

Nordstrom, Inc. (JWN)

\$17.34 (As of 05/05/20)

Price Target (6-12 Months): **\$18.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 05/04/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:A

Value: A

Growth: B

Momentum: F

Summary

Nordstrom remains keen on taking the right actions to keep its operations going, with focus on speed and flexibility to serve customers, amid the coronavirus pandemic and in the long run. It is leveraging the strength of its market strategy to facilitate easy fulfillment from stores for faster delivery and providing curbside pickup and returns. Further, Nordstrom is cutting 20% of non-occupancy related overhead costs by permanently closing 16 full-line stores, restructuring areas and adjusting supply chain to stay afloat amid coronavirus pandemic. Additionally, it has withdrawn its guidance and suspended dividends and share buybacks. However, the uncertainty regarding the timing of spread and related impacts is hurting sentiments on the stock. Consequently, shares of Nordstrom have declined and underperformed the industry year-to-date.

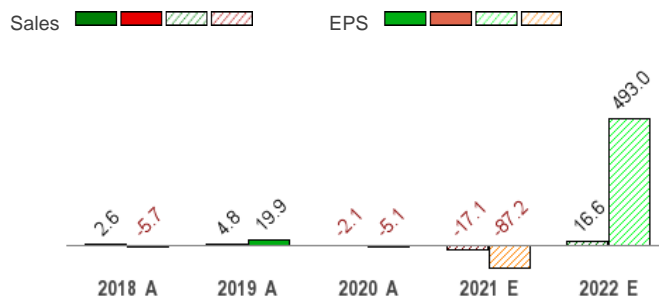
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$43.37 - \$12.27
20 Day Average Volume (sh)	5,688,209
Market Cap	\$2.7 B
YTD Price Change	-57.6%
Beta	1.45
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Retail - Apparel and Shoes
Zacks Industry Rank	Bottom 30% (177 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	-4.1%
Last Sales Surprise	-0.7%
EPS F1 Est- 4 week change	-65.5%
Expected Report Date	05/19/2020
Earnings ESP	-10.0%

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2022	3,662 E	3,977 E	3,804 E	4,724 E	15,008 E
2021	2,250 E	2,747 E	3,444 E	4,430 E	12,871 E
2020	3,443 A	3,872 A	3,672 A	4,538 A	15,524 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2022	\$0.15 E	\$0.85 E	\$0.75 E	\$1.31 E	\$2.55 E
2021	-\$0.86 E	-\$0.26 E	\$0.38 E	\$0.96 E	\$0.43 E
2020	\$0.23 A	\$0.90 A	\$0.81 A	\$1.42 A	\$3.37 A

*Quarterly figures may not add up to annual.

P/E TTM	5.2
P/E F1	40.3
PEG F1	6.7
P/S TTM	0.2

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 05/05/2020. The reports text is as of 05/06/2020.

Overview

Founded in 1901 as a retail shoe business, and headquartered in Seattle, Washington, Nordstrom Inc. is a leading fashion specialty retailer in the United States. The company offers an extensive selection of both branded and private-label merchandise, which are positioned in the upscale segment of the industry.

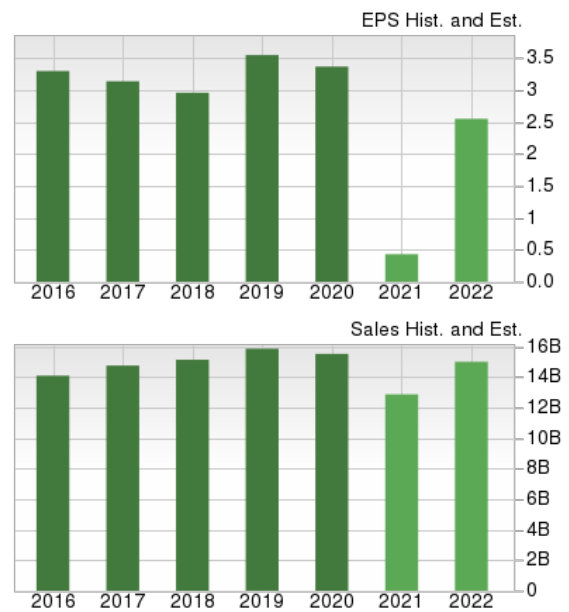
Meanwhile, the company offers high-quality apparel, shoes, cosmetics and related accessories for men, women, young adults and children through a variety of channels. These channels are namely, Nordstrom branded full-line stores; Nordstrom Rack stores; Jeffrey boutiques; clearance stores under the Last Chance name; Trunk Club clubhouses and Nordstrom Local. Also, the company serves customers online through Nordstrom.com; Nordstromrack.com; HauteLook; and TrunkClub.com.

