

General Electric (GE)

\$12.66 (As of 03/23/21)

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

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 02/09/21)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM: C

Value: B

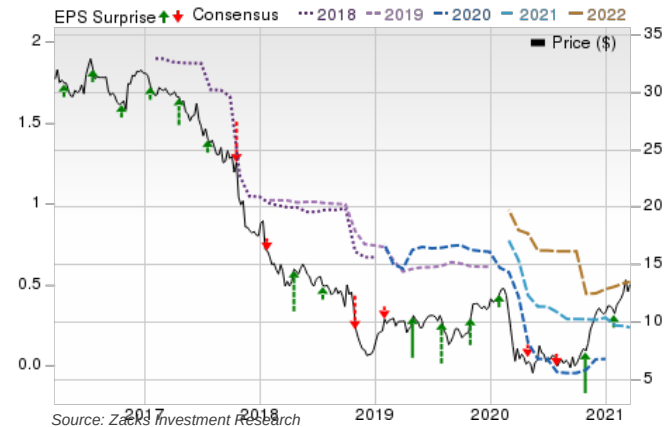
Growth: C

Momentum: F

Summary

In the past three months, General Electric's shares have outperformed the industry. In fourth-quarter 2020, its earnings met estimates. In the quarters ahead, the company is poised to gain from its portfolio-restructuring program, expansion in digital business, efforts to deleverage balance sheet and solid liquidity position. Moreover, its efforts are on track to reduce the exposure to the GE Capital business. For 2021, it anticipates adjusted earnings per share of 15-25 cents. However, the market-related challenges persist for Aviation in the initial quarter of 2021, while weakness in equipment revenues might hurt the segment's performance in the year. Also, any adverse impact of foreign currency fluctuations might be concerning. In the past 60 days, the company's earnings estimates have been lowered for 2021 and 2022.

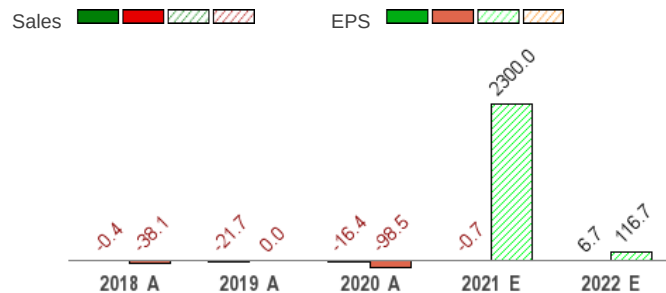
Price, Consensus & Surprise



Data Overview

52-Week High-Low	\$14.42 - \$5.48
20-Day Average Volume (Shares)	113,348,976
Market Cap	\$111.2 B
Year-To-Date Price Change	17.2%
Beta	1.09
Dividend / Dividend Yield	\$0.04 / 0.3%
Industry	Diversified Operations
Zacks Industry Rank	Top 37% (94 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	0.0%
Last Sales Surprise	3.1%
EPS F1 Estimate 4-Week Change	-3.8%
Expected Report Date	05/05/2021
Earnings ESP	12.5%
P/E TTM	316.5
P/E F1	55.0
PEG F1	13.0
P/S TTM	1.4

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2022	18,848 E	20,135 E	21,002 E	24,115 E	84,415 E
2021	17,603 E	18,400 E	19,866 E	22,817 E	79,080 E
2020	20,524 A	17,750 A	19,417 A	21,928 A	79,619 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2022	\$0.08 E	\$0.09 E	\$0.13 E	\$0.20 E	\$0.52 E
2021	\$0.01 E	\$0.03 E	\$0.07 E	\$0.13 E	\$0.24 E
2020	\$0.05 A	-\$0.15 A	\$0.06 A	\$0.08 A	\$0.01 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 03/23/2021. The report's text and the analyst-provided price target are as of 03/24/2021.

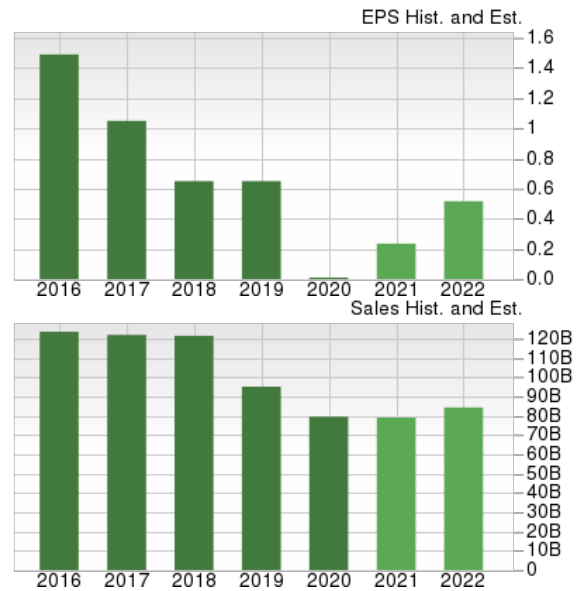
Overview

General Electric Company is popular for its LEAP aircraft engines, Heavy-Duty gas turbines, Haliade-X and Cypress wind turbines, and healthcare solutions. Its zeal to invest in upgrades and innovation of products along with outstanding service capabilities and technological expertise raises its competitive appeal. Also, the high-tech giant's plan to strengthen its industrial businesses — with a focus on Power, Aviation and Renewable Energy — and deleverage the balance sheet will boost fundamentals and shareholders' value.

Founded in 1892, General Electric is currently headquartered in Boston, MA. 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.

