Acuity Brands, Inc.(AYI)

$95.50 (As of 10/15/20)

Price Target (6-12 Months): **$100.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 03/18/20) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:A
	Value: B | Growth: A | Momentum: A	

Summary

Acuity Brands reported fourth-quarter fiscal 2020 results, wherein earnings and revenues topped the respective Zacks Consensus Estimate. Earnings beat the consensus mark for the second straight quarter, whereas revenues beat the same for third consecutive quarter. However, the metrics declined year over year due to the coronavirus pandemic. Gross margin remained flat year over year as lower costs for certain inputs and contributions from acquisitions were overshadowed by unfavorable price mix and decline in volume. Diversified portfolio of innovative lighting control solutions and energy-efficient luminaries bode well. However, weakness in non-residential building activity owing to uncertainties related to economic recovery is a pressing concern. Also, pricing pressure and costs related to tariffs are likely to continue in the near term as well.

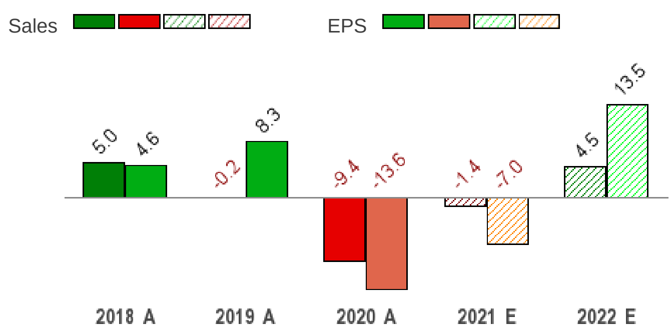
Price, Consensus & Surprise

Source: Zacks Investment Research

Data Overview

52-Week High-Low	**$143.55 - $67.46**
20-Day Average Volume (Shares)	**771,703**
Market Cap	**$3.8 B**
Year-To-Date Price Change	**-30.8%**
Beta	**1.41**
Dividend / Dividend Yield	**$0.52 / 0.5%**
Industry	**Building Products - Lighting**
Zacks Industry Rank	**Top 13% (32 out of 254)**
Last EPS Surprise	**19.9%**
Last Sales Surprise	**9.4%**
EPS F1 Estimate 4-Week Change	**1.8%**
Expected Report Date	**01/14/2021**
Earnings ESP	**0.0%**
P/E TTM	**11.6**
P/E F1	**12.4**
PEG F1	**1.2**
P/S TTM	**1.1**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2022	806 E	763 E	841 E	916 E	3,428 E
2021	793 E	759 E	820 E	907 E	3,280 E
2020	835 A	824 A	776 A	891 A	3,326 A

EPS Estimates

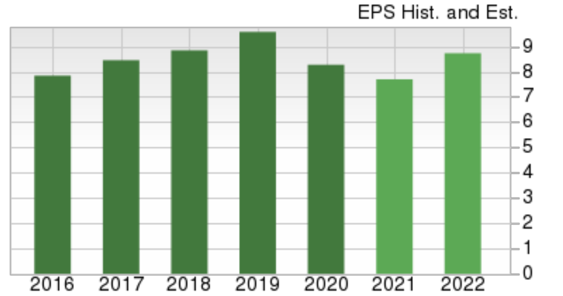
	Q1	Q2	Q3	Q4	Annual*
2022	$2.00 E	$1.78 E	$2.30 E	$2.83 E	$8.73 E
2021	$1.81 E	$1.56 E	$1.87 E	$2.27 E	$7.69 E
2020	$2.13 A	$1.84 A	$1.94 A	$2.35 A	$8.27 A

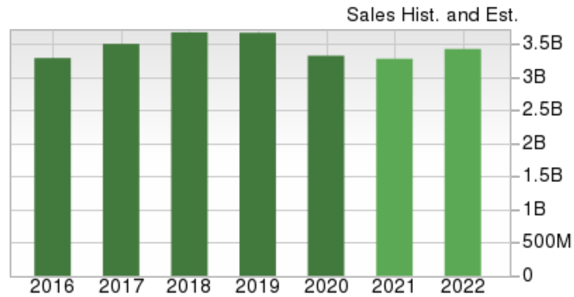
*Quarterly figures may not add up to annual.

The data in the charts and tables, except sales and EPS estimates, is as of 10/15/2020. The reports text and the analyst-provided sales and EPS estimates are as of 10/16/2020.

Overview

Headquartered in Atlanta, GA, **Acuity Brands, Inc.** is the parent company of Acuity Brands Lighting, Inc. ("ABL") and other subsidiaries. The company manufactures and distributes lighting fixtures and related components that comprise devices such as luminaires, lighting controls, and controllers for various building systems, power supplies, prismatic skylights, and drivers, as well as integrated systems designed to optimize energy efficiency and comfort for various indoor and outdoor applications.





Additionally, it has expanded its solutions portfolio, including software and services, that benefits economy in data analytics that enables the Internet of Things ("IoT"); supports the advancement of smart buildings, cities, and grid; and allows businesses to develop custom applications to scale their operations.

