



COMPANY UPDATE / ESTIMATE CHANGE

Key Metrics

HI - NYSE - as of	11/16/17	\$42.35
Price Target		--
52-Week Range	\$33.55 -	\$42.65
Shares Outstanding (mm)		63.0
Market Cap. (\$mm)		\$2,669.0
1-Mo. Average Daily Volume		278,625
Institutional Ownership		79.3%
Net Debt/Total Capital	Q4'17	33.9%
ROE	TTM	18.6%
Book Value / Share	Q4'17	\$11.99
Price / Book Value		3.5x
Dividend Yield		1.9%
Adj EBITDA Margin	TTM	17.3%

EPS Fiscal Year 9/30

	Prior	Current	Prior	Current
	2017A	2018E	2019E	2019E
1Q	*0.42	--	\$0.51	--
2Q	*0.53	--	\$0.62	--
3Q	*0.53	--	\$0.50	--
4Q	*0.62	--	\$0.63	--
Year	\$2.10	\$2.24	\$2.25	\$2.39
P/E	20.2x		18.8x	17.7x

* adjusted for special items

Revenue (\$MM)

	Prior	Current	Prior	Current
	2017A	2018E	2019E	2019E
1Q	\$356	--	\$390	--
2Q	\$395	--	\$426	--
3Q	\$396	--	\$403	--
4Q	\$443	--	\$436	--
Year	\$1,590	\$1,634	\$1,655	\$1,706

Company Description: *The Process Equipment Group makes precision material handling systems, bulk material handling systems, extrusion equipment, size reduction equipment, and screening systems. Through its Batesville Casket unit, Hillenbrand is the largest U.S. producer of burial caskets, both metal and wood, providing Batesville caskets and other products to funeral homes across the country.*

Industrials

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Hillenbrand, Inc.

HI – NYSE – Neutral – 2

Solid Q4'17 Results from HI; Reiterating Neutral.

- HI reported Q4'17 (July-September) adjusted EPS of \$0.62 versus \$0.58 in Q4'16; results beat our estimate of \$0.60. Operating income growth was partially offset by a higher effective tax rate.
- Revenue grew 3.3% in Q4, consistent with full year FY17 growth of 3.4% which was the best since FY14. Sales of \$443MM were above both our estimate of \$434MM and consensus at \$428MM; a miss from Batesville was effectively offset by Process Equipment (PEG), which grew ~7% in the quarter.
- We calculate adjusted gross margin of 37.1% in Q4'17, up 70bps yr/yr; adjusted Op Ex was 20.3% of sales versus 21.0%. Gross margin pressures could be a factor in fiscal 2018 on raw material cost pressures.
- Adjusted EBITDA grew just under 20% in Q4 and ~14% on the full year. TTM adjusted EBITDA margin currently sits at 18.1%, up 80bps sequentially.
- By our interpretation, holistic industrial commentary exiting Q4 was again positive with every business in Process Equipment showing volume and backlog growth across the quarter. PEG backlog exiting Q4 was \$632.2MM, up ~26% from the prior year and +4% sequentially, adding resiliency to our model into 2018.
- Management initiated FY18 adjusted EPS guidance in the range of \$2.16-\$2.28; sales are expected to be +2% to +4% for the year. Our 2018E EPS rises a penny to \$2.25, sitting toward the top of the noted range as our view of the out year was little changed exiting this fiscal year. We initiate 2019E EPS of \$2.39 at this time, expecting continued moderate growth at PEG.
- We are reiterating our Neutral rating. We are pleased with momentum to close fiscal 2017 from Hillenbrand, but believe the acute upside in stock price post-report largely reflects positive developments tied to execution and the backlog.
- We remind investors that HI is slated to hold an investor conference on Tuesday, December 12. We expect no change to guidance, with some of the more interesting topics for us being the M&A pipeline and flow control.

Note Important Disclosures on Pages 6-7.

Note Analyst Certification on Page 6.

