

Brown-Forman Corp. (BF.B)

\$25.69 (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$28.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 08/11/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: D

Value: D

Growth: F

Momentum: A

Summary

Brown-Forman's long-term appeal is anchored in its premiumization strategy, which focuses on high-quality, authentic brands that drive pricing power and margin expansion. Flagship labels like Jack Daniel's and Woodford Reserve, along with super-premium acquisitions Gin Mare and Diplomático strengthen its luxury portfolio. Emerging markets delivered strong results, led by Brazil and Türkiye. However, BF.B's shares lagged the industry in the past six months, as soft consumer demand and macro pressures weighed on second-quarter fiscal 2026 results. EPS and sales declined, driven by U.S. and developed international weakness. Key brands experienced volume declines, while higher costs and currency pressures hurt margins. BF.B reaffirmed its fiscal 2026 view, citing macro uncertainty, tariffs, and subdued consumer sentiment.

Data Overview

52 Week High-Low	\$38.85 - \$25.32
20 Day Average Volume (sh)	4,412,685
Market Cap	\$11.9 B
YTD Price Change	-1.4%
Beta	0.42
Dividend / Div Yld	\$0.92 / 3.6%
Industry	Beverages - Alcohol
Zacks Industry Rank	Bottom 9% (223 out of 244)

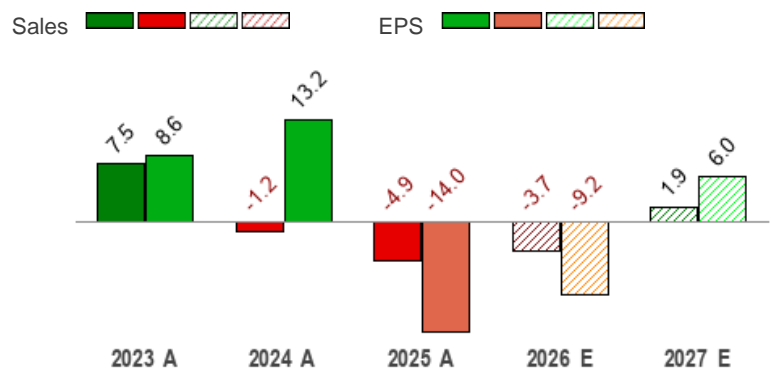
Last EPS Surprise	-2.1%
Last Sales Surprise	0.9%
EPS F1 Est- 4 week change	0.4%
Expected Report Date	03/04/2026
Earnings ESP	0.0%

P/E TTM	15.0
P/E F1	15.4
PEG F1	-8.0
P/S TTM	3.1

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	934 E	1,066 E	1,014 E	904 E	3,918 E
2026	924 A	1,036 A	1,000 E	884 E	3,843 E
2025	951 A	1,095 A	1,035 A	894 A	3,975 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	0.40 E	0.51 E	0.49 E	0.37 E	1.75 E
2026	0.36 A	0.47 A	0.48 E	0.36 E	1.67 E
2025	0.41 A	0.55 A	0.57 A	0.31 A	1.84 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 01/08/2026.

(2) The report's text and the price target are as of 12/30/2025.

