

# Zacks Small-Cap Research

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M. Marin  
312-265-9211  
mmarin@zacks.com

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

## Tejon Ranch (TRC-NYSE)

### TRC: New TRCC Agreement Underscores Attractive Location of Real Estate Assets

Tejon Ranch Company is a real estate-development company that targets maximizing shareholder value by monetizing its land-based assets located near Los Angeles and Bakersfield, CA. Housing demand in this region is high and availability of Class A properties is limited. TRC continues to move forward with its development plans.

Current Price (1/25/22) \$16.78  
Valuation \$25.00

### OUTLOOK

Proximity to nearby cities makes the company's real estate an attractive location for industrial, commercial & residential properties. Privately-held Scannell Properties has purchased 17.1 acres in TRCC to construct a manufacturing facility for its prefabricated housing units and cited the convenient location as a factor. TRC's master planned mixed-use residential communities and other real estate projects in its pipeline are in various stages of development. Recent court rulings have been favorable for continued development plans and TRC and Climate Resolve recently announced an agreement resolving issues regarding the Centennial project.

### SUMMARY DATA

52-Week High \$21.69  
52-Week Low \$14.79  
One-Year Return (%) -0.47  
Beta 0.54  
Average Daily Volume (sh) 67,406

Shares Outstanding (mil) 26  
Market Capitalization (\$mil) \$445  
Short Interest Ratio (days) N/A  
Institutional Ownership (%) 62  
Insider Ownership (%) 22

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

5-Yr. Historical Growth Rates  
Sales (%) 3.9  
Earnings Per Share (%) 58.5  
Dividend (%) N/A

P/E using TTM EPS N/A  
P/S using 2021 Estimate N/A  
P/S using 2022 Estimate N/A

Risk Level Low,  
Type of Stock Small-Value  
Industry Real Estate Ops

### ZACKS ESTIMATES

#### Revenue (in millions of \$)

|      | Q1      | Q2      | Q3      | Q4      | Year    |
|------|---------|---------|---------|---------|---------|
|      | (Mar)   | (Jun)   | (Sep)   | (Dec)   | (Dec)   |
| 2019 | \$10.7A | \$8.9A  | \$9.7A  | \$20.3A | \$49.5A |
| 2020 | \$10.3A | \$4.8A  | \$13.5A | \$9.2A  | \$37.8A |
| 2021 | \$11.1A | \$17.6A | \$15.0A | \$9.4E  | \$52.0E |
| 2022 |         |         |         |         | \$53.1E |

#### EPS / Loss Per share

|      | Q1       | Q2       | Q3      | Q4       | Year     |
|------|----------|----------|---------|----------|----------|
|      | (Mar)    | (Jun)    | (Sep)   | (Dec)    | (Dec)    |
| 2019 | \$0.00A  | \$0.03A  | \$0.00A | \$0.37A  | \$0.40A  |
| 2020 | -\$0.03A | -\$0.01A | \$0.02A | -\$0.00A | -\$0.03A |
| 2021 | -\$0.04A | \$0.11A  | \$0.01A | -\$0.01E | \$0.07E  |
| 2022 |          |          |         |          | \$0.09E  |

Quarters might not add to annual reflecting rounding

Disclosures on page 11.

## WHAT'S NEW? KEY POINTS

- Privately-held Scannell Properties has purchased 17.1 acres in TRC's TRCC to construct a manufacturing facility for its prefabricated multifamily and single-family housing units. The new facility, which is expected to begin production in January 2023, will serve as Scannell's regional production hub. Scannell cited the attractive location of the TRCC as a factor behind the site selection of TRCC.
- Proximity to nearby cities (about 1+ hour to both LA and Santa Clarita) makes the TRCC well-situated. TRC has already developed almost six million square feet of industrial, commercial and retail space in the TRCC, and holds the leases for a number of distribution facilities for companies such as IKEA, Caterpillar Inc., Dollar General and others.
- The location also makes the company's real estate attractive for development of residential properties. TRC's master planned mixed-use residential communities and other real estate projects in its pipeline are in various stages of development. Management believes that its development plans address California's need for more housing and jobs and responsible development. Recent court rulings have been favorable for TRC's development plans.
- Recently, TRC and LA-based Climate Resolve announced an agreement regarding the Centennial master planned community. Centennial has committed to include 3,480 affordable housing units and will become a greater net zero project, with the goal of exceeding California requirements to combat climate change. Overall, TRC is committed to minimizing its carbon footprint and to proactively capture and store carbon.

