

Investment Banking & Brokerage: Predictions for 2025

Key Takeaways

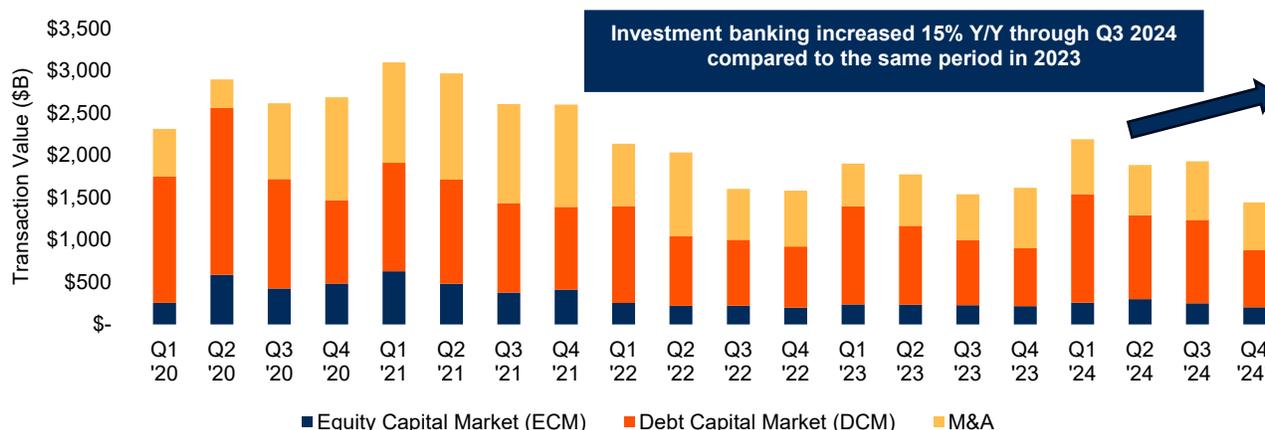
- We think the investment banking and brokerage sub-industry is set to outperform the broader market in 2025 given improving market conditions and a more favorable regulatory environment.
- The incoming Trump administration is likely to lay out new policies that favor less regulation, positively impacting investment banking, specifically M&A, equity capital markets (ECMs), and debt capital markets (DCMs).
- From our viewpoint, concerns regarding lower net interest income and cash sorting are too bearish and will likely dematerialize in 2025.
- We favor **JEF** as a “pure play” investment bank that should benefit from an investment banking recovery. We think **SCHW**, **IBKR**, and **LPLA** could benefit from increased investor sentiment driving up asset prices, account growth, and trading volumes.
- For ETF investors looking for exposure to investment banking and brokerage securities options include **KCE** and **IAI**. See the end of this report for more information.

Positive (+) or Negative (-) Implications
(+) Evercore Inc. (EVR)
(+) Interactive Brokers Group, Inc (IBKR)
(+) Jefferies Financial Group Inc. (JEF)
(+) LPL Financial Holdings Inc. (LPLA)
(+) Raymond James Financial, Inc. (RJF)
(+) Stifel Financial Corp. (SF)
(+) The Charles Schwab Corporation (SCHW)
(+) SPDR S&P Capital Markets ETF (KCE)
(+) iShares U.S. Broker Dealers & Securities Exchanges ETF (IAI)

Fundamental Context

1. **The incoming Trump administration is likely to introduce new pro-business policies, driving a 15%+ jump in investment banking transaction value in 2025.** Since Biden took office, financial policy has almost exclusively been driven by partisan rulemaking and enforcement, as opposed to legislation, making those regulatory headwinds more susceptible to swift change by a new crop of Trump-nominated regulators. The Republican-controlled Congress can also deploy the Congressional Review Act to quickly overturn any Biden administration rules finalized after mid-2024. Accordingly, we anticipate that a second Trump administration would foster a more favorable environment for investment banking firms (EVR, JEF, RJF, and SF), setting the stage for a robust recovery in 2025. Capital raising and M&A activities are already showing signs of improvement, with many companies reporting stronger pipelines during the most recent earnings calls.

Figure 1: Investment Banking Recovery in 2024 Builds Momentum for 2025



Source: CFRA, S&P Capital Market Intelligence.

A. We anticipate CEO confidence will improve in 2025, supporting our expectation of stronger M&A activity. In Q4 2024, CEO confidence, as measured by The Conference Board, a non-profit business membership and research organization, retreated slightly for the second consecutive quarter, declining to 51 from 52 in Q3 - we note this survey was completed prior to the Presidential election. However, the reading still remains above 50, signaling overall optimism. Also, this marks a notable improvement from Q4 2023, when the index stood at 46, reflecting stronger sentiment over the past year. Moving forward, we expect CEOs to ramp up their “risk-on” view to capital raising through 2025. We believe a more favorable interest rate environment and a resilient economy will offer relief to firms that have struggled due to the significant economic tightening. We think this will likely lead to CEOs starting to return to markets for capital raising activities and M&A after waiting on the sidelines since 2021.

