Our Research. Your Success.

Zacks Report Date: January 08, 2026

Quanta Services Inc. (PWR)

$436.89 (Stock Price as of 01/07/2026)

Price Target (6-12 Months): **$462.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 05/18/23)
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: VGM: B
Value: D | Growth: A | Momentum: B

Summary

Shares of Quanta have outperformed the industry in the past six months. It is benefiting from heightened demand in its Electric segment, which continues to gain traction as utilities and large-scale customers accelerate investments in power generation and grid modernization projects. Quanta's backlog reached a record $39.2 billion in the third quarter of 2025, up 15.4% year over year, underscoring robust demand visibility. Remaining performance obligations rose to $21 billion. Earnings estimates for 2025 moved up in the past 30 days, while those for 2026 were up in the past seven days, depicting analysts' optimism about its growth potential. However, rising labor and material costs, regulatory reliance and cyclical utility spending create risks for Quanta, with competition and a valuation premium tempering its near-term upside.

Price, Consensus & Surprise[1]

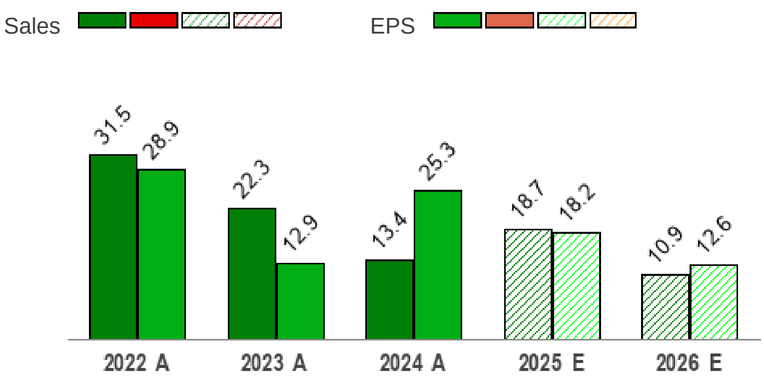
Data Overview

52 Week High-Low	**$473.99 - $227.08**
20 Day Average Volume (sh)	**818,654**
Market Cap	**$65.3 B**
YTD Price Change	**3.8%**
Beta	**1.16**
Dividend / Div Yld	**$0.44 / 0.1%**
Industry	**Engineering - R and D Services**
Zacks Industry Rank	**Top 45% (109 out of 244)**

Last EPS Surprise	**2.5%**
Last Sales Surprise	**2.4%**
EPS F1 Est- 4 week change	**0.3%**
Expected Report Date	**02/19/2026**
Earnings ESP	**0.0%**

P/E TTM	**41.6**
P/E F1	**41.2**
PEG F1	**2.7**
P/S TTM	**2.4**

Sales and EPS Growth Rates (Y/Y %)[2]



Sales Estimates (millions of $)[2]

	Q1	Q2	Q3	Q4	Annual*
2026	6,762 E	7,631 E	8,464 E	8,289 E	31,146 E
2025	6,233 A	6,773 A	7,631 A	7,455 E	28,093 E
2024	5,032 A	5,594 A	6,493 A	6,553 A	23,673 A

EPS Estimates[2]

	Q1	Q2	Q3	Q4	Annual*
2026	2.07 E	2.92 E	3.71 E	3.24 E	11.94 E
2025	1.78 A	2.48 A	3.33 A	3.01 E	10.60 E
2024	1.41 A	1.90 A	2.72 A	2.94 A	8.97 A

*Quarterly figures may not add up to annual.

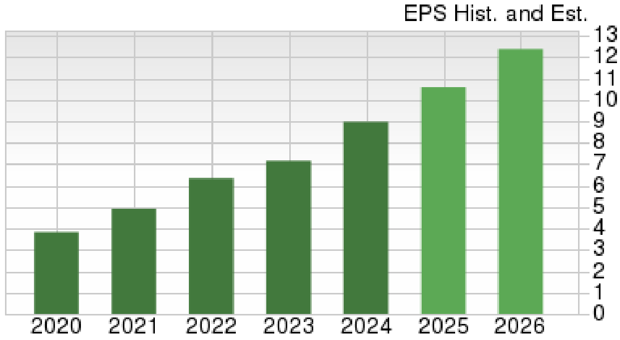
(1) The data in the charts and tables, except the estimates, is as of 01/07/2026.
(2) The report's text, the analyst-provided estimates, and the price target are as of 12/16/2025.