## SEVERAL PROJECTS CONTINUE TO MOVE FORWARD

Tejon Ranch Company (NYSE:TRC) has master planned mixed-use residential communities in various stages of development and other real estate projects in its pipeline. When its master planned developments are completed, Tejon Ranch will have more than 35k housing units available, 35+ million square feet of commercial / industrial space and 750 lodging units.

Management believes that its development plans fulfill important needs, including addressing the need for more housing in California, job creation and responsible development that is coordinated with conservationist goals, as discussed in this report.

Recent court rulings have been favorable for TRC's development plans. Objections raised in a lawsuit filed by the Tucson, Arizona-based Center for Biological Diversity (CBD) challenging Kern County's December 2019 re-approval for TRC to advance certain development plans at Tejon Ranch were rejected in December 2020 and an appeal in the case was permanently dismissed in 2021.



Mountain Village



Centennial



Grapevine

Source: <http://ir.tejonranch.com>

TRC had cash & securities of about \$45.5 million at the end of 3Q21 and \$35.0 million available on its line of credit to continue advancing its development plans. The company also intends to leverage funding from partners and debt financing and/or the sale of rights, among other financial resources. In addition, TRC generates revenue from the Tejon Ranch Commercial Center (TRCC), farming and ranching, among other activities.



Source: Company reports

## ONGOING DEVELOPMENT AT TRCC

Recently, TRC announced that Indianapolis-based Scannell Properties had purchased 17.1 acres in the TRCC to construct a state-of-the-art manufacturing facility for its prefabricated multifamily and single-family housing units, [Plant Prefab](#). The new facility, which is expected to begin production in January 2023, will serve as Scannell's regional production hub. Scannell cited the attractive location of TRCC as one factor behind the site selection of TRCC.

### TRCC - Conveniently Located & Growing

Proximity to nearby cities makes the [TRCC](#) an attractive location. The TRCC is a 20 million square foot development that is on both sides of Interstate 5. TRC has already developed almost six million square feet of industrial, commercial and retail space in the TRCC, and holds the leases for a number of distribution facilities for companies such as IKEA, Caterpillar Inc., Dollar General and others. The TRCC has 14 million square feet of available space and "a proven ability to deliver" speedy turnaround on construction.

Most of the Tejon ranch is bordered by Highway 138 on the south, Interstate 5 and Highway 99 on the west, and Highway 223 on the north. I5 is the major (and in places the only) conduit from the Los Angeles basin north and onto the Central Valley. The ranch is bounded by the southern San Joaquin valley, the Tehachapi Mountains and Antelope valley. Given the location and proximity to nearby cities, it is well-positioned to be an important distribution point for commercial traffic for both south bound and north bound traffic.

Other recent projects at TRCC include the construction of an industrial building at the TRCC that is planned to be roughly 630,000-square-feet. The company is developing this building with a joint venture partner, Los Angeles-headquartered Majestic Realty. Majestic Realty is one of the country's largest privately-held industrial developers, according to *National Real Estate Investor* magazine. Originally established in 1948, Majestic has a long operating history. Moreover, as it is based in Los Angeles County, it seems likely that Majestic understands and has extensive relationships in TRCC's local real estate market.

We also view it as a positive that this project represents an expansion of an existing relationship between TRC and Majestic. Their initial partnership agreement was formed in 2016 to jointly purchase, own and manage an existing, fully leased, 651,909- square-foot building. The two JV partners then added two

additional new build partnerships for speculative buildings that each generated strong pre-lease activity and which remain fully leased. This latest extension of their JV relationship would seem to underscore Majestic's positive view of TRCC's development prospects. The project represents the third new building and fourth JV partnership agreement TRC has entered into with Majestic over the past five years.

