

## Southwest Airlines (LUV)

**\$41.28** (Stock Price as of 12/26/2025)

Price Target (6-12 Months): **\$44.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 01/06/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: C

Value: A

Growth: D

Momentum: D

## Summary

Improvement in air travel demand bodes well for Southwest Airlines' top line. Given that travel demand remains healthy, LUV is hopeful that solid revenue trends and tactical initiative performance will continue into 2025. As part of its growth strategy, LUV is focused on its cost-cutting initiatives and fleet-modernization techniques. LUV's liquidity position is also encouraging. A solid balance sheet allows LUV to reward its shareholders through share buybacks and dividend payments. However, production delays at Boeing have been hurting the fleet-related plans of LUV. Escalated labor and airport cost act as headwinds for LUV's bottom line growth. Considering all these factors, investors are advised to wait for a better entry point. For those who already own the stock, it will be prudent to stay invested.

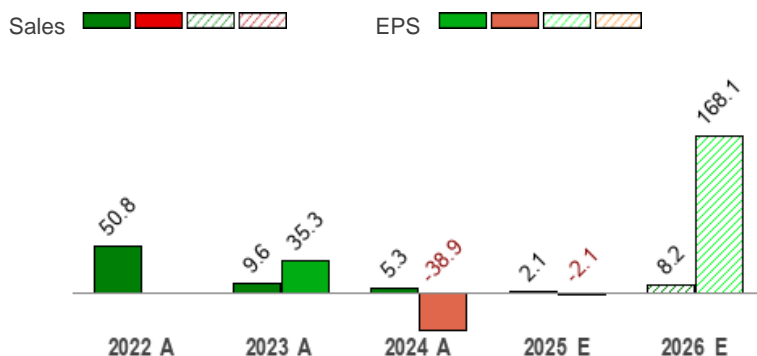
## Price, Consensus & Surprise<sup>(1)</sup>



## Data Overview

52 Week High-Low	\$43.54 - \$23.82
20 Day Average Volume (sh)	11,139,842
Market Cap	\$21.3 B
YTD Price Change	22.8%
Beta	1.17
Dividend / Div Yld	\$0.72 / 1.7%
Industry	<a href="#">Transportation - Airline</a>
Zacks Industry Rank	Top 44% (107 out of 243)

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



Last EPS Surprise	1,000.0%
Last Sales Surprise	-0.3%
EPS F1 Est- 4 week change	-16.5%
Expected Report Date	01/29/2026
Earnings ESP	0.0%

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

	Q1	Q2	Q3	Q4	Annual*
2026	6,827 E	7,758 E	7,499 E	8,292 E	30,377 E
2025	6,428 A	7,244 A	6,949 A	7,451 E	28,072 E
2024	6,329 A	7,354 A	6,870 A	6,931 A	27,483 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	0.31 E	0.86 E	0.22 E	1.13 E	2.52 E
2025	-0.13 A	0.43 A	0.11 A	0.53 E	0.94 E
2024	-0.36 A	0.58 A	0.15 A	0.56 A	0.96 A

\*Quarterly figures may not add up to annual.

P/E TTM	42.6
P/E F1	43.9
PEG F1	0.7
P/S TTM	0.8

(1) The data in the charts and tables, except the estimates, is as of 12/26/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/10/2025.

