

Company Note	2
Investment Thesis	5
Price Chart	5
Financial Data	6
Tigress Research Methodology Overview	8
Glossary of Key Terms and Measures	8
Contacts	9
Analyst Certification	9
Research Disclosures	9
Tigress Research Investment Rating Meanings and Distribution	9
Specific Disclosures for the companies that are the subject of this Report	10
Research Report Disclaimer	11
About Tigress Financial Partners LLC	11

CVS Health Corporation (CVS-US)**Food & Staples Retailing**

- We are initiating research coverage on CVS with a Buy rating and believe significant upside in the shares exist.
- Business Performance remains strong driven by industry and demographic trends and recent acquisition integration.
- Omnicare and Target acquisitions best position CVS as a market leader.
- Pharmacy Benefit Management (PBM) is a key solution to managing rising drug costs.
- Specialty pharmaceutical sales will continue to be a key driver of growth.
- Favorable industry and demographic trends will continue to create new opportunities for CVS.
- Strong cash flow will continue to enable CVS to return cash to shareholders.

Research
(646) 780-8880
research@tigressfp.com

Trading
(646) 780-8890
trading@tigressfp.com

Tigress Financial Partners LLC

Member of FINRA / MSRB / SIPC
40 Wall Street
New York, NY 10005
(212) 430-8700
www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information. © 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

Company Note
CVS Health Corporation (CVS-US)
Food & Staples Retailing

Ivan Feinseth
 Director of Research
 (646) 780-8901 Direct
ifeinseth@tigressfp.com

Research Action:

Initiation of Coverage

Rating: Buy

Prior Rating: None

Price 04/26/2017: \$82.00

52 Week High / Low: \$106.67 / \$69.30

Key Data: (TTM as of Dec-16)

Excess Cash per Share: -\$5.09

Annual Dividend: \$2.00

Dividend Yield: 2.44%

Ave. Volume (30 Day): 5.9M

Shares Outstanding: 1,035.8M

Float: 1,032.6M

Equity MV: \$84,934.8M

Sales TTM: \$177,526.0M

Beta: 0.39

EBITDAR: \$16,122.1M

NOPAT: \$6,895.1M

Total Invested Capital: \$92,953.5M

Return on Capital: 7.33%

Cost of Capital: 3.53%

Economic Profit: \$3,574.1M

Market Value Added: \$43,681.8M

Current Operations Value: \$194,218.6M

Future Growth Value: -\$57,583.3M

- We are initiating research coverage on CVS with a Buy rating and believe significant upside in the shares exist.** The weakness in CVS's share price over the past 12 months has created a buying opportunity as we are positive on its long-term outlook. We view Pharmacy Benefit Management (PBM) as part of the solution to managing rising drug costs. Industry demands and demographic trends will continue to create growing demand for pharmaceutical and healthcare products. We believe CVS's leading market position as one of the country's largest Pharmacy Benefit Management (PBM) operators and drug retailers will continue to drive positive Business Performance trends, increasing return on capital, growing Economic Profit and greater shareholder value creation.
- Business Performance remains strong driven by industry and demographic trends and recent acquisition integration.** Y/Y revenue increased 15.8% from \$153.3 billion to \$177.5 billion for the LTM ending December 2016. While we currently estimate a slower growth of 3.8% to \$184.2 billion over the NTM we think that there could be upside to Y/Y revenue going forward. Y/Y Economic Operating Cash Flow (EBITDAR) increased just over 10% from \$14.69 billion to \$16.17 billion over the LTM. We estimate an 8.5% increase to \$17.54 billion over the NTM. Y/Y Net Operating Profit After Tax (NOPAT) increased 9.7% from \$6.86 billion to \$7.53 billion over the LTM. We estimate an increase of 8.3% to \$8.15 billion over the NTM. Return on capital increased Y/Y slightly from 7.97% to 8.07% over the LTM. We estimate an increase to 8.77% over the NTM. Y/Y economic profit increased 3.33% from \$4.05 billion to \$4.19 billion over the LTM. We estimate an increase of 8.6% to \$4.55 billion over the NTM.

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

 Research: (646) 780-8880 research@tigressfp.com

 40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

CVS Health Corporation (CVS-US)**Food & Staples Retailing**

- **Omnicare and Target acquisitions best position CVS as a market leader.** In 2015, CVS acquired Omnicare, a leading provider of healthcare facilities management and pharmaceutical benefits programs, and Target Corporation's (TGT-US, Buy rated) pharmacy and clinic business. We view the Omnicare and Target Pharmacy acquisitions as good strategic fits for CVS Health and have made a positive contribution to its operations driving an increase in Business Performance over the 18 months. The Omnicare acquisition makes CVS one of the country's largest BPM managers and the Target acquisition adds almost 1,700 pharmacies across 47 states both adding significantly to its customer base and distribution channels. CVS now operates within Target as CVS branded pharmacies. CVS also rebranded 79 Target clinic locations as MinuteClinic and will open up to 20 new clinics within target stores over the next three years. While the competitive landscape remains tough, we are optimistic about CVS's low-cost prescription drugs programs and believe it can continue to make market share gains in both PBM and personal product care retail.
- **Pharmacy Benefit Management (PBM) is a key solution to managing rising drug costs.** Despite tough pricing competition in the BPM space, CVS continues to gain market share and win new contracts driven by its quality service offering and execution capabilities along with its competitive pricing and differentiated business model. CVS recently stated that it had a significant number of new business wins and a retention rate of about 97%. Gross new wins totaled almost \$8 billion. CVS currently has \$24 billion worth of contracts up for renewal in 2018. We are confident that they will retain the majority of that business as well as continue to add new customers. CVS offers a number of value-added services to benefit both patients and payers. Services like Maintenance Choice[®] gives CVS Caremark plan members a choice of filling 90-day supplies of medications for chronic conditions either through CVS Caremark mail service or at CVS Pharmacy locations for the same low mailing rate. CVS's Pharmacy Advisor[®] program offers CVS Caremark personalized advisory both by phone and in store locations.

