

NVR, Inc. (NVR)

\$7,511.16 (Stock Price as of 12/11/2025)

Price Target (6-12 Months): **\$8,140.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 07/28/25)
Prior Recommendation: Underperform

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

Summary

NVR's prospects are gaining from a solid business model and disciplined focus on maximizing liquidity and enhancing shareholder value. Its favorable home pricing, along with necessary sales incentives, is expected to boost prospects in the upcoming term. Earnings estimates for 2025 and 2026 have moved up in the past 30 days, reflecting analysts' optimism about the stock's growth potential. However, ongoing softness in the housing market due to affordability concerns and weak consumer confidence is concerning NVR, mainly in the near and mid-term. In the third quarter of 2025, new orders decreased 16% from the prior-year quarter's level to 4,735 units. Besides, persisting macro risks and inflationary pressures are added headwinds. Shares of NVR have underperformed the industry in the past six months.

Data Overview

52 Week High-Low	\$8,780.00 - \$6,562.85
20 Day Average Volume (sh)	17,722
Market Cap	\$21.3 B
YTD Price Change	-8.2%
Beta	1.01
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Building Products - Home Builders
Zacks Industry Rank	Bottom 9% (218 out of 243)

Last EPS Surprise	4.1%
Last Sales Surprise	6.3%
EPS F1 Est- 4 week change	0.6%
Expected Report Date	01/27/2026
Earnings ESP	-2.0%

P/E TTM	16.5
P/E F1	17.9
PEG F1	-1.9
P/S TTM	2.1

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2,377 E	2,472 E	2,432 E	2,151 E	9,432 E
2025	2,350 A	2,548 A	2,560 A	2,337 E	9,796 E
2024	2,286 A	2,548 A	2,678 A	2,781 A	10,292 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	105.87 E	112.13 E	102.07 E	97.00 E	417.07 E
2025	94.83 A	108.54 A	112.33 A	103.34 E	419.04 E
2024	116.41 A	120.69 A	130.50 A	139.93 A	506.69 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/11/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/04/2025.

Overview

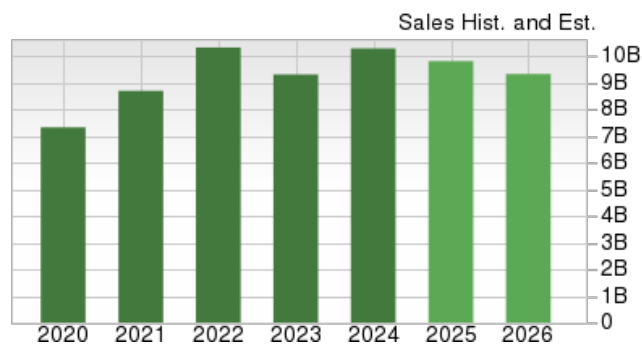
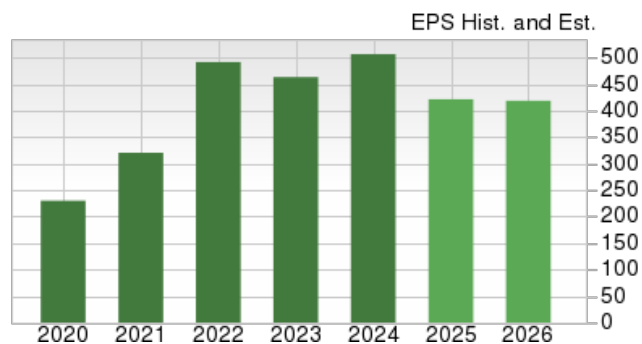
Incorporated on Mar 4, 1993, NVR, Inc. is engaged in the construction and sale of single-family detached homes, townhomes and condominium buildings, all of which are primarily constructed on a pre-sold basis. To serve homebuilding customers, the company operates a mortgage banking and title services business. The company operates in two business segments: Homebuilding and Mortgage Banking. The homebuilding (accounting for 97.8% of 2024 total revenues) division builds and sells homes under three brand names - Ryan Homes, NVHomes and Heartland Homes. The company currently operates in 36 metropolitan areas across 16 states and Washington, D.C. The three trade names – NVHomes, Ryan Homes and Heartland Homes are mainly for move-up and upscale buyers.

