

## Rayonier Inc. (RYN)

**\$27.94** (As of 08/06/20)

Price Target (6-12 Months): **\$33.00**

Long Term: 6-12 Months

**Zacks Recommendation:** **Outperform**

(Since: 08/05/20)

Prior Recommendation: Neutral

Short Term: 1-3 Months

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

**2-Buy**

Zacks Style Scores:

VGM:F

Value: F

Growth: F

Momentum: A

### Summary

Rayonier's better-than-expected second-quarter 2020 pro forma net income per share of 11 cents reflects increase in operating income in the real estate and trading segments. Rebound in housing construction, and repair and remodeling activity and the corresponding positive impact on wood products prices indicate improvement in log prices over the long term. During the second quarter, the company closed the acquisition of Pope Resources. The move indicated the company's strategy of adding high-quality timberlands in strong log markets. Further, with manageable near-term capital needs, it has ample liquidity to navigate through uncertain times. However, cut-throat competition from national and local players, as well as from various substitutes remains concern. The company's shares have underperformed its industry over the past year.

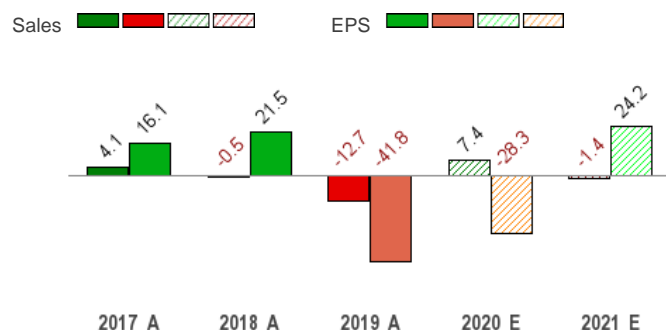
### Price, Consensus & Surprise



### Data Overview

52 Week High-Low	<b>\$33.10 - \$15.96</b>
20 Day Average Volume (sh)	<b>578,284</b>
Market Cap	<b>\$3.7 B</b>
YTD Price Change	<b>-13.6%</b>
Beta	<b>0.93</b>
Dividend / Div Yld	<b>\$1.08 / 3.8%</b>
Industry	<b><a href="#">Building Products - Wood</a></b>
Zacks Industry Rank	<b>Top 1% (3 out of 252)</b>

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



Last EPS Surprise	<b>1,000.0%</b>
Last Sales Surprise	<b>32.3%</b>
EPS F1 Est- 4 week change	<b>14.3%</b>
Expected Report Date	<b>11/04/2020</b>
Earnings ESP	<b>0.0%</b>
P/E TTM	<b>123.0</b>
P/E F1	<b>87.3</b>
PEG F1	<b>NA</b>
P/S TTM	<b>4.6</b>

### Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	183 E	156 E	179 E	200 E	754 E
2020	143 A	196 A	162 E	197 E	765 E
2019	192 A	185 A	156 A	179 A	712 A

### EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$0.09 E	\$0.07 E	\$0.11 E	\$0.14 E	\$0.41 E
2020	\$0.00 A	\$0.11 A	\$0.03 E	\$0.09 E	\$0.33 E
2019	\$0.19 A	\$0.14 A	\$0.00 A	\$0.12 A	\$0.46 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 08/06/2020. The reports text is as of 08/07/2020.

## Overview

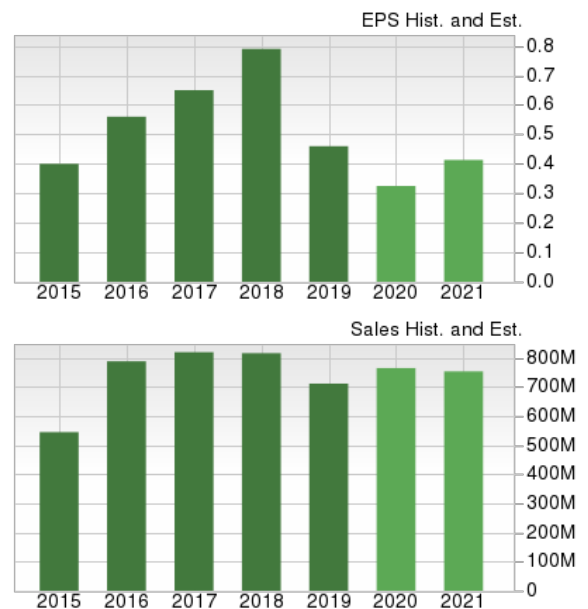
Jacksonville, FL-based Rayonier Inc. is a leading pure-play timberland real estate investment trust (REIT). The company, as of Jun 30, 2020, owned, leased or managed 2.7 million acres of timberlands across the United States and New Zealand. Its portfolio includes 1.8 million acres in the U.S. South and 507,000 acres in the U.S. Pacific Northwest and 416,000 acres of timberlands in New Zealand.

