

## Boise Cascade Company (BCC)

**\$77.70** (Stock Price as of 12/18/2025)

Price Target (6-12 Months): **\$64.00**

Long Term: 6-12 Months

**Zacks Recommendation: Underperform**

(Since: 08/05/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

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

**5-Strong Sell**

Zacks Style Scores:

VGM: C

Value: C

Growth: C

Momentum: B

### Summary

Boise Cascade's prospects are hurting due to the weak demand, resulting in lower volumes and unfavorable commodity pricing. Slow single-family housing starts are directly affecting the company's sales volume, which happened to have declined 5% year over year. Although its focus on expanding door and millwork operations, investments in greenfield distribution centers and shareholder value bode well, the weak housing market is offsetting the positive aspects. The management expects 2026 housing activity to mirror 2025 levels, with gradual improvement later in the year as rates ease. Earnings estimates for 2025 and 2026 have remained unchanged over the past 30 days, limiting the upside potential of the stock. Shares of Boise Cascade underperformed the industry in the past six months.

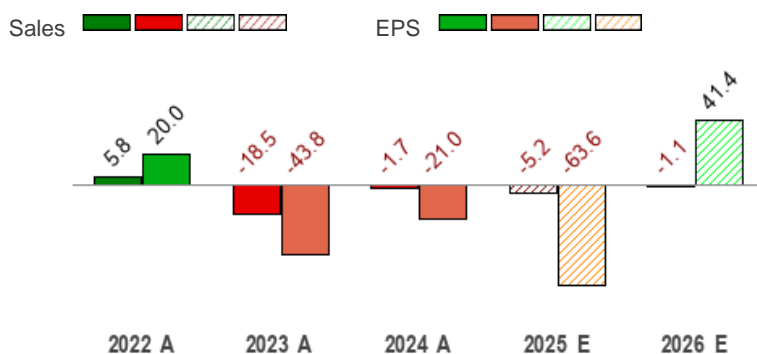
### Price, Consensus & Surprise<sup>(1)</sup>



### Data Overview

52 Week High-Low	\$131.27 - \$65.14
20 Day Average Volume (sh)	475,275
Market Cap	\$2.9 B
YTD Price Change	-34.6%
Beta	1.27
Dividend / Div Yld	\$0.88 / 1.1%
Industry	<a href="#">Building Products - Wood</a>
Zacks Industry Rank	Bottom 6% (228 out of 243)

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



Last EPS Surprise	0.0%
Last Sales Surprise	2.8%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/19/2026
Earnings ESP	0.0%

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

	Q1	Q2	Q3	Q4	Annual*
2026	1,442 E	1,703 E	1,694 E	1,465 E	6,303 E
2025	1,536 A	1,740 A	1,668 A	1,429 E	6,374 E
2024	1,645 A	1,798 A	1,714 A	1,567 A	6,724 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	0.62 E	1.47 E	2.18 E	1.31 E	4.92 E
2025	1.06 A	1.64 A	0.58 A	0.20 E	3.48 E
2024	2.61 A	2.84 A	2.33 A	1.78 A	9.57 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 12/18/2025.

(2) The report's text and the price target are as of 12/16/2025.

## Overview

Boise Cascade Company is one of the largest wood products manufacturers and a leading United States wholesale distributor of building products, headquartered in Boise, ID. The company manufactures engineered wood products, plywood, lumber and particleboard and distributes wood products, such as decking, engineered wood products (EWP), lumber, panel, particleboard, and MDF products. Its main market operations are in the United States and Canada.

The company's products are primarily used in the construction of new residential housing, including single-family, multi-family and manufactured homes, the repair and remodeling of existing housing, the construction of light industrial and commercial buildings, and industrial applications.

The company operates through two reportable segments, including:

The Wood Products segment (contributing 22.9% to 2024 total net sales) is engaged in the manufacture and sale of laminated veneer lumber (LVL), I-joists, and laminated beams, collectively referred to as EWP. Also, it manufactures structural, appearance and industrial plywood panels, and ponderosa pine lumber. As of August 2025, this segment housed 18 manufacturing facilities across the country.

The Building Materials Distribution, or BMD segment (77.1%), operates a nationwide network of 39 owned and leased distribution facilities across the United States, including door and millwork facilities in 14 markets and one component manufacturing plant. It sells a broad line of building materials, including oriented strand board (OSB), plywood, and lumber (collectively referred to as commodities); general line items such as siding, composite decking, doors, metal products, insulation, and roofing; and EWP. The segment's EWP is sourced from the in-house Wood Products segment.

