Zacks Small-Cap Research

March 9, 2017

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

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

Revolution Lighting Technologies, Inc.

(RVLT-NASDAQ)

RVLT: Could 2017 Be the Perfect Storm for Growth?

With a 5 year earnings growth rate of 25%, we believe the company could be valued at a 25 PE multiple. On 2017 est. non-GAAP EPS of $0.50, that yields a stock price of $12.50 per share.

Current Price (03/08/17)	$5.75
Valuation	**$12.50**

OUTLOOK

Revolution Lighting is a pure play in commercial & industrial and government LED end-user lighting products and services. It is consolidating a fragmented market by acquiring companies with complementary products, services or distribution channels addressing incremental markets or geographies. It has no legacy technology dragging down growth and is projected to grow over 25% per year as customers reap increasingly attractive paybacks for using LED as prices continue to come down. To date, only 5% of retrofit lighting consists of LED lighting in the US, providing extensive growth opportunity.

SUMMARY DATA

52-Week High	**$7.51**
52-Week Low	**$5.16**
One-Year Return (%)	**-22.3**
Beta	**3.4**
Average Daily Volume (sh)	**30,281**
Shares Outstanding (mil)	**21**
Market Capitalization ($mil)	**$120**
Short Interest Ratio (days)	**10.3**
Institutional Ownership (%)	**24**
Insider Ownership (%)	**53**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**127.8**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**19.8**
P/E using 2016 Estimate	**11.5**
P/E using 2017 Estimate	**7.7**

Risk Level	**Average**
Type of Stock	**Small-Value**
Industry	**Bldg. Prod. -Ltg Fix**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2015	20.3 A	27.2 A	37.7 A	44.3 A	129.7 A
2016	27.6 A	43.1 A	50.2 A	51.2 A	172.1 A
2017	30.0 E	48.0 E	58.0 E	64.0 E	200.0 E
2018					240.0 E

Earnings per Share
(Adjusted Non-GAAP EPS before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2015	-$0.09 A	-$0.03 A	$0.09 A	$0.12 A	$0.09 A
2016	-$0.06 A	$0.07 A	$0.11 A	$0.14 A	$0.29 A
2017	-$0.10 E	$0.11 E	$0.21 E	$0.28 E	$0.50 E
2018					$0.75 E

Zacks Projected EPS Growth Rate - Next 5 Years 25%

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

LED SPENDING ACCELERATES INTO 2017

A perfect storm of opportunity could hit Revolution Lighting in 2017 as a number of incentives converge at the company. Top of the list is the acceleration of LED spending as customers realize that LED usage is an undisputed way to save money. Secondly, prices are stabilizing and possibly even increasing right now in the industry, gating risk. Third, product development at Revolution and customer acceptance has pushed sales of higher margin products and fixtures. Fourth, 60 newly hired sales agents should begin contribute to sales success starting in Q2 2017. Fifth, company products have now been 100% approved by the Navy and the company expects to start bidding on contracts in the next few months. And finally sixth, a new administration focusing on "Buy American" should create increased opportunities for Revolution who has just complete an expensive and long process to prove compliance with the *Buy America Act (BAA)*. The company has zero revenues built into company expectations for 2017 for the last two items providing considerable upside to estimates if these two programs gain traction for Revolution. These company controlled actions, combined with a more positive business environment from deregulation and potential government infrastructure programs could result in an exceptionally successful year for Revolution.

Figure 1. BAA Compliant LED T8 Tubes



Given the revenue growth we expect this year, combined with margin improvement, we believe the stock is undervalued with a PE of only 11.5 times estimated 2017 non-GAAP EPS. Additionally, the company is well-position to reap the benefit of any increased government spending in infrastructure as well as a military modernization and build up as LED lights are an important part of any retrofit or renovation project of facilities or military vessels. Investors looking for a play in these two expected government spending programs might find Revolution Lighting particularly of interest.