## Overview

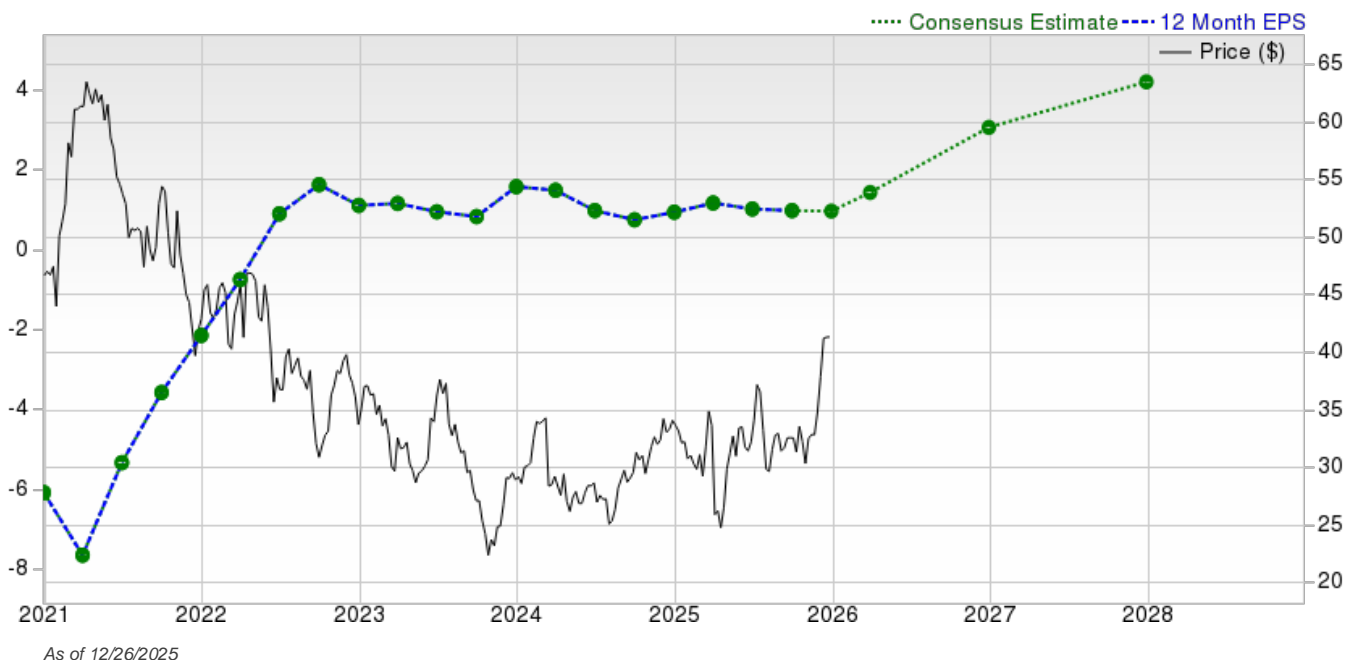
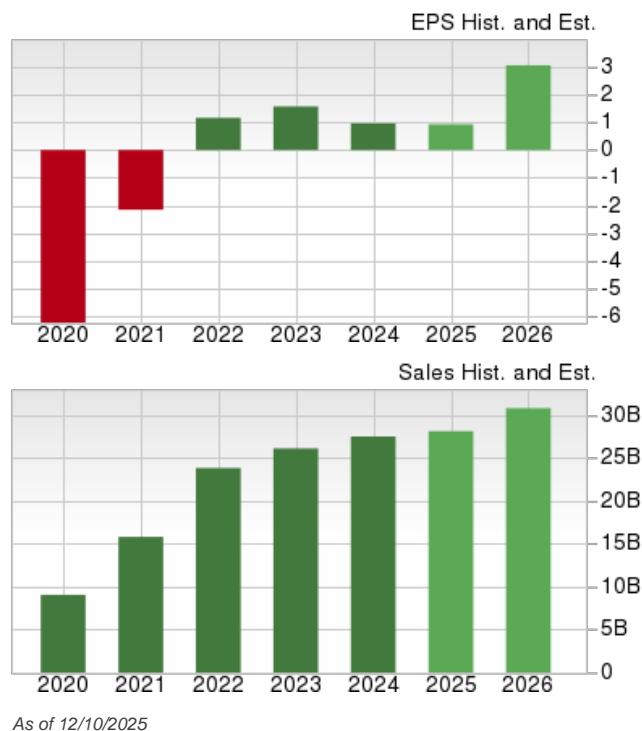
Based in Dallas, TX, Southwest Airlines is a passenger airline that provides scheduled air transportation in the United States and 'ten near-international' markets. The company was incorporated in Texas in 1967 and commenced operations in 1971 with three Boeing 737 jets serving the cities of Dallas, Houston and San Antonio.

Per the U.S. Department of Transportation's latest available data, Southwest Airlines has emerged as the largest domestic air carrier (measured in terms of the number of domestic originating passengers boarded) in the United States.

Southwest Airlines provides short-haul, high-frequency, point-to-point and low-fare services. The company's point-to-point route structure includes services to and from many secondary or downtown airports such as Dallas Love Field, Houston Hobby, Chicago Midway, Baltimore-Washington International and Ft. Lauderdale-Hollywood. The company also offers long-haul nonstop service between markets like Oakland and Orlando, Los Angeles and Nashville, Las Vegas and Orlando, San Diego and Baltimore, Houston and New York LaGuardia, Los Angeles and Tampa, Oakland and Baltimore, San Diego and Newark.

LUV is constantly looking to modernize its fleet. The inclusion of modern planes in its fleet and the retirement of the old ones aligns with its environmentally-friendly approach. During the third-quarter 2024 earnings call, LUV announced that it is actively working with regulatory agencies and vendor partners toward successful approval and certification of its new premium cabin configurations. This would facilitate aircraft retrofits to start at the beginning of 2025, with larger aircraft taken up in the first phase, followed by the smaller 700s. LUV aims to retrofit 50 to 100 aircraft per month, completing the work late next year. Meanwhile, in 2024, it is rationalizing its fleet from 817 aircraft at 2023-end to 796 by the end of this year. It hopes to reach an average fleet age of five years in 2031.

