MGM Resorts (MGM)

$44.16 (As of 06/08/21)

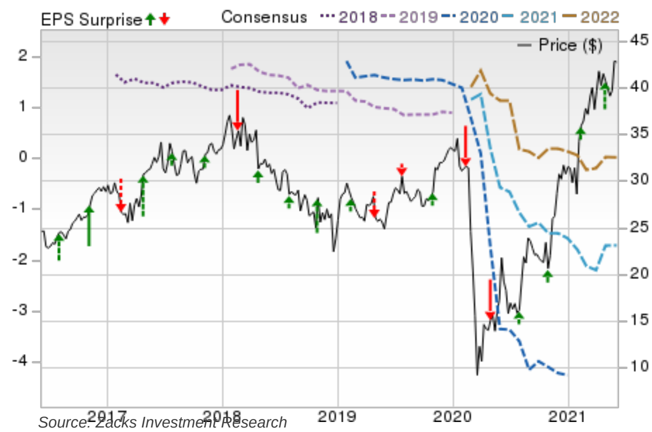
Price Target (6-12 Months): **$46.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 08/18/20) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:F
	Value: D | Growth: F | Momentum: C	

Summary

Shares of MGM Resorts have outperformed the industry so far this year. Recently, the company reported first-quarter 2021 results, with earnings and revenues beating the Zacks Consensus Estimate. However, the metrics declined sharply year over year. The downside was primarily due to the temporary closure of certain properties for a portion of quarter, lower business volume, and travel and operational restrictions due to the pandemic. Despite the pandemic, the company is confident about prospects in Macau and will continue to invest in the same. This along with focus on asset light strategy, non-gaming activities and digital initiatives are likely to benefit the company in the upcoming periods. Meanwhile, the company is optimistic with respect to BetMGM operations as it expects revenue contributions of more than $1 billion in 2022.

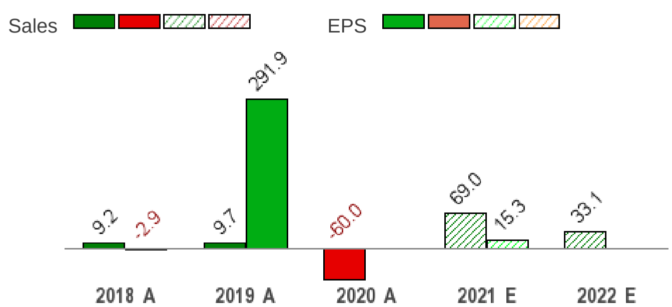
Price, Consensus & Surprise



Data Overview

52-Week High-Low	**$44.40 - $14.65**
20-Day Average Volume (Shares)	**7,533,917**
Market Cap	**$21.7 B**
Year-To-Date Price Change	**40.2%**
Beta	**2.44**
Dividend / Dividend Yield	**$0.01 / 0.0%**
Industry	**Gaming**
Zacks Industry Rank	**Top 43% (109 out of 251)**
Last EPS Surprise	**20.9%**
Last Sales Surprise	**5.2%**
EPS F1 Estimate 4-Week Change	**0.1%**
Expected Report Date	**07/29/2021**
Earnings ESP	**0.0%**
P/E TTM	**NA**
P/E F1	**NA**
PEG F1	**NA**
P/S TTM	**4.8**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2022	2,662 E	2,802 E	2,993 E	2,977 E	11,607 E
2021	1,648 A	2,020 E	2,401 E	2,530 E	8,722 E
2020	2,253 A	290 A	1,126 A	1,494 A	5,162 A

EPS Estimates

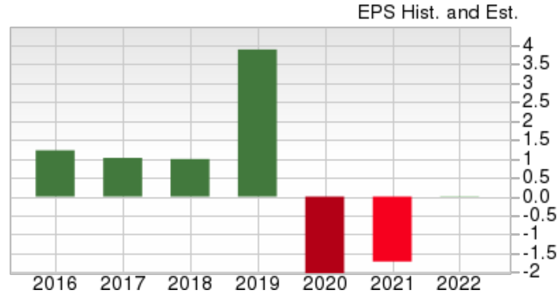
	Q1	Q2	Q3	Q4	Annual*
2022	-$0.18 E	-$0.06 E	$0.06 E	$0.08 E	$0.01 E
2021	-$0.68 A	-$0.50 E	-$0.30 E	-$0.25 E	-$1.71 E
2020	-$0.45 A	-$1.52 A	-$1.08 A	-$0.90 A	-$2.02 A

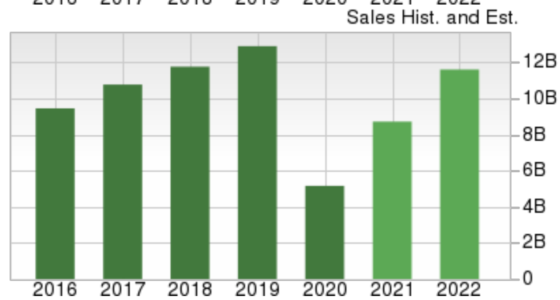
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 06/08/2021. The report's text and the analyst-provided price target are as of 06/09/2021.

Overview

MGM Resorts International is a holding company and primarily owns and operates casino resorts through wholly owned subsidiaries. The company's resorts portfolio incorporates 30 unique hotel offerings, including some of the most familiar resort brands in the industry such as Bellagio, MGM Grand, Mandalay Bay and The Mirage.





