

Charter Communications (CHTR)

\$211.29 (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$215.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 05/31/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: A

Growth: C

Momentum: D

Summary

Charter Communications is benefiting from its pivot toward integrated broadband and mobile connectivity, with Spectrum Mobile transitioning into a profitability driver. Charter is positioned for significant free cash flow expansion as its multi-year capital program concludes. The network-wide upgrade to symmetrical multi-gigabit speeds establishes a technology moat while hybrid video packages combining linear channels with streaming apps help stabilise operations. However, CHTR faces headwinds from persistent broadband subscriber losses reflecting competitive pressure from fibre and fixed wireless providers, stagnating operating margins amid rising costs, intensifying competition in a contested connectivity market and irreversible voice segment decline signalling broader technological displacement risks across legacy services.

Data Overview

52 Week High-Low	\$437.06 - \$193.00
20 Day Average Volume (sh)	1,618,992
Market Cap	\$27.3 B
YTD Price Change	-38.4%
Beta	1.06
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<u>Cable Television</u>
Zacks Industry Rank	Bottom 17% (201 out of 243)

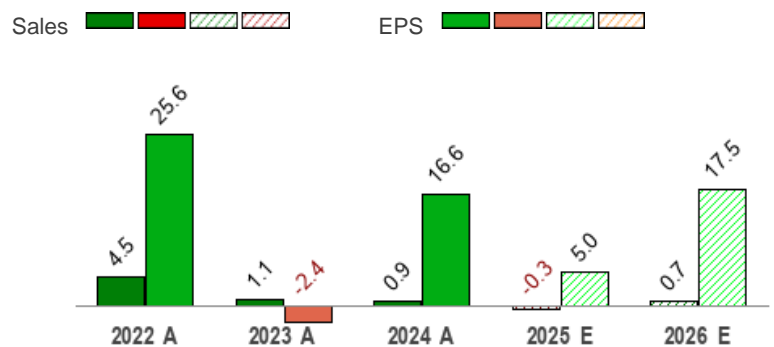
Last EPS Surprise	-10.5%
Last Sales Surprise	-0.5%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/30/2026
Earnings ESP	0.0%

P/E TTM	5.9
P/E F1	5.8
PEG F1	-3.3
P/S TTM	0.5

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	13,694 E	13,793 E	13,805 E	13,945 E	55,327 E
2025	13,735 A	13,766 A	13,672 A	13,753 E	54,926 E
2024	13,679 A	13,685 A	13,795 A	13,926 A	55,085 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	10.29 E	10.81 E	10.87 E	12.24 E	43.16 E
2025	8.42 A	9.18 A	8.34 A	10.39 E	36.73 E
2024	7.55 A	8.49 A	8.82 A	10.10 A	34.97 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 12/16/2025.

(2) The report's text and the price target are as of 12/08/2025.

Overview

Charter Communications is the second largest cable operator in the United States and a leading broadband communications company providing video, Internet and voice services. The company served approximately 30.1 million customers in 41 states through its Spectrum brand as of Dec. 31, 2024.

Charter's high-capacity, two-way telecommunications network passes through 57 million households and small and medium businesses across the United States. The company also estimates that roughly 500 million devices are wirelessly connected to its network through WiFi.

Charter also sells video and online advertising to local, regional and national advertising customers and fiber-delivered communications and managed information technology ("IT") solutions to large enterprise customers. The company also owns and operates regional sports networks and local sports, news and community channels and sells security and home management services in the residential marketplace.

Headquartered in Stamford, CT, Charter reported revenues of \$55.1 billion in 2024. The company operates through five reportable segments:

Residential (76.7% of total revenues): The segment comprises Video, Internet and Voice sub-segments. The company also generates revenues from franchise fees, equipment and video installation.

