

Advanced Micro Devices (AMD)

\$49.10 (As of 01/02/20)

Price Target (6-12 Months): **\$53.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 05/07/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:C

Value: F

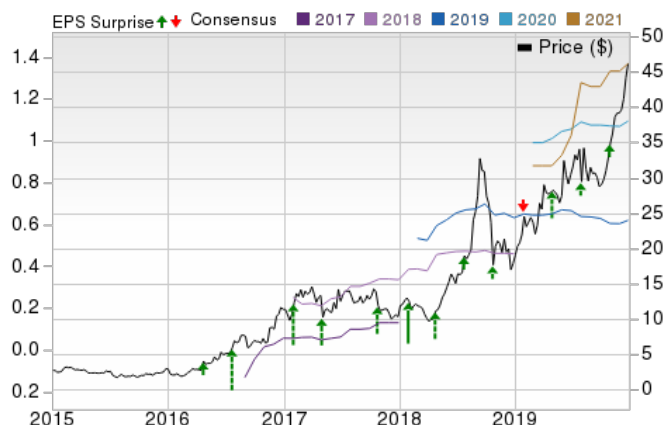
Growth: A

Momentum: F

Summary

AMD is benefiting from strong adoption of latest Ryzen, Radeon and EPYC server processors. Further, accelerated adoption of AMD's products in the PC, gaming and data center industries remains a key catalyst. Strength in GPU ASPs primarily driven by higher datacenter GPU sales bodes well. Also, growing clout of GPU's driven by increasing adoption of AI techniques and ML tools in industries like gaming, automotive and blockchain hold promise. AMD's collaborations with Baidu, Amazon, Tencent, Microsoft and JD.com are aiding it to expand business opportunities. Notably, shares of the company have outperformed the industry in the past year. However, a highly leveraged balance sheet remains a concern. Further, increasing expenses on product development amid stiff competition from NVIDIA and Intel is likely to weigh on profitability.

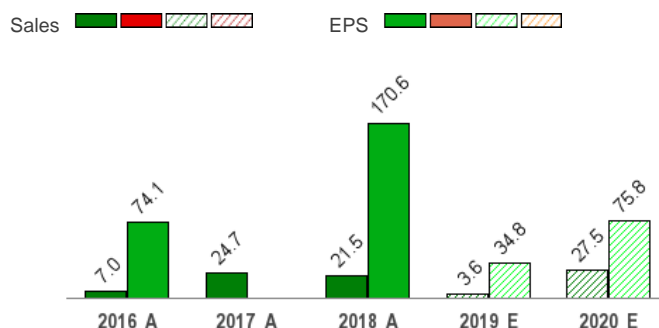
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$49.25 - \$16.94
20 Day Average Volume (sh)	44,896,056
Market Cap	\$54.7 B
YTD Price Change	7.1%
Beta	3.11
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Electronics - Semiconductors
Zacks Industry Rank	Top 27% (68 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	0.0%
Last Sales Surprise	-0.1%
EPS F1 Est- 4 week change	-0.2%
Expected Report Date	02/04/2020
Earnings ESP	0.0%
P/E TTM	122.8
P/E F1	45.1
PEG F1	1.5
P/S TTM	9.1

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2020	1,870 E	1,968 E	2,325 E	2,432 E	8,547 E
2019	1,272 A	1,531 A	1,801 A	2,101 E	6,705 E
2018	1,647 A	1,756 A	1,653 A	1,419 A	6,475 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	\$0.20 E	\$0.22 E	\$0.31 E	\$0.34 E	\$1.09 E
2019	\$0.06 A	\$0.08 A	\$0.18 A	\$0.30 E	\$0.62 E
2018	\$0.11 A	\$0.14 A	\$0.13 A	\$0.08 A	\$0.46 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 01/02/2020. The reports text is as of 01/03/2020.

Overview

Santa Clara, CA-based Advanced Micro Devices Inc. provides microprocessors (x86-based), chipsets, discrete graphics processing units (GPUs) and professional graphics. The company also offers server and embedded processors and semi-custom System-on-Chip (SoC) products and technology for game consoles.

