

Transocean Ltd. (RIG)

\$4.08 (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$5.50**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 02/24/23)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: A

Value: B

Growth: A

Momentum: A

Summary

Transocean continues to build a strong operational momentum, driven by higher rig utilization, rising revenue efficiency, and a \$6.7 billion backlog securing 2026 visibility. Its deleveraging progress, with \$1.2 billion in debt reduction and lower interest costs, strengthens liquidity. The company's leadership in high-spec rigs and disciplined cost control further enhance resilience. However, total debt remains high at \$5.9 billion, weighing on cash flows amid refinancing risks. Asset impairments signal fleet aging, and profitability remains uneven due to cyclical swings and one-offs. Contract transition risks with heavy oil-price dependence could lead to reduced revenue contribution adding volatility to the company's outlook. The improving fundamentals against structural financial and market headwinds justifies a Neutral stance.

Data Overview

52 Week High-Low	\$4.56 - \$1.97
20 Day Average Volume (sh)	31,259,884
Market Cap	\$4.5 B
YTD Price Change	10.1%
Beta	1.39
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<u>Oil and Gas - Drilling</u>
Zacks Industry Rank	Bottom 5% (228 out of 243)

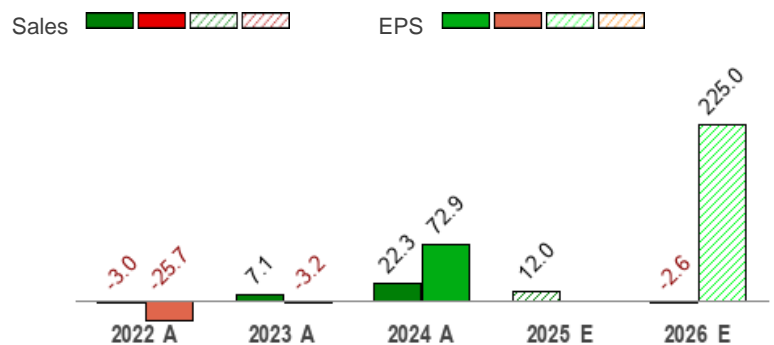
Last EPS Surprise	50.0%
Last Sales Surprise	2.1%
EPS F1 Est- 4 week change	100.0%
Expected Report Date	02/16/2026
Earnings ESP	3.3%

P/E TTM	NA
P/E F1	102.0
PEG F1	1.8
P/S TTM	1.2

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	973 E	960 E	948 E	970 E	3,851 E
2025	906 A	988 A	1,028 A	1,030 E	3,952 E
2024	767 A	861 A	948 A	952 A	3,528 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.04 E	0.03 E	0.02 E	0.03 E	0.13 E
2025	-0.10 A	0.00 A	0.06 A	0.08 E	0.04 E
2024	-0.03 A	-0.15 A	0.00 A	-0.09 A	-0.26 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/15/2025.

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

Overview

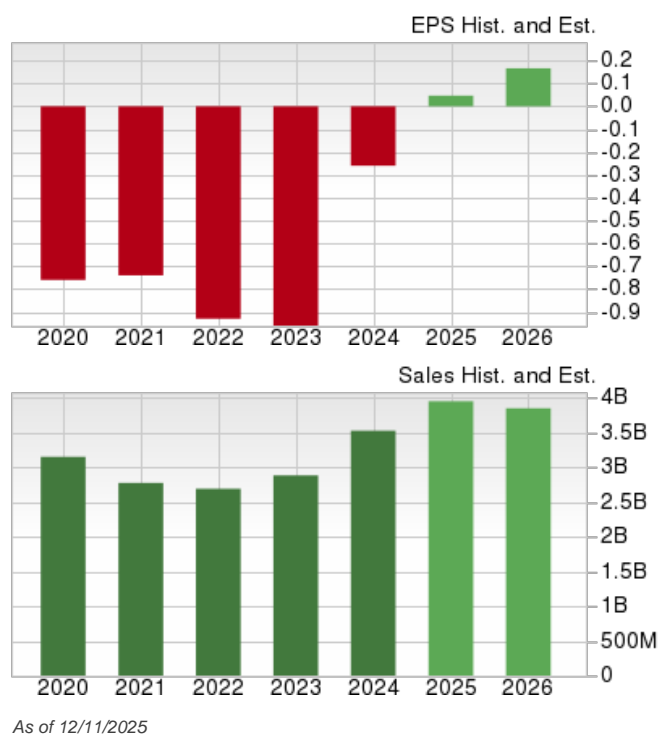
Switzerland-based Transocean, Inc. is the world's largest offshore drilling contractor and leading provider of drilling management services. The company provides rigs on a contractual basis to explore and develop oil and gas. Transocean offers offshore drilling rigs, equipment, services and manpower to exploration and production companies worldwide. As of Oct 29, 2025, the company owned or had partial interests in 27 mobile offshore drilling units, comprising 20 ultra-deepwater floaters and seven harsh environment floaters.

