

Apple Inc. (AAPL)

\$381.37 (As of 07/08/20)

Price Target (6-12 Months): **\$400.00**

Long Term: 6-12 Months

Zacks Recommendation:
Neutral

(Since: 03/18/20)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:B

Value: C

Growth: B

Momentum: B

Summary

Apple's shares have outperformed the S&P 500 year to date. The company is benefiting from a continued momentum in the Services segment, driven by strong App Store sales and the robust adoption of Apple Music and Apple Pay. Non-iPhone devices, particularly Apple Watch and AirPods, are other notable drivers in the long haul. However, iPhone sales are expected to remain bleak in the near term due to the negative impact of the coronavirus. In fact, the company expects iPhone and Wearables business revenues for the fiscal second quarter to be worse on a year-over-year basis than the fiscal first quarter. On the contrary, iPad and Mac revenues are expected to improve but lower economic activity will hurt AppleCare and advertising businesses. The company didn't provide any guidance due to the pandemic-triggered uncertainty.

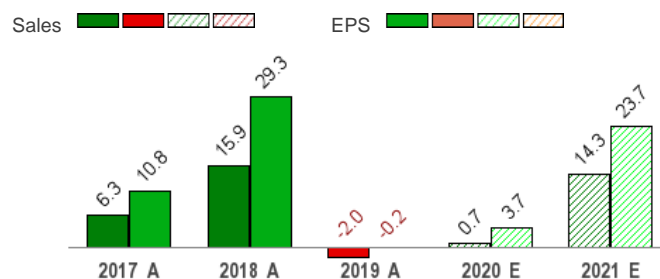
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$381.50 - \$192.58
20 Day Average Volume (sh)	36,343,284
Market Cap	\$1,653.0 B
YTD Price Change	29.9%
Beta	1.18
Dividend / Div Yld	\$3.28 / 0.9%
Industry	Computer - Mini computers
Zacks Industry Rank	Top 37% (92 out of 251)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	22.0%
Last Sales Surprise	8.7%
EPS F1 Est- 4 week change	0.3%
Expected Report Date	07/30/2020
Earnings ESP	-1.0%
P/E TTM	29.9
P/E F1	30.9
PEG F1	3.0
P/S TTM	6.2

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	97,713 E	66,663 E	60,124 E	73,439 E	299,577 E
2020	91,819 A	58,313 A	50,976 E	60,783 E	262,105 E
2019	84,310 A	58,015 A	53,809 A	64,040 A	260,174 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$5.30 E	\$3.33 E	\$2.78 E	\$3.71 E	\$15.25 E
2020	\$4.99 A	\$2.55 A	\$1.96 E	\$2.78 E	\$12.33 E
2019	\$4.18 A	\$2.46 A	\$2.18 A	\$3.03 A	\$11.89 A

*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 07/08/2020. The reports text is as of 07/09/2020.

Overview

Apple's business primarily runs around its flagship iPhone. However, the Services portfolio that includes revenues from cloud services, App store, Apple Music, AppleCare, Apple Pay, and licensing and other services now became the cash cow.

Moreover, non-iPhone devices like Apple Watch and AirPods gained significant traction. In fact, Apple dominates the Wearables and Hearables markets due to the growing adoption of Watch and AirPods. Solid uptake of Apple Watch also helped Apple strengthen its presence in the personal health monitoring space.

Headquartered in Cupertino, CA, Apple also designs, manufactures and sells iPad, MacBook and HomePod. These devices are powered by software applications including iOS, macOS, watchOS and tvOS operating systems.

