HILLIARD LYONS

Consumer Staples
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COMPANY UPDATE / ESTIMATE CHANGE / PRICE TARGET CHANGE

The Kroger Co.

KR — NYSE — Long-term Buy-3

Fiscal 2Q Review; Adjusting Price Target

Key Metrics

KR - NYSE (as of 9/8/17)		$21.06
Two Year Price Target		$27.00
52-Week Range		$20.41 - $36.44
Shares Outstanding (mil.) (basic)		897
Market Cap. ($ mil.)		$18,891
3-Mo. Average Daily Volume		16,090,000
Institutional Ownership		78%
Total Debt/Total Capital (8/17)		70%
ROE (TTM ended 8/17)		28%
Book Value/Share (8/17)		$6.85
Price/Book Value		3.1x
Annual Dividend & Yield	$0.50	2.4%
EBITDA Margin (TTM ended 8/17)		4.8%

EPS FY 1/31 (excludes nonrecurring items)

	2016	Prior 2017E	Curr. 2017E ~		Prior 2018E	Curr. 2018E
1Q	$0.71		$0.58	A		
2Q	$0.47		$0.39	A		
3Q	$0.41	$0.41	$0.40			
4Q	$0.53	$0.59	$0.58			
Year	$2.12	$1.95	$1.95		$2.05	$2.00
P/E	9.9x		10.8x			10.5x

Note: The fiscal year ends on the Saturday closest to January 31 of the following year.
Note: P/E multiples are based on 6/15/17 closing price.
Note: Quarterly EPS figures may not add to annual figure due to rounding.
~Represents a 53-week fiscal year.

Revenue ($ mil)

	2016	Prior 2017E	Curr. 2017E ~		Prior 2018E	Curr. 2018E
1Q	$34,604		$36,285	A		
2Q	$26,565		$27,597	A		
3Q	$26,557	$27,265	$27,350			
4Q	$27,611	$30,600	$30,568			
Year	$115,337	$121,500	$121,800		$123,500	$123,400

Company Description: *The Kroger Co. is the nation's largest traditional grocery retailer. The company recently operated 2,793 retail food stores and multi-department stores in 35 states and the District of Columbia under roughly two dozen names. The company also recently operated 2,258 pharmacies, 783 convenience stores, 307 fine jewelry stores, 222 retail health clinics, 1,472 supermarket fuel centers, and 38 food processing plants in the U.S. The company has roughly 450,000 employees and is headquartered in Cincinnati, OH.*

Investment Highlights

- **Kroger's 2Q results reflected a heightened competitive environment.** Total sales for the period ended 8/12/17 rose 3.9% to $27.597 billion, $100 million above the consensus view. Merchandise costs rose faster than sales, leading to lower gross margin. Higher interest expense and a higher tax rate were other limiting factors, while a lower share count helped. Diluted EPS of $0.39 exceeded our estimate of $0.37 and matched the street consensus figure.
- **The grocery industry is dynamic.** The landscape changed with the recent acquisition of Whole Foods Market by Amazon, with a wide range of possible strategies and consumer offerings emanating from the combination. Also, some operators have announced expansion plans, while some have become more aggressive on price. Consumer preferences are also changing as it relates to what they eat and how they shop. We have been impressed by Kroger's strong market share over the years, but feel the company may have to spend more maintain those positions. We have assumed future margin pressure due to price competition and greater investments in operations.
- **Management maintained its current year earnings outlook.** Our 2017 EPS estimate is unchanged and remains slightly below management's guided range of $2.00-$2.05, as we assume a greater impact from the competitive landscape. Also, we have made modest reductions to our 2018 outlook.
- **We maintain our LT Buy rating and Suitability rating of 3.** Share price weakness has presented a depressed valuation and a buying opportunity for patient, longer term investors. Given the industry environment, we believe a two-year investment time frame is prudent. Our price target is reduced by $3 to $27 per share, as we have slightly lowered our assumptions of future earnings and the multiple to which we assign those earnings.

Note Important Disclosures on Pages 8-9.
Note Analyst Certification on Page 8.

