

## Wynn Resorts Ltd. (WYNN)

**\$80.83** (As of 05/01/20)

Price Target (6-12 Months): **\$85.00**

Long Term: 6-12 Months

**Zacks Recommendation:**
**Neutral**

(Since: 04/06/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

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

**3-Hold**

Zacks Style Scores:

VGM:F

Value: D

Growth: F

Momentum: F

### Summary

Shares of Wynn Resorts have underperformed the industry in the past year. In the past three months, the company's shares have declined sharply due to coronavirus pandemic. The company's casinos in Las Vegas are temporarily closed due to the coronavirus. Although most of the casinos in Macau have resumed operations after coronavirus-induced shutdown, casino tables are still empty. Earnings estimates for 2020 have been revised downward over the past 30 days, reflecting analysts' concern regarding growth potential. Wynn Resorts' reliance on debt financing is an added woe. However, improved non-gaming revenues and expansion in domestic market bode well. In Las Vegas, the company has remodeled rooms at its properties. Given its strong brand name, Wynn Resorts is better positioned to command a premium rate relative to its peers.

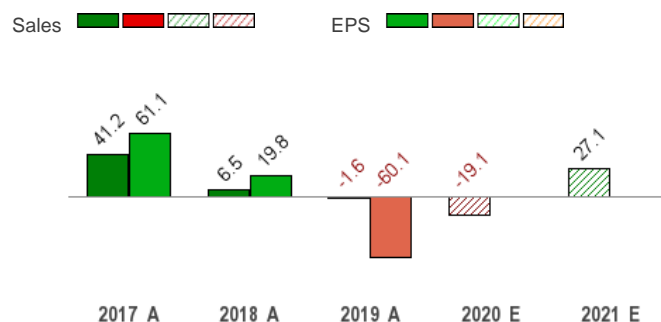
### Price, Consensus & Surprise



### Data Overview

|                            |                                |
|----------------------------|--------------------------------|
| 52 Week High-Low           | <b>\$153.41 - \$35.84</b>      |
| 20 Day Average Volume (sh) | <b>7,179,697</b>               |
| Market Cap                 | <b>\$8.7 B</b>                 |
| YTD Price Change           | <b>-41.8%</b>                  |
| Beta                       | <b>2.52</b>                    |
| Dividend / Div Yld         | <b>\$4.00 / 4.7%</b>           |
| Industry                   | <b>Gaming</b>                  |
| Zacks Industry Rank        | <b>Top 19% (47 out of 253)</b> |

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



|                           |                   |
|---------------------------|-------------------|
| Last EPS Surprise         | <b>-172.9%</b>    |
| Last Sales Surprise       | <b>-2.9%</b>      |
| EPS F1 Est- 4 week change | <b>-2,542.9%</b>  |
| Expected Report Date      | <b>05/14/2020</b> |
| Earnings ESP              | <b>-104.2%</b>    |

### Sales Estimates (millions of \$)

|      | Q1      | Q2      | Q3      | Q4      | Annual* |
|------|---------|---------|---------|---------|---------|
| 2021 | 1,776 E | 1,847 E | 1,896 E | 1,817 E | 6,795 E |
| 2020 | 1,093 E | 1,114 E | 1,620 E | 1,656 E | 5,348 E |
| 2019 | 1,652 A | 1,658 A | 1,648 A | 1,653 A | 6,611 A |

### EPS Estimates

|      | Q1        | Q2        | Q3       | Q4        | Annual*   |
|------|-----------|-----------|----------|-----------|-----------|
| 2021 | \$1.48 E  | \$1.68 E  | \$1.59 E | \$1.60 E  | \$3.60 E  |
| 2020 | -\$1.05 E | -\$1.14 E | \$0.45 E | \$0.89 E  | -\$2.38 E |
| 2019 | \$1.61 A  | \$1.44 A  | \$0.17 A | -\$0.62 A | \$2.61 A  |

\*Quarterly figures may not add up to annual.

|         |             |
|---------|-------------|
| P/E TTM | <b>31.1</b> |
| P/E F1  | <b>NA</b>   |
| PEG F1  | <b>NA</b>   |
| P/S TTM | <b>1.3</b>  |

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 05/01/2020. The reports text is as of 05/04/2020.

## Overview

Based in Las Vegas, NV, Wynn Resorts was founded in 2002. The company, together with its subsidiaries, is a leading developer, owner and operator of casino resorts. The company currently owns and operates casino hotel resort properties in Las Vegas, and in Macau Special Administrative Region of the People's Republic of China.

