ZACKS | Our Research. Your Success.

Zacks Report Date: December 02, 2025

Deere & Company (DE)

$468.11 (Stock Price as of 12/01/2025)

Price Target (6-12 Months): **$393.00**

Long Term: 6-12 Months	**Zacks Recommendation:**	**Underperform**
	(Since: 10/20/25)	
	Prior Recommendation: Neutral	
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**4-Sell**
	Zacks Style Scores:	VGM: C
	Value: C | Growth: B	Momentum: C

Summary

Deere has been witnessing a decline in sales over the past eight quarters, with earnings also falling in seven consecutive quarters. This dismal performance is attributed to lower shipment volumes across all segments amid sluggish demand. The company has been reducing production volumes and managing inventory in response to these challenging market conditions. Elevated production expenses and low commodity prices will weigh on farmers' investment decisions, which is likely to pressure Deere's results in the ongoing fiscal year. Its pricing actions and efforts to lower costs will somewhat offset these headwinds. Even though the company is focusing on launching products equipped with the latest technology, it will be offset by the headwinds. The estimates for the company's ongoing year have lately moved south.

Price, Consensus & Surprise(1)

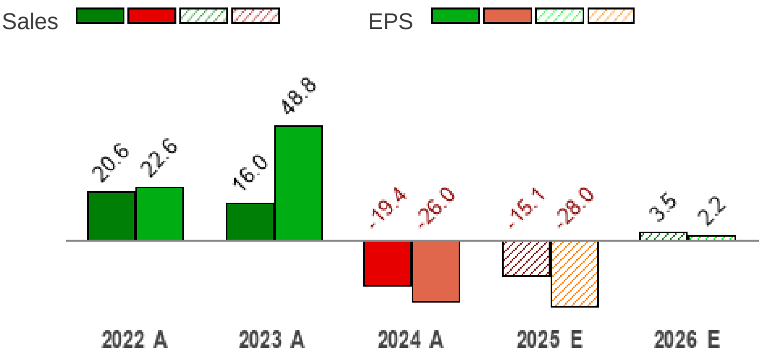
Data Overview

52 Week High-Low	**$533.78 - $403.01**
20 Day Average Volume (sh)	**1,568,305**
Market Cap	**$126.5 B**
YTD Price Change	**10.5%**
Beta	**1.00**
Dividend / Div Yld	**$6.48 / 1.4%**
Industry	**Manufacturing - Farm Equipment**
Zacks Industry Rank	**Bottom 10% (219 out of 243)**

Last EPS Surprise	**-0.8%**
Last Sales Surprise	**5.9%**
EPS F1 Est- 4 week change	**-3.3%**
Expected Report Date	**02/12/2026**
Earnings ESP	**-18.2%**

P/E TTM	**25.3**
P/E F1	**25.4**
PEG F1	**-1.8**
P/S TTM	**2.8**

Sales and EPS Growth Rates (Y/Y %)(2)



Sales Estimates (millions of $)(2)

	Q1	Q2	Q3	Q4	Annual*
2027					
2026	7,084 E	11,482 E	10,709 E	10,069 E	39,344 E
2025	6,809 A	11,171 A	10,357 A	10,579 A	38,917 A

EPS Estimates(2)

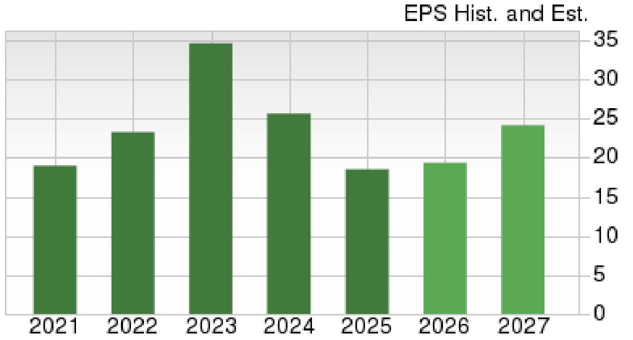
	Q1	Q2	Q3	Q4	Annual*
2027					
2026	2.83 E	5.97 E	5.26 E	4.78 E	18.84 E
2025	3.19 A	6.64 A	4.75 A	3.93 A	18.50 A

