

## United Airlines (UAL)

**\$117.32** (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$131.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 06/09/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

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

3-Hold

Zacks Style Scores:

VGM: A

Value: A

Growth: D

Momentum: A

## Summary

Shares of United Airlines have gained 44% in the past six months, outperforming the industry's uptick of 28.3%. Improvement in air-travel demand bodes well for UAL's top line. A solid balance sheet allows the company to reward their shareholders through share buybacks. Low fuel costs bode well for the bottom-line growth of airlines, including United Airlines. This is because fuel expenses are a significant input cost for airlines. Despite the positives, we suggest investors should not buy UAL stock now due to headwinds like high labor costs, Boeing and Airbus-related delivery delays and share price volatility. We advise investors to wait for a better entry point. For those who already own the stock, it will be prudent to stay invested. Our thesis is supported by our Neutral recommendation on the shares.

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



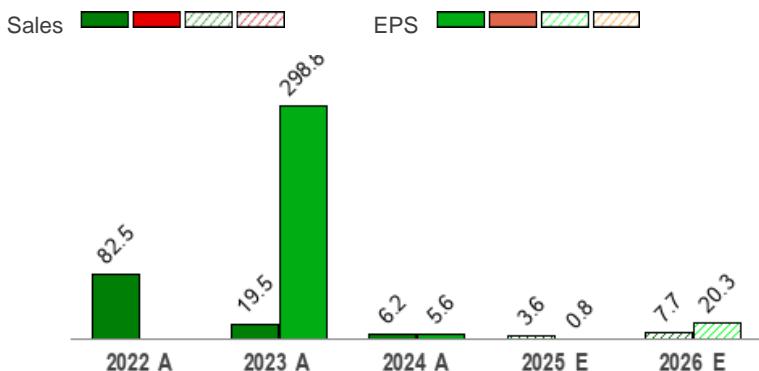
## Data Overview

52 Week High-Low	<b>\$119.21 - \$52.00</b>
20 Day Average Volume (sh)	<b>3,476,725</b>
Market Cap	<b>\$38.0 B</b>
YTD Price Change	<b>4.9%</b>
Beta	<b>1.31</b>
Dividend / Div Yld	<b>\$0.00 / 0.0%</b>
Industry	<b>Transportation - Airline</b>
Zacks Industry Rank	<b>Bottom 34% (162 out of 244)</b>

Last EPS Surprise	<b>5.3%</b>
Last Sales Surprise	<b>-0.5%</b>
EPS F1 Est- 4 week change	<b>1.8%</b>
Expected Report Date	<b>01/20/2026</b>
Earnings ESP	<b>-3.6%</b>

P/E TTM	<b>10.8</b>
P/E F1	<b>11.0</b>
PEG F1	<b>1.1</b>
P/S TTM	<b>0.7</b>

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



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

	Q1	Q2	Q3	Q4	Annual*
2026	14,317 E	16,357 E	16,443 E	16,581 E	63,698 E
2025	13,213 A	15,236 A	15,225 A	15,443 E	59,117 E
2024	12,539 A	14,986 A	14,843 A	14,695 A	57,063 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	0.95 E	4.19 E	3.34 E	4.39 E	12.86 E
2025	0.91 A	3.87 A	2.78 A	3.13 E	10.69 E
2024	-0.15 A	4.14 A	3.33 A	3.26 A	10.61 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/09/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/26/2025.

## Overview

United Airlines Holdings is based in Chicago. The carrier changed its name from United Continental Holdings to United Airlines Holdings in June 2019. It is the holding company for both United Airlines and Continental Airlines.

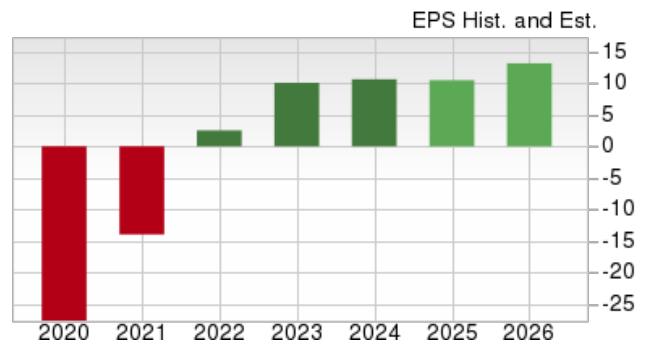
United Airlines, whose fiscal year coincides with the calendar year, transports people and cargo not only throughout North America but also destinations in Asia, Europe, the Middle East and Latin America. The carrier's hubs are at Newark Liberty International Airport, Chicago O'Hare International Airport, Denver International Airport, George Bush Intercontinental Airport, Los Angeles International Airport, A.B. Won Pat International Airport, San Francisco International Airport and Washington Dulles International Airport.

