

## Blackbaud, Inc (BLKB)

**\$63.50** (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **\$72.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Outperform**

(Since: 11/03/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

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

**2-Buy**

Zacks Style Scores:

VGM: B

Value: C

Growth: A

Momentum: F

### Summary

Blackbaud is benefiting from disciplined execution and continued productivity gains, which continued in the third-quarter 2025. The company's strong product portfolio, AI-driven innovation and margin expansion bode well. Blackbaud unveiled a wide range of new embedded AI capabilities across its product portfolio, which include significant enhancements to Blackbaud Impact Edge (like smarter AI features, advanced analytics and measurement tools, and deeper data insights). Blackbaud remains on track to achieve Rule of 45 status by 2030 and expects continued free cash flow margin expansion. For 2025, non-GAAP adjusted free cash flow for 2025 is forecasted to be in the range of \$195-\$205 million compared with \$190-\$200 million projected earlier. However, highly leveraged balance sheet along with stiff competition remains a concern.

### Data Overview

52 Week High-Low	\$81.39 - \$54.56
20 Day Average Volume (sh)	339,633
Market Cap	\$3.0 B
YTD Price Change	-14.1%
Beta	1.09
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Computer - Software</a>
Zacks Industry Rank	Top 31% (74 out of 243)

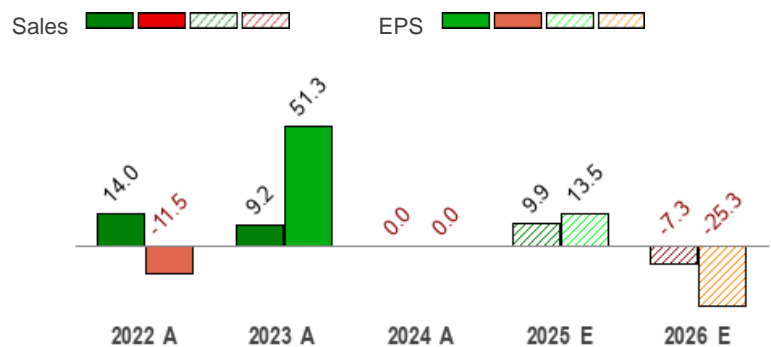
Last EPS Surprise	2.8%
Last Sales Surprise	0.5%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/17/2026
Earnings ESP	0.0%

P/E TTM	14.6
P/E F1	13.7
PEG F1	-1.7
P/S TTM	2.7

### 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*
2026					1,176 E
2025	271 A	281 A	281 A	338 E	1,269 E
2024	279 A	287 A	287 A	302 A	1,155 A

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

	Q1	Q2	Q3	Q4	Annual*
2026					3.45 E
2025	0.96 A	1.21 A	1.10 A	1.29 E	4.62 E
2024	0.93 A	1.08 A	0.99 A	1.08 A	4.07 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 12/17/2025.

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

## Overview

Headquartered in Charleston, SC, Blackbaud Inc. is a leading cloud software company working for social causes. The company combines technology and expertise to help organizations achieve their missions. It offers a full spectrum of cloud-based and on-premise software solutions and related services for organizations of all sizes including: fundraising, marketing, advocacy, customer relationship management ("CRM"), corporate social responsibility ("CSR"), peer-to-peer fundraising, financial management, payment processing and analytics. Blackbaud's SKY platform, the company's modern cloud platform, continues to power innovation. The company also provides a toolset for clients, partners/developers to extend the Blackbaud SKY ecosystem.

The company works with more than 45,000 customers under contract in over 100 countries that support higher education, healthcare, human services, arts and culture, the environment, independent K-12 education, animal welfare and other charitable causes. The company's current total addressable market ("TAM") is more than \$20 billion. The company has added more than \$14 billion in TAM through acquisitions and new product launches from 2014 to 2021.

