Bed Bath & Beyond Inc. (BBBY)

$34.29 (As of 06/09/21)

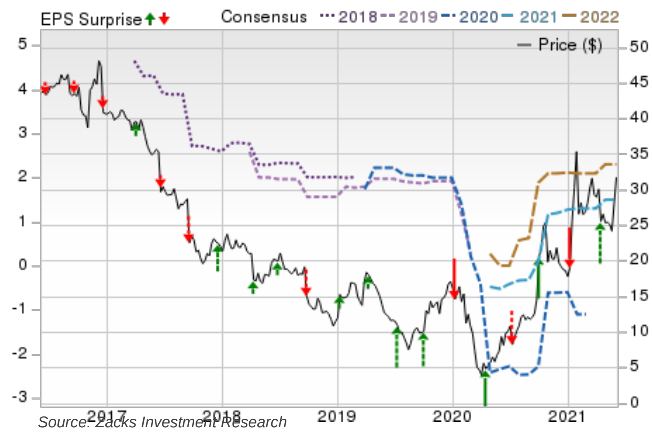
Price Target (6-12 Months): **$36.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 05/11/21) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5) Zacks Style Scores: Value: A | Growth: A | Momentum: A	**3-Hold** VGM:A

Summary

Shares of Bed Bath & Beyond have outpaced the industry year to date courtesy of its progress on the transformation plan. The company is ahead of track with the launch of Owned Brands as part of its efforts to expand its portfolio, rebuilding its revenues and margins. It recently launched three Owned Brands, including Our Table, Wild Sage and Squared Away. This brings the company's Owned Brands launches so far this year to six. It targets at least eight Owned Brands launches by the end of February 2022 and at least 10 by fiscal 2022. Additionally, the company posted better-than-expected fourth-quarter fiscal 2020 results. Improved margins and lower expenses led to the third successive quarter of profit growth. However, its drab sales, dismal store traffic, elevated shipping constraints and rising freight costs, remain concerns.

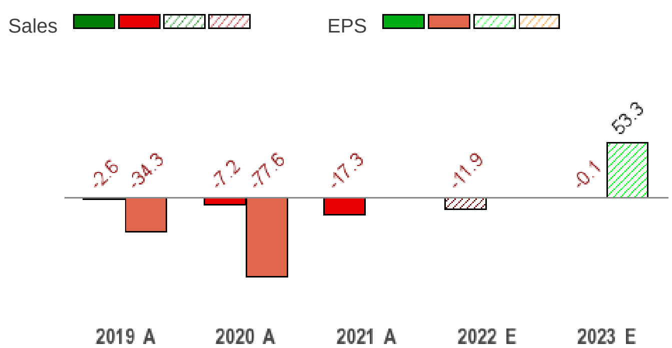
Price, Consensus & Surprise



Data Overview

52-Week High-Low	**$53.90 - $7.30**
20-Day Average Volume (Shares)	**13,158,778**
Market Cap	**$3.7 B**
Year-To-Date Price Change	**93.1%**
Beta	**1.83**
Dividend / Dividend Yield	**$0.00 / 0.0%**
Industry	**Retail - Miscellaneous**
Zacks Industry Rank	**Top 13% (33 out of 251)**
Last EPS Surprise	**48.2%**
Last Sales Surprise	**0.2%**
EPS F1 Estimate 4-Week Change	**0.0%**
Expected Report Date	**07/14/2021**
Earnings ESP	**0.0%**
P/E TTM	**NA**
P/E F1	**22.9**
PEG F1	**NA**
P/S TTM	**0.4**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates **(millions of $)**

	Q1	Q2	Q3	Q4	Annual*
2023	1,841 E	2,059 E	2,027 E	2,296 E	8,127 E
2022	1,862 E	2,009 E	1,996 E	2,263 E	8,137 E
2021	1,307 A	2,688 A	2,618 A	2,619 A	9,233 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2023	$0.18 E	$0.79 E	$0.45 E	$0.86 E	$2.30 E
2022	$0.09 E	$0.53 E	$0.24 E	$0.62 E	$1.50 E
2021	-$1.96 A	$0.50 A	$0.08 A	$0.40 A	-$1.01 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 06/09/2021. The report's text and the analyst-provided price target are as of 06/10/2021.

