

Tower Semiconductor

(NASDAQ: TSEM)

TSEM: Tower Semiconductor Revises its Target Model and Hopes to Reach 26% Net Margins by the End of 2027

Using peer EV to 2027 Sales, we believe TSEM stock is worth \$150 per share using 2027 revenues, as margins expand and revenues accelerate.

Current Price (2/6/2025) **\$136.57**
Valuation \$150.00

OUTLOOK

Tower is a pure-play analog semiconductor wafer foundry that manufactures SiGe, Silicon Photonics, MEMS, RF, embedded flash-based memory, analog/mixed-signal, and CMOS image-sensor devices in the US, Israel, Japan and Italy. It is serving markets in mobile such as RF High Position analog, as well as in CMOS image sensors, and power management. Its new fab in Italy in partnership with STMicro is shipping product and its capacity will continue to ramp over the next two years. The company's new Silicon Photonics products are seeing strong demand in optical transceivers used in AI data centers. The company is flush with \$1.2 billion in cash (or \$10.25 per share), is free cash flow positive while increasing capacity.

SUMMARY DATA

52-Week High **147.53**
 52-Week Low **29.65**
 One-Year Return (%) **198.32**
 Beta **0.9**
 Average Daily Volume (sh) **2,039,705**

Shares Outstanding (mil) **112.4**
 Market Capitalization (\$mil) **\$15,535**
 Short Interest Ratio (days) **1.1**
 Institutional Ownership (%) **71**
 Insider Ownership (%) **1**

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

5-Yr. Historical Growth Rates
 Sales (%) **0.6**
 Earnings Per Share (%) **14.6**
 Dividend (%) **0**

P/E using TTM EPS **59.6**
 P/E using 2026 Estimate **47.9**
 P/E using 2027 Estimate **31.8**

Risk Level
 Type of Stock
 Industry

Above Average
 Large Blend
 Elec Comp-Semis

ZACKS ESTIMATES**Revenue**

(In millions of US\$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	\$327 A	\$351 A	\$371 A	\$387 A	\$1,436 A
2025	\$358 A	\$372 A	\$396 A	\$440 A	\$1,566 A
2026	\$412 E	\$433 E	\$460 E	\$500 E	\$1,805 E
2027					\$2,200 E

Earnings per Share

(non-GAAP)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	\$0.46 A	\$0.53 A	\$0.57 A	\$0.59 A	\$2.15 A
2025	\$0.45 A	\$0.50 A	\$0.55 A	\$0.78 A	\$2.29 A
2026	\$0.56 E	\$0.65 E	\$0.74 E	\$0.90 E	\$2.85 E
2027					\$4.30 E

WHAT'S NEW

Tower Revises Its Model to Higher Investment and High Margins

As demand exceeds capacity, Tower has decided to accelerate its investment as it sees margins continue to expand from the sale of new products. It is adding another \$270 in capex to the next two years of spending to expand capacity for RF infrastructure products as demand outstrips supply. While the company is limited as to how high it can raise prices, it is deemphasizing lower margin products as it ramps new high margin ones. High margin SiPh contributed \$228 million in 2025, up from \$106 million in revenues in 2024, and with this additional investment, the company plans to grow capacity to greater than 5x of the actual Q4 monthly silicon photonics wafer shipments, compared to the 3x target given during the Q3 call. Over 70% of the total SiPho capacity is either presently reserved or in the process of being reserved through 2028, backed with customer prepayment.

For Q1 2026, Tower guided to revenues of \$412 million plus or minus 5%, which results in slightly accelerating year-over-year growth.

As of last night's closing price, the company trades at an enterprise value of \$14.3 billion, or 6.3 EV to estimated sales for 2027. Since its low at \$28.54 on April 4, 2025, the stock has rocketed 379%.