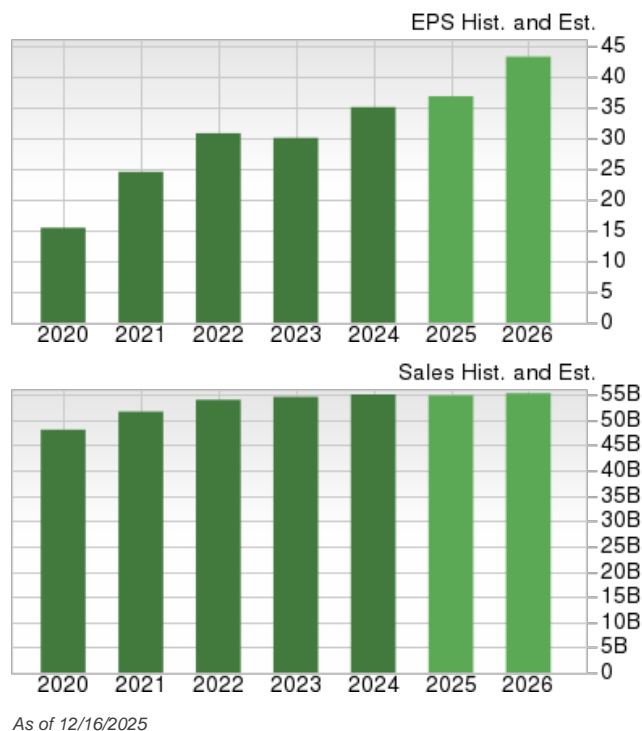
Commercial (13% of total revenues): The segment consists of small and medium business (SMB) and enterprise sub-segments.

Mobile (6.2% of total revenues): As of Dec. 31, 2024, Charter served 9.9 million mobile lines, with 2.1 million mobile lines added in 2024.

Advertising (3.9% of total revenues): Charter generates revenues from commercial advertising customers, programmers and other vendors, as well as local cable and advertising on regional sports and news channels.

Other (6.3% of total revenues): The segment consists of revenues from regional sports and news channels, home shopping, late payment fees, wire maintenance fees and other miscellaneous revenues.

Charter faces competition from other telephone, direct broadcast satellite (DBS) operators, fiber to home providers, Internet service providers and over-the-top (OTT) providers like AT&T, Verizon, Comcast, YouTube, Amazon and Netflix to name a few.



Reasons To Buy:

▲ Charter's business model pivots decisively from legacy cable toward integrated broadband and mobile connectivity. The focus on high-speed Internet, 5G-based mobile, and enterprise solutions aligns with structural trends favoring converged digital access over traditional television. This transformation strengthens pricing power and reduces cyclicality tied to advertising or video declines. The expansion into mid-market enterprises and rural communities diversifies revenue beyond saturated urban homes, while bundling across Internet, mobile, and streaming creates sticky customer ecosystems. Connectivity revenue rose 3.8% year over year in the third quarter of 2025, highlighting the resilience of the core growth engine despite legacy segment contraction.

Charter's Broadband and mobile expansion, Spectrum Mobile profitability, strong free cash flow generation and network-wide multi-gig upgrades are key catalysts.

▲ Spectrum Mobile transitions from a scale-building phase to a profitability driver through its unique offload-heavy network design. The combination of WiFi and cellular integration enables low-cost data delivery, translating into sustainable service margins. Charter's ability to leverage its broadband base for mobile upselling limits customer acquisition expense while reinforcing loyalty. The 88% data offload rate to in-house infrastructure showcases strategic control over traffic and costs. With 493,000 mobile line additions and expanding average lines per household, mobile convergence now meaningfully enhances customer lifetime value and underpins the company's long-term margin and growth outlook as the ecosystem matures.

▲ Charter stands at the brink of a structural cash flow inflexion, driven by the completion of its network evolution and normalisation of capital spending. The company's \$11.5 billion capital program concludes a multiyear infrastructure phase, paving the way for lower recurring investments and accelerating free cash flow. Favorable tax policy further amplifies liquidity, providing predictable tailwinds independent of revenue growth. CHTR generated \$1.6 billion in third-quarter free cash flow, with the last 12 months at \$5.2 billion, positioned to approach \$9 billion annually as capital spending declines \$3.4 billion and tax benefits materialise. This cash generation supports aggressive share repurchases, debt reduction and strategic investments while maintaining operational flexibility.