The company's desktop-based processor offerings include second-generation AMD Ryzen and high-end AMD Ryzen Threadripper WX processors, among others, which find application among gamers and hardware enthusiasts.

AMD Athlon and AMD PRO processors cater to commercial and consumer desktop PC market. Mobile AMD Ryzen APUs comprising AMD Ryzen PRO APUs is enabling customers to introduce high-end commercial and consumer PCs and Notebooks.

AMD EPYC Embedded 3000 and AMD Ryzen Embedded V1000 families of processors pertaining to the high-performance embedded markets, offer high graphics and computing performance.

AMD's processors are primarily powered by the company's proprietary "Zen" CPU and "Vega" GPU architectures.

AMD reported revenues of \$6.48 billion in 2018, up 23.3% over 2017 tally. The company reports operations under two segments - Computing & Graphics and Enterprise, Embedded & Semi-Custom.

The Computing and Graphics segment includes desktop and notebook processors and chipsets, discrete GPUs and professional graphics. This segment generated revenue of \$4.125 billion in 2018, an increase of 39% year over year due to higher GPU sales.

The Enterprise, Embedded and Semi-Custom segment includes server and embedded processors, dense servers, semi-custom SoC products, engineering services and royalties. This segment generated \$2.35 billion in 2018, up 3% year over year.

The company derived 20% of revenues from the United States in 2018. Meanwhile, international sales came in at 80% in 2018, up from 74% in 2017, driven by higher Computing and Graphics segment sales from China and Taiwan.

Notably, Sony and Microsoft each accounted for more than 10% of the company's total revenues in 2018.

Intel Corporation is the company's most significant competitor in the microprocessor market. Intel, along with NVIDIA Corporation provides most of the competition in the graphics market.



Reasons To Buy:

- ▲ In order to diversify its business beyond the slowing, transitioning PC market, AMD started its semi-custom chip business in 2012 and has been performing very well till date. The semi-custom chip business combines both intellectual property (IP) from AMD's engineers as well as IP from customers to help design the chips for their own needs. Both Microsoft and Sony's game consoles use an accelerated processing unit (APU) chip that combines AMD's microprocessor and graphics technologies on the same piece of silicon. AMD plans to expand its semi-custom business into other high-growth markets such as the semi-custom ultra-low power client, embedded, dense server and professional graphics markets, where it can offer differentiated products that use its APU and graphics IP. The company's release of Vega-based GPUs and increasing demand for its Polaris products in both gaming and blockchain industries are key catalysts. AMD recently introduced promising features for gamers in computing, PC gaming and visualization technologies based on its new Radeon RX 5700 graphics card and third generation AMD Ryzen desktop processor. In CES 2019, AMD launched the much-awaited, next-generation, 7-nanometer (nm) Radeon Vega GPU, AMD Radeon VII. The card has been designed to deliver more than 29% of computing performance, offering extreme gaming details with 2X superior brightness and color volume. The number of Ryzen notebook models set to be launched in 2019 is 50% higher than the ones launched in 2018. These systems are mostly from the likes of Acer, Asus, Dell, HP, Lenovo and other OEMs and are expected to be launched in the second half of the year. AMD also expanded Ryzen embedded family of processors by launching the new AMD Ryzen Embedded R1000 SoC.
- ▲ Despite its late entry, AMD has attained the position of a major player in the microprocessor and graphics processing markets. The company started small, targeting the low-end segment and gradually built a position for itself. AMD has had a very rough time because of the strength and market position of its two primary competitors Intel and NVIDIA. While Intel remains supreme in the microprocessor segment and has also notably strengthened its graphics capabilities, NVIDIA remains very strong in the graphics market. AMD combined its own engineering talent with that of ATI to develop capabilities in both these areas. Considering the might of its competitors, AMD has done well to hold its own in the face of significant changes in the markets it serves. Moreover, increasing demand for cryptocurrency mining has been a key catalyst for AMD's GPU sales in recent times.
- ▲ Given the persistent weakness in the core PC business, AMD like Intel, has started investing in its embedded business. Strength in this segment should continue in the future too as the company scores more wins. Given continued product enhancements and design wins at strategic players in key verticals such as digital signage and medical equipment, we expect the momentum to continue through 2019. The company is currently targeting the communications, industrial, and gaming segments of the market and there appear to be suitable design wins to generate substantial revenue growth over the next few years. These new SoCs are expected to deliver a noteworthy performance per watt improvement compared with its previous generation and offer industry-leading graphics capabilities for embedded designs. AMD expects the total addressable market for its high-performance embedded SOC's and processors to be \$9 billion and therefore the company is trying to increase its share in this market by delivering competitive products.
- ▲ AMD entered into a definitive agreement to form a joint venture with Tianjin Haiguang Advanced Technology Investment Co., Ltd. (THATIC) in Apr 2016. This agreement is part of the company's efforts to gain share in China, which is the fastest growing regional data center server market. AMD licensed certain of its intellectual property (IP) to the THATIC JV for a total of approximately \$293 million in license fees payable over several years contingent upon achievement of certain milestones. The company also expects to receive a royalty based on the sales of the THATIC JV's products to be developed on the basis of its IPs. In 2016, AMD recognized \$88 million licensing gain associated with the THATIC JV. A plausible trade deal with China will benefit AMD.

