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May 12, 2020

Amazon.com Inc. (AMZN)

$2,409.00 (As of 05/11/20)

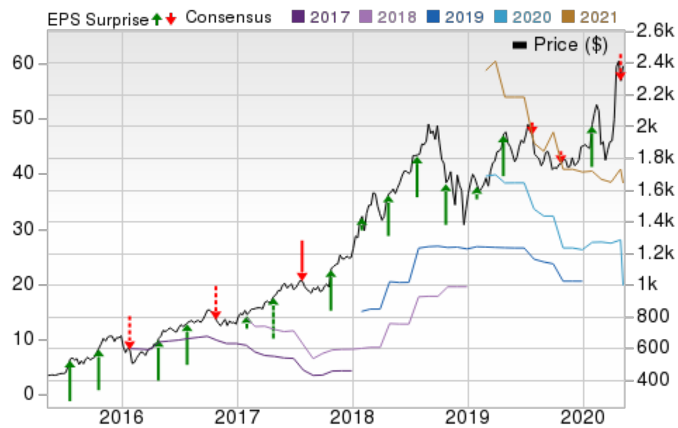
Price Target (6-12 Months): **$2,530.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 10/28/19) Prior Recommendation: Underperform	Neutral
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	3-Hold
	Zacks Style Scores:	VGM:F
	Value: F | Growth: C	Momentum: F

Summary

Amazon reported mixed first quarter results wherein earnings missed the estimates while revenues beat the same. Strengthening AWS services contributed well to the top-line growth. Moreover, AWS gained solid traction among healthcare workers, medical researchers, educational institutions and government organizations during the reported quarter owing to coronavirus management initiatives. Futher, Prime momentum owing to fast grocery services and strong content portfolio continued to benefit Amazon. Further, improving Alexa skills and expanding smart home product offerings were tailwinds. The stock has outperformed its industry on a year-to-date basis. However, delivery delays due to coronavirus led rising orders are concerns. Also, accelerating coronavirus related expenses might hurt the company's profitability in the near term.

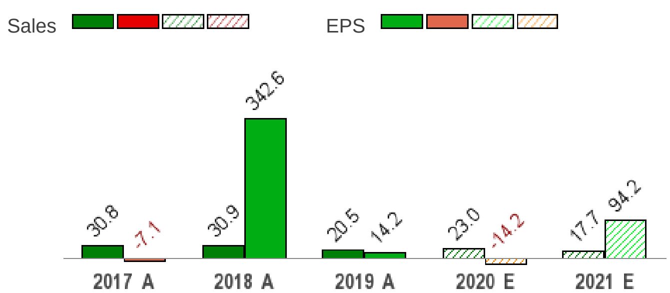
Price, Consensus & Surprise



Data Overview

52 Week High-Low	**$2,475.00 - $1,626.03**
20 Day Average Volume (sh)	**5,859,650**
Market Cap	**$1,201.6 B**
YTD Price Change	**30.4%**
Beta	**1.34**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Internet - Commerce**
Zacks Industry Rank	**Top 17% (44 out of 253)**
Last EPS Surprise	**-21.2%**
Last Sales Surprise	**1.5%**
EPS F1 Est- 4 week change	**-29.7%**
Expected Report Date	**07/23/2020**
Earnings ESP	**0.0%**
P/E TTM	**115.1**
P/E F1	**122.0**
PEG F1	**3.7**
P/S TTM	**4.1**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates **(millions of $)**

	Q1	Q2	Q3	Q4	Annual*
2021	87,737 E	92,959 E	99,725 E	124,403 E	406,391 E
2020	75,452 A	80,541 E	85,605 E	104,999 E	345,148 E
2019	59,700 A	63,404 A	69,981 A	87,437 A	280,522 A

EPS Estimates

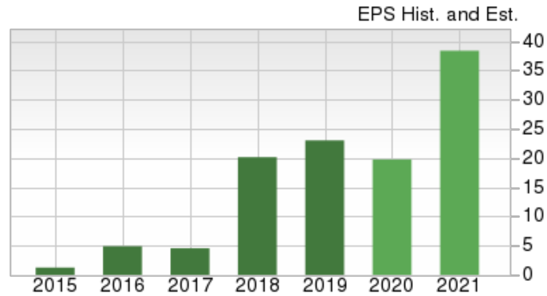
	Q1	Q2	Q3	Q4	Annual*
2021	$10.62 E	$7.39 E	$10.36 E	$12.09 E	$38.35 E
2020	$5.01 A	$1.66 E	$4.89 E	$7.73 E	$19.75 E
2019	$7.09 A	$5.22 A	$4.23 A	$6.47 A	$23.01 A

