

Qualcomm Incorporated (QCOM)

\$113.41 (As of 08/13/20)

Price Target (6-12 Months): **\$121.00**

Long Term: 6-12 Months

Zacks Recommendation:
Neutral

(Since: 05/04/20)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM:B

Value: C

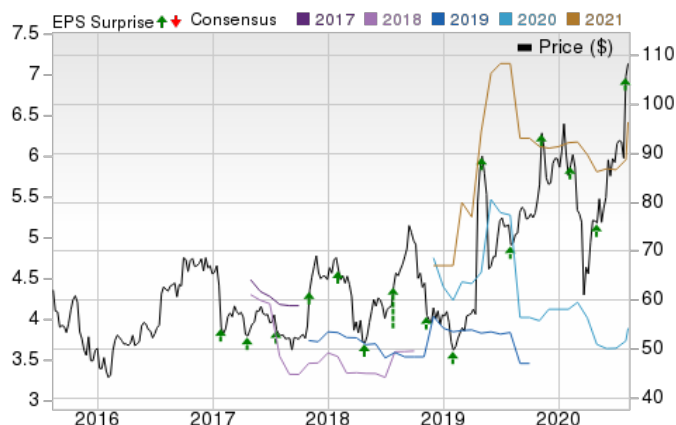
Growth: B

Momentum: C

Summary

Qualcomm reported solid third-quarter fiscal 2020 results, with the top and the bottom line beating the Zacks Consensus Estimate. The company resolved a dispute with Huawei and inked a new long-term patent license agreement. With the rollout of 5G, it is benefiting from the investments made to build a licensing program in mobile. Qualcomm launched low-priced 5G chips for the masses and is helping customers experience a seamless transition to 5G networks, while delivering low-power resilient multi-gigabit connectivity. However, it is facing a challenging economic environment with lower handset shipments due to COVID-19. Qualcomm is expected to face softness in demand from China. Over the past years, the company's margins have declined due to high R&D expenses. Competition from low-cost chip manufacturers like MediaTek is another concern.

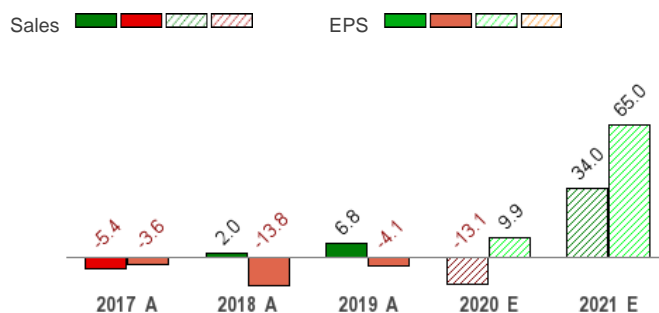
Price, Consensus & Surprise



Data Overview

| | |
|----------------------------|------------------------------------|
| 52 Week High-Low | \$116.25 - \$58.00 |
| 20 Day Average Volume (sh) | 11,668,367 |
| Market Cap | \$130.6 B |
| YTD Price Change | 31.2% |
| Beta | 1.37 |
| Dividend / Div Yld | \$2.60 / 2.2% |
| Industry | Wireless Equipment |
| Zacks Industry Rank | Top 49% (125 out of 253) |

Sales and EPS Growth Rates (Y/Y %)



| | |
|---------------------------|-------------------|
| Last EPS Surprise | 19.4% |
| Last Sales Surprise | 1.7% |
| EPS F1 Est- 4 week change | 4.1% |
| Expected Report Date | 11/04/2020 |
| Earnings ESP | 0.3% |
| P/E TTM | 33.0 |
| P/E F1 | 29.2 |
| PEG F1 | 1.6 |
| P/S TTM | 6.5 |

Sales Estimates (millions of \$)

