

L Brands, Inc. (LB)

\$20.03 (As of 01/14/20)

Price Target (6-12 Months): **\$17.00**

Long Term: 6-12 Months

Zacks Recommendation: Underperform

(Since: 01/10/20)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

5-Strong Sell

Zacks Style Scores:

VGM:F

Value: C

Growth: F

Momentum: F

Summary

Shares of L Brands have slid and underperformed the industry in the past six months. We note that the company disappointed with its holiday season results. Weak sales number at Victoria's Secret brand hurt the overall performance. The company has been grappling with softness at the Victoria's Secret brand due to stiff competition and consumers' changing preferences. This was visible in the holiday sales number. Nonetheless, solid performance at Bath & Body Works brand did provide some cushion. But this did not restrain L Brands to trim fourth-quarter fiscal 2019 earnings per share view. Nevertheless, the company is leaving no stone unturned to revive its Victoria's Secret brand. Product launches, increased focus on omnichannel capabilities and improved marketing strategies are some of the notable moves in this direction.

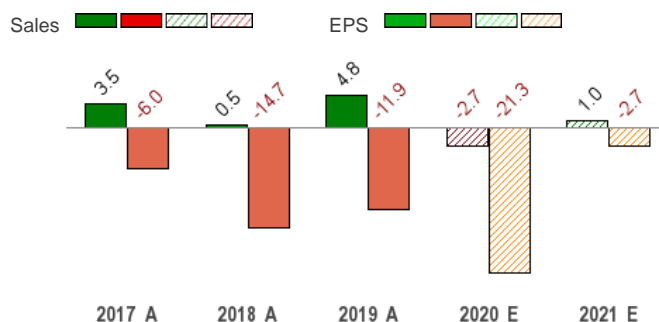
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$29.02 - \$15.80
20 Day Average Volume (sh)	6,671,893
Market Cap	\$5.5 B
YTD Price Change	10.5%
Beta	0.79
Dividend / Div Yld	\$1.20 / 6.0%
Industry	Retail - Apparel and Shoes
Zacks Industry Rank	Top 30% (75 out of 254)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	0.0%
Last Sales Surprise	-0.5%
EPS F1 Est- 4 week change	-7.3%
Expected Report Date	02/26/2020
Earnings ESP	0.0%
P/E TTM	7.9
P/E F1	9.0
PEG F1	0.8
P/S TTM	0.4

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	2,644 E	2,948 E	2,729 E	4,815 E	13,007 E
2020	2,629 A	2,902 A	2,677 A	4,686 E	12,883 E
2019	2,626 A	2,984 A	2,775 A	4,852 A	13,237 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$0.12 E	\$0.22 E	\$0.03 E	\$1.96 E	\$2.16 E
2020	\$0.14 A	\$0.24 A	\$0.02 A	\$1.81 E	\$2.22 E
2019	\$0.17 A	\$0.36 A	\$0.16 A	\$2.14 A	\$2.82 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 01/14/2020. The reports text is as of 01/15/2020.

Overview

Founded in 1963 and based in Columbus, OH, L Brands, Inc. (LB), is a specialty retailer of women's intimate and other apparel, beauty and personal care products, home fragrance products and accessories. The company sells its merchandise through specialty retail stores in the United States, Canada and the United Kingdom, which are primarily mall-based, and through its websites, catalogue and other channels. The company conducts its business primarily through three reportable segments –

The **Victoria's Secret** segment (56% of FY18 Net Sales) sells merchandise under brand names Victoria's Secret and PINK.

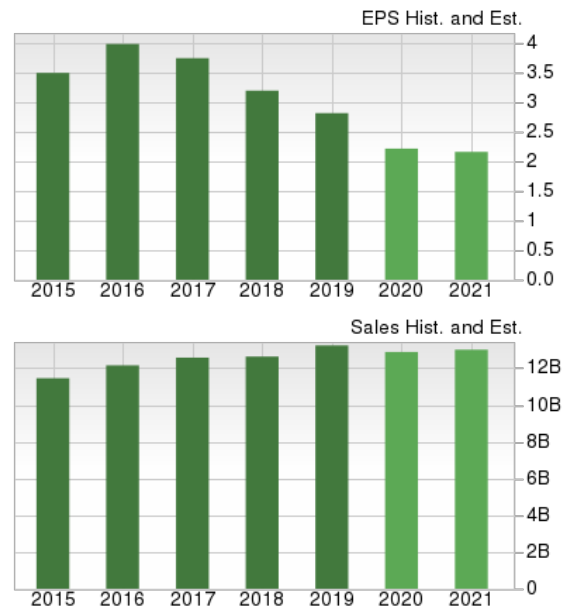
The **Bath & Body Works** segment (35% of Net Sales) sells merchandise under brand names such as Bath & Body Works, C.O. Bigelow, White Barn Candle Company and other brands.

