Fifth Third Bancorp (FITB)

$20.21 (As of 06/02/20)

Price Target (6-12 Months): **$21.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 06/01/20) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:D
	Value: C | Growth: D | Momentum: D	

Summary

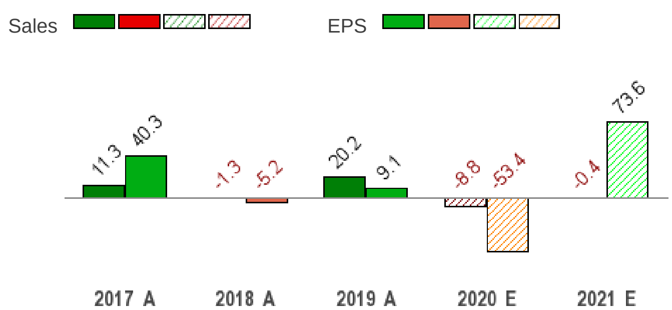
Shares of Fifth Third have underperformed the industry over the past six months. Yet, the company has a decent earnings surprise history, having beaten the Zacks Consensus Estimate in two of the trailing four quarters and missed in two. Fifth Third's strategic efforts are likely to boost its efficiency and revenues. Also, rising loans and deposits balance keep the bank well poised to undertake expansions and might aid margin expansion despite low rates. Moreover, the company carries low credit risk in case of any economic downturn. However, persistently rising costs due to branch-digitization initiative and legal issues are headwinds. Also, significant exposure to commercial loans is a concern. Notably, the company has temporarily suspended share buybacks through the second quarter of 2020, following the challenges from coronavirus pandemic.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$31.64 - $11.10**
20 Day Average Volume (sh)	**7,498,748**
Market Cap	**$14.4 B**
YTD Price Change	**-34.3%**
Beta	**1.70**
Dividend / Div Yld	**$1.08 / 5.3%**
Industry	**Banks - Major Regional**
Zacks Industry Rank	**Top 49% (125 out of 253)**
Last EPS Surprise	**-43.5%**
Last Sales Surprise	**0.4%**
EPS F1 Est- 4 week change	**-0.4%**
Expected Report Date	**07/28/2020**
Earnings ESP	**0.0%**
P/E TTM	**8.9**
P/E F1	**15.7**
PEG F1	**2.2**
P/S TTM	**1.5**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	1,850 E	1,887 E	1,907 E	1,930 E	7,568 E
2020	1,900 A	1,868 E	1,901 E	1,932 E	7,598 E
2019	2,183 A	1,905 A	1,982 A	2,263 A	8,333 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	$0.52 E	$0.56 E	$0.64 E	$0.66 E	$2.24 E
2020	$0.13 A	$0.31 E	$0.40 E	$0.42 E	$1.29 E
2019	$0.63 A	$0.71 A	$0.75 A	$0.68 A	$2.77 A

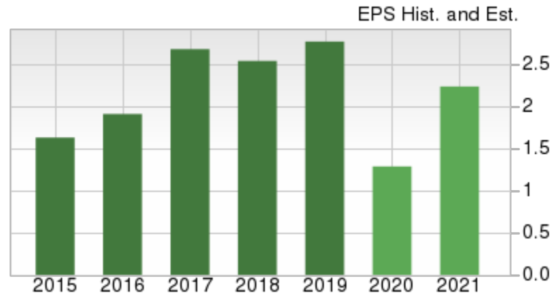
*Quarterly figures may not add up to annual.

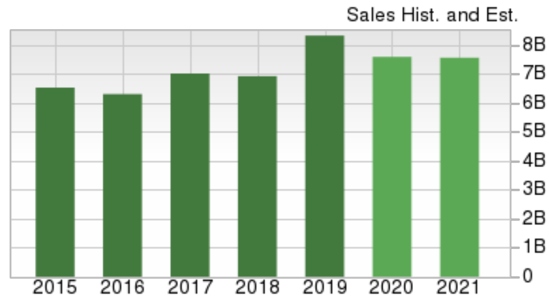
The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 06/02/2020. The reports text is as of 06/03/2020.

