

ServiceNow provides cloud-based software-as-a-service management applications to automate and track workflows across the enterprise, including IT, human resources, facilities, and field service, among others. The company markets to enterprises in industries ranging from financial services and consumer products to healthcare and technology. About 97% of revenue comes from subscription software sales, with the remainder from professional services. About 30% of the company's revenue is generated outside of the U.S. ServiceNow went public on June 29, 2012, at \$18 per share. In June 2023, ServiceNow became part of the Fortune 500. The company has been a component of the S&P 500 since November 2019.

Analyst's Notes

Analysis by Joseph Bonner, CFA, April 28, 2025

ARGUS RATING: **BUY**

- Strong 1Q in uncertain environment
- ServiceNow provides scalable IT services management to enterprises using a subscription-based, software-as-a-service model.
- The company reported 19% non-GAAP EPS growth on 18.5% revenue growth in 1Q25.
- ServiceNow actually modestly raised guidance in an extraordinarily uncertain business environment.
- We are raising our 2025 non-GAAP EPS estimate to \$16.56 from \$16.37 and a 2026 forecast to \$19.22 from \$19.13.

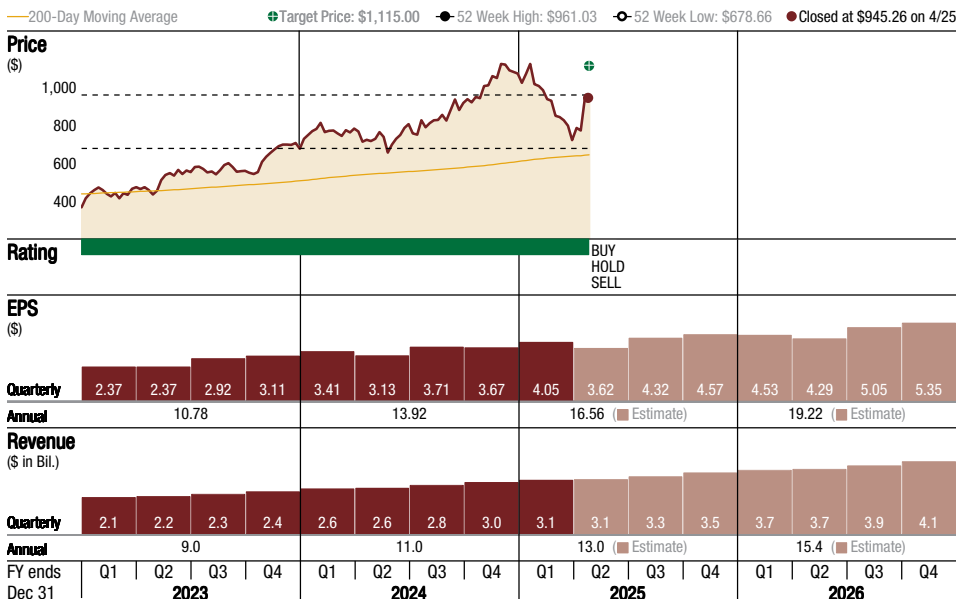
INVESTMENT THESIS

We are maintaining our BUY rating on ServiceNow Inc. (NYSE: NOW) to a 12-month target price of \$1,115. ServiceNow sees a unique opportunity in leveraging its core strength in IT operations applications through new generative AI tools. The company has leapt into the next wave of GenAI innovation with its Agentic AI services. NOW sees GenAI as an accelerator for its business, increasing its total available market and boosting average selling prices.

ServiceNow's software makes its customers' businesses more efficient, productive, and resilient - a real value proposition in uncertain times. Management believes that the positive long-term tailwinds from enterprise digital and cloud transformation are more powerful than any near-term economic uncertainty. The company is executing on a rapid R&D cycle as it continues to invest in product extensions into adjacent areas, most importantly, its focus on generative AI. It is also designing products for specific industry verticals and expanding internationally and into the public sector.