The **Victoria's Secret and Bath & Body Works International** segment (4% of Net Sales) includes company-owned and partner-operated outlets located outside of the U.S. and Canada. These businesses include Victoria's Secret Beauty and Accessories stores, Victoria's Secret International stores, and Bath & Body Works International stores. These stores are operated by partners under franchise, license and wholesale arrangements.

Other segment is 5% of Net Sales.

As of Jan 4, 2020, company-owned stores were 2,943 including 1,112 Victoria's Secret stores, 1,742 Bath & Body Works, 21 Victoria's Secret U.K./Ireland, 5 PINK U.K., 41 Victoria's Secret Beauty and Accessories and 22 Victoria's Secret China.

Total non company-owned stores were more than 700.



Reasons To Sell:

- ▼ **Dismal Holiday Sales Compel to Trim Q4 View:** L Brands disappointed with its holiday season performance. The company posted net sales of \$3.906 billion for the nine weeks ended Jan 4, 2020, reflecting year-over-year decline of 4.1%. Comparable sales fell 3% during the aforementioned time frame against an increase of 4% reported in the year-ago period. Victoria's Secret's comparable sales dropped 12% during the November and December period compared with a decline of 4% in the prior-year period. Nonetheless, Bath & Body Works brand put up a stellar show with 9% jump in comparable sales. In the year-ago period, Bath & Body Works had registered comparable sales increase of 14%. Following a disappointing performance, L Brands slashed its earnings per share view for the final quarter of fiscal 2019. The company now envisions earnings to be \$1.85, down from the prior estimate of \$2.00. Shares of L Brands have slid 24.1% compared with the industry's decline of 8.1% in the past six months.
- ▼ **FY19 View Not Encouraging:** For the fiscal year, L Brands forecast earnings of about \$2.40 compared with prior view of \$2.30-\$2.60 per share. The new estimate suggests a decline from \$2.82 in fiscal 2018. Management highlighted that the forecast takes into account the additional impact from the recent increase in tariffs on goods imported from China. L Brands expects fourth-quarter comps to be flat. The change in total sales will be approximately 2 points lower than the comp result due to loss of La Senza and Henri Bendel sales, offset by square footage growth at Bath & Body Works. For fiscal 2019, the company anticipates comps to be about flat to down marginally. Total sales are expected to increase approximately 2 points lower than comps on account of loss of La Senza and Henri Bendel sales.
- ▼ **Soft Victoria's Secret Performance:** The company has been witnessing softness in its Victoria's Secret brand for quite some time now, owing to stiff competition and consumers' changing preferences. Investors have pointed out that wrong merchandising actions and the company's inability to keep up with its strong brand image have led to Victoria's Secret's failure. During the third quarter of fiscal 2019, total Victoria's Secret sales dropped 8% to \$1,412.2 million. Comparable sales fell 7% while comparable store sales tumbled 8% owing to lower traffic and average unit retails. Further, total digital sales registered a decline of 6%. Comps were down low-double digit in the lingerie business, while the metric declined in the mid-single digit range at PINK. Segment gross margin rate fell significantly due to a decline in the merchandise margin rate and buying and occupancy expense deleverage.
- ▼ **Margins Likely to Remain Under Pressure:** Gross margin, an important financial metric that gives an indication about the company's health, has been contracting year over year for the past few quarters. In the third quarter of fiscal 2019, L Brands' gross profit declined 6% to \$957.6 million. We note that gross margin contracted 110 bps to 35.8% on account of buying and occupancy expense deleverage. The merchandise margin rate was about flat. This follows a contraction of 160 and 40 basis points during the second and first quarters. During the third quarter, operating income plunged 38% from the year-ago period to \$96.3 million, while operating margin shriveled 200 bps to 3.6%.
- Further, fourth-quarter gross margin is expected to contract year over year owing to lower merchandise margin rate. SG&A expense rate is anticipated to be nearly flat. For fiscal 2019, the company anticipates gross margin rate to decrease year over year primarily due to lower merchandise margin rate. SG&A costs are expected to be flat to down marginally, while SG&A rate is expected to be roughly flat. Management hinted that occupancy costs due to real estate initiative and direct fulfillment and sourcing costs will put pressure on gross margin in the final quarter and the near future at Bath & Body Works brand.
- ▼ **Fashion Obsolescence A Threat:** Fashion obsolescence remains the main concern for L Brands' business model, which involves a sustained focus on product and design innovation. The company's pioneering position may be compromised by delays in its product launches. The company operates in the highly competitive apparel segment, and faces stiff competition from chain specialty stores, department stores and discount retailers on attributes such as, marketing, design, price, service, quality, and brand image, which may weigh upon its results.