AMD is well-poised to benefit from strong demand for its x86-based microprocessors, semi-custom chips, and embedded processors, and GPUs driven by increasing adoption of AI and ML techniques.

Reasons To Sell:

- ▼ In the traditional computing market, which still generates a chunk of its revenues, AMD is up against Intel's strong market position. With Intel systems so well entrenched, there is an obvious preference for system integrators to choose Intel processors over AMD. So far, Intel processors have also afforded superior functionality, enabling it to exercise pricing power. In the past, AMD was forced to resort to penetration pricing, which severely impacted its profitability. Now that it is getting into the higher-range segment, it is facing very stiff competition from Intel. Moreover, AMD faces significant competition from NVIDIA in GPU market.
- ▼ AMD has had relatively greater success in the mobile segment and its current product lineup indicates that this focus will continue. However, competition in the mobile segment is likely to accelerate, with more ARM-based devices coming on the market. Also, Microsoft's surface devices and Google chromebooks tend to cannibalize on notebooks, which run on Intel chips. This adds to the pressure on AMD. While Intel has been relatively less successful in the mobile segment, the company's initiative to build new products, enter into strategic alliances and offer subsidies could in combination drive notable share gains.
- ▼ AMD faces significant customer concentration. Sony and Microsoft each accounted for more than 10% of the company's total revenue in 2018. Hence, loss of any one of these customers will massively hurt top-line growth.
- ▼ The balance sheet remains highly leveraged, despite several deleveraging efforts. Some of these efforts include the extension of maturities, which came at the cost of higher interest rates. Given the fact that cash burn continues and initiatives will take some time to yield results, we think this makes the shares risky. Total debt (including current portion) at the end of the third-quarter amounted to \$872 million.

Intensifying competition in the traditional PC market and GPU segment, customer concentration and leveraged balance sheet remain headwinds.

Last Earnings Report

AMD Q3 Earnings In Line, Revenues Lag Estimates, Up Y/Y

Advanced Micro Devices reported third-quarter 2019 non-GAAP earnings of 18 cents per share, which matched the Zacks Consensus Estimate. Notably, the figure improved 38.5% year over year and soared 125% sequentially.

Revenues of \$1.801 billion missed the Zacks Consensus Estimate of \$1.828 billion. However, the top line improved almost 9% year over year and 17.6% sequentially.

Strength in Computing and Graphics segment drove the year-over-year improvement amid softness in Enterprise, Embedded and Semi-Custom vertical.

Quarter Ending **09/2019**

Report Date	Oct 29, 2019
Sales Surprise	-0.11%
EPS Surprise	0.00%
Quarterly EPS	0.18
Annual EPS (TTM)	0.40

Segmental Details

Computing and Graphics segment (70.8% of total revenues) revenues grew 36% year over year and came in at \$1.276 billion.

