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Jul 30, 2020

Goldman Sachs (GS)

$202.58 (As of 07/29/20)

Price Target (6-12 Months): **$213.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 05/18/20) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:F
	Value: F | Growth: F | Momentum: A	

Summary

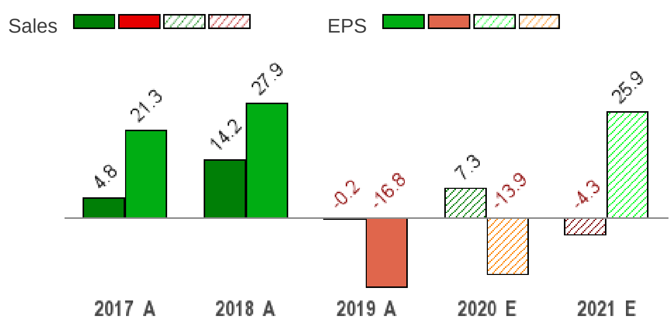
Shares of Goldman have outperformed the industry in the past three months. Also, the company has a decent earnings surprise history, outpacing the Zacks Consensus Estimate in two of the trailing four quarters. The company's second-quarter 2020 results reflected higher revenues, solid capital position, along with elevated expenses and provisions. Goldman's solid position in worldwide announced and completed M&As will keep strengthening the business. Also, business diversification and cost management are tailwinds. Moreover, with strong liquidity, the company carries a low credit risk. Further, following the 2020 stress test results, the company will maintain the dividend level. Yet, legal issues remain a headwind. In addition, high dependence on overseas revenues and volatile client-activity might impede Goldman's top-line growth.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$250.46 - $130.85**
20 Day Average Volume (sh)	**3,816,896**
Market Cap	**$69.7 B**
YTD Price Change	**-11.9%**
Beta	**1.46**
Dividend / Div Yld	**$5.00 / 2.5%**
Industry	**Financial - Investment Bank**
Zacks Industry Rank	**Top 23% (57 out of 253)**
Last EPS Surprise	**57.7%**
Last Sales Surprise	**32.0%**
EPS F1 Est- 4 week change	**26.6%**
Expected Report Date	**10/20/2020**
Earnings ESP	**0.0%**
P/E TTM	**10.8**
P/E F1	**11.2**
PEG F1	**0.6**
P/S TTM	**1.3**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	9,742 E	9,508 E	9,251 E	9,436 E	37,527 E
2020	8,743 A	13,295 A	8,541 E	8,729 E	39,206 E
2019	8,807 A	9,461 A	8,323 A	9,955 A	36,546 A

EPS Estimates

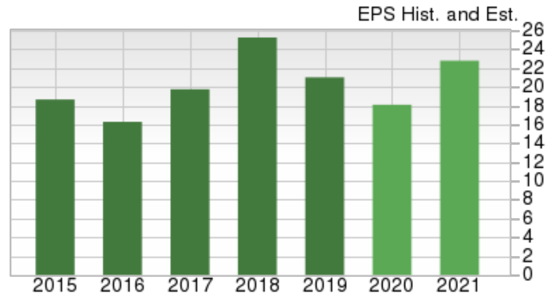
	Q1	Q2	Q3	Q4	Annual*
2021	$5.67 E	$5.58 E	$5.70 E	$6.05 E	$22.80 E
2020	$3.11 A	$6.26 A	$4.46 E	$4.63 E	$18.11 E
2019	$5.71 A	$5.81 A	$4.79 A	$4.69 A	$21.03 A

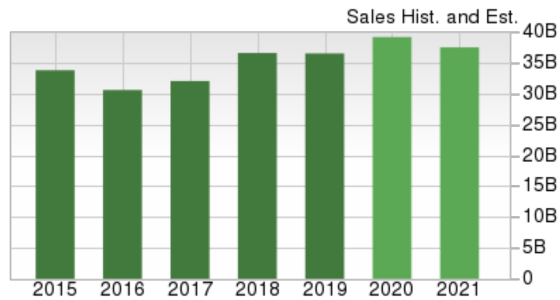
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 07/29/2020. The reports text is as of 07/30/2020.

Overview

Founded in 1869, The Goldman Sachs Group, Inc. is a leading global financial holding company providing investment banking, securities and investment management services to a diversified client base. The company is headquartered in New York, with offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers globally. As of Jun 30, 2020, the company had a total of 39,100 employees.





