

## Terex Corporation (TEX)

**\$55.18** (Stock Price as of 12/26/2025)

Price Target (6-12 Months): **\$58.00**

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: A

Value: B

Growth: C

Momentum: A

### Summary

Terex's 2025 earnings guidance of \$4.70-\$5.10 indicates a year-over-year decline of 20% at the midpoint. Both the Material Processing and Aerial segments have been facing low volumes due to weak demand, which is expected to weigh on full-year 2025 results. High costs and tariffs will hurt margins. Terex is lowering costs and adjusting production to match demand. It continues to invest in innovative products, digital innovation, expansion of manufacturing facilities and acquisitions. The Environment Solutions acquisition added a financially accretive, market-leading business to its portfolio with exposure to the fast-growing waste and recycling end market. Terex has inked a merger deal with REV Group to form a leading specialty equipment manufacturer with combined sales of \$7.8 billion, which is expected to close in the first half of 2026.

### Data Overview

52 Week High-Low	\$58.66 - \$31.53
20 Day Average Volume (sh)	1,183,226
Market Cap	\$3.6 B
YTD Price Change	18.2%
Beta	1.70
Dividend / Div Yld	\$0.68 / 1.2%
Industry	<a href="#">Manufacturing - Construction and Mining</a>
Zacks Industry Rank	Top 44% (107 out of 243)

Last EPS Surprise	23.0%
Last Sales Surprise	-0.9%
EPS F1 Est- 4 week change	0.7%
Expected Report Date	02/05/2026
Earnings ESP	0.2%

P/E TTM	12.0
P/E F1	11.2
PEG F1	-1.9
P/S TTM	0.7

### 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	1,249 E	1,517 E	1,417 E	1,383 E	5,565 E
2025	1,229 A	1,487 A	1,387 A	1,321 E	5,424 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	0.86 E	1.60 E	1.47 E	1.49 E	5.41 E
2025	0.83 A	1.49 A	1.50 A	1.10 E	4.92 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 12/26/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/24/2025.

## 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.

The company manages and report business in the following segments:

