

## OGE Energy Corp. (OGE)

**\$42.83** (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$45.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 01/15/24)

Prior Recommendation: Outperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: C

Value: C

Growth: D

Momentum: B

## Summary

OGE Energy plans to invest \$6.5 billion between 2025 and 2029 to upgrade its infrastructure. Backed by such a solid investment strategy, the company expects to witness long-term earnings growth of 5-7%. To foster clean energy, it has also been investing steadily to expand its renewable generation assets, as well as focusing on reducing its carbon emission load. The company also continues to reward its shareholders through steady dividend hikes. Our model predicts solid operating revenue growth for the company. However, OGE Energy has underperformed its industry in the past year. The company holds a weak solvency position. Supply-chain disruptions might cause delays in construction activities related to OGE's capital projects.

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



## Data Overview

52 Week High-Low **\$47.33 - \$39.41**

20 Day Average Volume (sh) **1,242,484**

Market Cap **\$8.6 B**

YTD Price Change **0.0%**

Beta **0.63**

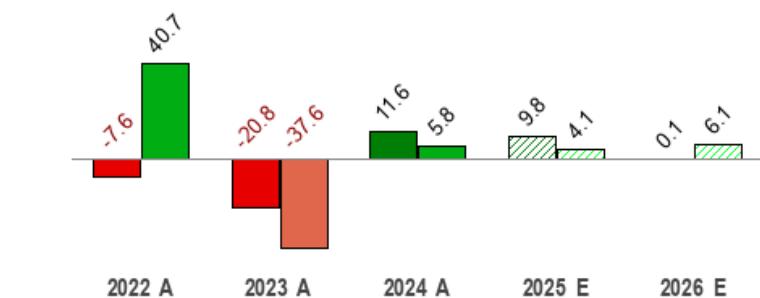
Dividend / Div Yld **\$1.70 / 4.0%**

[Utility - Electric Power](#)

Zacks Industry Rank **Top 22% (54 out of 244)**

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

Sales  EPS 



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

	Q1	Q2	Q3	Q4	Annual*
2026	769 E	757 E	998 E	756 E	3,280 E
2025	748 A	742 A	1,045 A	743 E	3,277 E
2024	597 A	663 A	965 A	761 A	2,985 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	0.47 E	0.62 E	0.70 E	0.64 E	2.42 E
2025	0.31 A	0.53 A	1.14 A	0.30 E	2.28 E
2024	0.09 A	0.51 A	1.09 A	0.51 A	2.19 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/09/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/22/2025.

## Overview

Incorporated in 1995, Oklahoma City, OK-based OGE Energy Corp. provides electricity in Oklahoma and western Arkansas. It is the parent company of Oklahoma Gas and Electric Company ("OG&E"), which is the largest electric utility in Oklahoma and its franchised service territory is the Fort Smith, AR area. OG&E sold its retail natural gas business in 1928 and is no longer engaged in the natural gas distribution business. As of Dec 31, 2023, the company's generation portfolio represents a balanced approach to generating electricity through a range of fuels —75% natural gas, 16% coal and 9% renewable energy.

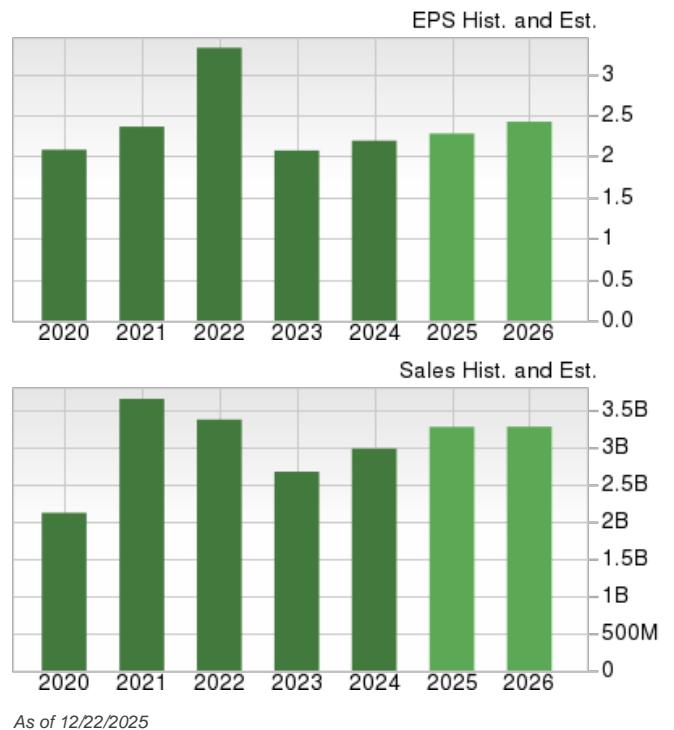
OGE Energy's former natural gas midstream operations reporting segment included the company's investment in Energy Transfer's equity securities and legacy Enable seconded employee pension and postretirement costs. As of the end of September 2022, OGE Energy sold all of its Energy Transfer limited partner units. Since 2023, it no longer has a natural gas midstream operations reporting segment.

