Intel Corporation (INTC)

$49.17 (As of 08/20/20)

Price Target (6-12 Months): **$52.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 04/08/20) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:A
	Value: A | Growth: A | Momentum: C	

Summary

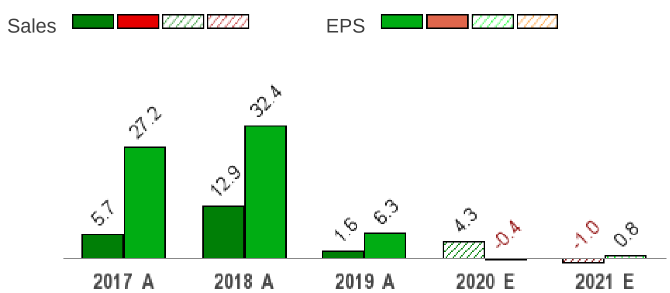
Intel is benefiting from strength across both PC-centric and Data-centric domains. Robust mix of high-performance second-generation Xeon Scalable processors and solid demand from Cloud service providers are expected to boost growth. Strong momentum for 10 nanometer (nm) mobile CPU bodes well. Notably, the company provided encouraging 2020 guidance. Further, solid uptake of 5G networking solutions, higher Wi-Fi and modem sales and solid notebook demand, improvement in NAND pricing trends led higher ASPs, and Optane bit growth, remain tailwinds. However, anticipated decline in PC total addressable market, and production delays pertaining to 7 nm ramp up remain concerns. Notably, shares of Intel have underperformed in the year-to-date period. Also, coronavirus crisis-led weakness in retail, vison, automotive and industrial end markets is a headwind.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$69.29 - $43.63**
20 Day Average Volume (sh)	**46,121,560**
Market Cap	**$209.1 B**
YTD Price Change	**-17.9%**
Beta	**0.68**
Dividend / Div Yld	**$1.32 / 2.7%**
Industry	**Semiconductor - General**
Zacks Industry Rank	**Top 29% (72 out of 252)**
Last EPS Surprise	**10.8%**
Last Sales Surprise	**6.4%**
EPS F1 Est- 4 week change	**0.8%**
Expected Report Date	**10/22/2020**
Earnings ESP	**0.0%**
P/E TTM	**8.8**
P/E F1	**10.1**
PEG F1	**1.4**
P/S TTM	**2.7**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	17,227 E	18,282 E	19,491 E	19,576 E	74,350 E
2020	19,828 A	19,728 A	18,206 E	17,283 E	75,089 E
2019	16,061 A	16,505 A	19,190 A	20,209 A	71,965 A

EPS Estimates

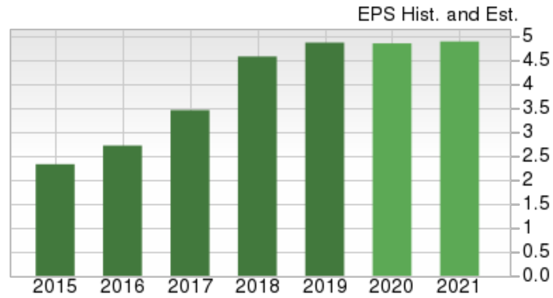
	Q1	Q2	Q3	Q4	Annual*
2021	$1.04 E	$1.18 E	$1.34 E	$1.39 E	$4.89 E
2020	$1.45 A	$1.23 A	$1.10 E	$1.07 E	$4.85 E
2019	$0.89 A	$1.06 A	$1.42 A	$1.52 A	$4.87 A

*Quarterly figures may not add up to annual.

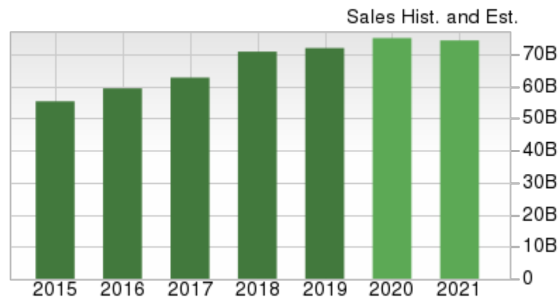
The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 08/20/2020. The reports text is as of 08/21/2020.

