

The Boeing Company (BA)

\$137.74 (As of 04/23/20)

Price Target (6-12 Months): **\$146.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 04/22/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM:F

Value: D

Growth: F

Momentum: F

Summary

Boeing remains the largest aircraft manufacturer in the United States in terms of revenue, orders and deliveries. The current U.S. government's inclination toward strengthening the nation's defense system should act as a growth catalyst for defense players like Boeing. However, Boeing's commercial business has been suffering due to lower 737 deliveries, following 737 Max product line's grounding and subsequent costs associated with it. Such dismal performance recorded by Boeing's largest revenue-generating business segment has also been hitting the company's bottom line and cash position. This may have caused its share price to underperform its industry in the past year. Lately, Airbus beat Boeing by seizing the title of the world's largest plane maker, for the first time in last eight years.

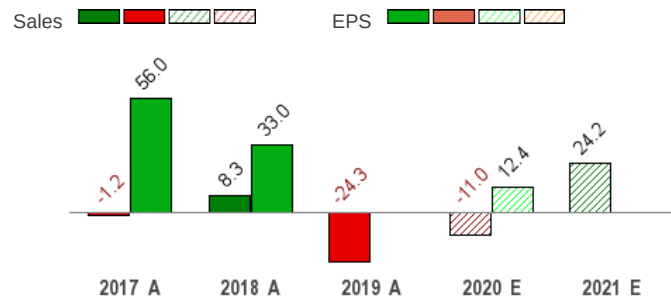
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$391.00 - \$89.00
20 Day Average Volume (sh)	37,077,144
Market Cap	\$77.6 B
YTD Price Change	-57.7%
Beta	1.76
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Aerospace - Defense
Zacks Industry Rank	Bottom 16% (212 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	-234.7%
Last Sales Surprise	-17.3%
EPS F1 Est- 4 week change	-434.1%
Expected Report Date	04/29/2020
Earnings ESP	-10.3%
P/E TTM	26.5
P/E F1	NA
PEG F1	NA
P/S TTM	1.0

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021					84,586 E
2020	17,173 E	15,945 E	17,331 E	19,446 E	68,126 E
2019	22,917 A	15,751 A	19,980 A	17,911 A	76,559 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021					\$9.28 E
2020	-\$2.08 E	-\$1.82 E	-\$0.35 E	-\$0.05 E	-\$3.04 E
2019	\$3.16 A	\$2.92 A	\$1.45 A	-\$2.33 A	-\$3.47 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 04/23/2020. The reports text is as of 04/24/2020.

Overview

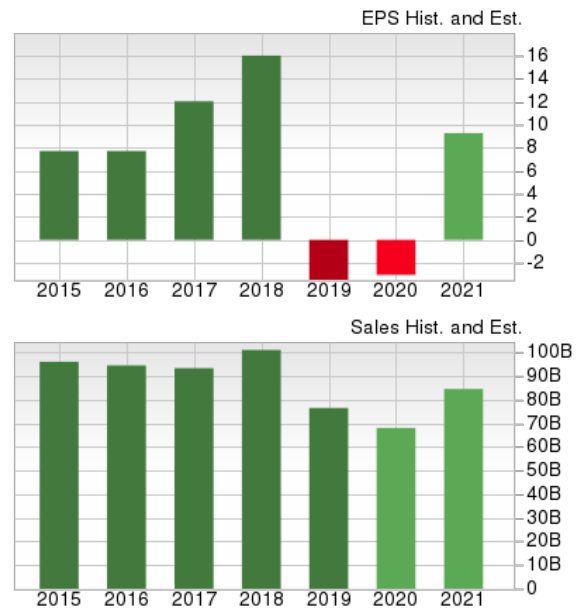
The **Boeing Company** is the largest constituent of the Dow Jones Industrial Average. The company's premier jet aircraft along with varied defense products positions it as one of the largest defense contractors in the United States. Its customers include domestic and foreign airlines, the U.S. Department of Defense (DoD), the Department of Homeland Security, the National Aeronautics and Space Administration (NASA), other aerospace prime contractors, and certain U.S. government and commercial communications customers. Currently the company operates in four segments:

Boeing Commercial Airplanes (BCA) Segment – This segment develops, produces and markets commercial jets, along with providing related support services. The company is a leading producer of commercial aircraft and has a series (737 Next-Generation narrow-body model and the 747, 767, 777 and 787 wide-body models) of commercial jetliners. Segment revenues in 2019 were \$32.26 billion, representing 42% of the company's top line.