During the first nine months of 2024, worldwide announced M&A value reached \$2.3 trillion (+16% Y/Y), marking the strongest opening period since 2022, while the number of deals fell by 20%. Outpacing the rest of the world, Japan experienced a 59% rise in M&A value. Other regions’ results include Africa/Middle East up 43%, Europe up 30%, the Americas up 16%, and Asia-Pacific down 8%. Mega deals over \$10 billion surged 34%, while smaller deals under \$500 million declined by 9% in value. Private equity-backed M&A rose sharply by 40%, contributing \$547.9 billion and making up 24% of total activity, its strongest showing in two years. McKinsey & Company’s February 2024 M&A Practice report highlights that delays in M&A activity have become increasingly common, with 30% of the 50 largest global acquisitions in the past two years encountering average delays of six months due to regulatory, geopolitical, and integration challenges. In our view, a less regulated environment under Trump could expedite deal approvals and reduce uncertainty, allowing transactions to proceed more efficiently. Also, streamlined processes and a unified regulatory approach would help accelerate integration and unlock deal synergies more quickly.

Figure 2: CEO Confidence Improved Y/Y in 2024 and CFRA Expects Even Better Results in 2025, a Catalyst for M&A



Source: CFRA, LSEG Data & Analytics, The Conference Board.* Data through Q3 2024.

B. Strong equity markets and a more favorable interest rate environment should reignite initial public offering (IPO) activity, reversing the slowdown. Global IPOs, excluding special purpose acquisition companies (SPACs), reached \$70.1 billion in the first nine months of 2024, marking a 24% decline from the same period in 2023 and the slowest period for IPOs since 2009. Although we note that IPO activity on U.S. exchanges showed a resurgence, with total proceeds rising 45% Y/Y to \$26.0 billion. Following a 24% fall in 2023 (nearly a 73% drop from 2021 levels), we expect IPO volumes to bounce back, although remaining below record 2021 levels, as companies look to finally take advantage of a more receptive market environment. A still-resilient U.S. economy and companies growing impatient waiting on the sidelines should boost IPO volumes.

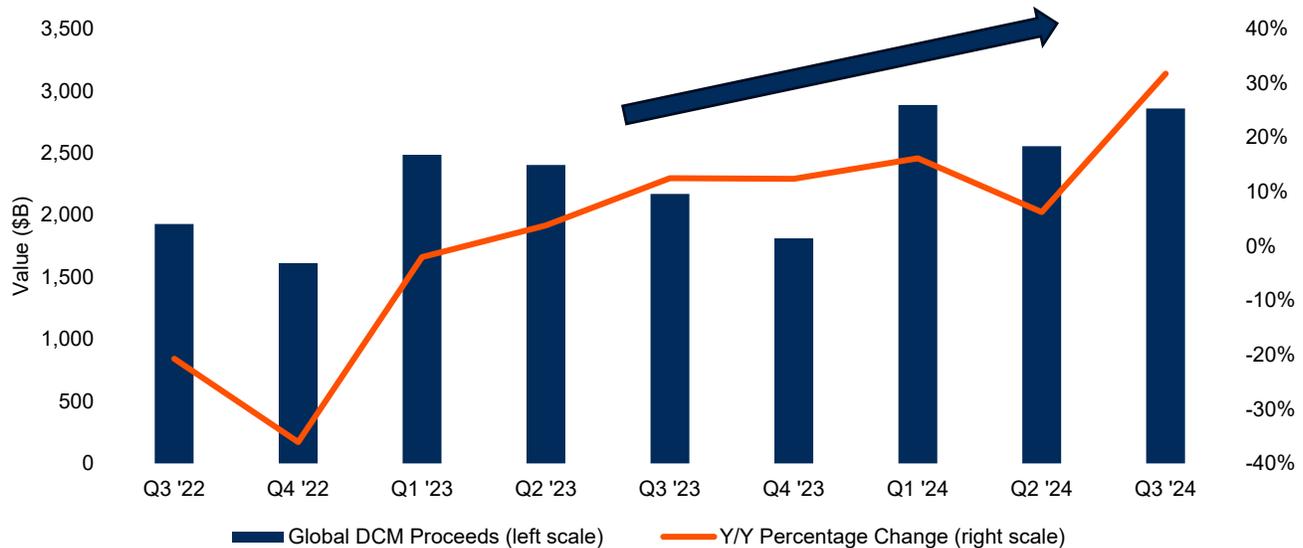
Figure 3: Global IPO Deals



Source: CFRA, LSEG Data & Analytics.* Data through Q3 2024.