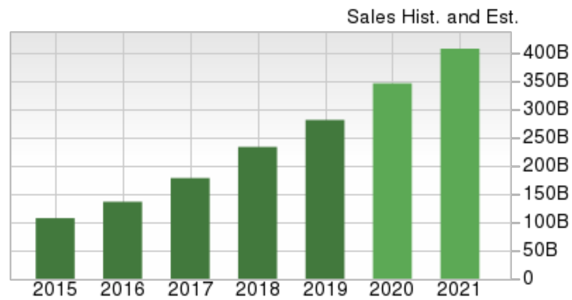
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 05/11/2020. The reports text is as of 05/12/2020.

Overview

Amazon.com is one of the largest e-commerce providers, with sprawling operations in North America, now spreading across the globe. Its online retail business revolves around the Prime program well-supported by the company's massive distribution network. Further, the Whole Foods Market acquisition helped Amazon establish footprint in physical grocery supermarket space.





Amazon also enjoys dominant position in the cloud-computing market, particularly in the Infrastructure as a Service (IaaS) space, thanks to Amazon Web Services (AWS), which is one of its high-margin generating businesses.

Amazon has also become a household name with its Alexa powered Echo devices. Artificial Intelligence (AI) backed Alexa is helping the company sell products and services.

Revenues were $280.5 billion in 2019. The company reports revenue under three broad heads—North America, International and AWS, which generated 60.9%, 26.6% and 12.5% of total revenues, respectively.

Headquartered in Seattle, WA, Amazon targets three categories of customers—consumers, sellers and website developers. Consumers are offered variety, convenience and free delivery of goods displayed on the company's websites. The agreements with sellers are varied, enabling them to use the company's websites to either sell their merchandise directly, or redirect customers to the sellers' own branded websites. In case of the latter arrangement, Amazon earns a fee for the sales thus generated.

Competition comes in the form of traditional retailers, other online retailers, media companies, web portals, search engines, e-commerce companies and cloud computing service providers.

Reasons To Buy:

> Amazon is benefiting from its Prime program, delivery and logistic system in the e-commerce space. Further, its dominant position in cloud market is a positive.

- Amazon.com is **one of the largest e-commerce companies** in the world. Although the primary product line was books at first, the company rapidly diversified into a host of other product categories. The current focus is on building video content, primarily for Prime subscribers because the growth prospects in that market are considerable. Product selection, a superior user experience, bargains and customer feedback have helped the company build a strong position for itself in the fast-growing ecommerce market. The growth of the e-commerce industry with consumers increasingly buying things online has proved to be favorable for the company. While the big brands may build their own online stores over time, a platform like Amazon allows discovery by new buyers. Smaller players are far more dependent on Amazon as they don't have the resources that Amazon has to invest in technology and fulfilment to generate the kind of reach that Amazon can deliver. Moreover, considering opportunities in international markets, the company's high growth rates are likely to be sustained over the next few years.

- Amazon keeps its retail business very hard to beat on price, choice, and convenience with the help of a solid loyalty system in **Prime and its FBA strategy.** The company continues to push advantages exclusively to Prime members, thus encouraging them to spend more on Amazon. The current focus is on building video content, primarily for Prime subscribers because the growth prospects in the market are considerable. Prime members are much more loyal and spend double the amount spent by non-Prime members.

- Amazon's strategy of **gradually merging online and offline retail** looks promising. It will not only reshape the retail landscape but also help it fend off competition, if it could manage a first mover advantage. It has added online and offline features to its bookstores and is going the same way with innovations such as drive-in-grocery delivery service (AmazonFresh Pickup - order groceries online and collect them from a store nearby) and "cashier-less" stores (Amazon Go – the company's first brick-and mortar grocery store). We expect online retail sales to decelerate while the overall retail market still holds a lot of potential. So, moves like these will help Amazon tap a large number of customers who prefer to shop offline, while not doing away with the online business.

