

Fortinet Inc. (FTNT)

\$104.74 (Stock Price as of 05/27/2025)

Price Target (6-12 Months): **\$110.00**

Long Term: 6-12 Months	Zacks Recommendation:	Neutral
	(Since: 01/07/25)	
	Prior Recommendation: Outperform	
Short Term: 1-3 Months	Zacks Rank: (1-5)	2-Buy
	Zacks Style Scores:	VGM:B
	Value: D	Growth: A
		Momentum: C

Summary

Fortinet's first-quarter results reflect strength in demand from large enterprise customers and growth in the company's security subscriptions amid a slowdown in networking products, along with challenges in sales execution and marketing efficiency. Continued deal wins, especially those of high value, are a key driver. Higher IT spending on cybersecurity is further expected to aid Fortinet in the near-term. The focus on enhancing its unified threat management (UTM) portfolio through product development and acquisitions is a tailwind. We expect 2025 net sales to rise 13% from 2024. However, stiff competition from Palo Alto Networks, Cisco Systems and Check Point Software among others due to increasing consolidation in the security industry poses concerns. Increased hiring and mergers & acquisitions spending remain overhangs on margin.

Data Overview

52 Week High-Low	\$114.82 - \$54.57
20 Day Average Volume (sh)	5,064,873
Market Cap	\$80.2 B
YTD Price Change	10.9%
Beta	1.16
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Security
Zacks Industry Rank	Top 13% (32 out of 245)

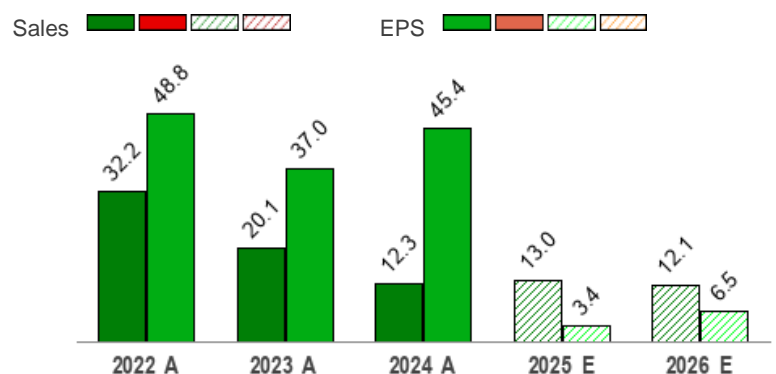
Last EPS Surprise	9.4%
Last Sales Surprise	0.2%
EPS F1 Est- 4 week change	1.9%
Expected Report Date	08/05/2025
Earnings ESP	0.2%

P/E TTM	41.6
P/E F1	42.8
PEG F1	8.7
P/S TTM	13.1

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,730 E	1,816 E	1,904 E	2,095 E	7,544 E
2025	1,540 A	1,619 E	1,700 E	1,873 E	6,732 E
2024	1,353 A	1,434 A	1,508 A	1,660 A	5,956 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.58 E	0.61 E	0.66 E	0.77 E	2.61 E
2025	0.58 A	0.59 E	0.60 E	0.68 E	2.45 E
2024	0.43 A	0.57 A	0.63 A	0.74 A	2.37 A

*Quarterly figures may not add up to annual.

1) The data in the charts and tables, except the estimates, is as of 05/27/2025.

2) The report's text, the analyst-provided estimates, and the price target are as of 05/28/2025.

Overview

Headquartered in Sunnyvale, CA, Fortinet, Inc. is a provider of network security appliances and Unified Threat Management (UTM) network security solutions to enterprises, service providers and government entities worldwide.

Its solutions are designed to integrate multiple levels of security protection, including firewall, virtual private networking (VPN), antivirus, intrusion prevention (IP), web filtering, anti-spam and wide area network (WAN) acceleration.

Through its products and subscription services, the company provides integrated protection against dynamic security threats while simplifying the IT security infrastructure. Its solutions incorporate application-specific integrated circuits, hardware architecture, operating system, and associated security and networking functions to defend against multiple categories of IT security attacks without impacting network performance.

