

Columbia Sportswear (COLM)

\$70.00 (As of 05/21/20)

Price Target (6-12 Months): **\$74.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 05/19/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:F

Value: D

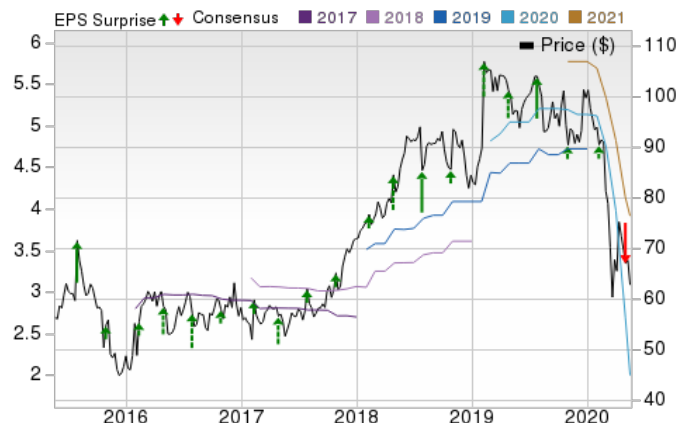
Growth: F

Momentum: F

Summary

Columbia Sportswear has outpaced the industry in the past three months. The stock got a boost on the company's store reopening plans as curbs related to coronavirus are being lifted gradually. Incidentally, the company reopened 30 Columbia brand stores recently and plans to reopen more U.S. stores in the coming months. Further, the company's e-commerce platform has been largely operational during the coronavirus pandemic, with U.S. sales rising 60% in April. These upsides are likely to aid sales, which have been otherwise bearing the brunt of coronavirus-led store closures. In first-quarter 2020, top and bottom lines fell year over year and missed the consensus mark. Further, the company saw high SG&A costs and soft gross margin. Management expects high promotions to clear off excess inventory, to pressurize margins.

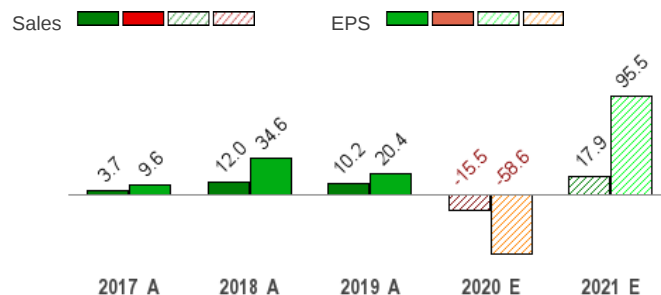
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$109.44 - \$51.82
20 Day Average Volume (sh)	415,098
Market Cap	\$4.6 B
YTD Price Change	-30.1%
Beta	0.64
Dividend / Div Yld	\$1.04 / 1.5%
Industry	Textile - Apparel
Zacks Industry Rank	Bottom 23% (195 out of 254)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	-100.0%
Last Sales Surprise	-4.4%
EPS F1 Est- 4 week change	-30.3%
Expected Report Date	07/23/2020
Earnings ESP	0.0%
P/E TTM	19.2
P/E F1	35.0
PEG F1	3.9
P/S TTM	1.6

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	623 E	379 E	870 E	992 E	3,029 E
2020	568 A	307 E	777 E	918 E	2,570 E
2019	655 A	526 A	907 A	955 A	3,042 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$0.71 E	-\$0.64 E	\$1.73 E	\$1.97 E	\$3.91 E
2020	\$0.00 A	-\$0.83 E	\$1.15 E	\$1.58 E	\$2.00 E
2019	\$1.07 A	\$0.23 A	\$1.75 A	\$1.67 A	\$4.83 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 05/21/2020. The reports text is as of 05/22/2020.

Overview

Headquartered in Portland, OR, **Columbia Sportswear Company** engages in the sourcing, marketing and distribution of outdoor and active lifestyle apparel, footwear, accessories and equipment in the U.S. and internationally.

The company offers products under four well-established brands – Columbia, Sorel, Mountain Hardwear and prAna. Amongst other brands, The OutDry and The Pacific Trail are worth mentioning.

The high quality products manufactured by the company under different banners makes them ideal for a range of sporting activities. The company also engages in innovation, in order to match consumers changing preferences, especially in relation with outdoor activities.

