

## ProAssurance Corp. (PRA)

**\$24.06** (Stock Price as of 12/23/2025)

Price Target (6-12 Months): **\$25.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 11/05/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

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

**4-Sell**

Zacks Style Scores:

VGM: C

Value: C

Growth: C

Momentum: A

## Summary

ProAssurance demonstrates sound premium figures despite economic volatility, supported by its Specialty P&C and Workers' Compensation segments. Net investment income rose 8% year over year in the first nine months of 2025. PRA has grown inorganically through key acquisitions. It will be acquired by The Doctors Company for \$1.3 billion. Cost-control efforts have improved margins, with expenses falling 1.6% year over year in the first nine months of 2025. We expect the adjusted net interest margin to reach 4.8% in 2025. However, liquidity is deteriorating, with cash at \$54.5 million against \$421.5 million in debt. Operating cash outflows continue, and leverage remains high, with a 24.9% debt-to-capital ratio compared with the 16.1% industry average. Its ROIC at 4.8% trails the 5.9% industry average, indicating weaker capital efficiency.

## Data Overview

52 Week High-Low	\$24.41 - \$13.90
20 Day Average Volume (sh)	428,992
Market Cap	\$1.2 B
YTD Price Change	51.0%
Beta	0.11
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Insurance - Property and Casualty</a>
Zacks Industry Rank	Top 21% (50 out of 243)

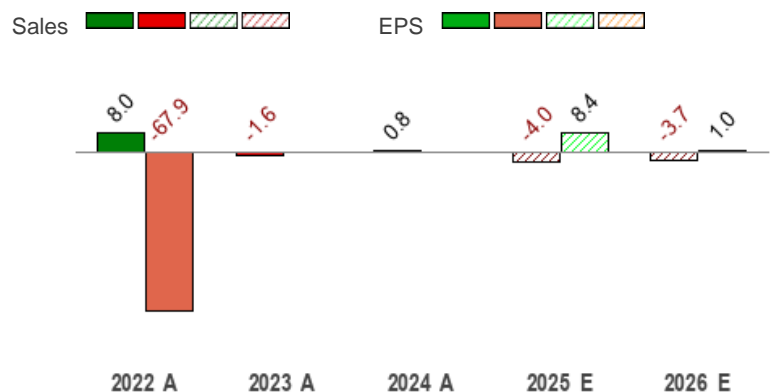
Last EPS Surprise	-46.4%
Last Sales Surprise	-0.7%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/23/2026
Earnings ESP	0.0%

P/E TTM	20.7
P/E F1	23.4
PEG F1	5.1
P/S TTM	1.1

## Price, Consensus & Surprise<sup>(1)</sup>



## Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



## Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	261 E	259 E	259 E	262 E	1,041 E
2025	270 A	272 A	274 A	265 E	1,081 E
2024	282 A	279 A	278 A	288 A	1,126 A

## EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	0.22 E	0.26 E	0.29 E	0.28 E	1.04 E
2025	0.13 A	0.52 A	0.15 A	0.23 E	1.03 E
2024	0.08 A	0.23 A	0.34 A	0.36 A	0.95 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/23/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/17/2025.

## Overview

Headquartered in Birmingham, AL, ProAssurance Corporation operates as a holding company for many property and casualty insurance companies. With a single business segment principally in the Mid-Atlantic, Midwest and Southern U.S., the company provides professional liability insurance products primarily to physicians, dentists, other healthcare providers and healthcare facilities through its subsidiaries.

The company was incorporated in Delaware in 2001 as the successor to Medical Assurance, Inc. in conjunction with its merger with Professionals Group, Inc.

The company reports primarily through four segments:

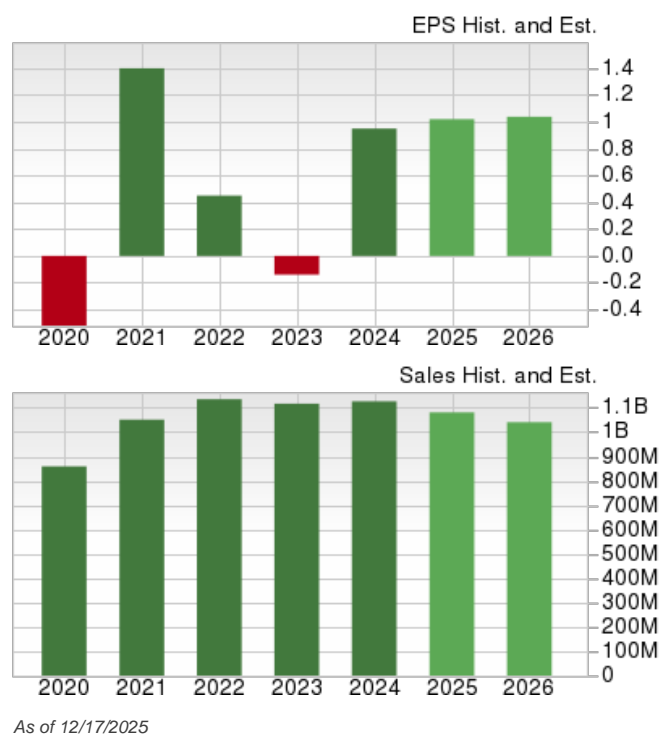
**Specialty P&C Insurance Segment (77.3% of net premiums earned in 2024):** The segment primarily focused on professional liability insurance and medical technology liability insurance. Medical technology liability insurance is offered to medical technology and life sciences companies that manufacture or distribute products including entities conducting human clinical trials.

**Workers' Compensation Segment (17.3%):** The segment provides workers' compensation products primarily to employers with 1,000 or fewer employees.

**Segregated Portfolio Cell Reinsurance (5.4%):** This unit reflects the operating results of SPCs at Eastern Re and Inova Re, its Cayman Islands SPC operations.

**Corporate Segment:** The segment includes ProAssurance's investment operations, interest expense and U.S. income taxes, all of which are managed at the corporate level with the exception of investment assets solely allocated to Syndicate 1729.

The company has agreed to be acquired by The Doctors Company for \$1.3 billion. The deal is expected to conclude in the first half of 2026. According to the deal, PRA shareholders will receive \$25 per share in cash, about a 60% premium over its March 18 closing price. The combined entity will have assets of around \$12 billion.



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## Reasons To Buy:

▲ **Premium Revenues:** Despite economic volatility, the company witnesses solid gross premiums. Its Specialty P&C Segment and Workers' Compensation Insurance businesses are expected to continue to support the growth story as we advance. Net premiums earned were \$702.1 million in the first nine months of 2025. Also, strong net investment income is aiding the company's overall performance, which rose 33.8% year over year in 2023, 12.6% in 2024 and 8% year over year in the first nine months of 2025.

Inorganic growth strategies such as acquisitions and integrations, and cost-control efforts are key catalysts.

▲ **Inorganic Growth:** ProAssurance has achieved significant inorganic growth via successful acquisitions and integrations of companies. The buyouts like the American Physicians Service Group and Eastern Insurance Holdings notably strengthened its position in the workers' compensation market. Its NORCAL Mutual buyout intensified its focus on Medical Professional Liability Insurance and enhanced its size and scale in the MPLI space, making the combined entity the nation's third-largest specialty writer of liability insurance for healthcare professionals and facilities. The NORCAL acquisition remains a substantial contributor to the company's overall gross premiums written. ProAssurance has agreed to be acquired by The Doctors Company for \$1.3 billion. The deal is expected to conclude in the first half of 2026.

▲ **Cost-Control Efforts:** ProAssurance's proactive measures to enhance operational efficiency include significant operational and structural changes within the organization. These initiatives result in a reduction in overall cost growth, thereby strengthening its operating margins. Notably, underwriting, policy acquisition, and operating expenses demonstrated a 2.1% year-over-year decline in 2023. Total expenses decreased 7.6% year over year in 2024 and 1.6% year over year in the first nine months of 2025 to \$802.9 million, due to a decline in net losses and loss adjustment expenses.

▲ **Undervalued:** ProAssurance's current stock valuation appears to be undervalued, particularly when considering its trailing 12-month price-to-book ratio, a key metric for assessing insurers. With a ratio of 0.95X, the stock is notably lower than the industry average of 1.51X. This suggests that ProAssurance's shares are priced more affordably compared to its peers. Shares of the company have outperformed its industry in the past year.