Transocean's fleet is considered one of the most modern and versatile in the world due to its emphasis on technically demanding segments of the offshore drilling business. Transocean's fleet can be broadly divided into two distinct groups based on drilling capabilities: ultra-deepwater floaters and harsh environment floaters, which accounted for 67.7% and 32.3%, respectively, of its contract drilling revenue for Sept 30, 2025.

Transocean's ultra-deepwater floaters are capable of drilling in water depths of 4,500 feet and more. The company's harsh environment floaters are capable of drilling in harsh environment at water depths between 1,500 and 10,000 feet with greater displacement.

Transocean maintains an expansive global footprint with active operations in the U.S. Gulf of Mexico, Brazil, West Africa, the North Sea, Australia, and Southeast Asia. Its rigs are strategically deployed in high-demand regions supported by long-cycle offshore developments. This global presence not only supports revenue diversification but also gives the company a competitive edge in bidding on multi-year tenders across both emerging and mature markets.

In 2024, Transocean acquired the remaining 67% ownership in Orion Holdings for \$431 million through shares and senior notes, making Transocean Norge a wholly owned subsidiary.



Reasons To Buy:

- ▲ Transocean's third-quarter 2025 results highlight a company riding a strong momentum wave. The company's contract drilling revenues demonstrated an upward trend both sequentially and year over year, supported by higher rig utilization and an impressive 97.5% revenue efficiency. This improvement demonstrates better fleet deployment and operational execution. Sustained utilization momentum in both ultra-deepwater (71%) and harsh environment floaters (90.6%) positions Transocean to capitalize on recovering offshore demand and rising dayrates, signaling expanding cash generation capacity ahead. Our model predicts that Transocean's contract drilling revenues will at over \$3.95 billion for the full year 2025 - up 12% over 2024.
- ▲ Transocean held a solid \$6.7 billion backlog as of Oct 2025 — With approximately 89% of 2026 revenues already tied to firm contracts. This solid book of business provides revenue visibility over multiple years and protects cash flows amid market volatility. The backlog's quality — anchored in high-spec floaters and reputable clients like BP and Petrobras — offers downside protection and positions Transocean for long-term earnings stability and potential margin expansion as new contracts roll in at higher rates.
- ▲ Transocean has made significant progress in fortifying its balance sheet through disciplined deleveraging initiatives. The company reduced total debt by approximately \$1.2 billion—surpassing its scheduled maturities of \$714 million—and simultaneously lowered annual interest expenses by about \$87 million. This was achieved through a combination of equity and debt market transactions, refinancing, and early retirement of high-cost notes. The stronger capital structure enhances liquidity, improves debt maturity alignment, and allows the company to fund future obligations from operational cash flow, reducing dependence on capital markets and mitigating dilution risk for shareholders.
- ▲ Transocean's dominance in the ultra-deepwater and harsh-environment drilling segment, with 27 high-specification floaters ((20 ultra-deepwater and 7 harsh environment), reinforces its position as the industry's technological leader. Its advanced rigs are equipped to operate in the most challenging offshore conditions, securing premium dayrates and long-term contracts from top-tier clients. Its focus on seventh and eighth-generation rigs—like the record-setting Deepwater Titan, provides a competitive moat against peers. As offshore investment accelerates, Transocean's unmatched technical reliability and operational excellence position it to command strong pricing power and superior cash flow visibility.
- ▲ Transocean continues to demonstrate prudent financial discipline through its focused cost-reduction and efficiency initiatives. The company's shore-based reorganization and deferred maintenance optimization have effectively lowered operating expenses without compromising service quality or uptime. Capital expenditures remain tightly managed, coming in below guidance, reflecting operational efficiency and timing benefits. With robust liquidity of \$1.8 billion at quarter-end, Transocean is strategically positioned to channel free cash flow toward accelerated debt repayment or selective reinvestment in high-return fleet upgrades and modernization programs.
- ▲ Transocean is well-positioned to capitalize on a strengthening offshore drilling cycle, with management projecting rig demand to rise about 10% over the next 18 months, supported by active tenders across Brazil, Africa, and Asia. As reserve-to-production ratios tighten, oil majors are set to boost exploration spending, driving higher utilization and day rates. With deepwater activity expected to exceed 90% utilization by 2027–2028, Transocean's premium fleet and strong customer relationships offer substantial leverage to a sustained multi-year industry upcycle.

