

Principal Financial (PFG)

\$89.37 (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **\$97.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 09/05/22)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: A

Growth: F

Momentum: A

Summary

Principal Financial remains focused on fee-based revenue sources, which help it earn steadily and limit its exposure to interest rate. The company continues to benefit from strength and leadership in retirement and long-term savings, group benefits and protection in the United States, retirement and long-term savings in Latin America and Asia, and global asset management. Its inorganic growth story is impressive, with buyouts fortifying its global footprint and adding fee-based businesses. It has a solid capital position and targets \$1.4 billion to \$1.7 billion of capital deployments in 2025. The company expects to achieve 14% to 16% targeted range of return on equity and 9% to 12% growth in earnings per share in 2025. However, escalating costs weigh on margins. Also, dilution from acquisitions is a headwind. Lower average invested assets in U.S. operations affect investment income.

Data Overview

52 Week High-Low	\$92.10 - \$68.39
20 Day Average Volume (sh)	1,224,880
Market Cap	\$19.9 B
YTD Price Change	15.7%
Beta	0.89
Dividend / Div Yld	\$3.16 / 3.5%
Industry	Insurance - Multi line
Zacks Industry Rank	Top 22% (52 out of 243)

Last EPS Surprise	-3.7%
Last Sales Surprise	-4.2%
EPS F1 Est- 4 week change	0.2%
Expected Report Date	02/05/2026
Earnings ESP	-1.4%

P/E TTM	11.2
P/E F1	10.8
PEG F1	0.7
P/S TTM	1.3

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	4,155 E	4,041 E	4,206 E	4,441 E	16,843 E
2025	4,013 A	3,690 A	3,898 A	4,108 E	15,709 E
2024	3,805 A	4,073 A	3,671 A	4,084 A	15,632 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2.06 E	2.30 E	2.45 E	2.50 E	9.31 E
2025	1.81 A	2.16 A	2.10 A	2.20 E	8.27 E
2024	1.65 A	1.63 A	1.76 A	1.94 A	6.97 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/17/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/11/2025.

Overview

Ranked among the Fortune 500 companies, Des Moines, IA-based Principal Financial Group Inc. is a leader in global investment management offering businesses, individuals and institutional clients a wide range of financial products and services, including retirement, asset management and insurance through our diverse family of financial services companies. The company was founded in 1879.

