

Phibro Animal Health (PAHC)

\$40.40 (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$44.00**

Long Term: 6-12 Months

Zacks Recommendation:

Outperform

(Since: 12/09/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

1-Strong Buy

Zacks Style Scores:

VGM: A

Value: B

Growth: B

Momentum: D

Summary

Phibro's diversified animal health portfolio is further bolstered by the integration of Zoetis' MFA business. Strong demand across Latin America and international markets fuels vaccine performance. The company's operations in nearly 90 countries enables it to capture global growth opportunities. Also, Phibro has been experiencing recovery in the Mineral Nutrition and Performance Products businesses since the past few quarters. Going by our model, fiscal 2026 net sales are expected to increase 12.9% over 2025. Solid financial health is another plus. Meanwhile, Phibro faces operational challenges from macroeconomic uncertainties and adverse currency movements. The potential FDA withdrawal of Mecadox's approval poses a significant risk. In addition, increasing use of generic products could hurt the company's performance.

Data Overview

52 Week High-Low	\$46.42 - \$16.16
20 Day Average Volume (sh)	276,358
Market Cap	\$1.6 B
YTD Price Change	93.7%
Beta	0.77
Dividend / Div Yld	\$0.48 / 1.2%
Industry	Medical - Products
Zacks Industry Rank	Bottom 28% (174 out of 243)

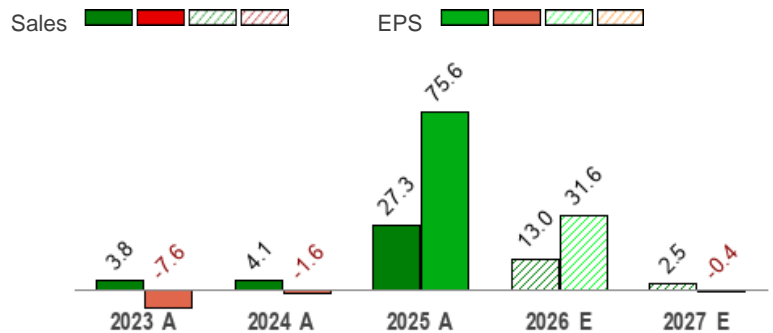
Last EPS Surprise	23.7%
Last Sales Surprise	2.6%
EPS F1 Est- 4 week change	-0.2%
Expected Report Date	02/04/2026
Earnings ESP	2.5%

P/E TTM	16.5
P/E F1	14.7
PEG F1	0.8
P/S TTM	1.2

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	377 E	375 E	368 E	382 E	1,502 E
2026	364 A	356 E	362 E	382 E	1,465 E
2025	260 A	309 A	348 A	379 A	1,296 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	0.72 E	0.66 E	0.68 E	0.68 E	2.74 E
2026	0.73 A	0.71 E	0.69 E	0.62 E	2.75 E
2025	0.35 A	0.54 A	0.63 A	0.57 A	2.09 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/10/2025.

Overview

Headquartered in New Jersey, Phibro Animal Health Corporation is a leading global diversified animal health and mineral nutrition company. The company provides a broad range of products for food animals including poultry, swine, beef and dairy cattle and aquaculture. In addition to animal health and mineral nutrition products, Phibro manufactures and markets specific ingredients for use in the personal care, automotive, industrial chemical and chemical catalyst industries. At present, Phibro markets nearly 770 product lines in more than 80 countries to approximately 4,000 customers.

