

American Eagle (AEO)

\$10.30 (As of 05/27/20)

Price Target (6-12 Months): **\$11.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 04/27/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:A

Value: A

Growth: A

Momentum: F

Summary

American Eagle reported earnings and sales beat in fourth-quarter fiscal 2019 driven by sturdy traffic during the holiday season. It witnessed comps growth for the 20th straight quarter, driven by strong performance across AE Jeans, Aerie and the digital channel. Management's supply-chain efforts are focused on improving customers' shopping experiences and boosting operational efficiencies. Moreover, it foresees core products to drive growth in the women's category. However, shares of the company have declined in the past three months due to the ongoing global COVID-19 situation. It expects the virus outbreak to significantly hurt results as all stores remain closed in the United States and Canada. It also withdrew its first-quarter fiscal 2020 guidance. Additionally, dismal margins for the past few quarters remain a drag.

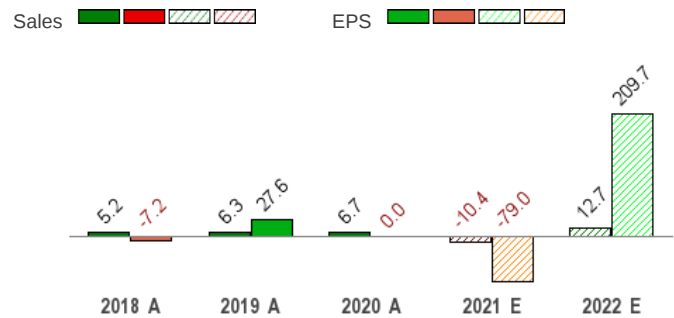
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$19.90 - \$6.54
20 Day Average Volume (sh)	6,323,030
Market Cap	\$1.7 B
YTD Price Change	-29.9%
Beta	1.12
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Retail - Apparel and Shoes
Zacks Industry Rank	Bottom 21% (190 out of 248)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	2.8%
Last Sales Surprise	3.5%
EPS F1 Est- 4 week change	-51.1%
Expected Report Date	06/03/2020
Earnings ESP	-21.6%

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2022	746 E	855 E	976 E	1,283 E	4,351 E
2021	652 E	811 E	1,063 E	1,349 E	3,861 E
2020	886 A	1,041 A	1,066 A	1,315 A	4,308 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2022	-\$0.15 E	-\$0.23 E	\$0.29 E	\$0.29 E	\$0.96 E
2021	-\$0.23 E	-\$0.14 E	\$0.34 E	\$0.32 E	\$0.31 E
2020	\$0.24 A	\$0.39 A	\$0.48 A	\$0.37 A	\$1.48 A

*Quarterly figures may not add up to annual.

P/E TTM	7.0
P/E F1	33.2
PEG F1	4.7
P/S TTM	0.4

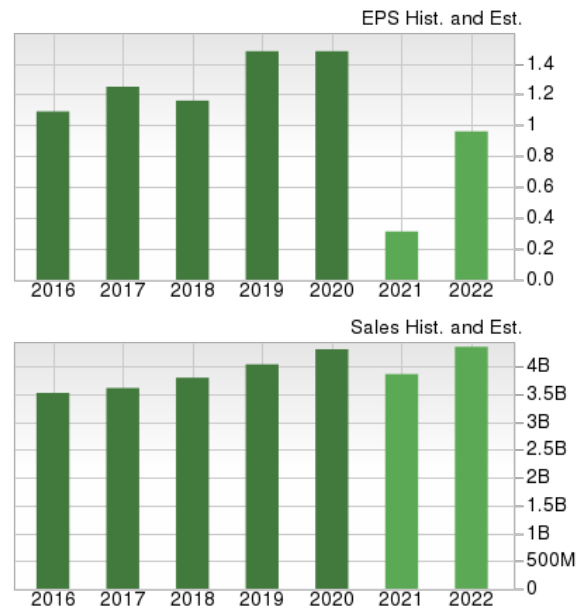
The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 05/27/2020. The reports text is as of 05/28/2020.

