

L Brands, Inc. (LB)

\$29.57 (As of 08/20/20)

Price Target (6-12 Months): **\$31.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 07/24/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:C

Value: C

Growth: D

Momentum: A

Summary

Shares of L Brands have risen in the past three months. The stock gained following the company's update on its future strategy, which comprises annualized cost reductions of \$400 million. Management remains committed toward making Bath & Body Works and Victoria's Secret, as standalone companies. The company is taking every step to improve the performance of Victoria's Secret. Notably, L Brands posted better-than-expected second-quarter fiscal 2020 results. Sturdy performance at Bath & Body Works coupled with strength in the direct business at Victoria's Secret drove the results. However, the top line fell due to store closures at some point during the quarter. Looking ahead management expects direct business to remain strong but holds a cautious view for the holiday season and envisions significant expense pressure.

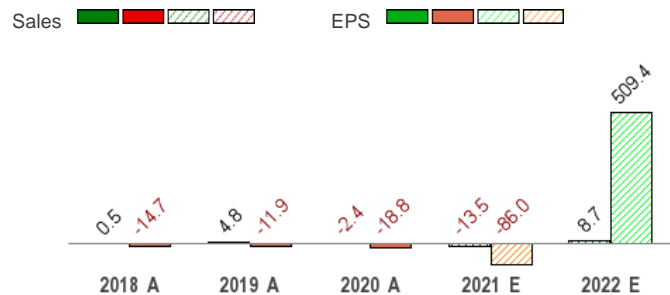
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$31.33 - \$8.00
20 Day Average Volume (sh)	8,517,356
Market Cap	\$8.2 B
YTD Price Change	63.2%
Beta	1.47
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Retail - Apparel and Shoes
Zacks Industry Rank	Bottom 8% (231 out of 252)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	173.5%
Last Sales Surprise	2.1%
EPS F1 Est- 4 week change	645.1%
Expected Report Date	11/18/2020
Earnings ESP	69.3%
P/E TTM	25.5
P/E F1	92.4
PEG F1	8.4
P/S TTM	0.7

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2022					12,140 E
2021	1,654 A	2,319 A	2,486 E	4,590 E	11,170 E
2020	2,629 A	2,902 A	2,677 A	4,707 A	12,914 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2022	-\$0.09 E	\$0.23 E	-\$0.05 E	\$1.70 E	\$1.95 E
2021	-\$0.99 A	\$0.25 A	-\$0.11 E	\$1.84 E	\$0.32 E
2020	\$0.14 A	\$0.24 A	\$0.02 A	\$1.88 A	\$2.29 A

*Quarterly figures may not add up to annual.

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

Overview

L Brands evolved from an apparel-based specialty retailer to a segment leader focused on women's intimate and other apparel, personal care, beauty and home fragrance products. But since past few years, the company has been struggling for a while due to sluggishness in the Victoria's Secret brand.

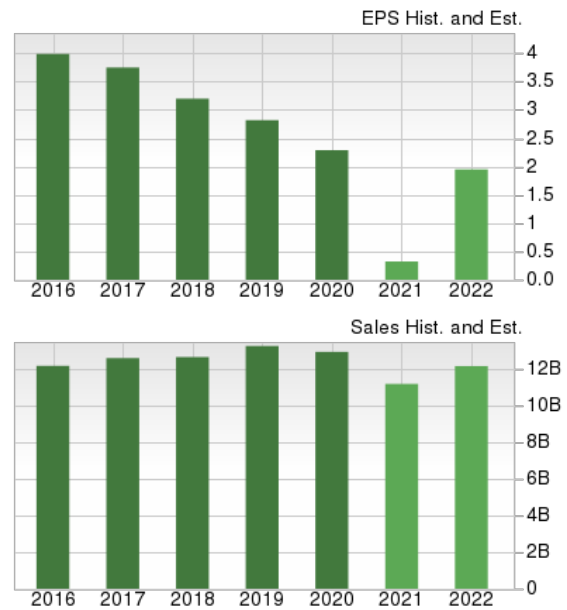
Recently, the company terminated the previously announced Victoria's Secret deal with Sycamore Partners. The company intends to make Bath & Body Works chain a "pure-play public company" and Victoria's Secret, "a separate, standalone company." This will simplify the company's organizational structure and help focus on Bath & Body Works, one of the leading specialty retailers of body care, home fragrance products, soaps and sanitizers.