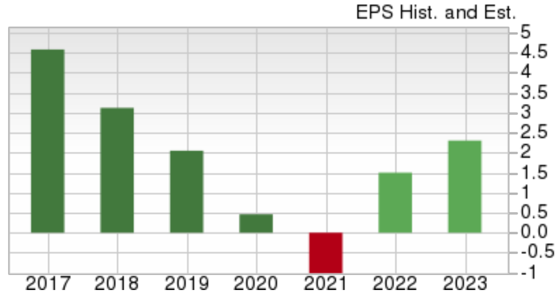
Overview

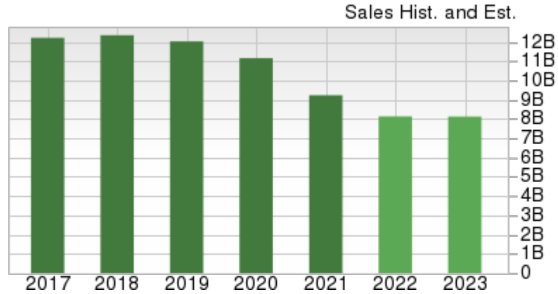
Bed Bath & Beyond Inc. is a leading operator of specialty retail stores in the United States and Canada. It is an omni-channel retailer, offering top-quality and differentiated products, services and solutions.

The company sells a variety of domestic merchandise and home furnishings under the names Bed Bath & Beyond ("BBB"), Christmas Tree Shops, Christmas Tree Shops andThat! or andThat! ("CTS"), Harmon, Harmon Face Values, or Face Values ("Harmon") and buybuy BABY ("Baby").

The company provides a wide assortment of "everyday low price" products, primarily including domestic merchandise (such as bed linens, bath accessories, and kitchen textiles) and home furnishings (such as cookware, dinnerware, glassware and basic house ware). Bed Bath's product portfolio also includes food, giftware, health and beauty care items, along with infant and toddler merchandise. Notably, Bed Bath & Beyond's products can be bought either in-store, online, or via a customer contact center.

Additionally, the company operates an e-commerce website, featuring specially commissioned, limited edition items from emerging fashion and home designers such as Chef Central and Decorist. It also operates Linen Holdings, a provider of various textile products and other goods to institutional consumers in the hospitality, cruise line, healthcare and other industries.





As of Feb 27, 2021, the company had 1,020 stores in operation, comprising 834 namesake stores across 50 states, the District of Columbia, Puerto Rico and Canada; 132 buybuy BABY stores; and 54 stores under Harmon, Harmon Face Values or Face Values names. Additionally, the company's joint venture operates 10 flagship stores in Mexico.

On Nov 13, 2020, Bed Bath & Beyond divested the Christmas Tree Shops retail banner, institutional Linen Holdings business and a distribution facility situated in Florence, NJ, for $250 million in cash.

Source: Zacks Investment Research

Reasons To Buy:

Bed Bath & Beyond continues to gain from robust digital growth and cost-cutting actions.

▲ **Transformation Plan on Track:** Shares of Bed Bath & Beyond gained 93.1% year to date compared with the industry's growth of 3.9%. The bullish run can be attributed to the progress made on its transformation plan, As part of its three-year transformation plan, the company is on an assortment expansion spree. It plans to launch atleast eight new Owned Brands in fiscal 2021. Moreover, it expects to introduce at least 10 Owned Brands in the next two years. The company highlighted that the new Owned Brands will cater to consumer needs across segments such as bed, bath, kitchen and dining, storage and organization as well as home decor. In fact, these products will form part of the company's key category that contribute more than 60% to its revenues. Moreover, management expects the sales penetration of Owned Brands to grow from 10% to nearly 30% within the first three years. Further, the company expects to boost gross margin by strategically managing costs and sourcing. Another major step in its comprehensive growth strategy includes plans to launch thousands of new products, exclusively available only at Bed Bath & Beyond.

▲ **Owned Brands Launch Update:** As part of the plans to launch Owned Brands, Bed Bath & Beyond launched three private-label brands (Owned Brands), including Nestwell, Haven and Simply Essential, in the first quarter of fiscal 2021. Nestwell is an assortment line, including quality bed and bath goods. The Haven is a bath brand, which offers spa-inspired organic cotton products and more. Simply Essential assortment line has been thoughtfully designed for meeting needs across every room of a house. It is the company's first full-line assortment at opening price points. Additionally, it recently unveiled plans to launch three more Owned Brands – Our Table, Wild Sage and Squared Away – in the fiscal second quarter. The Our Table line will include modern cookware, bakeware, food prep, kitchen gadgets & utensils, kitchen linens, dining & barware products. The product line will comprise more than 1,100 products. Wild Sage is a youthful, eclectic collection of about 600 stylish housewares for the bedroom, bathroom, dining room and living space. Squared Away mainly includes storage, organization and cleaning solutions for the home. It offers nearly 300 storage items for the kitchen, closet, bathroom and organization throughout the home. With the completion of this launch, the company will have launched six Owned Brands so far this year.

