August 8, 2018

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

Cinedigm Corp. (CIDM-NASDAQ)

CIDM: Initiating Coverage

Just Cinedigm's OTT Business is Worth Triple the Total Company

Based on an industry average of 5.3xs enterprise value to sales, and calendar year revenues of $34 million for the Content business alone, we believe Cinedigm stock is worth $4.50 per share.

Current Price (08/07/18)	$1.50
Valuation	**$4.50**

OUTLOOK

With new Chinese ownership and a $40 million infusion of capital, Cinedigm is positioned to rapidly grow its OTT business, which we believe is worth more than twice the entire company. It growth has been augmented with its new ability to distribute movies and TV shows to and from China. The Chinese market is severely restricted by the government of China and Cinedigm will be one of few to be able to distribute US movies and TV content to the Chinese.

SUMMARY DATA

52-Week High	**$1.72**
52-Week Low	**$1.21**
One-Year Return (%)	**3.2**
Beta	**0.27**
Average Daily Volume (sh)	**10,345**
Shares Outstanding (mil)	**35.0**
Market Capitalization ($mil)	**$53**
Short Interest Ratio (days)	**7.0**
Institutional Ownership (%)	**64**
Insider Ownership (%)	**62**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**-5.7**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2019 Estimate	**N/A**
P/E using 2020 Estimate	**N/A**

Risk Level	**Average**
Type of Stock	**Small Value**
Industry	**Business Services**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2017	22.5 A	23.9 A	24.4 A	19.6 A	90.4 A
2018	15.2 A	16.3 A	18.4 A	17.6 A	67.7 A
2019	12.5 E	12.5 E	16.5 E	15.8 E	57.3 E
2020					44.4 E

Earnings Per Share

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2017	-$0.70 A	-$0.08 A	-$0.07 A	-$1.15 A	-$1.92 A
2018	-$0.48 A	-$0.60 A	-$0.20 A	-$0.00 A	-$0.81 A
2019	-$0.08 E	-$0.12 E	-$0.18 E	-$0.16 E	-$0.54 E
2020					-$0.52 E

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

© Copyright 2018, Zacks Investment Research. All Rights Reserved.

KEY POINTS

- Cinedigm's prospects have been supercharged by a huge $40 million capital infusion from Chinese investor, Bison Capital, who now owns 56% of the company and has two board seats. This relationship has also enabled movie and TV distribution deals approved by the Chinese government through Starrise Media and others.

- This investment allowed Cinedigm to retire all its convertible notes and reduce future interest payments. It should also increase distribution revenues by allowing Cinedigm to release US movies to Chinese theatres as well as stream addition content to Chinese audiences. This could add millions of dollars to future revenues. The Chinese market is highly regulated and to date only major US studios have been allowed to release a limited number of movies there. Cinedigm is the first independent distributor to be given permission. Revenues from this new partnership should begin the December quarter.

- Total revenues for Cinedigm have been declining due to its legacy movie equipment business reaching its contracted ends and that trend is not expected to turn around until FY 2022. If the company manages to spin off or somehow classify its legacy business as a discontinued operation, it would immediately show significant total revenue growth. In the interim, the declining business unit will be treated as a cash cow to pay off its debt.

- Cinedigm is can be valued looking at it two main businesses and valuing them separately. If we assume the projector business has no value at all, the company's worth is entirely based on its distribution and content business. Using a metric of enterprise value to sales and its industry averages and Cinedigm's calendar year sales, we believe that business is worth $170 million or $4.50 per share. We are basing this on an estimate of $34.4 million in sales in calendar year 2018 and a peer average of 5.3 times EV to sales.

OVERVIEW

Cinedigm is an eighteen-year-old company based in Sherman Oaks, California with an office in NYC. It is composed of two main businesses: movie theater equipment financing and entertainment content distribution. It employees 110 people: six are part-time and 104 are full-time. Nineteen are employed in sales and marketing, 43 are in operations, and 42 are in executive, finance, technology, and administration functions.

The company is divided into two different businesses: a newer entertainment content distribution business and the legacy business that finances digital movie equipment and collects virtual print fees (VPF.)

Distribution and Streaming

The valuable and growing part of Cinedigm is its content distribution and streaming businesses. Cinedigm's subsidiary, **Cinedigm Entertainment Group** (CEG), is a leading independent content distributor in the US and a leader in the OTT digital network business. It is a distributor and aggregator of independent movie, television and other short form content. It manages a library of distribution rights to tens of thousands of titles and episodes released across 60,000 digital, physical, and home and mobile entertainment platforms. Its direct relationships include Walmart, Target, iTunes, Netflix and Amazon, as well as the national Video on Demand (VOD) platforms. For the last two fiscal years ended March 31, two customers, Walmart and Amazon, represented more than 10% of CEG's revenues. In FY 2018, Walmart was also approximately 10% of Cinedigm's total consolidated revenues.

Distribution in China

CEG recently formed a strategic alliance with Starrise Media, a Chinese production and distribution studio, to work together to reciprocally distribute content. Over the next 12 months, Cinedigm expects to distribute 2 to 3 films into theatrical release, and another 50 or so film and TV series into the Chinese market via streaming channels. It is about to start placing a few smaller titles for streaming in China and expects that the Starrise and other China partnerships could ultimately add **$15 million** to the company's annual revenues from the theatrical and digital release of films, television, and short form content. It hopes to be sending its first theatrical release to China in the next six months and is currently in negotiations with its producer for the distribution rights to China. It will be sending over first run major films, smaller Indie films with critical praise, and older catalog that still has broad appeal.

Cinedigm Streaming Channels

Cinedigm has been streaming content for ten years, longer than any other independent provider, and now has multiple over-the-top – or OTT – streaming channels, which reach 93% of all mobile and connected devices in the United States. It has partnerships with all of the major OTT platforms, devices, and services, including Apple, Vizio, Google, Roku, and Samsung.

Its **owned and operated** channels are:

- **DOCURAMA**, launched in May 2014, is an advertising-supported channel curated with 1000+ award winning documentary films and non-fiction television episodes. It is available on Roku, Xbox, Amazon Fire, iOS, and Samsung and can be watched as part of Amazon Prime.

- **CONtv** caters to the rabid entertainment enthusiast and gaming fan base that frequent Comic Con conventions nationwide. CONtv was originally a partnership of Cinedigm, an industry leader in independent content distribution, and Wizard World, the largest Comic Con producer in the U.S. It now the majority owner of the entity. It features a diverse cross section of film, TV, short form, and live programming including original shows, genre movies, cult series, user-generated content, and Comic Con events. Its genres include anime, fantasy, gaming, grindhouse, horror, martial arts, sci-fi, and superheroes. It was launched in March 2015 and was rolled out in November 2017 on Twitch, the gaming service.

- **DOVE CHANNEL**, launched in the fall of 2015, is a streaming subscription service targeted to families and kids featuring content from Cinedigm's library, as well as acquired content and original programming. All content released will meet the guidelines of the Dove Seal and is family friendly. Dove Channel is now available on Dish's Sling OTT service as an add-on for $5 per month.