ServiceNow provides scalable IT services management to enterprises using a subscription-based, software-as-a-service model. The company provides value to customers by making their IT services more manageable and productive - thus lowering the total cost

Market Data Pricing reflects previous trading week's closing price.



Please see important information about this report on page 6

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, 26% 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	\$945.26
Target Price	\$1.12 Thousand
52 Week Price Range	\$637.99 to \$1.20 Thousand
Shares Outstanding	207.00 Million
Dividend	--

Sector Overview

Sector	Information Technology
Sector Rating	OVER WEIGHT
Total % of S&P 500 Market Cap.	29.60%

Financial Strength

Financial Strength Rating	MEDIUM-HIGH
Debt/Capital Ratio	19.2%
Return on Equity	33.4%
Net Margin	13.4%
Payout Ratio	--
Current Ratio	1.10
Revenue	\$11.47 Billion
After-Tax Income	\$1.54 Billion

Valuation

Current FY P/E	57.08
Prior FY P/E	67.91
Price/Sales	17.06
Price/Book	19.29
Book Value/Share	\$48.99
Market Capitalization	\$195.67 Billion

Forecasted Growth

1 Year EPS Growth Forecast	18.97%
5 Year EPS Growth Forecast	21.00%
1 Year Dividend Growth Forecast	N/A

Risk

Beta	1.26
Institutional Ownership	88.36%

Analyst's Notes ...Continued

of ownership. As business processes become more data-application-centric, data workflow management - ServiceNow's specialty - becomes even more critical to its enterprise customers. The company uses a land-and-expand model to sign new customers and upsell the installed base, increasing its share of client IT spending.

Management sees opportunities in the currently unsettled business environment and we think the company's technology underpinnings and go-to-market strategy continue to look solid.

RECENT DEVELOPMENTS

ServiceNow reported 1Q25 results on April 23 after market close. Adjusted EPS topped the consensus estimate by \$0.21. Revenue was \$6 million above the consensus estimate and \$8 million above the high end of guidance range.

Management modestly raised its 2025 subscription revenue guidance by \$5 million at the midpoint, with the new guidance reflecting 19% growth. Management noted that though a weaker U.S. dollar provides a tailwind to revenue growth and demand remains strong, it has conservatively only applied part of these benefits to its full-year subscription revenue guidance.

First-quarter revenue rose 18.5% to \$3.1 billion year over year, slowing from 24% growth in 1Q24. Subscription revenue rose 19%. Subscription revenue is 97% of total revenue. ServiceNow closed 72 deals with a net new annual contract value (ACV) of more than \$1 million in 1Q25, well up from 59 in 1Q24. At the

end of the quarter, the company had 508 customers with an ACV of more than \$5 million, up 19.5% year over year. Management attributes the momentum in this high value enterprise focused category to the increasing strategic importance of the NOW platform to customers. The current remaining performance obligation, a measure of revenue momentum over the next year, rose 22% to \$10.3 billion, accelerating a notch from 1Q24 and three points better than 19% in 4Q24. Non-GAAP income from operations rose 20% from the prior year to \$953 million. The non-GAAP operating margin expanded 50 basis points from the prior year to 31%, exceeding management's guidance for the quarter by 90 basis points.

Non-GAAP diluted EPS rose 19% from the prior year to \$4.05, while GAAP diluted EPS rose to \$2.20 from \$1.67 in 1Q24. Stock-based compensation rose 11% in 1Q25, level with 1Q24.

