

Southern Company (SO)

\$89.29 (Stock Price as of 11/25/2025)

Price Target (6-12 Months): **\$94.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 11/08/22)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: C

Growth: B

Momentum: D

Summary

Southern Company, a leading U.S. electric utility in the Southeast, offers a solid opportunity with its recession-proof model, substantial load pipeline, and investments in regulated utilities like natural gas and battery storage. The company's strategic contracts and protective tariff structures provide a stable earnings outlook, while its \$76 billion capital plan supports growth through grid modernization. Management has signaled a potential upward revision in earnings growth by 2027. However, Southern faces risks from high leverage, which limits financial flexibility, and its cautious approach to nuclear energy may leave it behind peers. Also, regulatory challenges, economic slowdowns, and increasing competition from decentralized energy solutions pose threats. Therefore, the company warrants a cautious stance from investors.

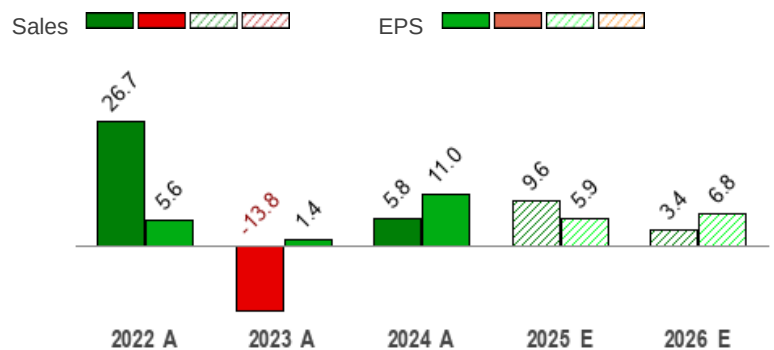
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$100.84 - \$80.46
20 Day Average Volume (sh)	6,765,135
Market Cap	\$98.3 B
YTD Price Change	8.5%
Beta	0.45
Dividend / Div Yld	\$2.96 / 3.3%
Industry	Utility - Electric Power
Zacks Industry Rank	Top 26% (63 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Last EPS Surprise	6.7%
Last Sales Surprise	3.8%
EPS F1 Est- 4 week change	0.3%
Expected Report Date	02/19/2026
Earnings ESP	-5.8%

Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	7,834 E	6,911 E	7,809 E	7,730 E	30,283 E
2025	7,775 A	6,973 A	7,823 A	6,727 E	29,298 E
2024	6,646 A	6,463 A	7,274 A	6,341 A	26,724 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.22 E	0.98 E	1.24 E	1.14 E	4.58 E
2025	1.23 A	0.91 A	1.60 A	0.54 E	4.29 E
2024	1.03 A	1.09 A	1.43 A	0.50 A	4.05 A

*Quarterly figures may not add up to annual.

P/E TTM	21.1
P/E F1	20.8
PEG F1	3.3
P/S TTM	3.4

(1) The data in the charts and tables, except the estimates, is as of 11/25/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/20/2025.

Overview

Founded in 1945, Atlanta, GA-based Southern Company is one of the largest utilities in the United States. The company deals with the generation, transmission and distribution of electricity. Following its merger with AGL Resources on July 1, 2016, Southern Company serves approximately nine million customers through its seven electric and natural gas distribution units.

