

Based in San Jose, California, Adobe Inc. provides software for creative professionals, consumers and enterprises. Its products are organized into three segments. The flagship Digital Media segment, comprising over 70% of revenue, includes the Creative Cloud and Document Cloud business, with such applications as Acrobat, Photoshop and Flash Player. The Digital Experience segment includes the legacy Omniture web analytics businesses. The third segment is the small Publishing and Advertising segment. The company acquired Omniture in October 2009. Adobe derives about 46% of its revenue from markets outside the U.S.

Analyst's Notes

Analysis by Joseph Bonner, CFA, March 21, 2025

ARGUS RATING: **BUY**

- Holds Investor Day
- At its Investor Day, Adobe both reinforced the continuity of its growth through product led innovation and pivoted toward a new strategy focus on serving specific user groups with combinations of products across its portfolio.
- Adobe reported 13% non-GAAP EPS growth on 10% revenue growth in fiscal 1Q25.
- Adobe continues to rapidly innovate, leveraging generative AI innovations across its product set with more to come.
- We are maintaining our FY25 non-GAAP EPS estimate at \$20.60 and lowering our FY26 forecast to \$23.28 from \$23.30.

INVESTMENT THESIS

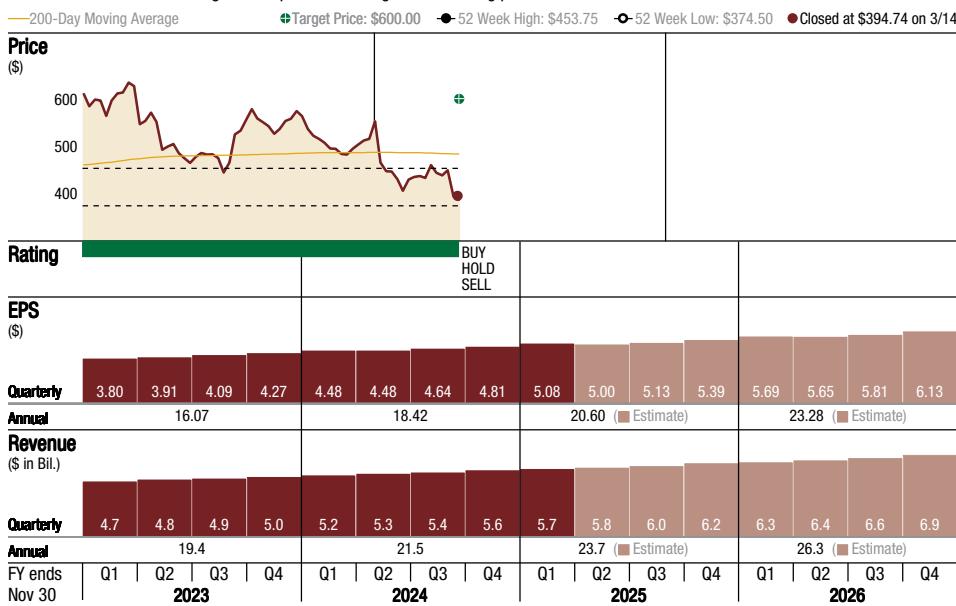
We are maintaining our BUY rating on Adobe Inc. (NGS: ADBE) to a target price of \$600.

We think that Adobe has positioned itself at the center of the exploding market for digital video content and advertising creation and management. The company has an admirable track record of innovation and a unique collection of software assets centered on its Creative Cloud tools, which enable enterprise, professional, and amateur users to create and manage digital content. With its Experience Cloud, Adobe has expanded from the initial analytics suite acquired through the Omniture merger into digital video advertising marketing and management, and e-commerce customer experience management. We think that Adobe will continue to ramp up investment in new product extensions, particularly around generative AI, as it pursues a rapidly expanding total addressable market.

