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Sep 10, 2020

John Bean Technologies (JBT)

$100.46 (As of 09/09/20)

Price Target (6-12 Months): **$105.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 07/30/20) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5) Zacks Style Scores: Value: C | Growth: A | Momentum: A	**3-Hold** VGM:A

Summary

John Bean will benefit from strong demand for packaged food, meat and staples in retail on account of the pandemic. However, demand in few of its end markets have been impacted. The company anticipates a sequential decline in revenue and operating profit in third-quarter 2020. In light of the uncertain market conditions, the company has been focusing on lowering costs. Further, its ongoing restructuring plan will help improve effectiveness and productivity in all business units. The company is on track to achieve its total program savings target of $55 million. Going forward, its Elevate plan per which the company is focusing on accelerating development of innovative products, and strategic acquisition program will drive growth. The earnings estimates for the company's fiscal 2020 have undergone positive estimate revisions recently.

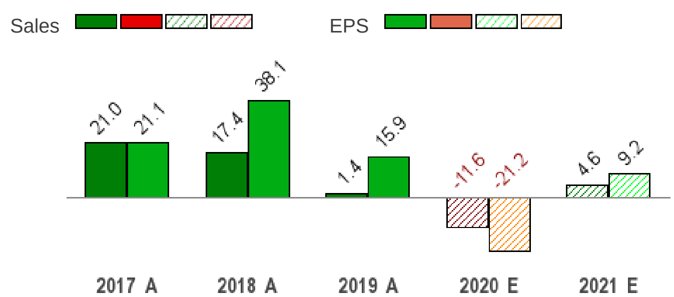
Price, Consensus & Surprise

Source: Zacks Investment Research

Data Overview

52-Week High-Low	**$119.78 - $56.17**
20-Day Average Volume (Shares)	**112,468**
Market Cap	**$3.2 B**
Year-To-Date Price Change	**-10.8%**
Beta	**1.36**
Dividend / Dividend Yield	**$0.40 / 0.4%**
Industry	**Manufacturing - Thermal Products**
Zacks Industry Rank	**Top 26% (66 out of 251)**
Last EPS Surprise	**49.3%**
Last Sales Surprise	**3.3%**
EPS F1 Estimate 4-Week Change	**0.0%**
Expected Report Date	**10/26/2020**
Earnings ESP	**0.0%**
P/E TTM	**20.6**
P/E F1	**25.7**
PEG F1	**4.7**
P/S TTM	**1.7**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	448 E	452 E	421 E	481 E	1,800 E
2020	458 A	412 A	391 E	460 E	1,721 E
2019	418 A	493 A	489 A	546 A	1,946 A

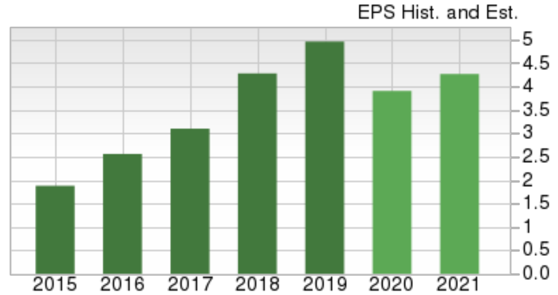
EPS Estimates

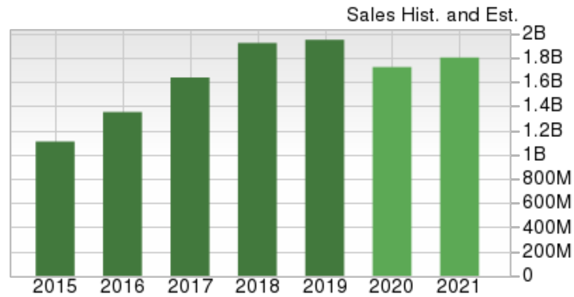
	Q1	Q2	Q3	Q4	Annual*
2021	$0.94 E	$1.25 E	$0.99 E	$1.27 E	$4.27 E
2020	$1.01 A	$1.09 A	$0.70 E	$1.09 E	$3.91 E
2019	$0.77 A	$1.42 A	$1.28 A	$1.50 A	$4.96 A

*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 09/09/2020. The reports text is as of 09/10/2020.

Overview





John Bean Technologies Corporation is a technology solutions provider to high-value segments of the food and beverage industry globally with a focus on proteins, liquid foods and automated system solutions. The company also supplies customized solutions and services in the air transportation industry.

Its reportable segments are:

JBT FoodTech (68% of revenues in 2019) —The segment designs, manufactures and services technologically sophisticated food processing systems for the preparation of meat, seafood and poultry products, ready-to-eat meals, shelf stable packaged foods, bakery products, juice and dairy products, and fruit and vegetable products.

The segment's protein technology offerings include chilling, mixing/grinding, injecting, marinating, tumbling, portioning, packaging, coating, frying, freezing, weighing, X-ray food inspection, and packaging systems for poultry, beef, pork and seafood, ready-to-eat meals, fruits, vegetables, dairy, and bakery products.

The liquid foods portfolio comprises fruit and juice solutions that extract, concentrate and aseptically process citrus, tomato and other fruits, vegetables, and juices. It also includes in-container solutions for the filling, closing and preservation of fruits, vegetables, soups, sauces, dairy, pet food products and ready-to-eat meals.