L Brands has been witnessing softness in its Victoria's Secret brand for quite some time now, owing to stiff competition and consumers' changing preferences.

Risks

- **Growth Catalyst:** We believe that L Brands' sustained focus on cost containment, inventory management, merchandise and speed-to-market initiatives has kept it afloat in a competitive environment. Additionally, L Brands' operational efficiencies together with its new and innovative collections, bode well. Furthermore, the company's focus on tapping international markets is likely to provide long-term growth opportunities and generate increased sales volumes. Management remains committed to improve Victoria's Secret performance in North America. Notably, comps at PINK improved on a sequential basis during the third quarter of fiscal 2019. Victoria's Secret Beauty third quarter comps rose in the low-single digit range on account of growth in prestige fragrance, driven by a strong launch of Bombshell Intense, the mist collection, and PINK beauty.
 - **Strength in Bath & Body Works Brand:** L Brands has been benefitting from strength of its Bath & Body Works, which formed roughly 40% of the company's net sales in the third quarter of fiscal 2019. During the quarter, Bath & Body Works delivered a solid show and surpassed expectations. Total sales grew 11% to \$1,064.1 million, with 9% rise in comparable sales and 5% improvement in comparable store sales. Management stated that the segment benefited from favorable customer response for merchandise assortment. Bath & Body Works direct channel remained sturdy, with sales up 30%. Operating income came in at \$195.6 million, up 10% from the year-ago period. At Bath & Body Works segment, management hinted at continuing its investment in the White Barn concept. Management expects Bath & Body Works brand to experience another solid year. We expect the trend to continue and aid the top line in the forthcoming periods. The segment put up a stellar show with 9% jump in comparable sales during the holiday season.
 - **Revamping and Repositioning Business:** L Brands continues to revamp its business by improving store experience, localizing assortments and enhancing its direct business, such as integration of the same into Victoria's Secret Lingerie, PINK and Victoria's Secret Beauty. We believe these measures will facilitate it to generate incremental sales and increase store transactions through higher conversion rate. Looking ahead, the company remains committed to improve Victoria's Secret performance by staying customer-focused, enriching assortments, and enhancing store and online experiences. Also, the company has relaunched the brand's swimwear category within less than three years of its exit. Moreover, to drive growth the company seeks to expand in the adjacent categories. L Brands commands a market leading position in the lingerie, personal care and beauty segments. We believe that the company's innovation in merchandise and exclusive assortments remain popular among consumers and sets it apart from peers. The company with its operational efficiencies, new and innovative assortments remains well positioned to capitalize on the same.
 - **Real Estate Initiative:** L Brands sustained its real estate strategy during the third quarter of fiscal 2019 by opening or remodeling 78 additional Bath & Body Works stores in the fleet, bringing the net number of new concept stores to 816 at the end of the quarter. Management aims at approximately 835 stores in new concept by the end of the year. In 2019, the company plans to open roughly 65 net new stores outside of North America, an increase of about 9%. The company continues to test new store formats, including smaller Victoria's Secret full assortment stores in China and adding lingerie to Victoria's Secret Beauty & Accessories (VSBA) stores. As of Jan 4, 2020, company-owned stores were 2,943 including 1,112 Victoria's Secret stores, 1,742 Bath & Body Works, 21 Victoria's Secret U.K./Ireland, 5 PINK U.K., 41 Victoria's Secret Beauty and Accessories and 22 Victoria's Secret China. Total non-company owned stores were more than 700.
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Last Earnings Report