The carrier used its fleet to serve 121 destinations in 42 states, the District of Columbia, the Commonwealth of Puerto Rico, and ten near-international countries: Mexico, Jamaica, The Bahamas, Aruba, Dominican Republic, Costa Rica, Belize, Cuba, the Cayman Islands, and Turks and Caicos.



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## Reasons To Buy:

▲ **Improvement in air-travel demand**, following the end of the pandemic and normalization of economic activities, bodes well for Southwest Airlines' top line. While air travel demand is particularly strong on the leisure front, business travel has also made an encouraging comeback. Amid the ongoing economic uncertainties, improvement in domestic leisure travel trends is aiding Southwest Airlines' top-line growth. Given this encouraging backdrop, LUV anticipates fourth-quarter 2025 unit revenues to be up 1-3%, on a year-over-year basis, excluding special items, on capacity up almost 6% year over year. This guidance range assumes demand strength remains at current levels through the end of the quarter. LUV anticipates delivering an all-time quarterly record revenue performance in the fourth quarter.

Southwest Airlines is aided by healthy travel demand and benefits from its revenue management techniques.

▲ LUV is clearly benefiting from its **revenue management actions**, which include network optimization and capacity moderation, as well as marketing and distribution evolution. These actions should lead to improving yields from its best-performing flights. LUV witnessed yield improvements from revenue management actions and capacity moderation. The upside was owing to improving industry demand trends, and the company's revenue management techniques paid off. The solid growth in unit revenues is backed by consistent travel demand and benefits from the successful execution of tactical actions (which includes improving network optimization and capacity rationalization, marketing and distribution evolution, and continued efforts to advance revenue management techniques).

▲ Southwest Airlines' has a **solid balance sheet**. The airline ended third-quarter 2025 with cash and cash equivalents of \$3.02 billion, much higher than the current debt level of \$23 million. This implies that the company has sufficient cash to meet its current debt obligations. Meanwhile, long-term debt level has decreased to \$4.08 billion at the end of third-quarter 2025 from \$5.08 billion at third-quarter 2024-end.

▲ A strong balance sheet enables the company to **reward shareholders with dividends and share repurchases**. As a reflection of its shareholder-friendly stance, LUV returned \$680 million to shareholders in the form of dividends and share repurchases in 2024. With the quarterly dividend of 18 cents per share (annualized 72 cents per share), LUV's dividend yield is currently pegged at 2.14%. Dividend paying stocks like LUV are generally safe bets for creating wealth, as these payouts act as a hedge against economic uncertainty, which characterizes current times. During third-quarter 2025, LUV returned \$439 million to its shareholders, which includes \$189 million in the form of dividend payments and \$250 million through share repurchases under its current \$2.0 billion share repurchase authorization. Buybacks not only reduce the total outstanding share count, thereby increasing earnings per share, but also signal management's belief in the intrinsic value of the stock. Such shareholder-friendly moves instill investor confidence and positively impacts the company's bottom line.

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## Reasons To Sell:

- ▼ **Rise in labor and airport costs** will likely continue to dent bottom-line performance. Evidently, with expenses on salaries, wages and benefits increasing 4.9% and expenses on landing fees and airport rentals rising 11.2% year over year in third-quarter 2025, consolidated unit cost or cost per available seat mile (CASM) excluding fuel, oil and profit-sharing expenses, and special items grew 2.5% year over year in third-quarter 2025. LUV expects CASM, excluding fuel, oil and profit-sharing expenses, and special items, to increase 1.5-2.5% in the fourth quarter of 2025 from the comparable period in 2024.
- ▼ Considering forward 12-month price-to-sales ratio (P/S-F12M), **LUV looks overvalued** when compared with the sub industry. The stock has a forward 12-month P/S-F12M of 0.66X compared with 0.63X for the industry. These factors indicate that the stock's valuation is unattractive.
- ▼ Stock prices of companies like LUV are notoriously **volatile**. As such, shares of LUV may not be suitable for investors who are not comfortable with often substantial day-to-day volatility. In fact, LUV's beta of 1.21 means that the company is more volatile than the overall market.

Escalated labor and airport costs weigh on bottom-line growth.

## Last Earnings Report

### Southwest Airlines Q3 Earnings Surpass Estimates

Southwest Airlines reported mixed third-quarter 2025 results, wherein earnings surpassed the Zacks Consensus Estimate but revenues lagged the same.

Quarterly earnings of 11 cents per share beat the Zacks Consensus Estimate of 1 cent but declined 26.7% year over year. Revenues of \$6.94 billion missed the Zacks Consensus Estimate of \$6.96 billion, but improved 1.1% year over year. Passenger revenues (which accounted for 90.8% of the top line) grew 1% year over year to \$6.31 billion. Quarterly results benefited from better-than-anticipated unit revenues and unit costs.