The three units that comprise the **Boeing Defense, Space & Security (BDS) segment** are as follows: Boeing Military Aircraft (BMA), Network and Space Systems (N&SS) and Global Services and Support (GS&S). The segment recorded revenues of \$26.23 billion in 2019, contributing 34.3% to the company's top line.

Boeing Global Services (BGS) Segment – This segment brings together certain Commercial Aviation Services businesses and BDS businesses. It provides parts, maintenance, modifications, logistics support, training, data analytics and information-based services to commercial and government customers worldwide. Revenues for this segment in 2019 amounted to \$18.47 billion, comprising 24% of the company's top line.

Boeing Capital Corporation (BCC) Segment – In the commercial aircraft market, BCC provides selective financing solutions for the Commercial Airplanes segment customers. In the space and defense markets, BCC arranges and structures financing solutions for BDS segment government customers. Revenues for this segment in 2019 amounted to \$0.24 billion, comprising 0.3% of the company's top line.



Reasons To Buy:

- ▲ Boeing is the largest aircraft manufacturer in the United States in terms of revenue, orders and deliveries, and is one of the largest aerospace and defense contractors. Furthermore, its revenue exposure is spread across more than 90 countries around the globe. Per Boeing's latest commercial market outlook (CMO), the company anticipates that the world will need 44,040 new planes, worth \$6.8 trillion between 2019 and 2038. This estimated figure reflects a 3.1% improvement over the company's prior 20-year forecast for jetliner demand.

Growing demand for commercial jets and strategic mergers are expected to boost Boeing's growth

Boeing expects the commercial fleet to be fueled by sustained annual growth in commercial passenger traffic along with a big wave of retiring, old planes. Of the total units, 44% of the demand will be for the replacement of old aircraft, while the rest will support future growth. Considering such solid projections for a steady improvement in passenger and freight traffic, demand for Boeing's diverse family of commercial airplanes should continue to witness a notable uptick in days to come.

- ▲ The massive demand for commercial jets generates a strong and growing demand for aviation services ranging from supply chain support (parts and parts logistics), to maintenance and engineering services, to aircraft modifications, to airline operations. In this line, Boeing expects commercial aviation services market to grow 4.1% annually to a value worth \$9.1 trillion, over the next 20 years. This should bode well for the company's growth trajectory.

Impressively, the BGS unit won new business worth \$6 billion in the fourth quarter and \$20 billion in 2019, respectively, thereby bringing its backlog to \$23 billion. Such a solid backlog count is indicative of significant revenue growth prospects for the BGS segment in the coming days.

- ▲ In July 2018, Boeing and Embraer entered into a joint venture (JV) by signing a Memorandum of Understanding, which would offer the former a controlling stake at Embraer's commercial jet business. Per the terms of the transaction, Boeing will hold an 80% ownership stake in the JV. The non-binding agreement, signed by both the companies, values Embraer's commercial aircraft operations at \$4.75 billion, with Boeing's stake in the JV worth \$3.8 billion. The commercial aviation JV represents the biggest realignment in the global aerospace market in decades, further strengthening Boeing's commercial business' against its arch rival Airbus and the emerging aerospace companies from China, Russia and Japan. The proposed partnership is expected to be accretive to Boeing's earnings at the start of 2020 and generate estimated annual pre-tax cost synergies of approximately \$150 million by the third year.