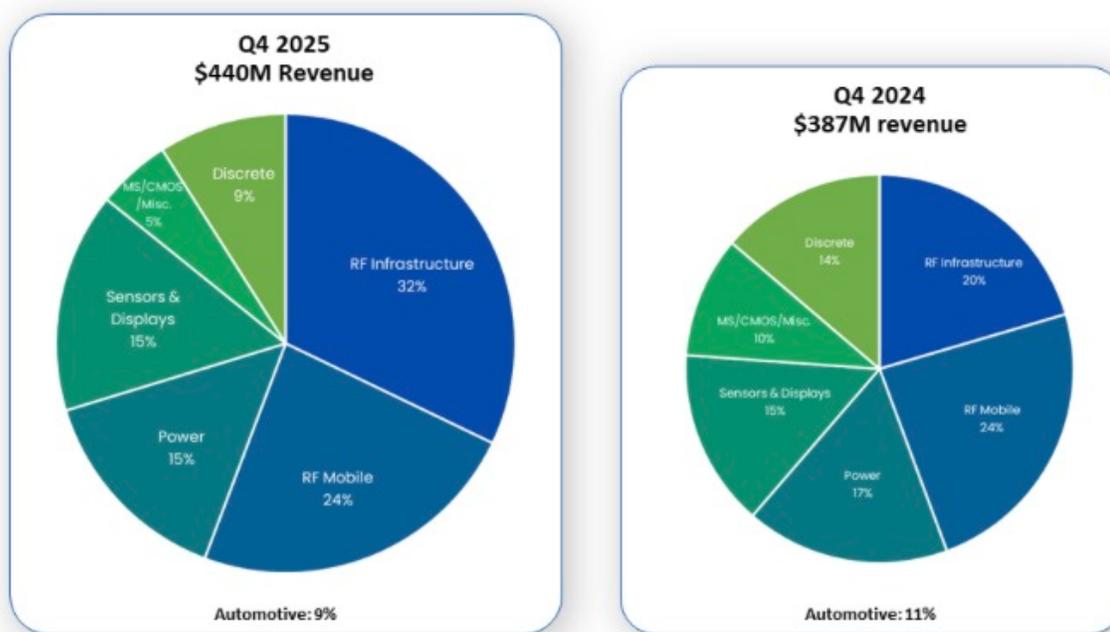
Q4 2025 Results

The biggest revenue contribution in the quarter again came from RF infrastructure, surpassing RF Mobile. In Q4, RF Infrastructure grew 102% to \$141 million, up from \$107 million in Q3 2025, and showed growth of 81.3% for the year. SiPh was \$95 million of that (including some NREs) for the quarter and grew 70%. For the year, SiPh contributed \$228 million compared to \$106 million the year before. The growth rates are accelerating as well as the percent contribution to total sales. As they become a bigger portion of total revenues, growth should continue to accelerate.

Table 1. Dollars of Revenue by Technology in Millions

	Q4 2024	Q4 2025	Yr -Yr % Change	\$ Change
Total	387.2	440.2	13.7%	53.0
RF Infrastructure	69.7	140.9	102.1%	71.2
RF Mobile	100.7	105.6	4.9%	5.0
Power	65.8	66.0	0.3%	0.2
Sensors and Displays	54.2	66.0	21.8%	11.8
Discrete	65.8	39.6	-39.8%	-26.2
MS/CMOS	31.0	22.0	-28.9%	-9.0

Q4 2025 Revenue Breakdown by Technology Vs Q4 2024



Source: Tower Semiconductor

Fab utilization is slowly improving. There is a gap in our table below as the company did not report numbers right before and during the acquisition attempt by Intel. Tower has now shut down Fab 1 and moved the remaining production to Fab 2. Revenues began at the Agrate fab in Q4 2024 and will continue to ramp up for the next two years. It has not reported utilization.