- Amazon is the leading provider of cloud infrastructure as a service to enterprise customers. The expanding customer base of **Amazon Web Services (AWS)** driven by its strengthening cloud offerings will continue to aid Amazon's dominance in the global cloud space. Even more encouraging is the fact that AWS generates much stronger margins than the traditional retail business, which should remain a positive for the company's profitability as it continues to grow in the mix. AWS is gaining momentum with customers including Western Union, Klarna, Old Mutual, Seattle Seahawks, FINRA CAT, Emirates NBD, Adobe, National Association for Stock Car Auto Racing, GE Oil & Gas, Kellogg's, Airbnb, hilips, Pinterest, Spotify, Tata Motors, Unilever, McDonalds and BMW, to name a few.

- Amazon is pushing well with its **devices strategy**. Alexa powered Echo devices are going great guns and help the company sell products and services. Artificial intelligence (AI) driven Alexa has already been integrated into a host of everyday devices for the digital home, which has converted the nascent smart home market into a potential area of growth in a very short time. Moreover, the company is benefiting from increasing number of Alexa compatible smart devices. The company is racing to build an ecosystem around Alexa and it's safe to say that it has taken an early lead over Google's smart assistant and Microsoft's Cortana.

- Amazon is gradually choosing the **buy option over build**, which, along with the other positives, ensures that the company generates revenues right way without wasting any time in building its own infrastructure.The company's acquisition of a Dubai-based e-commerce giant, Souq.com. is helping it to strengthen presence in countries like Egypt, Saudi Arabia, and the UAE markets like Egypt, Saudi Arabia, and the UAE. Amazon's retail market share is still relatively small in these markets, but there is a good possibility of an increase in the next few years. If this happens, the company will see additional several billion dollars a year in revenues. The company acquired natural and organic foods supermarket, Whole Foods Market for $13.7 billion. Through this acquisition, the company is gaining traction across a large customer base that still prefers to shop at physical stores. This is Amazon's way of tackling mounting competition and slow growth in the e-commerce space. Amazon has also acquired Body Labs, a startup that develops AI, computer vision and body-modelling based 3D body shapes and motion for various industries. It also acquired GameSparks to spruce up its gaming capabilities.

- Amazon has a solid balance sheet that makes the stock attractive to investors. As of Mar 31, 2020, the company's net cash amounted to $25.9 billion compared with $31.6 billion as of Dec 31, 2019. Although declining net cash balance raises risk, we note that the company has no short-term debt currently. Further, debt-to-total capital was 26.4% as of Mar 31, 2020 which decreased from 27.4% as of Dec 31, 2019.

Reasons To Sell:

> Amazon's rising operating expenses to support expansion of business into new markets and territories, and grow its volume of content remain major concerns.

- There is a downside to a growing international business in the current economic environment. While expansion opportunities automatically increase, **currency** also starts playing a bigger role. Currency continues to have a significantly negative impact on its e-commerce results, which is now being offset by strength in AWS. Since the dollar remains strong at the moment and the situation may not change much for the rest of the year as well, there will be pressure on Amazon's profitability. The risk should be hedged however as AWS increases in the mix. AWS revenues are dollar-denominated while a lot of the assets were located in low-cost regions meaning that reduced competitiveness from the rising dollar would potentially be compensated by lower costs. Also note that once companies have migrated to its AWS platform, it will be difficult to switch or stop using it, leading to a situation of relatively inelastic demand.

- The AWS business is bringing an **element of cyclicality** into the business. Generally, a capital-intensive business means that the company will have to periodically sacrifice profits to build out infrastructure and then wait for customers to fill up the capacity thus created. So there will be periods during which the company will build out at the cost of profits and cash flows followed by periods during which the increased operating leverage will translate into improved profitability. AWS is still a small percentage of Amazon's total business, but still has a significant impact on its profitability because of the low-margin profile of the retail business. As AWS grows as a percentage of sales, it will become a greater influence on profitability.

- **Prime's saturation in the U.S. market** is apparent, because Amazon has very high penetration rates in the country. This led management to announce a tiered pricing system, wherein users can try out a monthly subscription if they are unsure about the program or don't want to pay upfront for the whole year. This plan brings flexibility to the pricing system, so is likely to remain. It should also increase penetration amongst the less affluent households.