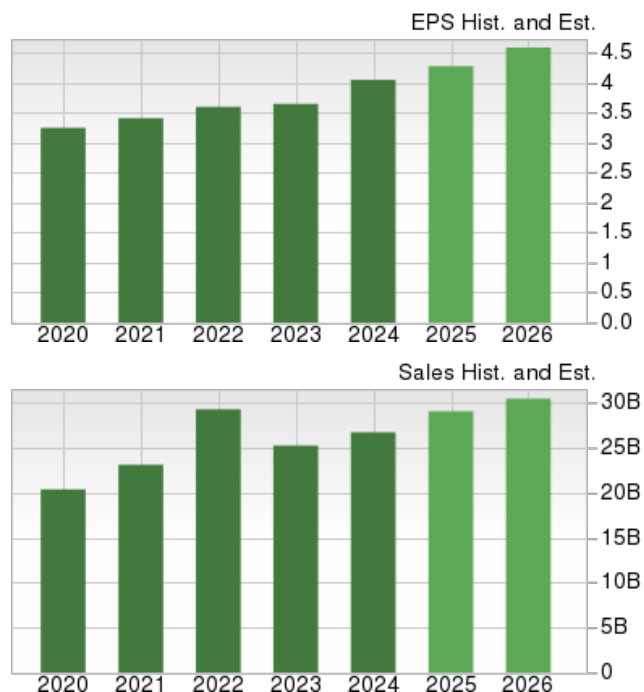
It serves approximately nine million customers and boasts of a generating capacity of 46,000 megawatts, around 200,000 miles of electric transmission and distribution lines, with more than 80,000 miles of natural gas pipelines.

Southern Company's operations include wholesale electricity generation and natural gas services, retail energy services and natural gas storage operations throughout the country. Southern Company's electrical utilities include Alabama Power, Georgia Power, and Mississippi Power. The firm closed the divestiture of its Gulf Power unit for \$5.8 billion in January 2019.

The company owns Southern Power and Southern Company Gas along with other direct and indirect subsidiaries. Southern Power engages in developing, owning and managing power generation assets, including renewable energy projects, as well as selling electricity at market-based rates in the wholesale market.

The electric utility firm engages in the distribution of natural gas through Southern Company Gas (formerly AGL Resources). Southern Company Gas' distribution utilities include Atlanta Gas Light, Chattanooga Gas, Nicor Gas and Virginia Natural Gas. The company completed the sale of Elizabethtown, Elkton and Florida City gas units in 2018. Southern Gas Company operates in four segments: Gas Distribution Operations, Gas Pipeline Investments, Wholesale Gas Services, and Gas Marketing Services.

Southern Company also owns membership interests in SCS, Southern Linc, Southern Holdings, Southern Nuclear, PowerSecure, and other direct and indirect subsidiaries. Notably, Southern Nuclear provides services to the Southern Company's nuclear power plants and recently brought online Vogtle Units 3 and 4, which are co-owned by Georgia Power.



As of 11/20/2025



As of 11/25/2025

Reasons To Buy:

- ▲ Southern Company is one of the largest electric utility holding companies in the U.S., and the premier energy firm serving the attractive Southeast market. Positioned in a niche industry with high barriers to entry, Southern's less-volatile, recession-proof business model presents a unique opportunity to earn high returns.
- ▲ The company has a massive and maturing pipeline of potential load, exceeding 50 gigawatts by the mid-2030s. Crucially, this is being systematically de-risked, with 7 gigawatts already under signed contract and an additional 3 gigawatts in advanced "committed" stages of negotiation. This disciplined approach, where only a fraction of the total pipeline is assumed in forecasts, solidifies a substantial portion of the projected 8% annual electric sales growth through 2029, providing high confidence in long-term earnings visibility.
- ▲ Southern Company has successfully implemented protective tariff structures, particularly in Georgia, for new large-load customers. These contracts include minimum bills that cover all costs "whether or not the meter spins," ensuring full cost recovery and protecting profitability. This sophisticated approach to contracting mitigates regulatory and customer credit risk, which is critical for funding the significant infrastructure investments required to serve this new demand.
- ▲ The vast majority of Southern Company's \$76 billion, five-year capital plan is allocated to its state-regulated utilities, which offer stable, predictable returns. This includes critical investments in new generation (like natural gas turbines and battery storage) and grid modernization to support load growth. This focus on regulated assets reduces merchant risk and provides a transparent pathway for earnings growth through rate base expansion and subsequent regulatory recovery. Based on our model estimates, we expect the company's 2025 revenue to rise 9.6% year over year to \$29.3 billion.
- ▲ Management has explicitly signaled the potential for an upward revision or "rebasings" of its long-term earnings growth trajectory, potentially as early as 2027. This would be driven by the materialization of the large-load contracts and the associated capital investments. Such a rebasing could establish a new, higher baseline for earnings per share, signaling a structurally improved growth profile for the company beyond current expectations.
- ▲ The Southern Natural Gas (SNG) pipeline expansion, a \$3 billion project where Southern Company holds a 50% stake, is a critical strategic asset. It will provide essential fuel transportation to support the soaring electricity demand across the Southeast. This federally regulated investment offers another avenue for stable, rate-based earnings growth and is well-positioned to secure long-term contracts, further de-risking the investment.

