



# Your Guide to S&P Capital IQ<sup>™</sup> Stock Reports

Confidence. Objectivity. Experience.

A practical tool for financial advisors, analysts, researchers and individual investors, Stock Reports give you easy access to actionable research.



For over 80 years, advisors and investors have looked to S&P Capital IQ's Stock Reports for investment confidence, objectivity and unique research. Our research gives clients confidence by helping them make their investment decisions based on research from a leading provider of independent equity research.

The investment community respects the objectivity of our opinions. Our knowledge is exemplified by our unique research methodology. Stock Reports combine the strengths of S&P Capital IQ's robust database of publicly traded corporations and its highly regarded team of equity analysts. With their broad array of fundamental, quantitative and technical data, Stock Reports are an essential resource for identifying potential investment opportunities.

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## *A History of Objective Analysis and Opinion*

Using our proprietary STARS® [STock Appreciation Ranking System] methodology, our equity analysts cover over 1,500\* global stocks. They carry on a strong tradition of objective analysis and opinion dating back over 80 years, using a highly refined, rigorous and globally-consistent process.

## *Timely, Consistent Analysis*

With the help of innovative tools and analytics from Global Markets Intelligence, our equity analysts deliver insights rapidly, responding to news and market trends with market updates. And our global analytical team ensures consistency of coverage through equity analyst transitions and market cycles, delivering consistency that clients can expect.

## *Robust Reports*

Each Stock Report combines the equity analyst's evaluations and sub-industry outlook with the stock's performance history, financials, key developments and relevant peers.

## Using the Equity Evaluations: A Quick Reference Guide

### Qualitative

#### S&P CAPITAL IQ STARS

S&P Capital IQ's fundamental analysis, which currently covers over 1,100\* U.S. and over 400\* non-U.S. stocks, is expressed in STARS, first introduced in 1987. There are five categories:

##### ★★★★★ 5-STARS.

Total return is expected to outperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares rising in price on absolute basis.

##### ★★★★☆ 4-STARS.

Total return is expected to outperform the total return a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

##### ★★★☆☆ 3-STARS.

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

##### ★★☆☆☆ 2-STARS.

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price is not anticipated to show a gain.

##### ★☆☆☆☆ 1-STARS.

Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500<sup>®</sup> Index, in Europe and in Asia the relevant benchmarks are generally the S&P Europe 350<sup>®</sup> Index and the S&P Asia 50 Index.

\*As of June 30, 2014

### Quantitative

#### S&P CAPITAL IQ FAIR VALUE RANKINGS

Using S&P Capital IQ's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, the most undervalued stocks, to Group 1, the most overvalued stocks, relative to the Fair Value universe. Group 5 stocks are expected to generally outperform all others. A positive [+] or a negative [-] Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a [+] added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. The opposite is true for a stock with a negative [-] Timing Index.

Relative to the Fair Value universe, the rankings imply:

- 1 Significantly Overvalued
- 2 Modestly Overvalued
- 3 Fairly Valued
- 4 Moderately Undervalued
- 5 Significantly Undervalued

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www.spcapitaliq.com

## S&P Capital IQ Stock Reports - In Detail

### DATE OF REPORT

Stock Report data is updated at least once a week so you know the information is current.

### S&P CAPITAL IQ RECOMMENDATION

S&P Capital IQ employs a five-level recommendation system, ranging from Strong Sell to Strong Buy. These recommendations are the result of detailed analysis by the equity analysts on each company covered.

### SECTOR BREAKDOWN

Categorizes the company by sector and sub-industry using the Global Industry Classification Standard (GICS®) developed by S&P Dow Jones Indices and Morgan Stanley Capital International.

### KEY STOCK STATISTICS

Highlights important statistics, including the S&P Capital IQ equity analyst's earnings estimates on the company for up to two years. Also includes the value of a hypothetical \$10,000 investment in the stock made five years ago, which assumes year-end reinvestment of dividends.

### PRICE CHART

Provides more than four years of price information in a logarithmic format. It includes the history of the S&P Capital IQ recommendation.

### HIGHLIGHTS & INVESTMENT RATIONALE/RISK

The equity analyst's concise evaluation of the company's financial prospects and forecasted future stock performance.

