

Ulta Beauty Inc. (ULTA)

\$604.64 (Stock Price as of 12/29/2025)

Price Target (6-12 Months): **\$580.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/29/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM: D

Value: C

Growth: F

Momentum: A

Summary

Ulta Beauty continues to demonstrate strong brand momentum and customer loyalty, supported by a blend of prestige, mass and professional beauty. Management's focus on innovation, digital personalization and exclusive brand partnerships is helping the company stay relevant in a dynamic beauty landscape. However, cost pressures remain elevated, with higher store payroll, benefits and supply-chain expenses expected to limit near-term margin expansion. The upcoming launch of Ulta Beauty's online marketplace and the integration of Space NK present long-term opportunities but add execution complexity. Management's second-half view reflects a balanced stance amid more value-conscious consumers. While strategic investments underpin long-term strength, near-term profitability may remain constrained by increased expenses and reinvestments.

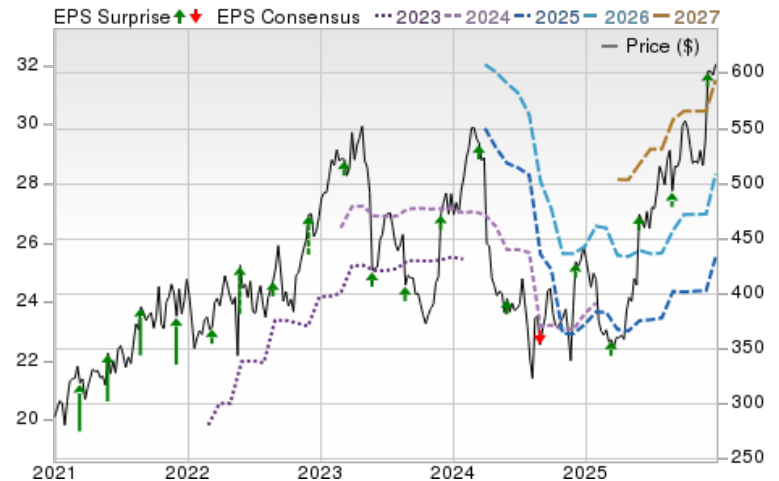
Data Overview

52 Week High-Low	\$616.34 - \$309.01
20 Day Average Volume (sh)	905,491
Market Cap	\$27.0 B
YTD Price Change	39.7%
Beta	0.87
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Retail - Miscellaneous
Zacks Industry Rank	Top 36% (87 out of 243)

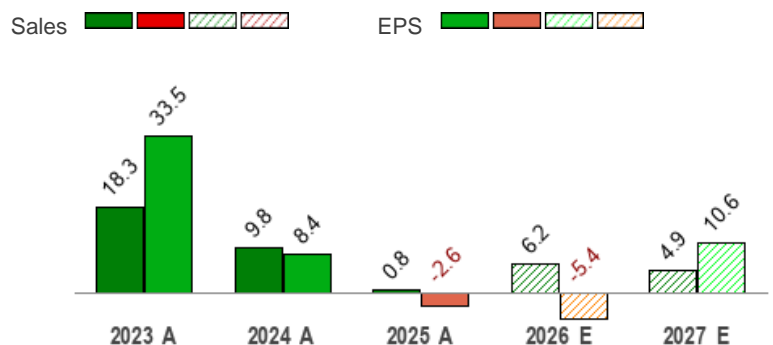
Last EPS Surprise	12.7%
Last Sales Surprise	5.0%
EPS F1 Est- 4 week change	4.6%
Expected Report Date	03/12/2026
Earnings ESP	0.0%

P/E TTM	23.3
P/E F1	25.2
PEG F1	11.2
P/S TTM	2.3

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	2,957 E	2,880 E	2,848 E	3,900 E	12,584 E
2026	2,848 A	2,788 A	2,858 A	3,681 E	12,001 E
2025	2,726 A	2,552 A	2,530 A	3,488 A	11,296 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	7.24 E	6.10 E	5.46 E	7.70 E	26.50 E
2026	6.70 A	5.78 A	5.14 A	7.36 E	23.97 E
2025	6.47 A	5.30 A	5.14 A	8.46 A	25.34 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/29/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/02/2025.