The company aspires to become the best fashion retailer in the digital space by primarily focusing on its customers. Impressively, Nordstrom's digital sales represented approximately 31% of total sales in the first quarter of fiscal 2019.

Furthermore, Nordstrom's customer-based strategy focuses on three strategic factors — leveraging its brand strength, providing excellent services and offering compelling products. Furthermore, the company delivers service, product and experience, which include alterations, dining and styling in order to make shopping personalized and convenient.

The company operates through two segments: Retail and Credit Card. The Retail segment offers a selection of brand names and private-label merchandise. The segment includes Nordstrom branded full-line stores and website, off-price Nordstrom Rack stores and other retail channels including HauteLook and Jeffrey boutiques. The Credit Card segment operates Nordstrom private-label and co-branded VISA credit cards.

As of Feb 1, 2020, Nordstrom operated 380 stores across 40 states. These include 116 full-line stores in the United States, Canada and Puerto Rico, 248 Nordstrom Rack outlets, three Jeffrey boutiques, two clearance stores, six Trunk Club clubhouses as well as five Nordstrom Local service concepts.



Reasons To Buy:

- ▲ **Nordstrom Leverages Market Strategy Amid Coronavirus:** Nordstrom remains keen on taking the right actions to keep its operations going, with focus on speed and flexibility to serve customers, amid the coronavirus pandemic and in the long run. It is leveraging the strength of its market strategy that focuses on providing seamless shopping experience through multiple touch points, including its store banners – Nordstrom and Nordstrom Rack – as well as in-stores and online. Its investments in physical and digital business to match the changing customer preference have gone a long way in serving customers during the pandemic. Its market strategy is enabling it to bring inventory closer to where customers live and work, facilitating the use of its stores as fulfillment centers to enhance faster delivery and connecting digital and physical experiences to provide curbside pickup and returns.

Nordstrom's market strategy has supported its efforts to serve customers during the pandemic. It facilitated easy fulfillment from stores for faster delivery and providing curbside pickup and returns.

While stores are temporarily closed, the company is focused on boosting online sales as its e-commerce site continues to witness solid traffic and conversion. It is also focused on clearing excess inventory through increased marketing and promotional efforts. More than half of Nordstrom.com orders are currently fulfilled from full-line stores, and 25% of Nordstromrack.com and HauteLook.com orders are now fulfilled by Nordstrom Rack stores. Nordstrom recently launched its dedicated e-commerce site to serve customers in Canada, with all online sales fulfilled from the six full-line stores there.

- ▲ **Cost Cutting:** As part of its efforts to curb costs, Nordstrom is planning to permanently close 16 full-line stores, restructure regions and adjust supply chains to stay afloat amid coronavirus pandemic. The restructuring is expected to result in expense savings of nearly \$150 million, or 30% of the company's previously announced plans for net cash reductions of more than \$500 million in operating expenses, capital expenditures and working capital. These actions, combined with its initial savings plan of \$200-\$250 million, represent a reduction in non-occupancy related overhead expenses of about 20%.

- ▲ **Debt Analysis:** Nordstrom's cash and cash equivalents at the end of fourth-quarter fiscal 2019 increased 75% sequentially to \$853 million. Notably, the company's cash position remains sufficient to fund its short term obligations of about \$244 million as of Feb 1, 2020. Further, its long-term debt of \$4,551 million (including non-current operating lease liabilities) declined 0.5% sequentially. Though its debt-to-capitalization ratio of 0.83 is higher than the industry's ratio of 0.68, it represents a sequential improvement from 0.85 as of Nov 2, 2019. The company's times interest earned ratio of 7.7 versus the industry's 4.3 indicates that it is better positioned to meet its debt obligations, compared to its peers. As on Feb 1, 2020, S&P's and Moody's had assigned credit ratings of BBB and Baa2, respectively, reflecting a stable outlook.