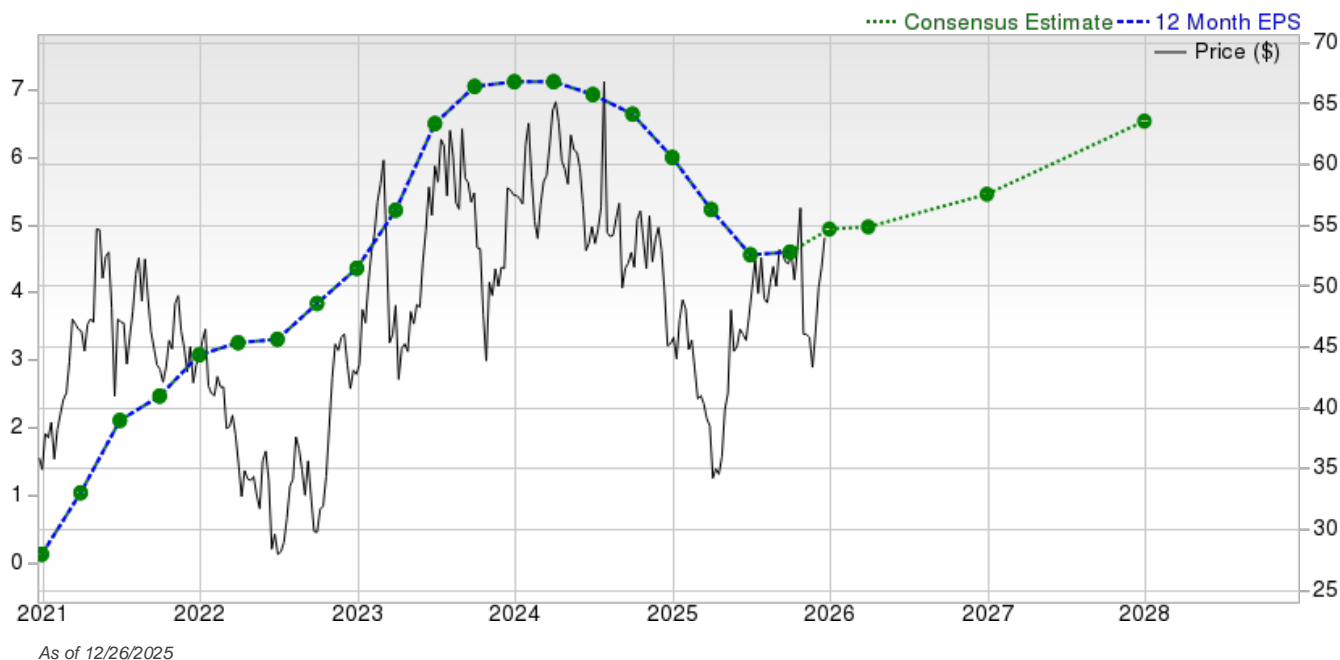
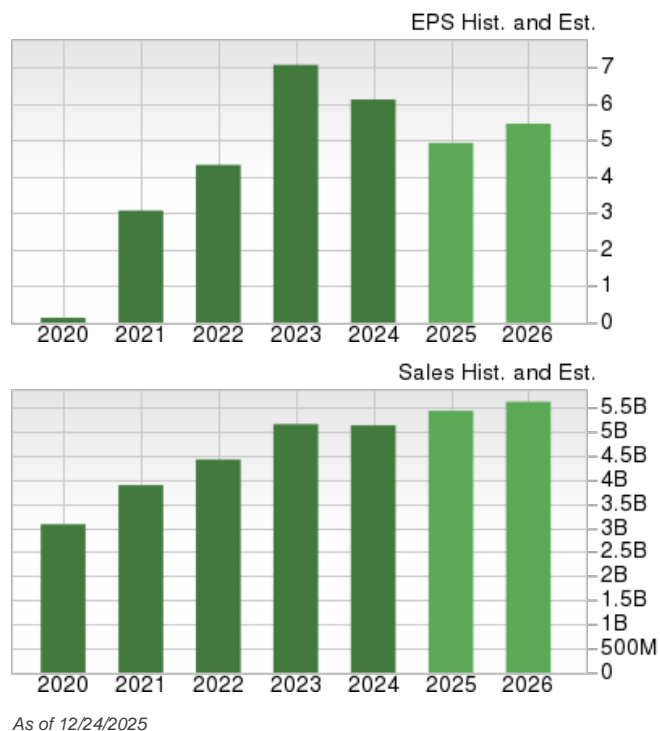
Aerials, Materials Processing (MP) and Environmental Solutions (ES).

**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. TEX plans to exit the Aerials segment.

**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 sold 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.

Terex recently inked a merger agreement with REV Group, that will create a scaled specialty equipment manufacturer with complementary, leading brands in attractive, low cyclical, highly resilient and growing end markets.



## 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 recently sold its Terex Tower and Rough Terrain Cranes businesses to Raimondi Cranes SpA. This move is in sync with Terex’s focus to reduce cyclicity and boost core business growth. It plans to exit the Aerials segment as well.
- ▲ Terex has entered into a definitive merger agreement with REV Group that will create a leading specialty equipment manufacturer. The deal is expected to close in the first half of 2026. The merged company will offer a diversified portfolio of emergency, waste, utilities, environmental and material processing equipment with attractive end markets characterized by low cyclicity, resilient demand and long-term growth. It also has an enhanced manufacturing footprint in the United States. The deal is expected to unlock significant value-creating synergies totaling \$75 million of run-rate value in 2028 with approximately 50% achieved 12 months after closing. The combined company is expected to have approximately \$7.8 billion in net sales and an combined adjusted EBITDA margin of approximately 11% as of year-end 2025 excluding benefit of synergies. The combined company would have a net debt to trailing 12-month pro forma adjusted EBITDA ratio of approximately 2.5x including run-rate synergies of \$75 million. It can further lower its debt levels with the Aerials segment’s exit.
- ▲ 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 third quarter 2025-end, the company had \$1.3 billion of total available liquidity with no near-term debt maturities. The company generated \$130 million of free cash flow in the third quarter, up 48% year over year and also representing a cash conversion rate of 200%. Terex 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 \$87 million to shareholders in the first nine months of 2025 through share repurchases and dividend payments. As of the third quarter-end, the company had \$183 million remaining under its share repurchase program.

