

Semtech Corporation (SMTC)

\$72.89 (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$83.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 03/04/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: F

Growth: A

Momentum: A

Summary

Semtech is benefiting from strong momentum across the industrial and datacenter markets served. Increasing demand for low-latency, high-efficiency connectivity solutions in AI-driven data centers is driving the adoption of the company's Tri-Edge and CopperEdge product lines. The growing adoption of LoRa devices and the LoRaWAN standard is continuously aiding its quarterly performance. Growing shipments in Asia and North America remain a positive factor. Semtech's expanding Pro AV offerings remain tailwinds. Apart from this, the company is continuously growing its customer base on the back of BlueRiver technology, which remains another upside. However, macroeconomic uncertainties and geopolitical tensions are major concerns. Rising competitive pressure and foreign exchange risk are other headwinds.

Data Overview

52 Week High-Low	\$81.32 - \$24.05
20 Day Average Volume (sh)	1,920,009
Market Cap	\$6.7 B
YTD Price Change	17.9%
Beta	2.01
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Semiconductor - Analog and Mixed
Zacks Industry Rank	Top 34% (83 out of 243)

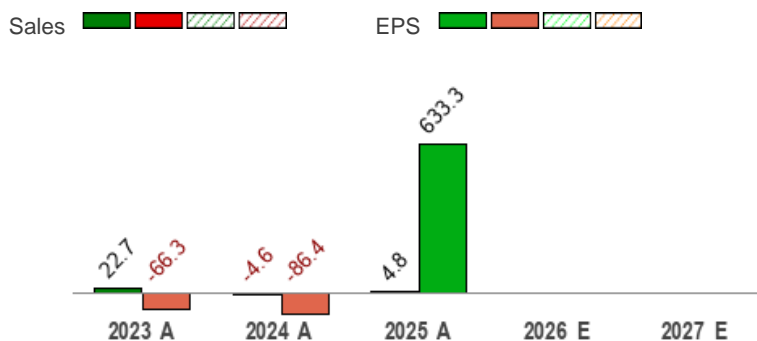
Last EPS Surprise	9.1%
Last Sales Surprise	0.1%
EPS F1 Est- 4 week change	4.3%
Expected Report Date	03/12/2026
Earnings ESP	-0.3%

P/E TTM	43.7
P/E F1	607.4
PEG F1	11.4
P/S TTM	6.6

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027					1,147 E
2026	251 A	258 A	267 A		1,039 E
2025	206 A	215 A	237 A	251 A	909 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027					2.07 E
2026	0.38 A	0.41 A	0.48 A		1.66 E
2025	0.06 A	0.11 A	0.26 A	0.40 A	0.88 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 12/12/2025.

(2) The report's text and the price target are as of 12/04/2025.

Overview

Headquartered in Flynn Road Camarillo, CA, Semtech Corporation designs, manufactures and markets a wide range of analog and mixed-signal semiconductors for commercial applications.

The product line comprises Signal Integrity Products, Protection Products, Power and High-Reliability Products, Wireless and Sensing Products, and Systems Innovation Group.

The company's devices are used in a variety of applications including computer, communications, industrial, military-aerospace and automotive. The company also provides a limited amount of wafer foundry services to other electronic component manufacturers.