As of Dec 31, 2024, OGE Energy operated its business through the electric utility, Oklahoma Gas and Electric Company (OG&E) and Other Operations divisions.

OGE Energy's subsidiary, OG&E, is an electric utility in Oklahoma. The electric utility generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. OG&E derived 92% of its total electric operating revenues in 2024 from sales in Oklahoma and the remainder from sales in Arkansas. As of Dec. 31, 2024, it provided retail electric services to 907,000 customers, in communities and their contiguous rural and suburban areas. The segment's net income in 2024 was \$469.9 million.

The Other Operations unit primarily includes the operations of the holding company and other energy-related investments. This segment posted a net loss of \$28.4 million in 2024.

As of Dec. 31, 2024, the company had a total generating capacity of 6,921 MW, which was distributed through 18 generating stations. Almost 65.9% of this amount came from natural gas generation, 22.5% from coal generation, 4.6% from dual-fuel generation (coal/gas), 6.5% from wind generation and 0.5% from solar generation.



As of 12/22/2025



## Reasons To Buy:

- ▲ Utilities like OGE Energy are gaining substantially from a clean energy investment push, which has received strong policy support following the 2022 U.S. Inflation Reduction Act (IRA). This Act includes major provisions for cutting carbon emissions. Per a report published by the American Clean Power Association in August 2024, the U.S. utility-scale clean energy industry has announced more than \$550 billion in realized and planned investments over two years following the signing of the IRA in August 2022.
- ▲ To earn profitable incentives from such hefty fundings for utility-scale clean energy projects, OGE Energy has been investing steadily to expand its renewable generation assets. As of Dec. 31, 2024, the company owned the 120 megawatts (MW) Centennial, 101 MW OU Spirit and 228 MW Crossroads wind farms. It also owns and operates six solar sites across the state of Oklahoma and one in Arkansas, which comes with a cumulative generation capacity of 32.2 MW. Moreover, the company offers the Renewable Energy Credit purchase program, the Green Power Wind Rider and the Utility Solar Program, which are rate options that make renewable energy resources available as a voluntary option to all OG&E Oklahoma retail customers. OG&E aims to continue to deploy more renewable energy sources that do not emit greenhouse gases. Such initiatives should further boost OGE Energy's renewable energy portfolio. Our model predicts year-over-year operating revenue growth of 9.8% in 2025, 0.1% in 2026 and 1.4% in 2027, for OGE Energy.
- ▲ To further promote clean energy, the company has also been focused on reducing its carbon emission load. To this end, it is imperative to mention that OG&E's current business strategy has reduced carbon dioxide emissions by more than 60% compared with the 2005 levels. Emissions of ozone-forming nitrogen oxide (NOx) have been reduced by approximately 80% and that of sulfur dioxide (SO2) by around 95%. To further reduce its carbon footprint, in the second-quarter, the company filed for approval of two additional natural gas combustion turbines, at its Horseshoe Lake facility, which upon completion in 2029, will add nearly 450 MW to its generation capacity. OGE Energy is also currently engaged in the construction of 550 MW natural gas combustion turbines at Horseshoe Lake and Tinker Air Force Base, scheduled to be operational in 2026. These initiatives should enable OGE Energy to duly meet its target to reduce carbon dioxide emissions to 50-52% of the 2005 level by 2030.
- ▲ OGE Energy is the largest electric utility in Oklahoma and is pursuing an aggressive investment strategy to upgrade its infrastructure and provide seamless services to its customers. To this end, the company plans to spend \$6.50 billion between 2025 and 2029. The figure rose 4% from its prior five-year capital expenditure plan of \$6.25 billion. With these capital investments, the company aims to maintain and improve the safety, resiliency and reliability of its distribution and transmission grid and generation fleet. It also expects to enhance its system's capability to serve its growing customer base and perform during extreme weather events.

