

Conagra Brands (CAG)

\$37.29 (As of 07/28/20)

Price Target (6-12 Months): **\$40.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 03/25/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:A

Value: B

Growth: A

Momentum: B

Summary

Conagra has outperformed the industry in the past three months. The company has been benefiting from the rising demand amid the coronavirus-led stockpiling and increased at-home consumption. These trends drove the company's retail business in fourth-quarter fiscal 2020, wherein top and bottom lines grew year over year and beat the consensus mark. Also, organic sales surged, and are likely to jump in the first quarter, thanks to the pandemic-led demand. Fourth-quarter sales were backed by solid e-commerce business, strong consumer trials, robust repeat sales and initial launches of fiscal 2021 planned innovation. However, soft restaurant traffic weighed on Conagra's Foodservice unit, which continued to see lower demand in the first quarter (till Jun 30). Also, inflated input costs and higher COVID-19-related costs pose threats to margins.

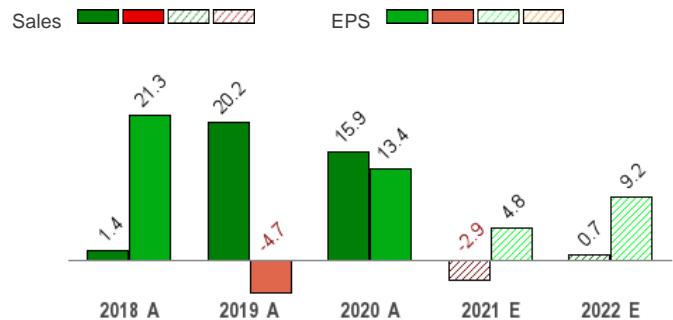
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$37.65 - \$22.83
20 Day Average Volume (sh)	2,709,329
Market Cap	\$18.2 B
YTD Price Change	8.9%
Beta	0.85
Dividend / Div Yld	\$0.85 / 2.3%
Industry	Food - Miscellaneous
Zacks Industry Rank	Top 44% (112 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	10.3%
Last Sales Surprise	2.1%
EPS F1 Est- 4 week change	3.2%
Expected Report Date	09/24/2020
Earnings ESP	0.0%
P/E TTM	16.4
P/E F1	15.6
PEG F1	2.2
P/S TTM	1.6

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2022	2,561 E	2,956 E	2,703 E	2,570 E	10,809 E
2021	2,611 E	2,937 E	2,656 E	2,534 E	10,731 E
2020	2,391 A	2,821 A	2,555 A	3,288 A	11,054 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2022	\$0.58 E	\$0.78 E	\$0.66 E	\$0.59 E	\$2.61 E
2021	\$0.57 E	\$0.72 E	\$0.58 E	\$0.53 E	\$2.39 E
2020	\$0.43 A	\$0.63 A	\$0.47 A	\$0.75 A	\$2.28 A

*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 07/28/2020. The reports text is as of 07/29/2020.

Overview

Chicago-based Conagra Brands, Inc. (CAG) is one of the leading branded food company of North America. The company offers premium edible products, with refined focus on innovation.

The company maintains a highly dynamic product portfolio and incorporates alterations within it as per the preference pattern of the end-users. Some iconic brands of the company are Reddi-Wip, Hunt's, Healthy Choice, Frontera, Slim Jim, Blake's and Marie Callender.

Conagra currently reports results in the following segments:

Grocery & Snacks (44.8% of fourth-quarter fiscal 2020 sales): This unit includes branded, shelf stable food products sold in several retail channels in the United States.

Refrigerated & Frozen (41.2% of fourth-quarter fiscal 2020 sales): This comprises branded, temperature-controlled food products sold in many retail channels in the United States.

