

Lincoln Electric (LECO)

\$244.24 (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$251.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 11/04/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: C

Growth: A

Momentum: C

Summary

Lincoln Electric has delivered two quarters of organic growth after five consecutive quarters of decline. Backed by this, the company expects low single-digit organic sales growth in 2025. However, the growth will mainly be driven by higher pricing while volume growth remains in the negative territory. While the Harris Products Group is witnessing higher volumes, it is being offset by lower volumes in the welding business. Lincoln Electric is implementing various cost-saving initiatives aimed at boosting profitability. Its growth will also be supported by strategic acquisitions to expand capabilities and geographic reach, product innovation and increased use of digital platforms for customer engagement. Lincoln Electric maintains a balanced capital allocation strategy, investing in growth while continuing to return cash to shareholders.

Data Overview

52 Week High-Low	\$252.00 - \$161.11
20 Day Average Volume (sh)	352,337
Market Cap	\$13.4 B
YTD Price Change	30.3%
Beta	1.25
Dividend / Div Yld	\$3.16 / 1.2%
Industry	Manufacturing - Tools & Related Products
Zacks Industry Rank	Top 5% (13 out of 243)

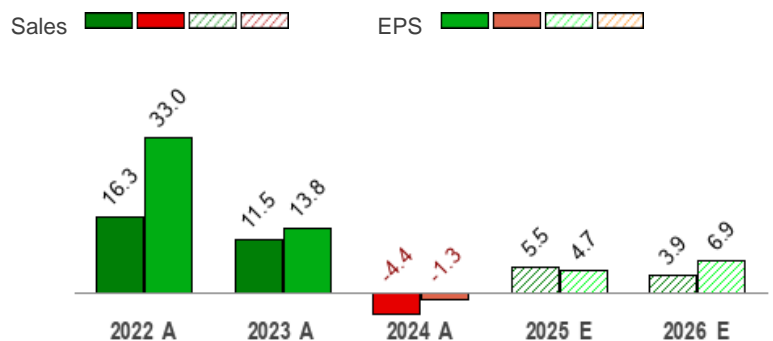
Last EPS Surprise	3.4%
Last Sales Surprise	1.9%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/12/2026
Earnings ESP	0.0%

P/E TTM	24.9
P/E F1	25.1
PEG F1	4.3
P/S TTM	3.2

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,057 E	1,134 E	1,092 E	1,112 E	4,395 E
2025	1,004 A	1,089 A	1,061 A	1,075 E	4,230 E
2024	981 A	1,022 A	984 A	1,022 A	4,009 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2.39 E	2.74 E	2.59 E	2.68 E	10.40 E
2025	2.16 A	2.60 A	2.47 A	2.50 E	9.73 E
2024	2.23 A	2.34 A	2.14 A	2.57 A	9.29 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/15/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/27/2025.

Overview

Headquartered in Cleveland, OH, Lincoln Electric has 56 manufacturing locations, including operations and joint ventures in 19 countries, and a worldwide network of distributors and sales offices covering more than 160 countries. Lincoln is a full-line manufacturer and reseller of welding and cutting products with products ranging from welding power sources, wire feeding systems, robotic welding packages, fume extraction equipment, consumables and fluxes to regulators and torches used in cutting. Lincoln Electric produces three types of arc welding electrodes, including stick electrodes, solid electrodes used for continuous feeding in mechanized welding, and cored electrodes that are also used for mechanized welding. Arc welding is carried out in many industries. The metal working field involves production of arc welding in transportation, construction, fabrication, petrochemical and other industries.

The company's business units are aligned into three operating segments-

The Americas Welding segment (67% of 2024 revenues) includes welding operations in North and South America.

The International Welding (24%) segment includes welding operations in Europe, Africa, Asia and Australia.