Southern Company's less-volatile, recession-proof business model presents a unique opportunity to earn high returns.

Reasons To Sell:

- ▼ Southern Company's high leverage restricts its financial flexibility. The company's long-term debt is currently around \$64.6 billion, with just \$3.3 billion in cash and cash equivalents. Importantly, the company's debt-to-capitalization as of the end of the third quarter of 2025 was a high 65.3%.
- ▼ Despite federal support and industry-wide excitement about small modular reactors, Southern Company's management was clear that it has no current plans to pursue a new nuclear build due to unresolved risks. This conservative stance, while prudent, may mean the company misses out on a potential long-term, zero-carbon baseload power opportunity that could be highly valuable for serving data center demand, potentially leaving it at a strategic disadvantage to peers who move forward earlier.
- ▼ The company's bullish load growth forecast is predicated on a strong and continuing economic expansion in the Southeast, particularly from data center and industrial customers. A significant recession or a slowdown in the technology sector could lead to project cancellations, reduced electricity consumption from existing large-load customers, and a contraction of the 50-gigawatt pipeline, fundamentally altering the core growth narrative.
- ▼ Southern Company operates in a highly regulated industry, and unfavorable rulings in rate cases or delays in project approvals could impact earnings. For example, the Kemper County gasification project and Plant Vogtle cost overruns have historically led to regulatory scrutiny. Additionally, evolving environmental policies (e.g., carbon regulations) may require costly compliance measures. While recent outcomes have been favorable, regulatory uncertainty remains a persistent risk.
- ▼ The rapid growth of rooftop solar, battery storage, and third-party renewable providers threatens Southern Company's traditional utility model. If customers increasingly adopt decentralized energy solutions, the company could face declining demand for centralized grid power. While Southern Company is investing in renewables, regulatory delays or resistance to rate hikes for grid upgrades could slow its transition. Competitors with more aggressive renewable portfolios (e.g., NextEra Energy) may also gain market share in Southern Company's service territories.
- ▼ The outcome of upcoming Georgia Public Service Commission elections and the pending decision on Georgia Power's request for 10 gigawatts of new generation create regulatory uncertainty. While Southern Company has a history of working constructively with regulators, any unfavorable rulings on rate cases, cost recovery, or allowed returns could directly impact profitability and the company's ability to finance its growth plan, making regulatory outcomes a persistent risk.

The Southern Company's high leverage restricts its financial flexibility.

Last Earnings Report

Southern Company Q3 Earnings Top on Usage, New Customers

Power supplier The Southern Company reported third-quarter 2025 earnings per share (excluding certain one-time items) of \$1.60, outperforming the Zacks Consensus Estimate of \$1.50 and improving from the year-ago adjusted profit of \$1.43. The encouraging numbers reflect investment in state-regulated utilities, along with usage and customer growth.

The utility reported revenues of \$7.8 billion. The top line came in 7.6% higher than third-quarter 2024 sales and beat the Zacks Consensus Estimate of \$7.5 billion.

The firm guided earnings per share of \$4.30 — at the top end of its projected range — and 54 cents for the December quarter. Further, Southern Company management stuck to its long-term EPS growth rate projection of 5-7%.

Overall Sales Breakup

Southern Company's wholesale power sales edged up 0.8%, to go with a gain in retail electricity demand.

