

## Altria Group, Inc. (MO)

**\$42.52** (As of 07/28/20)

Price Target (6-12 Months): **\$45.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 05/01/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM:A

Value: C

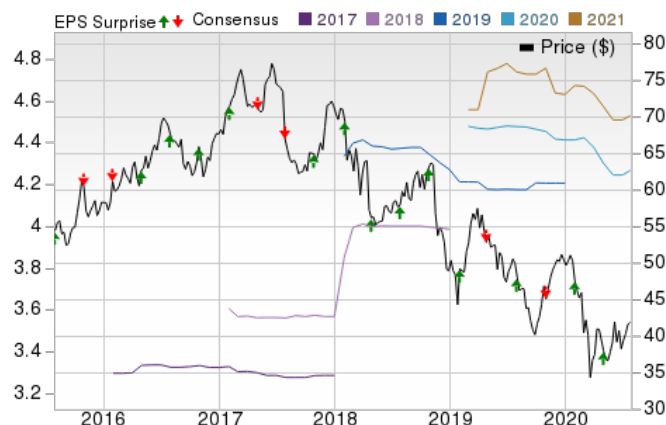
Growth: A

Momentum: A

### Summary

Altria's shares have outpaced the industry in the past three months. The company has been benefiting from its pricing strategy, which boosted adjusted OCI in smokeable and oral tobacco product units in the second quarter of 2020. This, in turn, aided the bottom line, which beat the consensus mark in the quarter. Also, the quarter depicted strength in the oral tobacco products segment, which is poised to gain on expansions in IQOS and on! However, Altria's revenues were hurt by the smokeable product unit's softness due to low domestic cigarette shipment volumes. Cigarette volumes have long been affected by stern regulations and rising health awareness. Altria still expects domestic cigarette industry volumes to decline in 2020 at a lower rate, thanks to better year-to-date industry trends and anticipations of continued resilience.

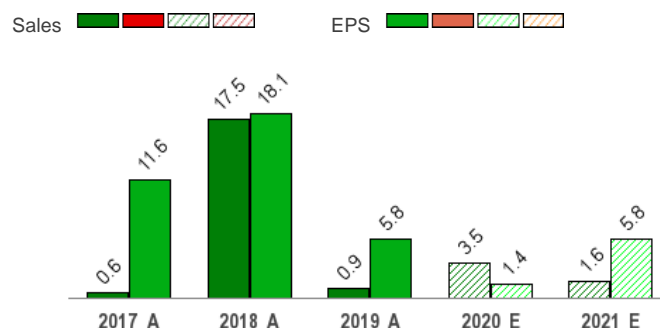
### Price, Consensus & Surprise



### Data Overview

52 Week High-Low	<b>\$52.45 - \$30.95</b>
20 Day Average Volume (sh)	<b>6,249,189</b>
Market Cap	<b>\$79.0 B</b>
YTD Price Change	<b>-14.8%</b>
Beta	<b>0.43</b>
Dividend / Div Yld	<b>\$3.36 / 7.9%</b>
Industry	<b><u>Tobacco</u></b>
Zacks Industry Rank	<b>Top 18% (45 out of 253)</b>

### Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	<b>2.8%</b>
Last Sales Surprise	<b>-0.2%</b>
EPS F1 Est- 4 week change	<b>0.6%</b>
Expected Report Date	<b>10/29/2020</b>
Earnings ESP	<b>0.2%</b>
P/E TTM	<b>9.9</b>
P/E F1	<b>9.9</b>
PEG F1	<b>1.6</b>
P/S TTM	<b>3.1</b>

### Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	4,897 E	5,298 E	5,501 E	4,901 E	20,802 E
2020	5,046 A	5,062 A	5,456 E	4,904 E	20,482 E
2019	4,389 A	5,193 A	5,412 A	4,802 A	19,796 A

### EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$1.04 E	\$1.17 E	\$1.23 E	\$1.07 E	\$4.53 E
2020	\$1.09 A	\$1.09 A	\$1.14 E	\$1.01 E	\$4.28 E
2019	\$0.90 A	\$1.10 A	\$1.08 A	\$1.02 A	\$4.22 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 07/28/2020. The reports text is as of 07/29/2020.

