

## Group 1 Automotive (GPI)

**\$402.65** (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$414.00**

Long Term: 6-12 Months	<b>Zacks Recommendation:</b>	<b>Neutral</b>
	(Since: 08/13/25)	
	Prior Recommendation: Outperform	
Short Term: 1-3 Months	<b>Zacks Rank: (1-5)</b>	<b>3-Hold</b>
	Zacks Style Scores:	VGM: A
	Value: A	Growth: A   Momentum: F

## Summary

Group 1's diversified product mix and multiple streams of income reduce its risk profile and its omnichannel efforts to boost sales bode well. The acquisitions of dealerships and franchises to expand and optimize its portfolio are likely to boost GPI's prospects. The restructuring plan has helped the company improve overall operational efficiency and performance in the U.K. market. Investor-friendly moves also instill optimism. However, high tariffs could cause automakers and parts suppliers to raise prices, forcing GPI to pass those higher costs on to customers. Declining gross margins in the new vehicles unit are concerning. Slower than expected EV adoption in the U.K. market exposes it to margin pressure and slower revenue growth. High debt load also plays spoilsport. Thus, the stock warrants a cautious stance.

## Data Overview

52 Week High-Low	<b>\$490.09 - \$355.91</b>
20 Day Average Volume (sh)	<b>137,438</b>
Market Cap	<b>\$5.1 B</b>
YTD Price Change	<b>2.0%</b>
Beta	<b>0.89</b>
Dividend / Div Yld	<b>\$2.00 / 0.5%</b>
Industry	<b><u>Automotive - Retail and Whole Sales</u></b>
Zacks Industry Rank	<b>Top 34% (83 out of 244)</b>

Last EPS Surprise	<b>-1.8%</b>
Last Sales Surprise	<b>2.8%</b>
EPS F1 Est- 4 week change	<b>-1.3%</b>
Expected Report Date	<b>02/04/2026</b>
Earnings ESP	<b>0.0%</b>

P/E TTM	<b>9.5</b>
P/E F1	<b>9.7</b>
PEG F1	<b>1.7</b>
P/S TTM	<b>0.2</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*
2026	5,665 E	5,845 E	5,828 E	5,597 E	22,934 E
2025	5,505 A	5,704 A	5,783 A	5,632 E	22,624 E
2024	4,471 A	4,696 A	5,221 A	5,546 A	19,934 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	10.02 E	10.97 E	10.46 E	12.37 E	43.82 E
2025	10.17 A	11.52 A	10.45 A	9.38 E	41.52 E
2024	9.49 A	9.80 A	9.90 A	10.02 A	39.21 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/09/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 01/08/2026.

