

## The Coca-Cola Company (KO)

**\$60.13** (As of 02/21/20)

Price Target (6-12 Months): **\$63.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 06/04/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**2-Buy**

Zacks Style Scores:

VGM:D

Value: D

Growth: C

Momentum: D

### Summary

Coca-Cola has outpaced the industry in the past three months, owing to growth strategies. Its focus on consumer-centric innovation, solid core brand performance and improved execution in the marketplace is aiding performance. Notably, it boasts a robust trend of quarterly performances with top line beat in four straight quarters and bottom line beat in three of the last four quarters. The company's revenues are benefiting from strength across all segments as well as growth in volume and price/mix. Innovation and investment in core categories and brands have been the key focus area, which led to the expansion of retail value share. However, it expects adverse currency rates to mar results in 2020. Further, the company expects the coronavirus outbreak in China to hurt organic revenues and earnings per share in first-quarter 2020.

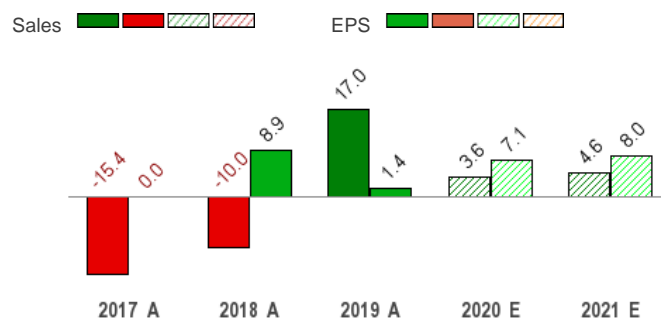
### Price, Consensus & Surprise



### Data Overview

52 Week High-Low	<b>\$60.13 - \$44.42</b>
20 Day Average Volume (sh)	<b>10,661,309</b>
Market Cap	<b>\$257.6 B</b>
YTD Price Change	<b>8.6%</b>
Beta	<b>0.41</b>
Dividend / Div Yld	<b>\$1.60 / 2.7%</b>
Industry	<b><a href="#">Beverages - Soft drinks</a></b>
Zacks Industry Rank	<b>Top 37% (95 out of 255)</b>

### Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	<b>2.3%</b>
Last Sales Surprise	<b>1.8%</b>
EPS F1 Est- 4 week change	<b>0.6%</b>
Expected Report Date	<b>NA</b>
Earnings ESP	<b>0.0%</b>
P/E TTM	<b>28.5</b>
P/E F1	<b>26.6</b>
PEG F1	<b>3.8</b>
P/S TTM	<b>7.0</b>

### Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	9,141 E	10,849 E	10,486 E	10,370 E	40,372 E
2020	8,826 E	10,417 E	10,019 E	9,809 E	38,612 E
2019	8,020 A	9,997 A	9,507 A	9,068 A	37,266 A

### EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$0.52 E	\$0.71 E	\$0.65 E	\$0.55 E	\$2.44 E
2020	\$0.48 E	\$0.66 E	\$0.61 E	\$0.50 E	\$2.26 E
2019	\$0.48 A	\$0.63 A	\$0.56 A	\$0.44 A	\$2.11 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 02/21/2020. The reports text is as of 02/24/2020.

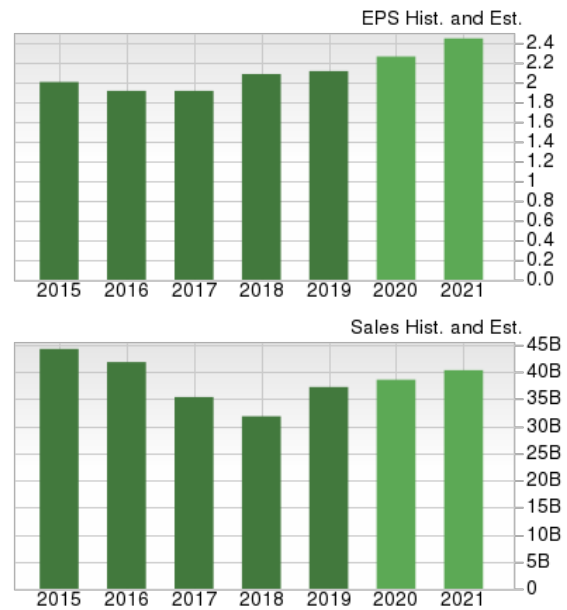
## Overview

Headquartered in Atlanta, GA, The Coca-Cola Company is the largest global producer and marketer of beverages. Coca-Cola commands a portfolio of more than 500 sparkling (carbonated) as well as still (non-carbonated) beverages like water, enhanced water, juices and juice drinks, ready-to-drink teas and coffees, and energy and sports drinks. Popular sparkling beverage brands include Coke, Diet Coke, Fanta and Sprite while still beverage brands include Minute Maid and Powerade. Most of the company's beverages are manufactured, sold and distributed by independent bottling partners.