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

Research: (646) 780-8880 research@tigressfp.com

40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

CVS Health Corporation (CVS-US)**Food & Staples Retailing**

- **Specialty pharmaceutical sales will continue to be a key driver of growth.** Healthcare and demographic trends will continue to drive demand for pharmaceutical products and healthcare services. We believe CVS is best positioned to provide low-cost pharmaceutical access to the currently over 3 million people in the U.S. that take prescriptions on a daily basis. CVS continues to integrate Omnicare's specialty operations into its existing specialty pharmaceutical business to more efficiently address existing and new business opportunities. CVS is well-positioned to capitalize on this opportunity through its service offerings like Specialty Connect™, its specialty prescription services program that offers patients choice and flexibility in how they access their specialty medications, while providing centralized, expert clinical support. Specialty Connect continues to experience strong increases in prescription volumes along with high satisfaction scores from patients, insurance companies and healthcare providers. We are also positive on CVS's specialty formulary exclusion strategy which over time should reduce pharmacy costs for plan sponsors. Special formulary clients currently represent about 22.5% of total drug expenditures and is expected to grow at a mid-teens rate reaching 50% by 2018. We expect drug price inflation, new product launches, higher utilization and new PBM clients will continue to drive growth.
- **Favorable industry and demographic trends will continue to create new opportunities for CVS.** The aging population together with ongoing medical innovation will continue to drive PBM opportunities for many years. CVS will continue to grow and capture greater market share. CVS and its PBM will continue to benefit from the increased number of lives covered by various types of medical insurance and government programs. CVS continues to rollout more efficient ways of fulfilling pharmaceutical demand like its mail-order business. CVS's PBM generic dispensing rate (the proportion of all generic prescriptions to total number of prescriptions dispensed) is currently at 85.4%. Generic substitution for drugs is a significant factor in the reduction of prescription healthcare costs. Generic drug usage, as a percentage of total prescriptions will increase further as key branded pharmaceutical products continue to expire and insurance companies continue to pressure the shift to less expensive generics

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

Research: (646) 780-8880 research@tigressfp.com

40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

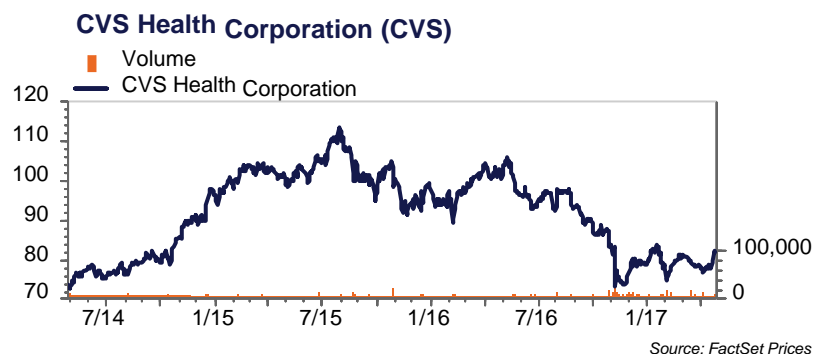
© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

CVS Health Corporation (CVS-US)
Food & Staples Retailing

- Strong cash flow will continue to enable CVS to return cash to shareholders.** CVS reported Economic Operating Cash Flow (EBITDAR) of \$16.67 billion for the LTM ending December 2016. We are currently forecasting a Y/Y increase of 8.5% to \$17.5 billion over the NTM. This gives CVS significant cash to fund expansion and innovation as well as return cash to shareholders through stock buybacks and dividend increases. In December 2014, CVS announced an open market purchase of \$10 billion worth of shares. In November 2016, CVS announced an additional open market purchase of \$15 billion worth of shares. We calculate there is currently \$18.2 billion remaining on its buyback plan. CVS's current yield of 2.5% is in line with current yield on the S&P 500. CVS continues to increase its dividend between 20 and 25% a year as it has over the past 10 years.

Investment Thesis

CVS is the leading PBM and retail drugstore operator. CVS's integrated PBM and retail pharmacy business model will continue to grow market share and accelerating Business Performance through its scale, brand equity and efficient operating business model. We believe strong growth in the benefit of dividend increases in share buybacks will continue to drive greater shareholder value creation over time.

Price Chart


Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

Research: (646) 780-8880 research@tigressfp.com

40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

Company Report – Initiation of Coverage
CVS Health Corporation (CVS-US)
Food & Staples Retailing
Financial Data

Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	Average	Average	Trend
Net Sales Revenue	\$107,500.0	\$123,133.0	\$126,761.0	\$139,367.0	\$153,290.0	\$177,526.0	\$184,237.9	\$144,015.4	\$156,727.7	\$180,881.9
Sales Growth	11.50%	14.54%	2.95%	9.94%	9.99%	15.81%	3.78%	10.65%	11.92%	9.80%
Sales Growth Trend	5.96%	13.32%	7.58%	7.15%	9.97%	13.48%	8.59%	10.30%	10.20%	11.04%
Operating Cash Flow (EBITDAR)	\$10,762.5	\$11,899.2	\$12,872.2	\$13,750.6	\$14,688.7	\$16,165.6	\$17,536.3	\$13,875.3	\$14,868.3	\$16,850.9
EBITDAR Margin	10.01%	9.66%	10.15%	9.87%	9.58%	9.11%	9.52%	9.67%	9.52%	9.31%
EBITDAR Growth	7.86%	10.56%	8.18%	6.82%	6.82%	10.05%	8.48%	8.49%	7.90%	9.27%
Net Operating Profit Before Tax (NOPBT)	\$7,058.5	\$7,933.2	\$8,751.2	\$9,463.6	\$10,245.7	\$11,237.6	\$12,162.4	\$9,526.3	\$10,315.6	\$11,700.0
NOPBT Margin	6.57%	6.44%	6.90%	6.79%	6.68%	6.33%	6.60%	6.63%	6.60%	6.47%
NOPBT Growth	9.34%	12.39%	10.31%	8.14%	8.26%	9.68%	8.23%	9.76%	8.70%	8.96%
Cash Operating Income Tax	\$2,329.3	\$2,618.0	\$2,887.9	\$3,123.0	\$3,381.1	\$3,708.4	\$4,013.6	\$3,143.7	\$3,404.2	\$3,861.0
Economic Tax Effective Rate	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%
Net Operating Profit After Tax (NOPAT)	\$4,729.2	\$5,315.3	\$5,863.3	\$6,340.6	\$6,864.6	\$7,529.2	\$8,148.8	\$6,382.6	\$6,911.5	\$7,839.0
NOPAT Margin	4.40%	4.32%	4.63%	4.55%	4.48%	4.24%	4.42%	4.44%	4.42%	4.33%
NOPAT Growth	9.34%	12.39%	10.31%	8.14%	8.26%	9.68%	8.23%	9.76%	8.70%	8.96%
Cash & Equivalents	\$1,418.0	\$1,380.0	\$4,177.0	\$2,566.0	\$2,547.0	\$3,458.0	\$3,755.1	\$2,825.6	\$2,857.0	\$3,606.6
Total Assets	\$64,543.0	\$65,912.0	\$71,526.0	\$74,252.0	\$93,657.0	\$94,462.0	\$102,578.8	\$79,961.8	\$87,457.0	\$98,520.4
Non - Interest Bearing Liabilities (NIBLs)	\$16,448.0	\$18,380.0	\$20,186.0	\$23,334.0	\$28,951.0	\$30,097.0	\$32,683.1	\$24,189.6	\$27,460.7	\$31,390.1
Net Assets	\$48,065.0	\$47,532.0	\$51,340.0	\$50,918.0	\$64,660.0	\$64,365.0	\$69,891.3	\$55,761.2	\$59,978.0	\$67,126.2
Economic Asset Adjustments	\$28,076.4	\$28,074.0	\$26,728.8	\$27,553.1	\$29,107.3	\$28,367.3	\$30,804.8	\$27,966.1	\$28,342.6	\$29,586.0
Net Operating Assets	\$76,141.4	\$75,606.0	\$78,068.8	\$78,466.1	\$93,767.3	\$92,728.3	\$100,696.1	\$83,727.3	\$88,320.6	\$96,712.2
Debt & Debt Equivalents	\$34,323.4	\$34,326.0	\$36,748.8	\$37,057.1	\$51,969.3	\$51,475.3	\$55,898.4	\$42,315.3	\$46,833.9	\$53,686.8
Equity & Equivalents	\$38,051.0	\$37,704.0	\$37,938.0	\$37,958.0	\$37,196.0	\$36,830.0	\$39,994.7	\$37,525.2	\$37,328.0	\$38,412.3
Total Capital - Financing Sources	\$72,374.4	\$72,030.0	\$74,686.8	\$75,015.1	\$89,165.3	\$88,305.3	\$95,893.1	\$79,840.5	\$84,161.9	\$92,099.2
Capital Adjustments	\$3,767.0	\$3,576.0	\$3,382.0	\$3,451.0	\$4,602.0	\$4,423.0	\$4,803.1	\$3,886.8	\$4,158.7	\$4,613.0
Net Capital Financing Sources	\$76,141.4	\$75,606.0	\$78,068.8	\$78,466.1	\$93,767.3	\$92,728.3	\$100,696.1	\$83,727.3	\$88,320.6	\$96,712.2
Net Working Capital	\$11,590.0	\$11,776.7	\$12,878.1	\$12,925.4	\$13,684.5	\$12,126.3	\$13,168.3	\$12,678.2	\$12,912.1	\$12,647.3
Cost of Net Working Capital	\$386.6	\$364.5	\$500.5	\$443.8	\$434.1	\$462.2	\$501.9	\$441.0	\$446.7	\$482.1
% of Revenue	0.36%	0.30%	0.39%	0.32%	0.28%	0.26%	0.27%	0.31%	0.29%	0.27%
