

# Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Lisa Thompson  
312-265-9154  
lthompson@zacks.com

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

## TowerJazz

(TSEM-NASDAQ)

### TSEM: Shortages and Production Transitions Cloud Near Term Revenue

We believe that the stock could be worth \$24.85 using industry average PE ratios given current earnings estimates.

Current Price (10/31/18) \$15.69  
Valuation **\$24.85**

### OUTLOOK

TowerJazz is a pure-play analog semiconductor wafer foundry that manufactures SiGe, MEMS, RF, embedded flash-based memory, analog/mixed-signal, and CMOS image-sensor devices in the US, Israel and Japan. It has capacity to \$1.6B in sales and is serving high growth markets such as RF High Position analog, CMOS image sensors, and power management. It is expected to grow because of the specific markets it addresses, by fab acquisitions, fab partnerships, and by market share gains. Its goal is to reach \$3.5B in revenues organically combined with targeted acquisitions providing horizontal diversification.

### SUMMARY DATA

52-Week High **\$35.95**  
52-Week Low **\$13.98**  
One-Year Return (%) **-52.1**  
Beta **1.5**  
Average Daily Volume (sh) **873,428**

Shares Outstanding (mil) **105**  
Market Capitalization (\$mil) **\$1,647**  
Short Interest Ratio (days) **2.8**  
Institutional Ownership (%) **47**  
Insider Ownership (%) **1**

Annual Cash Dividend **\$0.00**  
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates  
Sales (%) **25.1**  
Earnings Per Share (%) **8.9**  
Dividend (%) **N/A**

P/E using TTM EPS **9.3**  
P/E using 2018 Estimate **10.6**  
P/E using 2019 Estimate **9.0**

Zacks Rank **N/A**

### Risk Level

Type of Stock  
Industry

Average  
Mid-Value  
Elec Comp-Semis

### ZACKS ESTIMATES

#### Revenue

(in millions of \$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2016	278 A	305 A	326 A	340 A	1,250 A
2017	330 A	345 A	355 A	358 A	1,387 A
2018	313 A	335 A	323 A	330 E	1,300 E
2019					1,405 E

#### Earnings Per Share

(Adjusted non-GAAP Diluted)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2016	\$0.34 A	\$0.42 A	\$0.51 A	\$0.54 A	\$1.80 A
2017	\$0.50 A	\$0.54 A	\$0.60 A	\$0.58 A	\$2.21 A
2018	\$0.31 A	\$0.42 A	\$0.37 A	\$0.39 E	\$1.48 E
2019					\$1.75 E

Zacks Projected EPS Growth Rate - Next 5 Years % **10**

## WHAT'S NEW

TowerJazz reported Q3 revenues of \$322 million versus \$355 million a year ago (down 9%.) This was near the lower end of its Q3 revenue guidance of \$318-\$352 million. Revenues were impacted by the company's decision to decline low margin business in favor of high margin orders, which were unable to be fulfilled due to component shortages, thus leaving capacity under utilized.

Specifically, Fab 2 (Migdal Heamek) and Fab 3 (Newport Beach) declined orders for RFSOI products that would have required them to take a 20 basis point price cut, as well as prevent them from fulfilling orders for higher margin products that needed to be made at those fabs. Unfortunately, the replacement orders did not materialize to fully make up the difference in declined orders. Currently the higher margin orders for SiGe product are fully ramped (being produced at Fab 3) and back on track, while the orders for higher margin RFSOI and CMOS image sensors (Fab 2) continue to be gated by substrate shortages. Since this substrate is supplied by the customer and not sourced by TowerJazz, it is difficult for TSEM to resolve, but there are plans to mitigate the problem for 2019 and onward.

The company guided to a midpoint revenue range of \$340 million plus or minus 5% for Q4, again below expectations. In previous guidance for Q4, the company was looking for revenues of \$360 million to \$380 million versus \$358 million in Q4 2017. At \$340 million, revenues would be down 5% year over year but up 5% sequentially. TowerJazz management that they saw pockets of weakness from customers being cautious on Q4 inventory build. We are concerned that the company may not be able to grow revenues year over year for the next few quarters and that could hinder stock appreciation. Margins are however expected to increase with debt repayment and a product mix moving to higher margin products.

Gross margin for the third quarter was 22.5% versus 25.1% a year ago and 23.4% in Q2 2018. Gross margin is expected to improve with sequential sales increases, higher margin SiG capacity increases, and a ramp in higher margin 300mm product.