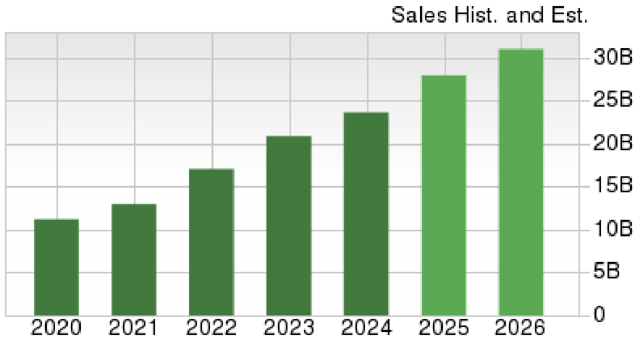
Overview

Quanta Services, Inc. is a leading national provider of specialty contracting services, and one of the largest contractors serving the transmission and distribution sector of the North American electric utility industry. Quanta has operations in the United States, Canada, Australia and other selected international markets.

Starting from the first quarter of 2025, Quanta reports results under two reportable segments: Electric Infrastructure Solutions and Underground Utility and Infrastructure Solutions. The move highlights efficient allocation of resources and better management of the strategies and comprehensive solutions for its growing and increasingly converging addressable markets.

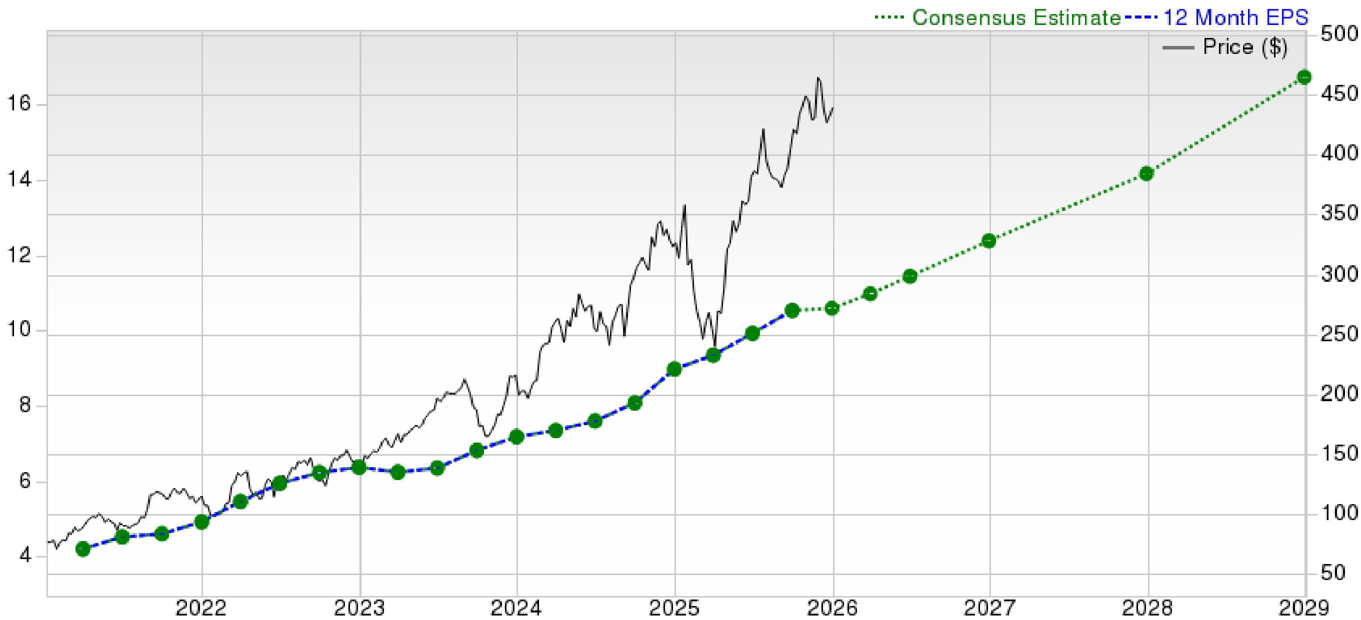
Electric Infrastructure Solutions segment (accounting for 79.3% of first-quarter 2025 revenues): This segment is the amalgamation of the previously reported Electric Power Infrastructure Solutions and the Renewable Energy Infrastructure Solutions segments. This new segment indulges in comprehensive services for the electric power, renewable energy, technology and communications markets. A few of its core services include the design, procurement, new construction, upgrade and repair and maintenance services for electric power transmission and distribution infrastructure; solar and hydropower generation facilities and battery storage facilities; and installation of “smart grid” technologies on electric power networks.