Q4 Earnings Results

For the fourth quarter of 2016, the company reported revenues of $51.2 million versus $44.3 million in 2015, showing **growth of 16%**. Gross margins were 34.4% versus 33.5%, and an improvement over Q3 2016 gross margin of 31.6% with similar revenues. In addition to the higher sales, margins were helped by an increase in the percent of higher margin products, especially flat panels.

Taking out one-time costs, expenses rose 18% to $14.7 million on a 16% increase in revenues. Additional spending went to hiring in sales. This investment in sales staff should result in higher sales later in 2017.

Interest expense of $610,000 was higher than the $456,000 in Q4 2015 as the company continued to acquire companies and use more debt. The company does not pay taxes and still has a $60 million tax loss carry forward.

Taking out one-time expenses and stock-based compensation, **non-GAAP net income was $3.0 million** versus $2.1 million a year ago. Adjusted EBITDA in the quarter was $5.2 million versus $4.5 million in 2015, an increase of 16%.

This resulted in a **non-GAAP EPS of $0.14 versus $0.12** in 2015, an increase of 22%.

Full Year 2016 Earnings Results

For 2016, the company reported total revenues of $172 million versus $130 million in 2015, showing **growth of 33%**. Gross margins were 32.5% versus 33.4%, as the acquisition of lower margin businesses and the decline in LED prices hit blended margins.

Taking out one-time acquisition costs, expenses rose only 18.5% to $50 million on a 33% increase in revenues. Interest expense of $2.5 million was higher than the $1.5 million expense in 2015 as the company continued to acquire companies and use more debt. The company does not pay taxes and still has a $60 million tax loss carry forward.

Taking out one-time expenses and stock-based compensation, **non-GAAP net income was $5.5 million** versus $2.3 million a year ago. Adjusted EBITDA for the year was $14.1 million versus $8.6 million in 2015, an increase of 63% to 8.2%. This resulted in a **non-GAAP EPS of $0.29 versus $0.09** in 2015, an increase of 22%.

FORECASTS

Full Year 2017

Despite lowering revenues slightly for 2017 to $200 million, we are keeping our non-GAAP EPS estimate for the 2017 year at $0.50. **Revenue guidance for the 2017 year** is now in the range of **$195-209 million** and EBITDA margin guidance is 10% or higher, or $19.5 to $20.9 million at 10%. The company took some actions in Q4 to consolidate operations and this lower base should improve operating margins. The company reduced the number of its locations to 10 from 14 in order to drive efficiency. In addition, we expect margin improvement as the new members of the sales channel to begin to contribute to business in the later half of the year returning sales productivity to more traditional levels.

Gross margins should also improve as the product mix shifts to higher margin fixtures from more commoditized tube sales. The company also expects that controls will become an important part of product differentiation as customers become more sophisticated especially in new construction.

Q1 2017

The Company offered guidance of **Q1 2017 revenue in the range of $30 million**, up 9% from Q1 2016. Using this guidance and assuming lower operating margins due to the investment in the sales force, we are looking at a non-GAAP loss for Q1 2017 of $2.1 million or $0.10 per share versus a loss of $0.06 per share. This year the company has 28% more shares versus last year.

Full Year 2018

For 2018 we are anticipating revenue growth of 20% to $240 million as it takes more share of the $20 billion US market for LED products. According to Strategies Unlimited the general lighting market is

expected to grow by approximately 80% from 2015 to 2022, but LED's share will grow much faster than that. The North America lighting market share for LED solutions is expected to increase from approximately 10% of the total installed lighting base, to 35% by 2020 and to 65% by 2025. With margin improvement we are forecasting **non-GAAP EPS of $0.75** and EBITDA of $26 million or 10.7%.

