

Fossil Group (FOSL)

\$3.29 (As of 04/03/20)

Price Target (6-12 Months): **\$4.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 01/06/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:A

Value: A

Growth: C

Momentum: C

Summary

Shares of Fossil have lagged the industry in the past six months, thanks to the soft sales trend that persisted in the fourth quarter of 2019. The stock was hit further after it announced store closures and withdrew its guidance due to the coronavirus spread. This may be a drag on the company's already soft sales. In the fourth quarter, sales were hurt by sluggish performance in older generation connected products and continued weakness in the department stores. Also, softness in watch, leather and jewelry businesses has been a concern. Further, dismal margins weighed on the fourth-quarter bottom line. However, the launch of the second phase of the New World Fossil plan is expected to generate cost savings. Further, strength in Gen 5 and Hybrid HR product, growth in Asia and sturdy third-party e-commerce growth bode well.

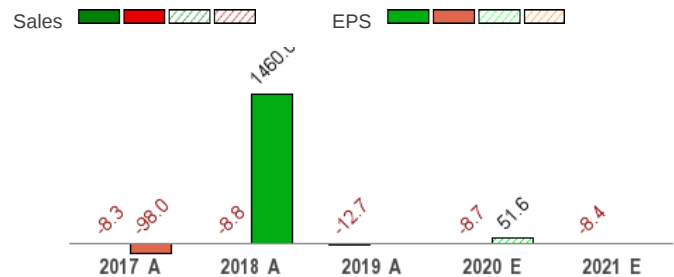
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$14.91 - \$2.84
20 Day Average Volume (sh)	2,165,229
Market Cap	\$166.4 M
YTD Price Change	-58.3%
Beta	0.88
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Retail - Apparel and Shoes
Zacks Industry Rank	Bottom 17% (210 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	-107.1%
Last Sales Surprise	NA
EPS F1 Est- 4 week change	0.0%
Expected Report Date	05/13/2020
Earnings ESP	0.0%
P/E TTM	NA
P/E F1	NA
PEG F1	NA
P/S TTM	0.1

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021					1,855 E
2020	424 E	453 E	494 E	655 E	2,026 E
2019	465 A	501 A	540 A	712 A	2,218 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021					\$0.02 E
2020	-\$0.75 E	-\$0.09 E	\$0.15 E	\$0.53 E	-\$0.15 E
2019	-\$0.42 A	-\$0.04 A	-\$0.15 A	-\$0.06 A	-\$0.31 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 04/03/2020. The reports text is as of 04/06/2020.

Overview

Headquartered in Richardson, TX, **Fossil Group, Inc.** is a designer and manufacturer of clothing and accessories. The company's principal offerings include an extensive line of men's and women's fashion watches and jewelry (sold under proprietary and licensed brands), handbags, small leather goods, belts, sunglasses, neckwear, underwear, lounge wear, jewelry, gloves, hats, hosiery and socks.

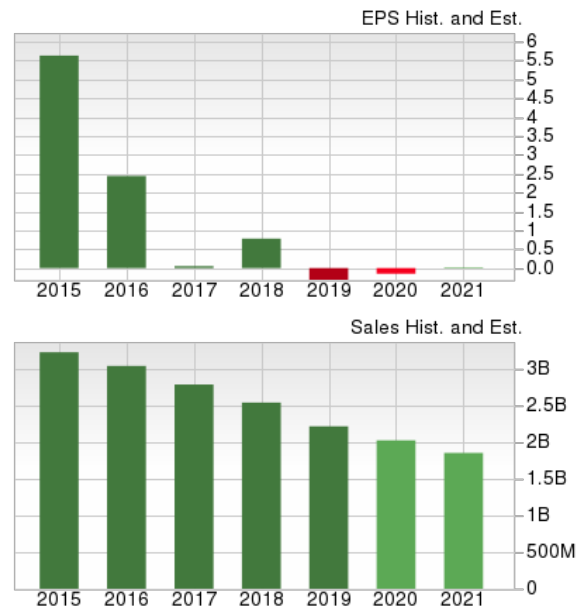
Their brands include Fossil, Relic, Abacus, Michele Watch & Now Coach NY, Skagen and Zodiac Watches. Fossil also makes watches for brands such as Adidas, Emporio Armani, Karl Lagerfeld, Michael Kors, Marc by Marc Jacobs, DKNY, Diesel and Armani Exchange.