The company reports under three operating segments: Las Vegas Strip (43.5% of total revenues in 2020), Regional Operations (38.1%), MGM China (12.5%) and Management and other operations (5.9%). MGM China's operations consist of the MGM Macau resort and casino (MGM Macau) and the company is currently developing an integrated casino, hotel, and entertainment resort on the Cotai Strip in the region. Meanwhile, in Oct 2015, MGM Resorts created a controlled real estate investment trust (REIT) named MGM Growth Properties LLC (MGP), which began trading in April 2016.

MGM Resorts International holds 73% interest in MGM Growth Properties LLC (MGP), a premier real estate investment trust engaged in the acquisition, ownership and leasing of large-scale resorts. It also owns 56% stake in MGM China Holdings Limited, which owns MGM MACAU and 50% of CityCenter in Las Vegas.

MGM Resorts recently acquired the operations of Empire City Casino in New York and Hard Rock Rocksino in Ohio, which was rebranded as MGM Northfield Park. In 2018, MGM Resorts opened MGM Springfield in Massachusetts, MGM COTAI in Macau, and the first Bellagio-branded hotel in Shanghai.

The company's superior business model, extensive non-gaming revenue opportunities, high-quality assets and attractive property locations are the primary growth drivers. In the past few years, it has taken various initiatives to align every recognized brand into one global entertainment brand. This resulted in a disciplined business model, with a unified view of strategy.

Source: Zacks Investment Research

Reasons To Buy:

An increase in visitation in the Las Vegas market, solid long-term prospects of Macau business and the company's focus on non-gaming activities is likely to aid growth

- **Strong Brand Recognition:** MGM Resorts, one of the leading companies in the gaming and lodging industry, is well poised to grow on high brand awareness. The company's superior business model, extensive non-gaming revenue opportunities, high-quality assets and attractive property locations are the primary growth drivers. In the past few years, the company has taken various initiatives to align every recognized brand into one global entertainment brand. This resulted in a disciplined business model with a unified view of strategy. Meanwhile, with a gradual economic recovery in the United States, the company's business seems to improve further. Moreover, a few other new entertainment offerings in the pipeline are expected to deliver increased profitability across the company's properties. The company's core strategies include optimizing its customer mix, leveraging the casino database in a targeted way and driving more profitable business.

- **Macau Business to Spur Growth over the Long-term:** MGM derives a solid share of its revenues from Macau — the largest gaming destination in the world. It is undertaking initiatives to increase revenues and junket productivity in Macau, and anticipates a positive trend, buoyed by upgrades to main gaming floor products and marketing initiatives. Meanwhile, MGM China continues to outperform the broader Macau market's steady pace of recovery. During first-quarter 2021, revenues at MGM China recovered approximately 40% of pre-pandemic fourth-quarter 2019 levels. Rise in leisure and casino demand coupled with the opening of the Macau - Hong Kong border, benefitted the company. Although nucleic acid testing requirements are currently acting as a headwind in the region, ramped up vaccination drives and easing of travel restrictions are likely to benefit the company in the upcoming periods.

  Meanwhile, the company is confident regarding prospects in Macau and continues to invest in them. During the first quarter, the company initiated the remodeling of MGM Macau villas and the gaming space on level 35. Moreover, the company informed that construction of the additional suites in the south tower of MGM Cotai is likely to be completed by third-quarter 2021.

  Also, the government of China is considering measures to support Macau's economy in all aspects and introduce favorable policies, which is expected to improve visitation pattern and boost tourism and traffic in the region. These include the approval of Macau's maritime expansion plans that are expected to aid shipping and tourism. Also, the government has enabled mainland Chinese cities to offer multi-entry permits. Moreover, the opening of the world's longest sea-crossing bridge and tunnel in the prior year, which connects Macau to Hong Kong, as well as mainland China's Pearl River Delta, is likely to prove beneficial for casino operators.

- **Digital initiatives:** MGM Resorts utilizes various types of technology to maximize revenues and efficiency in operations. The company continues to adopt ways that drive bookings. MGM Resorts has an M life Rewards program for its customers at domestic resorts. M life provides access to rewards, privileges and members-only events.

  Moreover, the company's website, mlife.com continues to generate substantial revenues. The website offers customers all the necessary information to customize a complete itinerary at one place. Management believes that its continued digital endeavors will facilitate high margins with lesser capital spending. Recently, MGM Resorts partnered Boyd Gaming to significantly enhance each company's market access and customer base throughout the United States. Under the partnership, both the companies have initiated opportunities to offer online and mobile gaming platforms – including sports betting, casino gaming and poker.

- **Sports Betting to Drive Growth:** Sports betting and iGaming continues to be a major growth driver following the legalization of sports betting outside Nevada. The company continues to focus on sports betting expansion. Recently, BetMGM and GVC Holdings — announced second round of investment. This brings the total investment to $450 million. In the first round, both the companies have invested $200 million. Ever since its launch in 2018, the company has done extremely well and is now operating in 12 states. Notably, BetMGM continues to gain market share.

  During the first quarter of 2021, BetMGM reported solid results on the back of market share gains in existing markets along with new entries such as Iowa, Michigan and Virginia. As of February 2021, BetMGM's market share stood at 22% in its active markets. It also reported strengthening of position in New Jersey with market share gains of more than 30%. Meanwhile, BetMGM operations contributed $163 million to net revenues during the first quarter. Markedly, the operation results are encouraging compared with the total net revenues of $178 million in 2020.