- ▲ While Boeing's commercial business has not been performing well for the past couple of quarters on account of lower 737 deliveries, the outlook for the aerospace giant's defense business remains optimistic. The current U.S. government's inclination toward strengthening the nation's defense system, which, in turn, should act as a growth catalyst for defense players like Boeing. Notably, as part of the fiscal 2020 defense budget, \$718.3 billion is allocated as funding for the Pentagon, reflecting 5% growth over the fiscal 2019 budget. In particular, the budget has allotted \$2.3 billion for procurement of 12 KC-46, \$2 billion for 24 F/A-18 E/F Super Hornets, \$1 billion for 48 AH-64E Attack Helicopters, \$1.5 billion for 6 P-8A jets and \$1.1 billion for F-15 EX jets. The financial plan also includes an investment plan of \$0.4 billion for the procurement of 1,925 Small Diameter Bomb II. All these expansionary budgetary provisions will immensely boost Boeing's defense business.

Currently, Boeing is focused on future franchise programs such as the MQ-25, the T-7A Red Hawk and the MH-139A Grey Wolf. The company is also working to ensure strong performance of its existing platforms, especially U.S. Air Force KC-46 program and its space programs, including Commercial Crew and Space Launch Systems.

Reasons To Sell:

- ▼ Boeing's commercial business has been suffering due to lower 737 deliveries as a result of the worldwide grounding of 737 Max jets since March, following two fatal crashes involving these jets. Consequently, its commercial deliveries plunged 67% year over year, resulting in a huge 55% decline in the unit's revenues during the fourth quarter. Such dismal performance recorded by Boeing's largest revenue-generating business segment also hit the company's bottom line and cash position. Evidently, Boeing incurred adjusted loss of \$2.33 per share in the fourth quarter, which deteriorated significantly when compared to the year-ago quarter's earnings of \$5.48. Moreover, the jet maker generated \$2.45 billion of operating cash outflow at the end of 2019 against cash inflow of \$15.32 billion at the end of 2018.

Risks related to lower 737 deliveries and increasing competition with Airbus raise concerns.

Although Boeing is striving to fix the software glitch associated with the 737 Max models, the Federal Aviation Administration (FAA) has not yet given the final clearance for return of this product line to service. Owing to this, Boeing has been incurring huge costs and has thus decided to temporarily suspend production of its 737 Max jets. This indicates further operational losses for its BCA unit and makes us skeptical about the segment's recovery, at least in the near term. These latest developments must have discouraged investors interested in this stock. Evidently, Boeing's shares have declined 63.2% in the past year compared to the industry's 29% decline.

- ▼ Canadian, Russian and Chinese manufacturers will begin delivering airplanes, comparable to Boeing 737 over the next few years. In this context, it is imperative to mention that the Commercial Aircraft Corp of China is aiming to make the first delivery of its C919 single-aisle jet in 2021, with several prototypes of C919 taking off in the recent past. The successful launch and delivery of this jet may hamper Boeing's business in the Asia Pacific in the long run.
- ▼ Airbus crossed its 2019 delivery target of 860 planes and beat its long-time rival, Boeing, thereby seizing the title of the world's largest plane maker, for the first time in last eight years. Undoubtedly, the dramatic grounding of Boeing's fastest-selling 737 Max planes in March 2019, followed by the production rate cut of this jetliner in April are to be blamed for this unfortunate turn of events. Needless to say, new orders dried up after two fatal crashes forced Boeing to ground 737 Max jets as airlines refused to take any new delivery. As a result, Boeing's commercial aircraft deliveries touched rock bottom, offering Airbus the golden opportunity to snatch the largest plane maker title. Additionally, Airbus is leading the emerging market for long-range, midsize jets. These reflect the tough terrain that Boeing's commercial business is going through and the losses it is expected to incur until 737 returns to service.
- ▼ As per Boeing's 2018 Pilot & Technician Outlook, despite strong global air traffic growth, the aviation industry continues to face a pilot labor supply challenge. This raises concern about the existence of a global pilot shortage in the near-term. As demand for commercial jets increases, such a pilot shortage may hurt the aviation industry's growth and in turn hamper Boeing's profit margin.