Passenger revenues account for the bulk of its top line. As a result of the post -COVID normalization in air travel, passenger revenues increased 5.7% year over year in 2024 to \$51.8 billion and accounted for the bulk (90.8%) of the top line. Cargo revenues contributed 3.1% while the rest came from other sources. Cargo revenues improved 16.6% from 2023 levels. .

Domestic revenues (United States and Canada) accounted for 59.7% of the total revenues in 2024. Atlantic, Pacific and Latin American regions accounted for 19.4%, 11.3% and 9.5% respectively in 2024.

As of Dec 31, 2024 the carrier's total fleet size stood at 1,406, out of which 994 were mainline (854 were owned and 140 leased) and 412 regional (172 owned and 240 either owned or leased by regional carriers). United Airlines is a member of Star Alliance, the largest and most comprehensive airline alliance in the world.

It is part of four passenger joint business arrangements ("JBAs"). Moreover, the company's MileagePlus loyalty program is aimed at promoting customer loyalty by offering awards, benefits and services to its members. Participants in the program are eligible to earn free miles for flights on United Airlines, United Express, Star Alliance members and certain other airlines. In 2024, roughly 9.2 million MileagePlus flight awards were used on United and United Express and MileagePlus flight awards represented 9% of the company's total revenue passenger miles.



As of 12/26/2025



As of 01/09/2026

## Reasons To Buy:

▲ **Improvement in air-travel demand**, following the normalization of economic activities, bodes well for United Airlines top line. With people taking to the skies again following the end of the pandemic, UAL's third-quarter 2025 operating revenues of \$15.2 billion (though fell short of the Zacks Consensus Estimate of \$15.3 billion) increased 2.6% year over year. Passenger revenues (which accounted for 90.7% of the top line) increased 1.9% year over year to \$13.8 billion. UAL's diverse revenue sources contributed to its third-quarter results. These include premium cabin revenues, which went up 6% year over year, revenue from Basic Economy (up 4% year over year), cargo revenues (up 3%) and loyalty revenues (up 9%). This steady positive pattern has continued in the fourth quarter, and UAL anticipates the fourth quarter of 2025 to have the highest total operating revenue for a single quarter in company history. UAL flights transported 48,382 passengers in the third quarter, up 6.2% year over year.

Improving demand and lower fuel prices make us optimistic about UAL shares. The shareholder-friendly approach and attractive valuation add to the stock's luster.

▲ United Airlines has a **solid balance sheet**. The airline ended third-quarter 2025 with cash and cash equivalents of \$6.73 billion, much higher than the current debt level of \$4.62 billion. This implies that the company has sufficient cash to meet its current debt obligations.

▲ A strong balance sheet enables the company to **reward shareholders with dividends and share repurchases**. On a shareholder-friendly note, in October, UAL's management announced a \$1.5 billion share buyback plan. This was the first buyback program since the Covid-19 pandemic, as restrictions under the CARES Act prohibited airlines from paying dividends or buying back shares till Sep 30, 2022. The new buyback program highlights UAL's financial progress. UAL aims to commence executing the repurchase program from the ongoing quarter and continue through 2025. This program will be funded by free cash flow generation as the carrier expects its profitability to improve.

## Reasons To Sell:

- ▼ **Labor costs** have been moving up of late. Labor cost increase of 12.8% in 2024 swamped the 5% increase in total operating expenses, despite costs on aircraft fuel decreasing year over year. During the first nine months of 2025, labor costs rose 6.2% leading to 4.1% year-over-year surge in operating expenses. The increase was attributable to deals inked with various labor groups. UAL expects to continue experiencing increased cost pressure from the labor agreements.
- ▼ **Delivery delays** from Airbus and Boeing are expected to limit capacity growth going forward. Capacity reductions, particularly in its domestic and Atlantic markets, will hurt both revenue and profitability. With air travel demand remaining buoyant, with many people taking to the skies, this is revenue lost forever.
- ▼ Stock prices of companies like UAL are notoriously **volatile**. As such, shares of UAL may not be suitable for investors who are not comfortable with often substantial day-to-day volatility.

