



COMPANY UPDATE / ESTIMATE CHANGE

Key Metrics

AWK - NYSE - as of	2/21/17	\$74.38
Price Target		\$84.00
52-Week Range	\$64.65 -	\$85.24
Shares Outstanding (mm)		178.0
Market Cap. (\$mm)		\$13,239.9
1-Mo. Average Daily Volume		949,133
Institutional Ownership		84.6%
LT Debt / Total Cap	Q4'16	52.5%
ROE	TTM	9.9%
Book Value / Share	Q4'16	\$29.31
Price / Book Value		2.5x
Dividend Yield		2.0%
EBITDA Margin	FY'16	46.6%

EPS (Cont'd Ops) FY 12/31

	Prior 2016A	Current 2017E	Prior 2017E	Current 2018E	Current 2018E
1Q	\$0.46	--	\$0.49	--	--
2Q	\$0.77	--	\$0.80	--	--
3Q	\$1.05	--	\$1.12	--	--
4Q	\$0.57	--	\$0.65	--	--
Year	\$2.85	\$3.07	\$3.06	\$3.20	\$3.19
P/E	26.1x		24.3x		23.3x

*Adjusted for Special Items

Revenue (\$MM)

	Prior 2016A	Current 2017E	Prior 2017E	Current 2018E	Current 2018E
1Q	\$743	--	\$774	--	--
2Q	\$827	--	\$863	--	--
3Q	\$930	--	\$982	--	--
4Q	\$802	--	\$843	--	--
Year	\$3,302	\$3,477	\$3,463	\$3,592	\$3,578

Company Description: *Founded in 1886, American Water is the largest investor-owned U.S. water and wastewater utility company. With headquarters in Voorhees, NJ, the company employs more than 7,000 professionals who provide drinking water, wastewater and other related services to approximately 15 million people in more than 30 states and parts of Canada.*

Water Utilities

Analyst: Spencer E. Joyce, CFA
502.588.8402 // sjoyce@hilliard.com
Institutional Sales Desk: George Moorin
502.588.9141 // gmoorin@hilliard.com
J.J.B. Hilliard, W.L. Lyons, LLC
February 22, 2017

American Water Works Co.

AWK – NYSE – Long-term Buy-1

Q4'16 Results from AWK. Reiterating LTB Rating.

Investment Highlights

- AWK reported Q4'16 EPS of \$0.57 versus \$0.55 in Q4'15; results met consensus, and beat our target by a penny. FY 2016 EPS grew 7.9% to \$2.85, weather was roughly unchanged yr/yr, but represents about a nickel of favorable EPS impact in trailing results.
- Revenue grew 2.4% and 4.5% in Q4 and FY 2016, respectively. Keystone Clearwater bolstered growth in 1H, with a mix of acquisitions and regulatory progress driving growth in the second half. Scranton Sewer closed in late-December, and should add about 30k connections for the entirety of 2017.
- Operations & Maintenance expense grew 2.5% in 2016 after excluding a legal settlement charge tied to the 2014 Freedom Industries spill. As of Q4'16, TTM regulated efficiency sits at 34.9%, down a full 100 bps from year-end 2015; the 2021 goal remains 32.5%.
- Adjusted earned ROE for 2016 was 9.9%, up from 9.5% and 8.7% in 2015 and 2014, respectively. We expect further expansion over the next couple of years based on further O&M rationalization and improved profitability for the Market-based segment.
- The rate calendar is a little light at this point, in our view, although AWK just concluded a (net) \$26MM case in IL. Alternatively, the acquisition pipeline is relatively full, with pending deals representing ~40k customer equivalents.
- Management reiterated 2017 EPS guidance in the range of \$2.98-\$3.08. Our 2017E and 2018E EPS each slip a penny to \$3.06 and \$3.19, respectively.
- We are reiterating our LTB rating and 2-yr price target of \$84, which is based on ~26x our 2018E EPS. This is ~10% below peak multiples of the last few years, and remains attainable based on resilient growth prospects and peer valuations.