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. The Power segment includes 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 18.9% compared with the industry's growth of 4.5%. In fourth-quarter 2020, the company's sales surpassed estimates by 3.1%, while earnings met the same. For 2021, it anticipates adjusted earnings per share of 15-25 cents, suggesting rise from 1 cent recorded in 2019. In the years ahead, growth in the digital business, investments in innovation, efforts to reduce leverage and lowering exposure to the GE Capital business will likely be beneficial for General Electric. It is worth noting here that asset disposition in GE Capital amounted to \$4 billion in 2020. Assets (from continuing operations) were \$113.5 billion at the end of the fourth quarter. Also, GE Capital's debts have been reduced by \$7 billion in 2020. General Electric targets GE Capital's debt-to-equity to be less than 4X over the long term. In March 2021, the company announced its decision to divest its GE Capital Aviation Services business to AerCap Holdings N.V. in a deal worth more than \$30 billion. For the Industrial segment, General Electric anticipates organic revenues to increase in low-single digits in 2021, while the segment's adjusted organic margin will likely expand 250 basis points in the year. Notably, per the company's 2021 guidance, Aviation business' organic revenues will increase in low-single digit, while that for Renewable Energy and Healthcare businesses is expected to improve in mid-single digit and low-mid-single digit, respectively.
- ▲ 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 Westinghouse Air Brake Technologies Corporation in February 2019, while it completed the divestiture of the BioPharma business to Danaher Corporation in March 2020. Further, General Electric lost its controlling shareholding in Baker Hughes. In the third quarter of 2020, General Electric launched a program to fully dispose of its remaining stake in Baker Hughes. These actions will be valid in the coming three years. The divestment will help General Electric to focus on core businesses, better uses of capital, deleveraging and others. In addition, the company's reorganized Power segment (Gas Power and Power Portfolio) are proving beneficial. In July 2020, the company divested its lighting business. The other party to the transaction was Savant Systems, Inc.
- ▲ General Electric is working diligently to improve its liquidity and manage its leverage. Exiting fourth-quarter 2020, the company's liquidity included \$37 billion of available liquidity, including Industrial cash of \$23.2 billion. For 2021, the company anticipates Industrial free cash flow of \$2.5-\$4.5 billion. Notably, it reduced its industrial debts by \$9 billion in 2020. Over the long term, the company aims at achieving net debt-to-EBITDA of less than 2.5X at Industrial.

Portfolio-restructuring program, leverage-reduction actions and a healthy liquidity position are likely to aid General Electric in the years ahead. For 2021, it projected year-over-year growth in adjusted earnings.

Reasons To Sell:

- ▼ General Electric's shares currently appear to be overvalued compared with the industry. On a Price (P)/Earnings (E) - Trailing 12 Months (TTM) basis, the company's shares are trading at 316.51X, higher than the industry's 39.19X. Also, the shares are trading higher compared with the industry's three-month highest level of 39.19X. In addition, the company's earnings estimates have lowered by 75% for the first quarter of 2021, 33.3% for 2021 and 11.9% for 2022 in the past 60 days.
- ▼ In fourth-quarter 2020, General Electric's earnings slumped 60% from the previous-year's comparable quarter on sales decrease of 16.4%. Results were adversely impacted by the market-related challenges related to the coronavirus outbreak. Though the company is working on several counter measures, headwinds related to the pandemic are still concerning. For the Aviation segment, it believes lower installation of commercial engines and a weak commercial aftermarket business might hurt performances in the initial quarter of 2021. For the Power segment, the company believes that weakness in equipment revenues might hurt performance in the year. Notably, organic revenues in the Power business are anticipated to decline in mid-single digit in 2021.
- ▼ Geographical diversification reflects General Electric's flourishing business. However, the diversity exposes the company to risks arising from geopolitical issues and an unfavorable foreign currency movement. In 2020, forex woes dented the company's Industrial revenues by \$276 million. Such lingering woes may hurt results in the days to come.

Softness in the Aviation and Power businesses might influence General Electric's performances in the quarters ahead. Also, any adverse impact from foreign currency fluctuations might hurt.

Last Earnings Report

General Electric Q4 Earnings Meet Estimates, Sales Beat

General Electric fourth-quarter 2020 earnings matched estimates whereas sales surprise was a positive 3.1%.

Results reflected healthy free cash flow performance, orders growth in Power and Renewable Energy, and effective financial actions to reduce debts.

In the reported quarter, the industrial conglomerate's adjusted earnings were 8 cents per share, matching the Zacks Consensus Estimate. However, the bottom line decreased 60% from the year-ago quarter's 20 cents per share on weak sales generation, partially offset by lower costs and expenses.

In 2020, the company's adjusted earnings were 1 cent, down from 61 cents in the previous year.

Quarter Ending	12/2020
Report Date	Jan 26, 2021
Sales Surprise	3.07%
EPS Surprise	0.00%
Quarterly EPS	0.08
Annual EPS (TTM)	0.04

Revenue Details

In the quarter under review, General Electric's consolidated revenues were \$21,928 million, reflecting a year-over-year decline of 16.4%. Poor sales performance in both Industrial and GE Capital affected the quarterly results.

However, the company's top line surpassed the Zacks Consensus Estimate of \$21,275 million.

On a segmental basis, its Industrial revenues decreased 17.1% year over year to \$20,271 million. Also, GE Capital's revenues totaled \$1,796 million, declining 14.3%.

For the Industrial segment, organic revenues in the quarter decreased 13.7% from the year-ago quarter to \$20,051 million. Industrial orders declined 7% to \$23.2 billion. Organically, orders were down 3%. Backlog at the end of the fourth quarter was \$386.5 billion.

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

Aviation revenues decreased 34.6% year over year to \$5,847 million and orders fell 41%. Organically, revenues and orders were down 34% and 40%, respectively. Fourth-quarter shipment of LEAP engines totaled 193, down from 227 in the year-ago quarter.

Healthcare revenues in the reported quarter totaled \$4,823 million, decreasing 10.7% year over year. The segment's orders dipped 15%. On an organic basis, revenues increased 6% and orders grew 1%.