Moreover, the company is likely to stay afloat, amid the coronavirus pandemic, with \$800 million drawn on its revolving credit facility to meet the short-term cash crunch. It also looks to preserve liquidity by suspending share buybacks and dividends payouts, starting second quarter of fiscal 2020. Nonetheless, Nordstrom remains committed to long-term dividend payments.

- ▲ **Q4 Sales Increase:** Nordstrom's fourth-quarter fiscal 2019 sales increased on a year-over-year basis, despite missing the Zacks Consensus Estimate. Total revenues rose 1.3% to \$4,538 million driven by gains in its full-price and off-price businesses. Growth in the full-price and off-price businesses were driven by benefits from loyalty program, digital channel and merchandise assortment. The company's full-price net sales (including the U.S. full-line stores, Nordstrom.com, the Canadian operation, Trunk Club, Jeffrey and Nordstrom Local) increased 1% in the fiscal fourth quarter. Further, its off-price net sales (including Nordstrom U.S. Rack stores, Nordstromrack.com/HauteLook and Last Chance clearance stores) grew 1.8%. For fiscal 2020, Nordstrom projects net sales to increase in the range of 1.5-2.5%.

- ▲ **Store Expansion Strategy:** Nordstrom has been persistently focusing on the store-expansion strategy as part of its efforts to grow market share. The company remains keen on prioritizing its investments in the top North American markets. The opening of new stores is not only expected to attract customers but also boost the company's top line via synergies across other channels. Moreover, the company has been progressing well with expansion in Canada. Overall, it envisions a \$1-billion sales opportunity from its expansion in Canada by 2020, including six planned full-line stores and 15 Rack stores. Furthermore, management remains keen on domestic store expansion.

- ▲ **Long-Term Growth Strategy:** Nordstrom's significant progress on its customer-based strategy places it well to reach the revenue target of \$20 billion by fiscal 2020. This strategy focuses on three strategic factors — leveraging its brand strength, providing excellent services and offering compelling products to its customers. Notably, Nordstrom is focused on advancing in the technology space, by boosting e-commerce and digital networks, and improving its supply-chain channels and marketing efforts. Digital sales advanced 9% in fourth-quarter fiscal 2019. This represents 35% of the company's business, up 200 basis points (bps) year over year. The company benefited from online order pickup, which contributed more than half of digital sales growth in full-price stores.

Nordstrom also continued to expand its loyalty program in the fiscal fourth quarter, as the Nordy Club had about 13 million active customers, contributing about two-thirds of its sales in 2019. With regard to cost savings, the company plans to strike a balance between sales and expense growth. In fiscal fourth quarter, it realized cost saving of \$55 million. In fiscal 2019, the company accomplished \$225 million in cost savings and plans to realize nearly \$200-\$250 million in fiscal 2020. We believe these efforts will help Nordstrom to deliver sustainable growth over the long term.

Reasons To Sell:

- ▼ **Dismal Q4 Results:** Shares of Nordstrom have slumped 57.6% year-to-date, wider than the industry's decline of 44.2%. The company is pressured by the recent tolls of the COVID-19 spread as well as a soft fourth-quarter fiscal 2019 results. The company posted dismal fourth-quarter fiscal 2019 results, wherein sales and earnings missed the Zacks Consensus Estimate. Notably, the company's bottom line missed estimates after surpassing the consensus mark in the last two quarters. Also, earnings declined 4.1% on a year-over-year basis due to increase in SG&A expenses and higher interest expenses.
- ▼ **COVID-19 Impacts:** In the wake of the coronavirus pandemic and the uncertainty surrounding the timing of its impacts, Nordstrom has closed all of its stores across the United States and Canada. Moreover, the company rolled back its previously outlined guidance for fiscal 2020. Additionally, as part of precautionary actions, the company targets a reduction in operating expenses, capital expenditures and working capital to the tune of roughly \$500 million, which will be incremental to its initial savings goal of \$200-\$250 million for fiscal 2020.
- ▼ **Higher Expenses Remain Short-Term Hurdles:** Nordstrom's growth strategy focused on enhancement of digital experience and increased investments in supply chain bode well for the long term. However, investments related to occupancy, technology, store openings, supply chain and marketing are resulting in higher operating expenses. Selling, general and administrative (SG&A) expenses, as a percentage of sales, grew 70 bps to 30.5%. Excluding integration charges, expenses remained flat in the fourth quarter of fiscal 2020. Going forward, management expects to further make investments in its market strategy, including additional Nordstrom locals and digital capabilities. All these expenses might weigh on the company's margins and overall profits in the near term.
- ▼ **Competitive Pressure:** Nordstrom operates in a highly fragmented specialty retail sector and faces intense competition from other well-established players such as The Gap Inc., L Brands Inc., Abercrombie & Fitch Co. and Saks Inc. The company primarily competes on the basis of fashion, quality and service. To retain its existing market share, the company may have to reduce its sales prices, which in turn can affect its margins.

