

Intel Corporation (INTC)

\$57.47 (As of 05/01/20)

Price Target (6-12 Months): **\$61.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 04/08/20)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:A

Value: B

Growth: A

Momentum: C

Summary

Intel first-quarter results reflect gains across both PC-centric and Data-centric domains. Robust mix of high-performance second-generation Xeon Scalable processors and solid demand from Cloud service providers is expected to drive near-term growth. The company is also making advancements in the IoT space, courtesy of product introductions and tie ups. Moreover, Intel is witnessing strong momentum for its first 10-nanometer (nm) mobile CPU. Although shares have underperformed in the past year, these factors are expected to help the company grow in the rest of 2020. Notably, the company has not provided 2020 guidance citing coronavirus crisis-induced business uncertainty. Further, declining PC total addressable market, higher expenses pertaining to 10-nm ramp up and constrained supply amid coronavirus outbreak in China remain concerns.

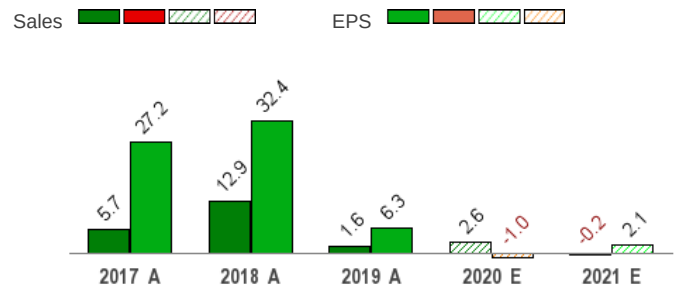
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$69.29 - \$42.86
20 Day Average Volume (sh)	28,015,196
Market Cap	\$243.3 B
YTD Price Change	-4.0%
Beta	0.82
Dividend / Div Yld	\$1.32 / 2.2%
Industry	Semiconductor - General
Zacks Industry Rank	Bottom 47% (135 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	13.3%
Last Sales Surprise	5.7%
EPS F1 Est- 4 week change	-0.3%
Expected Report Date	NA
Earnings ESP	0.0%
P/E TTM	10.6
P/E F1	11.9
PEG F1	1.6
P/S TTM	3.2

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	17,173 E	17,895 E	19,456 E	19,812 E	73,739 E
2020	19,828 A	18,514 E	17,959 E	17,456 E	73,850 E
2019	16,061 A	16,505 A	19,190 A	20,209 A	71,965 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$1.06 E	\$1.14 E	\$1.33 E	\$1.40 E	\$4.92 E
2020	\$1.45 A	\$1.10 E	\$1.15 E	\$1.13 E	\$4.82 E
2019	\$0.89 A	\$1.06 A	\$1.42 A	\$1.52 A	\$4.87 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 05/01/2020. The reports text is as of 05/04/2020.

Overview

Intel Corporation, the world's largest semiconductor company and primary supplier of microprocessors and chipsets, is gradually reducing its dependence on the PC-centric business by moving into data-centric businesses — such as AI and autonomous driving.

In fact, its data-centric businesses accounted for 48.3% of revenues in fiscal 2019. This underscores the fact that the company's data-centric businesses are helping it generate revenues close to what it generates from the PC business. The contribution of data-centric businesses to the total revenues has grown gradually over the past five years and should become significant in the near future.

Nevertheless, the company continues to maintain its dominant market share for microprocessors in both consumer and enterprise markets.

Intel generated \$71.97 billion in revenues in 2019.

Data Center Group (DCG), Internet of Things Group (IOTG), Mobileye, Non-Volatile memory solutions group (NSG) and Programmable solutions Group (PSG) and All Other business units form the crux of Intel's data-centric business model.

DCG accounted for 33% of revenues in 2019. The segment deals with servers, workstations and other products for cloud, enterprise, and communication infrastructure market.

