

Boston Beer Co. Inc. (SAM)

\$200.67 (Stock Price as of 12/19/2025)

Price Target (6-12 Months): **\$215.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 04/14/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: A

Value: B

Growth: A

Momentum: D

Summary

Boston Beer's shares have underperformed the industry in the past three months. Weak depletions and continued challenges in the hard seltzer category have been acting as deterrents for a while now. In addition, the company has been witnessing higher expenses for a while. Advertising, promotional and selling expenses rose 11.3% in the third quarter of 2025, owing to higher investments in brand media and marketing. Depletions and shipments are now expected to decline in mid-single digit for the current year. However, Boston Beer has been benefiting from strong price realization and procurement savings, which more than offset the impacts of increased inflationary costs and tariff impacts. The company is a leading premium craft brewer and commands a strong portfolio of globally recognized brands. Price increases remain unchanged at 1-2% for 2025.

Data Overview

52 Week High-Low	\$310.47 - \$185.34
20 Day Average Volume (sh)	151,542
Market Cap	\$2.1 B
YTD Price Change	-33.1%
Beta	1.06
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Beverages - Alcohol
Zacks Industry Rank	Bottom 9% (219 out of 243)

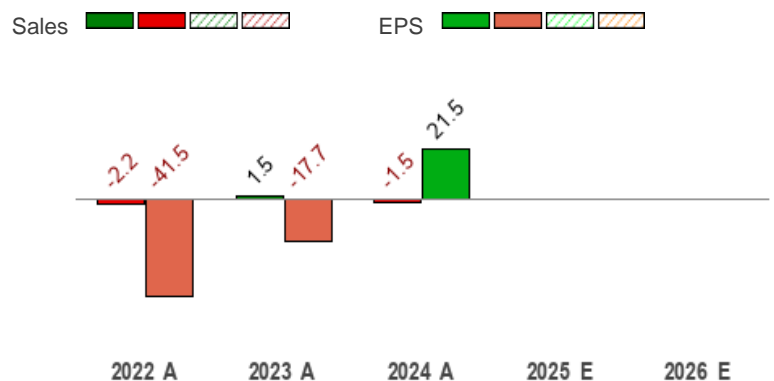
Last EPS Surprise	12.4%
Last Sales Surprise	-0.8%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/24/2026
Earnings ESP	0.0%

P/E TTM	19.7
P/E F1	25.9
PEG F1	3.5
P/S TTM	1.0

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					1,968 E
2025	481 A	588 A	537 A		1,963 E
2024	426 A	579 A	605 A	402 A	2,013 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					10.89 E
2025	2.16 A	5.45 A	4.25 A		9.48 E
2024	1.04 A	4.39 A	5.35 A	-1.68 A	9.43 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 12/19/2025.

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

Overview

Founded by Jim Koch, Harry M. Rubin, and Lorenzo Lamadrid in Boston, MA in 1984, Boston Beer Co. Inc. is one of the largest craft brewers in the United States. Boston Beer produces beer, malt beverages, and cider products at company-owned breweries and under contract. The company sells alcoholic beverages in the United States, Canada, Mexico, and other international markets through a formidable network of wholesale distributors.

