

## Myriad Genetics, Inc.(MYGN)

**\$13.29** (As of 10/06/20)

Price Target (6-12 Months): **\$14.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 01/09/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

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

**4-Sell**

Zacks Style Scores:

VGM:C

Value: C

Growth: C

Momentum: C

## Summary

Despite a narrower-than-expected adjusted loss in the fourth-quarter fiscal 2020, Myriad Genetics reported year-over-year fall in the top and the bottom lines. Revenues missed the consensus mark. Sales in major operating segments were down due to the full-quarter adverse impact of the pandemic. Gross margin contraction and operating loss were worrying. The company's inability to provide any guidance is deterring. Adverse impact of new regulations, foreign exchange fluctuations and stiff competition are other headwinds. Its performance in the fourth-quarter was dismal. Over the six months, Myriad Genetics has underperformed the industry. Yet, a slew of product launches and regulatory approvals look encouraging. Potential of new products bode well. Increased focus on global business and strong solvency with slight leverage instill optimism.

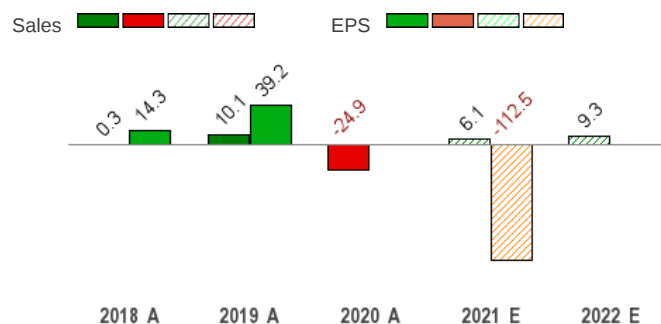
## Price, Consensus & Surprise



## Data Overview

|                                |                                   |
|--------------------------------|-----------------------------------|
| 52-Week High-Low               | \$35.29 - \$9.24                  |
| 20-Day Average Volume (Shares) | 656,688                           |
| Market Cap                     | \$992.9 M                         |
| Year-To-Date Price Change      | -51.2%                            |
| Beta                           | 1.43                              |
| Dividend / Dividend Yield      | \$0.00 / 0.0%                     |
| Industry                       | Medical - Biomedical and Genetics |
| Zacks Industry Rank            | Bottom 26% (186 out of 252)       |

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



|                               |            |
|-------------------------------|------------|
| Last EPS Surprise             | 13.9%      |
| Last Sales Surprise           | -2.3%      |
| EPS F1 Estimate 4-Week Change | 0.0%       |
| Expected Report Date          | 11/02/2020 |
| Earnings ESP                  | 0.0%       |
| P/E TTM                       | NA         |
| P/E F1                        | NA         |
| PEG F1                        | NA         |
| P/S TTM                       | 1.6        |

## Sales Estimates (millions of \$)

|      | Q1    | Q2    | Q3    | Q4    | Annual* |
|------|-------|-------|-------|-------|---------|
| 2022 |       |       |       |       | 741 E   |
| 2021 | 135 E | 169 E | 183 E | 191 E | 678 E   |
| 2020 | 186 A | 195 A | 164 A | 93 A  | 639 A   |

## EPS Estimates

|      | Q1        | Q2        | Q3        | Q4        | Annual*   |
|------|-----------|-----------|-----------|-----------|-----------|
| 2022 |           |           |           |           | \$0.45 E  |
| 2021 | -\$0.33 E | -\$0.05 E | \$0.08 E  | \$0.20 E  | -\$0.17 E |
| 2020 | \$0.08 A  | \$0.23 A  | -\$0.08 A | -\$0.31 A | -\$0.08 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 10/06/2020. The reports text is as of 10/07/2020.

## Overview

Myriad Genetics, headquartered in Salt Lake City, UT, employs a number of proprietary technologies to target the genetic basis of human diseases and the role these genes might play in the onset, progression and treatment of the respective diseases. The company currently has 12 proprietary molecular diagnostic products in market.