In May 2020, Rayonier completed the acquisition of Pope Resources. The transaction led to the addition of roughly 124,000 acres of timberlands in Washington that have been integrated with the Pacific Northwest Timber segment. Further, it resulted in addition of ownership interests in three private equity timber funds comprising approximately 141,000 acres, along with a fund management business that oversees these timber funds. This collectively comprise the company's new Timber Funds segment. Moreover, Rayonier gained a higher-and-better-use real estate pipeline comprising rural and conservation land sale opportunities and high-potential improved development projects in the West Puget Sound area. This will be reflected in the Real Estate segment.

The company currently operates in six segments — Southern Timber, Pacific Northwest Timber, New Zealand Timber, Timber Funds, Real Estate and Trading. Southern Timber, Pacific Northwest Timber and New Zealand Timber segments comprise all activities associated with harvesting of timber, as well as other non-timber income activities.

The Timber Funds segment represents the operations of the three private equity timber funds included in the transaction — Fund II, Fund III and Fund IV. The Real Estate segment comprises all U.S. and New Zealand land or leasehold sales. Further, the Trading segment mainly includes log trading activities that support the company's New Zealand operations. This segment is engaged in offering additional market intelligence, thereby growing the scale of export operations and realizing cost savings, which benefit the New Zealand Timber segment. Also, it offers market intelligence that benefits Southern and Pacific Northwest export log marketing.

(Note: Certain information will be updated once the company files its latest 10-Q.)