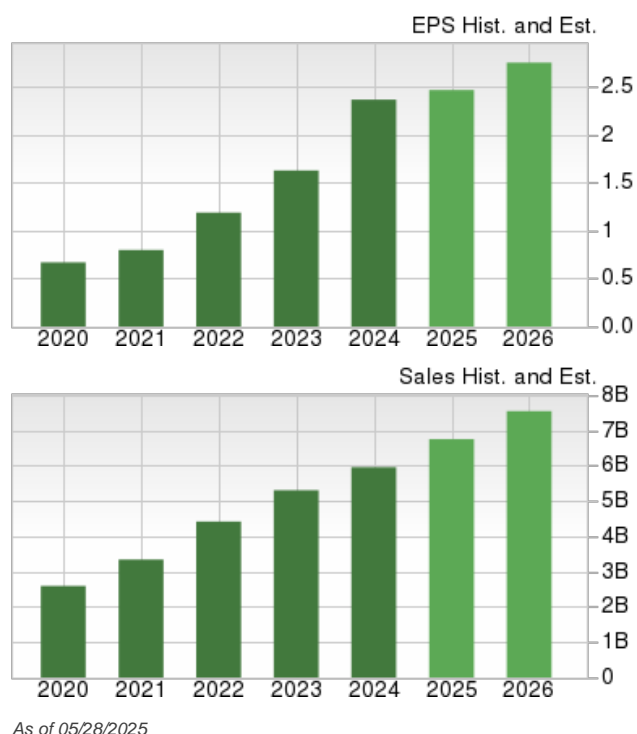
The company's network security gateways protect customer data, reduce security complexities and lower the total cost of ownership. Customers are able to implement their security policies on traffic between internal networks and the Internet, as well as between internal and private networks shared with partners.

Its flagship UTM solution consists of the FortiGate appliance product line and FortiGuard security subscription services.

Its products and services are sold through a network of more than 20,000 channel partners worldwide, including distributors, resellers, value-added resellers and managed service providers. The company caters to more than 450,000 customers worldwide that includes most of the Fortune 100 companies.

Fortinet reported revenues of \$5.96 billion in 2024, which increased 12.3% from 2023. Product revenue was \$1.91 billion, down 1% while Service revenue of \$4.05 billion improved 19.8% year over year in 2024.

The company faces significant competition with Palo Alto Networks, CyberArk, Qualys and Cisco in the network security as well as cloud security space.



Reasons To Buy:

▲ Fortinet's rich experience in the security space and continued delivery of mission-critical solutions will help it to maintain and grow its market share in the cyber security space. Moreover, growing adoption of Software-Defined Wide Area Network (SD-WAN) solutions could be a key growth driver for Fortinet in the long-run. The market research firm, MarketsAndMarkets, predicts that the market size for SD-WAN solutions could reach \$13.7 billion by 2027 from \$3.4 billion in 2022, indicating a CAGR of 31.9%. As there are only few vendors that offers security and SD-WAN solution, Fortinet is well-positioned to capitalize on the increasing opportunities in the market.

Product ramp ups, deal wins, continuous growth of the network security market and expected benefits from the ongoing investments are the positives.

▲ Fortinet has made strategic acquisitions to expedite growth. The acquisition of AccelOps helped it in correlating visibility and threat intelligence to its entire network security ecosystem, and simultaneously extends it to third-party vendor solutions. The acquisition of Meru Networks helped Fortinet strengthen its cloud capabilities and expand its solutions portfolio. Again, the acquisitions of Coyote Point and XDN have not only helped it to broaden the product offerings but also the customer base and geographic reach. Moreover, the acquisitions of ZoneFox and Bradford Networks in 2018 were to enhance its Security Fabric with additional product capabilities and drive growth further. In July 2021, it acquired Sken.ai, a privately held startup, to accelerate DevSecOps. Prior to that, in March, it acquired cloud and network security start up, ShieldX for gaining more comprehensive view of end users, workstations, and OT devices.

▲ Fortinet has a strong balance sheet with ample liquidity position and no debt obligations. Fortinet exited the first quarter with cash and cash equivalents and short-term investments of \$4.78 billion, up from the \$4 billion reported at the end of the fourth quarter of 2024. Cash flow from operations was \$863.3 million for the first quarter of 2025 compared with \$830.4 million for the same quarter of 2024. Free cash flow was \$782.8 million for the first quarter of 2025 compared to \$608.5 million for the same quarter of 2024.

Reasons To Sell:

- ▼ To survive in the highly competitive cyber-security market, each player must continuously invest in broadening its capabilities. Over the past few years, Fortinet has invested heavily to enhance its sales and marketing capabilities, particularly by increasing the sales force. This has eroded its operating margins.
- ▼ Near-term prospects for Fortinet are not promising as changing customer spending behavior has recently hit several other players in this space. For the past few months, various competitors in the cyber security space noticed that the companies have been breaking their cybersecurity investment plans into phases and implementing the same over longer periods of time, instead of making a single large investment. This uncertain economic environment makes us slightly cautious about the company's near-term performance.
- ▼ Fortinet faces competition from numerous big and small players in the security application market. As Internet threats and attacks increase, competition will intensify. Competing firms must deliver prompt and advanced technologies to suit customer requirements and expedite product introduction in order to survive. Moreover, we believe that Fortinet's dominance could be challenged by new entrants, thus forcing it to resort to competitive pricing to maintain and gain further market share.

Intensifying competition, changing customer spending behavior and an uncertain economic environment remain the headwinds.