Currently, Myriad Genetics has so far made significant progress with its five strategic imperatives that include transition and expand the hereditary cancer market, diversify revenues by commercializing its new products, increase the company's international contribution by investing in large countries, gaining reimbursement for new products, increasing international RNA kit revenue and enhancing profitability with Elevate 2020.

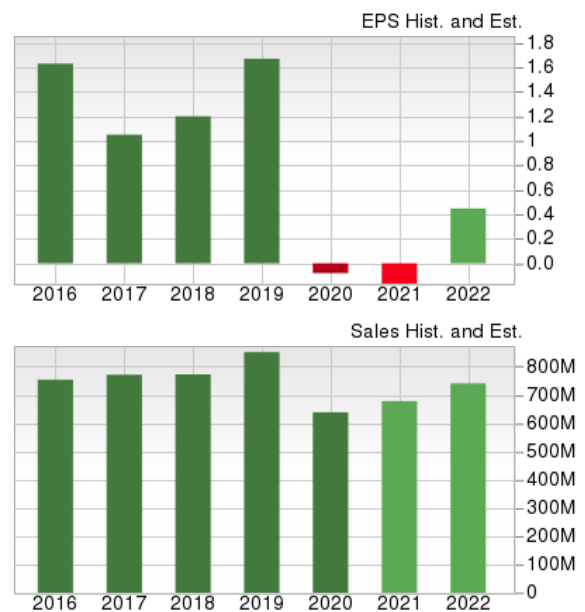
Myriad Genetics' flagship product – BRACAnalysis – offers a comprehensive analysis of BRCA1 and BRCA2 genes to assess a woman's risk of hereditary breast and ovarian cancers. In Sep 2013, Myriad launched its major pipeline product myRisk Hereditary Cancer.

On July 31, 2018, the company completed the acquisition of Counsyl, Inc. for a total consideration of \$405.9 million. In Oct 2013, Myriad Genetics' launched its myPlan Lung Cancer and in Nov 2013, it launched its molecular diagnostic test – myPath Melanoma, which detects malignancy in skin biopsy.

In the global market that is worth \$18 billion, myChoice HRD/BRACAnalysis CDx/Tumor BRACAnalysis CDx holds an opportunity of 33.3%, myRisk of 27.8%, Vectra DA of 27.5%, Prolaris of 11.1% and both myPlan Lung Cancer and myPath Melanoma of 5.6% each.

The company currently reports through two operating segments: Molecular diagnostic (91.9% of revenues in fiscal 2020) and Pharmaceutical and clinical services (8.1%).

In fiscal 2020, Molecular diagnostic tests segment registered 25.7% decline and Pharmaceutical and clinical services segment registered 16.2% fall from fiscal 2019 figures.



Source: Zacks Investment Research

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## Reasons To Buy:

▲ **Progress in Five-Pronged Strategy:** Myriad Genetics has so far made significant progress with its five strategic imperatives that include transition and expansion of the hereditary cancer market, diversify revenues by commercializing its new products, increase the company's international contribution by investing in large countries, gaining reimbursement for new products, increasing international RNA kit revenue and enhancing profitability with Elevate 2020.

Myriad is making significant progress in its portfolio expansion. The company's impressive five-year plan also encourages us.

▲ **Huge Potential of Hereditary Cancer Testing:** The company is boding well to cash on the huge potential in the breast cancer screening market. Also, per a report by DPI Research on Medium, the breast cancer screening market in the United States is expected to reach a value of roughly \$5.8 billion by 2022.

Going ahead, Myriad Genetics expects to register an uptick in hereditary cancer volumes on account of its contract with UnitedHealthcare.

The company's myPath Melanoma, which is in the preliminary stages of commercialization, has completed the first phase of the expanded launch and is being promoted to approximately 35% of the targeted market.

From a companion diagnostic perspective, the company witnessed significant progress with both BRACAnalysis CDx and myChoice CDx. Following its FDA approval in 2019, in the reported quarter, the company has received a slew of favorable study results for its BRACAnalysis CDx and myChoice CDx tests.