On March 10, ServiceNow announced its agreement to acquire Moveworks for \$2.85 billion in a combination cash and stock deal. Moveworks may still be considered a tuck-in for the \$196 billion market cap ServiceNow but a rather large one at that. Moveworks provides an agentic AI assistant that can connect enterprise systems, simplifying employee access to information, automating tasks, and providing support. ServiceNow expects to combine Moveworks with its own agentic AI platform, using Moveworks as a front-end AI assistant for more perceptive AI-based enterprise search to accelerate enterprise AI adoption and innovation across key work processes including human resources (HR), customer

Growth & Valuation Analysis

GROWTH ANALYSIS

(\$ in Millions, except per share data)

	2020	2021	2022	2023	2024
Revenue	4,519	5,896	7,245	8,971	10,984
COGS	987	1,353	1,573	1,921	2,287
Gross Profit	3,532	4,543	5,672	7,050	8,697
SG&A	2,309	2,889	3,549	4,164	4,790
R&D	1,024	1,397	1,768	2,124	2,543
Operating Income	199	257	355	762	1,364
Interest Expense	-6	-20	-82	-278	-396
Pretax Income	150	249	399	1,008	1,738
Income Taxes	31	19	74	-723	313
Tax Rate (%)	21	8	19	—	18
Net Income	119	230	325	1,731	1,425
Diluted Shares Outstanding	202	203	204	206	208
EPS	0.59	1.13	1.60	8.42	6.84
Dividend	—	—	—	—	—

GROWTH RATES (%)

Revenue	30.6	30.5	22.9	23.8	22.4
Operating Income	373.8	29.1	38.1	114.6	79.0
Net Income	-81.0	93.3	41.3	432.6	-17.7
EPS	-81.4	91.5	41.6	426.3	-18.8
Dividend	—	—	—	—	—
Sustainable Growth Rate	34.2	7.1	5.0	27.1	16.2

VALUATION ANALYSIS

Price: High	\$566.74	\$707.60	\$651.41	\$720.68	\$1,157.90
Price: Low	\$238.93	\$448.27	\$337.00	\$353.62	\$637.99
Price/Sales: High-Low	25.4 - 10.7	24.4 - 15.4	18.3 - 9.5	16.5 - 8.1	22.0 - 12.1
P/E: High-Low	960.6 - 405.0	626.2 - 396.7	407.1 - 210.6	85.6 - 42.0	169.3 - 93.3
Price/Cash Flow: High-Low	75.1 - 31.7	70.5 - 44.6	55.2 - 28.5	50.0 - 24.5	56.8 - 31.3

Financial & Risk Analysis

FINANCIAL STRENGTH

	2022	2023	2024
Cash (\$ in Millions)	1,470	1,897	2,304
Working Capital (\$ in Millions)	649	412	829
Current Ratio	1.11	1.06	1.10
LT Debt/Equity Ratio (%)	42.4	28.8	22.6
Total Debt/Equity Ratio (%)	44.4	29.9	23.7

RATIOS (%)

Gross Profit Margin	78.3	78.6	79.2
Operating Margin	4.9	8.5	12.4
Net Margin	4.5	19.3	13.0
Return On Assets	2.7	11.3	7.5
Return On Equity	7.4	27.3	16.5

RISK ANALYSIS

Cash Cycle (days)	—	—	—
Cash Flow/Cap Ex	5.0	4.9	4.8
Oper. Income/Int. Exp. (ratio)	15.8	43.0	76.6
Payout Ratio			

The data contained on this page of this report has been provided by Morningstar, Inc. (© 2025 Morningstar, Inc. All Rights Reserved). This data (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. This data is set forth herein for historical reference only and is not necessarily used in Argus' analysis of the stock set forth on this page of this report or any other stock or other security. All earnings figures are in GAAP.

Analyst's Notes ...Continued

relationship management (CRM), finance and IT. ServiceNow had already been integrated with Moveworks and the companies had 250 mutual customers. ServiceNow expects to complete the acquisition in 2H25 subject to regulatory approval.

On April 3, ServiceNow announced its agreement to acquire Logik.ai for an undisclosed amount of cash and stock. Logik.ai is an AI-powered composable configure, price, quote CRM solution designed to accelerate deal closure. Both the Moveworks and Logik.ai acquisitions illustrate the seriousness of ServiceNow's commitment to move into CRM as another product extension of its core IT operations management enterprise software and the centrality of new GenAI solutions to its product roadmap.