Backed by such a solid investment strategy, the company expects long-term earnings growth of 5%-7%. Apart from bolstering customer growth, valuable returns from such investment strategies should also enable OGE Energy to continue to reward its shareholders through steady dividend hikes, with a targeted dividend payout ratio of 65-70% in the next five years. The company's current dividend yield is 3.79%, better than the industry's 3.05%. Moreover, over the next several years, OGE Energy expects earnings per share growth to exceed the dividend growth rate to help achieve this target.

Systematic capital investment, initiatives to reduce carbon dioxide emissions and solid renewable portfolio are likely to boost OGE Energy's future performance.

## Reasons To Sell:

▼ In recent times, factors like raw material inflation, logistical challenges and certain component shortages have resulted in supply chain disruption within the utility market. These have also resulted in supply-chain disruption, and may continue to cause delays in construction activities and equipment deliveries related to OGE Energy's capital projects.

Moreover, rising electricity production costs due to increased fuel prices, inflation and shortage of components also pose a risk for electricity manufacturers like OGE Energy. The company's fuel, purchased power and transmission expenses surged 11% year over year in the third quarter of 2025.

Supply chain disruption, weak solvency position and events like severe storm are headwinds for the company.

▼ OGE Energy's cash and cash equivalents were \$0.3 million as of Sept. 30, 2025. This does not seem to be sufficient to address its current debt obligations of \$466 million as of Sept. 30, 2025, and long-term debt of \$5.37 billion. So, we may safely conclude that the stock carries a weak solvency position.

Moreover, the stock's current ratio, which came in at 0.80 at the end of the third quarter of 2025, being less than one, indicates that the company does not have enough capital to pay off its short-term debt obligations. Such an unfavorable financial ratio makes one further skeptical about the company's financial position. OGE Energy's shares have gained 2.9% in the past year compared with the industry's 19.4% growth.

▼ Due to its generation and transmission systems being part of an interconnected regional grid, OGE Energy faces the risk of possible loss of business due to a disruption or black-out caused by an event such as a severe storm, generator or transmission facility outage on a neighboring system or the actions of a neighboring utility. Any such disruption could result in a significant decrease in revenues and significant additional costs to repair assets, which in turn might have a material adverse impact on its financial position, results of operations and cash flows.

## Last Earnings Report

### OGE Energy's Q3 Earnings Miss Estimates, Revenues Rise Y/Y

The company reported third-quarter 2025 earnings of \$1.14 per share, which missed the Zacks Consensus Estimate of \$1.16 by 1.7%. However, the figure improved 4.6% from \$1.09 per share recorded in the year-ago quarter.

#### OGE Energy's Revenues

OGE's operating revenues of \$1.05 billion rose 8.2% from \$0.97 billion recorded in the prior-year quarter. The top line surpassed the Zacks Consensus Estimate of \$0.89 billion by 17.2%.

#### OGE's Operational Highlights

Total sales in the reported quarter were 9.9 million megawatt-hours (MWh), up from 9.7 MWh in the prior-year quarter. The company's customer count increased 0.6% to 910,464.

During the third quarter of 2025, the cost of fuel, purchased power and direct transmission increased 11% to \$388.5 million from \$350.1 million in the prior-year quarter.

Total operating expenses for the third quarter of 2025 rose 4.3% to \$315.2 million, primarily driven by higher other operation and maintenance expenses.

Operating income totaled \$341.3 million in the third quarter of 2025, up 9% from the year-ago quarter's level of \$313.2 million.

For the third quarter of 2025, interest expenses totaled \$69.6 million, up 8.4% from \$64.2 million recorded a year ago.