The segment also provides robotic automated guided vehicle systems for material movement in manufacturing and warehouse facilities.

The company also provides aftermarket products, parts, and services for all of its integrated food processing systems and equipment.

JBT AeroTech (32% of revenues in 2018) designs, manufactures and services technologically sophisticated airport ground support and gate equipment. It also provides services for airport authorities; airlines, airfreight, and ground handling companies and defense contractors.

From 2018 to date, the company acquired five businesses — Proseal UK Limited, Columbus, OH-based Prime Equipment Group, Netherlands-based FTNON, Germany-based Schröder, and Oregon-based LEKTRO, Inc.

Source: Zacks Investment Research

Reasons To Buy:

> John Bean is likely to benefit from strategic acquisition program as well as its focus on developing innovative products and services. Growing the aftermarket business also bodes well.

▲ John Bean is focusing on its cost structure in light of the uncertain market conditions amid the coronavirus pandemic. This includes a hiring freeze, halting pay raises, curtailing incentives, temporary leaves and layoffs where necessary. The company is also cutting down discretionary spending. These actions yielded year-over-year savings of $9.9 million in the first half of 2020. Strong demand for packaged food, meat and staples in retail on account of the pandemic bodes well for the company. Further, the company's ongoing restructuring plan will help improve effectiveness and productivity in all business units. The company is on track to achieve its total program savings target of $55 million.

▲ John Bean's Elevate plan is likely to drive persistent growth and margin expansion. Per the plan, the company is focusing on accelerating development of innovative products and services to provide customers with solutions, which will enhance their yield and productivity. The company is capitalizing on its extensive installed base to expand recurring revenue (which accounts for around 40% of its revenues) from aftermarket parts and services, equipment leases, consumables and airport services. This portion of the business has been seeing a CAGR of 9% over the past three years. In fact, it has further room for growth and will contribute to margins.

John Bean is enhancing organic growth through initiatives that enable it to sell the entire FoodTech portfolio globally, including improving international sales and support infrastructure, localizing targeted products for emerging markets, and strategic cross selling of products. In AeroTech, John Bean plans to continue developing advanced military product offerings and customer support capabilities to service global military customers.

▲ John Bean has a strategic acquisition program focused on companies that add complementary products, which enable it to offer more comprehensive solutions to customers, and meet strict economic criteria for returns and synergies. In sync with this, it completed the acquisitions of Proseal UK Limited, a leading provider of tray sealing technology, and Prime Equipment Group, Inc., a manufacturer of turnkey primary and water re-use solutions to the poultry industry. In fact, tray sealing is in sync with the needs of several John Bean's FoodTech customers, particularly in the rapidly expanding market for convenience foods. The acquisition of Prime advances the company's goal of becoming the preferred provider of full-line solutions for poultry customers. The acquisitions together are expected to add revenues $140-150 million in 2020.

During second-quarter 2020, the company acquired certain assets and liabilities of MARS Food Processing Solutions, LLC. Mars' proprietary solutions for monitoring and managing the efficiency of poultry processing plants complements John Bean's existing equipment and solutions and advances its participation in primary poultry processing.

▲ The company had total debt of $648 million as of Jun 30, 2020, down from $699 million as of Dec 31, 2019. Available liquidity as of Jun 30, 2020 stood at $414 million consisting of cash and borrowing under its revolving credit facility. The company's total debt to total capital ratio stood at 0.52 as of the second quarter end, down from 0.55 as of Dec 31, 2019. The company is taking actions to maintain liquidity and reduce debt by reducing pension contributions, capital expenditures and operating expenses, and foregoing share repurchases. Additionally, it is pursuing opportunities to increase liquidity by availing benefits under the CARES Act including both deferred tax payments and tax credits related to COVID-19. Further, the company's times interest earned ratio came in at 10.2 at end of the second quarte, The cash flows generated by its operations through the year and the revolving credit facility are likely to suffice for working capital needs, new product development, restructuring expense, capital expenditures, dividend payments and other financing requirements.

▲ Going forward, John Bean is poised to perform well, courtesy of growing middle class, increasing protein and value-added food and beverage consumption globally. Rising global population and disposable incomes has led to a shift in dietary habits, primarily increased protein consumption. This is pronounced in emerging markets - Asia, the Middle East, Latin America, and Eastern Europe. This trend is likely to favor the company. Food consumption in Asia is expected to be the biggest contributor to growth. In developed markets, ready-to-eat and convenient food consumption will be a key catalyst. Additionally, consumers are moving away from traditional sodas and other beverages to fresh juice. AeroTech will continue to perform well due to heavy airport infrastructure spending. With air travel projected to double over the next 20 years, the company can capitalize on this demand. Also, labor constraints are leading to increased automation adoption among its customers. Food manufacturing, particularly, has 30% lower compensation rates and harsher work environment compared to traditional manufacturing. This in turn will boost the company's revenues.