Operational Capital	\$44,366.4	\$44,906.6	\$44,839.8	\$45,870.5	\$48,044.8	\$46,245.6	\$50,219.3	\$45,981.5	\$46,720.3	\$48,232.4
Cost of Operational Capital	\$1,489.8	\$1,392.6	\$1,821.9	\$1,560.1	\$1,532.2	\$1,688.5	\$1,833.6	\$1,599.1	\$1,593.6	\$1,761.1
% of Revenue	1.39%	1.13%	1.44%	1.12%	1.00%	0.95%	1.00%	1.13%	1.02%	0.97%
Productive Capital	\$80,693.4	\$81,054.6	\$80,910.8	\$83,786.5	\$100,028.8	\$98,005.6	\$106,426.9	\$88,757.3	\$93,940.3	\$102,216.2
Cost of Productive Capital	\$2,685.6	\$2,523.1	\$3,287.9	\$2,832.6	\$2,998.9	\$3,546.4	\$3,851.1	\$3,037.8	\$3,126.0	\$3,698.7
% of Revenue	2.50%	2.05%	2.59%	2.03%	1.96%	2.00%	2.09%	2.13%	2.00%	2.04%
Total Operating Capital	\$80,098.4	\$80,382.6	\$80,229.8	\$82,868.5	\$98,884.8	\$98,146.6	\$106,580.0	\$88,102.5	\$93,299.9	\$102,363.3
Cost of Total Operating Capital	\$2,663.8	\$2,503.3	\$3,260.5	\$2,805.1	\$2,965.3	\$3,528.4	\$3,831.6	\$3,012.5	\$3,099.6	\$3,680.0
% of Revenue	2.48%	2.03%	2.57%	2.01%	1.93%	1.99%	2.08%	2.11%	1.98%	2.03%
Non - Operating Capital	(\$3,957.0)	(\$4,776.7)	(\$2,161.1)	(\$4,402.4)	(\$5,117.5)	(\$5,418.3)	(\$5,883.9)	(\$4,375.2)	(\$4,979.4)	(\$5,651.1)
Cost of Non - Operating Capital	(\$122.4)	(\$136.2)	(\$140.8)	(\$112.9)	(\$155.3)	(\$188.7)	(\$204.9)	(\$146.8)	(\$152.3)	(\$196.8)
% of Revenue	-0.11%	-0.11%	-0.11%	-0.08%	-0.10%	-0.11%	-0.11%	-0.10%	-0.10%	-0.11%
Total Capital	\$76,141.4	\$75,606.0	\$78,068.8	\$78,466.1	\$93,767.3	\$92,728.3	\$100,696.1	\$83,727.3	\$88,320.6	\$96,712.2
Cost of Total Capital	\$2,541.4	\$2,367.1	\$3,119.6	\$2,692.2	\$2,810.0	\$3,339.7	\$3,626.7	\$2,865.7	\$2,947.3	\$3,483.2
% of Revenue	2.36%	1.92%	2.46%	1.93%	1.83%	1.88%	1.97%	2.01%	1.88%	1.92%
Cost of Capital (WACC)	3.33%	3.12%	4.06%	3.44%	3.26%	3.58%	3.58%	3.49%	3.43%	3.58%
Capital Structure										
Debt & Debt Equivalents	\$34,323.4	\$34,326.0	\$36,748.8	\$37,057.1	\$51,969.3	\$51,475.3	\$55,898.4	\$42,315.3	\$46,833.9	\$53,686.8
Debt & Debt Equivalents % of Market Value	39.27%	36.28%	30.14%	25.13%	32.43%	37.95%	37.95%	32.06%	31.69%	37.95%
Preferred Equity	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preferred Equity % of Market Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Market Value of Common Equity	\$53,080.5	\$60,277.6	\$85,186.5	\$110,408.1	\$108,262.4	\$84,152.7	\$91,383.7	\$89,657.5	\$100,941.1	\$87,768.2
Common Equity % of Market Value	60.73%	63.72%	69.86%	74.87%	67.57%	62.05%	62.05%	67.94%	68.31%	62.05%
Total Economic Market Value (MV)	\$87,403.9	\$94,603.6	\$121,935.3	\$147,465.3	\$160,231.7	\$135,628.0	\$147,282.1	\$131,972.8	\$147,775.0	\$141,455.0
Total %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Excess Cash	(\$3,957.0)	(\$4,776.7)	(\$2,161.1)	(\$4,402.4)	(\$5,117.5)	(\$5,418.3)	(\$5,883.9)	(\$4,375.2)	(\$4,979.4)	(\$5,651.1)
Economic Enterprise Value	\$91,360.9	\$99,380.2	\$124,096.3	\$151,867.6	\$165,349.2	\$141,046.3	\$153,165.9	\$136,347.9	\$152,754.4	\$147,106.1
Average Capital	\$76,271.8	\$75,873.7	\$76,837.4	\$78,267.5	\$86,116.7	\$93,247.8	\$96,712.2	\$82,068.6	\$85,877.3	\$94,980.0
Capital Δ	(\$260.7)	(\$535.4)	\$2,462.8	\$397.3	\$15,301.2	(\$1,039.0)	\$7,967.9	\$3,317.4	\$4,886.5	\$3,464.4

