

Incyte Corporation (INCY)

\$73.14 (As of 01/30/20)

Price Target (6-12 Months): **\$84.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 12/30/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM:A

Value: C

Growth: A

Momentum: A

Summary

Incye's lead drug, Jakafi, continues to maintain momentum on the back of solid demand in all three approved indications (polycythemia vera, myelofibrosis and the recent label expansion into acute GVHD). Moreover, the company's efforts to diversify its revenue base are encouraging. Its pipeline is highly encouraging, with several candidates in early- to mid-stage development. However, pipeline failures are a concern. Moreover, the company is highly dependent on Jakafi for a major chunk of revenues. Shares have underperformed the industry in the past year.

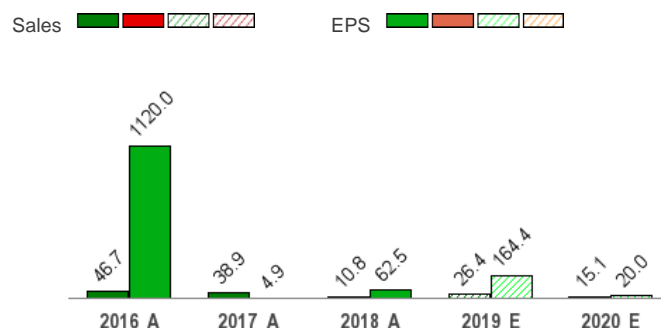
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$96.79 - \$71.84
20 Day Average Volume (sh)	1,690,308
Market Cap	\$15.8 B
YTD Price Change	-16.2%
Beta	0.97
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Medical - Biomedical and Genetics
Zacks Industry Rank	Top 31% (79 out of 255)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	26.2%
Last Sales Surprise	2.3%
EPS F1 Est- 4 week change	-0.2%
Expected Report Date	02/13/2020
Earnings ESP	0.0%
P/E TTM	28.2
P/E F1	22.2
PEG F1	0.7
P/S TTM	7.5

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2020	546 E	576 E	607 E	646 E	2,478 E
2019	498 A	530 A	552 A	570 E	2,152 E
2018	382 A	522 A	430 A	468 A	1,702 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	\$0.60 E	\$0.70 E	\$0.80 E	\$0.75 E	\$3.30 E
2019	\$0.62 A	\$0.75 A	\$0.82 A	\$0.58 E	\$2.75 E
2018	-\$0.01 A	\$0.26 A	\$0.38 A	\$0.40 A	\$1.04 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 01/30/2020. The reports text is as of 01/31/2020.

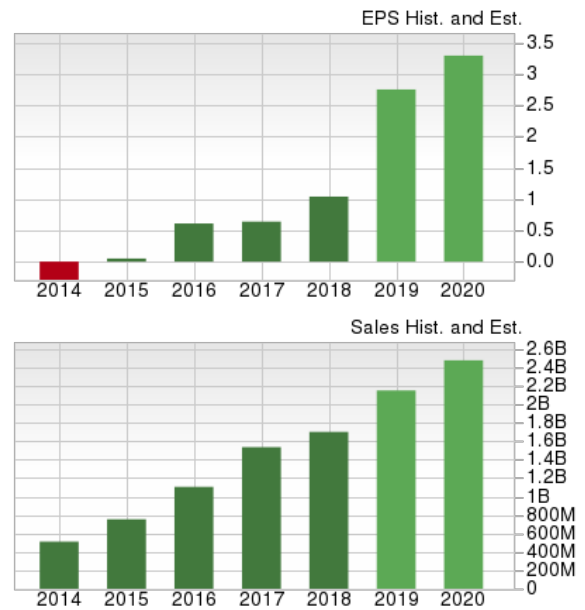
Overview

Wilmington, DE-based Incyte Corporation is a biopharmaceutical company focused on the discovery, development and commercialization of proprietary therapeutics. The company conducts its European clinical development operations in Geneva, Switzerland.