Effective first-quarter 2019, the company has formed a new segment – Global Ventures. This segment is formed after the closing of the Costa acquisition during the quarter. The company has completed a smooth transition of Costa and is working quickly to leverage the total coffee platform.

Coca-Cola currently reports operating results under the following segments — Europe, Middle East and Africa (18.9% of 2019 total revenue); Latin America (11.1%); North America (32%); Asia Pacific (14.3%); Global Ventures (6.9%); Bottling Investments (20%); and Corporate (0.3%). Intersegment eliminations were \$1,248 million in 2019. Intersegment revenues were \$624 million for Europe, Middle East & Africa, \$9 million for North America, \$604 million for Asia Pacific, \$2 million for Global Ventures and \$9 million for Bottling Investments.

In May 2019, Coca-Cola stated that it will maintain its majority stake in Coca-Cola Beverages Africa (CCBA). In 2016, CCBA was formed via the combination of the African non-alcoholic bottling interests of SABMiller plc, Coca-Cola and Gutsche Family Investments. Following the acquisition of SABMiller, AB InBev agreed to transition its 54.5% equity stake in CCBA to Coca-Cola. This made Coca-Cola the controlling shareowner of CCBA.



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## Reasons To Buy:

▲ **Solid Surprise Trend Aid Stock:** Coca-Cola's shares have gained 13% in the past three months compared with the industry's growth of 9.9%, owing to the effective execution of strategies to evolve as a consumer-centric total beverage company. This also aided its quarterly performances as evident from its robust surprise trend. Notably, the company's top and bottom line surpassed the Zacks Consensus Estimate in fourth-quarter 2019. This marked the fourth straight top line beat, while earnings beat estimates in three of the last four quarters. Moreover, revenues and earnings improved year over year on robust volume and strong pricing. Organic revenues grew 7% attributed to higher concentrate sales and price/mix. Further, increase in global value share, particularly in total non-alcoholic ready-to-drink (NARTD) beverages, aided the top line.

In the sparkling portfolio, innovation at the Coke brand helped accelerate global retail value by 6% in 2019. Further, scaling of innovative offerings like Coca-Cola Plus Coffee aided the growth.

▲ **Strong Price/Mix and Volume:** Coca-Cola witnessed robust pricing and volume growth in the fourth quarter, which contributed to sales growth. Price/mix rose 5%, driven by favorable contributions from all geographic regions and Bottling Investments. Meanwhile, concentrate sales improved 2%, owing to nearly 1% gain from one extra day in the quarter. Total unit case volume was up 3% in the fourth quarter on robust growth in developing and emerging markets along with strength in developed markets. Sparkling soft drinks unit case volume was up 3% aided by strong growth in China, Brazil and Southeast Asia. Sparkling soft drinks growth was led by the Coca-Cola trademark, with rise in volume across all geographic segments. Volume for juice, dairy and plant-based beverages were flat year over year on strong gains from Chi in West Africa and Innocent Juices in Europe, offset by a decline in Rani in the Middle East. Water, enhanced water and sports drinks improved 2% backed by Ciel and Cristal in Latin America and strong global growth in the sports drinks portfolio. Tea and coffee volume grew 4% aided by strong performance in Japan, as well as growth of Fuze Tea across Western Europe and Leão Fuze Tea in Brazil.

▲ **Robust Outlook:** Coca-Cola outlined the outlook for 2020. It estimates organic revenue growth of 5% in 2020, driven by slight gains from acquisitions, divestitures and structural items. The company anticipates comparable currency-neutral operating income growth of 8%. It expects comparable earnings per share of \$2.25 in 2020, reflecting a 7% increase from \$2.11 reported in 2019. Underlying effective tax rate is estimated at 19.5%. For the first quarter of 2020, it anticipates comparable net revenues to include 0-1% benefit from acquisitions, divestitures and structural items.

