Rockwell Automation (ROK)

$395.87 (Stock Price as of 12/19/2025)

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

Long Term: 6-12 Months	**Zacks Recommendation:**	**Outperform**
	(Since: 12/12/25)	
	Prior Recommendation: Neutral	
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**2-Buy**
	Zacks Style Scores:	VGM: C
	Value: D | Growth: B	Momentum: C

Summary

Rockwell Automation is expected to benefit from its focus on productivity. Investments made by Rockwell Automation across many end markets, coupled with higher automation and digital transformation, will support the company in the coming quarters. Rockwell Automation's efforts to optimize its portfolio and price increase actions will drive growth and negate the headwinds from elevated costs, supply-chain issues and the challenging contraction in manufacturing activity in recent months. Recent acquisitions will boost Rockwell Automation's performance in the upcoming quarters. Even though the company has been witnessing lower sales in the Lifecycle Services segment for the past few quarters, it will be offset by the gains. Backed by the tailwinds, the earnings estimates for the ongoing year have undergone positive revisions lately.

Price, Consensus & Surprise(1)

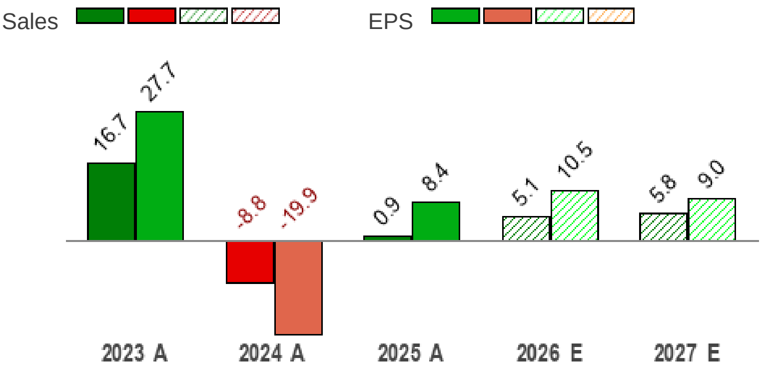
Data Overview

52 Week High-Low	**$415.89 - $215.00**
20 Day Average Volume (sh)	**901,935**
Market Cap	**$44.4 B**
YTD Price Change	**38.5%**
Beta	**1.50**
Dividend / Div Yld	**$5.52 / 1.4%**
Industry	**Electronics - Miscellaneous Products**
Zacks Industry Rank	**Top 28% (67 out of 243)**

Last EPS Surprise	**13.6%**
Last Sales Surprise	**4.6%**
EPS F1 Est- 4 week change	**0.6%**
Expected Report Date	**02/09/2026**
Earnings ESP	**0.4%**

P/E TTM	**37.9**
P/E F1	**34.0**
PEG F1	**3.5**
P/S TTM	**5.3**

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



Sales Estimates (millions of $)(2)

	Q1	Q2	Q3	Q4	Annual*
2027	2,182 E	2,248 E	2,346 E	2,495 E	9,271 E
2026	2,057 E	2,135 E	2,218 E	2,355 E	8,765 E
2025	1,881 A	2,001 A	2,144 A	2,316 A	8,342 A

EPS Estimates(2)

	Q1	Q2	Q3	Q4	Annual*
2027	2.89 E	3.04 E	3.17 E	3.59 E	12.69 E
2026	2.40 E	2.77 E	3.01 E	3.46 E	11.64 E
2025	1.83 A	2.45 A	2.82 A	3.34 A	10.53 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/19/2025.
(2) The report's text, the analyst-provided estimates, and the price target are as of 12/17/2025.

