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May 04, 2020

Deckers Outdoor (DECK)

$143.29 (As of 05/01/20)

Price Target (6-12 Months): **$151.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 03/31/20) Prior Recommendation: Outperform	Neutral
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	4-Sell
	Zacks Style Scores:	VGM:A
	Value: C | Growth: A | Momentum: C	

Summary

Shares of Deckers have declined in the past three months. The stock came under pressure following a temporarily suspension in operations at a distribution center in California due to the coronavirus outbreak that impacted domestic product availability and e-commerce orders for brands. However, the company has started operations on a brief basis but is still monitoring the situation. Certainly, the company's focus on expanding brand assortments, introducing more innovative line of products, targeting consumers digitally through marketing and sturdy e-commerce along with optimizing omni-channel distribution bode well. These enabled Deckers to continue upbeat performance in third-quarter fiscal 2020. However, an expected decline in fourth-quarter earnings and softness in the Sanuk brand raise concern.

Price, Consensus & Surprise

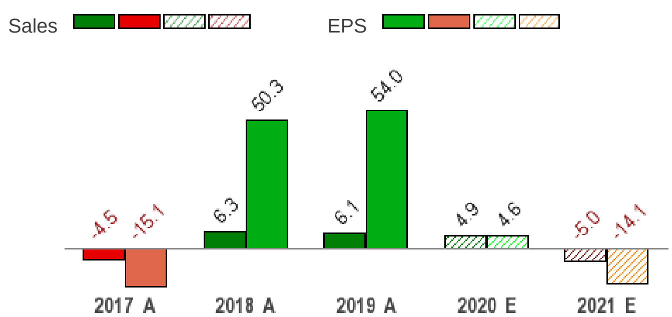
Data Overview

52 Week High-Low	$203.19 - $78.70
20 Day Average Volume (sh)	346,418
Market Cap	$4.0 B
YTD Price Change	-15.1%
Beta	0.90
Dividend / Div Yld	$0.00 / 0.0%
Industry	[Shoes and Retail Apparel](#)
Zacks Industry Rank	Bottom 5% (240 out of 253)

Last EPS Surprise	9.9%
Last Sales Surprise	4.5%
EPS F1 Est- 4 week change	-21.1%
Expected Report Date	05/28/2020
Earnings ESP	-206.7%

P/E TTM	14.3
P/E F1	18.0
PEG F1	1.8
P/S TTM	1.9

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	210 E	506 E	927 E	407 E	2,012 E
2020	277 A	542 A	939 A	360 E	2,118 E
2019	251 A	502 A	874 A	394 A	2,020 A

EPS Estimates

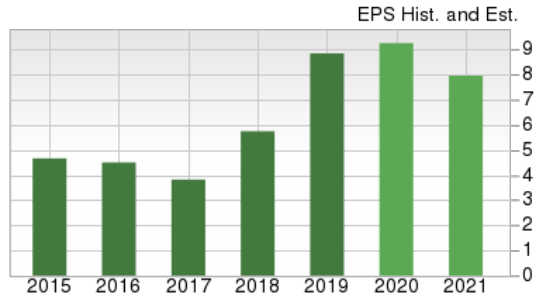
	Q1	Q2	Q3	Q4	Annual*
2021	-$1.77 E	$2.19 E	$6.95 E	$0.76 E	$7.95 E
2020	-$0.67 A	$2.71 A	$7.14 A	$0.16 E	$9.25 E
2019	-$0.98 A	$2.38 A	$6.59 A	$0.85 A	$8.84 A

*Quarterly figures may not add up to annual.

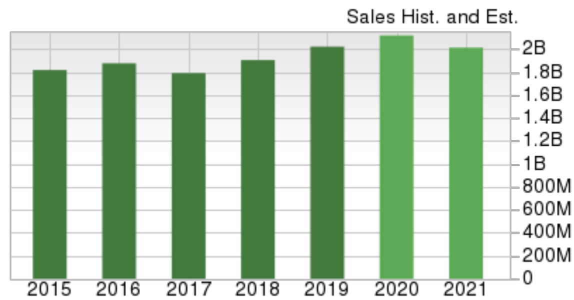
The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 05/01/2020. The reports text is as of 05/04/2020.