Overall, there was an uptick in electricity sales and usage. In fact, total electricity sales during the third quarter were up 1.1% from the same period last year.

Southern Company's total retail sales also improved 1.1%, with industrial and commercial sales increasing 1.5% and 2.3%, respectively, while residential sales fell 0.3%.

Expenses Summary

The power supplier's operations and maintenance (O&M) cost fell 1.1% year over year to \$1.6 billion. However, Southern Company's total operating expense for the period — at \$5.2 billion — increased 6.6% from the prior-year level and surpassed our estimate of \$4.3 billion.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	3.78%
EPS Surprise	6.67%
Quarterly EPS	1.60
Annual EPS (TTM)	4.24

Valuation

Southern Company shares are down 1.9% in the past six months but up 1% over the trailing 12-month period. Stocks in the Zacks subindustry and the Zacks Utilities sector are up 11.6% and 11.3% in the six-month period, respectively. Over the past year, the Zacks subindustry and sector are up 18.7% and 14.1%, respectively.

The S&P 500 index is up 14.8% in the past six months and 12.9% in a year.

The stock is currently trading at 12.28X trailing 12-month EV/EBITDA, which compares to 14.14X for the Zacks sub-industry, 5.43X for the Zacks sector and 17.91X for the S&P 500 index.

Over the past five years, the stock has traded as high as 14.64X and as low as 11.76X, with a 5-year median of 12.78X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$94 price target reflects 3.4X F12M sales.

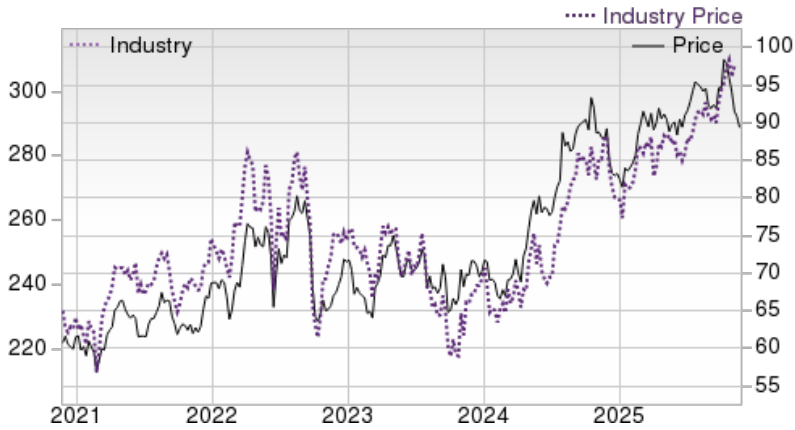
The table below shows summary valuation data for SO

Valuation Multiples - SO					
		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	12.28	14.14	5.43	17.91
	5-Year High	14.64	21.44	6.82	22.58
	5-Year Low	11.76	12.27	2.75	13.97
	5-Year Median	12.78	15.41	4.39	18.08
P/S F12M	Current	3.25	3.33	1.22	5.18
	5-Year High	3.78	3.49	1.22	5.52
	5-Year Low	2.31	2.45	0.74	3.84
	5-Year Median	3.01	2.96	0.97	5.06
P/B TTM	Current	2.56	2.54	1.66	8.15
	5-Year High	2.87	2.83	1.92	9.19
	5-Year Low	1.86	2.01	1.12	6.62
	5-Year Median	2.23	2.44	1.65	8.05

As of 11/19/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 26% (63 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Energias de Portugal (EDPFY)	Outperform	2
Duke Energy Corporat...(DUK)	Neutral	3
Exelon Corporation (EXC)	Neutral	3
NextEra Energy, Inc. (NEE)	Neutral	3
National Grid Transc...(NGG)	Neutral	4
NRG Energy, Inc. (NRG)	Neutral	3
Pacific Gas & Electr...(PCG)	Neutral	2
RWE AG (RWEQY)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Utility - Electric Power

