

Netflix Inc. (NFLX)

\$349.60 (As of 01/23/20)

Price Target (6-12 Months): **\$367.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 07/12/18)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM:D

Value: F

Growth: D

Momentum: A

Summary

Netflix's fourth-quarter 2019 subscriber addition rate declined in the United States, primarily due to price hike and stiff competition. However, in international streaming markets, Netflix's subscriber growth continued unabated, driven by a solid content portfolio. Moreover, the launch of low-priced mobile plans in India, Indonesia and Malaysia is expected to expand the subscriber base in the Asia Pacific. However, management expects net additions in the paid subscriber base to decline in first-quarter 2020. Notably, shares have underperformed the industry in the past year. Moreover, high streaming content obligation and increased spending are expected to hurt free cash flow generation. Nevertheless, a solid content portfolio and expanding bundle offerings through partnerships with telcos bode well for Netflix.

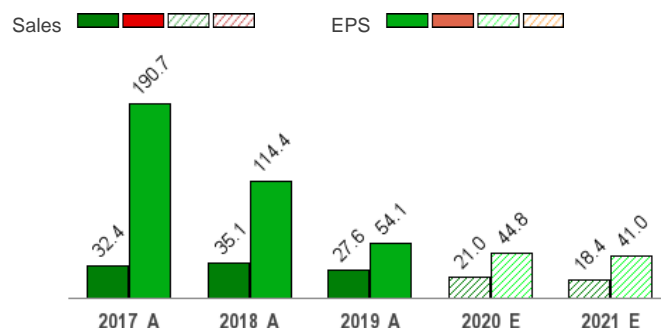
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$385.99 - \$252.28
20 Day Average Volume (sh)	6,609,000
Market Cap	\$153.1 B
YTD Price Change	8.0%
Beta	1.28
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Broadcast Radio and Television
Zacks Industry Rank	Top 31% (80 out of 255)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	150.0%
Last Sales Surprise	0.4%
EPS F1 Est- 4 week change	9.2%
Expected Report Date	04/21/2020
Earnings ESP	5.0%
P/E TTM	84.7
P/E F1	58.5
PEG F1	2.0
P/S TTM	7.6

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	6,668 E	6,895 E	7,088 E	7,308 E	28,860 E
2020	5,736 E	5,974 E	6,228 E	6,474 E	24,379 E
2019	4,521 A	4,923 A	5,245 A	5,467 A	20,156 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$1.78 E	\$2.04 E	\$2.41 E	\$1.88 E	\$8.43 E
2020	\$1.55 E	\$1.51 E	\$1.83 E	\$1.07 E	\$5.98 E
2019	\$0.76 A	\$0.60 A	\$1.47 A	\$1.30 A	\$4.13 A

*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 01/23/2020. The reports text is as of 01/24/2020.

Overview

Founded in 1997 and headquartered in Los Gatos, CA, Netflix Inc. is a provider of Internet television (streaming services) and DVD-rental services. The company launched its streaming service in 2007. Netflix streams movies, television shows and documentaries across a wide variety of genres and languages. Subscribers, both domestic and international, can watch them on a host of internet-connected devices, including television sets, computers and mobile devices.

Netflix reported revenues of \$20.16 billion in 2019. At the end of fourth-quarter 2019, the company had 167.09 million paid subscribers.

Netflix reports revenues under three separate segments—Domestic Streaming, International Streaming and Domestic DVD.

The Domestic and International Streaming segments generate revenues from monthly subscriptions on exclusive, non-exclusive and original content in the U.S. and international markets (present in more than 190 countries).

In 2019, the U.S. Streaming revenues came in at \$9.24 billion and accounted for 45.9% of total revenues. At the end of fourth-quarter 2019, the company had 61.04 million paid subscribers.

