

Woodward, Inc. (WWD)

\$311.38 (Stock Price as of 12/26/2025)

Price Target (6-12 Months): **\$321.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 08/15/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM: B

Value: D

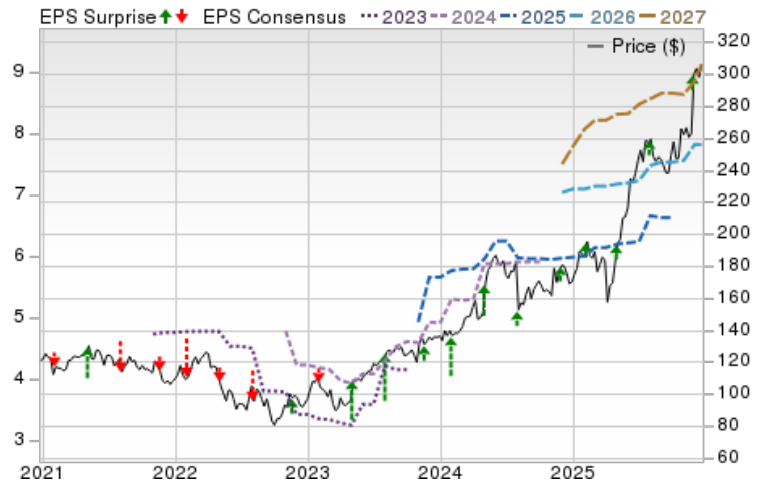
Growth: A

Momentum: A

Summary

Woodward is gaining from strength in the Aerospace segment and Core Industrial (power generation, oil & gas and marine transportation) units. In the fourth-quarter fiscal 2025, Aerospace benefited from strength across commercial services and defense OEM. Also, the company is gaining from a strong Industrial business segment. For fiscal 2026, Woodward expects consolidated net sales to rise 7% to 12%, with Aerospace projected to grow 9% to 15% and Industrial anticipated to increase 5% to 9%. Technology upgrades and disciplined capital allocation support long-term growth. The company has announced a new three-year authorization for up to \$1.8 billion in stock repurchases. However, volatile China on-highway natural-gas truck market, supply-chain woes within Aerospace, global macro uncertainty and rising costs remain concerns.

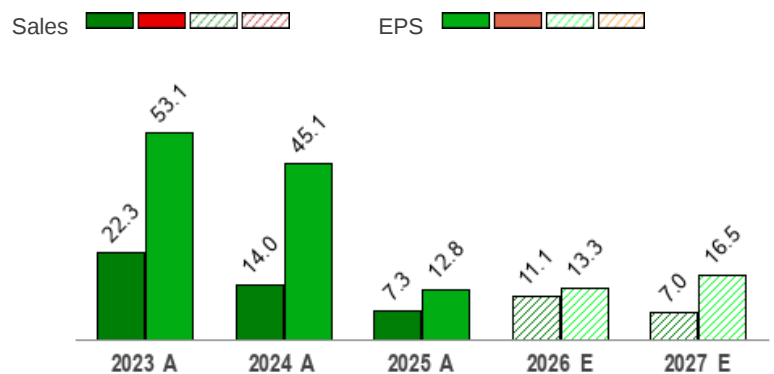
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$317.56 - \$146.82
20 Day Average Volume (sh)	591,315
Market Cap	\$18.8 B
YTD Price Change	88.6%
Beta	1.02
Dividend / Div Yld	\$1.12 / 0.4%
Industry	Aerospace - Defense Equipment
Zacks Industry Rank	Top 34% (83 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Last EPS Surprise	14.2%
Last Sales Surprise	6.4%
EPS F1 Est- 4 week change	2.7%
Expected Report Date	02/02/2026
Earnings ESP	1.3%

Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	990 E	1,074 E	1,062 E	1,115 E	4,239 E
2026	901 E	993 E	1,004 E	1,065 E	3,962 E
2025	773 A	884 A	915 A	995 A	3,567 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	2.08 E	2.27 E	2.32 E	2.44 E	9.10 E
2026	1.66 E	1.95 E	1.99 E	2.21 E	7.81 E
2025	1.35 A	1.69 A	1.76 A	2.09 A	6.89 A

*Quarterly figures may not add up to annual.

P/E TTM	45.6
P/E F1	39.9
PEG F1	2.7
P/S TTM	5.3

(1) The data in the charts and tables, except the estimates, is as of 12/26/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/22/2025.

Overview

Headquartered in Fort Collins, CO, Woodward, Inc is an independent designer, manufacturer and service provider of energy control and optimization solutions for the aerospace and industrial markets.