## Reasons To Buy:

- ▲ Rayonier owns or leases 2.7 million acres of timberlands in some of the most productive timber-growing regions of the U.S. South, Pacific Northwest and New Zealand. Further, the timberlands are strategically located near the pulpwood consuming mills which manufacture products for the growing end-markets. Moreover, about 62% of Rayonier's Southern timberlands are positioned in the top two markets. Over the last several years, lumber production and capacity in the U.S. South has grown significantly, a trend that is expected to continue. Moreover, growth in demand for softwood pulpwood has remained strong and is poised to pick up the pace on expanding oriented strand board capacity investments. In fact, the company expects softwood log and lumber imports to China to remain strong, given its growing timber supply deficit.
- ▲ Moreover, housing construction and repair and remodeling activity have rebounded sharply, driving record highs for wood products prices throughout the United States. This is likely to result in improved log prices over the long term. Particularly, in its Southern Timber segment, the company expects adjusted EBITDA above its prior guidance and higher full-year harvest volumes of 6-6.2 million tons, mainly because of anticipated increases in export volume and strong sawtimber demand. Moreover, in its Pacific Northwest Timber segment, the company expects adjusted EBITDA above its prior guidance and higher full-year harvest volumes of 1.6-1.7 million tons as a result of incremental volume from the acquired Pope Resources timberlands. Strengthening end markets and a higher-value species mix will likely result in improved Pacific Northwest sawtimber pricing. Moreover, the company noted that shorter-than-anticipated shutdown of economic activity in New Zealand will likely result in adjusted EBITDA above its previous outlook and higher full-year harvest volumes of 2.3-2.5 million tons. Also, continued solid demand for rural properties as well as an improved demand outlook for development properties is likely to buoy adjusted EBITDA of the Real Estate segment above the company's prior guidance.
- ▲ The company has banked on strategic acquisitions to expand its portfolio and improve portfolio quality. The company's acquisitions are complementary to age-class profile and improved portfolio site index and inventory stocking. Timberlands buyouts for first quarter amounted to \$24.1 million. In addition, in early May, Rayonier completed the acquisition of Pope Resources in a cash-and-stock deal. The buyout is a strategic fit for Rayonier as it substantially enhanced the scale of the company's Pacific Northwest timberland portfolio. Also, quality of Rayonier's Pacific Northwest portfolio gets uplift as proportion of Douglas-fir merchantable inventory will increase from 60% to 68%. The move adds to the geographic and log market diversity, as well as increases the proportion of ground-based logging, with significantly lower operating costs.
- ▲ Rayonier constantly strives for finding alternative uses of the timberlands for higher and better uses (HBU) and there are many attractive HBU opportunities across the U.S. South, mainly in the Florida and Georgia coastal corridor. The company remains focused on unlocking long-term value of its HBU development and rural property portfolio in its real estate segment. Moreover, the acquisition of Pope Resources enhanced the pipeline of value-added HBU and real estate development opportunities. Also, the company has significantly improved its average HBU price realizations in recent years.
- ▲ Recent developments in the field of biogenetics and cloning have provided a tremendous impetus to the timberland REIT's business. Application of biogenetics leads to fast-growth in trees, ensuring proper sizes for maximum extraction of wood.
- ▲ The company enjoys solid adjusted EBITDA margins, high EBITDA-to-Free Cash Flow conversion and a well-staggered maturity profile. Recurring cash generation from operations provides the company with sufficient capacity to maintain the productivity of timberlands through replanting and silviculture, and pursue timberland acquisitions. Annually, it invests nearly \$35 million in silviculture and regeneration. The company's concerted measures in recent quarters have significantly strengthened its balance sheet, bolstered liquidity position and helped in the completion of the financing required to close the Pope acquisition. Rayonier ended the second quarter with \$94.8 million in cash and cash equivalents, up from the \$68.7 million recorded as of Dec 31, 2019. Hence, with manageable near-term capital commitments, Rayonier has ample liquidity to navigate through the challenging market conditions amid the pandemic, and withstand any credit crisis. Lastly, the company has a strong credit profile, with significant asset coverage.
- ▲ Moreover, the company remains committed to increasing shareholders' wealth through dividend hikes and share buybacks. It increased the quarterly dividend by 8% to 27 cents per share, effective second-quarter 2018, and thereafter maintained the same dividend rate. Apart from dividend hikes, the company remains committed to increase shareholder value through share buybacks. Further, as of Mar 31, 2020, it had a remaining share-buyback authorization of \$87.7 million. Such moves boost investor's confidence in the stock.
- ▲ Shares of Rayonier have underperformed its industry over the past year. The company's shares have gained 4.8% as against its industry's growth of 27.7%. Nonetheless, Rayonier's 2020 earnings estimate revisions indicates a favorable outlook. In fact, the Zacks Consensus Estimate for 2020 earnings has been revised 43.5% upward over the past two months. Therefore, given its solid fundamentals and upward estimate revisions, the stock has decent upside potential.

Geographical diversity, favorable demand-supply dynamics, ample liquidity, disciplined acquisition strategy, and recent development in biogenetics and cloning keeps Rayonier's momentum going.

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## Reasons To Sell:

- ▼ Rayonier faces cut-throat competition in the market from national and local players, regarding a number of factors, including quality and price. Additionally, wood products, in general, encounter increasing rivalry from a variety of substitute products, like non-wood and engineered wood products.
- ▼ The company's earnings are susceptible to foreign exchange fluctuations because a number of its segments export products outside the nation. Specifically, the Pacific Northwest exports huge volumes of timber to China. The New Zealand Timber segment sells timber to mills in New Zealand as well as exports to markets in China, Korea and India.
- ▼ The COVID-19 outbreak and the continued shutdown of non-essential businesses have affected the economy, and led to dislocations and volatility in the global capital markets. Moreover, in the Southern Timber segment, the company expects lower pulpwood pricing due to anticipated mill downtime, an increased supply of wood chip residuals and geographic mix. In the Pacific Northwest Timber segment too, the company expects pulpwood pricing to be relatively flat and dependent on the duration of domestic mill curtailments. In the New Zealand Timber segment, the company expects continued competition from alternative supply sources.
- ▼ Timberland business is governed by federal rules and state forestry commissions. In other words, timberland REITs have to comply with strict regulatory requirements compared with other industries. These laws and regulations, which are subject to frequent changes, adversely affect the business of the timberland REIT. Further, due to the very nature of their properties, the timberland REITs are required to follow eco-friendly mandates in their trade.