▲ **Digital Growth**: Bed Bath & Beyond has been witnessing momentum in the digital platform since fourth quarter fiscal 2019. Notably, digital sales rose roughly 86% in fourth-quarter fiscal 2020. Omnichannel services, like Buy-Online-Pick-Up-In-Store and Curbside Pickup, contributed to the digital sales growth. The company acquired 3.1 million new customers in the digital space, with more than 300 million visitors on its online platforms. Also, the mobile channel accounted for more than half of its digital sales in the fiscal fourth quarter. Its mobile app was downloaded more than 21 million times, with the buybuy BABY mobile app being downloaded 150,000 times. With roughly 87% of orders ready for pick up within two hours, BOPIS accounted for 14% of digital sales in the quarter. Additionally, its newly launched same-day delivery service is gaining traction with more than 220,00 same-day delivery orders in the fiscal fourth quarter. Out of these, 78% of orders came from websites while the rest were from Shipt and Instacart. Management launched Harmon Face Values on Instacart with the added benefit of same-day delivery for health and personal care products.

▲ **Restructuring Program**: As part of its efforts to rebuild its business foundation and create a durable business model, Bed Bath & Beyond announced a strategic restructuring program. The program comprises efforts to reorganize and simplify field operations, reduce management positions and outsource several functions. The company intends to expedite this comprehensive restructuring program in a bid to achieve improved profits over the next two-three years. In this regard, adjusted EBITDA is anticipated to be $250-$350 million. Alongside this, it expects SG&A savings of $85 million from the strategic restructuring program announced in February 2020. Additionally, it anticipates realizing savings of nearly $200-$250 million, respectively, through cost-cutting actions and reduced discretionary costs; as well as renegotiations with existing vendors. Out of these cost savings, management intends to reinvest roughly $150-$200 million in future initiatives.

▲ **Better Margins & Lower Costs Aid Q4 Bottom Line**: During fourth-quarter fiscal 2020, Bed Bath & Beyond reported adjusted earnings of 40 cents per share, up 5.3% year over year. Notably, the company reported a third successive quarter of profit growth. This uptick was mainly attributed to improved margins and lower expenses. Adjusted gross margin expanded 20 basis points (bps) to 32.8% on positive product mix, higher markdowns, better promotions, and lower distribution and fulfillment costs. Moreover, adjusted SG&A expenses fell 19.9%, driven by the sale of non-core businesses and reduced occupancy costs. Also, improved gross margins and solid online show led to adjusted EBITDA growth of 13.3% while margin expanded 160 bps to 6.4% in the fiscal fourth quarter. In fiscal 2021, management continues to anticipate adjusted EBITDA of $500-$525 million. Moreover, adjusted gross margin is likely to be roughly 35%, with adjusted SG&A expenses of nearly 31%. For first-quarter fiscal 2021, gross margin is likely to improve on a sequential basis to the tune of 34%. Adjusted EBITDA is forecasted to be $80-$90 million.

▲ **Store-Rationalization Efforts**: Bed Bath & Beyond is in the process of strategically expanding its store count apart from increasing productivity of existing stores by adjusting the breadth and depth of its merchandise offerings to suit customer preferences. In 2019, the company announced its Store Network Optimization project, which is likely to generate savings of nearly $100 million on an annual basis. In fourth-quarter fiscal 2020, the company shut down 118 Bed Bath & Beyond stores. Management remains on track to close roughly 200 underperforming Bed Bath & Beyond stores by the end of fiscal 2021. It earlier expected nearly 15-20% of the sales lost from these stores to be transitioned to digital platforms. It is also progressing well with the store remodeling program wherein proof-of-concept stores will showcase destination categories, bed, bath, kitchen, and storage products. This three-year-long plan will be executed across more than 450 stores accounting for nearly 60% of its sales. Further, it intends to invest roughly $250 million to remodel nearly 450 stores over the next three years. Also, 130-150 stores are likely to be remodeled in fiscal 2021, with 26 stores in the fiscal first quarter itself. As part of its streamlining efforts, the company has divested the PersonalizationMall.com, One Kings Lane's home décor unit, Christmas Tree Shops retail banner, its institutional Linen Holdings business, and a distribution center in Florence, NJ, in fiscal 2020. In January 2021, it completed the sale of Cost Plus World Market. These strategic actions are part of the company's three-year transformation plan, which is likely to generate annual SG&A savings of $85 million.