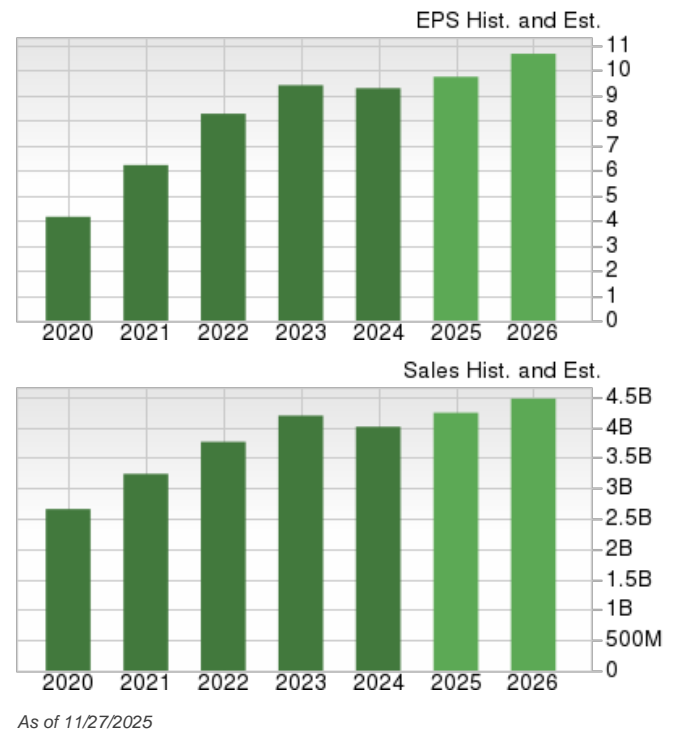
The Harris Products Group (3%) includes the company's global cutting, soldering and brazing businesses, and retail business in the United States.

In April 2024, the company acquired 100% ownership of Superior Controls, LLC (RedViking), a privately held automation system integrator based in Plymouth, MI. In June it acquired Inrotech, a privately held automation system integration and technology firm headquartered in Odense, Denmark. Vanair Manufacturing was added to its portfolio in June 2024.

In May 2023, the company acquired Powermig, a privately held automation engineering firm headquartered in Caxias do Sul, Rio Grande do Sul, in Brazil.

In 2024, Lincoln Electric acquired RedViking Automation and Vanair Manufacturing. The company also acquired Inrotech, which has created a proprietary AI-based system for programming welding robots with little human participation.

Lincoln Electric recently acquired Perth, Australia-based Alloy Steel. It complements Lincoln Electric's current portfolio of maintenance and repair solutions for mining, steel, agricultural, and industrial applications.



Reasons To Buy:

- ▲ The company has a target of sales CAGR of high single-digit to low-double-digit percentage for 2020-2025 per its Higher Standard 2025 Strategy. It has delivered a sales CAGR of 8% over the 2020-2024 period, which indicates it is on track to achieve its goals. Also, the adjusted EPS CAGR is envisioned at high-teens to low 20% for 2020-2025. The company has witnessed a CAGR of 22% in 2020-2024. The average adjusted operating margin is targeted at 16% over 2020-2025. Lincoln Electric has delivered an average adjusted operating margin of 15.7% over 2020-2024, close to its targeted 16% for 2020-2025.
- ▲ Lincoln Electric has initiated additional cost-saving measures to sustain margins amid slowing organic sales trends. In the first four quarters of the program ended in July, the company has already generated \$47 million in incremental savings, with approximately 65% from temporary cost savings actions. It estimates an additional \$10-\$15 million to be realized from permanent structural savings this year. These permanent savings will be split evenly between the two welding segments. By 2025-end, the company expects to achieve approximately \$60 million in savings from the six-quarter program.