## Overview

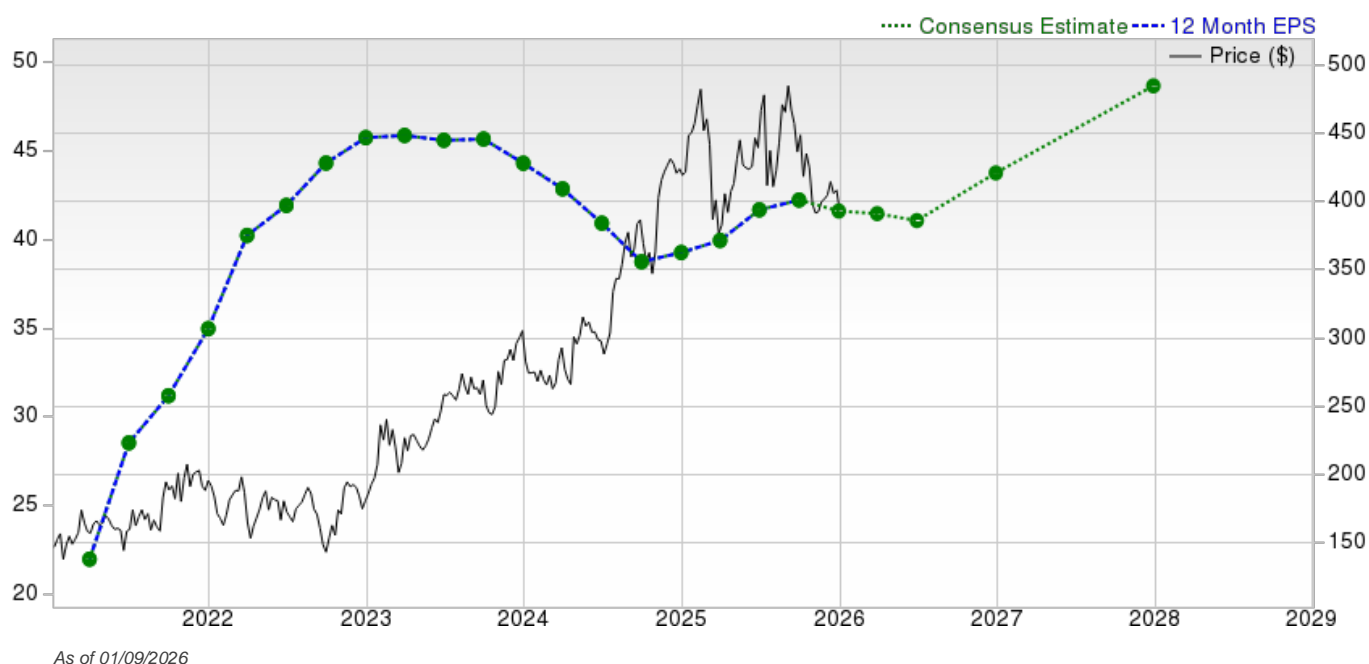
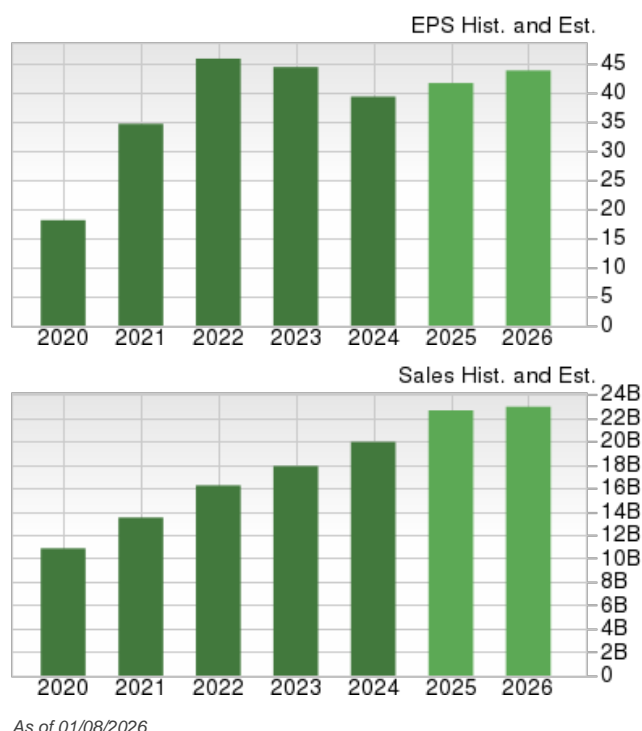
Group 1 Automotive, Inc. is one of the leading automotive retailers in the world, with operations primarily located in the United States and the U.K. The company's retail network consisted of 150 and 55 dealerships in the United States and the U.K., respectively. Through these dealerships, the firm sells new and used cars and light trucks. Apart from selling new and used vehicles, the company offers vehicle financing, insurance and service contracts. It also provides maintenance and repair services, along with the sale of replacement parts and aftermarket automotive products.

The core brands of vehicles sold by Group 1 Automotive are Toyota/Lexus, BMW, Honda, Ford, Nissan, General Motors, Chrysler, Volkswagen/Audi/Porsche, Mercedes-Benz, Nissan, Jaguar and Hyundai.

In 2024, New Vehicle represented 51.5%; Used Vehicle contributed 32.1%; Service and Parts accounted for 12.3% and Finance & Insurance represented 4.1% of the company's total revenues.

