

Plexus Corp. (PLXS)

\$153.29 (Stock Price as of 12/19/2025)

Price Target (6-12 Months): **\$175.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 03/28/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: A

Value: B

Growth: A

Momentum: C

Summary

Plexus is gaining from program ramps and ended fiscal 2025 with 141 manufacturing wins totaling \$941 million of annualized revenues. The company expects new ramps across all three segments to aid fiscal 2026 revenue growth, assuming a modest improvement in end-market demand. Management expects to generate \$100 million of free cash flow for fiscal 2026. Robust cash flow supports long-term growth initiatives and maximization of shareholder value. Near-term challenges in the Industrial segment remain concerns. Energy subsector seasonality and muted demand is expected to cause a high single-digit sequential revenue decrease in the first quarter for the Industrial segment. Low macro visibility owing to tariff policies, customer concentration risk and competition are additional headwinds.

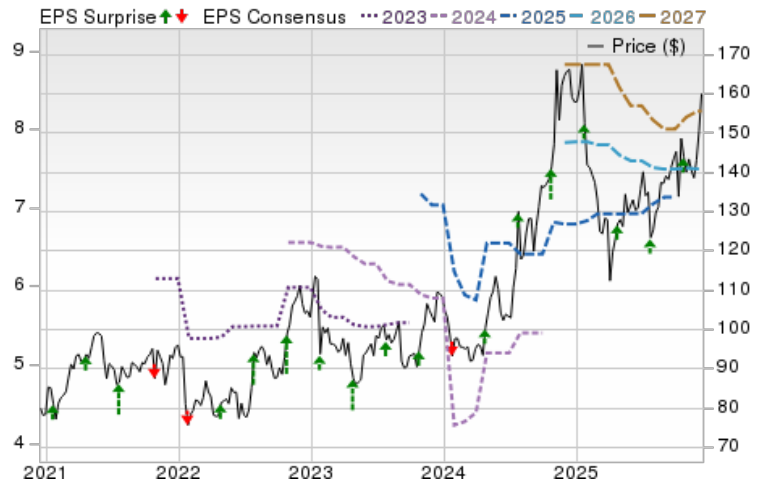
Data Overview

52 Week High-Low	\$172.89 - \$106.28
20 Day Average Volume (sh)	196,410
Market Cap	\$4.0 B
YTD Price Change	-3.4%
Beta	0.81
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Electronics - Manufacturing Services
Zacks Industry Rank	Top 2% (6 out of 243)

Last EPS Surprise	16.3%
Last Sales Surprise	1.2%
EPS F1 Est- 4 week change	-0.1%
Expected Report Date	01/28/2026
Earnings ESP	0.0%

P/E TTM	20.3
P/E F1	20.6
PEG F1	3.9
P/S TTM	1.0

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1,115 E	1,144 E	1,172 E	1,185 E	4,617 E
2026	1,071 E	1,076 E	1,094 E	1,105 E	4,345 E
2025	976 A	980 A	1,018 A	1,058 A	4,033 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1.98 E	2.00 E	2.11 E	2.15 E	8.24 E
2026	1.76 E	1.79 E	1.93 E	1.98 E	7.46 E
2025	1.73 A	1.66 A	1.90 A	2.14 A	7.43 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/19/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/11/2025.

Overview

Founded in 1979, Neenah, WI-based Plexus Corp. is a leading provider of electronic contract manufacturing services to original equipment manufacturers (OEMs) in a wide range of industries, including Healthcare/Life Sciences, Industrial and Aerospace/Defense market sectors.

Plexus provides most of the contract manufacturing services on a turnkey basis. Turnkey projects involve more resources than services provided on a consignment basis (where the customer supplies the necessary materials and the company is required to provide the labor and other services required for product assembly), as these not only involve material procurement but also warehousing.