## Overview

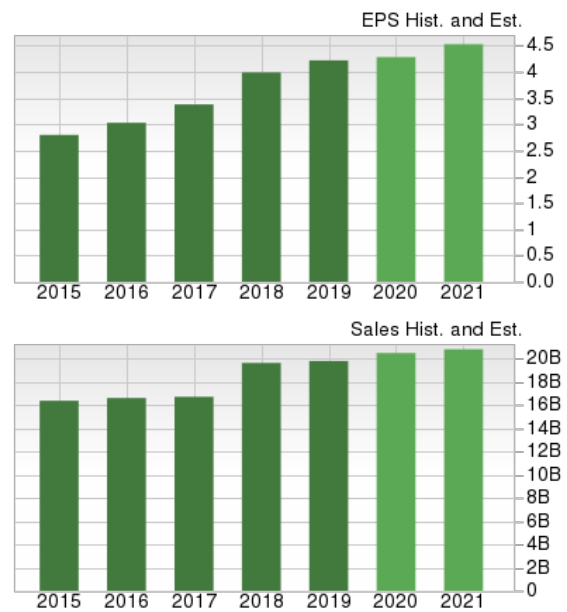
Altria Group has been evolving with the changing industry dynamics. Given the rising health consciousness and stern government regulations to discourage smoking, this tobacco behemoth has been moving beyond traditional cigarettes and expanding in the smokeless category. We note that revenues from the oral product category have been steadily rising on the back of growing popularity for reduced risk products. In this respect, Altria is gaining from the sale of IQOS in United States, through its licensing deal with Philip Morris. Further, Altria's investment in Cronos Group highlights its focus on exploring the cannabis market.

This Richmond-based company specializes in cigarettes, smokeless products and wine. It is the holding company for Philip Morris USA, Inc. (PM USA), U.S. Smokeless Tobacco Company LLC (UST), John Middleton Inc., Sherman Group Holdings, LLC and its subsidiaries — Ste. Michelle Wine Estates Ltd. (Ste. Michelle) and Philip Morris Capital Corporation (PMCC).

At Dec 31, 2019, Altria had an approximate 10.1% ownership in Anheuser-Busch InBev SA/NV (AB InBev). It also holds investments in JUUL and Burger Sohne Holding AG. Altria reports under the following segments on the basis of products:

- **Smokeable Products (88% of 2Q20 Sales):** The segment, which comprises mainly of PM USA, sells major brands like Marlboro cigarettes, Virginia Slims cigarettes and Parliament cigarettes.
- **Oral Tobacco Products (10.4%):** The segment was formed after the acquisition of UST and its smokeless tobacco business in Jan 2009. The smokeless products segment includes brands like Copenhagen, Skoal, Red Seal, Husky and Marlboro Snus, a PM USA spit-less smokeless tobacco product.
- **Wine:** The segment was formed after the acquisition of UST and its premium wine business — Ste. Michelle. The main brands are Chateau Ste. Michelle and Columbia Crest. The company also owns wineries or distributes wines from several other wine regions and foreign countries.
- **All Other:** Altria holds investments in finance leases, principally in transportation (including aircraft), power generation and manufacturing equipment and facilities.

Products of the company are mainly sold through distributors, wholesalers and large retail chains.



## Reasons To Buy:

▲ **Strong Pricing Aids Q2 Earnings, Stock Outperforms:** Shares of Altria have gained 5% in the past three months against the industry's decline of 2%. The company's strong pricing has helped it stay afloat in the industry even in the face of declining cigarette volumes. Though higher pricing might lead to possible decline in cigarette consumption, it is seen that smokers tend to absorb price increases owing to the addictive quality of cigarettes. In second-quarter 2020, higher pricing boosted adjusted operating companies income (OCI) growth in both smokeable and oral tobacco product segments. Continuation of such trends is likely to aid Altria's OCI and bottom line. Incidentally, second-quarter adjusted earnings of \$1.09 per share rose 0.9% year over year and beat the Zacks Consensus Estimate of \$1.06. The uptick can be attributed to increased adjusted OCI in the smokeable and oral tobacco product segments along with a reduced number of outstanding shares.

