

Commercial Metals Co. (CMC)

\$72.46 (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$83.00**

Long Term: 6-12 Months

Zacks Recommendation:

Outperform

(Since: 10/14/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

1-Strong Buy

Zacks Style Scores:

VGM: A

Value: B

Growth: B

Momentum: A

Summary

Commercial Metals is gaining from the robust demand in North America for each of its major product lines. This is expected to get reflected in the company's results in the upcoming quarters. Strong spring and summer construction activity is expected to aid the third-quarter results. Commercial Metals is implementing price increases across its mill products, which will aid growth. Acquisitions further drive the results. Its solid balance sheet bodes well. Even though conditions in Europe are expected to remain challenging, it will be offset by the tailwinds. Moreover, the company continues to gain from its ongoing network optimization efforts. The acquisition of Foley and CP&P will position Commercial Metals as a leading player in the Mid-Atlantic and Southeastern regions. This will further aid margins.

Data Overview

52 Week High-Low	\$75.03 - \$37.92
20 Day Average Volume (sh)	1,108,579
Market Cap	\$7.8 B
YTD Price Change	2.0%
Beta	1.49
Dividend / Div Yld	\$0.72 / 1.0%
Industry	Steel - Producers
Zacks Industry Rank	Top 27% (65 out of 244)

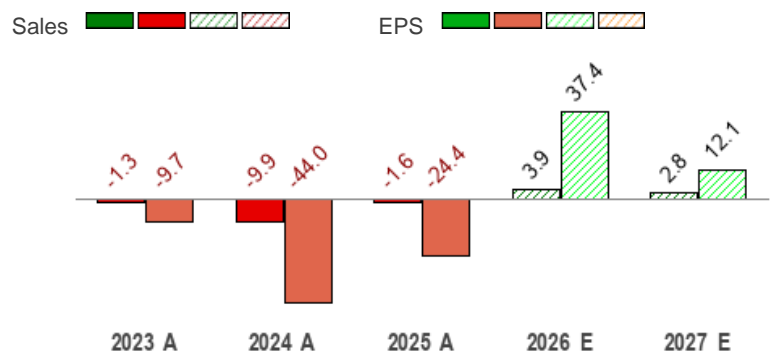
Last EPS Surprise	18.7%
Last Sales Surprise	6.2%
EPS F1 Est- 4 week change	0.9%
Expected Report Date	03/19/2026
Earnings ESP	0.0%

P/E TTM	16.8
P/E F1	16.9
PEG F1	0.7
P/S TTM	1.0

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1,998 E	1,924 E	2,205 E	2,204 E	8,332 E
2026	2,120 A	1,850 E	2,135 E	2,148 E	8,104 E
2025	1,910 A	1,754 A	2,020 A	2,115 A	7,798 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1.19 E	0.85 E	1.16 E	1.62 E	4.82 E
2026	1.84 A	0.72 E	1.04 E	1.52 E	4.30 E
2025	0.78 A	0.26 A	0.74 A	1.37 A	3.13 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/09/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/12/2025.

Overview

Irving, TX- based Commercial Metals Company manufactures, recycles and markets steel and metal products, related materials and services. It provides these through a network of facilities that includes seven electric arc furnace ("EAF") mini mills, two EAF micro mills, a rerolling mill, steel fabrication and processing plants, construction-related product warehouses, and metal recycling facilities in the United States and Poland.

Commercial Metals realigned its reporting structure into three operating segments — North America Steel Group, Europe Steel Group and Emerging Businesses Group — from the beginning of first-quarter fiscal 2024.

