Zacks Small-Cap Research

June 16, 2017

Brian Marckx, CFA
bmarckx@zacks.com
Ph (312) 265-9474

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

# Pharma-Bio Serv, Inc. (PBSV-OTC)

## PBSV: Margin, Expense Improvement Offset Revenue Decline

Based on our model we look for EPS to grow at a 5-year CAGR of about 14% through 2020. We use an industry PE/G ratio of 1.9x to value PBSV. We look for 2019 EPS of $0.06 which values the company at approximately $1.75/share. The stock currently trades at about $0.69, indicating the shares are trading cheaper than fair value.

| | |
|---|---|
| Current Price (06/16/17) | $0.69 |
| **Valuation** | **$1.75** |

## OUTLOOK

While a significant slide in Puerto Rico related revenue which began about 18 months ago has taken a toll, we think there are reasons to remain positive of PBSV returning to profitability. This includes stabilization of revenue in Europe, continued strength in the lab segment, the company's ability to rapidly trim operating expenses, potential revenue upside from new business segments (such as the Calibrations division and Pharma-Brazil) and the possibility of favorable tax reform and FDA regulatory changes from the Trump administration. And despite struggling to grow the top-line, the company remains fiscally healthy as a result of their variable-cost business model which affords the ability to trim costs in times of need, helping to preserve both margins and cash. With $12.7M in cash on the books (as of April 30th) and a quarterly burn rate of just ~$250k, we have zero concern of PBSV's ability to continue to ride out the storm. Coupled with the fact that the shares are currently trading at about 75% of book value, and we think PBSV represents a relatively low-risk investment.

## SUMMARY DATA

| | |
|---|---|
| **52-Week High** | **$1.00** |
| **52-Week Low** | **$0.65** |
| **One-Year Return (%)** | **-21.59** |
| **Beta** | **-0.08** |
| **Average Daily Volume (sh)** | **293** |
| **Shares Outstanding (mil)** | **23** |
| **Market Capitalization ($mil)** | **$16** |
| **Short Interest Ratio (days)** | **N/A** |
| **Institutional Ownership (%)** | **0** |
| **Insider Ownership (%)** | **51** |
| **Annual Cash Dividend** | **$0.00** |
| **Dividend Yield (%)** | **0.00** |
| **5-Yr. Historical Growth Rates** | |
| **Sales (%)** | **-9.0** |
| **Earnings Per Share (%)** | **-32.5** |
| **Dividend (%)** | **N/A** |
| **P/E using TTM EPS** | **N/A** |
| **P/E using 2017 Estimate** | **N/A** |
| **P/E using 2018 Estimate** | **34.5** |
| **Zacks Rank** | **N/A** |

| | |
|---|---|
| **Risk Level** | **Above Avg.,** |
| **Type of Stock** | **Small-Value** |
| **Industry** | **Consulting** |

## ZACKS ESTIMATES

**Revenue**
(in millions)

| | Q1 (Jan) | Q2 (Apr) | Q3 (Jul) | Q4 (Oct) | Year (Oct) |
|---|---|---|---|---|---|
| 2016 | $4.9 A | $5.1 A | $4.9 A | $4.6 A | $19.5 A |
| 2017 | $4.1 A | $3.9 A | $4.2 E | $4.5 E | $16.6 E |
| 2018 | | | | | $19.1 E |
| 2019 | | | | | $21.6 E |

**Earnings per Share**

| | Q1 (Jan) | Q2 (Apr) | Q3 (Jul) | Q4 (Oct) | Year (Oct) |
|---|---|---|---|---|---|
| 2016 | $0.02 A | $0.00 A | -$0.01 A | -$0.02 A | $0.01 A |
| 2017 | -$0.02 A | -$0.01 A | -$0.01 E | -$0.00 E | -$0.05 E |
| 2018 | | | | | $0.02 E |
| 2019 | | | | | $0.06 E |