The company gains from strategic pricing for its smokeable and oral tobacco products. Moreover, it is striving to expand in the oral tobacco products space.

Altria noted that until Jul 28, its tobacco business did not witness any material disruption related to the government's restrictions on consumer movements and business operations. Most of the retail stores where the company's products are sold (like convenience stores) have been considered as essential businesses and remain open. Though high unemployment rates amid the pandemic were a headwind for adult tobacco consumers, lower and middle income Americans received respite from government's stimulus and unemployment benefits. Additionally, lack of social engagements has facilitated increased tobacco consumption. These factors led to better performance of overall tobacco industry volumes in the second quarter. Better year-to-date industry trends and anticipations of continued buoyancy in the category encouraged management to lift its domestic cigarette industry volumes target for 2020, though it is still anticipated to decline. Finally, Altria envisions adjusted earnings per share for 2020 in the range of \$4.21-\$4.38, indicating flat to 4% growth from the year-ago period's \$4.21.

▲ **Efforts to Expand Oral Tobacco Products & Other Categories:** There has been a general shift among consumers toward several reduced risk tobacco products (RRPs) due to serious health hazards of smoking cigarettes. Altria has been responding to the changing market scenario by offering several oral tobacco products. During the second quarter of 2020, revenues in the unit improved 9.6% from the year-ago quarter to \$660 million, driven by greater pricing and shipment volumes. Continuation of such trends is likely to fuel Altria in the forthcoming periods. Altria has been making considerable progress in its noncombustible business platform. Growth in the noncombustible business has been backed by the launch of IQOS as well as the commercialization of on!

Altria is undertaking dedicated endeavors to bolster presence in the RRP's space. In this respect, the marketing and technology sharing agreement between Altria and Philip Morris, pertaining to the sale of IQOS in the United States, was approved by the FDA in 2019. In fact, the FDA approved the marketing of IQOS and HeatSticks as Modified Risk Tobacco Products in July, which is likely to bolster the business. Also, in the month, Altria's subsidiary, PM USA, launched IQOS in Charlotte and expects to sell HeatSticks in more than 700 stores across Atlanta, Richmond and Charlotte by August-end. Additionally, PM USA intends to expand IQOS to four new markets, tie-up with trade retailers for its greater availability and expand the distribution of HeatSticks. PM USA is most likely to gain on continued strength and expansion of IQOS. Apart from this, Altria (through its subsidiary Helix Innovations) holds 80% stake in certain companies of Burger Group, which is engaged in the commercialization of the oral tobacco-derived nicotine (TDN) pouch product — on! Management believes that on! is a worthwhile addition to Altria's smokeless portfolio, as oral TDN products are gaining popularity in the United States owing to their low risk claims. Notably, on! was sold in more than 40,000 stores by the end of the second quarter of 2020, reflecting a 43% rise from the first quarter. We note that Helix submitted premarket tobacco product applications (PMTA) with the FDA in May for all 35 on! SKUs. The PMTA is currently under review. Apart from this, Altria is undertaking efforts to expand in the cannabis industry. This is evident from the acquisition of stakes of the Canadian cannabis company, Cronos Group. We expect Altria's efforts to strengthen presence in the cannabis space is likely to boost growth in the forthcoming periods.

▲ **Cost Reduction Efforts:** The company is progressing well with its cost-reduction initiatives. Markedly, Altria generated annualized cost savings of \$600 million during 2019, surpassing its Cost Reduction Program target of \$575 million. The program includes savings generated through reductions in workforce and third-party spending as well as the closure of Nu Mark operations.