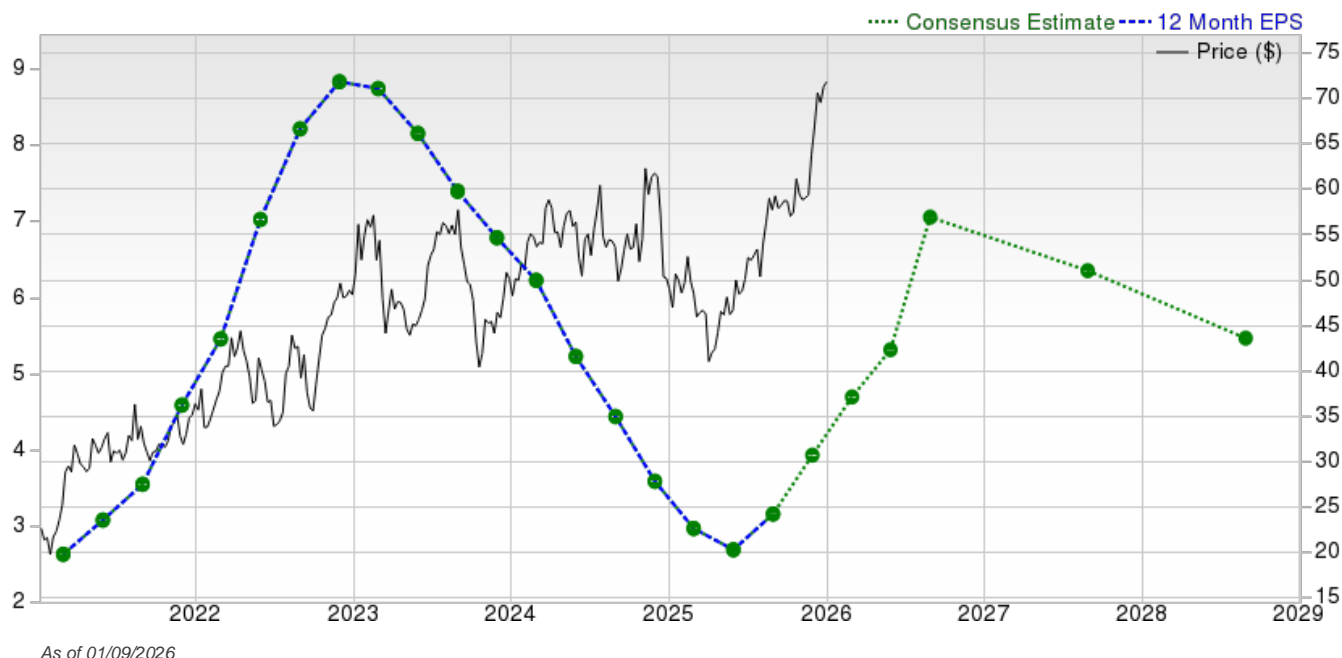
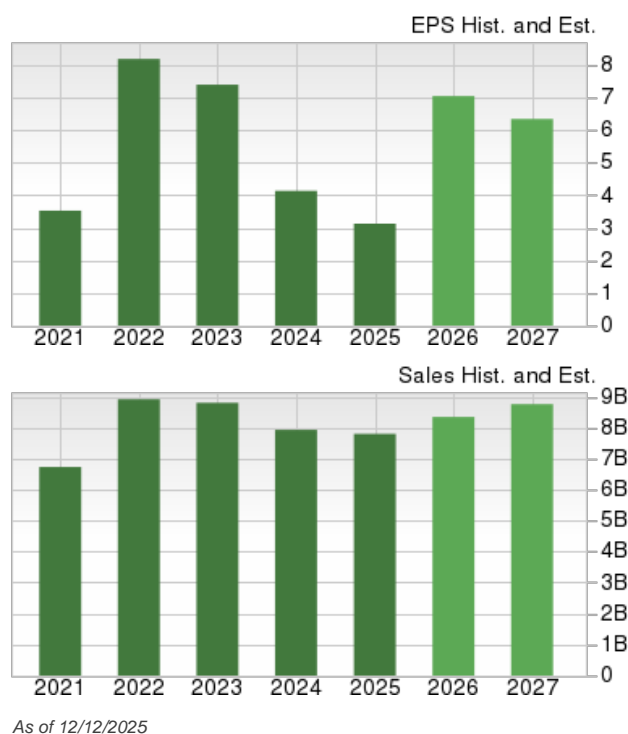
North America Steel Group segment consists largely of CMC's former North America segment's recycling, steel mill, rebar fabrication, fence post manufacturing and post-tension cable operations.

The steel mill operations include six EAF mini mills, two EAF micro mills, and one rerolling mill. The fabrication operations include 56 facilities engaged in various aspects of steel fabrication. Most of these facilities engage in the general fabrication of reinforcing steel.

The steel mills manufacture finished long steel products including rebar, merchant bar, light structural and other special sections and wire rod, as well as semi-finished billets for rerolling and forging applications (collectively referred to as steel products).