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

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	-0.28%
EPS Surprise	1,000.00%
Quarterly EPS	0.11
Annual EPS (TTM)	0.97

### Operating Statistics

Airline traffic, measured in revenue passenger miles, fell 1% year over year to 36.36 billion in the quarter under review. Capacity or available seat miles (ASMs) grew 0.8% year over year to 45.56 billion. As traffic failed to outpace capacity expansion, load factor (percentage of seat occupancy) fell 1.4 percentage points to 79.8%. Our estimate stands at 78.2%.

Passenger revenue per available seat mile (PRASM: a key measure of unit revenues) grew 0.2% year over year to 13.85 cents.

Revenue per available seat mile (RASM) grew 0.4% year over year to 15.25 cents.

### Operating Expenses & Income

In the third quarter, Southwest Airlines incurred an operating income of \$35 million compared with \$38 million in the year-ago quarter. On an adjusted basis (excluding special items), the company reported operating income of \$42 million compared with \$32 million in the year-ago quarter.

Total adjusted operating expenses (excluding profit sharing, special items, fuel and oil expenses) increased 3.4% in the third quarter of 2025.

Fuel cost per gallon (inclusive of fuel tax: economic) fell 5.9% year over year to \$2.40.

Consolidated unit cost or cost per available seat mile (CASM) excluding fuel, oil and profit-sharing expenses, and special items grew 2.5% year over year.

### Liquidity

Southwest Airlines ended the third quarter with cash and cash equivalents of \$2.90 billion compared with \$3.47 billion at the end of the prior quarter. As of Sept. 30, 2025, the company had long-term debt (less current maturities) of \$4.08 billion, which was flat sequentially.

LUV generated \$287 million of cash from operating activities in the reported quarter. Third-quarter 2025 capital expenditures were \$678 million, owing to aircraft-related capital spending, as well as technology, facilities and operational investments.

During third-quarter 2025, LUV returned \$439 million to its shareholders, which includes \$189 million in the form of dividend payments and \$250 million through share repurchases under its current \$2.0 billion share repurchase authorization.

### Outlook

LUV anticipates fourth-quarter 2025 unit revenues to be up 1-3%, on a year-over-year basis, excluding special items, on capacity up almost 6% year over year. This guidance range assumes demand strength remains at current levels through the end of the quarter. LUV anticipates delivering an all-time quarterly record revenue performance in the fourth quarter.

Economic fuel costs per gallon are expected to be between \$2.20 and \$2.30 for fourth-quarter 2025.

LUV continues to expect to achieve its \$370 million cost reduction target this year. LUV anticipates fourth-quarter 2025 CASM-X to be in the range of up 1.5-2.5%, or flat to up 1% when excluding the impact of expected book gains from fleet transactions in the fourth quarter of both years, on capacity up almost 6%, all on a year-over-year basis. Unit costs continue to be backed by the continuation of inflationary pressures, including those associated with labor contracts ratified in 2024. LUV remains focused on driving efficiencies to offset overall inflationary cost pressures and achieve its multi-year cost reduction targets.

LUV now anticipates 2025 capacity to be up roughly 1.5%, year over year, including the capacity increase associated with shifting extra legroom seating retrofits of -700 aircraft to January 2026, which delays the removal of six seats from each of those aircraft. This shift is anticipated to maximize revenue potential during the holiday travel period and still meet the company's operational date milestone of Jan. 27, 2026, for assigned and extra legroom seating, as the company's Technical Operations Team has streamlined the timeline to complete this work.

LUV continues to anticipate its 2025 capital spending to be in the range of \$2.5 billion to \$3.0 billion (including the additional aircraft deliveries now expected, as well as the impact of the expected sale of -800 aircraft this year).

LUV is reaffirming 2025 earnings before interest and taxes, excluding special items, guidance range of \$600 million to \$800 million. LUV is also reaffirming its full-year incremental EBIT contribution targets of \$1.8 billion for 2025 and \$4.3 billion for 2026 from those initiatives.



## Recent News

### Guidance Update — Dec 5, 2025

LUV revealed its updated expectations for full-year 2025 earnings before interest and taxes, excluding special items (EBIT).

Citing issues related to lower revenues owing to the government shutdown and the impact of higher fuel prices, LUV now anticipates its full-year 2025 EBIT guidance to be around \$500 million. This marks a downside from the previous guided range of \$600-\$800 million.

## Valuation

Southwest Airlines shares are up 13.5% year to date. Shares of the company have gained 15.5% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 11.5% while those in the Zacks Transportation sector are down 0.5% year to date. Over the past year, the Zacks sub-industry is up 8.2% while the Zacks Transportation sector are down 6.8%.

