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Zacks Report Date: November 20, 2025

West Pharmaceutical (WST)

$257.90 (Stock Price as of 11/19/2025)

Price Target (6-12 Months): **$273.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 09/23/25) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM: D
	Value: D | Growth: C	Momentum: D

Summary

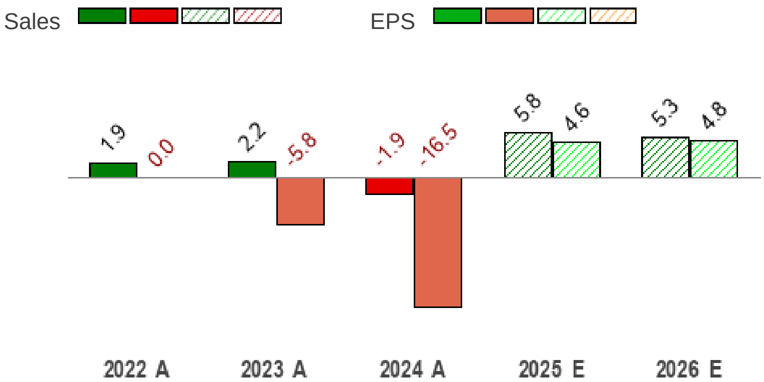
West Pharmaceutical continues to demonstrate resilience and strategic execution, with growth supported by strong demand for HVPs, expanding GLP-1 drug programs, and regulatory-driven Annex 1 conversions. Recent quarters show meaningful margin expansion from favorable mix and improved operating leverage. The company's strategic investments in SmartDose, capacity expansion, and biologics containment strengthen its long-term positioning. With a robust pipeline, and a sustainable capital allocation framework, WST offers solid long-term growth potential. However, risks remain around tariff impacts, destocking in generics, and execution challenges at constrained European facilities. Contract Manufacturing, while promising, has slower ramp dynamics that temper near-term returns.

Price, Consensus & Surprise(1)

Data Overview

52 Week High-Low	**$348.90 - $187.43**
20 Day Average Volume (sh)	**742,746**
Market Cap	**$18.6 B**
YTD Price Change	**-21.3%**
Beta	**1.08**
Dividend / Div Yld	**$0.88 / 0.3%**
Industry	**Medical - Dental Supplies**
Zacks Industry Rank	**Top 25% (61 out of 243)**
Last EPS Surprise	**17.4%**
Last Sales Surprise	**2.4%**
EPS F1 Est- 4 week change	**5.0%**
Expected Report Date	**02/12/2026**
Earnings ESP	**0.0%**
P/E TTM	**36.5**
P/E F1	**36.5**
PEG F1	**7.8**
P/S TTM	**6.2**

Sales and EPS Growth Rates (Y/Y %)(2)



Sales Estimates (millions of $)(2)

	Q1	Q2	Q3	Q4	Annual*
2026	759 E	812 E	833 E	818 E	3,222 E
2025	698 A	767 A	805 A	791 E	3,060 E
2024	695 A	702 A	747 A	749 A	2,893 A

EPS Estimates(2)

	Q1	Q2	Q3	Q4	Annual*
2026	1.64 E	1.91 E	1.95 E	1.91 E	7.40 E
2025	1.45 A	1.84 A	1.96 A	1.81 E	7.06 E
2024	1.56 A	1.52 A	1.85 A	1.82 A	6.75 A

*Quarterly figures may not add up to annual.

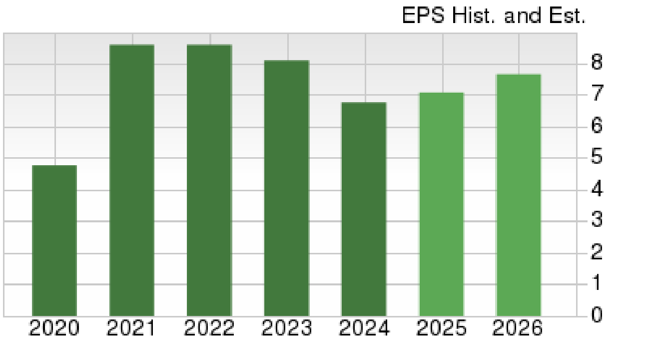
(1) The data in the charts and tables, except the estimates, is as of 11/19/2025.
(2) The report's text, the analyst-provided estimates, and the price target are as of 11/19/2025.