L Brands Q3 Earnings Meet, Victoria's Secret a Drag

L Brands, Inc.'s third-quarter fiscal 2019 earnings met the Zacks Consensus Estimate but net sales fell short of the same for the second straight quarter. Both the top and the bottom lines continued to decline year over year. We note that the results of the company's Victoria's Secret business, which has been battling competition and consumers' changing preferences for quite some time now, remained dismal.

However, impressive performance at Bath & Body Works brand did provide some cushion. Notably, the bottom-line figure came within management's projected range of a loss of 5 cents to earnings of 5 cents.

Quarter Ending **10/2019**

Report Date	Nov 20, 2019
Sales Surprise	-0.46%
EPS Surprise	0.00%
Quarterly EPS	0.02
Annual EPS (TTM)	2.54

Detailed Quarterly Discussion

L Brands reported earnings of 2 cents a share that came in line with the Zacks Consensus Estimate. However, the bottom line declined sharply 16 cents reported in the year-ago period. We note that lower net sales hurt the bottom line.

Net sales came in at \$2,676.7 million, down 4% from \$2,774.9 million reported in the prior-year period. The top-line figure also missed the Zacks Consensus Estimate \$2,689 million. Comparable sales declined 2% against 4% growth witnessed in the prior-year quarter.

Total Victoria's Secret sales dropped 8% to \$1,412.2 million. Comparable sales fell 7%, while comparable store sales tumbled 8% owing to lower traffic and average unit retails. Further, total digital sales registered a decline of 6%. Comps were down low-double digit in the lingerie business (versus the second quarter result of down mid-single digit), while the metric declined in the mid-single digit range at PINK, an improvement from the second quarter decline of low-double digits. Victoria's Secret Beauty comps improved in the low-single digit range. We note that the segment's merchandise margin rate declined.

Meanwhile, Bath & Body Works put up a stellar show. Total sales grew 11% to \$1,064.1 million, with 9% rise in comparable sales and 5% improvement in comparable store sales. Management stated that the segment benefited from favorable customer response for merchandise assortment. Bath & Body Works direct channel remained sturdy, with sales up 30%. Further, merchandise margin rate declined on account of supply chain pressures, including increased transportation and labor costs and tariffs.

We note that L Brands' International sales came in at \$133.4 million, flat year over year. Revenues and operating income grew at its partner business driven by Bath & Body Works. In the U.K., revenues fell due to continued negative comp performance. Revenues in Greater China also decreased owing to the unrest in Hong Kong.

L Brands' gross profit declined 6% to \$957.6 million during the quarter. We note that gross margin contracted 110 bps to 35.8% on account of buying and occupancy expense deleverage. The merchandise margin rate was about flat. Operating income plunged 38% from the year-ago period to \$96.3 million, while operating margin shrank 200 bps to 3.6%.

SG&A expenses fell 1% to \$861.3 million due to the absence of La Senza and Henri Bendel businesses. As a percentage of net sales, the same increased 90 bps to 32.2%.

Store Update

As of Nov 2, 2019, company-owned stores were 2,944 including 1,111 Victoria's Secret stores, 1,744 Bath & Body Works, 21 Victoria's Secret U.K./Ireland, 5 PINK U.K., 42 Victoria's Secret Beauty and Accessories and 21 Victoria's Secret China.

Total non company-owned stores were 700, including 216 Victoria's Secret Beauty & Accessories, 62 Victoria's Secret, nine Pink and 240 Bath & Body Works stores. Further, non company-owned stores comprised 158 and 15 Travel Retail stores of Victoria's Secret Beauty & Accessories and Bath & Body Works, respectively.