The company distributes its products through a mix of wholesale distribution channels, own direct-to-consumer ("DTC") channels (retail stores and e-commerce), independent international distributors, as well as licensees.

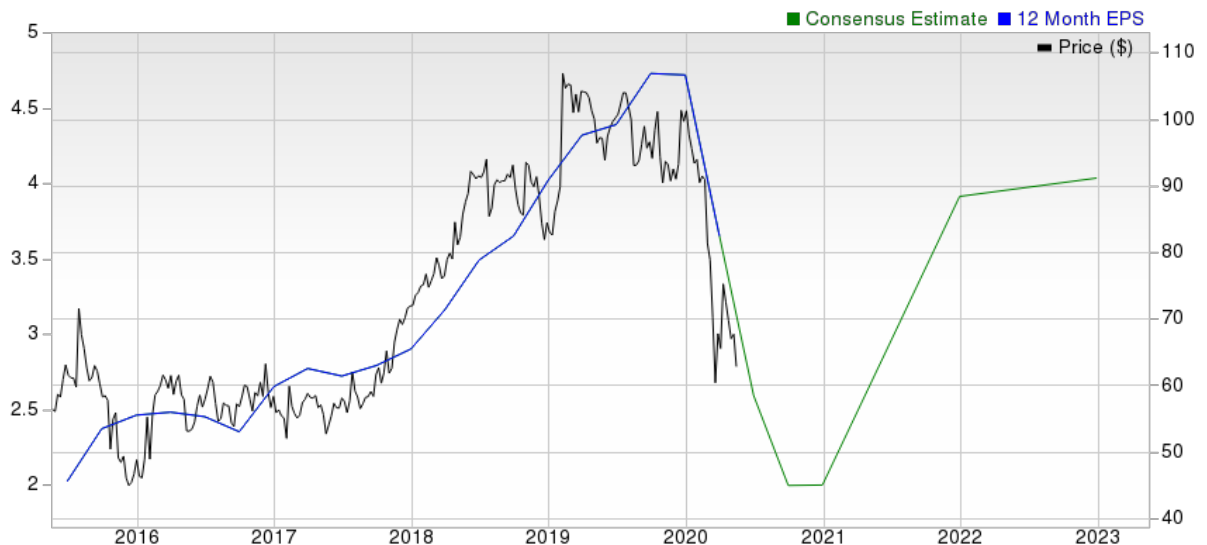
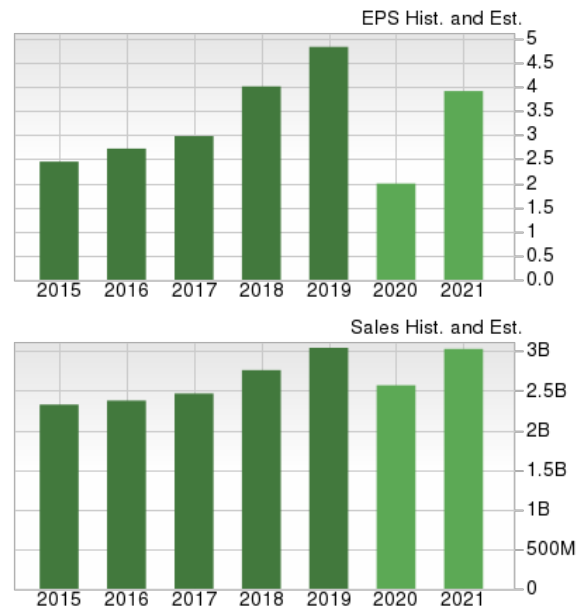
In 2019, the company's products were sold across 90 countries. Majority of the company's products are manufactured by contract manufacturers located outside the United States.

Columbia reports its operating results under two major segments:

Apparel, accessories and equipment segment: This segment designs, develops, markets and distributes apparel, accessories and equipment for men and women under its Columbia, Sorel, Mountain Hardwear and prAna brands, and for youth under the Columbia and Mountain Hardwear brand.

Footwear segment: The segment designs, develops, markets and distributes footwear products for men, women and youth under its Columbia and Sorel brands.

The company operates in four geographic regions: The United States, Canada, Latin America and Asia Pacific (LAAP), and Europe, Middle East and Africa (EMEA).



