	0.72%	0.00%	0.00%
Value Score	B	-	-	C	B	C
Cash/Price	0.09	0.04	0.04	0.04	0.04	0.04
EV/EBITDA	17.41	13.38	14.63	16.84	13.44	13.38
PEG Ratio	0.92	1.86	2.02	2.62	1.09	1.08
Price/Book (P/B)	3.79	3.34	3.32	5.14	3.02	2.75
Price/Cash Flow (P/CF)	20.99	17.41	15.24	21.34	13.23	12.50
P/E (F1)	20.17	21.42	18.41	24.24	16.83	15.63
Price/Sales (P/S)	1.88	1.97	3.10	2.08	1.84	2.16
Earnings Yield	5.66%	4.66%	5.43%	4.12%	5.94%	6.40%
Debt/Equity	0.62	0.34	0.57	0.30	0.51	1.08
Cash Flow (\$/share)	3.31	3.11	8.98	12.03	10.31	16.50
Growth Score	A	-	-	A	C	B
Hist. EPS Growth (3-5 yrs)	19.57%	11.23%	8.24%	23.12%	-5.68%	32.18%
Proj. EPS Growth (F1/F0)	30.80%	10.82%	9.21%	4.64%	-10.45%	31.10%
Curr. Cash Flow Growth	20.17%	2.04%	7.00%	4.48%	21.29%	32.41%
Hist. Cash Flow Growth (3-5 yrs)	1.90%	9.88%	7.48%	5.81%	9.85%	32.89%
Current Ratio	2.10	2.05	1.18	3.55	2.18	1.40
Debt/Capital	38.18%	26.46%	38.14%	23.30%	33.89%	52.00%
Net Margin	9.66%	6.92%	12.77%	8.61%	6.92%	1.55%
Return on Equity	19.41%	14.17%	17.03%	21.86%	17.63%	14.17%
Sales/Assets	0.83	0.83	0.53	1.49	0.82	0.45
Proj. Sales Growth (F1/F0)	4.60%	4.20%	5.29%	6.20%	-0.30%	8.70%
Momentum Score	C	-	-	C	D	D
Daily Price Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1 Week Price Chg	-0.04%	1.46%	-1.25%	0.90%	1.17%	-0.03%
4 Week Price Chg	-3.49%	-0.84%	-0.17%	-0.80%	-16.46%	0.55%
12 Week Price Chg	34.59%	-0.17%	1.64%	2.29%	-20.68%	2.99%
52 Week Price Chg	21.00%	13.89%	16.65%	7.61%	-13.14%	8.61%
20 Day Average Volume	985,798	150,972	2,383,483	273,070	926,990	525,184
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 12 week change	3.96%	0.31%	0.43%	1.05%	-6.45%	-3.35%
(Q1) EPS Est Mthly Chg	1.20%	0.00%	0.00%	0.00%	0.00%	0.00%

Analyst Earnings Model⁽²⁾

Flowserve Corporation (FLS)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Original Equipment	\$1,706.6	\$2,086.7	\$2,218.1	\$557.0	\$555.5	\$549.6	\$608.9	\$2,270.9	\$566.8	\$588.0	\$593.7	\$628.2	\$2,376.7	\$2,462.8
Aftermarket	\$1,908.6	\$2,233.9	\$2,339.8	\$587.5	\$632.6	\$624.9	\$650.9	\$2,495.9	\$621.3	\$655.9	\$649.9	\$672.6	\$2,599.7	\$2,684.0
Total Sales	\$3,615.1	\$4,320.6	\$4,557.8	\$1,144.5	\$1,188.1	\$1,174.4	\$1,259.8	\$4,766.8	\$1,188.1	\$1,243.9	\$1,243.7	\$1,300.7	\$4,976.4	\$5,146.8
Cost of Sales, Adjusted	\$2,607.0	\$3,022.0	\$3,086.2	\$761.7	\$773.0	\$766.0	\$823.5	\$3,124.1	\$784.8	\$808.2	\$811.5	\$829.4	\$3,233.9	\$3,371.2