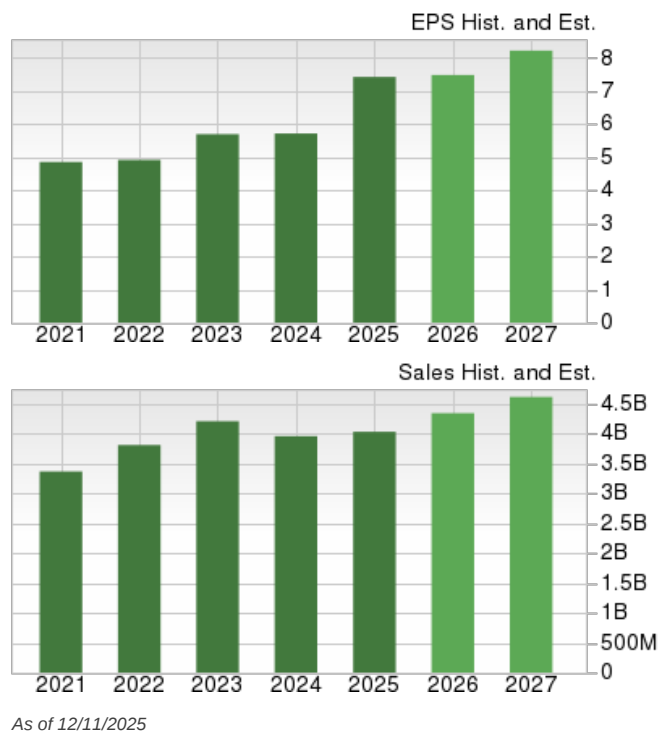
Plexus reported revenues of \$4.033 billion for fiscal 2025.

Healthcare/Life Sciences, Industrial and Aerospace/Defense accounted for 40%, 43% and 17% of total revenues in fiscal 2025, respectively.

Additionally, the company provides after-market services to support customers in all regions where it operates. Plexus delivers end-to-end solutions for customers in the Americas (AMER), Asia-Pacific (APAC) and Europe, Middle East, and Africa (EMEA). It served more than 190 customers globally in fiscal 2024. In fiscal 2025, revenues from AMER, APAC and EMEA comprised 30%, 59% and 11% of total revenues, respectively.

The company has 26 manufacturing facilities, totaling approximately 5 million square feet, located strategically to support the design, manufacturing and service needs of customers' global supply chains. It also has six design centers across the globe.

Plexus faces significant competition from Jabil Circuit, Benchmark Electronics and Sanmina-SCI. The company also faces competition from small contractors focusing on lower-volume but higher-margin jobs.



Reasons To Buy:

- ▲ A healthy number of program ramps are expected to drive the top-line performance for Plexus. The company is focusing its efforts on sectors with robust demand, such as healthcare and life sciences, aerospace and defense, and industrial markets, especially semicap and energy management subsectors. In the fiscal fourth quarter, Plexus announced 28 manufacturing program wins, which are estimated to contribute \$274 million in annualized revenues once fully ramped into production. For fiscal 2025, Plexus had 141 manufacturing wins totaling \$941 million of annualized revenues. Notably, the industrial sector delivered \$165 million in the fiscal fourth quarter wins, and Aerospace and Defense had \$54 million. Plexus expects new program ramps, inclusive of market share gains across all three segments, to position it for achieving revenue growth toward the 9% to 12% target for fiscal 2026. The funnel of qualified manufacturing opportunities is pegged at \$3.7 billion, indicating a strong pipeline for growth. The company had a record funnel for its Aerospace and Defense end market segment.
- ▲ Plexus is driving free cash flow generation through a combination of operational/capex discipline and inventory reduction. The company generated \$97 million in free cash flow ("FCF") in the fiscal fourth quarter, taking full-year FCF to \$154 million, which significantly exceeded expectations. This brings the 2-year cumulative free cash flow of nearly \$495 million. Management expects to generate approximately \$100 million of free cash flow for fiscal 2026. Strong cash flow generation positions Plexus to maximize shareholder value via buybacks and reduce debt. It repaid \$100 million of debt in the fiscal year. The company repurchased \$21.5 million worth of shares at an average price of \$134.07 per share under its repurchase program. For fiscal 2025, it repurchases \$65 million worth of shares. Out of the \$100 million authorization, \$85 million remains available. The robust cash generation ensures that Plexus has a healthy financial foundation to support growth and investment in the business
- ▲ The company's business strategy, focusing on earning a return on invested capital ("ROIC") that exceeds its weighted average cost of capital ("WACC"), bodes well. For fiscal 2025, the company's after-tax ROIC reached 14.6%, 570 bps above the WACC of 8.9%. For the long term, Plexus expects to achieve a 9-12% compounded annual revenue growth rate while earning a ROIC of 15%. This would significantly exceed the WACC and represent a positive economic return. This positive economic return is to be the fundamental driver of shareholders' value.