Renewable Energy revenues totaled \$4,442 million, down 6.4% year over year. Its orders increased 34% in the reported quarter. Organically, the segment's sales were down 7%, while orders were up 32%.

The Power segment's revenues dipped 0.3% year over year to \$5,383 million. Organically, sales decreased 1% from the year-ago quarter. The segment's orders increased 26% and grew 27% organically. Gas Power revenues decreased 2.9% to \$3,769 million and that for the Power Portfolio was up 4.5% to \$1,567 million.

In 2020, the company's consolidated revenues were \$79,619 million, down 16.4% year over year.

Margin Profile

In the quarter under review, General Electric's cost of sales was down 10.6% year over year to \$16,296 million. It represented 74.3% of the quarter's revenues versus 69.5% in the year-ago quarter. Selling, general and administrative expenses in the quarter decreased 15.1% to \$3,250 million. It was 14.8% of the quarter's revenues versus 14.6% in the year-ago quarter. Research and development expenses totaled \$635 million, suggesting year-over-year fall of 26.1%. It represented 2.9% of the quarter's revenues versus 3.3% in the year-ago quarter.

The Industrial segment's adjusted operating profit was \$1,289 million, down 52.1% year over year. Margin in the quarter was 6.4% versus 11% in the fourth quarter of 2019.

On a reported basis, the Power segment recorded operating profit of \$306 million, reflecting increase of 3% from the year-ago quarter. Renewable Energy recorded loss of \$87 million compared with a loss of \$227 million in fourth-quarter 2019. The Aviation segment's earnings were \$564 million, down 72.5% year over year. The Healthcare segment's profits declined 16.6% to \$949 million.

The GE Capital segment witnessed a loss of \$151 million against earnings of \$69 million in the year-ago quarter.

Interest and other financial charges decreased 22.8% to \$737 million.

Balance Sheet and Cash Flow

Exiting the fourth quarter of 2020, General Electric had cash and cash equivalents of \$36.6 billion, down 57.4% from \$86 billion recorded at the end of the previous quarter. Borrowings were \$70.3 billion, down 11.6% from \$79.5 billion at the end of the third quarter.

Non-GAAP free cash flow for GE Industrial totaled \$4,367 million in the fourth quarter, up 12.4% year over year.

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 Westinghouse Air Brake Technologies Corporation in first-quarter 2019. Further, General Electric completed the divestment of the BioPharma business to Danaher Corporation in March 2020.

Further, General Electric lost its controlling shareholding in Baker Hughes Company. In addition, the company started a program in the third quarter to fully dispose of its remaining stake in Baker Hughes. These actions will be valid in the coming three years. The divestment of the non-core possession will likely help General Electric to focus on core businesses, offer better uses of capital, deleveraging and others. Notably, proceeds of \$0.4 billion from these actions were recorded by the company in October 2020 and another \$0.7 billion is anticipated this month.

Efforts are on track to reduce the exposure to the GE Capital business. Asset disposition totaled \$4 billion in 2020.

Outlook

For 2021, General Electric anticipates Industrial's organic revenues to increase in low-single digit, while its adjusted organic margin is predicted to expand 250 basis points. Industrial free cash flow will likely be within the \$2.5-\$4.5 billion range.

Adjusted earnings per share for the year are anticipated to be 15-25 cents.

Recent News

On **Mar 23, 2021**, GE Renewable Energy secured a contract from Vietnam Joint-Stock Construction Electricity Corporation to supply onshore wind turbines in Vietnam. This marks the company's second such contract in the Binh Thuan Province of the country.

On **Mar 10, 2021**, General Electric provided outlook for full-year 2021. The company's Chief Executive Officer, H. Lawrence Culp, Jr. believes that the company is well poised to benefit from improvement in business conditions and its plan of transforming itself into a high-tech industrial firm. Also, in the long run, the company is expected to deliver significant values to its shareholders, employees and customers.

For the Industrial segment, General Electric anticipates organic revenues to increase in low-single digits in 2021, while the segment's adjusted profit margin will likely expand 250 basis points, organically. Also, for 2021, the company anticipates Industrial free cash flow of \$2.5-\$4.5 billion.

Notably, per the company's 2021 guidance, Aviation business' organic revenues will increase in low-single digit, while that for Renewable Energy and Healthcare businesses is expected to improve in mid-single digit and low-mid-single digit, respectively. On the other hand, organic revenues in the Power business are anticipated to decline in mid-single digit.

In addition, General Electric anticipates 2021 adjusted earnings per share of 15-25 cents, whereas it reported 1 cent in 2020. In addition, over the long term, the company aims at achieving net debt-to-EBITDA of less than 2.5X.

Separately, General Electric announced its decision to divest its GE Capital Aviation Services business to AerCap Holdings N.V. in a deal worth more than \$30 billion. Notably, the deal is in sync with the company's strategy of focusing on its core businesses and lowering exposure to the GE Capital business.

On completion of the deal, General Electric intends to use the transaction proceeds and its available cash sources for reducing its debt by about \$30 billion, which would likely take its total debt reduction to more than \$70 billion since 2018-end.

On **Mar 2, 2021**, General Electric's Power Conversion business unit announced the launch of Connectix Intuitive software applications and expert services.

On **Feb 23, 2021**, GE Renewable Energy clinched a contract to deliver 15 units of its 4 MW-137 wind turbines for Cau Dat Wind Farm in Lam Dong Province, Vietnam.

On **Feb 15, 2021**, GE Renewable Energy secured a contract to deliver 137 units of Cypress onshore wind turbine for Önusberget wind farm in Europe.

On **Feb 1, 2021**, General Electric announced that China-based Junliangcheng Power Plant started operating commercially. Notably, the company equipped the plant with its power generation equipment.

On **Jan 28, 2021**, General Electric received a contract for providing one unit of STF-A200 steam turbine, two units of Heat Recovery Steam Generators (HRSG), two units of 9E.03 gas turbines and three units of A39 generators as well as miscellaneous equipment. These products will be supplied at West Africa Energy's Senegal-based 300 megawatt power plant.