  Given the positive momentum in markets coupled with its unique and unparalleled online and off-line offerings, the company remains optimistic for its long term growth with revenue expectations of more than $1 billion in 2022. Over the long term, BetMGM's EBITDA margins are expected in the range of 30-35%. Also, it expects long-term U.S. market share to be between 20% and 25%.

- **Enough Liquidity to Tide Over Coronavirus Pandemic:** MGM Resorts has enough liquidity, which will help it survive in the current scenario. The company ended the first quarter with cash and cash equivalents of $6,171.5 million (as of Mar 31, 2021) compared with $5,101.6 million as of Dec 31, 2020. The company has enough cash to survive the coronavirus pandemic. Although the company's long-term debt at the end of quarter is pegged at $13,245.4 million compared with $12,376.7 million as of Dec 31, 2020, it has no debt maturing prior to 2022 that excludes MGP and MGM China. At the end of first-quarter 2021, the company had debt-to-capital ratio of 0.5, this gives an indication that its debt level is manageable.

Reasons To Sell:

The coronavirus pandemic, dismal top and bottom line performance and increased competition remain concerns.

- **Dismal Top & Bottom Lines Performance in Q1:** MGM Resorts reported first-quarter 2021 results, wherein both earnings and revenues declined sharply year over year. The company reported adjusted loss per share of 68 cents compared with adjusted loss per share of 45 cents in the prior-year quarter. Total revenues came in at $1,647.7 million, down 22% year over year. The downside was primarily due to the temporary closure of certain properties for a portion of quarter, lower business volume as well as travel and operational restrictions due to the pandemic.

- **Coronavirus Likely to Hurt Results:** MGM Resorts' financial numbers in 2021 are likely to be impacted by the pandemic. Although casinos in Macau and Las Vegas properties are now open, the company is witnessing low visitation. Despite occupancy improving sequentially every month, it is still below the pre-pandemic level.

- **Heightened Competition:** MGM Resorts operates in the highly competitive markets of Las Vegas and Macau. Increased hotel openings and promotional activities have made these markets highly competitive. Thus, excess supply, especially in the Macau market, might reduce the company's market share. The company's upcoming projects are expected to face extreme peer pressure from several Chinese casino operators as well as The Parisian Macao and the Sands Cotai Central project of Las Vegas Sands Corp.

Last Earnings Report

MGM Resorts Q1 Earnings & Revenues Beat Estimates

Quarter Ending	03/2021
Report Date	Apr 28, 2021
Sales Surprise	5.20%
EPS Surprise	20.93%
Quarterly EPS	-0.68
Annual EPS (TTM)	-4.18

MGM Resorts reported first-quarter 2021 results, wherein both earnings and revenues beat the Zacks Consensus Estimate. While the bottom line surpassed the consensus estimate for the fourth straight quarter, the top line beat the consensus mark for the second consecutive quarter. However, both the metrics declined sharply year over year.

The company's results were impacted by the coronavirus pandemic. However, consumer demand increased at its domestic properties. MGM Resorts has made major changes to its operating model, which will help the company on its road to recovery. The company witnessed sequential improvement in Las Vegas results and demand for leisure is also improving. Meanwhile, MGM China continues to outperform the broader Macau market's steady pace of recovery.

On an encouraging note, the company anticipates its business in 2022 and 2023 to be on par with pre-pandemic level. It also announced that high-end international casino business will hinge on travel restrictions. However, domestic casino demand remains strong. The company anticipates revenues from BetMGM to touch $1 billion mark in 2022.

Bill Hornbuckle, CEO and president of MGM Resorts International said "We are also deeply focused on our long-term goals including investing in digital to drive deeper customer engagement and BetMGM, our U.S. sports betting and iGaming venture, which continues to impress as the leading operator in U.S. iGaming and the top three operator in U.S. online sports betting. Our future is bright."

Earnings & Revenues Discussion

MGM Resorts reported adjusted loss per share of 68 cents, narrower than the Zacks Consensus Estimate of a loss of 86 cents. In the prior-year quarter, the company had reported adjusted loss per share of 45 cents.

Total revenues were $1,647.7 million, which topped the Zacks Consensus Estimate of $1,565 million. However, the top line declined 22% year over year. The downside was primarily due to the temporary closure of certain properties for a portion of quarter, lower business volume, and travel and operational restrictions due to the pandemic.

MGM China

MGM China's net revenues rose 9% year over year to $296 million. VIP Table Games Hold adjusted MGM China net revenues improved 7% year over year to $294 million.

MGM China's adjusted property EBITDAR (Earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs) amounted to $5 million, against a loss of $22 million in the prior-year quarter. Moreover, VIP Table Games Hold adjusted MGM China adjusted property EBITDAR was $5 million, against a loss of $17 million in the prior-year quarter.

Domestic Operations

Net revenues at Las Vegas Strip Resorts during the first quarter were $545 million, down 52% year over year due to the pandemic. Adjusted property EBITDAR declined 60% year over year to $108 million. Casino revenues in the quarter under review were down 16% year over year at the company's Las Vegas Strip Resorts primarily due to operational and travel restrictions on account of the pandemic.

