

## Hewlett Packard (HPE)

**\$24.30** (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$27.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**  
(Since: 12/08/25)  
Prior Recommendation: Underperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**  
Zacks Style Scores: VGM: A  
Value: A | Growth: B | Momentum: D

### Summary

Hewlett Packard Enterprise is benefiting from strong execution in clearing backlogs and increased customer acceptance. The acquisition of Juniper Networks is not just a financial move but a strategic leap to elevate its competitive stance by expanding its networking domain in AI, cloud and hybrid solutions. Its multi-billion-dollar investment plan across expanding networking capabilities will diversify the business from the server and hardware storage markets and boost margins in the long run. Efforts to shift its focus to higher-margin offerings like Aruba and cost-saving initiatives are aiding the bottom-line results. However, a softened IT spending environment amid macroeconomic headwinds and rising competition may undermine its near-term prospects. Shares of the company have underperformed the industry over the past year.

### Data Overview

52 Week High-Low	\$26.44 - \$11.97
20 Day Average Volume (sh)	27,433,888
Market Cap	\$32.1 B
YTD Price Change	13.8%
Beta	1.34
Dividend / Div Yld	\$0.57 / 2.1%
Industry	<a href="#">Computer - Integrated Systems</a>
Zacks Industry Rank	Top 11% (26 out of 243)

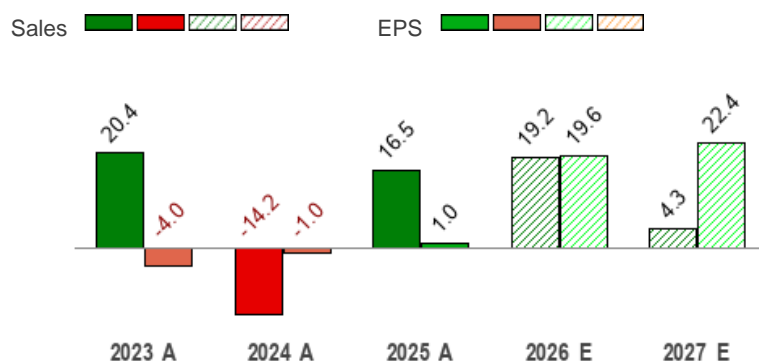
Last EPS Surprise	5.1%
Last Sales Surprise	-2.6%
EPS F1 Est- 4 week change	-1.8%
Expected Report Date	03/05/2026
Earnings ESP	-2.2%

P/E TTM	12.6
P/E F1	12.7
PEG F1	0.6
P/S TTM	0.9

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	10,242 E	10,183 E	10,874 E	11,332 E	42,631 E
2026	9,820 E	9,763 E	10,425 E	10,865 E	40,872 E
2025	7,854 A	7,627 A	9,136 A	9,679 A	34,296 A

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

	Q1	Q2	Q3	Q4	Annual*
2027	0.70 E	0.61 E	0.72 E	0.81 E	2.84 E
2026	0.57 E	0.50 E	0.59 E	0.65 E	2.32 E
2025	0.49 A	0.38 A	0.44 A	0.62 A	1.94 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 12/11/2025.

## Overview

Headquartered in Spring, TX, Hewlett Packard Enterprise Company was formed as a result of the split of Hewlett-Packard Company into two separate entities – one focusing on the enterprise-facing hardware and service business and the other focusing on the consumer-facing computer and printer segments.

Effective Nov 1, 2015, the enterprise and service business-oriented company, Hewlett Packard Enterprise, started trading under the ticker symbol “HPE”, while the PC-focused business named, HP Inc., continues to trade under the symbol “HPQ”. During fiscal 2017, the company divested its two business segments — Enterprise Services and Software.

Hewlett Packard Enterprise reports financial results under five segments: Server, Hybrid Cloud, Networking, Financial Services and Corporate Investments and Other. In fiscal 2025, the company reported revenues of \$34.3 billion.

The Server segment (52% of fiscal 2025 revenues) includes general-purpose servers and certain workload-optimized server portfolios.