▲ Charter's decision to upgrade its entire 58-million-passing network to symmetrical multi-gigabit speeds by 2027 establishes a durable technology moat. This universal approach, contrasting selective fiber overbuilds by competitors, ensures consistency of experience and reduces per-home upgrade costs. The integrated WiFi 7 and 5G-enabled router launching in early 2026 exemplifies forward design, enabling always-on connectivity even during power or network outages. The company's readiness for immersive streaming and low-latency applications supports future data monetisation. This end-to-end upgrade strategy solidifies Charter's brand as a comprehensive connectivity leader, defending market share and enabling long-term yield from superior service reliability.

Reasons To Sell:

- ▼ Charter's broadband subscriber base continues to contract despite product and service enhancements. Internet losses of 109,000 in the third quarter of 2025 mirror prior-year declines, reflecting weak net additions in both residential and small business markets. Competitive encroachment from fiber and fixed wireless providers erodes Charter's penetration, particularly among price-sensitive customers. Low housing mobility and sluggish household formation exacerbate stagnation. As Internet remains the anchor for bundling, sustained churn and limited gross adds hinder mobile cross-sell opportunities. The decline to 29.8 million Internet customers underscores structural saturation and intensifying market share loss within the core franchise.
- ▼ Charter's scale fails to translate into operating leverage as marketing, customer acquisition, and technology costs outpace savings from automation. Expense discipline remains elusive amid rising digital marketing reliance and higher affiliate channel payouts. Despite AI and machine-learning investments aimed at efficiency, measurable cost reductions remain limited. Network and energy inflation offset benefits from declining service calls, while mobile device subsidies weigh on profitability. Adjusted EBITDA margins stagnate around 41%, suggesting structural inefficiencies or competitive pricing pressures. Without visible cost containment or pricing power, sustained margin expansion remains difficult even as revenue mix improves toward connectivity.
- ▼ Charter operates in one of the most contested connectivity markets in U.S. telecom history. Incumbent fiber rollouts by AT&T, Frontier and regional utilities target high-value markets, while fixed wireless operators leverage national 5G networks to undercut pricing. Meanwhile, mobile substitution increasingly replaces home broadband for casual users. Combined with weak housing turnover and low household formation, these forces limit new-customer opportunities. Charter's heavy investment cycle coincides with this competitive peak, straining returns and compressing unit economics. Maintaining share will require continued promotional activity and network spend, potentially eroding the very cash flow gains the company seeks to achieve.
- ▼ Charter's voice segment continues an irreversible decline as users transition to mobile and VoIP alternatives. The double-digit reduction in residential voice customers in 2025 reflects permanent technology displacement rather than cyclical softness. Although high-margin, shrinking scale drives negative operating leverage as fixed costs spread across fewer users. With voice revenue still contributing over \$1 billion annually, its erosion weighs on overall profitability and amplifies reliance on broadband to offset legacy contraction. The voice trajectory signals the broader risk of technological substitution, where even strong incumbents face gradual obsolescence in legacy services with diminishing pricing and relevance.

Broadband subscriber losses, rising operating expenses, intensifying competition and continued voice revenue decline are key headwinds for Charter.

Last Earnings Report

Charter Earnings Miss Estimates in Q3, Revenues Decline Y/Y

Charter Communications has reported third-quarter 2025 earnings of \$8.34 per share, which missed the Zacks Consensus Estimate by 10.52%. The reported figure decreased 5.4% year over year.

Revenues of \$13.67 billion edged down 0.9% year over year, driven by lower residential video and advertising sales revenues, partially offset by growth in residential mobile service and Internet revenues. Residential connectivity revenues increased 3.8% year over year. The reported lagged the Zacks Consensus Estimate by 0.52%.

CHTR has shown a mixed earnings surprise, missing the Zacks Consensus Estimate in two of the trailing four quarters while exceeding it in the other two, with an average negative surprise of 0.23%.