Europe Steel Group segment includes essentially all recycling, steel mill and steel fabrication operations that were previously part of the company's Europe segment. It comprises mini mill s, recycling and fabrication operations located in Poland.

Emerging Businesses Group segment includes the Tensar geogrid and Geopier, CMC Construction Services, Performance Reinforcing Steel, CMC Anchoring Systems, and Impact Metals operations. Except for the geogrid operations located outside North America, which were included in the former Europe segment, these were reported under CMC's former North America segment.



Reasons To Buy:

- ▲ The impacts of the robust demand in North America for each of Commercial Metals' major product lines are expected to get reflected in the company's results. Commercial Metals is also implementing price increases across its mill products in response to rapidly rising scrap costs, which will sustain margins. The company achieved the highest North American steel product margins in two years in the fourth quarter, with the sequential expansion driven by the price increases announced in June and July. The company expects finished steel shipments within the North America Steel Group to follow normal seasonal trends in the first quarter of fiscal 2026. The adjusted EBITDA margin of the segment will rise sequentially, driven by higher steel product margins over scrap. Overall, financial results in the first quarter of fiscal 2026 are expected to be in line with the fourth-quarter results.
- ▲ Commercial Metals will benefit from the Infrastructure Investment and Jobs Act signed in November 2021, which will provide 1.2 trillion in funding over five years and stimulate an estimated 1.5 million tons of incremental annual rebar demand at full run rate. Commercial Metals is benefiting from strong public infrastructure spending, with 60% of the Infrastructure Investment and Jobs Act funds still remaining to be spent. The company will benefit from its new source of earnings and cash flow in the upcoming quarters as the Arizona 2 and Steel West Virginia mill projects are operating at full capacity, with Arizona 2 delivering a full quarter of positive EBITDA in the fourth quarter of 2025.
- ▲ Commercial Metals' focus on augmenting its core capabilities while expanding growth in markets, customer groups and applications will aid growth. The company continues to gain from its ongoing network optimization efforts, which will yield additional margin and reduce costs in the near future. In early December, the company acquired Concrete Pipe & Precast, LLC ("CP&P") from Eagle Corporation and ECPP, LLC. The addition of CP&P will expand CMC's early-stage construction solutions portfolio. The deal is projected to be immediately accretive to CMC's earnings per share and free cash flow. By the third year of completion, annual run-rate synergies from the transaction are expected between \$5 million and \$10 million, primarily related to optimization initiatives. Commercial Metals has also inked a deal to acquire Foley Products Company for a cash purchase price of \$1.84 billion. This deal will provide CMC with an immediate platform scale in a strategically attractive industry. The company expects to close this deal by the end of 2025. The acquisition of Foley and CP&P will position Commercial Metals as a leading player in the Mid-Atlantic and Southeastern regions, which will operate one of the largest precast concrete platforms in the United States. The company has identified operational annual run-rate synergies of \$25-\$30 million from Foley and CP&P by year three, with additional synergies expected to be recognized in upcoming years.
- ▲ Steel demand in automotive has improved lately on the back of an easing of a global shortage in semiconductor chips that weighed heavily on the automotive industry for nearly two years. Low dealer inventories and pent-up demand are likely to be supporting factors. Meanwhile, order activities in the non-residential construction market also remain healthy, underscoring the underlying strength of this industry. Demand in the energy sector has also improved due to uptick in oil and gas prices. This demand is expected to provide support to steel prices.
- ▲ Commercial Metals' total liquidity reached \$1.9 billion as of Aug. 31, 2025. Commercial Metals reported cash and cash equivalents of \$1.04 billion at the end of fiscal 2025 compared with \$0.86 billion at the end of fiscal 2024. Its strong liquidity, financial position and focus on reducing debt through a strategic capital allocation approach will stoke growth. This underscores the company's ability to meet debt obligations.

Strong demand in North America for each of Commercial Metals' will aid growth. Moreover, price implementaion across its mill products will drive results.