Reasons To Buy:

▲ **Store Reopening, Stock Outperforms:** Although shares of Columbia Sportswear have declined 20.5% in the past three months, it has outpaced the industry's decline of 26%. In fact, the stock has gained 4% in the past month. Notably, Columbia Sportswear's shares got a boost when it announced plans to reopen few stores and bring back furloughed workers. With restrictions to check the coronavirus outbreak being lifted, a number of companies are slated to reopen their stores. In this regard, Columbia Sportswear reopened 30 Columbia branded stores across 10 states on May 15. Incidentally, the company will brought back more than 250 retail employees who were furloughed in the past. Prior to this, the company already reopened one Columbia branded store located in Nebraska. Further, management plans to keep opening more U.S. stores in the coming months, as per government guidelines.

Columbia Sportswear has been gaining from brand enhancement initiatives. The company is also on track with Project CONNECT initiative.

In its first-quarter earnings release, management said that as of Apr 30, 2020, most of the stores had reopened in China and Korea, though many of them work for limited hours. Retail traffic was improving in these regions, though well below the pre-coronavirus level. Nonetheless, the company's e-commerce platform has been largely operational during the pandemic, except for some distribution center closures. These upsidess are likely to aid the company's sales amid the crisis situation.

▲ **Experience First or X1 Initiative on Track:** Columbia Sportswear began investing in its Experience First initiative or the X1 initiative in 2018. The company remains on track with this initiative, which is aimed at enhancing e-commerce operations to keep pace with the evolving consumer environment. Notably, the company's e-commerce platform has been largely operational during the pandemic, except for some distribution center closures. In April, the company's U.S. e-commerce business surged 60% year over year. The company is focused on implementing X1 in a phased manner. In this regard, the initiative was implemented across 10 countries in Europe-direct and for the prAna brand in the United States in 2019. The company expects to keep implementing X1 in North America in 2020. It anticipates this platform to become operational for Columbia, SOREL and Mountain Hardwear brands ahead of the holiday season peak.

▲ **Project CONNECT to Drive Growth:** Columbia Sportswear has been progressing well with its Project CONNECT program, which is aimed toward driving sales and earnings along with strengthening the company's financial position. Project CONNECT focuses on connecting consumers, wholesale customers and international distributors with its manufacturing partners and employees around the globe. Markedly, the program comprises design to value, assortment optimization and manufacturing efficiency endeavors.

▲ **Debt Analysis:** As of the end of first-quarter 2020 (Mar 31, 2020), Columbia Sportswear's long-term operating lease liabilities of \$364 million declined 1.9% quarter over quarter. Further, the company's cash and short term investments of about \$707 million were sufficient to fund its short term borrowings (including operating lease liabilities) of \$239 million. Additionally, the company's debt-to-capitalization ratio stood at 0.2, much better than the industry's 0.61.

Reasons To Sell:

- ▼ **Coronavirus Hurts Q1 Results:** Columbia Sportswear reported dismal first-quarter 2020 results, wherein both top and bottom lines deteriorated year over year and fell short of the Zacks Consensus Estimate. Results were largely affected by concerns related to the coronavirus outbreak. Net sales dropped 13% to \$568.2 million and fell short of the consensus mark of \$594 million. Sales declined across all brands, categories, channels and regions. First-quarter results were largely affected by COVID-19, which kept increasing throughout the quarter. Coronavirus adversely impacted performance in China in late January, Japan and Korea at the beginning of February, and North America and Europe in March. While retail store closures in North America and Europe were commenced in mid-March, traffic started declining from the early days of the month.

Adverse impacts from unfavourable currency rates as well as rising SG&A costs are headwinds for Columbia.

As of Apr 30, 2020, most of the stores reopened in China and Korea, though many of them work for limited hours. In its first-quarter earnings release, the company said that it expects net sales and operating loss to be significantly marred by the pandemic in the second quarter. The company said that it expects sales and margins to be hurt by elevated promotions to clear off excess inventory. It is also battling supply-chain disruptions, primarily due to temporary raw material and finished goods supplier shutdowns in Asia.

