

MGM Resorts (MGM)

\$16.50 (As of 05/20/20)

Price Target (6-12 Months): **\$17.50**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 02/05/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM:F

Value: F

Growth: F

Momentum: C

Summary

Shares of MGM Resorts have underperformed the industry in the past year. The dismal performance can primarily be attributed to the coronavirus crisis. Recently, the company reported first-quarter 2020 results, wherein earnings and revenues not only missed the Zacks Consensus Estimate but also declined sharply year over year. The company's domestic operations are closed temporarily due to the pandemic. Although casinos in Macau properties are now open, the company is witnessing low visitation. Of late, earnings estimate for current year have witnessed downward revisions. However, strong portfolio, resort openings, other entertainment offerings in the pipeline and focus on non-gaming activities bode well for long-term growth. Solid prospects of the Macau and Las Vegas business are expected to boost revenues in the days ahead.

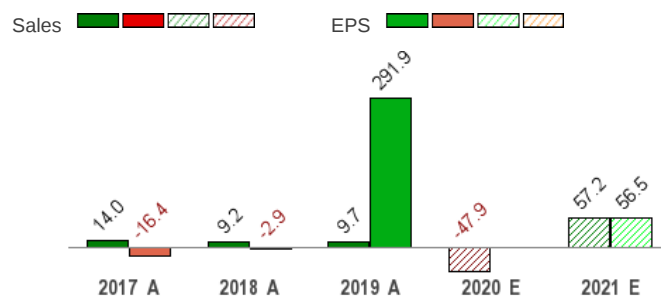
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$34.64 - \$5.90
20 Day Average Volume (sh)	26,968,800
Market Cap	\$8.1 B
YTD Price Change	-50.4%
Beta	2.22
Dividend / Div Yld	\$0.01 / 3.6%
Industry	Gaming
Zacks Industry Rank	Bottom 43% (144 out of 254)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	-462.5%
Last Sales Surprise	0.0%
EPS F1 Est- 4 week change	-184.5%
Expected Report Date	07/23/2020
Earnings ESP	0.0%

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	2,354 E	2,526 E	2,788 E	2,759 E	10,574 E
2020	2,253 A	582 E	1,664 E	2,101 E	6,725 E
2019	3,177 A	3,223 A	3,314 A	3,185 A	12,900 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	-\$0.32 E	-\$0.17 E	-\$0.01 E	-\$0.09 E	-\$0.47 E
2020	-\$0.45 A	-\$1.46 E	-\$0.72 E	-\$0.44 E	-\$1.08 E
2019	\$0.12 A	\$0.23 A	\$0.31 A	\$0.08 A	\$3.88 A

*Quarterly figures may not add up to annual.

P/E TTM	97.1
P/E F1	NA
PEG F1	NA
P/S TTM	0.7

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 05/20/2020. The reports text is as of 05/21/2020.

Overview

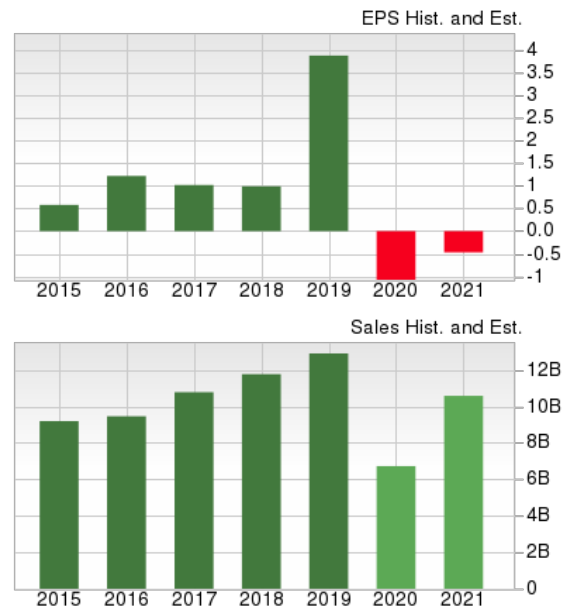
MGM Resorts International is a holding company and primarily owns and operates casino resorts through wholly owned subsidiaries. The company's resorts portfolio incorporates 30 unique hotel offerings, including some of the most familiar resort brands in the industry such as Bellagio, MGM Grand, Mandalay Bay and The Mirage.