High labor costs, Boeing and Airbus-related delivery delays apart from share price volatility represent the main headwinds at UAL.

## Last Earnings Report

### Earnings Beat in Q3

UAL reported mixed third-quarter 2025 results wherein the company's earnings beat the Zacks Consensus Estimate, but revenues missed the same.

UAL's third-quarter 2025 adjusted earnings per share (EPS) (excluding 12 cents from non-recurring items) of \$2.78 surpassed the Zacks Consensus Estimate of \$2.64 but declined 16.5% on a year-over-year basis. The reported figure lies above the guided range of \$2.25 and \$2.75.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 15, 2025
Sales Surprise	-0.51%
EPS Surprise	5.30%
Quarterly EPS	2.78
Annual EPS (TTM)	10.82

Operating revenues of \$15.2 billion fell short of the Zacks Consensus Estimate of \$15.3 billion but increased 2.6% year over year. Passenger revenues (which accounted for 90.7% of the top line) increased 1.9% year over year to \$13.8 billion. UAL flights transported 48,382 passengers in the third quarter, up 6.2% year over year.

Cargo revenues grew 3.2% year over year to \$431 million. Revenues from other sources rose 13.2% year over year to \$979 million.

UAL's diverse revenue sources contributed to its third-quarter results. These include premium cabin revenues, which went up 6% year over year, revenue from Basic Economy (up 4% year over year), cargo revenues (up 3%) and loyalty revenues (up 9%). This steady positive pattern has continued in the fourth quarter, and UAL anticipates the fourth quarter of 2025 to have the highest total operating revenue for a single quarter in company history.

### Other Details of UAL's Q3 Earnings Report

Below, we present all comparisons (in % terms) with the third quarter of 2024 figures unless otherwise stated.

Airline traffic, measured in revenue passenger miles, grew 6.1%. Capacity, measured in available seat miles, expanded 7.2%. Although traffic improved year over year, it failed to outpace capacity expansion. As a result, the consolidated load factor (percentage of seats filled by passengers) declined 0.7 points on a year-over-year basis to 83.3%.

Consolidated passenger revenue per available seat mile (a key measure of unit revenues) inched down 5% year over year. Total revenue per available seat mile decreased 4.3% year over year. The average yield per revenue passenger mile fell 4% year over year to 18.73 cents. The average aircraft fuel price per gallon fell 5.1% year over year to \$2.43. Fuel gallons consumed were up 5.4% year over year.

Operating expenses (on a reported basis) increased 4.2% year over year to \$13.8 billion. Consolidated unit cost or cost per available seat mile, excluding fuel, third-party business expenses, profit-sharing and special charges, inched down 0.9% year over year to 12.15 cents.

UAL exited the third quarter with cash and cash equivalents of \$6.73 billion compared with \$9.35 billion at the prior-quarter end. Long-term debt, finance leases and other financial liabilities were \$20.8 billion, flat sequentially.

UAL repurchased \$19 million of shares in the third quarter of 2025. UAL generated \$1.21 billion of free cash flow in the September quarter.

### UAL's Outlook

For fourth-quarter 2025, UAL anticipates adjusted EPS between \$3.00 and \$3.50.

## Recent News

### United Airlines Inks Deal With Travelport — Dec. 2, 2025

United Airlines and Travelport, a global technology company that powers bookings for many travel suppliers, are forging a forward-looking partnership that shifts airline distribution into a more collaborative, technology-driven era. The company is actively opening its New Distribution Capability technology roadmap to Travelport and co-developing new capabilities, reinforcing its ambition to lead in modern airline retailing. This move breaks from the traditional airline—GDS model and enables faster innovation, richer content, and greater transparency for travel agencies and corporate buyers.

## Valuation

United Airlines' shares are up 44% in the past six months. Shares of the company gained 14.4% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Transportation sector are up 28.3% and 8.9% in the past six months, respectively. Over the past year, the Zacks sub-industry and the Zacks Transportation sector has been up 17.6% and 0.3%, respectively.

The S&P 500 index is up 14.9% in the past six months and 18.1% in a year.

The stock is currently trading at 0.54X forward 12-month price to sales, which compares to 0.58X for the Zacks sub-industry, 1.46X for the Zacks sector and 5.41X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 0.77X and as low as 0.20X, with a 5-year median of 0.33X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$131.00 price target reflects 0.62X forward 12-month sales.