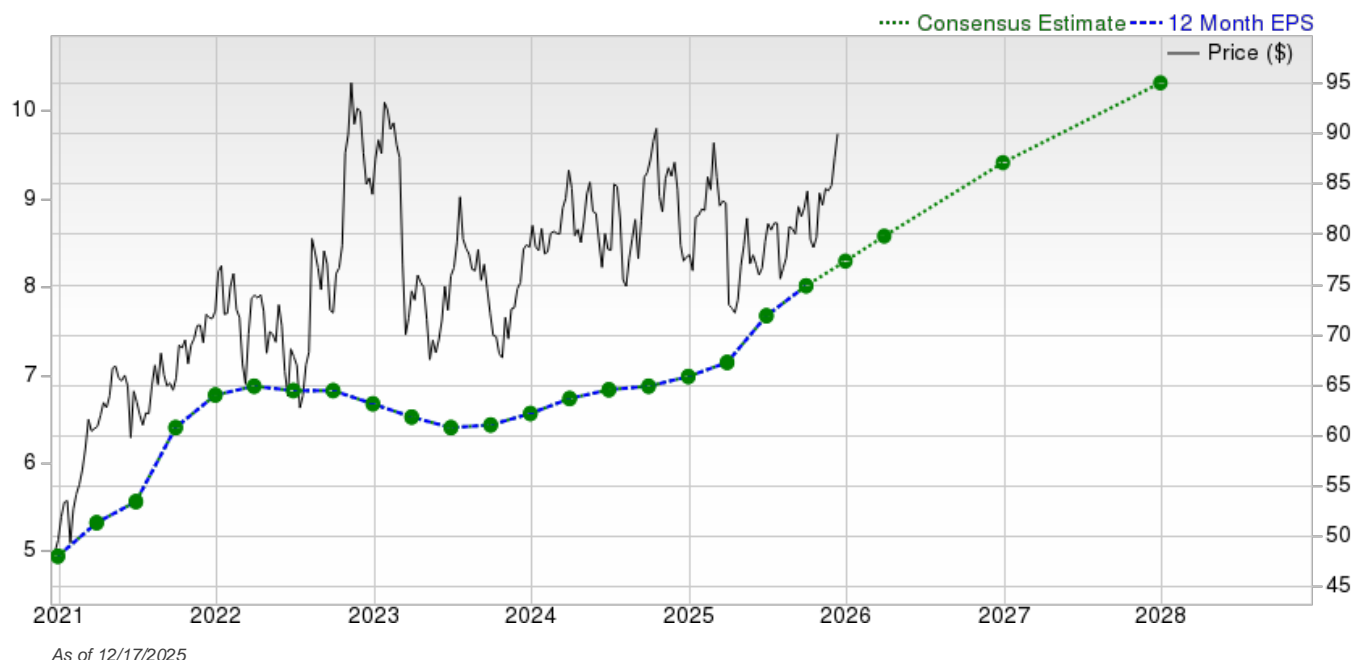
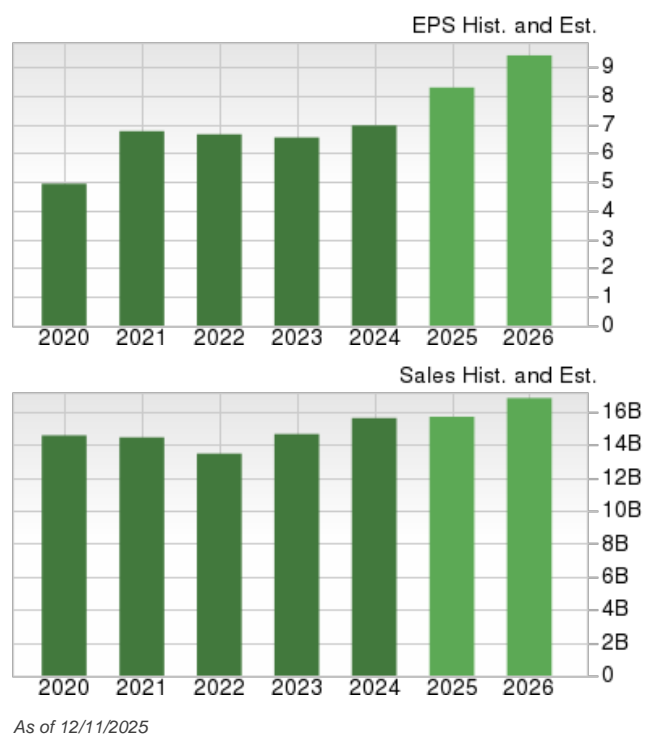
The global asset management businesses provide long-term investment strategies to institutional, retirement, high net worth and retail clients by offering a range of capabilities including equity, fixed income, real estate and other alternative investments, as well as fund offerings. In the United States., the company primarily focuses on small and medium-sized businesses by offering a broad array of retirement and employee benefit solutions and individual insurance solutions. Principal Financial reports through four segments.

Retirement and Income Solutions (49.4% of 2024 Operating revenues) provides retirement and related financial products and services primarily to businesses, their employees and other individuals, including full-service accumulation, banking, trust and custodial services, individual variable annuities, pension risk transfer, investment only, individual fixed annuities and all of the Institutional Retirement & Trust integration and acquisition expenses.

Principal Asset Management (18.9%) provides global investment solutions to institutional, retirement, retail and high net worth investors in the United States and select emerging markets. This segment is organized into Principal Global Investors and Principal International.

Benefits and Protection (31%) segment focuses on solutions for individuals and small-to-medium sized businesses and their employees. The segment is organized into Specialty Benefits and Life Insurance.

Corporate (0.5%) segment manages the assets representing capital that has not been allocated to any other segment. Financial results of this segment primarily reflect financing activities, income on capital not allocated to other segments, inter-segment eliminations, income tax risks and certain income, expenses and other adjustments not allocated to the segments based on the nature of such items.