The loss of the Figma deal was certainly a disappointment, though some investors breathed a sigh of relief given the steep purchase price. While the \$1 billion break-up fee

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, 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	\$387.26
Target Price	\$600.00
52 Week Price Range	\$374.50 to \$587.75
Shares Outstanding	434.90 Million
Dividend	\$0.00

Sector Overview

Sector	Information Technology
Sector Rating	OVER WEIGHT
Total % of S&P 500 Market Cap.	30.70%

Financial Strength

Financial Strength Rating	HIGH
Debt/Capital Ratio	30.0%
Return on Equity	68.5%
Net Margin	30.6%
Payout Ratio	—
Current Ratio	1.07
Revenue	\$22.04 Billion
After-Tax Income	\$6.75 Billion

Valuation

Current FY P/E	18.80
Prior FY P/E	21.02
Price/Sales	7.64
Price/Book	12.87
Book Value/Share	\$30.08
Market Capitalization	\$168.42 Billion

Forecasted Growth

1 Year EPS Growth Forecast	11.83%
5 Year EPS Growth Forecast	13.00%

1 Year Dividend Growth Forecast

N/A

Risk

Beta	1.22
Institutional Ownership	80.54%

Analyst's Notes ...Continued

stung, Adobe has directed its quite considerable resources to organic R&D and robust shareholder friendly accelerated share repurchases. Although Adobe and Figma are not direct competitors at the moment, we are watchful as to how the market develops.

We view Adobe's consistently strong revenue growth, high margins, and earnings momentum as strong positives, and note that management has typically under promised and overdelivered.

RECENT DEVELOPMENTS

Adobe reported fiscal 1Q25 results (for the period ended February 28) on March 12 after the market close. Revenue beat the high end of management's guidance range by \$34 million and the consensus forecast by \$53 million, while non-GAAP EPS topped the high end of the guidance range by \$0.08 and the consensus estimate by \$0.11. ADBE shares are down 11% since 1Q results.

First-quarter revenue rose 10% year over year to \$5.71 billion, slowing a point from 11% in 1Q24. Digital Media revenue rose 11% to \$4.23 billion, slowing about 1.5 percentage points from 1Q24. In 1Q25, Total Digital Media annual recurring revenue (ARR), a key performance indicator, rose 12% from the prior year to \$17.6 billion, down from 15% in 4Q24. Digital Media continues to comprise the lion's share of total revenue at 74%. The Digital Experience segment saw 9.4% revenue growth to \$1.41 billion, steady growth year over year.

Non-GAAP operating income rose 10% from the prior year to \$2.7 billion, decelerating from 16% growth in 1Q24. The

non-GAAP operating margin was about level at 47.5%. Headcount rose by 2% in 1Q25, below the 3% pace of recent quarters. While Adobe has not announced massive layoffs (in contrast with many Tech industry peers), it has drastically slowed the pace of new hiring and headcount. Non-GAAP EPS rose 13% from the prior year to \$5.08. Share repurchases over the last year boosted non-GAAP EPS growth by four percentage points relative to growth in net income. GAAP EPS increased to \$4.14 from \$1.36 in fiscal 1Q24. 1Q24 GAAP results included the impact from a \$1 billion acquisition termination fee. Stock based compensation and amortization of intangibles expenses accounted for almost all of the rest of difference between GAAP and non-GAAP results.

Adobe has changed the reporting of some of its key performance indicators with 1Q25 results. It has stopped reporting revenue for its Creative and Document Clouds as well as Creative ARR. Instead, it has begun reporting subscription revenue for 'Business Professionals and Consumers' and 'Creative and Marketing Professionals' as well as the total subscription revenue. Subscription revenue comprises 95% of total revenue and includes revenue for software-as-a-service (SaaS), managed services, and term offerings. The Business Professionals and Consumers Group includes subscription revenue from Document Cloud, Acrobat in Creative Cloud, Adobe Express in Creative Cloud, all included within Digital Media. The Creative and Marketing Professionals Group includes subscription revenue from the Digital Experience Cloud as well as any remaining Creative Cloud revenue.