The Columbus, OH-based company sells its merchandise through specialty retail stores in the e United States, Canada, the United Kingdom, Ireland and Greater China (China and Hong Kong), 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 (53% of FY19 Net Sales), Bath & Body Works segment (40% of Net Sales), Victoria's Secret and Bath & Body Works International segment (5% of Net Sales) includes company-owned and partner-operated outlets located outside of the U.S. and Canada. Other segment is 2% of Net Sales.

As of Aug 1, 2020, company-owned stores were 2,709, including 884 Victoria's Secret stores, 1,735 Bath & Body Works, 21 Victoria's Secret U.K./Ireland, five PINK U.K., 39 Victoria's Secret Beauty and Accessories and 25 Victoria's Secret China.

Total non-company-owned stores were 721, including 200 Victoria's Secret Beauty & Accessories, 75 Victoria's Secret, 13 Pink and 267 Bath & Body Works stores. Further, non company-owned stores comprised 149 and 17 Travel Retail stores of Victoria's Secret Beauty & Accessories and Bath & Body Works, respectively.



Reasons To Buy:

- ▲ **Go-Forward Strategy:** 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 provides long-term growth opportunities. Notably, management remains committed to make Bath & Body Works chain a "pure-play public company" and Victoria's Secret, "a separate, standalone company." This will help simplify the company's organizational structure. Notably, management concluded the comprehensive review of its home office organizations in order to lower overhead expenses, and decentralize significant shared corporate and other functions to create standalone companies. This resulted in a reduction of about 15% of its corporate staff or roughly 850 employees. This action along with steps to improve Victoria's Secret performance, contain costs and enhance liquidity will result in approximately \$400 million of annualized cost reductions. Of the targeted cost reduction plan, the company anticipates to accomplish roughly \$175 million in the remainder of fiscal 2020. Shares of L Brands have increased 96.1% in the past three months compared with the industry's gain of 30.1%.
- ▲ **Better-Than-Expected Q2 Results:** L Brands reported stronger-than-anticipated second-quarter fiscal 2020 results. We note that sturdy performance at Bath & Body Works coupled with strength in the direct business at Victoria's Secret segment drove the results. The company reported adjusted earnings of 25 cents a share — against the Zacks Consensus Estimate of a loss of 34 cents — that improved by a penny from the year-ago period owing to lower general, administrative and store operating expenses. Net sales of \$2,319.5 million came ahead of the Zacks Consensus Estimate of \$2,271 million, following a miss in the preceding four quarters. Comparable sales (stores and direct business) rose 63% during the quarter against 1% decline in the year-ago period. Again, comparable sales (stores only) jumped 33% against 4% fall in the prior-year quarter.
- ▲ **Strength in Bath & Body Works Brand:** L Brands has been benefitting from strength of its Bath & Body Works. The segment's total sales increased 13% during the second quarter of fiscal 2020. While comparable sales (stores and direct business) soared 123%, comparable store sales increased 87%. We note that "pent-up demand" for products following store closures in March and April, higher demand for soaps and sanitizers, government stimulus checks that supported consumer spending and increased traffic in locations opened during the quarter drove comparable store sales performance. Direct channel sales improved 191%. The company also witnessed strong comp performance in Body Care and Home Fragrance. Additionally, the Bath & Body Works merchandise margin rate rose significantly during the quarter owing to stronger product margin rate.
- ▲ **Repositioning Business:** L Brands continues to revamp its business by improving store experience, localizing assortments and enhancing its direct business. 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 performance by staying customer-focused, enriching assortments, and enhancing store and online experiences. The company witnessed robust online demand during second-quarter fiscal 2020. Notably, sales in the Victoria's Secret direct business surged 65%, reflecting remarkable growth in the Lingerie, PINK and Beauty businesses. Direct channel sales at Bath & Body Works soared 191%.
- ▲ **Focus on Revamping the Brand:** L Brands is taking every step to improve the performance of Victoria's Secret business, which involves inventory management, lowering of store selling costs through changes in the management structure and labor model, and negotiation for ongoing rent relief. It comes as no surprise that store optimization plan is also on the cards. Year to date, the company has shuttered 210 Victoria's Secret stores in the United States and Canada. Notably, it remains on track to close approximately 250 stores in the current fiscal year. Markedly, the company in co-operation with suppliers has been identifying opportunities to lower merchandise costs in order to increase merchandise margin rates at Victoria's Secret. Due to this initiative, Spring inventory receipts for Victoria's Secret were already down about 45% on a year-over-year basis. For the Fall, the company expects receipts to be down approximately 50% compared with the last year. Additionally, the company worked to reduce operating losses in the company-owned businesses in the U.K. and China.
- ▲ **Fall Season 2020 Outlook:** In the second half of the fiscal year, L Brands will remain focused on disciplined expense and inventory management, and providing compelling products. Additionally, management expects direct business to remain strong. However, it holds a cautious outlook for the holiday season. The company informed that historically typical holiday volumes are about three times larger per week than the average week in the second quarter. Nonetheless, management is working on plans to spread holiday volume out over a broader time period and to pull some volume out of the fourth quarter and into the third.