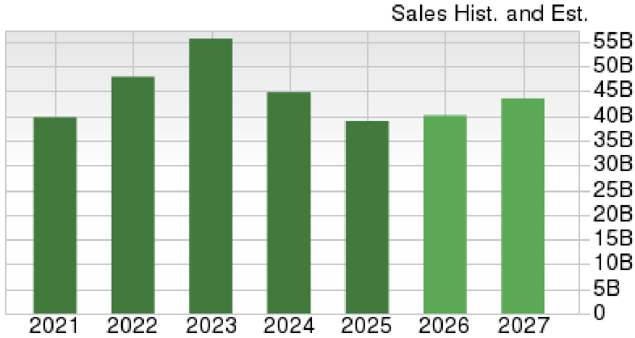
*Quarterly figures may not add up to annual.

(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 10/21/2025.

Overview

Illinois-based Deere is the world's largest producer of agricultural equipment, manufacturing agricultural machinery since 1837 under the iconic John Deere brand with its signature green and yellow color scheme. It is the 93rd-largest company in the S&P 500 Index with a market capitalization of around $125 billion. It has an advantage in most farm machinery categories as its machines come with advanced features and are better constructed than its competitors. Deere is currently the world leader in precision agriculture and remains focused on revolutionizing agriculture with technology, in an effort to make farming automated, easier and more precise across the production process.





As of 10/21/2025

Beginning fiscal 2021, the company has four reportable segments. Agriculture and turf operations had been divided into two new segments:

The Production and Precision Agriculture segment (65% of agriculture and turf revenues in fiscal 2024) is responsible for defining, developing, and delivering global equipment and technology solutions that cater to production-scale growers of large grains, small grains, cotton, and sugar. Primary products include large and certain mid-size tractors, combines, cotton pickers, sugarcane harvesters and loaders, and soil preparation, seeding, application and crop care equipment.

The Small Agriculture and Turf segment (35% of Agriculture and turf revenues) will deliver products to support mid-size and small growers and producers globally, and turf customers. It will cater to production systems for dairy and livestock, high-value crops, and turf and utility operators. Products include certain mid-size and small tractors, and hay and forage equipment, riding and commercial lawn equipment, golf course equipment, and utility vehicles.

The Construction and Forestry (29% of equipment revenues) segment manufactures machines and service parts used in construction, earthmoving, material handling and timber harvesting. Deere also manufactures and distributes road building equipment through its wholly-owned subsidiaries of the Wirtgen Group.

Deere also finances sales and leases for new and used equipment through its Financial Services segment, which generated 11% of the Deere's revenues in fiscal 2024.

As of 12/01/2025

Reasons To Sell:

Deere's results will bear the impact of persistent lower volumes, and soft demand. Higher costs and low commodity price add to the concerns.

- Deere has been facing challenges due to weak farmer spending amid low commodity prices. This has weighed on its earnings performance. The U.S. Department of Agriculture (USDA) slightly lowered its projection for net farm income for 2025 to $179.8 billion from earlier estimates of $180.1 billion. The updated figure indicates an increase of 40.7% from that reported in 2024. However, much of this growth reflects a $30.4 billion increase in direct government farm payments to $40.5 billion for 2025. Meanwhile, crop receipts are anticipated to decline 2.5% (previous expectation was 2.3%) from the prior year due to lower revenues for soybeans, corn and wheat. This will be offset by an 11.2% increase in animal and animal products receipts. Production expenses are also expected to move up 2.6%, leading to more pressure on farmers.
- The company stated that in the wake of challenging conditions in the global agricultural and construction sectors, it will align its production with demand levels. Net sales for Production & Precision Agriculture are expected to decrease 15-20% year over year in fiscal 2025. Sales of Small Agriculture & Turf are expected to decline 10%. Sales of Construction and Forestry are projected to fall 10-15%.
- The company anticipates a pre-tax tariff impact of approximately $600 million in fiscal year 2025, up from the previously mentioned $500 million. It expects a fourth-quarter pre-tax tariff impact of around $300 million. The high rate is mainly due to the higher reciprocal rate in Europe and India, and the steel tariff increasing from 25% to 50%. Deere has been witnessing a decline in sales over the past eight quarters, with earnings also falling in seven consecutive quarters due to lower shipment volumes across all segments amid sluggish demand. The company has been reducing production volumes and managing inventory in response to these challenging market conditions.

