

## Packaging Corp. (PKG)

**\$207.33** (Stock Price as of 12/24/2025)

Price Target (6-12 Months): **\$173.00**

Long Term: 6-12 Months

**Zacks Recommendation: Underperform**

(Since: 12/08/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

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

**4-Sell**

Zacks Style Scores:

VGM: B

Value: C

Growth: B

Momentum: C

### Summary

Packaging Corp. is witnessing weak corrugated demand with shipments down in the third quarter of 2025. In the fourth quarter, volumes, pricing are expected to decline while higher maintenance outages, energy and fiber costs will add pressure to margins. The Paper segment continues see shrinking demand due to digital alternatives, with lower volumes and flat pricing set to weigh on the fourth-quarter results. The company's plans to shut down the high-cost W2 machine and kraft pulping operations at its Wallula mill will cut 250,000 tons of annual capacity and triggering \$205 million in restructuring charges. The shift of production to other facilities starting late 2026 carries execution risks and potential delays in restoring volumes. The estimates for the company's 2025 and 2026 earnings have undergone negative revisions lately.

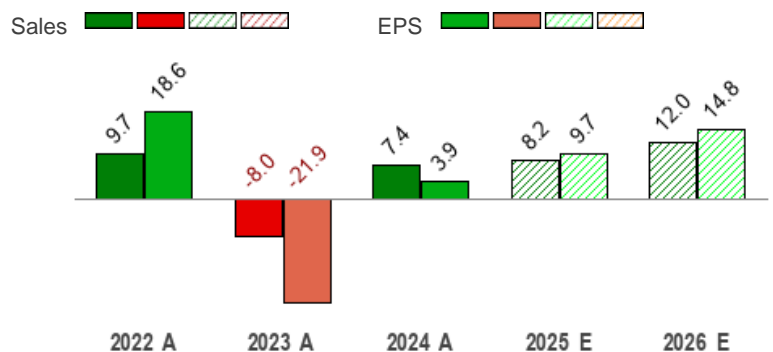
### Price, Consensus & Surprise<sup>(1)</sup>



### Data Overview

52 Week High-Low	\$242.68 - \$172.72
20 Day Average Volume (sh)	841,995
Market Cap	\$18.6 B
YTD Price Change	-8.1%
Beta	0.89
Dividend / Div Yld	\$5.00 / 2.4%
Industry	<a href="#">Containers - Paper and Packaging</a>
Zacks Industry Rank	Bottom 10% (219 out of 243)

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



Last EPS Surprise	-3.5%
Last Sales Surprise	2.2%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/27/2026
Earnings ESP	-1.0%

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

	Q1	Q2	Q3	Q4	Annual*
2026	2,427 E	2,493 E	2,615 E	2,633 E	10,167 E
2025	2,141 A	2,171 A	2,313 A	2,448 E	9,074 E
2024	1,980 A	2,075 A	2,182 A	2,146 A	8,383 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	2.34 E	2.71 E	3.33 E	3.00 E	11.39 E
2025	2.31 A	2.48 A	2.73 A	2.40 E	9.92 E
2024	1.72 A	2.20 A	2.65 A	2.47 A	9.04 A

\*Quarterly figures may not add up to annual.

P/E TTM	20.8
P/E F1	20.9
PEG F1	1.7
P/S TTM	2.1

(1) The data in the charts and tables, except the estimates, is as of 12/24/2025.

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

## Overview

Headquartered at Lake Forest, IL, Packaging Corporation of America is the third largest producer of containerboard products and a leading producer of uncoated freesheet paper in North America. The company operates ten mills and 92 corrugated products manufacturing plants.

On Sept. 2, 2025, the company completed the acquisition of the containerboard business of Greif, Inc. for \$1.8 billion in cash. The Greif containerboard business includes two containerboard mills with approximately 800,000 tons of production capacity and eight sheet feeder and corrugated plants located across the United States.