Moreover, the project and transaction with Majestic contributed to a \$3.0 million increase in commercial / industrial real estate operating profits for 2Q21 compared to 2Q20. This, in turn, contributed to 2Q21 operating income of \$2.5 million compared to an operating loss of \$2.8 million in 2Q20. We believe it also highlights the underlying value of the company's real estate holdings.

### **Occupancy, Expected by Mid-2022, Likely Boosted by Relative Scarcity of Class A Properties**

The approximately 630k-square-foot Class A industrial building is being designed for single- or multi-tenant use and will be constructed on a speculative basis. The JV partners believe the market for Class A space is highly competitive, reflecting limited inventory.

In general, prospective tenants have shown significant interest in the region's limited inventory and in the TRCC, reflecting the location, Class-A product and economic incentives offered by Kern County, according to TRC. In fact, the company believes the TRCC represents a substantially more cost economical option compared to other properties in the L.A. basin. Moreover, management also believes interest in TRCC has increased as a result of changing views of warehousing safety stock, as a result of disruptions to much of the general supply chain during the pandemic. The JV partners expect the building to be ready for occupancy by mid-2022. The [TRCC](#) has a track record of delivering speedy turnaround on construction.

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## **DEVELOPMENT EFFORTS TO CREATE MUCH NEEDED CALIFORNIA HOUSING...**

### ***TRC Real Estate Well-Situated & Convenient For Residential Units***

The location of the company's real estate also makes it attractive for development of residential properties. Like much of the state of California, Kern County is experiencing a severe shortage of housing, including of apartment units. Construction of new units has lagged compared to many other areas within the state and the slow pace of development exacerbates the housing shortage problem. Moreover, a majority of California land is zoned for single-family or commercial use, while private home owners often oppose nearby construction of apartments.

Reflecting the imbalance between supply (inventory) and demand, housing prices continue to increase. TRC is the only major area close to Los Angeles where infrastructure is possible and one of the few real estate development companies with scale.

Recently granted Kern County approvals authorize TRC to develop up to a maximum of 495 multi-family residences in thirteen apartment buildings just north of the Outlets at Tejon. The development is also approved to include about 6,500 square feet of amenity space to serve the community and 8,000 square feet of revenue-generating retail space on the ground floor of some of the residential buildings. Proximity to nearby cities also makes the TRCC an attractive location for the construction of apartment units. It takes about 75 minutes to travel from the TRCC to Los Angeles' Union Station and roughly an hour by car to Santa Clarita.

Moreover, the anticipated continued development of the California High-Speed [Rail](#) is also expected to facilitate commuting from TRCC to nearby cities. The California High-Speed Rail Authority has nearly 120 miles under construction, with more construction extensions anticipated. The Authority plans "a state-wide rail modernization" program that will help traverse one of the country's largest states, mitigating

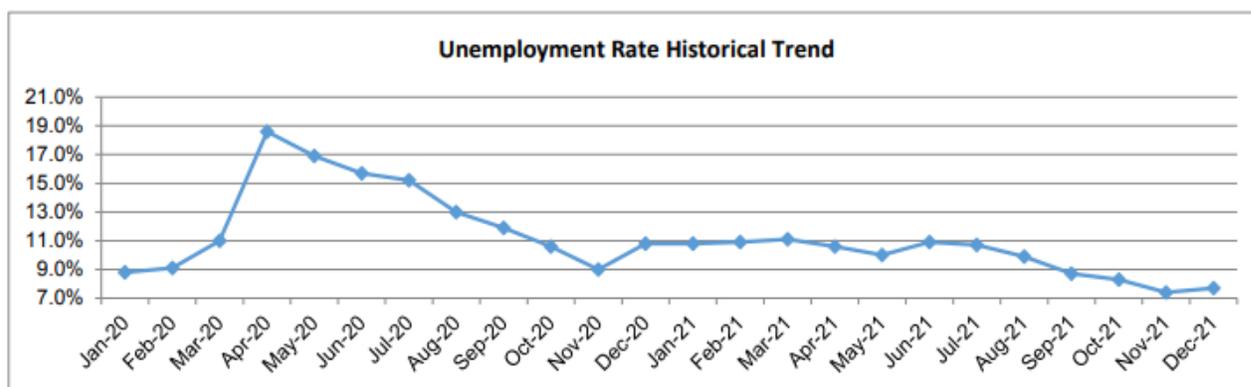
automobile congestion and pollution. The Authority recently completed five high-speed rail structures throughout Madera, Fresno, and Kern counties.

