

Salesforce is a cloud-based software-as-a-service customer relationship management or CRM software company. It offers its software through its Sales Cloud, Service Cloud, Platform and Other, Marketing and Commerce Cloud, and Integration and Analytics segments. The company has expanded its offerings into the mobile, social networking, analytics, and artificial intelligence areas. Salesforce.com sells its software on a subscription basis, both directly and through third-party partners, including systems integrators, consulting firms, and distributors. About 33% of Salesforce's revenue comes from outside the U.S. The company was founded in 1999 and went public in June 2004.

Analyst's Notes

Analysis by Joseph Bonner, CFA, May 30, 2025

ARGUS RATING: **BUY**

- Lowering target price to \$360
- Salesforce reported an 8% increase in non-GAAP operating income on 8% revenue growth in fiscal 1Q26.
- Salesforce has jumped back into the transformational acquisition game and although it may be more disciplined this time the market may take a dim view.
- We are raising our FY26 non-GAAP EPS estimate to \$11.31 from \$11.16 and our FY27 forecast to \$12.51 from \$12.30.

INVESTMENT THESIS

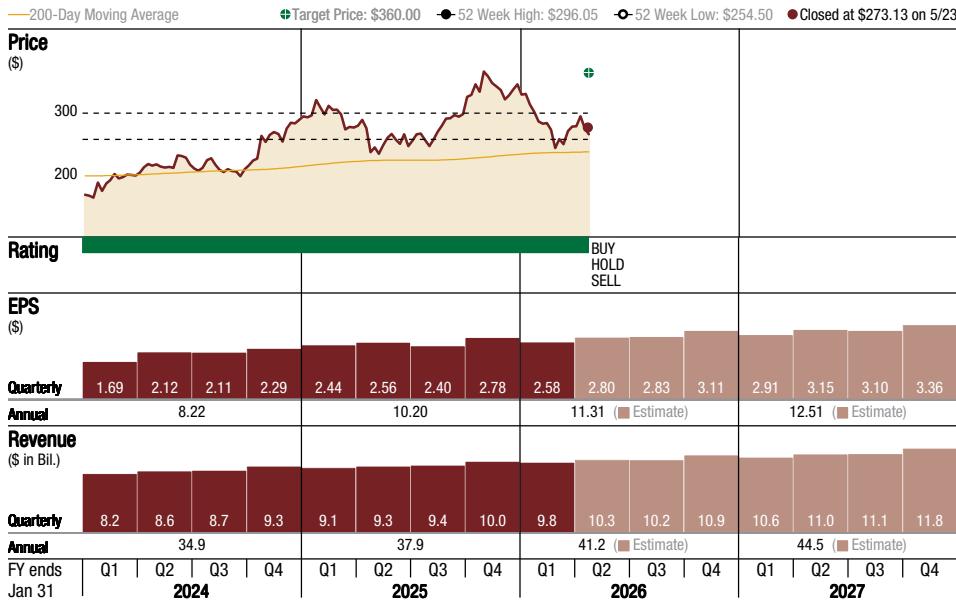
We are lowering our target price on BUY-rated Salesforce Inc. (NYSE: CRM) to \$360 from \$420. The world has changed for Salesforce amid increased macroeconomic uncertainty and weaker customer demand. However, the company continues to deliver on product innovation with its new agentic generative AI Agentforce platform. Management is delivering on boosting cost leverage, profitability, and cash flow in the current operating environment though its renewed foray into transformation acquisition with the Informatica transaction may give the market some hesitation.

We like that Salesforce is applying strong cash flow not just to rapid organic innovation but also to shareholder returns in the form of large share repurchases and the dividend.

In our view, Salesforce remains well positioned to exploit the long-term secular trends in enterprise software toward digital transformation focused on generative AI, customer experience, software-as-a-service cloud solutions, data analytics, and platform software services, and away from higher-cost on-premise solutions, the management of complex point solutions, and substandard build-it-yourself applications. We think that Salesforce has seized the center of the converging enterprise cloud/customer relationship management universe. The company continues to innovate and introduce new products, not least

Market Data

Pricing reflects previous trading week's closing price.