The portfolio of lighting solutions comprises lighting products utilizing fluorescent, light emitting diode (LED), organic LED (OLED), high intensity discharge, metal halide, and incandescent light sources to illuminate a number of applications.

Acuity Brands provides lighting solutions for commercial, institutional, industrial, infrastructure, and residential applications throughout North America and as well as Europe and Asia. The company has one reportable segment serving the North American and select international markets.

The company has a wide variety of brands that include Lithonia Lighting, Holophane, Peerless, Gotham, Mark Architectural Lighting, Winona Lighting, Juno, Indy, Aculux, Healthcare Lighting, Hydrel, American Electric Lighting, Antique Street Lamps, Sunoptics, eldoLED, Distech Controls, nLight, ROAM, Sensor Switch, Power Sentry, IOTA, and Atrius.

Source: Zacks Investment Research

Reasons To Buy:

Its leading market position along with diversified portfolio of innovative lighting control solutions and energy-efficient luminaries are the driving factors.

▲ **Innovation Continues to Drive Growth:** Acuity Brands' diversified portfolio of innovative lighting control solutions and energy-efficient luminaries bode well for the company. Apart from an attractive business model, the company is working on smart business strategies to achieve consistent growth in sales and earnings. In response to the rapidly changing market trends, Acuity Brands is continually expanding its portfolio of innovative lighting control solutions and energy-efficient luminaries.

In October 2020, Acuity Brands entered into strategic agreements with Violet Defense LLC and Puro Lighting, LLC. These strategic agreements will give Acuity Brands an access to Violet Defense's patented UV technology to expand its portfolio of UV disinfection products. PURO and Acuity Brands will also work together on the development of a next generation of UV lighting products.

In June 2020, the company entered into an agreement with Ushio America, Inc., under which the latter agreed to supply Acuity Brands with its Care222 UV disinfection module, which uses filtered excimer lamps to generate 222nm far-UVC light capable of inactivating viruses and bacteria on indoor surfaces.

In the second quarter of fiscal 2020, the company launched Modulus technology — a proprietary and innovative low voltage distributed power and control system for LED luminaries that enables design flexibility, greater connectivity options and lower installation costs. Notably, its independent sales network channel — which represents nearly 75% of sales — has been performing pretty well over the last few quarters.

In fiscal 2019, Acuity Brands introduced almost 100 new product families to its industry-leading portfolio, in turn gaining market share in product categories and sales channels. Its tier 3 and 4 solutions grew more than 15% in the fiscal first and second quarters. Notably, its Atrius-based IoT luminaires and solutions in the retail segment are becoming the industry standard. The company remains focused on expanding these solutions in other channels.

▲ **Inorganic Moves:** Acuity Brands is committed to expand its geographic borders and product portfolio through acquisitions and joint ventures. On Nov 25, 2019, the company acquired all equity interests of LocusLabs, Inc. — a leading indoor mapping and location platform whose software supports navigation applications used in mobile devices, web browsers or digital displays in airports, event centers, multi-floor buildings and campuses. With the acquisition, Acuity Brands aims to provide venues with an indoor positioning system.

On Sep 17, 2019, the company acquired Canada-based The Luminaires Group ("TLG") — a leading provider of specification-grade lightening solutions. Again, on Jun 20, 2019, it acquired a New Castle, DE-based manufacturer of advanced optical components, WhiteOptics, L.L.C. The acquisition enhances its optical materials offering that will boost the performance of commercial and architectural products. Notably, acquisitions contributed 2% to sales growth in the fiscal third quarter.

▲ **Cost-Saving Initiatives:** The company has been undertaking certain actions that are expected to offset higher input cost as well as the impact of tariffs. These actions include price increases and reduction in other costs. The company has been increasing prices in order to offset the negative impact of higher material cost, which mainly stemmed from inflationary effects and tariffs by the government on Chinese finished goods and components. Also, it eliminated certain products that were less profitable and exposed to tariffs-related risks.

In fiscal 2020, adjusted gross margin increased a significant 190 basis points (bps) year over year backed by acquisitions and lower input costs. The company believes that efforts to prune product portfolio and reduce channel exposure to less profitable products will offset cost pressures, in turn driving margins.

▲ **Strong Liquidity Position:** Acuity Brands has been maintaining a strong liquidity position to navigate through the current environment. The company ended fourth-quarter fiscal 2020 with $561 million of cash and cash equivalents, up sequentially from $520.6 million. The metric also increased $100 million from fiscal 2019. Free cash flow (net cash provided by operating activities less capital expenditures) increased $8 million to $450 million during fiscal 2020. Its current cash level is sufficient to meet the short-term obligation of $24.3 million.

Long-term debt obligations totaled $376.8 million at fiscal fourth quarter-end, down from $432.2 million at fiscal third-quarter end. Moreover, the company has no significant debt maturity until June 2023.

Reasons To Sell:

Coronavirus-led slowdown, softness in the lighting industry, uncertainty surrounding infrastructure spending, and federal regulatory and trade policies are headwinds.