- ▼ **Cost & Margin Concerns:** The company has been grappling with high SG&A expenses, which increased 10% in the first quarter of 2020, following increased of 6% and 14% in the fourth and third quarters of 2019, respectively. In the first quarter of 2020, SG&A expenses as a percentage of sales escalated from 38.5% to 48.7%. The increase can be accountable to elevated bad debt costs, higher personnel expense and escalated IT costs. The company reported an operating loss of \$2 million against an operating income of \$88 million in the year-ago period. Apart from this, gross margin declined 360 basis points to 47.8% due to coronavirus-led impacts. These include reduced DTC product margins due to elevated promotional activities and increased inventory obsolescence provisions related to unsold inventory.
- ▼ **Currency Headwinds:** Due to exposure in international markets, Columbia Sportswear is prone to currency fluctuations. The weakening of foreign currencies against the U.S. dollar may require the company to either raise prices or contract profit margins in locations outside the United States. Increase in prices may have adverse impact on demands for the products. Therefore, unfavourable currency movements remain a threat to the company's profitability.
- ▼ **Volatile Product Costs:** Columbia Sportswear remains prone to volatility in the prices of several raw materials in the commodity market, such as oil, leather and cotton among others. The company's product costs depend largely on these prices, along with quality and availability of raw materials; labor market fluctuations that impact wage rates; transportation costs and general economic conditions like inflation. Thus, any major changes in these factors can impact the company's production cost, which can hurt profitability.
-

Last Earnings Report

Columbia Sportswear Q1 Earnings Miss on Coronavirus Woes

Columbia Sportswear reported dismal first-quarter 2020 results, wherein both top and bottom lines deteriorated year over year and fell short of the Zacks Consensus Estimate. Also, management withdrew its first half and 2020 guidance on account of the uncertainties and disruptions related to coronavirus. The company expects net sales and operating loss to be significantly marred by the pandemic in the second quarter.

The company posted breakeven earnings compared with the year-ago period's reported figure of \$1.07. The Zacks Consensus Estimate stood at 45 cents. Net sales dropped 13% to \$568.2 million and fell short of the consensus mark of \$594 million. Sales declined across all brands, categories, channels and regions.

In the reported quarter, DTC channels displayed a sales decline of 17%, while wholesale net sales fell 10%. Gross margin declined 360 basis points (bps) to 47.8% due to coronavirus-led impacts. These include reduced DTC product margins due to elevated promotional activities and increased inventory obsolescence provisions related to unsold inventory.

SG&A expenses rose 10% to \$27.8 million. As a percentage of sales, the same escalated from 38.5% to 48.7%. The company reported an operating loss of \$2 million against an operating income of \$88 million in the year-ago period. The current period loss includes increased bad-debt expenses and escalated inventory obsolescence provision of \$21.5 million and \$9.2 million, respectively.

Regional Segments & Sales by Product Category & Brand

In the United States, net sales fell 9% to \$375.9 million. Latin America/Asia Pacific (LAAP) net sales fell 23% (down 22% at cc) to \$102.6 million. Further, net sales dropped 22% (down 20% at cc) to \$55.8 million in Europe/Middle East/Africa (EMEA). In Canada, net sales were down 11% to \$33.9 million.

Net sales in the Apparel, Accessories and Equipment category declined 14% to \$452.2 million, while the same for Footwear fell 10% to \$116 million. Further, the Columbia and prAna brands saw sales declines of 15% and 11%, respectively. Meanwhile, sales dropped 2% each at Mountain Hardwear and Sorel brands.

Other Financial Updates

Columbia Sportswear ended the quarter with cash, cash equivalents and short-term investments of \$706.9 million and total equity of \$1,696.6 million. The company also had short-term borrowings of \$174.4 million in its balance sheet. During the quarter, the company generated cash from operating activities of \$12.8 million, while it incurred capital expenditures of \$9.5 million. Further, the company paid out dividends of \$17.2 million and repurchased 1,557,184 shares for an aggregate of \$132.9 million during the first three months of 2020. However, management has suspended share buyback activities and quarterly dividend payments for the time being, as part of its efforts to preserve capital amid the COVID-19 crisis.

COVID-19 Update

First-quarter results were largely affected by COVID-19, which kept increasing throughout the quarter. Coronavirus adversely impacted performance in China in late January, Japan and Korea at the beginning of February, and North America and Europe in March. While retail store closures in North America and Europe were commenced in mid-March, traffic started declining from the early days of the month.

