

Burlington Stores (BURL)

\$242.43 (Stock Price as of 12/01/2025)

Price Target (6-12 Months): **\$276.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 08/09/24)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: C

Growth: D

Momentum: A

Summary

Burlington demonstrated sustained momentum as underlying demand strengthened, supported by higher basket size, stronger conversion and broad category performance. Profitability execution remained a key differentiator, driven by disciplined inventory management, improved merchandise mix and ongoing cost-efficiency initiatives. Expansion continues to be central to the company's growth framework, backed by a healthy pipeline of new locations and strong early performance from recently opened stores. Management raised the full-year earnings guidance, projecting adjusted EPS to be between \$9.69 and \$9.89, up from the previous forecast of \$9.19-\$9.59 and above the \$8.35 reported last year. However, risks persist from traffic variability, category and regional inconsistencies, weather sensitivity and an intensely competitive off-price landscape.

Data Overview

52 Week High-Low	\$309.00 - \$212.92
20 Day Average Volume (sh)	1,208,161
Market Cap	\$15.3 B
YTD Price Change	-15.0%
Beta	1.79
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Retail - Discount Stores
Zacks Industry Rank	Top 40% (97 out of 243)

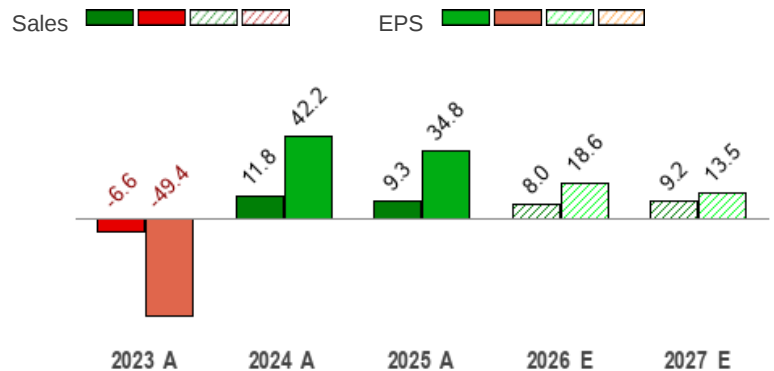
Last EPS Surprise	13.2%
Last Sales Surprise	0.0%
EPS F1 Est- 4 week change	3.3%
Expected Report Date	03/05/2026
Earnings ESP	0.8%

P/E TTM	26.8
P/E F1	25.0
PEG F1	1.6
P/S TTM	1.4

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	2,752 E	2,970 E	2,957 E	3,862 E	12,537 E
2026	2,504 A	2,705 A	2,710 A	3,566 E	11,486 E
2025	2,362 A	2,466 A	2,531 A	3,277 A	10,635 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1.84 E	1.87 E	1.96 E	5.30 E	11.00 E
2026	1.60 A	1.59 A	1.80 A	4.70 E	9.69 E
2025	1.42 A	1.20 A	1.55 A	4.07 A	8.17 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/01/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/27/2025.