Trent 1000 turbines incorporated in Rolls-Royce's engines, used in majority of Boeing's 787 fleet of jets, has been facing performance issues for quite some time in recent past. In September, per a report by Bloomberg, faulty Rolls-Royce engine blades are deteriorating faster than expected, prompting additional grounding of Boeing's 787 jetliners for early repairs. This, in turn, has affected about 120 Trent 1000 turbines, representing about 8% of the global fleet. Per the report, fewer than 40 Dreamliners are currently grounded for immediate attention. In April, Singapore Airlines grounded a pair of Boeing 787-10s owing to premature deterioration of the high pressure turbine (HPT) blades in their Rolls-Royce Trent 1000 engines. If more such discoveries are made due to this faulty engine, it might lead to disruption in service of Boeing's 787 fleet and in turn hurt demand for one of the flagship products of this aircraft giant.

Last Earnings Report

Boeing Q4 Earnings, Revenues Miss on Lower 737 Deliveries

Boeing reported adjusted loss of \$2.33 per share for fourth-quarter 2019, against the Zacks Consensus Estimate for earnings of \$1.73. The bottom line deteriorated significantly from the year-ago quarter's earnings of \$5.48.

This year-over-year downside was primarily due to the 737 Max grounding, which resulted in lower commercial deliveries.

Excluding one-time items, the company incurred GAAP loss of \$1.79 per share against earnings of \$5.93 in the fourth quarter of 2018.

For 2019, the company reported adjusted loss of \$3.47 per share in contrast to the Zacks Consensus Estimate for earnings of 58 cents. The full-year bottom line deteriorated from last year's earnings of \$16.01.

Quarter Ending **12/2019**

Report Date	Jan 29, 2020
Sales Surprise	-17.34%
EPS Surprise	-234.68%
Quarterly EPS	-2.33
Annual EPS (TTM)	5.20

Revenues

In the quarter under review, Boeing's revenues amounted to \$17.91 billion, which missed the Zacks Consensus Estimate of \$21.67 billion by 17.4%. The top line also plunged 37% from the year-ago quarter's figure of \$28.34 billion. This decline was primarily due to lower 737 deliveries.

For 2019, the company recorded revenues of \$76.56 billion, which missed the Zacks Consensus Estimate of \$80.32 billion by 4.7%. Full-year top line declined 24% from the year-ago figure of \$101.13 billion.

Total Backlog

Backlog at the end of 2019 declined to \$463.4 billion from \$490.5 billion at the end of 2018.

Segmental Performances

Commercial Airplane: Revenues at this segment slumped 55% to \$7.46 billion on account of lower 737 deliveries. The segment incurred operating loss of \$2.84 billion against operating income of \$2.60 billion in the year-ago quarter, owing to additional pre-tax charge of \$2.6 billion related to estimated potential concessions and other considerations to customers related to the 737 MAX grounding.

Boeing delivered 79 commercial planes during the quarter under review, down 67%.

Backlog for this segment remains healthy with over 5,400 airplanes valued at \$377 billion.

Boeing Defense, Space & Security (BDS): This segment witnessed a 13% year-over-year decline in revenues to \$5.96 billion in the fourth quarter. The downside was on account of lower volume across the portfolio as well as the impact of a Commercial Crew charge. Meanwhile, the segment recorded operating earnings of \$31 million compared with \$771 million in the year-ago quarter. This downside was owing to a \$410 million pre-tax Commercial Crew charge primarily due to provision for an additional uncrewed mission for the Commercial Crew program, performance and mix.

Backlog at BDS was \$64 billion, 29% of which comprised orders from international clients.

Global Services: Revenues at this segment fell 5% to \$4.65 billion due to lower commercial services volume. Moreover, operating earnings declined 10% year over year to \$684 million due to a charge related to the retirement of the Aviall brand and mix of products and services.

Boeing Capital Corporation (BCC): This segment reported quarterly revenues of \$37 million compared with \$60 million registered in the year-ago quarter. Operating loss incurred by this unit totaled \$58 million, while in the year-ago quarter it had registered earnings of \$8 million.

At the end of fourth-quarter 2019, BCC's portfolio balance was \$2.3 billion.

Financial Condition

Boeing exited 2019 with cash and cash equivalents of \$9.49 billion and short-term and other investments of \$0.55 billion. At the end of 2018, the company had \$7.64 billion of cash and cash equivalents and \$0.93 billion of short-term and other investments. Long-term debt amounted to \$19.96 billion at the end of 2019, up from \$10.66 billion at 2018 end.