Other Financial Details

L Brands ended the quarter with cash and cash equivalents of \$340 million, down from the prior-year quarter's figure of \$348.4 million. Long-term debt decreased to \$5,477.2 million from \$5,814.3 million a year ago. Shareholders' deficit was \$1,238.2 million. Management incurred capital expenditures of \$148 million in the quarter under review.

For fiscal 2019, the company projects capital expenditures to be about \$500 million. It anticipates free cash flow of approximately \$750 million during the same period.

Outlook

Bath & Body Works brand is likely to experience another solid year. However, management hinted that occupancy costs due to real estate initiative and direct fulfillment and sourcing costs will put pressure on gross margin in the final quarter and the near future. At Bath & Body Works segment, management hinted at continuing its investment in the White Barn concept in 2019. The company has chalked out about 200 White Barn projects for 2019. Looking ahead, the company remains committed to improve Victoria's Secret performance by staying customer-focused, enriching assortments, and enhancing store and online experiences.

Management anticipates Victoria's Secret merchandise margin dollar percentage decline in the high-single digit range during the final quarter of fiscal 2019.

L Brands envisions fourth-quarter earnings to be \$2.00 per share. However, the figure indicates a decline of 6.5% from the year-ago reported

number. For the fiscal year, the company now forecast earnings of about \$2.40 compared with prior view of \$2.30-\$2.60 per share. The new estimate suggests a decline from \$2.82 in fiscal 2018.

The company expects fourth-quarter comps to be to be about flat. The change in total sales will be approximately 2 points lower than the comp result due to loss of La Senza and Henri Bendel sales, offset by square footage growth at Bath & Body Works.

Further, gross margin is expected to contract year over year owing to lower merchandise margin rate. SG&A expense rate is anticipated to be nearly flat.

For fiscal 2019, the company anticipates comps to be about flat to down marginally. Total sales are expected to increase approximately 2 points lower than comps on account of loss of La Senza and Henri Bendel sales. Gross margin rate is likely to decrease year over year primarily due to lower merchandise margin rate. SG&A costs are expected to be flat to down marginally, while SG&A rate is expected to be roughly flat.

Recent News

L Brands Posts Soft Holiday Sales – January 9, 2020

L Brands disappointed with its holiday season performance. The company posted net sales of \$3.906 billion for the nine weeks ended Jan 4, 2020, reflecting year-over-year decline of 4.1%. Comparable sales fell 3% during the aforementioned time frame. The company has been grappling with softness at the Victoria's Secret brand. The segment's comparable sales dropped 12% during the November and December period. Nonetheless, Bath & Body Works brand put up a stellar show with 9% jump in comparable sales. But this was not enough to stop L Brands from slashing its earnings per share view for the final quarter of fiscal 2019. The company now envisions earnings to be \$1.85, down from the prior estimate of \$2.00.

Valuation

L Brands shares are down nearly 25% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 22% but those in the Zacks Retail-Wholesale sector are up 19.5% over the past year. The S&P 500 index is up 24.5% in the past year.

The stock is currently trading at 8.91X forward 12-month earnings, which compares to 11.66X for the Zacks sub-industry, 25.68X for the Zacks sector and 19X for the S&P 500 index.

Over the past five years, the stock has traded as high as 27.13X and as low as 6.49X, with a 5-year median of 15.45X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our \$17 price target reflects 7.57X forward 12-month earnings.

The table below shows summary valuation data for LB

Valuation Multiples - LB					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	8.91	11.66	25.68	19
	5-Year High	27.13	18.38	26.23	19.34
	5-Year Low	6.49	10.23	19.07	15.17
	5-Year Median	15.45	14.26	22.95	17.44
P/S F12M	Current	0.42	0.6	1.09	3.52
	5-Year High	2.34	1.31	1.11	3.52
	5-Year Low	0.33	0.55	0.8	2.54
	5-Year Median	1.12	0.82	0.91	3
EV/EBITDA TTM	Current	7.45	8.7	15.47	12.12
	5-Year High	13.83	9.29	15.47	12.86
	5-Year Low	5.9	4.76	10.32	8.48
	5-Year Median	8.24	6.92	12.38	10.67

As of 01/14/2020

Industry Analysis Zacks Industry Rank: Top 30% (75 out of 254)