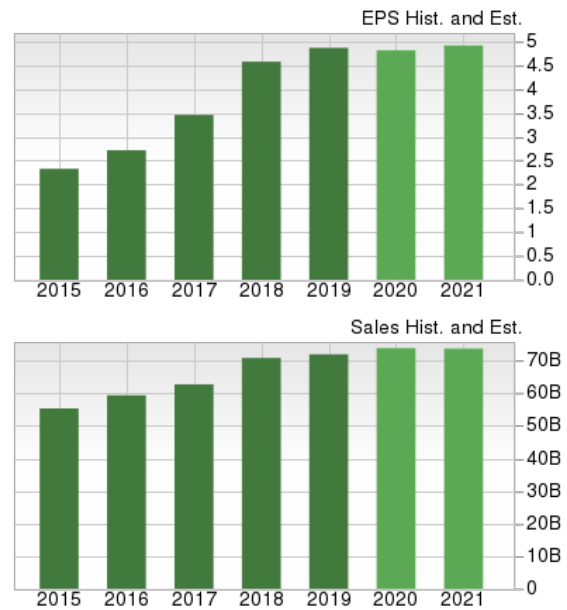
IOTG offers high-performance compute (HPC) solutions and embedded applications. The segment accounted for 5% of 2019 revenues.

NSG contributed 6% to revenues in 2019. The segment primarily offers memory and storage products like Optane and 3D NAND technology, primarily utilizing SSDs.

PSG segment that accounted for 3% of revenues offers programmable semiconductors, primarily FPGAs and structured ASICs.

Mobileye contributed 1% to revenues in 2019. The segment is engaged in developing computer vision and machine learning-based sensing, data analysis, localization, mapping, and driving policy technology for ADAS and autonomous driving. Intel acquired Mobileye in 2018.

Client Computing Group (CCG), which accounted for 52% of 2019 revenues, is the company's largest segment. The company is the dominant provider of computer CPUs. It began shipping 10 nanometer (nm) based 10th generation processors (previously referred to as Ice Lake) in 2019.



Reasons To Buy:

▲ Management strategy has evolved with the changing times. The primary focus area at the moment is the data center and cloud, where Intel is doing everything possible to maintain its market share and profitability. Supporting this is continued investment in the Internet of Things (IoT) and non volatile memory/storage (memory is closely associated with processing speeds and it also helps increase penetration at customers). Also, while the focus was earlier on making the best computing chips and generating industry-leading margins from them, Intel now prefers to focus on a product range targeting different segments of the market. Management says that the higher-end business in more developed economies continues to look up, but the new strategy should help it get into many more device categories, where Intel products will continue to enjoy a premium based on performance and cost of ownership.

Intel's leading position in PC market, strength in servers, growing clout in software, IoT & ADAS domains and headway in process technology are positive indicators of future growth prospects.

▲ We are particularly optimistic about the data center business. The drive to lower-cost computing devices is increasing the pressure on servers that are taking the load off these devices. As more information in various structures and formats are increasingly stored in the cloud, there is demand for a new breed of chips that are more efficient in terms of cost and energy but may not pack in quite as much compute power as in the past. This is the area where many expected lost opportunity for Intel because of its focus on compute power that often proved more expensive and also power guzzling. But Intel has made advancements in this area as well and it is now offering more integrated solutions that will likely be competitive on a cost per watt basis. The company's investments in field programmable gate array (FPGA) for acceleration (dramatically increases performances at very low power) and memory to reduce latency and increase speeds are helping it develop custom solutions for big players. Adding Altera and eASIC is also aiding it in strengthening position in the networking segment. Therefore, cloud computing, virtualization, enterprise upgrades and new products (Xeon Scalable) should all drive sales this year.

▲ Intel may have been late to the mobile market, but it wasted no time getting into the Internet of Things. Market research from Gartner, IDC and other independent firms say that this market will see very strong growth over the next few years. Intel's renewed focus on supplying not just chips but associated hardware puts it in a position of strength here. The Altera acquisition should also help. The biggest positive in this respect is the nascent stage of the market, which indicates potential for expanding exponentially. The company generated \$3.82 billion from IoT in 2019 (it mainly focuses on retail, transport, industrial and domestic segments). The products it has showcased thus far look good and Intel continues to introduce new products. It is also making strategic acquisitions (like Recon) to build out the portfolio and further strengthen its position in this emerging market. The company is well positioned to tap the tremendous scope for growth because it is at the forefront of leading-edge processing technology, which will increasingly be required to generate sufficient volumes at low cost.