Hybrid Cloud (17%) includes the historical Storage segment, HPE GreenLake Flex Solutions, Private Cloud and Software.

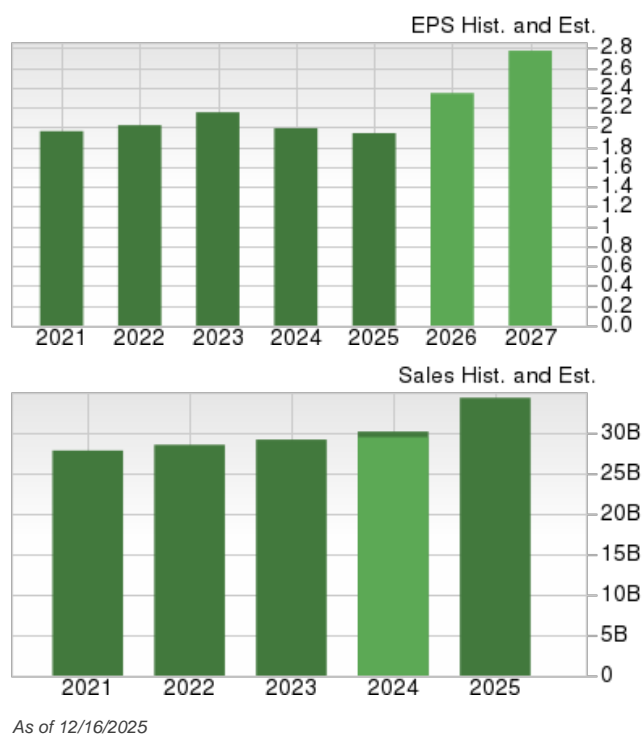
Networking (20%) includes HPE Aruba and HPE Aruba Services.

The Financial Services segment (10%) offers leasing, financing, IT consumption and utility programs, and asset management services.

The Corporate Investment and Other division accounted for 1% of the fiscal 2025 total revenues.

Geography-wise, the Americas, the EMEA, and the Asia Pacific and Japan accounted for 46%, 36% and 18%, respectively, for fiscal 2024 total revenues.

The company markets and sells its products through distribution partners, resellers, original equipment manufacturers (OEMs), systems integrators, independent software vendors, and advisory firms.



