

Medtronic plc (MDT)

\$97.11 (As of 06/01/20)

Price Target (6-12 Months): **\$103.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/22/18)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:D

Value: C

Growth: C

Momentum: F

Summary

Medtronic exited fourth quarter fiscal 2020 on a mixed note, with earnings missing the consensus mark but revenues beating the same. The company demonstrated weak performances at CER, backed by dismal performance in all major business segments and geographies. The company's performance was primarily impacted from deferred procedures due to the pandemic. Escalating costs and expenses persistently put pressure on its margins. Unfavorable currency movement once again deterred growth in the quarter. Over the past six months, Medtronic underperformed its industry. Nonetheless, the company witnessed significant growth in airways and ventilators sales amid the pandemic. Medtronic is currently focusing on the geographical diversification of its businesses, apart from product innovation. Also, Medtronic demonstrated a strong solvency position.

Data Overview

52 Week High-Low	\$122.15 - \$72.13
20 Day Average Volume (sh)	5,431,402
Market Cap	\$130.1 B
YTD Price Change	-14.4%
Beta	0.68
Dividend / Div Yld	\$2.32 / 2.2%
Industry	Medical - Products
Zacks Industry Rank	Top 21% (52 out of 253)

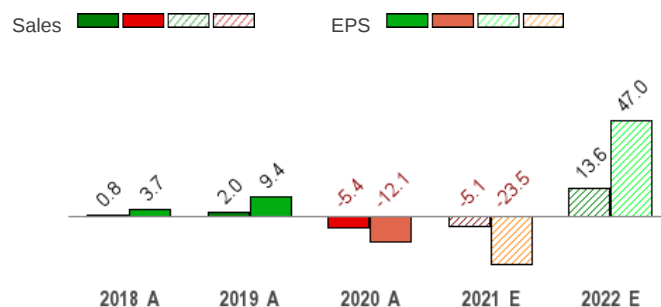
Last EPS Surprise	-1.7%
Last Sales Surprise	1.2%
EPS F1 Est- 4 week change	-30.7%
Expected Report Date	08/18/2020
Earnings ESP	0.0%

P/E TTM	21.2
P/E F1	27.7
PEG F1	3.9
P/S TTM	4.5

Price, Consensus & Surprise



Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2022	7,630 E	7,766 E	7,872 E	8,286 E	31,166 E
2021	5,375 E	6,748 E	7,431 E	7,845 E	27,445 E
2020	7,493 A	7,706 A	7,717 A	5,998 A	28,913 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2022	\$0.99 E	\$1.16 E	\$1.30 E	\$1.38 E	\$5.16 E
2021	\$0.26 E	\$0.81 E	\$1.16 E	\$1.27 E	\$3.51 E
2020	\$1.26 A	\$1.31 A	\$1.44 A	\$0.58 A	\$4.59 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 06/01/2020. The reports text is as of 06/02/2020.

Overview

In 2015, Medtronic, Inc. (the legacy NYSE-listed parent company, incorporated in Minnesota) acquired Ireland-based Covidien plc for cash-and-stock of \$49.9 billion. The acquisition resulted in the formation of a new holding company incorporated in Ireland – Medtronic plc (the new Irish tax resident, NYSE-listed parent company holding both the legacy Medtronic and Covidien).

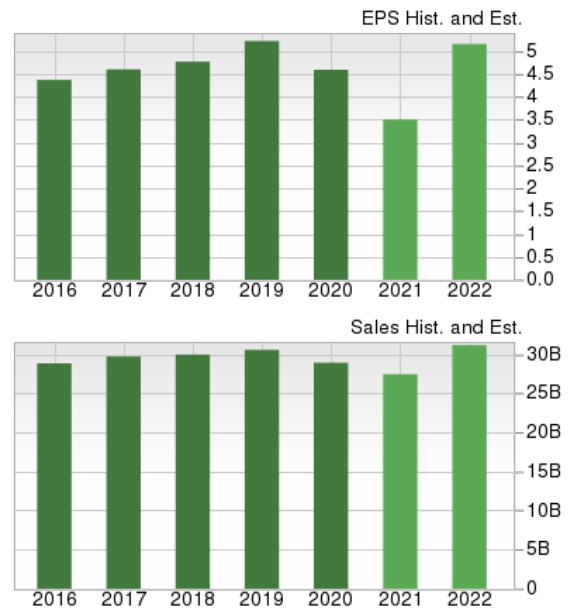
The combined business currently operates in 4 major groups, viz. **Cardiac & Vascular Group (CVG)** (36.2% of total revenues in fiscal 2020; down 7.6% from 2019 at CER), **Minimally Invasive Therapies Group (MITG)** (28.9%; up 0.2%), **Restorative Therapies Group (RTG)** (26.7%; down 5.4%) and **Diabetes Group** (8.2%; up 0.8%).

