Bristol-Myers (BMY)

$63.86 (As of 01/08/20)

Price Target (6-12 Months): **$69.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 09/24/19) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**2-Buy**
	Zacks Style Scores:	VGM:A
	Value: A | Growth: B | Momentum: A	

Summary

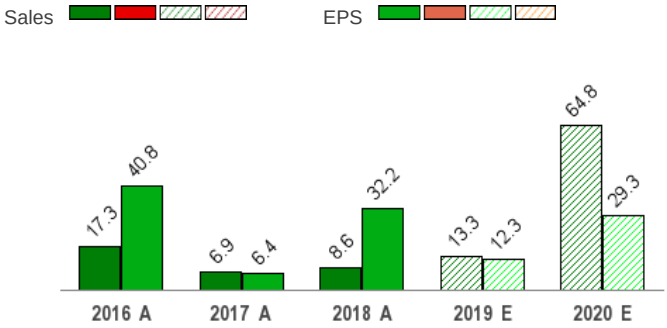
Bristol-Myers' lead immuno-oncology drug, Opdivo, continues to drive growth. Label expansion of the drug into additional indications should further boost the top line. Empliciti and Sprycel are also performing well on label expansion. Moreover, Bristol-Myers has presence in other core therapeutic areas, including immunoscience and cardiovascular. Blood thinner drug, Eliquis, is expected to drive growth, propelled by increased share in the NOAC market. Meanwhile, the acquisition of Celgene Corporation should broaden the company's oncology portfolio with the addition of blockbuster drug, Revlimid. However, concerns will rise once the drug loses patent protection. Moreover, the company is facing headwinds like stiff competition from other immuno-oncology drugs and pipeline setbacks. Shares have outperformed the industry in the past year.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$64.75 - $42.48**
20 Day Average Volume (sh)	**12,139,032**
Market Cap	**$104.0 B**
YTD Price Change	**-0.5%**
Beta	**0.73**
Dividend / Div Yld	**$1.80 / 2.8%**
Industry	**Large Cap Pharmaceuticals**
Zacks Industry Rank	**Top 32% (82 out of 254)**
Last EPS Surprise	**10.4%**
Last Sales Surprise	**3.5%**
EPS F1 Est- 4 week change	**1.9%**
Expected Report Date	**02/06/2020**
Earnings ESP	**34.1%**
P/E TTM	**14.6**
P/E F1	**11.1**
PEG F1	**2.2**
P/S TTM	**4.3**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2020	10,106 E	10,299 E	10,424 E	10,757 E	42,109 E
2019	5,920 A	6,273 A	6,007 A	7,099 E	25,559 E
2018	5,193 A	5,704 A	5,691 A	5,973 A	22,561 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	$1.50 E	$1.54 E	$1.58 E	$1.55 E	$5.78 E
2019	$1.10 A	$1.18 A	$1.17 A	$1.04 E	$4.47 E
2018	$0.94 A	$1.01 A	$1.09 A	$0.94 A	$3.98 A

*Quarterly figures may not add up to annual.

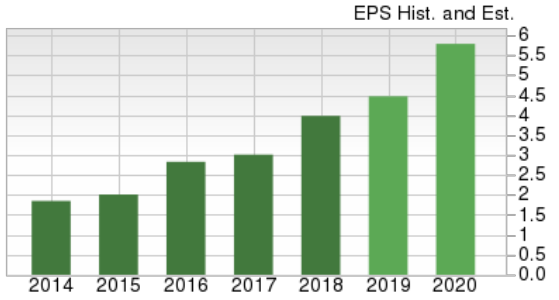
The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 01/08/2020. The reports text is as of 01/09/2020.

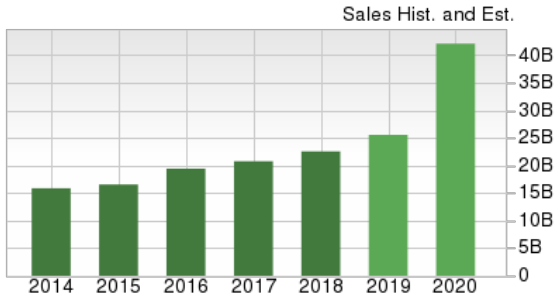
Overview

New York-based Bristol-Myers Squibb is a global specialty biopharmaceutical company focused on the development of treatments targeting serious diseases. The company's key oncology products include Opdivo, Sprycel, Yervoy and Empliciti. Beyond oncology, the company remains focused on immunology and cardiovascular drugs like Orencia and Eliquis. In 2015, it received FDA approval for Daklinza, in combination with Sovaldi for the treatment of chronic hepatitis C virus (HCV) genotype 3. The company's virology portfolio also comprises products like Baraclude, Reyataz and Sustiva.

