

## Terex Corporation (TEX)

**\$50.28** (Stock Price as of 12/04/2025)

Price Target (6-12 Months): **\$62.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 04/08/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: B

Value: A

Growth: C

Momentum: D

### Summary

Terex's 2025 earnings guidance of \$4.70-\$5.10 indicates a year-over-year decline of 20% at the midpoint. The Material Processing segment is facing weaker volumes due to reduced dealer inventory levels and soft demand in Europe. Sales in the Aerials segment have been impacted as customers have been adjusting their fleet. High costs and tariffs add pressure to Terex's margins. Terex is lowering costs and adjusting production to match demand. Meanwhile, it is advancing its "Execute, Innovate, Grow" strategy and investing in innovative products, digital innovation, expansion of manufacturing facilities and acquisitions. The most recent endeavor is the acquisition of Environment Solutions, which adds a financially accretive, market-leading business to its portfolio with exposure to the fast-growing waste and recycling end market.

### Data Overview

52 Week High-Low	\$58.66 - \$31.53
20 Day Average Volume (sh)	1,030,297
Market Cap	\$3.3 B
YTD Price Change	8.8%
Beta	1.70
Dividend / Div Yld	\$0.68 / 1.4%
Industry	<a href="#">Manufacturing - Construction and Mining</a>
Zacks Industry Rank	Bottom 32% (165 out of 243)

Last EPS Surprise	23.0%
Last Sales Surprise	-0.9%
EPS F1 Est- 4 week change	0.3%
Expected Report Date	02/05/2026
Earnings ESP	-8.4%

P/E TTM	11.0
P/E F1	10.5
PEG F1	-1.6
P/S TTM	0.6

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



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



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

	Q1	Q2	Q3	Q4	Annual*
2026	1,247 E	1,521 E	1,436 E	1,373 E	5,576 E
2025	1,229 A	1,487 A	1,387 A	1,327 E	5,437 E
2024	1,293 A	1,382 A	1,212 A	1,241 A	5,127 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	0.94 E	1.56 E	1.53 E	1.30 E	5.33 E
2025	0.83 A	1.49 A	1.50 A	1.29 E	4.81 E
2024	1.60 A	2.16 A	1.46 A	0.77 A	6.11 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/04/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 10/28/2025.

## Overview

Incorporated in 1986, Terex Corporation is a global manufacturer of aerial work platforms, materials processing machinery and cranes. It designs, build and support products used in construction, maintenance, manufacturing, energy, minerals and materials management applications.

