

General Electric (GE)

\$12.14 (As of 01/06/20)

Price Target (6-12 Months): **\$13.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/29/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM:D

Value: D

Growth: C

Momentum: C

Summary

In the past three months, General Electric's shares have outperformed its industry. The company is poised to gain from its portfolio restructuring program, debt reduction efforts and international commercial presence. It expects adjusted earnings per share of 55-65 cents for 2019. Healthy business in Aviation, Healthcare and Renewable Energy segments as well as steps to improve the Power segment and asset dispositions in GE Capital are likely to benefit it. However, internal and external challenges weigh on the Power business. The company expects Power's organic revenues to decline in a high-single digit in 2019. Also, weak margin in Renewable Energy, forex woes and tariffs might adversely impact its performance. In the past 60 days, the company's earnings estimates have been lowered for 2020.

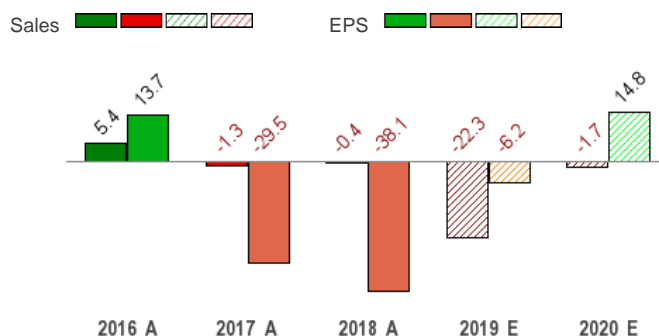
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$12.21 - \$7.65
20 Day Average Volume (sh)	51,076,152
Market Cap	\$106.0 B
YTD Price Change	8.8%
Beta	1.16
Dividend / Div Yld	\$0.04 / 0.3%
Industry	Diversified Operations
Zacks Industry Rank	Bottom 30% (178 out of 254)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	25.0%
Last Sales Surprise	-19.8%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/29/2020
Earnings ESP	0.0%
P/E TTM	19.3
P/E F1	17.3
PEG F1	2.4
P/S TTM	0.9

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2020	21,566 E	23,070 E	23,036 E	25,966 E	92,918 E
2019	27,286 A	28,831 A	23,360 A	26,153 E	94,502 E
2018	28,660 A	30,104 A	29,573 A	33,278 A	121,615 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	\$0.16 E	\$0.16 E	\$0.17 E	\$0.24 E	\$0.70 E
2019	\$0.14 A	\$0.17 A	\$0.15 A	\$0.18 E	\$0.61 E
2018	\$0.16 A	\$0.19 A	\$0.14 A	\$0.17 A	\$0.65 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 01/06/2020. The reports text is as of 01/07/2020.

Overview

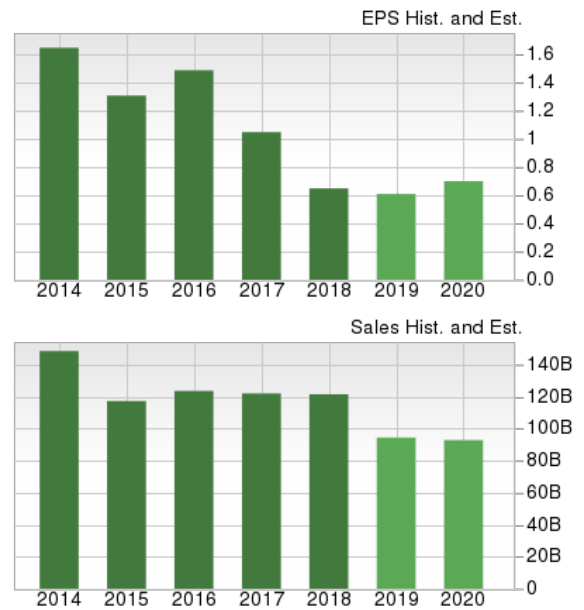
Founded in 1892, General Electric Company is currently headquartered in Boston, MA. It is one of the largest and most diversified technology firms in the world. Its products and services range from jet engines, airframes, energy production solutions to offshore wind turbines, technologies in medical imaging and leasing and financing services, among others.

