

Cerner Corporation (CERN)

\$71.29 (As of 07/30/20)

Price Target (6-12 Months): **\$82.00**

Long Term: 6-12 Months

Zacks Recommendation: **Outperform**

(Since: 07/03/20)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM:B

Value: B

Growth: C

Momentum: C

Summary

Cerner exited the second quarter on a mixed note. The company continues to witness significant contributions from key areas like Population Health, Revenue Cycle and IT Works. Further, gains in Subscriptions and Managed Services units buoy optimism. Further, margin expansion is a positive. The company benefited from electronic health record (EHR), electronic patient record (EPR) or electronic medical record (EMR) platforms that provide patient care in acute inpatient and outpatient settings. Meanwhile, bookings witnessed a noticeable decline in the quarter under review. The company also saw a decline in revenues across Licensed software, Technology resale, Professional services and Reimbursed travel segments. Moreover, international revenues witnessed a slump in the quarter. Further, competition in the global MedTech space remains a concern.

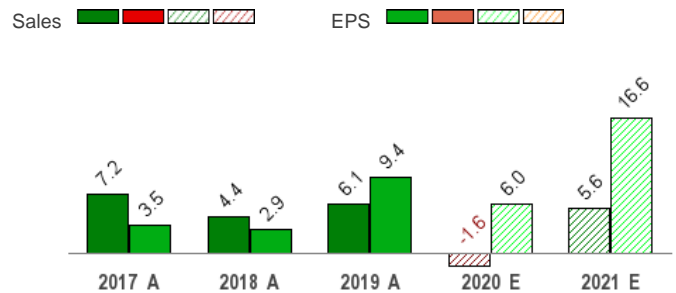
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$80.90 - \$53.08
20 Day Average Volume (sh)	1,672,224
Market Cap	\$21.7 B
YTD Price Change	-2.9%
Beta	0.87
Dividend / Div Yld	\$0.72 / 1.0%
Industry	Medical Info Systems
Zacks Industry Rank	Bottom 19% (204 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	3.3%
Last Sales Surprise	-2.0%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	10/22/2020
Earnings ESP	-2.4%
P/E TTM	25.9
P/E F1	25.1
PEG F1	1.9
P/S TTM	3.9

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	1,438 E	1,453 E	1,476 E	1,514 E	5,912 E
2020	1,412 A	1,330 A	1,395 E	1,441 E	5,600 E
2019	1,390 A	1,431 A	1,429 A	1,442 A	5,693 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$0.78 E	\$0.79 E	\$0.84 E	\$0.91 E	\$3.31 E
2020	\$0.71 A	\$0.63 A	\$0.71 E	\$0.80 E	\$2.84 E
2019	\$0.61 A	\$0.66 A	\$0.66 A	\$0.75 A	\$2.68 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 07/30/2020. The reports text is as of 07/31/2020.

Overview

Based in North Kansas City, MO, Cerner Corporation (CERN) provides healthcare information technology (HCIT) solutions worldwide. The company offers software and hardware solutions that give healthcare providers secure access to clinical, administrative and financial data in a short time.

As of February 2018, its products were in use at more than 27,000 facilities around the world. The company had more than 28,000 employees globally, with over 13,000 in Kansas City, Missouri. More than 28,000 Cerner associates are currently employed in 26 countries worldwide

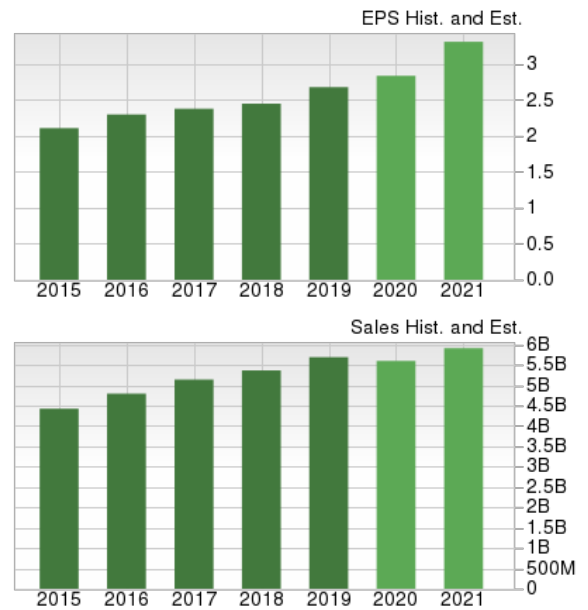
Cerner operates in seven major segments:

- Licensed software
- Technology resale
- Subscriptions
- Professional services
- Managed services
- Support and maintenance
- Reimbursed travel

2019 at a Glance

In 2019, adjusted earnings came in at \$2.68 per share, up 9.4% year over year. Revenues amounted to \$5.69 billion, which increased 6.1% year over year.

The Licensed software segment contributed 11.9% to full-year revenues. Meanwhile, the Technology resale segment had 4.3% contribution in the top line. Contribution from Subscriptions was 6.3%. Professional services contributed 35% to revenues in 2019. Managed services had a contribution of 21.3%. Support and maintenance, and Reimbursed travel contributed 19.4% and 1.7%, respectively, to 2019 revenues.



Reasons To Buy:

- ▲ **Margins Impressive:** In the second quarter, Cerner witnessed expansion in both gross and operating margins.

In the second quarter, gross margin was 84.1%, up 290 basis points (bps) on a year-over-year basis. This can be attributed to the overall mix of revenue in the quarter with significant decline in revenues primarily stemming from low-margin technology resale, third-party services and reimbursed travel. Adjusted operating margin expanded 40 bps to 18.4% during the reported quarter, representing the impact of cost optimization initiatives and improved revenue mix.

Per management, ongoing business optimization efforts will continue to support the targeted fourth-quarter 2020 adjusted operating margin of 22.5%. For fourth-quarter 2020, adjusted operating margin is expected to be 50 to 100 basis points below the abovementioned target, which indicates that the company will not be able to offset the impact of COVID-19 by the end of the year.

- ▲ **Chart Assist – an AI-enabled Workflow:** Cerner announced it has introduced Chart Assist, a new AI-enabled workflow. The platform is designed to join a suite of solutions designed to reduce physician burnout, enhance the clinician's experience and increase productivity. For investors' notice, doctor burnout has been defined as long-term, unresolvable job stress that leads to exhaustion and feeling overwhelmed, cynical, detached from the job, and lacking a sense of personal accomplishment.

Per management, these advancements will help providers address patient care and validate diagnoses, ultimately helping to reduce the physician workload, while supporting the financial strength of the health system.

- ▲ **Cerner Focuses on Behavioral Health Technology:** In June, Cerner announced that North Central Health Care ("NCHC") has selected the company to implement its electronic health record (EHR) at three multi-specialty behavioral health care facilities across Wisconsin. The agreement will enable Cerner to offer physicians, therapists and nurses with near real-time patient information to drive efficiencies and boost care through industry-leading behavioral health technology.

Cerner's behavioral health solution continues to display strength. Cerner's unified behavioral health solution is strongly differentiated in the market and was recently declared as the 2019 best-in-class category leader.

- ▲ **Strategic Deals:** Cerner has strengthened its foothold in the HCIT space through both organic and inorganic means and plans to collaborate with leading companies and academic institutions to provide a wider portfolio of EHR solutions.

During the first quarter, the company inked a deal with the U.S. Department of Defense (DoD) and Veterans Affairs (VA) organizations with respect to a go-live of a joint health information exchange, which supports each department's efforts to fight COVID-19 via simplified data sharing when the need arises. This is an important advancement in Cerner's continued efforts advocating for and developing open, cognitive platforms to provide true interoperability.

In January, Cerner entered into collaboration with CoverMyMeds. Per the deal, Cerner will integrate patient-specific information into the electronic health record ("EHR"). Notably, CoverMyMeds is a wholly-owned subsidiary of McKesson Corporation's prescription technology solutions. Apart from providing detailed price information to the consumers, this latest development will allow healthcare providers to review prescription pricing information at the point of care. Cerner's ePrescribe workflow solution will now partner with CoverMyMeds' RxBenefit Clarity solution to deliver patient pay and benefit information at the point of prescribing. For investors' notice, RxBenefit Clarity solution provides patient-specific benefit information to help inform providers' clinical decisions and communicate with patients.