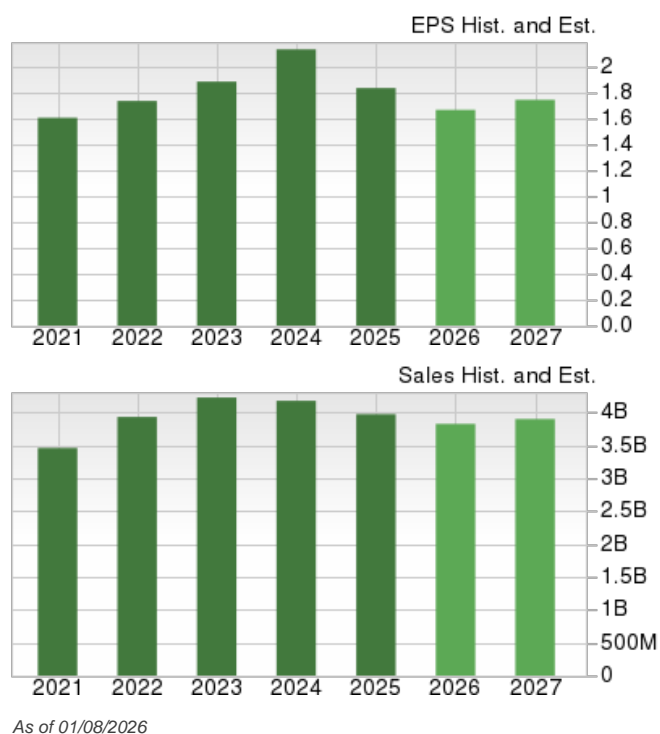
Overview

Founded in 1870 and based in Louisville, KY, Brown-Forman Corporation manufactures, distills, bottles, imports, exports, markets and sells a wide variety of alcoholic beverages under recognized brands. The company employs over 4,800 employees in six continents. It has strong portfolio of more than 40 spirits, ready-to-drink (RTD) cocktails and wine brands. These include Jack Daniel's Tennessee Whiskey — the flagship spirits brand, followed by Jack Daniel's Tennessee Honey, Jack Daniel's Tennessee Fire, Gentleman Jack, Jack Daniel's Single Barrel, Finlandia, Korbel, el Jimador, Woodford Reserve, Old Forester, Canadian Mist, Herradura, New Mix, Sonoma-Cutrer, Early Times, Chambord, BenRiach, GlenDronach and Slane.

In addition to the leading Jack Daniel's family of brands, the company has strong presence for other American whiskey brands, particularly Woodford Reserve and Old Forester, in the market. Woodford Reserve is the leading super-premium American whiskey globally, while Old Forester is a leading brand in the United States and in select international markets. Apart from the American whiskey brands, the company's portfolio is well positioned in other high-growth categories with premium and super-premium brands. Its tequila portfolio is led by two brands steeped in Mexican heritage, Herradura and el Jimador.

The company markets products in over 170 countries around the world, including the United States, the U.K., Australia, Mexico, Germany, France, Poland, Russia, Brazil and Canada. It also has a number of production and warehousing facilities across the United States, Europe and Mexico. It serves retail customers and consumers through distributors or state governments; and retailers, wholesalers, and provincial governments directly.

The company's website is www.brown-forman.com. Its fiscal year ends on Apr 30.



Reasons To Buy:

▲ **Premiumization Strategy:** Brown-Forman's premiumization strategy focuses on elevating its portfolio by emphasizing high-quality, premium brands to drive growth, enhance margins, and meet evolving consumer preferences for upscale, authentic spirits. The company's premiumization strategy is playing out well, as evident from the growth of its premium and super-premium brands. The company has strategically reshaped its portfolio to mainly focus on premium and super-premium brands. Its portfolio of premium and super-premium brands mainly includes the iconic Jack Daniel's and Woodford Reserve. Jack Daniel's and Coca-Cola RTD have been a strong addition to the portfolio, which reflects progress on its commitment to premiumization of its portfolio. Also, the company has successfully integrated the two super-premium brands – Gin Mare and Diplomatico, in the Rest of the Portfolio category.

BF.B's emerging markets outperformed in Q2 FY26, with sales up 10%, backed by solid growth of New Mix, increased volumes in the Jack Daniel's family of brands in Brazil and Türkiye.

Brown-Forman's super premium brands, Diplomatico Rum, Gentleman Jack and Woodford Reserve recorded double-digit growth in the first half of fiscal 2026. Premiumization continues to underpin Brown-Forman's long-term value creation strategy, even as near-term category and mix dynamics create temporary pressure. Management reaffirmed its commitment to long-term pricing discipline, revenue growth management, and strategic innovation, which together support premium brand equity and margin resilience across the portfolio. Going forward, the company remains committed to building its business in the long term, mitigating the existing environment at pace with strategic actions in fiscal 2026. The meaningful evolution of its U.S. distribution, the restructuring effort and product innovation will power growth.

▲ **Emerging Market Momentum:** Brown-Forman is seeing momentum across its Emerging markets for a while now. Net sales in the Emerging markets increased 10% on a reported basis and 12% on an organic basis, backed by solid double-digit growth of New Mix, increased volumes across the Jack Daniel's family of brands in Brazil and Türkiye, and an expected net increase in distributor inventories. The results also benefited from distributor inventory builds and solid consumer uptake in expanding middle-class markets. Despite some currency headwinds, these regions continue to act as a powerful offset to weakness in the US and Europe, reinforcing Brown-Forman's global diversification strategy and positioning emerging markets as a vital growth engine for fiscal 2026 and beyond.