On July 31, 2025, the company's board of directors approved a 5% quarterly dividend hike to 22 cents per share (or 88 cents annually) to its common stockholders. In the first nine months of 2025, the company repurchased 1,128,752 shares of its common stock for a total value of \$111 million and paid dividends worth \$26.6 million.



## Reasons To Sell:

- ▼ **High Costs & Expenses:** The uptick in raw materials, labor, and manufacturing costs, along with increasing selling, general and administrative expenses, is a concern for Boise Cascade.

In the first nine months of 2025, the company's costs and expenses, as a percentage of total sales, increased to 96.6% from 92.3% year over year. During the same time frame, the selling and distribution expenses, as a percentage of sales, increased 70 basis points to 9.5% from 8.8% reported in the prior year. The company is likely to be affected by higher manufacturing and input costs and other price inflation for some time.

High costs and expenses, housing market softness, commodity prices and interest rate swings, along with economic challenges, are concerns for the company's prospects.

- ▼ **Dependence on Housing Market:** Demand for the company's products has a strong relationship to the level of new residential construction, residential repair-and-remodeling activity and light commercial construction. The housing industry is cyclical and affected by consumer confidence levels, prevailing economic conditions and interest rates. Despite various initiatives undertaken to attract buyers, home affordability in the United States remains a challenge for homebuyers, especially in the single-family housing market. Increasing capital costs for developers and high mortgage rates are pulling back single-family starts.

In the first nine months of 2025, Boise Cascade reported consolidated sales of \$4.94 billion, down 4.1% from the same period in 2024. The decline reflected weaker housing demand, uncertain trade conditions and pricing challenges. Lower homebuyer affordability and rising economic uncertainty further affected consumer and builder confidence. Year to date, U.S. single-family starts dropped 5% year over year, directly affecting Boise Cascade's sales, as it is the key revenue driver.

- ▼ **Commodity Price Fluctuations:** Commodity price risk is a pivotal factor influencing Boise Cascade's performance. A significant portion of the company's manufactured and purchased products, along with key production inputs, are commodities whose prices hinge on supply and demand market dynamics. Fluctuations in these prices substantially impact the company's financial performance, affecting both selling prices and key costs.

The markets for these commodities operate in cycles and are heavily influenced by a myriad of factors, including economic uncertainties, industry operating rates, supply-related disruptions, transportation constraints, net import and export activities, inventory levels across distribution channels and seasonal demand patterns. Navigating these volatile market conditions is imperative for Boise Cascade to safeguard against potential risks and maintain steady financial performance and growth.

- ▼ **Concerns Surrounding Vertically Integrated Business Model:** Boise Cascade operates through a disciplined vertically integrated business model, which holds a favorable influence over its business prospects. About 70-65% of the company's Wood Products sales go to its BMD segment, and during the nine months of 2025, about 75% of Wood Products' EWP sales volumes were to the BMD segment. Any material disruption at its Wood Products facilities would significantly pose negative impacts on the BMD business, thereby pulling down the company's overall sales and net income numbers. The threats to the manufacturing facilities include labor difficulties, equipment failure, natural calamities and other operational problems.

- ▼ **Interest Rate Fluctuations:** Interest rate risk poses a significant threat to Boise Cascade's performance. The company is exposed to fluctuations in the variable-rate Secured Overnight Financing Rate (SOFR), which concerns its term loan and any outstanding amounts on its Revolving Credit Facility. As of March 31, 2025, Boise Cascade had \$50 million of variable-rate debt outstanding, tied to a one-month term SOFR. The variability in interest rates can directly impact the company's financial obligations, affecting the cost of servicing its debt. Fluctuations in SOFR rates can lead to increased interest expenses, potentially squeezing profit margins and hampering overall financial stability.

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## Risks<sup>(2)</sup> (to the Underperform recommendation)

- **Strategic Business Model:** Boise Cascade focuses on a vertically integrated business model that has enabled it to deliver unique and significant value to its customers and a competitive advantage over its less-integrated peers. The Wood Products and BMD segments are vertically integrated from wood fiber procurement to distribution. The EWP, plywood, and other products manufactured by the Wood Products segment of the company are procured and distributed through the BMD segment. Both segments benefit through a committed distributor and manufacturer partnership, thus aiding the company in capturing margin at both levels of the supply chain.
- **Focus on Building Materials Distribution (BMD) Segment:** Boise Cascade's BMD segment has 39 building materials distribution facilities throughout the U.S. and also operates a single component manufacturing plant. The primary growth strategy opted by the company for this segment includes expansion of products and services, increased market penetration through acquisition, or through the opening or expansion of locations in underserved markets, as well as identification and execution of adjacent distribution platforms that can be scaled. A part of its capital deployment strategy includes solidifying and expanding its distribution presence throughout the national boundaries. Besides, the two-step distribution model in sync with its market-leading engineered wood products (EWP) and plywood franchises, operated through the BMD segment, is expected to deliver exceptional value to its customers and vendor partners by offering reliable access to products, responsive service and operational flexibility.