## ... AND MUCH NEEDED NEW JOBS

### *Permanent jobs and development-related employment*

TRC is a member of B3K Prosperity, which is collaboration between the public and private sectors to support regional economic growth and expects its development efforts will create both permanent and development-related jobs. Centennial, for instance, is expected to create more than 23,000 permanent jobs on site and nearly 25,000 construction jobs.

The company's land assets are located in an area that is characterized by high unemployment, which appears to be supported by recent government employment data. At 7.7%, the Kern County unemployment rate during the month of November 2021 was higher than the 3.7% U.S. national unemployment rate during the same period, according to data from the Bureau of Labor Statistics ([BLS](#)) and State of California Employment Development Department.



Source: [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/bake\\$pdps.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/bake$pdps.pdf), accessed Jan 2022

## RESPONSIBLE CO-ORDINATED DEVELOPMENT

### *Responsible Coordinated Development*

TRC's property is so large that it encompasses several ecosystems that overlap and the result is the development of certain unique species of plants and animals. The ranch is also a major feeding and breeding area for the California Condor.

TRC entered into an agreement with key environmental groups in 2008 to ensure that its development plans would be carried out in a way to mitigate the impact on the environment, creating the [Tejon Ranch Conservation and Land Use Agreement](#). The agreement mandates that 90% of the ranch will be conserved as undeveloped land permanently. The 2008 agreement was designed to strike a balance between conservation, the area's severe housing shortage and consequent need for new housing, and TRC's real estate development plans. TRC agreed to protect nearly 90% of the land area. Under this pact, key conditions include that:

- ❖ Tejon Ranch got the right to proceed with three large developments, Grapevine, Mountain View (MV) and Centennial, that must be approved by federal, state and county authorities.
- ❖ The company agreed to set aside 178,000 acres for conservation and will grant an option for purchase by the public of another 62,000 acres. Ongoing use of the land for grazing cattle is allowed.
- ❖ The major environmental groups agreed to drop their opposition to the three planned developments.
- ❖ Four of the five northward facing ridge lines in or abutting the Tejon Mountain Village would not be developed since they were prime feeding grounds for the California condor.

### ***Responsible Development plans***

Moreover, at the company's Grapevine project, at least 50% of the energy supply will be produced on site by renewable sources. At MV, all homes are planned to feature roof-top photovoltaic solar arrays, while Centennial is intended for the whole community to be powered with clean, renewable energy sources.

Recently, TRC and LA-based Climate Resolve announced an agreement regarding the Centennial master planned community. Centennial has committed to include 3,480 affordable housing units and will become a greater net zero project, with the goal of exceeding California requirements to combat climate change. Climate Resolve has agreed to dismiss with prejudice its claim that LA County violated the California Environmental Quality Act (CEQA) when it approved Centennial in May of 2019. This therefore gives TRC legislative approval to move Centennial forward.

TRC committed to the following at Centennial:

- Net zero GHG emissions
- Installation of almost 30,000 chargers to support electric vehicle (EV) adoption and provision of incentives to support the purchase of 10,500 electric vehicles
- Funding on-site and off-site fire protection and prevention measures, including vegetation management to benefit Centennial and nearby communities
- Providing annual public updates monitoring its progress on these goals

Overall, TRC is committed to minimizing its carbon footprint and to proactively capture and store carbon. In terms of water conservation, the company has articulated a commitment to water conservation in its water asset and delivery plans. At TRCC-East, for instance, the company uses reclaimed water from the water treatment plant for irrigation purposes, while the landscaping at the Outlets at Tejon are comprised of drought-tolerant, native planting material, according to management.

The company further notes that each of its master planned mixed-use residential communities will feature state-of-the-art water conservation measures, reclaimed water for irrigation, storm water capture, and drought-tolerant landscaping, while TRC's agricultural operations use highly efficient drip irrigation to water its orchards and vineyards.