Overview

Bolingbrook, IL-based, Ulta Beauty Inc., previously known as Ulta Salon, Cosmetics & Fragrance, Inc., is a leading beauty retailer in the United States. Founded in 1990, the company changed its name to Ulta Beauty in January 2017.

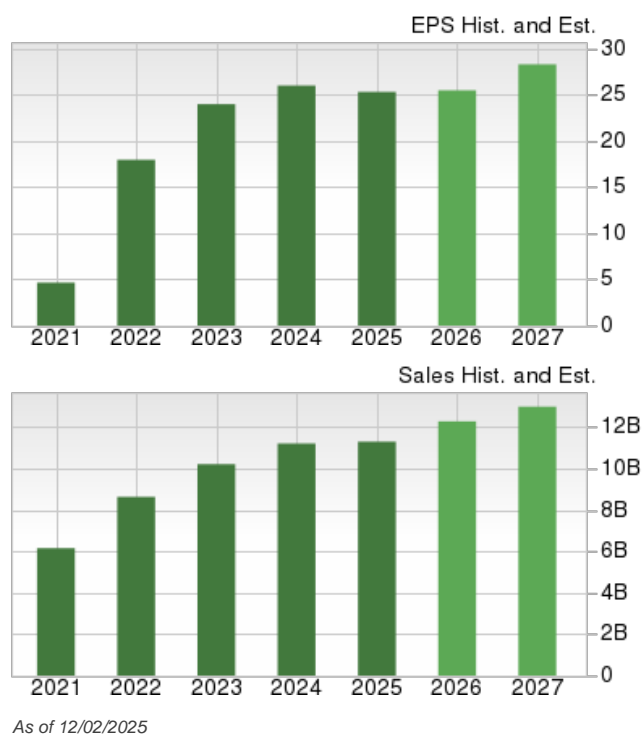
The company offers a wide range of products including cosmetics, fragrance, skincare, hair care, bath and body products, and salon styling tools in stores. It sells more than 25,000 products from about 500 well-established and emerging beauty brands across all categories and price points. We note that the company's skincare category has been standing out in particular for a while now, given consumers' rising consciousness.

Meanwhile, the beauty products retailer also provides private label products comprising Ulta Beauty Collection branded cosmetics, skincare, and bath products. Additionally, the company operates a full-service salon in every store offering hair, skin and brow services. Additionally, it offers products through its Website, [ulta.com](https://www.ulta.com), as well as mobile applications. The products offered by the company include the prestige and mass beauty brands.

As part of its value proposition, Ulta Beauty provides a range of loyalty programs through its Customer Relationship Management platform. It also offers frequent promotions, coupons, in-store events and gifts. The company also makes use of a range of media platforms to advertise products as well as generate awareness. The company strives to boost distribution center capabilities to better support store footfall and online demand.

The company has a strong vendor base and holds partnerships with companies such as Estee Lauder, L'Oréal and Shiseido. Ulta Beauty works closely with vendors to provide improved growth platforms for new and existing brands. Ulta Beauty ended the second quarter of fiscal 2025 with 1,473 stores, totaling 15.4 million square feet across the United States, excluding the 83 stores in the United Kingdom and Ireland operated by Space NK.

(Note: Zacks identifies fiscal years by the month in which the fiscal year ends, while ULTA identifies their fiscal year by the calendar year in which it begins; so comparable figures for any given fiscal year, as published by ULTA, will refer to this same fiscal year as being the year before the same year, as identified by Zacks)



Reasons To Buy:

▲ **Inherent Strength Aids Growth:** Ulta Beauty continues to demonstrate the power of its differentiated model that bridges mass, prestige and luxury beauty under one roof. This distinctive positioning, focused on inclusivity, innovation and engagement, remains a key to drive sustained traffic across both stores and digital channels. The company's second-quarter fiscal 2025 performance underscores these strengths. Net sales rose 9.3% year over year to \$2.79 billion, while comparable sales advanced 6.7%, driven by a 3.7% increase in transactions and a 2.9% rise in the average ticket. This broad-based improvement was seen across most major categories and both in-store and online channels. Ulta Beauty's successful execution of brand innovation, marketing activations and newness strategies helped reaccelerate growth after a softer start to the fiscal year.

Ulta Beauty's distinctive positioning, focused on inclusivity, innovation and engagement, remains a key to drive sustained traffic across both stores and digital channels.