Reasons To Buy:

▲ Principal Financial continues to benefit from its strength and leadership in retirement and long-term savings, group benefits and protection in the United States, retirement and long-term savings in Latin America and Asia plus global asset management, which help it deliver solid operating earnings. The company continues to benefit from strong employment and wage growth in the United States particularly in the small to midsize segment with the retirement Benefits and Protection business. Continued growth in fee, spread and risk businesses boost the company's long-term prospects. The company continues to leverage a favorable market position in the retirement industry, and remains optimistic on the momentum, across retirement platforms. The company thus estimates solid revenue growth as well as margin expansion across all its segments over the long term.

Focus on fee-based revenue sources, improving assets under management, spread and risk businesses have been helping Principal Financial earn steadily.

▲ Principal Financial's assets under management (AUM) are driven by solid results at the three asset management and asset accumulation segments. As of Sept. 30, 2025, Principal Financial's AUM amounted to \$784.3 billion, which included \$0.4 billion of net cash flow and assets under administration of \$1.8 trillion. Total company managed AUM increased 4% sequentially, driven primarily by strong market performance along with positive net cash flow. Net cash flow should continue to be driven by positive net cash flow from global institutional clients across multiple products. We believe that AUM growth will be supported by the company's extensive distribution footprint, best-in-class solutions, strategic buyouts and operational discipline.

▲ In order to grow inorganically, management utilizes a significant portion of its operating earnings for mergers and acquisitions and intends to continue to do so. Acquisitions, such as MetLife's Afore business, Internos (known as Principal Real Estate Europe presently), and RobustWealth have helped the company add to its fee-based businesses and expand its global footprint. Principal's acquisition of the Institutional Retirement and Trust business enhanced its retirement and income capabilities, achieve greater scale and balance, and drive business growth. Its retirement service offerings also got enhanced and its market leadership increased. Integration of Wells Fargo Institutional Retirement and Trust business along with strategic investment and initiatives expanded the retirement offerings of Principal. Principal Financial looks forward to expand the relationship to leverage global retirement and asset management expertise through the partnership.

▲ Principal Financial boasts a strong capital position, with sufficient cash generation capabilities and liquidity. The company exited the third quarter in a strong position with \$1.6 billion of excess and available capital. This includes \$800 million at the holding company at the targeted level. \$350 million in subsidiaries and \$400 million in excess of targeted 375% risk-based capital ratio, which was estimated at 400% at quarter end. For 2025, PFG remains well-positioned to deliver on enterprise long-term financial targets, with 9% to 12% growth in earnings per share and 75% to 85% free capital flow conversion.

▲ Principal Financial's wealth distribution through share buybacks and dividend payment looks impressive. The board declared a fourth-quarter dividend that represented an 8% increase from the third quarter of 2024. This continues to align with the targeted 40% dividend payout ratio and demonstrates confidence in continued growth. It also boasts a solid dividend yield of 3.7%, higher than the industry average of 2.5%.

The company returned approximately \$400 million to shareholders in the third quarter of 2025, which include \$225 million of share repurchases and \$173 million of dividends. PFG expects to deliver its capital return target of \$1.4 billion to \$1.7 billion, including \$700 million to \$1 billion of share repurchases in 2025. In February 2025, the board authorized a share repurchase program of up to \$1.5 billion of outstanding shares, which has no expiration date. It intends to spend 35-45% of net income in share buybacks and about 10% in strategic M&A activities to enhance capabilities and support organic growth.

Reasons To Sell:

- ▼ Principal Financial's expenses have been increasing since 2013, due to rise in benefits, claims and settlement expenses as well as operating expenses, weighing on margin expansion. The company must remain focused on managing expenses to prevent margin erosion.
- ▼ Principal Financial has been growing inorganically through acquisitions, which increase its debt obligation risks associated with successful integration. In addition, lower-than-expected earnings accretion from the acquisitions might weigh on overall results.
- ▼ Valuation remains stretched at current level. Its current price-earnings ratios are above the industry averages. The company currently has a trailing 12-month P/E ratio of 9.05, which is higher than the industry's 8.85. Looking at the company's price-to-earnings ratio, the best multiple for valuing insurers, investors might not want to pay any further premium. The shares are trading near the high end of its five-year traded range and higher than the median.

Increasing operating expenses, rise in benefits, claims and settlement expenses as well as operating coupled with higher leverage inducing increase in interest expenses weigh on margin expansion.