Cost of Sales, GAAP	\$2,620.8	\$3,043.7	\$3,123.6	\$775.2	\$781.5	\$794.1	\$840.9	\$3,191.8	\$801.6	\$826.6	\$832.3	\$848.7	\$3,309.3	\$3,450.1
Gross Profit, Adjusted	\$1,008.1	\$1,298.6	\$1,471.6	\$382.9	\$415.1	\$408.4	\$436.3	\$1,642.7	\$403.4	\$435.7	\$432.1	\$471.4	\$1,742.5	\$1,775.6
Gross Profit, GAAP	\$994.3	\$1,276.8	\$1,434.2	\$369.3	\$406.6	\$380.3	\$418.9	\$1,575.1	\$386.5	\$417.3	\$411.4	\$452.0	\$1,667.1	\$1,696.7
Selling, General and Administrative Expense, Adjusted	\$802.5	\$904.9	\$952.8	\$241.5	\$247.3	\$239.0	\$262.0	\$989.8	\$245.5	\$259.2	\$257.0	\$268.5	\$1,030.2	\$1,070.0
Selling, General and Administrative Expense, GAAP	\$815.5	\$961.2	\$978.0	\$243.2	\$265.9	\$305.2	\$287.7	\$1,102.0	\$273.4	\$295.2	\$297.1	\$301.4	\$1,167.2	\$1,213.9
Loss on Sale of Business		\$0.0	\$13.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Earnings from Affiliates	(\$18.5)	(\$17.9)	(\$19.1)	(\$5.7)	(\$5.9)	(\$4.1)	(\$5.5)	(\$21.3)	(\$5.3)	(\$5.4)	(\$5.2)	(\$5.6)	(\$21.5)	(\$22.1)
Adjusted EBITDA	\$315.1	\$495.3	\$623.4	\$171.5	\$197.6	\$198.0	\$204.1	\$771.1	\$187.3	\$206.9	\$205.4	\$233.2	\$832.8	\$829.3
Depreciation	\$77.6	\$73.5	\$75.8	\$18.8	\$19.9	\$20.0	\$19.6	\$78.3	\$19.5	\$20.5	\$20.4	\$19.8	\$80.1	\$82.2
Amortization	\$13.3	\$10.3	\$9.7	\$5.6	\$4.0	\$4.4	\$4.7	\$18.7	\$4.7	\$4.6	\$4.7	\$4.9	\$18.9	\$19.4
Operating Income, Adjusted	\$224.1	\$411.5	\$537.8	\$147.1	\$173.7	\$173.6	\$179.8	\$674.1	\$163.1	\$181.9	\$180.3	\$208.5	\$733.8	\$727.7
Operating Income, GAAP	\$197.2	\$333.6	\$462.3	\$131.9	\$146.6	\$79.3	\$136.6	\$494.4	\$118.4	\$127.4	\$119.4	\$156.3	\$521.5	\$504.9
Interest Expense	\$46.2	\$66.9	\$69.3	\$19.2	\$20.3	\$18.7	\$19.2	\$77.4	\$21.1	\$20.5	\$20.4	\$21.4	\$83.4	\$85.5
Interest Income	\$4.0	\$7.0	\$5.4	\$1.7	\$2.5	\$0.8	\$2.3	\$7.4	\$2.1	\$2.0	\$1.8	\$2.1	\$8.0	\$8.2
Interest Expense (Income), Net	\$42.3	\$59.9	\$63.9	\$17.4	\$17.7	\$17.9	\$16.9	\$70.0	\$19.0	\$18.6	\$18.6	\$19.3	\$75.4	\$77.3
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
Other (Income) Expense, Net	\$0.6	\$49.9	\$12.2	\$17.3	\$25.0	(\$256.2)	(\$57.3)	(\$271.3)	(\$67.6)	(\$93.1)	(\$122.9)	(\$89.8)	(\$373.4)	(\$400.0)
Interest and Other Expense, Net, Adjusted	\$52.5	\$66.7	\$74.9	\$21.8	\$21.2	\$20.8	\$20.0	\$83.9	\$22.5	\$21.9	\$21.8	\$20.2	\$86.4	\$87.4
