

## Dollar General (DG)

**\$198.93** (As of 08/21/20)

Price Target (6-12 Months): **\$229.00**

Long Term: 6-12 Months

**Zacks Recommendation:** Outperform

(Since: 06/03/20)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**2-Buy**

Zacks Style Scores:

VGM:A

Value: B

Growth: A

Momentum: D

### Summary

Shares of Dollar General have risen and outperformed the industry in the past six months. The stock may scale new highs with solid prospects, brand recognition and strategic endeavors such as DG Go app likely to act as propellants. Better pricing, private label offerings, effective inventory management and merchandise initiatives should drive sales. The company's everyday low-price model with better-for-you products is anticipated to drive traffic persistently. These along with focus on consumable and non-consumable categories with impressive comps run are noteworthy. Also, in the wake of coronavirus outbreak the company has been witnessing a healthy demand. A reflection of the same was visible in first-quarter fiscal 2020 results, wherein both the top and the bottom line beat the Zacks Consensus Estimate and increased year over year.

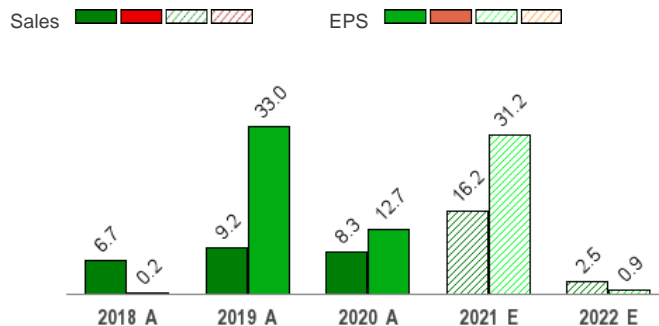
### Price, Consensus & Surprise



### Data Overview

|                            |  |
|----------------------------|--|
| 52 Week High-Low           | \$202.28 - \$125.00                      |
| 20 Day Average Volume (sh) | 1,562,647                                |
| Market Cap                 | \$50.1 B                                 |
| YTD Price Change           | 27.5%                                    |
| Beta                       | 0.52                                     |
| Dividend / Div Yld         | \$1.44 / 0.7%                            |
| Industry                   | <a href="#">Retail - Discount Stores</a> |
| Zacks Industry Rank        | Top 19% (49 out of 252)                  |

### Sales and EPS Growth Rates (Y/Y %)



|                           |            |
|---------------------------|------------|
| Last EPS Surprise         | 50.6%      |
| Last Sales Surprise       | 13.2%      |
| EPS F1 Est- 4 week change | 0.4%       |
| Expected Report Date      | 08/27/2020 |
| Earnings ESP              | 9.6%       |

### Sales Estimates (millions of \$)

|      | Q1      | Q2      | Q3      | Q4      | Annual*  |
|------|---------|---------|---------|---------|----------|
| 2022 | 7,992 E | 8,306 E | 8,218 E | 8,376 E | 33,066 E |
| 2021 | 8,448 A | 8,283 E | 7,679 E | 7,808 E | 32,260 E |
| 2020 | 6,623 A | 6,982 A | 6,991 A | 7,158 A | 27,754 A |

### EPS Estimates

|      | Q1       | Q2       | Q3       | Q4       | Annual*  |
|------|----------|----------|----------|----------|----------|
| 2022 | \$2.05 E | \$2.26 E | \$1.81 E | \$2.63 E | \$8.91 E |
| 2021 | \$2.56 A | \$2.37 E | \$1.62 E | \$2.37 E | \$8.83 E |
| 2020 | \$1.48 A | \$1.74 A | \$1.42 A | \$2.10 A | \$6.73 A |

\*Quarterly figures may not add up to annual.

|         |      |
|---------|------|
| P/E TTM | 25.4 |
| P/E F1  | 22.5 |
| PEG F1  | 1.9  |
| P/S TTM | 1.7  |

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 08/21/2020. The reports text is as of 08/24/2020.