Reasons To Sell:

Bed Bath & Beyond's Q4 top line was hurt by COVID-related headwinds, including dismal store traffic and sales of non-core businesses. Also, increased freight expenses remain a concern.

- **Drab Q4 Top Line**: Bed Bath & Beyond posted drab sales performance in fourth-quarter fiscal 2020. Net sales of $2,619 million were down 16% year over year due to store closures and drab in-store traffic stemming from the COVID-19 pandemic. Also, in-store sales declined 27% in the fiscal fourth quarter. Sale of non-core businesses also hurt the top line to the tune of 12% in the reported quarter. Moreover, fiscal 2021 remains exposed to threats related to COVID-19, such as uncertainty surrounding vaccine rollouts, changes in consumer demand and shopping behavior, which might affect store traffic and online sales.

- **High Freight Costs, A Worry**: Bed Bath & Beyond has been witnessing rising freight costs stemming from increasing online shipments. Notably, elevated shipping costs to the tune of 150 bps weighed on gross margins in the fourth quarter of fiscal 2020. Going ahead, management expects these cost-related headwinds to continue in fiscal 2021.

- **Currency Woes**: Owing to its exposure to international markets, Bed Bath & Beyond faces various risks associated with international operations, including legal and regulatory hurdles, changing global fashion trends and unfavorable currency fluctuations. Hence, persistence of these headwinds is likely to weigh on the company's results.

- **Competitive Pressure**: Bed Bath & Beyond faces intense competition from other brick-and-mortar including merchandise stores and online retailers on grounds of providing compelling price and value, high-quality and differentiated products, services and solutions, convenience, technology, and personalization. The company's inability to stay afloat amid such competition may result in loss of market share and adversely impact its business.

- **Seasonal Risks**: Bed Bath & Beyond's business is seasonal in nature and typically generates stronger results in the second and fourth quarters. As a result, the company is exposed to significant risks if the seasons fail to deliver favorably.

Last Earnings Report

Bed Bath & Beyond Q4 Earnings & Sales Beat Estimates

Quarter Ending	02/2021
Report Date	Apr 14, 2021
Sales Surprise	0.22%
EPS Surprise	48.15%
Quarterly EPS	0.40
Annual EPS (TTM)	-0.98

Bed Bath & Beyond posted fourth-quarter fiscal 2020 results, wherein both top and bottom lines surpassed the Zacks Consensus Estimate. Results gained from advanced omni-channel capabilities and other growth strategies, including store remodeling and upgrading, improved technologies, store optimization efforts, enhanced supply chain and increased investments in buybuy BABY and Harmon banners. Also, the solid performance in baby, toddler safety, feeding, toys, educational, playroom and apparel contributed to quarterly growth.

Bed Bath & Beyond reported adjusted earnings of 40 cents per share for the fiscal fourth quarter, up 5.3% year over year. Further, the figure exceeded the Zacks Consensus Estimate of 27 cents. This uptick was mainly attributed to improved margins and lower expenses.

Net sales were $2,619 million, down 16% year over year due to the sale of non-core businesses and store closures. Moreover, it surpassed the Zacks Consensus Estimate of $2,613 million. Further, in-store sales fell 27% in the reported quarter. Meanwhile, digital sales rose roughly 86% in the quarter. Several omni-channel services, such as Buy-Online-Pick-Up-In-Store and Curbside Pickup, contributed to digital sales growth. Notably, the company witnessed 3.1 million new customers in the digital space, with more than 300 million visitors on its online platforms. Also, the mobile channel accounted for more than half of its digital sales in the fiscal fourth quarter. Its mobile app was downloaded more than 21 million times, with the buybuy BABY mobile app being downloaded 150,000 times.