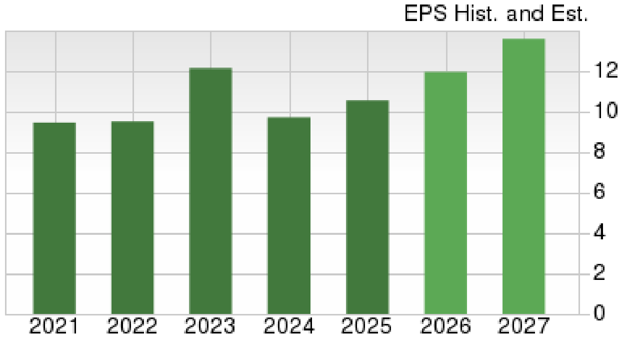
Overview

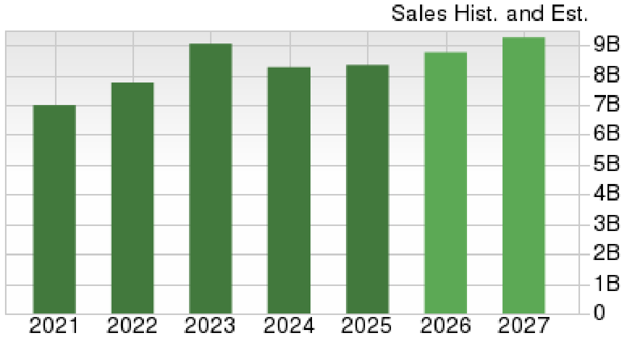
Based in Milwaukee, WI, Rockwell Automation provides industrial automation and information solutions worldwide. The company has a wide network spanning more than 100 countries. The United States generates around 50% of the company's total sales. Outside the United States, the company's primary markets are China, Canada, Mexico, Italy, the U.K., Germany, and Australia.

The company operates manufacturing facilities in the United States and multiple other countries. Manufacturing space occupied approximately 2.8 million square feet, of which 38% is in North America. Its brands include Rockwell Automation, Allen-Bradley and Rockwell Software.

Effective first-quarter fiscal 2021, Rockwell Automation started reporting results based on three operating segments: Intelligent Devices, Software & Control, and Lifecycle Services. This change simplifies its structure around essential offerings, leverages its sharpened industry focus, and recognizes the growing importance of software in delivering value to customers.

Major markets served by the company consist of discrete end markets (Automotive, Semiconductor, and Warehousing & Logistics, General Industries), which accounted for 25% of Rockwell Automation's total sales in fiscal 2022. Hybrid end markets including Food & Beverage, Life Sciences and Household and Personal Care (among others) generated 40% of the company's sales. The balance 35% of sales were generated from process end markets such as Oil & Gas, Metals, Chemicals, Pulp & Paper, to name a few.





As of 12/17/2025

Intelligent Devices (45.2% of revenues in fiscal 2023), segment includes drives, motion, safety, sensing, industrial components, and configured-to-order products.

Software & Control (31.9% of revenues in fiscal 2023), includes control and visualization software and hardware, information software, and network and security infrastructure.

Lifecycle Services (22.9% of revenues in fiscal 2023) includes consulting, professional services and solutions, connected services, and maintenance services, and the Sensia joint venture.

As of 12/19/2025

Reasons To Buy:

▲ Rockwell Automation plans to implement actions, which include restructuring, to adjust its cost structure in light of the expected decline in order levels. The company registered $325 million in year-over-year productivity benefits in fiscal 2025. It will continue to benefit from price increase actions to mitigate the impacts of inflationary pressures, which are likely to improve margins. Rockwell plans to mitigate tariff costs through pricing actions and supply-chain optimization. Also, the company is investing in capacity, technology and people to increase supply-chain resiliency and support growth. Backed by the tailwinds, Rockwell Automation adjusted its adjusted EPS guidance to $11.20-$12.20 for fiscal 2026. The guidance indicates year-over-year growth of 11% at the mid-point.

Rockwell Automation will benefit from improving order levels, expanding portfolio of products, solutions and services, growth investments and acquisitions. Focus on productivity will drive margins.

▲ Customers in life sciences, food and beverage, mining and many other end markets rely on Rockwell Automation to provide robust network technology and real-time domain expertise to keep their critical operations secure and resilient. The company expects e-Commerce & Warehouse Automation sales to rise 10% in fiscal 2026 from that reported in fiscal 2025. Food & Beverage sales are also expected to grow in the mid-single digits in the ongoing fiscal year. Its Life Sciences solutions business is well-placed to gain from a wide range of product offerings. The company's total annual recurring revenues ("ARR") grew 8% in fiscal 2025 and are projected to grow in the high-single digits in fiscal 2026.

▲ Rockwell Automation continues to win expansion projects with its flexible material handling technology and digital twin software in e-commerce and warehouse automation. Rockwell Automation's investments in technology and globalization over the past decade has expanded its addressable market to over $90 billion. For Rockwell Automation, Original Equipment Manufacturers (OEMs) is another avenue for growth. To remain competitive, OEMs need to find the optimal balance of machine cost and performance while reducing their time to market. Rockwell Automation's scalable integrated architecture and intelligent motor control offerings, along with design productivity tools and motion and safety products, can help OEMs in this regard. Intelligent devices continue to gain from significant strength across the automation portfolio and share gains in the Independent Cart Technology.

