

Lockheed Martin (LMT)

\$477.06 (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$504.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 06/27/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: B

Growth: B

Momentum: F

Summary

Lockheed Martin remains the largest U.S. defense contractor with a steady order flow from the Pentagon and other U.S. allies. Apart from enjoying a strong forte on the domestic front, Lockheed Martin's products are also well-acclaimed in the international market. Increasing U.S. defense budget funding should boost its business. Our model expects solid revenue growth for the company in the 2025-2027 period. However, Lockheed is facing performance issues with some of its programs, which may result in significant losses. A labor shortage in the aerospace and defense industry may adversely impact its future operating results. The sanctions imposed by China on Lockheed might also affect its business. The stock has underperformed the industry year-to-date and holds a poor solvency position.

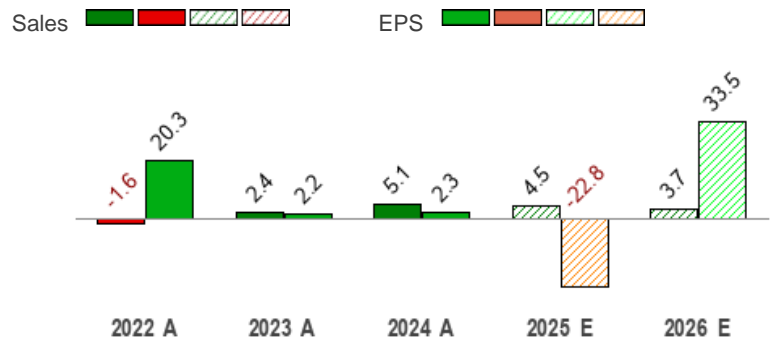
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$516.00 - \$410.11
20 Day Average Volume (sh)	1,290,414
Market Cap	\$112.1 B
YTD Price Change	-0.3%
Beta	0.24
Dividend / Div Yld	\$13.80 / 2.8%
Industry	Aerospace - Defense
Zacks Industry Rank	Top 29% (71 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Last EPS Surprise	9.8%
Last Sales Surprise	0.3%
EPS F1 Est- 4 week change	-0.8%
Expected Report Date	01/27/2026
Earnings ESP	-9.3%

Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	18,336 E	18,860 E	19,295 E	20,519 E	77,009 E
2025	17,963 A	18,155 A	18,609 A	19,539 E	74,266 E
2024	17,195 A	18,122 A	17,104 A	18,622 A	71,043 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	6.93 E	7.18 E	7.41 E	7.81 E	29.33 E
2025	7.28 A	7.29 A	6.95 A	6.28 E	21.97 E
2024	6.33 A	7.11 A	6.84 A	7.67 A	28.47 A

*Quarterly figures may not add up to annual.

P/E TTM	16.6
P/E F1	21.7
PEG F1	14.5
P/S TTM	1.5

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/15/2025.

Overview

Lockheed Martin Corporation is the largest defense contractor in the world. Its main areas of focus are in defense, space, intelligence, homeland security and information technology including cyber security. In 2023, 73% of the company's net sales were from the U.S. Government, including 64% from the Department of Defense (DoD), 26% from international customers, and 1% from U.S. commercial and other customers. Lockheed Martin currently operates through four businesses — Aeronautics, Missiles and Fire Control (MFC), Rotary and Missions Systems (RMS) and Space Systems.

