

Moody's Corporation (MCO)

\$268.01 (As of 02/06/20)

Price Target (6-12 Months): **\$305.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 11/18/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM:C

Value: F

Growth: B

Momentum: B

Summary

Shares of Moody's have outperformed the industry in the past year. The company's earnings surpassed the Zacks Consensus Estimate in three of the trailing four quarters. Its earnings estimates have been stable ahead of its fourth-quarter 2019 results. The company remains well poised on the back of its dominant position in the credit rating industry. Its diverse revenue base, strategic inorganic initiatives and strong balance sheet position bode well for future. The planned acquisition of Regulatory DataCorp will likely be accretive to earnings. However, volatility in macro environment and slowdown in global bond issuance volumes along with mounting expenses mainly owing to investments in franchise are expected to hurt profitability. The divestiture of the Analytics Knowledge Services business is expected to be dilutive to 2019 GAAP earnings.

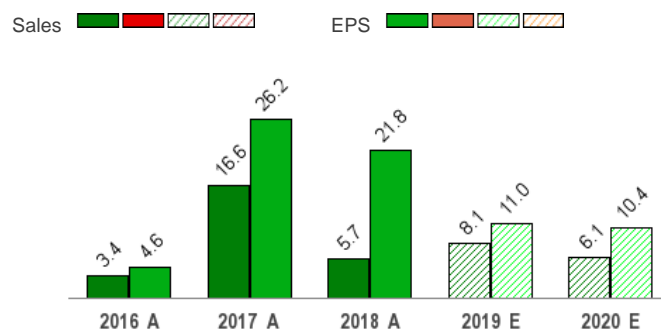
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$269.93 - \$158.72
20 Day Average Volume (sh)	664,515
Market Cap	\$50.6 B
YTD Price Change	12.9%
Beta	1.21
Dividend / Div Yld	\$2.00 / 0.7%
Industry	Financial - Miscellaneous Services
Zacks Industry Rank	Bottom 22% (199 out of 255)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	8.0%
Last Sales Surprise	4.9%
EPS F1 Est- 4 week change	0.6%
Expected Report Date	02/12/2020
Earnings ESP	0.6%
P/E TTM	33.8
P/E F1	29.6
PEG F1	2.3
P/S TTM	10.9

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2020	1,228 E	1,277 E	1,301 E	1,293 E	5,095 E
2019	1,142 A	1,214 A	1,241 A	1,212 E	4,804 E
2018	1,127 A	1,175 A	1,081 A	1,060 A	4,443 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	\$2.24 E	\$2.29 E	\$2.32 E	\$2.24 E	\$9.05 E
2019	\$2.07 A	\$2.07 A	\$2.15 A	\$1.92 E	\$8.20 E
2018	\$2.02 A	\$2.04 A	\$1.69 A	\$1.63 A	\$7.39 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 02/06/2020. The reports text is as of 02/07/2020.

Overview

Moody's Corporation is a leading provider of credit ratings, research, data & analytical tools, software solutions & related risk management services, quantitative credit assessment services, credit training services and credit process software to banks and other financial institutions.

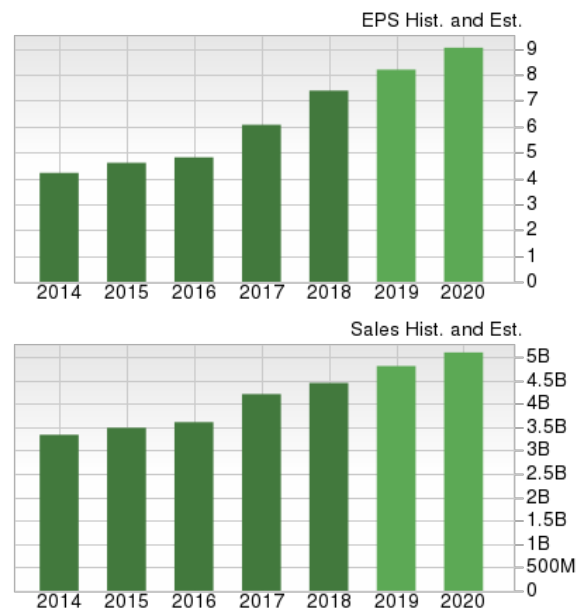
Moody's reports its businesses under the following two operating divisions:

- **Moody's Investors Service (MIS)** (representing 61% of revenues in 2018) provides credit ratings and research covering debt instruments and securities. Revenues from MIS comprises ratings revenues from Structured Finance; Corporate Finance; Financial Institutions; and Public, Project and Infrastructure Finance.
- **Moody's Analytics (MA)** (39%) offers solutions related to financial and risk management activities of institutions. Within its Enterprise Risk Solutions, MA provides risk management software solutions and related services. Research, Data & Analytics provides investor-oriented research and data, including in-depth research on major debt issuers and industry studies.