Beginning with 2019 fourth quarter results, Goldman announced new business segments. The company's new 4 reporting segments are as follows:

- The Investment Banking segment (contributed 21% of the 2019 revenues) comprises the Financial Advisory and Underwriting. Further, results from lending to corporate clients are included.
- The Global Markets segment (40%) consists of Fixed Income, Currency and Commodities, which include client-execution activities related to making markets in credit products, interest rate products, mortgages, currencies and commodities. Equities include client execution activities related to making markets in equities, commissions and fees, and the company's securities services business. Also, it includes results from providing warehouse lending and structured financing to institutional clients and results from transactions in derivatives associated with client advisory and underwriting assignments.
- The Consumer & Wealth Management segment (14%) includes management and other fees, incentive fees and results from deposit-taking activities related to wealth management business. Further, results from providing loans through the company's private bank, providing unsecured loans and accepting deposits through the bank's digital platform, Marcus by Goldman Sachs, and serving credit cards are included.
- The Asset Management division (25%) comprises management and other fees. Further, this division includes incentive fees related to asset management and merchant banking funds, as well as transaction revenues. Further, results from investments in equity securities and lending activities, including investments in debt securities and loans backed by real estate are included.

In 2019, Goldman completed the acquisition of United Capital Financial Partners.

Reasons To Buy:

Organic growth, cost management, solid capital position and steady capital deployment activities continue to aid Goldman's growth prospects. Also, business diversification remains a key strength.

▲ The key source of Goldman's earnings stability is its business diversification. Within traditional banking, a diversified product portfolio has better chances of sustaining growth than many other banks, which have exited some of these areas. Notably, Goldman has been undertaking initiatives to boost the GS Bank's business with its acquisition of the online deposit platform of GE Capital Bank in April 2016. It also launched a digital consumer lending platform — *Marcus by Goldman Sachs.* Additionally, the company is likely to benefit from its exposure to the fast growing exchange-traded funds (ETF) market.

▲ Investment banking revenues witnessed a three-year (2017-2019) CAGR of 1%, with some annual volatility providing decent support to Goldman's top-line growth. The uptrend continued in the first six months of 2020 as well on strong underwriting business. Though industry-wide completed mergers and acquisitions transactions decreased in 2020 till date due to the pandemic, M&A activities were strong in 2018 and 2019, with the execution of many large transactions. Therefore, Goldman's solid position in worldwide announced and completed M&As will likely give it further edge over its peers.

▲ Goldman has benefited over the past few years from its successful expense-reduction initiatives. Though expenses have been volatile for the past few years, the figure declined significantly in 2016, but recorded three-year CAGR of 9% in 2019, due to higher compensation and litigation expenses. The uptrend continued in the first six months of 2020 as well. Nevertheless, the company completed an expense initiative and generated nearly $900 million of run-rate savings. The company is focused on improving efficiency, while maintaining strong franchise and investing in new opportunities. Therefore, continuation of expense management will aid bottom-line expansion in the coming years.

▲ Amid the coronavirus crisis and its continued impact on economy, the company holds a total debt level of $398 billion as of Jun 30, 2020, which has decreased from the level of past few quarters. Therefore, the company's earnings stability and strong cash position of $406 billion as of Jun 30, 2020, indicate lower credit risk, and a lesser likelihood of default of interest and debt repayments if the economic situation worsens.

▲ Backed by a solid capital position, Goldman has consistently enhanced shareholders' value with steady capital-deployment activities. The company increased its quarterly dividend to $1.25 in July 2019. Also, it had a share repurchase program in place, that was suspended mid-March following the coronavirus crisis. Notably, following the announcement of 2020 stress test results, the company will be maintaining the dividend level as before and keep share repurchases suspended in the third quarter of 2020 as well. This not only reflects the company's commitment to return value to the shareholders but also its strong position to endure severe economic downturns. Also, the company's payout ratio compares favorably with the broader industry reflecting such dividend hikes sustainable in the future.

▲ Shares of Goldman have outperformed the industry in the past three months. With this favorable trend, the company's current-year earnings estimate has been revised 26% upward over the last 30 days. Also, the stock seems undervalued when compared with the broader industry. Its price-earnings (P/E) (F1) and price-to-book value ratios are below the respective industry averages. Therefore, given the robust fundamentals and positive estimate revisions, the stock has upside potential.

Reasons To Sell:

Geopolitical concerns and volatile client-activity levels may hinder top-line growth of Goldman. Further, legal hassles and higher dependence on overseas revenues remain other headwinds.

