

## Autodesk Inc. (ADSK)

**\$296.01** (Stock Price as of 01/01/2026)

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

Long Term: 6-12 Months	<b>Zacks Recommendation:</b>	<b>Neutral</b>
	(Since: 07/25/22)	
	Prior Recommendation: Underperform	
Short Term: 1-3 Months	<b>Zacks Rank: (1-5)</b>	<b>2-Buy</b>
	Zacks Style Scores:	VGM: F
	Value: D	Growth: C
		Momentum: F

### Summary

Autodesk delivered robust fiscal third-quarter results with revenue reaching \$1.85 billion, up 18% year-over-year. Non-GAAP EPS of \$2.67 beat estimates, while billings grew 21% to \$1.86 billion. The architecture, engineering, and construction segment led growth at 23%, demonstrating strong demand across core markets. Free cash flow surged 116% to \$430 million. ADSK raised full-year guidance with revenue projected at \$7.15-7.17 billion. Autodesk's innovation in AI, BIM, and generative design as key growth drivers for the future. However, elevated macroeconomic uncertainty persists, and management acknowledges risks including subscription renewal rates and competitive pressures in AI-driven design software. High debt levels and unfavorable forex movements are persistent overhangs. Shares have underperformed the industry year-to-date.

### Data Overview

52 Week High-Low	<b>\$329.09 - \$232.67</b>
20 Day Average Volume (sh)	<b>1,256,712</b>
Market Cap	<b>\$62.8 B</b>
YTD Price Change	<b>0.0%</b>
Beta	<b>1.46</b>
Dividend / Div Yld	<b>\$0.00 / 0.0%</b>
Industry	<a href="#">Internet - Software</a>
Zacks Industry Rank	<b>Top 26% (63 out of 243)</b>

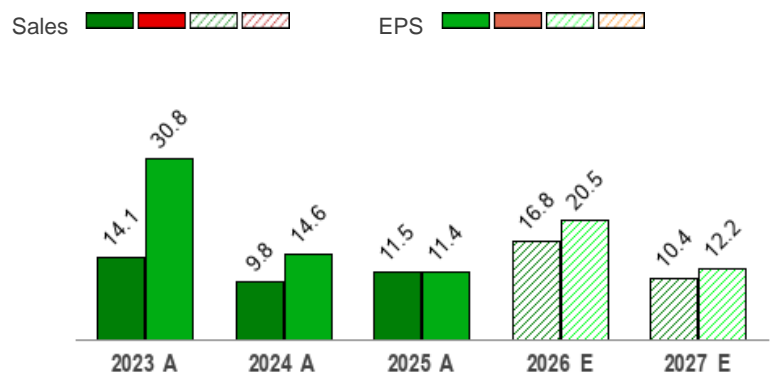
Last EPS Surprise	<b>7.2%</b>
Last Sales Surprise	<b>2.7%</b>
EPS F1 Est- 4 week change	<b>-0.1%</b>
Expected Report Date	<b>02/26/2026</b>
Earnings ESP	<b>0.0%</b>

P/E TTM	<b>30.0</b>
P/E F1	<b>29.0</b>
PEG F1	<b>-10.8</b>
P/S TTM	<b>9.1</b>

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	1,841 E	1,949 E	2,027 E	2,073 E	7,902 E
2026	1,633 A	1,763 A	1,853 A	1,910 E	7,159 E
2025	1,417 A	1,505 A	1,570 A	1,639 A	6,131 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	2.57 E	2.82 E	2.98 E	3.05 E	11.46 E
2026	2.29 A	2.62 A	2.67 A	2.63 E	10.21 E
2025	1.87 A	2.15 A	2.17 A	2.29 A	8.47 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 01/01/2026.

(2) The report's text and the price target are as of 12/05/2025.

## Overview

San Francisco, CA-based Autodesk develops model-based design, engineering and documentation software. The company serves customers in architecture, engineering and construction; product design and manufacturing; and digital media and entertainment industries.

Autodesk recognizes revenue from the sale of product subscriptions, cloud service offerings, and Enterprise Business Agreements (EBAs), renewal fees for existing maintenance plan agreements that were initially purchased with a perpetual software license, and consulting, training and other goods and services. Autodesk reported revenues of \$6.13 billion in fiscal 2025. Total maintenance and subscription revenues accounted for 84.3% of revenues, while the rest came from License and other.