Incyte's lead drug, Jakafi (ruxolitinib), is a first-in-class JAK1/JAK2 inhibitor, approved in the United States for the treatment of patients with polycythemia vera ("PV"), who have had an inadequate response to or are intolerant to hydroxyurea. It is also approved for the treatment of patients with intermediate or high-risk myelofibrosis (MF), including primary MF, post-PV MF, and post-essential thrombocythemia MF. In May 2019, Jakafi obtained FDA approval for the treatment of steroid-refractory acute graft-versus-host disease (GVHD) in adult and pediatric patients aged 12 years or older. While Incyte markets the drug in the United States, it is marketed by Novartis as Jakavi outside the country. Jakafi sales came in at \$1.4 billion in 2018, thereby contributing 81.5% to total revenues.

The company's second JAK1 and JAK2 inhibitor, Olumiant (baricitinib, JAK1/JAK2 inhibitor) was approved in the EU in Feb 2017 for rheumatoid arthritis (RA). Incyte is co-developing Olumiant with Eli Lilly. In June 2018, the FDA approved the 2mg dose of baricitinib as Olumiant for the treatment of adults with RA. The approval brings another source of income for Incyte as royalties.

In Jun 2016, Incyte entered into a share purchase agreement with ARIAD under which it gained the latter's European business and the rights to Iclusig in the EU and 22 other countries including Switzerland, Norway, Turkey, Israel and Russia. Revenues for 2018 came in at \$1.8 billion, up from \$1.4 billion in 2017.



Reasons To Buy:

- ▲ **Jakafi Driving Growth:** Jakafi continues to drive growth for the company on label expansions. It became the first FDA-approved JAK inhibitor for any indication, and the first and only product to be approved by the FDA for the treatment of MF and PV — rare blood cancers. Jakafi is the only treatment to provide consistent hematocrit control, spleen volume reduction and complete hematological remission by targeting the overactive JAK pathway. Its label has been updated several times since approval, which has boosted Incyte's sales. It was updated in June 2013 to include information on a new recommended dosing guidance for patients with low platelet count. In 2014, the FDA approved a supplemental labeling for Jakafi to include Kaplan Meier overall survival (OS) curves as well as additional safety and dosing information. Further, in March 2016, the FDA approved supplemental labeling for Jakafi to include additional safety data and efficacy analyses from the RESPONSE study that assessed the durability of response in Jakafi-treated patients after 80 weeks. We note that Jakafi enjoys Orphan Drug status in the United States for MF, PV and essential thrombocythemia. The drug also has long patent life that runs until late 2027.

Key growth driver, Jakafi, has been performing well. Incyte's efforts to develop its pipeline are also encouraging.

In order to expand the patient population and increase the commercial potential of the drug, the company is working on expanding the drug's label further. In October 2017, the FDA approved a label update of the drug to include the addition of new patient-reported outcome (PRO) data from the COMFORT-I study, as well as updating the warning related to progressive multifocal leukoencephalopathy. The FDA recently approved Jakafi for the treatment of steroid-refractory acute GVHD in adult and pediatric patients aged 12 years or older. This is the third indication, for which the drug has been approved in the United States. The label expansion of the drug will further boost sales. Meanwhile, REACH2 and REACH3, evaluating steroid-refractory acute and steroid-refractory chronic graft-versus-host disease, respectively, are ongoing in collaboration with Novartis. REACH2, the phase III study evaluating Jakafi in patients with steroid-refractory acute GVHD, met its primary endpoint of superior overall response. An Independent Data Monitoring Committee (IDMC) recommended that the phase III REACH3 trial should continue without modification following an interim efficacy and safety analysis.

Moreover, the cream formulation is currently in phase III development for the treatment of patients with mild to moderate atopic dermatitis (TRuE-AD). It is also being evaluated for the treatment of adolescents and adults with vitiligo (TRuE-V).

- ▲ **Pipeline Holds Promise:** Incyte's pipeline is highly encouraging. The company has several candidates in early-to mid-stage development in its pipeline, including both targeted therapies and immune therapies that are being developed in oncology and outside oncology. Interesting targeted therapies include pemigatinib (phase II for bladder cancer and cholangiocarcinoma), itacitinib, capmatinib and baricitinib in atopic dermatitis, among others. Incyte submitted an NDA to the FDA for pemigatinib seeking approval as a second-line treatment for patients with FGFR2 translocated cholangiocarcinoma under Breakthrough Therapy designation. The FDA has accepted the same. With the FDA granting priority review to the NDA, a decision from the regulatory body is expected on May 30, 2020. Enrollment in the continuous dosing cohort of FIGHT-201, the phase II trial of pemigatinib in patients with bladder cancer, is expected to complete by the end of the year. FIGHT-207, a phase II solid tumor-agnostic trial evaluating pemigatinib in patients with driver-activations of FGF/FGFR, has been initiated.

