

Ralph Lauren Corp. (RL)

\$370.06 (Stock Price as of 12/18/2025)

Price Target (6-12 Months): **\$378.00**

Long Term: 6-12 Months	Zacks Recommendation:	Neutral
	(Since: 12/08/25)	
	Prior Recommendation:	Outperform
Short Term: 1-3 Months	Zacks Rank: (1-5)	2-Buy
	Zacks Style Scores:	VGM: D
	Value: D	Growth: D Momentum: C

Summary

Ralph Lauren's shares have outperformed the industry in the past year, driven by the strategic execution of its "Next Great Chapter: Accelerate Plan" and robust financial performance. The plan focuses on brand elevation, consumer centricity and operational agility. Digital transformation drives growth, with investments in personalization, mobile, omnichannel and fulfillment enhancing consumer engagement. Retail and wholesale remain key pillars, with flagship stores, premium distribution and partnerships boosting comparable sales across North America, Europe and Asia in second-quarter fiscal 2026. However, rising selling costs, with supply chain disruptions, inflation, tariffs and market volatility, create near-term headwinds, exposing Ralph Lauren to potential inefficiencies and limiting flexibility for growth initiatives.

Data Overview

52 Week High-Low	\$377.72 - \$176.61
20 Day Average Volume (sh)	703,936
Market Cap	\$22.2 B
YTD Price Change	58.3%
Beta	1.52
Dividend / Div Yld	\$3.65 / 1.0%
Industry	Textile - Apparel
Zacks Industry Rank	Top 17% (42 out of 243)

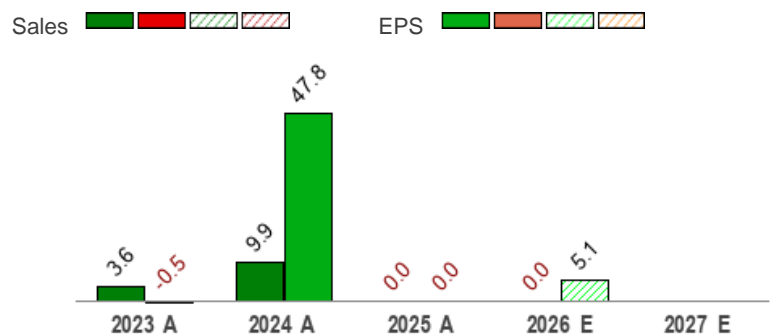
Last EPS Surprise	9.9%
Last Sales Surprise	6.0%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/05/2026
Earnings ESP	0.0%

P/E TTM	25.0
P/E F1	28.6
PEG F1	6.1
P/S TTM	2.9

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1,952 E	1,456 E	1,547 E		7,528 E
2026	1,719 A	2,011 A	2,050 E	1,698 E	7,076 E
2025	1,512 A	1,726 A	2,144 A	1,697 A	7,079 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	2.56 E	2.15 E	2.95 E		13.52 E
2026	3.77 A	3.79 A	4.71 E	2.33 E	12.96 E
2025	2.70 A	2.54 A	4.82 A	2.27 A	12.33 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/18/2025.

(2) The report's text and the price target are as of 12/09/2025.