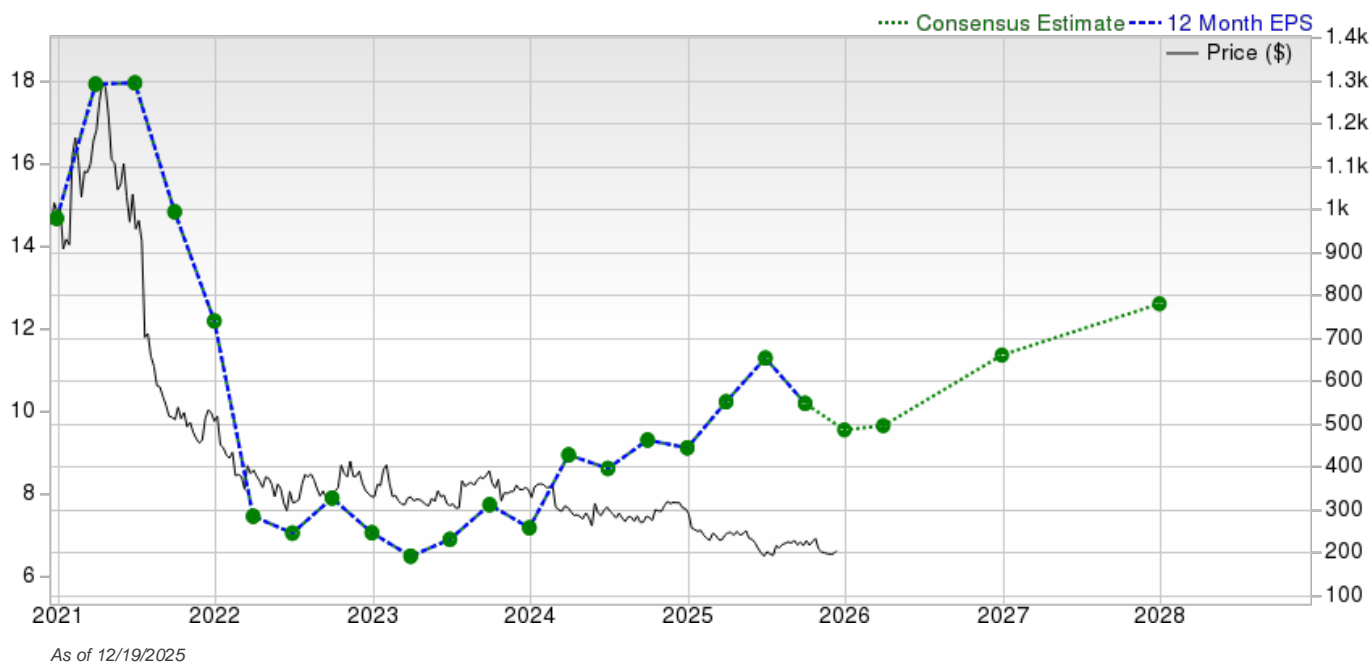
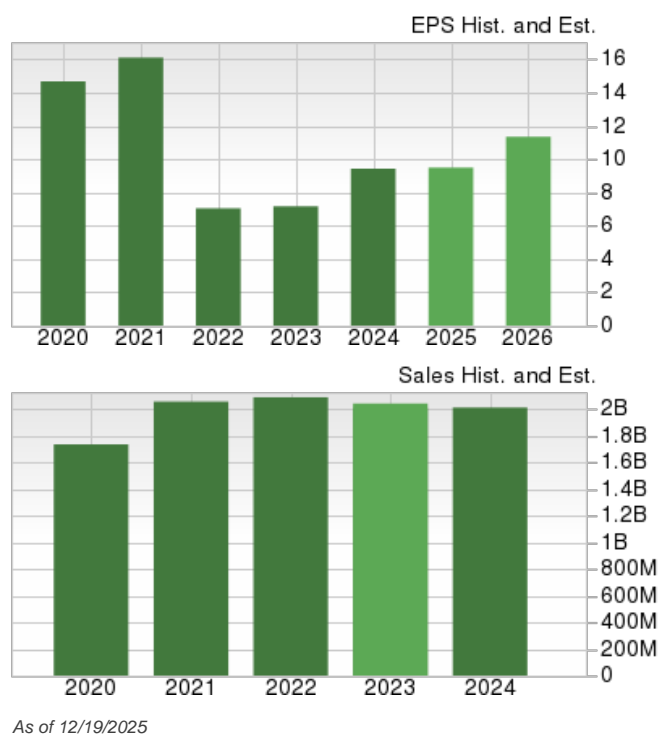
Boston Beer has four company-owned breweries, namely Boston Brewery located at Boston, MA; Cincinnati Brewery at Cincinnati, OH; Pennsylvania Brewery at Breinigsville, PA; and Angel City Brewery at Los Angeles, CA.

The company produces and sells three types of alcoholic beverages:

Beer: The company's beer products are primarily positioned in the "Better Beer" category of the beer industry, which includes craft beers, domestic specialty beers and imported beers. The category is decided on the basis of premium price, quality, image and taste. The company is known for its Samuel Adams Boston Lager or Sam Adams Boston Lager beer brands under which it sells about 60 different types of beers. Alongside, the company sells 20 beers of various other brands.

Malt Beverages: Apart from producing beer, the company also produces a malt beverage known as Twisted Tea which contains Iced Tea and alcohol.

Cider: The company sells alcoholic ciders under the Angry Orchard brand.



Reasons To Buy:

▲ **Price Realization and Productivity Aid Margin:** Boston Beer continues to benefit from strong price realization and procurement savings, which more than offset inflationary and tariff headwinds in the third quarter of 2025. The company's gross margin expanded 450 basis points (bps) year over year to 50.8% from 46.3% in the year-ago quarter. Gross margin improved, mainly driven by brewery efficiencies, procurement savings, price rises and a favorable product mix, along with a favorable comparison against increased inventory obsolescence in the previous year.