GRAVITAS-309, a phase III study of itacitinib as a treatment for patients with newly-diagnosed chronic GVHD, was initiated in January and results are expected in 2021. Capmatinib was discovered by Incyte and was included in the 2009 license agreement with Novartis. Capmatinib is an oral reversible inhibitor of the MET receptor tyrosine kinase and it has shown both high selectivity for MET and is extremely potent against MET exon-14 skipping mutations compared to all other MET inhibitors in development. Novartis plans to submit an NDA for capmatinib in non-small cell lung cancer (NSCLC) with MET exon-14 skipping mutations in the second half of 2019. In June 2019, the FDA granted Breakthrough Therapy designation to capmatinib as a treatment for patients with metastatic NSCLC harboring MET exon-14 skipping mutation with disease progression on or after platinum-based chemotherapy. If approved, Incyte will be eligible for 12-14% royalties on global net sales by Novartis and could receive more than \$500 million in potential milestones over time.

- ▲ **Encouraging Collaborations:** Incyte has two major agreements with Novartis and Lilly. The 2009 agreement with Novartis includes Jakafi (excluding topical formulations). Per the agreement, Incyte is marketing Jakafi in the United States while Novartis is responsible for the same outside the United States. The deal with Eli Lilly gives the latter exclusive worldwide development and commercialization rights to Olumiant. The FDA approval of Olumiant has triggered a \$100 million milestone payment from Lilly. However, Incyte has elected to not participate in the development of baricitinib in order to reallocate capital, over time, to other promising internal projects. Nevertheless, it will continue to receive royalties on global net sales of Olumiant, pursuant to the terms of its agreement with Lilly. Incyte also entered into a strategic collaboration agreement with China-based Innovent Biologics, Inc. Both the companies have entered into an agreement, through their respective subsidiaries, for the development of three clinical-stage product candidates - pemigatinib (FGFR1/2/3 inhibitor), itacitinib (JAK1 inhibitor) and piasclisib.

Reasons To Sell:

▼ **Share Price Performance:** Incyte's stock has underperformed the industry in the year so far.

▼ **Overdependence on Jakafi for Growth:** Incyte's dependence on a single product, Jakafi for growth is concerning. Lower-than-expected sales would be a huge setback for the company. While we are positive on the company's efforts to expand Jakafi's label, any development/regulatory setback could pull down the stock significantly.

▼ **Pipeline Setbacks:** Though we are pleased with Incyte's broad pipeline, the candidates still have to go a long way before hitting the market. Any hiccup in the development process or adverse study results may weigh heavily on the stock and hamper the company's growth progress.

▼ The phase III GRAVITAS-301, evaluating itacitinib in combination with corticosteroids in patients with treatment-naïve (first-line) acute GVHD, did not meet the primary endpoint of overall response rate (ORR) at day 28 compared to placebo plus corticosteroids (74.0% vs. 66.4%, $p=0.08$, respectively). While itacitinib added to corticosteroids improved the ORR in patients with treatment-naïve acute GVHD, the difference observed in comparison with placebo plus corticosteroids was not statistically significant. Additionally, there was no difference observed in NRM at month 6 between the treatment and placebo arms.

Incyte earlier suffered a setback with epacadostat. The external Data Monitoring Committee (eDMC) review of the pivotal phase III study, ECHO-301, evaluating epacadostat in combination with Keytruda in patients with unresectable or metastatic melanoma determined that the study did not meet the primary endpoint of improving progression-free survival in the overall population compared to pembrolizumab monotherapy. Consequently, based on the disappointing data and the recommendation of the eDMC, Incyte stopped the study to enable patients and their physicians to consider alternative therapeutic options.

▼ **Stiff Competition:** The FDA recently approved Inrebic for the treatment of adult patients with intermediate-2 or high-risk primary or secondary (post-polycythemia vera or post-essential thrombocythemia) myelofibrosis. This will increase competition for Jakafi. Additionally, Jakafi is likely to face competition from generics. Also, Iclusig faces intense competition. Meanwhile, the oncology market is attracting a lot of attention, with several companies inking deals to tap into this high revenue-potential market.