Overview

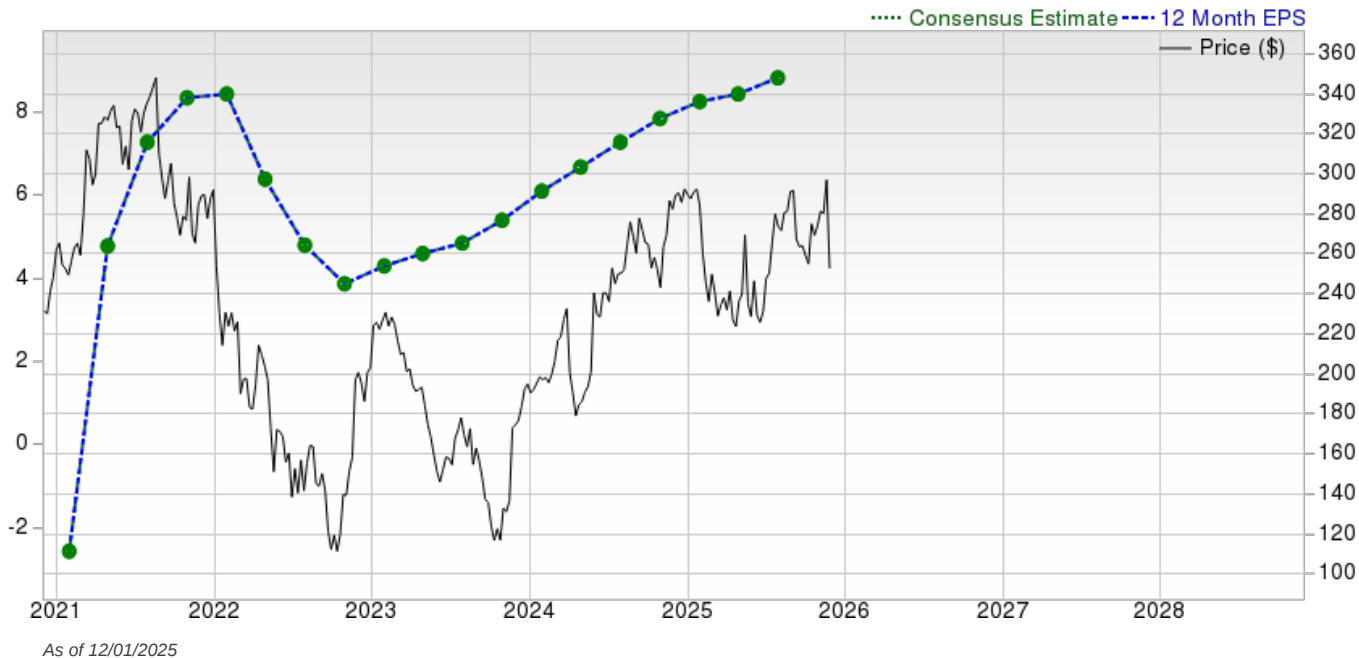
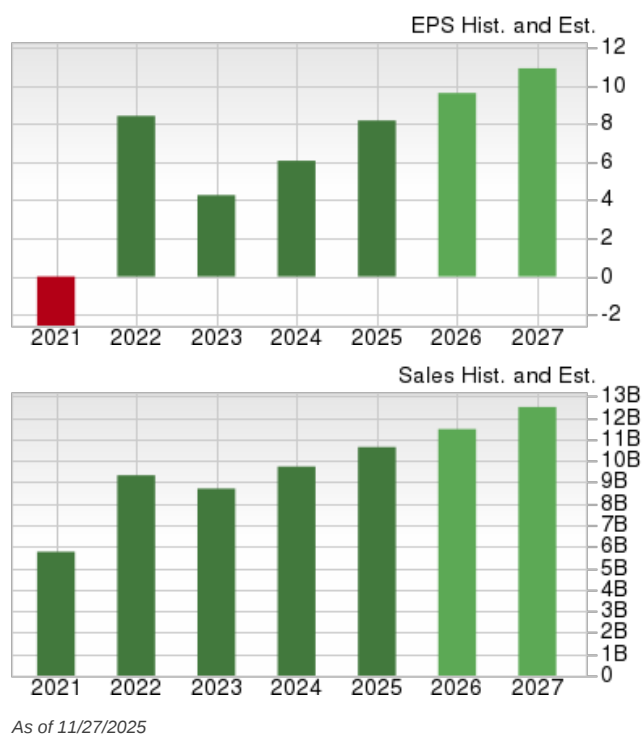
Founded in 1972 and headquartered in New Jersey, Burlington Stores, Inc. is a Fortune 500 company and an off-price retailer operating in the United States and Puerto Rico. Through its subsidiary, Burlington Coat Factory Warehouse Corporation, the company provides a complete line of value-priced products, including women's ready-to-wear apparel, menswear, youth apparel, baby, beauty, footwear, accessories, home, toys, gifts and coats.

Originally established as a coat-focused retailer, Burlington has evolved into a national off-price chain. Its "open to buy" off-price model allows for flexible purchasing of both pre-season and in-season merchandise, enabling the company to adjust quickly to changing consumer preferences and market conditions. This approach ensures access to nationally branded, fashionable and high-quality products at compelling value.

Burlington continues to emphasize its strong heritage in coats and outerwear, maintaining its reputation as a destination for shoppers seeking these categories. At the same time, its broader assortments across apparel, accessories, footwear, home, beauty and toys appeal to a wide demographic, reinforcing its position as a multi-category value retailer.