Over the years, Moody's made several notable acquisitions including Wall Street Analytics (2006), Fermat International (2008), Copal Partners (2011), Barrie & Hibbert (2011), Amba Investment Services (2013), ICRA Ltd. (2014) and Equilibrium (2015). In 2016, the company acquired Korea Investors Service as well as a prominent actuarial software company, GGY.

In 2017, Moody's acquired the structured finance data and analytics business of Frankfurt-based SCDM and Amsterdam, Netherlands-based Bureau van Dijk. In 2018, the company acquired Omega Performance and Reis Inc. In 2019, it acquired ABS Suite from Deloitte & Touche LLP and RiskFirst.

It divested Analytics Knowledge Services business to Equistone in 2019.



Reasons To Buy:

- ▲ Moody's is pursuing growth in areas outside the core credit ratings service. The company has increased its exposure to the banking and insurance industry, branching into the emerging and fast-growing professional services and enterprise risk solutions sectors. Also, a rising share of the analytics business, which is not correlated with the volatility of interest rates, has added stability to top-line growth. Total revenues have witnessed a five-year (2014-2018) CAGR of 7.4%, with the trend continuing in the first nine months of 2019. Improved mix and lower-risk nature of the product portfolio will likely boost the company's revenues.
- ▲ Moody's holds a dominant position in the duopolistic credit rating industry. Higher monitoring revenues related to new ratings has been a key driver in the corporate finance line — the largest revenue contributor at the MIS division. Despite a slowdown in global bond issuances, the corporate finance division witnessed revenue growth at a three-year CAGR of 9% (ended 2018). The uptrend continued in the first nine months of 2019 mainly driven by impressive third-quarter performance. The company remains focused on investing in technology platform and processes to boost operations. These efforts are expected to strengthen the division's top-line performance in the quarters ahead.
- ▲ Moody's grew meaningfully over the years through several strategic acquisitions, which provided it with increased scale and cross-selling opportunities across products and vertical markets. Recently, it agreed to acquire Regulatory DataCorp, which complements its earlier acquisition of Bureau van Dijk. In October, 2019, it agreed to acquire a minority stake in China-based SynTao Green Finance, which complements its earlier acquisitions of Four Twenty Seven, Inc. and Vigeo Eiris. Moreover, it acquired ABS Suite from Deloitte & Touche LLP. Also, in July 2019, it acquired RiskFirst, which is expected to be accretive to 2021 and 2022 earnings. Notably, the company continues to pursue opportunistic deals which are strategic fits and also help diversify its revenue base.
- ▲ Strong balance sheet and cash flow enable Moody's to pursue growth opportunities and enhance shareholders' value. In February 2019, the company announced a 14% hike in its quarterly dividend. Also, the company has a share repurchase authorization in place. As of Sep 30, 2019, Moody's had nearly \$597 million of share buyback authorization left. Driven by its capital strength and favorable dividend payout ratio, the company will be able to sustain enhanced capital deployments.
- ▲ Shares of Moody's have outperformed the industry over the past six months. With this favorable trend, the company's current-year earnings estimates have moved marginally north over the past 30 days. Therefore, given the strength in fundamentals and positive estimate revisions, the stock has upside potential.

Moody's is well poised for growth on the back of its dominant position in the credit rating industry, its constant efforts to diversify revenue base and synergies from strategic acquisitions.