Overview

With assets of $185 billion, Cincinnati-based Fifth Third Bancorp has 1,123 full-service banking centers in 10 states throughout the Midwestern and Southeastern regions of the United States. In September 2019, Fifth Third received OCC's approval to convert from an Ohio state-chartered bank to a national bank. Fifth Third classifies its operations into mainly four reportable segments:

- **Branch Banking** (contributed 34% to net income in 2019) provides deposit, loan and lease products, and credit cards to individuals and small businesses.
- **Consumer Lending** (4%) includes mortgage and home equity lending, as well as other indirect lending activities.
- **Commercial Banking** (57%) provides financial services and products to large and middle-market businesses, governments and professional customers.
- **Wealth and Asset Management** (4%) offers investment alternatives to individuals, companies and non-profit organizations. These consist of proprietary mutual funds, securities brokerage and asset management services.





Further, Other segment (1%) includes unallocated portion of investment securities portfolio, securities gains and losses, non-core deposit funding, unassigned equity, provision expense above net charge-offs or benefit from reduction of allowance for loan losses, representation and warranty expense above actual losses or benefit from reduction of representation and warranty reserves, payment of preferred stock dividends and additional activities.

In March 2019, Fifth Third completed the acquisition of MB Financial, for a total consideration of $3.6 billion. In February 2018, it acquired Coker Capital, a healthcare M&A advisory firm. In 2017, it acquired R.G. McGraw Insurance Agency.

Notably, Fifth Third has exited its entire stake in all publicly-traded companies. In March 2019, the company exchanged its remaining shares of Worldpay Holdings, LLC for shares of Worldpay, Inc., and subsequently sold its shares, recording a gain of $562 million. During March and April 2019, Fifth Third exchanged its Class B units of GreenSky Holdings, LLC for Class A common stock of GreenSky, Inc., and subsequently sold all of the stock.

Reasons To Buy:

> Fifth Third's diversified revenue sources along with growing deposit and loan base keep it well poised to undertake inorganic growth strategies. Also, improving margins is a tailwind.

- With the gradual change in the rate environment, margin pressure for Fifth Third eased. In the last four years (ended 2019), the company reported improving net interest margin (NIM) after witnessing a declining trend for years. The increase reflected an improvement in the yield on earning assets. Though Fifth Third reduced its prime lending rate by 100 basis points post recent Fed rate cut, margin is anticipated to benefit from loan growth and higher loan yields. Notably, NIM remained stable on a year-over-year basis in first-quarter 2020.

- Fifth Third's diverse revenue base will likely support its earnings growth. The company has expanded its non-interest income base, which now represents about 38% of total revenues in first-quarter 2020. Additionally, the company remains focused on executing measures, including branch consolidation. Also, the company is focused on strategic investments through North Star initiatives and MB Financial's buyout, which are expected to result in revenue growth, expense savings and operational excellence. Particularly, the company anticipates an annual pretax income benefit of $60-$75 million by 2022. Also, the transaction is likely to reduce expenses by $255 million. Notably, based on current economic situation due to coronavirus concerns, management expects fee income to decrease high-single to low-double digits (on an adjusted basis) in the second quarter.

- The company's deposit balances represent an important source of funding and revenue growth opportunity. Fifth Third continues to focus on core deposit growth in its retail and commercial franchises by improving customer satisfaction, building full relationships and offering competitive rates. Notably, Fifth Third's total deposits, and loans and leases recorded a CAGR of 5.2% and 4.4%, respectively, over the last five years ending 2019, with some annual volatility. The increasing trend continued in first-quarter 2020. We believe the company is well positioned to strengthen its organic growth as the U.S. economy is gaining traction.

- Fifth Third's capital-deployment activities are impressive. The company raised its quarterly common stock dividend by 12.5% this February. Also, the company announced a share buyback program of up to 100 million shares in June 2019, with no expiration date. Fifth Third's capital-deployment activities seem sustainable due to its improving earnings performance over the past few quarters and strong balance-sheet position. Notably, the company has temporarily suspended share buybacks through the second quarter of 2020, following the "unprecedented challenge" from the coronavirus pandemic.