On January 17, ServiceNow announced the acquisition of Cuein for an undisclosed amount. Cuein provides AI native conversation analysis and insights, interpreting conversations between humans and AI agents in context, enabling AI agents to act intelligently across systems to drive productivity.

In March, ServiceNow launched its Now Platform product refresh with its Washington, DC release. As might be expected, the new release is all about new GenAI capabilities, including Now Assist GenAI, Now Assist for ITOM AIOps, and Workflow Studio among others.

ServiceNow will hold a Financial Analyst Day on Monday, May 5.

EARNINGS & GROWTH ANALYSIS

We are raising our 2025 non-GAAP EPS estimate to \$16.56 from \$16.37 and our 2026 forecast to \$19.22 from \$19.13. Our estimates imply 18% EPS growth over the next two years. Our long-term earnings growth rate forecast is 21%.

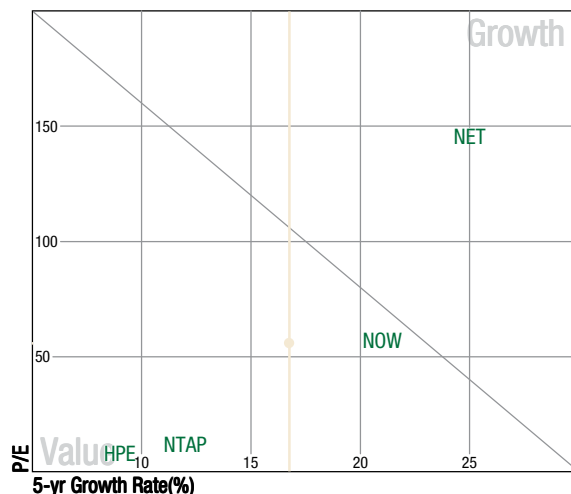
Management addressed the current business environment up front in its 1Q25 call. Changes in tariffs may provide a new business opportunity for the company as its AI agents help clients reconfigure supply chains. Despite U.S. federal budget cutting, the company also sees opportunities in the public sector business space with ServiceNow's government transformation suite providing ways to boost operational efficiency and digital governance. The company's public sector segment net new annual contract value (ACV) rose 30% in 1Q25 year over year including with one new logo in U.S. federal.

ServiceNow's core product is IT operations and service management software. CEO Bill McDermott identifies the company's strategic opportunities as enabling its customers to control costs and boost productivity by using ServiceNow's business process automation tools while also transforming their business models. ServiceNow can leverage its platform of solutions through cross-selling its expanding product portfolio including new and emerging applications while offering customers a more complete solution. As the platform expands, ServiceNow enables enterprise-wide adoption of its tools as the fragmented enterprise software market consolidates; essentially expanding its share of customer technology spend from around 5% currently. The

Peer & Industry Analysis

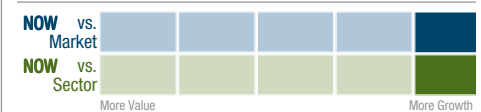
The graphics in this section are designed to allow investors to compare NOW versus its industry peers, the broader sector, and the market as a whole, as defined by the Argus Universe of Coverage.

- The scatterplot shows how NOW 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 NOW might fit into or modify a diversified portfolio.