Overdependence on Jakafi is concerning. Also, most of its pipeline candidates are in early-to-mid stages of development, which translates into a long way to approval.

Last Earnings Report

Incyte Beats on Q3 Earnings & Sales, Ups Jakafi View

Incyte reported earnings of 82 cents per share, which easily surpassed the Zacks Consensus Estimate of 65 cents and 41 cents in the year-ago quarter. Including milestones and contracts, revenues came in at \$551.6 million, which grew 22.6% year over year and beat the Zacks Consensus Estimate of \$538.95 million.

Quarter in Detail

Total product-related revenues came in at \$453.9 million, up 23.4% from the year-ago quarter. Jakafi revenues came in at \$433.4 million, increasing 25% from the year-ago quarter and beating the Zacks Consensus Estimate of \$417 million. Robust demand for Jakafi in all three approved indications drove revenues.

Net product revenues of Iclusig amounted to \$20.6 million, up from \$20.1 million in the year-ago quarter.

Jakavi (name outside the United States) royalty revenues from Novartis AG for commercialization in ex-U.S. markets grew 15% to \$58.4 million. Olumiant's product royalty revenues from Eli Lilly came in at \$21.6 million.

R&D expenses were \$281.3 million, down from \$292.5 million in the year-ago quarter. SG&A expenses amounted to \$102.6 million, up from \$96.5 million in the prior-year quarter.

2019 Outlook Updated

Based on a strong performance of Jakafi in the first nine months of 2019, the company raised its revenue guidance for the same.

The company expects Jakafi revenues of \$1,650-\$1,680 million for 2019 (previous guidance: \$1,610-\$1,650 million). Iclusig revenues are still expected to be \$90-\$100 million. R&D expenses are expected to be \$1,020-\$1,070 million. SG&A expenses are anticipated to be \$420-\$470 million.

Pipeline Update

Pipeline progress in the third quarter was impressive. REACH2, the phase III study evaluating Jakafi in patients with steroid-refractory acute graft-versus-host disease (GVHD), met its primary endpoint of superior overall response rate at day 28 with Jakafi treatment compared to best available therapy. The REACH2 and REACH3 trials, evaluating steroid-refractory acute and steroid-refractory chronic GVHD, respectively, are being conducted in collaboration with Novartis.

An Independent Data Monitoring Committee (IDMC) recommended that the phase III REACH3 trial should continue without modification following an interim efficacy and safety analysis.

Results from the global phase III GRAVITAS-301 trial on itacitinib for the treatment of patients with newly-diagnosed acute GVHD are expected before the end of 2019.

Incyte submitted the NDA for pemigatinib as a second-line treatment for cholangiocarcinoma patients with FGFR2 fusions or rearrangements to the FDA under Breakthrough Therapy designation.

The phase III TRuE-V development program of ruxolitinib cream in patients with vitiligo was initiated in September, with initial results expected in 2021. The phase III TRuE-AD development program of ruxolitinib cream in patients with atopic dermatitis is ongoing, with initial results expected in the first half of 2020.

Quarter Ending **09/2019**

Report Date	Oct 29, 2019
Sales Surprise	2.34%
EPS Surprise	26.15%
Quarterly EPS	0.82
Annual EPS (TTM)	2.59

Recent News

Data From BREEZE-AD5 Study – Jan 30

Incyte and Eli Lilly announced that baricitinib met the primary endpoint in BREEZE-AD5, an experimental phase III, randomized, placebo-controlled study evaluating the safety and efficacy of the candidate in adult patients with moderate-to-severe atopic dermatitis (AD). The primary endpoint was defined by the proportion of patients achieving at least a 75% or greater change from baseline in their Eczema Area and Severity Index (EASI) at week 16.

Lilly recently submitted baricitinib for regulatory review in Europe as a treatment for patients with moderate-to-severe AD and plans to submit for approval in the United States and Japan in 2020.