- The **competition in online retail** is heating up. Traditional retailers have always provided the strongest competition and a number of them are running e-commerce sites as well. Additionally, the increased use of the Internet in both developed and developing economies is attracting other players into the space. Affiliation programs are being used by big players such as eBay. Several smaller companies could also find their own niche. While the Chinese market appears ripe and Amazon has initiatives to increase penetration in the market, local company Alibaba.com is very well-entrenched there. In China, Amazon has to contend with not only Alibaba, but also a growing number of other home-grown players. Additionally, Alibaba is now targeting the American market, which will greatly increase competition for Amazon. Further, since Amazon's first mover advantage is likely to moderate over time, some market share erosion seems inevitable.

- Amazon continues to **invest heavily on fulfillment centers, TV shows and movies, grocery, AWS, India expansion** and what not. In India, the company is making massive investments to build a logistics network that would cover the entire country. The $5 billion investment plan is well on track but at the cost of global margins. Management has indicated that Amazon will continue with its push into the Indian e-commerce market, making the nation its fifth largest market after the U.S., the U.K. Japan and Germany. That being said, Amazon's global margins are likely to be under pressure at least for a few years in the future.

- Most retail businesses tend to be **seasonal** and Amazon's is no different. The company's revenues get a huge boost from the holiday season each year. Over 31% of its 2019 revenues were generated in the fourth quarter of 2019. With such a huge contribution from the fourth quarter, there is an obvious drop-off in the first quarter. The dependence on consumer spending makes the business lumpy, increasing the possibility of expectations going awry. However, management usually provides a fairly conservative guidance and reported revenues are usually within the guided range.

Last Earnings Report

Amazon's Q1 Earnings Miss, Revenues Up Y/Y

Quarter Ending	03/2020
Report Date	Apr 30, 2020
Sales Surprise	1.46%
EPS Surprise	-21.23%
Quarterly EPS	5.01
Annual EPS (TTM)	20.93

Amazon.com reported first-quarter 2020 earnings of $5.01 per share, missing the Zacks Consensus Estimate by 21.2%. The bottom line also declined 29.3% from the year-ago quarter.

Net sales of $75.45 billion comfortably surpassed the Zacks Consensus Estimate of $74.36 billion and exceeded management's guided range of $69 billion to $73 billion. Further, the figure improved 26.4% on a year-over-year basis.

The coronavirus pandemic remained a concern as it put a stop on the sale of non-essential items and luxury commodities during the reported quarter. Further, the crisis scenario led to increased expenses. Notably, Amazon spent more than $600 million in order to combat coronavirus-induced disruptions in the first quarter.

Nevertheless, the stay-at-home situation resulted in a steep rise in the consumer demand for groceries, healthcare goods and other essential items, which contributed to the quarter under review.

North America revenues (61% of sales) improved 28.8% from the year-ago quarter to $46.1 billion. International revenues (25% of sales) climbed 18% year over year to $19.1 billion. Amazon Web Services (AWS) revenues (14% of sales) surged 32.8% year over year to $10.2 billion.

The top line was primarily driven by solid customer demand, strong Amazon Web Services (AWS) momentum, expanding smart devices portfolio and strengthening content portfolio on Prime Video.

Moreover, solid momentum across third-party sellers remained a major positive during this pandemic situation. Also, expanding grocery delivery and pick-up services at Whole Foods stores were tailwinds.

However, uncertainties and economic disruption owing to rapidly spreading COVID-19 continues to remain a major headwind. Amazon plans to spend $4 billion in a bid to protect its workforce, delivery vans and customers from COVID-19 infection while addressing the rising customer demand, in the ongoing quarter.

Nevertheless, Amazon's strong global presence remains a major positive. Additionally, growing Prime and AWS momentum, strengthening Alexa skills and expanding smart devices portfolio are likely to drive the company's business in the near term.

Prime Momentum

Amazon Prime momentum continued to benefit the company during the reported quarter on the back of robust grocery services, customer-oriented benefits, international footprints and expanding original content despite coronavirus-induced disruptions.

The company expanded delivery capacity by 60%. Further, it expanded its grocery pick-up services from 80 Whole Foods stores to 150 of them.