Reasons To Sell:

- The company has witnessed steep declines in demand from restaurants in the FoodTech end segment due to the coronavirus pandemic. Orders in the second quarter 2020 orders slumped 26% year over year with declines of 15% and 49% at FoodTech and AeroTech segments, respectively. At FoodTech segment, the general economic and trade uncertainties have impacted the decision-making process among customers. The potential impact of coronavirus outbreak on supply chain and general business disruptions is likely to act as a headwind.

Impact of the coronavirus pandemic on demand for both the FoodTech and AeroTech segments is likely to continue weighing on John Bean's results until the situation stabilizes.

- Some AeroTech end markets have been severely impacted by a decline in global passenger air travel. Backlog in the FoodTech segment declined 14% year over year to $360 million. The AeroTech segment's backlog came in at $283 million in the reported quarter, down 19% from the prior-year quarter.

- The company anticipates a sequential decline in revenue and operating profit in third-quarter 2020. While the company expects orders to improve on a sequential basis in both the FoodTech and AeroTech segments in third-quarter 2020, this increase in levels of customer engagement is expected to result in higher costs in the quarter. For third-quarter 2020, John Bean projects a sequential decline of 10-12% in FoodTech segment's revenues. The AeroTech segment's revenue is expected to improve 6-8% in the third quarter owing to typical seasonality. FoodTech operating margins might remain flat sequentially while margins of the AeroTech segment is anticipated to improve 75-100 basis points sequentially. Further, in third-quarter 2020, John Bean expects to incur restructuring and other charges of $8-$9 million related to manufacturing capacity rationalizations at both of the segments. It expects to incur a $1.5 million discrete tax charge in connection with new U.K. tax laws. The company has withdrawn full-year 2020 guidance on account of the COVID-19 uncertainties.

- The citrus industries in Florida, Brazil, and other countries have been facing increased pressure on their harvest productivity and citrus bearing acreage owing to citrus canker and greening diseases. Reduced amounts of available fruit for the processed or fresh food markets could adversely affect the FoodTech segment's results.

Last Earnings Report

John Bean Q2 Earnings and Revenues Beat Estimates

Quarter Ending	06/2020
Report Date	Jul 27, 2020
Sales Surprise	3.25%
EPS Surprise	49.32%
Quarterly EPS	1.09
Annual EPS (TTM)	4.88

John Bean reported adjusted earnings of $1.09 per share in second-quarter 2020, surpassing the Zacks Consensus Estimate of 73 cents by a margin of 49%. However, the bottom line declined 23% from the prior-year quarter.

On a reported basis, the company's earnings per share was $1.01 compared with the prior-year quarter's $1.06.

Revenues of $412 million in the reported quarter beat the Zacks Consensus Estimate of $399 million. Further, the top line declined 17% from the prior-year quarter figure of $493 million. A 5% contribution from acquisitions was offset by a decline of 20% in organic sales and an unfavorable impact of foreign exchange of 2%.

In the reported quarter, the company's total orders went down 26% to $344.6 million from the prior-year quarter. Orders in the JBT FoodTech segment totaled $262.7 million, reflecting a year-over-year decline of 15%. In the JBT AeroTech segment, orders declined to $81.9 million from $159.3 million reported in the prior-year quarter.

Backlog in the FoodTech segment declined 14% year over year to $360 million. The AeroTech segment's backlog came in at $283 million in the reported quarter, down 19% from the prior-year quarter. Total backlog of $643.1 million as of the second quarter end was down 16% year over year.

Cost and Margins

Cost of sales decreased 17% year over year to $281 million in the second quarter. Gross profit declined 16% year over year to $130 million. Gross margin came in at 31.6% compared with the year-earlier quarter's 31.4%.

Selling, general and administrative expenses were down 22% year over year to $81 million. Adjusted operating profit declined 18% year over year to $50.7 million. Adjusted operating margin was 12.3% compared with prior-year quarter's 12.6%. In the reported quarter, adjusted EBITDA came in at $68.4 million, down 12% year over year.

Segment Performance

JBT FoodTech: Net sales fell 12% year over year to $303 million. Adjusted operating profit amounted to $49 million, down 12% from the prior-year quarter.

JBT AeroTech: Net sales were $109, reflecting a decline of 28% from the prior-year quarter. The segment's adjusted operating profit slumped 44% year over year to $10.3 million.

Financial Performance

John Bean reported cash and cash equivalents of $58 million at the end of second-quarter 2020, up from $39.5 million at the end of fiscal 2019. The company generated around $101 million of cash from operating activities during the first half of 2020 compared with the $13 million reported in the prior-year comparable period. At the end of second-quarter 2020, long-term debt was $648 million, down from $698 million as of Dec 31, 2019.

Guidance

Despite the ongoing uncertainty related to the coronavirus pandemic, the company expects orders to improve on a sequential basis in both the FoodTech and AeroTech segments in third-quarter 2020. However, this increase in levels of customer engagement is expected to result in higher costs in the quarter. John Bean anticipates a sequential decline in revenues and operating profit in third-quarter 2020.

For third-quarter 2020, John Bean anticipates a sequential decline of 10-12% in revenues for the FoodTech segment. Margins are expected to be flat compared with first-quarter 2020.

The AeroTech segment's revenue is expected to increase 6-8% in the third quarter owing to typical seasonality. Margins are expected to improve 75-100 basis points sequentially.