- Global Markets division of Goldman mainly constitutes of Fixed Income, Currency and Commodities Client Execution (FICC) and Equities revenues and recorded a three-year CAGR of 9.6% in 2019, with the trend continuing in the first six months of 2020. Though the division recorded growth, a challenging environment depicting volatile client-activity levels, along with coronavirus concerns affected the performance of this division to some extent. Therefore, the future performance of this volatility-driven division depends on market developments and client volumes.

- Goldman is a geographically diversified company with presence in almost all the major markets in the world. The company has high dependence on overseas revenues as reflected in the last few years. A number of risks stemming from the regulatory and political environment, foreign exchange fluctuations and performance of regional economy may hurt its top line.

- Goldman continues to face many investigations and lawsuits from investors and regulators. Though the company resolved certain litigations related to the sale of risky mortgage-backed securities, many of the cases are yet to be resolved. All these are expected to lead to increased expenses and litigation provisions in the near term. Recently, Goldman resolved the multibillion-dollar 1Malaysia Development Berhad (1MDB) scandal by reaching an agreement in principle with the Government of Malaysia, resolving all the criminal and regulatory proceedings in Malaysia. The settlement also resolved pending criminal proceedings against Goldman's subsidiaries, and certain of their current and former directors.

- Goldman's trailing 12-month return on equity (ROE) undercuts its growth potential. Though the company's ROE of 8.71% has gradually improved over the years, it compares unfavorably with the 14.55% industry average, highlighting that it is less efficient in using shareholders' funds.

Last Earnings Report

Goldman Q2 Earnings Beat, Provisions Up on Coronavirus Scare

Quarter Ending	06/2020
Report Date	Jul 15, 2020
Sales Surprise	31.97%
EPS Surprise	57.68%
Quarterly EPS	6.26
Annual EPS (TTM)	18.85

Goldman reported second-quarter 2020 earnings per share of $6.26, significantly surpassing the Zacks Consensus Estimate of $3.97. Also, the bottom-line figure compares favorably with the earnings of $5.81 per share recorded in the year-earlier quarter.

With the market volatility flaring up on the rising coronavirus concerns, the bank's results were aided by higher Fixed Income, Currency and Commodities Client Execution (FICC) revenues during the reported quarter. Also, underwriting business displayed strength. In addition, wealth management and consumer banking business reported an upswing, reflecting rise in deposit balances and credit card loans.

The investment bank, nevertheless, disappointed with the rise in operating expenses and provisions. Additionally, lower financial advisory revenues, due to the decline in industry-wide completed mergers and acquisitions transactions, played spoilsport. Moreover, corporate lending revenues disappointed.

Revenues Climb, Expenses Up

Goldman's net revenues were up 41% year over year to $13.3 billion in the reported quarter. The revenue figure also beat the Zacks Consensus Estimate of $10.1 billion.

Quarterly revenues, as per business segments, are as follows:

The **Investment Banking** division generated revenues of $2.7 billion, up 36% year over year. Results suggest higher underwriting revenues (more than doubled year over year), supported by elevated equity and debt underwriting revenues on elevated volumes. Yet, corporate lending reported negative revenues. Further, decreased financial advisory revenues (down 11%) were on the downside due to fall in industry-wide completed mergers and acquisitions transactions.

The **Global Markets** division recorded revenues of $7.2 billion, up 93% year over year. This upside indicates record net revenues in Fixed Income, Currency and Commodities Client Execution (more than doubled year over year), driven by solid revenues from currencies, credit products, interest rate products and commodities. Also, FICC financing was on the upside.

Furthermore, higher equities revenues (up 46%) were recorded, aided by elevated equities intermediation.

The **Consumer and Wealth Management** division's revenues of $1.4 billion came in 9% higher year over year during the June-end quarter. Increased revenues from wealth management (up 7%) and consumer banking (up 19%) resulted in this upsurge.

The **Asset Management** division recorded revenues of $2.1 billion, down 18% year over year. This decline mainly resulted from lower net revenues in equity investments, partly negated by elevated revenues in lending and debt investments, along with higher incentive and management and other fees.

Asset under supervision were $2.1 billion, up 23.5% year over year.

Total operating expenses flared up 37% year over year to $8.4 billion. Rise in almost all components of expenses resulted in this upside.

Notably, net provisions for litigation and regulatory proceedings of $945 million were recorded as compared with the prior-year quarter's $66 million.

Provision for credit losses was $1.59 billion in the second quarter, significantly up from the prior-year quarter figure of $214 million due to elevated provisions in wholesale loans as well as consumer loans on more-than-expected deterioration in the economic environment.

