ZACKS | Our Research. Your Success.

Mar 15, 2021

BJs Restaurants (BJRI)

$61.56 (As of 03/12/21)

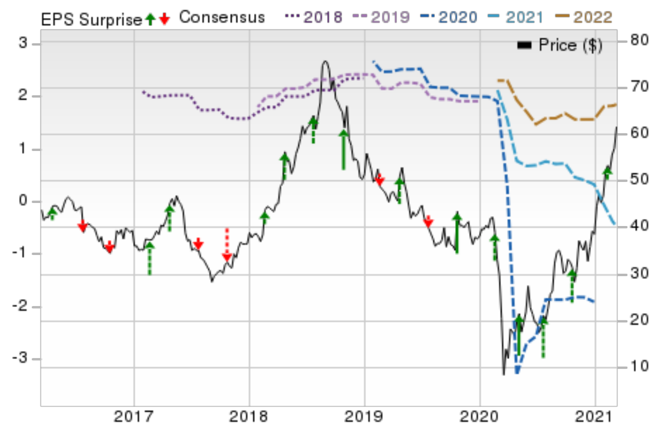
Price Target (6-12 Months): **$65.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 10/27/20) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5) Zacks Style Scores: Value: D | Growth: C | Momentum: F	**3-Hold** VGM:D

Summary

Shares of BJ's Restaurants have outperformed the industry in the past year. The company reported fourth-quarter fiscal 2020 results, with earnings meeting the Zacks Consensus Estimate and revenues surpassing the same. However, both metrics declined on a year-over-year basis due to the coronavirus pandemic. With increased state and local restrictions, dining rooms in California have been shut again. With services pertaining to takeout and delivery-only, comps during November and December fell 27% and 45.3%, respectively. Earnings estimates for 2021 have declined in the past 30 days. However, increased focus on various sales-building initiatives and loyalty program are likely to help the company going forward. Also, the rollout of digital check-ins, digital menus and digital payment options is likely to attract more customers.

Price, Consensus & Surprise

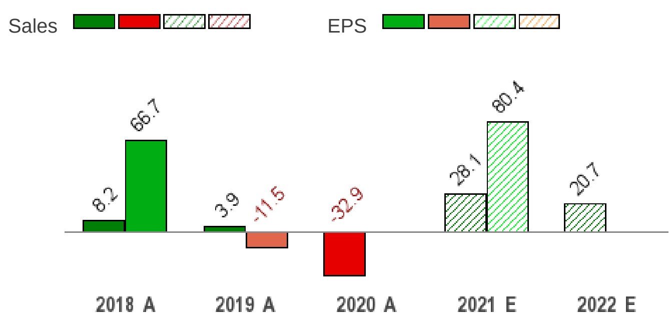


Source: Zacks Investment Research

Data Overview

52-Week High-Low	**$63.42 - $6.01**
20-Day Average Volume (Shares)	**285,271**
Market Cap	**$1.4 B**
Year-To-Date Price Change	**59.9%**
Beta	**2.21**
Dividend / Dividend Yield	**$0.00 / 0.0%**
Industry	**Retail - Restaurants**
Zacks Industry Rank	**Bottom 22% (198 out of 253)**
Last EPS Surprise	**0.0%**
Last Sales Surprise	**0.1%**
EPS F1 Estimate 4-Week Change	**-1,109.1%**
Expected Report Date	**05/06/2021**
Earnings ESP	**0.0%**
P/E TTM	**NA**
P/E F1	**NA**
PEG F1	**NA**
P/S TTM	**1.8**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2022	297 E	307 E	293 E	317 E	1,205 E
2021	201 E	246 E	269 E	286 E	998 E
2020	255 A	128 A	199 A	197 A	779 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2022	$0.53 E	$0.59 E	$0.36 E	$0.57 E	$1.85 E
2021	-$0.76 E	-$0.20 E	$0.14 E	$0.36 E	-$0.48 E
2020	-$0.10 A	-$0.99 A	-$0.44 A	-$0.80 A	-$2.45 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 03/12/2021. The report's text and the analyst-provided price target are as of 03/15/2021.