The company's largest business CVG, following the acquisition of Covidien, has emerged as a market dominant particularly banking on its Cardiac Rhythm & Heart Failure business that captures worldwide market share of more than 26%.

Apart from Cardiac Rhythm & Heart Failure, CVG comprises Coronary & Structural Heart, and Aortic & Peripheral Vascular divisions. MITG was formed following the completion of the Covidien acquisition and includes both the Surgical Solutions division and the Patient Monitoring & Recovery division, formerly referred to as Medical Care Solutions by Covidien prior to the takeover.

RTG includes the Spine, Neuromodulation, Surgical Technologies, and Neurovascular segments while the Diabetes Group includes the Intensive Insulin Management, Non-Intensive Diabetes Therapies, and Diabetes Services & Solutions divisions.

Notably, the legacy Medtronic used to derive revenues from 2 broad groups – Cardiac and Vascular Group and Restorative Therapies Group.



Reasons To Buy:

▲ **Ventilator Production Gets a Boost Amid Coronavirus:** Within Respiratory and Patient Monitoring, in the fourth quarter, the company registered mid-teens growth. This was on one back of significant growth in airways and ventilators sales on inflating worldwide demand to meet the COVID-19 related patient needs. Accordingly, Medtronic had to significantly ramp up production, which led doubling up of ventilator revenues in the fourth quarter. Further, the company is on track to increase the production of ventilators fivefold from pre-pandemic levels by the end of June. For remote ventilator settings, the company joined hands with Intel. Further it has also collaborated with SpaceX, who is working to supply a critical valve for Medtronic's PB980. Currently, the company is working with key government authorities to allocate its ventilators to the communities where it is mostly needed, including the emerging markets.

All major business groups are contributing to consistent revenue growth at CER, which highlights sustainability across groups and regions,

▲ **Diabetic Product Demand High amid Pandemic:** Medtronic during the fiscal-fourth-quarter earnings call, noted about growing sales of certain of the company's core products and services that have played a role in fighting COVID-19, or about specific products that customers were stocking ahead of the pandemic. This led to greater than expected growth in a select few of its businesses, diabetes products being one of those. In the quarter, the company noted increase in demand for diabetes supplies, including continuous glucose sensors and infusion sets, particularly in international markets.

Medtronic is currently hopeful about its ability to close the competitive gap in continuous glucose monitoring sensors. The company intends to submit data to regulatory agencies on Zeus transmitter at the end of the summer, and has completed verification of Synergy sensor that will enable its IDE submission within the next few weeks.

▲ **Enterprise Excellence Plan Looks Promising:** Medtronic has recently launched a restructuring initiative called Enterprise Excellence plan aimed at \$3 billion of annual growth run rate savings by the end of fiscal 2022. According to the company, this new program has been designed to increase its effectiveness and enabled reinvestment for growth along with driving continued margin expansion and EPS leverage.

▲ **Signs of Stability in Cardiac Rhythm & Heart Failure (CRHF) market:** Over more than a year, Medtronic is observing a consistently and gradually stabilizing trend in the global CRHF market. Despite the fourth-quarter debacle due to the pandemic outbreak, we are hopeful about the long-term potential of this business banking on Arrhythmia Management on consistent adoption of the company's Micra transcatheter pacing system as well as strong base of AF Solutions.

▲ **Foray into TMVR market:** The transcatheter mitral valve replacement (TMVR) technology has bright prospects all over the world. Mitral valve regurgitation, a heart valve disorder characterized by backflow of blood, affects approximately 7 million people in the U.S. and they represent almost 2% of the nation's population. Alarming, most of the U.S. citizens suffering from heart valve-related disorders are afflicted by this. According to Grand View Research, the CAGR for transcatheter aortic valve replacement (TAVR) market will surge 22.6% from 2017 to more than \$6 billion in 2025. Since the TMVR patient population is almost four times that of TAVR, the TMVR market is undoubtedly more lucrative.