CHTR's Segmental Details

Residential revenues totaled \$10.65 billion in the third quarter, decreasing 1.1% year over year due to a decline in residential customers of 2.1%, partially offset by a year-over-year increase in monthly residential revenue per residential customer of 1%.

Third-quarter monthly residential revenue per residential customer totalled \$122.63, an increase of 1% from the prior-year period.

Internet revenues increased 1.7% year over year to \$6 billion.

Video revenues totaled \$3.4 billion in the third quarter, a decrease of 9.3% year over year.

Voice revenues decreased 7.9% year over year to \$332 million.

Commercial revenues increased 0.9% year over year to \$1.8 billion.

Mid-market and large business revenues excluding wholesale increased 4% year over year.

Third-quarter advertising sales revenues of \$356 million decreased 21.3% from the year-ago quarter due to lower political revenues. Excluding political revenues in both periods, advertising sales revenues decreased 0.5% year over year.

Other revenues totaled \$836 million in the third quarter, an increase of 10.7% from the third quarter of 2024, primarily driven by higher mobile device sales.

CHTR's Subscriber Statistics

Third-quarter total residential and small business customer relationships decreased 2% year over year to 31.1 million.

Total Internet customers decreased by 109K in the third quarter of 2025 compared with a decline of 110K in the year-ago period. As of Sept. 30, 2025, Charter served 29.8 million total Internet customers.

Total video customers decreased 70K in the third quarter of 2025, compared with a decline of 294K in the year-ago quarter. As of Sept. 30, 2025, Charter served 12.6 million total video customers. The year-over-year improvement was driven by new simplified pricing and packaging launched in September 2024 and benefits from the inclusion of programmer streaming applications in expanded basic packages.

In the third quarter of 2025, total wireline voice customers decreased 200K compared with a decline of 288K in the year-ago quarter. As of Sept. 30, 2025, Charter served 6.2 million total wireline voice customers.

The company added 493K total mobile lines in the third quarter compared with 545K in the year-ago quarter. As of Sept. 30, 2025, it served 11.4 million mobile lines.

In the third quarter of 2025, Charter activated 124K subsidised rural passings. Within CHTR's subsidised rural footprint, total customer relationships increased by 52K.

Operating Details

Total operating costs and expenses decreased 0.5% year over year to \$8.1 billion.

Third-quarter programming costs decreased \$152 million, or 6.5%, from the third quarter of 2024, reflecting fewer video customers, a higher mix of lower-cost packages and \$106 million in costs allocated to programmer streaming applications netted within video revenue versus \$25 million in the prior-year period, partially offset by contractual programming rate increases and renewals.

Other costs of revenues increased \$73 million, or 4.6% year over year, primarily driven by higher mobile service direct costs and mobile device sales, partially offset by lower franchise and regulatory fees, and decreased advertising sales costs.

Field and technology operations expenses increased \$3 million, or 0.3%, year over year, driven by higher network utility costs, offset by lower

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

Earnings Reporting Date	Oct 31, 2025
Sales Surprise	-0.52%
EPS Surprise	-10.52%
Quarterly EPS	8.34
Annual EPS (TTM)	36.04

labour expenses.

Customer operations expenses decreased \$19 million, or 2.4%, year over year due to a decrease in bad debt expenses.

Marketing and residential sales expenses increased \$50 million, or 5.4%, year over year due to a change in the sales mix to higher-cost sales channels.

Balance Sheet & Cash Flow

As of Sept. 30, 2025, the total principal amount of debt was \$95 billion, and Charter's credit facilities provided approximately \$4 billion in additional liquidity in excess of Charter's \$464 million cash position.

In the third quarter of 2025, net cash flows from operating activities totaled \$4.5 billion, an increase of \$0.9 billion from \$3.6 billion in the second quarter of 2025. The sequential improvement was primarily driven by more favourable working capital changes and lower cash tax payments.

The free cash flow in the third quarter of 2025 totaled \$1.6 billion, reflecting a decline of \$2 billion from \$3.6 billion in the previous quarter. The sequential decrease was driven by higher capital expenditure of \$3.1 billion in the third quarter than \$2.9 billion in the prior quarter.

