

## American Axle (AXL)

**\$6.33** (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$7.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 07/24/24)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**3-Hold**

Zacks Style Scores:

VGM: B

Value: A

Growth: C

Momentum: F

### Summary

AXL's near-term outlook is supported by strong driveline performance, healthier mix from full-size truck programs and a tighter, modestly improved 2025 outlook. Frequent program wins across ICE, hybrid and EV applications, along with a constructive shift in quoting activity, enhance revenue visibility. The pending Dowlais combination also offers scale benefits, broader product capabilities and meaningful synergy potential. However, metal-forming operations remain a margin drag, with utilization and labor challenges still being addressed. Higher capex needs, elevated leverage and seasonally weaker Q4 production add pressure to cash flow. Tariff uncertainty and customer-driven production volatility also pose risks to margin execution. Thus, we remain cautious on the stock.

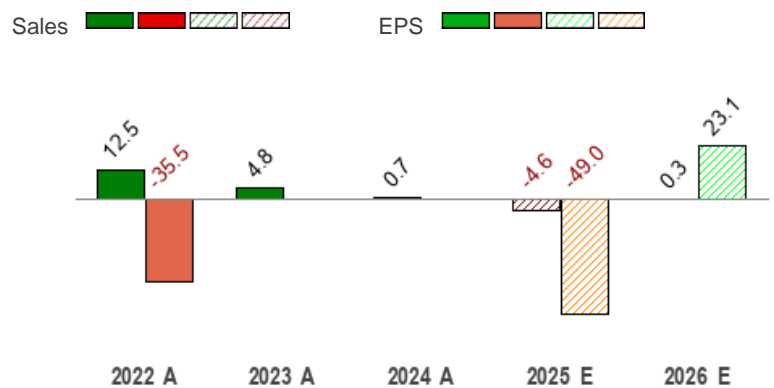
### Price, Consensus & Surprise<sup>(1)</sup>



### Data Overview

52 Week High-Low	\$6.78 - \$3.00
20 Day Average Volume (sh)	2,278,829
Market Cap	\$751.4 M
YTD Price Change	8.6%
Beta	1.58
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Automotive - Original Equipment</a>
Zacks Industry Rank	Top 35% (85 out of 243)

### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



Last EPS Surprise	33.3%
Last Sales Surprise	0.8%
EPS F1 Est- 4 week change	-12.9%
Expected Report Date	02/13/2026
Earnings ESP	26.1%

### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	1,428 E	1,591 E	1,489 E	1,353 E	5,861 E
2025	1,411 A	1,536 A	1,505 A	1,393 E	5,846 E
2024	1,607 A	1,632 A	1,505 A	1,381 A	6,125 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	0.09 E	0.09 E	0.08 E	0.07 E	0.32 E
2025	0.09 A	0.21 A	0.16 A	-0.20 E	0.26 E
2024	0.18 A	0.19 A	0.20 A	-0.06 A	0.51 A

\*Quarterly figures may not add up to annual.

P/E TTM	15.8
P/E F1	24.4
PEG F1	-1.2
P/S TTM	0.1

(1) The data in the charts and tables, except the estimates, is as of 12/15/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/15/2025.

## Overview

Detroit-based American Axle & Manufacturing Holdings, Inc. is a leading supplier of driveline and drivetrain systems, modules and components for the light vehicle market. It manufactures Driveline and Metal Forming technologies to support electric, hybrid and internal combustion vehicles. The company operates with around 75 facilities in 18 countries. American Axle's major customers include General Motors, Stellantis and Ford.

American Axle is the primary supplier of driveline components to General Motors for its full-size RWD light trucks, SUV, and crossover vehicles manufactured in North America. American Axle also supplies GM with various products from its Metal Forming segment.

American Axle supplies driveline system products to Stellantis for programs including the heavy-duty Ram full-size pickup trucks and its derivatives, the AWD Chrysler Pacifica and the AWD Jeep Cherokee. Additionally, it also sells various products to Stellantis from Metal Forming segment.

