Gilead Sciences Inc.(GILD)

$70.88 (As of 08/04/20)

Price Target (6-12 Months): **$74.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 04/06/20) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:B
	Value: A | Growth: C | Momentum: A	

Summary

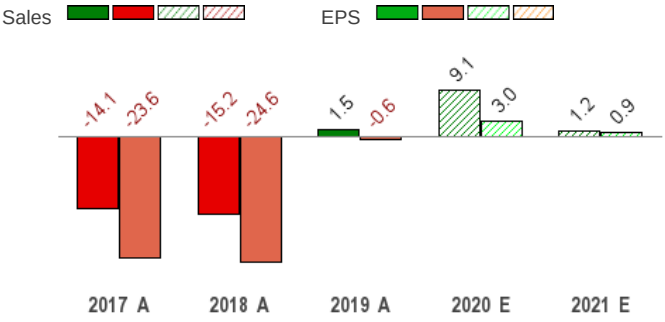
Gilead's second-quarter earnings and sales missed expectations due to the pandemic. Sales declined year over year as well due to lower sales volume of chronic hepatitis C virus products as a result of the COVID-19 pandemic, which led to fewer healthcare provider visits and screenings. HIV sales were down due to lower sales volume of Truvada. However, the company lifted its annual guidance probably to account for sales from its antiviral drug, remdesivir, for COVID-19. Nevertheless, the strong performance of Biktarvy maintains momentum. Meanwhile, the company is seeing early signs of recovery from this impact and expects a full recovery by the second half. Given the alarming levels of spread and severity, the demand for Gilead's remdesivir is expected to be strong. Shares have outperformed the industry in the past year.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$85.97 - $60.89**
20 Day Average Volume (sh)	**7,878,029**
Market Cap	**$88.9 B**
YTD Price Change	**9.1%**
Beta	**0.64**
Dividend / Div Yld	**$2.72 / 3.8%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Top 44% (111 out of 254)**
Last EPS Surprise	**-24.0%**
Last Sales Surprise	**-1.9%**
EPS F1 Est- 4 week change	**4.8%**
Expected Report Date	**10/22/2020**
Earnings ESP	**2.6%**
P/E TTM	**12.1**
P/E F1	**10.4**
PEG F1	**0.8**
P/S TTM	**4.0**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	5,984 E	6,066 E	6,045 E	6,042 E	24,779 E
2020	5,548 A	5,143 A	6,336 E	6,959 E	24,497 E
2019	5,281 A	5,685 A	5,604 A	5,879 A	22,449 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	$1.68 E	$1.66 E	$1.66 E	$0.88 E	$6.89 E
2020	$1.68 A	$1.11 A	$1.81 E	$2.07 E	$6.83 E
2019	$1.76 A	$1.82 A	$1.75 A	$1.30 A	$6.63 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 08/04/2020. The reports text is as of 08/05/2020.