### **Grapevine Master Plan**

*Planned to include green energy supply*

For instance, the Grapevine master planned mixed use residential community is contemplated to hold 12,000 residential units and 5.1 mm sq. ft. of commercial development; with an additional 7,000 acres available for entitlement. Importantly, at least 50% of Grapevine's energy supply is expected to be produced on site by renewable sources.

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## RECENT RESULTS

TRC reported 3Q21 net income attributable to common stockholders of \$0.2 million, or \$0.01 per share, compared to \$0.4 million, or \$0.02, in 3Q20. Total revenue was \$16.5 million versus \$15.1 million in 3Q20, driven by higher Mineral resources segment revenue (\$4.8 million compared to \$1.3 million) and \$3.1 million in water sales due to diminished water availability in California. By comparison, TRC recorded no water sales in 3Q20. These advances were partially offset by lower Farming segment revenue (\$6.7 million compared to \$8.5 million).

The company indicated that 4Q21 results were likely to be impacted by supply chain issues and labor shortages that are impacting many companies in many sectors. TRC had cash & securities of about \$45.5 million as of September 30, 2021, as noted, and \$35.0 million available on its line of credit to continue advancing its development plans. The company also intends to leverage funding from partners and debt financing and/or the sale of rights, among other financial resources. The company also reduced long-term debt to \$49.3 million at the end of September 2021, from \$57.5 million at year-end 2019.

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## VALUATION

We view ongoing development as positives and potential catalysts that are not fully reflected in the TRC share price. Tejon Ranch is in the early stages of its real estate development plans, which makes the use of certain traditional valuation methods such as P/E, multiple of cash flow or a dividend discount model, among other methods, inappropriate. Book value, for example, does not reflect the value of the land once development plans are further along.

We believe TRC shares should be valued on a price-to-acre basis. With the aforementioned shortage of housing in the state, we do not believe the current share price accurately reflects the potential value of the real estate once development plans are more advanced.

TRC owns 270,000 acres. At the current price of TRC shares, this equates to a valuation of about \$1,400 per acre. This is down from a valuation range of about \$2,200 to \$3,800 for TRC in recent years and significantly below nearby relative land values.

For instance, according to the Federal Housing Finance Agency, the average land value per acre for *residential* land in the state of California exceeds \$400,000. Given that TRC's asset is largely undeveloped except for TRCC and that the Federal Housing Finance Agency's metric includes expensive urban cities such as San Francisco and Los Angeles that drive the state average up, we would not expect TRC to command a similar valuation at this point. Nevertheless, we believe it points to just how under-valued TRC is, as reflected in the current share price. Measured on a price-to-acre basis, TRC even falls below California *farm* values, which command average valuations of about \$10,000 per acre, according to the USDA.

TRC initiatives discussed in this report and other recent updates increase the value of TRC's land holdings, in our view. Our \$25 per share valuation implies a valuation of just over \$2,400 per acre, which represents a substantial discount to the valuations implied by other real estate valuations noted above. Even based on *only* the land that has been approved for development and/or is currently producing revenue from agribusiness and other operations (which we think understates TRC's potential), the \$25/share expected near-term valuation implies a value of less than \$8,400 per acre, a steep discount to the above-noted average \$10,000 based on USDA data and only a fraction of the value accorded residential property within the state.

We also expect the value of land to increase significantly, and of TRC shares, as TRC continues to advance its development plans. We also expect multiple expansion on TRC shares as the company hits certain milestones in its development objectives.

### Potential Funding Sources

As noted, the new project is being constructed on a speculative basis. As with the company's other planned projects, potential capital funding sources for development this industrial building and of the recently authorized apartment units include possible joint ventures with financial partners, debt financing and/or the sale of rights, among other sources. Moreover, TRC's agribusiness and commerce business units are operational and generate recurring revenue.

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## RISKS

Risks to TRC achieving its objectives, and to our valuation, include the following.