Risks⁽²⁾

- The company faced the impacts of lower steel product margins over scrap costs in North America and Europe in the majority of fiscal 2025. European Union sanctions placed on imported materials from Russia and Belarus are expected to tighten the supply of long steel products. If the situation persists, this is expected to dent the company's margin.
 - The company is facing the impacts of a prolonged economic slowdown in the Western world, coupled with weaker-than-anticipated demand for steel. In Europe, sentiment and activity levels in the company's construction and industrial end markets were impacted by general economic uncertainties. Conditions in Europe are improving, but are still expected to weigh on the company's overall results.
 - The steel industry is still reeling under excess steel supply. China, which accounts for more than half of the global steel output, is a significant contributor to global steel excess capacity. Excess capacity has also led to greater protectionism, which is evident in raw material and finished product border tariffs put in place by China, Brazil and other countries. Such protectionism can have a material adverse effect on Commercial Metal's business, results of operations and financial condition.
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Last Earnings Report

Commercial Metals Q4 Earnings Beat Estimates, Sales Rise Y/Y

Commercial Metals reported earnings per share (EPS) of \$1.35 for the fourth quarter of fiscal 2025 (ended Aug. 31, 2025) compared with 90 cents in the year-ago quarter. Adjusted for one-time items, the earnings came in at \$1.37. The bottom line beat the Zacks Consensus Estimate of \$1.32.

Net sales in the reported quarter were around \$2.11 billion, up 5.9% year over year. The reported figure beat the Zacks Consensus Estimate of \$2.04 billion.

The cost of goods sold in the quarter was up 2.9% from the year-ago quarter to \$1.72 billion. The gross profit was up 21.6% from the year-ago quarter to \$393 million during this period. The core EBITDA was \$291 million in the fiscal fourth quarter, up 32.9% from the year-ago quarter.

Commercial Metals' Q4 Segment Performances

The North America Steel Group segment generated net sales of \$1.62 billion in the fiscal fourth quarter compared with \$1.56 billion in the year-ago quarter. The segment registered an adjusted EBITDA of \$239 million compared with the year-ago quarter's \$203 million.

The Europe Steel Group segment's revenues were \$263 million, up 18.5% from the year-ago quarter. The adjusted EBITDA was \$39 million in the fiscal fourth quarter against the year-ago quarter's negative \$3.6 million.

The Emerging Businesses Group segment generated net sales of \$222 million in the fiscal fourth quarter compared with \$195.5 million in the year-ago quarter. The segment registered an adjusted EBITDA of \$50.6 million, up 19.1% year over year.

CMC's FY25 Performance

Commercial Metals reported adjusted earnings per share of \$3.13 for fiscal 2025, marking a 24% decline from \$4.13 in fiscal 2024. The bottom line beat the Zacks Consensus Estimate of \$3.09.

Revenues dropped 1.6% year over year to \$7.79 billion in fiscal 2025, beating the Zacks Consensus Estimate of \$7.75 billion.

Commercial Metals' Q4 Cash Flow & Balance Sheet Updates

CMC reported cash and cash equivalents of \$1.04 billion at the end of fiscal 2025 compared with \$0.86 billion at the end of fiscal 2024. The company's long-term debt was \$1.31 billion at the end of fiscal 2025 compared with \$1.15 billion at the end of fiscal 2024. Cash generated from operating activities was \$715 million in fiscal 2025 compared with \$899.7 million in the last fiscal year.

Commercial Metals' FY26 Outlook

The company expects finished steel shipments within the North America Steel Group to follow normal seasonal trends in the first fiscal quarter of 2026. The adjusted EBITDA margin of the segment will rise sequentially, driven by higher steel product margins over scrap.

In the Emerging Businesses Group, results are expected to be down sequentially due to seasonality but increase on a year-over-year basis.

Meanwhile, Europe Steel Group's adjusted EBITDA is likely to remain near breakeven. Overall, financial results in the first quarter of fiscal 2026 are expected to be in line with the fourth quarter results.

FY Quarter Ending **8/31/2025**

Earnings Reporting Date	Jan 08, 2026
Sales Surprise	6.18%
EPS Surprise	18.71%
Quarterly EPS	1.84
Annual EPS (TTM)	4.21

Valuation

Commercial Metals' shares are up 48.5% in the trailing six-month period and up 26.5% over the trailing 12-month period. Stocks in the Zacks Steel - Producers industry and Basic Materials sector are up 37.4% and up 19.6% in the trailing six-months period, respectively. Over the past year, the Zacks sub-industry is up 40% while the sector is up 25.9%.

The S&P 500 index is up 18.8% in the trailing six-month period and up 17.6% in the past year.

