

General Dynamics Corp. (GD)

\$339.36 (Stock Price as of 12/19/2025)

Price Target (6-12 Months): **\$351.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 04/04/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: B

Growth: C

Momentum: C

Summary

General Dynamics had an impressive backlog of \$109.9 billion at the end of the third quarter. Apart from its well-established domestic market, the company enjoys significant overseas opportunities with order potential from Poland, the United Kingdom, Romania, Denmark, Germany and a few others. The stock holds a strong near-term solvency position. Our model expects solid revenue growth for the company in the 2025-2027 period. Its shares have outperformed the industry in the past year. However, a lingering component shortage issue in the aerospace sector are likely to hurt General Dynamics' operational results. A shortage of labor in the aerospace defense industry might affect the company's delivery schedule.

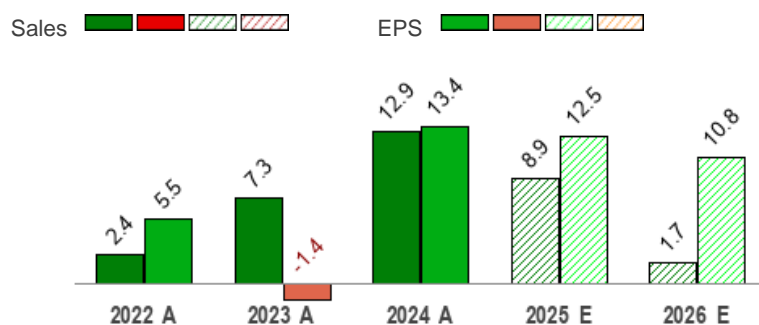
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$360.50 - \$239.20
20 Day Average Volume (sh)	1,115,024
Market Cap	\$91.1 B
YTD Price Change	28.0%
Beta	0.40
Dividend / Div Yld	\$6.00 / 1.8%
Industry	Aerospace - Defense
Zacks Industry Rank	Top 39% (95 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Last EPS Surprise	4.0%
Last Sales Surprise	2.3%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/04/2026
Earnings ESP	0.0%

Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	12,253 E	12,949 E	13,758 E	13,880 E	52,840 E
2025	12,223 A	13,041 A	12,907 A	13,776 E	51,947 E
2024	10,731 A	11,976 A	11,671 A	13,338 A	47,716 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	3.73 E	3.92 E	4.28 E	5.06 E	16.98 E
2025	3.66 A	3.74 A	3.88 A	4.05 E	15.33 E
2024	2.88 A	3.26 A	3.35 A	4.15 A	13.63 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/19/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/10/2025.

Overview

Headquartered in Falls Church, VA, General Dynamics Corporation engages in mission-critical information systems and technologies; land and expeditionary combat vehicles, armaments and munitions; shipbuilding and marine systems; and business aviation. The company was incorporated in February 1952.

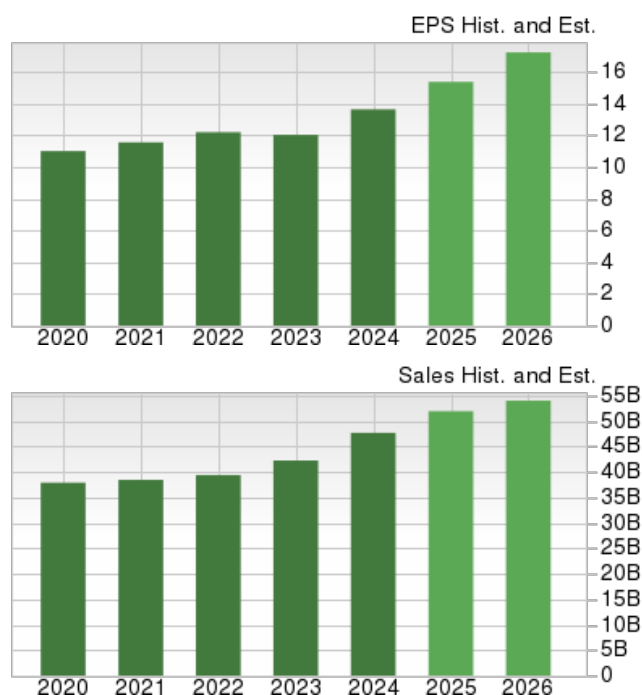
General Dynamics currently operates through 10 business units, which are organized into four operating segments. These segments are: Aerospace, Combat Systems, Marine Systems and the newly reorganized Technologies segment.