Higher investments in occupancy, technology, store openings, supply chain and marketing are leading to higher expenses. These might hurt Nordstrom's margins and profits in the near term.

Last Earnings Report

Nordstrom Q4 Earnings & Sales Lag Estimates

Nordstrom reported dismal fourth-quarter fiscal 2019 results, wherein sales and earnings missed the Zacks Consensus Estimate. Notably, the company's bottom line missed estimates after surpassing the consensus mark in the last two quarters. Also, earnings declined on a year-over-year basis. Management provided guidance for fiscal 2020.

Nordstrom's earnings of \$1.42 per share missed the Zacks Consensus Estimate of \$1.48 and declined 4.1% on a year-over-year basis. This downside was due to increase in SG&A expenses and higher interest expenses.

Total revenues rose 1.3% to \$4,538 million but missed the Zacks Consensus Estimate of \$4,568 million. The company witnessed improved top-line trends in its full-price and off-price businesses, driven by gains from loyalty program, digital channel and merchandise assortment. The company's net Retail sales grew 1.3% to \$4,439 million, while Credit Card net revenues declined 2% to \$99 million.

Furthermore, Nordstrom's full-price net sales (including the U.S. full-line stores, Nordstrom.com, the Canadian operation, Trunk Club, Jeffrey and Nordstrom Local) increased 1% to \$3,015 million in the fiscal fourth quarter. The company's off-price net sales (including Nordstrom U.S. Rack stores, Nordstromrack.com/HauteLook and Last Chance clearance stores) grew 1.8% to \$1,424 million.

Meanwhile, digital sales advanced 9% in the reported quarter. This represents 35% of the company's business, up 200 basis points (bps) year over year. The company benefited from online order pickup, which contributed more than half of digital sales growth in full-price stores. Nordstrom also continued to expand its loyalty program in the fiscal fourth quarter, as the Nordy Club had about 13 million active customers, contributing about two-thirds of its sales in 2019.

Nordstrom's gross profit margin contracted 9 bps to 35%. This downside was due to higher costs from expansion of the loyalty program and planned occupancy costs related to the NYC flagship store, partly offset by improved merchandise margins. Ending inventory declined 2.9% from last year, marking four repeated quarters of sales growing faster than inventory.

Selling, general and administrative (SG&A) expenses, as a percentage of sales, grew 70 bps to 30.5%. Excluding integration charges, expenses remained flat due to realized expense savings of about \$55 million from ongoing productivity initiatives. Further, earnings before interest and taxes (EBIT), as a percentage of net sales contracted 90 bps to 6.7%. Excluding integration charges of \$32 million, EBIT margin declined slightly compared to prior year.

Store Update

As of Feb 1, 2020, Nordstrom operated 380 stores across 40 states. These include 116 full-line stores in the United States, Canada and Puerto Rico, 248 Nordstrom Rack outlets, three Jeffrey boutiques, two clearance stores, six Trunk Club clubhouses as well as five Nordstrom Local service concepts.

Other Financials

Nordstrom ended fiscal 2019 with cash and cash equivalents of \$853 million, long-term debt (net of current liabilities) of \$2,676 million and total shareholders' equity of \$979 million. Nordstrom generated \$1,236 million of net cash from operating activities and spent \$935 million as capital expenditures in fiscal 2019. At the end of fiscal 2019, it had free cash flow of \$309 million.