Exiting 2018, the company had approximately 283,000 employees and served customers in roughly 180 countries. Its 162 manufacturing plants are located in the United States and Puerto Rico while other 297 plants are in 41 countries.

The company's industrial manufacturing and services business are grouped under the Industrial segment. Results of the segment, in turn, are the summation of four industrial operating segments — Power, Renewable Energy, Aviation and Healthcare. The company's financial services operating segment includes results of GE Capital.

In short, General Electric currently has the following operating segments:

- GE Capital meets the financial needs of businesses of all sizes with a diverse range of products. Efforts are on track to reduce exposure in the GE Capital business.
- Power produces steam and gas turbines, power generation services, and generators. Effective from the first quarter of 2019, the company restructured businesses within its Power segment to include Gas Power and Power Portfolio. While Gas Power includes General Electric's gas lifecycle business (including Power Services and Gas Power Systems businesses), Power Portfolio comprises Steam Power Systems, GE Hitachi Nuclear and Power Conversion businesses.
- Aviation offers commercial jet engines and components, and aftermarket services.
- Healthcare provides technologies in patient monitoring, medical imaging, drug discovery, patient monitoring and others. Also, the segment provides biopharmaceutical manufacturing technologies.
- Renewable Energy provides offshore wind turbines, high-voltage equipment, blades for wind turbines (onshore and offshore), and other products and services.



Reasons To Buy:

▲ In the past three months, General Electric's shares have gained 46.6% compared with the industry's growth of 19%. In third-quarter 2019, the company's results were better than expected, with earnings surpassing estimates by 25%. In the quarters ahead, it believes that it will gain from the digital business, efforts to reduce leverage and lowering exposure to the GE Capital business. It is worth noting here that asset disposition in GE Capital was worth \$2 billion in the third quarter of 2019. In December 2019, GE Capital completed the divestment of the aviation lending business, PK AirFinance. Also, international commercial presence, restructuring initiatives and improvement in segmental business will be boons. For 2019, the company anticipates adjusted earnings of 55-65 cents per share. It also believes that it is well-positioned to dispose of GE Capital assets worth roughly \$10 billion in 2019. Moreover, it aims to achieve debt-to-equity ratio of less than 4 for GE Capital by 2020.

Portfolio-restructuring program, leverage reduction actions, international presence and healthy liquidity position will bode well for General Electric in the quarters ahead.

▲ In a bid to become a high-tech industrial company, General Electric rolled out a business portfolio-restructuring program in June 2018. Per the program, the behemoth's core businesses will be Power, Aviation and Renewable Energy, while it will gradually exit all other businesses. The company divested GE Transportation to Wabtec in February 2019, while will divest the BioPharma business (part of the Healthcare segment) to Danaher Corporation in the first quarter of 2020. Further, General Electric has lost its controlling shareholding in Baker Hughes and hence, has been classified as discontinued operations. In addition, the company's slashed dividend rate (from 12 cents to a penny) and reorganized Power segment — into Gas Power and Power Portfolio — have been proving beneficial.

▲ General Electric recorded a 7.1% year-over-year increase in Industrial's organic sales in third-quarter 2019, while backlog at the end of the quarter was up 14% at \$386 billion. On a segmental basis, Aviation's organic revenues were up 10%, driven by popularity of LEAP engines, with roughly 455 shipped in the third quarter versus 152 in the year-ago quarter. Healthcare organic sales were up 5% and Renewable Energy revenues rose 15%. For 2019, General Electric projects organic revenues in the Industrial segment to grow in a mid-single-digit range. Aviation's organic sales will likely rise in a high-single digit, Renewable Energy's organic revenues are likely to grow in double-digits and Healthcare's organic revenues are predicted to grow in a mid-single digit.

▲ General Electric is working diligently to improve liquidity position. In the third quarter of 2019, the company sold its remaining stake in Wabtec (or approximately 22.5 million shares), resulting in cash proceeds of \$1.6 billion. Notably, the company raised approximately \$6 billion from transactions related to Wabtec. Also, General Electric expects that the divestment of the BioPharma business will help in raising \$20 billion in proceeds. Moreover, it anticipates that selling off stake in Baker Hughes helped it raise roughly \$3 billion in September 2019. Total proceeds from transaction related to Baker Hughes are predicted to fetch approximately \$12 billion in cash proceeds by 2020. These along with lower restructuring expenses (of roughly \$1.1-\$4 billion in 2019, down from previously stated \$1.7-\$2 billion), slowly improving Power segment and better profitability will likely be beneficial for Industrial. For 2019, General Electric predicts adjusted free cash flow of \$0-\$2 billion for Industrial versus the previously stated (\$1)-\$1 billion.