▲ **Operating Expense Improvement:** Brown-Forman witnessed improved operating expenses in first-half fiscal 2026, lapping the high expense environment in the year-ago quarter. In first-half fiscal 2026, selling, general and administrative (SG&A) expenses dipped 3% on a reported basis and 4% on an organic basis, mainly driven by lower compensation and benefit-related expenses. Advertising expenses fell 2% on a reported basis and 1% on an organic basis, as a more focused investment for the new "That's What Makes Jack, JACK" global campaign, the launch of Jack Daniel's Tennessee Blackberry and adverse impacts of foreign exchange was more than offset by reduced spend across the rest of its portfolio and the absence of the Korbel brands. This structured approach to expense control, aligned with a long-term brand investment philosophy, underpins confidence in navigating the expected decline in organic operating income for fiscal 2026.

▲ **Financial Health & Shareholder-Friendly Moves:** As of Oct 31, 2025, Brown-Forman had \$319 million in cash and cash equivalents, which was sufficient to meet its short-term borrowings of \$228 million. The company's long-term debt of \$2.072 billion declined 0.2% sequentially. Brown-Forman traditionally returns excess cash to shareholders through regular dividend payouts and share repurchases. It has paid regular quarterly dividends for 82 consecutive years and raised the dividend for 42 consecutive years. On Nov 19, 2025, the company's board approved a raise of 2% to the quarterly cash dividend to \$0.2310 per share on its Class A and Class B Common Stock. The new dividend is payable on Jan 2, 2026, to stockholders of record as of Dec. 5, 2025. The board has also authorized repurchasing of \$400 million (exclusive of brokerage fees and excise taxes) of outstanding shares of Class A and Class B common stock from Oct. 1, 2025, through Oct. 1, 2026, subject to market and other conditions. As of Oct. 31, 2025, \$301 million was available under the program.

Reasons To Sell:

▼ **Consumer Demand Hurt Performance:** Shares of Brown-Forman have lost 5.2% in the past six months compared with the industry's growth of 2.1%. The company's dismal run on the bourses can be attributed to a tepid macroeconomic landscape, including softening consumer demand, which weighed on its second-quarter fiscal 2026 performance. BF.B reported a top-line beat, while the bottom line missed estimates. Both sales and earnings declined year over year. In the fiscal second quarter, earnings per share (EPS) plunged 14% year over year. Reported net sales fell 5% year-over-year, reflecting continued volume pressure in the United States and key Developed International markets like Germany and the UK.

Brown-Forman anticipates a challenging operating environment in fiscal 2026 with limited visibility, driven by ongoing macroeconomic and geopolitical uncertainty.

The U.S. net sales declined 9% on a reported basis and flat on an organic basis, reflecting the end of the Korbelt relationship and the absence of the Sonoma-Cutrer prior-year TSA, and lower volumes of Jack Daniel's Tennessee Whiskey, Herradura and Jack Daniel's Tennessee Honey. This highlights sluggish consumer demand and competitive retail conditions across mature markets. In developed international markets, net sales dipped 4% year over year and 6% on an organic basis, reflecting softer consumer demand amid ongoing macroeconomic and geopolitical pressures. The decrease was led by the absence of American-made beverage alcohol from retail shelves in the majority of the Canadian provinces and reduced volumes of Jack Daniel's Tennessee Whiskey in Germany and the United Kingdom.

▼ **Soft Sales Trends Across Categories:** Brown-Forman's first-quarter fiscal 2026 results revealed broad-based softness across several key categories, highlighting uneven demand momentum. The off-premise takeaway trends for total distilled spirits and the whiskey category declined in low single-digits. In the fiscal half of fiscal 2026, net sales for Whiskey products were flat year over year, both on a reported and organic basis. The launch of Jack Daniel's Tennessee Blackberry and increased sales of Woodford Reserve, thanks to distributor inventories and transitions in the United States, were offset by weak volumes of Jack Daniel's Tennessee Whiskey and Jack Daniel's Tennessee Honey. Net sales for the Tequila portfolio dipped 3% both on a reported and organic basis. Herradura's net sales dipped 11% each on a reported and organic basis, led by soft volumes in the United States, as the tequila category has been competitive. Jack Daniel's RTD/RTP portfolio dipped 4% each on a reported and organic basis, mainly owing to the absence of American-made beverage alcohol from retail shelves in most provinces in Canada. Rest of Portfolio's net sales plunged 35% on a reported basis but rose 22% on an organic basis, thanks to the conclusion of the Korbelt relationship and the absence of the Sonoma-Cutrer and Finlandia prior-year TSAs. The decrease was partly offset by the distribution of new agency brands in Japan and Mexico, along with the broad-based growth of Gin Mare. Net sales for non-branded and bulk declined 61%, due to soft used barrel sales. Lower sales across such categories have been hurting the company's overall sales.

