



Hilltop Holdings Inc.

Recommendation[as of August 10, 2017]: **STRONG BUY**

Risk Evaluation: MODERATE Price: 25.33 (Aug 11, 2017 close) Trading Currency: USD Country: United States

GICS Sector: Financials

Sector Ranking: MarketWeight

S&P Capital IQ Quality Ranking: B-

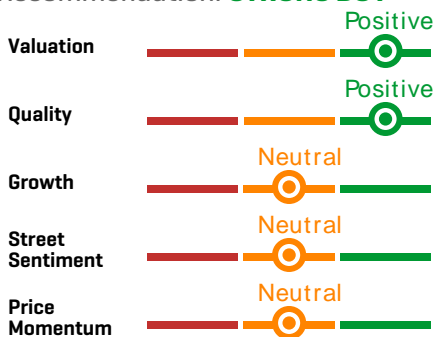
GICS Industry: Regional Banks

Business Summary: Hilltop Holdings Inc. provides business and consumer banking services in Texas, California, Florida, Ohio, Washington, Arizona, Maryland, North Carolina, and other states.

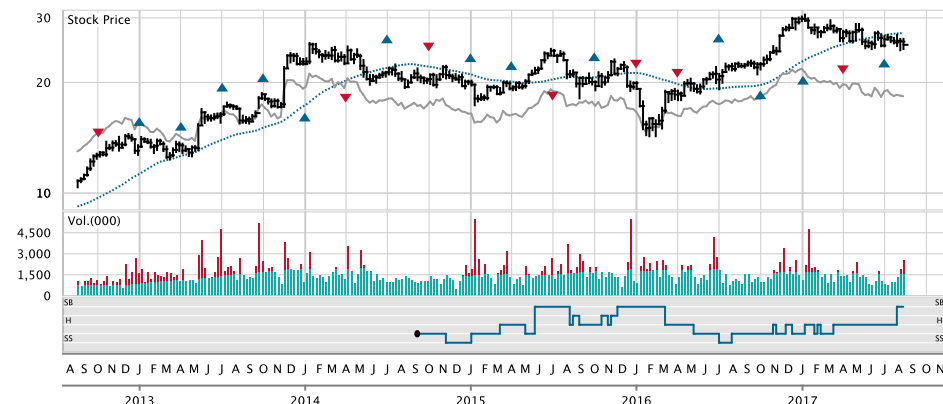
Quantitative Model [as of August 10, 2017]

Drivers

Recommendation: **STRONG BUY**

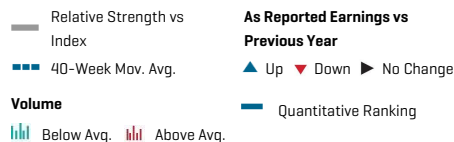


Price Performance



Risk Evaluation : MODERATE

Asset/Market Size Risk	Moderate
Financial Leverage Risk	Moderate
Price Volatility Risk	Moderate
Liquidity Risk	Moderate



Total Return[%CAGR]	YTD	1Yr	3Yr	5Yr
NYSE:HTH	-14.4	14.2	8.5	19.5
Peer Average	-11.4	16.0	7.5	11.6
S&P 500	11.8	15.8	10.9	14.4

Quantitative Rankings: SB = Strong Buy, H = Hold, SS = Strong Sell
Past performance is not an indication of future performance and should not be relied upon as such.

Model Ranking Commentary

- NYSE: HTH's STRONG BUY recommendation is based on its score from CFRA's quantitative model for the United States.
- Valuation and Quality model sub-categories are the two largest drivers of NYSE: HTH's STRONG BUY recommendation.
- Valuation includes factors such as price to earnings, price to EBITDA, and price to cash flow.
- Quality includes factors that consider profitability, cash flow generation, operating efficiency, and earnings quality.
- NYSE: HTH's overall score ranked in the 8th percentile of all stocks in the model universe (1 = best and 100 = worst).

