

John Bean Technologies (JBT)

\$89.51 (As of 05/27/20)

Price Target (6-12 Months): **\$95.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/10/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM:C

Value: D

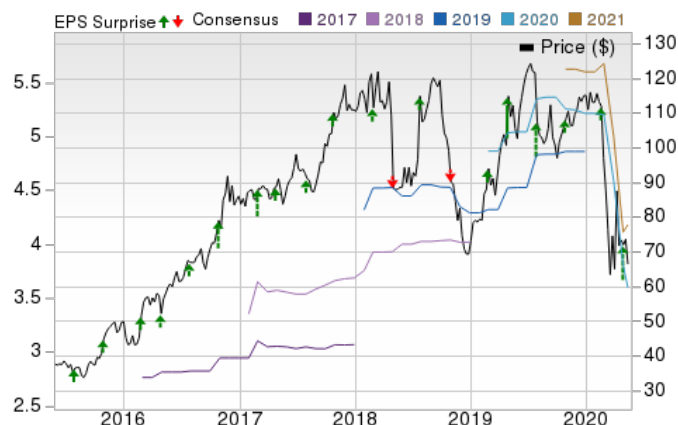
Growth: B

Momentum: D

Summary

John Bean's first-quarter 2020 adjusted earnings and revenues improved year over year and beat the respective Zacks Consensus Estimate. The company has withdrawn full-year 2020 guidance on account of the COVID-19 uncertainty. FoodTech end markets have experienced steep declines in demand in food service, including restaurants. However, demand for packaged food, meat and staples in retail remained strong. The segment is facing significant supply chain and logistics challenges. With the airlines industry hit hard by COVID-19 crisis, AeroTech segment's results will be down. The company's cost control measures will help sustain margins. Going forward, it will gain on acquisitions, investment in innovative products and restructuring plan that will help improve effectiveness and productivity across business.

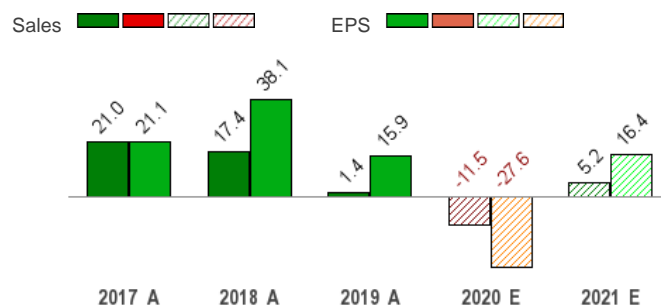
Price, Consensus & Surprise



Data Overview

| | |
|----------------------------|--------------------------------------------------|
| 52 Week High-Low | \$127.97 - \$56.17 |
| 20 Day Average Volume (sh) | 273,827 |
| Market Cap | \$2.8 B |
| YTD Price Change | -20.6% |
| Beta | 1.36 |
| Dividend / Div Yld | \$0.40 / 0.4% |
| Industry | Manufacturing - Thermal Products |
| Zacks Industry Rank | Top 19% (46 out of 248) |

Sales and EPS Growth Rates (Y/Y %)



| | |
|---------------------------|------------|
| Last EPS Surprise | 38.4% |
| Last Sales Surprise | 7.9% |
| EPS F1 Est- 4 week change | -5.0% |
| Expected Report Date | 08/03/2020 |
| Earnings ESP | 0.0% |
| P/E TTM | 17.2 |
| P/E F1 | 24.9 |
| PEG F1 | 3.4 |
| P/S TTM | 1.4 |

Sales Estimates (millions of \$)

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|-------|-------|-------|-------|---------|
| 2021 | 459 E | 452 E | 432 E | 499 E | 1,812 E |
| 2020 | 458 A | 397 E | 400 E | 467 E | 1,722 E |
| 2019 | 418 A | 493 A | 489 A | 546 A | 1,946 A |

EPS Estimates

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|----------|----------|----------|----------|----------|
| 2021 | \$0.96 E | \$1.17 E | \$1.03 E | \$1.33 E | \$4.18 E |
| 2020 | \$1.01 A | \$0.71 E | \$0.73 E | \$1.12 E | \$3.59 E |
| 2019 | \$0.77 A | \$1.42 A | \$1.28 A | \$1.50 A | \$4.96 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 05/27/2020. The reports text is as of 05/28/2020.