The company reported 2019 results under three operating segments: Las Vegas Strip (45.2% of total revenues in 2019), Regional Operations (27.5%), MGM China (22.5%) and Management and other operations (4.8%). Notably, City Centre Operations also had accountability to total revenues. MGM China's operations consist of the MGM Macau resort and casino (MGM Macau) and the company is currently developing an integrated casino, hotel, and entertainment resort on the Cotai Strip in the region. Meanwhile, in Oct 2015, MGM Resorts created a controlled real estate investment trust (REIT) named MGM Growth Properties LLC (MGP), which began trading in April 2016.

MGM Resorts International holds 73% interest in MGM Growth Properties LLC (MGP), a premier real estate investment trust engaged in the acquisition, ownership and leasing of large-scale resorts. It also owns 56% stake in MGM China Holdings Limited, which owns MGM MACAU and 50% of CityCenter in Las Vegas.

MGM Resorts recently acquired the operations of Empire City Casino in New York and Hard Rock Rocksino in Ohio, which was rebranded as MGM Northfield Park. In 2018, MGM Resorts opened MGM Springfield in Massachusetts, MGM COTAI in Macau, and the first Bellagio-branded hotel in Shanghai.

The company's superior business model, extensive non-gaming revenue opportunities, high-quality assets and attractive property locations are the primary growth drivers. In the past few years, it has taken various initiatives to align every recognized brand into one global entertainment brand. This resulted in a disciplined business model, with a unified view of strategy.



Reasons To Buy:

▲ **Strong Brand Recognition:** MGM Resorts, one of the leading companies in the gaming and lodging industry, is well poised to grow on high brand awareness. The company's superior business model, extensive non-gaming revenue opportunities, high-quality assets and attractive property locations are the primary growth drivers. In the past few years, the company has taken various initiatives to align every recognized brand into one global entertainment brand. This resulted in a disciplined business model with a unified view of strategy. Meanwhile, with a gradual economic recovery in the United States, the company's business seems to improve further. Moreover, a few other new entertainment offerings in the pipeline are expected to deliver increased profitability across the company's properties. The company's core strategies include optimizing its customer mix, leveraging the casino database in a targeted way and driving more profitable business. MGM Resorts undertook a growth initiative called MGM 2020 last year and has been realizing material savings in labor, sourcing and revenue enhancement opportunity.

An increase in visitation in the Las Vegas market, solid long-term prospects of Macau business and the company's focus on non-gaming activities is likely to aid growth

▲ **Asset Light Strategy:** Instead of being a capital intensive, brick & mortar real estate business, the company intends to be a developer, manager and operator of major gaming, hospitality and entertainment properties. The company wants to focus on sports and live entertainment. Of late, the company is focusing on asset light strategy. Recently, MGM Resorts announced that it has signed a definitive agreement to sell its Las Vegas Properties. To this end, MGM Growth Properties LLC ("MGP") and Blackstone Real Estate Income Trust ("BREIT") formed a joint venture to acquire the MGM Grand Las Vegas for \$2.5 billion. Earlier, the company had announced two separate deals. Firstly, MGM Resorts International and Blackstone Real Estate Income Trust will form a 95%/5% BREIT-led joint venture to acquire MGM Resorts' Bellagio for \$4.25 billion and then lease it back to a unit of MGM Resorts for annual rent of \$245 million. Secondly, the company has entered into a definitive agreement with an affiliate of Treasure Island owner Phil Ruffin to sell Circus Las Vegas for \$825 million.

▲ **Macau Business to Spur Growth over the Long-term:** MGM derives a solid share of its revenues from Macau — the largest gaming destination in the world. It is undertaking initiatives to increase revenues and junket productivity in Macau, and anticipates a positive trend, buoyed by upgrades to main gaming floor products and marketing initiatives. Notably, revenues at MGM China improved 19% on a year-over-year basis in 2019. Despite the coronavirus pandemic, the company is confident about prospects in Macau and will continue to invest. The company announced that the market will bounce back quickly after the Visa scheme and other restrictions are lifted.