Growth & Valuation Analysis**GROWTH ANALYSIS**

(\$ in Millions, except per share data)	2020	2021	2022	2023	2024
Revenue	12,868	15,785	17,606	19,409	21,505
COGS	1,722	1,865	2,165	2,354	2,358
Gross Profit	11,146	13,920	15,441	17,055	19,147
SG&A	4,559	5,406	6,187	6,764	7,293
R&D	2,188	2,540	2,987	3,473	3,944
Operating Income	4,237	5,802	6,098	6,650	7,741
Interest Expense	73	96	51	-156	-172
Pretax Income	4,176	5,705	6,008	6,799	6,931
Income Taxes	-1,084	883	1,252	1,371	1,371
Tax Rate (%)	—	15	21	20	20
Net Income	5,260	4,822	4,756	5,428	5,560
Diluted Shares Outstanding	485	481	471	459	450
EPS	10.83	10.02	10.10	11.82	12.36
Dividend					

GROWTH RATES (%)

Revenue	15.2	22.7	11.5	10.2	10.8
Operating Income	29.7	36.9	5.1	9.1	16.4
Net Income	78.2	-8.3	-1.4	14.1	2.4
EPS	80.5	-7.5	0.8	17.0	4.6
Dividend	—	—	—	—	—
Sustainable Growth Rate	44.2	34.4	33.0	35.5	36.3

VALUATION ANALYSIS

Price: High	\$536.88	\$699.54	\$575.00	\$633.89	\$638.25
Price: Low	\$255.13	\$420.78	\$274.73	\$318.60	\$432.47
Price/Sales: High-Low	20.2 - 9.6	21.3 - 12.8	15.4 - 7.3	15.0 - 7.5	13.3 - 9.0
P/E: High-Low	49.6 - 23.6	69.8 - 42.0	56.9 - 27.2	53.6 - 27.0	51.6 - 35.0
Price/Cash Flow: High-Low	45.5 - 21.6	46.6 - 28.0	34.6 - 16.5	39.8 - 20.0	35.7 - 24.2

Financial & Risk Analysis

FINANCIAL STRENGTH	2022	2023	2024
Cash (\$ in Millions)	4,236	7,141	7,613
Working Capital (\$ in Millions)	868	2,833	711
Current Ratio	1.11	1.34	1.07
LT Debt/Equity Ratio (%)	28.8	24.3	31.8
Total Debt/Equity Ratio (%)	33.0	24.7	42.9

RATIOS (%)	2022	2023	2024
Gross Profit Margin	87.7	87.9	89.0
Operating Margin	34.6	34.3	36.0
Net Margin	27.0	28.0	25.9
Return On Assets	17.5	19.1	18.5
Return On Equity	33.0	35.5	36.3

RISK ANALYSIS

Cash Cycle (days)	—	—	—
Cash Flow/Cap Ex	17.7	20.3	44.0
Oper. Income/Int. Exp. (ratio)	54.6	61.2	42.0
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

Management's rationale for the change is that Adobe's future success will be driven by providing SaaS services to the two new customer groups and that the new metrics will provide clearer insight into Adobe's execution against this strategy. While we think the change in key performance indicators is an accurate reflection of the company's go-to-market strategy pivot, we also have to cynically note that in our experience, companies often abandon performance metrics when those metrics begin to turn south.

Creative and Marketing Professionals Group revenue rose 10% in 1Q25 year over year and Business Professionals and Consumer Group revenue rose 14% in 1Q25. Creative and Marketing Professionals comprised 72% of total subscription revenue with the remainder attributable to Business Professionals and Consumers.