Overview

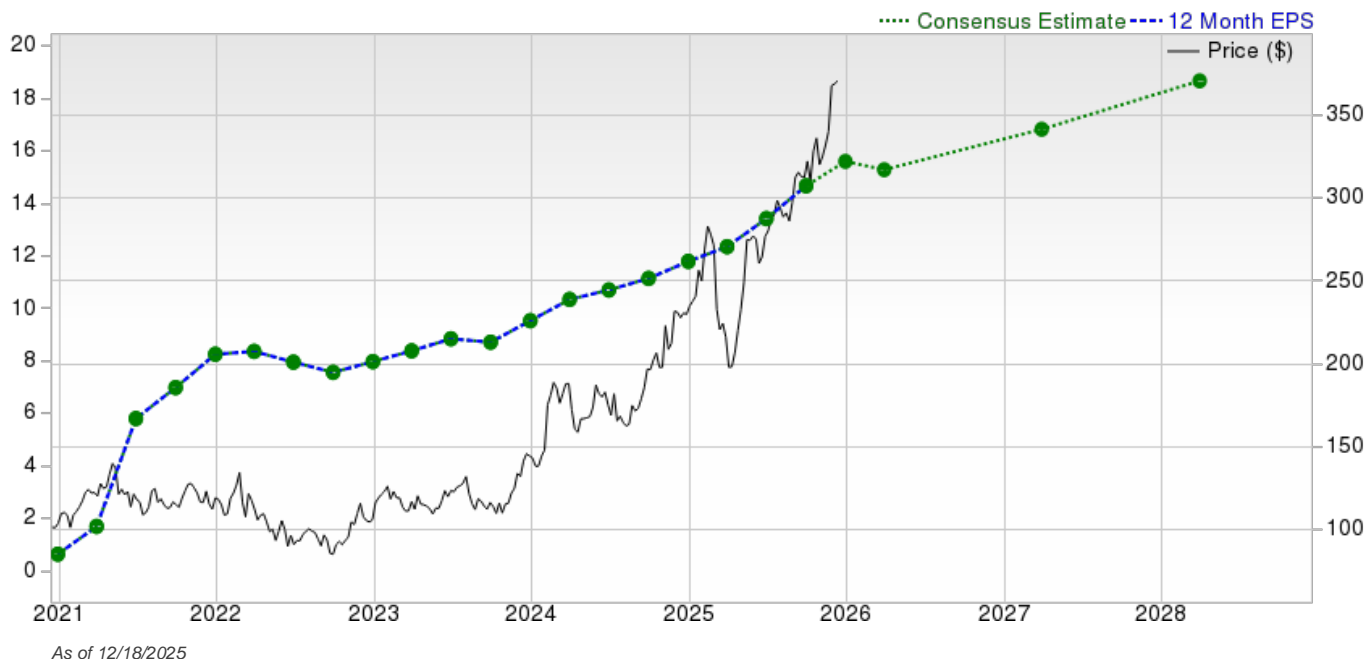
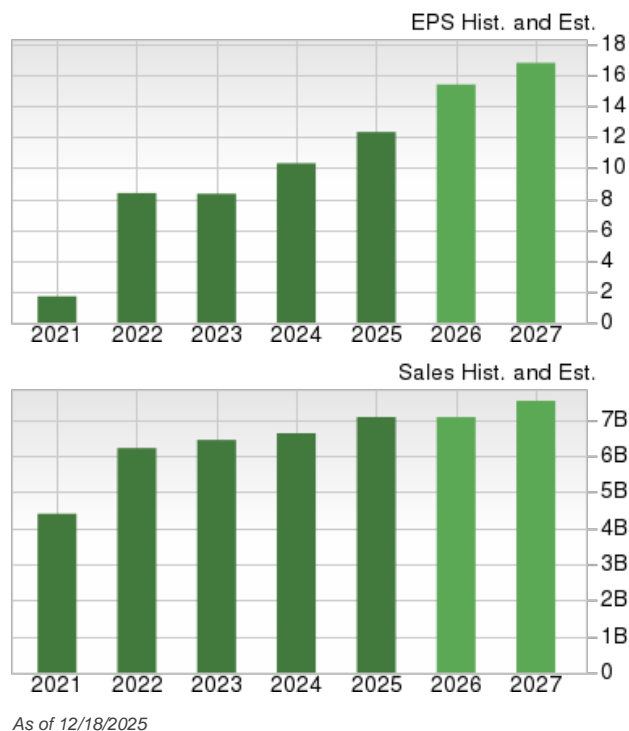
Ralph Lauren Corp. is a major designer, marketer and distributor of premium lifestyle products in North America, Europe, Asia, and internationally. It offers products in the apparel, footwear, accessories, home furnishings, and other licensed product categories. The company possesses a strong portfolio of globally recognized brand names such as Polo Ralph Lauren, Ralph Lauren Purple Label, Ralph Lauren Collection, Double RL, Lauren Ralph Lauren, Polo Golf Ralph Lauren, Ralph Lauren Golf, RLX Ralph Lauren, Polo Ralph Lauren Children, Chaps, Club Monaco and American Living.