▲ Intel's non-volatile memory business is poised to take off. While NVM has fairly broad application across markets, the company is primarily targeting enterprise/data center customers to drive penetration of this high-margin segment. The company tied up with Micron to develop new memory technologies back in 2006. In 2015, this collaboration yielded the densest 3D NAND technology, which is noteworthy. In March, 2018, Intel launched Optane, its NVM product based on 3D XPoint technology. Per Intel, Optane is the most responsive data center SSD with lower latency than all of the fastest NAND flash based competitors. Also, Intel took forward its long-standing relationship with Micron by updating the terms of their 3D XPoint joint development partnership. The alliance resulted in the development of non-volatile memory that is much faster and more reliable/endurable than NAND.

▲ Intel's acquisition of Israel-based Mobileye, an autonomous vehicle technology provider is significantly positive in our view. The acquisition will help the company rapidly penetrate the autonomous car technology market, currently dominated by the likes of NVIDIA and Qualcomm. With the buyout, Intel will now have access to Mobileye's technologies related to cameras, in-car networking, sensor-chips, roadway mapping, cloud software, machine learning and data management. This will boost its customer base going forward. In 2019, Mobileye contributed \$879 million to total revenues. In first-quarter, 2020, Mobileye garnered revenues of \$254 million, which rose 22% on a year-over-year basis.

Reasons To Sell:

- ▼ Intel is witnessing intensifying competition in the server, storage and networking markets. The server segment has always generated strong margins and Intel's powerful architecture has always been considered supreme. However, ARM is posing a challenge in the fast-growing microserver segment and its designs have seen adoption at several Intel competitors. The NVIDIA alliance with IBM is likely to increase competition in the HPC accelerator segment and is another indication of competitors teaming up against Intel. IBM has since tied with more than 100 companies including NVIDIA and Google through its OpenPower project with the intention of building an ecosystem around its Power chips. IBM's chip architecture already supports big data and HPC workloads, and the company is getting ready for a comeback with its first server chips for the Chinese market this year. Intel could also see increasing competition from IBM in chip architecture. For one, IBM has showcased a 7 nanometer (nm) chip design that it expects to be in volume production by 2020. While Intel could have a 7 nm chip itself by then, the IBM design will put other options in the market, which can destroy its process lead and therefore impact profitability on that generation of chips. Further, while Intel is the most experienced at qualifying processes and volume producing, IBM has tied up with Samsung and GlobalFoundries, which are also building leading edge capabilities. The company has been also facing stiff competition from AMD. Notably, Intel's chips utilize process technologies that are designed in-house. Meanwhile, AMD is currently leveraging Taiwan Semiconductor Manufacturing Company's 7 nm process technology, which is enabling it to deliver its advanced 7 nm chips faster to market. Further, AMD aims to deliver "Zen 4" core architecture, which is "currently in design" utilizing advanced 5 nm process technology. This is a major concern for Intel, which is yet to deliver 7 nm chips. Intense competition is likely to lead to pricing pressure and limit margin expansion at least in the near term.
- ▼ Intel derives a significant proportion of revenues from outside the United States (79.8% of total revenues in fiscal 2018), subjecting the company to exchange rate volatility. Unfavorable movement in exchange rates of foreign currencies like renminbi, euro, pound sterling, Costa Rican colon, and yen related to the U.S. dollar can adversely impact results and undermine growth potential to some extent. Notably, Intel is susceptible to the demand environment in China (26.6% of revenues in fiscal 2018), which is at present quite sluggish.
- ▼ Further, imposition of tariffs owing to trade war between the United States and China, and the coronavirus outbreak, is anticipated to negatively impact growth prospects. The uncertainty over the economic impact of coronavirus crisis has affected investors' confidence and is likely to remain an overhang on the company's performance. Intel anticipates impending global recession is to weigh on IOTG end markets, especially retail and industrial. Moreover, lower automotive production due to lockdowns, is a concern for Mobileye. Additionally, sluggish data center demand across enterprise and government end-markets remains a woe.
- ▼ A declining trend in PC shipments negatively impacted business prospects of Intel, which continues to depend substantially on PC sales. Per Gartner's preliminary data, PC shipments in first-quarter 2020 declined 12.3% year over year to 51.6 million units. Going by the IDC report, shipments were down 9.8% on a year-over-year basis and totaled 53.2 million in the period under review. The company anticipates decline in the PC total addressable market (TAM) in the second half of 2020, as weakness in economy is likely to offset the spike in coronavirus-led demand, which remains a major concern.
- ▼ Moreover, Intel has a leveraged balance sheet. As of Mar 28, 2020, the company's net debt was \$19.12 billion compared with \$15.88 billion as of Dec 28, 2019. Further, to enhance its liquidity position, the chipmaker announced that it is suspending stock repurchases temporarily on account of the COVID-19 crisis. Moreover, debt-to-capital stands at 34.3% higher than prior quarter's 27.2%. Consequently, the company has to constantly generate adequate amount of operating cash flow to service its debt.