Myriad Genetics published two important studies on its riskScore test, which is a breast cancer risk stratification tool. In July, the company announced two publications which validate the polygenic risk score (PRS) component of its riskScore. Myriad Genetics, in June, announced publication of a new study which validates the accuracy of myPath Melanoma while classifying skin lesions termed as indeterminate by standard pathological reviews. Another study published by the company was regarding the validation of the polygenic risk score component of the test, which evaluates key single nucleotide polymorphisms in a variety of genes known to be associated with higher breast cancer risk.

These developments are expected to result in a clinical impetus for patients of these two cancer types which comprise approximately 90000 incident patients in the United States per year.

▲ **New Products Bode Well:** Myriad Genetics continues to record strong testing volumes from new products.

In the fourth quarter of fiscal 2020, the testing volumes although lower due to the pandemic-led disruptions, has been relatively stable through July. The company noted that it is currently witnessing test volumes on average at approximately 75% of normal, which is expected to continue for the remainder of first-quarter 2021.

Myriad Genetics is currently on track to launch its COVID-19 testing services. The company confirmed that its Salt Lake City laboratory has already launched the COVID-19 testing and has begun receiving samples since late July. Further, the Mason, Ohio and South San Francisco, CA labs are likely to be up and running in August.

In the fiscal fourth quarter, Myriad Genetics entered into a collaboration with OptraHEALTH with the aim of implementing a cognitive ChatBOT, Gene. The AI-powered ChatBOT will provide genetic and financial assistance information to prospective patients of hereditary cancer.

Earlier, Myriad genetics had signed a master service deal with a large pharmacy benefit manager in the United States to offer GeneSight to its commercial payer and self-funded employer customers.

▲ **myChoice CDx Progresses Domestically:** Myriad Genetics' progress in the United States with respect to myChoice CDx test seems impressive. The company also received the FDA's approval for the test to be used as a companion diagnostic by healthcare professionals. The recent FDA clearance of the myChoice CDx test as a companion diagnostic in first-line maintenance therapy in a varying cancer with olaparib, buoys optimism.

▲ **Increased Focus on International Revenues:** In line with one of its strategies, the company earlier stated that it aims to boost international revenues to 10% by fiscal 2020. Further, the company informed that they have switched to focus on a kit-based strategy to grow globally. In this regard, the company's EndoPredict, Prolaris, and myPath Melanoma tests can be performed on Thermo Fisher's QuantStudio 5.

Fortifying its foothold internationally, the company has been receiving encouraging response for its BRACAnalysis CDx in Japan for metastatic breast cancer. In this regard, the company has received Japanese approval for BRACAnalysis CDx as the companion diagnostic in first line ovarian cancer with olaparib. The company is optimistic about the scope of this test in Japan on the fact that, every year roughly 22,000 cancer patients in Japan are eligible for companion diagnostic testing. The company also recently filed for regulatory approval of myChoice CDx in Japan for its potential use in ovarian cancer, which comprises approximately 9000 patients per year.

Myriad Genetics had earlier announced the inclusion of EndoPredict by the United Kingdom's National Institute for Health and Care Excellence (NICE) in its recommendations for guiding adjuvant chemotherapy decisions for patients with ER-positive, HER2-negative early breast cancer and are lymph node-negative. Per management, this development provides the company access to a new market opportunity of roughly 25,000 patients per year.

▲ **Product Launches:** Myriad Genetics launched a slew of products in the recent months. It rolled out its proprietary AMPLIFY technology in July, which enhances the performance of its Prequel non-invasive prenatal screening (NIPS) test. In the same month, the company launched a new enhancement which is currently available on its Vectra test report. The new test report provides a customized estimate of a patient's

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one-year risk of rapid radiographic progression.

Further in July, Myriad Genetics launched a patient home collection kit for the GeneSight Psychotropic test. The kit allows the DNA sample collection, which is typically administered in a clinician's office, to be completed at home.

- ▲ **Regulatory Approvals:** Myriad Genetics has witnessed a series of regulatory clearances in the recent months. In July, the company announced that Medicare expanded coverage for BRACAnalysis CDx for men with prostate cancer who are eligible or may become eligible for treatment with Lynparza (olaparib).