Plexus is likely to benefit from new program ramps. Free cash flow generation and positive economic return to drive shareholders' value.

Reasons To Sell:

- ▼ Management noted that the revenue growth for fiscal 2026 assumes a modest improvement in end-market demand. The challenges in the Industrial sector in the near term remain concerning. Weaknesses in industrial equipment and vehicle electrification subsectors affected fiscal fourth-quarter performance, while energy subsector seasonality and muted demand is expected to cause a high single-digit sequential revenue decrease in the fiscal first quarter for the Industrial segment. Macro uncertainty owing to shifting trade policy remains an additional concern.
- ▼ Plexus still depends on a few large customers for a major part of its revenues. The top 10 customers accounted for 49% of the company's revenues in the fourth quarter of fiscal 2025, down from 52% in the fourth quarter of fiscal 2024. For fiscal 2025, the top 10 customers comprised 49% of revenues, up from 48% in fiscal 2024. Despite the improvement, the top 10 customers still comprise a large chunk of revenues. This exposes the company to customer concentration risks. The company provides most of its contract manufacturing services on a turnkey basis, which involves higher investment and risk. Given the competitive nature of the industry, the loss of any one of its key customers or individual projects with these customers would severely impact results.
- ▼ The contract manufacturing industry is highly competitive, and margins have been low industry-wide. Plexus has a small presence compared with its peers such as Jabil Circuit, Benchmark Electronics and Sanmina-SCI. However, we believe that Plexus faces most of the competition from small contractors focusing on lower-volume but higher-margin jobs. The increasing competition can weigh on Plexus' profitability.

Challenges in the Industrial unit, customer concentration and stiff competition remain concerning for Plexus.

Last Earnings Report

Plexus' Q4 Earnings Beat Estimates

Plexus reported fourth-quarter fiscal 2025 adjusted earnings per share (EPS) of \$2.14 compared with the year-ago quarter's earnings of \$1.85. The figure beat the Zacks Consensus Estimate of \$1.84 per share. Management expected non-GAAP EPS to be in the band of \$1.82-\$1.97. Revenues of \$1.058 billion were up nearly 0.7% year over year and topped the Zacks Consensus Estimate of \$1.046 billion. Management expected revenues to be between \$1.025 billion and \$1.065 billion.

In the reported quarter, revenues from the Americas increased 9.4% to \$336 million. Revenues from EMEA and Asia-Pacific declined 7% and 2.1%, respectively.

In the fiscal fourth quarter, Plexus announced 28 manufacturing program wins, which are estimated to contribute \$274 million in annualized revenues once fully ramped into production.

For fiscal 2025, Plexus reported revenues of \$4.03 billion (up 1.8% from fiscal 2024) and adjusted EPS of \$7.43 (up 29.9%). Management highlighted that strong fiscal 2025 results and new program wins across solutions position it for achieving revenue growth toward the 9% to 12% target for fiscal 2026.

Looking at Market Sector Detail

Industrial sector's revenues were up 2% year over year to \$461 million, driven by strength in broadband, semicap and energy. This segment contributed 44% to total revenues. The company expected the segment to register a low single-digit increase in revenues. Management anticipates current-quarter revenues to be affected by weakness due to seasonality and muted near-term demand.

Healthcare/Life Sciences' revenues were up 2.2% from the year-ago quarter's levels to \$424 million. This contributed 40% to total revenues. The company expected the Healthcare Life Sciences sector's revenues to grow in low single digits. Management anticipates the current quarter to gain from ongoing program ramps and some demand strength.

Revenues from Aerospace/Defense fell 6% year over year to \$173 million due to program ramp timings. This segment contributed 16% to total revenues. Management guided for flat revenue growth for this sector. For the fiscal first quarter, Plexus expects growth from program ramps in commercial aerospace, defense and unmanned aircrafts.

Our estimates for revenues from the Industrial, Healthcare/Life Sciences and Aerospace/Defense were \$429.2 million, \$433.7 million and \$183.2 million, respectively.

The company's top 10 customers accounted for 49% of net revenues in the fiscal fourth quarter.

Operating Details

Gross profit on a GAAP basis decreased 2.9% year over year to \$104.8 million. Gross margin was 9.9%, down from 10.3% reported in the year-ago quarter.

Selling and administrative expenses declined 4.4% from the year-ago quarter's actuals to \$51.7 million.

Adjusted operating margin contracted 40 basis points to 5.8%.