Established in 1980, NVHomes operates in Virginia, Maryland, Delaware and Pennsylvania. Heartland Homes operates in the Pittsburgh, PA metropolitan area. Ryan Homes operates across the East Coast and parts of the Midwest.

NVR's homebuilding division comprises operating divisions in the following geographic areas: Mid-Atlantic (Maryland, Virginia, West Virginia, Delaware and Washington, D.C.), North East (New Jersey and Eastern Pennsylvania), Mid-East (New York, Ohio, Western Pennsylvania, Indiana and Illinois) and South East (North Carolina, South Carolina, Florida, Tennessee, Georgia and Kentucky).

NVR derived approximately 27% and 11% of homebuilding revenues in 2019 from the Washington, DC and Baltimore metropolitan areas, respectively.

NVR's Mortgage Banking (2.2%) provides mortgage-related services to home-building customers through its mortgage banking operations. These services are operated primarily through a wholly owned subsidiary, NVR Mortgage Finance, Inc. ("NVRM").



As of 12/04/2025



As of 12/11/2025

Reasons To Buy:

- ▲ **Solid Business Model:** Unlike other homebuilders, NVR's sole business is selling and building quality homes by typically acquiring finished building lots without the risk of owning and developing land in a cyclical industry.

NVR acquires finished lots at market prices from various third-party land developers under the Lot Purchase Agreements, so that the legal obligation and economic loss are limited to the deposit amount in case of failure. The lot acquisition strategy helps the company avoid financial requirements and risks associated with direct land ownership and land development. This strategy allows it to gain efficiencies and a competitive edge over its peers.

As of the nine months of 2025, lots controlled by NVR were up 15.5% to 175,300 from 151,800 in the prior-year period.

- ▲ **Improvements in Pricing Trends:** The homebuilding section of NVR is witnessing improvements since the beginning of 2025, despite the ongoing market uncertainties. In the third quarter of 2025, the average sales price of new orders rose 3% year over year to \$464,800, reflecting resilient pricing trends.

During the first six months of 2025, the company's homebuilding revenues improved year over year by 1.3% to \$4.9 billion. The uptrend was mainly driven by the increase in average selling price (ASP). The leverage from favorable home pricing, along with necessary sales incentives, is expected to aid NVR in the near term. During the same time frame, settlements ASP increased 2.7% year over year to \$461,800. Our model expects settlements ASP to increase 2% year over year in 2025 to \$459,600.

On a unit basis, the backlog at the end of Sept. 30, 2025, was 9,165 homes. Although there was a 19% decline from the prior-year quarter, the ongoing in-house trends are expected to boost the numbers moving forward alongside favorable pricing strategies.

- ▲ **Stable Balance Sheet:** A strong balance sheet helps NVR tide it over a crisis. As of Sept. 30, 2025, NVR had cash and cash equivalents for Homebuilding of \$1.93 billion, down from \$2.56 billion at 2024-end. Mortgage banking cash and cash equivalents were \$39.3 million, down from \$49.6 million reported at 2024-end. Given the company's cash balance, NVR has enough to manage its outstanding senior notes of about \$909.7 million.

During the first nine months of 2025, NVR repurchased 178,178 shares for \$1.33 billion. At the end of Sept. 30, 2025, the company had 2,860,899 shares outstanding.

- ▲ **Superior ROE:** NVR's excellent return on equity (ROE) indicates its growth potential. The company's ROE currently is 35.8%, which favorably compares with the industry's ROE of 14.9%. The factor mentioned above indicates the company's efficiency in using its shareholders' funds, along with its ability to generate profit with minimum capital usage.

A solid business model accompanied by a focus on maximizing liquidity and shareholders' value bodes well for NVR.

Reasons To Sell:

▼ **Cyclical Business Nature:** The housing industry is cyclical and affected by consumer confidence levels, prevailing economic conditions and interest rates. The federal government's actions related to economic stimulus, taxation and borrowing limits could affect consumer confidence and spending levels, which could hurt both the economy and the housing market.