▲ **Focus on Key Priorities:** Ulta Beauty's long-term growth strategy continues to hinge on five critical pillars — enhancing assortment, amplifying social relevance, advancing digital and personalization capabilities, optimizing promotions and expanding loyalty engagement. Each of these priorities delivered tangible progress during the second quarter. The company's Ultimate Rewards loyalty program remains a cornerstone of its customer engagement strategy, now reaching a record 45.8 million active members, up 4% year over year. The loyalty base not only drives higher frequency and retention but also feeds the company's personalization engine, enabling data-driven marketing.

▲ **Omnichannel and Digital Growth:** Ulta Beauty's balanced omnichannel model remains one of its most compelling growth levers. Digital sales continued to grow in the double digits in the second quarter, supported by greater adoption of its mobile app and new features like Split Cart. Importantly, approximately 50% of e-commerce orders were fulfilled by stores — the highest proportion in company history — highlighting the efficiency and profitability of its store-based fulfillment network. This integration of online and offline channels enhances convenience for guests while improving inventory productivity.

In the physical channel, the company opened 24 stores, relocated two stores, remodeled five stores and closed two stores in the second quarter. For fiscal 2025, management expects almost 63 net new stores, along with 43-48 store remodeling and relocation projects. These new stores are performing in line with expectations, and remodels continue to improve productivity and guest experience. Moving ahead, the company's much-anticipated online marketplace, now set to debut in the third quarter of 2025, has drawn strong brand participation. This platform will expand Ulta Beauty's assortment into adjacent wellness and lifestyle categories. With this initiative, the company is poised to evolve from a traditional retailer into a broader digital beauty ecosystem, deepening customer relationships and monetizing engagement in new ways.

▲ **Expanding International Footprint:** Ulta is entering a pivotal phase of international expansion that meaningfully broadens its growth runway. The company completed its acquisition of Space NK on July 10, 2025, adding 83 stores across the U.K. and Ireland, along with an established digital presence. Ulta intends to operate Space NK as a standalone subsidiary to preserve local expertise while leveraging its merchandising and brand capabilities to scale performance.

In parallel, Ulta opened its first store in Mexico during the second quarter and remains on track to launch its first Middle East store in late 2025, marking its debut in international markets under its own banner. These initiatives lay the groundwork for long-term global expansion while diversifying revenues beyond the mature U.S. market.

▲ **Growth in Wellness and Skincare Categories:** Ulta continues to capitalize on the structural tailwinds of wellness and skincare. The wellness shop concept has now expanded to 370 stores, with plans to add 50 more locations in the third quarter. The category now features 150 brands and more than 700 SKUs, spanning self-care, supplements and relaxation. Management expects the wellness category to be a \$1 billion business in the long term. In the second quarter of fiscal 2025, skin care and wellness category sales rose by high single digits due to strength in body care and wellness. Ulta continues to see growth in body care and sun care, supported by innovation and newness from exclusive and high-demand brands such as Tatcha, Sol de Janeiro and Touchland. This focus on exclusive launches and curated newness drives traffic and ticket growth while improving merchandise margin through higher full-price sell-through.

▲ **Financial Strength and Shareholder Returns:** Ulta Beauty's healthy financial position continues to underpin its growth investments and shareholder returns. The company repurchased 244,559 shares for \$109.5 million in the second quarter. In the first six months of fiscal 2025, ULTA repurchases totaled 1.2 million shares at a cost of \$468.3 million. As of Aug. 2, 2025, Ulta Beauty had shares worth \$2.2 billion left under its \$3 billion buyback program announced in October 2024. Management expects to buy back shares worth nearly \$900 million in fiscal 2025. Ulta's combination of strong free cash flow generation, ongoing buybacks and reinvestment in growth initiatives reflects a balanced, shareholder-aligned capital allocation strategy.

Reasons To Sell:

▼ **High SG&A and Operating Margin Pressure:** Ulta Beauty's second-quarter fiscal 2025 results reflected increased expenses and deleverage in selling, general and administrative (SG&A) costs. SG&A expenses increased 15% year over year to \$741.7 million, rising to 26.6% of sales from 25.3% in the prior-year period. The increase was driven by higher incentive compensation, elevated store payroll and benefits, and greater corporate overhead. Management cited increased selling hours to support in-store experiences, higher wage rates and costlier healthcare benefits as key contributors to expense growth. While some of these investments support long-term brand health, they are weighing on short-term profitability.

