

Paychex, Inc. (PAYX)

\$115.38 (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$119.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 03/25/22)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: D

Growth: B

Momentum: C

Summary

Paychex gains from an expanding cloud computing market and rising client adoption of cloud computing solutions. It has been able to retain 83% of clients across the past three years, beating industry standards and facilitating steady revenues. This, along with improving employee productivity, is resulting in solid cash flows and liquidity, in turn, facilitating consistent dividends. The thing to keep an eye on is the potential losses from employee payments that PAYX can incur, given that its clients become insolvent. Fierce competition is certainly a hiccup for the company's growth and bottom line. Furthermore, past cyberattacks have disrupted operations, which can repeat, given the business nature and the amount of sensitive data that it possesses. We have a Neutral recommendation on the PAYX stock, which has declined 18% in the past year.

Data Overview

52 Week High-Low	\$161.24 - \$108.00
20 Day Average Volume (sh)	3,054,326
Market Cap	\$41.5 B
YTD Price Change	-17.7%
Beta	0.91
Dividend / Div Yld	\$4.32 / 3.7%
Industry	Internet - Software
Zacks Industry Rank	Top 23% (55 out of 243)

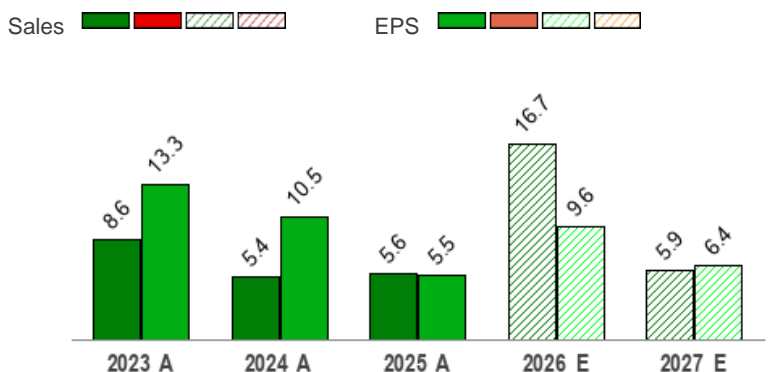
Last EPS Surprise	0.8%
Last Sales Surprise	0.2%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	12/19/2025
Earnings ESP	0.0%

P/E TTM	22.9
P/E F1	21.1
PEG F1	2.6
P/S TTM	7.2

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1,641 E	1,665 E	1,851 E	1,734 E	6,890 E
2026	1,540 A	1,556 E	1,797 E	1,611 E	6,504 E
2025	1,319 A	1,317 A	1,509 A	1,427 A	5,572 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1.27 E	1.42 E	1.73 E	1.39 E	5.81 E
2026	1.22 A	1.28 E	1.68 E	1.28 E	5.46 E
2025	1.16 A	1.14 A	1.49 A	1.19 A	4.98 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/15/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/08/2025.

Overview

Paychex, Inc. is one of the leading providers of integrated human capital management (“HCM”) solutions for payroll, human resource (“HR”), retirement and insurance services for small- to medium-sized businesses. The company was incorporated in Delaware in 1979.

The company's payroll processing services include payroll processing, payroll tax administration services, employee payment services, and regulatory compliance services. The company supports small-business organizations through its core payroll, software-as-a-service (“SaaS”) Paychex Flex platform, and its SurePayroll® SaaS-based products. PAYX's SaaS solution via Paychex Flex Enterprise integrates payroll processing with HR management, employee benefits administration, time and labor management and onboarding solutions.

Its suite of complementary Human Resource Services (“HRS”) products includes comprehensive HR outsourcing through Paychex HR Services; retirement services administration; insurance services; HR administration services, including time and attendance, benefit enrolment, recruiting, and onboarding; and other HR services and products.