Stock Report | March 16, 2015 | NYSE Symbol: DAL | DAL is in the S&P 500

**Delta Air Lines Inc.**

S&P Capital IQ Recommendation: **STRONG BUY** (★★★★★)

S&P Capital IQ Equity Analyst: **Jim Corridore**

**Price**  
\$45.50 (as of Mar 13, 2015 4:00 PM ET)

**12-Mo. Target Price**  
\$62.00

UPDATE: PLEASE SEE THE ANALYST'S LATEST RESEARCH NOTE IN THE COMPANY PAGE

**GICS Sector** Industrials  
**Sub-Industry** Airlines

**Key Stock Statistics** (Source S&P Capital IQ, Vickers, company reports)

52-Wk Range	<b>\$51.06–30.12</b>	S&P Oper. EPS 2015E	<b>4.94</b>	Market Capitalization(B)	
Trailing 12-Month EPS	<b>\$0.78</b>	S&P Oper. EPS 2016E	<b>5.57</b>	Yield (%)	
Trailing 12-Month P/E	<b>58.3</b>	P/E on S&P Oper. EPS 2015E	<b>9.2</b>	Dividend Rate/Share	
\$10K Invested 5 Yrs Ago	<b>\$36,007</b>	Common Shares Outstg. (M)	<b>820.2</b>	Institutional Ownership (%)	

**Summary** Delta Air Lines is one of the la

**Price Performance**

Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Equity Analyst **Jim Corridore** on Jan 20, 2015 11:31 AM, when the stock traded at **\$47.67**.

**Highlights**

- ▶ After rising 7% in 2014, revenue growth of 3% in 2015 is likely, we think, on a 3% capacity increase, 1%-2% higher yields and a 1.0 percentage point decline in passenger load factor. We look for a rise in other revenues from checked bag and other fees. We think industry capacity cuts taken over the past few years will help drive airfare increases and yield improvement. Less fare sales activity should also be a contributor to higher yields, along with improvement in demand for corporate and premium travel. We think both Delta and the industry will benefit in 2015 from strong domestic demand.

**Investment Rationale/Risk**

- ▶ We expect air travel demand to improve over the next year on recovering U.S. and global economies. We look for business travel demand to improve throughout 2015. Delta has completed its merger integration and we think this is helping drive strong free cash flows relative to peers. We are positive on DAL's stated goal to reduce net debt to \$5.0 billion by the end of 2016. Net debt fell to \$7.3 billion at the end of 2014, from \$15.0 billion at the end of 2010. We also view positively DAL's dividend and stock repurchase program.
- ▶ Risks to our opinion and target price include

**S&P CAPITAL IQ 12-MONTH TARGET PRICE**

The equity analyst's projection of the stock's market price 12 months forward. The target price is based on a combination of intrinsic, relative and private market valuation metrics.

**QUALITY RANKING**


A ranking of the growth and stability of the company's earnings and dividends over the past 10 fiscal years.

**QUALITATIVE RISK ASSESSMENT**

The S&P Capital IQ equity analyst's view of a given company's operational risk or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P Capital IQ U.S. STARS universe and reflects risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

**DIVIDEND DATA**

Brings you a recent history of dividends paid, as well as declaration dates, ex-dividend date, stock of record and payment.




**Delta Air Lines Inc.**

Price: \$45.50 (as of Mar 13, 2015 4:00 PM ET) | 12-Mo. Target Price: \$62.00 | Report Currency: USD | Investment Style: Large-Cap Blend

SEE THE ANALYST'S LATEST RESEARCH NOTE IN THE COMPANY NEWS SECTION

**Summary** Delta Air Lines is one of the largest passenger airlines in the world.

S 2015E	4.94	Market Capitalization(B)	\$37.321	Beta	0.82
S 2016E	5.57	Yield (%)	0.79	S&P 3-Yr. Proj. EPS CAGR(%)	12
per. EPS 2015E	9.2	Dividend Rate/Share	\$0.36	S&P Quality Ranking	NR
res Outstg. (M)	820.2	Institutional Ownership (%)	87		



**Analyst's Risk Assessment**

LOW	MEDIUM	HIGH
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Our risk assessment reflects the highly cyclical nature of the airline industry, coupled with the potential for intense price competition, volatile jet fuel prices, and the highly asset-intensive nature of the airline business.

