

## ITT Inc. (ITT)

**\$180.20** (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$184.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 10/19/23)

Prior Recommendation: Outperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: D

Value: D

Growth: C

Momentum: C

## Summary

ITT is benefiting from strength across its segments and strong operational execution. Strength in the short-cycle business within the energy and industrial markets is aiding the Industrial Process (IP) unit. Growth in component and connector sales within the aerospace and defense markets is supporting the Connect and Control Technologies (CCT) unit. Higher demand for brake components bodes well for the Motion Technologies (MT) unit. Benefits from acquired assets are driving its performance. ITT's shareholder-friendly policies are praiseworthy. However, rising sales and marketing expenses are likely to hurt its profitability if demand weakens in any quarter. Increases in incentive-based compensation are worrisome as well. Also, given its international presence, foreign currency headwinds and exposure to troubled geographies are concerns.

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

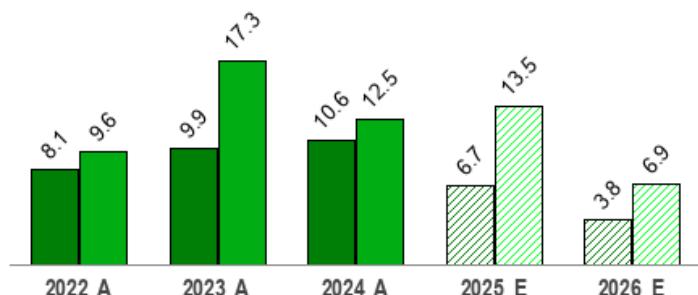


## Data Overview

52 Week High-Low	<b>\$197.07 - \$105.64</b>
20 Day Average Volume (sh)	<b>857,337</b>
Market Cap	<b>\$15.5 B</b>
YTD Price Change	<b>3.9%</b>
Beta	<b>1.37</b>
Dividend / Div Yld	<b>\$1.40 / 0.8%</b>
Industry	<b>Diversified Operations</b>
Zacks Industry Rank	<b>Bottom 26% (180 out of 244)</b>

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

Sales         EPS    



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

	Q1	Q2	Q3	Q4	Annual*
2026	970 E	992 E	1,041 E	1,021 E	4,024 E
2025	913 A	972 A	999 A	992 E	3,876 E
2024	911 A	906 A	885 A	929 A	3,631 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	1.70 E	1.69 E	1.70 E	2.02 E	7.11 E
2025	1.45 A	1.64 A	1.78 A	1.78 E	6.65 E
2024	1.42 A	1.49 A	1.46 A	1.50 A	5.86 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/08/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/16/2025.

## Overview

Headquartered in New York City, ITT Inc. is a global leader in multiple high-technology engineering and manufacturing industries. It engages in the design, manufacture and sale of a wide range of engineered products and services.

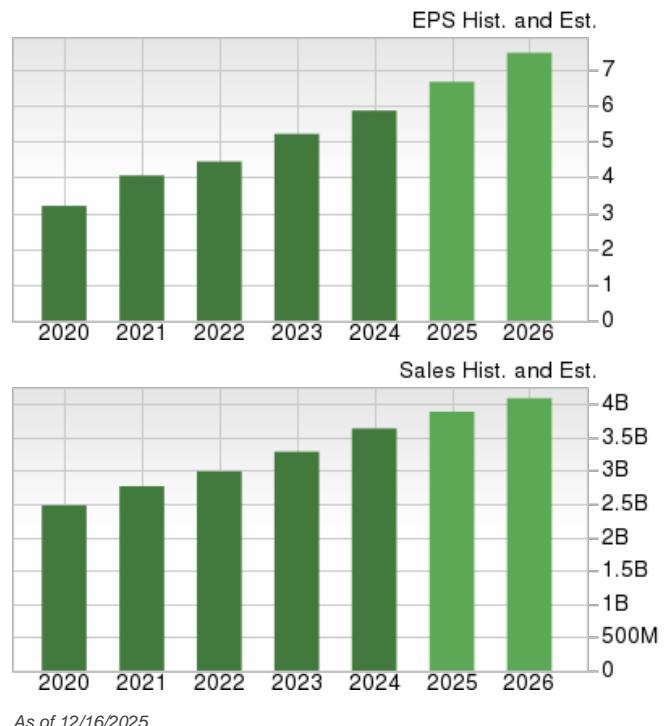
On a geographical basis, the company has operations in North America (41.5% of total revenues in 2024), Europe (30.5%), Asia (18.5%) and other markets (9.5%). Exiting 2024, it had a global employee base of more than 11,700 people.