In the third quarter of 2025, Charter purchased 7.6 million shares of Charter Class A common stock and Charter Holdings common units for \$2.2 billion.

Recent News

On Nov. 18, Charter announced a strategic partnership with AWS, selecting it as a core generative-AI provider. The company will adopt GitLab Duo with Amazon Q Developer to accelerate software development and improve operational efficiency. Charter expects the collaboration to enhance reliability and overall user experience across its Spectrum Internet, TV and Mobile services.

On Nov 6, Spectrum announced that its fibre-broadband network has surpassed 1 million miles of infrastructure.

On Nov. 4, Spectrum highlighted how new fibre upgrades transformed Maine's Fryeburg Fair, delivering reliable high-speed connectivity across the 185-acre grounds. The buildout supports electronic ticketing, secure vendor payments, improved staff communication, enhanced public-safety systems and smoother operations for both vendors and visitors.

On Nov. 3, Spectrum announced the launch of Spectrum News in Georgia. Now available to Spectrum TV customers across the state on channel 1, Spectrum News Georgia is available 24/7, featuring local headlines every 15 minutes and hyperlocal weather forecasts every 10 minutes.

On Oct. 23, Spectrum Reach and Waymark announced that their partnership has powered over 15,000 local business campaigns since early 2023, enabling affordable, professional-quality TV ads via AI-driven tools like Click to Edit and Waymark Cinematic to help small advertisers reach customers more effectively.

On Oct. 22, Spectrum announced it is expanding its fiber-broadband network in Jackson County, Ohio to nearly 2,400 additional homes and businesses, bringing gigabit-speed internet along with mobile, TV and voice services to previously underserved communities.

On Oct. 9, Spectrum introduced the Spectrum App Store, a digital marketplace that lets TV subscribers activate, manage and upgrade streaming apps included in their plans—with up to \$125/month in retail value—and allows non-video customers to purchase apps à la carte.

On Sept. 29, Charter Communications' Spectrum demonstrated WiFi speeds of the future with new wireless frequencies at SCTE TechExpo25. The live demonstration showcased how an additional 125 MHz of unlicensed spectrum could be combined with the full 6 GHz band to enable four 320 MHz channels or two 640 MHz channels, unlocking speed and capacity to enable speeds exceeding 20 Gbps for connected devices in U.S. homes and businesses.

Valuation

Charter Communications' shares are down 48% in the past six months and 43.9% in the trailing 12-month period. Stocks in the Zacks sub-industry are down 31.4% and those in the Zacks Consumer Discretionary sector have declined 4.4% in the past six months. In the trailing 12-month period, the Zacks sub-industry is down 34.4% and the sector is down 2.5%.

The S&P 500 Index has appreciated 17.2% in the past six months and 16.3% in the past year.

The stock is currently trading at a trailing 12-month EV/EBITDA of 5.82X compared with 6.4X for the Zacks sub-industry, 10.38X for the Zacks sector and 18.66X for the S&P 500 index.

Over the past five years, the stock has traded as high as 13.03X and as low as 5.79X, with a 5-year median of 7.58X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$215 price target reflects 6.11X forward 12-month sales.

The table below shows summary valuation data for CHTR

Valuation Multiples - CHTR					
		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	5.82	6.4	10.38	18.66
	5-Year High	13.03	16.19	17.33	22.41
	5-Year Low	5.79	6.26	8.06	13.87
	5-Year Median	7.58	7.73	10.28	17.96
EV/Sales TTM	Current	2.2	1.64	2.88	5.75
	5-Year High	4.73	4.69	4.38	5.81
	5-Year Low	2.19	1.61	2.30	3.77
	5-Year Median	2.79	2.49	2.82	5.12
P/S F12M	Current	0.47	0.98	2.38	5.33
	5-Year High	2.84	3.03	3.48	5.5
	5-Year Low	0.45	1.58	1.68	3.83
	5-Year Median	1.02	0.98	2.3	5.04