Also, the government of China is considering measures to support Macau's economy in all aspects and introduce favorable policies, which is expected to improve visitation pattern and boost tourism and traffic in the region. These include the approval of Macau's maritime expansion plans that are expected to aid shipping and tourism. Also, the government has enabled mainland Chinese cities to offer multi-entry permits. Moreover, the opening of the world's longest sea-crossing bridge and tunnel in the prior year, which connects Macau to Hong Kong, as well as mainland China's Pearl River Delta, is likely to prove beneficial for casino operators.

▲ **Digital initiatives:** MGM Resorts utilizes various types of technology to maximize revenues and efficiency in operations. The company continues to adopt ways that drive bookings. MGM Resorts has an M life Rewards program for its customers at domestic resorts. M life provides access to rewards, privileges and members-only events.

Moreover, the company's website, mlife.com continues to generate substantial revenues. The website offers customers all the necessary information to customize a complete itinerary at one place. Management believes that its continued digital endeavors will facilitate high margins with lesser capital spending. Recently, MGM Resorts partnered Boyd Gaming to significantly enhance each company's market access and customer base throughout the United States. Under the partnership, both the companies have initiated opportunities to offer online and mobile gaming platforms – including sports betting, casino gaming and poker.

▲ **Enough Liquidity to Tide Over Coronavirus Pandemic:** MGM Resorts has enough liquidity, which will help it survive in a zero revenue scenario. MGM Resorts ended the first quarter with cash and cash equivalents of \$6,016.4 million as of Mar 31, 2020 compared with \$2,329.6 million on Dec 31, 2019. Excluding MGM China and MGP, the company has \$4.6 billion of cash on its balance sheet. In a zero revenue scenario, the company requires \$270 million of cash per month to run its domestic operation. So, the company has enough cash to survive the coronavirus pandemic. Although the company's long-term debt at the end of quarter stands at \$11,743.3 million, compared with \$11,168.9 million as of Dec 31, 2019, it has no debt maturing prior to 2022, excluding MGP and MGM China. At the end of first-quarter 2020, the company had debt-to-capital ratio of 0.6, this gives an indication that its debt level is manageable.

Reasons To Sell:

- ▼ **Dismal Top & Bottom Lines Performance in Q1:** MGM Resorts reported first-quarter 2020 results, wherein both earnings and revenues missed the Zacks Consensus Estimate. While the top line missed the consensus mark for the fourth consecutive quarter, the bottom line lagged the same for the second straight quarter. MGM Resorts reported adjusted loss per share of 45 cents, wider than the Zacks Consensus Estimate of a loss of 8 cents. In the prior-year quarter, the company had reported adjusted earnings per share of 14 cents. Moreover, the top line declined 29% year over year. The downside can primarily be attributed to the temporary shutdown of the company's domestic and Macau casino operations. Moreover, travel restrictions also impacted the company's performance in the quarter under review.
 - ▼ **Coronavirus to Hurt Future Results:** MGM Resorts' financial in 2020 is likely to be impacted by the outbreak of coronavirus. The company's domestic operations are temporarily closed to contain the spread of the coronavirus. Although casinos in Macau properties are now open, the company is witnessing low visitation. The company announced that MGM China is bearing operating expenses of nearly \$1.5 million per day.
 - ▼ **Withdraws Dividend:** In an effort to maintain sufficient liquidity, the company has cut dividend and decreased non-essential spending. Moreover, due to COVID-19 distress, MGM Resorts announced the termination of its previously announced modified Dutch auction tender offer. As a result of this termination, the company withdrew the purchase of \$1,250,000,000 issued and outstanding shares of its common stock.
 - ▼ **Weak Baccarat Business Hurts:** MGM Resorts' baccarat business has been facing some headwinds from fourth-quarter 2018. In 2019, the business was affected by fewer visits from certain Far East players and a lower hold. The company is not anticipating material recovery in the near term.
 - ▼ **Heightened Competition:** MGM Resorts operates in the highly competitive markets of Las Vegas and Macau. Increased hotel openings and promotional activities have made these markets highly competitive. Thus, excess supply, especially in the Macau market, might reduce the company's market share. The company's upcoming projects are expected to face extreme peer pressure from several Chinese casino operators as well as The Parisian Macao and the Sands Cotai Central project of Las Vegas Sands Corp.
-

The coronavirus pandemic, dismal top and bottom line performance and increased competition remain concerns.