During third quarter, Geisinger, one of Cerner's strongest provider brands in healthcare, designated the company's EMR-agnostic HealthIntent as its preferred health network platform for a 10-year term. Geisinger will also continue to leverage Cerner's Wellbeing application for member engagement within their health plan.

- ▲ **Big-Data Based Electronic Health Records (EHR) System:** The latest trend of EHR services in the U.S. MedTech space has been gaining prominence. Cerner has been dominating the headlines in this respect, courtesy of its efforts to digitize its EHR systems. Notably, Cerner's HealthIntent is a big data platform, which provides the company with significant exposure to AI trends in the medical world. HealthIntent can fetch data from any EHR system, pharmacy benefits managers and insurance claims.

Per management, the company will have opportunities to continue expanding presence of EHR-agnostic CareAware and HealthIntent solutions beyond EHR base.

- ▲ **Cerner Millennium in Focus:** Cerner Millennium is an HCIT platform designed to support an individual's care across the continuum — from the doctor's office to the hospital and other venues of care. Interestingly, the platform has seen some notable developments in the recent past. Last year, Cerner Millennium was integrated with B. Braun Medical's Infusomat Space Large Volume Pumps at the McLaren Greater Lansing Hospital, Michigan. Other platforms of the company which deserve a mention here are HealthIntent, Population Health, Revenue Cycle and ITWorks.

It is important to note here that a modernized Millennium platform that utilizes SaaS approach is expected accelerate adoption of advanced features and innovations for clients, and significantly increase user satisfaction. This platform is capable of more digital disruption and enhances the ability to drive collaboration with third parties.

- ▲ **Leading Player in the HCIT Space:** Cerner is one of the largest pure-play HCIT companies and its wide footprint, large reference-able client base and composite array of solutions make it an ideal candidate for investors seeking an exposure to the HCIT industry. The Health Information Technology for Economic and Clinical Health (HITECH) Act, which has authorized the EHR Incentive program or the Meaningful Use program, presents significant opportunities for EHR vendors like Cerner. In order to qualify for the HITECH incentives and other payment

Cerner has opportunities in the RCM, Population Health and ambulatory markets, thanks to its product strength and enviable track record of adding new clients. Solid growth in the HealthIntent platform also holds promise.

reform opportunities, the EHR buying activity of individual hospitals, health systems and integrated delivery networks has increased.

Furthermore, the company is one of only two vendors (the other being Epic) that are reportedly gaining market share in the medium- to large-hospital space. Cerner's proven execution skills and ability to deliver results to its clients at a predictable cost distinguish it in the marketplace. The company benefits from a large number of opportunities to win over projects from legacy vendors who have been unable to keep their promises. Such rebound customers, who are dissatisfied with their previous vendor, generally tend to gravitate toward larger vendors such as Cerner, as they tend to provide more composite services.

▲ **Strong Acquisitions:** Cerner follows a strategy of acquiring complementary businesses that enable the company to expand its solutions, device offerings and services, and grow its market and client base.

Over the last few years, the acquisitions of Resource Systems, Clairvia, Anasazi Software, PureWellness, Labotix and InterMedHx have not only expanded Cerner's product portfolio but have also helped improve its market share. In fourth-quarter 2019, the company completed the acquisition of AbleVets for about \$75 million (in cash consideration). Cerner has started to integrate AbleVets' service offerings into its portfolio to accelerate growth in the federal space. Per management, the buyout is expected to contribute about \$90 million to revenues in 2020. On the basis of expertise and the importance of Cerner's federal business, AbleVets seems like a suitable fit.

Per management, on the basis of adjustment for exit from the Adventist Health contract by taking that revenue out of 2019, Cerner's 2020 growth would be over 5%. Adjusting the company's AbleVets revenue would bring pure organic growth back to 4%.

