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Jan 28, 2020

Hyatt Hotels(H)

$83.61 (As of 01/27/20)

Price Target (6-12 Months): **$88.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 11/13/19) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:D
	Value: C | Growth: C | Momentum: D	

Summary

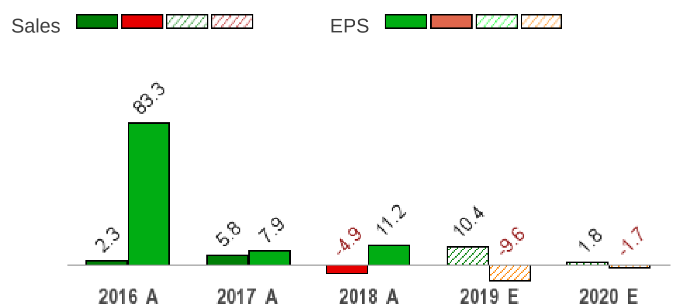
Shares of Hyatt have underperformed the industry in the past year. This dismal performance can be attributed to lingering political uncertainty in key operating regions along with stiff competition and weakness China. Also, it is witnessing significant top-line pressure in areas like select business in the United States. Moreover, Hyatt has trimmed RevPAR guidance for 2019, which is a concern. For 2020, earnings estimate over the past 30 days have been revised downward. However, the company's differentiated brand portfolio, strong expansion plans and acquisition strategies are likely to drive growth. Solid brand portfolio, remodeled loyalty program as well as innovative and exceptional personalized services for guests are added positives. Furthermore, the company intends to continue gaining market share globally.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$91.13 - $67.84**
20 Day Average Volume (sh)	**523,015**
Market Cap	**$8.6 B**
YTD Price Change	**-6.8%**
Beta	**1.13**
Dividend / Div Yld	**$0.76 / 0.9%**
Industry	**Hotels and Motels**
Zacks Industry Rank	**Bottom 10% (229 out of 255)**
Last EPS Surprise	**42.3%**
Last Sales Surprise	**3.1%**
EPS F1 Est- 4 week change	**-0.5%**
Expected Report Date	**02/19/2020**
Earnings ESP	**-74.7%**
P/E TTM	**38.0**
P/E F1	**47.5**
PEG F1	**8.5**
P/S TTM	**1.8**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2020	1,225 E	1,286 E	1,238 E	1,213 E	5,008 E
2019	1,241 A	1,289 A	1,215 A	1,183 E	4,919 E
2018	1,109 A	1,133 A	1,074 A	1,138 A	4,454 A

EPS Estimates

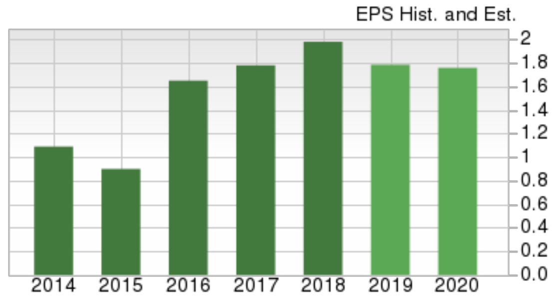
	Q1	Q2	Q3	Q4	Annual*
2020	$0.26 E	$0.61 E	$0.34 E	$0.56 E	$1.76 E
2019	$0.45 A	$0.76 A	$0.37 A	$0.20 E	$1.79 E
2018	$0.33 A	$0.72 A	$0.33 A	$0.62 A	$1.98 A

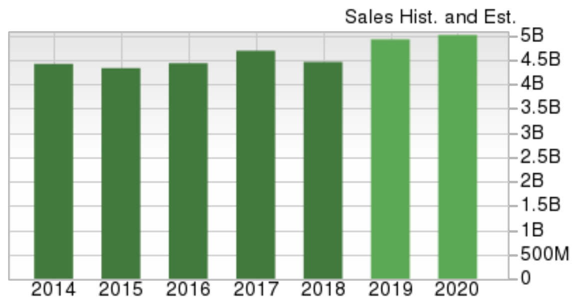
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 01/27/2020. The reports text is as of 01/28/2020.