ADDITIONAL DISCUSSION—LEVERAGE SNAPSHOT

After closing on the acquisitions of Red Valve Company and ABEL Pumps in fiscal 1H'16, Hillenbrand held gross debt at 2.7x TTM adjusted EBITDA; the metric dipped all the way to 1.6x exiting Q4'17, and de-levering would likely have been even greater had HI not fully funded its defined benefit plan during Q1. Management reiterated a view that they are reaching the low end of desired leverage, and in our view, indicating a slightly higher potential that added buyback activity could play out in the absence of material M&A. We continue to believe HI is 'ready' both operationally and financially to execute a meaningful purchase transaction, but asking prices remain high.

SUITABILITY

We assign HI a suitability rating of '2.' A complete description of our suitability scale can be found on page 6 in the Important Disclosures section of this report. HI's SMID-cap status, along with cyclicality and a relatively short history for the growth-oriented Process Equipment Group, push Hillenbrand below our most conservative '1' suitability rating. Resilient cash flows and a dominant market position for the casket business, manageable leverage, and a modestly diversified end-market mix for the consolidated entity keep Hillenbrand above our more aggressive '3' rating.

CONSIDERATIONS AND RISKS

Recent acquisitions have boosted industrial exposure and have increased the cyclicality of HI's results. These inherently more cyclical industries expose Hillenbrand to oscillations in the global economy, which can be beyond management's ability to influence and difficult to predict.

Particularly in developing the Process Equipment Group, HI has been an active recent acquirer, and we expect HI could remain active in the future. Integration of large acquisitions and the merging of corporate cultures is not always successful, and varied pitfalls can inhibit the realization of expected synergies and undermine the value obtained from transactions, while simultaneously diverting managerial attention and energy away from existing businesses. Overpayment for assets could result in asset impairments/writedowns, weakening HI's capital position and potential ability to make further acquisitions.

HI has settled a couple of legal actions in the casket business in recent years, and similar to most sizeable companies, could be the target of litigation in the future. An unfavorable decision or large monetary award could adversely affect the company's perceived value or ability to compete in certain geographies.

Competitive forces could be particularly problematic for Batesville, which holds a leading position in a flat, to slightly declining, business. Consumers may purchase caskets outside of Batesville channels, and lower priced and/or imported caskets, of presumed lower average quality, compete with Batesville's products on an on-going basis. Cremation has also increased its penetration of the funeral market.

Large funeral home operators have become more competitive recently in contract negotiations, particularly as consolidation has occurred in the space. This has been a recent issue with a large national customer, and in our view, has the potential to pressure margins from time to time in the future.

Our Suitability rating is 2 on a 1-to-4 scale (1 = most conservative, 4 = most aggressive).

Additional information is available upon request.

Hillenbrand (HI)

(\$'s in millions)