Argus Recommendations

Twelve Month Rating	SELL	HOLD	BUY
Five Year Rating	SELL	HOLD	BUY
Sector Rating	Under Weight	Market Weight	Over Weight

Argus assigns a 12-month BUY, HOLD, or SELL rating to each stock under coverage.

- BUY-rated stocks are expected to outperform the market (the benchmark S&P 500 Index) on a risk-adjusted basis over the next year.
- HOLD-rated stocks are expected to perform in line with the market.
- SELL-rated stocks are expected to underperform the market on a risk-adjusted basis.

The distribution of ratings across Argus' entire company universe is: 73% Buy, 27% Hold, 0% Sell.

Key Statistics

Key Statistics pricing data reflects previous trading day's closing price. Other applicable data are trailing 12-months unless otherwise specified

Market Overview

Price	\$266.92
Target Price	\$360.00
52 Week Price Range	\$212.00 to \$369.00
Shares Outstanding	956.00 Million
Dividend	\$1.66

Sector Overview

Sector	Information Technology
Sector Rating	OVER WEIGHT
Total % of S&P 500 Market Cap.	30.30%

Financial Strength

Financial Strength Rating	HIGH
Debt/Capital Ratio	16.5%
Return on Equity	17.7%
Net Margin	16.1%
Payout Ratio	0.15
Current Ratio	1.06
Revenue	\$38.59 Billion
After-Tax Income	\$6.21 Billion

Valuation

Current FY P/E	23.60
Prior FY P/E	26.17
Price/Sales	6.61
Price/Book	4.22
Book Value/Share	\$63.23
Market Capitalization	\$255.18 Billion

Forecasted Growth

1 Year EPS Growth Forecast	10.88%
5 Year EPS Growth Forecast	13.00%
1 Year Dividend Growth Forecast	3.75%

Risk

Beta	1.23
Institutional Ownership	81.09%

Analyst's Notes ...Continued

around advances in generative artificial intelligence. While Salesforce is still viewed mainly as a sales CRM company, its expansion into higher-growth product areas has produced a balanced portfolio with new, faster-growing business lines like Platform and Other augmenting the more mature Sales Cloud and Service Cloud product lines.

RECENT DEVELOPMENTS

Salesforce reported results for fiscal 1Q26 (ended April 30) on May 28 after the close. The company beat the consensus revenue estimate by \$78 million and the high end of its guidance range by \$69 million. It beat the consensus non-GAAP EPS estimate and the high end of its guidance range by \$0.03. With 1Q results, Salesforce raised its revenue guidance by \$450 million or 120 basis points of growth to 8.6% at the midpoint of the new range. The company also raised its non-GAAP EPS guidance by \$0.17 or 160 basis points of growth to 11% at the midpoint. CRM shares were down almost 3% on May 29.

Fiscal 1Q revenue rose 8% from the prior year to \$9.8 billion, slowing from 11% growth in 1Q25. Slowing revenue growth was broad-based across the company's segments though the Platform & Other segment was again the only standout, accelerating revenue to 14% from 10% in 1Q25 as the company's AI and Data Cloud applications gain traction notching 120% growth to over \$1 billion in annual recurring revenue in 1Q26. Integration & Analytics exhibited the greatest revenue slowdown, slipping to 10% growth

from 24% in 1Q25.

Non-GAAP operating income rose 8% to \$2.5 billion as the non-GAAP operating margin expanded by 20 basis points to 32%, which we see as the result of the company's ongoing restructuring and cost controls. Like many peers, Salesforce has begun to focus intensely on profitability in the face of slowing revenue growth. Non-GAAP diluted EPS increased 5.4% from the prior year to \$2.58.