The stock is currently trading at 12.17X forward 12-month earnings, which compares with 11.95X for the Zacks sub-industry, 15.78X for the Zacks sector and 23.62X for the S&P 500 index.

Over the past five years, the stock has traded as high as 18.74X and as low as 4.82X, with a 5-year median of 9.71X.

Our Outperform recommendation indicates that the stock will perform better than the market. Our \$83 price target reflects 14.16X forward 12-month earnings.

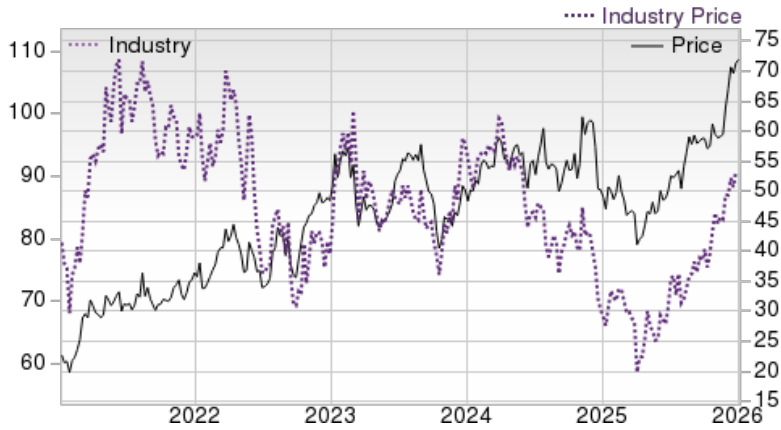
The table below shows summary valuation data for CMC.

Valuation Multiples - CMC					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	12.17	11.95	15.78	23.62
	5-Year High	18.74	11.95	16.66	23.78
	5-Year Low	4.82	3.52	8.03	15.73
	5-Year Median	9.71	8.81	12.87	21.21
EV/EBITDA TTM	Current	23.58	14.86	14.83	18.78
	5-Year High	23.76	14.86	14.83	22.41
	5-Year Low	3.67	2.77	5.75	13.87
	5-Year Median	5.76	9.01	10.87	17.96
P/B TTM	Current	1.89	1.85	3.54	8.58
	5-Year High	2.03	2.44	4.25	9.16
	5-Year Low	1.11	1.11	2.18	6.61
	5-Year Median	1.53	1.67	3.03	8.05

As of 12/11/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 27% (65 out of 244)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
Ternium S.A. (TX)	Outperform	1
Carpenter Technology...(CRS)	Neutral	2
Gerdau S.A. (GGB)	Neutral	4
ArcelorMittal (MT)	Neutral	3
Nucor Corporation (NUE)	Neutral	3
National Steel Compa...(SID)	Neutral	3
Steel Dynamics, Inc. (STLD)	Neutral	3
Olympic Steel, Inc. (ZEUS)	NA	