Last Earnings Report

Fortinet Q1 Earnings Surpass Expectations, Sales Increase Y/Y

Fortinet reported strong first-quarter 2025 results, wherein both earnings and revenues surpassed the Zacks Consensus Estimate and improved year over year.

Fortinet reported first-quarter 2025 non-GAAP earnings per share (EPS) of 58 cents, which beat the Zacks Consensus Estimate by 9.43%. The bottom line climbed 34.9% from the year-ago quarter's earnings of 43 cents.

Total revenues of \$1.54 billion beat the consensus mark by 0.21% and improved 13.8% year over year, driven by strong growth in services and product revenues.

In the first quarter, Fortinet added more than 6,300 new logos, driven by continued worldwide investments in its channel partners.

RPO grew 12% to \$6.5 billion and total billings rose 14% to \$1.6 billion, driven by double-digit growth in AI-driven SecOps and Unified SASE.

FTNT Quarter in Detail

Segment-wise, Product revenues increased 12.3% year over year to \$459.1 million, driven by growth in both hardware and software solutions. FortiGate hardware revenues grew outpacing total product revenue growth, driven by strong performance in low-end and high-end models. Software license revenue growth was driven by on-prem, time-based software license growth of more than 30%.

Service revenues of \$1.08 billion grew 14.4% year over year, accounting for 70% of total revenues. Security subscriptions revenues rose 16%, and support and related service revenues increased 12%. Service billings grew 14%, which was Fortinet's highest growth rate in the past 5 quarters.

Unified SASE and Security Operations gained considerable traction, with security service edge billings growth of more than 110%, which drove FTNT's Unified SASE billings growth to 18%, accounting for 25% of the business.

AI-driven Security Operations billings increased 29%, accounting for 10% of FTNT's business, driven by customers continuing to consolidate multiple security vendors on the company's integrated and AI-enhanced FortiFabric solution.

Margins of FTNT

Total gross margin increased 380 basis points (bps) to 81.9% and exceeded the high end of the guided range by 90 bps.

Product gross margin of 67.7% increased 1,200 bps as inventory-related charges normalized from last year's highly elevated levels, adding 1,300 bps to product gross margin and 400 bps to total gross margin.

Service gross margin of 87.8% decreased 10 bps, as Fortinet absorbed increased costs associated with the expansion of hosted security solutions.

Operating margin increased 570 bps to a first-quarter record of 34.2% and was 320 bps above the high-end of the company's guidance, reflecting the strong gross margin, a Fx tailwind of 100 bps, as well as cost efficiencies in the business.

FTNT Balance Sheet & Cash Flow

Fortinet exited the first quarter of 2024 with cash and cash equivalents and short-term investments of \$4.78 billion, up from the \$4 billion reported at the end of the fourth quarter of 2024.

Cash flow from operations was \$863.3 million for the first quarter of 2025 compared with \$830.4 million for the same quarter of 2024.

Free cash flow was \$782.8 million for the first quarter of 2025 compared to \$608.5 million for the same quarter of 2024.

FTNT Provides Guidance for Q2 & 2025

Fortinet estimates second-quarter revenues in the range of \$1.59-\$1.65 billion. Billings are estimated in the band of \$1.685-\$1.765 billion.

The non-GAAP gross margin is expected in the range of 80-81%, while the non-GAAP operating margin is anticipated between 31.5% and 32.5%. Non-GAAP EPS is projected in the band of 58-60 cents.

For 2025, FTNT predicts revenues in the range of \$6.65-\$6.85 billion. Services revenues are projected in the range of \$4.575-\$4.725 billion. Billings are expected in the band of \$7.2-\$7.4 billion.

The non-GAAP gross margin is expected in the range of 79-81%, and the operating margin is projected in the band of 31.5-33.5%. Non-GAAP EPS is anticipated between \$2.43 and \$2.49.

FY Quarter Ending

12/31/2024

Earnings Reporting Date	May 07, 2025
Sales Surprise	0.21%
EPS Surprise	9.43%
Quarterly EPS	0.58
Annual EPS (TTM)	2.52

Recent News

On May 7, Fortinet announced the FortiGate 700G series, a next-generation firewall delivering 164 Gbps throughput and 26 Gbps threat protection—7x and 4x higher than competitors, respectively. Equipped with FortiAI-Protect and post-quantum cryptography, it enhances security for modern hybrid IT environments.

On Apr. 29, Fortinet, along with Vodafone Business announced an expanded global partnership. Large and medium-sized enterprises in Germany and in other European markets as well as multinational businesses served through Vodafone Business International can now benefit from Vodafone Business Secure Networking Services.

On Apr. 23, Fortinet announced that FortiGuard AI-Powered Security Services and FortiCare Services have received GovRAMP, previously known as StateRAMP, authorization at a moderate impact level from the Government Risk and Authorization Management Program.

On Apr. 8, Fortinet announced significant FortiAI innovations embedded across the Fortinet Security Fabric platform. The new innovations include Agentic AI applications for network operations and security operations.