During quarter under review, net revenues from the company's regional operations totaled $711 million, down 2% from the prior-year quarter due to the pandemic and related operational restrictions. Adjusted property EBITDAR were $242 million, surging 59% year over year due to rise in casino revenues and cost saving efforts. Moreover, adjusted property EBITDAR margin expanded 1,311 basis points year over year to 34%.

Casino revenues in the quarter under review were up 11% year over year at the company's regional operations primarily due to 6% rise in table games win and a 7% increase in slots win. Notably, slots handle increased 4% at its Regional Operations.

Balance Sheet & Share Repurchase

MGM Resorts ended the first quarter with cash and cash equivalents of $6,171.5 million compared with $5,101.6 million on Dec 31, 2020. The company's long-term debt at the end of quarter stands at $13,245.4 million, compared with $12,376.7 million as of Dec 31, 2020.

During the first quarter, the company repurchased nearly 3.15 million of shares at an average price of $37.87 per share for $119 million.

Recent News

MGM Resorts' BetMGM Partners With Baltimore Ravens – May 19, 2021

MGM Resorts and GVC Holdings' joint venture — BetMGM — recently announced collaboration with The Baltimore Ravens, becoming its official gaming partner. Notably, the news surfaced following the legalisation of mobile and retail sports betting in Maryland. However, regulatory frameworks in this regard are still underway.

MGM Resorts Returning To Full Occupancy At Las Vegas Properties – May 12, 2021

MGM Resorts had recently announced that it has been granted permission by the Nevada Gaming Control Board for 100% occupancy on gaming floors located inside the company's Las Vegas Strip properties. However, social distancing protocols will be followed outside the gaming floor.

Valuation

MGM Resorts' shares are up by 40.2% in the year-to-date period and up 115.3% over the trailing 12-month period. Stocks in the Zacks sub-industry is up by 19.8%, and the Zacks Consumer Discretionary sector is up by 0.7% in the year-to-date period. Over the past year, the Zacks sub-industry and sector are up by 53.1% and 28.5%, respectively.

The S&P 500 index is up by 13.9% in the year-to-date period and 36.7% in the past year.

The stock is currently trading at 2.17x forward 12-month sales, which compares to 5.11x for the Zacks sub-industry, 2.72x for the Zacks sector and 4.71x for the S&P 500 index.

Over the past five years, the stock has traded as high as 2.32x and as low as 0.28x, with a 5-year median of 1.34x. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $46 price target reflects 2.27x forward 12-month sales.

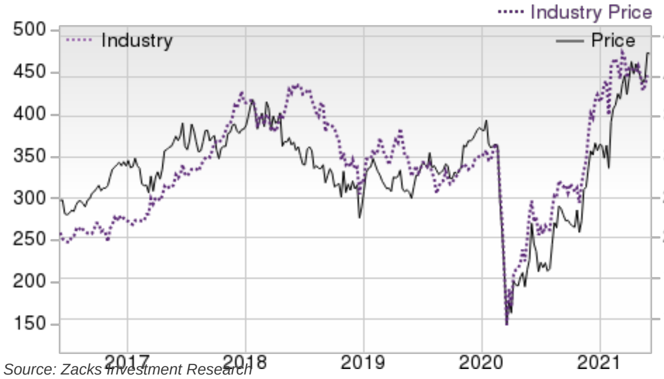
The table below shows summary valuation data for MGM.

Valuation Multiples - MGM

		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	2.17	5.11	2.72	4.71
	5-Year High	2.32	5.11	2.94	4.74
	5-Year Low	0.28	1.63	1.73	3.21
	5-Year Median	1.34	2.76	2.52	3.72
EV/EBITDA TTM	Current	N/A	731.9	14.46	17.34
	5-Year High	29.06	743.18	18.08	17.74
	5-Year Low	N/A	7.24	8.34	9.63
	5-Year Median	11.2	13.95	12.37	13.46
P/B TTM	Current	1.93	8.36	3.85	7.03
	5-Year High	1.94	6.23	4.89	7.03
	5-Year Low	0.29	1.92	2.25	3.84
	5-Year Median	1.47	4.21	4.03	5.02

As of 06/08/2021 *Source: Zacks Investment Research*

Industry Analysis **Zacks Industry Rank:** Top 43% (109 out of 251)



Source: Zacks Investment Research

Top Peers

Company (Ticker)	Rec	Rank
Boyd Gaming Corporation **(BYD)**	Outperform	1
Churchill Downs, Incorporated **(CHDN)**	Neutral	3
Century Casinos, Inc. **(CNTY)**	Neutral	2
Caesars Entertainment, Inc. **(CZR)**	Neutral	3
Las Vegas Sands Corp. **(LVS)**	Neutral	4
Melco Resorts & Entertainment Limited **(MLCO)**	Neutral	3
Penn National Gaming, Inc. **(PENN)**	Neutral	3
Wynn Resorts, Limited **(WYNN)**	Neutral	3