Exhibit 1
Consolidated Statements of Operations (figures in millions except percentages and per share data)

	2Q Ended			YTD Ended		
	8/12/17	**8/13/16**	**% chg.**	**8/12/17**	**8/13/16**	**% chg.**
Total Sales	$27,597	$26,565	3.9%	$63,882	$61,169	4.4%
Merchandise Costs *	21,609	20,697	4.4%	49,890	47,366	5.3%
LIFO Gross Profit	5,988	5,868	2.0%	13,992	13,803	1.4%
Oper., Gen., & Admin. Exp.	4,523	4,473	1.1%	10,897	10,252	6.3%
Rent	225	205	9.8%	496	467	6.2%
Depreciation	562	525	7.0%	1,299	1,219	6.6%
Operating Expenses	5,310	5,203	2.1%	12,692	11,938	6.3%
Operating Profit	678	665	2.0%	1,300	1,865	(30.3%)
Interest Expense	138	116	19.0%	315	271	16.2%
Earnings Before Taxes	540	549	(1.6%)	985	1,594	(38.2%)
Taxes	189	171	10.5%	337	521	(35.3%)
Net Earnings	351	378	(7.1%)	648	1,073	(39.6%)
Net Earnings Attributable to Noncontrolling Interests	(2)	(5)		(8)	(6)	
Net Earnings Attrib. to Kroger	$353	$383	(7.8%)	$656	$1,079	(39.2%)
Diluted EPS, as reported	$0.39	$0.40	(2.3%)	$0.71	$1.11	(36.0%)
Diluted EPS Excluding Nonrecurring Items	**$0.39**	**$0.47**	(17.0%)	**$0.97**	**$1.18**	(17.8%)
Avg. Diluted Shares Outst.	905	959	(5.6%)	917	966	(5.1%)
As a % of Total Sales:			**bp. chg.**			**bp. chg.**
Merchandise Costs	78.30%	77.91%	39	78.10%	77.43%	66
Gross Profit (LIFO basis)	21.70%	22.09%	(39)	21.90%	22.57%	(66)
Gross Profit (FIFO basis)	21.76%	22.13%	(37)	21.97%	22.61%	(64)
Oper., Gen., & Admin. Exp.	16.39%	16.84%	(45)	17.06%	16.76%	30
Rent	0.82%	0.77%	4	0.78%	0.76%	1
Depreciation	2.04%	1.98%	6	2.03%	1.99%	4
Operating Expenses	19.24%	19.59%	(34)	19.87%	19.52%	35
Operating Profit	2.46%	2.50%	(5)	2.04%	3.05%	(101)
Net Earnings Attrib. to Kroger	1.28%	1.44%	(16)	1.03%	1.76%	(74)
Tax Rate	35.00%	31.15%	385	34.21%	32.69%	153

* Merchandise Costs include advertising, warehousing and transportation expenses as well as LIFO (last in, last out) charges.
* FIFO gross margin excludes LIFO charges, which occur more often in times of rising product cost inflation.
* FIFO gross margin is a common analytical measure for management and the investment community.

Source: Company reports Note: Fiscal year ends on Saturday closest to January 31 of the following year

Comments on fiscal 2Q. Kroger's fiscal 2Q reflected a challenging industry environment that included a heightened competitive environment in certain regions, and continued shifts in consumer behavior. Among the quarter's highlights:

- Total reported sales in 2Q rose 3.9%. Sales excluding fuel increased 3.8% (fuel sales benefited from slightly higher average fuel prices). The September 2016 acquisition of ModernHEALTH (specialty pharmacy services) contributed to overall growth.
- Identical food store sales rose 0.7%, an improvement from declines of 0.2% in 1Q 2017 and 0.7% in 4Q 2016 (the latter of which ended a 52-quarter streak of gains in this metric).