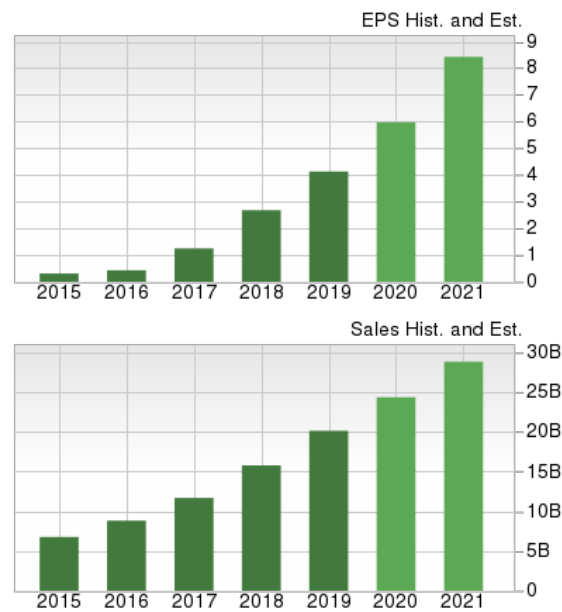
International Streaming revenues were \$10.62 billion and accounted for 52.7% of total revenues. At the end of fourth-quarter 2019, the company had 106.05 million paid subscribers.

In the Domestic DVD segment, the company delivers DVDs through the U.S. postal service from distribution centers located in major U.S. cities. Revenues from the DVD segment were \$297.2 million and accounted for 1.5% of total revenues.

Beginning fourth-quarter 2019, Netflix started disclosing revenues and membership data by regions — the Asia Pacific (APAC); Europe, Middle East & Africa (EMEA); Latin America (LATAM); and the United States and Canada (UCAN).

UCAN reported revenues of \$2.67 billion, which accounted for 48.9% of total revenues. EMEA reported revenues of \$1.56 billion, which accounted for 28.6% of total revenues. LATAM reported revenues of \$746 million, accounting for 13.6% of total revenues. APAC reported revenues of \$418 million, which accounted for 7.6% of total revenues.

Netflix faces significant competition from Apple+, Disney+, YouTube, Amazon prime video and HBO in the streaming market.



Reasons To Buy:

- ▲ Netflix's growing subscriber base is the primary factor that helps it to generate significant revenues. The company attributed this to strength of its content portfolio. It remains confident of adding more and more subscribers as the trend of Internet TV/binge viewing catches up fast. Moreover, the company's efforts to attract viewers through investing in more regional programming have added significantly to its user base. Moreover, partnerships with telcos like Telefonica in Spain, KDDI in Japan, AT&T, Comcast, DISH, Verizon, Charter, Altice and T-Mobile in the United States, Canal+ in France and Sky in the U.K., Germany and Italy are expected to enhance subscriber base in international markets.
- ▲ Netflix's focus on originals — both movies and TV shows — has been the major growth driver behind the company's surging subscriber base. Further, the company's endeavor to offer content catering to various genres has been a key catalyst in driving user engagement. The impressive content quality has helped the company win awards and accolades. The company's change in strategy to give its original movies more theatrical exposure is expected to boost its chances for winning the much-coveted Oscar. Notably, Netflix has received 24 Academy Award nominations across eight different films. The nominated feature films include *The Irishman*, *Marriage Story* and *The Two Popes*. Sergio Pablos' *Klaus*, Netflix's first original feature-length animated film, has also been nominated for an Academy Award.
- ▲ The success of *Roma*, *Bird Box*, *Triple Frontier*, *Murder Mystery* and *The Irishman* surely validates the company's evolution as a major movie studio. Netflix views Oscar contention as a selling point to A-list talent. A dominant year at the Academy Awards is expected to be a strong recruiting tool while competition intensifies in the streaming space. The growing involvement of well-known Hollywood stars definitely makes the movies and shows more attractive. Netflix is currently working or set to work with a number of renowned Hollywood directors, including Martin Scorsese, Steven Soderbergh, Dee Rees, Guillermo del Toro, Noah Baumbach and Michael Bay. Actors involved with the streaming platform include Meryl Streep, Ben Affleck, Eddie Murphy, Sandra Bullock, Ryan Reynolds, Gal Gadot and Dwayne "Rock" Johnson, among others.
- ▲ Rapid international expansion has paid off for Netflix. The company is diversifying its content portfolio and also working on projects across India, Mexico, Spain, Italy, Germany, Brazil, France, Turkey and the entire Middle East. In fact, Netflix stated that local originals were the most popular titles in many countries, including India, Korea, Japan, Turkey, Thailand, Sweden and the United Kingdom in 2019. Notably, the company recently launched low-priced mobile plans in India, Indonesia and Malaysia. This is expected to further boost its subscriber base in APAC. The company's focus on streaming regional content has been leading to international growth. In fourth-quarter 2019, it added 8.33 million paid international members, up 14% year over year.