▲ **Mazor Robotics Strengthens Robotics Spine Surgery Business:** In a bid to grow in the field of robotics spine surgery, Medtronic acquired Mazor Robotics, an Israel-based robotic surgical guidance systems company for a deal-value of \$1.64 billion. The buyout has combined Medtronic's market-leading spine implants, navigation and intra-operative imaging technology with the acquired company's robotic-assisted surgery (RAS) systems. Following the completion of the transaction, Medtronic launched the Mazor X Stealth Edition robotics guidance platform in January 2019, and has already received positive feedback for this capability. At the end of fiscal 2019, Medtronic's share in spine robotic market increased to more than 70%.

▲ **Focus on Emerging Markets to Add Value:** Medtronic is currently executing well its strategy of emerging market diversification leading to consistent delivery of double-digit growth every quarter, overcoming economic cycles over the years in the different countries. Despite the coronavirus outbreak that have significantly dented emerging market revenues in the fourth quarter, overall, Medtronic remains confident and enthusiastic about its long-term outlook for emerging markets. According to the company, its differentiated strategies of public and private partnerships and optimizing the distribution channel are paying-off and making a real difference in emerging markets around the world.

▲ **Strong Solvency with Heavy Payout Load:** Medtronic exited the fourth quarter of fiscal 2020 with cash and cash equivalents, and investments of \$10.94 billion compared with \$11.63 billion at the end of the third quarter of fiscal 2020. Meanwhile, total debt came up to \$24.79 billion for the period, compared to \$25.58 billion in the sequentially last reported quarter.

This figure is much higher than the quarter-end cash and cash equivalent, and investments level, apparently indicating weak solvency. However, if we go by the company's near-term payable debt level of \$2.78 billion, this comes pretty low compared to the cash in hand. This is good news in terms of solvency position of the company, at least during the year of economic downturn, implying that the company is holding sufficient cash for debt repayment.

Debt comparison with the industry is, however, unfavorable as industry's total debt of \$10.61 billion, stands much lower to the company's debt level.

The quarter's total debt-to-capital ratio stands at a moderately high level of 0.33, indicating a leveraged balance sheet. It remains in line with the sequentially last quarter's debt-to-capital. This compares favorably with the total debt-to-capital ratio of the industry, which stands at a higher level of 0.37.

The times interest earned for the company stands at 4.7%, representing a sequential increase from 4.1% at the end of the fiscal third quarter. This, however, compares unfavorably with the times interest earned for the industry which stands at a higher level (4.8%).

The current payout ratio stands at a moderately high level of 47.1%, representing a sequential rise from 38.2% from the end of the third quarter. Amid the pandemic-led economic crisis, if production and supply halt along with lockdowns continue through the next few months, the company might find paying its regular quarterly dividends to be over-burdened. However, the payout rate of the industry stands at a lower

level (31.4%).

Reasons To Sell:

- ▼ **Price Performance:** Over the past six months, Medtronic has been observed to underperform the industry it belongs to. As per the last share price movement, the stock has declined 12.2% compared to the industry's 2.3% fall. Medtronic exited the fourth quarter of fiscal 2020 with earnings missing the consensus mark. Although, revenues exceeded our estimate, it declined 25% both at constant currency and organic basis. This was due to dismal performances in all major business segments and geographies.

The company's performance was primarily impacted from deferred procedures in almost each of the company's business segments due to the pandemic as, in this time Governments across the world implemented restrictions on elective procedures as well the healthcare systems diverted their attention and resources to fighting COVID-19. Escalating costs and expenses persistently put pressure on its margins. Unfavorable currency movement once again deterred growth in the quarter.

- ▼ **Three Factors Hampering Medtronic's Q4 Sales:** Medtronic noted that, in the fourth quarter, the company's business was adversely affected by three main factors. The first was the mix of urgent procedures versus those that are more deferrable. Almost all of Medtronic's businesses were affected by the decline in procedure volumes this quarter. Medtronic's businesses that had a larger mix of products using urgent procedures saw an impact. However, the company noted that, the impact was far less effective than those of therapies where the procedure could be deferred longer.