Transocean's \$6.7 billion backlog provides revenue visibility over multiple years and protects cash flows

Reasons To Sell:

- ▼ Despite active deleveraging efforts, Transocean remains highly leveraged with approximately \$5.9 billion in total debt at the end of the third quarter of 2025. Quarterly interest costs of about \$140 million continue to strain operating cash flows, limiting financial flexibility for growth initiatives. Although management targets a \$1.2 billion reduction by year-end, elevated interest rates and refinancing risks could offset progress. Any shortfall in debt repayment or deterioration in credit conditions may pressure liquidity, weaken balance-sheet strength, and restrict the company's ability to fund capital expenditures or pursue future strategic opportunities.
- ▼ Transocean's property and equipment fell to \$12.7 billion (net) from \$15.8 billion at the end of 2024 — a \$3.1 billion decline driven by impairments and depreciation. This accelerated asset write-down underscores aging fleet concerns and potential competitive disadvantage versus newer, more efficient rigs entering the market. Upgrades or replacements will require significant future capital outlays to stay technologically relevant.
- ▼ Transocean's business is heavily dependent on oil prices and capital expenditure decisions by exploration and production (E&P) companies. A sustained downturn in oil prices or reduced offshore investment could lead to contract cancellations, project delays, or lower day rates. Macroeconomic uncertainties, including recession risks and energy transition pressures, add further volatility to the outlook.
- ▼ Despite posting adjusted net income of \$62 million, the company has struggled to generate consistent profitability. Cyclical earnings swings, driven by debt refinancing and impairment timing, limit visibility for investors. Transocean's dependence on non-recurring adjustments masks underlying performance variability and makes true earnings power harder to assess amid fluctuating offshore drilling demand.
- ▼ Transocean's decision to retire nine aging rigs, including four announced this quarter, reflects its strategy to maintain a leaner, higher-spec fleet aligned with evolving customer needs. While this modernization strengthens long-term competitiveness and market positioning, it may lead to near-term asset impairment charges, disposal expenses, and reduced revenue contribution from older units. Additionally, the removal of these assets could limit flexibility to quickly capture upside opportunities if offshore demand accelerates faster than anticipated.
- ▼ Transocean faces potential execution and transition risks as several key rigs, including the Deepwater Skyros and Mykonos, approach contract completion in early 2026. While management remains confident in securing follow-on work, even short gaps between contracts could result in idle time, mobilization expenses, or acceptance of lower-margin short-term projects to maintain utilization. Given the competitive tendering environment and regional scheduling complexities, any delay in re-contracting or project commencement could temporarily disrupt revenue flow and impact overall fleet efficiency.

A sustained downturn in oil prices or reduced offshore investment could lead to contract cancellations, project delays, or lower day rates.

Last Earnings Report

Transocean Q3 Earnings & Sales Surpass Estimates

Transocean reported third-quarter 2025 adjusted earnings of 6 cents per share, beating the Zacks Consensus Estimate of 4 cents. The bottom line also improved from the year-ago period's breakeven earnings. This improvement can be attributed to a strong third-quarter result from the company's segments.