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:

> 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.

- Management strategy has evolved with the changing times. The primary focus area 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 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.

- 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 opportunities 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 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 in 2020.

- 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 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 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 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 must faster and more reliable/endurable than NAND.

- An improving trend in PC shipments is anticipated to favor business prospects of Intel, which continues to depend substantially on PC sales. Per Gartner’s preliminary data, PC shipments in second-quarter 2020 improved 2.8% year over year to 64.8 million units. Going by the IDC report, shipments grew 11.2% on a year-over-year basis and totaled 72.3 million in the period under review. Moreover, an improving trend in PC shipments driven by work-from-home and online learning wave is likely to positively impact PC-makers, which bodes well for Intel’s growth prospects.

- 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.

Reasons To Sell:

> Intel's delay in launching chips based on 7 nm process, stiff competition from ARM-based devices, and impact of new product costs are major concerns amid significant foreign currency exposure.

- 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 micro server 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. The company has been also facing stiff competition from AMD in the commercial PC market.

- Delay in 7 nm process-based chips is a major concern. The company has detected a defect mode in 7 nm process, which caused yield degradation. Notably, Intel's chips utilize process technologies that are designed in-house. Moreover, 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. Intel anticipates the release of data center GPU design, Ponte Vecchio, in late 2021 or early 2022. The chipmaker now expects initial production shipments of first Intel-based 7 nm client CPU in late 2022 or early 2023. Moreover, initial production shipments of Intel's first in house-based 7-nm data center CPU design is now scheduled in the first half of 2023. 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 headwind for Intel. 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 (78% of total revenues in fiscal 2019), 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.

- 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.

- Moreover, Intel has a leveraged balance sheet. As of Jun 27, 2020, the company's net debt was $24.82 billion compared with $19.12 billion as of Mar 28, 2020. Further, to enhance its liquidity position, the chipmaker announced in March, that it is suspending stock repurchases temporarily on account of the COVID-19 crisis. Consequently, the company must constantly generate adequate amount of operating cash flow to service its debt. However, it must be noted that on Aug 20, Intel announced that it will repurchase shares worth $10 billion under the accelerated share repurchase (ASR) agreement by utilizing the existing cash resources. In a filing with the U.S. Securities and Exchange Commission (SEC), Intel stated that it will receive 166 million shares on Aug 21 from the counterparty financial institution after paying $10 billion, per the terms of ASR. The final settlement will be completed by the end of 2020.

Last Earnings Report

Intel Q2 Earnings Top Estimates, DCG Growth Aids Revenues

Quarter Ending	06/2020
Report Date	**Jul 23, 2020**
Sales Surprise	**6.39%**
EPS Surprise	**10.81%**
Quarterly EPS	**1.23**
Annual EPS (TTM)	**5.62**

Intel reported second-quarter 2020 non-GAAP earnings of $1.23 per share, which beat the Zacks Consensus Estimate by 10.8%. The bottom line improved 16% from the year-ago quarter.

Revenues totaled $19.728 billion, beating the consensus mark by 6.4%. The top line increased 20% year over year.

Segment Revenue Details

Client Computing Group or CCG (48.1% 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 7% on a year-over-year basis to $9.496 billion. Higher wi-fi and modem sales and solid notebook demand drove the top line despite weakness in desktop volumes.

Notably, Platform revenues increased 4% year over year to $8.229 billion. Adjacencies revenues improved 38% from the year-ago quarter to $1.267 billion. Notably, CCG adjacencies include modem, connected home products, wireless communications and wired connectivity.

While notebook platform volumes increased 14% year over year, desktop platform volumes declined 14%.

PC volumes grew 2% on a year-over-year basis. Further, Notebook's average selling price (ASP) improved 3% year over year, while Desktop ASP increased 3%.

Intel anticipates strong momentum in its first 10-nanometer (nm) mobile CPU — Ice Lake.

Notably, Intel is adding wafer capacity to boost PC unit volumes in a bid to meet market demand.