- Overall tonnage was positive for the quarter. The number of loyal households, total households, and overall market share were also all up in the quarter.
- The private label, natural, and organic segments continued to perform well. Kroger's wholly owned brands (typically attractive margin products) represented about 28% of total units sold in 2Q.
- 2Q marked a swing from overall deflation to modest overall inflation. We had anticipated such a transition could occur in 2H of this year.
- Digital initiatives continued to grow in the quarter. Examples include Kroger's *ClickList* and Harris Teeter's *Express Lane* (online ordering systems featuring curb-side pick-up by customers), as well as Vitacost.com (e-commerce business focusing on health-related products). During 2Q, the company's total digital revenues rose 126%.
- Fuel margins rose due to a slightly higher average retail price per gallon.
- Reported gross margin declined 39 basis points from the prior year period, better than the 87 basis point drop in 1Q 2017. Excluding fuel operations, recent mergers, and a LIFO charge, FIFO gross margin declined 30 basis points from a year ago.
- Operating expenses, excluding fuel, mergers, and pension contributions, increased 12 basis points as a percent of total sales.
- Diluted earnings per share of $0.39 were down from a year ago when EPS came in at $0.47 in a more calm industry environment. The $0.39 figure matched street consensus and exceeded our estimate of $0.37.
- Share repurchases in recent quarters ($1.7 billion over the past year) led to a 5.6% drop in the 2Q weighted average share count, which helped EPS. The company announced a new $1 billion repurchase plan in June 2017.

Financial. Total debt at 2Q end was $14.048 billion. This represents senior notes, debentures, capital lease obligations, and other smaller pieces of debt. Total debt as a percentage of total capital (debt plus shareholders' equity) was 70%. Total cash and equivalents were $319 million while shareholders' equity was $6.144 billion. Kroger has historically maintained a leveraged balance sheet that is comfortably supported by cash flow, in our view. At the end of 1Q, net debt-to-trailing adjusted EBITDA (earnings before interest, taxes, depreciation & amortization) was 2.37x compared to 2.11x a year ago. The increase reflects the acquisition of ModernHEALTH in September 2016 and share repurchase activity.

Cash flow remains at a considerable level, in our view, allowing for several practical uses. Over the past twelve months, the company has spent $1.7 billion on stock buybacks, $448 million in dividends, $3.1 billion on capital projects, and $390 million to acquire ModernHEALTH (September 2016).

Amazon/Whole Foods deal. The $13.7 billion acquisition of Whole Foods Market by Amazon was consummated on 8/28/17. The announcement initially surprised many, and immediately raised the level of competition and service within the grocery industry. The deal combines the most powerful and successful online retailer with a mid-sized, physical store operator in the grocery industry, and gives AMZN a physical network of stores to distribute food and/or other goods to the growing demographic of millennials and convenience-seeking shoppers. Whole Foods is commonly associated with above-average food prices, while AMZN is known for its low prices across many product categories, with both companies having strong reputations for customer satisfaction. Whole Foods recently operated over 460 stores, primarily in the U.S. Financial results and stock price performance of Whole Foods had recently been disappointing to many investors, as the company was on a streak of seven consecutive quarters of lower same-store sales.

AMZN had been participating in the grocery business to a slight degree with its Amazon Fresh online grocery ordering and delivery concept in certain markets. The company seemingly does not have an 'anti-store' mentality, as it has been opening physical locations lately—such as bookstores—to augment its online business. We believe AMZN likely sees some future combination of online and physical store retailing for the grocery industry as well.

Challenges for AMZN could be navigating a new industry that is known for low margins and fierce market share battles, as well as applying its online shopping and delivery model to common hands-on perishable grocery categories such as meats and produce and refrigerated staples such as milk and eggs.

We believe the AMZN/Whole Foods deal spurred several points of consideration within the grocery industry, including: 1) the competitive landscape got more challenging and 2) some industry consolidation could result as existing operators look to increase in size/scope or as potential benefits of their physical stores are weighed in a changing industry environment.

Labor. Although Kroger's highly unionized labor force is occasionally scrutinized, we note there have not been any major work stoppages at the company since 2003. As is the norm, negotiations are in progress with associates in various markets. The overriding objective in negotiations is to find a "fair and reasonable" balance between competitive costs and compensation packages.