Table 1. Fab Capacity Utilization

		Q1 2021	NA	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Fab 1	Migdal Haemek, Israel 6"	70%		70%	55%	60%	65%	75%	85%	70%	65%	NA	NA	NA
Fab 2	Migdal Haemek, Israel 8"	80%		75%	75%	75%	75%	67%	60%	55%	80%	60%	65%	60%
Fab 3	Newport Beach, CA 8" TPSCo factories	75%		40%	40%	40%	45%	55%	65%	70%	70%	85%	85%	85%
Fab 5	Japan 8"	70%		70%	60%	40%	40%	45%	60%	60%	65%	75%	75%	75%
Fab 7	Uozo Japan 12"	90%		75%	60%	70%	75%	85%	85%	90%	90%	90%	90%	90%
Fab 9	San Antonio, 8"	70%		65%	65%	70%	60%	60%	60%	55%	70%	60%	60%	65%
	Quarterly Average Utilization	76%		66%	59%	59%	60%	65%	69%	67%	73%	74%	75%	75%

Q4 2025 Results

Revenues in Q4 2025 were \$440 million versus \$387 million in Q4 2024 and were up 14% year over year. The gross margin in Q4 2025 increased to 26.7%, from 22.7% a year earlier, and was up from 23.5% in Q3 2025. Gross margin dollars were up significantly to \$118 million or 35% as incremental revenues came in at much higher margins.

Operating expenses were up \$9.5 million year over year or 25%. The operating margin was 16% and operating income soared to \$71 million from \$46 million. Other income was \$10.7 million compared to \$8.3 million

in last year's quarter. The company expects it to typically fluctuate between \$8 million and \$10 million per quarter.

Pretax profit was \$82 million versus \$55 million a year ago. Taxes were \$1.5 million in the quarter due to a reduction in taxes of approximately \$10 million from the one-time prepayment of \$105 million to extend the lease in Newport Beach until the end of 2030. Without that, the tax rate would have been the more typical 16%. Tax rate for the year with this one-time benefit, was 9% and we expect it to go back to the normal 18% next year.

GAAP net income was \$80 million versus \$55 million last year, while non-GAAP net income was \$90 million (but does not take out the one-time tax benefit of the prepayment) versus \$66 million a year ago, up 35%.

Diluted GAAP EPS was \$0.70 per share, compared with \$0.49 last year. Adjusted non-GAAP diluted EPS was \$0.78, down from \$0.59 a year ago. The average diluted shares for the quarter were 114.2 million, up from 113.0 million last year. EBITDA for the fourth quarter of 2025 was \$148.6 million compared to \$122.4 million a year ago, and up sequentially from \$127.0 million in Q3 2025.

Balance Sheet

As of December 31st, the company had cash and short-term deposits of \$1.2 billion, or \$10.25 in cash per share. We estimate it is earning between 4.0% and 4.5% on about \$800 million of that amount. Total debt decreased by \$2.6 million to \$162 million from the last quarter. Its quick ratio was flat at 5.5, and it has \$1.4 billion in working capital. Operating cash flow, excluding changes in working capital, was \$164 million for the quarter and \$532 million for the year. Free cash flow was \$53 million for the quarter after spending a net \$111 million on capex in the quarter. It was \$96 million for the year after spending \$437 million on capex. Capex expenditures are expected to increase. Maintenance Capex is \$200-\$240 million per year; Tower is spending another \$100 million on Agrate and \$255 million in New Mexico, spread in installments through 2026. In addition, the company announced it will spend another \$300 million to expand capacity for SiPho and SiGe in Israel, Texas, and Japan until the end of 2026. During the quarter, Tower extended its Newport Beach, California (Fab 3) site lease with a prepayment of \$111 million and will invest to expand capacity there while maintaining full utilization. This heavy spending could put the company in negative free cash flow territory for the next year or two, although so far, that has not happened.

During the Quarter

On November 17th, Tower and Switch Semiconductor, a fabless power management company, announced the **SW2001**, a high-efficiency, monolithic 12-V Point-of-Load (POL) buck regulator designed on Tower's 65nm BCD platform. The SW2001 targets servers, AI compute systems, cloud storage, and telecom infrastructure. Sampling, including evaluation boards, will begin in Q1 2026, with volume production scheduled for later in the year.