Source: Company Data, Financial statements and Tigress Research

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

Research: (646) 780-8880 research@tigressfp.com

40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

Company Report – Initiation of Coverage
CVS Health Corporation (CVS-US)
Food & Staples Retailing

Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	Average	Average	Trend
Return on Market Value (NOPAT / MV)	5.41%	5.62%	4.81%	4.30%	4.28%	5.55%	6.03%	4.91%	4.71%	5.79%
Return on Enterprise Value (NOPAT / EV)	5.18%	5.35%	4.72%	4.18%	4.15%	5.34%	5.80%	4.75%	4.55%	5.57%
Return on Capital (NOPAT / Average Capital)	6.20%	7.01%	7.63%	8.10%	7.97%	8.07%	8.77%	7.76%	8.05%	8.42%
Cost of Capital (WACC)	3.33%	3.12%	4.06%	3.44%	3.26%	3.58%	3.58%	3.49%	3.43%	3.58%
Economic Return Spread	2.87%	3.89%	3.57%	4.66%	4.71%	4.49%	4.88%	4.26%	4.62%	4.69%
Capital Charge	\$2,541.4	\$2,367.1	\$3,119.6	\$2,692.2	\$2,810.0	\$3,339.7	\$3,626.7	\$2,865.7	\$2,947.3	\$3,483.2
Economic Profit (EP)	\$2,187.8	\$2,948.2	\$2,743.7	\$3,648.4	\$4,054.6	\$4,189.5	\$4,549.5	\$3,516.9	\$3,964.2	\$4,369.5
Economic Profit Improvement (EPI)	(\$961.1)	\$760.4	(\$204.5)	\$904.8	\$406.2	\$134.8	\$360.0	\$400.3	\$481.9	\$247.4
EP Growth	-30.52%	34.75%	-6.94%	32.98%	11.13%	3.33%	8.59%	15.05%	15.81%	5.96%
Economic Profit Margin on Sales	2.04%	2.39%	2.16%	2.62%	2.65%	2.36%	2.47%	2.44%	2.54%	2.41%
Economic Profit Per Share	\$1.64	\$2.32	\$2.25	\$3.14	\$3.63	\$3.90	\$4.24	\$3.05	\$3.56	\$4.07
GAAP Earnings Per Share	\$2.59	\$3.06	\$3.79	\$4.00	\$4.66	\$4.94	\$5.88	\$4.09	\$4.53	\$5.41
Excess Cash Per Share	(\$3.04)	(\$3.85)	(\$1.81)	(\$3.85)	(\$4.62)	(\$5.09)	(\$5.53)	(\$3.85)	(\$4.52)	(\$5.31)
Performance Drivers										
Sales Growth	11.50%	14.54%	2.95%	9.94%	9.99%	15.81%	3.78%	10.65%	11.92%	9.80%
Sales Growth Trend (ROC Sales Growth)	5.96%	13.32%	7.58%	7.15%	9.97%	13.48%	8.59%	10.30%	10.20%	11.04%
EBITDAR Margin	10.01%	9.66%	10.15%	9.87%	9.58%	9.11%	9.52%	9.67%	9.52%	9.31%
EBITDAR Growth	7.86%	10.56%	8.18%	6.82%	6.82%	10.05%	8.48%	8.49%	7.90%	9.27%
NOPBT Margin	6.57%	6.44%	6.90%	6.79%	6.68%	6.33%	6.60%	6.63%	6.60%	6.47%
NOPBT Growth	9.34%	12.39%	10.31%	8.14%	8.26%	9.68%	8.23%	9.76%	8.70%	8.96%
NOPAT Margin	4.40%	4.32%	4.63%	4.55%	4.48%	4.24%	4.42%	4.44%	4.42%	4.33%
NOPAT Growth	9.34%	12.39%	10.31%	8.14%	8.26%	9.68%	8.23%	9.76%	8.70%	8.96%
Economic Profit Margin on Sales (EP / Sales)	2.04%	2.39%	2.16%	2.62%	2.65%	2.36%	2.47%	2.44%	2.54%	2.41%
Economic Profit Growth	-30.52%	34.75%	-6.94%	32.98%	11.13%	3.33%	8.59%	15.05%	15.81%	5.96%
Economic Return Spread (ROC-WACC)	2.87%	3.89%	3.57%	4.66%	4.71%	4.49%	5.19%	4.26%	4.62%	4.84%
Economic Return Ratio (ROC / WACC)	186.09%	224.55%	187.95%	235.52%	244.30%	225.44%	244.82%	223.55%	235.09%	235.13%
Economic Profit Momentum (ΔEP/Capital)	-1.26%	1.01%	-0.26%	1.15%	0.43%	0.15%	0.36%	0.50%	0.58%	0.25%
Economic Profit Momentum Margin (ΔEP/Sales)	-0.89%	0.62%	-0.16%	0.65%	0.26%	0.08%	0.20%	0.29%	0.33%	0.14%
Capital Growth	-0.34%	-0.70%	3.26%	0.51%	19.50%	-1.11%	8.59%	4.29%	6.30%	3.74%
Capital Turns	1.41X	1.63X	1.62X	1.78X	1.63X	1.91X	1.83X	1.72X	1.78X	1.87X
EVC Acceleration Margin	-1.00%	0.71%	-0.17%	0.71%	0.29%	0.09%	0.20%	0.22%	0.33%	0.16%
EVC Acceleration Spread	-1.29%	1.00%	-0.27%	1.18%	0.52%	0.16%	0.39%	0.41%	0.59%	0.29%
Risk Factors										
Free Cash Flow (NOPAT - Δ Capital)	\$4,989.9	\$5,850.7	\$3,400.5	\$5,943.3	(\$8,436.6)	\$8,568.2	\$181.0	\$3,065.2	\$2,025.0	\$4,374.6
Free Cash Flow Rate (FCF / Capital)	6.55%	7.74%	4.36%	7.57%	-9.00%	9.24%	0.18%	3.98%	2.61%	4.71%
Free Cash Flow Yield (FCF / MV)	5.71%	6.18%	2.79%	4.03%	-5.27%	6.32%	0.12%	2.81%	1.69%	3.22%
Total Debt / Total Capital	45.08%	45.40%	47.07%	47.23%	55.42%	55.51%	55.51%	50.13%	52.72%	55.51%
