Jones Lang LaSalle (JLL)

$148.30 (As of 01/15/21)

Price Target (6-12 Months): **$171.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 12/21/20) Prior Recommendation: Neutral	**Outperform**
Short Term: 1-3 Months	**Zacks Rank:** (1-5) Zacks Style Scores: Value: B | Growth: D	**1-Strong Buy** VGM:C Momentum: D

Summary

Shares of Jones Lang LaSalle have outperformed the industry over the past three months. The recent trend in earnings estimates revisions for 2020 and 2021 also indicate a favorable outlook for the company. The company's diverse range of products and service offerings, along with its strategic investments, gives it a strong footing. Property & Facility Management business continues to benefit from its global platform's strength and evolving outsourcing needs. Also, it continues to benefit from cost-mitigation moves, including government relief programs. Though the pandemic had an adverse impact on transactional-based service lines, there has now been improvement in pipelines in both leasing and capital markets. With a decent balance-sheet strength and focused investment strategy, it is poised to gain from market consolidations.

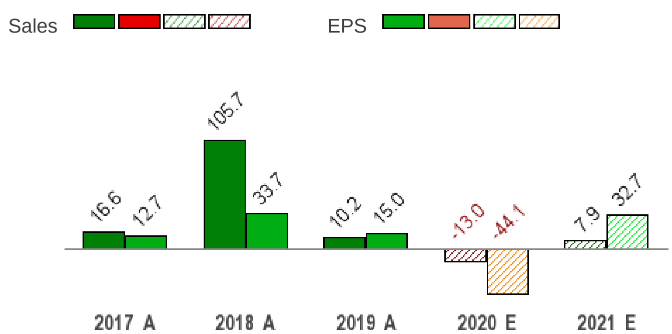
Price, Consensus & Surprise

Source: Zacks Investment Research

Data Overview

52-Week High-Low	**$178.55 - $78.29**
20-Day Average Volume (Shares)	**313,277**
Market Cap	**$7.6 B**
Year-To-Date Price Change	**-0.1%**
Beta	**1.49**
Dividend / Dividend Yield	**$0.00 / 0.0%**
Industry	**Real Estate - Operations**
Zacks Industry Rank	**Top 41% (104 out of 253)**
Last EPS Surprise	**123.1%**
Last Sales Surprise	**6.4%**
EPS F1 Estimate 4-Week Change	**7.1%**
Expected Report Date	**02/09/2021**
Earnings ESP	**1.1%**
P/E TTM	**14.1**
P/E F1	**14.2**
PEG F1	**1.6**
P/S TTM	**0.4**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	3,676 E	3,801 E	4,100 E	5,053 E	16,879 E
2020	4,096 A	3,670 A	3,978 A	4,557 E	15,646 E
2019	3,821 A	4,267 A	4,496 A	5,401 A	17,983 A

EPS Estimates

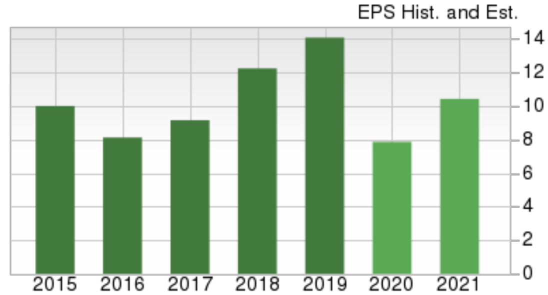
	Q1	Q2	Q3	Q4	Annual*
2021	$0.97 E	$1.46 E	$3.45 E	$5.34 E	$10.44 E
2020	$0.49 A	$0.70 A	$2.99 A	$3.68 E	$7.87 E
2019	$0.89 A	$2.94 A	$3.52 A	$6.35 A	$14.09 A

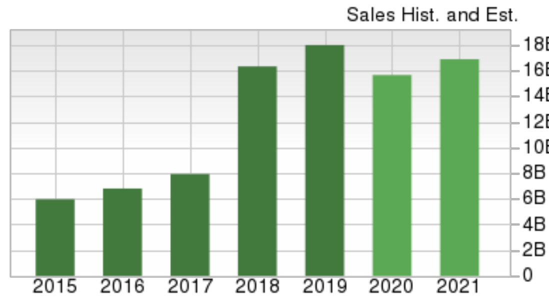
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 01/15/2021. The reports text is as of 01/19/2021.