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## Reasons To Sell:

- ▼ **Deteriorating Cash Position:** ProAssurance is experiencing a notable decline in liquidity. As of Sept. 30, 2025, cash and cash equivalents stood at \$54.5 million, significantly overshadowed by debt of \$421.5 million (net of issuance costs). Operating cash outflows of \$49.9 million in 2023, \$10.7 million in 2024 and \$12.5 million in the first nine months of 2025 raise concerns about the company's ability to support operations and fund growth initiatives.
- ▼ **Elevated Leverage:** Despite efforts to reduce debts in recent years, ProAssurance continues to grapple with a high level of debt, resulting in elevated interest expenses and a higher leverage ratio compared to industry peers. The company's total debt-to-total capital ratio was 24.9%, exceeding the industry average of 16.1%. Interest expenses escalated 13.6% in 2023. The metric remained at \$22.3 million in 2024 and \$15.6 million in the first nine months of 2025.
- ▼ **Subpar Capital Efficiency:** ProAssurance's Return on Invested Capital (ROIC) stands at just 4.8%, lagging the industry average of 5.9%. This suggests the company is underutilizing its capital base, raising questions about long-term strategic execution and shareholder value creation.

Low cash reserves, high leverage and subpar ROIC are some headwinds facing the stock.

## Last Earnings Report

### ProAssurance Q3 Earnings Miss Estimates on Weak Specialty P&C Unit

ProAssurance PRA reported a third-quarter 2025 adjusted operating income of 15 cents per share, which lagged the Zacks Consensus Estimate by 46.4%. The bottom line dropped 53.1% year over year.

Operating revenues of \$274 million dipped 1.4% year over year. The top line missed the consensus mark by 0.7%.

The quarterly results were hurt by weaker underwriting performance, declining gross premiums written and an elevated expense level. Combined ratio deteriorated across key segments, such as Specialty P&C and Workers' Compensation Insurance segments. Nevertheless, the downside was partly offset by strong investment income growth and the robust performance of the Segregated Portfolio Cell Reinsurance segment.

### PRA's Q3 Operational Update

Gross premiums written fell 5.7% year over year to \$290.4 million, which fell short of our estimate of \$301.9 million. Net premiums earned of \$233.4 million tumbled 4% year over year. Yet, the reported figure outpaced the Zacks Consensus Estimate of \$225 million but missed our estimate of \$236.3 million.

Net investment income advanced 8.5% year over year to \$40.4 million in the quarter under review on the back of improved average book yields. The metric beat the consensus mark of \$39.2 million and our estimate of \$39.3 million.

Total expenses came in at \$275.2 million, which increased 4.2% year over year and came higher than our estimate of \$261.5 million. The year-over-year increase was due to higher net losses and loss adjustment expenses, and underwriting, policy acquisition and operating costs.

ProAssurance's net income plunged 91.2% year over year to \$1.4 million. The combined ratio of 114.7% deteriorated 910 bps year over year.

### ProAssurance's Segmental Update

#### Specialty P&C Segment

The segment recorded revenues of \$181.8 million in the third quarter, which slipped 4.4% year over year. The metric marginally missed the Zacks Consensus Estimate of \$183 million and our estimate of \$184.6 million. Net premiums earned decreased 4.2% year over year to \$180.8 million, lower than the consensus mark of \$182 million.

Total expenses came in at \$200.3 million, which escalated 6.4% year over year. The unit incurred a loss of \$18.5 million against the year-ago profit of \$1.9 million. The combined ratio deteriorated 910 bps year over year to 109.1%.

#### Workers' Compensation Insurance Segment

Revenues in the segment fell 2.3% year over year to \$41.4 million in the quarter under review. The metric marginally missed the Zacks Consensus Estimate of \$42.5 million and our estimate of \$42.8 million. Net premiums earned of \$41 million declined 2% year over year, lower than the consensus mark of \$42 million.

Total expenses dipped 0.1% year over year to \$46.5 million. The unit incurred a loss of \$5.1 million, wider than the prior-year quarter's loss of \$4.2 million. The combined ratio deteriorated 210 bps year over year to 113.5%.

#### Segregated Portfolio Cell Reinsurance Segment

The segment's gross premiums written of \$14.2 million improved 4.2% year over year and beat our estimate of \$12.9 million. However, net premiums earned tumbled 7.8% year over year to \$11.7 million, which beat the Zacks Consensus Estimate of \$11.2 million and our estimate of \$11.5 million.