Overview

Hyatt Hotels Corporation is a leading global hospitality company engaged in the development, ownership, operation, management, franchising and licensing of a portfolio of properties, including hotels, resorts and residential and vacation ownership properties around the world. As of Jun 30, 2019, the company's portfolio included more than 875 properties in 60 countries across six continents.





Hyatt manages its business within four reportable segments:

The **Owned and Leased Hotels** segment consists of the company's owned and leased hotel properties, located mostly in the Unites States and also across few international locations.

The **Americas Management and Franchising** segment includes management and franchising of the company's properties located in the United States, Latin America, Canada and the Caribbean. The segment revenues also include the reimbursement of costs incurred for managed and franchised properties.

The **ASPAC Management and Franchising** segment comprises the company's management and franchising of properties located in Southeast Asia, as well as greater China, Australia, South Korea, Japan and Micronesia. The segment revenues also include the reimbursement of costs incurred for managed and franchised properties.

The **EAME/SW Asia Management and Franchising** segment encompasses the company's management and franchising of properties located primarily in Europe, Africa, the Middle East, India, Central Asia and Nepal. The segment revenues also include the reimbursement of costs incurred for managed and franchised properties.

Notably, in 2017, Hyatt acquired Exhale Enterprises from an unrelated third party for a price of $16 million. Also, in Jan 2017, the company acquired Miraval, the renowned provider of wellness and mindfulness experiences, for $239 million, subject to working capital adjustments.

In November 2018, Hyatt completed the acquisition of Two Roads for $405 million. As of Dec 31, 2018, the acquisition of Two Roads added 65 hotel properties or approximately 12,000 rooms, along with 10 condominium ownership properties comprising approximately 1,500 units, to the company's portfolio. The current pipeline comprises of approximately 5,000 rooms, and the addition of five new brands.

Reasons To Buy:

We expect Hyatt's differentiated brand portfolio, strong expansion plans and acquisition strategies to spur growth

- **Robust Earnings Trend:** Hyatt delivered positive earnings surprise in each of the preceding 15 quarters. In third-quarter 2019, its adjusted earnings were 37 cents per share that outpaced the Zacks Consensus Estimate of 26 cents. In the prior-year quarter, the company reported earnings of 33 cents per share. Given its strong brand recognition, efforts to enhance guest experience and increased focus on operational excellence, Hyatt is likely to perform well in the quarters ahead.

- **Strong Brand Recognition Across the Globe:** Hyatt aims to differentiate its brands from one another by providing distinct travel experiences. Hyatt is also consistently trying to expand its presence worldwide and has expansion plans in Asia-Pacific, Europe, Africa, Middle East and Latin America. Expansion in these markets should help the company gain market share in the hospitality industry, thus boosting business. Thus, an essential aspect of the company's riveting growth potential is its strong brand presence and continual expansion in higher growth and under-penetrated markets such as India and China. Apart from these, the company has also announced further expansion plans in diverse international markets like Australia, Brazil, Germany, the U.K., Indonesia, Japan, Mexico, Saudi Arabia, Singapore, Thailand, Netherlands and others. Meanwhile, the company's new signings across its brands globally have consistently outpaced openings. This trend is expected to continue in 2019 and beyond. In 2018, Hyatt registered net room growth of 13.6% on a year-over-year basis. For 2019, it expects unit growth of roughly 7.25-7.75%, which indicates 85 new hotel openings.