On **Jan 25**, General Electric paid out a quarterly cash dividend of 1 cent per common share to its shareholders of record as of Dec 21, 2020.

On **Jan 18**, General Electric's unit, GE Renewable Energy, secured a contract to supply Haliade-X turbines to the Ocean Wind Offshore Wind Farm. Also, it signed a service and warranty contract for the same project.

On **Jan 13**, General Electric received contract to supply equipments, including 7HA.02 gas turbines, H65 generators, STF-D600 steam turbines and heat recovery steam generators, to South Korea-based Tongyeong combined cycle power plant.

On **Jan 11**, GE Renewable Energy was chosen by Leeward Renewable Energy for repowering its 90 MW Aragonne Wind Project based in Guadalupe County, New Mexico.

On **Jan 4**, GE Renewable Energy secured a contract to supply 377 2 MW turbines to New Mexico-based Western Spirit Wind farms of Pattern Energy. Also, it will provide related services for 10 years.

On **Dec 28, 2020**, GE Renewable Energy received a contract to supply onshore wind turbines in Vietnam. GE Renewable Energy will supply 8 units of 3 MW-137 wind turbines.

On **Dec 18**, General Electric declared the expiration and results of its previously announced offers to purchase the U.S. dollar, GBP-denominated debt and Euro-denominated debt securities. Principal amount of the three types of securities was \$1,000 or €1,000 or £1,000. Notably, the tender offers were declared on Dec 11.

On **Dec 15**, General Electric secured an onshore wind turbine contract from ALLETE Clean Energy for supplying 94 units of its 2.8-127 turbines.

On **Dec 9**, General Electric communicated that it completed overhauling work of 9E.03 gas turbine situated at Al Qudus Power Plant — owned and operated by the Ministry of Electricity.

On **Dec 8**, General Electric announced taking multiple actions on Dec 7 to strengthen its financial position. The moves worth \$4 billion included satisfying the funding requirements of \$2.5 billion of ERISA GE Pension Plan. This voluntary funding by the company pertains to 2021, 2022 and 2023. In addition, the company noted that it repaid to GE Capital intercompany loan worth \$1.5 billion.

On **Dec 8**, GE Power announced that it secured a contract to supply 60 Hertz gas turbine —7HA.03 — for Shinsejong Combined Cycle Power Plant. This plant is owned by Korea Electric Power Corporation's subsidiary Korea Southern Power Co, Ltd.

On **Dec 8**, GE Renewable Energy was rewarded a blade recycling contract from Veolia North America. Per this contract, blades removed from Veolia's onshore turbines in the United States during repower and upgrade actions will be recycled.

On **Dec 8**, GE Healthcare's SIGNA Architect 3T MRI scanner will be used by SimonMed Imaging — a provider of outpatient imaging services in the United States. SIGNA Architect 3T MRI scanners are equipped with AIR Recon DL technology.

On **Dec 3**, GE Renewable Energy was rewarded an onshore wind turbine supply contract from Azora. Per the signed agreement, turbines will be delivered at Azora's Cuenca province, Spain-based Cuevas de Velasco wind farm. This is the company's first Cypress platform contract in Spain.

On **Dec 3**, General Electric's Grid Solutions secured a deal from SSEN Transmission. Per the deal, it will produce, supply and commission a 420 kilovolt (kV) Green Gas for Grid (g³) gas-insulated substation at SSEN Transmission's Kintore 400 kV substation in Aberdeenshire, Scotland.

On **Nov 30**, GE Renewable Energy announced the launch of the most advanced version of its leading Cypress line of onshore wind turbines — the 6.0-164 turbine model. This new variant is equipped with a two-piece blade and has a higher efficiency in service ability.

On **Nov 26**, General Electric communicated that the financial requirements for Phase A and B of the Dogger Bank Wind Farm have been taken care of by the co-sponsors. With this, a green signal to begin construction for the Phase A has been issued, signaling toward the requirement for the conglomerate's Haliade-X wind turbines.

On **Nov 23**, GE Healthcare unveiled an artificial intelligence (AI) algorithm that will help in the treatment of COVID-19 patients. The AI algorithm will tell about the placements of Endotracheal Tube and thus help in the treatment of intubated patients. Notably, this solution is part of Critical Care Suite 2.0 offered by GE Healthcare.

On **Nov 23**, the Power Conversion business of General Electric secured a contract worth \$40 million from DSEC. Per the deal, the company will provide propulsion and power system to two National Security Multi-Mission Vessels (NSMVs).

On **Nov 23**, General Electric secured a contract from Naepo Green Energy Co., Ltd. to provide power generation equipment to the latter's South Korea-based district heating plant. Equipment-to-supplied includes 60 Hertz gas turbine and H65 generator, STF-D650 Steam Turbine, Heat Recovery Steam Generator, H35 generator and GE condenser.

On **Nov 20**, GE Healthcare, announced the acquisition of a Swedish firm, Prismatic Sensors AB. The Prismatic Sensors buyout is in sync with GE Healthcare's pursuit of expanding its offering in the photon counting CT ("PCCT") technology. It will now be equipped to provide silicone-based photon counting detectors, which are considered better options than the ones based on cadmium.

The financial terms of the buyout have not been disclosed. GE Healthcare anticipates completing the buyout by next January. Presently, it owns a minority stake in Prismatic Sensors.

Valuation

General Electric's shares have increased 17.2% in the year to date period, and increased 67.4% over the trailing 12-month period. In the year to date period, both the Zacks sub-industry and the Zacks Conglomerates sector have moved up 4.2%. Over the past year, both the Zacks sub-industry and the sector have moved up 57.7%.

The S&P 500 index has moved up 4.5% in the year-to-date period and increased 60.1% in the past year.