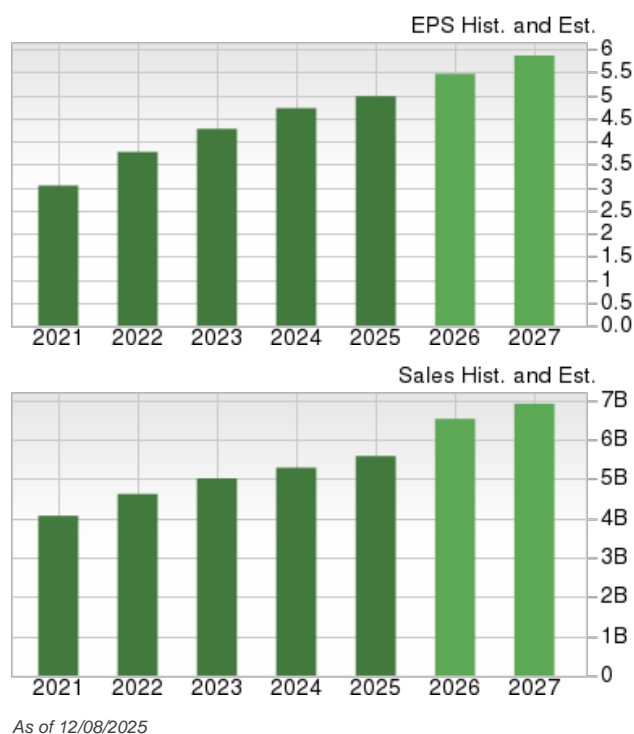
As of May 31, 2025, Paychex served more than 800,000 payroll clients. The company maintains its corporate headquarters in Rochester, New York, and serves clients throughout the United States (99% of total revenues) and Europe (The remaining 1%).

Paychex operates under two broad categories — Total Service Revenue (consisting of Management Solutions and Professional Employer Organization (“PEO”) and Insurance Solutions), and Interest on Funds Held for Clients.

Management Solutions (73% of Total Revenue in Fiscal 2025): This segment includes HCM technology and service solutions, including HR, payroll, and retirement services.

PEO and insurance services (24%): PEO services provide businesses with a combined package that includes payroll, employer compliance, HR and employee benefits administration, risk management, and outsourcing, both virtual and on-site availability for professionally trained HR representatives. The insurance services agency complements this by offering an array of employee benefits and corporate offerings at an affordable cost.

Interest on Funds Held for Clients makes up for the remaining 3%



Reasons To Buy:

- ▲ Per Grand View Research, the global cloud computing market was estimated at \$752.4 billion in 2024 and is anticipated to grow at a CAGR of 20.4% from 2025 to 2030. The upsurge serves as a perfect growth opportunity for Paychex. This aligns with the company's strategy of utilizing cloud computing to assist businesses in managing their data, enabling the company to capitalize on the **rising client adoption of cloud-based solutions**. Banking on this factor, we anticipate the top line to increase by 17.4% in fiscal 2026.
- ▲ Paychex, a major player in the IT and Software industry, has achieved a **client retention rate of nearly 83%** over the past three years, surpassing the industry standard of 77% (Per Exploding Topics). The company's continuous investments in its platforms have positioned it to effectively meet the demands of the current business and regulatory landscapes. PAYX has introduced enhancements to its Paychex Flex platform aimed at improving experiences for both clients and their employees. Additionally, the company is utilizing innovative AI technology and advanced analytics to gain deeper insights into the evolving preferences and needs of prospects and clients. These technological advancements enhance client satisfaction, resulting in a high client retention rate and sustained revenue growth.
- ▲ Paychex's **rising Revenues Per Employee (RPE)** by 7% from 2021-2025 shows workforce efficiency and operational productivity. This points to the company's ability to optimize its talent utilization and adapt to challenges, indicating efficient management and resource allocation. The rising RPE is viewed by investors as a positive indicator of value creation and financial health for investors. It indicates that the company's workforce is delivering higher output, boosting the potential for profitability, and reinforcing the company's growth narrative, encouraging long-term investment in the stock.
- ▲ Paychex rewards its shareholders through **consistent dividend payments**. The consistency has persisted despite the fluctuations in PAYX's cash position, underscoring its dedication to creating long-term value for investors. The company paid dividends of \$1.17 billion, \$1.32 billion and \$1.45 billion in fiscal 2023, 2024 and 2025, respectively. Steady dividends are not just attractive to income-seeking investors; they also ensure some kind of return to investors when market conditions are not that great.
- ▲ Paychex's current ratio (a measure of liquidity) stood at 1.27 at the end of the fourth quarter of fiscal 2025, lower than the industry average of 1.94. Despite being lower than the industry average, a **current ratio of more than 1** indicates that the company will be able to pay off short-term obligations efficiently.