Robust adoption of Ryzen desktop and notebook processors, which led to higher unit shipments and ASPs, resulted in year-over-year growth. Notably, AMD witnessed solid demand for high-end Ryzen processors in the reported quarter.

Management is optimistic regarding growing clout of Ryzen 3000 and Ryzen 2000 desktop processor families across leading retailers and e-tailors. Ryzen PRO 3000 Series processors have been implemented in latest HP and Lenovo devices, which in turn is expected to help AMD in expanding presence in the commercial market.

AMD introduced the second generation of its EPYC processors (code-named Rome and built on its Zen 2 microarchitecture) in the third quarter. The latest processors are already witnessing adoption by notable companies including Google, Twitter, Cray, HPE, Dell Technologies, Lenovo, to name a few.

The company also rolled out Athlon PRO processors integrated with Radeon Vega Graphics.

Client processor average selling price (ASP) improved year over year, on higher Ryzen processor sales. Moreover, Client ASP was up on a sequential basis on account of strong adoption of mobile processors and Ryzen desktop processors.

Revenues from Mobile notebook processors grew double-digit on a year-over-year basis, primarily on account of higher unit shipments and favorable product mix during the reported quarter. Management is elated on first-ever win from Microsoft's latest Surface laptop. Notably, Surface Laptop 3 15" variant utilizes customized Ryzen Microsoft Surface Edition processor for advanced graphics performance.

In graphics domain, higher channel GPU sales drove year-over-year revenue growth. The increase was also driven by higher shipments of Radeon 5000 series GPUs based on RDNA architecture.

GPU ASP increased year over year, primarily driven by higher channel GPU sales. However, higher mix of mobile processor sales reduced GPU ASP on a sequential basis.

In the reported quarter, AMD commenced shipping Radeon RX 5500 GPU, in a bid to provide mainstream gamers with an enhanced gaming experience. Notably, Lenovo, Acer, HP, and MSI intend to utilize the latest GPU in their respective upcoming PCs.

The company noted that Data Center GPU sales remained almost flat on a year-over-year basis and declined sequentially. The company inked new deal wins in cloud and HPC vertical in the quarter. Markedly, Microsoft intends to implement AMD's Radeon Instinct GPUs and EPYC CPUs in its latest remote desktop offering to support complex graphics-intensive workloads.

Enterprise, Embedded and Semi-Custom segment (29.2% of total revenues) revenues of \$525 million were down 26.6% year over year.

The year-over-year decline can primarily be attributed to lower semi-custom product revenues, partially mitigated by higher EPYC processor and server sales.

In server domain, management noted that higher shipments of latest second-gen EPYC processors drove EPYC data center CPU revenue by over 50% on a quarter-over-quarter basis.

Strength in AMD's latest EPYC processors are enabling the company garner new deal wins from major enterprise, cloud, and HPC companies.

For instance, Google is looking forward to deploy EPYC processors to enhance data center environment and strengthen Google Cloud Platform. Moreover, Amazon's Amazon Web Services, Microsoft Azure, IBM Cloud, Tencent, OVH Cloud, among others, intend to utilize EPYC processors to enhance their respective data center architecture.

In enterprise domain, Lenovo, Dell, and HPE have rolled out new platforms based on latest EPYC processors. Considering HPC vertical, U.S. Department of Defense intends to utilize AMD's processors to power three distinct supercomputers.

Operating Details

Non-GAAP gross margin expanded 300 bps on a year-over-year basis to 43%, driven by strong adoption of EPYC and Ryzen processors and Radeon Gaming GPUs.

Operating expenses on a non-GAAP basis increased 13.2% year over year to \$539 million, due to higher investments in Research &

development (R&D) and product launches. R&D expenses surged 11.8% year over year to \$406 million. Marketing, general and administrative expenses surged 25% year over year to \$185 million.

Adjusted EBITDA improved 32.2% year over year to \$300 million on earnings growth.

Non-GAAP operating income came in at \$240 million, up 29% year over year. The year-over-year improvement was driven by improvement in sales from higher-margin offerings.

Segment wise, Computing and Graphics operating income soared 79% year over year to \$179 million, courtesy of robust adoption of Ryzen processors. Enterprise, Embedded and Semi-Custom operating income was \$61 million, down 29.1% from the year-ago quarter, on high operating expenses and lower revenue base.