#### Financial Highlights of OGE

OGE had cash and cash equivalents of \$0.3 million as of Sept. 30, 2025, compared with \$0.2 million as of Dec. 31, 2024.

Long-term debt totaled \$5.37 billion as of Sept. 30, 2025, up from \$5.02 billion as of Dec. 31, 2024.

During the first nine months of 2025, OGE generated cash from operating activities worth \$800.8 million compared with the year-ago figure of \$724.1 million.

#### OGE's 2025 Guidance

OGE Energy reiterated its 2025 earnings per share guidance. The company still expects to generate earnings in the range of \$2.21-\$2.33 per share. The Zacks Consensus Estimate is pegged at \$2.28, which is just above the midpoint of the company's guided range.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 29, 2025
Sales Surprise	17.24%
EPS Surprise	-1.72%
Quarterly EPS	1.14
Annual EPS (TTM)	2.49

## Valuation

OGE Energy's shares are down 5% in the past six months and up 2.9% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Utilities sector are up 8.2% and 6.2%, respectively, in the past six months. Over the past year, the Zacks sub-industry is up 19.4% whereas the sector is up 15.9%.

The S&P 500 index is up 16% in the past six months and up 16.2% in the past year.

The stock is currently trading at 17.59X forward 12-months earnings, which compares with 15.28X for the Zacks sub-industry, 15.62X for the Zacks sector and 23.27X for the S&P 500 index.

Over the past five years, the stock has traded as high as 20.41X and as low as 13.46X, with a 5-year median of 17.61X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$45 price target reflects 18.62X forward 12-months earnings.

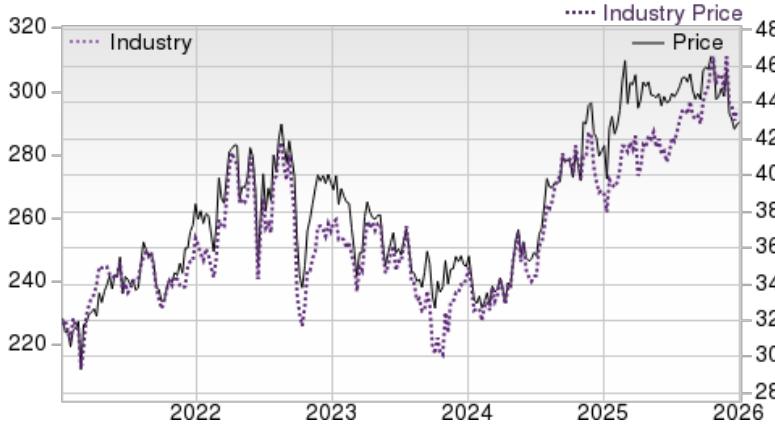
The table below shows summary valuation data for OGE.

Valuation Multiples - OGE					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	17.59	15.28	15.62	23.27
	5-Year High	20.41	16.15	17.86	23.78
	5-Year Low	13.46	12	13.13	15.73
	5-Year Median	17.61	14.68	15.85	21.22
P/S F12M	Current	2.61	3.28	3.03	5.25
	5-Year High	3.09	3.44	3.24	5.5
	5-Year Low	1.86	2.43	2.28	3.83
	5-Year Median	2.25	2.94	2.72	5.05
P/B TTM	Current	1.79	2.53	3.06	8.48
	5-Year High	2.02	2.86	3.28	9.17
	5-Year Low	1.41	2.02	2.38	6.6
	5-Year Median	1.8	2.45	2.87	8.05

As of 12/19/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 22% (54 out of 244)



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

Company (Ticker)	Rec	Rank
United Utilities Gro... (UUGRY)	Outperform	1
Brookfield Renewable... (BEP)	Neutral	3
CMS Energy Corporati... (CMS)	Neutral	3
DTE Energy Company (DTE)	Neutral	4
Alliant Energy Corpo... (LNT)	Neutral	2
National Grid Transc... (NGG)	Neutral	3
NiSource, Inc (NI)	Neutral	2
Pinnacle West Capita... (PNW)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Utility - Electric Power