The major operational drivers of gross margin are volumes, commodities, labor costs and productivity efforts stemming from procurement savings, brewery performance, and waste and network optimization. It is focused on disciplined inventory management, leading to significantly lower returns. Management sees opportunities for procurement savings on packaging and ingredients, mainly owing to price negotiations and recipe optimization. The company is likely to benefit from lower negotiated pricing on cans and few ingredients ahead. Price increases remain unchanged at 1-2% for the year. SAM now anticipates a gross margin of 47-48%, including tariffs for 2025, up from the previous estimate of 46-47.3%.

We expect Boston Beer's continued focus on pricing, product innovation alongside brand development to boost its operational performance and position in the market.

▲ **Strong Portfolio of Brands:** Boston Beer is the largest premium craft brewer in the United States and commands a sturdy portfolio of globally recognized brands. Apart from selling alcoholic beverages in the United States, the company distributes its beverages in Canada, Mexico and other international markets through a strong network of distributors. The company's continued focus on pricing, product innovation and growth of non-beer categories, alongside brand development, is likely to boost its operational performance and position in the market. SAM is on track with the growth of its Beyond Beer category. The company's priorities for 2025 include supporting its category, major brands to expand market share, solid innovations and expanding gross margins. It remains quite focused on increasing market share and boosting distribution gains to help offset the category weakness.

▲ **Innovation Efforts:** Innovation remains central to Boston Beer's success, supported by its culture of quickly adapting to consumer demand. In 2025, the company's flagship innovation, Sun Cruiser, has emerged as a standout growth driver. Launched nationally in January, Sun Cruiser has rapidly captured a 4% share of the RTD spirits category and continues to expand distribution, with new 24-ounce formats and variety packs. The brand is delivering strong trial, repeat purchases and favorable gross margins, positioning it as the next iconic contributor to Boston Beer's portfolio.

Alongside Sun Cruiser, the company is refreshing and expanding several core brands. Twisted Tea is supported by new variants like Twisted Tea Light and Twisted Tea Extreme, which are gaining distribution and velocity, while campaigns such as Tea Drop ads and American Parties with Tea strengthen consumer engagement. In hard seltzers, Truly Unruly high-ABV offerings remain a bright spot, with the Truly Unruly Lemonade variety pack helping the brand regain shelf space. Meanwhile, Samuel Adams American Light and Dogfish Head's Grateful Dead Juicy Pale Ale highlight ongoing brand-led innovation, with both products gaining shelf presence and consumer traction.

▲ **Strategic Initiatives:** Boston Beer continues to execute on a strategic plan centered on nurturing core brands, advancing cost-saving initiatives and fueling long-term innovation. Samuel Adams remains a key pillar, with American Light expanding nationally and featured in summer patriotic programs alongside Summer Ale. These efforts helped the brand family gain shelf space, despite overall craft beer shelf space declines. Similarly, Dogfish Head is benefiting from the highly successful launch of Grateful Dead Juicy Pale Ale, the largest in its 30-year history, which is driving growth in both core and new markets, including high-profile music venues. Truly has been a top 2 hard seltzer brand and top 4 Beyond Beer brand on a year-to-date basis. The company is focused on strengthening Truly's brand message and relevance by promoting its lead flavor, Wild Berry; introducing variety through seasonal rotator packs; and building on the momentum of its high-ABV innovation, Truly Unruly. With respect to depletions, the company is encouraged by solid consumer reception to Sun Cruiser, a second straight quarter of growth in Angry Orchard and positive drinker reception to its high ABV offerings.

▲ **Financial Stability:** Boston Beer's balance sheet is reasonably healthy, indicating that its cash position should be able to fund strategic investments. As of Sept 27, 2025, the company had cash and cash equivalents of \$250.5 million. It currently has an unused balance on its \$150 million line of credit, which, along with its cash position, will be sufficient to meet cash requirements. During the 39-week period ended Sept. 27, 2025, and the period from Sept. 28, 2025, through Oct. 17, 2025, SAM repurchased shares of its Class A common stock worth \$149.2 million and \$12.1 million, respectively, for a total of \$161.3 million year to date. As of Oct. 17, 2025, the company had roughly \$266 million remaining on its \$1.6-billion share buyback expenditure limit.

