

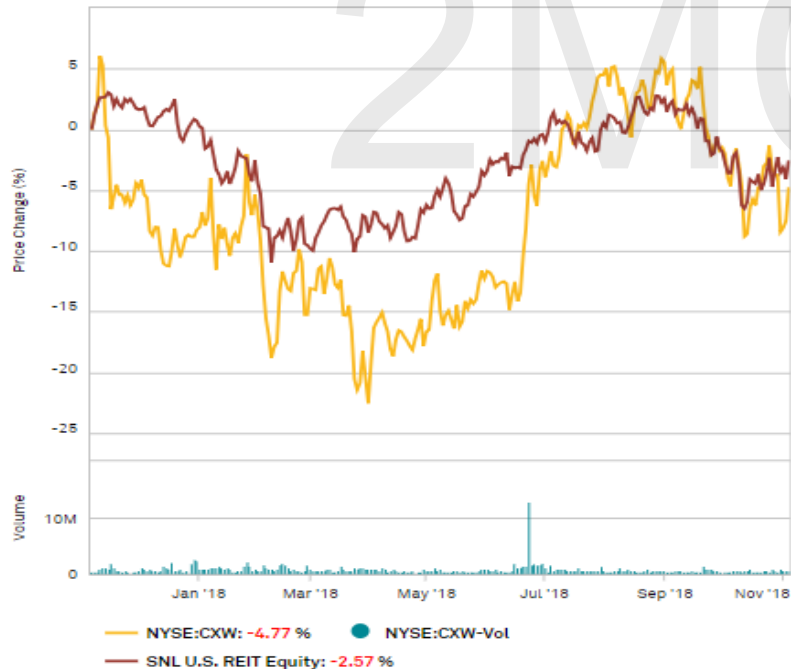


## CoreCivic, Inc. | CORPORATE PROFILE

### Market Data as of 11/6/18

NYSE: CXW \$21.72 @ (7.02)% \$(1.64)

Last (Delayed)	21.72	Float (%)	99.32
Open	22.70	Shares Sold Short	1,742,595
Previous Close	23.38	Dividend Yield (%)	7.92
Day High/Low	23.21/21.04	Avg 3M Daily Volume	658,634
52 wk High/Low	26.49/18.61	Volume	1,358,301
Market Cap. (\$M)	2,577.5	Beta 3Y	0.83
Total Capitalization (\$M)	4,071.5		
Shares Out.	118,670,000		
	(9/30/2018)		



### Financial Highlights

Source: S&P Capital IQ

Period Ended	9/30/2018
Total Assets (\$000)	3,584,032
Total Liabilities (\$000)	2,161,957
Total Equity (\$000)	1,422,075
Total Revenue (\$000)	1,794,149
Book Value per Share (\$)	11.98
Net Income (\$000)	159,308
EBITDA (\$000)	408,324
Return on Assets (%)	4.61
Return on Equity (%)	11.06
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### Funds From Operations

YEAR	FFO (\$)
2016 A	2.70
2017 A	2.38
2018 E	2.32
2019 E	2.40

Core Civic (CXW) dropped substantially after reporting earnings on 11/6/18, but I think it little to do with the report which was quite strong.

The headline may have read a guidance cut, but a deeper dive reveals that the reason for the guidance cut is expenses related to ramping up facilities for increased utilization. To me this is clearly a positive as it portends well for future cashflows.

A bigger concern is the Georgian gubernatorial race as the challenger is viewed as having a negative stance on the private prison industry and CXW derives a meaningful portion of its revenues from the state. Given the drop, the unfavorable outcome seems to be priced in and I would anticipate a bounce if the incumbent retains his seat. Aside from this uncertainty, the quarter was impressive with multiple growth pathways simultaneously active.



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