

## Northern Oil and Gas (NOG)

**\$22.60** (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$26.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 11/12/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: A

Value: A

Growth: B

Momentum: B

### Summary

Northern Oil and Gas benefits from geographic diversification, operating across premier basins like the Permian, Williston, Uinta, and Appalachian regions, reducing risk and ensuring stable cash flows. Strong operational performance and a healthy balance sheet have led to increased production guidance and improved financial flexibility. Northern's strategy of acquiring non-operated working interests and a robust business development pipeline further enhances growth prospects. Its extensive hedging portfolio offers protection against commodity price volatility, ensuring predictable cash flow. However, broader industry challenges, market volatility, and reliance on third-party operators introduce uncertainties. Rising operational costs and potential acquisition risks also pose headwinds. Due to these factors, the stock is currently Neutral.

### Data Overview

52 Week High-Low	\$42.35 - \$19.88
20 Day Average	2,237,510
Volume (sh)	
Market Cap	\$2.2 B
YTD Price Change	-39.2%
Beta	1.05
Dividend / Div Yld	\$1.80 / 8.0%
Industry	<a href="#">Oil and Gas - Exploration and Production - United States</a>
Zacks Industry Rank	Bottom 29% (172 out of 243)

Last EPS Surprise	25.6%
Last Sales Surprise	-4.8%
EPS F1 Est- 4 week change	2.0%
Expected Report Date	02/18/2026
Earnings ESP	1.1%

P/E TTM	4.7
P/E F1	5.2
PEG F1	-0.2
P/S TTM	0.9

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



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



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

	Q1	Q2	Q3	Q4	Annual*
2026	495 E	489 E	500 E	500 E	1,984 E
2025	577 A	574 A	482 A	530 E	2,164 E
2024	532 A	561 A	514 A	545 A	2,152 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	0.73 E	0.61 E	0.67 E	0.74 E	2.75 E
2025	1.33 A	1.37 A	1.03 A	0.60 E	4.33 E
2024	1.28 A	1.46 A	1.40 A	1.11 A	5.26 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 12/12/2025.

## Overview

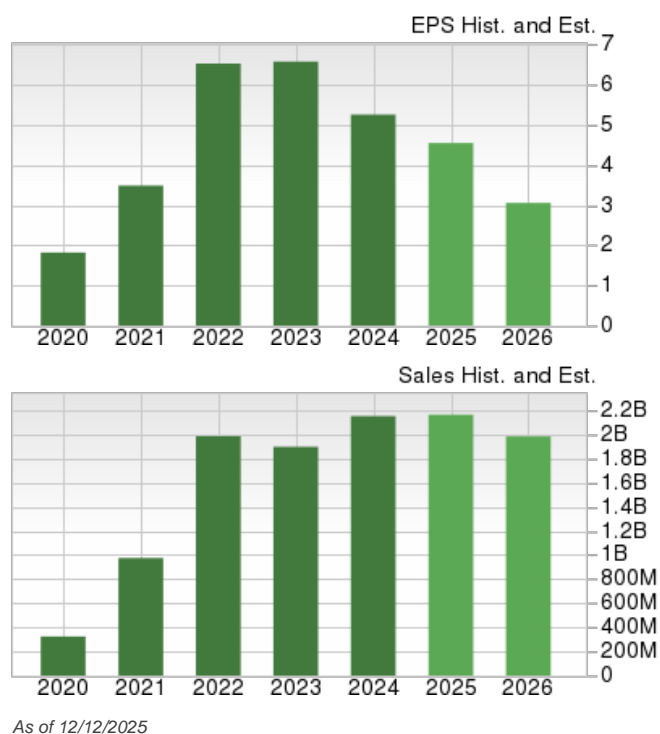
Northern Oil and Gas, Inc. is an independent upstream operator engaged in the acquisition, exploration, development and production of oil and natural gas properties. Headquartered in Minnetonka, MN, the firm is primarily focused on three leading basins of the United States — the Williston, Permian and the Appalachian.

Founded in 2007, Northern employs a unique strategy wherein it owns non-operating, minority interests in thousands of oil and gas wells, which are majority-owned and operated by some leading producers. As part of this low-cost model, the company — unlike most of its peers — does not drill any well but essentially provides financing for its acreage.