- Amid the coronavirus crisis and its impact on economy, the company holds a debt level of $22.4 billion and debt-capital ratio of 0.43 (compared with the industry average of 0.52), as of Mar 31, 2020. Both have remained volatile over the past few quarters. Therefore, with a time-interest-earned ratio of 5X-6X over the past few quarters which indicates the company's ability to meet its debt obligations based on current income and a record of consistent earnings, we believe Fifth Third carries low credit risk and has a lesser likelihood of default of interest and debt repayments if the economic situation worsens.

- Proactive steps have been taken by Fifth Third to improve its credit quality. In the last few years, the company took aggressive actions to reduce credit risk. Further, in line with its strategy to reduce volatility, particularly given the current environment, the company shrank exposures in certain segments such as commodity trading. Going forward, we expect the overall improvement in the credit metrics trend to continue in the upcoming quarters given the economic recovery.

Reasons To Sell:

- Elevated non-interest expenses, despite efficiency initiatives remain a major concern for Fifth Third. Initiatives such as branch digitization keep the company's expense base under pressure in the short term. Given its ongoing strategic investments in several areas including technology, expenses might escalate in the near-term. Additionally, the company continues to encounter investigations and lawsuits from investors and regulators, which are expected to lead to higher legal expenses and provisions. Notably, expenses recorded a five-year CAGR of 6.3% in 2019, with the increasing trend continued in first-quarter 2020.

Strategic investments in areas such as technology and involvement in legal issues keep non-interest expenses elevated. Also, significant exposure to commercial loans remains a concern for Fifth Third.

- The loan portfolio of Fifth Third comprises majorly commercial loans (nearly 64% as of Mar 31, 2020). Such high exposure can be risky for the company signifying concentration risk amid uncertain markets.
- Fifth Third's trailing 12-month return on equity (ROE) undercuts its growth potential. Though the company's ROE of 9.05% has gradually improved over the years, it compares unfavorably with 16.26% for the S&P 500 average, indicating the fact that it is less efficient in using shareholders' funds.
- Shares of Fifth Third have underperformed the industry over the past six months. With this unfavorable trend, the company's earnings estimates for the current year have moved 51.7% downward over the past 60 days. Therefore, given the above concerns and lack of positive estimate revisions, the stock has limited upside potential.

Last Earnings Report

Fifth Third Q1 Earnings Disappoint, Provisions Flare Up

Quarter Ending	03/2020
Report Date	Apr 21, 2020
Sales Surprise	0.42%
EPS Surprise	-43.48%
Quarterly EPS	0.13
Annual EPS (TTM)	2.27

Fifth Third reported first-quarter 2020 adjusted earnings of 13 cents per share, missing the Zacks Consensus Estimate of 23 cents amid the coronavirus scare. Results also compared unfavorably with the prior-year quarter's earnings of $1.12 per share.

Results exclude provision in excess of net charge-offs of 55 cents and other notable items of 9 cents.

Elevated expenses and provisions negatively impacted the company's results. However, the increase in revenues was aided by the rising net interest and fee income. Moreover, a stable net interest margin was a positive. Additionally, the company's performance displays a strong capital position with escalating loans and deposits.

Net income available to common shareholders slumped 96% year over year to $29 million.

Revenues Improve, Costs Flare Up, Loans & Deposits Rise

Total adjusted revenues for the reported quarter came in at $1.93 billion, up 17% year over year, driven by higher net interest as well as fee income. Further, the figure surpassed the Zacks Consensus Estimate of $1.89 billion.

Fifth Third's net interest income (tax equivalent) came in at $1.2 billion, rising 12% year over year. This rise primarily reflects elevated interest-earning assets, including the impact from the MB Financial acquisition, partially muted by the low-rate environment. Net interest margin remained flat year over year at 3.28%.

Non-interest income climbed 29.1% year over year to $732 million (excluding certain non-recurring items). Including significant items, non-interest income slipped 39% year over year to $671 million. Mortgage banking revenues more than doubled on a year-over-year basis.

