Alexion Pharma (ALXN)

$108.15 (As of 12/31/19)

Price Target (6-12 Months): **$120.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 12/31/19) Prior Recommendation: Neutral	**Outperform**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**1-Strong Buy**
	Zacks Style Scores:	VGM:B
	Value: C | Growth: B | Momentum: A	

Summary

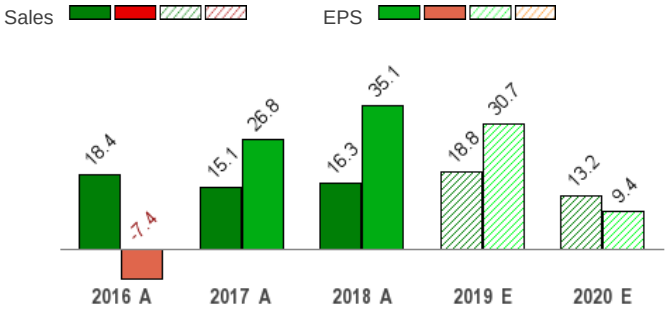
Alexion's blockbuster drug, Soliris, maintains momentum. The label expansion of the drug for the treatment of refractory gMG has further boosted sales. Approval in additional indications should drive the top line. Meanwhile, the approval of its long-acting C5 complement inhibitor, Ultomiris, for the treatment of adults with PNH has strengthened its PNH franchise and the initial uptake of the drug has been impressive. The company is taking steps to strengthen the PNH portfolio, which should yield results in the long run. It reached a definitive agreement to acquire the clinical-stage biopharmaceutical company Achillion Pharmaceuticals, Inc. to fortify its PNH franchise. Shares have outperformed the industry in the past year. However, pricing is likely to affect sales. An earlier-than-expected competition might negatively impact sales.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$141.86 - $94.59**
20 Day Average Volume (sh)	**1,837,209**
Market Cap	**$23.9 B**
YTD Price Change	**11.1%**
Beta	**1.64**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Top 22% (56 out of 253)**
Last EPS Surprise	**12.1%**
Last Sales Surprise	**1.9%**
EPS F1 Est- 4 week change	**0.1%**
Expected Report Date	**02/03/2020**
Earnings ESP	**2.1%**
P/E TTM	**10.9**
P/E F1	**10.5**
PEG F1	**0.9**
P/S TTM	**5.1**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2020	1,308 E	1,363 E	1,421 E	1,469 E	5,554 E
2019	1,140 A	1,203 A	1,263 A	1,295 E	4,906 E
2018	931 A	1,045 A	1,027 A	1,129 A	4,131 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	$2.63 E	$2.74 E	$2.86 E	$2.89 E	$11.32 E
2019	$2.39 A	$2.64 A	$2.79 A	$2.53 E	$10.35 E
2018	$1.68 A	$2.07 A	$2.02 A	$2.14 A	$7.92 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 12/31/2019. The reports text is as of 01/02/2020.

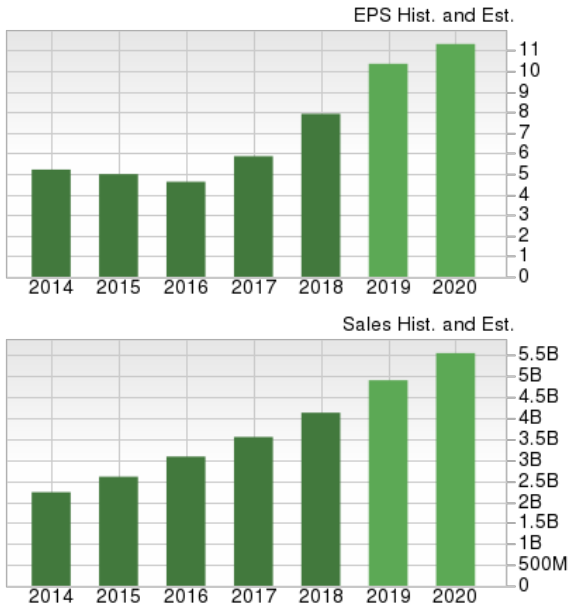
Overview

Based in New Haven, CT, Alexion Pharmaceuticals is a biopharmaceutical company focused on the development and commercialization of life-transforming drugs, for the treatment of patients with ultra-rare disorders.