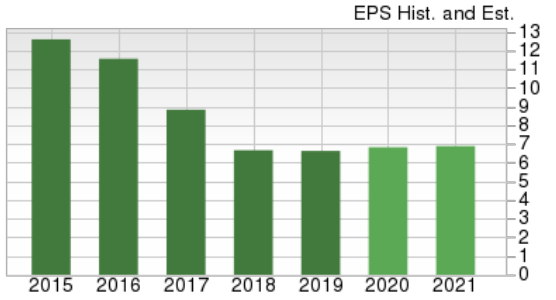
Overview

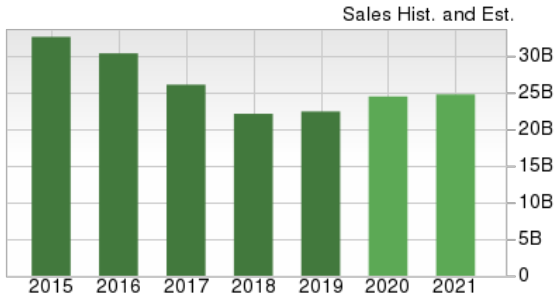
Headquartered in Foster City, CA, Gilead Sciences is a pioneer in developing drugs for the treatment of human immunodeficiency virus (HIV), liver diseases, hematology/oncology diseases and inflammation/respiratory diseases. The company has a strong HIV franchise with key HIV/AIDS therapies like tenofovir alafenamide (TAF)-based products Genvoya, Odefsey, Descovy, Biktarvy and Truvada. Total sales from HIV franchise came in at $16.4 billion in 2019. The portfolio also includes hepatitis C virus (HCV) drugs like Harvoni and Epclusa, and HBV drug, Vemlidy. For 2019, HCV product sales were $2.9 billion compared to $3.7 billion in 2018.

Yescarta, the first cell therapy approved for the treatment of adult patients with relapsed or refractory large B-cell lymphoma, has diversified Gilead's portfolio. Total Yescarta sales in 2019 came in at $256 million.

Gilead has a robust late-stage pipeline that bodes well for long-term growth. The company is also working on diversifying and growing its business beyond antivirals into other therapeutic areas. The company has a collaboration agreement with Galapagos for the development and commercialization of the JAK1-selective inhibitor, filgotinib, for inflammatory disease indications, including rheumatoid arthritis (RA). The company acquired Kite Pharma for $11.9 billion in 2017 to enter the CAR T space. In December 2017, Gilead acquired Cell Design Labs Inc. The company has recently collaborated with Novo Nordisk to develop drugs for the treatment of NASH.

Revenues in 2019 came in at $22.4 billion, down from $22.1 billion in 2018.





Reasons To Buy:

> Gilead' strong HIV franchise should help the company maintain momentum. Newly launched products should continue to perform well, thereby driving top-line growth.

- **Share Price Performance**: Gilead's stock has outperformed the industry in the past year.

- **Strong HIV Franchise**: Gilead is a dominant player in the HIV market. The company was the first to bring to market a single-tablet regimen (STR) for the treatment of HIV — Atripla. Additional STRs for HIV in the market include Complera/Eviplera and Stribild, among others. Meanwhile, Gilead is looking to transition the HIV portfolio to drugs with improved long-term safety profiles. The TAF-based products — Genvoya, Odefsey and Descovy — are performing well, with strong adoption in both the United States and Europe. Descovy-based regimens continue to gain share. The HIV franchise received a major boost when the FDA approved its once-daily STR, Biktarvy (bictegravir 50mg/emtricitabine 200mg/tenofovir alafenamide 25mg, BIC/FTC/TAF), for HIV-1 infection. Biktarvy has become the number one prescribed regimen for both treatment-naïve and switch patients. Meanwhile, the FDA approved a label expansion of Descovy (emtricitabine 200 mg and tenofovir alafenamide 25 mg tablets; F/TAF) as a prevention option. The agency approved the treatment for a pre-exposure prophylaxis (PrEP) indication. Descovy for PrEP is indicated to reduce the risk of sexually acquired HIV-1 infection in adults and adolescents weighing at least 35 kg, who are HIV-negative and at-risk for sexually acquired HIV, excluding individuals at-risk from receptive vaginal sex. The initial uptake for the indication has been encouraging. The FDA had earlier also extended the indication for Truvada as PrEP to include at-risk adolescents. Approval of new therapies will further strengthen the franchise.

- **Remdesivir Leads The Coronavirus Battle:** Gilead is pioneering the race for developing a potential cure for COVID-19. In May 2020, the FDA issued an Emergency Use Authorization ("EUA") for investigational antiviral, remdesivir, under the brand name Veklury for the treatment of hospitalized patients with severe COVID-19. It was also granted Conditional Marketing Authorization in Europe in July. Gilead completed the delivery of the previously announced donation of its initial supply of 1.5 million doses of remdesivir at the end of June. As the company transitions beyond this donation, it set the pricing of Veklury at $390 per vial for governments of developed countries and $520 per vial for U.S. private insurance companies and others.