After the sale of the global Diabetes business to AstraZeneca (February 2014) and the discontinuation of discovery research efforts in virology (February 2016), Bristol-Myers is focusing solely on research in core therapeutic areas like oncology, immuno-oncology, immunoscience, cardiovascular, fibrosis and genetically defined diseases.

Key acquisitions include IFM in 2017, Cormorant and Padlock in 2016, Cardioxyl and Flexus in 2015 and iPierian in 2014. In April 2014, the company acquired iPierian, Inc. to strengthen its pipeline further. Concurrently, the company divested small molecule manufacturing operations in Swords, Ireland in 2017; certain OTC brands and investigational HIV medicines businesses in 2016; Erbitux in North America, and certain mature and other OTC brands businesses in 2015; and diabetes business in 2014. In November 2019, Bristol-Myers acquired Celgene for $74 billion.





Bristol-Myers reported revenues of $22.6 billion in 2018, up 9% from 2017. Opdivo sales came in at $6.7 billion and Eliquis sales came in at $6.4 billion.

Reasons To Buy:

> Strong sales of drugs like Opdivo, Sprycel and Eliquis are encouraging and should continue to drive the top line. Bristol-Myers' efforts to develop its pipeline are also encouraging.

- **Share Price Performance:** Bristol-Myers' stock outperformed the industry in the past year.

- **Opdivo Continues to Perform Well:** Bristol-Myers' high-profile immuno-oncology drug, Opdivo, was the first PD-1 immune checkpoint inhibitor to gain regulatory approval in July 2014 and the drug continues to drive growth, having received approval for several cancer indications. The drug also became the first PD-1 inhibitor to be approved for a hematological malignancy — classical Hodgkin lymphoma — in the United States and the EU. It is also approved for the treatment of patients with recurrent or metastatic squamous cell carcinoma of the head and neck in the United States and Europe. The drug has been performing impressively due to demand resulting from the rapid commercial acceptance for several indications, including melanoma, renal cell carcinoma (RCC), hepatocellular carcinoma (HCC) and second-line non-small-cell lung cancer (NSCLC). The uptake has been strong in all new indications despite stiff competition.

  Meanwhile, Bristol-Myers is working on expanding the label of Opdivo further. The company reported encouraging results from CheckMate-227 and CheckMate-9LA on Opdivo in the lucrative first-line NSCLC indication. Label expansion into additional indications would give the product access to a higher patient population and increase its commercial potential significantly.

- **Other Oncology Drugs Gaining Traction**: : The company's cancer portfolio got a major boost in December 2015 with the launch of Empliciti for the treatment of multiple myeloma and the drug has been performing well since then. Bristol-Myers is co-developing Empliciti with AbbVie. The company also has a leukemia drug, Sprycel, contributing significantly to the top line. The FDA recently approved the label expansion of Sprycel to include the indication of Philadelphia chromosome-positive chronic phase (CP) chronic myeloid leukemia (CML) in children, and a powder for oral suspension (PFOS) formulation. The label expansion of Empliciti and Sprycel should further drive the top line.

- **Focus on Other Core Therapeutic Areas***:* Bristol-Myers also has a presence in other core therapeutic areas including immunoscience and cardiovascular. Eliquis has delivered a stellar performance in the year so far, propelled by increases in share in the novel oral anticoagulant (NOAC) market. Bristol-Myers has a worldwide co-development and co-commercialization agreement with Pfizer for Eliquis. Rheumatoid arthritis (RA) drug, Orencia, also contributes to the company's top line. In September 2016, Orencia became the first biologic therapy to gain EU approval specifically for the treatment of methotrexate (MTX)-naïve RA patients with highly active and progressive disease. The drug's label was expanded in Europe to include psoriatic arthritis as well. The FDA also approved Orencia for the treatment of adults with active psoriatic arthritis. The label expansion of these drugs should further boost sales.