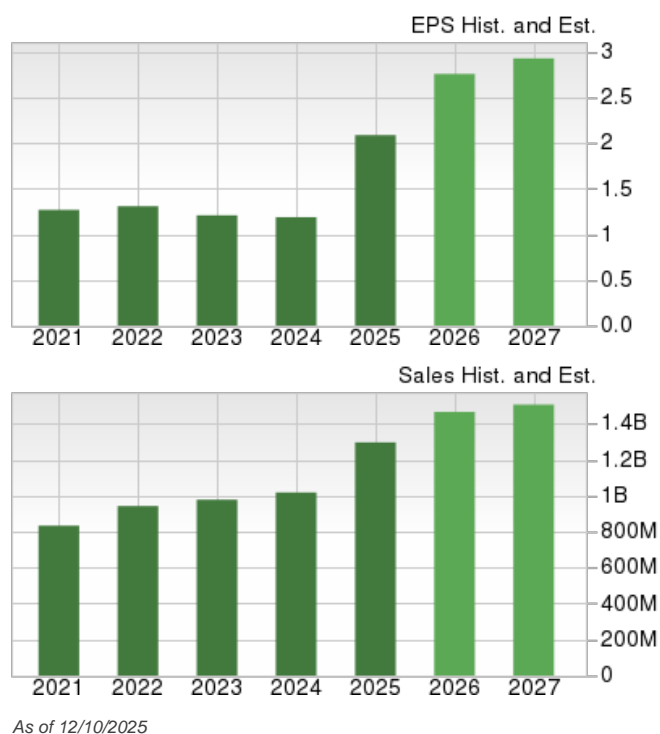
Currently, Phibro focuses on regions where the majority of livestock production is consolidated in large commercial farms such as the U.S., Brazil, China, Russia, Mexico, Australia, Turkey, Israel, Canada and Europe.

Business Segments

Animal Health (74% of total revenues in fiscal 2025, up 36% from fiscal 2024) develops, manufactures and markets more than 550 product presentations including antibacterials, anticoccidials, nutritional specialty products and vaccines.

Mineral Nutrition (19.5%, up 4%) manufactures and markets more than 400 formulations and concentrations of trace minerals such as zinc, manganese, copper, iron and other compounds, with special focus on customers in North America.

Performance Products (6.5%, up 19%) manufactures and markets a number of specialty ingredients for use in the personal care, automotive, industrial chemical and chemical catalyst industries, predominantly in the U.S.



Reasons To Buy:

▲ **Animal Health Business Growth Continues:** The rising shortage of natural resources is increasing the need for more efficient production of food animals such as poultry, swine and cattle. Phibro's animal health products, including MFAs (medicated feed additives), vaccines and nutritional specialty products, facilitate enhanced animal nutrition and help manage disease outbreaks. Its leading MFA product franchise, Stafac/V-Max/Eskalin, is approved in more than 30 countries, while nutritional offerings, such as OmniGen-AF and Animate, continue to gain traction in the global dairy industry.

Phibro's diversified product portfolio and wide presence in key-growth areas bolster our confidence in the stock.

The MFA portfolio was further bolstered by the integration of Zoetis' MFA business, which added more than 37 established product lines marketed across approximately 80 countries, along with six manufacturing sites in the United States, Italy, and China. In the first quarter of fiscal 2026, MFA revenues grew 81%, supported by strong gains in nutritional specialties and vaccines. Legacy MFA and other products also recorded a 6% increase, highlighting the strong demand across the diversified animal health portfolio and the enduring strength of global protein production.

Phibro is encouraged by emerging research indicating that GLP-1 users, while spending less overall on food, are increasingly opting for high-quality animal-derived proteins. The shift in consumer preference backs long-term industry growth and highlights the continued relevance of the company's offerings. In addition, Phibro remains committed to expanding its companion animal business and pipeline, areas identified as near-and medium-term growth drivers where the company is actively investing. Our model forecasts Animal Health revenues to grow 18.9% in fiscal 2026.

▲ **Potential in Emerging Markets:** Phibro's existing operations and established sales, marketing and distribution network in approximately 90 countries provide it ample scope to take advantage of global growth opportunities. Outside the United States, Phibro's global footprint extends to key high-growth regions (countries where the livestock production growth rate is expected to be higher than the average growth rate), including Brazil and other countries in South America, China, India and Southeast Asia, Mexico, Turkey, Australia, Canada, Poland and other Eastern European countries and South Africa and other countries in Africa. In the first quarter of fiscal 2026, net sales in Europe, the Middle East and Africa increased 44.4%, while Asia Pacific sales jumped 101.1%. According to our model, sales in Europe, the Middle East and Africa are expected to increase 11.1% in fiscal 2026. Asia Pacific sales are likely to grow 6.8%.

▲ **Prospering Vaccine Business:** Phibro is focusing on new developments along with incremental registrations and growing volumes of existing vaccine technologies. The company also makes significant investments to expand vaccine manufacturing capacity at several locations. Recently, Phibro began operations at a new vaccine production facility in Guarulhos, Brazil that manufactures and markets autogenous vaccines against animal diseases for swine, poultry and aquaculture. The company also launched new commercial vaccines and looks forward to bringing additional vaccines to the Americas. In the first quarter of fiscal 2026, net sales of vaccines increased 25% year over year, primarily driven by continued growth of poultry products in Latin America and higher international demand. Management highlighted vaccines as a key growth driver heading into fiscal 2026, supported by expanding capacity and sustained global demand. For fiscal 2026, our model predicts vaccine sales to jump 16.1%.

