Zacks Small-Cap Research

May 14, 2015
Jason Napodano, CFA
312-265-9421
jnapodano@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

InVivo Therapeutics (NVIV-NASDAQ)

NVIV: Revolutionizing Treatment For Spinal Cord Injury…

Current Recommendation	**Buy**
Prior Recommendation	Neutral
Date of Last Change	01/15/2015
Current Price (05/14/15)	$12.51
Target Price	**$24.00**

UPDATE

On March 26, 2015, the U.S. FDA cleared InVivo Therapeutics (NVIV) to allow the open enrollment of patients three, four, and five in the company's ongoing pilot study of its investigational Neuro-Spinal Scaffold (NSS) for the treatment of acute spinal cord injury.

On May 14, 2015, InVivo Therapeutics (NVIV) provided an update on the status of the two patients enrolled so far in the company's investigational pilot study with the neuro-spinal scaffolding (NSS) device. We believe the update provides clear evidence that the NSS is both safe and effective. In short, the pilot study is going beautifully and we believe the future is very bright for InVivo. Our target is $24 per share.

SUMMARY DATA

52-Week High	**$16.85**
52-Week Low	**$2.00**
One-Year Return (%)	**186.35**
Beta	**1.18**
Average Daily Volume (sh)	**316,585**
Shares Outstanding (mil)	**26**
Market Capitalization ($mil)	**$349**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**22**
Insider Ownership (%)	**32**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2015 Estimate	**N/A**
P/E using 2016 Estimate	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	0 A	0 A	0 A	0 A	0 A
2015	0 A	0 E	0 E	0 E	0 E
2016					0 E
2017					0 E

Earnings per Share
(EPS is operating earnings)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	-$0.28 A	-$0.17 A	-$0.05 A	-$1.49 A	-$0.83 A
2015	-$0.64 A	-$0.16 E	-$0.16 E	-$0.18 E	-$0.71 E
2016					-$0.78 E
2017					-$0.89 E

© Copyright 2015, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW

Financial Position

On May 7, 2015, InVivo Therapeutics reported financial results for the first quarter ending March 31, 2015. The company did not report revenues during the quarter. This was in-line with expectations. Net loss totaled $15.8 million, driven by $2.3 million in R&D and $3.2 million in G&A expense. Net loss included some non-cash items, including a negative $10.3 million re-valuation of warrant liability; so on actual cash basis the company burned only $2.9 million. Operating burn for the previous four quarters has been fairly consistent. InVivo exited the quarter with $24.5 million in cash on the books.

Patient Updates Show NSS Is Working!

On May 14, 2015, InVivo Therapeutics (NVIV) provided an update on the status of the two patients enrolled so far in the company's investigational pilot study with the neuro-spinal scaffolding (NSS) device. We remind investors that this pilot study (NCT02138110) is primarily a safety study, with investigators and the FDA looking for signs that the NSS does no additional harm to the patient. The primary endpoint is incidence of all Adverse Device Effects ("ADEs") of any kind / seriousness six months post-surgery.

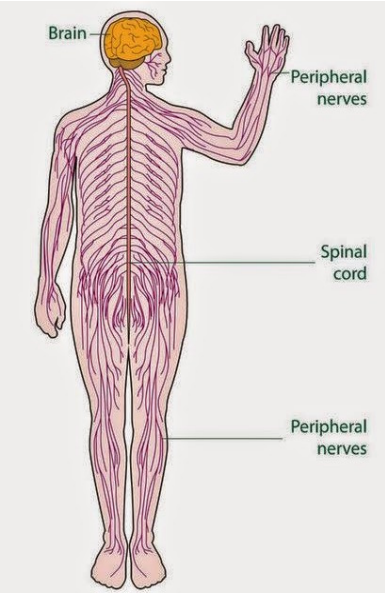
Below we give a brief chronology of where we are now with respect to both subjects, and then get into what the update means for the InVivo story:

Patient #1 (Jordan):
- October 13, 2014: Jordan is injured in a dirt bike accident. The injury is classified as "A" on the American Spinal Cord Association (ASIA) Impairment Scale (AIS) and graded as complete (total paralysis) at T11 and below.
- October 16, 2014: InVivo announces the NSS was successfully implanted (actual surgery took place on October 13, 2014).
- November 11, 2014: Barrow Neurological Institute announces the surgery was a success with respect to safety of the implant.
- January 21, 2015: InVivo announces positive safety update at 3-months. The injury is now graded as "incomplete" and Jordan is reclassified to AIS-C, with motor, sensory, bowel, and bladder functional improvements compared to baseline.
- May 14, 2015: InVivo announces positive update at 6-months, noting the patient has regained partial function of knee extensors and remains classified as AIS-C with a motor incomplete spinal cord injury.