Overview

Based in Pittsburgh, PA, American Eagle Outfitters Inc. is a specialty retailer of casual apparel, accessories and footwear for men and women aged 15–25 years. American Eagle, along with its subsidiaries, engages in the designing and marketing of casual clothing. The company's assortment includes jeans, cargo pants, graphic T-shirts as well as a range of accessories, outerwear and footwear.

American Eagle currently operates under the American Eagle (AE) Brand, Aerie by American Eagle and an online retailing channel – AEO Direct.

- **AE Brand:** Under this brand, the company sells latest fashion apparel and accessories for men and women in the age group of 15–25 years, including sweaters, graphic T-shirts, fleece, outerwear and accessories.
- **Aerie by American Eagle:** Launched in 2006, Aerie is a lifestyle brand providing simple and stylish apparel, especially for young girls. The company sells apparel through its standalone Aerie stores across the United States and Canada, and globally through its online channel, aerie.com.
- **AEO Direct:** AEO Direct is American Eagle's online retailing channel, through which it sells a wide range of apparel and accessories from its different brands. The company merchandises its products through e-commerce websites, ae.com and aerie.com.



As of Feb 1, 2020, the company operated 1,095 stores, comprising 940 AE (including 174 Aerie side-by-side locations), 148 Aerie stand-alone, five Tailgate and two Todd Snyder stores. Additionally, it operated 217 international licensed outlets.



Reasons To Buy:

▲ **Impressive Q4 Results:** American Eagle reported better-than-expected results in fourth-quarter fiscal 2019, driven by robust traffic across brands and channels, an impressive performance of Aerie's and solid growth in the bottoms unit on robust jeans sales. Notably, adjusted earnings of 37 cents per share in the fiscal fourth quarter surpassed the Zacks Consensus Estimate of 36 cents. Total revenues grew 6% year over year and beat the Zacks Consensus Estimate. Further, the company witnessed positive consumer feedback for women's sweaters and fleece, and men's hoodies in the holiday season. Also, the accessories category, including its new mood personal care line, performed well. Moreover, sturdy traffic during the holiday season as well as the post-holiday period acted as a catalyst.

Aerie brand reported the 21st straight quarter of double-digit comps growth in fourth-quarter fiscal 2019. The brand remains on track to reach its next milestone of \$1 billion in sales.

Management remains focused on making supply-chain efforts to improve customers' shopping experiences and boost operational efficiencies. Moreover, it foresees an improvement in the women's category, driven by core products such as tops, tees and fleece. Also, both store and online traffic are expected to remain strong.

▲ **Solid Comps Trend:** American Eagle boasts a solid comparable sales (comps) trend, which continued in fourth-quarter fiscal 2019. Comps growth of 2% in the fourth quarter marked the company's 20th straight quarter of positive comps. Comps gained from a strong performance across AE Jeans, Aerie and the digital channel. Comps also benefited from increased number of transactions and rise in average transaction size on account of higher average unit retail price. Brand-wise, comps rose 26% at Aerie, offset by 3% decline at the AE brand. Meanwhile, the AE jeans business recorded the 26th consecutive quarter of robust top-line growth. Going forward, management remains optimistic about continued strength in the Aerie brand, which will continue delivering growth. Also, the AE brand's jeans and bottoms businesses remain strong. Moreover, the company's efforts to improve product assortments and inventory management remain encouraging.

▲ **Strengthening Omni-Channel Capabilities:** American Eagle is striving to develop its omni-channel platform by enhancing its digital portals while also investing in store fleet. Backed by its investments in omni-channel capabilities, store and digital channels have been witnessing strong growth for several quarters. Although in-store comps fell 3% in the fiscal fourth quarter, the company's digital business continued to exhibit solid growth, contributing about 45% to total revenues. Overall, the company's digital sales rose in double digits, up 200 basis points (bps) from the year-ago period. In the recent quarters, American Eagle saw significant increases in its app and mobile channels, which together represent more than half of the company's digital business.