Further, in third-quarter 2020, John Bean expects to incur restructuring and other charges of $8-$9 million related to manufacturing capacity rationalizations at both of the segments. This action is expected to generate permanent run rate benefits of $6-$7 million by the end of 2021. It expects to incur a $1.5 million discrete tax charge in connection with new U.K. tax laws.

Valuation

John Bean's shares are down 10.9% in the year-to-date period and 11.6% over the trailing 12-month period. Stocks in the Zacks Manufacturing – Thermal Products industry and the sector are down 2.3% and 1.1% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and the sector are up 18.3% and 7.3%, respectively.

The S&P 500 index is up 5.6% in the year-to-date period and up 13.9% in the past year.

The stock is currently trading at 24.17X forward 12-month earnings, which compares with 19.52X for the Zacks sub-industry, 21.73X for the Zacks sector and 22.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 36.18X and as low as 11.56X, with a 5-year median of 23.85X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $105 price target reflects 25.57X Forward 12-month earnings.

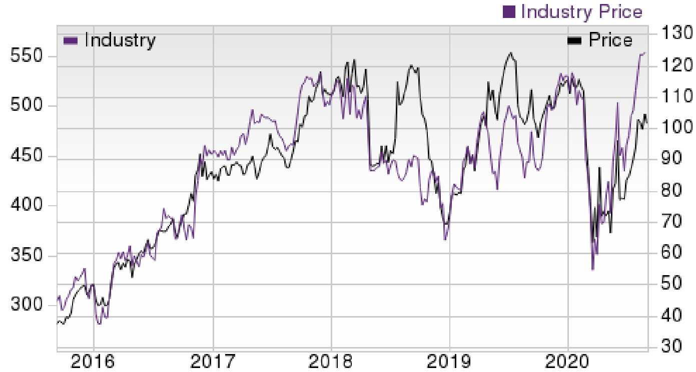
The table below shows summary valuation data for JBT:

Valuation Multiples - JBT

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	24.17	19.52	21.73	22.61
	5-Year High	36.18	21.05	21.84	23.44
	5-Year Low	11.56	11.11	12.55	15.26
	5-Year Median	23.85	16.37	17.51	17.63
P/S F12M	Current	1.8	3.51	2.95	4.16
	5-Year High	2.19	3.78	2.96	4.29
	5-Year Low	0.95	1.13	1.52	3.11
	5-Year Median	1.62	2.43	2.05	3.66
EV/EBITDA TTM	Current	12.93	20.57	19.79	14.73
	5-Year High	23.62	22.54	20.34	15.6
	5-Year Low	8.66	10.03	10.76	9.51
	5-Year Median	15.66	13.81	14.98	13

As of 09/09/2020 *Source: Zacks Investment Research*

Industry Analysis **Zacks Industry Rank:** Top 26% (66 out of 251)



Source: Zacks Investment Research

Top Peers

Company (Ticker)	Rec	Rank
Bunge Limited **(BG)**	Neutral	3
Dover Corporation **(DOV)**	Neutral	3
Honeywell International Inc. **(HON)**	Neutral	3
Illinois Tool Works Inc. **(ITW)**	Neutral	3
The Middleby Corporation **(MIDD)**	Neutral	3
Pentair plc **(PNR)**	Neutral	3
ThyssenKrupp AG Sponsored ADR **(TKAMY)**	Neutral	2
Textron Inc. **(TXT)**	Neutral	3

The positions listed should not be deemed a recommendation to buy, hold or sell.