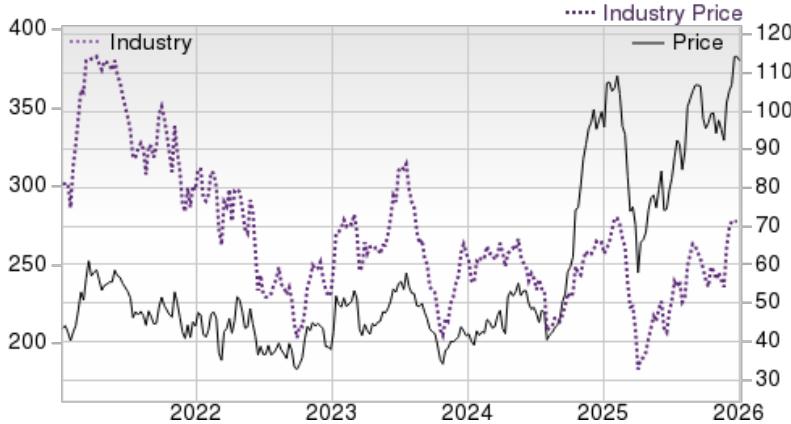
The table below shows summary valuation data for UAL.

Valuation Multiples - UAL					
	Stock	Sub-Industry	Sector	S&P 500	
P/S F12M	Current	0.54	0.58	1.46	5.41
	5-Year High	0.77	1.06	2.72	5.55
	5-Year Low	0.2	0.31	1.36	3.84
	5-Year Median	0.33	0.47	1.73	5.01
EV/S TTM	Current	0.31	0.72	2.06	5.66
	5-Year High	3.03	3.33	4.17	5.84
	5-Year Low	0.31	0.55	1.76	3.79
	5-Year Median	0.59	0.76	2.37	5.07

As of 12/25/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 34% (162 out of 244)



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

Company (Ticker)	Rec	Rank
American Airlines Gr...(AAL)	Neutral	3
Air France-KLM SA (AFLYY)	Neutral	3
Air China Ltd. (AIRYY)	Neutral	3
Alaska Air Group, In...(ALK)	Neutral	3
Delta Air Lines, Inc...(DAL)	Neutral	3
Deutsche Lufthansa A...(DLAKY)	Neutral	3
International Consol...(ICAGY)	Neutral	3
Southwest Airlines C...(LUV)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Transportation - Airline

	UAL	X Industry	S&P 500	AAL	DAL	LUV
<b>Zacks Recommendation (Long Term)</b>	Neutral		-	-	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	3		-	-	3	3
<b>VGM Score</b>	A	-	-	B	A	B
Market Cap	37.98 B	4.09 B	40.82 B	10.55 B	47.22 B	23.02 B
# of Analysts	8	4	22	8	8	8
Dividend Yield	0.00%	0.00%	1.37%	0.00%	1.04%	1.62%
<b>Value Score</b>	A	-	-	A	A	A
Cash/Price	0.36	0.24	0.04	0.75	0.08	0.14
EV/EBITDA	5.35	5.26	15.04	5.26	7.10	9.75
PEG Ratio	1.09	0.62	2.08	0.56	1.17	0.27
Price/Book (P/B)	2.65	2.02	3.46	NA	2.51	2.96
Price/Cash Flow (P/CF)	5.97	5.42	15.58	2.91	7.18	11.85
P/E (F1)	10.97	9.79	18.90	7.94	9.99	14.02
Price/Sales (P/S)	0.65	0.69	3.12	0.19	0.75	0.84
Earnings Yield	11.27%	9.89%	5.28%	12.57%	10.01%	7.12%
Debt/Equity	1.45	0.68	0.57	-6.34	0.68	0.52
Cash Flow (\$/share)	19.65	2.36	8.98	5.49	10.08	3.76
<b>Growth Score</b>	D	-	-	F	C	D
Hist. EPS Growth (3-5 yrs)	37.87%	32.57%	8.24%	-3.70%	51.59%	-5.00%
Proj. EPS Growth (F1/F0)	0.75%	50.64%	9.21%	-69.90%	-5.52%	-3.13%
Curr. Cash Flow Growth	7.56%	-3.89%	7.00%	-12.30%	2.23%	-10.13%
Hist. Cash Flow Growth (3-5 yrs)	3.58%	0.47%	7.49%	-4.31%	-2.43%	-8.52%
Current Ratio	0.67	0.68	1.19	0.54	0.40	0.49
Debt/Capital	59.25%	44.00%	38.14%	NA	40.43%	34.41%
Net Margin	5.64%	4.45%	12.77%	1.11%	7.36%	1.38%
Return on Equity	26.94%	12.26%	17.03%	-18.14%	23.83%	6.39%
Sales/Assets	0.77	0.71	0.53	0.87	0.81	0.89
Proj. Sales Growth (F1/F0)	3.60%	6.96%	5.30%	0.90%	2.20%	2.30%
<b>Momentum Score</b>	A	-	-	B	B	A
Daily Price Chg	1.60%	0.00%	0.65%	1.65%	1.43%	3.73%
1 Week Price Chg	-0.90%	-0.28%	1.76%	0.26%	-2.53%	0.05%
4 Week Price Chg	8.24%	6.56%	0.95%	6.89%	2.48%	9.28%
12 Week Price Chg	19.48%	10.58%	5.09%	34.48%	19.72%	33.73%
52 Week Price Chg	13.11%	15.69%	17.71%	-9.15%	17.73%	35.40%
20 Day Average Volume	3,476,725	261,544	2,445,854	49,997,240	5,871,346	8,664,315
(F1) EPS Est 1 week change	0.06%	0.00%	0.00%	-0.82%	0.63%	3.07%
(F1) EPS Est 4 week change	1.85%	0.00%	0.00%	5.17%	1.67%	13.06%
(F1) EPS Est 12 week change	5.80%	0.00%	0.47%	20.45%	3.46%	20.16%
(Q1) EPS Est Mthly Chg	3.77%	0.00%	0.00%	7.86%	-0.32%	-4.72%