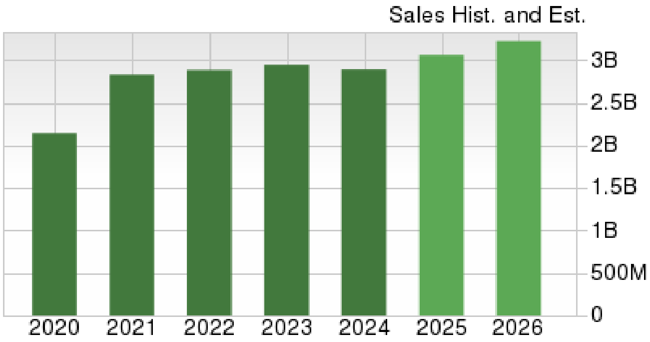
Overview

West Pharmaceutical Services is a leading global manufacturer of injectable drug packaging, delivery systems, and contract manufacturing solutions. The company's portfolio spans Proprietary Products such as elastomer components, seals, stoppers, syringes, and advanced delivery systems like SmartDose, as well as Contract Manufacturing for pre-filled pens, auto-injectors, and other complex devices. Its business is increasingly anchored in High-Value Products (HVPs), which accounted for nearly 45% of revenue in second-quarter of 2025, reflecting demand from biologics, specialty injectables, and next-generation therapies.

The EU's Annex 1 regulatory revisions mandate stricter sterile manufacturing standards, accelerating pharma conversions from standard to HVPs. West is executing nearly 370 active Annex 1 projects, with each conversion yielding 2–3x higher margins. Annex 1 regulatory changes are prompting conversions from standard to HVP components, expanding margins and recurring revenue visibility. The GLP-1 therapeutic wave is emerging as a meaningful contributor, with elastomer and device sales tied to GLP-1 drugs contributing nearly 8% of revenue in second-quarter of 2025. In parallel, biologics growth and increasing injectable volumes globally provide a broad foundation for sustained demand.

Strategic priorities include scaling SmartDose, expanding capacity in Dublin and Grand Rapids, and optimizing its European HVP network.





As of 11/19/2025

2024 at a Glance

Full-year 2024 net sales of 2.89 billion increased 1.9% on a year-over-year basis.

Proprietary Products segment net sales (80.7% of net sales) declined 2.6% to $2.3 billion, while Contract-Manufactured Products (11.3%) net sales climbed 1.1% to $558.7 million. Management projects continued profitability gains from mix improvement and capex normalization.

As of 11/19/2025

Reasons To Buy:

> Strong HVP momentum, rising GLP-1 exposure, and expanding margins position WST for durable growth, cash flow strength, and long-term value creation despite near-term industry and macro headwinds.

▲ **Significant Total Addressable Market:** West Pharmaceutical operates within the global injectable drug delivery and containment market, which management and industry estimates place at approximately $13 billion annually. This market is supported by secular healthcare trends, including the increasing prevalence of chronic diseases, rising biologics utilization, and growing injectable therapy adoption. West Pharmaceutical has strategically positioned itself in the higher-value segments of this total addressable market (TAM), particularly through HVPs such as advanced elastomer components, stoppers, seals, and pre-filled syringe solutions. HVPs have a significantly larger margin profile and are experiencing faster growth than standard components, with industry shifts—such as Europe's Annex 1 regulatory changes—driving conversion to these premium offerings.

A particularly attractive growth vector within the TAM is GLP-1 therapeutics, where West Pharmaceutical supplies elastomer components and device solutions. GLP-1 drugs, used for diabetes and obesity, are among the fastest-growing therapeutic classes globally, and the associated demand for injectable packaging and delivery devices is accelerating. Management estimates GLP-1 already accounts for 7–8% of revenue, with substantial expansion potential as prescriptions broaden worldwide.

Additionally, biologics and specialty injectables represent another sizable TAM subset, estimated at $5–6 billion for containment and delivery systems, with high-single-digit growth rates. West Pharmaceutical is expanding capacity in biologics-focused centers of excellence to capture this demand. Meanwhile, Contract Manufacturing adds incremental TAM exposure through auto-injectors, pens, and wearable devices such as SmartDose, broadening its role in the lifecycle of drug delivery solutions.