Strategic acquisitions have helped the company rapidly penetrate the HCIT market and we believe Cerner will continue to pursue strategic acquisitions.

▲ **Stable Liquidity Position:** Cerner exited first quarter with cash and cash equivalents and short-term investments of \$441 million, up from \$399 million sequentially. Cumulative net cash provided by operating activities in the second quarter was \$542.1 million, higher than \$524.1 million in the prior-year period. Free cash flow came in at \$64 million in the second quarter. The company's long-term debt was \$1.34 billion in the quarter under review, which remained flat sequentially. Although the quarter's long-term debt was much higher than the corresponding cash and cash equivalent level, the company had no current-year debt in its balance sheet. This is good news in terms of the company's solvency level as, at least during the year of economic downturn. Per management, on the back of relatively low leverage, Cerner remains well positioned to access additional capital as and when necessary to support its growth and capital allocation strategy.

Cerner's capital deployment policy is based on the return of shareholders' money through share repurchases and dividends. However, given the uncertainty surrounding the current environment and the substantial level of buy back in the first quarter (\$9.2 billion shares worth \$650 million), the company has paused its repurchase activity for the time being but will continue to evaluate the same. Further, the company paid dividends worth \$55 million in the second quarter. Per management, Cerner's strong financial position allows it to sustain its dividend program despite the pandemic, which has compelled several companies to suspend dividend program.

Risks

- **Shares Down:** Shares of Cerner lost 0.5% against the industry's rise of 15.6% over the past year. The underperformance reflects stiff competition with respect to the market for HCIT solutions, devices and services, and slashed guidance for the full-year 2020.
- **Q2 Softness:** The second quarter witnessed softness in three of its segments — Licensed Software, Technology Resale, Professional Services, Support and Maintenance and Reimbursed Travel. Dull performance by these segments has partially impeded Cerner's growth.

Licensed software revenues declined 22.8% to \$152.2 million, while Technology resale revenues were \$42.1 million, down 30.7% year over year. Professional services' revenues totaled \$461.1 million, down 4.9% from the prior-year quarter. Support and maintenance revenues were \$274 million, down 0.9% year over year. Reimbursed travel revenues amounted to \$1.7 million, exhibiting a decline of 92.8% on a year-over-year basis.

Additionally, in the quarter, the company's bookings totaled \$1.34 billion, down from \$1.43 billion in the comparable year-ago period. For the third quarter, bookings are expected between \$1.35 billion and \$1.55 billion.

Moreover, Cerner's international revenues were impacted in the quarter by foreign exchange rates.

- **Regulatory Headwinds:** Cerner's industry is highly regulated by the government. With rapid evolution of product standards and requirements, any change in government regulation may have an adverse impact on Cerner's products. Moreover, as the government EHR program winds down, it is expected to create a significant headwind for Cerner.
 - **Cutthroat Competition:** The market for HCIT solutions, devices and services is intensely competitive, rapidly evolving and subject to rapid technological change. Competition is fierce with well reputed names such as Allscripts Healthcare Solutions, Epic Systems, GE Healthcare Technologies, McKesson Corp, Quality Systems and others. The intensity of competition may pressure both pricing and margins. Stringent hospital budgets place further pressure on pricing.
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Last Earnings Report

Cerner Q2 Earnings Surpass Estimates, Revenues Miss

Cerner Corporation reported second-quarter 2020 adjusted earnings of 63 cents per share, which beat the Zacks Consensus Estimate of 61 cents by 3.3%. However, the bottom line declined 4.5% from the prior-year quarter.

The company reported revenues of \$1.33 billion, which missed the Zacks Consensus Estimate by 2%. Moreover, the top line declined 7% from the year-ago quarter.

Revenues by Geography

Per management, U.S. revenues grossed \$1.17 billion, down 8% from the prior-year quarter.

Non-U.S. revenues fell 2% to \$162 million from the year-ago quarter.

Bookings

In the reported quarter, the company's bookings totaled \$1.34 billion, down 6.3% from the year-ago quarter. However, the metric came in more than \$100 million above the higher end of the company's guided range courtesy of robust levels of bookings in Managed services in the quarter under review.