R&D costs for the quarter were flat sequentially but \$1.1 million higher than last year and M, G&A decreased \$1.0 million from last year and \$290,000 sequentially. The operating margin declined four percentage points year over year. On a dollar basis it was down 30%.

Financing expense was \$2.5 million compared to \$2.3 million last year. After taking out \$2.4 million for taxes and \$28,000 for minority loss, GAAP net income was \$34 million versus \$55 million, while non-GAAP net income was \$38 million versus \$61 million.

Diluted GAAP EPS was \$0.33 per share versus \$0.54 last year. Adjusted non-GAAP EPS declined to \$0.37 versus \$0.60 a year ago. Average diluted shares for the quarter were 102.1 million down 4% from last year and now stand 105 million shares.

EBITDA for the third quarter of 2018 was \$89 million compared to \$95 million in Q2 and \$109 million a year ago.

During the quarter the company signed a number of new customers, the largest being the sole source foundry for a Tier 1 company for an RFSOI switch device for a 65-nanometer 300-millimeter platform. Management believes this customer could be one of its top ten customers (or higher) in the future, which points to generating revenues over \$25 million per year. This new customer is planning initial tape outs by the end of 2018, which is expected to contribute to the growth of RF business in 2020 and beyond.

In addition during the quarter, the company also won a major Tier 1 bid for its 65-nanometer 300-millimeter power management BCD platform, which was released in Q2. This platform provides tens of percentage points, improvements to key Figures of Merit, power efficiency, and a substantial cost reduction for this customer.

## Balance Sheet and Capacity

The company has **cash and marketable securities of \$607 million** compared to \$627 million last quarter as it reduced debt by \$55 million to \$294 million versus \$349 million last quarter. This included early repayment of a \$40 million loan for its purchase of Maxim (LIBOR + 2) and two early conversions of notes of \$58 million, of which \$19 million were converted in Q3. The remaining notes were converted this month. Together these repayments should save the company \$7 million per year. Its quick ratio is high at 3.3xs and it has \$709 million in working capital. The company is stockpiling cash to increase future capacity particularly in San Antonio and Uozu fabs as well as continuing to invest in silicon germanium capacity in Newport Beach. Customers are adopting 300mm at a pace that TSEM expects that by the third quarter of 2019 it may have to add additional capacity by in order to meet the 2020 and 2021 demand. It is also actively seeking M&A opportunities that could expand its technology or market reach.

The company has a goal to reach \$3.5 billion in revenues. It believes that it can grow organically to \$2.3 billion to \$2.5 billion with all its current and planned initiatives including the Takoma project, a new 8-inch semiconductor fab in Nanjing, China. The rest is expected to come from acquisitions. The project in China continues to be delayed by the partner who owns 57% of the project as it works to pull together an investment consortium to provide the funds needed to proceed. It still has a commitment from a customer to absorb 50% of the project's capacity when it comes on stream.

The current fab capacity will allow the company to grow revenues and improve margins through capacity utilization. TowerJazz continues to increase capacity at its current fabs. Newport Beach and San Antonio both increased their capacities by 5% during the quarter. The company targets 85% utilization at its fabs. Its current fabs were at the following capacity utilization at quarter end:

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
<b>Fab1 Migdal Haemek, Israel 6"</b>	87%	90%	91%	93%	90%	95%	90%
<b>Fab2 Migdal Haemek, Israel 8"</b>	89%	85%	86%	85%	80%	85%	80%
<b>Fab3 Newport Beach, California 8"</b>	87%	86%	81%	76%	80%	85%	85%
<b>Three TPSCo factories</b>	50%	50%	58%	60%	50%	50%	60%
<b>San Antonio, 8"</b>	60%	60%	60%	60%	55%	60%	50%

## KEY POINTS

- Although the semiconductor market is typically considered cyclical, we believe that based on the end-user markets for which TowerJazz's products used, it should be less so.
- As a foundry, the company has natural operating leverage given its high fixed costs. Every dollar in revenue tends to add over \$0.50 to gross margin. When the company adds 12" revenues that blended percentage will trend higher as 12" can sell at 60+ gross margins.
- The company has a strong market position in high quality imaging and 3D, which is increasing being used for gesturing controls, machine vision, security anti-crash systems and self driving cars, as well as smartphones with high megapixel cameras. In this area its primary competition is Sony, which makes it a preferable source for many companies that compete with Sony.
- Having Panasonic as a partner gives the company increased stature in the industry and has attracted new customers who have a favorable disposition to working with a trusted and known company with high quality product and leading edge expertise in imaging.

