

## Verizon Communications (VZ)

**\$40.75** (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$44.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 04/05/23)

Prior Recommendation: Underperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM: C

Value: A

Growth: D

Momentum: F

### Summary

Verizon is offering various mix-and-match pricing in both wireless and home broadband plans, which has led to solid customer additions. Its C-Band spectrum offers greater coverage for 5G networks and greater speeds than on low-band spectrum and paves the way to provide differentiated service of 5G Ultra Wideband service to millions of customers. It has been aggressively forging ahead to expand its fiber optics networks to support 4G LTE and 5G wireless standards as well as wireline connections. However, Verizon faces fierce competition from other major players, while saturation in the wireless market is hurting its profits. High capital expenditures in order to support the launch and continued build-out of its 5G Ultra-Wideband network are straining margins. Macroeconomic challenges hinder its growth potential to some extent.

### Data Overview

52 Week High-Low	\$47.36 - \$37.59
20 Day Average Volume (sh)	24,769,450
Market Cap	\$172.0 B
YTD Price Change	2.0%
Beta	0.33
Dividend / Div Yld	\$2.76 / 6.8%
Industry	<a href="#">Wireless National</a>
Zacks Industry Rank	Top 25% (61 out of 243)

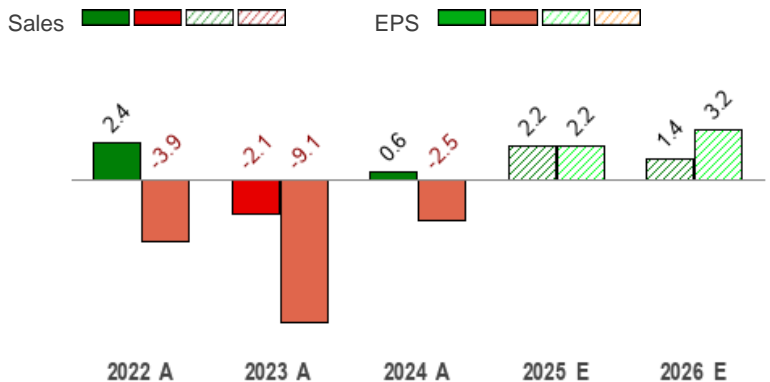
Last EPS Surprise	1.7%
Last Sales Surprise	-1.0%
EPS F1 Est- 4 week change	-0.1%
Expected Report Date	01/23/2026
Earnings ESP	-1.3%

P/E TTM	8.6
P/E F1	8.7
PEG F1	3.2
P/S TTM	1.3

### 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	33,977 E	34,899 E	34,424 E	36,388 E	139,687 E
2025	33,485 A	34,504 A	33,821 A	35,905 E	137,715 E
2024	32,981 A	32,796 A	33,330 A	35,681 A	134,788 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	1.19 E	1.26 E	1.23 E	1.17 E	4.84 E
2025	1.19 A	1.22 A	1.21 A	1.07 E	4.69 E
2024	1.15 A	1.15 A	1.19 A	1.10 A	4.59 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/25/2025.

## Overview

Based in New York, Verizon Communications Inc. offers communication services in the form of local phone service, long-distance calls, wireless and data services. In January 2006, Verizon completed its merger with MCI Corporation, a leader in long-distance and data networking services. With the acquisition of Alltel Wireless Corp. in early 2009, Verizon has surpassed AT&T Inc. as the largest wireless carrier in North America, serving millions of customers nationwide.

Verizon has teamed up with Amazon Web Services to create and deploy low-latency applications to mobile devices using 5G and became the first telecom carrier in the world to offer such services. The company has launched a free consumer search engine dubbed OneSearch with enhanced privacy options to add a new dimension to the search ecosystem. It has also announced a pricing breakthrough in the cable industry with the launch of Mix & Match on its FiOS platform, enabling viewers to combine TV with Internet plans effectively without any hidden charges and annual contracts. Focus on online content delivery, mobile video and online advertising will likely stoke future growth.

With the ramp-up of 5G service across the country, Verizon is likely to retain its lead in promulgating 5G mobile networks nationwide by using virtualized machines, advanced levels of operational automation and adaptability. Effective second-quarter 2019, the company has reorganized its operating segments under its new operating structure dubbed Verizon 2.0. The company sold Verizon Media business to Apollo Global Management Inc. and the transaction closed on Sep. 1, 2021. The new segments of the company are Consumer and Business.

