Gilead Sciences Inc.(GILD)

$72.84 (As of 06/11/20)

Price Target (6-12 Months): **$76.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 04/06/20) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**2-Buy**
	Zacks Style Scores:	VGM:C
	Value: B | Growth: D | Momentum: D	

Summary

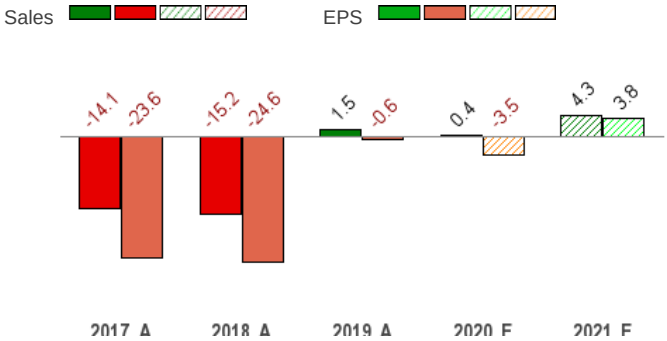
Gilead is a leader in antiviral treatments. It is looking to diversify its business as the HCV business has lost sheen. The HIV business maintains momentum for the company, driven by Biktarvy. The company has been in the news from the onset of the year owing to its promising experimental coronavirus treatment, remdesivir. The company recently reported mixed results from a late-stage study on remdesivir in hospitalized patients with moderate COVID-19 pneumonia. Remdesivir is already approved in Japan and a possible approval in the United States will be a significant boost. However, competition is stiffening for the HIV franchise from the likes of Glaxo. Moreover, there is uncertainty regarding remdesivir's profitability in the long run as a vaccine might be out by next year. 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)	**12,232,238**
Market Cap	**$91.4 B**
YTD Price Change	**12.1%**
Beta	**0.68**
Dividend / Div Yld	**$2.72 / 3.7%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Top 12% (29 out of 252)**
Last EPS Surprise	**6.3%**
Last Sales Surprise	**2.6%**
EPS F1 Est- 4 week change	**1.0%**
Expected Report Date	**08/04/2020**
Earnings ESP	**3.5%**
P/E TTM	**11.1**
P/E F1	**11.4**
PEG F1	**0.9**
P/S TTM	**4.0**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	6,083 E	6,363 E	6,447 E	6,306 E	23,525 E
2020	5,548 A	5,355 E	5,781 E	5,909 E	22,546 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	$1.72 E	$1.81 E	$1.82 E	$0.91 E	$6.64 E
2020	$1.68 A	$1.57 E	$1.61 E	$1.63 E	$6.40 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 06/11/2020. The reports text is as of 06/12/2020.

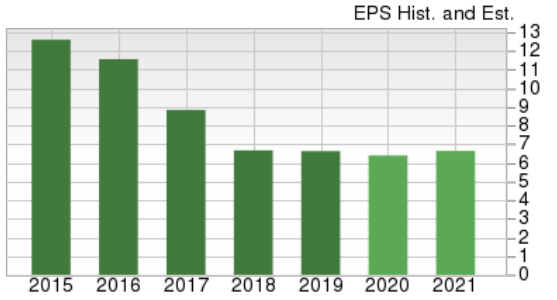
Overview

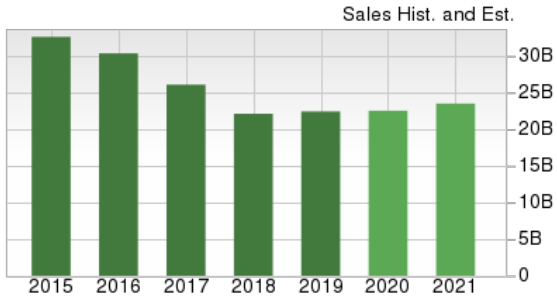
Headquartered in Foster City, CA, Gilead Sciences is a pioneer in developing drugs for the treatment of human immunodeficiency virus (HIV), liver diseases, hematology/oncology diseases and inflammation/respiratory diseases. The company has a strong HIV franchise with key HIV/AIDS therapies like tenofovir 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 Shows Promise For Coronavirus**: Gilead is pioneering the race for developing a potential cure for COVID-19. The FDA granted remdesivir an Emergency Use Authorization for the treatment of hospitalized patients with severe COVID-19, given the severity of the pandemic. Gilead has initiated two phase III studies to evaluate the safety and efficacy of remdesivir in adults diagnosed with COVID-19 following the FDA's rapid review and acceptance of investigational new drug (IND) filing. These randomized, open-label, multicenter studies began enrolling patients in March 2020 and will enroll a total of approximately 1,000 patients in the initial phase of the studies, in countries with high prevalence of COVID-19. Remdesivir was previously under testing for Ebola virus. The drug is already being used in the United States for the treatment of COVID-19 under federal rules that allow the use of unapproved drugs on compassionate grounds. As the candidate has shown promising results in infected patients, Gilead is being touted as the first company to come up with a treatment for this deadly disease. It was recently granted regulatory approval in Japan under the brand name, Veklury (remdesivir), as a treatment for SARS-CoV-2 infection. The approval came under an exceptional approval pathway. The exceptional approval was granted due to the COVID-19 pandemic and references the Emergency Use Authorization of remdesivir in the United States.