Balance Sheet & Cash Flow

AMD ended the third quarter with cash and cash equivalents (including marketable securities) of \$1.21 billion compared with \$1.13 billion in the previous quarter.

Total debt (long-term plus short-term) was \$872 million, down from \$1.03 billion reported at the end of the previous quarter.

Operating cash flow came in at \$234 million, compared with \$30 million in the previous quarter.

Free cash outflow was \$179 million compared with free cash outflow of \$28 million in the previous quarter.

Guidance

For fourth-quarter 2019, AMD expects revenues to be roughly \$2.1 billion (+/- \$50 million), up almost 17% sequentially and 48% year over year.

Management expects seasonal uptick on holiday season and robust sales from Ryzen, Radeon and EPYC products to drive year-over-year and sequential revenue growth.

Server revenues are anticipated to improve quarter over quarter, owing to ongoing momentum of the company's latest second-generation EPYC processors.

The company notes that it is on track introduce mainstream desktop processor featuring 16-cores and third-generation Ryzen Threadripper processor family, to power high-end desktops and content creation applications.

Nonetheless, revenues from Semi Custom vertical are anticipated to be sluggish, as Sony and Microsoft intend to roll out new AMD-powered consoles in holiday of 2020.

Non-GAAP gross margin is anticipated to be 44%. Operating expenses are anticipated to be roughly \$535 million.

Recent News

On **Dec 12, 2019**, AMD rolled out Radeon RX 5500 XT graphics card, powered by the AMD RDNA gaming architecture.

On **Dec 10, 2019**, AMD unveiled Radeon Pro W5700X GPU with an aim to help Mac Pro users to easily cut through different types of professional visual content creation workloads.

On **Nov 13, 2019**, AMD declared that Radeon Pro 5300M and 5500M mobile GPUs are being utilized by the latest Apple MacBook Pro. The processors are based on 7nm RDNA architecture to enable advanced graphics performance.

On **Nov 7, 2019**, AMD unveiled flagship AMD Ryzen 9 3950X processor, slated for availability on Nov 25, 2019. The latest energy efficient processor based on Zen 2 architecture featuring 16-cores and 32 threads accelerates 1080P gaming.

Additionally, AMD also announced that the latest AMD Athlon 3000G, featuring advanced Radeon Graphics capabilities, will be available from Nov 19, 2019.

Moreover, the company unveiled 3rd Gen AMD Ryzen Threadripper high-end desktop processors, based on advanced 7nm "Zen 2" core architecture, anticipated to be available from Nov 25, 2019.

On **Oct 7, 2019**, AMD unveiled its new Radeon RX 5500 Series designed to deliver smooth gameplay in 1080p.

Valuation

Advanced Micro Devices shares are up 57.4% in the past six-month period and 158.4% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Computer & Technology sector are up 24.1% and 11.8% in the past six-month period, respectively. Over the past year, the Zacks sub-industry and sector are up 59.7% and 34.4%, respectively.

The S&P 500 index is up 9.3% in the past six-month period and 29% in the past year.

The stock is currently trading at 8.12X forward 12-month sales, which compares to 6.8X for the Zacks sub-industry, 3.55X for the Zacks sector and 3.46X for the S&P 500 index.

Over the past five years, the stock has traded as high as 8.12X and as low as 0.31X, with a 5-year median of 2.02X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$53 price target reflects 8.76X forward 12-month sales.