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

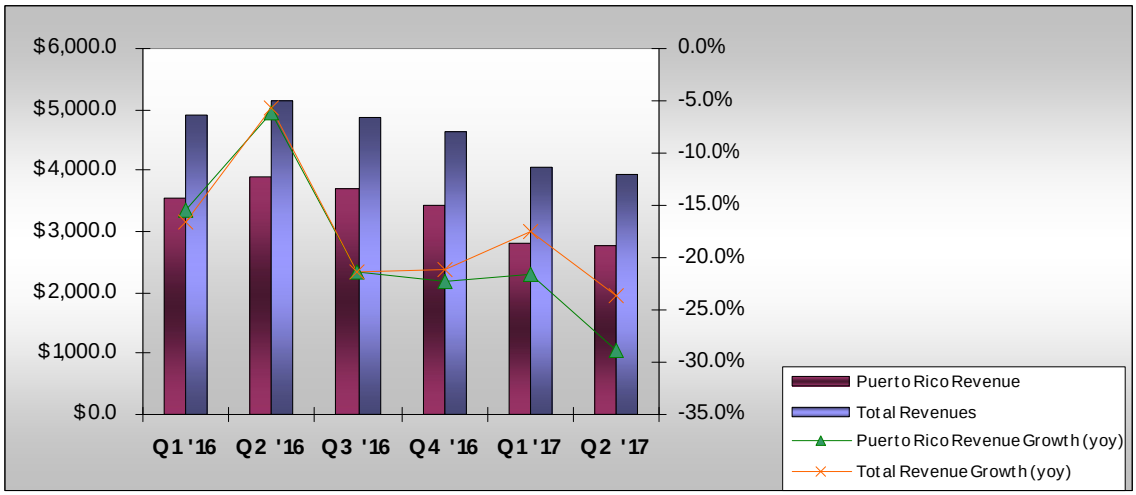
© Copyright 2017, Zacks Investment Research. All Rights Reserved.

## Fiscal Q2 2017 Results:

PBSV reported financial results for their fiscal second quarter 2017, ending April 30th. Results were very similar to that of Q1, with revenue remaining relatively weak (and down in the single digits sequentially) but with continued incremental strengthening in gross margin and operating expenses staying flattish. The net result was actually improvement in operating loss compared to both Q4 2016 and Q1 2017, although down from the comparable prior year period. Importantly, cash burn also improved for the second straight quarter.

Revenue fell almost 24% yoy and, with the slight sequential decline, was at the lowest level since fiscal Q1 2011 (ending January 31, 2011). The vast majority of the total top-line contraction in revenue over the recent past was due to significant weakness in Puerto Rico consulting-related revenue. Since this segment accounts for approximately 70% of total revenue, any volatility in its sales can have a disproportionate effect on total revenue. P.R. consulting revenue was $2.8M in Q2 '17, down 29% yoy and about 1% lower than Q1 2017.

In fact, **as Puerto Rico revenue goes, so has (for the most part) total revenue** over the last five consecutive quarters. The chart below highlights how influential the Puerto Rico consulting business has been to the company's recent total revenue growth (or lack thereof). While not specifically disclosed, we think a reasonable assumption for the relative softness in P.R. consulting revenue relates to the significant fiscal issues that the U.S. territory has been wrangling with for some time now.




Meanwhile, U.S. consulting revenue fell 23% yoy and was down 13% from Q1. The **decline in U.S. revenues, while larger than what we modeled, was not completely unexpected. T**he company recently shuttered two U.S. based offices (in PA and CA) as part of its recently implemented "streamlined business development approach". Importantly, these were leased (sales-oriented) offices and PBSV's business model and time-and-material contracts means opportunistically re-ramping can be achieved on a relatively short time frame. Meanwhile the efficiency measures should help minimize operating losses and cash burn over the near term - both of which showed sequential improvement for the second consecutive quarter.

The **lab segment has been one of the brighter spots** as of late with revenue maintaining near the record $2.5M annual run-rate achieved during 2016. And with the company's new Spain-based lab recently receiving authorization from regulators in that country and in-process of being registered with the FDA, this business could see additional opportunity for growth.