▲ **Recovery Within the Mineral Nutrition and Performance Product Businesses:** In the past few quarters, Phibro has been experiencing recovery within the Mineral Nutrition and Performance Products businesses. Performance Products, in particular, had a strong finish to fiscal 2025, with sales growing 19%, driven by higher demand for the ingredients used in personal care products. In the first quarter of fiscal 2026, Mineral Nutrition net sales were up 7%, mainly driven by increased demand for copper and trace minerals. Mineral Nutrition gross profit increased \$0.5 million owing to a favorable product mix.

▲ **Stable Solvency Structure With Heavy Payout Load:** As of the fiscal 2026 first-quarter end, Phibro's total cash and short-term investments were \$85.3 million. The company has pretty good solvency reflected through its low short-term-payable debt of \$18 million on its balance sheet. The long-term debt totaled \$725 million, up 3.1% from the previous quarter. However, the debt-to-capital ratio fell 1.1% on a sequential basis to 70.4%.

Phibro's capital deployment policy is based on the return of shareholders' money through dividends and share buybacks. Consistent with its history, the company had paid a quarterly dividend of \$0.12 per share or \$4.9 million in aggregate. Currently, the payout ratio stands at 19.4%

Risks⁽²⁾

- **Mecadox Grappled with Regulatory Issues:** Phibro's Mecadox (carbadox) has been an important product for swine producers to help keep baby piglets healthy during the critical early period of their lives. However, many regulatory bodies have raised concerns over the product, citing the possible presence of certain residues in meat from animals that consume the product. It has been banned in the E.U. since 1998 and in several other countries outside the United States. In November 2023, the FDA, through its Center for Veterinary Medicine (CVM), took two actions regarding Mecadox. In the first action, the FDA provided notice of a Federal Register publication issuing a final order to revoke the approved method for detecting residues of carbadox (the active ingredient in the Mecadox product). The FDA also provided notice of a second Federal Register publication proposing to withdraw approval of all new animal drug applications (NADAs) providing for use of carbadox in medicated swine feed and announcing an opportunity for Phibro to request a hearing on this proposal.

This second action is based on CVM's determination that there is no approved regulatory method to detect carbadox residues in the edible tissues of the treated swine. If the company fails to successfully defend the safety of the product, the loss of carbadox sales can have an adverse effect on the company's financial condition and results of operations.

- **Macroeconomic Concerns:** In the current scenario, Phibro's business continues to be affected by economic sanctions, bans and broader military conflicts resulting from the ongoing armed conflict between Russia and Ukraine. Other impacts include supply-chain and logistics disruptions, macroeconomic impacts from the exclusion of Russian financial institutions from the global banking system, volatility in foreign exchange rates and interest rates, inflationary pressures on raw materials and energy, as well as heightened cybersecurity threats. Consequently, these macroeconomic factors could reduce Phibro's profitability and negatively impact its overall financial performance. In the first quarter of fiscal 2026, cost of goods sold increased 37.9% year over year to \$244.1 million. Selling, general and administrative expenses were \$68.5 million, up 4.1%.
- **Foreign Exchange Headwinds:** Phibro conducts operations globally, which entails transactions in a variety of currencies. Notably, Phibro manufactures some of its major products in Brazil and Israel, where production costs are largely denominated in local currencies, while selling prices are largely set in U.S. dollars. As such, the company is exposed to changes in cost of goods sold resulting from currency movements and may not be able to adjust its selling prices to offset such movements. Foreign currency losses, net for the three months ended Sept. 30, 2025, were \$2.9 million compared to \$0.4 million of net losses in the year-ago period.
- **Competitive Landscape:** Phibro is engaged in highly competitive industries. It faces competition from a substantial and continually evolving number of global and regional competitors. Phibro's competitive position is based principally on its product registrations, customer service and support, breadth of product line, product quality, manufacturing technology, facility location, and product prices. Moreover, consolidation continues to rise in the animal health market, which might work in favor of Phibro's competitors. Thus, the company faces a tough competitive scenario in nearly all the markets wherein it operates.
- **Generic Pressure to Affect Growth:** Phibro also faces competition from generic alternatives of some of its products. The company depends primarily on trade secrets to provide management with competitive advantages for many of its products. The protection afforded is limited by the availability of new competitive products or generic versions of existing products that can successfully compete with Phibro's products. As a result, Phibro faces competition from such new competitive products or lower-priced generic alternatives. These days, generic competitors are becoming more aggressive in terms of pricing, and generic products form a considerable proportion of overall animal health sales in certain regions. If animal health customers increase their use of new or existing generic products, it will adversely affect Phibro's financial health and operational performance.