▲ Rockwell Automation maintains a strong financial position concerning capital structure, cost-containment actions and liquidity. In fiscal 2025, ROK repurchased 1.5 million shares for $419 million. As of the end of the quarter, $927 million was available under the existing share-repurchase authorization.

▲ The company remains focused on buyouts that will augment its information solutions and high-value services offerings and capabilities while expanding global presence, or enhancing process expertise. Rockwell's Plex buyout boosted the company's software revenue growth and strengthened its annual recurring revenue streams. This acquisition will aid Rockwell's strategy to grow Connected Enterprise, while supporting customers' increasing preference to adopt cloud solutions in order to improve agility, resilience and sustainability in their operations. Rockwell Automation recently acquired Denmark-based CUBIC, which specializes in modular systems for the construction of electrical panels. CUBIC's innovative motor control solutions strengthen ROK's portfolio of leading intelligent motor control technologies. Rockwell Automation, in partnership with SLB, has announced the recent dissolution of their Sensia joint venture. Rockwell Automation plans on taking back the ownership of the process automation business it had previously contributed to Sensia. This will give Rockwell Automation full ownership of the core process automation business.

Risks(2)

- Rockwell Automation reported negative organic growth of 10% for fiscal 2024 against organic growth of 16.9% in fiscal 2023. The company's order backlog also fell 24.8% year over year in fiscal 2024, reflecting continued softness in many of its end markets. This trend continued in fiscal 2025, with the first quarter reporting negative 7.6% organic growth and the second quarter reporting negative organic growth of 4%. The company's Intelligent Devices, Lifecycle Services, and Software & Control segments faced the brunt of lower sales volume in the fiscal second quarter. If it persists, this will further impact the company's organic sales growth.

- The Institute for Supply Management's manufacturing index had been in contraction for 26 consecutive months (below 50) until December 2024. The index showed expansion in January and February, but this recovery was short-lived, with the index slipping into contraction again in March with a reading of 49%. The index has been in contraction since. The manufacturing index registered 48.2% in November. The New Orders Index has not delivered consistent growth since the end of its 24-month expansion streak in May 2022. Customers have been pulling in orders due to anxiety about uncertainty regarding tariffs and pricing pressures. This is concerning for Rockwell Automation.

- Rockwell Automation is experiencing higher logistics costs due to higher energy costs and constrained air freight lanes. The company expects an increase in spending on talent and growth, unfavorable mix, and unfavorable currency to weigh on margins in fiscal 2025. Rockwell Automation's top line is bearing the brunt of supply chain challenges and cost inflation. It anticipates supply chain constraints to continue in fiscal 2025. The manufacturing supply chain continues to be stressed by the sharp rise in demand and the ongoing shortages of electronic components, along with other global events that have put additional pressures on manufacturing output and freight lanes. Component shortages have unfavorably impacted the company's shipments of hardware and software products, solutions, and services. It is facing difficulty in procuring components and materials necessary for hardware and software products, primarily for automation and e-commerce.

- Rockwell Automation faces stiff competition in all of its market segments. The company, therefore, needs to continually develop advanced technologies for new products and product enhancements. Developing products requires high levels of innovation, and the process is often lengthy and expensive. The company's increased spending to support growth will continue to put pressure on margins in the near term.

Last Earnings Report

Rockwell Automation Q4 Earnings Beat Estimates, Revenues Rise Y/Y

FY Quarter Ending	9/30/2025
Earnings Reporting Date	**Nov 06, 2025**
Sales Surprise	**4.64%**
EPS Surprise	**13.61%**
Quarterly EPS	**3.34**
Annual EPS (TTM)	**10.44**

Rockwell Automation has reported adjusted earnings per share (EPS) of $3.34 in fourth-quarter fiscal 2025, beating the Zacks Consensus Estimate of $2.94. The company disclosed an adjusted EPS of $2.53 for the prior-year quarter, excluding net legacy asbestos and environmental charges, which are being considered as unrelated to current operations.

Including one-time items, earnings were $1.23 per share in the fiscal fourth quarter compared with the prior-year quarter's $2.09.