The second factor that hampered growth was the loss of large bulk purchases near the end of the quarter. In normal times, during the end of each fiscal (particularly in April), the company generally registers large bulk orders. However, it did not materialize this time due to the pandemic.

The third factor was centered around capital equipment. While capital equipment represents a small amount of Medtronic's overall revenue, there are certain businesses that have a higher mix and felt the impact of hospitals and surgery centers delaying their capital evaluation and purchases.

However, the company noted about growing sales of certain of the company's core products and services that have played a role in fighting COVID-19, or had specific products and customers that were stocking ahead of the pandemic. This led to greater than expected growth in a few of its businesses.

- ▼ **Segmental Impact of COVID-19 in Q4:** CVG declined 33% in the fourth quarter of fiscal 2020. CVG's therapies tend to overall be less deferrable. However, the company still saw substantial declines in procedure volumes. Moreover, CVG saw the greater impact of the reduction in bulk purchases particularly in CRM implantables, diagnostics and transcatheter valves.

MITG declined 12% in the quarter as it did experience a significant impact from the decline in surgical volumes, particularly in the surgical innovations and GI, which both declined in the low-20s. This was however, offset by growth in Respiratory and Patient Monitoring, as well as in renal care solutions.

In Respiratory and Patient Monitoring, the company saw significant growth in airways and ventilators on growing demand amid the COVID-19 internationally. However, the increased demand was offset by overall reduced demand for patient monitoring products given fewer non-COVID-19 hospitalizations and procedures.

RTG declined 32% as it had procedures that are more deferrable including those in Core Spine, Pain Stim, ENT and Pelvic Health. RTG also was impacted by the reduction in customer bulk purchases and capital equipment purchases. Diabetes Group declined 7% due to delay in new patient starts on insulin pumps and due to the closing of physician offices as a result of COVID-19 as well as continued competitive pressure. However, this was offset by increase in demand for diabetes supplies, including continuous glucose sensors and infusion sets, particularly in international markets.

- ▼ **Exposure to Currency Movement:** With Medtronic recording a significant portion of its sales from the international market, it remains highly exposed to currency fluctuations. Unfavorable currency movements have been a major dampener over the last few quarters, as in the case of other important MedTech players too. Fiscal 2021 revenues are expected to get adversely impacted by currency translation of more than 20 cents.
- ▼ **Regulatory Issues Hampering Growth:** In May 2015, the U.S. Food and Drug Administration (FDA) filed a consent decree against Medtronic, the company's CEO Omar Ishrak and neuromodulation divisional head, Thomas M. Tefft. The consent decree was based on Medtronic repeatedly failing to correct certain violations related to the manufacture of Synchromed II Implantable Infusion Pump Systems – a device used to treat primary or metastatic cancer, chronic pain and severe spasticity. These violations determined on grounds of quality control and manufacturing were arrived at during 2006–2013, in the course of five FDA inspections at Medtronic's Minnesota plant. Subsequently, three warning letters were issued in this regard. The consent decree now requires Medtronic to halt the manufacturing, designing and distribution of new Synchromed II Implantable Infusion Pump Systems barring certain cases (when a physician decides that the Synchromed II Implantable Infusion Pump System is medically necessary for treatment). Although Medtronic is currently working on improving the quality, the consent decree will remain in effect till the FDA is convinced that Medtronic has met all the provisions listed therein.
- ▼ **Competitive Landscape:** The presence of a large number of players has made the medical devices market highly competitive. Medtronic earns the majority of revenues from CRDM, Spinal and Cardio Vascular segments. The company faces intense competition in the CRDM segment from players such as Boston Scientific Corporation, and St. Jude Medical. Players such as Johnson & Johnson, Stryker Corporation, Zimmer and NuVasive have intensified competition particularly in the Spinal segment.
Economic Uncertainty: Macroeconomic conditions in many of the developed countries have led to reduction in healthcare budgets and increased pressure on utilization. This leads to fewer procedures, a trend that is expected to continue in the near future and affect revenue

Headwinds like unfavorable currency movement and global economic uncertainties continue to adversely affect Medtronic. Also, several legal and regulatory issues are intimidating in the short term.

growth at the company.

Last Earnings Report

Medtronic Q4 Earnings Miss Estimates, Revenues Top

Medtronic has reported fourth-quarter fiscal 2020 adjusted earnings per share of 58 cents, missing the Zacks Consensus Estimate by 1.7%. Adjusted earnings also plunged 62.3% year over year.