Last Earnings Report

Principal Financial Q3 Earnings & Revenues Lag Estimates, Dividend Up

Principal Financial Group, Inc.'s third-quarter 2025 operating net income of \$2.10 per share missed the Zacks Consensus Estimate by 3.6%. Also, the bottom line increased 19% year over year. Operating revenues increased 6.2% year over year to \$3.8 billion due to increased premiums and other considerations, fees, and other revenues and net investment income. The metric missed the Zacks Consensus Estimate by 4.1%.

Principal Financial witnessed solid performance across the Retirement and Income Solution, Investment Management, Specialty Benefits segments and improved assets under management (AUM) and mixed performances in the other segments, offset by higher expenses.

Behind the Headlines

Total expenses increased 3.8% year over year to \$3.4 billion due to higher benefits, claims and settlement expenses, dividends to policyholders and operating expenses. The figure was lower than our estimate of \$3.6 billion. As of Sept. 30, 2025, Principal Financial's AUM amounted to \$784.3 billion, which included \$0.4 billion of net cash flow and assets under administration of \$1.8 trillion. AUM improved 10.1% from 2024-end.

Segment Update

Retirement and Income Solution: Revenues increased 11.8% year over year to \$1.9 billion because of higher premiums and other considerations, fees, and other revenues and net investment income. The figure beat our estimate of \$1.8 billion. Pre-tax operating earnings increased 26% year over year to \$310.3 million due to higher net revenue and disciplined expense management. The figure missed our estimate of \$319 million.

Investment Management: Revenues rose 3.7% year over year to \$483.9 million in the quarter due to higher fees and other revenues. The figure was higher than our estimate of \$482.4 million. Pre-tax operating earnings increased 9% year over year to \$173.5 million, primarily driven by higher operating revenues less pass-through expenses and disciplined expense management. The figure was higher than our estimate of \$157.1 million.

International Pension: Revenues decreased 10.5% year over year to \$248 million, owing to lower premiums and other considerations, and net investment income. The figure was higher than our estimate of \$245.4 million. Pre-Tax operating earnings of \$101.2 million declined 8% year over year. The metric beat our estimate of \$76.4 million.

Specialty Benefits: Revenues increased 3.2% year over year to \$896.5 million, owing to higher premiums and other considerations, fees and other revenues and net investment income. The metric missed our estimate of \$939.2 million.

Pre-tax operating earnings of \$155.5 million increased 53% year over year due to more favorable underwriting experience, along with growth in the business. The metric missed our estimate of \$205.3 million.

Life Insurance: Revenues increased 5.6% year over year to \$364.2 million owing to higher premiums and other considerations, fees and other revenues and net investment income. The metric missed our estimate of \$422.9 million.

Pre-tax operating losses were \$69 million, which was wider than the year-ago quarter's loss of \$37.3 million due to less favorable mortality. The figure was against our estimate of earnings of \$107.3 million.

Corporate: Pre-tax operating losses of \$91.6 million were wider than the loss of \$79.4 million incurred a year ago. This increase was primarily due to lower interest income and higher operating expenses. The figure was wider than our estimate of a loss of \$69.8 million.

Financial Update

As of Sept. 30, 2025, cash and cash equivalents were \$5.1 billion, which increased 22% from 2024-end. At the third-quarter end, long-term debt was \$3.9 billion, which declined 0.7% from the 2024-end. As of Sept. 30, 2025, book value per share (excluding cumulative change in fair value of funds withheld, embedded derivative, and AOCI other than foreign currency translation adjustment) was \$55.93, up 4.2% from 2024-end.

Dividend and Share Repurchase Update

Principal Financial returned \$398 million of capital to shareholders, which included \$225 million of share repurchases and \$173 million of dividends in the third quarter. The board of directors declared a fourth-quarter dividend of 79 cents per share, an 8% increase from the fourth quarter of 2024. The dividend will be paid out on Dec. 19, 2025, to shareholders of record as of Dec. 3.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 27, 2025
Sales Surprise	-4.15%
EPS Surprise	-3.67%
Quarterly EPS	2.10
Annual EPS (TTM)	8.01

Valuation

Principal Financial shares are up 18.3% year to date and up 16% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 8.3% and up 16.2% year to date, respectively. Over the past year, the Zacks sub-industry and sector are up 8.4% and up 13.3%, respectively.