## Overview

Founded in 1939 and headquartered in Goodlettsville, Tennessee, Dollar General Corporation is one of the largest discount retailers in the United States. The company trades in low priced merchandise typically \$10 or less.

The company offer a wider selection of merchandise, including consumable items, seasonal items, home products and apparel. The company's merchandise comprises national brands from leading manufacturers, as well as own private brand selections with prices at substantial discounts to national brands.

The company sells products from America's renowned manufacturers such as Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and PepsiCo.

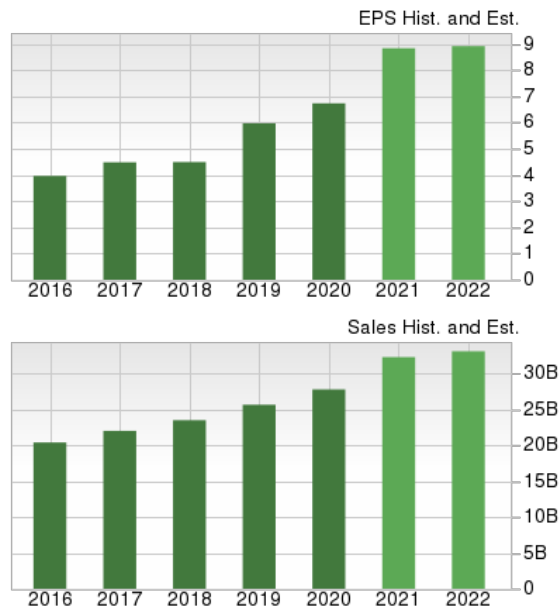
As of May 1, 2020, Dollar General operated approximately 16,500 stores across 46 states. It offers general merchandise under four categories, namely, Consumables, Seasonal, Home products and Apparel.

**The Consumables Category** (78% of Fiscal 2019 Sales) is the leading one, consisting of cleaning products, health & beauty products, snacks, perishables, packaged food and pet supplies and food.

**The Seasonal Products** (11.7% of Fiscal 2019 Sales) Category consists of prepaid phones and accessories, small electronics, batteries, toys, greeting cards, hardware, decorations, automotive gardening supplies, stationery and home office supplies.

**The Home products Category** (5.8% of Fiscal 2019 Sales) includes kitchen supplies, candles small appliances, light bulbs, cookware, frames, craft supplies, bed & bath soft goods and storage containers.

**The Apparel Category** (4.5% of Fiscal 2019 Sales) offers casual daily wear for infants, children, girls, boys, women and men, along with socks, intimate wear, disposable diapers, accessories and shoes.



