

## Altria Group, Inc. (MO)

**\$55.90** (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$58.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 05/01/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**4-Sell**

Zacks Style Scores:

VGM: B

Value: C

Growth: C

Momentum: A

### Summary

Altria is navigating a challenging market with strong pricing power that supports earnings despite declining cigarette volumes in the third quarter of 2025. The oral tobacco brand on! continues to gain momentum, highlighting demand for smoke-free alternatives. The e-vapor segment experienced a setback due to regulatory challenges surrounding NJOY ACE, though Altria is progressing with a redesigned device intended to resolve patent disputes. It is also focused on improving efficiency through the Optimize & Accelerate initiative and rewarding shareholders with dividends. However, ongoing pressures from consumer trade-down to discount brands, Marlboro share softness and the rapid growth of illicit disposable e-vapor products continue to weigh on the smokeable segment and hinder growth in compliant smoke-free offerings.

### Data Overview

52 Week High-Low	<b>\$68.60 - \$50.08</b>
20 Day Average Volume (sh)	<b>9,356,060</b>
Market Cap	<b>\$91.9 B</b>
YTD Price Change	<b>-5.1%</b>
Beta	<b>0.47</b>
Dividend / Div Yld	<b>\$4.24 / 7.7%</b>
Industry	<b><u>Tobacco</u></b>
Zacks Industry Rank	<b>Bottom 18% (199 out of 244)</b>

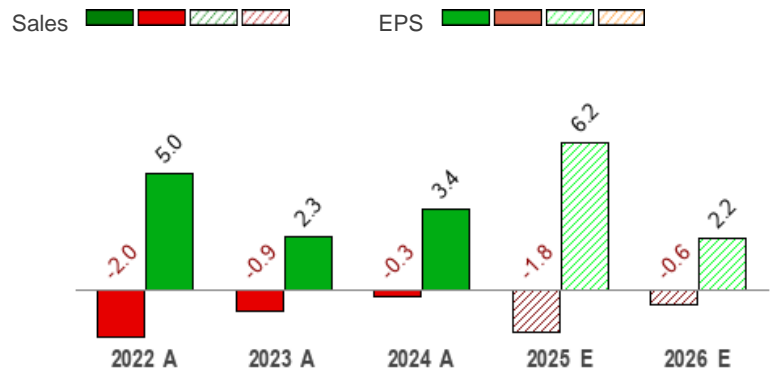
Last EPS Surprise	<b>0.7%</b>
Last Sales Surprise	<b>-1.3%</b>
EPS F1 Est- 4 week change	<b>0.0%</b>
Expected Report Date	<b>01/29/2026</b>
Earnings ESP	<b>-0.4%</b>

P/E TTM	<b>10.1</b>
P/E F1	<b>10.1</b>
PEG F1	<b>2.4</b>
P/S TTM	<b>3.9</b>

### 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*
2026	4,509 E	5,235 E	5,235 E	4,978 E	19,956 E
2025	4,519 A	5,290 A	5,251 A	5,002 E	20,076 E
2024	4,717 A	5,277 A	5,344 A	5,106 A	20,444 A

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

	Q1	Q2	Q3	Q4	Annual*
2026	1.24 E	1.47 E	1.48 E	1.35 E	5.56 E
2025	1.23 A	1.44 A	1.45 A	1.30 E	5.44 E
2024	1.15 A	1.31 A	1.38 A	1.29 A	5.12 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 01/08/2026.

(2) The report's text and the price target are as of 01/08/2026.

## Overview

Altria Group has been evolving with the changing industry dynamics. Given the rising health consciousness and stern government regulations to discourage smoking, this tobacco behemoth has been moving beyond traditional cigarettes and expanding in the smokeless category. We note that revenues from the oral product category have been steadily rising on the back of growing popularity for reduced risk products.

This Richmond-based company specializes in cigarettes, smokeless products and wine. It is the holding company for Philip Morris USA, Inc. (PM USA), U.S. Smokeless Tobacco Company LLC (UST), John Middleton Inc., Philip Morris Capital Corporation (PMCC) and Helix Innovations. Its service companies include Altria Client Services and Altria Group Distribution Company.

On Mar 14, 2024 Altria divested 35 million shares of Anheuser-Busch InBev SA/NA via a global secondary offering. It also holds investments in JUUL and Cronos Group. Altria concluded the buyout of NJOY Holdings, Inc on Jun 1, 2023. Financial results for NJOY will be reported under Altria's "All Other" category from the second quarter of 2023.