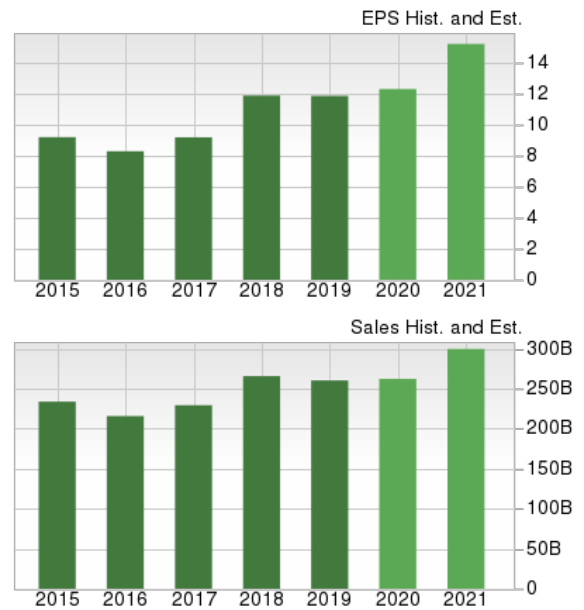
Apple's other services include subscription-based Apple News+, Apple Card, Apple Arcade, new Apple TV app, Apple TV channels and Apple TV+, a new subscription service.

In fiscal 2019, Apple generated \$265.17 billion in total revenues. The company's flagship device iPhone accounted for 54.7% of total revenues. Services, Mac, iPad and Other products category contributed 17.8%, 9.9%, 8.2% and 9.4%, respectively.

Apple primarily reports revenues on a geographic basis, namely the Americas (North & South America), Europe (European countries, India, Middle East and Africa), Greater China (China, Hong Kong & Taiwan), Japan and Rest of Asia Pacific (Australia & other Asian Countries).

In fiscal 2019, Americas, Europe, Greater China, Japan and Rest of Asia-Pacific accounted for 44.9%, 23.2%, 16.8%, 8.3% and 6.8% of total revenues, respectively.

Apple faces stiff competition from the likes of Samsung, Xiaomi, Oppo, Vivo, Google, Huawei and Motorola in the smartphone market. Lenovo, HP, Dell, Acer and Asus are its primary competitors in the PC market. Other notable competitors are Google & Amazon (smart speakers) and Fitbit & Xiaomi (wearables).



Reasons To Buy:

▲ Apple's Services and Wearables businesses are expected to drive top-line growth in fiscal 2020 and beyond. Although Apple's business primarily runs around its flagship iPhone, the Services portfolio has emerged as the company's new cash cow. Apple's endeavors to open up its ecosystem, through partnerships with the likes of Samsung and Amazon, are positive for the Services segment. The subscription-based video streaming, news and gaming services are expected to benefit from Apple's strong installed base. Robust App Store sales coupled with solid adoption of Apple Pay and Apple Music are expected to help Apple double its 2016 Services revenues by 2020. Moreover, its wearables and hearables business is expected to be driven by solid demand for Apple Watch and AirPods.

Apple is benefiting from momentum in the Services business, strong adoption of Apple Pay and growing Apple Music subscriber base.

▲ Apple currently has more than 515 million paid subscribers across its Services portfolio. The App Store continues to draw the attention of prominent developers from around the world, helping the company offer appealing new apps that drive App Store traffic. Further, growing number of AI-infused apps will attract more subscribers on App Store. Notably, more than 30,000 third-party subscription apps are available on App Store and the largest of them accounts for only 0.25% of Apple's total Services revenues. The company now expects to reach its target of 600 million paid subscriptions before the end of calendar 2020.

▲ Apple Pay, designed on the basis of a contactless payment (NFC) technology, has been expanded to 49 markets. Apple Pay allowed entry to more than 150 stadiums, ballparks, arenas and entertainment venues around the world with contactless tickets in 2019. Moreover, users could ride public transport in Shanghai, Beijing, Tokyo, Moscow, London and New York. In 2020, Apple will extend ride services to trains and buses in cities like Washington, DC, Shenzhen, Guangzhou and Foshan. Users can also access dorms and services of additional universities across the United States through Apple Watch and iPhone. The growing adoption of contactless payment primarily due to coronavirus pandemic bodes well for Apple Pay.