- **Coronavirus-Led Slowdown:** The company's fiscal 2020 volume declined 12% year over year, largely due to the coronavirus pandemic and unfavorable change in product prices and mix of products sold, in turn resulting in a 9.4% decrease in total net sales. During the fiscal fourth quarter, net sales through independent network (accounting for approximately 72% of total net sales) were flat year over year. Excluding the benefits of acquisitions, sales in this channel declined 4% year over year, largely due to COVID-19-led low demand and unfavorable price mix.

  Again, net sales through direct network declined 12% from the prior year for the fiscal fourth quarter due to weakness in large projects that have been postponed on COVID-19 woes, and the absence of some large projects. Sales in its corporate accounts channel were also down 29% from the year-ago period, as retail customers delayed many retrofit opportunities to limit activity in their stores.

  The company's near-term prospects cannot be determined right now as uncertainty surrounding demand and the timing of economic recovery persists. Acuity Brands also stated that it expects weakness in non-residential building activity as the uncertainties related to the economic recovery persist.

- **Softness in the Lighting Industry Propels Lower Sales:** Over the last few quarters, Acuity Brands and other industry bellwethers are witnessing weak demand for luminaries in the United States. During fiscal 2020, revenues of $3.3 billion declined 9.4% from the year-ago period due to 12% decline in volumes. Consequently, adjusted operating margin contracted 70 bps from the prior year. In addition to the COVID-19 pandemic, unfavorable pricing, absence of some large projects, and its plans to exit and phase out of certain products that have poor financial returns — largely due to the impact of additional tariffs — are hurting the company.

  Importantly, management expects these headwinds to prevail in the near term.

- **Higher Costs, Denting Margins:** Energy efficient lighting products like LED fixtures need extensive research and development and hence involve costs. Higher spending on research and development may dent margins and thereby the bottom line of the company. Again, a shortage of skilled labor may limit production.

  Again, higher tariff could dampen its overall results. Moreover, labor shortages in the construction industry, and uncertainty related to infrastructure spending, federal regulatory and trade policies will remain concerns in the upcoming quarters as well.

  Moreover, the company is highly committed to acquisitions and joint venture, owing to which it experience higher costs, which thereby pressurizes margins. Adjusted selling, distribution and administrative or SD&A expenses — contributing 28.5% to fiscal 2020 net sales — grew 250 bps from the year-ago figure. The increase was due to higher acquisition-related costs that include increase in employee expenses and amortization of intangibles, more commissions, increased professional fees, as well as high variable incentive compensations.

- **Vulnerable to Economic Volatility:** Acuity Brands operates in a highly competitive industry that is affected by volatility owing to a number of general business and economic factors, such as gross domestic product growth, employment levels, credit availability, energy costs, and commodity costs. The company thrives on residential and non-residential construction, covering new, reconstruction and retrofit activity, which is sensitive to volatility induced by economic factors.

Last Earnings Report

Acuity Brands' (AYI) Q3 Earnings & Revenues Beat Estimates

Quarter Ending	08/2020
Report Date	Oct 08, 2020
Sales Surprise	9.40%
EPS Surprise	19.90%
Quarterly EPS	2.35
Annual EPS (TTM)	8.26

Acuity Brands, Inc. reported fourth-quarter fiscal 2020 results, wherein earnings and revenues surpassed the Zacks Consensus Estimate. Earnings beat estimates for the second straight quarter, whereas revenues beat the same for third consecutive quarter. However, the metrics declined year over year due to the coronavirus pandemic.

Also, the company pointed out that it expects weakness in non-residential building activity stemming from the pandemic.

Neil Ashe, president and chief executive officer of Acuity Brands, said, "Our company achieved strong financial results in the fourth quarter despite the backdrop of a weak market environment associated with the COVID-19 pandemic which continues to negatively impact our end markets."

Delving Deeper

The company reported adjusted earnings of $2.35 per share that comfortably surpassed the Zacks Consensus Estimate of $1.96 by 19.9%. However, the said metric declined 14.5% from the year-ago reported figure.

Net sales for the quarter totaled $891.2 million, which topped the consensus mark of $815 million. However, the reported figure declined 5% from $938.1 million in the prior-year quarter. The downside was caused by nearly 4% decline in volume, mainly due to lower demand owing to the COVID-19 pandemic, partially offset by 3% contribution from acquisitions. Sales were also impacted by 4% net unfavorable change in product prices and mix of products sold.

Operating Highlights

Gross margin came in at 42.1%, flat year over year. Lower costs for certain inputs and contributions from acquisitions were overshadowed by unfavorable price mix as well as decline in volume.

Adjusted selling, distribution and administrative or SD&A expenses came in at $244 million (27.4% of net sales) compared with $249 million (26.5% of net sales) in the prior-year quarter. The increase was due to higher acquisition-related costs. Adjusted operating profit margin came in at 14.7%, down 90 bps year over year.

Financials

As of Aug 31, 2020, Acuity Brands had cash and cash equivalents of $560.7 million compared with $461 million at fiscal 2019-end. In fiscal 2020, cash provided by operating activities totaled $504.8 million, reflecting an increase from $494.7 million in fiscal 2019.