- Gilead currently expects to manufacture more than two million remdesivir treatment courses by the end of 2020 and several million more treatment courses in 2021. The company initiated two open-label phase III studies in February (SIMPLE studies) on experimental candidate, remdesivir, for COVID-19. The study demonstrated that the five-day treatment course resulted in significantly greater clinical improvement versus treatment with standard of care alone. Gilead also initiated a phase I study to evaluate the safety, tolerability and pharmacokinetics of an investigational, inhaled solution of remdesivir in healthy volunteers. Gilead recently initiated a global, open-label phase II/III study to evaluate the safety, tolerability and pharmacokinetics of remdesivir in pediatric patients from birth to less than 18 years of age. The company is also collaborating on a study for pregnant women.

- **Acquisitions and Deals to Boost Portfolio and Strengthen Pipeline**: Gilead is looking to boost its portfolio and pipeline through deals and acquisitions. The company is also looking to expand beyond antivirals into other therapeutic areas. In January 2016, the company collaborated with Galapagos for the development and commercialization of filgotinib in inflammatory disease indications, including RA. The agreement was recently updated whereby both companies entered a 10-year global research and development collaboration. Gilead will gain access to an innovative portfolio of compounds, including six molecules currently in clinical trials, more than 20 preclinical programs and a proven drug discovery platform. The company will receive an exclusive product license and option rights to develop and commercialize all current and future programs in all countries outside Europe. Both companies have agreed to amend certain terms of the agreement to create a broader commercialization role for Galapagos in Europe.

  Gilead acquired Kite Pharma to foray into the emerging field of cell therapy. Kite is a pioneer in cell therapy having developed engineered cell therapies that express either a chimeric antigen receptor (CAR) or an engineered T cell receptor (TCR), depending on the type of cancer. The approval of lead candidate Yescarta for the treatment of refractory aggressive non-Hodgkin lymphoma, which includes diffuse large B-cell lymphoma (DLBCL), transformed follicular lymphoma (TFL) and primary mediastinal B-cell lymphoma (PMBCL) is a significant boost for the company. The drug was also approved in Europe. The FDA granted accelerated approval to Tecartus (brexucabtagene autoleucel, formerly KTE-X19), the first and only approved chimeric antigen receptor (CAR) T cell therapy for the treatment of adult patients with relapsed or refractory mantle cell lymphoma (MCL). The European Medicines Agency also validated the marketing authorization application for KTE-X19. Gilead also acquired Cell Design Labs, Inc. for $567 million in December 2017. Cell Design Labs is a leader in developing cell-based therapies, and uses its synNotch and Throttle technology platforms. These technological platforms will enhance Gilead's cellular therapy research efforts, which Gilead acquired through Kite Pharma acquisition. Cell Design Labs is developing several pre-clinical product candidates, including CAR T and TCR therapies for prostate cancer and hepatocellular carcinoma that use the synNotch technology. The company also collaborated with Kiniksa Pharmaceuticals, Ltd. to conduct a phase II, multicenter study of mavrilimumab, an investigational, fully-human monoclonal antibody that targets granulocyte macrophage colony stimulating factor receptor alpha, in combination with Yescarta in patients with relapsed or refractory large B-cell lymphoma.

- **Favorable Debt Profile, Pay Out Ratio**: As of Mar 31, 2020, Gilead's total debt to total capital ratio stood at 52.1X, which compares favorably to 53.1X at the end of the previous quarter. A lower ratio indicates lower financial risk and vice versa. The company has a sound cash position too with cash, equivalents and marketable securities of $21.2 billion against long-term debt of $27.2 billion. Gilead is also making efforts to repay debt as the long-term debt at the end of the second quarter was down from $29.2 billion to $27.2 billion. Additionally, Gilead's pay-out ratio increased to 41.8% at the end of the first quarter of 2020 from 41% at the end of the third quarter. Moreover, the board authorized an additional $5-billion share repurchase program in January 2020 to boost shareholder value.

