

June 30, 2021

Steris plc (STE) Earnings Quality Review

6- Exceptionally Strong
5- Strong
4- Acceptable
3- Minor Concern
2- Weak
1- Strong Concern
+ quality improving
- quality deteriorating

We are initiating our earnings quality coverage of STE with a 4- (Acceptable).

For an explanation of the EQ Review Rating scale, please refer to the end of this report.

Summary

Overall, we consider STE's earnings quality to be reasonable. The company missed earnings targets by 17 cps in the 3/21 quarter, but this was almost entirely due to a higher-than-expected tax rate. However, we did identify about 5 cps in one-time, non-operational benefits without which the company would have reported an earnings miss even without the tax rate headwind. These one-time benefits are the main reason for the minus in our rating.

STE closed its acquisition of Cantel Medical in the current quarter. This \$4.6 billion deal will shift the company's capital allocation towards debt reduction and investors should be watching for signs of problems integrating the deal such as lingering integration and restructuring costs or disappointing organic growth rates.

What is strong?

- While the pandemic did provide a boost to the company's Life Sciences segment which provides sterilization services to pharmaceutical manufacturers (including vaccine makers), the company's largest Healthcare segment saw demand plummet as the decline in elective procedures reduced the need for instrument sterilization. This sets the company up for easy comps in the next few quarters. However, we remain skeptical of

any claims that the company will be a permanent beneficiary of an increased push for sterilization as the overwhelming bulk of the company's demand is from environments where extreme sterilization has always been the norm.

What is weak?

- The increase in the value of investments supporting deferred compensation plans as well as the company's investment in Servizi Italia S.p.A. added about 2.2 cps to earnings in the 3/21 quarter.
- Changes in the value of derivatives not accounted for as hedges added about 1.3 cps to earnings in the quarter.
- The allowance for bad debts fell sequentially and YOY in the 3/21 quarter which drove the allowance as a percentage of receivables to 1.8%, down from its long-term trend of 2.0%. We estimate it would have taken 1.2 cps in expenses to maintain the allowance percentage at 2%.
- Goodwill comprises almost 50% of assets and is not amortized under GAAP. Intangible assets account for another 13% of assets and like virtually all med-tech companies, STE adds back amortization of these acquired intangibles which effectively ignores the cost to acquire these assets which the company would have spent cash on if it had developed in-house. The amortization add-back amounts to about 12% of non-GAAP pretax earnings but this will jump to over 20% with the Cantel acquisition.
- The Cantel acquisition will drive the company's leverage ratio to over 3x. While not unmanageable, the capital allocation focus will shift to debt reduction.
- In the fourth quarter of FY2021, the company changed its inventory accounting method to 100% FIFO (first-in, first-out) from 75% FIFO and 25% LIFO (last-in last-out). Results have been retrospectively restated for the change. The impact of the restatement for all of FY2021 was only about 3 cps. Most companies have moved to FIFO accounting already so we do not see the change as an aggressive move. However, we do note that FIFO inventory accounting matches older, lower-cost inventory against current sales which results in higher profits during times of inflation. Therefore, the timing of the change will likely prove especially beneficial to the company over the next year.

What to Watch?

- STE adds back some restructuring charges along with acquisition and integration charges to its non-GAAP results. The restructuring charges have been focused and not excessive and while the ongoing nature of the integration charges is noticeable, we are not concerned at this point. However, the company expects to incur \$200 million in charges related to the Cantel Medical deal with \$100 million for direct deal costs such as legal expenses and another \$100 to execute the integration. The progress of the integration plan should be monitored closely for signs of integration costs running beyond the original forecast.
- Management is forecasting \$110 million in synergies for the combined STE/Cantel with half realized over the first two years. This amount represents about 3% of the combined adjusted operational expenses (not including amortization.) This does not seem excessive given the opportunity to eliminate duplicative administrative and sales personnel and systems. Our biggest concern related to the acquisition is the potential cannibalization of products and services that would offset this benefit and we believe assessing the possibility of this should be a key focus for investors.
- STE changed its revenue recognition for capital contracts in the 6/20 quarter to recognize portions of the contract up front. Previously, the entire amount of the contract was considered a single performance obligation with revenue deferred and recognized over the contract term. As a result, the company recognized previously deferred revenues and costs of \$14.6 million and \$7.6 million in the 6/20 quarter. This will add a tailwind to the growth in the current 6/21 quarter that needs to be taken into consideration in the company's upcoming earnings report.