The company, in June, received favorable coverage decisions for Prolaris from three new commercial health plans, which includes one of the top five national health insurance providers. Further, in the same month, Myriad Genetics announced the release of a final local coverage determination for pharmacogenomic testing by Palmetto GBA, which is one of the administrative contractors for the Centers for Medicare & Medicaid Services.

In May, Myriad Genetics had received the FDA's clearance for its BRACAnalysis CDx test for use as a companion diagnostic by healthcare professionals to identify men with metastatic castration-resistant prostate cancer who are eligible for treatment with Lynparza (olaparib). The same month, the company's myChoice CDx test was approved by the FDA for use as a companion diagnostic by healthcare professionals to identify advanced ovarian cancer patients with positive homologous recombination deficiency status, who are eligible or may become eligible, for first-line maintenance treatment with Lynparza (olaparib) in combination with bevacizumab.

In April, the company received reimbursement for the BRACAnalysis Diagnostic System in Japan. The system can be utilized by physicians to identify whether people, who already have breast and ovarian cancer, have Hereditary Breast and Ovarian Cancer syndrome, thus qualifying for additional diagnostic and medical management.

Myriad Genetics had earlier submitted supplementary application with the Japan's Ministry of Health, Labour and Welfare for its BRACAnalysis in March and a supplementary premarket approval application to the FDA for its myChoice CDx test based on favorable study outcome from the Phase 3 PAOLA-1 trial of Lynparza.

- ▲ **Impressive Reimbursement Update:** Myriad Genetics continues to witness progress with respect to commercial payers' ongoing GeneSight technical assessments. According to the company, its GeneSight and Vectra volumes gradually improved by the end of the fiscal fourth quarter after being severely impacted by the pandemic-led business disruptions.

An expansion in the GeneSight Medicare LCD to primary care is awaited, which is expected to add approximately \$30 million annually to the company's revenues.

With GeneSight, the management has finalized the new pricing for its GeneSight test with MolDX. Although the company has not provided any details on pricing, management expects the pricing along with coverage expansion will lead to a neutral to slightly positive net impact to the GeneSight average selling prices. The pricing finalization had earlier been delayed due to the pandemic based upon the volume of LCDs, which have been issued by Medicare.

With regard to EndoPredict test, this test got included in the National Comprehensive Cancer Network (NCCN) guidelines. With myPath Melanoma, during the last fiscal, the company received reimbursement from eight commercial payers and a final local coverage determination from Meridian Healthcare Solutions or Medicare Administrative Contractor. This test has also been recognized in the American Academy of Dermatology and NCCN guideline.

- ▲ **Strong Solvency With Slight Leverage:** Myriad Genetics exited fiscal 2020 with cash and cash equivalents, and marketable investment securities of \$218 million compared with \$182 million at the end of the third quarter of fiscal 2020. Meanwhile, total debt rose to \$295 million for the period, up from \$297 million in the sequentially last reported quarter. The figure, however, is higher than the quarter-end cash and cash equivalent, and marketable investment securities.

However, if we go by the company's level of debt payable in the near term, it stands at \$14 million, insignificant compared to the current cash holding. This is good news in terms of the company's solvency structure, implying that it has sufficient cash for debt repayment despite the pandemic.

Debt comparison with the industry is, however, favorable as industry's total debt of \$6.15 billion, is much higher to the company's debt level.

The quarter's total debt-to-capital ratio of 0.24 indicates a slightly leveraged balance sheet. This also represents a marginal increase from 0.23 compared with the sequentially last-reported quarter. This compares favorably with the total debt-to-capital ratio of the industry, which is at a higher level of 0.50. The overall data concludes that in terms of solvency level of the company, the picture is encouraging.