▲ **Strong High-Value Product Momentum:** HVPs remain West Pharmaceutical's core growth driver, accounting for a rising proportion of revenue and delivering superior margins compared to standard components. In recent quarters, HVP components have grown at double-digit rates, supported by biologics adoption, stricter regulatory requirements, and customer preference for higher-quality drug packaging solutions. Annex 1 conversions alone are driving hundreds of projects across global pharma partners, with HVP components typically generating two to three times the margin of standard products. Management expects HVP mix to expand by nearly 100 basis points annually, creating a structural tailwind for profitability. Importantly, WST's ability to leverage its installed base and expand capacity in HVP-focused facilities strengthens both revenue visibility and margin durability. This sustained mix shift positions the company for compounding long-term earnings growth and provides a key differentiator relative to competitors.

▲ **Exposure to GLP-1 Therapeutics:** West Pharmaceutical is directly benefiting from the explosive growth in GLP-1 drugs for diabetes and obesity. Elastomer components and delivery devices associated with GLP-1 therapies accounted for nearly 8% of total revenue in the first half of 2025, representing one of the fastest-growing segments of the business. With the GLP-1 class projected to grow into a multi-billion-dollar global franchise, West Pharmaceutical's strategic partnerships and multi-year contracts with leading drug manufacturers provide a significant runway for growth. The company's investments in capacity expansion—particularly in Dublin and Grand Rapids—are designed to meet escalating demand for injectable solutions tied to these therapies. This exposure not only supports revenue growth but also enhances West Pharmaceutical's visibility into long-term demand trends, aligning the company with one of the most transformative drug categories in healthcare.

▲ **Margin Expansion and Capital Efficiency:** West is delivering notable margin improvement, with third-quarter 2025 gross margin rising to 36.6% (+120 bps YoY) and adjusted operating margin reaching 21.1% (-40 bps YoY). This was driven by HVP mix, favorable pricing, improved production efficiency, and foreign exchange benefits. The company has also completed a period of heavy capital investment exceeding $1 billion over several years, and capex is now expected to normalize to 6–8% of revenue. This transition will free up cash flows for debt reduction, share repurchases, and dividends while maintaining ample growth capacity. The combination of higher structural margins and improved free cash flow conversion creates a compelling long-term earnings growth and capital return profile, enhancing shareholder value.

▲ **Strong Liquidity Position**: West Pharmaceutical exited third-quarter 2025 with cash and cash equivalents of $629 million, up from $510 million on a sequential basis. Meanwhile, total debt amounted to $203 million for the period, flat sequentially. This figure is noticeably lower than the quarter-end cash and cash equivalents, indicating strong solvency. This is good news in terms of the solvency position of the company, at least during the year of economic downturn, implying that the company is holding sufficient cash for debt repayment.

The quarter's total debt-to-capital of 6.2% stands at a pretty low level, indicating a slightly leveraged balance sheet and flat sequentially.

Reasons To Sell:

- **Tariff and Geopolitical Risks:** Tariffs remain a material headwind, with management estimating a $15–20 million impact for the full-year 2025. While mitigation levers such as pass-through pricing, local sourcing, and global manufacturing shifts are in place, full recovery remains uncertain. Escalating geopolitical tensions and shifting trade policies could increase cost volatility and potentially erode competitiveness. In addition, West Pharmaceuticall's reliance on raw materials like elastomers, aluminum, and plastics exposes it to supply chain disruptions and price fluctuations. Persistent cost pressures could dampen profitability and limit the pace of future margin expansion.

Tariff headwinds, operational constraints, and lingering destocking pressures pose risks to WST's near-term growth, margin expansion, and execution, potentially creating earnings volatility.

- **Operational Constraints and Execution Risk:** Despite strong demand, West Pharmaceutical faces near-term operational challenges, particularly at a European HVP facility constrained by hiring and training bottlenecks. Management has outlined a 12–18 month remediation plan involving network optimization and technology transfers, but execution risks remain high. Any delays could disrupt supply, impact customer confidence, or slow revenue recognition from high-margin projects. Similarly, contract manufacturing ramps, such as the Dublin facility, require long validation cycles before reaching optimal utilization. These constraints temper near-term growth potential and leave West Pharmaceutical exposed to execution missteps, potentially creating earnings volatility.