Intel's failure to gain significant mobile share, intensifying competition from ARM-based devices, and impact of new product costs are major concerns amid significant foreign currency exposure.

Last Earnings Report

Intel Q1 Earnings Top Estimates, Robust DCG Growth Aids Revenues

Intel reported first-quarter 2020 non-GAAP earnings of \$1.45 per share, which beat the Zacks Consensus Estimate by 13.28%. The figure improved 63% from the year-ago quarter.

Revenues totaled \$19.83 billion, beating the consensus mark by 5.73%. The figure improved 23% year over year.

Segment Revenue Details

Client Computing Group or CCG (49.3% of total revenues) represents Intel's PC-centric business. The company bundles PCs, notebooks, 2-in-1s, tablets and other computing devices under the Client segment, which aids comparison with the PC market numbers provided by IDC and Gartner.

Revenues were up 14% on a year-over-year basis to \$9.775 billion. Higher modem sales and notebook demand amid increased supply drove the top line.

Notably, Platform revenues increased 11% year over year. Modem/Adjacencies improved 40% from the year-ago quarter.

While notebook platform volumes increased 22% year over year, desktop platform volumes declined 4%.

PC volumes grew 13% on a year-over-year basis. Further, while Notebook's average selling price (ASP) declined 3% year over year, Desktop ASP improved 4%.

Intel anticipates strong momentum for its first 10-nanometer (nm) mobile CPU, Ice Lake, in the first half.

Notably, Intel is adding wafer capacity across its 14 nm and 10 nm nodes in 2020 to boost PC unit volumes in a bid to meet market demand.

Moreover, the company is on track to deliver its lead 7 nm product, Ponte Vecchio, at the end of 2021.

Data Center Group or DCG (35.3%) revenues improved 43% year over year to \$6.993 billion. Strong mix of high-performance second-gen Xeon Scalable processors, and solid demand for Cloud service providers (CSP) and networking solutions led to the upside.

Platform revenues were up 43% year over year. Adjacencies surged 35% from the year-ago quarter.

DCG Platform unit volumes were up 27% year over year, while ASP rose 13%.

CSP revenues advanced 53% year over year. Further, revenues from Communication service provider increased 33%. Revenues from Enterprise & Government grew 34%.

Internet of Things Group or IOTG revenues declined 3% from the year-ago quarter to \$883 million. The coronavirus crisis-induced weakness in retail and industrial end markets led to year-over-year decline.

Mobileye revenues of \$254 million rose 22% on a year-over-year basis. Growth was driven by increasing ADAS adoption and ramp of new IQ programs. However, lower automotive production due to lockdowns, limited revenue growth.

Total Internet of Things revenues (5.7% of total revenues), comprising IOTG and Mobileye, increased 1.6% year over year to \$1.14 billion.

Non-Volatile Memory Solutions Group or NSG (6.7%) revenues surged 46% year over year to \$1.34 billion on improvement in pricing trends and Optane bit growth.

Programmable Solutions Group or PSG (2.6%) revenues grew 7% from the year-ago quarter to \$519 million, driven by strength across cloud and enterprise verticals.

Intel also has a residual segment, **All Other** (0.3%), which includes results of operations from other adjustments. The segment reported revenues of \$66 million, up 24.5% year over year.

Notably, DCG, IOTG, NSG, PSG, Mobileye and All Other business units form the crux of Intel's data-centric business model. Revenues from the data-centric businesses came in at \$10.05 billion (50.7% of total revenues), up 34% collectively on a year-over-year basis.