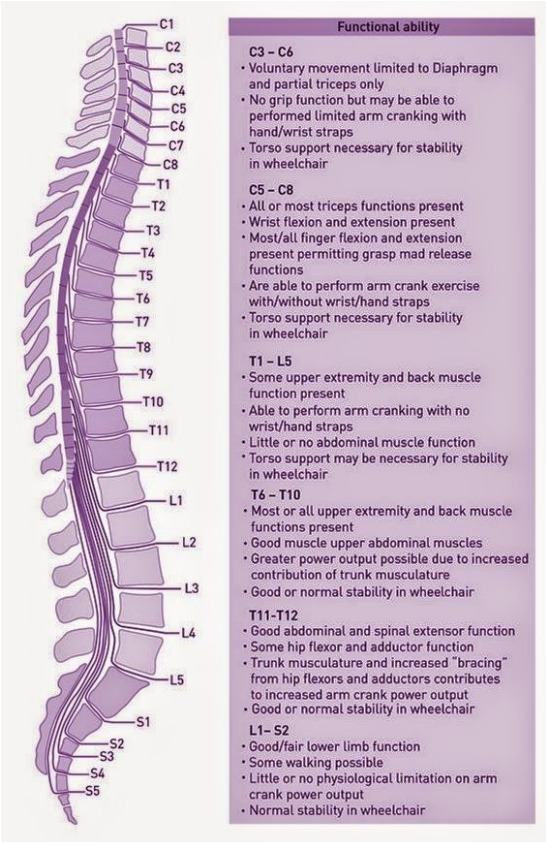
Patient #2 (Jesi):
- January 18, 2015: Jesi is struck by a car when riding on the back of a motorcycle. The injury is classified as AIS-A impairment and graded as complete at T6 with total paralysis at T8 and below.
- January 22, 2015: InVivo announces the NSS was successfully implanted (actual surgery took place on January 20, 2015).
- March 26, 2015: InVivo announces re-opening of enrollment in the pilot study, signifying success with respect to the safety endpoint at 30-days post-surgery for Jesi.
- May 15, 2015: InVivo announces positive safety and efficacy updated on Jesi at 3-months. Despite a return of some sensory and motor function, including appreciable improvement in trunk stability, self-care, mobility and bowel and bladder function at the three-month post-implant assessment, Jesi remained classified as AIS-A on the impairment scale due to a lack of consistent and profound sensory and motor function at the sacral S4-S5 region.

We realize that some investors may be confused as to why Jesi remained classified as A on the ASIA Impairment Scale when it is clear that she has regained some motor and sensory control below the site of the injury, as evidenced by this YouTube video showing her ability to lift her legs at 90-days post injury. She, anecdotally, has greater control of her legs than Jordan at roughly 180 days post injury. The reason is because many of the improvements evidence on social media videos and blogs, specifically with the trunk and hip muscles are not evaluated as part of the standard International Standards for Neurological Classification of Spinal Cord Injury (ISNCSCI) exam.

What investors also need to understand is that sensory and motor control below the site of the injury is not geographically associated with physiological control because there are sensory root ganglion that branch off from the central canal containing peripheral nerve cells that travel down the body to the pelvis, hips, legs, and feet. This is depicted in the figure below.



Investors can see, there are peripheral nerves that travel down the legs and attach to the central cord at regions all along the spine. The figure below represents the structure of the spinal cord and the different groups of vertebrae that control regions of the body.



For example, an injury at the C8 level just below the base of the neck will cause a loss of sensory and motor control to the chest, abdomen, pelvis, legs, and feet. However, the patient may still be able to move their fingers because this is controlled by peripheral nerves and dorsal root ganglia that attach at the C7 region of the spine. Injuries below the C8 level will likely leave arm and hand function unharmed. An injury at the L3 vertebra, located just below the belly button, still likely still allow a patient to roll their hips and contract their quadriceps muscles, as these are controlled by nerves that connect at the L1 and L2 region.

The ASIA Impairment Scale

The American Spinal Injury Association (ASIA) impairment scale (AIS) describes a person's functional impairment as a result of their spinal cord injury. It is based on neurological responses, touch and pinprick sensations tested in each dermatome (area of the skin), and strength of the muscles that control ten key motions on both sides of the body, including hip flexion (L2), shoulder shrug (C4), elbow flexion (C5), wrist extension (C6), and elbow extension (C7). Traumatic spinal cord injury is classified into five categories on the ASIA Impairment Scale:

A = Complete. No sensory or motor function is preserved in the sacral segments S4-S5.

B = Sensory Incomplete. Sensory but not motor function is preserved below the neurological level and includes the sacral segments S4-S5 (light touch, pin prick at S4-S5: or deep anal pressure (DAP)), AND no motor function is preserved more than three levels below the motor level on either side of the body.

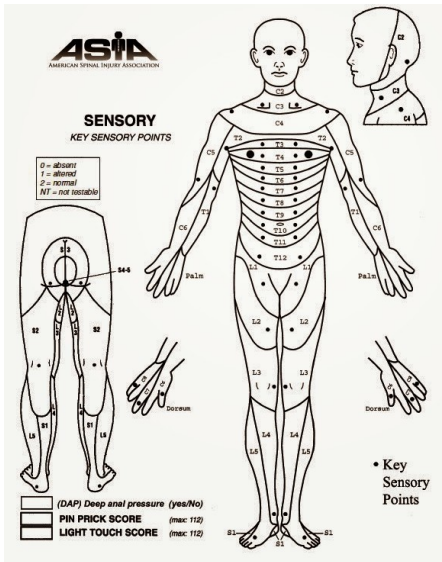
C = Motor Incomplete. Motor function is preserved below the neurological level, and more than half of key muscle functions below the single neurological level of injury (NLI) have a muscle grade less than 3 (Grades 0-2).