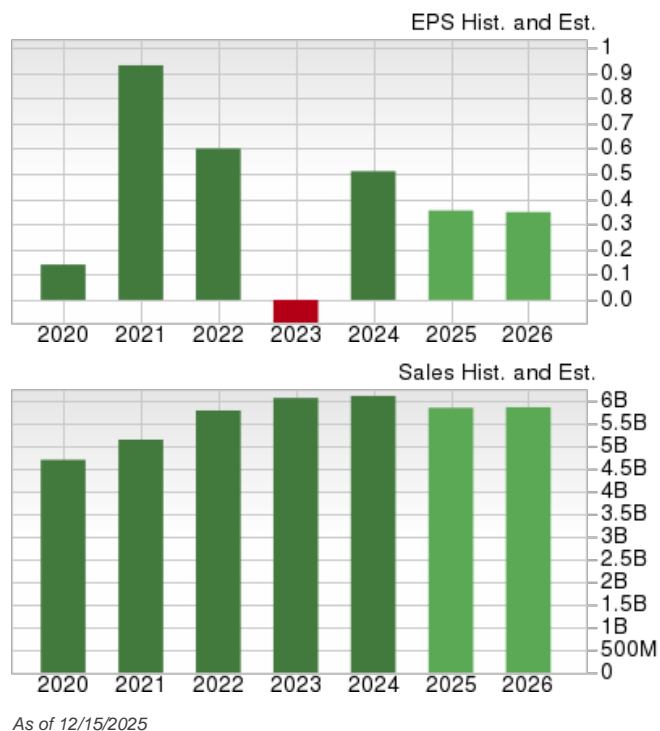
American Axle is a key supplier of driveline system products to Ford on certain vehicle programs including the Ford Bronco Sport, Ford Edge, Ford Escape and Lincoln Nautilus. The company also sells various products to Ford from Metal Forming segment. Sales to

American Axle has the following two operating segments:

Driveline (63.8% of consolidated net sales in 2024) products consist primarily of front and rear axles, driveshafts, differential assemblies, clutch modules, balance shaft systems, disconnecting driveline technology, and electric and hybrid driveline products and systems for light trucks, SUVs, crossover vehicles, passenger cars and commercial vehicles.

Metal Forming (36.2%) products consist primarily of axle and transmission shafts, ring and pinion gears, differential gears and assemblies, connecting rods and variable valve timing products for OEM and Tier 1 automotive suppliers.

AXL competes with independent suppliers, distributors, and vertically integrated OEMs, focusing on technology, design, quality, delivery, and cost. Electrification and electronic integration have introduced new market entrants, while traditional automakers are forming tech partnerships to accelerate innovation.



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## Reasons To Buy:

- ▲ AXL's **driveline unit** continues to be the company's margin engine, posting a 14.9% adjusted EBITDA margin — its strongest Q3 margin since 2020. Management noted consistent multi-quarter stability and favorable mix from Ram heavy-duty and other full-size truck platforms. With OEM production of large pickups and SUVs expected to stay healthy into 2026, this mix tailwind should support structurally higher incremental margins versus lower-margin passenger car content. As long as heavy truck programs remain robust, AXL is positioned to defend and potentially expand consolidated margins.
- ▲ The impending **Dowlais acquisition** is set to boost AXL's prospects, as it would create a leading global driveline and metal forming supplier with an estimated \$12 billion in annual revenue. This expanded scale and diversified product portfolio across ICE, Hybrid, and Electric powertrains significantly will strengthen AXL's competitive position. The deal is anticipated to generate approximately \$300 million in annual run-rate cost synergies and achieve high earnings accretion in the first full year, promising a substantial boost to the company's financial performance.
- ▲ In recent years, the majority of new business quotes, around 75-80%, were focused on electrification. However, this trend has shifted, with a **stronger emphasis now on ICE and hybrid applications**, though some electrification remains. The company is optimistic about securing its next-generation business and is currently quoting \$1.5 billion in new and incremental opportunities, aligning well with its core ICE and hybrid expertise.
- ▲ **Frequent business wins** augur well for American Axle's prospects. AXL recently won several contracts, underscoring its strength in both electric and Internal Combustion Engine (ICE) markets. The company secured an agreement with Scout Motors to supply both front electric drive units and rear e-Beam axles. Additionally, AXL gained traction in ICE, with new component awards for various OEM programs.
- ▲ **Improved full-year 2025 guidance signals stronger execution.** AXL raised the low end of both EBITDA (\$710M–\$745M vs. \$695M–\$745M) and adjusted FCF guidance (\$180M–\$210M vs. \$175M–\$215M), reflecting improved cost performance, better mix, and firmer demand assumptions. Sales guidance was tightened around an unchanged midpoint, but production expectations for North America and GM full-size trucks were revised slightly higher, indicating stronger volume visibility heading into Q4 and early 2026.