The company's complement franchise consists of key growth driver, **Soliris**, approved for the treatment of two severe and ultra-rare disorders resulting from chronic uncontrolled activation of the complement component of the immune system – paroxysmal nocturnal hemoglobinuria (PNH) and atypical hemolytic uremic syndrome (aHUS). The drug recorded sales of $3.6 billion in 2018. The FDA also approved its long-acting C5 complement inhibitor Ultomiris, for the treatment of adult patients with PNH, to be administered every eight weeks.

Under its metabolic franchise, the company markets **Strensiq** for the treatment of patients with pediatric-onset hypophosphatasia (HPP) and **Kanuma** for the treatment of patients with lysosomal acid lipase deficiency (LAL-D). Strensiq sales came in at $475.1 million in 2018 and Kanuma sales came in at $92 million.

Alexion acquired Sweden-based biopharmaceutical company, Wilson Therapeutics AB and clinical-stage biotechnology company, Syntimmune in 2018. The company also has a robust pipeline of several candidates under development across a range of therapeutic modalities.



Revenues for 2018 came in at $4.1 billion, up 16% from that in 2017. Soliris sales came in at $3.6 billion.

Reasons To Buy:

> Alexion's Soliris maintains momentum and the label expansion of the drug should further boost sales.

- **Share Price Performance**: Alexion's stock has outperformed the industry in the year so far. The increase in guidance concurrent with the third-quarter results was encouraging.

- **Soliris' Label Expansion Efforts Encouraging**: Alexion's blockbuster drug, Soliris, maintains momentum. The underlying growth of the drug has been robust for both indications — PNH and aHUS. The drug is also approved for the treatment of refractory gMG in patients, who are anti-acetylcholine receptor antibody-positive in the United States and Europe. The growth of the drug in this indication has been strong in the United States, driven by strong patient demand. Moreover, the FDA recently approved Soliris to treat neuromyelitis optica spectrum disorder (NMOSD). The drug was also approved in Europe and Japan for NMOSD. To further increase the commercial potential of the drug, Alexion is working on expanding Soliris' label into additional indications. The company plans to initiate a phase III study in children and adolescents with NMOSD by the end of the year. Dosing is underway in a phase III study of Soliris in children and adolescents with gMG. A phase III study of Soliris in children and adolescents with gMG is underway.

- **Ultomiris Approval a Significant Boost**: Alexion received a significant boost with the FDA approval of its long-acting C5 complement inhibitor, Ultomiris, for the treatment of adult patients with PNH, to be administered every eight weeks. The approval has strengthened the company's PNH franchise and reduced its dependence on Soliris for growth. The conversion rates of Soliris patients to Ultomiris has been encouraging. The drug was also approved in Europe and Japan for the indication of PNH. Meanwhile, Alexion is also working to expand Ultomiris' label. The drug was recently approved in the United States for the treatment of aHUS in adults and children one month and older. The label expansion of the drug for additional indications will boost sales. Alexion also plans to conduct a proof-of-concept study of Ultomiris in Amyotrophic Lateral Sclerosis (ALS) in early 2020 and an exploratory clinical study in Primary Progressive Multiple Sclerosis (PPMS). A single, PK-based phase III study of Ultomiris delivered subcutaneously once per week is underway to support registration in PNH and aHUS. Data are expected in the first half of 2020. Alexion also plans to initiate a phase III study of Ultomiris in NMOSD by the end of 2019.

- **Diversification With Acquisitions/Collaborations:** Alexion is looking to diversify its portfolio and reduce dependence on its blockbuster drug, Soliris. In line with this strategy, Alexion acquired Sweden-based Wilson Therapeutics for $855 million. The acquisition added a late-stage candidate, ALXN1840 (formerly WTX101) to Alexion's pipeline. The candidate is being evaluated for the treatment of Wilson disease in a phase III study, a rare genetic disorder.