Cash Flow & Balance Sheet Position

As of Sept. 27, 2025, Plexus had cash & cash equivalents worth \$307 million compared with \$237.6 million as of June 28.

Plexus had long-term debt and finance lease obligations, net of the current portion of \$91.9 million as of Sept. 27, 2025, compared with \$92.2 million as of June 28.

For the quarter under review, cash flows from operations were \$132 million. Plexus reported a free cash flow of \$97.2 million. For fiscal 2025, free cash flow came in at \$154 million.

The company repurchased \$21.5 million worth of shares at an average price of \$134.07 per share under its repurchase program. For fiscal 2025, Plexus repurchases \$65 million worth of shares. Out of the \$100 million authorization, \$85 million remains available.

Q1 Outlook

For first-quarter fiscal 2026, revenues are anticipated to be between \$1.05 billion and \$1.09 billion.

Non-GAAP operating margin is expected to be between 5.6% and 6%. Non-GAAP EPS is expected to be in the band of \$1.66-\$1.81.

FY Quarter Ending 9/30/2025

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	1.16%
EPS Surprise	16.30%
Quarterly EPS	2.14
Annual EPS (TTM)	7.43

Valuation

Plexus shares are up 4.7% in the year-to-date period but down 2.7% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 121.8% in the year-to-date period, while stocks in the Zacks Computer and Technology sector are up 29.7% in the same period. Over the past year, the Zacks sub-industry has been up 125.4%, and the sector is up 26.3%.

The S&P 500 Index is up 19.5% year-to-date and 16.1% in the past year.

The stock is currently trading at 26.31X forward 12-month earnings, which compares with 27.14X for the Zacks sub-industry, 29.19X 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 36X and as low as 14X, with a 5-year median of 17.65X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$175 price target reflects 27.63X forward 12-month earnings.

The table below shows summary valuation data for PLXS:

Valuation Multiples - PLXS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	26.31	27.14	29.19	23.61
	5-Year High	36	27.59	29.92	23.78
	5-Year Low	14	8.04	18.7	15.73
	5-Year Median	17.65	11.65	26.62	21.21
P/S F12M	Current	1	0.99	6.82	5.34
	5-Year High	1.07	1.01	7.4	5.5
	5-Year Low	0.52	0.19	4.24	3.83
	5-Year Median	0.67	0.3	6.29	5.05
P/B TTM	Current	3.04	11.45	10.87	8.57
	5-Year High	3.5	11.45	11.69	9.16
	5-Year Low	1.98	2.03	6.52	6.6
	5-Year Median	2.46	2.89	9.57	8.05

As of 12/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 2% (6 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Celestica, Inc. (CLS)	Outperform	1
Flex Ltd. (FLEX)	Outperform	2
Sanmina Corporation (SANM)	Outperform	1
TTM Technologies, In...(TTMI)	Outperform	2
Arrow Electronics, I...(ARW)	Neutral	3
Jabil, Inc. (JBL)	Neutral	2
Methode Electronics,...(MEI)	Neutral	3
TD SYNnex Corporatio...(SNX)	Neutral	4