The Harris Products segment has returned to volume growth in the fourth quarter of 2024 after eight consecutive quarters of decline. The segment's performance remains supported by demand across all product areas, led by HVAC and retail channel expansion. This helped offset the ongoing weakness in the welding segments.
- ▲ Lincoln Electric is focused on new product development and using digital platforms to engage customers. Lincoln Electric's product launches in the automation solutions market are likely to aid growth. The company is focused on its new additive services business, which will position Lincoln Electric as a manufacturer of large scale 3D-printed metal parts, prototypes and tooling for industrial customers. This is likely to be a growth opportunity for Lincoln Electric. The company continues to expand brand's geographic and channel reach into attractive areas such as automation in sync with its strategy initiatives. In July 2024, Lincoln Electric's Velion 150kW DC fast charging station achieved Canadian Standards Association (CSA/US) Certification to standards for EV Chargers. This certification not only enhances the marketability of VelionEV Chargers but also positions it as a trusted company in the electric vehicle charging industry to deliver innovative, reliable DC fast charging solutions that meet the evolving needs of the market.
- ▲ Lincoln Electric is benefiting from several acquisitions completed over the past few years. The acquisition of Sao Paulo-based Kestra in 2022 expanded its specialty alloys capabilities in South America. In 2023 it acquired Powermig, a privately held automation engineering firm based in Brazil. In April 2024, Lincoln Electric acquired RedViking Automation boosting its portfolio of automation solutions. In July 2024, it acquired Vanair Manufacturing, whose wide equipment portfolio supplements Lincoln Electric's maintenance and repair consumable offerings. The company also acquired Inrotech, which has created a proprietary AI-based system for programming welding robots with little human participation.
- ▲ Lincoln Electric recently acquired Perth, Australia-based Alloy Steel, which supplies proprietary wear plate solutions, engineering services and digital monitoring to the mining sector primarily in the Asia Pacific region. Alloy Steel's offering complements Lincoln Electric's current portfolio of maintenance and repair solutions for mining, steel, agricultural, and industrial applications. This comes at an opportune time as customers are increasingly investing in maintenance to extend the life and maximize the productivity, safety, and energy efficiency of their assets. Lincoln Electric plans to expand Alloy Steel's innovative wear plate solution globally and its reach beyond the Asia Pacific mining sector. Alloy Steel generates annual revenues of around \$50 million and results will be reported in the International Welding Segment. The acquisition is expected to be accretive to the company's earnings by seven cents in 2025.
- ▲ Lincoln Electric generated \$566 million in cash flow from operations in the first nine months of 2025, resulting in a 119% cash conversion. The company expects more than 100% cash conversion in 2025. Lincoln Electric's total debt to total capital ratio is 0.47 as of Sep. 30, 2025. Its times interest earned ratio was 14.5 as of June 30, 2025. The company returned approximately \$413 million to its shareholders in the first three quarters of 2025 through dividends and share repurchases. Lincoln Electric has a balanced capital allocation strategy, prioritizing growth investment while returning cash to shareholders. The company has raised its quarterly cash dividend by 5.3% to 79 cents per share. This marks the company's 30th annual dividend increase. Meanwhile, the company continues to evaluate M&A options focused primarily on tuck-in assets, supporting its Higher Standard 2025 strategy.

Focus on acquisitions, innovative product launches and execution of higher standard 2025 strategy will drive Lincoln Electric's growth. Its focus on cost cutting actions will drive margin growth.

Reasons To Sell:

- ▼ The America's Welding segment's volume growth has been negative in the last seven quarters. Volume growth was down 7.2% in 2024 reflecting slowing industrial activity and automation demand. So far this year, the segment witnessed volume declines of 4% in the first quarter, 3.4% in the second and 2.4% in the third quarter. The International Welding volumes have also declined for seven straight quarters. The segment saw a 9.3% decline in volumes for 2024 due to the challenging conditions in Europe as well as weak industrial demand. Volumes were also down 5.8% in the first quarter of 2025, 6.8% in the second and 4.2% in the third quarter, due to weak end-market trends in portions of EMEA.
- ▼ The company recorded organic growth of 19.3% in 2021 and 19.5% in 2022, but momentum slowed sharply to 4% in 2023. In 2024, organic growth turned negative at 6.5%, as a modest 0.7% price increase failed to counter a 7.2% decline in volumes. Organic sales slipped 1.2% in the first quarter of 2025. Although Lincoln Electric posted positive organic growth in the second and third quarters of 2025, the gains were primarily price-driven, offsetting persistent volume declines. Overall, for 2025, higher pricing is expected to be neutralized by lower volumes. The company anticipates organic sales growth in the low single digits for the year, still well below its historical averages.
- ▼ The Institute for Supply Management's manufacturing index had been in contraction for 26 consecutive months (below 50) until December 2024. The index showed expansion in January and February but this recovery was short-lived, with the index slipping into contraction again in March with a reading of 49%. The index has been in contraction since. The manufacturing index registered 48.7% in October. The New Orders Index contracted in September and October following a one-month expansion in August. The index has not delivered consistent growth since the end of its 24-month expansion streak in May 2022. Customers have been pulling in orders due to anxiety about uncertainty in the global economic environment. This is concerning for Lincoln Electric.
- ▼ Lincoln Electric is witnessing inflationary headwinds stemming from escalating labor and raw material costs that impacted its margins. In addition, continued risk of possible supply chain disruptions are expected to result in lower operating activity and higher inefficiencies in the business. Despite the company continuing to announce new pricing actions, incremental margins could be impacted due to the timing of its response. Given its focus on innovation as a key value proposition, Lincoln Electric continued to increase investment in product development with higher year-over-year R&D spending. Though this has long-term benefits, it will impede margins in the near term. Also, a stronger U.S. dollar will affect the company's exports. Also, the imposition of tariffs is anticipated to lead to higher costs for the industry.