Group 1 divested its Brazilian operations in 2022 and currently operates through two reportable segments — the United States and the United Kingdom. In the United States, the major metropolitan areas in which the company has a presence are — Alabama, California, Florida, Georgia, Kansas, Louisiana, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, Maine, Oklahoma, South Carolina and Texas.

The firm's online retail platform, AcceleRide, which was deployed to all U.S. dealerships in 2019, allows for a comprehensive shopping experience for customers. The customer can also apply for financing and review and select F&I products as part of the online process.



---

## Reasons To Buy:

- ▲ Group 1's **diversified product mix and multiple streams of income** reduce its risk profile. The company generates income from businesses including used and new vehicle retail, finance, insurance, as well as automotive repair and maintenance. The diversified portfolio positions it well for top- and bottom-line growth. Group 1 is also riding on the strength of its after-sales business.
- ▲ The firm's **omnichannel efforts** to boost sales bode well. Its digital efforts focused on the online customer scheduling-appointment system is enhancing customers' experience. The AcceleRide platform, its online retailing initiative, active at most of the firm's U.S. dealerships, allows the company to enjoy higher productivity.
- ▲ Group 1's **acquisitions of dealerships and franchises** to expand and optimize its portfolio are likely to boost the firm's prospects. Group 1's total acquired revenue in 2023 totaled more than \$1 billion. Total acquired revenues in 2024 reached \$3.9 billion. In Q1 2025, GPI purchased one Lexus and three Toyota dealerships in the U.K., which are projected to contribute about \$100 million in annual revenue. In May, GPI added three more dealerships, Lexus and Acura locations in Florida and a Mercedes-Benz store in Texas, expected to generate \$330 million annually. In August, GPI acquired Mercedes-Benz of Buckhead, which is anticipated to bring in \$210 million per year. So far in 2025, GPI has acquired \$640 million in annualized revenues.
- ▲ Group 1's **restructuring plan** has helped it improve overall operational efficiency and performance in the U.K. market. The workforce realignment and strategic facility closures will streamline operations and reduce costs. Systems integration, despite initial disruptions, will create a more unified and efficient dealer management system. The company intends to cut its corporate workforce by about another 10% and implement further cost-saving measures in its stores to reduce expenses by roughly \$8 million. These savings are expected to boost results in 2026.
- ▲ Group 1's **investor-friendly moves** instill optimism. In the last five years, the company has increased its dividend 11 times, with annualized dividend growth of around 11.73%. In February, GPI hiked its 2025 annual dividend rate by 6%. In November 2025, it boosted its share repurchase authorization by \$457 million to \$500 million. Since the beginning of the year till Nov. 11, 2025, the company repurchased \$434 million worth of shares. Group 1's return on equity (ROE) of 18% compares favorably with the industry's 14%, underscoring management's efficiency in rewarding shareholders.

Group 1's diversified portfolio, acquisition strength, restructuring plan, and investor friendly moves are likely to boost its prospects.

---

## Reasons To Sell:

- ▼ **Tariffs** could cause automakers and parts suppliers to raise prices, forcing GPI to pass those higher costs on to customers. More expensive vehicles could discourage buyers, leading to lower sales volumes. To stay competitive, Group 1 might need to offer discounts or incentives, which would pressure profit margins. Higher parts costs could also make service and repairs less affordable, slowing growth in Group 1 high-margin aftersales business.
- ▼ Group 1's strong presence in the UK, particularly with premium brands like BMW, Audi, and Mercedes-Benz, exposes it to the country's **sluggish EV adoption**. With the market failing to meet mandated BEV mix targets and relying heavily on lower-margin fleet sales, GPI could face margin pressure and slower revenue growth.
- ▼ **Declining gross margins in the new vehicles unit** is concerning. In 2024, gross profit per unit sold declined significantly to \$3,525 (gross margin of 7.2%) from \$4,369 (gross margin of 8.7%) reported in 2023. It decreased 0.2% year over year in the first nine months of 2025. Pricing pressures and high cost of sales could continue to weigh on margins.
- ▼ Group 1 competes with publicly and privately owned dealerships, along with Internet-based vehicle brokers. Some of its competitors are larger and have greater financial and marketing resources. The company's F&I business faces **strong competition** from various financial institutions and other third parties. Group 1 is also exposed to unfavorable foreign currency translations.
- ▼ **High debt load** also plays spoilsport. Total debt was \$3.5 billion as of Sept. 30, 2025 compared with cash/cash equivalents of a mere \$30.8 million. Its long-term debt-to-capital ratio is pegged at 52%, higher than the auto sector's 25%.