Risks[2] (to the Underperform recommendation)

- Despite the ongoing volatility in commodity prices and lower crop receipts, agricultural equipment demand will continue to be supported by increased global demand for food, stemming from population growth and an increasing proportion of the population aspiring for better living standards.

- In the years to come, demand for agricultural equipment will be fueled by increased global demand for food, both from population growth and an increasing proportion of the population aspiring for better living standards. This will continue to support Deere's margin.

- Deere's order book remains solid at the end of the third fiscal quarter. The company reported mid-teens year-over-year growth in its order book, on a percentage basis. This reflects improved demand in its markets. The need to replace aging equipment will also support DE's top-line performance. The demand for its construction equipment and earthmoving retail will be supported by increased infrastructure spending.

- Deere is assessing cost structure by reviewing organizational efficiency and footprint assessment, which in turn will help improve margins. Its price realization action is expected to offset higher material and freight costs. Deere's smart industrial strategy is aiding customers in managing escalating input costs while improving their yields. The company is focused on driving capital-allocation decisions, intensifying investments in precision agriculture, as well as enhancing capabilities in the aftermarket and retrofit business. Deere has implemented actions to strengthen its financial position and preserve liquidity.
- Deere remains well poised for growth over the long term, backed by steady investments in new products and geographies. The company will benefit from a concerted focus on launching products with advanced technologies and features, which provides it with a competitive edge. These investments will aid its customers in achieving improved profitability, productivity, and sustainability through the effective use of technology. It remains focused on revolutionizing agriculture with technology in an effort to make farming automated, easy to use and more precise across the production process. In sync with this, the company acquired GUSS Automation on Aug. 27 to accelerate innovation and deliver technologies that can cut down operator error, labor costs and material waste. GUSS is a pioneer in autonomous sprayers used in orchards and vineyards. The addition of GUSS brings a trusted solution to one of agriculture's fastest???growing segments.

- The company is seeing strong demand from its new product launches, like ExactRate planter applied fertilizer systems and AutoPath. ExactRate signifies the precision application of fertilizer, while AutoPath leverages Deere's onboard technology linked to its operation center throughout a customer's entire production cycle. AutoPath will strengthen automated farming in the future with its new features and technologies as part of the company's Precision Agriculture software package strategies. The company's ongoing investments remain focused on the development of new products, cutting-edge technologies, and advanced manufacturing capabilities.

Last Earnings Report

Deere Q3 Earnings & Sales Beat Estimates, Dip Y/Y on Lower Volume

FY Quarter Ending	10/31/2025
Earnings Reporting Date	Nov 26, 2025
Sales Surprise	5.92%
EPS Surprise	-0.76%
Quarterly EPS	3.93
Annual EPS (TTM)	18.51

Deere has reported third-quarter fiscal 2025 earnings of $4.75 per share, which beat the Zacks Consensus Estimate of $4.62. The bottom line, however, decreased 24% from the prior-year quarter on lower shipment volumes.

Net sales of equipment operations (comprising Agriculture, and Turf, Construction and Forestry) were $10.36 billion, down 9% year over year. However, net sales topped the Zacks Consensus Estimate of $10.26 billion. Total net sales (including financial services and others) were $12.02 billion, down 8.6% year over year.

Deere’s Profits Decline in Q3

The cost of sales in the reported quarter was down 3.5% year over year to $7.57 billion. Total gross profit decreased 21.2% year over year to $2.79 billion. Selling, administrative and general expenses fell 4.8% to $1.22 billion from the prior-year period.