Packaging Corporation operates in the following segments:

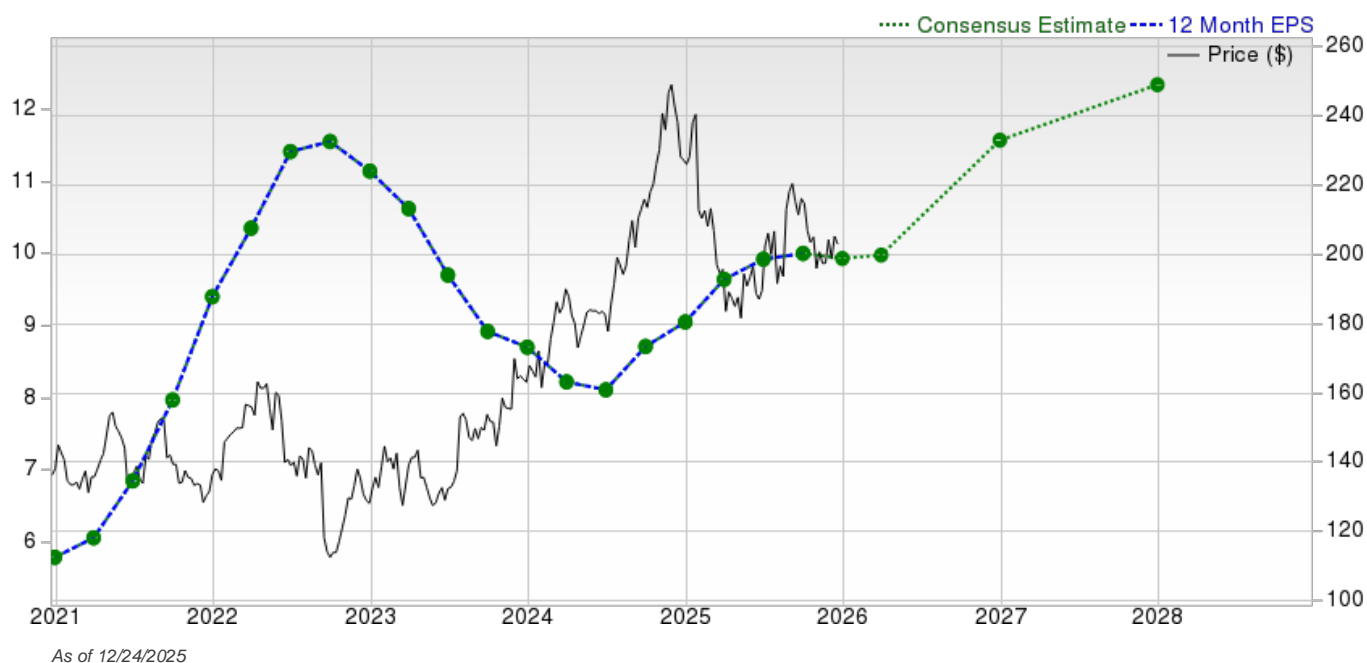
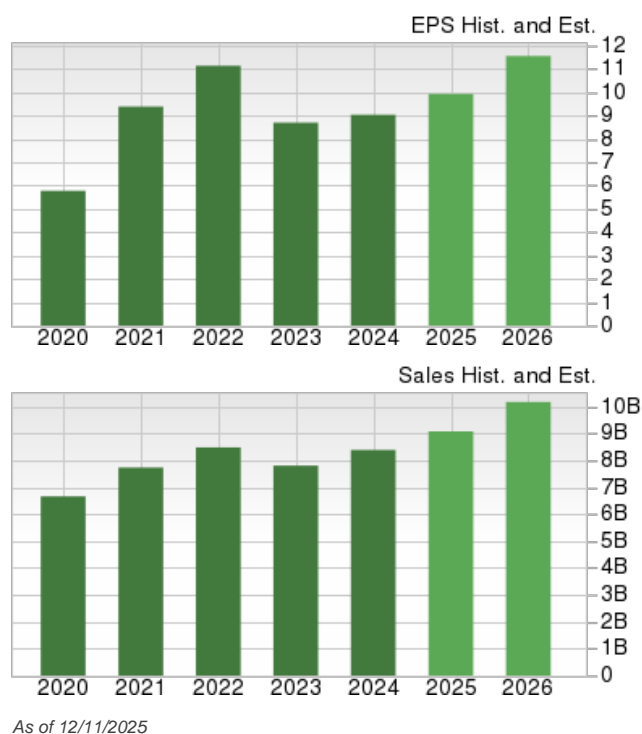
**Packaging segment (89% of 2024 revenues)** - From its containerboard mills, the segment produces linerboard and semi-chemical corrugating medium, which are mainly utilized in the production of corrugated products. The corrugated products manufacturing plants produce a wide variety of corrugated packaging products, including conventional shipping containers used to protect and transport manufactured goods, multi-color boxes and displays with visual appeal that aid in merchandising the packaged product in retail locations, and honeycomb protective packaging. The segment also produces packaging for meat, fresh fruit and vegetables, processed food, beverages, and other industrial and consumer products.