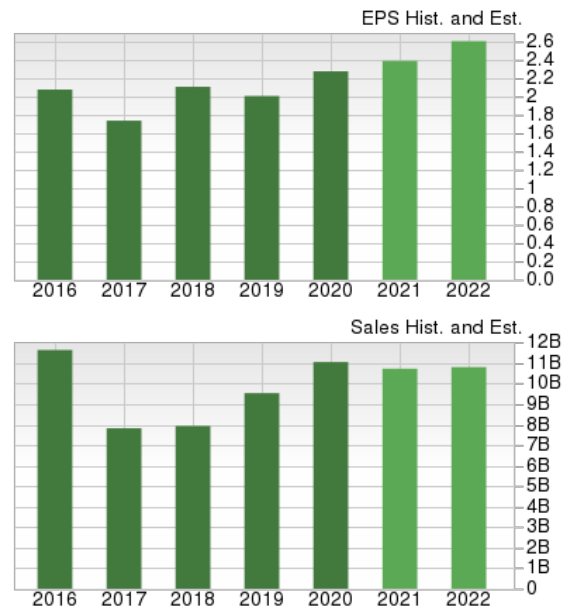
International (8.1% of fourth-quarter fiscal 2020 sales): The segment takes care of branded food products, in various temperature states, offered to various retail and foodservice channels outside the United States.

Foodservice (5.9% of fourth-quarter fiscal 2020 sales): The segment includes branded and customized food products, such as meals, entrees, sauces and a wide assortment of custom-made culinary products packaged for sale to restaurants and other foodservice setups in the United States.

Conagra acquired Pinnacle Foods in October 2018. Further, the company took over Sandwich Bros. in February 2018, which forms part of Conagra's Refrigerated and Frozen segment.

In October 2017, Conagra acquired Angie's Artisan Treats, LLC, which is a part of its Grocery & Snacks business. This segment also includes Thanasi Foods and BIGS LLC, which were acquired in April 2017.

In September 2016, Conagra bought the assets of Frontera Foods, Inc. and Red Fork LLC.



Reasons To Buy:

▲ **Solid Q4 Results & Guidance, Stock Outperforms:** Shares of Conagra have gained 11.6% in the past three months compared with the industry's growth of 7.8%. The company has been benefiting from the rising demand amid coronavirus-led stockpiling of essential items and increased at-home consumption. These trends also drove Conagra in fourth-quarter fiscal 2020, with both top and bottom lines surging year over year and beating the Zacks Consensus Estimate. Results were backed by increased organic sales, which in turn benefited from higher at-home consumption amid the pandemic, driving Conagra's retail business. This also helped the company offset softness in the Foodservice segment, wherein sales fell due to COVID-19.

Brand modernizing moves, stronger innovation and meaningful buyouts are driving Conagra's performance. Coronavirus-led increased demand is also aiding the company's retail business.

Sales were backed by solid e-commerce business, considerable consumer trials, robust repeat sales and initial launches of fiscal 2021 planned innovation. Notably, sales grew across Staples, Frozen and Snacks categories. Also, the share of e-commerce sales as part of overall sales increased, reflecting that the company's focus on enhancing e-commerce capacity is yielding results. Apart from this, an additional week aided the performance. The company continued to see a considerable increase in demand in the retail business in the first quarter of fiscal 2021 (till Jun 30). Considering all factors and assuming a smooth supply chain, management expects organic sales growth of 10-13% in the first quarter of fiscal 2021. Adjusted operating margin is likely to be 17-17.5% while adjusted EPS is envisioned between 54 cents and 59 cents. Additionally, management reiterated its targets for fiscal 2022. Organic net sales are anticipated to grow 1-2% (three-year CAGR ending fiscal 2022). Adjusted operating margin is expected in a range of 18-19% and adjusted EPS for fiscal 2022 is likely to range between \$2.66 and \$2.76.

▲ **Pinnacle Foods' Buyout Aids:** Conagra acquired Pinnacle Foods in October 2018. The combination of the two companies is appropriate, given the increasing demand for frozen foods and snacks. The consolidation of these food companies has helped to create a robust portfolio of leading, iconic and on-trend brands. Further, the move is aiding to speed up innovation and exploit the long-term benefits in the frozen foods space. Notably, management has been boosting some of the Pinnacle Foods business banners, especially the Gardein brand, which holds a solid position in the plant-based meat-alternatives food space.