Overview

John Bean Technologies Corporation is a technology solutions provider to high-value segments of the food and beverage industry globally with a focus on proteins, liquid foods and automated system solutions. The company also supplies customized solutions and services in the air transportation industry.

Its reportable segments are:

JBT FoodTech (68% of revenues in 2019) —The segment designs, manufactures and services technologically sophisticated food processing systems for the preparation of meat, seafood and poultry products, ready-to-eat meals, shelf stable packaged foods, bakery products, juice and dairy products, and fruit and vegetable products.

The segment's protein technology offerings include chilling, mixing/grinding, injecting, marinating, tumbling, portioning, packaging, coating, frying, freezing, weighing, X-ray food inspection, and packaging systems for poultry, beef, pork and seafood, ready-to-eat meals, fruits, vegetables, dairy, and bakery products.

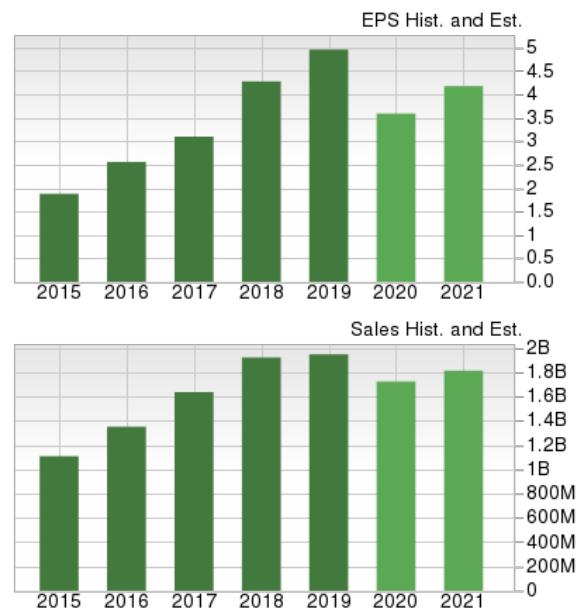
The liquid foods portfolio comprises fruit and juice solutions that extract, concentrate and aseptically process citrus, tomato and other fruits, vegetables, and juices. It also includes in-container solutions for the filling, closing and preservation of fruits, vegetables, soups, sauces, dairy, pet food products and ready-to-eat meals.

The segment also provides robotic automated guided vehicle systems for material movement in manufacturing and warehouse facilities.

The company also provides aftermarket products, parts, and services for all of its integrated food processing systems and equipment.

JBT AeroTech (32% of revenues in 2018) designs, manufactures and services technologically sophisticated airport ground support and gate equipment. It also provides services for airport authorities; airlines, airfreight, and ground handling companies and defense contractors.

From 2018 to date, the company acquired five businesses — Proseal UK Limited, Columbus, OH-based Prime Equipment Group, Netherlands-based FTNON, Germany-based Schröder, and Oregon-based LEKTRO, Inc.



Reasons To Buy:

- ▲ John Bean Technologies is focusing on its cost structure in light of the uncertain market conditions amid the coronavirus pandemic. This includes a hiring freeze, halting pay raises, curtailing incentives, temporary leaves and layoffs where necessary. The company is also cutting down discretionary spending. These actions yielded year-over-year savings of approximately \$6 million in first-quarter 2020 and is expected to drive savings of \$15 million in the second quarter. Strong demand for packaged food, meat and staples in retail on account of the pandemic bodes well for the company. Further, the company's ongoing restructuring plan will help improve effectiveness and productivity in all business units. The restructuring plan has helped lift the company's adjusted EBITDA margins from 12% to 15%. In 2019, the company generated incremental savings of \$28 million. The company is on track to achieve its total program savings target of \$55 million.
- ▲ John Bean Technologies' Elevate plan is likely to drive persistent growth and margin expansion. Per the plan, the company is focusing on accelerating development of innovative products and services to provide customers with solutions, which will enhance their yield and productivity. The company is capitalizing on its extensive installed base to expand recurring revenue (which accounts for around 40% of its revenues) from aftermarket parts and services, equipment leases, consumables and airport services. This portion of the business has been seeing a CAGR of 9% over the past three years. In fact, it has further room for growth and will contribute to margins. John Bean Technologies is enhancing organic growth through initiatives that enable it to sell the entire FoodTech portfolio globally, including improving international sales and support infrastructure, localizing targeted products for emerging markets, and strategic cross selling of products. In AeroTech, John Bean Technologies plans to continue developing advanced military product offerings and customer support capabilities to service global military customers.
- ▲ John Bean Technologies has a strategic acquisition program focused on companies that add complementary products, which enable it to offer more comprehensive solutions to customers, and meet strict economic criteria for returns and synergies. In sync with this, it completed the acquisitions of Proseal UK Limited, a leading provider of tray sealing technology, and Prime Equipment Group, Inc., a manufacturer of turnkey primary and water re-use solutions to the poultry industry. In fact, tray sealing is in sync with the needs of several John Bean Technologies' FoodTech customers, particularly in the rapidly expanding market for convenience foods. The acquisition of Prime advances the company's goal of becoming the preferred provider of full-line solutions for poultry customers. The acquisitions together are expected to add revenues \$140-150 million in 2020. However, the company has decided to curtail M&A activity for the time being, considering the current uncertain situation.
- ▲ The company had total debt of \$734 million as of Mar 31, 2020. Available liquidity as of Mar 31, 2020 stood at \$328.3 million consisting of cash and borrowing capacity under its \$1 billion revolving credit facility. The company is taking actions to maintain liquidity and reduce debt by reducing pension contributions, capital expenditures and operating expenses, and foregoing share repurchases and material acquisitions in the second quarter. Additionally, it is pursuing opportunities to increase liquidity by availing benefits under the CARES Act including both deferred tax payments and tax credits related to COVID-19. Further, the company's times interest earned ratio came in at 9.9 at end of the first quarter. The cash flows generated by its operations through the year and the revolving credit facility are likely to suffice for working capital needs, new product development, restructuring expense, capital expenditures, dividend payments and other financing requirements.
- ▲ Going forward, John Bean Technologies is poised to perform well, courtesy of growing middle class, increasing protein and value-added food and beverage consumption globally. Rising global population and disposable incomes has led to a shift in dietary habits, primarily increased protein consumption. This is pronounced in emerging markets - Asia, the Middle East, Latin America, and Eastern Europe. This trend is likely to favor the company. Food consumption in Asia is expected to be the biggest contributor to growth. In developed markets, ready-to-eat and convenient food consumption will be a key catalyst. Additionally, consumers are moving away from traditional sodas and other beverages to fresh juice. AeroTech will continue to perform well due to heavy airport infrastructure spending. With air travel projected to double over the next 20 years, the company can capitalize on this demand. Also, labor constraints are leading to increased automation adoption among its customers. Food manufacturing, particularly, has 30% lower compensation rates and harsher work environment compared to traditional manufacturing. This in turn will boost the company's revenues.

John Bean Technologies is likely to benefit from strategic acquisition program as well as its focus on developing innovative products and services. Growing the aftermarket business also bodes well.

Reasons To Sell:

- ▼ The company has witnessed steep declines in demand from restaurants in the FoodTech end segment due to the coronavirus pandemic. At FoodTech segment, the general economic and trade uncertainties have impacted the decision-making process among customers. The potential impact of coronavirus outbreak on supply chain and general business disruptions is likely to act as a headwind. Some AeroTech end markets have been severely impacted by a decline in global passenger air travel. Backlog in the FoodTech segment declined 7% year over year to \$395 million. The AeroTech segment's backlog came in at \$310 million in the reported quarter, down 8% from the prior-year quarter.
- ▼ For second-quarter 2020, John Bean Technologies anticipates a sequential decline of 10-15% in revenues. The FoodTech segment's revenues are expected to decrease 5%, while the AeroTech segment's revenues will plunge 30%. While operating results in both segments will benefit from cost reductions, the anticipated revenue decline at AeroTech will lead to significant margin contraction. FoodTech operating margins might remain flat sequentially. The company has withdrawn full-year 2020 guidance on account of the COVID-19 uncertainties.
- ▼ The citrus industries in Florida, Brazil, and other countries have been facing increased pressure on their harvest productivity and citrus bearing acreage owing to citrus canker and greening diseases. Reduced amounts of available fruit for the processed or fresh food markets could adversely affect the FoodTech segment's results.