The stock is currently trading at 42.33x forward 12-month earnings per share, which compares to 26.74x for both the Zacks sub-industry and the Zacks sector as well as 22.14x for the S&P 500 index.

Over the past five years, the stock has traded as high as 48.86x and as low as 9.01x, with a 5-year median of 16.55x. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$13 price target reflects 43.47x 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
P/E F12M	Current	42.33	26.74	26.74	22.14
	5-Year High	48.86	27.32	27.32	23.8
	5-Year Low	9.01	15.67	15.67	15.3
	5-Year Median	16.55	18.62	18.62	17.9
P/Sales F12M	Current	1.38	4.64	4.64	4.52
	5-Year High	2.41	4.64	4.64	4.52
	5-Year Low	0.49	2.26	2.26	3.21

	5-Year Median	1.05	3.04	3.04	3.69
As of 03/23/2021	Source: Zacks Investment Research				

Industry Analysis Zacks Industry Rank: Top 37% (94 out of 253)



Top Peers

Company (Ticker)	Rec	Rank
Marubeni Corp. (MARUY)	Outperform	2
Crane Co. (CR)	Neutral	2
Danaher Corporation (DHR)	Neutral	3
Honeywell International Inc. (HON)	Neutral	3
Hitachi Ltd. (HTHIY)	Neutral	3
Macquarie Infrastructure Company (MIC)	Neutral	3
3M Company (MMM)	Neutral	3
Sumitomo Corp. (SSUMY)	Neutral	3

The positions listed should not be deemed a recommendation to buy, hold or sell.

Industry Comparison Industry: Diversified Operations				Industry Peers		
	GE	X Industry	S&P 500	DHR	HON	MMM
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	3	3	3
VGM Score	C	-	-	C	C	B
Market Cap	111.21 B	2.45 B	28.73 B	156.91 B	145.07 B	109.06 B
# of Analysts	8	4	13	9	10	7
Dividend Yield	0.32%	0.33%	1.4%	0.33%	1.78%	3.14%
Value Score	B	-	-	C	C	B
Cash/Price	0.38	0.18	0.06	0.04	0.10	0.05
EV/EBITDA	9.49	10.30	15.72	25.04	19.83	14.15
PEG F1	13.14	1.93	2.32	2.15	2.57	2.08
P/B	2.99	1.42	3.83	4.29	8.15	8.40
P/CF	18.12	9.98	15.77	22.69	23.96	15.52
P/E F1	55.83	20.01	21.31	29.38	26.53	19.73
P/S TTM	1.40	1.40	3.24	7.04	4.45	3.39
Earnings Yield	1.82%	4.41%	4.62%	3.40%	3.77%	5.07%
Debt/Equity	1.90	0.72	0.67	0.58	0.92	1.39
Cash Flow (\$/share)	0.70	2.06	6.78	9.71	8.71	12.13
Growth Score	C	-	-	B	C	B
Historical EPS Growth (3-5 Years)	-39.64%	13.97%	9.32%	5.52%	4.80%	2.00%
Projected EPS Growth (F1/F0)	2,250.00%	19.86%	14.55%	18.86%	10.72%	9.23%
Current Cash Flow Growth	-45.62%	2.77%	0.61%	54.58%	-14.09%	1.21%
Historical Cash Flow Growth (3-5 Years)	-19.35%	8.64%	7.32%	11.93%	1.22%	1.95%
Current Ratio	1.58	1.58	1.39	1.86	1.47	1.88
Debt/Capital	65.47%	41.83%	41.42%	34.76%	47.89%	58.18%
Net Margin	7.16%	2.22%	10.59%	16.37%	14.64%	16.73%
Return on Equity	1.96%	4.43%	14.75%	13.97%	27.93%	44.24%
Sales/Assets	0.31	0.71	0.51	0.31	0.52	0.70
Projected Sales Growth (F1/F0)	-0.68%	0.00%	6.95%	16.56%	4.93%	6.72%
Momentum Score	F	-	-	D	C	F
Daily Price Change	-3.58%	-2.11%	-1.28%	-1.44%	-1.67%	-0.60%
1-Week Price Change	5.09%	0.00%	-0.30%	2.97%	-0.69%	2.05%
4-Week Price Change	0.56%	0.00%	1.57%	-1.58%	1.73%	6.90%
12-Week Price Change	19.89%	12.68%	7.30%	-1.14%	-0.26%	8.33%
52-Week Price Change	80.60%	58.66%	65.01%	70.59%	74.54%	41.90%
20-Day Average Volume (Shares)	113,348,976	215,468	2,451,869	2,949,324	3,281,344	2,851,445
EPS F1 Estimate 1-Week Change	0.00%	0.00%	0.00%	0.00%	0.00%	-0.07%
EPS F1 Estimate 4-Week Change	-3.80%	0.00%	0.00%	0.00%	0.00%	-0.09%
EPS F1 Estimate 12-Week Change	-20.68%	2.94%	2.17%	5.87%	-0.05%	1.07%
EPS Q1 Estimate Monthly Change	-25.93%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Zacks Investment Research

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 maintain a 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	B
Growth Score	C
Momentum Score	F
VGM Score	C

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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Returns quoted represent past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than their original cost. Current performance may be higher or lower than the performance shown.

Investing involves risk; principal loss is possible. There is no guarantee that companies that can issue dividends will declare, continue to pay or increase dividends.

Glossary of Terms and Definitions

52-Week High-Low: The range of the highest and lowest prices at which a stock has traded during the past year. This range is determined based on the stock's daily closing price which may differ from the intra-day high or low. Many investors use it as a technical indicator to determine a stock's current value and future price movement. The idea here is that if price breaks out from the 52-week range, in either direction, the momentum may continue in the same direction.

20-Day Average Volume (Shares): The average number of shares of a company traded in a day over the last 20 days. It is a direct indication of a security's overall liquidity. The higher the average daily trading volume, the easier it is to enter or exit the stock at a desired price with more buyers and sellers being available.