## Reasons To Buy:

- ▲ Since the split from its parent company, Hewlett Packard Enterprise has been restructuring and realigning its businesses to drive long-term sustainable growth and improve margins. This indicates that we may see Hewlett Packard Enterprise becoming even smaller with spin-offs or acquiring assets to enhance its capabilities in the hybrid IT model. By trimming its size, the company intends to focus more on high-margin businesses, including enterprise-class server and storage markets. Moreover, by selling assets that are not doing well and have limited growth potential, the company will be able to mobilize resources to the fast-growing areas of the cloud, such as software defined networks (SDN) and converged and hyper-converged infrastructure. This will also help it better compete with players like Oracle, Cisco and NetApp.
- ▲ Hewlett Packard Enterprise has been pursuing acquisitions to focus more on high-margin hybrid IT models that leverage on-premises and cloud-computing power. In July 2025, it completed the acquisition of Juniper Networks to fortify its networking business. In 2024, it acquired Morpheus Data, which has enhanced its GreenLake capabilities. In 2023, Hewlett Packard Enterprise acquired four businesses – OpsRamp, Axis Security, Athonet and Pachyderm. In 2021, it acquired Ampool, Zerto, Determined AI and CloudPhysics. The acquisition has expanded its capabilities and product portfolios in the fast-growing cloud space, including software-defined networks and converged and hyper-converged infrastructure. We believe the company's focus on a hybrid IT model will drive growth in the long run.
- ▲ The acquisition of Juniper Networks underlines Hewlett Packard Enterprise's relentless focus on fortifying its networking business, aligning with the burgeoning demand for high-growth solutions in the evolving tech landscape. The acquisition aims to reshape the company's portfolio mix by driving emphasis toward accelerated growth avenues, especially in networking, while reinforcing its high-margin business segments. This alignment will propel Hewlett Packard Enterprise's trajectory toward sustainable and profitable growth, leveraging Juniper Networks' prowess in AI-native networks and significantly amplifying HPE's networking arm. The combined entity is poised to set a new industry benchmark by offering an exhaustive portfolio. This alignment is not just a financial move but a strategic leap to elevate HPE's competitive stance by expanding its networking domain, particularly in the realms of AI, cloud and hybrid solutions. Additionally, the combined entity is anticipated to achieve operating efficiencies and run-rate annual cost synergies of \$450 million within three years post-close. Moreover, the company expects to reduce leverage to approximately 2x in two years post-close through disciplined capital allocation policies.
- ▲ Hewlett Packard Enterprise views Artificial Intelligence (AI), Industrial Internet of Things (IIoT), and distributed computing as the next major markets. Therefore, the company has invested multi-billion dollars over the past few years to enhance its capabilities across the aforementioned space. Hewlett Packard Enterprise has linked these businesses to its fast-growing networking business arm — Aruba Networks. The strategy will also help Hewlett Packard Enterprise diversify its business from server and hardware storage markets. Notably, server and hardware storage markets have been witnessing stagnant growth for the past several quarters as more organizations are shifting to cloud computing due to their cost-effectiveness and anywhere accessibility features.
- ▲ Hewlett Packard Enterprise is continuously expanding its generative AI offerings to tap the growing opportunities in the space. In this direction, the company recently extended its partnership with NVIDIA to build an enterprise computing solution that will help organizations adopt generative AI applications faster. The solution will be built with a full-stack AI tuning and inferencing solution from the two companies. This will remove the complexities of developing and deploying generative AI infrastructure for organizations. Therefore, enterprises of any size will be able to quickly customize foundation models using private data and deploy production applications anywhere, from edge to the cloud. With the latest collaboration with NVIDIA, HPE intends to offer its customers a comprehensive AI-native solution that will help them develop and deploy AI models with a portfolio of pre-configured solutions. The strategy will further boost the company's reach into the generative AI space.
- ▲ Hewlett Packard Enterprise is benefiting from a robust demand environment for its edge-to-cloud platform, GreenLake, as customers are undergoing a major digital transformation. The GreenLake solution offers customers better visibility into resource utilization across co-located and public cloud-based workloads. The services ensure the administration of applications and data. HPE's GreenLake service suite provides customers with an agile, flexible, pay-per-use cloud experience, thereby eliminating the need for any major upfront capital investment. To further enhance GreenLake capabilities, the company has acquired businesses, including Morpheus Data and OpsRamp. Acquired in 2024, Morpheus Data has expanded HPE's GreenLake capabilities by providing advanced hybrid cloud automation and self-service provisioning across on-premises and public cloud environments. The integration of OpsRamp's hybrid digital operations management solution has fortified Hewlett Packard Enterprise's leadership in the hybrid cloud while expanding the reach of the GreenLake platform into IT Operations Management. Growing digital transformation will consistently bring a huge growth opportunity for GreenLake. As enterprises progress in digital transformation efforts, the use of cloud services is expected to significantly shoot up in the upcoming period, thereby driving the demand for its GreenLake platform.
- ▲ Hewlett Packard Enterprise's strong operating cash flow has helped it return cash through regular quarterly dividend payments and share repurchases. In fiscal 2025, the company generated approximately \$2.92 billion of operating cash flow and distributed approximately \$886 million through dividend payments and share buybacks. Share repurchases and dividend payments are a good way of returning cash to investors while boosting the company's earnings.

Hewlett Packard's efforts to shift its focus to higher margin offerings, strategic acquisitions and expansion of generative AI offerings are expected to drive the top and bottom lines in the long run.