- The major risk to the stock is the need to add capacity, which is currently \$1.6 billion in revenue. The company can do this by increasing current fab capacities, buying a new fab either outright or in a joint venture. It has recently partnered with Tacoma to create capacity in China.
- We believe the stock is currently undervalued on a PE basis versus its peers, as well as by PE to growth rate. Peer companies trade at an average PE of 14.2 times 2019 estimates. At an industry average PE, TSEM's stock could trade at \$24.85 per share.

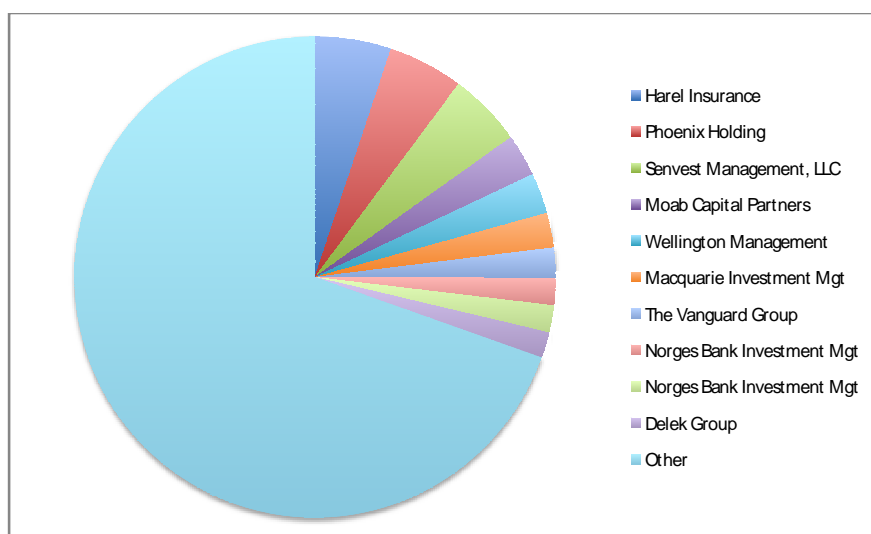
## VALUATION

TSEM's public foundry comparables have a PE range of 13.6 to 71.2 times 2018 estimated EPS. Our Fully diluted non-GAAP EPS estimate for 2018 for TSEM is \$1.48 and our 2019 EPS estimate is \$1.75. Using 2019 estimates, TSEM could be worth 14.2 times \$1.75 or \$24.85. The biggest risks to the stock is that the mobile market continues its weakness beyond the expected time frame, the ramp to 300 mm technology is impeded or constrained, customer components continue to be in short supply, or that an acquisition of a fab or a joint venture could incur short-term earnings dilution.

### Foundry Companies

<u>Company</u>	<u>Ticker</u>	<u>EPS 18E</u>	<u>EPS 19E</u>	<u>Price</u>	<u>PE 2018</u>	<u>PE 2019E</u>
Semiconductor Manufacturing	SMI	0.06	0.05	4.27	71.2	85.4
Taiwan Semiconductor	TSM	2.27	2.47	38.70	17.0	15.7
United Microelectronics	UMC	0.14	0.15	1.91	13.6	12.7
<b>Average</b>					15.3	14.2