## Reasons To Buy:

- ▲ **Growth Catalysts Driving Stock:** Shares of Dollar General have increased 23.2% in the past six months compared with the industry's gain of 7.6%. The company's commitment toward better price management, cost containment, private label offering, effective inventory management, merchandise and operational initiatives should drive sales and margin trends. Moreover, in order to increase traffic, the company is focusing on both consumables and discretionary categories. Notably, the company invested roughly \$60 million in bonuses for all store, distribution center and private fleet employees in the wake of the pandemic. Moreover, the company hired more than 50,000 people to support customers' shopping needs amid the crisis. Dollar General reported better-than-expected first-quarter fiscal 2020 results, wherein both the top and the bottom line continued to improve year over year. Also, the company witnessed sturdy same-store sales performance. Management stated that change in consumer behavior due to the coronavirus pandemic had a favorable impact on the performance. Although management withdrew its fiscal 2020 guidance issued on Mar 12, it still expects the company to surpass the same. The company had earlier projected an increase of 10% in earnings per share on a year-over-year basis.
- ▲ **Customer-Oriented Efforts:** Dollar General is also offering better-for-you products at affordable prices. The offering is available in approximately 6,000 stores with plans to expand to nearly 7,000 stores by end of the year. In addition, the company is expanding its cooler facilities to enhance the sale of perishable items. During the first quarter of fiscal 2020, the company installed more than 15,000 cooler doors across its store base, and plans to install roughly 55,000 cooler doors in 2020. The company has been rolling out DG digital coupon program. The company has DG GO! mobile checkout in approximately 750 stores. Moreover, the company's DG Pickup initiative, which is buy online and pickup in store, is also gaining traction. Management introduced two transformational strategic initiatives — DG Fresh, designed to enable self-distribution of fresh and frozen products and Fast Track, an in-store labor productivity and customer convenience initiative. By the end of fiscal 2020, the company plans to operate up to ten DG Fresh distribution facilities, which will serve roughly 12,000 stores. The company expanded the number of stores offering fresh produce to approximately 750 during the quarter. As a part of its non-consumable initiative, the company is now focusing on categories of home, domestics, housewares, party and occasion. The non-consumable initiative offering was available across more than 3,200 stores at the end of the quarter under review. The company plans to expand the offering to about 5,000 stores by the end of fiscal 2020. Also, Dollar General has entered into a strategic alliance with FedEx Corp. and Western Union.
- ▲ **Impressive Same-Store Sales Performance:** Dollar General's same-store sales growth story is impressive. Fiscal 2019 was the 30th consecutive year of same-store sales growth for the company. In first, second, third and fourth quarter of fiscal 2019, same-store sales increased 3.8%, 4%, 4.6% and 3.2%, respectively. Notably, the trend continued in fiscal 2020 as well. During the first quarter, same-store sales increased 21.7% year over year primarily owing to rise in average transaction amount and customer traffic. Consumables, Seasonal, Apparel and Home categories favorably impacted the metric. The metric improved 5.5%, 34.5% and 21.5% in the months of February, March and April, respectively. Certainly, coronavirus-induced spike in demand played a key role behind the surge in the metric. Management also informed that since the end of the first quarter, it has continued to witness "elevated demand" across its stores. Since the end of Q1 and through May 26, same-store sales have risen roughly 22% compared with prior-year period.
- ▲ **Active Management of Cash Flows:** Dollar General has been actively managing cash flows, returning much of free cash to investors through share repurchases and dividends. The company generated significant cash flow from operations during the first quarter of fiscal 2020, totaling \$1.7 billion, an increase of \$1.2 billion or 202.4% from the year-ago period. Notably, the company bought back 0.5 million shares for \$63 million during the quarter. However, management has temporarily suspended share repurchase program considering the current scenario. Nonetheless, it still had \$1.1 billion remaining under authorization at the end of the quarter. Also, we note that in March 2020, the company raised the quarterly dividend by 12.5% to 36 cents a share. Notably, the company has a dividend payout of 18.4%, dividend yield of 0.8% and free cash flow yield of 5.5%. With an annual free cash flow return on investment of 14.6%, the dividend payment is likely to be sustainable.
- ▲ **Store Expansion Strategy:** The company has been making prudent investments relating to store infrastructure, store openings, expansions, remodels and relocations; and construction and improvement of distribution centers to drive revenues. The company incurred capital expenditures of \$195 million during the quarter under review. For fiscal 2020, it anticipates capital expenditures in the range of \$925-\$975 million. In fiscal 2020, the company intends to open 1,000 new stores, remodel 1,500 stores, and relocate 80 stores. The company had earlier highlighted that more than 1,100 of remodels would be in the higher cooler count, DGTP or DGP format, bringing the total number of stores in these formats to approximately 3,500 by the end of fiscal 2020. Management plans to add produce in approximately 400 stores up from the prior goal of 250 stores in fiscal 2020. The company's aim is to bring the total number of stores with produce to more than 1,000 by year-end. During the quarter under review, the company opened 250 new outlets, remodeled 481 stores (including 332 in the higher cooler count DGTP or DGP formats) and relocated 17 stores.
- ▲ **Financial Flexibility:** Dollar General ended first-quarter fiscal 2020 with cash and cash equivalents of \$2,673.9 million, which reflects a sharp increase from \$240 million at the end of the final quarter of fiscal 2019. Notably, the company's cash position remains sufficient to meet its current debt (current portion of long-term obligations and operating lease liabilities) of about \$992 million as of May 1, 2020. Moreover, to improve its liquidity position, the company issued \$1 billion of 3.5% Senior Notes due in 2030 and \$500 million of 4.125% Senior Notes due in 2050. As of May 1, 2020, the company had \$1.1 billion available under its revolving credit facility. Although, the company long-term debt of \$11,924 million (including long-term obligations and operating lease liabilities), showcased an increase of 11.1% on a quarter-on-quarter basis, we note that the company's times interest earned ratio increased to 25.3 from 22.9 at the end of the preceding quarter.