Key Statistics

Market Cap [Mln of USD]	2,440
52-Wk Range [USD]	21.04 - 30.60
Value of USD 10K Invested 5 Yrs ago	24,344
Beta vs S&P 500	0.10
Common Shares Outstanding[Mln]	96.3
Average Daily Volume [Mln]	0.253
Insider Ownership[%]	22.62

Dividend Data

Currency: USD

	5Yr Low	5Yr Hi
Indicated Rate/Share	0.24	
Yield [%]	0.9	NIL
Payout Ratio [%]	10.1	NIL

Payment Details

Amount [USD]	Ex Div Date	Record Date	Payment Date
0.060	Aug 11	Aug 15	Aug 31, 2017
0.060	May 11	May 15	May 31, 2017
0.060	Feb 13	Feb 15	Feb 28, 2017
0.060	Nov 10	Nov 15	Nov 30, 2016

Compound Annual Growth Rates

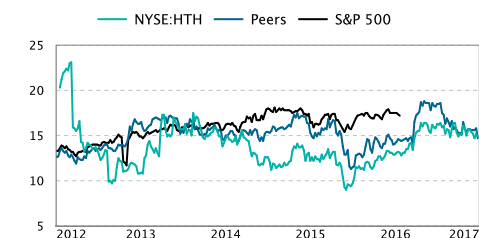
Revenue - %CAGR	1Yr	3Yr	5Yr
Company	7.2	15.7	62.0
Peer Average	4.8	5.9	6.2
S&P 500	48.8	13.9	9.4

Operating EPS - %CAGR	1Yr	3Yr	5Yr
Company	39.8	12.4	NM
Peer Average	9.4	5.2	7.0
S&P 500	10.1	3.4	5.2

5 year P/E Ratio Comparisons [forward 12-month EPS estimates]

Current	
NYSE:HTH	14.9
Peer Average	14.7
S&P 500	17.6

5-Year Average	
NYSE:HTH	13.9
Peer Average	15.2
S&P 500	15.9





Hilltop Holdings Inc.

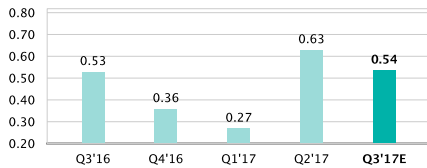
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Earnings Per Share and Revenues (Millions USD, except per share)

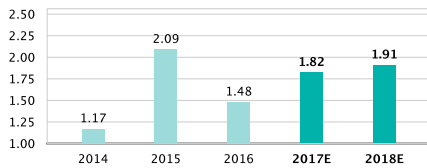
Fiscal year ends Dec 31. Next earnings report expected: Late Oct.

EPS Quarterly - Actual & Estimated



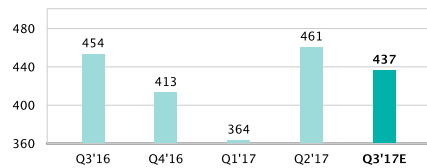
	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17E
%Yr.-Yr Chg.	12.8	71.4	-3.6	96.9	1.3
% EPS Surprise	NM	NM	NM	NM	-
No. of Analysts	7	5	6	6	6

EPS Annual - Actual & Estimated



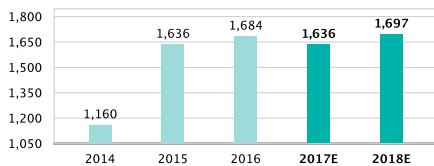
	2014	2015	2016	2017E	2018E
%Yr.-Yr Chg.	-16.4	78.6	-29.2	23.2	4.8
Forward P/E	-	-	-	13.9	13.3
No. of Analysts	4	6	6	6	6

Revenues Quarterly - Actual & Estimated



	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17E
%Yr.-Yr Chg.	10.2	9.8	-2.1	3.2	-3.8

Revenues Annual - Actual & Estimated



	2014	2015	2016	2017E	2018E
%Yr.-Yr Chg.	1.2	41.0	3.0	-2.9	3.7

Note: EPS & Revenues in graphs above may represent analyst-adjusted actuals and estimates and therefore may not match numbers in the financial data presentation below.

Key Profitability Ratios

	2012	2013	2014	2015	2016	LTM #
% Net Interest Margin	NA	4.47	4.74	3.81	3.76	4.05
Peer Average	3.93	3.96	3.76	3.66	3.61	3.61
% Efficiency Ratio	NA	42.6	61.2	56.5	58.9	49.0
Peer Average	60.8	62.8	59.2	58.7	53.3	51.4
% Return on Equity	-0.7	10.8	8.3	13.5	8.1	9.6
Peer Average	7.2	8.7	8.2	8.6	8.0	8.4
% Return on Assets	-0.12	1.57	1.24	2.01	1.20	1.34
Peer Average	0.82	0.99	0.92	1.03	0.90	0.95