Outlook. Although the grocery industry is known for its ongoing competitive nature, we believe the environment has intensified this year in terms of new entrants, new services, lower prices, and improved shopping experiences such as online shopping (with home delivery or in-store pick-up).

Stronger competitive efforts include those from common adversaries such as Wal-mart, no-frills operators such as Aldi, and various online competitors. The recent acquisition of niche grocery operator Whole Foods Market by online giant Amazon for $13.7 billion is further evidence of a dynamic industry that is attracting more entrants and exploring more ways to connect with and satisfy customers, in our view. We do not believe the competitive environment is likely to subside any time soon; this is a factor in our lowered margin assumptions, earnings estimates, and price target (discussed later) for KR.

Management continues to run the business with the long term in mind rather than make sacrifices to temporarily boost sales or lower expenses. Defending its strong market share position remains a priority. Competition has picked up considerably, yet CEO Rodney McMullen stated Kroger "will not lose on price." Recent strategic moves such as increasing labor hours in the store and increasing wages in certain markets are likely to result in increases in operating expense, but should improve the quality of the work force and enhance the shopping experience, in our view.

Investments in the business, strategic acquisitions to expand products or services (such as Murray's Cheese in-store shops and ModernHEALTH specialty pharmacy services), and use of technology and digital capabilities are other examples of "customer first" initiatives, in our view. We believe managing the business with a long-term focus that benefits customers, shareholders, and employees is prudent. This is frequently mentioned by Kroger management as it navigates numerous short-term challenges at hand.

Guidance. In a move that likely disappointed the investment community, management announced it will no longer provide long-term financial guidance. In the recent past, this outlook included an investment grade debt rating (most debt currently rated BBB by S&P), improving return on invested capital, annual EPS growth of 8%-11% over rolling three to five year time horizons, and annual dividend growth.

We do not believe these goals have been terminated, but will likely be kept internal for now. In our opinion, the former EPS goal would be difficult in the next few years given the competitive environment. As for the dividend, we believe share repurchases could help keep annual increases intact, although we would expect the increases to be small. To re-allocate capital, we could also envision the dividend rate staying the same for a while, particularly if share repurchases remain an attractive proposition. We do not feel a dividend reduction is likely, despite the current environment.

Management will continue to provide financial guidance for the current year. For fiscal 2017, EPS excluding nonrecurring items (primarily pension-related charges) are still projected at $2.00-$2.05. This includes an approximate $0.09 benefit from a 53rd week in the current fiscal year, which ends on the Saturday nearest January 31 of each year (February 3, 2018 for this fiscal year). This compares to EPS of $2.12 in 2016 year (a 52-week period). Management expects identical food store sales to be positive for 2H of 2017, excluding potential impacts from Hurricanes Harvey and Irma. Typically, such weather anomalies lead to robust sales leading up to the peak point of adversity, followed by sales erosion during the event. Often, the net impact is negligible.

We project net sales this fiscal year to rise 5.6% to $121.8 billion, up $300 million from our previous figure. We have lowered our margin assumptions slightly to reflect our latest views on the industry environment. This leads to our unchanged EPS estimate of $1.95, below the low end of management's guided range of $2.00-$2.05. We believe share buybacks will occur throughout the year, especially in the near-term considering recent share price weakness.

For fiscal 2018, we note a reversion to a 52-week year from the 53-week year in fiscal 2017. We have made minor revisions to our estimates, which include net sales growth of 1.3% to $123.4 billion and diluted EPS of $2.00. We assume continued margin pressure due to current factors extending into the fiscal 2018 year. Importantly, we expect share repurchases to continue, allowing for a slight EPS gain despite a decline in net income.

Valuation. KR shares are trading at 10.8x our fiscal 2017 estimate and 10.5x times our 2018 estimate. One year ago, when the industry environment was more favorable, KR traded at 14.9x our fiscal 2016 earnings estimate. Over the past ten years, the shares have traded in a range of roughly 9x to 22x projected forward earnings with a median forward multiple of 13.3x. On a shorter term basis, the stock's median forward multiple over the past five years is 15.0x. On a longer term basis, the median forward multiple over the past twenty years is 13.8x.