	SO	X Industry	S&P 500	NEE	NRG	RWEQY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	C	-	-	D	B	A
Market Cap	98.32 B	19.11 B	37.87 B	176.67 B	31.39 B	0.00 M
# of Analysts	11	3	22	6	2	1
Dividend Yield	3.32%	2.99%	1.49%	2.67%	1.07%	1.73%
Value Score	C	-	-	D	B	C
Cash/Price	0.03	0.02	0.04	0.01	0.04	NA
EV/EBITDA	12.06	11.58	14.46	18.42	11.13	NA
PEG Ratio	3.31	2.81	2.20	2.85	NA	NA
Price/Book (P/B)	2.57	1.70	3.32	2.73	24.00	0.92
Price/Cash Flow (P/CF)	10.08	8.82	14.79	13.60	10.51	3.78
P/E (F1)	20.97	18.97	20.09	23.05	20.10	20.65
Price/Sales (P/S)	3.40	2.38	3.03	6.72	1.05	NA
Earnings Yield	4.79%	5.19%	4.96%	4.34%	4.98%	4.84%
Debt/Equity	1.69	1.25	0.57	1.30	8.45	0.41
Cash Flow (\$/share)	8.86	5.98	8.99	6.24	15.59	13.38
Growth Score	B	-	-	C	B	A
Hist. EPS Growth (3-5 yrs)	5.14%	4.15%	8.17%	10.41%	15.67%	-6.03%
Proj. EPS Growth (F1/F0)	5.93%	6.56%	8.30%	7.29%	22.74%	-27.51%
Curr. Cash Flow Growth	8.26%	6.24%	7.10%	1.84%	17.05%	-33.99%
Hist. Cash Flow Growth (3-5 yrs)	8.09%	5.67%	7.32%	8.47%	13.99%	20.55%
Current Ratio	0.75	0.91	1.18	0.55	1.05	1.27
Debt/Capital	62.80%	55.06%	38.16%	56.58%	84.99%	29.20%
Net Margin	15.42%	11.12%	12.77%	24.72%	4.84%	10.82%
Return on Equity	12.52%	9.51%	17.03%	12.42%	103.57%	5.61%
Sales/Assets	0.19	0.22	0.53	0.13	1.23	0.22
Proj. Sales Growth (F1/F0)	9.60%	4.42%	5.59%	12.60%	7.70%	NA
Momentum Score	D	-	-	D	F	A
Daily Price Chg	0.17%	0.07%	0.91%	0.71%	-1.82%	-1.02%
1 Week Price Chg	-1.57%	-1.07%	2.24%	-0.48%	-3.63%	-3.25%
4 Week Price Chg	-4.92%	0.30%	-1.81%	1.51%	-5.18%	5.93%
12 Week Price Chg	-3.04%	6.53%	5.46%	16.76%	12.89%	27.78%
52 Week Price Chg	-0.04%	9.78%	12.36%	9.47%	61.93%	56.64%
20 Day Average Volume	6,765,135	957,944	3,102,844	9,876,392	2,190,667	162,070
(F1) EPS Est 1 week change	-0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.26%	0.00%	0.26%	0.00%	-0.80%	0.00%
(F1) EPS Est 12 week change	0.26%	0.06%	0.60%	0.03%	1.38%	3.59%
(Q1) EPS Est Mthly Chg	-2.96%	0.00%	-0.11%	12.92%	4.24%	NA

Analyst Earnings Model⁽²⁾

The Southern Company (SO)