**Consumer (77.2% of aggregate revenues in third-quarter 2025):** This segment includes the consumer-focused retail wireline and wireless businesses.

**Business (21.1%):** This segment includes the wireless and wireline operations of Wholesale, Public Sector and Other, Small and Medium Business, and Global Enterprise.



## Reasons To Buy:

- ▲ Verizon is witnessing significant 5G adoption and fixed wireless broadband momentum. The telecom giant plans to accelerate the availability of its 5G Ultra Wideband network across the country. The company's growth strategy includes 5G mobility, nationwide broadband and mobile edge compute and business solutions. Verizon is building the entire network infrastructure and ecosystem to provide the most amazing 5G experience to customers. It continues to deploy Home Internet service in select cities, where users can experience a maximum download speed of up to 1 Gbps. It is also expanding 5G Business Internet service that offers an alternative to cable broadband. Verizon offers the best of LTE and 5G Ultra Wideband facilities with the launch of On Site 5G — a transformative on-premises, private 5G network — for business enterprises. Verizon's 5G mobility service offers an unmatched experience that impacts industries as diverse as public safety, health care, retail and sports. The company's 5G network hinges on three fundamental drivers to deliver the full potential of next-generation wireless technology. These include massive spectrum holdings, particularly in the millimeter-wave bands for faster data transfer, end-to-end deep fiber resources and the ability to deploy a large number of small cells.
- ▲ Verizon is offering various mix and match pricing in both wireless and home broadband plans that has led to solid customer additions. The company has witnessed increased adoption of 5G devices and premium unlimited plans. Moreover, in the enterprise and wholesale business, Verizon is changing its revenue mix toward newer growth services like cloud, security and professional services. The company has introduced Complete Business Bundle solutions. With reliable, plug-and-play Internet connectivity, desk phone and security solutions with 24/7 tech support, these solutions enable the digital transformation of small business entities. Verizon further expanded Fios Forward to support digital inclusion and provide opportunities for underserved households to thrive in the digital world. With no data caps, Fios customers can experience faster upload and download than comparable plans. The company's focus on online content delivery, mobile video and online advertising should drive growth.
- ▲ Verizon holds a total of 2,035 MHz of spectrum with the acquisition of C-band spectrum – 294 MHz in Sub 6 GHz spectrum (low and mid band) and 1,741 MHz of mmWave spectrum (high band). The low-band spectrum (nationwide 700 MHz licenses and 850 MHz spectrum) continues to provide the best 4G LTE experience in the industry and supports nationwide 5G service, giving customers in more than 2,700 markets access to 5G. Verizon's mmWave footprint delivers game-changing experiences for the densest parts of the network and offers highly predictable signal waves leading to greater efficiency and less interference for customers. Verizon's mid-band spectrum assets include AWS, PCS, CBRS and C-band spectrum. The C-Band spectrum offers greater coverage for 5G networks and greater speeds than on low-band spectrum and paves the way to provide differentiated service of 5G Ultra Wideband service to millions of customers.
- ▲ With one of the most efficient wireless networks in the United States, Verizon continues to deploy the latest 4G LTE Advanced technologies to deliver faster peak data speeds and capacity for customers, driven by customer-focused planning, disciplined engineering and constant strategic investment. Verizon has been aggressively forging ahead to expand its fiber optics networks to support 4G LTE and 5G wireless standards as well as wireline connections. The company remains focused on making necessary capital expenditures due to continued expansion of 5G mmWave in new and existing markets, the densification of the 4G LTE wireless network to cater to huge traffic demands across multiple verticals and the continued deployment of the fiber infrastructure.

Verizon plans to accelerate the availability of its 5G Ultra Wideband network while focusing on higher-tier premium mobility and broadband offerings.