In consideration of its expansion of products and services growth strategy, Boise Cascade engages in expanding the product line under the BMD segment through the incorporation of doors and millwork. Expansion of its door and millwork operations is an essential aspect of the company's growth initiative, which is substantiated by its acquisitions of BROSCO, Caldera and Parksite. Moreover, during the first nine months of 2025, Boise Cascade invested \$5.6 million in acquisitions of businesses and facilities, including \$2.2 million for acquired assets of a door and millwork operation in Boise, ID. Coming to its distribution center expansion, the Hondo, TX greenfield distribution center is completed as of the third quarter of 2025, while the work on the Walterboro, SC greenfield distribution center is currently under construction, expected to start operations by 2026.

- **Land Buyout & Growth Initiatives:** Land acquisitions have been Boise Cascade's preferred model for solidifying its distribution facilities and strengthening its production portfolio. Apart from acquiring lands for developing manufacturing and distributing facilities, the company also indulges in making other growth investments that aid in diversifying its product offerings and increasing market reach. The company states that it will voluntarily engage in investing in possible mergers and acquisitions once it captures its interest. In an otherwise scenario, it expects to return its additional capital to its shareholders through special dividends, share repurchases, or a combination of the two.

During the first nine months of 2025, Boise Cascade recorded capital expenditures of \$187 million, with \$90 million spent on the Wood Products segment and \$88 million spent on the BMD segment. The company continues to maintain its 2025 capital spending estimate between \$230 million and \$250 million. The targeted spending amount highlights the additional multi-year investments on its Thorsby EWP mill (expected to be operational in the first half of 2026) and Oakdale veneer and plywood mill, alongside the greenfield distribution center in Texas. Besides, the 2025 CapEx includes the purchase of previously leased distribution centers in Chicago, IL and Minneapolis, MN. For 2026, Boise Cascade expects CapEx to be between approximately \$150 million and \$170 million, excluding potential acquisitions.

- **Sufficient Liquidity:** Boise Cascade has been maintaining a sufficient and stable liquidity position, given the ongoing market risks and uncertainties. The company's cash and cash equivalents were \$511.8 million at the end of the third quarter of 2025, compared with \$713.3 million reported at the end of 2024. The total liquidity as of Sept. 30, 2025, was \$907 million, including \$395.2 million of undrawn committed bank line availability and cash and cash equivalents. Outstanding debt as of Sept. 30, 2025, was \$450 million, slightly up from \$446.2 million reported at 2024-end. Given the current debt level, the company seems to have enough liquidity to pay off its debt obligations.
- **Rewarding Shareholders:** Boise Cascade has been following a consistent policy of returning its shareholders' funds handsomely. It boosts its shareholders' optimism by returning its additional capital through either dividend payments, share repurchases, or a combination of the two. During the first nine months of 2025, the company repurchased 1,128,752 shares of its common stock for a total value of \$111 million. Additionally, in October 2025, the company repurchased 120,000 shares for approximately \$9 million. Besides, on Oct. 30, 2025, the company's board of directors laid out repurchase authorization of \$300 million of its outstanding common stock, replacing the previous repurchase authorization.

Over the years, the company has maintained an increasing trend considering its dividend payouts. On July 31, 2025, the company's board of directors approved a 5% quarterly dividend hike to 22 cents per share (or 88 cents annually) to its common stockholders. In the first nine months of 2025, it paid \$26.6 million through dividends.

- **Strong ROE:** Boise Cascade's superior return on equity (ROE) is indicative of its growth potential. The company's ROE is 9%, up from 6.9% for the industry it belongs to. This indicates efficiency in using its shareholders' funds.

## Last Earnings Report

### Boise Cascade Q3 Earnings Meet Estimates, Sales Down Y/Y

Boise Cascade's third-quarter 2025 adjusted earnings met the Zacks Consensus Estimate and declined year over year. Sales topped the consensus mark but decreased from the year-ago period.

The quarter's performance reflects subdued demand resulting in lower volumes and unfavorable commodity pricing.