We believe Dollar General's commitment towards better price management, cost containment, effective inventory management, merchandise and operational initiatives should drive sales higher.

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## Risks

- **Near Term Hurdles:** Looking ahead, management expects that Dollar General might be impacted by any unfavorable change in consumer demand for certain product categories, disruption in supply chain, any unprecedented increase in distribution and transportation costs, higher payroll expenses, and rise in expenses associated to maintain safe work and shopping environments. Again, rising unemployment, reduced economic activity and continued capital markets volatility remain deterrents. The company expects sales will moderate to more normalized levels in the latter part of the second quarter of fiscal 2020 owing to the duration and impact of shelter-in-place restrictions and social distancing measures, the gradual reopening of other retailers, the tapering of benefits included in recent stimulus legislation and challenging economic environment for consumers.
  - **Higher SG&A Expenses May Strain Margins:** Although SG&A expenses as a percentage of net sales contracted 204 basis points to 20.5% in the first quarter of fiscal 2020, it surged 16% in dollar terms. This follows an increase of 8.3% in the preceding quarter. The increase in expenses may be attributed to higher store occupancy costs, repairs and maintenance expenses, and advertising costs. Evidently, any deleverage in SG&A expenses may weigh on the company's profitability. Management reiterated its plan to spend on strategic endeavors such as DG Fresh and non-consumable initiative or NCI offering. Further, any supply chain pressures and tariffs may weigh on margins.
  - **Macroeconomic Factors May Impact Discretionary Sales:** The company's customers remain sensitive to macroeconomic factors including interest rate hikes, increase in fuel and energy costs, credit availability, unemployment levels, high household debt levels and tariffs, which may negatively impact their discretionary spending, and in turn the company's growth and profitability. Any unfavorable changes in trade policy may result in higher prices for our customers and may negatively impact their budgets, consequently their discretionary spending. Moreover, any cut in Supplemental Nutrition Assistance Program, which is expected to lower the purchasing power of low-income consumers, may also impact sales of Dollar General.
  - **Competitive Pressure:** The retail landscape has been witnessing a sea change with the focus gradually shifting to online shopping. Dollar General operates in the highly competitive discount retail merchandise sector. The company faces stiff competition from Wal-Mart, Target, Dollar Tree, Fred's, 99 Cents Only and various other local, independent operators as well as other forms of retail commerce such as online retailers, contingent on location, price and quality of merchandise, in-stock consistency, merchandise assortments, and customer service. Some of these competitors boast superior financial, distribution, and marketing resources. We believe that unhealthy price competition to gain market share and attract footfall might weigh on the company's profit margins.
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## Last Earnings Report

### Dollar General Q1 Earnings Surpass Estimates, Rise Y/Y

Dollar General Corporation reported better-than-expected first-quarter fiscal 2020 results, wherein both the top and the bottom line continued to improve year over year. Also, the company witnessed sturdy same-store sales performance. Management stated that change in consumer behavior due to the coronavirus pandemic had a favorable impact on the company's performance.

#### Let's Delve Deep

Quarterly earnings came in at \$2.56 per share that comfortably surpassed the Zacks Consensus Estimate of \$1.70 and increased significantly from \$1.48 reported in the prior-year period. The year-over-year increase in the bottom line can be attributed to higher net sales and share repurchase activity. Notably, this was the fifth straight quarter of positive earnings surprise.

Net sales of \$8,448.4 million increased 27.6% from the prior-year period and came ahead of the Zacks Consensus Estimate of \$7,464.4 million for the eighth quarter in row. Contribution from new outlets and same-store sales growth favorably impacted the top line, partially offset by the impact of store closures.