- **Pursuing Deals and Acquisitions***:*Bristol-Myers is highly active on the deal signing/acquisition front. The company is looking to counter generic threat for its key drugs through deals and acquisitions, and introducing new products to augment its product portfolio. The company recently acquired Celgene Corporation for approximately $74 billion to boost its oncology franchise. Bristol-Myers owns approximately 69% of the company, while Celgene shareholders own approximately 31%. The acquisition is expected to be 40% accretive to the bottom line on a standalone basis in the first full year, following the closure of the transaction (expected by the end of the year). The combined company is expected to generate more than $45 billion in cash flow over the first three full years post the acquisition. Bristol-Myers expects to realize cost synergies of approximately $2.5 billion by 2022.

  The addition has boosted the company's strong oncology portfolio and added diverse pipeline in the therapeutic areas of inflammatory, immunologic and cardiovascular diseases. The combined entity will have a market leading oncology portfolio in both solid tumors and hematologic malignancies led by Opdivo and Yervoy along with Revlimid and Pomalyst. In addition, it will also have a strong immunology and inflammation franchise led by Orencia and Otezla and a leading cardiovascular franchise led by Eliquis. The combined company will have nine drugs with more than $1 billion in annual sales.

Reasons To Sell:

Bristol-Myers has been facing generic competition for several of its key products. The company also faces stiff competition in the immuno-oncology space. Pipeline setbacks remain a threat as well.

- **Celgene Acquisition Risks:** While the acquisition looks positive prima facie, any buyout of this magnitude comes with its own set of integration risks. Though the prospects of Revlimid look solid, the drug will lose patent protection shortly, significantly impacting sales. Moreover, Bristol-Myers sold one of Celgene's key growth drivers, plaque psoriasis and psoriatic arthritis drug, Otezla, in light of concerns expressed by the U.S. Federal Trade Commission (FTC). The company has a tyrosine kinase 2 (TYK2) inhibitor, BMS-986165, in its pipeline that is being evaluated in several autoimmune diseases. The regulatory agency was concerned about a possible overlap between Otezla and BMS-986165 in the pipeline. Otezla raked in more than $1.6 billion of sales in 2018 and was one of the key growth drivers for Celgene, while BMS-986165 is still in development. Sales of the drug are expected to come in around $1.9 billion in 2019 and retaining the same would have enabled Bristol-Myers to develop a strong inflammation portfolio along with its rheumatoid arthritis drug, Orencia.

- **Pipeline Setbacks***:* With generic competition looming large over the company, Bristol-Myers' pipeline needs to deliver. However, the company has had its share of pipeline and regulatory setbacks. Bristol-Myers had to voluntarily withdraw its supplemental Biologics License Application (sBLA) seeking approval of Opdivo+Yervoy as a treatment for first-line non-small cell lung cancer with tumor mutational burden ?10 mutations/megabase following discussions with the FDA. The withdrawal was disappointing given the potential in the NSCLC market. The failure of the part 2 of the Checkmate-227 study was disappointing, given the potential of the NSCLC market.

- **Fierce Competition***:* Bristol-Myers' products face intense competition in the market from both large pharma and biotech companies. Opdivo faces stiff competition from Merck's Keytruda and Roche's Tecentriq. Also, the immuno-oncology market is attracting a lot of attention with several companies inking deals and working on bringing their treatments to this high-revenue potential market. Moreover, Opdivo is facing stiff competition in the RCC space as well from the recent approvals.

Last Earnings Report

Bristol-Myers' Q3 Earnings & Revenues Beat Estimates

Quarter Ending	09/2019
Report Date	**Oct 31, 2019**
Sales Surprise	**3.54%**
EPS Surprise	**10.38%**
Quarterly EPS	**1.17**
Annual EPS (TTM)	**4.39**

Bristol-Myers' third-quarter 2019 earnings of $1.17 per share easily beat the Zacks Consensus Estimate of $1.06 and increased from the year-ago quarter's earnings of $1.09.

Total revenues of $6 billion comprehensively beat the Zacks Consensus Estimate of $5.8 billion and increased 6% from $5.69 billion in the year-ago period. Strong sales of Eliquis, Sprycel and Orencia contributed to the company's top line in the reported quarter.