Supporting Details

Company Description

STE provides products and services centered around the sterilization of medical instruments and infection prevention in operating rooms, medical facilities, and healthcare manufacturing facilities. Its Healthcare segment (65% of sales) provides consumable products and equipment used to sterilize endoscopes as well as other hospital sterilization services. Its Applied

Sterilization Technologies segment (20% of sales) provides contract sterilization and testing services for medical facilities and medical device and pharmaceutical manufacturers. Finally, its Life Sciences segment (15% of sales) sells consumables and equipment used by pharmaceutical manufacturers. About 75% of the company's sales are for the consumable solutions and detergents used with its equipment.

In 2019, the company redomiciled to the UK.

Earnings Quality of 3/21 Quarter

STE reported non-GAAP EPS of \$1.63 for its fourth fiscal quarter ended 3/21. This missed the consensus estimate by 17 cps. However, a higher-than-expected tax rate cost the company almost 17 cps itself. The following table shows the adjusted effective tax rate for the last eight quarters:

	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Adjusted Effective Tax Rate	25.0%	18.4%	21.0%	17.3%
	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Adjusted Effective Tax Rate	17.2%	20.0%	19.1%	16.2%

The adjusted tax rate jumped to 25% in the 3/21 quarter from 17.2% in the year-ago period. On the conference call, management stated concerning the tax rate was "higher than last year and higher than our expectations due to income mix from higher tax rate countries and discreet item adjustments including stock compensation." The higher rate was clearly unexpected and it is reasonable to attribute the earnings miss to that. However, we note about 5 cps in unusual benefits to the quarter which we discuss below.

Gain from Investments added \$2.2 cps

STE maintains a non-qualified deferred compensation plan under which participants can allocate to various investments. STE holds investments in the plan to satisfy future obligations. The company also has an investment in the common stock of Servizi Italia S.p.A.. Changes in the value of these investments are recorded under "Interest Income and Miscellaneous Expenses" on the income statement and the company breaks out changes in the investment component in the Fair Value Measurement notes of its filings. Movement in the investment accounts typically

explains the bulk of the change in the line item on the income statement. The following table shows the EPS impact of movements in the value of investments:

	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Quarterly Gain (Loss) from Investments	\$0.456	\$0.212	-\$0.383	\$0.309
EPS Impact of Gain(Loss) from Investments	\$0.022	-\$0.004	\$0.003	\$0.021

	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Quarterly Gain (Loss) from Investments	-\$1.736	\$0.636	-\$0.721	-\$1.758

We see that the 3/21 quarter enjoyed a 2.2 cps boost from investments posting a \$500K gain compared to a \$1.7 million loss in the year-ago quarter. We view this as a likely unexpected, non-operating benefit to earnings in the quarter.

Non-Hedging Derivative Gains

STE enters into forward contracts to hedge FX gains and losses from transactions, commodity swaps to hedge changes in nickel prices, and forward FX contracts to hedge a portion of expected non-US dollar earnings against the reporting currency (USD). However, the company does not utilize hedge accounting for these derivatives so changes in the value are reflected in earnings immediately rather than being deferred and recognized when the hedged transaction occurs. The following table shows the amounts and location of these impacts on the income statement and the EPS impact on earnings for the last eight quarters:

	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Forward FX Gain Loss in SG&A	\$0.517	\$0.741	-\$0.223	\$0.143
Swap Contract Gain (Loss) in COGS	-\$0.133	\$0.153	\$0.387	\$0.364
Total	\$0.384	\$0.894	\$0.164	\$0.507
EPS Impact of Non-Hedging Derivatives	\$0.013	\$0.012	-\$0.009	\$0.002

	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Forward FX Gain Loss in SG&A	\$0.014	\$0.079	\$0.299	\$0.406
Swap Contract Gain (Loss) in COGS	-\$0.931	-\$0.398	\$0.796	-\$0.127
Total	-\$0.917	-\$0.319	\$1.095	\$0.279

We can see that movements in the value of derivatives are usually limited, although the last two quarters have received a little more than a penny per share boost.