▲ Further, Apple Music currently has more than 60 million paid subscribers. The service offers more than 60 million songs, with world class music experts and taste makers curating thousands of playlists and daily selections in 115 countries. Apple Music's availability on Amazon Echo devices is expected to expand the iPhone maker's footprint against Spotify, which is currently the dominant player in the paid, premium music streaming market. The partnership with Verizon is also noteworthy in this regard. Moreover, the company's partnership with National Basketball Association for an Apple Music playlist that features independent artists from an emerging label, UnitedMasters, is expected to draw new subscribers who are fans of NBA games.

▲ Apple is encouraging developers to use artificial intelligence (AI) and machine learning in their apps. The company's Core ML 2 API helps developers recognize faces or animals in photos, and parse the meaning of text. Further, the company is offering Create ML for simple and efficient machine learning training on the Mac, which is built on top of Swift programming language. Notably, Apple has hired former Google head of search and AI, John Giannandrea to lead its restructured AI division that includes the machine learning division, Siri team and the Core ML API team. In addition to all these, acquisition of start-ups like Silk Labs enhances the company's expertise in the domain.

▲ Apple's focus on autonomous vehicles and augmented reality/virtual reality (AR/VR) technologies presents growth opportunity in the long haul. These are fast emerging as lucrative business opportunities. To ramp up its efforts, Apple has acquired several smaller firms with expertise in AR hardware, 3D gaming and VR software. These include SensoMotoric, Flyby Media, Emotient, TupleJump, Turi, Metaio, PrimeSense and Lattice Data Inc. In addition, Apple's ARKit is helping third-party developers to work on creating AR experiences for its iOS platform. Furthermore, Apple, with its new offerings, would also be able to leverage the Internet of Things (IoT) market, which is expected to grow exponentially, given the rising demand for connected/automated devices, appliances and automobiles.

▲ Apple has a strong balance sheet and generates significant cash flow. As of Mar 28, 2020, net cash position was \$93.37 billion compared with \$103.76 billion as of Dec 28, 2019. Total debt-to-total capital of 55.9% is better than industry's 58.7%. Moreover, operating cash flow increased \$2.2 billion to \$13.3 billion in the fiscal second quarter. Apple's board also authorized \$50 billion for share repurchases in addition to more than \$40 billion authorization remaining under its current share repurchase plan. The company also raised its quarterly dividend by 6%. These factors make Apple an attractive stock for investors.

Reasons To Sell:

- ▼ Apple's fortunes are tied to its most important offering, iPhone. The device plays an important role in expanding the iOS ecosystem. However, Apple's excessive dependence on iPhone is a risk to overall growth. Although iPhone sales have been benefiting from higher average selling price (ASP), premium pricing has been blamed for Apple's declining market share in countries like China and India. Moreover, the smartphone segment is chock-a-block with attractive devices from Samsung, Huawei, Xiaomi, Oppo, and Vivo that are intensifying competition for the company. Moreover, Apple is yet to launch a 5G-supported iPhone, which is a concern.
- ▼ China is an important market for Apple, given the growing number of middle-class customers. However, the waning macroeconomic environment in China and the intensifying competition have dented shipment growth. Moreover, the supply-chain disruption caused by the coronavirus outbreak in China is expected to hurt iPhone's demand and supply globally, at least in the near term.
- ▼ Competition has negatively impacted iPad's growth, with Amazon, HTC, Microsoft, Hewlett-Packard and others flooding the tablet market. iPad demand has severely declined due to increasing availability of large-screen smartphones, in addition to stiff competition from Google Chromebooks and Microsoft Surface. Moreover, Apple faces significant competition in the desktop and portable computer segment from the market leader Lenovo and the likes of Hewlett-Packard, Dell, Acer and Asus. MacBook has failed to become a key product, due to Apple's shortage of innovation in this product line as compared to iPhone and iPad.
- ▼ Although Apple's newer products like Apple Watch and HomePod hold significant promise, they are yet to deliver results good enough to negate decline in iPhone shipment. Apple is facing in the wearables market, due to stiff competition from Xiaomi, Fitbit, Huawei and Samsung. The company is also experiencing low sales of its smart speaker HomePod, owing to its late entry into the market that is currently dominated by the likes of Amazon and Google.
- ▼ Apple is facing increasing regulatory hassles in Europe. The European Commission is opening two antitrust investigations into Apple's App Store and Apple Pay practices over concerns that the company's way of doing business hurts consumers by limiting choice and innovation and keeping prices high. Notably, music-streaming service Spotify has filed a formal complaint against Apple, alleging unfair practice by the iPhone maker to lower competition. The complaint relates to the 30% revenue cut that the company takes from some app providers. Moreover, the Supreme Court has allowed the consumers' antitrust lawsuit against Apple to continue in a lower court. The lawsuit alleges iPhone apps to be expensive. The company is also facing lawsuits in relation to health-monitoring features of Apple Watch.
- ▼ Moreover, Apple is slapped with a record fine of €1.1 billion by French anti-trust regulators for engaging in anti-competitive practices. The regulators alleged that Apple favored Tech Data and Ingram Micro to align prices as well as limit wholesale competition for Apple products in France. The company is also ordered to pay a \$500-million settlement for intentionally inhibiting/restricting the performance of older iPhone models to preserve batteries. Further, the U.S. Supreme Court repealed an appeal by Apple in a decade-long dispute wherein Nevada-based VirnetX is fighting to collect royalties from the company for secure communications technology used in the iPhone, iPad and Mac computers.

Lackluster demand for iPhone due to Coronavirus, lack of a 5G-supported device, stiff competition, slowing economy in China and increasing regulatory hassles are major headwinds.

Last Earnings Report

Apple's Q2 Earnings Beat, Services Aid Sales Growth

Apple reported second-quarter fiscal 2020 earnings of \$2.55 per share that beat the Zacks Consensus Estimate by 22% and increased 3.7% year over year.

Net sales increased 0.5% year over year to \$58.31 billion, which surpassed the Zacks Consensus Estimate by 8.7%. Forex volatility negatively impacted sales by 100 basis points (bps).

Product sales (77.1% of sales) decreased 3.4% year over year to \$44.97 billion. The decline can be attributed to coronavirus-related lockdowns and store closures during the last three weeks of the reported quarter.

Services (22.9% of sales) revenues grew 16.6% from the year-ago quarter to \$13.35 billion, a record in the company's history.

Geographical Performance

Americas sales declined 0.5% year over year to \$25.47 billion and accounted for 43.7% of total sales.

Europe generated \$14.29 billion in sales, up 9.5% on a year-over-year basis. The region accounted for 24.5% of total sales.

Greater China sales fell 7.5% from the year-ago quarter to \$9.46 billion and accounted for 16.2% of total sales.

Japan sales declined 5.9% year over year to \$5.21 billion and accounted for 8.9% of total sales.

Rest of the Asia Pacific generated sales of \$3.89 billion, up 7.5% year over year. The region accounted for 6.7% of total sales.

iPhone Sales in Detail

iPhone sales decreased 6.7% from the year-ago quarter to \$28.96 billion and accounted for 49.7% of total sales. Both demand and supply were negatively impacted by the outbreak of coronavirus.

Apple quoted a recent survey report from 451 Research, which stated that customer satisfaction was 99% for iPhone 11, iPhone 11 Pro and 11 Pro Max combined.

Services Momentum Continues

Services maintained momentum in the reported quarter. Robust performance of App Store, Apple Music, Video, cloud services, and App Store search ad business drove Services revenues.

App Store revenues grew by double digits. Both Apple Music and cloud services, set an all-time revenue record, while AppleCare reported the best second-quarter performance in the company's history.