Reasons To Sell:

- ▼ Despite better-than-expected results for the third quarter of 2019 and progress on transformation plans, General Electric is wary about adverse impacts of tariffs, low interest rates, macro volatility and 737 MAX-related headwinds. Notably, tariffs adversely impacted results for Renewable Energy and Healthcare segments in the third quarter of 2019. In the past 60 days, earnings estimates have been lowered by 1.4% to 70 cents for 2020. This makes us cautious about the stock.
- ▼ Though General Electric is working toward improving operations and lowering costs in the Power segment, persistence of challenges in the segment remains concerning. In third-quarter 2019, Power's top line declined 13.9% year over year, while quarterly orders were down 30% from the year-ago period. Sales performance was adversely impacted by weak Power Portfolio sales, partially offset by improvement in Gas Power. General Electric expects that external and internal challenges — including pricing issues, operational challenges, overcapacity in the industry, issues related to project execution and others — will continue to influence the Power business going forward. For 2019, the company expects Power's organic revenues to decline in a high-single digit.
- ▼ In the third quarter of 2019, orders for General Electric's Power segment declined 20% year over year on an organic basis, while that for Aviation declined 2% (due to grounding of 737 MAX). Also, the company's operating results suffered from 130 bps and 530 bps declines in operating margins for Aviation and Renewable Energy, respectively. While Renewable Energy suffered from losses on legacy contracts, tariffs, high research and development expenses, and pricing issues. Aviation suffered from unfavorable product mix. For 2019, the company predicts Renewable Energy's margin to be negative in 2019.
- ▼ Geographical diversification reflects General Electric's flourishing business. However, the diversity exposes the company to headwinds arising from geopolitical issues and unfavorable foreign currency movement. In the third quarter of 2019, forex woes affected its Industrial revenues by \$183 million. Persistence of such woes may adversely impact results, going forward.

Ongoing internal and external challenges will likely continue to hurt the near-term performance of General Electric's Power business. Also, forex woes and tariffs are concerns.

Last Earnings Report

General Electric Tops Q3 Earnings Estimates, Ups FCF View

General Electric reported better-than-expected results in third-quarter 2019. Its earnings surpassed estimates by 25%, marking the third consecutive quarter of positive earnings beat.

The industrial conglomerate's adjusted earnings in the reported quarter were 15 cents per share, surpassing the Zacks Consensus Estimate of 12 cents. Also, the bottom line grew 36.4% from the year-ago quarter figure of 11 cents on an improved margin profile.

Quarter Ending **09/2019**

Report Date	Oct 30, 2019
Sales Surprise	-19.84%
EPS Surprise	25.00%
Quarterly EPS	0.15
Annual EPS (TTM)	0.63

Weakness in Power and GE Capital Affects Revenues

In the quarter under review, General Electric's consolidated revenues totaled \$23,360 million, reflecting a year-over-year decline of 0.1%. Healthy Industrial performance was offset by weakness in GE Capital. Also, the company's revenues lagged the Zacks Consensus Estimate of \$29,143 million by 19.8%.

On a segmental basis, its Industrial revenues grew 3.5% year over year to \$21,383 million. The segment's organic revenues rose 7.1% from the year-ago quarter to \$21,510 million. Industrial orders declined 1% organically while backlog (at the end of the quarter) of \$386 billion reflected growth of 14%.

Performance of the Industrial segment's components business is discussed below:

Aviation revenues grew 8.4% to \$8,109 million, while orders were down 4%. Organically, revenues expanded 10% on 2% growth in orders. Notably, third-quarter shipment of LEAP engines totaled 455 versus the year-ago figure of 152.

Healthcare revenues in the reported quarter totaled \$4,923 million, up 4.6% year over year. The segment's orders grew 1%. On an organic basis, revenues rose 5% on 2% growth in orders. Healthcare Systems' sales in the quarter were driven by growth in Latin America and Japan businesses, partially offset by weakness in China and the Middle East. Life Sciences revenues also improved in the quarter.