EARNINGS & GROWTH ANALYSIS

We are maintaining our FY25 non-GAAP EPS estimate at \$20.60 and lowering our FY26 forecast to \$23.28 from \$23.30. Our FY25 estimate is \$0.10 above the upper end of management's guidance range of \$20.20-\$20.50. At its recent investor meeting, management reiterated its commitments to double revenue growth and at growing non-GAAP EPS at a higher rate than revenue. Our estimates imply an average of 12% EPS growth over the next two years, just below our 13% long-term earnings growth rate forecast.

On March 18, in conjunction with its Adobe Summit user conference, the company held an investor meeting where management reinforced points it has made previously and fleshed

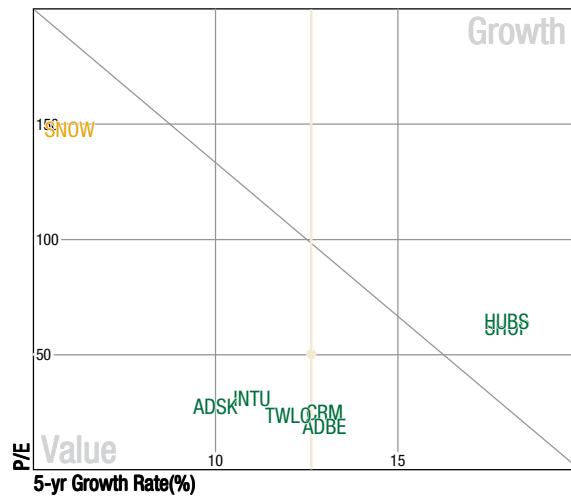
out its pivot toward putting the new user group designations at the center of its business case strategy. Management made clear that while cross-sell/up-sell through the One Adobe go-to-market strategy and pricing its array of products properly to capture the value of increased user-functionality-often AI driven-remain priorities, subscriber growth remains the primary revenue driver for the company. What underlies these revenue drivers are product led innovation, again often AI driven and marketing to its user groups from consumers to enterprises at scale through digital, its internal salesforce, and global ecosystem of resellers and systems integrators.

The new official user groups are 'Business Professionals and Consumers' and 'Creative and Marketing Professionals.' However, Creative and Marketing Professionals is further bifurcated into actual media creators which the company views as its core user base and the marketing professionals who take that content to market through digital advertising and other emerging avenues. The products aimed at Business Professionals and Consumers are Adobe Acrobat and the Express application. These products provide a simple interface based on a freemium model, i.e. a free base use case with premium features requiring a paid subscription. The Creative Cloud app and Firefly GenAI app are aimed at content creators while the company's Experience Cloud remains aimed at marketing professionals. Management expects GenAI to be both available in stand-alone apps like Firefly while also infused throughout its portfolio of products. Management cited

Peer & Industry Analysis

The graphics in this section are designed to allow investors to compare ADBE 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 ADBE 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 ADBE might fit into or modify a diversified portfolio.



Analyst's Notes ...Continued

AI-influenced annual recurring revenue (ARR) of \$3.5 billion at the end of FY24. By our math, that was 20% of total Digital Media ARR. Further, management noted that its standalone new 'AI-first products,' Acrobat AI Assistant, Firefly App, Firefly Services, and GenStudio for Performance Marketing generated ending 1Q25 ARR of \$125 million. Management forecasts this amount will double by the end of FY25.

Adobe seeks to be the leader in three of the most rapidly expanding areas of the digital economy: digital creativity, documents, and customer experience management. Adobe's Creative Cloud, with its software tools for creating all types of web content, is the company's flagship product and primary revenue stream. Digital documents rely on the venerable Adobe Acrobat pdf format, the de facto standard for digital documents, but also on innovations such as Adobe Sign, a cloud-based e-signature service, and Acrobat Liquid Mode, which uses artificial intelligence to improve document formats for mobile applications. Adobe Experience Cloud helps advertisers to manage and measure the effectiveness of digital advertising campaigns. Adobe expects its three industry categories to continue their rapid growth through 'product-led growth' as the digitization of commerce accelerates. Adobe's new GenStudio and Workfront applications look to knit all of its platforms together to enable customers to rapidly plan, create, store, deliver, and measure marketing content and drive greater spend efficiency.