The company operates in three business segments, a brief discussion of which is provided below.

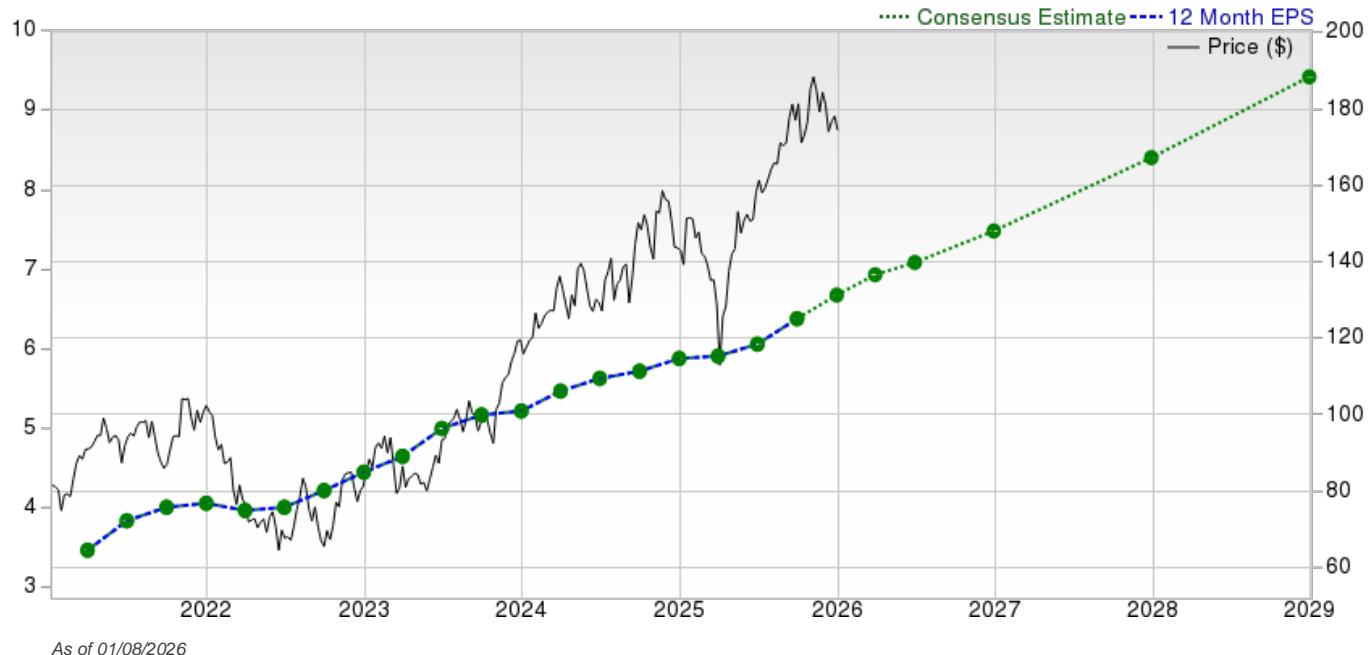
The Industrial Process (IP) segment (39.8% of total revenues in 2024) manufactures engineered fluid-process equipment for diverse industries like oil & gas, mining, power generation and chemical, among others. The segment also provides plant optimization & efficiency products, and aftermarket services & parts. It is divided into five product categories, namely, Goulds Pumps, Bornemann, ITT Engineered Valves, ITT PRO Services and ITT C'treat. The segment has a global manufacturing footprint with operations located in the United States, Germany and South Korea.

The Motion Technologies (MT) segment (37.5%) specializes in manufacturing highly engineered and durable components, such as brake pads, shock absorbers and damping technologies for the transportation industry. Friction Technologies and KONI represent two of this segment's most important product categories. Friction Technologies equips the automotive market with high-performance, high-quality brake pads, while KONI provides the transportation industry with shock absorbers and damping equipment. Its Axtone unit produces energy absorption solutions like springs, buffers and coupler components.

The Connect and Control Technologies (CCT) segment (22.7%) is a combination of the former Interconnect Solutions and Control Technologies businesses. It specializes in designing and manufacturing harsh-environment connector solutions and critical energy absorption and flow control components. It primarily caters to customers in the aerospace and defense, general industrial, medical, and oil & gas markets. Products are sold directly to customers and through various other distribution channels.