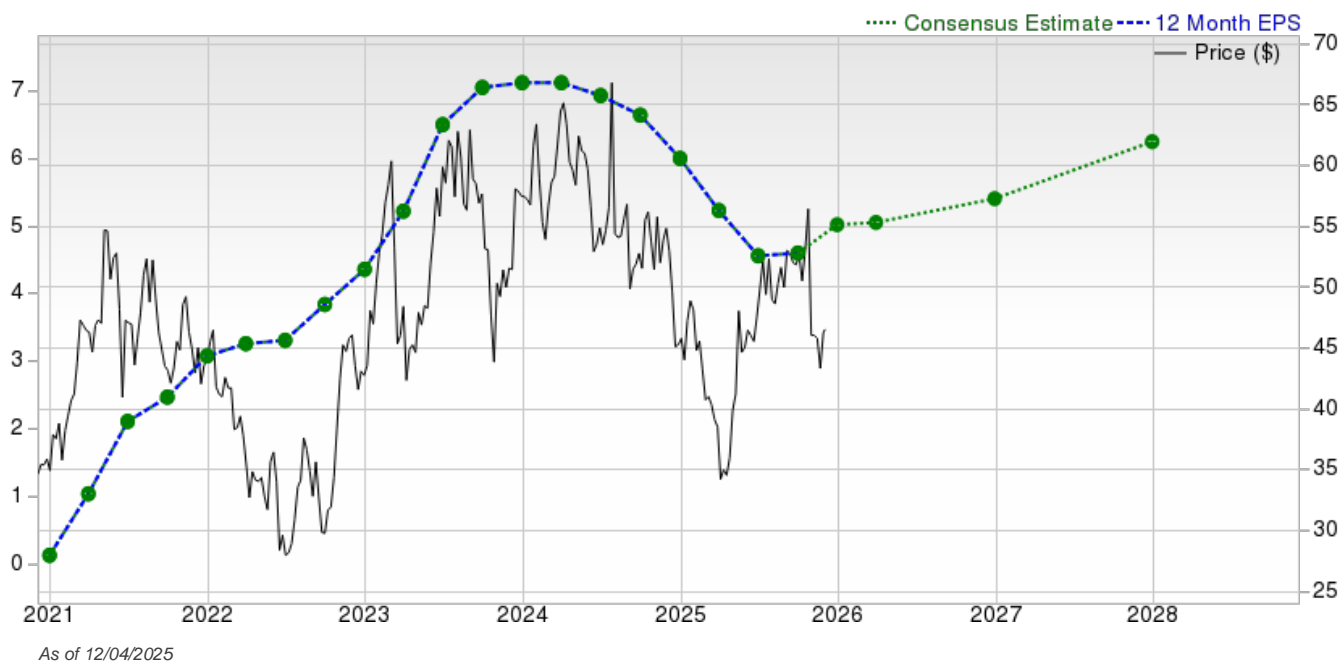
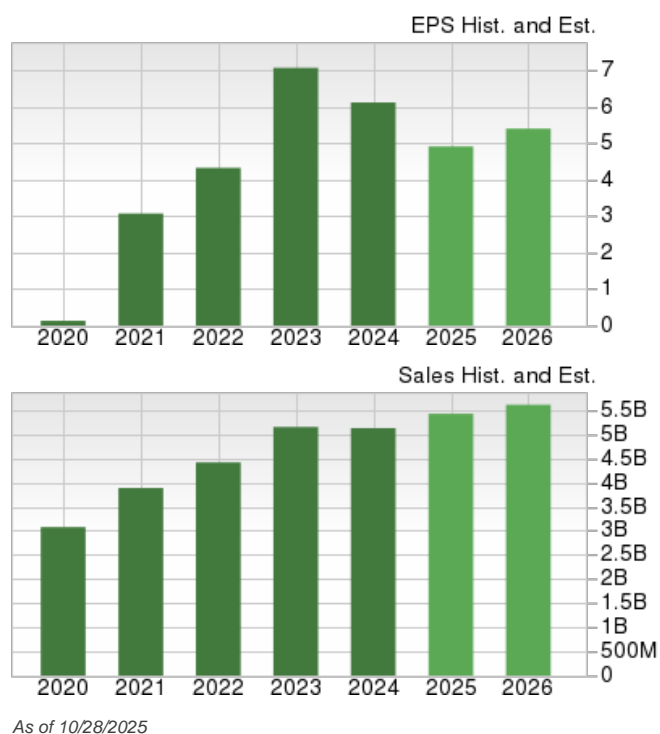
The company's manufacturing facilities are located in the United States, Canada, Europe, Australia, Asia and South America. Terex sells its products through a worldwide distribution network. Terex also offers a complete line of financial products and services to assist in the acquisition of equipment through Terex Financial Services.

Terex engages with customers through all stages of the product life cycle, from initial specification and financing to parts and service support. The company manages and report business in the following segments: Aerials, Materials Processing (MP) and Environmental Solutions (ES).

**Aerials** (approximately 37% of revenues): This segment designs, manufactures, and markets aerial work platform equipment and telehandlers. Products include portable material lifts, portable aerial work platforms, as well as their related components and replacement parts. Customers use these products to construct and maintain industrial, commercial and residential buildings and facilities and for other commercial operations, as well as in a wide range of infrastructure projects.

**Material Processing** (approximately 31% of revenues): This segment designs and manufactures materials processing equipment, including crushers, washing systems, screens, among others. These products are used in construction, infrastructure and recycling projects, in various quarrying and mining applications, as well as in landscaping and biomass production industries, material handling applications. Terex recently entered a deal to see its Tower and Rough Terrain Cranes businesses that were part of the MP segment.

**The Environmental Solutions segment** (33% of revenues) designs, manufactures, services and markets waste and recycling equipment and solutions. These include refuse collection bodies, hydraulic cart lifters, automated carry cans, compaction, balers and recycling equipment, cameras with integrated smart technology and related and replacement parts.