The rising cost of land, labor and materials, and fluctuating federal government actions are raising concerns.

Currently, the U.S. housing industry remains challenging owing to unfavorable interest rates, inflation and consumer sentiment. The Fed began to increase rates in early 2022 to counter the high ongoing inflation scenario in the market, and it started moving toward the 2% target. On Oct. 29, 2025, the Federal Reserve reduced interest rates by 0.25 percentage points for the second consecutive meeting, bringing the benchmark rate to a range of 3.75% to 4.00%. Earlier, the Fed had signaled two more rate cuts for the year, but recent remarks from Chair Jerome Powell reflected a more cautious tone. Policymakers now appear divided on further action, suggesting the possibility of a pause ahead. For the U.S. housing market, this shift limits hopes of additional relief, as inflation, high mortgage rates and affordability pressures continue to weigh on demand. Homebuilding revenue is negatively impacted by the current situation, which resulted in a year-over-year decline.

▼ **Margin-Related Woes:** Higher mortgage rates are taking a toll on signing activity in the housing market this year. Also, higher building materials and labor costs are growing concerns for the company's margin. Labor shortages are leading to higher wages due to limited availability. This is somewhat denting homebuilders' margins. Also, fluctuations in lumber prices are likely to weigh on the bottom line. Land prices are increasing due to limited availability. This could eat into homebuilders' margins in the forthcoming quarters.

In the third quarter of 2025, the homebuilding gross margin contracted 240 basis points (bps) year over year to 21%. The downside was due to higher lot costs and pricing pressure attributed to continued affordability challenges, alongside contract land deposit impairments totaling approximately \$18.9 million. For 2025, our model expects homebuilding gross margin to contract 230 bps year over year to 21.4%.

▼ **Supply Constraints:** Several years of production deficits during the housing downturn limited the supply of both rental and new homes in the country. At present, a shortage of buildable lots, skilled labor and available capital for smaller builders is limiting home production, thereby lowering the inventory of homes, both new and existing. The labor market has also tightened with the limited availability of labor, arresting the rapid growth in housing production.

Last Earnings Report

NVR Q3 Earnings & Homebuilding Revenues Top, New Orders Down Y/Y

NVR reported third-quarter 2025 results, with earnings and Homebuilding revenues surpassing the Zacks Consensus Estimate. Meanwhile, both earnings and Homebuilding revenues declined on a year-over-year basis.

The third-quarter results highlight continued softness in the housing market, with affordability challenges persisting amid macroeconomic uncertainty and inflationary pressures. The Homebuilding segment saw a year-over-year decline in settlements, while average selling prices remained consistent with the prior-year quarter. Backlog units and new orders also fell, indicating continued caution among homebuyers, reflecting ongoing weakness in overall housing demand.

Additionally, the bottom line declined annually as a result of contract land deposit impairments, unfavorable pricing pressures from affordability concerns, and increased lot costs.

Inside NVR's Headlines

The company reported earnings of \$112.33 per share, topping the Zacks Consensus Estimate of \$107.88 by 4.1%. Contrarily, the reported figure decreased 14% from the prior-year quarter's earnings of \$130.50 per share.

Homebuilding revenues of \$2.56 billion also surpassed the consensus mark of \$2.41 billion by 6.3% but declined 4.4% year over year. Consolidated revenues (Homebuilding & Mortgage Banking fees combined) amounted to \$2.61 billion, marginally down 4.5% on a year-over-year basis.

Segment Details of NVR

Homebuilding: Segment revenues declined 4.4% year over year to \$2.56 billion. Settlements in the quarter were down 5% year over year to 5,639 units. Our model predicted settlements to decline 11.6% year over year to 5,224 units. The ASP for settlements remained consistent with the prior-year quarter at \$454,000. Our estimate for the metric was \$460,000.

The gross margin contracted 240 basis points year over year to 21%. Our estimate for the metric was 21.3%. The decline primarily reflects higher lot costs, pricing pressure stemming from ongoing affordability challenges and contract land deposit impairments totaling approximately \$18.9 million.