▼ **Currency & Other Pressures:** Brown-Forman's margin performance has deteriorated, reflecting both cost pressures and evolving portfolio dynamics. In second-quarter fiscal 2025, gross profit declined 5% year over year on a reported and 4% on an organic basis. While the gross margin expanded 20 basis points (bps) to 59.8%, most of the growth was aided by acquisitions and divestitures. This gain was offset by higher costs, an unfavorable price/mix and adverse foreign exchange. Operating income decreased 10% year over year on a reported basis and fell 9% on an organic basis. The operating margin of 29.4% contracted 170 bps from 31.1% reported in the year-ago quarter. These factors underscore the challenges of maintaining profitability in a volatile macro and FX environment.

▼ **Macro Headwinds Hint Bleak Outlook:** Brown-Forman anticipates a challenging operating environment in fiscal 2026 with limited visibility, driven by ongoing macroeconomic and geopolitical uncertainty. Brown-Forman is contending with consumer caution, the looming threat of new tariffs, and a downturn in non-branded used-barrel sales. For fiscal 2026, Brown-Forman still projects an organic net sales decrease in the low-single digit range. Organic operating income is likely to decline in the low single-digit range. It has revised capital expenditure guidance to \$110-\$120 million, down from \$125-\$135 million expected earlier.

Last Earnings Report

Brown-Forman Misses on Q2 Earnings Estimates

Brown-Forman has reported mixed second-quarter fiscal 2026 results, wherein the top line beat the Zacks Consensus Estimate, while the bottom line missed the same. Both sales and earnings declined year over year. Earnings per share (EPS) of 47 cents fell 14% year over year and lagged the Zacks Consensus Estimate of 48 cents.

Net sales of \$1.036 billion declined 5% on a reported basis but beat the Zacks Consensus Estimate of \$1.027 billion. On an organic basis, net sales dipped 2% from the prior-year period.

In the fiscal second quarter, BF.B's gross profit of \$615 million declined 5% year over year on a reported and 4% on an organic basis. However, the gross margin expanded 20 basis points (bps) to 59.3%, aided by the effect of acquisitions and divestitures. This gain was partly offset by higher costs and unfavorable price/mix.

Operating income decreased 10% year over year to \$305 million on a reported basis and fell 9% on an organic basis. The operating margin of 29.4% contracted 170 bps from 31.1% reported in the year-ago quarter.

Understanding Brown-Forman's Market Performance

In the first-half fiscal 2026, net sales in the United States decreased 9% year over year on a reported basis and were flat on an organic basis, reflecting the end of the Korbel relationship and the absence of the Sonoma-Cutrer prior-year TSA, and lower volumes of Jack Daniel's Tennessee Whiskey, Herradura and Jack Daniel's Tennessee Honey. Such declines were partly offset by the launch of Jack Daniel's Tennessee Blackberry and increased net sales across the portfolio owing to changes to its distributor relationship terms.

Net sales in Emerging markets increased 10% on a reported basis and 12% on an organic basis, backed by solid double-digit growth of New Mix, increased volumes across the Jack Daniel's family of brands in Brazil and Türkiye, and an expected net increase in distributor inventories.

The Travel Retail channel's net sales jumped 7% on a reported basis and 6% on an organic basis, owing to higher volumes of Jack Daniel's Tennessee Whiskey, the phasing of ordering patterns and the gains from foreign exchange.

A Peek at BF.B's Brand Performance

In the fiscal half, net sales for Whiskey products were flat year over year, both on a reported and organic basis. The launch of Jack Daniel's Tennessee Blackberry and increased sales of Woodford Reserve, thanks to distributor inventories and transitions in the United States, were offset by weak volumes of Jack Daniel's Tennessee Whiskey and Jack Daniel's Tennessee Honey.