Dollar General's same-store sales increased 21.7% year over year primarily owing to rise in average transaction amount and customer traffic. Consumables, Seasonal, Apparel and Home categories favorably impacted the metric.

Sales in the Consumables category increased 28.6% to \$6,703.4 million, while the same in Seasonal category witnessed a rise of 24.6% to \$917.9 million. Home Products sales soared 32.6% to \$498.3 million, while Apparel category sales grew 10.6% to \$328.8 million.

Gross profit surged 29.6% to \$2,595.7 million during the quarter under review. Notably, gross margin expanded 49 basis points to 30.7% mainly due to a reduction in markdowns and higher initial markups on inventory purchases. This was partly offset by increased distribution costs.

Meanwhile, operating income surged 69.2% to \$866.8 million, whereas adjusted operating margin increased to 10.3% from 7.7% in the year-ago period.

#### Store Update

During the quarter under review, the company opened 250 new outlets, remodeled 481 stores (including 332 in the higher cooler count DGTP or DGP formats) and relocated 17 stores. In fiscal 2020, the company intends to open 1,000 new stores, remodel 1,500 stores, and relocate 80 stores.

#### Other Financial Details

Dollar General ended the quarter with cash and cash equivalents of \$2,673.9 million, long-term obligations of \$3,967.2 million and shareholders' equity of \$7,209.5 million. To improve its liquidity position, the company issued \$1 billion of 3.5% Senior Notes due in 2030 and \$500 million of 4.125% Senior Notes due in 2050. As of May 1, 2020, the company had \$1.1 billion available under its revolving credit facility.

The company incurred capital expenditures of \$195 million during the quarter under review. For fiscal 2020, it anticipates capital expenditures in the range of \$925-\$975 million. The company generated significant cash flow from operations during the quarter, totaling \$1.7 billion, an increase of \$1.2 billion or 202.4% from the year-ago period.

The company bought back 0.5 million shares for \$63 million during the quarter. However, management has temporarily suspended share repurchase program considering the current scenario. Notably, the company still had \$1.1 billion remaining under authorization at the end of the quarter.

#### Key Notes

Although management withdrew its fiscal 2020 guidance issued on Mar 12, it still expects the company to surpass the same. The company had earlier projected an increase of 10% in earnings per share on a year-over-year basis. It had guided net sales growth of 7.5-8% and same-store sales increase of 2.5-3% for the fiscal year.

Dollar General also informed that since the end of the first quarter, it has continued to witness "elevated demand" across its stores. Since the end of Q1 and through May 26, same-store sales have risen roughly 22% compared with prior-year period.

Quarter Ending **04/2020**

| Report Date      | May 28, 2020 |
|------------------|--------------|
| Sales Surprise   | 13.18%       |
| EPS Surprise     | 50.59%       |
| Quarterly EPS    | 2.56         |
| Annual EPS (TTM) | 7.82         |

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## Recent News

### Dollar General Announces Pricing of Senior Notes – Apr 1, 2020

Dollar General announced the pricing of an offering of \$1 billion of its 3.500% Senior Notes due 2030 and \$500 million of its 4.125% Senior Notes due 2050. The 2030 Notes will pay interest at a rate of 3.500% per annum and mature on April 3, 2030. The 2050 Notes will pay interest at a rate of 4.125% per annum and mature on April 3, 2050. The Company will use the net proceeds from the sale of the Notes for general corporate purposes, which may include the repayment of indebtedness.

### Dollar General Announces Investment Plan of \$35M – Mar 24, 2020

Dollar General plans to invest roughly \$35 million in bonuses for all store, distribution center and private fleet employees.

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## Valuation

Dollar General shares are up 27.5% in the year-to-date period and 42.9% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Retail-Wholesale sector are up 6.3% and 31.2%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are up 18.7% and 42%, respectively.

The S&P 500 index is up 5.5% in the year-to-date period and 18.3% in the past year.