Conagra is on track with the integration process of the buyout as well as realizing synergies from the same. The company has generated total synergies of \$184 million from Pinnacle Foods' buyout, as of the end of fiscal 2020 – surpassing the goal of \$180 million. The buyout is likely to continue boosting the company's performance in the forthcoming periods. Notably, the company continues to expect synergies of roughly \$305 million through fiscal 2022.

▲ **Efforts to Boost Frozen & Snacks Categories:** Conagra has been focused on boosting the Frozen and Snacks businesses. In the fourth quarter of fiscal 2020, both businesses performed well, especially Frozen. During the quarter, total Conagra Frozen retail sales rallied 26.2%, with strength in each category such as single serve meals, multi-serve meals, vegetables and plant-based meat alternatives. Frozen has indeed picked up more pace in the current situation, wherein the pandemic has caused consumers to stock up and eat at home. Snacks business sales gained 20.1% despite certain headwinds associated with COVID-19. The quarter also saw a robust Staples business performance, thanks to the pandemic-led demand. Staples business sales advanced a solid 46.3%.

▲ **Financial Profile:** Conagra's senior long-term debt (including subordinate debt) of about \$8,900 million declined 2.1% sequentially at the end of the fourth quarter of fiscal 2020 — May 31, 2020. Also, the company recently obtained a three-year senior unsecured term loan worth \$600 million, which remains undrawn. Apart from this, the company has an undrawn revolving credit facility of \$1.6 billion. Notably, Conagra is on track with its de-leveraging goals and has lowered its total gross debt by more than \$1.8 billion since it concluded Pinnacle Foods' buyout through the fourth-quarter-end. As of the end of fourth-quarter fiscal 2020, the company's net debt to last twelve month's adjusted EBITDA ratio (or Leverage Ratio) was 4.0X, better than 4.8X as of the end of the third quarter. Management expects to achieve its 3.5X-3.6X target by the end of fiscal 2021.

Additionally, at a juncture where several companies had to suspend dividend payments to preserve financial flexibility amid the pandemic, Conagra declared a quarterly dividend of 21.25 cents per share on Jul 24. This clearly speaks of the company's healthy financial position. Notably, Conagra has a dividend payout of 37.3%, dividend yield of 2.3% and free cash flow yield of 8.2%. With an annual free cash flow return on investment of 5.2%, the dividend payment is likely to be sustainable.

Reasons To Sell:

- ▼ **Soft Foodservice Segment:** While coronavirus-led increased at-home trends have boosted Conagra's retail business, the same has dealt a blow to its Foodservice segment. Incidentally, quarterly sales in the segment declined 27.9% year over year to \$192.7 million due to Sold Businesses and lower organic sales. The extra week offered partial respite. Organic sales fell 31.5%, with volumes down 34.2% but price/mix up 2.7%. Volumes were hurt by reduced restaurant traffic amid the pandemic. The segment also recorded a considerable fall in operating profit due to soft sales, the related adverse fixed cost leverage, higher input costs and elevated inventory write-offs. Further, in the first quarter of fiscal 2021 (till Jun 30), demand for foodservice products continued to be lower than the pre-pandemic level.
- ▼ **Input Cost Inflation a Worry:** Escalated input costs have been a threat to Conagra for a while. During the fourth quarter of fiscal 2020, though the gross margin improved year over year, it continued to be hurt by input cost inflation. Also, adjusted SG&A (excluding A&P) escalated 5.7% to \$308 million due to higher incentive compensation expenses. Further, the company saw high costs associated with COVID-19, including investments in employees' safety, bonuses for supply-chain workers and other costs related to catering to the burgeoning demand. These costs continued in first-quarter fiscal 2021 (till Jun 30). We believe that such factors can pose threats to margins.
- ▼ **Currency Volatility:** Conagra's international presence keeps the company exposed to the risk of adverse currency fluctuations. In fourth-quarter fiscal 2020, currency translations weighed on sales by 0.7%. In the International segment, net sales included an 8.4% adverse impact from adverse currency fluctuations. Volatile currency movements remain a threat to Conagra's performance.
- ▼ **Divestiture Impacts:** During the fourth quarter of fiscal 2020, Conagra's sales growth included a 310-bp headwind from divestiture of Sold Businesses. The Sold Businesses include the divested businesses of Direct Store Delivery (DSD) snacks, Gelit, Lender's Bagel and Wesson oil along with the exited private-label peanut butter business. Nonetheless, these impacts are expected to lessen sequentially, as and when the company completes a year of closing them.