C. We believe DCMs are well positioned to sustain momentum with improving market conditions. After a fantastic 2020-2021 due to low financing costs, DCMs took a backseat and rising interest rates cooled a red-hot environment. DCMs were exceptionally strong as the Federal Reserve’s decision to cut its benchmark interest rate to near zero because of the pandemic led many corporations to shore up their balance sheets by refinancing or raising new debt. However, this led to a very limited market in 2022 as the rapid pace of rate increases and extreme market volatility encouraged CFOs to wait for market conditions to stabilize. Now we see continued improvements in DCMs as we end 2024 and enter into 2025 with companies becoming more comfortable with interest rate levels that have fallen off peak levels. Global debt capital markets activity reached \$8.3 trillion in the first nine month of 2024, an 18% jump from the same period a year prior and the highest level since 2020. Additionally, this number nearly surpassed 2023’s full year total of \$8.9 trillion in just the first three quarters. Almost 25,000 new offerings were recorded (up 9% Y/Y), setting an all-time record.

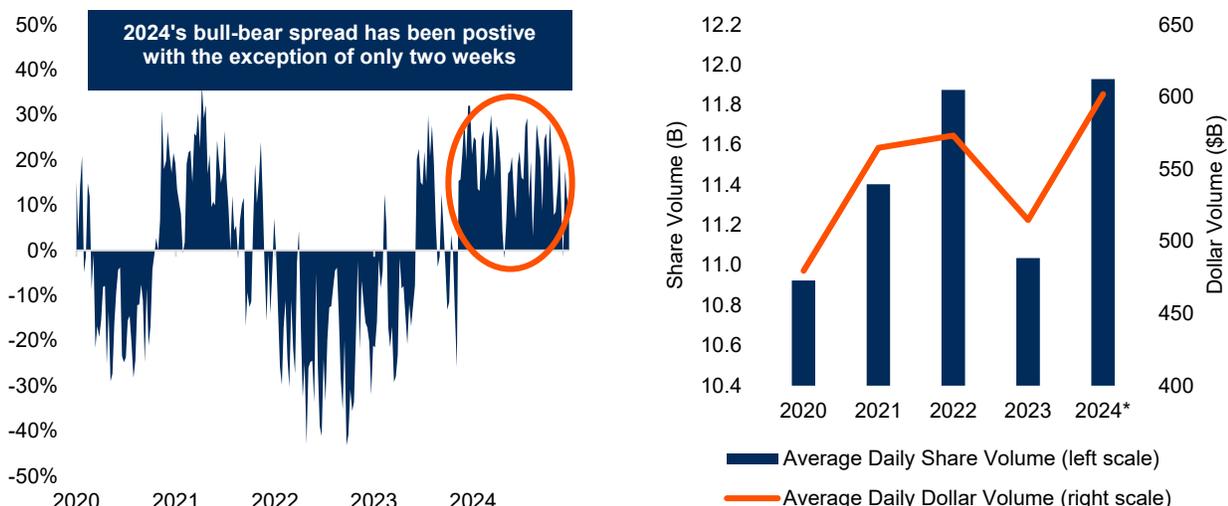
Figure 4: Taking a Closer Look at DCMs – An Upward Trend Has Been in Place Since Q2 2023



Source: CFRA, LSEG Data & Analytics.

- Basel III Endgame’s plans to increase capital requirements will likely be delayed and significantly watered down, if not axed altogether.** Trump’s regulators are likely to drop the market risk framework, reinforce tailoring (benefiting large banks), and take a capital neutral approach. If Basel III Endgame reforms are rolled back, we think (at the very least) investment banks would benefit from reduced capital requirements given: a) the ability to allocate more resources toward higher-yield investments, boosting profitability and return on equity; b) lower compliance costs, enabling greater financial flexibility to support larger transactions and pursue growth opportunities; c) enhanced competitiveness against non-bank financial institutions, allowing banks to reclaim market share; and d) relaxed liquidity restrictions, providing increased flexibility to expand into new markets and facilitate larger deals.
- Recent concerns about cash sweep rates have been overstated and will likely dissipate in 2025.** When the Federal Reserve aggressively hiked interest rates to curb inflation, this led to bank deposit outflows, a process called “cash sorting.” With substantially higher interest rates, investors aggressively moved money out of low interest-bearing (cash) accounts into higher-yielding instruments, such as money market funds or Treasuries. As highlighted by Hugo Dante from Washington Analysis, a CFRA company, upward pressure on cash sweep rates for banks and broker-dealers is likely due to regulatory, litigative, and competitive factors. However, we believe the risks of materially higher rates appear overstated with some companies reporting that cash sweep balances have increased for the first time since 2022. We think firms like LPLA, SCHW, SF, and RJF are well positioned to defend their cash sweep programs and are unlikely to make significant concessions, though reputational risks from regulatory and legal challenges remain. Future rate increases are expected to be modest, targeted at the most rate-sensitive customers and advisory channels with notable gaps in deposit rates compared to peers.
- We predict that brokerages will benefit from increased investor sentiment, driving an uptick in investor activity.** Investor sentiment was notably positive in 2024, with the American Association of Individual Investors (AAII) sentiment bull-bear spread being negative for only two weeks during the year – April 25 (-1.8%) and November 28 (-1.6%) – highlighting consistently optimistic forward-looking views from investors. The bull-bear spread averaged 17% in 2024, a significant improvement from the 2% average in 2023, also reflecting market enthusiasm. Through the end of November 2024, the average daily share volume increased 9%, with the average daily dollar volume rising 18% compared to the same period of 2023. Brokerages such as SCHW, IBKR, and LPLA are likely to benefit from tailwinds created by higher trading volumes, account growth, and commission fees as strong equity markets foster increasing investor enthusiasm. Many investors that entered the market in 2023/2024 have seen their portfolios gain value, which we believe will encourage them to return to the markets, sustaining stronger trading volumes in the long run. Additionally, we expect investor sentiment to remain positive as confidence in the Federal Reserve’s ability to engineer a soft landing grows.