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

Industry Comparison Industry: Gaming

	MGM	X Industry	S&P 500	LVS	MLCO	WYNN
				Industry Peers		
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	4	3	3
VGM Score	F	-	-	D	F	F
Market Cap	21.66 B	2.64 B	30.36 B	42.72 B	8.13 B	14.81 B
# of Analysts	8	3	12	5	2	5
Dividend Yield	0.02%	0.00%	1.3%	0.00%	0.00%	0.00%
Value Score	D	-	-	C	F	D
Cash/Price	0.29	0.12	0.06	0.05	0.19	0.20
EV/EBITDA	70.12	20.66	17.47	-140.32	-27.29	-52.45
PEG F1	NA	1.48	2.14	NA	NA	NA
P/B	1.93	4.99	4.19	13.45	5.33	NA
P/CF	NA	27.32	17.97	NA	NA	NA
P/E F1	NA	26.24	21.45	NA	NA	NA
P/S TTM	4.75	4.53	3.53	14.12	5.67	7.93
Earnings Yield	-3.87%	0.71%	4.55%	-0.05%	-4.83%	-3.89%
Debt/Equity	1.18	0.44	0.66	4.52	4.00	-57.92
Cash Flow ($/share)	-1.49	0.22	6.83	-0.48	-1.16	-11.99
Growth Score	F	-	-	F	F	D
Historical EPS Growth (3-5 Years)	-19.18%	-9.28%	9.44%	-6.51%	35.32%	7.42%
Projected EPS Growth (F1/F0)	15.16%	74.01%	21.30%	98.77%	69.25%	74.06%
Current Cash Flow Growth	-142.05%	-16.71%	0.98%	-109.66%	-147.69%	-238.52%
Historical Cash Flow Growth (3-5 Years)	NA%	2.49%	7.28%	NA	NA	NA
Current Ratio	3.86	2.41	1.39	2.28	1.89	2.37
Debt/Capital	54.24%	35.42%	41.53%	81.90%	79.99%	NA
Net Margin	-47.65%	-5.44%	11.95%	-64.84%	-78.87%	-104.19%
Return on Equity	-17.93%	-2.68%	16.36%	-47.40%	-75.32%	-327.32%
Sales/Assets	0.12	0.36	0.51	0.14	0.21	0.13
Projected Sales Growth (F1/F0)	68.96%	32.40%	9.23%	95.88%	86.98%	101.44%
Momentum Score	C	-	-	A	F	D
Daily Price Change	1.73%	0.00%	0.19%	-1.06%	0.47%	-0.81%
1-Week Price Change	-0.23%	-0.23%	0.58%	-2.13%	-0.70%	-2.81%
4-Week Price Change	13.93%	1.25%	1.24%	-0.57%	-6.65%	2.44%
12-Week Price Change	10.65%	-6.90%	8.13%	-13.93%	-20.72%	-6.92%
52-Week Price Change	100.18%	68.13%	33.89%	4.21%	-7.86%	24.61%
20-Day Average Volume (Shares)	7,533,917	277,827	1,796,567	5,621,007	2,636,851	2,027,222
EPS F1 Estimate 1-Week Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EPS F1 Estimate 4-Week Change	0.15%	0.00%	0.03%	0.00%	-58.97%	-26.46%
EPS F1 Estimate 12-Week Change	17.56%	3.04%	3.39%	-105.26%	-1,053.49%	-23.26%
EPS Q1 Estimate Monthly Change	0.00%	0.00%	0.00%	0.00%	-61.91%	7.74%

Source: Zacks Investment Research

Zacks Stock Rating System

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

Zacks Recommendation

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

Zacks Rank

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

Zacks Style Scores

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

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

Value Score	D
Growth Score	F
Momentum Score	C
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.

Disclosures

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ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

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Returns quoted represent past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than their original cost. Current performance may be higher or lower than the performance shown.

Investing involves risk; principal loss is possible. There is no guarantee that companies that can issue dividends will declare, continue to pay or increase dividends.

Glossary of Terms and Definitions

52-Week High-Low: The range of the highest and lowest prices at which a stock has traded during the past year. This range is determined based on the stock's daily closing price which may differ from the intra-day high or low. Many investors use it as a technical indicator to determine a stock's current value and future price movement. The idea here is that if price breaks out from the 52-week range, in either direction, the momentum may continue in the same direction.

20-Day Average Volume (Shares): The average number of shares of a company traded in a day over the last 20 days. It is a direct indication of a security's overall liquidity. The higher the average daily trading volume, the easier it is to enter or exit the stock at a desired price with more buyers and sellers being available.

Daily Price Change: This is the percentage difference between a trading day's closing price and the prior trading day's closing price. This item is updated at 9 p.m. EST each day.

1-Week Price Change: This is the percentage change in a stock's closing price over the last 5 trading days. This change reflects the collective buying and selling sentiment over the 1-week period.

A strong weekly price increase for the stock, especially when accompanied by increased volume, is an indication of it gaining momentum.

4-Week Price Change: This is the percentage change in a stock's closing price over the last 20 trading days or past 4 weeks. This is a mediumterm price change metric and an indication of the stock gaining momentum.

12-Week Price Change: This is the percentage change of a stock's closing price over the last 60 trading days or past 12 weeks. Similar to 4-week price change, this is a medium-term price change metric. It shows whether a stock has been enjoying strong investor demand, or if it has been in consolidation, or distress over this period.

52-Week Price Change: This is the percentage change in a stock's closing price over the last 260 trading days or past 52 weeks. This long-term price change metric is a good reference point for investors. Some investors seek stocks with the best percentage price change over the last 52 weeks, expecting the momentum to continue.

Market Cap: The number of outstanding common shares of a company times its latest price per share. This figure represents a company's size, which indicates various characteristics, including price stability and risk, in which investors could be interested.

Year-To-Date Price Change: Change in a stock's daily closing price in the period of time beginning the first day of the current calendar year through to the previous trading day.