Moreover, Apple's new services — Apple TV Plus, Apple Arcade, Apple News Plus and Apple Card — continued to add users, content and features.

Apple now has more than 515 million paid subscribers across its Services portfolio, up 35 million sequentially and 125 million year over year. The company now expects to reach its target of 600 million paid subscriptions before the end of calendar 2020.

Moreover, the number of paid accounts increased double digits across all geographic segments.

Third-party subscription revenues increased 30% year over year. Paid subscriptions of Apple Music, cloud services and AppleCare were up double digits.

iPad & Mac Details

iPad sales of \$4.37 billion decreased 10.3% year over year and accounted for 7.5% of total sales.

Mac sales of \$5.35 billion decreased 2.9% from the year-ago quarter and accounted for 9.2% of total sales.

Additionally, more than half of customers, who purchased iPads and Macs during the quarter, were new to the device.

Apple quoted a recent survey report from 451 Research, which stated that overall consumer satisfaction was 95% for iPad and 96% for Mac.

Wearables' Robust Performance

Wearables, Home and Accessories sales increased 22.5% year over year to \$6.28 billion and accounted for 10.8% of total sales.

Moreover, Apple Watch's adoption rate grew rapidly. Notably, more than 75% of customers, who purchased Apple Watch during the reported quarter, were first-time customers.

Apple Gaining Traction Among Enterprises

Employees of International Business Machines and SAP, two large customers of Apple, were able to easily set up and secure their devices from

Quarter Ending **03/2020**

Report Date	Apr 30, 2020
Sales Surprise	8.65%
EPS Surprise	22.01%
Quarterly EPS	2.55
Annual EPS (TTM)	12.75

home, with support from Apple Business Manager and zero-touch deployment to adhere to coronavirus-led shelter-in-place guidelines.

The company also stated that Peloton deployed “an entire fleet of Macs overnight.” Bank of America also purchased tens of thousands of additional iOS devices for its workforce.

Moreover, Apple’s products gained traction in sectors like grocery and financial services.

Apple Pay has been offered by the likes of Trader Joe’s, Woolworths, Lawson’s, Sainsbury’s, Lidl and Carrefour to promote and support contactless payments.

Operating Details

Gross margin expanded 70 bps on a year-over-year basis but was flat sequentially at 38.4%.

Products gross margin contracted 380 bps sequentially to 30.3%, due to loss of leverage and unfavorable mix. The coronavirus outbreak dragged down product gross margin.

Services gross margin was 65.4%, up 100 bps sequentially, driven by a favorable mix.

Operating expenses rose 13.2% year over year to \$9.52 billion due to higher research & development (R&D), and selling, general & administrative (SG&A) expenses, which increased 15.6% and 11.1%, respectively.

Operating margin contracted 110 bps on a year-over-year basis to 22%.

Balance Sheet & Cash Flow

As of Mar 28, 2020, cash & marketable securities were \$192.84 billion compared with \$207.06 billion as of Dec 28, 2019.

Term debt, as of Mar 28, 2020 was \$99.48 billion, up from \$93.08 billion as of Dec 28, 2019.

Apple returned \$22 billion in the reported quarter through dividend payouts and share repurchases.

Apple’s board also authorized \$50 billion for share repurchases in addition to more than \$40 billion authorization remaining under the current share repurchase plan. The company also raised quarterly dividend by 6%.

Guidance

Apple didn’t provide any guidance given the uncertainty around the impact of the coronavirus pandemic. However, the company stated that forex, due to U.S. dollar appreciation, will hurt revenues by \$1.5 billion year over year.

Moreover, the company expects second-quarter iPhone and Wearables business revenues to be worse on a year-over-year basis than the first quarter. On the contrary, iPad and Mac revenues are expected to improve.

Services are expected to benefit from strong usage of App Store, Video, Music and cloud services. However, lower economic activity is anticipated to hurt AppleCare and advertising.