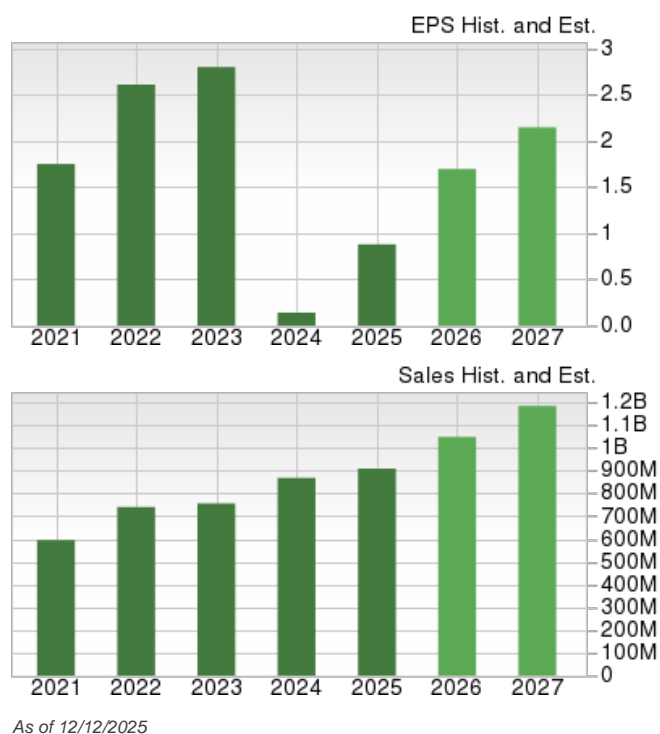
Semtech has manufacturing facilities in Irvine, Camarillo and San Diego in California, Reynosa in Mexico and Neuchâtel in Switzerland.

In fiscal 2025, the company generated total revenues of \$909.3 million, marking a year-over-year increase of 4.7%. Semtech operates across three end markets, Infrastructure, High-End Consumer and Industrial.

In Infrastructure market, the company caters to the demand for products needed in data centers, passive optical networks, base stations, optical networks, servers, carrier networks, switches and routers, cable modems, wireless LAN and other communication infrastructure equipment. The end market accounted for 27% of fiscal 2025 total revenues.

The company serves the requirements needed in tablets, wearables, digital video recorders, handheld products, wireless charging, set-top boxes, smartphones, digital televisions, monitors and displays in high-end Consumer market. The end market accounted for 16% of fiscal 2025 total revenues.

Further, equipment requirements in smart grid, wireless charging, military and aerospace, medical, security systems, automotive, industrial and home automation analog and digital video broadcast equipment, video-over-IP solutions, automated meter reading and Internet of Things are taken care by Semtech in its Industrial end-market. The end market accounted for 57% of fiscal 2025 total revenues.



Reasons To Buy:

- ▲ Semtech has a specific focus on fast-growing segments and regions. The company has been targeting analog/mixed signal sub-segments of some of the most promising and fast-growing end markets. The enterprise computing, industrial, communications and high-end consumer markets are characterized by a number of trends such as increasing bandwidth over high-speed networks, growing need for more efficient energy management in home and industrial settings, increasing electronic system requirements for mobile devices, rising demand for Internet connectivity to low power sensors and propagation of green standards. All these trends are driving demand for Semtech's products.
- ▲ Semtech's data center business is solidifying its position as a transformational growth engine, with third quarter fiscal 2026 data center revenues reaching \$56.2 million, up 8% sequentially and 30% year over year, driven by strong FiberEdge TIA demand and expanding customer engagements. With growing AI data center capital expenditure, robust 800G demand, and early 1.6T design activity, the data center business is likely to remain one of the bright spots for Semtech in the rest of fiscal 2026. Semtech is also securing multiple hyperscaler design wins in Linear Pluggable Optics and is preparing to ramp Active Copper Cables with a major hyperscaler in mid-2026 further contributing to the data center business. Semtech is also experiencing growing interest in CopperEdge linear equalizers for PCB and connector integration, with several customers actively evaluating the technology.
- ▲ The adoption of LoRa Gen 2 and Gen 3 solutions, which offer lower power consumption and improved radio performance, is accelerating. LoRa remains a key pillar of Semtech's industrial growth. In the third quarter of 2026, LoRa-enabled solution revenues were \$40 million, up 10% sequentially and 40% year over year, supporting Industrial segment revenues of \$147.2 million, up 12% year over year. Growth is fueled by broad adoption across smart utilities, buildings, cities, and asset management. LoRaWAN infrastructure expansion, including satellite connectivity and increasing adoption in asset tracking and smart metering, supports long-term growth for Semtech.
- ▲ Semtech's high-end consumer segment is emerging as a key growth driver, fueled by strong demand for its perSe sensing and transient voltage protection solutions in premium smartphones, smart glasses and wearable devices. In the third quarter of fiscal 2026, consumer segment revenues reached \$41.9 million, up 2% sequentially and 5% year over year, with year-to-date sales of \$118.5 million, up 6% driven by strong customer adoption of PerSe sensing solutions and increasing penetration in smart glasses and smartphones.
- ▲ Semtech's strategic decision to selectively increase research & development (R&D) spending in fiscal 2026 reflects a proactive shift toward innovation-led growth. After successfully streamlining its cost structure in fiscal 2025, the company is now reinvesting in high-potential areas such as data center optical connectivity, AI-enabled sensors, and next-generation LoRa and gesture-sensing technologies. This disciplined R&D focus is designed to expand Semtech's product portfolio in high-margin, high-growth markets. With promising developments like LPO/LRO (Linear Pluggable Optics/Linear Receive Optics) optical platforms and advanced perSe sensing for AI and robotics, the company is positioning itself to capture long-term demand across data infrastructure and smart device ecosystems. These initiatives will likely accelerate top-line growth, improve competitive positioning, and strengthen Semtech's value proposition in the evolving semiconductor landscape.
- ▲ Semtech's aggressive debt reduction strategy has significantly improved its financial health, enhancing both flexibility and investor confidence. In the third quarter of fiscal 2026, the long-term debt amounted to \$490.5 million, down from the previous quarter's reported figure of \$518.9 million. This improved liquidity strengthens Semtech's balance sheet and provides the capital needed to reinvest in high-growth areas such as data center, AI sensing, and LoRa. The deleveraging effort not only reduces financial risk but also positions the company to fund innovation and strategic initiatives without overreliance on external financing. As a result, Semtech is better equipped to sustain profitable growth while navigating cyclical market conditions.
- ▲ Semtech's ability to generate positive cash flows is a key strength supporting its financial recovery and future growth. In fiscal 2025, it generated operating cash flow and free cash flow of \$58 million and \$50.1 million, respectively. In the third quarter of fiscal 2026, the company generated \$47.5 million of operating cash flow and delivered \$44.6 million in free cash flow, its fifth consecutive quarter of positive free cash flow, driven by improved profitability and disciplined capital spending. This cash flow generation enhances Semtech's financial stability, enabling it to reduce debt, invest in strategic R&D initiatives and manage macroeconomic uncertainty more effectively. As the business scales, sustained free cash flow will remain a critical driver of shareholder value and long-term growth.

Key growth drivers for Semtech are product differentiation, operational flexibility, focus on fast-growing segments and debt reduction initiative.

Reasons To Sell:

- ▼ Semtech plans to increase R&D investment in fiscal 2026, primarily targeting data center, sensing and LoRa. While this supports long-term growth, near-term EPS may see pressure, especially with some revenue headwinds in play. If new products don't ramp as expected, higher opex could erode earnings momentum.
- ▼ Semtech's end markets, especially the high-end consumer and industrial, experience seasonality. These end markets experience weaker demand in the first and fourth quarters relative to the second and third quarters. The seasonality causes considerable fluctuations in revenues and profits and makes forecasting difficult.
- ▼ Semtech operates in an intensely competitive market where its success depends on new product development capacity, the ability to recruit and retain industry experts and marketing efficiency. Some of the major competitors of the company include ON Semiconductor, Texas Instruments, Broadcom Limited, Microsemi Corporation, Cypress Semiconductor Corp and Monolithic Power Systems. The market is characterized by lower entry barriers and frequent technological improvements that increase the chances of price competition. Pricing pressure makes Semtech susceptible to reduced sales and lower margins.
- ▼ The nature of business makes Semtech vulnerable to foreign exchange risk. A significant part of the company's assets exists in non-U.S. dollar-denominated currencies such as the Swiss franc, euro, British pound sterling, Canadian dollars, Mexican peso and Japanese yen. Thus, appreciation or depreciation of the U.S. dollar versus these foreign currencies could impact the company's financial results.

Major headwinds for Semtech are a pause in CopperEdge rollout, rising R&D investments, seasonality, a competitive market and foreign exchange risk.