	OGE	X Industry	S&P 500	LNT	PNW	TAC
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	3	-	-	2	3	3
<b>VGM Score</b>	C	-	-	D	B	B
Market Cap	8.60 B	19.83 B	40.73 B	16.85 B	10.69 B	3.62 B
# of Analysts	3	3	22	4	5	1
Dividend Yield	3.98%	2.94%	1.37%	3.10%	4.08%	1.53%
<b>Value Score</b>	C	-	-	D	B	B
Cash/Price	0.00	0.02	0.04	0.04	0.00	0.05
EV/EBITDA	10.51	11.50	15.01	14.89	7.81	7.75
PEG Ratio	3.66	2.48	2.04	2.66	9.03	NA
Price/Book (P/B)	1.79	1.62	3.44	2.31	1.48	7.44
Price/Cash Flow (P/CF)	8.75	8.70	15.54	10.83	5.10	7.02
P/E (F1)	18.73	17.05	18.81	19.01	19.14	32.97
Price/Sales (P/S)	2.61	2.59	3.07	3.94	2.01	2.04
Earnings Yield	5.67%	5.74%	5.30%	5.26%	5.23%	3.03%
Debt/Equity	1.12	1.28	0.57	1.46	1.28	5.22
Cash Flow (\$/share)	4.88	6.05	8.98	6.05	17.51	1.74
<b>Growth Score</b>	D	-	-	D	B	B
Hist. EPS Growth (3-5 yrs)	-4.48%	4.47%	8.24%	6.09%	-0.39%	-6.77%
Proj. EPS Growth (F1/F0)	4.11%	6.98%	9.21%	5.59%	-9.73%	-30.23%
Curr. Cash Flow Growth	6.24%	6.35%	7.00%	11.81%	4.62%	-42.21%
Hist. Cash Flow Growth (3-5 yrs)	4.46%	5.73%	7.49%	6.56%	9.72%	-0.50%
Current Ratio	0.80	0.90	1.19	0.83	0.67	0.79
Debt/Capital	52.81%	55.76%	38.14%	59.32%	56.07%	68.44%
Net Margin	15.28%	11.49%	12.77%	19.14%	11.20%	-7.39%
Return on Equity	10.77%	9.79%	17.03%	12.02%	8.57%	3.00%
Sales/Assets	0.24	0.22	0.53	0.18	0.19	0.27
Proj. Sales Growth (F1/F0)	9.80%	5.23%	5.30%	7.40%	3.60%	-14.10%
<b>Momentum Score</b>	B	-	-	D	C	D
Daily Price Chg	1.30%	0.42%	0.01%	1.47%	2.20%	-1.05%
1 Week Price Chg	0.23%	0.65%	1.11%	0.54%	-0.29%	1.40%
4 Week Price Chg	0.21%	1.05%	0.30%	0.95%	2.96%	-15.40%
12 Week Price Chg	-8.01%	-1.36%	4.41%	-3.03%	-3.96%	-28.07%
52 Week Price Chg	4.55%	13.88%	16.95%	12.63%	6.83%	-7.99%
20 Day Average Volume	1,242,484	901,603	2,445,854	1,575,927	988,566	1,121,340
(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%	0.00%	0.00%	0.00%	0.32%	-13.95%
(F1) EPS Est 12 week change	0.21%	0.15%	0.47%	0.10%	-5.32%	5.71%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

