

Red Robin (RRGB)

\$4.13 (Stock Price as of 12/29/2025)

Price Target (6-12 Months): **\$4.50**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 11/06/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: A

Value: A

Growth: B

Momentum: B

Summary

Red Robin reported third-quarter fiscal 2025 results, with adjusted earnings and revenues surpassing the Zacks Consensus Estimate by 10.3% and 1%, respectively, and also improving year over year, supported by menu innovation, better hospitality and strategic initiatives. Also, strong progress in restaurant-level profitability and disciplined cost management bodes well. During the quarter, restaurant-level margins rose 90 bps to 9.9% on labor efficiencies, while adjusted EBITDA jumped 81% to \$7.6 million. The company plans to reinvest in restaurant upgrades, optimize its asset base and boost traffic through enhanced technology and targeted offerings. However, macro pressures and rising beef inflation continue to pressure its near-term outlook. Shares of Red Robin have underperformed the industry in the past six months.

Data Overview

52 Week High-Low	\$7.89 - \$2.50
20 Day Average Volume (sh)	187,113
Market Cap	\$74.2 M
YTD Price Change	-24.8%
Beta	2.21
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Retail - Restaurants
Zacks Industry Rank	Bottom 18% (200 out of 243)

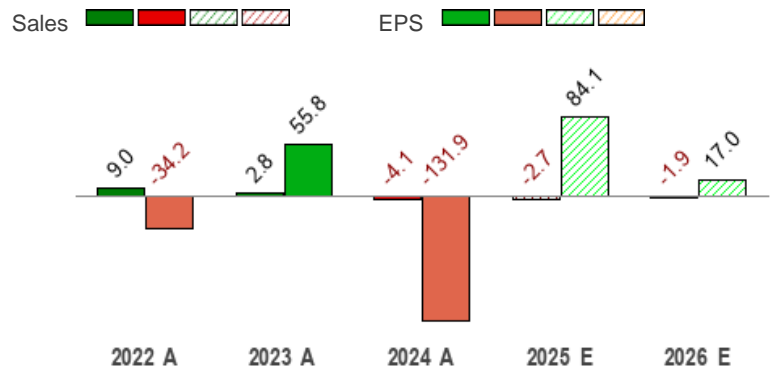
Last EPS Surprise	10.3%
Last Sales Surprise	1.0%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/25/2026
Earnings ESP	0.0%

P/E TTM	NA
P/E F1	-7.8
PEG F1	NA
P/S TTM	0.1

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	376 E	278 E	263 E	275 E	1,192 E
2025	392 A	284 A	265 A	274 E	1,215 E
2024	389 A	300 A	275 A	285 A	1,249 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.20 E	0.29 E	-0.75 E	-0.18 E	-0.44 E
2025	0.19 A	0.26 A	-0.70 A	-0.28 E	-0.53 E
2024	-0.80 A	-0.48 A	-1.13 A	-0.94 A	-3.34 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/29/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/03/2025.

Overview

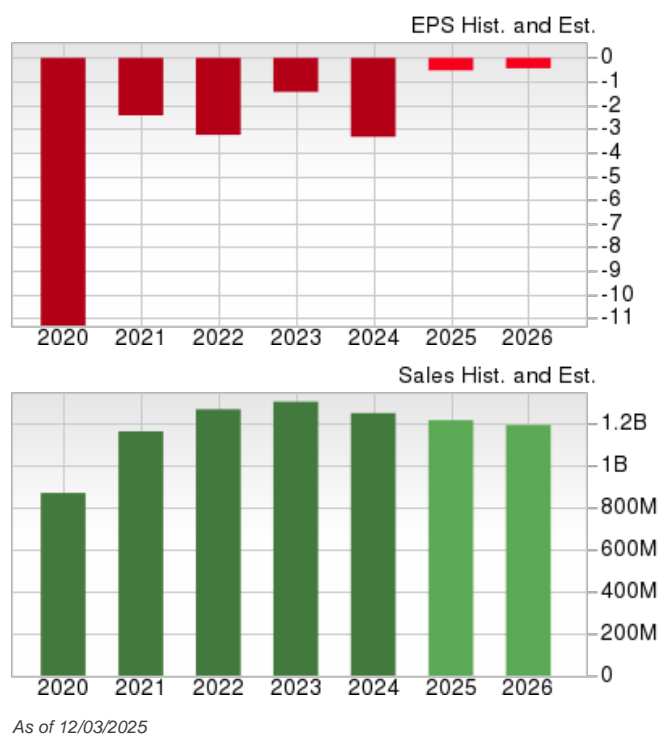
Founded in 1969 in Seattle, WA, and made public in 2002, Red Robin Gourmet Burgers, Inc. is a full-service casual dining restaurant chain serving an assorted range of burgers. Along with its subsidiaries, the company develops, operates and franchises full-service restaurants in North America.