---

## Reasons To Sell:

- ▼ Hewlett Packard's near-term prospects might be hurt by softening IT spending. Higher interest rates and inflationary pressures are hurting consumer spending. On the other hand, enterprises are postponing their large IT spending plans due to a weakening global economy amid ongoing macroeconomic and geopolitical issues. This does not bode well for Hewlett Packard's prospects in the near term.
- ▼ Hewlett Packard Enterprise's market share and revenues necessarily depend on client relationships and the number of contracts it secures. This, along with the limited scope for product differentiation, makes the renegotiation of large contracts extremely important. Competition from bigger companies is a major concern. Hewlett Packard Enterprise has to deal with strong competition at each of its business segments on the basis of technology, innovation, price, quality, reliability, etc. The company's business units are pitted against IBM, Dell, Cisco and Microsoft. Its Financial Services business faces competition from captive financing companies, mainly IBM Global Financing, as well as banks and other financial institutions. Such intense competition across the business segments naturally increases pricing pressure, which may have a negative impact on the company's profitability.
- ▼ Hewlett Packard Enterprise can be considered as an above-average leveraged company, as its current total debt to total capital ratio of 0.41 is significantly higher than the industry average of 0.32. As of Oct. 31, 2025, the company had cash and cash equivalents of nearly \$5.77 billion, which is significantly lower than its total long-term debt (excluding current maturities) of \$17.76 billion.
- ▼ Usually, more than 60% of Hewlett Packard Enterprise's total revenues come from businesses outside the United States. An economic condition, which impacts the foreign currency exchange rates, results in transaction exposure, inducing fluctuation in profits. The U.S. dollar value being stronger in comparison to other currencies, the top line of the company is likely to be negatively impacted over the next few quarters.
- ▼ The United States and China's tit-for-tat trade war is a major threat to the company. Further, longer sales cycles, which are stretching the time to close certain deals, are a major overhang. Execution challenges faced by the company across some of its business units are hurting its top-line growth.

Organizations are pushing back their investments in big and expensive technology products due to global economic slowdown concerns, which can undermine HPE's near-term growth prospects.

## Last Earnings Report

### HPE Q4 Earnings Surpass Expectations, Revenues Rise Y/Y

Hewlett Packard Enterprise's non-GAAP earnings of 62 cents per share beat the Zacks Consensus Estimate by 5.1% and increased 6.3% year over year.

HPE's revenues increased 14.4% year over year to \$9.68 billion while missing the Zacks Consensus Estimate by 2.63%. The top line grew on the back of the networking business.

### HPE's Segment-Wise Performance

Hewlett Packard Enterprise's Server segment generated \$4.5 billion in revenues in the fourth quarter of fiscal 2025, down 5% year over year and constant currency, due to a pushout in AI server shipments and lower-than-expected U.S. federal spending. The division reported an operating profit margin of 9.8%, which decreased 180 basis points (bps) from the year-ago quarter.

Revenues in the Networking division were \$2.8 billion, up 150% year over year, driven largely by the addition of Juniper Networks. However, the segment delivered an operating profit margin of 23%, down 140 basis points from the year-ago quarter.

The Hybrid Cloud division reported \$1.4 billion in revenues, down 12% year over year (down 13% in constant currency). This decline in revenues came due to HPE's strategic choice to reduce exposure to low-margin non-IP-related businesses while focusing on higher-margin HPE-developed solutions. The segment posted an operating profit margin of 5% compared with 7.8% in the year-ago period.

The Financial Services segment recorded \$889 million in revenues, flat year over year (down 2% in constant currency), with an operating margin of 11.5%, up 230 basis points from the prior-year quarter.

### Operating Results of HPE

HPE's non-GAAP gross profit for fourth-quarter fiscal 2025 was \$3.52 billion compared with \$2.61 billion a year ago, while the non-GAAP gross margin expanded to 36.4%, up 550 bps year over year.

The company's non-GAAP operating profit was \$1.18 billion compared with \$938 million in the year-ago quarter. The non-GAAP operating margin improved to 12.2%, up 110 bps from the year-ago quarter.