Capitalizing client cloud adoption, high client retention, and rising RPE indicate a steady business with improving profitability. High liquidity facilitates consistent dividends.

Reasons To Sell:

- ▼ Paychex, as a part of its payroll processing service, deals with advancing funds to clients for payroll and taxes. This exposes the company to **the risk of bearing the payments to clients' employees** if the client defaults on their repayment obligations. Paychex has, in the past, absorbed losses due to client insolvency. Per Allianz Trade bankruptcy rate in the U.S. is anticipated to increase by 3% in 2026, presenting a potential headwind. A higher bankruptcy rate could raise the probability of client defaults, thereby impacting Paychex adversely.
- ▼ Paychex operates in a highly competitive industry, with both large and niche players. As a result, there is constant pressure on PAYX to innovate and differentiate its offerings while maintaining cost efficiency. Therefore, the necessity to invest in technology and talent to stay ahead in the game increases the **difficulty of balancing growth and profitability**. Partly due to this positive, shares have declined 18% in a year.
- ▼ Paychex is **highly sensitive to cyberattacks**, which might affect its brand image. It collects, uses, and retains a huge amount of personal information about its employees, customers, and employees' clients, which includes bank accounts, social security numbers, credit cards, and much more. The company suffered a breach that took place in March 2024. This breach resulted in the unauthorized disclosure of personal data, including full names and social security numbers from Paychex's database. The incident was discovered by the company nearly a month after the occurrence. If client confidence is shaken because of such breaches, this would start telling on the retention rate and share prices.

Losses due to client insolvency, significant competition, and cybersecurity threats are concerns.

Last Earnings Report

Paychex's Q1 Earnings Beat Estimates

Paychex has reported impressive first-quarter fiscal 2026 results, wherein earnings and revenues beat the Zacks Consensus Estimate.

PAYX's fiscal first-quarter earnings of \$1.22 per share beat the Zacks Consensus Estimate by a slight margin and increased 5.2% from the year-ago quarter. Total revenues of \$1.5 billion surpassed the consensus estimate marginally and rose 16.8% from the year-ago quarter.

FY Quarter Ending **5/31/2025**

Earnings Reporting Date	Sep 30, 2025
Sales Surprise	0.22%
EPS Surprise	0.83%
Quarterly EPS	1.22
Annual EPS (TTM)	5.04

PAYX's Quarterly Performance

Revenues from the Management Solutions segment improved 21% year over year to \$1.2 billion, meeting our estimate. An increase in the number of clients served, fueled by the Paycor buyout and the addition of client worksite employees for Human Resources Solutions, benefited this segment. The segment received an additional boost from higher revenues per client on the acquired company's upmarket client base, price realization and product penetration.

Professional employer organization ("PEO") and Insurance Solutions' revenues were \$329.1 million, up 3% from the year-ago quarter. The figure beat our estimate of \$339 million. The rising number of average PEO worksite employees and PEO insurance revenues fueled this segment.

Service revenues gained 17% year over year to \$1.5 billion, meeting our projected \$1.5 billion. Interest on funds held for clients rose 27% from the year-ago quarter to \$47.6 million, missing our estimation of \$41.2 million.

EBITDA of \$656.3 million increased 12% from the year-ago quarter, surpassing our estimate of \$631.4 million. Operating income dipped 1% year over year to \$541.9 million, missing our projection of \$589.9 million. The operating margin was 35.2%, down 630 basis points from the year-ago quarter. The reported figure missed our estimate of 38.4%.

Balance Sheet & Cash Flow of Paychex

The company exited the first quarter of fiscal 2026 with cash and cash equivalents of \$809 million compared with \$1.6 billion in the preceding quarter. The long-term debt totaled \$4.6 billion compared with \$4.5 billion in the fourth quarter of fiscal 2025.

Cash generated from operating activities amounted to \$718.4 million, while the capital expenditure totaled \$55.9 million.