KR's forward P/E multiple is currently 0.6x the S&P 500's forward multiple, below premium levels from late 2014 through early 2016, and below the median figure of 0.8x over the past ten years.

On an Enterprise Value/EBITDA basis, KR shares are trading at just under 6.0x based on our projection of twelve-month forward EBITDA. We believe a ten year historical range for this measure is 5-9 times.

Opinion. Being mindful of the industry conditions at hand—such as competition and changes in consumer habits and preferences—we believe Kroger is performing reasonably well and have no issues with the company's strategies or execution. We consider the company to be digging in its heels and preparing for battle in a competitive sense, while devoting considerable resources to meet customers' wants and needs in a dynamic period for the grocery industry.

We believe the company has emerged from the recent deflationary environment as a stronger, more efficient company due to general belt-tightening. We have favorable views on the company's pursuit of growth opportunities through acquisitions, the digital/online area, and store renovations. We expect shareholder friendly uses of discretionary cash flow such as dividends and share buybacks to continue in the years ahead.

The current stock valuations are appealing to us, although we are mindful of the challenges at hand. We expect compounded annual EPS growth in the next few years to be moderate due to the impact of greater competition and higher costs of meeting customers' shopping needs. This includes remaining competitive on price and expanding the *ClickList* online shopping service (which represents a drag on earnings in the early stages due to start-up expenses).

We recommend purchase of KR and reiterate our preference for a two-year investment time frame rather than one year. We believe this longer time frame should allow the company to navigate the challenges at hand, and maintain strengths such as industry leadership, integration of technology, and a focus on shareholder value. Considering all factors, including the trend of stiffer competition, we believe KR shares deserve to trade below recent valuation levels but we feel the current level is too bearish.

Our two-year target is $27 per share, or $3 below our previous figure. This lower target is a function of a more conservative valuation assumption and a slightly lower earnings projection. We have tried to reflect the current competitive landscape, a higher operating cost structure to defend market share positions, and some additional risks associated with new business initiatives. Our target is based on our projected forward earnings per share two years from now of $2.22 applied to a 12.0x multiple, which is below our previous multiple assumption of 13.0x and below the five-year median multiple of 15.0x. Additionally, our target represents an Enterprise Value/EBITDA multiple of just over 6.0x based on our projection of forward EBITDA one year from now, slightly above the current valuation but near the low end of the historical range.

Suitability. Our Suitability rating on KR is 3. This reflects the competitive environment (current and projected, especially in light of the Amazon/Whole Foods combination) and uncertainty regarding the potential duration of such an environment. We also consider Kroger's degree of unionized labor and its debt level in determining our suitability rating. Favorable factors include the company's large sales base, diversity among geographic regions and store concepts/banners, strong market share positions, favorable historical operating results, and large market capitalization.

Risks and Considerations. The competitive environment is a key risk factor, in our view. The industry has always been quite competitive, but recent developments include new entrants to the industry and new ways of connecting with customers. This includes online sales, with either in-store pick-up or home delivery. We believe the recent announcement of Amazon's planned purchase of Whole Foods Market is a testament to the heightened competitive landscape yet also the attractiveness of the industry.

We believe another risk factor with Kroger is its labor profile. A majority of the company's approximate 450,000 employees are covered by collective bargaining agreements negotiated with local unions affiliated with one of several international unions. There are approximately 300 such agreements currently in place, typically with terms of three to five years. Thus, the company has numerous labor agreements that come up for negotiation each year. Common key issues are health care and pension costs. Potential work stoppages could have an adverse effect on operating results.

Other factors that could affect operations include the success of future growth plans, capital spending decisions, completion and integration of acquired businesses, strategic investments, food prices (including periods of sustained deflation and inflation), overall commodity prices, promotional industry environments, industry consolidation, fuel prices, consumer spending, unemployment levels, adverse weather conditions, and the state of financial markets (access to capital).