### HPE's Balance Sheet and Cash Flow

Hewlett Packard Enterprise ended the fiscal fourth quarter with \$5.77 billion in cash and cash equivalents compared with \$4.57 billion at the end of the previous quarter.

In the fourth quarter, HPE generated \$2.5 billion in cash from operating activities and produced \$1.9 billion in free cash flow, both increasing meaningfully from the prior-year period.

HPE returned \$271 million to shareholders in the fourth quarter of fiscal 2025 through dividends and share repurchases, and \$886 million over the full fiscal 2025 period.

### Guidance for FY26 and Q1

Hewlett Packard Enterprise issued guidance for the first quarter of fiscal 2026 and initiated its full-year fiscal 2026 outlook. For the first quarter of fiscal 2026, HPE expects revenues in the range of \$9-\$9.4 billion.

It expects GAAP diluted earnings per share in the range of 9 cents to 13 cents, and non-GAAP diluted EPS of 57 cents to 61 cents.

For full-year fiscal 2026, HPE forecasts revenue growth of 17-22% as reported (5-10% pro forma). The company projects GAAP diluted EPS of 62 to 82 cents and non-GAAP diluted earnings per share of \$2.25-\$2.45. HPE also anticipates generating free cash flow of \$1.7-\$2.0 billion for the fiscal year.

**FY Quarter Ending** **10/31/2025**

Earnings Reporting Date	Dec 04, 2025
Sales Surprise	-2.63%
EPS Surprise	5.08%
Quarterly EPS	0.62
Annual EPS (TTM)	1.93

---

## Recent News

On Dec. 3, HPE expanded its AI-native networking portfolio, adding new AIOps capabilities and unified hardware across Aruba and Juniper platforms to advance self-driving network operations following its Juniper acquisition.

On Dec. 3, HPE expanded its GreenLake cloud portfolio with new virtualization, security, and AI capabilities to help enterprises modernize hybrid cloud operations and manage rising workload demands.

On Dec. 2, HPE announced new AIOps capabilities and common hardware that deliver a consistent, self-driving experience across both HPE Aruba Networking Central and HPE Juniper Networking's Mist operations platforms. Same day, HPE also announced AMD "Helios" AI rack-scale solution with industry-first scale-up Ethernet networking in collaboration with Broadcom.

On Dec. 1, HPE and NVIDIA expand their partnership to launch the AI Factory Lab in Grenoble, France, addressing EU customers' needs for more control and autonomy over their AI infrastructure and data.

On Nov. 25, HPE announced the successful delivery of Olivia, Norway's most powerful supercomputer.

On Nov. 24, HPE announced that the Defense Information Systems Agency has awarded it with Production Other Transaction Authority, a 10-year period of performance worth a life cycle value of \$931 million, for a distributed hybrid multi-cloud solution to modernize its data centers.

On Nov. 13, HPE announced the newest additions to the next-generation HPE Cray supercomputing portfolio that provide industry-leading compute density, designed to meet the needs of AI demands while performing at scale.

On Nov. 10, HPE and a consortium of seven other leading technology organizations announced the formation of the Quantum Scaling Alliance, a global initiative dedicated to making quantum computing scalable, practical and transformative across industries.

On Oct. 30, HPE launched a UK-specific instance of HPE Aruba Networking Central, giving local businesses access to advanced network management capabilities.

On Oct. 28, HPE announced an expanded NVIDIA AI Computing by HPE portfolio, designed to make AI easier to deploy and scale across governments, regulated industries and enterprises.

On Oct. 27, HPE announced that it will build two new systems, which include the Discovery supercomputer and the Lux AI cluster, for the U.S. Department of Energy's Oak Ridge National Laboratory.

On Oct. 23, HPE announced that De Vlaamse Waterweg, the Flemish government agency managing inland waterways, has chosen HPE GreenLake cloud to modernize its waterway management operations.

On Oct. 16, HPE and Ericsson announced the establishment of a joint validation lab to enable a dual-mode 5G core solution for telecommunications providers.