Boeing generated \$2.45 billion of operating cash outflow at the end of 2019 against cash inflow of \$15.32 billion at the end of 2018. Free cash outflow totaled \$4.28 billion at 2019 end against cash inflow with \$13.60 billion at the end of 2018.

During 2019, the company paid out \$4.63 billion of dividends, reflecting a 17.3% increase from 2018.

Guidance

Due to the uncertainty regarding the timing and conditions related to 737 MAX fleet's return to service, Boeing once again refrained from issuing its guidance for now.

Recent News

On **Apr 14, 2020**, Boeing announced the program deliveries across its commercial and defense operations for the first quarter of 2020. The figures show a massive 66.4% decline in commercial shipments from the previous year. The company's defense shipments also declined 35% year over year.

Boeing reported commercial deliveries of only 50 airplanes in first-quarter 2020, significantly declining year over year, primarily due to poor 737 jet deliveries and comparatively lower deliveries of the 787 Dreamliner.

On **Mar 30, 2020**, Boeing secured a \$1.56-billion modification contract for the production of 18 P-8A Poseidon maritime aircraft. Among these 18 aircraft, eight would be manufactured for the U.S. Navy, six for the Republic of Korea and four for the Royal New Zealand Air Force.

The contract has been awarded by the Naval Air Systems Command, Patuxent River, MD. The Royal New Zealand Air Force is expected to begin receiving aircraft in 2022, while the Republic of Korea Navy will start receiving in 2023.

On **Mar 17, 2020**, Boeing announced that it has sought \$60 billion from the U.S. government in access to public and private liquidity, including loan guarantees, for the aerospace manufacturing industry. This will be one of the most important ways for airlines, airports, suppliers and manufacturers to bridge to recovery. Funds would support the health of the broader aviation industry, because much of any liquidity support to Boeing will be used for payments to suppliers to maintain the health of the supply chain.

On **Mar 12, 2020**, Boeing announced that it has joined the Renewable Energy Buyers Alliance (REBA) in support of its goals to reduce greenhouse gas emissions 25% by 2025, and ultimately power operations with 100% renewable energy. This alliance of large clean energy buyers, energy providers, service providers and NGO partners supports a large-scale, rapid transition to a cleaner future.

REBA membership expands Boeing's leadership in the use of renewable energy and energy efficiency. Notably, two Boeing sites – Renton, Washington, and Charleston, South Carolina – use 100% carbon-free electricity through a combination of renewable energy consumption and carbon offsets from renewable sources.

On **Mar 5, 2020**, Boeing won a \$36.7-million modification contract for providing engineering and development support to the KC-46 aircraft. The contract was awarded by the Air Force Life Cycle Management Center, KC-46 Program Office, Wright-Patterson Air Force Base, OH.

On **Feb 25, 2020**, Boeing announced that ANA Holdings, the Japanese airline group has decided to acquire up to 20 more 787 Dreamliner airplanes. The agreement with Boeing includes 11 787-10s, one 787-9 and options for five 787-9s valued at more than \$5 billion at list prices. The airline also plans to acquire three new 787-9 airplanes from Atlantis Aviation Corporation.

Once the agreements are finalized, it will be this airlines' sixth order for the ultra-efficient and passenger-pleasing Dreamliner and bring their overall 787 order book to more than 100 airplanes.

On **Feb 13, 2020**, Boeing declared that the company has reached a tentative agreement with the Society of Professional Engineering Employees in Aerospace (SPEEA) on a new four-year contract extension that would run through 2026 covering approximately 18,000 engineering and technical employees, nearly all of whom are in Washington and Oregon.

On **Feb 11, 2020**, Boeing announced its forecast that airlines in Southeast Asia will need 4,500 new airplanes over the next 20 years, valued at \$710 billion at list prices. Single-aisle airplanes continue to be the main driver of capacity growth in Southeast Asia. This growth helps to stimulate the demand for commercial aviation services, which are forecasted to be worth \$785 billion between 2019 and 2038.