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## Reasons To Sell:

▼ **Share Price Performance:** Over the past six months, Myriad Genetics has underperformed the industry it belongs to. The stock fell 6.8% against the industry's 9.5% rise. Myriad Genetics exited fourth-quarter fiscal 2020 on a dismal note. Revenues missed the Zacks Consensus Estimate. Although adjusted loss was narrower than the Zacks Consensus Estimate, the company saw a year-over-year decline in the top and the bottom lines. Barring Other Testing revenues, sales in each of the operating segments plummeted in the quarter owing to the full-quarter adverse impact of the pandemic.

The company experienced margin contraction and incurred operating loss during the quarter. Further, this time too, the company could not come up with any guidance. Continued pressure on margin and adverse impact of new regulations are concerning as well. Foreign exchange fluctuations and stiff competition are other headwinds.

Emerging competitors and pricing pressure may plague Myriad's stock in the near future. Additionally, macroeconomic uncertainty and higher expenses owing to extensive pipeline of some tests still remain a matter of concern.

▼ **Pressure on Margin Continues:** Myriad Genetics has been continuing to witness pressure on margins for the past few quarters. In the reported quarter, the gross margin contracted 1589 basis points (bps) to 60.6%. Further, Research and development (R&D) expenses fell 16.7% year over year to \$17.4 million. Selling, general and administrative (SG&A) expenses declined 28.3% to \$107.4 million in the reported quarter. Adjusted operating loss was \$68.3 million compared with adjusted operating loss of \$5.9 million in the year-ago quarter.

▼ **Foreign Exchange Headwinds:** Myriad receives a considerable portion of its revenues and pays a portion of its expenses in foreign currencies. As a result, the company remains at risk of exchange rate fluctuations between foreign currencies and the U.S. dollar. If the dollar strengthens against foreign currencies, the translation of these foreign currency denominated transactions will result in decreased revenues, operating expenses and net income. Management fears this may not be significantly outweighed through increased revenues.

Moreover, management does not currently utilize hedging strategies to mitigate foreign currency risk. This is also worrying given that currently the dollar has strengthened, affecting many U.S. companies trading in foreign currencies in some of the previous quarters.

▼ **Increasing Competition:** With the entry of new players, imminent price competition is another cause of concern. Per management, Myriad is currently facing competition in its key BRACAnalysis market. The company expects competition to intensify in its current fields with recently observed advancements in technology. Further, Myriad anticipates that other companies may also launch their own molecular diagnostic tests which may compete with its testing products and services. In our opinion, competitive headwinds might push down prices for the high-priced tests provided by Myriad. This might deter margin improvement going forward.

▼ **Adverse Impact of new Regulations:** CMS has lately adopted a new coding set for diagnoses, commonly known as ICD-10-CM, which significantly expands the current coding set. Myriad fears that the company may have to incur considerable expense in implementing ICD-10-CM, and, in failure of its adequate implementation, Myriad's business might suffer a setback. In addition, as a result of the new coding set, if physicians fail to provide appropriate codes for desired tests, Myriad may not be reimbursed for tests it performs; which in turn might drag down the demand for its tests.

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## Last Earnings Report

### Myriad Genetics' Q4 Loss Narrower Than Estimated

Myriad Genetics reported adjusted loss per share of 31 cents for the fourth quarter of fiscal 2020 in contrast to earnings of 41 cents reported in the year-ago quarter. Adjusted loss per share was however narrower than the Zacks Consensus Estimate of a loss of 36 cents.

The quarter's adjustments exclude one-time impairment charges on an intangible assets and goodwill tied to company acquisitions, certain impact related to COVID-19 expenses and the impact of Elevate 2020 program-related expenses, among others.

On a reported basis, earnings per share were 74 cents compared with the prior-year quarter's earnings of 6 cents per share.

Overall, a sharp year-over-year decline in revenues stemming from the coronavirus impact through the second quarter affected the bottom line.

For the full-year, the company registered adjusted loss of 8 cents per share as against adjusted earnings of \$1.67 per share in the year-ago period.

### Revenues

Total revenues plunged 56.7% year over year to \$93.2 million in the quarter under review. The figure also missed the Zacks Consensus Estimate by 2.3%. In the quarter, the company faced a significant challenge from the global pandemic and its impact on elective testing volume.