L Brands will remain focused on disciplined expense and inventory management, and providing compelling products. Additionally, management expects direct business to remain strong.

Reasons To Sell:

- ▼ **Top Line Continues to Struggle:** After declining 37.1% in the first quarter of fiscal 2020, net sales fell 20% on a year-over-year basis during the second quarter. The decline can be attributed to the closure of stores during periods of time throughout the quarter due to COVID-19. While Bath & Body Works stores were closed for about half of the quarter, Victoria's Secret stores were closed for roughly 70% of the period. We note that store sales at Victoria's Secret and Bath & Body Works brands fell 70% and 23%, respectively, during the quarter. Further, L Brands' International sales were down 48% year over year. The sharp fall can primarily be attributed to the significant number of temporary store closures.
- ▼ **Victoria's Secret Stores Sales Decline:** 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. 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. After declining 45.6% in the first quarter of fiscal 2020, total sales at Victoria's Secret segment declined 39% on a year-over-year basis during the second quarter. While store sales fell 70%, comparable store sales declined 10% during the quarter under review. Additionally, adjusted operating loss for the segment was \$38.9 million against adjusted operating income of \$16.6 million in the year-ago period.
- ▼ **Near term Headwinds:** Management holds a cautious outlook for the holiday season, thanks to traffic constraints in stores due to social distancing measures and capacity restraints in direct channel distribution centers. L Brands informed that historically typical holiday volumes are about three times larger per week than the average week in the second quarter. Further, the company envisions significant expense pressure owing to higher store expenses, including payroll and supplies, as a result of the new labor model on account of social distancing measures, wage rate inflation in the domestic supply chain, and increased direct channel fulfillment and shipping costs.
- ▼ **Debt Analysis:** L Brands' long-term debt increased to \$6,268.6 million as of Aug 1, 2020 from \$5,034 million as of May 2, 2020 and \$5,475.4 million as of Aug 3, 2019. On May 6, Moody's downgraded all ratings of L Brands, including its corporate family rating to B2 from B1 and its probability of default rating to B2-PD from B1-PD, with a negative outlook. The rating agency also downgraded the existing senior unsecured guaranteed notes to B2 from B1 and the senior unsecured unguaranteed notes to Caa1 from B3. The rating agency notified that failure on the part of the company to offload Victoria's Secret business was the reason behind its negative outlook. Had the deal been materialized, it would have provided some cushion to the company's financial position.
- ▼ **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.
- ▼ **Dip in Consumer Sentiment May Impact Sales:** Any dip in consumer confidence — a key determinant of the economy's health — may have serious bearing on spending. The company's customers remain sensitive to macroeconomic factors including interest rate hikes, increase in fuel and energy costs, credit availability, unemployment levels, and high household debt levels, which may negatively impact their sentiment. This may adversely impact its growth and profitability. Due to the coronavirus outbreak, consumers have been curtailing their discretionary purchases. Also, uncertainty surrounding government stimulus and a contentious November election may impact consumer spending activity.

Management holds a cautious outlook for the holiday season, thanks to traffic constraints in stores due to social distancing measures and capacity restraints in direct channel distribution centers.

Last Earnings Report

L Brands Q2 Earnings Surpass Estimates

L Brands, Inc. reported stronger-than-anticipated second-quarter fiscal 2020 results. Sturdy performance at Bath & Body Works coupled with strength in the direct business at Victoria's Secret segment drove the results. However, store closures at some point during the quarter under review owing to the pandemic did hurt the company's business. Consequently, the top line declined from the year-ago period. Nonetheless, the bottom line improved year over year.

Without a doubt, L Brands remains focused on cost containment, inventory management and curbing capital expenditures. Markedly, the company in co-operation with suppliers has been identifying opportunities to lower merchandise costs in order to increase merchandise margin rates at Victoria's Secret. Also, management remains committed toward making Bath & Body Works chain a "pure-play public company" and Victoria's Secret, "a separate, standalone company."