The segment sells containerboard and corrugated products to approximately 18,000 customers in over 36,000 locations.

**Paper segment (11%)** is the third largest manufacturer of uncoated freesheet in North America. The company manufactures and sells white paper, including commodity and specialty paper, which may have custom or specialized features such as colors, coatings, high brightness, and recycled content. White papers consist of communication papers, including cut-size office papers and printing and converting papers.

The segment serves over 150 customers in approximately 450 locations. These customers include office products distributors and retailers, paper merchants, and envelope and other converters.

**Corporate and Other segment** includes corporate support staff services, and related assets and liabilities. This segment also includes transportation assets, which are utilized to transport products to and from manufacturing sites.



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## Reasons To Sell:

- ▼ Packaging Corp. recently announced that it will permanently shut down the No. 2 paper machine (W2) and kraft pulping facilities at its Wallula, WA containerboard mill. Wood fiber and purchased power costs at the mill have been the highest, making the mill no longer competitive. The W2 machine, which has 140,000 tons of annual capacity to produce corrugating medium, has been idled since May 2025. The company, however, will continue to operate the No. 3 paper machine (W3) and recycled pulping facilities at the mill. Following the completion of its actions (expected by the end of the first quarter of 2026) the mill will have the annual capacity of 285,000 tons of high-performance recycled linerboard and corrugating medium from the W3 machine. This marks a reduction of 250,000 tons of annual production capacity. While the company plans to shift lost capacity to other facilities starting late 2026, the transition introduces operational risk, delays in volume recovery and uncertainty around execution. Also, these actions are estimated to lead to pre-tax restructuring charges of approximately \$205 million, to be recorded in the fourth quarter of 2025 and the first quarter of 2026.
- ▼ For the Packaging segment, corrugated volume continues to decline reflecting the cautious ordering patterns from customers that have persisted through most of the year. Corrugated product shipments from the legacy business were down 2.7% per day and 1.1% overall compared with the same period in 2024. For the fourth quarter, the company expects higher per-day corrugated product shipments in the legacy business, but will have three less shipping days than the third quarter. Even though export containerboard sales are expected to be higher on a sequential basis, it will be relatively low compared with traditional fourth quarter volume levels. Containerboard production in the legacy containerboard mills will be slightly lower than the third quarter with the maintenance outage carried out at the DeRidder mill in October. Prices in the Packaging segment is also expected to be lower as a result of a seasonally less rich. Overall, results in the quarter are expected to be impacted by low volumes and prices, maintenance outage expenses and seasonally higher energy and fiber costs.
- ▼ The Paper segment competes with electronic data transmission, e-readers and electronic document storage alternatives. Increasing preference for these alternatives continues to have an adverse effect on traditional print media and paper usage and leading to lower demand for communication papers. Volume growth has been negative in the past few quarters for the Paper segment. In the fourth quarter, lower production and volumes as well as flat pricing are expected to hurt results. PKG projects a fourth-quarter 2025 EPS of \$2.40. This suggests a year-over-year decline of 2.8% and a sequential decline of 12%.

Packaging Corporation's near-term results are likely to be impacted by low volumes. High maintenance outage costs are also anticipated to weigh on the company's margins in the near term.

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## Risks<sup>(2)</sup> (to the Underperform recommendation)