Renewable Energy revenues totaled \$4,425 million, up 12.9% year over year. Its orders grew 30% in the reported quarter. Organically, the segment's sales rose 15% year over year on 32% growth in orders.

The Power segment's revenues were down 13.9% year over year to \$3,926 million due to 36.6% fall in Power Portfolio revenues, partially offset by a 2% increase in Gas Power revenues. The segment's orders declined 30%. On an organic basis, the segment's sales were down 3% while orders declined 20%.

Notably, General Electric lost its controlling shareholding in Baker Hughes and hence, has been classified as discontinued operations.

GE Capital's revenues in the reported quarter totaled \$2,097 million, down 15.2% year over year.

Margin Improves Y/Y

In the quarter under review, General Electric's cost of sales declined 2.9% year over year to \$17,328 million. It represented 74.2% of the quarter's revenues versus 76.3% in the year-ago quarter. Selling, general and administrative expenses in the quarter declined 19.7% year over year to \$3,293 million. It was 14.1% of the quarter's revenues versus 17.5% in the year-ago quarter.

The Industrial segment's adjusted operating profit in the quarter rose 19.2% year over year to \$2,147 million while margins grew 150 basis points to 10%. On a reported basis, the Industrial segment recorded profit of \$2,450 million, up 24.6% year over year. The Power segment recorded loss of \$144 million versus \$676 million loss in the year-ago quarter, while Renewable Energy's loss was \$98 million against profit of \$116 million in third-quarter 2018. Aviation and Healthcare segments' profit rose 3.2% and 13.1% year over year, respectively.

The GE Capital segment witnessed loss of \$645 million against profit of \$19 million in the year-ago quarter.

Balance Sheet and Cash Flow

Exiting the third quarter of 2019, General Electric had cash and cash equivalents of \$76 billion, up from \$71.4 billion recorded at the end of the previous quarter. Borrowings were \$93.2 billion versus \$105.8 billion at the end of the second quarter.

Adjusted free cash flow for GE Industrial totaled \$650 million in the third quarter, down from \$1,140 million in the year-ago quarter.

Restructuring

In June 2018, General Electric communicated plans to transform into a high-tech industrial company — focused on Aviation, Power and Renewable Energy.

In sync with its plans, the company completed the sale of its transportation business to Wabtec Corporation in the first quarter of 2019. Notably, General Electric lowered its stake in Wabtec from 25% to 12%, resulting in cash proceeds of \$1.8 billion.

Further, General Electric announced that it agreed to divest the BioPharma business to Danaher Corporation. Subject to the receipt of regulatory approvals and fulfillment of customary closing conditions, the divestment is anticipated to be completed in the first quarter of 2020.

Efforts are on track to reduce exposure to the GE Capital business. Asset disposition has amounted to approximately \$3.6 billion so far in 2019, including roughly \$2 billion completed in the third quarter of 2019. The company believes that it is well-positioned to dispose of assets worth

roughly \$10 billion in 2019. Also, it reduced debt (external) by \$1 billion in the third quarter (or roughly \$5 billion so far in 2019).

Outlook

In the quarters ahead, General Electric expects to gain from the digital business, efforts to reduce leverage and lowering exposure to the GE Capital business.

The company projects organic revenues in the Industrial segment to grow in a mid-single-digit range. The segment's adjusted margin will remain between flat and rise of 100 basis points. Restructuring expenses related to the segment will likely be \$1.1-\$1.4 billion, down from \$1.7-\$2 billion mentioned earlier. Also, restructuring (Industrial) cash costs will be more than \$1.3 billion versus in excess of \$1.5 billion stated earlier.

The company's adjusted earnings are predicted to be 55-65 cents per share in 2019. Adjusted industrial free cash flow is expected to be \$0-\$2 billion versus the previously stated (\$1)-\$1 billion.

Recent News

On **Dec 18, 2019**, GE Renewable Energy announced that it has clinched an onshore wind turbine contract from Rio Energy. Per the deal, Rio Energy will utilize General Electric's biggest onshore wind turbine solution — Cypress platform — for catering to consumers' growing requirements of renewable and sustainable energy.