Reasons To Sell:

Weaker-than-expected performance of HCV franchise due to lower sales of Harvoni and Sovaldi is concerning. Pipeline setbacks and stiff competition remain a threat as well.

- **HCV Franchise under Pressure**: Gilead's HCV franchise continued to witness a slowdown across key markets, including the United States and Europe. The franchise saw a significant plunge in sales in the last couple of years due to new competition and fewer patient starts.

- **Pipeline Setbacks***:* Gilead is no stranger to pipeline setbacks. In fact, the company has been suffering a string of pipeline setbacks since the last few years. In 2016, the company terminated the phase II and IIb studies on simtuzumab for the treatment of idiopathic pulmonary fibrosis, NASH and primary sclerosing cholangitis; phase II and II/III studies on GS-5745 for the treatment of Crohn's Disease and ulcerative colitis; phase II studies on GS-4997 for the treatment of pulmonary arterial hypertension and diabetic kidney disease; and phase II study on eleclazine for the treatment of ventricular tachycardia/ventricular fibrillation, after determining that study data showed insufficient evidence of treatment benefit. Gilead also suffered a setback with the recent failure of a late-stage study on selonsertib in patients with compensated cirrhosis (F4) due to NASH. STELLAR-4, a phase III, randomized, double-blind, placebo-controlled study (n=877), evaluated the safety and efficacy of selonsertib, which is an investigational, once-daily, oral inhibitor of apoptosis signal-regulating kinase 1 (ASK1), in patients with compensated cirrhosis due to NASH. The failure of the STELLAR-4 study comes as a disappointment, given the significant market potential of NASH and increasing competition from the likes of Intercept Pharmaceuticals. Moreover, STELLAR-3 on selonsertib also did not meet the pre-specified week 48 primary endpoint.

- **Kite Pharma Acquisition**: While the approval of Yescarta is a significant boost for the company, CAR-T therapy is complicated and can sometimes be associated with severe side effects which can limit potential. Moreover, given the high costs of treatment and competition from Kymriah, Yescarta is not expected to contribute significantly as of now.

- **Huge Costs For Remdesivir**: Gilead is long away from generating profits on remdesivir as it plans to make the drug affordable globally. Given the huge costs involved in manufacturing, profitability will be a concern. Moreover, once the vaccines are available, this stream of revenues will be lost.

Last Earnings Report

Gilead Misses on Q2 Earnings & Sales, Ups '20 Guidance

Quarter Ending	06/2020
Report Date	Jul 30, 2020
Sales Surprise	-1.91%
EPS Surprise	-23.97%
Quarterly EPS	1.11
Annual EPS (TTM)	5.84

The company reported earnings of $1.11 per share in the quarter under review, which missed the Zacks Consensus Estimate of $1.46 and declined from $1.72 in the year-ago quarter.

Total revenues of $5.143 billion missed the Zacks Consensus Estimate of $5.3 billion and decreased from $5.685 billion in the year-ago quarter.

Quarter in Detail

Total product sales decreased 10% to $5.1 billion for the second quarter of 2020 due to lower sales volume of chronic hepatitis C virus (“HCV”) products as a result of the COVID-19 pandemic, which led to fewer healthcare provider visits and screenings.

HIV product sales decreased 1% to $4.0 billion for the second quarter of 2020 due to lower sales volume of Truvada (emtricitabine [FTC] and tenofovir disoproxil fumarate [TDF])-based products. Moreover, the reversal of the pull forward of revenues into the first quarter due to COVID-19 also had a negative impact on the revenues. Truvada sales plunged to $387 million from $718 million in the year-ago quarter. Nevertheless, Biktarvy maintained momentum with sales of $1.6 billion, up from $1.1 billion in the year-ago quarter.

Genvoya generated sales of $816 million, down from $980 million in the year-ago quarter. Descovy recorded sales of $417 million, up from $358 million in the year-earlier period, while Odefsey sales were $382 million, down from $387 million a year ago.

HCV product sales decreased 47% to $448 million due to lower sales volume, driven by lower patient starts in the United States and Europe.