Netflix's growing subscriber base, driven by content strength, focus on originals across various genres and languages, rapid international expansion and partnerships with telcos are key drivers.

Reasons To Sell:

- ▼ Netflix faces stiff competition from Apple TV+, Disney+, Amazon prime video, Hulu, YouTube and HBO. Given the scope for growth in the market, all players are ramping up their efforts to expand subscriber base. Most players are investing heavily to develop original content, which has become a differentiator for attracting new subscribers. Competition is heating up further with players like Facebook, Snapchat and Twitter making efforts to improve video viewing on their platform. The entrance of WarnerMedia and NBCUniversal is expected to further intensify competition.
- ▼ International expansion and content additions resulted in cost escalations in the form of technology investments and marketing expenses. The company is estimated to spend around \$17 billion on total content in 2020. In order to sustain market share amid intensifying competition, content strength is the primary focus, which requires significant investments in 2020 and beyond. We believe that Netflix's ability to effectively manage costs will dictate its future prospects.
- ▼ Cash flow burn is here to stay. Netflix reported free cash outflow of \$1.67 billion in the fourth quarter compared with \$551 million in the previous quarter. The company now expects 2020 free cash outflow to be roughly \$2.5 billion. Although the fresh content will help drive the subscriber base rapidly, higher cash burn does not augur well for investors. The company raised \$1 billion 4.875% senior notes and €1.1 billion 3.625% senior notes, both due in 2030, in the fourth quarter. Long-term debt was \$14.76 billion as of Dec 31, up from \$12.43 billion as of Sep 30. Moreover, streaming content obligations were \$19.5 billion at the end of 2019.

Stiff competition from the likes of Apple TV+, Disney+, Amazon prime video, Hulu, YouTube and HBO into the streaming space along with higher marketing expenses and cash flow burn are major concerns.

Last Earnings Report

Netflix Q4 Earnings Crush Estimates, Revenues Up Y/Y

Netflix reported fourth-quarter 2019 earnings of \$1.30 per share that beat the Zacks Consensus Estimate by a massive 150% and jumped 333.3% year over year.

Earnings benefited from tax adjustments owing to final regulations on certain aspects of the 2017 U.S. tax reform issued by the U.S. Treasury.

Revenues of \$5.47 billion increased 30.6% year over year and beat the consensus mark of \$5.44 billion. Excluding a negative impact of \$133 million related to unfavorable foreign exchange, streaming ARPU grew 12% from the year-ago quarter.

Netflix added 8.76 million paid subscribers globally, which decreased 0.9% year over year but was better than management's guidance of 7.60 million.

At the end of 2019, Netflix had 167.09 million paid subscribers globally, up 20% from the year-ago quarter and better than management's expectation of 165.93 million paid subscribers, globally.

Segment Revenue Details

UCAN reported revenues of \$2.67 billion, which rose 23.6% year over year and accounted for 48.9% of total revenues. ARPU grew 17.2% from the year-ago quarter.

Paid subscriber base increased 4.5% from the year-ago quarter to 67.66 million. However, the company added 0.55 million paid subscribers, down 68.6% year over year.

EMEA reported revenues of \$1.56 billion, which surged 42.5% year over year and accounted for 28.6% of total revenues. ARPU at constant currency (cc) grew 7% from the year-ago quarter.

Paid subscriber base increased 36.9% from the year-ago quarter to 51.78 million. The company added 4.42 million paid subscribers, up 11.1% year over year.

LATAM reported revenues of \$746 million, increasing 31.6% year over year and accounting for 13.6% of total revenues. ARPU at cc grew 18% from the year-ago quarter.

Paid subscriber base rose 20.5% from the year-ago quarter to 31.42 million. The company added 2.04 million paid subscribers, up 4.1% year over year.