Ulta Beauty expects full-year operating profit to decline in the high single digits, with SG&A anticipated to grow 13–14% for fiscal 2025.

Despite an improved gross margin, the operating margin contracted 50 basis points to 12.4%. Ulta now expects full-year operating profit to decline in the high single digits, with SG&A anticipated to grow 13–14% for fiscal 2025. The SG&A increase is likely to be driven by elevated incentive compensation and the company's strategic investments. SG&A growth is expected to be higher in the second half of the year, reflecting the shift of investment spending and the lapping of the year-ago period's expense trend. Persistent wage inflation, higher store-related costs and stepped-up marketing spend could continue to compress operating margins through the back half of fiscal 2025.

▼ **Gross Margin Headwinds:** Although Ulta Beauty's gross margin improved 90 basis points to 39.2% in the second quarter, the guidance for fiscal 2025 reflects a gross margin decline. For fiscal 2025, the company expects gross margin to deleverage modestly, primarily reflecting higher store occupancy, transportation and supply-chain costs.

▼ **Target Partnership Exit Removes a High-Margin Revenue Stream:** Ulta Beauty and Target have mutually agreed not to extend their shop-in-shop partnership beyond August 2026. Although royalties from the partnership represented less than 1% of Ulta Beauty's fiscal 2024 sales, the partnership produced a meaningful flow-through to operating profit. The company faces an explicit execution task, recapturing Target guests into Ulta's ecosystem over a defined timeline.

▼ **Guidance Signals a Cautious View on Consumer Spending:** Ulta Beauty struck a cautious tone on its fiscal 2025 outlook, noting that consumers remain prudent and sensitive to pricing. The company expects the beauty category to stay healthy but is planning conservatively for the second half of fiscal 2025, given ongoing economic uncertainty. Ulta now forecasts comparable sales growth of 2.5% to 3.5% for the full year, with comps expected to be flat to up low single digits in the back half. This outlook indicates that management is taking a cautious stance and is not expecting a sharp pickup in consumer spending anytime soon.

Last Earnings Report

Ulta Beauty Q2 Earnings & Sales Beat Estimates, FY25 Outlook Raised

Ulta Beauty reported second-quarter fiscal 2025 results, wherein both top and bottom lines beat the Zacks Consensus Estimate and increased year over year. Better-than-expected results prompted management to raise its full-year view. The company reported second-quarter earnings per share of \$5.78, beating the Zacks Consensus Estimate of \$5.03. The bottom line increased from \$5.30 in the year-ago period.

Net sales of this beauty product retailer increased 9.3% year over year to \$2,788.5 million and beat the Zacks Consensus Estimate of \$2,653 million. This growth was driven by higher comparable sales, the acquisition of Space NK and new store contributions. Comparable sales, which include sales from stores open for at least 14 months and e-commerce transactions, rose 6.7%. This growth was driven by a 2.9% rise in average ticket and a 3.7% increase in transactions.

Ulta Beauty's gross profit totaled \$1,091.7 million, up 11.6% from \$978.2 million. Moreover, as a percentage of net sales, gross profit expanded 39.2% from 38.3%. This increase was driven by reduced inventory shrinkage and elevated merchandise margin, partially offset by deleverage in supply-chain costs, along with lower other revenues. We anticipated the gross margin to contract 30 bps. Selling, general and administrative (SG&A) expenses increased 15% to \$741.7 million from \$644.8 million reported in the prior-year quarter. As a percentage of net sales, SG&A expenses increased to 26.6% from 25.3%. This increase was due to the increased incentive compensation, store payroll and benefits, and corporate overhead.

Operating income was \$344.9 million compared with \$329.2 million in the prior-year quarter. As a percentage of net sales, operating income was 12.4%, down from 12.9% in the year-ago period.

The company ended the quarter with cash and cash equivalents of \$242.7 million. Net merchandise inventories were \$2,407.1 million at the end of the reported quarter. Stockholders' equity at the end of the quarter was \$2,603.9 million. Net cash provided by operating activities was \$316.5 million for the 26 weeks ended Aug. 2, 2025.