Further, the company opened its first cashierless grocery store namely Amazon Go Grocery in Seattle during the reported quarter.

The company also launched Prime in Netherlands in the first quarter, which expanded its international presence. Prime service in the country offers free shipping, Prime Video, Twitch Prime and Amazon Photos. Along with Prime, the company launched Amazon.nl.

Furthermore, Prime Video premiered Making the Cut during the reported quarter. Further, it expanded its regional original content by streaming Love Island in France, Celebrity Hunted in Italy and The Forgotten Army in India during the reported quarter. Also, it streamed docuseries namely The Test: A New Era for Australia's Team in Australia in the same quarter.

Additionally, Amazon rolled out its premium movie rental service Prime Video Cinema that allows users to stream in-theater movies in the United States, the U.K. and Germany. The service included the titles like Birds of Prey, The Invisible Man, Onward, Emma and Trolls World Tour.

Expanding AWS Portfolio: A Key Catalyst

AWS that witnessed significant improvement in the top line, continued to gain momentum across customers during the first quarter courtesy of strengthening services portfolio.

AWS made its new security service namely Amazon Detective generally available to customers. Notably, the service helps customers to analyze, investigate and identify the source of security issues.

Further, expanding availability zones and regions contributed to the results. Currently, AWS has 76 Availability Zones within 24 geographic regions.

Additionally, AWS' highly efficient and reliable product and services portfolio helped Amazon in gaining traction across several government authorities, health organizations, apex bodies, companies and non-profit organizations during the coronavirus-induced crisis

The World Health Organization (WHO), New York City COVID-19 Rapid Response Coalition, Los Angeles Unified School District, National Health Service of England, Kentucky and West Virginia authorities, Cerner and Volunteer Surge, are some of these customers that utilized AWS solutions to combat the coronavirus. Further, AWS gained traction across healthcare workers, medical researchers, scientists and educational institutions during this pandemic scenario.

Alexa & Expanding Smart Devices Offering

Amazon continued to enhance the skills and features of Alexa during the reported quarter. Moreover, advancing Alexa features with increasing number of devices compatible with Alexa remains a key positive.

The company made Alexa available on select LG and Samsung Smart TV 2020 models and the new OnePlus 8 mobile phone. Further, Alexa access is available in BMW vehicles in the United States. It is also available in MINI vehicles in the United States, France, Italy, Spain and Austria.

Apart from Alexa, the company banked on strengthening Fire TV family of products.

Additionally, Amazon unveiled Ring Video Doorbell 3 and Ring Video Doorbell 3 Plus during the reported quarter, which expanded its smart doorbell offering. Further, the company rolled out its new versions of its Ring Chime and Ring Chime Pro in the United States., the U.K., Canada, Australia and New Zealand.

Quarter Details

Product sales (55.5% of sales) increased 22% year over year to $41.8 billion. Service sales (44.5% of sales) surged 32.2% from the year-ago quarter to $33.6 billion.

Operating expenses were $71.5 billion, up 29.3% from the year-ago quarter. As percentage of revenues, the figure expanded 210 bps on a year-over-year basis to 94.7%.

Cost of sales, fulfillment, technology & content, marketing, and general & administrative increased 30.5%, 34.1%, 17.6%, 31.8% and 23.8% to $44.3 billion, $11.5 billion, $9.3 billion, $4.8 billion and $1.4 billion, respectively, on a year-over-year basis.

Other operating expenses were $70 million during the first quarter compared with $5 million reported in the year-ago quarter.

Operating income decreased 9.7% from the year-ago quarter to $3.9 billion. Further, operating margin contracted 210 bps from the year-ago quarter to 5.3%.

Operating income for AWS came in $3.1 billion, up 38.3% year over year. However, the same for North America declined 42.6% from the prior-year quarter to $1.3 billion.

Further, International segment reported a loss of $398 million, wider than the year-ago quarter's loss of $90 million.

Balance Sheet & Cash Flow

As of Mar 31, 2020, cash and cash equivalents stood at $27.2 billion compared with $36.1 billion as of Dec 31, 2020. Further, marketable securities totalled $22.1 billion at the end of the first quarter, up from $18.9 billion at the end of the fourth quarter.

Long-term debt was $23.44 billion in the reported quarter compared with $23.41 billion in the previous quarter.