The company's favorite performance indicator, called 'remaining performance obligation' (RPO) represents contracted revenue that has not yet been recognized (including both unearned revenue and unbilled revenue that is expected to be recognized in future periods). Similar to deferred revenue, RPO indicates the momentum of the company's sales pipeline. Current RPO (cRPO) measures the billed and unbilled business that is expected to be recognized over the next year. In fiscal 1Q26, cRPO rose 12% from the prior year to \$29.6 billion, accelerating from 10% growth in 1Q25.

On May 27, Salesforce agreed to acquire Informatica for \$8 billion in cash, net of Salesforce's previous investment in Informatica. Informatica shareholders will receive \$25 in cash per share, a 32% premium to the Informatica share price just a month ago and a 58% premium to the INFA stock's last bottom on April 8. However, Salesforce's offer is just a little over 4-times forecast 2026 revenue, so the acquisition looks fairly inexpensive. Informatica's Intelligent Data Management Cloud provides an

Growth & Valuation Analysis
GROWTH ANALYSIS

(\$ in Millions, except per share data)

	2021	2022	2023	2024	2025
Revenue	21,252	26,492	31,352	34,857	37,895
COGS	10,876	7,026	16,720	17,082	17,286
Gross Profit	15,814	19,466	22,992	26,316	29,252
SG&A	11,761	14,453	16,079	15,411	16,093
R&D	3,598	4,465	5,055	4,906	5,493
Operating Income	455	548	1,858	5,999	7,666
Interest Expense	—	—	—	—	—
Pretax Income	2,561	1,532	660	4,950	7,438
Income Taxes	-1,511	88	452	814	1,241
Tax Rate (%)	—	6	68	16	17
Net Income	4,072	1,444	208	4,136	6,197
Diluted Shares Outstanding	930	974	997	984	974
EPS	4.38	1.48	0.21	4.20	6.36
Dividend	—	—	—	—	1.60
GROWTH RATES (%)					
Revenue	24.3	24.7	18.3	11.2	8.7
Operating Income	-1.7	20.4	239.1	222.9	27.8
Net Income	3,131.7	-64.5	-85.6	1,888.5	49.8
EPS	2,820.0	-66.2	-85.8	1,900.0	51.4
Dividend	—	—	—	—	—
Sustainable Growth Rate	3.6	0.5	4.4	8.2	7.7
VALUATION ANALYSIS					
Price: High	\$311.75	\$256.87	\$268.36	\$369.00	—
Price: Low	\$201.51	\$126.34	\$133.03	\$212.00	—
Price/Sales: High-Low	13.6 - 8.8	9.4 - 4.6	8.5 - 4.2	10.4 - 6.0	— —
P/E: High-Low	71.2 - 46.0	173.6 - 85.41	277.9 - 633.5	87.9 - 50.5	— —
Price/Cash Flow: High-Low	48.3 - 31.2	40.8 - 20.1	27.5 - 13.6	28.8 - 16.5	— —

Financial & Risk Analysis
FINANCIAL STRENGTH

	2023	2024	2025
Cash (\$ in Millions)	7,016	8,472	8,848
Working Capital (\$ in Millions)	504	2,443	1,747
Current Ratio	1.02	1.09	1.06
LT Debt/Equity Ratio (%)	21.1	18.6	17.7
Total Debt/Equity Ratio (%)	24.1	21.1	18.6

RATIOS (%)

Gross Profit Margin	73.3	75.5	77.2
Operating Margin	5.9	17.2	20.2
Net Margin	0.7	11.9	16.4
Return On Assets	0.2	4.2	6.1
Return On Equity	0.4	7.0	10.3

RISK ANALYSIS

Cash Cycle (days)	—	—	—
Cash Flow/Cap Ex	8.9	13.9	19.9
Oper. Income/Int. Exp. (ratio)	—	—	—
Payout Ratio			19.8

Analyst's Notes ...Continued

end-to-end platform of integrated solutions enabling enterprises to connect, manage, and unify data across any cloud, hybrid or multi-cloud environment. Salesforce intends to integrate Informatica into the Salesforce platform with Informatica's data integration, governance, and metadata management providing a trusted data foundation for the deployment of enterprise grade agentic AI.