- **A Yet-to-be-named Chinese Channel**. We expect this channel to launch by the end of FY2019. Cinedigm is in the process of closing several licensing deals with leading content producers to create a channel that has high quality and compelling contemporary Chinese productions that will be targeted to American consumers. As a majority owned Chinese company, it believes it will have unique priority access to content producers. It will take this diverse selection of quality TV series and movies and place on its OTT streaming platform in addition to distributing content through Amazon, Dish/Sling, Twitch, Pluto TV, TubiTV, Xumo, Vizio, and others.

.

In addition to its own channels, Cinedigm also provides a platform for others to provide OTT channels and other services. Their managed OTT channels are:

- **WHAM** was launched in April on Twitch. It is a 24/7 free gaming- and eSports-centered channel covering industry news and the celebrity gaming scene, provide gamer-focused original series and

offer in-depth coverage of live events. It offers thousands of hours of game tournaments and highlights, as well as original programs such as *Clip Blip,* an *America's Funniest Home Videos* for gaming, and *eSports Central Live*, broadcasting news and industry developments, a la ESPN's *SportsCenter*.

- **Combat Go** was also launched in April on Twitch and is a partnership of Cinedigm and JungoTV. It is a 24/7 mixed martial arts (MMA) free streaming channel that brings together top global MMA Brazilian Jiu-Jitsu (BJJ), Muay Thai, and traditional Asian martial arts promotions. It features HD quality English language-based programming.

- **HALLYPOP**, was announced in April, and is a partnership between Cinedigm, JungoTV, and SBS—a leading Seoul-based South Korean television network. It will be a new entertainment network focused on K-pop, Asian music, EDM and pop culture. The new HD network **will launch this summer**, targeting distribution on traditional operators and digital platforms, as well as a part of applicable "skinny" bundles.

- **Gatherer**, an entertainment and lifestyle channel for Gen X women.

Legacy Business

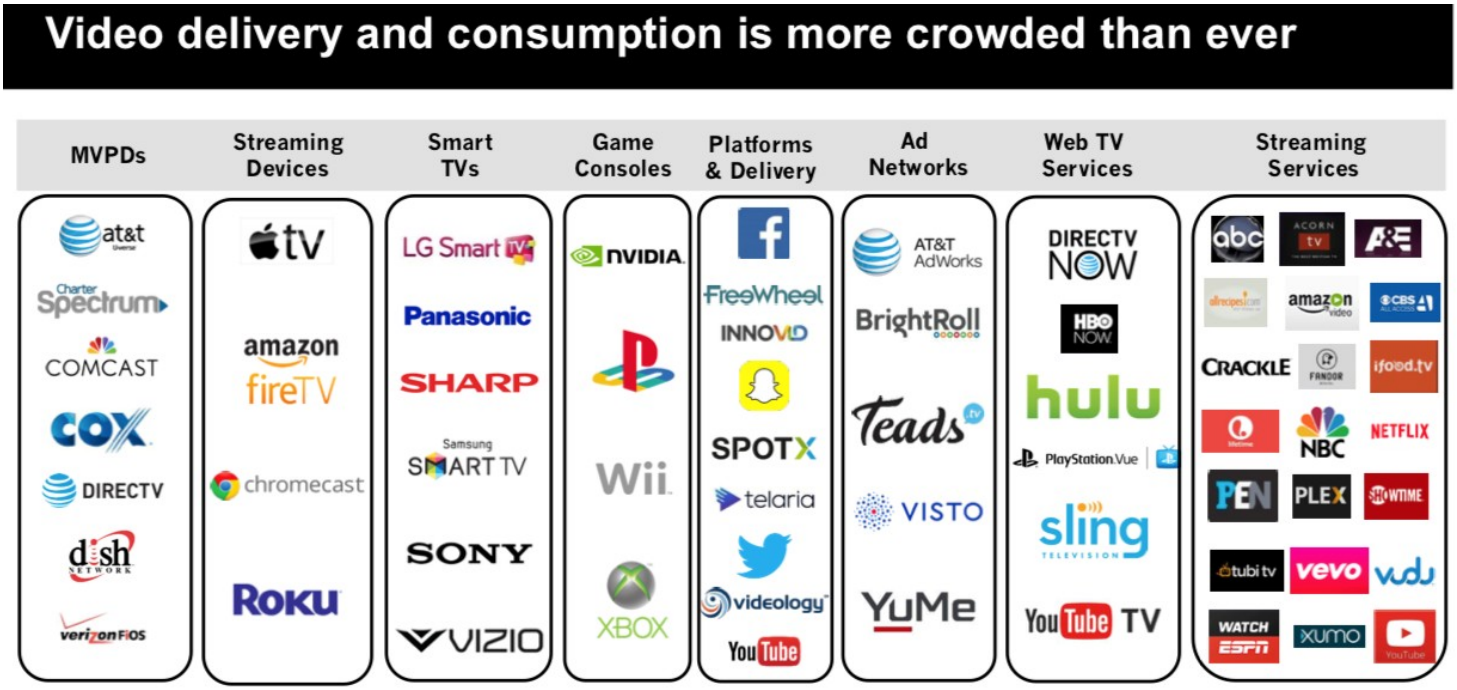
The origin of Cinedigm is as a provider of digital movie projectors for movie theatres, a business that is winding down and governed by financing and service contracts put in place years ago. This business was initially formed as a way to finance the purchase of digital projectors when they were first introduced. Movie studios saved a lot of money moving to digital, but to move to digital, theatres had to buy expensive new equipment with no incremental profit for them. The solution was to make the studios pay as they reaped the savings. The movie studios gladly paid a fixed fee for each movie it sent to theaters, which in turn paid for the new projectors since digital saved the exhibitors and studios so much more compared with distributing old analog films. Cinedigm was the middleman and it constructed arrangements which was either for ten year terms or until the cost was recouped. These limits began to be met in 2017, and will continue to tail off through 2022. It still has digital projectors used on over 12,000 domestic and foreign movie screens. At the end of the payments, Cinedigm will own □3,717 of these projectors, but most will be owned by the theaters. The company will then sell these projectors, which could bring approximately $10,000 per projector, or $37 million to further pay off the debt. The theatres are allowed to use these projectors until December 31, 2020, so we expect most of those sales to come in after that date.

Revenues are generated according to contract and Cinedigm is paid as each new movie is played in the theatre. Cinedigm bills the studios each month based on the number of movies shown so revenues are somewhat predictable but vary based on a movie's success or failure. Despite year over year declines in revenue, the legacy business continues to throw off positive cash flow, which is being used primarily to pay off the debt from financing the projectors. As the payments end and the projectors sold, the debt related to financing the projectors should be paid in full if the projectors are all sold at prices between $7,500 to $10,000 each without allowing more high interest to accrue and add to the principal. On Cinedigm's balance sheet, $40.2 million in debt and $53.4 million in assets are from the digital cinema business. In the FY 2017 this business, Phase I, Phase II and services, was 62% of revenues. In FY 2018, it was 52% of total sales with revenues declining by 33% year over year.