Data Center Group or DCG (36.1%) revenues improved 43% year over year to $7.117 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 36% year over year to $6.181 billion. Adjacencies soared 118% from the year-ago quarter to $936 million on solid uptake of 5G networking solutions.

DCG Platform unit volumes were up 29% year over year, while ASP rose 5%.

CSP revenues advanced 47% year over year. Further, revenues from Communication service provider increased 44%. Revenues from Enterprise & Government grew 34%.

Internet of Things Group or IOTG revenues declined 32% from the year-ago quarter to $670 million. The coronavirus crisis-induced weakness in retail, vison and industrial end markets led to year-over-year decline.

Mobileye revenues of $146 million fell 27% on a year-over-year basis, on account of lower automotive production due to lockdowns. However, increasing proliferation of ADAS and ramp of new IQ programs limited revenue decline.

Total Internet of Things revenues (4.1% of total revenues), comprising IOTG and Mobileye, declined 31.3% year over year to $816 million.

Non-Volatile Memory Solutions Group or NSG (8.4%) revenues surged 76.5% year over year to $1.659 billion on improvement in NAND pricing trends, which led to higher ASPs, and Optane bit growth.

Programmable Solutions Group or PSG (2.5%) revenues grew 2.5% from the year-ago quarter to $501 million, driven by strength across cloud vertical. However, sluggish demand across communications and embedded segments hindered growth.

Intel also has a residual segment, **All Other** (0.7%), which includes results of operations from other adjustments. The segment reported revenues of $139 million, up 113.8% 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 were $10.232 billion (51.9% of total revenues), up 34% collectively on a year-over-year basis.

Margins

Non-GAAP gross margin in the reported quarter was 54.8%, which contracted 680 basis points (bps) on a year-over-year basis. Increase in product costs and unfavorable sales mix including rapid adoption of margin dilutive 5G ASIC products led to the decline.

Non-GAAP Research & development (R&D) expenses, and Marketing, General & Administrative (MG&A) expenses decreased 5% year over year to $4.751 billion.

Non-GAAP operating income surged 18% year over year to $6.058 billion.

Non-GAAP operating margin contracted 40 bps on a year-over-year basis to 30.7%. Negative impact of lower gross margin offset gains from lower spending.

Segment Operating Margin Details

Segment operating margin was 28.9%, expanded 90 basis points (bps) on a year-over-year basis.

CCG operating margin was 30%, compared with the year-ago quarter's 42.3%. The contraction can be attributed to the ramp up of 10 nm products and the pre-PRQ reserves ahead of launch of Tiger Lake processors in the third quarter. These factors more than offset gains from higher CCG revenue base.

DCG operating margin of 43.5% expanded 740 bps year over year driven by higher revenue base and solid mix of high-end compute products.

IOTG operating income came in at $70 million, compared with operating income of $294 million in the year-ago quarter, owing to weakness across retail, vision and industrial end markets.

Mobileye operating loss of $4 million against operating income of $53 million in the year-ago quarter.

NSG group reported operating income of $322 million against operating loss of $284 million in the year-ago quarter.

PSG operating income of $80 million improved 53.8% from the year-ago quarter.

All Other segment reported a loss of $712 million compared with a loss of $1.035 billion reported in the year-ago quarter.

Balance Sheet

As of Jun 27, 2020, cash and cash equivalents, short-term investments and fixed-income trading asset balance were $13.53 billion compared with $20.8 billion as of Mar 28, 2020.

Total debt as of Jun 27, 2020, was $38.35 billion compared with $39.92 billion as of Mar 28, 2020.

In the second quarter, the company paid out dividends worth $1.41 billion. The company did not make any share repurchases during the reported quarter.

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. Notably, in October 2019, Intel had announced plans to repurchase shares worth $20 billion over the next 15-18 months. The company has shares worth $19.7 billion remaining for repurchase as of Jun 27, 2020.

Guidance

For third-quarter 2020, Intel expects non-GAAP revenues of $18.2 billion, suggesting decline of 5% year over year.

In the third quarter, both data-centric and PC-centric businesses are anticipated to decline in mid-single digits on a year-over-year basis.