Autodesk has four product families: Architecture, Engineering, Construction and Operations (AECO) that, Manufacturing (MFG), AutoCAD and AutoCAD LT (ACAD) and Media and Entertainment (M&E).

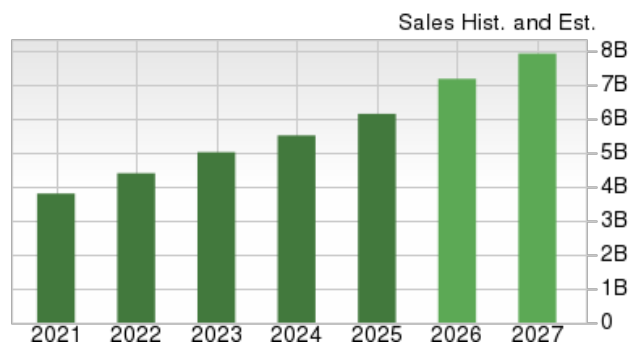
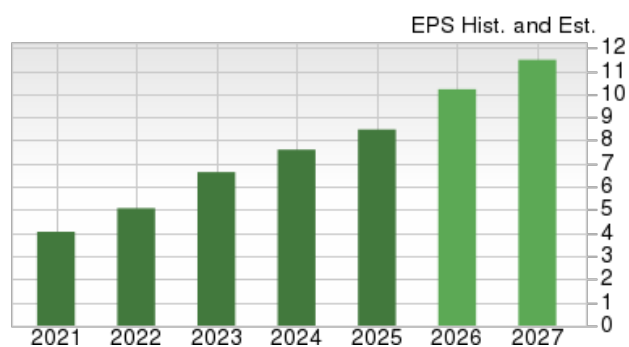
AECO solutions include AutoCAD Civil 3D, BIM 360, Industry Collections and PlanGrid to improve the way building, infrastructure, and industrial projects are designed, built, and operated. The product segment contributed 47.9% to revenues in fiscal 2025.

MFG, which includes CAM solutions, Fusion 360, Vault and Industry Collections, provides manufacturers in automotive, transportation, industrial machinery, consumer products and building product industries with comprehensive digital design, engineering, manufacturing and production solutions. The product line contributed 19.4% to revenues in fiscal 2025.

ACAD comprises AutoCAD and AutoCAD LT. AutoCAD software is a customizable and extensible CAD application for professional design, drafting, detailing, and visualization. AutoCAD LT software is purpose built for professional drafting and detailing. The product line contributed 25.6% to revenues in fiscal 2025.

Media and entertainment products includes Maya, Shotgun, 3ds Max and Industry Collections that provide tools for digital sculpting, modeling, animation, effects, rendering, and compositing for design visualization, visual effects and games production. The product segment contributed 5.1% to revenues in fiscal 2025.

Geographically, Americas contributed 44.3% to revenues in fiscal 2025. Europe, Middle East, and Africa (EMEA), and Asia Pacific contributed 37.6% and 18.1%, respectively.