Wynn Las Vegas and Encore at Wynn Las Vegas are managed as a single integrated resort and are treated as one reportable segment (Las Vegas Operations). Wynn Macau, Encore at Wynn Macau and Wynn Palace are managed as a single integrated resort and are accounted as one reportable segment (Macau Operations).

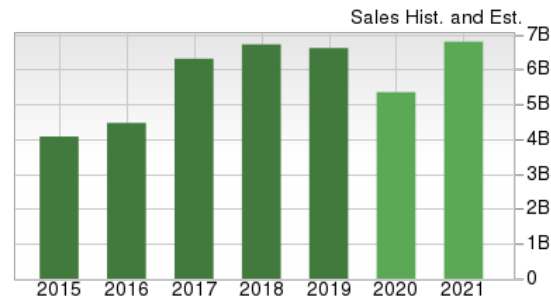
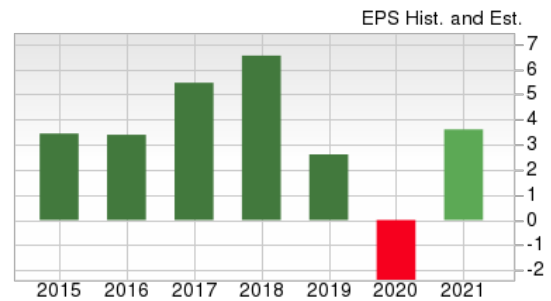
**Las Vegas Operations** (22.3% of total revenues in 4Q19): Wynn Las Vegas was opened on Apr 28, 2005 while Encore Las Vegas was opened on Dec 22, 2008.

In Dec 2016, the company formed a joint venture with Crown Acquisitions Inc. to own and operate an existing retail space and another retail space that is currently under construction at Wynn Las Vegas. Per the agreement, Crown will pay the company \$472.0 million in two installments for a 49.9% ownership interest in each of the Retail Joint Ventures.

**Macau Operations** (67.5%): The Wynn Macau casino resort was opened on Sep 6, 2006. The company operates Wynn Macau under a 20-year casino concession agreement granted by the Macau government in Jun, 2002. Encore at Wynn Macau was opened on Apr 21, 2010.

**Encore Boston Harbor** (10.2%): On June 23, 2019, the company opened Encore Boston Harbor, an integrated resort in Everett, MA.

On Aug 22, 2016, the company unveiled the Wynn Palace resort in the Cotai area of Macau. Featuring 1,706 hotel rooms, suites and villas, a lake with gondolas and fountains, floral sculptures, expensive artwork, lounge and meeting space, a casino, stores, recreation and leisure facilities along with exclusive food-and-beverage outlets and costing over \$4 billion, it is the company's first resort in the Cotai region.



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## Reasons To Buy:

- ▲ **Focus on Non-Gaming Revenues:** The company generates a solid share of its revenues from Macau resorts. Apart from the gaming business in Macau, it has been increasingly focusing on driving non-gaming revenues. Given the decent visitation pattern in Macau, and infrastructure development and government's efforts to boost tourism over there, non-gaming sources are expected to boost revenues going forward.

Moreover, the company's full-scale integrated resort in Cotai, Macau, is poised to witness increased visits from tourists and leisure gamblers over the long term, which should fortify its position in the Cotai strip. Notably, such projects are expected to draw business and leisure travelers, and provide a solid platform for growth. In fact, building resorts in Boston and Macau will help Wynn Resorts capitalize on strong consumer spending trend in the region. Meanwhile, in Las Vegas, the company is working on two new restaurant concepts that are expected to make significant additions to the non-gaming business. Not only this, Wynn Resorts plans to open new retail and a convention center in Las Vegas.