The Aerospace segment consists of Gulfstream Aerospace, which manufactures business jets, and Jet Aviation, which provides aircraft maintenance and spare parts. Segment revenues in 2024 were \$11.25 billion, representing 23.6% of the company's total revenues.

Combat Systems is a premier manufacturer and integrator of land combat solutions worldwide, including wheeled and tracked combat vehicles, weapons systems and munitions. The segment consists of three business units — Land Systems, European Land Systems (ELS), and Ordnance and Tactical Systems (OTS). This segment's revenues during 2024 were \$8.99 billion, contributing 18.8% to the company's total revenues.

Marine Systems is the leading designer and builder of nuclear-powered submarines and a leader in surface combatants and auxiliary ship design and construction for the U.S. Navy. In 2024, this segment's revenues amounted to \$14.34 billion, comprising 30.1% of the company's total revenues.

Effective from December 31, 2020, the company has reorganized its Mission Systems and Information Technology business into a single reporting unit, named Technologies. The segment is organized into two business units — Information Technology (GDIT) and Mission Systems. It serves an expanding market that increasingly seeks solutions combining leading-edge electronic hardware with specialized software. The Technologies segment's revenues in 2024 summed \$13.13 billion, representing 27.5% of the company's total revenues.



As of 12/10/2025



As of 12/19/2025

Reasons To Buy:

▲ At the end of the third quarter of 2025, General Dynamics witnessed a solid backlog of \$109.9 billion, driven by a strong order inflow. The estimated contract value, which combines the total backlog with the potential contract value, totaled \$167.7 billion at the end of the quarter. The strength of the order flow was driven by strong demand across the company's product and services portfolio. Significant awards won by General Dynamics in the last reported quarter included a \$1.5 billion contract to strengthen the U.S. Strategic Command's (STRATCOM) operational readiness.

The company also secured a \$642 million modification contract to support submarine production. Such impressive order trends and strong backlog count indicate solid demand for the company's products, thereby bolstering its revenue generation prospects significantly. Our model estimates revenues to grow 8.9% in 2025, 1.7% in 2026 and 3.5% in 2027, for General Dynamics.

▲ Apart from its well-established domestic market trends, General Dynamics enjoys a significant overseas opportunity with order potential from Poland, the Czech Republic, the United Kingdom, Romania, Denmark, Germany, Spain, Austria, Canada and Switzerland. In October 2025, its European subsidiary, General Dynamics European Land Systems, received a contract from the Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support (BAAINBw) to deliver the next-generation reconnaissance vehicle, "LUCHS 2," for the German Army Reconnaissance Corps. This contract highlights General Dynamics' growing presence in the European defense market. In the same month, the company was awarded a \$1.25 billion contract under the Enterprise Mission Information Technology Services 2 (EMITS 2) task order to continue supporting U.S. Army Europe and Africa.

General Dynamics' Land Systems unit is producing 399 new light armored vehicles for the Canadian Army in eight variants and upgrading its existing fleet. It is also building the British Army's Ajax armored vehicle and supplying Piranha 5 vehicles to countries such as Denmark, Romania and Spain. This strong global presence is likely to boost order flows and strengthen the company's international revenue prospects.

▲ The U.S. fiscal budgets have played the role of a key catalyst for the growth of General Dynamics' Marine Systems business. To this end, it is imperative to mention that in May 2025, a White House report published that U.S. President Trump has proposed an increase of 13% in the nation's defense spending (to \$1.01 trillion) for fiscal 2026. In particular, this proposal advocates for expanding U.S. shipbuilding capacity by investing in 19 new Navy battle force ships while maintaining 287 ships across key platforms. This should bode well for General Dynamics with its strong presence in the defense shipbuilding industry. This might have caused the company to outperform its industry lately. The company's shares have gained 26% in the past year compared with the industry's 23.2% growth.