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## Reasons To Buy:

- ▲ Terex continues to progress well on its “Execute, Innovate, Grow” strategy. The “Execute” theme involves expectations related to core operating processes and accountabilities. These core operating processes are being developed into the newly created Terex Operating System. The system is being designed to ensure strict process discipline, continuous improvement and deployment of automation. The “Innovate” theme seeks to continuously develop its product offerings and applying technology. The company has invested in connected assets and digital capabilities to better serve customers.
- ▲ The “Grow” aspect focuses on increasing inorganic investment and adding scope thorough acquisitions. Terex continues to invest in expansion of manufacturing facilities to ensure future growth. Investment in technology and new product development will help the company take advantage of sustainability trends such as recycling, electrification and decarbonization. It has invested in Appronik robotics capabilities and also expanded battery technology development with Acculon. The company’s acquisition of ES added a market leader in waste and recycling to its portfolio. It will also enhance its financial profile, including revenues, free cash flow, EBITDA margin and earnings per share.
- ▲ Terex is focused on aligning production and cost structure across its segments in response to the customer demand environment while also aggressively managing cost and working capital. Its Aerials segment will gain from right-sizing cost structure to align with customer demand, operational execution, strengthening global footprint and innovative new products in the long haul.
- ▲ Following the acquisition of ES, waste and recycling now account for roughly 30% of Terex’s global revenues, offering steady growth and low cyclicity. Utilities contribute about 10% of revenues, which is expected to rise on growing demand to modernize and strengthen power grids. Meanwhile, around 15% of the company’s business is tied to Infrastructure, a sector benefiting from substantial ongoing investment in the United States and globally. Collectively, these three markets generate more than half of Terex’s revenues and are considered highly resilient, with limited exposure to broader macroeconomic or geopolitical volatility compared with other segments.
- ▲ Terex is focused on maintaining a strong liquidity and cash position. As of the second quarter 2025-end, the company had \$1.2 billion of total available liquidity with no near-term debt maturities. The company expects a significant increase in free cash flow in 2025, between \$300 million and \$350 million compared with \$190 million in 2024. This will be driven by working capital reduction and a full-year contribution from ESG. Terex’s strong financial position enables it to continue investing in business, while executing its strategic initiatives and returning capital to shareholders. Terex returned \$75 million to shareholders in the first half of 2025 through share repurchases and dividend payments. As of the second quarter-end, the company had \$33 million remaining under its previous authorization. In July, its board authorized a new \$150 share repurchase program.
- ▲ Terex recently announced that it has entered into a definitive agreement with Raimondi Cranes SpA to sell its Terex Tower and Rough Terrain Cranes businesses. This move is in sync with Terex’s focus to reduce cyclicity and boost core business growth.

Terex will gain from focus on the Execute, Innovate, Grow strategy and introducing innovative products. Its disciplined capital-allocation strategy and backlog strength will fuel growth.

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## Reasons To Sell:

- ▼ 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 for the past seven months and registered 49.1% in September. The New Orders Index returned to contraction territory in September, with a 48.9% reading. It had shown expansion in August with a 51.4% reading, after six consecutive months of contraction. The index has not delivered consistent growth since the end of its 24-month expansion streak in May 2022. Customer spending remains subdued due to the impact of tariffs. This overall volatility in the sector is expected to reflect on Terex's results.
- ▼ The Material Processing segment has been seeing lower sales as dealers lowered inventory levels. End-user demand has been muted as consumers remain cautious about the macro environment. Weak demand in Europe has also been weighing on volumes. Volumes of the Material Processing segment have been on a downtrend in all of the quarters of 2024 and were down in both the quarters of 2025. This is expected to continue in the rest of the quarters of 2025 as well. The company expects the MP segment's sales in 2025 to decline in the high single digit from the 2024 comparable revenues of \$1.9 billion.
- ▼ The Aerial segment's net sales were down 13% in the fourth quarter of 2024 as customers adjusted delivery schedules to align with fleet productivity and shorter equipment lead times. Sales were down 28% in the first quarter of 2025 and 31% in the second quarter. Volumes are expected to decline in 2025 as well. Terex projects the segment's revenues to be down in the low double digits from 2024 comparable revenues of \$2.41 billion. Terex expects total sales to range between \$5.3 billion and \$5.5 billion in 2025. The midpoint of the guidance implies year-over-year growth of 5%. Terex's adjusted earnings per share guidance is \$4.70-\$5.10. The midpoint of the range indicates a 20% decline from adjusted earnings of \$6.11 per share reported in 2024.
- ▼ The economic uncertainty stemming from tariffs poses challenges for Terex. Given its global supply base, the company is exposed to tariffs on imported material. Terex has been working with suppliers to absorb the added costs and postponed orders to lower the impact of the new tariffs. Labor shortage and wage increases also remain a headwind.