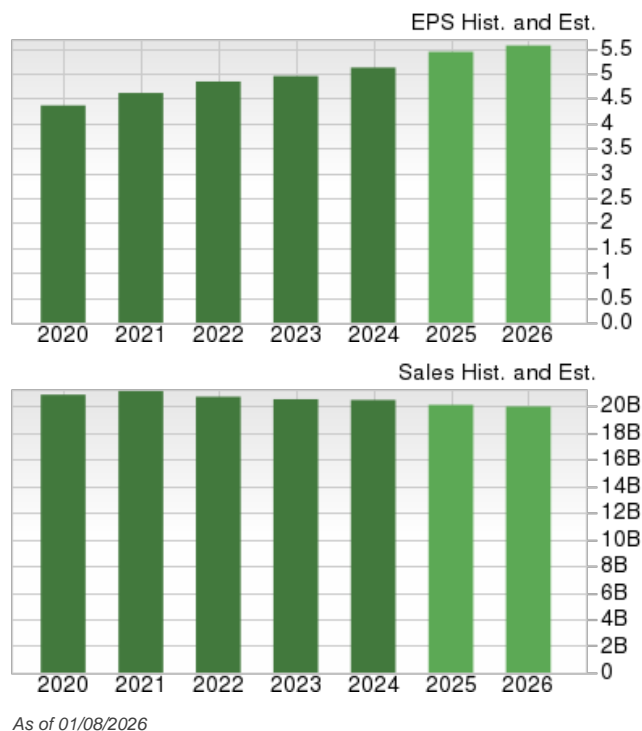
Altria reports under the following segments on the basis of products.

The Smokeable Products (88.7% of Q2 Sales) segment comprises mainly of PM USA, sells major brands like Marlboro cigarettes, Virginia Slims cigarettes and Parliament cigarettes.

The Oral Tobacco Products (11.3%) segment has been benefiting from the inclusion of on! — a popular tobacco-derived nicotine pouch product.

The All Other segment holds Altria's investments in finance leases, principally in transportation (including aircraft), power generation and manufacturing equipment and facilities.

Products of the company are mainly sold through distributors, wholesalers and large retail chains.



## Reasons To Buy:

- ▲ **Strong Pricing and Upside:** Altria has been benefiting from its strong pricing power, which has helped the company stay firm, even amid soft cigarette shipment volumes and a challenging consumer environment. In the third quarter of 2025, higher pricing again proved to be a key earnings lever in the smokeable products segment, where adjusted operating companies income ("OCI") grew 0.7% and margins expanded 130 basis points to 64.4%, even as domestic cigarette shipment volumes declined 8.2% on a reported basis. Similarly, the oral tobacco products segment continued to demonstrate pricing resilience, with adjusted OCI margins increasing 240 basis points to 69.2% in the third quarter, supported by favorable pricing and lower costs despite a difficult promotional backdrop and a shift in mix toward oral nicotine pouches. This focus on pricing strength has enabled the company to drive profitability in key segments, showcasing the company's resilience in a competitive market. The continuation of such trends is likely to remain an upside for Altria. Reflecting continued confidence in its pricing and operational execution, Altria raised the lower end of its full-year 2025 adjusted EPS guidance, now expecting \$5.37-\$5.45, representing 3.5% to 5% year-over-year growth from the 2024 base of \$5.19. Earlier, the metric was expected in the \$5.35-\$5.45 per share range, implying 3% to 5% growth.
- ▲ **Transition to a Smoke-Free Future:** Consumers are increasingly gravitating toward reduced-risk products (RRPs) or smoke-free alternatives, driven by the well-documented health risks associated with traditional cigarette smoking. In response to this evolving market dynamic, Altria has adapted its strategy by introducing various oral tobacco, e-vapor and heated tobacco offerings. The company, through its subsidiary Helix Innovations, holds full global ownership of on!, a widely embraced tobacco-derived nicotine (TDN) pouch product. Building on this foundation, Altria continued to advance its smoke-free transformation in the third quarter of 2025, demonstrating solid momentum in modern oral nicotine and meaningful progress across the broader reduced-risk product ecosystem. In the third quarter, Helix delivered steady performance for on!, with reported shipment volumes rising to 42.2 million cans and year-to-date volumes reaching 133.6 million cans, a strong 14.8% year-over-year increase. At retail, on! maintains Ploom, as its joint venture Horizon submitted a combined PMTA and MRTP application to the FDA in August for Ploom devices and Marlboro heated sticks. In the vapor category, Altria completed the design of a modified NJOY ACE device addressing all four disputed patents, while continuing to evaluate potential market reentry pathways. These developments collectively reinforce Altria's commitment to building a robust, science-supported smoke-free portfolio capable of driving long-term transformation.
- ▲ **Strategic Growth Efforts in Place:** Altria is actively progressing its broader strategic and operational initiatives to support a smoke-free future, with a focus on enhancing efficiency, speed and organizational capability. As part of this effort, the company is implementing its Optimize & Accelerate initiative, which is designed to modernize operations, streamline processes and leverage advanced technologies, including automation and generative artificial intelligence. Importantly, management confirmed that anticipated cost savings associated with this initiative are already incorporated into the company's 2025 full-year financial outlook. Beyond internal modernization, Altria also strengthened its strategic positioning through the expanded collaboration with KT&G, aimed at unlocking growth in international modern oral markets, U.S. non-nicotine categories and operational efficiency in traditional tobacco. This includes exploring the global expansion of modern oral products such as on! and investing in assets like Another Snus Factory's LOOP brand to broaden its international presence. Together, these focused strategic efforts demonstrate Altria's commitment to reshaping its long-term growth trajectory while maintaining strong operational discipline and financial stability.
- ▲ **Shareholder-Friendly Moves:** Altria looks strong on the share buyback and dividend payout front. In the third quarter of 2025, the company bought back 1.9 million shares for \$112 million. In the first nine months of 2025, the company repurchased \$712 million of shares, reflecting disciplined and ongoing execution of its capital allocation strategy. Reinforcing this commitment, management doubled its existing share repurchase authorization from \$1 billion to \$2 billion, extending through Dec. 31, 2026. In August, Altria raised the dividend by 3.9%, marking its 60th dividend increase in the past 56 years. The company's annualized dividend rate is \$4.24 per share. Altria currently has a dividend payout of 78%, a dividend yield of 7.31% and a free cash flow yield of 9.4%. With an annual free cash flow return on investment of nearly 33.2%, ahead of the industry's almost 17.1%, the dividend payout is likely to be sustainable.