For full-year fiscal 2020, the company reported adjusted earnings per share of \$4.59, which declined 12.1% from the prior-year period. The figure missed the Zacks Consensus Estimate by 2.3%.

Without certain one-time adjustments — including restructuring, amortization expenses and certain litigation charges — GAAP EPS was 48 cents, reflecting a 44.8% decline from the year-ago reported figure.

With respect to full fiscal 2020, GAAP EPS came in at \$3.54, indicating a rise of 3.8% from fiscal 2019.

Quarter Ending 04/2020

Report Date	May 21, 2020
Sales Surprise	1.20%
EPS Surprise	-1.69%
Quarterly EPS	0.58
Annual EPS (TTM)	4.59

Total Revenues

Worldwide revenues in the reported quarter grossed \$5.99 billion, down 25% on an organic basis (excluding the impacts of currency and significant acquisitions, including Titan Spine) and down 26.4% on a reported basis. The top line beat the Zacks Consensus Estimate by a marginal 1.2%.

For full fiscal 2020, worldwide revenues amounted to \$28.91 billion, declining 5.4% on a reported basis and 4.2% on an organic basis (considering adjustment for a \$418-million negative impact of foreign currency). The figure beat the consensus mark by 0.3%.

In the quarter under review, U.S. sales (48% of total revenues) declined 33% year over year on a reported basis to \$2.85 billion. While non-U.S. developed market revenues totaled \$2.22 billion (37% of total revenues), depicting a 14% deterioration on a reported basis (down 11% at CER).

Again, emerging market revenues (15% of total revenues) amounted to \$929 million, down 28% on a reported basis (down 24% at CER).

Segment Details

The company currently generates revenues from four major segments, namely Cardiac and Vascular Group ("CVG"), Minimally Invasive Therapies Group ("MITG"), Restorative Therapies Group ("RTG") and Diabetes Group.

CVG comprises Cardiac Rhythm & Heart Failure ("CRHF"), Coronary & Structural Heart ("CSH"), and Aortic & Peripheral Vascular divisions ("APV"). MITG includes Surgical Innovations ("SI"), and Respiratory, Gastrointestinal & Renal ("RGR") divisions. RTG consists of Spine, Brain Therapies, Specialty Therapies and Pain Therapies segments, while Diabetes Group incorporates Intensive Insulin Management ("IIM"), Non-Intensive Diabetes Therapies ("NDT") and Diabetes Service & Solutions ("DSS") divisions.

In the fiscal fourth quarter, CVG revenues declined 33% at CER (down 34% on a reported basis) to \$2.04 billion, representing the impact of the COVID-19 pandemic and particularly a decrease in deferrable procedure volumes and lower quarter-end customer bulk purchases.

CRHF sales totaled \$940 million, down 38% year over year at CER (down 40% on a reported basis). The company witnessed a substantial decline in Arrhythmia Management.

CSH revenues were down 28% at CER (down 30% as reported) to \$697 million, attributable to noticeable decline in drug-eluting stents and transcatheter aortic valves ("TAVR").

APV revenues were down 26% at CER (down 27% on a reported basis) to \$367 million. The company witnessed substantial decline in Aortic, Peripheral as well as Venous.

In MITG, worldwide sales totaled \$1.93 billion, marking a 12% year-over-year decrease at CER (down 14% on a reported basis), due to fall in procedure volumes resulting from the pandemic.

In RTG, worldwide revenues of \$1.49 billion were down 33% year over year both on an organic and reported basis. The downside reflected the impact from the pandemic and particularly a decrease in deferrable procedure volumes and fall in quarter-end customer bulk purchases as well as capital equipment purchases.

Moreover, revenues at the Diabetes group decreased 7% at CER (down 9% a year-over-year basis) to \$570 million.

Margins

Gross margin in the reported quarter contracted 690 basis points (bps) to 63% on an 8.8% fall in the cost of revenues to \$2.26 billion. Adjusted operating margin contracted 1540 bps year over year to 16.1%. Meanwhile, selling, general and administrative expenses fell 9.9% to \$2.36 billion, while research and development expenses declined 4.5% to \$567 million.