So while the significant slide in Puerto Rico related revenue which began about 18 months ago has taken a toll, **we think there are reasons to remain positive of PBSV returning to profitability**. This includes stabilization of revenue in Europe, continued strength in the lab segment, the company's ability to rapidly trim operating expenses, potential revenue upside from new business segments (such as the Calibrations division and Pharma-Brazil) and the possibility of favorable tax reform and FDA regulatory changes from the Trump administration. And while uncertainty regarding possible healthcare reform in the U.S. is cited by the company as a current challenge, there is certainly a chance that healthcare reform in this country could result in positive outcomes for the company.

And despite struggling to grow the top-line, the company **remains fiscally healthy** as a result of their variable-cost business model which affords the ability to trim costs in times of need, helping to preserve both margins and cash. With $12.7M in cash on the books (as of April 30th) and a quarterly burn rate of just ~$250k, we have zero concern of PBSV's ability to continue to ride out the storm. And it is important to point out to investors that PBSV's light cash needs is not coming at the expense of significant stock compensation (a crutch often employed by companies to reduce cash burn when times get tough) – in fact PBSV's outstanding share count has incrementally decreased almost every quarter since the June 2014 implementation of a program to repurchase up to two million shares.

Some of the major reasons behind the minimal use of cash are largely fundamentally unique to PBSV. One is their **variable cost business model** and use of time-and-material contracts. While this means scalability is somewhat limited in times of revenue growth, it similarly limits the downside and cash burn during less prosperous times. Another is their **favorable income tax treatment**. Revenue generated in Puerto Rico is taxed at just 4% (as a result of the company's beneficial P.R. tax status), compared to a maximum regular federal income tax rate of 35% for U.S. operations. This benefit is highlighted in the amount of cash paid for income taxes, which fell from $535k in fiscal 2014 (when P.R. and U.S. revenue accounted for 57% and 28% of total sales, respectively) to $152k in 2015 (when P.R. and U.S. revenue accounted for 75% and 12% of total sales, respectively) and to $39k in 2016 (when P.R. and U.S. revenue accounted for 75% and 7% of total sales, respectively) .

**In terms of additional opportunities**, PBSV continues to allocate resources where they see the greatest potential for growth. Recently this has included additional investments to expand their lab facilities in Puerto Rico (i.e. the only major segment posting revenue growth in 2016 (+22%), opening of a lab facility in Spain and formation of a new Calibrations division ("Metrologix") in Puerto Rico. The Calibrations division, per the Q1 10-Q, contributed an increase of approximately $100k of revenue in the most recent quarter. Investments such as these, as well as recent investments in human capital, are expected to benefit sales in future periods.

Other **potential growth-related opportunities** include Pharma-Brazil and, possibly, entry into Cuba. Pharma-Brazil is a wholly-owned subsidiary which PBSV registered in 2015 in order to provide consulting services to the Brazilian market – PBSV noted in their 2016 10-K that Brazil consulting revenue increased by ~$200k in 2016. Given the historical strength (until recently) in Latin America-related project demand and revenue, this area of the world, including Brazil, could offer meaningful growth opportunity for PBSV.

Relative to Cuba, in December 2016 PBSV obtained a license from the U.S. Dept of Treasury Office of Foreign Assets Control (OFAC) authorizing the company to perform certain services and transactions with a Cuban state-run organization. While too early for us to hypothesize the significance of this, the OFAC license may provide PBSV with (at least) foot-in-the-door opportunity to a country that has been largely off-limits to most American companies (with some exceptions). And the recently restored (at least formally restored) diplomatic relations between the U.S. and Cuba and potential that sanctions are reduced in the future may mean that this foot-in-the-door could eventually result in even greater opportunity for PBSV (this is wait-and-see status, however, given indications by President Trump that he may reinstate limited access to Cuba).

**Financials: Revenue Flattish From Q1 But Expense Control, Margins Improve Op Loss, Cash Burn**
Q2 revenue was $3.9M, down 24% yoy, down 3% and 8% below our $4.3M (i.e. 16% yoy decline) estimate. As noted earlier, Puerto Rico, which accounts for approximately 70% of the total top-line is the main influence of total company sales - in fact 93% of the $1.2M total yoy revenue decline in Q2 is explained by a contraction in Puerto Rico consulting revenue. Puerto Rico revenue fell 29% yoy and was down 1% sequentially. The $2.76M generated in Puerto Rico consulting revenue was the lowest since the $2.46M in fiscal Q3 2011 (ending July 2011).