Industry Comparison⁽¹⁾ Industry: Electronics - Manufacturing Services

	PLXS	X Industry	S&P 500	ARW	CLS	JBL
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	1	3
VGM Score	A	-	-	D	D	A
Market Cap	4.05 B	0.00 M	38.81 B	5.73 B	31.16 B	23.18 B
# of Analysts	3		22	4	2	4
Dividend Yield	0.00%	%	1.41%	0.00%	0.00%	0.15%
Value Score	B	-	-	B	D	B
Cash/Price	0.07	NA	0.04	0.04	0.01	0.08
EV/EBITDA	13.81	NA	14.58	9.03	42.93	13.80
PEG Ratio	3.82	NA	2.21	1.02	NA	1.40
Price/Book (P/B)	2.80	NA	3.30	0.89	15.36	17.21
Price/Cash Flow (P/CF)	16.01	NA	15.05	7.64	55.44	14.03
P/E (F1)	20.26	NA	19.66	10.92	45.92	19.57
Price/Sales (P/S)	1.00	NA	3.08	0.20	2.76	0.75
Earnings Yield	4.96%	NA%	5.02%	9.16%	2.18%	5.11%
Debt/Equity	0.06	NA	0.57	0.48	0.37	1.77
Cash Flow (\$/share)	9.44	NA	8.99	14.56	4.89	15.47
Growth Score	A	-	-	F	B	A
Hist. EPS Growth (3-5 yrs)	3.79%	NA%	8.16%	-3.46%	38.42%	27.50%
Proj. EPS Growth (F1/F0)	0.40%	NA%	8.60%	-3.50%	52.06%	13.74%
Curr. Cash Flow Growth	34.38%	NA%	6.75%	-36.17%	34.09%	-5.21%
Hist. Cash Flow Growth (3-5 yrs)	7.36%	NA%	7.43%	-2.47%	22.35%	14.36%
Current Ratio	1.58	NA	1.18	1.46	1.47	0.99
Debt/Capital	5.95%	NA%	38.01%	32.51%	27.17%	63.93%
Net Margin	4.29%	NA%	12.78%	1.62%	6.35%	2.26%
Return on Equity	12.77%	NA%	17.00%	8.19%	30.53%	75.96%
Sales/Assets	1.30	NA	0.53	1.28	1.83	1.69
Proj. Sales Growth (F1/F0)	7.70%	%	5.79%	8.20%	26.30%	NA
Momentum Score	C	-	-	D	F	A
Daily Price Chg	1.22%	NA%	0.79%	-0.47%	-1.78%	0.34%
1 Week Price Chg	6.34%	NA%	-1.83%	0.99%	-5.72%	1.05%
4 Week Price Chg	13.88%	NA%	3.61%	9.22%	-4.02%	12.75%
12 Week Price Chg	7.25%	NA%	2.57%	-6.38%	10.74%	3.25%
52 Week Price Chg	-5.38%	NA%	15.47%	-3.60%	191.15%	54.54%
20 Day Average Volume	196,410	0	2,770,348	456,155	2,849,574	1,409,388
(F1) EPS Est 1 week change	0.00%	NA%	0.00%	0.00%	-0.06%	0.49%
(F1) EPS Est 4 week change	-0.05%	NA%	0.00%	0.00%	-0.06%	0.49%
(F1) EPS Est 12 week change	-3.57%	NA%	0.69%	-0.12%	7.83%	-0.78%
(Q1) EPS Est Mthly Chg	0.00%	NA%	0.00%	0.00%	-0.21%	2.45%

Analyst Earnings Model⁽²⁾

Plexus Corp. (PLXS)