D = Motor Incomplete. Motor function is preserved below the neurological level, and at least half (half or more) of key muscle functions below the NLI have a muscle grade > 3.

E = Normal. If sensation and motor function are graded as normal in all segments, assuming the patient had prior deficits, then the AIS grade is E.

Some things to keep in mind: Someone without an initial SCI does not receive an AIS grade, so while AIS-E is considered "normal" sensory and motor control, this does not mean no injury is present. Also, for an individual to receive a grade of C or D, i.e. motor incomplete status, they must have either (1) voluntary anal sphincter contraction or (2) sacral sensory sparing with sparing of motor function more than three levels below the motor level for that side of the body. The standards at this time allows even non-key muscle function more than 3 levels below the motor level to be used in determining motor incomplete status (AIS-B vs. -C). When assessing the extent of motor sparing below the level for distinguishing between AIS-B and -C, the motor level on each side is used; whereas to differentiate between AIS-C and -D (based on proportion of key muscle functions with strength grade 3 or greater) the single neurological level is used.

The key takeaway from the ASIA Impairment Scale is the heavy focus on the sacral region S4-S5 in moving from AIS-A to AIS-B. As noted above, any injured subject with no sensory or motor function in the sacral segment S4-S5, which includes the sphincter muscle and region around and inside the anus, is classified as AIS-A. To move from AIS-A to AIS-B, the subject must demonstrate, at a minimum, sensory function of the S4-S5 region as assessed by light touch, pin prick, or deep anal pressure. The key gating factor in moving from AIS-B to AIS-C is motor control.

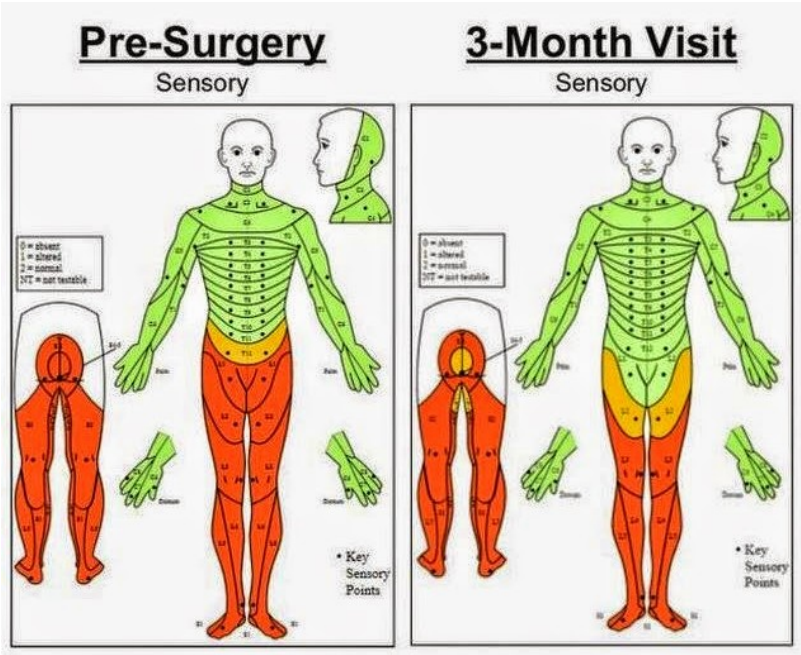


So when you see Jesi lift her legs as documented in the YouTube video linked above, you are seeing motor function control of the hips and quads, controlled by the L1 and L2 region of the spine. When you hear her say things like, "I've got tingling in my toes" it certainly sounds like sensory function well below the site of her injury (T6) and location of where she had total paralysis pre-surgery (T8), but this region is controlled by peripheral nerves that patch into the S1 region of the spinal cord, still north of the all-important S4-S5 region at the center of the ASIA Impairment Scale. As noted above, the improvement in her trunk stability and hip muscle is not

being pick up by the ISNCSCI exam or being reflected in her ASIA classification.

What Does This All Mean?