Further, the company generated $3.1 billion of cash from operation in the first quarter, which declined significantly from $19.7 billion in the prior quarter.

Guidance

For second-quarter 2020, Amazon expects net sales between $75 billion and $81 billion. The figure is anticipated to improve in the range of 18-28% on a year-over-year basis.

Management projects an unfavorable foreign exchange impact of approximately 70 bps.

Proceed from operational activities are likely to range from operating loss of $1.5 billion to operating income of $1.5 billion. Notably, the company reported an operating income of $3.1 billion in the year-ago quarter.

This guidance is inclusive of $4 billion costs related to COVID-19.

Recent News

On **May 12, 2020**, Amazon's cloud computing platform AWS made machine learning backed enterprise search service namely Amazon Kendra available to the customers. Notably, the service allows businesses to search internal documents across portals and wikis and get precise answers to natural language queries.

On **May 7, 2020**, Amazon announced the premiere of original series namely Regular Heroes. The eight-episode docuseries which focuses on the front-lines of COVID-19 has already premiered in the U.S., U.K., Canada and Australia on May 8. It will be premiered in other countries on May 12.

On **May 6, 2020**, Amazon's cloud computing platform AWS made its new, highly performant, fully managed, low-cost warm storage tier called UltraWarm for Amazon Elasticsearch Service to its customers. The company strives to offer a warm storage tier that stores large amounts of data cost-effectively to the Elasticsearch customers.

On **Apr 28, 2020**, Amazon launched the AWS Europe (Milan) Region which marks as the sixth AWS Region in Europe. The company has currently 76 Availability Zones within 24 geographic regions across the world. Further, Amazon has announced its plans for nine more Availability Zones and three more AWS Regions in Indonesia, Japan, and Spain.

On **Apr 24, 2020**, Amazon's cloud computing platform AWS made Amazon Augmented Artificial Intelligence (A2I) generally available to the customers. Notably, the service helps developers to build the human review system, structure the review process, and manage the human review workforce.

Further, the company made its fully managed database service for Cassandra workloads namely Amazon Keyspaces available to its customers.

On **Apr 22, 2020**, Amazon launched the AWS Africa (Cape Town) Region which has three Availability Zones.

On **Mar 31, 2020,** Amazon partnered with ride-hailing company Lyft. Per the deal, Lyft has asked its drivers to consider job opportunities at Amazon as means of additional income. These comprise delivery drivers, warehouse and shopper jobs.

On **Mar 27, 2020,** Amazon Web Services (AWS) collaborated with Conduent, which offers a business process services. Per the deal, Conduent's Maven has been made available on AWS in a bid to manage the coronavirus pandemic in an efficient way.

On **Mar 5, 2020**, Amazon announced the comeback of *The Kids in the Hall* on Prime Video. The eight episode which will be the continuation of the show will strengthen the Prime's original content portfolio. Moreover, it will strengthen the kids content portfolio of Prime.

Valuation

Amazon shares are up 30.4% in the year-to-date period and 32.1% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Retail-Wholesale sector are up 17.3% and 3.7% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and the sector are up 22.8% and 14.7%, respectively.

The S&P 500 index is down 9% in the year-to-date period and 3.4% in the past year.

The stock is currently trading at 3.27X forward 12-month sales, which compares to 3.83X for the Zacks sub-industry, 1.04X for the Zacks sector and 3.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 3.7X and as low as 1.72X, with a 5-year median of 2.57X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $2,530 price target reflects 3.43X forward 12-month sales.

The table below shows summary valuation data for AMZN

Valuation Multiples - AMZN

		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	3.27	3.83	1.04	3.3
	5-Year High	3.7	5.76	1.11	3.44
	5-Year Low	1.72	3.09	0.8	2.54
	5-Year Median	2.57	4.53	0.93	3.02
P/B TTM	Current	18.41	6.83	4.77	3.85
	5-Year High	28.43	10.7	5.88	4.55
	5-Year Low	13.45	4.68	3.6	2.84
	5-Year Median	20.43	7.81	4.83	3.65
EV/Sales TTM	Current	3.97	5.23	1.2	2.81
	5-Year High	4.77	8.11	1.32	3.45
	5-Year Low	2	3.78	0.88	2.15
	5-Year Median	3.19	6.03	1.08	2.8