Total operating profit (including financial services) slumped 31.7% year over year to $1.57 billion in the fiscal third quarter.

DE’s Segmental Performances in Q3

The Production & Precision Agriculture segment’s sales fell 16% year over year to $4.27 billion due to lower shipment volumes and unfavorable price realization. Operating profit decreased 50% year over year to $580 million, attributed to lower shipment volumes/sales mix.

Small Agriculture & Turf sales fell 1% to $3.03 billion from the year-earlier quarter. Segmental sales were impacted by lower shipment volume, which was partially offset by currency translation and favorable price realization. Operating profit fell 2% year over year to $485 million due to lower shipment volumes and higher warranty expenses, partially offset by price realization.

Construction & Forestry sales were $3.06 million, down 5% year over year, reflecting unfavorable price realization. Operating profit decreased 47% year over year to $237 million on unfavorable price realization and higher production costs due to higher tariffs, partially negated by a favorable product mix.

Revenues in Deere’s Financial Services division were $1.42 billion in the reported quarter, down 4% year over year. Net income of Deere’s Financial Services division was $205 million in the reported quarter compared with $153 million in the prior-year quarter. The upside was due to lower provision for credit losses.

Deere’s Cash & Debt Position

DE reported cash and cash equivalents of $8.58 billion for the third quarter of fiscal 2025 compared with $7.32 billion at the end of fiscal 2024. The cash flow from operating activities was $3.46 billion in the first nine months of fiscal 2025 compared with $4.14 billion in the prior-year period.

At the end of the quarter, the long-term borrowing was $44.43 billion compared with $43.23 billion at the year-ago quarter’s end.

DE’s 2025 Guidance

Deere expects net income for fiscal 2025 between $4.75 billion and $5.25 billion, narrowed from the prior stated $4.75-$5.50 billion.

Net sales for Production & Precision Agriculture are expected to decrease 15-20% year over year in fiscal 2025.

Sales of Small Agriculture & Turf are expected to decline 10%. Sales of Construction & Forestry are projected to fall 10-15%. The Financial Services segment’s net income is expected to be $770 million.

Valuation

Deere's shares are up 2.4% in the trailing six-month period and up 15.3% in the trailing 12-month period. Over the past six months, stocks in the Manufacturing - Farm Equipment industry and Industrial Products sector are up 2.5% and up 20.6%, respectively. Over the past year, the Zacks sub-industry are up 11.8% while the sector are up 3.5%.
The S&P 500 index is up 30.1% in the trailing six-month period and up 18.9% in the past year.

The stock is currently trading at 22.83X forward 12-month earnings, which compares with 20.62X for the Zacks sub-industry, 19.92X for the Zacks sector and 23.65X for the S&P 500 index.

Over the past five years, the stock has traded as high as 30.36X and as low as 10.81X, with a 5-year median of 15.83X.

Our Underperform recommendation indicates that the stock will perform worse than the market. Our $393 price target reflects 19.42X forward 12-month earnings.

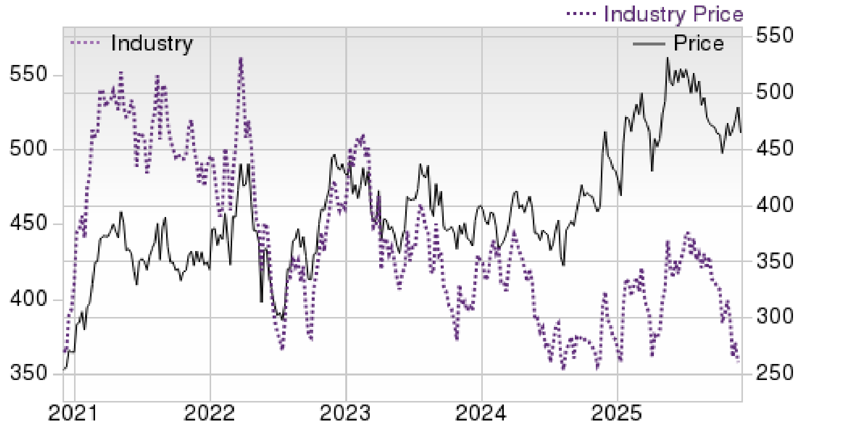
The table below shows summary valuation data for DE.