Tough compliance requirements, seasonality of forest products industry, cut-throat competition from national and local players, and the pandemic-led market choppiness pose concerns before Rayonier.

## Last Earnings Report

### Rayonier Surpasses Q2 Earnings & Revenue Estimates

Rayonier recorded second-quarter 2020 pro forma net income per share of 11 cents, which surpassed the Zacks Consensus Estimate of a cent. The company's better-than-expected performance reflects increase in operating income in the real estate and trading segments. However, the figure is down from the 14 cents per share reported in the year-ago period.

Revenues were up 5.8% year over year to \$195.6 million. Moreover, the revenue figure outpaced the Zacks Consensus Estimate of \$147.9 million.

Quarter Ending **06/2020**

Report Date	Aug 05, 2020
Sales Surprise	<b>32.30%</b>
EPS Surprise	<b>1,000.00%</b>
Quarterly EPS	<b>0.11</b>
Annual EPS (TTM)	<b>0.23</b>

During the second quarter, the company closed the acquisition of Pope Resources, which has expanded the scale of its Pacific Northwest timberland portfolio. Moreover, management remains encouraged by the resiliency of the company's business and commented that "Housing construction and repair and remodeling activity have rebounded sharply, driving record highs for wood products prices throughout the U.S."

### Segmental Performance

The company has revised its reportable business segments, adding one additional segment, referred as the "Timber Funds" segment. This is because of the Pope Resources acquisition. This new segment represents the operations of the three private equity timber funds included in the transaction – Fund II, Fund III and Fund IV. Rayonier owns 20% of Fund II, 5% of Fund III and 15% of Fund IV, and is also the managing member of the Funds.

During the second quarter, operating income at the company's Southern Timber segment came in at \$11.2 million, down from the prior-year quarter's \$14.7 million. This downside resulted from lower non-timber income, net-stumpage prices, and higher indirect and overhead expenses. However, these downtrends were partially offset by higher volumes and lower depletion rates.

The Pacific Northwest Timber segment reported an operating loss of \$6.7 million, much wider than the operating loss of \$3.8 million posted in second-quarter 2019. This was mainly due to lower net stumpage prices, non-timber income and higher depletion rates, overhead costs and other variable costs.

The New Zealand Timber segment recorded operating income of \$5 million, down from the year-earlier number of \$12.8 million. Results indicate lower net stumpage prices, volumes and unfavorable foreign-exchange impact partly negated by lower depletion rates, roading costs, overhead costs and higher non-timber income.

The Timber Funds segment generated second quarter harvest volumes of 90,000 tons, sales of \$7.5 million and operating loss of \$1.9 million. Pro forma sales and pro forma operating income were \$1.7 million and \$0.1 million, respectively.

Real Estate's operating income of \$24.8 million was significantly up from the year-ago figure of \$15.5 million. This chiefly resulted from a higher number of acres sold, partially muted by a decrease in weighted-average prices.

The Trading segment recorded an operating income of \$0.1 million in the quarter, against an operating loss of \$0.2 million reported in the year-ago quarter.

### Liquidity

Rayonier ended the second quarter with \$94.8 million in cash and cash equivalents, up from \$68.7 million recorded as of Dec 31, 2019. However, total long-term debt was \$1.35 billion, up 38.3% from \$973.1 million as on Dec 31, 2019.

### Outlook

The company projects current-year net income attributable to Rayonier of \$38-\$43 million, earnings per share of 27-31 cents, pro forma earnings per share of 17-21 cents and adjusted EBITDA of \$240-\$260 million. The revised full-year Adjusted EBITDA outlook reflects anticipated partial-year contribution of \$17-\$20 million from the acquired Pope Resources assets.