Fiscal 2020 total revenues were \$638.6 million, marking a 25% decline from fiscal 2019.

### Quarter in Detail

Segment-wise, **Molecular Diagnostic** tests recorded total revenues of \$83.3 million, down 58% year over year.

Within this segment, Hereditary Cancer testing revenues fell 66% year over year to \$39.9 million. Vectra testing revenues were \$7.2 million, down 41% year over year.

Further, GeneSight testing revenues fell 71% year over year to \$8.5 million in the reported quarter. Prolaris tests raked in revenues of \$4.5 million, down 29% year over year. Prenatal testing revenues came in at \$16.6 million, down 34%.

EndoPredict testing revenues were down 27% year over year to \$2.2 million. Other testing revenues surged 175% to \$4.4 million year on year.

**Pharmaceutical and clinical service** revenues in the quarter under review totaled \$9.9 million, down 47% on a year-over-year basis.

### Margin Trends

Gross margin in the quarter under review contracted 1589 basis points (bps) to 60.6%.

R&D expenses fell 16.7% year over year to \$17.4 million. SG&A expenses declined 28.3% to \$107.4 million in the reported quarter.

Adjusted operating loss was \$68.3 million compared with adjusted operating loss of \$5.9 million in the year-ago quarter.

### Financial Position

Myriad Genetics exited fiscal 2020 with cash and cash equivalents of \$163.7 million compared with \$121 million at the end of the third quarter of fiscal 2020. Long-term debt at the end of the fiscal was \$224.4 million compared with \$225.2 million at the end of the third quarter.

Cumulative cash flow from operating activities at the end of the fourth quarter was \$60.7 million compared with \$83.7 million at the end of the year-ago period.

### 2021 Guidance

Given the difficulty in predicting the future business trend, the company has not provided fiscal year 2021 financial guidance.

| Quarter Ending   | 06/2020      |
|------------------|--------------|
| Report Date      | Aug 13, 2020 |
| Sales Surprise   | -2.34%       |
| EPS Surprise     | 13.89%       |
| Quarterly EPS    | -0.31        |
| Annual EPS (TTM) | -0.08        |

## Recent News

### ASCO Recommends Myriad Genetics' Test to Treat Ovarian Cancer: Aug 21, 2020

Myriad Genetics myChoice CDx test has been added under the American Society of Clinical Oncology's ("ASCO") latest recommendations on the use of PARP inhibitors for treatment and management of patients with advanced ovarian cancer.

### Myriad Genetics' BRACAnalysis CDx Included in Medicare's Expanded Coverage: Jul 31, 2020

Myriad Genetics announced that Medicare has expanded coverage for BRACAnalysis CDx for men with prostate cancer who are eligible or may become eligible for treatment with Lynparza (olaparib).

### Myriad Genetics Enhances NIPS Test via Technology Launch: Jul 29, 2020

Myriad Genetics launched its AMPLIFY technology, which enhances the performance of its Prequel non-invasive prenatal screening (NIPS) test.

### Myriad Genetics Enhances Vectra Test via Launch of a RP Tool: Jul 28, 2020

Myriad Genetics launched an enhancement which is currently available on its Vectra test report. The new test report provides a personalized estimate of a patient's one-year risk of rapid radiographic progression (RP).

### Myriad Genetics' PRS Component Proved Superior Per New Study: Jul 7, 2020

Myriad Genetics announced two recent publications which validate the polygenic risk score (PRS) component of the company's breast cancer risk stratification tool riskScore.

## Valuation

Myriad Genetics shares are down 51.2% in the year to date period and down 53% in the trailing 12-month periods. Stocks in the Zacks sub-industry are down 0.1% while the Zacks Medical sector fell 1.9% in the year to date period. Over the past year, the Zacks sub-industry is up 23.1% and sector is up 12.5%.

The S&P 500 index is up 4.5% in the year to date period and up 16.5% in the past year.

The stock is currently trading at 1.4X Forward 12-months sales, which compares to 2.7X for the Zacks sub-industry, 2.8X for the Zacks sector and 4X for the S&P 500 index.