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## Reasons To Sell:

- ▼ During the third quarter of 2025, Verizon registered 70,000 Fios Video net losses, reflecting the ongoing shift from traditional linear video to over-the-top offerings. Verizon operates in a competitive and almost saturated U.S. wireless market with incumbents like AT&T and T-Mobile. The industry is likely to witness stiff competition with the entry of cable MSOs (multi-service operators).
- ▼ Spectrum crunch has become a major issue in the U.S. telecom industry. Most of the carriers are finding it increasingly difficult to manage mobile data traffic, which is growing by leaps and bounds. The situation has become even more acute with the growing popularity of iPhone and Android smartphones as well as rising online mobile video streaming, cloud computing and video conferencing services. Verizon has splurged in the C-Band auction that is offering airwaves in the 3.7 gigahertz-to-4.2 gigahertz area of spectrum to acquire key mid-band spectrum for potential 5G deployments in the next few years. Unless the high auctioning expenses are justified, margins are likely to be compromised significantly.
- ▼ In a bid to expand its customer base, Verizon is spending heavily on promotion and is also offering lucrative discounts, which are weighing on margins. Verizon has announced a three-year price lock guarantee for all its myPlan and myHome network plans. This ensures that the core monthly plan price for calling, data and texting will not change in the next three-year period, excluding taxes, fees and perks. The hassle-free enrollment for the changeover is being done automatically for all existing users and is reset for the next three years each time myPlan is changed. Although the customer-first strategy is designed to woo new customers and retain existing ones, it is likely to contract margins. The company recorded high capital expenditures in order to support the launch and continued build-out of its 5G Ultra Wideband network, deployment of significant fiber assets across the country and upgrade to Intelligent Edge Network architecture. It remains unclear if and when a reasonable return can be achieved from such investments.
- ▼ Amid a challenging macroeconomic environment, Verizon has offered muted guidance for 2025 and expects wireless service revenues to grow in the range of 2%-2.8%. Adjusted EBITDA is likely to grow 2.5%-3.5%. The company expects adjusted earnings to grow 1-3% in 2025. Capital expenditure is estimated to be within the range of \$17.5 billion and \$18.5 billion.

The company operates in a fiercely competitive U.S. wireless market that strains its margins due to high promotional discounts.

## Last Earnings Report

### VZ Beats Q3 Earnings Estimates, Misses on Revenues

Verizon reported solid third-quarter 2025 results with industry-leading wireless service revenues of \$21 billion, up 2.1% year over year. However, while adjusted earnings beat the Zacks Consensus Estimate, revenues missed the same.

The company registered solid broadband growth with total fixed wireless access net additions of 261,000, growing the subscriber base to nearly 5.4 million. The company remains well poised to achieve its target of 8 to 9 million fixed wireless access subscribers by 2028.

### FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 29, 2025
Sales Surprise	-1.04%
EPS Surprise	1.68%
Quarterly EPS	1.21
Annual EPS (TTM)	4.72

### Net Income

On a GAAP basis, net income in the quarter was \$5.06 billion or \$1.17 per share compared with \$3.41 billion or 78 cents per share in the prior-year quarter. The improvement was primarily attributable to top-line growth and lower operating expenses. Excluding non-recurring items, quarterly adjusted earnings were \$1.21 per share compared with \$1.19 in the prior-year quarter. The bottom line beat the Zacks Consensus Estimate by 2 cents.

### Revenues

Quarterly total operating revenues improved 1.5% to \$33.82 billion with growth in service revenues and higher wireless equipment revenues driven by targeted pricing actions, customer growth, sales of perks and add-on services and growth in fixed wireless access. The top line, however, missed the consensus estimate of \$34.18 billion.

### Quarterly Segment Results

**Consumer:** Total revenues from this segment improved 2.9% year over year to \$26.1 billion with growth across all businesses. The segment revenues exceeded our estimate of \$26.02 billion. Service revenues were up 2.1% to \$20.34 billion, while wireless equipment revenues improved 6.4% to \$4.77 billion. Other revenues totaled \$1 billion, up 3.9% year over year.

Wireless retail postpaid churn was 1.12%, while retail postpaid phone churn was 0.91%. The company recorded 61,000 Fios Internet net additions as high demand for reliable fiber optic broadband was spurred by higher video consumption. Verizon delivered 306,000 broadband net additions in the quarter. However, it registered 70,000 Fios Video net losses in the quarter, reflecting the ongoing shift from traditional linear video to over-the-top offerings.

The segment's operating income increased 0.8% to \$7.66 billion with a margin of 29.4%. EBITDA improved 2% to \$11.23 billion with a margin of 43% compared with 43.4% in the prior-year quarter due to lower costs of wireless equipment.

**Business:** The segment revenues were down 2.8% to \$7.14 billion due to lower wholesale and enterprise and public sector revenues, partially offset by growth in business markets and other revenues. It was also lower than our estimates of \$7.3 billion, largely due to challenging macroeconomic conditions. The segment had 110,000 wireless retail postpaid net additions in the quarter, including 51,000 postpaid phone net additions. Wireless retail postpaid churn was 1.56%, while retail postpaid phone churn was 1.25%. Fixed wireless broadband net additions were 140,000 for the quarter.