- With COVID-19 cases fluctuating in several places, we believe TRC and many companies face the risk of another economic disruption.
- The real estate development industry is highly capital intensive. TRC might not find funding sources at the rates it expects or as soon as it expects.
- Real estate development is subject to various land use regulations that require governmental approvals and permits and potential regulatory changes could impact TRC.
- The value of the land could fluctuate depending on several factors, including the regional economy and other competing development plans by other developers.
- The I-5 is a critical part of the TRC infrastructure and traffic / roadway congestion could impact the value of the company's land.
- TRC could be vulnerable to other litigation risk that could impede growth.
- Water rights are often an issue in California and can impact land values. TRC has complex water agreements and both buys and sells water.
- The company's agribusiness operation is cyclical and affected by commodity cycles, especially those involving almond, pistachio, walnut, and wine grape production. The business is also highly seasonal, with the second half of the calendar year usually generating more revenue than the first due to weather and harvest conditions.
- Timing of development in the coming years will be dependent on the strength of both the economy and the residential real estate market.

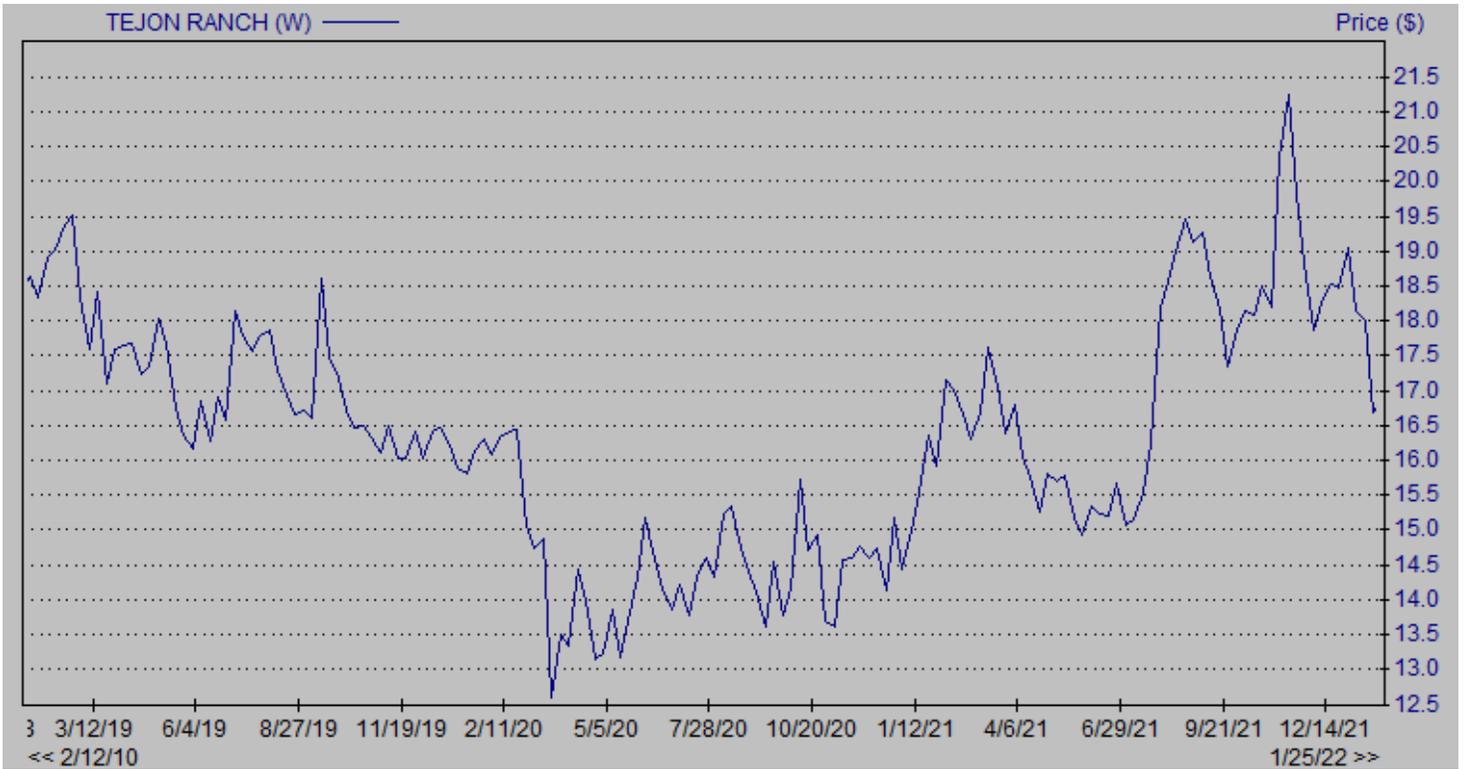
## PROJECTED INCOME STATEMENT

### Tejon Ranch Income Statement & Projections (\$000)

|                                     | 2017          | 2018          | 1Q19          | 2Q19         | 3Q19         | 4Q19          | 2019          | 1Q20          | 2Q20         | 3Q20A         | 4Q20A        | 2020A         | 1Q21A         | 2Q21A         | 3Q21A         | 4Q21E        | 2021E         | 2022E         |
|-------------------------------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|
| Real estate - commercial/industrial | \$9,001       | \$8,970       | \$2,826       | \$6,595      | \$2,620      | \$4,751       | \$16,792      | \$2,320       | \$2,114      | \$2,710       | \$2,392      | \$9,536       | \$2,228       | \$8,126       | \$2,466       | \$2,397      | \$15,217      | \$15,825      |
| Mineral resources                   | 5,983         | 14,395        | 6,132         | 660          | 1,559        | 1,440         | 9,791         | 6,178         | 1,776        | 1,322         | 1,460        | 10,736        | 7,176         | 7,404         | 4,774         | 1,562        | 20,916        | 21,125        |
| Farming                             | 16,434        | 18,563        | 815           | 886          | 4,602        | 13,028        | 19,331        | 952           | 209          | 8,537         | 4,168        | 13,866        | 607           | 279           | 6,726         | 4,210        | 11,822        | 11,987        |
| Ranch operations                    | 3,837         | 3,691         | 889           | 805          | 876          | 1,039         | 3,609         | 863           | 676          | 944           | 1,209        | 3,692         | 1,043         | 829           | 996           | 1,221        | 4,089         | 4,130         |
| <b>Total revenues</b>               | <b>35,255</b> | <b>45,619</b> | <b>10,662</b> | <b>8,946</b> | <b>9,657</b> | <b>20,258</b> | <b>49,523</b> | <b>10,313</b> | <b>4,775</b> | <b>13,513</b> | <b>9,229</b> | <b>37,830</b> | <b>11,054</b> | <b>16,638</b> | <b>14,962</b> | <b>9,390</b> | <b>52,044</b> | <b>53,068</b> |