PAYX's FY26 Guidance

Paychex expects revenues to grow 16.5-18.5%. Management expects \$190-\$200 million in interest on funds held for clients.

Recent News

On **Oct 09, 2025**, Paychex declared a quarterly cash dividend of \$1.08 per share, payable on Nov 26, 2025, to shareholders of record as of Nov 7, 2025.

Valuation

Paychex shares are down 17.6% in the year-to-date period and 18% in the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Computer And Technology sector gained 10.5% and 20.7% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and the sector gained 4.4% and 27.8%, respectively.

The S&P 500 index has increased 29.8% in the year-to-date period and 17.8% in the past year.

The stock is currently trading at 19.75X forward 12-month price-to-earnings, which compares to 34.17X for the Zacks sub-industry, 29.07X for the Zacks sector and 23.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 37.37X and as low as 19.18X, with a 5-year median of 27.31X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$119.00 price target reflects 20.99X price-to-earnings.

The table below shows summary valuation data for PAYX.

Valuation Multiples - PAYX					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	19.75	34.17	29.07	23.61
	5-Year High	37.37	67.47	30.04	23.82
	5-Year Low	19.18	32.17	18.7	15.73
	5-Year Median	27.31	43.01	26.45	21.19
P/S F12M	Current	5.99	4.99	6.81	5.34
	5-Year High	10.93	6.12	7.4	5.5
	5-Year Low	5.82	3.02	4.24	3.83
	5-Year Median	8.33	4.69	6.29	5.04
P/B TTM	Current	10.16	5.99	10.8	8.56
	5-Year High	16.28	7.11	11.69	9.16
	5-Year Low	9.83	2.86	6.53	6.6
	5-Year Median	12.68	5.35	9.57	8.04

As of 12/05/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 23% (55 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Autodesk, Inc. (ADSK)	Neutral	3
Compass, Inc. (COMP)	Neutral	2
Opendoor Technologies, Inc. (OPEN)	Neutral	4
Snap Inc. (SNAP)	Neutral	2
Atlassian Corporation Plc (TEAM)	Neutral	2
Toast, Inc. (TOST)	Neutral	3
Twilio Inc. (TWLO)	Neutral	3
Zoom Communications, Inc. (ZM)	Neutral	2

Industry Comparison⁽¹⁾ Industry: Internet - Software

	PAYX	X Industry	S&P 500	COMP	SNAP	TEAM
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	2	2	2
VGM Score	C	-	-	B	B	B
Market Cap	41.55 B	823.40 M	39.38 B	0.00 M	12.57 B	42.63 B
# of Analysts	6	4	22	3	7	11
Dividend Yield	3.74%	0.00%	1.41%	0.00%	0.00%	0.00%
Value Score	D	-	-	C	D	F
Cash/Price	0.04	0.13	0.04	NA	0.24	0.07
EV/EBITDA	16.13	5.12	14.60	NA	-27.04	1,699.72
PEG Ratio	2.64	1.92	2.23	NA	1.06	1.66
Price/Book (P/B)	10.46	3.29	3.35	7.74	5.62	30.92
Price/Cash Flow (P/CF)	18.30	23.46	15.20	NA	NA	NA
P/E (F1)	21.14	29.16	19.78	NA	22.84	34.08
Price/Sales (P/S)	7.17	3.80	3.06	NA	2.18	7.81
Earnings Yield	4.74%	2.63%	4.99%	-0.84%	4.38%	2.94%
Debt/Equity	1.15	0.00	0.57	0.00	1.57	0.72
Cash Flow (\$/share)	6.31	0.06	8.99	-0.14	-0.25	-0.44
Growth Score	B	-	-	A	A	A
Hist. EPS Growth (3-5 yrs)	12.57%	14.56%	8.16%	NA	NA	NA
Proj. EPS Growth (F1/F0)	9.64%	31.27%	8.57%	70.97%	10.34%	29.35%
Curr. Cash Flow Growth	7.68%	-15.34%	6.75%	-69.08%	-58.29%	-34.17%
Hist. Cash Flow Growth (3-5 yrs)	8.38%	15.37%	7.43%	12.41%	9.21%	NA
Current Ratio	1.27	1.59	1.19	0.80	3.67	1.26
Debt/Capital	53.40%	3.73%	38.01%	0.00%	61.05%	41.74%
Net Margin	27.85%	-1.06%	12.78%	-0.85%	-8.60%	-3.38%
Return on Equity	45.17%	2.20%	17.00%	-8.83%	-21.61%	-7.11%
Sales/Assets	0.42	0.59	0.53	4.53	0.76	0.95
Proj. Sales Growth (F1/F0)	16.70%	3.66%	5.77%	22.70%	10.30%	20.80%
Momentum Score	C	-	-	F	B	C
Daily Price Chg	0.72%	-0.77%	-1.07%	-0.19%	-4.32%	-0.75%
1 Week Price Chg	3.03%	-0.66%	-0.63%	4.07%	-7.59%	1.70%
4 Week Price Chg	2.99%	0.15%	1.39%	14.13%	-14.70%	6.75%
12 Week Price Chg	-11.19%	-13.07%	2.45%	14.26%	-10.42%	-4.15%
52 Week Price Chg	-18.11%	-11.92%	12.83%	58.64%	-35.37%	-41.85%
20 Day Average Volume	3,054,326	703,612	2,728,366	0	34,811,428	2,271,892
(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%	0.00%	8.03%	25.73%
(F1) EPS Est 12 week change	0.17%	3.82%	0.69%	26.33%	24.00%	202.57%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	3.49%