▲ On the product development front, General Dynamics' Gulfstream Aerospace unit is currently working on its longest-range aircraft, the G800 and the large-cabin G400 jet. In April 2025, the G800 received type certification from the U.S. Federal Aviation Administration (FAA) and the European Union Aviation Safety Agency (EASA). To this end, the company made three G800 deliveries in the third quarter of 2025. Its G400 is expected to enter service in 2025, pending FAA certification. Such product innovations should further strengthen this shipbuilder's footprint in the business aviation market going ahead.

▲ General Dynamics' long-term debt totaled \$7.01 billion as of Sept. 30, 2025. The company's cash and cash equivalents amounted to \$2.52 billion as of Sept. 29, 2025, lower than its long-term debt. Its short-term debt of \$1.01 billion was, however, lower than its cash balance. So, we may safely conclude that General Dynamics holds a strong solvency position in the near term.

General Dynamics' solid number of award wins and a strong global presence will help maintain a steady growth momentum and drive results in the quarters ahead. Solid product development should also boost growth

Reasons To Sell:

- ▼ The worldwide supply-chain disorder, plagued by component and parts shortages, inflation, logistics bottlenecks, labor shortages, geopolitical tensions, transportation cost surges, regulatory hurdles, and raw material scarcity, has been impacting more or less every company lately, with General Dynamics being no exception. In particular, a shortage in the supply of aircraft parts, ranging from small hardware like nuts and bolts to specialized items like cockpit windows and engine components, has been adversely impacting the aerospace industry. Although manufacturers are trying hard to mitigate this component shortage issue, this challenge has not yet been resolved.

To this end, it is imperative to mention that the International Air Transport Association ("IATA") announced in its June 2025 outlook that persistent supply-chain disruptions affecting aircraft manufacturers might weigh on global air traffic. Notably, IATA mentioned in its report that aircraft deliveries are now lagging 30% behind their peak levels. As a result, the aircraft backlog has risen to a record-high 17,000. IATA predicts that airlines are short of 5,400 aircraft, assuming that this backlog increase was induced solely by delivery delays. Given the expected annual production of around 2,000 aircraft, IATA projects that it would take 3-5 years to clear this huge amount of backlog. This prolonged aircraft delivery backlog could delay demand fulfillment for General Dynamics' business jets, potentially impacting its Gulfstream segment's revenue growth in the near term.

- ▼ 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. This, in turn, might cause production delays for General Dynamics, particularly its Gulfstream business.
- ▼ A persistent shortage of labor in the aerospace-defense industry continues to pose a threat to industry players like General Dynamics. 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.

Moreover, although the attrition rate of the industry has dropped from a peak of 17% in 2022 to approximately 14.5% in 2024, it is much higher than the average of other U.S. industries, which range between 2.5% and 7%. Such a higher-than-average attrition rate in the aerospace-defense industry can lead to production delays and quality control issues due to the loss of experienced talent. If such labor issues continue in the near term, aerospace manufacturers like General Dynamics may face challenges in the timely delivery of its finished products, which may thereby impact its future operating results.

A shortage of labor poses a risk for the stock's growth. Supply chain challenges also remain a cause of concern for General Dynamics' investors

Last Earnings Report

General Dynamics' Q3 Earnings Surpass Estimates, Revenues Improve Y/Y

General Dynamics reported third-quarter 2025 earnings per share (EPS) of \$3.88, which beat the Zacks Consensus Estimate of \$3.73 by 4%. The bottom line also increased 15.8% from \$3.35 recorded in the year-ago quarter.

Total Revenues of GD

Revenues of \$12.91 billion beat the Zacks Consensus Estimate of \$12.61 billion by 2.3%. The top line also improved 10.6% from the prior-year figure of \$11.67 billion.

GD's Segmental Performance

Aerospace: The segment reported revenues of \$3.23 billion, up 30.3% year over year. Operating earnings of \$430 million improved 41% year over year.