Adobe management expects its total addressable market to grow at a compound average rate of 12.6% through 2027 to a TAM of \$293 billion, consisting of \$91 billion related to Creative Cloud, \$47 billion to Document Cloud, and \$155 billion to Experience Cloud.

Like many Tech companies and perhaps even more than many, Adobe went early into harnessing generative AI innovations throughout its product portfolio and is looking to Gen AI to become a critical growth factor going forward. Adobe announced the commercial availability of its Firefly generative AI models in September 2023, natively integrated across a number of its products including Creative Cloud, Experience Cloud, Adobe Express, Photoshop, and Illustrator. 2024 brought a number of new Firefly models. The company also introduced AI powered Adobe GenStudio for Enterprises and a new Firefly standalone web application. Adobe is continuing to release Firefly foundational models in areas including imaging, vector, video, design, and 3D, all areas where the company has rich data sets. A Firefly video commercial product became generally available in February. As opposed to other Gen AI models that have scraped the web for content and training, Adobe chose a differentiated approach limiting Firefly to its own proprietary data thereby solidifying its critical relationships to content creators. Adobe expects to enable customers to create their own customized models using proprietary assets to generate branded content and offers Firefly API's (application programming interfaces) so that customers can embed Firefly into their own content creation and AI automated workflows. Management is looking to monetize Gen AI in three ways, including new user growth, increased product value and engagement, and a combination of higher priced tiers, consumption and output-based pricing on new AI-powered products and services.

In its core Creative Cloud business, Adobe is looking to create new and expand existing product categories, while also growing its

user base. Creative Cloud will deliver high-powered tools for creative professionals and 'lighter-touch,' template-driven platforms for a large base of less sophisticated creators. Management expects to drive the adoption and upselling of Adobe's flagship applications across desktop, web, and mobile, while also scaling emerging tools including Stock, Frame.io, and Substance 3D. New generative AI tools for applications including Firefly, GenStudio, Photoshop, Illustrator, and Express are increasing both value and ease of use as the company looks to monetize the new value add and extend its products from its professional user base to more casual users.

The Experience Cloud provides a comprehensive portfolio of tools for content production, real-time data, and management of the customer sales journey in order to provide a customized experience. Experience Cloud will rely on Gen AI in simplifying content production, fueling efficiency gains, and higher ROI for advertisers among other innovations. The acquisitions of Marketo and Magento Commerce should boost the reach of Experience Cloud in the mid-market enterprise segment. Adobe is looking to scale up Experience Cloud across its partner ecosystem and in different geographic regions and customer segments.

The company's adoption of a cloud SaaS model has enabled it to execute a faster product refresh cycle and rapidly introduce new and adjacent product offerings, raising the value of its products for existing customers. Indeed, management touts its 'innovation engine' as a primary long-term revenue growth driver. It has also increased the company's ability to attract and retain users through new offerings and enabled it to segment products to appeal to new classes of users. The Adobe Experience Platform brings together customer data from across the enterprise, creating real-time customer profiles to enable the activation and delivery of hyper-personalized customer experiences.

FINANCIAL STRENGTH

Our financial strength ranking for ADBE is High. S&P gives Adobe ratings in the low A's, comfortably within investment grade, and the outlook is stable. Adobe repurchased 7 million shares for \$3.25 billion in fiscal 1Q25, above its typical \$2.5 billion per quarter pace. At its recent investor meeting, management noted that it intends to be 'opportunistic' with its share repurchase, indicating that as it sees ADBE shares as undervalued, this should mean more aggressive share repurchases. CFO Dan Durn noted that he expects to complete the current 4-year share repurchase authorization in three years, a good an indication as any of share repurchase acceleration. As always, we caveat that share repurchases remain at management's discretion. Adobe's share repurchase program has resulted in a declining share count over the last few years. The share count has fallen about 4% or by 13 million shares in the last year. Adobe does not pay a dividend.