Figure 5: A Positive Bull-Bear Spread Signals Higher Trading Volumes Ahead



Source: CFRA, AAII, SIFMA Research. *Data through November 2024.

- A. It will be essential for brokerages to innovate by delivering new products and maintaining low costs to attract and retain new users.** We think IBKR excels in this space as its target customer is an investor that requires the latest technology, worldwide access, and the lowest overall transaction costs. The use of its automated trading platforms and proprietary technologies has allowed it to become one of the lowest-cost broker-dealers. On the innovation front, IBKR regularly introduces cutting-edge products, such as fractional share trading for Canadian stock and ETFs, an upgraded mobile app with access to 150 markets, and the ForecastEx platform, which enables investments in economic and political contracts. We look to 2025 for the introduction of new products from IBKR and other industry leaders, which are expected to drive increased trading volumes and further enhance investor engagement.
- B. We think derivative trading presents a further opportunity for the brokerage space.** In recent years, technological advances and financial product innovation have become key factors in the industry's development. Growing client demand for specialized investment products led to a wide array of financial product innovations, such as derivative products (futures and options trading). Year-to-date (as of the end of November), derivative trading volume reached 192.3 billion contracts, a 59% increase compared to the same period in 2023, driven primarily by the growth in equity contracts. Option trading continues to gain popularity, accounting for 166.4 billion contracts, a 75% rise. Futures trading volume totaled 25.9 billion contracts, a modest 1% increase. Although derivative growth has been strong in recent years, we still see room for expansion in the near term, primarily with options, benefiting IBKR. In Q3 2024, IBKR's commission revenue surged 31% Y/Y on higher trading volumes – options +35%, stocks +22%, and futures +13%.

Figure 6: Options Trading Presents an Opportunity for Increased Investment Activity



Source: CFRA, FIA ETD Tracker. *Data through November 2024.

- 5. We do not view the numerous leadership changes in 2024 as a concern going into 2025.** In 2024, three companies – SCHW, RJF, and LPLA – announced CEO transitions. We acknowledge that any change in leadership can create uncertainty, but CFRA believes the CEO replacement decisions were well thought out and deliberate, ensuring continuity and quelling fears. The new CEOs – each with extensive leadership experience – are well positioned to guide their respective firms effectively. Also, success in these organizations is not solely dependent on the CEO. Other critical positions, such as the Chief Financial Officer, divisional leaders, and executive teams, contribute significantly to strategy execution, operational stability, and long-term growth. By fostering a collaborative and experienced leadership team, these firms are better equipped to maintain continuity and achieve sustained success. As a result, we think execution risk should be limited in 2025 and still favor the long-term growth prospects for SCHW, RJF, and LPLA.

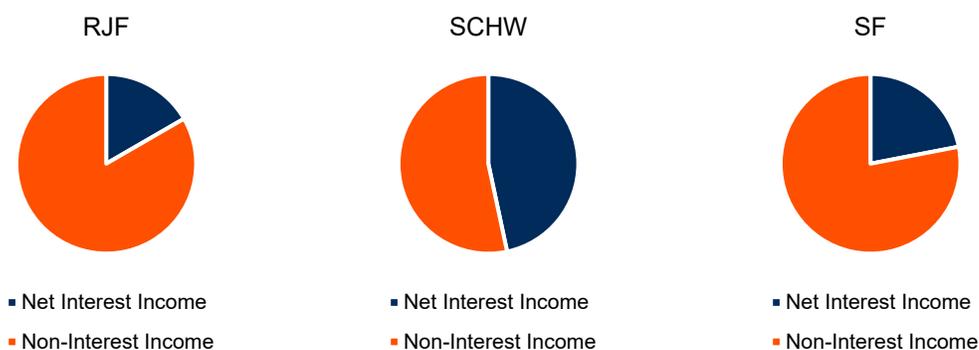
Rick Wurster, the current president of SCHW, will succeed Walt Bettinger as CEO effective January 1, 2025, after Bettinger retires from the role. Bettinger will continue to support the transition as Executive Co-Chairman alongside founder, Charles Schwab.