The company anticipates decline in the PC total addressable market (TAM) in the third quarter, as softness in desktop demand and weakness in economy is likely to offset spike in coronavirus-led demand.

Non-GAAP gross margin and operating margin is anticipated to be 57% and 30%, respectively. Gross margin is expected to be affected by accelerated ramp up of 10 nm products and decline in platform revenues that more than offset gains from improvement in NAND pricing.

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

For 2020, Intel now projects revenues of $75 billion and non-GAAP earnings per share to be $4.85.

Markedly, the company had earlier withdrawn guidance, citing business uncertainty and "limited visibility" pertaining to coronavirus crisis.

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. Moreover, 7 nm delay is a headwind.

Recent News

On Aug 20, Intel announced that it will repurchase shares worth $10 billion under the accelerated share repurchase (ASR) agreement by utilizing the existing cash resources. In a filing with the U.S. Securities and Exchange Commission (SEC), Intel stated that it will receive 166 million shares on Aug 21 from the counterparty financial institution after paying $10 billion, per the terms of ASR. The final settlement will be completed by the end of 2020.

On Jul 29, Intel in collaboration with Massachusetts Institute of Technology (MIT) and Georgia Institute of Technology (Georgia Tech) unveiled a new machine programming (MP) system. The new system, machine inferred code similarity (MISIM), is an automated engine developed to "learn" the functioning of a software by analyzing code structure and syntactic differences of other codes that resemble similar behavior.

On Jul 16, 2020, Intel announced a quarterly dividend of 33 cents per share. The quarterly dividend is payable on Sep 1, 2020, to shareholders as on Aug 7, 2020.

On Jul 7, Intel's Mobileye announced strategic collaboration with WILLER, one of the leading transportation operators across Taiwan, Japan and the Southeast Asian region, in a bid to introduce an autonomous robotaxi service. The service will commence in Japan, wherein the companies will co-develop the testing and deployment technology of autonomous transportation solutions.

On Jul 6, Intel in partnership with Penguin Computing — a subsidiary of SMART Global Holdings — announced the release of Tundra AP, which is the latest addition to Tundra supercomputing platform. The new supercomputing platform leverages Intel's Xeon Scalable 9200 Series processors to offer high density, enhanced power capacity and efficiency.

On Jun 18, Intel rolled out its third generation Xeon Scalable processors and other product enhancements to its hardware and software AI portfolio. The aim is to enable customers to accelerate complex artificial intelligence (AI) and analytics workloads across data center, network and intelligent-edge environments.

Valuation

Intel shares are down 17.9% in the year-to-date period but up 5.1% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Computer & Technology sector are up 22.2% and 23% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and sector are up 52.4% and 37.7%, respectively.

The S&P 500 index is up 5.1% in the year-to-date period and 16.1% in the past year.

The stock is currently trading at 10.03X forward 12-month earnings compared with 21.14X for the Zacks sub-industry, 26.71X for the Zacks sector and 22.83X for the S&P 500 index.

Over the past five years, the stock has traded as high as 14.93X and as low as 8.93X, with a 5-year median of 12.48X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $52 price target reflects 10.61X 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	10.03	21.14	26.71	22.83
	5-Year High	14.93	21.14	26.71	22.83
	5-Year Low	8.93	12.86	16.72	15.25
	5-Year Median	12.48	16.37	19.61	17.58
P/S F12M	Current	2.8	5.68	4.15	3.71
	5-Year High	4.06	5.68	4.15	3.71
	5-Year Low	2.18	2.4	2.32	2.53
	5-Year Median	2.94	4.04	3.14	3.05
EV/Sales TTM	Current	2.78	5.54	4.83	3.31
	5-Year High	4.3	5.89	4.83	3.46
	5-Year Low	2.19	2.18	2.59	2.14
	5-Year Median	3.18	4.13	3.63	2.87

As of 08/20/2020

Industry Analysis **Zacks Industry Rank:** Top 29% (72 out of 252)