Excluding merger-related expenses, non-interest expenses flared up 17% from the prior-year quarter to $1.2 billion. This upsurge chiefly resulted from rise in almost all components. Including merger expenses, costs flared up 9% year over year.

As of Mar 31, 2020, average loan and lease balances jumped around 1% sequentially to $110.8 billion. This upswing mainly stemmed from increased commercial and consumer loans and leases. Average total deposits advanced marginally sequentially to $126.8 billion.

Credit Quality: A Concern

Credit metrics deteriorated in the quarter. Provision for credit losses surged significantly year over year to $640 million. Net charge-offs for the first quarter came in at $122 million or 44 basis points (bps) of average loans and leases on an annualized basis compared with the $77 million or 32 bps witnessed in the prior-year quarter.

Further, total allowance for credit losses more than doubled to $2.5 billion from the prior-year quarter. Total non-performing assets, including loans held for sale, came in at $709 million, up 42.4% from the year-ago quarter.

Strong Capital Position

Fifth Third was well capitalized during the January-March period. The Tier 1 risk-based capital ratio was 10.56% compared with the 10.67% posted at the end of the prior-year quarter. The CET1 capital ratio (fully phased-in) was 9.36% as against the 9.60% recorded at the end of the year-ago quarter. The Tier 1 leverage ratio was 9.37% as compared with the year-earlier quarter's 10.32%.

Outlook

Second-Quarter 2020

Interest-bearing core deposit costs are likely to shrink another 35-40 bps over the next two quarters, based on the Fed rate moves.

Excluding the impact of PPP loans, management expects loan to core deposit ratio to remain stable in the second quarter.

NII is expected to remain stable sequentially excluding purchase accounting accretion, while increase marginally on higher loan outstanding.

NIM is expected to remain tightened, reflecting impact of the rate environment, the PPP loans and the amount of short-term liquidity on the balance sheet.

The company expects non-interest income to be down high-single to low-double digits from the adjusted first-quarter 2020 figure, reflecting lower mortgage banking revenues to be adversely impacted by the COVID-19 pandemic.

The company expects non-interest expenses to be down in high-single to low-double digits sequentially.

Average loans and leases are anticipated to be up high-single to low-double digits sequentially. Based on the line draws at the end of the first quarter and PPP activities, management expects low double-digit growth in average commercial loans and relatively stable consumer loans.

Charge-offs is expected to remain near historically low levels and be in the 45-50 bps range.

Effective tax rate is expected to be around 22%.

Project North Star Initiatives

In September 2016, Fifth Third launched Project North Star, which laid down several long-term financial targets without expecting any improvement in the current economic conditions. The initiatives are expected to enhance revenue growth, lower expenses and optimize balance sheet position.

Remain on-track to achieve MB expense savings by first-quarter 2020 ($255 million pre-tax) and expect to achieve around 80% of run-rate savings by year-end. The company also continues to expect revenue synergies to generate around $60-$75 million in annual pretax income by 2022.

Recent News

Fifth Third to Appoint 1,000 Employees Amid Coronavirus Crisis – Apr 6, 2020

Amid coronavirus crisis, Fifth Third is on a hiring spree to cater to the demand of increased Small Business Administration-backed loans followed by the $2-trillion federal Coronavirus Aid, Relief and Economic Security (CARES) Act, passed this March. Notably, this package would dedicate $350 billion worth small business loans.

Fifth Third plans to appoint nearly 1,000 employees in retail banking centers, mortgage and operations in branches all over, including higher numbers in the bank's headquarters. The roles will "provide essential banking services to customers and offer new career opportunities for those searching for employment during economic hardship."

"Our Fifth Third customers and communities need us more than ever during these uncertain times, and we will continue to be here for them," said Greg D. Carmichael, chairman, president and CEO of Fifth Third. "I'm proud of the extraordinary service our employees are providing each day. We are looking to grow our team of professionals to serve these needs and to help provide critical employment opportunities so our communities can get back to work again," noted the CEO.