Industry Comparison⁽¹⁾ Industry: Steel - Producers

	CMC	X Industry	S&P 500	CRS	GGB	MT
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	1	-	-	2	4	3
VGM Score	A	-	-	C	A	D
Market Cap	7.84 B	6.74 B	40.73 B	16.00 B	7.89 B	36.67 B
# of Analysts	3	1	22	5	3	5
Dividend Yield	1.02%	1.00%	1.37%	0.25%	4.96%	0.99%
Value Score	B	-	-	D	A	A
Cash/Price	0.13	0.18	0.04	0.01	0.24	0.16
EV/EBITDA	23.02	5.38	15.01	25.18	4.84	6.16
PEG Ratio	0.70	0.56	2.04	1.34	1.53	0.18
Price/Book (P/B)	1.82	0.74	3.44	8.37	0.79	0.68
Price/Cash Flow (P/CF)	12.29	7.85	15.54	30.88	5.97	7.82
P/E (F1)	16.90	10.77	18.81	31.90	8.98	9.88
Price/Sales (P/S)	0.98	0.45	3.07	5.53	0.64	0.60
Earnings Yield	10.08%	8.73%	5.30%	3.13%	11.14%	10.12%
Debt/Equity	0.77	0.30	0.57	0.36	0.30	0.19
Cash Flow (\$/share)	5.75	2.76	8.98	10.40	0.66	6.05
Growth Score	B	-	-	C	B	F
Hist. EPS Growth (3-5 yrs)	0.39%	-20.09%	8.24%	182.14%	-23.19%	-20.09%
Proj. EPS Growth (F1/F0)	37.38%	105.79%	9.21%	34.63%	-8.11%	39.66%
Curr. Cash Flow Growth	-16.02%	-31.44%	7.00%	33.76%	-34.95%	-34.26%
Hist. Cash Flow Growth (3-5 yrs)	7.24%	7.64%	7.49%	14.31%	10.34%	8.04%
Current Ratio	4.47	2.04	1.19	4.44	2.70	1.39
Debt/Capital	43.39%	22.94%	38.14%	26.69%	22.94%	15.62%
Net Margin	5.46%	1.17%	12.77%	14.30%	4.38%	4.23%
Return on Equity	11.43%	2.79%	17.03%	22.68%	5.92%	4.94%
Sales/Assets	1.06	0.90	0.53	0.85	0.79	0.65
Proj. Sales Growth (F1/F0)	3.90%	4.93%	5.30%	6.70%	1.90%	-1.10%
Momentum Score	A	-	-	B	F	D
Daily Price Chg	-3.56%	0.00%	0.01%	-5.59%	-0.75%	-1.19%
1 Week Price Chg	0.77%	0.80%	1.11%	1.19%	0.80%	2.05%
4 Week Price Chg	-1.05%	4.71%	0.30%	-0.21%	8.22%	3.96%
12 Week Price Chg	27.57%	14.37%	4.41%	34.92%	21.54%	22.00%
52 Week Price Chg	48.43%	41.33%	16.95%	74.74%	39.08%	116.82%
20 Day Average Volume	1,108,579	55,899	2,445,854	857,694	10,605,315	1,030,794
(F1) EPS Est 1 week change	0.95%	0.00%	0.00%	-0.02%	-1.49%	-0.97%
(F1) EPS Est 4 week change	0.95%	0.00%	0.00%	0.18%	-3.65%	-0.97%
(F1) EPS Est 12 week change	47.57%	0.87%	0.47%	5.70%	-2.22%	0.87%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.21%	NA	0.00%

Analyst Earnings Model⁽²⁾

Commercial Metals Company (CMC)