We expect increased contributions from Wynn Resorts', improved non-gaming revenues coupled with expansion in domestic market to drive growth

- ▲ **Strong Brand Recognition:** Wynn Resorts, one of the leading companies in the gaming and lodging industry, is well poised to grow strategically. The company is well-positioned to gain market share with the gradual revival of the U.S. economy. Given its strong brand name, Wynn Resorts is better positioned to command a premium rate relative to its peers in the gaming and lodging industry. Moreover, the company recently opened Encore Boston Harbor in Massachusetts. The company stated that it will upgrade Encore Boston Harbor to be the top performing Casino in the northeast.
  - ▲ **Efforts to Boost Tourism & Traffic in Macau:** The government of China is considering measures to support Macau's economy and introduce favorable policies, which is expected to improve visitation pattern and boost tourism and traffic in the region. These include 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. Meanwhile, Wynn Resorts too has been offering various promotional allowances and undertaking initiatives to attract gambling patrons. Also, the company is undertaking several initiatives and building newer concepts to boost non-gaming revenues in Macau. 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 to casino operator. The company said that it is redesigning Wynn Macau the entire original casino and also remodeling the Encore Tower Suites.
  - ▲ **Domestic Market Starting to Reap Benefits:** In order to boost performance in Las Vegas, the company has remodeled rooms at its properties and the baccarat pit. Though tourism in Las Vegas has not yet reached the pre-recession level, the company is on its way to recovery. The number of visits has been increasing every year. With the improving job scenario and stabilizing gas prices, the consumer spending environment in the domestic markets is improving. Backed by the optimism surrounding tourism in Las Vegas and increasing visitation pattern, revenues are likely to grow significantly.
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## Reasons To Sell:

▼ **Coronavirus Woes a Major Concern:** Wynn Resorts business in China and Las Vegas has been impacted by the coronavirus. Although most of the casinos in Macau have resumed operations after coronavirus-induced shutdown, casino tables are still empty. Moreover, gambling industry is also suffering in Las Vegas, which is one of the hottest spots for gamblers, due to coronavirus outbreak. Casinos in Las Vegas are closed to contain the spread of virus.

High debt burden along with increased competition remain potent headwinds for the company

Moreover, Wynn Resorts board of directors and top executives have decided to forego between 33% and 100% of their salaries in the light of the coronavirus-induced economic downturn. Matt Maddox, CEO, has agreed to give up 100% of his salary in exchange for shares for the rest of 2020.

▼ **Q1 Results to Decline Sharply:** The company announced that visitation on Macau has declined sharply ever since the outbreak of coronavirus in China. In Macau, casinos were shutdown beginning Feb 5 on account of the same. Casinos were reopened (on a reduced basis) on Feb 20. Although casinos were full opened on Mar 20, travel restrictions and limited number of tables at casinos continue to hurt the company. During the shutdown period, the company incurred operating expenses of nearly \$2.5 million per day, excluding cash interest expense of roughly \$0.5 million per day. Wynn Resorts business in the United States will also be impacted by the COVID-19 outbreak. In an effort to contain the spread of this deadly virus, the company's Encore Boston Harbor and Wynn Las Vegas closed its operation on Mar 15 and Mar 17, respectively. Wynn Las Vegas will remain shut through at least Apr 30, while Encore Boston Harbor will remain closed through at least May 4, 2020. The company has been bearing operating expenses of nearly \$3.5 million during the closure, excluding nearly \$0.8 million per day of cash interest expense.

The aforementioned factors are likely to hurt the company's first-quarter 2020 results. The company now expects revenues in the range of approximately of \$912 million to \$969 million in the first-quarter, sharply down from \$1.64 billion in the prior year. The company expects adjusted property EBITDA in the range of nearly \$58 million to \$65 million, down from \$484 million reported in the year-ago quarter.

▼ **Lower-Than-Expected Q4 Results:** Wynn Resorts' fourth-quarter 2019 results failed to impress investors as the company's top and bottom lines missed the Zacks Consensus Estimate and declined year over year. Both the metrics lagged the consensus mark for the second straight quarter. Earnings decline can be attributed to operating loss at Encore Boston Harbor. Macau and Las Vegas operations also reported decline in operating income. Earnings estimates for 2020 have witnessed downward revisions of 277% over the past 30 days, reflecting analyst concern regarding the stock's growth potential. The top line decreased 2% in the quarter due to dismal performance by Wynn Palace, Wynn Macau and Las Vegas operations.

▼ **Trade War:** The trade war between Beijing and Washington is likely to hurt gambling stocks, and Wynn Resorts is no exception. Meanwhile, the flagging China property price has adversely impacted the high-end VIP segment. Wynn Resorts has been offering various promotional allowances and undertaking initiatives to attract gambling patrons in Macao. The companies face substantial threat in the wake of a potential outbreak of a trade war.