Apart from serving original equipment manufacturers (OEMs), it also engages in aftermarket repairs, replacements and other service support operations for installed products.

Woodward serves the aerospace and energy markets through two reportable segments: Aerospace and Industrial.

The Aerospace segment's products include metering units, actuators, air valves, fuel pumps, fuel nozzles, specialty valves, , and thrust reverser actuation systems for turbine engines and nacelles, flight deck controls, actuators, servocontrols, motors, and sensors for aircraft.

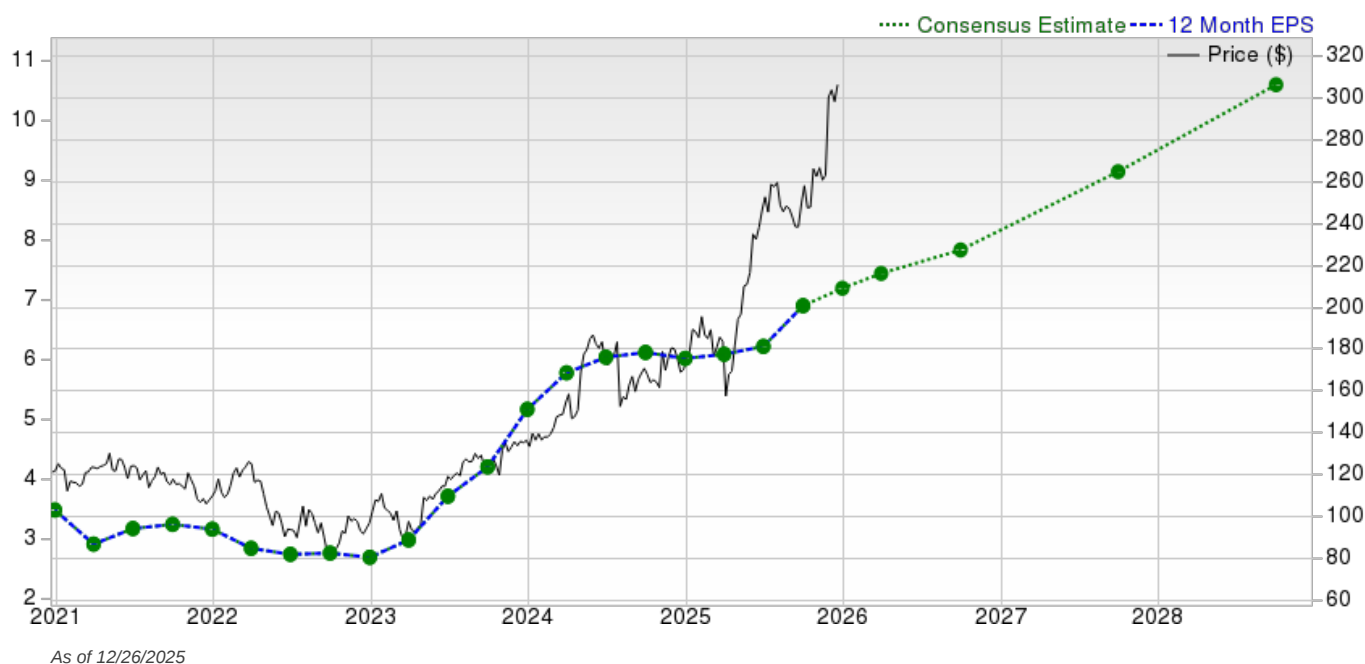
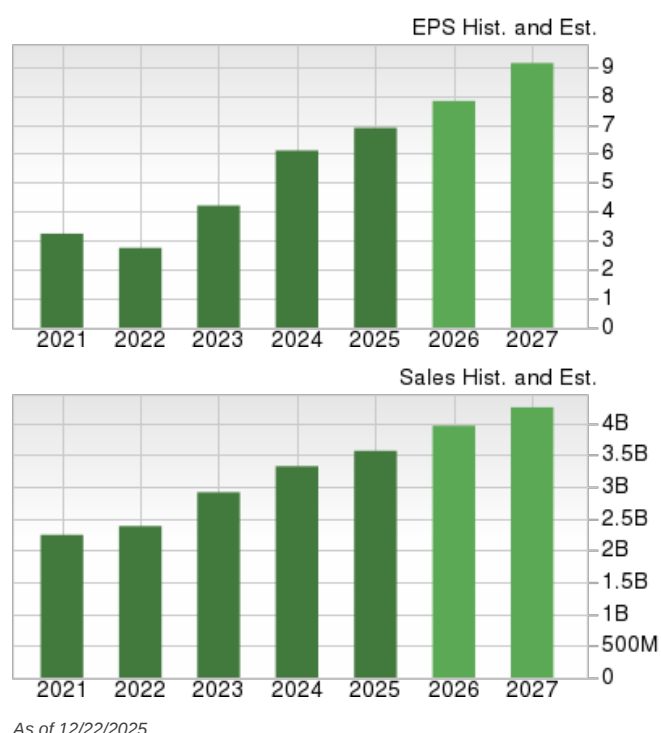
These segment's products are utilized for commercial and private aircraft and rotorcraft. These are also widely deployed on military fixed-wing aircraft and rotorcraft, guided weapons, and other defense systems. This segment generated revenues of \$494 million in first-quarter fiscal 2025, representing 63.9% of total revenues.