The company offers lifestyle product collections in 4 categories – Apparel, which includes men's, women's, and children's clothing; Home, which includes bedding and bath products, furniture, fabric and wallpaper, paint, tabletop and giftware; Accessories, comprising footwear, eyewear, watches, fashion and fine jewelry, and leather goods; and Fragrance and skin care products sold under the Glamorous, Romance, Polo, Lauren, Safari, and Polo Sport brands.

The company's reportable segments include North America, Europe and Asia. These segments contributed roughly 46.5%, 28.2% and 23.6% respectively to net revenues in fiscal 2024. The rest of the contribution came from other non-reportable segments.

The company operates through wholesale, retail and licensing channels of distribution. It sells products to department stores, specialty stores, and golf and pro shops through the wholesale channel. It also sells directly to consumers through an integrated retail channel, which includes retail stores, concession-based shop-within-shops, and its digital commerce sites. It also licenses to third parties for specified periods the right to access its trademarks in connection with the licensees' manufacture and sale of designated products.

As of Sept. 27, 2025, Ralph Lauren had 582 directly operated stores and 667 concession shops globally. The directly operated stores included 272 Ralph Lauren and 310 Outlet stores. The company operated 127 licensed partner stores globally as of the same date.



Reasons To Buy:

▲ **Strategic Growth Efforts:** Shares of Ralph Lauren have rallied 58% in the past year against the industry's 23.2% decline. The stock's momentum is fueled by the company's strong execution of strategic initiatives and solid financial performance. Ralph Lauren's "Next Great Chapter: Accelerate Plan" remains the cornerstone of its growth strategy, focusing on consumer centricity and operational agility. Ralph Lauren will continue to execute its three core growth drivers as part of its strategic plan. These growth factors include elevating and energizing its lifestyle brand, driving the core brand and expanding further, and winning in key cities with the company's consumer ecosystem. The company is focused on elevating its global lifestyle brand positioning to offer premium quality, acquire new consumers and reinforce retention to boost Customer Lifetime Value. It continues to advance its iconic core products while accelerating growth in high-potential, under-penetrated areas related to consumers' evolving lifestyles.

Ralph Lauren has issued an upbeat outlook for fiscal 2026, reflecting confidence in its ability to navigate a dynamic macroeconomic and geopolitical landscape.

Digital transformation is a key pillar, with continued investments in personalization, data analytics, and seamless omnichannel experiences to engage consumers across platforms. The company is optimizing distribution, strengthening wholesale partnerships, and elevating its retail network to reflect its premium positioning. Operational initiatives, including supply chain improvements, inventory discipline, and productivity gains, aim to expand margins while offsetting tariff impacts. Management remains confident the "Next Great Chapter: Accelerate Plan" will fuel sustainable growth, capture market share, and reinforce Ralph Lauren's leadership in the luxury lifestyle market while delivering long-term shareholder value.

▲ **Digital Strength:** Ralph Lauren is making significant progress in expanding digital and omnichannel capabilities through investments in mobile, omnichannel and fulfillment. The company's digital strength is a key driver of its growth strategy, enabling the brand to deepen engagement and expand its reach globally. In second-quarter fiscal 2026, global direct-to-consumer (DTC) comparable store sales (comps) increased 13%, backed by positive retail comps in all regions and channels. Ralph Lauren witnessed significant growth in its digital channels across all key regions. Digital sales improved 15% in North America, 17% in Europe and 36% in Asia. Digital sales now represent a growing share of total revenues, supported by continuous investments in personalization, enhanced mobile capabilities and integrated loyalty programs designed to connect with younger and more diverse consumers.

▲ **Road Ahead Looks Encouraging:** Ralph Lauren raised its fiscal 2026 outlook on the back of strong first-half performance and sustained brand momentum. Management expects constant-currency revenue growth of 5%-7% for fiscal 2026, up from its previous low-to-mid single-digit range. Operating margin is projected to expand 60-80 basis points (bps) in constant currency, stronger than the prior 40-60 bps guidance, supported by expense leverage, disciplined cost control and continued AUR gains. Gross margin is also expected to increase 10-30 bps, aided by a favorable mix, higher AUR and lower cotton costs, despite notable tariff and timing-related pressures that will be most acute in the fiscal fourth quarter.