INVESTMENT THESIS

- Revolution Lighting Technology is a **pure play in the LED lighting products and services space, selling to the commercial, and industrial and government sectors.**

- Revolution is exhibiting **operating leverage** that is beginning to deliver accelerating earnings. With its current structure it believes it can bring upwards of 26-28% of every dollar in revenue over $100 million to the bottom line. This means the company **could go from $0.29 per share in earnings this past year to $0.50 in 2017 and $0.75 in 2018.**

- Replacing incandescent and fluorescent lighting with LED fixtures and/or lamps typically produces measurably **significant payback** for customers. The industry is now at a point where LED prices are so low that significant savings are possible and deal sizes and opportunities are growing and easier to close. The payback period is lowered as utility and state incentives further reduce overall project costs.

- Unlike competitors, it has **no legacy fluorescent lighting** sales to cannibalize. The company growth reflects LED sales and installations alone. The company **does not compete in the consumer market** or direct to consumers, where extensive competition exists.

- The company is a **consolidation play in an extremely fragmented market.** It has brought together product companies, distributors, and turnkey solution providers who cross-pollinate and complement each other.

- The company grew 33% in 2016. We predict sales growth of 16% to $200 million in sales in 2017 and fully diluted adjusted non-GAAP EPS of $0.50 versus $0.29 in 2016. Adjusted EBITDA in 2017 should be about $20 million or 10%. **In 2018, adjusted non-GAAP EPS could reach $0.75**.

- Revolution has **two opportunities that could provide big upsides to sales** near term that are not in estimates. These are: successful penetration of the Navy and/or other military or government agencies, and sales based on the Buy America Act. The company just reached compliance for both programs and has not yet bid any projects based on them.

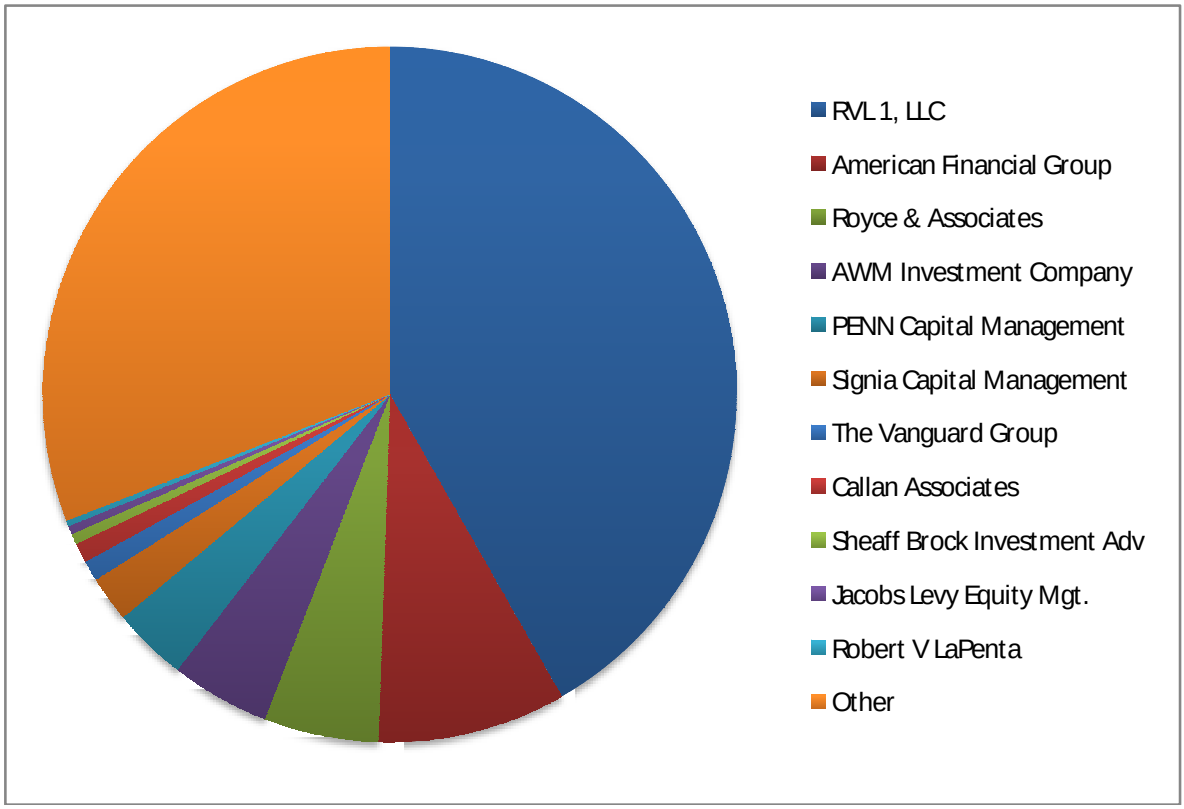
- Given expected earnings growth over 50% for the next two years, we believe RVLT common stock deserves at least a 25 PE multiple and could be worth $12.50 when looking at 2017 estimated earnings of $0.50 per share.