Industry Comparison Industry: Manufacturing - Thermal Products

Industry Peers

	JBT	X Industry	S&P 500	DOV	HON	MIDD
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	A	-	-	B	D	C
Market Cap	3.19 B	3.19 B	23.35 B	16.05 B	116.32 B	5.34 B
# of Analysts	5	6	14	8	10	4
Dividend Yield	0.40%	0.00%	1.63%	1.78%	2.17%	0.00%
Value Score	C	-	-	C	C	C
Cash/Price	0.02	0.02	0.07	0.04	0.13	0.12
EV/EBITDA	15.03	15.60	13.13	14.83	13.19	10.88
PEG F1	4.62	4.39	2.97	1.87	3.13	NA
P/B	5.34	3.82	3.22	5.20	6.33	2.75
P/CF	14.16	14.95	12.52	14.15	16.76	10.90
P/E F1	25.48	21.91	21.45	21.48	24.02	22.51
P/S TTM	1.67	2.43	2.48	2.38	3.37	2.01
Earnings Yield	3.89%	4.59%	4.45%	4.65%	4.16%	4.44%
Debt/Equity	1.09	0.53	0.70	0.97	0.96	1.22
Cash Flow ($/share)	7.10	2.88	6.93	7.88	9.89	8.81
Growth Score	A	-	-	B	C	D
Historical EPS Growth (3-5 Years)	27.36%	27.35%	10.41%	16.20%	7.45%	12.43%
Projected EPS Growth (F1/F0)	-21.25%	-17.21%	-4.73%	-12.44%	-15.43%	-39.28%
Current Cash Flow Growth	14.88%	4.67%	5.22%	10.20%	-1.43%	13.23%
Historical Cash Flow Growth (3-5 Years)	25.60%	23.62%	8.49%	1.28%	5.69%	16.08%
Current Ratio	1.55	1.44	1.35	1.32	1.63	3.27
Debt/Capital	52.05%	34.77%	42.95%	49.27%	48.93%	55.03%
Net Margin	7.20%	9.67%	10.25%	9.99%	16.94%	10.75%
Return on Equity	27.66%	23.96%	14.59%	27.33%	29.93%	16.66%
Sales/Assets	1.01	0.81	0.50	0.76	0.58	0.52
Projected Sales Growth (F1/F0)	-11.55%	-5.78%	-1.42%	-9.13%	-12.89%	-17.97%
Momentum Score	A	-	-	B	F	B
Daily Price Change	1.22%	1.22%	1.39%	3.12%	0.90%	1.33%
1-Week Price Change	-3.04%	-3.04%	-1.28%	-1.58%	-1.00%	-3.44%
4-Week Price Change	-4.49%	-4.49%	-1.22%	-0.94%	3.55%	-7.73%
12-Week Price Change	22.84%	17.31%	5.76%	14.09%	11.74%	16.36%
52-Week Price Change	-11.58%	-1.47%	-0.03%	12.40%	-3.23%	-20.71%
20-Day Average Volume (Shares)	112,468	112,468	1,805,652	560,022	3,583,429	755,424
EPS F1 Estimate 1-Week Change	0.00%	0.00%	0.00%	0.00%	-0.07%	0.00%
EPS F1 Estimate 4-Week Change	0.00%	0.00%	0.00%	0.00%	-0.33%	3.02%
EPS F1 Estimate 12-Week Change	8.68%	8.09%	3.99%	9.78%	-0.38%	8.37%
EPS Q1 Estimate Monthly Change	0.00%	0.00%	0.00%	0.00%	-1.40%	6.05%

Source: Zacks Investment Research

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 maintain a 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.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock.The EPS and revenue forecasts are the Zacks Consensus estimates, unless indicated otherwise on the reports first page. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

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This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time.ZIR is not a broker-dealer.ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients.Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

Additional Disclosure

This material represents an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Any statements that refer to expectations, projections or characterizations of future events or circumstances, including any underlying assumptions, are forwardlooking statements. Actual results, performance, or achievements may differ materially from those expressed or implied.

Returns quoted represent past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than their original cost. Current performance may be higher or lower than the performance shown.

Investing involves risk; principal loss is possible. There is no guarantee that companies that can issue dividends will declare, continue to pay or increase dividends.

Glossary of Terms and Definitions

52-Week High-Low: The range of the highest and lowest prices at which a stock has traded during the past year. This range is determined based on the stock's daily closing price which may differ from the intra-day high or low. Many investors use it as a technical indicator to determine a stock's current value and future price movement. The idea here is that if price breaks out from the 52-week range, in either direction, the momentum may continue in the same direction.

20-Day Average Volume (Shares): The average number of shares of a company traded in a day over the last 20 days. It is a direct indication of a security's overall liquidity. The higher the average daily trading volume, the easier it is to enter or exit the stock at a desired price with more buyers and sellers being available.

Daily Price Change: This is the percentage difference between a trading day's closing price and the prior trading day's closing price. This item is updated at 9 p.m. EST each day.

1-Week Price Change: This is the percentage change in a stock's closing price over the last 5 trading days. This change reflects the collective buying and selling sentiment over the 1-week period.

A strong weekly price increase for the stock, especially when accompanied by increased volume, is an indication of it gaining momentum.

4-Week Price Change: This is the percentage change in a stock's closing price over the last 20 trading days or past 4 weeks. This is a mediumterm price change metric and an indication of the stock gaining momentum.

12-Week Price Change: This is the percentage change of a stock's closing price over the last 60 trading days or past 12 weeks. Similar to 4-week price change, this is a medium-term price change metric. It shows whether a stock has been enjoying strong investor demand, or if it has been in consolidation, or distress over this period.

52-Week Price Change: This is the percentage change in a stock's closing price over the last 260 trading days or past 52 weeks. This long-term price change metric is a good reference point for investors. Some investors seek stocks with the best percentage price change over the last 52 weeks, expecting the momentum to continue.

Market Cap: The number of outstanding common shares of a company times its latest price per share. This figure represents a company's size, which indicates various characteristics, including price stability and risk, in which investors could be interested.

Year-To-Date Price Change: Change in a stock's daily closing price in the period of time beginning the first day of the current calendar year through to the previous trading day.

# of Analysts: Number of EPS estimates used in calculating the current-quarter consensus. These estimates come from the brokerage analysts tracking this stock. However, the number of such analysts tracking this stock may not match the number of estimates, as all brokerage analysts may not come up with an estimate or provide it to us.

Beta: A measure of risk commonly used to compare the volatility of a stock to the overall market. The S&P 500 Index is the base for calculating beta and carries a value of 1. A stock with beta below 1 is less risky than the market as a whole. And a stock with beta above 1 is riskier.