SAMPLE

Revenue/Earnings Data					
Revenue (Million \$)					
	1Q	2Q	3Q	4Q	Year
2014	8,916	10,621	11,178	9,647	40,362
2013	8,500	9,707	10,490	9,076	37,773
2012	8,413	9,732	9,923	8,602	36,670
2011	7,747	9,153	9,816	8,399	35,115
2010	6,848	8,168	8,950	7,789	31,755
2009	6,684	7,000	7,574	6,805	28,063

Earnings Per Share (\$)					
2014	0.25	0.94	0.42	-0.86	0.78
2013	0.01	0.80	1.59	9.89	12.29
2012	-0.15	-0.20	1.23	0.01	1.19
2011	-0.38	0.23	0.65	0.50	1.01
2010	-0.31	0.56	0.43	0.02	0.70
2009	-0.96	-0.31	-0.19	-0.03	-1.50

Fiscal year ended Dec. 31. Next earnings report expected: NA. EPS Estimates based on S&P Capital IQ Operating Earnings; historical GAAP earnings are as reported in Company reports.

**Dividend Data**

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.060	Apr 25	May 7	May 9	May 30 '14
0.090	Jul 25	Aug 6	Aug 8	Aug 29 '14
0.090	Oct 24	Nov 5	Nov 7	Dec 1 '14
0.090	Feb 6	Feb 18	Feb 20	Mar 13 '15

Dividends have been paid since 2013. Source: Company reports.

**Investment Rationale/Risk**

- We expect air travel demand to improve over the next year on recovering U.S. and global economies. We look for business travel demand to improve throughout 2015. Delta has completed its merger integration and we think this is helping drive strong free cash flows relative to peers. We are positive on DAL's stated goal to reduce net debt to \$5.0 billion by the end of 2016. Net debt fell to \$7.3 billion at the end of 2014, from \$15.0 billion at the end of 2010. We also view positively DAL's dividend and stock repurchase program.
- Risks to our opinion and target price include

**BUSINESS SUMMARY**

Gives you a detailed summary of the company's business, with practical information about such topics as its industry, key products and services, subsidiaries, sources of revenue, joint ventures, acquisitions and more.

**EXPANDED RATIO ANALYSIS**

Further sharpens your understanding of the company's financial performance with ratios such as price to revenue and EBITDA.

**FAIR VALUE RANK**

A stock ranking system using S&P Capital IQ's proprietary quantitative model. The model also generates the Fair Value Calculation, which indicates the theoretical price at which the stock should trade.

**VOLATILITY**

Ranks the stock's price volatility over the past year.

**PER SHARE DATA**

A measure of investment desirability. Provides a detailed historical perspective on some of the most important per share data. This includes the Payout Ratio, which can aid your evaluation of dividend policy on a historical basis, and S&P Capital IQ's Core Earnings.

**INCOME STATEMENT ANALYSIS**

Facilitates year-to-year comparisons of revenues, depreciation, net income and more.

**BALANCE SHEET DATA**

Gives you an easy-to-follow view of the company's financial condition, including its capital expenditures, current assets, current liabilities, long term debt and cash flow.

**PRIMARY RATIO ANALYSIS**

Provides up to 10 years of historical data on key ratios, such as return on assets and return on equity.

Stock Report | March 14, 2015 | NYS Symbol: DAL

**Delta Air Lines Inc.**



Business Summary January 20, 2015

Corporate Information

Stock Report | March 14, 2015 | NYS Symbol: DAL

**Delta Air Lines Inc.**



**Quantitative Evaluations**

**S&P Capital IQ Fair Value Rank** 5+  
 LOWEST 1 2 3 4 5 HIGHEST  
 Based on S&P Capital IQ's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

**Fair Value Calculation** \$89.10  
 Analysis of the stock's current worth, based on S&P Capital IQ's proprietary quantitative model suggests that DAL is Undervalued by \$43.00 or 95.8%.

**Investability Quotient Percentile** 34  
 LOWEST = 1 HIGHEST = 100  
 DAL scored lower than 66% of all companies for which an S&P Capital IQ Report is available.

**Volatility** LOW AVERAGE HIGH

**Technical Evaluation** BEARISH  
 Since March, 2015, the technical indicators for DAL based on BEARISH.

**Insider Activity** NA UNFAVORABLE NEUTRAL FAVORABLE

For further clarification on the terms used in this report, please visit [www.standardandpoors.com/stockreportguide](http://www.standardandpoors.com/stockreportguide)