As of Apr 30, 2020, most of the stores reopened in China and Korea, though many of them work for limited hours. While retail traffic is improving in these regions, it is still well below the pre-coronavirus level. However, stores remain closed in North America and most parts of Europe. Nonetheless, the company's e-commerce platform has been largely operational during the pandemic, except for some distribution center closures.

The company is taking several actions to curtail costs and fortify capital position in the wake of this crisis. To this end, it has suspended dividend payouts and share buybacks, reduced operating and discretionary expenses, among others, and reduced planned inventory purchases for fall 2020. The company expects its sales and margins to be hurt by elevated promotions to clear off excess inventory. It is also battling supply-chain disruptions, primarily due to temporary raw material and finished goods supplier shutdowns in Asia.

Quarter Ending **03/2020**

Report Date	Apr 30, 2020
Sales Surprise	-4.36%
EPS Surprise	-100.00%
Quarterly EPS	0.00
Annual EPS (TTM)	3.65

Recent News

Columbia Sportswear Reopens Stores, Brings Back Employees - May 14, 2020

Columbia Sportswear announced its plans to reopen 30 Columbia branded stores across 10 states on May 15. Incidentally, the company said that it will bring back more than 250 retail employees who were furloughed in the past. Prior to this, the company already reopened one Columbia branded store located in Nebraska.

Further, the company is taking several actions to curtail costs and fortify capital position in the wake of this crisis. To this end, it has suspended dividend payouts and share buybacks, reduced operating and discretionary expenses as well as reduced planned inventory purchases for fall 2020.

Columbia Sportswear Withdraws View, Keeps Stores Closed Amid Coronavirus – Apr 17, 2020

Columbia Sportswear provides an update on the coronavirus outbreak. The company's stores across North America and Europe remain shut until it is safe to reopen them amid the coronavirus crisis. Also, U.S. retail store operations staffs have been partially furloughed through May 1. Similar moves to furlough workers have been taken in the company's distribution centers and corporate offices.

Although, most stores in China and Korea have opened again, majority of these stores are still operating with reduced store hours. Also, retail traffic in these reopened stores are seeing some improvements but it stands well below pre-pandemic levels. Meanwhile, the company's online business has largely been operational amid the coronavirus crisis.

Further, management has temporarily suspended its quarterly dividend as well as share buyback plans. Moreover, the company has been undertaking measures to control its capital expenditures among other moves to improve liquidity amid coronavirus crisis. Apart from these, the Company has taken other moves including amending and restating its domestic credit agreement to improve its financial position amid the crisis. In this regard, it has drawn down \$325 million under its domestic credit agreement since Mar 27.

Also, given the coronavirus outbreak and its impact on revenues and costs, management has withdrawn its first half and full year 2020 financial outlook, which was issued along with its fourth-quarter results on Feb 7.

Valuation

Columbia Sportswear's shares are down 30.2% in the year-to-date period and 27.6% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Discretionary are down 33% and 16.3%, respectively in the year-to-date period. Over the past year, the Zacks sub-industry and the sector were down 25.9% and 8.3%, respectively.

The S&P 500 index is down 8.3% in the year-to-date period and up 4.4% in the past year.

The stock is currently trading at 25.53X forward 12-month earnings, which compares to 29.62X for the Zacks sub-industry, 29.82X for the Zacks sector and 21.54X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.69X and as low as 11.61X, with a 5-year median of 20.77X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$74 price target reflects 26.99X forward 12-month earnings.

The table below shows summary valuation data for COLM

Valuation Multiples - COLM					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	25.53	29.62	29.82	21.54
	5-Year High	28.69	29.62	29.82	21.54
	5-Year Low	11.61	13.34	16.21	15.23
	5-Year Median	20.77	17.99	19.92	17.49
P/S F12M	Current	1.68	1.96	2.08	3.3
	5-Year High	2.46	2.58	3.2	3.44
	5-Year Low	1.18	1.42	1.67	2.53
	5-Year Median	1.77	2.04	2.53	3.01
EV/EBITDA F12M	Current	8.3	15.91	10.53	12.3
	5-Year High	14.91	19.11	12.4	12.65
	5-Year Low	8.05	11.74	8.64	9.05
	5-Year Median	11.46	14.38	10.8	10.81

As of 05/21/2020

Industry Analysis Zacks Industry Rank: Bottom 23% (195 out of 254)