This Switzerland-based offshore drilling powerhouse's total adjusted revenues of \$1 billion beat the Zacks Consensus Estimate by \$21 million. The top line also increased 8.4% from the prior-year figure of \$948 million. This was fueled by higher revenues associated with improved rig utilization, improved revenue efficiency and an increase in day rate for one rig. Ultra-deepwater and harsh environment revenues beat the consensus mark of \$684 million and \$265 million, respectively.

Segmental Revenue Breakup

Transocean's ultra-deepwater floaters contributed 67.7% to net contract drilling revenues, while harsh environment floaters accounted for the remaining 32.3%.

Revenues from the ultra-deepwater and harsh environment floaters totaled \$696 million and \$332 million, respectively, compared with the year-ago quarter's reported figures of \$668 million and \$280 million.

Revenues from ultra-deepwater operations were down from the model estimate of \$733.9 million, while those from harsh environment operations exceeded the prediction of \$269.1 million. Revenue efficiency was 97.5%, up from 96.6% in the previous quarter and also from 94.5% reported in the year-ago quarter.

Day Rates, Utilization & Backlog

Average day rates in the reported quarter increased to \$462,300 from \$436,800 in the year-ago quarter. However, the figure beat the Zacks Consensus Estimate of \$450,000.

Average revenues per day from ultra-deepwater floaters increased to \$460,200 from \$426,700 in the year-ago quarter. The same from harsh environment floaters also increased to \$467,100 from \$464,900 in the prior-year quarter.

Fleet utilization rate was 76% in the quarter, which increased from the prior-year period's 63.9%.

As of October 2025, Transocean's total backlog was \$6.7 billion.

Costs, Capex & Balance Sheet

Transocean reported \$791 million in costs and expenses, which was 1.1% lower than the year-ago quarter's level of \$800 million. However, operations and maintenance costs increased to \$584 million from \$563 million a year ago.

The oil and gas drilling company spent \$11 million on capital investments in the third quarter. Cash provided by operating activities was \$246 million. Cash and cash equivalents were \$833 million as of Sept. 30, 2025. Long-term debt amounted to \$4.8 billion, with a debt-to-capitalization of 37.5% as of the same period.

Q4, 2025 & Preliminary 2026 Guidance

For the fourth quarter of 2025, the company expects contract drilling revenues between \$1.03 billion and \$1.05 billion, including \$60 million to \$70 million from additional services and reimbursable expenses. This outlook assumes a fleet-wide revenue efficiency of 96.5%. Operating and maintenance expenses are predicted to range from \$595 million to \$615 million. General and administrative expenses are expected to be between \$45 million and \$50 million.

Net cash interest expense is anticipated to be approximately \$122 million, indicating \$131 million in interest expense and \$9 million in interest income. Capital expenditures are estimated at \$25 million to \$30 million and cash taxes paid are expected to total around \$18 million.

For the full year 2025, the company expects that its total liquidity will be slightly more than \$1.4 billion, which includes \$510 million capacity of an undrawn credit facility. The remaining debt and capital lease balance is predicted at approximately \$5.9 billion.

For the full year 2026, RIG's preliminary contract drilling revenues are expected to be between \$3.8 billion and \$3.95 billion, which includes \$230 million to \$270 million from additional services and reimbursables. Operating and maintenance expenses are predicted at \$2.275 billion to \$2.4 billion, while G&A expenses are expected to range from \$170 million to \$180 million. RIG's cash interest expense is anticipated to be about \$480 million.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 29, 2025
Sales Surprise	2.12%
EPS Surprise	50.00%
Quarterly EPS	0.06
Annual EPS (TTM)	-0.13

Recent News

Transocean Bags \$130M Deal for Deepwater Skyros in Australia

On December 8, Transocean announced the signing of a major contract for its Deepwater Skyros drillship in Australia. This six-well contract, awarded by an undisclosed operator, is set to begin in the first quarter of 2027 and spans an estimated 320-day campaign. The contract contributes approximately \$130 million to Transocean's backlog, excluding the compensation for mobilization and demobilization.