On Mar. 11, Fortinet announced enhancements to its OT Security Platform, introducing advanced threat visibility, ruggedized solutions for segmentation and 5G connectivity, and upgraded security operations for critical infrastructure protection.

Valuation

Fortinet shares are up 10.8% in the year-to-date period and up 75.4% over the trailing 12-month period. Stocks in the Zacks sub-industry have gained 16.8% year to date, while the Zacks Computer & Technology sector has declined 3.7% in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are up 36.3% and 7.9%, respectively.

The S&P 500 index is down 1.8% in the year-to-date period and up 10.1% in the past year.

The stock is currently trading at 11.35X forward 12-month sales, which compares to 14.20X for the Zacks sub-industry, 6.10X for the Zacks sector and 4.99X for the S&P 500 index.

Over the past five years, the stock has traded as high as 16.28X and as low as 6.23X, with a 5-year median of 9.04X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$110 price target reflects 11.92X forward 12-month sales.

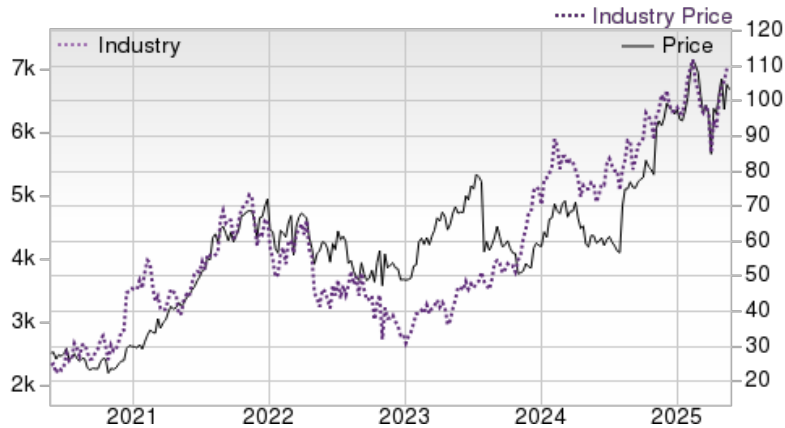
The table below shows summary valuation data for FTNT

Valuation Multiples - FTNT					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	11.35	14.20	6.10	4.99
	5-Year High	16.28	19.36	7.38	5.53
	5-Year Low	6.23	6.92	4.22	3.85
	5-Year Median	9.04	12.56	6.10	4.90
EV/Sales TTM	Current	12.34	15.74	6.72	5.02
	5-Year High	18.52	23.42	8.07	5.84
	5-Year Low	6.59	8.19	4.16	3.80
	5-Year Median	10.32	14.08	6.61	4.97
EV/EBITDA TTM	Current	35.36	67.03	16.00	16.39
	5-Year High	75.14	128.94	23.69	22.63
	5-Year Low	22.94	52.03	11.99	14.01
	5-Year Median	37.41	85.88	18.52	18.37

As of 05/27/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 13% (32 out of 245)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
CyberArk Software Ltd. (CYBR)	Outperform	1
Qualys, Inc. (QLYS)	Outperform	1
Check Point Software Technologies Ltd. (CHKP)	Neutral	3
CrowdStrike (CRWD)	Neutral	4
Cisco Systems, Inc. (CSCO)	Neutral	3
Palo Alto Networks, Inc. (PANW)	Neutral	3
Radware Ltd. (RDWR)	Neutral	3
Varonis Systems, Inc. (VRNS)	Neutral	3