Red Robin's first franchised restaurant was opened in Yakima, WA, in 1979. It offers primarily burgers, various appetizers, salads, soups, seafood and other entrees and desserts, milkshakes, alcoholic and non-alcoholic specialty drinks, cocktails, wine, and beers. The company also runs limited-service, non-traditional prototype restaurants named Red Robin's Burger Works. The company primarily operates, franchises and develops full-service restaurants with 505 locations in North America.

As of Dec. 29, 2024, the company owned and operated 407 restaurants located in 39 states. It also had 91 franchised full-service restaurants in 13 states and one Canadian province. The company's franchisees are independent organizations but seek support from Red Robin. It operates its business as one operating and reportable segment.

Red Robin's major source of revenue is the sale of food and beverages at company-owned restaurants. The company also earns royalties and fees from franchised restaurants.

Red Robin's partnership with Donatos, established in 2020, integrates the high-quality pizza brand within its restaurants, offering Donatos-branded pizzas to both dine-in and off-premises guests. Under a licensing agreement, Red Robin pays royalties to Donatos based on pizza sales. As of Dec. 29, 2024, the company has expanded the Donatos offering to 269 locations, enhancing its menu diversity and revenue streams.



Reasons To Buy:

▲ **Loyalty Program:** In fiscal 2024, the company reintroduced its Red Robin Royalty loyalty program with a structure that enables customers to earn rewards more quickly. This move has not only improved the frequency of visits but also boosted program membership to more than 15 million members. Beyond enhancing guest-facing benefits, Red Robin has integrated advanced data capabilities into the program to facilitate personalized communication and targeted promotions. This allows the company to better engage its most loyal customers through member exclusives, gamification and compelling content campaigns. While the marketing team has leveraged these new capabilities from the outset, Red Robin believes it is only beginning to tap into the full potential of its loyalty-driven traffic growth. The company remains optimistic about the program's long-term impact on customer engagement and overall business performance.

Brand transformation and digital enhancements are expected to aid topline growth while margin expansion initiatives bode well for future profitability.

▲ **Digital Initiatives to Boost Business:** Red Robin has stepped up investments in technology and digital infrastructure to support growth in its off-premise business. Carry-out, delivery and catering are gaining traction as customers increasingly shift toward convenience-driven dining options. Delivery is supported by partnerships with Amazon, DoorDash and GrubHub, with efforts underway to integrate these platforms more seamlessly into the company's POS and kitchen display systems.

During the third quarter of fiscal 2025, the company launched a data-driven marketing initiative. This program uses advanced microtargeting capabilities and internally developed algorithms to better understand guest decision-making, identify what motivates visits in each trade area and tailor messaging and promotions accordingly. Early results from this digital marketing rollout have been highly encouraging. In the initial cohort of restaurants, the company delivered outsized improvements in traffic and sales, with many locations achieving positive year-over-year traffic trends.