Last Earnings Report

Phibro's Q1 Earnings & Revenue Top Estimates

Phibro Animal Health delivered adjusted earnings per share of 73 cents in the first quarter of fiscal 2026 compared with 35 cents in the year-ago quarter. The bottom line beat the Zacks Consensus Estimate by 23.73%.

Without adjustments, the GAAP earnings per share in the quarter was 65 cents compared to 17 cents in the prior-year period.

PAHC’s Q1 Revenue

In the quarter under review, net sales totaled \$363.9 million, up 40% from the year-ago quarter's level. The figure topped the Zacks Consensus Estimate by 2.6%.

Phibro’s Fiscal 2026 Guidance

The company continues to expect fiscal 2026 net sales to be between \$1.43 billion and \$1.48 billion, representing 12% growth. The Zacks Consensus Estimate for the metric is pegged at \$1.46 billion.

Adjusted earnings per share is expected in the range of \$2.64-\$2.81 (previously \$2.52 to \$2.70), suggesting a 31% growth. The Zacks Consensus Estimate for the same is pegged at \$2.60.

FY Quarter Ending 6/30/2025	
Earnings Reporting Date	Nov 05, 2025
Sales Surprise	2.60%
EPS Surprise	23.73%
Quarterly EPS	0.73
Annual EPS (TTM)	2.47

Recent News

Phibro Marks National Launch of Restoris: Oct. 30, 2025

Phibro announces the national launch of Restoris piezoelectric dental gel, designed to treat and support long-term oral health in dogs with periodontal disease. It was developed in collaboration with a leading U.S. dental school and licensed to Phibro.

Phibro's New Agreement With Lighthouse Pharmaceuticals: Oct. 9, 2025

Phibro announced that it has entered into a licensing agreement with Lighthouse Pharmaceuticals, Inc. for a novel therapeutic asset targeting periodontal health in companion animals.

Valuation

Phibro's shares are up 82% in the year-to-date period and up 59.6% in the trailing 12-month periods. Stocks in the Zacks sub-industry are up 1% while the Zacks Medical sector is up 5% in the year-to-date period. Over the past year, the Zacks sub-industry is down 2.8% and sector is down 1.2%.

The S&P 500 index is up 18.6% in the year-to-date period and up 14.6% in the past year.

The stock is currently trading at 13.5X forward 12-months earnings, which compares to 19.7X for the Zacks sub-industry, 20.6X for the Zacks sector and 23.5X for the S&P 500 index.

Over the past five years, the stock has traded as high as 24.5X and as low as 7.9X, with a 5-year median 12.8X. Our Outperform recommendation indicates that the stock will perform above the market. Our \$44 price target reflects 15.5X forward 12-months earnings.

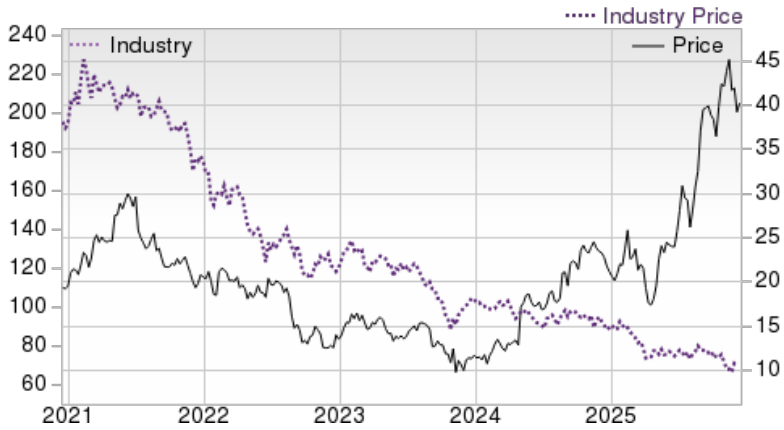
The table below shows summary valuation data for PAHC.