As of 12/16/2025



As of 01/08/2026

## Reasons To Buy:

▲ ITT is benefiting from **strength across its segments**. It is benefiting from strong sales volume and order growth. The IP segment is gaining from strength in the short-cycle business within the energy and industrial markets. Growth in demand for parts, pumps, services and valves is aiding the segment. The acquisition of Svanehøj also bodes well for the segment. The segment's organic revenues were up 5.2% year over year in the first nine months of 2025. Growth in flow control components and connector solution sales within the aerospace and defense markets is supporting the CCT segment. Also, the acquisition of kSARIA augurs well for the segment. Its organic revenues increased 4.1% year over year in the first nine months of the year. Strong demand for the company's brake components and specialized sealing solutions, shock absorbers and damping technologies in OEM and rail transportation markets is likely to drive the MT segment's performance in the quarters ahead. The segment's organic revenues rose 1.4% year over year in the first nine months. For 2025, the company expects its overall organic sales to increase 3-5% from the year-ago level.

▲ The company engages in **strategic acquisitions** that increase the breadth and depth of its product offerings and help it grow its customer base. Acquisitions contributed 4.3% to the company's sales in third-quarter 2025. In September 2024, ITT acquired kSARIA Parent, Inc. The acquisition will enhance its portfolio of connectivity solutions for the defense and aerospace end markets, technological capabilities and market reach, driving growth and operational efficiency. The January 2024 acquisition of privately held Svanehøj Group A/S (Svanehøj) for approximately \$395 million expanded ITT's offerings, particularly in the marine pumps market. The acquisition of Micro-Mode Products, Inc. in May 2023 expanded ITT's product portfolio and customer base, specifically for long-term defense programs. It also grew its North America connectors platform, enhancing the CCT segment. ITT acquired Clippard Instrument Laboratories' product lines in August 2022. The stainless steel, brass and aluminum cylinders and volume tanks contributed by this acquisition expanded ITT's compact automation product range, targeting the robotics, packaging and automation end markets. On a separate note, in August 2024, ITT divested its Wolverine business to Center Rock Capital Partners for approximately \$171 million. This divestiture allows the company to focus more on its core automotive friction braking business, which now represents about 30% of its total portfolio.

▲ The company is building its capabilities by focusing on **innovation**. In recent times, this focus has involved friction technologies, connectors and pump businesses. For instance, the company invested in a new state-of-the-art brake pad testing center in Huang Shan, China, which is generating solid returns. Also, the company introduced connectors for applications in the energy storage systems market. In October 2023, it made significant investments in the testing facility of its Yellow Mountains site in Eastern China. Also, in June 2023, the company made an initial investment of €50 million to expand its Friction manufacturing facility in Termoli, Italy, and to enhance the research and development competence in Barge, Italy. With this investment, ITT boosted its position in the brake pad market for luxury and sporting vehicles. Apart from expanding its state-of-the-art Friction R&D center, the company invested in its pump business and key markets, including electric vehicles, over the last several quarters. Also, the expansion of its manufacturing automation capabilities is expected to aid the company.

▲ ITT is committed to handsomely rewarding its shareholders through **share buybacks and dividend payments**. During the first nine months of 2025, ITT paid out dividends of \$83.5 million (up 6.1% year over year) and repurchased shares worth \$500.9 million. Also, in 2024, dividend payments totaled \$104.7 million and share repurchases were \$104.5 million. The quarterly dividend rate was hiked 10% in February 2025. In October 2023, ITT's board approved a \$1 billion share repurchase program for an indefinite time. Exiting the third quarter of 2025, the company had a remaining balance of \$475 million under its stock repurchase program.

Strength across all the segments, a focus on innovation and accretive buyouts are aiding ITT. Its efforts to reward shareholders add to its appeal.

## Reasons To Sell:

▼ ITT has been dealing with the negative impact of **high operating costs and expenses** over time. From 2022 to 2024, the company's cost of sales increased 4.9% (CAGR). In 2024, its cost of sales recorded a year-over-year increase of 9.6% due to rising raw material and labor costs. Also, the company's sales and marketing expenses rose 18.2% year over year in the same period due to increasing personnel and other sales-related costs. The trend continued in the first nine months of 2025, with the cost of sales increasing 5.5% year over year. ITT's sales and marketing expenses rose 10.9% year over year in the same period due to the costs incurred for the acquisition of kSARIA and higher selling expenses. In the first nine months of 2025, the company's general and administrative expenses increased 16.9% year over year due to higher incentive-based compensation. High raw material costs may affect margins and profitability in 2025.

