

Intl Business Machines (IBM)

\$138.31 (As of 01/17/20)

Price Target (6-12 Months): **\$147.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/09/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:B

Value: A

Growth: D

Momentum: A

Summary

IBM's improving position in the hosted cloud, security and analytics holds promise. Robust adoption of security offerings, including Resilient and QRadar, bode well for the top line. Moreover, IBM is witnessing growth in industry verticals like health, key areas of analytics and security. Growing cloud of Watson Health and broad-based growth in Payer, Provider, Imaging and Life Sciences domains, is notable. RedHat acquisition aimed at enhancing hybrid cloud platform is likely to pave the way for IBM's growth prospects. However, headwinds from IBM Z product cycle amid stiff competition and high debt level remains a concern. Furthermore, IBM's ongoing heavily time-consuming business model transition to cloud remains a headwind.

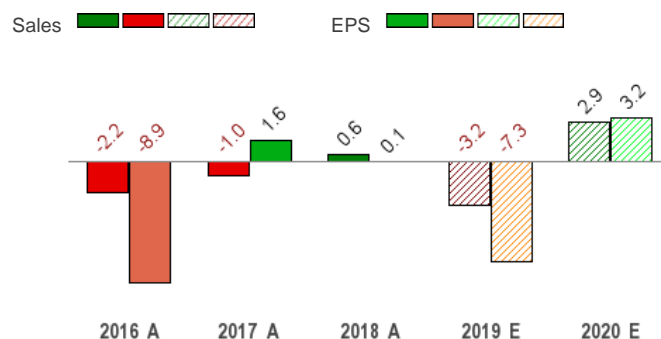
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$152.95 - \$121.54
20 Day Average Volume (sh)	3,101,905
Market Cap	\$122.5 B
YTD Price Change	3.2%
Beta	1.33
Dividend / Div Yld	\$6.48 / 4.7%
Industry	Computer - Integrated Systems
Zacks Industry Rank	Bottom 31% (176 out of 254)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	1.5%
Last Sales Surprise	-1.2%
EPS F1 Est- 4 week change	0.2%
Expected Report Date	01/21/2020
Earnings ESP	0.2%
P/E TTM	10.7
P/E F1	10.5
PEG F1	2.6
P/S TTM	1.6

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2020	18,656 E	19,811 E	18,905 E	22,287 E	79,317 E
2019	18,182 A	19,161 A	18,028 A	21,695 E	77,052 E
2018	19,072 A	20,003 A	18,756 A	21,760 A	79,591 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	\$2.12 E	\$2.95 E	\$3.11 E	\$4.94 E	\$13.21 E
2019	\$2.25 A	\$3.17 A	\$2.68 A	\$4.69 E	\$12.80 E
2018	\$2.45 A	\$3.08 A	\$3.42 A	\$4.87 A	\$13.81 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 01/17/2020. The reports text is as of 01/20/2020.

Overview

Armonk, NY-based, International Business Machines Corporation (IBM) provides advanced information technology solutions, including computer systems, software, storage systems and microelectronics. The company operates in more than 175 countries.

IBM reported revenues of \$79.6 billion in 2018. Revenues in the third-quarter 2019 came in at \$18.03 billion.

Starting from first-quarter 2019, IBM combined Cloud business and Cognitive Software in one segment. Further, the company merged security services with security software.

IBM also integrated all divested business to the other categories in order to provide enhanced transparency to the software and GBS segments. The divested business includes pending sales of seven software products to HCL, the sale of IBM's marketing platform and commerce software offerings to Centerbridge and the recently concluded sale of Seterus mortgage servicing business.

The company's new five segments are as follows:

Cloud & Cognitive Software segment (29.4% of third-quarter 2019 revenues) that includes cloud and data platform, Cognitive application and transaction processing. Watson Platform, Watson Health and Watson Internet of Things (IoT) are certain offering which are included in Solutions Software.