▲ **Strategic Plans to Drive Growth:** Red Robin launched the "First Choice" plan to grow the brand in all aspects, which focuses on improving restaurant-level economics, driving sustainable traffic growth, a refranchising program, and strengthening the company's financial foundation. During the third quarter, traffic trends improved sequentially, supported by continued gains in four-wall operating efficiency. The company achieved a 90-basis-point year-over-year improvement in restaurant-level operating profit, driven largely by labor productivity enhancements. To reinforce long-term profitability, Red Robin is also taking strategic steps to strengthen its capital structure. These actions include securing a six-month extension of its credit agreement, engaging Jefferies to support refinancing efforts, establishing an at-the-market (ATM) equity program and exploring refranchising opportunities. Collectively, these measures enhance financial flexibility and expand the company's options for balance sheet optimization.

Another profitability pillar is the Find Money initiative, which includes company-wide cost efficiency programs and disciplined G&A management. Red Robin expects \$3-\$4 million in G&A savings for 2025 and a \$10 million run-rate benefit in 2026 as corporate efficiency initiatives scale.

▲ **Menu Innovation:** Red Robin continues to focus on menu innovation to drive growth. It has been witnessing positive customer feedback regarding its limited-time offer (LTO) menu items complemented by the everyday value that includes affordable prices, generous portions and signature bottomless sides and drinks. Going forward, the company intends to focus on creative recipes to drive higher checks and margins.

Menu innovation is a central pillar of Red Robin's "First Choice" strategy and a key driver in its efforts to rebuild traffic and strengthen competitive positioning. Management emphasized that the company is actively developing new menu innovations designed to enhance value perceptions while supporting future pricing and margin opportunities. The launch of the Big Yummm burger deal at the start of the third quarter was highly accretive for the company as it performed better than expected, resulting in a 250-basis point sequential traffic improvement from the second quarter to the third quarter. The Big Yummm resonated especially well during midweek dining occasions, particularly the lunch daypart, and supported Red Robin's goal of providing guests a faster dining experience, averaging under 45 minutes. The initiative gave the brand immediate market relevance and strong trial generation, validating the strategic importance of value-led menu design. By taking a more surgical approach to pricing and product mix, Red Robin Gourmet Burgers aims to strengthen its competitive positioning, drive incremental traffic and improve profitability, ensuring that the menu remains both relevant to consumer demand and strategically accretive to financial performance.

▲ **Restaurant Refresh Program:** Red Robin is advancing its fixed-restaurant improvement efforts as a key strategic initiative. During the third quarter, the company completed refreshes in 20 restaurants across four markets. These projects are intentionally light-touch, not full remodels, averaging approximately \$40,000 per location. The investments focus on upgrades that directly enhance the guest experience, including flooring replacements, updated interior finishes, furniture repairs and improved lighting. Exterior improvements — such as refreshed signage, new paint, upgraded lighting and landscaping — further elevate the appeal. Although still early, the company is already seeing measurable improvements in sales and traffic at the refreshed locations, underscoring the impact of these targeted enhancements.

▲ **Strengthening Financial Flexibility and Balance Sheet Options:** The company is making proactive progress to strengthen its financial position while supporting its long-term strategy. Red Robin secured a six-month extension to its credit agreement, giving it more time to optimize capital structure decisions. It also engaged Jefferies to assist with refinancing efforts and established a \$40 million at-the-market equity program to enable opportunistic capital raises. Meanwhile, refranchising interest remains strong, with multiple parties submitting proposals aligned with the previously communicated range of potential store counts. These initiatives collectively provide improved liquidity, optionality and financial stability as the company continues executing its turnaround plan.

Reasons To Sell:

- ▼ **Margin Woes Stay:** Red Robin delivered meaningful margin expansion in the third quarter of 2025, with restaurant-level operating profit climbing to 9.9% on the back of labor efficiencies and disciplined cost control. However, the gains will face pressure in the remainder of 2025, as management acknowledged ongoing cost pressures, particularly from beef inflation, which remains the most significant inflationary component of the company's cost basket. Selling expenses also increased due to higher investment in third-party delivery platforms and marketing. Looking ahead, management reaffirmed its full-year restaurant margin guidance of at least 12.5% and adjusted EBITDA outlook of at least \$65 million, suggesting confidence that operational efficiencies, targeted marketing and store improvements will balance near-term cost pressures. The longer-term outlook hinges on whether traffic growth from promotions can translate into sustainable sales without eroding profitability. Our model predicts adjusted EBITDA to be \$75.3 million in fiscal 2026.
- ▼ **Macroeconomic Pressure:** In recent quarters, inflation has pressured consumers' spending power, impacting discretionary choices, including visits to restaurants. As prices rose to cover higher input costs, many consumers shifted priorities, which affected the company's traffic and overall sales. Despite operational improvements, these economic conditions have limited the overall effectiveness of the company's recent gains.
- ▼ **High Debt a Concern:** Maintaining liquidity has become an arduous task during the current scenario. As of Oct. 5, 2025, Red Robin had cash and cash equivalents of \$21.7 million compared with \$30.7 million as of Dec. 29, 2024. Long-term debt, as of Oct. 5, 2025, was \$172.4 million compared with \$181.6 million as of Dec. 29, 2024. The company's current cash position is insufficient to meet its obligations.
- ▼ **Limited Focus on Franchising:** Unlike most of its peers, Red Robin remains focused on the company-owned restaurants that allow it to have total control over operations and also keep generating profits. However, this limited focus on franchising burdens the company with increased costs, which could have been transferred onto franchisees had there been a franchise business model. As of Oct. 6, the company had 92 franchised full-service restaurants.

High expenses and debt levels pose concerns for the company.

Last Earnings Report

Red Robin Q3 Earnings & Revenues Top Estimates

Red Robin reported fiscal third-quarter 2025 revenues of \$265.1 million, down 3.5% year over year from \$274.6 million. The figure, however, beat the Zacks Consensus Estimate of \$263 million. Comparable restaurant revenues declined 1.2% (down 1.3% excluding deferred loyalty revenue), as traffic fell 3%.

On the bottom line, the company posted an adjusted loss of 70 cents per share, narrower-than the Zacks Consensus Estimate of a loss of 78 cents. This compared favorably with a loss of \$1.03 per share in the year-ago quarter. Net loss was \$18.4 million versus a loss of \$18.9 million last year.

Margins & Profitability

Red Robin reported restaurant-level operating profit of \$25.8 million, up from \$24.2 million in the prior year. Restaurant-level operating margin expanded 90 basis points year over year to 9.9%, driven primarily by labor efficiency improvements. Adjusted EBITDA rose 81% year over year to \$7.6 million, with adjusted operating loss at \$12.1 million, or negative 4.6% of revenues, versus a loss of \$12.9 million last year.

Q3 Balance Sheet & Liquidity

The company ended the quarter with cash and cash equivalents of \$21.7 million and total liquidity of \$50.7 million, including availability under its credit facility. Long-term debt stood at \$172.4 million, down from \$181.6 million at the end of fiscal 2024. No share repurchases were announced.

RRGB's FY25 Outlook

For fiscal 2025, Red Robin still expects revenues of about \$1.2 billion. Management reaffirmed restaurant-level operating margin guidance of at least 12.5% and adjusted EBITDA in the range of at least \$65 million. Comparable restaurant sales are projected to decline 4% for the remainder of the year.

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

Earnings Reporting Date	Nov 10, 2025
Sales Surprise	0.97%
EPS Surprise	10.26%
Quarterly EPS	-0.70
Annual EPS (TTM)	-1.19

Valuation

Red Robin's shares are down 38.3% in the past six months, and down 32.3% in the trailing 12-month period. Stocks in the Zacks sub-industry are down 11.9% but the sector is up 5.6% in the past six months. Over the past year, the Zacks sub-industry is down 15.7%, but the sector is up 4.1%.

The S&P 500 index is up 17.3% in the past six months and 14.9% in the past year.

The stock is currently trading at 0.06X forward 12-month sales, which compares to 3.22X for the Zacks sub-industry, 1.65X for the Zacks sector and 5.31X for the S&P 500 index.

Over the past five years, the stock has traded as high as 0.56X and as low as 0.04X, with a 5-year median of 0.11X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$4.5 price target reflects 0.07X forward 12-month sales.