LTM column for Net Interest Margin and Efficiency Ratio show latest fiscal quarter values

Key Valuation Ratios

	2012	2013	2014	2015	2016	Current
Fwd P/E - High	89.3	17.3	17.2	14.3	16.6	14.9
Fwd P/E - Low	13.2	9.6	12.6	11.2	8.6	
Peer Average	13.6	16.6	16.4	16.4	14.7	14.7
Prc/Tang Book - High	1.3	2.6	2.8	1.8	1.9	1.5
Prc/Tang Book - Low	0.7	1.2	1.3	1.2	1.0	
Peer Average	1.7	2.3	2.7	2.6	2.2	1.8
Avg Prc/Revenue	12.3	2.7	1.8	1.5	1.4	1.5
Peer Average	3.9	4.9	5.9	5.8	5.0	3.5

Income Statement and Balance Sheet Data (Millions USD, except per share)

Fiscal Year Ending: Dec. 31

	2010	2011	2012	2013	2014	2015	2016	LTM#
Net Interest Income	-1	2	29	296	361	409	398	411
Non Interest Income	124	142	224	838	799	1,146	1,287	1,280
Net Revenue	123	144	253	1,134	1,160	1,555	1,684	1,691
Loan Loss Provision	NIL	NIL	3.8	37.2	16.9	12.7	40.6	15.9
Net Income	-1	-7	-6	125	112	211	146	176
Net Int. Income / Net Revenue	-1%	1%	11%	26%	31%	26%	24%	24%
Non Int. Income / Net Revenue	101%	99%	89%	74%	69%	74%	76%	76%
Earnings Per Share	-0.24	-0.12	-0.10	1.40	1.17	2.09	1.48	1.79
Dividends Per Share	Nil	Nil	Nil	Nil	Nil	Nil	0.060	0.180
Dividend Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	4%	10%
Total Loans	NIL	NIL	3,152	4,521	4,563	5,588	6,100	6,325
Total Assets	940	925	7,287	8,904	9,242	11,867	12,738	13,289
Non Perform Assets / Total Assets	NA	NA	0.18%	1.94%	2.10%	1.13%	0.67%	0.60%
Total Deposits	NIL	NIL	4,700	6,723	6,370	6,953	7,064	7,575
Common Equity	653	655	1,030	1,197	1,346	1,737	1,871	1,890

Source: S&P Global Market Intelligence

#LTM Last 12 months ended Jun 30,2017.For balance sheet items, data is as of Jun 30,2017.

Note: Data may be restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends as of ex-dividend date.

NA = Not Available, NM = Not Meaningful.
This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. See full disclaimer at back of report for additional details.



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Peer Group Comparison

Peer Group	Stock Symbol	Stk.Mkt.Cap (Min USD)	Recent Stock Price[USD]	52 Week Low/High[USD]	Beta	Dividend Yield[%]	Fwrd P/E	P/B Ratio	S&P Capital IQ Ranking ¹	Return On Revenue[%]	Return On Equity[%]	LTD to Cap[%]
Hilltop Holdings Inc.	NYSE:HTH	2,440	25.33	21.04/30.60	0.1	0.9	14.9	1.5	Strong Buy	10.6	9.6	NA
BankUnited, Inc.	NYSE:BKU	3,550	33.24	28.13/41.00	-0.29	2.5	13.2	1.4	Sell	25.0	9.5	NA
Cullen/Frost Bankers, Inc.	NYSE:CFR	5,563	86.61	67.86/99.20	0.14	2.6	16.0	2.3	★ ★ ★	29.6	10.7	NA
First Horizon National Corporation	NYSE:FHN	4,039	17.25	14.60/20.84	-0.04	2.1	14.4	1.9	★ ★ ★ ★	21.8	11.0	NA
Popular, Inc.	NasdaqGS:BPDP	4,047	39.68	35.08/45.96	-0.03	2.5	9.8	0.9	Hold	13.5	4.3	NA
Prosperity Bancshares, Inc.	NYSE:PB	4,313	62.07	51.94/77.87	0.2	2.2	15.3	2.4	Hold	38.1	7.5	NA
TCF Financial Corporation	NYSE:TCF	2,564	14.94	13.73/20.03	0.05	2.0	11.8	1.2	★ ★ ★	17.7	8.8	NA
Trustmark Corporation	NasdaqGS:TRMK	2,028	29.94	26.67/36.79	-0.1	3.1	15.8	1.7	★ ★ ★	20.2	7.5	NA
UMB Financial Corporation	NasdaqGS:UMBF	3,380	67.59	57.07/81.55	0.13	1.5	17.9	1.8	Sell	18.0	8.6	NA
Umpqua Holdings Corporation	NasdaqGS:UMPQ	3,810	17.30	14.78/19.50	-0.01	3.7	14.7	1.8	Hold	21.3	5.9	NA