Last Earnings Report

MGM Resorts' Q1 Earnings & Revenues Miss Estimates

MGM Resorts reported first-quarter 2020 results, wherein both earnings and revenues missed the Zacks Consensus Estimate. While the top line missed the consensus mark for the fourth consecutive quarter, the bottom line lagged the same for the second straight quarter. Following the results, the company's shares declined 3.7% in after-hour trading session.

Earnings & Revenues Discussion

MGM Resorts reported adjusted loss per share of 45 cents, wider than the Zacks Consensus Estimate of a loss of 8 cents. In the prior-year quarter, the company had reported adjusted earnings per share of 14 cents.

Total revenues were \$2,252.8 million, which missed the Zacks Consensus Estimate of \$2,543 million. Moreover, the top line declined 29% year over year. The downside can primarily be attributed to the temporary shutdown of the company's domestic and Macau casino operations. Moreover, travel restrictions also impacted the company's performance in the quarter under review.

MGM China

MGM China's net revenues declined 63% year over year to \$272 million, owing to the coronavirus pandemic. VIP Table Games Hold adjusted MGM China net revenues plunged 61% year over year to \$275 million.

MGM China's adjusted property EBITDAR (Earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs) loss came in at \$22 million. In the prior-year quarter, the company had reported adjusted property EBITDAR of \$193 million.

Domestic Operations

Net revenues at Las Vegas Strip Resorts during the first quarter were \$1,133.8 million, down 21% year over year. Moreover, adjusted property EBITDAR declined 34% year over year and EBITDA margin contracted 466 bps compared with the prior-year quarter.

During quarter under review, net revenues from the company's regional operations amounted to \$726 million, down 10% from the prior-year quarter. Adjusted property EBITDAR came in at \$152 million, declining 28% from the year-ago quarter. However, adjusted property EBITDAR margin declined 544 bps to 20.9% year over year.

Casino revenues in the quarter under review fell 15% year over year at the company's Las Vegas Strip Resorts primarily due to dismal performance in the month of March, which offset an increase of 12% in casino revenues in first two months of the quarter. Moreover, slots handle declined 19%. Notably, slots handle decreased 8% at its Regional Operations.

Balance Sheet

MGM Resorts ended the first quarter with cash and cash equivalents of \$6,016.4 million as of Mar 31, 2020 compared with \$2,329.6 million on Dec 31, 2019. The company's long-term debt at the end of quarter stands at \$11,743.3 million, compared with \$11,168.9 million as of Dec 31, 2019.

In an effort to maintain sufficient liquidity, the company has cut dividend and decreased non-essential spending. It has also amended credit agreement and raised 750 million in new bonds.

Quarter Ending 03/2020

Report Date	Apr 30, 2020
Sales Surprise	0.00%
EPS Surprise	-462.50%
Quarterly EPS	-0.45
Annual EPS (TTM)	0.17

Recent News

MGM Resorts Provides Business Update Amid Coronavirus – Mar 27, 2020

MGM Resorts results in the first-quarter 2020 are likely to be impacted by coronavirus outbreak. The company's domestic operations are temporarily closed to contain the spread of the coronavirus. Although, casinos in Macau properties are now open, the company is witnessing low visitation.

The company said in the first two months of 2020, consolidated net revenues were down 10% compared to the prior year two-month period. The decline was primarily due to weaker visitation at Macau following news of the coronavirus outbreak and also due to shut down of casinos for a 15-day period in February.

MGM Resorts Announces Partnership With Las Vegas Raiders - Jan 23, 2020

MGM Resorts International has announced a new partnership deal with Las Vegas Raiders — becoming the official gaming partner of the NFL team. The company has also become the founding partner of Allegiant Stadium to bring best in class expertise to the entertainment experience in Southern Nevada.