INDUSTRY OUTLOOK

Delivering video content to consumers has evolved from free advertising-supported broadcast television to cable and satellite paid services and is now migrating to content delivered via the Internet using both free ad-supported models, and paid options. According to LEK, more than 3 million U.S. consumers left pay TV behind in 2017, reducing cable subscribership to less than 80% of households.

These streaming options are beginning to give consumers long promised narrowcasting and allowing viewers to consume only the content they are interested in rather than having a broad bundle foisted on them. Not only do consumers have a choice of content, they also have myriad ways and devices through which to watch that content.



US OTT Industry

Markets and Markets believes, the **OTT market in the US will grow from $28.0 billion in 2015 to $62.0 billion by 2020, at an estimated CAGR of 17.2%** as internet speeds improve and cord cutting increases. Internet delivered ad-supported television content has even more appeal to advertisers as it lets viewers be targeted more specifically and coordinated web-based advertising on other devices. eMarketer estimates that US TV ad spending is virtually flat this year. It predicts this market will expand just 0.5% to $71.7 billion in 2017. In April, comScore reported that 51 million U.S. homes have used OTT services and this number is growing. Nielson says traditional television viewing has been declining albeit slowly and according to eMarketer there will be 22 million people without cable service this year, up 33% from last year, as prices for cable continue to increase and more alternative content sources are available. According to Parks Associates, 50% of U.S. broadband households watch long-form online video content on an internet-connected TV set and 69% have an OTT subscription while 38% have two or more subscriptions and 15% have three or more. In the month, 31% of these households also accessed free content.

US OTT Advertising

While spending on TV ads has hardly grown, the ad industry continues to increase its spending on advertising on digital content by double digits each year. Since 2014, overall online video ad sales have increased nearly 20% annually over the past three years, with double-digit increases expected through 2021 according to eMarketer.

US TV* and Digital Video Ad Spending, 2016-2021**
billions, % change and % of total media ad spending

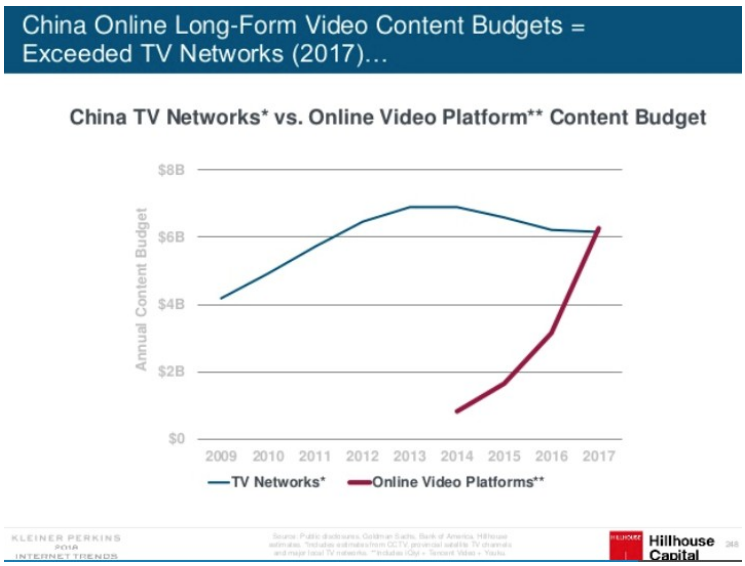
	2016	2017	2018	2019	2020	2021
TV*	**$71.29**	**$71.65**	**$71.93**	**$72.22**	**$74.03**	**$74.17**
—% change	3.5%	0.5%	0.4%	0.4%	2.5%	0.2%
—% of total media ad spending	36.6%	34.9%	33.5%	31.9%	30.8%	29.4%
Digital video**	**$10.70**	**$13.23**	**$15.42**	**$17.56**	**$19.81**	**$22.18**
—% change	39.2%	23.7%	16.5%	13.9%	12.8%	12.0%
—% of total media ad spending	5.5%	6.5%	7.2%	7.8%	8.3%	8.8%

*Note: *includes broadcast (network, spot and syndication) and cable TV; **includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices; includes advertising that appears before, during or after digital video content in a video player*
Source: eMarketer, Aug 2017

More than 37 million U.S. households watched ad-supported shows on connected TVs in 2016, according to Modi Media. According to Nielsen, 75% of the highly desirable target audience report that ads don't bother them as long as the content is free.

Chinese OTT Market

Revenue for OTT in Asia is expected to be a massive $24 billion in 2022 – roughly tripling from $8.3 billion in 2016. This is a CAGR of 19.4%. China is expected to represent nearly 50% of Asia's total OTT revenue by 2022. In 2017, the budget in China for movie and TV content just for streaming exceeded that of its TV networks as shown below.



COMPETITION

Growth at Cinedigm is coming from its content distribution and not its legacy business, which has fixed dynamics. Its competitors are content distributors as well as streaming channels. This includes both distribution in the US as well as China.

In the US the company is the largest independent **distributor** of TV shows and films and competes with:

. Entertainment One (eOne) Ltd. □
. IFC Entertainment □
. Lionsgate Entertainment □
. Magnolia Pictures □
. Pure Flix □
. RLJ Entertainment, Inc. □
. Warner Brothers Digital Networks □
. AMC Networks □

In **streaming**, the company sells against traditional cable and broadcast TV providers as well as general content services such as Netflix, YouTube, Hulu, and Amazon Prime. Generalist OTT TV content providers include: YouTube TV, Dish Network's Sling TV, Sony's PlayStation Vue, FuboTV, AT&T's DirecTV Now and Hulu's Live TV. Cinedigm also counts these outlets as customers for their content and is adding many of them as distributors of their streaming channels as well as content library. There are also a number of OTT skinny bundle providers emerging and offering specific content categorized by topic or language. These include Philo and TubiTV who have free or pared down paid offerings. Other channels include Crackle, Popcornflix, and many many others.

TubiTV is a streaming service that launched in 2014 and claims the largest audience with the largest collection of movies and TV shown free. It has 50,000 titles in its with 40 genre categories from comedy, drama, family & kids, classics and horror, to niche segments such as Korean dramas, anime, and British TV. We believe it is generating over $60 million in sales. It is based in San Francisco and had a $20M round of funding in May led by Jump Capital. Existing investor Foundation Capital, who led their Series A, is also joined this round of funding as did Danhua Capital, and Cota Capital. Previous investors in the company include MGM, Lionsgate, and a group of Hollywood investors who also licensed hundreds of titles from their respective catalogues to TubiTV. TubiTV combines deep data mining and a proprietary TV analytics platform with a robust content offering from its studio partners.