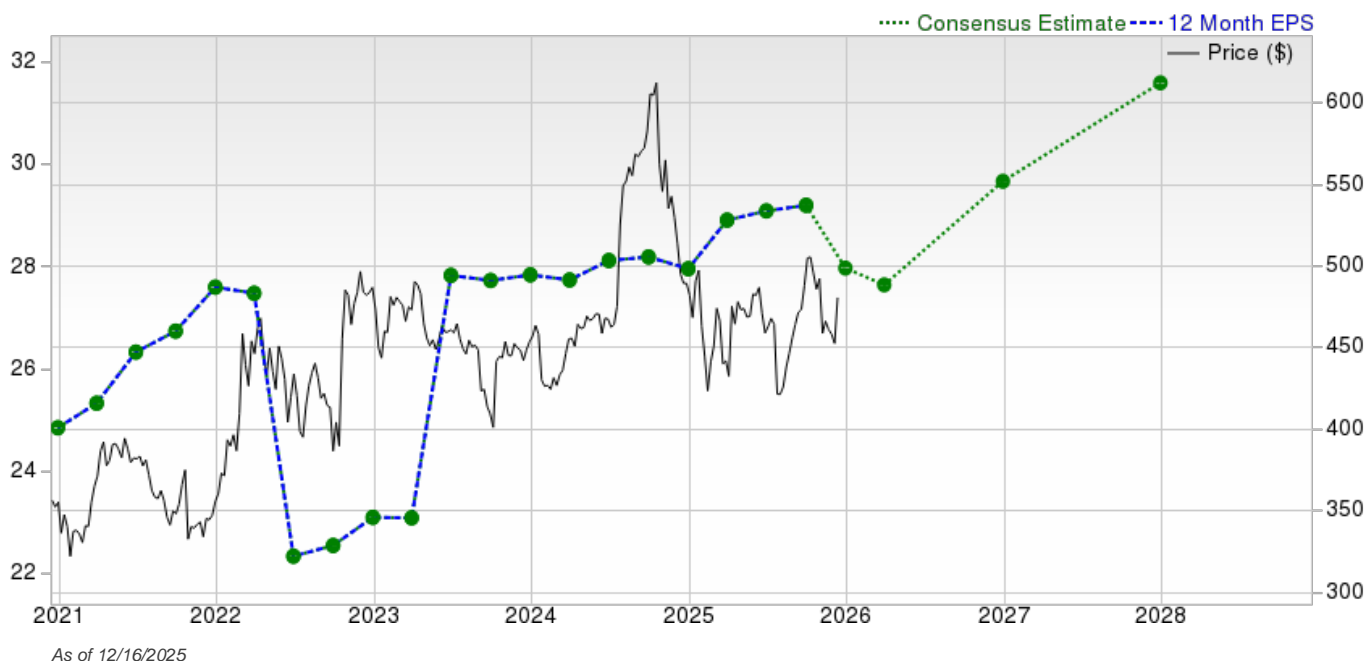
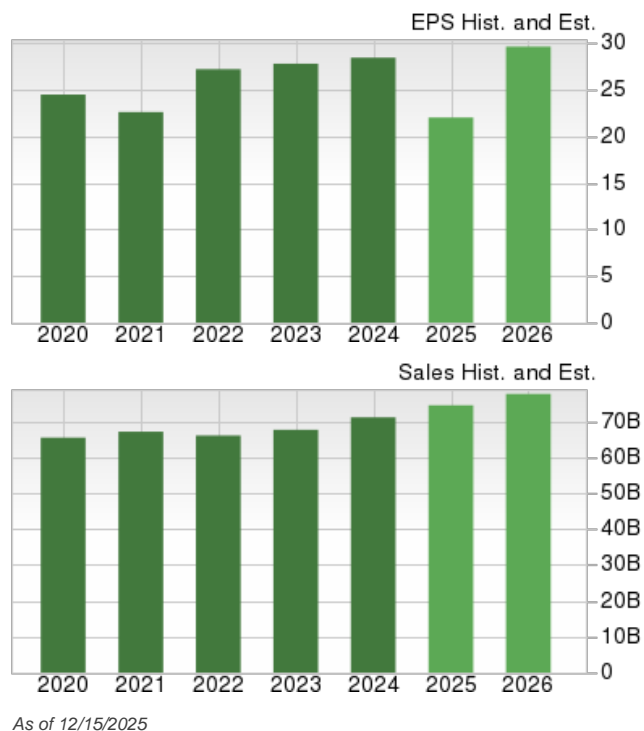
The company's Aeronautics unit is engaged in the design, research and development, systems integration, production and support of advanced military aircraft and related technologies. This segment includes programs like F-35 Lightning II Joint Strike Fighter; C-130 Hercules; F-16 Fighting Falcon; F-22 Raptor; and C-5M Super Galaxy. It generated sales of \$28.62 billion in 2024, accounting for 40.3% of the total sales.

In Lockheed Martin's MFC business, headquartered in Dallas, some of its high-profile programs include the Terminal High Altitude Area Defense System, Joint Light Tactical Vehicle, PAC-3 Missiles, as well as logistics and other technical services from GTL. It generated sales of \$12.68 billion in 2024, constituting 17.9% of the total sales.

In its RMS business, headquartered in Washington, DC, some of its high-profile programs include the Aegis Combat System, Littoral Combat Ship, MH-60 helicopter avionics, as well as military and commercial orders. It generated sales of \$17.26 billion in 2024, comprising 24.3% of the total sales..

The company's Space Systems unit is engaged in the design, development, engineering, and production of commercial and military space systems. It generated sales of \$12.48 billion in 2024, accounting for 17.6% of the total sales.

Lockheed Martin ended 2024 (on Dec 31, 2024) with \$176 billion in the backlog.