Fossil also has multi-year licensing agreements for the production, sale and distribution of watches by several brands. These include Armani Exchange, Chaps, BMW, Diesel, DKNY, Michael Kors, Tory Burch, Marc Jacobs, Kate Spade New York, Puma and Emporio Armani.

Fossil's products are sold to department stores, specialty retail stores, and specialty watch and jewelry stores in the U.S. and in over 150 countries worldwide through 23 company-owned foreign sales subsidiaries and a network of approximately 70 independent distributors.

The company's operations are divided into three segments – Americas (42.8% of 2019 sales), Europe (32.3% of 2019 sales), Asia (24.1% of 2019 sales). Each unit includes the respective region's wholesale, retail and e-commerce activities. Product-wise, the company categorizes its sales numbers under watches, leathers, jewelry and other businesses.

Fossil operated 451 stores as of Dec 28, 2019, including 221 full-priced accessory stores and 223 outlet stores. Out of all Fossil stores, 199 are located in the Americas, while 161 and 91 are located in Europe and Asia, respectively.



Reasons To Buy:

- ▲ **New World Fossil Plan Bodes Well:** Fossil is on track with its New World Fossil (“NWF”) Plan that was initiated in 2016. The program aims to transform the company, fuel efficiencies, improve margins, better manage revenues and enhance the overall operating structure of the business to drive profitability. Fossil Group intends to achieve these targets while simultaneously enriching customers' experience amid a difficult retail landscape.

The company's focus on New World Fossil Plan, robust e-commerce performance and solid growth in Asia bode well.

As part of the NWF 1.0 transformation plan, Fossil has been prioritizing consumer market and channel opportunities, revenue optimization, delivering gross margin and productivity savings. Notably, the NWF plan helped the company reduce expenses and aid gross margin in the second quarter of 2019. In 2019, the New World Fossil Program 1.0 generated a \$200-million benefit in gross margin and operating expenses. Encouragingly, it launched the New World Fossil 2.0 Transform to Grow initiative in 2019, which is aimed at improving the gross margin and lowering operating expenses over the next three years. Keeping in these lines, it realized cost savings of \$50 million in 2019. Going into 2020, management expects additional gains of \$65 million from this initiative. Out of this, \$15 million is projected to be related to gross margin improvement, while the remaining \$50 million is likely to come from reduced operating costs.

- ▲ **Strength in Asia Region, a Major Growth Driver:** The company witnessed double-digit growth in Asia, which provided some cushion to the fourth-quarter results. Notably, sales in this region grew 10.4% to \$149 million in the reported quarter, driven by solid sales growth in China and India to the tune of 60% and 10%, respectively. Further, the company projects core sales in Asia to continue rising in double digits for 2020.

- ▲ **Focus on Widening E-commerce Capabilities:** Fossil remains keen on expanding its digital platform and meet consumers growing demand for online purchasing. To this end, the company has been making several investments to improve digital marketing and drive online sales, both for the company's website as well as other online wholesale partners. In the fourth quarter, the company witnessed decent growth in the e-commerce channel, driven by robust performance in the international region and sturdy third-party growth.

Notably, the e-commerce platform has also served as an important sales channel for wearables. Further, management is optimistic regarding the company's expansion plans in the smartwatch and other digital offerings category and expects such moves to further bolster online sales. Additionally, the company is on track with bolstering the buy online, pickup in store and ship from store capabilities.

- ▲ **Expansion in Wearables:** The introduction of wearable technology in watches has offered ample opportunity to Fossil to extend its reach of brands and offer customers new functionality with accessories, including activity trackers, hybrid watches and smart watches. Notably, the company is getting the advantage of Android's popularity and Google's technology in its watches. Fossil launched the latest generation Gen 5 watch during the third quarter, which has performed well in the reported quarter.

Notably, connected watch sales constituted 18% of Fossil's total watch sales in the fourth quarter of 2019. Management had earlier projected that the wearable business is expected to grow \$32 billion by 2020. In fact, management had earlier guided connected watches to grow 20% annually over the next three to five years. The company's partnerships with Qualcomm and Google, and addition of new brands to its smartwatch line-up are likely to enrich Fossil's wearables portfolio. Further, the company joined hands with Citizen Watch Company to boost growth in its hybrid smartwatch category. Well, the wearables market provides Fossil the opportunity to combine fashion and technology and come up with exciting products to cater to consumers evolving needs of tech-enabled advanced connected gears. The company's wearables segment is adorned by renowned brands such as Diesel, Emporio Armani, Fossil, Michael Kors and Misfit.