Tariff and macroeconomic challenges along with high competition and huge debt are major headwinds for Group 1.

## Last Earnings Report

### Group 1 Q3 Earnings Miss Estimates, Revenues Increase Y/Y

Group 1 reported third-quarter 2025 adjusted earnings per share (EPS) of \$10.45, which missed the Zacks Consensus Estimate of \$10.64 but rose 5.6% year over year. The automotive retailer registered net sales of \$5.8 billion, which beat the Zacks Consensus Estimate of \$5.63 billion. The top line also rose from the year-ago quarter's \$5.2 billion.

### Q3 Highlights

New vehicle retail sales increased 9.3% from the prior-year quarter to \$2.81 billion and topped our projection of \$2.78 billion. Total retail new vehicles sold were 57,269 units, which increased 6.5% year over year but missed our forecast of 58,275 units. The average selling price per unit was \$50,816, up 5% year over year. The gross profit from the new vehicle retail unit totaled \$186.1 million, up 1.6% year over year.

Used-vehicle retail sales rose 11.8% from the year-ago period to \$1.85 billion and surpassed our forecast of \$1.80 billion. Total retail used vehicles sold were 59,574 units, up 6.6% year over year, lagging our expectation of 61,011 units. The average selling price per unit was \$31,112, up 5% year over year. The gross profit from the unit was \$85.4 million, down 3% year over year.

Used-vehicle wholesale sales rose 20.5% year over year to \$148.4 million and beat our expectation of \$128.4 million. The unit incurred a gross loss of \$0.2 million against a gross profit of \$0.4 million in the year-ago period. In the Parts and Service business, the top line rose 11.2% to \$733.9 million and gross profit increased 11.1% to \$407.6 million year over year. Revenues from the Finance and Insurance business were \$240.9 million, up 12.5% from the year-ago period's level.

Segments in DetailIn the reported quarter, revenues from the U.S. business segment rose 6.5% year over year to \$4.28 billion and topped our forecast of \$4.10 billion. The segment's gross profit rose 5.4% to \$715 million and beat of our prediction of \$696.2 million. During the reported quarter, retail new-vehicle, retail used-vehicle and wholesale used-vehicle units sold were 41,582, 39,636 and 9,984, respectively.

In the third quarter, revenues jumped 20.4% year over year to \$1.50 billion for the U.K. business segment, missing our estimate of \$1.51 billion. Gross profit was \$204.7 million, which surged 17.3% from the year-ago quarter and beat our projection of \$199.9 million. During the reported quarter, the retail new-vehicle, retail used-vehicle and wholesale used-vehicle units sold were 15,687, 19,938 and 6,034, respectively.

### Financial Position

Selling, general and administrative expenses were up 10.7% year over year to \$654.9 million. Group 1 had cash and cash equivalents of \$30.8 million as of Sept. 30, 2025, down from \$34.4 million as of Dec. 31, 2024. Total debt was \$3.47 billion as of Sept. 30, 2025, up from \$2.91 billion as of Dec. 31, 2024.

During the quarter under discussion, GPI repurchased 185,788 shares at an average price of \$443.18 per common share for a total of \$82.5 million. The company currently has \$226.3 million remaining on its authorized stock buyback program.