RJF announced a planned CEO transition as part of its multi-year succession strategy in March 2024. Paul Shoukry, who served as CFO since 2020, was appointed President, with a plan to succeed Paul Reilly as CEO by fiscal year 2025. In December 2024, the company confirmed that Shoukry would become CEO effective February 20, 2025. Reilly will transition to Executive Chair while remaining actively involved. Shoukry has been integral to the firm’s growth and financial stability, and the leadership transition is expected to build on RJF’s legacy of client-focused service and robust financial performance.

In a slightly different fashion, on October 1, 2024, LPLA announced the termination of its President/CEO, Dan Arnold, effective immediately, due to violations of the firm’s Code of Conduct. Arnold’s termination follows an investigation by an outside law firm, which revealed his conduct did not meet LPLA’s standards for fostering a professional and respectful workplace through statements made to employees. Rich Steinmeier, LPLA’s Managing Director and Chief Growth Officer, was appointed as CEO on October 25. Steinmeier, who joined LPLA in 2018, has held several leadership roles and has extensive experience.

- 6. Loan volume activity should more than offset lower interest rates, a positive tailwind for net interest income (NII).** There is a bearish view that NII will decline given the expected rate cuts in 2025 – the most recent Federal Reserve’s “dot plot” indicated that the markets should expect two rate cuts. SCHW would be largely impacted given its large exposure to net interest income (approximately 47% of its last 12 months of revenue). However, CFRA has a stronger outlook on the economy, and this is where we think consensus estimates may be outdated. If we are correct, loan volume activity should increase by mid-single digits, which would be a positive driver for NII that more than offsets lower rates, in our opinion.

Figure 7: Exposure to Net Interest Income in the Last 12 Months

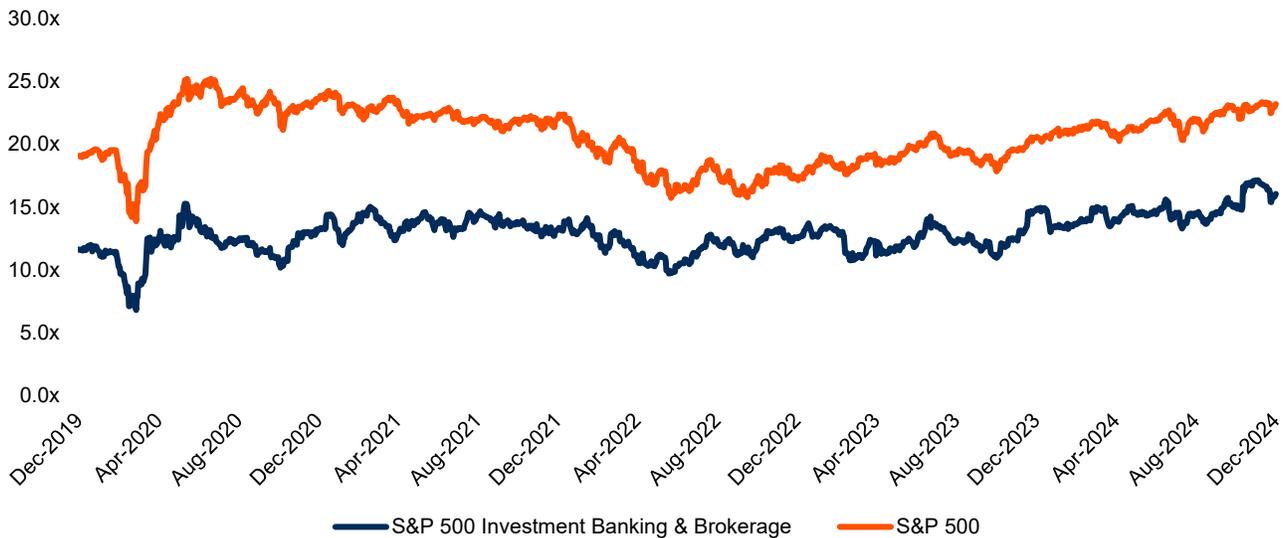


Source: CFRA, company filings. As of September 30, 2024.

- 7. SCHW will coin a new era of investing by fully integrating cryptocurrency into its offerings.** There has been a growing mainstream acceptance of cryptocurrencies as part of modern-day investment portfolios. SCHW believes that it can play a greater role in the space by offering direct cryptocurrency investment opportunities. Currently, SCHW provides indirect exposure to cryptocurrency through ETFs, mutual funds, and futures contracts, but it plans to introduce direct trading services once regulatory conditions in the U.S. become clearer. We think the greater test for SCHW (one not shared by the likes of Coinbase and Robinhood) will be navigating the prudential bank regulators. SCHW is regulated by the Federal Reserve Board, Federal Deposit Insurance Corporation, and state-bank regulators, which will want to ensure that offering cryptocurrency trading and custody does not pose safety and soundness risks. However, we believe the newly elected congress appears to be the most pro-crypto Congress to date and Trump’s nomination of Paul Atkins as SEC Chair signifies this given his crypto-related advocacy in the past. We expect the Trump administration’s bank regulators to be relatively pro-crypto, which could provide the clarification that SCHW needs to fully embrace cryptocurrency.