- **Focus on Expanding Select Service Presence:** The Hyatt Place and Hyatt House brands allow to expand Hyatt's presence globally in a bid to further strengthen its fast-growing select service category. The company strongly believes that the opportunity for properties that offer selected services at a lower price than full-service hotels is particularly compelling in certain markets, including India, China and the Middle East. This is because there is a large and growing middle-class population in these markets along with a significant number of local business travelers. Notably, the company intends to grow its select service presence via third-party construction of new franchised properties, conversion and renovation of existing non-Hyatt properties, and in certain cases, participation in the development of new managed properties.

- **Acquisition & Divestitures as Growth Strategies:** Hyatt is strongly invested in the strategies related to various acquisitions and divestitures that can drive growth for the company. In 2017, the company acquired Miraval Group, which extended the Hyatt brand beyond traditional hotel stays into a wellness category that resonates well with the high-end travelers. Moreover, the company is also increasing its focus on private accommodations, another fast-growing travel segment, which has the potential to extend the Hyatt brand beyond traditional hotel space and is a fantastic fit to the Hyatt portfolio and its brand positioning. The company has also acquired Exhale for $16 million and the 693-room Hyatt Regency Phoenix, Arizona, for roughly $140 million.

  Hyatt closed the previously announced acquisition deal with lifestyle hotel management company Two Roads Hospitality. As of Dec 31, 2018, the acquisition of Two Roads added 65 hotel properties or roughly 12,000 rooms, along with 10 condominium ownership properties comprising 1,500 units, to the company's portfolio. These acquisitions are part of Hyatt's ongoing asset recycling program. In an effort to strengthen its financial flexibility and focus more on core operation the company is also focusing on the sale of assets. The sale of assets is helping Hyatt grow through management and licensing arrangements, instead of direct ownership of selective assets.

- **Loyalty Program and Other Initiatives to Increase Occupancy:** In order to survive in a tough economic environment, Hyatt is continuously devising newer ways to enhance guest experience and raise occupancy. Successful innovation has been a trademark of Hyatt, with a commitment to impactful architectural design of hotels in both the large-scale convention and smaller leisure markets. The company also has a creative approach to food and beverage at its hotels worldwide and has created profitable and popular venues that build and enhance demand for its hotel properties. Meanwhile, in 2017, the company launched a new loyalty program, World of Hyatt, which replaced its Gold Passport loyalty program. Notably, World of Hyatt is a platform for guest engagement. The company is witnessing a higher level of guest satisfaction owing to the enhancements.

- **Share Buybacks:** To boost shareholders' value, Hyatt repeatedly raises its share repurchase authorization. The company repurchased 12.2 billion shares of common stock for $723 million in 2017 compared with 5.6 billion shares for $272 million in 2016. In 2018, the company repurchased $966 million shares of its common stock. During the third quarter of 2019, Hyatt repurchased 1,099,507 Class A shares and 677,384 Class B share for nearly $133 million. The company ended the third quarter with 36,811,374 Class A and 66,438,444 Class B shares issued and outstanding.

Reasons To Sell:

Lingering political uncertainty in key operating regions, along with competition and weakness China, might limit revenue growth.

- **Trimmed RevPAR View:** Hyatt is witnessing some significant top-line pressure in areas like select business in the United States and lower demand in overall China. Consequently, the company expects RevPAR to slow down in the current year. Comparable system-wide RevPAR is expected to inch up 0.5% year over year compared with previous expectation of 1-2%. With respect to adjusted EBITDA, the company lowered 2019 guidance in the range of $730-$745 million compared with $755-$775 million projected earlier. Notably, Hyatt's shares have underperformed the industry in the past year.

- **Higher SG&A Expenses:** The company has been bearing the brunt of high expenses, stemming from mergers. In the third quarter of 2019, selling, general, and administrative expenses rose 1%, inclusive of rabbi trust impact and stock-based compensation. Adjusted selling, general and administrative expenses rose 13.8% or $10 million, including approximately $8 million from the acquisition of Two Roads.