Marine Systems: This segment's revenues surged 13.8% from the year-ago quarter's level to \$4.1 billion. Operating earnings of \$291 million improved 12.8% year over year.

Combat Systems: The segmental top line of \$2.25 billion improved 1.8% from the year-ago quarter's level. Operating earnings improved 3.1% year over year to \$335 million.

Technologies: Revenues from this segment declined 1.6% year over year to \$3.33 billion. Operating earnings totaled \$327 million, which improved 0.3% year over year.

Operational Highlights of GD

Operating earnings totaled \$1.33 billion, up 12.7% from the year-ago quarter's \$1.18 billion.

Operating costs and expenses increased 10.4% year over year to \$11.58 billion.

Interest expenses decreased 9.7% year over year to \$74 million.

GD's Backlog

General Dynamics recorded a total backlog of \$167.7 billion. This includes a backlog of \$109.9 billion and estimated potential contract value, representing management's estimate of additional value in unfunded indefinite delivery, indefinite quantity contracts and unexercised options, of \$57.8 billion.

Financial Condition of GD

As of Sept. 28, 2025, cash and cash equivalents totaled \$2.52 billion compared with \$1.70 billion as of Dec. 31, 2024.

The long-term debt as of the same date was \$7.01 billion compared with the 2024-end debt level of \$7.26 billion.

During the first nine months of 2025, cash generated by operating activities totaled \$3.56 billion compared with \$1.95 billion in the year-ago period.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 24, 2025
Sales Surprise	2.32%
EPS Surprise	4.02%
Quarterly EPS	3.88
Annual EPS (TTM)	15.43

Recent News

On **Nov. 10, 2025**, General Dynamics revealed that its General Dynamics NASSCO signed a Memorandum of Agreement with DSEC Co., Ltd. and Samsung Heavy Industries Co., Ltd. to collaborate on their industry leading ship design and manufacturing automation and technology in the U.S. market.

Valuation

General Dynamics' shares are up 26.9% in the year-to-date period and 26% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 26.8%, whereas the Zacks Aerospace sector is up 27.1% in the year-to-date period. Over the past year, the Zacks sub-industry is up 23.2% while the sector is up 23.1%.

The S&P 500 index is up 18.7% in the year-to-date period and 14.6% in the past year.

The stock is currently trading at 19.53X forward 12-months earnings, which compares with 28.66X for the Zacks sub-industry, 31.88X for the Zacks sector and 23.46X for the S&P 500 index.

Over the past five years, the stock has traded as high as 21.05X and as low as 12.56X, with a 5-year median of 17.13X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$351 price target reflects 20.51X forward 12-months earnings.

The table below shows summary valuation data for GD.

Valuation Multiples - GD					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	19.53	28.66	31.88	23.46
	5-Year High	21.05	30.81	34.49	23.78
	5-Year Low	12.56	17.67	18.54	15.73
	5-Year Median	17.13	23.07	24.54	21.21
P/S F12M	Current	1.68	2.44	2.7	5.3
	5-Year High	1.8	2.52	2.79	5.5
	5-Year Low	1.07	1.27	1.25	3.83
	5-Year Median	1.49	1.74	1.68	5.05
EV/SALES TTM	Current	1.84	3.12	3.36	5.74
	5-Year High	2.09	3.36	3.59	5.81
	5-Year Low	1.29	1.98	1.88	3.78
	5-Year Median	1.76	2.65	2.57	5.12

As of 12/09/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 41% (98 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
The Boeing Company (BA)	Neutral	3
Bae Systems PLC (BAESY)	Neutral	3
Airbus SE - Unspanso...(EADSY)	Neutral	2
Leidos Holdings, Inc...(LDOS)	Neutral	2
L3Harris Technologie...(LHX)	Neutral	3
Northrop Grumman Cor...(NOC)	Neutral	3
Safran SA (SAFRY)	Neutral	3
Textron Inc. (TXT)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Aerospace - Defense