The company faces tough competition from companies like Honeywell, Moog, Eaton, Parker Hannifin, and RTX Corporation in this space.

The Industrial segment's products portfolio includes solenoids, actuators, valves, pumps, fuel injection systems, ignition systems, control systems, electronics and software, and sensors.

The products are widely used in steam turbines, industrial gas turbines (like heavy frame, aeroderivative and small industrial gas turbines), compressors, and reciprocating engines (like low speed, medium speed, and high-speed engines, that operate on variety of fuels). Segmental revenues of \$279 million in first-quarter fiscal 2025, represented 36.1% of total revenues.

Woodward's primary competitors in this space include Heinzmann GmbH & Co., Emerson, EControls, Hoerbiger, Meggitt, Robert Bosch AG, and Triconix.



Reasons To Buy:

- ▲ Revenues from Woodward's **Aerospace business are expected to improve** in the upcoming quarters, driven by strength in the commercial aftermarket as well as higher defense activity, despite supply-chain challenges. In the fourth quarter of fiscal 2025, net sales for the segment were up 19.6% year over year, driven by broad-based strength across commercial services and defense OEM. Defense OEM and defense services sales were up 27% and 80%, respectively, year over year. Commercial OEM sales were flat year over year, while services jumped 40%. Segmental earnings were \$162 million, up from \$106 million a year ago. The gains were fueled by strong pricing and increased volume, though partly tempered by planned investments in Aerospace manufacturing and ongoing inflationary pressures. For fiscal 2026, Woodward projects its Aerospace segment to grow 9% to 15%. Aerospace segment earnings are expected to be 22% to 23% of segment sales.
- ▲ Woodward's **Industrial business segment has been gaining from solid demand** for power generation and continued requirement for primary and backup power for data centers. Higher investment in gas-powered generation to support grid stability is another tailwind. Increasing demand for alternative fuels across the marine industry, as well as momentum in the global marine market brought on by higher utilization, bodes well. Within oil and gas, an encouraging investment outlook in the Middle East and India's refining and petrochemical activities are other growth drivers. In the fourth quarter of fiscal 2025, Woodward's Industrial segment delivered strong results, led by robust performance across power generation and oil & gas markets. The Industrial segment's net sales totaled \$334 million, up 10.6% year over year. Core industrial sales, excluding the China on-highway impact, rose 15%. Transportation sales jumped 15% and oil and gas sales increased 13%, while power generation grew a modest 6%. On the last earnings call, management stated that it expects strong demand to continue into fiscal 2026, with momentum in the Industrial segment. Woodward expects consolidated net sales to rise 7% to 12%, with the Industrial segment anticipated to increase 5% to 9%. Industrial segment earnings are expected to be 14.5% to 15.5% of segment sales.
- ▲ **Woodward is investing in technology upgrades**, automation and new facilities to boost efficiency and win new business. It continues R&D to cut fuel use and emissions, while in early fiscal 2025, it divested its non-core gas turbine combustion parts business and expanded its Glatten facility to increase capacity and streamline operations. The company highlighted in the third quarter that the Glatten expansion project, focused on meeting rising data center backup power demand, is progressing ahead of schedule, with all remaining machines ordered in July and move-in planned for November. Guided by 3P principles (production, preparation and process), the project fully redesigns the value stream to enhance flow, increase automation and drive stronger inventory turns. In the fourth quarter, the company upgraded its electromechanical actuation capabilities through a recent strategic acquisition, adding state-of-the-art HSTA technologies and expanding its direct supply relationship with Airbus. Additional investments include a multiyear ERP system upgrade, enhanced MRO readiness to support growing aftermarket demand and continued expansion of regional service centers to improve repair and upgrade capabilities. The company is advancing automation across multiple manufacturing sites to improve productivity, safety, quality and flow, with automation targeted at high-turnover, repetitive and high-force tasks. A major component of this effort is the development of the new Spartanburg, SC, advanced manufacturing facility, designed as a highly automated, vertically integrated site that will support A350 spoiler actuator production and future aerospace programs, with approximately \$130 million of fiscal 2026 capital dedicated to its build-out.
- ▲ The company's **strong capital-allocation policy bodes well**. The company's disciplined capital deployment remains focused on three priorities: reinvesting for growth, returning cash to shareholders and pursuing selective, returns-driven M&A. As part of this strategy, the company is making a multiyear investment in a new state-of-the-art facility to support the Airbus A350 spoiler actuation program and long-term organic growth, while its recent Safran acquisition further strengthens its position in electromechanical actuation systems and aligns with its strategic deal criteria. With accelerated automation initiatives, these growth investments will drive higher capital spending over the next several years. During fiscal 2025, the company returned \$238 million to its shareholders in the form of \$65 million of dividends and \$173 million of share repurchases. During fiscal 2024, the company returned \$449 million to its shareholders in the form of \$58 million of dividends and \$391 million of share repurchases. In November 2025, the company finished its previous three-year, \$600 million share repurchase program over a year earlier than planned, demonstrating its strong focus on shareholder returns. Recently, the company has announced a new three-year authorization for up to \$1.8 billion in common stock repurchases. For fiscal 2026, the company expects to return between \$650 million and \$700 million to shareholders via dividends and share repurchases. The company's capital allocation strategy continues to emphasize discipline and balance, utilizing the strength of its balance sheet to drive sustainable growth.