Notably, management concluded the comprehensive review of its home office organizations in order to lower overhead expenses, and decentralize significant shared corporate and other functions to create standalone companies. This resulted in a reduction of about 15% of its corporate staff or roughly 850 employees. We note that L Brands plans to lower annual costs by approximately \$400 million. Of the targeted cost reduction plan, the company anticipates to accomplish roughly \$175 million in the remainder of fiscal 2020.

Detailed Quarterly Discussion

L Brands reported adjusted earnings of 25 cents a share against the Zacks Consensus Estimate of a loss of 34 cents. Notably, the bottom line improved by a penny from the year-ago period owing to lower general, administrative and store operating expenses.

Net sales of \$2,319.5 million came ahead of the Zacks Consensus Estimate of \$2,271 million, following a miss in the preceding four quarters. However, the top line fell 20% on a year-over-year basis. The decline can be attributed to the closure of stores during periods of time throughout the quarter due to COVID-19. While Bath & Body Works stores were closed for about half of the quarter, Victoria's Secret stores were closed for roughly 70% of the period.

Comparable sales (stores and direct business) rose 63% during the quarter against 1% decline in the year-ago period. Again, comparable sales (stores only) jumped 33% against 4% fall in the prior-year quarter.

Total sales for **Victoria's Secret** declined 39% to \$977.5 million. Comparable sales (stores and direct business) increased 28%, while comparable store sales declined 10%. Notably, sales in the direct business surged 65% to \$613.9 million, reflecting remarkable growth in the Lingerie, PINK and Beauty businesses. Moreover, the Victoria's Secret merchandise margin rate rose meaningfully in the quarter owing to pullback in promotional activity and better pricing during semi-annual sale. However, we note that store sales fell 70% to \$363.6 million during the quarter. Additionally, adjusted operating loss for the segment was \$38.9 million against adjusted operating income of \$16.6 million in the year-ago period.

Bath & Body Works' total sales increased 13% to \$1,196.7 million. While comparable sales (stores and direct business) soared 123%, comparable store sales increased 87%. We note that "pent-up demand" for products following store closures in March and April, higher demand for soaps and sanitizers, government stimulus checks that supported consumer spending and increased traffic in locations opened during the quarter drove comparable store sales performance. Although store sales fell 23% to \$678.1 million during the quarter, direct channel sales improved by 191% to \$518.6 million. The company also witnessed strong comp performance in Body Care and Home Fragrance. Additionally, the Bath & Body Works merchandise margin rate rose significantly during the quarter owing to stronger product margin rate. Adjusted operating income for the segment came in at \$330.9 million, up sharply from \$180.2 million reported in the year-ago period.

We note that L Brands' **International** sales were \$80 million in the reported quarter, down 48% year over year. The sharp fall can primarily be attributed to the significant number of temporary store closures. Nonetheless, revenues improved slightly for Bath & Body Works international despite closure of the international franchised stores throughout the quarter. Strong in-store sales after reopening and robust online demand aided revenue growth.

Although L Brands' adjusted gross profit declined 20% year over year to \$790.4 million during the quarter, we note that gross margin expanded 20 bps to 34.1%. This expansion was driven by a significant improvement in the merchandise margin rate, partly offset by buying and occupancy expense deleverage. Adjusted operating income grew 18% to \$205.7 million, while operating margin increased 290 bps to 8.9%.

Adjusted SG&A expenses fell 28% to \$584.7 million during the quarter. As a percentage of net sales, SG&A expenses contracted 260 bps to 25.2% owing to lower store selling costs.

Store Update

As of Aug 1, 2020, company-owned stores were 2,709, including 884 Victoria's Secret stores, 1,735 Bath & Body Works, 21 Victoria's Secret U.K./Ireland, five PINK U.K., 39 Victoria's Secret Beauty and Accessories and 25 Victoria's Secret China. Total non-company-owned stores were 721, including 200 Victoria's Secret Beauty & Accessories, 75 Victoria's Secret, 13 Pink and 267 Bath & Body Works stores. Further, non company-owned stores comprised 149 and 17 Travel Retail stores of Victoria's Secret Beauty & Accessories and Bath & Body Works, respectively.