As of Nov. 1, 2025, Burlington operated 1,211 retail stores across 46 states, Washington, D.C., and Puerto Rico. The company reports results as a single operating segment and derives all revenues from U.S. operations.

(Note: Zacks identifies fiscal years by the month in which the fiscal year ends, while Burlington Stores identifies its fiscal year by the calendar year in which it begins; so comparable figures for any given fiscal year, as published by Burlington Stores, will refer to this same fiscal year as being the year before the same year, as identified by Zacks)



Reasons To Buy:

- ▲ **Sustained Sales Momentum:** Burlington delivered solid revenue momentum in the third quarter, with total sales rising 7.1% year over year to \$2.71 billion, supported by a 1% increase in comparable store sales. Once temperatures normalized in mid-October, comparables accelerated to mid-single-digit growth, signaling strong underlying demand and inventory responsiveness. Positive momentum continued into the first three weeks of November, where comparable sales trends held in the mid-single-digit range, providing a strong setup for the peak holiday season. Management noted improved customer engagement metrics, with higher conversion levels and higher average basket size year over year. The Southeast region, a key market, delivered particularly strong performance and stores in lower-income trade areas continued to outperform the chain average, demonstrating resilience among Burlington's core customers. Category diversification was strong, led by beauty, accessories, shoes and apparel, which comped above the chain. For fiscal 2025, the company now expects total sales to grow approximately 8%, on top of the 11% increase recorded for the 52 weeks ended Feb. 1, 2025. This compares with its prior outlook for a 7-8% increase. For the fourth quarter of 2025, the company currently estimates total sales will rise 7% to 9%, reflecting comparable store sales growth of 0% to 2%.

Burlington Stores' ability to consistently grow its footprint and capitalize on high-performing new locations positions it well for sustained future growth.
- ▲ **Margin Expansion Demonstrates Strong Profitability Execution:** Adjusted EBIT margin expanded to 6.2% in the third quarter, a 60-basis-point improvement versus last year, exceeding guidance that called for flat to negative 20 basis points. Gross margin rose 30 basis points to 44.2%, supported by 10 basis points of merchandise margin improvement and 20 basis points of freight savings. Product sourcing costs were \$214 million, up slightly from \$209 million, yet improved 40 basis points as a percent of sales. Selling, general and administrative expense leveraged 20 basis points, caused by store productivity, labor efficiency and checkout speed. Management emphasized that tariff mitigation actions delivered meaningful protection to merchandise margin while preserving long-term customer value. Importantly, tariff rates began decreasing late in the third quarter, enabling Burlington to resume more aggressive receipt volumes in certain categories. The updated full-year 2025 outlook now anticipates adjusted EBIT margin expansion of 60 to 70 basis points.
- ▲ **Upwardly Revised Guidance:** Adjusted earnings per share for the third quarter were \$1.80, representing a 16.1% increase year over year. This performance enabled Burlington to raise full-year adjusted earnings guidance to \$9.69-\$9.89, up from the previous forecast of \$9.19-\$9.59 and above the \$8.35 reported last year. Fourth-quarter adjusted earnings per share are now projected at \$4.50-\$4.70 compared with \$4.13 last year and the previous estimate of \$4.30 to \$4.60, supported by higher margin expectations and continued top-line momentum. Management also raised expectations for fourth-quarter adjusted EBIT margin to increase 30-50 basis points from last year compared with its prior outlook for a margin range from a decline of 10 basis points to an increase of 30 basis points.
- ▲ **Strategic Inventory Positioning and Operational Agility:** Comparable store inventory declined 2% year over year in the third quarter, reflecting disciplined management and clean inventory levels entering the fourth quarter. Reserve inventory represented 35% of total inventory compared with 32% last year, growing 26% in dollar terms and management characterized this as critical "ammunition" to chase sales opportunities and fuel replenishment in winning categories. Inventory is positioned favorably across other opportunity categories, including home and toys, where broad vendor availability has improved. The company also noted a more favorable buying environment with increased access to premium brands, supporting higher conversion and larger basket transactions.
- ▲ **Accelerated New Store Growth:** Burlington opened 73 net new stores in the third quarter, including 85 openings and 10 relocations, bringing the total fleet to 1,211 stores. Management increased full-year expectations for 2025 to 104 net new openings from the prior plan of 100, supported by stronger real estate access and improved capital requirements per location. The company has secured leases on 45 locations from the Joann Fabrics bankruptcy process, materially strengthening the future pipeline and enabling openings originally slated for later years to be pulled forward. Burlington now expects at least 110 net new stores in 2026, a step-up from earlier long-term assumptions. New stores are delivering performance at or above hurdle levels, driving the spread between 7% total sales growth and 1% comparable growth in the third quarter. The scaling impact of Stores 2.0 elements — including improved layouts and better presentation — continues to support early-life productivity for new stores. This expansion engine provides significant multi-year revenue visibility.
- ▲ **Clear Multi-Year Operating Framework:** Management reaffirmed progress toward the long-range objective of approximately \$1.6 billion in operating income by 2028, with about 170 basis points of the identified 400-basis-point margin opportunity already captured. For 2026, Burlington expects high-single-digit total sales growth and comparable store sales growth of 0-2%, with operating margin increasing 10-15 basis points for every point of incremental comp above 2%. Management targets average annual comparable sales growth of 4-5% in the later years of the plan as Stores 2.0 and Merchandising 2.0 deliver increasing benefits. Tariff easing, stronger vendor availability and stronger store productivity provide meaningful upside beyond base planning assumptions. Off-price market share continues to expand versus full-price retailers, reinforcing the competitive positioning of Burlington's value proposition.
- ▲ **Financial Synopsis:** Burlington ended the third quarter with approximately \$1.5 billion of liquidity, consisting of \$584 million of cash and \$948 million of availability under its asset-based lending facility, with no borrowings outstanding. The company repurchased \$61 million in stock during the third quarter and has \$444 million remaining under its current authorization, enabling meaningful support to earnings per share. Strong free-cash-flow generation and limited leverage position Burlington to simultaneously invest in store expansion, supply-chain optimization and potential real estate opportunities while maintaining the capacity for continued repurchases. Management reiterated that liquidity strength enhances flexibility in procurement and opportunistic merchandise buying, particularly as branded availability improves across vendors. This strategy supports value creation both through operating earnings growth and disciplined capital return.