Recent News

On Jul 8, Apple announced the expansion of its Independent Repair Provider Program for out-of-warranty iPhones. Markedly, businesses from Canada and Europe can now join the program.

On Jun 22, Apple previewed iOS 14, iPadOS 14, macOS Big Sur and WatchOS 7 at its first-ever virtual Worldwide Developers Conference. Moreover, as anticipated, the company announced that it will launch Macs that use Apple's custom silicon late this year. The complete transition from Intel-based Macs is expected to take a couple of years. Apple also announced a robust line-up of new technologies for developers to design and build apps.

On May 12, Apple unveiled a major update on Logic Pro X with a professional version of Live Loops, a completely redesigned sampling workflow, and new beat-making tools.

On May 7, Apple announced that it is granting \$10 million from its Advanced Manufacturing Fund to COPAN Diagnostics, a sample-collection kits provider. These kits play a critical role in COVID-19 testing.

On May 4, Apple updated the 13-inch MacBook Pro with the new Magic Keyboard and doubled the storage across all standard configurations. The new line-up also offers 10th-generation processors for up to 80% faster graphics performance and makes 16GB of speedy 3733MHz memory standard on select configurations.

On Apr 21, Apple announced the addition of new markets for its major services including the App Store, iCloud, Apple Podcasts and its subscription-based gaming service, Arcade. These are now available in 20 new countries, along with taking Apple Music to 52 new territories. In Africa, Apple's services will be available in Cameroon, Ivory Coast, Democratic Republic of Congo, Gabon, Libya, Morocco, Rwanda and Zambia. Additionally, they will also become available in the Maldives and Myanmar in the Asia-Pacific region, Afghanistan and Iraq in the Middle East, and several nations in the Balkans and Oceania.

Notably, the newest expansion brings the total count for App Store availability to 175 and Music to 167 out of the 193 United Nations-recognized countries in the world.

On Apr 15, Apple introduced its low-cost 2nd generation iPhone SE (2020), after postponing the official launch last month due to coronavirus outbreak. The new model comes in black, white or red with storage options ranging from 64GB to 256GB.

Valuation

Apple shares are up 29.8% in the year-to-date period and 87.7% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Computer & Technology sector are up 29.7% and 15.7% in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are up 85.1% and 27.3%, respectively.

The S&P 500 index is down 2.2% in the year-to-date period but up 5.6% in the past year.

The stock is currently trading at 26.15X forward 12-month earnings, which compares to 25.04X for the Zacks sub-industry, 26.04X for the Zacks sector and 23.43X for the S&P 500 index.

Over the past five years, the stock has traded as high as 26.15X and as low as 9.62X, with a 5-year median of 14.75X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$400 price target reflects 27.46X forward 12-month earnings.

The table below shows summary valuation data for AAPL

Valuation Multiples - AAPL					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	26.15	25.04	26.04	23.43
	5-Year High	26.15	25.04	26.04	23.67
	5-Year Low	9.62	10.12	16.78	16.06
	5-Year Median	14.75	14.68	19.36	18.9
P/S F12M	Current	5.68	4.47	3.9	3.5
	5-Year High	5.68	4.47	3.9	3.5
	5-Year Low	2.15	1.85	2.33	2.52
	5-Year Median	3.19	2.59	3.12	3.04
EV/EBITDA TTM	Current	21.58	16.99	12.86	12
	5-Year High	21.58	17.06	12.97	12.45
	5-Year Low	6.56	5.5	7.96	8.04
	5-Year Median	11.76	9.65	10.7	10.76

As of 07/08/2020

Industry Analysis Zacks Industry Rank: Top 37% (92 out of 251)