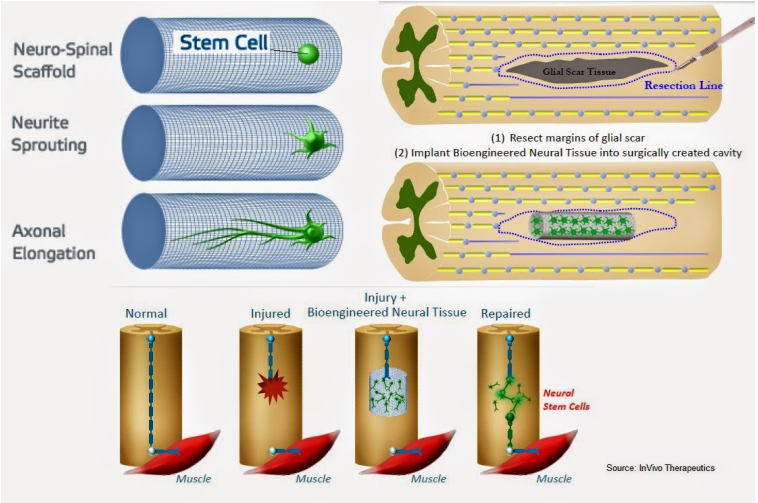
The fact that Jesi has regained sensation and function at five to six levels below her baseline is an incredible achievement and should not be ignored. Both Jordan and Jesi have made amazing progress to date. Jordan is only six months post injury and has already moved from complete-grade / AIS-A impairment to incomplete-grade / AIS-C impairment, an achievement that only around 10-15% of all complete (AIS-A) injured patients ever accomplish according to a 1999 analysis by Mario et al and confirmed by Zariffa, J et al, 2011. Jordan also had a 10 point sensory improvement, 2 segment neurological improvement (T11 → L1), and 8 point motor improvement. However, the reason he was able to move from AIS-A to AIS-C was his ability to sense deep anal pressure along with control of his sphincter muscle. He has not, however, demonstrated effective motor control of his legs. Below is a representation of Jordan's improvement at month three on the ASIA scale.



Although InVivo investors and Jesi may be disappointed with her still being classified as AIS-A, it is clear that she is making progress based on the videos and personal comments. It has only been three months since her injury. Based on her ability to do things today she could not do three months ago, like move her legs and feel her toes, it is clear she is regaining function. For example, if she is gaining sensation in her toes, this would be enormous improvement from the site of her injury at T6 or the baseline T8 location all the way to S1. None of these improvements are going to change her ASIA scale based on what the ISNCSCI exam is focusing on. However, these improvements cannot be ignored. Her injury is healing, and we believe InVivo's NSS is providing the bridge across the gap in her spine for synaptogenesis to occur.

The ASIA Impairment Scale looks at sensory and motor function at the absolute bottom of the spinal cord (region S4-S5). More time is needed for the healing and nerve growth to reach this region. Investors need to keep in mind, Jesi's injury was higher on the spinal cord at T6 than Jordan's T11, so it is logical to assume this will be a more difficult journey for her. Her injury was also more severe than Jordan's and her surgery did not take place until 42 hours after the accident (vs. roughly 8 hours for Jordan). For someone with an injury at this level, things like trunk stability and full bowel and bladder control are difficult to obtain.

As such, we do not know if a recovery down to the bottom of the cord will ever come for Jesi. She may need more than just InVivo's NSS; she may need the NSS device seeded with neural stem cells. NSS is designed to spare living white mater in the cord. It's not designed to re-grow neurons. This is something a patient may need neural stem cells to accomplish, and it is the next step in the evolution for InVivo Therapeutics. The cartoon below depicts a very good representation of how this technology would work.

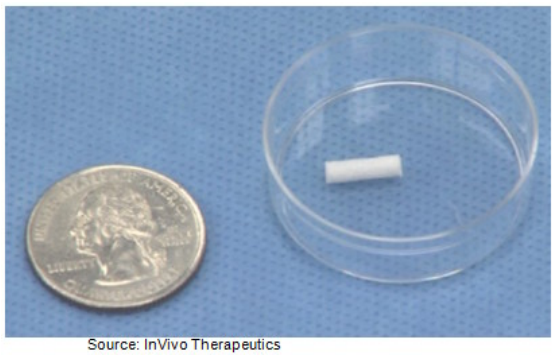


Whether or not this is a viable option for Jesi remains to be seen, but the progress she has made to date is incredible, and coupled with Jordan's progress at three and six months one can assume these recoveries are not chance events. InVivo's NSS looks to be working. However, investors just need to keep the concept of "working" in touch with reality. We cannot expect that neurosurgeons are going to implant the NSS into a completely paralyzed 22 year old girl with a severe traumatic injury at T6/T8 and expect to see her up and dancing again at three months. And keep in mind, each spinal cord injury is different. Where Jordan may have regained sensory and motor function at S4-S5, it does not look like he has regained motor control of his legs. Jesi looks to be demonstrating motor control of her hips and quads in the above YouTube video, but that does not mean she has regained sensory function as well. According to the press release on May 14, 2015, she has regained some bowel and bladder control, but has not demonstrated the ability to feel deep anal pressure required to get her from AIS-A to AIS-B on the ASIA Impairment Scale.

But do not discount the recovery that Jesi has demonstrated. Recovery, even 2 or 3 levels below the site of the injury, which it looks like she has based on the videos, is enormous; and we should not let the fact that she remains AIS-A change that fact. She may never be anything but AIS-A simply based on the location of her injury. That does not mean NSS isn't working.