Last Earnings Report

Semtech's Q3 Earnings Beat Estimates, Revenues Increase Y/Y

Semtech Corporation reported better-than-expected third-quarter fiscal 2026 results. It posted non-GAAP earnings of 48 cents per share, which beat the Zacks Consensus Estimate by 4 cents. The bottom line exceeded management's guidance of 44 cents (+/- 3 cents) and reflected a robust year-over-year improvement of approximately 85%.

The company's impressive bottom-line performance demonstrated the benefits of increased revenues, operational efficiency and effective expense management.

SMTC's third-quarter fiscal 2026 revenues of \$267 million topped the Zacks Consensus Estimate by 0.13% and came above the midpoint of management's guidance of \$266 million (+/- \$5 million). The top line jumped 13% year over year, with solid growth across all of its end markets, particularly in data centers.

Semtech's Q3 Revenues in Terms of End Markets

The company's top-line outperformance can be attributed to the impressive year-over-year rise in its end markets.

Sales from the infrastructure market totaled \$77.9 million (29% of net sales), exhibiting year-over-year growth of 18%. This was driven by solid demand for data centers and continued investment in CopperEdge.

Sales from the industrial market amounted to \$147.2 million (55% of net sales), up 12% year over year.

Sales from the high-end consumer market totaled \$41.9 million (16% of net sales), up 5% year over year. Strong 5G momentum as IoT transitions from 4G accelerate, driven by growth in bookings and design wins, along with expanding router and gateway partnerships, supports top-line growth.

SMTC's Q3 Revenues in Terms of Product Lines

Signal Integrity (31% of net sales) sales totaled \$81.6 million, up 14.1% year over year. Analog Mixed Signal & Wireless (36% of net sales) sales amounted to \$92 million, which rose 17.1% year over year.

IoT System and Connectivity (37% of net sales) sales totaled \$88.3 million, up 7% on a year-over-year basis.

Semtech's Margins Expand Year Over Year

The non-GAAP gross margin of 53% expanded 60 basis points (bps) on a year-over-year basis but contracted 20 bps sequentially.

Adjusted operating expenses of \$86.5 million increased 7.3% year over year but declined 2.1% sequentially. As a percentage of revenues, operating expenses dropped to 32.4% from 34.3% in the previous quarter and 34% in the year-ago quarter.

Non-GAAP operating income surged 26.5% year over year to \$54.9 million. The non-GAAP operating margin improved to 20.6% from 18.3% reported in the year-ago quarter. On a quarter-over-quarter basis, non-GAAP operating income increased 13%, while margin improved 180 basis points.

Semtech's Balance Sheet & Cash Flow

As of Oct. 26, 2025, cash and cash equivalents totaled \$164.7 million, down from \$168.6 million as of July 26, 2025.

The long-term debt amounted to \$490.5 million, down from the previous quarter's reported figure of \$518.9 million.

During the third quarter, Semtech generated operating cash flow and free cash flow of \$47.5 million and \$44.6 million, respectively. In the first three quarters of fiscal 2026, it generated operating and free cash flows of \$119.7 million and \$112.3 million, respectively.

Semtech Initiates Impressive Q3 Guidance

For the fourth quarter, Semtech expects net sales to be \$273 million (+/- \$5 million). Semtech expects infrastructure end-market net sales to increase sequentially, driven by data center growth of approximately 10%, partially offset by a 3% decline in high-end consumer sales. Industrial end-market sales are anticipated to remain flat sequentially.

The non-GAAP gross margin is expected to be 51.2% (+/- 50 bps). The non-GAAP operating margin is anticipated to be 17.8% (+/- 80 bps). Non-GAAP earnings are expected to be 43 cents (+/- 3 cents) per share.

FY Quarter Ending 1/31/2025

Earnings Reporting Date	Nov 24, 2025
Sales Surprise	0.13%
EPS Surprise	9.09%
Quarterly EPS	0.48
Annual EPS (TTM)	1.67

Recent News

On Oct. 15, Semtech Corporation announced plans to showcase its expanded lineup of AirLink 5G routers with network slicing capabilities at the International Association of Chiefs of Police (IACP) Annual Conference 2025 in Denver.