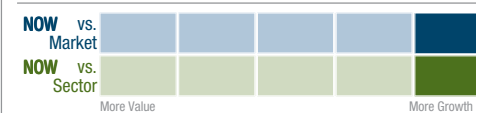


Ticker	Company	Market Cap (\$ in Millions)	5-yr Growth Rate (%)	Current FY P/E	Net Margin (%)	1-yr EPS Growth (%)	Argus Rating
NOW	ServiceNow Inc	195,669	21.0	57.1	13.4	16.1	BUY
NET	Cloudflare Inc	37,549	25.0	145.8	-4.7	16.9	BUY
HPE	Hewlett Packard Enterprise Co	21,333	9.0	8.3	9.0	9.7	BUY
NTAP	NetApp Inc	17,992	12.0	12.2	17.5	10.1	BUY
Peer Average		68,135	16.8	55.8	8.8	13.2	

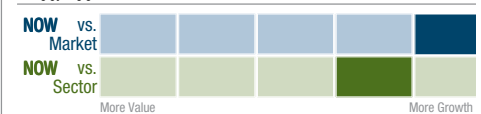
P/E



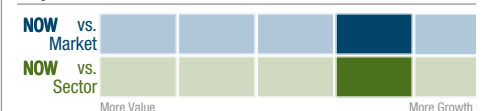
Price/Sales



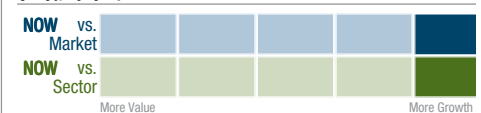
Price/Book



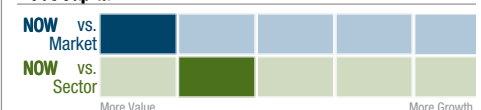
PEG



5 Year Growth



Debt/Capital



Analyst's Notes ...Continued

company has moved from one-size-fits-all software to tailoring industry-specific solutions for key sectors including telco/media/technology, manufacturing, public agency, and healthcare/life sciences. ServiceNow is also expanding its offerings from traditional IT and personnel management workflows into finance and enterprise resource planning workflows, customer relationship management and creator workflows. Management sees a total available market of \$275 billion for its solutions in 2026.

ServiceNow is highly invested the emerging 'Agentic AI' next wave of generative AI innovation. ServiceNow's strategy has been to leave the cost to developing frontier GenAI models to others and instead focuses on the business application layer, already the company's core strength. We think the move of large language models toward commoditization and the dropping cost of GenAI inference validates the company's strategy. The company's Pro Plus subscription tier provides access to the company's integrated agents with Assist with Agentic though it has developed a hybrid go-to-market strategy that also provides a consumption component as customers increase their usage of agents. The purpose of the consumption piece is to provide ease of adoption and scaling of agentic AI while also continuing to provide the base level subscription. In January, the company also introduced a new AI agent orchestration application that analyzes, manages, and governs, agentic AI across the enterprise. We also note that ServiceNow continues to integrate and connect with other platforms not least including the hyperscalers but also including data and GenAI leaders Oracle, Databricks and Snowflake.

Mr. McDermott has noted four key drivers that uniquely differentiate ServiceNow's successful growth in the tough enterprise technology macro environment. The first is elite execution. We take this to mean execution on product innovation--what we consider the foundation of the company's business model and on go-to-market. Mr. McDermott sees ServiceNow growing from a mere transactional vendor to becoming an important strategic partner in enterprise business transformation for its customers. The third driver is the company's AI platform, also aimed at business process transformation and automation. Finally, Mr. McDermott has identified the company's growing brand awareness and expanding addressable market which we again see driven by product innovation and extension, most importantly in AI applications.

ServiceNow's go-to-market strategy is based both on quota-carrying sales representatives and a large and expanding ecosystem of partners including the three large cloud providers, AWS, Microsoft, and Google Cloud, AI chip maker NVIDIA, and large systems integrators Deloitte, KPMG, Accenture among others. ServiceNow has a particularly close partnership with Microsoft as it connects its platform to Azure OpenAI. Management expects to see a 25% increase in average selling prices as new generative AI-based tools drive higher-priced solutions. While the company offers service tiers for any size of customer down to the individual creator, management's focus is on expanding its highest-tier marquee and enterprise-tier customer bases, signing larger deals for multiple products at a time. The existing customer base accounts for 85% of net new annual contract value sales and the company's renewal rate remains around 98%.

