

Leidos Holdings, Inc. (LDOS)

\$195.22 (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$207.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 10/23/25)
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: VGM: A
Value: B | Growth: A | Momentum: A

Summary

Leidos Holdings' defense solutions business continues to witness increased orders from the Pentagon and other U.S. allies. These contracts led to a solid backlog of \$47.66 billion at the end of the third quarter, which should boost Leidos' revenue generation prospects. The solid financial position of the company has allowed it to enhance shareholder returns through dividend hikes. Our model expects the company's total revenues to increase during 2025-2027. The stock has outperformed its industry in the past year. Yet, the shortage of labor in the aerospace and defense industry poses a threat to Leidos. Persistent supply-chain constraints, owing to the shortage of critical materials, might affect Leidos. Higher import tariffs or any trade disputes may increase the cost of essential inputs used in Leidos' defense manufacturing.

Data Overview

52 Week High-Low	\$205.77 - \$123.62
20 Day Average Volume (sh)	804,514
Market Cap	\$25.0 B
YTD Price Change	8.2%
Beta	0.58
Dividend / Div Yld	\$1.72 / 0.9%
Industry	Computers - IT Services
Zacks Industry Rank	Top 44% (108 out of 244)

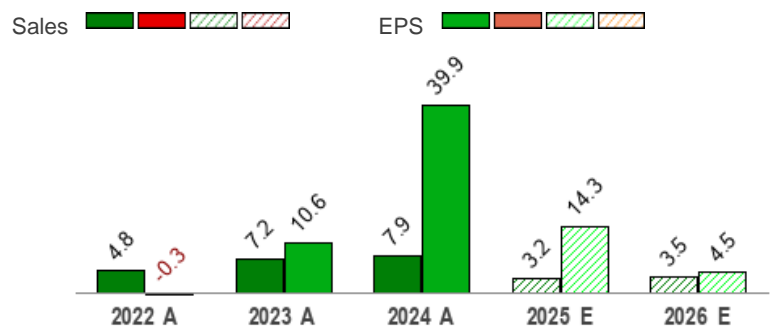
Last EPS Surprise	16.9%
Last Sales Surprise	4.8%
EPS F1 Est- 4 week change	0.1%
Expected Report Date	02/10/2026
Earnings ESP	0.0%

P/E TTM	16.8
P/E F1	16.7
PEG F1	1.8
P/S TTM	1.4

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	4,339 E	4,405 E	4,571 E	4,488 E	17,802 E
2025	4,245 A	4,253 A	4,469 A	4,233 E	17,200 E
2024	3,975 A	4,132 A	4,190 A	4,365 A	16,662 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2.93 E	3.04 E	3.11 E	3.13 E	12.20 E
2025	2.97 A	3.21 A	3.05 A	2.44 E	11.67 E
2024	2.29 A	2.63 A	2.93 A	2.37 A	10.21 A

*Quarterly figures may not add up to annual.

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

(2) The report's text, the analyst-provided estimates, and the price target are as of 01/07/2026.

Overview

Founded in 1969, Delaware-based Leidos Holdings, Inc. is a global science and technology leader that serves the defense, intelligence, civil and health markets. Its core capabilities include providing solutions in the fields of cybersecurity; data analytics; enterprise IT modernization; operations and logistics; sensors, collection and phenomenology; software development; and systems engineering.