Interest and Other Expense, Net, GAAP	\$42.8	\$109.8	\$76.1	\$34.7	\$42.7	(\$238.3)	(\$40.3)	(\$201.2)	(\$48.5)	(\$74.6)	(\$104.4)	(\$70.5)	(\$298.0)	(\$322.7)
Pre-Tax Income, Adjusted	\$171.6	\$344.8	\$463.0	\$125.3	\$152.5	\$152.7	\$159.7	\$590.3	\$140.6	\$160.0	\$158.5	\$188.3	\$647.5	\$640.3
Pre-Tax Income, GAAP	\$154.4	\$223.8	\$386.2	\$97.2	\$103.9	\$317.5	\$177.0	\$695.6	\$166.9	\$202.0	\$223.8	\$226.7	\$819.5	\$827.6
Income Tax, Adjusted	\$17.8	\$52.2	\$95.8	\$24.2	\$26.1	\$31.0	\$36.6	\$117.8	\$32.2	\$36.6	\$36.3	\$43.1	\$148.3	\$146.6
Income Tax, GAAP	(\$43.6)	\$18.6	\$84.9	\$17.7	\$15.6	\$93.7	\$52.2	\$179.3	\$49.2	\$59.6	\$66.0	\$66.9	\$241.7	\$244.2
Tax Rate, Adjusted	10.4%	15.1%	20.7%	19.3%	17.1%	20.3%	22.9%	20.0%	22.9%	22.9%	22.9%	22.9%	22.9%	22.9%
Tax Rate, GAAP	(28.3%)	8.3%	22.0%	18.3%	15.1%	29.5%	29.5%	25.8%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
Non-Controlling Interests, Adjusted	\$9.3	\$14.9	\$18.5	\$5.6	\$6.5	\$4.3	\$6.0	\$22.3	\$5.6	\$5.8	\$5.5	\$6.0	\$22.8	\$23.5
Non-Controlling Interests, GAAP	\$9.3	\$18.4	\$18.5	\$5.6	\$6.5	\$4.3	\$6.0	\$22.3	\$5.6	\$5.8	\$5.5	\$6.0	\$22.8	\$23.5
Net Income, Adjusted	\$144.4	\$277.7	\$348.7	\$95.5	\$120.0	\$117.5	\$117.2	\$450.2	\$102.9	\$117.6	\$116.7	\$139.2	\$476.4	\$470.1
Net Income, GAAP	\$188.7	\$186.7	\$282.8	\$73.9	\$81.8	\$219.6	\$118.8	\$494.0	\$112.1	\$136.7	\$152.3	\$153.9	\$554.9	\$560.0
Basic Shares Outstanding	130.6	131.1	131.5	131.6	130.8	130.3	127.7	130.1	125.1	122.5	119.9	117.3	121.2	110.8
Diluted Shares Outstanding	131.3	131.9	132.4	132.7	131.6	131.2	128.6	131.0	126.0	123.4	120.8	118.2	122.1	111.7
Basic EPS	\$1.44	\$1.42	\$2.15	\$0.56	\$0.62	\$1.69	\$0.93	\$3.80	\$0.90	\$1.12	\$1.27	\$1.31	\$4.59	\$5.07
Diluted EPS, Adjusted	\$1.10	\$2.10	\$2.63	\$0.72	\$0.91	\$0.90	\$0.91	\$3.44	\$0.82	\$0.95	\$0.97	\$1.18	\$3.91	\$4.22
Diluted EPS, GAAP	\$1.44	\$1.42	\$2.14	\$0.56	\$0.62	\$1.67	\$0.92	\$3.77	\$0.89	\$1.11	\$1.26	\$1.30	\$4.56	\$5.02
Dividend per Share	\$0.80	\$0.80	\$0.84	\$0.21	\$0.21	\$0.21	\$0.21	\$0.84	\$0.21	\$0.21	\$0.21	\$0.21	\$0.84	\$0.84

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	B
Growth Score	A
Momentum Score	C
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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