Reasons To Buy:

▲ **Solid Order Growth:** Keeping up with its trend of securing big contracts from the Pentagon and other U.S. allies, Lockheed was successful in clinching several notable deals in the third quarter of 2025. These include a \$10.9 billion contract from the U.S. Navy to build up to a maximum of 99 CH-53K King Stallion helicopters for the U.S. Marine Corps over five years, as well as a \$9.8 billion contract for the production of 1,970 Patriot Advanced Capability - 3 Missile Segment Enhancement (PAC-3 MSE) interceptors and associated hardware. It also clinched a \$720.1 million contract to produce Joint Air-to-Ground Missiles (JAGM) and Hellfire missiles. These order flows culminate in a solid backlog count, which totaled \$179.1 billion as of Sept. 28, 2025. The company expects to recognize approximately 36% of its backlog over the next 12 months and approximately 61% over the next 24 months. Such a consistent level of contract flows and subsequent backlog count bolster its long-term revenue prospects.

Lockheed Martin is the largest U.S. defense contractor with a platform-centric focus that guarantees a steady inflow of follow-on orders from a leveraged presence in the Army, Air Force, Navy and IT program

The company has multiple programs from each business segment that are entering growth stages, including the F-35 sustainment activity, increased Patriot Advanced Capability-3 (PAC-3) production rate, increased demand for High Mobility Artillery Rocket System (HIMARS) and Guided Multiple Launch Rocket Systems (GMLRS), radar surveillance systems and CH-53K King Stallion heavy lift helicopter; as well as the modernization of and enhancements to the Trident II D5 Fleet Ballistic Missile.

▲ **F-35 – A Prime Program:** Lockheed Martin is the largest U.S. defense contractor with a platform-centric focus that guarantees a steady inflow of follow-on orders from its leveraged presence in the Army, Air Force, Navy and IT programs. The F-35 program continues to be a key growth program for the company's Aeronautics business segment. This program generated approximately 26% of Lockheed's total consolidated net sales in the third quarter of 2025. The company has delivered 46 F-35 aircraft in the third quarter and 1,245 F-35 airplanes since the program's inception, with 265 jets in the backlog as of Sept. 28, 2025. Currently, Lockheed remains on track to deliver 170-190 of its F-35 jets in 2025. This surely boosts expectation for the Aeronautics business segment's sales, which improved 11.9% year over year in the third quarter of 2025.

Looking further ahead, the production of F-35 jets is expected to continue for many years ahead, given the U.S. government's current inventory target of 2,470 aircraft for the Air Force, Marine Corps and Navy by 2040 and the company expecting the global fleet to reach more than 3,500. Consequently, one may expect Lockheed Martin to witness more order inflows for F-35 in the coming days, which should significantly bolster this defense contractor's top line. Our model estimates revenues to grow 4.5% in 2025, 3.7% in 2026 and 5.1% in 2027, for Lockheed.

▲ **Impressive Budgetary Attributes:** In May 2025, a White House report was published stating that U.S. President Trump has proposed a 13% increase in the nation's defense spending (to \$1.01 trillion) for fiscal 2026. In particular, this budget proposal prioritizes investment in U.S. space dominance with a proposed funding worth \$40 billion toward the Space Force, which represents a 30% increase in funding from fiscal 2025. It also includes funding provision of \$25 billion for the proposed Golden Dome — a next-generation missile defense shield — as well as \$2.5 billion for missile and munitions production expansion for the missile defense initiative. Moreover, as part of the fiscal 2026 budget request, the U.S. Navy marked its intent to purchase Lockheed's Patriot Advanced Capability-3 (PAC-3) missiles for the first time, while \$400 million has been allotted for production of its Air-Launched Rapid Response Weapon ("ARRW"). With Lockheed being a prominent defense contractor, having an established footprint in the missile defense industry, and a leading provider of space exploration capabilities, such enhanced funding provisions offered by the U.S. government should immensely boost its revenue growth in the coming quarters.

▲ **International Foray:** Apart from enjoying a strong forte on the domestic front, Lockheed Martin's products are also well-acclaimed in the international market. In the third quarter of 2025, 35.4% of the total sales came from international customers. The company has been witnessing strong interest from its international customers in Patriot Advanced Capability-3 (PAC-3) missiles and Terminal High Altitude Area Defense (THAAD) system, with 17 nations choosing PAC-3 Cost Reduction Initiative (CRI) and PAC-3 Missile Segment Enhancement (MSE) to enhance their missile defense capabilities. Additionally, the company continues to see international demand for tactical and strike missile products, with orders from Poland for precision fire systems and Joint Air-to-Surface Standoff Missile (JASSM). Moreover, S-70 Black Hawk and MH-60 Seahawk programs are undergoing production and sustainment activities in India, the Philippines, Australia, the Republic of Korea, Thailand, the Kingdom of Saudi Arabia and Greece. Lockheed is also witnessing strong international demand for the F-35 aircraft program, with the United Kingdom, Belgium and Denmark recently announcing their interest in procuring more of these jets.