Total Debt / EBITDAR	318.92%	288.47%	285.49%	269.49%	353.81%	318.42%	318.76%	303.14%	313.91%	318.59%
Excess Cash	(\$3,957.0)	(\$4,776.7)	(\$2,161.1)	(\$4,402.4)	(\$5,117.5)	(\$5,418.3)	\$0.0	(\$4,375.2)	(\$4,979.4)	(\$2,709.2)
Financial Leverage ((Total Debt - Excess Cash) / Pension Leverage (Net Pension Liability / MV)	43.80%	41.33%	31.91%	28.11%	35.63%	41.95%	37.95%	35.23%	35.23%	39.95%
Equity Risk Index (S&P 500 = 1.00)	0.39	0.39	0.39	0.40	0.38	0.39	0.39	0.39	0.39	0.39
Stock Price Volatility	2.83	2.47	2.02	2.03	2.27	2.54	2.54	2.26	2.28	2.54
Sales Index (NL Sales)	11.59	11.72	11.75	11.84	11.94	12.09	12.12	11.87	11.96	12.11
Market Value Index (NL Market Value)	11.38	11.46	11.71	11.90	11.98	11.82	11.90	11.77	11.90	11.86
Size Index (NL Sales: MV)	11.48	11.59	11.73	11.87	11.96	11.95	12.01	11.82	11.93	11.98
Beta	0.09	0.09	0.09	0.10	0.07	0.08	0.08	0.08	0.08	0.08
TFP Adjusted Beta	0.39	0.39	0.39	0.40	0.38	0.39	0.39	0.39	0.39	0.39
Stock Price Volatility	2.83	2.47	2.02	2.03	2.27	2.54	2.54	2.26	2.28	2.54
Valuation Measures										
Total Economic Market Value (MV)	\$87,403.9	\$94,603.6	\$121,935.3	\$147,465.3	\$160,231.7	\$135,628.0	\$147,282.1	\$131,972.8	\$147,775.0	\$141,455.0
Economic Enterprise Value	\$91,360.9	\$99,380.2	\$124,096.3	\$151,867.6	\$165,349.2	\$141,046.3	\$153,165.9	\$136,347.9	\$152,754.4	\$147,106.1
Equity Market Value	\$53,080.5	\$60,277.6	\$85,186.5	\$110,408.1	\$108,262.4	\$84,152.7	\$91,383.7	\$89,657.5	\$100,941.1	\$87,768.2
Total Capital	\$76,141.4	\$75,606.0	\$78,068.8	\$78,466.1	\$93,767.3	\$92,728.3	\$100,696.1	\$83,727.3	\$88,320.6	\$96,712.2
Market Value Created MVC (MV - Capital)	\$11,262.5	\$18,997.6	\$43,866.5	\$68,999.1	\$66,464.4	\$42,899.7	\$46,585.9	\$48,245.5	\$59,454.4	\$44,742.8
MVC Margin (MVC / Sales)	10.48%	15.43%	34.61%	49.51%	43.36%	24.17%	25.29%	33.50%	37.93%	24.74%
MVC Spread (MVC / Capital)	14.79%	25.13%	56.19%	87.93%	70.88%	46.26%	46.26%	57.62%	67.32%	46.26%
Current EVC Value (EP / WACC)	\$65,660.8	\$94,500.1	\$67,576.7	\$106,067.1	\$124,262.2	\$116,974.1	\$127,025.3	\$100,688.9	\$115,638.5	\$121,999.7
Current Operations Value COV	\$141,932.5	\$170,373.8	\$144,414.1	\$184,334.6	\$210,378.9	\$210,221.9	\$223,737.5	\$182,757.5	\$201,515.8	\$216,979.7
Current Operations Value Per Share	\$106.08	\$134.05	\$118.66	\$158.77	\$188.17	\$195.92	\$191.56	\$156.47	\$180.35	\$193.65
Future Growth Value (MVC - EVA Value)	(\$54,528.6)	(\$75,770.2)	(\$22,478.9)	(\$36,869.3)	(\$50,147.3)	(\$74,593.9)	(\$76,455.5)	(\$50,784.8)	(\$53,740.8)	(\$75,524.7)
Future Growth Value Reliance (FGV / MV)	-62.39%	-80.09%	-18.44%	-25.00%	-31.30%	-55.00%	-51.91%	-38.48%	-36.37%	-53.39%
Share Price	\$40.78	\$48.35	\$71.57	\$96.31	\$97.77	\$78.91	\$78.91	\$78.58	\$91.00	\$78.91
Dividend Yield	1.32%	1.47%	1.33%	1.22%	1.51%	2.25%	2.25%	1.58%	1.67%	1.46%
Total Shareholder Return (TTM)	18.60%	20.04%	49.35%	35.79%	3.02%	-17.04%	0.00%	-0.42%	15.80%	-13.28%
MV to IC Ratio	1.15X	1.25X	1.56X	1.88X	1.71X	1.46X	1.46X	1.58X	1.67X	1.46X
EV / EBITDAR Multiple	8.49X	8.35X	9.64X	11.04X	11.26X	8.73X	8.73X	9.83X	10.27X	8.73X
EV / NOPBT Multiple	12.94X	12.53X	14.18X	16.05X	16.14X	12.55X	12.59X	14.31X	14.81X	12.57X
EV / NOPAT Multiple	19.32X	18.70X	21.16X	23.95X	24.09X	18.73X	18.80X	21.36X	22.10X	18.77X
EV / EP Multiple	41.76X	33.71X	45.23X	41.63X	40.78X	33.67X	33.67X	33.76X	38.53X	33.67X
Future Growth Value (% of MV)	-62.39%	-80.09%	-18.44%	-25.00%	-31.30%	-55.00%	-51.91%	-38.48%	-36.37%	-53.39%
Current Operations Value (% of MV)	162.39%	180.09%	118.44%	125.00%	131.30%	155.00%	151.91%	138.48%	136.37%	153.39%
Market Value (COV + FGV %)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Basic Shares Outstanding	1,338.0	1,271.0	1,217.0	1,161.0	1,118.0	1,073.0	1,168.0	1,168.0	1,117.3	1,120.5