After the Quarter Ended

On January 5, 2026, Tower and LightIC Technologies, a developer of silicon photonics-based FMCW LiDAR solutions, announced a strategic collaboration leveraging Tower's mature silicon photonics platform to support LightIC's Frequency-Modulated Continuous-Wave (FMCW) LiDAR products, including the Lark™ long-range automotive LiDAR and the FR60™ compact LiDAR for robotics and Physical AI applications.

On February 5, 2026, Tower announced it is scaling silicon photonics for 1.6T data center optical modules designed for NVIDIA networking protocols.

Update of the Target Business Model

During today's conference call, Tower revised its business model that was originally introduced at its Q3 2023 conference call. The revenue target is now \$2.8 billion to be reached as a run rate sometime in 2027. Incremental revenues are expected at a 59% gross margin, compared to the previously expected gross margin above 50%. More dramatically, through operating leverage, this incremental gross margin should reach 42% incremental net margins rather than the previous expectation of 24%. So, assuming 85% capacity utilization, revenues would increase by 86% to \$2.8 billion and net income by 140% to \$750 million compared to the original estimate of \$500 million. During the company's Q4 2025 earnings call, the company announced an additional investment of \$270 million in SiPho to reach a total of \$920 million in capex to be spent by the end of 2027. 28% of the \$920 million has already been spent.

Estimated Financial Model (\$M)

	FY 2025		Built-out capacity @85% utilization*	Incremental	
				\$M of Increase	% of Incremental Revenue
Revenue	1,566	1.8X	2,840	1,274	
Gross Profit	364	3.1X	1,120	756	59%
Operating Profit	194	4.6X	900	706	55%
Net Profit	220	3.4X	750	530	42%

* Including revenue and margins from the \$920M SiGe & SiPho announced capacity and capability Cap-Ex investments and excluding revenue and margins from Intel's Fab11 capacity corridor agreement

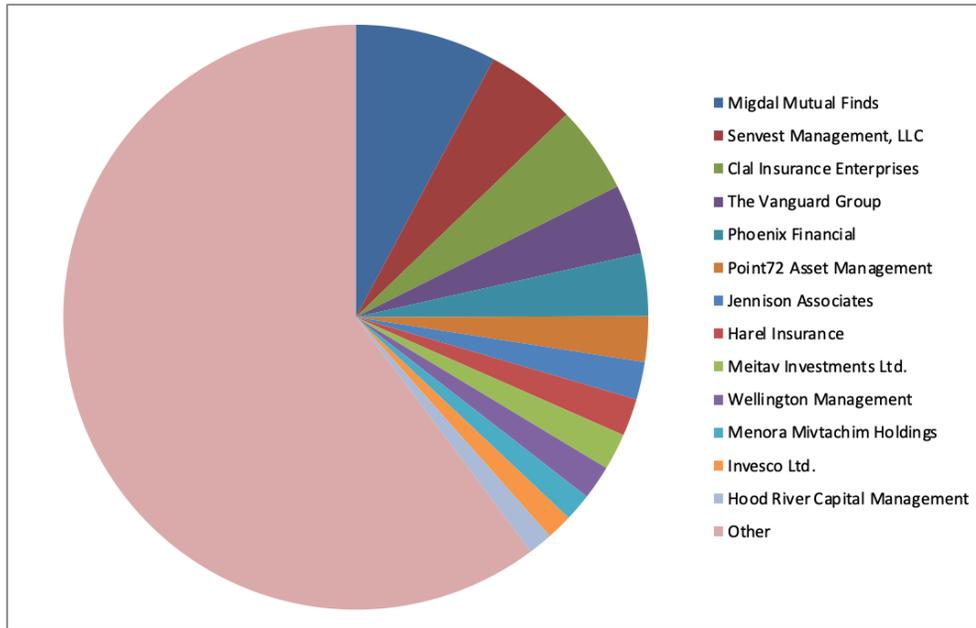
Source: Tower Semiconductor

VALUATION

TSEM trades at an enterprise value of \$14.3 billion, or 6.5 EV to estimated sales for 2027, higher than its peers, who trade at an average of 5.7x. However, if we look at the components of that average, we see they diverge, with SMIC and Taiwan Semiconductor averaging 8.4x, while slower-growing Global Foundries and United Microelectronics are at or under 3.0x. At 8.4xs, TSEM stock would be worth approximately \$175 per share using 2027 revenues. To be conservative, we are raising our price target to \$150 as TSEM works to reach those revenue numbers.