▲ **Innovation to Redefine Brands:** Innovation and investing in core categories and brands have been the key focus areas for Coca-Cola, given the evolving beverage industry. This mantra extends to all business aspects, ranging from massive categories like hot beverages to emerging ones like Kombucha. Constant innovation of brands is the key to the company's sustained growth. In the sparkling portfolio, innovation at the Coke brand helped it accelerate global retail value by 6% in 2019. This was also driven by continued scaling of innovative offerings like Coca-Cola Plus Coffee, which is now available in more than 40 markets. Further, Coca-Cola Zero Sugar continued to expand its footprint, achieving another year of double-digit volume growth. In the non-sparkling portfolio, innovative products like innocent plus, a premium juice offering with added vitamins, continued to drive growth in the juice and smoothie category. In 2019, the company expanded beyond its flagship market of Europe for the innocent brand, with its launch in Japan. Further, the company expects to launch the innocent brand in more markets in 2020. Moreover, the recent introduction of two flavors to its Powerade sports drink brand, which is its first additions to the brand in more than a decade, is likely to re-ignite its competitive position in the market.

▲ **Solid Cash Position:** Coca-Cola boasts a solid cash position that is used to return value to shareholders (through higher dividends and regular buybacks) as well as reinvesting it back in the business. Share buybacks continue to be significant as the company repurchased \$2.6 billion in 2014, \$2.3 billion in both 2015 and 2016, \$3.7 billion in 2017 and \$1.9 billion in 2018. Further, the company had earlier authorized a new share repurchase program to buy back 150 million shares. Additionally, the company raised quarterly dividend by 2.5% to 41 cents per share, payable Apr 1, 2020. For 2020, it expects cash from operations of \$10 billion and free cash flow (non-GAAP) of \$8 billion. As part of its disciplined capital allocation plan, the company now expects to invest approximately \$2 billion in business through capital expenditure.

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## Reasons To Sell:

- ▼ **Stock Appears Overvalued:** Considering price-to-earnings (P/E) ratio, Coca-Cola looks overvalued compared with the industry and the market at large. The stock has a trailing 12-month P/E multiple of 28.5x, higher than the industry's P/E of 27.3x and that of the S&P 500's figure of 20.8x. Moreover, the company's P/E ratio is above the median level of 25.3x and at par with the high level, scaled in the past year. Given these factors, we believe that the stock is quite stretched from the P/E aspect.
- ▼ **Currency Headwinds Remain a Hurdle:** Coca-Cola's results for fourth-quarter and 2019 continued to be hurt by adverse currency rates. Adverse currency translations impacted earnings by 8% each for the fourth quarter and 2019. Further, currency headwinds hurt revenues by 2% in the fourth quarter and 4% in 2019. Reported operating income included 7% and 8% of impacts from unfavorable currency in fourth quarter and 2019, respectively. Moreover, comparable operating margin for 2019 was affected by a 250-bps negative impact of unfavorable currency and acquisitions. Moreover, the company estimates currency headwinds to persist and impact results in the first quarter and 2020. It estimates unfavorable currency to affect revenues by 2% and comparable operating income by 5% in first-quarter 2020. Unfavorable currency is likely to impact revenues by 0-1% and comparable operating income by 2-3% in 2020.
- ▼ **Coronavirus Outbreak in China to Hurt Q1 Results:** Coca-Cola recently updated investors on how the coronavirus outbreak in China will impact its first-quarter 2020 results. The company expects COVID-19 to hurt its organic revenues by 1-2 percentage points, unit case volume by 2-3 percentage points and earnings per share by 1-2 cents in first-quarter 2020. It also stated that any changes in the guidance, based on the current situation, will be announced on the next earnings call in April.
- ▼ **Macro Factors & Market Volatility:** Global markets have been increasingly volatile due to fluctuating currencies and other structural issues. While the company has considerably improved performance in some markets, it is still facing challenging macro conditions in certain developing/emerging markets, including Argentina, Turkey and the Middle East. Clearly, the global markets remain volatile despite witnessing growth. Some markets are improving while others are struggling as economic cycle moves to a different phase. This might hurt personal consumption expenditure as well as the demand for the company's products. Although the company expects volatility in certain markets around the world, it expects consumer spending to remain healthy for 2020. Further, it expects the emerging and developing markets to outpace developed markets, similar to 2019.