▼ ITT's international presence keeps the company exposed to the **risk of adverse currency fluctuations**. This is because a strengthening U.S. dollar is likely to require the company to either raise prices or contract profit margins in locations outside the United States. Thus, adverse currency movements are a worry. In 2024, foreign currency translation reduced the company's revenues by \$24.7 million.

▼ The company operates across diverse regions (North America, Europe and Asia), exposing it to certain **political and geopolitical issues**. For instance, ITT operates the Habonim Industrial Valves and Actuators (Habonim) business in Israel, which it acquired in April 2022. Habonim is part of the company's IP segment. However, the tension between Israel and Iran has caused regional instability, market volatility and a rise in global oil prices. Further escalation of this conflict may lead to supply-chain disruptions, inflation, workforce disruptions, and demand fluctuations, which could affect its operations. Also, the persistence of tariff-related concerns, particularly for steel and aluminum, might also inflate costs and delay the delivery of products to its customers. Further, the company develops proprietary technology for the industries in which it operates and relies on intellectual property laws and several patents to protect such technology. The failure to enforce and defend its intellectual property could hurt its business.

Escalating operating expenses and forex woes may affect ITT's performance in the quarters ahead.

## Last Earnings Report

### ITT's Q3 Earnings & Revenues Top Estimates, Increase Y/Y

ITT's third-quarter 2025 adjusted earnings of \$1.78 per share surpassed the Zacks Consensus Estimate of \$1.67. The bottom line jumped 21.1% year over year, aided by an increase in sales across the Connect & Control Technologies and Industrial Process segments.

Total revenues of \$999.1 million beat the consensus estimate of \$977 million. The top line increased 12.9% year over year. Organic sales increased 6.1% year over year, driven by pump project shipments in the Industrial Process segment, an increase in aerospace and industrial connectors demand in the Connect & Control Technologies segment and share gains in automotive and rail in the Motion Technologies segment.

### ITT's Segmental Results

Revenues from the Industrial Process segment totaled \$383.9 million, up 15% year over year. Strength in pump projects and pricing actions aided the segment's performance. Organic sales increased 11.3% and adjusted operating income grew 18.7% on a year-over-year basis. Our estimate for segmental revenues was pinned at \$371.2 million.

Revenues from the Motion Technologies segment amounted to \$355.6 million, implying a year-over-year increase of 3.1%. The higher sales were attributable to solid momentum in Friction original equipment and KONI rail demand, partially offset by the impact of Wolverine divestiture. However, organic revenues increased 0.7% year over year. Adjusted operating income increased 15.4%. Our estimate for segmental revenues was pinned at \$351.5 million.

Revenues from the Connect & Control Technologies segment of \$259.2 million rose 25.1% year over year on a reported basis and 6.1% organically. Our estimate was \$252.7 million. The results were driven by solid demand for commercial aerospace components and connectors and favorable pricing actions. Adjusted operating income increased 20.3% year over year.

### Margin Profile

ITT's cost of revenues increased 12.9% year over year to \$643.9 million. The gross profit jumped 12.9% to \$355.2 million. General and administrative expenses increased 20% year over year to \$89.8 million. Sales and marketing expenses rose 13.9% to \$57.5 million. Research and development expenses decreased 1.7% year over year to \$28.1 million.

Adjusted operating income rose 13.8% year over year to \$184.7 million. The margin expanded 20 basis points to 18.5%.

### Balance Sheet and Cash Flow

Exiting the third quarter, ITT had cash and cash equivalents of \$516.4 million compared with \$439.3 million at the end of fourth-quarter 2024. The company's short-term borrowings were \$418 million compared with \$427.6 million at the end of December 2024.

In the first nine months of 2025, ITT generated net cash of \$441 million from operating activities compared with \$339.4 million in the year-ago period. Capital expenditure totaled \$80.9 million in the same period, down 7.5% year over year. Free cash flow was \$368 million compared with \$251.9 million in the prior-year period.