▲ **Financial Flexibility:** Altria looks strong on the dividend payout front. On Jul 27, the company raised its quarterly dividend from 84 cents per share to 86 cents, which is payable on Oct 9, 2020, to shareholders of record as of Sep 15. The latest annualized rate of \$3.44 per share reflects a 2.4% rise from the previous rate. Notably, the company maintains its long-term dividend payout ratio goal of about 80% of the adjusted EPS. We note that the company currently has a dividend payout of 78.5%, dividend yield of 8% and free cash flow yield of 10.8%. With an annual free cash flow return on investment of 23.1%, ahead of the industry's 18.2%, the dividend payment is likely to be sustainable.

Though Altria had borrowed the entire \$3 billion under its revolving credit facility in March due to the pandemic-related uncertainty, the company repaid this amount in June and had \$3 billion available under the revolving credit agreement as of Jun 30, 2020. Further, Altria issued long-term senior unsecured notes with a total principal amount of \$2 billion in May. At the end of the second quarter, the company had a cash balance of \$4.8 billion, while its current debt stood at \$1.5 billion. Thereafter, the company had cash of \$3 billion after paying out dividends for July as well as taxes. Altria remains focused on having a higher-than-normal cash balance to protect financial flexibility.

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## Reasons To Sell:

▼ **Soft Cigarette Volumes:** Altria has long been struggling with weak shipment volumes in the smokeable products unit. During the second quarter of 2020, net revenues in the smokeable products category fell 4.3% year over year to \$5,603 million due to reduced shipment volumes, somewhat negated by higher pricing and a decrease in promotional investments. Reported domestic cigarette shipment volumes declined 8.8% year over year, mainly due to trade inventory movements. On an adjusted basis, however, smokeable products' domestic cigarette shipment volumes fell an estimated 2% and total domestic cigarette industry volumes remained flat. Meanwhile, Altria's reported cigar shipment volumes dropped 1.4%. Also, total cigarette retail share declined 1 percentage point to 49% in the quarter.

Management expects domestic cigarette industry volume to decline in 2020. Further, Altria's wine segment has been seeing soft sales due to COVID-19 related restrictions.

Altria still expects domestic cigarette industry volumes to drop in 2020, though at a lower rate compared to before. Incidentally, the company now expects the domestic cigarette industry's adjusted volumes to decline 2-2.5% compared with a 4-6% decrease expected earlier. Cigarette shipment volumes in general have been adversely impacted by anti-tobacco campaigns and increased consumer awareness regarding the harmful impacts of tobacco consumption. Regulatory hurdles (discussed below) are also a vital factor limiting the marketing of cigarettes, thereby adversely impacting its sales volume. This has been hurting Altria's smokeable product category.

▼ **Regulatory Restrictions on Tobacco Consumption:** Government bodies across different nations are imposing restrictions on tobacco companies. The U.S. Food and Drug Administration (FDA) has made it mandatory for tobacco companies to use precautionary labels on cigarette packets to dissuade customers from smoking. Also, per court orders, Altria and other cigarette manufacturers have been directed to put up self-critical advertisements on television and newspapers to dissuade customers from smoking.

The FDA had also earlier announced that tobacco makers must seek marketing authorization for any tobacco product introduced after Feb 15, 2007. In May 2016, the FDA expanded this restriction to include e-cigarettes, pipe tobacco, cigars and hookah alongside traditional tobacco products. Moreover, the European Union and the FDA proposed a ban on menthol in accordance with the Tobacco Control Act which essentially states that menthol cigarettes have an adverse impact on public health. In recent developments, the FDA raised concerns surrounding the consumption of e-cigarettes. Regulatory authorities are particularly concerned about the high use of these products among the youth.

▼ **Soft Wine Segment:** In second-quarter 2020, net revenues in the wine segment fell 20.6% year on year to \$131 million due to reduced shipment volumes. The segment's revenues, net of excise taxes, slumped 21.3% to \$126 million. Reported wine shipment volumes dropped 20.2% to about 1.6 million cases. We note that the pandemic has hurt the company's wine business, which is likely to remain under pressure due to the restrictions on dining and gatherings. Thus, the company's on-premise and direct-to-consumer sales have been soft. Moreover, adjusted OCI in the category declined 21.1% to \$15 million, resulting from escalated reduced shipment volumes.