Reasons To Sell:

- ▼ **Sustained Traffic Weakness Signals Potential Demand Erosion:** Management disclosed that store traffic declined during the third quarter despite higher conversion and larger basket sizes, indicating underlying pressure on customer visitation. Warm weather in September and early October caused a significant drop in traffic and sharply reduced demand for coats, jackets, boots and accessories, which represent more than 20% of the assortment. These categories were down double digits and directly dragged comp results by roughly 200 basis points. Continued traffic softness increases vulnerability to broader consumer spending downturns, particularly given exposure to lower-income households. Burlington executives emphasized that even non-cold categories suffered traffic-related declines because customers who were not motivated to buy winter goods also skipped other purchases. This highlights ongoing weather sensitivity and vulnerability from a product mix that materially depends on seasonal patterns.
- ▼ **Category and Regional Weaknesses:** The company experienced uneven performance across both product categories and geographic regions during the third quarter. The home category was notably weak, coming below the chain, which represents a meaningful challenge as home is a strategically important discretionary category and an area where several off-price peers have reported stronger momentum. In addition, regional results varied significantly, with the Southwest region trailing the chain, while the West, Northeast and Midwest only performed in line rather than delivering growth leadership. Burlington also reported a slowdown in stores located in trade areas with a high concentration of Hispanic households, which shifted from slightly outperforming the chain in previous quarters to now lagging. These performance disparities indicate that Burlington is facing both geographic volatility and category weakness that may require targeted strategic adjustments.
- ▼ **Tariff Related Pressures:** Tariffs continue to negatively impact merchandise margins and remain a headwind expected to persist into the fourth quarter. Burlington avoided raising prices broadly due to a highly price-sensitive customer base, meaning it must depend on internal efficiencies rather than pricing power to manage cost pressures. While management reported success in offsetting tariff effects through negotiations and logistics cost savings, these tactics may become harder to sustain over time. Relying heavily on productivity improvements rather than revenue growth presents ongoing risk.
- ▼ **Dip in Consumer Sentiment May Impact Sales:** Any dip in consumer confidence – a key determinant of the economy's health – may have a serious bearing on spending. The company's customers remain sensitive to macroeconomic factors, including interest rate, increases in fuel and energy costs, credit availability, unemployment levels, and high household debt levels, which may negatively impact their sentiment.
- ▼ **Competitive Backdrop:** Burlington Stores faces challenges from intense competition in the off-price retail sector, where rivals such as TJX Companies, Ross Stores, and even online giants like Amazon (AMZN) pose formidable threats. These competitors leverage extensive networks and robust supply chains to offer competitive pricing and a wide range of merchandise, potentially eroding Burlington's market share. Moreover, shifting consumer preferences towards online shopping further heightens the pressure on Burlington's brick-and-mortar model. The need to continually invest in technology and logistics to enhance operational efficiencies adds additional strain to Burlington's profitability. In such a competitive landscape, maintaining pricing agility, optimizing inventory management, and enhancing customer experience will be crucial for Burlington to mitigate the adverse effects of competition and sustain its market position.