▼ **High Debt a Concern:** Apart from earnings and revenues, balance sheets have become an important point of discussion amid the coronavirus crisis. Notably, a strong balance sheet will help a company tide over the ongoing crisis. The company has a significant amount of debt, which has increased to \$10.4 billion (as of Dec 31, 2019), from \$9.54 billion at Sep 30, 2019. As a result, the company's debt-to-capitalization of 87.3% is quite high compared to 68.5% for the sub industry to which it belongs. Moreover, the company ended the quarter with cash and cash equivalent of \$2.36 billion, which may not be enough to manage the high debt level.

▼ **Macau/China Regulatory Issues:** The Macau government has joined forces with mainland authorities to tackle money laundering and terrorism financing, and beefed up its anti-money laundering framework with a much wider scope and stringent compliance measures. In sync with this, new security measures including facial recognition at ATM machines are also being rolled out. Earlier, the government had put withdrawal limit on each ATM transaction to stem the recent increase in overseas ATM withdrawals. While these policies might be helpful in the long run, they are likely to restrict gaming revenues in the near term. Moreover, Macau's Gaming Inspection and Coordination Bureau ("DICJ") is increasing its audits of the junket industry owing to worries of money laundering. This, in turn, may weigh down on the company's performance in the region. That said, recent numbers published by The Macau Gaming Inspection and Coordination Bureau raised concerns for the short term.

▼ **Increased Competition & Promotional Activities:** Wynn Resorts operates in highly competitive marketplaces like Las Vegas and Macau. Competition is stiff with increased hotel openings and promotional activities. Excess supply, especially in the Macau market, might reduce the company's market share. Particularly, the company's resort in Cotai – Wynn Palace – is likely to face extreme peer pressure from several local Chinese casino operators as well as the recently opened The Parisian Macao and the Sands Cotai Central project of Las Vegas Sands Corp. This may pose a huge threat to the company's business in the region in the future. Meanwhile, continual construction around Wynn Palace has been hampering its foot traffic. Also, the opening of Wynn Palace is somewhat leading to cannibalization at Wynn Macau. On the other hand, the company often offers higher promotional allowances to gambling patrons.

## Last Earnings Report

### Wynn Resorts' Q4 Earnings & Revenues Miss Estimates

Wynn Resorts reported fourth-quarter 2019 results, wherein both earnings and revenues missed the respective Zacks Consensus Estimate for the second straight quarter.

The company reported an adjusted loss of 62 cents per share, missing the Zacks Consensus Estimate of earnings of 85 cents. In the prior-year quarter, the company had reported adjusted earnings per share of 95 cents. In the reported quarter, the bottom line was hurt by operating loss at Encore Boston Harbor. Macau and Las Vegas operations also reported decline in operating income. Revenues totaled \$1,653.5 million, which lagged the Zacks Consensus Estimate of \$1,718 million. The top line also decreased 2% thanks to dismal performance by Wynn Palace, Wynn Macau and Las Vegas operations.

Concurrent with the earnings announcement, the company declared a quarterly cash dividend of \$1.00 per share. This dividend will be payable Mar 6, 2020, to its shareholders of record as of Feb 26.

Quarter Ending **12/2019**

| Report Date      | Feb 06, 2020    |
|------------------|-----------------|
| Sales Surprise   | <b>-2.90%</b>   |
| EPS Surprise     | <b>-172.94%</b> |
| Quarterly EPS    | <b>-0.62</b>    |
| Annual EPS (TTM) | <b>2.60</b>     |

### Wynn Palace Disappoints

Revenues from Wynn Palace totaled \$590 million in the third quarter, down 20.3% year over year. Casino revenues amounted to \$490.4 million, down 23%. Rooms, food and beverage, and entertainment, retail and other also declined 3.2%, 1.4%, 7.5%, to \$43.2 million, \$29.7 million and \$26.7 million, respectively. At the VIP segment, table games turnover was \$9.31 billion, down 42.4% year over year. VIP table games win rate (based on turnover) was 3.07%, above the expected range of 2.7-3% but below 3.25% witnessed in the year-ago quarter. Table drop at the mass market segment was \$1.25 billion, up 3.6% from the year-ago quarter. Furthermore, table games win in mass market operations amounted to \$315.4 million, up 2.6% year over year. Notably, average daily rate (ADR) came in at \$268 (down 3.2%), occupancy was 96.9% (down 30 basis points year over year) and revenue per available room (RevPAR) was \$260 (down 3.3%).