Foundry Companies											
Company	Ticker	EPS 26E	EPS 27E	Price	PE 2026E	PE 2027E	Growth Rate	PE/Growth	Sales 2027E	EV/Sales	EV
GLOBALFOUNDRIES	GFS	1.89	2.35	48.30	25.6	20.6	24.3%	1.1	7.8	2.8	22
SMIC	0981.HK	0.11	0.17	8.95	83.4	53.4	56.1%	1.5	13.1	7.2	95
Taiwan Semiconductor	TSM	14.31	18.00	376.18	26.3	20.9	25.8%	1.0	195.4	9.7	1,890
United Microelectronics	UMC	0.57	0.75	10.27	18.0	13.7	31.6%	0.6	8.0	3.0	24
Average					38.3	27.1		1.0	56.1	5.7	507

OWNERSHIP



INCOME STATEMENT

	March Q1 24	June Q2 24	Sept Q3 24	Dec Q4 24	March Q1 25	June Q2 25	Sept Q3 25	Dec Q4 25	March Q1 26E	June Q2 26E	Sept Q3 26E	Dec Q4 26E	2024	2025	2026E	2027E
REVENUE	327.2	351.2	370.5	387.2	358.2	372.1	395.7	440.2	412.0	432.6	460.0	500.0	1,436.1	1,566.1	1,804.6	2,200.0
Yr-to-yr Gr.	-8%	-2%	3%	10%	9%	6%	7%	14%	15%	16%	16%	14%	1%	9%	15%	22%
OPERATING EXPENSES																
Cost of goods sold	254.6	264.3	277.5	300.3	285.0	292.0	302.6	322.6	309.3	318.8	331.1	348.7	1,096.7	1,202.3	1,308.0	1,470.2
Gross Margin	72.6	86.9	93.1	86.9	73.2	80.0	93.0	117.6	102.7	113.8	128.9	151.3	339.4	363.9	496.6	729.8
% of Sales	22.2%	24.8%	25.1%	22.4%	20.4%	21.5%	23.5%	26.7%	24.9%	26.3%	28.0%	30.3%	23.6%	23.2%	27.5%	33.2%
R&D	20.0	19.0	19.9	20.6	20.2	19.4	22.1	24.9	24.9	25.0	25.0	25.0	79.4	86.5	99.9	110.0
M, G&A	18.7	19.1	17.4	19.8	20.1	20.7	20.4	21.9	22.0	22.5	23.0	23.5	75.0	83.2	91.0	100.0
One-time charges	0.0	(6.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(6.3)	0.0	0.0	0.0
Tot Operating Exp.	38.6	31.8	37.3	40.4	40.3	40.2	42.5	46.8	46.9	47.5	48.0	48.5	148.1	169.7	190.9	210.0
Operating Income	34.0	55.1	55.8	46.4	32.9	39.9	50.6	70.8	55.8	66.3	80.9	102.8	191.3	194.2	305.7	519.8
Operating Margin	10.4%	15.7%	15.0%	12.0%	9.2%	10.7%	12.8%	16.1%	13.5%	15.3%	17.6%	20.6%	13%	12%	17%	24%
Yr-to-yr Gr.	-59%	11%	-85%	-7%	-12%	-32%	-15%	34%	47%	43%	38%	28%	-65%	-7%	37%	39%
Interest & other non-cash financing	4.0	7.7	6.1	8.3	10.6	14.4	10.5	10.7	10.7	10.7	10.7	10.7	26.1	46.2	42.9	32.0