Underwriting, policy acquisition and operating expenses amounted to \$4.2 million in the third quarter, which inched up 0.3% year over year. The unit reported a quarterly profit of \$924 million, which surged 66.5% year over year. The combined ratio improved 630 bps year over year to 88.3%.

#### Corporate Segment

Net investment income of the unit grew 8.5% year over year to \$39.3 million and beat our estimate of \$38.4 million.

Operating expenses of \$7.8 million dropped 23.9% year over year. The unit's profit climbed 49.1% year over year to \$27.1 million. Interest expenses fell 8.1% year over year to \$5.2 million.

### PRA's Financial Position (As of Sept. 30, 2025)

ProAssurance exited the third quarter with cash and cash equivalents of \$54.5 million, which dipped 0.8% from the 2024-end level. Total investments were \$4.4 billion, up 1.6% from the figure at 2024-end.

Total assets of \$5.6 billion dipped 0.4% from the 2024-end level.

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

Earnings Reporting Date	Nov 04, 2025
Sales Surprise	-0.72%
EPS Surprise	-46.43%
Quarterly EPS	0.15
Annual EPS (TTM)	1.16

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Debt less unamortized debt issuance costs amounted to \$421.5 million, down 0.8% from the figure as of Dec. 31, 2024.

Total shareholders' equity of \$1.3 billion advanced 8.5% from the level at 2024-end.

Net cash used in operating activities amounted to \$12.4 million for the first nine months of 2025, while the company used \$10.5 million of net cash in operations in the prior-year comparable period.

Book value per share was \$25.37 as of Sept. 30, 2025, which grew 8% from the 2024-end figure. Adjusted operating return on equity deteriorated 320 bps year over year to 2.4% in the quarter under review.

#### **ProAssurance's Share Repurchase Update**

ProAssurance did not repurchase any common shares in the third quarter of 2025. A leftover capacity of \$55.9 million remained in place to be utilized for common share repurchases or retirement of outstanding debt as of Sept. 30, 2025.

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## Valuation

ProAssurance's shares are up 5.8% over the past six months and 52.7% over the past year. Stocks in the Zacks sub-industry are up 2.9% while the Zacks Finance sector is up 11.2%, over the past six months. Over the past year, the Zacks sub-industry is up 11.1% while the sector is up 18%.

The S&P 500 index is up 18.2% over the past six months and 17.8% in the past year.

The stock is currently trading at 0.95X trailing 12-month tangible book value, which compares to 1.51X for the Zacks sub-industry, 4.26X for the Zacks sector and 8.45X for the S&P 500 index.

Over the past five years, the stock has traded as high as 1.15X and as low as 0.49X, with a 5-year median of 0.90X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$25.00 price target reflects 0.98X tangible book value.

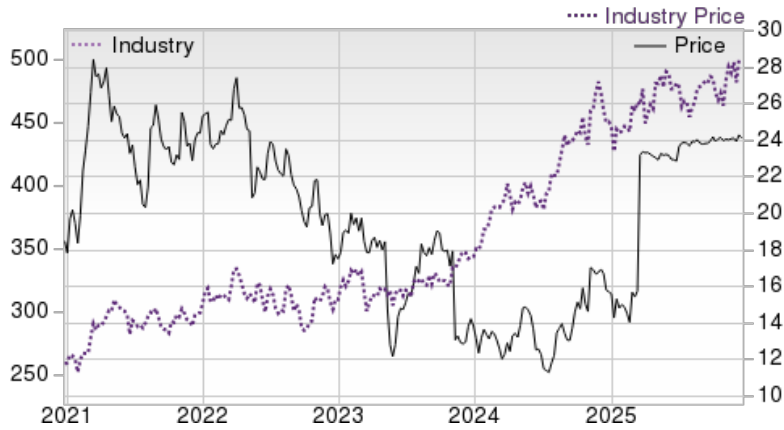
The table below shows summary valuation data for PRA.