Exhibit 2
Consolidated Statements of Operations (figures in millions except percentages and per share data)

	FY18E	% chg.	FY17E ~	% chg.	FY16	% chg.	FY15	% chg.
Total Sales	$123,400	1.3%	$121,800	5.6%	$115,337	5.0%	$109,830	1.3%
Merchandise Costs *	96,625	1.5%	95,200	6.4%	89,502	4.7%	85,496	(0.0%)
LIFO Gross Profit	26,775	0.7%	26,600	3.0%	25,835	6.2%	24,334	6.0%
Oper., Gen., & Admin. Exp.	20,210	0.9%	20,025	4.4%	19,178	6.9%	17,946	4.6%
Rent	915	0.5%	910	3.3%	881	21.9%	723	2.3%
Deprec. & Amort.	2,500	1.8%	2,455	4.9%	2,340	12.0%	2,089	7.2%
Operating Expenses	23,625	1.0%	23,390	4.4%	22,399	7.9%	20,758	4.8%
Operating Profit	3,150	(1.9%)	3,210	(6.6%)	3,436	(3.9%)	3,576	14.0%
Interest Expense	555	(1.8%)	565	8.2%	522	8.3%	482	(1.2%)
Earnings Before Taxes	2,595	(1.9%)	2,645	(9.2%)	2,914	(5.8%)	3,094	16.8%
Taxes	895	(1.9%)	913	(4.6%)	957	(8.4%)	1,045	15.9%
Net Earnings	1,700	(1.9%)	1,732	(11.5%)	1,957	(4.5%)	2,049	17.3%
Net Earnings Attributable to Noncontrolling Interests	(17)		(20)		(18)		10	
Net Earnings Attrib. to KR	$1,717	(2.0%)	$1,752	(11.3%)	$1,975	(3.1%)	$2,039	18.0%
Adjusted EPS, Excluding Nonrecurring Items	**$2.00**	2.6%	**$1.95**	(8.3%)	**$2.12**	2.9%	**$2.06**	17.0%
Avg. Diluted Shares Outst.	860	(4.6%)	901	(5.9%)	958	(2.2%)	980	(1.3%)
As a % of Total Sales:		**bp. chg.**		**bp. chg.**		**bp. chg.**		**bp. chg.**
Merchandise Costs	78.30%	14	78.16%	56	77.60%	(24)	77.84%	(99)
Gross Profit (LIFO basis)	21.70%	(14)	21.84%	(56)	22.40%	24	22.16%	99
Gross Profit (FIFO basis) **	21.74%	(17)	21.90%	(51)	22.42%	23	22.18%	88
Oper., Gen., & Admin. Exp.	16.38%	(6)	16.44%	(19)	16.63%	29	16.34%	52
Rent	0.74%	(1)	0.75%	(2)	0.76%	11	0.66%	1
Deprec. & Amort.	2.03%	1	2.02%	(1)	2.03%	13	1.90%	11
Operating Expenses	19.15%	(6)	19.20%	(22)	19.42%	52	18.90%	63
Operating Profit	2.55%	(8)	2.64%	(34)	2.98%	(28)	3.26%	36
Net Earnings Attrib. to KR	1.39%	(5)	1.44%	(27)	1.71%	(14)	1.86%	26
Tax Rate	34.50%	0	34.50%	166	32.84%	(93)	33.78%	(28)

~ 53-week fiscal year

* Merchandise Costs include advertising, warehousing and transportation expenses as well as LIFO (last in, first out) charges.

** FIFO (first-in, first-out) gross margin excludes LIFO charges (occur more often in times of rising product cost inflation) and credits.

** FIFO gross margin is a common analytical measure for management and the investment community.

Source: Company reports and Hilliard Lyons estimates Note: Fiscal year ends on Saturday closest to January 31 of the following year

Additional information is available upon request.

Prices of other stocks mentioned: Wal-mart Stores Inc. - WMT - $78.88
Amazon.com Inc. - AMZN - $965.90

Analyst Certification

I, Jeffrey S. Thomison, 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

	Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.	
Rating	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	40	32%	10%	90%
Hold/Neutral	77	62%	8%	92%
Sell	8	6%	0%	100%

As of 6 September 2017

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.

Other Disclosures

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