With roughly 87% of orders ready for pick up within two hours, BOPIS now accounts for 14% of digital sales in the quarter under review. Also, stores fulfilled 41% of digital sales, out of which 17% were BOPIS orders. Apart from these, its newly launched same-day delivery service is gaining traction with more than 220,00 same-day delivery orders in the fiscal fourth quarter. Out of these, 78% of orders came from websites while the rest were from Shipt and Instacart. Encouragingly, management launched Harmon Face Values on Instacart with the added benefit of same-day delivery for healthy and personal care products.

During the quarter, total enterprise comparable sales (comps) grew 4% year over year, marking the third successive quarter of comps growth. The metric gained from strength in the Bed Bath & Beyond banner and strong digital comps. However, comparable store sales fell 20% year over year.

Gross profit advanced 18.6% to $926.2 million in the fiscal fourth quarter. Moreover, adjusted gross margin expanded 20 basis points (bps) to 32.8% on positive product mix, higher markdowns, better promotions, and lower distribution and fulfillment costs. On the flip side, adverse digital channel mix and elevated shipping costs acted as deterrents. Meanwhile, adjusted SG&A expenses fell 19.9% to $763 million, driven by the sale of non-core businesses and reduced occupancy costs. Further, the company incurred an operating loss of $23.7 million compared with a loss of $81.2 million in the year-ago quarter.

Financial Position

Bed Bath & Beyond ended the fiscal fourth quarter with cash and investments of roughly $1,353 billion. Long-term debt totaled $1,190.4 million and total shareholders' equity was $1,276.9 million as of Feb 27, 2021. In the quarter, cash provided by operating activities came in at $75.7 million along with nearly $66 million in capital expenditures.

The company boasts liquidity of nearly $2.1 billion, driven by a free cash flow of $62 million. Further, the total share repurchase program has been raised to $1 billion, up from $825 million announced earlier. The company now intends to repurchase shares worth $325 million, an increase from $300 million guided earlier. Also, capital expenditures for fiscal 2021 are likely to be $400 million.

Looking Ahead

Management noted that its non-core portfolio sale is complete. As a result, it retained its fiscal 2021 view. The company still expects net sales to be $8-$8.2 billion along with flat total enterprise comps year over year. It continues to anticipate adjusted EBITDA of $500-$525 million. Moreover, adjusted gross margin is likely to be roughly 35%, with adjusted SG&A expenses of nearly 31%. Apart from these, Bed Bath & Beyond envisions in-store traffic to improve in fiscal 2021. However, fiscal 2021 remains exposed to threats related to COVID-19 such as uncertainty surrounding vaccine rollouts, changes in consumer demand and shopping behavior, which in turn might affect store traffic and online sales. Also, higher freight costs remain a concern.

For first-quarter fiscal 2021, Bed Bath & Beyond expects net sales to grow more than 40% year over year. Also, gross margin is likely to improve on a sequential basis to the tune of 34%. Adjusted EBITDA is forecasted to be $80-$90 million.

Store Updates

The company shut down 118 Bed Bath & Beyond stores during the reported quarter. Meanwhile, it opened three buybuy BABY stores, one Bed Bath & Beyond store, and a Harmon Face Values store. Management remains on track to close roughly 200 underperforming Bed Bath & Beyond stores by the end of fiscal 2021. Also, it revealed plans to open seven baby stores in fiscal 2021. Further, the company intends to invest roughly $250 million to remodel nearly 450 stores over the next three years. Keeping in these lines, 130-150 stores are likely to be remodeled in fiscal 2021, with 26 stores in the fiscal first quarter itself.

Recent News

Bed Bath & Beyond Launches Our Table, New Dinnerware Line - Jun 7, 2021

Bed Bath & Beyond has come up with a new kitchen and dinnerware collection namely Our Table which includes modern and durable assortment of cookware, bakeware, dinnerware, table linens, kitchen tools, kitchen linens to name a few. The products from this line is made up of wood and marble with metal finishes are also reasonably priced.

Bed Bath & Beyond Unveils Three Owned Brands – Jun 2, 2021

Bed Bath & Beyond furthers its transformation plan with the launch of three more Owned Brands this quarter, just ahead of the Back-to-College shopping season. The launch forms part of the company's key assortment expansion plan, with the objective of rebuilding its position in the $180-billion home market. The product lines to be launched include Our Table, Wild Sage and Squared Away. The Our Table line will include modern cookware, bakeware, food prep, kitchen gadgets & utensils, kitchen linens, dining & barware products. The product line will comprise more than 1,100 products. Wild Sage is a youthful, eclectic collection of about 600 stylish housewares for the bedroom, bathroom, dining room and living space. Squared Away mainly includes storage, organization and cleaning solutions for the home. It offers nearly 300 storage items for the kitchen, closet, bathroom and organization throughout the home.