Valuation Multiples - PRA					
		Stock	Sub-Industry	Sector	S&P 500
P/B TTM	Current	0.95	1.51	4.26	8.45
	5-Year High	1.15	1.73	4.37	9.17
	5-Year Low	0.49	1.17	2.87	6.6
	5-Year Median	0.9	1.45	3.52	8.05
P/S F12M	Current	1.21	2.29	9.08	5.24
	5-Year High	1.84	10.43	10.06	5.5
	5-Year Low	0.5	1.66	6.69	3.83
	5-Year Median	1	2.08	8.39	5.05
P/E F12M	Current	23.34	27.91	17.28	23.21
	5-Year High	85.61	31.85	18.28	23.78
	5-Year Low	NA	23.33	12.36	15.73
	5-Year Median	25.02	27.91	16.12	21.22

As of 12/16/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 21% (50 out of 243)



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

Company (Ticker)	Rec	Rank
Skyward Specialty In...(SKWD)	Outperform	1
United Fire Group, I...(UFCS)	Outperform	1
Axis Capital Holding...(AXS)	Neutral	2
Chubb Limited (CB)	Neutral	3
Cincinnati Financial...(CINF)	Neutral	3
Donegal Group, Inc. (DGICA)	Neutral	3
Kinsale Capital Grou...(KNSL)	Neutral	3
UNIVERSAL INSURANCE ...(UVE)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Insurance - Property And Casualty

	PRA	X Industry	S&P 500	CB	KNSL	UFCS
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Outperform
Zacks Rank (Short Term)	4	-	-	3	3	1
VGM Score	C	-	-	B	B	B
Market Cap	1.24 B	4.64 B	39.21 B	122.37 B	9.29 B	949.90 M
# of Analysts	3	3.5	22	11	9	1
Dividend Yield	0.00%	0.51%	1.4%	1.25%	0.17%	1.72%
Value Score	C	-	-	B	C	A
Cash/Price	0.29	0.14	0.04	0.06	0.02	0.25
EV/EBITDA	12.59	8.35	14.66	10.80	17.55	9.81
PEG Ratio	5.05	1.66	2.22	3.55	1.43	NA
Price/Book (P/B)	0.95	1.58	3.38	1.57	4.98	1.06
Price/Cash Flow (P/CF)	18.50	12.94	15.30	13.69	24.43	12.23
P/E (F1)	23.36	11.50	19.87	13.14	21.13	9.47
Price/Sales (P/S)	1.10	1.33	3.10	2.09	5.15	0.70
Earnings Yield	4.24%	8.70%	5.02%	7.61%	4.73%	10.56%
Debt/Equity	0.32	0.15	0.56	0.20	0.11	0.16
Cash Flow (\$/share)	1.30	4.53	8.99	22.71	16.35	3.04
Growth Score	C	-	-	D	B	D
Hist. EPS Growth (3-5 yrs)	-3.38%	18.53%	8.16%	25.94%	45.12%	27.31%
Proj. EPS Growth (F1/F0)	8.42%	23.20%	8.50%	5.15%	17.68%	53.52%
Curr. Cash Flow Growth	5.83%	15.00%	6.86%	-3.64%	29.15%	-481.97%
Hist. Cash Flow Growth (3-5 yrs)	35.96%	11.62%	7.48%	11.38%	47.82%	46.22%
Current Ratio	0.28	0.48	1.18	0.27	0.09	0.37
Debt/Capital	24.42%	13.85%	38.01%	17.19%	9.65%	13.99%
Net Margin	3.01%	10.57%	12.78%	16.53%	26.30%	8.22%
Return on Equity	4.78%	16.51%	17.00%	12.93%	25.66%	13.64%
Sales/Assets	0.20	0.34	0.53	0.23	0.34	0.38
Proj. Sales Growth (F1/F0)	-4.00%	3.46%	5.82%	6.50%	17.20%	10.10%
Momentum Score	A	-	-	A	A	B
Daily Price Chg	-0.29%	0.94%	0.64%	0.11%	0.04%	0.98%
1 Week Price Chg	-0.66%	1.08%	0.91%	0.69%	1.92%	0.30%
4 Week Price Chg	0.17%	4.10%	2.59%	5.12%	5.35%	2.17%
12 Week Price Chg	0.25%	5.50%	3.26%	11.23%	-4.15%	23.73%
52 Week Price Chg	51.51%	10.06%	15.14%	12.92%	-14.07%	29.86%
20 Day Average Volume	428,992	186,821	2,833,599	1,968,241	257,269	137,993
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.06%	0.09%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.71%	0.09%	0.00%
(F1) EPS Est 12 week change	-7.61%	8.02%	0.66%	9.95%	3.20%	29.70%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.82%	0.47%	0.00%