			Dec	March	June	Sept		Dec	March	June	Sept			
Income Statement Analysis	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17	FY'18E	FY'19E
Revenues	\$ 1,667.2	\$ 1,596.8	\$ 351.7	\$ 387.0	\$ 371.0	\$ 428.7	\$ 1,538.4	\$ 356.1	\$ 395.3	\$ 395.9	\$ 442.9	\$ 1,590.2	\$ 1,654.7	\$ 1,705.6
Cost of Revenues	1,078.0	1,026.4	223.5	244.3	227.5	272.5	967.8	230.1	246.7	243.5	278.6	998.9	1,030.2	1,062.5
Gross Profit	589.2	570.4	128.2	142.7	143.5	156.2	570.6	126.0	148.6	152.4	164.3	591.3	624.5	643.2
%	35.3%	35.7%	36.5%	36.9%	38.7%	36.4%	37.1%	35.4%	37.6%	38.5%	37.1%	37.2%	37.7%	37.7%
Operating Expenses	414.7	348.3	82.1	87.3	87.2	89.9	346.5	82.8	85.6	86.3	89.7	344.4	358.7	370.6
%	24.9%	21.8%	23.3%	22.6%	23.5%	21.0%	22.5%	23.3%	21.7%	21.8%	20.3%	21.7%	21.7%	21.7%
Amortization Expense		28.1	9.8	8.6	7.2	7.4	33.0	7.2	7.2	7.3	7.5	29.2	29.2	29.2
Operating Inc.	174.5	194.0	36.3	46.8	49.1	58.9	191.1	36.0	55.8	58.8	67.1	217.7	236.6	243.3
%	10.5%	12.1%	10.3%	12.1%	13.2%	13.7%	12.4%	10.1%	14.1%	14.9%	15.2%	13.7%	14.3%	14.3%
Interest (Expense)	(23.3)	(23.8)	(5.9)	(6.4)	(6.6)	(6.4)	(25.3)	(6.1)	(6.3)	(6.5)	(6.3)	(25.2)	(23.0)	(18.6)
Other Income (Expense)	8.7	(7.9)	(0.7)	(0.9)	(0.3)	0.2	(1.7)	(1.3)	(0.6)	(1.1)	(1.2)	(4.2)	(4.2)	(4.2)
Pre Tax Inc.	159.9	162.3	29.7	39.5	42.2	52.7	164.1	28.6	48.9	51.2	59.6	188.3	209.4	220.5
Income Tax (Expense)	(48.7)	(49.1)	(8.7)	(12.3)	(10.9)	(15.4)	(47.3)	(6.7)	(14.9)	(16.6)	(21.7)	(59.9)	(63.9)	(67.3)
Tax Rate	30.5%	30.3%	29.3%	31.1%	25.8%	29.2%	28.8%	23.4%	30.5%	32.4%	36.4%	31.8%	30.5%	30.5%
Net Income--Cont'd Ops	111.2	113.2	21.0	27.2	31.3	37.3	116.8	21.9	34.0	34.6	37.9	128.4	145.5	153.3
Less: (NI)/Loss Attrib to non-CI	(1.5)	(1.8)	(1.0)	(1.1)	(0.6)	(1.3)	(4.0)	(0.2)	(0.6)	(1.7)	0.3	(2.2)	(1.6)	(1.6)