¹ Quantitative Rankings : Strong Buy , Buy , Hold , Sell , Strong Sell ; Qualitative Rankings(STARS) : ***** = Strong Buy , **** = Buy , *** = Hold , ** = Sell , * = Strong Sell

Rankings are not predictive of future performance. For full definitions of Rankings, see the glossary section of this report.

Note: Peer Group selection is performed using CFRA's proprietary peer ranking system. Peers are selected based on factors such as similarity of analyst coverage, industry, size, and region. The subject company is ranked against a universe of companies (the "Universe") which has been compiled by CFRA and consists of a list of companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business. The subject company and some of the companies in the Peer Group may be ranked by two different ranking systems. For the purpose of the overall ranking/recommendation, the subject company is ranked against all the companies in the Universe and not necessarily against the companies listed in the Peer Group.

Sub-Industry Outlook: Regional Banks

CFRA's fundamental outlook for the U.S. regional banks sub-industry for the next 12 months remains positive, though our view is tempered by the group's rather ample valuations and by our concern that current valuations reflect hopes for regulatory and tax reform that may not fully come to fruition. Despite these concerns, we see an improved macroeconomic environment and a rise in interest rates providing the shares of many regional banks with an important catalyst that should help drive double-digit profit growth in 2017. Moreover, while a wholesale abandonment of the current regulatory framework is not likely, even a moderation in some of its components could significantly enhance bank margins in the form of lower regulatory costs. Net interest income remains a core revenue component for most regional banks, though many have successfully established sizable fee-based revenue streams. Loan growth in coming periods is expected to remain relatively healthy, driven by commercial lending, auto loans, and residential mortgages. Net interest margins rose modestly for U.S. banks, ending 2016 at 2.79%, slightly above year-end 2015's level of 2.75% but considerably below the 3.01% reported in 2012. Net interest margins in 2017 will likely continue to rise, as loan yields rise and assuming there is not significant upward pressure on deposit costs. Mortgage banking remains a core line of business for most regional banks. Our outlook for the mortgage market is mixed, reflecting the impact rising rates are having on the mortgage refinance market. This is offset by an expectation of a fairly healthy purchase market. Total mortgage origination volume is expected to decline in 2017 to \$1.6 trillion, from volume of \$1.9 trillion in 2016, based on estimates from the Mortgage Bankers Association. This reflects an expectation that purchase transaction volume increases by 10%, to \$1.1 trillion from \$1.0 trillion, but is offset by an expected 44% drop in refinancing volume, to \$500 billion in 2017, from \$900 billion in 2016. Looking ahead to 2018, overall mortgage volume is expected to remain stable at \$1.6 trillion amid a 10% rise in purchase transaction volumes (to \$1.2 trillion), offset by an expected 20% decline in refinancing activity (to \$400 billion). Credit quality for most banks has improved, with non-performing loans falling to 1.64% of total loans at year-end 2016, down from 1.82% at year-end 2015 and from 3.56% at year-end 2012. CFRA expects further improvement in credit quality in 2017, though exposure to the energy sector remains an issue for some regional banks. Though oil prices have deteriorated sequentially in the first quarter of 2017, overall crude pricing remains relatively stable, and remains well ahead of 2016 levels. This pricing recovery should help credit quality in the energy sector, limiting the need for significant increases in loan loss provisions. For 2017, for the U.S. regional banks sub-industry, we expect profit growth of 12% to 15% on mid-single digit revenue growth. Driven by hope for lower growth of bank regulations, higher long-term interest rates, and the prospect of faster economic growth, the S&P 1500 Regional Banks Sub-Industry Index rose 32.4% during 2016, while the S&P 1500 advanced 10.6%. Year to date through July 7, 2017, the S&P Regional Banks Sub-Industry Index gave back some of its earlier gains and is up 4.1%, while the S&P 1500 Index rose 7.9%. Catherine A. Seifert