CAR-T therapy, Yescarta (axicabtageneciloleucel), generated $156 million in sales, up from $120 million a year ago, driven by its continued expansion in Europe. Sales also grew from $140 million in the previous quarter.

Sales from Letairis and Ranexa declined to $80 million and $1 million due to generic entries in 2019.

Adjusted product gross margin was 84.3% compared with 87% in the year-ago period. Research & development (R&D) expenses came in at $1.19 billion, up from $996 million in the year-ago quarter due to higher clinical trial and manufacturing ramp-up expenses related to remdesivir. Selling, general and administrative (SG&A) expenses increased to $1.164 billion from $1.09 million in the year-ago quarter.

2020 Guidance

Gilead revised its annual guidance. Product sales are projected around $23-$25 billion (previous guidance: $21.8 - $22.2 billion). Earnings per share are projected around $6.25-$7.65 (previous guidance: $6.05 -$6.45).

COVID-19 Update

In May 2020, the FDA issued an Emergency Use Authorization (“EUA”) for investigational antiviral, remdesivir, under the brand name Veklury for the treatment of hospitalized patients with severe COVID-19. It was also granted Conditional Marketing Authorization in Europe in July.

Gilead completed the delivery of the previously announced donation of its initial supply of 1.5 million doses of remdesivir at the end of June. As the company transitions beyond this donation, it set the pricing of Veklury at $390 per vial for governments of developed countries and $520 per vial for U.S. private insurance companies and others.

Gilead currently expects to manufacture more than two million remdesivir treatment courses by the end of 2020 and several million more treatment courses in 2021.

The company initiated two open-label phase III studies in February (SIMPLE studies) on experimental candidate, remdesivir, for COVID-19. The study demonstrated that the five-day treatment course resulted in significantly greater clinical improvement versus treatment with standard of care alone.

Gilead also initiated a phase I study to evaluate the safety, tolerability and pharmacokinetics of an investigational, inhaled solution of remdesivir in healthy volunteers.

It plans to evaluate remdesivir in combination with Eli Lilly’s JAK inhibitor, baricitinib, and Roche’s IL-6 receptor antagonist, Actemra.

Other Updates

Gilead acquired Forty Seven for approximately $4.9 billion, adding magrolimab, which is currently in phase Ib/II studies for several hematological cancers, to its pipeline.

The FDA has granted accelerated approval to Tecartus, the first and only approved CAR T cell therapy for the treatment of adult patients with relapsed or refractory mantle cell lymphoma.

In July, Gilead and Galapagos obtained a positive opinion from European Medicines Agency’s (“EMA”) Committee for Medicinal Products for Human Use (“CHMP”) for Jyseleca (filgotinib 200 mg and 100 mg tablets) for the treatment of adults with moderate-to-severe rheumatoid arthritis.

Recent News

FDA Approves Kite's Tecartus – July 24

The FDA has granted accelerated approval to Tecartus (brexucabtagene autoleucel, formerly KTE-X19), the first and only approved chimeric antigen receptor (CAR) T cell therapy for the treatment of adult patients with relapsed or refractory mantle cell lymphoma (MCL). The approval of this one-time therapy follows a priority review and FDA Breakthrough Therapy Designation and is based on results of ZUMA-2, a single-arm, open-label study in which 87% of patients responded to a single infusion of Tecartus, including 62% of patients achieving a complete response (CR).

Additionally, the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) has adopted a positive opinion for Jyseleca (filgotinib 200 mg and 100 mg tablets), an investigational, once-daily, oral, selective JAK1 inhibitor for the treatment of adults with moderate to severe rheumatoid arthritis (RA) who have responded inadequately or are intolerant to one or more disease modifying anti-rheumatic drugs (DMARDs).