Industry Comparison ⁽¹⁾ Industry: Security				Industry Peers		
	FTNT	X Industry	S&P 500	CHKP	CYBR	PANW
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	2	-	-	3	1	3
VGM Score	B	-	-	C	C	D
Market Cap	80.17 B	23.47 B	35.69 B	25.14 B	18.92 B	125.00 B
# of Analysts	19	13	20	16	15	19
Dividend Yield	0.00%	0.00%	1.56%	0.00%	0.00%	0.00%
Value Score	D	-	-	D	F	F
Cash/Price	0.06	0.07	0.04	0.06	0.04	0.03
EV/EBITDA	31.02	50.79	14.08	22.57	634.61	70.57
PEG Ratio	8.65	3.16	2.34	2.82	4.16	2.81
Price/Book (P/B)	40.81	12.25	3.49	9.15	7.79	17.29
Price/Cash Flow (P/CF)	40.45	70.41	14.18	25.51	819.16	69.43
P/E (F1)	42.75	70.75	18.93	23.07	101.08	57.35
Price/Sales (P/S)	13.05	11.36	2.99	9.66	17.25	14.08
Earnings Yield	2.36%	1.47%	5.28%	4.33%	0.99%	1.74%
Debt/Equity	0.25	0.00	0.57	0.00	0.00	0.00
Cash Flow (\$/share)	2.59	2.17	8.99	8.96	0.47	2.70
Growth Score	A	-	-	A	A	C
Hist. EPS Growth (3-5 yrs)	44.94%	26.51%	9.83%	7.29%	NA	NA
Proj. EPS Growth (F1/F0)	3.38%	14.71%	6.61%	8.19%	25.08%	15.14%
Curr. Cash Flow Growth	31.68%	7.14%	6.74%	7.01%	-163.40%	42.33%
Hist. Cash Flow Growth (3-5 yrs)	31.84%	29.10%	7.07%	2.66%	-22.20%	29.10%
Current Ratio	1.36	1.32	1.20	1.10	1.29	0.90
Debt/Capital	20.18%	0.00%	38.56%	0.00%	0.00%	0.00%
Net Margin	30.60%	2.18%	12.40%	32.75%	-7.97%	13.95%
Return on Equity	148.79%	3.47%	16.92%	32.88%	0.71%	19.48%
Sales/Assets	0.66	0.45	0.52	0.46	0.39	0.43
Proj. Sales Growth (F1/F0)	13.00%	13.73%	4.26%	5.70%	31.80%	14.40%
Momentum Score	C	-	-	F	A	A
Daily Price Chg	1.53%	1.48%	2.05%	0.33%	0.40%	0.38%
1 Week Price Chg	-1.37%	-0.17%	-0.32%	4.20%	7.41%	-3.23%
4 Week Price Chg	0.51%	7.82%	6.49%	6.19%	8.55%	0.43%
12 Week Price Chg	-1.63%	6.83%	2.48%	3.35%	8.06%	1.67%
52 Week Price Chg	76.18%	33.34%	11.60%	52.71%	61.10%	21.72%
20 Day Average Volume	5,064,873	2,734,423	2,661,085	707,341	717,880	5,408,783
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	1.90%	0.07%	0.00%	0.01%	69.49%	-0.19%
(F1) EPS Est 12 week change	2.83%	1.24%	-0.49%	-0.69%	72.48%	-0.34%
(Q1) EPS Est Mthly Chg	3.64%	0.00%	-0.37%	0.00%	23.41%	0.18%

Analyst Earnings Model⁽²⁾

Fortinet, Inc. (FTNT)