Overview

Founded in 1973 and headquartered in Goleta, California, Deckers Outdoor Corporation (DECK) is a leading designer, producer, and brand manager of innovative, niche footwear and accessories developed for outdoor sports, and other lifestyle-related activities.



The company offers footwear that is distinctive and appeals broadly to men, women and children. These includes casual open and closed-toe outdoor footwear, as well as outdoor performance footwear, including multi-sport shoes, light hiking shoes, amphibious footwear, and rugged outdoor travel shoes; and sheepskin footwear, and sandals under various styles.



In February 2016, the company executed a multi-year restructuring plan with an aim to realign brands, optimize retail store fleet, and consolidate management and operations. As part of this restructuring plan, the company realigned brands into two groups: Fashion Lifestyle and Performance Lifestyle. The Fashion Lifestyle group includes the UGG and Koolaburra brands. The Performance Lifestyle group includes the Teva, Sanuk and Hoka brands.

Its products are sold through specialty domestic retailers, international distributors and directly to end-users through its websites and catalogs. The company's products are sold under different brands.

The UGG brand comprises authentic luxury sheepskin boots and a full line of luxury and comfort footwear and accessories; Teva includes high performance sport shoes and rugged outdoor footwear; Sanuk, an action sport footwear brand; and Other brands includes HOKA ONE ONE brand, a line of premium, running footwear and apparel. The company's product portfolio also includes KOOLABURRA, a footwear brand.

Reasons To Buy:

> Deckers is focused on expanding brand assortments, bringing innovative line of products, targeting consumers digitally via marketing and sturdy e-commerce, and optimizing omni-channel distribution.

- **Strategic Endeavors:** Deckers is targeting profitable and underpenetrated markets, and remains focused on product innovations, store expansion and enhancing e-commerce capabilities. Deckers' focus on expanding its brand assortments, bringing more innovative line of products, targeting consumers digitally and optimizing omni-channel distribution bode well. The company is making marketing investments to build brand awareness of HOKA ONE ONE and UGG Men's and UGG Women's non-core category.

  The company posted decent third-quarter fiscal 2020 results. Remarkably, both the top and the bottom lines surpassed the Zacks Consensus Estimate and continued to improve on a year-over-year basis. Impressive performance across HOKA ONE ONE and Koolaburra brands, and strength witnessed at the UGG brands' domestic operations aided the results. Notably, this marked the 12th straight quarter of positive sales and earnings surprises. Apparently, better-than-expected numbers prompted management to lift fiscal 2020 view.

- **Upbeat FY20 View:** Deckers now anticipates fiscal 2020 net sales to be in the band of $2.150-$2.160 billion, which indicates year-over-year growth of about 6-7%. The company had earlier projected net sales between $2.115 billion and $2.140 billion. The company also forecast adjusted earnings between $9.40 and $9.50 per share. The company had delivered adjusted earnings of $8.84 per share in fiscal 2019. Management had previously estimated earnings in the range of $8.90-$9.05 per share. Deckers anticipates flat to low single-digit sales growth at UGG brand. Management now expects sales from HOKA ONE ONE brand to reach about $350 million. Sales at Teva brand is expected to be approximately flat, while at Koolaburra brand the metric is expected to reach approximately $70 million.

- **Omni Channel Expansion:** In keeping with the changing trends, Deckers has been constantly developing its e-commerce portal to capture incremental sales. The company has made substantial investments to strengthen its online presence and improve shopping experience for its customers. The company is focused on opening smaller concept omni-channel outlets and expanding programs such as Retail Inventory Online; Infinite UGG; Buy Online, Return In Store; and Click and Collect to enhance customers' shopping experience.

- **Adopting Customer Centric Product and Marketing Strategies:** Deckers is focusing on product and marketing strategies that are more skewed toward customers, and in this respect the company is implementing customer relationship management (CRM) software and concentrating on loyalty program. Moreover, the company is focusing on expanding its product categories according to the customer purchasing trends that differs with weather. The company is paying more emphasis on casual boots, winter and weather boots, and casual shoes. Moreover, in order to capture incremental sales and margins the company is selling directly to wholesale customers.