Option to Acquire Tizona Therapeutics for $300 Million – July 21

Gilead announced that it will invest $300 million to acquire a 49.9% equity interest in Tizona Therapeutics, Inc., a privately held company developing first-in-class cancer immunotherapies. Gilead will also receive an exclusive option to acquire the remainder of Tizona for up to an additional $1.25 billion, including an option exercise fee and potential future milestone payments. Gilead can exercise its option to acquire the remainder of Tizona following the readout of a phase Ib study of Tizona's investigational antibody, TTX-080, or earlier if Gilead decides to do so

Partnership With Arcus – July 13

Gilead and Arcus Biosciences announced the closing of their option and co-development and co-commercialization partnership agreement signed on May 27, 2020.

Under the terms of the agreements, the closing of this transaction triggered a payment of $175 million by Gilead to Arcus. In addition, Gilead made an equity investment in Arcus of approximately $200 million by purchasing shares at $33.54 per share. As a result of this investment and Gilead's participation in Arcus's follow-on offering on May 28, 2020, Gilead now owns nearly 8.2 million shares of common stock of Arcus, representing approximately 13 percent of Arcus's outstanding shares.

Testing Remdesivir Inhaled Version for Coronavirus – July 9

Gilead announced that it has initiated an early-stage study to evaluate its experimental coronavirus treatment, remdesivir, for use in inhaled formulation outside of hospitals. The drug is currently administered to hospitalized patients intravenously. A phase I study has been initiated to evaluate the safety, tolerability and pharmacokinetics of an investigational, inhaled solution of remdesivir in healthy volunteers. This randomized, placebo-controlled study will enroll approximately 60 healthy individuals aged 18-45 years in the United States to form the basis for further clinical study of the inhaled drug, particularly in patients whose disease has not progressed to require hospitalization.

Gilead believes that delivering remdesivir directly to the primary site of infection with a nebulized, inhaled solution may enable more targeted and accessible administration in non-hospitalized patients, as the upper respiratory tract is the most prevalent site of SARS-CoV-2 infection early in the disease. Moreover, additional clinical studies evaluating remdesivir in combination with anti-inflammatory medicines in vulnerable patient populations and outpatient settings are ongoing or planned to be initiated shortly.

Valuation

Gilead's shares are up 9% in the year-to-date period and 10.8% over the trailing 12-month period. Stocks in the Zacks sub-industry and sector are up 6.6% and 1%, respectively in the year-to-date period. Over the past year, the Zacks sub-industry is up 21.5% while the sector is up 9.5%.

The S&P 500 Index is up 2.3% in the year-to-date period and 14.7% in the past year.

The stock is currently trading at 10.44X forward 12-month earnings per share which compares to 54.09X for the Zacks sub-industry, 22.62X for the Zacks sector and 22.58X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 13.87X and as low as 6.28X, with a 5-year median of 9.74X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $74 price target reflects 10.9X forward 12-month earnings per share.

The table below shows summary valuation data for GILD

Valuation Multiples - GILD

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	10.44	54.09	22.62	22.58
	5-Year High	13.87	65.9	23.16	22.58

P/E F12M	5-Year High	13.67	65.9	23.16	22.58
	5-Year Low	6.28	21.12	15.89	15.25
	5-Year Median	9.74	37.63	18.9	17.55
P/S F12M	Current	3.76	2.58	2.82	3.6
	5-Year High	5.7	3.23	3.41	3.6
	5-Year Low	3.11	1.93	2.22	2.53
	5-Year Median	3.98	2.72	2.9	3.04
P/B TTM	Current	4.9	2.93	4.4	4.52
	5-Year High	10.51	6.24	5.07	4.56
	5-Year Low	3.4	2.06	2.94	2.83
	5-Year Median	4.42	3.87	4.3	3.71

As of 08/04/2020

Industry Analysis **Zacks Industry Rank:** Top 44% (111 out of 254)

Top Peers

Company (Ticker)	Rec	Rank
Bristol Myers Squibb Company **(BMY)**	Outperform	2
AbbVie Inc. **(ABBV)**	Neutral	3
GlaxoSmithKline plc **(GSK)**	Neutral	2
JohnsonJohnson **(JNJ)**	Neutral	3
MerckCo., Inc. **(MRK)**	Neutral	3
Novartis AG **(NVS)**	Neutral	3
Pfizer Inc. **(PFE)**	Neutral	3
United Therapeutics Corporation **(UTHR)**	Neutral	4