Valuation Multiples - PAHC					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	13.51	19.68	20.63	23.46
	5-Year High	24.53	27.41	23.62	23.78
	5-Year Low	7.98	17.79	17.88	15.73
	5-Year Median	12.77	21.92	20.63	21.21
P/S F12M	Current	1.05	2.79	2.15	5.30
	5-Year High	1.49	4.49	3.41	5.50
	5-Year Low	0.38	2.55	2.01	3.83
	5-Year Median	0.69	3.20	2.64	5.05
P/B TTM	Current	4.98	2.80	3.91	8.51
	5-Year High	5.96	4.49	6.08	9.16
	5-Year Low	1.42	2.44	3.57	6.60
	5-Year Median	3.11	3.14	4.53	8.05

As of 12/09/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 28% (174 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
BioLife Solutions, I... (BLFS)	Neutral	3
Cresco Labs Inc. (CRLBF)	Neutral	3
Green Thumb Industri... (GTBIF)	Neutral	3
McKesson Corporation (MCK)	Neutral	3
Maravai LifeSciences... (MRVI)	Neutral	4
Neogen Corporation (NEOG)	Neutral	3
VAREX IMAGING (VREX)	Neutral	2
Lantheus Holdings, I... (LNTH)	NA	

Industry Comparison ⁽¹⁾ Industry: Medical - Products				Industry Peers		
	PAHC	X Industry	S&P 500	GTBIF	LNTH	NEOG
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	NA	Neutral
Zacks Rank (Short Term)	1	-	-	3		3
VGM Score	A	-	-	A		D
Market Cap	1.65 B	240.93 M	39.20 B	1.74 B	4.41 B	1.49 B
# of Analysts	4	3	22	6	7	3
Dividend Yield	1.18%	0.00%	1.4%	0.00%	0.00%	0.00%
Value Score	B	-	-	A		B
Cash/Price	0.05	0.16	0.04	0.12	0.09	0.09
EV/EBITDA	15.23	3.88	14.73	4.46	8.85	15.73
PEG Ratio	0.80	1.94	2.24	NA	NA	NA
Price/Book (P/B)	5.29	1.69	3.35	0.95	4.04	0.70
Price/Cash Flow (P/CF)	12.44	9.45	15.24	9.52	9.38	1.19
P/E (F1)	14.72	19.38	19.90	62.19	11.93	18.03
Price/Sales (P/S)	1.18	1.58	3.09	1.50	2.89	1.68
Earnings Yield	6.79%	0.19%	5.01%	1.67%	8.38%	5.55%
Debt/Equity	2.32	0.16	0.57	0.00	0.51	0.37
Cash Flow (\$/share)	3.27	0.02	8.99	0.88	7.09	5.77
Growth Score	B	-	-	B	NA	D
Hist. EPS Growth (3-5 yrs)	10.72%	-0.52%	8.16%	-21.59%	99.29%	-14.37%
Proj. EPS Growth (F1/F0)	31.58%	8.64%	8.57%	-53.33%	-17.46%	15.15%
Curr. Cash Flow Growth	54.78%	3.47%	6.75%	35.92%	6.77%	463.94%
Hist. Cash Flow Growth (3-5 yrs)	11.46%	8.49%	7.43%	53.92%	51.72%	74.28%
Current Ratio	3.09	2.37	1.18	1.98	2.67	3.58
Debt/Capital	69.92%	22.38%	38.01%	0.00%	33.66%	27.22%
Net Margin	4.85%	-6.43%	12.78%	3.77%	10.99%	-117.61%
Return on Equity	36.26%	-5.57%	17.00%	1.66%	30.88%	2.23%
Sales/Assets	1.05	0.57	0.53	0.45	0.72	0.24
Proj. Sales Growth (F1/F0)	13.00%	0.00%	5.77%	2.10%	-1.90%	-7.90%
Momentum Score	D	-	-	C		F
Daily Price Chg	1.30%	0.00%	-0.16%	-13.41%	-0.08%	-0.15%
1 Week Price Chg	2.53%	0.00%	-0.44%	46.23%	5.24%	14.72%
4 Week Price Chg	-9.74%	3.02%	2.16%	46.77%	26.80%	6.70%
12 Week Price Chg	5.91%	-3.93%	1.83%	10.31%	32.85%	19.34%
52 Week Price Chg	79.64%	-9.94%	12.22%	8.60%	-28.79%	-42.19%
20 Day Average Volume	276,358	215,969	2,744,252	661,563	1,024,641	4,083,271
(F1) EPS Est 1 week change	0.18%	0.00%	0.00%	0.00%	-0.06%	-17.54%
(F1) EPS Est 4 week change	-0.15%	0.00%	0.00%	0.00%	-0.06%	-17.54%
(F1) EPS Est 12 week change	5.04%	0.27%	0.69%	11.77%	-2.49%	25.33%
(Q1) EPS Est Mthly Chg	3.36%	0.00%	0.00%	0.00%	-0.29%	0.00%