Margins

Non-GAAP gross margin in the reported quarter was 62.1%, which expanded around 370 basis points (bps) on a year-over-year basis. The expansion was driven by robust growth in platform revenues.

Non-GAAP Research & development (R&D) expenses, and Marketing, General & Administrative (MG&A) expenses decreased 2% year over year to \$4.8 billion.

Non-GAAP operating income surged 67% year over year to \$7.5 billion.

Non-GAAP operating margin was 38%, compared with the year-ago quarter's figure of 28%. Positive impact of higher gross margin and lower spending were offset by loss in ICAP and effect of higher tax rate.

Quarter Ending **03/2020**

Report Date	Apr 23, 2020
Sales Surprise	5.73%
EPS Surprise	13.28%
Quarterly EPS	1.45
Annual EPS (TTM)	5.45

Segment Operating Margin Details

Segment operating margin was 35.5%, expanded 950 basis points (bps) on a year-over-year basis.

CCG operating margin of 43.2% expanded 740 bps year over year.

DCG operating margin was 49.9%, compared with the year-ago quarter's figure of 37.6%.

IOTG operating margin was 27.5%, which contracted 10 bps from the year-ago quarter, owing to weakness across retail and industrial end markets.

Mobileye operating income came in at \$88 million, up 29.4% year over year.

NSG group reported an operating loss of \$66 million compared with a loss of \$297 million in the year-ago quarter.

PSG operating income of \$97 million improved 9% from the year-ago quarter.

All Other segment reported a loss of \$1.04 billion compared with a loss of \$850 million reported in the year-ago quarter.

Balance Sheet

As of Mar 28, 2020, cash and cash equivalents, short-term investments and fixed-income trading asset balance were \$20.8 billion compared with \$13.12 billion as of Dec 28, 2019.

Total debt as of Mar 28, 2020, was \$39.92 billion compared with \$29 billion as of Dec 28, 2019. The company issued debt to boost liquidity.

In the first quarter, the company paid out dividends worth \$1.41 billion and repurchased 71 million shares worth \$4.23 billion.

Markedly, on Mar 24, Intel filed 8K with the SEC, announcing that it is suspending stock repurchases temporarily on account of the COVID-19 crisis. However, the company will continue its dividend payment plans. Notably, in October 2019, Intel had announced plans to repurchase shares worth \$20 billion over the next 15-18 months. The company noted that prior to the stock buyback suspension announcement; it had repurchased shares worth \$7.6 billion in fourth-quarter 2019 and first-quarter 2020.

Guidance

For second-quarter 2020, Intel expects non-GAAP revenues of \$18.5 billion.

In the second quarter, momentum in Notebook demand is expected to continue as more people are working and learning from home in the wake of coronavirus crisis-induced lockdowns.

Non-GAAP gross margin and operating margin is anticipated to be 56% and 30%, respectively.

Non-GAAP earnings are likely to be \$1.10 per share.

For 2020, Intel has not provided any guidance, citing business uncertainty and "limited visibility" pertaining to coronavirus crisis.

The company had earlier projected revenues of \$73.5 billion and non-GAAP earnings per share to be \$5.

Coronavirus crisis-led robust demand across mobile compute, cloud, and network infrastructure for 5G, verticals is a tailwind. However, impending global recession is likely to weigh on IOTG end markets, especially retail and industrial. Further, lower automotive production due to lockdowns, is a concern for Mobileye. Also, sluggish data center demand across enterprise and government end-markets remains a woe.

Intel anticipates decline in the PC total addressable market (TAM) in the second half, as weakness in economy is likely to offset the spike in coronavirus-led demand.

Recent News

On Apr 29, Intel and Medical Informatics or MIC announced "Scale to Serve Program" to aid hospitals in rapidly installing and scaling MIC's Sickbay platform, as a part of Intel's \$50 million investment to tackle coronavirus pandemic.

On Apr 9, Intel in collaboration the Georgia Institute of Technology (or Georgia Tech) recently secured a multimillion-dollar contract from the Defense Advanced Research Projects Agency (DARPA). Per the four-year deal, both Intel and Georgia Tech, will helm "Guaranteeing Artificial Intelligence (AI) Robustness against Deception (GARD) program team" for DARPA. Notably, Intel is the prime contractor in the joint deal, aimed at enhancing cybersecurity defense infrastructure against deception and spoofing attacks on machine learning (ML) algorithms.