Also, the company continues to witness international interest in the Aegis Ballistic Missile Defense System (Aegis) from international customers, such as Japan, Spain, the Republic of Korea and Australia. Lockheed also has ongoing combat systems programs associated with different classes of surface combatant ships for customers in Canada, Chile and New Zealand. Moreover, its Multi-Mission Surface Combatant (MMSC) program is expected to provide surface combatant ships for international customers, such as the Kingdom of Saudi Arabia, designed to operate in shallow waters and the open ocean.

Reasons To Sell:

▼ **Labor Shortage Impacts:** Shortage of labor continues to pose a threat for industry players like Lockheed. Notably, as per the 2025 Workforce Study report released by the Aerospace Industries Association ("AIA"), in collaboration with McKinsey, the aging talent base, where nearly a quarter of the workforce is over 55, poses a retirement wave risk and a sudden deficit in critical institutional knowledge for the aerospace-defense industry. High early-career attrition has been exacerbating this issue, as the employees in younger age demographics who comprise the bulk of the manufacturing and engineering workforce are the most likely to leave the aerospace and defense sector for higher-paying jobs with greater workplace flexibility in other industries.

Loss-incurring programs, poor solvency, Chinese sanctions and shortage of skilled labor might hurt the company's growth trajectory.

Moreover, although the attrition rate in the industry has dropped from a peak of 17% in 2022 to approximately 14.5% in 2024, it remains significantly higher than the average of other U.S. industries, which range between 2.5% and 7%. Such a higher-than-average attrition rate in the aerospace-defense industry can lead to production delays and quality control issues due to the loss of experienced talent. Such persistent labor challenges might impact aerospace stocks like Lockheed in not being able to deliver the finished products in the stipulated timeline. This in turn may hurt Lockheed's future operating results. This might have caused investors to lose confidence in this stock lately, as evident from its underperformance at the bourses year to date. Shares of Lockheed have lost 1.2% year to date against the industry's 30.1% growth.

▼ **Program Issues:** The company experienced performance issues on a classified fixed-price incentive fee contract in its Aeronautics business segment and periodically recognized reach-forward losses. During 2024, Lockheed recognized \$555 million of losses on this program. During the first nine months of 2025, the company recorded losses of \$950 million on this program. It also reported losses of \$570 million on the Canadian Maritime Helicopter Program, \$95 million on the Turkish Utility Helicopter Program at its RMS business segment and \$105 million of unfavorable profit adjustments on C-130 programs at its Aeronautics business segment. Going forward, the company may need to record additional losses in future periods if it experiences further performance issues, increases in scope, or cost growth, which could be material to its financial results. Additionally, the company's MFC segment is working on a classified, competitively bid contract with a cost-reimbursable base and multiple fixed-price options expected to result in losses. Lockheed recognized a \$100 million reach-forward loss in the first quarter of 2024, followed by \$1.31 billion in the fourth quarter as the exercise of all options became probable. As of Sept. 28, 2025, cumulative losses recognized in relation to this program were \$1.46 billion, with \$1.25 billion accrued as other current liabilities.

▼ **Chinese Sanction:** In 2023, China's Ministry of Commerce announced that it had added Lockheed to its "unreliable entities list" in connection with certain foreign military sales by the U.S. government to Taiwan, involving Lockheed's products and services. China declared that it would impose certain sanctions against Lockheed, including a fine equal to twice the value of the arms that Lockheed had sold to Taiwan since September 2020. In addition, China prohibited the company's CEO, COO and CFO from traveling or working in China. In 2023, China also implemented broad-based export restrictions on certain minerals used in the production, among other things, of semiconductors and missile systems. In 2024, China specifically banned the export of certain minerals to the United States. If China further restricts the export of certain materials, takes further actions to enforce the existing sanctions on Lockheed or imposes additional sanctions, or levies sanctions on its suppliers, teammates or partners, the company's business could be adversely affected.

Last Earnings Report

Lockheed's Q3 Earnings Surpass Estimates, Sales Increase Year Over Year

Lockheed Martin Corporation reported third-quarter 2025 adjusted earnings of \$6.95 per share, which beat the Zacks Consensus Estimate of \$6.33 by 9.8%. The bottom line increased 2.2% from the year-ago quarter's reported figure of \$6.80.