	GD	X Industry	S&P 500	LHX	NOC	SAFRY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	2
VGM Score	B	-	-	D	F	B
Market Cap	91.12 B	3.06 B	38.81 B	52.88 B	79.85 B	149.42 B
# of Analysts	8	4	22	7	7	2
Dividend Yield	1.78%	0.00%	1.41%	1.70%	1.65%	0.63%
Value Score	B	-	-	C	C	D
Cash/Price	0.03	0.11	0.04	0.01	0.02	0.07
EV/EBITDA	16.63	3.26	14.58	17.66	13.28	NA
PEG Ratio	1.90	2.06	2.21	2.06	5.14	1.83
Price/Book (P/B)	3.73	3.28	3.30	2.71	4.99	9.55
Price/Cash Flow (P/CF)	19.54	16.48	15.05	14.01	15.54	29.01
P/E (F1)	22.01	21.95	19.66	26.54	21.54	37.68
Price/Sales (P/S)	1.77	2.38	3.08	2.43	1.95	NA
Earnings Yield	4.55%	1.45%	5.02%	3.77%	4.64%	2.65%
Debt/Equity	0.29	0.20	0.57	0.56	0.95	0.20
Cash Flow (\$/share)	17.27	0.11	8.99	20.17	36.01	3.04
Growth Score	C	-	-	F	F	A
Hist. EPS Growth (3-5 yrs)	6.02%	17.95%	8.16%	-0.17%	1.04%	NA
Proj. EPS Growth (F1/F0)	12.47%	13.65%	8.60%	-18.70%	-0.42%	18.18%
Curr. Cash Flow Growth	11.73%	16.51%	6.75%	-1.77%	6.86%	37.49%
Hist. Cash Flow Growth (3-5 yrs)	1.59%	2.25%	7.43%	NA	1.36%	1.57%
Current Ratio	1.40	1.41	1.18	1.14	1.11	0.93
Debt/Capital	22.29%	31.07%	38.01%	36.02%	48.67%	16.32%
Net Margin	8.18%	4.64%	12.78%	8.09%	9.82%	NA
Return on Equity	18.27%	8.24%	17.00%	11.08%	25.49%	NA
Sales/Assets	0.91	0.56	0.53	0.53	0.83	NA
Proj. Sales Growth (F1/F0)	8.90%	2.51%	5.79%	3.20%	2.10%	20.70%
Momentum Score	C	-	-	A	C	D
Daily Price Chg	0.28%	1.46%	0.79%	1.44%	-0.83%	2.32%
1 Week Price Chg	0.05%	3.52%	-1.83%	3.03%	3.79%	0.56%
4 Week Price Chg	-0.62%	3.53%	3.61%	-0.53%	-1.38%	3.32%
12 Week Price Chg	3.98%	-3.57%	2.57%	-2.25%	-4.48%	2.79%
52 Week Price Chg	29.61%	17.64%	15.47%	34.22%	19.78%	61.62%
20 Day Average Volume	1,115,024	1,115,024	2,770,348	1,110,053	665,732	170,484
(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%	0.21%	-0.04%	0.21%
(F1) EPS Est 12 week change	1.22%	1.32%	0.69%	1.42%	3.61%	4.15%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.39%	-0.08%	NA

Analyst Earnings Model⁽²⁾

General Dynamics Corporation (GD)