With respect to Bath & Body Works segment, L Brands expects roughly 55 real estate projects (new stores and remodels) for fiscal 2020. The company plans to open about 27 new stores and is also evaluating all locations. So far in the year, the company has permanently closed 14 outlets, and anticipates approximately 30-50 closures for the fiscal year. Year to date, the company has shuttered 210 Victoria's Secret stores in the United States and Canada. Notably, it remains on track to close approximately 250 stores in the current fiscal year.

Quarter Ending **07/2020**

Report Date	Aug 19, 2020
Sales Surprise	2.13%
EPS Surprise	173.53%
Quarterly EPS	0.25
Annual EPS (TTM)	1.16

Other Financial Details

L Brands ended second quarter with cash and cash equivalents of \$2,611.4 million, up from \$852.5 million at the end of the prior-year quarter. Long-term debt increased to \$6,268.6 million from \$5,475.4 million a year ago. Shareholders' deficit was \$1,903.5 million. Management incurred capital expenditures of \$68.8 million in the quarter under review. The company generated free cash flow of approximately \$560 million during the quarter under review.

The company converted revolving credit facility to an asset-backed loan facility and issued \$1.25 billion in new notes. The company intends to use a portion of the proceeds to retire the \$450 million maturity due in April 2021. The company has not drawn any amount under the asset-backed loan facility.

Outlook

In the second half of the fiscal year, L Brands will remain focused on disciplined expense and inventory management, and providing compelling products. Additionally, management expects direct business to remain strong. However, it holds a cautious outlook for the holiday season, thanks to traffic constraints in stores due to social distancing measures and capacity restraints in direct channel distribution centers. The company informed that historically typical holiday volumes are about three times larger per week than the average week in the second quarter. Nonetheless, management is working on plans to spread holiday volume out over a broader time period and to pull some volume out of the fourth quarter and into the third.

Further, L Brands envisions significant expense pressure owing to higher store expenses, including payroll and supplies, as a result of the new labor model on account of social distancing measures, wage rate inflation in the domestic supply chain, and increased direct channel fulfillment and shipping costs.

Recent News

L Brands Plans to Lower \$400 Million in Costs – Jul 28, 2020

L Brands, Inc. provided an update on its “Go-Forward Strategy.” The company highlighted its plan to lower annual costs by approximately \$400 million. Further, management remains committed toward making Bath & Body Works chain a “pure-play public company” and Victoria’s Secret, “a separate, standalone company,” after the latter’s buyout deal with Sycamore Partners fell through.

The company expects to attain cost savings on the back of its profit improvement plan for Victoria’s Secret business, and actions to decentralize and streamline shared corporate and other functions. Of the targeted cost reduction plan, the company anticipates to accomplish roughly \$175 million during fiscal 2020.

In order to reduce overhead expenses and decentralize significant shared corporate and other functions to create standalone companies, L Brands is preparing to reduce 15% of its corporate staff or roughly 850 employees. Notably, management is taking every step to improve the performance of Victoria’s Secret business, which involves inventory management, lowering of store selling costs and negotiation for ongoing rent relief. It comes as no surprise that store optimization plan is also on the cards with the company intending to shut approximately 250 Victoria’s Secret stores in the fiscal year.

Valuation

L Brands shares are up 63.2% in the year-to-date period and 53% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 21% but the Zacks Retail-Wholesale sector is up 30.8% in the year-to-date period. Over the past year, the sub-industry is down 13.2% but the sector is up 39.1%.

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

The stock is currently trading at 25.09X forward 12-month earnings, which compares to 45.02X for the Zacks sub-industry, 33.42X for the Zacks sector and 22.77X for the S&P 500 index.

Over the past five years, the stock has traded as high as 36.86X and as low as 4.57X, with a 5-year median of 13.92X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$31 price target reflects 26.6X 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	25.09	45.02	33.42	22.77
	5-Year High	36.86	87.27	34.77	22.77
	5-Year Low	4.57	8.16	19.08	15.25
	5-Year Median	13.92	14.22	23.47	17.58
P/S F12M	Current	0.71	0.58	1.27	3.7
	5-Year High	2.32	1.09	1.27	3.7
	5-Year Low	0.2	0.32	0.82	2.53
	5-Year Median	0.86	0.8	0.97	3.05
EV/EBITDA TTM	Current	7.85	12.28	20.55	12.76
	5-Year High	13.92	12.64	20.64	12.85
	5-Year Low	3.94	4.71	11.14	8.25
	5-Year Median	7.53	6.63	12.95	10.91