As of 12/16/2025

Underground Utility and Infrastructure Solutions segment (20.7%): This segment provides solutions to customers involved in the transportation of natural gas, oil and other pipeline products. Services include design, installation, repair and maintenance of oil and gas transmission and distribution systems, and related trenching and directional boring services. Also, this segment provides pipeline protection services, high-pressure and critical-path turnaround services to the downstream and midstream energy markets.



As of 01/07/2026

Reasons To Buy:

Solid infrastructural demand and end-market prospects of its segments, along with acquisitions & backlogs, are major tailwinds.

- **Positioned at the Heart of the Energy Transition & Self-Perform Model:** Utilities across the United States are forecasting significant increases in power demand driven by electrification, AI, and data center growth. Quanta is uniquely positioned as a leader in transmission and distribution, renewable integration, and grid hardening. The company was recently named the top U.S. solar contractor and top energy storage provider by Solar Power World, reinforcing its leadership in renewables. As governments and corporations accelerate investment in decarbonization and energy security, Quanta's expertise in large-scale, mission-critical infrastructure makes it a natural beneficiary of the energy transition.

  Meanwhile, unlike many peers, Quanta self-performs 80–85% of its work. This approach provides greater control over costs, schedules, and quality, mitigating risks associated with subcontracting. Customers value this execution certainty, particularly for large, multi-year programs where delays or overruns can be costly. The company's craft-skilled workforce and integrated solutions model—combining engineering, technology, and program management—enhance its ability to deliver full-lifecycle services. This differentiation creates stickier customer relationships and positions Quanta as a trusted partner rather than a transactional contractor.

- **Robust Infrastructural Demand:** Quanta is gaining from its involvement in the advancement and implementation of technology solutions throughout the decarbonization spectrum. This includes carbon management, mitigation, compliance consulting and the development of infrastructure that supports carbon-free energy solutions. The company is seeing strong infrastructural demand as the U.S. energy landscape undergoes a fundamental transformation. Expectations for rising power needs, driven by data centers, Artificial Intelligence and broader technology adoption, continue to expand the scope of work across all forms of energy generation. In the third quarter of 2025, the company indicated that accelerating demand in the Electric segment and broad activity across key end markets are reinforcing these trends and strengthening overall project momentum.

- **Expanding Backlog and Visibility Into Long-Term Growth:** Quanta's backlog reached a record $39.2 billion in the third quarter, up from $33.96 billion a year ago, underscoring robust demand visibility. Remaining performance obligations rose to $21 billion. The increase reflects accelerating demand in the Electric segment, solid activity across end markets and momentum heading into 2026. The company also indicated that large projects not yet in backlog — such as upcoming transmission work and the new power generation program — are expected to add further volume once permitting milestones are met. This supports long-term revenue visibility and strengthens the company's outlook for sustained growth.

- **Acquisitions to Boost Market Reach:** Quanta continues to build long-term growth platforms through targeted acquisitions that complement its existing operations and open new avenues of opportunity. In July 2025, the company closed its largest deal of the year with the $1.35 billion acquisition of Dynamic Systems, Inc. (DSI), a leading mechanical, plumbing, and process infrastructure solutions provider. In the third quarter of 2025, the company reported that the integration of DSI was progressing well, with strong inbound and increasing demand across the mechanical platform. The company also highlighted ongoing investments in vertical supply-chain capabilities, which support scalability and improve execution across major programs. These updates reinforce the strategic value of the recent acquisitions and their contribution to the company's multi-year growth outlook.