The expected decline in volumes in the Material Processing and Aerials segment will hurt Terex's results. Weakness in Europe, higher labor costs and impact of tariffs add to the woes.

## Last Earnings Report

### Terex Q2 Earnings Beat Estimates, Decline Y/Y on Weak Demand

Terex reported adjusted earnings per share of \$1.49, which beat the Zacks Consensus Estimate of \$1.44. The bottom line, however, plunged 31% from the prior-year quarter's adjusted figure of \$2.16 per share, reflecting weak results in its Aerials and Materials Processing segments. This was somewhat offset by gains from the company's cost control initiatives and contributions from the acquisition of Environmental Solutions Group.

Including one-time items, Terex reported earnings of \$1.09 per share in the second quarter of 2025 compared with \$2.08 in the year-ago quarter.

### Terex's Revenues Up Y/Y on ESG Contribution

Revenues rose 7.6% year over year to \$1.487 billion, which surpassed the Zacks Consensus Estimate of \$1.455 billion.

The improvement was mainly led by the Environmental Solutions Group, which contributed around 28.9% of Terex's total revenues for the quarter. This contribution helped offset declines in the Materials Processing and Aerials segments. Excluding ES, Terex's organic revenues declined 12% year over year in the quarter, reflecting the ongoing channel adjustments along with the timing of backlog conversion.

Terex's bookings increased 19% year over year to \$1.5 billion in the second quarter, resulting in a book-to-bill of 73%. Terex ended the second quarter with a backlog of \$2.2 billion.

### TEX Witness Margin Contraction in Q2

The cost of goods sold increased 13.5% year over year to around \$1.2 billion. Gross profit, including one-time items, was \$291 million in the quarter compared with \$328 million in the year-ago quarter. Adjusted gross profit fell 3% to \$318 million. Gross margin was 21.4% in the second quarter compared with 23.8% in the year-ago quarter.

Selling, general and administrative expenses were \$162 million, up 19.7% from the prior-year quarter. Adjusted selling, general and administrative expenses were \$162 million.

Terex reported an operating profit of \$129 million, which marked a 33% decline from the prior-year quarter. The operating margin was 8.7% compared with 14% in the last quarter. Adjusted operating profit was \$164 million compared with \$195 million in the year-ago quarter. Adjusted operating margin was 11%, a 310-basis point contraction from the year-ago quarter.

### TEX's Segment Performances in Q2

The Material Processing segment's revenues totaled \$454 million, reflecting a year-over-year decline of 9% due to channel adjustments and weak demand across most product lines and regions. The segment reported an operating income of \$49 million, down 36% year over year. Adjusted operating profit was \$58 million.

The Aerials segment generated revenues of \$607 million, down 31% from the year-ago quarter on weak demand as customers have been focusing on replacements. The segment reported an operating profit of \$46 million, representing a 60% decline year over year. Adjusted operating profit was \$49 million in the second quarter of 2025 compared with \$115 million in the year-ago quarter. The decline was attributed to lower sales volume, the impact of unfavorable mix and tariffs. However, savings from cost reduction actions somewhat offset these gains.

The Environmental Solutions segment reported revenues of \$430 million and an operating profit of \$61 million. Adjusted operating profit was \$82 million.

### Terex's Cash Flow & Balance Sheet Updates

Terex had cash and cash equivalents of \$374 million as of June 30, 2025, compared with \$388 million as of Dec. 31, 2024. The company generated \$81 million in cash from operating activities in the first half of 2025 compared with \$33 million in the prior-year period.

Terex returned \$75 million to shareholders in the first half of 2025 through share repurchases and dividends. The company's board of directors authorized a new share repurchase program under which Terex may repurchase of \$150 million.