Moreover, its investments in store fleet are highlighted by its store optimization efforts. In fiscal 2020, management intends to open 55-60 Aerie stand-alone stores and 10-15 AE stores. Further, American Eagle expects to shut down 10-20 AE and 5-10 Aerie stand-alone stores in fiscal 2020. This makes it clear that a winning marketing strategy in retail is providing the best combination of digital and physical store experiences.

▲ **Accelerating Aerie Growth:** American Eagle continues to witness spectacular growth for its Aerie brand, with comps growth of 26% in the fiscal fourth quarter. This marked the 21st straight quarter (fifth year) of double-digit comps growth for the brand, reflecting a significant momentum in all areas of the business. Further, Aerie's digital business continued to exhibit solid growth, contributing about 33% to total revenues. Aerie has evolved into a lifestyle brand, and remains focused on expanding market share and rapidly growing customer base. After the success of its core intimates offerings, the brand is rapidly gaining share in the innovative apparel market with the body positivity movement. The Aerie brand is a key growth engine for American Eagle and remains on track to reach the next brand milestone of \$1 billion in sales. The company sees store expansion as an essential tool for building the Aerie brand. Consequently, American Eagle plans to accelerate the Aerie store footprint, with the opening of 55-60 Aerie stand-alone stores in fiscal 2020.

▲ **Financial Flexibility:** American Eagle enjoys strong financial status. As of Feb 1, 2020, the company had total cash and investments of \$361.9 million. Notably, the company's cash position remains sufficient to fund its short term operating lease obligations of about \$299.2 million as of Feb 1, 2020. Further, its non-current operating lease liabilities of \$1,302 million declined 3.4% sequentially. Its debt-to-capitalization ratio of 0.56 represents a sequential improvement from 0.57 as of Nov 2, 2019. The debt-to-capitalization ratio also compares favorably with the industry's ratio of 0.68. Moreover, the company is likely to stay afloat, amid the coronavirus pandemic, with \$330 million drawn on its revolving credit facility to meet the short-term cash crunch.

▲ **Shareholder-Friendly Moves:** American Eagle's strong financial position helps it to make capital investments alongside returning excess cash to shareholders via dividends and share buybacks. Notably, the company returned nearly \$205 million to its shareholders via dividends and share buybacks in fiscal 2019. It paid out dividends of \$93 million and bought back nearly 6.3 million shares for \$112 million. This clearly underscores the company's commitment toward boosting shareholder value. However, the company looks to preserve financial credibility through the suspension of its share repurchase program and deferring dividend payments. Notably, it deferred the first-quarter fiscal 2020 dividend payout of 13.75 cents per share, which was to be paid on Apr 23.

Reasons To Sell:

▼ **COVID-19 Compels to Withdraw Outlook:** The crippling effect of the coronavirus outbreak has been leading to supply-chain disruptions, slowdown in production activities and reduced demand for several commodities. In response to the continued spread of COVID-19 and implementation of safety measures, American Eagle temporarily closed all AE and Aerie stores across the United States and Canada. The clothing retailer has also chosen to withdraw its first-quarter fiscal 2020 guidance. Given this tough situation, shares of the company have plunged 21.2% in the past three months as compared to the industry's decline of 25.5%.

In light of the global COVID-19 outbreak, management has withdrawn its fiscal 2020 guidance. Further, soft margin trend remains a concern.

▼ **Dismal Margin Trend, a Worry:** American Eagle has been witnessing weak gross margin for the past few quarters. Notably, the metric contracted 360 bps in fourth-quarter fiscal 2019, following a contraction of 160 bps in the preceding quarter, mainly due to higher markdowns. Meanwhile, adjusted operating income was \$77 million as compared to \$101 million in the year-ago quarter. Owing to sluggishness in gross margin, operating margin declined 240 bps to 5.8%. Persistence of this trend may weigh on the company's bottom line in the near future.

▼ **High Dependence on Outside Suppliers:** American Eagle does not own or operate any manufacturing facility and therefore, depends on third-party manufacturers for all its merchandise. The company's operations may be adversely affected in case of any import disruptions, like manufacturers' failure to ship orders on time or meet the company's standards.