Coca-Cola expects currency headwinds to mar sales by 2% and comparable operating income by 5% in the first quarter. It expects currency impacts of 0-1% on revenues and 2-3% on operating income in 2020.

## Last Earnings Report

### Coca-Cola Q4 Earnings & Revenues Beat Estimates

Coca-Cola delivered top and bottom-line beat in fourth-quarter 2019. Revenues benefited from robust volume and strong pricing. Further, the company provided the outlook for 2020.

Coca-Cola's fourth-quarter 2019 comparable earnings of 44 cents per share beat the Zacks Consensus Estimate of 43 cents and improved 1% from the year-ago period. Currency translations negatively impacted earnings by 8%.

Revenues of \$9,068 million surpassed the Zacks Consensus Estimate of \$8,893 million and rose 16% year over year. Organic revenues grew 7%. The increase in reported as well as organic revenues was attributed to higher concentrate sales and price/mix. Further, increase in global value share, particularly in total non-alcoholic ready-to-drink (NARTD) beverages, aided the top line.

### Volume and Pricing

Price/mix rose 5%, driven by favorable contributions from all geographic regions and Bottling Investments. Meanwhile, concentrate sales improved 2%, owing to nearly 1% gain from one extra day in the quarter. However, concentrate sales lagged unit case volume growth by 1 percentage point on reduction in bottler inventory levels related to Brexit.

Coca-Cola's total unit case volume was up 3% in the fourth quarter on robust growth in developing and emerging markets along with strength in developed markets.

**Category Cluster Performance:** Sparkling soft drinks unit case volume was up 3% (compared with a 2% increase in the prior quarter), aided by strong growth in China, Brazil and Southeast Asia. Sparkling soft drinks growth was led by the Coca-Cola trademark, with rise in volume across all geographic segments. Volume for juice, dairy and plant-based beverages were flat year over year (compared with flat volume in the last reported quarter) on strong gains from Chi in West Africa and Innocent Juices in Europe, offset by a decline in Rani in the Middle East. Strategic downsizing of key packages in the China juice portfolio impacted juice volume growth in the reported quarter. Water, enhanced water and sports drinks improved 2% (same as growth witnessed in the third quarter), and tea and coffee volume grew 4% (compared with 4% growth in the third quarter).

### Segmental Details

Revenues grew 4% for North America, 20% for Latin America and 10% for the Asia Pacific segment. Meanwhile, revenues for the Europe, Middle East & Africa ("EMEA") segment declined 3%. The Bottling Investments segment's revenues grew 29% in the quarter under review. However, the Global Ventures segment reported substantial revenue growth of 292%, gaining from the Costa acquisition.

Organic revenues grew across all segments, except for EMEA, backed by consistent innovation and revenue growth initiatives within sparkling soft drinks, with solid pricing and mix across all regions. Organic revenues improved 26% for Latin America, 4% for North America and 8% for the Asia Pacific, and 11% for the Global Ventures segment. The Bottling Investments segment recorded organic revenue growth of 4%. However, organic revenues for EMEA declined 2% in the reported quarter.

### Margins

Comparable currency-neutral operating income grew 23% on strong organic revenue growth as well as gains from productivity initiatives and acquisitions. Comparable operating margin expanded 108 basis points (bps).

### Guidance

Coca-Cola outlined the outlook for 2020. It estimates organic revenue growth of 5% in 2020, driven by slight gains from acquisitions, divestitures and structural items. Further, it expects currency headwinds of 0-1% on revenues in 2020.

The company anticipates comparable currency-neutral operating income growth of 8%. It expects the impacts of acquisitions, divestitures and structural items to be immaterial on comparable operating income for the year. However, foreign exchange is expected to hurt comparable operating income by 2-3%.

It expects comparable earnings per share of \$2.25 in 2020, reflecting a 7% increase from \$2.11 reported in 2019. Underlying effective tax rate is estimated at 19.5%.

Moreover, the company expects cash from operations of \$10 billion in 2020, with capital expenditure of \$2 billion. This is likely to result in free cash flow (non-GAAP) of \$8 billion.

For the first quarter of 2020, it anticipates comparable net revenues to include 0-1% benefit from acquisitions, divestitures and structural items. Meanwhile, currency headwinds are likely to hurt comparable net revenues by 2% and comparable operating income by 5%.