ROK's total revenues were $2.32 billion, up 13.8% from the prior-year quarter. The top line beat the Zacks Consensus Estimate of $2.21 billion. Organic sales in the quarter were up 13% year over year. We expected organic sales to rise 5.9% in the quarter.

ROK's Q4 Operational Update

The cost of sales increased 7.7% year over year to $1.2 billion. The gross profit grew 21.1% year over year to $1.12 billion. The gross margin came in at 48.4% compared with the prior-year quarter's 45.5%.

Selling, general and administrative expenses moved down 2.9% year over year to $471 million. Consolidated segment operating income totaled $520 million, up 27.1% from the prior-year quarter. The total segment operating margin was 22.5% in the fiscal fourth quarter, higher than the prior-year period's 20.1%. The upside was driven by higher sales volume, price realization and favorable mix.

Rockwell Automation's Q4 Segmental Results

Intelligent Devices: Net sales amounted to $1.09 billion in the fiscal fourth quarter, up 15% year over year. The segment's operating earnings totaled $215 million compared with the year-earlier quarter's $196 million. The segment's operating margin decreased to 19.8% in the quarter from the year-ago quarter's 20.7%.

Software & Control: Net sales increased 31% year over year to $657 million in the reported quarter. The segment's operating earnings grew 83% year over year to $205 million. The segment's operating margin was 31.2% compared with 22.4% in the year-earlier quarter.

Lifecycle Services: Net sales for the segment were $573 million in the reported quarter, down 3% year over year. The segment's operating earnings totaled $100 million compared with the prior-year quarter's $101 million. The segment's operating margin was 17.5% in the reported quarter compared with the year-earlier quarter's 17.2%.

ROK's FY25 Performance

The company has reported an adjusted EPS of $10.53 in fiscal 2025, beating the Zacks Consensus Estimate of $9.96. The bottom line rose 7% year over year. Including one-time items, earnings were $7.67 per share in the year compared with the prior year's $8.28.

In fiscal 2025, total revenues were $8.34 billion, up 0.9% from fiscal 2024. The top line beat the Zacks Consensus Estimate of $8.24 billion. Organic sales for the year rose 1%.

Rockwell Automation's Cash Position & Balance Sheet Updates

At the end of fiscal 2025, cash and cash equivalents were $468 million compared with $471 million as of the end of fiscal 2024. The long-term debt was $2.61 billion at the end of fiscal 2025, up from $2.56 million at the end of fiscal 2024.

Cash flow from operations in the year ended Sept. 30, 2025, was $1.54 billion compared with the prior year's $0.86 billion. Return on invested capital was 14.6% as of Sept. 30, 2025.

In fiscal 2025, ROK repurchased 1.5 million shares for $419 million. As of the end of the quarter, $927 million was available under the existing share-repurchase authorization.

ROK's FY26 Guidance

The company expects reported sales to grow 3-7% in 2026. Organic sales growth is expected between 2% and 6% for the fiscal year.

Rockwell Automation expects adjusted EPS of $11.20-$12.20 for fiscal 2026.

Valuation

Rockwell Automation's shares have gone up 25.6% in the trailing six-month period and up 41.7% over the trailing 12-month period. Stocks in the Zacks Electronics - Miscellaneous Products industry and the Zacks Computer and Technology sector are up 25.2% and up 22.6% in the trailing six-month period, respectively. Over the past year, the Zacks sub-industry are up 30.1% while the sector are up 24.8%.

The S&P 500 index is up 17% in the trailing six-month period and up 19.3% in the past year.

The stock is currently trading at 33.28X forward 12-month earnings, which compares with 23.34X for the Zacks sub-industry, 29.08X for the Zacks sector and 23.72X for the S&P 500 index.

Over the past five years, the stock has traded as high as 34.91X and as low as 18.27X, with a 5-year median of 25.26X.

Our Outperform recommendation indicates that the stock will perform better than the market. Our $462 price target reflects 38.33X forward 12-month earnings.