Source: Company Data, Financial statements and Tigress Research

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

Research: (646) 780-8880 research@tigressfp.com

40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

Tigress Research Methodology Overview

We employ proprietary quantitative valuation models combined with dynamic fundamental analysis based on the principles of Economic Profit to formulate timely and insightful investment ratings, analysis, strategies and recommendations.

We make key adjustments to reported financial data eliminating GAAP-based accounting distortions and measuring all companies on a cash operating basis.

Our proprietary research framework is a multi-factor model that scores and ranks companies based on their risk-adjusted ability to create Economic Profit relative to their current market value focusing on three key components:

Business Performance: Measuring economic profitability, growth and operating efficiency.

Risk: Measuring business sustainability, volatility, strength and consistency.

Valuation: Linking business performance to market value. Measuring value created relative to capital employed and enterprise multiples of economic profit and cash flow.

We score and rank 24 key measurements of performance, risk and value into relative market and industry investment recommendations.

For more information on our research methodology, please review the Tigress Investment Research Guide to Company Valuation and Analysis.

Glossary of Key Terms and Measures

Excess Cash per Share:	Excess Cash per Share is the amount of excess cash divided by basic shares outstanding. Excess Cash consists of all cash and short-term securities less operating cash needed to run the business. Operating Cash is 5% of TTM net sales revenue.
EBITDAR:	Earnings Before Interest, Taxes, Depreciation, Amortization, and Restructuring and Rent Costs. This is especially important when comparing companies that use a significant amount of leased assets like restaurants and retailers.
NOPAT:	Net Operating Profit after Tax. Represents a company's after-tax cash operating profit excluding financing costs.
Total Invested Capital:	Total Invested Capital the total cash investment that shareholders and debt holders have made during the life of company.
Return on Capital:	Return on Capital equals NOPAT divided by Total Invested Capital. It is a key measure of operating efficiency. ROC quantifies how well a company generates cash flow relative to the capital invested in its business.
Cost of Capital:	Is the proportionately weighted cost of each category of capital – common equity, preferred equity and debt.
Economic Profit:	Economic Profit is the net operating income after tax less the opportunity cost of the total capital invested. It is the most important driver of shareholder value.
Current Operations Value:	Current Operations Value is the portion of market value based on the discounted present value of the current earnings stream assuming it remains constant forever.
Future Growth Value:	Future Growth Value is the portion of market value based on un-earned Economic Profit

For more information on the key terms and measures, please review the Tigress Investment Research Guide to Company Valuation and Analysis.

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

Research: (646) 780-8880 research@tigressfp.com

40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

Company Report – Initiation of Coverage

April 27, 2017
Page 9 of 11

Contacts

Ivan Feinseth
Director of Research
(646) 780-8901 Direct
ifeinseth@tigressfp.com

Michael Naidrich
Capital Markets / Sales & Trading
(646) 780-8902 Direct
mnaidrich@tigressfp.com

Peter Bergen
Institutional Sales and Trading
(646) 780-8915 Direct
pbergen@tigressfp.com

Christofer Dolis
Institutional Sales & Trading
(646) 780-8914 Direct
cdolis@tigressfp.com

Eric Kushner
Institutional Sales & Trading
(646) 780-8886 Direct
ekushner@tigressfp.com

Mario LoGrande
Institutional Sales & Trading
(646) 780-8905
mlogrande@tigressfp.com

Analyst Certification

I, Ivan Feinseth, hereby certify that the views expressed herein accurately reflect my personal views about the subject company and their securities and that I have not been and will not be directly or indirectly compensated for expressing specific recommendations or views in the report.

Research Disclosures

Employees, officers, directors and shareholders of Tigress Financial Partners LLC and of any of Tigress Financial Partners LLC affiliated entities that are not directly involved with the production of any Tigress Research report (s) and / or their family members may buy / sell or hold securities for their own accounts contrary to the current recommendation expressed in any report published by Tigress Research.

Tigress Financial Partners LLC as well as affiliates of Tigress Financial Partners LLC provide or may seek to provide investment banking, consulting and / or other services to the companies and / or the officers, directors, and employees of the companies that are the subject of research reports published by Tigress Research.

Tigress Financial Partners research personnel, including the analyst(s) responsible for the production of this report receive compensation based upon the overall profitability of the entire firm including profits derived from investment banking revenues.

Tigress Research Investment Rating Meanings and Distribution

Tigress Research employs a five-tier rating system for evaluating the investment opportunity and potential return associated with owning the common equity of rated firms within our research universe. The potential return is measured on a relative basis to the general market which is represented by the S&P 500 and to the subject company's industry peer group as indicated.

Rating:	Meaning:	Rating Distribution (04/27/2017)			
		Companies Under Coverage		Relationship Companies Under Coverage*	
		#	%	#	%
Strong Buy:	Expect significant price gains in the price of the stock relative to its industry peer group and general market over the next 12 months.	16	14%	0	0
Buy:	Expect out-performance for the price of the stock relative to its industry peer group and general market over the next 12 months.	53	45%	4	80%
Neutral:	Expect little or no outperformance opportunity over the next 12 months.	43	36%	1	20%
Underperform:	Expect underperformance for the price of the stock relative to its industry peer group and general market over the next 12 months.	6	5%	0	0
Sell:	Expect price decline or significant relative market and industry underperformance over the next 12 months.	0	0%	0	0%
Not Rated	No Current Research Rating	NA	NA	62	NA

*Relationship Companies under research coverage are companies in which Tigress Financial Partners LLC or one of its affiliates has received compensation for investment banking or non-investment banking services from the company, affiliated entities and / or its employees within the past twelve months or expects to do so within the next three months.