Driveline unit strength, impending Dowlais acquisition, frequent business wins and a modestly improved 2025 guidance bode well for AXL.

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## Reasons To Sell:

- ▼ While driveline margins are strong, management explicitly said metal forming “still have additional work to do” and that some plants face utilization, throughput and labor-skill challenges. Management’s restructuring actions in Europe and other fixes are ongoing and may take multiple quarters to normalize. As such, **Metal-Forming unit underperformance** and plant-level issues remain a drag on consolidated margins
- ▼ American Axle needs to make huge **capital expenditures** to develop technologically advanced products to adapt to the changing dynamics of the auto space, which might impact its cash flow. The company expects capital expenditure to be 5% of sales in 2025, up from 4% of sales reported in 2024, preparing for important upcoming launches, especially for one of its new truck programs.as it readies for important upcoming launches especially for 1 of its new truck programs.
- ▼ As of Sept. 30, 2025, the company’s net long-term debt amounted to \$2.6 billion, as compared to cash and cash equivalents of \$714 million. Its total debt-to-capital ratio stands at 0.79, higher than its industry's 0.27. **Elevated leverage** restricts its financial flexibilities to tap onto growth opportunities.
- ▼ Management flagged multiple **Q4 pressures**, including normal seasonality, extended holiday downtime, and pockets of production volatility from recent customer disruptions. Additionally, project and launch-related expenses will be unusually elevated as AAM ramps several major programs.
- ▼ **Tariffs** negatively affected Q3 results by several million dollars, with management noting that tariff recoveries also distort reported mix. With ongoing geopolitical uncertainty and the potential expansion of tariffs into additional truck categories, AXL faces recurring exposure across both cost pass-through timing and customer sourcing decisions.

High capex requirement, weakness in Metal Forming unit, tariff woes and elevated leverage raise concerns.

## Last Earnings Report

### American Axle Q3 Earnings Beat Estimates

American Axle reported third-quarter 2025 adjusted earnings of 16 cents per share, beating the Zacks Consensus Estimate of 12 cents. The company recorded earnings of 20 cents per share in the year-ago quarter. AXL generated quarterly revenues of \$1.51 billion, which beat the Zacks Consensus Estimate of \$1.49 billion. Revenues remained flat on a year-over-year basis.

### Segmental Performance

In the reported quarter, the Driveline segment recorded sales of \$1.05 billion, nearly flat year over year. The figure, however, topped our estimate of \$1.02 billion. The segment registered adjusted EBITDA of \$156.8 million, which rose 15.5% on a year-over-year basis and surpassed our estimate of \$136 million.

The company's Metal Forming business generated revenues of \$595 million, which remained flat year over year but missed our estimate of \$600 million. The segment registered an adjusted EBITDA of \$37.9 million, which fell 2% year over year and missed our estimate of \$40.7 million.

### Financial Position

American Axle's third-quarter SG&A expenses totaled \$98.8 million, up from the year-ago quarter's reported figure of \$94.6 million.

Net cash provided by operating activities was \$143.3 million, down from \$143.6 million in the year-ago period.

Capital spending in the quarter was \$52.9 million, up from \$46.6 million reported in the year-ago period.

In the three months ended Sept. 30, 2025, the company posted free cash flow of \$79.5 million compared with \$70.7 million recorded in the year-ago period.

As of Sept. 30, 2025, American Axle had cash and cash equivalents of \$714.1 million, up from \$552.9 million as of Dec. 31, 2024.

Its net long-term debt was \$2.59 billion, up from \$2.58 billion as of Dec. 31, 2024.

### Revised Outlook for 2025

American Axle revised 2025 revenues in the band of \$5.8-\$5.9 billion compared with the prior estimated range of \$5.75-\$5.95 billion. Adjusted EBITDA is estimated to be in the band of \$710-\$745 million compared with the previous guidance of \$695-\$745 million.

Adjusted free cash flow is anticipated between \$180 million and \$210 million compared with the prior guidance of \$175-\$215 million.