New orders decreased 16% from the prior-year quarter's level to 4,735 units. However, the ASP of new orders increased 3% year over year at \$464,800. Our model predicted the ASP of new orders at \$446,800. The cancellation rate increased to 19%, up from 15% a year ago.

On a unit basis, backlog at the end of Sept. 30, 2025, decreased 19% to 9,165 homes and \$4.39 billion on a dollar basis from the prior-year quarter's figure.

The average number of active communities was 450 in the quarter, up from 422 reported a year ago.

Mortgage Banking: Mortgage banking fees tumbled 11.1% year over year to \$49.2 million. Mortgage closed loan production totalled \$1.54 billion, down 7% year over year. The capture rate was 86% in the third quarter, at par with the year-ago quarter.

NVR's Financials

As of Sept. 30, 2025, NVR had cash and cash equivalents for Homebuilding and Mortgage Banking of \$1.93 billion and \$39.3 million, respectively, compared with \$2.56 billion and \$49.6 million at 2024-end.

During the first nine months of 2025, NVR repurchased 178,178 shares for \$1.33 billion. At the end of Sept. 30, 2025, the company had 2,860,899 shares outstanding.

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

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	6.34%
EPS Surprise	4.12%
Quarterly EPS	112.33
Annual EPS (TTM)	455.63

Valuation

NVR's shares are up 6.8% in the past six months, but down 14.2% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 17.5% and 9% in the Zacks Construction sector, in the past six months. Over the past year, the shares in the Zacks sub-industry are down 14.8%, and the shares in the sector are down 7.8%.

The S&P 500 index is up 18% in the past six months and 15.2% in the past year.

The stock is currently trading at 18.33X forward 12-month earnings, which compares to 12.34X for the Zacks sub-industry, 19.2X 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 20.21X and as low as 6.98X, with a 5-year median of 14.6X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$8,140 price target reflects 19.43X forward 12-month earnings.

The table below shows the summary valuation data for NVR.

Valuation Multiples - NVR					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	18.33	12.34	19.2	23.44
	5-Year High	20.21	12.52	19.5	23.82
	5-Year Low	6.98	4.2	8.92	15.73
	5-Year Median	14.6	9.16	15.23	21.19
P/B TTM	Current	5.56	1.45	4.82	8.49
	5-Year High	7.38	1.95	5.43	9.16
	5-Year Low	4.18	0.86	2.96	6.6
	5-Year Median	5.46	1.42	4.41	8.04
P/S F12M	Current	2.33	1.09	2.78	5.31
	5-Year High	2.88	1.45	3.11	5.5
	5-Year Low	1.16	0.59	1.55	3.83
	5-Year Median	1.99	1.04	2.26	5.04

As of 12/03/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 9% (218 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Century Communities,...(CCS)	Neutral	2
Dream Finders Homes,...(DFH)	Neutral	3
D.R. Horton, Inc. (DHI)	Neutral	3
KB Home (KBH)	Neutral	4
PulteGroup, Inc. (PHM)	Neutral	3
Meritage Homes Corpo...(MTH)	Underperform	5
Taylor Morrison Home...(TMHC)	Underperform	5
Toll Brothers Inc. (TOL)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Building Products - Home Builders