- **Restructuring Plan Bodes Well:** The company executed a multi-year restructuring plan with an aim to realign brands, optimize retail store fleet, consolidate management and operations, and speed up growth through its long-term strategies. The company realigned its brands into two groups, namely Fashion Lifestyle and Performance Lifestyle. The Fashion Lifestyle group comprises of the UGG and Koolaburra brands, whereas the Performance Lifestyle group includes the Teva, Sanuk and Hoka brands.

  With regard to the consolidation of brands, the company shifted the operations of Sanuk brand to the corporate headquarters in Goleta from Irvine, CA. Moreover, the company closed its Ahnu brand operations office in Richmond, CA and consolidated its European offices. Lastly, the company's store fleet optimization plan focus on striking the right balance between digital and physical stores. These actions are likely to boost profitability and shareholder returns as well as enhance brand and store performance.

- **Enough Liquidity:** Deckers looks favorable from a liquidity point of view. It ended third-quarter fiscal 2020 with a long-term debt (including operating lease liabilities and mortgage payable) of $223 million as of Dec 31, 2019, which shows a sequential decline of nearly 4%. Moreover, at the end of the quarter, the company's debt-to-capitalization ratio was a respectable 0.19 compared with 0.41 for its industry. Also, the company's debt-to-capitalization ratio has improved from 0.24 at the end of the preceding quarter. Again, its times interest earned ratio stands at 100 better than the industry's ratio of 94.6. In addition, the company's cash & cash equivalents of $617 million at the end of the fiscal third quarter increased substantially on a sequential basis. Impressively, Deckers' cash remains sufficient to fund its short term obligations (including short-term borrowings and operating lease liabilities) of about $54.1 million as of Dec 31.

Reasons To Sell:

- **Dismal Stock Performance:** Shares of Deckers have fallen 25.9% compared with industry's decline of 17% in the past three months. The stock came under pressure following a temporarily suspension in operations at a distribution center in Moreno Valley, California due to coronavirus outbreak that impacted domestic product availability and domestic e-commerce orders for the Teva, Sanuk and Koolaburra brands. However, the company has started operations on a brief basis but is still monitoring the situation.

The company has been grappling with falling sales from the Sanuk Brand. Sales at Sanuk brand are expected to be down approximately 50% in the fourth quarter and in the mid 30% range during fiscal 2020.

- **Over-Reliance on the UGG Brand:** Deckers' over-reliance on the UGG brand is a matter of concern. In the event of stagnation or deceleration in UGG sales growth, the company's overall results may be adversely impacted. This is because the percentage of contribution from the company's other brands are too small to offset any slowdown in UGG sales. The company continued to experience challenges in the UGG brand's international business with sales down 7% during the third quarter of fiscal 2020. The company also witnessed increased promotional activity for the UGG brand in the international market. Management expects sales at UGG brand to decline roughly 8-11% during the fourth quarter on account of ongoing reset and pressure in Europe. Also, the impact of current travel restrictions in China because of the coronavirus outbreak cannot be ignored.

- **Softness in Sanuk Brand to Continue:** We note that the company has been grappling with falling sales from the Sanuk Brand. During the third quarter, net sales from the Sanuk brand came in at $8.5 million, down 34.5% year over year. This follows decline of 22.4% and 23.5% in the second and first quarters of fiscal 2020, respectively. Management expects reductions in the Sanuk domestic wholesale business on account of the decision to exit the warehouse channel. Though the move is likely to adversely impact fiscal 2020 revenue, it will help the brand focus on other underpenetrated channels. Management expects sales at Sanuk brand to be down approximately 50% in the fourth quarter and in the mid 30% range during fiscal 2020.

- **Margins Likely to Remain Under Pressure:** Any deleverage in SG&A expenses are likely to impact operating margin. During the third quarter of fiscal 2020, SG&A expenses rose 11.8% year over year to $251.9 million, while as a percentage of net sales SG&A expenses increased 100 basis points to 26.8%. Again, we note that operating margin shrunk 50 basis points to 27.2% during the quarter under review. For the current fiscal year, SG&A expense as a percentage of sales is projected to be marginally lower than 36%. Operating margin is envisioned to be at or marginally better than 15.5% but down from 16.2% reported in fiscal 2019. With margins likely to remain soft, bottom line is expected to remain under pressure. The company now envisions fourth-quarter earnings in the range of 35-45 cents a share, which is substantially below the prior-year reported figure of 85 cents.