Outlook

The company stated that it expects weakness in non-residential building activity as the uncertainties related to the economic recovery persist. The company further stated that it plans to strengthen its product portfolio in lighting, lighting controls and intelligent buildings. It will also invest in digital transformation to increase market share.

Fiscal 2020 Review

In fiscal 2020, the company generated adjusted earnings of $8.27 per share, down 13.6% from $9.57 in the year-ago period. Revenues of $3.3 billion declined 9.4% from the year-ago period due to 12% decline in volumes.

Adjusted operating margin declined 70 bps to 13.7%.

Valuation

Acuity Brands shares are down 30.8% in the year-to-date period and 22.5% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 26.6% but the Zacks Construction sector is up 13.6% in the year-to-date period. Over the past year, the Zacks sub-industry is down 18.1% but sector is up 17.9%.

The S&P 500 index is up 8.2% in the year-to-date period and 16.4% in the past year.

The stock is currently trading at 12.54X forward 12-month earnings, which compares to 13.75X for the Zacks sub-industry, 18.28X for the Zacks sector and 22.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 36.04X and as low as 8.18X, with a 5-year median of 16.79X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $100 price target reflects 13.14X forward 12-month earnings.

The table below shows summary valuation data for AYI

Valuation Multiples - AYI

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	12.54	13.75	18.28	22.57
	5-Year High	36.04	133.83	18.98	23.47
	5-Year Low	8.18	11.15	10.76	15.27
	5-Year Median	16.79	15.88	16.04	17.68
P/B TTM	Current	1.78	1.57	3.78	6.05
	5-Year High	7.72	5.69	6.74	6.2
	5-Year Low	1.38	1.16	1.72	3.75
	5-Year Median	3.62	2.8	3.31	4.89
P/S F12M	Current	1.15	0.92	2.16	4.17
	5-Year High	3.63	2.15	2.16	4.31
	5-Year Low	0.8	0.77	1.17	3.18
	5-Year Median	1.65	1.12	1.63	3.67

As of 10/15/2020 *Source: Zacks Investment Research*

Industry Analysis **Zacks Industry Rank:** Top 13% (32 out of 254)

Source: Zacks Investment Research

Top Peers

Company (Ticker)	Rec	Rank
Stanley BlackDecker, Inc. **(SWK)**	Outperform	1
Energy Focus, Inc. **(EFOI)**	Neutral	2
Eaton Corporation, PLC **(ETN)**	Neutral	3
Ingersoll Rand Inc. **(IR)**	Neutral	3
Johnson Controls International plc **(JCI)**	Neutral	3
LSI Industries Inc. **(LYTS)**	Neutral	2
Orion Energy Systems, Inc. **(OESX)**	Neutral	3
Rockwell Automation, Inc. **(ROK)**	Neutral	3

The positions listed should not be deemed a recommendation to buy, hold or sell.

Industry Comparison Industry: Building Products - Lighting

Industry Peers

	AYI	X Industry	S&P 500	IR	LYTS	OESX
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	A	-	-	D	A	F
Market Cap	3.79 B	227.36 M	23.94 B	15.46 B	196.24 M	258.47 M
# of Analysts	5	2.5	14	5	2	3
Dividend Yield	0.54%	0.00%	1.59%	0.00%	2.68%	0.00%
Value Score	B	-	-	D	B	D
Cash/Price	0.14	0.07	0.07	0.08	0.02	0.04
EV/EBITDA	8.02	8.59	13.69	39.54	9.16	16.85
PEG F1	1.24	1.18	2.85	3.66	1.12	NA
P/B	1.78	5.31	3.52	1.79	1.55	8.84
P/CF	9.51	12.98	13.34	22.50	16.44	17.90
P/E F1	12.36	28.11	22.31	29.05	28.11	49.65
P/S TTM	1.14	1.51	2.66	4.73	0.64	2.17
Earnings Yield	8.05%	2.75%	4.34%	3.45%	3.49%	2.01%
Debt/Equity	0.18	0.10	0.70	0.44	0.01	0.00
Cash Flow ($/share)	10.05	0.47	6.93	1.65	0.45	0.47
Growth Score	A	-	-	C	A	F
Historical EPS Growth (3-5 Years)	5.75%	-16.32%	10.41%	NA	-38.40%	NA
Projected EPS Growth (F1/F0)	-6.96%	34.80%	-2.95%	-19.75%	120.83%	-57.50%
Current Cash Flow Growth	-10.88%	-39.95%	5.54%	-25.03%	-62.18%	-397.85%
Historical Cash Flow Growth (3-5 Years)	7.26%	16.46%	8.51%	5.38%	-1.88%	25.67%
Current Ratio	2.33	2.10	1.35	2.25	2.48	1.87
Debt/Capital	15.05%	8.21%	42.91%	30.64%	1.38%	0.16%
Net Margin	7.46%	4.20%	10.28%	-4.51%	3.14%	5.26%
Return on Equity	14.43%	8.51%	14.79%	-2.80%	2.58%	20.84%
Sales/Assets	0.98	1.35	0.51	0.33	1.64	1.85
Projected Sales Growth (F1/F0)	-1.39%	-1.23%	-0.53%	112.53%	-1.07%	-21.07%
Momentum Score	A	-	-	B	D	D
Daily Price Change	-1.38%	-0.53%	0.41%	-0.80%	1.78%	-1.06%
1-Week Price Change	-5.67%	10.31%	4.06%	2.91%	10.81%	19.19%
4-Week Price Change	-10.12%	4.37%	2.68%	-0.32%	7.97%	8.62%
12-Week Price Change	-6.84%	39.04%	5.78%	17.20%	24.17%	104.36%
52-Week Price Change	-22.48%	127.63%	3.83%	24.98%	37.96%	217.29%
20-Day Average Volume (Shares)	771,703	351,621	2,066,999	2,582,343	95,263	576,053
EPS F1 Estimate 1-Week Change	-0.31%	0.00%	0.00%	3.23%	0.00%	0.00%
EPS F1 Estimate 4-Week Change	1.80%	0.00%	0.04%	16.67%	0.00%	0.00%
EPS F1 Estimate 12-Week Change	2.45%	34.95%	3.55%	-662.50%	103.85%	64.52%
EPS Q1 Estimate Monthly Change	8.42%	0.00%	0.00%	-50.00%	0.00%	0.00%