Top Peers

Company (Ticker)	Rec	Rank
Amazon.com, Inc. (AMZN)	Neutral	2
Dell Technologies Inc. (DELL)	Neutral	3
Alphabet Inc. (GOOGL)	Neutral	4
Garmin Ltd. (GRMN)	Neutral	3
HP Inc. (HPQ)	Neutral	3
Lenovo Group Ltd. (LNVGY)	Neutral	3
Microsoft Corporation (MSFT)	Neutral	3
Spotify Technology SA (SPOT)	Neutral	2

Industry Comparison Industry: Computer - Mini Computers				Industry Peers		
	AAPL	X Industry	S&P 500	HPQ	LNVGY	MSFT
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	B	-	-	A	A	B
Market Cap	1,652.99 B	15.63 B	21.57 B	23.95 B	7.30 B	1,613.98 B
# of Analysts	12	3	14	6	2	15
Dividend Yield	0.86%	1.59%	1.94%	4.21%	2.32%	0.96%
Value Score	C	-	-	A	A	C
Cash/Price	0.06	0.15	0.07	0.17	0.53	0.09
EV/EBITDA	21.05	3.87	12.68	5.16	2.57	26.64
PEG Ratio	3.01	2.81	2.88	5.27	0.68	2.45
Price/Book (P/B)	21.08	1.80	3.03	NA	1.80	14.10
Price/Cash Flow (P/CF)	24.99	15.48	11.62	5.98	4.47	33.50
P/E (F1)	30.93	8.47	21.12	7.98	8.47	34.13
Price/Sales (P/S)	6.17	0.86	2.27	0.42	0.14	11.64
Earnings Yield	3.23%	7.50%	4.44%	12.54%	11.77%	2.93%
Debt/Equity	1.14	0.24	0.76	-5.30	0.39	0.61
Cash Flow (\$/share)	15.26	2.76	6.94	2.80	2.72	6.35
Growth Score	B	-	-	B	A	B
Hist. EPS Growth (3-5 yrs)	9.79%	-0.15%	10.90%	-5.33%	-0.15%	18.74%
Proj. EPS Growth (F1/F0)	3.73%	0.21%	-9.99%	-6.33%	31.65%	9.35%
Curr. Cash Flow Growth	-3.74%	2.29%	5.51%	8.32%	17.18%	19.70%
Hist. Cash Flow Growth (3-5 yrs)	7.40%	-7.17%	8.55%	-18.40%	4.06%	11.99%
Current Ratio	1.50	1.16	1.30	0.78	0.81	2.90
Debt/Capital	53.18%	27.82%	44.46%	NA	27.82%	37.98%
Net Margin	21.35%	3.29%	10.62%	5.27%	1.31%	33.36%
Return on Equity	64.49%	3.62%	15.75%	-295.77%	16.00%	40.37%
Sales/Assets	0.81	1.17	0.55	1.74	1.53	0.49
Proj. Sales Growth (F1/F0)	0.74%	-3.62%	-2.57%	-6.75%	-0.49%	9.85%
Momentum Score	B	-	-	A	C	B
Daily Price Chg	2.33%	1.69%	0.23%	0.72%	3.31%	2.20%
1 Week Price Chg	2.96%	3.76%	3.66%	2.77%	4.56%	5.06%
4 Week Price Chg	8.09%	3.51%	-4.65%	-0.83%	7.85%	8.12%
12 Week Price Chg	34.08%	12.66%	11.62%	11.67%	13.65%	23.83%
52 Week Price Chg	87.65%	-19.63%	-7.46%	-18.65%	-20.61%	54.39%
20 Day Average Volume	36,343,284	8,361,694	2,368,260	14,662,922	24,888	33,454,016
(F1) EPS Est 1 week change	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.30%	0.15%	0.00%	0.30%	0.00%	0.23%
(F1) EPS Est 12 week change	-0.60%	-3.50%	-7.67%	-6.41%	0.70%	0.39%
(Q1) EPS Est Mthly Chg	-0.04%	0.00%	0.00%	0.00%	0.00%	0.00%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	B
Momentum Score	B
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

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