- **Foreign Currency Fluctuations:** Due to exposure to international markets, Deckers remains prone to currency fluctuations. The weakening of foreign currencies against the U.S. dollar may require the company to either raise prices or contract profit margins in locations outside of the U.S. An increase in price may have an adverse impact on the demand for the products. Management expects currency pressure during the fourth quarter of fiscal 2020.

Last Earnings Report

Deckers Tops Q3 Earnings Estimate, Raises FY20 View

Quarter Ending	12/2019
Report Date	Jan 30, 2020
Sales Surprise	4.47%
EPS Surprise	9.85%
Quarterly EPS	7.14
Annual EPS (TTM)	10.03

Deckers Outdoor Corporation continued with its upbeat performance in fiscal 2020. The company's third-quarter results are the testament to the same. Remarkably, both the top and the bottom lines surpassed the Zacks Consensus Estimate and continued to improve on a year-over-year basis. Impressive performance across HOKA ONE ONE and Koolaburra brands, and strength witnessed at the UGG brands' domestic operations aided the results.

Notably, this marked the 12th straight quarter of positive sales and earnings surprises. Apparently, better-than-expected numbers prompted management to lift fiscal 2020 view. However, the company's fourth-quarter projection came below analysts' expectations.

Nonetheless, the company remains focused on expanding brand assortments, introducing more innovative line of products, targeting consumers digitally through marketing and sturdy e-commerce, and optimizing omni-channel distribution.

Let's Delve Deep

This Goleta, CA-based company reported quarterly earnings of $7.14 surpassing the Zacks Consensus Estimate of $6.50. The figure also improved significantly from $6.59 reported in the year-ago period. Higher net sales and improved gross margin aided the bottom line.

Net sales rose 7.4% to $938.7 million during the reported quarter, following an increase of 8% in the preceding quarter. The metric also surpassed the Zacks Consensus Estimate of $898.6 million. On a constant currency basis, net sales improved 8.4%.

Deckers had earlier guided net sales in the range of $885-$900 million and earnings in the band of $6.30-$6.40 per share for the quarter under review. However, the company went on to report better-than-anticipated results. The quarterly results gained from strong performance across HOKA ONE ONE brand, earlier wholesale shipments for the UGG brand, and reorders captured in the Koolaburra brand.

Gross margin expanded 30 basis points to 54.1% during the quarter under review due to reduced promotional activities. The company reported operating income of $255.8 million, up 5.6% year over year. However, operating margin shrunk 50 basis points to 27.2%.

SG&A expenses jumped 11.8% year over year to $251.9 million, while as a percentage of net sales SG&A expenses increased 100 basis points to 26.8%.

Sales by Geography & Channel

The company's domestic net sales jumped 12.7% to $645.7 million in the reported quarter. Meanwhile, international net sales fell 2.6% to $293.1 million. Direct-to-Consumer net sales rose 5.6% to $413.7 million. Direct-to-Consumer comparable sales climbed 4.7% year over year. Wholesale net sales in the reported quarter grew 8.9% to $525.1 million.

Brand-wise Discussion

UGG brand net sales increased 2.6% to $781.1 million in the reported quarter. Koolaburra brand global sales soared 94% to $39 million.

HOKA ONE ONE brand net sales surged 63.6% to $93.1 million, while Teva brand net sales declined 25.1% to $17.2 million. Net sales for the Sanuk brand, known for its exclusive sandals and shoes, came in at $8.5 million, down 34.5% year over year.

Other Financial Aspects

At the end of the quarter, Deckers had cash and cash equivalents of $616.9 million, total short-term borrowings and mortgage payable of $37.1 million and shareholders' equity of $1,123.7 million. During the quarter under review, Deckers did not make any share repurchases. As of Dec 31, 2019, the company had $160 million remaining under share repurchase program.

Guidance

Deckers now anticipates fiscal 2020 net sales to be in the band of $2.150-$2.160 billion, which indicates year-over-year growth of about 6-7%. The company had earlier projected net sales between $2.115 billion and $2.140 billion.