Burlington experienced uneven performance across both product categories and geographic regions during the third quarter. Stiff competition in the industry remains an added deterrent.

Last Earnings Report

Burlington Q3 Earnings Top Estimates, Q4 & FY25 Bottom-Line Outlook Raised

Burlington Stores reported third-quarter fiscal 2025 results, wherein both revenues and earnings grew year over year. Top line lagged the Zacks Consensus Estimate and bottom line surpassed the same. The company delivered strong margin and earnings performance for the quarter, driven by effective merchandising and operational execution that helped offset tariff-related pressures. This outperformance is being incorporated into the company's updated full-year earnings outlook.

FY Quarter Ending **1/31/2025**

Earnings Reporting Date	Nov 25, 2025
Sales Surprise	-0.02%
EPS Surprise	13.21%
Quarterly EPS	1.80
Annual EPS (TTM)	9.06

More on Burlington Stores' Q3 Financial Results

Burlington Stores reported adjusted earnings of \$1.80 per share, which surpassed the Zacks Consensus Estimate of \$1.59. The bottom line rose 16.1% from the year-ago quarter.

Total revenues of \$2,710.4 million jumped 7.1% from the prior-year quarter and lagged the Zacks Consensus Estimate of \$2,711 million. Net revenues climbed nearly 7.1% to \$2,706 million, while other revenues fell 1.9% to \$4.4 million. The company's comparable store sales increased 1% year over year.

Insight Into Burlington's Margins

The gross margin was 44.2%, up 30 basis points from the third quarter of fiscal 2024. Merchandise margin rose 10 basis points and freight costs improved 20 basis points.

Adjusted selling, general and administrative (SG&A) expenses rose 7.8% year over year to \$733.7 million. Adjusted SG&A, excluding \$11 million in costs related to bankruptcy-acquired leases in the third quarter of fiscal 2025, represented 26.7% of net sales compared with 26.9% in the third quarter of fiscal 2024, a 20-basis-point improvement.

Product sourcing costs were \$214 million, up from \$209 million in the year-ago quarter. As a percentage of net sales, this represents a 40-basis-point decline. Such costs comprise the processing goods costs via the supply chain and buying expenses.

Adjusted EBITDA increased 11.5% from the third quarter of fiscal 2024 to \$255.2 million, excluding \$11 million of expenses related to the bankruptcy-acquired leases. Adjusted EBITDA margin increased 80 basis points year over year. Adjusted EBIT was \$155.9 million, up 10.3% from the year-ago quarter. Adjusted EBIT margin increased 60 basis points year over year.

Burlington's Financial Snapshot: Cash, Debt and Equity

The company ended the reported quarter with cash and cash equivalents of \$584.1 million, long-term debt of \$2.02 billion and stockholders' equity of \$1.53 billion. Burlington exited the fiscal third quarter with total liquidity of \$1.53 billion, consisting of \$584 million in unrestricted cash and \$948 million of availability under its ABL facility. Total outstanding debt at quarter-end was \$2.04 billion, including \$1.72 billion under the Term Loan facility, \$297 million in Convertible Notes and no borrowings on the ABL facility. During the third quarter of fiscal 2025, the company repurchased 213,972 shares of its common stock for \$61 million under the share repurchase program. At the end of the fiscal third quarter, \$444 million remained authorized under the current repurchase program.