Strong Capital Position

Goldman displayed a robust capital position in the reported quarter. As of Jun 30, 2020, the company's Common Equity Tier 1 ratio was 12.4% under the Basel III Advanced Approach, highlighting valid transitional provisions. The figure was up from the prior quarter's 12.3%.

The company's supplementary leverage ratio, on a fully phased-in basis, was 6.7% at the end of the April-June quarter, up from the prior-quarter figure of 5.9%.

Return on average common shareholders' equity, on an annualized basis, was 11.1% in the quarter.

Goldman continued to optimize the digital consumer deposit platforms. Notably, consumer deposits escalated a record $20 billion in the reported quarter to $92 billion.

Goldman initiated its transaction banking business in the U.S. providing deposit-taking, payments, liquidity management, and escrow services. During the quarter, deposits on the platform surged $16 billion to $25 billion.

Outlook

In the second half of 2020, Goldman expects a potential pickup in M&A activity, both from companies coming from a position of strength, as well as those challenged by the environment. Dislocated asset prices are likely to drive those opportunities, as significant amount of private capital will be available for deployment amid macro and political uncertainties.

While the company's balance sheet is modestly asset sensitive, given the mix of high turnover or floating rate assets, and hedge floating rate liabilities, if interest rates remain stable, management expects NII to gradually expand over time on consumer deposits repricing.

Given the challenging operating environment, management is re-examining all its forward spending and investment plans to ensure the best use of resources. Consistent with the historical focus on expense discipline and the emphasis on cost control at Investor Day, management will assess the timing, magnitude and pace of certain expenses and investments. Importantly, it continues to pursue medium-term efficiency target. To that end, management expects to realize the effect of planned reductions in non-compensation expenses more significantly through the second half of this year.

For the next few years, Goldman expects tax rate to be 21%.

Medium-Term Financial Targets

Return on Equity is expected to be greater than 13%, while return on tangible equity to be more than 14%. Efficiency ratio is expected to be around 60%. CET1 ratio is expected in the range of 13-13.5%.

Growing and spending business growth worth $2-$3 billion. New initiatives spend worth $1-2 billion. Funding optimization is expected to be $1 billion. Expense efficiency savings expected to be $1.3 billion.

Management expects transaction banking revenues worth $1 billion and deposits worth $50 billion in more than five years horizon.

Recent News

Goldman Resolves 1MDB Legal Case, To Pay $3.9B to Malaysia - Jul 24, 2020

The multibillion-dollar 1Malaysia Development Berhad (1MDB) scandal, in which Goldman was engulfed, was resolved. Notably, the U.S. bank reached an agreement in principle with the Government of Malaysia, resolving all the criminal and regulatory proceedings in Malaysia. The settlement also included pending criminal proceedings against Goldman's subsidiaries, and certain of their current and former directors.

The settlement agreement includes the payment of $2.5 billion as penalties to the Government of Malaysia. Also, Goldman has guaranteed that the Malaysian government would receive $1.4 billion from the proceeds of assets, which have been seized globally as those were related to the 1MDB scandal. Notably, the guarantee on these assets does not expose Goldman to any significant risks.

It is being anticipated that the bank might increase its provisions for litigation and regulatory proceedings recorded for the second quarter, which is likely to be notified in the Form 10-Q for the quarter ended Jun 30, 2020.

Goldman has noted, "We are pleased to have reached an agreement with the Government of Malaysia to resolve outstanding charges and claims against Goldman Sachs. Today's settlement is an important step towards putting the 1MDB matter behind us and will help enable the Malaysian government to move forward with additional recovery efforts and to execute on its economic priorities. There are important lessons to be learned from this situation, and we must be self-critical to ensure that we only improve from the experience."

Nevertheless, other pending governmental and regulatory investigations, including the U.S. government, would continue on Goldman related to the 1MDB scandal.

Background

Goldman has been scrutinized for playing a role in raising funds through bond offerings for 1MDB, the fund entangled in corruption and money-laundering probes in roughly six countries. Per the DoJ, misappropriation of funds, worth $4.5 billion, from 1MDB by top officials of the fund and their colleagues from 2009 through 2014, included funds raised through Goldman as well.
Therefore, regulators of around 14 countries, including the United States, Malaysia, Singapore and others, have probed Goldman for its role as an underwriter and doings during the transactions.