The stock is currently trading at 22.41X forward 12-month earnings, which compares to 27.93X for the Zacks sub-industry, 33.24X for the Zacks sector and 22.85X for the S&P 500 index.

Over the past five years, the stock has traded as high as 24.52X and as low as 13.69X, with a 5-year median of 17.05X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$229 price target reflects 25.77X forward 12-month earnings.

The table below shows summary valuation data for DG

| Valuation Multiples - DG |               |       |              |        |         |
|--------------------------|---------------|-------|--------------|--------|---------|
|                          |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M                 | Current       | 22.41 | 27.93        | 33.24  | 22.85   |
|                          | 5-Year High   | 24.52 | 29.98        | 34.77  | 22.85   |
|                          | 5-Year Low    | 13.69 | 17.93        | 19.08  | 15.25   |
|                          | 5-Year Median | 17.05 | 20.11        | 23.47  | 17.58   |
| P/S F12M                 | Current       | 1.53  | 1.51         | 1.27   | 3.71    |
|                          | 5-Year High   | 1.55  | 1.51         | 1.27   | 3.71    |
|                          | 5-Year Low    | 0.78  | 0.96         | 0.82   | 2.53    |
|                          | 5-Year Median | 1.03  | 1.15         | 0.97   | 3.05    |
| EV/EBITDA TTM            | Current       | 18.84 | 26.08        | 19.98  | 12.89   |
|                          | 5-Year High   | 20.25 | 26.32        | 20.01  | 12.89   |
|                          | 5-Year Low    | 8.87  | 11.02        | 10.68  | 8.25    |
|                          | 5-Year Median | 12.85 | 14.16        | 12.97  | 10.91   |

As of 08/21/2020

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## Industry Analysis Zacks Industry Rank: Top 19% (49 out of 252)



## Top Peers

| Company (Ticker)                            | Rec          | Rank |
|---|--------------|------|
| Grocery Outlet Holding Corp. (GO)           | Outperform   | 1    |
| Ollies Bargain Outlet Holdings, Inc. (OLLI) | Outperform   | 2    |
| Target Corporation (TGT)                    | Outperform   | 1    |
| Big Lots, Inc. (BIG)                        | Neutral      | 1    |
| Burlington Stores, Inc. (BURL)              | Neutral      | 4    |
| Costco Wholesale Corporation (COST)         | Neutral      | 3    |
| Dollar Tree, Inc. (DLTR)                    | Neutral      | 3    |
| The TJX Companies, Inc. (TJX)               | Underperform | 4    |