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Nov 07, 2025
Sales Surprise	0.82%
EPS Surprise	33.33%
Quarterly EPS	0.16
Annual EPS (TTM)	0.40

## Valuation

American Axle's shares are up 47.9% and 0.3% over the past six months and in the trailing 12-month period, respectively. Stocks in the Zacks Automotive – Original Equipment industry and the Zacks Auto-Tires-Trucks sector are down 1.6% and up 29.4%, respectively, over the past six months. Over the past year, the Zacks sub industry and sector are down 5.3% and up 4%, respectively. The S&P 500 index is up 15.7% and 14.3% over the past six months and in the past year, respectively.

The stock is currently trading at 0.13X forward 12-month sales, which compares to 1.97X for the Zacks sub-industry, 1.67X for the Zacks sector and 5.27X for the S&P 500 index.

Over the past five years, the stock has traded as high as 0.26X and as low as 0.06X, with a 5-year median of 0.14X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$7 price target reflects 0.14X forward 12-month sales.

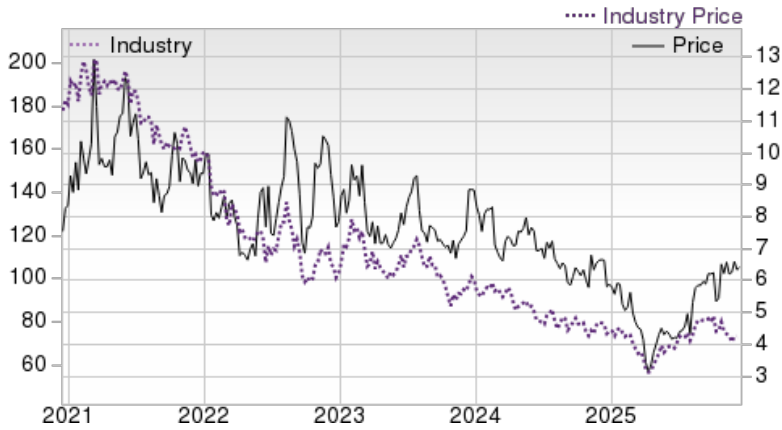
The table below shows summary valuation data for AXL:

Valuation Multiples - AXL					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.13	1.97	1.67	5.27
	5-Year High	0.26	2.19	1.98	5.5
	5-Year Low	0.06	0.76	0.82	3.83
	5-Year Median	0.14	1.29	1.23	5.05
EV/EBITDA TTM	Current	4.1	15.91	27.38	18.58
	5-Year High	6.45	22.18	28.56	22.41
	5-Year Low	3.4	8.08	9.14	13.88
	5-Year Median	4.48	13.69	17.47	17.97
P/E F12M	Current	18.34	18.59	31.03	23.35
	5-Year High	36.52	22.88	32.26	23.78
	5-Year Low	NA	13.51	12.49	15.73
	5-Year Median	9.27	19.47	19.73	21.21

As of 12/12/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 35% (85 out of 243)



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

Company (Ticker)	Rec	Rank
Garrett Motion Inc. (GTX)	Outperform	1
LCI Industries (LCII)	Outperform	1
Adient (ADNT)	Neutral	3
Allison Transmission... (ALSN)	Neutral	3
BorgWarner Inc. (BWA)	Neutral	2
Camping World (CWH)	Neutral	4
Magna International ... (MGA)	Neutral	2
PHINIA Inc. (PHIN)	Neutral	3