- **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. Kite also submitted a Biologics License Application (BLA) to the FDA for the investigational CAR T cell therapy, KTE-X19, 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 $24.3 billion against long-term debt of $28.6 billion. Gilead is also making efforts to repay debt as the long-term debt at the end of the first quarter was down from $29.2 billion at the end of 2019. 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's Q1 Earnings Top, Sales Beat

Quarter Ending	03/2020
Report Date	Apr 30, 2020
Sales Surprise	2.61%
EPS Surprise	6.33%
Quarterly EPS	1.68
Annual EPS (TTM)	6.55

Gilead delivered earnings of $1.68 per share in the first quarter, increasing a cent from the year-ago quarter's reported figure and beating the Zacks Consensus Estimate of $1.58.

Total revenues of $5.55 billion beat the Zacks Consensus Estimate of $5.41 billion and grew 5.1% year over year.

HIV Franchise Maintains Momentum

Product sales came in at $5.5 billion, up from $5.2 billion. Sales in the reported quarter benefited from an estimated $200 million in revenues related to increased customer buying patterns and patient prescription trends, primarily in the United States, due to the coronavirus (COVID-19) pandemic.

HIV product sales increased 14.3% year over year to $4.6 billion, driven by higher sales volume from the continued uptake of Biktarvy, and increased customer buying patterns and patient prescription trends due to the pandemic. Sales of Biktarvy were $1.7 billion, up from $793 million in the year-ago quarter.
Genvoya generated sales of $824 million, down from $1.0 billion in the year-ago quarter. Descovy recorded sales of $458 million, up from $342 million in the year-earlier period, while Odefsey sales were $409 million, up from $397 million a year ago.

HCV product sales declined 7.7% to $729 million, due to lower average net selling price.

CAR-T therapy, Yescarta (axicabtageneciloleucel), generated $140 million in sales, up from $96 million a year ago, driven by its continued expansion in Europe. Sales also grew from $122 million in the previous quarter.

Sales from other products — chronic hepatitis B (HBV) drugs, cardiovascular, oncology and other categories (Vemlidy, Viread, Letairis, Ranexa, Zydelig and AmBisome) — were $464 million, which decreased from $696 million in the year-ago quarter due to declines in Ranexa and Letairis sales after generic entries in 2019.

Adjusted product gross margin was 87.1%, relatively flat with 87% in the year-ago period. Research & development (R&D) expenses came in at $1.10 billion, up from $1.06 billion in the year-ago quarter. Selling, general and administrative (SG&A) expenses increased to $1.08 billion from $1.03 million in the year-ago quarter.

2020 Guidance

Even though the first-quarter results weren't affected, Gilead anticipates COVID-19 impacts on its business in the short term as fewer patients are accessing treatments for conditions like HIV and HCV. However, the magnitude of the anticipated impact is uncertain. Moreover, Gilead began advancing remdesivir and rapidly expanding its manufacturing production. The company expects to update its outlook on the second-quarter 2020 earnings call.

COVID-19 Update

Gilead initiated two open-label phase III studies in February (SIMPLE studies) on experimental candidate, remdesivir, for COVID-19. Additional global studies are ongoing, including a global, placebo-controlled trial being led by the U.S. National Institute of Allergy and Infectious Diseases (NIAID) as well as more recently initiated studies through the World Health Organization and INSERM in France.

NIAID recently announced that the preliminary results from their trial met the primary endpoint and remdesivir was found to shorten the time to recovery for hospitalized patients with COVID-19 when compared with a placebo. Gilead also announced top-line results from the first SIMPLE study evaluating 5-day and 10-day dosing durations of remdesivir in patients with severe COVID-19 disease. The study demonstrated similar clinical improvements in patients with severe symptoms of COVID-19, regardless of whether they received five or ten days of treatment.