Burlington's Q4 Guidance

For the fourth quarter of fiscal 2025, the company currently estimates total sales will rise 7% to 9%, reflecting comparable store sales growth of 0% to 2%. The company now expects adjusted EBIT margin to increase 30-50 basis points from last year, compared with its prior outlook for a margin range from a decline of 10 basis points to an increase of 30 basis points. The current outlook excludes approximately \$7 million of expenses related to bankruptcy-acquired leases in the fourth quarter of fiscal 2025 and \$5 million incurred in the prior period. Adjusted EPS is currently expected to range from \$4.50 to \$4.70 compared with \$4.13 last year and the previous estimate of \$4.30 to \$4.60. The current outlook excludes \$5 million of anticipated net-of-tax expenses related to bankruptcy-acquired leases in the fourth quarter of fiscal 2025 and \$4 million incurred in the prior period.

Fiscal 2025 View for Burlington

For fiscal 2025 (the 52 weeks ending Jan. 31, 2026), the company now expects total sales to grow approximately 8%, on top of the 11% increase recorded for the 52 weeks ended Feb. 1, 2025. This compares with its prior outlook for a 7-8% increase. This outlook assumes comparable store sales growth of 1% to 2%, following a 4% increase in the prior 52-week period. Capital expenditures, net of landlord allowances, are projected to be approximately \$950 million, and the company plans to open 104 net new stores.

Adjusted EBIT margin is now expected to improve 60-70 basis points from the prior fiscal year, compared with the earlier outlook calling for an improvement of 20-40 basis points, excluding \$34 million of anticipated costs associated with bankruptcy-acquired leases in fiscal 2025 and \$16 million incurred in fiscal 2024. Adjusted EPS is now projected to be between \$9.69 and \$9.89, up from the previous forecast of \$9.19-\$9.59 and above the \$8.35 earned last year. This excludes \$26 million, net of tax, of expected expenses related to bankruptcy-acquired leases in fiscal 2025 and assumes a share count of approximately 64 million.

Valuation

BURL's shares are down 8.5% in the year-to-date period and up 9.6% in the trailing 12-month period. Stocks in the Zacks sub-industry are up 3.8%, and the Zacks retail wholesale sector is up 5.7% in the year-to-date period. Over the past year, the sub-industry is up 0.3%, and the sector is up 5%.

The S&P 500 index is up 17.6% in the year-to-date period and 15.8% in the past year.

The stock is currently trading at 24.33X forward 12-month earnings, which compares to 29.64X for the Zacks sub-industry, 24.53X for the Zacks sector, and 23.36X for the S&P 500 index.

Over the past five years, the stock has traded as high as 58.38X, with a 5-year median of 27.53X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$276 price target reflects 25.79X forward 12-month earnings.

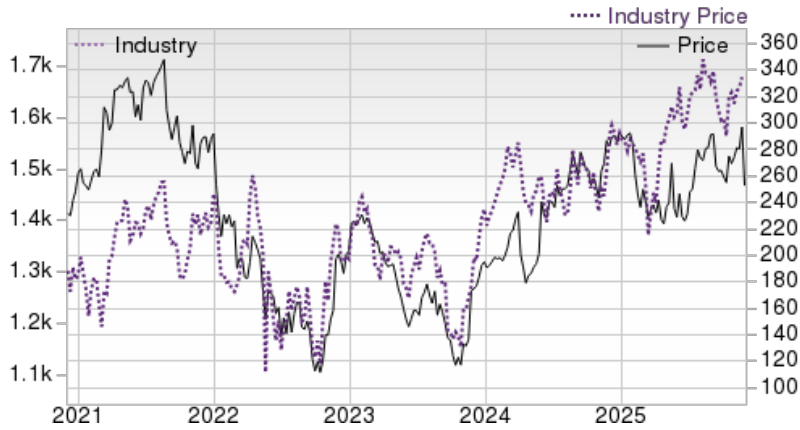
The table below shows summary valuation data for BURL.