Industry Comparison <sup>(1)</sup> Industry: Automotive - Original Equipment				Industry Peers		
	AXL	X Industry	S&P 500	ADNT	ALSN	BWA
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	2
VGM Score	B	-	-	A	C	A
Market Cap	751.35 M	751.35 M	39.20 B	1.48 B	8.27 B	9.60 B
# of Analysts	5	3	22	4	5	6
Dividend Yield	0.00%	0.00%	1.4%	0.00%	1.09%	1.52%
Value Score	A	-	-	A	A	A
Cash/Price	0.94	0.23	0.04	0.64	0.11	0.23
EV/EBITDA	3.66	5.42	14.73	6.77	8.80	9.19
PEG Ratio	-1.18	1.14	2.24	0.62	NA	0.93
Price/Book (P/B)	1.05	1.58	3.35	0.72	4.49	1.56
Price/Cash Flow (P/CF)	1.40	8.22	15.24	3.06	9.94	5.97
P/E (F1)	24.46	16.71	19.90	9.80	12.88	9.53
Price/Sales (P/S)	0.13	0.76	3.09	0.10	2.70	0.68
Earnings Yield	5.53%	4.07%	5.01%	10.18%	7.77%	10.50%
Debt/Equity	3.61	0.25	0.57	1.16	1.30	0.63
Cash Flow (\$/share)	4.52	0.83	8.99	6.14	10.00	7.52
Growth Score	C	-	-	B	D	C
Hist. EPS Growth (3-5 yrs)	-11.24%	8.11%	8.16%	15.86%	30.18%	5.31%
Proj. EPS Growth (F1/F0)	-49.02%	15.11%	8.57%	-1.04%	-7.10%	9.03%
Curr. Cash Flow Growth	11.43%	-4.32%	6.75%	-2.41%	2.89%	12.64%
Hist. Cash Flow Growth (3-5 yrs)	-5.87%	2.82%	7.43%	8.18%	2.13%	4.94%
Current Ratio	1.77	1.77	1.18	1.12	3.82	2.05
Debt/Capital	78.31%	33.10%	38.01%	54.60%	56.52%	38.77%
Net Margin	0.72%	1.07%	12.78%	-1.93%	22.78%	0.94%
Return on Equity	7.92%	6.80%	17.00%	7.81%	40.46%	16.72%
Sales/Assets	1.12	0.95	0.53	1.67	0.57	1.00
Proj. Sales Growth (F1/F0)	-4.60%	0.00%	5.77%	-0.70%	-7.30%	0.90%
Momentum Score	F	-	-	D	D	B
Daily Price Chg	-0.94%	-0.67%	-0.16%	-0.27%	-0.42%	0.83%
1 Week Price Chg	1.27%	0.76%	-0.44%	1.57%	7.89%	2.75%
4 Week Price Chg	3.94%	3.29%	2.16%	-1.52%	25.42%	3.29%
12 Week Price Chg	4.63%	-9.98%	1.83%	-23.65%	12.49%	3.01%
52 Week Price Chg	-0.63%	5.75%	12.22%	6.53%	-13.20%	36.02%
20 Day Average Volume	2,278,829	269,274	2,744,252	1,132,259	1,049,038	2,706,217
(F1) EPS Est 1 week change	-4.30%	0.00%	0.00%	-3.69%	0.00%	0.11%
(F1) EPS Est 4 week change	-12.92%	0.00%	0.00%	-2.41%	0.00%	0.50%
(F1) EPS Est 12 week change	-20.04%	1.47%	0.69%	-10.85%	-4.06%	2.96%
(Q1) EPS Est Mthly Chg	-125.49%	0.00%	0.00%	15.20%	0.00%	0.44%