Escalating freight and material costs are likely to hurt Lincoln Electric's margins in the current year. Low volumes in its welding segments will continue to be a drag on its top-line performance.

Last Earnings Report

Lincoln Electric Q3 Earnings Beat Estimates, Revenues Rise Y/Y

Lincoln Electric reported third-quarter 2025 adjusted earnings of \$2.47 per share, topping the Zacks Consensus Estimate of \$2.39 and improving 15% from \$2.14 reported in the year-ago quarter.

Including one-time items, reported EPS came in at \$2.21, up from \$1.77 in the year-ago quarter.

Total revenues increased 7.9% year over year to \$1.06 billion, reflecting 5.6% organic growth and a 1.7% benefit from acquisitions. Volumes were down 2.2%, which was offset by a 7.8% increase in pricing. Foreign exchange translation provided a 0.6% boost. The top line also surpassed the Zacks Consensus Estimate of \$1.04 billion.

Lincoln Electric's Q3 Costs & Margins

The cost of goods sold increased 6.4% year over year to \$672 million, while gross profit rose 10.6% to \$389 million. The gross margin stood at 36.7%, up from 35.8% in the year-ago quarter.

Selling, general and administrative expenses rose 11% year over year to \$207 million.

Adjusted operating income increased 8.7% year over year to \$184.6 million, delivering an adjusted operating margin of 17.4%, up from 17.3% a year ago.

Q3 Segment Performances

Americas Welding: Total sales rose 8.6% year over year to \$691.8 million, driven by pricing and acquisitions, which offset lower volumes. Adjusted EBIT was \$131.6 million, a 4.9% increase compared with the year-ago quarter. Segment margin stood at 18.2% compared with 18.8% in the prior-year quarter.

International Welding: Sales rose 1.6% to \$219.6 million, as lower volumes were offset by contributions from acquisitions and the favorable impact of currency translation. Adjusted EBIT rose 28.5% to \$25.8 million, with the margin improving to 11.3% from 9% in the prior year.

The Harris Products Group: Segment sales rose 14.8% to \$149.8 million, driven by higher volumes and pricing. Adjusted EBIT improved 28% to \$28.1 million, with the margin rising to 18.3% from 16.4% in the year-ago quarter.

Cash Flow & Balance Sheet

Lincoln Electric had cash and cash equivalents of \$293 million at the end of the third quarter of 2025, down from \$377 million at the end of 2024.

Cash flow from operations was \$237 million in the third quarter of 2025 compared with \$199 million in the year-ago quarter. During the quarter, LECO returned \$94 million to shareholders through dividends and share repurchases.

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

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	1.91%
EPS Surprise	3.35%
Quarterly EPS	2.47
Annual EPS (TTM)	9.80

Valuation

Lincoln Electric's shares are up 25% in the trailing six-month period and up 10.3% over the trailing 12-month period. Stocks in the Zacks Manufacturing – Tool & Related Products industry are up 6.4% and the Zacks Industrial Products sector are up 7.9% in the trailing six-month period. Over the past year, the Zacks sub-industry are down 5.2% and the sector are down 3.9%.

The S&P 500 index is up 22.8% in the trailing six-month period and up 16.6% in the past year.

The stock is currently trading at 22.6X forward 12-month earnings, which compares with 17.78X for the Zacks sub-industry, 20.38X for the Zacks sector and 23.48X for the S&P 500 index.

Over the past five years, the stock has traded as high as 26.57X and as low as 14.32X, with a 5-year median of 20.6X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$251 price target reflects 23.75X forward 12-month earnings.