As of 01/01/2026



## Reasons To Buy:

- ▲ Autodesk's successful transformation to a cloud-based subscription model has created a highly predictable and recurring revenue stream that positions the company for sustainable long-term growth. The transition from perpetual licenses to subscriptions is now substantially complete, with subscription revenue representing the overwhelming majority of total sales. This model provides superior visibility into future cash flows and reduces quarterly volatility. Management guidance points to continued double-digit revenue growth driven by expanding cloud adoption across construction, manufacturing, and media sectors. The company's cloud-connected workflows are becoming increasingly indispensable to customers, reducing churn rates and supporting steady annual contract value expansion across its enterprise customer base.
- ▲ Autodesk demonstrates remarkable financial strength through its ability to convert revenue into substantial free cash flow, enabling an aggressive shareholder return program. The company generates operating margins exceeding 30%, reflecting the scalability of its subscription software model. Management has committed billions toward share repurchases, systematically reducing share count and enhancing earnings per share growth. Beyond buybacks, the strong cash generation provides flexibility for strategic investments in product development and potential acquisitions. Guidance indicates continued margin expansion as the company leverages its installed base and reduces customer acquisition costs. This financial discipline, combined with minimal capital expenditure requirements typical of software businesses, creates a compelling cash return profile for investors.
- ▲ Autodesk is strategically embedding artificial intelligence capabilities throughout its product portfolio, positioning itself as an innovation leader while strengthening customer dependency on its platforms. The integration of generative design, predictive analytics, and automated workflows powered by AI is transforming how architects, engineers, and designers work, delivering measurable productivity gains that justify premium pricing. These AI-enhanced features are increasingly difficult for competitors to replicate given Autodesk's massive proprietary dataset accumulated over decades. Management guidance highlights accelerating adoption of AI-powered tools across AutoCAD, Revit, and Fusion platforms. This technological differentiation not only supports customer retention but enables the company to capture greater wallet share as clients expand their software spending to access cutting-edge capabilities.
- ▲ Autodesk maintains unrivaled leadership positions across architecture, engineering, construction, manufacturing, and media entertainment industries, creating powerful network effects and high switching costs. The company's software has become the industry standard for building information modeling and computer-aided design, with deeply embedded workflows that are mission-critical to customer operations. This entrenchment makes displacement extremely difficult and costly for clients to consider. Management guidance reflects confidence in market share gains as smaller competitors struggle to match Autodesk's comprehensive platform capabilities and global support infrastructure. The breadth of its portfolio allows cross-selling opportunities as customers standardize on integrated Autodesk solutions. This dominant positioning provides pricing power and resilience even during economic uncertainty.
- ▲ Autodesk is successfully broadening its addressable market beyond traditional design software into adjacent areas including construction management, data analytics, and collaborative project delivery platforms. The company's Autodesk Construction Cloud and Fusion platform extensions are capturing share in fragmented markets where digital adoption remains relatively low, representing substantial growth opportunities. Management guidance points to strong momentum in these newer categories, which carry higher growth rates than legacy products. Additionally, the company is penetrating small and medium-sized businesses more effectively through flexible pricing tiers and simplified onboarding processes. This market expansion strategy, combined with increasing software intensity across manufacturing and infrastructure sectors globally, provides multiple avenues for sustained revenue growth beyond core CAD replacement cycles.

Autodesk is expected to benefit from cloud-based subscription model, an outstanding cash generation, dominant market position and AI leadership.

## Reasons To Sell:

- ▼ Autodesk faces persistent pressure on profit margins as operating expenses continue their upward trajectory. The company's aggressive push into cloud infrastructure and AI integration demands substantial capital deployment for data centers, computing resources, and specialized talent acquisition. Research and development costs remain stubbornly elevated as Autodesk attempts to maintain competitive positioning against emerging threats. Sales and marketing expenditures have intensified to defend market share, while administrative costs associated with global operations expand relentlessly. This expense acceleration outpaces revenue growth rates, creating a dangerous squeeze on operating leverage that threatens shareholder returns and suggests management struggles to achieve operational efficiency despite years of transitioning to subscription models.
- ▼ Autodesk generates substantial revenue from international markets, creating problematic exposure to currency fluctuations that erode reported earnings. The persistent strength of the U.S. dollar against major currencies including the euro, yen, and pound sterling continues translating overseas revenues into diminished dollar-denominated results. With approximately half of revenue derived from non-U.S. markets, even modest currency movements produce material impacts on financial performance. The company's hedging strategies provide only partial protection and introduce additional costs that further compress margins. As global economic uncertainty persists and central bank policies diverge internationally, foreign exchange volatility represents an uncontrollable risk factor that management cannot adequately mitigate, making financial forecasting unreliable.
- ▼ Autodesk confronts mounting competitive threats from established rivals and nimble startups leveraging advanced technologies. Companies like Dassault Systèmes, Siemens, and PTC aggressively pursue the same design and engineering customers with increasingly sophisticated offerings. Open-source alternatives gain traction among cost-conscious users, while specialized point solutions from smaller vendors chip away at Autodesk's comprehensive platform advantages. The democratization of AI-powered design tools lowers barriers to entry, enabling new competitors to rapidly develop compelling alternatives. Cloud-native competitors built for modern workflows possess architectural advantages that Autodesk's legacy products struggle to match despite extensive modernization efforts. This competitive intensification pressures pricing power and forces unsustainable spending on product development.
- ▼ Autodesk navigates an increasingly complex regulatory landscape that imposes substantial compliance costs and legal risks. Data privacy regulations including GDPR and emerging frameworks across multiple jurisdictions require continuous system modifications and process adaptations. Export control regulations governing advanced design software create potential trade compliance liabilities, particularly regarding sales to sensitive industries or restricted countries. The company faces ongoing scrutiny regarding subscription practices and licensing terms that could trigger regulatory enforcement actions. Intellectual property disputes and patent litigation remain persistent threats in the technology sector, consuming management attention and financial resources. These mounting regulatory and legal challenges divert capital from productive investments while introducing unpredictable liabilities.
- ▼ Autodesk demonstrates concerning dependence on cyclical industries susceptible to economic downturns and construction spending fluctuations. The architecture, engineering, and construction sectors—core customer segments—exhibit pronounced sensitivity to interest rate movements, real estate market conditions, and infrastructure investment cycles. Manufacturing customers similarly reduce software spending during industrial slowdowns and inventory corrections. This cyclical exposure amplifies revenue volatility and creates unpredictable cash flow patterns that complicate capital allocation decisions. Large enterprise customers wield substantial negotiating leverage, pressuring contract terms and payment schedules unfavorably. The subscription model provides some stability but cannot eliminate fundamental exposure to macroeconomic weakness that threatens sustained growth and leaves the stock vulnerable.