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 nine months and registered 48.2% in November. The New Orders Index remained in contraction territory for three straight months in November. It had last 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. The segment's sales have been declining for seven straight quarters. 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 have been declining for eight consecutive quarters as customers adjusted delivery schedules to align with fleet productivity and shorter equipment lead times. 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. Terex expects higher tariff related impact in the fourth quarter due to the expanded scope of the 232 steel and aluminum tariffs announced in mid-August. The full-year unfavorable impact on tariffs is expected to be 70 cents.

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 Q3 Earnings Beat Estimates, Sales Lag

Terex reported adjusted earnings per share of \$1.50, which beat the Zacks Consensus Estimate of \$1.22. The bottom line marked a 2.7% increase from the prior-year quarter's adjusted figure of \$1.46 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 98 cents per share in the third quarter of 2025 compared with \$1.31 in the year-ago quarter.

**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

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

Revenues rose 14.4% year over year to \$1.387 billion, but missed the Zacks Consensus Estimate of \$1.399 billion. The improvement was mainly led by the Environmental Solutions Group, which contributed around 31% 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 8.2% year over year in the quarter, reflecting lower demand in Aerials and MP.

Terex's bookings increased 57% year over year to \$1 billion in the third quarter, resulting in a book-to-bill of 72%.

### TEX's Adjusted Margins Expand in Q3

The cost of goods sold increased 14% year over year to around \$1.1 billion. Gross profit, including one-time items, was \$282 million in the quarter compared with \$245 million in the year-ago quarter. Adjusted gross profit increased 22.5% to \$305 million. Adjusted gross margin was 22% in the third quarter compared with 20.5% in the year-ago quarter.

Selling, general and administrative expenses were \$142 million, up 15.4% from the prior-year quarter. Adjusted selling, general and administrative expenses were \$137 million. Terex reported an operating profit of \$140 million, which marked 14.8% growth from the prior-year quarter. The operating margin was 10.1%, flat compared with the last quarter.

Adjusted operating profit was \$168 million compared with \$127 million in the year-ago quarter. Adjusted operating margin was 12.1%, higher than the 10.5% reported in last year's quarter.

### TEX's Segment Performances in Q3

The Material Processing segment's revenues totaled \$417 million, reflecting a year-over-year decline of 6% due to lower volumes in the North America concrete business. The segment reported an operating income of \$52 million, down 7% year over year. Adjusted operating profit was \$51 million compared with \$59 million in the third quarter of 2024. Lower sales volume, partially offset by cost reduction actions, led to the year-over-year decline.

The Aerials segment generated revenues of \$537 million, down 13% from the year-ago quarter, reflecting lower volumes in North America with customers lowering their capital spending and focusing on replacements. The segment reported an operating profit of \$45 million, representing a 29% decline year over year. Adjusted operating profit was \$50 million in the third quarter of 2025 compared with \$65 million in the year-ago quarter. The decline was attributed to lower sales volume and the impact of unfavorable mix and tariffs.

The Environmental Solutions segment reported revenues of \$435 million and an operating profit of \$58 million. Adjusted operating profit was \$79 million.

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

Terex had cash and cash equivalents of \$509 million as of Sept. 30, 2025, compared with \$388 million as of Dec. 31, 2024. The company generated \$235 million in cash from operating activities in the first nine months of 2025 compared with \$149 million in the prior-year period.

Terex returned \$87 million to shareholders in the first nine months of 2025 through share repurchases and dividends. The company \$183 million remaining available for repurchase under its share repurchase program.