Reasons To Sell:

▼ **Depletion Volumes Soft:** In the third quarter of 2025, depletions dipped 3% year over year, while shipment volumes fell 13.7% to 1.9 million barrels. The decline mainly resulted from lower volumes of Truly Hard Seltzer, Twisted Tea and Samuel Adams, partly offset by growth in Sun Cruiser and Angry Orchard brands. The depletion trends for the first 42 weeks of 2025 have fallen 4% versus 2024. Depletions and shipments are now expected to decline in mid-single digit versus the earlier anticipation of a decline in the high single digits to down in the low single digits for 2025. It anticipates volumes to decline mid-single digits for the year. Due to seasonality, the fourth quarter is the company's smallest revenue quarter with the lowest absolute gross margin of the year. Management expects deleveraged volumes in the fourth quarter with a high year-over-year shortfall in fees. Shares of Boston Beer have lost 6.5% in the past three months versus the industry's 1.5% rise.

Boston Beer is witnessing weak depletions, with continued challenges in the hard seltzer category for a while now. Depletions and shipments are now expected to decline in mid-single digit in 2025.

▼ **Higher Expenses:** In third-quarter 2025, advertising, promotional and selling expenses jumped 11.3% year over year, owing to higher investments in brand media and marketing, partly offset by lower freight costs. General and administrative expenses inched up 2.5% year over year to \$44.9 million, primarily driven by higher salaries and cost benefits. SAM's marketing plans comprise advertising campaigns and college football sponsorships, which are expected to boost momentum. The company's gross margin guidance includes the negative impacts of 100-140 bps from shortfall fees and non-cash expenses of third-party production pre-payments.

For 2025, advertising, promotional and selling expenses are currently anticipated to increase \$50-\$60 million compared with \$30-\$50 million mentioned earlier. This projection does not include any change in freight expenses for the shipment of products to distributors. Uncertainty surrounding the evolving tariff landscape continues to pose a potential headwind to performance in the quarters ahead. It currently forecasts tariffs to have an unfavorable impact of \$9-\$13 million, hurting gross margin by 40-60 bps. The change in the tariff estimate is owing to lower-than-expected tariffs, mainly on material sources from Canada and exempt from the tariffs as U.S. MC compliant goods.

▼ **Slowed Hard Seltzer Trends & Other Woes:** Boston Beer has been witnessing a slowdown in the hard seltzer category in recent quarters. The slowing hard seltzer trends have been hurting the company's depletions to some extent. The hard seltzer category's decelerating trend has been mainly attributed to the loss of novelty among consumers due to the entry of several beyond-beer products into the marketplace. The hard seltzer category sales fell 4% in the third quarter, as measured by dollar sales in off-premise channels. Industry headwinds are hurting the company's key brands, mainly Twisted Tea, which might persist for some time.

Additionally, the decline has resulted from the ongoing dismal macroeconomic environment, which has led to a volume shift from hard seltzers to premium ready-to-drink (RTD) spirits. consumer preferences have been shifting towards more premium RTD spirits-based beverages. In addition, a dynamic consumer demand backdrop is a concern. The craft beer shelf space has been declining for a while now. There are a few factors, like health and wellness, and cannabis, that might impact the beer category on the whole. Management highlighted that inflation and economic volatility are key drivers of the recent weakness. The macroeconomic landscape remains dynamic with the softening depletions for a while.

▼ **Competitive Threats:** Boston Beer faces intense competition from other well-established players in the industry, including Beam Inc., Brown-Forman Corporation, Diageo plc and Pernod Ricard SA. Moreover, it encounters competition from local and regional players in the respective countries. This may affect the company's operating performance.

Last Earnings Report

Boston Beer Q3 Earnings Beat Estimates, Depletions Down 3% Y/Y

Boston Beer posted third-quarter 2025 results, wherein the bottom line beat the Zacks Consensus Estimate and improved year over year. Meanwhile, the top line fell year over year.

It reported third-quarter earnings per share of \$4.25, surpassing the Zacks Consensus Estimate of \$3.78 and improving 48.6% year over year.

Net revenues of \$571.5 million fell 11% from the prior-year quarter. Excluding excise taxes, the top line declined 11.2% year over year to \$537.5 million. The decrease can be attributed to lower volumes, partly offset by higher pricing and a favorable product mix. The Zacks Consensus Estimate was pegged at \$542 million.