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														
Products Revenue	\$23,022.0	\$24,595.0	\$28,635.0	\$7,334.0	\$8,012.0	\$8,021.0	\$8,811.8	\$32,178.8	\$7,583.3	\$8,074.8	\$8,611.0	\$8,702.9	\$32,972.0	\$34,175.8
YoY % Chng	2.6%	6.8%	16.4%	19.6%	11.9%	18.5%	2.8%	12.4%	3.4%	0.8%	7.4%	(1.2%)	2.5%	3.7%
Services Revenue	\$16,385.0	\$17,677.0	\$19,081.0	\$4,889.0	\$5,029.0	\$4,886.0	\$4,963.9	\$19,767.9	\$4,670.1	\$4,874.1	\$5,146.9	\$5,177.2	\$19,868.3	\$20,508.2
YoY % Chng	2.1%	7.9%	7.9%	6.4%	4.4%	(0.4%)	4.2%	3.6%	(4.5%)	(3.1%)	5.3%	4.3%	0.5%	3.2%
Total Revenue	\$39,407.0	\$42,272.0	\$47,716.0	\$12,223.0	\$13,041.0	\$12,907.0	\$13,775.7	\$51,946.7	\$12,253.4	\$12,948.9	\$13,757.9	\$13,880.1	\$52,840.3	\$54,684.1
YoY % Chng	2.4%	7.3%	12.9%	13.9%	8.9%	10.6%	3.3%	8.9%	0.2%	(0.7%)	6.6%	0.8%	1.7%	3.5%
Products Costs & Expenses	\$18,981.0	\$20,591.0	\$24,332.0	\$6,141.0	\$6,823.0	\$6,788.0	\$7,600.9	\$27,352.9	\$6,350.1	\$6,825.4	\$7,377.7	\$7,199.6	\$27,752.8	\$28,749.7
YoY % Chng	2.5%	8.5%	18.2%	18.3%	11.4%	17.8%	4.8%	12.4%	3.4%	0.0%	8.7%	(5.3%)	1.5%	3.6%
Services Costs & Expenses	\$13,804.0	\$15,009.0	\$16,020.0	\$4,189.0	\$4,269.0	\$4,151.0	\$4,100.4	\$16,709.4	\$3,976.0	\$4,102.6	\$4,326.3	\$4,262.7	\$16,667.6	\$17,075.4
YoY % Chng	2.0%	8.7%	6.7%	8.0%	5.4%	1.4%	2.6%	4.3%	(5.1%)	(3.9%)	4.2%	4.0%	(0.3%)	2.4%
General and Administrative	\$2,411.0	\$2,427.0	\$2,568.0	\$625.0	\$644.0	\$637.0	\$677.5	\$2,583.5	\$627.4	\$656.6	\$595.7	\$715.8	\$2,595.4	\$2,620.7
YoY % Chng	7.4%	0.7%	5.8%	(0.3%)	0.0%	0.3%	2.3%	0.6%	0.4%	2.0%	(6.5%)	5.7%	0.5%	1.0%
Total Operating Costs & Expenses	\$35,196.0	\$38,027.0	\$42,920.0	\$10,955.0	\$11,736.0	\$11,576.0	\$12,378.7	\$46,645.7	\$10,953.5	\$11,584.5	\$12,299.6	\$12,178.1	\$47,015.8	\$48,445.9
YoY % Chng	2.6%	8.0%	12.9%	13.0%	8.5%	10.4%	3.9%	8.7%	(0.0%)	(1.3%)	6.3%	(1.6%)	0.8%	3.0%
EBITDA	\$5,284.0	\$5,190.0	\$5,750.0	\$1,512.0	\$1,543.0	\$1,572.0	\$1,658.8	\$6,285.8	\$1,541.9	\$1,606.2	\$1,704.5	\$1,965.6	\$6,818.3	\$7,243.9
YoY % Chng	1.9%	(1.8%)	10.8%	19.9%	10.9%	11.2%	(1.5%)	9.3%	2.0%	4.1%	8.4%	18.5%	8.5%	6.2%
Operating Income	\$4,211.0	\$4,245.0	\$4,796.0	\$1,268.0	\$1,305.0	\$1,331.0	\$1,396.9	\$5,300.9	\$1,299.9	\$1,364.4	\$1,458.3	\$1,702.0	\$5,824.5	\$6,238.2
YoY % Chng	1.2%	0.8%	13.0%	22.4%	12.9%	12.7%	(1.8%)	10.5%	2.5%	4.6%	9.6%	21.8%	9.9%	7.1%