Moreover, the company bought back 4.1 million shares for \$186 million in fiscal 2019. It had authorization worth of nearly \$707 million remaining to be repurchased under the current program. Additionally, it paid out cash dividends worth \$229 million in the same time frame. Moreover, it declared a quarterly cash dividend of 37 cents per share. This will be payable on Mar 25, 2020, to its shareholders of record as on Mar 10.

Other Strategies

Nordstrom's market strategy leverages physical and digital assets to offer customers a greater selection of merchandise available next day and more convenient access to services. In 2019, the company enhanced its strategy to five top markets — New York, Los Angeles, Chicago, Dallas and San Francisco. This resulted in outsized customer engagement and a lift in sales trends of 80 basis points relative to other markets in the fiscal fourth quarter. Further, the company plans to expand its market strategy through several key initiatives, which include expanding to five additional markets. Also, it plans to launch e-commerce in Canada to enable a seamless shopping experience across stores and online. Moreover, it has been receiving strong customer response for its NYC flagship store.

FY20 Guidance

Management provided guidance for fiscal 2020, which does not include the impacts of coronavirus outbreak. Nordstrom projects net sales to increase in the range of 1.5-2.5%. Credit card revenues, net, are expected to grow in mid single digit. Further, the company expects EBIT of \$815-\$855 million, with EBIT margin of 5.3-5.5%. Nordstrom envisions earnings per share of \$3.25-\$3.50 for fiscal 2020.

Quarter Ending 01/2020

Report Date	Mar 03, 2020
Sales Surprise	-0.65%
EPS Surprise	-4.05%
Quarterly EPS	1.42
Annual EPS (TTM)	3.36

Recent News

Nordstrom to Curb Costs & Streamline Operations Amid Coronavirus Crisis – May 5, 2020

Nordstrom remains keen on taking the right actions to keep its operations going, with focus on speed and flexibility to serve customers, amid the coronavirus pandemic and in the long run. The company is poised to leverage the strength of its market strategy that focuses on providing seamless shopping experience through multiple touchpoints, including its store banners – Nordstrom and Nordstrom Rack – as well as in-stores and online.

Its investments in physical and digital business to match the changing customer preference have gone a long way in serving customers during the pandemic. It is leveraging its market strategy to bring inventory closer to where customers live and work, facilitating the use of its stores as fulfillment centers to enhance faster delivery and connecting digital and physical experiences to provide curbside pickup and returns.

As of its efforts to curb costs, the company is planning to permanently close 16 full-line stores, restructure regions and adjust supply chains to stay afloat amid coronavirus pandemic. The restructuring is expected to result in expense savings of nearly \$150 million, or 30% of the company's previously announced plans for net cash reductions of more than \$500 million in operating expenses, capital expenditures and working capital. These actions, combined with its initial savings plan of \$200-\$250 million, represent a reduction in non-occupancy related overhead expenses of about 20%.

While stores are temporarily closed, the company is also focused on boosting online sales as its e-commerce site continues to witness solid traffic and conversion. It is also focused on clearing excess inventory through increased marketing and promotional efforts. More than half of Nordstrom.com orders are currently fulfilled from full-line stores, and 25% of Nordstromrack.com and HauteLook.com orders are now fulfilled by Nordstrom Rack stores. Nordstrom recently launched its dedicated e-commerce site to serve customers in Canada, with all online sales fulfilled from the six full-line stores there.

Moreover, the company plans to reopen stores in a phased manner, adopting a market-by-market approach where allowed by local authorities. Consequently, it is shifting its Anniversary Sale event from July into August.

Nordstrom Strengthens Liquidity to Lessen Coronavirus Impact – Apr 17, 2020

Nordstrom continues to take proactive measures in wake of the increasing concerns tied to the coronavirus pandemic. The company recently amended its \$800-million revolving line of credit and closed the 8.75%-secured debt offering worth \$600 million to reinforce its financial position. Per the latest amendment terms, the revolving line of credit will be secured by the company's inventory when its leverage ratio — Adjusted Debt to EBITDAR — exceeds four times, or the credit ratings go below investment grade. Also, the minimum liquidity thresholds are applicable here.