Salesforce has been roundly criticized in the past for its aggressive M&A so CEO Marc Benioff emphasized management's disciplined framework for the Informatica acquisition, involving strategic fit, ability to increase monetization and drive operational efficiencies, appropriate valuation and clear timeline to value accretion. Management expects Informatica to be accretive to non-GAAP operating margin, non-GAAP earnings per share, and free cash flow in the second year post close of the transaction. In another bow to the highly critical activists who have sharply criticized Salesforce's M&A history in the past, management has also promised that the acquisition will not disrupt Salesforce's capital return program. A majority of Informatica shareholders have already approved the transaction though it will also need to undergo the usual regulatory review. Salesforce expects to complete the acquisition in February 2026.

On March 27, Salesforce raised its quarterly cash dividend by 4% to \$0.416 or \$1.66 on an annual basis. We are therefore raising our FY26 dividend estimate to \$1.66 to conform to the increase and our FY27 forecast to \$1.72. The indicated yield is

0.62%.

EARNINGS & GROWTH ANALYSIS

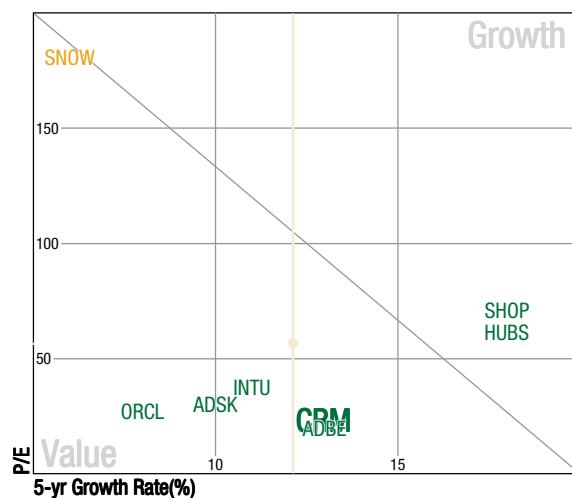
We are raising our FY26 non-GAAP EPS estimate to \$11.31 from \$11.16 and our FY27 forecast to \$12.51 from \$12.30. Our FY26 estimate is within Salesforce's new, upwardly revised FY26 guidance range of \$11.27-\$11.33. Our estimates imply average growth of 11% over the next two years. Our long-term earnings growth rate forecast is 13%.

In his typical visionary fashion, CEO Marc Benioff expects Salesforce to lead the way in the 'digital labor revolution' with its Agentforce product, which he believes will be even bigger than the software revolution that has driven the Tech sector in recent decades. Hyperbole aside, management sees Salesforce's key differentiator in its unified platform of customer 360 applications, its data cloud, all overlaid by its agentic AI services. Agentforce was introduced at the company's September 2024 user conference as a new development platform for customizable generative AI agents and the next advance in the company's generative AI product roadmap. Agentforce became generally available on October 29, 2024. Agentic generative AI is the 'new new thing' in Tech with many companies pursuing the new technology or at least saying they are. Essentially Agentforce AI agents, trained on Salesforce data, should be able to autonomously complete more complicated tasks without human supervision as opposed to 'co-pilots' or 'chat bots' which can only accomplish more narrowly

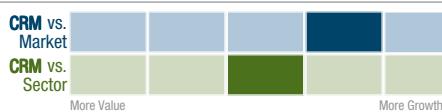
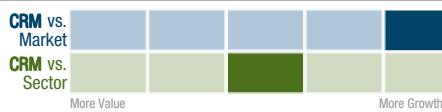
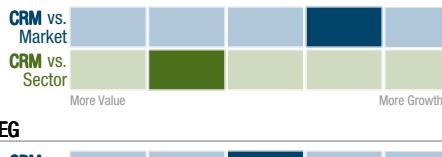
Peer & Industry Analysis