Overview

Chicago-based Jones Lang LaSalle Incorporated is a leading full-service real estate firm that provides corporate, financial and investment management services to corporations and other real estate owners, users, and investors worldwide. The company divides its business into two primary segments: Real Estate Services (RES) and Investment Management (IM).





The RES segment is subdivided into three geographic regions – the Americas, EMEA (Europe, the Middle East, Africa) and the Asia Pacific. The company offers leasing, capital markets and hotels, property and facility management, project and development services and advisory, consulting and other services, both locally and globally under its Real Estate Services segment.

The IM division is referred to as LaSalle Investment Management and provides real estate investment-management services to institutional and retail investors, including high-net-worth individuals.

With annual revenues of $18 billion, JLL is a Fortune 500 company, having operations in more than 80 countries, as well as global workforce of more than 92,000 as of Sep 30, 2020. The company is an industry leader in property and corporate facility management services.

Moreover, on Jul 1, 2019, JLL announced the completion of its acquisition of HFF Inc. This cash-and-stock transaction, valued at about $1.8 billion and first announced in March 2019, came as part of JLL's effort to substantially boost its Capital Markets business.

Notably, HFF offered clients a fully-integrated capital market platform, including debt placement, investment advisory, equity placement, funds marketing, merger and acquisitions (M&A) and corporate advisory, loan sales and commercial loan servicing. The company has closed more than $800 billion in excess of 27,000 transactions since 1998 and generated revenues of more than $650 million in 2018. Therefore, following the acquisition, with a global team of more than 3,700 capital market professionals across 47 countries, JLL now has a superior ability to offer capital-market services and expertise to its clients.

Source: Zacks Investment Research

Reasons To Buy:

> JLL's wide range of product & services and spate of strategic investment activities to capitalize on market consolidations augur well. Also, its robust balance sheet, with a manageable debt position, is impressive.

- JLL has a broad range of real estate product and services as well as an extensive knowledge of domestic and international real estate markets, thus enabling it to operate as a single-source provider of real estate solutions. The company is focused on balanced revenue growth across profitable markets. Also, its superior client services and strategic investment in technology and innovation are expected to help grow market share and win relationships. Moreover, prudent cash management efforts are likely to support the company's bottom-line performance.

- JLL continues to invest strategically so as to capitalize on market consolidations. The company's superior operating platform and market share expansion have helped it achieve strong growth as well as a decent cash level. In fact, over the past years, the company completed several strategic acquisitions as part of its global growth strategy, thereby expanding its capabilities in certain service offerings. In July 2019, JLL announced about its completion of HFF Inc.'s acquisition. This transformative acquisition bolstered full-service Capital Markets business. Also, incorporating HFF into JLL's full-service global platform offered significant cross sell opportunities. Earlier, the company completed two new strategic acquisitions — Latitude Real Estate Investors and Corporate Concierge Services. These acquisition efforts helped in expansion of the company's capabilities and increasing its presence in key regional markets.

- JLL's Corporate Solutions business, which is the company's multi-service outsourcing business, and includes integrated Facility Management and Corporate Solutions-related services from Leasing, Project & Development, as well as Advisory & Consulting, is well poised to capitalize on the favorable trends. In fact, amid rising trend of outsourcing of real estate needs by companies, new contract wins and expansion of services with existing clients are likely to aid JLL's performance in the upcoming period. Also, amid the pandemic, Corporate Solutions continued to show its resiliency as a scaled global platform and the business continues to generate new client wins and expansions, which includes advising on reentry strategies and protocols.

- JLL is focused on maintaining balance-sheet strength and adequate liquidity to enjoy operational flexibility. As of Sep 30, 2020, the company's net debt amounted to $752 million, marking a decline of $320 million from June end and nearly $730 million from September 2019 end, reflecting the operating cash-flow drivers. Further, as of the end of September, leverage was 0.8x, down from 1.1x at the end of June and just belowlevels prior to the HFF acquisition. Moreover, JLL exited the quarter with $2.8 billion of liquidity, including roughly $440million of cash and 85% of capacity available on its $2.75 billion revolver. While for at least the foreseeable future, management does not expect to resume paying a dividend, it plans to return cash to shareholders via share repurchases. The company also enjoys investment grade ratings — Moody's: Baa1 and S&P: BBB+ — which highlights the financial and balance-sheet strength. Hence, with a solid balance sheet and sufficient financial flexibility as well as manageable debt maturities, JLL remains well poised to sail through the challenging times and capitalize on solid opportunities.