ServiceNow's target market is large enterprises, which management defines as having more than \$100 million in revenue and 1,000 or more employees. IT Service Management, arguably

the company's most mature product, has less than 30% penetration of its target market, giving the company plenty of room to grow. Aside from AI, the growth vector du jour for every Tech company, ServiceNow is also focused on expanding its global public sector business, primarily in five of the top six economies, i.e. the U.S., Japan, Germany, India, and the U.K., excluding China where it does not do business. The company is pursuing deals globally at all three levels of government - federal, state and local.

ServiceNow is partnering with NVIDIA to develop enterprise-grade generative AI tools, aimed at transforming business processes with 'intelligent workflow automation' to increase capabilities and productivity across the enterprise. It is also working to help NVIDIA streamline its own operations. ServiceNow has a strategic partnership with Cognizant including end-to-end observability solutions for cloud applications across industries and marketing of integrated AI-powered process automation. The partners are projecting a \$1 billion combined business. In January 2024, ServiceNow expanded its strategic relationship with EY to provide solutions for generative AI compliance, governance and risk management. Also in January, 2024, ServiceNow entered into a five-year strategic alliance with Visa that includes using AI to improve payment services.

On November 29, 2023, ServiceNow announced a new five-year strategic collaboration with Amazon Web Services. The ServiceNow Platform of workflow solutions began being offered as software-as-a-service (SaaS) on the AWS Marketplace in January. The partners are also co-developing integrated industry-customized services that are native to AWS. These initial services will be aimed at solutions for AI call centers, cloud transformation, and manufacturing supply chain. A strategic partnership with AWS as the largest hyperscale cloud provider is likely positive for ServiceNow.

In October 2024, ServiceNow launched Workflow Data Fabric, an enhanced data integration solution that unifies business and technology data across the enterprise, intended to power all workflows and AI agents with 'real-time, secure access to data from any source.' ServiceNow has entered into partnerships with data harmonization specialists Databricks and Snowflake. Also, systems integrator Cognizant is the first channel marketing partner on Workflow Data Fabric.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength assessment for ServiceNow is Medium-High. ServiceNow had cash and short-term investments of \$6.6 billion at the end of 2024. Total debt at the end of the quarter was \$1.5 billion, all of it long-term. S&P gives ServiceNow's debt A rating with a stable outlook. Trailing 12-month free cash flow was \$3.7 billion in 2024, up 15% or about \$600 million from 1Q24.

ServiceNow repurchases shares to manage dilution from employee share awards. The company has bought back 316,000 for \$298 million in 1Q25 a repurchasing 1.1 million shares for \$696 million in 2024. It repurchased 900,000 shares for \$538 million in all of 2023. Share count rose by 0.5% or about 1 million shares in the last year as awards outpaced the buybacks. ServiceNow does not pay a dividend, and we do not expect it to implement one.

MANAGEMENT & RISKS

While we would expect ServiceNow's revenue growth to be

Analyst's Notes ...Continued

highly correlated with the ups and downs of technology spending, one stabilizing factor is that the company's technology is squarely aimed at making clients' own IT systems more efficient and lowering the total cost of ownership, a value proposition that has even greater salience in volatile spending environments. The company's resilience in the face of industrywide hesitancy about enterprise technology sales has indeed been remarkable, though it continues to face risks from a possible macroeconomic-induced industry slowdown.