Analyst Earnings Model⁽²⁾

Paychex, Inc. (PAYX)

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 May 31st	May-23	May-24	May-25	31-Aug-25	30-Nov-25	28-Feb-26	31-May-26	May-26	31-Aug-26	30-Nov-26	28-Feb-27	31-May-27	May-27	May-28
Income Statement														
Total Revenue	\$5,007.1	\$5,278.3	\$5,571.7	\$1,540.0	\$1,555.8	\$1,797.0	\$1,611.0	\$6,503.8	\$1,640.9	\$1,665.0	\$1,850.7	\$1,733.5	\$6,890.1	\$7,279.0
Cost of Service Revenue	\$1,453.0	\$1,479.3	\$1,540.4	\$413.8	\$330.3	\$311.7	\$311.9	\$1,367.7	\$405.3	\$352.3	\$345.0	\$380.8	\$1,483.4	\$1,583.5
Gross Profit	\$3,554.1	\$3,799.0	\$4,031.3	\$1,126.2	\$1,225.5	\$1,485.3	\$1,299.1	\$5,136.1	\$1,235.5	\$1,312.7	\$1,505.7	\$1,352.7	\$5,406.7	\$5,695.6
Selling, General and Administrative	\$1,521.0	\$1,624.9	\$1,823.6	\$584.3	\$571.6	\$626.1	\$643.3	\$2,425.4	\$596.7	\$598.9	\$643.6	\$654.6	\$2,493.8	\$2,534.4
Total Expenses	\$2,974.0	\$3,104.2	\$3,364.0	\$998.1	\$902.0	\$937.8	\$955.2	\$3,793.0	\$1,002.0	\$951.2	\$988.6	\$1,035.3	\$3,977.2	\$4,117.9
EBITDA	\$2,212.4	\$2,388.6	\$2,418.0	\$680.0	\$728.5	\$946.6	\$746.8	\$3,101.8	\$742.4	\$813.3	\$974.4	\$800.3	\$3,330.4	\$3,579.7
Depreciation and Amortization Expenses	\$176.6	\$176.5	\$209.5	\$109.3	\$74.4	\$93.2	\$92.9	\$369.8	\$93.7	\$89.2	\$101.9	\$96.8	\$381.6	\$402.3
Interest (Income)/Expense, Net	(\$12.4)	(\$45.4)	\$32.6	\$49.5	\$10.3	\$19.1	\$13.0	\$91.9	\$15.8	\$16.2	\$16.5	\$11.4	\$59.9	\$40.3
Operating Income, Adjusted		\$2,213.6	\$2,370.0	\$626.7	\$653.8	\$859.2	\$655.8	\$2,795.6	\$638.9	\$713.8	\$862.1	\$698.1	\$2,912.9	\$3,161.2
Operating Income, GAAP	\$2,033.1	\$2,174.1	\$2,207.7	\$541.9	\$653.8	\$859.2	\$655.8	\$2,710.8	\$638.9	\$713.8	\$862.1	\$698.1	\$2,912.9	\$3,161.2
Interest Income on Corporate Investments	\$49.1	\$82.7	\$72.8	\$18.7	\$16.4	\$17.7	\$22.9	\$75.7	\$20.3	\$17.9	\$19.3	\$25.1	\$82.7	\$90.4
Interest Expense	\$36.7	\$37.3	\$105.4	\$68.2	\$26.7	\$36.8	\$35.9	\$167.6	\$36.2	\$34.1	\$35.8	\$36.5	\$142.6	\$130.7
Other Expenses (Income)	(\$2.7)	\$1.5	(\$0.8)	(\$5.1)	(\$0.3)	\$5.9	\$2.0	\$2.5	(\$9.8)	(\$10.2)	(\$10.5)	(\$5.4)	(\$35.9)	(\$16.3)
