Restaurant Brands(QSR)

$57.09 (As of 06/02/20)

Price Target (6-12 Months): **$60.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 05/25/20) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:C
	Value: D | Growth: C | Momentum: A	

Summary

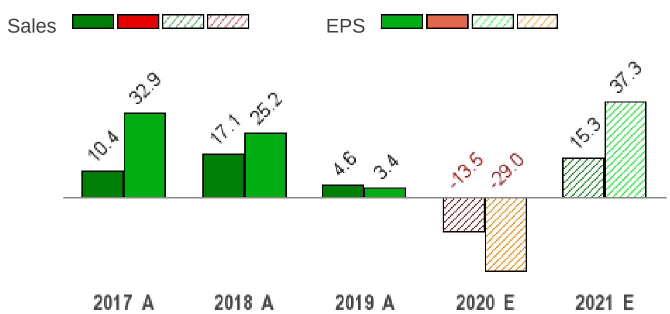
Shares of Restaurant Brands have underperformed the industry in the past six months. The dismal performance can be attributed to the coronavirus pandemic. The company reported first-quarter 2020 results, wherein both earnings and revenues missed the Zacks Consensus Estimate. Results in the quarter were impacted by a drop in system-wide sales at Tim Hortons and Burger King segments. Moreover, the coronavirus pandemic is likely to dent the company's performance in the near term. Post the reopening of its dining services, the company is likely to witness dismal traffic owing to social distancing protocol. However, solid expansion efforts, various sales-building strategies and focus on franchise business model are likely to benefit the company. Notably, earning estimates for 2020, have increased over the past seven days.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$79.46 - $25.08**
20 Day Average Volume (sh)	**2,921,084**
Market Cap	**$17.1 B**
YTD Price Change	**-10.5%**
Beta	**1.38**
Dividend / Div Yld	**$2.08 / 3.6%**
Industry	**Retail - Restaurants**
Zacks Industry Rank	**Top 34% (85 out of 253)**
Last EPS Surprise	**-2.0%**
Last Sales Surprise	**-0.2%**
EPS F1 Est- 4 week change	**-0.6%**
Expected Report Date	**08/07/2020**
Earnings ESP	**2.8%**
P/E TTM	**21.5**
P/E F1	**29.6**
PEG F1	**3.2**
P/S TTM	**3.1**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	1,275 E	1,376 E	1,479 E	1,484 E	5,591 E
2020	1,225 A	999 E	1,276 E	1,376 E	4,848 E
2019	1,266 A	1,400 A	1,458 A	1,479 A	5,603 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	$0.54 E	$0.65 E	$0.76 E	$0.76 E	$2.65 E
2020	$0.48 A	$0.26 E	$0.54 E	$0.65 E	$1.93 E
2019	$0.55 A	$0.71 A	$0.72 A	$0.75 A	$2.72 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 06/02/2020. The reports text is as of 06/03/2020.

Overview

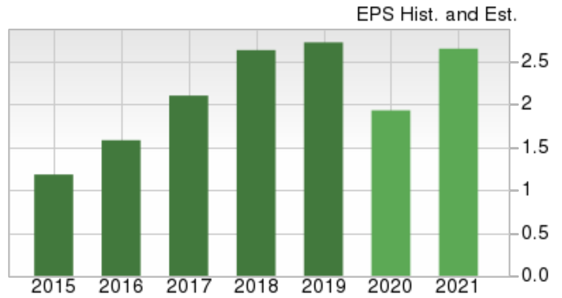
Based in Canada, Restaurant Brands International Inc. or RBI is one of the world's largest quick service restaurant companies.