Decline in Allowance for Bad Debts Percentage

Not surprisingly, most companies ramped up their allowance for bad debts as a percentage of gross receivables at the onset of the pandemic and have been taking those reserves back down as conditions improved. In some cases, this has provided significant tailwinds to recent earnings growth. Interestingly, STE did not appear to meaningfully build reserves in the last year. The following table shows the allowance for bad debts as a percentage of gross receivables for the last eight quarters:

	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Net Receivables	\$609.406	\$556.117	\$503.724	\$503.172
Allowance for Doubtful Accounts	\$11.355	\$11.605	\$10.276	\$10.839
Gross Receivables	\$620.761	\$567.722	\$514.000	\$514.011
Allowance % of Gross Receivables	1.8%	2.0%	2.0%	2.1%
EPS Impact from Change Allowance %	\$0.013	-\$0.003	\$0.006	-\$0.005

	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Net Receivables	\$586.481	\$544.405	\$513.353	\$509.655
Allowance for Doubtful Accounts	\$12.051	\$10.973	\$11.219	\$10.606
Gross Receivables	\$598.532	\$555.378	\$524.572	\$520.261
Allowance % of Gross Receivables	2.0%	2.0%	2.1%	2.0%

We can see that STE kept its allowance percentage at approximately 2% before and during the pandemic. We note that the company acquired Key Surgical on November 18th, 2020. Key's receivables were valued at about \$14 million so any difference in its allowance percentage would have had minimal impact on the company's overall number.

However, the 3/21 quarter saw a decline in the allowance for bad debts despite a sequential and YOY increase in gross receivables. This led to a fall in the allowance percentage to 1.8% of gross receivables, a marked decline from the long-term trend. STE does not give quarterly provision expense so we can not tell the exact impact on earnings, but we can tell it would have taken about 1.2 cps in expenses to maintain the allowance percentage at 2%. We believe this can be viewed as an unexpected, temporary benefit to earnings in the quarter.

Non-GAAP Adjustments

In addition to the add-back of amortization discussed above, STE makes several other non-GAAP adjustments to its earnings. Overall, we do not see them representing a significant distortion, but there are a few points worthy of consideration and future monitoring.

Amortization of Acquired Intangibles

The largest non-GAAP adjustment is typically the company's add-back of the amortization from acquired intangible assets. STE has a goodwill balance that amounts to about 46% of total assets. This is not amortized as per GAAP. Intangible assets represent 13% of assets. The company does not itemize the useful lives used for each type of intangible but it does state that all intangible assets are amortized over 5-20 years. However, the amortization period for intangibles is irrelevant from a non-GAAP perspective as the company adds back the amortization from these intangibles. We believe this is misleading as it ignores the cost to acquire these assets and the company would have incurred cash costs if it had developed the technology or the customer relationships on its own. Currently, STE's amortization add-back amounts to about 12% of non-GAAP pretax earnings. This is relatively low when compared to its med-tech peers, many of whom exceed 20%. However, the Cantel deal is expected to boost the amortization add-back to \$1.54 in FY22 which is about 20% of the projected mid-point EPS forecast of \$7.53.

Incremental COVID Charges

STE has incurred incremental expenses related to its response to COVID which it adds back to its non-GAAP earnings. The company describes these charges in its press releases as follows:

“COVID-19 incremental costs includes the additional costs attributable to COVID-19 such as enhanced cleaning protocols, personal protective equipment for our employees, event cancellation fees, and payroll costs associated with our response to COVID-19, net of any government subsidies available.”