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.

Kite achieved two key regulatory milestones for KTE-X19, an investigational cell therapy for the treatment of relapsed or refractory mantle cell lymphoma. In Europe, the marketing authorization application for KTE-X19 was fully validated and is now under review by the European Medicines Agency. In the United States, the FDA accepted the Biologics License Application for the same and granted Priority Review designation.

Recent News

Data of Filgotinib in Psoriatic Arthritis – Jun 5

Gilead and partner Galapagos announced new analyses from two clinical studies evaluating filgotinib, an investigational, oral, selective JAK1 inhibitor, in adults with psoriatic arthritis (PsA). The data from the double-blind, placebo-controlled, phase II EQUATOR study and the EQUATOR-2 open-label extension study demonstrated filgotinib's durable efficacy and consistent safety profile in patients with active PsA, and showed rapid and sustained reductions in inflammatory biomarkers in patients with moderate to severe PsA.
significant clinical remission at week 10.

Remdesivir Phase III Results – Jun 1

Gilead reported mixed results from a late-stage study on investigational antiviral remdesivir in hospitalized patients with moderate COVID-19 pneumonia.

The open-label phase III SIMPLE study evaluated five-day and 10-day courses of remdesivir plus standard of care as compared to only standard of care in these patients. Hospitalized patients with confirmed COVID-19 infection and evidence of pneumonia without reduced oxygen levels were randomized (1:1:1) to receive open-label remdesivir for five or 10 days or standard of care alone. The primary endpoint was the clinical status as assessed by a seven-point ordinal score at day 11, ranging from hospital discharge to increasing levels of oxygen and ventilator support to death. The secondary study objective was the rate of adverse events in each remdesivir treatment group compared with standard of care.

Data showed that patients in the five-day remdesivir treatment group were 65% more likely to have clinical improvement at day 11 compared with those in the standard of care group.

However, the odds of improvement in clinical status with the 10-day treatment course of remdesivir versus standard of care alone were favorable but did not attain statistical significance.

Data on Yescarta – May 29

Kite, a Gilead Company, announced results from an interim analysis of ZUMA-5, a global, multicenter, single-arm, open-label phase II study evaluating Yescarta (axicabtagene ciloleucel) in adult patients with relapsed or refractory indolent (slow growing) non-Hodgkin lymphoma (NHL) after at least two prior lines of therapy. After a single infusion of Yescarta, 93% of patients responded, with 80% of patients achieving a complete response (CR) as assessed by an independent review committee.

Gilead announced updated results from a single-arm, open-label phase Ib trial of magrolimab, an investigational anti-CD47 monoclonal antibody, in combination with azacitidine in previously untreated patients with higher-risk myelodysplastic syndrome (MDS) and previously untreated patients with acute myeloid leukemia (AML) who are ineligible for intensive chemotherapy, including patients with TP53-mutant AML — a high unmet need population.

Deal With Arcus for Immuno-oncology Drugs – May 27

Gilead announced that it has entered into a 10-year partnership with clinical-stage, oncology-focused company, Arcus Biosciences, Inc.

The companies will co-develop and co-commercialize current and future therapeutic product candidates in Arcus' pipeline, which includes AB154, an investigational anti-TIGIT monoclonal antibody; AB928, an investigational A2aR/A2bR antagonist; and zimberelimab (AB122), an investigational anti-PD-1 monoclonal antibody. The agreement will also provide ongoing funding to support Arcus' research and development programs.

Financial Terms of the Partnership

Per the terms, Arcus will receive $375 million upon the closing of the agreement. This comprises a $175-million upfront payment and a $200-million equity investment (at a price of $33.54) from Gilead. Arcus is eligible to receive up to $1.225 billion in opt-in and milestone payments with respect to its current clinical product candidates.

Gilead will also have the right to purchase additional shares from Arcus, up to a maximum of 35% of the outstanding voting stock of the latter over the next five years.

In exchange, Gilead will gain access to Arcus' current and future experimental immuno-oncology candidates through the agreement. Gilead will gain rights to zimberelimab and the right to opt-in to all other current Arcus clinical candidates, which include AB154, AB928 and AB680, upon payment of an opt-in fee that ranges from $200 million to $275 million per program. Arcus is also eligible to receive up to $500 million in milestone payments, if Gilead opts-in to the AB154 program.