**Company Financials Fiscal Year Ended Dec. 31**

Per Share Data (\$)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tangible Book Value	NM	NM	NM	NM	NA	NM	NM	NM	NA	NA
Cash Flow	2.72	14.09	2.94	2.74	2.41	0.36	-16.36	2.75	-25.08	-15.87
Earnings	0.78	12.79	1.19	1.01	0.70	-1.50	-19.06	4.09	-31.58	-23.75
S&P Capital IQ Core Earnings	0.59	12.56	1.30	0.44	0.98	-1.17	-9.66	4.05	-39.16	-19.88
Dividends	0.35	0.12	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA
Payout Ratio	38%	1%	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA
Prices:High	50.16	29.44	12.25	13.21	14.94	12.65	18.99	23.25	NA	NA
Prices:Low	27.26	11.97	7.83	6.41	9.60	3.51	4.00	14.04	NA	NA
P/E Ratio:High	64	2	10	13	21	NM	NM	6	NA	NA
P/E Ratio:Low	35	1	7	6	14	NM	NM	3	NA	NA

**Income Statement Analysis (Million \$)**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenue	40,362	37,773	36,670	35,115	31,755	28,063	22,697	13,358	17,171	16,191
Operating Income	6,910	5,074	4,089	3,738	4,186	1,619	1,379	1,574	1,384	160
Depreciation	1,642	1,548	1,489	1,459	1,440	1,536	1,256	778	1,276	1,273
Interest Expense	850	852	1,005	1,094	1,220	1,278	705	390	870	1,032
Pretax Income	1,072	2,527	1,025	769	608	-1,581	-9,041	525	-6,968	-3,859
Effective Tax Rate	38.5%	NM	1.56%	NM	2.47%	21.8%	NM	40.2%	11.0%	1.06%
Net Income	659	10,540	1,009	854	593	-1,237	-8,922	314	-6,203	-3,818
S&P Capital IQ Core Earnings	498	10,770	1,099	376	827	-966	-4,512	1,598	-7,694	-3,211

**Balance Sheet & Other Financial Data (Million \$)**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Cash	3,310	3,803	3,374	3,615	3,610	4,678	4,467	3,306	2,648	2,008
Current Assets	12,465	9,651	8,272	7,729	7,307	7,741	8,904	5,240	5,385	4,480
Total Assets	54,121	52,252	44,550	43,499	43,188	43,539	45,014	32,423	19,622	20,039
Current Liabilities	16,879	14,152	13,270	12,701	11,385	9,797	11,022	6,605	5,769	5,265
Long Term Debt	8,282	9,444	10,647	11,297	Nil	15,229	14,938	7,986	11,588	12,400
Common Equity	8,813	11,643	-2,131	-1,396	897	245	874	10,113	-13,593	-9,895
Total Capital	18,204	22,536	10,023	11,728	15,443	16,919	16,880	18,954	-502	3,938
Capital Expenditures	2,249	2,568	1,968	1,254	1,342	1,202	1,522	1,036	413	814
Cash Flow	2,301	12,088	2,498	2,313	2,033	299	-7,656	1,092	-4,929	-2,563
Current Ratio	0.7	0.7	0.6	0.6	0.6	0.8	0.8	0.8	0.9	0.9
% Long Term Debt of Capitalization	45.5	41.9	106.2	Nil	Nil	Nil	88.4	42.1	NM	314.9
% Net Income of Revenue	1.6	27.9	2.8	2.4	1.9	NM	NM	2.4	NM	NM
% Return on Assets	1.2	NA	2.3	NA	NA	NA	NM	NM	NM	NM
% Return on Equity	6.4	NA	NM	NA	NA	NA	NM	NM	NM	NM

Data as originally reported in Company reports.; bef. results of disc. opera./spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

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**RESEARCH NOTES & COMPANY NEWS**

Offers recent S&P Capital IQ equity analyst updates on buy/hold/sell recommendations. Also provides updates on company news releases on earnings and other important financials.

**SUB-INDUSTRY OUTLOOK**

The equity analyst's overview of the sub-industry; the summary covers S&P Capital IQ's view of recent and projected sub-industry business conditions and more. Also ranks the fundamental outlook for the sub-industry as positive, negative or neutral.

**SUB-INDUSTRY STOCK PERFORMANCE RELATIVE TO SECTOR AND S&P® 1500**

Shows performance of a sub-industry index relative to a related sector index and to the S&P 1500 Index.

**PEER GROUP ANALYSIS**

Provides vital financial and stock data for the company and its peers. These include S&P Capital IQ's Quality Rank and key financial ratios. Some of the key terms used in this table are explained in detail in the "Definitions" section starting on page six.

Stock Report | March 14, 2015 | NYS Symbol: DAL

**Delta Air Lines Inc.**



**S&P Capital IQ Analyst Research Notes and other Company News**

Aquarium.

February 23, 2015

Delta Air Lines, Inc. announced Thomas E. Donilon as the newest member, effective immediately.