## Analyst Earnings Model<sup>(2)</sup>

### American Axle & Manufacturing Holdings, Inc. (AXL)

In \$MM, except per share data

	2022A	2023A	2024A	2025E					2026E					2027E
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
<b>Income Statement</b>														
<b>Net Sales</b>	<b>\$5,802.4</b>	<b>\$6,079.5</b>	<b>\$6,124.9</b>	<b>\$1,411.3</b>	<b>\$1,536.2</b>	<b>\$1,505.3</b>	<b>\$1,392.9</b>	<b>\$5,845.7</b>	<b>\$1,428.2</b>	<b>\$1,590.7</b>	<b>\$1,488.8</b>	<b>\$1,353.0</b>	<b>\$5,860.7</b>	<b>\$6,009.2</b>
Cost of Goods Sold	\$5,097.5	\$5,455.2	\$5,383.5	\$1,237.4	\$1,335.5	\$1,316.3	\$1,241.4	\$5,130.6	\$1,239.6	\$1,377.1	\$1,287.6	\$1,166.8	\$5,071.1	\$5,160.2
<b>Gross Profit</b>	<b>\$704.9</b>	<b>\$624.3</b>	<b>\$741.4</b>	<b>\$173.9</b>	<b>\$200.7</b>	<b>\$189.0</b>	<b>\$151.5</b>	<b>\$715.1</b>	<b>\$188.6</b>	<b>\$213.6</b>	<b>\$201.2</b>	<b>\$186.1</b>	<b>\$789.5</b>	<b>\$849.0</b>
Selling, General and Administrative Expenses	\$345.1	\$366.9	\$387.1	\$90.9	\$100.8	\$98.8	\$90.6	\$381.1	\$93.1	\$110.3	\$100.2	\$90.3	\$393.9	\$385.4
Amortization of Intangibles	\$85.7	\$85.6	\$82.9	\$20.6	\$20.4	\$20.4	\$19.7	\$81.1	\$19.8	\$21.8	\$20.6	\$18.8	\$81.0	\$83.1
Impairment Charge		\$0.0	\$12.0	\$0.0	\$8.0	\$0.0	\$0.0	\$8.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restructuring and Acquisition-Related Costs	\$30.2	\$25.2	\$18.0	\$19.7	\$16.5	\$21.4	\$42.4	\$100.0	\$24.8	\$28.9	\$29.8	\$29.1	\$112.6	\$119.1
Loss (Gain) on Sale of Business	\$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	\$0.0
<b>EBITDA</b>	<b>\$732.9</b>	<b>\$664.4</b>	<b>\$718.5</b>	<b>\$176.2</b>	<b>\$224.0</b>	<b>\$157.3</b>	<b>\$127.3</b>	<b>\$684.8</b>	<b>\$171.0</b>	<b>\$185.9</b>	<b>\$177.6</b>	<b>\$164.3</b>	<b>\$698.8</b>	<b>\$772.3</b>
<b>Adjusted EBITDA</b>	<b>\$747.3</b>	<b>\$693.3</b>	<b>\$749.2</b>	<b>\$177.3</b>	<b>\$202.2</b>	<b>\$194.7</b>	<b>\$166.9</b>	<b>\$741.1</b>	<b>\$195.8</b>	<b>\$214.8</b>	<b>\$207.4</b>	<b>\$193.4</b>	<b>\$811.4</b>	<b>\$891.4</b>
Depreciation & Amortization	\$492.1	\$487.2	\$469.7	\$112.2	\$113.5	\$116.3	\$118.1	\$460.1	\$112.6	\$125.2	\$118.9	\$109.0	\$465.7	\$479.1
<b>Operating Income</b>	<b>\$243.9</b>	<b>\$146.6</b>	<b>\$241.4</b>	<b>\$42.7</b>	<b>\$55.0</b>	<b>\$48.4</b>	<b>(\$1.1)</b>	<b>\$145.0</b>	<b>\$50.9</b>	<b>\$52.5</b>	<b>\$50.6</b>	<b>\$48.0</b>	<b>\$202.0</b>	<b>\$261.4</b>
Interest Expense	\$174.5	\$201.7	\$186.0	\$42.9	\$43.1	\$42.7	\$76.4	\$205.1	\$50.6	\$58.3	\$57.8	\$56.1	\$222.8	\$233.6
Interest Income	\$17.0	\$26.2	\$28.1	\$5.6	\$5.6	\$7.0	\$5.9	\$24.1	\$5.9	\$6.6	\$6.4	\$5.7	\$24.6	\$25.4
Debt Refinancing and Redemption Costs	\$6.4	\$1.3	\$0.6	\$3.3	\$0.0	\$0.0	\$0.0	\$3.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Gain on Business Combination Derivative	\$13.6	\$0.0	\$0.0	\$21.9	\$46.3	(\$16.0)	\$2.8	\$55.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Pension Curtailment and Settlement Charges	\$0.0	\$1.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Unrealized Loss/ (Gain) on Equity Securities	\$25.5	\$1.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other (Income) Expense, net	\$1.8	(\$8.1)	\$20.0	\$2.9	(\$3.6)	(\$1.6)	(\$1.6)	(\$3.9)	(\$1.6)	(\$1.6)	(\$1.6)	(\$1.6)	(\$6.4)	(\$6.4)