▼ **Macroeconomic Challenges & Seasonality of Business:** The apparel retail industry is consumer driven and hence, very sensitive to the health of the economy. Spending on apparel and accessories is heavily dependent on the personal disposable income of consumers. The current macroeconomic challenges such as high household debt and unemployment levels may restrain consumers from spending on these items. Further, the seasonal and cyclical nature of the company's business puts it at risk as failure to perform well during the peak season might hurt its annual performance.

Last Earnings Report

American Eagle Beats Earnings & Sales Estimates in Q4

American Eagle reported better-than-expected results in fourth-quarter fiscal 2019. Despite sluggishness in the AE brand; robust traffic across brands and channels, an impressive performance of Aerie's, solid growth in the bottoms unit on robust jeans contributed to the strong quarterly results.

The company witnessed positive consumer feedback for women's sweaters and fleece, and men's hoodies in the holiday season. Also, the accessories category, including its new mood personal care line, performed well. Moreover, sturdy traffic during the holiday season as well as the post-holiday period acted as a catalyst. Apart from these, the Aerie brand continued to show strength, recording the fifth straight year of double-digit sales growth.

Quarter Ending 01/2020

Report Date	Mar 04, 2020
Sales Surprise	3.54%
EPS Surprise	2.78%
Quarterly EPS	0.37
Annual EPS (TTM)	1.48

Q4 Highlights

Adjusted earnings of 37 cents per share in the fiscal fourth quarter surpassed the Zacks Consensus Estimate of 36 cents. However, the figure decreased 14% year over year from 43 cents reported in the prior-year quarter.

Total revenues grew 6% year over year to \$1,314.6 million and beat the Zacks Consensus Estimate of \$1,270 million. The upside was backed by consolidated comparable sales (comps) growth of 2% year over year. This marked the company's 20th straight quarter of positive comps, with strong performances across AE Jeans, Aerie and the digital channel.

Brand-wise, comps rose 26% at Aerie, marking the brand's 21st straight quarter of double-digit comps growth. Further, Aerie's digital business continued to exhibit solid growth, contributing about 33% to total revenues.

However, comps fell 3% for the AE brand, owing to the soft demand for selective tops categories and higher promotions. On the flip side, customer traffic and transactions remained positive. Meanwhile, the AE jeans business recorded the 26th consecutive quarter of robust top-line growth.

Overall, the company's digital sales rose in double digits, up 200 basis points (bps) from the year-ago period. In the recent quarter, American Eagle saw significant increases in its app and mobile channels, which represented more than half of the company's digital business. On a consolidated basis, in-store comps fell 3% in the reported quarter, after a rise in the previous quarter.

Quarter in Detail

Gross profit declined 5% to \$408 million in the reported quarter. However, gross margin contracted 360 bps to 31% mainly due to higher markdowns.

SG&A expenses edged down 0.3% to \$287 million, thanks to lower incentive expenses, somewhat offset by increased professional fees. As a percentage of sales, SG&A declined 130 bps to 21.8%.

Further, adjusted operating income was \$77 million as compared to \$101 million in the year ago quarter. Adjusted operating margin declined 240 bps to 5.8% due to gross margin contraction, somewhat mitigated by lower SG&A as a percentage of sales.

Other Financial Details

American Eagle ended fiscal 2019 with cash and investments of \$361.9 million. Further, total shareholders' equity as of Feb 1, 2020, was \$1,247.9 million. Moreover, the company spent \$210 million as capital expenditure in fiscal 2019.

As of Feb 1, American Eagle's merchandise inventory was \$446.3 million, up 5.2% from the comparable year-ago period number.

During fiscal 2019, the company returned nearly \$205 million to its shareholders via dividends and share buybacks. It paid out dividends of \$93 million and bought back 6.3 million shares for \$112 million.

Store Update

In fourth-quarter fiscal 2019, American Eagle inaugurated eight AE stores and Aerie stand-alone stores each, while closed 13 AE stores and two Aerie stand-alone outlets.

During the quarter, the company operated 1,095 stores, comprising 940 AE (including 174 Aerie side-by-side locations), 148 Aerie stand-alone, five Tailgate and two Todd Synder stores. Additionally, it operated 217 international licensed outlets.