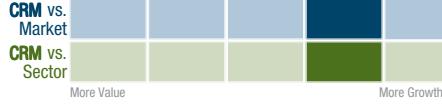
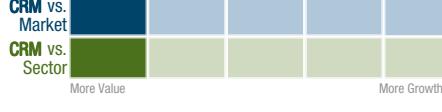
The graphics in this section are designed to allow investors to compare CRM versus its industry peers, the broader sector, and the market as a whole, as defined by the Argus Universe of Coverage.

- The scatterplot shows how CRM stacks up versus its peers on two key characteristics: long-term growth and value. In general, companies in the lower left-hand corner are more value-oriented, while those in the upper right-hand corner are more growth-oriented.
- The table builds on the scatterplot by displaying more financial information.
- The bar charts on the right take the analysis two steps further, by broadening the comparison groups into the sector level and the market as a whole. This tool is designed to help investors understand how CRM might fit into or modify a diversified portfolio.



Ticker	Company	Market Cap (\$ in Millions)	5-yr Growth Rate (%)	Current FY P/E	Net Margin (%)	1-yr EPS Growth (%)	Argus Rating
ORCL	Oracle Corp.	456,810	8.0	27.1	21.8	15.5	BUY
CRM	Salesforce Inc	255,176	13.0	23.6	16.1	10.6	BUY
INTU	Intuit Inc	211,224	11.0	37.6	19.1	11.9	BUY
ADBE	Adobe Inc	176,174	13.0	20.1	30.6	13.0	BUY
SHOP	Shopify Inc	131,193	18.0	71.3	17.2	21.9	BUY
SNOW	Snowflake Inc	67,502	6.0	180.6	-36.4	47.3	HOLD
ADSK	Autodesk Inc.	63,542	10.0	30.4	15.9	12.0	BUY
HUBS	HubSpot Inc	30,495	18.0	61.6	-.8	17.1	BUY
Peer Average		174,015	12.1	56.5	10.4	18.6	

P/E

Price/Sales

Price/Book

PEG

5 Year Growth

Debt/Capital


Analyst's Notes ...Continued

defined tasks or need human supervisory management. Agentforce agents can be triggered by changes in data, business rules, pre-built automations, or signals via application program interface (API) calls from other systems. CEO Marc Benioff ensures that Agentforce agents have 'low hallucinogenic performance,' something that we think has held back adoption of Gen AI. Salesforce expects Agentforce to permeate all of its platforms. In 1Q26, Agentforce became generally available; 800 customers have Agentforce in production.

In the new Gen AI-fueled computing paradigm, Salesforce sees its control over customers' proprietary business data and metadata as a key factor in driving new Gen AI applications. Management believes large language models are destined to become commoditized and so has eschewed building its own LLM. Instead it is building its applications on third-party models, leveraging its wealth of customer data to build useful applications of Gen AI like Agentforce.

The world has changed for Salesforce amid macroeconomic uncertainty and weaker customer demand. Like Tech peers that focus on digital transformation and cloud computing, Salesforce has seen deal cycles lengthen as customers have become more cautious about spending, even in areas such as salesforce automation and customer care. Large deals now require multiple levels of approval before signing, deals may be trimmed and deal terms shortened. These factors are particularly true in Salesforce's largest market, the U.S.

As revenue growth has begun to slow, Salesforce management has become intensely focused on boosting non-GAAP operating margins and EPS and indeed has been quite successful with more expected to come. However, the company continues to invest in the rapid growth of its data cloud as the foundation for its AI-driven future and its new generative AI tools. While this serial acquirer took a multiyear pause on acquisitions after a run by some activist investors, it again started to make tuck-in acquisitions of what management sees as key technologies and with the Informatica acquisition is back in the transformational acquisition business. However, the company also remains focused on shareholder returns with its ongoing robust share repurchases and small dividend.