On Oct. 7, Semtech Corporation and Skylo announced an expanded partnership to launch the industry's first single-vendor, device-to-cloud IoT solution combining terrestrial and satellite connectivity.

On Oct. 7, Semtech Corporation announced the launch of its AirLink XR80 and XR90 Gen2 multi-network routers featuring 5G network slicing support.

On Sept. 29, Semtech Corporation announced the sampling of new 200G/channel PMD solutions to advance 1.6T multimode optical infrastructure for AI data centers.

On Sept. 22, Semtech Corporation introduced its LoRa Gen 4 LR2022 and LR2012 transceivers, designed to extend IoT connectivity range and speed while addressing power efficiency limits.

On Sept. 10, Semtech announced that its AirLink XR60 5G router and other products have been certified for T-Mobile's T-Priority solution, which provides first responders with up to five times more 5G Standalone network resources during emergencies.

On Sept. 8, Semtech announced the launch of its 2.5G symmetric Fiber to the Room (FTTR) chipset, designed to accelerate global Passive Optical Network (PON) deployments.

On Sept. 7, Semtech introduced two new FiberEdge transimpedance amplifiers (TIAs), which include the GN1834D for the emerging 1.6T optical interconnect market and the GN1818, which delivers up to 20% power reduction for 800G systems.

Valuation

Semtech shares have gained 16.7% in the year-to-date period and 46.6% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 9.4%, while the Zacks Computer & Technology sector is up 27.6% in the year-to-date period. Over the past year, the Zacks sub-industry has returned 2.8%, while the sector has appreciated 25%.

The S&P 500 index has returned 18.1% in the year-to-date period and 14.1% in the past year.

The stock is currently trading at 5.84x forward 12-month sales, compared with 7.79x for the Zacks sub-industry, 6.72x 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 8.35x and as low as 0.94x, with a five-year median of 3.37x. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$83 price target reflects 6.13x forward 12-month sales, consistent with the stock's current valuation.

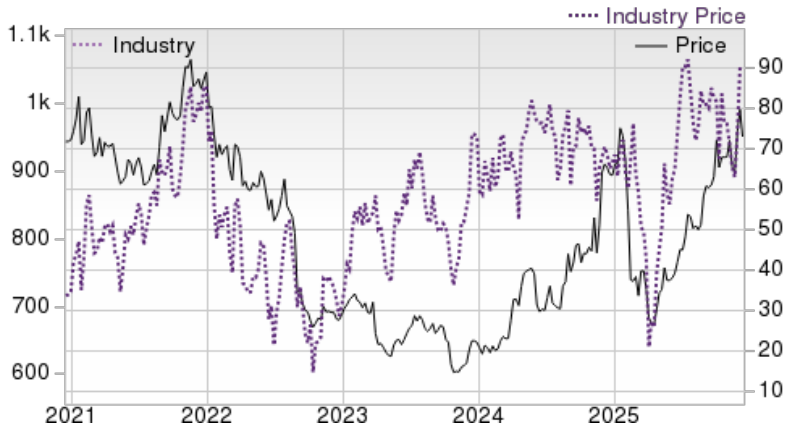
The table below shows summary valuation data for SMTC:

Valuation Multiples - SMTC					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	5.84	7.79	6.72	5.31
	5-Year High	8.35	8.35	7.40	5.50
	5-Year Low	0.94	4.40	4.24	3.83
	5-Year Median	3.37	6.32	6.29	5.04
EV/Sales TTM	Current	6.94	9.77	8.15	5.73
	5-Year High	9.33	9.77	8.36	5.81
	5-Year Low	1.81	4.90	4.17	3.77
	5-Year Median	4.56	7.54	6.92	5.12
EV/EBITDA TTM	Current	36.03	23.30	19.59	18.59
	5-Year High	45.08	23.30	23.68	22.41
	5-Year Low	2.55	9.02	12.05	13.87
	5-Year Median	14.50	16.30	18.36	17.96