### Wynn Macau Operations

Wynn Macau revenues were down 5.1% year over year to \$525.4 million in the fourth quarter on account of decrease in casino, rooms, food and beverage, and entertainment, retail and other revenues. Notably, casino revenues in the reported quarter dipped 1.7% to \$455.9 million. Rooms, food and beverage, and entertainment, retail and other revenues declined 5.8%, 1.4% and 13%, to \$28.3 million, \$20.9 and \$20.2 million, respectively. Table games turnover at the VIP segment declined 37.9% to \$7.9 billion. Meanwhile, the VIP table games win rate (based on turnover) was 3.27%, above the expected range of 2.7-3.0% and higher than the year-ago quarter figure of 2.86%. Table drop at the mass market segment was \$1.39 billion, up 10.6% year over year. Table games win in the mass market category amounted to \$283.2 million, up 10.7%. Notably, average daily rate (ADR) came in at \$291 (down 1%), occupancy was 99.3% (flat year over year) and revenue per available room (RevPAR) was \$289 (down 1%).

### Las Vegas Operations

Revenues from Las Vegas operations were down 6.3% year over year to \$368.8 million in the quarter under review. The downside can primarily be attributed to decline in casino revenues. Casino and food and beverage revenues dropped 27.8% and 1.3%, to \$75.7 million and \$120.3 million, respectively. Rooms and entertainment, retail and other revenues increased 2.1% and 7%, to \$120.3 million and \$52.5 million, respectively. Further, table games drop decreased 18.5% to \$414.5 million. Meanwhile, table games win witnessed a sharp decline of 36.8% year over year to \$71.9 million. Table games win percentage of 17.4% was down from 22.4% in the year-ago quarter and also below the projected range of 22-26%. During the quarter, RevPAR increased 3.2% to \$288. Occupancy rate was 89.4%, down 20 basis points from the prior-year period. ADR came in at \$322, up 2.2%, year over year.

### Encore Boston Harbor

The company, which opened Encore Boston Harbor on Jun 23, 2019, reported revenues of \$169.3 million. Table games win was 19.2%, within company's expected range of 16-20%. Occupancy was 76%, while ADR and RevPAR were \$352 and \$267, respectively.

### Operating Performance

Adjusted property earnings before interests, taxes, depreciation and amortization (EBITDA) decreased 11.3% year over year to \$443.1 million on dismal performance by Wynn Macau and Las Vegas operations. In the quarter under review, adjusted property EBITDA from Macau totaled \$347.7 million, down 11.8% year over year. Adjusted property EBITDA from Las Vegas operations jumped 23.8% to \$80.1 million.

### Cash Position

As of Dec 31, 2019, Wynn Resorts' cash, cash equivalents and restricted cash totaled \$2.36 billion. Outstanding debt at the end of the second quarter amounted to \$10.4 billion, including \$3.11 billion of Wynn Las Vegas related debt, \$4.96 billion of Macau debt, \$1.72 billion of Wynn Resorts Finance debt, and \$611.7 million of debt held by the retail joint venture, which the company consolidated.

## Recent News

### Wynn Resorts to Cut Executive Salaries on Coronavirus Fears – Mar 24, 2020

Wynn Resorts board of directors and top executives have decided to forego between 33% and 100% of their salaries in the light of the coronavirus-induced economic downturn. Matt Maddox, CEO, has agreed to give up 100% of his salary in exchange for shares for the rest of 2020.

These savings will be utilized to compensate ongoing employee payroll and other expenses. Despite the closure of its resorts in Boston and Las Vegas, the company has already announced that it will pay all of its employees, which also include their average tips.

### Wynn Resorts Plans to Launch a New Restaurant Concept - Jan 09, 2020

In a bid to maintain its position in the intensively competitive gaming and lodging industry, Wynn Resorts Ltd. continues to expand its reach. Wynn Las Vegas recently announced that it plans to launch Elio, a social dining concept on Mar 19, 2020. Notably, the new restaurant will be opened in collaboration with Enrique Olvera, Daniela Soto-Innes and Santiago Perez of ATM Group.

## Valuation

Wynn Resorts shares are down 41.8% year-to-date and 42.9% in the trailing 12-month period. Stocks in the Zacks sub-industry and Zacks Consumer Discretionary sector are down by 34.8% and 20.6% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and sector were down by 33.2% and 17.2%, respectively.

The S&P 500 index is down 12.1% in the year-to-date period and 3.8% in the past year.