OVERVIEW

RVL LLC acquired revolution Lighting Technologies in September of 2012. RVL LLC is an investment company created by Ashton Capital and is owned primarily by Robert LaPenta and principals of Aston Capital. Since 2012, the company has acquired eight more companies in LED lighting products, full service turnkey operations and LED distribution, all of which target commercial, industrial or government end users. As of December 31, 2016 the company had approximately 300 full-time employees. They are distributed among 10 locations.

OWNERSHIP – Updated March 2017

Aston Capital owns RVL 1 LLC who owns 42% of RVLT. Certain management and directors of Revolution Lighting including Robert LaPenta and James DePalma are also owners of Aston Capital.



RISKS

- LED lighting products are experiencing rapid declines in price due to extraordinary competition here and in China. The company must be able to maintain parity in pricing and generate margin in order to be profitable.
- The industry is highly fragmented and currently undergoing a shake out leading to unpredictable prospects.
- Management may not be able to manage so many separately operating companies and channel conflict and overlap may be a problem in growing internally.
- Governments and utilities may stop offering subsidies and rebates making LED installation less cost effective. Alternatively given the price of oil, electricity prices may come down in some markets with the same effect.

VALUATION

In the public markets the average of the three lighting company with positive earnings trades at a PE of 40 times calendar year 2016 EPS. CREE (CREE) trades at 42xs, Acuity Brands (AYI) trades at 26xs, and LSI Industries trades at 51xs. This is a PE to Growth Rate of 1.25 the average EPS growth rate of 31%. Revolution Lighting should at least be worth a 25 PE in line with its forward 5-year earnings growth. By next year, if the company does earn $0.50 as we estimate that price could go to $12.50 at a 25 multiple or even higher in line with its comps.

Calendar years

Company	Ticker	EPS 16	EPS 17	Price	PE 2016	PE 2017	Gr Rate
Acuity Brands	AYI	8.07	8.96	207.60	25.7	23.2	11%
Cree	CREE	0.65	0.53	27.03	41.6	51.0	-18%
Energy Focus	EFOI	-1.05	-0.76	3.13	-3.0	-4.1	-28%
Lighting Science Group Corp.	LSCG	-0.08	NA	0.06	NA	NA	NA
LSI Industries	LYTS	0.19	0.38	9.77	51.4	25.7	100%
Orion Energy Systems	OESX	-0.29	NA	1.50	-5.2	NA	NA
TCP International Holdings	TCPI	NA	NA	1.32	NA	NA	NA
Average					39.6	33.3	31%