<b>Pre-Tax Income</b>	<b>\$66.3</b>	<b>(\$24.5)</b>	<b>\$62.8</b>	<b>\$21.1</b>	<b>\$67.4</b>	<b>(\$1.7)</b>	<b>(\$67.2)</b>	<b>\$19.6</b>	<b>\$7.8</b>	<b>\$2.4</b>	<b>\$0.8</b>	<b>(\$0.8)</b>	<b>\$10.3</b>	<b>\$59.6</b>
Income Tax	\$2.0	\$9.1	\$27.8	\$14.0	\$28.1	(\$10.9)	(\$16.8)	\$14.4	\$2.0	\$0.6	\$0.2	(\$0.2)	\$2.6	\$14.9
Tax Rate	3.0%	(37.1%)	44.3%	66.4%	41.7%	641.2%	25.0%	73.4%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>Net Income, Adjusted</b>	<b>\$73.8</b>	<b>(\$10.1)</b>	<b>\$62.3</b>	<b>\$11.0</b>	<b>\$26.1</b>	<b>\$19.9</b>	<b>(\$25.2)</b>	<b>\$31.8</b>	<b>\$10.6</b>	<b>\$10.7</b>	<b>\$10.5</b>	<b>\$8.5</b>	<b>\$40.3</b>	<b>\$83.8</b>
<b>Net Income, GAAP</b>	<b>\$64.3</b>	<b>(\$33.6)</b>	<b>\$35.0</b>	<b>\$7.1</b>	<b>\$39.3</b>	<b>\$9.2</b>	<b>(\$50.4)</b>	<b>\$5.2</b>	<b>\$5.9</b>	<b>\$1.8</b>	<b>\$0.6</b>	<b>(\$0.6)</b>	<b>\$7.7</b>	<b>\$44.7</b>
<b>Net Income Allocated to Participating Securities</b>	<b>(\$2.7)</b>	<b>\$0.0</b>	<b>(\$1.2)</b>	<b>(\$0.3)</b>	<b>(\$1.6)</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>	<b>(\$2.7)</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>	<b>(\$1.6)</b>	<b>(\$1.6)</b>
<b>Net Income Attributable to Common Shareholders, GAAP</b>	<b>\$61.6</b>	<b>(\$33.6)</b>	<b>\$33.8</b>	<b>\$6.8</b>	<b>\$37.7</b>	<b>\$8.8</b>	<b>(\$50.8)</b>	<b>\$2.5</b>	<b>\$5.5</b>	<b>\$1.4</b>	<b>\$0.2</b>	<b>(\$1.0)</b>	<b>\$6.1</b>	<b>\$43.1</b>
Basic Shares Outstanding	114.5	116.6	117.5	117.9	118.6	118.6	118.6	118.4	118.6	118.6	118.6	118.6	118.6	118.6
Diluted Shares Outstanding, Adjusted	120.4	116.6	121.9	122.6	124.1	124.3	124.3	123.8	124.3	124.3	124.3	124.3	124.3	124.3
Diluted Shares Outstanding, GAAP	115.5	116.6	117.7	118.0	118.8	118.9	118.9	118.7	118.9	118.9	118.9	118.9	118.9	118.9
<b>Basic EPS</b>	<b>\$0.54</b>	<b>(\$0.29)</b>	<b>\$0.29</b>	<b>\$0.06</b>	<b>\$0.32</b>	<b>\$0.07</b>	<b>(\$0.42)</b>	<b>\$0.03</b>	<b>\$0.05</b>	<b>\$0.02</b>	<b>\$0.01</b>	<b>(\$0.00)</b>	<b>\$0.07</b>	<b>\$0.38</b>
<b>Diluted EPS, Adjusted</b>	<b>\$0.60</b>	<b>(\$0.09)</b>	<b>\$0.51</b>	<b>\$0.09</b>	<b>\$0.21</b>	<b>\$0.16</b>	<b>(\$0.20)</b>	<b>\$0.26</b>	<b>\$0.09</b>	<b>\$0.09</b>	<b>\$0.08</b>	<b>\$0.07</b>	<b>\$0.32</b>	<b>\$0.67</b>
<b>Diluted EPS Attributable to Common Shareholders, GAAP</b>	<b>\$0.53</b>	<b>(\$0.29)</b>	<b>\$0.29</b>	<b>\$0.06</b>	<b>\$0.32</b>	<b>\$0.07</b>	<b>(\$0.43)</b>	<b>\$0.02</b>	<b>\$0.05</b>	<b>\$0.01</b>	<b>\$0.00</b>	<b>(\$0.01)</b>	<b>\$0.05</b>	<b>\$0.36</b>



## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

## Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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

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

Value Score	<b>A</b>
Growth Score	<b>C</b>
Momentum Score	<b>F</b>
VGM Score	<b>B</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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