As of 08/20/2020

Industry Analysis Zacks Industry Rank: Bottom 8% (231 out of 252)



Top Peers

Company (Ticker)	Rec	Rank
American Eagle Outfitters, Inc. (AEO)	Neutral	4
AbercrombieFitch Company (ANF)	Neutral	4
The Gap, Inc. (GPS)	Neutral	4
Vera Bradley, Inc. (VRA)	Neutral	3
Guess, Inc. (GES)	Underperform	4
The Childrens Place, Inc. (PLCE)	Underperform	5
Urban Outfitters, Inc. (URBN)	Underperform	4
Zumiez Inc. (ZUMZ)	Underperform	3

Industry Comparison Industry: Retail - Apparel And Shoes				Industry Peers		
	LB	X Industry	S&P 500	ANF	GPS	URBN
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	4	4	4
VGM Score	C	-	-	F	F	D
Market Cap	8.18 B	471.58 M	23.46 B	619.67 M	5.45 B	1.84 B
# of Analysts	12	4	14	10	9	11
Dividend Yield	0.00%	0.00%	1.65%	0.00%	0.00%	0.00%
Value Score	C	-	-	D	D	C
Cash/Price	0.13	0.33	0.07	1.06	0.19	0.33
EV/EBITDA	10.10	6.83	13.34	5.47	9.43	6.83
PEG Ratio	8.42	2.98	3.00	NA	NA	NA
Price/Book (P/B)	NA	1.36	3.12	0.78	2.34	1.42
Price/Cash Flow (P/CF)	4.20	4.19	12.60	2.85	4.18	5.70
P/E (F1)	92.63	32.89	21.61	NA	NA	NA
Price/Sales (P/S)	0.72	0.34	2.44	0.18	0.37	0.50
Earnings Yield	1.08%	1.56%	4.43%	-28.93%	-16.53%	-5.36%
Debt/Equity	-4.29	1.01	0.76	1.78	2.84	1.01
Cash Flow (\$/share)	7.04	1.68	6.93	3.53	3.49	3.30
Growth Score	D	-	-	F	F	F
Hist. EPS Growth (3-5 yrs)	-14.42%	-0.83%	10.44%	2.25%	-1.21%	-2.63%
Proj. EPS Growth (F1/F0)	-85.92%	-76.36%	-5.53%	-497.95%	-222.56%	-151.13%
Curr. Cash Flow Growth	45.86%	-2.23%	5.20%	-6.25%	-14.41%	-22.87%
Hist. Cash Flow Growth (3-5 yrs)	6.20%	1.64%	8.52%	-5.89%	-5.36%	-2.66%
Current Ratio	1.06	1.45	1.33	1.32	1.23	1.77
Debt/Capital	NA%	55.77%	44.50%	63.97%	73.96%	50.21%
Net Margin	-6.96%	-4.03%	10.13%	-5.50%	-5.47%	-0.08%
Return on Equity	-21.12%	2.65%	14.67%	-14.29%	-8.63%	2.65%
Sales/Assets	1.13	1.08	0.51	0.98	1.08	1.13
Proj. Sales Growth (F1/F0)	-13.51%	-12.71%	-1.54%	-14.42%	-18.39%	-16.87%
Momentum Score	A	-	-	C	F	C
Daily Price Chg	3.86%	-0.93%	-0.59%	-2.52%	-2.02%	-4.37%
1 Week Price Chg	1.92%	4.27%	1.09%	9.29%	7.10%	3.78%
4 Week Price Chg	52.74%	1.99%	1.91%	-1.57%	11.81%	17.46%
12 Week Price Chg	81.63%	0.00%	6.82%	-13.28%	52.03%	6.32%
52 Week Price Chg	52.97%	-35.15%	1.47%	-40.82%	-17.86%	-21.14%
20 Day Average Volume	8,517,356	500,423	1,873,576	2,127,482	9,601,473	2,323,901
(F1) EPS Est 1 week change	1.84%	0.00%	0.00%	0.00%	-0.60%	-2.95%
(F1) EPS Est 4 week change	645.07%	0.00%	1.79%	-3.97%	-2.16%	-3.23%
(F1) EPS Est 12 week change	95.46%	-37.58%	3.35%	-236.02%	-984.41%	-3.23%
(Q1) EPS Est Mthly Chg	34.23%	-1.54%	0.42%	-64.58%	-4.76%	-16.46%

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	D
Momentum Score	A
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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