Analyst Earnings Model⁽²⁾

Phibro Animal Health Corporation (PAHC)

In \$MM, except per share data

	2023A	2024A	2025A	2026E					2027E					2028E
	FY	FY	FY	1QA	2QE	3QE	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends June 30th	Jun-23	Jun-24	Jun-25	30-Sep-25	31-Dec-25	31-Mar-26	30-Jun-26	Jun-26	30-Sep-26	31-Dec-26	31-Mar-27	30-Jun-27	Jun-27	Jun-28
Income Statement														
Net Sales	\$977.9	\$1,017.7	\$1,296.2	\$363.9	\$356.3	\$362.4	\$381.9	\$1,464.5	\$377.1	\$375.1	\$367.6	\$382.1	\$1,501.9	\$1,547.9
Cost of Goods Sold, Adjusted	\$673.0	\$697.4	\$881.3	\$240.3	\$236.9	\$245.2	\$263.8	\$986.2	\$242.8	\$246.3	\$243.5	\$254.7	\$987.4	\$1,013.9
Cost of Goods Sold, GAAP	\$679.7	\$704.6	\$896.3	\$244.1	\$235.1	\$245.2	\$254.6	\$979.0	\$250.9	\$247.0	\$246.5	\$254.1	\$998.5	\$1,030.8
Gross Profit, Adjusted	\$304.9	\$320.3	\$414.9	\$123.6	\$119.4	\$117.2	\$118.1	\$478.3	\$134.3	\$128.8	\$124.1	\$127.3	\$514.6	\$534.0
Gross Profit, GAAP	\$298.2	\$313.1	\$399.9	\$119.8	\$121.2	\$117.2	\$127.3	\$485.5	\$126.2	\$128.1	\$121.2	\$127.9	\$503.4	\$517.1
Selling, General & Administrative Expenses, Adjusted	\$216.5	\$235.6	\$269.0	\$71.3	\$70.9	\$69.0	\$73.7	\$284.9	\$86.1	\$81.3	\$75.7	\$78.6	\$321.7	\$324.1
Selling, General & Administrative Expenses, GAAP	\$226.4	\$259.8	\$289.5	\$68.5	\$89.1	\$80.1	\$91.0	\$328.6	\$92.6	\$93.6	\$79.9	\$88.0	\$354.2	\$354.2
Adjusted EBITDA	\$112.8	\$111.2	\$183.7	\$61.9	\$52.7	\$58.0	\$59.9	\$232.5	\$52.1	\$60.6	\$62.4	\$61.5	\$236.6	\$255.2
EBITDA, GAAP	\$103.4	\$65.6	\$148.2	\$61.2	\$44.1	\$50.4	\$53.3	\$209.0	\$47.0	\$48.6	\$55.4	\$54.8	\$205.8	\$221.8
Depreciation	\$24.3	\$26.5	\$37.8	\$11.1	\$10.7	\$10.9	\$15.2	\$48.0	\$12.3	\$12.4	\$12.5	\$13.3	\$50.5	\$52.5
Amortization	\$9.7	\$9.7	\$7.8	\$1.7	\$2.1	\$2.1	\$2.2	\$8.1	\$2.1	\$2.1	\$2.1	\$2.2	\$8.5	\$8.8
Depreciation & Amortization	\$34.0	\$36.2	\$45.6	\$12.8	\$12.8	\$13.0	\$17.4	\$56.0	\$14.4	\$14.6	\$14.6	\$15.5	\$59.0	\$61.3
Operating Income, Adjusted	\$88.4	\$84.7	\$146.0	\$52.3	\$48.5	\$48.2	\$44.4	\$193.5	\$48.2	\$47.5	\$48.4	\$48.8	\$192.9	\$209.8
Operating Income, GAAP	\$71.8	\$53.3	\$110.5	\$51.3	\$32.1	\$37.2	\$36.4	\$156.9	\$33.6	\$34.5	\$41.3	\$39.9	\$149.3	\$162.9
Interest Expense, Net, Adjusted	\$15.3	\$18.5	\$32.6	\$12.1	\$10.0	\$10.4	\$10.8	\$43.3	\$9.3	\$11.4	\$11.4	\$11.7	\$43.7	\$45.4