Segmental Performance

Licensed software revenues fell 22.8% to \$152.2 million, as a decline in traditional license software offset strong growth in SaaS offerings.

Technology resale revenues were \$42.1 million, down 30.7% on a year-over-year basis.

Revenues from Subscriptions were \$92.1 million, up 2.5% year over year.

Professional services' revenues totaled \$461.1 million, down 4.9% from the prior-year quarter number. The downside can be attributed to impact of the pandemic on project activity, lower third-party services, and the termination of the large RevWorks agreement.

Revenues at the Managed services unit amounted to \$307.2 million, up 3.2% from the prior-year quarter.

Support and maintenance revenues were \$274 million, down 0.9% year over year.

Reimbursed travel revenues amounted to \$1.7 million, reflecting year-over-year decline of 92.8%. This was owing to travel restrictions that were in place in toward the end of first-quarter 2020.

Margins

In the quarter under review, gross profit was \$1.12 billion, down 3.8% year over year. Gross margin was 84.1%, up 290 basis points (bps) on a year-over-year basis.

General and administrative expenses decreased 10.3% to \$134.3 million. Further, software development expenses fell 1.2% to \$185.3 million.

Adjusted operating income totaled \$245.3 million, down 4.8% from the prior-year quarter. Adjusted operating margin expanded 40 bps to 18.4% during the reported quarter.

Q3 Guidance

For third-quarter 2020, Cerner expects revenues between \$1.35 billion and \$1.40 billion. The Zacks Consensus Estimate for revenues stands at \$1.39 billion.

For third-quarter 2020 adjusted earnings per share is projected between 70 cents and 74 cents. The consensus mark for earnings is pegged at 71 cents.

New business bookings for third-quarter 2020 are estimated between \$1.35 billion and \$1.55 billion.

For full-year 2020, the company anticipates revenues in the range of \$5.45-\$5.55 billion (down from the previously guided range of \$5.55-\$5.70 billion).

For the full year, adjusted earnings per share are expected between \$2.80 and \$2.88 (narrowed from the prior guided band of \$2.78-\$2.90).

Quarter Ending 06/2020

Report Date	Jul 29, 2020
Sales Surprise	-2.01%
EPS Surprise	3.28%
Quarterly EPS	0.63
Annual EPS (TTM)	2.75

Valuation

Cerner's shares are down 2.9% in the year-to-date period and 0.9% in the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Medical sector are up 16.4% and 1.4% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and sector are up 16.7% and 8.2%, respectively.

The S&P 500 index is up 1.3% in the year-to-date period and 10.8% the past year.

The stock is currently trading at 22.9X Forward 12-months earnings, which compares to 83.5X for the Zacks sub-industry, 22.9X for the Zacks sector and 22.7X for the S&P 500 index.

Over the past five years, the stock has traded as high as 32.3X and as low as 18.6X, with a 5-year median of 25.4X.

Our Outperform recommendation indicates that the stock will perform above the market. Our \$82 price target reflects 26.4X forward 12-months earnings.

The table below shows summary valuation data for CERN.

Valuation Multiples - CERN					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	22.9	83.5	22.99	22.7
	5-Year High	32.34	83.5	23.17	22.7
	5-Year Low	18.57	24.52	15.89	15.25
	5-Year Median	25.39	31.97	18.91	17.55
P/S F12M	Current	3.75	3.11	2.84	3.59
	5-Year High	4.85	3.14	3.74	3.59
	5-Year Low	2.78	1.61	2.22	2.53
	5-Year Median	3.73	2.3	2.9	3.02
P/B TTM	Current	5.61	3.98	4.42	4.46
	5-Year High	6.39	4.04	5.07	4.56
	5-Year Low	3.18	2.13	2.94	2.83
	5-Year Median	4.8	3.06	4.3	3.72

As of 07/30/2020

Industry Analysis Zacks Industry Rank: Bottom 19% (204 out of 253)