8. **We think the investment banking and brokerage sub-industry is set to outperform the market in 2025, narrowing the gap in valuation.** We have a positive outlook on the investment banking and brokerage sub-industry given favorable fundamental trends and market conditions, as well as an improving regulatory environment. On a next-12-month forward P/E basis, investment banks and brokerages are trading at a 16.0x P/E multiple versus the 22.9x P/E multiple of the broader market, representing a 30% discount. Relative valuation suggests that these firms are still attractive despite share prices that are trading near all-time highs.

Figure 8: Forward P/E Suggests an Attractive Valuation Versus the Broader Market



Source: CFRA, S&P Capital Market Intelligence. As of December 27, 2024.

Risk Factors

Our analysis is subject to several risks. A new surge in cash sorting activity can pressure net interest margins and reduce profitability. Declines in equity markets pose a threat by lowering trading volumes and asset-based fees. Leadership changes may introduce uncertainty and execution risk, which could disrupt operations. Also, weak asset growth indicates challenges in attracting or retaining clients, which may hinder long-term growth and competitiveness. Other risks include weak demand in investment banking, deteriorating credit markets, and a market downturn from geopolitical shock.

Company Implications

Evercore Inc. (EVR 276 *)** operates as a global independent investment banking advisory company. The company provides investment banking services, including M&A, divestitures and restructurings, equity and debt financing, public offerings, private placements, strategic transactions, fairness opinions, equity underwriting, research, and debt/equity capital markets advice. It also offers investment management services to high-net-worth and institutional investors. We see EVR as a beneficiary of positive investor sentiment, as well as investment banking activity improving in 2025. Our confidence in a more favorable environment is based on EVR's current backlog of planned/announced transactions in the near future. EVR punches greater than its size as it delivered five of eight major tech IPOs year-to-date (YTD). Our 12-month target price is \$280, 19.1x our 2025 earnings estimate vs. its five-year historic average of 15.3x. We think EVR is positioned for more investment banking opportunities as it strengthens its relationships with leading companies in key regions, such as Europe.

Interactive Brokers Group, Inc. (IBKR 183 ***)** is an automated global electronic broker. The company's automated trading platforms and proprietary technologies have allowed it to become one of the lowest cost providers of broker-dealer services in the world. IBKR specializes in routing orders as well as executing and processing trades in stocks, options, futures, forex, bonds, mutual funds, ETFs, metals, and cryptocurrencies on more than 150 electronic exchanges and market centers in 34 countries and 27 currencies seamlessly around the world. IBKR's asset sensitive balance sheet and minimal portfolio duration (~30 days) leave it well positioned to

continue taking advantage of the higher interest rate regime, while enhanced investor sentiment should help drive improving account growth of nearly 25% year-over-year. Regarding commissions, we believe IBKR's sophisticated client base will continue to utilize higher cost options and futures strategies, keeping revenue per trade strong and leading to higher daily average revenue trades (DARTs). Our 12-month target price is \$210 using a forward P/E of 29.6x our 2025 EPS view, a premium to the peer average of 21.3x, reflecting its strong operational execution, cutting edge trading technology, and its position as a top-tier low-cost broker-dealer.

[Jefferies Financial Group Inc. \(JEF 79 ****\)](#) is a diversified financial services company engaged in investment banking and capital markets, asset management, and direct investing. JEF is the largest independent full-service global investment banking firm headquartered in the U.S. and provides capital markets and financial advisory services, institutional brokerage, and securities research, as well as asset and wealth management. We see JEF being a beneficiary of a more favorable investment banking environment (M&A advisory services and equity/debt underwriting). We expect the M&A and capital market environments to begin improving as 2024 ends and 2025 begins, with the Fed looking to continue its rate cut regime. This should boost CEO confidence, spurring increased M&A, IPO, and debt raising activity. A long deal cycle means a significant improvement in closed transactions happening more in 2025. Our 12-month target price of \$92 is 19.7x our FY 25 (Nov.) EPS estimate, a premium to its three-year forward P/E average (16.1x). In our view, JEF is well positioned for higher trading volumes in equities and fixed income derivative markets should we see higher market volatility.