| Industry Comparison Industry: Retail - Discount Stores |            |            |           | Industry Peers |           |            |
|--|------------|------------|-----------|----------------|-----------|------------|
|  | DG         | X Industry | S&P 500   | COST           | DLTR      | TGT        |
| Zacks Recommendation (Long Term)                       | Outperform | -          | -         | Neutral        | Neutral   | Outperform |
| Zacks Rank (Short Term)                                | 2          | -          | -         | 3              | 3         | 1          |
| VGM Score  | A          | -          | -         | A              | A         | A          |
| Market Cap   | 50.08 B    | 18.24 B    | 23.62 B   | 152.15 B       | 23.79 B   | 76.82 B    |
| # of Analysts  | 17         | 10         | 14        | 9              | 9         | 13         |
| Dividend Yield   | 0.72%      | 0.00%      | 1.65%     | 0.81%          | 0.00%     | 1.77%      |
| Value Score  | B          | -          | -         | C              | B         | B          |
| Cash/Price   | 0.05       | 0.08       | 0.07      | 0.08           | 0.07      | 0.07       |
| EV/EBITDA  | 21.13      | 13.48      | 13.29     | 23.49          | 13.54     | 12.20      |
| PEG Ratio  | 1.87       | 3.55       | 3.03      | 4.81           | 2.04      | 3.55       |
| Price/Book (P/B)                                       | 6.95       | 6.53       | 3.11      | 8.84           | 3.65      | 6.11       |
| Price/Cash Flow (P/CF)                                 | 22.36      | 14.75      | 12.69     | 29.60          | 11.31     | 13.20      |
| P/E (F1)   | 22.53      | 22.53      | 21.51     | 40.36          | 19.84     | 21.48      |
| Price/Sales (P/S)                                      | 1.69       | 0.97       | 2.43      | 0.95           | 0.99      | 0.91       |
| Earnings Yield   | 4.44%      | 3.46%      | 4.46%     | 2.48%          | 5.04%     | 4.65%      |
| Debt/Equity  | 1.65       | 1.67       | 0.76      | 0.59           | 1.24      | 1.31       |
| Cash Flow (\$/share)                                   | 8.90       | 6.38       | 6.93      | 11.64          | 8.87      | 11.64      |
| Growth Score   | A          | -          | -         | A              | A         | A          |
| Hist. EPS Growth (3-5 yrs)                             | 14.79%     | 12.69%     | 10.44%    | 12.69%         | 18.19%    | 5.85%      |
| Proj. EPS Growth (F1/F0)                               | 31.21%     | -6.79%     | -5.53%    | 4.26%          | 6.21%     | 11.94%     |
| Curr. Cash Flow Growth                                 | 9.68%      | 9.68%      | 5.20%     | 14.92%         | -55.39%   | 10.26%     |
| Hist. Cash Flow Growth (3-5 yrs)                       | 9.69%      | 8.54%      | 8.52%     | 10.65%         | 19.78%    | 3.95%      |
| Current Ratio  | 1.44       | 1.34       | 1.33      | 1.11           | 1.15      | 1.11       |
| Debt/Capital   | 62.32%     | 62.49%     | 44.50%    | 37.07%         | 55.43%    | 56.64%     |
| Net Margin   | 6.69%      | 2.86%      | 10.13%    | 2.31%          | 3.35%     | 4.16%      |
| Return on Equity                                       | 29.33%     | 20.79%     | 14.67%    | 22.60%         | 18.69%    | 30.25%     |
| Sales/Assets   | 1.29       | 1.42       | 0.51      | 3.26           | 1.22      | 1.89       |
| Proj. Sales Growth (F1/F0)                             | 16.23%     | 6.42%      | -1.54%    | 8.17%          | 6.42%     | 7.26%      |
| Momentum Score   | D          | -          | -         | B              | F         | A          |
| Daily Price Chg  | 0.57%      | 0.69%      | -0.15%    | 1.10%          | 1.41%     | 0.91%      |
| 1 Week Price Chg                                       | 1.67%      | 4.00%      | 1.09%     | -1.36%         | 2.44%     | 3.63%      |
| 4 Week Price Chg                                       | 3.80%      | 3.97%      | 1.64%     | 5.67%          | 4.13%     | 25.57%     |
| 12 Week Price Chg                                      | 8.05%      | 5.39%      | 6.72%     | 11.32%         | 2.72%     | 29.72%     |
| 52 Week Price Chg                                      | 42.36%     | 5.93%      | 1.00%     | 23.11%         | 3.18%     | 44.50%     |
| 20 Day Average Volume                                  | 1,562,647  | 1,332,434  | 1,873,576 | 1,894,612      | 1,573,892 | 5,635,743  |
| (F1) EPS Est 1 week change                             | 0.26%      | -0.20%     | 0.00%     | 0.24%          | -0.40%    | 4.66%      |
| (F1) EPS Est 4 week change                             | 0.35%      | -0.10%     | 1.79%     | 1.55%          | -0.55%    | 6.90%      |
| (F1) EPS Est 12 week change                            | 17.42%     | 3.34%      | 3.35%     | -0.09%         | 6.76%     | 6.90%      |
| (Q1) EPS Est Mthly Chg                                 | 0.26%      | -0.21%     | 0.42%     | 2.55%          | -0.69%    | 3.67%      |



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## 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.

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### 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    | <b>B</b> |
| Growth Score   | <b>A</b> |
| Momentum Score | <b>D</b> |
| VGM Score      | <b>A</b> |

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

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