Source: Zacks Investment Research

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 maintain a 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	B
Growth Score	A
Momentum Score	A
VGM Score	A

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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ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

Additional Disclosure

This material represents an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Any statements that refer to expectations, projections or characterizations of future events or circumstances, including any underlying assumptions, are forwardlooking statements. Actual results, performance, or achievements may differ materially from those expressed or implied.

Returns quoted represent past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than their original cost. Current performance may be higher or lower than the performance shown.

Investing involves risk; principal loss is possible. There is no guarantee that companies that can issue dividends will declare, continue to pay or increase dividends.

Glossary of Terms and Definitions

52-Week High-Low: The range of the highest and lowest prices at which a stock has traded during the past year. This range is determined based on the stock's daily closing price which may differ from the intra-day high or low. Many investors use it as a technical indicator to determine a stock's current value and future price movement. The idea here is that if price breaks out from the 52-week range, in either direction, the momentum may continue in the same direction.

20-Day Average Volume (Shares): The average number of shares of a company traded in a day over the last 20 days. It is a direct indication of a security's overall liquidity. The higher the average daily trading volume, the easier it is to enter or exit the stock at a desired price with more buyers and sellers being available.

Daily Price Change: This is the percentage difference between a trading day's closing price and the prior trading day's closing price. This item is updated at 9 p.m. EST each day.

1-Week Price Change: This is the percentage change in a stock's closing price over the last 5 trading days. This change reflects the collective buying and selling sentiment over the 1-week period.

A strong weekly price increase for the stock, especially when accompanied by increased volume, is an indication of it gaining momentum.

4-Week Price Change: This is the percentage change in a stock's closing price over the last 20 trading days or past 4 weeks. This is a mediumterm price change metric and an indication of the stock gaining momentum.

12-Week Price Change: This is the percentage change of a stock's closing price over the last 60 trading days or past 12 weeks. Similar to 4-week price change, this is a medium-term price change metric. It shows whether a stock has been enjoying strong investor demand, or if it has been in consolidation, or distress over this period.

52-Week Price Change: This is the percentage change in a stock's closing price over the last 260 trading days or past 52 weeks. This long-term price change metric is a good reference point for investors. Some investors seek stocks with the best percentage price change over the last 52 weeks, expecting the momentum to continue.

Market Cap: The number of outstanding common shares of a company times its latest price per share. This figure represents a company's size, which indicates various characteristics, including price stability and risk, in which investors could be interested.

Year-To-Date Price Change: Change in a stock's daily closing price in the period of time beginning the first day of the current calendar year through to the previous trading day.

# of Analysts: Number of EPS estimates used in calculating the current-quarter consensus. These estimates come from the brokerage analysts tracking this stock. However, the number of such analysts tracking this stock may not match the number of estimates, as all brokerage analysts may not come up with an estimate or provide it to us.

Beta: A measure of risk commonly used to compare the volatility of a stock to the overall market. The S&P 500 Index is the base for calculating beta and carries a value of 1. A stock with beta below 1 is less risky than the market as a whole. And a stock with beta above 1 is riskier.

Dividend: The portion of earnings a company is expected to distribute to its common shareholders in the next 12 months for each share they own. Dividends are usually paid quarterly. Dividend payments reflect positively on a company and help maintain investors' trust. Investors typically find dividend-paying stocks appealing because the dividend adds to any market price appreciation to result in higher return on investment (ROI). Moreover, a steady or increasing dividend payment provides investors a cushion in a down market.