Dividend: The portion of earnings a company is expected to distribute to its common shareholders in the next 12 months for each share they own. Dividends are usually paid quarterly. Dividend payments reflect positively on a company and help maintain investors' trust. Investors typically find dividend-paying stocks appealing because the dividend adds to any market price appreciation to result in higher return on investment (ROI). Moreover, a steady or increasing dividend payment provides investors a cushion in a down market.

Dividend Yield: The ratio of a company's annual dividend to its share price. The annual dividend used in the ratio is calculated based on the mostrecent dividend paid by the company. Dividend yield is an estimate of the dividend-only return from a stock in the next 12 months. Since dividend itself doesn't change frequently, dividend yield usually changes with a stock's price movement. As a result, often an unusually high dividend yield is a result of weak stock price.

S&P 500 Index: The Standard & Poor's 500 (S&P 500) Index is an unmanaged group of securities considered to be representative of the stock market in general. It is a market-capitalization-weighted index of stocks of the 500 largest U.S. companies. Each stock's weight in the index is proportionate to its market value.

Industry: One of the 250+ groups that Zacks classifies all stocks into based on the nature of business. These groups are termed as expanded (aka "X") industries and map to their respective (economic) sectors; Zacks has 16 sectors.

Zacks Industry Rank: The Zacks Industry Rank is determined by calculating the average Zacks Rank for all stocks in the industry and then assigning an ordinal rank to it. For example, an industry with an average Zacks Rank of 1.6 is better than an industry with an average Zacks Rank of 2.3. So, the industry with the better average Zacks Rank would get a better Zacks Industry Rank. If an industry has the best average Zacks Rank, it would be considered the top industry (1 out of 250+), which would place it at the top 1% of Zacks-ranked industries. Studies have shown that roughly half of a stock's price movement can be attributed to the industry group it belongs to. In fact, the top 50% of Zacks-ranked industries outperforms the bottom 50% by a factor of more than 2 to 1.

Last EPS Surprise: The percentage deviation of a company's last reported earnings per share from the Zacks Consensus Estimate. Companies with a positive earnings surprise are more likely to surprise again in the future (or miss again if they recently missed).

Last Sales Surprise: The percentage deviation of a company's last reported sales from the Zacks Consensus Estimate.

Expected Report Date: This is an estimated date of a company's next earnings release. The information originated or gathered by Zacks Investment Research from its information providers or publicly available sources is the basis of this estimate.

Earnings ESP: The Zacks Earnings ESP compares the Most Accurate Estimate to the Zacks Consensus Estimate for the yet-to-be reported quarter. The Most Accurate Estimate is the most recent version of the Zacks Consensus EPS Estimate. The idea here is that analysts revising their estimates closer to an earnings release have the latest information, which could potentially be more accurate than what they and others contributing to the consensus had predicted earlier. Thus, a positive or negative Earnings ESP reading theoretically indicates the likely deviation of the actual earnings from the consensus estimate. However, the model's predictive power is significant for positive ESP readings only. A positive Earnings ESP is a strong predictor of an earnings beat, particularly when combined with a Zacks Rank #1 (Strong Buy), #2 (Buy) or #3 (Hold). Our research shows that stocks with this combination produce a positive surprise nearly 70% of the time.

Periods:

TTM: Trailing 12 months. Using TTM figures is an effective way of analyzing the most-recent financial data in an annualized format that helps neutralize the effects of seasonality and other quarter-to-quarter variation.

F1: Current fiscal year. This period is used to analyze the estimates for the ongoing full fiscal year.

F2: Next fiscal year. This period is used to analyze the estimates for the next full fiscal year.

F12M: Forward 12 months. Using F12M figures is an effective way of analyzing the near-term (the following four unreported quarters) estimates in an annualized manner. Instead of typically representing estimates for the full fiscal year, which may not represent the nitty-gritty of each quarter, F12M figures suggest an all-inclusive annualized estimate for the following four quarters. The annualization helps neutralize the potential effects of seasonality and other quarter-to-quarter variations.

P/E Ratio: The price-to-earnings ratio measures a company's current market price per share relative to its earnings per share (EPS). Usually, the trailing-12-month (TTM) EPS, current-fiscal-year (F1) EPS estimate, or forward-12-month (F12M) EPS estimate is used as the denominator. In essence, this ratio shows what the market is willing to pay today for each dollar of EPS. In other words, this ratio gives a sense of what the relative value of the company is at the already reported level of earnings or at a future level of earnings.

It is one of the most widely-used multiples for determining the value of a company and helps comparing its valuation with that of a competitor, the industry group or a benchmark.

PEG Ratio: The price/earnings to growth ratio is a stock's P/E ratio using current fiscal year (F1) EPS estimate divided by its expected EPS growth rate over the coming 3 to 5 years. This ratio essentially determines a stock's value by factoring in the company's expected earnings growth and is thus believed to provide a more complete picture than just the P/E ratio, particularly for faster-growing companies.

P/S Ratio: The price-to-sales ratio is calculated as a company's current price per share divided by trailing 12 months (TTM) sales or revenues per share. This ratio shows what the market is willing to pay today for each dollar of TTM sales per share. The P/S ratio is at times the only valuation metric when the company has yet to become profitable.