As far as Asia, three US OTT channels have been very successful streaming Asian language content particularly--- Korean and Japanese --- DramaFever, Viki, and Crunchyroll. Cinedigm hopes to emulate them but with a focus on Chinese language content. For Chinese content available in the US, Damai seems to be Cinedigm's biggest competitor. There is a limited amount of Chinese content available on Rakuten's Viki, Crunchyroll, DramaFever, and TubiTV, as well as a small amount of content licensed to the larger platforms like Netflix and Amazon. Cinedigm would be **the first major service solely dedicated to Chinese content** outside of China.

DramaFever claims to be the largest online video distributor of international televised content streaming the world's best movies, documentaries, and TV shows on demand with professional subtitles. It has a large volume of Korean content as well as Japanese, Chinese, and Taiwanese programs most subtitled in English, Spanish, Portuguese, Korean, and/or Simplified Chinese. It was founded in 2009 and was bought by Warner Brothers in 2016 from Softbank. Softbank paid $100 million for DramaFever in 2014. The founders are now co-heads of production & acquisitions for Korean drama TV series at Warner Bros. Entertainment.

Viki is part of Rakuten, the large Japanese conglomerate founded in 1997 and generating $8.5 billion in sales last year. Viki.com streams content from many countries but primarily Korea, China, Taiwan and Japan, with the majority being from Korea. It currently has 226 shows available from China and 76 from Taiwan. It can be viewed for free with ads, or without ads for either $50 a year or $100 per year depending on content.

Crunchyroll was founded in 2006 in San Francisco and is now Ellation's anime-focused SVOD service. Ellation was founded in 2015 and acquired by Otter Media in January. Otter Media is a joint venture between AT&T and The Chernin Group. Crunchyroll is a global video service for Japanese Anime and Asian media. It has over 20,000 videos and 10,000 hours of anime, Korean drama and live-action titles on Crunchyroll.com and Crunchyroll-powered platforms including iPhone, iPad, Android, TV set-top boxes, Playstation®3, Xbox LIVE, and other devices. Crunchyroll says it has more than 40 million registered users, reached 1 million subscribers in 2017, and streams more than 1.5 billion minutes of content per month. We believe Crunchyroll may be generating approximately $125 million in sales today.

Damai TV allows customers to watch Chinese dramas, movies, Cantonese dramas and live TV, including the popular channels like CCTV series, Hunan, Zhejiang, latest TV dramas, movies and even dedicated kid's cartoons with Chinese literature. It has a one-month free trial and thereafter costs $88 for 12 months or $176 for 30 months. Its Damai TV App supports the Roku and Amazon Fire TV systems. Damai TV provides content including: CCTV1-15 Central Channel, more than 30 provincial and municipal TV stations, the Great Wall platform, and North American channel, covering more than 100 live channels in Chinese and Cantonese. It also includes domestic simultaneous hit TV dramas and the latest release of domestic cinemas as well as movies on demand.

FINANCIALS

For the fiscal year ending March 31, 2018 Cinedigm reported revenues of $67.7 million versus $90.4 million a year ago. The decline was primarily due to its legacy digital projector business that declined from $56.2 million to $37.6 million or 33%. Content, which is the rest of the business declined from $34.2 to $30.1 due primarily to the decline in the sale of physical DVDs. The OTT streaming and related digital businesses, within that segment, grew 23% to $11.5 million. Ads and subscriptions for the company owned OTT business grew 36%, which we calculate to be $2.6 million of the $11.5 million. This growth came from both more channels as well as being available on far more devices.

Despite all these changes in product mix, gross margin has stayed between 70 and 72% for the past three years. This year it was 71% of sales. The legacy projector business has a 95% gross margin while content is at 41% so we expect the margins to shift significantly in the coming years.

Operating expenses declined 19% with a reduction of depreciation and amortization being $15.3 million of that. SG&A rose $4.7 million.

Net interest expense decline $4.8 million with further reduction expected in 2018 due to paying off of debt. Total other income was $18.8 million versus $21.7 million a year ago. For the year the company paid $401,000 in taxes and now has only a $24.9 million tax loss carry forward since its change of control. Its fully taxed federal and state tax rate is 30%.

The net loss to common shareholders was larger than last year at $18.8 versus $15.5 million in 2017 as revenues declined faster than expenses. This resulted in an EPS loss of $0.81 per share versus a loss of $1.92 per share on 187% more shares.

Adjusted EBITDA came in at $23.0 million in FY 2018 versus $43.4 a year ago.

Results for FY Q4 Ending March 31, 2018

Since November when Bison made its capital investment Cinedigm has been revamped as a company with a new business model and new opportunities, some of which were evidenced in this Q4 quarter.

Revenues came in at $17.7 million versus $19.6 million a year ago, declining 10%. $9.3 million came from the legacy projector business and $9.4 million from content distribution and streaming. While the legacy business declined from $11.7 million to $9.3 million (or 21%) as studios started to fulfill their payment obligations, the content business grew 6% to $8.4 million from $7.9 million. This is the first time the content business has grown for years due to the decline in distribution through physical products. Within this group, OTT grew while distribution was somewhat steady.

Gross margin increased significantly from 63% to 71% resulting in higher gross margin dollars. Total operating expenses declined $3.7 million and the result was operating income almost matching interest expense and operating breakeven. Expenses were down due to the reduction on depreciation and amortization of property and equipment. This line item will continue to go down going forward as projection equipment is paid off.

For the quarter the company actually had a net profit of $47,000 before minority interest and preferred stock dividends, but after, the net to common shareholders was a loss of $80,000 versus a loss of $9.7 million in the year ago quarter.

The EPS loss in Q4 2017 was breakeven at $0.00 per share versus a loss of $0.97 per share a year ago. Shares outstanding increased to 37.5 million from 10 million a year ago.

FORECASTS

FY 2019 is expected to show a significant fall off in legacy business as contracts come to a natural end. This year we are looking for revenues in this business to fall from $37.6 million to $19 million or almost 50%. The content business should grow to $38.3 million versus $30.1 million a year ago (up 27%) as OTT grows rapidly and physical distribution decline decreases as Cinedigm has picked up market share in this consolidating industry. This will result in total revenues of $57.3 million, down 15%.

FY 2020 will be particularly unusual as the projector business falls off in revenues as contracts end. We are forecasting revenues for this business at $3 million. We also expect SG&A and other expenses to decline somewhat with revenue declines. By the end of calendar year 2020, the theatres will have to either give back their projectors, or buy them from Cinedigm. Since they have them until December 31, 2020, we will not see income from these sales until that time. These sales, which could be upwards of $37 million will not be booked as revenues but as other income and fall into the FY 2021 year. The content business should continue to grow although there could be headwinds from declining physical distribution, which will continue to be cannibalized by streaming. Content could grow to $41 million resulting in total revenues declining 22% year over year.

Investors should continue to focus on the progress of the content business to judge the progress of the company while keeping an eye on the wind down of the projector business which may even have upside depending on how the sale of projectors goes. Worst-case scenario for this business is difficulty paying off the non-recourse loan granted to this business. The Cinedigm parent company is ultimately not responsible for that debt.