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

### United Airlines Holdings, Inc. (UAL)

In \$MM, except per share data

FY Ends December 31st	2022A	2023A	2024A	2025E				2026E				2027E		
	FY Dec-22	FY Dec-23	FY Dec-24	1Q4	2Q4	3Q4	4Q4	FY Dec-25	1QE 31-Mar-26	2QE 30-Jun-26	3QE 30-Sep-26	4QE 31-Dec-26	FY Dec-26	FY Dec-27
				31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25							
<b>Income Statement</b>														
Total Passenger Revenue	\$40,032.0	\$49,046.0	\$51,829.0	\$11,860.0	\$13,836.0	\$13,815.0	\$14,009.0	\$53,520.0	\$12,892.6	\$14,868.3	\$14,957.4	\$15,073.5	\$57,791.8	\$62,091.7
Cargo	\$2,171.0	\$1,495.0	\$1,743.0	\$429.0	\$430.0	\$431.0	\$521.6	\$1,811.6	\$442.2	\$447.3	\$444.0	\$537.1	\$1,870.6	\$1,933.1
Other	\$2,752.0	\$3,176.0	\$3,491.0	\$923.0	\$970.0	\$979.0	\$912.3	\$3,784.3	\$982.3	\$1,041.7	\$1,041.6	\$970.4	\$4,035.9	\$4,046.0
<b>Total Revenue</b>	<b>\$44,955.0</b>	<b>\$53,717.0</b>	<b>\$57,063.0</b>	<b>\$13,213.0</b>	<b>\$15,236.0</b>	<b>\$15,225.0</b>	<b>\$15,442.8</b>	<b>\$59,116.8</b>	<b>\$14,317.1</b>	<b>\$16,357.3</b>	<b>\$16,442.9</b>	<b>\$16,581.0</b>	<b>\$63,698.3</b>	<b>\$68,070.8</b>
Salaries & Related Costs	\$11,466.0	\$14,787.0	\$16,678.0	\$4,155.0	\$4,413.0	\$4,555.0	\$4,623.6	\$17,746.6	\$4,734.2	\$4,493.7	\$4,603.9	\$4,662.5	\$18,494.4	\$20,439.2
Profit Sharing	\$133.0	\$681.0	\$713.0	\$43.0	\$188.0	\$228.0	\$257.0	\$716.0	\$169.0	\$228.0	\$235.8	\$235.2	\$868.0	\$945.6
Aircraft Fuel	\$13,113.0	\$12,651.0	\$11,756.0	\$2,701.0	\$2,775.0	\$2,997.0	\$2,801.0	\$11,274.0	\$3,009.4	\$3,152.7	\$3,375.5	\$3,107.3	\$12,644.8	\$12,843.7
Landing Fees and Other Rents	\$2,576.0	\$3,076.0	\$3,437.0	\$873.0	\$961.0	\$1,002.0	\$989.4	\$3,825.4	\$927.1	\$988.4	\$1,048.5	\$883.0	\$3,847.1	\$4,040.4
Depreciation and Amortization	\$2,456.0	\$2,671.0	\$2,928.0	\$727.0	\$733.0	\$730.0	\$751.8	\$2,941.8	\$700.7	\$775.7	\$793.3	\$801.2	\$3,070.9	\$3,225.1
Regional Capacity Purchase	\$2,299.0	\$2,400.0	\$2,516.0	\$950.0	\$676.0	\$686.0	\$710.7	\$7,227.7	\$660.9	\$742.6	\$750.8	\$759.6	\$2,913.9	\$3,112.0
Aircraft Maintenance Materials & Outside Repairs	\$2,153.0	\$2,736.0	\$3,063.0	\$731.0	\$865.0	\$779.0	\$842.9	\$3,217.9	\$779.7	\$887.3	\$881.5	\$899.1	\$3,447.7	\$3,680.9