The roles offered include 500 positions in retail, 350 mortgage sales and support positions, along with 100 positions in operations. Fifth Third is also providing attractive benefits package to retain the workforce.

Notably, banks are transitioning employees to work remotely in a bid to contain the spread of COVID-19. Fifth Third is also catering protective measures for both employees and customers, and offering enhanced digital operations, including online or mobile banking, along with fee-free ATMs.

"We continue to take good care of our employees so they can continue to take good care of our customers," Carmichael said. "Now more than ever, our customers are counting on us to provide them with the financial expertise and essential banking services necessary to navigate uncertainty," he further added.

Fifth Third Reduces Its Prime Lending Rate by Another 100 Bps – Mar 16, 2020

Pursuant to the U.S. Federal Reserve interest rate cut, Fifth Third reduced its prime lending rate from 4.25% to 3.25%, with immediate effect. Prior to this, in early March, the company reduced its prime lending rate from 4.75% to 4.25%.

Fifth Third Faces Lawsuit Over Fake Account Opening - Mar 9, 2020

Fifth Third has been accused of opening fake accounts for customers to meet aggressive sales targets. A lawsuit has been filed against the company by the Consumer Financial Protection Bureau ("CFPB") for its wrongdoing.

Per the lawsuit, Fifth Third Bank opened unauthorized client deposit and credit-card accounts from 2008 till 2016. Notably, the suit claims that the bank knew that its employees were engaged in such wrongdoing.

The bank has also been accused of transferring money from a customer's existing account to its new one, without their consent, which is a violation of the Truth in Savings Act.

The CFPB stated, "Despite knowing since at least 2008 that employees were opening unauthorized consumer-financial accounts, Fifth Third took insufficient steps to detect and stop the conduct and to identify and remediate harmed consumers."

It added that the program "created incentives for employees to engage in misconduct in order to meet goals or earn additional compensation."

However, Fifth Third considers the lawsuit to be unnecessary. The bank said in a statement that it already conducted an investigation into the allegations. It found out that 1,100 accounts out of 10 million existing accounts were opened fraudulently and the amount of financial damage caused by these employees was less than $30,000.

Dividend Update

On Feb 24, Fifth Third announced a cash dividend of 27 cents per share, up 12.5%. The dividend was paid on Apr 14 to shareholders of record as of Mar 31.

Valuation

Fifth Third's shares are down 34.3% in the year-to-date period and 26.1% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are down 33.8% and 20.4% in the year-to-date period. Over the past year, the Zacks sub-industry and sector are down 19.3% and 11%, respectively.

The S&P 500 Index is down 4.4% in the year-to-date period but up 12.3% in the past year.

The stock is currently trading at 11.85X forward 12 months earnings, which compares to 14X for the Zacks sub-industry, 16.55X for the Zacks sector and 22.3X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 17.11X and as low as 3.99X, with a 5-year median of 11.36X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $21 price target reflects 12.28X forward earnings.

The table below shows summary valuation data for FITB

Valuation Multiples - FITB					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	11.85	14	16.55	22.3
	5-Year High	17.11	14.2	16.55	22.3
	5-Year Low	3.99	8.01	11.57	15.23
	5-Year Median	11.36	11.3	13.96	17.49
P/TB TTM	Current	0.97	1.55	3.26	12.12
	5-Year High	2.13	2.68	4	12.77
	5-Year Low	0.6	1.21	2	5.97
	5-Year Median	1.54	2.12	3.47	9.27
P/S F12M	Current	1.9	2.8	5.8	3.47
	5-Year High	3.67	4.59	6.69	3.47
	5-Year Low	1.07	2.39	4.98	2.53
	5-Year Median	2.66	3.59	6.06	3.02

As of 06/02/2020

Industry Analysis Zacks Industry Rank: Top 49% (125 out of 253)