Operating income improved to \$637 million from \$565 million in the year-ago quarter with respective margins of 8.9% and 7.7%. Segment EBITDA was up 4.2% to \$1.67 billion owing to an improvement in wireless service revenues for a margin of 23.4% compared with 21.8% in the year-earlier quarter.

### Other Quarterly Details

Total operating expenses were down 6.2% to \$25.72 billion, while operating income improved 36.8% to \$8.1 billion. Consolidated adjusted EBITDA increased to \$12.77 billion from \$12.49 billion, led by wireless service revenue growth and perceived benefits from lower upgrade volumes for respective margins of 37.8% and 37.5%.

### Cash Flow & Liquidity

Verizon generated \$28 billion of net cash from operating activities for the first nine months of 2025 compared with \$26.48 billion in the year-ago period. Free cash flow was \$6.96 billion for the quarter compared with \$5.96 billion in the prior-year period. As of Sept. 30, 2025, the company had \$7.71 billion in cash and cash equivalents with \$126.63 billion of long-term debt.

### Guidance

For 2025, Verizon continues to expect wireless service revenue growth in the range of 2%-2.8%. Adjusted EBITDA is expected to grow 2.5%-3.5%. The company expects adjusted earnings to grow 1-3% range with a cash flow of \$37-\$39 billion on capital expenditures of \$17.5-\$18.5 billion.

## Recent News

On Oct. 27, 2025, Verizon announced that it had inked a commercial fiber agreement with Eaton Fiber LLC to accelerate its broadband and mobility convergence strategy. The agreement will expand Verizon's premium broadband offering, complementing its ongoing fiber builds and planned acquisition of Frontier. The agreement is expected to bring ultra-fast, high-capacity fiber service to homes and customers in markets outside of Verizon's and Frontier's current fiber-to-the-home footprint.

On Oct. 23, 2025, Verizon announced the launch of a new affordable Home Internet Lite plan aimed at helping customers with limited connectivity options. This new offering expands Verizon's home Internet footprint across the country and reinforces its commitment to providing a more affordable choice to customers.

On Oct. 8, 2025, Verizon announced that it had inked a definitive agreement to acquire Starry for an undisclosed amount. The acquisition of this leading provider of fixed wireless broadband services augments Verizon's ability to deliver high-speed Internet to multi-dwelling units (MDUs) and urban communities. The transaction, likely to be completed by the first quarter of 2026, will enable the carrier to double its fixed wireless subscriber base to 8-9 million by 2028 and expand fixed wireless broadband services to 90 million households with an expanded geographic footprint. The buyout offers Verizon a unique opportunity to integrate the millimeter wave technology with its existing fiber and mmWave assets, providing affordable, high-quality broadband services to urban areas.

## Valuation

Verizon's shares are down 7.2% in the past six months and down 9.4% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 9.1% in the past six months, while stocks in the Zacks Computer and Technology sector are up 25.8% in the same period. Over the past year, the Zacks sub-industry is down 7% but the sector is up 22.8%.

The S&P 500 Index is up 16.3% in the past six months and up 12.3% in the past year.

The stock is currently trading at 6.21X trailing 12-month EV/EBITDA, which compares to 9.05X for the Zacks sub-industry, 18.58X for the Zacks sector and 17.91X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 8.26X and as low as 5.86X, with a 5-year median of 6.68X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$44 price target reflects 5.32X forward 12-month earnings.

The table below shows summary valuation data for VZ.