In \$MM, except per share data

	2020A	2021A	2022A	2023A	2024A	2025E			2026E				2027E			
	FY	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sept-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sept-26	31-Dec-26	Dec-26	Dec-27
Income Statement																
Fuel	\$3,087.0	\$3,940.0	\$6,402.0	\$4,430.0	\$4,213.0	\$1,217.0	\$1,139.0	\$1,265.0	\$1,065.3	\$4,686.3	\$1,253.3	\$1,111.6	\$1,251.1	\$1,235.7	\$4,851.7	\$5,041.4
Non-Fuel	\$10,556.0	\$10,912.0	\$11,795.0	\$11,913.0	\$13,577.0	\$3,384.0	\$3,619.0	\$4,442.0	\$3,364.4	\$14,809.4	\$3,960.4	\$3,615.1	\$4,092.9	\$3,967.3	\$15,635.8	\$16,291.7
Retail Electric	\$13,643.0	\$14,852.0	\$18,197.0	\$16,343.0	\$17,790.0	\$4,601.0	\$4,758.0	\$5,707.0	\$4,429.7	\$19,495.7	\$5,213.7	\$4,726.7	\$5,344.1	\$5,202.9	\$20,487.5	\$21,333.2
Wholesale Electric	\$1,945.0	\$2,455.0	\$3,641.0	\$2,467.0	\$2,431.0	\$744.0	\$681.0	\$832.0	\$639.8	\$2,896.8	\$773.2	\$687.3	\$780.1	\$759.8	\$3,000.5	\$3,118.0
Other Electric	\$672.0	\$718.0	\$747.0	\$792.0	\$896.0	\$242.0	\$220.0	\$262.0	\$232.0	\$956.0	\$255.9	\$228.4	\$261.0	\$258.2	\$1,003.5	\$1,046.2
Natural Gas	\$3,434.0	\$4,380.0	\$5,962.0	\$4,702.0	\$4,456.0	\$1,839.0	\$979.0	\$734.0	\$1,119.5	\$4,671.5	\$1,247.9	\$967.4	\$1,092.3	\$1,170.3	\$4,477.8	\$4,609.4
Other	\$681.0	\$708.0	\$732.0	\$949.0	\$1,151.0	\$349.0	\$335.0	\$288.0	\$306.0	\$1,278.0	\$343.2	\$300.9	\$331.2	\$338.7	\$1,313.9	\$1,363.8
Total Operating Revenue	\$20,375.0	\$23,113.0	\$29,279.0	\$25,253.0	\$26,724.0	\$7,775.0	\$6,973.0	\$7,823.0	\$6,727.0	\$29,298.0	\$7,833.9	\$6,910.7	\$7,808.7	\$7,729.9	\$30,283.2	\$31,470.5
Fuel	\$2,967.0	\$4,010.0	\$6,835.0	\$4,365.0	\$4,096.0	\$1,292.0	\$1,116.0	\$1,345.0	\$1,282.5	\$5,035.5	\$1,295.0	\$1,188.5	\$1,298.0	\$1,326.7	\$5,108.3	\$5,148.2
Purchased Power	\$799.0	\$978.0	\$1,593.0	\$883.0	\$883.0	\$250.0	\$260.0	\$259.0	\$270.5	\$1,039.5	\$279.6	\$255.3	\$270.7	\$296.4	\$1,101.9	\$1,124.8
Cost of Natural Gas	\$972.0	\$1,619.0	\$3,004.0	\$1,644.0	\$1,196.0	\$674.0	\$255.0	\$116.0	\$310.5	\$1,355.5	\$359.0	\$250.2	\$265.2	\$297.7	\$1,172.2	\$1,133.9
Cost of Other Sales	\$327.0	\$357.0	\$396.0	\$560.0	\$668.0	\$199.0	\$167.0	\$156.0	\$184.6	\$706.6	\$187.9	\$172.9	\$188.2	\$194.3	\$743.4	\$771.3
Cost of Revenue	\$5,065.0	\$6,964.0	\$11,828.0	\$7,452.0	\$6,843.0	\$2,415.0	\$1,798.0	\$1,876.0	\$2,048.2	\$8,137.2	\$2,121.6	\$1,866.9	\$2,022.1	\$2,115.2	\$8,125.8	\$8,178.2