Autodesk's escalating operating expenses, foreign exchange exposure, legal and regulatory issues amid intense competition are major headwinds.

## Last Earnings Report

### Autodesk Q3 Earnings & Revenues Surpass Estimates, Both Rise Y/Y

Autodesk reported third-quarter fiscal 2026 non-GAAP earnings of \$2.67 per share, which beat the Zacks Consensus Estimate by 7.23% and increased 23% year over year.

The company reported revenues of \$1.85 billion, which beat the consensus mark by 2.67% and grew 18% year over year.

Autodesk delivered robust performance this quarter, driven by exceptional AECO performance.

The company also saw higher-than-expected upfront revenues, sustained momentum in the

Autodesk Store and better-than-anticipated billings linearity, all contributing to results that exceeded expectations. The company remains confident in its outlook, supported by a well-executed go-to-market strategy, robust industry cloud offerings, and a scalable platform ecosystem designed to harness AI effectively.

### FY Quarter Ending 1/31/2025

Earnings Reporting Date	Nov 25, 2025
Sales Surprise	2.67%
EPS Surprise	7.23%
Quarterly EPS	2.67
Annual EPS (TTM)	9.87

### Q3 Top-Line Details of ADSK

Autodesk's subscription revenues (93.6% of total revenues) increased 19% year over year to \$1.73 billion. Maintenance revenues (0.4% of total revenues) declined 11.1% from the year-ago quarter to \$8 million. Other revenues (6% of total revenues) increased 6.7% to \$111 million in the reported quarter.

Region-wise, revenues from the Americas (44.3% of revenues) increased 16% from the year-ago quarter's levels to \$820 million. Revenues from EMEA, which accounted for 38.6% of revenues, climbed 23% to \$715 million. Revenues from the Asia-Pacific (17.2% of revenues) increased 12% to \$318 million.

Billings of \$1.86 billion increased 21% year over year in the reported quarter.

### Product Line Details of ADSK

Autodesk offers primarily four product families: Architecture, Engineering, Construction and Operations (AECO), AutoCAD and AutoCAD LT, Manufacturing (MFG) and Media and Entertainment (M&E).

AECO (49.7% of revenues) revenues increased 23% year over year to \$921 million.

AutoCAD and AutoCAD LT (24.7% of revenues) revenues rose 15% to \$458 million.

MFG (19.2% of revenues) revenues increased 16% to \$355 million.

M&E (4.6% of revenues) revenues increased 4% to \$86 million.

### Operating Results of ADSK

Non-GAAP operating margin expanded to 38%, improving 100 basis points year over year.

### ADSK's Balance Sheet & Cash Flow

As of Oct. 31, 2025, Autodesk had cash and cash equivalents (including marketable securities) of \$1.98 billion compared with \$2.24 billion as of July 31, 2025.

As of Oct. 31, 2025, deferred revenues increased 5% to \$3.85 billion. Unbilled deferred revenues were \$3.52 billion, indicating an increase of 43% year over year.