Quarter Ending 12/2019

Report Date	Jan 30, 2020
Sales Surprise	1.82%
EPS Surprise	2.33%
Quarterly EPS	0.44
Annual EPS (TTM)	2.11

## Recent News

### Coronavirus to Hurt Coca-Cola Q1 Earnings & Revenues – Feb 21, 2020

Coca-Cola Company updated investors on how the coronavirus outbreak will impact its first-quarter 2020 results. Given the epidemic outbreak in the country, Coca-Cola has prioritized the health and safety of its associates and is taking the possible precautionary steps to prevent the further spread of the virus.

For first-quarter 2020, the company estimates the current situation in China to hurt organic revenues by 1-2 percentage points, unit case volume by 2-3 percentage points and earnings per share by 1-2 cents. However, the company reiterated its previously outlined guidance for 2020. It also stated that additional estimates on the guidance, based on the current situation, will be provided in the next earnings call in April.

### Coca-Cola Cheers Investors With a Hike in Dividend – Feb 20, 2020

Coca-Cola announced its 58th straight quarterly dividend hike. It will now pay a dividend of 41 cents per share, suggesting a 2.5% rise from the prior rate of 40 cents. The increased dividend will be paid out on Apr 1 to shareholders of record as of Mar 16, 2020. The dividend hike of 2.5% brings its annualized dividend to \$1.64 per share versus the prior rate of \$1.60 per share.

### Coca-Cola Adds Two Powerade Sports Drinks, Enhances Portfolio – Jan 16, 2020

Coca-Cola plans to fortify its Powerade sports drink brand with the introduction of Powerade Ultra and Powerade Power Water. This marks the company's first additions to the brand in over a decade, after the launch of Powerade Zero in 2007. While Powerade Ultra is scheduled to be launched this month, Powerade Power Water will be rolled out in mid-February.

Powerade Ultra is the first ready-to-drink beverage, which includes shelf-stabilized creatine, amino acids, vitamins B3, B6 and B12 as well as 50+% more ION4 electrolytes as compared to regular Powerade drinks. In fact, Coca-Cola North America's R&D team took six months to finalize the formulations for the product, with stabilized creatine. The drink will be available in the Mixed Berry, White Cherry and Citrus Blast flavors. Meanwhile, Powerade Power Water comprises ION4 electrolytes and vitamins B3, B6 and B12. It will be available in three flavors – Berry Cherry, Tropical Mango and Cucumber Lime.

The recent additions to the Powerade brand are driven by changing consumer preference toward natural and organic products. Consumers are now on the lookout for sports drinks that contain natural ingredients like natural sweeteners. Powerade's latest offerings are likely to meet these preferences in addition to its zero-sugar content.

## Valuation

Coca-Cola shares are up 8.6% in the year-to-date period and 33.8% for the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are up 6.6% and 0.1% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and the sector are up 21.3% and 11.2%, respectively.

The S&P 500 index is up 3.6% in the year-to-date period, and 18.6% in the past year.

The stock is currently trading at 26.4X forward 12-month earnings, which compares to 24.37X for the Zacks sub-industry, 19.71X for the Zacks sector and 19.09X for the S&P 500 index.

Over the past five years, the stock has traded as high as 26.4X and as low as 18.2X, with a 5-year median of 22.14X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$63 price target reflects 27.66X forward 12-month earnings.

The table below shows summary valuation data for KO

Valuation Multiples - KO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	26.4	24.37	19.71	19.09
	5-Year High	26.4	24.37	22.38	19.34
	5-Year Low	18.2	18.46	16.66	15.18
	5-Year Median	22.14	21.47	19.71	17.47
P/S F12M	Current	6.63	4.84	10.05	3.51
	5-Year High	6.68	5.23	11.13	3.51
	5-Year Low	3.63	3.59	8.09	2.54
	5-Year Median	5.66	4.45	9.88	3
EV/EBITDA TTM	Current	24.17	22.66	40.02	12
	5-Year High	24.17	22.66	44.94	12.87
	5-Year Low	12.17	12.15	31.55	8.48
	5-Year Median	15.79	17.28	38.45	10.77