Woodward's performance gains from strength in Aerospace and Core Industrial segments. Shareholder friendly policy is a plus.

Reasons To Sell:

- ▼ **Volatile China on-highway natural-gas truck market**, global macroeconomic weakness and rising costs are concerns. In fiscal 2025, the Industrial segment's earnings were \$183 million, down from \$230 million in the prior year. The decline was primarily due to lower volumes and an unfavorable sales mix stemming from reduced China on-highway demand. Management expects revenues from China's on-highway natural gas trucks to be \$60 million for fiscal 2026, on par with 2025.
- ▼ Woodward has a significant presence in the commercial aerospace market, which is cyclical. It also faces **intense competition** from a number of major players in the United States and abroad. Changes in competitive conditions, including factors like the availability of new products and services, introduction of new channels of distribution and changes in OEM and aftermarket pricing will likely hamper its association with clients and affect sales. Persisting supply-chain challenges in the Aerospace segment are concerns.
- ▼ Woodward **caters to fewer customers** compared to companies with similar sales volume. Around 35% of the company's annual consolidated net sales came from its five largest customers in fiscal 2024. Therefore, loss of any one of its customers will have a material impact on its operational results. Woodward also faces the risk of third-party payments, which may hamper credit availability for further product offerings. As the company caters to international customers, it is subject to risks arising from fluctuations in foreign exchange rates.

Volatile China on-highway, supply-chain challenges in Aerospace and prevailing weakness over global macroeconomic conditions remain overhangs.

Last Earnings Report

Woodward's Q4 Earnings Surge 48% Y/Y

Woodward reported fourth-quarter fiscal 2025 adjusted net earnings per share (EPS) of \$2.09, which jumped 48% year over year and beat the Zacks Consensus Estimate by 14.2%.

Quarterly net sales increased 16% year over year to \$995 million. The upside is fueled by market tailwinds across Aerospace and Industrial. The top line beat the consensus estimate by 6.4%. For the full year, WWD reported net sales of \$3.6 billion, increasing 7% year over year, and adjusted EPS surged 13% to \$6.89.

FY Quarter Ending 9/30/2025

Earnings Reporting Date	Nov 24, 2025
Sales Surprise	6.36%
EPS Surprise	14.21%
Quarterly EPS	2.09
Annual EPS (TTM)	6.89

During fiscal 2025, the company completed its acquisition of Safran's North American Electromechanical Actuation business, adding leading Horizontal Stabilizer Trim Actuation technology and complementary products to its portfolio. It also launched a new three-year, \$1.8 billion share repurchase program. Additionally, Airbus selected the company to supply 12 of the 14 spoiler actuation systems for the A350—its first primary flight control win on a commercial aircraft. It also broke ground on a highly automated, vertically integrated aerospace manufacturing facility in Spartanburg County, SC. WWD also streamlined its Industrial portfolio by divesting its combustion product line, part of a broader strategy to concentrate on high-growth, high-margin verticals.