Analyzing SAM's Quarterly Performance

Boston Beer reported a 13.7% year-over-year decline in shipment volume to 1.9 million barrels in the third quarter. The decline mainly resulted from lower volumes of Truly Hard Seltzer, Twisted Tea and Samuel Adams, partly offset by growth in Sun Cruiser and Angry Orchard brands. Meanwhile, depletions fell 3% year over year.

Year-to-date depletions through the 42 weeks ended Oct. 18, 2025, are anticipated to have declined about 4% year over year.

As of Sept. 27, 2025, distributor inventory was at appropriate levels, averaging nearly four and a half weeks on hand, within the company's target wholesaler inventory levels of four to five weeks. At the end of September 2024, wholesaler inventory levels were slightly above its target at five and a half weeks.

The gross profit dipped 2.5% year over year to \$273.1 million, whereas the gross margin expanded 450 basis points (bps) to 50.8% from 46.3% in the year-ago quarter. The gross margin improved, mainly driven by brewery efficiencies, procurement savings, price rises and a favorable product mix, along with a favorable comparison against increased inventory obsolescence in the previous year. These gains were partially offset by higher inflationary and tariff costs. The company's gross margin included \$1 million of shortfall fees and \$1.9 million of non-cash expenses related to third-party production prepayments, negatively impacting gross margin by 54 bps in the third quarter.

Advertising, promotional and selling expenses rose 11.3% in the third quarter to \$164.7 million, owing to higher investments in brand media and marketing, partly offset by lower freight costs. General and administrative expenses inched up 2.5% year over year to \$44.9 million, primarily driven by higher salaries and cost benefits.

SAM's Financial Snapshot

As of Sept. 27, 2025, Boston Beer had cash and cash equivalents of \$250.5 million and total stockholders' equity of \$911 million. The company currently has \$150 million in its line of credit, which, along with its cash position, will be sufficient to meet cash requirements.

During the 39-week period ended Sept. 27, 2025, and the period from Sept. 28, 2025, through Oct. 17, 2025, SAM repurchased shares of its Class A common stock worth \$149.2 million and \$12.1 million, respectively, for a total of \$161.3 million year to date. As of Oct. 17, 2025, the company had roughly \$266 million remaining on its \$1.6-billion share buyback expenditure limit.

Expectations From Boston Beer in 2025

SAM has updated its 2025 financial guidance and revised its estimate of the financial impacts of the tariff programs as of Oct. 1, 2025. Due to seasonality, the fourth quarter is the company's smallest revenue quarter with the lowest absolute gross margin of the year. Management expects deleveraged volumes in the fourth quarter with a high year-over-year shortfall in fees.

Depletions and shipments are now expected to decline in mid-single digit versus the earlier anticipation of a decline in the high single digits to down in the low single digits for 2025. Price increases remain unchanged at 1-2%. It anticipates volumes to decline mid-single digits for the year.

SAM now anticipates a gross margin of 47-48%, including tariffs for 2025, up from the previous estimate of 46-47.3%. It currently forecasts tariffs to have an unfavorable impact of \$9-\$13 million, hurting gross margin by 40-60 bps. The change in the tariff estimate is owing to lower-than-expected tariffs, mainly on material sources from Canada and exempt from the tariffs as U.S. MC compliant goods.

Advertising, promotional and selling expenses are currently anticipated to increase \$50-\$60 million compared with \$30-\$50 million mentioned earlier. This projection does not include any change in freight expenses for the shipment of products to distributors. The company still anticipates an effective tax rate of 29-30% for 2025. It now envisions earnings per share guidance, including tariffs, to a range of \$7.80-\$9.80, compared with the prior \$6.72-\$9.54. This now includes an updated estimated negative tariff impact of \$0.60-\$0.80 per share, lower than the previously excluded estimate of \$0.96-\$1.28 per share.

Capital spending is now forecast at \$50-\$70 million, down from the prior range of \$70-\$90 million.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 23, 2025
Sales Surprise	-0.81%
EPS Surprise	12.43%
Quarterly EPS	4.25
Annual EPS (TTM)	10.18

Valuation

Boston Beer shares are down 5.6% in the past six months and nearly 29% for the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are down 8.3% and 4.8%, respectively, in the six-month period. Over the past year, the Zacks sub-industry and the sector are down 11.1% and 7.2%, respectively.

The S&P 500 index is up 16.9% in the six-month period and 17.3% in the past year.