Impact of the coronavirus outbreak on both the FoodTech and AeroTech segments' order levels will likely impact John Bean Technologies' near-term results.

Last Earnings Report

John Bean Beats on Q1 Earnings, Withdraws '20 View

John Bean reported adjusted earnings of \$1.01 per share in first-quarter 2020, surpassing the Zacks Consensus Estimate of 73 cents. The bottom line also improved 31% from 77 cents reported in the prior-year quarter. Further, the figure came above management's guidance of 75-80 cents. The better-than-expected earnings growth came on the back of higher revenues, favorable mix, and cost control measures.

On a reported basis, the company's earnings per share came in at 90 cents compared with the prior-year quarter's 62 cents.

The company's revenues of \$458 million in the reported quarter beat the Zacks Consensus Estimate of \$424 million. Also, the top line improved 10% year over year. Organic growth of 3% and acquisition growth of 8% were offset by an unfavorable impact of foreign exchange of 1%.

Orders in the JBT FoodTech segment increased 2% year on year to \$316 million in the reported quarter. Orders in the JBT AeroTech segment totaled \$155 million, reflecting year-over-year growth of 1.2%. Backlog in the FoodTech segment declined 7% year over year to \$395 million. The AeroTech segment's backlog came in at \$310 million in the reported quarter, down 8% from the prior-year quarter.

Cost and Margins

Cost of sales increased 9% year over year to \$315 million in the first quarter of 2020. Gross profit improved 12% year over year to \$143 million. Gross margin came in at 31.2% compared with the year-earlier quarter's 30.6%.

Selling, general and administrative expenses flared up 6% year over year to \$97 million. Adjusted operating profit improved 32% year over year to \$48.2 million. Adjusted operating margin was 10.5% compared with prior-year quarter's 8.8%. In the reported quarter, adjusted EBITDA came in at \$65.7 million, up 28% year over year.

Segment Performance

JBT FoodTech: Net sales were up 5% year over year to \$310 million. Adjusted operating profit came in at \$41 million, up 4% from the prior-year quarter.

JBT AeroTech: Net sales improved 20% year over year to \$148 million. The segment reported adjusted operating profit of \$18.5 million, up 78% year over year.

Financial Performance

John Bean reported cash and cash equivalents of \$75.4 million at the end of first-quarter 2020, up from \$39.5 million at the end of fiscal 2019. The company generated around \$14 million of cash from operating activities during first-quarter 2020 compared with the \$2 million reported in the prior-year quarter. At the end of first-quarter 2020, long-term debt was \$734 million, up from \$698 million as of Dec 31, 2019.

Guidance

While the company has witnessed steep declines in demand from restaurants in the FoodTech end segment, packaged food, meat and staples in retail have significant demand. Some AeroTech end markets have been severely impacted by a decline in global passenger air travel. Resilience in infrastructure, cargo and military end markets helped offset this impact. All end markets are facing unprecedented challenges of operating in an environment with governmental restrictions and shutdowns. All of these factors have led to constrained spending by customers.

For second-quarter 2020, JBT Technologies anticipates a 10-15% sequential decline in revenues. The FoodTech segment's revenues are expected to decrease 5%, while the AeroTech segment's revenues will plunge 30%. While operating results in both segments will benefit from cost reductions, the anticipated revenue decline at AeroTech will lead to significant margin contraction. FoodTech operating margins might remain flat sequentially.

The company has withdrawn full-year 2020 guidance on account of the COVID-19 uncertainties.

Meanwhile, the company is aligning its cost structure with market conditions. This includes a hiring freeze, reductions in executive compensation, incentive compensation, and work hours; temporary leaves and, where necessary, layoffs. It is also cutting down on discretionary spending.