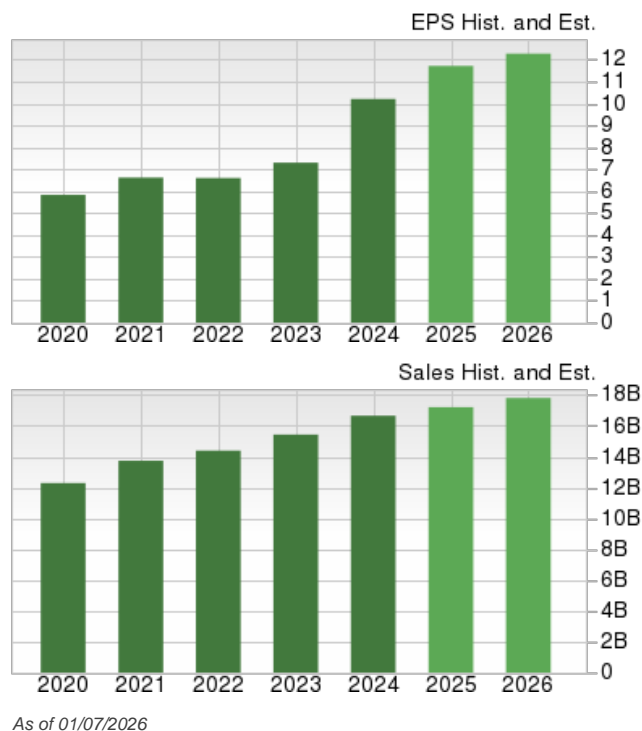
During the first quarter of 2024, Leidos Holdings completed a realignment of its segment and reporting structure. Consequently, the company currently operates through the following four business segments:

National Security and Digital: This business segment offers technology-enabled services and mission software capabilities in the areas of cyber, logistics, security operations and decision analytics, as well as IT operations and digital transformation programs. In 2024, this division generated revenues of \$7,365 million, contributing 44.2% to Leidos' total revenues.

Health & Civil: This segment provides services and solutions in the areas of public health, care coordination, life and environmental sciences and transportation. Its core capabilities include health information management services, managed health services, systems and infrastructure modernization, and life sciences research and development. The unit recorded revenues of \$5,015 million in 2024, which accounted for 30.1% of Leidos' total revenues.

Commercial & International: This unit's products include IT modernization, software solutions, mission support and logistics, Command, Control, Computers, Communications, Intelligence, Surveillance and Reconnaissance (C4ISR) technologies and services, cloud services, power grid engineering, energy modernization and security products and services. Revenues from this division totaled \$2,252 million, representing 13.5% of Leidos' total revenues.

Defense Systems: This unit develops and produces advanced space, aerial, surface, and sub-surface manned and unmanned defense systems. Revenues from this division totaled \$2,030 million in 2024, representing 12.2% of Leidos' total revenues.



Reasons To Buy:

- ▲ Increased contract wins for its cost-effective defense solutions from the Pentagon and other U.S. allies have been serving as a primary revenue growth driver for Leidos Holdings. Evidently, during the third quarter of 2025, its Defense Systems revenues witnessed the highest growth, increasing 11% year over year, backed by increased volumes in integrated air defense, including the Indirect Fires Protection Capability Increment 2 system and radar surveillance systems. Notable contract wins bolster the company's bookings and, consequently, its backlog count. In the third quarter, the company recorded net bookings worth \$5.9 billion. This, in turn, led to a solid backlog of \$47.66 billion as of Oct. 3, 2025, compared with the prior-year quarter's figure of \$45.51 billion. Such improving backlog trends indicate impressive revenue growth prospects for the company in the quarters ahead. Our model expects it total revenues to increase 3.2%, 3.5% and 3.2%, in 2025, 2026 and 2027, respectively.
- ▲ The macroeconomic environment in the nation has been boosting the growth prospects of Leidos Holdings, given the widespread geopolitical uncertainty along with the current U.S. administration's inclination toward increased defense spending. Notably, 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 year 2026. In particular, this defense budget proposal includes an initial investment of \$25 billion for the development and deployment of a Golden Dome for America, a next-generation missile defense shield that would protect the United States from missile threats coming from any adversary. To this end, Leidos believes that it is very well-positioned to contribute meaningfully to the Golden Dome mission, which will require next-generation sensor and missile defense capabilities like those offered by Leidos with its latest air and missile defense capability playing a vital role in the defense of Guam.