- Packaging Corporation closed its previously stated deal to purchase the containerboard business of Greif, Inc. for \$1.8 billion in cash in September 2025. The Greif containerboard business includes two containerboard mills with approximately 800,000 tons of production capacity and eight sheet feeder and corrugated plants located across the United States. The business generated approximately \$1.2 billion in sales and \$212 million of earnings before interest, taxes, depreciation and amortization (EBITDA) for the 12 months ended April 30, 2025 (the LTM period). Synergies are estimated to generate pre-tax benefits of approximately \$60 million and are expected to be fully realized within two years after closing. The acquisition is expected to be accretive to the company's earnings immediately.
- Packaging products are essential for distributing food, beverage and pharmaceutical products. The Packaging segment accounts for around 89% of the company's revenues. The segment will continue to gain stable packaging demand for meat, fruit and vegetables, processed food, beverages, medicine, and other consumer products. Also, Packaging Corp stands to gain from the strong growth in e-commerce activities that continue to support demand for packaging solutions. Over the past several years, the company has made extensive capital investments in its packaging segment to improve productivity and efficiencies at containerboard mills and corrugated products facilities.
- Over the last five years, the company has spent \$2 billion just on the box plant system, recapitalizing and building some new plants. In 2024, the company has worked on around 60 major projects within its box plant system ranging from new corrugators, major corrugator rebuilds and new converting lines. One major project that the company is currently engaged in, is replacing the Phoenix, AZ corrugated products plant with a modern state-of-the-art facility. This project is expected to improve the capacity, technology and equipment used in the plant while improving efficiency and lowering cost. The company has successfully completed the number 3 machine conversion to containerboard at the Jackson mill and many other key initiatives throughout the system. The company intends to add a couple of new big plants over the next two to three years.
- Packaging Corp. ended the third quarter of 2025 with \$634 million of cash and cash equivalents, \$172 million of marketable debt securities, and \$573 million of unused borrowing capacity under the revolving credit facility, net of letters of credit. The company's total debt to total capital ratio was 0.46 as of Sept. 30, 2025, much lower than the industry's 0.56. The company's times interest earned is at 21.8, higher than the industry's 2.7. The company remains committed to a balanced approach toward capital allocation in order to profitably grow while maximizing returns to shareholders. Backed by its solid balance sheet, PKG will be able to invest in boosting capacity and acquisitions to capitalize on the expected surge in packaging demand.

## Last Earnings Report

### Packaging Corp.'s Q3 Earnings Lag Estimates, Rise Y/Y on Higher Prices

Packaging Corporation posted adjusted earnings per share of \$2.73 in the third quarter of 2025, missing the Zacks Consensus Estimate of \$2.83 by 4%.

The bottom line, however, increased 3% year over year, supported by higher prices and mix in both the segments, along with lower fiber costs and maintenance outage expense. These gains were partially offset by higher operating costs, lower production volumes, increased depreciation and freight expenses, and a loss recorded for the first month of owning Greif's containerboard business.

Including one-time items, earnings in the reported quarter were \$2.51 per share compared with the prior-year quarter's \$2.64. The figure included special items for costs and charges related to the acquisition of Greif's containerboard business and costs related to closures of corrugated products facilities.

### PKG's Q3 Revenues Rise, Operating Margin Sees Slight Uptick

Sales in the third quarter grew 6% year over year to \$2.3 billion. The top line beat the Zacks Consensus Estimate of \$2.26 billion.

Cost of products sold was up 8% year over year to \$1.81 billion in the reported quarter. Gross profit dipped 0.2% year over year to \$504 million. The gross margin came in at 21.8% compared with 23.1% a year ago.

Selling, general and administrative expenses totaled \$154 million compared with the prior-year quarter's \$162 million. Adjusted operating income increased 7% year over year to \$351 million. Adjusted operating margin was 15.2% compared with 15% in the year-ago quarter.

### Packaging Corp.'s Q3 Segment Performances

**Packaging:** Sales in this segment increased 6% year over year to \$2.13 billion in the third quarter of 2025.

In the Packaging segment, total corrugated product shipments for the legacy business were down 1.1% year over year. Including the acquired business, shipments were up 5.3%.

Containerboard production was 1,255,000 tons at the legacy mills and 47,000 tons at the acquired mills.

Adjusted operating profit was \$348 million compared with \$322 million in the prior-year quarter.

**Paper:** The segment's revenues were \$161 million in the quarter, up 1.2% year over year. The segment reported an adjusted operating profit of \$36 million compared with the year-ago quarter's \$39 million.

Sales volume fell 0.7% from third-quarter 2024.

### PKG's Cash Flow Updates

Packaging Corp. had a cash balance of \$806.4 million at the end of the third quarter, down from \$841 million held at the end of the prior-year quarter.

### Packaging Corp.'s Outlook

PKG projects a fourth-quarter 2025 EPS of \$2.40. This suggests a year-over-year decline of 2.8% and a sequential decline of 12%.

The company expects higher daily corrugated shipments compared with the third quarter. Export containerboard sales will rise sequentially but will remain below the typical fourth-quarter levels. Containerboard production in the legacy business will dip sequentially due to the maintenance outage at the DeRidder mill. The related maintenance outage will have an impact of 29 cents on earnings.