Dividend Yield: The ratio of a company's annual dividend to its share price. The annual dividend used in the ratio is calculated based on the mostrecent dividend paid by the company. Dividend yield is an estimate of the dividend-only return from a stock in the next 12 months. Since dividend itself doesn’t change frequently, dividend yield usually changes with a stock’s price movement. As a result, often an unusually high dividend yield is a result of weak stock price.

S&P 500 Index: The Standard & Poor's 500 (S&P 500) Index is an unmanaged group of securities considered to be representative of the stock market in general. It is a market-capitalization-weighted index of stocks of the 500 largest U.S. companies. Each stock’s weight in the index is proportionate to its market value.

Industry: One of the 250+ groups that Zacks classifies all stocks into based on the nature of business. These groups are termed as expanded (aka "X") industries and map to their respective (economic) sectors; Zacks has 16 sectors.

Zacks Industry Rank: The Zacks Industry Rank is determined by calculating the average Zacks Rank for all stocks in the industry and then assigning an ordinal rank to it. For example, an industry with an average Zacks Rank of 1.6 is better than an industry with an average Zacks Rank of 2.3. So, the industry with the better average Zacks Rank would get a better Zacks Industry Rank. If an industry has the best average Zacks Rank, it would be considered the top industry (1 out of 250+), which would place it at the top 1% of Zacks-ranked industries. Studies have shown that roughly half of a stock's price movement can be attributed to the industry group it belongs to. In fact, the top 50% of Zacks-ranked industries outperforms the bottom 50% by a factor of more than 2 to 1.

Last EPS Surprise: The percentage deviation of a company's last reported earnings per share from the Zacks Consensus Estimate. Companies with a positive earnings surprise are more likely to surprise again in the future (or miss again if they recently missed).

Last Sales Surprise: The percentage deviation of a company's last reported sales from the Zacks Consensus Estimate.

Expected Report Date: This is an estimated date of a company's next earnings release. The information originated or gathered by Zacks Investment Research from its information providers or publicly available sources is the basis of this estimate.

Earnings ESP: The Zacks Earnings ESP compares the Most Accurate Estimate to the Zacks Consensus Estimate for the yet-to-be reported quarter. The Most Accurate Estimate is the most recent version of the Zacks Consensus EPS Estimate. The idea here is that analysts revising their estimates closer to an earnings release have the latest information, which could potentially be more accurate than what they and others contributing to the consensus had predicted earlier. Thus, a positive or negative Earnings ESP reading theoretically indicates the likely deviation of the actual earnings from the consensus estimate. However, the model's predictive power is significant for positive ESP readings only. A positive Earnings ESP is a strong predictor of an earnings beat, particularly when combined with a Zacks Rank #1 (Strong Buy), #2 (Buy) or #3 (Hold). Our research shows that stocks with this combination produce a positive surprise nearly 70% of the time.

Periods:

TTM: Trailing 12 months. Using TTM figures is an effective way of analyzing the most-recent financial data in an annualized format that helps neutralize the effects of seasonality and other quarter-to-quarter variation.

F1: Current fiscal year. This period is used to analyze the estimates for the ongoing full fiscal year.

F2: Next fiscal year. This period is used to analyze the estimates for the next full fiscal year.

F12M: Forward 12 months. Using F12M figures is an effective way of analyzing the near-term (the following four unreported quarters) estimates in an annualized manner. Instead of typically representing estimates for the full fiscal year, which may not represent the nitty-gritty of each quarter, F12M figures suggest an all-inclusive annualized estimate for the following four quarters. The annualization helps neutralize the potential effects of seasonality and other quarter-to-quarter variations.

P/E Ratio: The price-to-earnings ratio measures a company's current market price per share relative to its earnings per share (EPS). Usually, the trailing-12-month (TTM) EPS, current-fiscal-year (F1) EPS estimate, or forward-12-month (F12M) EPS estimate is used as the denominator. In essence, this ratio shows what the market is willing to pay today for each dollar of EPS. In other words, this ratio gives a sense of what the relative value of the company is at the already reported level of earnings or at a future level of earnings.

It is one of the most widely-used multiples for determining the value of a company and helps comparing its valuation with that of a competitor, the industry group or a benchmark.

PEG Ratio: The price/earnings to growth ratio is a stock's P/E ratio using current fiscal year (F1) EPS estimate divided by its expected EPS growth rate over the coming 3 to 5 years. This ratio essentially determines a stock's value by factoring in the company's expected earnings growth and is thus believed to provide a more complete picture than just the P/E ratio, particularly for faster-growing companies.

P/S Ratio: The price-to-sales ratio is calculated as a company's current price per share divided by trailing 12 months (TTM) sales or revenues per share. This ratio shows what the market is willing to pay today for each dollar of TTM sales per share. The P/S ratio is at times the only valuation metric when the company has yet to become profitable.

Cash/Price Ratio: The cash-to-price ratio or Cash Yield is calculated as cash and marketable securities per share divided by the company's current share price. Like the earnings yield, which shows the anticipated yield (or return) on a stock from earnings for each dollar invested, the cash yield does the same, with cash being the source of return instead of earnings. For example, a cash/price ratio of 0.08 suggests a return of 8% or 8 cents for every $1 investment.