	NVR	X Industry	S&P 500	KBH	TMHC	TOL
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Underperform
Zacks Rank (Short Term)	3	-	-	4	5	5
VGM Score	D	-	-	D	B	D
Market Cap	21.33 B	3.24 B	39.70 B	4.21 B	6.16 B	13.48 B
# of Analysts	4	3	22	5	4	6
Dividend Yield	0.00%	0.00%	1.4%	1.54%	0.00%	0.72%
Value Score	C	-	-	C	B	C
Cash/Price	0.11	0.09	0.04	0.08	0.06	0.06
EV/EBITDA	9.19	6.11	14.74	4.33	6.65	7.11
PEG Ratio	-1.95	1.85	2.21	5.29	NA	1.09
Price/Book (P/B)	5.43	1.22	3.43	1.08	0.99	1.63
Price/Cash Flow (P/CF)	13.53	7.28	15.24	6.86	6.61	9.24
P/E (F1)	18.04	12.27	19.79	10.06	8.07	10.42
Price/Sales (P/S)	2.08	0.83	3.06	0.64	0.74	1.23
Earnings Yield	5.61%	8.16%	4.98%	9.94%	12.39%	9.59%
Debt/Equity	0.23	0.19	0.57	0.00	0.35	0.34
Cash Flow (\$/share)	554.95	8.68	8.99	9.49	9.54	15.14
Growth Score	D	-	-	F	D	F
Hist. EPS Growth (3-5 yrs)	14.96%	9.65%	8.13%	NA	22.22%	33.93%
Proj. EPS Growth (F1/F0)	-17.30%	-15.29%	8.50%	-24.38%	-5.56%	-0.52%
Curr. Cash Flow Growth	5.71%	8.87%	6.86%	10.45%	12.53%	5.50%
Hist. Cash Flow Growth (3-5 yrs)	13.58%	15.85%	7.31%	18.29%	22.38%	18.21%
Current Ratio	5.96	4.20	1.18	2.13	7.02	4.38
Debt/Capital	18.65%	16.55%	38.15%	0.00%	26.12%	25.17%
Net Margin	14.00%	7.92%	12.78%	7.92%	10.16%	12.28%
Return on Equity	35.89%	12.91%	17.00%	12.91%	15.23%	16.74%
Sales/Assets	1.67	0.91	0.53	0.94	0.89	0.77
Proj. Sales Growth (F1/F0)	-4.80%	-1.87%	5.75%	-10.70%	-2.40%	-1.90%
Momentum Score	B	-	-	B	A	A
Daily Price Chg	0.09%	0.77%	0.21%	0.93%	1.56%	0.85%
1 Week Price Chg	0.41%	-1.55%	0.64%	-1.55%	-0.40%	-0.64%
4 Week Price Chg	3.52%	5.42%	2.43%	7.89%	5.42%	6.01%
12 Week Price Chg	-8.16%	-8.16%	4.06%	0.09%	-8.92%	-0.01%
52 Week Price Chg	-14.61%	-13.61%	14.04%	-11.51%	-6.16%	0.98%
20 Day Average Volume	17,722	238,650	2,755,288	843,867	817,566	1,270,933
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-2.23%
(F1) EPS Est 4 week change	0.61%	-0.03%	0.00%	-0.13%	0.42%	-4.47%
(F1) EPS Est 12 week change	3.77%	-3.80%	0.68%	-4.15%	-3.06%	-4.47%
(Q1) EPS Est Mthly Chg	0.46%	0.00%	0.00%	0.00%	1.26%	4.98%

Analyst Earnings Model⁽²⁾

NVR, Inc. (NVR)