The table below shows summary valuation data for LECO.

Valuation Multiples - LECO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	22.60	17.78	20.38	23.48
	5-Year High	26.57	22.13	23.00	23.81
	5-Year Low	14.32	11.65	13.33	15.73
	5-Year Median	20.60	18.38	18.21	21.21
P/S F12M	Current	2.95	1.16	4.12	5.30
	5-Year High	3.40	1.65	4.18	5.50
	5-Year Low	1.83	0.87	2.31	3.83
	5-Year Median	2.49	1.20	3.13	5.04
EV/EBITDA TTM	Current	16.92	13.41	24.99	18.54
	5-Year High	19.76	21.30	28.33	22.40
	5-Year Low	10.43	7.12	14.00	13.87
	5-Year Median	15.38	13.28	18.07	17.95

As of 11/26/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 5% (13 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Kennametal Inc. (KMT)	Outperform	1
Rockwell Automation,...(ROK)	Outperform	2
Energpac Tool Group C...(EPAC)	Neutral	3
Pentair plc (PNR)	Neutral	3
Sandvik AB (SDVKY)	Neutral	3
Stanley Black & Deck...(SWK)	Neutral	3
Timken Company (The) (TKR)	Neutral	3
Techtronic Industrie...(TTNDY)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Manufacturing - Tools & Related Products

	LECO	X Industry	S&P 500	CMT	KMT	SWK
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	3	-	-	4	1	3
VGM Score	B	-	-	B	C	B
Market Cap	13.44 B	9.06 B	39.38 B	180.17 M	2.22 B	11.48 B
# of Analysts	6	2	22	1	3	5
Dividend Yield	1.23%	1.23%	1.41%	0.00%	2.75%	4.48%
Value Score	C	-	-	A	C	B
Cash/Price	0.02	0.05	0.04	0.23	0.05	0.02
EV/EBITDA	19.72	11.98	14.60	5.05	9.24	11.98
PEG Ratio	4.32	2.10	2.23	NA	4.10	2.10
Price/Book (P/B)	9.50	2.06	3.35	1.16	1.67	1.28
Price/Cash Flow (P/CF)	22.25	11.36	15.20	6.82	9.21	9.15
P/E (F1)	25.10	21.18	19.78	17.53	21.63	16.37
Price/Sales (P/S)	3.22	1.41	3.06	0.69	1.12	0.76
Earnings Yield	3.99%	4.73%	4.99%	5.70%	4.63%	6.11%
Debt/Equity	0.81	0.42	0.57	0.12	0.45	0.52
Cash Flow (\$/share)	10.98	3.06	8.99	2.98	3.16	8.10
Growth Score	A	-	-	D	D	C
Hist. EPS Growth (3-5 yrs)	17.25%	0.55%	8.16%	22.75%	6.91%	-26.64%
Proj. EPS Growth (F1/F0)	4.74%	8.37%	8.57%	-28.83%	0.75%	3.90%
Curr. Cash Flow Growth	-2.38%	-1.65%	6.75%	-20.57%	-5.18%	48.04%
Hist. Cash Flow Growth (3-5 yrs)	10.50%	6.20%	7.43%	79.00%	3.95%	-7.31%
Current Ratio	1.71	2.37	1.19	2.90	2.60	1.11
Debt/Capital	44.85%	29.58%	38.01%	10.51%	31.05%	34.38%
Net Margin	12.56%	5.60%	12.78%	3.09%	4.76%	2.89%
Return on Equity	40.33%	14.26%	17.00%	5.88%	8.35%	8.10%
Sales/Assets	1.14	0.77	0.53	1.20	0.79	0.68
Proj. Sales Growth (F1/F0)	5.50%	4.33%	5.77%	-11.90%	4.30%	-1.00%
Momentum Score	C	-	-	C	B	B
Daily Price Chg	0.20%	-0.97%	-1.07%	-0.64%	-0.68%	-2.02%
1 Week Price Chg	-0.68%	1.14%	-0.63%	9.17%	5.31%	4.43%
4 Week Price Chg	10.59%	5.26%	1.39%	15.83%	12.38%	16.46%
12 Week Price Chg	2.36%	0.60%	2.45%	-5.61%	37.86%	-1.16%
52 Week Price Chg	20.67%	-2.84%	12.83%	26.41%	9.80%	-10.44%
20 Day Average Volume	352,337	32,548	2,728,366	21,113	764,145	1,562,857
(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%	0.32%	0.00%	0.00%	1.43%	0.11%
(F1) EPS Est 12 week change	0.97%	1.00%	0.69%	-15.33%	31.48%	-1.27%
(Q1) EPS Est Mthly Chg	0.00%	-1.47%	0.00%	0.00%	3.13%	-2.91%