Remaining performance obligations (RPO) rose 20% to \$7.36 billion. The current RPO increased 20% to \$4.83 billion.

Cash flow from operating activities was \$439 million, suggesting an increase of 110% year over year. Free cash flow was \$430 million, indicating a rise of 116%.

### ADSK Initiates Q4 & Raises FY26 Guidance

Autodesk projects fourth-quarter fiscal 2026 revenues between \$1.90 billion and \$1.92 billion.

Non-GAAP earnings per share are expected to be between \$2.52 and \$2.59.

For fiscal 2026, Autodesk raised its revenue guidance to between \$7.15 billion and \$7.17 billion compared with its earlier guidance of \$7.03 billion to \$7.08 billion. Billings are now estimated to be in the \$7.47-\$7.53 billion range, up from the prior outlook of \$7.36-\$7.45 billion.

Non-GAAP earnings are anticipated in the range of \$10.18-\$10.25 per share, versus the previous guidance of \$9.80-\$9.98. The company also raised its non-GAAP operating margin expectation to approximately 37.5%, from the prior guidance of approximately 37%.

Free cash flow is anticipated in the \$2.26-\$2.29 billion band, up from the previous outlook of \$2.20-\$2.28 billion.



## Recent News

On Oct. 29, Autodesk, Inc. launched its first-ever Team USA campaign, spotlighting athletes who embody design and make spirit ahead of the Milano Cortina 2026 Winter Games.

On Aug. 12, Autodesk launched Flow Studio with a new freemium model, offering creators free entry-level tools and cheaper paid options. By dropping the Lite plan to \$10, the company is opening up AI-driven VFX and animation to a much broader audience.

On June 30, Autodesk announced that customers can now choose the UK, Germany, India, Japan, and Canada as their primary data storage region for select Autodesk products.

On June 3, Autodesk announced new capabilities and connections in Autodesk Forma, expanding its support for planning and design workflows across the building lifecycle.

## Valuation

Autodesk shares are down 0.3% in the year-to-date period and 3.5% over the trailing 12-month period. Stocks in the Zacks sub-industry and Computer & Technology sector have increased 7.3% and 25.1%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are up 10% and 25.4%, respectively.

The S&P 500 index is up 16% in the year-to-date period and up 14.4% in the past year.

The stock is currently trading at 8.22X forward 12-month sales, which compares to 4.94X for the Zacks sub-industry, 6.84X for the Zacks sector and 5.31X for the S&P 500 index.

Over the past five years, the stock has traded as high as 17.54X and as low as 6.79X, with a 5-year median of 8.74X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$321 price target reflects 8.63X forward 12-month sales.

The table below shows summary valuation data for ADSK

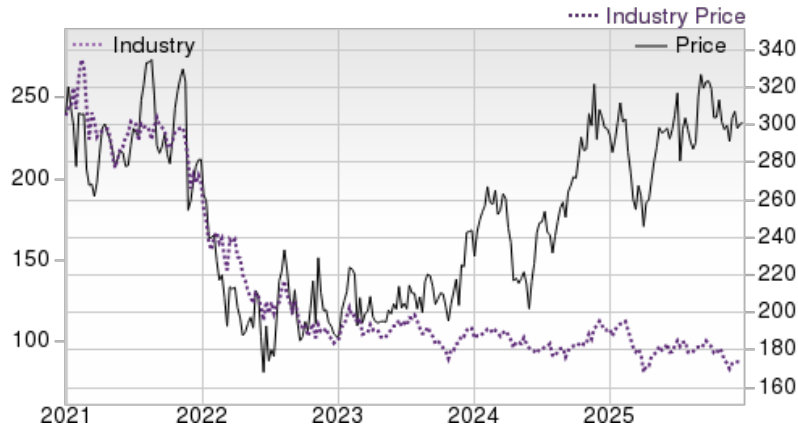
Valuation Multiples - ADSK					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	8.22	4.94	6.84	5.31
	5-Year High	17.54	6.09	7.40	5.52
	5-Year Low	6.79	3.00	4.25	3.84
	5-Year Median	8.74	4.68	6.30	5.04
EV/Sales TTM	Current	9.55	5.92	8.36	5.39
	5-Year High	19.24	7.10	8.36	5.81
	5-Year Low	7.69	2.57	4.17	3.78
	5-Year Median	9.93	5.04	6.89	5.08