The latest product introductions will bring the company's Owned Brands launches so far this year to six. Notably, it launched the Simply Essential, Haven and Nestwell Owned Brands last quarter. The launches indicate that the company is well ahead of its target of introducing at least eight Owned Brands by the end of February 2022. Moreover, the company earlier revealed plans to launch at least 10 Owned Brands in the next two years as part of its three-year transformation strategy.

Bed Bath & Beyond Partners with DoorDash – May 26, 2021

Bed Bath & Beyond has partnered with DoorDash to fortify its same day delivery services in the United States. This will enhance the shopping experience of customers at online portals of the Bed Bath & Beyond and buybuy BABY brands. Through this launch the Bed Bath & Beyond and buybuy BABY websites will extend same day delivery services to more than 3,000 additional zip codes in the United States.

The same day delivery service will be powered through DoorDash Drive – DoorDash's white-label fulfilment platform that offers direct delivery for any business. This launch comes right ahead of the Memorial Day holiday, when customers are looking for essentials, must-haves, and amazing deals. Moreover, it follows the successful launch of the same day delivery service in Canada last month, which was accelerated in response to the pandemic-led lockdowns in Ontario.

Bed Bath & Beyond Launches Simply Essential Line – May 10, 2021

Bed Bath & Beyond is in an assortment expansion spree. The company announced the launch of Simply Essential – a new line consists of more than 1,200 essential items, designed to suit various home needs. Markedly, the launch forms part of the company's three-year transformation plan. Exclusively available at Bed Bath & Beyond, the new assortment line has been thoughtfully designed for meeting needs across every room of a house. Simply Essential is the company's first full-line assortment at opening price points. This assortment also marks the third Owned Brand launched by the company this year.

The Simply Essential line underpins Bed Bath & Beyond's commitment to meet the needs of a wide range of customers with new value-led options, eliminating gaps in lower price brackets. Apart from being wallet-friendly, these products do not compromise on design or performance.

All products under the Simply Essential line will be launched this year. It includes products ranging from the company's top five destination categories — bed, bath, kitchen and dining as well as storage and organization. Moreover, it will extend the company's competitive positioning in areas such as kitchen gadgets. Under the new assortment, kitchen basics start at $1, including products like ladles and serving spoons, while pillows are priced at $5. Markedly, the entire line is priced under $200, with many products under $50. Simply Essential products are available through Bed Bath & Beyond's omnichannel facilities, including buy online and pickup in-store or curbside, regular or same-day delivery. The products are also available for in-store shopping, across Bed Bath & Beyond store locations in North America.

Bed Bath & Beyond Join Hands With RELEX Solutions As Part of its Technology Transformation Plan – Mar 25, 2021

As part of its technology transformation worth $250 million, Bed Bath & Beyond announced its collaboration with RELEX Solutions, wherein the latter will offer technology solutions for better inventory management. RELEX Solutions is a cloud-based technology platform which will enable improved forecasting, replenishment, and allocation planning in a bid to support Bed Bath & Beyond's in-stock position and inventory turnover, thus driving sales and margins.

Bed Bath & Beyond's Nestwell Launch to Aid Transformation – Mar 22, 2021

Bed Bath & Beyond is cashing-in on this new-found interest among people for enhancing or renovating their home space and spending more on home items with the launch of its latest private label brand — Nestwell. The new product line offers a wide range of affordable and comfortable bedding and bath products, including sheets, pillows, blankets, duvets, mattress toppers, bath towels and bath accessories, which will be available only at Bed Bath & Beyond stores and Bedbathandbeyond.com from Mar 22. Customers can avail delivery options such as Buy-Online-Pickup-In-Store (BOPIS), contactless curbside pickup and same-day delivery at the time of purchase. Further, it comes with an online quiz, namely Nestwell to Rest Well, which helps identify customers' nesting archetypes, curate designing beds by interior designers at Decorist and products that suit their individual sleeping pattern.