Top Peers

Zumiez Inc. (ZUMZ)	Outperform
American Eagle Outfitters, Inc. (AEO)	Neutral
Abercrombie & Fitch Company (ANF)	Neutral
Guess?, Inc. (GES)	Neutral
The Gap, Inc. (GPS)	Neutral
Vera Bradley, Inc. (VRA)	Neutral
The Childrens Place, Inc. (PLCE)	Underperform
Urban Outfitters, Inc. (URBN)	Underperform

Industry Comparison Industry: Retail - Apparel And Shoes				Industry Peers		
	LB Underperform	X Industry	S&P 500	ANF Neutral	GPS Neutral	URBN Underperform
VGM Score	F	-	-	C	C	C
Market Cap	5.54 B	892.52 M	24.31 B	1.15 B	6.77 B	2.59 B
# of Analysts	10	3	13	10	10	12
Dividend Yield	5.99%	0.00%	1.76%	4.37%	5.35%	0.00%
Value Score	C	-	-	B	A	A
Cash/Price	0.06	0.13	0.04	0.38	0.16	0.13
EV/EBITDA	7.70	7.80	14.08	7.80	6.58	6.70
PEG Ratio	0.82	1.50	2.06	1.77	1.16	1.22
Price/Book (P/B)	NA	1.75	3.33	1.16	1.86	1.81
Price/Cash Flow (P/CF)	4.13	5.99	13.62	5.10	4.55	6.78
P/E (F1)	9.05	13.06	18.86	26.94	10.42	12.47
Price/Sales (P/S)	0.42	0.48	2.65	0.32	0.41	0.66
Earnings Yield	11.08%	6.96%	5.27%	3.71%	9.59%	8.01%
Debt/Equity	-6.93	1.06	0.72	1.48	1.90	0.78
Cash Flow (\$/share)	4.85	1.60	6.94	3.59	3.98	3.90
Growth Score	F	-	-	F	F	D
Hist. EPS Growth (3-5 yrs)	-8.16%	-0.46%	10.56%	-3.52%	-2.48%	9.20%
Proj. EPS Growth (F1/F0)	-21.31%	2.90%	7.52%	-40.87%	-32.78%	-22.85%
Curr. Cash Flow Growth	-7.61%	9.92%	14.88%	8.78%	13.35%	33.74%
Hist. Cash Flow Growth (3-5 yrs)	0.97%	-0.29%	9.00%	-7.00%	-2.78%	0.23%
Current Ratio	1.15	1.47	1.23	1.41	1.43	1.57
Debt/Capital	NA%	52.65%	42.99%	59.75%	65.50%	43.91%
Net Margin	2.80%	2.74%	11.14%	1.52%	4.97%	5.96%
Return on Equity	-72.15%	10.96%	17.16%	5.30%	22.33%	16.67%
Sales/Assets	1.30	1.33	0.55	1.13	1.31	1.33
Proj. Sales Growth (F1/F0)	-2.61%	0.62%	4.18%	0.38%	-2.52%	0.62%
Momentum Score	F	-	-	B	B	F
Daily Price Chg	-0.79%	0.30%	0.08%	1.83%	0.89%	1.42%
1 Week Price Chg	2.92%	-0.72%	0.39%	-0.58%	2.06%	-5.58%
4 Week Price Chg	11.84%	-0.33%	1.93%	8.79%	4.73%	-3.47%
12 Week Price Chg	12.97%	1.11%	6.50%	12.12%	1.57%	-8.09%
52 Week Price Chg	-24.70%	-11.13%	22.56%	-4.38%	-27.18%	-17.18%
20 Day Average Volume	6,671,893	278,828	1,571,506	1,641,147	4,919,875	1,892,452
(F1) EPS Est 1 week change	-7.12%	0.00%	0.00%	1.64%	0.46%	-2.71%
(F1) EPS Est 4 week change	-7.27%	0.00%	0.00%	1.34%	0.46%	-2.90%
(F1) EPS Est 12 week change	-7.51%	0.00%	-0.52%	-9.45%	-15.57%	-6.91%
(Q1) EPS Est Mthly Chg	-8.83%	0.00%	0.00%	0.81%	2.65%	-9.08%

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	C
Growth Score	F
Momentum Score	F
VGM Score	F

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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