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Business Summary

Hilltop Holdings Inc. provides business and consumer banking services in Texas, California, Florida, Ohio, Washington, Arizona, Maryland, North Carolina, and other states. Its Banking segment offers savings, checking, interest-bearing checking, and money market accounts; certificates of deposit; lines and letters of credit, home improvement and equity loans, and loans for purchasing and carrying securities, equipment loans and leases, agricultural and commercial real estate loans, and other loans; and commercial, industrial, and single family residential mortgage loans. This segment also provides term finance on commercial real estate properties; construction finance; treasury management; and check cards, safe deposit boxes, Internet banking, bill pay, overdraft, and automated teller machine services. In addition, it offers wealth and investment management services, including estate planning, management and administration, investment portfolio management, employee benefit accounts, and individual retirement accounts. Its Broker-Dealer segment advises on public finance; trades and underwrites U.S. government and government agency bonds, corporate and municipal bonds, mortgage-backed, asset and commercial mortgage-backed securities, and structured products; provides asset and liability management advisory, structured asset and liability, commodity hedging advisory, clearing, and securities lending services; and operates as a securities broker. The company's Mortgage Origination segment offers fixed rate conventional and adjustable rate mortgages, jumbo loans, and federal housing administration and veteran affairs loans. Its Insurance segment provides personal product line comprising homeowners, dwelling fire, manufactured home, flood, and vacant policies; and commercial lines that include commercial multi-peril, builders risk, builders risk renovation, sports liability, and inland marine policies. The company was founded in 1998 and is headquartered in contd...

Key Developments

Sep-18-2017	Company Conference Presentations	Hilltop Holdings Inc. Presents at 7th Annual Stephens Bank CEO Forum, Sep-19-2017
Jul-28-2017	Earnings Calls	Hilltop Holdings Inc., Q2 2017 Earnings Call, Jul 28, 2017
Jul-27-2017	Announcements of Earnings	Hilltop Holdings Inc. Announces Consolidated Earnings Results for the Second Quarter Ended June 30, 2017; Records Net Charge-Offs for the Second Quarter of 2017
Jun-15-2017	Annual General Meeting	Hilltop Holdings Inc., Annual General Meeting, Jun 15, 2017
May-07-2017	Company Conference Presentations	Hilltop Holdings Inc. Presents at 2017 Gulf South Bank Conference, May-08-2017
Apr-26-2017	Earnings Calls	Hilltop Holdings Inc., Q1 2017 Earnings Call, Apr 26, 2017
Apr-25-2017	Announcements of Earnings	Hilltop Holdings Inc. Declares Quarterly Cash Dividend, Payable on May 31, 2017; Reports Consolidated Earnings Results for the First Quarter Ended March 31, 2017; Reports Consolidated Non-Covered Net Charge-Offs for the First Quarter Ended March 31, 2017
Apr-24-2017	Earnings Release Date	Hilltop Holdings Inc. to Report Q1, 2017 Results on Apr 25, 2017
Feb-08-2017	Company Conference Presentations	Hilltop Holdings Inc. Presents at Keefe, Bruyette, & Woods Winter Financial Services Symposium, Feb-09-2017 through Feb-10-2017
Jan-27-2017	Earnings Calls	Hilltop Holdings Inc., Q4 2016 Earnings Call, Jan 27, 2017
Jan-26-2017	Announcements of Earnings	Hilltop Holdings Inc. Announces Consolidated Earnings Results for the Fourth Quarter and Year Ended December 31, 2016
Oct-28-2016	Earnings Calls	Hilltop Holdings Inc., Q3 2016 Earnings Call, Oct 28, 2016
Oct-27-2016	Dividend Initiation	Hilltop Declares First Quarterly Cash Dividend, Payable on November 30, 2016
Oct-27-2016	Announcements of Earnings	Hilltop Holdings Inc. Announces Consolidated Earnings Results for the Third Quarter Ended September 30, 2016; Records Net Charge-Offs for the Third Quarter of 2016
Oct-26-2016	Earnings Release Date	Hilltop Holdings Inc. to Report Q3, 2016 Results on Oct 27, 2016
Oct-18-2016	M&A Rumors and Discussions	Hilltop Reportedly Puts Lloyds Insurance Up For Sale
Sep-20-2016	Company Conference Presentations	Hilltop Holdings Inc. Presents at Stephens 6th Annual Bank CEO Forum, Sep-21-2016
Sep-19-2016	Executive Changes - CEO	Hilltop Holdings Inc. Announces Executive Changes