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

Earnings Reporting Date	Oct 28, 2025
Sales Surprise	2.77%
EPS Surprise	-1.79%
Quarterly EPS	10.45
Annual EPS (TTM)	42.16

## Valuation

Group 1's shares are down 15.4% and 6.3% over the past six months and in the trailing 12-month period, respectively. Stocks in the Zacks Automotive – Retail and Wholesale industry and the Zacks Auto-Tires-Trucks sector are down 9% and up 31.7%, respectively, over the past six months. Over the past year, the Zacks sub industry and sector are up 0.2% and 12.2%, respectively. The S&P 500 index is up 13.7% and 19.5% over the past six months and in the past year, respectively.

The stock is currently trading at 9X forward 12-month earnings, which compares to 8.65X for the Zacks sub-industry, 32.05X for the Zacks sector and 23.36X for the S&P 500 index.

Over the past five years, the stock has traded as high as 11.72X and as low as 3.66X, with a 5-year median of 6.99X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$414 price target reflects 9.45X forward 12-month earnings per share.

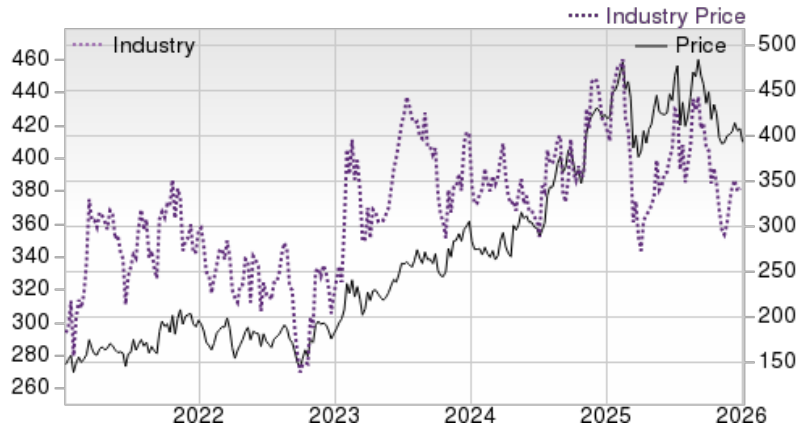
The table below shows summary valuation data for GPI:

Valuation Multiples - GPI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9	8.65	32.05	23.36
	5-Year High	11.72	11.4	32.2	23.8
	5-Year Low	3.66	4.51	13.35	15.74
	5-Year Median	6.99	7.56	19.74	21.21
EV/EBITDA TTM	Current	7.73	8.5	26.87	18.9
	5-Year High	8.85	10.79	28.63	22.34
	5-Year Low	3.5	4.78	9.13	13.86
	5-Year Median	5.51	7.21	17.54	17.93
P/S F12M	Current	0.21	0.28	1.57	5.66
	5-Year High	0.29	0.33	1.97	5.66
	5-Year Low	0.14	0.2	0.82	3.82
	5-Year Median	0.22	0.28	1.22	5.04

As of 01/07/2026

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 34% (83 out of 244)



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

Company (Ticker)	Rec	Rank
Asbury Automotive Gr... (ABG)	Neutral	2
AutoNation, Inc. (AN)	Neutral	2
Lithia Motors, Inc. (LAD)	Neutral	4
Penske Automotive Gr... (PAG)	Neutral	3
Rush Enterprises, In... (RUSHA)	Neutral	3
Titan Machinery Inc. (TITN)	Neutral	3
Sonic Automotive, In... (SAH)	Underperform	4
America's Car-Mart, ... (CRMT)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Automotive - Retail And Whole Sales