▼ **E-Vapor Category Looks Troubled:** Total estimated e-vapor volumes tumbled 14% in the second quarter. The company believes that growth in this category may be on hold over the next few years. This is because a number of products will be eliminated from the market if their PMTA's are not submitted or if they fail to get FDA's market authorization. In this regard, all manufacturers are needed to provide PMTA's by Sep 9.

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## Last Earnings Report

### Altria's Q2 Earnings Beat Estimates, Revenues Down Y/Y

Altria released second-quarter 2020 results, wherein adjusted earnings came in at \$1.09 per share, which rose 0.9% year over year and beat the Zacks Consensus Estimate of \$1.06. The uptick can be attributed to increased OCI in the smokeable and oral tobacco product segments along with a reduced number of outstanding shares. This was somewhat offset by a decrease in adjusted earnings from the company's equity investment in AB InBev (BUD - Research Report).

Net revenues dropped 3.8% year over year to \$6,367 million. Revenues, after deducting excise taxes, slipped 2.5% to \$5,062 million. The consensus mark was \$5,074 million. Revenues were hurt by softness in the smokeable products segment.

### Segment Details

**Smokeable Products:** Net revenues in the category fell 4.3% year over year to \$5,603 million due to reduced shipment volumes, somewhat negated by higher pricing and a decrease in promotional investments. Revenues, net of excise taxes, dropped 2.8% year over year to \$4,338 million.

Reported domestic cigarette shipment volumes declined 8.8% year over year, mainly due to trade inventory movements. On an adjusted basis, however, smokeable products' domestic cigarette shipment volumes fell an estimated 2% and total domestic cigarette industry volumes remained flat. Meanwhile, Altria's reported cigar shipment volumes dropped 1.4%. During the quarter, total cigarette retail share declined 1 percentage point to 49%. Adjusted OCI in the segment improved 3.3% to \$2,508 million, owing to better pricing, lower costs and reduced promotional investments, partly countered by a decrease in shipment volumes. Adjusted OCI margin rose 3.4 percentage points to 57.8%.

**Oral Tobacco Products:** Net revenues in the segment improved 9.6% from the year-ago quarter to \$660 million, driven by greater pricing and shipment volumes. Revenues, net of excise taxes, increased 9.8% to \$626 million in the quarter.

Domestic shipment volumes for the segment grew 2.8% due to the industry's growth rate as well as trade inventory movements. This was partly offset by calendar differences as well as retail share losses, which in turn stemmed from an increase in oral nicotine pouch sales. On an adjusted basis, however, oral tobacco products shipment volumes climbed an estimated 0.5%. Total oral tobacco products' retail share went down 3 percentage points to 50%. Adjusted OCI rose 8.1% to \$456 million, owing to improved pricing and shipment volumes, somewhat negated by elevated costs related to the expansion of on! Adjusted OCI margin dropped 1.2 percentage points to 72.8%.

**Wine:** Net revenues fell 20.6% year on year to \$131 million due to reduced shipment volumes. The segment's revenues, net of excise taxes, slumped 21.3% to \$126 million. Reported wine shipment volumes dropped 20.2% to about 1.6 million cases. We note that the pandemic has hurt the company's wine business, which is likely to remain under pressure due to the restrictions on dining and gatherings. Thus, the company's on-premise and direct-to-consumer sales have been soft. Adjusted OCI in the category declined 21.1% to \$15 million, resulting from escalated reduced shipment volumes, somewhat cushioned by a decline in SG&A costs. Adjusted OCI margin remained flat at 11.9%.

### Other Updates & Guidance

At the end of the second quarter, the company had a cash balance of \$4.8 billion, which came down to \$3 billion after paying out dividends for July as well as taxes. The company remains focused on having a higher than normal cash balance to protect financial flexibility. Capital expenditures in 2020 are still envisioned in the range of \$200-\$250 million.