Segment Results

Aerospace: Net sales were \$661 million, up 19.6% year over year, driven by broad-based strength across commercial services and defense OEM. Defense OEM and defense services sales were up 27% and 80%, respectively, year over year. Commercial OEM sales were flat year over year, while services jumped 40%.

Segmental earnings were \$162 million, up from \$106 million a year ago. The gains were fueled by strong pricing and increased volume, though partly tempered by planned investments in Aerospace manufacturing and ongoing inflationary pressures. Margins expanded 540 basis points (bps) to 24.4%.

Industrial: Net sales totaled \$334 million, up 10.6% year over year, driven by gains across power generation and oil & gas markets. Core industrial sales, excluding the China on-highway impact, rose 15%.

Transportation sales rose 15% and oil and gas sales increased 13%. Power generation grew a modest 6%, reflecting the sale of the combustion business in the second quarter, which previously contributed about \$15 million per quarter. Without that divestiture, power generation sales would have grown in the mid-teens.

Segmental earnings were \$49 million, up from \$38 million in the year-ago quarter. In the core industrial segment, margins increased 330 bps to 15.2% of sales, led by strong pricing, though partially offset by anticipated inflation and ongoing strategic investments in manufacturing capacity.

Other Details

Gross margin was up 360 bps year over year to 27.9%.

Total costs and expenses were \$835.5 million, up 11% year over year.

Adjusted EBITDA was \$205 million compared with \$147 million a year ago.

Cash Flow & Liquidity

As of Sept. 30, 2025, Woodward had \$327.4 million in cash and cash equivalents with \$457 million of long-term debt (less the current portion).

For the fiscal year ended Sept. 30, 2025, WWD generated \$471 million of net cash from operating activities, increasing from \$439 million reported in the prior-year period.

Adjusted free cash flow was \$340 million compared with \$343 million in fiscal 2024. The decrease in free cash flow was mainly driven by increased capital spending, though higher earnings helped offset part of the impact. Capital expenditures reached \$131 million in fiscal 2025, up from \$96 million, reflecting continued investment in automation and production capabilities to enhance operations and support future growth.

During fiscal 2025, WWD returned \$238 million to its shareholders in the form of \$65 million of dividends and \$173 million of share repurchases.

Fiscal 2026 Guidance

Management expects strong demand to continue into fiscal 2026, with momentum in both the Aerospace and Industrial segments. Woodward expects consolidated net sales to rise 7% to 12%, with Aerospace projected to grow 9% to 15% and Industrial anticipated to increase 5% to 9%.

Management expects revenues from China's on-highway natural gas trucks to be \$60 million for the year, on par with 2025. Aerospace segment earnings are expected to be 22% to 23% of segment sales. Industrial segment earnings are expected to be 14.5% to 15.5% of segment sales.

Adjusted free cash flow is anticipated to be between \$300 million and \$350 million, while EPS is expected to be between \$7.5 and \$8.

Recent News

On Nov. 20, 2025, Woodward announced that its board has approved a new \$1.8 billion share repurchase authorization over three years, underscoring confidence in the company's strong balance sheet and long-term growth outlook.

On Sep. 17, 2025, Woodward announced a quarterly dividend of 28 cents per share payable on December 4, 2025, to its shareholders as of November 20, 2025.

On Sep 16, 2025, Woodward announced plans to build a new 300,000-square-foot precision manufacturing facility in Greer, South Carolina. Expected to begin operations in 2027, the site will focus on producing servo-hydraulic actuation systems, starting with spoiler actuation for the Airbus A350.

On July 21, 2025, Woodward completed its acquisition of Safran's Electronics & Defense electromechanical actuation business, with operations across the United States, Mexico and Canada. The acquisition, initially announced in December 2024, includes obtaining intellectual property, operational assets, skilled talent and long-term customer agreements related to Horizontal Stabilizer Trim Actuation (HSTA) systems. These systems play a critical role in aircraft stabilization, ensuring safe and efficient flight operations with notable applications like the Airbus A350.

On June 16, 2025, Woodward was selected by Airbus to supply the electro-hydraulic Spoiler Actuation System for the A350 aircraft. This flagship jet plays an integral part in modern long-haul aviation. The lucrative deal covers 12 of the 14 spoilers installed on the widebody A350 jetliner and includes not just hardware delivery but also long-term maintenance and repair services aligned with Airbus' Flight Hour Services program.