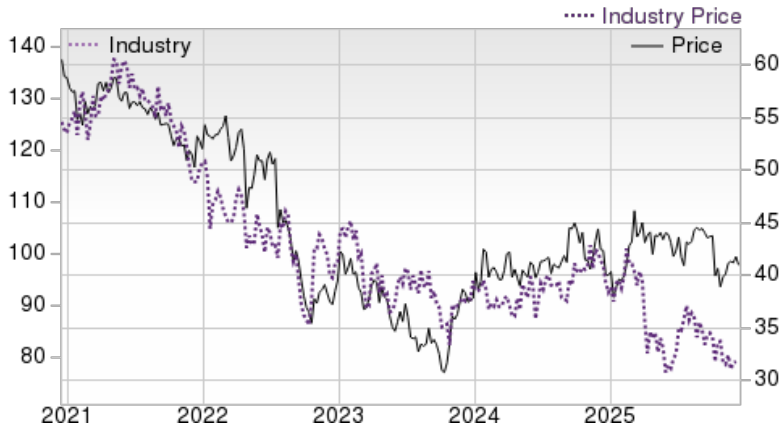
Valuation Multiples - VZ					
		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	6.21	9.05	18.58	17.91
	5-Year High	8.26	9.67	23.69	22.4
	5-Year Low	5.86	6.34	12.04	13.87
	5-Year Median	6.68	7.49	18.38	17.94
P/E F12M	Current	8.27	12.18	27.57	22.8
	5-Year High	12.37	14.67	30.04	23.81
	5-Year Low	6.55	8.47	18.7	15.73
	5-Year Median	8.88	11.04	26.62	21.2
P/S F12M	Current	1.2	1.88	6.44	5.14
	5-Year High	1.93	2.28	7.4	5.5
	5-Year Low	0.95	1.36	4.25	3.84
	5-Year Median	1.3	1.63	6.3	5.04

As of 11/24/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 25% (61 out of 243)



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

Company (Ticker)	Rec	Rank
Array Digital Infras...(AD)	Neutral	3
AST SpaceMobile, Inc...(ASTS)	Neutral	3
Cogent Communication...(CCOI)	Neutral	3
Liberty Latin Americ...(LILA)	Neutral	3
AT&T Inc. (T)	Neutral	3
T-Mobile US, Inc. (TMUS)	Neutral	3
Uniti Group Inc. (UNIT)	Neutral	2
Optimum Communicatio...(OPTU)	Underperform	3

## Industry Comparison<sup>(1)</sup> Industry: Wireless National

	VZ	X Industry	S&P 500	OPTU	T	TMUS
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Underperform	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	3	-	-	3	3	3
<b>VGM Score</b>	C	-	-	D	C	B
Market Cap	172.03 B	756.16 M	39.20 B	855.09 M	172.34 B	219.41 B
# of Analysts	10	4	22	4	10	7
Dividend Yield	6.76%	0.00%	1.4%	0.00%	4.57%	2.08%
<b>Value Score</b>	A	-	-	B	A	B
Cash/Price	0.04	0.20	0.04	1.15	0.12	0.02
EV/EBITDA	6.12	7.42	14.73	7.77	6.36	9.62
PEG Ratio	3.23	1.42	2.24	NA	1.42	1.28
Price/Book (P/B)	1.62	1.47	3.35	NA	1.36	3.63
Price/Cash Flow (P/CF)	4.61	4.95	15.24	0.54	4.70	9.23
P/E (F1)	8.70	18.01	19.90	NA	11.81	19.52
Price/Sales (P/S)	1.25	1.12	3.09	0.10	1.38	2.56
Earnings Yield	11.50%	0.20%	5.01%	-199.45%	8.47%	5.12%
Debt/Equity	1.19	1.01	0.57	-11.67	1.01	1.37
Cash Flow (\$/share)	8.85	2.32	8.99	3.37	5.17	21.25
<b>Growth Score</b>	D	-	-	F	D	B
Hist. EPS Growth (3-5 yrs)	-3.02%	-6.61%	8.16%	-73.45%	-10.21%	32.73%
Proj. EPS Growth (F1/F0)	2.18%	3.73%	8.57%	-1,550.00%	-8.85%	4.04%
Curr. Cash Flow Growth	-13.98%	-17.66%	6.75%	-9.99%	1.94%	14.78%
Hist. Cash Flow Growth (3-5 yrs)	0.36%	-0.44%	7.43%	-10.41%	-10.36%	19.19%
Current Ratio	0.74	1.14	1.18	0.77	1.01	0.89
Debt/Capital	54.35%	56.04%	38.01%	NA	50.65%	57.74%
Net Margin	14.43%	-1.11%	12.78%	-21.43%	17.87%	13.83%
Return on Equity	19.31%	0.55%	17.00%	NA	12.72%	19.76%
Sales/Assets	0.36	0.36	0.53	0.27	0.31	0.40
Proj. Sales Growth (F1/F0)	2.20%	0.00%	5.77%	-4.20%	2.10%	7.80%
<b>Momentum Score</b>	F	-	-	F	C	C
Daily Price Chg	-0.22%	-0.22%	-0.16%	-3.70%	-1.10%	0.51%
1 Week Price Chg	-1.92%	-1.85%	-0.44%	2.72%	-2.77%	-6.90%
4 Week Price Chg	-0.51%	0.00%	2.16%	2.82%	-4.55%	-9.12%
12 Week Price Chg	-5.47%	0.00%	1.83%	-32.59%	-15.94%	-17.39%
52 Week Price Chg	-0.20%	-17.95%	12.22%	-30.53%	6.44%	-14.52%
20 Day Average Volume	24,769,450	254,349	2,744,252	2,776,913	36,623,864	4,649,086
(F1) EPS Est 1 week change	-0.06%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.06%	0.00%	0.00%	-29.89%	0.11%	-0.29%
(F1) EPS Est 12 week change	-0.26%	-0.58%	0.69%	-244.42%	0.64%	-3.84%
(Q1) EPS Est Mthly Chg	-0.58%	0.00%	0.00%	-36.36%	0.62%	3.49%