  The company also acquired a clinical-stage biotechnology company, Syntimmune, for $1.2 billion in the fourth quarter of 2018. The acquisition added anti-FcRn antibody, ALXN1830 (formerly SYNT001), to the company's pipeline. ALXN1830 is currently in a phase Ib/IIa study in patients with warm autoimmune hemolytic anemia (WAIHA) and those with pemphigus vulgaris (PV) or pemphigus foliaceus (PF). Alexion plans to initiate a phase II/III study of ALXN1830 in WAIHA in early 2020. In addition, it plans to initiate a phase I study of a subcutaneous formulation of the candidate in healthy volunteers in early 2020. Pending results from the phase I study, the company plans to initiate a phase II/III study of subcutaneous ALXN1830 in gMG in 2020. The company also announced a collaboration with Dicerna Pharmaceuticals to jointly discover and develop up to four subcutaneously delivered GalXC RNA interference (RNAi) candidates, currently in preclinical development, for the treatment of complement-mediated diseases.

  Alexion announced a partnership with Complement Pharma to co-develop the preclinical C6 complement inhibitor, CP010 for neurodegenerative disorders. CP010 is a humanized monoclonal antibody in preclinical stages that binds to C6 in circulation to inhibit its function throughout the body by preventing MAC formation in both the periphery and the central nervous system. In January 2019, Alexion entered into a collaboration with Caelum Biosciences to develop CAEL-101 for AL amyloidosis, a rare systemic disorder that causes misfolded immunoglobulin light chain protein to build up in and around tissues, resulting in progressive and widespread organ damage. CAEL-101 is a first-in-class amyloid fibril targeted therapy designed to improve organ function by reducing or eliminating amyloid deposits in patients with AL amyloidosis. Alexion will obtain an exclusive license from Eidos to develop and commercialize an investigational, orally-administered small molecule AG10 in Japan. AG10 has been designed to treat the root cause of transthyretin amyloidosis (ATTR) — destabilized and misfolded transthyretin (TTR) protein — by binding and stabilizing TTR in the blood. The deal expands Alexion's amyloidosis portfolio. In March 2019, Alexion announced a partnership with Affibody AB to co-develop ABY-039 for rare Immunoglobulin G (IgG)-mediated autoimmune diseases. The company is collaborating with Zealand Pharma A/S to discover and develop novel peptide therapies for up to four targets in the complement pathway. In October, Alexion announced an agreement with Stealth BioTherapeutics for an option to co-develop and commercialize elamipretide for mitochondrial disease.

  To strengthen its PNH franchise, Alexion entered a definitive agreement to acquire a clinical-stage biopharmaceutical company, Achillion Pharmaceuticals, Inc. (ACHN), for $930 million. Achillion primarily focuses on the development of oral small molecule Factor D inhibitors to treat people with complement alternative pathway-mediated rare diseases, such as paroxysmal nocturnal hemoglobinuria (PNH) and C3 glomerulopathy (C3G). The acquisition will add two clinical-stage candidates to Alexion's pipeline — lead candidate, danicopan (ACH-4471), in phase II and ACH-5228 in phase I. Achillion's shareholders will get $6.30 per share as an initial consideration. A potential approval of danicopan will make Alexion a market leader in the PNH space.

- **Pipeline Development Encouraging:** Alexion's efforts to develop its pipeline are impressive. A phase I study of subcutaneous ALXN1210 co-administered with Halozyme's ENHANZE drug-delivery technology, PH20, has been completed. This next-generation subcutaneous formulation will be called ALXN1810. Strategic planning for the best development path for ALXN1810 is ongoing.

Risks

- **Overdependence on Soliris**: With Soliris accounting for majority of revenues at Alexion, the company relies heavily on the drug for growth. Below-par performance of the product will hurt the stock badly as Soliris is Alexion's key growth driver.

- **Pipeline Setbacks and Competition**: The company has faced significant setbacks in its attempts to expand Soliris' label. With several pipeline-related news expected over the upcoming quarters, any negative development could impact the stock adversely. In Feb 2017, Alexion decided to reduce its investment in SBC-103, (a recombinant form of the NAGLU enzyme) for the treatment of patients with mucopolysaccharidosis IIIB). While patients who are currently enrolled in the phase I/II study will continue to receive SBC-103, the company does not plan to conduct any additional studies. Although Soliris is currently the only approved therapy for the treatment of PNH and aHUS, Strensiq the only product approved for the treatment of HPP, and Kanuma, the only product for the treatment of LAL-D, there are many pharma and biotech companies that are looking to develop drugs for these indications. If successfully developed and approved, competition could affect Alexion's top line considerably.