Note Important Disclosures on Pages 6-7
Note Analyst Certification on Page 6

ADDITIONAL DISCUSSION—Q4/FY 2016 RESULTS & FORWARD OUTLOOK

In our view, AWK's Q4 marks a nice end to a strong 2016. Revenue growth of 2.4% in the final quarter was a bit light versus our expectations, although we believe the more interesting story is AWK's 5th year out of the past 7 with revenue gains between 4% and 5%. American Water has done a commendable job, in our view, of transitioning from a regulatory 'catch up' story, to one of maximizing efficiency and implementing a sustainable acquisition strategy.

Keystone was indicated to have contributed roughly breakeven net income in full year 2016, although the outlook seems stronger entering the New Year. Management is confident the division can maintain recent market share gains, and with gas prices firming somewhat and drilling activity percolating, we expect Keystone to be profitable this year. Two Q4 contract re-pricings within the Military operations bode well for 2017 also, but we hesitate to assert that any news flow out of the Market-based segment will mark a material catalyst this year.

As noted in our opening bullet point, TTM ROE exiting 2016 was 9.9%, another year of healthy expansion. Relatedly, regulated O&M efficiency slipped to a TTM level of 34.9%, which still leaves moderate room for improvement over the several years to the stretch target of 32.5% by 2021. Absent outsized shocks from weather, we expect further improvement to the O&M line in 2017, but acknowledge that the integration of large acquisitions could make gains a bit more choppy moving forward.

ADDITIONAL DISCUSSION—M&A UPDATE

We did not receive a specific time update as to when the \$156MM acquisition of municipal sewer assets in McKeesport, PA, could close, although our model continues to assume the deal is completed on October 1 of this year. Along similar lines, we still model the pending Shorelands, NJ, deal to close on July 1; with no specific update, we more/less continue to rely on prior guidance that the purchase of private water assets could close by the end of June. We stress that changes in timing here are highly unlikely to alter our positive long-term investment thesis, but would compel changes to our model.

American Water outlined a regulated pipeline of deals at its investor day in December that stood at ~145,000 new customers. This figure was not specifically reiterated in conjunction with Q1 results, but management did disclose a docket of pending acquisitions (agreed to, but not yet closed) that held 39,863 customer equivalent connections spread across 17 separate transactions. M&A activity may always be lumpy on a year to year basis, but perhaps one of our strongest fundamental points entering 2017 is a very resilient M&A growth outlook.

SUITABILITY

We assign AWK a suitability rating of '1.' Recently added to the S&P 500 Index, we view American Water as a large-cap core holding in the Utility sector. We believe substantial regional diversification helps mitigate regulatory/environment/disaster risks, while exposing the firm to broad secular growth opportunities in water and wastewater infrastructure. Despite a relatively recent IPO (late-2000s), sector-appropriate leverage, long-tenured individual franchises and a predominantly regulated business mix keep AWK above our more aggressive '2' rating.

CONSIDERATIONS AND RISKS

We view all companies in the Water Utilities industry as being subject to significant regulatory and political risks. Utility operations are heavily regulated; negative rate-making climates and/or new environmental restrictions may affect the company's ability to earn a sufficient return on invested capital. Weather, natural disaster, and availability of water supplies could negatively impact sources of water, demand for water services, and a utility's ability to supply water to customers. Risks associated with the collection, treatment, and disposal of wastewater could also impose significant costs.

Continued growth in non-traditional water distribution, including the Keystone Clearwater purchase, could bring uncertainties associated with costs, liabilities, operational efficiencies and managerial expertise. Furthermore this could alter the market opinion toward fair valuation multiples and metrics.

Significant Cap Ex is required to maintain infrastructure and expand rate base. Should AWK lack the ability to secure funding, or if delays occur, results could be impacted. Water assets can be subject to condemnation through eminent domain. The company's non-regulated businesses provide guarantees and have long-term contracts. AWK is subject to all other risks that result from being a public company.

Our Suitability rating is 1 on a 1-to-4 scale (1 = most conservative, 4 = most aggressive).

Additional information is available upon request.