Net Income att to HI (ctd ops)	109.7	111.4	20.0	26.1	30.7	36.0	112.8	21.7	33.4	32.9	38.2	126.2	143.9	151.7
%	6.6%	7.0%	5.7%	6.7%	8.3%	8.4%	7.3%	6.1%	8.4%	8.3%	8.6%	7.9%	8.7%	8.9%
Shares Out.	63.8	63.9	63.8	63.8	63.9	64.0	63.8	64.2	64.4	63.9	63.9	64.1	63.8	63.6
Diluted EPS (cont'd ops)	\$ 1.72	\$ 1.74	\$ 0.31	\$ 0.41	\$ 0.48	\$ 0.56	\$ 1.77	\$ 0.34	\$ 0.52	\$ 0.51	\$ 0.60	\$ 1.97	\$ 2.25	\$ 2.39
Adjusted EPS (cont'd ops)	\$ 1.94	\$ 2.05	\$ 0.41	\$ 0.49	\$ 0.53	\$ 0.58	\$ 2.00	\$ 0.42	\$ 0.53	\$ 0.53	\$ 0.62	\$ 2.10	\$ 2.25	\$ 2.39
EPS from disc ops														
Dividends Paid	\$ 0.790	\$ 0.800	\$ 0.2025	\$ 0.2025	\$ 0.2025	\$ 0.2025	\$ 0.810	\$ 0.2050	\$ 0.2050	\$ 0.2050	\$ 0.2050	\$ 0.820	\$ 0.820	\$ 0.8300
Rate of Change Analysis														
Sales	7.3%	-4.2%	-12.4%	-4.3%	-6.9%	9.4%	-3.7%	1.3%	2.1%	6.7%	3.3%	3.4%	4.1%	3.1%
Operating Income	47.8%	11.2%	-23.1%	-17.8%	-7.9%	60.9%	-1.5%	-0.8%	19.2%	19.8%	13.9%	13.9%	8.7%	2.9%
EPS--Adj if necessary	3.8%	5.5%	-15.8%	-0.2%	1.8%	4.2%	-2.2%	1.6%	9.9%	0.3%	7.5%	5.0%	7.2%	5.8%
Adjusted EBITDA	11.3%	-2.5%	-8.8%	3.5%	1.4%	1.1%	-0.6%	-2.4%	3.7%	7.7%	19.8%	13.6%	5.0%	-0.5%
Working Cap.	-26.6%	55.3%	-4.8%	3.8%	-21.4%	-20.2%	-20.2%	-17.6%	-25.5%	-7.4%	-73.0%	-73.0%	263.1%	1.6%
Inventory	-5.1%	-8.8%	-6.2%	-7.3%	-4.3%	-0.3%	-0.3%	-7.3%	-7.3%	-2.4%	-1.0%	-1.0%	-0.3%	4.0%
**Adjustments not mentioned are likely minor Restructuring charges or Acquisition/Integration costs			*ABEL pumps Acq closed 10/2/2015	*Red Valve Acq closed 2/2/2016	*Mostly restructuring & Acq chgs; \$0.03 trade name impairment			*About \$0.08 net Restructure Chgs	*Raising low end of EPS guide by \$0.05			*Adjusted EPS Guide \$2.00-\$2.10	*Adjusted EPS Guide \$2.16-\$2.28	**Total Rev Guide +1% to +3%