Conagra continues to struggle with input cost inflation. Also, high COVID-19 related costs and adverse currency movements are concerns.

Last Earnings Report

Conagra Q4 Earnings & Sales Top Estimates, Rise Y/Y

Conagra Brands posted robust fourth-quarter fiscal 2020 results, wherein adjusted earnings came in at 75 cents, which surpassed the Zacks Consensus Estimate of 68 cents. Moreover, the figure jumped significantly from adjusted earnings of 36 cents reported in the year-ago quarter. The year-over-year growth can be attributable to increased adjusted net income, which in turn benefited from higher sales volume and the related profit. Adjusted EPS was somewhat affected by greater shares outstanding.

Quarter Ending **05/2020**

Report Date	Jun 30, 2020
Sales Surprise	2.12%
EPS Surprise	10.29%
Quarterly EPS	0.75
Annual EPS (TTM)	2.28

Conagra generated net sales of \$3,287.9 million, which advanced 25.8% year over year and beat the Zacks Consensus Estimate of \$3,185 million. The year-over-year sales growth was backed by higher organic sales and the impact of an additional week, partly offset by the divestiture of Sold Businesses and adverse currency movements. Organic sales grew 21.5% on higher volumes and favorable price/mix. Volumes were aided by elevated at-home consumption amid the coronavirus pandemic, which in turn boosted Conagra's retail business but hurt the Foodservice segment. Also, price/mix was favorable in the quarter.

Adjusted gross profit jumped 31.1% to \$929 million on account of higher sales volume, productivity related to supply chain, improved price/mix, the impact of an additional week and cost synergies from Pinnacle Foods' buyout. These were somewhat countered by inflated input costs and costs associated with COVID-19, including investments in employees' safety, bonuses for supply-chain workers and other costs related to catering to the burgeoning demand.

Segmental Details

Grocery & Snacks: Quarterly sales in the segment came in at \$1,474.1 million, which soared 44.1% year over year owing to higher organic sales and impact of an additional week, partially hurt by divestiture of Sold Businesses. Organic sales increased 40.4% with volumes and price/mix up 38% and 2.4%, respectively. Volumes rose across several categories owing to consumers' higher at-home consumption amid coronavirus.

Refrigerated & Frozen: Net sales advanced 23.3% to \$1,355.4 million due to the same factors that drove the Grocery & Snacks segment's sales. Organic sales rose 17.6%, with volumes up 17.8% but price/mix down 0.2%. COVID-19-related higher consumption at home boosted volumes across multiple categories.

International: Net sales improved 18.6% to \$265.7 million on account of higher organic sales and impact of a 53rd week, offset by unfavorable currency movements. On an organic basis, net sales rose 19.8%, as volumes grew 18% and price/mix was up 18%. This was again backed by higher demand amid the pandemic. The company's Canadian, Mexican and export businesses witnessed considerable growth in volumes, though India saw soft volumes due to country-wide store and plant closures.

Foodservice: Quarterly sales in the segment declined 27.9% year over year to \$192.7 million due to Sold Businesses and lower organic sales. The extra week offered partial respite. Organic sales fell 31.5%, with volumes down 34.2% but price/mix up 2.7%. Volumes were hurt by reduced restaurant traffic amid the pandemic.

Other Financial Fundamentals & Guidance

Conagra exited the quarter with cash and cash equivalents of \$553.3 million, senior long-term debt (excluding current portion) of \$8,900.8 million and total stockholders' equity of \$7,950.7 million. During fiscal 2020, the company generated net cash of \$1,842.6 million from operating activities. During the quarter, Conagra paid out a quarterly dividend of 21.25 cents per share. The company is on track with its de-leveraging goals and has lowered its total gross debt by more than \$1.8 billion since it concluded Pinnacle Foods' buyout through the fourth-quarter-end. As of the end of fiscal 2020, the company's net debt to last twelve month's adjusted EBITDA ratio (or Leverage Ratio) was 4.0x. Management expects to achieve its 3.5x-3.6x target by the end of fiscal 2021.