The S&P 500 index is up 18% year to date and 14.6% in a year.

The stock is currently trading at 0.66X forward 12-month price to sales, which compares to 0.53X for the Zacks sub-industry, 1.46X for the Zacks sector and 5.41X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 2.45X and as low as 0.47X, with a 5-year median of 0.88X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$44.00 price target reflects 0.77X forward 12-month sales.

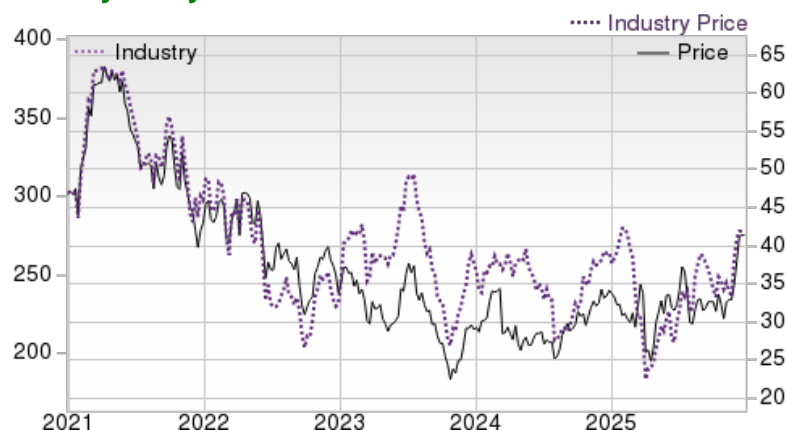
The table below shows summary valuation data for LUV

Valuation Multiples - LUV					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.66	0.53	1.46	5.41
	5-Year High	2.45	1.09	2.72	5.55
	5-Year Low	0.47	0.31	1.36	3.84
	5-Year Median	0.88	0.46	1.73	5.01
EV/S TTM	Current	0.55	0.67	2.06	5.66
	5-Year High	5.02	3.33	4.17	5.84
	5-Year Low	0.34	0.45	1.76	3.79
	5-Year Median	0.77	0.69	2.37	5.07

As of 12/09/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 44% (107 out of 243)



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

Company (Ticker)	Rec	Rank
Air Canada (ACDVF)	Neutral	3
Air France-KLM SA (AFLYY)	Neutral	3
Air China Ltd. (AIRYY)	Neutral	3
Deutsche Lufthansa A..(DLAKY)	Neutral	3
International Consol...(ICAGY)	Neutral	4
Ryanair Holdings PLC (RYAAY)	Neutral	3
ANA Holdings Inc. (ALNPY)	NA	
China Southern Airl...(ZNH)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Transportation - Airline

	LUV	X Industry	S&P 500	AFLYY	AIRYY	ICAGY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	4
VGM Score	C	-	-	A	C	C
Market Cap	21.35 B	4.15 B	39.26 B	3.36 B	14.81 B	25.55 B
# of Analysts	8	4	22	2	1	3
Dividend Yield	1.74%	0.00%	1.4%	0.00%	0.00%	1.83%
Value Score	A	-	-	A	A	B
Cash/Price	0.14	0.26	0.04	1.77	0.26	0.00
EV/EBITDA	9.08	5.11	14.73	2.85	13.05	3.45
PEG Ratio	0.71	0.85	2.23	0.15	NA	0.64
Price/Book (P/B)	2.75	1.71	3.38	1.31	2.50	3.86
Price/Cash Flow (P/CF)	10.98	5.33	15.45	1.05	8.04	4.69
P/E (F1)	43.91	12.16	20.04	4.20	111.56	7.31
Price/Sales (P/S)	0.77	0.63	3.15	0.09	0.63	0.69
Earnings Yield	2.25%	6.54%	4.94%	24.22%	0.90%	13.69%
Debt/Equity	0.52	0.68	0.57	5.64	3.75	NA
Cash Flow (\$/share)	3.76	2.36	8.98	1.22	2.22	2.39
Growth Score	D	-	-	A	F	F
Hist. EPS Growth (3-5 yrs)	-5.00%	32.57%	8.21%	-36.23%	NA	NA
Proj. EPS Growth (F1/F0)	-2.08%	11.73%	8.54%	210.00%	NA	24.39%
Curr. Cash Flow Growth	-10.13%	-4.08%	7.00%	NA	NA	13.41%
Hist. Cash Flow Growth (3-5 yrs)	-8.52%	0.47%	7.48%	-3.36%	-9.08%	2.82%
Current Ratio	0.49	0.68	1.19	0.65	0.41	0.68
Debt/Capital	34.41%	43.54%	38.15%	84.94%	78.94%	66.60%
Net Margin	1.38%	4.85%	12.77%	3.21%	0.19%	9.52%
Return on Equity	6.39%	12.26%	17.03%	82.86%	0.79%	112.24%
Sales/Assets	0.89	0.74	0.53	0.87	0.49	1.52
Proj. Sales Growth (F1/F0)	2.10%	0.79%	5.85%	12.20%	1.30%	11.20%
Momentum Score	D	-	-	D	C	D
Daily Price Chg	-0.48%	-0.11%	-0.03%	0.00%	0.00%	-0.18%
1 Week Price Chg	0.22%	1.32%	1.40%	6.85%	19.01%	4.30%
4 Week Price Chg	18.59%	3.96%	1.18%	8.47%	6.19%	5.79%
12 Week Price Chg	26.94%	7.46%	3.19%	-8.57%	25.26%	8.23%
52 Week Price Chg	21.27%	15.05%	16.06%	58.03%	39.73%	46.71%
20 Day Average Volume	11,139,842	239,265	2,767,182	47,578	161	30,083
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-16.50%	-0.93%	0.00%	-10.29%	0.00%	-0.43%
(F1) EPS Est 12 week change	-6.90%	0.44%	0.67%	-18.67%	-69.23%	0.88%
(Q1) EPS Est Mthly Chg	-25.34%	-4.63%	0.00%	NA	NA	0.00%