During the first nine months of 2025, ITT paid out dividends of \$83.5 million, up 6.1% year over year. It repurchased shares worth \$500.9 million in the period.

### ITT's 2025 Outlook

ITT has updated its financial outlook for 2025. The company expects adjusted earnings to be in the range of \$6.62-\$6.68 per share compared with \$6.35-\$6.55 expected earlier. The guided range indicates an increase of 13-14% from the prior-year reported actual.

Management projects revenue growth to be in the band of 6-7% (3-5% organically). Adjusted operating margin is estimated to be between 18.2% and 18.5%. Free cash flow is predicted to be \$500 million. This indicates a free cash flow margin of 13%.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 29, 2025
Sales Surprise	2.23%
EPS Surprise	6.59%
Quarterly EPS	1.78
Annual EPS (TTM)	6.37

## Recent News

### Dividend Update — Oct 29, 2025

ITT's board of directors approved a quarterly cash dividend of 35.1 cents per share, payable to shareholders on Dec. 31, 2025, of record as of Dec. 1.

## Valuation

ITT's shares are up 16.2% and 16.8% in the past six months and over the trailing 12-month period respectively. Stocks in both the Zacks sub-industry and the Zacks Conglomerates sector are down 0.6% in the past six months. Over the past year, both the Zacks sub-industry and the sector are down 3.6%.

The S&P 500 index is up 16.4% and 14.5% in the past six months and over the past year respectively.

The stock is currently trading at 23.35X forward 12-month price-to-earnings, which compares to 14.03X for the Zacks sub-industry, 14.03X for the Zacks sector and 23.30X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 27.13X and as low as 13.29X, with a 5-year median of 20.99X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$184 price target reflects 24.52X forward 12-month earnings.

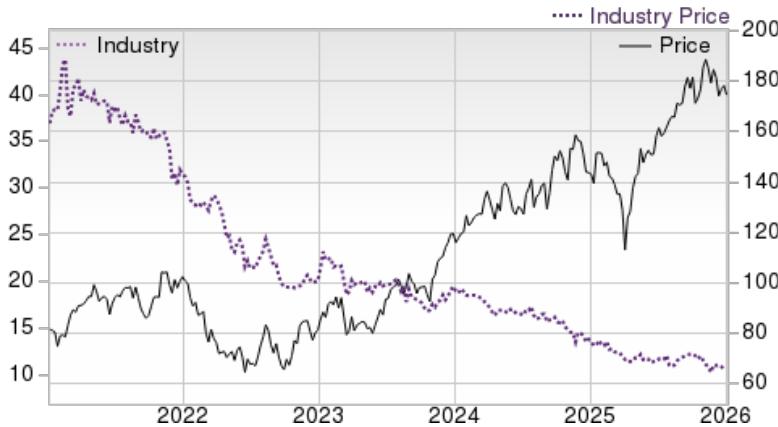
The table below shows summary valuation data for ITT

Valuation Multiples - ITT						
		Stock	Sub-Industry	Sector	S&P 500	
P/E F12M	Current	23.35	14.03	14.03	23.3	
	5-Year High	27.13	22.74	22.74	23.78	
	5-Year Low	13.29	12.35	12.35	15.73	
	5-Year Median	20.99	15.03	15.03	21.22	
P/Sales F12M	Current	3.66	1.97	1.97	5.25	
	5-Year High	3.79	2.9	2.9	5.5	
	5-Year Low	1.71	1.67	1.67	3.83	
	5-Year Median	2.8	2.09	2.09	5.05	

As of 12/15/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 26% (180 out of 244)



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

Company (Ticker)	Rec	Rank
Federal Signal Corp... (FSS)	Neutral	3
Honeywell Internatio... (HON)	Neutral	3
IAC Inc. (IAC)	Neutral	2
ITT Inc. (ITT)	Neutral	3
3M Company (MMM)	Neutral	3
Carlisle Companies I... (CSL)	Underperform	4
Griffon Corporation (GFF)	Underperform	5
China Resources Ente... (CRHKY)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Diversified Operations