### OGE Energy Corp. (OGE)

In \$MM, except per share data

FY Ends December 31st	2022A	2023A	2024A	2025E				2026E				2027E		
	FY Dec-22	FY Dec-23	FY Dec-24	1Q4 31-Mar-25	2Q4 30-Jun-25	3Q4 30-Sep-25	4QE 31-Dec-25	FY Dec-25	1QE 31-Mar-26	2QE 30-Jun-26	3QE 30-Sep-26	4QE 31-Dec-26	FY Dec-26	FY Dec-27
<b>Income Statement</b>														
Revenues from Contracts with Customers	\$3,304.2	\$2,607.3	\$2,916.6	\$741.1	\$719.7	\$1,028.4	\$729.2	\$3,218.4	\$762.3	\$735.0	\$983.2	\$742.8	\$3,223.3	\$3,269.9
Other Revenues	\$71.5	\$67.0	\$68.7	\$6.6	\$21.9	\$16.6	\$13.8	\$58.9	\$6.3	\$22.2	\$15.2	\$13.1	\$56.8	\$56.6
<b>Operating Revenues</b>	<b>\$3,375.7</b>	<b>\$2,674.3</b>	<b>\$2,985.3</b>	<b>\$747.7</b>	<b>\$741.6</b>	<b>\$1,045.0</b>	<b>\$743.0</b>	<b>\$3,277.3</b>	<b>\$768.6</b>	<b>\$757.2</b>	<b>\$998.4</b>	<b>\$755.8</b>	<b>\$3,280.1</b>	<b>\$3,326.5</b>
Fuel and Purchased Power Costs and Direct Transmission Expense	\$1,662.4	\$911.7	\$1,076.4	\$324.0	\$261.1	\$388.5	\$273.9	\$1,247.5	\$280.9	\$248.4	\$386.5	\$214.2	\$1,130.0	\$1,115.5
<b>Gross Profit</b>	<b>\$1,713.3</b>	<b>\$1,762.6</b>	<b>\$1,908.9</b>	<b>\$423.7</b>	<b>\$480.5</b>	<b>\$656.5</b>	<b>\$469.2</b>	<b>\$2,029.9</b>	<b>\$487.7</b>	<b>\$508.9</b>	<b>\$611.9</b>	<b>\$541.6</b>	<b>\$2,150.2</b>	<b>\$2,210.9</b>
Other Operation & Maintenance	\$501.4	\$502.6	\$514.4	\$121.8	\$127.1	\$143.3	\$140.3	\$532.5	\$134.6	\$122.2	\$148.8	\$140.2	\$545.7	\$531.7
Depreciation & Amortization	\$460.9	\$506.6	\$539.5	\$137.4	\$140.6	\$146.7	\$143.3	\$568.0	\$149.3	\$149.3	\$180.9	\$144.7	\$624.3	\$646.0
Taxes Other Than Income	\$101.5	\$103.2	\$109.7	\$31.2	\$26.2	\$25.2	\$27.3	\$109.9	\$26.5	\$23.2	\$31.4	\$25.2	\$106.3	\$104.4
<b>Total Operating Expenses</b>	<b>\$1,063.8</b>	<b>\$1,112.4</b>	<b>\$1,163.6</b>	<b>\$290.4</b>	<b>\$293.9</b>	<b>\$315.2</b>	<b>\$310.9</b>	<b>\$1,210.4</b>	<b>\$310.4</b>	<b>\$294.8</b>	<b>\$361.2</b>	<b>\$310.0</b>	<b>\$1,276.3</b>	<b>\$1,282.1</b>
<b>EBITDA</b>	<b>\$1,110.4</b>	<b>\$1,156.8</b>	<b>\$1,284.8</b>	<b>\$270.7</b>	<b>\$327.2</b>	<b>\$488.0</b>	<b>\$301.6</b>	<b>\$1,387.5</b>	<b>\$326.7</b>	<b>\$363.4</b>	<b>\$431.7</b>	<b>\$376.3</b>	<b>\$1,498.1</b>	<b>\$1,574.9</b>
<b>Operating Income</b>	<b>\$649.5</b>	<b>\$650.2</b>	<b>\$745.3</b>	<b>\$133.3</b>	<b>\$186.6</b>	<b>\$341.3</b>	<b>\$158.3</b>	<b>\$819.5</b>	<b>\$177.3</b>	<b>\$214.1</b>	<b>\$250.8</b>	<b>\$231.6</b>	<b>\$873.8</b>	<b>\$928.9</b>
Gain on Equity Securities	\$282.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Equity in Earnings of Unconsolidated Affiliates	\$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