Reasons To Sell:

- ▼ Elevated operating expenses remain a major concern for Moody's. Operating expenses witnessed a five-year (2014-2018) CAGR of 8.1%, with the trend persisting in the first nine months of 2019. Higher compensation and employee benefit costs are the primary reasons for mounting expenses. The company expects expenses to keep on rising as it continues to invest in franchise and grow inorganically. Additionally, credit rating agencies including Moody's are subject to increased regulatory scrutiny since the 2008 financial crisis. These increase costs related to compliance and governance, thus leading to further rise in expenses.
- ▼ Moody's faces considerable economic risks related to the volatile macro environment and its effect on the financial markets and bond issuance. The uncertain macro environment will affect the volume of debt securities issued in global capital markets and the demand for credit ratings.
- ▼ Moody's faces stiff competition in most of the markets in which it operates. In the credit rating sector, the company faces competition from Fitch, S&P Ratings Services, Morningstar and many other regional providers. In the analytics segment, it faces competition from Dun & Bradstreet, Bloomberg, IBM, Fiserv and many others. In the risk management software market, the company competes with large software developers including SAS, Oracle, IBM and Mysis. Stiff competition will likely continue to put pressure on pricing that may hurt profitability in the long run.
- ▼ Further, Moody's seems overvalued compared with the broader industry. Its current price/book (P/B) and price/earnings (P/E) (F1) ratios are above the respective industry averages.

Continued increase in operating expenses, slowdown in bond issuance volumes, litigation issues and stiff competition across the credit rating industry are major near-term headwinds for Moody's.

Last Earnings Report

Moody's Beats on Q3 Earnings, Revenues & Costs Increase

Moody's reported third-quarter 2019 adjusted earnings of \$2.15 per share, which handily outpaced the Zacks Consensus Estimate of \$1.99. Also, the figure improved 27% from the year-ago quarter.

Results were largely driven by impressive global issuance volume and opportunistic acquisitions closed over the past year, which led to rise in revenues. However, higher operating expenses posed an undermining factor.

After taking into consideration certain non-recurring items, net income was \$382.4 million or \$1.99 per share, up from \$312 million or \$1.59 per share in the prior-year quarter.

Revenues & Costs Rise

Revenues of \$1.24 billion beat the Zacks Consensus Estimate of \$1.18 billion. Also, the top line grew 15% year over year. Foreign currency translation unfavorably impacted revenues by 2%.

Total expenses were \$691.7 million, up 13% year over year. The rise was mainly due to increase in compensation expenses and operating expenses attributable to deals closed within the past year. These were partially offset by beneficial impacts of the restructuring plan and cost control initiatives. Notably, foreign currency translation favorably impacted operating expenses by 2%.

Adjusted operating income of \$613.9 million increased 19% year over year. Adjusted operating margin was 49.5%, up from 47.6%.

Segment Performance

Moody's Investors Service revenues grew 16% year over year to \$747.6 million attributable to rise in issuance activity. Foreign currency translation unfavorably impacted the segment's revenues by 1%.

Corporate finance revenues increased driven by robust global fixed-rate bond issuance. Also, financial institutions' revenues grew, primarily backed by rise in activity from international infrequent bank issuers.

Further, global public, project and infrastructure finance revenues increased, reflecting strong U.S. public finance issuance and opportunistic infrastructure finance issuance in Latin America and Canada. However, structured finance revenues witnessed a fall, mainly due to lower global collateralized loan obligation activity.

Moody's Analytics revenues grew 13% year over year to \$493.9 million, mainly driven by higher U.S. and international revenues. Notably, foreign currency translation unfavorably impacted the segment's revenues by 2%.

The segment recorded growth in research, data and analytics revenues, professional services revenues and Enterprise Risk Solutions revenues.

Strong Balance Sheet

As of Sep 30, 2019, Moody's had total cash, cash equivalents and short-term investments of \$1.3 billion, down from \$1.8 billion as of Dec 31, 2018 level. Further, it had \$5.2 billion of outstanding debt and \$1 billion in additional borrowing capacity under its revolving credit facility.

Share Repurchases Update

During the third quarter, the company repurchased 0.5 million shares for \$113 million.

2019 Guidance

Moody's expects adjusted earnings in the range of \$8.05-\$8.20 per share, up from prior outlook of \$7.95-\$8.15. On GAAP basis, earnings are expected to be \$7.20-\$7.35 per share, up from the prior guidance of \$7.15-\$7.35.

The company projects revenues to rise in the high-single-digit percent range (up from the previous outlook of increase in the mid-single-digit percent range).

Operating expenses are expected to increase in the high-single-digit percent range.

The company expects net interest expenses to be nearly \$195 million.

Adjusted operating margin is expected to be approximately 48% and operating margin is likely to be nearly 42%.