July 23, 2014

66% at 11:59 am ET S&P CAPITAL IQ KEEPS STRONG BUY OPINION ON SHARES OF

Stock Report | March 14, 2015 | NYS Symbol: DAL

**Delta Air Lines Inc.**



**Sub-Industry Outlook**

We have a positive fundamental outlook for the airline sub-industry for the next 12 months. Traffic statistics showed improving demand and revenues in 2014, and we see that strength carrying on through 2015. We believe the U.S. airline industry is seeing good demand, despite the tepid U.S. economy. We think that since the industry has reduced capacity levels, it should be able to raise fares as passenger travel demand improves, and hold the line on fares if demand weakens. Oil and jet fuel prices have dropped sharply and should help drive strong profit improvement in 2015. We think the airlines are likely to see tougher comparisons in 2015 after rising unit revenues in 2014 and 2013, but we expect demand for air travel to remain strong.

We think investor sentiment on airline stocks has improved, and we expect further improvement on signs that the U.S. economy is recovering and if oil prices continue to stay low. The bankruptcy filing of AMR Corp., parent of American Airlines, led to some domestic and international capacity cuts as American restructured. American's subsequent merger with US Airways was completed in December 2013, and drove further capacity rationalization, in our view. The industry successfully instituted a number of fare hikes in 2011 and 2012, but was somewhat less successful in hiking fares in 2013 and 2014. However, we think they will likely look to continue to raise fares in 2015. Many of the shares warrant added risk premiums, in our view.

We estimate that the largest U.S. carriers earned \$10.0 billion in 2014 after earning \$6.0 billion in 2013, \$4.0 billion in both 2011 and 2012 and \$3.7 billion in 2010, after losing \$5 billion in 2009 and \$4 billion in 2008. Results in 2014 benefited from improved business travel and lower oil prices, while increases in ancillary fees such as baggage, change fees and

premium seating slowed. We think cuts to domestic and international supply over the past three years have improved airlines' pricing power.

Total revenue passenger miles (TRPMs) rose 2.3% in 2014, versus a 1.8% increase in 2013. Yields rose 1.8%, after a 2.0% advance in 2013. Available seat miles rose 2.0%, after a 1.3% increase in 2013. The passenger load factor rose by 0.3 percentage points to 83.4, after a 0.3 percentage point increase in 2013.

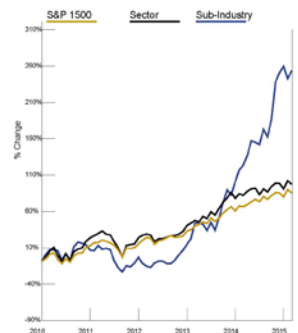
Year to date through February 20, the S&P Airlines Index rose 2.0% versus a 2.6% rise for the S&P 1500. In 2014, the S&P Airlines Index increased 88.0%, versus a 10.9% rise in the 1500. The 5-year compound annual growth rate for the S&P Airlines index through February 20, was 27.5%, versus 14.1% for the S&P 1500.

--Jim Corridore

**Industry Performance**

GICS Sector: Industrials  
Sub-Industry: Airlines

Based on S&P 1500 Indexes  
Five-Year market price performance through Mar 14, 2015



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Past performance is not an indication of future performance and should not be relied upon as such.

**Sub-Industry : Airlines Peer Group\*: Airlines (U.S.) - Major**

Peer Group	Stock Symbol	Stk. Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52-Week High (Low)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>Delta Air Lines</b>	<b>DAL</b>	<b>37,321</b>	<b>55.50</b>	<b>66.12</b> / <b>40.69</b>	<b>0.82</b>	<b>0.8</b>	<b>58</b>	<b>89.10</b>	<b>NR</b>	<b>34</b>	<b>1.6</b>	<b>45.5</b>
Alaska Air	ALK	8,762	68.50	71.00/40.69	1.13	1.2	15	68.80	B+	98	11.3	23.8
JetBlue Airways	JBLU	5,631	18.50	19.37/7.61	1.23	Nil	15	34.50	B	57	6.9	39.5
Southwest Airlines	LUV	30,211	44.50	47.17/22.35	1.02	0.5	27	53.00	B+	98	6.1	26.2
United Continental Holdings	UAL	20,862	67.57	74.52/38.00	0.68	Nil	23	97.10	NR	17	2.9	73.2

NA-Not Available NM-Not Meaningful NR-Not Rated. Peer Groups with more than 10 companies or stock selection of issues is based on market capitalization.