Further, in November 2018, criminal charges were levied against two former bankers — Tim Leissner and Roger Ng of Goldman by U.S. prosecutors, as well as on Low — a Malaysian financier, who effectively had the control of the state-owned investment 1MDB. Low has been accused for routing the money out of 1MBD, and paying bribes and purchasing real estate, art, and jewelry. Nevertheless, the bond proceeds were meant for strategic investments for the state.

Per DoJ, roughly $600 million was earned by the bank, including three bond offerings in 2012 and 2013, which raised $6.5 billion. In addition, huge bonuses were earned by Leissner, Ng and others. Nevertheless, Goldman claimed Leissner and Ng were working to hide criminal activities from management.

In 2018, Leissner accepted the act of conspiracy for laundering money and plotting the violation of the Foreign Corrupt Practices Act. He made profits from the scheme and had contracted to pay up to $43.7 million. Nonetheless, the other employee has not come with a plea yet and is facing a case in Brooklyn's federal court.

Remarkably, criminal charges against Goldman and 17 executives had been filed by prosecutors in Malaysia, who were demanding a multibillion-dollar penalty seeking fines of more than $2.7 billion. This was believed to be allegedly misappropriated from the proceeds, and the return of $600 million of fees taken by Goldman.

Malaysian politics was adversely impacted by the scandal and lifetime bans were imposed on Goldman bankers, including Andrea Vella and Tim Leissner, by the financial industry.

Notably, the case which involved the bank's three units had been on hold due to restrictions imposed by Malaysia since March to contain the coronavirus pandemic. This February, the case got transferred to the High Court, and advanced with the proceedings of the criminal charges first announced in December 2018.

Goldman Analyze Global Economic Situation Ahead - May 27, 2020

Top executive from Goldman presented the views on economic recovery and its impact on the business, at the 2020 virtual conference hosted by AllianceBernstein Holding LP .

Per Goldman president, John Waldron, on easing of lockdowns related to the coronavirus pandemic and above that the pulling back of stimulus programs by the Government, the global economy could turn out to be in a rough phase.

"The biggest risk we all face is the economic trajectory," Waldron said. "The risks ahead are that it doesn't go quite that smoothly, and you have re-emergence of the virus maybe in pockets, you have uneven start-and-stop kind of feeling around the world", he added.

Notably, Waldron is concerned about the credit risk for corporations and consumers. Also, middle-market lending, which has expanded majorly in recent years through both banks and non-bank lenders are at risk of getting advantage from capital markets or government support. "We are playing close attention to that," he said.

Per Waldron, consumers would be facing challenges on the W-shaped recovery, particularly on the waning government support, leading to "a lot more destruction" in consumer credit. Remarkably, Goldman holds a small share in lending credit to individuals, with outstanding loan balances of around $7 billion.

Among other measures, Goldman will be operating from offices in the United States and London over the next several weeks. Also, the bank is exploring acquisition opportunities though avoiding large-scale mergers, according to Waldron. Further, Waldron confirmed that the bank would pay 10-35 basis points for physical deposits for its transaction-banking product, citing gains from its new cash-management platform. Last but not the least, Goldman reiterates the medium- and long-term financial targets announced at investor day in January, despite the economic slowdown on the coronavirus-related mayhem.

Dividend Update

On Jul 14, Goldman's board of directors announced a quarterly dividend of $1.25 per share. The dividend will be paid on Sep 29, to shareholders of record as of Sep 1, 2020.

Valuation

Goldman's shares are down 11.9% in the year-to-date period and 8% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are down 12.9% and 18.4% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and sector are down 5.4% and 13.7%, respectively.

The S&P 500 Index is up 0.1% in the year-to-date period and 7.3% in the past year.

The stock is currently trading at 9.73X forward 12 months earnings, which compares to 11.56X for the Zacks sub-industry, 16.31X for the Zacks sector and 22.44X for the S&P 500 index.

Over the past five years, the stock has traded as high as 15.48X and as low as 5.49X, with a 5-year median of 9.77X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $213 price target reflects 10.23X forward earnings.