MANAGEMENT

Christopher J. McGurk

CEO

Chris has been the company's CEO and Chairman of the Board since January 2011. Chris was the founder and CEO of Overture Films from 2006 until 2010 and the CEO of Anchor Bay Entertainment, which distributed Overture Films' products to the home entertainment industry. From 1999 to 2005, Chris was Vice Chairman of the Board and COO of MGM, until it was sold. Chris joined MGM from Universal Pictures, where he served in various executive capacities, including President and Chief Operating Officer, from 1996 to 1999. From 1988 to 1996, Chris served in several senior executive roles at The Walt Disney Studios, including Studios CFO and President of The Walt Disney Motion Picture Group. He has served on the boards of BRE Properties, Inc., DivX Inc., DIC Entertainment, Pricegrabber.com, and MGM Studios, Inc.

Jeffrey Edell

CFO

Jeff was appointed CFO in June 2014. Prior to this appointment, Edell was Founder and CEO of Edell Ventures, started in 2009 to invest in and provide strategic support to innovators in the social media and entertainment arenas, including partnering with comic icon Stan Lee. He recently produced, *Taken For Ransom* for Lifetime. Prior to that, he was CEO of Inferno Entertainment, a film production & foreign sales company, which produced and/or distributed features including *The Kids Are All Right, Just Friends* and *The Grey*. Jeff was also President of publically listed DIC Entertainment, the largest independent producer of kid-centric content in the world until its sale in 2008. Before that he was Chairman of Intermix Media, the parent company of MySpace, and sold it to News Corp in 2005. Jeff was also CEO and President of Soundelux for six years until the company was sold to Liberty Media. He has extensive financial, audit and reporting experience from stints at KPMG, The Transamerica Group and DF & Co. Jeff served on the boards of MySpace/Intermix Media, Soundelux Entertainment Group and IVC Industries, Inc. He is a member of both The Academy of Motion Picture Arts & Sciences and The Academy of Television Arts and Sciences. He is the former Entrepreneur in Residence and Professor at Florida State University's College of Motion picture Arts. Jeff earned a BS in Commerce from the University of Virginia and is a CPA.

Gary S. Loffredo

President of Digital Cinema Services, General Counsel and Secretary, Cinedigm

Gary was named President, Digital Cinema & General Counsel in October 2011 and has been a director since September 2000. Prior to this promotion, Loffredo was Cinedigm's SVP – Business Affairs, General Counsel, and Secretary. From March 1999 to August 2000, he had been VP, General Counsel and Secretary of Cablevision Cinemas, LLC. At Cablevision Cinemas, Gary was responsible for all aspects of the legal function, including negotiating and drafting commercial agreements with emphases on real estate, construction, and lease contracts. He was also significantly involved in the business evaluation of Cablevision Cinemas' transactional work, including site selection and analysis, negotiation and new theatre construction oversight. Prior to his employment at Cablevision Cinemas, Mr. Loffredo was an attorney at the law firm of Kelley, Drye & Warren, from 1992 to 1999. Gary earned a BS in Biology at Bucknell University and has a JD from New York Law School.

William S. Sondheim

Bill joined the Company in October 2013 and is President of Cinedigm Entertainment Corp., the content and entertainment division. From 2007 to 2013, he worked at Gaiam and was the President from 2010 to 2013. Before that was Gaiam's President of Entertainment and Worldwide Distribution. From 2005 until

2007, Bill was in charge of Global Dual Disc music format for Sony BMG, a recorded music company. Prior to 2005, he was President of Retail at GoodTimes Entertainment, a home video company, and President of PolyGram Video at PolyGram Filmed Entertainment, a video distributor.

BOARD OF DIRECTORS

Christopher J. McGurk
Chairman of the Board

Peixin Xu

Peixin has been a member of the Board since November 2017 and founded Bison Capital in 2014. Since 2013 he has been serving on the board of directors of Airmedia Group Inc. (Nasdaq: AMCN). Mr. Xu has significant board and media industry experience in the United States and in China. He earned a BA in Business Administration from Tianjin University of Commerce of the People's Republic of China.

Peng Jin

Peng has been a member of the Board since November 2017, and has been a managing partner of Bison Capital since August 2014, and a director since March 2017. From 2008 to 2014, he served as a partner of Keystone Ventures. Mr. Jin has experience in the media industry, in both the United States and in China. He earned a BS in Finance of Information Systems from New York University, Stern School of Business.

Peter C. Brown

Peter has been a member of the board since September 2010. He is Chairman and Founder of Grassmere Partners, LLC, a private investment firm. From 1999, until founding Grassmere Partners in 2009, Peter was Chairman of the Board, CEO, and President of AMC Entertainment Inc. He joined AMC in 1990 and served as AMC's President from January 1997 to July 1999 and Senior Vice President and CFO from 1991 to 1997. Mr. Brown currently serves on the board of EPR Properties (NYSE: EPR) and CenturyLink (NYSE: CTL.) Past board seats include: National CineMedia, Inc., Midway Games, Inc., LabOne, Inc., and Protection One, Inc.

Patrick W. O'Brien

Patrick has been a member of the board since July 2015. He is the Managing Director & Principal of Granville Wolcott Advisors, business consulting, due diligence and asset management services for public and private clients he founded in 2009. From 2005 to 2009, Pat was a VP - Asset Management for Bental-Kennedy Associates Real Estate Counsel where he represented pension fund ownership interests in hotel real estate investments nationwide. He now serves on the boards of LVI Liquidation Corp., Creative Realities, Inc., and Fit Boom Bah. He has also been on the boards of Ironclad Performance Wear, Inc. and Merriman Holdings, Inc. Mr. O'Brien joined the Board as a designee of Ronald L. Chez pursuant to the Settlement Agreement dated as of July 30, 2015 among the Company and certain stockholders party thereto. Pat earned a BA in Restaurant and Hotel Management from Michigan State University.

Zvi M. Rhine

Zvi has been a member of the Board since July 2015. He is the founder, principal and managing member of Sabra Capital Partners, a multi-strategy hedge fund. He was Vice President at The Hilco Organization from 2009 to 2012 and has served in various roles at Boone Capital, Banc of America Securities, and

Piper Jaffray. Zvi also serves as the CFO and a director of Global Healthcare Real Estate Investment Trust. Zvi earned a BS in Finance at University of Illinois- Urbana-Champaign in 2000.

VALUATION

While there is no public company that is solely a distributor and a streaming service, there are a number of companies that do one or the other. Chicken Soup for the Soup Entertainment is close, but it also has a large TV content production piece. Netflix only streams and does not distribute for others. Companies with similar businesses to CIDM have an average valuation of 5.3xs enterprise value to calendar year sales for 2018 as well as trailing twelve months. If we use that metric and apply it to our estimate for Cinedigm's content business alone, we get an enterprise value of $170 million. Subtracting off the debt (expect for the non-recourse debt of the projector business) this equates to a share price of $4.50.