Cash/Price Ratio: The cash-to-price ratio or Cash Yield is calculated as cash and marketable securities per share divided by the company's current share price. Like the earnings yield, which shows the anticipated yield (or return) on a stock from earnings for each dollar invested, the cash yield does the same, with cash being the source of return instead of earnings. For example, a cash/price ratio of 0.08 suggests a return of 8% or 8 cents for every $1 investment.

EV/EBITDA Ratio: The EV/EBITDA ratio, also known as Enterprise Multiple, is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by EBITDA (earnings before interest, taxes, depreciation and amortization). Usually, trailing-12-month (TTM) or forward-12-month (F12M) EBITDA is used as the denominator.

EV/Sales Ratio: The enterprise value-to-sales ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by annual sales. It is an expansion of the P/S valuation, which uses market value instead of enterprise value. The EV/Sales ratio is perceived as more accurate than P/S, in part, because the market capitalization does not take a company's debt into account when valuing it.

EV/CF Ratio: The enterprise value-to-cash flow ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by the trailing-12-month (TTM) operating cash flow. It's a measure of how long it would take to buy the entire business if you were able to use all the company's operating cash flow.

The EV/CF ratio is perceived as more accurate than the P/CF ratio, in part, because the market price does not take a company's debt into account when valuing it.

EV/FCF Ratio: The enterprise value-to-free cash flow metric compares a company's enterprise value to its trailing-12-month (TTM) free cash flow (FCF). This metric is very similar to the EV/CF ratio, but is considered a more exact measure owing to the fact that it uses free cash flow, which subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding growth activities and payments to shareholders.

P/EBITDA Ratio: The P/EBITDA ratio is calculated as a company's per share market value divided by EBITDA (earnings before interest, taxes, depreciation, and amortization). This metric is very similar to the EV/EBITDA ratio, but is considered a little less exact measure as it uses market price, which does not take a company's debt into account. However, since EBITDA is often considered a proxy for cash income, the metric is used as a measure of what the market is willing to pay today for each dollar of the company's cash profitability in the trailing 12 months (TTM) or forward 12 months (F12M).

P/B Ratio: The price-to-book ratio is calculated as a company's current price per share divided by its book value (total assets – liabilities – preferred stocks) per share. In short, the book value is how much a company is worth. In other words, it reflects the total value of a company's assets that its common shareholders would receive if it were to be liquidated. So, the P/B ratio indicates whether you're paying higher or lower than what would remain if the company went bankrupt immediately. Investors typically use this metric to determine how a company's stock price stacks up to its intrinsic value.

P/TB Ratio: The price-to-tangible-book value ratio is calculated as a the per share market value of a company divided by the value of its tangible assets (total assets – liabilities – preferred stocks – intangible assets) per share. Tangible book value is the same thing as book value except it excludes the value of intangible assets to get a step closer to the baseline value of the company.

P/CF Ratio: The price-to-cash flow ratio measures a company's per share market price relative to its trailing-12-month (TTM) operating cash flow per share. This metric is used to determine whether a company is undervalued or overvalued relative to another stock, industry or sector. And like the P/E ratio, a lower number is typically considered better from the value perspective.

One of the reasons why P/CF ratio is often preferred over P/E ratio is the fact that operating cash flow adds back non-cash expenses such as depreciation and amortization to net income. This feature helps valuing stocks that have positive cash flow but are not profitable because of large noncash charges.

P/FCF Ratio: The price-to-free cash flow ratio is an extension of P/CF ratio, which uses trailing-12-month (TTM) free cash flow per share instead of operating cash flow per share. This metric is considered a more exact measure than P/CF ratio, as free cash flow subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding activities that generate additional revenues.

Earnings Yield: The earnings yield is calculated as current fiscal year (F1) EPS estimate divided by the company's current share price. The ratio, which is the inverse of the P/E ratio, measures the anticipated yield (or return) from earnings for each dollar invested in a stock today.

For example, earnings yield for a stock, which is trading at $35 and expected to earn $3 per share in the current fiscal year (F1), would be 0.0857 (3/35 = 0.0857) or 8.57%. In other words, for $1 invested in the stock today, the yield from earnings is anticipated to be 8.57 cents.

Investors most commonly compare the earnings yield of a stock to that of a broad market index (such as the S&P 500) and prevailing interest rates, such as the current 10-year Treasury yield. Since bonds and stocks compete for investors' dollars, stock investors typically demand a higher yield for the extra risk they assume compared to investors of U.S. Treasury-backed securities that offer virtually risk-free returns. This additional return is referred to as the risk premium.

Debt/Equity Ratio: The debt-to-equity ratio is calculated as a company's total liabilities divided by its shareholder equity. This metric is used to gauge a company's financial leverage. In other words, it is a measure of the degree to which a company is financing its operations through debt versus its own funds. The higher the ratio, the higher the risk for shareholders.

However, this ratio is difficult to compare across industry groups where ideal amounts of debt vary. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-equity ratio should be compared with other companies in the same industry.

Cash Flow ($/share): Cash flow per share is calculated as operating cash flow (after-tax earnings + depreciation + other non-cash charges) divided by common shares outstanding. It is used by many investors as a measure of a company's financial strength. Since cash flow per share takes into consideration a company's ability to generate cash by adding back non-cash expenses, it is regarded by some as a more accurate measure of a company's financial situation than earnings per share, which could be artificially deflated.