The stock is currently trading at 31.09X trailing 12-month earnings, which compares to 22.42X for the Zacks sub-industry, 20.48X for the Zacks sector and 17.67X for the S&P 500 index.

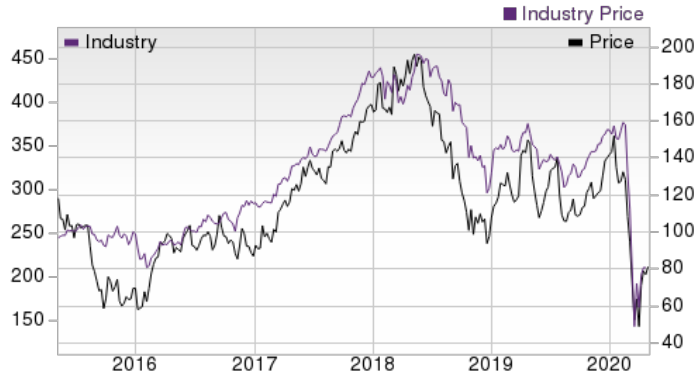
Over the past five years, the stock has traded as high as 58.54X and as low as 11.6X, with a 5-year median of 24.66X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$85 price target reflects 32.81X trailing 12-month earnings.

The table below shows summary valuation data for WYNN.

| Valuation Multiples - WYNN |               |       |              |        |         |
|----------------------------|---------------|-------|--------------|--------|---------|
|                            |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E TTM                    | Current       | 31.09 | 22.42        | 20.48  | 17.67   |
|                            | 5-Year High   | 58.54 | 75.47        | 32.64  | 22.17   |
|                            | 5-Year Low    | 11.6  | N/A          | 19.68  | 15.91   |
|                            | 5-Year Median | 24.66 | 26.07        | 25.45  | 18.95   |
| P/S F12M                   | Current       | 1.49  | 1.9          | 1.94   | 3.19    |
|                            | 5-Year High   | 3.15  | 2.82         | 3.19   | 3.44    |
|                            | 5-Year Low    | 0.71  | 1.43         | 1.67   | 2.54    |
|                            | 5-Year Median | 1.96  | 2.22         | 2.52   | 3.01    |
| EV/EBITDA TTM              | Current       | 11.27 | 9.62         | 9.65   | 10.36   |
|                            | 5-Year High   | 21.12 | 24.45        | 17.6   | 12.87   |
|                            | 5-Year Low    | 8.55  | 7.72         | 8.27   | 8.27    |
|                            | 5-Year Median | 16.8  | 13           | 12.24  | 10.78   |

As of 05/01/2020

## Industry Analysis Zacks Industry Rank: Top 19% (47 out of 253)



## Top Peers

| Company (Ticker)                             | Rec          | Rank |
|--|--------------|------|
| Boyd Gaming Corporation (BYD)                | Neutral      | 3    |
| Churchill Downs, Incorporated (CHDN)         | Neutral      | 4    |
| Century Casinos, Inc. (CNTY)                 | Neutral      | 3    |
| Full House Resorts, Inc. (FLL)               | Neutral      | NA   |
| MGM Resorts International (MGM)              | Neutral      | 4    |
| Melco Resorts & Entertainment Limited (MLCO) | Neutral      | 3    |
| Las Vegas Sands Corp. (LVS)                  | Underperform | 3    |
| Penn National Gaming, Inc. (PENN)            | Underperform | 4    |