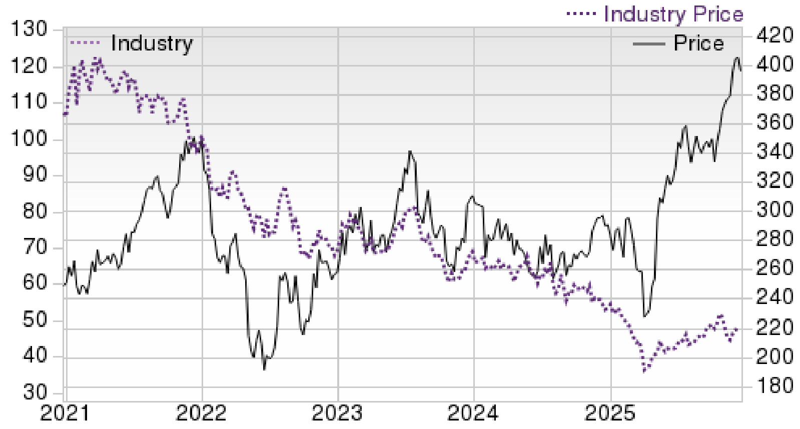
The table below shows summary valuation data for ROK.

Valuation Multiples - ROK

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	33.28	23.34	29.08	23.72
	5-Year High	34.91	26.18	30.04	23.81
	5-Year Low	18.27	13.59	18.71	15.73
	5-Year Median	25.26	20.63	26.61	21.21
EV/Sales TTM	Current	5.58	5.81	8.42	5.71
	5-Year High	6.23	5.98	8.42	5.77
	5-Year Low	3.36	1.44	4.14	3.76
	5-Year Median	4.33	2.57	6.89	5.11
P/B TTM	Current	11.95	15.77	11.57	8.39
	5-Year High	22.11	17.36	11.99	9.19
	5-Year Low	6.85	4.32	6.53	6.62
	5-Year Median	9.93	7.23	9.52	8.04

As of 12/16/2025 *Source: Zacks Investment Research*

Industry Analysis[1] **Zacks Industry Rank:** Top 28% (67 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
Micron Technology, I...**(MU)**	Outperform	1
Dover Corporation **(DOV)**	Neutral	3
Emerson Electric Co. **(EMR)**	Neutral	3
Eaton Corporation, P...**(ETN)**	Neutral	3
Flowserve Corporatio...**(FLS)**	Neutral	3
Honeywell Internatio...**(HON)**	Neutral	3
Timken Company (The) **(TKR)**	Neutral	3
TriMas Corporation **(TRS)**	Neutral	2

Industry Comparison[1] Industry: Electronics - Miscellaneous Products

Industry Peers

	ROK	X Industry	S&P 500	EMR	HON	MU
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Outperform
Zacks Rank (Short Term)	2	-	-	3	3	1
VGM Score	C	-	-	B	C	A
Market Cap	44.45 B	239.91 M	38.78 B	74.77 B	126.41 B	299.30 B
# of Analysts	8	2	22	7	7	10
Dividend Yield	1.39%	0.00%	1.39%	1.67%	2.39%	0.17%
Value Score	D	-	-	D	C	C
Cash/Price	0.01	0.10	0.04	0.02	0.11	0.03
EV/EBITDA	28.72	3.36	14.61	17.39	14.90	16.24
PEG Ratio	3.48	1.87	2.19	2.16	2.66	0.23
Price/Book (P/B)	11.99	1.80	3.32	3.69	7.12	5.09
Price/Cash Flow (P/CF)	25.52	16.60	15.20	15.20	16.56	17.54
P/E (F1)	34.01	24.48	19.70	20.58	18.71	12.14
Price/Sales (P/S)	5.33	2.06	3.10	4.15	3.11	7.07
Earnings Yield	3.02%	2.93%	5.07%	4.86%	5.34%	8.24%
Debt/Equity	0.70	0.06	0.56	0.41	1.70	0.19
Cash Flow ($/share)	15.51	0.24	8.99	8.75	12.02	15.16
Growth Score	B	-	-	B	B	A
Hist. EPS Growth (3-5 yrs)	4.80%	3.98%	8.16%	9.63%	8.42%	-3.56%
Proj. EPS Growth (F1/F0)	10.54%	20.20%	8.50%	7.67%	7.58%	164.17%
Curr. Cash Flow Growth	21.60%	-6.04%	6.86%	-2.93%	7.09%	101.87%
Hist. Cash Flow Growth (3-5 yrs)	10.27%	4.44%	7.43%	10.76%	2.08%	14.74%
Current Ratio	1.14	1.98	1.19	0.88	1.36	2.46
Debt/Capital	41.33%	15.35%	38.01%	29.07%	62.91%	15.98%
Net Margin	10.42%	1.29%	12.78%	12.73%	15.07%	28.15%
Return on Equity	32.69%	6.45%	17.00%	15.87%	38.11%	22.71%
Sales/Assets	0.75	0.71	0.53	0.43	0.53	0.53
Proj. Sales Growth (F1/F0)	5.10%	0.00%	5.81%	4.80%	5.90%	76.80%
Momentum Score	C	-	-	A	D	A
Daily Price Chg	1.09%	0.47%	0.88%	1.05%	0.52%	6.99%
1 Week Price Chg	-2.30%	-2.02%	0.10%	-2.68%	2.81%	10.28%
4 Week Price Chg	4.53%	2.11%	3.51%	3.71%	4.78%	28.24%
12 Week Price Chg	15.22%	0.00%	2.87%	3.41%	-4.36%	69.08%
52 Week Price Chg	36.61%	-1.76%	15.24%	7.16%	-12.79%	195.07%
20 Day Average Volume	901,935	150,234	3,013,825	2,371,614	3,953,754	25,257,884
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	12.65%
(F1) EPS Est 4 week change	0.59%	0.00%	0.00%	0.43%	0.00%	21.23%
(F1) EPS Est 12 week change	4.71%	0.62%	0.69%	-0.38%	0.81%	58.43%
(Q1) EPS Est Mthly Chg	1.92%	0.00%	0.00%	-0.23%	0.02%	111.26%