Looking ahead to its long-range plan, Ralph Lauren reiterated its three-year financial framework outlined in September 2025. Management expects mid-single-digit compound annual revenue growth from fiscal 2026 through fiscal 2028, at constant currency, fueled by core product strength, broader category penetration and expansion in priority geographies, particularly Asia. Operating margin is projected to expand 50-100 bps in the three years, driven by structural gross margin improvements and SG&A leverage as the company scales its consumer ecosystem and digital investments.

▲ **Retail & Wholesale Strength:** Ralph Lauren's retail and wholesale channels continue to demonstrate broad-based strength, supporting a balanced and diversified revenue base. In the fiscal second quarter, global direct-to-consumer comps rose 13%, with double-digit retail growth across all regions, including a strong momentum in North America and Asia. The company is expanding and elevating its retail presence through disciplined store openings, 38 new owned and partner stores globally in the quarter, and enhanced digital integration across the consumer ecosystem. Wholesale performance also exceeded expectations, driven by strong reorders in Europe and healthy sellout trends and digital wholesale growth in North America, even as Ralph Lauren continues to strategically reduce lower-tier and off-price distribution to protect brand elevation. The combined strength of retail, wholesale and digital channels reinforces the company's pricing power, supports higher-quality sales and deepens global consumer engagement.

▲ **Financial Health & Shareholder Returns:** Ralph Lauren's cash and short-term investments were \$1.6 billion at the end of second-quarter fiscal 2026. As of Sept. 27, 2025, the total debt amounted to \$1.2 billion. Its debt-to-capitalization ratio of 0.32 compares favorably with the industry's 0.48. Regarding its shareholder-friendly moves, RL returned about \$420 million to its shareholders via dividends and repurchases in the fiscal second quarter. The company repurchased nearly \$63 million of Class A common stock in second-quarter fiscal 2026. RL boasts a dividend payout ratio of 25%, an annualized dividend yield of 1.07% and a free cash flow yield of 3.1%. The company intends to return at least \$2 billion on a cumulative basis through fiscal 2028 to shareholders via dividends and share repurchases. The strong balance sheet supports ongoing investments, store expansions, and long-term margin initiatives while still enabling solid capital returns.

Reasons To Sell:

▼ **High-Cost Concerns:** Ralph Lauren is grappling with elevated operating expenses, which are compressing margins and limiting profitability despite steady revenue growth. Adjusted operating expenses rose 13% year over year in the second quarter of fiscal 2026, mainly due to investments in brand activations, technology, digital acceleration and store expansion. While these investments support brand engagement, the higher cost structure could pressure profitability and underscore potential inefficiencies in cost management, potentially limiting flexibility for growth initiatives or navigating broader market uncertainties.

Ralph Lauren has been reeling under inflationary headwinds, including other consumer-spending-related headwinds, supply chain disruptions, and foreign currency volatility.

▼ **Near-Term Headwinds:** While Ralph Lauren raised its fiscal 2026 outlook, management emphasized that it reflects the company's best view of a still-volatile global environment. Tariffs, inflationary pressures, supply-chain challenges and currency fluctuations remain key variables that could affect results. The company had earlier predicted the performance to be first-half weighted, supported by strong early execution and planned wholesale timing shifts. However, the company remains cautious about the second half, highlighting rising tariff headwinds, most severe in the fiscal fourth quarter, and potential U.S. consumer pressure, which together may temper demand and create margin challenges even as full-year margins continue to expand.

▼ **Ongoing Supply Chain & Inflationary Pressures:** Supply chain disruptions and inflationary pressures continue to be significant challenges for Ralph Lauren, potentially affecting both cost structures and operational efficiency. Rising input costs for non-cotton materials, along with broader logistics and manufacturing expenses, could erode margins if not offset by pricing actions or efficiency gains. Additionally, any delays or constraints in the supply chain may impact product availability, particularly for key seasonal and high-demand items, which could disrupt sales momentum and inventory planning. While the company is leveraging its diversified sourcing network and supplier partnerships to mitigate these risks, persistent inflationary trends still present a meaningful operational headwind.