- **Valuation Looks Inappropriate:** Hyatt's valuation looks a bit stretched when compared with the industry average. Looking at the company's EV/EBITDA ratio (Enterprise Value/ Earnings before Interest Tax Depreciation and Amortization), investors might not want to pay any further premium. The company currently has a trailing 12-month EV/EBITDA ratio of 25.04, which makes it overvalued compared with its peers as the industry average EV/EBITDA currently is 14.37x.

- **Geopolitical Concerns:** The company has a considerable international presence, which makes it vulnerable to the economic conditions in the region. In the Middle East, political unrest, lower government spending, new hotel supply and a tough oil market continue to hurt tourism and is a cause of concern. Also, the slowdown in the Chinese economy might continue to hurt discretionary spending as well as travel.

  Moreover, since the company's operations outside the United States represent approximately 20% of net revenues, in 2018, the costs of complying with laws, regulations and policies (including taxation policies) of foreign governments relating to investments and operations, may affect the company's profitability. Also, volatility in exchange rates is likely to hurt results similar to the past few quarters. Moreover, Donald Trump's stringent policies on immigration and tourist visa seem to have impelled international visitors to rethink about their vacation plans in the United States. Evidently, there has been a continued slowdown in U.S.-bound air travel bookings ever since Trump took charge.

  The ongoing trade spat between China and the United States had led to a demand slump in greater China. Hyatt witnessed RevPAR contraction of around 3% for full-service hotels in greater China. Declines in Macau and Hong Kong along with lesser inbound travelers are hurting the company's operations in the country.

- **Cutthroat Competition:** The hotel industry is highly competitive, as major hospitality chains with well-established and recognized brands are continuously expanding their global presence. Hyatt is continuously facing intense competition from both large hotel chains and smaller independent local hospitality providers.

  Increasingly, the company also faces competition from new channels of distribution in the travel industry. Additional sources of competition include large companies that offer online travel services as part of their business model such as Alibaba, search engines such as Google and peer-to-peer inventory sources that allow travelers to book stays on websites that facilitate the short-term rental homes and apartments from owners, thereby providing an alternative to hotel rooms, such as Airbnb and HomeAway. Unless Hyatt counters these competitions with appropriate strategies, it may pose a concern to the company's future profitability.

Last Earnings Report

Hyatt Surpass Earnings and Revenues Estimate in Q3

Quarter Ending	09/2019
Report Date	Oct 30, 2019
Sales Surprise	3.14%
EPS Surprise	42.31%
Quarterly EPS	0.37
Annual EPS (TTM)	2.20

Hyatt Hotels reported better-than-expected third-quarter 2019 results. With this, the company's bottom line surpassed the Zacks Consensus Estimate for 15 straight quarters, while the top line outpaced the same for the third consecutive quarter.

Adjusted earnings came in at 37 cents per share, which outpaced the Zacks Consensus Estimate of 26 cents. In the prior-year quarter, the company reported earnings of 33 cents per share.

Total revenues were $1,215 million, which increased 13.1% from the prior-year quarter figure and also beat the consensus estimate of $1,178 million.

RevPAR Details

In the reported quarter, comparable system-wide revenues per available room (RevPAR) were flat, taking into account a 0.1% decrease of the same at comparable owned and leased hotels. RevPAR in the quarter was impacted by political turbulence in Hong Kong. However, comparable U.S. hotel RevPAR fell 0.6%. While full-service hotel RevPAR was up 0.2%, that of select service hotel declined 2.3%.

Operating Highlights

Net income increased 25.4% to $296 million in the third quarter. However, adjusted EBITDA decreased 7.3% to $163 million (down 6.5% at constant currency). Also, adjusted EBITDA margin contracted 280 basis points (bps) to 26.9%. Meanwhile, comparable owned and leased hotels' operating margin contracted 20 basis points to 21%.

Segmental Details

Hyatt manages business through four reportable segments — Owned and Leased Hotels; Americas Management and Franchising; Southeast Asia, Greater China, Australia, South Korea, Japan and Micronesia (ASPAC) Management and Franchising; and Europe, Africa, Middle East and Southwest Asia (EAME/SW Asia) Management and Franchising.