American Water Works Co.													
Income Statement (\$000's)	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17E	Q2'17E	Q3'17E	Q4'17E	FY'17E	FY'18E
Operating Revenues	\$3,011,328	\$3,159,000	\$743,000	\$827,000	\$930,000	\$802,000	\$3,302,000	\$774,490	\$862,860	\$982,210	\$843,040	\$3,462,600	\$3,578,360
Operating Expenses													
O&M	1,349,864	1,404,000	348,000	351,000	432,000	373,000	1,504,000	356,780	359,640	377,930	383,370	1,477,720	1,509,460
D&A	424,084	440,000	116,000	115,000	119,000	120,000	470,000	124,820	123,740	127,780	128,510	504,850	533,110
General Taxes	236,732	243,000	66,000	64,000	65,000	63,000	258,000	71,250	69,030	67,770	65,760	273,810	282,860
(Gain) on Asset Sale	(1,928)	(3,000)	(100)	(2,000)	(5,000)	(2,000)	(10,000)	(200)	(1,000)	(200)	(300)	(1,700)	(1,700)
Impairment Charge													
Operating Income (Loss)	1,002,576	1,075,000	213,100	299,000	319,000	248,000	1,080,000	221,840	311,450	408,930	265,700	1,207,920	1,254,630
%	33.3%	34.0%	28.7%	36.2%	34.3%	30.9%	32.7%	28.6%	36.1%	41.6%	31.5%	34.9%	35.1%
Interest (Expense)/Income	(297,818)	(308,000)	(80,000)	(81,000)	(81,000)	(83,000)	(325,000)	(83,160)	(83,410)	(83,240)	(84,690)	(334,500)	(340,080)
Other (Expense)/Income	5,057	15,000	2,000	7,000	5,000	1,000	15,000	4,700	6,400	5,000	5,000	21,100	21,100
Inc (loss) Cont'd Ops Before Tax	709,815	782,000	136,000	225,000	243,000	166,000	770,000	143,380	234,440	330,690	186,010	894,520	935,650
Provision for Income Taxes	279,973	306,000	54,000	88,000	95,000	65,000	302,000	56,492	92,369	130,292	69,754	348,907	364,970
%	39.4%	39.1%	39.7%	39.1%	39.1%	39.2%	39.2%	39.4%	39.4%	39.4%	37.5%	39.0%	39.0%
Income (Loss) from Cont'd Ops	429,842	476,000	82,000	137,000	148,000	101,000	468,000	86,888	142,071	200,398	116,256	545,613	570,680
Inc (Loss) from Disc Ops, net of tax	(6,733)												
Net Income (Loss)	\$423,109	\$476,000	\$82,000	\$137,000	\$148,000	\$101,000	\$468,000	\$86,888	\$142,071	\$200,398	\$116,256	\$545,613	\$570,680
Diluted Avg Sh	179,806	180,000	179,000	178,000	178,000	178,000	179,000	178,067	178,134	178,702	178,769	178,467	178,946
GAAP EPS	\$ 2.35	\$ 2.64	\$ 0.46	\$ 0.77	\$ 0.83	\$ 0.57	\$ 2.63	\$ 0.49	\$ 0.80	\$ 1.12	\$ 0.65	\$ 3.06	\$ 3.19
Inc (loss) frm disc'd ops, net/tax	\$ (0.04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EPS from Cont'd Ops--Adj if Nec	\$ 2.45	\$ 2.64	\$ 0.46	\$ 0.77	\$ 1.05	\$ 0.57	\$ 2.85	\$ 0.49	\$ 0.80	\$ 1.12	\$ 0.65	\$ 3.06	\$ 3.19
Dividend	\$ 1.210	\$ 1.330	\$ 0.340	\$ 0.375	\$ 0.375	\$ 0.375	\$ 1.465	\$ 0.375	\$ 0.400	\$ 0.400	\$ 0.400	\$ 1.575	\$ 1.675
Rate of Change Analysis:													
Revenues	4.6%	4.9%	6.4%	5.7%	3.8%	2.4%	4.5%	4.2%	4.3%	5.6%	5.1%	4.9%	3.3%
Operating Income	5.7%	7.2%	4.3%	7.7%	-11.7%	6.9%	0.5%	4.1%	4.2%	28.2%	7.1%	11.8%	3.9%
EPS--Cont'd Ops--Adj if Nec	10.7%	8.0%	3.2%	12.8%	9.3%	3.2%	7.9%	6.5%	3.6%	6.4%	14.6%	7.3%	4.3%
EBITDA	5.1%	6.1%	5.9%	6.9%	-8.3%	6.4%	1.9%	5.3%	5.4%	23.9%	7.6%	11.1%	4.4%
O&M Expense	4.7%	4.0%	7.5%	4.3%	18.8%	-1.8%	7.1%	2.5%	2.5%	-12.5%	2.8%	-1.7%	2.1%
Margin Analysis:													
O&M	44.8%	44.4%	46.8%	42.4%	46.5%	46.5%	45.5%	46.1%	41.7%	38.5%	45.5%	42.7%	42.2%
D&A	14.1%	13.9%	15.6%	13.9%	12.8%	15.0%	14.2%	16.1%	14.3%	13.0%	15.2%	14.6%	14.9%
General Tax	7.9%	7.7%	8.9%	7.7%	7.0%	7.9%	7.8%	9.2%	8.0%	6.9%	7.8%	7.9%	7.9%
Operating Income	33.3%	34.0%	28.7%	36.2%	34.3%	30.9%	32.7%	28.6%	36.1%	41.6%	31.5%	34.9%	35.1%
Tax rate	39.4%	39.1%	39.7%	39.1%	39.1%	39.2%	39.2%	39.4%	39.4%	39.4%	37.5%	39.0%	39.0%
					*\$0.22 after-tax charge for WW chemical spill settlement	Scranton, PA, WW closed 12/29		*McKspirt could close in Q1'17	*Shorelands could close in 1H'17	*Model 7/1 Shorlands close; 11k H2O cust; 500k share purch price	*Model 10/1 McKspirt close; 22k WW cust		
	*Adj EPS Guidance \$2.38-\$2.44	*EPS Guidance \$2.60-\$2.65					*Adj EPS Guidance \$2.81-\$2.86					*Adj EPS Guidance \$2.98-\$3.08	