The Williston Basin in North Dakota and Montana (targeting the Bakken and Three Forks formations) is the company's core operating region where it has amassed around 179,209 net acres. Meanwhile, in the Appalachia, the domestic exploration and production (E&P) entity controls approximately 53,142 net acres while it has interest in some 44,241 net acres in the Permian Basin. To date, Northern has varying interests in more than 7,000 wells drilled (with 50+ different operating partners across 1 million+ gross acres spread over three basins), including 40% >40% of all wells drilled in the Williston.

As of year-end 2024, Northern had a proved reserve base of 378.5 million barrels of oil equivalent (MMBoe). About 73% of the proved reserve was developed. Production averaged around 124,000 barrels of oil equivalent per day (Boe/d) during 2024, comprising roughly 58% oil. Approximately 34% of the company's total volumes come from the Williston properties, while Permian Basin was responsible for 48%.

Northern generated oil and gas sales of \$2.2 billion last year, up 2.7% year over year. The energy company had \$8.3 million in cash and cash equivalents and its long-term debt sat at \$2.4 billion at the end of the year.



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## Reasons To Buy:

- ▲ Northern Oil and Gas operates across multiple premier hydrocarbon-producing basins, including the Permian, Williston, Uinta, and Appalachian regions. This geographic diversification reduces reliance on any single region, mitigating risks associated with localized pricing pressures or operational disruptions. By maintaining a balanced portfolio, the company ensures stable cash flows and long-term growth potential.
- ▲ The company's assets are consistently outperforming expectations across all its basins. This operational strength, driven by factors like record Appalachian gas volumes and better-than-expected well results in the Williston and Uinta, led management to raise its full-year 2025 production guidance. This indicates underlying asset quality and efficient execution, which translates directly into higher revenue and cash flow potential.
- ▲ The company has taken significant steps to enhance its financial flexibility. Recently, Northern Oil and Gas issued new senior notes at a lower interest rate to repurchase higher-cost debt and successfully amended its revolving credit facility, extending its maturity to 2030 and reducing borrowing costs. These actions have extended the weighted average debt maturity to six years and created over \$1.2 billion in liquidity, positioning the company to capitalize on countercyclical investment opportunities without financial strain.
- ▲ Northern Oil and Gas's strategy of acquiring non-operated working interests provides unique advantages. The company is highly diversified across premier basins like the Permian, Williston, Appalachian, and Uinta, with exposure to approximately 95 different operators. This model reduces single-asset or single-operator risk, offers capital allocation flexibility to "cherry-pick" the best opportunities, and maintains a lean corporate structure, leading to peer-leading low general and administrative costs.
- ▲ The business development landscape for Northern Oil and Gas is exceptionally robust. Management stated they are screening over \$8 billion in potential transactions across various structures, a significant increase from historical periods. This diverse and extensive opportunity set, which includes ground game deals, royalty acquisitions, and larger non-operated packages, provides multiple avenues for accretive growth that many peers cannot access, ensuring a steady funnel for future value creation.
- ▲ The company maintains one of the most extensive hedging portfolios in the oil and gas exploration and production sub-industry, covering significant portions of its anticipated oil production through 2027. For instance, a substantial volume of its fourth-quarter 2025 oil production is hedged at over \$71 per barrel. This program provides predictable cash flow, protects against commodity price downturns, and allows management to confidently execute its strategy and plan for the long term despite market gyrations.

Northern Oil and Gas' geographic diversification reduces reliance on any single region.

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## Reasons To Sell:

- ▼ Broader industry challenges, including potential OPEC supply adjustments, inflationary cost pressures, and stricter environmental regulations, could negatively impact Northern's operations and profitability. These external factors introduce uncertainties that may affect the company's long-term growth trajectory.
- ▼ Despite hedging, Northern Oil and Gas remains exposed to the inherent volatility of oil and gas markets. In the third quarter, the company's unhedged realized oil price was \$61.08 per barrel, a 15% decrease year-over-year, contributing to a 6% drop in Adjusted EBITDA. A prolonged period of low commodity prices would eventually pressure cash flows as hedges roll off, potentially impacting its ability to fund dividends and growth initiatives simultaneously.
- ▼ As a non-operated company, Northern Oil and Gas has no direct control over the timing, pace, or operational decisions of its partners. This was evident in the third quarter when fewer wells were turned online than initially expected, deferring some production. The company's fate is tied to the capital discipline, operational efficiency, and strategic shifts of numerous third-party operators, introducing an element of unpredictability to its production and capital expenditure forecasts.
- ▼ The company has experienced upward pressure on its lease operating expenses, leading it to raise its full-year guidance for this cost line item. Factors such as steady workover costs and saltwater disposal expenses are contributing to this increase. Rising operational costs per unit directly compress profit margins, especially in a lower commodity price environment, posing a challenge to maintaining current levels of cash flow and profitability.
- ▼ The company's growth strategy is heavily reliant on a continuous pipeline of acquisitions, from small ground game deals to larger transactions. Each acquisition carries integration risks, potential for overpayment, and the challenge of accurately valuing non-operated interests. A misstep in a major acquisition could lead to value destruction, increased leverage, and a prolonged period of underperformance.
- ▼ The company's realized prices are not solely based on benchmark rates but are also affected by regional price differentials and natural gas realizations. For example, in the third quarter, natural gas realizations were 82% of Henry Hub due to weakness in the Waha market. Persistent regional pipeline constraints or weak local pricing can significantly impact revenue, even if benchmark commodity prices remain stable or improve.

Rising lease and operating costs are pressuring margins and prompting Northern Oil and Gas to raise its full-year cost guidance.

## Last Earnings Report

### Northern Q3 Earnings Beat Estimates, Revenues Miss, Both Down Y/Y

Northern Oil and Gas reported third-quarter 2025 adjusted earnings per share of \$1.03, which beat the Zacks Consensus Estimate of 82 cents. The outperformance reflects strong production, with total output beating the consensus mark by 0.7%. However, the bottom line declined from the year-ago adjusted profit of \$1.40 due to weaker year-over-year oil prices and a 113% increase in operating expenses.

This oil and natural gas company's quarterly sales of \$482.2 million missed the Zacks Consensus Estimate of \$506 million. Moreover, the top line decreased from the year-ago figure of \$513.5 million. The year-over-year decline was mainly due to lower oil and gas sales during this quarter.

In November, NOG's board of directors declared a cash dividend of 45 cents per share. The dividend will be distributed on Jan. 30, 2026, to its shareholders on record as of the close of business on Dec. 30, 2025.

Across the first nine months of 2025, the company returned \$179.7 million to its investors, including \$129.7 million in dividends and \$50 million through common stock repurchases. No buybacks took place during the third quarter.

The company finalized 22 ground-game deals, securing more than 2,500 net acres and 5.8 net wells.

### Production Details

The third-quarter production increased 8% year over year to 131,054 barrels of oil equivalent per day (Boe/d). Additionally, the figure slightly beat our estimate of 131,000 Boe/d.

While oil volume totaled 72,348 Boe/d (up 2% year over year), natural gas (and natural gas liquids) amounted to 352,250 thousand cubic feet per day (up 15%). Our model estimate for oil volume and natural gas production was pegged at 72,200 Boe/d and 352,800 cubic feet per day, respectively.

The average sales price for crude was \$61.08 per barrel, indicating a 15% decrease from the prior-year quarter's level of \$71.82. Moreover, the figure beat our expectation of \$60.80 per barrel.

The average realized natural gas price was \$2.52 per thousand cubic feet compared with \$1.60 in the year-earlier period. Our model estimate for the same was pinned at \$2.93 per thousand cubic feet.

### Costs & Expenses

Total operating expenses in the quarter rose to \$682.4 million from \$319.7 million in the year-ago period. This was mainly on account of a surge in production expenses, production taxes, general and administrative expenses, depletion, depreciation, amortization and accretion, impairment of oil and gas assets and other expenses. Moreover, the metric exceeded our estimate of \$353.8 million.

### Capital Expenditures

The company reported capital expenditures of \$272 million for the third quarter, excluding non-budgeted acquisitions and other unplanned items. Of this total, \$212.2 million was dedicated to drilling and completion activities on organic assets, while \$59.8 million was allocated to Ground Game efforts, including associated development costs.

The company reported that 49% of its third-quarter capital expenditures were directed to the Permian Basin, while the Williston represented 25%, the Appalachian 21% and the Uinta 5%.

### Financial Position

The company's free cash flow for the quarter totaled \$118.9 million.

As of Sept. 30, Northern had \$31.6 million in cash and cash equivalents. The company had a long-term debt of \$2.2 billion, with a debt-to-capitalization of 51.1%.