		Revenue		TTM	Enterprise Value / Sales		EV/	Included	Enterprise
Company	Ticker	2018E	LTM	EBITDA	2018E	LTM	EBITDA	in Average?	Value
Chicken Soup	CSSE	$36	$15	$5	3.1x	7.4x	20.4x	y	$110
DISH Network	DISH	$13,670	$13,990	$2,730	2.2x	2.2x	11.2x	y	$30,510
Entertainment One	ENTMF	NA	$1,380	$206	NA	2.0x	13.5x	y	$2,780
DHX Media	DHXM	NA	$319	$67	NA	2.7x	13.0x	y	$869
Gaia	GAIA	$44	$32	-$21	6.3x	8.5x	-13.2x	y	$274
Lionsgate	LGF-A	$3,974	$4,130	$501	1.8x	1.8x	14.4x	y	$7,240
Netflix	NFLX	$15,860	$13,880	$1,440	9.9x	11.3x	109.2x	y	$157,250
RLJ Entertainment	RLJE	NA	$91	$8	NA	1.5x	17.3x	y	$139
Roku	ROKU	$698	$549	-$14	6.7x	8.6x	-344.6x	y	$4,700
WWE	WWE	$898	$867	$141	6.8x	7.1x	43.4x	y	$6,130
Average				**$506**	**5.3**	**5.3**	**-11.5**		**$21,000**

	Revenue		TTM	Enterprise Value / Sales		Valuation Range	
	2018E	LTM	EBITDA	2018E	LTM	Low	High
Cinedigm	**$34,370**	**$30,106**		**5.3x**	**5.3x**	**$159,650**	**$180,958**

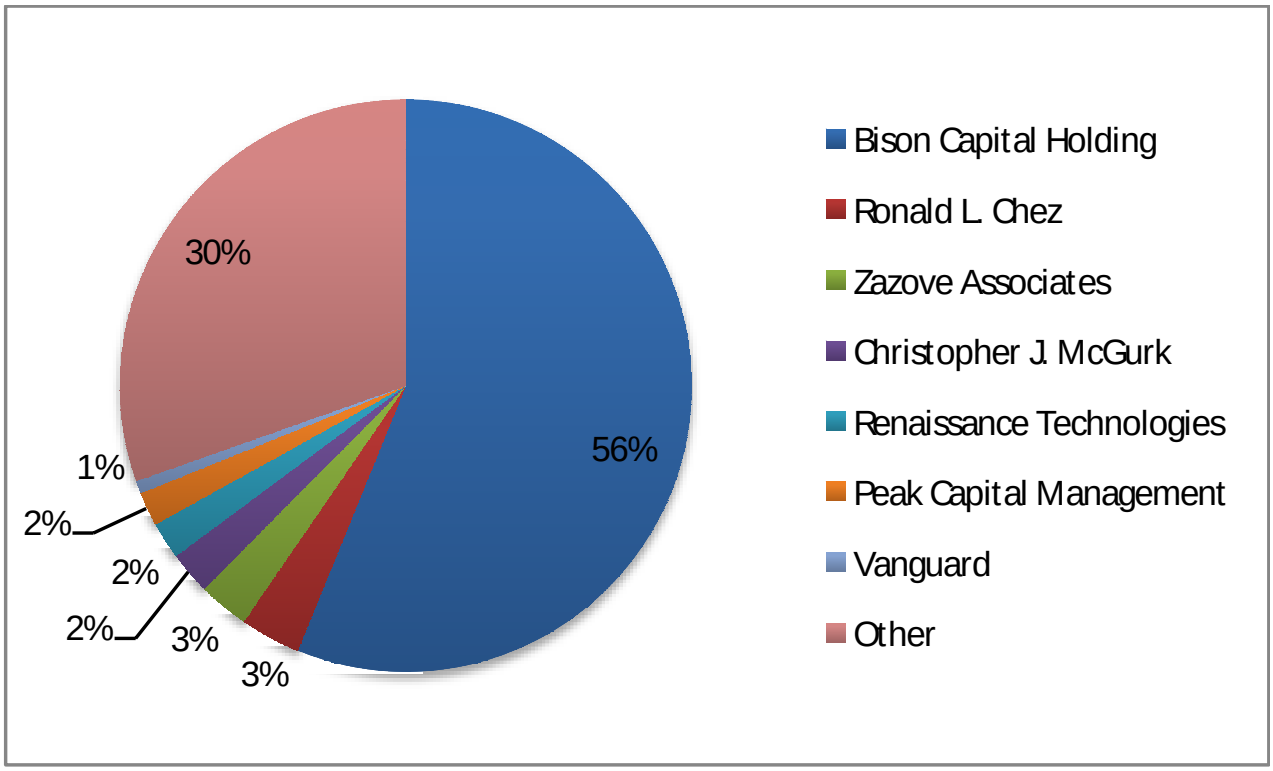
Conclusion of Enterprise Value	$170,304,181
Market Value	$157,534,181
Shares Outstanding	35,011,984
Price per Share	**$4.50**

RISKS

- Despite being cash flow positive, Cinedigm is not yet profitable and has declining revenues from its legacy business, which may cause growth and profitability to be challenging.
- Its relationship with Bison Capital is new and planned business strategies may not work as expected.
- China has a highly regulated business environment and changes could occur to stop Cinedigm from achieving its objectives in that country.
- The OTT streaming business is highly competitive in the US with new entrants almost on a daily basis. The company may have difficulty marketing its channels due to so many competing alternatives vying for consumer interest and dollars.

- The continued decline in DVD and Blu-ray physical distribution makes distribution growth an uphill battle.
- There is risk in the projector business, as it must resell the projectors it will own at a price sufficient to pay off loans. The number of projectors, the prices they can be sold at and the timing of these sales are variable and it is uncertain if there will be enough cash to pay off its loans.