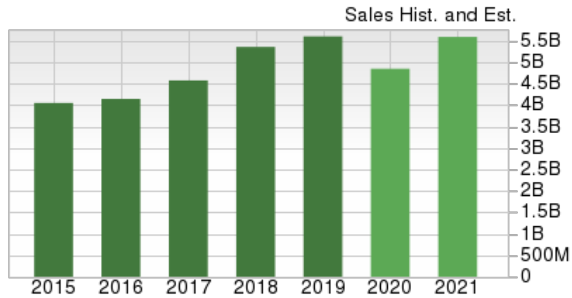
Formed on Aug 25, 2014, the company came into existence with the merger of Canadian coffee shop and restaurant chain – Tim Hortons Inc. – and American fast food restaurant chain –Burger King Worldwide Inc. It is now the parent company to these two iconic quick-service restaurant brands. On Mar 27, 2017, Restaurant Brands acquired quick service restaurant chain, Popeyes Louisiana Kitchen, for $79.00 per share in cash, or $1.8 billion.

These independently-operated brands have been serving their respective customers, franchisees and communities customers for more than 40 years and have similar franchise business models with complementary daypart mixes.

Restaurant Brands has three operating and reportable segments: Tim Hortons, Burger King and Popeye's Louisiana Kitchen. As of Feb 10, 2020, the company owned or franchised in excess of 27,000 restaurants in more than 100 countries and U.S. territories.

While the Tim Hortons brand maintains a strong base of restaurants across Canada, the United States and the Middle East; Burger King mostly serves customers in the United States and in markets outside. Popeye's Louisiana Kitchen operates restaurants in the United States and 25 other countries.





Restaurant Brands generates revenues from four primary sources: (i) sales to franchisees associated with the company's supply chain operations, including manufacturing, procurement, warehousing and distribution, as well as sales to retailers; (ii) franchise revenues, consisting mainly of royalties based on a percentage of sales reported by franchise restaurants and franchise fees paid by franchisees; (iii) property revenues from properties it leases or subleases to franchisees; and (iv) sales at company-owned restaurants.

Reasons To Buy:

> Various sales-boosting initiatives undertaken by the company coupled with its solid expansion efforts should drive growth

▲ **Leveraging Three Strong Brands:** Restaurant Brands' quick service restaurant ("QSR") segment includes three iconic brands, each of which has a rich heritage, a unique value proposition, and significant growth potential. The QSR segment has witnessed solid growth, which is evident from high demand of franchisees. The company is optimistic about its strategies that could drive comparable sales and profitability for all three iconic brands in the long run. Among the three brands, Tim Hortons is one of the largest restaurant chains in North America and the largest in Canada and is known for its coffee and donuts. Meanwhile, Burger King restaurants appeal to a wide spectrum of consumers, with multiple dayparts and product platforms appealing to diverse customer groups. With over 60 years of operating history, Burger King has developed a scalable and cost-efficient QSR hamburger restaurant model that provides guests fast and delicious food. Popeyes too is one of the leading quick service restaurant chicken concepts in the world. It reported strong comparable sales growth of more than 12% during 2019, among the brand's strongest growth rates in the past few decades.

▲ **Solid Expansion Efforts:** Restaurant Brands believes that there is a huge opportunity to grow all its brands around the world by expanding its presence in existing markets as well as entering new markets. The company's expansion efforts drove consolidated systemwide sales by approximately 8% to $34 billion 2019. Currently, it has more than 27,000 restaurants worldwide, which includes nearly 11,500 restaurants at Burger King. Restaurant Brands also continues to evaluate opportunities to speed up international development of all the three brands by establishing master franchisees with exclusive development rights as well as joint ventures with new and existing franchisees.

Furthermore, the company is confident about the Tim Hortons brand's long-term growth prospects and remains committed to deliver on its international growth strategy of expanding the brand worldwide. Despite witnessing comps decline at this segment during fourth-quarter 2019, the brand remains confident of its Winning Together plan. In addition, the prospects of the company's business in Canada appear bright. Evidently, the company has formed master franchise joint venture partnerships (MFJVs) for the brand in Mexico and Spain. Moreover, the company is optimistic about the major expansion opportunity that lies ahead for the brand in the United States.