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 Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26
Income Statement													
Total Revenue	\$10,526.4	\$9,518.2	\$10,524.5	\$2,403.0	\$2,598.8	\$2,609.5	\$2,399.9	\$10,011.2	\$2,428.1	\$2,520.9	\$2,478.3	\$2,212.4	\$9,639.8
Depreciation & Amortization	\$17.4	\$16.9	\$18.4	\$5.8	\$5.7	\$6.1	\$5.2	\$22.8	\$6.6	\$5.9	\$5.9	\$5.3	\$23.8
Pre-Tax Income	\$2,253.2	\$1,928.4	\$2,115.5	\$402.0	\$447.1	\$444.1	\$403.7	\$1,696.9	\$408.7	\$427.8	\$384.8	\$361.2	\$1,582.5
Income Tax	\$527.6	\$336.8	\$433.6	\$102.4	\$113.4	\$101.4	\$92.0	\$409.3	\$93.2	\$97.5	\$87.7	\$82.4	\$360.8
Tax Rate	23.4%	17.5%	20.5%	25.5%	25.4%	22.8%	22.8%	24.1%	22.8%	22.8%	22.8%	22.8%	22.8%
Net Income	\$1,725.6	\$1,591.6	\$1,681.9	\$299.6	\$333.7	\$342.7	\$311.7	\$1,287.7	\$315.5	\$330.3	\$297.0	\$278.9	\$1,221.7
Basic Shares Outstanding	3.3	3.2	3.1	3.0	2.9	2.9	2.8	2.9	2.8	2.8	2.7	2.7	2.8
Diluted Shares Outstanding	3.5	3.4	3.3	3.2	3.1	3.1	3.0	3.1	3.0	2.9	2.9	2.9	2.9
Basic EPS	\$525.20	\$491.52	\$540.88	\$100.41	\$114.52	\$119.26	\$109.79	\$443.98	\$112.55	\$119.30	\$108.69	\$103.36	\$443.90
Diluted EPS	\$491.82	\$463.31	\$506.69	\$94.83	\$108.54	\$112.33	\$103.34	\$419.04	\$105.87	\$112.13	\$102.07	\$97.00	\$417.07
Homebuilding Revenue													
Revenues	\$10,326.8	\$9,314.6	\$10,292.4	\$2,350.4	\$2,548.3	\$2,560.3	\$2,336.8	\$9,795.8	\$2,376.6	\$2,472.1	\$2,431.5	\$2,151.4	\$9,431.6
Cost of Sales	\$7,662.3	\$7,051.2	\$7,850.5	\$1,835.4	\$2,000.0	\$2,021.4	\$1,843.5	\$7,700.2	\$1,860.5	\$1,948.3	\$1,943.6	\$1,709.9	\$7,462.3
Gross Profit	\$2,664.5	\$2,263.4	\$2,441.9	\$515.1	\$548.3	\$538.9	\$493.3	\$2,095.6	\$516.1	\$523.8	\$487.9	\$441.5	\$1,969.3
Other Income	\$37.0	\$148.0	\$143.9	\$26.7	\$25.1	\$22.0	\$24.4	\$98.2	\$26.3	\$22.2	\$21.3	\$20.5	\$90.2
Selling, General and Administrative	\$532.4	\$589.0	\$598.2	\$165.1	\$149.2	\$142.7	\$148.5	\$605.5	\$159.3	\$142.7	\$148.3	\$134.1	\$584.4
Operating Income	\$2,169.2	\$1,822.5	\$1,987.6	\$376.7	\$424.2	\$418.2	\$369.2	\$1,588.2	\$383.1	\$403.3	\$360.9	\$327.8	\$1,475.2
Interest Expense	\$38.1	\$26.9	\$27.0	\$7.2	\$6.7	\$6.9	\$6.1	\$26.8	\$6.8	\$6.3	\$6.2	\$5.5	\$24.8
Pre-Tax Income	\$2,131.0	\$1,795.6	\$1,960.6	\$369.5	\$417.5	\$411.4	\$363.0	\$1,561.4	\$376.4	\$397.0	\$354.7	\$322.3	\$1,450.4
Mortgage Banking													
Mortgage Banking Fees	\$199.7	\$203.6	\$232.1	\$52.6	\$50.5	\$49.2	\$63.1	\$215.4	\$51.5	\$48.8	\$46.8	\$61.1	\$208.2
Interest Income	\$11.9	\$16.7	\$19.1	\$3.8	\$4.5	\$4.9	\$5.5	\$18.7	\$4.5	\$4.4	\$4.2	\$5.4	\$18.5
Other Income	\$5.0	\$4.4	\$5.5	\$1.1	\$1.3	\$1.4	\$1.6	\$5.4	\$1.3	\$1.3	\$1.2	\$1.6	\$5.3
General and Administrative	\$92.9	\$91.1	\$100.9	\$24.7	\$26.4	\$22.4	\$29.1	\$102.7	\$24.6	\$23.4	\$21.9	\$28.8	\$98.7
Interest Expense	\$1.4	\$0.9	\$0.8	\$0.3	\$0.3	\$0.3	\$0.3	\$1.2	\$0.3	\$0.3	\$0.3	\$0.4	\$1.2
Pre-Tax Income	\$122.2	\$132.8	\$154.9	\$32.5	\$29.6	\$32.7	\$40.7	\$135.5	\$32.4	\$30.8	\$30.1	\$38.9	\$132.1

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	D
Momentum Score	B
VGM Score	D

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