Valuation Multiples - DE

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	22.83	20.62	19.92	23.65
	5-Year High	30.36	23.16	22.86	23.65
	5-Year Low	10.81	9.93	13.21	15.72
	5-Year Median	15.83	14.28	18.07	21.21
P/S F12M	Current	3.08	4.21	3.99	5.42
	5-Year High	3.61	4.89	3.99	5.52
	5-Year Low	1.71	2.05	2.25	3.84
	5-Year Median	2.39	3.05	3.05	5.02
EV/EBITDA TTM	Current	15.32	22.71	24.41	18.69
	5-Year High	19.56	27.71	27.95	22.59
	5-Year Low	8.89	13.67	13.76	13.96
	5-Year Median	13.97	19.27	17.78	18.11

As of 10/20/2025 *Source: Zacks Investment Research*

Industry Analysis[1] Zacks Industry Rank: Bottom 10% (219 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
AGCO Corporation **(AGCO)**	Neutral	3
Astec Industries, In…**(ASTE)**	Neutral	3
Caterpillar Inc. **(CAT)**	Neutral	3
Kubota Corp. **(KUBTY)**	Neutral	4
Lindsay Corporation **(LNN)**	Neutral	3
Alamo Group, Inc. **(ALG)**	Underperform	4
Ingersoll Rand Inc. **(IR)**	Underperform	4
Titan International,…**(TWI)**	NA	

Industry Comparison[1] Industry: Manufacturing - Farm Equipment

	DE	X Industry	S&P 500	AGCO	KUBTY	LNN
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	3	4	3
VGM Score	C	-	-	F	A	A
Market Cap	126.54 B	1.58 B	37.98 B	7.97 B	16.91 B	1.24 B
# of Analysts	11	4	22	7	1	2
Dividend Yield	1.38%	0.00%	1.46%	1.09%	1.70%	1.26%
Value Score	C	-	-	C	B	B
Cash/Price	0.08	0.13	0.04	0.11	0.14	0.21
EV/EBITDA	13.68	8.84	14.48	-1,161.60	7.84	9.22
PEG Ratio	-1.78	1.69	2.21	1.70	NA	NA
Price/Book (P/B)	4.88	1.61	3.36	1.77	0.92	2.39
Price/Cash Flow (P/CF)	17.31	11.01	14.93	8.87	7.26	13.15
P/E (F1)	25.39	19.02	20.30	21.38	17.48	18.72
Price/Sales (P/S)	2.77	0.85	3.10	0.79	0.86	1.83
Earnings Yield	3.98%	5.26%	4.91%	4.67%	5.72%	5.34%
Debt/Equity	1.68	0.37	0.57	0.61	0.52	0.22
Cash Flow ($/share)	26.84	5.14	8.99	11.95	10.04	8.74
Growth Score	B	-	-	F	A	B
Hist. EPS Growth (3-5 yrs)	10.66%	6.64%	8.16%	-3.62%	-0.10%	12.07%
Proj. EPS Growth (F1/F0)	-28.02%	-20.12%	8.18%	-33.47%	-35.83%	-7.82%
Curr. Cash Flow Growth	-21.28%	-29.90%	7.00%	-38.62%	-5.81%	14.87%
Hist. Cash Flow Growth (3-5 yrs)	12.11%	6.98%	7.31%	7.76%	3.59%	10.35%
Current Ratio	2.22	2.38	1.19	1.58	1.75	3.71
Debt/Capital	62.68%	34.03%	38.15%	40.33%	34.03%	17.73%
Net Margin	11.00%	6.58%	12.82%	3.73%	5.95%	10.95%
Return on Equity	20.54%	9.36%	17.00%	9.36%	6.54%	14.33%
Sales/Assets	0.43	0.67	0.53	0.85	0.51	0.83
Proj. Sales Growth (F1/F0)	-15.10%	0.00%	5.53%	-15.60%	NA	-0.60%
Momentum Score	C	-	-	D	D	B
Daily Price Chg	-1.15%	0.00%	0.54%	0.36%	3.89%	-1.31%
1 Week Price Chg	2.31%	-0.07%	3.73%	1.50%	-0.07%	2.40%
4 Week Price Chg	0.62%	0.62%	0.13%	2.71%	12.40%	3.32%
12 Week Price Chg	-1.85%	-4.56%	5.67%	-4.56%	18.83%	-18.19%
52 Week Price Chg	-0.30%	-0.30%	13.54%	4.69%	15.84%	-13.44%
20 Day Average Volume	1,524,959	467,842	2,762,023	560,757	12,575	132,284
(F1) EPS Est 1 week change	-0.48%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-3.29%	-4.14%	0.15%	4.33%	-4.99%	0.00%
(F1) EPS Est 12 week change	-7.41%	-8.06%	0.60%	2.76%	-8.71%	1.05%
(Q1) EPS Est Mthly Chg	-4.39%	-4.39%	-0.04%	7.33%	NA	0.00%