The budget also advocates for an investment of \$60 billion in nuclear enterprise modernization, encompassing all three legs of the nation's nuclear triad. Leidos has supported the nation's nuclear deterrence mission with science, engineering, and technology initiatives since its inception. Thus, such encouraging spending provisions by the U.S. administration are expected to significantly boost the growth prospects of defense primes like Leidos Holdings, with approximately 87% of its total revenues generated from contracts awarded by the U.S. government.
- ▲ Leidos Holdings' cash and cash equivalents totaled \$0.97 billion at the end of the third quarter of 2025. Its long-term debt amounted to \$4.63 billion as of Oct. 3, 2025, which was significantly higher than its cash reserve. However, the company's current debt totaled \$0.19 billion, lower than its cash balance. So, we may safely conclude that the company holds a strong liquidity position.

Moreover, its current ratio of 1.62 at the end of the third quarter 2025, which being more than one, indicates that the company boasts sufficient capital to pay off its short-term debt obligations. The ratio also improved sequentially. Its interest coverage ratio is 10.2 at the end of the third quarter of 2025. The company's debt-to-capital improved from the prior quarter's level. Such an impressive financial ratio further strengthens one's optimism for the company's financial position.
- ▲ Such a solid financial position of the company enables it to reward its shareholders with regular dividend payouts and lucrative share repurchases. In October 2025, LDOS increased its quarterly dividend to 43 cents per share, up 7.5% from the previous quarter's payout. During the first nine months of 2025, the company paid dividends worth \$156 million, indicating a rise of 0.6% year over year. Leidos repurchased \$639 million worth of its shares on the open market in the first nine months of 2025, reflecting a year-over-year solid improvement of 27.8%. Such impressive shareholder-friendly moves might have boosted investors' confidence in this stock. The company's shares have gained 35.5% in the past year against the industry's 19.2% decline.

Favorable budgetary revisions, solid contract inflows and solid solvency position should keep Leidos' momentum alive

Reasons To Sell:

- ▼ Persistent supply-chain challenges plaguing the global market continue to pose a risk for the defense industry and its players like Leidos. In particular, the shortage of critical materials, such as semiconductors and rare earth elements, which are essential for defense technologies, along with too much global reliance on a handful of nations like China and Russia, has added fuel to the acute supply-chain imbalance that occurred during the pandemic. Worldwide disruption arising out of widespread geopolitical tensions has also been impacting the global supply chain. Such supply-chain challenges pushed up the cost of raw materials needed to manufacture defense products as well as impacted the timely delivery of defense equipment and systems.

The impact of global supply-chain challenges, tariffs, and labor shortage poses a threat to this stock's growth

Although the effects of the pandemic have almost worn out, the other factors mentioned above are not likely to disappear anytime soon. So, a stark improvement in the supply-chain challenges impacting the defense industry cannot be expected in the coming months, which, in turn, will continue to remain a threat for defense contractors like Leidos, at least in the near term.

- ▼ Shortage of labor continues to pose a threat to stocks like Leidos Holdings, which have a significant presence in the aerospace-defense industry. 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. Such constraints might cause Leidos to not be able to deliver its finished products to the commercial aviation industry in the stipulated timeline, which may impact its future operating results.
 - ▼ Moreover, the United States government has recently implemented widespread tariffs on its major trading partners, raising concerns for companies like Leidos. Higher tariffs on imported goods and materials, along with potential retaliatory measures and renegotiation of trade agreements, could increase cost of certain goods necessary for production of defense products made by Leidos, apart from disrupting global supply chains. If additional tariffs are introduced or current measures are expanded, it could affect the company's operations, especially in terms of the availability of raw materials and operating costs.
-

Last Earnings Report

Leidos Holdings Beats Q3 Earnings Estimates, Raises '25 View

Leidos Holdings' third-quarter 2025 adjusted earnings of \$3.05 per share beat the Zacks Consensus Estimate of \$2.61 by 16.9%. The bottom line also improved 4.1% from \$2.93 registered in the prior-year quarter.