Other Expense/(Income), Net	(\$15.1)	(\$43.9)	\$31.8	\$44.4	\$10.0	\$25.0	\$15.0	\$94.4	\$6.0	\$6.0	\$6.0	\$6.0	\$24.0	\$24.0
Pre-Tax Income	\$2,048.2	\$2,218.0	\$2,175.9	\$497.5	\$643.8	\$834.2	\$640.8	\$2,616.4	\$632.9	\$707.8	\$856.1	\$692.1	\$2,888.9	\$3,137.2
Income Tax	\$490.9	\$527.6	\$518.6	\$113.7	\$157.7	\$204.4	\$157.0	\$632.8	\$153.2	\$171.3	\$207.2	\$167.5	\$699.1	\$759.2
Tax Rate	24.0%	23.8%	23.8%	22.9%	24.5%	24.5%	24.5%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
Net Income, Adjusted	\$1,548.4	\$1,709.1	\$1,802.9	\$440.8	\$463.8	\$607.6	\$461.5	\$1,973.7	\$457.4	\$514.2	\$626.6	\$502.3	\$2,100.6	\$2,288.8
Acquisition-related Costs			\$196.3	\$84.8	\$0.0	\$0.0	\$0.0	\$84.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Income Tax (benefit) / Provision for Acquisition-related Costs			(\$40.6)	(\$20.6)	(\$20.6)	(\$20.6)	(\$20.6)	(\$82.4)	(\$20.6)	(\$20.6)	(\$20.6)	(\$20.6)	(\$82.4)	(\$82.4)
Excess Tax Benefits Related to Employee SBC	(\$8.9)	(\$11.2)	(\$10.1)	(\$7.2)	(\$1.7)	(\$1.7)	(\$1.7)	(\$12.3)	(\$1.7)	(\$1.7)	(\$1.7)	(\$1.7)	(\$6.8)	(\$6.8)
Net Income, GAAP	\$1,557.3	\$1,690.4	\$1,657.3	\$383.8	\$486.1	\$629.9	\$483.8	\$1,983.6	\$479.7	\$536.5	\$648.9	\$524.6	\$2,189.8	\$2,378.0
Diluted Shares Outstanding	362.3	362.1	362.0	361.9	361.8	361.7	361.6	361.8	361.5	361.4	361.3	361.2	361.4	361.0
Diluted EPS, Adjusted	\$4.27	\$4.72	\$4.98	\$1.22	\$1.28	\$1.68	\$1.28	\$5.46	\$1.27	\$1.42	\$1.73	\$1.39	\$5.81	\$6.34
Diluted EPS, GAAP	\$4.30	\$4.67	\$4.58	\$1.06	\$1.34	\$1.74	\$1.34	\$5.48	\$1.33	\$1.48	\$1.80	\$1.45	\$6.06	\$6.59
Dividend per Share	\$3.26	\$3.65	\$4.02	\$1.08	\$1.10	\$1.09	\$1.11	\$4.39	\$1.09	\$1.11	\$1.10	\$1.12	\$4.42	\$4.45

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	D
Growth Score	B
Momentum Score	C
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

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

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

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

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

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

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