Analyst Earnings Model⁽²⁾

Lincoln Electric Holdings, Inc. (LECO)

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														
Net Sales	\$3,761.2	\$4,191.6	\$4,008.7	\$1,004.4	\$1,088.7	\$1,061.2	\$1,075.3	\$4,229.6	\$1,057.3	\$1,134.1	\$1,091.5	\$1,112.2	\$4,395.1	\$4,579.6
Volume	5.0%	2.3%	(7.2%)	(3.8%)	(2.3%)	(2.2%)	(2.5%)	(2.7%)	4.7%	3.5%	2.9%	3.4%	3.6%	4.2%
Pricing	14.5%	1.7%	0.7%	2.6%	5.2%	7.8%	5.9%	5.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Organic Growth	19.5%	4.0%	(6.5%)	(1.2%)	2.9%	5.6%	3.4%	2.7%	4.7%	3.5%	2.9%	3.4%	3.6%	4.2%
Acquisitions and Divestitures	2.3%	7.4%	2.5%	4.9%	3.0%	1.7%	2.1%	2.9%	0.6%	0.7%	0.0%	0.0%	0.3%	0.0%
Foreign Exchange	(5.5%)	0.1%	(0.4%)	(1.3%)	0.7%	0.6%	(0.3%)	(0.1%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Goods Sold	\$2,480.5	\$2,726.2	\$2,535.8	\$638.9	\$683.1	\$671.9	\$681.8	\$2,675.7	\$667.9	\$709.5	\$688.9	\$699.2	\$2,765.4	\$2,883.2
Gross Profit	\$1,280.8	\$1,465.4	\$1,472.9	\$365.4	\$405.5	\$389.3	\$393.5	\$1,553.8	\$389.4	\$424.6	\$402.6	\$413.1	\$1,629.7	\$1,696.4
Selling, General and Administrative Expenses	\$656.6	\$758.9	\$780.6	\$196.7	\$210.9	\$206.8	\$199.8	\$814.2	\$204.6	\$214.3	\$205.0	\$209.7	\$833.7	\$871.0
Rationalization and Asset Impairment Charges	\$11.8	(\$11.3)	\$55.9	\$3.9	\$2.5	\$5.8	\$5.8	\$18.1	\$5.8	\$5.8	\$5.8	\$5.8	\$23.3	\$23.3
Acquisition Transaction Costs	\$6.0	\$0.0	\$7.0	\$0.8	\$0.4	\$0.5	\$0.5	\$2.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDA	\$709.3	\$805.5	\$792.6	\$193.2	\$219.6	\$209.3	\$220.3	\$842.4	\$212.2	\$238.2	\$224.8	\$230.5	\$905.6	\$941.3
Depreciation & Amortization	\$78.1	\$86.7	\$88.2	\$23.8	\$24.5	\$24.7	\$24.8	\$97.8	\$26.0	\$26.5	\$25.7	\$25.7	\$104.0	\$110.4
Operating Income, Adjusted	\$631.2	\$718.8	\$704.4	\$169.4	\$195.1	\$184.6	\$195.5	\$744.7	\$186.1	\$211.7	\$199.0	\$204.7	\$801.6	\$831.0
Operating Income, GAAP	\$612.3	\$717.8	\$636.5	\$164.9	\$192.1	\$176.7	\$187.9	\$721.6	\$178.9	\$204.4	\$191.8	\$197.5	\$772.7	\$802.1
EBIT, Adjusted	\$637.0	\$731.4	\$713.6	\$169.9	\$199.1	\$187.5	\$197.8	\$754.4	\$189.1	\$214.9	\$202.1	\$207.7	\$813.7	\$845.9
EBIT, GAAP	\$622.3	\$731.2	\$636.9	\$165.4	\$196.2	\$179.6	\$190.1	\$731.3	\$181.8	\$207.7	\$194.9	\$200.4	\$784.8	\$817.0
Interest Expense	\$31.1	\$51.1	\$52.9	\$14.4	\$14.3	\$15.1	\$16.0	\$59.8	\$15.8	\$17.4	\$16.2	\$16.7	\$66.1	\$70.6