▲ **Re-imaging Restaurants & Innovating Menu to Boost Sales:** Restaurant Brands continues to focus on improving its level of service through comprehensive training, improved restaurant operations, reimaging efforts and attractive menu options to enhance overall guest satisfaction, and thereby drive comps. Restaurant Brands believes that new product development is a key driver of long-term success for its brands and will continue to be in focus in 2018 and beyond. This is expected to drive traffic by expanding the customer base, spreading out into new dayparts, and continuing to build brand leadership in food quality and taste. During the third quarter 2019, the company reinvented its donut line up with premium donuts that include maple bacon dream donut and the PB&J dream donut. The company launched three dream donuts flavors nationally across Canada, in January 2020, gaining momentum in markets on an operational perspective and seamlessly fitting into its core baked goods assortment category.

Moreover, the company re-launched the Chicken Sandwich in November 2019, leading to an accelerated comparable sales growth of more than 34% in the Popeyes, during the fourth quarter 2019. The company has an unwavering focus on its goal to drive traffic and revenues at its restaurants through core product platforms, a continual focus on a balanced menu design, expansion of delivery business, promotional offerings, efforts to grow breakfast daypart and product launches. Growth across each of its breakfast, lunch and dinner dayparts, supported by new products is driving incremental sales at Tim Hortons restaurants. Its coffee, cold beverage, wraps and breakfast sandwich platforms, particularly continue to reflect strength.

Restaurant Brands is also taking initiatives to re-image its restaurants to a more modern décor. In March 2018, Restaurant Brands announced a new Tim Hortons restaurant design called the welcome image, which entails a redesign of Tim Hortons restaurants. The company plans to re-image a majority of its restaurants across Canada over the next four years. In 2020, the company intends to revolutionize the drive-through experience at Burger King and Tim Hortons through the rollout of outdoor digital menu boards on an expedited basis. It plans to complete the rollout to approximately half of Burger King locations in the U.S. and a majority of the Tim Hortons systems in Canada.

▲ **The Success of Loyalty Program:** Restaurant Brands' loyalty program, Tim's Rewards, is gaining popularity. The company said that following a rapid ramp-up phase, nearly half of the customers pay through Tim's Rewards. Also, Restaurant Brands is presently testing a loyalty program in Canada across different markets as high loyalty card adoption rates have been witnessed in these test markets. Moreover, it plans to integrate loyalty cards into the digital channel, basically through their mobile app. The company is focusing on digital as well as other valuable tool to drive digital adoption and guest registration as well as the Tim's Rewards Program.

▲ **Digitalization to Drive Growth:** The company has been focusing on expansion of delivery via digital platform amid the pandemic. Two years ago, the company had just couple of hundred restaurants in North America on delivery. However, currently, the company has more than 9,000 active restaurants across its three brands with most offering delivery via the company's digital platforms. At Tim Hortons in Canada, the company stared providing deliver from additional 800 restaurants in the past two months. The company announced delivery sales increased by more than six times compared with their pre-crisis levels.

Reasons To Sell:

> Greater dependence on franchisees, intense competition and coronavirus related woes are potential headwinds.

- **Coronavirus to Hurt Future Results:** The company is currently committed to the health and well-being of partners and guests, and cooperating with local and government officials working to contain the coronavirus. Although the company has opened more than 95% of its U.S. restaurants, these are mostly operating via delivery. Post the reopening of its dining services, the company is likely to witness dismal traffic due the social distancing protocol. Sales form EMEA and LAC region are likely to be impacted as only 40% and 50% stores of its stores are open in these regions, respectively. In APAC, more than more than 80% of the company's stores are open.

- **Q1 Results Decline:** Restaurant Brands top and bottom lines not only missed the Zacks Consensus Estimate but also declined year over year. While earnings declined 12.7% year over year, revenues decreased 3.2%. Results in the quarter were impacted by a drop in system-wide sales at Tim Hortons and Burger King segments. This along with a decrease in supply chain sales was partially offset by an increase in system-wide sales at Popeye's Louisiana Kitchen.