Allowance for Equity Funds Used During Construction	\$6.9	\$19.4	\$25.5	\$7.0	\$6.0	\$6.3	\$6.1	\$25.4	\$6.1	\$5.7	\$7.4	\$5.9	\$25.2	\$25.5
Other Net Periodic Benefit Income (Expense)	(\$12.9)	\$5.6	(\$2.2)	(\$2.6)	(\$2.9)	(\$2.7)	(\$3.6)	(\$11.8)	(\$2.8)	(\$2.9)	(\$3.7)	(\$3.0)	(\$12.5)	(\$12.8)
Other Income	\$74.6	\$48.2	\$30.6	\$7.0	\$17.2	\$6.1	\$9.7	\$40.0	\$9.9	\$10.4	\$11.3	\$9.6	\$41.2	\$41.7
Other Expense	(\$44.6)	(\$29.0)	(\$24.1)	(\$4.5)	(\$5.2)	(\$4.6)	(\$5.3)	(\$19.6)	(\$4.7)	(\$4.7)	(\$5.9)	(\$4.8)	(\$20.1)	(\$20.5)
Net Other Income(Expense)	\$306.1	\$44.2	\$29.8	\$6.9	\$15.1	\$5.1	\$6.9	\$34.0	\$8.4	\$8.6	\$9.1	\$7.7	\$33.9	\$34.0
Interest on Long-Term Debt	\$162.1	\$205.0	\$228.3	\$61.4	\$66.6	\$66.4	\$88.6	\$283.0	\$68.1	\$68.4	\$86.7	\$81.5	\$304.7	\$317.2
Allowance for Borrowed Funds Used During Construction	(\$4.0)	(\$7.1)	(\$14.6)	(\$4.5)	(\$3.7)	(\$3.7)	(\$3.7)	(\$15.6)	(\$3.7)	(\$3.5)	(\$4.5)	(\$3.6)	(\$15.2)	(\$15.4)
Interest on Short-Term Debt and Other Interest Charges	\$8.2	\$23.5	\$40.8	\$10.4	\$9.3	\$6.9	\$7.9	\$34.5	\$8.4	\$7.7	\$9.6	\$7.8	\$33.5	\$33.8
Interest Expense	\$166.3	\$221.4	\$254.5	\$67.3	\$72.2	\$69.6	\$92.8	\$301.9	\$72.8	\$72.6	\$91.8	\$85.7	\$322.9	\$335.6
<b>Pre-Tax Income</b>	<b>\$789.3</b>	<b>\$473.0</b>	<b>\$520.6</b>	<b>\$72.9</b>	<b>\$129.5</b>	<b>\$276.8</b>	<b>\$72.4</b>	<b>\$551.6</b>	<b>\$113.0</b>	<b>\$150.1</b>	<b>\$168.1</b>	<b>\$153.6</b>	<b>\$584.8</b>	<b>\$627.3</b>
Income Tax	\$123.6	\$56.2	\$79.1	\$10.2	\$22.0	\$45.5	\$11.9	\$89.6	\$18.6	\$24.7	\$27.6	\$25.3	\$96.1	\$103.1
Tax Rate	15.7%	11.9%	15.2%	14.0%	17.0%	16.4%	16.4%	16.5%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%
<b>Net Income</b>	<b>\$665.7</b>	<b>\$416.8</b>	<b>\$441.5</b>	<b>\$62.7</b>	<b>\$107.5</b>	<b>\$231.3</b>	<b>\$60.5</b>	<b>\$462.0</b>	<b>\$94.4</b>	<b>\$125.4</b>	<b>\$140.5</b>	<b>\$128.4</b>	<b>\$488.7</b>	<b>\$524.2</b>
Basic Shares Outstanding	200.2	200.3	200.8	201.2	201.3	201.5	201.5	201.4	201.5	201.5	201.5	201.5	201.5	201.5
Diluted Shares Outstanding	200.8	200.9	201.3	201.9	202.1	202.1	202.1	202.1	202.1	202.1	202.1	202.1	202.1	202.1
Basic EPS	\$3.33	\$2.08	\$2.20	\$0.31	\$0.53	\$1.15	\$0.30	\$2.29	\$0.47	\$0.62	\$0.70	\$0.64	\$2.43	\$2.60
Diluted EPS	\$3.32	\$2.07	\$2.19	\$0.31	\$0.53	\$1.14	\$0.30	\$2.28	\$0.47	\$0.62	\$0.70	\$0.64	\$2.42	\$2.59
Dividend Per Share	\$1.65	\$1.66	\$1.68	\$0.42	\$0.42	\$0.43	\$0.43	\$1.69	\$0.43	\$0.43	\$0.43	\$0.43	\$1.71	\$1.74

## 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	C
Growth Score	D
Momentum Score	B
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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