Industry Comparison Industry: Medical - Biomedical And Genetics

Industry Peers

	GILD	X Industry	S&P 500	ABBV	BMY	JNJ
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	B	-	-	A	A	B
Market Cap	88.91 B	261.98 M	22.75 B	139.24 B	134.56 B	387.60 B
# of Analysts	13	3	14	6	6	9
Dividend Yield	3.84%	0.00%	1.76%	5.01%	3.03%	2.74%
Value Score	A	-	-	A	A	B
Cash/Price	0.24	0.23	0.07	0.29	0.14	0.05
EV/EBITDA	11.88	-3.84	13.09	13.50	23.67	15.96
PEG Ratio	0.83	2.07	2.95	1.82	1.14	3.26
Price/Book (P/B)	4.90	4.09	3.16	NA	2.69	6.15
Price/Cash Flow (P/CF)	9.71	15.94	12.32	9.12	13.55	12.78
P/E (F1)	10.38	29.88	21.81	9.02	9.62	18.75
Price/Sales (P/S)	4.01	15.73	2.46	3.84	4.34	4.81
Earnings Yield	9.64%	-13.12%	4.40%	11.09%	10.39%	5.33%
Debt/Equity	1.22	0.01	0.76	-8.53	0.86	0.40
Cash Flow ($/share)	7.30	-1.07	6.94	10.33	4.39	11.52
Growth Score	C	-	-	B	A	C
Hist. EPS Growth (3-5 yrs)	-17.61%	17.80%	10.46%	21.34%	21.90%	8.66%
Proj. EPS Growth (F1/F0)	2.99%	13.13%	-7.16%	16.98%	31.81%	-9.55%
Curr. Cash Flow Growth	-2.57%	15.03%	5.47%	8.78%	36.74%	3.68%
Hist. Cash Flow Growth (3-5 yrs)	-8.08%	7.73%	8.55%	19.92%	22.46%	7.62%
Current Ratio	2.49	5.57	1.32	3.14	1.66	1.25
Debt/Capital	49.91%	4.19%	44.36%	NA	46.16%	28.47%
Net Margin	-1.16%	-203.29%	10.25%	19.20%	3.08%	22.69%
Return on Equity	33.59%	-61.45%	14.67%	-179.78%	30.06%	35.21%
Sales/Assets	0.38	0.19	0.51	0.45	0.33	0.51
Proj. Sales Growth (F1/F0)	7.31%	6.14%	-1.71%	36.92%	59.87%	-1.46%
Momentum Score	A	-	-	A	F	C
Daily Price Chg	-1.19%	0.00%	0.42%	-1.72%	0.63%	-0.09%
1 Week Price Chg	-5.58%	-2.85%	0.14%	-2.27%	1.40%	-1.59%
4 Week Price Chg	-7.25%	-0.82%	4.97%	-5.09%	-1.36%	3.06%
12 Week Price Chg	-9.07%	5.39%	15.30%	4.23%	-6.12%	0.05%
52 Week Price Chg	10.78%	10.70%	2.34%	45.58%	30.16%	12.58%
20 Day Average Volume	7,878,029	335,670	2,082,836	6,518,571	9,442,378	6,150,991
(F1) EPS Est 1 week change	5.35%	0.00%	0.00%	0.06%	0.00%	0.00%
(F1) EPS Est 4 week change	4.83%	0.00%	0.93%	-0.11%	0.29%	2.29%
(F1) EPS Est 12 week change	9.88%	1.59%	0.78%	3.55%	1.05%	2.29%
(Q1) EPS Est Mthly Chg	10.21%	0.00%	0.17%	2.46%	0.27%	-2.23%

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	A
Growth Score	C
Momentum Score	A
VGM Score	B

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

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