- **Tim Hortons & Burger King Hurt by Pandemic:** Comparable store sales at both Tim Hortons & Burger King declined sharply. Comps at Tim Hortons declined 10.3% compared with a fall of 0.6% in the prior-year quarter. The decline can primarily be attributed to decrease in system-wide sales, mainly in the month of March, due to the coronavirus outbreak. It was also negatively impacted by FX movements on a reported basis. Moreover, comps at Burger King declined 3.7% against growth of 2.2% in the prior-year quarter.

- **High Debt a Concern:** A strong balance sheet will help the company tide over the ongoing crisis. At the end of Mar 31, 2020, the company's long-term debt stands at $13.1 billion, compared with $12.1 billion as of Dec 31, 2019. As a result, the company's debt-to-capitalization of 77.9%, compared with 74% at the end of Dec 31, 2019. Moreover, the company ended first-quarter fiscal 2020 with cash and cash equivalent of $2.5 billion, which may not be enough to manage the high-debt level.

- **Franchised Model Restricts Operational Implementation:** Although the company's fully-franchised model has a lot of positives, it also has its share of drawbacks and risks. Under this business model, the company's prospects depend on its ability to attract new franchisees for all its brands, and the willingness of franchisees to open restaurants in the existing and new markets. The company also has limited influence over its franchisees, as a result of which its ability to control restaurants' operations, and implement operational initiatives and business strategies is restricted.

- **Cutthroat Competition:** Competition among fast-casual, quick-service and casual dining segments of the restaurant industry is expected to remain fierce with respect to price, food quality, service, location and concept, which may adversely impact Restaurant Brands' revenues.

- **Industry Susceptible to Consumer Discretionary Spending:** QSR operates in the retail restaurant space that is highly dependent on consumer discretionary spending. Consumers' propensity to spend largely depends on the overall macro-economic scenario. Although higher disposable income and increased wages are favoring the industry right now, it can change with the slightest disruption in the economy. The company, therefore, is highly vulnerable to the inconsistent nature of consumer discretionary spending. If it does not make pragmatic use of advanced technologies to innovate across value chains, it has high chances of fading out like many other restaurant retailers.

Last Earnings Report

Restaurant Brands Q1 Earnings Miss Estimates, Fall Y/Y

Quarter Ending	03/2020
Report Date	May 01, 2020
Sales Surprise	-0.21%
EPS Surprise	-2.04%
Quarterly EPS	0.48
Annual EPS (TTM)	2.66

Restaurant Brands International reported first-quarter 2020 results, wherein earnings and revenues missed the Zacks Consensus Estimate. The top and the bottom lines also declined on a year-over-year basis.

The company's adjusted earnings of 48 cents per share not only missed the Zacks Consensus Estimate of 49 cents but also fell 12.7% year over year.

Total revenues of $1,225 million missed the consensus mark of $1,228 million by 0.2%. The figure also declined 3.2% from the year-ago quarter on a drop in system-wide sales at Tim Hortons and Burger King segments. This along with a decrease in supply chain sales was partially offset by an increase in system-wide sales at Popeye's Louisiana Kitchen. Also, unfavorable foreign exchange (FX) movements added to the downside.

However, the company continues to advance its loyalty programs as well as mobile application platforms to enhance consumer experience.

Segmental Revenues

Restaurant Brands operates through three segments — Tim Hortons, Burger King and Popeye's Louisiana Kitchen.

Revenues at Tim Hortons totaled $699 million compared with $749 million in the prior-year quarter. However, system-wide sales declined 9.9% from the prior-year quarter's levels. Comps at this segment declined 10.3% compared with 0.6% fall in the prior-year quarter. The decline was primarily due to decrease in system-wide sales, mainly in the month of March, due to the coronavirus outbreak. It was also negatively impacted by FX movements on a reported basis.