  Earlier in the year, Quanta also acquired three privately held businesses that enhance its capabilities in electric power and underground utility solutions. These tuck-in acquisitions extend Quanta's geographic footprint and deepen its service expertise, aligning with the company's self-perform model.

- **Robust Cash Flow and Capital Allocation Discipline:** Quanta generated $563 million in operating cash flow and $438 million in free cash flow in the third quarter, bringing year-to-date free cash flow to $726.3 million. For the full year, the company now expects free cash flow of $1.3-$1.7 billion. This financial strength allows Quanta to fund organic growth, pursue strategic acquisitions and return capital to shareholders. Year to date, it has repurchased 538,559 shares for $134.6 million, with $365.1 million remaining under its buyback program. The balance between reinvestment and shareholder returns demonstrates disciplined capital management, enhancing long-term value creation.

Reasons To Sell:

> Quanta remains vulnerable to regulatory challenges and risks like project delays, stiff competition and premium valuation.

- **Dependence on Regulatory and Policy Tailwinds:** A significant portion of Quanta's growth thesis rests on energy transition initiatives, including renewable integration, electrification, and grid modernization. These markets are heavily influenced by federal and state-level policy support, such as tax incentives and clean energy funding. Any political or regulatory shifts that slow renewables adoption, alter transmission project approvals, or reduce infrastructure subsidies could dampen Quanta's growth trajectory. Given that its largest projects—like Boardman to Hemingway transmission—depend on regulatory certainty, changes in permitting or funding priorities remain a key risk.

  Management flagged macroeconomic risks—higher interest rates, inflationary pressures, and potential recessionary conditions—as key headwinds that could affect customer spending and project timing. In the third quarter of 2025, the company reported continued permitting challenges at the state level for large infrastructure and pipeline projects. The company also mentioned that affordability concerns at regulatory commissions influence the pace of approvals for transmission and distribution work.

- **Labor Woes:** The demand for craft-skilled labor, particularly in critical sectors like renewable energy, data centers, and infrastructure modernization, has outpaced supply. Labor costs have risen notably in the past few quarters, reflecting broader industry trends. These costs are either passed through to customers or factored into multi-year contracts, limiting margin compression. Some renewable and transmission projects face delays due to labor shortages and material constraints. These delays affect backlog conversion into revenues.

- **Competitive Landscape, Pricing Risks, Seasonality:** Quanta competes with large, well-capitalized players such as MasTec and EMCOR, both of which are also aggressively expanding into renewables, transmission, and utility services. While Quanta's scale and execution model provide advantages, growing competition could lead to more aggressive pricing, particularly for large utility and renewable contracts. If pricing discipline across the industry weakens, Quanta's ability to sustain its above-average margins could be challenged, impacting profitability even if revenue growth remains intact.

  Typically, the company's revenues are lowest in the first quarter of the year as cold, snowy, or wet conditions can create challenging working environments and cause delays on projects. In addition, infrastructure projects often do not begin meaningfully until their customers finalize their capital budgets, typically during the first quarter. Also, the holiday season and inclement weather can sometimes cause delays during the fourth quarter, reducing revenues and increasing costs. These seasonal impacts are typical for the company's U.S. operations.

- **Valuation Premium Relative to Peers:** Quanta's strong execution and record backlog have led to a valuation premium compared with peers. The stock trades at a forward P/E multiple that is higher than MasTec and EMCOR, despite facing similar cyclical risks. This premium could limit upside potential, especially if growth moderates or if integration challenges from acquisitions materialize.

Last Earnings Report

Quanta Beats Q3 Earnings & Revenue Estimates, Revises '25 View

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 30, 2025
Sales Surprise	2.44%
EPS Surprise	2.46%
Quarterly EPS	3.33
Annual EPS (TTM)	10.53

Quanta posted a robust third-quarter 2025 performance, highlighted by double-digit revenue growth and margin expansion. The company benefited primarily from heightened demand in its Electric segment, which continues to gain traction as utilities and large-scale customers accelerate investments in power generation and grid modernization projects.