LDOS reported GAAP earnings of \$2.82 per share, implying an improvement from the prior-year quarter's level of \$2.68.

The year-over-year upside in the bottom line can be attributed to revenue growth and higher operating income than the prior-year level.

LDOS' Total Revenues

Total revenues of \$4.47 billion beat the Zacks Consensus Estimate of \$4.27 billion by 4.8%. The top line also improved 6.7% year over year, driven by increased demand across all customer segments, especially Defense Systems, thanks to strong demand for innovative military products.

LDOS' Backlog

The company recorded a total backlog of \$47.66 billion, up from \$45.51 billion at the end of the first quarter of 2025. Of this amount, \$9.06 billion was funded.

Operational Statistics of LDOS

The cost of revenues increased 6.4% year over year to \$3.65 billion.

LDOS reported an adjusted operating income of \$535 million compared with \$516 million in the year-ago quarter.

Interest expenses totaled \$51 million, which increased from the year-ago figure of \$46 million.

Leidos' Segmental Performance

National Security and Digital: Net revenues in this segment improved 8% year over year to \$2.02 billion. The increase can be attributed to recent contract awards, increased volumes on the Defense IT and Intelligence Community mission support program and a modest contribution from Kudu Dynamics.

Adjusted operating income improved to \$191 million from the year-ago level of \$187 million. Adjusted operating margin was 10%, which decreased from the prior-year figure.

Health & Civil: The segment recorded revenues of \$1.30 billion, up 6.2% year over year.

Adjusted operating income totaled \$328 million compared with \$287 million in the year-ago quarter. The adjusted operating margin was 25.7%, which increased year over year.

Commercial & International: Revenues in this segment amounted to \$571 million, down 1.2% year over year. This segment recorded an adjusted operating income of \$38 million compared with \$41 million in the year-ago quarter. The adjusted operating margin was 6.7%, down year over year.

Defense Systems: Revenues in this segment amounted to \$582 million, up 11.5% year over year. This segment recorded an adjusted operating income of \$37 million in line with the year-ago period. The adjusted operating margin was 6.4%, down year over year.

LDOS' Financials

Cash and cash equivalents totaled \$974 million as of Oct. 3, 2025, compared with \$849 million as of Jan. 3, 2025.

As of Oct. 3, 2025, the long-term debt, net of the current portion, amounted to \$4.63 billion compared with \$4.05 billion as of Jan. 3, 2025.

Net cash flow from operating activities totaled \$711 million at the end of the third quarter of 2025 compared with \$647 million recorded a year ago.

LDOS' 2025 Guidance

Leidos Holdings has raised its 2025 guidance. It currently expects to generate adjusted earnings in the range of \$11.45-\$11.75 per share, higher than its earlier projection of \$10.15-\$10.45. The Zacks Consensus Estimate for earnings is pegged at \$11.41 per share, which lies below the company's new guidance.

LDOS still expects 2025 revenues to be in the band of \$17.00-\$17.25 billion. The Zacks Consensus Estimate for revenues is pegged at \$17.15 billion, above the midpoint of the company's newly guided range.

It still expects to generate cash flow from operating activities of approximately \$1.65 billion.

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

Earnings Reporting Date	Nov 04, 2025
Sales Surprise	4.76%
EPS Surprise	16.86%
Quarterly EPS	3.05
Annual EPS (TTM)	11.60

Valuation

Leidos Holdings' shares are up 21.9% in the past six months period and 35.5% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 13.6%, whereas the Zacks Computer and Technology sector is up 19% in the past six months period. Over the past year, the Zacks sub-industry is down 19.2% while the sector is up 25.3%.

The S&P 500 index is up 13.8% in the past six months period and 18.9% in the past year.

The stock is currently trading at 16.07X forward 12-months earnings, which compares with 24.17X for the Zacks sub-industry, 23.19X for the Zacks sector and 23.25X for the S&P 500 index.