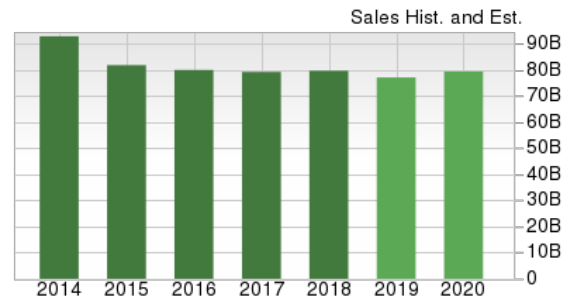
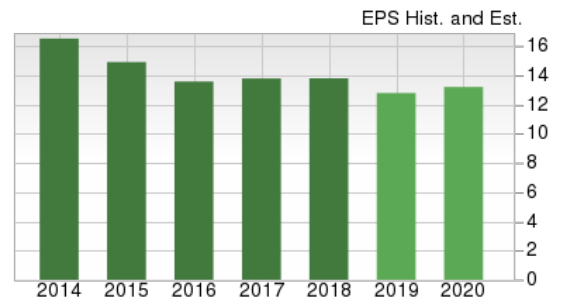
Global Business Services (22.7%) that includes consulting, global process services, application management. These professional services offer value and innovation to clients through solutions which leverage industry, technology and business strategy and process know-how.

Global Technology Services Segment (37.2%) that includes infrastructure services, technical support services, integration software. . It provides comprehensive IT infrastructure and platform services that helps to build business value for clients.

Systems (8.3%) that includes systems hardware and operating systems software. It provides clients with innovative infrastructure platforms to help meet the new requirements of hybrid cloud and enterprise.

Global Financing (0.6%) that includes financing, primarily conducted through IBM Credit LLC (IBM Credit) and used equipment sales.

IBM faces significant competition in most of the segments it operates. The main competitors include Oracle, Dell, Hewlett-Packard and NetApp.



Reasons To Buy:

- ▲ IBM's growth is expected to be driven primarily by analytics, cloud computing, and security in the long haul. A combination of a better business mix, improving operating leverage through productivity gains and increased investment in growth opportunities will drive profitability.
- ▲ With the strength of its global on-demand model (responding to customer demand with flexibility and speed), IBM has been gaining a lot of traction in emerging markets. As growth and investment opportunities in developed countries continue to slow down, we believe that emerging economies will play a key role for the company.
- ▲ IBM has been building its portfolio through strategic acquisitions (over 150 companies since 2000), which are generating incremental revenues, strengthening its technology leadership and resulting in a more favorable mix of business. The company's strategy of making accretive acquisitions that can be easily integrated into its current business has expanded its product portfolio into higher-growth segments, such as cloud computing, analytics and security. The acquisitions have also increased its scale of operations globally.
- ▲ IBM has completed the acquisition of Red Hat for \$34 billion in cash on Jul 9, 2019. Notably, the deal is one of the notable software based acquisitions, surpassing Microsoft's LinkedIn buy for \$26.2 billion. The deal is part of the company's efforts to bolster Open Hybrid Architecture Initiative. The deal marks IBM's largest acquisition ever and the combined company is likely to alter the dynamics of "the cloud market for business." Specifically, IBM hopes to leverage Red Hat to help it become the world's largest hybrid cloud platform provider. The company anticipates Red Hat buyout to improve revenue growth approximately by a CAGR of two points over a five-year period. IBM Cloud remains the key to winning back investors' optimism regarding strength of the company's business model. IBM's cloud revenue as a percentage of total revenue has increased from 4% in 2013 to 25% in 2019. In fact, in the third quarter 2019, cloud revenues surged 63% year over year. Revenues from cloud and data platforms increased 19% year over year. We believe IBM's attempt to bolster its hybrid cloud business is likely to pave the way for the company's growth prospects. Apart from the aforementioned factors, Red Hat's expanding foothold across Asia Pacific is also anticipated to bolster IBM's TAM post buyout.
- ▲ IBM has been returning cash to shareholders for over a decade. From 2000 to 2016, IBM has returned more than \$165 billion to shareholders in the form of dividends and share repurchases. In 2018, IBM returned more than \$10 billion to shareholders through dividends and share repurchases. Strong free cash flow generation is expected to provide the financial flexibility required for strategic investments in the changing business environment. Considering the company's liquidity and emphasis on profitability, we believe IBM's solid growth rates will be sustainable in the long run.