The company repurchased 244,559 shares for \$109.5 million in the quarter. In the first six months of fiscal 2025, repurchases totaled 1.2 million shares at a cost of \$468.3 million. As of Aug. 2, 2025, Ulta Beauty had shares worth \$2.2 billion left under its \$3 billion buyback program announced in October 2024. Management still expects to buy back shares worth nearly \$900 million in fiscal 2025. For the said period, capital expenditures are expected to be in the range of \$425-\$500 million.

In the reported quarter, the company opened 24 stores, relocated two stores, remodeled five stores and closed two stores. It ended the fiscal second quarter with 1,473 stores, totaling 15.4 million square feet across the United States, excluding the 83 stores in the United Kingdom and Ireland operated by Space NK. For fiscal 2025, ULTA now expects almost 63 net new stores, along with 43-48 store remodeling and relocation projects. Earlier, it anticipated approximately 60 net new stores and 40-45 store remodeling and relocation projects.

What to Expect From ULTA in FY25

Ulta Beauty now expects fiscal 2025 net sales in the range of \$12-\$12.1 billion, up from its prior outlook of \$11.5-\$11.7 billion. The company reported net sales of \$11.3 billion in fiscal 2024. Comparable sales are now expected to be 2.5% to 3.5% year over year. Earlier, it anticipated comparable sales to be flat to up 1.5%. Management now expects an operating margin between 11.9% and 12% in fiscal 2025, up from its prior outlook of 11.7% and 11.8%. Earnings per share are now envisioned to be in the range of \$23.85-\$24.30, up from the earlier range of \$22.65-\$23.20. Ulta Beauty's earnings were \$25.34 per share in fiscal 2024.

FY Quarter Ending **1/31/2025**

Earnings Reporting Date	Dec 04, 2025
Sales Surprise	4.95%
EPS Surprise	12.72%
Quarterly EPS	5.14
Annual EPS (TTM)	26.08

Valuation

Ulta Beauty's shares have gained 15.8% in the past six months period and 38.6% in the trailing 12-month period. Stocks in the Zacks sub-industry are up 12.4%, and the Zacks Retail Wholesale sector is up 5.9% in the past six months period. Over the past year, the sub-industry is up 3.7%, and the sector is up 5.1%.

The S&P 500 index is up 17.1% in the year-to-date period and 16.1% in the past year.

The stock is currently trading at 20.63X forward 12-month earnings, which compares to 18.25 for the Zacks sub-industry, 24.90X for the Zacks sector, and 23.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 73.75 and as low as 11.84, with a 5-year median of 19.38. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$580 price target reflects 21.87X forward 12-month earnings.

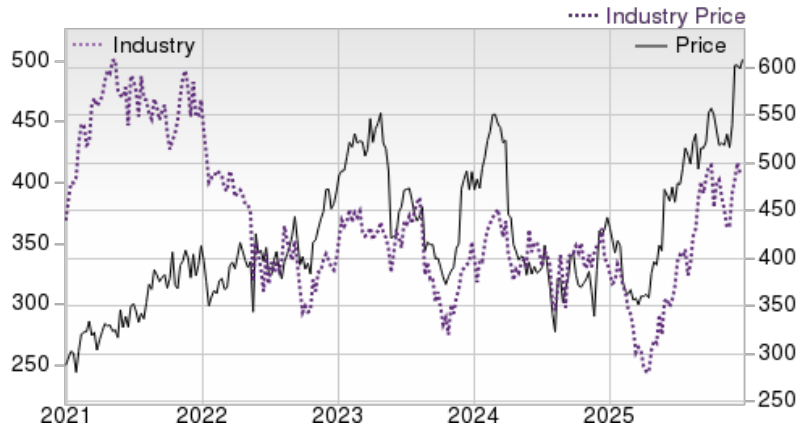
The table below shows summary valuation data for ULTA

Valuation Multiples - ULTA					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	20.63	18.25	24.90	23.57
	5-Year High	73.75	20.95	34.33	23.82
	5-Year Low	11.84	12.65	21.48	15.73
	5-Year Median	19.38	16.78	24.79	21.19
P/S F12M	Current	1.95	1.75	1.65	5.33
	5-Year High	2.77	2.32	2.05	5.50
	5-Year Low	1.24	1.44	1.20	3.83
	5-Year Median	2.05	1.79	1.54	5.04
EV/EBITDA TTM	Current	13.22	16.17	13.37	18.65
	5-Year High	29.75	18.31	27.12	22.41
	5-Year Low	7.58	9.42	11.27	13.87
	5-Year Median	12.38	14.24	14.54	17.96