# of Analysts: Number of EPS estimates used in calculating the current-quarter consensus. These estimates come from the brokerage analysts tracking this stock. However, the number of such analysts tracking this stock may not match the number of estimates, as all brokerage analysts may not come up with an estimate or provide it to us.

Beta: A measure of risk commonly used to compare the volatility of a stock to the overall market. The S&P 500 Index is the base for calculating beta and carries a value of 1. A stock with beta below 1 is less risky than the market as a whole. And a stock with beta above 1 is riskier.

Dividend: The portion of earnings a company is expected to distribute to its common shareholders in the next 12 months for each share they own. Dividends are usually paid quarterly. Dividend payments reflect positively on a company and help maintain investors' trust. Investors typically find dividend-paying stocks appealing because the dividend adds to any market price appreciation to result in higher return on investment (ROI). Moreover, a steady or increasing dividend payment provides investors a cushion in a down market.

Dividend Yield: The ratio of a company's annual dividend to its share price. The annual dividend used in the ratio is calculated based on the mostrecent dividend paid by the company. Dividend yield is an estimate of the dividend-only return from a stock in the next 12 months. Since dividend itself doesn't change frequently, dividend yield usually changes with a stock's price movement. As a result, often an unusually high dividend yield is a result of weak stock price.

S&P 500 Index: The Standard & Poor's 500 (S&P 500) Index is an unmanaged group of securities considered to be representative of the stock market in general. It is a market-capitalization-weighted index of stocks of the 500 largest U.S. companies. Each stock's weight in the index is proportionate to its market value.

Industry: One of the 250+ groups that Zacks classifies all stocks into based on the nature of business. These groups are termed as expanded (aka "X") industries and map to their respective (economic) sectors; Zacks has 16 sectors.

Zacks Industry Rank: The Zacks Industry Rank is determined by calculating the average Zacks Rank for all stocks in the industry and then assigning an ordinal rank to it. For example, an industry with an average Zacks Rank of 1.6 is better than an industry with an average Zacks Rank of 2.3. So, the industry with the better average Zacks Rank would get a better Zacks Industry Rank. If an industry has the best average Zacks Rank, it would be considered the top industry (1 out of 250+), which would place it at the top 1% of Zacks-ranked industries. Studies have shown that roughly half of a stock's price movement can be attributed to the industry group it belongs to. In fact, the top 50% of Zacks-ranked industries outperforms the bottom 50% by a factor of more than 2 to 1.

Last EPS Surprise: The percentage deviation of a company's last reported earnings per share from the Zacks Consensus Estimate. Companies with a positive earnings surprise are more likely to surprise again in the future (or miss again if they recently missed).

Last Sales Surprise: The percentage deviation of a company's last reported sales from the Zacks Consensus Estimate.

Expected Report Date: This is an estimated date of a company's next earnings release. The information originated or gathered by Zacks Investment Research from its information providers or publicly available sources is the basis of this estimate.

Earnings ESP: The Zacks Earnings ESP compares the Most Accurate Estimate to the Zacks Consensus Estimate for the yet-to-be reported quarter. The Most Accurate Estimate is the most recent version of the Zacks Consensus EPS Estimate. The idea here is that analysts revising their estimates closer to an earnings release have the latest information, which could potentially be more accurate than what they and others contributing to the consensus had predicted earlier. Thus, a positive or negative Earnings ESP reading theoretically indicates the likely deviation of the actual earnings from the consensus estimate. However, the model's predictive power is significant for positive ESP readings only. A positive Earnings ESP is a strong predictor of an earnings beat, particularly when combined with a Zacks Rank #1 (Strong Buy), #2 (Buy) or #3 (Hold). Our research shows that stocks with this combination produce a positive surprise nearly 70% of the time.

Periods:

TTM: Trailing 12 months. Using TTM figures is an effective way of analyzing the most-recent financial data in an annualized format that helps neutralize the effects of seasonality and other quarter-to-quarter variation.

F1: Current fiscal year. This period is used to analyze the estimates for the ongoing full fiscal year.

F2: Next fiscal year. This period is used to analyze the estimates for the next full fiscal year.

F12M: Forward 12 months. Using F12M figures is an effective way of analyzing the near-term (the following four unreported quarters) estimates in an annualized manner. Instead of typically representing estimates for the full fiscal year, which may not represent the nitty-gritty of each quarter, F12M figures suggest an all-inclusive annualized estimate for the following four quarters. The annualization helps neutralize the potential effects of seasonality and other quarter-to-quarter variations.

P/E Ratio: The price-to-earnings ratio measures a company's current market price per share relative to its earnings per share (EPS). Usually, the trailing-12-month (TTM) EPS, current-fiscal-year (F1) EPS estimate, or forward-12-month (F12M) EPS estimate is used as the denominator. In essence, this ratio shows what the market is willing to pay today for each dollar of EPS. In other words, this ratio gives a sense of what the relative value of the company is at the already reported level of earnings or at a future level of earnings.

It is one of the most widely-used multiples for determining the value of a company and helps comparing its valuation with that of a competitor, the industry group or a benchmark.

PEG Ratio: The price/earnings to growth ratio is a stock's P/E ratio using current fiscal year (F1) EPS estimate divided by its expected EPS growth rate over the coming 3 to 5 years. This ratio essentially determines a stock's value by factoring in the company's expected earnings growth and is thus believed to provide a more complete picture than just the P/E ratio, particularly for faster-growing companies.