In \$MM, except per share data

	2022A	2023A	2024A	1Q A	2Q E	3Q E	4Q E	FY	1Q E	2Q E	3Q E	4Q E	FY	2027E
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	\$4,417.4	\$5,304.8	\$5,955.8	\$1,539.7	\$1,618.9	\$1,700.1	\$1,873.3	\$6,732.0	\$1,729.6	\$1,815.9	\$1,903.8	\$2,094.8	\$7,544.2	\$8,488.5
YoY % Chng	32.2%	20.1%	12.3%	13.8%	12.9%	12.7%	12.0%	13.0%	12.3%	12.2%	12.0%	11.8%	12.1%	12.5%
Cost of Revenue, Non-GAAP	\$1,047.2	\$1,197.2	\$1,114.7	\$279.4	\$307.5	\$345.9	\$386.9	\$1,319.7	\$387.0	\$403.3	\$406.8	\$466.6	\$1,663.7	\$1,901.0
YoY % Chng	39.1%	14.3%	(6.9%)	(5.6%)	15.7%	36.7%	28.9%	17.6%	38.5%	31.1%	20.6%	26.1%	14.3%	14.3%
Cost of Revenue, GAAP	\$1,084.9	\$1,237.2	\$1,157.6	\$293.1	\$307.7	\$358.8	\$402.4	\$1,362.0	\$398.3	\$404.7	\$416.0	\$482.3	\$1,701.3	\$1,935.2
YoY % Chng	38.6%	14.0%	(6.4%)	(3.8%)	15.9%	36.2%	27.9%	17.7%	38.2%	31.6%	21.6%	26.9%	14.2%	12.2%
Gross Profit, Non-GAAP	\$3,370.2	\$4,107.6	\$4,841.1	\$1,311.4	\$1,351.4	\$1,341.4	\$1,486.4	\$5,412.3	\$1,342.6	\$1,412.6	\$1,487.8	\$1,628.4	\$5,880.4	\$6,587.4
YoY % Chng	30.1%	21.9%	17.9%	19.2%	12.2%	7.9%	9.3%	11.5%	6.5%	7.7%	9.5%	8.6%	8.6%	12.0%
Gross Profit, GAAP	\$3,332.5	\$4,067.6	\$4,798.2	\$1,246.6	\$1,311.2	\$1,341.3	\$1,470.9	\$5,370.0	\$1,331.4	\$1,411.2	\$1,487.8	\$1,612.6	\$5,842.9	\$6,553.3
YoY % Chng	30.2%	22.1%	18.0%	18.5%	13.1%	7.8%	9.2%	11.5%	6.8%	7.6%	10.5%	9.6%	8.8%	12.2%
Sales and Marketing, Non-GAAP	\$1,575.0	\$1,890.2	\$1,932.0	\$511.1	\$567.9	\$581.8	\$625.8	\$2,286.6	\$599.0	\$639.9	\$648.0	\$679.5	\$2,505.5	\$2,841.1
YoY % Chng	28.0%	20.0%	2.2%	7.9%	19.7%	19.4%	26.0%	18.4%	17.2%	12.7%	11.4%	10.7%	12.2%	12.2%
Sales and Marketing, GAAP	\$1,686.1	\$2,006.0	\$2,044.8	\$542.7	\$605.4	\$601.6	\$625.1	\$2,374.8	\$583.3	\$661.3	\$662.5	\$683.9	\$2,580.9	\$2,817.7
YoY % Chng	25.3%	19.0%	1.9%	8.3%	20.8%	16.6%	16.1%	16.1%	7.5%	9.2%	10.1%	9.4%	9.1%	8.8%
Research and Development, Non-GAAP	\$448.2	\$537.0	\$630.9	\$175.6	\$166.5	\$195.3	\$214.1	\$751.5	\$192.3	\$185.5	\$207.6	\$224.4	\$809.8	\$867.5
YoY % Chng	22.0%	19.9%	17.2%	14.0%	(5.5%)	15.8%	12.7%	17.4%	11.4%	(3.8%)	11.3%	4.5%	7.9%	7.9%
Research and Development, GAAP	\$512.4	\$613.8	\$716.8	\$176.8	\$175.1	\$186.2	\$201.9	\$761.9	\$199.8	\$188.9	\$203.9	\$230.9	\$823.5	\$908.3
YoY % Chng	20.8%	19.8%	16.8%	14.5%	(0.6%)	5.7%	6.3%	6.3%	0.6%	(5.8%)	7.9%	14.4%	8.1%	10.3%
General and Administrative, Non-GAAP	\$138.9	\$173.4	\$192.9	\$47.4	\$53.9	\$65.2	\$59.9	\$226.4	\$65.8	\$65.7	\$78.9	\$63.2	\$273.6	\$317.9
YoY % Chng	19.3%	24.8%	11.2%	6.3%	12.7%	35.9%	17.4%	38.8%	21.9%	0.1%	21.1%	0.5%	20.9%	16.2%
General and Administrative, GAAP	\$169.0	\$211.3	\$237.8	\$57.8	\$65.9	\$69.7	\$66.0	\$260.0	\$68.9	\$71.9	\$81.6	\$75.2	\$297.7	\$333.9
YoY % Chng	17.8%	25.0%	12.5%	6.3%	16.4%	(2.8%)	(2.3%)	19.9%	9.1%	4.1%	17.1%	12.9%	14.0%	12.4%
Gain on Intellectual Property Matter	(\$4.6)	(\$4.6)	(\$4.6)	(\$6.3)	(\$0.9)	(\$1.0)	(\$1.1)	(\$9.3)	(\$3.7)	(\$0.7)	(\$0.9)	(\$1.0)	(\$6.2)	(\$7.2)
YoY % Chng	0.0%	0.0%	0.0%	(47.7%)	(26.6%)	(10.1%)	(8.6%)	(40.9%)	(10.1%)	(19.5%)	(32.9%)	(15.9%)	(15.9%)	(15.9%)