Nordstrom Extends Store Closures in the Wake of Coronavirus – Mar 25, 2020

Nordstrom has extended its temporary store closure plan for at least a week until Apr 5. All namesake stores along with Nordstrom Rack, Trunk Club, Jeffrey, Nordstrom Local and Last Chance stores will be shut across the United States and Canada. The company had originally closed all Nordstrom full-line, Nordstrom Rack, Trunk Club clubhouses and Jeffrey stores for two weeks, starting Mar 16. Since then, the company has been making regular payments and offering benefits to all its employees associated with the store closures. The company intends to keep paying employees till Apr 5 and provide benefits throughout April.

Nordstrom to Strengthen Financial Position Amid Coronavirus – Mar 24, 2020

Nordstrom announced plans to strengthen its financial position amid a challenging economic landscape. After announcing store closures and guidance withdrawal on Mar 16, the company unveiled a host of precautionary actions to enhance its financial flexibility and stay firm. To this end, it is suspending its quarterly cash dividend, starting the second quarter of fiscal 2020. The company is also suspending share buybacks. Nonetheless, Nordstrom, which ended fiscal 2019 with a healthy financial status, remains committed to long-term dividend payments. Further, the company is drawing \$800 million from its revolving credit facility. Apart from this, it targets a reduction in operating expenses, capital expenditures and working capital to the tune of roughly \$500 million, which will be incremental to its initial savings goal of \$200-\$250 million for fiscal 2020.

As mentioned above, Nordstrom announced store closures for its Nordstrom full-line, Nordstrom Rack, Trunk Club clubhouses and Jeffrey stores for two weeks, on Mar 16. Simultaneously, the company had also taken back its fiscal 2020 guidance due to the growing spread of COVID-19.

Valuation

Nordstrom shares are down 57.6% in the year-to-date period and 56% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Retail-Wholesale sector are down 44.2% and 0.3%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry is down 56.1% while the sector is up 6.2%.

The S&P 500 index is down 10.9% in the year-to-date period and 0.8% in the past year.

The stock is currently trading at 17.39 forward 12-month earnings, which compares to 14.89X for the Zacks sub-industry, 29.25X for the Zacks sector and 20.63X for the S&P 500 index.

Over the past five years, the stock has traded as high as 20.39X and as low as 4.55X, with a 5-year median of 14.92X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$18 price target reflects 18.05X forward 12-month earnings.

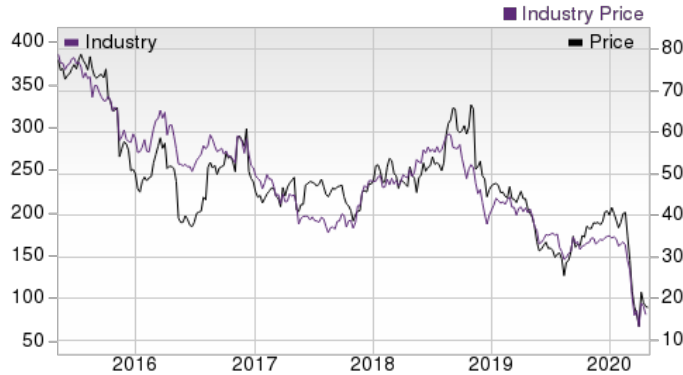
The table below shows summary valuation data for JWN

Valuation Multiples - JWN				
	Current	Stock	Sub-Industry	Sector S&P 500
		17.39	14.89	29.25 20.63

P/E F12M	5-Year High	20.39	16.18	29.25	20.63
	5-Year Low	4.55	7.87	19.06	15.19
	5-Year Median	14.92	14.18	23.17	17.44
P/S F12M	Current	0.2	0.39	1	3.23
	5-Year High	1	1.14	1.11	3.44
	5-Year Low	0.14	0.32	0.8	2.54
	5-Year Median	0.51	0.8	0.93	3.01
EV/EBITDA TTM	Current	3.99	5.94	15.27	10.51
	5-Year High	10.04	8.87	16.33	12.86
	5-Year Low	3.58	4.66	10.9	8.28
	5-Year Median	6.37	6.68	12.56	10.77

As of 05/05/2020

Industry Analysis Zacks Industry Rank: Bottom 30% (177 out of 253)