P/S Ratio: The price-to-sales ratio is calculated as a company's current price per share divided by trailing 12 months (TTM) sales or revenues per share. This ratio shows what the market is willing to pay today for each dollar of TTM sales per share. The P/S ratio is at times the only valuation metric when the company has yet to become profitable.

Cash/Price Ratio: The cash-to-price ratio or Cash Yield is calculated as cash and marketable securities per share divided by the company's current share price. Like the earnings yield, which shows the anticipated yield (or return) on a stock from earnings for each dollar invested, the cash yield does the same, with cash being the source of return instead of earnings. For example, a cash/price ratio of 0.08 suggests a return of 8% or 8 cents for every $1 investment.

EV/EBITDA Ratio: The EV/EBITDA ratio, also known as Enterprise Multiple, is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by EBITDA (earnings before interest, taxes, depreciation and amortization). Usually, trailing-12-month (TTM) or forward-12-month (F12M) EBITDA is used as the denominator.

EV/Sales Ratio: The enterprise value-to-sales ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by annual sales. It is an expansion of the P/S valuation, which uses market value instead of enterprise value. The EV/Sales ratio is perceived as more accurate than P/S, in part, because the market capitalization does not take a company's debt into account when valuing it.

EV/CF Ratio: The enterprise value-to-cash flow ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by the trailing-12-month (TTM) operating cash flow. It's a measure of how long it would take to buy the entire business if you were able to use all the company's operating cash flow.

The EV/CF ratio is perceived as more accurate than the P/CF ratio, in part, because the market price does not take a company's debt into account when valuing it.

EV/FCF Ratio: The enterprise value-to-free cash flow metric compares a company's enterprise value to its trailing-12-month (TTM) free cash flow (FCF). This metric is very similar to the EV/CF ratio, but is considered a more exact measure owing to the fact that it uses free cash flow, which subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding growth activities and payments to shareholders.

P/EBITDA Ratio: The P/EBITDA ratio is calculated as a company's per share market value divided by EBITDA (earnings before interest, taxes, depreciation, and amortization). This metric is very similar to the EV/EBITDA ratio, but is considered a little less exact measure as it uses market price, which does not take a company's debt into account. However, since EBITDA is often considered a proxy for cash income, the metric is used as a measure of what the market is willing to pay today for each dollar of the company's cash profitability in the trailing 12 months (TTM) or forward 12 months (F12M).

P/B Ratio: The price-to-book ratio is calculated as a company's current price per share divided by its book value (total assets – liabilities – preferred stocks) per share. In short, the book value is how much a company is worth. In other words, it reflects the total value of a company's assets that its common shareholders would receive if it were to be liquidated. So, the P/B ratio indicates whether you're paying higher or lower than what would remain if the company went bankrupt immediately. Investors typically use this metric to determine how a company's stock price stacks up to its intrinsic value.

P/TB Ratio: The price-to-tangible-book value ratio is calculated as a the per share market value of a company divided by the value of its tangible assets (total assets – liabilities – preferred stocks – intangible assets) per share. Tangible book value is the same thing as book value except it excludes the value of intangible assets to get a step closer to the baseline value of the company.

P/CF Ratio: The price-to-cash flow ratio measures a company's per share market price relative to its trailing-12-month (TTM) operating cash flow per share. This metric is used to determine whether a company is undervalued or overvalued relative to another stock, industry or sector. And like the P/E ratio, a lower number is typically considered better from the value perspective.

One of the reasons why P/CF ratio is often preferred over P/E ratio is the fact that operating cash flow adds back non-cash expenses such as depreciation and amortization to net income. This feature helps valuing stocks that have positive cash flow but are not profitable because of large noncash charges.

P/FCF Ratio: The price-to-free cash flow ratio is an extension of P/CF ratio, which uses trailing-12-month (TTM) free cash flow per share instead of operating cash flow per share. This metric is considered a more exact measure than P/CF ratio, as free cash flow subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding activities that generate additional revenues.

Earnings Yield: The earnings yield is calculated as current fiscal year (F1) EPS estimate divided by the company's current share price. The ratio, which is the inverse of the P/E ratio, measures the anticipated yield (or return) from earnings for each dollar invested in a stock today.

For example, earnings yield for a stock, which is trading at $35 and expected to earn $3 per share in the current fiscal year (F1), would be 0.0857 (3/35 = 0.0857) or 8.57%. In other words, for $1 invested in the stock today, the yield from earnings is anticipated to be 8.57 cents.

Investors most commonly compare the earnings yield of a stock to that of a broad market index (such as the S&P 500) and prevailing interest rates, such as the current 10-year Treasury yield. Since bonds and stocks compete for investors' dollars, stock investors typically demand a higher yield for the extra risk they assume compared to investors of U.S. Treasury-backed securities that offer virtually risk-free returns. This additional return is referred to as the risk premium.

Debt/Equity Ratio: The debt-to-equity ratio is calculated as a company's total liabilities divided by its shareholder equity. This metric is used to gauge a company's financial leverage. In other words, it is a measure of the degree to which a company is financing its operations through debt versus its own funds. The higher the ratio, the higher the risk for shareholders.

However, this ratio is difficult to compare across industry groups where ideal amounts of debt vary. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-equity ratio should be compared with other companies in the same industry.