## OWNERSHIP



Source: E\*TRADE and SEC filings

# INCOME STATEMENT

	March Q1 17	June Q2 17	Sept Q3 17	Dec Q4 17	March Q1 18	June Q2 18	Sept Q3 18	Dec Q4 18E	2017	2018E	2019E
<b>REVENUE</b>	330.1	345.1	354.6	357.6	312.7	335.1	322.6	330.0	1,387.3	1,300.4	1,405.0
Yr-to-yr Gr.	19%	13%	9%	5%	-5%	-3%	-9%	-8%	11%	-6%	8%
<b>OPERATING EXPENSES</b>											
Cost of goods sold	245.3	254.0	265.4	268.3	246.5	256.6	250.0	254.4	1,033.0	1,007.5	1,058.8
Gross Margin	84.8	91.1	89.1	89.4	66.2	78.5	72.6	75.6	354.3	292.9	346.2
% of Sales	25.7%	26.4%	25.1%	25.0%	21.2%	23.4%	22.5%	22.9%	25.5%	22.5%	24.6%
R&D	15.8	16.4	17.1	18.4	18.3	18.2	18.2	18.2	67.7	72.9	75.5
M, G&A	16.2	17.2	16.8	16.5	16.0	16.1	15.8	15.8	66.8	63.8	65.4
One-time charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tot Operating Exp.	32.0	33.7	33.9	34.9	34.3	34.3	34.1	34.1	134.5	136.7	140.8
<b>Operating Income</b>	52.8	57.4	55.2	54.5	31.9	44.2	38.6	41.5	219.8	156.2	205.4
<b>Operating Margin</b>	16%	17%	16%	15%	10%	13%	12%	13%	16%	12%	15%
Yr-to-yr Gr.	71%	43%	13%	-1%	-40%	-23%	-30%	-24%	25.5%	-28.9%	22%
Net Interest	(2.2)	(2.1)	(1.8)	(1.8)	(0.6)	0.0	0.0	0.0	(7.8)	(0.6)	0.0
Other non-cash financing expense	(2.0)	(1.1)	(2.3)	(2.3)	(3.2)	(7.0)	(2.5)	(2.5)	(7.6)	(15.2)	(8.0)
Other income	0.5	0.1	(0.3)	(3.0)	0.0	1.6	0.0	0.0	(2.6)	1.6	0.0
Gain from acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	49.0	54.4	50.9	47.4	28.1	38.8	36.1	39.0	201.8	142.0	197.4
Profit margin	14.9%	15.8%	14.4%	13.3%	9.0%	11.6%	11.2%	11.8%	14.5%	10.9%	14.0%
Taxes	(2.0)	(2.7)	3.3	101.2	(1.0)	(2.8)	(2.4)	(2.8)	99.9	(8.9)	(18.6)
Tax Rate	4.1%	4.9%	-6.5%	213.6%	3.4%	7.2%	6.6%	7.2%	-49.5%	6.3%	9.4%
Profit before non-controlling Minority Income	47.0 (1.5)	51.7 (1.7)	54.2 1.0	148.6 (1.4)	27.2 (1.1)	36.0 1.7	33.7 (0.0)	36.2 0.0	301.7 (3.6)	133.1 0.6	178.8 (6.0)
GAAP Net income	45.5	50.0	55.2	147.2	26.1	37.7	33.6	36.2	298.0	133.7	172.8
Yr-to-yr Gr.	-31%	30%	8%	205%	-43%	-25%	-39%	-75%	46%	-55%	29%
Non-GAAP Net Income	52.1	54.6	61.2	59.9	31.1	42.1	38.0	40.6	227.76	151.8	188.79
GAAP primary EPS	\$0.48	\$0.52	\$0.56	\$1.50	\$0.27	\$0.38	\$0.34	\$0.34	\$3.08	1.33	\$1.65
Fully diluted GAAP	\$0.45	\$0.49	\$0.54	\$1.40	\$0.26	\$0.37	\$0.33	\$0.34	\$2.90	1.31	\$1.65
<b>Adj Non-GAAP EPS-Fully dil.</b>	<b>\$0.50</b>	<b>\$0.54</b>	<b>\$0.60</b>	<b>\$0.58</b>	<b>\$0.31</b>	<b>\$0.42</b>	<b>\$0.37</b>	<b>\$0.39</b>	<b>\$2.21</b>	<b>\$1.48</b>	<b>1.75</b>
Yr-to-yr Gr.	46%	28%	18%	9%	-48%	-31%	-45%	-41%	23%	-33%	18%
Primary Share Out	93.9	96.4	97.9	98.3	98.5	98.9	100.2	105.0	96.6	100.6	105.0
Fully Diluted GAAP	104.9	105.6	106.4	106.8	101.1	101.1	102.1	105.0	105.9	102.3	105.0
All in shares	107.2	107.4	107.7	107.7	107.7	107.9	108.1	108.1	107.7	108.0	108.1
<b>EBITDA</b>	<b>101.0</b>	<b>108.3</b>	<b>108.7</b>	<b>107.3</b>	<b>84.3</b>	<b>95.5</b>	<b>89.0</b>	<b>92.1</b>	<b>425.3</b>	<b>360.9</b>	<b>409.4</b>
EBITDA Margin	31%	31%	31%	30%	27%	29%	28%	28%	31%	28%	29%
Yr-to-yr Gr.	30%	24%	12%	2%	-17%	-12%	-18%	-14%	16%	-15%	13%