Interest Expense, Net, GAAP	\$15.3	\$18.5	\$34.6	\$12.1	\$9.9	\$10.7	\$9.8	\$42.5	\$10.9	\$11.3	\$11.2	\$10.6	\$44.1	\$46.1
Foreign Currency(Gains) Losses, Net	\$2.5	\$23.9	\$7.9	\$2.9	\$0.7	(\$0.2)	\$0.5	\$3.9	\$1.0	\$0.5	\$0.4	\$0.6	\$2.5	\$2.4
Pre-Tax Income, Adjusted	\$73.1	\$66.2	\$113.3	\$40.3	\$38.5	\$37.8	\$33.7	\$150.3	\$38.9	\$36.1	\$37.0	\$37.1	\$149.2	\$164.4
Pre-Tax Income, GAAP	\$54.1	\$10.9	\$68.0	\$36.3	\$21.5	\$26.7	\$26.1	\$110.5	\$21.7	\$22.7	\$29.6	\$28.7	\$102.7	\$114.4
Income Tax, Adjusted	\$24.2	\$17.8	\$28.3	\$10.4	\$9.6	\$9.4	\$8.4	\$37.8	\$9.7	\$9.0	\$9.2	\$9.2	\$37.1	\$40.9
Income Tax, GAAP	\$21.5	\$8.5	\$19.7	\$9.7	\$5.8	\$7.2	\$7.0	\$29.7	\$5.8	\$6.1	\$8.0	\$7.7	\$27.6	\$30.8
Tax Rate, Adjusted	33.0%	26.9%	25.0%	25.9%	24.9%	24.9%	24.9%	25.1%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%
Tax Rate, GAAP	39.7%	77.9%	29.0%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%
Net Income, Adjusted	\$49.0	\$48.4	\$84.9	\$29.8	\$28.9	\$28.4	\$25.3	\$112.4	\$29.2	\$27.1	\$27.8	\$27.9	\$112.0	\$123.5
Net Income, GAAP	\$32.6	\$2.4	\$48.3	\$26.5	\$15.7	\$19.5	\$19.1	\$80.8	\$15.8	\$16.6	\$21.6	\$21.0	\$75.1	\$83.6
Basic Shares Outstanding	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5
Diluted Shares Outstanding	40.5	40.5	40.7	40.9	40.9	40.9	40.9	40.9	40.9	40.9	40.9	40.9	40.9	40.9
Basic EPS	\$0.81	\$0.06	\$1.19	\$0.65	\$0.39	\$0.48	\$0.47	\$1.99	\$0.39	\$0.41	\$0.53	\$0.52	\$1.85	\$2.06
Diluted EPS, Adjusted	\$1.21	\$1.19	\$2.09	\$0.73	\$0.71	\$0.69	\$0.62	\$2.75	\$0.72	\$0.66	\$0.68	\$0.68	\$2.74	\$3.02
Diluted EPS, GAAP	\$0.81	\$0.06	\$1.19	\$0.65	\$0.38	\$0.48	\$0.47	\$1.98	\$0.39	\$0.41	\$0.53	\$0.51	\$1.84	\$2.05
Dividend Per Share	\$0.48	\$0.48	\$0.48	\$0.12	\$0.12	\$0.12	\$0.12	\$0.48	\$0.12	\$0.12	\$0.12	\$0.12	\$0.48	\$0.48

Zacks Stock Rating System

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

Zacks Recommendation

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

Zacks Rank

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

Zacks Style Scores

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

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

Value Score	B
Growth Score	B
Momentum Score	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.

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