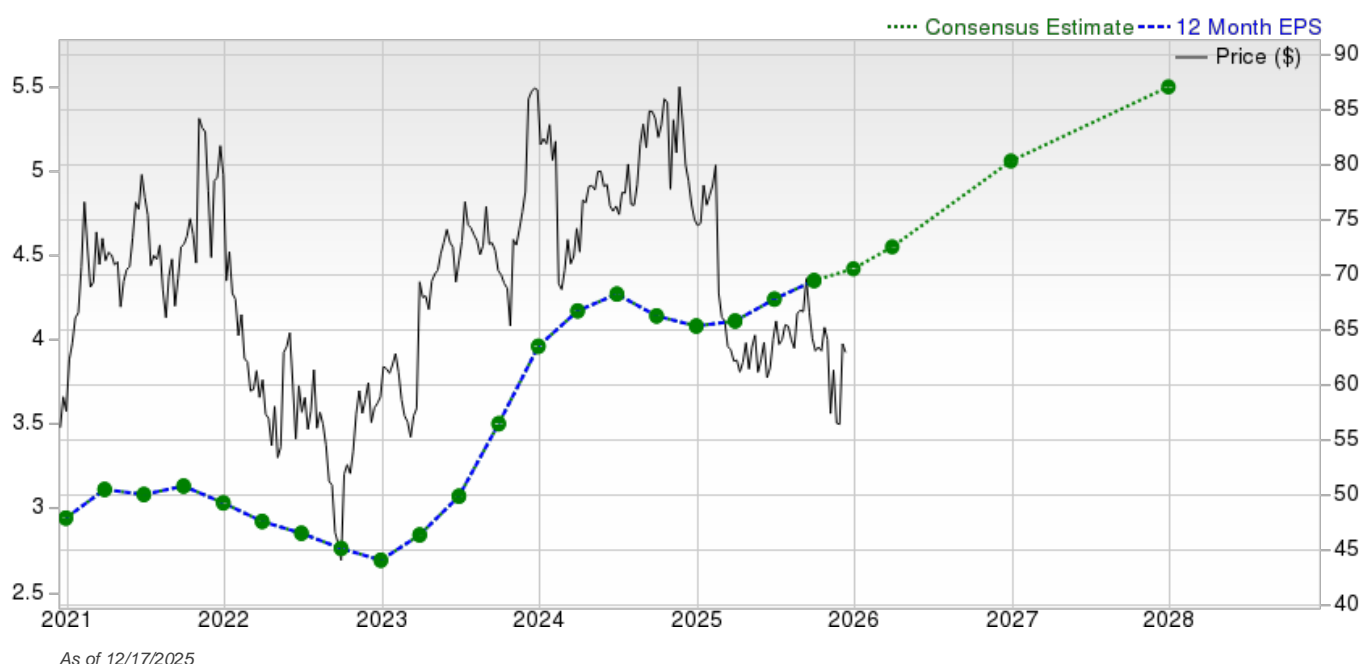
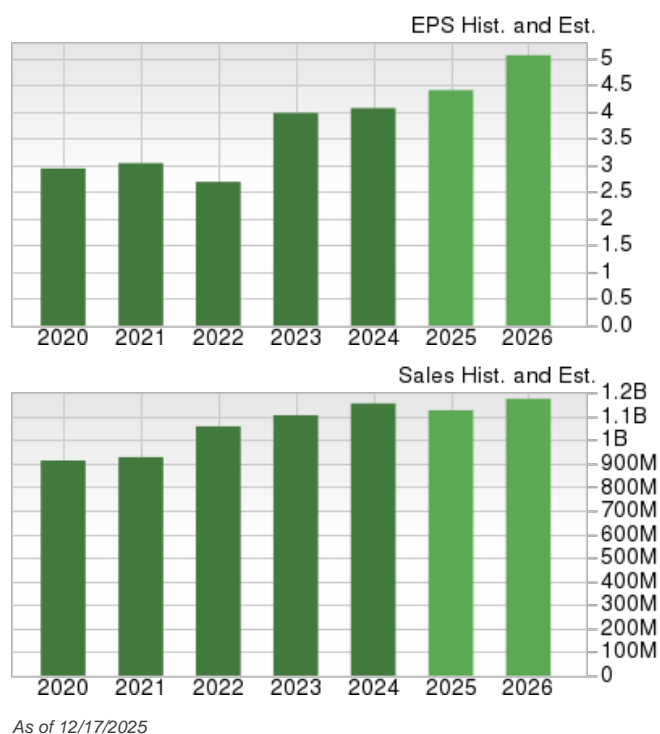
The company has a five-point growth strategy with an objective to deliver innovative products, drive booking growth, transactional revenue expansion, modernize pricing and multi-year customer contracts and improve cost management.