Over the past five years, the stock has traded as high as 20.21X and as low as 11.3X, with a 5-year median of 14.73X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$207 price target reflects 16.84X forward 12-months earnings.

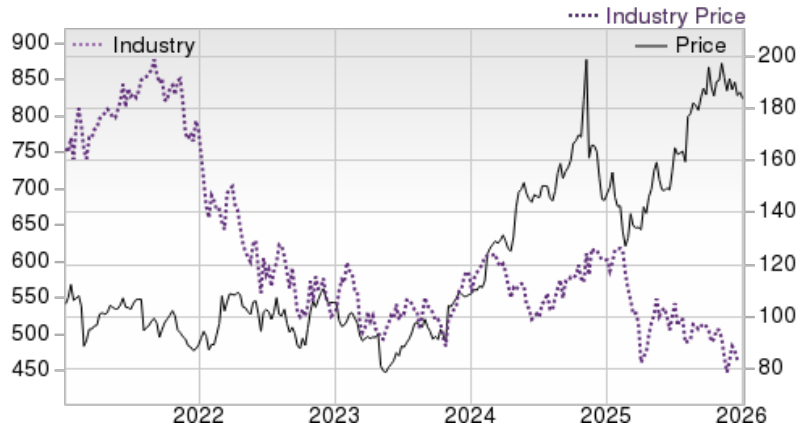
The table below shows summary valuation data for LDOS.

Valuation Multiples - LDOS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	16.07	24.17	23.19	23.25
	5-Year High	20.21	39.71	29.96	23.8
	5-Year Low	11.3	24.05	18.7	15.74
	5-Year Median	14.73	29.16	26.26	21.21
P/S F12M	Current	1.42	15.91	7.42	5.63
	5-Year High	1.59	22.19	7.42	5.63
	5-Year Low	0.69	12.44	4.23	3.82
	5-Year Median	1	16.98	6.3	5.04
EV/SALES TTM	Current	1.67	15.97	8.15	5.79
	5-Year High	1.83	25.86	8.39	5.81
	5-Year Low	1.02	13.49	4.15	3.76
	5-Year Median	1.34	17.73	6.9	5.1

As of 01/06/2026

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 44% (108 out of 244)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Vertiv Holdings Co. (VRT)	Outperform	2
General Dynamics Cor... (GD)	Neutral	3
Huntington Ingalls I... (HII)	Neutral	3
L3Harris Technologie... (LHX)	Neutral	3
MTU Aero Engines AG (MTUAY)	Neutral	3
Safran SA (SAFRY)	Neutral	2
Virgin Galactic Hold... (SPCE)	Neutral	3
Textron Inc. (TXT)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Computers - It Services