Revenues at Owned and Leased Hotels totaled $425 million, down 3.9% from the year-ago quarter number. Comparable owned and leased hotels RevPAR were down 0.1%. Both ADR and occupancy were flat in the quarter. On the flip side, adjusted EBITDA decreased 17.6% to $76 million. At constant currency, the same declined 16.9%.

Revenues at Americas Management and Franchising summed $122 million, reflecting a 29.6% increase from the year-ago figure and a 29.9% rise at constant currency. RevPAR for comparable Americas full-service hotels increased 1.5%. While ADR climbed 0.7%, occupancy increased 70 bps from the year-ago quarter number.

Meanwhile, RevPAR for comparable Americas select-service hotels was down 2.4%. Occupancy decreased 40 bps, whereas ADR declined 1.8% in the quarter under review. Adjusted EBITDA increased 11.2% (up 11.4% at constant currency) to $92 million.

Revenues at ASPAC Management and Franchising rose 4.2% year over year (up 5.4% at constant currency) to $32 million. RevPAR for comparable ASPAC full-service hotels declined 2%. Moreover, occupancy were down 50 bps and ADR were down 1.3% in the quarter. Adjusted EBITDA inched up 0.9% (up 2.5% at constant currency) to $19 million.

Revenues at EAME/SW Asia Management and Franchising remained rose 2.2% at $19 million.

Comparable EAME/SW Asia full-service hotels' RevPAR increased 1.6% due to robust demand certain European markets, which include France and the United Kingdom, and Southwest Asia, overshadowed marginally by softer performance in Russia. ADR decreased 2.6% but occupancy rose 290 bps. Adjusted EBITDA rose 4.8% (were up 7.8% at constant currency) to $12 million.

Balance Sheet

As of Sep 30, 2019, Hyatt reported cash and cash equivalents of $660 million. The total debt was $1.62 billion as of Sep 30, 2019. During the third quarter of 2019, Hyatt repurchased 1,099,507 Class A shares and 677,384 Class B share for nearly $133 million. The company ended third-quarter 2019 with 36,811,374 Class A and 66,438,444 Class B shares issued and outstanding.

2019 Guidance

Hyatt revised its 2019 guidance. The company now expects net income of roughly $431-$470 million, up from the prior estimate of $231-$275 million. Adjusted EBITDA is anticipated in the $730-$745 million band compared with $755-$775 million projected earlier. Comparable system-wide RevPAR is expected to increase 0.5% year over year compared with 1-2% anticipated previously. On a net-rooms basis, Hyatt continues to expect unit growth of roughly 7.25-7.75%, reflecting 85 new hotel openings.

Recent News

Hyatt Expands Hyatt Centric Brand, Opens Hotel in Virginia - Jan 22, 2020

Hyatt Hotels Corporation continues to focus on unit expansion to drive growth. The company recently announced the opening of Hyatt Centric Old Town Alexandria. The hotel will mark the brand's second property in Virginia thereby joining Hyatt Centric Arlington.

Notably, the 124-roomed property, situated at 1625 King Street at Harvard Street, is designed by a national architecture and design firm, Cooper Carry. The hotel features a contemporary design and draws inspiration from the historic storefronts that line King Street. It also focuses on sustainable land use, resource conservation and waste minimization.

Hyatt on Expansion Spree, To Open Hotels in Manchester - Jan 20, 2020

Hyatt Hotels Corporation has announced the opening of two Hyatt-branded hotels in Manchester namely Hyatt Regency Manchester and Hyatt House Manchester.

Notably, the 212-roomed Hyatt Regency Manchester and 116-roomed Hyatt House Manchester are located in the city's landmark building "The Lume". The openings also mark the debut of Hyatt's extended-stay segment, the Hyatt House brand.