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

### Southwest Airlines Co. (LUV)

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-Sept-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sept-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Total Revenue	\$23,814.0	\$26,091.0	\$27,483.0	\$6,428.0	\$7,244.0	\$6,949.0	\$7,450.9	\$28,071.9	\$6,827.3	\$7,758.2	\$7,499.4	\$8,291.8	\$30,376.7	\$32,379.2
YoY % Chng	50.8%	9.6%	5.3%	1.6%	(1.5%)	1.1%	7.5%	2.1%	6.2%	7.1%	7.9%	11.3%	8.2%	6.6%
Salaries, Wages and Benefits	\$9,376.0	\$11,152.0	\$12,240.0	\$3,102.0	\$3,262.0	\$3,219.0	\$3,469.2	\$13,052.2	\$3,129.9	\$3,408.9	\$3,424.7	\$3,773.0	\$13,736.4	\$14,367.1
Payroll Support and Voluntary Employee Programs, Net	\$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
Fuel and Oil, Adjusted	\$5,907.0	\$6,201.0	\$5,855.0	\$1,249.0	\$1,326.0	\$1,331.0	\$1,360.0	\$5,266.0	\$1,278.2	\$1,400.2	\$1,369.7	\$1,488.0	\$5,536.0	\$5,713.6
Fuel and Oil, GAAP	\$5,975.0	\$6,217.0	\$5,812.0	\$1,249.0	\$1,326.0	\$1,331.0	\$1,316.1	\$5,222.1	\$1,268.1	\$1,385.9	\$1,352.4	\$1,464.1	\$5,470.5	\$5,638.5
Maintenance Materials and Repairs	\$852.0	\$1,188.0	\$1,353.0	\$292.0	\$331.0	\$299.0	\$333.8	\$1,255.8	\$411.5	\$520.9	\$587.2	\$402.9	\$1,922.6	\$1,832.5
Landing Fees and Other Rentals	\$1,508.0	\$1,789.0	\$1,962.0	\$522.0	\$567.0	\$548.0	\$518.9	\$2,155.9	\$493.3	\$549.9	\$549.8	\$583.6	\$2,176.7	\$2,234.7
Depreciation and Amortization	\$1,351.0	\$1,522.0	\$1,657.0	\$396.0	\$400.0	\$394.0	\$350.6	\$1,540.6	\$308.2	\$318.3	\$356.1	\$374.6	\$1,357.2	\$1,325.4
Other Operating Expenses	\$3,735.0	\$3,999.0	\$4,138.0	\$1,090.0	\$1,133.0	\$1,123.0	\$1,053.7	\$4,399.7	\$1,052.8	\$1,066.9	\$1,134.9	\$1,030.2	\$4,284.8	\$4,614.3
Total Operating Expenses, Adjusted	\$22,694.0	\$25,198.0	\$27,142.0	\$6,556.0	\$6,999.0	\$6,907.0	\$7,109.3	\$27,571.3	\$6,647.5	\$7,233.7	\$7,387.1	\$7,610.2	\$28,878.5	\$29,949.5
Total Operating Expenses, GAAP	\$22,797.0	\$25,867.0	\$27,162.0	\$6,651.0	\$7,019.0	\$6,914.0	\$7,042.3	\$27,626.3	\$6,663.9	\$7,250.8	\$7,405.1	\$7,628.4	\$28,948.2	\$30,012.5
YoY % Chng	62.0%	13.5%	5.0%	(1.1%)	0.9%	1.2%	5.9%	1.7%	0.2%	3.3%	7.1%	8.3%	4.8%	3.7%
Profit-Sharing Expense	\$127.0	\$110.0	\$103.0	\$0.0	\$14.0	\$11.0	(\$16.2)	\$8.8	\$2.3	\$3.3	\$0.3	\$20.4	\$26.2	\$58.8
Total Operating Expenses, Excl. Profit-Sharing, Fuel and Oil Expense, Special Items and Profit Sharing	\$16,660.0	\$18,887.0	\$21,184.0	\$5,307.0	\$5,659.0	\$5,565.0	\$5,765.5	\$22,296.5	\$5,367.0	\$5,830.2	\$6,017.1	\$6,101.8	\$23,316.2	\$24,177.2