Quarter Ending **03/2020**

| Report Date | Apr 29, 2020 |
|------------------|--------------|
| Sales Surprise | 7.87% |
| EPS Surprise | 38.36% |
| Quarterly EPS | 1.01 |
| Annual EPS (TTM) | 5.21 |

Valuation

John Bean Technologies' shares are down 20.2% in the year-to-date period and 12.8% over the trailing 12-month period. Stocks in the Zacks Manufacturing – Thermal Products industry are down 6.1% and 13.8% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry are up 29.0% while sector are down 2.9%.

The S&P 500 index is down 5.7% in the year-to-date period and up 8.9% in the past year.

The stock is currently trading at 23.36X forward 12-month earnings, which compares with 21.10X for the Zacks sub-industry, 21.23X for the Zacks sector and 22.08X for the S&P 500 index.

Over the past five years, the stock has traded as high as 36.18X and as low as 11.56X, with a 5-year median of 23.64X.

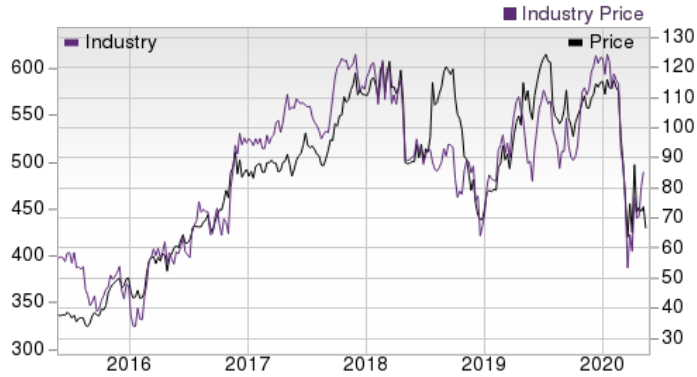
Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$95 price target reflects 24.79X Forward 12-month earnings.

The table below shows summary valuation data for JBT:

| Valuation Multiples - JBT | | | | | |
|---------------------------|---------------|-------|--------------|--------|---------|
| | | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M | Current | 23.36 | 21.1 | 21.23 | 22.08 |
| | 5-Year High | 36.18 | 21.1 | 21.23 | 22.08 |
| | 5-Year Low | 11.56 | 11.11 | 12.55 | 15.23 |
| | 5-Year Median | 23.64 | 16.31 | 16.66 | 17.49 |
| P/S F12M | Current | 1.61 | 3.51 | 2.7 | 3.42 |
| | 5-Year High | 2.19 | 3.51 | 2.73 | 3.44 |
| | 5-Year Low | 0.85 | 1.13 | 1.52 | 2.53 |
| | 5-Year Median | 1.59 | 2.33 | 2 | 3.01 |
| EV/EBITDA TTM | Current | 11.72 | 19.53 | 15.83 | 11.23 |
| | 5-Year High | 23.62 | 21.5 | 17.42 | 12.86 |
| | 5-Year Low | 8.66 | 10.03 | 10.72 | 8.26 |
| | 5-Year Median | 15.66 | 13.57 | 14.79 | 10.8 |

As of 05/27/2020

Industry Analysis Zacks Industry Rank: Top 19% (46 out of 248)



Top Peers

| Company (Ticker) | Rec | Rank |
|---------------------------------------|--------------|------|
| Bunge Limited (BG) | Neutral | 5 |
| Dover Corporation (DOV) | Neutral | 3 |
| Honeywell International Inc. (HON) | Neutral | 3 |
| Illinois Tool Works Inc. (ITW) | Neutral | 3 |
| Pentair plc (PNR) | Neutral | 3 |
| ThyssenKrupp AG Sponsored ADR (TKAMY) | Neutral | 3 |
| The Middleby Corporation (MIDD) | Underperform | 4 |
| Textron Inc. (TXT) | Underperform | 5 |