INCOME STATEMENT

Revolution Lighting Technologies	Q1 2016 31-Mar	Q2 2016 30-Jun	Q3 2016 30-Sep	Q4 2016 31-Dec	Q1 2017E 31-Mar	Q2 2017E 30-Jun	Q3 2017E 30-Sep	Q4 2017E 31-Dec	2015	2016	2017E	2018E
Total revenue	**27.6**	**43.1**	**50.2**	**51.2**	**30.0**	**48.0**	**58.0**	**64.0**	**129.7**	**172.1**	**200.0**	**240.0**
Yr-to-yr Growth	36%	58%	33%	16%	9%	11%	16%	25%	68.7%	32.8%	16.2%	20.0%
Cost of services	18.5	29.8	34.3	33.6	20.4	32.0	38.0	41.0	86.4	116.3	131.4	157.4
Gross profit	9.1	13.3	15.9	17.6	9.6	16.0	20.0	23.0	43.3	55.9	68.6	82.6
Gross Margin	32.8%	31.0%	31.6%	34.4%	32.0%	33.3%	34.5%	35.9%	33.4%	32.5%	34.3%	34.4%
Operating expenses:												
Acquisition, severance and transition costs	1.1	1.9	0.1	0.7	0.0	0.0	0.0	0.0	2.0	3.9	0.0	0.0
Amortization and depreciation	1.3	1.6	1.6	1.6	1.6	1.6	1.6	1.6	4.9	6.1	6.5	7.1
Stock-based compensation	0.4	0.6	0.5	0.7	0.6	0.6	0.6	0.6	2.7	2.1	2.4	2.9
Other SG&A	7.6	9.3	10.6	12.0	9.0	11.0	12.7	14.2	32.2	39.4	46.9	53.9
R&D	0.6	0.6	0.7	0.4	0.5	0.5	0.6	0.6	2.5	2.4	2.2	2.9
Total operating expenses	11.1	13.9	13.5	15.4	11.7	13.7	15.5	17.0	44.2	53.9	58.0	66.8
										29%	29%	28%
Operating income:	(2.1)	(0.5)	2.4	2.2	(2.1)	2.3	4.5	6.0	(0.9)	2.0	10.6	15.7
Operating margin	-7.4%	-1.3%	4.7%	4.3%	-7.0%	4.8%	7.7%	9.4%	-0.7%	1.2%	5.3%	6.6%
Other income:												
Interest expense, net	(0.6)	(0.6)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(1.5)	(2.5)	(2.4)	(2.4)
Total other income	(0.6)	(0.6)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(1.5)	(2.5)	(2.4)	(2.4)
Income before income taxes	(2.6)	(1.1)	1.6	1.6	(2.7)	1.7	3.9	5.4	(2.4)	(0.5)	8.2	13.3
Pretax Margin	-9.5%	-2.6%	3.2%	3.1%	-9.1%	3.5%	6.7%	8.4%	-2%	0%	4%	6%
Income tax	-	-	-	-	-	-	-	-	-	-	-	-
Tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0.0%	0.0%	0.0%	0.0%
Net income	(2.6)	(1.1)	1.6	1.6	(2.7)	1.7	3.9	5.4	(2.4)	(0.5)	8.2	13.3
Stk based compensation	0.4	0.6	0.5	0.7	0.6	0.6	0.6	0.6	2.7	2.1	2.4	2.9
One-time expenses	1.1	1.9	0.1	0.7	-	-	-	-	2.0	3.9	-	-
Non-GAAP Income from continuing	(1.0)	1.3	2.2	3.0	(2.1)	2.3	4.5	6.0	2.3	5.5	10.6	16.2
Net Margin	-3.8%	3.1%	4.4%	5.8%	-7.1%	4.7%	7.7%	9.3%	1.8%	3.2%	5.3%	6.7%
Yr-to-yr Growth	-14%	-427%	64%	43%	103%	72%	102%	101%	-126.5%	139.2%	93.9%	52.6%
Net income per share:												
EPS	(0.16)	(0.06)	0.08	0.08	(0.13)	0.08	0.19	0.26	(0.16)	(0.03)	0.40	0.63
EPS Diluted	(0.16)	(0.06)	0.08	0.08	(0.13)	0.08	0.18	0.26	(0.14)	(0.03)	0.39	0.62
Adjusted Non-GAAP Diluted	**(0.06)**	**0.07**	**0.11**	**0.15**	**(0.10)**	**0.11**	**0.21**	**0.28**	**0.09**	**0.29**	**0.50**	**0.75**
	-26.5%	-342.1%	25.8%	24.8%	57.0%	55.3%	92.5%	95.9%	-109.3%	228.4%	74%	50%
Shares												
Basic	16.1	18.9	20.5	20.5	20.9	20.9	20.5	20.5	14.9	19.0	20.7	21.0
Diluted	16.7	19.4	20.5	20.5	21.4	21.4	21.1	21.0	16.9	19.1	21.3	21.6
	5.2%	17.7%	16.7%	14.8%	28.4%	10.5%	3.2%	2.7%	63.3%	12.7%	11.6%	1.4%
Adjusted EBITDA	0.8	3.5	4.6	5.2	0.1	4.5	6.7	8.2	8.6	14.1	19.5	25.7
EBITDA Margin	3.0%	8.1%	9.2%	10.1%	0.3%	9.4%	11.6%	12.8%		8.2%	9.7%	10.7%
	6800%	212%	52%	16%	-88%	29%	46%	58%	-917%	63%	38%	32%