Source: Company reports and Hilliard Lyons estimates

Hillenbrand (HI)

Summary Cash Flow	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17	FY'18E	FY'19E
Net Income--Cr'd Ops to HI	109.7	111.4	20.0	26.1	30.7	36.0	112.8	21.7	33.4	32.9	38.2	126.2	143.9	151.7
D & A	58.4	54.3	16.0	15.9	14.3	14.2	60.4	15.0	13.6	13.5	14.5	56.6	53.0	44.7
Deferred Income Tax	(8.2)	(0.5)	0.5	(1.3)	(6.3)	2.4	(4.7)	11.4	5.9	13.0	6.8	37.1	0.0	0.0
Share-base Compensation	7.5	12.0	0.6	3.1	2.5	2.3	8.5	2.6	3.1	2.4	2.4	10.5	0.0	0.0
Forethought, net // special Pension								(82.9)	(2.4)	(2.7)	(2.60)	(90.6)		
(Increase) Decrease in Wrkg. Cap.	37.5	(57.3)	(14.7)	(3.0)	52.2	(1.9)	32.6	(16.4)	11.7	15.9	82.5	93.7	(91.3)	(2.0)
Operating CF	204.9	119.9	22.4	40.8	93.4	53.0	209.6	(48.6)	65.3	75.0	141.8	233.5	105.6	194.4
Cap Ex	(23.6)	(31.0)	(6.5)	(2.6)	(6.5)	(5.6)	(21.2)	(4.6)	(4.5)	(5.1)	(6.0)	(22.0)	(24.0)	(34.1)
Acquisitions, net of cash acq	-	-	(105.7)	(131.3)	-	1.6	(235.4)	-	-	-	-	0.0	0.0	0.0
Dispositions (PP&E, Investmt's)	15.3	1.5	0.1	0.8	0.1	0.1	1.1	-	2.2	0.1	-	3.2	2.0	2.0
Dividends	(49.7)	(50.4)	(12.7)	(12.7)	(12.9)	(12.8)	(51.1)	(13.0)	(13.0)	(13.0)	(13.1)	(51.9)	(52.3)	(52.8)
Free Cash Flow	146.9	40.0	(102.4)	(105.0)	74.1	36.3	(97.0)	(66.2)	50.0	57.0	122.7	162.8	31.3	109.5
FCF / Share	\$ 2.30	\$ 0.63	\$ (1.61)	\$ (1.65)	\$ 1.16	\$ 0.57	\$ (1.52)	\$ (1.03)	\$ 0.78	\$ 0.89	\$ 1.92	\$ 2.54	\$ 0.49	\$ 1.72
FCF as % of NI	133.9%	35.9%					-86.0%					126.8%	21.5%	71.4%
FCF Yield	7.5%	2.4%					-4.8%					6.5%	1.2%	4.1%
FCF Conversion (Margin)	8.81%	2.51%					-6.31%					10.24%	1.89%	6.42%
Term Loan Proceeds (Pmts)	(10.0)	(9.0)	(3.4)	(1.1)	(2.3)	(2.2)	(9.0)	(3.4)	(3.3)	(3.4)	(3.4)	(13.5)	(10.0)	(10.0)
Revolver Proceeds (Pmts)	(94.1)	(116.8)	100.8	87.6	(71.6)	(24.2)	92.6	56.2	(29.3)	(31.2)	(129.4)	(133.7)	(55.0)	(70.0)
Sr. Unsecured Notes	-	99.6	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Stock (Repurchases)	(16.5)	(11.2)	(3.0)	(1.0)	(12.6)	(4.6)	(21.2)	-	(17.0)	(11.0)	-	(28.0)	(8.0)	(32.0)
Stock Plan Proceeds (Pmts)	14.6	3.4	(0.8)	0.3	8.1	3.5	11.1	8.6	1.6	1.2	2.3	13.7	4.0	4.0
Net C.F.	40.9	6.0	(8.8)	(19.2)	(4.3)	8.8	(23.5)	(4.8)	2.0	12.6	(7.8)	1.3	(37.7)	1.5
Net CF--Disc Ops														
Reported I/S EBITDA	232.9	248.3	52.3	62.7	63.4	73.1	251.5	51.0	69.4	72.3	81.6	274.3	289.6	288.0
Adj Batesville	150.8	145.5	31.8	43.0	34.6	34.1	143.5	31.0	42.7	33.5	34.7	141.9		
Adj Process Group	150.4	160.5	33.0	35.0	41.8	51.1	160.9	32.7	37.3	50.3	57.4	177.7		
Adj Corporate	(25.7)	(37.3)	(7.0)	(10.2)	(9.3)	(10.8)	(37.3)	(7.3)	(9.7)	(11.5)	(10.1)	(38.6)		
Adjusted EBITDA	275.5	268.7	57.8	67.8	67.1	74.4	267.1	56.4	70.3	72.3	89.1	303.5	318.8	317.2
TTM Adj EBITDA Margin	16.5%	16.8%	17.0%	17.4%	17.7%	17.4%	17.4%	17.2%	17.3%	17.3%	18.1%	18.1%	19.3%	19.1%