### 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.

## Recent News

### Terex and REV Group Announce Merger

Terex and REV Group, on **Oct. 30**, announced that they have entered into a definitive merger agreement that will create a leading specialty equipment manufacturer. The merged company will offer a diversified portfolio of emergency, waste, utilities, environmental and material processing equipment with attractive end markets characterized by low cyclicalities, resilient demand and long-term growth. With an enhanced manufacturing footprint in the United States, the combined organization will be well-positioned to benefit from domestic demand growth.

The combined company is expected to have approximately \$7.8 billion in net sales and a combined adjusted EBITDA margin of approximately 11% as of year-end 2025, excluding the benefit of synergies.

The deal is expected to unlock significant value-creating synergies totaling \$75 million of run-rate value in 2028, with approximately 50% achieved 12 months after closing. Terex, meanwhile, announced that it will initiate a process to exit its Aerials segment, which could be a potential sale or spin-off.

The agreement has been unanimously approved by the boards of directors of both companies. The transaction is expected to close in the first half of 2026, subject to approval by both the companies' shareholders, regulatory clearances and satisfaction of other customary closing conditions.

REV Group shareholders will receive, for each share held in REV Group, 0.9809 of a share of the combined company and \$8.71 in cash (\$425 million in total). On closing, the combined company will continue to trade on the NYSE under the symbol TEX. Terex shareholders will own approximately 58%, while REV Group shareholders will hold the remaining 42%.

### Terex Sells Tower & Rough Terrain Crane Businesses

Terex, on **Nov. 3**, announced that it has completed the previously announced sale of its Terex Tower and Rough Terrain Cranes businesses to Raimondi Cranes SpA. This move is in sync with Terex's focus to reduce cyclicalities and boost core business growth. The deal includes the sale of 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.

## Valuation

Terex's shares have gone up 19% in the last six-month period and up 21.1% over the trailing 12-month period. Stocks in the Zacks Manufacturing – Construction and Mining industry are up 55.4% while the Zacks Industrial Products sector are up 5.7% in the trailing six-month period. Over the past year, the Zacks sub-industry are up 56.3% and the sector are up 4.9%.

The S&P 500 index is up 16.28% in the trailing 6-month period and up 16.4% in the past year.

The stock is currently trading at 0.64X forward 12-month sales, which compares with 2.84X for the Zacks sub-industry, 4.21X for the Zacks sector and 5.29X for the S&P 500 index.

Over the past five years, the stock has traded as high as 0.58X and as low as 0.39X, with a 5-year median of 0.57X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$58 price target reflects 0.68X forward 12-month sales.

The table below shows summary valuation data for TEX.

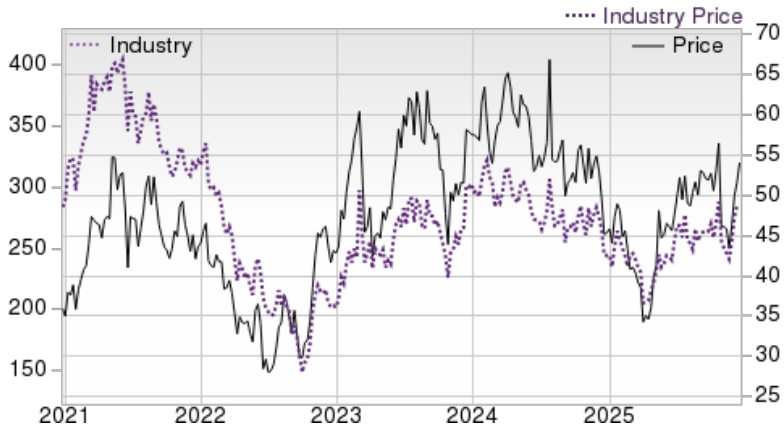
Valuation Multiples - TEX					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.64	2.84	4.21	5.29
	5-Year High	0.58	2.90	4.24	5.49
	5-Year Low	0.39	1.80	3.28	4.79
	5-Year Median	0.57	2.16	4.09	5.24
EV/EBITDA TTM	Current	8.14	17.01	25.50	18.78
	5-Year High	9.11	18.08	26.11	18.78
	5-Year Low	5.19	8.85	15.87	13.85
	5-Year Median	7.94	11.43	19.45	17.50
P/B TTM	Current	1.79	10.44	8.98	8.57
	5-Year High	1.90	11.20	9.23	8.84
	5-Year Low	1.16	5.70	6.35	6.66
	5-Year Median	1.65	7.82	8.10	8.25