On **Dec 18, 2019**, GE Hitachi Nuclear Energy announced the completion of the decommissioning work of the Oskarshamn, Sweden-based nuclear power plant.

On **Dec 17, 2019**, GE Renewable Energy announced that Eneco, Future Wind, a joint venture between Pondera Development and SIF Holding Netherlands, has decided to buy all of the electricity generated by its Haliade-X 12 MW prototype.

On **Dec 12, 2019**, GE Capital successfully completed the divestment of its aviation lending business, PK AirFinance, to Apollo Global Management, Inc. and Athene Holding Ltd. Financial terms of the transaction were not disclosed. As part of the deal, PK AirFinance's loan portfolio was sold to Athene Holding, while the aircraft lending platform was divested to Apollo.

On **Dec 12, 2019**, GE Research received a \$5.2-million contract to develop cyber protection technologies for Cybersecurity, Energy Security and Emergency Response office of the U.S. Department of Energy. The new technologies will help operate natural gas pipelines and other energy infrastructure securely during a cyber attack.

On **Dec 12, 2019**, GE Renewable Energy received a contract from Holmen to provide 26 onshore wind turbines to the latter's Blabergsliden wind farm.

On **Dec 8, 2019**, GE Healthcare Life Sciences communicated that it will collaborate with Advanced Solutions Life Sciences to work for development of the 3D biofabrication platform. The partnership agreement will include research and development, and distribution.

On **Dec 6, 2019**, General Electric's board of directors approved the payment of a quarterly cash dividend of a penny per share to shareholders of record as of Dec 23, 2019. The dividend will be paid out on Jan 27, 2020.

On **Dec 3, 2019**, GE Hitachi Nuclear Energy received a contract from Comprehensive Decommissioning International, LLC to help in decommissioning reactor pressure vessel and reactor internals at Massachusetts-based Pilgrim Nuclear Power Station.

On **Dec 2, 2019**, GE Healthcare signed a contract with Affidea to provide digital and imaging technologies to the latter. The multi-year contract was valued at \$100 million.

On **Nov 18, 2019**, GE Renewable Energy received a contract from Innergex Renewable Energy Inc to provide onshore wind turbines to the latter. As noted, 139 2.X-127 turbines will support Innergex's Texas-based 350 MW Foard City Wind project.

Also, GE Renewable Energy received a contract on Nov 13 from ENGIE North America to provide 88 2.8-127 onshore wind turbines and 92 2.7-116 onshore wind turbines.

On **Nov 6, 2019**, GE Renewable Energy signed an agreement to construct a 715-MW wind farm in China. The other party involved in the transaction was China Huaneng Group Co. Ltd.

On **Nov 4, 2019**, GE Ventures communicated that it will sell roughly 16 healthcare venture investments to an associate of San Francisco-based investment firm, Leerink Revelation Partners.

On **Nov 3, 2019**, GE Power received a five-year contract from Bangladesh Power Development Board. Per the contract, GE Power will supply maintenance services to a 225-MW power plant in Bangladesh.

Valuation

General Electric's shares have moved up 41.8% over the trailing 12-month period. Over the past year, both the Zacks sub-industry and the Zacks Conglomerates sector have moved up 28.3%.

The S&P 500 index has moved up 24.5% in the past year.

The stock is currently trading at 8.56x forward 12-month EBITDA, which compares to 26.85x for both the Zacks sub-industry and the Zacks sector as well as 12.66x for the S&P 500 index.

Over the past five years, the stock has traded as high as 22.61x and as low as 6.32x, with a 5-year median of 12.33x. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$13 price target reflects 18.47x forward 12-month earnings per share.

The table below shows summary valuation data for GE.