### Terex's 2025 Outlook

Terex expects sales for the Materials Processing segment to be down in high single digits compared with the prior-year baseline of \$1.9 billion. The AWP segment's revenues are expected to decline in low double digits from the prior-year baseline of \$2.41 billion. The ESG segment's sales are expected to be up in low double digits from the prior-year baseline of \$1.5 billion.

Net sales are projected to be in the range of \$5.3-\$5.5 billion. The midpoint of the guidance implies year-over-year growth of 6%.

EBITDA is expected to be around \$640 million. Terex expects adjusted earnings per share to be between \$4.70 and \$5.10. The guidance indicates a year-over-year drop of 20% at the midpoint from the earnings of \$6.11 per share reported in 2024.

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

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	-0.88%
EPS Surprise	22.95%
Quarterly EPS	1.50
Annual EPS (TTM)	4.59

## Recent News

### Terex Inks Deal to Divest Tower & Rough Terrain Crane Businesses

Terex on **Sept. 2** announced that it inked a definitive agreement with Raimondi Cranes SpA to sell its Terex Tower and Rough Terrain Cranes businesses. This move is in sync with Terex's focus to reduce cyclicity and boost core business growth.

As part of the deal, the company will sell its Italian facilities, the Terex Tower Cranes facility in Fontanafredda and the Terex Rough Terrain Cranes facility in Crespellano. The deal also includes the Terex North America Cranes service and support operation based in Wilmington, NC. The company did not include Franna pick and carry cranes in the agreement. Terex will continue to manufacture them at its facilities in Eagle Farm, Brisbane, and Hosur, India.

Headquartered in Italy, Raimondi Cranes manufactures cranes that operate globally. The deal will aid Raimondi Cranes by creating synergies and delivering a wider range of solutions by integrating Terex's Tower and Rough Terrain cranes. The transaction is expected to be completed by the second half of 2025, subject to regulatory approvals.

## Valuation

Terex's shares have gone up 63.7% in the last six-month period and up 7.5% over the trailing 12-month period. Stocks in the Zacks Manufacturing – Construction and Mining industry are up 70.6% while the Zacks Industrial Products sector are up 16.3% in the trailing six-month period. Over the past year, the Zacks sub-industry are up 34.3% and the sector are up 3.4%.

The S&P 500 index is up 25.8% in the trailing 6-month period and up 20.3% in the past year.

The stock is currently trading at 0.68X forward 12-month sales, which compares with 2.71X for the Zacks sub-industry, 4.05X for the Zacks sector and 5.5X for the S&P 500 index.

Over the past five years, the stock has traded as high as 1X and as low as 0.39X, with a 5-year median of 0.69X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$62 price target reflects 0.72X forward 12-month sales.

The table below shows summary valuation data for TEX.

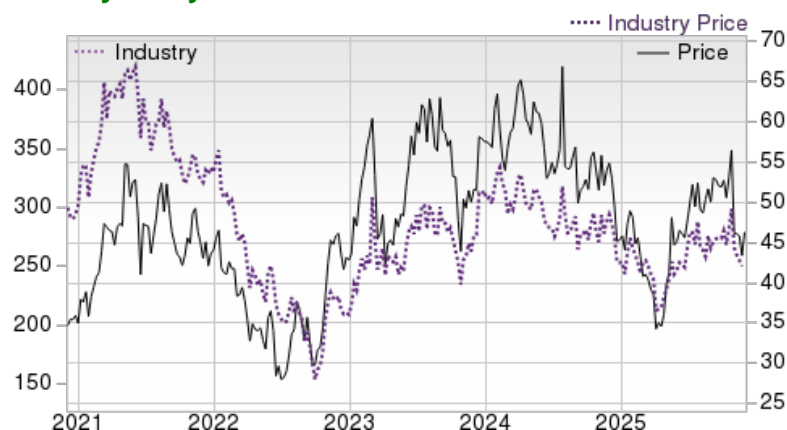
Valuation Multiples - TEX					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.68	2.71	4.05	5.50
	5-Year High	1.00	2.71	4.05	5.52
	5-Year Low	0.39	1.15	2.27	3.84
	5-Year Median	0.69	1.74	3.07	5.02
EV/EBITDA TTM	Current	9.63	15.67	24.87	19.13
	5-Year High	32.74	17.25	28.02	22.36
	5-Year Low	4.78	7.54	13.81	13.96
	5-Year Median	7.78	11.28	17.88	18.10
P/B TTM	Current	1.95	10.49	8.86	9.04
	5-Year High	4.09	10.75	10.81	9.19
	5-Year Low	1.16	4.50	5.75	6.62
	5-Year Median	2.38	6.28	7.49	8.03