Management sees the company's differentiated competitive advantage in its multi-cloud platform of CRM services, which enables enterprise clients to digitally transform their businesses as they move from point solutions to Salesforce's integrated platform. Salesforce believes it can give its clients a '360-degree view' of their own customers as the Salesforce platform software connects all client data across sales, service, marketing, and commerce to build an integrated 'single source of truth' for clients. This enables clients to deliver 'highly personalized, highly intelligent, and highly connected customer experiences across every customer touch point.' Management expects Gen AI to only enhance its abilities to tailor sales, service and analytics solutions, again all within an integrated platform. Salesforce expects to benefit from this migration toward its CRM platform given that 'multi-cloud' users generate 10-times the revenue of single cloud users.

Management expects the company's total available market (TAM) to grow at a 13% compound annual rate, to \$290 billion, in 2026, and has identified large enterprises (rather than small and medium-sized businesses) as its prime growth vector. The company uses the land-and-expand model, with 82% of incremental

annualized revenue coming from its installed base. Salesforce also looks to 'speak the language of industry' as it penetrates individual industry verticals with tailored solutions for financial services, healthcare, communications & media, manufacturing, retail & consumer goods, the public sector, and travel, transport & hospitality, among others. Salesforce's acquisition of Vlocity was undoubtedly related to developing the company's industry-specific offerings. Salesforce has increased its TAM both through acquisitions, including its purchases of MuleSoft, Tableau, Slack, and others, and organic product extensions, such as its Einstein integrated AI platform. The company is also looking to expand internationally. All of its growth opportunities are underpinned by its 'Trailblazer' ecosystem of qualified Salesforce users.

The product roadmap for Salesforce is focused on four areas of technology. AI has moved to the top of the list as Salesforce looks to make its CRM offerings more 'intelligent.' Agentforce has become the company's primary AI focus as it is integrated across the company's multi-cloud systems. The second strategic focus is platform, the company's goal here is to develop technology that other application developers can improve and customize. The third area is mobility, which essentially means enabling customers to run their businesses from a smartphone or other mobile device, and ensuring that all applications and platforms are able to work on any device or reach any client customer touchpoint. Salesforce's announcements of its partnerships with Apple and Google, to name just two, stem from this focus area. The fourth strategic area is analytics-based productivity. This brings together the first three areas since making customers more productive is at the heart of Salesforce's value proposition. The MuleSoft, Tableau, Quip, and Slack acquisitions exemplify the company's desire to integrate its platforms and make them more intelligent. Of course, Gen AI also drives system intelligence. Salesforce also has strategic partnerships with major public cloud providers Amazon, Google, Microsoft, and Alibaba.

FINANCIAL STRENGTH

Our financial strength rating on Salesforce is High, the highest point on our five-point scale. Trailing 12-month free cash flow rose 12% or about an incremental \$1.3 billion to \$12.65 billion in 1Q26. The company has \$8.4 billion in debt, all of it long term, and \$17.4 billion in cash and marketable securities. S&P rates Salesforce's debt as A+, stable, comfortably investment grade.

On March 27, Salesforce raised its quarterly cash dividend by 4% to \$0.416 or \$1.66 on an annual basis. We are therefore raising our FY26 dividend estimate to \$1.66 to conform to the increase and our FY27 forecast to \$1.72. The indicated yield is 0.62%.

Salesforce's primary use of cash is related to organic investments in innovation, new product development, and sales infrastructure. However, Salesforce ramped up then accelerated share repurchases as revenue growth slowed and activist investors began to pressure the company. Salesforce bought back \$2.6 billion of its common stock in 1Q26 after repurchasing \$7.8 billion in FY25, \$7.6 billion in FY24 and \$4 billion in FY23. Management expects future share repurchases to fully offset dilution from share grants. The share count fell by 15 million shares or 2% in the last 12 months.