Last Earnings Report

Alexion Beats on Q3 Earnings, Raises View

Quarter Ending	09/2019
Report Date	**Oct 23, 2019**
Sales Surprise	**1.87%**
EPS Surprise	**12.05%**
Quarterly EPS	**2.79**
Annual EPS (TTM)	**9.96**

Alexion posted third-quarter 2019 adjusted earnings of $2.79 per share, which surged 38% from the year-ago quarter's $2.02. Earnings also beat the Zacks Consensus Estimate of $2.49.

Moreover, revenues rose 23% year over year to $1.26 billion in the reported quarter and also surpassed the Zacks Consensus Estimate of $1.24 billion. Revenues were driven by increased sales of Soliris, Strensiq, Kanuma and the uptake of Ultomiris.

Revenues in Detail

Soliris (for the treatment of paroxysmal nocturnal hemoglobinuria [PNH] and atypical hemolytic uremic syndrome [aHUS]) sales were up 12% year over year to $990.5 million in the reported quarter, driven by strong volume growth.

Strensiq revenues were $154.3 million (up 36% year over year), driven by strong volume growth. Kanuma (lysosomal acid lipase deficiency [LAL-D]) contributed $28.4 million (up 12% year over year) to quarterly revenues.

Ultomiris' (ravulizumab-cwvz) net product sales were $89.9 million in the reported quarter, reflecting a sequential increase of 65.9%.

Cost Summary

Adjusted research and development (R&D) expenses were $186.1 million, up 14.6% year over year.

Adjusted selling, general and administrative (SG&A) expenses were $260.4 million, up 16% year over year.

2019 Guidance

Alexion raised its revenue and earnings view for 2019. The company expects adjusted earnings per share to be $10.25-$10.40, up from the previous guidance of $9.65-$9.85. Alexion projects revenues of $4.86-$4.89 billion, up from the prior outlook of $4.75-$4.80 billion. The Zacks Consensus Estimate for earnings is pegged at $9.97 and for sales at $4.85 billion.

Combined revenues from Soliris and Ultomiris are expected to be $4.18-$4.20 billion, up from $4.10-$4.13 billion guided previously.
Pipeline Update

In August 2019, the European Commission (EC) approved Soliris for the treatment of neuromyelitis optica spectrum disorder (NMOSD) in adult patients, who are anti-aquaporin-4 (AQP4) antibody-positive with a relapsing course of the disease.

Alexion plans to initiate a phase III study in children and adolescents with NMOSD by the end of 2019. Another phase III study on Soliris is also underway for addressing children and adolescents with Generalized Myasthenia Gravis (gMG).

Earlier this month, the FDA approved a label expansion of Alexion's long-acting C5 complement inhibitor Ultomiris (ravulizumab-cwvz). The drug has been approved for the treatment of aHUS to inhibit complement-mediated thrombotic microangiopathy (TMA) for adult and pediatric (aged one month or older) patients.

Meanwhile, aphase III study of Ultomiris in children and adolescents with aHUS is ongoing. Another late-stage study of Ultomiris in children and adolescents with PNH is also underway.

A single, PK-based phase III study of Ultomiris delivered subcutaneously once per week is currently underway to support registration in PNH and aHUS. Data are expected in the first half of 2020. Another phase III study of the drug for the treatment of generalized myasthenia gravis (gMG) is also currently ongoing.

Recent News

Exercises Option for Two Additional RNAi Programs- Dec 16

Alexion announced that it has exercised its option for exclusive rights to two additional targets within the complement pathway for the discovery and development of GalXC RNAi molecules under its collaboration with Dicerna Pharmaceuticals. As a result, Alexion will pay Dicerna a total of $20 million, or $10 million in option exercise fees per additional target. Both companies collaborated in October 2018 for the discovery and development of subcutaneously delivered GalXC RNAi molecules directed to a total of four complement pathway targets for the treatment of complement-mediated diseases. Dicerna is leading the joint discovery and research efforts through the preclinical stage, while Alexion will lead development efforts beginning the phase I studies.