Analyst Earnings Model(2)

Rockwell Automation, Inc. (ROK)

In $MM, except per share data

	2023A	2024A			2025A					2026E			2027E	2028E
	FY	FY	1QA	2QA	3QA	4QA	FY	1QE	2QE	3QE	4QE	FY	FY	FY
FY Ends September 30th	Sep-23	Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	Sep-25	31-Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	Sep-26	Sep-27	Sep-28
Income Statement														
Total Revenue	**$9,058.0**	**$8,264.2**	**$1,881.0**	**$2,001.0**	**$2,144.0**	**$2,316.0**	**$8,342.0**	**$2,057.4**	**$2,134.6**	**$2,218.1**	**$2,354.9**	**$8,765.1**	**$9,270.8**	**$9,848.6**
Total Organic Revenue	**$9,074.5**	**$8,163.7**	**$1,897.0**	**$2,040.0**	**$2,139.0**	**$2,293.0**	**$8,369.0**	**$2,061.2**	**$2,110.9**	**$2,181.9**	**$2,330.8**	**$8,684.9**	**$9,270.8**	**$9,848.6**
Organic Growth	16.9%	(9.9%)	(7.6%)	(4.0%)	4.0%	13.0%	1.0%	9.6%	5.5%	1.8%	0.6%	4.1%	5.8%	6.2%
Acquisitions	1.2%	1.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Currency	(1.4%)	0.0%	(0.9%)	(2.0%)	1.0%	1.0%	0.0%	(0.2%)	1.2%	1.7%	1.0%	1.0%	0.0%	0.0%
Cost of Goods Sold	$4,635.0	$4,413.0	$1,003.0	$1,029.0	$1,098.0	$1,196.0	$4,326.0	$1,174.8	$1,149.4	$1,166.7	$1,232.3	$4,723.2	$4,932.1	$4,998.4
Gross Profit	**$4,423.0**	**$3,851.0**	**$878.0**	**$972.0**	**$1,046.0**	**$1,120.0**	**$4,016.0**	**$882.6**	**$985.2**	**$1,051.4**	**$1,122.6**	**$4,041.9**	**$4,338.7**	**$4,850.2**
Selling, General & Administrative Expense	$2,024.0	$2,001.0	$476.0	$469.0	$498.0	$471.0	$1,914.0	$485.1	$532.5	$552.3	$559.1	$2,129.0	$2,236.4	$2,346.6
Engineering and Development	$706.0	$658.0	$156.0	$162.0	$170.0	$191.0	$679.0	$204.5	$182.6	$192.3	$208.5	$787.8	$802.7	$822.9
Other (Income) Expense	$71.0	($62.0)	($6.0)	$0.0	($5.0)	$134.0	$123.0	$66.0	$68.1	$66.3	$78.7	$279.1	$308.1	$339.6
EBITDA	**$2,180.2**	**$1,912.3**	**$399.0**	**$489.0**	**$535.0**	**$605.0**	**$2,028.0**	**$473.5**	**$528.8**	**$579.4**	**$641.6**	**$2,223.3**	**$2,415.4**	**$2,823.8**
Depreciation	$133.8	$162.4	$40.0	$43.0	$43.0	$47.0	$173.0	$42.7	$44.1	$45.3	$48.4	$180.6	$190.7	$202.5
Amortization	$116.6	$155.0	$38.0	$38.0	$38.0	$38.0	$152.0	$37.7	$38.1	$39.0	$41.3	$156.2	$164.3	$174.3
Depreciation & Amortization	$250.4	$317.0	$78.0	$81.0	$81.0	$85.0	$325.0	$80.5	$82.2	$84.3	$89.7	$336.7	$354.9	$376.8