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

### Verizon Communications Inc. (VZ)

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														
Total Revenue	\$136,835.0	\$133,974.0	\$134,788.0	\$33,485.0	\$34,504.0	\$33,821.0	\$35,904.6	\$137,714.6	\$33,976.8	\$34,899.2	\$34,423.6	\$36,387.8	\$139,687.4	\$142,032.6
Cost of Services and Sales	\$59,133.0	\$54,887.0	\$54,097.0	\$13,056.0	\$13,885.0	\$13,346.0	\$15,627.7	\$55,914.7	\$12,913.0	\$13,169.9	\$12,999.1	\$14,518.4	\$53,600.3	\$53,328.8
Gross Profit	\$77,702.0	\$79,087.0	\$80,691.0	\$20,429.0	\$20,619.0	\$20,475.0	\$20,276.9	\$81,799.9	\$21,063.8	\$21,729.3	\$21,424.6	\$21,869.5	\$86,087.1	\$88,703.8
SG&A	\$30,136.0	\$32,745.0	\$34,113.0	\$7,874.0	\$7,812.0	\$7,752.0	\$8,216.3	\$31,654.3	\$8,122.9	\$8,256.9	\$8,112.8	\$8,507.4	\$33,000.0	\$32,953.4
Depreciation & Amortization	\$17,099.0	\$17,624.0	\$17,892.0	\$4,577.0	\$4,635.0	\$4,618.0	\$4,750.9	\$18,580.9	\$4,651.6	\$4,812.1	\$4,858.0	\$4,977.7	\$19,299.4	\$19,949.0
Verizon Business Group Goodwill Impairment		\$5,841.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Expenses	\$106,368.0	\$111,097.0	\$106,102.0	\$25,507.0	\$26,332.0	\$25,716.0	\$28,595.0	\$106,150.0	\$25,687.4	\$26,238.9	\$25,969.9	\$28,003.5	\$105,899.8	\$106,231.2
Adjusted EBITDA	\$47,870.0	\$47,789.0	\$48,791.0	\$12,555.0	\$12,807.0	\$12,775.0	\$12,060.5	\$50,197.5	\$12,940.9	\$13,472.4	\$13,311.7	\$13,362.1	\$53,087.1	\$55,750.4
EBITDA	\$48,983.0	\$40,135.0	\$47,520.0	\$12,682.0	\$12,883.0	\$12,809.0	\$12,237.1	\$50,611.1	\$12,987.4	\$13,477.5	\$13,341.1	\$13,397.5	\$53,203.4	\$55,882.5
Operating Income	\$30,467.0	\$22,877.0	\$28,686.0	\$7,978.0	\$8,172.0	\$8,105.0	\$7,309.6	\$31,564.6	\$8,289.3	\$8,660.3	\$8,453.7	\$8,384.4	\$33,787.7	\$35,801.4
Interest Expense	\$3,613.0	\$5,524.0	\$6,649.0	\$1,632.0	\$1,639.0	\$1,664.0	\$1,618.5	\$6,553.5	\$1,681.7	\$1,645.8	\$1,649.8	\$1,674.3	\$6,651.5	\$6,930.5
Equity in Earnings/(Losses) of Unconsolidated Business	\$44.0	(\$53.0)	(\$53.0)	\$6.0	(\$3.0)	(\$6.0)	(\$4.4)	(\$7.4)	\$2.0	(\$17.8)	(\$16.5)	(\$7.3)	(\$39.5)	(\$34.7)
Other Income/(Expense), Net	\$1,373.0	(\$313.0)	\$995.0	\$121.0	\$79.0	\$92.0	\$180.9	\$472.9	\$44.4	\$22.8	\$45.8	\$42.7	\$155.8	\$166.8