Source: Company reports and Hilliard Lyons estimates

American Water Works Co.													
Summary Balance Sheet (\$000's)	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17E	Q2'17E	Q3'17E	Q4'17E	FY'17E	FY'18E
Cash	\$23,080	\$45,000	\$66,000	\$52,000	\$46,000	\$75,000	\$75,000	\$35,640	\$30,690	\$21,550	\$60,040	\$60,040	\$38,280
A/R	267,053	255,000	220,000	240,000	302,000	269,000	269,000	229,320	250,410	318,950	282,770	282,770	290,370
Unbilled Utility Rev	220,538	267,000	247,000	286,000	285,000	263,000	263,000	257,470	298,400	301,000	276,460	276,460	283,890
Other Current Assets	150,698	90,000	105,000	113,000	168,000	177,000	177,000	110,250	118,650	176,400	185,850	185,850	195,140
Total CAs	661,369	657,000	638,000	691,000	801,000	784,000	784,000	632,680	698,150	817,900	805,120	805,120	807,680
Net PP&E	13,029,296	13,933,000	14,098,000	14,317,000	14,559,000	14,992,000	14,992,000	15,169,680	15,373,440	15,591,910	15,837,900	15,837,900	16,629,790
Goodwill	1,208,043	1,302,000	1,313,000	1,313,000	1,313,000	1,345,000	1,345,000	1,347,500	1,350,000	1,371,250	1,445,750	1,445,750	1,470,750
Other LT Assets	1,232,248	1,349,000	1,368,000	1,385,000	1,298,000	1,361,000	1,361,000	1,504,800	1,523,500	1,427,800	1,497,100	1,497,100	1,646,810
Total Assets	\$16,130,956	\$17,241,000	\$17,417,000	\$17,706,000	\$17,971,000	\$18,482,000	\$18,482,000	\$18,654,660	\$18,945,090	\$19,208,860	\$19,585,870	\$19,585,870	\$20,555,030
ST Debt	449,959	628,000	839,000	950,000	951,000	849,000	849,000	914,000	1,014,000	614,000	864,000	864,000	1,064,000
CP of LTD	61,132	54,000	54,000	54,000	53,000	574,000	574,000	572,780	572,780	572,780	455,860	455,860	164,910
A/P	285,800	126,000	116,000	146,000	135,000	154,000	154,000	120,920	152,330	142,580	161,880	161,880	166,230
Other	444,107	725,000	605,000	590,000	789,000	815,000	815,000	635,250	619,500	828,450	855,750	855,750	898,540
Total CLs	1,240,998	1,533,000	1,614,000	1,740,000	1,928,000	2,392,000	2,392,000	2,242,950	2,358,610	2,157,810	2,337,490	2,337,490	2,293,680
LTD	5,448,245	5,874,000	5,850,000	5,861,000	5,853,000	5,759,000	5,759,000	6,262,230	6,262,230	6,562,230	6,679,140	6,679,140	6,970,040
Deferred Income Tax	2,120,739	2,310,000	2,358,000	2,430,000	2,524,000	2,596,000	2,596,000	2,648,000	2,730,000	2,819,000	2,878,000	2,878,000	3,160,000
Other	2,405,383	2,475,000	2,513,000	2,522,000	2,428,000	2,517,000	2,517,000	2,638,650	2,648,100	2,549,400	2,642,850	2,642,850	2,774,990
Common Shareholders' Equity	4,915,591	5,049,000	5,082,000	5,153,000	5,238,000	5,218,000	5,218,000	4,862,830	4,946,150	5,120,420	5,048,390	5,048,390	5,356,320
Total Liabilities & SE	\$16,130,956	\$17,241,000	\$17,417,000	\$17,706,000	\$17,971,000	\$18,482,000	\$18,482,000	\$18,654,660	\$18,945,090	\$19,208,860	\$19,585,870	\$19,585,870	\$20,555,030
Summary Cash Flow (\$000's)	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17E	Q2'17E	Q3'17E	Q4'17E	FY'17E	FY'18E