The table below shows summary valuation data for GS

Valuation Multiples - GS

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9.73	11.56	16.31	22.44
	5-Year High	15.48	15.3	16.31	22.44
	5-Year Low	5.49	6.04	11.59	15.25
	5-Year Median	9.77	11.56	14.16	17.52
P/TB TTM	Current	0.79	2.12	3.33	12.7
	5-Year High	1.51	3.33	4	12.94
	5-Year Low	0.63	1.4	2.01	5.96
	5-Year Median	1.08	2.37	3.48	9.53
P/S F12M	Current	1.82	3.41	6.04	3.54
	5-Year High	3.24	4.54	6.66	3.54
	5-Year Low	1.24	2.75	4.96	2.53
	5-Year Median	2.25	3.53	6.06	3.02

As of 07/29/2020

Industry Analysis **Zacks Industry Rank:** Top 23% (57 out of 253)

Top Peers

Company (Ticker)	Rec	Rank
Jefferies Financial Group Inc. **(JEF)**	Outperform	2
Bank of America Corporation **(BAC)**	Neutral	3
Citigroup Inc. **(C)**	Neutral	3
Evercore Inc **(EVR)**	Neutral	3
JPMorgan ChaseCo. **(JPM)**	Neutral	3
KeyCorp **(KEY)**	Neutral	4
MoelisCompany **(MC)**	Neutral	4
Morgan Stanley **(MS)**	Neutral	3

Industry Comparison Industry: Financial - Investment Bank

				Industry Peers		
	GS	**X Industry**	**S&P 500**	**EVR**	**JPM**	**MS**
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	F	-	-	D	F	A
Market Cap	69.66 B	627.00 M	22.69 B	2.28 B	303.73 B	79.71 B
# of Analysts	7	2	14	2	10	7
Dividend Yield	2.47%	0.29%	1.8%	4.13%	3.61%	2.77%
Value Score	F	-	-	C	F	B
Cash/Price	5.86	0.72	0.07	0.26	4.26	3.90
EV/EBITDA	-8.31	2.32	13.11	4.56	-8.85	-1.83
PEG Ratio	0.60	1.36	3.05	NA	3.37	1.04
Price/Book (P/B)	0.76	1.59	3.15	2.20	1.30	1.01
Price/Cash Flow (P/CF)	7.05	8.48	12.28	5.39	7.10	7.22
P/E (F1)	11.19	13.99	22.27	17.58	16.83	10.02
Price/Sales (P/S)	1.29	1.29	2.46	1.14	2.19	1.52
Earnings Yield	8.94%	6.73%	4.25%	5.69%	5.94%	9.98%
Debt/Equity	2.42	0.27	0.75	0.60	1.35	2.48
Cash Flow ($/share)	28.72	1.94	6.94	10.44	14.04	7.01
Growth Score	F	-	-	F	F	B
Hist. EPS Growth (3-5 yrs)	7.53%	17.73%	10.85%	25.45%	13.82%	21.48%
Proj. EPS Growth (F1/F0)	-13.88%	-11.70%	-7.70%	-58.44%	-44.75%	1.38%
Curr. Cash Flow Growth	-13.72%	-3.18%	5.31%	-15.37%	9.35%	9.18%
Hist. Cash Flow Growth (3-5 yrs)	0.72%	11.36%	8.55%	23.38%	10.67%	13.46%
Current Ratio	1.24	1.24	1.31	3.14	0.88	0.80
Debt/Capital	70.79%	24.49%	44.23%	37.58%	56.09%	69.08%
Net Margin	13.40%	9.80%	10.45%	11.84%	18.16%	17.78%
Return on Equity	8.71%	14.01%	14.99%	29.65%	10.75%	12.03%
Sales/Assets	0.05	0.29	0.53	0.85	0.05	0.06
Proj. Sales Growth (F1/F0)	7.28%	0.00%	-1.97%	-24.11%	0.15%	2.31%
Momentum Score	A	-	-	A	B	A
Daily Price Chg	0.48%	0.56%	1.52%	1.92%	2.42%	0.66%
1 Week Price Chg	-4.70%	0.00%	0.37%	-1.12%	0.12%	-4.25%
4 Week Price Chg	2.54%	0.29%	5.44%	0.27%	6.88%	6.26%
12 Week Price Chg	14.50%	10.49%	15.38%	17.53%	10.42%	35.63%
52 Week Price Chg	-7.97%	-10.72%	-1.61%	-34.89%	-14.07%	13.53%
20 Day Average Volume	3,816,896	80,984	1,846,377	441,699	19,226,006	11,762,027
(F1) EPS Est 1 week change	0.03%	0.00%	0.00%	20.53%	0.36%	0.00%
(F1) EPS Est 4 week change	26.60%	9.91%	0.27%	33.61%	16.34%	31.70%
(F1) EPS Est 12 week change	34.55%	18.08%	-0.85%	43.82%	15.61%	37.17%
(Q1) EPS Est Mthly Chg	25.86%	4.76%	0.13%	12.00%	39.93%	14.46%

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	F
Growth Score	F
Momentum Score	A
VGM Score	F

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

Disclosures

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