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## Recent News

### Rayonier Accomplishes Pope Resources Acquisition – May 8, 2020

Rayonier completed the acquisition of Pope Resources. The move is in sync with the company's strategy of adding high-quality timberlands in strong log markets and will enhance the long-term value for shareholders.

Moreover, Rayonier assumed \$45 million of Pope Resources' term credit facility. This comprised a number of tranches with maturity dates ranging from 2025 to 2036 and weighted average interest rate of 4.1%.

Per the agreement terms of this cash-and-stock transaction, Pope Resources unitholders had the right to elect to receive 3.929 Rayonier common shares (the "Stock election"), 3.929 units of the operating partnership of Rayonier (the "Opco Election"), or \$125 in cash (the "Cash Election") in exchange for each unit of Pope Resources, subject to a proration mechanism.

The total consideration paid by Rayonier to acquire all of the outstanding limited partnership units of Pope Resources (excluding units already owned by Rayonier) and the general partnership interests of Pope Resources comprises \$169.5 million of cash, 7.1 million common shares of Rayonier and 4.6 million Opco units of Rayonier L.P.

The acquisition is a strategic fit for Rayonier as it will substantially enhance the scale of the company's Pacific Northwest timberland portfolio. According to Rayonier's prior announcement about the deal in January, the buyout leads to adding 125,000 acres of fee ownership and increasing sustainable yield by 57 MMBF (or 455,000 tons) annually. Moreover, the quality of Rayonier's Pacific Northwest portfolio gets uplift, as the proportion of Douglas-fir merchantable inventory will increase from 60% to 68%. The move adds to the geographic and log market diversity, as well as increases the proportion of ground-based logging, with significantly lower operating costs.

The acquisition will also result in adding 17,000 "look-through" acres from timber fund business as well as offer the scope to capitalize on regional expertise in silvicultural practices, log marketing and logistics. Furthermore, the move will solidify the pipeline of value-added HBU and real estate development opportunities, including projects in Gig Harbor, Port Gamble, Kingston and Bainbridge Island in the west Puget Sound area.

The acquisition will lead to expected synergies of \$5 million annually. The company will benefit from the reduction of overhead expenses and elimination of redundant public company costs. Additionally, there is an opportunity to lower debt through portfolio optimization and large dispositions. Further, the umbrella partnership real estate investment trust ("UPREIT") structure provides tax deferral option for Pope unitholders, while facilitating future timberland buyouts prospects for Rayonier.

### Dividend Update

On Jul 27, Rayonier announced the third-quarter cash dividend of 27 cents per share on its common stock. This dividend will be paid out on Sep 30, to its shareholders of record as of Sep 16, 2020.

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## Valuation

Rayonier shares have been up 4.8% in the trailing 12 months. Stocks in the Zacks sub-industry have increased 27.7% while the Zacks Construction sector has gained 18.5% over the past year, respectively.

The S&P 500 Index is up 13.5% over the past year.

The stock is currently trading at 74.87X forward 12-month price to earnings versus 33.14X for the Zacks sub-industry, 18.53X for the Zacks sector and 22.84X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 114.23X and as low as 33.96X, with a 5-year median of 58.50X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$33 price target reflects 87.30X forward 12-month earnings.

The table below shows summary valuation data for RYN.

Valuation Multiples - RYN					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	74.87	33.14	18.53	22.84
	5-Year High	114.2	43.18	18.99	22.84
	5-Year Low	33.96	17.09	10.74	15.25
	5-Year Median	58.5	23.99	15.86	17.55
P/S F12M	Current	4.82	3.46	2.11	3.66
	5-Year High	6.49	3.46	2.12	3.66
	5-Year Low	3.2	1.4	1.17	2.53
	5-Year Median	5.39	2.71	1.63	3.04
P/B TTM	Current	2.61	3.36	4.34	4.58
	5-Year High	2.98	3.4	6.74	4.58
	5-Year Low	1.57	1.6	1.71	2.83
	5-Year Median	2.31	2.6	3.29	3.73