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**GLOSSARY**

Quick and easy explanations of key terminology in S&P Capital IQ's Stock Reports, including STARS, Fair Value Rankings, Relative Strength Rank and much more.

**CONSENSUS RECOMMENDATIONS & EARNINGS ESTIMATES**

Shows other companies providing coverage of the stock and their recent recommendations. Consensus earnings forecasts are charted out as well.

Stock Report | March 14, 2015 | NYS Symbol: DAL

**Delta Air Lines Inc.**



**Glossary**

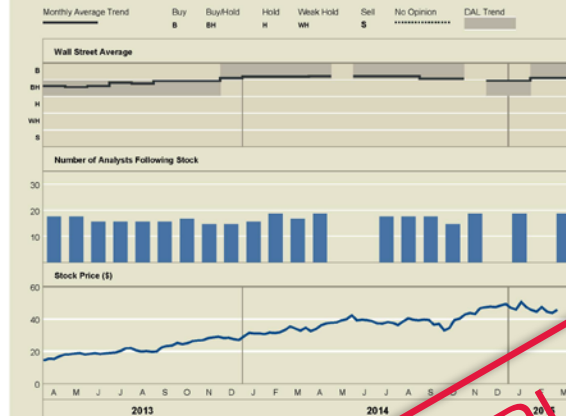
EBIT - Earnings Before Interest and Taxes  
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization

Stock Report | March 14, 2015 | NYS Symbol: DAL

**Delta Air Lines Inc.**



**Analysts' Recommendations**



**Wall Street Consensus Opinion**

**BUY**

**Companies Offering Coverage**

- Atlantic Equities LLP
- Avondale Partners, LLC
- Barclays
- BoFA Merrill Lynch
- Buckingham Research Group Inc.
- CRT Capital Group LLC
- Cowen and Company, LLC
- Credit Suisse
- Deutsche Bank
- Evercore ISI
- Goldman Sachs
- Imperial Capital
- JP Morgan
- Morgan Stanley
- Raymond James & Associates
- Stifel
- UBS Investment Bank
- Wolfe Research, LLC

Of the total 18 companies following DAL, 18 analysts currently publish recommendations

	No. of Recommendations	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	12	66.7%	0	0
Buy/Hold	5	27.8%	0	0
Hold	1	5.6%	0	0
Weak Hold	0	0%	0	0
Sell	0	0%	0	0
No Opinion	0	0%	0	0
<b>Total</b>	<b>18</b>	<b>100%</b>	<b>0</b>	<b>0</b>

**Wall Street Consensus Estimates**



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2016	5.72	6.68	4.60	16	8.0
2015	4.94	4.94	4.94	1	9.2
<b>2016 vs. 2015</b>	<b>▲ 16%</b>	<b>▲ 35%</b>	<b>▼ -7%</b>	<b>▲ 1500%</b>	<b>▼ -13%</b>

**Wall Street Consensus vs. Performance**

For fiscal year 2015, analysts estimate that DAL will earn US\$ 4.94. For fiscal year 2016, analysts estimate that DAL's earnings per share will grow by 16% to US\$ 5.72.

A company's earnings outlook plays a major part in any investment decision. S&P Capital IQ organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

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## Definitions

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### REGULAR TECHNICAL TERMS AND ACRONYMS THAT CAN APPEAR IN THE STOCK REPORT

**ACCRETIVE/DILUTIVE** - Contributing favorably/unfavorably to earnings.

**BALANCE SHEET** - Financial statement that summarizes a company's assets, liabilities and shareholder equity at a point in time.

**BETA** - The beta of a share is a number describing the relation of its returns with that of the financial market as a whole. A stock that is perfectly correlated with the market would have a beta of 1. A beta of less than 1 means the security is less volatile than the market. Conversely, a beta of more than 1 means the security is more volatile than the market.

**CAGR** - Compound annual growth rate: CAGR is a business and investing-specific term for the year-over-year growth rate of an investment over a given time period. CAGR is not an accounting term, but remains widely used, particularly in growth industries or to compare the growth rates of two investments because CAGR dampens the effect of volatility of periodic returns that can render arithmetic means irrelevant. CAGR is often used to describe the growth over a period of time of some element of the business, for example revenue, units delivered, registered users, etc.

**CAPEX** - Capital expenditures: CAPEX are expenditures intended to create future benefits. A capital expenditure is incurred when a business spends money either to buy fixed assets or to add to the value of an existing fixed asset. CAPEX are used by a company to acquire or upgrade physical assets such as equipment, property, or industrial buildings.