## Analyst Earnings Model<sup>(2)</sup>

### ProAssurance Corporation (PRA)

In \$MM, except per share data

	2019A	2020A	2021A	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-19	Dec-20	Dec-21	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	Dec-27
Income Statement																	
Gross Premiums Written	\$967.5	\$854.4	\$960.0	\$1,104.0	\$1,082.3	\$1,050.9	\$303.8	\$216.9	\$290.4	\$198.2	\$1,009.4	\$289.4	\$207.9	\$273.5	\$196.2	\$967.0	\$960.2
Net Premiums Written	\$842.7	\$747.7	\$882.7	\$1,014.1	\$986.0	\$953.7	\$276.1	\$195.6	\$261.3	\$176.9	\$910.0	\$261.9	\$186.8	\$245.3	\$176.6	\$870.7	\$865.1
Net Premiums Earned	\$847.5	\$792.7	\$971.7	\$1,029.6	\$977.4	\$968.3	\$236.3	\$232.4	\$233.4	\$226.5	\$928.6	\$221.9	\$218.3	\$216.9	\$220.5	\$877.5	\$863.4
Net Investment Income	\$93.3	\$72.0	\$70.5	\$96.0	\$128.4	\$144.5	\$37.0	\$38.9	\$40.4	\$38.9	\$155.2	\$39.0	\$40.9	\$41.6	\$41.3	\$162.8	\$170.4
Equity in Earnings (Loss) of Unconsolidated Subsidiaries	(\$10.1)	(\$11.9)	\$49.0	\$4.9	\$6.8	\$22.2	\$4.0	\$4.6	\$4.7	\$4.7	\$18.1	\$4.7	\$4.7	\$4.7	\$4.7	\$18.9	\$18.9
Net Investment Gains (Losses)	\$59.9	\$15.7	\$24.3	(\$33.2)	\$13.8	\$1.9	(\$1.7)	\$0.2	\$0.8	\$0.0	(\$0.6)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Income	\$9.2	\$6.5	\$8.9	\$9.4	\$10.8	\$13.5	(\$3.5)	\$0.6	\$0.1	(\$0.2)	(\$2.9)	\$0.1	\$0.2	\$0.1	(\$0.2)	\$0.2	\$0.3
Total Revenues	\$999.8	\$874.9	\$1,124.4	\$1,106.7	\$1,137.2	\$1,150.4	\$272.1	\$276.8	\$279.6	\$269.9	\$1,098.3	\$265.8	\$264.1	\$263.3	\$266.3	\$1,059.5	\$1,053.0
Operating Revenues	\$950.0	\$871.2	\$1,051.1	\$1,135.0	\$1,116.6	\$1,126.3	\$269.8	\$271.9	\$274.0	\$265.2	\$1,080.8	\$261.0	\$259.3	\$258.6	\$261.6	\$1,040.5	\$1,034.0
Net Losses and Loss Adjustment Expenses	\$753.9	\$661.4	\$752.2	\$776.8	\$800.5	\$739.4	\$190.0	\$159.9	\$186.2	\$171.0	\$707.1	\$169.8	\$164.3	\$163.8	\$166.5	\$664.5	\$656.8
Underwriting, Policy Acquisition and Operating Expenses	\$252.4	\$237.9	\$268.2	\$307.3	\$300.7	\$319.3	\$83.2	\$80.9	\$81.4	\$77.0	\$322.5	\$74.9	\$75.2	\$73.8	\$74.6	\$298.5	\$297.8
SPC U.S. Federal Income Tax Expense	\$1.1	\$1.7	\$1.9	\$1.8	\$1.6	\$1.8	\$0.3	\$0.9	\$0.7	\$0.6	\$2.5	\$0.6	\$0.7	\$0.6	\$0.6	\$2.6	\$2.6
SPC Dividend Expense (Income)	\$4.6	\$14.3	\$10.1	\$6.7	\$6.2	\$4.4	(\$0.2)	\$2.3	\$1.7	\$1.4	\$5.1	\$1.2	\$1.6	\$1.4	\$1.4	\$5.7	\$5.7
Interest Expense	\$16.6	\$15.5	\$19.7	\$20.4	\$23.2	\$22.3	\$5.2	\$5.2	\$5.2	\$5.1	\$20.7	\$5.0	\$5.0	\$4.9	\$5.0	\$19.9	\$19.8