Burger King's revenues totaled $388 million in first-quarter 2020 compared with $411 million in the prior-year quarter. The decline was primarily because of decrease in system-wide sales along with negative FX movements on a GAAP basis. Also, system-wide sales declined 3% from the year-ago quarter's figure. Comps in this segment also declined 3.7% against 2.2% growth in the prior-year quarter. In the first quarter, net restaurant growth was recorded at 5.8%.

Popeye's Louisiana Kitchen reported revenues of $138 million compared with $106 million in the year-ago quarter. System-wide sales rose 32.3% from the prior-year quarter's level owing to net restaurant growth of 6.9% and 26.2% rise in comps. This was led by solid sales of its chicken sandwich. Notably, system-wide sales growth compared favorably with the prior-year quarter's 6.8% increase.

Operating Performance

In the quarter under review, the company's adjusted EBITDA declined 11.2% owing to lower sales at Tim Hortons and Burger King, partially offset by an increase in Popeye's sales. Segment-wise, Tim Horton's adjusted EBITDA declined 20.1% from the year-ago quarter's tally. Burger King's adusted EBITDA increased 10% year over year. However, Popeye's adjusted EBITDA surged 34.2% from the year-ago quarter's levels.

Cash and Capital

Restaurant Brands ended the first quarter with cash and cash equivalent balance of $2,498 million. As of Mar 31, 2020, its total debt was $13.4 billion. The company's board of directors announced a dividend of 52 cents per common share and partnership exchangeable unit of RBI LP for second-quarter 2020. The dividend is payable on Jun 30, to shareholders of record at the close of business as of Jun 17.

Valuation

Restaurant Brands' shares are down by 10.5% in the year-to-date period and 12.1% over the trailing 12-month period. Stocks in the Zacks sub-industry is down by 6.7%, while Zacks Retail-Wholesale sector is up by 7.9% in the year-to-date period. Over the past year, the Zacks sub-industry were down by 3.9%, but sector was up by 22.1%.

The S&P 500 index is down by 5.2% in the year-to-date period, but up by 9.1% in the past year.

The stock is currently trading at 25.79x 12-month forward earnings, which compares to 33.31x for the Zacks sub-industry, 32.38x for the Zacks sector and 22.3x for the S&P 500 index.

Over the past five years, the stock has traded as high as 39.05x and as low as 9.33x, with a 5-year median of 25.31 x. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $60 price target reflects 27.14x forward 12-month earnings.

The table below shows summary valuation data for QSR.

Valuation Multiples - QSR					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	25.79	33.31	32.38	22.3
	5-Year High	39.05	33.46	32.38	22.3
	5-Year Low	9.33	20.49	19.07	15.23
	5-Year Median	25.31	23.07	23.31	17.49
P/S F12M	Current	3.33	3.67	1.09	3.44
	5-Year High	3.89	3.93	1.12	3.44
	5-Year Low	1.44	2.81	0.81	2.53
	5-Year Median	2.77	3.3	0.94	3.02
EV/EBITDA TTM	Current	11.82	17.05	16.99	11.4
	5-Year High	17.21	17.74	16.99	12.86
	5-Year Low	7.87	11.94	10.97	8.26
	5-Year Median	13.4	14.29	12.67	10.81

As of 06/02/2020

Industry Analysis **Zacks Industry Rank:** Top 34% (85 out of 253)

Top Peers

Company (Ticker)	Rec	Rank
Arcos Dorados Holdings Inc. **(ARCO)**	Neutral	3
Bloomin Brands, Inc. **(BLMN)**	Neutral	3
Cracker Barrel Old Country Store, Inc. **(CBRL)**	Neutral	3
Chipotle Mexican Grill, Inc. **(CMG)**	Neutral	3
Dominos Pizza Inc **(DPZ)**	Neutral	2
Brinker International, Inc. **(EAT)**	Neutral	3
MitchellsButlers Plc **(MBPFF)**	Neutral	3
Yum Brands, Inc. **(YUM)**	Neutral	3