Overview

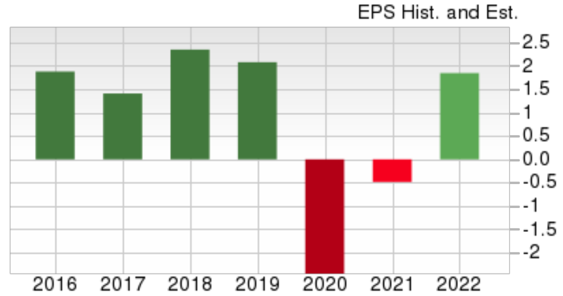
Founded in 1978 in Orange County, CA, BJ's Restaurants owns and operates a chain of high-end casual dining restaurants in the United States.

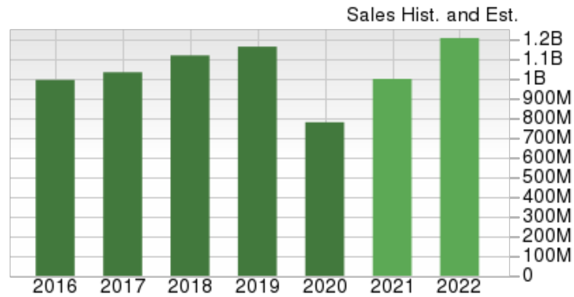
The restaurants operate as BJ's Restaurant & Brewery /BJ's Restaurant & Brewhouse and/ or BJ's Pizza & Grill and or BJ's Grill. The menu offers a wide range of dining options, including everyday lunch and dinner, special occasions and late-night business.

The offerings include a broad menu comprising of slow roasted entrees, such as, prime rib; EnLIGHTened Entrees such as Cherry Chipotle Glazed Salmon; signature deep-dish pizza; the world-famous Pizookie dessert; and its award-winning BJ's proprietary craft beers.

As of Dec 29, 2020, the company owned 210 restaurants located in 29 states — Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia and Washington.

Although coronavirus has triggered a catastrophe in terms of lives lost and financial impact, the company appears resilient enough to navigate through these uncertain times. Apart from initiatives such as technological enhancements, which include text-based updates and arrival notifications, the company has increased its focus on in-restaurant improvements such as physical layouts and process reengineering. Notably, the aforementioned efforts are likely to help the company to tide over the ongoing crisis.





Source: Zacks Investment Research

Reasons To Buy:

> BJ's Restaurants' various strategic sales-building initiatives, including menu innovation and enhanced loyalty program should drive the top line in the upcoming quarters

▲ **Focus on Menu Innovation:** BJ's Restaurants' extensive focus on refining and streamlining its menu is the key driver for improved traffic. The company'vs slow-roasted menu, launched in 2017, has become a huge success. It has significantly boosted average check with high incident rates. Additionally, the restaurant has also developed a robust pipeline of new menu items, focusing on its EnLIGHTened menu category, featuring its new super food options. Moving ahead, the company plans to introduce new flavors and improve the quality of its menu items. However, due to the COVID-19 pandemic, majority of its restaurants have limited their menu offerings to 50 items to support their business models.

During the fourth quarter, the company began testing of its virtual brand – slow roast, across its 13 restaurants. The delivery-only concept features slow roast items and other protein-centric products. Despite impressive sales and solid customer feedback, the company continues to monitor the test to ensure kitchen efficiency maintenance.

▲ **Off-Premise Sales Bode Well:** Even though the company has reopened majority of its dining rooms with limited capacity, its off-premise operations continue to be a driving factor for overall sales. During September 2020, the company added individually portioned group meals to its catering line-up. This along with its expanded family feast and bundle offerings has been a major contributor to off-premise sales.

During the fourth quarter, the company upgraded restaurants with kitchen system technology to improve order visibility and pacing. Also, the company has upgraded its front-end order and pickup technology to boost convenience and order accuracy. Backed by these initiatives, off-premise sales during the quarter came in at approximately $28,000 per week.

▲ **Sales-Building Initiatives:** To boost sales from its dine-in services, restaurant operators have implemented glass partitions in its dining rooms to expand capacity. It has also initiated construction of outside dining spaces in nearly half of its restaurants. Notably, the company expects the changes to be implemented at approximately 170 restaurants by mid-November 2020. Moreover, in places like California, Texas, Florida, Arizona and Nevada, the company added heaters and breathable panels to its outdoor dining spaces to support extended seating.

Meanwhile, the company began testing of its beer subscription service in a group of Northern California restaurants. Notably, high customer engagement is being witnessed on the back of new beer releases along with program benefits. Items that are currently in the pipeline include, Bourbon Barrel Chocolate Stout and Coffee Blonde. Going forward, the company plans to expand this program at majority of its California restaurants and other states as well.