Altria has been gaining from strategic pricing for its oral tobacco products. The company has been taking robust strides to expand in the smoke-free category.

## Reasons To Sell:

- ▼ **Soft Smokeable Segment Hurts:** The cigarette industry faced significant headwinds during the third quarter of 2025, with shipment volumes under continued pressure. This decline is largely attributed to ongoing macroeconomic challenges and the rapid growth of illegal disposable e-vapor products. Adult smokers continue to experience economic strain due to the prolonged effects of inflation and constrained discretionary spending. Smokers, particularly low-income consumers, are feeling the pinch as inflation continues to outpace wage growth, limiting disposable income. Despite a slowdown in inflation rates, high everyday costs are pushing smokers to seek more affordable options. As a result, domestic cigarette shipment volume in the smokeable segment declined 8.2% in the third quarter, caused primarily by the industry's continued decline rate, which itself was significantly impacted by the rapid growth of flavored disposable e-vapor products, most of which Altria believes have evaded regulatory oversight, alongside persistent discretionary income pressures on adult tobacco consumers (ATCs). When adjusted for trade inventory movements and calendar differences, the underlying shipment decline was approximately 9%. Total estimated domestic cigarette industry volume also fell an estimated 8% under similar adjustments, underscoring broad headwinds that continue to weigh on the segment. Marlboro's retail share performance further illustrates ongoing challenges. For the third quarter, Marlboro's retail share of the total cigarette category decreased 1.2 share points year over year to 40.4%, while discount retail share rose 2.4 share points to 32.2%, as inflationary pressures sustained a consumer shift toward lower-priced options. These share dynamics align with reported shipment declines: Marlboro volumes fell 11.7% year over year in the third quarter, and total cigarette volumes dropped as consumer purchasing behavior remained under strain. These pressures fed directly into financial performance. Smokeable Products net revenues declined 2.8% to \$5.4 billion in the third quarter, primarily due to reduced volume and higher promotional investment. Revenues net of excise taxes were down 1.3%. Such a trend reflects challenges in sustaining growth in Altria's smokeable products segment, which is still its core revenue-generating category.
- ▼ **Challenges on the Horizon:** As the external landscape remains dynamic, Altria continues assessing economic factors like inflation, ATC dynamics (such as purchasing patterns and the adoption of smoke-free products), illegal e-vapor enforcement and regulatory developments. The company's push into the smoke-free category faces a growing obstacle as illicit flavored disposable e-vapor products are growing rapidly. In its third-quarter earnings call, management emphasized ongoing growth in the e-vapor category, largely fueled by the illicit flavored disposable segment. As of the end of the quarter, Altria estimates the total number of adult e-vapor users exceeded 21 million, an increase of more than 2 million year over year. Disposable e-vapor products saw an estimated increase of 2.4 million users, bringing the user base to nearly 15 million. Despite this expansion, management forecasts that flavored disposable e-vapor products represent more than 60% of the entire category, underscoring persistent challenges in regulatory enforcement and market oversight. These products undermine the company's efforts in the e-vapor segment, wherein NJOY's market share is growing but remains somewhat overshadowed by illicit products. This trend not only impacts Altria's revenue potential in the smoke-free segment but also complicates regulatory enforcement efforts. The expanding presence of unauthorized products continues to dilute the market potential for its compliant platforms, including NJOY and on!, creating meaningful headwinds for Altria's smoke-free transition strategy.
- ▼ **Regulatory Restrictions on Tobacco:** Cigarette shipment volumes in general have been affected by anti-tobacco campaigns and increased consumer awareness regarding the harmful impacts of tobacco consumption. Regulatory hurdles are also a vital factor limiting the marketing of cigarettes, thereby adversely impacting its sales volume. Government bodies across different nations have been imposing restrictions on tobacco companies. The U.S. Food and Drug Administration (FDA) has made it mandatory for tobacco companies to use precautionary labels on cigarette packets to dissuade customers from smoking. Also, per court orders, Altria and other cigarette manufacturers have been directed to put up self-critical advertisements on television and newspapers to dissuade customers from smoking. The FDA had also earlier announced that tobacco makers must seek marketing authorization for any tobacco product introduced after Feb 15, 2007. In May 2016, the FDA expanded this restriction to include e-cigarettes, pipe tobacco, cigars and hookah alongside traditional tobacco products.