Net Income	\$423,109	\$476,000	\$82,000	\$137,000	\$148,000	\$101,000	\$468,000	\$86,890	\$142,070	\$200,400	\$116,260	\$545,610	\$570,680
D&A	424,084	440,000	116,000	115,000	119,000	120,000	470,000	124,820	123,740	127,780	128,510	504,850	533,110
Deferred Tax	255,573	296,000	52,000	82,000	89,000	59,000	282,000	52,000	82,000	89,000	59,000	282,000	282,000
(Inc) / Dec in Wrk Cap	23,992	(52,618)	(90,000)	(52,000)	72,000	(109,000)	(179,000)	(1,290)	(56,510)	70,160	230	12,590	23,150
Operating CF	1,126,758	1,159,382	160,000	282,000	428,000	171,000	1,041,000	262,420	291,300	487,340	304,000	1,345,050	1,408,940
Cap Ex	(956,119)	(1,160,000)	(284,000)	(313,000)	(331,000)	(383,000)	(1,311,000)	(300,000)	(325,000)	(325,000)	(300,000)	(1,250,000)	(1,300,000)
Acquisitions	(8,935)	(197,000)	(22,000)	(2,000)	(5,000)	(175,000)	(204,000)	(5,000)	(5,000)	(5,000)	(149,000)	(164,000)	(50,000)
Asset/Securities Sales	13,841	5,000	(1,000)	3,000	3,000	4,000	9,000	-	-	-	-	-	-
Dividends	(216,354)	(239,000)	(61,000)	(66,000)	(67,000)	(67,000)	(261,000)	(66,780)	(71,250)	(71,480)	(71,510)	(281,020)	(299,710)
Free Cash Flow	(40,809)	(431,618)	(208,000)	(96,000)	28,000	(450,000)	(726,000)	(109,360)	(109,950)	85,860	(216,510)	(349,970)	(240,770)
Adv & Contrbs for Construct	26,295	26,000	7,000	11,000	(2,000)	-	16,000	-	-	-	-	-	-
LTD Proceeds	500,497	565,000	-	2,000	-	551,000	553,000	-	-	800,000	-	800,000	290,000
LTD (Repaid)	(238,371)	(130,000)	(11,000)	(2,000)	(7,000)	(124,000)	(144,000)	-	-	(500,000)	-	(500,000)	(291,000)
ST Debt Drawn (Repaid)	(180,348)	180,000	211,000	110,000	1,000	(101,000)	221,000	65,000	100,000	(400,000)	250,000	15,000	200,000
Anti-Dilutive Repurch	-	(126,000)	(62,000)	(3,000)	-	-	(65,000)	-	-	-	-	-	-
Stock Issued	20,913	39,000	10,000	8,000	4,000	4,000	26,000	5,000	5,000	5,000	5,000	20,000	20,000
Net Cash Flow	88,177	122,382	(53,000)	30,000	24,000	(120,000)	(119,000)	(39,360)	(4,950)	(9,140)	38,490	(14,970)	(21,770)
EBITDA	1,424,732	1,512,000	329,000	412,000	433,000	366,000	1,540,000	346,460	434,190	536,510	393,910	1,711,070	1,786,040
EBITDA margin--period	47.3%	47.9%	44.3%	49.8%	46.6%	45.6%	46.6%	44.7%	50.3%	54.6%	46.7%	49.4%	49.9%
EV / TTM EBITDA	10.5x	11.0x	11.8x	13.4x	12.6x	12.1x	12.1x	12.5x	12.3x	11.8x	11.6x	11.6x	11.3x
Selected Financial Statistics	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17E	Q2'17E	Q3'17E	Q4'17E	FY'17E	FY'18E
Book Value	\$ 27.29	\$ 28.05	\$ 28.39	\$ 28.95	\$ 29.43	\$ 29.31	\$ 29.31	\$ 27.31	\$ 27.77	\$ 28.65	\$ 28.24	\$ 28.24	\$ 29.92
Tangible BV	\$ 20.58	\$ 20.82	\$ 21.06	\$ 21.57	\$ 22.05	\$ 21.76	\$ 21.76	\$ 19.74	\$ 20.19	\$ 20.98	\$ 20.15	\$ 20.15	\$ 21.70
Price / Book	2.0x	2.1x	2.4x	2.9x	2.5x	2.5x	2.5x	2.7x	2.7x	2.6x	2.7x	2.6x	2.5x
LT Debt / Total Capital	52.6%	53.8%	53.5%	53.2%	52.8%	52.5%	52.5%	56.3%	55.9%	56.2%	57.0%	57.0%	56.5%
Net Total Debt / Total Capital	54.7%	56.3%	56.8%	56.9%	56.5%	57.7%	57.7%	61.3%	61.3%	60.1%	61.1%	61.1%	60.4%
ROE (TTM)--Adj for Freedom Spill	8.7%	9.5%	9.4%	9.6%	9.8%	9.9%	9.9%	10.0%	10.2%	10.4%	10.8%	10.8%	10.8%