Interest Income	\$1.6	\$6.8	\$10.1	\$2.3	\$1.7	\$1.5	\$2.9	\$8.4	\$2.1	\$1.6	\$2.1	\$2.2	\$8.0	\$8.4
Interest Expense, net	\$29.5	\$44.4	\$42.8	\$12.1	\$12.6	\$13.6	\$13.1	\$51.5	\$13.7	\$15.8	\$14.2	\$14.5	\$58.1	\$62.2
Other Income/(Expense)	\$10.0	\$13.4	\$0.5	\$0.4	\$4.0	\$3.0	\$2.2	\$9.7	\$2.9	\$3.2	\$3.1	\$2.9	\$12.1	\$14.9
Pre-Tax Income, Adjusted	\$607.5	\$687.0	\$665.9	\$157.8	\$186.5	\$173.9	\$184.7	\$702.9	\$175.3	\$199.1	\$187.9	\$193.2	\$755.6	\$783.7
Pre-Tax Income, GAAP	\$592.8	\$686.9	\$594.1	\$153.2	\$183.6	\$166.0	\$177.0	\$679.8	\$168.1	\$191.9	\$180.7	\$186.0	\$726.7	\$754.8
Income Tax, Adjusted	\$122.1	\$138.8	\$138.5	\$36.0	\$40.9	\$36.7	\$39.0	\$152.5	\$37.0	\$42.0	\$39.7	\$40.8	\$159.4	\$165.4
Income Tax, GAAP	\$120.6	\$141.6	\$128.0	\$34.7	\$40.2	\$43.4	\$44.2	\$162.5	\$42.0	\$48.0	\$45.2	\$46.5	\$181.7	\$188.7
Tax Rate, Adjusted	20.1%	20.2%	20.8%	22.8%	21.9%	21.1%	21.1%	21.7%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%
Tax Rate, GAAP	20.3%	20.6%	21.6%	22.7%	21.9%	26.1%	25.0%	23.9%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Non-Controlling Interest	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income, Adjusted	\$485.7	\$547.9	\$531.3	\$121.9	\$145.6	\$137.2	\$138.5	\$543.2	\$131.5	\$149.3	\$141.0	\$144.9	\$566.7	\$587.8
Net Income, GAAP	\$472.2	\$545.2	\$466.1	\$118.5	\$143.4	\$122.6	\$132.7	\$517.3	\$126.1	\$143.9	\$135.5	\$139.5	\$545.0	\$566.1
Basic Shares Outstanding	58.0	57.4	56.6	56.1	55.5	55.1	54.9	55.4	54.5	54.2	53.9	53.6	54.0	52.8
Effect of Dilutive Securities- Stock Options and Awards	0.7	0.9	0.6	0.5	0.4	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5
Diluted Shares Outstanding	58.7	58.2	57.2	56.5	56.0	55.6	55.4	55.9	55.0	54.6	54.4	54.1	54.5	53.2
Basic EPS	\$8.14	\$9.50	\$8.23	\$2.11	\$2.58	\$2.23	\$2.42	\$9.34	\$2.31	\$2.66	\$2.52	\$2.60	\$10.09	\$10.73
Diluted EPS, Adjusted	\$8.27	\$9.41	\$9.29	\$2.16	\$2.60	\$2.47	\$2.50	\$9.73	\$2.39	\$2.74	\$2.59	\$2.68	\$10.40	\$11.05
Diluted EPS, GAAP	\$8.04	\$9.37	\$8.15	\$2.10	\$2.56	\$2.21	\$2.39	\$9.26	\$2.29	\$2.64	\$2.49	\$2.58	\$10.00	\$10.64
Dividend Per Share	\$2.24	\$2.56	\$2.88	\$0.75	\$0.75	\$0.75	\$0.75	\$3.00	\$0.79	\$0.79	\$0.79	\$0.79	\$3.16	\$3.32

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	C
Growth Score	A
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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