Goodwill Impairment	\$0.0	\$161.1	\$0.0	\$0.0	\$44.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Inter-Segment Eliminations	\$2.4	\$2.4	\$3.1	\$4.1	\$4.1	\$4.3	\$0.3	\$0.2	\$0.3	\$0.6	\$1.5	\$0.3	\$0.2	\$0.3	\$0.6	\$1.4	\$1.3
Transaction-Related Costs	\$0.0	\$0.0	\$25.0	\$1.9	\$0.0	\$0.0	\$7.1	\$4.5	\$3.0	\$0.0	\$14.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses	\$1,028.6	\$1,092.0	\$1,052.2	\$1,112.9	\$1,176.4	\$1,087.3	\$278.4	\$249.3	\$275.2	\$255.0	\$1,057.9	\$251.6	\$246.8	\$244.6	\$248.2	\$991.1	\$982.6
Gain on Bargain Purchase	\$0.0	\$0.0	\$74.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Pre-Tax Income	(\$28.8)	(\$217.1)	\$146.6	(\$6.2)	(\$39.1)	\$63.1	(\$6.3)	\$27.4	\$4.4	\$14.9	\$40.3	\$14.2	\$17.3	\$18.7	\$18.1	\$68.3	\$70.3
Income Tax	(\$29.8)	(\$41.3)	\$2.5	(\$5.8)	(\$0.5)	\$10.3	(\$0.5)	\$5.5	\$2.9	\$3.1	\$11.1	\$3.0	\$3.6	\$3.9	\$3.8	\$14.4	\$14.8
Tax Rate	103.5%	19.0%	1.7%	93.5%	1.4%	16.4%	8.1%	20.1%	66.9%	21.0%	27.4%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Net Income, GAAP	\$1.0	(\$175.7)	\$144.1	(\$0.4)	(\$38.6)	\$52.7	(\$5.8)	\$21.9	\$1.4	\$11.7	\$29.3	\$11.2	\$13.7	\$14.8	\$14.3	\$54.0	\$55.6
Net Income, Adjusted	(\$43.8)	(\$27.7)	\$75.9	\$22.9	(\$9.0)	\$48.6	\$6.8	\$26.8	\$7.9	\$11.7	\$53.2	\$11.2	\$13.7	\$14.8	\$14.3	\$54.0	\$55.6
Basic Shares Outstanding	53.7	53.9	54.0	54.0	52.6	51.1	51.2	51.3	51.4	51.4	51.3	51.4	51.4	51.4	51.4	51.4	51.4
Diluted Share Outstanding	53.8	53.9	54.1	54.1	52.8	51.3	51.4	51.7	51.8	51.8	51.7	51.8	51.8	51.8	51.8	51.8	51.8
Basic EPS	\$0.02	(\$3.26)	\$2.67	(\$0.01)	(\$0.73)	\$1.03	(\$0.11)	\$0.42	\$0.03	\$0.23	\$0.57	\$0.22	\$0.27	\$0.29	\$0.28	\$1.05	\$1.08
Diluted EPS, GAAP	\$0.02	(\$3.26)	\$2.67	(\$0.01)	(\$0.73)	\$1.03	(\$0.11)	\$0.42	\$0.15	\$0.23	\$0.69	\$0.22	\$0.26	\$0.29	\$0.28	\$1.04	\$1.07
Diluted EPS, Adjusted	(\$0.81)	(\$0.52)	\$1.40	\$0.45	(\$0.14)	\$0.95	\$0.13	\$0.52	\$0.15	\$0.23	\$1.03	\$0.22	\$0.26	\$0.29	\$0.28	\$1.04	\$1.07
Dividend per Share	\$1.24	\$0.46	\$0.20	\$0.20	\$0.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## Zacks Stock Rating System

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

## Zacks Recommendation

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

## Zacks Rank

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

## Zacks Style Scores

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

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

Value Score	C
Growth Score	C
Momentum Score	A
VGM Score	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.

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