| Industry Comparison Industry: Manufacturing - Thermal Products | | | | Industry Peers | | |
|----------------------------------------------------------------|---------|------------|-----------|----------------|-----------|--------------|
| | JBT | X Industry | S&P 500 | DOV | HON | MIDD |
| Zacks Recommendation (Long Term) | Neutral | - | - | Neutral | Neutral | Underperform |
| Zacks Rank (Short Term) | 4 | - | - | 3 | 3 | 4 |
| VGM Score | C | - | - | B | C | B |
| Market Cap | 2.84 B | 2.84 B | 21.39 B | 14.00 B | 104.29 B | 4.09 B |
| # of Analysts | 5 | 6 | 14 | 7 | 10 | 3 |
| Dividend Yield | 0.45% | 0.00% | 1.97% | 2.02% | 2.42% | 0.00% |
| Value Score | D | - | - | C | C | C |
| Cash/Price | 0.03 | 0.03 | 0.06 | 0.04 | 0.09 | 0.11 |
| EV/EBITDA | 13.92 | 14.64 | 12.63 | 13.26 | 11.89 | 9.07 |
| PEG Ratio | 3.38 | 3.73 | 2.91 | 1.81 | 2.88 | NA |
| Price/Book (P/B) | 4.97 | 3.53 | 2.99 | 4.70 | 5.84 | 2.15 |
| Price/Cash Flow (P/CF) | 12.61 | 13.97 | 11.80 | 12.35 | 15.02 | 8.35 |
| P/E (F1) | 24.75 | 21.69 | 21.42 | 20.80 | 21.45 | 18.69 |
| Price/Sales (P/S) | 1.43 | 2.34 | 2.29 | 1.98 | 2.87 | 1.39 |
| Earnings Yield | 4.01% | 4.61% | 4.44% | 4.81% | 4.66% | 5.35% |
| Debt/Equity | 1.29 | 0.75 | 0.76 | 0.99 | 0.65 | 1.15 |
| Cash Flow (\$/share) | 7.10 | 2.88 | 6.96 | 7.88 | 9.89 | 8.81 |
| Growth Score | B | - | - | C | C | A |
| Hist. EPS Growth (3-5 yrs) | 28.53% | 28.39% | 10.87% | 14.55% | 8.38% | 14.24% |
| Proj. EPS Growth (F1/F0) | -27.54% | -23.59% | -10.41% | -21.13% | -15.11% | -43.97% |
| Curr. Cash Flow Growth | 14.88% | 4.67% | 5.46% | 10.20% | -1.43% | 13.23% |
| Hist. Cash Flow Growth (3-5 yrs) | 25.60% | 23.62% | 8.55% | 1.28% | 5.69% | 16.08% |
| Current Ratio | 1.71 | 1.84 | 1.29 | 1.29 | 1.30 | 2.48 |
| Debt/Capital | 56.24% | 42.80% | 44.54% | 49.85% | 39.26% | 53.47% |
| Net Margin | 6.96% | 9.28% | 10.59% | 10.59% | 17.38% | 12.10% |
| Return on Equity | 30.83% | 26.54% | 16.29% | 29.80% | 33.60% | 20.40% |
| Sales/Assets | 1.04 | 0.83 | 0.55 | 0.81 | 0.62 | 0.59 |
| Proj. Sales Growth (F1/F0) | -11.49% | -7.85% | -2.34% | -10.52% | -13.30% | -22.57% |
| Momentum Score | D | - | - | B | C | D |
| Daily Price Chg | 0.69% | 1.06% | 2.29% | 2.62% | 2.52% | 2.01% |
| 1 Week Price Chg | 20.97% | 8.93% | 4.99% | 5.69% | 10.98% | 4.16% |
| 4 Week Price Chg | 6.38% | 5.59% | 2.47% | 1.00% | 1.66% | 22.39% |
| 12 Week Price Chg | -9.54% | -1.52% | -6.13% | -12.13% | -13.20% | -33.71% |
| 52 Week Price Chg | -13.18% | 11.08% | 0.67% | 7.65% | -9.60% | -45.17% |
| 20 Day Average Volume | 273,827 | 273,827 | 2,423,651 | 790,350 | 3,714,221 | 1,496,231 |
| (F1) EPS Est 1 week change | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (F1) EPS Est 4 week change | -4.97% | -5.65% | -2.07% | 0.00% | -11.34% | -17.50% |
| (F1) EPS Est 12 week change | -30.91% | -29.25% | -16.07% | -25.28% | -21.47% | -46.09% |
| (Q1) EPS Est Mthly Chg | -23.05% | -7.27% | -3.59% | 0.00% | -36.47% | -62.57% |

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 | B |
| Momentum Score | D |
| VGM Score | C |

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.