Gilead will receive the right to opt-in to all other programs that emerge from Arcus' research portfolio over the next 10 years, upon payment of an opt-in fee of $150 million per program after the delivery of a qualifying data package by the latter.

The companies will co-develop and share global development costs and co-commercialize and share profits in the United States, subject to certain conditions. Gilead will obtain exclusive rights to commercialize any optioned program outside of the United States, subject to any rights of Arcus' existing partners. For this, Gilead will pay Arcus tiered royalties ranging from high teens to low twenties. Gilead will further provide ongoing research and development support of up to $400 million over the collaboration term.

This transaction is expected to close in the third quarter of 2020.

Terms of the Collaboration

The collaboration provides Gilead access to Arcus' clinical and preclinical pipeline of immuno-oncology product candidates that target critical

biological pathways.

Immuno-oncology holds potential. AB928 is being evaluated in several studies across multiple indications, including prostate, colorectal, non-small cell lung, pancreatic, triple-negative breast and renal cell cancers. AB680 is in phase I development for first-line treatment of metastatic pancreatic cancer. AB154, an anti-TIGIT monoclonal antibody, is being evaluated for the first-line treatment of metastatic non-small cell lung cancer in combination with zimberelimab and AB928. Zimberelimab (AB122), an anti-PD-1 monoclonal antibody, is being evaluated in a phase Ib study as monotherapy for cancers with no approved anti-PD-1 treatment options as well as in combinations across the portfolio.

Announce Positive Data on Inflammatory Drug – May 20

Gilead announced positive topline results from a late-stage study on filgotinib.
The topline results showed that a higher dose of the candidate achieved the desired results. Filgotinib 200 mg demonstrated greater efficacy compared with placebo in the induction and maintenance of remission in the SELECTION study. The study data showed early response for filgotinib as an induction therapy and the durable efficacy as maintenance therapy.

The randomized, double-blind, placebo-controlled phase IIb/III study is evaluating the efficacy and safety of filgotinib in 1,348 biologic-naïve or biologic-experienced adult patients with moderately to severely active ulcerative colitis (UC) — a chronic, idiopathic inflammatory disease affecting the colon that often involves periods of remission interspersed with periods of active disease. Filgotinib 200 mg achieved all primary endpoints in the study, inducing clinical remission at week 10 and maintaining clinical remission at week 58 in a significantly higher proportion of patients compared with placebo. However, filgotinib 100 mg did not achieve statistically

Approval of Veklury – May 7

Gilead announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) has granted regulatory approval of Veklury (remdesivir) as a treatment for SARS-CoV-2 infection, the virus that causes COVID-19. The approval came under an exceptional approval pathway. The exceptional approval was granted due to the COVID-19 pandemic and references the Emergency Use Authorization of remdesivir in the United States.

The approval was based on clinical data from the U.S. National Institute of Allergy and Infectious Diseases' global phase III study, Gilead's phase III study in patients with severe manifestations of COVID-19 and available data from the company's compassionate use program, including patients in Japan.

Remdesivir Receives FDA Emergency Use Authorization – May 1

Gilead announced that the FDA has granted emergency use authorization (EUA) to the investigational antiviral remdesivir to treat COVID-19. The EUA will facilitate broader use of remdesivir to treat hospitalized patients with severe COVID-19 disease, enabling access to the drug at additional hospitals across the country.

Valuation

Gilead's shares are up 14.3% in the year-to-date period and 12.9% over the trailing 12-month period. Stocks in the Zacks sub-industry and sector are up 4.4% but down 4.9%, respectively in the year-to-date period. Over the past year, the Zacks sub-industry is up 9.1% while the sector is down 5.9%.

The S&P 500 Index is down 5.9% in the year-to-date period but up 5.9% in the past year.

The stock is currently trading at 11.18X forward 12-month earnings per share which compares to 248.12X for the Zacks sub-industry, 21.94X for the Zacks sector and 21.7X 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 9.75X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $76 price target reflects 11.7X 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	11.18	248.12	21.94	21.7
	5-Year High	13.87	640.48	23.16	22.11
	5-Year Low	6.28	20.63	15.94	15.23
	5-Year Median	9.75	44.9	19.04	17.49'
P/S F12M	Current	3.97	3.23	2.66	3.37
	5-Year High	6.03	3.23	3.74	3.44
	5-Year Low	3.11	2.27	2.21	2.53
	5-Year Median	3.99	2.63	2.91	3.02
P/B TTM	Current	4.14	4.16	4.07	4.11
	5-Year High	10.59	5.46	5.05	4.56
	5-Year Low	3.4	2.45	2.92	2.83
	5-Year Median	4.45	3.33	4.28	3.66