Valuation

Woodward's shares are up 26.9% in the past six months and 80.6% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 6.6%, while the same in the Zacks Aerospace sector are up 9.7% in the past six months. Over the past year, the Zacks sub-industry is up 29.4% and the sector is up 30.5%.

The S&P 500 Index is up 17% in the past six months and 18% in the past year.

The stock is currently trading at 37.69X forward 12-month earnings, which compares to 46.39X for the Zacks sub-industry, 33.07X for the Zacks sector and 23.27X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 38.67X and as low as 20.9X, with a 5-year median of 28.11X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$321 price target reflects 39.57X forward 12-month earnings.

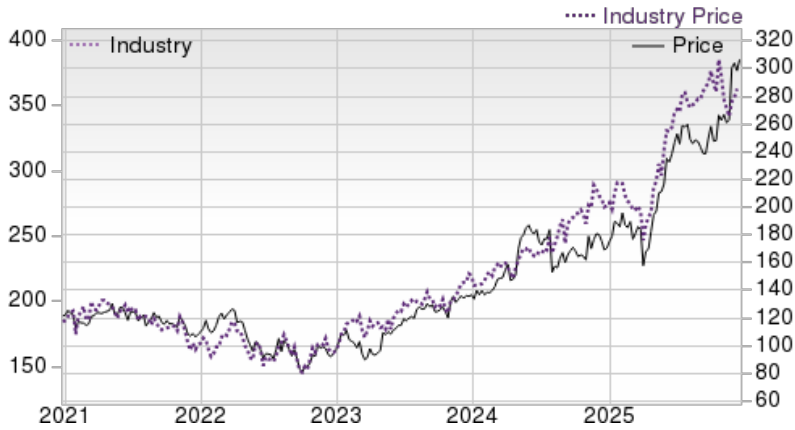
The table below shows summary valuation data for WWD:

Valuation Multiples - WWD					
		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	32.64	63.15	29.85	18.56
	5-Year High	32.64	65.94	31.44	22.37
	5-Year Low	16.73	25.79	12.86	13.85
	5-Year Median	20.88	44.52	21.54	17.94
P/E F12M	Current	37.69	46.39	33.07	23.27
	5-Year High	38.67	49.25	34.36	23.78
	5-Year Low	20.9	24.91	18.48	15.73
	5-Year Median	28.11	34.25	24.26	21.22
P/S F12M	Current	4.59	11.32	2.81	5.25
	5-Year High	4.67	11.72	2.81	5.5
	5-Year Low	1.84	4.38	1.26	3.82
	5-Year Median	2.85	7.11	1.7	5.04

As of 12/19/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 34% (83 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
AAR Corp. (AIR)	Neutral	2
ATI Inc. (ATI)	Neutral	2
BWX Technologies, In... (BWXT)	Neutral	3
Curtiss-Wright Corpo... (CW)	Neutral	2
Leonardo DRS, Inc. (DRS)	Neutral	4
Moog Inc. (MOG.A)	Neutral	2
CAE Inc (CAE)	Underperform	4
Moog Inc. (MOG.B)	NA	