The stock is currently trading at 18.01X forward 12-month earnings, which compares to 14.35X for the Zacks sub-industry, 16.72X 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 54.31X and as low as 16.92X, with a 5-year median of 29.08X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$215 price target reflects 19.27X forward 12-month earnings.

The table below shows summary valuation data for SAM

Valuation Multiples - SAM					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	18.01	14.35	16.72	23.61
	5-Year High	54.31	26.77	20.3	23.78
	5-Year Low	16.92	13.77	16.4	15.73
	5-Year Median	29.08	19.47	18.17	21.21
P/S F12M	Current	1.1	7.81	8.13	5.35
	5-Year High	6.37	18.52	10.8	5.52
	5-Year Low	1	5.9	6.49	3.84
	5-Year Median	1.94	11.79	8.88	5.04
EV/EBITDA TTM	Current	8.22	26.79	36.48	20.16
	5-Year High	48.83	51.91	44.86	24.43
	5-Year Low	6.3	25.67	33.13	13.96
	5-Year Median	18.31	37.75	39.7	16.25

As of 12/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 9% (219 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Brown-Forman Corpora...(BF.B)	Neutral	3
Crimson Wine Group L...(CWGL)	Neutral	
MGP Ingredients, Inc...(MGPI)	Neutral	3
Remy Cointreau (REMY)	Neutral	4
Compania Cervecerias...(CCU)	Underperform	5
Brown Forman Corpora...(BF.A)	NA	
Campari Group (DVDCF)	NA	
Vina Concha Y Toro (VCOYY)	NA	

Industry Comparison⁽¹⁾ Industry: Beverages - Alcohol

	SAM	X Industry	S&P 500	CCU	REMY
Zacks Recommendation (Long Term)	Neutral	-	-	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	5	4
VGM Score	A	-	-	F	F
Market Cap	2.14 B	2.31 B	38.81 B	2.31 B	2.24 B
# of Analysts	4	3.5	22	1	1
Dividend Yield	0.00%	0.00%	1.41%	1.74%	2.26%
Value Score	B	-	-	D	C
Cash/Price	0.12	0.05	0.04	0.21	0.04
EV/EBITDA	8.42	9.15	14.58	10.14	10.60
PEG Ratio	3.47	2.64	2.21	3.75	NA
Price/Book (P/B)	2.35	1.43	3.30	1.43	1.07
Price/Cash Flow (P/CF)	9.18	9.70	15.05	15.57	11.85
P/E (F1)	25.86	14.50	19.66	16.46	23.69
Price/Sales (P/S)	1.01	1.01	3.08	0.73	NA
Earnings Yield	4.73%	6.80%	5.02%	6.08%	4.23%
Debt/Equity	0.00	0.37	0.57	0.69	0.31
Cash Flow (\$/share)	21.86	1.81	8.99	0.80	0.36
Growth Score	A	-	-	F	F
Hist. EPS Growth (3-5 yrs)	-8.56%	4.39%	8.16%	-10.12%	NA
Proj. EPS Growth (F1/F0)	-17.71%	-1.17%	8.60%	-5.00%	-30.77%
Curr. Cash Flow Growth	28.61%	7.86%	6.75%	17.66%	-27.92%
Hist. Cash Flow Growth (3-5 yrs)	8.28%	1.21%	7.43%	-2.93%	1.52%
Current Ratio	1.83	1.64	1.18	2.06	2.79
Debt/Capital	0.00%	26.14%	38.01%	41.00%	23.38%
Net Margin	4.38%	4.43%	12.78%	4.48%	NA
Return on Equity	12.29%	9.24%	17.00%	8.18%	NA
Sales/Assets	1.68	0.54	0.53	0.80	NA
Proj. Sales Growth (F1/F0)	1.50%	0.00%	5.79%	NA	1.90%
Momentum Score	D	-	-	D	D
Daily Price Chg	0.93%	-0.02%	0.79%	0.24%	-0.35%
1 Week Price Chg	3.64%	1.18%	-1.83%	3.32%	0.35%
4 Week Price Chg	4.03%	2.14%	3.61%	-2.04%	-5.43%
12 Week Price Chg	-6.43%	-1.91%	2.57%	6.74%	-20.72%
52 Week Price Chg	-34.97%	-15.82%	15.47%	7.66%	-29.50%
20 Day Average Volume	151,542	151,542	2,770,348	181,646	36,801
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	-15.56%	0.00%
(F1) EPS Est 12 week change	2.08%	-1.36%	0.69%	-5.59%	-20.00%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	NA	NA

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	D
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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