Moody's expects cash flow from operations to be about \$1.7-\$1.8 billion and free cash flow to be about \$1.6-\$1.7 billion.

Share repurchases are estimated to be \$1 billion, changed from prior outlook of \$1-\$1.3 billion.

Effective tax rate is anticipated to be 21.5-22.5%, up from prior guidance range of 21-22%.

Segment Outlook for 2019

MIS segment revenues are likely to increase in the mid-single-digit percent range, up from prior guidance of low-single-digit percent range. Also,

Quarter Ending **09/2019**

Report Date	Oct 30, 2019
Sales Surprise	4.91%
EPS Surprise	8.04%
Quarterly EPS	2.15
Annual EPS (TTM)	7.92

the company expects U.S. revenues to increase in the mid-single-digit percent range. Non-U.S. revenues are projected to increase in the low-single-digit percent range, up from prior guidance of relatively flat revenues. Adjusted operating margin is expected to be 58%.

Regarding the *MA* segment, Moody's anticipates revenues to grow in the low-double-digit percent range. U.S. revenues are expected to increase in the mid-teens percent range and non-U.S. revenues are estimated to increase in the high-single-digit percent range. Adjusted operating margin is expected to be 28-29%.

Recent News

Moody's to Acquire Regulatory DataCorp for \$700 Million - Jan 23, 2020

Moody's has agreed to acquire Regulatory DataCorp for \$700 million, a deal which complements the earlier acquisition of Bureau van Dijk. Regulatory DataCorp is a leading provider of anti-money laundering and know-your-customer data and due diligence services, which is currently owned by Vista Equity Partners, a leading investment firm focused on enterprise software, data and technology-enabled businesses.

Closing of the deal, which is expected in first-quarter 2020, is subject to the satisfaction of customary closing conditions, including the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

The transaction is expected to generate nearly \$55 million of annualized revenues in 2020. Also, the deal will likely be accretive to earnings per share on an adjusted basis in 2022. Considering the estimated impact of amortization expense relating to acquired intangible assets, the deal will likely be accretive to 2024 GAAP EPS.

Notably, the transaction will be funded with a combination of cash in hand, commercial paper and debt financing.

Dan Russell, executive director of the Bureau van Dijk division of Moody's Analytics said, "RDC's comprehensive data and leading technology are at the forefront of the global effort to identify sources of counterparty risk and to prevent criminal infiltration of the financial system. The addition of RDC's proprietary data and technology to BvD's comprehensive company information offerings provides an industry-leading platform that will help customers make better informed decisions as they manage AML and KYC risks and requirements."

Moody's said that including the impact of this transaction, it anticipates repurchasing shares worth \$1.3 billion in 2020.

Moody's Closes Divestiture of Analytics Knowledge Business – Nov 8, 2019

Moody's closed the divestiture of MAKES, its Moody's Analytics Knowledge Services business, to a London-based private equity firm Equistone Partners Europe Limited. The deal was announced in July.

MAKS is one of the prominent providers of knowledge process outsourcing services. Through delivery centers in India, Costa Rica, Sri Lanka and China, it serves more than 250 banks, asset managers and consulting firms.

At the time of announcing the deal, Moody's had noted that it is likely to use the sale proceeds and repatriated offshore cash from this transaction to repurchase nearly \$300 million worth of shares. Further, the deal is expected to be dilutive to 2019 GAAP earnings by up to 20 cents per share, while its impact on adjusted earnings will likely be negligible.

Moody's to Acquire Minority Stake in SynTao – Oct 28, 2019

Moody's agreed to acquire minority stake in China-based SynTao Green Finance, a leading provider of environmental, social and governance (ESG) data and analytics. Terms of the deal were not disclosed.

The transaction is not expected to have a material impact on Moody's 2019 results. Moody's investment in SynTao aligns with its ongoing global commitment to promoting transparent standards for evaluating ESG risks.

Hao Shi, managing director, country manager for Moody's China operations stated, "Since its founding, STGF has solidified its position in China as a local standard setter and leading domestic platform for ESG data and analytics. STGF's China-specific data sets provide opportunities to enhance Moody's global ESG research and data. Together we will seek to leverage our respective strengths and capabilities to provide a range of solutions for investor and issuer ESG needs, including joint research, product development and technical cooperation."