Valuation

Transocean shares are up 35.2% in the past six months and 10.2% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Oil-Energy sector are up 18.3% and 7% in the six-month period, respectively. Over the past year, the Zacks sub-industry and sector are down 6.9% and up 5.2%, respectively.

The S&P 500 index is up 16.7% in the six-month period and 16.1% in the past year.

The stock is currently trading at 2.74X trailing 12-month EV/EBITDA, which compares to 4.94X for the Zacks sub-industry, 5.52X for the Zacks sector and 18.77X for the S&P 500 index.

Over the past five years, the stock has traded as high as 36.36X and as low as 2.36X, with a 5-year median of 12.67X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$5.50 price target reflects 1.50X F12M sales.

The table below shows summary valuation data for RIG

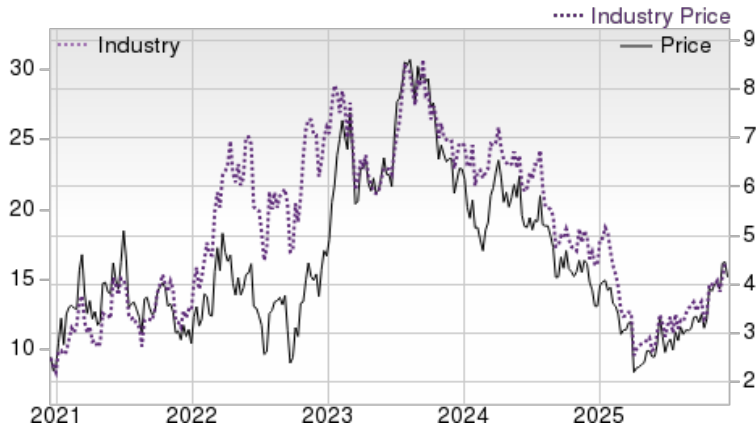
Valuation Multiples - RIG					
		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	2.74	4.94	5.52	18.77
	5-Year High	36.36	24.81	6.84	22.41
	5-Year Low	2.36	4.16	2.77	13.87
	5-Year Median	12.67	14.51	4.4	17.96
P/S F12M	Current	1.23	2.02	1.25	5.34
	5-Year High	1.98	3.22	1.25	5.5
	5-Year Low	0.48	1.01	0.74	3.83
	5-Year Median	0.95	2.01	0.97	5.05
P/B TTM	Current	0.59	1.4	1.73	8.57
	5-Year High	0.65	1.6	1.92	9.16
	5-Year Low	0.12	0.31	1.18	6.6
	5-Year Median	0.3	1.05	1.67	8.05

As of 12/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 5% (228 out of 243)

Top Peers⁽¹⁾



Company (Ticker)	Rec	Rank
Helmerich & Payne, I... (HP)	Neutral	3
Nabors Industries Lt... (NBR)	Neutral	4
Precision Drilling C... (PDS)	Neutral	5
Patterson-UTI Energy... (PTEN)	Neutral	3
Valaris Limited (VAL)	Neutral	3
Noble Corporation PL... (NE)	Underperform	5
Seadrill Limited (SDRL)	Underperform	5
Royal Vopak (VOPKY)	NA	