- **Industry Destocking and Demand Normalization:** The broader pharmaceutical packaging industry continues to work through destocking following pandemic-era surges in demand. West Pharmaceutical has acknowledged ongoing destocking pressures, particularly in generics and to a lesser extent biologics, which continue to weigh on order volumes and obscure underlying growth trends. While management suggests normalization is progressing, any extension of this trend could dampen near-term sales momentum. Furthermore, post-COVID normalization in certain drug categories may reduce urgency for capacity expansion, leading to more moderate growth rates. As such, demand normalization poses a risk to short-term revenue visibility and investor sentiment.

Last Earnings Report

WST Q3 Earnings Beat, EPS View Raised on Demand & FX Benefit

FY Quarter Ending	12/31/2024
Earnings Reporting Date	Oct 23, 2025
Sales Surprise	2.43%
EPS Surprise	17.37%
Quarterly EPS	1.96
Annual EPS (TTM)	7.07

West Pharmaceutical Services delivered adjusted third-quarter 2025 earnings per share of $1.96, which moved up 5.9% year over year. The figure topped the Zacks Consensus Estimate by 17.4%.

The adjustments include expenses related to the amortization of acquisition-related intangible assets, among others.

GAAP earnings per share for the quarter was $1.92, reflecting an improvement of 3.8% from the year-ago figure.

WST's Revenues in Detail

Quarterly revenues of $804.6 million were up 7.7% year over year and surpassed the Zacks Consensus Estimate by 2.4%.

Organic net sales, which exclude the impact of acquisitions and/or divestitures, were up 5% year over year.

Robust performances by the Proprietary Products and Contract-Manufactured Products segments drove thetop-line improvement.

West Pharmaceutical's Segment Details

WST operates under two segments — Proprietary Products and Contract-Manufactured Products.

In the quarter under review, Proprietary Products reported worldwide revenues of $647.5 million, up 7.7% year over year on a reported basis. Our estimate for the segment's revenues was pinned at $638 million.

On an organic basis, revenues were up 5.1% year over year.

Thesegment's high-value product (HVP) accounted for 48% of its net sales during the period.Sales of HVP components were up 16.3%, driven by strength in Westar and Envision products. HVP Delivery Devices, which represented 12% of total company net sales, decreased 15.7%. The decline was primarily due to the absence of a one-time fee of $19 million recorded in the year-ago quarter. Standard Products, 20% of total company net sales, increased 6.7%.

Revenues in the Contract-Manufactured Products segment totaled $157.1 million, up 8% year over year on a reported basis. This growth was driven by an increase in sales of self-injection devices for obesity and diabetes, partially offset by a decrease in sales of healthcare diagnostic devices. Our estimate for this segment's third-quarter revenues was pegged at $148.8 million.

Organically, revenues were up 4.9% year over year.

WST's Margin Analysis

In the quarter under review, West Pharmaceutical's gross profit increased 11.2% year over year to $294.3 million. The gross margin expanded 120 basis points (bps) to 36.6%. We had projected 33.6% of gross margin for the third quarter of 2025.

Selling, general and administrative expenses increased 23% year over year to $102.7 million. Research and development expenses increased 10.3% to $17.1 million.

Adjusted operating profit totaled $170.1 million, reflecting a 5.9% improvement from the year-ago quarter's level. The adjusted operating margin contracted 40 bps to 21.1%. We had projected 18.2% of operating margin for the quarter.

West Pharmaceutical's Financial Position

WST exited the third quarter with cash and cash equivalents of $628.5 million compared with $509.7 million as of June-end. Total debt at the end of the reported quarter was $202.7 million, which remained almost flat sequentially.

Cumulative net cash provided by continuing operating activities at the end of the third quarter was $503.7 million compared with $463.3 million a year ago.

WST's Guidance

West Pharmaceutical has issued fourth-quarter guidance and updated its financial outlook for 2025.

WST expects its fourth-quarter sales to lie between $790 million and $800 million, implying organic growth of 1-2.3%. The company expects EPS to be in the range of $1.81-$1.86, which assumes a 14 cents benefit based on current foreign exchange rates.

WST now projects full-year revenues to be between $3.06 billion and $3.07 billion (up from its previous guidance of $3.04-$3.06 billion).

For 2025, organic net sales are expected to grow 3.75-4% from the prior-year level.

For the full year, adjusted earnings per share is now anticipated to be in the range of $7.06-$7.11 (up from the previous guidance of $6.65-$6.85).

Full-year EPS guidance now reflects a 27 cents tailwind from currency movement against previous guidance of no impact.