The overall cigarette industry has been bearing the brunt of the inflationary environment, which has affected Adult Tobacco Consumers' spending patterns. Cigarette volumes declined in Q2.

## Last Earnings Report

### Altria's Q3 Earnings Beat Estimates, Revenues Decline Y/Y

Altria posted third-quarter 2025 results, wherein the top line missed the Zacks Consensus Estimate and declined year over year. On the contrary, the bottom line beat the consensus mark and improved from the year-ago period.

Altria reported strong third-quarter momentum, highlighting the resilience of its core tobacco business, continued progress in its smoke-free portfolio and new opportunities for long-term growth in international modern oral and U.S. non-nicotine products.

Altria's third-quarter adjusted earnings were \$1.45 per share, which advanced 3.6% year over year and beat the Zacks Consensus Estimate of \$1.44. This upside was driven by reduced shares outstanding and increased adjusted operating companies' income ("OCI").

The company posted net revenues of \$6,072 million, which declined 3% year over year. This was due to a decrease in net revenues in the smokeable products segment and the oral tobacco products segment. Revenues, net of excise taxes, decreased 1.7% to \$5,251 million. The top line missed the consensus mark, which was pegged at \$5,321 million.

### Decoding Altria's Segment-Wise Results

**Smokeable Products:** Net revenues in the category fell 2.8% year over year to \$5,387 million due to reduced shipment volume and elevated promotional investments. These were somewhat offset by higher pricing. Revenues, net of excise taxes, fell 1.3%.

Domestic cigarette shipment volumes tumbled 8.2% due to the industry's decline rate and retail share losses, partially offset by trade inventory movements. The industry's decline was a result of the continued growth of flavored disposable e-vapor products and persistent discretionary income challenges for Adult Tobacco Consumers ("ATC"). Altria's reported cigar shipment volumes increased 2%. Adjusted OCI in the segment jumped 0.7% to \$2,956 million due to improved pricing and reduced per-unit settlement charges. This was somewhat negated by reduced shipment volume, elevated promotional investments and higher costs. The adjusted OCI margins grew 1.3 percentage points to 64.4%.

**Oral Tobacco Products:** Net revenues of the segment fell 4.6% to \$689 million. The downside was due to the reduced shipment volume and the increased percentage of on! shipment volume compared with the MST year over year (mix change), this was partially offset by increased pricing. Revenues excluding excise taxes fell 4.3%.