As of 12/01/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 47% (115 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
The Estee Lauder Com...(EL)	Outperform	1
Coty (COTY)	Neutral	3
European Wax Center...(EWCZ)	Neutral	3
Helen of Troy Limite...(HELE)	Neutral	3
International Flavor...(IFF)	Neutral	3
Interparfums, Inc. (IPAR)	Neutral	3
Sally Beauty Holding...(SBH)	Neutral	3
e.l.f. Beauty (ELF)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Retail - Miscellaneous

	ULTA	X Industry	S&P 500	EL	IPAR	SBH
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	1	3	2
VGM Score	F	-	-	F	B	A
Market Cap	26.95 B	2.85 B	39.26 B	38.79 B	2.75 B	1.46 B
# of Analysts	12	5	22	10	2	3
Dividend Yield	0.00%	0.00%	1.4%	1.30%	3.74%	0.00%
Value Score	C	-	-	F	B	A
Cash/Price	0.01	0.06	0.04	0.06	0.07	0.10
EV/EBITDA	14.41	9.24	14.73	300.64	8.86	5.06
PEG Ratio	11.21	2.93	2.23	1.28	NA	NA
Price/Book (P/B)	9.89	3.17	3.38	9.97	2.49	1.87
Price/Cash Flow (P/CF)	19.19	9.59	15.45	28.21	14.01	5.00
P/E (F1)	25.35	20.16	20.04	50.11	16.83	7.26
Price/Sales (P/S)	2.25	0.78	3.15	2.69	1.88	0.39
Earnings Yield	4.20%	4.88%	4.94%	2.00%	5.94%	13.74%
Debt/Equity	0.00	0.35	0.57	1.88	0.13	1.09
Cash Flow (\$/share)	31.66	3.00	8.98	3.82	6.12	3.00
Growth Score	F	-	-	C	C	A
Hist. EPS Growth (3-5 yrs)	24.22%	5.41%	8.21%	-28.17%	25.92%	-2.82%
Proj. EPS Growth (F1/F0)	-5.41%	6.40%	8.54%	42.38%	-1.74%	8.42%
Curr. Cash Flow Growth	-4.34%	-0.48%	7.00%	-21.99%	15.23%	1.43%
Hist. Cash Flow Growth (3-5 yrs)	8.26%	6.65%	7.48%	-8.33%	23.21%	3.40%
Current Ratio	1.33	1.30	1.19	1.32	3.27	2.26
Debt/Capital	0.00%	28.07%	38.15%	65.30%	11.25%	52.05%
Net Margin	9.93%	6.86%	12.77%	-6.44%	11.24%	5.29%
Return on Equity	46.33%	6.54%	17.03%	14.92%	16.31%	27.07%
Sales/Assets	1.87	1.21	0.53	0.73	0.98	1.34
Proj. Sales Growth (F1/F0)	6.20%	1.16%	5.85%	4.50%	1.20%	1.20%
Momentum Score	C	-	-	B	D	C
Daily Price Chg	-0.16%	0.00%	-0.03%	0.16%	0.45%	-1.12%
1 Week Price Chg	-0.62%	-0.31%	1.40%	3.75%	-0.04%	-1.55%
4 Week Price Chg	12.75%	1.83%	1.18%	14.44%	5.39%	-5.49%
12 Week Price Chg	9.18%	1.21%	3.19%	22.30%	-9.37%	-9.70%
52 Week Price Chg	37.40%	23.36%	16.06%	44.26%	-34.65%	38.28%
20 Day Average Volume	905,491	396,334	2,767,182	3,441,625	291,655	1,481,462
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	4.64%	0.00%	0.00%	0.28%	0.00%	0.00%
(F1) EPS Est 12 week change	4.84%	1.59%	0.67%	5.23%	-2.30%	2.99%
(Q1) EPS Est Mthly Chg	6.65%	0.00%	0.00%	0.95%	0.00%	-1.06%

Analyst Earnings Model⁽²⁾

Ulta Beauty, Inc. (ULTA)