The Packaging segment will see lower prices due to a less favorable seasonal mix. The Paper segment is expected to see lower volumes compared with the seasonally stronger third quarter and flat pricing. Energy and fiber costs will be higher due to seasonality, while freight and other operating costs will likely remain steady.

The company expects improved results from the acquired business. This will be tempered by the continued lower production and higher maintenance expenses from the Massillon mill outage that continued into October and seasonally lower volumes and mix in the corrugated business. A full quarter of improved operations at the Riverville mill will offset these impacts.

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

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	2.17%
EPS Surprise	-3.53%
Quarterly EPS	2.73
Annual EPS (TTM)	9.99

## Valuation

Packaging Corporation's shares are up 4.9% in the trailing six-months period and down 15.2% over the trailing 12-month period. Stocks in the Zacks Containers – Paper and Packaging industry are down 22.8% while the Zacks Industrial Products sector was up 4.6% in the six months period. Over the past year, the Zacks sub-industry are down 34% while the sector are up 2.2%.

The S&P 500 index is up 16.3% in the trailing 6-month period and up 16% in the past year.

The stock is currently trading at 17.57X forward 12-month earnings, which compares with 14.95X for the Zacks sub-industry, 20.43X for the Zacks sector and 23.44X for the S&P 500 index.

Over the past five years, the stock has traded as high as 24.79X and as low as 10.35X, with a 5-year median of 18.63X.

Our Underperform recommendation indicates that the stock will perform worse than the market. Our \$173 price target reflects 17.4X our 2025 earnings per share estimate.

The table below shows summary valuation data for PKG.

Valuation Multiples - PKG					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	17.57	14.95	20.43	23.44
	5-Year High	24.79	18.81	23.07	23.78
	5-Year Low	10.35	11.76	13.38	15.73
	5-Year Median	18.63	15.57	18.27	21.21
P/S F12M	Current	1.80	2.12	4.12	5.30
	5-Year High	2.51	3.44	4.21	5.50
	5-Year Low	1.20	2.02	2.32	3.83
	5-Year Median	1.80	2.68	3.17	5.05
EV/EBITDA TTM	Current	11.79	21.94	25.05	18.63
	5-Year High	15.09	28.33	28.43	22.41
	5-Year Low	6.11	17.44	14.11	13.87
	5-Year Median	10.52	21.29	18.22	17.96

As of 12/10/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 10% (219 out of 243)



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

Company (Ticker)	Rec	Rank
Ball Corporation (BALL)	Neutral	3
Crown Holdings, Inc. (CCK)	Neutral	3
Graphic Packaging Ho... (GPK)	Neutral	3
Sealed Air Corporati... (SEE)	Neutral	3
AptarGroup, Inc. (ATR)	Underperform	4
Greif, Inc. (GEF)	Underperform	
Silgan Holdings Inc. (SLGN)	Underperform	4
Sonoco Products Comp... (SON)	Underperform	4