Domestic shipment volumes fell 9.6%, due to retail share losses, calendar timing differences, trade inventory movements and other factors. This was partly negated by the industry's growth rate. Adjusted OCI in the segment decreased 0.9%, due to a decline in shipment volumes and a change in mix, partially offset by increased pricing and lower costs. The adjusted OCI margin grew 2.4 percentage points to 69.2%.

### Altria Stock: Other Updates

The company ended the quarter with cash and cash equivalents of \$3,472 million, long-term debt of \$24,132 million and a total stockholders' deficit of \$2,646 million.

In the third quarter of 2025, the company bought back 1.9 million shares, totaling \$112 million. Through the first nine months of the year, the company repurchased 12.3 million shares for a total cost of \$712 million. Management approved an increase in the existing share repurchase program authorization from \$1 billion to \$2 billion and extended the program's expiration to Dec. 31, 2026. Altria paid dividends worth \$1.7 billion in the third quarter.

### What to Expect From Altria in 2025

The company now expects 2025 adjusted earnings per share (EPS) in the range of \$5.37 to \$5.45, indicating year-over-year growth of 3.5% to 5% from a base of \$5.19 in 2024. Earlier, the metric was expected in the \$5.35 to \$5.45 per share range, implying 3% to 5% growth.

The company's 2025 guidance implies the currently estimated cost impact of increased tariffs, based on the most recent available information. It also assumes minimal disruption to combustible and e-vapor product volumes from ongoing enforcement actions targeting the illicit e-vapor market. In addition, the guided range factors in the reinvestment of expected cost savings from the Optimize & Accelerate initiative, along with lower forecasted net periodic benefit income.

As the external landscape remains dynamic, Altria continues assessing economic factors like inflation and tariffs, ATC dynamics (such as purchasing patterns and the adoption of smoke-free products), illegal e-vapor enforcement and regulatory developments.

The bottom-line view also considers planned investments associated with enhanced smoke-free product research, development and marketplace activities to support MO's smoke-free products.

Altria continues to expect a 2025 adjusted effective tax rate of 23-24%, capital expenditures of \$175-\$225 million, and depreciation and amortization expenses of approximately \$290 million.

### FY Quarter Ending 12/31/2025

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	-1.32%
EPS Surprise	0.69%
Quarterly EPS	1.45
Annual EPS (TTM)	5.41

## Valuation

Altria shares are down 4.9% in the past six months period and up 13.9% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 3.8% in the past six months period, while the Zacks Consumer Staples sector declined 6.7%. Over the past year, the Zacks sub-industry and the sector is up 34.6% and 1.9%, respectively.

The S&P 500 index is up 15.1% in the past six months period and 21% in the past year.

The stock is currently trading at 9.83X forward 12-month earnings, which compares to 13.83X for the Zacks sub-industry, 16.01X for the Zacks sector and 23.36X for the S&P 500 index.

Over the past five years, the stock has traded as high as 12.3X and as low as 7.66X, with a 5-year median of 9.58X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$58 price target reflects 10.42X forward 12-month earnings.

The table below shows summary valuation data for MO

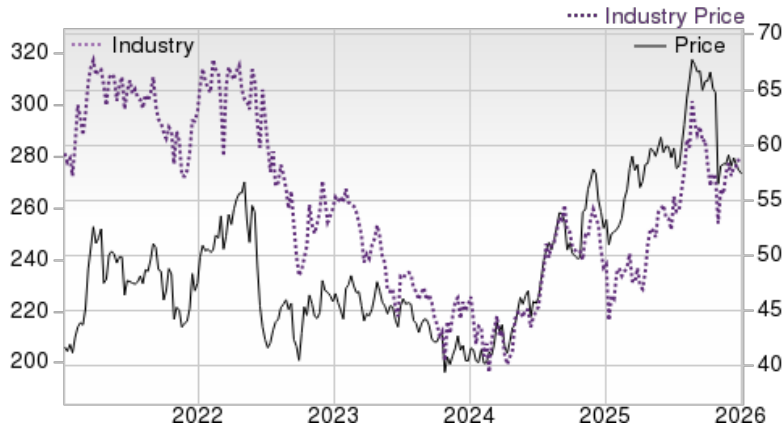
Valuation Multiples - MO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9.83	13.83	16.01	23.36
	5-Year High	12.3	15.43	20.29	23.8
	5-Year Low	7.66	9.03	16.01	15.74
	5-Year Median	9.58	11.23	17.98	21.21
P/S F12M	Current	4.6	4.53	7.88	5.66
	5-Year High	5.64	5	10.94	5.66
	5-Year Low	3.29	2.85	6.59	3.82
	5-Year Median	4.05	3.72	8.77	5.04
EV/EBITDA TTM	Current	9.08	12.31	33.37	18.9
	5-Year High	13.41	15	45.14	22.34
	5-Year Low	5.26	7.76	33.37	13.86
	5-Year Median	7.58	10.06	39.79	17.93