▼ **Competitive Pressure:** Ralph Lauren operates in a highly fragmented market and competes with a number of well-established players such as Estee Lauder, Coach, V.F. Corp., Phillips-Van Heusen, Jones Apparel, Liz Claiborne and Kenneth Cole Productions. The company primarily competes on the basis of fashion, quality and service. Failure to offer high-quality distinguished products at a competitive price may hamper Ralph Lauren's market share, resulting in lower earnings and sales.

Last Earnings Report

Ralph Lauren Beats Q2 Earnings & Revenue Estimates, Raises FY26 View

Ralph Lauren posted impressive second-quarter fiscal 2026 results, wherein both the top and bottom lines increased year over year and surpassed the Zacks Consensus Estimate. The second-quarter results put an emphasis on the company's strong brand momentum, operational discipline and strategic execution.

RL reported adjusted earnings per share of \$3.79, which surpassed the consensus estimate of \$3.45. Also, the bottom line increased 49% from \$2.54 per share in the year-earlier quarter.

Net revenues grew 17% year over year to \$2,010 million and beat the Zacks Consensus Estimate of \$1,896 million. On a constant-currency (cc) basis, revenues were up 14% from the year-ago quarter. The top line witnessed growth across all regions, driven by brand strength, pricing efforts and continued strategic investments.

Global direct-to-consumer comparable store sales (comps) jumped 13%, backed by positive retail comps in all regions and channels. The top line was favorably impacted by 250 basis points (bps) from foreign currency rates.

Ralph Lauren's Q2 Segmental Details

North America: The segment's revenues were up 13% year over year to \$832 million. Comps for North America's retail channel rose 13% year over year, while those for brick-and-mortar stores and digital commerce moved up 12% and 15%, respectively. Revenues from the North America wholesale business rose 13% year over year.

Europe: The segment's revenues rose 22% year over year to \$688 million. The metric was up 15% on a currency-neutral basis. Comps for the retail channel in Europe were up 10%, while brick-and-mortar stores grew 8% year over year. Digital sales witnessed a 17% rise. Revenues for the segment's wholesale business increased 26% on a reported basis and rose 18% on a cc basis.

Asia: The segment's revenues increased 17% year over year to \$446 million on a reported basis and 16% on a currency-neutral basis. Comps in Asia were up 16%, backed by 14% growth in brick-and-mortar stores and a 36% increase in the digital business.

A Look at RL's Q2 Margins & Costs

Ralph Lauren's adjusted gross profit margin expanded 100 bps year over year to 68%. This was mainly driven by favorable product mix, and lower cotton costs, along with AUR growth and lower cotton costs, which helped offset increased pressure from tariffs and other product-related expenses.

Adjusted operating expenses rose 13% from the year-ago period to \$1083.4 million. Adjusted operating expenses, as a percentage of sales, contracted 160 bps to 53.9%.

The company's adjusted operating income was \$283 million for the reported quarter. The adjusted operating margin increased 130 bps year over year to 14.1%.

Ralph Lauren's Financials

Ralph Lauren ended second-quarter fiscal 2026 with cash and short-term investments of \$1.6 billion, total debt of \$1.2 million and total shareholders' equity of \$2.5 billion. Inventory gained 12% year over year to \$1.3 billion at the end of the quarter under review.

The company reported \$281.1 million in capital expenditures for the first six months of 2026, up from \$75.1 million in the prior year.

RL repurchased nearly \$63 million of Class A Common Stock in the fiscal second quarter of 2026. It returned about \$420 million to its shareholders via dividends and repurchases of Class A common stock.

Ralph Lauren's Store Update

As of Sept. 27, 2025, Ralph Lauren had 582 directly operated stores and 667 concession shops globally. The directly operated stores included 272 Ralph Lauren and 310 Outlet stores. The company operated 127 licensed partner stores globally as of the same date.