As of 10/27/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 32% (165 out of 243)

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



Company (Ticker)	Rec	Rank
AGCO Corporation (AGCO)	Neutral	3
Caterpillar Inc. (CAT)	Neutral	3
CNH Industrial N.V. (CNH)	Neutral	4
Deere & Company (DE)	Neutral	3
Lindsay Corporation (LNN)	Neutral	3
Komatsu Ltd. (KMTUY)	Underperform	4
HITACHI CONSTR (HTCMY)	NA	
The Manitowoc Compan... (MTW)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Manufacturing - Construction And Mining

## Industry Peers

	TEX	X Industry	S&P 500	ASTE	CAT	MTW
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	NA
Zacks Rank (Short Term)	3	-	-	2	3	
VGM Score	B	-	-	C	D	
Market Cap	3.30 B	2.36 B	38.59 B	1.06 B	280.39 B	430.26 M
# of Analysts	6	1	22	1	10	0
Dividend Yield	1.35%	1.24%	1.44%	1.12%	1.01%	0.00%
Value Score	A	-	-	B	D	
Cash/Price	0.17	0.12	0.04	0.07	0.03	0.10
EV/EBITDA	9.27	7.62	14.40	18.25	17.35	7.62
PEG Ratio	-1.58	3.86	2.20	2.22	2.82	NA
Price/Book (P/B)	1.64	1.27	3.38	1.59	13.57	0.63
Price/Cash Flow (P/CF)	6.79	7.40	15.03	10.23	22.25	5.39
P/E (F1)	10.45	14.32	20.02	15.56	32.56	NA
Price/Sales (P/S)	0.62	0.70	3.01	0.77	4.34	0.20
Earnings Yield	9.77%	6.43%	4.96%	6.43%	3.07%	NA%
Debt/Equity	1.28	0.48	0.57	0.48	1.34	0.70
Cash Flow (\$/share)	7.41	5.97	8.99	4.53	26.93	2.25
Growth Score	C	-	-	C	C	NA
Hist. EPS Growth (3-5 yrs)	54.72%	25.95%	8.16%	15.53%	28.39%	-27.04%
Proj. EPS Growth (F1/F0)	-21.28%	-17.28%	8.48%	21.63%	-15.98%	NA
Curr. Cash Flow Growth	-8.03%	-1.27%	7.00%	19.15%	-1.27%	-31.66%
Hist. Cash Flow Growth (3-5 yrs)	11.82%	8.17%	7.31%	10.96%	7.76%	-5.39%
Current Ratio	2.15	2.12	1.18	2.58	1.38	2.14
Debt/Capital	56.12%	32.85%	38.15%	32.60%	57.31%	41.28%
Net Margin	2.92%	3.21%	12.82%	3.50%	14.34%	2.63%
Return on Equity	15.93%	12.17%	17.00%	11.93%	47.16%	0.87%
Sales/Assets	0.89	1.05	0.53	1.21	0.73	1.20
Proj. Sales Growth (F1/F0)	6.00%	0.00%	5.75%	5.30%	2.00%	NA
Momentum Score	D	-	-	D	C	
Daily Price Chg	1.21%	1.35%	0.11%	1.40%	1.29%	1.85%
1 Week Price Chg	6.75%	3.87%	0.65%	5.83%	4.60%	4.44%
4 Week Price Chg	8.74%	1.46%	2.04%	1.64%	5.15%	7.92%
12 Week Price Chg	-5.49%	-5.37%	4.09%	-2.54%	38.89%	18.46%
52 Week Price Chg	-5.40%	22.03%	12.87%	22.03%	51.69%	18.34%
20 Day Average Volume	1,030,297	170,898	2,738,986	180,644	2,327,064	211,618
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	NA
(F1) EPS Est 4 week change	0.34%	0.33%	0.06%	1.36%	0.33%	NA
(F1) EPS Est 12 week change	0.34%	-1.35%	0.62%	NA	2.71%	NA
(Q1) EPS Est Mthly Chg	-3.25%	-1.60%	0.00%	1.37%	0.04%	NA