As of 12/04/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 26% (63 out of 243)



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

Company (Ticker)	Rec	Rank
Open Text Corporation...(OTEX)	Outperform	2
Bumble Inc. (BMBL)	Neutral	4
Cadence Design System...(CDNS)	Neutral	2
Dassault Systemes SA (DASTY)	Neutral	3
PTC Inc. (PTC)	Neutral	3
Synopsys, Inc. (SNPS)	Neutral	3
SS&C Technologies Ho...(SSNC)	Neutral	3
Trend Micro Inc. (TMICY)	NA	

## Industry Comparison<sup>(1)</sup> Industry: Internet - Software

	ADSK	X Industry	S&P 500	OTEX	SNPS	SSNC
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	2	3	3
VGM Score	F	-	-	C	F	C
Market Cap	62.75 B	913.56 M	39.51 B	8.21 B	89.87 B	21.33 B
# of Analysts	11	4	22	1	8	4
Dividend Yield	0.00%	0.00%	1.42%	3.38%	0.00%	1.24%
Value Score	D	-	-	A	F	C
Cash/Price	0.04	0.14	0.04	0.13	0.03	0.02
EV/EBITDA	35.44	5.23	14.63	9.14	38.46	13.45
PEG Ratio	-10.78	1.54	2.02	NA	2.75	NA
Price/Book (P/B)	21.69	3.13	3.32	2.08	3.08	3.05
Price/Cash Flow (P/CF)	38.24	23.32	15.24	5.23	39.63	11.40
P/E (F1)	28.99	24.20	18.41	7.74	32.63	13.08
Price/Sales (P/S)	9.11	3.64	3.10	1.58	12.74	3.47
Earnings Yield	3.45%	3.49%	5.43%	12.92%	3.07%	7.64%
Debt/Equity	0.86	0.00	0.57	1.60	0.48	0.94
Cash Flow (\$/share)	7.74	0.10	8.98	6.23	11.85	7.67
Growth Score	C	-	-	D	D	C
Hist. EPS Growth (3-5 yrs)	23.74%	14.56%	8.24%	5.22%	19.45%	2.82%
Proj. EPS Growth (F1/F0)	20.54%	36.60%	9.21%	10.21%	11.54%	12.20%
Curr. Cash Flow Growth	36.72%	-13.02%	7.00%	-14.60%	10.12%	9.82%
Hist. Cash Flow Growth (3-5 yrs)	29.21%	15.47%	7.48%	3.81%	18.67%	1.53%
Current Ratio	0.82	1.61	1.18	0.87	1.62	1.12
Debt/Capital	46.18%	4.56%	38.14%	61.59%	32.22%	48.48%
Net Margin	16.09%	-1.03%	12.77%	9.60%	18.89%	13.86%
Return on Equity	52.06%	2.20%	17.03%	23.44%	7.89%	19.80%
Sales/Assets	0.63	0.59	0.53	0.38	0.21	0.32
Proj. Sales Growth (F1/F0)	16.80%	12.98%	5.29%	1.10%	36.60%	6.20%
Momentum Score	F	-	-	F	B	B
Daily Price Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1 Week Price Chg	0.21%	0.00%	-1.25%	0.36%	2.89%	2.13%
4 Week Price Chg	-3.22%	-3.20%	-0.17%	-3.52%	1.29%	-0.46%
12 Week Price Chg	-4.61%	-11.61%	1.64%	-17.21%	-3.03%	3.22%
52 Week Price Chg	0.92%	-15.03%	16.65%	15.33%	-2.70%	15.86%
20 Day Average Volume	1,256,712	553,532	2,383,483	649,467	1,852,416	1,082,035
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.06%	0.00%	0.00%	0.00%	10.61%	0.00%
(F1) EPS Est 12 week change	4.81%	2.98%	0.43%	5.09%	11.00%	1.24%
(Q1) EPS Est Mthly Chg	-0.13%	0.00%	0.00%	0.00%	12.17%	0.00%



## 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.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>D</b>
Growth Score	<b>C</b>
Momentum Score	<b>F</b>
VGM Score	<b>F</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.

## Disclosures

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