Blackbaud earned revenues of \$1.115 billion in 2024.

Blackbaud faces stiff competition from companies that provides software and related services in the non-profit sector. In the general business, the company faces competition from Salesforce.com and Oracle.

Blackbaud announced that it sold EVERFI business (on Jan 3, 2025) to an independent private investment firm. The transaction, finalized on Dec. 31, 2024, followed a thorough strategic review process and was closed for a nominal amount. With its divestiture, corporate sector revenues will no longer be reported separately and YourCause revenues will be merged with other products into a single revenue line.

Starting in 2025, Blackbaud combined "recurring" and "one-time services and other" into a single "revenue" line due to the immateriality of the latter. Prior periods have been updated for consistency.



## Reasons To Buy:

- ▲ **Expanding product portfolio** as well as frequent product launches is a key catalyst. The company is focusing on providing cloud software solutions and data-driven decisions, powered by artificial intelligence (AI), machine learning (ML), cognitive technology, predictive analytics and other advanced technologies. In the third quarter of 2025, Blackbaud unveiled a wide range of new embedded AI capabilities across its product portfolio at bbcon 2025, marking a major step toward its vision for a new era of intelligent action. At bbcon, the company introduced Agents for Good, its new agentic AI suite designed to help social impact organizations scale their effect with virtual team members. These AI agents act as active teammates, autonomously handling complex, high-value tasks under human guidance, freeing teams across fundraising, finance and corporate impact to focus on strategic goals. Also, the company announced significant enhancements to Blackbaud Impact Edge, introducing smarter AI features, advanced analytics and measurement tools, and deeper data insights. Additionally, Blackbaud launched its 2025 Ultimate End-of-Year Fundraising Toolkit, a comprehensive resource designed to help organizations maximize fundraising success. The Blackbaud Institute, in partnership with GivingTuesday, released a new report highlighting the long-term impact of GivingTuesday donors and offering strategies for nonprofits to foster stronger, year-round engagement. Prior to this, the company launched six innovation-focused initiatives to foster stronger links between solutions and teams and provide contextual intelligence. In a strategic move, Blackbaud partnered with Constant Contact to launch a new integration that allows social impact organizations to engage supporters more effectively across email, SMS, social media and other digital channels, all directly within Blackbaud Raiser's Edge NXT. That said, the company remains focused on identifying and pursuing margin expansion opportunities, while simultaneously investing in critical areas of the business such as innovation, AI and cybersecurity.
- Blackbaud is benefiting from its strong product portfolio, consistent share repurchase program and margin expansion.
- ▲ **Margin expansion** is helping Blackbaud strengthen its overall profitability, supported by disciplined cost management that scales its existing expense base, ongoing gross margin gains from platform modernization and operational efficiencies from nearing completion of its data center migration to a third-party cloud. Additionally, renewal price increases are yielding strong fall-through benefits. Driven by these factors, the company reported third-quarter 2025 non-GAAP earnings per share of \$1.10, up 11.1% year over year. Non-GAAP gross margin was 63% compared with 61% a year ago. Non-GAAP operating margin increased 240 basis points to 29.9%, while non-GAAP adjusted EBITDA margin was 27.6%. For full-year 2025, Blackbaud anticipates non-GAAP EPS to be between \$4.30 and \$4.50. The company still projects non-GAAP adjusted EBITDA margin in the range of 35.4-36.2%. The company reported non-GAAP adjusted EBITDA margin of 33.7% in 2024 and 32.2% in 2023.
- ▲ **Strong free cash flow generation** enables the company to fund strategic initiatives like innovation, acquisitions and capital returns. For 2025, non-GAAP adjusted free cash flow is forecasted to be in the range of \$195-\$205 million compared with \$190-\$200 million projected earlier. In the first three quarters of 2025, the company repurchased more than 5% of its outstanding common stock. As of Sept. 30, 2025, Blackbaud had nearly \$514 million available under its stock buyback program, which was expanded and renewed in July 2024. According to current plans, the company expects total share repurchases in 2025 to represent between 5.2% and 7.0% of its outstanding common stock as of Dec. 31, 2024. The company plans to maintain stock buybacks through the fourth quarter of 2025 and into subsequent periods. Blackbaud is targeting the achievement of Rule of 45 by 2030 (45% of non-GAAP organic revenue growth plus non-GAAP adjusted EBITDA margin) by driving consistent mid-single digit organic revenue growth coupled with margin expansion. As the improvements contributing to this goal begin to translate into cash generation, the company expects continued expansion of its free cash flow margins. This robust free cash flow will then be strategically reinvested through a disciplined capital allocation strategy to further support sustainable growth and profitability.