Cash Flow ($/share): Cash flow per share is calculated as operating cash flow (after-tax earnings + depreciation + other non-cash charges) divided by common shares outstanding. It is used by many investors as a measure of a company's financial strength. Since cash flow per share takes into consideration a company's ability to generate cash by adding back non-cash expenses, it is regarded by some as a more accurate measure of a company's financial situation than earnings per share, which could be artificially deflated.

Current Ratio: The current ratio or liquidity ratio is a company's current assets divided by its current liabilities. It measures a company's ability to pay short-term obligations. A current ratio that is in line with the industry average or slightly higher is generally considered acceptable. A current ratio that is lower than the industry average would indicate a higher risk of distress or default. A higher number is usually better. However, a very high current ratio compared to the industry average could be an indication of inefficient use of assets by management.

Debt/Capital Ratio: Debt-to-capital ratio is a company's total debt (interest-bearing debt + both short- and long-term liabilities) divided its total capital (interest-bearing debt + shareholders' equity). It is a measure of a company's financial leverage. All else being equal, the higher the debt-to-capital ratio, the riskier the stock.

However, this ratio can vary widely from industry to industry, the ideal amount of required debt being different. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-capital ratio should be compared with the same for its industry.

Net Margin: Net margin is calculated as net income divided by sales. It shows how much of each dollar in sales generated by a company translates into profit. For example, if a company's net margin is 15%, its net income is 15 cents for every $1 of sales it makes.

A change in margin can reflect either a change in business conditions, or a company's cost controls, or both. If a company's expenses are growing faster than sales, its net margin will decline. However, different net margin rates are considered good for different industries, so it's better to compare net margin rates of companies in the same industry group.

Return on Equity: Return on equity (ROE) is calculated as trailing-12-month net income divided by trailing-12-month average shareholder equity (including reinvested earnings). This metric is considered a measure of how effectively management is using a company's assets to generate profits. For example, if a company's ROE is 10%, it creates 10 cents profits for every $1 shareholder equity, which is basically the company's assets minus debt. A company's ROE deemed good or bad depends on what's normal for its peers or industry group.

Sales/Assets Ratio: The sales-to-assets ratio or asset utilization ratio or asset turnover ratio is calculated as a company's annual sales divided by average assets (average of assets at the beginning of the year and at the year's end). This metric helps investors understand how effectively a company is using its assets to generate sales. For example, a sales-to-assets ratio of 2.5 indicates that the company generated $2.50 in sales for every $1 of assets on its books.

The higher the sales-to-assets ratio, the better the company is performing. However, similar to many other ratios, the asset turnover ratio tends to be higher for companies in certain industries/sectors than in others. So, a company's sales-to-assets ratio should be compared with the same for its industry/sector.

Historical EPS Growth (3-5 Years): This is the average annual (trailing-12-month) EPS growth rate over the last 3-5 years. This metric helps investors see how a company's EPS has grown from a long-term perspective.

Note: There are many factors that can influence short-term numbers — a recession will reduce this number, while a recovery will inflate it. The longterm perspective helps smooth out short-term events.

Projected EPS Growth (F1/F0): This is the estimated EPS growth rate for the current financial year. It is calculated as the consensus estimate for the current fiscal year (F1) divided by the reported EPS for the last completed fiscal year (F0).

Current Cash Flow Growth: It measures the latest year-over-year change in operating cash flow. Cash flow growth tells an investor how quickly a company is generating inflows of cash from operations. A positive change in the cash flow is desired and shows that more 'cash' is coming in than going out.

Historical Cash Flow Growth (3-5 Years): This is the annualized change in cash flow over the last 3-5 years. The change in a longer period helps put the current reading into proper perspective. By looking at the rate, rather than the actual dollar value, the comparison across the industry and peers becomes easier.

Projected Sales Growth (F1/F0): This metric looks at the estimated sales growth for the current year. It is calculated as sales estimate for the current fiscal year (F1) divided by the reported sales for the last completed fiscal year (F0).

Like EPS growth, a higher rate is better for sales growth. A look at a company's projected sales growth instantly tells you what the outlook is for their products and services. However, different sales growth rates are considered good for different industries, so it's better to compare sales growth rates of companies in the same industry group.

EPS F1 Estimate 1-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past week. The change in a company's consensus EPS estimate (or earnings estimate revision) has proven to be strongly correlated with the near-term price movement of its shares. It is an integral part of the Zacks Rank.

If a stock's consensus EPS estimate is $1.10 now versus $1.00 a week ago, that will be reflected as a 10% upward revision. If, on the other hand, it went from $1.00 to 90 cents, that would be a 10% downward revision.

EPS F1 Estimate 4-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past four weeks.

A stock's earnings estimate revision in a 1-week period is important. But it's more meaningful to look at the longer-term revision. And, of course, the 4-week change helps put the 1-week change into proper perspective.

EPS F1 Estimate 12-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past 12 weeks.

This metric essentially shows how the consensus EPS estimate has changed over a period longer than 1 week or 4 weeks.

EPS Q1 Estimate Monthly Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal quarter over the past four weeks.

While the revision in consensus EPS estimate for the current fiscal year is strongly correlated with the near-term price movement of its shares, the estimate revision for the current fiscal quarter is an important metric as well, especially over the short term, and particularly as a stock approaches its earnings date. If a stock's Q1 EPS estimate decreases ahead of its earnings release, it's usually a negative sign, whereas an increase is a positive sign.