Industry Comparison⁽¹⁾ Industry: Oil And Gas - Drilling

Industry Peers

	RIG	X Industry	S&P 500	HP	NBR	NE
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	3	4	5
VGM Score	A	-	-	C	B	B
Market Cap	4.55 B	2.63 B	39.38 B	2.90 B	795.48 M	4.72 B
# of Analysts	3	2	22	7	3	2
Dividend Yield	0.00%	0.00%	1.41%	3.40%	0.00%	6.73%
Value Score	B	-	-	A	A	C
Cash/Price	0.27	0.18	0.04	0.08	0.54	0.10
EV/EBITDA	12.83	5.14	14.60	7.08	3.30	6.51
PEG Ratio	1.78	NA	2.23	NA	NA	NA
Price/Book (P/B)	0.56	0.85	3.35	1.03	0.85	1.04
Price/Cash Flow (P/CF)	4.87	5.26	15.20	4.03	1.07	6.65
P/E (F1)	103.25	27.62	19.78	58.49	7.15	38.61
Price/Sales (P/S)	1.17	1.18	3.06	0.77	0.25	1.37
Earnings Yield	1.21%	2.15%	4.99%	1.70%	13.98%	2.59%
Debt/Equity	0.60	0.44	0.57	0.73	2.50	0.44
Cash Flow (\$/share)	0.85	5.16	8.99	7.29	51.07	4.47
Growth Score	A	-	-	D	C	A
Hist. EPS Growth (3-5 yrs)	NA%	28.91%	8.16%	28.91%	NA	68.74%
Proj. EPS Growth (F1/F0)	NA%	-45.00%	8.57%	-46.81%	NA	-66.52%
Curr. Cash Flow Growth	587.04%	27.94%	6.75%	-4.72%	-13.88%	55.52%
Hist. Cash Flow Growth (3-5 yrs)	36.78%	4.34%	7.43%	12.75%	0.13%	29.68%
Current Ratio	1.08	1.70	1.19	1.80	2.09	1.75
Debt/Capital	37.51%	30.69%	38.01%	42.10%	71.43%	30.36%
Net Margin	-75.71%	4.87%	12.78%	-4.37%	7.08%	6.57%
Return on Equity	0.45%	3.21%	17.00%	3.21%	-30.85%	3.98%
Sales/Assets	0.21	0.40	0.53	0.56	0.65	0.44
Proj. Sales Growth (F1/F0)	12.00%	0.00%	5.77%	4.20%	9.40%	6.10%
Momentum Score	A	-	-	F	D	D
Daily Price Chg	-3.50%	-3.50%	-1.07%	-4.67%	-4.28%	-5.11%
1 Week Price Chg	-6.98%	-1.74%	-0.63%	-1.57%	-6.49%	-9.39%
4 Week Price Chg	2.99%	5.56%	1.39%	5.68%	10.65%	-1.95%
12 Week Price Chg	24.40%	11.44%	2.45%	43.18%	45.22%	5.28%
52 Week Price Chg	6.99%	2.45%	12.83%	-12.44%	-16.44%	-3.85%
20 Day Average Volume	31,259,884	389,496	2,728,366	1,587,884	389,496	1,638,830
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-4.94%
(F1) EPS Est 4 week change	100.00%	0.15%	0.00%	-31.12%	-3.06%	-4.94%
(F1) EPS Est 12 week change	159.26%	-13.52%	0.69%	-35.37%	-8.09%	-18.95%
(Q1) EPS Est Mthly Chg	8.24%	0.00%	0.00%	-38.79%	-7.01%	-20.00%

Analyst Earnings Model⁽²⁾

Transocean Ltd. (RIG)