BALANCE SHEET

	Dec. 31, 2016	Sept. 30, 2016	% Change		Dec. 31, 2015	% Change Dec - Dec
Current assets						
Cash and equivalents	**$883**	**$3,911**	-77%		**$219**	303%
Accounts receivable, net	53,347	47,678	12%		41,132	30%
Unbilled contract receivable	10,167	7,869	29%		4,559	123%
Inventories, net	26,678	24,225	10%		22,135	21%
Other current assets	8,363	6,487	29%		3,830	118%
Total current assets	99,438	90,170	10%		71,875	38%
Property and equipment, net	1,474	1,218	21%		2,702	-45%
Other assets						
Goodwill	72,074	71,827	0%		64,267	12%
Intangible assets, net of accumulated amortization	43,809	44,472	-1%		39,595	11%
Other assets	704	474	49%		651	8%
Total other assets	116,587	116,773	0%		104,513	12%
Total assets	217,499	208,161	4%		177,635	22%
Current liabilities						
Accounts payable	32,409	25,241	28%		19,908	63%
Notes payable	2,360	11,360	-79%		10,360	-77%
Related party payable	1,500	0	NM		0	NM
Accrued and other current liabilities	10,541	9,849	7%		5,329	98%
Purchase price obligations, current	1,327	2,899	-54%		7,039	-81%
Total current liabilities	48,137	49,349	-2%		46,024	5%
Long-term liabilities						
Revolving credit facility	**25,993**	**25,513**	2%		**22,026**	18%
Related party payable	**2,565**	**2,565**	0%		**2,565**	0%
Note payable	**12,066**	**3,156**	282%		**2,426**	397%
Purchase price obligations, non-current	**1,716**	**2,518**	-32%		**1,764**	-3%
Other liabilities	1,309	1,497	-13%		727	80%
Total Liabilities	91,786	84,598	8%		75,532	22%
Stockholder's equity						
Common stock	21	21	0%		16	31%
Additional paid-in capital	200,887	200,329	0%		176,760	14%
Accumulated deficit	(75,195)	(76,787)	-2%		(74,673)	1%
Total stockholders' equity	125,713	123,563	2%		102,103	23%
Total liabilities and stockholders' equity	$217,499	$208,161	4%		$177,635	22%
Current ratio	2.1	1.8	13%		1.6	32%
Quick ratio	1.5	1.3	13%		1.1	40%
Working Capital	51,301	40,821	26%		25,851	98%
Net Cash as % of assets	0%	2%	-78%		0%	229%
Cash per share	$0.00	$0.00	-75%		$0.00	237%
Debt % of assets	50%	57%	-12%		61%	-18%
Inventory Turnover	3.4	3.4	1%		2.5	36%
Days Sales	71	64	12%		68	6%