Top Peers

Company (Ticker)	Rec	Rank
Guess, Inc. (GES)	Neutral	2
lululemon athletica inc. (LULU)	Neutral	3
PVH Corp. (PVH)	Neutral	3
Under Armour, Inc. (UAA)	Neutral	3
GIII Apparel Group, LTD. (GIII)	Underperform	4
Hanesbrands Inc. (HBI)	Underperform	5
Ralph Lauren Corporation (RL)	Underperform	5
V.F. Corporation (VFC)	Underperform	5

Industry Comparison Industry: Textile - Apparel				Industry Peers		
	COLM	X Industry	S&P 500	GES	GIII	LULU
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	2	4	3
VGM Score	F	-	-	A	A	B
Market Cap	4.63 B	488.20 M	20.19 B	554.01 M	488.20 M	34.82 B
# of Analysts	7	4	14	4	7	16
Dividend Yield	1.49%	0.00%	2.11%	0.00%	0.00%	0.00%
Value Score	D	-	-	A	A	F
Cash/Price	0.17	0.20	0.07	0.59	0.46	0.03
EV/EBITDA	8.13	7.29	12.15	5.73	3.53	32.42
PEG Ratio	3.91	2.99	2.71	NA	1.02	3.45
Price/Book (P/B)	2.73	0.89	2.74	0.81	0.38	17.86
Price/Cash Flow (P/CF)	10.63	4.23	10.98	2.89	2.49	43.18
P/E (F1)	35.00	16.92	20.17	14.00	11.64	57.10
Price/Sales (P/S)	1.57	0.37	2.07	0.21	0.15	8.75
Earnings Yield	2.86%	3.25%	4.73%	7.08%	8.56%	1.75%
Debt/Equity	0.21	0.66	0.76	1.50	0.50	0.31
Cash Flow (\$/share)	6.59	2.17	6.96	2.83	4.08	6.20
Growth Score	F	-	-	A	A	A
Hist. EPS Growth (3-5 yrs)	18.04%	4.02%	10.87%	4.98%	6.78%	25.21%
Proj. EPS Growth (F1/F0)	-58.68%	-58.87%	-10.31%	-59.66%	-72.64%	-4.97%
Curr. Cash Flow Growth	30.70%	8.09%	5.46%	24.83%	6.85%	26.75%
Hist. Cash Flow Growth (3-5 yrs)	17.53%	4.03%	8.55%	0.67%	9.97%	19.56%
Current Ratio	2.80	1.67	1.29	1.67	2.23	2.91
Debt/Capital	17.68%	43.08%	44.54%	60.17%	33.35%	23.85%
Net Margin	8.68%	3.58%	10.54%	3.58%	4.55%	16.22%
Return on Equity	14.34%	12.14%	16.27%	17.62%	12.74%	39.88%
Sales/Assets	1.07	1.07	0.54	1.12	1.19	1.41
Proj. Sales Growth (F1/F0)	-15.54%	-10.89%	-2.49%	-15.77%	-17.62%	5.92%
Momentum Score	F	-	-	F	F	C
Daily Price Chg	2.76%	0.00%	-0.76%	10.38%	14.67%	3.54%
1 Week Price Chg	-7.20%	-7.60%	-4.56%	-11.89%	-16.35%	3.82%
4 Week Price Chg	4.03%	6.14%	5.52%	11.89%	19.53%	26.41%
12 Week Price Chg	-16.36%	-23.90%	-8.54%	-49.54%	-53.82%	21.22%
52 Week Price Chg	-27.57%	-52.04%	-6.30%	-52.82%	-64.91%	57.19%
20 Day Average Volume	415,098	63,033	2,645,192	1,179,412	1,480,237	1,658,535
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-7.14%	-11.58%	-0.48%
(F1) EPS Est 4 week change	-30.34%	-15.11%	-3.80%	-7.14%	-11.58%	1.64%
(F1) EPS Est 12 week change	-58.65%	-65.68%	-16.57%	-65.99%	-71.71%	-18.66%
(Q1) EPS Est Mthly Chg	-19.71%	-21.43%	-7.64%	-16.22%	-21.43%	-1.09%

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	D
Growth Score	F
Momentum Score	F
VGM Score	F

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.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless indicated otherwise on the reports first page. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.