Gets Approval for Label Expansion of Soliris in Japan – Nov 22

Alexion's Soliris received Japan's Ministry of Health, Labour and Welfare's (MHLW) approval for a label expansion. The drug is now approved for neuromyelitis optica spectrum disorder (NMOSD) in adult patients, who are anti-aquaporin-4 (AQP4) antibody positive. Soliris is the first and only approved medication for this indication in Japan.

The approval was based on comprehensive results from the phase III, randomized, double-blind, placebo-controlled PREVENT study.

FDA Approval of Ultomiris – Oct 18

Alexion announced that the FDA approved a label expansion of its long-acting C5 complement inhibitor, Ultomiris (ravulizumab-cwvz).

The drug has been approved for the treatment of atypical hemolytic uremic syndrome (aHUS) to inhibit complement-mediated thrombotic microangiopathy (TMA) for adult and pediatric (aged one month or older) patients. The FDA approval was based on data from two global, single-arm, open-label studies of Ultomiris — one in adults and the other in children with aHUS. Data showed that at 26 weeks, 54% of adults and 71% of children treated with Ultomiris demonstrated complete TMA response.

To Acquire Achillion – Oct 16

Alexion announced that it has entered a definitive agreement to acquire a clinical-stage biopharmaceutical company, Achillion Pharmaceuticals for $930 million. Achillion primarily focuses on the development of oral small molecule Factor D inhibitors to treat people with complement alternative pathway-mediated rare diseases, such as paroxysmal nocturnal hemoglobinuria (PNH) and C3 glomerulopathy (C3G). The acquisition will add two clinical-stage candidates to Alexion's pipeline — lead candidate, danicopan (ACH-4471), in phase II and ACH-5228 in phase I.

Collaborates With Stealth BioTherapeutics - Oct 10

Alexion announced a collaboration agreement with Stealth BioTherapeutics Corp for a late-stage therapy for mitochondrial diseases. Both companies announced an agreement to co-develop and commercialize elamipretide, a novel, potential first-in-class therapy that targets mitochondrial dysfunction.

The candidate is currently being evaluated in a phase III study in patients with primary mitochondrial myopathy (PMM). Per the agreement, Alexion will receive an exclusive option to partner with Stealth in the development of subcutaneous elamipretide based on the final results from the ongoing phase III study. If the company decides to exercise this option, both companies will co-develop subcutaneous elamipretide in the United States for PMM and other indications like Barth syndrome and Leber's hereditary optic neuropathy (LHON, currently in early-stage clinical development). Per the agreement, the companies will co-promote the candidate in the United States. Besides, Alexion would receive exclusive rights to develop and commercialize subcutaneous elamipretide outside the United States.

Valuation

Alexion's shares are up 103% over the trailing 12-month period. Over the past year, the Zacks sub-industry is up 7.9% and the sector is up 9.6%. The S&P 500 index is up 27.3% in the past year.

The stock is currently trading at 11.46X forward 12-month earnings per share, which compares to 127.36X for the Zacks sub-industry, 21.74X for the Zacks sector and 19.07X for the S&P 500 index.

Over the past five years, the stock has traded as high as 43.98X and as low as 9.83X, with a 5-year median of 24.33X. Our Outperform recommendation indicates that the stock will perform better than the market. Our $120.00 price target reflects 12.71X forward 12-month earnings per share.