▲ **Digital initiatives to Boost Revenues:** The digital wave has hit the U.S. fast-casual restaurant sector. More and more restaurants are deploying technology to enhance guest experience. BJ's Restaurants is also investing heavily in technology-driven initiatives, like digital ordering, to boost sales. The company's app and digital platforms are allowing it to more effectively and efficiently offer promotions. In the second quarter 2019, BJ's Restaurants completed the rollout of third-party delivery provisions in all its restaurants. Apart from partnerships, the company has rolled out several digital initiatives like digital check-ins, digital menus and digital payment options to attract more customers.

Additionally, the company's loyalty guest database continues to grow well with the steady increase in transactions. The company has also completed the national launch of its loyalty program in the first quarter of 2018 and is so far witnessing double-digit increases in loyalty sign up as well as similar increases in reward redemptions. Other productivity improvement initiatives such as a centralized call center to capture more online orders are also expected to boost the top line, going ahead. The company also continues to drive awareness in its key markets through greater and more targeted marketing. Moreover, to support online ordering, the company is transitioning from the current PDF form factor to a dynamic HTML version thereby boosting promotions as well as guest-driven navigation.

▲ **Enough Liquidity to Tide Over Coronavirus Crisis:** BJ's Restaurants has enough liquidity to survive the coronavirus pandemic for some time. As of Dec 29, 2020, the company has approximately $54 million of cash on its balance sheet along with another $114 million under its line of credit. This can be compared with $64.9 million of cash in balance sheet along with another $90 million under its line of credit as on Sep 29 2020. During the fourth quarter, total debt came in at $116.8 million compared with $126.8 million as on prior-quarter end. Meanwhile, debt-to-capital ratio during the fourth quarter came in at 0.28x compared with 0.29x in the previous quarter.

Reasons To Sell:

Coronavirus related woes, along with high dependency on consumer discretionary spending and increasing costs remain potential headwinds.

- **Coronavirus Woes Stay:** The company's fourth-quarter operations were negatively impacted by the coronavirus pandemic. Notably, with increased state and local restrictions, dining rooms in California have been shut again. With services pertaining to takeout and delivery-only, comps during November and December fell 27% and 45.3%, respectively. As of February end, all dining rooms in California remained closed, while patios have reopened.

- **Higher Costs Hurt:** BJ's Restaurants is continuously shouldering increased expenses, which has been affecting margins of late. Higher pre-opening costs, marketing expenses and costs related to sales-boosting initiatives are weighing on the company's margins. Particularly, slow roasting ovens and handheld tablets are adding to the restaurants' costs. The company is also facing high general and administrative expenses.

  During the fiscal fourth quarter, labor costs, as a percentage of sales, came in at 38.4%, up 200 basis points (bps) year over year. Occupancy and operating costs (as a percentage of sales) were 29.1% compared with 22.5% in the year-ago quarter. General and administrative expenses (as a percentage of sales) increased 150 bps to 6.8% in the quarter. Restaurant-level operating margin came in at 6.6% compared with 16% in the year-ago quarter.

- **Limited International Presence:** While several other restaurateurs including Yum! Brands, McDonald's and Domino's Pizza, are capitalizing on the emerging market potential, BJ's Restaurants seems to be slow on this front. We believe that the company needs to spread its presence beyond the United States in order to offset the impact of cutthroat competition in the saturated domestic market.

- **Industry Susceptible to Consumer Discretionary Spending:** BJ's Restaurants operates in the retail restaurant space that is highly dependent on consumer discretionary spending. Consumers' propensity to spend largely depends on the overall macro-economic scenario. Although higher disposable income and increased wages are favoring the industry right now, it can change with the slightest disruption in the economy. The company, therefore, is highly vulnerable to the inconsistent nature of consumer discretionary spending. If it does not make pragmatic use of advanced technologies to innovate across value chains, it has high chances of fading out like many other restaurant retailers.

Last Earnings Report

BJ's Restaurants Posts In-Line Q4 Earnings, Revenues Top

Quarter Ending	12/2020
Report Date	Feb 11, 2021
Sales Surprise	0.12%
EPS Surprise	0.00%
Quarterly EPS	-0.80
Annual EPS (TTM)	-2.33

BJ's Restaurants reported fourth-quarter fiscal 2020 results, wherein earnings matched the Zacks Consensus Estimate, while revenues surpassed the same. Notably, the top line outpaced the consensus mark for the third straight quarter.