On Oct. 16, HPE announced that it was named a Leader in the 2025 Gartner Magic Quadrant for Infrastructure Platform Consumption Services, positioned Highest in Execution and Furthest in Vision.

On Oct. 15, HPE outlined its strategic and financial roadmap at its 2025 Securities Analyst Meeting in New York. CEO Antonio Neri and other executives detailed plans to strengthen networking, cloud, and AI businesses to drive long-term profitable growth and higher shareholder returns.

On Sept. 22, HPE announced that Earth Sciences New Zealand selected the HPE Cray XD2000 supercomputer to power advanced environmental science research and improve the accuracy of weather and climate forecasting.

On Sept. 16, HPE appointed Phil Mottram as Executive Vice President and Chief Sales Officer, effective Nov. 1, 2025, succeeding Heiko Meyer, who will retire in March 2026 after 38 years with the company.

On Sept. 5, HPE announced that it was named a Leader in the 2025 Gartner Magic Quadrant for Enterprise Storage Platforms, marking its 16th consecutive year of recognition for innovation and execution in storage solutions.



## Valuation

Shares of Hewlett-Packard have gained 39.4% in the past six months and 15.8% in the past year. Stocks in the Zacks sub-industry have gained 58.3%, and the Zacks Computer & Technology sector is up 26.3% in the last six months. In the past year, the Zacks sub-industry has increased 70.7% while the sector gained 25.8%.

The S&P 500 Index has returned 16% in the past six months and 15.2% in the past year.

The stock is currently trading at 10.66X forward 12-month earnings, which compares with 23.47X for the Zacks sub-industry, 29.09X for the Zacks sector, and 23.44X for the S&P 500 index.

Over the past five years, the stock has traded as high as 34.19X and as low as 6.96X, with a five-year median of 11.24X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$27 price target reflects 11.19X forward 12-month earnings.

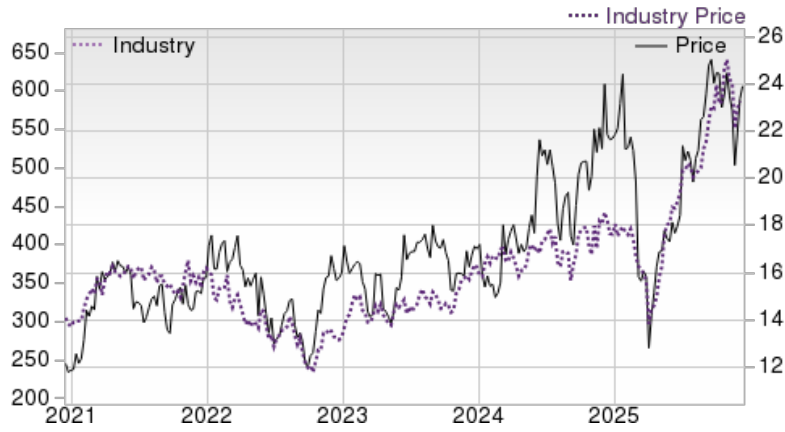
The table below shows a summary of valuation data for HPE.

Valuation Multiples - HPE					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	10.66	23.47	29.09	23.44
	5-Year High	34.19	32.76	29.92	23.78
	5-Year Low	6.96	11.15	18.70	15.73
	5-Year Median	11.24	19.84	26.62	21.21
P/S F12M	Current	0.81	4.61	6.80	5.30
	5-Year High	0.98	7.97	7.40	5.50
	5-Year Low	0.49	1.94	4.24	3.83
	5-Year Median	0.71	2.84	6.29	5.05
EV/EBITDA TTM	Current	10.08	22.32	19.90	18.63
	5-Year High	12.56	26.49	23.68	22.41
	5-Year Low	3.29	5.99	12.03	13.87
	5-Year Median	5.89	13.27	18.35	17.96

As of 12/10/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 11% (26 out of 243)