The year-over-year improvement in earnings was primarily driven by higher revenues and operating profit generated in the third quarter of 2025 compared with the prior-year quarter.

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

Earnings Reporting Date	Oct 21, 2025
Sales Surprise	0.28%
EPS Surprise	9.79%
Quarterly EPS	6.95
Annual EPS (TTM)	29.19

Operational Highlights of Lockheed

Net sales were \$18.61 billion, which beat the Zacks Consensus Estimate of \$18.56 billion by 0.3%. The top line also inched up 8.8% from \$17.10 billion reported in the year-ago quarter.

The year-over-year improvement was driven by higher sales growth registered by LMT's business segments.

LMT's Backlog

LMT's backlog as of Sept. 28, 2025, was \$179.07 billion compared with \$176.04 billion as of Dec. 31, 2024.

The Aeronautics segment accounted for \$47.51 billion of the total backlog amount, while the Missiles and Fire Control segment contributed \$45.91 billion. The Rotary and Mission Systems segment contributed \$47.27 billion, while the Space unit accounted for \$38.39 billion.

Lockheed's Segmental Performance

Aeronautics: Sales increased 11.9% year over year to \$7.26 billion. This rise was driven by higher sales volume from the F-35 program.

The segment reported an operating profit of \$682 million compared with an operating profit of \$659 million in the year-ago quarter. The operating margin, however, contracted 80 basis points (bps) to 9.4%.

Missiles and Fire Control: Quarterly sales improved a solid 14.1% year over year to \$3.62 billion. This was on account of higher sales from tactical and strike missile programs.

The segment's operating profit increased 11.8% year over year to \$510 million. The operating margin, however, contracted 30 basis points to 14.1%.

Space: The top line improved 9.1% year over year to \$3.36 billion, driven by higher sales from strategic and missile defense programs.

The segment's operating profit increased 21.7% to \$331 million. The operating margin also expanded 110 bps to 9.9%.

Rotary and Mission Systems: Quarterly revenues increased 0.1% to \$4.37 billion on a year-over-year basis, driven by higher sales from Sikorsky helicopter programs.

The segment reported an operating profit of \$506 million compared with an operating profit of \$483 million in the third quarter of 2024. The operating margin also expanded 50 bps to 11.6%.

Financial Condition of LMT

Lockheed's cash and cash equivalents totaled \$3.47 billion as of Sept. 28, 2025, compared with \$2.48 billion at the end of 2024.

Cash from operating activities amounted to \$5.34 billion as of Sept. 28, 2025, compared with \$5.95 billion a year ago.

Long-term debt as of Sept. 28, 2025, totaled \$20.52 billion, down from \$19.63 billion as of Dec. 31, 2024.

Lockheed's 2025 Guidance

Lockheed now expects to generate sales in the range of \$74.25-\$74.75 billion in 2025, narrower than its earlier estimate of \$73.75-\$74.75 billion. The Zacks Consensus Estimate is pegged at \$74.20 billion, which lies below the midpoint of the company's sales guidance.

LMT has raised its adjusted earnings per share (EPS) guidance. The company now expects to generate adjusted EPS in the range of \$22.15-\$22.35 compared with the earlier guidance of \$21.70-\$22.00. The consensus estimate is currently pegged at \$21.86 per share, which lies lower than the company's newly guided range.

Lockheed expects to generate cash from operations of approximately \$8.50 billion.

It continues to expect capital expenditure of approximately \$1.90 billion.

Lockheed expects to generate a free cash flow of approximately \$6.60 billion.

Recent News

On **Dec. 8, 2025**, Lockheed Martin announced that it had entered into a Memorandum of Understanding with Hadrian to accelerate the pace and value of advanced American manufacturing at Lockheed Martin, building a more resilient and scalable industrial base.

On **Dec. 3, 2025**, Lockheed Martin announced that it has opened a Hypersonics System Integration Lab (SIL) at its Huntsville campus, introducing enhanced capabilities for deterrence and defense innovation in North Alabama.

Valuation

Lockheed Martin's shares are down 1.2% in the year-to-date period and down 2.4% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 30.1%, while the Zacks Aerospace sector is up 28.9% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry has been up 26.6% and the sector has been up 24.5%.

The S&P 500 index is up 18.3% in the year-to-date period and 14.2% in the past year.

The stock is currently trading at 16.24X forward 12-months earnings, which compares with 29.32X for the Zacks sub-industry, 32.48X for the Zacks sector and 23.35X for the S&P 500 index.

Over the past five years, the stock has traded as high as 21.67X and as low as 11.96X, with a 5-year median of 16.30X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$504 price target reflects 17.04X forward 12-months earnings.