Earnings & Revenues

Adjusted net loss of 80 cents per share was in line with the Zacks Consensus Estimate. In the year-ago period, the company had reported adjusted earnings of 56 cents per share.

Total quarterly revenues of $197 million beat the consensus estimate of $196.8 million by 0.12%. However, the top line declined 32.3% on a year-over-year basis. Lower comparable restaurant sales led to the decline. However, total restaurant operating weeks increased approximately 0.6% from the prior-year quarter. Comparable restaurant sales slumped 32.3% against a gain of 0.4% in the year-ago quarter.

Expenses & Operating Margins

During the fiscal fourth quarter, labor costs, as a percentage of sales, came in at 38.4%, up 200 basis points (bps) year over year. Occupancy and operating costs (as a percentage of sales) were 29.1% compared with 22.5% in the year-ago quarter. General and administrative expenses (as a percentage of sales) increased 150 bps to 6.8% in the quarter.

Restaurant-level operating margin came in at 6.6% compared with 16% in the year-ago quarter.

Store Count

As of Dec 29, 2020, BJ's Restaurants owned and operated 210 casual dining restaurants (in 29 states), out of which one is temporarily closed due to the COVID-19 crisis. The company is planning to expand presence to at least 425 restaurants.

Balance Sheet

As of Dec 29, 2020, cash and cash equivalents totaled $50 million compared with $22.4 million on Dec 31, 2019. Total debt as of Dec 29, 2020 amounted to $116.8 million compared with $143 million at 2019-end.

Valuation

BJ's Restaurants' shares are up 70.1% in the past six-month period and 378% in the trailing 12-month period. Stocks in the Zacks sub-industry and the sector are up 11.4% and 4.3%, respectively, in the past six-month period. Over the past year, the Zacks sub-industry and the sector were up by 72.7% and 71.4%, respectively.

The S&P 500 index is up by 18.1% in the past six-month period and 70.5% in the past year.

The stock is currently trading at 1.37X forward 12-month sales, which compares to 4.09X for the Zacks sub-industry, 1.33X for the Zacks sector and 4.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 1.41X and as low as 0.1X, with a 5-year median of 0.8X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $65 price target reflects 1.43X forward 12-month sales.

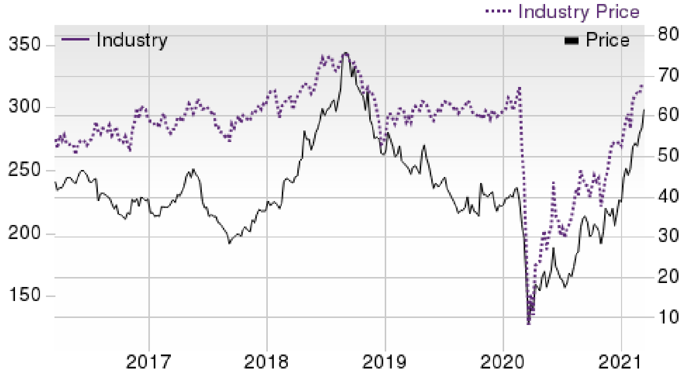
The table below shows summary valuation data for BJRI.

Valuation Multiples - BJRI

		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	1.37	4.09	1.33	4.57
	5-Year High	1.41	4.09	1.34	4.57
	5-Year Low	0.1	2.81	0.84	3.21
	5-Year Median	0.8	3.38	1.02	3.69
P/CF	Current	33.88	31.97	16.6	24.1
	5-Year High	33.88	34.17	19.02	24.1
	5-Year Low	1.1	8.59	11.04	12.87
	5-Year Median	7.45	17.09	13.52	18.46
EV/EBITDA TTM	Current	N/A	24.18	18.85	17.53
	5-Year High	30.38	24.18	20.78	17.53
	5-Year Low	N/A	10.72	10.71	9.62
	5-Year Median	8.32	14.6	13.19	13.32

As of 03/12/2021 *Source: Zacks Investment Research*

Industry Analysis **Zacks Industry Rank:** Bottom 22% (198 out of 253)