MANAGEMENT & RISKS

The uncertain macroeconomic environment, which has reduced demand for Salesforce products, has become a risk factor for the

Analyst's Notes ...Continued

company.

The market for enterprise application software and platform services is intensely competitive, rapidly evolving, and fragmented. Salesforce must frequently introduce new products and update its existing offerings to remain ahead of the curve. The company also faces significant competition from deep-pocketed competitors such as Amazon Web Services, SAP, Oracle, Microsoft and IBM, as well as from smaller upstarts. Like other cloud-based service providers, Salesforce's software and services run 24/7, and any interruption due to product malfunctions or malicious software attacks could damage the company's business.

Because Salesforce is a successful growth company, its shares tend to trade at relatively high multiples of revenue, earnings, and cash flow. Expectations are high, and if the company's financial results fall short, investors could experience a significant and abrupt decline in market value. Other risks include unexpected pullbacks in software investment spending and the impact of adverse foreign exchange movements.

Data privacy has become a salient concern with corporate customers and the public, and Salesforce's reputation could be seriously damaged by any unauthorized release of customer data. Salesforce.com could also be subject to restrictive data privacy regulations in the U.S. or abroad.

C-suite uncertainty has arisen as a risk for CRM shares, although co-founder Marc Benioff remains CEO and chairman. The management shuffle continues at Salesforce with president and COO Brian Millham, a 20-year veteran, retiring and CFO Amy Weaver stepping down. Board member Robin Washington became both COO and CFO in March 2025. These C-level changes follow the November 30, 2022 resignation of co-CEO and Vice Chairman Bret Taylor and the resignation of President and Chief Strategy Officer Gavin Patterson earlier that month.

COMPANY DESCRIPTION

Salesforce is a cloud-based software-as-a-service customer relationship management or CRM software company. It offers its software through its Sales Cloud, Service Cloud, Platform and Other, Marketing and Commerce Cloud, and Integration and Analytics segments. The company has expanded its offerings into the mobile, social networking, analytics, and artificial intelligence areas. Salesforce.com sells its software on a subscription basis, both directly and through third-party partners, including systems integrators, consulting firms, and distributors. About 33% of Salesforce's revenue comes from outside the U.S. The company was founded in 1999 and went public in June 2004.

VALUATION

CRM shares are down 20% on a total return basis year-to-date as the company has faced uncertainty around the macroeconomy, and how the Tech sector will adapt to the rapid changes stemming from generative AI. CRM's return compares to the S&P 500's gain of 1%, the DJIA's flat performance, the 1% decline for the S&P 500 Information Technology Sector GICS Level 1 Index, and the Nasdaq Computer Index's 1% decline. The company's trailing EV/EBITDA of 21.8 is below the low end of the historical range of 31-42. CRM's forward EV/EBITDA of 14.3 is 27% below the peer average compared to an average historical discount of 20%. We are maintaining our BUY rating on CRM but lowering our target price to \$360 from \$420.

On May 30 at midday, BUY-rated CRM traded at \$264.19

down \$2.73.

About Argus

Argus Research, founded by Economist Harold Dorsey in 1934, has built a top-down, fundamental system that is used by Argus analysts. This six-point system includes Industry Analysis, Growth Analysis, Financial Strength Analysis, Management Assessment, Risk Analysis and Valuation Analysis.

Utilizing forecasts from Argus' Economist, the Industry Analysis identifies industries expected to perform well over the next one-to-two years.

The Growth Analysis generates proprietary estimates for companies under coverage.

In the Financial Strength Analysis, analysts study ratios to understand profitability, liquidity and capital structure.

During the Management Assessment, analysts meet with and familiarize themselves with the processes of corporate management teams.

Quantitative trends and qualitative threats are assessed under the Risk Analysis.

And finally, Argus' Valuation Analysis model integrates a historical ratio matrix, discounted cash flow modeling, and peer comparison.

THE ARGUS RESEARCH RATING SYSTEM

Argus uses three ratings for stocks: BUY, HOLD, and SELL. Stocks are rated relative to a benchmark, the S&P 500.