In \$MM, except per share data

	2023A	2024A	2025A			2026E					2027E			2028E
	FY	FY	FY	1QA	2QA	3QE	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends January 31st	Jan-23	Jan-24	Jan-25	30-Apr-25	31-Jul-25	31-Oct-25	31-Jan-26	Jan-26	30-Apr-26	31-Jul-26	31-Oct-26	31-Jan-27	Jan-27	Jan-28
Income Statement														
Net Sales	\$10,208.6	\$11,207.3	\$11,295.7	\$2,848.4	\$2,788.5	\$2,682.2	\$3,681.4	\$12,000.5	\$2,957.0	\$2,879.7	\$2,848.0	\$3,899.5	\$12,584.1	\$13,381.5
YoY % Chng	18.3%	9.8%	0.8%	4.5%	9.3%	6.0%	5.6%	6.2%	3.8%	3.3%	6.2%	5.9%	4.9%	6.3%
Cost of Sales	\$6,164.1	\$6,826.2	\$6,908.4	\$1,734.1	\$1,696.8	\$1,633.4	\$2,315.7	\$7,380.0	\$1,825.0	\$1,790.0	\$1,750.8	\$2,465.7	\$7,831.5	\$8,247.1
YoY % Chng	17.1%	10.7%	1.2%	4.7%	7.8%	7.1%	7.5%	6.8%	5.2%	5.5%	7.2%	6.5%	6.1%	5.3%
Gross Profit	\$4,044.5	\$4,381.1	\$4,387.3	\$1,114.2	\$1,091.7	\$1,048.8	\$1,365.7	\$4,620.5	\$1,132.0	\$1,089.7	\$1,097.2	\$1,433.8	\$4,752.6	\$5,134.5
YoY % Chng	20.1%	8.3%	0.1%	4.2%	11.6%	4.3%	2.4%	5.3%	1.6%	(0.2%)	4.6%	5.0%	2.9%	8.0%
Selling, General and Administrative Expenses	\$2,395.3	\$2,694.6	\$2,808.6	\$710.6	\$741.7	\$798.5	\$928.9	\$3,179.8	\$715.3	\$738.2	\$782.3	\$998.6	\$3,234.3	\$3,451.6
YoY % Chng	16.2%	12.5%	4.2%	6.7%	15.0%	17.0%	13.9%	13.2%	0.7%	(0.5%)	(2.0%)	7.5%	1.7%	6.7%
Impairment, Restructuring and Other Costs	\$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
YoY % Chng														
Pre-Opening Expenses	\$10.6	\$8.5	\$13.7	\$1.8	\$5.1	\$5.8	\$4.7	\$17.5	\$2.5	\$5.0	\$5.8	\$3.5	\$16.8	\$18.7
YoY % Chng	11.4%	(19.7%)	60.9%	(37.3%)	22.9%	18.7%	173.4%	27.6%	38.5%	(2.4%)	0.5%	(26.6%)	(3.7%)	11.2%
Total Operating Expenses	\$2,405.9	\$2,703.1	\$2,822.3	\$712.4	\$746.8	\$804.3	\$933.7	\$3,197.2	\$717.8	\$743.1	\$788.1	\$1,002.1	\$3,251.1	\$3,470.3
YoY % Chng	16.2%	12.4%	4.4%	6.5%	15.1%	17.0%	14.2%	13.3%	0.7%	(0.5%)	(2.0%)	7.3%	1.7%	6.7%
EBITDA	\$1,880.0	\$1,921.9	\$1,832.0	\$473.8	\$416.0	\$322.8	\$511.2	\$1,723.8	\$494.1	\$427.1	\$390.4	\$513.7	\$1,825.4	\$1,999.0
YoY % Chng	20.1%	2.2%	(4.7%)	1.7%	5.5%	(16.3%)	(12.8%)	(5.9%)	4.3%	2.7%	20.9%	0.5%	5.9%	9.5%
Depreciation and Amortization	\$241.4	\$243.8	\$267.0	\$72.0	\$71.2	\$78.2	\$79.1	\$300.6	\$79.9	\$80.6	\$81.3	\$82.0	\$323.9	\$334.9
YoY % Chng	(10.1%)	1.0%	9.5%	11.3%	9.0%	16.7%	13.1%	12.6%	11.0%	13.3%	3.9%	3.6%	7.8%	3.4%