The company also forecast adjusted earnings between $9.40 and $9.50 per share. The company had delivered adjusted earnings of $8.84 per share in fiscal 2019. Management had previously estimated earnings in the range of $8.90-$9.05 per share.

Deckers anticipates flat to low single-digit sales growth at UGG brand. Management now expects sales from HOKA ONE ONE brand to reach about $350 million. Sales at Teva brand is expected to be approximately flat, while at Koolaburra brand the metric is expected to reach approximately $70 million. This will be offset by reduction in the Sanuk revenues on account of the decision to exit the warehouse channel. Sanuk is expected to be down in the mid 30% range.

Gross margin for the current fiscal year is anticipated to be 51.5%, flat year over year. Further, SG&A expenses as a percentage of sales is projected to be marginally lower than 36%. Operating margin is envisioned to be at or marginally better than 15.5% compared with 16.2% in fiscal 2019.

For the fourth quarter, net sales are estimated to be in the range of $392-$402 million, the mid-point of which — $397 million — is higher than $394.1 million reported in the year-ago period. Management forecasts fourth-quarter earnings in the band of 35-45 cents a share, which is substantially below the prior-year reported figure of 85 cents.

Management expects fourth-quarter sales from HOKA ONE ONE brand to increase in the high 40% range. Sales at Teva brand is anticipated to rise in the mid to high-teens, while at Koolaburra brand the metric is expected to increase in high teens. This will be offset by lower Sanuk brand sales on account of the decision to exit the warehouse channel. Sanuk is expected to be down approximately 50%. Sales at UGG are anticipated to decline roughly 8-11% thanks to ongoing reset and pressure in Europe. Also, the impact of current travel restrictions in China because of the coronavirus outbreak cannot be ignored.

Recent News

HOKA ONE ONE Launches a New Category – March 3, 2020

HOKA ONE ONE, a division of Deckers, announces the launch of its first-ever apparel line. The 27-piece collection features running and fitness staples – including performance tops, tights, woven shorts, socks and hats, plus many other styles.

HOKA ONE ONE Announces New Capsule Collection – November 1, 2019

HOKA ONE ONE has partnered with fashion brand and retailer Opening Ceremony. The new capsule collection will feature three re-releases of classic HOKA product with designs inspired by Opening Ceremony and its pioneering global influence within the space between streetwear and fashion.

Valuation

Deckers shares are down 15.1% in the year-to-date period and nearly 9.5% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Discretionary sector are down 18.1% and 20.5%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are down 1.9% and 17%, respectively.

The S&P 500 index is down 12% in the year-to-date period and 3.7% in the past year.

The stock is currently trading at 17.68X forward 12-month earnings, which compares to 26.19X for the Zacks sub-industry, 23.64X for the Zacks sector and 20.18X for the S&P 500 index.

Over the past five years, the stock has traded as high as 20.55X and as low as 7.95X, with a 5-year median of 15.58X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $151 price target reflects 18.63X forward 12-month earnings.

The table below shows summary valuation data for DECK

Valuation Multiples - DECK

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	17.68	26.19	23.64	20.18
	5-Year High	20.55	26.48	23.64	20.18
	5-Year Low	7.95	18.63	16.15	15.19
	5-Year Median	15.58	23.33	19.87	17.44
P/S F12M	Current	1.97	2.63	1.94	3.19
	5-Year High	2.46	2.9	3.19	3.44
	5-Year Low	0.68	1.99	1.67	2.54
	5-Year Median	1.27	2.58	2.52	3.01
EV/EBITDA TTM	Current	9.2	19.15	9.62	10.37
	5-Year High	13.31	24.5	17.6	12.86
	5-Year Low	3.99	12.39	8.26	8.28
	5-Year Median	7.94	16.01	12.24	10.78

As of 05/01/2020

Industry Analysis **Zacks Industry Rank:** Bottom 5% (240 out of 253)