Recent News

American Eagle Defers Dividend & More on Coronavirus Crisis – Apr 2, 2020

As part of the recent measures, American Eagle suspended its share repurchase program and also deferred its first-quarter fiscal 2020 dividend payment of 13.75 cents per share, which was to be paid on Apr 23. Further, it announced temporary furloughs of its store, field and corporate employees starting Apr 5, as the course of store closures remains uncertain. In other efforts, the company is looking to cut on its operating expenses by delaying promotions for employees, halting hiring and undertaking other cost-saving initiatives. It will also reduce inventory receipts during the period to match with the lower demand as stores remain closed. Further, the company will focus on reducing capital expenditure cross stores, IT and other projects. However, it expects to retain investments in digital and distribution centers to serve its online customers.

American Eagle Approves Quarterly Dividend – Mar 26, 2020

American Eagle's board declared a quarterly dividend of 13.75 cents per share to be payable on Mar 14 as of shareholders record on Apr 30. This marked the 63rd successive quarter of quarterly dividend.

American Eagle Closes Stores In North America and Canada – Mar 17, 2020

In the wake of the COVID-19 outbreak, American Eagle announced temporary store closures across the United States and Canada beginning Mar 17 till Mar 27. During this time, the company will continue providing salary to its employees. However, it will continue to operate online through ae.com, aerie.com as well as the AE/Aerie app. Additionally, the company has withdrawn its fiscal first-quarter guidance as it envisions COVID-19 to have a material impact on its results. The company also drew \$330 million on its revolving credit facility to bolster near term liquidity.

American Eagle Reports Impressive Holiday Sales – Jan 13

American Eagle announced impressive holiday sales numbers, which can be attributed to strong momentum in American Eagle's (AE) brand's signature jeans range and the Aerie brand. Management stated that fourth-quarter fiscal 2019 comparable sales (comps) till date were nearly flat compared with 6% increase in the year-ago quarter. Moreover, the company reiterated the previously issued fiscal fourth-quarter earnings guidance. It continues to anticipate earnings per share of 34-36 cents, which indicates a decline from 43 cents recorded in the year-ago quarter. Also, the Zacks Consensus Estimate for the current quarter is pegged at 37 cents per share, which is higher than the company's guidance. Markedly, the aforementioned earnings guidance does not include the impacts of tax reform as well as potential asset impairment and restructuring charges.

Valuation

American Eagle shares are down 29.9% in the year-to-date period and nearly 41.8% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 35.7% but the Zacks Retail-Wholesale sector is up 5.8% in the year-to-date period. Over the past year, the Zacks sub-industry is down 40.2% and the sector is up 20.2%.

The S&P 500 index is down 7% in the year-to-date period but up 7.4% in the past year.

The stock is currently trading at 19.72X forward 12-month earnings, which compares to 22.87X for the Zacks sub-industry, 31.01X for the Zacks sector and 21.75X for the S&P 500 index.

Over the past five years, the stock has traded as high as 19.72X and as low as 5.63X, with a 5-year median of 12.47X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$11.00 price target reflects 21.06X forward 12-month earnings.

The table below shows summary valuation data for AEO

Valuation Multiples - AEO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	19.72	22.87	31.01	21.75
	5-Year High	19.72	22.87	31.01	21.75
	5-Year Low	5.63	8.13	19.07	15.23
	5-Year Median	12.47	14.16	23.24	17.49
P/S F12M	Current	0.42	0.47	1.06	3.37
	5-Year High	1.26	1.16	1.12	3.44
	5-Year Low	0.25	0.32	0.81	2.53
	5-Year Median	0.8	0.81	0.94	3.01
EV/EBITDA TTM	Current	6.07	6.45	17.3	11.07
	5-Year High	10.58	8.94	17.44	12.86
	5-Year Low	3.46	4.7	10.52	8.26
	5-Year Median	6.18	6.7	12.66	10.8

As of 05/27/2020

Industry Analysis Zacks Industry Rank: Bottom 21% (190 out of 248)