Other, Net	\$189.0	\$82.0	\$68.0	\$21.0	\$15.0	\$15.0	\$19.3	\$70.3	\$16.6	\$16.4	\$17.8	\$18.5	\$69.4	\$71.7
YoY % Chng	41.0%	(56.6%)	(17.1%)	50.0%	(16.7%)	0.0%	(8.1%)	3.4%	(20.8%)	9.5%	19.0%	(4.3%)	(1.3%)	3.3%
Interest Expense, Net	\$364.0	\$343.0	\$324.0	\$89.0	\$88.0	\$74.0	\$67.0	\$318.0	\$87.7	\$92.3	\$72.7	\$66.1	\$318.8	\$301.0
YoY % Chng	(14.2%)	(5.8%)	(5.5%)	8.5%	4.8%	(9.8%)	(11.8%)	(1.8%)	(1.5%)	4.9%	(1.7%)	(1.3%)	0.3%	(5.6%)
Pre-Tax Income	\$4,036.0	\$3,984.0	\$4,540.0	\$1,200.0	\$1,232.0	\$1,272.0	\$1,349.2	\$5,053.2	\$1,228.8	\$1,288.6	\$1,403.4	\$1,654.3	\$5,575.1	\$6,008.9
YoY % Chng	4.2%	(1.3%)	14.0%	24.0%	13.0%	14.2%	(1.4%)	11.3%	2.4%	4.6%	10.3%	22.6%	10.3%	7.8%
Income Tax	\$646.0	\$669.0	\$758.0	\$206.0	\$218.0	\$213.0	\$245.6	\$882.6	\$215.0	\$225.5	\$245.6	\$289.5	\$975.6	\$1,051.6
YoY % Chng	4.9%	3.6%	13.3%	21.9%	17.8%	15.8%	11.6%	16.4%	4.4%	3.4%	15.3%	17.9%	10.5%	7.8%
Tax Rate	16.0%	16.8%	16.7%	17.2%	17.7%	16.7%	18.2%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
Net Income	\$3,390.0	\$3,315.0	\$3,782.0	\$994.0	\$1,014.0	\$1,059.0	\$1,103.6	\$4,170.6	\$1,013.8	\$1,063.1	\$1,157.8	\$1,364.8	\$4,599.4	\$4,957.3
YoY % Chng	4.1%	(2.2%)	14.1%	24.4%	12.0%	13.9%	(3.9%)	10.3%	2.0%	4.8%	9.3%	23.7%	10.3%	7.8%
Basic Shares Outstanding	275.3	273.1	273.9	269.0	268.1	269.2	269.2	268.9	268.5	267.9	267.2	266.5	267.5	264.7
YoY % Chng	(1.8%)	(0.8%)	0.3%	(1.6%)	(2.2%)	(1.9%)	(1.5%)	(1.8%)	(0.2%)	(0.1%)	(0.8%)	(1.0%)	(0.5%)	(1.0%)
Diluted Shares Outstanding	278.2	275.7	277.5	271.7	270.9	272.6	272.6	272.0	272.0	271.3	270.6	269.9	270.9	268.2
YoY % Chng	(1.3%)	(0.9%)	0.6%	(1.9%)	(2.4%)	(1.9%)	(1.5%)	(2.0%)	0.1%	0.1%	(0.8%)	(1.0%)	(0.4%)	(1.0%)
Basic EPS	\$12.31	\$12.14	\$13.81	\$3.69	\$3.78	\$3.93	\$4.10	\$15.50	\$3.78	\$3.97	\$4.33	\$5.12	\$17.20	\$18.73
YoY % Chng	6.0%	(1.4%)	13.8%	26.4%	14.5%	15.9%	(2.4%)	12.2%	2.3%	5.0%	10.3%	24.9%	11.0%	8.9%
Diluted EPS	\$12.19	\$12.02	\$13.63	\$3.66	\$3.74	\$3.88	\$4.05	\$15.33	\$3.73	\$3.92	\$4.28	\$5.06	\$16.98	\$18.49
YoY % Chng	5.5%	(1.4%)	13.4%	27.1%	14.7%	15.8%	(2.5%)	12.5%	1.9%	4.8%	10.3%	24.9%	10.8%	8.9%

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	C
Momentum Score	C
VGM Score	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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