Data From Atopic Dermatitis Study – Jan 29

Incyte announced positive top-line results from a late-stage study evaluating the safety and efficacy of ruxolitinib cream in adolescent and adult patients with atopic dermatitis (AD). The randomized, vehicle-controlled, pivotal phase III TRuE-AD2 study met its primary endpoint as a larger number patients treated with ruxolitinib cream 0.75% and 1.5% achieved Investigator's Global Assessment Treatment Success (IGA-TS) — defined as an IGA score of 0 (clear) or 1 (almost clear) with at least a two-point improvement from baseline at Week 8 — than those treated with vehicle control (non-medicated cream). The long-term safety portion of the study will continue as planned.

Data from BREEZE-AD4 Study – Jan 27

Incyte and Eli Lilly announced that the phase III, randomized, placebo-controlled BREEZE-AD4 study on oral JAK inhibitor, Olumiant was successful. The study evaluated the efficacy and safety of 1 mg, 2 mg and 4 mg doses of baricitinib in combination with topical corticosteroids (TCS) in patients with moderate-to-severe atopic dermatitis (AD), who have experienced failure to cyclosporine or are intolerant to or have a contraindication to cyclosporine.

The primary endpoint was defined by the proportion of patients achieving at least a 75% or greater change from baseline in their Eczema Area and Severity Index (EASI) at Week 16. Results show that the 4 mg dose of baricitinib plus TCS met the primary endpoint.

Global Collaboration and License Agreement With MorphoSys – Jan 13

Incyte entered into a collaboration and license agreement with MorphoSys to further develop and commercialize the latter's proprietary anti-CD19 antibody, tafasitamab (MOR208), globally. Tafasitamab is an Fc-engineered antibody against CD19, currently in clinical development for the treatment of B cell malignancies. MorphoSys and Incyte will co-commercialize the candidate in the United States, while the latter has exclusive commercialization rights outside of the country.

Per the agreement, MorphoSys will receive an upfront payment of \$750 million. In addition, Incyte will make an equity investment of \$150 million in new American Depositary Shares (ADS) of MorphoSys at a premium to the share price upon signing of the agreement.

Application for Pemigatinib Gets EMA's Validation – Jan 7

Incyte announced that the European Medicines Agency (EMA) has validated the Marketing Authorization Application (MAA) for its investigational FGFR inhibitor, pemigatinib, to treat adult patients with locally advanced/metastatic cholangiocarcinoma with an FGFR2 fusion or rearrangement that is relapsed or refractory after at least one line of systemic therapy. Cholangiocarcinoma is also known as bile-duct cancer.

Itacitinib Fails in Late-Stage GVHD Study- Jan 2

Incyte announced disappointing results on pipeline candidate itacitinib, (INCB039110) a novel and selective JAK1 inhibitor.

The phase III randomized, double-blind, placebo-controlled GRAVITAS-301 study was evaluating itacitinib in combination with corticosteroids in patients with treatment-naïve (first-line) acute graft-versus-host disease (GVHD).

However, the study did not meet the primary endpoint of overall response rate (ORR) improvement at day 28 compared to placebo plus corticosteroids (74.0% vs. 66.4%, p=0.08, respectively). While itacitinib added to corticosteroids improved the ORR in patients with treatment-naïve acute GVHD, the difference observed versus placebo plus corticosteroids was not statistically significant. Additionally, there was no difference observed in NRM at month 6 between the treatment and placebo arms.

Valuation

Incyte's shares are down 9.3% over the trailing 12-month period. Over the past year, the Zacks sub-industry is down 6.9% and the sector is up 1.6%. The S&P 500 index is up 205% in the past year.

The stock is currently trading at 6.28X forward 12-month sales per share, which compares to 2.81X for the Zacks sub-industry, 2.82X for the Zacks sector and 3.49X for the S&P 500 index.

Over the past five years, the stock has traded as high as 27.64X and as low as 6.18X, with a 5-year median of 12.12X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$84 price target reflects 7.21X forward 12-month sales per share.