In the third quarter of 2025, Quanta completed the acquisition of Dynamic Systems, a leading provider of turnkey mechanical, plumbing and process infrastructure services. The company brings a broad customer base and strong presence in high-growth sectors such as technology, semiconductors and healthcare. Its results will primarily be reflected in Quanta's Underground and Infrastructure segment.

More on Quanta's Q3 Earnings & Revenues

Quanta's adjusted EPS came in at $3.33, up 22.4% year over year and above the Zacks Consensus Estimate of $3.25. The outperformance was led by revenue scale and operating leverage, as well as contributions from acquisitions.

Quanta reported revenues of $7.63 billion, up 17.6% year over year and ahead of the Zacks Consensus Estimate of $7.45 billion. The metric was driven by sustained strength in both Electric Infrastructure and Underground Utility segments.

Quanta's Q3 Margins: Broad-Based Expansion

Gross margin expanded to 15.9% from 15.6%, supported by favorable project execution and scale benefits. Adjusted EBITDA grew 25.7% year over year to $858.3 million, representing an adjusted EBITDA margin of 11.2%, up from 10.5%. Consolidated operating income rose to $517.2 million (up 20% year over year) with a 6.8% margin, up 20 basis points from the prior-year period.

Quanta's Backlog and Project Wins: Momentum Continues

Quanta ended the third quarter with a record total backlog of $39.17 billion, up from $33.96 billion a year ago, underscoring robust demand visibility. Remaining performance obligations rose to $21 billion.

Quanta's Segment Details

The company reports results under two segments — Electric Infrastructure Solutions and Underground Utility and Infrastructure Solutions.

Electric (80.9% of total revenues) delivered $6.17 billion in revenues, up 17.9% year over year. Segment operating margin was 11.4%, improving from 11% in the year-ago quarter.

Underground and Infrastructure (19.1% of total revenues) contributed $1.46 billion in revenues, up 15.9% year over year. Segment margin stood at 8.4%, higher than the 7.5% reported a year ago. Growth was supported by recent acquisitions in utility construction and civil infrastructure.

Quanta's Balance Sheet

As of Sept. 30, 2025, Quanta held $610.4 million in cash and cash equivalents (down from $742 million at 2024-end). Long-term debt increased to $5.53 billion from $4.10 billion at the end of 2024. Free cash flow stood at $726.3 million, down from $979.3 million a year ago. Quanta repurchased 538,559 shares for $134.6 million, with $365.1 million remaining under its buyback program.

Quanta's Outlook for 2025 Revised

Encouraged by the strong third-quarter results and recent acquisitions, Quanta raised its full-year 2025 outlook. It now expects revenues between $27.8 billion and $28.2 billion (up from $27.4 billion and $27.9 billion), and adjusted EPS in the range of $10.33 to $10.83 (compared with the prior estimate of $10.28 to $10.88). Adjusted EBITDA is forecasted to range from $2.77 billion to $2.88 billion (compared with the prior estimate of $2.76 billion to $2.89 billion).

Valuation

Quanta Services' shares are up 21.5% in the past six months and 29.6% in the trailing 12-month period. Stocks in the Zacks sub-industry are up 5.6% and the Zacks Construction sector is up 12.2% in the past six months. Over the past year, the Zacks sub-industry has been up 4.5%, but the sector has been down 1%.

The S&P 500 index is up 16.6% in the past six months and 14.8% in the past year.

The stock is currently trading at 35.42X forward 12-month earnings, which compares to 23.73X for the Zacks sub-industry, 19.67X for the Zacks sector, and 23.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 42.15X and as low as 17.01X, with a 5-year median of 25.04X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $462 price target reflects 37.53X forward 12-month earnings.

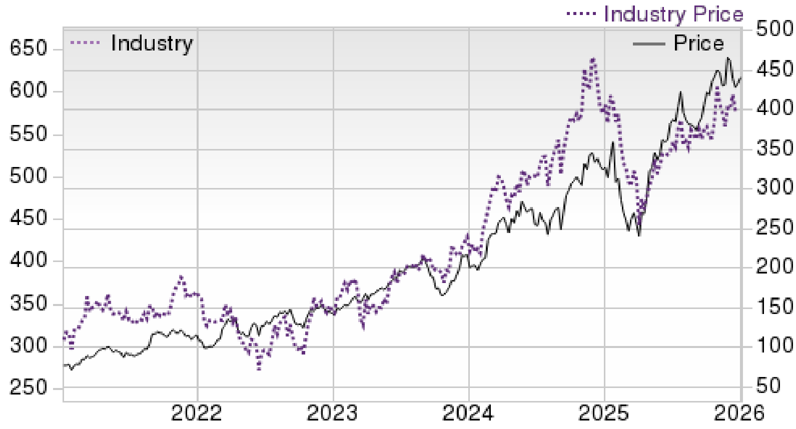
The table below shows the summary valuation data for PWR.