Expanding product portfolio, accretive acquisitions, strong free cash flow generating ability and aggressive share buyback are key positives.

Reasons To Sell:

- ▼ IBM is having a tough time, given the ongoing and heavily time-consuming business model transition to cloud. Though IBM's Strategic Imperatives are performing well but these are not enough yet to make up for the weakness in its traditional business. Further, foreign exchange volatility is a significant concern.
- ▼ IBM faces stiff competition in most of its markets. In the hardware enterprise servers and storage segment, the company competes against Dell, Oracle, Hewlett-Packard, and NetApp. The IT services business is also becoming increasingly competitive due to its high-margin nature and the company is facing pricing pressure from Hewlett-Packard. Although it possesses massive data centers, we believe that the company will continue facing tough competition from Amazon Web Services (AWS) and Microsoft's Azure. In the services and software space, the company competes with Accenture, Hewitt Associates, Computer Sciences and FDC. The company competes with Oracle and Red Hat in the middleware software market. Although IBM continues to extend and build its capabilities in the analytics arena, competition from Oracle in this space is intensifying.
- ▼ Higher profit on lower revenues indicates that the company has been lowering costs to maintain profits. We believe that the scope for further cost cutting is limited. Consequently, if costs are further reduced, there could be a negative impact on product quality. It could also delay the launch of new products, causing it to lag its peers.
- ▼ Moreover, ballooning debt levels have been troubling IBM over time. At the end of third-quarter 2019, net debt amounted to \$55.5 billion compared with \$27.6 billion reported in the previous quarter.

Time consuming transition to cloud, weakness in traditional businesses, cash crunch and increasing competition are primary headwinds.

Last Earnings Report

IBM Surpasses Q3 Earnings, Revenues Miss Estimates

IBM reported third-quarter 2019 non-GAAP earnings of \$2.68 per share, which surpassed the Zacks Consensus Estimate of \$2.64. However, the bottom line fell 22% on a year-over-year basis.

Revenues of \$18.03 billion missed the Zacks Consensus Estimate of \$18.24 billion and declined 3.9% on a year-over-year basis. At constant currency (cc), the top line fell 0.6%. The year-over-year revenue decline can primarily be attributed to currency fluctuation and headwinds from IBM Z product cycle.

Notably, IBM stated that signings improved 15% in the third quarter to over \$9 billion. However, services backlog fell 2% year over year and amounted to \$107.6 billion.

Red Hat Acquisition

IBM has completed the acquisition of Red Hat on Jul 9, 2019, for \$34 billion in cash. The deal is part of the company's efforts to bolster Open Hybrid Architecture Initiative.

Revenues from Red Hat improved 19% (up 20% at cc) on normalized basis.

The deal marks IBM's largest acquisition ever and the combined company is likely to alter the dynamics of "the cloud market for business." Specifically, IBM intends to leverage Red Hat to help it become the world's largest hybrid cloud platform provider.

Following the buyout, Red Hat will join IBM's Cloud and Cognitive Software segment and will function as a separate entity.

Geographic Revenue Details

Revenues from Americas decreased 1% on cc basis and came in at \$8.5 billion. Meanwhile, revenues from Europe, Middle-East and Africa were \$5.5 billion, flat year over year. The same from Asia-Pacific declined 1% on a year-over-year basis and came in at \$4 billion.

Structural Changes

Starting from first-quarter 2019, IBM combined Cloud business and Cognitive Software into one segment. Further, the company merged security services with security software.

IBM also integrated all divested business to the other categories in order to provide enhanced transparency to the software and GBS segments. The divested business includes pending sales of seven software products to HCL, the sale of IBM's marketing platform and commerce software offerings to Centerbridge, and the recently concluded sale of Seterus mortgage servicing business.

Cloud & Cognitive Software Segment

The Cloud & Cognitive Software segment's revenues-external improved 8% year over year (on cc basis) to \$5.3 billion. Revenues at Cloud & Cognitive Software (including cloud and data platform, Red Hat Cognitive application and transaction processing) increased primarily due to growth in application driven by security and solutions, improvement in data and analytics, synergies from Red Hat acquisition and growth across hybrid cloud and data portfolio.