Total Operating Expense, Non-GAAP	\$2,162.1	\$2,600.6	\$2,755.8	\$734.1	\$788.3	\$842.2	\$899.8	\$3,264.4	\$867.1	\$891.2	\$934.5	\$966.1	\$3,648.8	\$4,026.5
YoY % Chng	26.1%	20.2%	6.0%	9.4%	16.5%	18.6%	26.9%	18.5%	16.8%	13.0%	11.0%	7.4%	11.8%	10.4%
Total Operating Expense, GAAP	\$2,362.9	\$2,626.5	\$2,994.8	\$792.8	\$845.6	\$892.5	\$937.4	\$3,387.4	\$848.3	\$891.4	\$947.4	\$969.0	\$3,705.8	\$4,052.7
YoY % Chng	23.5%	19.6%	6.0%	9.0%	17.1%	10.7%	15.7%	13.1%	7.0%	9.0%	10.6%	10.8%	9.4%	9.4%
Stock-Based Compensation	\$219.8	\$260.2	\$261.9	\$66.9	\$69.7	\$72.9	\$73.0	\$282.5	\$71.8	\$77.8	\$77.4	\$299.7	\$321.8	\$321.8
YoY % Chng	4.1%	14.5%	3.4%	5.1%	3.9%	3.9%	0.0%	8.4%	6.1%	6.1%	6.1%	6.1%	7.4%	7.4%
Amortization of Acquired Intangible Assets	\$23.3	\$18.9	\$23.1	\$11.8	\$2.3	\$5.4	\$17.7	\$37.2	\$26.6	\$1.5	\$6.1	\$32.7	\$66.9	\$144.0
YoY % Chng	(28.8%)	(22.2%)	20.2%	(59.8%)	(90.8%)	20.0%	57.1%	125.8%	(33.8%)	(91.3%)	11.3%	94.2%	79.8%	79.8%
EBITDA, Non-GAAP	\$1,312.4	\$1,620.4	\$2,208.1	\$662.0	\$658.6	\$548.3	\$626.4	\$2,295.3	\$523.7	\$559.9	\$602.0	\$706.7	\$2,392.3	\$2,741.5
YoY % Chng	36.7%	23.5%	35.5%	35.5%	(4.6%)	(18.7%)	(4.0%)	(4.0%)	0.2%	9.8%	12.9%	4.2%	14.6%	14.6%
EBITDA, GAAP	\$1,073.9	\$1,354.5	\$1,926.2	\$489.6	\$501.2	\$520.9	\$618.2	\$2,130.0	\$521.2	\$528.2	\$580.2	\$668.1	\$2,297.8	\$2,681.2
YoY % Chng	45.1%	26.1%	42.2%	40.0%	7.5%	4.0%	10.6%	10.6%	6.5%	0.4%	11.4%	8.1%	7.9%	16.7%
Depreciation & Amortization	\$104.3	\$113.4	\$122.8	\$35.8	\$35.6	\$36.2	\$39.9	\$147.5	\$38.1	\$38.5	\$39.5	\$44.6	\$160.7	\$180.6
YoY % Chng	23.6%	8.7%	25.3%	21.8%	(0.3%)	1.7%	13.2%	30.1%	1.3%	1.3%	2.8%	11.8%	11.8%	12.4%
Operating Income, Non-GAAP	\$1,208.1	\$1,507.0	\$2,085.3	\$523.1	\$523.1	\$512.0	\$586.6	\$1,247.9	\$385.5	\$521.4	\$562.5	\$623.1	\$2,313.6	\$2,560.9
YoY % Chng	38.0%	24.7%	38.4%	36.3%	3.9%	(2.0%)	(9.9%)	3.0%	(7.7%)	(0.3%)	9.9%	12.9%	3.9%	14.8%
Operating Income, GAAP	\$969.6	\$1,241.1	\$1,803.4	\$453.8	\$465.6	\$464.7	\$578.4	\$1,982.5	\$483.1	\$489.8	\$540.7	\$623.5	\$2,137.1	\$2,500.6
YoY % Chng	49.1%	28.0%	40.3%	41.3%	6.5%	2.9%	9.9%	9.9%	6.5%	0.2%	11.6%	7.8%	7.8%	17.0%
Interest (Income)/Expense	\$0.5	(\$0.7)	(\$135.2)	(\$39.4)	(\$39.1)	(\$42.2)	(\$39.0)	(\$42.9)	(\$39.0)	(\$39.5)	(\$42.9)	(\$46.8)	(\$169.0)	(\$169.0)
YoY % Chng	(94.2%)	(16,550.0%)	(37.0%)	(45.4%)	(4.6%)	(12.9%)	(12.9%)	(12.9%)	(12.9%)	(12.9%)	(12.9%)	(12.9%)	(10.9%)	(10.9%)
Other (Income)/Expense, Net, Non-GAAP	\$13.5	\$6.1	(\$13.6)	(\$26.1)	(\$11.1)	(\$15.2)	(\$17.3)	(\$69.7)	(\$18.1)	(\$16.1)	(\$17.9)	(\$19.9)	(\$72.0)	(\$80.2)
YoY % Chng	16.4%	(54.8%)	(323.0%)	(1,000.0%)	(28.9%)	(150.5%)	(150.5%)	(412.3%)	30.5%	(45.4%)	(17.5%)	(15.1%)	(3.4%)	(11.3%)
Other (Income)/Expense, Net, GAAP	\$13.5	\$6.1	(\$13.6)	(\$26.1)	(\$11.1)	(\$15.2)	(\$17.3)	(\$69.7)	(\$18.1)	(\$16.1)	(\$17.9)	(\$19.9)	(\$72.0)	(\$80.2)
YoY % Chng	16.4%	(54.8%)	(323.0%)	(1,000.0%)	(28.9%)	(150.5%)	(150.5%)	(412.3%)	30.5%	(45.4%)	(17.5%)	(15.1%)	(3.4%)	(11.3%)
Loss (Gain) on Bargain Purchase			(\$106.3)	(\$39.9)	(\$39.9)	(\$39.9)	(\$39.9)	(\$159.6)	(\$39.9)	(\$39.9)	(\$39.9)	(\$39.9)	(\$159.6)	(\$159.6)