The table below shows summary valuation data for LMT.

Valuation Multiples - LMT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	16.24	29.32	32.48	23.35
	5-Year High	21.67	30.81	34.36	23.78
	5-Year Low	11.96	17.67	18.48	15.73
	5-Year Median	16.3	23.07	24.26	21.22
P/S F12M	Current	1.44	2.5	2.75	5.27
	5-Year High	2	2.52	2.81	5.5
	5-Year Low	1.27	1.27	1.26	3.83
	5-Year Median	1.58	1.74	1.7	5.05
EV/SALES TTM	Current	1.75	3.2	3.43	5.72
	5-Year High	2.27	3.36	3.62	5.81
	5-Year Low	1.49	1.98	1.89	3.77
	5-Year Median	1.81	2.65	2.6	5.12

As of 12/12/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 29% (71 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
The Boeing Company (BA)	Neutral	3
Airbus SE - Unsponso...(EADSY)	Neutral	2
General Dynamics Cor...(GD)	Neutral	3
L3Harris Technologie...(LHX)	Neutral	3
Northrop Grumman Cor...(NOC)	Neutral	3
RTX Corporation (RTX)	Neutral	3
Safran SA (SAFRY)	Neutral	2
Leonardo S.P.A. - Un...(FINMY)	NA	

Industry Comparison⁽¹⁾ Industry: Aerospace - Defense

	LMT	X Industry	S&P 500	BA	EADSY	RTX
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	B	-	-	C	F	B
Market Cap	112.09 B	2.92 B	39.20 B	156.20 B	181.69 B	244.17 B
# of Analysts	8	4	22	5	3	5
Dividend Yield	2.85%	0.00%	1.4%	0.00%	0.72%	1.49%
Value Score	B	-	-	F	C	C
Cash/Price	0.03	0.11	0.04	0.15	0.10	0.02
EV/EBITDA	14.65	3.20	14.73	-23.25	18.22	22.26
PEG Ratio	14.44	2.10	2.24	NA	1.43	2.88
Price/Book (P/B)	18.14	3.14	3.35	NA	6.56	3.68
Price/Cash Flow (P/CF)	13.63	16.70	15.24	NA	23.70	20.10
P/E (F1)	21.67	27.09	19.90	NA	30.66	29.42
Price/Sales (P/S)	1.53	2.48	3.09	1.93	2.28	2.84
Earnings Yield	4.55%	-1.25%	5.01%	-4.64%	3.26%	3.40%
Debt/Equity	3.32	0.20	0.57	-5.40	0.59	0.58
Cash Flow (\$/share)	35.55	0.11	8.99	-15.05	2.42	9.06
Growth Score	B	-	-	B	F	B
Hist. EPS Growth (3-5 yrs)	2.54%	17.95%	8.16%	NA	1.59%	14.35%
Proj. EPS Growth (F1/F0)	-22.83%	13.13%	8.57%	53.24%	28.97%	8.03%
Curr. Cash Flow Growth	-0.55%	16.51%	6.75%	580.35%	17.47%	5.19%
Hist. Cash Flow Growth (3-5 yrs)	2.44%	2.25%	7.43%	NA	1.13%	4.16%
Current Ratio	1.13	1.41	1.18	1.18	1.15	1.07
Debt/Capital	76.85%	31.07%	38.01%	NA	37.28%	36.59%
Net Margin	5.73%	4.64%	12.78%	-12.31%	6.97%	7.67%
Return on Equity	111.84%	8.24%	17.00%	NA	22.55%	13.28%
Sales/Assets	1.27	0.56	0.53	0.52	0.55	0.52
Proj. Sales Growth (F1/F0)	4.50%	2.51%	5.77%	31.30%	16.90%	7.90%
Momentum Score	F	-	-	C	F	A
Daily Price Chg	0.87%	-0.99%	-0.16%	0.55%	1.02%	1.93%
1 Week Price Chg	6.20%	3.52%	-0.44%	1.23%	-0.51%	4.42%
4 Week Price Chg	2.90%	2.27%	2.16%	7.14%	-3.83%	3.69%
12 Week Price Chg	0.84%	-3.21%	1.83%	-3.11%	-0.59%	14.23%
52 Week Price Chg	-1.47%	18.67%	12.22%	18.67%	38.59%	54.19%
20 Day Average Volume	1,290,414	1,256,532	2,744,252	9,487,134	507,240	4,534,147
(F1) EPS Est 1 week change	-0.84%	0.00%	0.00%	0.03%	0.00%	0.13%
(F1) EPS Est 4 week change	-0.77%	0.00%	0.00%	-11.20%	-0.18%	0.13%
(F1) EPS Est 12 week change	0.30%	1.42%	0.69%	-302.48%	2.18%	4.32%
(Q1) EPS Est Mthly Chg	-3.64%	0.00%	0.00%	1.74%	0.00%	0.54%