Top Peers

Company (Ticker)	Rec	Rank
Adidas AG **(ADDYY)**	Neutral	5
Anta Sports Products Ltd. **(ANPDF)**	Neutral	2
Carters, Inc. **(CRI)**	Neutral	3
Rocky Brands, Inc. **(RCKY)**	Neutral	5
Steven Madden, Ltd. **(SHOO)**	Neutral	3
Caleres, Inc. **(CAL)**	Underperform	5
Skechers U.S.A., Inc. **(SKX)**	Underperform	5
Wolverine World Wide, Inc. **(WWW)**	Underperform	5

Industry Comparison Industry: Shoes And Retail Apparel

	DECK	X Industry	S&P 500	CAL	SHOO	WWW
				Industry Peers		
Zacks Recommendation (Long Term)	Neutral	-	-	Underperform	Neutral	Underperform
Zacks Rank (Short Term)	4	-	-	5	3	5
VGM Score	A	-	-	C	B	F
Market Cap	4.01 B	1.46 B	20.61 B	294.51 M	2.00 B	1.63 B
# of Analysts	5	4.5	14	1	6	6
Dividend Yield	0.00%	1.17%	2.11%	3.83%	2.50%	2.00%
Value Score	C	-	-	B	B	F
Cash/Price	0.16	0.17	0.06	0.20	0.17	0.32
EV/EBITDA	9.96	8.43	11.87	5.82	8.54	8.43
PEG Ratio	1.81	1.95	2.47	NA	1.16	1.04
Price/Book (P/B)	3.57	1.55	2.67	0.46	2.40	2.21
Price/Cash Flow (P/CF)	14.01	9.01	10.66	1.99	11.10	7.19
P/E (F1)	17.89	18.71	19.01	8.13	17.36	15.56
Price/Sales (P/S)	1.86	0.69	2.10	0.10	1.13	0.74
Earnings Yield	5.55%	5.34%	5.05%	12.30%	5.75%	6.44%
Debt/Equity	0.20	0.40	0.72	1.27	0.00	0.77
Cash Flow ($/share)	10.62	2.97	7.01	4.07	2.26	2.85
Growth Score	A	-	-	D	A	F
Hist. EPS Growth (3-5 yrs)	21.81%	7.68%	10.88%	3.78%	13.74%	12.63%
Proj. EPS Growth (F1/F0)	-14.07%	-35.96%	-7.32%	-57.14%	-29.14%	-42.74%
Curr. Cash Flow Growth	33.19%	0.43%	5.92%	5.00%	5.46%	-5.09%
Hist. Cash Flow Growth (3-5 yrs)	15.19%	5.48%	8.55%	4.97%	8.40%	1.05%
Current Ratio	2.89	1.90	1.23	1.04	2.56	1.12
Debt/Capital	16.56%	34.67%	43.84%	56.04%	0.00%	43.59%
Net Margin	13.20%	5.66%	11.08%	2.15%	7.99%	4.61%
Return on Equity	27.93%	16.18%	16.44%	13.52%	19.44%	22.11%
Sales/Assets	1.27	1.16	0.54	1.16	1.40	0.86
Proj. Sales Growth (F1/F0)	-4.99%	-2.01%	-1.42%	-5.96%	-10.65%	-17.07%
Momentum Score	C	-	-	C	F	F
Daily Price Chg	-4.38%	-1.42%	-2.39%	-4.36%	-4.31%	-6.82%
1 Week Price Chg	-5.65%	-4.54%	-1.74%	-1.77%	-6.73%	-9.30%
4 Week Price Chg	17.42%	17.42%	17.07%	126.54%	19.04%	52.12%
12 Week Price Chg	-22.54%	-28.00%	-18.53%	-55.76%	-35.83%	-37.09%
52 Week Price Chg	-5.98%	-27.24%	-9.82%	-68.78%	-31.07%	-44.68%
20 Day Average Volume	346,418	290,126	2,641,413	1,388,191	822,956	944,231
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-21.10%	-21.10%	-6.62%	-55.00%	-18.81%	-44.51%
(F1) EPS Est 12 week change	-23.62%	-38.98%	-13.28%	-65.65%	-33.19%	-48.63%
(Q1) EPS Est Mthly Chg	-65.73%	-116.96%	-11.97%	-433.33%	-26.63%	-116.96%

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	C
Growth Score	A
Momentum Score	C
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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