Total 118 100% 67 100%

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

Research: (646) 780-8880 research@tigressfp.com

40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

Company Report – Initiation of Coverage

April 27, 2017
Page 10 of 11

Specific Disclosures for the companies that are the subject of this Report

Company:	Disclosure:
----------	-------------

Key	Disclosure:
-----	-------------

- | | |
|-----|---|
| 1. | The Analyst or a household member responsible for the production of this report currently holds a position in securities of the company that is the primary subject of this report in a personal, related or beneficial account. |
| 2. | The Analyst or a household member responsible for the production of this report beneficially owns one percent or more in securities of the company that is the primary subject of this report in a personal, related or beneficial account. |
| 3. | Tigress Financial Partners LLC together with its affiliates beneficially owns one percent or more of the security that is the primary subject of this report. |
| 4. | The Analyst or a household member responsible for the production of this report currently serves as an officer, director or advisory board member of the company that is the primary subject of this report. |
| 5. | An employee of Tigress Financial Partners LLC, its affiliates or subsidiaries currently serves as an officer, director or advisory board member of the company that is the primary subject of this report. |
| 6. | Tigress Financial Partners LLC, its affiliates or subsidiaries is acting as manager/co-manager, underwriter, selling group member, placement or sales agent in regard to an offering of securities of this subject company/entity or one of its affiliates. |
| 7. | Tigress Financial Partners LLC, its affiliates or subsidiaries has acted as manager/co-manager, underwriter, selling group member, placement or sales agent in regard to an offering of securities of this subject company/entity or one of its affiliates within the past 12 months. |
| 8. | Tigress Financial Partners LLC or an affiliated entity currently receives compensation for non-investment banking services from the company and / or employees and / or affiliated persons of the company that is the primary subject of this report. |
| 9. | Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for investment banking services from the company that is the primary subject of this report. |
| 10. | Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for non-investment banking services from the company that is the primary subject of this report. |
| 11. | Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for non-investment banking services from employees and / or affiliated persons of the company that is the primary subject of this report. |
| 12. | In the next 3 months, Tigress Financial Partners LLC, or an affiliated entity, expects to receive compensation for investment banking services from the company that is the primary subject of this report. |
| 13. | In the next 3 months, Tigress Financial Partners LLC, or an affiliated entity, expects to receive compensation for non-investment banking services from the company that is the primary subject of this report. |
| 14. | Accounts managed by Tigress Financial Partners LLC, and / or an employee or an affiliated entity currently hold a position in the security that is the primary subject of this report. |
| 15. | Tigress Financial Partners LLC and /or an affiliated entity currently has contracted the products and / or services of the company that is the primary subject of this report. |

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC

Research: (646) 780-8880 research@tigressfp.com

40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

Research Report Disclaimer

This report is produced for informational purposes only and is not a solicitation to buy or sell any securities or services from any companies or issuers mentioned herein or to participate in any particular trading strategy or in any jurisdiction in which such an offer or solicitation would violate applicable laws or regulations.

Tigress research is distributed in the United States by Tigress Financial Partners LLC a registered broker dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA).

The information contained herein has been obtained or derived from sources believed to be reliable but its accuracy and completeness is not guaranteed and should not be the sole basis of any investment decision but only to be used as a factor in the investment decision process.

This report does not provide individually tailored investment advice and has been prepared without regard to the individual financial circumstances and investment objectives of any person(s) receiving it. The analysis and conclusions herein are not a complete analysis of every material fact respecting any company, industry, or security. The opinions expressed in this report reflect the judgment of the author(s) at this date and are subject to change without further notice. Tigress Financial Partners is under no obligation to provide updates to recipients of any previously issued reports or recommendations.

The market value and expected income from any investment may vary because of changes in interest rates or foreign exchange rates, securities prices or market indexes, operational or financial conditions of the underlying companies or other factors. Past performance is not indicative of future performance. Estimates of future performance, research ratings and target prices are based on assumptions that may not be realized. Unless otherwise stated, the cover page provides the most recently available closing price on the primary exchange for the subject company's securities/instruments.

Securities are offered through Tigress Financial Partners LLC a SEC Registered Broker Dealer and registered investment advisor and a member of FINRA/MSRB/SIPC which clears its securities transactions and provides custody of client accounts on a fully disclosed basis through Pershing LLC, a subsidiary of The Bank of New York Mellon.

Securities in your account are protected up to \$500,000 of which \$250,000 can be for claims for cash awaiting reinvestment. Please note that SIPC does not protect against loss due to market fluctuation. For additional information please go to www.sipc.org.

In addition to SIPC protection, Pershing provides Tigress Financial Partners LLC client accounts coverage in excess of SIPC limits from Lloyd's of London, in conjunction with other insurance companies. The excess of SIPC coverage provides an aggregate loss limit of \$1 billion for eligible securities over all client accounts and a per-client loss limit of \$1.9 million for cash awaiting reinvestment within the aggregate loss limit of \$1 billion. The excess of SIPC coverage does not protect against loss due to market fluctuation. For additional information please go to www.lloyds.com.

Pershing's excess of SIPC coverage is provided by Lloyd's of London in conjunction with XL Specialty Insurance Co., Axis Specialty Europe Ltd., Great Lakes Reinsurance (UK) PLC and Ironshore Specialty Insurance Co.

About Tigress Financial Partners LLC

Tigress Financial Partners is a specialized financial services firm providing expertise and services in investment banking, investment research, asset management, corporate advisory and trade execution services.

Tigress Financial Partners provides its services to corporate entities, institutional investors, high-net worth individual investors, public and private pensions, federal, state and municipal governments.

Tigress Financial Partners LLC is a registered broker dealer and registered investment advisor with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB) and a member of the Securities Investor Protection Corporation (SIPC).

Tigress Financial Partners LLC is a Woman-Owned Business Enterprise (WBE) and is nationally certified by WBENC, the Women's Business Enterprise National Council.

Tigress Financial Partners LLC is a wholly-owned subsidiary of Tigress Holdings LLC.

For further information please go to www.tigressfinancialpartners.com.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise without prior expressed permission in writing from Tigress Financial Partners LLC.

All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service of their respective owners.

© 2017 Tigress Financial Partners LLC. All Rights reserved.

Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC**Research: (646) 780-8880 research@tigressfp.com****40 Wall Street New York NY, 10005 (212) 430-8700 www.tigressfinancialpartners.com**

Tigress Financial Partners seeks to do business with the companies that are the subject of these reports. Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.

© 2017 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.