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														
Ultra-Deepwater Floaters	\$1,708.0	\$2,072.0	\$2,518.0	\$658.0	\$699.0	\$696.0	\$761.6	\$2,814.6	\$724.7	\$693.2	\$641.7	\$740.3	\$2,799.9	\$2,671.1
Harsh Environment Floaters	\$867.0	\$760.0	\$1,006.0	\$248.0	\$289.0	\$332.0	\$268.6	\$1,137.6	\$248.0	\$267.2	\$306.4	\$229.8	\$1,051.4	\$1,041.4
Contract Drilling Revenues	\$2,575.0	\$2,832.0	\$3,524.0	\$906.0	\$988.0	\$1,028.0	\$1,030.3	\$3,952.3	\$972.7	\$960.3	\$948.1	\$970.1	\$3,851.3	\$3,712.5
Contract Intangible Assets Amortization	\$117.0	\$52.0	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Contract Drilling Revenues, Adjusted	\$2,692.0	\$2,884.0	\$3,528.0	\$906.0	\$988.0	\$1,028.0	\$1,030.3	\$3,952.3	\$972.7	\$960.3	\$948.1	\$970.1	\$3,851.3	\$3,712.5
Operating and Maintenance Cost	\$1,679.0	\$1,986.0	\$2,199.0	\$618.0	\$599.0	\$584.0	\$603.1	\$2,404.1	\$591.4	\$574.1	\$587.2	\$596.3	\$2,349.1	\$2,312.0
Gross Profit	\$896.0	\$846.0	\$1,325.0	\$288.0	\$389.0	\$444.0	\$427.2	\$1,548.2	\$381.3	\$386.2	\$360.9	\$373.8	\$1,502.2	\$1,400.5
Depreciation and Amortization	\$735.0	\$744.0	\$739.0	\$176.0	\$175.0	\$161.0	\$120.1	\$632.1	\$156.7	\$146.8	\$139.2	\$140.0	\$582.7	\$553.2
General and Administrative Expenses	\$182.0	\$187.0	\$214.0	\$50.0	\$49.0	\$46.0	\$48.3	\$193.3	\$45.4	\$45.1	\$43.9	\$45.3	\$179.7	\$173.1
Total Costs and Expenses	\$2,596.0	\$2,917.0	\$3,152.0	\$844.0	\$823.0	\$791.0	\$771.4	\$3,229.4	\$793.6	\$766.0	\$770.3	\$781.6	\$3,111.5	\$3,038.4
Gain (Loss) on Impairment of Assets		(\$57.0)	(\$772.0)	\$0.0	(\$1,136.0)	(\$1,913.0)	(\$1,913.0)	(\$4,962.0)	(\$1,913.0)	(\$1,913.0)	(\$1,913.0)	(\$1,913.0)	(\$7,652.0)	(\$7,652.0)
Gain (Loss) on Disposal of Assets, net	(\$10.0)	(\$183.0)	(\$17.0)	\$2.0	\$7.0	(\$1.0)	(\$1.0)	\$7.0	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)	(\$4.0)	(\$4.0)
Adjusted EBITDA	\$816.0	\$738.0	\$1,148.0	\$244.0	\$344.0	\$397.0	\$357.2	\$1,342.2	\$341.9	\$313.6	\$285.1	\$310.3	\$1,251.0	\$1,155.5
EBITDA	\$824.0	\$449.0	\$532.0	\$244.0	(\$816.0)	(\$1,594.0)	(\$1,633.8)	(\$3,799.8)	(\$1,649.1)	(\$1,677.4)	(\$1,705.9)	(\$1,680.7)	(\$6,713.0)	(\$6,808.5)
Operating Income	(\$31.0)	(\$325.0)	(\$417.0)	\$64.0	(\$964.0)	(\$1,677.0)	(\$1,655.2)	(\$4,232.2)	(\$1,734.8)	(\$1,719.7)	(\$1,736.1)	(\$1,725.5)	(\$6,916.2)	(\$6,981.9)
Interest Income	\$27.0	\$52.0	\$50.0	\$8.0	\$10.0	\$12.0	\$9.0	\$39.0	\$9.6	\$9.7	\$9.6	\$9.4	\$38.3	\$36.9
Interest Expense, net of Amounts Capitalized	\$561.0	\$646.0	\$362.0	\$116.0	\$112.0	\$154.0	\$131.0	\$513.0	\$131.1	\$126.1	\$130.0	\$131.2	\$518.4	\$500.7
Net Interest Expense	\$534.0	\$594.0	\$312.0	\$108.0	\$102.0	\$142.0	\$122.0	\$474.0	\$121.5	\$116.4	\$120.4	\$121.8	\$480.1	\$463.8
Gain (Loss) on Restructuring and Retirement of Debt	\$8.0	(\$31.0)	\$161.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Gain (Loss) , Net	(\$5.0)	\$9.0	\$45.0	\$4.0	(\$27.0)	(\$78.0)	(\$98.7)	(\$199.7)	(\$71.0)	(\$104.5)	(\$108.9)	(\$95.2)	(\$379.5)	(\$379.9)