	LDOS	X Industry	S&P 500	EADSY	LHX	TXT
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	A	-	-	D	F	B
Market Cap	24.96 B	2.23 B	40.07 B	197.39 B	60.93 B	16.16 B
# of Analysts	8	4	22	4	7	5
Dividend Yield	0.88%	0.00%	1.38%	0.66%	1.47%	0.09%
Value Score	B	-	-	C	C	B
Cash/Price	0.04	0.11	0.04	0.09	0.01	0.10
EV/EBITDA	13.49	9.95	14.89	19.80	19.89	12.67
PEG Ratio	1.80	1.51	2.04	1.30	2.04	1.37
Price/Book (P/B)	5.04	3.02	3.41	7.14	3.12	2.16
Price/Cash Flow (P/CF)	15.52	16.17	15.44	25.81	16.15	11.95
P/E (F1)	16.73	17.82	18.58	27.52	26.32	13.75
Price/Sales (P/S)	1.44	2.45	3.06	2.48	2.80	1.14
Earnings Yield	6.29%	4.93%	5.38%	3.63%	3.80%	7.27%
Debt/Equity	0.94	0.05	0.57	0.59	0.56	0.45
Cash Flow (\$/share)	12.58	1.01	8.98	2.42	20.17	7.68
Growth Score	A	-	-	F	F	D
Hist. EPS Growth (3-5 yrs)	15.00%	6.86%	8.24%	1.59%	-0.17%	21.55%
Proj. EPS Growth (F1/F0)	14.30%	10.01%	9.21%	29.66%	-18.70%	12.23%
Curr. Cash Flow Growth	-13.24%	1.70%	7.00%	17.47%	-1.77%	-6.44%
Hist. Cash Flow Growth (3-5 yrs)	11.27%	8.59%	7.49%	1.13%	NA	2.06%
Current Ratio	1.62	1.62	1.19	1.15	1.14	1.84
Debt/Capital	48.32%	12.95%	38.14%	37.28%	36.02%	31.07%
Net Margin	8.11%	3.35%	12.77%	6.97%	8.09%	5.81%
Return on Equity	33.02%	8.34%	17.03%	22.55%	11.08%	14.16%
Sales/Assets	1.30	0.90	0.53	0.55	0.53	0.83
Proj. Sales Growth (F1/F0)	3.20%	5.98%	5.29%	16.30%	3.30%	8.10%
Momentum Score	A	-	-	A	C	A
Daily Price Chg	-0.71%	0.32%	-0.34%	0.10%	5.16%	3.53%
1 Week Price Chg	-1.29%	-1.72%	1.10%	2.82%	2.60%	-3.51%
4 Week Price Chg	2.46%	0.55%	0.50%	10.30%	12.38%	5.60%
12 Week Price Chg	5.86%	-9.67%	3.75%	5.89%	14.58%	12.32%
52 Week Price Chg	33.94%	-14.90%	16.94%	53.05%	57.25%	20.67%
20 Day Average Volume	804,514	804,514	2,431,070	306,754	1,024,850	1,510,539
(F1) EPS Est 1 week change	0.03%	0.00%	0.00%	0.11%	-0.03%	0.00%
(F1) EPS Est 4 week change	0.14%	0.00%	0.00%	0.11%	-0.27%	0.00%
(F1) EPS Est 12 week change	4.24%	0.34%	0.44%	3.30%	0.12%	-1.39%
(Q1) EPS Est Mthly Chg	0.26%	0.00%	0.00%	0.00%	-0.78%	0.00%

Analyst Earnings Model⁽²⁾

Leidos Holdings, Inc. (LDOS)