### Guidance

The company anticipates a slightly stronger production outlook for 2025, raising its total production range from 130,000-133,000 Boe/d to 132,500-134,000 Boe/d. Northern also expects oil production to increase at the low end, moving from the earlier 74,000-76,000 barrels per day (Bbl/d) to 75,000-76,500 Bbl/d, indicating improved well performance.

On the spending side, the company expects capital expenditures to tighten from \$950 million to \$1.025 billion, narrower than the prior estimate of \$925 million to \$1.05 billion, indicating a more focused allocation plan.

The company anticipates slightly lower well activity, reducing its expectation for net oil wells turned in line from 73-76 to 71-74, and adjusting total net wells turned in line from 83-85 to 80-83, while keeping net wells spud unchanged at 75-85.

On the cost front, this company expects production expenses to move up from \$9.25-\$9.60 per Boe to \$9.40-\$9.75 per Boe, while production

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

Earnings Reporting Date	Nov 06, 2025
Sales Surprise	-4.76%
EPS Surprise	25.61%
Quarterly EPS	1.03
Annual EPS (TTM)	4.84

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taxes are now estimated at 7-8.%, slightly narrower than the earlier 7.5-8.5%. At the same time, the company continues to anticipate stable trends for crude oil differential, natural gas realizations, depreciation, depletion and amortization and general and administrative costs, which remain unchanged from prior guidance.

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## Recent News

### Northern to Acquire 49% Stake in Ohio Utica Shale Assets

On **December 8**, Northern Oil and Gas announced a major strategic move in the oil and gas sector by entering into a definitive agreement to acquire a 49% stake in the Ohio Utica Shale assets. This acquisition, in partnership with Infinity Natural Resources, is valued at \$588 million (net to NOG) in cash, subject to customary closing adjustments. The transaction marks a significant milestone in NOG's growth strategy and further strengthens the portfolio, as it expands footprint in one of the most promising natural gas regions in the United States.

## Valuation

Northern Oil and Gas shares are down 23.4% in the past six months and 47.5% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Oil-Energy sector are down 4.1% but up 9.5% in the six-month period, respectively. Over the past year, the Zacks sub-industry and sector are down 30.3% and up 0.4%, respectively.

The S&P 500 index is up 17.6% in the past six months and 14.1% in the past year.

The stock is currently trading at 2.75X trailing 12-month EV/EBITDA, which compares to 11.06X for the Zacks sub-industry, 5.15X for the Zacks sector and 18.59X for the S&P 500 index.

Over the past five years, the stock has traded as high as 6.61X and as low as 2.53X, with a 5-year median of 4.43X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$26 price target reflects 1.26X F12M sales.

The table below shows summary valuation data for NOG

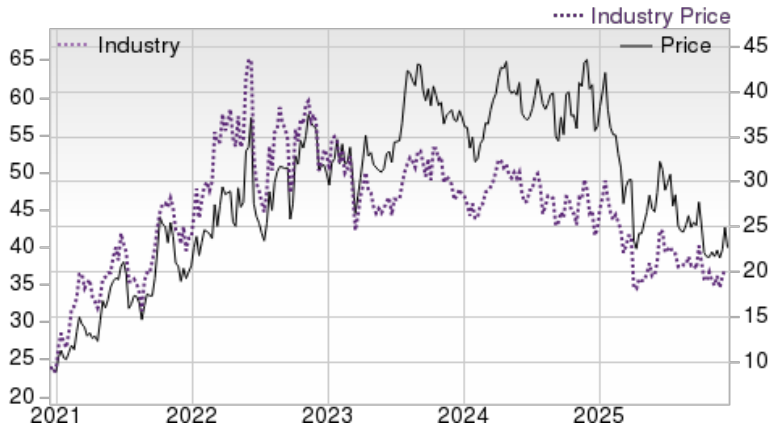
Valuation Multiples - NOG					
		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	2.75	11.06	5.15	18.59
	5-Year High	6.61	16.02	6.71	22.58
	5-Year Low	2.53	3.56	2.77	13.96
	5-Year Median	4.43	6.27	4.38	18.1
P/S F12M	Current	1.16	3.36	1.22	5.4
	5-Year High	1.95	5.51	1.22	5.52
	5-Year Low	0.33	0.93	0.63	3.84
	5-Year Median	1.37	2.22	0.96	5.02
P/E F12M	Current	7.21	11.73	12.96	23.53
	5-Year High	8.09	21.37	20.59	23.58
	5-Year Low	2.56	5.3	5.89	15.72
	5-Year Median	4.91	9.75	9.77	21.2