APAC reported revenues of \$418 million, which jumped 50.9% year over year and accounted for 7.6% of total revenues. ARPU at cc was unchanged on a year-over-year basis.

Paid subscriber base soared 53% from the year-ago quarter to 16.23 million. The company added 1.75 million paid subscribers, up 52.2% year over year.

Overall, in international streaming markets, Netflix's subscriber growth continued unabated. The company ended the fourth quarter with 106.05 million paid subscribers, up 31.3% from the year-ago quarter. The company added 8.33 million paid members, up 14% year over year.

However, price hike and increased competition from the launch of streaming services by Disney and Apple impeded growth in the United States.

In the domestic streaming market, Netflix's paid subscriber base totaled 61.04 million at the end of the fourth quarter, up 4.4% from the year-ago quarter. The company added 0.4 million paid subscribers, down 72.3% year over year.

Content & Viewership Details

Netflix's fourth-quarter content slate included *The Crown*, *Big Mouth*, *You*, *Rhythm & Flow*, *American Son*, Turkish series *The Gift* and French film *Banlieusards* (aka *Street Flow*).

Netflix's *The Witcher* is on track to be the biggest season-one TV series ever in the company's history. Through its first four weeks of release, 76 million member households chose to watch this action-packed fantasy, starring Henry Cavill.

Beginning the fourth quarter, Netflix changed its viewership count methodology. The company is now reporting on households (accounts) that choose to watch a given title. This is much similar to the BBC iPlayer's rankings, based on "requests" for the title, "most popular" articles on the New York Times (including those who opened the articles) and Alphabet division YouTube's view counts. The new metric shows roughly a 35% hike, on average, over the prior metric.

Moreover, the company's *6 Underground* movie, directed by Michael Bay and starring Ryan Reynolds, attracted 83 million member households in its first four weeks.

Netflix has received 24 Academy Award nominations across eight different films. The nominated feature films include *The Irishman*, *Marriage Story* and *The Two Popes*.

Sergio Pablos' *Klaus*, Netflix's first original feature-length animated film, was also nominated for an Academy Award. In its first 28 days, 40

Quarter Ending 12/2019

Report Date	Jan 21, 2020
Sales Surprise	0.44%
EPS Surprise	150.00%
Quarterly EPS	1.30
Annual EPS (TTM)	4.13

million members chose to watch *Klaus*.

Other Details

During the reported quarter, Netflix launched a low-priced mobile plan in Malaysia and Indonesia.

Content slate for the first quarter of 2020 includes returning seasons of *Sex Education*, *Altered Carbon*, *Narcos: Mexico*, the Spanish series *Elite* and Korean historical zombie thriller *Kingdom*.

New original series include *Messiah*, docu-series *Killer Inside: The Mind of Aaron Hernandez* and *I Am Not Okay with This*.

Moreover, movies include action film *Spenser Confidential* (starring Mark Wahlberg) and the movie sequel *To All the Boys: P.S. I Still Love You*.

Moreover, later in 2020, Netflix will premiere *Over The Moon* from the legendary animator, Glen Keane.

Quarter Details

International Streaming revenues (53.8% of revenues) jumped 39.7% year over year to \$2.94 billion. U.S. Streaming revenues (45% of revenues) improved 23.1% from the year-ago quarter to \$2.46 billion.

Domestic DVD revenues declined 19.6% year over year to \$68.5 million and accounted for 1.2% of total revenues.

Marketing expenses grew 20.3% year over year to \$878.9 million. However, as a percentage of revenues, marketing expenses decreased 140 basis points (bps) to 16.1%.

Moreover, consolidated operating income soared 112.5% year over year to \$458.5 million. Consolidated operating margin expanded 320 bps on a year-over-year basis to 8.4%.

Balance Sheet & Free Cash Flow

Netflix had \$5.01 billion of cash and cash equivalents as of Dec 31, 2019, compared with \$4.44 billion as of Sep 30.

Long-term debt was \$14.76 billion as of Dec 31, down from \$12.43 billion as of Sep 30. The company raised \$1 billion 4.875% senior notes and €1.1 billion 3.625% senior notes, both due in 2030, in the reported quarter.