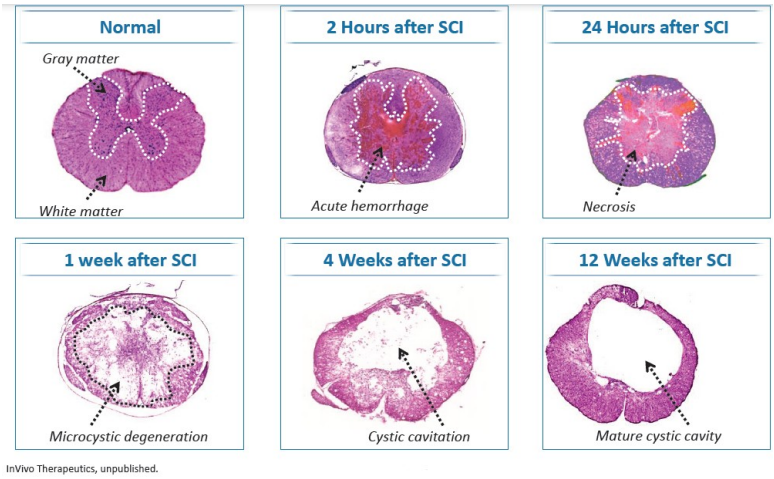
...What We Think Is Going On…

Investors familiar with the InVivo story are aware that the NSS is a porous bioresorbable polymer scaffold comprised of poly ((lactic-co-glycolic acid)-co-poly-(L-lysine)), or PLGA-PLL. The device provides structural support to injured spinal tissue, as well as a supportive matrix for allowing the endogenous healing/repair processes to proceed without risk of bleeding and inflammation creating scar tissue around the injury that might inhibit spinal transmission along the cord. InVivo management believes its device preserves healthy spinal tissue, increasing the chance for functional recovery. NSS is InVivo's proprietary technology and was co-invented by Robert S. Langer, ScD, the David H. Koch Professor at Massachusetts Institute of Technology, and Joseph P. Vacanti, MD, affiliated with Massachusetts General Hospital. The patent rights that are the basis for InVivo's products are under an exclusive, worldwide license from Children's Medical Center Corporation and Massachusetts Institute of Technology.



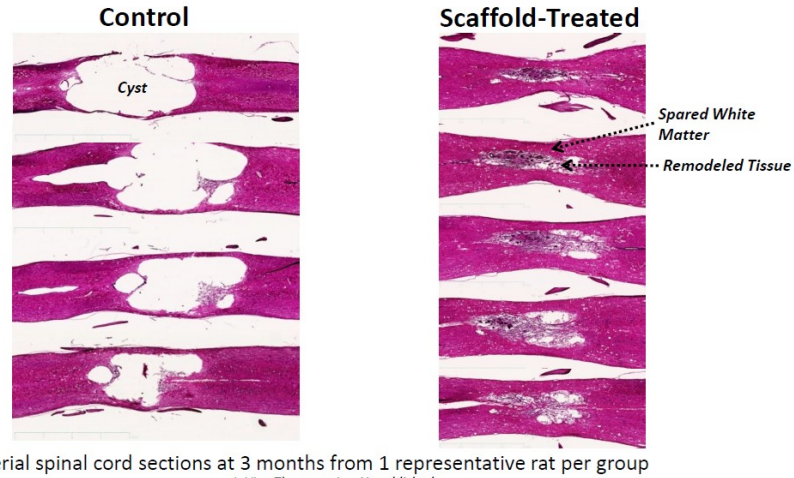
Source: InVivo Therapeutics

The NSS is designed to facilitate the improvement of: 1) Motor control, including the recovery of muscle control, movement, and strength; 2) Sensory function, including reducing neuropathic pain and avoid bed sores, and 3) Autonomic control, including recovery of bowel/bladder control and sexual function. However, there may be secondary benefits not yet fully explored. These include the elimination of cysts, white matter sparing, and pressure reduction. For example, InVivo preclinical data from a rat contusion model shows significant cyst formation inside the spinal cord following an acute hemorrhage representative of a traumatic injury (see below).



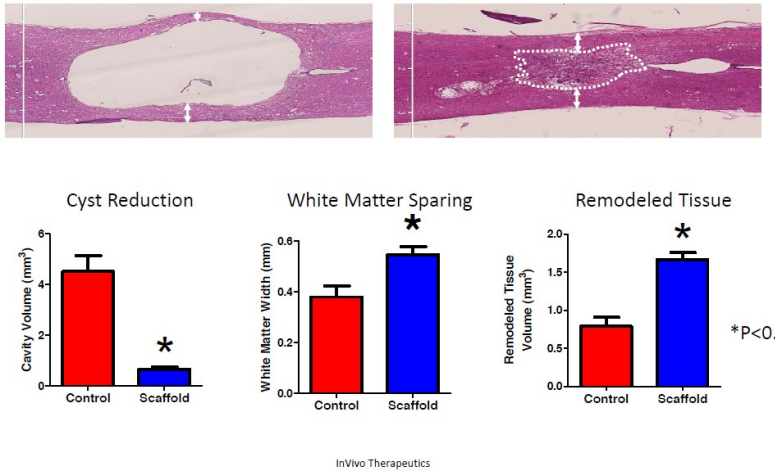
InVivo Therapeutics, unpublished.