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## Risks<sup>(2)</sup>

- Blackbaud faces **stiff competition** from companies that provide software and related services in the non-profit sector. In the general business, the company faces competition from Salesforce.com and Oracle. Intensifying competition negatively impacts pricing power, which keeps margins under pressure. To remain competitive, the company must increase spending on research & development, which may further negatively impact operating margin.
  - The company continues to undertake acquisitions. While this improves revenue opportunities, business mix and profitability, it also adds to **integration risks**. Frequent acquisitions are a distraction for management, which could impact organic growth, going forward. Frequent buyouts have escalated integration risks for Blackbaud. We note that frequent acquisitions have negatively impacted the company's balance sheet in the form of a high level of goodwill and intangible assets, which totaled \$1.169 billion or 55.6% of total assets as of Sept. 30, 2025.
  - Blackbaud has a **leveraged balance sheet**, which adds to the risk of investing in the company. As of Sept. 30, 2025, Blackbaud had total cash, cash equivalents and restricted cash of \$457.4 million compared with \$911.8 million as of June 30, 2025. Total debt (including the current portion) as of Sept. 30, 2025, was \$1 billion compared with \$1.1 billion as of June 30, 2025. Total debt to total capital ratio of 90.8% indicates a higher liability in clearing debts. Along with jeopardizing its ability to sustain dividend payout and buy back shares, the high debt level pursues accretive acquisitions. On May 5, 2020, Blackbaud suspended quarterly cash dividend payouts to maintain near-term liquidity and financial flexibility.
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## Last Earnings Report

### Blackbaud's Q3 Earnings Surpass Estimates

Blackbaud reported third-quarter 2025 non-GAAP earnings per share (EPS) of \$1.10, which surpassed the Zacks Consensus Estimate by 2.8%. The bottom line increased around 11.1% year over year.

Total revenues decreased 1.9% year over year to \$281.1 million. This was due to the divestiture of EVERFI. The top line surpassed the Zacks Consensus Estimate by 0.5%.

The company's solid results demonstrate disciplined execution and continued productivity gains. Blackbaud is focused on delivering an attractive financial model that balances growth in revenue, earnings and cash flow with a thoughtful and strategic approach to capital allocation. So far this year, the company has repurchased more than 5% of its outstanding common stock.

GAAP recurring revenue declined 1.5% to \$275.8 million, primarily due to the divestiture of EVERFI, accounting for 98.1% of total revenue.

Non-GAAP organic revenues were up 5.2% on a reported basis and 4.8% on a constant-currency basis, year over year. Non-GAAP organic recurring revenues rose 5.5% on a reported basis and 5.1% on a constant-currency basis.

### Margin Details

Non-GAAP gross margin was 63% compared with 61% a year ago. Total operating expenses fell 2.8% on a year-over-year basis to \$112.9 million.

GAAP operating margin increased 500 basis points (bps) to 19.4%.

Non-GAAP operating margin increased 240 bps to 29.9%. Non-GAAP adjusted EBITDA margin was 27.6%.

### Balance Sheet & Cash Flow

As of Sept. 30, 2025, Blackbaud had total cash, cash equivalents and restricted cash of \$457.4 million compared with \$911.8 million as of June 30, 2025. Total debt (including the current portion) as of Sept. 30, 2025, was \$1 billion compared with \$1.1 billion as of June 30, 2025.

For the third quarter, cash provided by operating activities was \$207.5 million compared with \$222.4 million in the prior-year quarter. Non-GAAP adjusted free cash outflow was \$125.1 million, up \$27.5 million in the year-ago quarter.

As of Sept. 30, 2025, Blackbaud had nearly \$514 million available under its stock buyback program, which was expanded and renewed in July 2024.

According to current plans, the company expects total share repurchases in 2025 to represent between 5.2% and 7.0% of its outstanding common stock as of Dec. 31, 2024.