Valuation Multiples - PWR

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	35.42	23.73	19.67	23.3
	5-Year High	42.15	25.73	19.67	23.78
	5-Year Low	17.01	17.57	9.02	15.73
	5-Year Median	25.04	21.78	15.35	21.22
P/B TTM	Current	7.73	4.13	4.86	8.47
	5-Year High	8.29	6.54	5.4	9.17
	5-Year Low	2.18	2.98	2.95	6.6
	5-Year Median	4.42	4.47	4.39	8.05
EV/EBITDA TTM	Current	24.4	12.86	18.47	18.55
	5-Year High	26.02	20.68	24.61	22.41
	5-Year Low	11.04	11.35	10.36	13.88
	5-Year Median	16.41	15.57	16.97	17.97

As of 12/15/2025 *Source: Zacks Investment Research*

Industry Analysis[1] **Zacks Industry Rank:** Top 45% (109 out of 244)



Top Peers [1]

Company (Ticker)	Rec	Rank
MasTec, Inc. **(MTZ)**	Outperform	2
AECOM **(ACM)**	Neutral	3
EMCOR Group, Inc. **(EME)**	Neutral	3
Fluor Corporation **(FLR)**	Neutral	3
Great Lakes Dredge &...**(GLDD)**	Neutral	3
KBR, Inc. **(KBR)**	Neutral	4
Orion Group Holdings...**(ORN)**	Neutral	3
Sterling Infrastruct...**(STRL)**	Neutral	3

Industry Comparison[1] Industry: Engineering - R And D Services

Industry Peers

	PWR	X Industry	S&P 500	ACM	EME	FLR
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	B	-	-	B	B	A
Market Cap	65.35 B	1.54 B	40.27 B	13.23 B	29.36 B	7.23 B
# of Analysts	11	2	22	2	3	3
Dividend Yield	0.10%	0.00%	1.35%	1.04%	0.15%	0.00%
Value Score	D	-	-	B	C	B
Cash/Price	0.01	0.10	0.04	0.12	0.02	0.42
EV/EBITDA	32.58	11.65	14.84	11.21	18.95	7.47
PEG Ratio	2.69	1.73	2.06	1.47	NA	NA
Price/Book (P/B)	7.78	3.62	3.44	4.91	8.80	1.39
Price/Cash Flow (P/CF)	32.76	13.32	15.60	15.08	26.45	16.10
P/E (F1)	41.37	23.49	18.94	17.61	23.93	19.97
Price/Sales (P/S)	2.40	0.82	3.12	0.82	1.81	0.46
Earnings Yield	2.83%	4.26%	5.28%	5.68%	4.18%	5.02%
Debt/Equity	0.66	0.47	0.57	0.98	0.00	0.20
Cash Flow ($/share)	13.38	1.98	8.98	6.63	24.80	2.79
Growth Score	A	-	-	B	A	B
Hist. EPS Growth (3-5 yrs)	22.25%	20.67%	8.24%	17.44%	38.96%	44.94%
Proj. EPS Growth (F1/F0)	18.17%	15.70%	9.18%	7.98%	17.29%	-7.33%
Curr. Cash Flow Growth	24.58%	12.04%	7.00%	10.29%	51.37%	-12.45%
Hist. Cash Flow Growth (3-5 yrs)	21.92%	8.70%	7.49%	8.46%	22.28%	-4.10%
Current Ratio	1.34	1.34	1.19	1.14	1.19	1.45
Debt/Capital	39.70%	32.03%	38.14%	49.54%	0.00%	16.99%
Net Margin	3.74%	3.61%	12.77%	3.48%	6.96%	21.71%
Return on Equity	18.74%	18.74%	17.03%	27.35%	37.04%	8.32%
Sales/Assets	1.35	1.21	0.53	1.34	1.98	1.53
Proj. Sales Growth (F1/F0)	18.70%	7.90%	5.29%	4.90%	15.00%	-4.60%
Momentum Score	B	-	-	D	F	D
Daily Price Chg	0.55%	0.54%	0.62%	1.01%	0.36%	0.54%
1 Week Price Chg	1.62%	0.44%	0.70%	-1.03%	1.84%	2.16%
4 Week Price Chg	-4.31%	3.36%	1.52%	-0.34%	5.16%	3.36%
12 Week Price Chg	1.53%	5.89%	4.52%	-24.62%	-2.70%	-6.99%
52 Week Price Chg	37.03%	3.12%	17.53%	-6.74%	39.51%	-11.24%
20 Day Average Volume	818,654	161,950	2,426,458	1,232,129	315,315	2,696,719
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 12 week change	0.21%	-0.04%	0.44%	-0.09%	1.54%	0.75%
(Q1) EPS Est Mthly Chg	-0.09%	0.00%	0.00%	NA	0.00%	NA