Daily Price Change: This is the percentage difference between a trading day's closing price and the prior trading day's closing price. This item is updated at 9 p.m. EST each day.

1-Week Price Change: This is the percentage change in a stock's closing price over the last 5 trading days. This change reflects the collective buying and selling sentiment over the 1-week period.

A strong weekly price increase for the stock, especially when accompanied by increased volume, is an indication of it gaining momentum.

4-Week Price Change: This is the percentage change in a stock's closing price over the last 20 trading days or past 4 weeks. This is a medium-term price change metric and an indication of the stock gaining momentum.

12-Week Price Change: This is the percentage change of a stock's closing price over the last 60 trading days or past 12 weeks. Similar to 4-week price change, this is a medium-term price change metric. It shows whether a stock has been enjoying strong investor demand, or if it has been in consolidation, or distress over this period.

52-Week Price Change: This is the percentage change in a stock's closing price over the last 260 trading days or past 52 weeks. This long-term price change metric is a good reference point for investors. Some investors seek stocks with the best percentage price change over the last 52 weeks, expecting the momentum to continue.

Market Cap: The number of outstanding common shares of a company times its latest price per share. This figure represents a company's size, which indicates various characteristics, including price stability and risk, in which investors could be interested.

Year-To-Date Price Change: Change in a stock's daily closing price in the period of time beginning the first day of the current calendar year through to the previous trading day.

of Analysts: Number of EPS estimates used in calculating the current-quarter consensus. These estimates come from the brokerage analysts tracking this stock. However, the number of such analysts tracking this stock may not match the number of estimates, as all brokerage analysts may not come up with an estimate or provide it to us.

Beta: A measure of risk commonly used to compare the volatility of a stock to the overall market. The S&P 500 Index is the base for calculating beta and carries a value of 1. A stock with beta below 1 is less risky than the market as a whole. And a stock with beta above 1 is riskier.

Dividend: The portion of earnings a company is expected to distribute to its common shareholders in the next 12 months for each share they own. Dividends are usually paid quarterly. Dividend payments reflect positively on a company and help maintain investors' trust. Investors typically find dividend-paying stocks appealing because the dividend adds to any market price appreciation to result in higher return on investment (ROI). Moreover, a steady or increasing dividend payment provides investors a cushion in a down market.

Dividend Yield: The ratio of a company's annual dividend to its share price. The annual dividend used in the ratio is calculated based on the most recent dividend paid by the company. Dividend yield is an estimate of the dividend-only return from a stock in the next 12 months. Since dividend itself doesn't change frequently, dividend yield usually changes with a stock's price movement. As a result, often an unusually high dividend yield is a result of weak stock price.

S&P 500 Index: The Standard & Poor's 500 (S&P 500) Index is an unmanaged group of securities considered to be representative of the stock market in general. It is a market-capitalization-weighted index of stocks of the 500 largest U.S. companies. Each stock's weight in the index is proportionate to its market value.

Industry: One of the 250+ groups that Zacks classifies all stocks into based on the nature of business. These groups are termed as expanded (aka "X") industries and map to their respective (economic) sectors; Zacks has 16 sectors.

Zacks Industry Rank: The Zacks Industry Rank is determined by calculating the average Zacks Rank for all stocks in the industry and then assigning an ordinal rank to it. For example, an industry with an average Zacks Rank of 1.6 is better than an industry with an average Zacks Rank of 2.3. So, the industry with the better average Zacks Rank would get a better Zacks Industry Rank. If an industry has the best average Zacks Rank, it would be considered the top industry (1 out of 250+), which would place it at the top 1% of Zacks-ranked industries. Studies have shown that roughly half of a stock's price movement can be attributed to the industry group it belongs to. In fact, the top 50% of Zacks-ranked industries outperforms the bottom 50% by a factor of more than 2 to 1.

Last EPS Surprise: The percentage deviation of a company's last reported earnings per share from the Zacks Consensus Estimate. Companies with a positive earnings surprise are more likely to surprise again in the future (or miss again if they recently missed).

Last Sales Surprise: The percentage deviation of a company's last reported sales from the Zacks Consensus Estimate.

Expected Report Date: This is an estimated date of a company's next earnings release. The information originated or gathered by Zacks Investment Research from its information providers or publicly available sources is the basis of this estimate.

Earnings ESP: The Zacks Earnings ESP compares the Most Accurate Estimate to the Zacks Consensus Estimate for the yet-to-be reported quarter. The Most Accurate Estimate is the most recent version of the Zacks Consensus EPS Estimate. The idea here is that analysts revising their estimates closer to an earnings release have the latest information, which could potentially be more accurate than what they and others contributing to the consensus had predicted earlier. Thus, a positive or negative Earnings ESP reading theoretically indicates the likely deviation of the actual earnings from the consensus estimate. However, the model's predictive power is significant for positive ESP readings only. A positive Earnings ESP is a strong predictor of an earnings beat, particularly when combined with a Zacks Rank #1 (Strong Buy), #2 (Buy) or #3 (Hold). Our research shows that stocks with this combination produce a positive surprise nearly 70% of the time.

Periods:

TTM: Trailing 12 months. Using TTM figures is an effective way of analyzing the most-recent financial data in an annualized format that helps neutralize the effects of seasonality and other quarter-to-quarter variation.

F1: Current fiscal year. This period is used to analyze the estimates for the ongoing full fiscal year.

F2: Next fiscal year. This period is used to analyze the estimates for the next full fiscal year.

F12M: Forward 12 months. Using F12M figures is an effective way of analyzing the near-term (the following four unreported quarters) estimates in an annualized manner. Instead of typically representing estimates for the full fiscal year, which may not represent the nitty-gritty of each quarter, F12M figures suggest an all-inclusive annualized estimate for the following four quarters. The annualization helps neutralize the potential effects of seasonality and other quarter-to-quarter variations.