As of 12/23/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 44% (107 out of 243)



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

Company (Ticker)	Rec	Rank
AGCO Corporation (AGCO)	Neutral	3
Astec Industries, In..(ASTE)	Neutral	2
Caterpillar Inc. (CAT)	Neutral	2
CNH Industrial N.V. (CNH)	Neutral	4
Deere & Company (DE)	Neutral	4
Hyster-Yale, Inc. (HY)	Neutral	4
Lindsay Corporation (LNN)	Neutral	2
Komatsu Ltd. (KMTUY)	Underperform	4

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

	TEX	X Industry	S&P 500	HY	MTW
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	NA
Zacks Rank (Short Term)	3	-	-	4	
VGM Score	B	-	-	A	
Market Cap	3.58 B	2.50 B	39.23 B	548.86 M	449.77 M
# of Analysts	5	1	22	1	0
Dividend Yield	1.24%	1.19%	1.4%	4.65%	0.00%
Value Score	B	-	-	A	
Cash/Price	0.14	0.11	0.04	0.13	0.09
EV/EBITDA	9.77	7.79	14.67	2.42	7.79
PEG Ratio	-1.90	3.71	2.24	NA	NA
Price/Book (P/B)	1.78	1.18	3.34	1.02	0.66
Price/Cash Flow (P/CF)	7.37	7.51	15.39	2.59	5.64
P/E (F1)	11.22	13.91	19.90	NA	NA
Price/Sales (P/S)	0.67	0.72	3.12	0.14	0.21
Earnings Yield	9.01%	6.53%	5.01%	-3.00%	NA%
Debt/Equity	1.28	0.48	0.56	0.47	0.70
Cash Flow (\$/share)	7.41	5.97	8.98	11.95	2.25
Growth Score	C	-	-	B	NA
Hist. EPS Growth (3-5 yrs)	54.72%	25.95%	8.16%	27.47%	-27.04%
Proj. EPS Growth (F1/F0)	-19.48%	-16.94%	8.50%	NA	NA
Curr. Cash Flow Growth	-8.03%	-1.27%	6.86%	20.71%	-31.66%
Hist. Cash Flow Growth (3-5 yrs)	11.82%	8.17%	7.48%	20.77%	-5.39%
Current Ratio	2.15	2.12	1.18	1.39	2.14
Debt/Capital	56.12%	32.85%	38.01%	33.10%	41.28%
Net Margin	2.92%	3.21%	12.78%	0.07%	2.63%
Return on Equity	15.93%	12.17%	17.00%	5.93%	0.87%
Sales/Assets	0.89	1.05	0.53	1.90	1.20
Proj. Sales Growth (F1/F0)	5.80%	0.00%	5.84%	-12.70%	NA
Momentum Score	B	-	-	B	
Daily Price Chg	0.00%	0.00%	-0.03%	0.00%	0.00%
1 Week Price Chg	4.74%	-0.39%	2.29%	-8.64%	1.08%
4 Week Price Chg	19.36%	4.18%	1.72%	7.99%	12.01%
12 Week Price Chg	4.47%	-1.64%	3.20%	-15.53%	22.99%
52 Week Price Chg	19.28%	33.29%	14.78%	-39.14%	41.68%
20 Day Average Volume	1,183,226	175,221	2,745,060	177,157	233,392
(F1) EPS Est 1 week change	0.04%	0.00%	0.00%	0.00%	NA
(F1) EPS Est 4 week change	0.65%	0.00%	0.00%	0.00%	NA
(F1) EPS Est 12 week change	0.70%	-1.17%	0.64%	-224.00%	NA
(Q1) EPS Est Mthly Chg	-1.77%	0.00%	0.00%	0.00%	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	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														