Valuation Multiples - BURL					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	24.33	29.64	24.53	23.36
	5-Year High	58.38	33.77	34.74	23.81
	5-Year Low	NA	21.19	21.48	15.73
	5-Year Median	27.53	25.40	24.78	21.21
P/S F12M	Current	1.33	1.66	1.63	5.28
	5-Year High	3.06	1.88	2.05	5.50
	5-Year Low	0.73	1.28	1.20	3.83
	5-Year Median	1.38	1.61	1.54	5.04
EV/EBITDA TTM	Current	15.06	23.70	13.00	18.43
	5-Year High	NA	31.23	27.12	22.40
	5-Year Low	NA	15.88	11.27	13.87
	5-Year Median	15.66	23.18	14.55	17.95

As of 11/26/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 40% (97 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Costco Wholesale Cor...(COST)	Outperform	4
Dollar General Corpo...(DG)	Outperform	3
Macy's, Inc. (M)	Outperform	2
Dollar Tree, Inc. (DLTR)	Neutral	3
Ross Stores, Inc. (ROST)	Neutral	2
The TJX Companies, I...(TJX)	Neutral	3
Walmart Inc. (WMT)	Neutral	3
Target Corporation (TGT)	Underperform	3

Industry Comparison⁽¹⁾ Industry: Retail - Discount Stores

	BURL	X Industry	S&P 500	M	ROST	TGT
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	2	2	3
VGM Score	C	-	-	A	B	C
Market Cap	15.26 B	24.07 B	37.90 B	6.13 B	57.73 B	41.37 B
# of Analysts	5	8	22	4	8	12
Dividend Yield	0.00%	0.57%	1.46%	3.20%	0.91%	4.99%
Value Score	C	-	-	A	D	A
Cash/Price	0.04	0.05	0.04	0.14	0.07	0.09
EV/EBITDA	15.24	13.61	14.39	4.37	18.10	6.11
PEG Ratio	1.56	3.39	2.19	NA	3.96	9.94
Price/Book (P/B)	9.99	8.11	3.33	1.38	10.07	2.67
Price/Cash Flow (P/CF)	17.52	16.76	14.87	3.87	23.08	5.92
P/E (F1)	25.02	25.24	20.10	11.40	27.89	12.52
Price/Sales (P/S)	1.36	1.20	3.04	0.27	2.62	0.39
Earnings Yield	3.96%	3.96%	4.96%	8.76%	3.58%	7.99%
Debt/Equity	1.32	0.44	0.57	0.55	0.18	0.99
Cash Flow (\$/share)	13.84	7.69	8.99	5.90	7.69	15.43
Growth Score	D	-	-	B	B	F
Hist. EPS Growth (3-5 yrs)	9.17%	10.69%	8.16%	9.67%	21.21%	-8.19%
Proj. EPS Growth (F1/F0)	18.60%	6.98%	8.35%	-24.24%	0.63%	-17.61%
Curr. Cash Flow Growth	24.86%	10.62%	7.00%	-12.93%	10.62%	1.92%
Hist. Cash Flow Growth (3-5 yrs)	4.33%	4.58%	7.31%	-2.84%	4.83%	3.69%
Current Ratio	1.21	1.15	1.19	1.38	1.58	0.97
Debt/Capital	56.89%	28.46%	38.15%	35.33%	15.07%	49.78%
Net Margin	5.01%	3.26%	12.82%	2.18%	9.47%	3.58%
Return on Equity	41.02%	26.81%	17.00%	15.39%	37.21%	22.74%
Sales/Assets	1.24	1.65	0.53	1.39	1.51	1.82
Proj. Sales Growth (F1/F0)	8.00%	5.14%	5.70%	-4.10%	5.60%	-1.60%
Momentum Score	A	-	-	C	A	F
Daily Price Chg	-3.89%	-0.18%	-0.53%	2.06%	0.65%	0.82%
1 Week Price Chg	-14.93%	3.42%	1.60%	11.13%	1.36%	3.42%
4 Week Price Chg	-12.23%	4.83%	-0.57%	14.44%	10.11%	-0.10%
12 Week Price Chg	-16.48%	7.31%	4.89%	33.53%	17.11%	-0.15%
52 Week Price Chg	-16.50%	13.52%	12.66%	34.79%	13.52%	-30.11%
20 Day Average Volume	1,208,161	2,721,201	2,737,368	5,934,359	2,836,593	7,566,982
(F1) EPS Est 1 week change	3.27%	0.00%	0.00%	0.38%	0.00%	0.00%
(F1) EPS Est 4 week change	3.25%	0.17%	0.06%	1.65%	4.29%	-1.66%
(F1) EPS Est 12 week change	3.24%	0.86%	0.62%	10.51%	4.35%	-2.54%
(Q1) EPS Est Mthly Chg	2.58%	1.10%	0.00%	1.29%	4.05%	-4.19%

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	D
Momentum Score	A
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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