In \$MM, except per share data

	2023A	2024A	2025A				2026E				2027E	2028E		
	FY	FY	1QA	2QA	3QA	4QA	FY	1QE	2QE	3QE	4QE	FY	FY	FY
FY Ends September 30th	Sep-23	Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	Sep-25	31-Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	Sep-26	Sep-27	Sep-28
Income Statement														
Total Revenue	\$4,210.3	\$3,960.8	\$976.1	\$980.2	\$1,018.3	\$1,058.4	\$4,033.0	\$1,070.9	\$1,076.0	\$1,093.6	\$1,104.7	\$4,345.3	\$4,616.7	\$4,941.2
Cost of Sales	\$3,815.8	\$3,582.3	\$875.4	\$882.4	\$915.0	\$953.6	\$3,626.5	\$964.0	\$969.5	\$982.3	\$992.1	\$3,907.9	\$4,156.0	\$4,454.1
Gross Profit	\$394.6	\$378.5	\$100.7	\$97.8	\$103.3	\$104.8	\$406.5	\$106.9	\$106.5	\$111.3	\$112.6	\$437.4	\$460.7	\$487.1
Selling and Administrative Expenses	\$175.6	\$190.5	\$49.1	\$49.0	\$49.7	\$51.7	\$199.5	\$51.9	\$51.7	\$52.0	\$52.2	\$207.7	\$213.2	\$220.3
Restructuring and Impairment Charges	\$23.1	\$20.3	\$4.7	\$0.0	\$0.0	\$0.0	\$4.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Stock-Based Compensation	\$21.4	\$30.5	\$7.0	\$7.1	\$7.7	\$7.8	\$29.6	\$6.6	\$7.6	\$7.5	\$7.4	\$29.0	\$30.6	\$32.0
Depreciation and Amortization	\$69.8	\$77.8	\$19.4	\$19.5	\$19.6	\$19.3	\$77.8	\$20.0	\$20.5	\$20.6	\$20.6	\$81.7	\$86.8	\$92.8
EBITDA	\$265.6	\$245.6	\$66.3	\$68.3	\$73.2	\$72.4	\$280.2	\$75.0	\$75.3	\$79.9	\$81.1	\$311.4	\$334.3	\$359.6
Operating Income, Non-GAAP	\$240.3	\$218.5	\$58.5	\$55.9	\$61.3	\$60.9	\$236.7	\$61.6	\$62.5	\$66.9	\$67.8	\$258.7	\$278.1	\$298.8
Operating Income, GAAP	\$195.8	\$167.7	\$46.9	\$48.8	\$53.6	\$53.1	\$202.4	\$55.0	\$54.9	\$59.4	\$60.4	\$229.7	\$247.5	\$266.8
Interest Expense	\$31.5	\$28.9	\$3.6	\$3.1	\$2.5	\$2.4	\$11.6	\$3.1	\$2.9	\$3.2	\$3.0	\$12.1	\$12.2	\$12.2
Interest Income	\$3.1	\$3.9	\$1.2	\$0.9	\$0.9	\$0.9	\$3.9	\$1.0	\$1.0	\$1.0	\$1.0	\$4.0	\$4.2	\$4.5
Miscellaneous Income(Expenses), Net	(\$6.4)	(\$13.2)	(\$1.0)	(\$1.5)	(\$2.2)	(\$1.9)	(\$6.7)	(\$1.8)	(\$1.9)	(\$2.0)	(\$2.0)	(\$7.7)	(\$8.2)	(\$8.8)
Pre-Tax Income, Non-GAAP	\$205.5	\$180.3	\$55.2	\$52.2	\$57.5	\$57.5	\$222.3	\$57.8	\$58.6	\$62.7	\$63.9	\$242.9	\$261.9	\$282.3
Pre-Tax Income, GAAP	\$161.0	\$129.5	\$43.5	\$45.0	\$49.8	\$49.7	\$188.0	\$51.2	\$51.0	\$55.2	\$56.5	\$213.9	\$231.3	\$250.3
Income Tax, Non-GAAP	\$23.7	\$20.7	\$7.1	\$6.3	\$5.1	(\$1.4)	\$17.1	\$9.8	\$10.0	\$10.7	\$10.9	\$41.3	\$44.5	\$48.0
Income Tax, GAAP	\$21.9	\$17.7	\$6.2	\$6.0	\$4.7	(\$1.8)	\$15.1	\$10.2	\$10.2	\$11.0	\$11.3	\$42.8	\$46.3	\$50.1
Tax Rate, Non-GAAP	11.6%	11.5%	12.8%	12.1%	8.9%	(2.4%)	7.7%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Tax Rate, GAAP	13.6%	13.7%	14.3%	13.2%	9.5%	(3.6%)	8.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net Income, Non-GAAP	\$181.7	\$159.5	\$48.1	\$45.8	\$52.4	\$58.8	\$205.2	\$47.9	\$48.7	\$52.0	\$53.0	\$201.6	\$217.4	\$234.3
Net Income, GAAP	\$139.1	\$111.8	\$37.3	\$39.1	\$45.1	\$51.4	\$172.9	\$40.9	\$40.8	\$44.1	\$45.2	\$171.1	\$185.0	\$200.3
Basic Shares Outstanding	27.6	27.4	27.1	27.1	27.1	26.9	27.0	26.7	26.6	26.4	26.3	26.5	25.9	25.2
Diluted Shares Outstanding	28.1	27.9	27.8	27.7	27.5	27.4	27.6	27.3	27.1	27.0	26.8	27.0	26.4	25.8
Basic EPS	\$5.04	\$4.08	\$1.38	\$1.44	\$1.67	\$1.91	\$6.39	\$1.53	\$1.53	\$1.67	\$1.72	\$6.46	\$7.16	\$7.95
Diluted EPS, Non-GAAP	\$6.46	\$5.72	\$1.73	\$1.66	\$1.90	\$2.14	\$7.43	\$1.76	\$1.79	\$1.93	\$1.98	\$7.46	\$8.24	\$9.10
Diluted EPS, GAAP	\$4.95	\$4.01	\$1.34	\$1.41	\$1.64	\$1.87	\$6.26	\$1.50	\$1.50	\$1.64	\$1.69	\$6.33	\$7.01	\$7.78

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	A
Momentum Score	C
VGM Score	A

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

Disclosures

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

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

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

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

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

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