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

Earnings Reporting Date	Nov 03, 2025
Sales Surprise	2.84%
EPS Surprise	0.00%
Quarterly EPS	0.58
Annual EPS (TTM)	5.06

### Revenues and Earnings

Boise Cascade reported third-quarter 2025 adjusted earnings of 58 cents per share, matching the Zacks Consensus Estimate but plunging 75% year over year from \$2.33 in the prior-year quarter.

Sales of \$1.67 billion beat the consensus mark of \$1.62 billion by 2.8% but declined 3% year over year due to lower sales in the Wood Products segment.

### Segment Performance

The **Wood Products** segment posted a loss of \$12.1 million compared with income of \$53.9 million last year, as sales dropped 13% to \$396.4 million. Lower laminated veneer lumber (LVL) and I-joist prices (down 13% and 12%, respectively) and reduced volumes hurt performance. Segment EBITDA plunged 81% to \$14.5 million.

The **Building Materials Distribution (BMD)** segment recorded sales of \$1.56 billion, nearly flat year over year, but income fell 27% to \$54.3 million. While general line products grew 6%, weaker pricing in engineered wood and commodities weighed on margins. Segment EBITDA decreased 20% to \$69.8 million.

### Margins and Profitability

Adjusted EBITDA tumbled 52% year over year to \$74.4 million from \$154.5 million, as profitability contracted sharply across segments.

The company's gross margin was pressured by declining engineered wood and plywood prices and higher per-unit conversion costs.

### Balance Sheet and Capital Returns

Boise Cascade ended the quarter with \$511.8 million in cash, \$907 million in total liquidity and \$450 million of long-term debt.

During the first nine months of 2025, the company repurchased 1.13 million shares for \$111 million and paid \$26.6 million in dividends.

In October 2025, it repurchased another 120,000 shares for \$9 million and authorized a new \$300 million buyback program.

### Outlook

Management noted persistent headwinds from elevated interest rates and affordability issues in the housing market. It expects 2026 housing activity to mirror 2025 levels, with gradual improvement later in the year as rates ease. Long-term housing demand and remodeling activity remain supported by structural supply shortages and high homeowner equity.

## Recent News

### Boise Cascade Acquires Holden Humphrey to Expand in the Northeast - Dec. 16, 2025.

Boise Cascade has completed the acquisition of Holden Humphrey, a leading two-step distributor of building materials located in Chicopee, MA, which was previously announced on Nov. 18, 2025.

Integrated into the Building Materials Distribution (BMD) segment, this acquisition strengthens BCC's market position in the distribution business across the northeast region of the United States.

## Valuation

Boise Cascade's shares are down 10.4% in the past six months and 43.4% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 1.6%, and the stocks in the Zacks Construction sector are up 12.2% in the past six months. Over the past year, the Zacks sub-industry has been up 2.7% but the sector is down 1.1%.

The S&P 500 index is up 16.6% in the past six months and 14.7% in the past year.

The stock is currently trading at 15.49X forward 12-month earnings, which compares to 28.69X for the Zacks sub-industry, 19.48X for the Zacks sector, and 23.35X for the S&P 500 index.

Over the past five years, the stock has traded as high as 16.41X and as low as 3.13X, with a 5-year median of 10.3X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our \$64 price target reflects 13.16X forward 12-month earnings.

The table below shows the summary valuation data for BCC.

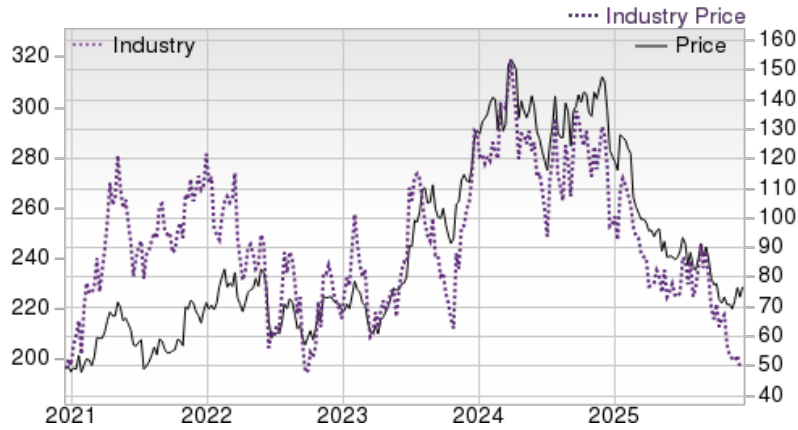
Valuation Multiples - BCC					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	15.49	28.69	19.48	23.35
	5-Year High	16.41	28.94	19.64	23.78
	5-Year Low	3.13	10.23	9.02	15.73
	5-Year Median	10.3	18.74	15.35	21.22
EV/EBITDA TTM	Current	6.58	19.45	18.47	18.58
	5-Year High	8.54	20.33	24.61	22.41
	5-Year Low	1.37	8.04	10.36	13.88
	5-Year Median	4	15.65	16.97	17.97
P/S F12M	Current	0.44	2.39	2.76	5.27
	5-Year High	0.86	2.63	3.08	5.5
	5-Year Low	0.26	1.57	1.55	3.83
	5-Year Median	0.55	2.1	2.25	5.05