OWNERSHIP



PROJECTED INCOME STATEMENT

	Q1 6/30/17	Q2 9/30/17	Q3 12/31/17	Q4 3/31/18	Q1 E 6/30/18	Q2 E 9/30/18	Q3 E 12/31/18	Q4 E 3/31/19	FY 2016	FY 2017	FY 2018	FY 2019E	FY 2020E
Phase I	$4,331	$5,329	$3,219	$3,903	$2,000	$500	$0	$0	$36,488	$32,068	$16,782	$2,500	$0
Yr-to-yr Growth	-53%	-44%	-56%	-35%	-54%	-91%	-100%	-100%	NA	-12%	-48%	-85%	-100%
Phase II	3,061.0	2,591	3,193	3,018	3,000	2,500	1,500	1,500	12,257	12,538	11,863	8,500	2,000
Yr-to-yr Growth	-4%	-21%	7%	-2%	-2%	-4%	-53%	-50%	NA	2%	-5%	-28%	-76%
Services	2,396	2,105	2,049	2,382	2,000	2,000	2,000	2,000	11,782	11,611	8,932	8,000	1,000
Yr-to-yr Growth	-27%	-33%	-22%	-7%	-17%	-5%	-2%	-16%	NA	-1%	-23%	-10%	-88%
TOTAL LEGACY BUSINESS	**9,788**	**10,025**	**8,461**	**9,303**	**7,000**	**5,000**	**3,500**	**3,500**	**60,527**	**56,217**	**37,577**	**19,000**	**3,000**
Yr-to-yr Growth	-37%	-37%	-34%	-21%	-28%	-50%	-59%	-62%	NA	-7%	-33%	-49%	-84%
Distribution									36,072	24,827	18,606	23,000	20,000
Yr-to-yr Growth									NA	-31%	-25%	24%	-13%
OTT									7,850	9,350	11,500	15,300	21,421
Yr-to-yr Growth									NA	19%	23%	33%	40%
OTT Channel									NA	1,944	2,644	4,230	6,346
Yr-to-yr Growth									NA	NA	36%	60%	50%
OTT other									NA	7,406	8,856	11,070	16,605
Yr-to-yr Growth									NA	NA	20%	25%	50%
CONTENT	**5,452**	**6,253**	**10,031**	**8,370**	**5,500**	**7,500**	**13,000**	**12,300**	**43,922**	**34,177**	**30,106**	**38,300**	**41,421**
Yr-to-yr Growth	-20%	-21%	-13%	6%	1%	20%	30%	47%	NA	-22%	-12%	27%	8%
Total revenue	**15,240**	**16,278**	**18,492**	**17,673**	**12,500**	**12,500**	**16,500**	**15,800**	**104,449**	**90,394**	**67,683**	**57,300**	**44,421**
Yr-to-yr Growth	-32%	-32%	-24%	-10%	-18%	-23%	-11%	-11%	-1%	-13%	-25%	-15%	-22%
Cost of revenue	4,066	4,041	6,363	5,053	3,560	4,650	7,828	7,415	31,341	25,121	19,523	23,452	24,573
Gross profit	11,174	12,237	12,129	12,620	8,940	7,850	8,673	8,386	73,108	65,273	48,160	33,848	19,847
Gross Margin %	73%	75%	66%	71%	72%	63%	53%	53%	70%	72%	71%	59%	45%
Operating expenses:													
SG&A	6,318	6,247	9,259	6,630	6,400	6,400	8,000	6,000	33,367	23,776	28,454	26,800	17,000
Provision for doubtful accounts	-	949	631	(589)	-	500	500	500	789	1,213	991	1,500	1,000
Restructuring expenses, net	-	-	-	-	-	-	-	-	1,130	87	-	0	0
Goodwill impairment	-	-	-	-	-	-	-	-	18,000	-	-	0	0
Litigation and related, net	-	-	-	-	-	-	-	-	(2,228)	-	-	0	0
Dep and amortization of property and equipt	4,357	3,645	2,213	2,197	1,861	1,887	1,882	1,796	37,344	27,722	12,412	7,426	6,500
Amortization of intangible assets	1,395	1,395	1,395	1,395	1,395	1,395	1,395	1,395	5,852	5,718	5,580	5,580	5,580
Total operating expenses	12,070	12,236	13,498	9,633	9,656	10,182	11,777	9,691	94,254	58,516	47,437	41,306	30,080
Operating income:	(896)	1	(1,369)	2,987	(716)	(2,332)	(3,105)	(1,306)	(21,146)	6,757	723	(7,458)	(10,233)
Operating margin	-5.9%	0.0%	-7.4%	16.9%	-5.7%	-18.7%	-18.8%	-8.3%	-20.2%	7.5%	1.1%	-13.0%	-23.0%
Other income:													
interest expense, net	(4,041)	(3,975)	(3,147)	(3,029)	(1,888)	(1,888)	(1,888)	(1,888)	(20,560)	(18,995)	(14,193)	(7,553)	(7,553)
Loss on extingusihment of note payable	-	-	-	-	-	-	-	-	(931)	(1,063)	-	-	-
Debt conv exp and loss on ext of notes payable	-	(3,205)	(1,299)	-	-	-	-	-	-	(4,352)	(4,504)	-	-
Other (expense) income, net	(69)	(133)	(40)	(35)	260	(40)	(40)	(40)	513	31	(277)	140	-
Gain on termination of capital lease	-	-	-	-	-	-	-	-	-	2,535	-	-	-
Change in fair value of interest rate derivatives	40	43	44	30	44	44	44	44	(40)	142	157	176	-
Total other income	(4,070)	(7,270)	(4,442)	(3,034)	(1,584)	(1,884)	(1,884)	(1,884)	(21,018)	(21,702)	(18,817)	(7,237)	(7,553)
Income before income taxes	(4,966)	(7,269)	(5,811)	(47)	(2,300)	(4,216)	(4,989)	(3,190)	(42,164)	(14,945)	(18,094)	(14,695)	(17,785)
Pretax Margin	-32.6%	-44.7%	-31.4%	-0.3%	-18.4%	-33.7%	-30.2%	-20.2%	-40.4%	-16.5%	-26.7%	-25.6%	-40.0%
Income taxes	(186)	(196)	(113)	94	-	-	-	-	(345)	(252)	(401)	-	-
Tax rate	4%	3%	2%	-200%	0%	0%	0%	0%	1%	2%	2%	0%	0%
Net loss	(5,152)	(7,465)	(5,924)	47	(2,300)	(4,216)	(4,989)	(3,190)	(42,509)	(15,197)	(18,495)	(14,695)	(17,785)
Yr-over-Yr	13%	1446%	1132%	-100%	-55%	-44%	-16%	-6887%	47%	-64%	22%	-21%	21%
Net loss attributable to noncontrolling interest	6	11	15	9	15	15	15	15	767	68	41	60	60
Net loss attributable to controlling interests	(5,146)	(7,454)	(5,909)	9	(2,285)	(4,201)	(4,974)	(3,175)	(41,742)	(15,129)	(18,454)	(14,635)	(17,725)
Preferred stock dividends	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(89)	(356)	(356)	(356)	(356)	(356)
Net loss attributable to common stockholders	(5,235)	(7,543)	(5,998)	(80)	(2,374)	(4,290)	(5,063)	(3,264)	(42,098)	(15,485)	(18,810)	(14,991)	(18,081)
Net income per share:													
Primary EPS	**(0.48)**	**(0.60)**	**(0.20)**	**(0.00)**	**(0.07)**	**(0.12)**	**(0.14)**	**(0.09)**	**(6.51)**	**(1.92)**	**(0.81)**	**(0.43)**	**(0.52)**
Diluted EPS	(0.42)	(0.53)	(0.18)	0.00	(0.06)	(0.11)	(0.13)	(0.08)	(4.59)	(1.64)	(0.76)	(0.39)	(0.47)
	-15%	1008%	273%	-100%	-85%	-79%	-28%	-7340%		-64%	-54%	-49%	21%
Shares													
Basic	10,920	12,651	29,389	37,545	35,012	35,012	35,012	35,012	6,468	8,049	23,105	35,012	35,012
Yr-over-Yr	65%	75%	251%	275%	221%	177%	19%	-7%	-122%	24%	187%	52%	0%
Diluted	12,332	14,132	32,283	40,436	37,903	37,903	37,903	37,903	9,179	9,466	24,796	37,903	37,903
GAAP Adjusted EBITDA	**(1,435)**	**5,875**	**5,476**	**13,123**					**43,156**	**43,363**	**23,039**		
EBITDA Margin	-9%	36%	30%	74%					41%	48%	34%		