Pre-Tax Income, Adjusted	\$28,967.0	\$26,153.0	\$25,477.0	\$6,663.0	\$6,801.0	\$6,768.0	\$6,015.1	\$26,247.1	\$6,619.0	\$7,030.5	\$6,850.8	\$6,527.1	\$27,027.5	\$28,512.0
Pre-Tax Income	\$28,271.0	\$16,987.0	\$22,979.0	\$6,473.0	\$6,609.0	\$6,527.0	\$5,867.7	\$25,476.7	\$6,654.1	\$7,019.6	\$6,833.2	\$6,745.5	\$27,252.5	\$29,003.0
Income Tax, Adjusted	\$6,714.0	\$5,807.0	\$5,653.0	\$1,538.0	\$1,537.0	\$1,519.0	\$1,350.0	\$5,944.0	\$1,485.6	\$1,577.9	\$1,537.6	\$1,464.9	\$6,066.0	\$6,399.2
Income Tax	\$6,523.0	\$4,892.0	\$5,030.0	\$1,490.0	\$1,488.0	\$1,471.0	\$1,322.4	\$5,771.4	\$1,499.7	\$1,582.0	\$1,540.0	\$1,520.2	\$6,141.9	\$6,536.4
Tax Rate, Adjusted	23.2%	22.2%	22.2%	23.1%	22.6%	22.4%	22.4%	23.3%	22.4%	22.4%	22.4%	22.4%	22.3%	22.1%
Tax Rate	23.1%	28.8%	21.9%	23.0%	22.5%	22.5%	22.5%	22.7%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%
Non-Controlling Interest	\$492.0	\$481.0	\$443.0	\$104.0	\$118.0	\$106.0	\$122.6	\$450.6	\$113.9	\$120.6	\$114.1	\$124.0	\$472.6	\$470.7
Net Income, Non-GAAP	\$21,761.0	\$19,865.0	\$19,381.0	\$5,021.0	\$5,146.0	\$5,143.0	\$4,542.4	\$19,852.4	\$5,019.5	\$5,332.0	\$5,199.1	\$4,938.1	\$20,488.9	\$21,642.1
Net Income, GAAP	\$21,256.0	\$11,614.0	\$17,506.0	\$4,879.0	\$5,003.0	\$4,950.0	\$4,422.6	\$19,254.6	\$5,040.6	\$5,317.0	\$5,179.1	\$5,101.2	\$20,637.9	\$21,995.8
Basic Shares Outstanding	4,202.0	4,211.0	4,218.0	4,222.0	4,224.0	4,228.0	4,228.0	4,225.5	4,228.0	4,228.0	4,228.0	4,228.0	4,228.0	4,228.0
Diluted Shares Outstanding	4,204.0	4,215.0	4,223.0	4,226.0	4,228.0	4,233.0	4,233.0	4,230.0	4,233.0	4,233.0	4,233.0	4,233.0	4,233.0	4,233.0
Basic EPS	\$5.06	\$2.76	\$4.15	\$1.16	\$1.18	\$1.17	\$1.05	\$4.56	\$1.19	\$1.26	\$1.22	\$1.21	\$4.88	\$5.20
EPS, Non-GAAP	\$5.18	\$4.71	\$4.59	\$1.19	\$1.22	\$1.21	\$1.07	\$4.69	\$1.19	\$1.26	\$1.23	\$1.17	\$4.84	\$5.11
EPS, GAAP	\$5.06	\$2.75	\$4.14	\$1.15	\$1.18	\$1.17	\$1.04	\$4.55	\$1.19	\$1.26	\$1.22	\$1.21	\$4.88	\$5.20
Dividend Per Share	\$2.59	\$2.64	\$2.69	\$0.68	\$0.68	\$0.69	\$0.69	\$2.74	\$0.69	\$0.69	\$0.70	\$0.70	\$2.78	\$2.82



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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>D</b>
Momentum Score	<b>F</b>
VGM Score	<b>C</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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