- ▲ **Diversified Fossil Brand & Licensing Agreements:** Fossil offers innovative and unique products to keep pace with emerging lifestyle and fashion trends. The brand name Fossil originated as a watch brand and later encompassed other accessory categories, including handbags, belts, small leather goods, jewelry, soft accessories, sunglasses and clothing. The company has diversified into new accessory product categories within the existing brands to further leverage its branded portfolio, given the significant consumer interest in the category. In this regard, the company introduced jewelry collections under the brands Diesel, DKNY, Emporio Armani, Fossil and Michael Kors brands after first establishing a market for the brands in watches. Also, the Skagen brand acquisition in August 2012 solidified Fossil's watch assortment. In fact, the aforementioned expansions in the wearable category further underscore Fossil's focus on diversification. Moreover in 2017, Fossil added several fitness applications to its digital products which have also been receiving positive response from consumers.

Additionally, to further expand the company's size and offerings, Fossil has signed various licensing agreements with several brands. The company has extended the licensing deals with two of its brands — Tory Burch and DKNY. Earlier, it had announced Puma and BMW as its new licensed watch brands. The company is on track with its plans to start distributing Puma and BMW watches in 2019. Further, with the renewal of Fossil's global licensing agreement with Michael Kors and Emporio Armani through 2024, the companies are able to expand the extensive line of watches and jewelry and explore other opportunities in the accessories category. The company also signed the global licensing agreement with Kate Spade & Company through 2025 and extended its global watch licensing agreement with Diesel through 2025. Further, it partnered with Ralph Lauren Corporation in 2015 to develop watches under the Chaps label, which will further enhance its watch portfolio.

Reasons To Sell:

▼ **COVID-19 Impact & Dismal Sales Trend:** Shares of Fossil have plummeted 71% in the past six months compared with the industry's decline of 54.8%. The stock, which has been battling soft sales for a while, was further hit after it provided an update on COVID-19. The company closed all its stores across North America as well as majority of its shops in Europe in the wake of coronavirus. While management stated that customers can continue to make online purchases via the company's website, fossil.com. uncertainty regarding the outbreak prompted the company to withdraw its guidance for the first quarter and full year 2020 that was issued on Feb 26.

Fossil has been witnessing soft sales in traditional watches for a long time now. Also, store closures and currency headwinds remain concerns.

Well, continued softness in the company's traditional watch category has been the prime deterrent. In the fourth quarter of 2019, worldwide net sales fell 10% year over year due to sluggish performance in older generation connected products and continued weakness in the department stores. Also, store closures and business exits hurt sales by 160 basis points (bps). On a constant-currency (cc) basis, worldwide net sales fell 9% year over year. Sluggish trends across the company's segments affected the quarterly outcome. Region-wise, sales dropped 16% and 11% to \$317 million and \$241 million in the Americas and Europe, respectively. Further, global retail comps declined 3% in the reported quarter.

▼ **Softness in Traditional Watches & Leathers and Jewelry Business:** Consumers' changing preferences and a tough retail landscape has been a hurdle for Fossil's business for a while now. Incidentally, Fossil has been witnessing soft sales in traditional watches for a long time now due to increased competition and soft performance of older generation connected products. To combat this hurdle, the company is focusing on expanding its connected products offering. To this end, it plans to introduce connected LTE product in 2020. Further, sales of leathers and jewelry have persistently been weak since past few quarters on account of soft demand.

Well, these trends continued in fourth-quarter 2019, wherein jewelry and leather business sales fell 9% and 16%, respectively. Also, the company's watch sales dropped 9% due to sluggishness in the traditional watch category. Moreover, performance of mid-priced fashion watches continued to be dismal. Although management estimates the jewelry business to get back on track, leathers and watches are likely to remain drab.

▼ **Q4 Bottom Line & Gross Margin Soft:** In fourth-quarter 2019, the company reported an adjusted loss of 6 cents per share against adjusted earnings of \$1.01 in the prior-year quarter. Increased promotional activities coupled with inventory write-down weighed on profitability in the reported quarter. Also, soft consumer feedback, owing to competitive pricing for value-oriented products, remains a concern. Notably, gross margin contracted 970 bps to 43.3%, owing to increased promotional activities, elevated costs such as freight and tariff, and inventory valuation charges.