Adjusted EBITDA	\$2,471.0	\$2,415.0	\$2,114.0	\$268.0	\$645.0	\$436.0	\$692.1	\$2,041.1	\$488.1	\$482.8	\$468.3	\$1,056.2	\$2,855.5	\$3,755.1
EBITDA, GAAP	\$2,368.0	\$1,843.0	\$1,978.0	\$173.0	\$625.0	\$429.0	\$759.2	\$1,986.2	\$471.7	\$825.8	\$450.3	\$1,038.0	\$2,785.8	\$3,692.1
YoY % Chng	(20.9%)	(22.2%)	7.3%	1,053.3%	(22.1%)	(9.9%)	10.8%	0.4%	172.7%	32.1%	5.0%	36.7%	40.3%	32.5%
Operating Income, Adjusted	\$1,120.0	\$893.0	\$457.0	(\$128.0)	\$245.0	\$42.0	\$341.5	\$500.5	\$179.8	\$524.5	\$112.3	\$681.6	\$1,498.2	\$2,429.7
Operating Income, GAAP	\$1,017.0	\$321.0	\$321.0	(\$223.0)	\$225.0	\$35.0	\$408.6	\$445.6	\$163.5	\$507.4	\$94.3	\$663.4	\$1,428.5	\$2,366.7
YoY % Chng	(40.9%)	(68.4%)	0.0%	43.3%	(43.5%)	(7.9%)	47.0%	38.8%	173.3%	125.5%	169.3%	62.4%	220.6%	65.7%
Interest Expense	\$340.0	\$259.0	\$249.0	\$46.0	\$39.0	\$35.0	\$78.4	\$198.4	\$54.8	\$56.2	\$57.8	\$69.4	\$238.2	\$305.9
Interest Capitalized	\$39.0	\$23.0	\$35.0	\$11.0	\$13.0	\$13.0	\$9.2	\$46.2	\$11.3	\$12.7	\$12.0	\$12.7	\$48.8	\$34.7
Interest Income	\$217.0	\$583.0	\$497.0	\$84.0	\$54.0	\$34.0	\$75.6	\$247.6	\$60.7	\$60.9	\$59.6	\$72.2	\$253.3	\$216.3
Other (Gains) Losses, Net, Adjusted	\$77.0	(\$41.0)	(\$39.0)	\$18.0	(\$27.0)	(\$21.0)	(\$8.2)	(\$38.2)	(\$8.6)	(\$17.7)	(\$14.4)	(\$13.6)	(\$54.2)	(\$58.8)
Other (Gains) Losses, Net, GAAP	\$12.0	(\$62.0)	\$4.0	\$18.0	(\$27.0)	(\$21.0)	(\$6.3)	(\$36.3)	(\$8.2)	(\$17.0)	(\$13.6)	(\$12.5)	(\$51.4)	(\$55.5)
Total Other Expenses (Income), Adjusted	\$161.0	(\$395.0)	(\$320.0)	(\$31.0)	(\$55.0)	(\$33.0)	(\$14.6)	(\$133.6)	(\$25.8)	(\$35.1)	(\$28.1)	(\$29.0)	(\$118.0)	(\$3.9)
Total Other Expenses (Income), GAAP	\$289.0	(\$409.0)	(\$277.0)	(\$31.0)	(\$55.0)	(\$33.0)	(\$12.7)	(\$131.7)	(\$25.4)	(\$34.4)	(\$27.4)	(\$28.0)	(\$115.2)	(\$0.7)
Pre-Tax Income, Adjusted	\$959.0	\$1,288.0	\$777.0	(\$97.0)	\$300.0	\$75.0	\$356.1	\$634.1	\$205.7	\$559.6	\$140.4	\$710.6	\$1,616.2	\$2,433.6
YoY % Chng	159.5%	34.3%	(39.7%)	65.5%	(38.3%)	(35.9%)	(21.7%)	(18.4%)	312.0%	86.5%	87.2%	99.6%	154.9%	50.6%
Pre-Tax Income, GAAP	\$728.0	\$633.0	\$598.0	(\$192.0)	\$280.0	\$68.0	\$421.3	\$577.3	\$188.8	\$541.9	\$121.6	\$691.4	\$1,543.8	\$2,367.4
YoY % Chng	(45.1%)	(13.0%)	(5.5%)	35.6%	(41.4%)	(23.6%)	28.0%	(3.5%)	198.4%	93.5%	78.9%	64.1%	167.4%	53.4%
Taxes, Adjusted	\$236.0	\$301.0	\$180.0	(\$20.0)	\$70.0	\$17.0	\$80.7	\$147.7	\$46.6	\$126.8	\$31.8	\$161.1	\$366.3	\$551.6