The COVID-19-related add backs are seen in the following table:

	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
COVID-19 Incremental Costs	\$5.333	\$7.251	\$4.539	\$8.670	\$0.749
% of Non-GAAP Operating Income	2.8%	3.8%	2.7%	6.1%	0.4%

We are surprised that the company is still incurring over \$5 million (approximately 5 cps) in pandemic-related costs over a year after the pandemic began. In addition, we note that the company has seen multiple costs decline in the same time frame including the reduction of travel and meetings, declines in volume-driven incentive compensation costs, and temporary hiring freezes which the company has cited but not quantified in its filings. We also note that the company cut advertising in FY2021 to \$6.8 million compared to \$12.7 million in 2020 which we

assume is a temporary response to the pandemic. Our search continues for the company that nets such benefits against pandemic response costs in its non-GAAP disclosures.

Restructuring Charges

STE initiated a restructuring plan in the third quarter of FY 2019 which targeted the closure of two manufacturing facilities in addition to the rationalization of certain products. This plan was very focused and total pretax expenses incurred so far were only \$41 million. The company has stated that future expenses are not expected to be material. The following table shows restructuring expenses (credits) for the last eight quarters:

	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Restructuring Charges	-\$3.139	\$0.020	-\$0.076	\$0.166
% of Non-GAAP Operating Income	-1.6%	0.0%	0.0%	0.1%

	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Restructuring Charges	-\$0.185	\$0.385	\$0.636	\$2.307
% of Non-GAAP Operating Income	-0.1%	0.2%	0.4%	1.7%

Other than the rather large restructuring credit in the 3/21 quarter which would have eroded the quality of GAAP earnings, we have little concern surrounding STE's recent restructuring activity. Given the size of the Cantel acquisition, we will be watching for future excessive or open-ended restructuring add-backs.

Acquisition and Integration-Related Charges

STE adds back costs related to acquisitions and their integration to non-GAAP earnings. The company offers a minimal description of these charges in its footnotes:

“Acquisition and integration related charges include transaction costs and integration expenses associated with acquisitions.”

These charges are shown in the table below along with their percentage of non-GAAP operating income for the last eight quarters:

	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Acquisition and Integration Related Charges	\$21.650	\$11.563	\$1.135	\$1.286
% of Non-GAAP Operating Income	11.3%	6.1%	0.7%	0.9%

	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Acquisition and Integration Related Charges	\$2.640	\$1.721	\$1.947	\$1.917
% of Non-GAAP Operating Income	1.5%	1.1%	1.3%	1.4%

STE disclosed in its FY21 10-K that of the \$35.6 million in acquisition and integration expenses incurred in FY21, \$18 million was related to costs of the then-pending Cantel acquisition. We don't consider this to be an alarming amount of legal, accounting, and investment banking fees for an almost \$5 billion deal. In addition to the Cantel deal, the company also acquired Key Surgical in November of 2020 which likely accounts for much of the balance of costs in the 9/20 quarter. Our only concern with these acquisition and integration costs is the fact that there are material amounts incurred even in years with minimal acquisition activity. For example, the company incurred \$8.2 million and \$8.9 million in charges in fiscal 2020 and 2019 despite spending only \$121 million and \$13 million on acquisitions in those years, respectively. Future periods should be monitored for material integration charges that linger on after the Cantel deal.

Thoughts on the Cantel Acquisition

STE announced a deal to acquired Cantel Medical Corp on January 12, 2021. The deal was finalized on June 2, 2021. (Therefore, we have yet to see a quarter directly impacted by the acquisition.) Cantel was a publicly traded company with the bulk of its sales related to the sterilization of endoscopic equipment, dental instruments, and dialysis systems along with providing dental instruments. STE paid an enterprise value of \$4.6 billion comprised of an equity value of \$3.6 billion and \$1 billion of Cantel debt. STE will fund the acquisition with \$2.1 billion of new debt with approximately \$2.5 billion in newly issued STE shares (approximately 14 million shares.)

We have the following thoughts on the deal:

- One of the red flags we look for related to acquisitions is a company acquiring to cover up a weak core growth rate. This does not seem to be the case for STE as the company was posting positive organic growth in all segments prior to the pandemic. The following table shows organic constant currency growth by segment for the fiscal years 2017-2020. Note that the company changed its segment disclosure in FY 2021 and it now

combines the Healthcare Product and Healthcare Specialty Services segments into a single Healthcare segment.