▼ **Currency Headwinds:** Fossil's significant international presence keeps the company exposed to risks like adverse currency movements. In fact, currency woes adversely impacted Fossil's net sales during the fourth quarter. Moreover, the bottom line in the reported quarter was negatively impacted by a penny due to adverse currency fluctuations.

▼ **Government Regulations:** Fossil faces the risk of import restrictions such as antidumping or countervailing duties, tariffs or other restrictions, as most of its products are manufactured overseas. This has a negative impact on prices in the U.S. and other countries where the company's products are primarily sold.

Last Earnings Report

Fossil Posts Q4 Loss, Sales Decline Y/Y

Fossil Group reported drab fourth-quarter 2019 results with the top and the bottom lines declining year over year. Increased promotional activities coupled with inventory write-down weighed on profitability in the reported quarter.

Quarterly results were also hurt by sluggish performance in older generation connected products and continued weakness in the department stores. Also, soft consumer feedback, owing to competitive pricing for value-oriented products, remains a concern.

However, strength in Gen 5 (its recent-generation display product) and Hybrid HR product, solid double-digit growth in Asia and sturdy third-party e-commerce growth provided some cushion to the company.

Quarter Ending **12/2019**

Report Date	Feb 26, 2020
Sales Surprise	NA
EPS Surprise	-107.14%
Quarterly EPS	-0.06
Annual EPS (TTM)	-0.67

Q4 in Detail

Fossil reported an adjusted loss of 6 cents per share against adjusted earnings of \$1.01 in the prior-year quarter. The bottom line was negatively impacted by a penny due to adverse currency fluctuations.

Worldwide net sales of \$711.6 million declined 10% from the prior-year quarter due to dismal performance in traditional wholesale channels and older-generation connected watches. Also, store closures and business exit hurt sales by 160 basis points (bps). On a constant-currency (cc) basis, worldwide net sales fell 9% year over year. The top line also missed the Zacks Consensus Estimate of \$725 million.

Further, global retail comps declined 3% in the reported quarter. The company witnessed a high-single-digit decline in full-price comps. Increased promotions and currency headwinds dented retail margins. Apart from these, e-commerce in the Americas remained drab, owing to the lower-than-expected performance of older-generation connected products.

Fossil's gross margin contracted 970 bps to 43.3%, courtesy of one-time non-cash costs of \$38 million related to higher inventory valuation adjustments, increased promotional activity, and elevated costs such as freight and tariff. This was partly offset by gains from the New World Fossil 2.0 program and solid growth in Asia.

The company posted an operating loss of \$0.9 million against operating income of \$67.3 million in the year-ago quarter. The decline was caused by the underperformance of older-generation smartwatches, higher promotions and inventory write-down.

Performance of Business Categories

Category wise, sales in the watches segment declined 9% year over year to \$578 million in the quarter. Sales in the leather and jewelry businesses fell 9% year over year to \$78 million and 16% to \$43 million, respectively. Sales in the other businesses were \$13 million, down 7% on a year-over-year basis.

Region-Wise Performance & Other Financial Updates

Sales dropped 16% and 11% to \$317 million and \$241 million in the Americas and Europe, respectively. Meanwhile, the metric grew 10.4% to 4149 million in Asia.

Further, the company had cash and cash equivalents of \$200 million as of Dec 28, 2019. Also, long-term debt and shareholders' equity were \$179 million and \$503.8 million, respectively.

The company operated 451 stores as of Dec 28, 2019, including 221 full-priced accessory, seven full-priced multi-brand and 223 outlet stores. Out of all Fossil stores, 199 are located in the Americas, 161 are in Europe and 91 are in Asia.

2020 Guidance

Management issued guidance for 2020, wherein it expects a 4.5-11.5% decline in net sales. This includes the negative impacts of 1.3% and 0.5%, stemming from business exits and currency movements, respectively. However, it estimates the additional week in the current year to favorably impact 2020 sales by 50 bps.

The company envisions gross margin of 50.5-51.5%, suggesting a modest year-over-year expansion. Favorable channel mix, better-connected margins and gains from New World Fossil 2.0 are likely to aid margins. However, increased promotions and tariff headwinds will likely persist.

Moving on, the company projects core sales in Asia to continue rising in double digits. Meanwhile, softness in wholesale in the Americas and the AMEA region is likely to persist. The global direct-to-consumer channel is expected to witness modest growth. Category wise, the jewelry business is estimated to get back on track, while leathers and watches will foresee slight declines.