Net sales for the Tequila portfolio dipped 3% both on a reported and organic basis. Herradura's net sales dipped 11% each on a reported and organic basis, led by soft volumes in the United States, as the tequila category has been competitive. el Jimador's net sales inched up 1% and 2% on an organic basis, backed by increased volumes in Colombia and an expected net increase in distributor inventories in the United States.

Net sales for the Ready-to-Drink (RTD) portfolio jumped 5% both on a reported and organic basis. Net sales of New Mix surged 28% on a reported basis and 30% on an organic basis, bolstered by growth in Mexico with market share gains in an accelerating category. Jack Daniel's RTD/RTP portfolio dipped 4% each on a reported and organic basis, mainly owing to the absence of American-made beverage alcohol from retail shelves in most provinces in Canada.

BF.B's Financial Health Snapshot

The company ended second-quarter fiscal 2026 with cash and cash equivalents of \$319 million and long-term debt of \$2.1 billion. Its total shareholders' equity was \$4.1 billion. As of Oct 31, 2025, BF.B had \$292 million in cash from operating activities.

The board has also authorized repurchasing of \$400 million (exclusive of brokerage fees and excise taxes) of outstanding shares of Class A and Class B common stock from Oct. 1, 2025, through Oct. 1, 2026, subject to market and other conditions. As of Oct. 31, 2025, \$301 million was available under the program.

What's Ahead For BF.B in FY26?

Management reiterates expectations for fiscal 2026. For fiscal 2026, Brown-Forman still projects an organic net sales decrease in the low-single digit range. Organic operating income is likely to decline in the low single-digit range. The effective tax rate is still expected to be 21-23% for the current fiscal year. It has revised capital expenditure guidance to \$110-\$120 million, down from \$125-\$135 million expected earlier.

FY Quarter Ending 4/30/2025

Earnings Reporting Date	Dec 04, 2025
Sales Surprise	0.85%
EPS Surprise	-2.08%
Quarterly EPS	0.47
Annual EPS (TTM)	1.71

Recent News

Brown-Forman Board Increases Dividend— Nov. 19, 2025

Brown-Forman approved an increase of 2% to the quarterly cash dividend from \$0.2265 per share to \$0.2310 per share on its Class A and Class B Common Stock. This marks the 42nd consecutive year that Brown-Forman has increased its dividend.

Valuation

Brown-Forman shares are down 15.4% in the past six months and nearly 34% for the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are down 19.1% and 1.5%, respectively, in the six-month period. Over the past year, the Zacks sub-industry and the sector are down 9.6% and 5.6%, respectively.

The S&P 500 index is up 14.5% in the six-month period and 19.5% in the past year.

The stock is currently trading at 15.95X forward 12-month earnings, which compares to 14.46X for the Zacks sub-industry, 16.35X for the Zacks sector and 23.44X for the S&P 500 index.

Over the past five years, the stock has traded as high as 44.35X and as low as 14.72X, with a 5-year median of 20X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$28 price target reflects 16.71X forward 12-month earnings.

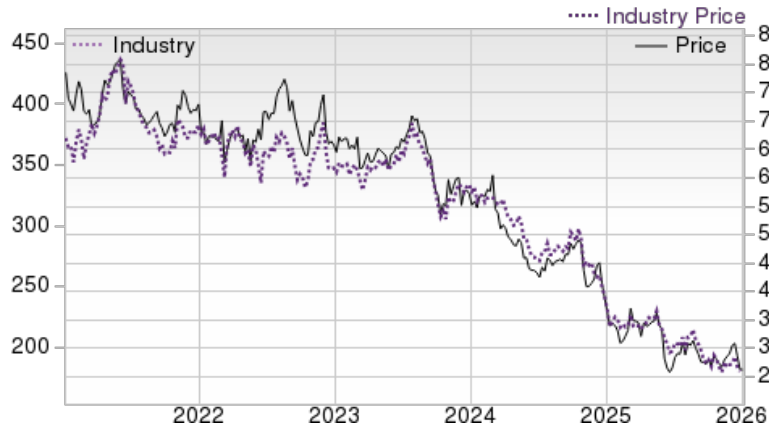
The table below shows summary valuation data for BF.B