Over the past five years, the stock has traded as high as 4.3X, as low as 0.9X, with a 5-year median 2.5X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$14 price target reflects 1.5X forward 12-months earnings.

The table below shows summary valuation data for MYGN.

| Valuation Multiples - MYGN |               |       |              |        |         |
|----------------------------|---------------|-------|--------------|--------|---------|
|                            |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/S F12M                   | Current       | 1.43  | 2.67         | 2.75   | 4.04    |
|                            | 5-Year High   | 4.30  | 3.27         | 3.26   | 4.30    |
|                            | 5-Year Low    | 0.96  | 1.94         | 2.24   | 3.18    |
|                            | 5-Year Median | 2.49  | 2.67         | 2.85   | 3.67    |
| P/B TTM                    | Current       | 1.08  | 3.42         | 3.79   | 5.84    |
|                            | 5-Year High   | 4.66  | 5.54         | 5.08   | 6.20    |
|                            | 5-Year Low    | 0.68  | 2.08         | 2.96   | 3.75    |
|                            | 5-Year Median | 2.13  | 3.85         | 4.30   | 4.88    |
| EV/S F12M                  | 5-Year Median | 1.41  | 2.97         | 3.14   | 3.74    |
|                            | 5-Year Median | 3.84  | 3.75         | 3.65   | 4.09    |
|                            | 5-Year Median | 1.21  | 1.82         | 2.50   | 2.70    |
|                            | 5-Year Median | 2.51  | 2.86         | 3.17   | 3.53    |

As of 10/06/2020

Source: Zacks Investment Research

## Industry Analysis Zacks Industry Rank: Bottom 26% (186 out of 252)



## Top Peers

| Company (Ticker)                                | Rec          | Rank |
|-------------------------------------------------|--------------|------|
| Danaher Corporation (DHR)                       | Outperform   | 2    |
| QIAGEN N.V. (QGEN)                              | Outperform   | 1    |
| Thermo Fisher Scientific Inc. (TMO)             | Outperform   | 2    |
| Abbott Laboratories (ABT)                       | Neutral      | 3    |
| Becton, Dickinson and Company (BDX)             | Neutral      | 4    |
| Hologic, Inc. (HOLX)                            | Neutral      | 3    |
| Laboratory Corporation of America Holdings (LH) | Neutral      | 3    |
| Illumina, Inc. (ILMN)                           | Underperform | 4    |