| Industry Comparison Industry: Gaming |            |            |           | Industry Peers |            |           |
|--------------------------------------|------------|------------|-----------|----------------|------------|-----------|
|                                      | WYNN       | X Industry | S&P 500   | LVS            | MGM        | MLCO      |
| Zacks Recommendation (Long Term)     | Neutral    | -          | -         | Underperform   | Neutral    | Neutral   |
| Zacks Rank (Short Term)              | 3          | -          | -         | 3              | 4          | 3         |
| VGM Score                            | F          | -          | -         | F              | F          | B         |
| Market Cap                           | 8.72 B     | 1.29 B     | 20.61 B   | 34.83 B        | 7.40 B     | 7.45 B    |
| # of Analysts                        | 7          | 4          | 14        | 5              | 8          | 4         |
| Dividend Yield                       | 4.95%      | 0.00%      | 2.11%     | 0.00%          | 4.00%      | 4.33%     |
| Value Score                          | D          | -          | -         | C              | C          | B         |
| Cash/Price                           | 0.29       | 0.18       | 0.06      | 0.13           | 0.34       | 0.20      |
| EV/EBITDA                            | 11.00      | 8.48       | 11.87     | 8.05           | 4.25       | 8.01      |
| PEG Ratio                            | NA         | 0.79       | 2.47      | NA             | NA         | NA        |
| Price/Book (P/B)                     | 5.63       | 1.78       | 2.67      | 5.38           | 0.62       | 2.37      |
| Price/Cash Flow (P/CF)               | 9.84       | 8.41       | 10.66     | 9.81           | 5.01       | 6.97      |
| P/E (F1)                             | NA         | 21.84      | 19.01     | NA             | NA         | NA        |
| Price/Sales (P/S)                    | 1.32       | 1.06       | 2.10      | 2.93           | 0.62       | 1.31      |
| Earnings Yield                       | -2.94%     | -0.30%     | 5.05%     | -0.59%         | -6.26%     | -3.05%    |
| Debt/Equity                          | 6.64       | 1.51       | 0.72      | 1.91           | 1.22       | 1.51      |
| Cash Flow (\$/share)                 | 8.69       | 1.36       | 7.01      | 4.89           | 3.36       | 2.27      |
| Growth Score                         | F          | -          | -         | D              | F          | C         |
| Hist. EPS Growth (3-5 yrs)           | 5.42%      | 5.38%      | 10.88%    | 5.16%          | 11.64%     | 17.45%    |
| Proj. EPS Growth (F1/F0)             | -191.13%   | -79.41%    | -7.32%    | -108.16%       | -124.16%   | -149.36%  |
| Curr. Cash Flow Growth               | -27.48%    | 3.52%      | 5.92%     | -0.77%         | -1.74%     | 9.54%     |
| Hist. Cash Flow Growth (3-5 yrs)     | -3.64%     | 9.64%      | 8.55%     | -1.30%         | 9.93%      | 0.60%     |
| Current Ratio                        | 1.44       | 1.24       | 1.23      | 1.65           | 1.26       | 1.24      |
| Debt/Capital                         | 86.92%     | 65.62%     | 43.84%    | 65.62%         | 55.12%     | 60.15%    |
| Net Margin                           | 1.86%      | 0.83%      | 11.08%    | 17.81%         | 23.59%     | 6.48%     |
| Return on Equity                     | 16.03%     | 1.59%      | 16.44%    | 27.32%         | 0.84%      | 15.06%    |
| Sales/Assets                         | 0.49       | 0.45       | 0.54      | 0.52           | 0.37       | 0.60      |
| Proj. Sales Growth (F1/F0)           | -19.11%    | 0.00%      | -1.42%    | -44.79%        | -21.46%    | -25.45%   |
| Momentum Score                       | F          | -          | -         | F              | F          | A         |
| Daily Price Chg                      | -3.93%     | -2.92%     | -2.39%    | -1.78%         | -3.61%     | -4.70%    |
| 1 Week Price Chg                     | -2.36%     | -0.83%     | -1.74%    | -6.87%         | -0.99%     | 0.73%     |
| 4 Week Price Chg                     | 62.39%     | 28.70%     | 17.07%    | 19.25%         | 46.22%     | 36.38%    |
| 12 Week Price Chg                    | -36.26%    | -30.25%    | -18.53%   | -30.88%        | -48.18%    | -25.24%   |
| 52 Week Price Chg                    | -41.24%    | -38.15%    | -9.82%    | -28.79%        | -34.44%    | -37.35%   |
| 20 Day Average Volume                | 7,179,697  | 159,193    | 2,641,413 | 10,510,888     | 26,830,238 | 3,370,329 |
| (F1) EPS Est 1 week change           | 0.00%      | 0.00%      | 0.00%     | 0.75%          | 5.66%      | 0.00%     |
| (F1) EPS Est 4 week change           | -2,542.86% | -24.27%    | -6.62%    | -114.21%       | -1,186.96% | 7.96%     |
| (F1) EPS Est 12 week change          | -145.22%   | -98.39%    | -13.28%   | -108.85%       | -168.12%   | -135.92%  |
| (Q1) EPS Est Mthly Chg               | -153.14%   | -127.47%   | -11.97%   | -188.13%       | -1,508.70% | -4.88%    |



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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    | D |
| Growth Score   | F |
| Momentum Score | F |
| 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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### Disclosures

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