| Real estate - commercial/industrial | 6,529         | 6,246         | 1,792         | 4,593        | 1,968        | 4,608         | 12,961        | 1,931         | 1,747        | 2,026         | 1,418        | 7,122         | 1,552         | 4,712         | 2,331         | 1,432        | 10,027        | 10,127        |
| Real estate - resort/residential    | 1,955         | 1,530         | 648           | 642          | 582          | 375           | 2,247         | 626           | 326          | 273           | 387          | 1,612         | 553           | 439           | 322           | 391          | 1,705         | 1,722         |
| Mineral resources                   | 2,964         | 6,223         | 3,832         | 598          | 576          | 812           | 5,818         | 3,878         | 714          | 648           | 1,174        | 6,414         | 5,047         | 4,253         | 3,025         | 1,186        | 13,511        | 13,646        |
| Farming                             | 16,201        | 16,028        | 1,598         | 825          | 5,979        | 6,849         | 15,251        | 1,702         | 1,099        | 8,108         | 4,194        | 15,103        | 1,478         | 1,203         | 7,296         | 4,236        | 14,213        | 14,355        |
| Ranch operations                    | 5,411         | 5,451         | 1,350         | 1,393        | 1,260        | 1,313         | 5,316         | 1,406         | 1,178        | 1,164         | 1,148        | 4,896         | 1,187         | 1,142         | 1,182         | 1,159        | 4,670         | 4,717         |
| Corporate expenses                  | 9,713         | 9,705         | 2,474         | 2,290        | 1,760        | 2,837         | 9,361         | 2,533         | 2,494        | 2,121         | 2,282        | 9,430         | 2,291         | 2,364         | 2,021         | 2,305        | 8,981         | 9,071         |
| Total expenses                      | 42,773        | 45,183        | 11,694        | 10,341       | 12,125       | 16,794        | 50,954        | 12,076        | 7,558        | 14,340        | 10,603       | 44,577        | 12,108        | 14,113        | 16,177        | 10,709       | 53,107        | 53,638        |
| Operating loss                      | (7,518)       | 436           | (1,032)       | (1,395)      | (2,468)      | 3,464         | (1,431)       | (1,763)       | (2,783)      | (827)         | (1,374)      | (6,747)       | (1,054)       | 2,525         | (1,215)       | (1,320)      | (1,063)       | (570)         |
| Investment income                   | 462           | 1,344         | 349           | 329          | 294          | 267           | 1,239         | 228           | 151          | 455           | 50           | 884           | 7             | 9             | 5             | 51           | 72            | 72            |
| Gain (loss) real estate sales       |               |               |               | -            | -            |               |               |               | 1,333        | (2)           | -            | 1,331         | -             | -             | -             | -            | -             | -             |
| Other (loss) income                 | (275)         | (59)          | 26            | 22           | 19           | (1,891)       | (1,824)       | 8             | (12)         | 68            | 46           | 110           | 64            | 43            | 24            | 46           | 177           | 91            |