Total Other (Income) Expense, net	\$531.0	\$616.0	\$106.0	\$104.0	\$129.0	\$220.0	\$220.7	\$673.7	\$192.5	\$220.8	\$229.3	\$216.9	\$859.6	\$843.7
Pre-Tax Income, Adjusted	(\$570.0)	(\$652.0)	\$93.0	(\$40.0)	\$67.0	\$94.0	\$115.2	\$236.2	\$63.7	\$50.5	\$25.5	\$48.5	\$188.2	\$138.5
Pre-Tax Income, GAAP	(\$562.0)	(\$941.0)	(\$523.0)	(\$40.0)	(\$1,093.0)	(\$1,897.0)	(\$1,875.8)	(\$4,905.8)	(\$1,927.3)	(\$1,940.5)	(\$1,965.5)	(\$1,942.5)	(\$7,775.8)	(\$7,825.5)
Income Tax, Adjusted	\$78.0	\$87.0	\$147.0	\$25.0	\$48.0	\$32.0	\$40.1	\$145.1	\$22.2	\$17.6	\$8.9	\$16.9	\$65.5	\$48.2
Income Tax, GAAP	\$59.0	\$13.0	(\$11.0)	\$39.0	(\$155.0)	\$26.0	(\$393.9)	(\$483.9)	(\$404.7)	(\$407.5)	(\$412.7)	(\$407.9)	(\$1,632.9)	(\$1,643.4)
Tax Rate, Adjusted	(13.6%)	(13.3%)	159.1%	(62.3%)	70.0%	34.8%	34.8%	61.4%	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%
Tax Rate, GAAP	(10.4%)	(1.4%)	2.2%	(95.8%)	14.2%	(1.4%)	21.0%	9.9%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Net Income	(\$621.0)	(\$954.0)	(\$512.0)	(\$79.0)	(\$938.0)	(\$1,923.0)	(\$1,481.9)	(\$4,421.9)	(\$1,522.6)	(\$1,533.0)	(\$1,552.7)	(\$1,534.5)	(\$6,142.9)	(\$6,182.2)
Non-Controlling Interests	\$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
Net Income, Adjusted	(\$648.0)	(\$739.0)	(\$54.0)	(\$65.0)	\$19.0	\$62.0	\$75.1	\$91.1	\$41.5	\$32.9	\$16.6	\$31.6	\$122.7	\$90.3
Net Income (Loss) Attributable To Controlling Interests	(\$621.0)	(\$954.0)	(\$512.0)	(\$79.0)	(\$938.0)	(\$1,923.0)	(\$1,481.9)	(\$4,421.9)	(\$1,522.6)	(\$1,533.0)	(\$1,552.7)	(\$1,534.5)	(\$6,142.9)	(\$6,182.2)
E ffect of Convertible Debt Instruments, Net of Tax	\$0.0	\$0.0	(\$189.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income, GAAP	(\$621.0)	(\$954.0)	(\$701.0)	(\$79.0)	(\$938.0)	(\$1,923.0)	(\$1,481.9)	(\$4,421.9)	(\$1,522.6)	(\$1,533.0)	(\$1,552.7)	(\$1,534.5)	(\$6,142.9)	(\$6,182.2)
Diluted Shares Outstanding	699.0	768.0	925.0	958.0	888.0	961.0	961.0	942.0	961.0	961.0	961.0	961.0	961.0	961.0
Diluted EPS, Adjusted	(\$0.93)	(\$0.96)	(\$0.26)	(\$0.10)	\$0.00	\$0.06	\$0.08	\$0.04	\$0.04	\$0.03	\$0.02	\$0.03	\$0.13	\$0.09
Diluted EPS Attributable To Controlling Interests	(\$0.88)	(\$1.27)	(\$0.56)	(\$0.08)	(\$1.06)	(\$2.00)	(\$1.54)	(\$4.68)	(\$1.58)	(\$1.60)	(\$1.62)	(\$1.60)	(\$6.39)	(\$6.43)
Diluted EPS, GAAP	(\$0.89)	(\$1.24)	(\$0.76)	(\$0.11)	(\$1.06)	(\$2.00)	(\$1.54)	(\$4.71)	(\$1.58)	(\$1.60)	(\$1.62)	(\$1.60)	(\$6.39)	(\$6.43)

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.

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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	B
Growth Score	A
Momentum Score	A
VGM Score	A

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

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