Dividend Update

On May 20, 2020, the board of directors of the company approved a dividend hike for the first-quarter fiscal 2021, which resulted in the quarterly amount of 58 cents per share. This in turn led to an annual dividend of \$2.32 per share, up from the previous \$2.16 per share, thereby marking Medtronic's 43rd consecutive year of dividend hike.

Guidance

On account of the uncertainty with respect to near-term financial results resulting from the COVID-19 pandemic, Medtronic has decided not to provide any formal annual or quarterly financial guidance at this moment.

Recent News

On **May 29, 2020**, Medtronic announced that, following the guidance issued by the FDA on April 6, 2020, several Medtronic cardiopulmonary technologies are now permitted to temporarily be used in the United States for Extracorporeal Membrane Oxygenation (ECMO) therapy greater than six hours.

On **May 22, 2020**, Medtronic announced the FDA approval for the Android version of its Guardian Connect continuous glucose monitoring (CGM) system.

On **May 19, 2020**, Medtronic announced the U.S. launch of Kyphon Assist Directional Cannula for use with its balloon kyphoplasty (BKP) products to treat vertebral compression fractures due to osteoporosis, cancer or benign lesions.

On **Apr 8, 2020**, Medtronic announced updates regarding its efforts to increase ventilator production around the globe. The company is announcing solid progress in the ramp-up of its ventilator production, as well as collaborating with technology partners and governments to drive new ventilator innovation and production, all in support of COVID-19 patients worldwide.

On **Mar 30, 2020**, Medtronic announced favorable results of the Onyx ONE Clear Study, which evaluated Resolute Onyx DES in high bleeding risk (HBR) patients with one-month dual antiplatelet therapy (DAPT) in the United States and Japan.

On **Mar 29, 2020**, Medtronic announced the first-ever clinical data from the SPYRAL HTN-OFF MED Pivotal Trial, which demonstrated the superiority for Renal Denervation in patients with high blood pressure, unlike sham procedure.

On **Mar 29, 2020**, Medtronic announced late-breaking clinical data from the Low Risk Bicuspid Study, which assessed the use of the Evolut transcatheter aortic valve replacement (TAVR) system in patients with bicuspid aortic valve stenosis at low surgical risks.

On **Mar 27, 2020**, Medtronic announced that two new solutions designed to help assess, monitor, and triage support for patients who may be concerned about COVID-19 and their respiratory symptoms are being launched by its Medtronic Care Management Services (MCMS) business. A new Respiratory Infectious Disease Health Check to existing MCMS customers has already been launched. It is currently on track to launch a new COVID-19 Virtual Care Evaluation and Monitoring solution available to U.S. health systems, health plans and employers.

On **Mar 18, 2020**, Medtronic announced a revised statement where it confirmed the scaling up of its production capacity and is on track to more than double its capacity to manufacture and supply ventilators in response to the urgent needs of patients and healthcare systems worldwide battling the COVID-19.

Valuation

Medtronic shares are down 14.4% in the year-to-date period and up 4% in the trailing 12-month period. Stocks in the Zacks sub-industry and Zacks Medical sector are down 5.3% and down 1.1% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and sector are up 4.8% and up 6%, respectively.

The S&P 500 index is down 5.1% in the year-to-date period and up 11.4% in the past year.

The stock is currently trading at 26.6X Forward 12-months earnings, which compares to 30.8X for the Zacks sub-industry, 23.1X for the Zacks sector and 22.1X for the S&P 500 index.

Over the past five years, the stock has traded as high as 27.1X and as low as 12.2X, with a 5-year median 16.8X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$103 price target reflects 28.2X forward 12-months earnings.

The table below shows summary valuation data for MDT.

Valuation Multiples - MDT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F 12M	Current	26.57	30.83	23.14	22.13
	5-Year High	27.11	30.83	23.14	22.13
	5-Year Low	12.18	17.01	15.92	15.23
	5-Year Median	16.81	20.11	18.95	17.49
P/S F12M	Current	4.69	3.87	2.78	3.44
	5-Year High	4.97	3.88	3.75	3.44
	5-Year Low	3	2.88	2.21	2.53
	5-Year Median	3.76	3.27	2.92	3.02
P/B TTM	Current	2.56	2.82	4.23	4.18
	5-Year High	3.2	4.26	5.07	4.56
	5-Year Low	1.73	2.19	2.93	2.83
	5-Year Median	2.29	2.76	4.29	3.65