- Shares of JLL have gained 35% over the past three months compared with the industry's rally of 15.9%. Moreover, the recent trend in earnings estimates revisions for 2020 and 2021 indicate a favorable outlook for JLL. Over the past month, the Zacks Consensus Estimate for JLL's 2020 and 2021 earnings have moved 7.4% and 7.2% north, respectively, to $7.87 and $10.44. Therefore, given the progress on fundamentals and upward estimate revisions, the stock has decent upside potential in the near term.

Risks

- The pandemic has resulted in uncertainty, interruption of business activities and substantial impact on global markets as well as on consumer and business sentiment. Though economic growth rebounded in the third quarter, in many countries the pace of recovery is expected to be slow with the unwinding of fiscal stimulus as well as cautious approach of households and businesses. In fact, a significant improvement is unlikely until the health crisis is resolved. Particularly, in third-quarter 2020, direct commercial real estate investment totaled $149 billion, down 44% year on year. JLL too has not been spared and the company's quarterly results reflect the adverse impact of the coronavirus pandemic on its top line, with transaction-based service lines being hit hard due to delays in leasing and capital market transactions. While there has been an improvement in pipelines in both leasing and capital markets since the end of June, there remains uncertainty with the length of the pandemic and its impact on decision-making by corporate occupiers and investors. Therefore, the pandemic's impact on transactional-based service lines and potential delays in payments from clients are key concerns.

- JLL has been focused on consistently raising dividend since 2011 and aimed at enhancing shareholders' value. However, concurrent with the first-quarter 2020 earnings, the company noted that its board will not announce a semi-annual dividend, usually paid in June. Though the suspension of dividend helps save cash for reinvestment in business to drive long-term growth, the move might trigger negative perceptions of investors. Furthermore, in the foreseeable future, management does not expect to resume paying a dividend, but rather plans to return cash to shareholders via share repurchases.

- Intense competition from international, regional and local players in the market is a concern. In addition, given its international presence, JLL often faces unfavorable foreign currency movements, impacting its top-line growth. Moreover, the Real Estate Services business segment is also cyclical in nature and experiences fluctuations in revenues and operating margins. This, in turn, could negatively affect the long-term earnings expectations of the company.

Last Earnings Report

Jones Lang LaSalle Q3 Earnings & Revenues Beat

Quarter Ending	09/2020
Report Date	Nov 02, 2020
Sales Surprise	6.43%
EPS Surprise	123.13%
Quarterly EPS	2.99
Annual EPS (TTM)	10.53

JLL reported third-quarter adjusted earnings of $2.99 per share, beating the Zacks Consensus Estimate of $1.34. Revenues for the quarter came in at $3.98 billion, surpassing the Zacks Consensus Estimate of $3.74 billion.

Despite the challenging environment, the company benefited from the resiliency of its global, full-service platform. Moreover, the company witnessed steady contributions from Property & Facility Management, reflecting the global platform's strength and evolving outsourcing trends.

However, capital markets and leasing continued to be substantially affected by the COVID-19 pandemic and quarterly adjusted earnings were down 15% from the prior-year quarter tally of $3.52. Revenues declined 12% year on year, while fee revenues slipped 22% year over year to $1.4 billion.

Apart from this, adjusted EBITDA margin, calculated on a fee-revenue basis, was 17.2% compared with the prior-year quarter's 16.5%. The expansion in net margin was mainly driven by management's cost-mitigation moves, including government relief programs. This was partly offset by net dilution from Real Estate Services, marking the decline in fee revenues, particularly transactional service lines.

Behind the Headline Numbers

During the September-end quarter, JLL's RES revenues dropped 12% year over year to $3.87 billion. Notably, RES revenues declined across the geographic segments and most service lines. Capital markets and leasing declines in fee revenues highlights the year-over-year plunge in global market volumes. However, strength in the Corporate Solutions and property management businesses, particularly in the United States, helped Property &Facility Management segment in the reported quarter.

In the Americas, revenues and fee revenues came in at $2.38 billion and $773.7 million, respectively, reflecting an 11% and 26% year-over-year decline. The Americas transaction-based service lines were affected by the pandemic. Also, soft investment sales and debt placement activity hurt Capital Markets revenues. Nonetheless, new property management and Corporate Solutions clients, along with expansions of existing Corporate Solutions client relationships, helped Property & Facility Management segment register significant revenue and fee revenue growth.