Analyst Earnings Model[2]

Quanta Services, Inc. (PWR)

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														
Revenues	**$17,073.9**	**$20,882.2**	**$23,672.8**	**$6,233.3**	**$6,773.0**	**$7,631.4**	**$7,455.0**	**$28,092.7**	**$6,761.6**	**$7,631.2**	**$8,464.2**	**$8,288.8**	**$31,145.8**	**$35,200.7**
Cost of Services	$14,544.7	$17,945.1	$20,162.0	$5,399.3	$5,765.4	$6,415.0	$6,297.2	$23,876.9	$5,819.6	$6,481.2	$7,099.9	$7,032.1	$26,432.8	$29,802.0
Gross Profit	**$2,529.2**	**$2,937.1**	**$3,510.8**	**$834.0**	**$1,007.6**	**$1,216.4**	**$1,157.8**	**$4,215.8**	**$942.0**	**$1,150.0**	**$1,364.2**	**$1,256.8**	**$4,713.0**	**$5,398.7**
Equity in Earnings (Loss) of Integral Unconsolidated Affiliates	$52.5	$41.6	$50.5	$12.9	$14.4	$13.7	$15.6	$56.7	$13.7	$15.4	$16.8	$16.8	$62.7	$70.8
Selling, General and Administrative Expenses	$1,336.7	$1,555.1	$1,824.8	$494.0	$528.4	$573.0	$554.6	$2,149.9	$538.8	$586.0	$647.4	$636.9	$2,409.1	$2,698.1
Amortization of Intangible Assets	$354.0	$289.0	$383.0	$109.6	$113.2	$133.2	$134.2	$490.1	$117.9	$132.8	$148.7	$145.9	$545.3	$617.1
Asset Impairment Charges	$14.5	$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
Change in Fair Value of Contingent Consideration Liabilities	$4.4	$6.6	$7.1	$4.4	$10.2	$6.8	$0.0	$21.4	$5.2	$6.1	$5.2	$4.5	$21.0	$22.7
Adjusted EBITDA	**$1,684.9**	**$1,947.2**	**$2,331.1**	**$503.9**	**$668.8**	**$858.3**	**$792.6**	**$2,823.6**	**$585.8**	**$769.9**	**$942.8**	**$838.6**	**$3,137.1**	**$3,638.1**
Acquisition & Integration Costs	$47.4	$42.8	$30.0	$13.8	$24.6	$31.9	$6.2	$76.5	$18.3	$21.7	$22.3	$18.7	$81.0	$89.8
Equity in Earnings of Non-Integral Unconsolidated Affiliates	($20.3)	($1.3)	($2.6)	$0.1	($0.5)	$0.1	($0.1)	($0.5)	($0.1)	($0.2)	($0.1)	($0.2)	($0.6)	($0.6)
EBITDA	**$1,464.1**	**$1,773.8**	**$2,123.3**	**$447.7**	**$589.4**	**$772.8**	**$739.4**	**$2,549.3**	**$519.8**	**$693.9**	**$862.0**	**$762.9**	**$2,838.6**	**$3,303.4**
Other Items, Net	$14.3	$19.9	$21.1	$5.4	$7.3	$8.7	$8.2	$29.6	$7.4	$7.4	$7.4	$7.4	$29.6	$29.6
Depreciation	$290.6	$324.8	$359.4	$98.1	$98.7	$103.9	$106.7	$407.4	$98.5	$108.9	$120.1	$118.8	$446.2	$503.4
Depreciation & Amortization	$644.6	$613.8	$742.3	$207.7	$211.9	$237.1	$240.9	$897.6	$216.4	$241.7	$268.8	$264.7	$991.6	$1,120.5