RL's Outlook for Q3 & FY26

Following its strong second-quarter results, Ralph Lauren raised its full-year fiscal 2026 guidance, reflecting continued brand momentum and outperformance across all regions and channels in the first half of the year. The company's outlook reflects its best assessment of the current geopolitical and macroeconomic environment, including inflationary pressures, tariffs, consumer spending-related headwinds, global supply chain disruptions and foreign currency volatility.

For fiscal 2026, management expects revenues to increase 5%-7% on a constant currency basis compared with low to mid-single digits expected earlier. Based on current exchange rates, foreign currency is expected to benefit revenue growth by 200-250 bps compared with 150-200 bps expected earlier. Operating margin is now expected to expand by approximately 60-80 bps in constant currency, an improvement over the prior outlook, primarily driven by operating expense leverage.

FY Quarter Ending 3/31/2025

Earnings Reporting Date	Nov 06, 2025
Sales Surprise	6.04%
EPS Surprise	9.86%
Quarterly EPS	3.79
Annual EPS (TTM)	14.65

Foreign currency is anticipated to aid gross and operating margins by 30-50 bps. The full-year effective tax rate is projected to be 19-21%, while capital expenditures are expected to be 4-5% of revenues. These projections exclude any potential restructuring-related and other net charges that may arise in future periods.

For the fiscal third quarter, RL expects revenues to grow in mid-single digits, on a constant currency basis, with foreign currency expected to aid revenues by 150-200 bps. Operating margin for the quarter is forecasted to expand by approximately 60-80 bps in constant currency, primarily due to operating expense leverage. Foreign currency is also expected to benefit gross and operating margins by approximately 10 and 20 bps, respectively. The company anticipates an effective tax rate of 21-23% for the third quarter.

Recent News

Ralph Lauren Executes Its Core Priorities, Outlines Long-Term View - Sep 16, 2025

Ralph Lauren will continue to execute its three core growth drivers as part of its strategic plan. These growth factors include elevating and energizing its lifestyle brand, driving the core and expanding further, and winning in key cities with the company's consumer ecosystem. The company is focused on elevating its global lifestyle brand positioning to offer premium quality, acquire new consumers and reinforce retention to boost Customer Lifetime Value.

Ralph Lauren has reiterated its fiscal 2026 outlook given on Aug. 7, 2025, while introducing its three-year financial outlook. The outlook reflects the company's assessment of the ongoing geopolitical and macroeconomic conditions, including inflation, tariffs, supply-chain disruptions, currency volatility and consumer spending headwinds.

From fiscal 2025 through fiscal 2028, management predicts revenues to witness a compound annual growth rate of mid-single digits at constant currency. Operating margin is likely to expand nearly 100-150 basis points by fiscal 2028 in constant currency, thanks to gross margin expansion and leveraged operating expenses with constant investments in the long-term priorities. Capital expenditures are anticipated to represent roughly 4-5% of revenues annually through fiscal 2028.

Valuation

Ralph Lauren shares are up 34.3% in the past six months and nearly 58% for the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Discretionary sector are down 13.7% and 5.7%, respectively, in the six-month period. Over the past year, the Zacks sub-industry and the sector are down 23.2% and 3.4%, respectively.

The S&P 500 index is up 16% in the six-month period and 15.4% in the past year.

The stock is currently trading at 2.7X forward 12-month sales, which compares to 2.15X for the Zacks sub-industry, 2.33X for the Zacks sector and 5.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 2.81X and as low as 0.86X, with a 5-year median of 1.45X. Our Neutral recommendation indicates that the stock will perform better than the market. Our \$378 price target reflects 3.15X forward 12-month sales.