Distribution Costs	\$1,535.0	\$1,977.0	\$2,231.0	\$496.0	\$487.0	\$555.0	\$569.3	\$2,107.3	\$496.9	\$572.4	\$587.9	\$589.9	\$2,247.2	\$2,409.6
Aircraft Rent	\$252.0	\$197.0	\$193.0	\$51.0	\$67.0	\$54.0	\$57.4	\$229.4	\$55.6	\$63.6	\$61.8	\$63.2	\$244.1	\$260.0
Other Operating Expenses	\$6,628.0	\$8,062.0	\$9,053.0	\$2,326.0	\$2,487.0	\$2,546.0	\$2,583.3	\$9,942.3	\$2,411.6	\$2,724.3	\$2,752.1	\$2,775.9	\$10,663.9	\$11,390.6
Third-Party Business Expenses	\$146.0	\$192.0	\$246.0	\$68.0	\$72.0	\$59.0	\$69.6	\$268.6	\$65.3	\$72.3	\$71.4	\$73.9	\$282.9	\$301.4
<b>Total Operating Expenses (Excl. Special Charges Credit)</b>	<b>\$42,478.0</b>	<b>\$48,557.0</b>	<b>\$51,855.0</b>	<b>\$12,713.0</b>	<b>\$13,463.0</b>	<b>\$13,903.0</b>	<b>\$13,929.2</b>	<b>\$54,008.2</b>	<b>\$13,776.1</b>	<b>\$14,400.7</b>	<b>\$14,855.4</b>	<b>\$14,541.7</b>	<b>\$57,573.9</b>	<b>\$61,401.4</b>
Special Charges	\$140.0	\$949.0	\$112.0	(\$108.0)	\$447.0	(\$73.0)	\$0.0	\$266.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Operating Expenses</b>	<b>\$29,086.0</b>	<b>\$35,033.0</b>	<b>\$39,140.0</b>	<b>\$9,900.0</b>	<b>\$10,428.0</b>	<b>\$10,619.0</b>	<b>\$10,801.6</b>	<b>\$41,748.6</b>	<b>\$10,532.4</b>	<b>\$10,947.7</b>	<b>\$11,172.7</b>	<b>\$11,125.3</b>	<b>\$43,778.1</b>	<b>\$47,310.8</b>
<b>Total Operating Expenses, GAAP</b>	<b>\$42,618.0</b>	<b>\$49,506.0</b>	<b>\$51,967.0</b>	<b>\$12,605.0</b>	<b>\$13,911.0</b>	<b>\$13,830.0</b>	<b>\$13,929.2</b>	<b>\$54,275.2</b>	<b>\$13,776.1</b>	<b>\$14,400.7</b>	<b>\$14,855.4</b>	<b>\$14,541.7</b>	<b>\$57,573.9</b>	<b>\$61,401.4</b>
Adjusted EBITDA	\$4,948.0	\$7,938.0	\$8,211.0	\$1,263.0	\$2,547.0	\$2,081.0	\$2,274.4	\$8,165.4	\$1,250.7	\$2,741.3	\$2,389.8	\$2,849.5	\$9,231.3	\$9,930.5
Adjusted Operating Income	\$2,477.0	\$5,160.0	\$5,208.0	\$500.0	\$1,772.0	\$1,322.0	\$1,513.6	\$5,107.6	\$541.0	\$1,956.6	\$1,587.5	\$2,039.3	\$6,124.4	\$6,699.5
Operating Income, GAAP	\$2,337.0	\$4,211.0	\$5,096.0	\$607.0	\$1,325.0	\$1,395.0	\$1,513.6	\$4,840.6	\$541.0	\$1,956.6	\$1,587.5	\$2,039.3	\$6,124.4	\$6,699.5
Interest Income	\$298.0	\$827.0	\$726.0	\$164.0	\$167.0	\$142.0	\$171.4	\$644.4	\$156.8	\$173.1	\$172.5	\$178.8	\$681.2	\$726.4