Current Ratio: The current ratio or liquidity ratio is a company's current assets divided by its current liabilities. It measures a company's ability to pay short-term obligations. A current ratio that is in line with the industry average or slightly higher is generally considered acceptable. A current ratio that is lower than the industry average would indicate a higher risk of distress or default. A higher number is usually better. However, a very high current ratio compared to the industry average could be an indication of inefficient use of assets by management.

Debt/Capital Ratio: Debt-to-capital ratio is a company's total debt (interest-bearing debt + both short- and long-term liabilities) divided its total capital (interest-bearing debt + shareholders' equity). It is a measure of a company's financial leverage. All else being equal, the higher the debt-to-capital ratio, the riskier the stock.

However, this ratio can vary widely from industry to industry, the ideal amount of required debt being different. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-capital ratio should be compared with the same for its industry.

Net Margin: Net margin is calculated as net income divided by sales. It shows how much of each dollar in sales generated by a company translates into profit. For example, if a company's net margin is 15%, its net income is 15 cents for every $1 of sales it makes.

A change in margin can reflect either a change in business conditions, or a company's cost controls, or both. If a company's expenses are growing faster than sales, its net margin will decline. However, different net margin rates are considered good for different industries, so it's better to compare net margin rates of companies in the same industry group.

Return on Equity: Return on equity (ROE) is calculated as trailing-12-month net income divided by trailing-12-month average shareholder equity (including reinvested earnings). This metric is considered a measure of how effectively management is using a company's assets to generate profits. For example, if a company's ROE is 10%, it creates 10 cents profits for every $1 shareholder equity, which is basically the company's assets minus debt. A company's ROE deemed good or bad depends on what's normal for its peers or industry group.

Sales/Assets Ratio: The sales-to-assets ratio or asset utilization ratio or asset turnover ratio is calculated as a company's annual sales divided by average assets (average of assets at the beginning of the year and at the year's end). This metric helps investors understand how effectively a company is using its assets to generate sales. For example, a sales-to-assets ratio of 2.5 indicates that the company generated $2.50 in sales for every $1 of assets on its books.

The higher the sales-to-assets ratio, the better the company is performing. However, similar to many other ratios, the asset turnover ratio tends to be higher for companies in certain industries/sectors than in others. So, a company's sales-to-assets ratio should be compared with the same for its industry/sector.

Historical EPS Growth (3-5 Years): This is the average annual (trailing-12-month) EPS growth rate over the last 3-5 years. This metric helps investors see how a company's EPS has grown from a long-term perspective.

Note: There are many factors that can influence short-term numbers — a recession will reduce this number, while a recovery will inflate it. The longterm perspective helps smooth out short-term events.

Projected EPS Growth (F1/F0): This is the estimated EPS growth rate for the current financial year. It is calculated as the consensus estimate for the current fiscal year (F1) divided by the reported EPS for the last completed fiscal year (F0).

Current Cash Flow Growth: It measures the latest year-over-year change in operating cash flow. Cash flow growth tells an investor how quickly a company is generating inflows of cash from operations. A positive change in the cash flow is desired and shows that more 'cash' is coming in than going out.

Historical Cash Flow Growth (3-5 Years): This is the annualized change in cash flow over the last 3-5 years. The change in a longer period helps put the current reading into proper perspective. By looking at the rate, rather than the actual dollar value, the comparison across the industry and peers becomes easier.

Projected Sales Growth (F1/F0): This metric looks at the estimated sales growth for the current year. It is calculated as sales estimate for the current fiscal year (F1) divided by the reported sales for the last completed fiscal year (F0).

Like EPS growth, a higher rate is better for sales growth. A look at a company's projected sales growth instantly tells you what the outlook is for their products and services. However, different sales growth rates are considered good for different industries, so it's better to compare sales growth rates of companies in the same industry group.

EPS F1 Estimate 1-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past week. The change in a company's consensus EPS estimate (or earnings estimate revision) has proven to be strongly correlated with the near-term price movement of its shares. It is an integral part of the Zacks Rank.

If a stock's consensus EPS estimate is $1.10 now versus $1.00 a week ago, that will be reflected as a 10% upward revision. If, on the other hand, it went from $1.00 to 90 cents, that would be a 10% downward revision.

EPS F1 Estimate 4-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past four weeks.

A stock's earnings estimate revision in a 1-week period is important. But it's more meaningful to look at the longer-term revision. And, of course, the 4-week change helps put the 1-week change into proper perspective.

EPS F1 Estimate 12-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past 12 weeks.

This metric essentially shows how the consensus EPS estimate has changed over a period longer than 1 week or 4 weeks.

EPS Q1 Estimate Monthly Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal quarter over the past four weeks.

While the revision in consensus EPS estimate for the current fiscal year is strongly correlated with the near-term price movement of its shares, the estimate revision for the current fiscal quarter is an important metric as well, especially over the short term, and particularly as a stock approaches its earnings date. If a stock's Q1 EPS estimate decreases ahead of its earnings release, it's usually a negative sign, whereas an increase is a positive sign.