Implantation of InVivo's NSS is designed to prevent cyst formation by providing existing healthy spinal tissue a scaffolding/life preserver. Remodeled tissue forms around the scaffold and then fills the cavity as the device degrades. Preclinical data shows significant spared white matter (see below).

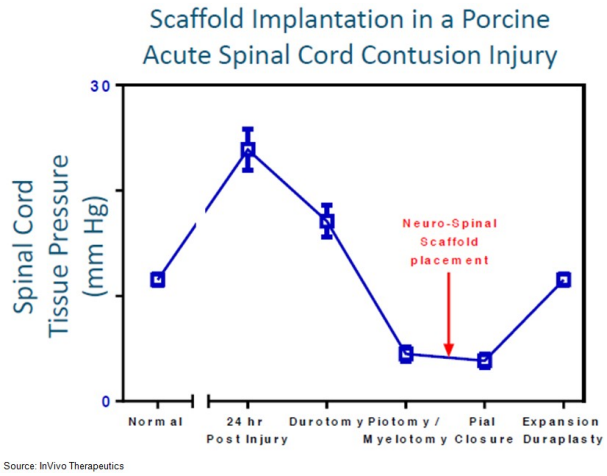


Serial spinal cord sections at 3 months from 1 representative rat per group

InVivo Therapeutics. *Unpublished.*



Beyond the reduction in cyst formation and ability to spare healthy white matter, the implantation procedure of the NSS allows for significant pressure reduction. Following a traumatic injury, increased spinal cord tissue pressure leads to secondary damage including ischemia. Decreasing spinal cord tissue pressure may enhance spinal cord blood flow (Werndle et al, 2014), which leads to tissue oxygenation. It is believed that this leads to neurological recovery. For instance, we had a chance to see a video the implantation of NSS in a porcine acute spinal cord contusion injury model earlier in the month when we sat down for a face-to-face meeting with InVivo management. The pressure reduction inside the spinal cord, as evidenced by substantial leakage of damaged cerebrospinal fluid during the implantation procedure, was profound. InVivo preclinical data shows a significant rise in spinal cord pressure following an acute injury and the reduction of pressure following myelotomy.

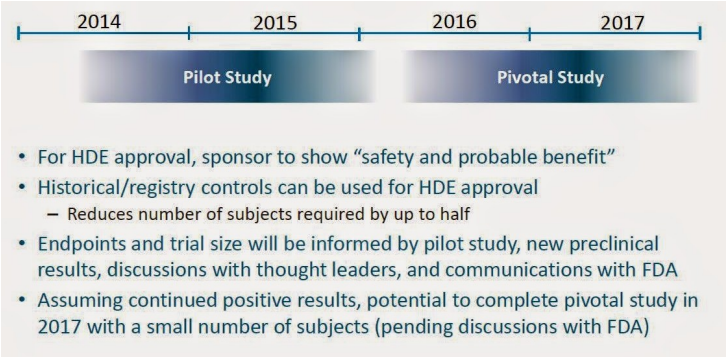


What's Next?

InVivo will continue to follow both Jordan and Jesi for the rest of their life. The next updates to investors should come in mid-August for Jesi (six month update). The trial is also now open to patients three, four, and five, so investors can expect a very busy summer for the company in terms of providing safety and efficacy assessments on all future patients. InVivo is considering added additional endpoints to the pilot study to capture improvements seen with Jordan and Jesi that are not being picked up by the ISNCSCI) exam or be represented by a change in ASIA score. Remember, this is a pilot study! The goal is to learn as much as we can about the safety and initial efficacy of the NSS. We expect the pilot study to wrap up by the end of the year, with 12-month safety assessments of all five patients likely to be completed by the middle of 2016.

Following successful completion of the pilot study, InVivo expects to conduct a pivotal study to obtain FDA approval to commence commercialization under a Humanitarian Device Exemption (HDE). We remind investors that InVivo received a Humanitarian Use Device (HUD) designation for the NSS in April 2013. Some investors have been asking us about the potential for InVivo to file for approval after the pilot study through the FDA's Expanded Access (EA) program. We think it is premature to be discussing EA /compassionate use after only two patients have been treated with the device. We do not think this is a decision the company will make until after all the data from

the pilot study has been analyzed, so we are at least 18 months away for the company even seeking this pathway with the FDA. Regardless, we believe InVivo will have to conduct a pivotal study even if EA / compassionate use is granted. The company's own corporate presentation shows them conducting a pivotal study in 2016 / 2017.



Reasons To Be Bullish

We believe the NSS- is a potential $750 million product in acute spinal cord injury. Based on initial signs of efficacy from Jordan and Jesi, we believe if the NSS works. We also believe that neurosurgeons will use the device in almost all non-penetrating spinal cord injuries, regardless of things like AIS-A impairment level and injury location, post HDE approval. In three months, Jordan Fallis went from complete AIS-A with no motor or sensory function below the belly-button to incomplete AIS-C and the ability to control his bowels/bladder. In two months, Jesi went from completely paralyzed to being able to move her leg. We suspect that with additional physical therapy and time, both Jordan and Jesi will progress to AIS-D by this six or twelve month. That's incredible!