The S&P 500 index is up 19.5% year to date and up 16.1% in the past year.

The stock is currently trading at 9.65X forward 12-month price to earnings, which compares with 9X for the Zacks sub-industry, 17.29X for the Zacks sector and 23.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 13.67X and as low as 7.66X, with a 5-year median of 10.03X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$97 price target reflects 10.23X forward 12-month earnings.

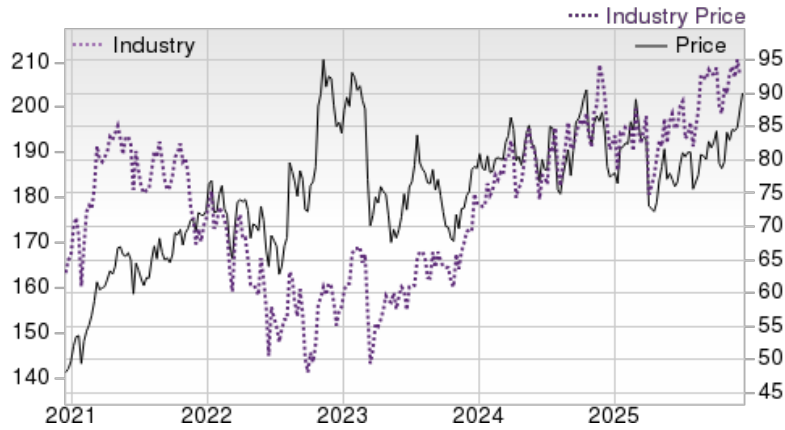
The table below shows the summary of valuation data for PFG.

Valuation Multiples - PFG					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9.65	9	17.29	23.61
	5-Year High	13.67	10.62	18.28	23.78
	5-Year Low	7.66	7.49	12.37	15.73
	5-Year Median	10.03	9	16.12	21.21
P/S F12M	Current	1.19	1.54	9.07	5.34
	5-Year High	1.79	1.57	10.06	5.5
	5-Year Low	0.88	1.11	6.68	3.83
	5-Year Median	1.2	1.38	8.39	5.05
P/B TTM	Current	1.72	2.62	4.26	8.57
	5-Year High	2.45	2.89	4.37	9.16
	5-Year Low	0.79	1.13	2.87	6.6
	5-Year Median	1.6	2.4	3.52	8.05

As of 12/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 26% (62 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Ameriprise Financial... (AMP)	Neutral	3
Apollo Global Manage... (APO)	Neutral	3
Grupo Aval Acciones ... (AVAL)	Neutral	3
Franklin Resources, ... (BEN)	Neutral	3
BlackRock (BLK)	Neutral	3
Invesco Ltd. (IVZ)	Neutral	3
KKR & Co. Inc. (KKR)	Neutral	3
T. Rowe Price Group,... (TROW)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Insurance - Multi Line