P/E Ratio: The price-to-earnings ratio measures a company's current market price per share relative to its earnings per share (EPS). Usually, the trailing-12-month (TTM) EPS, current-fiscal-year (F1) EPS estimate, or forward-12-month (F12M) EPS estimate is used as the denominator. In essence, this ratio shows what the market is willing to pay today for each dollar of EPS. In other words, this ratio gives a sense of what the relative value of the company is at the already reported level of earnings or at a future level of earnings.

It is one of the most widely-used multiples for determining the value of a company and helps comparing its valuation with that of a competitor, the industry group or a benchmark.

PEG Ratio: The price/earnings to growth ratio is a stock's P/E ratio using current fiscal year (F1) EPS estimate divided by its expected EPS growth rate over the coming 3 to 5 years. This ratio essentially determines a stock's value by factoring in the company's expected earnings growth and is thus believed to provide a more complete picture than just the P/E ratio, particularly for faster-growing companies.

P/S Ratio: The price-to-sales ratio is calculated as a company's current price per share divided by trailing 12 months (TTM) sales or revenues per share. This ratio shows what the market is willing to pay today for each dollar of TTM sales per share. The P/S ratio is at times the only valuation metric when the company has yet to become profitable.

Cash/Price Ratio: The cash-to-price ratio or Cash Yield is calculated as cash and marketable securities per share divided by the company's current share price. Like the earnings yield, which shows the anticipated yield (or return) on a stock from earnings for each dollar invested, the cash yield does the same, with cash being the source of return instead of earnings. For example, a cash/price ratio of 0.08 suggests a return of 8% or 8 cents for every \$1 investment.

EV/EBITDA Ratio: The EV/EBITDA ratio, also known as Enterprise Multiple, is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by EBITDA (earnings before interest, taxes, depreciation and amortization). Usually, trailing-12-month (TTM) or forward-12-month (F12M) EBITDA is used as the denominator.

EV/Sales Ratio: The enterprise value-to-sales ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by annual sales. It is an expansion of the P/S valuation, which uses market value instead of enterprise value. The EV/Sales ratio is perceived as more accurate than P/S, in part, because the market capitalization does not take a company's debt into account when valuing it.

EV/CF Ratio: The enterprise value-to-cash flow ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by the trailing-12-month (TTM) operating cash flow. It's a measure of how long it would take to buy the entire business if you were able to use all the company's operating cash flow.

The EV/CF ratio is perceived as more accurate than the P/CF ratio, in part, because the market price does not take a company's debt into account when valuing it.

EV/FCF Ratio: The enterprise value-to-free cash flow metric compares a company's enterprise value to its trailing-12-month (TTM) free cash flow (FCF). This metric is very similar to the EV/CF ratio, but is considered a more exact measure owing to the fact that it uses free cash flow, which subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding growth activities and payments to shareholders.

P/EBITDA Ratio: The P/EBITDA ratio is calculated as a company's per share market value divided by EBITDA (earnings before interest, taxes, depreciation, and amortization). This metric is very similar to the EV/EBITDA ratio, but is considered a little less exact measure as it uses market price, which does not take a company's debt into account. However, since EBITDA is often considered a proxy for cash income, the metric is used as a measure of what the market is willing to pay today for each dollar of the company's cash profitability in the trailing 12 months (TTM) or forward 12 months (F12M).

P/B Ratio: The price-to-book ratio is calculated as a company's current price per share divided by its book value (total assets – liabilities – preferred stocks) per share. In short, the book value is how much a company is worth. In other words, it reflects the total value of a company's assets that its common shareholders would receive if it were to be liquidated. So, the P/B ratio indicates whether you're paying higher or lower than what would remain if the company went bankrupt immediately. Investors typically use this metric to determine how a company's stock price stacks up to its intrinsic value.

P/TB Ratio: The price-to-tangible-book value ratio is calculated as a the per share market value of a company divided by the value of its tangible assets (total assets – liabilities – preferred stocks – intangible assets) per share. Tangible book value is the same thing as book value except it excludes the value of intangible assets to get a step closer to the baseline value of the company.

P/CF Ratio: The price-to-cash flow ratio measures a company's per share market price relative to its trailing-12-month (TTM) operating cash flow per share. This metric is used to determine whether a company is undervalued or overvalued relative to another stock, industry or sector. And like the P/E ratio, a lower number is typically considered better from the value perspective.

One of the reasons why P/CF ratio is often preferred over P/E ratio is the fact that operating cash flow adds back non-cash expenses such as depreciation and amortization to net income. This feature helps valuing stocks that have positive cash flow but are not profitable because of large noncash charges.

P/FCF Ratio: The price-to-free cash flow ratio is an extension of P/CF ratio, which uses trailing-12-month (TTM) free cash flow per share instead of operating cash flow per share. This metric is considered a more exact measure than P/CF ratio, as free cash flow subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding activities that generate additional revenues.

Earnings Yield: The earnings yield is calculated as current fiscal year (F1) EPS estimate divided by the company's current share price. The ratio, which is the inverse of the P/E ratio, measures the anticipated yield (or return) from earnings for each dollar invested in a stock today.

For example, earnings yield for a stock, which is trading at \$35 and expected to earn \$3 per share in the current fiscal year (F1), would be 0.0857 ($3/35 = 0.0857$) or 8.57%. In other words, for \$1 invested in the stock today, the yield from earnings is anticipated to be 8.57 cents.

Investors most commonly compare the earnings yield of a stock to that of a broad market index (such as the S&P 500) and prevailing interest rates, such as the current 10-year Treasury yield. Since bonds and stocks compete for investors' dollars, stock investors typically demand a higher yield for the extra risk they assume compared to investors of U.S. Treasury-backed securities that offer virtually risk-free returns. This additional return is referred to as the risk premium.