**COMMON STOCK** - A security that represents part ownership in a corporation. Holders of common stock are entitled to a share of the corporation's profits and a share of the voting power in shareholder elections. Common stockholders, however, have the lowest priority on a firm's ownership structure and in the event of liquidation have rights to a company's assets only after bondholders, preferred shareholders and other debtholders have been paid in full. In the United Kingdom, Common Stock is referred to as ordinary shares.

**CONVERTIBLE SECURITY** - A corporate security, typically a bond or preferred stock, that can be exchanged for another form of security, typically common stock. In most cases, the holder of a convertible security determines if and when the exchange occurs, but a corporation can retain the right to control the exchange.

**CURRENT RATIO** - A measure of liquidity, calculated as Current Assets / Current Liabilities. A company with a high current ratio is generally in a better position to pay its current obligations than a company with a lower current ratio.

**CY** - Calendar Year: Period extending from January 1st to December 31st. This period also corresponds to the Fiscal Year for most companies.

**DCF** - Discounted Cash Flow: DCF analysis is a method of valuing a company using the concepts of the time value of money. All future cash flows are estimated and discounted to give their present values [PVs] – the sum of all future cash flows, both incoming and outgoing, is the net present value [NPV], which is taken as the value or price of the cash flows in question.

**DEPRECIATION/AMORTIZATION** - A method of allocating the cost of an asset over a specific period of time. Depreciation is used to allocate the cost of a tangible asset such as machinery over its useful life, while amortization is used for intangible assets, such as patents or trademarks.

**DIVIDEND RATE/SHARE** - It is the amount paid out by a company to its shareholders.

**EBIT** - Earnings Before Interest and Taxes: EBIT is a measure of a firm's profitability that excludes interest and income tax expenses. Operating income and operating profit are also sometimes used as synonyms for EBIT. This is particularly appropriate if the firm has no non-operating income. To calculate EBIT, expenses (e.g., the cost of goods sold, selling, general and administrative expenses) are subtracted from revenues.

**EBITDA** - Earnings Before Interest, Taxes, Depreciation, and Amortization. EBITDA is measured exactly as stated. All interest, tax, depreciation and amortization entries in the income statement are reversed out from the bottom-line net income.

**EPS** - Earnings Per Share: EPS is calculated by dividing the total earnings of a company during a fiscal year by the weighted average number of common shares over that year.

**EV** - Enterprise value: EV is economic measure reflecting the total value of a whole business. Enterprise value may be calculated by adding the market value of the company's stock, the balance sheet values of the company's debt, preferred stock and minority equity interests, and then subtracting the amount of cash equivalents that a company has.

**FCF** - Although definitions may vary, FCF is intended to represent the amount of discretionary cash generated by a company after meeting specific obligations. Free cash flow might be used, for example, to fund acquisitions, or for repurchase of company stock.

**FUNDS FROM OPERATIONS** - A figure used by real estate investment trusts [REITs] to define the cash flow from their operations. It is calculated by adding depreciation and amortization expenses to earnings.

**FY** - Fiscal Year: Period of usually 12 months, for which a company is reporting its financial results.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES [GAAP]** - The common set of accounting principles, standards and procedures that US-based public companies use to compile their financial statements.

**GOODWILL** - The difference between the purchase price of an acquisition and the book value of the assets acquired.

**GROSS PROFIT** - A company's revenue minus its cost of production (e.g. ingredient and manufacturing costs).

**LIQUIDITY** - Access to cash and ability to pay financial obligations.

**MARGIN, GROSS OR OPERATING** - A profitability metric. Gross margin is calculated as gross profit divided by revenue. Operation margin is calculated as operating income divided by revenue.

**MARK TO MARKET** - The accounting act of recording the price or value of a security, portfolio or account to reflect its current market value rather than its book value.

**NET OPERATING INCOME** - After-tax income before net realized investment gains or losses. Analysts most commonly use this measure of insurer profitability when modeling future earnings of an insurer.

**ORGANIC GROWTH** - This reflects growth of a company's sales or profits has increased or decreased by, excluding the impact of external and one-time factors such as exchange rate movements, acquisitions and disposals of businesses.

**OUTSOURCING** - Practice used by companies to reduce costs and expenses by allocating work to third-party partners.

**P/E** - Price/Earnings: The P/E ratio [price-to-earnings ratio] of a stock [also called its "P/E", or simply "multiple"] is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share. It is a financial ratio used for valuation: a higher P/E ratio means that investors are paying more for each unit of net income, so the stock is more expensive compared to one with a lower P/E ratio.