According to the NSCISC's February 2013 report "Spinal Cord Injury Facts and Figures at a Glance," (i) during the first year, average "cost of care" ranges from $340,787 to $1,044,197, depending on the severity of the injury, (ii) the net present value to maintain a quadriplegic injured at age 25 for life is $4,633,137, and (iii) the NPV to maintain a paraplegic injured at age 25 for life is $2,265,584. Because these costs place a tremendous financial burden on families, insurance providers, and government agencies, and because of the HUD designation, we believe a cost of $150,000 is fair (and actually quite conservative) for our financial modeling.

Conclusion

InVivo's basic market capitalization is $330 million. We think peak sales of the NSS device alone under HUD is $750 million. The market more than triples in size under a PMA to $2.5 billion. If the company can strike an alliance with a stem cell supplier and figure out how to seed the NSS with neural-spinal stem cells, then the market opens up from approximately 12,000 acute patients per year to some 300,000 chronic patients. That's a 25-fold increase!

Odds of success at this stage, even under HUD, are still low, perhaps 33%. That being said, the company looks to have gone "2 for 2" with respect to improving function for the first two patients in the pilot study. Odd under the PMA are even lower, perhaps 10%, but so far the data looks outstanding.

We think NSS is likely three years from the market and around six years from peak sales under HUD and 10 years under the PMA. We have built a detailed financial model forecasting sales of NSS under both HUD and a full PMA clearance. Using a 15% discount rate InVivo should be trading at $24 per share. Accordingly, we recommend the stock for long-term investors. We anticipate raising our odds of success if patients No. 3, 4, and 5 shows similar impressive gains to the ones made by the first two patients.

PROJECTED FINANCIALS

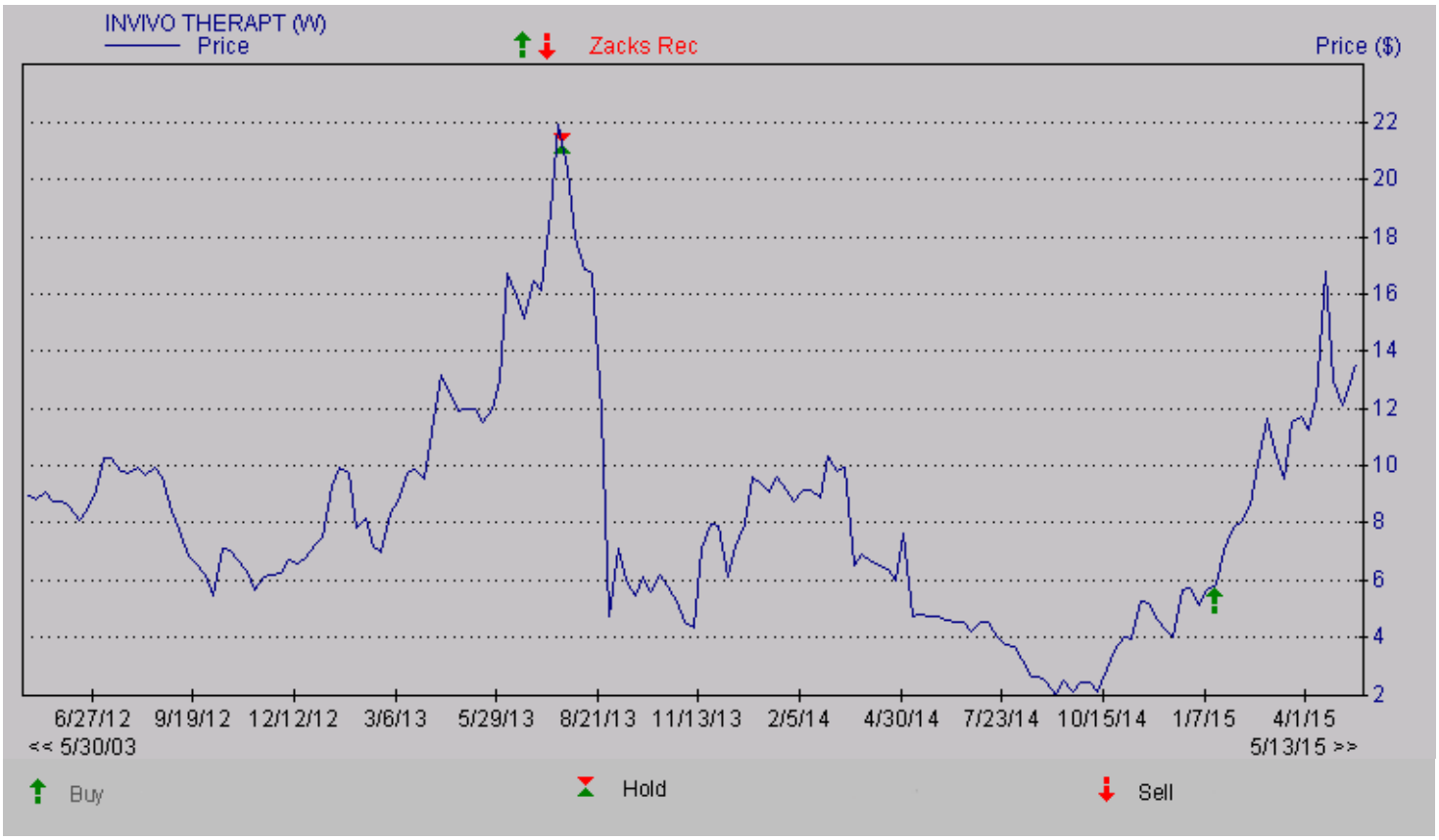
InVivo Therapeutics Holdings Corp.
Income Statement