Hyatt Launches Hotel in Waco, Texas, Expansion on Track - Jan 16, 2020

Hyatt Hotels Corporation continues to strengthen its presence worldwide. Recently, it announced the opening of Hyatt Place Waco-South. This will be the company's first Hyatt-branded hotel in Waco, TX.

Notably, the 96-roomed property is situated adjacent to the Brazos River and provides guests easy access to the city's attractions like Magnolia Market at The Silos, Texas Ranger Hall of Fame and Museum, Cameron Park Zoo, Hawaiian Falls Waco Waterpark and Cottonwood Creek Golf Course. It is also in close proximity to Central Texas Marketplace, just off highway I-35.

Hyatt on Expansion Spree, Opens 100th Hyatt House Hotel - Jan 9, 2020

Hyatt Hotels Corporation announced the opening of the 100th Hyatt House hotel: Hyatt House San Jose Airport. The 165-room Hyatt House San Jose Airport is jointly owned by Liberty Group and Hyatt Hotels.

The hotel is in close proximity to California's Great America amusement park, Levi's Stadium, San Jose McEnery Convention Center, Avaya Stadium and SAP Center at San Jose. Paul Daly, senior vice president of operations, Americas, Hyatt Place and Hyatt House, said "The opening of this hotel comes at a time of strong momentum for the brand, with Hyatt House hotels under development around the world, including new markets for the brand, such as Canada and Kenya."

Hyatt's Regency Brand Debuts in Kerala, Expansion on Track - Jan 6, 2020

In a bid to maintain its position as the fastest-growing global hospitality company, Hyatt Hotels Corporation has been strengthening its presence worldwide. Recently, it announced the opening of Hyatt Regency Thrissur. This marks the company's second Hyatt branded hotel in Kerala and the 13th Hyatt Regency branded hotel in India.

Hyatt's Regency Brand Expands Presence in Southern China - Jan 1, 2020

Hyatt Hotels Corporation has been strengthening worldwide presence in a bid to maintain its position as the fastest-growing global hospitality company. Recently, it announced the opening of Hyatt Regency Hengqin in Zhuhai, Guangdong Province, China. This new property will offer premium level of service to guests of Hengqin for the first time.

Valuation

Shares of Hyatt are up 21.7% over the trailing 12-month period. Over the past year, the Zacks sub-industry and the sector are up 23.1% and 17.4%, respectively.

The S&P 500 Index has rallied 24.1% in a year.

The stock is currently trading at 25.04x trailing 12-month EV/EBITDA, which compares to 15.44x for the Zacks sub-industry, 12.6x for the Zacks sector and 12.25x for the S&P 500 index.

Over the past five years, the stock has traded as high as 102.3x, with a 5-year median of 15.21x. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $88 price target reflects 1.79x forward 12-month Price-Sales.

The table below shows summary valuation data for H.

Valuation Multiples - H

		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	25.04	15.44	12.6	12.25
	5-Year High	102.3	23.07	17.76	12.86
	5-Year Low	NA	10.99	11.07	8.48
	5-Year Median	15.21	14.37	12.41	10.68
P/S F 12M	Current	1.71	2.1	2.29	3.52
	5-Year High	2.11	2.25	3.19	3.52
	5-Year Low	1.06	1.13	1.81	2.54
	5-Year Median	1.58	1.65	2.54	3
P/B TTM	Current	2.28	15.53	3.5	4.5
	5-Year High	2.53	17.8	5.04	4.55
	5-Year Low	1.22	3.18	3.13	2.85
	5-Year Median	1.94	8.37	4.28	3.62

As of 01/27/2020

Industry Analysis **Zacks Industry Rank:** Bottom 10% (229 out of 255)