## Industry Comparison<sup>(1)</sup> Industry: Containers - Paper And Packaging

	PKG	X Industry	S&P 500	GPK	IP	SEE
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	3	5	3
VGM Score	B	-	-	B	D	B
Market Cap	18.61 B	5.27 B	39.21 B	4.46 B	20.84 B	6.07 B
# of Analysts	4	4	22	4	2	7
Dividend Yield	2.42%	2.41%	1.39%	2.91%	4.69%	1.94%
Value Score	C	-	-	A	D	B
Cash/Price	0.04	0.04	0.04	0.03	0.05	0.05
EV/EBITDA	13.40	10.52	14.70	5.85	17.34	10.32
PEG Ratio	1.71	1.57	2.22	NA	3.02	NA
Price/Book (P/B)	3.91	1.63	3.33	1.36	1.20	5.10
Price/Cash Flow (P/CF)	13.87	10.00	15.40	3.43	8.02	8.61
P/E (F1)	20.90	15.11	19.84	7.93	140.93	12.52
Price/Sales (P/S)	2.12	1.10	3.13	0.52	0.89	1.14
Earnings Yield	4.80%	5.93%	5.03%	12.57%	0.71%	8.00%
Debt/Equity	0.84	1.00	0.56	1.67	0.52	3.34
Cash Flow (\$/share)	14.95	4.80	8.98	4.40	4.91	4.80
Growth Score	B	-	-	F	C	C
Hist. EPS Growth (3-5 yrs)	5.58%	4.02%	8.16%	22.91%	-24.99%	-2.01%
Proj. EPS Growth (F1/F0)	9.73%	7.78%	8.50%	-23.29%	-75.22%	5.10%
Curr. Cash Flow Growth	2.92%	2.92%	6.86%	-13.25%	-22.04%	0.73%
Hist. Cash Flow Growth (3-5 yrs)	3.39%	4.69%	7.48%	13.31%	-11.12%	3.49%
Current Ratio	3.16	1.29	1.18	1.54	1.31	1.29
Debt/Capital	45.51%	51.10%	38.01%	62.48%	34.17%	76.94%
Net Margin	10.18%	6.67%	12.78%	5.94%	-5.45%	8.52%
Return on Equity	19.72%	18.98%	17.00%	19.98%	-0.16%	54.90%
Sales/Assets	0.93	0.75	0.53	0.74	0.64	0.75
Proj. Sales Growth (F1/F0)	8.20%	3.47%	5.83%	-3.00%	30.70%	-1.70%
Momentum Score	C	-	-	B	C	B
Daily Price Chg	0.24%	0.25%	0.32%	0.07%	-0.23%	0.27%
1 Week Price Chg	-1.10%	-0.43%	1.61%	-0.96%	-0.78%	-1.67%
4 Week Price Chg	1.89%	2.23%	2.13%	-6.26%	0.03%	-3.84%
12 Week Price Chg	-3.50%	0.57%	3.31%	-22.74%	-14.88%	16.28%
52 Week Price Chg	-9.39%	-9.39%	14.40%	-45.34%	-28.56%	21.54%
20 Day Average Volume	841,995	429,886	2,745,060	5,358,548	4,470,549	4,000,977
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	-0.99%	0.00%	0.00%
(F1) EPS Est 12 week change	-3.47%	-2.29%	0.66%	-6.16%	-82.80%	4.63%
(Q1) EPS Est Mthly Chg	-0.83%	0.00%	0.00%	-7.71%	0.00%	0.00%