Valuation

West Pharmaceutical's shares are down 20.6% so far this year and down 16.5% in the trailing 12-months. Stocks in the Zacks sub-industry are up 11.6% while the Zacks Medical sector is up 4.6% so far this year. Over the past year, the Zacks sub-industry is up 8% and sector is down 0.9%.

The S&P 500 index is up 14.5% so far this year and up 14.2% in the past year.

The stock is currently trading at 34.3X Forward 12-months earnings, which compares to 17.7X for the Zacks sub-industry, 20.6X for the Zacks sector and 22.9X for the S&P 500 index.

Over the past five years, the stock has traded as high as 59X and as low as 22.2X, with a 5-year median of 42.3X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $273 price target reflects 36X forward 12-months earnings.

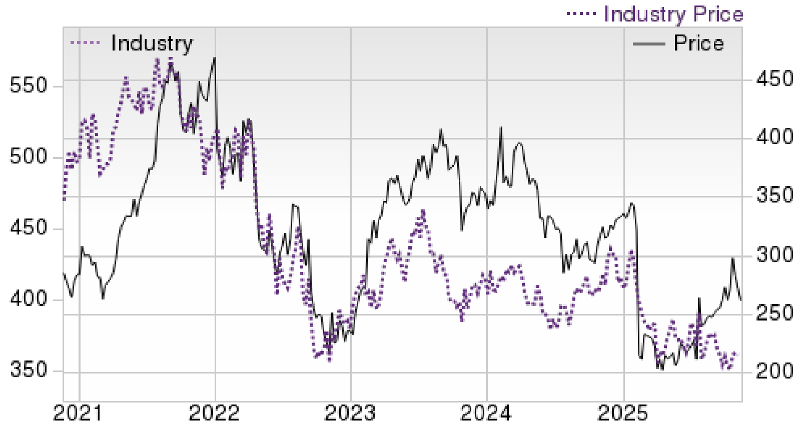
The table below shows summary valuation data for WST.

Valuation Multiples - WST

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	34.32	17.74	20.56	22.98
	5-Year High	59.04	21.75	23.63	23.81
	5-Year Low	22.15	15.94	17.88	15.73
	5-Year Median	42.26	18.8	20.59	21.2
P/S F12M	Current	5.84	0.38	2.11	5.22
	5-Year High	11.75	0.53	3.39	5.52
	5-Year Low	4.67	0.34	2.01	3.84
	5-Year Median	8.06	0.42	2.63	5.06
P/B TTM	Current	6.13	5.14	3.72	8.21
	5-Year High	17.05	5.19	6.04	9.19
	5-Year Low	5.1	3.77	3.46	6.62
	5-Year Median	9.29	4.62	4.52	8.05

As of 11/18/2025 *Source: Zacks Investment Research*

Industry Analysis[1] **Zacks Industry Rank:** Top 25% (61 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
Align Technology, In...**(ALGN)**	Neutral	3
CONMED Corporation **(CNMD)**	Neutral	2
The Cooper Companies...**(COO)**	Neutral	3
Merit Medical System...**(MMSI)**	Neutral	3
Straumann Holding AG **(SAUHY)**	Neutral	3
DENTSPLY SIRONA Inc. **(XRAY)**	Underperform	5
Invacare Corporation **(IVCRQ)**	NA	
SmileDirectClub, Inc...**(SDCCQ)**	NA	