MANAGEMENT & RISKS

Adobe's technology software market is intensely competitive. The company must continually update older products and launch new products for which customer demand is uncertain. In addition, Apple's importance as a trendsetter in new markets like mobile data gives it an impact greater than its actual market share.

It is critical for Adobe to defend its intellectual property from other claimants and potential infringers. In addition, security is always a concern with software, and the company's reputation could be damaged by software-enabled security breaches.

Analyst's Notes ...Continued

Because Adobe 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 or projections fall short of expectations, investors could experience a significant and abrupt decline in market value. Other risks include unexpected pullbacks in software investment spending, adverse foreign exchange movements, and the impact of the macroeconomy on software spending.

On June 17, 2024, the U.S. Federal Trade Commission filed a civil complaint in federal court against Adobe and two of its executives alleging that Adobe hid the early termination fee for its most popular subscription plan, making it difficult for consumers to cancel their subscriptions. The hidden termination fee provided a disincentive to consumers who wanted to cancel their subscriptions. The FTC is asking the court for a permanent injunction to prevent further violations and monetary penalties for past violations. Adobe plans to fight the FTC's lawsuit. Whatever the outcome of the FTC litigation which has our usual caveats around the high degree of uncertainty and that it will likely drag on for years, Adobe's being branded as a deceptive, customer unfriendly company carries headline risk at a minimum.

Adobe named David Wadhwani as president of its Digital Media division on December 16, 2021. He was appointed EVP and chief business officer, Digital Media, on June 2, 2021. Digital Media contributes over 70% of company revenue, which makes the manager of this segment a key executive. Mr. Wadhwani returned to Adobe in June 2021 after a couple of years as a partner at Silicon Valley venture capital firm Greylock Partners. He also served as CEO of AppDynamics before it was acquired by Cisco for \$4 billion in 2017. Mr. Wadhwani originally joined Adobe in 2005 and was senior vice president and general manager of Adobe's Digital Media segment from 2010 to 2015; he thus has a good understanding of the business. While CEO Shantanu Narayan is only three years older than Mr. Wadhwani, Mr. Wadhwani should be a fit successor for Mr. Narayan should he decide to retire. Mr. Narayan has been CEO of Adobe since 2007, an extraordinarily long tenure for a tech executive. Only about 12% of large cap company CEOs remain in office for 15 or more years according to executive intelligence research firm Equilar.

Dan Durn became the company's CFO on October 18, 2021. Mr. Durn had been CFO of smaller tech firm Applied Materials since 2017.

COMPANY DESCRIPTION

Based in San Jose, California, Adobe Inc. provides software for creative professionals, consumers and enterprises. Its products are organized into three segments. The flagship Digital Media segment, comprising over 70% of revenue, includes the Creative Cloud and Document Cloud business, with such applications as Acrobat, Photoshop and Flash Player. The Digital Experience segment includes the legacy Omniture web analytics businesses. The third segment is the small Publishing and Advertising segment. The company acquired Omniture in October 2009. Adobe derives about 46% of its revenue from markets outside the U.S.

VALUATION

ADBE shares have fallen 26% in the last year (including an 11% decline since 1Q25 results) compared to a 9% capital gain for the S&P 500 and the S&P Information Technology index's 10% gain.

Adobe's forward enterprise value/EBITDA multiple of 14.5 is 31% below the peer average, compared to a two-year historical average discount of 13%. The lagging enterprise value/EBITDA multiple of 18.8 is well below the low end of the historical average range of 31-40. We are maintaining our BUY rating on ADBE to a target price of \$600.

On March 21, BUY-rated ADBE closed at 387.26, down \$2.35.

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.