ServiceNow is subject to the usual risks of a high-growth tech company. It must effectively manage the transition from its current high growth to a period of slower growth and higher margins, while also building out its product portfolio and field sales force. The company will likely continue to invest heavily in R&D and in scaling its marketing efforts, which may not produce the desired or expected returns. In addition, as a cloud data management service, ServiceNow transmits and stores large amounts of customer data; it thus runs the risk of a data breach due to its own errors or negligence, or those of third parties. It must also ensure the reliability of its service platform. ServiceNow relies on various third-party partners, such as systems integrators, to help implement its solutions. If these third parties fail to implement properly or turn to other vendors, NOW's sales could be materially impacted. ServiceNow already has a six- to nine-month sales cycle, and economic disruption or concerns over technology spending could lengthen this and hit the company's results.

ServiceNow's high valuation as a technology startup could also lead to a sharp selloff in the stock if the company reports inconsistent results or fails to meet investor expectations.

ServiceNow operates in an industry with considerable patent and intellectual property development, and faces a range of IP-related risks. In particular, adverse rulings in patent infringement cases could force the company to design patent workarounds, abandon certain technologies or pay exorbitant license fees. These additional technical and legal costs could have a substantial negative effect on the company's results. For example, ServiceNow settled a suit by Hewlett-Packard for patent infringement with a payment of \$270 million to HP in 2016.

Bill McDermott was appointed CEO in October 2019. He has a proven record of growth as a big-tech CEO at SAP, and we think he is capable of taking a younger company like ServiceNow to the next level. Gina Mastantuono was hired as CFO in January 2020.

COMPANY DESCRIPTION

ServiceNow provides cloud-based software-as-a-service management applications to automate and track workflows across the enterprise, including IT, human resources, facilities, and field service, among others. The company markets to enterprises in industries ranging from financial services and consumer products to healthcare and technology. About 97% of revenue comes from subscription software sales, with the remainder from professional services. About 30% of the company's revenue is generated outside of the U.S. ServiceNow went public on June 29, 2012, at \$18 per share. In June 2023, ServiceNow became part of the Fortune 500. The company has been a component of the S&P 500 since November 2019.

VALUATION

Our valuation methodology is multistage, including peer analysis, a multiple-analysis matrix applied to our proprietary

forecasts, and discounted cash flow modeling. NOW shares have traded between \$638 and \$1,199 over the last year and are currently above the midpoint of that range. The shares have risen 32% in the last year, compared to a 9% advance for the S&P 500, and a 3% gain for the S&P 500 Systems and Software Sub Industry GICS Level 4 according to Bloomberg. The trailing EV/sales multiple of 16.7 is below the midpoint of the five-year historical average range (15.2-19.8). On a forward basis, ServiceNow's EV/EBITDA multiple of 40 is 90% above the peer average of 21 and its historical average premium of 81%. We are maintaining our BUY rating on NOW to a 12-month target price of \$1,115.

On April 28 at midday, BUY-rated NOW traded at \$935.99, down \$9.27.

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 makes no representation as to their timeliness, accuracy or completeness or for their fitness for any particular purpose. In addition, this content is not prepared subject to Canadian disclosure requirements. 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 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 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. Argus Investors' Counsel (AIC), a portfolio management business based in Stamford, Connecticut, is a customer of Argus Research Co. (ARC), based in New York. Argus Investors' Counsel pays Argus Research Co. for research used in the management of the AIC core equity strategy and model portfolio and UIT products, and has the same access to Argus Research Co. reports as other customers. However, clients and prospective clients should note that Argus Investors' Counsel and Argus Research Co., as units of The Argus Research Group, have certain employees in common, including those with both research and portfolio management responsibilities, and that Argus Research Co. employees participate in the management and marketing of the AIC core equity strategy and UIT and model portfolio products.

Morningstar Disclaimer

© 2025 Morningstar, Inc. All Rights Reserved. Certain financial information included in this report: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

For Residents of Singapore

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. Where the recipient is not an accredited, expert or institutional investor as defined by the Securities and Futures Act, the Intermediary accepts legal responsibility for the contents of Research Reports in respect of such recipient in accordance with applicable law. 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 understand the information contained in the Research Reports and that such information is suitable based on the customer's profile and investment objectives.