Management stated that Altria has incurred pre-tax charges worth \$50 million till now, related to COVID-19. These include costs related to PPE, increased pay and health screenings, among others. However, Altria noted that until now, its tobacco business has not witnessed any material disruption related to the government's restrictions on consumer movements and business operations. Most of the retail stores where the company's products are sold (like convenience stores) have been considered as essential businesses and remain open. Further, PM USA reopened its IQOS boutiques in Richmond and Atlanta in June.

Talking of the IQOS, the FDA approved the marketing of IQOS and HeatSticks as Modified Risk Tobacco Products in July. Also, in the month, PM USA launched IQOS in Charlotte and expects to sell HeatSticks in more than 700 stores across Atlanta, Richmond and Charlotte by August-end. Additionally, PM USA intends to expand IQOS to four new markets, tie-up with trade retailers for its greater availability and expand the distribution of HeatSticks. With regards to on!, Helix submitted a PMTA with the FDA in May for all 35 on! SKUs. The PMTA is currently under review.

All said, Altria envisions adjusted earnings per share for 2020 in the range of \$4.21-\$4.38, indicating 0-4% growth from the year-ago period's \$4.21. The company now anticipates the domestic cigarette industry to drop 2-2.5% (on an adjusted basis) compared with a 4-6% decline expected earlier. This guidance is based on the better year-to-date industry trends and anticipations of continued buoyancy in the category. However, management will continue to analyze the scenario for adult tobacco consumers based on factors such as unemployment rates, purchasing behavior and disposable income, among others.

Quarter Ending 06/2020

Report Date	Jul 28, 2020
Sales Surprise	-0.24%
EPS Surprise	2.83%
Quarterly EPS	1.09
Annual EPS (TTM)	4.28

## Recent News

### Altria Declares Dividend - May 15, 2020

Altria announced a quarterly dividend of 84 cents per share, payable on July 10, 2020, to stockholders of record as of June 15.

### Altria Announces Update on Coronavirus-Led Impact - Mar 20, 2020

In the wake of COVID-19, Altria announced a temporary suspension of its operations at PM USA's Manufacturing Center in Richmond, VA, for two weeks. It also announced a temporary suspension of some Middleton domestic operations as a result of supply-chain hurdles stemming from coronavirus. However, PM USA believes it has adequate stock for at least the next two months, whereas Middleton has adequate cigar inventory for roughly three months.

## Valuation

Altria shares are down 14.8% in the year-to-date period and 12.3% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are down 13.5% and 8.3%, respectively in the year-to-date period. Over the past year, the Zacks sub-industry is down 9.3%, while the sector declined 8.6%.

The S&P 500 index is up 0.8% in the year-to-date period and 8% in the past year.

The stock is currently trading at 9.63X forward 12-month earnings, which compares to 10.64X for the Zacks sub-industry, 20.24X for the Zacks sector and 22.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 22.81X and as low as 7.05X, with a 5-year median of 17.6X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$45 price target reflects 10.19X forward 12-month earnings.

The table below shows summary valuation data for MO

Valuation Multiples - MO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9.63	10.64	20.24	22.61
	5-Year High	22.81	21.23	22.37	22.61
	5-Year Low	7.05	9.96	16.63	15.25
	5-Year Median	17.6	16.88	19.58	17.52
P/S F12M	Current	3.82	3.2	9.57	3.57
	5-Year High	7.56	6.8	11.15	3.57
	5-Year Low	2.88	3.07	8.1	2.53
	5-Year Median	5.87	4.86	9.89	3.02
EV/EBITDA F12M	Current	8.97	8.21	32.76	13.21
	5-Year High	15.63	17.13	37.49	14.22
	5-Year Low	7.72	7.84	25.81	9.05
	5-Year Median	12.86	12.63	33.81	11