*As of 12/11/2025*



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 29% (172 out of 243)

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



Company (Ticker)	Rec	Rank
CNX Resources Corpor...(CNX)	Neutral	3
California Resources...(CRC)	Neutral	4
Magnolia Oil & Gas C...(MGY)	Neutral	3
Murphy Oil Corporati...(MUR)	Neutral	3
Permian Resources Co...(PR)	Neutral	3
SM Energy Company (SM)	Neutral	3
Talos Energy Inc. (TALO)	Neutral	3
Gulfport Energy Corp...(GPOR)	Underperform	3

### Industry Comparison<sup>(1)</sup>

Industry: Oil And Gas - Exploration And Production - United States

Industry Peers

	NOG	X Industry	S&P 500	CRC	GPOR	SM
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Underperform	Neutral
<b>Zacks Rank (Short Term)</b>	3	-	-	4	3	3
<b>VGM Score</b>	A	-	-	B	C	A
Market Cap	2.21 B	797.06 M	39.20 B	3.92 B	3.95 B	2.19 B
# of Analysts	5	5	22	4	4	4
Dividend Yield	7.96%	0.00%	1.4%	3.46%	0.00%	4.18%
<b>Value Score</b>	A	-	-	B	C	A
Cash/Price	0.07	0.04	0.04	0.05	0.01	0.07
EV/EBITDA	2.77	3.92	14.73	4.65	67.75	2.25
PEG Ratio	-0.18	2.36	2.24	NA	NA	NA
Price/Book (P/B)	0.98	1.25	3.35	1.14	2.15	0.46
Price/Cash Flow (P/CF)	1.76	3.90	15.24	6.06	5.92	1.37
P/E (F1)	5.00	10.91	19.90	11.30	9.46	3.53
Price/Sales (P/S)	0.93	2.04	3.09	1.08	3.12	0.66
Earnings Yield	20.09%	8.99%	5.01%	8.85%	10.57%	28.33%
Debt/Equity	1.05	0.27	0.57	0.26	0.39	0.49
Cash Flow (\$/share)	12.83	2.66	8.99	7.72	34.55	14.00
<b>Growth Score</b>	B	-	-	B	B	C
Hist. EPS Growth (3-5 yrs)	20.54%	20.88%	8.16%	-13.03%	-2.79%	34.32%
Proj. EPS Growth (F1/F0)	-17.68%	-14.33%	8.57%	6.43%	38.15%	-20.29%
Curr. Cash Flow Growth	16.68%	-2.47%	6.75%	18.09%	-7.93%	14.54%
Hist. Cash Flow Growth (3-5 yrs)	30.85%	14.26%	7.43%	7.11%	19.35%	15.31%
Current Ratio	1.10	0.84	1.18	0.89	0.54	0.56
Debt/Capital	51.10%	23.84%	38.01%	20.52%	28.23%	32.74%
Net Margin	7.61%	8.38%	12.78%	10.60%	1.68%	22.03%
Return on Equity	20.61%	8.96%	17.00%	11.59%	20.95%	16.67%
Sales/Assets	0.42	0.37	0.53	0.53	0.43	0.37
Proj. Sales Growth (F1/F0)	0.60%	0.00%	5.77%	5.10%	44.90%	21.90%
<b>Momentum Score</b>	B	-	-	F	F	C
Daily Price Chg	-0.04%	-1.73%	-0.16%	-3.17%	-1.73%	-2.15%
1 Week Price Chg	-9.01%	-3.92%	-0.44%	1.43%	-3.92%	-2.83%
4 Week Price Chg	3.39%	0.00%	2.16%	-2.07%	-2.74%	4.02%
12 Week Price Chg	-10.71%	0.00%	1.83%	-14.52%	21.06%	-26.00%
52 Week Price Chg	-42.45%	-15.00%	12.22%	-13.05%	16.13%	-51.43%
20 Day Average Volume	2,237,510	402,561	2,744,252	747,476	227,207	2,651,607
(F1) EPS Est 1 week change	-0.18%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	1.97%	0.46%	0.00%	0.85%	0.00%	0.46%
(F1) EPS Est 12 week change	0.21%	-3.26%	0.69%	-4.94%	-14.24%	-6.88%
(Q1) EPS Est Mthly Chg	-1.23%	0.00%	0.00%	1.17%	0.00%	-7.09%