	ITT	X Industry	S&P 500	FSS	GFF	HON
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	5	3
VGM Score	D	-	-	C	C	C
Market Cap	15.50 B	671.02 M	40.07 B	7.05 B	3.59 B	130.30 B
# of Analysts	7	3.5	22	2	3	7
Dividend Yield	0.78%	0.00%	1.38%	0.48%	1.13%	2.32%
Value Score	D	-	-	C	C	D
Cash/Price	0.03	0.19	0.04	0.01	0.03	0.11
EV/EBITDA	18.95	5.19	14.89	21.14	9.16	15.31
PEG Ratio	2.67	1.70	2.04	1.80	1.13	2.75
Price/Book (P/B)	5.26	0.84	3.41	5.33	48.86	7.34
Price/Cash Flow (P/CF)	23.67	11.37	15.44	26.21	6.29	17.07
P/E (F1)	27.10	15.33	18.58	25.25	13.12	19.36
Price/Sales (P/S)	4.07	1.21	3.06	3.43	1.42	3.20
Earnings Yield	4.15%	6.54%	5.38%	3.96%	7.63%	5.16%
Debt/Equity	0.22	0.26	0.57	0.15	18.99	1.70
Cash Flow (\$/share)	7.61	0.45	8.98	4.42	12.34	12.02
Growth Score	C	-	-	B	C	B
Hist. EPS Growth (3-5 yrs)	14.40%	13.78%	8.24%	21.81%	31.19%	8.42%
Proj. EPS Growth (F1/F0)	13.48%	8.13%	9.21%	24.25%	4.78%	7.58%
Curr. Cash Flow Growth	14.70%	-6.67%	7.00%	24.63%	79.97%	7.09%
Hist. Cash Flow Growth (3-5 yrs)	6.57%	4.64%	7.49%	12.21%	34.85%	2.08%
Current Ratio	1.52	1.56	1.19	2.61	2.66	1.36
Debt/Capital	17.77%	21.60%	38.14%	13.21%	95.00%	62.91%
Net Margin	12.67%	6.76%	12.77%	11.47%	2.03%	15.07%
Return on Equity	18.96%	11.49%	17.03%	19.50%	181.66%	38.11%
Sales/Assets	0.78	0.69	0.53	1.10	1.14	0.53
Proj. Sales Growth (F1/F0)	6.70%	0.00%	5.29%	15.70%	0.50%	5.90%
Momentum Score	C	-	-	F	B	D
Daily Price Chg	1.29%	0.62%	-0.34%	1.90%	4.26%	2.87%
1 Week Price Chg	-2.07%	-0.62%	1.10%	-1.76%	-0.69%	-0.75%
4 Week Price Chg	3.04%	1.36%	0.50%	3.25%	0.52%	5.88%
12 Week Price Chg	5.40%	5.40%	3.75%	-3.19%	3.59%	1.02%
52 Week Price Chg	26.07%	14.10%	16.94%	24.81%	7.58%	-6.78%
20 Day Average Volume	857,337	39,629	2,431,070	374,015	255,810	3,343,894
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.10%	0.00%	0.00%	-0.76%	0.27%	0.00%
(F1) EPS Est 12 week change	1.95%	0.00%	0.44%	1.59%	-6.50%	-6.84%
(Q1) EPS Est Mthly Chg	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%