	GPI	X Industry	S&P 500	ABG	RUSHA	SAH
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	2	3	4
VGM Score	A	-	-	A	A	A
Market Cap	5.06 B	4.47 B	40.73 B	4.87 B	4.47 B	2.20 B
# of Analysts	4	3.5	22	3	1	3
Dividend Yield	0.50%	0.00%	1.37%	0.00%	1.31%	2.36%
Value Score	A	-	-	A	A	A
Cash/Price	0.01	0.05	0.04	0.01	0.06	0.04
EV/EBITDA	8.08	7.19	15.01	8.63	6.49	6.54
PEG Ratio	1.68	1.78	2.04	NA	1.29	NA
Price/Book (P/B)	1.66	1.66	3.44	1.26	2.02	2.06
Price/Cash Flow (P/CF)	8.25	8.35	15.54	7.36	8.51	6.62
P/E (F1)	9.63	9.18	18.81	9.16	13.64	9.05
Price/Sales (P/S)	0.22	0.27	3.07	0.27	0.58	0.15
Earnings Yield	10.90%	9.78%	5.30%	10.92%	7.33%	11.04%
Debt/Equity	1.06	0.32	0.57	0.90	0.16	1.68
Cash Flow (\$/share)	48.58	9.73	8.98	34.07	6.82	9.73
Growth Score	A	-	-	A	A	A
Hist. EPS Growth (3-5 yrs)	11.57%	10.15%	8.24%	8.73%	16.05%	-0.74%
Proj. EPS Growth (F1/F0)	5.89%	5.18%	9.21%	3.16%	-15.05%	18.57%
Curr. Cash Flow Growth	-9.86%	-11.40%	7.00%	-15.11%	-4.92%	-11.40%
Hist. Cash Flow Growth (3-5 yrs)	18.96%	11.25%	7.49%	22.46%	11.25%	9.78%
Current Ratio	1.06	1.21	1.19	0.99	1.37	1.02
Debt/Capital	51.56%	24.09%	38.14%	47.43%	13.62%	62.65%
Net Margin	1.67%	2.38%	12.77%	3.15%	3.57%	0.86%
Return on Equity	18.08%	13.42%	17.03%	15.26%	12.52%	21.65%
Sales/Assets	2.24	1.65	0.53	1.68	1.65	2.56
Proj. Sales Growth (F1/F0)	13.50%	2.51%	5.30%	5.40%	NA	7.00%
Momentum Score	F	-	-	F	F	C
Daily Price Chg	1.74%	2.41%	0.01%	3.67%	3.06%	2.41%
1 Week Price Chg	-3.68%	-3.52%	1.11%	-2.77%	-2.73%	-4.14%
4 Week Price Chg	-6.08%	-3.24%	0.30%	0.84%	-1.43%	-4.36%
12 Week Price Chg	-6.86%	1.90%	4.41%	2.50%	13.44%	-13.60%
52 Week Price Chg	-4.69%	3.58%	16.95%	3.58%	4.60%	-0.29%
20 Day Average Volume	137,438	166,178	2,445,854	167,714	477,561	153,203
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-1.26%	0.00%	0.00%	-0.91%	0.00%	0.00%
(F1) EPS Est 12 week change	-4.00%	-1.48%	0.47%	3.36%	-5.13%	-3.04%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	NA	0.00%