### 2025 Outlook

Blackbaud reiterated its guidance for full-year 2025. The company projects GAAP revenues between \$1.120 billion and \$1.130 billion, reflecting approximately 5% organic growth at the midpoint on a constant currency basis. This represents a \$5 million increase, driven by strong transactional revenue in the first half of the year and favorable foreign exchange impacts compared to initial expectations.

The company still projects non-GAAP adjusted EBITDA margin in the range of 35.4-36.2%.

Non-GAAP EPS is anticipated to be between \$4.30 and \$4.50.

Non-GAAP adjusted free cash flow for 2025 is forecasted to be in the range of \$195-\$205 million compared with \$190-\$200 million projected earlier.

Non-GAAP annualized effective tax rate is still anticipated to be approximately 24.5%. Interest expense is expected in the band of \$66 million to \$70 million.

Fully diluted shares are still estimated to be 48.5 million to 49.5 million. Capital expenditures are expected to be in the range of \$55 million to \$65 million, which includes \$50-\$60 million of capitalized software and content development costs.

### FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 29, 2025
Sales Surprise	0.53%
EPS Surprise	2.80%
Quarterly EPS	1.10
Annual EPS (TTM)	4.35

## Recent News

On Oct. 8, 2025, Blackbaud concluded bbcon 2025, its annual tech conference, unveiling a new era of intelligent action powered by Blackbaud AI. The company introduced two key innovations: the evolution of Blackbaud AI into an integrated, insight-driven system enabling smarter, faster action, and Blackbaud Agents for Good, proactive AI team members that manage complex workflows, empowering organizations to focus on strategy, creativity, and relationship-building to drive greater social impact.

On Sept. 25, 2025, Blackbaud announced major updates to its AI-powered Impact Edge platform, enhancing analytics, measurement, and data insights. The improved tool helps companies using Blackbaud's YourCause CSR platform better track and report employee giving, volunteering, and grantmaking through a centralized dashboard.

On Sept. 4, 2025, Blackbaud announced major updates to its K–12 Education Management portfolio, enhancing its Learning Management and Student Information Systems to improve teacher efficiency, parent engagement, and student success through better workflows and integrations.

On July 8, 2025, Blackbaud and Constant Contact, a leading provider of digital marketing tools for small businesses and nonprofits, have announced the initial release of an integration designed to revolutionize digital engagement within the social impact sector. This partnership embeds Constant Contact's powerful AI-driven marketing platform directly into Blackbaud's Raiser's Edge NXT.

On June 4, 2025, Blackbaud has launched bbdevdays, its annual virtual conference for social impact tech developers. The three-day event showcases Blackbaud's AI strategy and innovations, offering developers opportunities to explore automation, extend solutions, and learn from Blackbaud experts, partners, and customers.

On May 6, 2025, Blackbaud kicked off its virtual semi-annual Product Update Briefings, highlighting a host of enhancements and upcoming innovations. Building on the six waves of innovation introduced at bbcon 2024, the company is accelerating its AI-driven development to deliver more connected and efficient user experiences.

On April 23, 2025, Blackbaud introduced Blackbaud Integrated Payments. This robust, cohesive solution extends the company's existing payment processing infrastructure, formerly known as Blackbaud Merchant Services, into a more flexible, Payments-as-a-Service model. The initiative addresses the growing needs of nonprofits, schools, and other mission-driven organizations to maximize impact while streamlining their operations.

On April 9, 2025, Blackbaud hosted its Corporate Social Impact Summit in Dallas, showcasing AI-driven innovations in its YourCause platform aimed at enhancing giving, boosting generosity, and transforming impact reporting.

## Valuation

Blackbaud shares are down 15% year to date and 19.8% in the trailing 12-month period. Stocks in the Zacks sub-industry are up 8.6% and the Zacks Computer & Technology sector is up 26.3% year to date. In the past year, the Zacks sub-industry has been up 2.3%, and the sector is up 21.2%.

The S&P 500 Index is up 19.6% year to date and 15.7% in the past year.

The stock is currently trading at 18.39X forward 12-month earnings compared with 28.52X for the Zacks sub-industry, 28.15X 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 174.5X and as low as 16.19X, with a five-year median of 33X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$72 price target reflects 21.15X forward 12-month earnings.