Q1 Forecast

For first-quarter 2020, the company expects a 3.5-10% decline in net sales, considering the negative impacts of 2.5% from business exits and 1.3% due to unfavorable currency movements. Gross margin is predicted to be 47-49%.

The guidance is inclusive of the impact of the coronavirus outbreak on the company's global business performance. Fossil expects to get back to production in the next few weeks on the back of solid inventory along with adjustments in sourcing and assembly sites. No supply-chain disruption is anticipated to occur in the next several months, except for that in China, Hong Kong, Macau, South Korea, and Travel Retail businesses, which accounted for 10% of global sales in the reported quarter.

Growth Plans

Amid such tough conditions, the company remains committed to transforming its business to keep pace with consumers' changing preferences. In doing so, it is making efforts to deploy more resources toward the direct-to-consumer platform, increase its connected product offerings and strengthen its foothold in the Asia region. Keeping in these lines, Fossils intends to introduce connected LTE product in 2020. Apart from this, it remains poised on expanding in the CE and telecom space, and lowering its connected presence.

Further, the company successfully completed its first New World Fossil Program, 1.0 in 2019, generating \$200 million of benefit in gross margin and operating expenses. Encouragingly, it launched the New World Fossil 2.0 Transform to Grow initiative, which is aimed at improving the gross margin and lowering operating expenses over the next three years. Keeping in these lines, it realized cost savings of \$50 million in 2019.

Going into 2020, management expects additional gains of \$65 million from the initiative. Out of this, \$15 million is projected to be related to gross margin improvement, while the remaining \$50 million is likely to be witnessed from reduced operating costs.

Recent News

Fossil Shuts Stores, Withdraws View Amid COVID-19 - Mar 17, 2020

Fossil Group provided an update on the coronavirus outbreak. The company is closing all its stores across North America as well as majority of its shops in Europe. Moreover, management stated that customers can continue to make online purchases via the company's website, fossil.com. Fossil's stores in the Asia Pacific region are currently operational. Moreover, the company has enhanced sanitization process and implemented work from home for several employees among other precautionary moves.

However, uncertainty regarding the coronavirus outbreak has prompted the company to withdraw its guidance for the first quarter and full year 2020 that was issued on Feb 26.

Valuation

Fossil shares are down 58.2% in the year-to-date period and 75.9% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Retail – Wholesale sector are down 58% and 15% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry is down 68.8%, while the sector declined 9.6%.

The S&P 500 index is down 22.6% in the year-to-date period and 14.2% in the past year.

The stock is currently trading at 0.08X forward 12-month sales, which compares to 0.28X for the Zacks sub-industry, 0.85X for the Zacks sector and 2.72X for the S&P 500 index.

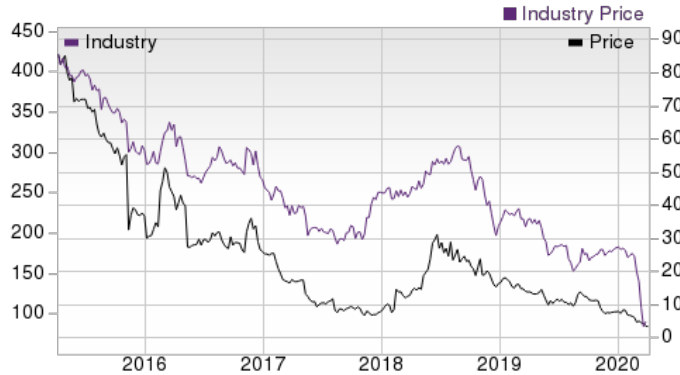
Over the past five years, the stock has traded as high as 1.21X and as low as 0.08X, with a 5-year median of 0.36X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$4 price target reflects 0.1X forward 12-month sales.