Industry Comparison[1] Industry: Medical - Dental Supplies

Industry Peers

	WST	X Industry	S&P 500	COO	SAUHY	XRAY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	3	3	5
VGM Score	D	-	-	C	B	C
Market Cap	18.55 B	3.52 B	37.00 B	14.34 B	19.02 B	2.01 B
# of Analysts	4	6	22	6	3	9
Dividend Yield	0.34%	0.00%	1.54%	0.00%	0.26%	6.35%
Value Score	D	-	-	B	D	A
Cash/Price	0.03	0.05	0.04	0.01	0.02	0.17
EV/EBITDA	24.59	11.08	14.10	15.55	NA	14.51
PEG Ratio	7.77	1.77	2.17	1.77	2.82	0.73
Price/Book (P/B)	6.08	2.38	3.23	1.72	7.61	1.36
Price/Cash Flow (P/CF)	28.87	11.31	14.54	12.92	25.89	1.39
P/E (F1)	36.53	14.52	19.43	16.43	31.95	6.20
Price/Sales (P/S)	6.15	1.19	2.96	3.55	NA	0.55
Earnings Yield	2.74%	6.48%	5.12%	6.08%	3.10%	16.17%
Debt/Equity	0.07	0.21	0.57	0.29	NA	1.36
Cash Flow ($/share)	9.01	2.12	8.99	5.59	0.46	7.36
Growth Score	C	-	-	C	A	D
Hist. EPS Growth (3-5 yrs)	0.43%	4.82%	8.17%	7.10%	NA	NA
Proj. EPS Growth (F1/F0)	4.59%	6.66%	8.30%	10.84%	-89.58%	-2.40%
Curr. Cash Flow Growth	-12.53%	8.27%	7.00%	10.95%	15.65%	43.01%
Hist. Cash Flow Growth (3-5 yrs)	13.40%	6.01%	7.32%	4.42%	11.18%	10.88%
Current Ratio	2.87	1.66	1.18	2.12	1.64	1.47
Debt/Capital	6.23%	19.88%	38.16%	22.55%	NA	57.71%
Net Margin	16.29%	3.73%	12.75%	10.08%	NA	-24.34%
Return on Equity	18.16%	14.09%	17.04%	9.82%	NA	17.10%
Sales/Assets	0.79	0.72	0.53	0.33	NA	0.62
Proj. Sales Growth (F1/F0)	5.80%	3.10%	5.49%	5.00%	15.00%	-4.10%
Momentum Score	D	-	-	F	C	C
Daily Price Chg	-0.87%	0.00%	0.38%	1.19%	-2.53%	-1.25%
1 Week Price Chg	-3.57%	0.00%	-3.05%	2.90%	5.04%	-5.90%
4 Week Price Chg	-6.89%	0.00%	-0.85%	-3.73%	7.96%	-20.89%
12 Week Price Chg	6.40%	-3.83%	2.48%	-1.98%	3.02%	-28.45%
52 Week Price Chg	-14.46%	-17.04%	12.25%	-27.11%	-4.18%	-45.66%
20 Day Average Volume	786,778	722,557	2,928,402	2,062,744	315,393	3,863,774
(F1) EPS Est 1 week change	-0.33%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	5.00%	0.46%	0.38%	0.04%	0.00%	-14.32%
(F1) EPS Est 12 week change	4.92%	0.41%	0.57%	-1.51%	-4.27%	-14.74%
(Q1) EPS Est Mthly Chg	3.11%	-0.15%	-0.10%	-0.15%	NA	-36.41%

Analyst Earnings Model(2)

West Pharmaceutical Services, Inc. (WST)