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

### ITT Inc. (ITT)

In \$MM, except per share data

FY Ends December 31st	2022A	2023A	2024A	2025E				2026E				2027E		
	FY Dec-22	FY Dec-23	FY Dec-24	1Q4	2Q4	3Q4	4Q4	FY Dec-25	1QE Dec-25	2QE Dec-26	3QE Dec-26	4QE Dec-26	FY Dec-26	FY Dec-27
				29-Mar-25	28-Jun-25	27-Sep-25	31-Dec-25							
<b>Income Statement</b>														
Total Revenue	\$2,987.7	\$3,283.0	\$3,630.7	\$913.0	\$972.4	\$999.1	\$991.6	\$3,876.1	\$970.1	\$992.3	\$1,040.9	\$1,020.6	\$4,023.8	\$4,303.4
Organic Revenue Growth	12.2%	8.1%	6.9%	0.0%	4.3%	6.1%	3.8%	3.5%	4.1%	3.3%	2.8%	2.9%	3.2%	7.1%
Acquisitions/Divestitures	1.7%	1.0%	4.8%	2.0%	1.3%	4.0%	1.8%	2.3%	2.0%	(1.3%)	1.3%	0.0%	0.5%	(0.1%)
Currency	(5.8%)	0.8%	(0.8%)	(1.8%)	1.9%	2.7%	1.2%	1.0%	0.1%	(0.1%)	0.2%	0.0%	0.1%	0.0%
Acquisitions/Divestitures (\$)	\$46.5	\$30.5	\$159.1	\$18.0	\$12.0	\$35.7	\$16.6	\$82.3	\$18.2	(\$12.3)	\$12.5	\$0.0	\$18.4	(\$5.7)
Currency (\$)	(\$160.9)	\$23.1	(\$24.7)	(\$16.0)	\$17.4	\$24.3	\$10.9	\$36.6	\$1.2	(\$0.5)	\$2.0	\$0.0	\$2.7	\$0.6
Cost of Revenue	\$2,065.4	\$2,175.7	\$2,383.4	\$596.7	\$625.6	\$643.9	\$637.3	\$2,503.5	\$620.9	\$631.7	\$666.1	\$634.6	\$2,553.4	\$2,644.4
Gross Profit	\$922.3	\$1,107.3	\$1,247.3	\$316.3	\$346.8	\$355.2	\$354.3	\$1,372.6	\$349.2	\$360.6	\$374.8	\$385.9	\$1,470.5	\$1,659.0
General and Administrative Expenses	\$217.2	\$302.6	\$296.6	\$85.3	\$85.7	\$89.8	\$83.0	\$343.8	\$86.6	\$91.1	\$96.5	\$92.2	\$366.4	\$429.8
Sales and Marketing Expenses	\$156.9	\$174.0	\$205.7	\$53.2	\$57.0	\$57.5	\$54.8	\$222.5	\$55.7	\$61.7	\$68.3	\$63.4	\$249.2	\$288.3
Research and Development Expenses	\$96.5	\$102.6	\$116.3	\$26.9	\$29.0	\$28.1	\$29.1	\$113.1	\$28.3	\$28.9	\$30.1	\$29.8	\$117.2	\$125.2
Gain on Sale of Businesses			(\$7.2)	(\$47.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
EBITDA	\$581.2	\$663.8	\$780.0	\$196.5	\$214.5	\$219.9	\$224.8	\$855.7	\$214.9	\$215.3	\$218.2	\$248.5	\$896.9	\$1,025.0
Depreciation & Amortization	\$107.4	\$109.2	\$137.3	\$37.2	\$35.5	\$35.2	\$37.7	\$145.6	\$36.5	\$36.5	\$38.4	\$38.1	\$149.6	\$159.8
Operating Income, Adjusted	\$473.8	\$554.6	\$642.7	\$159.3	\$179.0	\$184.7	\$187.2	\$710.2	\$178.4	\$178.7	\$179.7	\$210.4	\$747.3	\$865.2
Operating Income, GAAP	\$468.0	\$528.2	\$676.0	\$150.9	\$175.1	\$179.8	\$187.3	\$693.1	\$178.5	\$178.8	\$179.8	\$200.5	\$737.7	\$815.6
Interest Income (Expense), Net, Adjusted	(\$6.4)	(\$9.0)	(\$30.0)	(\$7.6)	(\$10.2)	(\$10.2)	(\$13.8)	(\$41.8)	(\$13.4)	(\$14.0)	(\$14.4)	(\$14.1)	(\$56.0)	(\$58.9)
Interest Income (Expense), Net, GAAP	(\$6.4)	(\$10.4)	(\$30.0)	(\$7.6)	(\$10.2)	(\$10.2)	(\$9.8)	(\$37.8)	(\$9.4)	(\$10.0)	(\$10.4)	(\$10.1)	(\$40.0)	(\$42.9)
Other Income (Expense), Net, Adjusted	\$0.2	\$1.7	\$1.6	\$1.0	(\$0.7)	\$2.9	\$0.7	\$3.9	\$1.0	\$1.0	\$1.5	\$1.1	\$4.5	\$4.9
Other Income (Expense), Net, GAAP	\$0.2	\$1.7	\$1.6	\$1.0	(\$0.7)	\$2.9	\$0.7	\$3.9	\$1.0	\$1.0	\$1.5	\$1.1	\$4.5	\$4.9