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

### Northern Oil and Gas, Inc. (NOG)

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														
Oil Revenues	\$1,474.6	\$1,646.1	\$1,897.9	\$459.7	\$402.7	\$400.5	\$421.0	\$1,683.9	\$387.1	\$389.1	\$391.4	\$374.8	\$1,542.4	\$1,566.5
Natural Gas and NGL Revenues	\$511.2	\$251.7	\$254.2	\$117.3	\$171.7	\$81.7	\$109.2	\$479.9	\$108.1	\$99.7	\$108.4	\$125.2	\$441.4	\$509.0
Oil & Natural Gas Sales	\$1,985.8	\$1,897.8	\$2,152.1	\$577.0	\$574.4	\$482.2	\$530.2	\$2,163.8	\$495.2	\$488.9	\$499.7	\$500.0	\$1,983.8	\$2,075.4
Gain (Loss) on Commodity Derivatives, Net	(\$415.3)	\$259.3	\$62.0	\$21.8	\$128.8	\$70.8	(\$19.7)	\$201.6	\$4.6	\$0.4	\$7.5	(\$1.5)	\$11.0	\$85.2
Other Revenues	\$0.0	\$9.2	\$11.7	\$3.4	\$3.6	\$3.6	\$3.6	\$14.3	\$3.6	\$3.6	\$3.6	\$3.6	\$14.5	\$14.5
Total Revenues	\$1,570.5	\$2,166.3	\$2,225.7	\$602.1	\$706.8	\$556.6	\$514.1	\$2,379.7	\$503.4	\$492.9	\$510.8	\$502.1	\$2,009.3	\$2,175.1
Production Expenses	\$260.7	\$347.0	\$429.8	\$114.0	\$121.4	\$118.3	\$113.9	\$467.7	\$107.6	\$108.6	\$116.9	\$99.9	\$433.1	\$450.6
Production Taxes	\$158.2	\$160.1	\$157.1	\$36.1	\$35.6	\$28.7	\$55.6	\$156.0	\$35.8	\$36.5	\$36.9	\$40.7	\$149.9	\$158.9
General and Administrative Expense	\$47.2	\$46.8	\$50.5	\$14.5	\$15.6	\$14.1	\$13.1	\$57.3	\$13.2	\$13.2	\$13.4	\$13.1	\$52.9	\$55.3
Legal Settlement Expense				\$0.0	\$33.1	\$0.0	\$0.0	\$33.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Depletion, Depreciation, Amortization and Accretion	\$251.3	\$486.0	\$740.9	\$205.7	\$205.7	\$199.4	\$199.3	\$810.1	\$186.2	\$186.2	\$193.2	\$189.9	\$755.4	\$791.9
Impairment of Oil and Gas Assets				\$0.0	\$115.6	\$318.7	\$0.0	\$434.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Expenses		\$4.4	\$9.7	\$2.5	\$3.6	\$3.3	\$3.3	\$12.6	\$3.3	\$3.3	\$3.3	\$3.3	\$13.1	\$13.1
Total Operating Expenses	\$717.3	\$1,044.4	\$1,387.9	\$372.8	\$530.6	\$682.4	\$385.2	\$1,971.0	\$346.0	\$347.7	\$363.7	\$346.9	\$1,404.4	\$1,469.8
Adjusted EBITDA	\$1,086.3	\$1,428.3	\$1,619.1	\$434.7	\$440.4	\$387.1	\$331.0	\$1,593.3	\$331.3	\$315.8	\$332.5	\$336.7	\$1,316.4	\$1,453.4
Operating Income	\$853.2	\$1,121.9	\$837.8	\$229.3	\$176.2	(\$125.8)	\$128.9	\$408.6	\$157.4	\$145.1	\$147.1	\$155.2	\$604.9	\$705.3
Interest Expense, Net of Capitalization	\$80.3	\$135.7	\$157.7	\$43.9	\$44.4	\$43.0	\$43.1	\$174.4	\$40.1	\$40.2	\$41.7	\$41.0	\$162.9	\$170.9
(Gain) Loss on Unsettled Interest Rate Derivatives, Net	(\$1.0)	\$1.0	(\$0.3)	\$0.1	\$0.0	\$0.1	\$0.1	\$0.4	\$0.1	\$0.1	\$0.1	\$0.1	\$0.5	\$0.5