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

### Terex Corporation (TEX)

In \$MM, except per share data

	2022A	2023A	2024A	2025E					2026E				2027E
	FY	FY	FY	1QA	2QA	3QE	4QE	FY	1QE	2QE	3QE	4QE	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
Income Statement													
Net Sales	\$4,417.7	\$5,151.5	\$5,127.0	\$1,229.0	\$1,487.0	\$1,394.1	\$1,326.5	\$5,436.5	\$1,246.6	\$1,520.5	\$1,435.6	\$1,372.8	\$5,575.5
FX (in \$)	(\$244.0)	(\$27.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Organic Growth (in \$)	\$774.9	\$760.8	(\$24.5)	(\$63.5)	\$105.3	(\$228.4)	(\$325.0)	(\$511.7)	\$17.6	\$33.5	\$41.5	\$46.3	\$138.9
Acquisition	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$410.5	\$0.0	\$410.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Currency	(6.3%)	(0.6%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Organic Growth	19.9%	17.2%	(0.5%)	(4.9%)	7.6%	(18.8%)	(26.2%)	(10.0%)	1.4%	2.3%	3.0%	3.5%	2.6%
Acquisition				0.0%	0.0%	33.9%	33.1%	16.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Goods Sold	\$3,546.5	\$3,974.9	\$4,059.0	\$999.0	\$1,196.0	\$1,116.1	\$1,058.7	\$4,369.8	\$977.9	\$1,190.4	\$1,119.0	\$1,079.4	\$4,366.7
Gross Profit, Adjusted		\$1,180.8	\$1,112.0	\$254.0	\$318.0	\$297.5	\$287.2	\$1,156.8	\$268.7	\$330.2	\$316.5	\$293.4	\$1,208.8
Gross Profit, GAAP	\$871.2	\$1,176.6	\$1,068.0	\$230.0	\$291.0	\$278.0	\$267.7	\$1,066.8	\$268.7	\$330.2	\$316.5	\$293.4	\$1,208.8
Selling, General & Administrative Expenses, Adjusted		\$529.1	\$530.0	\$143.0	\$154.0	\$152.5	\$143.2	\$592.6	\$155.0	\$163.7	\$154.1	\$150.7	\$623.4
Selling, General & Administrative Expenses, GAAP	\$451.2	\$540.1	\$542.0	\$161.0	\$162.0	\$152.5	\$143.2	\$618.6	\$155.0	\$163.7	\$154.1	\$150.7	\$623.4
Adjusted EBITDA		\$706.1	\$642.0	\$128.0	\$182.0	\$165.0	\$164.5	\$639.5	\$149.9	\$207.9	\$203.5	\$186.3	\$747.6
EBITDA	\$465.0	\$690.9	\$605.0	\$106.0	\$166.0	\$164.0	\$163.5	\$599.5	\$149.9	\$207.9	\$203.5	\$186.3	\$747.6
Depreciation & Amortization	\$47.2	\$56.4	\$82.0	\$39.0	\$39.0	\$40.5	\$41.9	\$160.4	\$38.2	\$43.5	\$43.0	\$45.6	\$170.3
Operating Income, Adjusted		\$651.7	\$582.0	\$111.0	\$164.0	\$145.1	\$144.1	\$564.1	\$113.7	\$166.5	\$162.5	\$142.7	\$585.4
Operating Income, GAAP	\$420.0	\$636.5	\$526.0	\$69.0	\$129.0	\$125.6	\$124.6	\$448.1	\$113.7	\$166.5	\$162.5	\$142.7	\$585.4
Interest Income	\$2.8	\$7.6	\$13.0	\$2.0	\$2.0	\$1.6	\$2.8	\$8.5	\$2.0	\$2.4	\$2.3	\$2.4	\$9.0
Interest Expense	\$49.1	\$63.3	\$89.0	\$43.0	\$44.0	\$51.4	\$45.8	\$184.2	\$46.1	\$52.5	\$52.7	\$50.4	\$201.7