Top Peers

Company (Ticker)	Rec	Rank
Ambarella, Inc. **(AMBA)**	Neutral	3
Advanced Micro Devices, Inc. **(AMD)**	Neutral	3
Broadcom Inc. **(AVGO)**	Neutral	2
Micron Technology, Inc. **(MU)**	Neutral	3
NVIDIA Corporation **(NVDA)**	Neutral	3
QUALCOMM Incorporated **(QCOM)**	Neutral	2
Western Digital Corporation **(WDC)**	Neutral	5
Xilinx, Inc. **(XLNX)**	Neutral	3

Industry Comparison Industry: Semiconductor - General

	INTC	X Industry	S&P 500	AMD	NVDA	XLNX
				Industry Peers		
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	A	-	-	C	F	C
Market Cap	209.12 B	15.09 B	23.46 B	97.18 B	299.64 B	24.77 B
# of Analysts	13	3	14	12	13	9
Dividend Yield	2.68%	0.41%	1.65%	0.00%	0.13%	1.50%
Value Score	A	-	-	D	F	D
Cash/Price	0.12	0.12	0.07	0.02	0.06	0.12
EV/EBITDA	6.29	6.70	13.34	127.18	85.47	23.44
PEG Ratio	1.34	3.29	3.00	1.64	3.64	3.85
Price/Book (P/B)	2.55	1.91	3.12	29.40	21.53	10.68
Price/Cash Flow (P/CF)	6.47	11.93	12.60	108.82	92.45	24.44
P/E (F1)	10.07	27.43	21.61	75.07	61.47	34.63
Price/Sales (P/S)	2.65	2.65	2.44	12.71	22.93	8.15
Earnings Yield	9.86%	3.30%	4.43%	1.33%	1.63%	2.89%
Debt/Equity	0.44	0.31	0.76	0.15	0.54	0.64
Cash Flow ($/share)	7.60	4.89	6.93	0.76	5.25	4.15
Growth Score	A	-	-	A	C	B
Hist. EPS Growth (3-5 yrs)	22.01%	22.01%	10.44%	80.17%	40.62%	13.97%
Proj. EPS Growth (F1/F0)	-0.33%	-5.25%	-5.53%	72.27%	36.46%	-12.60%
Curr. Cash Flow Growth	6.53%	-14.35%	5.20%	44.79%	-20.70%	1.35%
Hist. Cash Flow Growth (3-5 yrs)	9.99%	12.14%	8.52%	27.24%	28.68%	5.96%
Current Ratio	1.97	3.52	1.33	2.10	6.09	3.50
Debt/Capital	30.56%	23.47%	44.50%	12.91%	35.24%	39.14%
Net Margin	29.97%	10.14%	10.13%	7.96%	25.93%	21.22%
Return on Equity	31.55%	13.98%	14.67%	28.66%	30.41%	30.66%
Sales/Assets	0.55	0.62	0.51	1.29	0.64	0.60
Proj. Sales Growth (F1/F0)	4.34%	-1.98%	-1.54%	32.03%	37.92%	-3.21%
Momentum Score	C	-	-	D	F	C
Daily Price Chg	1.74%	0.01%	-0.59%	2.07%	0.02%	-0.99%
1 Week Price Chg	1.79%	2.21%	1.09%	-4.18%	3.25%	-2.00%
4 Week Price Chg	-18.59%	-2.04%	1.91%	38.95%	19.85%	-1.66%
12 Week Price Chg	-20.31%	0.10%	6.82%	59.97%	43.05%	13.72%
52 Week Price Chg	5.11%	7.89%	1.47%	159.47%	183.21%	-2.92%
20 Day Average Volume	46,121,560	1,311,497	1,873,576	77,823,080	10,291,822	2,493,564
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	-0.03%	0.00%
(F1) EPS Est 4 week change	0.76%	0.00%	1.79%	9.71%	-0.03%	3.09%
(F1) EPS Est 12 week change	0.97%	0.79%	3.35%	10.51%	2.11%	7.99%
(Q1) EPS Est Mthly Chg	-5.10%	-0.07%	0.42%	16.78%	-0.07%	15.34%

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	A
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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