The table below shows summary valuation data for RRGB.

Valuation Multiples - RRGB					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.06	3.22	1.65	5.31
	5-Year High	0.56	5.45	2.05	5.5
	5-Year Low	0.04	3.22	1.2	3.83
	5-Year Median	0.11	4.12	1.54	5.04
P/B TTM	Current	N/A	N/A	4.99	8.49
	5-Year High	126.69	N/A	11.18	9.16
	5-Year Low	N/A	N/A	4.71	6.6
	5-Year Median	3.51	N/A	6.15	8.04
EV/EBITDA TTM	Current	3.62	17.35	13.37	18.59
	5-Year High	124.28	32.79	27.12	22.41
	5-Year Low	2.58	15.84	11.27	13.87
	5-Year Median	4.51	18.9	14.52	17.96

As of 12/02/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 18% (200 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
BJ's Restaurants, In...(BJRI)	Neutral	3
Dutch Bros Inc. (BROS)	Neutral	3
CAVA Group, Inc. (CAVA)	Neutral	3
DINE BRANDS GLOBAL, ...(DIN)	Neutral	2
First Watch Restaura...(FWRG)	Neutral	3
Super Hi Internation...(HDL)	Neutral	3
Shake Shack, Inc. (SHAK)	Neutral	3
Janus Henderson Sust...(JACK)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Retail - Restaurants

	RRGB	X Industry	S&P 500	BJRI	JACK	SHAK
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	5	3
VGM Score	A	-	-	A	D	B
Market Cap	74.19 M	669.40 M	39.66 B	840.53 M	369.05 M	3.50 B
# of Analysts	1	4	22	3	4	12
Dividend Yield	0.00%	0.00%	1.41%	0.00%	0.00%	0.00%
Value Score	A	-	-	A	A	C
Cash/Price	0.40	0.10	0.04	0.03	0.21	0.10
EV/EBITDA	40.13	9.98	14.77	10.43	42.75	27.87
PEG Ratio	NA	2.30	2.23	1.30	0.98	2.14
Price/Book (P/B)	NA	2.50	3.35	2.47	NA	6.53
Price/Cash Flow (P/CF)	13.72	9.86	15.41	8.40	2.38	23.90
P/E (F1)	-7.79	19.76	20.04	18.13	5.20	61.56
Price/Sales (P/S)	0.06	0.68	3.13	0.61	0.25	2.55
Earnings Yield	-12.83%	4.01%	4.96%	5.51%	19.25%	1.62%
Debt/Equity	-1.79	0.23	0.57	0.25	-1.78	0.46
Cash Flow (\$/share)	0.30	1.78	8.98	4.73	8.21	3.43
Growth Score	B	-	-	A	F	A
Hist. EPS Growth (3-5 yrs)	NA%	9.08%	8.21%	166.43%	-4.50%	249.22%
Proj. EPS Growth (F1/F0)	84.13%	5.94%	8.58%	48.98%	-15.32%	44.57%
Curr. Cash Flow Growth	-87.92%	10.34%	7.00%	18.82%	-19.41%	34.18%
Hist. Cash Flow Growth (3-5 yrs)	-46.09%	8.18%	7.48%	-1.22%	-1.80%	16.45%
Current Ratio	0.43	0.75	1.18	0.36	0.51	1.84
Debt/Capital	NA%	37.69%	38.15%	20.08%	NA	31.62%
Net Margin	-4.31%	2.45%	12.77%	2.23%	-5.51%	3.10%
Return on Equity	NA%	6.19%	17.03%	12.92%	-9.23%	10.43%
Sales/Assets	2.04	0.95	0.53	1.35	0.56	0.78
Proj. Sales Growth (F1/F0)	-2.70%	1.90%	5.85%	2.90%	-23.10%	16.10%
Momentum Score	B	-	-	B	F	F
Daily Price Chg	-4.18%	-0.95%	-0.35%	-3.52%	-5.10%	-2.20%
1 Week Price Chg	2.38%	0.00%	0.40%	-0.39%	5.97%	-2.28%
4 Week Price Chg	-2.13%	-1.57%	1.37%	6.85%	1.09%	-4.88%
12 Week Price Chg	-39.62%	-5.80%	2.45%	27.47%	1.77%	-14.33%
52 Week Price Chg	-24.08%	-6.70%	16.91%	14.22%	-53.83%	-36.75%
20 Day Average Volume	187,113	538,382	2,722,877	460,245	621,154	1,693,286
(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%	0.00%	-0.37%
(F1) EPS Est 12 week change	28.86%	-1.87%	0.68%	3.75%	-19.45%	-4.43%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	-1.24%