As of 08/06/2020

## Industry Analysis Zacks Industry Rank: Top 1% (3 out of 252)



## Top Peers

Company (Ticker)	Rec	Rank
Potlatch Corporation (PCH)	Outperform	2
CatchMark Timber Trust, Inc. (CTT)	Neutral	3
EPR Properties (EPR)	Neutral	4
Farmland Partners Inc. (FPI)	Neutral	3
Innovative Industrial Properties, Inc. (IIPR)	Neutral	3
Gladstone Land Corporation (LAND)	Neutral	2
Safehold Inc. (SAFE)	Neutral	3
Weyerhaeuser Company (WY)	Neutral	2

Industry Comparison Industry: Building Products - Wood				Industry Peers		
	RYN	X Industry	S&P 500	CTT	PCH	WY
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	2	-	-	3	2	2
VGM Score	F	-	-	D	D	D
Market Cap	3.66 B	2.97 B	23.20 B	466.69 M	2.97 B	20.90 B
# of Analysts	2	3	14	3	2	4
Dividend Yield	3.82%	0.47%	1.78%	5.64%	3.61%	3.64%
Value Score	F	-	-	F	C	D
Cash/Price	0.04	0.04	0.07	0.00	0.03	0.03
EV/EBITDA	20.21	20.21	13.21	-19.07	22.59	39.35
PEG Ratio	NA	1.47	2.94	NA	NA	NA
Price/Book (P/B)	1.91	2.74	3.12	3.29	2.63	2.55
Price/Cash Flow (P/CF)	19.49	20.33	12.27	NA	23.56	26.25
P/E (F1)	87.31	26.40	21.69	NA	31.12	66.30
Price/Sales (P/S)	4.63	1.50	2.48	4.48	3.61	3.18
Earnings Yield	1.13%	3.50%	4.39%	-2.93%	3.20%	1.50%
Debt/Equity	0.70	0.70	0.77	3.10	0.63	0.77
Cash Flow (\$/share)	1.45	1.88	6.94	-1.47	1.88	1.07
Growth Score	F	-	-	A	F	D
Hist. EPS Growth (3-5 yrs)	2.40%	3.55%	10.46%	NA	2.84%	-15.03%
Proj. EPS Growth (F1/F0)	-29.35%	45.10%	-6.80%	85.26%	78.12%	8.33%
Curr. Cash Flow Growth	-23.97%	-31.17%	5.39%	-24.67%	-41.03%	-42.27%
Hist. Cash Flow Growth (3-5 yrs)	-0.65%	19.60%	8.55%	NA	1.90%	-8.57%
Current Ratio	1.47	1.94	1.33	0.97	1.40	2.28
Debt/Capital	41.29%	41.54%	44.50%	75.63%	38.72%	43.44%
Net Margin	5.47%	1.83%	10.13%	-41.07%	2.17%	4.67%
Return on Equity	1.92%	7.19%	14.39%	-28.72%	4.19%	3.59%
Sales/Assets	0.26	1.13	0.51	0.16	0.37	0.39
Proj. Sales Growth (F1/F0)	7.53%	2.88%	-1.51%	-5.93%	9.23%	-7.77%
Momentum Score	A	-	-	F	A	A
Daily Price Chg	1.36%	0.00%	-0.04%	0.10%	-0.27%	-1.20%
1 Week Price Chg	0.29%	3.50%	0.14%	3.50%	0.80%	6.51%
4 Week Price Chg	15.23%	17.30%	7.78%	15.02%	17.30%	23.88%
12 Week Price Chg	29.76%	55.34%	17.48%	40.53%	42.48%	61.16%
52 Week Price Chg	4.81%	21.01%	0.68%	-3.04%	17.80%	11.42%
20 Day Average Volume	578,284	394,936	2,057,775	208,136	534,901	5,677,031
(F1) EPS Est 1 week change	0.00%	16.78%	0.00%	-10.53%	0.00%	55.05%
(F1) EPS Est 4 week change	14.29%	63.06%	1.36%	-10.53%	137.50%	83.70%
(F1) EPS Est 12 week change	14.29%	88.06%	1.57%	-23.53%	519.57%	144.93%
(Q1) EPS Est Mthly Chg	0.00%	176.36%	0.54%	-16.67%	543.59%	900.00%



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## 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.

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### 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	A
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.

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