Top Peers

Company (Ticker)	Rec	Rank
Chicos FAS, Inc. (CHS)	Neutral	3
The Gap, Inc. (GPS)	Neutral	3
J. C. Penney Company, Inc. (JCP)	Neutral	3
L Brands, Inc. (LB)	Neutral	3
Levi Strauss & Co. (LEVI)	Neutral	3
Kering SA (PPRU)	Neutral	3
Tapestry, Inc. (TPR)	Neutral	5
Foot Locker, Inc. (FL)	Underperform	3

Industry Comparison Industry: Retail - Apparel And Shoes				Industry Peers		
	JWN	X Industry	S&P 500	GPS	LB	PPRU
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	A	-	-	A	A	B
Market Cap	2.71 B	394.94 M	19.65 B	2.77 B	3.21 B	61.19 B
# of Analysts	10	3.5	14	11	8	2
Dividend Yield	0.00%	0.00%	2.18%	0.00%	10.33%	1.14%
Value Score	A	-	-	A	A	C
Cash/Price	0.31	0.31	0.06	0.57	0.45	0.04
EV/EBITDA	3.91	5.91	11.77	6.78	6.81	10.65
PEG Ratio	6.72	0.98	2.49	0.77	0.69	NA
Price/Book (P/B)	2.75	0.84	2.64	0.84	NA	5.23
Price/Cash Flow (P/CF)	1.95	3.26	10.48	2.14	1.65	12.01
P/E (F1)	40.33	16.32	19.10	9.19	8.99	21.83
Price/Sales (P/S)	0.17	0.28	2.00	0.17	0.25	NA
Earnings Yield	2.48%	4.44%	4.99%	10.87%	11.10%	4.58%
Debt/Equity	4.65	0.97	0.74	2.04	-5.71	0.64
Cash Flow (\$/share)	8.88	1.44	7.01	3.49	7.04	4.03
Growth Score	B	-	-	B	B	A
Hist. EPS Growth (3-5 yrs)	0.30%	0.13%	10.87%	-2.19%	-9.77%	NA
Proj. EPS Growth (F1/F0)	-87.18%	-41.55%	-9.07%	-58.84%	-43.56%	-24.75%
Curr. Cash Flow Growth	15.20%	-0.32%	5.88%	-14.41%	45.86%	30.38%
Hist. Cash Flow Growth (3-5 yrs)	3.66%	0.42%	8.55%	-5.36%	6.20%	20.57%
Current Ratio	0.92	1.44	1.24	1.41	1.37	0.93
Debt/Capital	82.30%	51.06%	44.07%	67.08%	NA	39.17%
Net Margin	3.20%	2.28%	11.00%	2.14%	-2.84%	NA
Return on Equity	64.94%	12.69%	16.39%	21.04%	-55.91%	NA
Sales/Assets	1.59	1.22	0.55	1.18	1.22	NA
Proj. Sales Growth (F1/F0)	-17.09%	-5.50%	-2.17%	-11.29%	-9.82%	-9.24%
Momentum Score	F	-	-	D	D	F
Daily Price Chg	-2.91%	-2.12%	0.74%	-6.17%	-3.49%	-2.79%
1 Week Price Chg	-1.01%	10.50%	0.53%	13.48%	16.39%	0.48%
4 Week Price Chg	-3.88%	3.42%	6.47%	6.89%	-12.24%	-5.98%
12 Week Price Chg	-54.95%	-46.65%	-20.68%	-57.74%	-52.75%	-21.01%
52 Week Price Chg	-55.96%	-51.92%	-10.95%	-70.10%	-52.26%	-13.97%
20 Day Average Volume	5,688,209	371,656	2,492,530	10,978,086	10,726,262	95,296
(F1) EPS Est 1 week change	-40.66%	0.00%	0.00%	0.00%	-0.62%	0.00%
(F1) EPS Est 4 week change	-65.52%	-23.40%	-7.39%	-29.43%	-15.38%	-4.31%
(F1) EPS Est 12 week change	-87.49%	-47.29%	-14.21%	-52.27%	-39.92%	-28.50%
(Q1) EPS Est Mthly Chg	-197.79%	-74.82%	-13.52%	-50.57%	-200.00%	NA

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	B
Momentum Score	F
VGM Score	A

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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