	FY Ended 3/20	FY Ended 3/19	FY Ended 3/18	FY Ended 3/17
Healthcare Products (47% of sales)	6.7%	7.4%	2.1%	4.3%
Healthcare Specialty Services (19% of sales)	12.2%	9.0%	8.6%	5.2%
Life Sciences Applied Sterilization Tech (14% of sales)	11.0%	5.1%	8.9%	4.3%
Applied Sterilization Technologies (21% of sales)	<u>14.5%</u>	<u>8.6%</u>	<u>6.5%</u>	<u>7.0%</u>
Total	9.8%	7.6%	5.0%	4.9%

How much of this growth the company will be able to sustain going forward is beyond the scope of this earnings quality review. However, the solidly positive organic growth exhibited at STE in the past reduces our concern that the company is reaching for acquisitions to drive growth.

- Debt to adjusted EBITDA post-acquisition is expected to be about 3x. This is not unmanageable, but the company indicated it will focus on paying down debt which should limit future acquisition activity for a while. Management stated on the 4Q conference call *“We are committed to debt repayment as a priority over the next couple of years and would expect to be back closer to our normal sweet spot in the mid 2s within that timeframe.”*
- Management is calling for \$200 million in acquisition and integration costs related to the Cantel deal with about half being direct deal costs such as legal costs and half being integration costs to create synergy. The company hopes to produce \$110 million in annual synergies with half occurring in the first two years. Management’s presentation on the acquisition stated the cost reduction would center on “redundant public company and backoffice overhead, commercial integration, product manufacturing, and service operations. \$110 million represents about 3% of the two companies’ combined adjusted operating expenses (excluding amortization). According to management, there is considerable overlap geographically and management contends that Cantel’s product line is highly complementary rather than cannibalistic. Assuming this is the case, a 3% reduction in costs over several years does not sound unreasonable if the company can simply eliminate duplicative administration and sales positions and operational systems. However, if the product line is more similar and there is more cannibalization than management is predicting, these cost reduction synergies could be offset by lost revenue

synergies. Answering that question is beyond the scope of this report but we believe that should be an area of focus for owners of the stock.

- Like most med-tech companies, STE adds back the amortization of intangibles to its non-GAAP earnings. We consider this practice to be misleading as the cost of the acquisition is never reflected in adjusted earnings as it would be if the company developed the technology or client relationships on its own. Prior to the Cantel deal, STE's amortization was running about 12% of adjusted pretax earnings. This is relatively low when compared to its med-tech peers, many of whom exceed 20%. However, the Cantel deal is expected to boost the amortization add back to \$1.54 in FY22 which is about 20% of the projected mid-point EPS forecast of \$7.53.

Change in Accounting Principles

STE has made two significant changes in accounting principles in the last couple of years. In the fourth quarter of FY2021, the company changed its inventory accounting method to 100% FIFO (first-in, first-out) from 75% FIFO and 25% LIFO (last-in, last-out). Results have been retrospectively restated for the change. The impact of the restatement for all of FY2021 was only about 3 cps. Most companies have moved to FIFO accounting already so we do not see the change as an aggressive move. However, we do note that FIFO inventory accounting matches older, lower-cost inventory against current sales which results in higher profits during times of inflation. Therefore, the timing of the change will likely prove especially beneficial to the company over the next year.

The other accounting change relates to revenue recognition. STE adopted ASU 2014-09 in 2018 which governs revenue recognition for contracts with customers. At the time of the adoption, the company deemed that its capital equipment contracts represented a single performance obligation which meant the entire amount was deferred and recognized over the contract term. However, since that time, the company determined that "changes made in our selling philosophy, product architecture, and manufacturing processes with respect to this product line, that impact whether the promises to transfer the individual goods or services to the Customer are separately identifiable from other promises in the contract." Therefore, certain components of the contract are now recognized upfront. As a result, the company recognized previously deferred revenues and costs of \$14.6 million and \$7.6 million in the 6/20 quarter. This will add a tailwind to the growth in the current 6/21 quarter that needs to be taken into consideration in the company's upcoming earnings report.

The Pandemic Sets Up for Easy Comps

The pandemic has been a two-way street for STE. Certain segments have benefitted from higher demand for general sterilization protocols while the bulk of the company's sales have been hampered by a dramatic falloff in elective procedures leading to fewer instruments needing sterilization. The following table shows organic growth rates for the company's segments for the last few quarters.