The table below shows summary valuation data for INCY

Valuation Multiples - INCY					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	6.28	2.81	2.82	3.49
	5-Year High	27.64	2.92	3.82	3.49
	5-Year Low	6.18	2	2.43	2.54
	5-Year Median	12.12	2.54	2.95	3
P/B TTM	Current	6.5	3.73	4.52	4.48
	5-Year High	426.7	5.75	5.02	4.55
	5-Year Low	N/A	2.42	3.43	2.85
	5-Year Median	11.86	3.25	4.29	3.62

As of 01/30/2020

Industry Analysis Zacks Industry Rank: Top 31% (79 out of 255)



Top Peers

Bristol-Myers Squibb Company (BMY)	Outperform
Eli Lilly and Company (LLY)	Outperform
Pfizer Inc. (PFE)	Outperform
Geron Corporation (GERN)	Neutral
Gilead Sciences, Inc. (GILD)	Neutral
Merck & Co., Inc. (MRK)	Neutral
Novartis AG (NVS)	Neutral
Roche Holding AG (RHHBY)	Neutral

Industry Comparison Industry: Medical - Biomedical And Genetics				Industry Peers		
	INCY Neutral	X Industry	S&P 500	BMY Outperform	MRK Neutral	NVS Neutral
VGM Score	A	-	-	A	A	C
Market Cap	15.75 B	199.70 M	23.94 B	103.96 B	220.23 B	219.83 B
# of Analysts	6	3	13	3	6	5
Dividend Yield	0.00%	0.00%	1.77%	2.82%	2.82%	1.92%
Value Score	C	-	-	A	B	B
Cash/Price	0.12	0.23	0.04	0.31	0.04	0.04
EV/EBITDA	80.41	-3.42	14.14	14.51	17.77	10.76
PEG Ratio	0.69	1.55	2.01	0.78	1.73	2.01
Price/Book (P/B)	6.50	3.83	3.25	5.86	8.23	3.96
Price/Cash Flow (P/CF)	67.12	12.33	13.56	14.56	13.94	12.29
P/E (F1)	21.96	28.79	18.90	10.56	15.62	16.88
Price/Sales (P/S)	7.47	13.96	2.64	4.30	4.79	4.63
Earnings Yield	4.51%	-16.27%	5.28%	9.47%	6.40%	5.92%
Debt/Equity	0.02	0.02	0.72	1.37	0.84	0.40
Cash Flow (\$/share)	1.09	-1.07	6.92	4.38	6.21	7.80
Growth Score	A	-	-	B	A	C
Hist. EPS Growth (3-5 yrs)	NA%	16.50%	10.68%	20.32%	7.23%	0.15%
Proj. EPS Growth (F1/F0)	19.67%	8.51%	7.59%	39.17%	7.41%	8.44%
Curr. Cash Flow Growth	26.38%	19.64%	10.81%	24.21%	3.40%	-4.95%
Hist. Cash Flow Growth (3-5 yrs)	53.20%	8.23%	8.78%	13.59%	-1.53%	2.20%
Current Ratio	5.02	5.12	1.22	3.83	1.26	1.04
Debt/Capital	2.01%	3.95%	42.99%	57.87%	45.72%	28.42%
Net Margin	19.21%	-197.98%	11.69%	23.53%	20.26%	24.73%
Return on Equity	20.07%	-64.16%	17.33%	45.49%	48.16%	23.39%
Sales/Assets	0.73	0.20	0.55	0.53	0.55	0.39
Proj. Sales Growth (F1/F0)	15.19%	16.56%	4.12%	73.03%	5.95%	4.95%
Momentum Score	A	-	-	C	B	C
Daily Price Chg	-2.47%	-1.27%	0.36%	-0.51%	-0.85%	0.19%
1 Week Price Chg	-4.67%	-2.94%	-1.09%	-3.84%	-5.49%	-2.15%
4 Week Price Chg	-14.92%	-0.76%	-0.22%	0.74%	-6.02%	1.02%
12 Week Price Chg	-11.62%	10.48%	4.08%	10.82%	4.37%	10.27%
52 Week Price Chg	-9.24%	-10.71%	16.06%	29.25%	16.22%	9.60%
20 Day Average Volume	1,690,308	205,811	1,808,632	14,421,093	8,929,585	1,830,364
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%
(F1) EPS Est 4 week change	-0.18%	0.00%	0.00%	-0.69%	0.88%	0.18%
(F1) EPS Est 12 week change	-0.18%	0.00%	-0.09%	11.68%	0.92%	-1.56%
(Q1) EPS Est Mthly Chg	NA%	0.00%	0.00%	0.00%	NA	NA

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	A
Momentum Score	A
VGM Score	A

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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