As of 07/28/2020

## Industry Analysis Zacks Industry Rank: Top 18% (45 out of 253)



## Top Peers

Company (Ticker)	Rec	Rank
JAPAN TOB INC (JAPAY)	Outperform	2
Turning Point Brands, Inc. (TPB)	Outperform	1
British American Tobacco p.l.c. (BTI)	Neutral	3
AnheuserBusch InBev SANV (BUD)	Neutral	3
Constellation Brands Inc (STZ)	Neutral	3
SchweitzerMauduit International, Inc. (SWM)	Neutral	3
Vector Group Ltd. (VGR)	Neutral	3
Imperial Tobacco Group PLC (IMBBY)	Underperform	3

Industry Comparison Industry: Tobacco				Industry Peers		
	MO	X Industry	S&P 500	BTI	IMBBY	JAPAY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Outperform
Zacks Rank (Short Term)	3	-	-	3	3	2
VGM Score	A	-	-	B	A	B
Market Cap	79.02 B	1.17 B	22.47 B	80.84 B	17.18 B	31.54 B
# of Analysts	8	1	14	5	4	2
Dividend Yield	7.90%	5.25%	1.84%	7.62%	5.56%	2.84%
Value Score	C	-	-	B	A	B
Cash/Price	0.07	0.10	0.07	0.04	0.07	0.11
EV/EBITDA	44.18	8.28	13.04	8.93	NA	5.38
PEG Ratio	1.55	1.99	2.97	1.35	NA	NA
Price/Book (P/B)	11.91	1.85	3.11	0.92	2.74	1.25
Price/Cash Flow (P/CF)	9.78	8.29	12.07	6.60	3.55	6.45
P/E (F1)	9.93	11.46	21.52	8.45	5.74	12.98
Price/Sales (P/S)	3.09	1.59	2.35	NA	NA	1.58
Earnings Yield	10.07%	7.76%	4.34%	11.84%	17.41%	7.76%
Debt/Equity	4.06	0.31	0.76	0.59	2.19	0.25
Cash Flow (\$/share)	4.35	3.33	7.01	5.35	5.11	1.38
Growth Score	A	-	-	B	A	C
Hist. EPS Growth (3-5 yrs)	10.87%	8.67%	10.85%	NA	NA	NA
Proj. EPS Growth (F1/F0)	1.48%	0.62%	-7.56%	1.11%	-5.88%	-23.89%
Curr. Cash Flow Growth	4.57%	1.35%	5.47%	8.98%	-3.71%	-1.32%
Hist. Cash Flow Growth (3-5 yrs)	8.93%	4.91%	8.55%	12.83%	1.08%	NA
Current Ratio	0.71	1.28	1.31	0.71	0.75	1.28
Debt/Capital	80.25%	46.53%	44.41%	37.08%	68.66%	20.10%
Net Margin	-3.57%	3.75%	10.44%	NA	NA	15.98%
Return on Equity	101.90%	9.70%	15.10%	NA	NA	12.91%
Sales/Assets	0.50	0.83	0.54	NA	NA	0.40
Proj. Sales Growth (F1/F0)	3.47%	0.00%	-1.97%	-1.46%	-72.11%	-2.65%
Momentum Score	A	-	-	C	B	D
Daily Price Chg	0.93%	0.14%	-0.80%	0.91%	1.26%	-0.11%
1 Week Price Chg	0.75%	0.75%	0.37%	-2.37%	-0.11%	-1.60%
4 Week Price Chg	8.33%	0.36%	3.64%	-9.07%	-4.65%	-3.84%
12 Week Price Chg	15.54%	-2.93%	11.56%	-6.61%	-11.42%	-3.58%
52 Week Price Chg	-12.33%	-19.98%	-3.92%	-1.97%	-28.82%	-19.98%
20 Day Average Volume	6,249,189	292,555	1,867,919	1,989,412	102,098	72,597
(F1) EPS Est 1 week change	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.55%	0.28%	0.21%	-0.19%	0.56%	-3.52%
(F1) EPS Est 12 week change	-1.31%	-0.29%	-1.29%	-0.29%	-3.73%	9.31%
(Q1) EPS Est Mthly Chg	-0.52%	0.00%	0.09%	NA	NA	0.00%

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## 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.

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### 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	A
Momentum Score	A
VGM Score	A

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

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