Analyst Earnings Model⁽²⁾

Lockheed Martin Corporation (LMT)

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 Ends December 31st	Dec-22	Dec-23	Dec-24	30-Mar-25	29-Jun-25	28-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26
Income Statement													
Total Revenue	\$65,984.0	\$67,571.0	\$71,043.0	\$17,963.0	\$18,155.0	\$18,609.0	\$19,539.2	\$74,266.2	\$18,336.4	\$18,859.5	\$19,294.5	\$20,518.5	\$77,008.8
YoY % Chng	(1.6%)	2.4%	5.1%	4.5%	0.2%	8.8%	4.9%	4.5%	2.1%	3.9%	3.7%	5.0%	3.7%
Cost of Sales	\$57,697.0	\$59,092.0	\$64,113.0	\$15,640.0	\$17,421.0	\$16,369.0	\$17,911.8	\$67,341.8	\$16,157.4	\$16,575.8	\$16,978.6	\$18,350.8	\$68,062.6
YoY % Chng	(0.5%)	2.4%	8.5%	2.9%	8.9%	9.2%	(0.1%)	5.0%	3.3%	(4.9%)	3.7%	2.5%	1.1%
Gross Profit	\$8,287.0	\$8,479.0	\$6,930.0	\$2,323.0	\$734.0	\$2,240.0	\$1,627.4	\$6,924.4	\$2,178.9	\$2,283.7	\$2,315.9	\$2,167.7	\$8,946.2
YoY % Chng	(8.5%)	2.3%	(18.3%)	16.6%	(65.5%)	5.8%	135.9%	(0.1%)	(6.2%)	211.1%	3.4%	33.2%	29.2%
Other Income (Expense), Net	\$61.0	\$28.0	\$83.0	\$49.0	\$14.0	\$40.0	\$27.6	\$130.6	\$80.8	\$28.0	\$20.6	\$11.3	\$140.7
YoY % Chng	(1.6%)	(54.1%)	196.4%	36.1%	(22.2%)	73.9%	360.5%	57.4%	65.0%	100.3%	(48.5%)	(59.2%)	7.7%
EBITDA	\$9,752.0	\$9,937.0	\$8,572.0	\$2,769.0	\$1,147.0	\$2,708.0	\$2,111.4	\$8,735.4	\$2,650.9	\$2,700.2	\$2,764.4	\$2,659.8	\$10,775.4
YoY % Chng	(7.0%)	1.9%	(13.7%)	16.3%	(54.2%)	7.0%	82.8%	1.9%	(4.3%)	135.4%	2.1%	26.0%	23.4%
Depreciation & Amortization	\$1,404.0	\$1,430.0	\$1,559.0	\$397.0	\$399.0	\$428.0	\$456.4	\$1,680.4	\$391.2	\$388.5	\$427.9	\$480.9	\$1,688.5
YoY % Chng	2.9%	1.9%	9.0%	13.1%	11.1%	9.7%	(0.6%)	7.8%	(1.5%)	(2.6%)	(0.0%)	5.4%	0.5%
Operating Income	\$8,348.0	\$8,507.0	\$7,013.0	\$2,372.0	\$748.0	\$2,280.0	\$1,655.0	\$7,055.0	\$2,259.8	\$2,311.7	\$2,336.5	\$2,178.9	\$9,086.9
YoY % Chng	(8.5%)	1.9%	(17.6%)	16.9%	(65.2%)	6.5%	137.8%	0.6%	(4.7%)	209.1%	2.5%	31.7%	28.8%
Interest Expense	\$623.0	\$916.0	\$1,036.0	\$268.0	\$274.0	\$286.0	\$292.0	\$1,120.0	\$263.5	\$282.9	\$285.4	\$358.2	\$1,189.9
YoY % Chng	9.5%	47.0%	13.1%	5.1%	5.0%	11.7%	10.6%	8.1%	(1.7%)	3.2%	(0.2%)	22.7%	6.2%
Non-Service FAS Pension (Income) Expenses	(\$971.0)	\$443.0	\$62.0	(\$98.0)	(\$99.0)	(\$99.0)	(\$99.0)	(\$395.0)	(\$99.0)	(\$99.0)	(\$99.0)	(\$99.0)	(\$396.0)
YoY % Chng	24.8%	145.6%	(86.0%)	(712.5%)	(760.0%)	(718.8%)	(760.0%)	(737.1%)	(1.0%)	0.0%	0.0%	0.0%	(0.3%)