As of 02/21/2020

## Industry Analysis Zacks Industry Rank: Top 37% (95 out of 255)



## Top Peers

Cott Corporation (COT)	Neutral
Keurig Dr Pepper, Inc (KDP)	Neutral
Mondelez International, Inc. (MDLZ)	Neutral
Monster Beverage Corporation (MNST)	Neutral
Nestle SA (NSRGY)	Neutral
PepsiCo, Inc. (PEP)	Neutral
Unilever PLC (UL)	Neutral
The Kraft Heinz Company (KHC)	Underperform

Industry Comparison Industry: Beverages - Soft Drinks				Industry Peers		
	KO Neutral	X Industry	S&P 500	KDP Neutral	MNST Neutral	PEP Neutral
<b>VGM Score</b>	<b>D</b>	-	-	<b>C</b>	<b>D</b>	<b>C</b>
Market Cap	257.63 B	612.35 M	24.03 B	41.50 B	37.50 B	202.67 B
# of Analysts	8	2	13	8	7	8
Dividend Yield	2.66%	0.00%	1.76%	2.03%	0.00%	2.62%
<b>Value Score</b>	<b>D</b>	-	-	<b>C</b>	<b>D</b>	<b>C</b>
Cash/Price	0.04	0.07	0.04	0.00	0.03	0.03
EV/EBITDA	20.92	6.73	14.08	31.99	26.80	17.55
PEG Ratio	3.75	2.29	2.08	1.39	2.29	3.39
Price/Book (P/B)	12.21	4.33	3.29	1.81	9.13	13.63
Price/Cash Flow (P/CF)	24.61	14.87	13.42	21.69	36.14	19.93
P/E (F1)	26.61	21.18	19.00	21.18	30.88	24.75
Price/Sales (P/S)	7.04	1.39	2.64	3.77	9.13	3.02
Earnings Yield	3.76%	4.33%	5.26%	4.71%	3.24%	4.04%
Debt/Equity	1.30	0.32	0.70	0.57	0.00	1.96
Cash Flow (\$/share)	2.44	0.81	7.03	1.36	1.93	7.32
<b>Growth Score</b>	<b>C</b>	-	-	<b>B</b>	<b>C</b>	<b>C</b>
Hist. EPS Growth (3-5 yrs)	0.87%	5.35%	10.84%	-20.17%	19.48%	5.35%
Proj. EPS Growth (F1/F0)	6.99%	11.19%	7.09%	14.02%	10.87%	6.58%
Curr. Cash Flow Growth	4.40%	7.40%	6.72%	66.49%	19.52%	-2.46%
Hist. Cash Flow Growth (3-5 yrs)	-1.10%	1.54%	8.25%	18.36%	24.17%	1.04%
Current Ratio	0.76	1.23	1.22	0.35	3.31	0.86
Debt/Capital	56.60%	31.84%	42.37%	36.46%	0.00%	66.22%
Net Margin	24.38%	0.01%	11.56%	10.13%	26.58%	10.89%
Return on Equity	44.39%	7.11%	16.80%	7.27%	28.23%	54.16%
Sales/Assets	0.42	0.83	0.55	0.22	0.85	0.88
Proj. Sales Growth (F1/F0)	5.52%	4.32%	3.90%	2.81%	8.99%	4.32%
<b>Momentum Score</b>	<b>D</b>	-	-	<b>F</b>	<b>C</b>	<b>B</b>
Daily Price Chg	0.69%	0.00%	-0.83%	0.68%	-0.94%	0.48%
1 Week Price Chg	1.28%	0.59%	1.65%	1.05%	1.39%	1.11%
4 Week Price Chg	3.98%	0.00%	-0.37%	6.23%	2.91%	1.53%
12 Week Price Chg	11.45%	-0.20%	3.74%	-5.48%	16.06%	7.31%
52 Week Price Chg	31.12%	-19.05%	14.14%	4.72%	18.44%	25.62%
20 Day Average Volume	10,661,309	117,464	1,992,841	2,025,861	2,773,337	3,527,156
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
(F1) EPS Est 4 week change	0.61%	0.00%	-0.02%	0.00%	0.13%	-0.97%
(F1) EPS Est 12 week change	0.63%	0.00%	-0.17%	-0.27%	0.38%	-0.93%
(Q1) EPS Est Mthly Chg	-7.14%	0.00%	-0.48%	0.00%	0.50%	-4.11%



## 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	C
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.

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