Gain from acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	38.0	62.9	61.9	54.7	43.5	54.3	61.1	81.6	66.5	77.0	91.6	113.5	217.4	240.4	348.7	551.8
Profit margin	11.6%	17.9%	16.7%	14.1%	12.1%	14.6%	15.4%	18.5%	16.2%	17.8%	19.9%	22.7%	15.1%	14.0%	14.0%	14.0%
Taxes	5.1	(6.1)	(7.0)	(2.1)	(3.8)	(8.7)	(7.6)	(1.5)	(12.0)	(13.9)	(16.5)	(20.4)	(10.2)	(21.6)	(62.8)	(99.3)
Tax Rate	-13.4%	9.7%	11.4%	3.9%	8.7%	16.0%	12.5%	1.8%	18.0%	18.0%	18.0%	18.0%	4.7%	9.0%	18.0%	18.0%
Profit before non-controlling	43.0	56.8	54.8	52.6	39.7	45.6	53.4	80.1	54.6	63.2	75.1	93.1	207.2	218.8	285.9	452.5
Minority Income	1.6	(3.3)	(0.2)	2.6	0.4	1.0	0.2	0.1	0.0	0.0	0.0	0.0	0.6	1.7	0.0	0.0
GAAP Net Income	44.6	53.4	54.6	55.1	40.1	46.6	53.6	80.1	54.6	63.2	75.1	93.1	207.9	220.5	285.9	452.5
Yr-to-yr Gr.	-37%	4%	-84%	2%	-10%	-13%	-2%	45%	36%	36%	40%	16%	-60%	6%	30%	58%
Non-GAAP Net Income	51.8	59.0	63.7	66.4	50.5	57.1	62.7	89.5	63.8	74.2	84.6	103.1	241.0	259.9	325.6	494.5
Yr-to-yr Gr.	-16%	2%	5%	9%	-3%	-3%	-2%	35%	26%	30%	35%	15%	0%	8%	25%	52%
GAAP primary EPS	\$0.40	\$0.48	\$0.49	\$0.49	\$0.36	\$0.42	\$0.48	\$0.71	\$0.49	\$0.56	\$0.67	\$0.83	\$1.87	\$1.97	\$2.54	\$4.00
Fully diluted GAAP EPS	\$0.40	\$0.48	\$0.49	\$0.49	\$0.35	\$0.41	\$0.47	\$0.70	\$0.48	\$0.55	\$0.66	\$0.81	\$1.85	\$1.94	\$2.50	\$3.93
Adj Non-GAAP EPS-Fully dil.	\$0.46	\$0.53	\$0.57	\$0.59	\$0.45	\$0.50	\$0.55	\$0.78	\$0.56	\$0.65	\$0.74	\$0.90	\$2.15	\$2.29	\$2.85	\$4.30
Yr-to-yr Gr.	-23%	1%	4%	7%	-4%	-4%	-3%	33%	25%	29%	35%	15%	-1%	7%	24%	51%
Primary Share Out	110.8	111.0	111.2	111.5	111.6	111.8	112.1	112.4	112.4	112.4	112.6	112.8	111.2	112.0	112.5	113.0
Fully Diluted GAAP	111.6	112.0	112.5	113.0	113.2	113.3	113.8	114.2	114.2	114.2	114.2	114.7	112.3	113.6	114.3	115.0
EBITDA	100.7	126.3	120.8	122.4	107.1	114.5	127.0	148.6	130.0	140.9	157.3	177.8	448.8	497.3	605.7	819.8
EBITDA Margin	31%	36%	33%	32%	30%	31%	32%	34%	32%	33%	34%	36%	31%	32%	34%	37%
Yr-to-yr Gr.	-9%	4%	-21%	-5%	-3%	-14%	-1%	7%	6%	6%	7%	5%	-12%	11%	22%	35%