Other Non-Operating (Income) Expense, Net	(\$74.0)	\$64.0	\$181.0	\$30.0	\$42.0	\$43.0	\$495.0	\$610.0	\$4.6	\$24.1	\$44.7	\$362.1	\$435.4
YoY % Chng	(125.7%)	186.5%	182.8%	(33.3%)	(8.7%)	138.9%	587.5%	237.0%	(84.7%)	(42.6%)	3.9%	(26.9%)	(28.6%)
Pre-Tax Income	\$6,680.0	\$8,098.0	\$6,220.0	\$2,036.0	\$417.0	\$1,938.0	\$1,759.0	\$6,150.0	\$1,901.9	\$1,954.0	\$1,996.7	\$2,083.8	\$7,936.4
YoY % Chng	(11.5%)	21.2%	(23.2%)	11.0%	(78.6%)	1.0%	238.9%	(1.1%)	(6.6%)	368.6%	3.0%	18.5%	29.0%
Income Tax	\$948.0	\$1,178.0	\$884.0	\$324.0	\$75.0	\$319.0	\$311.3	\$1,029.3	\$319.5	\$328.3	\$335.4	\$350.1	\$1,333.3
Tax Rate	14.2%	14.5%	14.2%	15.9%	18.0%	16.5%	17.7%	16.7%	16.8%	16.8%	16.8%	16.8%	16.8%
Net Income, Non-GAAP	\$7,212.0	\$6,985.0	\$6,695.0	\$1,712.0	\$342.0	\$1,619.0	\$1,447.7	\$5,120.7	\$1,582.4	\$1,625.7	\$1,661.3	\$1,733.7	\$6,603.1
YoY % Chng	(2.8%)	(3.1%)	(4.2%)	5.0%	(79.6%)	(0.2%)	(18.0%)	(23.5%)	(7.6%)	375.3%	2.6%	19.8%	28.9%
Net Income, GAAP	\$5,732.0	\$6,920.0	\$5,336.0	\$1,712.0	\$342.0	\$1,619.0	\$1,447.7	\$5,120.7	\$1,582.4	\$1,625.7	\$1,661.3	\$1,733.7	\$6,603.1
YoY % Chng	(9.2%)	20.7%	(22.9%)	10.8%	(79.2%)	(0.2%)	174.7%	(4.0%)	(7.6%)	375.3%	2.6%	19.8%	28.9%
Basic Shares Outstanding	263.7	250.3	238.3	234.4	233.5	231.9	229.7	232.4	227.6	225.4	223.2	221.1	224.3
YoY % Chng	(4.6%)	(5.1%)	(4.8%)	(2.6%)	(2.3%)	(2.4%)	(2.7%)	(2.5%)	(2.9%)	(3.5%)	(3.7%)	(3.8%)	(3.5%)
Diluted Shares Outstanding	264.6	251.2	239.2	235.3	234.3	232.8	230.6	233.3	228.5	226.3	224.1	222.0	225.2
YoY % Chng	(4.6%)	(5.1%)	(4.8%)	(2.6%)	(2.2%)	(2.4%)	(2.7%)	(2.5%)	(2.9%)	(3.4%)	(3.7%)	(3.8%)	(3.5%)
Basic EPS	\$21.74	\$27.65	\$22.39	\$7.30	\$1.46	\$6.98	\$6.30	\$22.04	\$6.95	\$7.21	\$7.44	\$7.84	\$29.45
YoY % Chng	(4.9%)	27.2%	(19.0%)	13.7%	(78.7%)	2.2%	182.6%	(1.6%)	(4.7%)	39.4%	6.6%	24.5%	33.6%
Diluted EPS, Non-GAAP	\$27.23	\$27.82	\$27.99	\$7.28	\$1.46	\$6.95	\$6.28	\$21.97	\$6.93	\$7.18	\$7.41	\$7.81	\$29.33
YoY % Chng	1.8%	2.2%	0.6%	7.9%	(79.1%)	2.2%	(15.7%)	(2.5%)	(4.9%)	39.2%	6.7%	24.4%	33.5%
Diluted EPS, GAAP	\$21.66	\$27.55	\$22.31	\$7.28	\$1.46	\$6.95	\$6.28	\$21.97	\$6.93	\$7.18	\$7.41	\$7.81	\$29.33
YoY % Chng	(4.8%)	27.2%	(19.0%)	13.9%	(78.7%)	2.2%	182.8%	(1.5%)	(4.9%)	39.2%	6.7%	24.4%	33.5%

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	F
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.

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.