As of 05/11/2020

Industry Analysis **Zacks Industry Rank:** Top 17% (44 out of 253)

Top Peers

Company (Ticker)	Rec	Rank
Alibaba Group Holding Limited **(BABA)**	Neutral	2
eBay Inc **(EBAY)**	Neutral	2
Facebook Inc **(FB)**	Neutral	3
Alphabet Inc **(GOOGL)**	Neutral	3
The Kroger Co **(KR)**	Neutral	2
Microsoft Corporation **(MSFT)**	Neutral	2
Target Corporation **(TGT)**	Neutral	3
Walmart Inc **(WMT)**	Neutral	3

Industry Comparison Industry: Internet - Commerce

	AMZN	X Industry	S&P 500	Industry Peers GOOGL	MSFT	WMT
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	F	-	-	D	B	A
Market Cap	1,201.55 B	1.95 B	19.55 B	958.12 B	1,416.13 B	350.44 B
# of Analysts	13	3	14	12	14	14
Dividend Yield	0.00%	0.00%	2.13%	0.00%	1.09%	1.75%
Value Score	F	-	-	C	C	B
Cash/Price	0.04	0.14	0.06	0.12	0.10	0.03
EV/EBITDA	31.47	6.64	11.85	16.66	23.23	12.02
PEG Ratio	3.69	2.58	2.60	2.10	2.54	5.00
Price/Book (P/B)	18.41	5.01	2.71	4.71	12.37	4.30
Price/Cash Flow (P/CF)	35.93	24.35	10.71	20.21	29.39	13.97
P/E (F1)	121.97	41.98	19.55	33.85	32.84	24.72
Price/Sales (P/S)	4.06	1.88	2.01	5.75	10.21	0.67
Earnings Yield	0.82%	0.48%	4.85%	2.95%	3.05%	4.04%
Debt/Equity	0.36	0.22	0.76	0.08	0.61	0.79
Cash Flow ($/share)	67.05	0.32	7.01	69.45	6.35	8.85
Growth Score	C	-	-	C	B	B
Hist. EPS Growth (3-5 yrs)	102.38%	12.78%	10.82%	23.83%	18.74%	0.99%
Proj. EPS Growth (F1/F0)	-14.18%	-11.78%	-9.99%	-15.64%	19.70%	1.46%
Curr. Cash Flow Growth	31.33%	-5.32%	5.83%	12.62%	19.70%	-0.12%
Hist. Cash Flow Growth (3-5 yrs)	49.26%	11.55%	8.52%	19.91%	11.99%	-0.31%
Current Ratio	1.08	1.68	1.27	3.66	2.90	0.79
Debt/Capital	26.42%	26.78%	44.41%	7.07%	37.98%	44.04%
Net Margin	3.56%	-2.82%	10.59%	20.71%	33.36%	2.84%
Return on Equity	17.83%	9.42%	16.36%	17.43%	40.37%	18.16%
Sales/Assets	1.42	0.98	0.55	0.62	0.49	2.22
Proj. Sales Growth (F1/F0)	23.04%	0.00%	-2.41%	4.64%	12.46%	3.50%
Momentum Score	F	-	-	C	C	B
Daily Price Chg	1.24%	0.00%	-0.95%	1.39%	1.12%	0.59%
1 Week Price Chg	4.09%	2.94%	3.23%	5.09%	5.79%	0.02%
4 Week Price Chg	11.07%	9.21%	4.49%	15.96%	12.83%	-1.30%
12 Week Price Chg	12.84%	-6.48%	-20.09%	-7.58%	0.75%	4.90%
52 Week Price Chg	32.17%	1.92%	-7.00%	23.49%	51.39%	23.81%
20 Day Average Volume	5,859,650	246,710	2,530,553	2,385,929	39,663,708	8,669,416
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-29.66%	-0.26%	-6.07%	-7.06%	2.09%	-2.08%
(F1) EPS Est 12 week change	-28.36%	-37.67%	-15.69%	-23.91%	0.82%	-3.71%
(Q1) EPS Est Mthly Chg	-71.94%	-6.67%	-12.45%	-17.46%	1.49%	-4.50%

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	C
Momentum Score	F
VGM Score	F

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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