Taxes, GAAP	\$189.0	\$168.0	\$133.0	(\$43.0)	\$67.0	\$14.0	\$86.7	\$124.7	\$38.9	\$111.6	\$25.0	\$142.3	\$317.8	\$487.4
Tax Rate, Adjusted	24.6%	23.5%	23.1%	20.6%	23.3%	22.7%	22.7%	23.3%	22.7%	22.7%	22.7%	22.7%	22.7%	22.7%
Tax Rate, GAAP	25.9%	26.5%	22.2%	22.4%	23.9%	20.6%	20.6%	21.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%
Net Income, Adjusted	\$723.0	\$980.0	\$597.0	(\$77.0)	\$230.0	\$58.0	\$275.4	\$486.4	\$159.0	\$432.7	\$108.6	\$549.6	\$1,249.9	\$1,881.9
YoY % Chng	156.9%	35.5%	(39.1%)	64.7%	(37.8%)	(34.8%)	(22.6%)	(18.5%)	306.5%	88.1%	87.2%	99.6%	157.0%	50.6%
Net Income, GAAP	\$539.0	\$465.0	\$465.0	(\$149.0)	\$213.0	\$54.0	\$334.5	\$452.5	\$150.0	\$430.3	\$96.6	\$549.0	\$1,225.9	\$1,880.0
YoY % Chng	(44.8%)	(13.7%)	0.0%	35.5%	(42.0%)	(19.4%)	28.2%	(2.7%)	200.6%	102.0%	78.9%	64.1%	170.9%	53.4%
Basic Shares Outstanding	593.0	595.0	598.0	584.0	538.0	523.0	515.3	540.1	507.6	499.9	492.2	484.5	496.1	465.3
YoY % Chng	0.2%	0.3%	0.5%	(2.2%)	(10.2%)	(12.7%)	(13.4%)	(9.7%)	(13.1%)	(7.1%)	(5.9%)	(6.0%)	(8.1%)	(6.2%)
Diluted Shares Outstanding	642.0	640.0	643.0	584.0	541.0	526.0	510.3	542.3	509.6	502.9	495.2	487.5	499.1	468.3
YoY % Chng	5.4%	(0.3%)	0.5%	(2.2%)	(15.9%)	(12.5%)	(19.1%)	(15.7%)	(12.6%)	(7.0%)	(5.8%)	(5.9%)	(8.0%)	(6.2%)
Basic EPS	\$0.91	\$0.78	\$0.78	(\$0.26)	\$0.40	\$0.10	\$0.65	\$0.89	\$0.30	\$0.86	\$0.20	\$1.13	\$2.49	\$4.08
YoY % Chng	(44.8%)	(14.3%)	0.0%	33.3%	(34.4%)	(9.1%)	47.5%	14.0%	213.6%	115.2%	96.2%	74.5%	179.5%	64.1%
Diluted EPS, Adjusted	\$1.16	\$1.56	\$0.96	(\$0.13)	\$0.43	\$0.11	\$0.53	\$0.94	\$0.31	\$0.86	\$0.22	\$1.13	\$2.52	\$4.05
YoY % Chng	154.0%	34.5%	(38.5%)	63.9%	(25.9%)	(26.7%)	(5.1%)	(1.9%)	339.6%	100.1%	99.3%	112.1%	167.5%	61.0%
Diluted EPS, GAAP	\$0.87	\$0.76	\$0.76	(\$0.26)	\$0.39	\$0.10	\$0.65	\$0.88	\$0.29	\$0.86	\$0.20	\$1.13	\$2.47	\$4.05
YoY % Chng	(46.0%)	(12.6%)	0.0%	33.3%	(32.8%)	(9.1%)	53.7%	15.2%	213.0%	119.4%	95.1%	74.5%	182.2%	64.0%
Dividend Per Share	\$0.00	\$0.72	\$0.72	\$0.18	\$0.18	\$0.18	\$0.18	\$0.72	\$0.18	\$0.18	\$0.18	\$0.18	\$0.72	\$0.72

## 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.

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## 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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Value Score	A
Growth Score	D
Momentum Score	D
VGM Score	C

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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