| Total other income                  | 187           | 1,285         | 375           | 351          | 313          | (1,624)       | (585)         | 236           | 1,472        | 521           | 96           | 2,325         | 71            | 52            | 29            | 97           | 249           | 251           |
| Operating income/(loss)             | (7,331)       | 1,721         | (657)         | (1,044)      | (2,155)      | 1,840         | (2,016)       | (1,527)       | (1,311)      | (306)         | (1,278)      | (4,422)       | (983)         | 2,577         | (1,186)       | (1,223)      | (815)         | (319)         |
| Equity pickup                       | 4,227         | 3,834         | 876           | 1,971        | 2,199        | 11,529        | 16,575        | 1,355         | 1,181        | 1,093         | 875          | 4,504         | (59)          | 1,365         | 1,510         | 963          | 3,779         | 3,816         |
| Pretax income                       | (3,104)       | 5,555         | 219           | 927          | 44           | 13,369        | 14,559        | (172)         | (130)        | 787           | (403)        | 82            | (1,042)       | 3,942         | 324           | (260)        | 2,964         | 3,497         |
| Taxes                               | (1,283)       | 1,320         | 95            | 218          | 7            | 3,660         | 3,980         | 512           | 196          | 403           | (282)        | 829           | 21            | 1,118         | 98            | (70)         | 1,167         | 1,049         |
| Net income (loss)                   | (1,821)       | 4,235         | 124           | 709          | 37           | 9,709         | 10,579        | (684)         | (326)        | 384           | (121)        | (747)         | (1,063)       | 2,824         | 226           | (190)        | 1,797         | 2,448         |
| Minority interest                   | (24)          | (20)          | 5             | 2            | (10)         | 2             | (1)           | (2)           | 7            | (14)          | 2            | (7)           | (8)           | 2             | 7             | (1)          | -             | (1)           |
| Net income                          | (1,797)       | 4,255         | 119           | 707          | 47           | 9,707         | 10,580        | (682)         | (333)        | 398           | (123)        | (740)         | (1,055)       | 2,822         | 219           | (189)        | 1,797         | 2,449         |
| Loss/share - EPS (FD)               | (\$0.08)      | \$0.16        | \$0.00        | \$0.03       | \$0.00       | \$0.37        | \$0.40        | (\$0.03)      | (\$0.01)     | \$0.02        | (\$0.00)     | (\$0.03)      | (\$0.04)      | \$0.11        | \$0.01        | (\$0.01)     | \$0.07        | \$0.09        |
| Average shares out (Mns)            | 21.7          | 26.0          | 26.0          | 26.0         | 26.2         | 26.2          | 26.1          | 26.3          | 26.2         | 26.3          | 26.4         | 26.3          | 26.4          | 26.4          | 26.5          | 26.6         | 26.5          | 26.6          |

Source: Company reports, Zacks estimates

# HISTORICAL STOCK PRICE



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