[LPL Financial Holdings Inc. \(LPLA 328 ****\)](#) is the largest independent broker-dealer (BD) in the U.S., a top custodian for registered investment advisors (RIAs), and a leading independent consultant to retirement plans. The firm provides an integrated platform of brokerage and investment advisory services to more than 22,000 advisors (enabling them to provide objective, conflict-free financial advice) and 8.3 million client accounts. As of December 31, 2023, LPLA managed more than \$1.2 trillion of client assets. It also serves approximately 570 independent RIA firms with 6,300 advisors that conduct business through separate entities outside of LPLA's corporate RIA. LPLA is focused on balancing its industry-leading organic growth with opportunities for accretive acquisitions, while its differentiated tech suite will likely mitigate some of the fee pressures. Limited credit risk, good capital management discipline, and cost controls leave LPLA with some buffer against capital market volatility. We think LPLA is well positioned to benefit significantly from stronger equity markets, adding tailwinds for LPLA's fee-based businesses. We expect LPLA to continue its aggressive advisor recruitment through both organic and inorganic channels moving forward. Our 12-month target price of \$375 is 19.6x our 2025 EPS forecast, in line with its three-year forward P/E average.

[Raymond James Financial Inc. \(RJF 155 ***\)](#) is a bank holding company and diversified financial services company, providing investment management services, merger & acquisition (M&A) and advisory services, the underwriting, distribution, trading, and brokerage of equity and debt securities, as well as the sale of mutual funds and other investment products. The company also provides corporate and retail banking services, as well as trust services. We view RJF as a high-quality regional investment bank able to balance its transaction businesses (equity/FI underwriting and trading) with asset and wealth management. Current capital market conditions are improving, with interest rates having likely peaked and CEO confidence improving, leading to a likely uptick in investment banking fees moving forward. Our 12-month target price is \$155, 14.0x our FY 26 (Sep.) EPS view. This valuation represents a discount to peers (17.7x), reflecting a deceleration in revenue and EPS growth.

[Stifel Financial Corp. \(SF 106 ***\)](#) is a financial services holding company operating through its primary subsidiary, Stifel, Nicolaus & Company, Incorporated, a full-service retail and institutional wealth management and investment banking firm. SF is likely to benefit from the sticky interest rates and improving CEO confidence in 2024. SF's asset sensitive balance sheet should benefit from new forecasts for rates to remain higher than initially expected, leading to healthy NII revenues despite a modest year-over-year decrease. We expect Institutional Group revenues to rise as CEO confidence has improved and companies look to increase investment banking related activity, with significant pent-up demand. Global Wealth Management should benefit from resilient equity markets that boost client asset levels and drive fee revenues. Capital ratios remain strong and should allow SF to continue returning capital to shareholders. Our 12-month target price is \$103, 13.3x our 2025 EPS estimate, in line with SF's 10-year average.

The Charles Schwab Corporation (SCHW 74 *****) is a savings and loan holding company, providing wealth management, securities brokerage, banking, asset management, custody, and financial advisory services. SCHW is the largest self-directed brokerage in the U.S. with \$9.9 trillion in client assets and 36.0 million active brokerage accounts, 5.4 million corporate retirement plan participants, and 2.0 million banking accounts as of September 30, 2024. It is also one of the largest providers of custodial, trading, banking, and support services to registered investment advisors (RIAs). Cash sorting slowed significantly in 2H 2023 and we saw a continuation of this trend in 2024. We believe all significant cash sorting-related headwinds are behind SCHW, allowing the company to focus on paying down short-term funding (e.g., FHLB and CDs) with portfolio cash inflows and net new asset growth, as bank supplement funding dropped to \$64.8 billion in Q3. We see this driving net interest margin (NIM) expansion to 2.20%-2.25% by year-end 2024, with further upside in 2025 (~3.00%). Higher NIMs and less pressure on interest earning assets should drive net interest revenue (NIR) growth of 15%-20% in 2025, in our view, despite the potential for multiple rate cuts. SCHW continues to pause buybacks and build capital amid an uncertain regulatory environment. Our 12-month target price of \$87 is 20.2x our 2025 EPS estimate, a wider risk premium than the peer average of 17.6x on strong asset growth and healthy earnings power.

ETF Spotlight – Investment Banking and Brokerage

For ETF investors looking for exposure to investment banking and brokerage securities options, we suggest KCE and IAI. Of these select ETFs, IAI has the larger asset base at over \$1.8 billion in total net assets and KCE recorded the higher return in 2024 of +37.0%.

Three broad input categories are used to calculate the overall star ratings for KCE and IAI within the universe of 2,395 rated equity ETFs. Based on CFRA's proprietary Cost sub-category, we view KCE as Slightly Negative and IAI as Negative. Separately, we view the Reward sub-category for IAI as Positive and for KCE as Slightly Positive. Finally, our assessment for Risk leads to a Neutral score for IAI and a Slightly Negative score for KCE. For equity ETFs like the two highlighted here, CFRA utilizes some past performance metrics, such as CFRA STARS – our fundamental assessment of a stock's 12-month investment outlook – and CFRA Earnings Score – our quantitative forensic accounting assessment of a company's earnings quality.