**PEG RATIO** - Price/Earnings To Growth ratio: PEG ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected earnings growth. In general, the P/E ratio is higher for a company with a higher growth rate. Thus using just the P/E ratio would make high-growth companies appear overvalued relative to others. It is assumed that by dividing the P/E ratio by the expected earnings growth rate, the resulting ratio is better for comparing companies with different growth rates.

**PREFERRED STOCK** - A class of ownership in a corporation that has a higher claim on the assets and earnings than common stock. Preferred stock generally has a dividend that must be paid out before dividends to common stockholders and the shares usually do not have voting rights.

**PRICE/SALES** - A measure of the price paid for a share relative to its annual revenue per share.

**PV** - Present value: PV is the value on a given date of a future payment or series of future payments, discounted to reflect the time value of money and other factors such as investment risk.

**R&D** - Research and Development

**ROA** - Return On Assets: ROA percentage shows how efficient a company's assets are in generating income. ROA may be calculated by dividing net income into average assets in a given period.

**ROE** - Return on equity: ROE measures the rate of return on the ownership interest [shareholders' equity] of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholders' equity [also known as net assets or assets minus liabilities]. ROE is equal to a fiscal year's net income [after preferred stock dividends but before common stock dividends] divided by total equity [excluding preferred stock], expressed as a percentage. As with many financial ratios, ROE is best used to compare companies in the same industry.

**ROI** - Return on Investment: ROI is the ratio of money gained or lost [whether realized or unrealized] on an investment relative to the amount of money invested. The amount of money gained or lost may be referred to as interest, profit/loss, gain/loss, or net income/loss. The money invested may be referred to as the asset, capital, principal, or the cost basis of the investment. ROI is usually expressed as a percentage rather than a fraction.

**ROIC** - Return on invested capital: ROIC is a financial measure that quantifies how well a company generates cash flow relative to the capital it has invested in its business. It is defined as net income less dividends divided by total capital and is usually expressed as a percentage. In this calculation, capital invested includes all monetary capital invested: long-term debt, common and preferred equity. When the return on capital is greater than the cost of capital [usually measured as the weighted average cost of capital], the company is creating value; when it is less than the cost of capital, value is destroyed.

**SG&A** - Selling General and Administrative expenses: SG&A consist of the combined costs of operating the company, which breaks down to:

- **SELLING:** Includes salaries, advertising expenses, rent, and all expenses and taxes directly related to selling product
- **GENERAL:** General operating expenses and taxes that are directly related to the general operation of the company, but don't relate to the other two categories
- **ADMINISTRATION:** Executive salaries and general support and all associated taxes related to the overall administration of the company.

**SHARES OUTSTANDING, DILUTED SHARES OUTSTANDING** - Stock currently held by investors, including restricted shares owned by the company's officers and insiders, as well as those held by the public. Shares that have been repurchased by the company are not considered outstanding stock. Diluted Shares Outstanding refers to the number of shares that could be outstanding, including the assumed exercise of all possible stock options and the conversion of all possible convertible securities.

**STOCK BUYBACK OR STOCK REPURCHASE** - A program by which a company buys back its own shares from the marketplace, reducing the number of outstanding shares. Share repurchase could be an indication that the company's management thinks the shares are undervalued.

**STOCK OPTIONS OR STOCK-BASED COMPENSATION** - Type of equity compensation sometimes provided to corporate executives to incent and/or reward performance. Stock options can decrease a company's share price by increasing the number of shares outstanding.

**SUM-OF-THE-PARTS** - A valuation methodology that aggregates the separate worth of a company's divisions.

**TANGIBLE BOOK VALUE (NET ASSET VALUE) PER SHARE** - The accounting value of a share of common stock, determined by dividing total shareholders' equity (total assets minus intangible assets and liabilities) by the total number of diluted shares outstanding at the end of a given period.

**WACC** - Weighted Average Cost of Capital: Companies raise money from a number of sources, generally debt and equity. WACC typically represents a blended average of a company's cost of debt financing with a required return on equity capital. WACC is the discount rate used in discounted cash flow calculations by S&P Capital IQ analysts.

**WORKING CAPITAL** - Current assets less current liabilities, used to evaluate the financial health of a company in terms of its ability to repay short-term obligations.

**YIELD [%]**- Also referred to as Dividend Yield, a financial ratio that shows how much a company pays out in dividends per share each year relative to its share price.

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