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	Jan-25	28-Mar-25	27-Jun-25	3-Oct-25	2-Jan-26	Jan-26	2-Apr-27	2-Jul-27	1-Oct-27	31-Dec-27	Dec-27	Dec-28
Income Statement														
Total Revenue	\$14,396.0	\$15,438.0	\$16,662.0	\$4,245.0	\$4,253.0	\$4,469.0	\$4,233.2	\$17,200.2	\$4,338.5	\$4,405.1	\$4,570.7	\$4,488.0	\$17,802.3	\$18,378.4
Cost of Revenue	\$12,312.0	\$13,194.0	\$13,864.0	\$3,488.0	\$3,471.0	\$3,648.0	\$3,557.2	\$14,164.2	\$3,580.3	\$3,595.6	\$3,768.7	\$3,672.6	\$14,617.2	\$15,069.7
Gross Profit	\$2,084.0	\$2,244.0	\$2,798.0	\$757.0	\$782.0	\$821.0	\$676.0	\$3,036.0	\$758.2	\$809.4	\$802.1	\$815.4	\$3,185.0	\$3,308.7
Selling, General & Administrative Expenses	\$951.0	\$942.0	\$983.0	\$230.0	\$217.0	\$286.0	\$271.4	\$1,004.4	\$247.0	\$280.8	\$270.0	\$295.5	\$1,093.3	\$1,140.9
Credit Losses (Recoveries), Net	\$1.0	\$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
Acquisition, Integration & Restructuring Costs	\$17.0	\$24.0	\$16.0	\$4.0	\$2.0	\$4.0	\$2.9	\$12.9	\$3.3	\$3.1	\$3.5	\$3.3	\$13.1	\$13.5
Goodwill Impairment	\$0.0	\$596.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Asset Impairment Charges	\$40.0	\$91.0	\$11.0	\$0.0	\$0.0	\$4.0	\$0.0	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Derivative Loss	\$13.0	\$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
Equity Earnings of Non-Consolidated Subsidiaries	(\$12.0)	(\$30.0)	(\$39.0)	(\$7.0)	(\$8.0)	(\$8.0)	(\$9.0)	(\$32.0)	(\$8.1)	(\$8.4)	(\$8.8)	(\$8.8)	(\$34.1)	(\$35.4)
EBITDA, GAAP	\$1,418.0	\$946.0	\$2,122.0	\$596.0	\$645.0	\$609.0	\$489.7	\$2,339.7	\$589.9	\$610.7	\$616.9	\$607.2	\$2,424.8	\$2,514.3
Adjusted EBITDA	\$1,493.0	\$1,669.0	\$2,153.0	\$601.0	\$647.0	\$616.0	\$492.6	\$2,356.6	\$593.2	\$613.8	\$620.4	\$610.5	\$2,437.9	\$2,527.7
Depreciation	\$103.0	\$129.0	\$143.0	\$39.0	\$40.0	\$40.0	\$43.3	\$162.3	\$41.0	\$41.9	\$43.6	\$44.3	\$170.7	\$177.1
Amortization of Intangibles	\$230.0	\$202.0	\$147.0	\$30.0	\$32.0	\$34.0	\$35.7	\$131.7	\$33.2	\$34.4	\$36.0	\$37.4	\$141.1	\$147.1
Operating Income, Proforma	\$1,374.0	\$1,546.0	\$2,007.0	\$565.0	\$605.0	\$575.0	\$449.4	\$2,194.4	\$552.5	\$571.5	\$576.8	\$566.1	\$2,267.0	\$2,350.2
Operating Income, GAAP	\$1,088.0	\$621.0	\$1,827.0	\$530.0	\$571.0	\$535.0	\$410.7	\$2,046.7	\$516.0	\$534.0	\$537.3	\$525.4	\$2,112.8	\$2,189.7
Interest Expense, Net	\$199.0	\$212.0	\$193.0	\$49.0	\$55.0	\$51.0	\$37.5	\$192.5	\$48.5	\$52.8	\$47.2	\$45.2	\$193.7	\$196.6
Other Expenses (Income), Net, Proforma	(\$15.0)	\$6.0	(\$3.0)	\$3.0	(\$2.0)	\$0.0	\$0.0	\$1.0	\$0.3	(\$0.5)	(\$0.0)	(\$0.1)	(\$0.3)	(\$0.4)
Other Expenses (Income), Net, GAAP	\$3.0	\$6.0	(\$5.0)	\$3.0	(\$2.0)	\$0.0	\$0.0	\$1.0	\$0.3	(\$0.5)	(\$0.0)	(\$0.1)	(\$0.3)	(\$0.4)