Segmental revenues pertaining to Cloud surged 63%.

Revenues from cloud and data platforms increased 19% year over year.

IBM's attempt to bolster hybrid cloud business with Red Hat Acquisition is likely to bolster the company's prospects.

Notably, IBM witnessed growth in industry verticals like health, key areas of analytics and security in the reported quarter. Watson Health witnessed broad-based growth in Payer, Provider, Imaging and Life Sciences domains.

Revenues from Cognitive Applications were up 6% year over year, driven by security, software, health, supply chain and weather. Security growth was backed by offerings in orchestration, data security and endpoint management.

Further, robust sales of Resilient and QRadar, which address areas like endpoint protection, incident response and security intelligence, were other positives.

Transaction Processing Software revenues, which includes software that runs mission-critical workloads, were down 4% year-over-year basis.

Global Business Services Segment

Revenues from Global Business Services-external segment totaled \$4.1 billion, up 2% from the year-ago quarter. The year-over-year increase in the top line can primarily be attributed to growth across all three business areas namely consulting, application management and global process services.

Cloud revenues surged 10% year over year.

Application Management revenues were flat year over year. Global Process Services revenues declined 3%. Moreover, Consulting revenues increased 5% year over year on solid performance of IBM's digital business.

Quarter Ending **09/2019**

Report Date	Oct 16, 2019
Sales Surprise	-1.18%
EPS Surprise	1.52%
Quarterly EPS	2.68
Annual EPS (TTM)	12.97

Global Technology Services Segment

Revenues from Technology Services-external decreased 4% from the year-ago quarter to \$6.7 billion. Segmental revenues pertaining to cloud advanced 10% from the prior-year quarter.

Infrastructure & Cloud Services' revenues decreased 4% from the year-ago quarter. Moreover, Technical Support Services revenues declined 3% from the year-ago quarter.

Systems Revenues

Systems revenues decreased 14% on a year-over-year basis to \$1.5 billion, primarily owing to the decline in the IBM Z product cycle and storage. Segmental revenues pertaining to Cloud revenues declined 19%.

IBM Z revenues decreased 20% year over year.

In September this year, the company announced its latest advanced mainframe, z15. The new z15 can support private and public clouds via Linux. With this specification, the company believes that the new mainframe will find widespread acceptance in the financial, government, retail, and travel and transport industries, where the number of transactions is much higher and data security is of prime importance.

However, Power revenues decreased 27% from the year-ago quarter.

Meanwhile, storage hardware revenues also declined 4% year over year on weak performance in both high-end and mid-range, and stiff competition. IBM stated that pricing pressure in the immensely competitive storage market is hurting revenues.

While Operating Systems Software revenues decreased 7%, Systems Hardware slumped 16% from the year-ago quarter.

Finally, Global Financing (includes financing and used equipment sales) revenues decreased 11.7% year over year and 10.7% at cc to \$343 million.

Operating Details

Non-GAAP gross margin were flat year over year and came in at 47.4%. The gross margin benefited primarily expansion in services margin and shift to high value, services productivity and cloud scale efficiencies.

Non-GAAP operating expense (research & development expenses and selling, general and administration expenses) declined 16% year over year. On a GAAP basis operating expenses increased year over year on Red Hat acquisition synergies and improving operational efficiencies. Currently, IBM continues to invest in rapidly growing fields like hybrid cloud, AI, security and blockchain.

Pre-tax margin from continuing operations contracted 590 bps on a year-over-year basis to 13.3%.

Balance Sheet & Cash Flow Details

IBM ended third-quarter 2019 with \$10.82 billion in total cash and marketable securities compared with \$45.4billion in the previous quarter. Total debt (including current portion) was \$66.3 billion (which includes \$23.1 billion from Global Financing debt), down from \$73 billion from the previous quarter.

The company reported cash flow from operations (excluding Global Financing receivables) of \$3.6 billion and generated free cash flow of \$1.8 billion in the quarter under review.

Moreover, the company returned \$1.6 billion to its shareholders through dividends and share repurchases. However, the company suspended its share repurchase program on Jul 9, post Red Hat acquisition.