Revenues and fee revenues of the EMEA segment came in at $743.8 million and $324.6 million, down 14% and 19%, respectively, from the year-ago period, reflecting the adverse impact of the pandemic. Transaction-based revenues were substantially lower, particularly in Germany, the U.K. and France.

For the Asia-Pacific segment, revenues and fee revenues came in at $743.2 million and $213.5 million, respectively, marking a year-over-year fall of 11% and 19%. Transaction-based revenues bore the brunt. Shift in deal activity away from large transactions, affected Capital Markets revenues. The decline was most notable in Japan and Greater China. Nevertheless, Property & Facility Management business reflects resiliency, with property management and Corporate Solutions staffs teaming up with clients for executing improved facilities management and re-entry plans.

Revenues in the LaSalle segment edged down 1% year over year to $110.3 million, while fee revenues remained essentially flat at $105.8 million. Solid advisory fees displayed strong private equity capital raising over the trailing 12 months. Also, the company witnessed higher transaction fees, thereby helping it offset the decline in incentive fees.

At the end of third-quarter 2020, assets under management were $65.7 billion, up 1% from the last quarter end, reflecting acquisitions and foreign currency increases.

Liquidity

JLL exited the third quarter with cash and cash equivalents of $440 million, down from $451.9 million as of Dec 31, 2019. Moreover, as of Sep 30, 2020, the company's net debt amounted to $752 million, marking a decline of $320 million from June end and nearly $730 million from September 2019 end reflecting the operating cash flow drivers.

During the reported quarter, approximately 258,000 shares were repurchased for $25 million.

Recent News

JLL Elevates Mark Gabbay to CEO of LaSalle Global - Dec 7, 2020

JLL announced that Mark Gabbay will assume the role of chief executive officer (CEO) of LaSalle Global, effective Jan 1, 2021. Gabbay is presently the CEO and chief investment officer (CIO) of LaSalle Asia Pacific. He will succeed Jeff Jacobson.

Mark Gabbay joined LaSalle in 2010 as CIO for the Asia Pacific Region and has been pivotal for the company's tremendous growth in the region.

JLL Signs Multi-Year Deal With bp - Nov 24, 2020

JLL and bp have inked a multi-year Vested® workplace evolution agreement that entails JLL to provide workplace and real estate solutions to support bp's transformation and net zero carbon ambitions. JLL will work with bp on real estate portfolio management, projects and workplace management.

Notably, for more than a decade, JLL has worked with bp and the latest deal will offer real estate portfolio management services across 200 sites globally from January 2021. While the launch of workplace management will occur in phases, preparations are ongoing for the first phase to 'go live' in spring 2021.

Dividend Update

On Nov 5, 2019, JLL announced a common stock dividend of 43 cents per share. The dividend was paid on Dec 13, to shareholders of record on Nov 15, 2019. Notably, total 2019 dividends of 86 cents per share increased 5% from 2018. However, concurrent with the first-quarter 2020 earnings, the company stated that its board will not announce a semi-annual dividend, historically paid in June.

Valuation

JLL's shares have been down 13.7% over the trailing 12-month period. Stocks in the Zacks sub-industry is up 22.1% while the Zacks Finance sector is down 0.7% in the past year.

The S&P 500 Index is up 14.9% in the past year.

The stock is currently trading at 14.02X forward 12-month earnings, which compares to 28.48X for the Zacks sub-industry, 17.17X for the Zacks sector and 22.85X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 18.39X and as low as 5.99X, with a 5-year median of 12.51X. Our outperform recommendation indicates that the stock will perform better than the market. Our $171 price target reflects 16.17X earnings.

The table below shows summary valuation data for JLL.

Valuation Multiples - JLL

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	14.02	28.48	17.17	22.85
	5-Year High	18.39	34.14	17.17	23.79
	5-Year Low	5.99	11.79	11.59	15.3
	5-Year Median	12.51	16.49	14.52	17.83
P/S F12M	Current	0.45	3.76	7.14	4.48
	5-Year High	1.10	4.71	7.14	4.48
	5-Year Low	0.23	2.19	5.02	3.2
	5-Year Median	0.48	3.19	6.12	3.68
P/B TTM	Current	1.44	0.81	2.95	6.47
	5-Year High	2.38	0.84	2.98	6.58
	5-Year Low	0.81	0.29	1.74	3.73
	5-Year Median	1.76	0.64	2.58	4.94