On Apr 6, Intel and MaxLinear inked agreement, by which Intel will sell off its Home Gateway Platform Division to. The all-cash deal is valued at \$150 million and is subject to regulatory approvals and other customary closing conditions. The divestiture is anticipated to conclude in third-quarter 2020.

On Apr 2, Intel rolled out 10th generation Core H-series mobile processors with high performance and fast frequency capabilities to provide immersive gaming experience to enthusiasts.

On Mar 18, Intel unveiled Pohoiki Springs, neuromorphic computing data center rack-mounted system, enabled to offer computational capacity of 100 million neurons. The latest computing system scales up Loihi neuromorphic research chip by more than 750 times, which can accelerate complex research workloads considerably. Loihi chips are an attempt to harness the power of neurons for advanced data processing in real-time. Power efficient Loihi research chips have been demonstrated to orient direction using learned visual landmarks, identify gestures in real time, and even learn new odor patterns. In collaboration with Cornell University, the chipmaker trained its neuromorphic chip to learn and identify smell of 10 hazardous chemicals.

On Mar 5, Intel unveiled co-packaged optics on an Ethernet switch, comprising 1.6 Tbps silicon photonics engine integrated with 12.8 Tbps programmable Ethernet switch. The co-packaged solution is aimed at enabling hyperscale data centers to meet demand for limitless bandwidth in a power- and cost-efficient manner.

On Feb 24, Intel rolled out Atom P5900, a system-on-a-chip (SoC), based on 10 nanometer (nm) technology, for wireless base stations aimed at accelerated deployment of 5G networks.

Valuation

Intel shares are down 3.5% in the year-to-date period and up 14.1% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 0.4%, while stocks in the Zacks Computer & Technology sector are down 4.8% in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are up 22.5% and 4.7%, respectively.

The S&P 500 index is down 11.5% in the year-to-date period and 1.7% in the past year.

The stock is currently trading at 11.84X forward 12-month earnings compared with 18.4X for the Zacks sub-industry, 22.32X for the Zacks sector and 20.18X for the S&P 500 index.

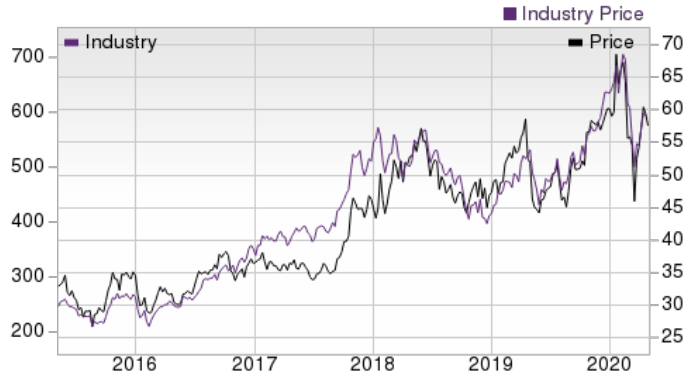
Over the past five years, the stock has traded as high as 15.18X and as low as 8.93X, with a 5-year median of 12.59X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$61 price target reflects 12.57X forward 12-month earnings.

The table below shows summary valuation data for INTC

Valuation Multiples - INTC					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	11.84	18.4	22.32	20.18
	5-Year High	15.18	19.73	22.32	20.18
	5-Year Low	8.93	12.86	16.71	15.19
	5-Year Median	12.59	16.31	19.23	17.44
P/S F12M	Current	3.3	4.71	3.41	3.19
	5-Year High	4.06	5.16	3.59	3.44
	5-Year Low	2.18	2.4	2.32	2.54
	5-Year Median	2.89	3.82	3.1	3.01
EV/Sales TTM	Current	3.42	4.77	3.8	2.81
	5-Year High	4.3	5.89	4.44	3.45
	5-Year Low	2.19	2.18	2.58	2.16
	5-Year Median	3.13	3.91	3.57	2.82

As of 05/01/2020

Industry Analysis Zacks Industry Rank: Bottom 47% (135 out of 253)