Valuation Multiples - GE			
Stock	Sub-Industry	Sector	S&P 500

EV/EBITDA F12M	Current	8.56	26.85	26.85	12.66
	5-Year High	22.61	81.18	81.18	12.66
	5-Year Low	6.32	17.61	17.61	9.08
	5-Year Median	12.33	22.02	22.02	10.78
P/E F12M	Current	17.25	19.4	19.4	18.71
	5-Year High	21.28	20.06	20.06	19.34
	5-Year Low	9.01	15.31	15.31	15.17
	5-Year Median	16.21	17.76	17.76	17.44
EV/Sales F12M	Current	1.33	4.22	4.22	3.26
	5-Year High	3.16	4.24	4.24	3.37
	5-Year Low	0.88	2.82	2.82	2.3
	5-Year Median	2.17	3.66	3.66	2.78

As of 01/6/2020

Industry Analysis Zacks Industry Rank: Bottom 30% (178 out of 254)



Top Peers

Carlisle Companies Incorporated (CSL)	Neutral
Danaher Corporation (DHR)	Neutral
Flowserve Corporation (FLS)	Neutral
Honeywell International Inc. (HON)	Neutral
ITT Inc. (ITT)	Neutral
Macquarie Infrastructure Company (MIC)	Neutral
3M Company (MMM)	Neutral
United Technologies Corporation (UTX)	Neutral

Industry Comparison Industry: Diversified Operations				Industry Peers		
	GE Neutral	X Industry	S&P 500	DHR Neutral	HON Neutral	UTX Neutral
VGM Score	D	-	-	F	D	B
Market Cap	106.03 B	7.57 B	23.66 B	111.05 B	126.84 B	132.67 B
# of Analysts	7	4	13	10	10	7
Dividend Yield	0.33%	1.39%	1.79%	0.44%	2.03%	1.91%
Value Score	D	-	-	D	C	C
Cash/Price	0.73	0.13	0.04	0.13	0.10	0.06
EV/EBITDA	-15.74	9.51	13.88	24.16	14.00	14.06
PEG Ratio	2.39	2.08	1.99	2.40	2.19	2.00
Price/Book (P/B)	3.64	1.83	3.36	3.51	6.93	3.10
Price/Cash Flow (P/CF)	7.60	11.89	13.62	24.01	18.10	14.32
P/E (F1)	17.34	16.99	18.74	27.89	20.15	17.59
Price/Sales (P/S)	0.94	1.43	2.67	5.43	3.43	1.76
Earnings Yield	5.77%	5.85%	5.32%	3.58%	4.96%	5.69%
Debt/Equity	2.67	0.72	0.72	0.52	0.61	0.93
Cash Flow (\$/share)	1.60	1.94	6.94	6.44	9.81	10.73
Growth Score	C	-	-	C	D	A
Hist. EPS Growth (3-5 yrs)	-20.34%	9.00%	10.56%	2.97%	8.86%	3.31%
Proj. EPS Growth (F1/F0)	14.99%	7.36%	7.41%	16.74%	8.29%	7.36%
Curr. Cash Flow Growth	-18.18%	7.31%	14.83%	10.54%	8.22%	15.39%
Hist. Cash Flow Growth (3-5 yrs)	-8.86%	4.88%	9.00%	6.62%	7.62%	2.98%
Current Ratio	1.84	2.23	1.23	3.43	1.32	1.06
Debt/Capital	72.76%	41.81%	42.92%	33.25%	37.76%	48.29%
Net Margin	NA%	5.57%	11.08%	NA	17.06%	NA
Return on Equity	11.69%	9.97%	17.10%	11.42%	32.01%	16.81%
Sales/Assets	0.38	0.78	0.55	0.38	0.63	0.55
Proj. Sales Growth (F1/F0)	%	3.19%	4.20%	NA	3.59%	NA
Momentum Score	C	-	-	F	C	C
Daily Price Chg	1.42%	-0.43%	-0.61%	0.30%	-0.75%	0.22%
1 Week Price Chg	7.07%	0.04%	0.13%	0.83%	1.35%	2.04%
4 Week Price Chg	10.46%	1.97%	2.60%	4.80%	1.73%	5.10%
12 Week Price Chg	39.22%	7.51%	8.87%	11.39%	8.92%	13.07%
52 Week Price Chg	38.90%	0.69%	29.34%	53.29%	31.13%	43.67%
20 Day Average Volume	0	64,906	1,603,615	0	2,177,073	0
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	-0.40%	0.00%	0.00%
(F1) EPS Est 12 week change	-5.58%	-0.75%	-0.57%	-2.74%	-0.56%	-0.84%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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	D
Growth Score	C
Momentum Score	F
VGM Score	D

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

Disclosures

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