Industry Peers: AGCO, KUBTY, LNN

Analyst Earnings Model[2]

Deere & Company (DE)

In $MM, except per share data

	2022A	2023A	2024A			2025E					2026E			2027E
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends October 31st	Oct-22	Oct-23	Oct-24	31-Jan-25	30-Apr-25	31-Jul-25	31-Oct-25	Oct-25	31-Jan-26	30-Apr-26	31-Jul-26	31-Oct-26	Oct-26	Oct-27
Income Statement														
Consolidated														
Net Sales	$47,917.0	$55,565.0	$44,759.0	$6,809.0	$11,171.0	$10,357.0	$9,674.1	$38,011.1	$7,083.7	$11,482.0	$10,708.7	$10,069.0	$39,343.5	$42,877.6
Finance and Interest Income	$3,365.0	$4,683.0	$5,759.0	$1,453.0	$1,354.0	$1,426.0	$1,548.8	$5,781.8	$1,484.5	$1,392.0	$1,436.7	$1,591.9	$5,905.2	$6,294.8
Other Income	$1,295.0	$1,003.0	$1,198.0	$246.0	$238.0	$235.0	$313.0	$1,032.0	$249.6	$218.4	$220.1	$307.8	$995.9	$883.4
Total Revenue	**$52,577.0**	**$61,251.0**	**$51,716.0**	**$8,508.0**	**$12,763.0**	**$12,018.0**	**$11,535.9**	**$44,824.9**	**$8,817.8**	**$13,092.5**	**$12,365.6**	**$11,968.7**	**$46,244.5**	**$50,055.8**
Cost of Sales	$35,338.0	$37,715.0	$30,775.0	$5,037.0	$7,609.0	$7,570.0	$7,089.3	$27,305.3	$5,190.0	$7,911.6	$7,487.6	$7,128.9	$27,718.2	$28,932.6
Gross Profit	**$17,239.0**	**$23,536.0**	**$20,941.0**	**$3,471.0**	**$5,154.0**	**$4,448.0**	**$4,446.6**	**$17,519.6**	**$3,627.8**	**$5,180.8**	**$4,878.0**	**$4,839.7**	**$18,526.3**	**$21,123.2**
Research and Development Expenses	$1,912.0	$2,177.0	$2,290.0	$526.0	$549.0	$556.0	$619.1	$2,250.1	$468.6	$661.0	$630.8	$611.0	$2,371.5	$2,558.4
Selling, Administrative and General Expenses	$3,863.0	$4,595.0	$4,840.0	$972.0	$1,197.0	$1,217.0	$1,239.8	$4,625.8	$977.0	$1,220.5	$1,198.4	$1,228.5	$4,624.4	$4,784.3
EBITDA	**$11,403.0**	**$14,962.0**	**$11,157.0**	**$1,342.0**	**$2,863.0**	**$2,132.0**	**$1,956.8**	**$8,293.8**	**$1,394.4**	**$2,781.0**	**$2,516.8**	**$2,248.1**	**$8,940.2**	**$10,979.9**
Depreciation & Amortization	$1,895.0	$2,004.0	$2,118.0	$549.0	$555.0	$564.0	$581.4	$2,249.4	$452.7	$628.9	$608.1	$595.3	$2,285.0	$2,471.5
Operating Income	**$9,508.0**	**$12,958.0**	**$9,039.0**	**$793.0**	**$2,308.0**	**$1,568.0**	**$1,375.3**	**$6,044.3**	**$941.7**	**$2,152.1**	**$1,908.7**	**$1,652.8**	**$6,655.2**	**$8,508.5**