	PFG	X Industry	S&P 500	AMP	BLK	KKR
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	B	-	-	A	F	D
Market Cap	19.95 B	5.31 B	38.58 B	45.21 B	165.72 B	118.89 B
# of Analysts	6	2	22	6	7	7
Dividend Yield	3.53%	1.23%	1.42%	1.32%	1.95%	0.55%
Value Score	A	-	-	A	D	D
Cash/Price	0.41	0.33	0.04	0.21	0.06	0.19
EV/EBITDA	5.79	6.41	14.55	8.14	18.57	16.76
PEG Ratio	0.69	0.92	2.20	1.31	1.67	1.27
Price/Book (P/B)	1.70	1.29	3.33	7.00	2.97	1.69
Price/Cash Flow (P/CF)	8.18	12.15	15.10	13.98	23.01	35.51
P/E (F1)	10.81	9.83	19.71	12.58	22.38	26.13
Price/Sales (P/S)	1.26	1.11	3.09	2.51	7.24	7.00
Earnings Yield	9.26%	9.65%	5.06%	7.95%	4.47%	3.82%
Debt/Equity	0.33	0.30	0.57	0.88	0.34	0.75
Cash Flow (\$/share)	10.95	2.70	8.99	34.80	46.42	3.76
Growth Score	F	-	-	B	F	C
Hist. EPS Growth (3-5 yrs)	6.19%	12.24%	8.16%	18.06%	5.09%	8.95%
Proj. EPS Growth (F1/F0)	18.65%	14.56%	8.57%	12.58%	9.47%	8.51%
Curr. Cash Flow Growth	30.51%	2.09%	6.75%	7.86%	17.52%	31.67%
Hist. Cash Flow Growth (3-5 yrs)	2.64%	0.56%	7.43%	7.31%	8.51%	29.10%
Current Ratio	0.28	0.67	1.18	0.68	3.33	0.09
Debt/Capital	27.00%	23.59%	38.01%	46.82%	31.07%	43.17%
Net Margin	9.96%	7.95%	12.78%	20.12%	26.64%	13.84%
Return on Equity	16.02%	12.30%	17.00%	64.97%	14.80%	6.12%
Sales/Assets	0.05	0.20	0.53	0.10	0.16	0.04
Proj. Sales Growth (F1/F0)	0.50%	0.00%	5.79%	5.50%	17.50%	13.00%
Momentum Score	A	-	-	A	F	C
Daily Price Chg	-1.20%	-0.33%	-0.24%	-0.99%	-1.30%	-1.06%
1 Week Price Chg	2.77%	2.88%	-0.59%	3.47%	1.58%	5.55%
4 Week Price Chg	8.94%	4.41%	2.76%	9.89%	4.81%	16.82%
12 Week Price Chg	8.66%	0.52%	2.15%	-1.52%	-5.62%	-9.42%
52 Week Price Chg	15.48%	14.88%	12.39%	-10.20%	1.80%	-11.80%
20 Day Average Volume	1,224,880	286,728	2,743,646	576,866	640,527	4,137,689
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%
(F1) EPS Est 4 week change	0.24%	0.00%	0.00%	0.69%	-0.05%	0.00%
(F1) EPS Est 12 week change	0.10%	3.77%	0.69%	2.49%	0.34%	-0.69%
(Q1) EPS Est Mthly Chg	0.91%	0.00%	0.00%	0.37%	-0.19%	0.00%

Analyst Earnings Model⁽²⁾

Principal Financial Group, Inc. (PFG)