Source: Company reports and Hilliard Lyons estimates

Analyst Certification

I, Spencer E. Joyce, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Important Disclosures

Hilliard Lyons' analysts receive bonus compensation based on Hilliard Lyons' profitability. They do not receive direct payments from investment banking activity.

Suitability Ratings

- 1** - A large cap, core holding with a solid history
- 2** - A historically secure company which could be cyclical, has a shorter history than a "1" or is subject to event driven setbacks
- 3** - An above average risk/reward ratio could be due to small size, lack of product diversity, sporadic earnings or high leverage
- 4** - Speculative, due to small size, inconsistent profitability, erratic revenues, volatility, low trading volume or a narrow customer or product base

Investment Ratings

Buy - We believe the stock has significant total return potential in the coming 12 months.

Long-term Buy - We believe the stock is an above average holding in its sector, and expect solid returns to be realized over a longer time frame than our Buy rated issues, typically 2-3 years.

Neutral - We believe the stock is an average holding in its sector, is currently fully valued, and may be used as a source of funds if better opportunities arise.

Underperform - We believe the stock is vulnerable to a price setback in the next 12 months.



Rating	Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.	
	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	43	36%	9%	91%
Hold/Neutral	73	61%	4%	96%
Sell	4	3%	0%	100%

As of 3 February 2016

Other Disclosures

Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of J.J.B. Hilliard, W.L. Lyons, LLC or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed here.

J.J.B. Hilliard, W.L. Lyons, LLC is a multi-disciplined financial services firm that regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as placement agent in private transactions.

The information herein has been obtained from sources we believe to be reliable but is not guaranteed and does not purport to be a complete statement of all material factors. This is for informational purposes and is not a solicitation of orders to purchase or sell securities. Reproduction is forbidden unless authorized. All rights reserved.