BALANCE SHEET

\$ in thousands	Dec 31, 2025	Sept 30, 2025	Qtr-Qtr % Change	Dec 31, 2024	Yr-Yr % Change
CURRENT ASSETS					
Cash and cash equivalents	\$235,369	\$272,742	-13.7%	\$271,894	-13.4%
Short term deposits	916,541	950,560	-3.6%	946,351	-3.1%
Trade accounts receivable	222,795	213,013	4.6%	211,932	5.1%
Inventories	256,855	286,682	-10.4%	268,295	-4.3%
Other current assets	78,062	56,564	38.0%	61,817	26.3%
Total current assets	1,709,622	1,779,561	-3.9%	1,760,289	-2.9%
PROPERTY AND EQUIPMENT, NET					
Other long-term assets	149,612	32,803	356.1%	33,574	345.6%
TOTAL ASSETS	3,322,290	3,252,602	2.1%	3,080,485	7.8%
CURRENT LIABILITIES					
Short term debt	28,112	33,204	-15.3%	48,376	-41.9%
Trade accounts payable	123,915	131,906	-6.1%	130,624	-5.1%
Deferred revenue	25,581	19,926	28.4%	21,655	18.1%
Other current liabilities	86,139	84,206	2.3%	84,409	2.0%
Total current liabilities	263,747	269,242	-2.0%	285,064	-7.5%
LONG-TERM DEBT	133,406	130,883	1.9%	132,437	0.7%
OTHER LONG-TERM LIABILITIES	20,554	19,895	3.3%	22,804	-9.9%
Total liabilities	417,707	420,020	-0.6%	440,305	-5.1%
SHAREHOLDERS' EQUITY	2,904,583	2,832,582	2.5%	2,640,180	10.0%
TOTAL LIABILITIES AND EQUITY	\$3,322,290	\$3,252,602	2.1%	\$3,080,485	7.8%
Current Ratio	6.5	6.6	-1.9%	6.2	5.0%
Quick Ratio	5.5	5.5	-0.7%	5.2	5.2%
Working Capital	1,445,875	1,510,319	-4.3%	1,475,225	-2.0%
Debt Percent of Assets	4.9%	5.0%	-3.6%	5.9%	-17.2%
Debt to Equity	0.1	0.1	-4.0%	0.1	-18.8%
Cash and equivalents	1,151,910	1,223,302	-5.8%	1,218,245	-5.4%
Cash and equivalents per share	\$10.25	\$10.91	-6.1%	\$10.93	-6.2%
Debt	161,518	164,087	-1.6%	180,813	-10.7%
Change in cash	(71,392)	15,699	-554.8%	13,230	-639.6%
Change in debt	(2,569)	(12,010)	-78.6%	(12,495)	-79.4%