Industry Comparison ⁽¹⁾ Industry: Aerospace - Defense Equipment				Industry Peers	
	WWD	X Industry	S&P 500	CAE	MOG.A
Zacks Recommendation (Long Term)	Neutral	-	-	Underperform	Neutral
Zacks Rank (Short Term)	2	-	-	4	2
VGM Score	B	-	-	D	A
Market Cap	18.83 B	7.98 B	39.21 B	10.11 B	8.00 B
# of Analysts	4	3	22	10	4
Dividend Yield	0.36%	0.00%	1.39%	0.00%	0.46%
Value Score	D	-	-	C	B
Cash/Price	0.02	0.03	0.04	0.01	0.01
EV/EBITDA	27.87	26.41	14.70	14.84	18.19
PEG Ratio	2.69	2.42	2.24	2.38	NA
Price/Book (P/B)	7.33	4.34	3.34	2.69	4.01
Price/Cash Flow (P/CF)	35.06	29.73	15.40	17.78	20.92
P/E (F1)	40.19	38.02	19.90	36.12	25.71
Price/Sales (P/S)	5.28	3.77	3.12	2.93	2.07
Earnings Yield	2.49%	2.43%	5.01%	2.77%	3.89%
Debt/Equity	0.18	0.25	0.56	0.60	0.47
Cash Flow (\$/share)	8.95	1.87	8.98	1.77	12.08
Growth Score	A	-	-	D	A
Hist. EPS Growth (3-5 yrs)	22.54%	19.52%	8.16%	10.37%	17.15%
Proj. EPS Growth (F1/F0)	13.35%	19.68%	8.50%	3.57%	13.12%
Curr. Cash Flow Growth	8.38%	17.55%	6.86%	17.30%	9.79%
Hist. Cash Flow Growth (3-5 yrs)	6.86%	8.57%	7.48%	2.62%	9.44%
Current Ratio	2.08	2.83	1.18	0.83	2.12
Debt/Capital	15.11%	21.02%	38.01%	37.33%	32.15%
Net Margin	12.39%	6.97%	12.78%	8.98%	6.03%
Return on Equity	17.68%	11.11%	17.00%	7.60%	14.59%
Sales/Assets	0.79	0.66	0.53	0.43	0.89
Proj. Sales Growth (F1/F0)	11.10%	10.15%	5.84%	8.10%	8.90%
Momentum Score	A	-	-	B	C
Daily Price Chg	0.00%	0.00%	0.00%	0.00%	0.00%
1 Week Price Chg	2.69%	0.60%	2.32%	1.04%	1.44%
4 Week Price Chg	5.27%	6.16%	1.75%	18.94%	10.89%
12 Week Price Chg	23.39%	2.32%	3.23%	10.08%	22.14%
52 Week Price Chg	82.82%	43.05%	14.81%	25.84%	27.29%
20 Day Average Volume	591,315	289,789	2,745,060	600,599	201,158
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	2.66%	0.00%	0.00%	0.00%	1.62%
(F1) EPS Est 12 week change	3.81%	0.80%	0.64%	-6.60%	2.55%
(Q1) EPS Est Mthly Chg	6.17%	0.00%	0.00%	0.00%	-3.46%

Analyst Earnings Model⁽²⁾

Woodward, Inc. (WWD)