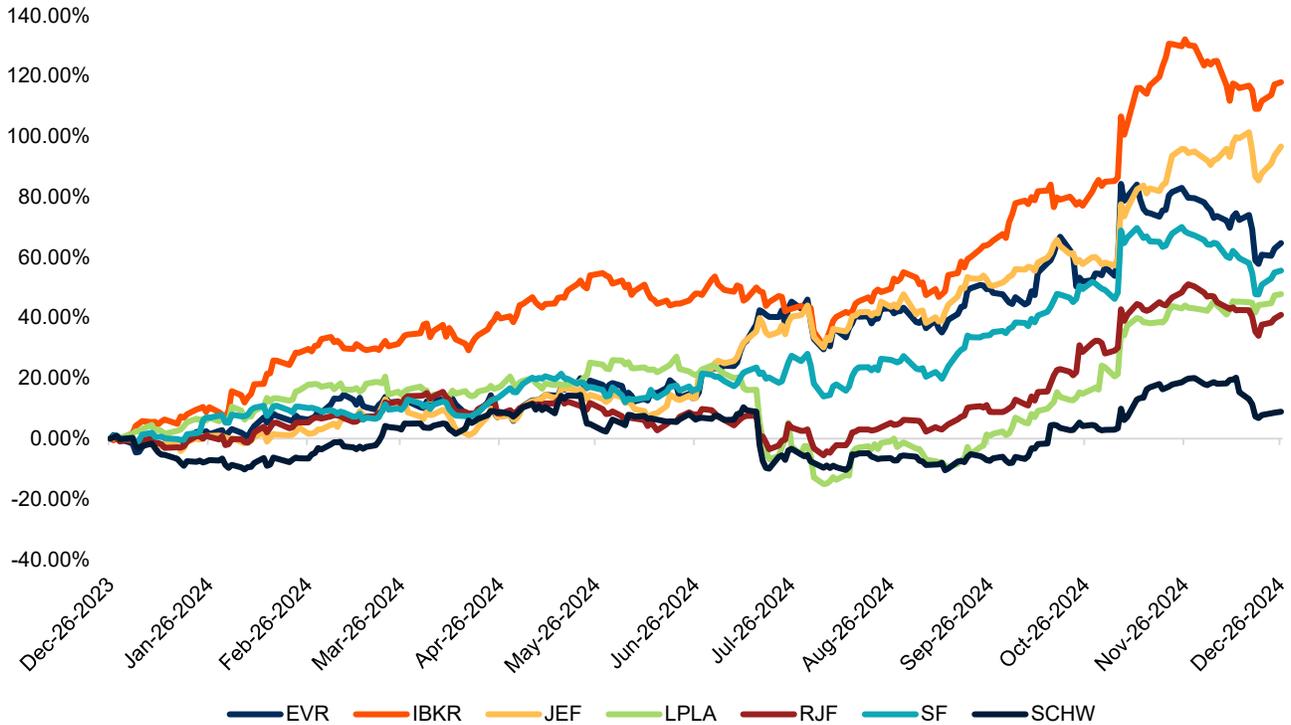
The two select investment banking and brokerage ETFs are passively managed ETF strategies within the capital markets industry in the U.S. KCE seeks to track the performance of the KBW Capital Markets Index and holds approximately 64 securities. KCE owns positions in IBKR (1.8%), JEF (1.8%), LPLA (1.8%), and SCHW (1.6%), which all receive favorable ratings from CFRA. KCE also holds positions in EVR (1.7%), RJF (1.8%), and SF (1.7%). IAI seeks to replicate the performance of the Dow Jones Select Investment Services Index and holds approximately 39 securities. IAI also owns positions in EVR (1.2%), IBKR (2.3%), JEF (1.5%), LPLA (2.9%), RJF (3.4%), SF (1.5%), and SCHW (5.1%).

More proprietary data on these ETFs can be accessed via the CFRA FUND*ynamix* platform.

ETF / TICKER	STARS	CURRENT PRICE (\$)	ASSETS UNDER MANAGEMENT (\$M)	EXPENSE RATIO
SPDR S&P Capital Markets ETF / KCE	3	138	550	0.35
iShares U.S. Broker Dealers & Securities Exchanges ETF / IAI	3	144	1,822	0.40

Source: CFRA.

Relative Performance



Source: CFRA, S&P Global Market Intelligence. As of December 27, 2024.

Implications*

Positive implications: CFRA sees an improvement in company fundamentals, which could include (but are not limited to) improved pricing, strengthening backlog, market share gains, cost improvements, a more favorable regulatory environment, or improving demographic trends, over the next 12 months.

Negative implications: CFRA sees a weakening in the company's fundamentals, which could include (but are not limited to) weaker pricing, reduced backlog visibility, market share losses, cost inflation, unfavorable regulatory climate, or demographic headwinds, over the next 12 months.

* The categorization of positive or negative implication may not include every qualitative or quantitative factor that is used to undertake a full analysis of a company's financial picture as other factors may need to be analyzed, and is not intended to be investment advice and should not be interpreted as such. These categorizations represent the current good-faith views of the authors at the time of publication and these views are subject to change without notice of any kind.

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