Operating Income	\$1,638.6	\$1,678.0	\$1,565.0	\$401.8	\$344.9	\$244.6	\$432.1	\$1,423.3	\$414.2	\$346.5	\$309.1	\$431.7	\$1,501.5	\$1,664.1
YoY % Chng	26.3%	2.4%	(6.7%)	0.2%	4.8%	(23.2%)	(16.3%)	(9.1%)	3.1%	0.5%	26.4%	(0.1%)	5.5%	10.8%
Interest Expense (Income), net	(\$4.9)	(\$17.6)	(\$15.1)	(\$3.5)	(\$1.4)	\$0.2	\$0.9	(\$3.9)	(\$5.6)	(\$3.3)	(\$0.8)	(\$0.6)	(\$10.3)	(\$9.2)
YoY % Chng	(396.7%)	(257.2%)	14.3%	48.6%	68.8%	110.8%	145.4%	74.3%	(57.4%)	(132.3%)	(566.8%)	(170.1%)	(167.2%)	11.4%
Pre-Tax Income	\$1,643.5	\$1,695.7	\$1,580.1	\$405.3	\$346.3	\$244.4	\$431.2	\$1,427.1	\$419.8	\$349.8	\$309.9	\$432.3	\$1,511.8	\$1,673.3
YoY % Chng	26.8%	3.2%	(6.8%)	(0.6%)	3.8%	(23.7%)	(16.8%)	(9.7%)	3.6%	1.0%	26.8%	0.3%	5.9%	10.7%
Income Tax	\$401.1	\$404.6	\$378.9	\$99.6	\$84.8	\$59.9	\$105.6	\$349.9	\$102.8	\$85.7	\$75.9	\$105.9	\$370.4	\$410.0
YoY % Chng	29.4%	0.9%	(6.4%)	5.2%	4.5%	(23.2%)	(15.5%)	(7.7%)	3.2%	1.1%	26.8%	0.3%	5.8%	10.7%
Tax Rate	24.4%	23.9%	24.0%	24.6%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%
Net Income	\$1,242.4	\$1,291.0	\$1,201.1	\$305.1	\$260.9	\$184.5	\$325.5	\$1,076.0	\$316.9	\$264.1	\$234.0	\$326.4	\$1,141.4	\$1,263.3
YoY % Chng	26.0%	3.9%	(7.0%)	(2.6%)	3.3%	(23.8%)	(17.2%)	(10.4%)	3.9%	1.2%	26.8%	0.3%	6.1%	10.7%
Basic Shares Outstanding	51.4	49.3	47.2	45.4	45.0	44.5	44.1	44.7	43.6	43.2	42.7	42.3	42.9	41.1
YoY % Chng	(5.7%)	(4.1%)	(4.3%)	(5.7%)	(5.4%)	(5.2%)	(4.8%)	(5.3%)	(3.9%)	(4.0%)	(4.0%)	(4.1%)	(4.0%)	(4.2%)
Diluted Shares Outstanding	51.7	49.6	47.4	45.5	45.1	44.7	44.2	44.9	43.8	43.3	42.9	42.4	43.1	41.3
YoY % Chng	(5.7%)	(4.1%)	(4.4%)	(5.9%)	(5.4%)	(5.2%)	(4.9%)	(5.3%)	(3.8%)	(4.0%)	(4.0%)	(4.1%)	(4.0%)	(4.2%)
Basic EPS	\$24.17	\$26.18	\$25.44	\$6.72	\$5.80	\$4.15	\$7.39	\$24.05	\$7.27	\$6.12	\$5.48	\$7.72	\$26.59	\$30.72
YoY % Chng	33.6%	8.3%	(2.8%)	3.2%	9.0%	(19.7%)	(13.1%)	(5.4%)	8.2%	5.5%	32.2%	4.5%	10.5%	15.5%
Diluted EPS	\$24.01	\$26.03	\$25.34	\$6.70	\$5.78	\$4.13	\$7.36	\$23.97	\$7.24	\$6.10	\$5.46	\$7.70	\$26.50	\$30.60
YoY % Chng	33.5%	8.4%	(2.7%)	3.6%	9.1%	(19.6%)	(13.0%)	(5.4%)	8.1%	5.5%	32.2%	4.5%	10.5%	15.5%

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.

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	C
Growth Score	F
Momentum Score	C
VGM Score	F

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.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.