Top Peers

Company (Ticker)	Rec	Rank
Agilysys, Inc. (AGYS)	Neutral	3
Computer Programs and Systems, Inc. (CPSI)	Neutral	4
Castlight Health, inc. (CSLT)	Neutral	3
Cognizant Technology Solutions Corporation (CTSH)	Neutral	3
McKesson Corporation (MCK)	Neutral	3
NEXTGEN HEALTHCARE, INC (NXGN)	Neutral	3
Vocera Communications, Inc. (VCRA)	Neutral	2
Allscripts Healthcare Solutions, Inc. (MDRX)	Underperform	4

Industry Comparison Industry: Medical Info Systems				Industry Peers		
	CERN	X Industry	S&P 500	CPSI	MCK	MDRX
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	2	-	-	4	3	4
VGM Score	B	-	-	A	A	C
Market Cap	21.69 B	267.22 M	22.57 B	354.97 M	24.90 B	1.23 B
# of Analysts	15	5	14	8	8	12
Dividend Yield	1.01%	0.00%	1.83%	1.64%	1.07%	0.00%
Value Score	B	-	-	B	A	B
Cash/Price	0.02	0.07	0.07	0.01	0.16	0.19
EV/EBITDA	16.86	-1.56	12.96	10.43	11.77	19.68
PEG Ratio	1.86	2.16	3.04	0.94	1.75	1.94
Price/Book (P/B)	5.40	3.43	3.13	1.85	5.12	0.99
Price/Cash Flow (P/CF)	15.18	18.68	12.61	10.57	7.20	3.69
P/E (F1)	25.10	21.54	22.06	11.59	10.70	12.70
Price/Sales (P/S)	3.86	4.38	2.42	1.29	0.11	0.72
Earnings Yield	3.99%	-1.86%	4.31%	8.63%	9.35%	7.91%
Debt/Equity	0.33	0.14	0.75	0.52	1.51	0.63
Cash Flow (\$/share)	4.69	-0.05	6.94	2.31	21.35	2.06
Growth Score	C	-	-	A	A	D
Hist. EPS Growth (3-5 yrs)	4.96%	10.97%	10.85%	-2.97%	4.28%	11.77%
Proj. EPS Growth (F1/F0)	5.90%	-10.76%	-7.75%	-16.55%	-3.94%	-10.82%
Curr. Cash Flow Growth	6.07%	10.02%	5.39%	-14.81%	-33.76%	9.89%
Hist. Cash Flow Growth (3-5 yrs)	11.81%	10.24%	8.55%	-1.64%	-0.50%	10.24%
Current Ratio	2.04	1.82	1.31	1.65	0.99	0.78
Debt/Capital	24.99%	18.30%	44.32%	34.40%	63.90%	38.84%
Net Margin	9.23%	-18.53%	10.44%	7.67%	0.39%	-3.06%
Return on Equity	18.19%	-12.09%	14.73%	11.85%	41.07%	5.52%
Sales/Assets	0.82	0.60	0.52	0.81	3.81	0.53
Proj. Sales Growth (F1/F0)	-1.63%	0.00%	-1.95%	-5.82%	0.52%	-4.11%
Momentum Score	C	-	-	B	B	D
Daily Price Chg	-2.93%	0.00%	-0.92%	-0.81%	-1.34%	2.15%
1 Week Price Chg	0.74%	0.00%	0.37%	0.04%	0.34%	-2.50%
4 Week Price Chg	1.93%	4.79%	4.14%	9.20%	0.58%	14.31%
12 Week Price Chg	6.37%	19.03%	12.21%	12.10%	14.14%	29.08%
52 Week Price Chg	-0.93%	-5.24%	-1.73%	-5.05%	3.62%	-26.10%
20 Day Average Volume	1,672,224	333,734	1,887,986	63,209	918,019	1,111,904
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-3.53%
(F1) EPS Est 4 week change	0.00%	0.00%	0.38%	0.00%	0.01%	-8.01%
(F1) EPS Est 12 week change	0.17%	-3.70%	-0.07%	-27.79%	-4.88%	-19.45%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.16%	0.00%	-1.53%	-0.15%

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	C
Momentum Score	C
VGM Score	B

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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