Interest and Non-Operating Expense, net, GAAP	(\$6.2)	(\$8.7)	(\$28.4)	(\$6.6)	(\$10.9)	(\$7.3)	(\$9.1)	(\$33.9)	(\$8.5)	(\$9.0)	(\$8.9)	(\$9.1)	(\$35.5)	(\$38.0)
Pre-Tax Income, Adjusted	\$467.6	\$547.3	\$614.3	\$152.7	\$168.1	\$174.8	\$174.1	\$669.7	\$166.0	\$165.7	\$166.8	\$197.3	\$695.8	\$811.2
Pre-Tax Income, GAAP	\$461.8	\$519.5	\$647.6	\$144.3	\$164.2	\$172.5	\$178.2	\$659.2	\$170.1	\$169.8	\$170.9	\$191.4	\$702.2	\$777.6
Income Taxes, Adjusted	\$93.7	\$113.0	\$128.6	\$33.3	\$37.1	\$33.9	\$33.8	\$138.1	\$32.2	\$32.1	\$32.4	\$38.3	\$134.9	\$157.3
Income Taxes, GAAP	\$91.1	\$104.8	\$125.8	\$35.2	\$42.5	\$44.3	\$45.8	\$167.8	\$43.7	\$43.6	\$43.9	\$49.2	\$180.5	\$199.8
Tax Rate, Adjusted	20.0%	20.6%	20.9%	21.8%	22.1%	19.4%	19.4%	20.6%	19.4%	19.4%	19.4%	19.4%	19.4%	19.4%
Tax Rate, GAAP	19.7%	20.2%	19.4%	24.4%	25.9%	25.7%	25.7%	25.5%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%
Non-Controlling Interests	\$2.4	\$3.3	\$3.4	\$0.7	\$0.7	\$1.2	\$0.8	\$3.4	\$0.9	\$0.9	\$1.0	\$0.9	\$3.7	\$3.9
Net Income from Continuing Operations, Adjusted	\$371.5	\$431.0	\$482.3	\$118.7	\$130.3	\$139.7	\$139.5	\$528.2	\$132.9	\$132.7	\$133.5	\$158.1	\$557.2	\$649.9
Net Income from Continuing Operations, GAAP	\$368.3	\$411.4	\$518.4	\$108.4	\$121.0	\$127.0	\$131.6	\$488.0	\$125.5	\$125.3	\$126.0	\$141.3	\$518.1	\$573.8
Net Income from Discontinuing Operations	(\$1.3)	(\$0.9)	(\$0.1)	\$0.0	\$0.0	(\$0.1)	(\$0.2)	(\$0.3)	(\$0.2)	(\$0.2)	(\$0.1)	(\$0.1)	(\$0.6)	(\$0.6)
Net Income, GAAP	\$367.0	\$410.5	\$518.3	\$108.4	\$121.0	\$126.9	\$131.4	\$487.7	\$125.3	\$125.1	\$125.9	\$141.2	\$517.5	\$573.2
Basic Shares Outstanding	83.4	82.3	81.8	81.3	79.0	78.0	78.0	79.1	78.0	78.0	78.0	78.0	78.0	78.0
Diluted Shares Outstanding	83.7	82.7	82.3	81.7	79.4	78.4	78.4	79.5	78.4	78.4	78.4	78.4	78.4	78.4
Basic EPS	\$4.40	\$4.99	\$6.34	\$1.33	\$1.53	\$1.63	\$1.68	\$6.17	\$1.61	\$1.60	\$1.61	\$1.81	\$6.63	\$7.35
Diluted EPS from Continuing Operations, Adjusted	\$4.44	\$5.21	\$5.86	\$1.45	\$1.64	\$1.78	\$1.78	\$6.65	\$1.70	\$1.69	\$1.70	\$2.02	\$7.11	\$8.29
Diluted EPS from Continuing Operations, GAAP	\$4.40	\$4.97	\$6.30	\$1.33	\$1.52	\$1.62	\$1.68	\$6.15	\$1.60	\$1.60	\$1.61	\$1.80	\$6.61	\$7.32
Diluted EPS, GAAP	\$4.38	\$4.96	\$6.30	\$1.33	\$1.52	\$1.62	\$1.68	\$6.15	\$1.60	\$1.60	\$1.61	\$1.80	\$6.60	\$7.31
Dividend per Share	\$1.06	\$1.16	\$1.28	\$0.35	\$0.35	\$0.35	\$1.40	\$0.39	\$0.39	\$0.39	\$0.39	\$1.54	\$1.68	

## Zacks Stock Rating System

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

### Zacks Recommendation

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

### Zacks Rank

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

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

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

Value Score	D
Growth Score	C
Momentum Score	C
VGM Score	D

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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