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	**$2,886.9**	**$2,949.8**	**$2,893.2**	**$698.0**	**$766.5**	**$804.6**	**$790.9**	**$3,060.0**	**$758.7**	**$812.2**	**$832.9**	**$818.4**	**$3,222.2**	**$3,422.9**
Organic Growth	7.7%	1.6%	(1.5%)	2.1%	6.8%	5.0%	2.3%	4.0%	5.4%	2.6%	0.2%	0.2%	2.0%	2.9%
Cost of Revenue	$1,750.7	$1,820.6	$1,894.7	$466.1	$492.6	$510.3	$511.5	$1,980.5	$495.9	$518.1	$532.5	$526.9	$2,073.3	$2,174.5
Gross Profit	**$1,136.2**	**$1,129.2**	**$998.5**	**$231.9**	**$273.9**	**$294.3**	**$279.4**	**$1,079.5**	**$262.7**	**$294.1**	**$300.4**	**$291.6**	**$1,148.8**	**$1,248.3**
Research and Development	$58.5	$68.4	$69.1	$16.3	$19.1	$17.1	$20.5	$73.0	$16.3	$18.6	$18.7	$20.3	$73.9	$76.4
Selling, General and Administrative	$316.9	$353.4	$338.5	$88.0	$95.9	$102.7	$91.6	$378.2	$92.9	$99.7	$100.7	$92.7	$386.0	$396.5
Other (Income) Expense, net	$26.8	$31.4	$21.0	$20.6	$5.2	$6.9	$11.6	$44.3	$11.3	$9.1	$10.3	$10.9	$41.5	$43.6
EBITDA	**$882.6**	**$827.9**	**$728.2**	**$165.0**	**$196.7**	**$213.1**	**$201.4**	**$776.2**	**$186.2**	**$213.1**	**$218.3**	**$214.6**	**$832.3**	**$927.1**
Depreciation	$116.9	$133.7	$151.8	$39.1	$40.8	$42.3	$42.5	$164.7	$40.9	$43.3	$44.5	$43.9	$172.6	$183.2
Amortization	$3.7	$3.6	$3.6	$0.9	$0.6	$0.7	$0.7	$2.9	$0.6	$0.6	$0.6	$0.6	$2.3	$2.0
Depreciation & Amortization	$120.6	$137.3	$155.4	$40.0	$41.4	$43.0	$43.2	$167.6	$41.5	$43.9	$45.1	$44.4	$174.9	$185.2
Operating Income, Adjusted	**$762.0**	**$690.6**	**$572.8**	**$125.0**	**$155.3**	**$170.1**	**$158.2**	**$608.6**	**$144.8**	**$169.2**	**$173.3**	**$170.2**	**$657.5**	**$741.9**
Operating Income, GAAP	**$734.0**	**$676.0**	**$569.9**	**$107.0**	**$153.7**	**$167.6**	**$155.7**	**$584.0**	**$142.3**	**$166.7**	**$170.8**	**$167.7**	**$647.5**	**$731.9**
Interest Expenses	$7.9	$9.0	$3.0	$0.4	$0.1	$0.2	$0.1	$0.8	$0.2	$0.1	$0.2	$0.1	$0.7	$0.7
Interest Income	$5.1	$28.0	$19.6	$4.1	$3.6	$4.7	$4.5	$16.9	$4.0	$4.1	$4.6	$4.4	$17.1	$17.5
Interest Expense (Income), Net	$2.8	($19.0)	($16.6)	($3.7)	($3.5)	($4.5)	($4.4)	($16.1)	($3.8)	($4.0)	($4.4)	($4.3)	($16.4)	($16.8)
Other Non-Operating (Income) Expense	$51.3	($3.0)	$1.0	$0.2	$0.2	$0.2	$0.6	$1.2	($0.1)	($0.2)	$0.6	$0.7	$1.0	$1.0
Pre-Tax Income	**$679.9**	**$698.0**	**$585.5**	**$110.5**	**$157.0**	**$171.9**	**$159.6**	**$599.0**	**$146.2**	**$170.8**	**$174.6**	**$171.3**	**$662.9**	**$747.7**
Income Tax	$114.7	$122.3	$107.5	$24.1	$30.2	$34.0	$33.5	$121.8	$30.7	$35.9	$36.7	$36.0	$139.2	$157.0
Tax Rate	16.9%	17.5%	18.4%	21.8%	19.2%	19.8%	21.0%	20.3%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Equity in Net Income of Affiliated Companies	$20.7	$17.7	$14.7	$3.4	$5.0	$2.1	$3.3	$13.8	$3.4	$3.6	$3.3	$3.5	$13.9	$14.6
Net Income, Adjusted	**$650.0**	**$608.8**	**$497.2**	**$106.2**	**$133.5**	**$142.4**	**$131.7**	**$513.8**	**$118.9**	**$138.6**	**$141.2**	**$138.9**	**$537.6**	**$605.2**
Net Income, GAAP	**$585.9**	**$593.4**	**$492.7**	**$89.8**	**$131.8**	**$140.0**	**$129.3**	**$490.9**	**$118.9**	**$138.6**	**$141.2**	**$138.9**	**$537.6**	**$605.2**
Diluted Shares Outstanding	75.8	75.3	73.7	73.0	72.5	72.6	72.6	72.7	72.6	72.6	72.6	72.6	72.6	72.6
Diluted EPS, Adjusted	**$8.58**	**$8.08**	**$6.75**	**$1.45**	**$1.84**	**$1.96**	**$1.81**	**$7.06**	**$1.64**	**$1.91**	**$1.95**	**$1.91**	**$7.40**	**$8.34**
Diluted EPS, GAAP	**$7.73**	**$7.88**	**$6.69**	**$1.23**	**$1.82**	**$1.92**	**$1.78**	**$6.75**	**$1.64**	**$1.91**	**$1.95**	**$1.91**	**$7.40**	**$8.34**
Dividend Per Share	$0.74	$0.78	$0.81	$0.21	$0.21	$0.21	$0.22	$0.85	$0.22	$0.22	$0.22	$0.23	$0.89	$0.93

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	D
Growth Score	C
Momentum Score	D
VGM Score	D

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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