CASH FLOW

$ in Thousands	3 Months Ended March 31, 2015	3 Months Ended June 30, 2015	3 Months Ended Sep. 30, 2015	3 Months Ended Dec. 31, 2015	3 Months Ended March 31, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept. 30, 2016	3 Months Ended Dec. 31, 2016
Cash Flows from Operating Activities:								
Net loss	$ (2,046)	$ (1,488)	$ (285)	$ 1,437	$ (2,616)	$ (1,127)	$ 1,629	$ 1,592
Adjustments to reconcile net loss to net cash used in operating activities:								
Depreciation	143	136	136	135	100	98	109	82
Amortization of intangibles and other assets	890	1,009	1,077	1,342	1,210	1,467	1,518	1,531
Reacquired common stock issued for acquisition	(547)	0	0	547	0	0	0	0
Change in fair value of contingent consideration	406	79	254	125	377	455	(901)	(2,179)
Deferred income tax benefit	$ 0	0	0	0	0	0	0	0
Stock-based compensation	534	629	919	637	430	593	462	656
Other non-cash items affecting net loss				0	0	0	181	1,168
Cash flow	(620)	365	2,101	4,223	(499)	1,486	2,817	1,682
Free cash flow	(780)	285	1,921	4,181	(545)	1,422	2,707	1,347
Changes in operating assets and liabilities, net of the effect of acquisitions (Note 2):								
Increase in trade accounts receivable, net	2,916	(5,700)	(5,505)	(6,822)	5,119	(5,532)	(4,908)	(6,459)
Increase in unbilled contract receivables	0	0	(2,955)	709	1,064	(154)	(3,836)	(2,298)
Increase in inventories, net	(4,604)	(1,325)	239	(1,544)	(3,734)	691	1,321	(2,708)
Increase in other assets	(142)	(295)	360	(622)	(222)	(1,130)	(1,073)	(2,397)
Decrease in accounts payable and other liabilities	(4,223)	(88)	1,672	5,171	(1,751)	3,732	2,357	8,878
Decrease in accrued compensation and benefits	(527)	326	201	0	116	(116)	0	0
Net cash used in operating activities	(7,200)	(6,717)	(3,887)	(6,085)	93	(1,023)	(3,322)	(3,302)
Cash Flows from Investing Activities:								
Acquisition of businesses, net of cash acquired	(100)	0	(10,148)	(251)	0	(9,464)	(949)	(947)
Payment of acquisition obligations					0	(1,015)	0	0
Purchase of property and equipment	(160)	(80)	(180)	(42)	(46)	(64)	(110)	(335)
Proceeds from the sale of assets					0	0	2	(2)
Net cash used in investing activities	(260)	(80)	(10,328)	(553)	(46)	(10,543)	(1,103)	(11,827)
Cash Flows from Financing Activities:								
Fee pertaining to the issuance of common stock	(287)	68	219	0	(60)	(11)	71	0
Issuance of common stock, net of fees and expenses	0	0	9,525	(565)	0	16,191	1	0
Repayments of short-term borrowings and notes payable	(120)	120	(300)	(90)	(60)	(120)	(90)	(90)
Repayments of loans from affiliates of controlling stockholder	0	(180)	180	0	0	0	0	0
Proceeds from revolving credit facility, net	3,469	5,637	4,990	(830)	1,144	(594)	2,937	480
Net cash provided by financing activities	3,062	5,645	14,614	1,577	1,024	15,466	2,919	390
(Decrease) increase in Cash and Cash Equivalents	(4,398)	(1,152)	399	(5,061)	(4,398)	3,900	(1,506)	(14,739)
Cash and Cash Equivalents, beginning of period	6,033	1,635	483	882	219	1,290	5,190	3,911
Cash and Cash Equivalents, end of period	1,635	483	882	219	1,290	5,190	3,911	883

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, Lisa Thompson, 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 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.