As of 12/05/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 17% (201 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Fox Corporation (FOXA)	Outperform	1
Comcast Corporation (CMCSA)	Neutral	3
The Walt Disney Comp...(DIS)	Neutral	3
Liberty Global Ltd (LBTYA)	Neutral	3
Naspers Ltd. (NPSNY)	Neutral	3
Rogers Communication...(RCI)	Neutral	3
WideOpenWest, Inc. (WOW)	Neutral	3
Cable One, Inc. (CABO)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Cable Television

	CHTR	X Industry	S&P 500	CABO	LBTYA	RCI
Zacks Recommendation (Long Term)	Neutral	-	-	Underperform	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	5	3	3
VGM Score	B	-	-	C	B	B
Market Cap	27.34 B	5.38 B	38.58 B	757.37 M	3.71 B	19.88 B
# of Analysts	5	5	22	2	2	5
Dividend Yield	0.00%	0.00%	1.42%	0.00%	0.00%	3.89%
Value Score	A	-	-	A	A	A
Cash/Price	0.02	0.09	0.04	0.22	0.44	0.06
EV/EBITDA	5.73	5.11	14.55	4.47	2.83	6.71
PEG Ratio	-3.34	0.70	2.20	NA	NA	3.38
Price/Book (P/B)	1.40	0.80	3.33	0.53	0.29	1.16
Price/Cash Flow (P/CF)	2.18	2.85	15.10	1.57	1.33	3.65
P/E (F1)	5.75	6.43	19.71	4.08	NA	10.56
Price/Sales (P/S)	0.50	0.77	3.09	0.50	0.78	1.32
Earnings Yield	17.38%	6.85%	5.06%	-31.07%	-65.21%	9.48%
Debt/Equity	4.89	0.45	0.57	1.88	0.60	1.55
Cash Flow (\$/share)	96.91	7.51	8.99	85.60	8.25	10.07
Growth Score	C	-	-	D	C	D
Hist. EPS Growth (3-5 yrs)	15.91%	13.41%	8.16%	-13.91%	NA	7.84%
Proj. EPS Growth (F1/F0)	5.03%	2.71%	8.57%	NA	NA	-5.16%
Curr. Cash Flow Growth	3.80%	3.37%	6.75%	-24.85%	-203.70%	10.82%
Hist. Cash Flow Growth (3-5 yrs)	3.44%	3.15%	7.43%	3.08%	6.77%	8.80%
Current Ratio	0.37	0.41	1.18	0.38	0.96	0.62
Debt/Capital	83.02%	37.62%	38.01%	65.24%	37.62%	60.85%
Net Margin	9.29%	4.48%	12.78%	-29.78%	-41.44%	32.49%
Return on Equity	25.55%	12.23%	17.00%	7.96%	-14.71%	17.14%
Sales/Assets	0.36	0.31	0.53	0.25	0.18	0.27
Proj. Sales Growth (F1/F0)	-0.30%	0.00%	5.79%	-4.60%	10.80%	2.70%
Momentum Score	D	-	-	D	D	A
Daily Price Chg	0.84%	0.82%	-0.24%	2.28%	-1.78%	0.35%
1 Week Price Chg	0.73%	0.73%	-0.59%	3.98%	-0.79%	-3.41%
4 Week Price Chg	5.28%	5.28%	2.76%	28.66%	0.00%	-4.47%
12 Week Price Chg	-20.88%	-10.79%	2.15%	-16.64%	-4.59%	4.19%
52 Week Price Chg	-43.05%	-19.58%	12.39%	-63.17%	-11.57%	16.20%
20 Day Average Volume	1,618,992	149,374	2,743,646	144,168	1,801,009	952,149
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.52%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.52%
(F1) EPS Est 12 week change	-4.64%	-4.64%	0.69%	-42.10%	-362.90%	1.04%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	1.64%

Zacks Stock Rating System

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

Zacks Recommendation

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

Zacks Rank

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

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

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

Value Score	A
Growth Score	C
Momentum Score	D
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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