## BALANCE SHEET

\$ in thousands	Sept 30, 2018	June 30, 2018	Qtr-Qtr % Change	Sept 30, 2017	Yr-Yr % Change
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$464,446	\$486,880	-4.6%	\$480,407	-3.3%
Marketable securities	\$143,041	\$140,140	2.1%	49,738	187.6%
Trade accounts receivable	163,747	161,017	1.7%	150,039	9.1%
Inventories	159,507	153,413	4.0%	143,300	11.3%
Other current assets	20,967	19,089	9.8%	21,465	-2.3%
<b>Total current assets</b>	<b>951,708</b>	<b>960,539</b>	<b>-0.9%</b>	<b>795,211</b>	<b>19.7%</b>
<b>LONG-TERM INVESTMENTS</b>					
LONG-TERM INVESTMENTS	31,179	28,978	7.6%	27,091	15.1%
<b>PROPERTY AND EQUIPMENT, NET</b>					
PROPERTY AND EQUIPMENT, NET	639,042	648,413	-1.4%	633,107	0.9%
<b>INTANGIBLE ASSETS, NET</b>					
INTANGIBLE ASSETS, NET	15,006	16,671	-10.0%	21,627	-30.6%
<b>GOODWILL</b>					
GOODWILL	7,000	7,000	0.0%	7,000	0.0%
<b>DEFERRED TAX &amp; OTHER ASSETS, NET</b>					
DEFERRED TAX & OTHER ASSETS, NET	96,722	101,022	-4.3%	18,484	423.3%
<b>TOTAL ASSETS</b>	<b>1,740,657</b>	<b>1,762,623</b>	<b>-1.2%</b>	<b>1,502,520</b>	<b>15.8%</b>
<b>CURRENT LIABILITIES</b>					
<b>Short term debt</b>					
Short term debt	45,697	100,242	-54.4%	45,664	0.1%
<b>Trade accounts payable</b>					
Trade accounts payable	114,375	126,135	-9.3%	109,385	4.6%
<b>Deferred revenue</b>					
Deferred revenue	10,059	10,297	-2.3%	26,454	-62.0%
<b>Other current liabilities</b>					
Other current liabilities	72,160	75,867	-4.9%	64,259	12.3%
<b>Total current liabilities</b>	<b>242,291</b>	<b>312,541</b>	<b>-22.5%</b>	<b>245,762</b>	<b>-1.4%</b>
<b>LONG-TERM DEBT</b>					
LONG-TERM DEBT	247,757	248,685	-0.4%	295,485	-16.2%
<b>LONG-TERM CUSTOMERS' ADVANCES</b>					
LONG-TERM CUSTOMERS' ADVANCES	29,978	29,771	0.7%	37,674	-20.4%
<b>EMPLOYEE RELATED LIABILITIES</b>					
EMPLOYEE RELATED LIABILITIES	14,649	14,616	0.2%	14,170	3.4%
<b>DEFERRED TAX LIABILITY</b>					
DEFERRED TAX LIABILITY	52,696	56,335	-6.5%	85,380	-38.3%
<b>Total liabilities</b>	<b>587,371</b>	<b>661,948</b>	<b>-11.3%</b>	<b>678,471</b>	<b>-13.4%</b>
<b>SHAREHOLDERS' EQUITY</b>					
SHAREHOLDERS' EQUITY	1,153,286	1,100,675	4.8%	873,787	32.0%
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$1,740,657</b>	<b>\$1,762,623</b>	<b>-1.2%</b>	<b>\$1,552,258</b>	<b>12.1%</b>
<b>Current Ratio</b>					
Current Ratio	3.9	3.1	27.8%	3.2	21.4%
<b>Quick Ratio</b>					
Quick Ratio	3.3	2.6	26.6%	2.7	23.3%
<b>Working Capital</b>					
Working Capital	709,417	647,998	9.5%	549,449	29.1%
<b>Debt Percent of Assets</b>					
Debt Percent of Assets	17%	20%	-14.8%	23%	-25.7%
<b>Debt to Equity</b>					
Debt to Equity	0.3	0.3	-19.7%	0.4	-34.8%