The table below shows summary valuation data for BLKB:

Valuation Multiples - BLKB					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	18.39	28.52	28.15	23.35
	5-Year High	174.5	37.32	29.92	23.78
	5-Year Low	16.19	22.68	18.7	15.73
	5-Year Median	33	31.27	26.61	21.22
P/S F12M	Current	2.56	7.45	6.62	5.27
	5-Year High	4.53	9.79	7.39	5.5
	5-Year Low	2.13	5.45	4.24	3.83
	5-Year Median	3.25	8.44	6.29	5.05
EV/Sales TTM	Current	3.16	9.33	8.05	5.72
	5-Year High	4.81	11.55	8.37	5.81
	5-Year Low	2.71	6.1	4.17	3.77
	5-Year Median	3.73	9.51	6.91	5.12

As of 12/12/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 31% (74 out of 243)



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

Company (Ticker)	Rec	Rank
ACI Worldwide, Inc. (ACIW)	Neutral	2
BlackBerry Limited (BB)	Neutral	3
Canaan Inc. Sponsore...(CAN)	Neutral	3
Manhattan Associates...(MANH)	Neutral	3
Pegasystems Inc. (PEGA)	Neutral	3
Progress Software Co...(PRGS)	Neutral	3
CommVault Systems, I...(CVLT)	Underperform	5

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

	BLKB	X Industry	S&P 500	CVLT	PEGA
Zacks Recommendation (Long Term)	Outperform	-	-	Underperform	Neutral
Zacks Rank (Short Term)	2	-	-	5	3
VGM Score	B	-	-	D	B
Market Cap	3.04 B	6.92 B	38.74 B	5.43 B	9.75 B
# of Analysts	3	4	22	6	4
Dividend Yield	0.00%	0.00%	1.42%	0.00%	0.21%
Value Score	C	-	-	F	D
Cash/Price	0.15	0.04	0.04	0.20	0.03
EV/EBITDA	-27.49	15.22	14.56	42.29	40.53
PEG Ratio	-1.73	1.82	2.18	NA	NA
Price/Book (P/B)	28.08	4.38	3.30	25.81	16.34
Price/Cash Flow (P/CF)	12.69	19.79	15.17	39.68	40.77
P/E (F1)	13.74	23.55	19.74	31.51	27.69
Price/Sales (P/S)	2.68	5.14	3.08	4.96	5.63
Earnings Yield	6.94%	4.00%	5.04%	3.17%	3.62%
Debt/Equity	9.63	0.14	0.57	4.18	0.00
Cash Flow (\$/share)	5.00	3.54	8.99	3.10	1.41
Growth Score	A	-	-	B	A
Hist. EPS Growth (3-5 yrs)	22.78%	14.26%	8.16%	31.87%	NA
Proj. EPS Growth (F1/F0)	13.51%	17.06%	8.60%	7.12%	37.75%
Curr. Cash Flow Growth	10.04%	9.82%	6.75%	45.42%	27.75%
Hist. Cash Flow Growth (3-5 yrs)	10.80%	10.80%	7.43%	19.76%	47.88%
Current Ratio	0.69	1.36	1.18	2.53	1.36
Debt/Capital	90.59%	12.33%	38.01%	80.68%	0.00%
Net Margin	-22.57%	17.51%	12.78%	7.32%	16.05%
Return on Equity	137.13%	19.80%	17.00%	31.53%	43.49%
Sales/Assets	0.49	0.50	0.53	0.84	1.21
Proj. Sales Growth (F1/F0)	9.90%	9.09%	5.79%	16.80%	15.10%
Momentum Score	F	-	-	C	C
Daily Price Chg	1.00%	-0.06%	-1.16%	1.85%	-1.59%
1 Week Price Chg	-1.24%	-0.95%	-2.40%	0.50%	-0.80%
4 Week Price Chg	10.84%	2.04%	1.19%	3.09%	6.35%
12 Week Price Chg	-2.16%	-8.52%	1.26%	-32.95%	-4.54%
52 Week Price Chg	-16.01%	-13.96%	14.46%	-22.38%	24.35%
20 Day Average Volume	339,633	339,633	2,751,030	649,380	1,012,328
(F1) EPS Est 1 week change	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%
(F1) EPS Est 12 week change	4.31%	3.12%	0.69%	-14.15%	3.46%
(Q1) EPS Est Mthly Chg	0.00%	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	C
Growth Score	A
Momentum Score	F
VGM Score	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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