In SMM, except per share data

	2023A	2024A	2025E				2026E			2027E
FY Ends December 31st	FY Dec-23	FY Dec-24	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
Income Statement										
Premium Earned	\$6,470.9	\$6,850.2	\$2,261.2	\$6,941.8	\$1,928.6	\$1,407.3	\$1,574.2	\$2,396.6	\$7,306.8	\$7,699.8
YoY % Chng	21.2%	5.9%	23.8%	1.3%	10.1%	0.8%	2.7%	6.0%	5.3%	5.4%
Fees and Other Revenues	\$4,095.9	\$4,320.5	\$1,289.9	\$4,578.9	\$1,121.6	\$1,030.1	\$1,071.1	\$1,297.5	\$4,520.3	\$4,480.9
YoY % Chng	(1.0%)	5.9%	15.7%	6.0%	4.1%	(4.8%)	(5.1%)	0.6%	(1.3%)	(0.9%)
Net Investment Income	\$4,091.9	\$4,449.2	\$1,204.9	\$4,733.9	\$1,267.0	\$1,261.5	\$1,325.7	\$1,246.1	\$5,100.4	\$5,463.1
YoY % Chng	6.6%	8.7%	7.3%	6.4%	8.7%	8.5%	10.4%	3.4%	7.7%	7.1%
Total Revenue	\$13,665.8	\$16,127.7	\$4,470.2	\$15,519.0	\$4,057.2	\$3,415.1	\$3,832.3	\$4,660.0	\$15,964.5	\$16,654.2
YoY % Chng	(22.1%)	18.0%	(5.9%)	(3.8%)	9.8%	(7.0%)	4.1%	4.2%	2.9%	4.3%
Operating Revenue	\$14,660.2	\$15,632.3	\$4,108.0	\$15,708.9	\$4,155.3	\$4,040.9	\$4,206.4	\$4,440.7	\$16,843.4	\$17,647.6
YoY % Chng	9.4%	6.6%	0.6%	0.5%	3.5%	9.5%	7.9%	8.1%	7.2%	4.8%
Benefits, Claims and Settlement Expenses	\$7,788.2	\$8,072.6	\$2,860.0	\$8,884.0	\$2,457.2	\$1,730.0	\$1,946.6	\$2,823.0	\$8,956.8	\$8,990.5
YoY % Chng	17.4%	3.7%	33.2%	10.1%	10.7%	(6.0%)	(0.9%)	(1.3%)	0.8%	0.4%
Liability for Future Policy Benefits Remeasurement (Gain) Loss	(\$51.6)	\$671.4	\$60.9	\$119.7	\$60.9	\$60.9	\$60.9	\$60.9	\$243.6	\$243.6
YoY % Chng	80.5%	1,401.2%	(42.4%)	(82.2%)	2,668.2%	1,516.3%	0.0%	103.5%	0.0%	0.0%
Market Risk Benefit Remeasurement (Gain) Loss	\$29.1	\$30.3	\$4.0	\$57.0	\$4.0	\$4.0	\$4.0	\$4.0	\$16.0	\$16.0
YoY % Chng	(76.8%)	4.1%	145.5%	88.1%	(88.5%)	(72.0%)	0.0%	(71.9%)	0.0%	0.0%
Dividends to Policyholders	\$89.2	\$99.9	\$31.2	\$103.2	\$24.8	\$26.3	\$24.7	\$41.6	\$117.4	\$128.9
YoY % Chng	(5.9%)	12.0%	(1.8%)	3.3%	29.7%	15.0%	(17.6%)	33.0%	13.7%	9.8%
Commissions	\$943.3	\$1,075.9	\$263.2	\$1,122.0	\$297.6	\$294.2	\$309.8	\$300.6	\$1,202.2	\$1,256.7
YoY % Chng	4.0%	14.1%	(6.0%)	4.3%	1.8%	4.6%	8.7%	14.2%	7.1%	4.5%
Capitalization of DAC	(\$429.3)	(\$490.6)	(\$125.2)	(\$509.5)	(\$136.6)	(\$129.2)	(\$141.4)	(\$144.8)	(\$552.0)	(\$583.2)
YoY % Chng	(0.6%)	(14.3%)	2.2%	(3.9%)	(0.5%)	(4.8%)	(13.0%)	(15.6%)	(8.3%)	(5.6%)
Amortization of DAC	\$358.0	\$366.0	\$90.9	\$372.1	\$94.6	\$95.6	\$100.0	\$96.1	\$386.3	\$397.1
YoY % Chng	4.3%	2.2%	(1.0%)	1.7%	4.1%	4.0%	1.6%	5.7%	3.8%	2.8%
Depreciation and Amortization	\$202.9	\$186.7	\$41.3	\$164.3	\$43.3	\$41.1	\$44.9	\$42.7	\$172.0	\$174.9
YoY % Chng	0.0%	(8.0%)	(10.1%)	(12.0%)	3.9%	(0.2%)	12.0%	3.2%	4.7%	1.7%
Interest Expense on Corporate Debt	\$175.3	\$170.2	\$45.5	\$179.1	\$45.4	\$45.4	\$45.4	\$45.4	\$181.6	\$181.7
YoY % Chng	1.2%	(2.9%)	7.2%	5.2%	6.4%	(0.4%)	0.2%	(0.1%)	1.4%	0.0%
Compensation and Other	\$3,699.5	\$3,864.1	\$949.3	\$3,861.3	\$1,026.6	\$999.0	\$1,077.6	\$1,051.5	\$4,154.7	\$4,341.3