As of 12/03/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 34% (83 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Microchip Technology...(MCHP)	Neutral	3
Monolithic Power Sys...(MPWR)	Neutral	3
MACOM Technology Sol...(MTSI)	Neutral	2
Magnachip Semiconduc...(MX)	Neutral	4
MaxLinear, Inc (MXL)	Neutral	3
ON Semiconductor Cor...(ON)	Neutral	3
Silicon Laboratories...(SLAB)	Neutral	3
Texas Instruments In...(TXN)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Semiconductor - Analog And Mixed

	SMTC	X Industry	S&P 500	MPWR	MTSI	TXN
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	B	-	-	D	C	F
Market Cap	6.75 B	17.70 B	39.38 B	45.34 B	13.29 B	163.03 B
# of Analysts	7	8	22	7	9	10
Dividend Yield	0.00%	0.00%	1.41%	0.66%	0.00%	3.17%
Value Score	F	-	-	F	D	D
Cash/Price	0.02	0.06	0.04	0.03	0.06	0.03
EV/EBITDA	-251.11	12.44	14.60	74.81	361.04	22.73
PEG Ratio	11.38	2.20	2.23	2.44	1.95	3.18
Price/Book (P/B)	11.93	4.80	3.35	12.71	9.95	9.80
Price/Cash Flow (P/CF)	75.66	26.44	15.20	85.88	55.85	25.60
P/E (F1)	607.42	42.99	19.78	53.44	42.39	32.86
Price/Sales (P/S)	6.57	6.30	3.06	17.04	13.74	9.44
Earnings Yield	2.33%	2.25%	4.99%	1.87%	2.36%	3.04%
Debt/Equity	0.87	0.29	0.57	0.00	0.31	0.81
Cash Flow (\$/share)	0.96	2.86	8.99	11.02	3.18	7.01
Growth Score	A	-	-	B	B	C
Hist. EPS Growth (3-5 yrs)	-18.37%	9.38%	8.16%	28.56%	12.54%	-8.10%
Proj. EPS Growth (F1/F0)	-86.36%	32.03%	8.57%	25.42%	20.46%	5.00%
Curr. Cash Flow Growth	-91.19%	-14.88%	6.75%	16.01%	18.93%	-17.18%
Hist. Cash Flow Growth (3-5 yrs)	-7.21%	14.01%	7.43%	33.39%	14.11%	1.01%
Current Ratio	2.43	3.07	1.19	4.77	3.71	4.45
Debt/Capital	46.44%	22.23%	38.01%	0.00%	23.48%	44.89%
Net Margin	2.77%	-0.81%	12.78%	71.22%	-5.60%	29.21%
Return on Equity	17.00%	12.42%	17.00%	18.37%	14.38%	30.41%
Sales/Assets	0.73	0.50	0.53	0.68	0.49	0.50
Proj. Sales Growth (F1/F0)	-4.60%	15.51%	5.77%	26.00%	15.70%	13.10%
Momentum Score	A	-	-	C	B	F
Daily Price Chg	-8.62%	-4.08%	-1.07%	-3.56%	-6.59%	-1.24%
1 Week Price Chg	-8.44%	-2.68%	-0.63%	-1.74%	-3.67%	-1.71%
4 Week Price Chg	11.35%	16.03%	1.39%	2.86%	9.14%	12.61%
12 Week Price Chg	19.75%	5.41%	2.45%	3.29%	39.51%	0.03%
52 Week Price Chg	11.88%	9.13%	12.83%	55.56%	27.55%	-6.35%
20 Day Average Volume	1,920,009	1,661,131	2,728,366	591,638	1,055,082	6,668,521
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	4.29%	0.10%	0.00%	0.00%	0.69%	-0.66%
(F1) EPS Est 12 week change	4.43%	1.93%	0.69%	1.41%	5.27%	-2.42%
(Q1) EPS Est Mthly Chg	4.97%	0.22%	0.00%	0.00%	0.99%	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	F
Growth Score	A
Momentum Score	A
VGM Score	B

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

Disclosures

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

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

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

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

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

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