Source: Zacks Investment Research

Top Peers

Company (Ticker)	Rec	Rank
Chipotle Mexican Grill, Inc. **(CMG)**	Neutral	3
DINE BRANDS GLOBAL, INC. **(DIN)**	Neutral	4
Jack In The Box Inc. **(JACK)**	Neutral	2
Dave & Busters Entertainment, Inc. **(PLAY)**	Neutral	3
Papa Johns International, Inc. **(PZZA)**	Neutral	3
Red Robin Gourmet Burgers, Inc. **(RRGB)**	Neutral	3
Carrols Restaurant Group, Inc. **(TAST)**	Neutral	3
RESTAURANT GRP **(RSTGF)**	Underperform	4

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

Industry Comparison Industry: Retail - Restaurants

	BJRI	X Industry	S&P 500	JACK	PLAY	RRGB
				Industry Peers		
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	2	3	3
VGM Score	D	-	-	B	F	B
Market Cap	1.43 B	890.85 M	28.54 B	2.41 B	2.22 B	587.64 M
# of Analysts	11	6	13	11	6	3
Dividend Yield	0.00%	0.00%	1.38%	1.52%	0.00%	0.00%
Value Score	D	-	-	B	D	C
Cash/Price	0.04	0.09	0.06	0.13	0.00	0.03
EV/EBITDA	-154.46	18.45	16.11	13.97	9.87	-11.54
PEG F1	NA	3.18	2.38	0.97	NA	NA
P/B	4.68	4.86	3.92	NA	10.71	4.86
P/CF	64.11	19.78	16.30	14.10	6.05	12.29
P/E F1	NA	39.83	21.26	16.54	NA	NA
P/S TTM	1.83	1.82	3.30	2.29	3.32	0.68
Earnings Yield	-0.78%	2.14%	4.59%	6.05%	-3.05%	-4.43%
Debt/Equity	0.40	0.42	0.67	-1.84	2.72	1.33
Cash Flow ($/share)	0.96	0.98	6.78	7.48	7.69	3.07
Growth Score	C	-	-	B	F	B
Historical EPS Growth (3-5 Years)	2.21%	-2.38%	9.34%	4.95%	1.12%	-27.08%
Projected EPS Growth (F1/F0)	80.26%	67.52%	14.75%	37.17%	71.10%	85.23%
Current Cash Flow Growth	-81.33%	-28.93%	0.74%	-2.43%	-0.07%	-58.49%
Historical Cash Flow Growth (3-5 Years)	-26.89%	-2.17%	7.37%	-3.83%	16.47%	-17.52%
Current Ratio	0.54	1.00	1.39	1.21	0.32	0.43
Debt/Capital	28.45%	47.86%	41.42%	NA	73.10%	57.14%
Net Margin	-7.44%	-1.84%	10.59%	12.61%	-18.78%	-31.78%
Return on Equity	-16.96%	-12.18%	14.70%	-16.03%	-60.06%	-105.26%
Sales/Assets	0.72	0.79	0.51	0.56	0.27	0.84
Projected Sales Growth (F1/F0)	28.21%	13.28%	6.93%	8.99%	130.84%	27.93%
Momentum Score	F	-	-	B	F	D
Daily Price Change	4.89%	0.59%	0.64%	2.79%	1.97%	1.48%
1-Week Price Change	2.59%	2.51%	2.46%	-3.15%	4.36%	17.99%
4-Week Price Change	16.02%	6.11%	4.45%	4.46%	23.49%	31.74%
12-Week Price Change	70.38%	27.41%	7.65%	16.38%	65.02%	94.58%
52-Week Price Change	235.48%	98.59%	62.34%	166.05%	210.13%	376.99%
20-Day Average Volume (Shares)	285,271	279,868	2,210,456	453,949	1,377,774	339,107
EPS F1 Estimate 1-Week Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EPS F1 Estimate 4-Week Change	-1,109.09%	0.00%	0.00%	13.76%	0.00%	28.59%
EPS F1 Estimate 12-Week Change	-217.96%	-4.00%	2.01%	14.05%	-9.22%	-30.05%
EPS Q1 Estimate Monthly Change	-16.87%	0.00%	0.00%	10.09%	0.00%	6.65%

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	D
Growth Score	C
Momentum Score	F
VGM Score	D

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

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock.The EPS and revenue forecasts are the Zacks Consensus estimates, unless indicated otherwise on the reports first page. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment.This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time.ZIR is not a broker-dealer.ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients.Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

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.