Top Peers

Company (Ticker)	Rec	Rank
Citizens Financial Group, Inc. **(CFG)**	Neutral	3
Comerica Incorporated **(CMA)**	Neutral	3
East West Bancorp, Inc. **(EWBC)**	Neutral	3
Huntington Bancshares Incorporated **(HBAN)**	Neutral	3
KeyCorp **(KEY)**	Neutral	3
MT Bank Corporation **(MTB)**	Neutral	3
Regions Financial Corporation **(RF)**	Neutral	3
Webster Financial Corporation **(WBS)**	Neutral	3

Industry Comparison Industry: Banks - Major Regional

	FITB	X Industry	S&P 500	CMA	HBAN	KEY
				Industry Peers		
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	D	-	-	C	C	D
Market Cap	14.39 B	33.94 B	22.11 B	5.25 B	9.33 B	11.69 B
# of Analysts	8	8	14	11	11	10
Dividend Yield	5.34%	4.15%	1.93%	7.21%	6.52%	6.18%
Value Score	C	-	-	B	B	D
Cash/Price	0.73	0.99	0.06	0.99	0.22	0.50
EV/EBITDA	5.29	3.13	12.69	4.15	7.51	7.89
PEG Ratio	2.32	2.77	2.98	19.43	4.34	3.07
Price/Book (P/B)	0.71	0.90	3.07	0.71	0.88	0.75
Price/Cash Flow (P/CF)	5.56	6.27	11.86	4.18	5.29	5.52
P/E (F1)	16.61	16.69	21.79	33.42	21.35	17.49
Price/Sales (P/S)	1.52	1.69	2.29	1.41	1.67	1.54
Earnings Yield	6.38%	6.00%	4.39%	2.99%	4.67%	5.76%
Debt/Equity	0.81	1.06	0.76	1.00	0.93	0.89
Cash Flow ($/share)	3.64	6.63	7.01	9.04	1.74	2.17
Growth Score	D	-	-	C	C	F
Hist. EPS Growth (3-5 yrs)	13.28%	12.51%	10.87%	29.42%	10.88%	13.97%
Proj. EPS Growth (F1/F0)	-53.52%	-49.70%	-10.74%	-85.65%	-66.07%	-57.45%
Curr. Cash Flow Growth	17.50%	2.66%	5.48%	-4.61%	-4.72%	-3.09%
Hist. Cash Flow Growth (3-5 yrs)	6.10%	9.49%	8.55%	12.59%	12.14%	12.28%
Current Ratio	0.89	0.90	1.29	1.02	0.89	0.93
Debt/Capital	42.67%	49.85%	44.75%	50.11%	45.42%	44.09%
Net Margin	18.85%	21.37%	10.59%	21.37%	19.65%	18.85%
Return on Equity	9.05%	10.59%	16.29%	10.77%	10.40%	10.43%
Sales/Assets	0.05	0.05	0.55	0.05	0.05	0.05
Proj. Sales Growth (F1/F0)	-8.83%	-3.92%	-2.67%	-13.89%	-1.61%	-0.11%
Momentum Score	D	-	-	D	F	B
Daily Price Chg	1.97%	0.43%	0.99%	0.43%	1.10%	1.10%
1 Week Price Chg	10.11%	9.01%	4.60%	11.33%	9.82%	10.34%
4 Week Price Chg	16.35%	9.18%	9.15%	19.54%	11.11%	12.70%
12 Week Price Chg	4.93%	-1.76%	4.65%	-6.21%	-7.72%	-10.40%
52 Week Price Chg	-26.05%	-22.98%	-0.30%	-47.62%	-31.19%	-29.28%
20 Day Average Volume	7,498,748	6,286,434	2,486,038	2,119,671	9,546,757	10,639,317
(F1) EPS Est 1 week change	-0.43%	-0.07%	0.00%	-0.80%	-0.21%	0.00%
(F1) EPS Est 4 week change	-0.43%	-0.43%	-0.33%	-0.80%	-2.47%	3.32%
(F1) EPS Est 12 week change	-55.39%	-51.60%	-16.13%	-83.17%	-66.55%	-63.64%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	-0.55%	0.00%	-2.30%	2.46%

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	C
Growth Score	D
Momentum Score	D
VGM Score	D

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.