CASH FLOW

	Year	Year	3-Mo	3-Mo	3-Mo	3-Mo	Year	3-Mo	3-Mo	3-Mo	3-Mo	Year
	2022	2023	3/31/24	6/30/24	9/30/24	12/31/24	2024	3/31/25	6/30/25	9/30/25	12/31/25	2025
CASH FLOWS - OPERATING ACTIVITIES												
Net profit (loss)	\$ 266,471	\$ 519,530	\$ 43,047	\$ 56,750	\$ 54,840	\$ 52,585	\$ 207,222	\$ 39,717	\$ 45,592	\$ 53,446	\$ 80,059	\$ 218,814
Income and non-cash expense items:												
Depreciation and amortization	292,638	258,021	59,544	65,567	65,348	75,820	266,279	74,228	74,636	76,456	77,792	303,112
Effect of fair value measurement on debt	10,362	(1,632)	227	625	(425)	(294)	133	0	0	0	0	0
Other expense (income), net	6,934	(7,047)	5,993	0	6,289	12,439	24,721	558	3,559	(122)	6,532	10,527
Changes in assets and liabilities:												
Trade accounts receivable	(15,232)	(3,160)	(6,716)	(7,227)	(27,486)	(18,740)	(60,169)	(6,354)	4,972	1,853	(10,969)	(10,498)
Other assets	20,427	(9,541)	(13,454)	3,141	12,785	(36,464)	(33,992)	5,622	(5,002)	6,770	(32,843)	(25,453)
Inventories	(77,891)	8,682	(23,703)	17,744	14,093	(3,356)	4,778	(4,128)	(7,745)	(1,983)	25,656	11,800
Other long-term assets	0	0	0	0	0	0	0	0	0	0	(111,018)	(111,018)
Trade accounts payable	(20,893)	(8,254)	32,559	(19,741)	4,646	18,320	35,784	(11,114)	8,218	(6,516)	(2,745)	(12,157)
Deferred revenue and customers' advances	(30,069)	(35,676)	(1,931)	(2,091)	(2,049)	(8,712)	(14,783)	(4,432)	(7,297)	4,223	5,674	(1,832)
Other current liabilities	61,033	(70,163)	16,868	274	(2,178)	7,057	22,021	3,718	5,580	2,958	(227)	12,029
Employee related liabilities	2,956	(1,210)	0	0	0	0	0	0	0	0	0	0
Deferred tax liability, net	13,084	27,011	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	(2,396)	(1,957)	(1,120)	2,161	(3,312)	(3,893)	86	2,338	1,627	158
Net cash provided by operating activities	529,820	676,561	110,038	113,085	124,743	100,816	448,682	93,922	122,599	139,423	39,538	395,482
CASH FLOWS - INVESTING ACTIVITIES												
Investments in property and equipment, net	(213,537)	(432,184)	(98,018)	(112,615)	(127,624)	(93,396)	(431,653)	(111,411)	(110,682)	(103,490)	(110,978)	(436,561)
Interest bearing deposits, including designated deposits	(115,911)	(288,663)	(1,113)	17,443	19,412	(4,328)	31,414	44,470	(28,000)	(20,000)	42,000	38,470
Net cash provided by (used in) investing activities	(329,448)	(720,847)	(99,131)	(95,172)	(108,212)	(97,724)	(400,239)	(66,941)	(138,682)	(123,490)	(68,978)	(398,091)
CASH FLOWS - FINANCING ACTIVITIES												
Exercise of warrants and options	44	0	0	0	0	0	0	0	0	0	0	0
Debt repayment	(78,379)	(32,346)	(8,409)	(10,439)	(16,402)	2,795	(32,455)	(26,874)	5,104	(6,875)	(4,708)	(33,353)
Proceeds from investment in subsidiary	11,685	1,932	0	0	0	0	0	0	0	0	0	0
Net cash used in financing activities	(66,650)	(30,414)	(8,409)	(10,439)	(16,402)	2,795	(32,455)	(26,874)	5,104	(6,875)	(4,708)	(33,353)
Effect of foreign exchange rate change	(3,893)	(5,395)	(2,665)	(2,658)	5,537	(4,972)	(4,758)	2,817	1,454	(1,609)	(3,225)	(563)
INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	129,829	(80,095)	(167)	4,816	5,666	915	11,230	2,924	(9,525)	7,449	(37,373)	(36,525)
CASH & CASH EQTS - BEGINNING OF PERIOD	210,930	340,759	260,664	260,497	265,313	270,979	260,664	271,894	274,818	265,293	272,742	271,894
CASH & CASH EQUIVALENTS - END OF PERIOD	340,759	260,664	260,497	265,313	270,979	271,894	271,894	274,818	265,293	272,742	235,369	235,369
Operating Cash Flow	\$ 576,405	\$ 768,872	\$ 108,811	\$ 122,942	\$ 126,052	\$ 140,550	\$ 498,355	\$ 114,503	\$ 123,787	\$ 129,780	\$ 164,383	\$ 532,453
Free cash flow	\$ 362,868	\$ 336,688	\$ 10,793	\$ 10,327	\$ (1,572)	\$ 47,154	\$ 66,702	\$ 3,092	\$ 13,105	\$ 26,290	\$ 53,405	\$ 95,892

HISTORICAL STOCK PRICE



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