Top Peers

Marriott Vacations Worldwide Corporation **(VAC)**	Outperform
Choice Hotels International, Inc. **(CHH)**	Neutral
Hilton Worldwide Holdings Inc. **(HLT)**	Neutral
Intercontinental Hotels Group **(IHG)**	Neutral
Marriott International, Inc. **(MAR)**	Neutral
Extended Stay America, Inc. **(STAY)**	Neutral
China Lodging Group, Limited **(HTHT)**	Underperform
MGM Resorts International **(MGM)**	Underperform

Industry Comparison Industry: Hotels And Motels

Industry Peers

	H Neutral	X Industry	S&P 500	HTHT Underperform	MAR Neutral	VAC Outperform
VGM Score	D	-	-	F	D	A
Market Cap	8.59 B	4.51 B	23.86 B	9.69 B	45.12 B	5.01 B
# of Analysts	8	6	13	3	9	5
Dividend Yield	0.91%	0.92%	1.81%	0.97%	1.39%	1.81%
Value Score	C	-	-	F	C	B
Cash/Price	0.10	0.07	0.04	0.07	0.01	0.10
EV/EBITDA	6.94	14.34	13.94	33.84	18.95	36.09
PEG Ratio	8.61	2.54	2.00	2.55	3.21	1.46
Price/Book (P/B)	2.30	2.15	3.25	9.24	53.84	1.66
Price/Cash Flow (P/CF)	14.78	15.29	13.46	41.36	18.94	20.15
P/E (F1)	48.21	18.54	18.67	35.61	21.05	13.13
Price/Sales (P/S)	1.76	2.01	2.62	6.09	2.16	1.16
Earnings Yield	2.11%	4.75%	5.35%	2.82%	4.75%	7.62%
Debt/Equity	0.53	0.65	0.72	3.24	13.63	1.27
Cash Flow ($/share)	5.66	3.35	6.92	0.80	7.28	5.91
Growth Score	C	-	-	F	D	A
Hist. EPS Growth (3-5 yrs)	20.90%	19.21%	10.68%	23.97%	21.63%	19.81%
Proj. EPS Growth (F1/F0)	-1.46%	8.30%	7.51%	29.91%	11.12%	13.62%
Curr. Cash Flow Growth	-3.21%	11.49%	13.40%	-24.82%	28.49%	45.31%
Hist. Cash Flow Growth (3-5 yrs)	2.12%	4.17%	8.78%	13.79%	26.97%	19.70%
Current Ratio	1.41	1.12	1.22	0.57	0.51	3.40
Debt/Capital	34.79%	55.21%	42.92%	76.44%	93.16%	56.04%
Net Margin	10.01%	6.51%	11.39%	6.55%	6.28%	2.50%
Return on Equity	6.47%	7.99%	17.19%	10.47%	134.91%	9.51%
Sales/Assets	0.61	0.48	0.54	0.28	0.85	0.48
Proj. Sales Growth (F1/F0)	1.80%	4.31%	4.09%	11.65%	4.28%	4.83%
Momentum Score	D	-	-	A	B	B
Daily Price Chg	-0.70%	-2.56%	-1.40%	2.14%	-2.14%	-2.63%
1 Week Price Chg	-4.52%	-3.86%	-1.09%	-17.77%	-6.15%	-5.40%
4 Week Price Chg	-7.21%	-7.05%	-0.25%	-19.69%	-9.13%	-8.15%
12 Week Price Chg	8.32%	-2.82%	3.64%	-14.29%	6.02%	4.25%
52 Week Price Chg	22.97%	7.50%	18.08%	2.90%	24.85%	36.52%
20 Day Average Volume	523,015	203,630	1,615,215	1,638,100	1,400,946	203,630
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.49%	0.00%	0.00%	-2.80%	-0.21%	0.00%
(F1) EPS Est 12 week change	-3.59%	-0.47%	-0.17%	-5.92%	-1.51%	2.24%
(Q1) EPS Est Mthly Chg	11.59%	0.00%	0.00%	0.00%	-0.48%	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	C
Growth Score	C
Momentum Score	D
VGM Score	D

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

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