EV/EBITDA Ratio: The EV/EBITDA ratio, also known as Enterprise Multiple, is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by EBITDA (earnings before interest, taxes, depreciation and amortization). Usually, trailing-12-month (TTM) or forward-12-month (F12M) EBITDA is used as the denominator.

EV/Sales Ratio: The enterprise value-to-sales ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by annual sales. It is an expansion of the P/S valuation, which uses market value instead of enterprise value. The EV/Sales ratio is perceived as more accurate than P/S, in part, because the market capitalization does not take a company's debt into account when valuing it.

EV/CF Ratio: The enterprise value-to-cash flow ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by the trailing-12-month (TTM) operating cash flow. It's a measure of how long it would take to buy the entire business if you were able to use all the company's operating cash flow.

The EV/CF ratio is perceived as more accurate than the P/CF ratio, in part, because the market price does not take a company's debt into account when valuing it.

EV/FCF Ratio: The enterprise value-to-free cash flow metric compares a company's enterprise value to its trailing-12-month (TTM) free cash flow (FCF). This metric is very similar to the EV/CF ratio, but is considered a more exact measure owing to the fact that it uses free cash flow, which subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding growth activities and payments to shareholders.

P/EBITDA Ratio: The P/EBITDA ratio is calculated as a company's per share market value divided by EBITDA (earnings before interest, taxes, depreciation, and amortization). This metric is very similar to the EV/EBITDA ratio, but is considered a little less exact measure as it uses market price, which does not take a company's debt into account. However, since EBITDA is often considered a proxy for cash income, the metric is used as a measure of what the market is willing to pay today for each dollar of the company's cash profitability in the trailing 12 months (TTM) or forward 12 months (F12M).

P/B Ratio: The price-to-book ratio is calculated as a company's current price per share divided by its book value (total assets – liabilities – preferred stocks) per share. In short, the book value is how much a company is worth. In other words, it reflects the total value of a company's assets that its common shareholders would receive if it were to be liquidated. So, the P/B ratio indicates whether you're paying higher or lower than what would remain if the company went bankrupt immediately. Investors typically use this metric to determine how a company's stock price stacks up to its intrinsic value.

P/TB Ratio: The price-to-tangible-book value ratio is calculated as a the per share market value of a company divided by the value of its tangible assets (total assets – liabilities – preferred stocks – intangible assets) per share. Tangible book value is the same thing as book value except it excludes the value of intangible assets to get a step closer to the baseline value of the company.

P/CF Ratio: The price-to-cash flow ratio measures a company's per share market price relative to its trailing-12-month (TTM) operating cash flow per share. This metric is used to determine whether a company is undervalued or overvalued relative to another stock, industry or sector. And like the P/E ratio, a lower number is typically considered better from the value perspective.

One of the reasons why P/CF ratio is often preferred over P/E ratio is the fact that operating cash flow adds back non-cash expenses such as depreciation and amortization to net income. This feature helps valuing stocks that have positive cash flow but are not profitable because of large noncash charges.

P/FCF Ratio: The price-to-free cash flow ratio is an extension of P/CF ratio, which uses trailing-12-month (TTM) free cash flow per share instead of operating cash flow per share. This metric is considered a more exact measure than P/CF ratio, as free cash flow subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding activities that generate additional revenues.

Earnings Yield: The earnings yield is calculated as current fiscal year (F1) EPS estimate divided by the company's current share price. The ratio, which is the inverse of the P/E ratio, measures the anticipated yield (or return) from earnings for each dollar invested in a stock today.

For example, earnings yield for a stock, which is trading at $35 and expected to earn $3 per share in the current fiscal year (F1), would be 0.0857 (3/35 = 0.0857) or 8.57%. In other words, for $1 invested in the stock today, the yield from earnings is anticipated to be 8.57 cents.

Investors most commonly compare the earnings yield of a stock to that of a broad market index (such as the S&P 500) and prevailing interest rates, such as the current 10-year Treasury yield. Since bonds and stocks compete for investors' dollars, stock investors typically demand a higher yield for the extra risk they assume compared to investors of U.S. Treasury-backed securities that offer virtually risk-free returns. This additional return is referred to as the risk premium.

Debt/Equity Ratio: The debt-to-equity ratio is calculated as a company's total liabilities divided by its shareholder equity. This metric is used to gauge a company's financial leverage. In other words, it is a measure of the degree to which a company is financing its operations through debt versus its own funds. The higher the ratio, the higher the risk for shareholders.

However, this ratio is difficult to compare across industry groups where ideal amounts of debt vary. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-equity ratio should be compared with other companies in the same industry.

Cash Flow ($/share): Cash flow per share is calculated as operating cash flow (after-tax earnings + depreciation + other non-cash charges) divided by common shares outstanding. It is used by many investors as a measure of a company's financial strength. Since cash flow per share takes into consideration a company's ability to generate cash by adding back non-cash expenses, it is regarded by some as a more accurate measure of a company's financial situation than earnings per share, which could be artificially deflated.