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

### Group 1 Automotive, Inc. (GPI)

In \$MM, except per share data

	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A			2025E				2026E			2027E
	FY	FY	FY	FY	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY
FY Ends December 31st	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	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
Income Statement																		
Total Revenues				\$10,600.2	\$13,481.9	\$16,222.1	\$17,873.7	\$19,934.3	\$5,505.3	\$5,703.5	\$5,782.7	\$5,632.0	\$22,623.5	\$5,665.0	\$5,844.6	\$5,827.7	\$5,597.0	\$22,934.3
Cost of Sales				\$8,866.1	\$11,041.2	\$13,256.9	\$14,853.4	\$16,693.3	\$4,613.3	\$4,767.8	\$4,863.0	\$4,704.3	\$18,948.4	\$4,723.7	\$4,841.2	\$4,860.1	\$4,630.9	\$19,055.9
Gross Profit				\$1,734.1	\$2,440.7	\$2,965.2	\$3,020.3	\$3,241.0	\$891.9	\$935.8	\$919.7	\$927.7	\$3,675.1	\$941.3	\$1,003.4	\$967.6	\$966.1	\$3,878.3
Selling, General and Administrative Expenses, Adjusted				\$1,134.5	\$1,470.7	\$1,819.2	\$1,938.4	\$2,200.5	\$620.3	\$642.5	\$645.0	\$631.9	\$2,539.7	\$635.7	\$678.9	\$652.9	\$627.7	\$2,595.1
Selling, General and Administrative Expenses, GAAP				\$1,138.2	\$1,477.2	\$1,783.3	\$1,926.8	\$2,179.2	\$617.3	\$646.1	\$654.9	\$633.9	\$2,552.2	\$638.7	\$683.6	\$657.8	\$631.3	\$2,611.5
EBITDA				\$569.2	\$961.8	\$1,179.7	\$1,060.6	\$1,022.0	\$263.2	\$281.7	\$139.4	\$293.8	\$978.1	\$302.5	\$319.8	\$309.7	\$334.8	\$1,266.9
Depreciation and Amortization Expense, Adjusted				\$73.5	\$77.4	\$88.4	\$90.8	\$105.8	\$28.9	\$27.8	\$30.0	\$29.1	\$115.8	\$29.0	\$29.7	\$30.0	\$28.7	\$117.4
Depreciation and Amortization Expense, GAAP				\$73.5	\$77.4	\$88.4	\$92.0	\$113.1	\$29.3	\$28.7	\$31.6	\$30.3	\$119.9	\$30.0	\$30.9	\$31.2	\$29.8	\$122.0
Asset Impairments				\$26.7	\$1.7	\$2.1	\$32.9	\$33.0	\$0.4	\$0.4	\$123.9	\$0.0	\$124.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restructuring Charges								\$16.7	\$11.1	\$7.6	\$1.6	\$0.0	\$20.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Operating (Income) Expense								(\$10.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Income, Adjusted				\$526.1	\$892.6	\$1,057.6	\$991.1	\$944.8	\$242.8	\$265.5	\$244.7	\$266.8	\$1,019.8	\$276.6	\$294.8	\$284.8	\$309.7	\$1,165.8
Operating Income, GAAP				\$495.7	\$884.4	\$1,091.4	\$968.6	\$909.1	\$233.9	\$253.0	\$107.8	\$263.6	\$858.3	\$272.5	\$288.9	\$278.5	\$304.9	\$1,144.9
Floorplan Interest Expense				\$39.2	\$27.6	\$27.3	\$64.1	\$108.5	\$26.9	\$26.4	\$23.7	\$27.3	\$104.3	\$26.2	\$26.6	\$26.4	\$26.0	\$105.1
Other Interest Expense, net				\$61.9	\$55.8	\$77.5	\$99.8	\$141.3	\$39.8	\$42.7	\$48.0	\$42.3	\$172.8	\$43.2	\$45.2	\$45.4	\$42.9	\$176.7
Other Income						\$1.2	\$4.5	\$0.7	(\$0.3)	\$0.0	\$0.0	\$0.0	(\$0.3)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Pre-Tax Income, Adjusted				\$424.9	\$813.9	\$951.6	\$818.7	\$694.2	\$176.4	\$196.4	\$173.1	\$197.2	\$743.1	\$207.2	\$223.1	\$213.0	\$240.8	\$884.0