Non-Operating Expense, Net, Proforma	\$184.0	\$218.0	\$190.0	\$52.0	\$53.0	\$51.0	\$37.5	\$193.5	\$48.8	\$52.4	\$47.1	\$45.1	\$193.4	\$196.1
Non-Operating Expense, Net, GAAP	\$202.0	\$218.0	\$188.0	\$52.0	\$53.0	\$51.0	\$37.5	\$193.5	\$48.8	\$52.4	\$47.1	\$45.1	\$193.4	\$196.1
Pre-Tax Income, Proforma	\$1,190.0	\$1,328.0	\$1,817.0	\$513.0	\$552.0	\$524.0	\$411.8	\$2,000.8	\$503.7	\$519.2	\$529.7	\$521.0	\$2,073.6	\$2,154.1
Pre-Tax Income, GAAP	\$886.0	\$403.0	\$1,639.0	\$478.0	\$518.0	\$484.0	\$373.2	\$1,853.2	\$467.2	\$481.7	\$490.2	\$480.4	\$1,919.5	\$1,993.5
Income Tax, Proforma	\$271.0	\$312.0	\$432.0	\$122.0	\$133.0	\$125.0	\$99.2	\$479.2	\$120.6	\$124.6	\$127.0	\$125.0	\$497.2	\$516.6
Income Tax, GAAP	\$193.0	\$195.0	\$388.0	\$113.0	\$125.0	\$115.0	\$89.9	\$442.9	\$111.7	\$115.5	\$117.3	\$115.1	\$459.6	\$477.5
Tax Rate, Proforma	22.8%	23.5%	23.8%	23.8%	24.1%	23.9%	24.1%	23.9%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Tax Rate, GAAP	21.8%	48.4%	23.7%	23.6%	24.1%	23.8%	24.1%	23.9%	23.9%	24.0%	23.9%	24.0%	23.9%	24.0%
Net Income, Proforma	\$919.0	\$1,016.0	\$1,385.0	\$391.0	\$419.0	\$399.0	\$312.7	\$1,521.7	\$383.1	\$394.6	\$402.7	\$396.0	\$1,576.4	\$1,637.5
Net Income, GAAP	\$693.0	\$208.0	\$1,251.0	\$365.0	\$393.0	\$369.0	\$283.3	\$1,410.3	\$355.5	\$366.2	\$372.9	\$365.2	\$1,459.9	\$1,516.1
Net Income Attributable to Noncontrolling Interest	\$8.0	\$9.0	(\$3.0)	\$2.0	\$2.0	\$2.0	(\$3.0)	\$3.0	\$4.3	\$3.3	\$3.6	(\$4.6)	\$6.6	\$10.4
Net income Attributable to Common Stockholders, Proforma	\$911.0	\$1,007.0	\$1,388.0	\$389.0	\$417.0	\$397.0	\$315.7	\$1,518.7	\$378.8	\$391.3	\$399.1	\$400.6	\$1,569.7	\$1,627.1
Net income Attributable to Common Stockholders, GAAP	\$685.0	\$199.0	\$1,254.0	\$363.0	\$391.0	\$367.0	\$286.3	\$1,407.3	\$351.3	\$362.9	\$369.3	\$369.8	\$1,453.2	\$1,505.7
Basic Shares Outstanding	137.0	137.0	134.0	130.0	129.0	128.0	127.6	128.7	127.2	126.9	126.5	126.1	126.7	125.2
Diluted Shares Outstanding	138.0	138.0	136.0	131.0	130.0	130.0	129.6	130.2	129.2	128.9	128.5	128.1	128.7	127.2
Basic EPS	\$5.00	\$1.45	\$9.36	\$2.79	\$3.03	\$2.87	\$2.24	\$10.93	\$2.76	\$2.86	\$2.92	\$2.93	\$11.47	\$12.03
Diluted EPS, Proforma	\$6.60	\$7.30	\$10.21	\$2.97	\$3.21	\$3.05	\$2.44	\$11.67	\$2.93	\$3.04	\$3.11	\$3.13	\$12.20	\$12.80
Diluted EPS, GAAP	\$4.96	\$1.44	\$9.22	\$2.77	\$3.01	\$2.82	\$2.21	\$10.81	\$2.72	\$2.82	\$2.87	\$2.89	\$11.30	\$11.84
Dividend per Share	\$1.44	\$1.46	\$1.54	\$0.40	\$0.40	\$0.40	\$0.43	\$1.63	\$0.43	\$0.43	\$0.43	\$0.43	\$1.72	\$1.72

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	B
Growth Score	B
Momentum Score	D
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.