BALANCE SHEET

	Mar. 31, 2018	Dec. 31, 2017	Qtr-Qtr % Change	Mar. 31, 2017	Yr-Yr % Change
Current assets					
Cash and cash equivalents	$ 17,952	$ 17,218	4%	$ 12,566	43%
Accounts receivable, net	38,128	37,870	1%	53,608	-29%
Inventory, net	792	812	-2%	1,137	-30%
Unbilled revenue	6,799	4,747	43%	5,655	20%
Prepaid and other current assets	10,497	10,885	-4%	13,484	-22%
Total current assets	74,168	71,532	4%	86,450	-14%
Restricted cash	1,000	1,000	0%	1,000	0%
Property and equipment, net	21,483	23,479	-9%	33,138	-35%
Intangible assets, net	14,653	16,045	-9%	20,227	-28%
Goodwill	8,701	8,701	0%	8,701	0%
Debt issuance costs	0	134	-100%	260	-100%
Other assets	1,177	1,336	-12%	1,558	-24%
Total assets	121,182	122,227	-1%	151,334	-20%
Current liabilities					
Accounts payable and accrued expenses	69,225	63,460	9%	73,679	-6%
Current portion of notes payable	**4,775**	**16,491**	-71%	19,599	-76%
Current portion of notes payable, non-recourse	**512**	**2,954**	-83%	6,056	-92%
Current portion of capital leases	0	0	0%	66	-100%
Current portion of deferred revenue	1,821	1,855	-2%	2,461	-26%
Total current liabilities	76,333	84,760	-10%	101,861	-25%
Notes payable, non-recourse, net	**37,570**	**38,331**	-2%	55,048	-32%
Notes payable, net	**25,435**	**16,997**	50%	59,396	-57%
Deferred revenue, net of current portion	3,842	4,213	-9%	5,324	-28%
Other long-term liabilities	306	331	-8%	408	-25%
Total liabilities	143,486	144,632	-1%	222,037	-35%
Stockholders' deficit					
Preferred stock	3,559	3,559	0%	3,559	0%
Class A common stock	35	35	0%	12	192%
Paid in capital	366,223	366,092	0%	287,393	27%
Treasury stock	(11,603)	(11,603)	0%	0	NM
Accumulated deficit	(379,225)	(379,191)	0%	(360,415)	5%
Accumulated other comprehensive loss	(38)	(51)	-25%	(38)	0%
Total stockholder's deficit of Cinedigm	(21,049)	(21,159)	-1%	(69,489)	-70%
Deficit attributable to noncontrolling interest	(1,255)	(1,246)	1%	(1,214)	3%
Total deficit	(22,304)	(22,405)	0%	(70,703)	-68%
Total liabilities and deficit	121,182	122,227	-1%	151,334	-20%
Current ratio	1.0	0.8	15%	0.8	14%
Quick ratio	1.0	0.8	15%	0.8	15%
Working capital	(2,165)	(13,228)	-84%	(15,411)	-86%
Debt	68,292	74,773	-9%	140,099	-51%
Debt/TA	56%	61%	-8%	93%	-39%

CASH FLOWS

	FY Year 2017	3 Mo Jun 30, 2017	3 Mo Sep 30, 2017	3 Mo Dec 31, 2017	3 Mo Mar 31, 2018	FY Year 2018
Cash flows from operating activities:						
Net loss	(15,197)	(5,152)	(7,465)	$ (5,924)	47	(18,495)
Adjustments to reconcile net loss to net cash provided by operating activities:						
Depreciation and amortization	33,440	5,752	5,040	3,608	3,592	17,992
Gain on termination of capital lease	(2,535)	-	-	-	-	-
Loss on disposal of property and equipment	-	2	62	-	-	64
Amortization of debt issuance costs included in interest expense	2,688	487	581	505	462	2,035
Provision for doubtful accounts	1,213	-	949	631	(589)	991
Provision for inventory reserve	376	529	188	(390)	(719)	(392)
Stock-based compensation and expenses	1,726	317	330	1,567	65	2,279
Change in fair value of interest rate derivatives	142	40	43	44	30	157
Accretion and PIK interest expense added to note payable	1,034	410	152	300	441	1,303
Debt conversion expense and loss on extinguishment of notes payable	5,415	-	3,205	1,299	-	4,504
Changes in operating assets and liabilities;						
Accounts receivable	(2,186)	13,346	13,144	(12,110)	490	14,870
Inventory	511	(195)	(196)	389	739	737
Unbilled revenue	(85)	451	536	(79)	(2,052)	(1,144)
Prepaid expenses and other assets	1,873	907	(187)	1,663	551	2,934
Accounts payable and accrued expenses	5,932	(11,623)	(50)	2,707	5,650	(3,316)
Deferred revenue	(2,648)	(645)	(498)	(574)	(405)	(2,122)
Net cash provided by operating activities	31,699	4,626	15,834	(6,364)	8,302	22,397
Cash flows from investing activities:						
Purchases of property and equipment	(481)	(227)	(118)	(186)	(394)	(925)
Purchases of intangible assets	(5)	-	-	(3)	(3)	(6)
Net cash used in investing activities	(486)	(227)	(118)	(189)	(397)	(931)
Cash flows from financing activities:						
Payment of notes payable	(53,088)	(6,976)	(8,066)	(23,333)	(3,354)	(41,729)
Net repayments under revolving credit agreement	(2,328)	-	(7,624)	(166)	(3,582)	(11,372)
Proceeds from issuance of notes payable	5,525	-	-	10,000	-	10,000
Repurchase of Class A common stock	-	-	-	(163)	-	(163)
Net proceeds from issuance of common stock	-	-	-	28,054	(23)	28,031
Principal payments on capital leases	-224	-30	(28)	(8)	-	(66)
Payments of debt issuance costs	(2,035)	(167)	(129)	(274)	(211)	(781)
Change in restricted cash balances	7983	-	-	-	-	-
Capital contributions from noncontrolling interest	39	-	-	-	-	0
Net cash used in financing activities	(44,128)	(7,173)	(15,847)	14,110	(7,170)	(16,080)
Net change in cash and cash equivalents	(12,915)	(2,774)	$ (131)	$ 7,557	$ 735	5,386
Cash and cash equivalents at beginning of period	25,481	12,566	9,792	$ 9,661	$ 17,218	12,566
Cash and cash equivalents at end of period	12,566	9,792	9,661	$ 17,218	$ 17,953	17,952
Cash interest paid	16,464	3,449	6,495	8,533	(4,589)	13,888
Cash taxes paid	322	89	89	89	135	402
Cash flow	28,302	2,385	3,085	1,640	3,329	10,438
Free cash flow	27,816	2,158	2,967	1,451	2,932	9,507

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.