Guidance

For 2019, IBM now expects non-GAAP EPS to be at least \$12.8.

IBM still anticipates 2019 free cash flow of \$12 billion.

Recent News

On **Jan 15, 2020**, IBM Services inked ten-year services agreement with Spain-based private banking group, Banco Sabadell. Per the deal, IBM's cloud capabilities will help the banking group to boost digitization.

On **Jan 14, 2020**, IBM announced that it has secured record patent wins in 2019. The company maintained the lead spot for the 27th year, with 9,262 patents, reflecting a year-over-year rise of 2%.

On **Jan 8, 2020**, IBM announced a multiyear collaboration with Delta Air Lines for exploring potentials of quantum computing. The announcement was made at CES 2020.

On **Dec 19, 2019**, it was announced that Spain-based tourism Group, Grupo Piñero, has adopted IBM's cloud and AI solutions. Moreover, IBM Watson's AI and business analytics capabilities will be utilized by Grupo Piñero to boost profitability and offer high-quality traveller experience.

On **Dec 18, 2019** IBM agreed to partner with University of Tokyo for gaining advancements in the field of quantum computing.

On **Dec 4, 2019**, IBM collaborated with Europe-based Autostrade per l'Italia (or ASPI) to enable real-time maintenance of civil infrastructure. Per the deal, IBM's Maximo Asset Monitor and Maximo Enterprise Asset Management, and AI and IoT capabilities will be integrated into ASPI's new Autostrade "IOT" solution.

On **Dec 1, 2019**, IBM highlighted some of its clients and collaborations for its IBM Watson Health Imaging artificial intelligence (AI) platform.

On **Nov 25, 2019** IBM announced that it has been selected by Cenovus Energy for digital transformation and operational modernization. IBM plans to implement a new SAP platform, which is likely to aid Cenovus in streamlining processes and thereby achieve greater efficiency.

On **Nov 14, 2019**, IBM and its subsidiary, The Weather Company, rolled out IBM GRAF, or Global High-Resolution Atmospheric Forecasting System. The new supercomputer-driven advanced weather forecasting system offers enhanced quality predictions.

On **Nov 6, 2019**, IBM introduced AI-driven asset monitoring solution, Maximo Asset Monitor, to aid enterprises optimize asset performance with faster problem identification, accelerating decision making and reducing downtime.

On **Oct 8, 2019**, IBM rolled out IBM Sterling Supply Chain Suite, based on Sterling Order Management and Sterling B2B Network, to aid retailers and manufacturers enhance business processes by leveraging integrated IBM Blockchain, Watson AI, and IoT capabilities.

Valuation

IBM shares are down 5.5% in the past six-month period and up 17.1% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 2.3%, while stocks in the Zacks Computer & Technology sector are up 17.2% in the past six-month period. Over the past year, the Zacks sub-industry and the sector are up 20% and 34.5%, respectively.

The S&P 500 index is up 13.3% in the past six-month period and 26.5% in the past year.

The stock is currently trading at 10.44X forward 12-month earnings, which compares with 10.2X for the Zacks sub-industry, 23.16X for the Zacks sector and 19.2X for the S&P 500 index.

Over the past five years, the stock has traded as high as 13.12X and as low as 7.68X, with a 5-year median of 10.44X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$147 price target reflects 11.09X forward 12-month earnings.

The table below shows summary valuation data for IBM

Valuation Multiples - IBM					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	10.44	10.2	23.16	19.2
	5-Year High	13.12	18.34	23.16	19.34
	5-Year Low	7.68	8.08	16.87	15.17
	5-Year Median	10.44	10.33	19.24	17.44
P/S F12M	Current	1.54	1.4	3.74	3.57
	5-Year High	2.19	1.87	3.74	3.57
	5-Year Low	1.24	0.76	2.3	2.54
	5-Year Median	1.75	1.53	3.01	3
EV/EBITDA TTM	Current	9.02	8.21	12.71	12.38
	5-Year High	11.81	10.82	12.71	12.86
	5-Year Low	5.53	3.92	7.68	8.48
	5-Year Median	8.39	8.27	10.52	10.67

As of 01/17/2020

Industry Analysis Zacks Industry Rank: Bottom 31% (176 out of 254)