Valuation Multiples - BF.B					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	15.95	14.46	16.35	23.44
	5-Year High	44.35	26.77	20.29	23.8
	5-Year Low	14.72	13.77	16.15	15.74
	5-Year Median	20	19.48	18.08	21.23
P/S F12M	Current	2.57	7.9	7.85	5.31
	5-Year High	11.09	18.52	10.8	5.49
	5-Year Low	2.41	5.9	6.51	3.82
	5-Year Median	4.61	11.93	8.69	5.04
EV/EBITDA TTM	Current	9.77	27.02	34.12	18.87
	5-Year High	36.15	51.91	44.86	22.34
	5-Year Low	12.07	25.67	33.2	13.86
	5-Year Median	17.67	37.79	39.72	17.93

As of 12/29/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 9% (223 out of 244)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Anheuser-Busch InBev...(BUD)	Neutral	3
MGP Ingredients, Inc...(MGPI)	Neutral	3
Remy Cointreau (REMY)	Neutral	3
The Boston Beer Comp...(SAM)	Neutral	3
Molson Coors Beverag...(TAP)	Neutral	4
Compania Cervecerias...(CCU)	Underperform	5
Diageo plc (DEO)	Underperform	4
Tsingtao Brewery Co. (TSGTY)	NA	

Industry Comparison ⁽¹⁾ Industry: Beverages - Alcohol				Industry Peers	
	BF.B	X Industry	S&P 500	BUD	TAP
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	4
VGM Score	D	-	-	F	B
Market Cap	11.90 B	2.55 B	40.73 B	126.26 B	9.34 B
# of Analysts	4	3.5	22	6	7
Dividend Yield	3.60%	0.00%	1.37%	0.38%	3.98%
Value Score	D	-	-	C	A
Cash/Price	0.03	0.07	0.04	0.00	0.10
EV/EBITDA	10.58	8.87	15.01	5.61	4.81
PEG Ratio	-8.03	2.64	2.04	1.70	NA
Price/Book (P/B)	2.94	1.57	3.44	1.38	0.89
Price/Cash Flow (P/CF)	12.70	9.59	15.54	9.22	4.77
P/E (F1)	15.43	13.52	18.81	15.74	8.59
Price/Sales (P/S)	3.06	1.06	3.07	2.15	0.71
Earnings Yield	6.50%	7.41%	5.30%	6.36%	11.64%
Debt/Equity	0.50	0.44	0.57	NA	0.37
Cash Flow (\$/share)	2.02	1.39	8.98	7.01	9.92
Growth Score	F	-	-	F	C
Hist. EPS Growth (3-5 yrs)	4.39%	4.39%	8.24%	7.20%	12.40%
Proj. EPS Growth (F1/F0)	-9.24%	2.73%	9.21%	3.68%	-9.73%
Curr. Cash Flow Growth	-13.95%	7.86%	7.00%	8.95%	7.86%
Hist. Cash Flow Growth (3-5 yrs)	1.19%	1.52%	7.49%	-0.22%	1.64%
Current Ratio	2.97	1.64	1.19	0.64	0.60
Debt/Capital	33.39%	27.69%	38.14%	44.05%	27.69%
Net Margin	20.83%	4.48%	12.77%	10.40%	-15.89%
Return on Equity	20.33%	9.24%	17.03%	16.20%	8.78%
Sales/Assets	0.48	0.52	0.53	0.56	0.52
Proj. Sales Growth (F1/F0)	-3.30%	0.15%	5.30%	-1.20%	-3.60%
Momentum Score	A	-	-	D	C
Daily Price Chg	1.34%	1.34%	0.01%	2.41%	2.85%
1 Week Price Chg	-0.19%	-0.04%	1.11%	-0.83%	2.11%
4 Week Price Chg	-16.81%	0.00%	0.30%	2.02%	0.40%
12 Week Price Chg	-9.16%	-3.04%	4.41%	5.07%	0.45%
52 Week Price Chg	-28.62%	-17.22%	16.95%	31.88%	-15.00%
20 Day Average Volume	4,412,685	72,773	2,445,854	1,709,106	2,551,338
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.43%	0.00%	0.00%	0.00%	-0.44%
(F1) EPS Est 12 week change	0.80%	-0.80%	0.47%	-0.96%	-2.98%
(Q1) EPS Est Mthly Chg	0.05%	0.00%	0.00%	0.00%	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	D
Growth Score	F
Momentum Score	A
VGM Score	D

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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ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

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