Top Peers

Company (Ticker)	Rec	Rank
QUALCOMM Incorporated (QCOM)	Outperform	3
Ambarella, Inc. (AMBA)	Neutral	3
Advanced Micro Devices, Inc. (AMD)	Neutral	3
Broadcom Inc. (AVGO)	Neutral	3
Micron Technology, Inc. (MU)	Neutral	4
NVIDIA Corporation (NVDA)	Neutral	3
Western Digital Corporation (WDC)	Neutral	4
Xilinx, Inc. (XLNX)	Neutral	4

Industry Comparison Industry: Semiconductor - General				Industry Peers		
	INTC	X Industry	S&P 500	AMD	NVDA	XLNX
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	4
VGM Score	A	-	-	C	C	F
Market Cap	243.33 B	13.76 B	20.61 B	58.42 B	173.95 B	20.65 B
# of Analysts	14	7	14	11	11	9
Dividend Yield	2.30%	0.89%	2.11%	0.00%	0.23%	1.78%
Value Score	B	-	-	F	D	F
Cash/Price	0.05	0.06	0.06	0.02	0.06	0.10
EV/EBITDA	7.63	10.80	11.87	80.03	50.38	19.04
PEG Ratio	1.59	2.61	2.47	2.03	2.52	3.40
Price/Book (P/B)	3.18	3.23	2.67	19.65	14.18	8.92
Price/Cash Flow (P/CF)	7.89	12.25	10.66	68.88	55.64	25.22
P/E (F1)	11.89	35.76	19.01	49.08	38.28	30.61
Price/Sales (P/S)	3.21	2.88	2.10	8.06	15.93	6.53
Earnings Yield	8.39%	2.65%	5.05%	2.04%	2.61%	3.27%
Debt/Equity	0.33	0.26	0.72	0.17	0.21	0.32
Cash Flow (\$/share)	7.60	5.19	7.01	0.76	5.25	3.46
Growth Score	A	-	-	A	A	C
Hist. EPS Growth (3-5 yrs)	21.32%	32.62%	10.88%	NA	43.93%	14.09%
Proj. EPS Growth (F1/F0)	-1.07%	-25.24%	-7.32%	58.81%	27.60%	-19.07%
Curr. Cash Flow Growth	6.53%	-7.16%	5.92%	44.79%	-20.70%	-13.61%
Hist. Cash Flow Growth (3-5 yrs)	9.99%	12.14%	8.55%	27.24%	28.68%	2.63%
Current Ratio	1.40	3.49	1.23	1.95	7.67	2.68
Debt/Capital	24.62%	20.60%	43.84%	14.67%	17.30%	24.40%
Net Margin	30.02%	25.60%	11.08%	6.72%	25.60%	25.07%
Return on Equity	31.72%	26.08%	16.44%	30.54%	26.08%	33.25%
Sales/Assets	0.57	0.71	0.54	1.33	0.71	0.64
Proj. Sales Growth (F1/F0)	2.62%	-6.28%	-1.42%	25.38%	19.77%	-9.02%
Momentum Score	C	-	-	C	F	F
Daily Price Chg	-2.95%	-1.76%	-2.39%	-2.37%	-2.07%	-4.69%
1 Week Price Chg	-1.82%	0.57%	-1.74%	-0.74%	-0.93%	0.83%
4 Week Price Chg	10.36%	14.09%	17.07%	17.76%	14.41%	10.42%
12 Week Price Chg	-10.60%	-10.45%	-18.53%	6.22%	14.96%	-0.36%
52 Week Price Chg	18.66%	5.48%	-9.82%	85.19%	59.55%	-26.49%
20 Day Average Volume	28,015,196	1,041,681	2,641,413	77,189,808	12,434,947	3,060,922
(F1) EPS Est 1 week change	-0.38%	0.00%	0.00%	-1.22%	-1.05%	-3.76%
(F1) EPS Est 4 week change	-0.30%	-0.73%	-6.62%	-1.22%	-1.16%	-19.66%
(F1) EPS Est 12 week change	-3.37%	-36.24%	-13.28%	-5.50%	3.24%	-25.72%
(Q1) EPS Est Mthly Chg	-11.04%	-11.04%	-11.97%	-12.25%	-0.71%	-20.78%

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	A
Momentum Score	C
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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