Industry Analysis **Zacks Industry Rank:** Top 12% (29 out of 252)

Top Peers

Company (Ticker)	Rec	Rank
AbbVie Inc. **(ABBV)**	Outperform	1
United Therapeutics Corporation **(UTHR)**	Outperform	2
BristolMyers Squibb Company **(BMY)**	Neutral	2
GlaxoSmithKline plc **(GSK)**	Neutral	3
JohnsonJohnson **(JNJ)**	Neutral	3
MerckCo., Inc. **(MRK)**	Neutral	3
Novartis AG **(NVS)**	Neutral	3
Pfizer Inc. **(PFE)**	Neutral	3

Industry Comparison Industry: Medical - Biomedical And Genetics

Industry Peers

	GILD	X Industry	S&P 500	ABBV	BMY	JNJ
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	1	2	3
VGM Score	C	-	-	B	A	B
Market Cap	91.37 B	210.15 M	21.32 B	136.24 B	128.32 B	371.14 B
# of Analysts	13	3	14	3	5	9
Dividend Yield	3.73%	0.00%	1.99%	5.12%	3.17%	2.87%
Value Score	B	-	-	A	A	B
Cash/Price	0.22	0.23	0.06	0.30	0.13	0.05
EV/EBITDA	12.26	-3.48	12.31	13.25	22.74	15.35
PEG Ratio	0.91	1.87	2.88	1.99	1.10	3.06
Price/Book (P/B)	4.13	4.06	2.92	NA	2.57	6.05
Price/Cash Flow (P/CF)	9.98	13.51	11.24	8.93	12.92	12.23
P/E (F1)	11.38	27.58	20.84	8.76	9.24	18.35
Price/Sales (P/S)	4.02	16.14	2.24	4.00	4.14	4.49
Earnings Yield	8.79%	-14.29%	4.64%	11.42%	10.83%	5.45%
Debt/Equity	1.00	0.02	0.76	-8.53	0.86	0.41
Cash Flow ($/share)	7.30	-1.07	7.01	10.33	4.39	11.52
Growth Score	D	-	-	C	A	C
Hist. EPS Growth (3-5 yrs)	-16.32%	16.29%	10.87%	21.62%	21.90%	9.40%
Proj. EPS Growth (F1/F0)	-3.43%	9.49%	-10.81%	17.86%	30.92%	-11.57%
Curr. Cash Flow Growth	-2.57%	13.93%	5.46%	8.78%	36.74%	3.68%
Hist. Cash Flow Growth (3-5 yrs)	-8.08%	7.77%	8.55%	19.92%	22.46%	7.62%
Current Ratio	3.04	5.21	1.29	3.14	1.66	1.31
Debt/Capital	49.91%	4.36%	44.75%	NA	46.16%	29.29%
Net Margin	21.84%	-204.33%	10.54%	24.77%	3.08%	24.47%
Return on Equity	35.44%	-63.64%	16.08%	-169.80%	30.06%	39.71%
Sales/Assets	0.37	0.19	0.55	0.46	0.33	0.53
Proj. Sales Growth (F1/F0)	0.43%	0.00%	-2.60%	36.54%	59.03%	-2.59%
Momentum Score	D	-	-	F	C	B
Daily Price Chg	-5.49%	-6.02%	-6.44%	-4.79%	-5.73%	-4.69%
1 Week Price Chg	-1.39%	0.00%	7.51%	1.27%	2.70%	-0.97%
4 Week Price Chg	-5.68%	2.56%	8.40%	2.58%	-11.07%	-4.59%
12 Week Price Chg	-7.27%	38.37%	25.04%	29.83%	16.23%	10.88%
52 Week Price Chg	8.73%	-3.75%	-6.33%	16.86%	19.82%	0.11%
20 Day Average Volume	12,232,238	327,895	2,634,935	9,965,942	15,215,218	7,310,344
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	1.02%	0.00%	0.00%	-2.77%	0.22%	0.00%
(F1) EPS Est 12 week change	6.23%	0.32%	-15.86%	1.71%	0.08%	-15.00%
(Q1) EPS Est Mthly Chg	-0.21%	0.00%	0.00%	-6.80%	-1.79%	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	B
Growth Score	D
Momentum Score	D
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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