Worldwide, Boeing projects the need for 44,040 new commercial airplanes valued at \$6.8 trillion and the demand for aftermarket services totaled at \$9.1T over the next 20 years.

On **Jan 27, 2020**, Boeing announced that the Administrative Council for Economic Defense (CADE)'s General-Superintendence (SG) in Brazil has approved the strategic partnership between the company and Embraer. With this latest approval, this partnership received unconditional clearance from every regulatory jurisdiction with the exception of the European Commission, which continues to assess the deal.

On **Jan 21, 2020**, Boeing announced that the company is currently estimating that the ungrounding of the 737 MAX will begin during mid-2020. However, this remains subject to the jet maker's ongoing attempts to address known schedule risks and further developments that may arise in connection with the certification process. It also accounts for the rigorous scrutiny that regulatory authorities are rightly applying at every step of their review of the 737 MAX's flight control system and the Joint Operations Evaluation Board process which determines pilot training requirements.

On **Jan 14, 2020**, Boeing announced program deliveries for its commercial products for the fourth quarter and 2019. The fourth quarter and full-year figures show a 66.8% and 52.9% slump, respectively, in commercial shipments. On the contrary, Airbus SE delivered a record 863 commercial aircraft to 99 customers in 2019, 8% up from 2018 deliveries.

Valuation

Boeing's shares are down 57.5% in the year to date period and 63.2% over the trailing 12-month period, respectively. Stocks in the Zacks sub-industry and the Zacks Aerospace sector are down 27.1% and 33.9% in the year to date period, respectively. Over the past year, the Zacks sub-industry is down 29% and the Zacks Aerospace sector witnessed a 31.6% decline.

The S&P 500 index is down 12.6% in the year to date period and 2.9% in the past year.

The stock is currently trading at 0.8X forward 12-months sales, which compares to 1.2X for the Zacks sub-industry, 1.1X for the Zacks sector and

3.1X for the S&P 500 index.

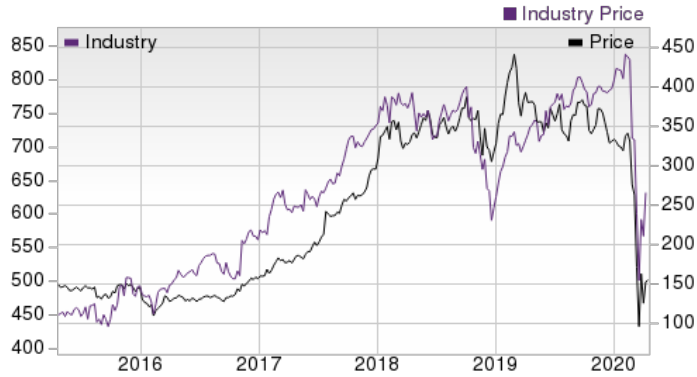
Over the past five years, the stock has traded as high as 2.3X and as low as 0.6X, with a 5-year median of 1.6X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$146 price target reflects 0.9X forward 12-months sales.

The table below shows summary valuation data for BA

Valuation Multiples - BA					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.84	1.22	1.06	3.14
	5-Year High	2.33	1.64	1.49	3.44
	5-Year Low	0.61	0.95	0.92	2.54
	5-Year Median	1.58	1.26	1.17	3.01
P/FCF Adjusted	Current	20.79	16.58	11.7	18.6
	5-Year High	52.44	25.03	19.63	24.23
	5-Year Low	14.34	12.8	9.75	14.96
	5-Year Median	22.65	17.8	15.9	20.76
EV/EBITDA TTM	Current	23.89	13.68	10.09	10.23
	5-Year High	53.65	19.53	14.99	12.87
	5-Year Low	7.4	8.12	7.39	8.28
	5-Year Median	14.4	11.68	10.42	10.78

As of 04/23/2020

Industry Analysis Zacks Industry Rank: Bottom 16% (212 out of 253)