SynTao's chairman, Peiyuan Guo, said, "Moody's investment will help STGF accelerate its data coverage, adoption and ability to further serve Chinese market participants. We are excited to partner with Moody's and look forward to future collaboration."

Moody's Acquires ABS Suite Business From Deloitte - Oct 2, 2019

Moody's announced that it acquired ABS Suite from Deloitte & Touche LLP, as part of its efforts to strengthen the Moody's Analytics division. The transaction, which was funded using cash, will not have any material impact on the company's 2019 financial results.

ABS Suite is a software platform that is used by issuers and trustees for management and supervision of asset-backed and mortgage-backed securities programs.

The Moody's Analytics division, which represents more than 35% of Moody's revenues, offers various solutions related to financial and risk-management activities of institutions. Under its Enterprise Risk Solutions, it provides risk-management software solutions and related services. Its Research, Data & Analytics provides investor-oriented research and data, including in-depth research on major debt issuers and industry studies.

The president of Moody's Analytics, Mark Almeida, said, "The acquisition of ABS Suite deepens Moody's Analytics' presence with issuers of securitized transactions. Adding the expertise and experience of the ABS Suite team to our already formidable capabilities enables us to provide more and better solutions that improve funding decisions, increase operational efficiency and promote transparency and efficiency in the securitization financial markets."

Employees of ABS Suite will join the Structured Solutions business of Moody's Analytics.

Moody's Announces Acquisition of RiskFirst – Jul 25, 2019

With an aim of strengthening the MA segment's performance, Moody's acquired RiskFirst, a leading FinTech company that provides risk

analytic solutions for the asset management and pension fund communities.

While the terms of the deal were not disclosed, it is expected to be accretive to GAAP EPS in 2022. On an adjusted basis, the transaction is expected to be accretive to earnings in 2021.

Mark Almeida, the president of Moody's Analytics stated, "RiskFirst sits at the heart of the buy-side and asset owner ecosystem and is known for its specialized expertise and high-quality products. Adding RiskFirst's platform to Moody's Analytics' product offering creates significant opportunities for growth and demonstrates our commitment to extend our reach and capabilities to the buy-side and asset owner community."

The CEO of RiskFirst Matthew Seymour said, "Combining Moody's Analytics scale, reach and capabilities with RiskFirst's leading solutions and extensive customer base creates a strong value proposition for buy-side institutions and asset owners. This deal will enhance our capabilities while building on what has made RiskFirst successful: a sophisticated, technically excellent product combined with superior service and support."

Moody's Acquires Majority Stake in Four Twenty Seven – Jul 24, 2019

Continuing with its efforts to strengthen the MA segment's performance, Moody's acquired a majority stake in Four Twenty Seven, Inc., a leader in providing data, intelligence and analysis related to physical climate risks. The terms of the deal, which was funded by cash on hand, were not disclosed.

Also, it will not have a material impact on the company's 2019 financial results. This acquisition will likely help Moody's in promoting transparent and globally consistent standards for evaluating ESG risks, and opportunities.

Moreover, it is expected to further enhance Moody's growing portfolio of risk assessment capabilities and underscores its work to advance global standards for assessing environmental and climate risk factors.

Dividend Update

On Oct 21, 2019, Moody's announced a quarterly cash dividend of 50 cents per share. The dividend was paid on Dec 12 to shareholders of record as of Nov 21.

Valuation

Shares of Moody's are up 66.5% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 14.1% and 10.8%, over the past year, respectively.

The S&P 500 index is up 22.1% in the past year.

The stock is currently trading at 29.33X forward 12 months earnings, which compares to 11.90X for the Zacks sub-industry, 14.92X 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 29.51X and as low as 16.04X, with a 5-year median of 21.46X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$305 price target reflects 33.37X forward earnings.

The table below shows summary valuation data for MCO

Valuation Multiples - MCO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	29.33	11.9	14.92	19.09
	5-Year High	29.51	14.15	16.21	19.34
	5-Year Low	16.04	8.7	12.01	15.18
	5-Year Median	21.46	11.73	14.07	17.46
P/S F12M	Current	9.87	1.15	6.53	3.54
	5-Year High	9.87	1.91	6.61	3.54
	5-Year Low	4.22	1.05	5.39	2.54
	5-Year Median	6.04	1.42	6.04	3
P/CF	Current	32.58	4.89	110.93	23.36
	5-Year High	49.86	8.78	110.93	23.36
	5-Year Low	13.62	3.42	11.09	11.78
	5-Year Median	20.43	6.07	21.61	16.27