Interest Expense	\$1,778.0	\$1,956.0	\$1,629.0	\$356.0	\$361.0	\$331.0	\$391.8	\$1,439.8	\$349.9	\$389.5	\$392.0	\$404.0	\$1,535.4	\$1,690.8
Interest Capitalized	\$105.0	\$182.0	\$227.0	\$48.0	\$51.0	\$53.0	\$54.3	\$206.3	\$50.0	\$56.6	\$57.4	\$57.9	\$221.8	\$237.1
Unrealized (Gains) Losses on Investment	(\$20.0)	(\$27.0)	\$199.0	\$21.0	(\$26.0)	\$13.0	\$13.0	\$21.0	\$13.0	\$13.0	\$13.0	\$13.0	\$52.0	\$52.0
Miscellaneous, (net)	(\$8.0)	(\$96.0)	\$53.0	(\$36.0)	(\$41.0)	(\$9.0)	(\$9.0)	(\$95.0)	(\$9.0)	(\$9.0)	(\$9.0)	(\$9.0)	(\$36.0)	(\$36.0)
Total Non Operating Expenses, Net	\$1,347.0	\$824.0	\$928.0	\$129.0	\$77.0	\$141.0	\$170.1	\$517.1	\$147.1	\$163.7	\$166.1	\$171.4	\$648.3	\$743.2
Adjusted Pre-Tax Income	\$1,117.0	\$4,320.0	\$4,607.0	\$391.0	\$1,670.0	\$1,215.0	\$1,356.5	\$4,632.5	\$406.9	\$1,805.9	\$1,434.3	\$1,880.9	\$5,528.1	\$5,978.2
Pre-Tax Income, GAAP	\$990.0	\$3,387.0	\$4,168.0	\$478.0	\$1,248.0	\$1,255.0	\$1,343.5	\$4,324.5	\$393.9	\$1,792.9	\$1,421.3	\$1,867.9	\$5,476.1	\$5,926.2
Income Tax	\$253.0	\$769.0	\$1,019.0	\$91.0	\$275.0	\$306.0	\$335.9	\$1,007.9	\$98.5	\$448.2	\$355.3	\$467.0	\$1,369.0	\$1,481.6
Tax Rate	22.6%	17.8%	22.1%	23.3%	16.5%	25.2%	25.0%	23.3%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Adjusted Net Income	\$831.0	\$3,337.0	\$3,534.0	\$302.0	\$1,267.0	\$909.0	\$1,020.6	\$3,498.6	\$308.5	\$1,357.7	\$1,079.0	\$1,414.0	\$4,159.1	\$4,516.7
Net Income, GAAP	\$737.0	\$2,618.0	\$3,149.0	\$387.0	\$973.0	\$949.0	\$1,007.6	\$3,316.6	\$295.5	\$1,344.7	\$1,066.0	\$1,401.0	\$4,107.1	\$4,444.7
Diluted Shares Outstanding	330.1	331.9	333.2	333.0	327.2	326.9	326.0	328.3	325.1	324.2	323.3	322.4	323.8	320.2
Adjusted Diluted EPS	\$2.52	\$10.05	\$10.61	\$0.91	\$3.87	\$2.78	\$3.13	\$10.69	\$0.95	\$4.19	\$3.34	\$4.39	\$12.86	\$14.11
Diluted EPS, GAAP	\$2.23	\$7.89	\$9.45	\$1.16	\$2.97	\$2.90	\$3.09	\$10.12	\$0.91	\$4.15	\$3.30	\$4.35	\$12.70	\$13.88

## 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	A
Growth Score	D
Momentum Score	A
VGM Score	A

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

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