Management remains uncertain about the impact of coronavirus on Conagra's fiscal 2021 performance. The company expects retail and foodservice demand to return to their normal levels as the year proceeds, though it remains unsure about the exact degree and timing. Management did not offer any guidance for fiscal 2021. Nonetheless, the company continued to see a considerable increase in demand in the retail business in the first quarter of fiscal 2021, to date. Demand for foodservice products continues to be lower than the pre-pandemic level. Additionally, costs associated with the pandemic have been impacting Conagra's business.

Considering these factors and assuming a smooth supply chain, management expects organic sales growth of 10-13% in the first quarter of fiscal 2021. Adjusted operating margin is likely to be 17-17.5% while adjusted EPS is envisioned between 54 cents and 59 cents. Apart from this, management reiterated its targets for fiscal 2022. Organic net sales are anticipated to grow 1-2% (three-year CAGR ending fiscal 2022). Adjusted operating margin is expected in a range of 18-19% and adjusted EPS for fiscal 2022 is likely to range between \$2.66 and \$2.76.

Recent News

Conagra Brands Declares Dividend – Jul 24, 2020

Conagra Brands has declared quarterly cash dividend of 21.25 cents per share. This will be payable on Sep 3, 2020 to shareholders of record as on Aug 4.

Conagra Continues to Reward Workers Amid Coronavirus – May 18, 2020

Conagra Brands remains committed to employee protection, as part of which it announced plans to offer another round of cash bonuses to eligible workers. The company said that it will pay incremental cash bonus worth \$7 million to employees at each of its production and distribution center in the United States, Canada and Mexico.

Prior to this, the company announced cash bonuses for all eligible employees toward the end of March. Management is impressed with its workforce, especially the supply chain workers at its food production and distribution centers. Further, these moves reflect the company's focus on rewarding its employees as they are working hard amid the coronavirus-led crisis to cater to the growing demand for food.

Conagra Brands Announces Cash Bonus – March 27, 2020

Conagra Brands will give cash bonuses to employees at each of the company's production and distribution facilities in the U.S., Canada and Mexico. At the company's more than 50 facilities, full-time employees in the U.S. will receive \$500 and part-time employees will receive \$250, with similar amounts provided to employees in Canada and Mexico. This in recognition of efforts during the COVID-19 pandemic.

Valuation

Conagra shares are up 8.9% in the year-to-date period and 28.2% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are down 4.7% and 8.4%, respectively in the year-to-date period. Over the past year, the Zacks sub-industry went up 1.4% while the sector declined 8.5%.

The S&P 500 index is up 0.7% in the year-to-date period and 8.1% in the past year.

The stock is currently trading at 15.35X forward 12-month earnings, which compares to 19.25X for the Zacks sub-industry, 20.24X for the Zacks sector and 22.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 23.24X and as low as 9.43X, with a 5-year median of 17.03X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$40 price target reflects 16.47X forward 12-month earnings.

The table below shows summary valuation data for CAG

Valuation Multiples - CAG					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	15.35	19.25	20.24	22.61
	5-Year High	23.24	22.9	22.37	22.61
	5-Year Low	9.43	14.82	16.63	15.25
	5-Year Median	17.03	18.57	19.58	17.52
P/S F12M	Current	1.69	1.7	9.57	3.57
	5-Year High	2.32	2.05	11.15	3.57
	5-Year Low	0.96	1.41	8.1	2.53
	5-Year Median	1.56	0.76	9.89	3.02
EV/EBITDA F12M	Current	12.05	13.15	32.76	13.21
	5-Year High	14.63	14.68	37.49	14.22
	5-Year Low	5.51	10.97	25.81	9.05
	5-Year Median	11.55	13.21	33.81	11

As of 07/28/2020

Industry Analysis Zacks Industry Rank: Top 44% (112 out of 253)