YoY % Chng														
Total Interest & Other (Income)/Expense, Net, Non-GAAP	\$14.1	(\$92.6)	(\$148.8)	(\$65.5)	(\$41.9)	(\$54.3)	(\$59.5)	(\$221.2)	(\$57.1)	(\$55.7)	(\$60.8)	(\$67.7)	(\$240.1)	(\$269.2)
YoY % Chng	(35.9%)	(756.7%)	(60.7%)	(170.7%)	(34.7%)	(10.3%)	(9.4%)	(48.6%)	12.8%	(32.1%)	(11.7%)	(12.0%)	(8.5%)	(12.1%)
Total Interest & Other (Income)/Expense, Net, GAAP	\$14.1	(\$92.6)	(\$255.1)	(\$105.4)	(\$81.8)	(\$94.2)	(\$99.4)	(\$380.8)	(\$97.0)	(\$95.6)	(\$100.5)	(\$106.6)	(\$399.7)	(\$428.8)
YoY % Chng	(38.9%)	(756.7%)	(175.5%)	(335.8%)	(163.0%)	(39.4%)	(124.4%)	(48.3%)	7.9%	(16.8%)	(6.7%)	(7.2%)	(8.0%)	(7.2%)
Pre-Tax Income, Non-GAAP	\$1,194.0	\$1,599.6	\$2,234.1	\$591.7	\$565.0	\$566.3	\$646.1	\$2,369.1	\$542.7	\$577.1	\$623.1	\$728.8	\$2,471.7	\$2,830.1
YoY % Chng	39.9%	34.0%	39.7%	44.2%	(5.7%)	(0.2%)	(7.1%)	6.0%	(8.3%)	2.1%	10.0%	12.8%	4.3%	14.5%
Pre-Tax Income, GAAP	\$955.5	\$1,333.7	\$2,068.5	\$519.3	\$547.4	\$578.9	\$677.8	\$2,323.4	\$580.1	\$585.3	\$641.2	\$730.1	\$2,536.8	\$2,929.4
YoY % Chng	52.1%	39.6%	54.3%	50.3%	16.9%	7.6%	15.9%	12.9%	11.7%	6.9%	11.2%	7.7%	9.2%	15.5%
Income Tax, Non-GAAP	\$203.0	\$271.9	\$379.8	\$99.3	\$101.7	\$101.9	\$116.3	\$419.2	\$97.7	\$103.9	\$112.2	\$131.2	\$444.9	\$509.4
YoY % Chng	13.3%	33.9%	39.7%	42.3%	12.0%	0.9%	10.4%	10.4%	11.6%	2.1%	10.0%	12.8%	6.1%	14.5%
Income Tax, GAAP	\$30.8	\$143.8	\$283.9	\$96.5	\$101.7	\$107.6	\$126.0	\$431.8	\$107.8	\$108.8	\$119.2	\$135.7	\$471.4	\$544.4
YoY % Chng	118.4%	366.9%	97.4%	144.3%	33.0%	32.5%	45.3%	52.1%	11.7%	6.9%	10.8%	7.7%	9.2%	15.5%
Tax Rate, Non-GAAP	17.0%	17.0%	17.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Tax Rate, GAAP	3.2%	10.8%	13.8%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%
Non-Cash Charge on Equity Method Investment	\$39.7	\$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														
Loss From Equity Method Investment	\$68.1	\$42.1	\$29.4	(\$10.6)	\$3.4	\$0.9	(\$0.5)	(\$6.8)	(\$2.0)	\$0.5	(\$0.3)	(\$0.6)	(\$2.3)	(\$1.9)
YoY % Chng	796.1%	(38.2%)	(30.2%)	(123.3%)	(72.0%)	(83.8%)	(108.4%)	(123.3%)	(31.4%)	(83.8%)	(132.1%)	(39.1%)	(65.7%)	(18.0%)
Non-Controlling Interest	(\$0.7)	\$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	(600.0%)													
Net Income, Non-GAAP	\$961.6	\$1,285.6	\$1,832.9	\$452.3	\$459.9	\$463.5	\$530.2	\$1,906.0	\$446.9	\$472.7	\$511.3	\$598.2	\$2,029.1	\$2,322.6
YoY % Chng	44.4%	33.7%	42.6%	35.5%	4.5%	(4.9%)	(7.2%)	4.0%	(1.2%)	2.8%	10.3%	12.8%	6.5%	14.5%
Net Income, GAAP	\$857.3	\$1,147.8	\$1,745.2	\$433.4	\$442.3	\$470.5	\$552.3	\$1,898.5	\$474.3	\$476.0	\$522.4	\$595.1	\$2,067.7	\$2,387.0
YoY % Chng	41.3%	33.9%	52.0%	44.8%	16.9%	(12.9%)	5.0%	8.8%	9.4%	7.6%	11.0%	7.7%	8.9%	15.4%
Basic Shares Outstanding	791.4	778.4												

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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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Value Score	D
Growth Score	A
Momentum Score	C
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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