Analyst Earnings Model⁽²⁾

Red Robin Gourmet Burgers, Inc. (RRGB)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	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														
Total Revenue	\$1,265.5	\$1,303.0	\$1,248.6	\$392.4	\$283.7	\$265.1	\$273.8	\$1,215.0	\$375.9	\$278.4	\$262.6	\$274.7	\$1,191.6	\$1,302.6
Cost of Sales	\$306.5	\$309.0	\$292.4	\$88.0	\$65.2	\$65.2	\$65.6	\$284.0	\$87.3	\$65.0	\$65.4	\$68.0	\$285.6	\$307.1
Labor	\$440.6	\$473.5	\$479.6	\$143.1	\$99.7	\$97.2	\$103.1	\$443.1	\$141.1	\$99.1	\$99.1	\$100.2	\$439.6	\$469.5
Other Operating	\$224.7	\$225.0	\$216.2	\$67.5	\$49.6	\$49.2	\$44.1	\$210.4	\$64.6	\$48.3	\$48.0	\$45.3	\$206.2	\$225.5
Occupancy	\$98.9	\$102.8	\$103.4	\$32.2	\$24.3	\$23.5	\$22.3	\$102.3	\$25.6	\$22.9	\$22.8	\$22.7	\$93.9	\$106.7
Depreciation & Amortization	\$76.2	\$66.2	\$57.7	\$15.4	\$11.6	\$12.0	\$13.1	\$52.2	\$16.5	\$12.8	\$12.8	\$12.6	\$54.8	\$58.7
General & Administrative	\$84.9	\$89.4	\$81.7	\$27.0	\$17.4	\$16.9	\$14.9	\$76.2	\$24.8	\$17.1	\$18.1	\$13.5	\$73.4	\$82.5
Selling	\$51.7	\$34.8	\$36.7	\$9.4	\$6.4	\$6.8	\$9.6	\$32.1	\$9.9	\$8.7	\$7.5	\$9.2	\$35.2	\$36.7
Selling, General & Administrative	\$136.6	\$124.1	\$118.4	\$36.4	\$23.8	\$23.7	\$24.5	\$108.3	\$34.7	\$25.8	\$25.5	\$22.7	\$108.7	\$119.1
Pre-Opening Costs	\$0.6	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Charges (Gains), net	\$39.0	(\$2.7)	\$33.8	\$0.7	(\$0.3)	\$6.4	\$16.1	\$22.9	\$1.9	\$0.3	\$0.8	\$15.9	\$18.8	\$26.4
Total Costs & Expenses	\$1,323.0	\$1,298.5	\$1,301.6	\$383.3	\$273.9	\$277.2	\$288.8	\$1,223.2	\$371.5	\$274.3	\$274.4	\$287.4	\$1,207.6	\$1,313.0
EBITDA	\$18.0	\$71.1	\$4.9	\$24.6	\$21.2	(\$0.2)	(\$1.7)	\$43.9	\$22.8	\$19.7	\$0.9	\$0.1	\$43.6	\$53.8
Adjusted EBITDA	\$58.4	\$75.8	\$45.6	\$27.9	\$22.4	\$7.6	\$13.6	\$71.5	\$28.1	\$22.9	\$6.0	\$18.3	\$75.3	\$92.1
Stock-Based Compensation	\$6.3	\$6.9	\$7.0	\$2.6	\$1.5	\$1.4	\$0.5	\$6.0	\$1.9	\$1.5	\$1.6	\$1.3	\$6.2	\$6.8