The table below shows summary valuation data for RL

Valuation Multiples - RL					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	2.7	2.15	2.33	5.3
	5-Year High	2.81	3.53	3.5	5.5
	5-Year Low	0.86	1.92	1.69	3.83
	5-Year Median	1.45	2.62	2.31	5.05
P/B TTM	Current	8.38	6.95	2.21	5.1
	5-Year High	8.73	10.91	3.24	5.52
	5-Year Low	2.4	6.37	1.4	3.85
	5-Year Median	3.33	8.23	1.93	4.98
EV/EBITDA TTM	Current	15.65	17.1	10.87	16.96
	5-Year High	28.73	37.32	18	22.58
	5-Year Low	4.88	14.22	8.01	13.98
	5-Year Median	8.88	17.75	9.9	18.32

As of 12/08/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 17% (42 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Crocs, Inc. (CROX)	Outperform	1
Macy's, Inc. (M)	Outperform	2
Columbia Sportswear ... (COLM)	Neutral	3
Guess?, Inc. (GES)	Neutral	2
G-III Apparel Group, ... (GIII)	Neutral	2
Kontoor Brands, Inc. (KTB)	Neutral	2
lululemon athletica ... (LULU)	Neutral	3
Under Armour, Inc. (UAA)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Textile - Apparel

	RL	X Industry	S&P 500	GES	LULU	UAA
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	2	3	3
VGM Score	D	-	-	D	D	F
Market Cap	22.18 B	1.47 B	38.74 B	876.67 M	24.65 B	1.87 B
# of Analysts	5	3	22	1	12	10
Dividend Yield	1.00%	0.00%	1.42%	5.35%	0.00%	0.00%
Value Score	D	-	-	B	C	F
Cash/Price	0.07	0.06	0.04	0.18	0.04	0.54
EV/EBITDA	18.11	5.95	14.56	7.42	7.81	-24.18
PEG Ratio	5.99	2.85	2.18	NA	12.87	4.39
Price/Book (P/B)	8.60	1.16	3.30	1.55	5.48	1.01
Price/Cash Flow (P/CF)	22.30	8.06	15.17	4.87	11.15	6.88
P/E (F1)	28.22	17.93	19.74	9.95	15.96	95.00
Price/Sales (P/S)	2.93	0.72	3.08	0.28	2.23	0.37
Earnings Yield	4.21%	5.19%	5.04%	10.05%	6.27%	1.14%
Debt/Equity	0.57	0.32	0.57	1.14	0.00	0.32
Cash Flow (\$/share)	16.40	1.97	8.99	3.45	18.64	0.64
Growth Score	D	-	-	F	F	F
Hist. EPS Growth (3-5 yrs)	44.70%	3.79%	8.16%	-7.61%	25.47%	-17.16%
Proj. EPS Growth (F1/F0)	5.11%	-8.33%	8.60%	-13.78%	-11.00%	-83.87%
Curr. Cash Flow Growth	10.24%	5.49%	6.75%	-25.04%	12.96%	-29.85%
Hist. Cash Flow Growth (3-5 yrs)	5.39%	5.39%	7.43%	-0.82%	22.87%	5.98%
Current Ratio	2.04	1.75	1.18	1.63	2.13	1.69
Debt/Capital	36.15%	24.12%	38.01%	53.25%	0.00%	24.12%
Net Margin	11.28%	4.09%	12.78%	2.56%	15.72%	-1.74%
Return on Equity	36.18%	11.35%	17.00%	16.11%	39.78%	1.27%
Sales/Assets	1.04	1.14	0.53	1.08	1.45	1.08
Proj. Sales Growth (F1/F0)	0.00%	0.00%	5.79%	8.00%	4.40%	-4.50%
Momentum Score	C	-	-	C	C	C
Daily Price Chg	-0.97%	-0.98%	-1.16%	0.18%	0.55%	0.46%
1 Week Price Chg	0.49%	0.00%	-2.40%	-1.35%	7.87%	-4.84%
4 Week Price Chg	10.53%	0.48%	1.19%	-0.65%	25.18%	3.31%
12 Week Price Chg	17.21%	-6.33%	1.26%	0.42%	15.99%	-9.71%
52 Week Price Chg	65.34%	-15.14%	14.46%	19.30%	-44.13%	-48.41%
20 Day Average Volume	703,936	221,525	2,751,030	507,010	4,919,315	7,545,247
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	1.22%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	5.96%	1.24%	1.20%
(F1) EPS Est 12 week change	4.43%	0.35%	0.69%	5.96%	1.19%	-16.36%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	-3.61%	-4.51%	-24.67%

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	D
Momentum Score	C
VGM Score	D

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

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