- A BUY-rated stock is expected to outperform the S&P 500 on a risk-adjusted basis over a 12-month period. To make this determination, Argus Analysts set target prices, use beta as the measure of risk, and compare expected risk-adjusted stock returns to the S&P 500 forecasts set by the Argus Market Strategist.
- A HOLD-rated stock is expected to perform in line with the S&P 500.
- A SELL-rated stock is expected to underperform the S&P 500.

Argus Research Disclaimer

Argus Research Co. (ARC) is an independent investment research provider whose parent company, Argus Investors' Counsel, Inc. (AIC), is registered with the U.S. Securities and Exchange Commission. Argus Investors' Counsel is a subsidiary of The Argus Research Group, Inc. Neither The Argus Research Group nor any affiliate is a member of the FINRA or the SIPC. Argus Research is not a registered broker dealer and does not have investment banking operations. The Argus trademark, service mark and logo are the intellectual property of The Argus Research Group, Inc. The information contained in this research report is produced and copyrighted by Argus Research Co., and any unauthorized use, duplication, redistribution or disclosure is prohibited by law and can result in prosecution. The content of this report may be derived from Argus research reports, notes, or analyses. The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but Argus Research makes no representation as to their timeliness, accuracy or completeness or for their fitness for any particular purpose. The historical Growth & Valuation and Financial & Risk financial information included in this report has been provided by Morningstar, Inc. (© Morningstar, Inc. All Rights Reserved). This data is proprietary to Morningstar and/or its content providers; may not be copied or distributed; is not warranted to be accurate, complete or timely; and is set forth herein for historical reference only and is not necessarily used in Argus' analysis of the stock set forth in the pages of this report or any other stock or other security. This report is not an offer to sell or a solicitation of an offer to buy any security. The information and material presented in this report are for general information only and do not specifically address individual investment objectives, financial situations or the particular needs of any specific person who may receive this report. Investing in any security or investment strategies discussed may not be suitable for you and it is recommended that you consult an independent investment advisor. Nothing in this report constitutes individual investment, legal or tax advice. Argus Research may issue or may have issued other reports that are inconsistent with or may reach different conclusions than those represented in this report, and all opinions are reflective of judgments made on the original date of publication. Argus is under no obligation to ensure that other reports are brought to the attention of any recipient of this report. Argus and its content providers shall accept no liability for any loss arising from the use of this report, nor shall Argus treat all recipients of this report as customers simply by virtue of their receipt of this material. Investments involve risk and an investor may incur either profits or losses. Past performance should not be taken as an indication or guarantee of future performance. Argus has provided independent research since 1934. Argus officers, employees, agents and/or affiliates may have positions in stocks discussed in this report. No Argus officers, employees, agents and/or affiliates may serve as officers or directors of covered companies, or may own more than one percent of a covered company's stock. AIC is a customer of ARC. AIC pays ARC for research used in the management of the AIC core equity strategy and model portfolio and unit investment trust products, and has the same access to ARC content as other customers. However, clients and prospective clients should note that AIC and ARC, as units of The Argus Research Group, have certain employees in common, including those with both research and portfolio management responsibilities, and that ARC employees participate in the management and marketing of the AIC core equity strategy and UIT and model portfolio products. Recipients of the Research reports in Singapore should contact the Intermediary of the Research Reports in respect to any matters arising from, or in connection with, the analysis of the report. When reports are distributed by Intermediaries in Singapore, the Intermediary, and not Argus Research, is solely responsible for ensuring that the recipients of the Research Reports are accredited, expert or institutional investors as defined by the Securities and Futures Act. The Intermediary is also solely responsible for ensuring that the recipients understand the information contained in the Research Reports and that such information is suitable based on the recipient's profile and investment objectives. Laws and regulations of other countries may also restrict the distribution of this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly. This content is not prepared subject to Canadian disclosure requirements.