Industry Comparison Industry: Retail - Restaurants

Industry Peers

	QSR	X Industry	S&P 500	BLMN	CMG	YUM
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	C	-	-	C	C	C
Market Cap	17.14 B	267.08 M	22.11 B	1.00 B	29.53 B	27.75 B
# of Analysts	10	6	14	7	18	9
Dividend Yield	3.64%	0.00%	1.93%	3.49%	0.00%	2.04%
Value Score	D	-	-	C	F	D
Cash/Price	0.15	0.11	0.06	0.40	0.03	0.04
EV/EBITDA	12.62	11.79	12.69	7.86	46.82	19.11
PEG Ratio	3.26	4.65	2.98	NA	8.59	2.67
Price/Book (P/B)	4.56	1.86	3.07	10.02	17.66	NA
Price/Cash Flow (P/CF)	11.46	8.58	11.86	2.74	48.21	22.84
P/E (F1)	30.45	41.41	21.79	NA	129.32	32.94
Price/Sales (P/S)	3.08	0.62	2.29	0.25	5.19	4.95
Earnings Yield	3.38%	0.29%	4.39%	-13.60%	0.77%	3.04%
Debt/Equity	3.49	1.09	0.76	26.67	1.65	-1.34
Cash Flow ($/share)	4.98	1.81	7.01	4.19	21.96	4.04
Growth Score	C	-	-	D	B	B
Hist. EPS Growth (3-5 yrs)	25.85%	6.19%	10.87%	3.32%	7.65%	0.51%
Proj. EPS Growth (F1/F0)	-29.12%	-91.16%	-10.74%	-201.30%	-41.72%	-21.16%
Curr. Cash Flow Growth	2.55%	4.82%	5.48%	-2.22%	34.05%	3.60%
Hist. Cash Flow Growth (3-5 yrs)	30.84%	6.26%	8.55%	-0.02%	1.89%	-6.71%
Current Ratio	2.08	0.80	1.29	0.68	1.62	1.33
Debt/Capital	77.74%	69.14%	44.75%	96.39%	62.31%	NA
Net Margin	11.72%	3.21%	10.59%	0.79%	5.95%	19.89%
Return on Equity	31.08%	2.29%	16.29%	57.88%	23.90%	-12.97%
Sales/Assets	0.25	1.04	0.55	1.12	1.14	1.07
Proj. Sales Growth (F1/F0)	-13.48%	-9.31%	-2.67%	-22.68%	-0.28%	-3.47%
Momentum Score	A	-	-	A	A	D
Daily Price Chg	2.28%	0.18%	0.99%	-0.43%	1.05%	1.87%
1 Week Price Chg	2.90%	2.84%	4.60%	5.36%	-4.91%	2.84%
4 Week Price Chg	16.56%	12.30%	9.15%	20.61%	21.68%	10.72%
12 Week Price Chg	8.60%	-10.62%	4.65%	-17.00%	51.01%	6.26%
52 Week Price Chg	-12.03%	-34.48%	-0.30%	-40.72%	59.91%	-13.80%
20 Day Average Volume	2,921,084	351,731	2,486,038	4,395,382	576,549	3,083,361
(F1) EPS Est 1 week change	0.84%	0.00%	0.00%	4.96%	4.77%	0.00%
(F1) EPS Est 4 week change	-0.62%	0.00%	-0.33%	31.88%	9.79%	-0.67%
(F1) EPS Est 12 week change	-35.26%	-94.49%	-16.13%	-185.85%	-55.65%	-27.90%
(Q1) EPS Est Mthly Chg	0.38%	4.13%	-0.55%	40.23%	64.21%	-0.64%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	C
Momentum Score	A
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock.The EPS and revenue forecasts are the Zacks Consensus estimates, unless indicated otherwise on the reports first page. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment.This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time.ZIR is not a broker-dealer.ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients.Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.