As of 01/07/2026

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 18% (199 out of 244)



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

Company (Ticker)	Rec	Rank
British American Tob... <b>(BTI)</b>	Neutral	4
Anheuser-Busch InBev... <b>(BUD)</b>	Neutral	3
Imperial Tobacco Gro... <b>(IMBBY)</b>	Neutral	4
Ispire Technology In... <b>(ISPR)</b>	Neutral	2
Philip Morris Intern... <b>(PM)</b>	Neutral	4
The Boston Beer Comp... <b>(SAM)</b>	Neutral	3
Constellation Brands... <b>(STZ)</b>	Neutral	4
Turning Point Brands... <b>(TPB)</b>	Neutral	4

## Industry Comparison<sup>(1)</sup> Industry: Tobacco

	MO	X Industry	S&P 500	BTI	PM	TPB
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	4	-	-	4	4	4
<b>VGM Score</b>	B	-	-	C	C	D
Market Cap	91.86 B	17.11 B	40.07 B	109.18 B	241.51 B	1.97 B
# of Analysts	4	1	22	3	5	1
Dividend Yield	7.75%	2.28%	1.38%	5.55%	3.79%	0.29%
<b>Value Score</b>	C	-	-	C	D	D
Cash/Price	0.04	0.06	0.04	0.06	0.02	0.10
EV/EBITDA	7.51	6.62	14.89	NA	18.43	23.68
PEG Ratio	2.40	2.80	2.04	3.82	1.67	NA
Price/Book (P/B)	NA	2.27	3.41	1.74	NA	5.20
Price/Cash Flow (P/CF)	10.18	10.18	15.44	8.25	20.00	32.97
P/E (F1)	10.10	11.21	18.58	11.10	18.58	25.31
Price/Sales (P/S)	3.92	2.77	3.06	NA	2.61	4.52
Earnings Yield	10.16%	7.64%	5.38%	9.01%	5.38%	3.95%
Debt/Equity	-9.30	0.20	0.57	0.68	-4.66	0.82
Cash Flow (\$/share)	5.37	4.25	8.98	6.46	7.76	3.13
<b>Growth Score</b>	C	-	-	B	B	D
Hist. EPS Growth (3-5 yrs)	4.18%	4.42%	8.24%	NA	4.67%	-1.01%
Proj. EPS Growth (F1/F0)	6.25%	11.31%	9.21%	5.03%	14.16%	50.59%
Curr. Cash Flow Growth	0.33%	-2.35%	7.00%	-69.01%	5.53%	-5.20%
Hist. Cash Flow Growth (3-5 yrs)	2.32%	4.59%	7.49%	4.59%	5.91%	5.32%
Current Ratio	0.62	1.30	1.19	0.87	0.85	5.56
Debt/Capital	NA%	34.74%	38.14%	40.34%	NA	45.03%
Net Margin	37.89%	10.68%	12.77%	NA	9.33%	12.02%
Return on Equity	-319.43%	-56.95%	17.03%	NA	-122.14%	24.44%
Sales/Assets	0.68	0.86	0.53	NA	1.41	0.73
Proj. Sales Growth (F1/F0)	-1.80%	5.17%	5.29%	2.60%	7.40%	28.00%
<b>Momentum Score</b>	A	-	-	D	C	A
Daily Price Chg	-0.80%	-0.52%	-0.34%	-1.42%	-0.01%	0.04%
1 Week Price Chg	-0.50%	-0.37%	1.10%	-1.26%	-0.47%	3.69%
4 Week Price Chg	-6.76%	-2.60%	0.50%	-9.31%	3.59%	1.08%
12 Week Price Chg	-15.65%	0.11%	3.75%	5.00%	-1.64%	12.81%
52 Week Price Chg	6.27%	25.48%	16.94%	45.05%	27.32%	83.13%
20 Day Average Volume	9,356,060	162,446	2,431,070	2,542,273	5,255,617	384,587
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	-1.30%	0.00%	0.00%
(F1) EPS Est 12 week change	-0.15%	3.18%	0.44%	-0.99%	-0.16%	8.69%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	NA	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	C
Growth Score	C
Momentum Score	A
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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