Change in Fair Value of Investments	($279.0)	$0.0	$0.0	$3.0	$0.0	$0.0	$3.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Goodwill Impairment	$158.0	$0.0	$0.0	$0.0	$0.0	$224.0	$224.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Interest Expense	$135.0	$154.0	$39.0	$39.0	$41.0	$37.0	$156.0	$30.9	$32.9	$43.0	$27.0	$133.8	$140.0	$147.9
Pre-Tax Income	**$1,608.0**	**$1,100.0**	**$213.0**	**$299.0**	**$342.0**	**$63.0**	**$917.0**	**$300.6**	**$351.8**	**$389.8**	**$457.9**	**$1,500.0**	**$1,654.3**	**$2,016.1**
Income Tax	$330.0	$152.0	$35.0	$51.0	$49.0	$33.0	$168.0	$60.1	$70.4	$78.0	$91.6	$300.0	$330.9	$403.2
Tax Rate	20.5%	13.8%	16.4%	17.1%	14.3%	52.4%	18.3%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Non-Controlling Interest	$109.0	$5.0	$6.0	$4.0	$2.0	$108.0	$120.0	$6.6	$6.8	$3.3	$3.8	$20.5	$21.8	$23.2
Net Income, Adjusted	**$1,421.0**	**$1,133.0**	**$211.0**	**$284.0**	**$323.0**	**$377.0**	**$1,195.0**	**$269.0**	**$310.2**	**$337.1**	**$392.1**	**$1,308.4**	**$1,432.7**	**$1,729.5**
Net Income, GAAP	**$1,387.0**	**$953.0**	**$184.0**	**$252.0**	**$295.0**	**$138.0**	**$869.0**	**$247.1**	**$288.2**	**$315.1**	**$370.1**	**$1,220.5**	**$1,345.3**	**$1,636.1**
Allocation to Participating Securities	$5.9	$4.3	$1.0	$1.0	$1.0	($1.0)	$2.0	($1.0)	($1.0)	($1.0)	($1.0)	($4.0)	($4.0)	($4.0)
Basic Shares Outstanding	114.8	114.0	113.0	112.9	112.5	111.3	112.7	110.9	110.6	110.3	109.9	110.4	109.4	108.9
Diluted Shares Outstanding	115.6	114.5	113.5	113.3	113.0	113.0	113.1	112.7	112.3	112.2	113.7	112.7	113.2	112.7
Basic EPS	**$12.03**	**$8.32**	**$1.62**	**$2.22**	**$2.61**	**$1.24**	**$7.69**	**$2.24**	**$2.62**	**$2.87**	**$3.38**	**$11.09**	**$12.34**	**$15.06**
Diluted EPS, Adjusted	**$12.25**	**$9.85**	**$1.85**	**$2.50**	**$2.85**	**$3.34**	**$10.53**	**$2.40**	**$2.77**	**$3.01**	**$3.46**	**$11.64**	**$12.69**	**$15.38**
Diluted EPS, GAAP	**$11.95**	**$8.28**	**$1.61**	**$2.22**	**$2.60**	**$1.23**	**$7.67**	**$2.20**	**$2.58**	**$2.82**	**$3.26**	**$10.86**	**$11.92**	**$14.55**
Dividend per Share	$4.72	$5.06	$1.31	$1.31	$1.31	$1.31	$5.24	$1.38	$1.38	$1.38	$1.38	$5.50	$5.78	$6.07

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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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	D
Growth Score	B
Momentum Score	C
VGM Score	C

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

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