Loss on Early Extinction of Debt	\$0.3	\$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 Expense (Income), net, Adjusted		\$6.8	\$7.0	\$0.0	\$2.0	\$2.1	\$1.4	\$5.5	(\$1.5)	(\$1.4)	(\$2.6)	(\$2.2)	(\$7.7)
Other Expense (Income), net, GAAP	\$6.8	\$1.1	\$42.0	\$2.0	(\$2.0)	(\$3.9)	(\$3.1)	(\$7.0)	(\$1.5)	(\$1.4)	(\$2.6)	(\$2.2)	(\$7.7)
Pre-Tax Income, Adjusted		\$589.2	\$499.0	\$70.0	\$120.0	\$93.2	\$99.7	\$382.9	\$71.1	\$117.8	\$114.7	\$96.8	\$400.4
Pre-Tax Income, GAAP	\$366.6	\$579.7	\$408.0	\$26.0	\$89.0	\$79.7	\$84.7	\$279.4	\$71.1	\$117.8	\$114.7	\$96.8	\$400.4
Income Tax, Adjusted		\$107.0	\$86.0	\$15.0	\$22.0	\$14.6	\$15.6	\$67.2	\$10.7	\$17.7	\$17.2	\$14.5	\$60.1
Income Tax, GAAP	\$66.4	\$63.0	\$73.0	\$5.0	\$17.0	\$12.0	\$12.7	\$46.7	\$10.7	\$17.7	\$17.2	\$14.5	\$60.1
Tax Rate, Adjusted		18.2%	17.2%	21.0%	18.3%	15.6%	15.7%	17.5%	15.0%	15.0%	15.0%	15.0%	15.0%
Tax Rate, GAAP	18.1%	10.9%	17.8%	20.3%	18.5%	15.0%	15.0%	12.2%	15.0%	15.0%	15.0%	15.0%	15.0%
Net Income from Continuing Operations, Adjusted	\$300.2	\$482.2	\$413.0	\$55.0	\$98.0	\$78.6	\$84.1	\$315.7	\$60.4	\$100.1	\$97.5	\$82.3	\$340.3
Net Income from Continuing Operations, GAAP	\$300.2	\$516.7	\$335.0	\$21.0	\$72.0	\$67.7	\$72.0	\$232.7	\$60.4	\$100.1	\$97.5	\$82.3	\$340.3
Gain (Loss) on Disposition of Discontinued Operations	(\$0.2)	\$1.3	\$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	\$300.0	\$518.0	\$335.0	\$21.0	\$72.0	\$67.7	\$72.0	\$232.7	\$60.4	\$100.1	\$97.5	\$82.3	\$340.3
Basic Shares Outstanding	68.5	67.5	67.0	66.3	65.6	65.1	64.8	65.5	64.3	63.8	63.3	62.9	63.6
Diluted Shares Outstanding	69.4	68.3	67.6	66.9	65.9	65.4	65.1	65.8	64.6	64.1	63.6	63.2	63.9
Basic EPS	\$4.38	\$7.65	\$5.00	\$0.32	\$1.10	\$1.04	\$1.11	\$3.57	\$0.94	\$1.57	\$1.54	\$1.31	\$5.36
Diluted EPS from Continuing Operations, Adjusted	\$4.32	\$7.06	\$6.11	\$0.83	\$1.49	\$1.20	\$1.29	\$4.81	\$0.94	\$1.56	\$1.53	\$1.30	\$5.33
Diluted EPS from Continuing Operations, GAAP	\$4.32	\$7.56	\$4.96	\$0.31	\$1.09	\$1.04	\$1.11	\$3.54	\$0.94	\$1.56	\$1.53	\$1.30	\$5.33
Diluted EPS, GAAP	\$4.32	\$7.58	\$4.96	\$0.31	\$1.09	\$1.04	\$1.11	\$3.54	\$0.94	\$1.56	\$1.53	\$1.30	\$5.33
Dividend per Share	\$0.52	\$0.64	\$0.68	\$0.17	\$0.17	\$0.17	\$0.17	\$0.68	\$0.17	\$0.17	\$0.17	\$0.17	\$0.68

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## 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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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>A</b>
Growth Score	<b>C</b>
Momentum Score	<b>D</b>
VGM Score	<b>B</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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