Operating Income	**$872.1**	**$1,128.0**	**$1,346.5**	**$239.1**	**$370.3**	**$517.2**	**$484.6**	**$1,611.2**	**$293.8**	**$440.5**	**$579.7**	**$486.3**	**$1,800.2**	**$2,131.6**
Interest and Other Financing Expense	$124.4	$186.9	$202.7	$54.3	$59.6	$71.8	$63.2	$248.9	$59.8	$67.8	$75.4	$64.5	$267.5	$298.5
Interest Income	$2.6	$10.8	$32.4	$3.8	$3.8	$3.7	$3.2	$14.6	$3.5	$3.8	$4.1	$4.0	$15.5	$17.4
Interest Expense, Net	$121.8	$176.1	$170.3	$50.5	$55.8	$68.1	$60.0	$234.3	$56.3	$64.0	$71.3	$60.5	$252.0	$281.1
Other Expense (Income), Net	$46.4	($18.1)	($35.8)	($0.2)	($4.1)	($13.3)	($6.3)	($24.0)	($5.5)	($7.6)	($9.3)	($7.8)	($30.2)	($34.7)
Pre-Tax Income	**$703.9**	**$970.0**	**$1,212.0**	**$188.8**	**$318.6**	**$462.4**	**$430.9**	**$1,400.8**	**$243.0**	**$384.2**	**$517.7**	**$433.6**	**$1,578.4**	**$1,885.1**
Income Taxes	$192.2	$219.3	$284.7	$39.9	$85.1	$119.6	$115.5	$360.1	$63.2	$99.9	$134.6	$112.7	$410.4	$490.1
Tax Rate	27.3%	22.6%	23.5%	21.1%	26.7%	25.9%	26.8%	25.7%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Non-Controlling Interest	$20.5	$6.0	$22.5	$4.7	$4.3	$3.4	$0.6	$13.0	$3.3	$3.3	$3.3	$3.3	$13.0	$13.0
Net Income, Adjusted	**$938.1**	**$1,064.9**	**$1,346.4**	**$268.6**	**$373.6**	**$504.4**	**$455.7**	**$1,602.3**	**$313.0**	**$442.3**	**$562.0**	**$491.7**	**$1,809.0**	**$2,143.9**
Net Income, GAAP	**$491.2**	**$744.7**	**$904.8**	**$144.3**	**$229.3**	**$339.4**	**$314.8**	**$1,027.7**	**$176.5**	**$281.0**	**$379.9**	**$317.6**	**$1,155.0**	**$1,382.0**
Diluted Shares Outstanding	148.0	148.8	150.1	151.0	150.9	151.5	151.5	151.2	151.5	151.5	151.5	151.5	151.5	151.5
Diluted EPS, Adjusted	**$6.34**	**$7.16**	**$8.97**	**$1.78**	**$2.48**	**$3.33**	**$3.01**	**$10.60**	**$2.07**	**$2.92**	**$3.71**	**$3.24**	**$11.94**	**$14.15**
Diluted EPS, GAAP	**$3.32**	**$5.00**	**$6.03**	**$0.96**	**$1.52**	**$2.24**	**$2.08**	**$6.80**	**$1.16**	**$1.85**	**$2.51**	**$2.10**	**$7.62**	**$9.12**
Dividend per Share	$0.29	$0.33	$0.37	$0.10	$0.10	$0.10	$0.11	$0.41	$0.11	$0.11	$0.11	$0.12	$0.45	$0.49

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	D
Growth Score	A
Momentum Score	B
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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