Streaming content obligations were \$19.5 billion compared with \$19.1 billion at the end of the previous quarter.

Netflix reported free cash outflow of \$1.67 billion compared with \$551 million in the previous quarter.

Guidance

For the first quarter of 2019, Netflix forecasts earnings of \$1.66 per share, implying year-over-year growth of 118.4%.

Netflix expects to add 7 million paid subscribers, lower than 9.60 million added in the year-ago quarter. The company expects to have 174.09 million paid subscribers globally, up 16.9% from the year-ago quarter.

Total revenues, including the DVD business, are anticipated to be \$5.73 billion, up 26.8% year over year.

Operating margin is projected at 18%, up from 10.2% in the year-ago quarter.

For 2020, the company expects operating margin of 16%, up 300 bps year over year. It anticipates free cash outflow of approximately \$2.5 billion.

Recent News

On Jan 22, Netflix announced the rollout of local currency billing for its subscribers in Egypt beginning Jan 21.

On Jan 21, Netflix announced the release of *Pokemon: Mewtwo Strikes Back—Evolution*, the CGI remake of the 1998 film *Pokemon: The First Movie*. Slated to debut for Netflix subscribers globally on Feb 27, excluding Japan and Korea, the feature film follows the excursion of Ash and his companions as they get caught in a round of Pokemon's vengeance.

On Jan 19, Netflix announced that it is set to release 21 films worldwide from Studio Ghibli, the Academy Award-winning Japanese art house, on Feb 1, excluding the United States, Canada and Japan. The films will be subtitled in 28 languages and dubbed in more than 20 languages.

On Jan 17, Netflix announced the opening of a new office in Paris and plans to develop several new French shows in the coming years as well as numerous series and films developed by its production partners. The company has already developed 24 French titles and will invest more than €100 million to develop more than 20 French-language productions in 2020.

On Dec 18, Netflix and Mattel Television announced that they are producing *He-Man and the Masters of the Universe*, an original animated adventure series.

Moreover, Netflix announced that it will team up with director Lee Eung-bok to produce a new original series *Sweet Home*, which will be available exclusively on the streaming service.

On Nov 21, Netflix announced a strategic partnership with CJ ENM, Korea's No.1 media entertainment company, and its subsidiary Studio Dragon, Korea's leading production studio, highlighted by a multi-year content production and distribution agreement.

On Nov 13, Netflix announced a new, multi-year output deal with Nickelodeon to produce original animated feature films and television series based both on the Nickelodeon library of characters as well as all-new IP, for kids and families globally.

Valuation

Netflix shares are up 7.1% in the six-months period and 3.4% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Discretionary sector are up 3% and 5.7% in the six-months period, respectively. Over the past year, the Zacks sub-industry and the sector are up 9.8% and 18.6%, respectively.

The S&P 500 index is up 11.5% in the six-months period and 24% in the past year.

The stock is currently trading at 6.17X forward 12-month sales, which compares to 7.56X for the Zacks sub-industry, 2.35X for the Zacks sector and 3.56X for the S&P 500 index.

Over the past five years, the stock has traded as high as 10.05X and as low as 3.52X, with a 5-year median of 5.6X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$367 price target reflects 6.48X forward 12-month sales.

The table below shows summary valuation data for NFLX

Valuation Multiples - NFLX					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	6.17	7.56	2.35	3.56
	5-Year High	10.05	13.42	3.19	3.56
	5-Year Low	3.52	6.61	1.81	2.54
	5-Year Median	5.6	9.73	2.54	3
EV/Sales TTM	Current	8.08	9.41	3.32	3.33
	5-Year High	14.51	15.82	4.02	3.33
	5-Year Low	4.22	7.94	2.7	2.16
	5-Year Median	7.56	11.21	3.43	2.8
EV/EBITDA TTM	Current	14.44	23.73	12.97	12.38
	5-Year High	40.54	32.82	17.76	12.86
	5-Year Low	7.38	18.49	11.07	8.48
	5-Year Median	12.3	24	12.41	10.69

As of 01/23/2020

Industry Analysis Zacks Industry Rank: Top 31% (80 out of 255)