Gross Profit	\$15,310.0	\$16,148.0	\$17,450.0	\$17,801.0	\$19,881.0	\$5,360.0	\$5,175.0	\$5,947.0	\$4,678.9	\$21,160.9	\$5,712.3	\$5,043.8	\$5,786.6	\$5,614.7	\$22,157.4	\$23,292.3
Other Operations & Maintenance	\$5,413.0	\$6,088.0	\$6,573.0	\$6,093.0	\$6,539.0	\$1,619.0	\$1,685.0	\$1,643.0	\$1,753.9	\$6,700.9	\$1,785.0	\$1,575.7	\$1,790.8	\$1,828.0	\$6,979.5	\$7,260.8
Depreciation & Amortization	\$3,518.0	\$3,565.0	\$3,663.0	\$4,525.0	\$4,755.0	\$1,286.0	\$1,323.0	\$1,422.0	\$1,471.2	\$5,502.2	\$1,450.2	\$1,339.5	\$1,445.5	\$1,437.0	\$5,672.3	\$5,894.3
Taxes Other Than Income Taxes	\$1,234.0	\$1,290.0	\$1,411.0	\$1,425.0	\$1,540.0	\$445.0	\$403.0	\$288.0	\$393.2	\$1,529.2	\$411.9	\$355.3	\$361.7	\$399.4	\$1,528.3	\$1,637.6
Estimated Loss on Plant Votqle Units 3 & 4	\$325.0	\$1,692.0	\$183.0	(\$68.0)	(\$21.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Impairment Charges	\$0.0	\$2.0	\$251.0	\$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
Gain on Dispositions, Net	(\$65.0)	(\$186.0)	(\$57.0)	\$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
Total Operating Expenses	\$15,490.0	\$19,415.0	\$23,909.0	\$19,427.0	\$19,656.0	\$5,765.0	\$5,209.0	\$5,229.0	\$5,666.5	\$21,869.5	\$5,768.7	\$5,137.4	\$5,620.1	\$5,779.6	\$22,305.9	\$22,971.0
EBITDA	\$8,403.0	\$7,263.0	\$9,032.0	\$10,351.0	\$11,823.0	\$3,296.0	\$3,087.0	\$4,016.0	\$2,531.7	\$12,930.7	\$3,515.5	\$3,112.8	\$3,634.0	\$3,387.3	\$13,649.6	\$14,393.9
Operating Income	\$4,885.0	\$3,698.0	\$5,370.0	\$5,826.0	\$7,068.0	\$2,010.0	\$1,764.0	\$2,594.0	\$1,060.6	\$7,428.6	\$2,065.2	\$1,773.3	\$2,188.6	\$1,950.3	\$7,977.3	\$8,499.6
Allowance For Equity Funds Used During Construction	\$149.0	\$190.0	\$224.0	\$268.0	\$235.0	\$73.0	\$80.0	\$90.0	\$79.7	\$322.7	\$86.6	\$79.3	\$89.6	\$88.6	\$344.0	\$359.3
Earnings From Equity Method Investments	\$153.0	\$76.0	\$151.0	\$144.0	\$139.0	\$32.0	\$10.0	\$33.0	\$27.4	\$102.4	\$27.1	\$22.8	\$29.4	\$28.2	\$107.5	\$112.8
Interest Expense, Net of Amounts Capitalized	\$1,821.0	\$1,837.0	\$2,022.0	\$2,446.0	\$2,743.0	\$714.0	\$874.0	\$755.0	\$719.2	\$3,062.2	\$823.7	\$775.9	\$821.5	\$830.1	\$3,251.2	\$3,403.5
Impairment of Leveraged Leases	(\$206.0)	(\$7.0)	\$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	\$0.0
Other Income (Expense), Net	\$336.0	\$456.0	\$500.0	\$553.0	\$530.0	\$149.0	\$162.0	\$149.0	\$117.1	\$577.1	\$154.4	\$137.2	\$148.4	\$146.8	\$586.8	\$606.4
Total Other Income (Expense)	(\$1,389.0)	(\$1,122.0)	(\$1,147.0)	(\$1,481.0)	(\$1,839.0)	(\$460.0)	(\$622.0)	(\$483.0)	(\$495.0)	(\$2,060.0)	(\$555.6)	(\$536.7)	(\$554.2)	(\$566.5)	(\$2,212.9)	(\$2,325.1)