YoY % Chng	2.7%	4.4%	(3.7%)	(0.1%)	1.8%	7.1%	11.0%	10.8%	7.6%	4.5%
Net Realized Capital (Gains) Losses	(\$26.3)	(\$110.5)	(\$20.2)	(\$36.2)	\$7.9	(\$7.9)	(\$36.2)	(\$22.8)	(\$59.0)	(\$73.3)
YoY % Chng	(125.6%)	(320.2%)	23.3%	67.2%	(76.3%)	0.8%	12.6%	(12.4%)	(62.7%)	(24.3%)
Expenses from Exited Business	(\$96.1)	(\$81.1)	(\$18.1)	(\$138.4)	(\$18.1)	(\$18.1)	(\$18.1)	(\$18.1)	(\$72.4)	(\$72.4)
YoY % Chng	63.3%	15.6%	10.4%	(70.7%)	78.5%	0.0%	0.0%	0.0%	47.7%	0.0%
Operating Expense	\$5,072.1	\$5,363.9	\$1,303.3	\$5,363.9	\$1,381.1	\$1,372.1	\$1,490.6	\$1,432.4	\$5,676.2	\$5,914.1
YoY % Chng	2.2%	5.8%	(4.4%)	0.0%	(0.7%)	5.9%	8.5%	3.9%	5.8%	4.2%
Total Expenses	\$12,927.0	\$14,238.1	\$4,259.5	\$14,527.9	\$3,928.0	\$3,193.4	\$3,526.9	\$4,361.8	\$15,010.0	\$15,293.2
YoY % Chng	11.9%	10.1%	17.0%	2.0%	7.1%	0.8%	2.7%	2.4%	3.3%	1.9%
Pre-Tax Income	\$738.8	\$1,889.6	\$210.8	\$991.2	\$129.2	\$221.7	\$305.4	\$298.2	\$954.5	\$1,361.1
YoY % Chng	(87.7%)	155.8%	(81.1%)	(47.5%)	347.1%	(55.9%)	22.9%	41.5%	(3.7%)	42.6%
Pre-Tax Operating Income	\$2,009.9	\$2,005.0	\$607.6	\$2,267.5	\$579.4	\$648.0	\$689.7	\$704.8	\$2,622.0	\$2,891.0
YoY % Chng	2.4%	(0.2%)	11.1%	13.1%	19.4%	8.9%	18.9%	16.0%	15.6%	10.3%
Income Tax	\$68.7	\$291.7	\$12.3	\$62.4	\$25.8	\$44.3	\$61.1	\$59.6	\$190.9	\$272.2
Operating Income Tax	\$407.1	\$364.5	\$111.3	\$393.7	\$115.9	\$129.6	\$137.9	\$141.0	\$524.4	\$578.2
Net Income	\$623.2	\$1,571.0	\$201.1	\$869.2	\$101.0	\$163.9	\$229.5	\$241.7	\$736.2	\$1,053.2
YoY % Chng	(86.9%)	152.1%	(77.8%)	(44.7%)	110.0%	(59.6%)	7.4%	20.2%	(15.3%)	43.1%
Net Operating Income	\$1,602.8	\$1,640.5	\$496.3	\$1,873.8	\$463.6	\$518.4	\$551.8	\$563.8	\$2,097.6	\$2,312.8
YoY % Chng	(1.0%)	2.4%	10.8%	14.2%	11.8%	6.0%	16.5%	13.6%	11.9%	10.3%
Basic Shares Outstanding	241.3	232.0	222.4	223.7	222.4	222.4	222.4	222.4	222.4	222.4
Diluted Shares Outstanding	244.6	235.3	225.2	226.4	225.2	225.2	225.2	225.2	225.2	225.2
Basic EPS	\$2.58	\$6.77	\$0.90	\$3.88	\$0.45	\$0.74	\$1.03	\$1.09	\$3.31	\$4.74
YoY % Chng	(86.3%)	162.4%	(77.2%)	(42.6%)	116.3%	(59.3%)	7.5%	20.2%	(14.8%)	43.1%
Diluted EPS	\$2.55	\$6.68	\$0.89	\$3.84	\$0.45	\$0.73	\$1.02	\$1.07	\$3.27	\$4.68
YoY % Chng	(86.3%)	162.0%	(77.2%)	(42.6%)	113.6%	(59.3%)	7.3%	20.2%	(14.9%)	43.1%
Operating EPS	\$6.55	\$6.97	\$2.20	\$8.27	\$2.06	\$2.30	\$2.45	\$2.50	\$9.31	\$10.27
YoY % Chng	3.3%	6.4%	13.6%	18.7%	13.7%	6.6%	16.7%	13.6%	12.6%	10.3%
Dividend per Share	\$2.60	\$2.85	\$0.79	\$3.08	\$0.79	\$0.79	\$0.79	\$0.79	\$3.16	\$3.16
YoY % Chng	1.6%	9.6%	8.2%	8.1%	5.3%	3.9%	1.3%	0.0%	2.6%	0.0%

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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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	F
Momentum Score	A
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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