Top Peers

Accenture PLC (ACN)	Neutral
Amazon.com, Inc. (AMZN)	Neutral
Blackbaud, Inc. (BLKB)	Neutral
salesforce.com, inc. (CRM)	Neutral
HP Inc. (HPQ)	Neutral
Microsoft Corporation (MSFT)	Neutral
Oracle Corporation (ORCL)	Neutral
SAP SE (SAP)	Neutral

Industry Comparison Industry: Computer - Integrated Systems				Industry Peers		
	IBM Neutral	X Industry	S&P 500	AMZN Neutral	HPQ Neutral	MSFT Neutral
VGM Score	B	-	-	C	A	C
Market Cap	122.49 B	579.76 M	24.65 B	924.52 B	31.93 B	1,274.77 B
# of Analysts	8	2.5	13	13	4	14
Dividend Yield	4.69%	0.00%	1.73%	0.00%	3.21%	1.22%
Value Score	A	-	-	D	B	D
Cash/Price	0.09	0.09	0.04	0.05	0.15	0.11
EV/EBITDA	10.46	7.58	14.11	32.25	6.96	20.86
PEG Ratio	2.64	1.66	2.08	2.59	4.81	2.62
Price/Book (P/B)	6.77	3.91	3.39	16.36	NA	12.02
Price/Cash Flow (P/CF)	7.33	10.92	13.81	36.04	7.84	26.30
P/E (F1)	10.47	10.47	19.19	71.21	9.61	31.19
Price/Sales (P/S)	1.59	2.01	2.69	3.48	0.54	9.82
Earnings Yield	9.55%	-0.23%	5.21%	1.40%	10.42%	3.21%
Debt/Equity	3.40	0.11	0.72	0.40	-4.01	0.69
Cash Flow (\$/share)	18.86	0.35	6.94	51.74	2.80	6.35
Growth Score	D	-	-	A	B	B
Hist. EPS Growth (3-5 yrs)	-3.75%	0.58%	10.56%	116.18%	-12.10%	16.25%
Proj. EPS Growth (F1/F0)	3.23%	8.71%	7.57%	27.69%	2.01%	12.80%
Curr. Cash Flow Growth	-1.93%	-14.68%	14.73%	85.21%	8.32%	19.70%
Hist. Cash Flow Growth (3-5 yrs)	-5.41%	-3.29%	9.00%	48.43%	-18.40%	11.99%
Current Ratio	1.09	1.38	1.24	1.10	0.80	2.85
Debt/Capital	77.29%	13.17%	42.99%	28.45%	NA	40.81%
Net Margin	10.00%	-1.09%	11.14%	4.27%	5.36%	31.66%
Return on Equity	67.12%	0.69%	17.16%	22.52%	-241.43%	39.14%
Sales/Assets	0.55	0.88	0.55	1.45	1.80	0.48
Proj. Sales Growth (F1/F0)	2.94%	2.94%	4.16%	18.53%	-1.20%	11.33%
Momentum Score	A	-	-	F	B	A
Daily Price Chg	0.24%	0.00%	0.27%	-0.70%	1.38%	0.56%
1 Week Price Chg	1.75%	0.00%	0.39%	0.44%	4.14%	1.71%
4 Week Price Chg	2.79%	3.28%	2.95%	4.04%	8.23%	7.31%
12 Week Price Chg	3.16%	4.54%	7.76%	4.71%	28.33%	19.41%
52 Week Price Chg	13.19%	25.47%	22.29%	10.13%	3.49%	57.46%
20 Day Average Volume	3,101,905	121,086	1,536,375	3,195,075	7,132,506	19,738,548
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-0.60%	0.00%	0.00%
(F1) EPS Est 4 week change	0.18%	0.00%	0.00%	-1.63%	0.31%	0.12%
(F1) EPS Est 12 week change	0.13%	-20.73%	-0.40%	-19.28%	2.19%	2.80%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	-2.70%	0.15%	0.22%

Zacks Stock Rating System

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

Zacks Recommendation

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

Zacks Rank

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

Zacks Style Scores

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

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

Value Score	A
Growth Score	D
Momentum Score	A
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.

Disclosures

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