Pre-Tax Income	\$3,496.0	\$2,576.0	\$4,223.0	\$4,345.0	\$5,229.0	\$1,550.0	\$1,142.0	\$2,111.0	\$566.6	\$5,368.6	\$1,509.6	\$1,236.6	\$1,634.3	\$1,383.8	\$5,764.4	\$6,174.5
Income Tax	\$393.0	\$267.0	\$795.0	\$496.0	\$969.0	\$280.0	\$289.0	\$404.0	\$108.2	\$1,081.2	\$304.9	\$249.8	\$330.1	\$279.5	\$1,164.4	\$1,247.2
Tax Rate	11.2%	10.4%	18.8%	11.4%	18.5%	18.1%	25.3%	19.1%	19.1%	20.1%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%
Net Income	\$3,103.0	\$2,309.0	\$3,428.0	\$3,849.0	\$4,260.0	\$1,270.0	\$853.0	\$1,707.0	\$457.3	\$4,287.3	\$1,204.7	\$986.8	\$1,304.2	\$1,104.3	\$4,600.0	\$4,927.2
Dividends on Preferred Stock	\$15.0	\$15.0	\$11.0	\$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
Non-Controlling Interest	(\$31.0)	(\$99.0)	(\$107.0)	(\$127.0)	(\$141.0)	(\$64.0)	(\$27.0)	(\$4.0)	(\$86.1)	(\$181.1)	(\$82.7)	(\$36.2)	(\$3.1)	(\$100.6)	(\$222.6)	(\$247.6)
Net Income Attributable to SO, Non-GAAP	\$3,438.0	\$3,618.0	\$3,874.0	\$3,982.0	\$4,443.0	\$1,356.0	\$1,014.0	\$1,766.0	\$598.5	\$4,734.5	\$1,342.4	\$1,078.0	\$1,362.3	\$1,259.9	\$5,042.6	\$5,394.8
Net Income Attributable to SO, GAAP	\$3,119.0	\$2,393.0	\$3,524.0	\$3,976.0	\$4,401.0	\$1,334.0	\$880.0	\$1,711.0	\$543.5	\$4,468.5	\$1,287.4	\$1,023.0	\$1,307.3	\$1,204.9	\$4,822.6	\$5,174.8
Basic Shares Outstanding	1,058.0	1,061.0	1,075.0	1,092.0	1,096.0	1,100.0	1,101.0	1,102.0	1,102.0	1,101.3	1,102.0	1,102.0	1,102.0	1,102.0	1,102.0	1,102.0
Diluted Shares Outstanding	1,065.0	1,068.0	1,081.0	1,098.0	1,102.0	1,105.0	1,108.0	1,110.0	1,110.0	1,108.3	1,110.0	1,110.0	1,110.0	1,110.0	1,110.0	1,110.0
Basic EPS, Non-GAAP	\$3.25	\$3.41	\$3.60	\$3.65	\$4.05	\$1.23	\$0.92	\$1.60	\$0.54	\$4.29	\$1.22	\$0.98	\$1.24	\$1.14	\$4.58	\$4.90
Basic EPS, GAAP	\$2.95	\$2.26	\$3.28	\$3.64	\$4.02	\$1.21	\$0.80	\$1.55	\$0.49	\$4.05	\$1.17	\$0.93	\$1.19	\$1.09	\$4.38	\$4.70
Diluted EPS	\$2.93	\$2.24	\$3.26	\$3.62	\$3.99	\$1.21	\$0.79	\$1.54	\$0.49	\$4.03	\$1.16	\$0.92	\$1.18	\$1.09	\$4.34	\$4.66
Dividend Per share	\$2.54	\$2.62	\$2.70	\$2.78	\$2.86	\$0.74	\$0.74	\$0.74	\$0.74	\$2.96	\$0.74	\$0.74	\$0.74	\$0.74	\$2.96	\$2.96

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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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	C
Growth Score	B
Momentum Score	D
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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