InVivo Therapeutics	2014 A	Q1 A	Q2 E	Q3 E	Q4 E	2015 E	2016 E	2017 E
Product Sales	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-
Collaborative & Licensing	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-					-	-	-
Cost of Goods / Services	$0	$0	$0	$0	$0	$0	$0	$0
Product Gross Margin	-					-	-	-
R&D	$10.3	$2.3	$2.2	$2.2	$2.5	$9.2	$12.0	$15.0
SG&A	$7.6	$3.2	$2.0	$2.0	$2.2	$9.5	$9.0	$10.0
Operating Income	($17.8)	($5.5)	($4.2)	($4.2)	($4.7)	($18.7)	($21.0)	($25.0)
Operating Margin	-					-	-	-
Net Other Income	($0.5)	($10.3)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Pre-Tax Income	($18.3)	($15.8)	($4.2)	($4.2)	($4.7)	($18.7)	($21.0)	($25.0)
Taxes	$0	$0	$0	$0	$0	$0	$0.0	$0.0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0.0%*	*0.0%*
Net Income	($18.3)	($15.8)	($4.2)	($4.2)	($4.7)	($18.7)	($21.0)	($25.0)
Net Margin	-					-	-	-
Reported EPS	**($0.83)**	**($0.64)**	**($0.16)**	**($0.16)**	**($0.18)**	**($0.71)**	**($0.78)**	**($0.89)**
YOY Growth	-					-	-	-
Wt. Ave Shares Outstanding	22.1	24.9	26.6	26.7	26.8	26.3	27.0	28.0

Source: Zacks Investment Research, Inc. *Jason Napodano, CFA*

© Copyright 2015, Zacks Investment Research. All Rights Reserved.

HISTORICAL ZACKS RECOMMENDATIONS



© Copyright 2015, Zacks Investment Research. All Rights Reserved.

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Jason Napodano, CFA, CFA, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESMENT BANKING, REFERRALS, AND FEES FOR SERVICE

Zacks SCR does not provide nor has received compensation for investment banking services on the securities covered in this report. Zacks SCR does not expect to receive compensation for investment banking services on the Small-Cap Universe. Zacks SCR may seek to provide referrals for a fee to investment banks. Zacks & Co., a separate legal entity from ZIR, is, among others, one of these investment banks. Referrals may include securities and issuers noted in this report. Zacks & Co. may have paid referral fees to Zacks SCR related to some of the securities and issuers noted in this report. From time to time, Zacks SCR pays investment banks, including Zacks & Co., a referral fee for research coverage.

Zacks SCR has received compensation for non-investment banking services on the Small-Cap Universe, and expects to receive additional compensation for non-investment banking services on the Small-Cap Universe, paid by issuers of securities covered by Zacks SCR Analysts. Non-investment banking services include investor relations services and software, financial database analysis, advertising services, brokerage services, advisory services, equity research, investment management, non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per client basis and are subject to the number of services contracted. Fees typically range between ten thousand and fifty thousand USD per annum.

POLICY DISCLOSURES

Zacks SCR Analysts are restricted from holding or trading securities placed on the ZIR, SCR, or Zacks & Co. restricted list, which may include issuers in the Small-Cap Universe. ZIR and Zacks SCR do not make a market in any security nor do they act as dealers in securities. Each Zacks SCR Analyst has full discretion on the rating and price target based on his or her own due diligence. Analysts are paid in part based on the overall profitability of Zacks SCR. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by Zacks SCR for services described above. No part of analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports are based on data obtained from sources we believe to be reliable, but are not guaranteed as to be accurate nor do we purport to be complete. Because of individual objectives, this report should not be construed as advice designed to meet the particular investment needs of any investor. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

ZACKS RATING & RECOMMENDATION

ZIR uses the following rating system for the 1110 companies whose securities it covers, including securities covered by Zacks SCR:
Buy/Outperform: The analyst expects that the subject company will outperform the broader U.S. equity market over the next one to two quarters.
Hold/Neutral: The analyst expects that the company will perform in line with the broader U.S. equity market over the next one to two quarters.
Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

The current distribution is as follows: Buy/Outperform- 17.2%, Hold/Neutral- 76.6%, Sell/Underperform – 5.5%. Data is as of midnight on the business day immediately prior to this publication.