As of 01/15/2021 *Source: Zacks Investment Research*

Industry Analysis **Zacks Industry Rank:** Top 41% (104 out of 253)

Source: Zacks Investment Research

Top Peers

Company (Ticker)	Rec	Rank
CBRE Group, Inc. **(CBRE)**	Neutral	3
Colliers International Group Inc. **(CIGI)**	Neutral	3
Cushman & Wakefield PLC **(CWK)**	Neutral	3
FirstService Corporation **(FSV)**	Neutral	3
Marcus & Millichap, Inc. **(MMI)**	Neutral	4
Newmark Group, Inc. **(NMRK)**	Neutral	3
The RMR Group Inc. **(RMR)**	Neutral	3
Walker & Dunlop, Inc. **(WD)**	Neutral	3

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

Industry Comparison Industry: Real Estate - Operations

	JLL	X Industry	S&P 500	CBRE	CIGI	CWK
				Industry Peers		
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	1	-	-	3	3	3
VGM Score	C	-	-	B	C	D
Market Cap	7.59 B	761.00 M	27.23 B	21.31 B	3.50 B	3.14 B
# of Analysts	4	2	13	4	2	5
Dividend Yield	0.00%	0.00%	1.44%	0.00%	0.11%	0.00%
Value Score	B	-	-	B	B	C
Cash/Price	0.06	0.14	0.06	0.08	0.07	0.29
EV/EBITDA	7.98	8.95	14.76	10.80	13.05	8.92
PEG F1	1.58	1.68	2.58	1.77	NA	1.15
P/B	1.44	1.37	3.73	3.23	6.57	2.99
P/CF	7.88	10.33	14.32	11.81	17.61	7.41
P/E F1	14.20	18.58	20.57	19.49	17.81	11.53
P/S TTM	0.44	2.51	2.98	0.89	1.25	0.38
Earnings Yield	7.04%	4.93%	4.78%	5.13%	5.62%	8.67%
Debt/Equity	0.20	0.18	0.70	0.27	1.61	3.09
Cash Flow ($/share)	18.82	0.68	6.92	5.38	4.96	1.91
Growth Score	D	-	-	B	D	F
Historical EPS Growth (3-5 Years)	9.21%	8.73%	9.72%	13.56%	1.66%	NA
Projected EPS Growth (F1/F0)	32.59%	22.10%	12.26%	17.58%	32.21%	70.83%
Current Cash Flow Growth	25.02%	7.66%	5.20%	11.78%	12.01%	259.21%
Historical Cash Flow Growth (3-5 Years)	13.41%	8.29%	8.37%	16.49%	7.34%	NA
Current Ratio	2.45	1.98	1.38	1.26	0.96	1.39
Debt/Capital	16.98%	16.11%	41.97%	21.29%	70.74%	75.58%
Net Margin	2.49%	4.04%	10.44%	4.48%	2.27%	-2.32%
Return on Equity	10.70%	3.37%	15.40%	16.83%	12.41%	-17.04%
Sales/Assets	1.26	0.21	0.50	1.50	0.95	1.17
Projected Sales Growth (F1/F0)	7.88%	7.29%	6.01%	6.77%	17.92%	6.37%
Momentum Score	D	-	-	C	C	A
Daily Price Change	-0.52%	0.00%	-0.59%	2.02%	0.77%	-0.42%
1-Week Price Change	0.89%	0.68%	2.23%	-0.13%	-2.27%	-3.30%
4-Week Price Change	0.54%	0.00%	2.58%	-1.38%	-3.82%	-8.87%
12-Week Price Change	33.11%	11.13%	11.96%	35.93%	32.15%	21.09%
52-Week Price Change	-13.32%	-12.08%	5.71%	4.47%	5.62%	-27.39%
20-Day Average Volume (Shares)	313,277	23,796	1,749,628	1,604,310	31,007	608,038
EPS F1 Estimate 1-Week Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EPS F1 Estimate 4-Week Change	7.11%	0.00%	0.06%	0.51%	0.00%	0.00%
EPS F1 Estimate 12-Week Change	8.90%	0.59%	2.44%	2.11%	-14.55%	-87.69%
EPS Q1 Estimate Monthly Change	0.00%	0.00%	0.00%	0.00%	NA	0.00%

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	B
Growth Score	D
Momentum Score	D
VGM Score	C

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

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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.