As of 06/01/2020

Industry Analysis Zacks Industry Rank: Top 21% (52 out of 253)



Top Peers

Company (Ticker)	Rec	Rank
ABIOMED, Inc. (ABMD)	Neutral	3
Abbott Laboratories (ABT)	Neutral	3
Baxter International Inc. (BAX)	Neutral	4
The Cooper Companies, Inc. (COO)	Neutral	4
DaVita Inc. (DVA)	Neutral	2
Intuitive Surgical, Inc. (ISRG)	Neutral	3
Stryker Corporation (SYK)	Neutral	3
Boston Scientific Corporation (BSX)	Underperform	3

Industry Comparison Industry: Medical - Products				Industry Peers		
	MDT	X Industry	S&P 500	ABT	BSX	COO
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	4
VGM Score	D	-	-	D	F	C
Market Cap	130.14 B	359.87 M	21.80 B	164.52 B	52.48 B	16.81 B
# of Analysts	14	3	14	10	11	11
Dividend Yield	2.22%	0.00%	1.97%	1.55%	0.00%	0.02%
Value Score	C	-	-	D	D	D
Cash/Price	0.08	0.11	0.06	0.02	0.01	0.00
EV/EBITDA	18.08	-0.08	12.62	22.89	26.99	21.74
PEG Ratio	3.87	4.90	2.92	3.86	3.90	2.51
Price/Book (P/B)	2.56	3.55	2.98	5.41	3.79	4.51
Price/Cash Flow (P/CF)	14.67	17.70	11.85	18.64	15.60	17.39
P/E (F1)	27.58	34.21	21.45	33.08	41.63	27.65
Price/Sales (P/S)	4.50	5.58	2.30	5.13	4.87	6.29
Earnings Yield	3.61%	0.11%	4.48%	3.02%	2.40%	3.62%
Debt/Equity	0.43	0.10	0.76	0.55	0.68	0.33
Cash Flow (\$/share)	6.62	-0.01	6.96	4.99	2.40	18.13
Growth Score	C	-	-	D	F	B
Hist. EPS Growth (3-5 yrs)	5.13%	12.07%	10.87%	10.11%	13.88%	13.58%
Proj. EPS Growth (F1/F0)	-23.64%	1.03%	-10.79%	-13.21%	-42.98%	-7.71%
Curr. Cash Flow Growth	-9.02%	6.00%	5.46%	4.54%	12.08%	6.09%
Hist. Cash Flow Growth (3-5 yrs)	7.68%	7.71%	8.55%	11.80%	10.33%	12.65%
Current Ratio	2.13	2.74	1.29	1.43	1.21	1.08
Debt/Capital	30.21%	14.48%	44.75%	35.58%	40.33%	24.85%
Net Margin	16.56%	-27.05%	10.59%	11.15%	39.75%	16.99%
Return on Equity	12.17%	-9.21%	16.29%	18.61%	18.24%	16.74%
Sales/Assets	0.32	0.56	0.55	0.47	0.39	0.42
Proj. Sales Growth (F1/F0)	-5.08%	0.00%	-2.67%	-2.16%	-11.12%	-1.63%
Momentum Score	F	-	-	C	D	F
Daily Price Chg	-1.49%	0.05%	0.80%	-2.01%	-1.29%	-0.57%
1 Week Price Chg	4.08%	0.00%	4.60%	3.77%	5.79%	10.28%
4 Week Price Chg	1.94%	7.96%	8.94%	3.54%	4.66%	9.78%
12 Week Price Chg	5.10%	13.30%	8.65%	20.76%	10.00%	-0.73%
52 Week Price Chg	4.05%	-0.67%	0.08%	22.85%	-2.06%	4.45%
20 Day Average Volume	5,431,402	265,644	2,465,511	6,860,380	10,456,166	307,104
(F1) EPS Est 1 week change	-9.45%	0.00%	0.00%	0.00%	-0.40%	-2.09%
(F1) EPS Est 4 week change	-30.72%	0.00%	-0.27%	0.00%	-0.60%	-6.68%
(F1) EPS Est 12 week change	-41.83%	-16.15%	-16.20%	-21.85%	-48.89%	-10.95%
(Q1) EPS Est Mthly Chg	-73.11%	0.00%	-0.83%	0.00%	0.00%	-12.85%

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	C
Momentum Score	F
VGM Score	D

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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