Top Peers

Apple Inc. (AAPL)	Outperform
Amazon.com, Inc. (AMZN)	Neutral
Comcast Corporation (CMCSA)	Neutral
Discovery, Inc. (DISCA)	Neutral
Alphabet Inc. (GOOGL)	Neutral
Sirius XM Holdings Inc. (SIRI)	Neutral
AT&T Inc. (T)	Neutral
The Walt Disney Company (DIS)	Underperform

Industry Comparison Industry: Broadcast Radio And Television				Industry Peers		
	NFLX Neutral	X Industry	S&P 500	AAPL Outperform	AMZN Neutral	GOOGL Neutral
VGM Score	D	-	-	C	C	C
Market Cap	153.07 B	747.46 M	24.46 B	1,399.51 B	934.37 B	1,023.97 B
# of Analysts	14	2	13	12	13	13
Dividend Yield	0.00%	0.00%	1.75%	0.96%	0.00%	0.00%
Value Score	F	-	-	D	D	C
Cash/Price	0.03	0.14	0.04	0.07	0.05	0.12
EV/EBITDA	17.64	5.58	14.11	17.77	32.60	20.86
PEG Ratio	1.99	0.79	2.04	2.31	2.62	1.62
Price/Book (P/B)	20.19	1.36	3.40	15.68	16.53	5.26
Price/Cash Flow (P/CF)	NA	4.29	13.66	20.92	36.42	24.33
P/E (F1)	59.57	9.99	19.10	24.26	71.97	27.09
Price/Sales (P/S)	7.59	1.00	2.67	5.38	3.52	6.60
Earnings Yield	1.71%	7.26%	5.23%	4.12%	1.39%	3.69%
Debt/Equity	1.95	1.33	0.72	1.01	0.40	0.07
Cash Flow (\$/share)	-27.29	2.13	6.94	15.26	51.74	61.03
Growth Score	D	-	-	C	A	C
Hist. EPS Growth (3-5 yrs)	72.13%	6.99%	10.60%	9.59%	116.18%	23.64%
Proj. EPS Growth (F1/F0)	44.74%	19.46%	7.59%	10.68%	27.69%	17.66%
Curr. Cash Flow Growth	-234.72%	14.32%	13.90%	-3.74%	85.21%	44.22%
Hist. Cash Flow Growth (3-5 yrs)	30.20%	15.14%	9.00%	7.40%	48.43%	21.13%
Current Ratio	0.90	1.80	1.22	1.54	1.10	3.78
Debt/Capital	66.06%	57.73%	42.99%	50.36%	28.45%	6.59%
Net Margin	9.26%	8.83%	11.35%	21.24%	4.27%	21.04%
Return on Equity	28.45%	8.23%	17.10%	53.82%	22.52%	18.34%
Sales/Assets	0.66	0.38	0.55	0.76	1.45	0.62
Proj. Sales Growth (F1/F0)	20.95%	6.09%	4.03%	5.75%	18.56%	18.10%
Momentum Score	A	-	-	B	F	B
Daily Price Chg	7.24%	0.00%	0.26%	0.48%	-0.15%	0.04%
1 Week Price Chg	3.23%	1.91%	2.29%	2.71%	-0.98%	3.54%
4 Week Price Chg	5.10%	-0.55%	2.24%	10.11%	0.85%	8.97%
12 Week Price Chg	21.64%	6.25%	7.79%	28.33%	6.07%	17.94%
52 Week Price Chg	7.02%	-4.39%	21.61%	109.06%	13.88%	36.96%
20 Day Average Volume	6,609,000	64,818	1,536,379	28,968,880	3,155,493	1,376,082
(F1) EPS Est 1 week change	9.66%	0.00%	0.00%	0.00%	0.00%	0.12%
(F1) EPS Est 4 week change	9.16%	0.00%	0.00%	0.66%	-0.17%	0.24%
(F1) EPS Est 12 week change	8.51%	0.00%	-0.23%	0.69%	-1.38%	-2.27%
(Q1) EPS Est Mthly Chg	46.37%	0.00%	0.00%	0.51%	-0.60%	0.07%

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	D
Momentum Score	A
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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