In \$MM, except per share data

	2023A	2024A	2025A					2025E					2027E	2028E
	FY	FY	1QA	2QA	3QA	4QA	FY	1QE	2QE	3QE	4QE	FY	FY	FY
FY Ends September 30th	Sep-23	Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	Sep-25	31-Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	Sep-26	Sep-27	Sep-28
Income Statement														
Net Sales	\$2,914.6	\$3,324.2	\$772.7	\$883.6	\$915.4	\$995.3	\$3,567.1	\$900.9	\$992.6	\$1,004.3	\$1,064.5	\$3,962.2	\$4,239.4	\$4,532.0
Cost of Goods Sold	\$2,237.0	\$2,447.8	\$583.1	\$643.5	\$666.3	\$717.9	\$2,610.8	\$660.4	\$718.2	\$725.5	\$767.6	\$2,871.6	\$3,005.3	\$3,140.6
Gross Profit	\$677.6	\$876.5	\$189.6	\$240.1	\$249.2	\$277.4	\$956.3	\$240.6	\$274.3	\$278.8	\$296.9	\$1,090.6	\$1,234.1	\$1,391.4
Selling, General and Administrative Expenses	\$269.7	\$307.5	\$69.7	\$83.8	\$88.7	\$87.6	\$329.8	\$83.3	\$90.4	\$89.5	\$90.7	\$353.9	\$380.8	\$408.5
Research and Development Costs	\$132.1	\$140.7	\$30.2	\$37.2	\$41.1	\$39.0	\$147.6	\$37.2	\$41.6	\$42.0	\$43.7	\$164.6	\$182.7	\$202.6
Restructuring Activities	\$5.2	\$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
Interest Expense	\$47.9	\$48.0	\$12.3	\$11.9	\$11.2	\$10.2	\$45.7	\$11.7	\$12.2	\$12.0	\$12.6	\$48.5	\$51.3	\$54.8
Interest Income	\$2.8	\$6.5	\$1.4	\$1.0	\$0.8	\$1.0	\$4.2	\$1.1	\$1.0	\$1.0	\$1.1	\$4.3	\$4.5	\$4.8
Interest Expense, net	\$45.1	\$41.5	\$11.0	\$10.9	\$10.4	\$9.3	\$41.5	\$10.6	\$11.1	\$11.0	\$11.5	\$44.2	\$46.8	\$49.9
Other (Income) Expense, net	(\$50.3)	(\$67.2)	(\$23.1)	(\$24.8)	(\$17.9)	(\$18.3)	(\$84.0)	(\$21.6)	(\$21.3)	(\$18.9)	(\$20.9)	(\$82.7)	(\$78.6)	(\$74.7)
Total Costs and Expenses	\$2,638.8	\$2,870.3	\$670.9	\$750.7	\$788.6	\$835.5	\$3,045.7	\$770.0	\$840.0	\$849.1	\$892.5	\$3,351.6	\$3,537.1	\$3,726.9
Adjusted EBITDA	\$475.5	\$619.8	\$134.9	\$164.0	\$165.9	\$204.7	\$669.5	\$170.4	\$194.4	\$197.2	\$216.2	\$778.1	\$880.5	\$995.4
EBITDA, GAAP	\$440.7	\$611.6	\$140.7	\$171.4	\$165.9	\$198.2	\$676.2	\$170.4	\$194.4	\$197.2	\$216.2	\$778.1	\$880.5	\$995.4
Depreciation and Amortization	\$119.7	\$116.2	\$27.9	\$27.6	\$28.7	\$29.2	\$113.3	\$28.8	\$30.7	\$31.0	\$32.8	\$123.3	\$131.4	\$140.4
Operating Income, Adjusted	\$355.8	\$503.6	\$107.0	\$136.5	\$137.2	\$175.6	\$556.2	\$141.6	\$163.7	\$166.1	\$183.4	\$654.8	\$749.1	\$855.0
Operating Income, GAAP	\$320.9	\$495.5	\$112.8	\$143.8	\$137.2	\$169.0	\$562.9	\$141.6	\$163.7	\$166.1	\$183.4	\$654.8	\$749.1	\$855.0
Pre-Tax Income, Adjusted	\$310.6	\$462.1	\$96.0	\$125.6	\$126.8	\$166.3	\$514.7	\$130.9	\$152.6	\$155.2	\$171.9	\$610.6	\$702.3	\$805.1
Pre-Tax Income, GAAP	\$275.8	\$454.0	\$101.9	\$132.9	\$126.8	\$159.8	\$521.4	\$130.9	\$152.6	\$155.2	\$171.9	\$610.6	\$702.3	\$805.1
Income Tax, Adjusted	\$52.1	\$83.0	\$13.4	\$22.2	\$18.4	\$37.1	\$91.2	\$28.8	\$33.6	\$34.1	\$37.8	\$134.3	\$154.5	\$177.1
Income Tax, GAAP	\$43.4	\$81.0	\$14.8	\$24.0	\$18.4	\$22.1	\$79.3	\$19.6	\$22.9	\$23.3	\$25.8	\$91.6	\$105.4	\$120.8
Tax Rate, Adjusted	16.8%	18.0%	14.0%	17.7%	14.5%	22.3%	17.7%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Tax Rate, GAAP	15.7%	17.8%	14.5%	18.1%	14.5%	13.9%	15.2%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Net Income, Adjusted	\$258.6	\$379.1	\$82.6	\$103.4	\$108.4	\$129.1	\$423.6	\$102.1	\$119.0	\$121.0	\$134.1	\$476.3	\$547.8	\$628.0
Net Income, GAAP	\$232.4	\$373.0	\$87.1	\$108.9	\$108.4	\$137.6	\$442.1	\$111.3	\$129.7	\$131.9	\$146.1	\$519.0	\$597.0	\$684.3
Basic Shares Outstanding	59.9	60.1	59.2	59.4	59.7	59.9	59.6	59.8	59.6	59.4	59.2	59.5	58.8	58.1
Diluted Shares Outstanding	61.5	62.1	61.1	61.3	61.5	61.7	61.5	61.5	61.2	60.9	60.6	61.0	60.2	59.5
Basic EPS	\$3.88	\$6.21	\$1.47	\$1.83	\$1.82	\$2.30	\$7.42	\$1.86	\$2.18	\$2.22	\$2.47	\$8.73	\$10.15	\$11.77
Diluted EPS, Adjusted	\$4.21	\$6.11	\$1.35	\$1.69	\$1.76	\$2.09	\$6.89	\$1.66	\$1.95	\$1.99	\$2.21	\$7.81	\$9.10	\$10.55
Diluted EPS, GAAP	\$3.78	\$6.01	\$1.42	\$1.78	\$1.76	\$2.23	\$7.19	\$1.81	\$2.12	\$2.17	\$2.41	\$8.51	\$9.92	\$11.50
Dividend per Share	\$0.85	\$0.97	\$0.25	\$0.28	\$0.28	\$0.28	\$1.09	\$0.28	\$0.32	\$0.32	\$0.32	\$1.24	\$1.40	\$1.56

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	A
Momentum Score	A
VGM Score	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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