Quarterly Details

Revenues were up 7% year over year when adjusted for foreign exchange impact. Revenues increased 7% to $3.5 billion in the United States and 3% outside the country. Ex-U.S. revenues were up 7% when adjusted for foreign exchange impact.

Eliquis witnessed strong growth and became the top revenue generator for the company yet again. Sales of the drug rose 22% to $1.93 billion. Sales of Opdivo, which is approved for multiple cancer indications, were up 1% year over year to $1.8 billion. While sales of Eliquis rose 23%, Opdivo sales were down 5% in the United States.

Leukemia drug, Sprycel, raked in sales of $558 million, up 14% year over year. Sales of rheumatoid arthritis drug, Orencia, were up 14% to $767 million. Melanoma drug, Yervoy, contributed $353 million to the top line, down 8% year over year.

Multiple myeloma drug, Empliciti, recorded sales of $89 million, up 51% year over year .

The performance of key drugs in the Virology unit were disappointing. Sales of Baraclude declined 17% to $145 million. Sales of other brands (including Sustiva, Reyataz, Daklinza and all other products that have lost exclusivity in major markets) fell 35% year over year to $350 million.

Adjusted research and development (R&D) expenses in the quarter were up 7.9% to $1.36 billion. Adjusted marketing, selling and administrative expenses decreased 4.4% to $1.1 billion.

Gross margin was 69.9% in the quarter compared with 71.1% in the year-ago quarter.

Celgene Acquisition Update

Earlier in the year, the company announced that it will acquire biotech bigwig Celgene Corporation for a whopping $74 billion. The acquisition was finally given a green signal a few months back after it faced opposition from some of the shareholders. In July, the company's acquisition offer was granted unconditional approval by the European Commission ("EC"). In August, Celgene entered into an agreement with Amgen to sell its global rights to psoriasis drug, Otezla. The deal was announced following a concern raised by the U.S. Federal Trade Commission about a possible overlap between Otezla and Bristol-Myers' tyrosine kinase 2 (TYK2) inhibitor, BMS-986165, which is being evaluated in several autoimmune diseases, including psoriasis. Bristol-Myers now expects to conclude the merger by the end of 2019.

Pipeline Update

In a major achievement, Bristol-Myers announced earlier this month that the pivotal, phase III study — CheckMate-9LA — evaluating a combination regimen of Opdivo in first-line advanced non-small cell lung cancer (NSCLC) met its primary endpoint of superior overall survival at a pre-specified interim analysis.

In October, the EC approved flexible dosing options of a flat dosing schedule of Opdivo 240 mg infused over 30 minutes every two weeks or 480 mg infused over 60 minutes every four weeks as an adjuvant treatment of adult patients with melanoma with involvement of lymph nodes or metastatic disease having undergone complete resection.

2019 Guidance Updated

Bristol-Myers updated its adjusted earnings expectation for 2019. The company projects earnings of $4.25-$4.35 per share (previous guidance: $4.20-$4.30).

Recent News

Revlimid Combo Gets EU Nod for New Indication - Dec 20

Bristol-Myers announced that the European Commission (EC) has approved a new indication for Revlimid (lenalidomide) in combination with Roche's Rituxan (rituximab) for the treatmentof adult patients with previously-treated follicular lymphoma (FL).

The approval of Revlimid and Rituxan (R2) was mainly based on results from the phase III AUGMENT study, which evaluated the efficacy and safety of the combination versus Rituxan plus placebo in patients with previously-treated FL. Per the study, patients treated with R2 showed statistically significant improvement in the primary endpoint of progression-free survival (PFS), as evaluated by an independent review committee, compared with Rituxan plus placebo.

Submits Biologics License Application for CAR T-Cell Therapy Lisocabtagene Maraleucel (liso-cel) to FDA – Dec 18

Bristol-Myers submitted a Biologics License Application (BLA) to the FDA for lisocabtagene maraleucel (liso-cel), its autologous anti-CD19 chimeric antigen receptor (CAR) T cell immunotherapy comprising individually formulated CD8+ and CD4+ CAR T cells, for the treatment of adult patients with relapsed or refractory (R/R) large B-cell lymphoma (LBCL) after at least two prior therapies.