The table below shows summary valuation data for FOSL

Valuation Multiples - FOSL					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.08	0.28	0.85	2.72
	5-Year High	1.21	1.21	1.11	3.44
	5-Year Low	0.08	0.28	0.8	2.54
	5-Year Median	0.36	0.8	0.92	3
P/B TTM	Current	0.33	1.33	3.9	3.31
	5-Year High	4.88	6.29	5.88	4.55
	5-Year Low	0.31	1.33	3.6	2.84
	5-Year Median	1.33	4.55	4.82	3.63
EV/EBITDA TTM	Current	10.57	5.17	13.26	9.1
	5-Year High	16.53	9.3	16.24	12.87
	5-Year Low	3.47	4.71	10.89	8.27
	5-Year Median	6.38	6.91	12.52	10.78

As of 04/03/2020

Industry Analysis Zacks Industry Rank: Bottom 17% (210 out of 253)



Top Peers

Chicos FAS, Inc. (CHS)	Outperform
Genesco Inc. (GCO)	Neutral
Movado Group Inc. (MOV)	Neutral
Signet Jewelers Limited (SIG)	Neutral
Tapestry, Inc. (TPR)	Neutral
Capri Holdings Limited (CPRI)	Underperform
Guess?, Inc. (GES)	Underperform
Tiffany & Co. (TIF)	Underperform

Industry Comparison Industry: Retail - Apparel And Shoes				Industry Peers		
	FOSL Neutral	X Industry	S&P 500	CHS Outperform	GCO Neutral	TIF Underperform
VGM Score	A	-	-	A	A	F
Market Cap	166.39 M	289.01 M	16.73 B	115.54 M	152.88 M	15.54 B
# of Analysts	1	4	13	6	2	7
Dividend Yield	0.00%	0.00%	2.53%	37.48%	0.00%	1.81%
Value Score	A	-	-	A	A	F
Cash/Price	1.17	0.36	0.06	0.61	0.41	0.06
EV/EBITDA	8.12	4.64	10.55	7.67	4.44	16.73
PEG Ratio	NA	0.67	1.71	NA	NA	3.43
Price/Book (P/B)	0.33	0.69	2.28	0.22	0.25	4.66
Price/Cash Flow (P/CF)	4.27	2.67	8.96	1.33	1.25	19.00
P/E (F1)	NA	7.24	14.34	NA	3.11	34.33
Price/Sales (P/S)	0.08	0.22	1.78	0.06	0.07	3.51
Earnings Yield	-4.56%	11.97%	6.84%	-27.08%	32.12%	2.92%
Debt/Equity	0.93	0.99	0.70	1.13	1.07	0.57
Cash Flow (\$/share)	0.77	1.44	7.01	0.72	8.30	6.75
Growth Score	C	-	-	A	A	C
Hist. EPS Growth (3-5 yrs)	-57.44%	-0.04%	10.95%	-31.68%	-5.44%	5.28%
Proj. EPS Growth (F1/F0)	51.61%	-12.78%	1.08%	-1,200.00%	-27.07%	-18.60%
Curr. Cash Flow Growth	-63.28%	-0.32%	5.92%	-34.05%	-17.11%	3.40%
Hist. Cash Flow Growth (3-5 yrs)	-39.32%	-0.99%	8.55%	-19.65%	-4.79%	2.30%
Current Ratio	1.89	1.41	1.24	1.04	1.40	3.99
Debt/Capital	48.13%	51.18%	42.29%	53.03%	51.68%	36.20%
Net Margin	-2.36%	2.75%	11.69%	-0.63%	2.79%	12.23%
Return on Equity	-6.26%	11.79%	16.74%	-0.48%	11.79%	17.39%
Sales/Assets	1.38	1.22	0.54	1.26	1.25	0.69
Proj. Sales Growth (F1/F0)	-8.65%	-0.11%	1.56%	-2.96%	3.20%	-7.70%
Momentum Score	C	-	-	F	F	D
Daily Price Chg	6.82%	-0.99%	-1.59%	-4.89%	-3.35%	-1.15%
1 Week Price Chg	-18.90%	7.89%	12.26%	-6.49%	14.32%	1.59%
4 Week Price Chg	-28.17%	-45.86%	-22.86%	-70.89%	-65.22%	-3.73%
12 Week Price Chg	-57.49%	-53.71%	-30.01%	-76.91%	-78.24%	-4.12%
52 Week Price Chg	-77.36%	-63.24%	-23.87%	-77.29%	-77.25%	19.55%
20 Day Average Volume	2,165,229	415,892	4,256,776	2,945,998	722,729	4,526,042
(F1) EPS Est 1 week change	0.00%	0.00%	-0.04%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	-14.30%	-4.29%	-413.89%	3.65%	-23.80%
(F1) EPS Est 12 week change	-200.00%	-23.43%	-5.40%	-213.89%	4.19%	-24.34%
(Q1) EPS Est Mthly Chg	0.00%	-82.51%	-5.90%	-189.02%	-176.92%	-72.45%

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	C
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.

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