Source: Company reports and Hilliard Lyons estimates

Hillenbrand (HI)														
Summary Balance Sheet	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17	FY'18E	FY'19E
Cash and Equivalents	58.0	48.3	55.1	43.2	47.6	52.0	52.0	46.6	51.4	71.5	66.0	66.0	28.3	29.7
Trade Receivables, net	191.0	187.9	173.4	196.0	175.4	205.0	205.0	178.9	193.2	188.2	206.1	206.1	204.7	210.2
Unbilled Receivables, net	149.3	144.9	120.3	122.4	107.6	125.8	125.8	138.2	139.1	144.3	125.2	125.2	123.1	126.4
Inventory	168.5	153.6	166.1	162.1	163.3	153.1	153.1	153.9	150.2	159.3	151.6	151.6	151.1	157.1
Other Current Assets	71.0	69.4	60.8	63.7	68.9	64.4	64.4	42.6	43.5	46.2	44.7	44.7	45.6	46.5
Total Current Assets	637.8	604.1	575.7	587.4	562.8	600.3	600.3	560.2	577.4	609.5	593.6	593.6	552.8	570.0
Net PP&E	159.5	158.3	158.0	158.5	154.4	152.5	152.5	146.0	145.4	147.6	150.4	150.4	121.4	110.8
Intangible Assets	510.5	459.6	499.8	563.9	548.4	541.5	541.5	519.9	516.2	524.3	523.9	523.9	523.9	523.9
Goodwill	570.7	544.0	569.2	642.6	635.8	634.3	634.3	616.3	620.0	639.1	647.5	647.5	647.5	647.5
Other Non-Current Assets	40.0	42.1	40.1	38.6	38.3	32.3	32.3	35.3	34.2	33.6	41.1	41.1	44.5	48.2
Total Assets	1,918.5	1,808.1	1,842.8	1,991.0	1,939.7	1,960.9	1,960.9	1,877.7	1,893.2	1,954.1	1,956.5	1,956.5	1,890.0	1,900.4
Trade A/P	192.6	104.3	101.7	105.6	112.7	135.7	135.7	120.3	132.3	141.7	158.0	158.0	130.7	134.2
LT Ctrs and Advances	76.1	79.7	70.2	71.9	75.6	78.6	78.6	77.5	90.6	97.9	132.3	132.3	137.7	143.3
CP of LT Debt	15.0	9.4	10.1	12.0	12.4	13.8	13.8	16.4	16.2	16.9	18.8	18.8	18.8	18.8
Accrued Comp & Othr	207.4	210.8	173.0	188.0	200.4	205.6	205.6	171.0	170.0	181.2	202.6	202.6	206.7	210.8
Total Current Liabilities	491.1	404.2	355.0	377.5	401.1	433.7	433.7	385.2	409.1	437.7	511.7	511.7	493.8	507.0
Long-Term Debt	543.5	518.7	612.9	700.0	624.6	596.3	596.3	637.9	606.4	578.4	446.9	446.9	381.7	301.7
Accrued Pension and Retirement	200.9	218.7	215.1	218.8	215.9	232.7	232.7	139.6	132.9	137.4	129.6	129.6	132.2	134.9
Deferred Income Tax	55.4	29.4	19.7	32.7	31.9	22.6	22.6	36.8	45.4	61.6	75.7	75.7	75.7	75.7
Other LT Liabilities	33.8	31.3	42.5	28.8	30.2	29.4	29.4	27.7	27.6	28.1	26.7	26.7	27.2	27.8
Total Liabilities	1,324.7	1,202.3	1,245.2	1,357.8	1,303.7	1,314.7	1,314.7	1,227.2	1,221.4	1,243.2	1,190.6	1,190.6	1,110.6	1,047.1
Stockholders' Equity	583.3	594.1	585.0	620.6	623.1	632.3	632.3	636.5	656.9	696.1	765.9	765.9	764.9	838.8
Noncontrolling Interest	10.5	11.7	12.6	12.6	12.9	13.9	13.9	14.0	14.9	14.8	14.5	14.5	14.5	14.5
Book Value	\$ 9.14	\$ 9.31	\$ 9.17	\$ 9.73	\$ 9.75	\$ 9.88	\$ 9.88	\$ 9.91	\$ 10.20	\$ 10.89	\$ 11.99	\$ 11.99	\$ 11.99	\$ 13.23
Tangible Book Value	\$ (7.80)	\$ (6.42)	\$ (7.59)	\$ (9.18)	\$ (8.78)	\$ (8.49)	\$ (8.49)	\$ (7.78)	\$ (7.44)	\$ (7.31)	\$ (6.35)	\$ (6.35)	\$ (6.37)	\$ (5.24)
Current Ratio	1.3x	1.5x	1.6x	1.6x	1.4x	1.4x	1.4x	1.5x	1.4x	1.4x	1.2x	1.2x	1.1x	1.1x
Net LT Debt / Total Cap	45.0%	43.7%	48.3%	50.9%	47.6%	45.7%	45.7%	47.6%	45.2%	41.6%	32.8%	32.8%	31.2%	24.2%
Net Total Debt / Total Cap	45.7%	44.2%	48.7%	51.4%	48.1%	46.3%	46.3%	48.3%	46.0%	42.4%	33.9%	33.9%	32.3%	25.4%
Gross Debt / TTM Adj EBITDA	2.0x	2.0x	2.4x	2.7x	2.4x	2.3x	2.3x	2.5x	2.3x	2.2x	1.6x	1.6x	1.3x	0.6x
TTM ROE-unadjusted	18.4%	19.0%	17.4%	16.4%	15.8%	18.5%	18.5%	18.5%	19.2%	19.1%	18.6%	18.6%	18.8%	32.2%

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.

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 set back in the next 12 months.

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 revenue, volatility, low trading volume or a narrow customer or product base



Note: Price targets accompanying Buy ratings reflect a one year time period while price targets accompanying Long-term Buy ratings reflect a two to three year time period.

Hilliard Lyons Recommended Issues			Investment Banking Provided in Past 12 Mo.	
Rating	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	32	29%	13%	88%
Hold/Neutral	73	65%	7%	93%
Sell	7	6%	0%	100%

As of 8 November 2017

Other Disclosures

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