Survival and Safety Data From Pivotal CC-486 Study QUAZAR AML-001 – Dec 10

Bristol-Myers announced clinical results from the QUAZAR AML-001 study, evaluating investigational agent CC-486 as maintenance therapy in a broad population of patients with front-line, newly diagnosed acute myeloid leukemia (AML), who have achieved remission with intensive induction chemotherapy. In the study, treatment with CC-486 in the maintenance setting provided patients a statistically significant and clinically meaningful improvement in overall survival and relapse-free survival as compared to those patients treated with placebo.

Liso-Cel Meets Goal in TRANSCEND NHL 001 Study- Dec 7

Bristol-Myers announced that the TRANSCEND NHL 001 study on experimental candidate lisocabtagene maraleucel (liso-cel) was successful. Liso-cel is an investigational chimeric antigen receptor (CAR) T-cell therapy designed to target CD19, which is a surface glycoprotein expressed during normal B-cell development and maintained following malignant transformation of B cells.

The longer-term follow-up data from the pivotal TRANSCEND NHL 001 study demonstrated that patients with relapsed/refractory large B-cell lymphomas experienced high rate of durable responses with low incidence of severe cytokine release syndrome and neurologic events. The study met its primary and secondary endpoints.

Update on FDA Advisory Committee for Reblozyl – Dec 6

Bristol-Myers and partner Acceleron Pharma Inc. announced the FDA's notification that Reblozyl (luspatercept-aamt) will not be reviewed at the Oncologic Drugs Advisory Committee ("ODAC") meeting scheduled for Dec 18, 2019 following the late-cycle review meeting on Dec 4, 2019.

The agency has informed Bristol-Myers that the original Prescription Drug User Fee Act (PDUFA) or target action, date of Apr 4, 2020 for its supplemental Biologics License Application (sBLA) for Reblozyl will remain, without the requirement for an ODAC review.

Concurrently, Bristol-Myers and bluebird bio announced positive top-line results from the phase II study, KarMMa, on idecabtagene vicleucel (ide-cel; bb2121). KarMMa, which evaluated the efficacy and safety of the companies' lead investigational BCMA-targeted chimeric antigen receptor (CAR) T cell therapy candidate for patients with relapsed and refractory multiple myeloma, met its primary endpoint and key secondary endpoint. Data showed deep and durable responses in a heavily pre-treated multiple myeloma patient population.

Orencia Gets Breakthrough Therapy Tag for GvHD – Dec 4

Bristol-Myers announced that the FDA granted Breakthrough Therapy designation to Orencia (abatacept) for the prevention of moderate-to-severe acute graft-versus-host disease (GvHD) in hematopoietic stem cell transplants (SCT) from unrelated donors. GvHD is a life-threatening medical complication that can impact patients receiving such transplants for the treatment of certain genetic diseases and hematologic cancers. If approved, Orencia will be the first approved therapy for the prevention of acute GvHD.

Valuation

Bristol-Myers shares are up 33.8% over the trailing 12-month period. Over the past year, the Zacks sub-industry is up 11.3% while the sector is up 5.1%.

The S&P 500 index is up 24.8% in the past year.

The stock is currently trading at 10.88X forward 12-month earnings per share, which compares to 15.42X for the Zacks sub-industry, 21.5X for the Zacks sector and 18.82X for the S&P 500 index.

Over the past five years, the stock has traded as high as 38.01X and as low as 8.99X, with a 5-year median of 19.13X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $69.00 price target reflects 11.7X forward 12-month earnings per share.

The table below shows summary valuation data for BMY

Valuation Multiples - BMY

		Stock	Sub-Industry	Sector	S&P 500
	Current	10.88	15.42	21.5	18.82

P/E F12M	5-Year High	38.01	18.1	21.5	19.34
	5-Year Low	8.99	13.94	15.91	15.17
	5-Year Median	19.13	15.53	18.98	17.44
P/S F12M	Current	2.82	4.7	2.82	3.49
	5-Year High	3.8	4.84	3.8	3.49
	5-Year Low	2.42	3.93	2.42	2.54
	5-Year Median	2.93	4.43	2.93	3
P/B TTM	Current	5.86	6.79	4.5	4.44
	5-Year High	9.53	7.26	5.01	4.45
	5-Year Low	4.33	3.78	3.42	2.85
	5-Year Median	6.63	5.16	4.27	3.61