Current Ratio: The current ratio or liquidity ratio is a company's current assets divided by its current liabilities. It measures a company's ability to pay short-term obligations. A current ratio that is in line with the industry average or slightly higher is generally considered acceptable. A current ratio that is lower than the industry average would indicate a higher risk of distress or default. A higher number is usually better. However, a very high current ratio compared to the industry average could be an indication of inefficient use of assets by management.

Debt/Capital Ratio: Debt-to-capital ratio is a company's total debt (interest-bearing debt + both short- and long-term liabilities) divided its total capital (interest-bearing debt + shareholders' equity). It is a measure of a company's financial leverage. All else being equal, the higher the debt-to-capital ratio, the riskier the stock.

However, this ratio can vary widely from industry to industry, the ideal amount of required debt being different. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-capital ratio should be compared with the same for its industry.

Net Margin: Net margin is calculated as net income divided by sales. It shows how much of each dollar in sales generated by a company translates into profit. For example, if a company's net margin is 15%, its net income is 15 cents for every $1 of sales it makes.

A change in margin can reflect either a change in business conditions, or a company's cost controls, or both. If a company's expenses are growing faster than sales, its net margin will decline. However, different net margin rates are considered good for different industries, so it's better to compare net margin rates of companies in the same industry group.

Return on Equity: Return on equity (ROE) is calculated as trailing-12-month net income divided by trailing-12-month average shareholder equity (including reinvested earnings). This metric is considered a measure of how effectively management is using a company's assets to generate profits. For example, if a company's ROE is 10%, it creates 10 cents profits for every $1 shareholder equity, which is basically the company's assets minus debt. A company's ROE deemed good or bad depends on what's normal for its peers or industry group.

Sales/Assets Ratio: The sales-to-assets ratio or asset utilization ratio or asset turnover ratio is calculated as a company's annual sales divided by average assets (average of assets at the beginning of the year and at the year's end). This metric helps investors understand how effectively a company is using its assets to generate sales. For example, a sales-to-assets ratio of 2.5 indicates that the company generated $2.50 in sales for every $1 of assets on its books.

The higher the sales-to-assets ratio, the better the company is performing. However, similar to many other ratios, the asset turnover ratio tends to be higher for companies in certain industries/sectors than in others. So, a company's sales-to-assets ratio should be compared with the same for its industry/sector.

Historical EPS Growth (3-5 Years): This is the average annual (trailing-12-month) EPS growth rate over the last 3-5 years. This metric helps investors see how a company's EPS has grown from a long-term perspective.

Note: There are many factors that can influence short-term numbers — a recession will reduce this number, while a recovery will inflate it. The longterm perspective helps smooth out short-term events.

Projected EPS Growth (F1/F0): This is the estimated EPS growth rate for the current financial year. It is calculated as the consensus estimate for the current fiscal year (F1) divided by the reported EPS for the last completed fiscal year (F0).

Current Cash Flow Growth: It measures the latest year-over-year change in operating cash flow. Cash flow growth tells an investor how quickly a company is generating inflows of cash from operations. A positive change in the cash flow is desired and shows that more 'cash' is coming in than going out.

Historical Cash Flow Growth (3-5 Years): This is the annualized change in cash flow over the last 3-5 years. The change in a longer period helps put the current reading into proper perspective. By looking at the rate, rather than the actual dollar value, the comparison across the industry and peers becomes easier.

Projected Sales Growth (F1/F0): This metric looks at the estimated sales growth for the current year. It is calculated as sales estimate for the current fiscal year (F1) divided by the reported sales for the last completed fiscal year (F0).

Like EPS growth, a higher rate is better for sales growth. A look at a company's projected sales growth instantly tells you what the outlook is for their products and services. However, different sales growth rates are considered good for different industries, so it's better to compare sales growth rates of companies in the same industry group.

EPS F1 Estimate 1-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past week. The change in a company's consensus EPS estimate (or earnings estimate revision) has proven to be strongly correlated with the near-term price movement of its shares. It is an integral part of the Zacks Rank.

If a stock's consensus EPS estimate is $1.10 now versus $1.00 a week ago, that will be reflected as a 10% upward revision. If, on the other hand, it went from $1.00 to 90 cents, that would be a 10% downward revision.

EPS F1 Estimate 4-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past four weeks.

A stock's earnings estimate revision in a 1-week period is important. But it's more meaningful to look at the longer-term revision. And, of course, the 4-week change helps put the 1-week change into proper perspective.

EPS F1 Estimate 12-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past 12 weeks.

This metric essentially shows how the consensus EPS estimate has changed over a period longer than 1 week or 4 weeks.

EPS Q1 Estimate Monthly Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal quarter over the past four weeks.

While the revision in consensus EPS estimate for the current fiscal year is strongly correlated with the near-term price movement of its shares, the estimate revision for the current fiscal quarter is an important metric as well, especially over the short term, and particularly as a stock approaches its earnings date. If a stock's Q1 EPS estimate decreases ahead of its earnings release, it's usually a negative sign, whereas an increase is a positive sign.