Top Peers

Company (Ticker)	Rec	Rank
AbercrombieFitch Company (ANF)	Neutral	3
Guess, Inc. (GES)	Neutral	2
The Gap, Inc. (GPS)	Neutral	3
PVH Corp. (PVH)	Neutral	3
Urban Outfitters, Inc. (URBN)	Neutral	3
Buckle, Inc. The (BKE)	Underperform	4
Foot Locker, Inc. (FL)	Underperform	5
L Brands, Inc. (LB)	Underperform	3

Industry Comparison Industry: Retail - Apparel And Shoes				Industry Peers		
	AEO	X Industry	S&P 500	ANF	BKE	URBN
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	4	3
VGM Score	A	-	-	A	B	F
Market Cap	1.70 B	531.53 M	21.39 B	803.85 M	765.33 M	1.86 B
# of Analysts	11	4	14	11	1	7
Dividend Yield	0.00%	0.00%	1.97%	6.13%	7.75%	0.00%
Value Score	A	-	-	A	A	D
Cash/Price	0.28	0.32	0.06	0.92	0.28	0.39
EV/EBITDA	6.07	6.64	12.63	6.64	5.04	6.87
PEG Ratio	4.50	2.47	2.91	NA	NA	NA
Price/Book (P/B)	1.38	1.10	2.99	0.76	2.03	1.43
Price/Cash Flow (P/CF)	3.96	3.94	11.80	3.69	5.78	5.76
P/E (F1)	32.16	25.58	21.42	NA	13.59	NA
Price/Sales (P/S)	0.40	0.38	2.29	0.22	0.94	0.50
Earnings Yield	3.01%	3.16%	4.44%	-6.59%	7.36%	-4.89%
Debt/Equity	1.04	1.01	0.76	1.39	0.71	1.01
Cash Flow (\$/share)	2.60	1.44	6.96	3.53	2.68	3.30
Growth Score	A	-	-	A	B	F
Hist. EPS Growth (3-5 yrs)	11.67%	-0.48%	10.87%	-0.50%	-10.57%	-2.63%
Proj. EPS Growth (F1/F0)	-78.87%	-57.35%	-10.41%	-218.43%	-46.73%	-147.43%
Curr. Cash Flow Growth	0.06%	-1.10%	5.46%	-6.25%	4.13%	-22.87%
Hist. Cash Flow Growth (3-5 yrs)	10.42%	0.42%	8.55%	-5.89%	-8.00%	-2.66%
Current Ratio	1.39	1.44	1.29	1.55	2.45	1.77
Debt/Capital	51.06%	51.06%	44.54%	58.09%	41.67%	50.21%
Net Margin	4.44%	1.47%	10.59%	1.09%	9.52%	-0.08%
Return on Equity	20.31%	9.57%	16.29%	4.61%	19.54%	2.65%
Sales/Assets	1.29	1.16	0.55	1.05	0.95	1.13
Proj. Sales Growth (F1/F0)	-10.38%	-7.34%	-2.34%	-12.84%	-15.52%	-13.68%
Momentum Score	F	-	-	F	D	F
Daily Price Chg	8.08%	5.81%	2.29%	3.08%	4.10%	6.14%
1 Week Price Chg	11.57%	9.52%	4.99%	6.01%	3.44%	3.15%
4 Week Price Chg	22.47%	5.56%	2.47%	14.68%	-0.77%	0.85%
12 Week Price Chg	-19.97%	-25.98%	-6.13%	-5.64%	-30.45%	-11.12%
52 Week Price Chg	-41.81%	-37.94%	0.67%	-29.04%	-1.15%	-19.27%
20 Day Average Volume	6,323,030	560,336	2,423,651	2,587,685	531,310	2,616,698
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	-12.31%	0.00%
(F1) EPS Est 4 week change	-51.14%	-20.73%	-2.07%	-108.10%	-21.38%	-166.31%
(F1) EPS Est 12 week change	-78.57%	-70.00%	-16.07%	-171.24%	-42.13%	-137.05%
(Q1) EPS Est Mthly Chg	-361.91%	-65.85%	-3.59%	-32.85%	-94.74%	-149.72%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	A
Momentum Score	F
VGM Score	A

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

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