In \$MM, except per share data

	2023A	2024A			2025A					2026E			2027E	2028E
	FY	FY	1QA	2QA	3QA	4QA	FY	1QE	2QE	3QE	4QE	FY	FY	FY
FY Ends August 31st	Aug-23	Aug-24	30-Nov-24	28-Feb-25	31-May-25	31-Aug-25	Aug-25	30-Nov-25	28-Feb-26	31-May-26	31-Aug-26	Aug-26	Aug-27	Aug-28
Income Statement														
Net Sales	\$8,799.5	\$7,926.0	\$1,909.6	\$1,754.4	\$2,020.0	\$2,114.5	\$7,798.5	\$1,970.8	\$1,849.6	\$2,135.2	\$2,148.2	\$8,103.8	\$8,331.6	\$8,723.6
Cost of Goods Sold	\$6,987.6	\$6,567.3	\$1,601.7	\$1,534.8	\$1,720.1	\$1,721.7	\$6,578.3	\$1,629.5	\$1,560.8	\$1,781.0	\$1,720.2	\$6,691.6	\$6,813.7	\$7,075.4
Gross Profit	\$1,811.9	\$1,358.7	\$307.9	\$219.5	\$299.9	\$392.8	\$1,220.2	\$341.2	\$288.8	\$354.2	\$428.0	\$1,412.2	\$1,518.0	\$1,648.2
Selling, General and Administrative Expenses	\$643.5	\$668.4	\$177.9	\$167.6	\$175.8	\$180.2	\$700.2	\$177.6	\$171.0	\$189.0	\$191.2	\$728.8	\$756.1	\$791.3
Interest Expense	\$40.1	\$47.9	\$11.3	\$11.2	\$10.9	\$12.1	\$45.5	\$11.7	\$11.4	\$12.1	\$12.4	\$47.7	\$51.9	\$54.5
Loss on Debt Extinguishment	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Asset Impairments	\$3.8	\$6.7	\$0.0	\$0.4	\$0.8	\$3.4	\$4.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Litigation Expense		\$0.0	\$350.0	\$4.7	\$3.8	\$3.8	\$362.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Loss (Gain) on Sale of Assets	\$2.3	\$3.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Operating Expenses	\$7,677.6	\$7,290.3	\$2,140.9	\$1,718.3	\$1,910.5	\$1,921.3	\$7,690.9	\$1,818.9	\$1,743.2	\$1,982.1	\$1,923.8	\$7,468.0	\$7,621.8	\$7,921.2
Adjusted EBITDA	\$1,384.7	\$968.7	(\$151.6)	\$126.4	\$187.5	\$278.4	\$440.7	\$236.2	\$188.6	\$242.7	\$313.4	\$980.8	\$1,066.3	\$1,175.2
Settlement of New Markets Tax Credit Transactions	(\$17.7)	(\$6.7)	\$0.0	\$0.0	(\$2.8)	\$0.0	(\$2.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Non-Cash Equity Compensation		\$45.1	\$10.2	\$8.0	\$9.5	\$9.2	\$37.1	\$9.4	\$8.5	\$9.9	\$9.9	\$37.6	\$38.5	\$40.3
Core EBITDA	\$1,427.6	\$1,007.0	\$208.7	\$139.1	\$198.0	\$291.4	\$837.3	\$245.5	\$197.1	\$252.6	\$323.2	\$1,018.4	\$1,104.8	\$1,215.5
Depreciation and Amortization	\$218.8	\$280.4	\$70.4	\$70.6	\$72.4	\$72.5	\$285.9	\$72.5	\$70.8	\$77.5	\$76.5	\$297.4	\$304.4	\$318.3
Operating Income	\$1,162.3	\$683.6	(\$220.0)	\$47.3	\$120.4	\$205.4	\$153.0	\$163.6	\$117.8	\$165.2	\$236.8	\$683.4	\$761.8	\$856.9
Pre-Tax Income	\$1,122.0	\$635.7	(\$231.3)	\$36.1	\$109.5	\$193.2	\$107.5	\$151.9	\$106.4	\$153.1	\$224.4	\$635.8	\$709.9	\$802.3
Income Tax	\$262.2	\$150.2	(\$55.6)	\$10.6	\$26.4	\$41.5	\$22.9	\$36.5	\$25.5	\$36.7	\$53.9	\$152.6	\$170.4	\$192.6
Tax Rate	23.4%	23.6%	24.0%	29.4%	24.1%	21.5%	21.3%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Net Income, Adjusted	\$848.8	\$483.9	\$86.9	\$35.8	\$79.6	\$155.0	\$357.3	\$115.4	\$80.8	\$116.3	\$170.6	\$483.2	\$539.5	\$609.8
Net Income, GAAP	\$859.8	\$485.5	(\$175.7)	\$25.5	\$83.1	\$151.8	\$84.7	\$115.4	\$80.8	\$116.3	\$170.6	\$483.2	\$539.5	\$609.8
Basic Shares Outstanding	117.1	115.8	114.1	113.6	112.7	111.7	113.0	111.6	111.5	111.4	111.3	111.4	111.0	110.6
Diluted Shares Outstanding	118.6	117.2	114.1	114.5	113.6	112.7	114.1	112.6	112.5	112.4	112.3	112.5	112.1	111.7
Basic EPS	\$7.34	\$4.19	(\$1.54)	\$0.22	\$0.74	\$1.36	\$0.75	\$1.03	\$0.73	\$1.04	\$1.53	\$4.34	\$4.86	\$5.51
Diluted EPS, Adjusted	\$7.16	\$4.13	\$0.76	\$0.31	\$0.70	\$1.37	\$3.13	\$1.03	\$0.72	\$1.04	\$1.52	\$4.30	\$4.82	\$5.46
Diluted EPS, GAAP	\$7.25	\$4.14	(\$1.54)	\$0.22	\$0.73	\$1.35	\$0.74	\$1.03	\$0.72	\$1.04	\$1.52	\$4.30	\$4.82	\$5.46
Dividend per Share	\$0.64	\$0.68	\$0.18	\$0.18	\$0.18	\$0.18	\$0.72	\$0.18	\$0.18	\$0.18	\$0.18	\$0.72	\$0.72	\$0.72

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	B
Growth Score	B
Momentum Score	A
VGM Score	A

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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