Top Peers

Company (Ticker)	Rec	Rank
Embraer-Empresa Brasileira de Aeronautica (ERJ)	Neutral	4
General Dynamics Corporation (GD)	Neutral	4
Leidos Holdings, Inc. (LDOS)	Neutral	3
L3Harris Technologies Inc (LHX)	Neutral	3
Lockheed Martin Corporation (LMT)	Neutral	3
Northrop Grumman Corporation (NOC)	Neutral	3
Transdigm Group Incorporated (TDG)	Underperform	5
Textron Inc. (TXT)	Underperform	5

Industry Comparison Industry: Aerospace - Defense				Industry Peers		
	BA	X Industry	S&P 500	GD	LMT	NOC
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	4	3	3
VGM Score	F	-	-	A	D	A
Market Cap	77.57 B	7.61 B	19.03 B	37.87 B	105.65 B	56.18 B
# of Analysts	5	6	14	8	8	6
Dividend Yield	0.00%	0.83%	2.23%	3.37%	2.55%	1.57%
Value Score	D	-	-	B	D	C
Cash/Price	0.12	0.07	0.05	0.02	0.01	0.04
EV/EBITDA	109.93	8.70	11.66	8.37	12.72	16.61
PEG Ratio	NA	2.03	2.20	2.22	2.26	NA
Price/Book (P/B)	NA	2.64	2.56	2.78	30.30	6.38
Price/Cash Flow (P/CF)	254.41	9.10	10.31	8.76	14.32	12.18
P/E (F1)	NA	15.66	17.77	11.11	15.66	14.62
Price/Sales (P/S)	1.01	0.85	1.97	0.96	1.73	1.66
Earnings Yield	-2.21%	5.88%	5.48%	9.00%	6.38%	6.84%
Debt/Equity	-2.41	0.71	0.72	0.66	3.28	1.60
Cash Flow (\$/share)	0.54	2.73	7.01	14.89	26.30	27.58
Growth Score	F	-	-	B	C	A
Hist. EPS Growth (3-5 yrs)	14.14%	13.39%	10.92%	7.05%	16.29%	23.28%
Proj. EPS Growth (F1/F0)	12.39%	9.89%	-5.06%	-2.00%	9.58%	8.27%
Curr. Cash Flow Growth	-97.35%	6.19%	5.92%	3.16%	18.08%	2.21%
Hist. Cash Flow Growth (3-5 yrs)	-48.30%	6.62%	8.55%	6.36%	9.70%	14.43%
Current Ratio	1.05	1.20	1.23	1.18	1.23	1.13
Debt/Capital	NA%	42.81%	43.90%	39.89%	76.64%	61.48%
Net Margin	-0.83%	6.01%	11.32%	8.85%	10.21%	6.64%
Return on Equity	-70.76%	16.94%	16.60%	26.70%	185.10%	39.51%
Sales/Assets	0.60	0.84	0.55	0.81	1.26	0.84
Proj. Sales Growth (F1/F0)	-11.02%	0.32%	-0.78%	0.84%	6.39%	5.29%
Momentum Score	F	-	-	B	C	A
Daily Price Chg	2.05%	0.01%	0.15%	-2.16%	-0.96%	-1.81%
1 Week Price Chg	1.42%	1.09%	0.42%	-2.00%	8.22%	5.84%
4 Week Price Chg	-23.71%	-3.35%	4.04%	-2.01%	7.54%	4.56%
12 Week Price Chg	-57.40%	-27.97%	-21.19%	-28.00%	-13.57%	-12.74%
52 Week Price Chg	-64.02%	-30.81%	-15.14%	-26.23%	14.55%	20.29%
20 Day Average Volume	37,077,144	1,046,019	2,802,273	1,659,373	1,732,323	972,498
(F1) EPS Est 1 week change	0.00%	0.00%	-0.10%	-3.79%	-0.70%	0.00%
(F1) EPS Est 4 week change	-434.07%	-1.72%	-6.64%	-5.58%	-0.70%	-0.29%
(F1) EPS Est 12 week change	-124.09%	-8.95%	-11.78%	-8.95%	-1.27%	-0.10%
(Q1) EPS Est Mthly Chg	-179.08%	-1.80%	-10.38%	-2.39%	-1.21%	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	D
Growth Score	F
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.

Disclosures

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