Interest Expense	$1,062.0	$2,453.0	$3,348.0	$829.0	$784.0	$794.0	$865.5	$3,272.5	$864.7	$865.5	$867.5	$943.1	$3,540.8	$3,822.0
Other Operating Expenses	$1,275.0	$1,292.0	$1,257.0	$249.0	$287.0	$281.0	$409.6	$1,226.6	$335.3	$324.3	$331.4	$383.7	$1,374.7	$1,496.3
Total Operating Expenses	**$43,450.0**	**$48,232.0**	**$42,510.0**	**$7,613.0**	**$10,426.0**	**$10,418.0**	**$10,223.3**	**$38,680.3**	**$7,835.7**	**$10,983.0**	**$10,515.7**	**$10,295.2**	**$39,629.6**	**$41,593.6**
Pre-Tax Income	**$9,127.0**	**$13,019.0**	**$9,206.0**	**$895.0**	**$2,337.0**	**$1,600.0**	**$1,312.6**	**$6,144.6**	**$982.1**	**$2,109.5**	**$1,849.9**	**$1,673.4**	**$6,614.9**	**$8,462.2**
Income Tax	$2,007.0	$2,871.0	$2,094.0	$27.0	$539.0	$339.0	$295.5	$1,200.5	$245.5	$527.4	$462.5	$418.4	$1,653.7	$2,115.6
Tax Rate	22.0%	22.1%	22.7%	3.0%	23.1%	21.2%	22.5%	19.5%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Equity Income and Affiliates	$10.0	$7.0	($24.0)	($1.0)	$3.0	$10.0	$10.0	$22.0	$10.0	$10.0	$10.0	$10.0	$40.0	$40.0
Net Income	**$7,130.0**	**$10,155.0**	**$7,088.0**	**$867.0**	**$1,801.0**	**$1,271.0**	**$1,027.1**	**$4,966.1**	**$746.6**	**$1,592.1**	**$1,397.4**	**$1,265.1**	**$5,001.2**	**$6,386.7**
Non-Controlling Interest	($1.0)	($11.0)	($12.0)	($2.0)	($3.0)	($18.0)	($18.0)	($41.0)	($18.0)	($18.0)	($18.0)	($18.0)	($72.0)	($72.0)
Net Income Attributable to Common Shareholders	**$7,131.0**	**$10,166.0**	**$7,100.0**	**$869.0**	**$1,804.0**	**$1,289.0**	**$1,045.1**	**$5,007.1**	**$764.6**	**$1,610.1**	**$1,415.4**	**$1,283.1**	**$5,073.2**	**$6,458.7**
Diluted Shares Outstanding	306.3	293.6	277.1	272.3	271.8	271.4	270.7	271.5	270.0	269.7	269.1	268.6	269.4	266.9
Diluted EPS	**$23.28**	**$34.63**	**$25.62**	**$3.19**	**$6.64**	**$4.75**	**$3.86**	**$18.44**	**$2.83**	**$5.97**	**$5.26**	**$4.78**	**$18.84**	**$24.20**
Dividend per Share	$4.28	$4.83	$5.76	$1.47	$1.62	$1.62	$1.62	$6.33	$1.62	$1.78	$1.78	$1.78	$6.97	$7.66

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	B
Momentum Score	C
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.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

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