Per the deal, MGM Resorts will have prominent signage throughout Allegiant Stadium, including in-stadium branding and naming rights to the west VIP entry and drop-off zone. It will also gain naming rights to the exclusive MGM Club at the still-under-construction venue.

MGM Resorts Partners With NLL to Push Up Sports Betting - Jan 15, 2020

MGM Resorts International continues to focus on sports betting to drive growth. Roar Digital, LLC, a joint venture between MGM Resorts and GVC Holdings, has reached an agreement with National Lacrosse League (NLL). Roar Digital's sports betting brand, BetMGM, has become the official and exclusive gaming partner of the NLL.

MGM Resorts Agrees to Sell Properties in Las Vegas - Jan 14, 2020

MGM Resorts International recently announced that it has signed a definitive agreement to sell its Las Vegas Properties. To this end, MGM Growth Properties LLC ("MGP") and Blackstone Real Estate Income Trust ("BREIT") formed a joint venture to acquire the MGM Grand Las Vegas for \$2.5 billion.

Following the transaction, 50.1% will be owned by MGP and 49.9% by BREIT. Also, the joint venture will acquire MGM's Mandalay Bay resorts. MGM Resorts will pay an initial annual rent of \$292 million for both the properties.

Valuation

MGM Resorts' shares are down by 50.4% in the year-to-date period and 36% over the trailing 12-month period. Stocks in the Zacks sub-industry and Zacks Consumer Discretionary sector are down by 28.5% and 15.8% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and sector were down by 20.8% and 9.2%, respectively.

The S&P 500 index is down 7.6% in the year-to-date period, but up 4% in the past year.

The stock is currently trading at 0.99x forward 12-month sales, which compares to 2.47x for the Zacks sub-industry, 2.09x for the Zacks sector and 3.36x for the S&P 500 index.

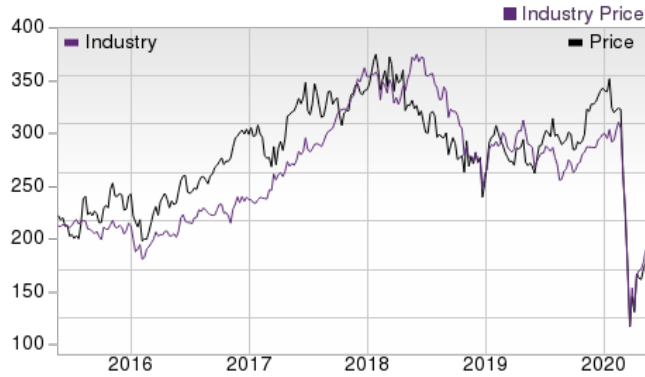
Over the past five years, the stock has traded as high as 1.8x and as low as 0.28x, with a 5-year median of 1.28x. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$17.5 price target reflects 1.05x forward-month sales.

The table below shows summary valuation data for MGM.

Valuation Multiples - MGM					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.99	2.47	2.09	3.36
	5-Year High	1.8	2.89	3.2	3.44
	5-Year Low	0.28	1.4	1.67	2.53
	5-Year Median	1.28	2.29	2.53	3.01
EV/EBITDA TTM	Current	9.79	11.2	9.79	10.99
	5-Year High	29.06	24.43	17.62	12.86
	5-Year Low	4.86	7.67	8.26	8.26
	5-Year Median	11.03	13.22	12.32	10.79
P/CF	Current	8.3	11.83	13.18	15.25
	5-Year High	16.43	19.81	16.43	22.71
	5-Year Low	9.11	6.28	9.11	11.68
	5-Year Median	13.51	12.03	13.51	16.36

As of 05/20/2020

Industry Analysis Zacks Industry Rank: Bottom 43% (144 out of 254)



Top Peers

Company (Ticker)	Rec	Rank
Boyd Gaming Corporation (BYD)	Neutral	3
Century Casinos, Inc. (CNTY)	Neutral	4
Caesars Entertainment Corporation (CZR)	Neutral	4
Las Vegas Sands Corp. (LVS)	Neutral	3
Melco ResortsEntertainment Limited (MLCO)	Neutral	3
Penn National Gaming, Inc. (PENN)	Neutral	4
Wynn Resorts, Limited (WYNN)	Neutral	3
Churchill Downs, Incorporated (CHDN)	Underperform	5