Net Sales	\$4,417.7	\$5,151.5	\$5,127.0	\$1,229.0	\$1,487.0	\$1,387.0	\$1,321.2	\$5,424.2	\$1,248.5	\$1,517.1	\$1,416.8	\$1,382.7	\$5,565.2	\$5,802.2
FX (in \$)	(\$244.0)	(\$27.0)	\$0.0	\$0.0	\$13.0	\$22.0	\$0.0	\$35.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Organic Growth (in \$)	\$774.9	\$760.8	(\$24.5)	(\$63.5)	(\$179.0)	(\$121.0)	(\$305.8)	(\$669.3)	\$19.5	\$30.1	\$29.8	\$61.5	\$141.0	\$237.0
Acquisition				\$0.0	\$271.0	\$274.0			\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Currency	(6.3%)	(0.6%)	0.0%	0.0%	0.9%	1.8%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Organic Growth	19.9%	17.2%	(0.5%)	(4.9%)	(13.0%)	(10.0%)	(24.6%)	(13.1%)	1.6%	2.0%	2.1%	4.7%	2.6%	4.3%
Acquisition				0.0%	19.6%	22.6%	31.1%	18.2%	0.0%	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	\$1,105.0	\$1,077.1	\$4,377.1	\$980.4	\$1,174.8	\$1,100.0	\$1,065.1	\$4,320.4	\$4,487.4
Gross Profit, Adjusted		\$1,180.8	\$1,112.0	\$254.0	\$318.0	\$305.0	\$263.1	\$1,140.1	\$268.1	\$342.3	\$316.8	\$317.6	\$1,244.7	\$1,314.8
Gross Profit, GAAP	\$871.2	\$1,176.6	\$1,068.0	\$230.0	\$291.0	\$282.0	\$244.1	\$1,047.1	\$268.1	\$342.3	\$316.8	\$317.6	\$1,244.7	\$1,314.8
Selling, General & Administrative Expenses, Adjusted		\$529.1	\$530.0	\$143.0	\$154.0	\$137.0	\$140.3	\$574.3	\$152.5	\$159.2	\$147.2	\$148.3	\$607.2	\$610.5
Selling, General & Administrative Expenses, GAAP	\$451.2	\$540.1	\$542.0	\$161.0	\$162.0	\$142.0	\$140.3	\$605.3	\$152.5	\$159.2	\$147.2	\$148.3	\$607.2	\$610.5
Adjusted EBITDA		\$706.0	\$642.0	\$128.0	\$182.0	\$186.0	\$144.0	\$640.0	\$151.9	\$224.6	\$210.1	\$213.3	\$799.9	\$876.5
EBITDA	\$465.0	\$690.9	\$605.0	\$106.0	\$166.0	\$178.0	\$144.0	\$594.0	\$151.9	\$224.6	\$210.1	\$213.3	\$799.9	\$876.5
Depreciation & Amortization	\$47.2	\$56.4	\$82.0	\$39.0	\$39.0	\$40.0	\$42.2	\$160.2	\$38.3	\$43.4	\$42.5	\$46.1	\$170.4	\$180.1
Operating Income, Adjusted		\$651.7	\$582.0	\$111.0	\$164.0	\$168.0	\$122.8	\$565.8	\$115.6	\$183.1	\$169.6	\$169.2	\$637.5	\$704.3
Operating Income, GAAP	\$420.0	\$636.5	\$526.0	\$69.0	\$129.0	\$140.0	\$103.8	\$441.8	\$115.6	\$183.1	\$169.6	\$169.2	\$637.5	\$704.3
Interest Income	\$2.8	\$7.6	\$13.0	\$2.0	\$2.0	\$3.0	\$3.2	\$10.2	\$2.3	\$3.0	\$3.0	\$2.9	\$11.1	\$11.8
Interest Expense	\$49.1	\$63.3	\$89.0	\$43.0	\$44.0	\$45.0	\$45.1	\$177.1	\$44.7	\$50.0	\$49.4	\$49.0	\$193.1	\$209.8
Loss on Early Extinguishment 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	\$0.0