	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Healthcare Organic Growth (65% of sales)	-4.2%	-1.1%	-3.2%	-9.8%
Applied Sterilization Organic Growth (20% of sales)	10.1%	10.2%	9.2%	-0.2%
Life Sciences Organic Growth (15% of sales)	<u>7.5%</u>	<u>0.0%</u>	<u>16.2%</u>	<u>21.5%</u>
Total Company Organic Growth	0.3%	1.4%	2.0%	-3.4%

	3/31/2020	12/31/2019	9/30/2019
Healthcare Organic Growth (65% of sales)	5.9%	9.7%	9.7%
Applied Sterilization Organic Growth (20% of sales)	15.4%	15.1%	14.4%
Life Sciences Organic Growth (15% of sales)	<u>10.0%</u>	<u>17.0%</u>	<u>2.4%</u>
Total Company Organic Growth	7.8%	11.8%	9.6%

Here we see very clearly how Healthcare organic constant currency growth declined early in the pandemic while Life Sciences saw a boost from temporarily increased demand from pharma manufacturers. The Healthcare segment accounts for 65% of total sales compared to Life Science's 15% which resulted in weak overall organic growth for the whole company. However, this has set up easy comps for the next several quarters as elective procedures resume.

We do caution against seeing STE as being a beneficiary from any permanent boost in demand for sterilization services. Most of the company's products are used in environments where extreme attention to sterilization has always been the norm. We doubt extra care will be taken to make sure that gastrointestinal endoscopes, dental drills, or pharmaceutical manufacturing equipment are cleaned better than before because of increased concerns over transmitting COVID.

Explanation of EQ Rating Scale

6- (Exceptionally Strong)- Indicates uncommonly conservative accounting policies to the point that revenue and earnings are essentially understated relative to the company's peers. Higher possibility of reporting positive earnings surprises

5 (Strong)- Indicates the company has no areas of concern with its reported results and we see very little risk of the company disappointing due to recent results being overstated from aggressive reporting in recent periods.

4 (Acceptable)- Indicates the company may have exhibited a minor "red flag", but the severity of the issue is not yet a concern. Minimal risk of an earnings disappointment resulting from previous earnings or cash flow overstatement

3 (Minor Concern)- Indicates the company has exhibited either a larger number of or more serious warning signs than companies receiving a 4. The likelihood of an immediate earnings or cash flow disappointment is not considered to be high, but the signs mentioned deserve a higher degree of attention in the future.

2 (Weak) Indicates the company's recently reported results have benefitted materially from aggressive accounting. Follow up work should be performed to determine the nature and extent of the problem. There is a possibility that upcoming results could disappoint as the impact of unsustainable benefits disappears.

1 (Strong Concern)- Indicates that the company's recent results are significantly overstated and that we view a disappointment in upcoming quarters is highly likely

In addition to the numerical rating, the EQ Review Rating also include either a minus or plus sign. A minus sign indicates that our analysis shows the overall earnings quality of the company has worsened since the last review and there is a possibility the numerical rating will fall should the problem continue into upcoming quarters. Likewise, a positive sign indicates that the overall earnings quality is improving, and the company may see an upgrade in its numerical rating should the trend continue.

Key Points to Understand About the EQ Score

The EQ Review Rating is much more than a blind, quantitative scoring method. While we utilize proprietary adjustments, ratios, and methods developed over decades of earnings quality analysis, the foundation of all of our analysis is reading recent SEC filings, press releases, conference call transcripts and in some cases, conversations with managements.

The EQ Review Rating is not comparable to a traditional buy/sell rating. The Rating is intended to specifically convey the extent to which reported earnings may be over/understated. Fundamental factors such as forecasts for future growth, increasing competition, and valuation are not reflected in the rating. Therefore, a high score does not in itself indicate a company is a buy but rather indicates that recent results are a good indication of the underlying earnings and cash generation capacity of the company. A low score (1-2) will likely result in us performing a more thorough review of fundamental factors to determine if the company warrants a full-blown sell recommendation.

Disclosure

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