Corporate Information

Office

200 Crescent Court
Suite 1330
Dallas, Texas 75201
United States

Telephone

214-855-2177

Web Site

www.hilltop-holdings.com

Key Officers

Chairman

G.J.Ford

Co-Chief Executive Officer, President and Director

J.B.Ford

Co-Chief Executive Officer, Vice Chairman and Chairman of PlainsCapital Bank

A.B.White

Chief Financial Officer and Executive Vice President

W.B.Furr

Chief Administrative Officer and Executive Vice President

D.E.Parmenter

Director, Chairman of Hilltop Securities and Chief

Executive Officer of Hilltop Securities

H.A.Feinberg

Board Members

C.J.Anderson, R.R.Bobbitt, T.A.Bolt, W.J.Brinkerhoff, J.T.Crandall, C.R.Cummings, H.A.Feinberg, G.J.Ford, J.B.Ford, J.M.Green, W.T.Hill Jr., J.R.Huffines, L.Lewis, A.J.Littlefair, W.R.Nichols III, C.C.Robinson, K.D.Russell, A.H.Sherman CPA, J.D., R.C.Taylor Jr., C.B.Webb, A.B.White

State of Incorporation

Maryland

Founded

1998

Employees

5,400

Glossary

Quantitative Model Overall Recommendation and drivers of the recommendation

CFRA's global quantitative stock reports provide a 5-tier recommendation assigning a Strong Buy, Buy, Hold, Sell, or Strong Sell recommendation based on a series of quantitative inputs from four separate regional models:

- United States
- Canada
- Developed Europe
- Developed Asia excluding Japan

Each of these regional models is based on between 25 and 40 different investment factors (financial ratios), selected from S&P Capital IQ's Alpha Factor Library.

To provide its recommendation CFRA ranks a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed.

Within these categories, factors are chosen based on their historical predictive strength (alpha) within the region and their correlation with other factors. Each regional model contains two separate sub-models; one that uses factors specific to financial companies and one that focuses on non-financial companies. Due to the large number of banks in the U.S., the U.S. model also has a third sub-model specifically for banks.

Each company within a region is grouped with a universe of stocks and receives a score on each of the five (or six in the U.S.) model categories. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. Rankings are then assigned investment labels, as follows:

Strong Buy: top 10% by model score

Buy: next 20%

Hold: next 40%

Sells: next 20%

Strong Sells: bottom 10%

Risk Evaluation

Risk Evaluation is a relative ranking, which represents an assessment of the risk of investing in a company's stock relative to the risk of investing in other companies' stocks in the same universe. To perform this assessment the following risk categories are evaluated:

Asset/Market Size Risk
Financial Leverage Risk
Price Volatility Risk
Liquidity Risk

Each company's stock is percentile ranked from 1 to 100 against the other companies within the same universe on each of the four risk categories mentioned above, with 1 being low risk and 100 being

high risk. The overall risk evaluation represents the combined scores on these Risk categories, calculated as an equal-weighted average of percentile ranks of the 4 risk categories. The highest 40% of companies in each universe receive a high risk ranking, the next 35% receive a moderate risk ranking and, the lowest 25% receive a low risk ranking.

All investments carry some sort of risk and a low risk ranking represents a relative ranking of CFRA's assessment of the risk of investing in a company's stock versus the risk of investing in other companies that are part of that company's universe. Therefore, a low risk ranking should not be interpreted as an absolute risk evaluation, but as a relative measurement of the risk of investing in a company's stock.

Sector Ranking

CFRA's Investment Policy Committee (IPC) consists of a team of five seasoned investment professionals. It meets weekly to discuss market trends and projections, maintain an S&P 500 12-month forward price target, and make asset allocation/sector recommendations. The IPC establishes over, market, and underweight recommendations on the 10 sectors within the S&P 500. Overweight and underweight recommendations imply that the group expects these sectors to outperform or underperform the S&P 500 during the coming six-to-12 month period, respectively. A "marketweight" recommendation indicates that the sector is expected to be a market performer during this same timeframe. The IPC analyses economic projections, fundamental forecasts, technical considerations, and historical precedent when making such recommendations. Changes in recommendations can be made more frequently than every six-12 months as market conditions evolve. Sector rankings will only be made available for sectors in the S&P 500. If a ranking is not available, the value will be N/A.