Bed Bath & Beyond Plans to Roll Out Owned Brands – Mar 3, 2021

Bed Bath & Beyond is in an assortment expansion spree. As part of its three-year transformation plan, the company will launch at least eight new

Owned Brands in fiscal 2021. Another major step in its comprehensive growth strategy includes plans to launch thousand of new products, exclusively available only at Bed Bath & Beyond. These actions are expected to boost the company's footing in the $180 billion Home market.

Boosting Brand Strength is a Prudent Move

Management highlighted that its latest move to expand Owned Brands assortment is one of its major product-based initiative undertaken in a generation. Out of the eight new Owned Brands planned to be launched in fiscal 2021, six brands will be launched in each of the first six months of the fiscal year. Moreover, the company plans to introduce at least 10 Owned Brands in the next two years.

Management expects its transformational Owned Brands program to begin later this month, with the launch of Nestwell — an assortment of quality bed and bath goods. The Nestwell brand is likely to boost the company's presence in the sleep category. The company also plans to relaunch the Haven bath brand in April, which will offer a spa-inspired assortment of organic cotton products and more. Further, the company plans to introduce Simply Essential — an Owned Brand assortment that will include more than 1,000 household essentials. These highly functional, well-designed products will be offered at a great value across multiple categories.

The company highlighted that the new Owned Brands will cater to consumer needs across segments such as bed, bath, kitchen and dining, storage and organization as well as home decor. In fact, these products will form part of the company's key category that contribute more than 60% to its revenues. Moreover, management expects the sales penetration of Owned Brands to grow from 10% to nearly 30% within the first three years. Further, the company expects to boost gross margin by strategically managing costs and sourcing.

Clearly, Bed Bath & Beyond is focused on boosting consumers' shopping experience by offering a wide range of home related merchandise needed for comfortable and enjoyable living. Its latest initiative to offer a range of Owned Brands is likely to transform its assortment and also create substantial opportunities for long-term growth. Moreover, as the company enters its 50th year, management looks forward to welcoming customers with new collections in reimagined stores.

Valuation

Bed Bath & Beyond shares are up 93.1% in the year to date period and nearly 359.7% for the trailing 12-month period. Stocks in the Zacks sub-industry is up 3.9% but the Zacks Retail-Wholesale sector is down 2%, in the year to date period. Over the past year, the Zacks sub-industry and the sector are up 28.2% and 22.8%, respectively.

The S&P 500 index is up 13.8% in the year-to-date period and 44.9% in the past year.

The stock is currently trading at 0.48X forward 12-month sales, which compares to 1.27X for the Zacks sub-industry, 1.31X for the Zacks sector and 4.71X for the S&P 500 index.

Over the past five years, the stock has traded as high as 0.75X and as low as 0.04X, with a 5-year median of 0.24X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $36 price target reflects 0.5X forward 12-month sales.

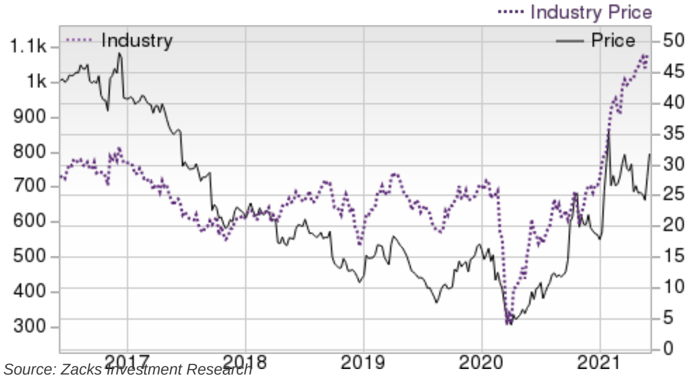
The table below shows summary valuation data for BBBY

Valuation Multiples - BBBY

		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.48	1.27	1.31	4.71
	5-Year High	0.75	1.34	1.41	4.74
	5-Year Low	0.04	0.54	0.84	3.21
	5-Year Median	0.24	0.88	1.02	3.72
P/B TTM	Current	3.08	7.11	5.43	7.03
	5-Year High	4.58	7.21	6.5	7.03
	5-Year Low	0.26	2.32	3.8	3.84
	5-Year Median	1.09	4.35	5.16	5.02
EV/EBITDA F12M	Current	6.46	12.28	13.83	15.8
	5-Year High	28.44	13.37	14.59	16.53
	5-Year Low	1.32	5.94	8.78	10.79
	5-Year Median	4.32	9.06	11.51	13.59