The table below shows summary valuation data for AMD

Valuation Multiples - AMD					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	8.12	6.8	3.55	3.46
	5-Year High	8.12	6.89	3.55	3.46
	5-Year Low	0.31	2.58	2.29	2.54
	5-Year Median	2.02	5.82	2.99	3
EV/Sales TTM	Current	9.02	6.82	4.17	3.22
	5-Year High	9.02	6.89	4.19	3.3
	5-Year Low	0.5	2.69	2.54	2.14
	5-Year Median	2.29	5.26	3.42	2.79

As of 01/02/2020

Industry Analysis Zacks Industry Rank: Top 27% (68 out of 253)



Top Peers

Applied Materials, Inc. (AMAT)	Outperform
QUALCOMM Incorporated (QCOM)	Outperform
Broadcom Inc. (AVGO)	Neutral
Intel Corporation (INTC)	Neutral
Marvell Technology Group Ltd. (MRVL)	Neutral
Maxim Integrated Products, Inc. (MXIM)	Neutral
NVIDIA Corporation (NVDA)	Neutral
Microchip Technology Incorporated (MCHP)	Underperform

Industry Comparison Industry: Electronics - Semiconductors				Industry Peers		
	AMD Neutral	X Industry	S&P 500	INTC Neutral	MRVL Neutral	NVDA Neutral
VGM Score	C	-	-	A	F	C
Market Cap	54.68 B	763.49 M	23.76 B	264.65 B	18.36 B	146.82 B
# of Analysts	12	2	13	14	12	11
Dividend Yield	0.00%	0.00%	1.78%	2.07%	0.88%	0.27%
Value Score	F	-	-	B	F	D
Cash/Price	0.02	0.18	0.04	0.05	0.02	0.07
EV/EBITDA	82.46	8.67	13.97	8.53	33.35	33.09
PEG Ratio	1.47	2.05	2.02	1.72	5.55	4.62
Price/Book (P/B)	25.13	2.91	3.38	3.56	2.56	13.09
Price/Cash Flow (P/CF)	83.88	12.68	13.70	8.94	16.96	35.83
P/E (F1)	45.05	22.54	18.83	12.89	42.17	43.18
Price/Sales (P/S)	9.08	2.81	2.68	3.76	6.73	14.66
Earnings Yield	2.22%	3.55%	5.30%	7.76%	2.37%	2.32%
Debt/Equity	0.40	0.08	0.72	0.32	0.28	0.22
Cash Flow (\$/share)	0.59	0.73	6.94	6.81	1.61	6.70
Growth Score	A	-	-	B	F	B
Hist. EPS Growth (3-5 yrs)	NA%	3.58%	10.56%	19.47%	7.93%	47.42%
Proj. EPS Growth (F1/F0)	76.58%	21.57%	7.41%	2.42%	-45.45%	-16.32%
Curr. Cash Flow Growth	123.28%	0.75%	14.83%	23.02%	70.60%	29.72%
Hist. Cash Flow Growth (3-5 yrs)	30.77%	12.15%	9.00%	11.64%	14.93%	41.59%
Current Ratio	2.10	2.96	1.23	1.20	2.88	8.42
Debt/Capital	28.61%	9.10%	42.92%	24.20%	22.13%	17.98%
Net Margin	3.47%	1.09%	11.08%	27.46%	-16.47%	24.08%
Return on Equity	16.54%	2.76%	17.10%	28.28%	3.59%	22.02%
Sales/Assets	1.21	0.69	0.55	0.54	0.27	0.69
Proj. Sales Growth (F1/F0)	27.10%	8.24%	4.20%	1.56%	-6.04%	-8.07%
Momentum Score	F	-	-	D	F	D
Daily Price Chg	7.07%	1.70%	0.33%	1.65%	3.07%	1.96%
1 Week Price Chg	4.60%	0.40%	0.13%	1.92%	2.81%	-1.04%
4 Week Price Chg	23.93%	8.66%	3.31%	8.49%	16.74%	14.93%
12 Week Price Chg	73.01%	14.14%	9.70%	19.04%	17.54%	31.08%
52 Week Price Chg	187.98%	39.49%	30.28%	36.75%	73.59%	87.44%
20 Day Average Volume	44,896,056	172,784	1,603,615	17,806,440	6,900,781	6,879,603
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.21%	0.00%	0.00%	-0.02%	-14.82%	-0.16%
(F1) EPS Est 12 week change	-0.75%	0.00%	-0.57%	6.34%	-18.28%	6.03%
(Q1) EPS Est Mthly Chg	-2.05%	0.00%	0.00%	0.00%	-12.70%	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	F
Growth Score	A
Momentum Score	F
VGM Score	C

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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