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

Company (Ticker)	Rec	Rank
Agilysys, Inc. (AGYS)	Outperform	2
Seagate Technology H...(STX)	Outperform	2
Dell Technologies In...(DELL)	Neutral	3
DXC Technology Compa...(DXC)	Neutral	3
International Busine...(IBM)	Neutral	3
IonQ, Inc. (IONQ)	Neutral	3
PAR Technology Corpo...(PAR)	Neutral	4
NCR Voyix Corporatio...(VYX)	Neutral	3

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

	HPE	X Industry	S&P 500	DELL	DXC	VYX
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	A	-	-	A	A	B
Market Cap	32.06 B	17.26 B	38.58 B	89.93 B	2.63 B	1.40 B
# of Analysts	6	5	22	7	4	2
Dividend Yield	2.14%	0.00%	1.42%	1.57%	0.00%	0.00%
Value Score	A	-	-	A	A	B
Cash/Price	0.18	0.06	0.04	0.11	0.71	0.21
EV/EBITDA	16.77	23.49	14.55	11.13	1.41	9.51
PEG Ratio	0.60	1.09	2.20	0.82	NA	NA
Price/Book (P/B)	1.30	4.15	3.33	NA	0.79	1.64
Price/Cash Flow (P/CF)	6.58	22.17	15.10	10.92	1.40	18.39
P/E (F1)	12.66	24.84	19.71	13.52	4.78	11.26
Price/Sales (P/S)	0.93	5.39	3.09	0.86	0.21	0.53
Earnings Yield	9.63%	3.91%	5.06%	7.39%	20.87%	8.83%
Debt/Equity	0.72	0.00	0.57	-9.10	0.71	1.30
Cash Flow (\$/share)	3.69	1.35	8.99	12.25	10.78	0.55
Growth Score	B	-	-	B	C	B
Hist. EPS Growth (3-5 yrs)	1.28%	1.28%	8.16%	-4.39%	2.98%	-30.35%
Proj. EPS Growth (F1/F0)	-1.03%	28.29%	8.57%	21.50%	-7.87%	NA
Curr. Cash Flow Growth	-0.11%	10.35%	6.75%	9.06%	-5.24%	-87.58%
Hist. Cash Flow Growth (3-5 yrs)	-1.49%	11.56%	7.43%	-4.36%	-28.16%	-36.27%
Current Ratio	1.01	1.18	1.18	0.85	1.09	1.13
Debt/Capital	41.77%	1.86%	38.01%	NA	41.53%	61.85%
Net Margin	0.17%	10.32%	12.78%	5.01%	2.93%	-2.15%
Return on Equity	9.15%	8.04%	17.00%	-234.84%	17.83%	5.08%
Sales/Assets	0.47	0.49	0.53	1.21	0.95	0.63
Proj. Sales Growth (F1/F0)	-14.20%	11.14%	5.79%	17.00%	-1.20%	-5.90%
Momentum Score	D	-	-	B	C	D
Daily Price Chg	1.04%	0.00%	-0.24%	2.48%	-2.14%	2.54%
1 Week Price Chg	2.31%	0.00%	-0.59%	-6.43%	7.44%	1.81%
4 Week Price Chg	16.27%	0.00%	2.76%	9.01%	23.49%	-1.27%
12 Week Price Chg	-1.62%	0.00%	2.15%	-0.44%	10.39%	-21.92%
52 Week Price Chg	12.81%	-0.14%	12.39%	13.08%	-29.16%	-32.58%
20 Day Average Volume	27,433,888	2,786,664	2,743,646	6,894,262	2,203,945	2,786,664
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-1.80%	0.00%	0.00%	4.93%	0.00%	0.00%
(F1) EPS Est 12 week change	-3.24%	8.54%	0.69%	5.01%	0.64%	17.73%
(Q1) EPS Est Mthly Chg	1.63%	0.00%	0.00%	12.77%	0.00%	0.00%



## Zacks Stock Rating System

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

### Zacks Recommendation

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

### Zacks Rank

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

### Zacks Style Scores

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

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

Value Score	A
Growth Score	B
Momentum Score	D
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.

## 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.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.