Other Expense (Income), net, Adjusted		\$6.8	\$7.0	\$0.0	\$2.0	\$2.0	(\$0.5)	\$3.5	\$0.9	\$2.2	\$1.6	\$1.0	\$5.7	\$5.9
Other Expense (Income), net, GAAP	\$6.8	\$1.1	\$42.0	\$2.0	(\$2.0)	\$4.0	(\$0.5)	\$3.5	\$0.9	\$2.2	\$1.6	\$1.0	\$5.7	\$5.9
Pre-Tax Income, Adjusted		\$589.2	\$499.0	\$70.0	\$120.0	\$124.0	\$81.4	\$395.4	\$72.4	\$133.8	\$121.5	\$122.1	\$449.9	\$500.4
Pre-Tax Income, GAAP	\$366.6	\$579.7	\$408.0	\$26.0	\$89.0	\$94.0	\$62.4	\$271.4	\$72.4	\$133.8	\$121.5	\$122.1	\$449.9	\$500.4
Income Tax, Adjusted		\$107.0	\$86.0	\$15.0	\$22.0	\$24.0	\$10.0	\$71.0	\$17.4	\$32.1	\$29.2	\$29.3	\$108.0	\$120.1
Income Tax, GAAP	\$66.4	\$63.0	\$73.0	\$5.0	\$17.0	\$29.0	\$15.0	\$66.0	\$17.4	\$32.1	\$29.2	\$29.3	\$108.0	\$120.1
Tax Rate, Adjusted		18.2%	17.2%	21.0%	18.3%	19.9%	12.2%	17.9%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Tax Rate, GAAP	18.1%	10.9%	17.8%	20.3%	18.5%	31.4%	24.0%	16.7%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Net Income from Continuing Operations, Adjusted	\$300.2	\$482.2	\$413.0	\$55.0	\$98.0	\$100.0	\$71.4	\$324.4	\$55.0	\$101.7	\$92.4	\$92.8	\$341.9	\$380.3
Net Income from Continuing Operations, GAAP	\$300.2	\$516.7	\$335.0	\$21.0	\$72.0	\$65.0	\$47.4	\$205.4	\$55.0	\$101.7	\$92.4	\$92.8	\$341.9	\$380.3
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	\$0.0
Net Income, GAAP	\$300.0	\$518.0	\$335.0	\$21.0	\$72.0	\$65.0	\$47.4	\$205.4	\$55.0	\$101.7	\$92.4	\$92.8	\$341.9	\$380.3
Basic Shares Outstanding	68.5	67.5	67.0	66.3	65.6	65.6	64.4	65.5	63.7	63.1	62.4	61.6	62.7	59.9
Diluted Shares Outstanding	69.4	68.3	67.6	66.9	65.9	66.2	65.0	66.0	64.3	63.7	63.0	62.2	63.3	60.5
Basic EPS	\$4.38	\$7.65	\$5.00	\$0.32	\$1.10	\$0.99	\$0.74	\$3.15	\$0.86	\$1.61	\$1.48	\$1.51	\$5.46	\$6.35
Diluted EPS from Continuing Operations, Adjusted	\$4.32	\$7.06	\$6.11	\$0.83	\$1.49	\$1.50	\$1.10	\$4.92	\$0.86	\$1.60	\$1.47	\$1.49	\$5.41	\$6.29
Diluted EPS from Continuing Operations, GAAP	\$4.32	\$7.56	\$4.96	\$0.31	\$1.09	\$0.98	\$0.73	\$3.11	\$0.86	\$1.60	\$1.47	\$1.49	\$5.41	\$6.29
Diluted EPS, GAAP	\$4.32	\$7.58	\$4.96	\$0.31	\$1.09	\$0.98	\$0.73	\$3.11	\$0.86	\$1.60	\$1.47	\$1.49	\$5.41	\$6.29
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	\$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>B</b>
Growth Score	<b>C</b>
Momentum Score	<b>A</b>
VGM Score	<b>A</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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