Industry Comparison Industry: Gaming				Industry Peers		
	MGM	X Industry	S&P 500	LVS	MLCO	WYNN
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	3	3	3
VGM Score	F	-	-	F	C	F
Market Cap	8.14 B	1.38 B	20.26 B	38.32 B	7.50 B	9.37 B
# of Analysts	4	3.5	14	5	4	6
Dividend Yield	3.64%	0.00%	2.09%	0.00%	4.00%	4.61%
Value Score	F	-	-	D	B	D
Cash/Price	0.88	0.32	0.07	0.08	0.21	0.34
EV/EBITDA	4.41	9.35	12.22	8.61	7.95	11.42
PEG Ratio	NA	1.06	2.72	NA	NA	NA
Price/Book (P/B)	0.61	2.54	2.79	7.02	2.90	9.44
Price/Cash Flow (P/CF)	4.91	8.45	10.87	10.25	7.18	9.99
P/E (F1)	NA	20.97	20.21	NA	NA	NA
Price/Sales (P/S)	0.68	1.01	2.07	3.23	1.46	1.58
Earnings Yield	-6.55%	-2.04%	4.73%	-0.54%	-8.03%	-13.47%
Debt/Equity	1.51	2.25	0.76	2.25	1.93	11.37
Cash Flow (\$/share)	3.36	1.17	7.01	4.89	2.27	8.69
Growth Score	F	-	-	F	C	F
Hist. EPS Growth (3-5 yrs)	-1.23%	4.94%	10.87%	5.16%	23.66%	8.38%
Proj. EPS Growth (F1/F0)	-127.71%	-108.57%	-10.31%	-108.28%	-239.54%	-548.08%
Curr. Cash Flow Growth	-1.74%	1.78%	5.51%	-0.77%	9.54%	-27.48%
Hist. Cash Flow Growth (3-5 yrs)	9.93%	9.36%	8.55%	-1.30%	0.60%	-3.64%
Current Ratio	2.89	1.61	1.29	1.44	1.53	1.81
Debt/Capital	60.25%	69.80%	44.54%	69.19%	65.87%	91.92%
Net Margin	23.59%	-5.62%	10.54%	17.81%	-2.19%	-6.49%
Return on Equity	0.81%	-2.30%	16.27%	28.49%	-1.04%	-17.92%
Sales/Assets	0.35	0.43	0.54	0.53	0.54	0.43
Proj. Sales Growth (F1/F0)	-47.86%	-9.30%	-2.49%	-44.63%	-41.01%	-41.71%
Momentum Score	C	-	-	C	D	F
Daily Price Chg	8.84%	2.82%	1.89%	3.98%	5.36%	5.89%
1 Week Price Chg	-11.16%	-1.90%	-4.56%	-12.13%	-9.56%	-10.63%
4 Week Price Chg	24.15%	11.86%	6.22%	22.28%	12.87%	24.03%
12 Week Price Chg	-38.23%	-18.76%	-11.76%	-15.20%	-10.87%	-21.57%
52 Week Price Chg	-36.10%	-23.06%	-6.30%	-14.37%	-20.83%	-27.57%
20 Day Average Volume	26,968,800	168,453	2,611,239	8,823,108	3,141,720	5,913,386
(F1) EPS Est 1 week change	0.41%	0.00%	0.00%	0.00%	-40.97%	0.00%
(F1) EPS Est 4 week change	-184.48%	-153.46%	-4.10%	-239.18%	-182.70%	-391.68%
(F1) EPS Est 12 week change	-501.53%	-122.73%	-16.63%	-109.63%	-511.81%	-600.09%
(Q1) EPS Est Mthly Chg	-209.06%	-197.56%	-9.35%	-5,216.67%	-186.05%	-316.95%

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	F
Growth Score	F
Momentum Score	C
VGM Score	F

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.