As of 12/15/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 6% (228 out of 243)



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

Company (Ticker)	Rec	Rank
Builders FirstSource... (BLDR)	Neutral	3
MSC Industrial Direc... (MSM)	Neutral	3
Potlatch Corporation (PCH)	Neutral	3
Rayonier Inc. (RYN)	Neutral	2
Weyerhaeuser Company (WY)	Neutral	3
Louisiana-Pacific Co... (LPX)	Underperform	5
Trex Company, Inc. (TREX)	Underperform	5
UFP Industries, Inc. (UFPI)	Underperform	4

## Industry Comparison<sup>(1)</sup> Industry: Building Products - Wood

	BCC	X Industry	S&P 500	BLDR	LPX	UFPI
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Underperform	Underperform
Zacks Rank (Short Term)	5	-	-	3	5	4
VGM Score	C	-	-	A	B	A
Market Cap	2.88 B	3.35 B	38.81 B	11.68 B	5.93 B	5.52 B
# of Analysts	3	3	22	7	4	3
Dividend Yield	1.13%	1.22%	1.41%	0.00%	1.31%	1.48%
Value Score	C	-	-	A	D	A
Cash/Price	0.18	0.09	0.04	0.02	0.05	0.19
EV/EBITDA	4.20	9.64	14.58	7.31	8.68	6.71
PEG Ratio	-0.79	6.43	2.21	11.23	NA	NA
Price/Book (P/B)	1.35	1.80	3.30	2.71	3.41	1.72
Price/Cash Flow (P/CF)	5.70	10.66	15.05	6.26	10.98	10.13
P/E (F1)	22.33	25.82	19.66	14.93	31.68	17.80
Price/Sales (P/S)	0.44	2.09	3.08	0.75	2.10	0.86
Earnings Yield	4.48%	3.16%	5.02%	6.69%	3.16%	5.62%
Debt/Equity	0.22	0.34	0.57	1.03	0.20	0.07
Cash Flow (\$/share)	13.64	5.07	8.99	16.88	7.76	9.35
Growth Score	C	-	-	B	B	B
Hist. EPS Growth (3-5 yrs)	-12.82%	-16.11%	8.16%	14.85%	-19.40%	-0.25%
Proj. EPS Growth (F1/F0)	-63.64%	-22.63%	8.60%	-38.84%	-54.25%	-22.34%
Curr. Cash Flow Growth	-15.40%	-2.20%	6.75%	-20.54%	54.83%	-12.16%
Hist. Cash Flow Growth (3-5 yrs)	26.05%	5.81%	7.43%	40.96%	26.54%	18.16%
Current Ratio	3.10	2.66	1.18	1.79	2.93	4.49
Debt/Capital	17.70%	26.09%	38.01%	50.64%	16.67%	6.81%
Net Margin	2.96%	5.38%	12.78%	3.79%	7.69%	5.00%
Return on Equity	9.00%	6.87%	17.00%	21.28%	14.90%	10.18%
Sales/Assets	1.90	0.76	0.53	1.39	1.08	1.56
Proj. Sales Growth (F1/F0)	-5.20%	-2.52%	5.79%	-6.90%	-6.50%	-3.90%
Momentum Score	B	-	-	B	A	D
Daily Price Chg	1.85%	0.63%	0.79%	2.04%	0.91%	1.38%
1 Week Price Chg	4.74%	2.06%	-1.83%	-1.39%	2.92%	1.78%
4 Week Price Chg	12.84%	8.26%	3.61%	11.35%	14.15%	6.06%
12 Week Price Chg	1.37%	-1.54%	2.57%	-9.66%	2.18%	3.19%
52 Week Price Chg	-36.83%	-17.05%	15.47%	-27.80%	-17.38%	-16.63%
20 Day Average Volume	475,275	457,421	2,770,348	1,934,683	913,383	436,127
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-2.44%
(F1) EPS Est 12 week change	-17.78%	-6.66%	0.69%	-0.36%	-7.56%	-4.08%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	-6.93%

## 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	C
Growth Score	C
Momentum Score	B
VGM Score	C

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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