## CASH FLOW

	3-Mo	3-Mo	3-Mo	3-Mo	Year	3-Mo	3-Mo	3-Mo
	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	2017	31-Mar-18	30-Jun-18	30-Sep-18
<b>CASH FLOWS - OPERATING ACTIVITIES</b>								
Net profit (loss)	\$ 47,046	\$ 51,727	\$ 54,241	\$ 148,642	\$ 301,656	\$ 27,181	\$ 36,009	\$ 33,674
<b>Income and non-cash expense items:</b>								
Depreciation and amortization	49,698	52,389	55,014	51,310	208,411	53,977	53,493	52,764
Financing expense associated with deb. series F	0	0	0	0	0	0	0	0
Effect of fair value measurement on debt	6,888	4,873	(1,177)	2,281	12,865	(1,740)	(4,797)	788
Other expense (income), net	(511)	(142)	253	3,027	2,627	(22)	(1,578)	0
Gain from acquisition	0	0	0	0	0	0	0	0
<b>Changes in assets and liabilities:</b>								
Trade accounts receivable	9,529	(17,242)	361	788	(6,564)	8,089	(18,351)	(3,767)
Other receivables and other current assets	(4,439)	(7,307)	2,980	445	(8,321)	3,370	5,713	(919)
Inventories	(1,421)	1,688	(4,636)	92	(4,277)	(2,692)	(6,713)	(7,237)
Trade accounts payable	(4,128)	(6,530)	4,795	(2,786)	(8,649)	(6,313)	10,222	(2,652)
Deferred revenue and customers' advances	(8,735)	(4,564)	9,378	(17,882)	(21,803)	(712)	(5,466)	35
Other current liabilities	(9,090)	12,866	(13,760)	1,765	(8,219)	(4,219)	13,355	(2,764)
Employee related liabilities	(257)	(234)	(274)	(2,482)	(3,247)	(387)	193	(240)
Deferred tax liability, net	(2,440)	(3,230)	(3,259)	(99,915)	(108,844)	(1,531)	(5,151)	(211)
Other long-term liabilities	0	0	0	0	0	0	0	0
<b>Net cash provided by operating activities</b>	<b>82,140</b>	<b>84,294</b>	<b>103,916</b>	<b>85,285</b>	<b>355,635</b>	<b>75,001</b>	<b>76,929</b>	<b>69,471</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>								
Investments in property and equipment, net	(40,348)	(41,312)	(41,708)	(41,349)	(164,717)	(40,047)	(40,148)	(40,892)
Interest bearing deposits, including designated deposits	(5,118)	0	(49,869)	(64,867)	(114,736)	(14,963)	(15,488)	(4,899)
Net cash provided by (used in) investing activities	(45,466)	(41,312)	(91,577)	(106,216)	(279,453)	(55,010)	(55,636)	(45,791)
<b>CASH FLOWS - FINANCING ACTIVITIES</b>								
Exercise of warrants and options	12,756	14,254	1,027	3,278	31,315	658	26	21
Proceeds from long-term loans	0	0	0	0	0	0	0	0
Debt repayment	(11,805)	(5,655)	(15,932)	(16,863)	(50,255)	(6,656)	3,809	(43,078)
Debenture repayment	0	0	0	0	0	0	0	0
TPSCo dividend to Panasonic	(4,378)	0	0	0	(4,378)	0	0	0
Net cash used in financing activities	(3,427)	8,599	(14,905)	(13,585)	(23,318)	(5,998)	3,835	(43,057)
Effect of foreign exchange rate change	4,371	(91)	(630)	70	3,720	4,707	(2,909)	(3,057)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>37,618</b>	<b>51,490</b>	<b>51,771</b>	<b>(34,446)</b>	<b>56,584</b>	<b>18,700</b>	<b>22,219</b>	<b>(22,434)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</b>	<b>355,284</b>	<b>432,113</b>	<b>311,062</b>	<b>480,407</b>	<b>389,377</b>	<b>445,961</b>	<b>464,661</b>	<b>486,880</b>
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>	<b>392,902</b>	<b>483,603</b>	<b>362,833</b>	<b>445,961</b>	<b>445,961</b>	<b>464,661</b>	<b>486,880</b>	<b>464,446</b>
Operating Cash Flow	\$ 103,121	\$ 108,847	\$ 108,331	\$ 205,260	\$ 525,559	\$ 79,396	\$ 83,127	\$ 87,226
Free cash flow	\$ 62,773	\$ 67,535	\$ 66,623	\$ 163,911	\$ 360,842	\$ 39,349	\$ 42,979	\$ 46,334

# HISTORICAL STOCK PRICE





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