As of 06/09/2021 *Source: Zacks Investment Research*

Industry Analysis Zacks Industry Rank: Top 13% (33 out of 251)



Source: Zacks Investment Research

Top Peers

Company (Ticker)	Rec	Rank
DICKS Sporting Goods, Inc. **(DKS)**	Outperform	1
Sally Beauty Holdings, Inc. **(SBH)**	Outperform	1
Ulta Beauty Inc. **(ULTA)**	Outperform	1
Five Below, Inc. **(FIVE)**	Neutral	2
KAR Auction Services, Inc **(KAR)**	Neutral	3
Kingfisher PLC **(KGFHY)**	Neutral	3
The ODP Corporation **(ODP)**	Neutral	2
Tractor Supply Company **(TSCO)**	Neutral	2

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

Industry Comparison Industry: Retail - Miscellaneous

	BBBY	X Industry	S&P 500	Industry Peers DKS	ODP	TSCO
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	1	2	2
VGM Score	A	-	-	B	A	D
Market Cap	3.66 B	1.80 B	30.22 B	8.86 B	2.74 B	20.87 B
# of Analysts	10	5	12	12	1	14
Dividend Yield	0.00%	0.00%	1.29%	1.46%	0.00%	1.15%
Value Score	A	-	-	B	A	D
Cash/Price	0.40	0.14	0.06	0.21	0.28	0.06
EV/EBITDA	16.76	7.94	17.40	6.70	-38.14	17.08
PEG F1	NA	1.47	2.13	1.69	NA	2.73
P/B	2.93	3.76	4.17	3.41	1.40	11.27
P/CF	10.84	10.19	17.80	9.43	6.91	20.57
P/E F1	21.71	14.99	21.56	12.04	10.79	24.63
P/S TTM	0.40	0.88	3.51	0.79	0.29	1.82
Earnings Yield	4.37%	5.46%	4.55%	8.31%	9.27%	4.06%
Debt/Equity	0.93	0.18	0.66	0.16	0.18	0.55
Cash Flow ($/share)	3.16	3.16	6.83	10.52	7.23	8.80
Growth Score	A	-	-	D	A	D
Historical EPS Growth (3-5 Years)	-37.63%	12.87%	9.44%	15.11%	-1.81%	19.49%
Projected EPS Growth (F1/F0)	248.61%	39.34%	21.30%	34.74%	32.29%	7.00%
Current Cash Flow Growth	-62.03%	-2.97%	0.98%	34.44%	-13.41%	34.53%
Historical Cash Flow Growth (3-5 Years)	-20.77%	7.37%	7.28%	11.07%	-4.59%	13.90%
Current Ratio	1.58	1.47	1.39	1.56	1.15	1.71
Debt/Capital	48.25%	19.80%	41.53%	14.08%	14.93%	35.44%
Net Margin	-1.63%	5.38%	11.95%	9.27%	-3.33%	7.39%
Return on Equity	-8.44%	26.41%	16.36%	46.98%	10.39%	49.20%
Sales/Assets	1.29	1.30	0.51	1.46	1.64	1.64
Projected Sales Growth (F1/F0)	-11.87%	2.71%	9.37%	12.92%	-3.51%	8.77%
Momentum Score	A	-	-	B	F	B
Daily Price Change	-6.90%	-1.03%	-0.44%	-0.64%	0.26%	-0.21%
1-Week Price Change	13.29%	0.56%	0.58%	-0.06%	13.31%	-0.35%
4-Week Price Change	44.93%	5.92%	2.80%	19.04%	24.12%	-0.75%
12-Week Price Change	10.72%	6.08%	7.24%	26.21%	30.40%	7.51%
52-Week Price Change	315.13%	63.35%	36.87%	161.13%	92.19%	49.26%
20-Day Average Volume (Shares)	13,158,778	469,731	1,770,532	2,209,046	297,291	923,034
EPS F1 Estimate 1-Week Change	0.00%	0.00%	0.00%	-0.06%	0.00%	0.00%
EPS F1 Estimate 4-Week Change	0.00%	5.11%	0.03%	72.47%	0.00%	0.00%
EPS F1 Estimate 12-Week Change	15.28%	15.43%	3.39%	72.16%	7.42%	10.18%
EPS Q1 Estimate Monthly Change	0.00%	0.00%	0.00%	45.84%	0.00%	0.83%

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	A
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.

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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.