U.S. revenue was similarly weak, falling 23% yoy and 13% sequentially to $302k. As noted, PBSV has indicated they are doing some consolidation in the U.S. which included closing two offices here. But, that also appears to be benefitting operating expenses, which fell compared to Q2 2016, Q4 2016 and from Q1 of this year. As a reminder, PBSV noted in their Q1 earnings release that they had expected streamlining of their business development strategy to yield savings in the most recent quarter. We continue to view the U.S. market as holding opportunity for growth, particularly given that PBSV remains one of the top validation companies to the pharmaceutical industry and counts many of the pharma "majors" as clients. Their small size, high levels of expertise in various disciplines and reputation as an eminent life sciences consulting firm allows them to adapt to and capitalize on the changing regulatory landscape. For these reasons, coupled with expectations of robust long-term growth of the pharma/biotech space, we remain confident that revenue growth will again materialize.

Lab revenue was $560k - while down 13% sequentially, this is up 5% on a yoy basis. As noted, the lab segment has been one of the sole growth areas for the company recently - this has helped to push its contribution to total revenue up from 6% in 2014 to 14% today. And recent investments aimed at increasing capacity should bode well for continued relative strength of this business. In fact, we think that the lab segment represents perhaps the most significant near-term growth opportunity given PBSV's recent investments towards expansion of the P.R. lab and opening of a lab facility in Spain. During 2016 the company spent $1.5M ($200k toward Spain lab, $1.3M toward P.R. lab) related to these facilities. As noted, the Madrid, Spain-based lab recently received authorization from regulators in that country. It also complies with the European Union's Standards for Proper Manufacturing and is in-process of being registered with the FDA. The other benefit that could come with increasing lab-related revenue is this segment typically carries higher margins than that of the consulting business.

Meanwhile, European consulting revenue has been soft, although since it accounts for just 4% - 5% of total sales, its impact to company-wide revenue over the last several quarters has not been as substantial as has other territories. But while European consulting revenue had slid fairly regularly from the end of 2013 through late-2015, more recently it has stabilized - albeit at an annualized run-rate of only about 10% of its peak (in 2013).

Relative to **gross margin**, this has similarly contracted - falling from an average of 32% in 2015 to 29.6% in 2016. More recently, however, gross margin has shown some incrementally firming up - widening from 23.2% in Q4 2016 to 25.5% in Q1 2017 and to 26.6% in Q2 - although it remains well below its historical average. The recent variability is attributable to both the lab and consulting segments. Relative to the lab segment, while this offers more scalability and thus, higher margins in times of greater activity, the recent lab expansion has introduced additional costs including personnel and depreciation on equipment related to the recent lab expansion. But, with expectations that lab revenue outperforms that of other segments, we could see additional incremental margin benefit. Consulting margins have been impacted by some less favorable project margins as well as temporary closure of some customer facilities in P.R.

OpEx was $1.37M, or 35% of revenue, in Q2 - this compares to $1.42M in Q1 2017 and $1.52M in Q4 2016. The slight decline in OpEx and improvement in gross margin more than offset the revenue decline from these prior two periods. The net result was operating loss improving from $450k in Q4 2016 and $384k in Q1 2017 to $325k in Q2. This also benefitted cash burn, with cash used in operating activities (ex-changes in working capital) falling from $423k in Q4 2016 and $251k in Q1 2017 to $200k in Q2. PBSV exited Q2 with $12.7M in cash on the balance sheet.

Q2 net income and EPS were ($323)k and ($0.01), compared to our ($239)k and ($0.01) estimates.