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

| Industry Comparison Industry: Medical - Biomedical And Genetics |          |            |           | Industry Peers |         |            |
|-----------------------------------------------------------------|----------|------------|-----------|----------------|---------|------------|
|                                                                 | MYGN     | X Industry | S&P 500   | ILMN           | LH      | TMO        |
| Zacks Recommendation (Long Term)                                | Neutral  | -          | -         | Underperform   | Neutral | Outperform |
| Zacks Rank (Short Term)                                         | 4        | -          | -         | 4              | 3       | 2          |
| VGM Score                                                       | C        | -          | -         | D              | A       | B          |
| Market Cap                                                      | 992.89 M | 289.98 M   | 23.33 B   | 46.32 B        | 18.61 B | 176.39 B   |
| # of Analysts                                                   | 5        | 3          | 14        | 8              | 8       | 9          |
| Dividend Yield                                                  | 0.00%    | 0.00%      | 1.65%     | 0.00%          | 0.00%   | 0.20%      |
| Value Score                                                     | C        | -          | -         | D              | A       | C          |
| Cash/Price                                                      | 0.22     | 0.25       | 0.07      | 0.07           | 0.03    | 0.03       |
| EV/EBITDA                                                       | -7.11    | -3.73      | 13.33     | 31.14          | 11.13   | 27.23      |
| PEG F1                                                          | NA       | 1.59       | 2.84      | 10.32          | 1.55    | 1.81       |
| P/B                                                             | 1.08     | 4.02       | 3.43      | 10.22          | 2.53    | 5.90       |
| P/CF                                                            | 21.59    | 18.54      | 13.07     | 38.55          | 9.83    | 24.66      |
| P/E F1                                                          | NA       | 25.31      | 21.41     | 72.21          | 13.36   | 28.11      |
| P/S TTM                                                         | 1.55     | 15.07      | 2.59      | 13.82          | 1.62    | 6.72       |
| Earnings Yield                                                  | -1.28%   | -13.48%    | 4.47%     | 1.38%          | 7.48%   | 3.56%      |
| Debt/Equity                                                     | 0.24     | 0.00       | 0.70      | 0.14           | 0.75    | 0.69       |
| Cash Flow (\$/share)                                            | 0.62     | -1.12      | 6.92      | 8.23           | 19.44   | 18.08      |
| Growth Score                                                    | C        | -          | -         | C              | B       | B          |
| Historical EPS Growth (3-5 Years)                               | -17.56%  | 19.03%     | 10.45%    | 20.27%         | 8.86%   | 14.10%     |
| Projected EPS Growth (F1/F0)                                    | -107.50% | 15.00%     | -2.97%    | -33.12%        | 26.36%  | 28.45%     |
| Current Cash Flow Growth                                        | -73.12%  | 11.81%     | 5.47%     | 13.10%         | 12.16%  | 6.99%      |
| Historical Cash Flow Growth (3-5 Years)                         | -19.17%  | 7.03%      | 8.50%     | 16.75%         | 17.70%  | 10.08%     |
| Current Ratio                                                   | 2.26     | 6.07       | 1.35      | 3.76           | 1.12    | 2.62       |
| Debt/Capital                                                    | 19.64%   | 0.00%      | 42.90%    | 12.62%         | 42.90%  | 40.86%     |
| Net Margin                                                      | -31.24%  | -209.67%   | 10.28%    | 20.67%         | 3.16%   | 14.12%     |
| Return on Equity                                                | -2.69%   | -58.27%    | 14.79%    | 19.13%         | 14.39%  | 18.18%     |
| Sales/Assets                                                    | 0.42     | 0.19       | 0.51      | 0.46           | 0.65    | 0.45       |
| Projected Sales Growth (F1/F0)                                  | 6.20%    | 1.05%      | -0.62%    | -12.73%        | 11.10%  | 13.20%     |
| Momentum Score                                                  | C        | -          | -         | B              | A       | A          |
| Daily Price Change                                              | -0.23%   | -0.39%     | -1.00%    | 0.35%          | -1.01%  | -1.06%     |
| 1-Week Price Change                                             | 4.42%    | 0.00%      | 2.13%     | 2.85%          | 3.87%   | 3.02%      |
| 4-Week Price Change                                             | 7.26%    | 3.62%      | 1.65%     | -6.94%         | 10.00%  | 10.02%     |
| 12-Week Price Change                                            | 15.27%   | -2.47%     | 6.15%     | -15.67%        | 1.74%   | 15.08%     |
| 52-Week Price Change                                            | -53.04%  | 22.78%     | 5.99%     | 10.03%         | 16.90%  | 63.97%     |
| 20-Day Average Volume (Shares)                                  | 656,688  | 296,178    | 2,153,235 | 2,421,596      | 627,947 | 1,295,155  |
| EPS F1 Estimate 1-Week Change                                   | 0.00%    | 0.00%      | 0.00%     | 0.14%          | 1.90%   | 0.52%      |
| EPS F1 Estimate 4-Week Change                                   | 0.00%    | 0.00%      | 0.00%     | 0.15%          | 3.33%   | 4.43%      |
| EPS F1 Estimate 12-Week Change                                  | -900.00% | 0.59%      | 3.50%     | -28.51%        | 38.42%  | 24.63%     |
| EPS Q1 Estimate Monthly Change                                  | 0.00%    | 0.00%      | 0.00%     | -0.31%         | 3.27%   | 6.70%      |

Source: Zacks Investment Research

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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 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.

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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   | C |
| Momentum Score | C |
| VGM Score      | C |

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

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## Disclosures

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## Additional Disclosure

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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 medium-term 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 most recent 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.

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**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.

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**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.

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**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.