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	11.46	127.36	21.74	19.07
	5-Year High	43.98	133.1	21.74	19.34
	5-Year Low	9.83	20.86	15.91	15.17
	5-Year Median	24.33	38.87	18.97	17.44
P/S F12M	Current	4.88	2.46	2.88	3.46
	5-Year High	15.62	2.91	3.8	3.46
	5-Year Low	3.98	1.99	2.42	2.54
	5-Year Median	7.56	2.51	2.94	3
P/B TTM	Current	2.31	3.79	4.59	4.41
	5-Year High	11.35	5.68	5.01	4.42
	5-Year Low	2.02	2.41	3.42	2.85
	5-Year Median	3.23	3.24	4.27	3.6

As of 12/31/2019

Industry Analysis **Zacks Industry Rank:** Top 22% (56 out of 253)

Top Peers

Amgen Inc. **(AMGN)**	Neutral
Biogen Inc. **(BIIB)**	Neutral
Gilead Sciences, Inc. **(GILD)**	Neutral
Illumina, Inc. **(ILMN)**	Neutral
Incyte Corporation **(INCY)**	Neutral
Regeneron Pharmaceuticals, Inc. **(REGN)**	Neutral
SINO PHARMACEUT **(SBMFF)**	Neutral
Vertex Pharmaceuticals Incorporated **(VRTX)**	Neutral

Industry Comparison Industry: Medical - Biomedical And Genetics

Industry Peers

	ALXN Outperform	X Industry	S&P 500	ILMN Neutral	INCY Neutral	VRTX Neutral
VGM Score	B	-	-	C	A	B
Market Cap	23.93 B	191.92 M	23.93 B	48.77 B	18.81 B	56.30 B
# of Analysts	14	3	13	8	6	12
Dividend Yield	0.00%	0.00%	1.78%	0.00%	0.00%	0.00%
Value Score	C	-	-	D	C	D
Cash/Price	0.09	0.24	0.04	0.06	0.10	0.07
EV/EBITDA	32.57	-3.58	13.95	40.50	98.18	74.86
PEG Ratio	0.90	1.84	2.12	2.45	0.99	1.55
Price/Book (P/B)	2.31	3.77	3.33	10.99	7.76	10.72
Price/Cash Flow (P/CF)	11.96	13.34	13.67	45.58	80.13	69.41
P/E (F1)	10.45	24.86	19.66	51.40	31.52	45.39
Price/Sales (P/S)	5.05	12.41	2.69	14.10	8.92	15.55
Earnings Yield	9.57%	-16.69%	5.08%	1.94%	3.17%	2.20%
Debt/Equity	0.25	0.02	0.72	0.41	0.02	0.12
Cash Flow ($/share)	9.04	-1.07	6.94	7.28	1.09	3.15
Growth Score	B	-	-	C	A	B
Hist. EPS Growth (3-5 yrs)	17.67%	17.09%	10.56%	18.45%	NA	250.63%
Proj. EPS Growth (F1/F0)	36.43%	0.00%	0.00%	11.98%	157.36%	25.91%
Curr. Cash Flow Growth	20.32%	19.98%	14.83%	37.69%	26.38%	203.97%
Hist. Cash Flow Growth (3-5 yrs)	26.87%	8.69%	9.00%	22.75%	53.20%	37.20%
Current Ratio	3.98	5.15	1.23	6.82	5.02	3.44
Debt/Capital	19.89%	3.95%	42.92%	29.10%	2.01%	10.32%
Net Margin	31.05%	-196.01%	11.08%	28.14%	19.21%	59.24%
Return on Equity	21.21%	-63.46%	17.10%	22.05%	20.07%	20.33%
Sales/Assets	0.33	0.21	0.55	0.49	0.73	0.53
Proj. Sales Growth (F1/F0)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Momentum Score	A	-	-	A	A	A
Daily Price Chg	0.75%	0.09%	0.33%	1.10%	-0.83%	-0.01%
1 Week Price Chg	-1.09%	0.83%	0.13%	0.65%	-1.90%	0.13%
4 Week Price Chg	-5.17%	2.74%	3.67%	2.72%	-7.21%	-0.99%
12 Week Price Chg	12.89%	15.04%	10.64%	15.04%	17.30%	29.14%
52 Week Price Chg	11.08%	-0.17%	27.46%	10.61%	37.32%	32.13%
20 Day Average Volume	1,837,209	209,664	1,693,267	737,672	1,423,663	1,201,724
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.07%	0.00%	0.00%	0.06%	0.00%	0.00%
(F1) EPS Est 12 week change	4.22%	1.68%	0.14%	6.83%	8.06%	9.18%
(Q1) EPS Est Mthly Chg	0.32%	0.00%	0.00%	0.24%	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	A
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.

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