(Gain) Loss on Extinguishment of Debt, Net	(\$0.8)	(\$0.7)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Contingent Consideration (Gain) Loss	(\$1.9)	(\$10.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other (Income) Expense, Net	\$0.2	(\$4.8)	(\$0.4)	(\$0.5)	(\$0.0)	(\$0.1)	(\$0.2)	(\$0.8)	(\$0.2)	(\$0.1)	(\$0.1)	(\$0.2)	(\$0.6)	(\$0.6)
Total Other Expense, Net	\$76.9	\$121.1	\$157.0	\$43.5	\$44.4	\$43.0	\$43.1	\$174.0	\$40.0	\$40.2	\$41.7	\$41.0	\$162.9	\$170.8
Pre-Tax Income, Adjusted	\$749.1	\$800.9	\$703.6	\$176.7	\$180.5	\$134.8	\$78.9	\$570.9	\$95.6	\$80.0	\$88.0	\$96.3	\$359.9	\$451.8
Pre-Tax Income, GAAP	\$776.3	\$1,000.7	\$680.8	\$185.8	\$131.8	(\$168.8)	\$85.8	\$234.6	\$117.4	\$104.9	\$105.5	\$114.2	\$442.0	\$534.5
Income Tax, Adjusted	\$183.5	\$196.2	\$172.4	\$43.3	\$44.2	\$33.0	\$19.3	\$139.9	\$23.4	\$19.6	\$21.6	\$23.6	\$88.2	\$110.7
Income Tax, GAAP	\$3.1	\$77.8	\$160.5	\$46.8	\$32.2	(\$39.7)	\$20.2	\$59.4	\$27.6	\$24.7	\$24.8	\$26.8	\$103.9	\$125.6
Tax Rate, Adjusted	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%
Tax Rate, GAAP	0.4%	7.8%	23.6%	25.2%	24.4%	23.5%	23.5%	25.3%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%
Net Income, Adjusted	\$565.6	\$604.7	\$531.2	\$133.4	\$136.3	\$101.8	\$59.6	\$431.0	\$72.2	\$60.4	\$66.5	\$72.7	\$271.7	\$341.1
Net Income, GAAP	\$773.2	\$923.0	\$520.3	\$139.0	\$99.6	(\$129.1)	\$65.7	\$175.2	\$89.8	\$80.3	\$80.7	\$87.3	\$338.1	\$408.9
Cumulative Preferred Stock Dividend	\$9.8	\$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
Premium on Repurchase of Preferred Stock	(\$35.7)	\$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, Attributable to Common Stockholders	\$727.7	\$923.0	\$520.3	\$139.0	\$99.6	(\$129.1)	\$65.7	\$175.2	\$89.8	\$80.3	\$80.7	\$87.3	\$338.1	\$408.9
Diluted Shares Outstanding, Adjusted	86.7	92.0	100.9	100.0	99.4	98.8	98.8	99.3	98.8	98.8	98.8	98.8	98.8	98.8
Diluted Shares Outstanding, GAAP	86.7	92.1	101.3	100.0	99.4	97.1	97.1	98.4	97.1	97.1	97.1	97.1	97.1	97.1
Diluted EPS, Adjusted	\$6.53	\$6.58	\$5.26	\$1.33	\$1.37	\$1.03	\$0.60	\$4.33	\$0.73	\$0.61	\$0.67	\$0.74	\$2.75	\$3.45
Diluted EPS, GAAP	\$8.92	\$10.03	\$5.14	\$1.39	\$1.00	(\$1.33)	\$0.68	\$1.74	\$0.92	\$0.83	\$0.83	\$0.90	\$3.48	\$4.21
Dividend Per Share	\$0.88	\$1.49	\$1.64	\$0.45	\$0.45	\$0.45	\$0.45	\$1.80	\$0.45	\$0.45	\$0.45	\$0.45	\$1.80	\$1.80

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## 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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### 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	A
Growth Score	B
Momentum Score	B
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.

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