**Valuation:**
The somewhat longer than previously anticipated continued softness in consulting revenue, particularly as it relates to Puerto Rico, as well as more drawn-out timelines (relative to our forecast) recently prompted an extension of the runway in our model until revenue turns back towards consistent growth. We now model continued yoy contraction in the top-line through the end of this fiscal year and a return to sustained top-line expansion to begin early next year. We note, however, that the benefits of PBSV's business model, including the ability to rapidly adapt to opportunities, means that our model is highly subject to updating over short periods.

We also point to several potential catalysts, the possible benefits of which we yet to fully incorporate in our model. These include the possibility of outsized returns from recently added revenue centers, such as Pharma-Brazil or the Calibrations division. Political and regulatory changes, particularly related to the U.S. but also how these may have a global influence, are somewhat of a wildcard at this point. But, given President Trump's stated position on reducing regulatory barriers, including those related to the pharmaceutical industry, as well as the potential effects from healthcare reform, we will be closely watching any related developments and how this may potentially benefit PBSV and their client customers.

As Puerto Rico has an outsized influence on the overall financial performance of the company, any substantive changes in the long-term fiscal situation in that territory could also have meaningful effects to PBSV's outlook.

Based on our model we look for EPS to grow at a 5-year CAGR of about 14% through 2020. We use an industry PE/G ratio of 1.9x to value PBSV. We look for 2019 EPS of $0.06 which values the company at approximately $1.75/share. The stock currently trades at about $0.69, indicating the shares are trading cheaper than fair value.

We also note that the shares are currently trading below book value. Book value (as of April 30, 2017) is ~$21.1 million or $0.92/share. Cash balance currently sits at a hefty $12.7M, or ~$0.59/share. We think book value should provide a floor on the stock. PBSV has a long history of cash flow generation. And even recently, when revenue has been at the lowest level in six years, the company used just $200k in cash for operations. So we think it is reasonable to expect book value to continue to grow with even a moderate increase in total revenue from current levels.

## FINANCIAL MODEL

Pharma-Bio Serv, Inc

| | 2016 A | Q1A | Q2A | Q3E | Q4E | 2017 E | 2018 E | 2019 E | 2020 E |
|---|---|---|---|---|---|---|---|---|---|
| Total Revenues | $19,536.7 | $4,046.3 | $3,921.2 | $4,149.9 | $4,478.6 | $16,596.0 | $19,104.2 | $21,630.0 | $24,107.3 |
| *YOY Growth* | *-16.5%* | *-17.4%* | *-23.6%* | *-14.7%* | *-3.5%* | *-15.1%* | *15.1%* | *13.2%* | *11.5%* |
| Cost of Services | $13,753.5 | $3,013.9 | $2,880.0 | $2,975.5 | $3,175.4 | $12,044.8 | $12,914.4 | $14,448.8 | $15,476.9 |
| Gross Income | $5,783.3 | $1,032.3 | $1,041.2 | $1,174.4 | $1,303.3 | $4,551.2 | $6,189.8 | $7,181.2 | $8,630.4 |
| *Gross Margin* | *29.6%* | *25.5%* | *26.6%* | *28.3%* | *29.1%* | *27.4%* | *32.4%* | *33.2%* | *35.8%* |
| SG&A | $5,875.0 | $1,416.3 | $1,365.8 | $1,390.2 | $1,442.1 | $5,614.4 | $5,693.1 | $5,731.9 | $5,906.3 |
| *% SG&A* | *30.1%* | *35.0%* | *34.8%* | *33.5%* | *32.2%* | *33.8%* | *29.8%* | *26.5%* | *24.5%* |
| Operating Income | ($91.8) | ($384.0) | ($324.6) | ($215.8) | ($138.8) | ($1,063.2) | $496.7 | $1,449.2 | $2,724.1 |
| *Operating Margin* | *-0.5%* | *-9.5%* | *-8.3%* | *-5.2%* | *-3.1%* | *-6.4%* | *2.6%* | *6.7%* | *11.3%* |
| Total Other Income (Expense) | ($112.0) | $3.6 | $1.9 | $4.0 | $3.0 | $12.5 | $14.0 | $18.0 | $25.0 |
| Pre-Tax Income | ($203.7) | ($380.4) | ($322.7) | ($211.8) | ($135.8) | ($1,050.7) | $510.7 | $1,467.2 | $2,749.1 |
| Tax expense (benefit) | $52.8 | $1.8 | $0.1 | $2.1 | $1.6 | $5.6 | $46.0 | $184.9 | $346.4 |
| *Tax Rate* | *-25.9%* | *-0.5%* | *0.0%* | *-1.0%* | *-1.2%* | *-0.5%* | *9.0%* | *12.6%* | *12.6%* |
| Net Income | ($256.5) | ($382.1) | ($322.8) | ($213.9) | ($137.5) | ($1,056.3) | $464.7 | $1,282.3 | $2,402.7 |
| *YOY Growth* | *-115.8%* | *-209.2%* | *-967.6%* | *64.0%* | *-73.2%* | *311.7%* | *-144.0%* | *175.9%* | *87.4%* |
| *Net Margin* | *-1.3%* | *-9.4%* | *-8.2%* | *-5.2%* | *-3.1%* | *-6.4%* | *2.4%* | *5.9%* | *10.0%* |
| EPS | ($0.01) | ($0.02) | ($0.01) | ($0.01) | ($0.01) | ($0.05) | $0.02 | $0.06 | $0.12 |
| *YOY Growth* | *-115.9%* | *-210.2%* | *-972.6%* | *64.2%* | *-73.2%* | *313.7%* | *-148.0%* | *175.9%* | *93.3%* |
| Diluted Shares O/S | 23,186 | 23,051 | 23,111 | 23,100 | 23,055 | 23,079 | 21,150 | 21,150 | 20,500 |