Operating Income	(\$57.5)	\$4.5	(\$53.1)	\$9.1	\$9.8	(\$12.1)	(\$15.0)	(\$8.2)	\$4.3	\$4.2	(\$11.9)	(\$12.6)	(\$16.0)	(\$10.3)
Interest Expense, Net and Other	\$20.6	\$25.5	\$24.6	\$7.8	\$5.9	\$6.0	\$2.4	\$22.2	\$5.2	\$2.6	\$5.8	\$4.6	\$18.2	\$19.5
Pre-Tax Income	(\$78.1)	(\$20.9)	(\$77.6)	\$1.2	\$3.9	(\$18.1)	(\$17.4)	(\$30.4)	(\$0.8)	\$1.5	(\$17.7)	(\$17.2)	(\$34.2)	(\$29.8)
Income Tax (Benefit)	\$0.7	\$0.3	(\$0.1)	(\$0.0)	(\$0.1)	\$0.3	\$0.3	\$0.4	\$0.0	(\$0.0)	\$0.3	\$0.3	\$0.5	\$0.4
Tax Rate (Benefit)	(1.0%)	(1.5%)	0.1%	(0.2%)	(2.5%)	(1.5%)	(1.5%)	(1.4%)	(1.5%)	(1.5%)	(1.5%)	(1.5%)	(1.5%)	(1.5%)
Net Income, Adjusted	(\$52.7)	(\$22.8)	(\$52.5)	\$3.7	\$4.9	(\$12.6)	(\$5.0)	(\$9.0)	\$3.7	\$5.1	(\$13.4)	(\$3.3)	(\$7.9)	\$0.8
Net Income, Adjusted Excluding Stock-Based Compensation	(\$45.9)	(\$15.9)	(\$41.8)	\$6.3	\$6.4	(\$11.2)	(\$4.5)	(\$3.1)	\$5.5	\$6.6	(\$11.8)	(\$2.0)	(\$1.7)	\$7.6
Net Income, GAAP	(\$78.9)	(\$21.2)	(\$77.5)	\$1.2	\$4.0	(\$18.4)	(\$17.7)	(\$30.9)	(\$0.8)	\$1.6	(\$17.9)	(\$17.5)	(\$34.7)	(\$30.2)
Basic Shares Outstanding	15.8	15.8	15.7	17.5	17.8	17.9	17.9	17.8	17.9	17.9	17.9	17.9	17.9	17.9
Diluted Shares Outstanding	15.8	15.8	15.7	18.3	18.9	17.9	17.9	18.3	17.9	17.9	17.9	17.9	17.9	17.9
Basic EPS	(\$4.98)	(\$1.34)	(\$4.93)	\$0.07	\$0.22	(\$1.03)	(\$0.99)	(\$1.73)	(\$0.05)	\$0.09	(\$1.00)	(\$0.98)	(\$1.94)	(\$1.69)
Diluted EPS, Adjusted	(\$3.32)	(\$1.44)	(\$3.34)	\$0.19	\$0.26	(\$0.70)	(\$0.28)	(\$0.53)	\$0.20	\$0.29	(\$0.75)	(\$0.18)	(\$0.44)	\$0.04
Diluted EPS, Adjusted Excluding Stock-Based Compensation		(\$1.01)	(\$2.90)	\$0.34	\$0.34	(\$0.63)	(\$0.25)	(\$0.20)	\$0.31	\$0.37	(\$0.66)	(\$0.11)	(\$0.09)	\$0.42
Diluted EPS, GAAP	(\$4.98)	(\$1.34)	(\$4.93)	\$0.07	\$0.21	(\$1.03)	(\$0.99)	(\$1.74)	(\$0.05)	\$0.09	(\$1.00)	(\$0.98)	(\$1.94)	(\$1.69)

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	A
Growth Score	B
Momentum Score	B
VGM Score	A

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

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