Top Peers

Company (Ticker)	Rec	Rank
BG Foods, Inc. (BGS)	Outperform	2
Campbell Soup Company (CPB)	Neutral	3
General Mills, Inc. (GIS)	Neutral	3
Ingredion Incorporated (INGR)	Neutral	3
Kellogg Company (K)	Neutral	2
Post Holdings, Inc. (POST)	Neutral	2
The J. M. Smucker Company (SJM)	Neutral	4
TreeHouse Foods, Inc. (THS)	Neutral	3

Industry Comparison Industry: Food - Miscellaneous				Industry Peers		
	CAG	X Industry	S&P 500	CPB	GIS	SJM
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	4
VGM Score	A	-	-	B	A	B
Market Cap	18.17 B	3.70 B	22.47 B	15.18 B	39.36 B	12.47 B
# of Analysts	8	3	14	7	8	7
Dividend Yield	2.28%	0.00%	1.84%	2.79%	3.04%	3.22%
Value Score	B	-	-	B	B	C
Cash/Price	0.03	0.07	0.07	0.08	0.04	0.03
EV/EBITDA	14.37	12.95	13.04	13.40	13.28	10.57
PEG Ratio	2.24	4.02	2.97	2.07	2.44	6.16
Price/Book (P/B)	2.28	2.37	3.11	5.88	4.71	1.52
Price/Cash Flow (P/CF)	12.07	11.57	12.07	13.25	14.06	8.62
P/E (F1)	15.69	18.44	21.52	17.12	18.32	13.31
Price/Sales (P/S)	1.64	1.23	2.35	1.81	2.23	1.60
Earnings Yield	6.41%	4.86%	4.34%	5.83%	5.45%	7.51%
Debt/Equity	1.12	0.62	0.76	2.01	1.31	0.67
Cash Flow (\$/share)	3.09	2.81	7.01	3.79	4.59	12.68
Growth Score	A	-	-	B	A	A
Hist. EPS Growth (3-5 yrs)	-2.26%	5.41%	10.85%	-2.14%	3.19%	8.82%
Proj. EPS Growth (F1/F0)	4.99%	5.10%	-7.56%	27.58%	-2.39%	-6.31%
Curr. Cash Flow Growth	22.57%	4.76%	5.47%	-12.42%	9.11%	-2.78%
Hist. Cash Flow Growth (3-5 yrs)	4.34%	6.08%	8.55%	0.50%	3.48%	11.88%
Current Ratio	0.88	1.59	1.31	0.84	0.68	1.24
Debt/Capital	52.82%	38.87%	44.41%	66.79%	56.69%	40.14%
Net Margin	7.60%	3.49%	10.44%	18.34%	12.37%	9.99%
Return on Equity	14.38%	12.01%	15.10%	46.05%	27.66%	12.31%
Sales/Assets	0.49	1.08	0.54	0.66	0.58	0.46
Proj. Sales Growth (F1/F0)	-2.92%	0.00%	-1.97%	-8.00%	-2.85%	-1.71%
Momentum Score	B	-	-	D	D	C
Daily Price Chg	0.87%	0.25%	-0.80%	1.50%	0.72%	0.37%
1 Week Price Chg	0.08%	0.00%	0.37%	-0.40%	-0.63%	1.34%
4 Week Price Chg	6.03%	2.05%	3.64%	1.21%	4.69%	3.27%
12 Week Price Chg	11.68%	9.03%	11.56%	-1.28%	7.91%	-5.82%
52 Week Price Chg	28.14%	-1.91%	-3.92%	20.57%	20.23%	-3.41%
20 Day Average Volume	2,709,329	167,136	1,867,919	1,669,032	3,817,815	601,979
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	-0.42%	0.00%
(F1) EPS Est 4 week change	3.18%	0.00%	0.21%	0.00%	0.53%	-0.17%
(F1) EPS Est 12 week change	3.68%	0.13%	-1.29%	3.95%	1.99%	-3.67%
(Q1) EPS Est Mthly Chg	3.52%	0.00%	0.09%	0.00%	3.65%	1.29%

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	B
Growth Score	A
Momentum Score	B
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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