*Brian Marckx, CFA*

© Copyright 2017, Zacks Investment Research. All Rights Reserved.

## BALANCE SHEET

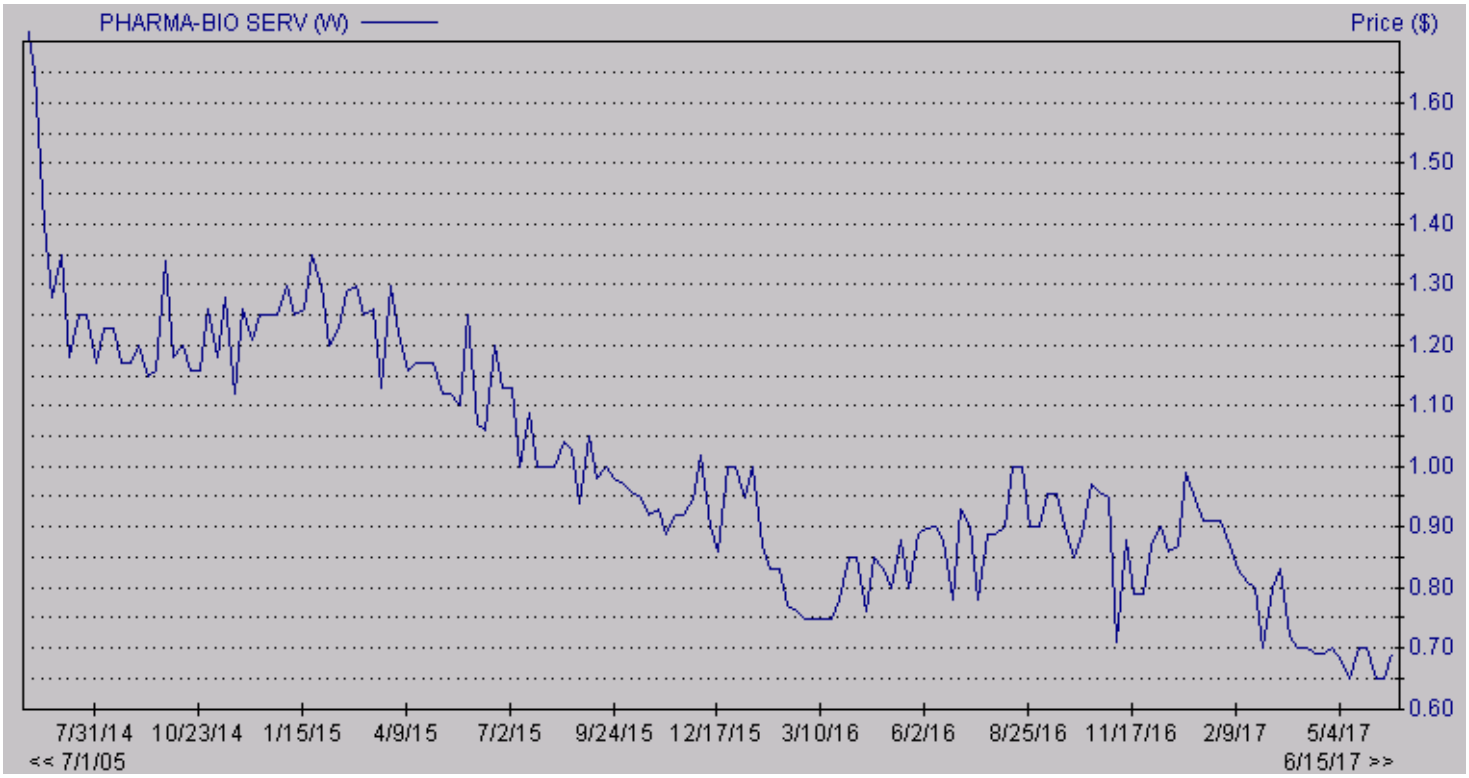
| | April 30, 2017 | October 31, 2016 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 12,705 | $ 13,774 |
| Marketable Securities | 20 | 20 |
| Accounts Receivable | 6,612 | 6,853 |
| Other | 748 | 981 |
| **Total current assets** | 20,085 | 21,628 |
| Property and equipment, net | 2,448 | 2,334 |
| Other assets | 30 | 36 |
| **Total assets** | $ 22,563 | $ 23,998 |
| **LIABILITIES** | | |
| Current liabilities: | | |
| Current portion-obligations under capital lease | $ 22 | $ 23 |
| Accounts payable and accrued expenses | 1,377 | 2,091 |
| Income taxes payable | 1 | 45 |
| **Total current liabilities** | 1,399 | 2,159 |
| Obligations under capital leases | 20 | 29 |
| **Total liabilites** | 1,419 | 2,188 |
| **STOCKHOLDERS' EQUITY** | | |
| Preferred Stock | - | - |
| Common stock | 2 | 2 |
| Additional paid-in capital | 1,276 | 1,231 |
| Retained earnings | 20,270 | 20,975 |
| Accumulated other comprehensive loss | (162) | (166) |
| **Total stockholders' equity** | 21,144 | 21,810 |
| **Total liabilities and stockholders' equity** | $ 22,563 | $ 23,998 |

## CASH FLOW STATEMENT

| | April 301, 2017 | 2016 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net income | $ (323) | 37 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Gain on disposition of P&E | - | - |
| Stock-based compensation | 22 | 22 |
| Depreciation and amortization | 101 | 79 |
| Impairment of avail-for-sale securities | - | 55 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (588) | (333) |
| Other assets | 65 | 17 |
| Liabilities | (186) | 253 |
| **Net cash provided by operating activities** | (909) | 130 |
| **Cash flows from investing activities:** | | |
| Acquisition of P&E | (43) | (207) |
| Proceeds from disposition of P&E | - | - |
| **Net cash used in investing activities** | (43) | (207) |
| **Cash flows from financing activities:** | | |
| Proceeds from common stock issuance | - | - |
| Repurchase of common stock | (8) | (8) |
| Payments on obligations under capital lease | (4) | (6) |
| **Net cash provided by (used in) financing activities** | (12) | (14) |
| Effect of exchange rate changes on cash | (1) | 4 |
| Net increase (decrease) in cash and cash equivalents | (966) | (88) |
| Cash and cash equivalents, beginning of period | 13,671 | 14,516 |
| Cash and cash equivalents, end of period | 12,705 | 14,428 |

© Copyright 2017, Zacks Investment Research. All Rights Reserved.

## HISTORICAL STOCK PRICE



# 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, Brian Marckx, 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.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of 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 and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

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