Qualitative STARS Ranking system and definition

★★★★★ 5-STARs (Strong Buy):

Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★ 4-STARs (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★ 3-STARs (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★ 2-STARs (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

S&P Capital IQ Quality Ranking

[also known as S&P Capital IQ Earnings & Dividend Rankings]- Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

A Quality Ranking will not be made available and will be displayed as "NA" if there is insufficient data available to generate the Ranking.

S&P Capital IQ Consensus Estimates

S&P CIQ Consensus Estimates represent the aggregation of individual estimates provided by analysts that are covering a public company. A consensus number can be provided as either the mean or the median. The size of the company and the amount of analyst coverage will determine the size of the group from which the Consensus is derived. All of the available analysts' estimates may not necessarily be included in the Consensus. The Consensus will only include analysts' estimates that are based on the same methodology. Consensus Mean: The mathematical average of the detailed estimates after the appropriate exclusions have been applied. Consensus Median: This represents the midpoint of the range of estimates that are ranked from highest to lowest after the appropriate exclusions have been applied. If the number of estimates is even, then the average of the middle two figures is the median.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard and Poor's in collaboration with Morgan Stanley Capital International (MSCI). Under the GICS structure, companies are classified in one of 154 sub-industries, which are grouped into 68 industries, 24 industry groups, and 10 economic sectors (consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, telecom services, and utilities). This four-tier structure accommodates companies across the world and facilitates sector analysis and investing.

Glossary

Peer Group

A subset of an universe that groups companies by specific criteria, such as industry/across industry, lines of business, geography (local, regional, national, and international), size of business (e. g. in terms of revenue), performance criteria, etc.

Universe

A set of companies that shares a common feature such as the same market capitalization, industry or index.

Beta

Beta is a measurement of the sensitivity of a company's stock price to the overall fluctuation of a given benchmark index. The beta values used in this report are levered, unadjusted and derived from a least squares regression analysis using stock and benchmark index returns based on a monthly frequency. Beta is calculated using 60 monthly returns (each as of month end) but if the company's trading history is too short to provide such a sample, fewer than 60 but not fewer than 24 monthly returns are used to run the regression. Beta in this report uses five different benchmark indices to better estimate a stock's volatility against a respective market: the S&P 500 for all US stocks, the S&P/TSX index for all Canadian stocks, the S&P Europe 350 for all European stocks, the S&P/ASX 200 index for all Australian stocks, and the S&P Global 1200 for all other international stocks.

Free Cash Flow (FCF)

Operating Cash Flow minus Capital Expenditures over the past 12 months

Funds from Operations (FFO)

Funds from Operations (FFO) represents a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Not Meaningful (NM)

Value is available but it is not meaningful. Examples are certain negative ratios such as P/E, as well as certain ratios that are over +/- 100%

Not Available (NA)

Value is not available for this data item

Return on Capital

$EBIT / [(Total\ Equity + Total\ Debt + Deferred\ Tax\ Liability\ Non\ Current + Deferred\ Tax\ Liability\ Current)]$ Notes:

[1] If the denominator is less than or equal to zero then the ratio will be shown as NM

[2] If the return is less than (300%) then the value will be shown as NM

Return on Equity

$Earnings\ From\ Continuing\ Operations / [(Total\ Equity[t] + Total\ Equity[t-1]) / 2]$ Notes:

[1] If both periods of data (t and t-1) are not available then the ratio will be shown as NM

[2] If the denominator is less than or equal to zero then the ratio will be shown as NM

Relative Strength vs Index

Relative Strength vs Index measures the stock performance of the company versus all other stocks in the benchmark index each week. Weekly readings are accumulated to form the cumulative Relative Strength line.

Relevant benchmarks:

Region	Country	Index
US	US	S&P 500 Index
Canada	Canada	S&P/TSX Composite Index
Europe	All	S&P Europe 350 Index
Asia ex Japan	Australia	S&P/ASX 200 Index
Asia ex Japan	All except Australia	S&P Global 1200

Abbreviations Used in CFRA Equity Research Reports

CAGR	Compound Annual Growth Rate
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest Taxes Depreciation and Amortization
EPS	Earnings Per Share
EV	Enterprise Value
FCF	Free Cash Flow
FFO	Funds from Operations
LTD	Long Term Debt
NM	Not Meaningful [see definition above]
P/E	Price/Earnings

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

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Quantitative Stock Reports:

Quantitative recommendations are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five [six] model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative recommendations refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

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