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

### Packaging Corporation of America (PKG)

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														
Net Sales	\$8,478.0	\$7,802.4	\$8,383.3	\$2,141.0	\$2,171.3	\$2,313.4	\$2,448.4	\$9,074.1	\$2,426.7	\$2,492.5	\$2,614.6	\$2,633.0	\$10,166.7	\$10,512.5
Cost of Sales	\$6,387.4	\$6,103.5	\$6,600.2	\$1,686.3	\$1,688.3	\$1,809.1	\$1,881.1	\$7,064.8	\$1,914.3	\$1,935.8	\$1,960.8	\$2,010.2	\$7,821.1	\$8,000.9
Gross Profit	\$2,090.6	\$1,698.9	\$1,783.1	\$454.7	\$483.0	\$504.3	\$567.3	\$2,009.3	\$512.4	\$556.6	\$653.8	\$622.9	\$2,345.6	\$2,511.6
Selling, General, and Administrative Expenses	\$608.6	\$580.9	\$610.3	\$161.4	\$153.2	\$154.3	\$172.1	\$641.0	\$174.1	\$174.0	\$182.1	\$185.3	\$715.4	\$737.9
Other Expense, net	\$61.3	\$42.9	\$71.5	\$13.0	(\$3.9)	\$25.5	\$15.2	\$49.8	\$20.3	\$14.8	\$20.6	\$18.7	\$74.5	\$91.3
Adjusted EBITDA	\$1,885.5	\$1,603.8	\$1,637.1	\$421.1	\$450.8	\$503.4	\$513.8	\$1,889.1	\$474.4	\$518.7	\$613.7	\$586.0	\$2,192.8	\$2,352.9
EBITDA	\$1,877.5	\$1,592.8	\$1,626.9	\$418.3	\$474.4	\$477.1	\$513.8	\$1,883.6	\$474.4	\$518.7	\$613.7	\$586.0	\$2,192.8	\$2,352.9
Depreciation and Amortization	\$456.8	\$517.7	\$525.6	\$138.0	\$140.7	\$152.6	\$133.8	\$565.1	\$156.4	\$151.0	\$162.7	\$167.1	\$637.2	\$670.4
Operating Income, Adjusted	\$1,434.5	\$1,100.6	\$1,113.7	\$286.2	\$310.7	\$350.8	\$380.0	\$1,327.7	\$318.0	\$367.8	\$451.1	\$418.9	\$1,555.6	\$1,682.5
Operating Income	\$1,420.7	\$1,075.1	\$1,101.3	\$280.3	\$333.7	\$324.5	\$380.0	\$1,318.5	\$318.0	\$367.8	\$451.1	\$418.9	\$1,555.6	\$1,682.5
Non-Operating Pension Income	\$14.5	(\$7.7)	\$4.5	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3	\$0.1	\$0.1	\$0.1	\$0.2	\$0.5	\$0.5
Interest Expense, net	\$70.4	\$53.3	\$41.4	\$12.9	\$13.1	\$19.3	\$91.0	\$136.3	\$36.1	\$41.4	\$50.3	\$58.1	\$186.0	\$202.6
Pre-Tax Income, Adjusted	\$1,378.6	\$1,039.6	\$1,076.8	\$273.3	\$297.6	\$331.5	\$289.4	\$1,191.8	\$281.9	\$326.5	\$400.9	\$360.9	\$1,370.1	\$1,480.4
Pre-Tax Income	\$1,364.8	\$1,014.1	\$1,064.4	\$267.4	\$320.6	\$305.2	\$289.4	\$1,182.6	\$281.9	\$326.5	\$400.9	\$360.9	\$1,370.1	\$1,480.4
Income Tax, Adjusted	\$338.4	\$255.2	\$262.3	\$65.1	\$73.4	\$84.8	\$72.3	\$295.6	\$70.5	\$81.6	\$100.2	\$90.2	\$342.5	\$370.1
Income Tax	\$335.0	\$248.9	\$259.3	\$63.6	\$79.1	\$78.3	\$72.3	\$293.3	\$70.5	\$81.6	\$100.2	\$90.2	\$342.5	\$370.1
Tax Rate, Adjusted	24.5%	24.5%	24.4%	23.8%	24.7%	25.6%	25.0%	24.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Tax Rate	24.5%	24.5%	24.4%	23.8%	24.7%	25.6%	25.0%	24.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Net Income, Adjusted	\$1,040.2	\$784.4	\$814.5	\$208.2	\$224.2	\$246.7	\$217.0	\$896.1	\$211.4	\$244.9	\$300.6	\$270.7	\$1,027.6	\$1,110.3
Net Income	\$1,029.8	\$765.2	\$805.1	\$203.8	\$241.5	\$226.9	\$217.0	\$889.2	\$211.4	\$244.9	\$300.6	\$270.7	\$1,027.6	\$1,110.3
Distributed and Undistributed Income available to Participating Securities	(\$7.9)	(\$6.2)	(\$5.6)	(\$1.4)	(\$1.6)	(\$1.5)	(\$1.5)	(\$6.0)	(\$1.5)	(\$1.5)	(\$1.5)	(\$1.5)	(\$6.0)	(\$6.0)
Net Income Attributable to PCA Shareholders	\$1,021.9	\$759.0	\$799.5	\$202.4	\$239.9	\$225.4	\$215.5	\$883.2	\$209.9	\$243.4	\$299.1	\$269.2	\$1,021.6	\$1,104.3
Basic Shares Outstanding	92.3	89.1	89.1	89.2	89.3	89.4	89.4	89.3	89.4	89.4	89.4	89.4	89.4	89.4
Diluted Shares Outstanding	92.7	89.5	89.5	89.6	89.7	89.7	89.7	89.7	89.7	89.7	89.7	89.7	89.7	89.7
Basic EPS	\$11.08	\$8.52	\$8.97	\$2.27	\$2.68	\$2.52	\$2.41	\$9.88	\$2.35	\$2.72	\$3.35	\$3.01	\$11.43	\$12.35
Diluted EPS, Adjusted	\$11.14	\$8.70	\$9.04	\$2.31	\$2.48	\$2.73	\$2.40	\$9.92	\$2.34	\$2.71	\$3.33	\$3.00	\$11.39	\$12.31
Diluted EPS, GAAP	\$11.03	\$8.48	\$8.93	\$2.26	\$2.67	\$2.51	\$2.40	\$9.84	\$2.34	\$2.71	\$3.33	\$3.00	\$11.39	\$12.31
Dividends per Share	\$4.75	\$5.00	\$5.00	\$1.25	\$1.25	\$1.25	\$1.25	\$5.00	\$1.25	\$1.25	\$1.25	\$1.25	\$5.00	\$5.00

## 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	B
Momentum Score	C
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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