As of 01/08/2020

Industry Analysis **Zacks Industry Rank:** Top 32% (82 out of 254)

Top Peers

Pfizer Inc. **(PFE)**	Outperform
AbbVie Inc. **(ABBV)**	Neutral
AstraZeneca PLC **(AZN)**	Neutral
GlaxoSmithKline plc **(GSK)**	Neutral
Johnson & Johnson **(JNJ)**	Neutral
Merck & Co., Inc. **(MRK)**	Neutral
Novartis AG **(NVS)**	Neutral
Roche Holding AG **(RHHBY)**	Neutral

Industry Comparison Industry: Large Cap Pharmaceuticals

Industry Peers

	BMY Neutral	X Industry	S&P 500	AZN Neutral	MRK Neutral	PFE Outperform
VGM Score	A	-	-	C	A	D
Market Cap	104.05 B	131.72 B	23.84 B	131.06 B	225.57 B	216.16 B
# of Analysts	6	3	13	5	5	4
Dividend Yield	2.82%	2.63%	1.79%	1.76%	2.75%	3.69%
Value Score	A	-	-	C	B	C
Cash/Price	0.32	0.04	0.04	0.04	0.03	0.04
EV/EBITDA	14.52	14.79	13.88	20.08	18.17	13.31
PEG Ratio	2.16	2.12	2.02	1.49	1.78	4.14
Price/Book (P/B)	5.86	5.86	3.33	9.59	8.43	3.30
Price/Cash Flow (P/CF)	14.57	12.45	13.76	15.55	14.27	9.28
P/E (F1)	11.05	15.69	18.76	24.01	16.12	15.10
Price/Sales (P/S)	4.30	4.30	2.63	5.43	4.91	4.08
Earnings Yield	9.05%	6.38%	5.32%	4.16%	6.21%	6.63%
Debt/Equity	1.37	0.82	0.72	1.29	0.84	0.55
Cash Flow ($/share)	4.38	4.30	6.94	3.21	6.21	4.21
Growth Score	B	-	-	C	A	F
Hist. EPS Growth (3-5 yrs)	20.32%	8.42%	10.56%	-2.47%	7.23%	8.42%
Proj. EPS Growth (F1/F0)	29.40%	6.71%	7.46%	15.17%	6.70%	-12.69%
Curr. Cash Flow Growth	24.21%	10.96%	14.83%	-3.77%	3.40%	8.89%
Hist. Cash Flow Growth (3-5 yrs)	13.59%	4.99%	9.00%	-5.68%	-1.53%	2.30%
Current Ratio	3.83	1.16	1.23	0.92	1.26	0.90
Debt/Capital	57.87%	45.00%	42.99%	56.26%	45.72%	35.53%
Net Margin	23.53%	20.68%	11.08%	8.42%	20.26%	30.57%
Return on Equity	45.49%	39.22%	17.16%	38.63%	48.16%	28.10%
Sales/Assets	0.53	0.53	0.55	0.40	0.55	0.33
Proj. Sales Growth (F1/F0)	64.75%	5.09%	4.16%	9.66%	5.95%	-11.59%
Momentum Score	A	-	-	B	A	C
Daily Price Chg	-0.11%	0.39%	0.39%	-0.24%	-0.67%	0.80%
1 Week Price Chg	-2.12%	-0.84%	-0.30%	-0.69%	-0.27%	-0.99%
4 Week Price Chg	2.32%	3.04%	2.38%	3.65%	-0.43%	2.20%
12 Week Price Chg	23.98%	12.41%	6.40%	14.07%	4.91%	7.48%
52 Week Price Chg	35.35%	15.20%	22.97%	32.14%	17.49%	-9.88%
20 Day Average Volume	12,139,032	1,979,852	1,610,101	2,080,579	7,042,708	16,366,608
(F1) EPS Est 1 week change	0.06%	0.00%	0.00%	-0.10%	0.13%	0.00%
(F1) EPS Est 4 week change	1.92%	0.05%	0.00%	0.48%	0.13%	0.00%
(F1) EPS Est 12 week change	13.05%	0.73%	-0.50%	-0.83%	2.39%	1.50%
(Q1) EPS Est Mthly Chg	14.50%	2.81%	0.00%	NA	NA	NA

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	B
Momentum Score	A
VGM Score	A

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

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