As of 02/06/2020

Industry Analysis Zacks Industry Rank: Bottom 22% (199 out of 255)



Top Peers

CME Group Inc. (CME)	Neutral
Equifax, Inc. (EFX)	Neutral
FactSet Research Systems Inc. (FDS)	Neutral
IHS Markit Ltd. (INFO)	Neutral
MSCI Inc (MSCI)	Neutral
S&P Global Inc. (SPGI)	Neutral
TransUnion (TRU)	Neutral
Verisk Analytics, Inc. (VRSK)	Neutral

Industry Comparison Industry: Financial - Miscellaneous Services				Industry Peers		
	MCO Neutral	X Industry	S&P 500	FDS Neutral	SPGI Neutral	VRSK Neutral
VGM Score	C	-	-	C	C	D
Market Cap	50.60 B	299.66 M	24.40 B	10.99 B	72.23 B	27.69 B
# of Analysts	7	3	13	10	8	11
Dividend Yield	0.75%	0.00%	1.75%	0.99%	0.77%	0.59%
Value Score	F	-	-	D	D	D
Cash/Price	0.03	0.25	0.04	0.03	0.03	0.01
EV/EBITDA	26.24	5.85	14.17	22.95	24.75	26.32
PEG Ratio	2.30	2.18	2.05	3.21	2.83	3.32
Price/Book (P/B)	72.57	1.20	3.31	15.90	134.75	13.42
Price/Cash Flow (P/CF)	31.54	9.76	13.63	24.68	28.26	28.04
P/E (F1)	29.61	11.70	19.08	28.91	28.29	34.89
Price/Sales (P/S)	10.87	1.64	2.67	7.58	10.78	10.88
Earnings Yield	3.38%	8.06%	5.24%	3.46%	3.54%	2.86%
Debt/Equity	7.50	0.42	0.71	1.17	8.52	1.40
Cash Flow (\$/share)	8.50	0.55	6.89	11.74	10.46	6.03
Growth Score	B	-	-	A	B	B
Hist. EPS Growth (3-5 yrs)	15.84%	11.32%	10.80%	15.36%	21.28%	11.20%
Proj. EPS Growth (F1/F0)	10.33%	9.30%	7.23%	0.29%	9.63%	10.73%
Curr. Cash Flow Growth	21.81%	8.09%	9.51%	14.30%	8.40%	26.68%
Hist. Cash Flow Growth (3-5 yrs)	12.36%	9.91%	8.55%	12.63%	17.16%	13.83%
Current Ratio	1.42	1.26	1.20	2.63	1.52	0.85
Debt/Capital	88.25%	39.26%	42.90%	53.97%	92.73%	58.26%
Net Margin	28.20%	13.92%	11.76%	24.99%	31.69%	18.23%
Return on Equity	270.17%	9.25%	16.98%	60.69%	496.20%	33.57%
Sales/Assets	0.49	0.22	0.54	0.92	0.65	0.41
Proj. Sales Growth (F1/F0)	6.06%	4.21%	4.15%	4.07%	6.04%	9.08%
Momentum Score	B	-	-	C	A	D
Daily Price Chg	1.39%	0.00%	-0.11%	-0.07%	0.25%	0.23%
1 Week Price Chg	0.46%	-0.51%	-2.60%	3.45%	-0.37%	-1.71%
4 Week Price Chg	7.70%	0.00%	1.51%	7.86%	2.05%	7.52%
12 Week Price Chg	22.46%	4.49%	5.63%	11.52%	13.66%	19.80%
52 Week Price Chg	66.71%	0.00%	17.01%	31.43%	51.55%	40.50%
20 Day Average Volume	664,515	69,854	1,961,054	333,750	1,073,593	641,626
(F1) EPS Est 1 week change	0.08%	0.00%	0.00%	0.00%	0.03%	0.00%
(F1) EPS Est 4 week change	0.57%	0.00%	-0.00%	0.00%	0.49%	-0.45%
(F1) EPS Est 12 week change	0.91%	-0.17%	-0.16%	0.41%	0.91%	-0.52%
(Q1) EPS Est Mthly Chg	0.67%	0.00%	0.00%	0.00%	0.58%	0.00%

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	F
Growth Score	B
Momentum Score	B
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

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