Debt/Equity Ratio: The debt-to-equity ratio is calculated as a company's total liabilities divided by its shareholder equity. This metric is used to gauge a company's financial leverage. In other words, it is a measure of the degree to which a company is financing its operations through debt versus its own funds. The higher the ratio, the higher the risk for shareholders.

However, this ratio is difficult to compare across industry groups where ideal amounts of debt vary. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-equity ratio should be compared with other companies in the same industry.

Cash Flow (\$/share): Cash flow per share is calculated as operating cash flow (after-tax earnings + depreciation + other non-cash charges) divided by common shares outstanding. It is used by many investors as a measure of a company's financial strength. Since cash flow per share takes into consideration a company's ability to generate cash by adding back non-cash expenses, it is regarded by some as a more accurate measure of a company's financial situation than earnings per share, which could be artificially deflated.

Current Ratio: The current ratio or liquidity ratio is a company's current assets divided by its current liabilities. It measures a company's ability to pay short-term obligations. A current ratio that is in line with the industry average or slightly higher is generally considered acceptable. A current ratio that is lower than the industry average would indicate a higher risk of distress or default. A higher number is usually better. However, a very high current ratio compared to the industry average could be an indication of inefficient use of assets by management.

Debt/Capital Ratio: Debt-to-capital ratio is a company's total debt (interest-bearing debt + both short- and long-term liabilities) divided its total capital (interest-bearing debt + shareholders' equity). It is a measure of a company's financial leverage. All else being equal, the higher the debt-to-capital ratio, the riskier the stock.

However, this ratio can vary widely from industry to industry, the ideal amount of required debt being different. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-capital ratio should be compared with the same for its industry.

Net Margin: Net margin is calculated as net income divided by sales. It shows how much of each dollar in sales generated by a company translates into profit. For example, if a company's net margin is 15%, its net income is 15 cents for every \$1 of sales it makes.

A change in margin can reflect either a change in business conditions, or a company's cost controls, or both. If a company's expenses are growing faster than sales, its net margin will decline. However, different net margin rates are considered good for different industries, so it's better to compare net margin rates of companies in the same industry group.

Return on Equity: Return on equity (ROE) is calculated as trailing-12-month net income divided by trailing-12-month average shareholder equity (including reinvested earnings). This metric is considered a measure of how effectively management is using a company's assets to generate profits. For example, if a company's ROE is 10%, it creates 10 cents profits for every \$1 shareholder equity, which is basically the company's assets minus debt. A company's ROE deemed good or bad depends on what's normal for its peers or industry group.

Sales/Assets Ratio: The sales-to-assets ratio or asset utilization ratio or asset turnover ratio is calculated as a company's annual sales divided by average assets (average of assets at the beginning of the year and at the year's end). This metric helps investors understand how effectively a company is using its assets to generate sales. For example, a sales-to-assets ratio of 2.5 indicates that the company generated \$2.50 in sales for every \$1 of assets on its books.

The higher the sales-to-assets ratio, the better the company is performing. However, similar to many other ratios, the asset turnover ratio tends to be higher for companies in certain industries/sectors than in others. So, a company's sales-to-assets ratio should be compared with the same for its industry/sector.

Historical EPS Growth (3-5 Years): This is the average annual (trailing-12-month) EPS growth rate over the last 3-5 years. This metric helps investors see how a company's EPS has grown from a long-term perspective.

Note: There are many factors that can influence short-term numbers — a recession will reduce this number, while a recovery will inflate it. The longterm perspective helps smooth out short-term events.

Projected EPS Growth (F1/F0): This is the estimated EPS growth rate for the current financial year. It is calculated as the consensus estimate for the current fiscal year (F1) divided by the reported EPS for the last completed fiscal year (F0).

Current Cash Flow Growth: It measures the latest year-over-year change in operating cash flow. Cash flow growth tells an investor how quickly a company is generating inflows of cash from operations. A positive change in the cash flow is desired and shows that more 'cash' is coming in than going out.

Historical Cash Flow Growth (3-5 Years): This is the annualized change in cash flow over the last 3-5 years. The change in a longer period helps put the current reading into proper perspective. By looking at the rate, rather than the actual dollar value, the comparison across the industry and peers becomes easier.

Projected Sales Growth (F1/F0): This metric looks at the estimated sales growth for the current year. It is calculated as sales estimate for the current fiscal year (F1) divided by the reported sales for the last completed fiscal year (F0).

Like EPS growth, a higher rate is better for sales growth. A look at a company's projected sales growth instantly tells you what the outlook is for their products and services. However, different sales growth rates are considered good for different industries, so it's better to compare sales growth rates of companies in the same industry group.

EPS F1 Estimate 1-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past week. The change in a company's consensus EPS estimate (or earnings estimate revision) has proven to be strongly correlated with the near-term price movement of its shares. It is an integral part of the Zacks Rank.

If a stock's consensus EPS estimate is \$1.10 now versus \$1.00 a week ago, that will be reflected as a 10% upward revision. If, on the other hand, it went from \$1.00 to 90 cents, that would be a 10% downward revision.

EPS F1 Estimate 4-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past four weeks.

A stock's earnings estimate revision in a 1-week period is important. But it's more meaningful to look at the longer-term revision. And, of course, the 4-week change helps put the 1-week change into proper perspective.

EPS F1 Estimate 12-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past 12 weeks.

This metric essentially shows how the consensus EPS estimate has changed over a period longer than 1 week or 4 weeks.

EPS Q1 Estimate Monthly Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal quarter over the past four weeks.

While the revision in consensus EPS estimate for the current fiscal year is strongly correlated with the near-term price movement of its shares, the estimate revision for the current fiscal quarter is an important metric as well, especially over the short term, and particularly as a stock approaches its earnings date. If a stock's Q1 EPS estimate decreases ahead of its earnings release, it's usually a negative sign, whereas an increase is a positive sign.