Pre-Tax Income, GAAP				\$380.8	\$800.9	\$985.3	\$800.2	\$658.5	\$167.5	\$183.9	\$36.2	\$194.0	\$581.6	\$203.1	\$217.1	\$206.7	\$236.1	\$863.1
Income Tax, Adjusted				\$92.0	\$180.3	\$222.9	\$195.4	\$163.5	\$41.6	\$46.8	\$38.0	\$49.3	\$175.7	\$51.8	\$55.8	\$53.2	\$60.2	\$221.0
Income Tax, GAAP				\$84.2	\$175.5	\$231.1	\$198.2	\$161.5	\$39.7	\$44.0	\$23.0	\$48.5	\$155.2	\$50.8	\$54.3	\$51.7	\$59.0	\$215.8
Tax Rate, Adjusted				22.0%	22.0%	23.0%	24.0%	24.0%	24.0%	23.8%	21.9%	25.0%	23.6%	25.0%	25.0%	25.0%	25.0%	25.0%
Tax Rate, GAAP				22.0%	22.0%	24.0%	25.0%	25.0%	24.0%	24.0%	63.7%	25.0%	26.7%	25.0%	25.0%	25.0%	25.0%	25.0%
Net Income from Continuing Operations, Adjusted				\$333.0	\$633.7	\$728.7	\$623.3	\$530.6	\$134.7	\$149.6	\$135.1	\$147.9	\$567.3	\$155.4	\$167.3	\$159.7	\$180.6	\$663.0
Net Income from Continuing Operations, GAAP				\$296.7	\$625.4	\$754.2	\$602.0	\$497.0	\$127.7	\$139.8	\$13.1	\$145.5	\$426.1	\$152.3	\$162.8	\$155.0	\$177.1	\$647.3
Net Income (Loss) from Discontinued Operations				(\$10.2)	(\$73.3)	(\$2.7)	(\$0.4)	\$1.2	\$0.4	\$0.7	(\$0.2)	\$0.3	\$1.2	\$0.3	\$0.3	\$0.3	\$0.3	\$1.2
Net Income, GAAP				\$286.5	\$552.1	\$751.5	\$601.6	\$498.1	\$128.1	\$140.5	\$13.0	\$145.8	\$427.4	\$152.6	\$163.1	\$155.3	\$177.4	\$648.5
Earnings Allocated to Participating Securities				\$10.3	\$18.5	\$21.2	\$14.8	\$10.5	\$1.6	\$1.6	\$0.1	\$1.3	\$4.6	\$1.2	\$1.1	\$0.9	\$1.1	\$4.3
Net Income, Adjusted				\$321.6	\$620.6	\$710.4	\$608.0	\$520.6	\$133.4	\$148.6	\$133.5	\$146.9	\$562.4	\$154.5	\$166.5	\$159.1	\$179.8	\$660.0
Net Income Available to Diluted Common Shares, GAAP				\$276.2	\$533.6	\$730.3	\$586.9	\$487.7	\$126.5	\$139.0	\$12.8	\$144.5	\$422.8	\$151.5	\$162.1	\$154.4	\$176.3	\$644.2
Diluted Shares Outstanding				18.5	18.3	15.9	14.1	13.5	13.2	13.0	12.9	12.8	13.0	12.7	12.6	12.4	12.3	12.5
Diluted EPS, Adjusted (from Continuing Operations)				\$18.03	\$34.55	\$45.71	\$44.27	\$39.21	\$10.17	\$11.52	\$10.45	\$9.38	\$41.52	\$10.02	\$10.97	\$10.46	\$12.37	\$43.82
Diluted EPS (from Continuing Operations), GAAP				\$16.06	\$34.11	\$47.31	\$42.75	\$36.72	\$9.64	\$10.77	\$1.02	\$11.38	\$32.81	\$12.02	\$12.97	\$12.46	\$14.37	\$51.82
Diluted EPS, Adjusted				\$18.06	\$35.02	\$45.85	\$44.24	\$39.29	\$10.20	\$11.57	\$10.43	\$11.49	\$43.69	\$12.20	\$13.26	\$12.79	\$14.59	\$52.84
Diluted EPS, GAAP				\$15.51	\$30.11	\$47.14	\$42.73	\$36.81	\$9.67	\$10.82	\$1.00	\$11.30	\$32.79	\$11.96	\$12.91	\$12.41	\$14.30	\$51.58
Dividend per Share				\$0.60	\$1.33	\$1.50	\$1.80	\$1.88	\$0.50	\$0.50	\$0.50	\$0.50	\$2.00	\$0.54	\$0.54	\$0.54	\$0.54	\$2.16



## 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.

## Zacks Style Scores

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

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

Value Score	A
Growth Score	A
Momentum Score	F
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.

## Disclosures

**This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote.** Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.