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|---------|---------|---------|---------|----------|
| 2021 | 7,155 E | 6,646 E | 6,794 E | 7,938 E | 28,270 E |
| 2020 | 5,077 A | 5,216 A | 4,893 A | 5,935 E | 21,091 E |
| 2019 | 4,842 A | 4,982 A | 9,635 A | 4,814 A | 24,273 A |

EPS Estimates

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|----------|----------|----------|----------|----------|
| 2021 | \$1.64 E | \$1.41 E | \$1.50 E | \$1.91 E | \$6.42 E |
| 2020 | \$0.99 A | \$0.88 A | \$0.86 A | \$1.17 E | \$3.89 E |
| 2019 | \$1.20 A | \$0.77 A | \$0.80 A | \$0.78 A | \$3.54 A |

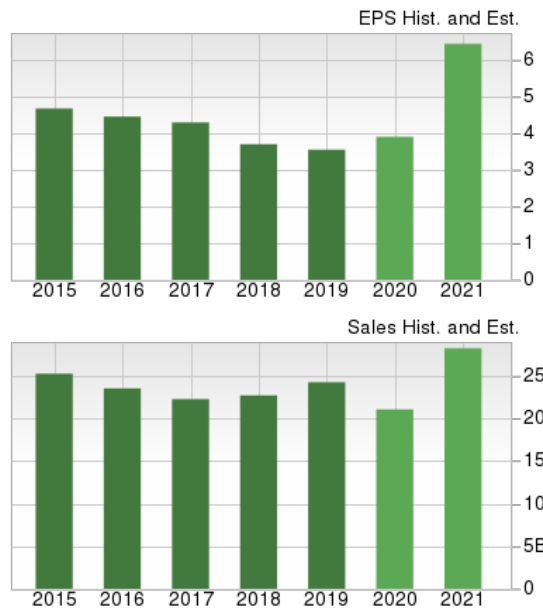
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 08/13/2020. The reports text is as of 08/14/2020.

Overview

Qualcomm Incorporated designs, manufactures and markets digital wireless telecom products and services based on the Code Division Multiple Access (CDMA) technology. The products include CDMA-based integrated circuits (ICs) and system software for wireless voice and data communications as well as global positioning system (GPS) products. Qualcomm's business is organized into two reporting segments as follows:

- Qualcomm CDMA Technologies (QCT)** (77.8% of GAAP revenues in third-quarter fiscal 2020): This segment reports operating results for sales of CDMA-based integrated circuit devices (chips) and system software for wireless voice and data communications, as well as GPS products. QCT's integrated circuit (IC) products are used mainly in mobile phones, wireless data access cards and infrastructure equipment. QCT offers a broad portfolio of products that support CDMA2000 1X, 1xEV-DO, EV-DO Revision A, EV-DO Revision B and UMB. Qualcomm also develops IC that supports GSM/GPRS, WCDMA, HSDPA and HSUPA technologies.
- Qualcomm Technology Licensing (QTL)** (21.3%): This segment reports revenues received from licenses to the intellectual property portfolio, which includes CDMAOne, CDMA2000 1X EV-DO/1xEV-DV, TD-SCDMA, and WCDMA technology solutions. QTL generates revenues from license fees as well as royalties based on global sales by licensees of products incorporating or using Qualcomm's intellectual property.



Reasons To Buy:

- ▲ With the rollout of 5G, Qualcomm is benefiting from the investments toward building a licensing program in mobile. The company's patent settlement with Apple ensured a steady revenue stream as the agreement include a six-year license agreement effective Apr 1, 2019 along with a two-year extension option and a multi-year chipset supply agreement. Apple is likely to license the chips directly from Qualcomm instead of relying on OEMs to do it on its behalf. The company inked a settlement agreement with Huawei to resolve earlier disputes related to its license agreement that expired on Dec 31, 2019. The company also entered into a new long-term, global patent license agreement, including cross-license rights to certain Huawei's patents, covering sales beginning Jan 1, 2020. Per the agreement, Qualcomm expects to generate revenues of approximately \$1.8 billion in fourth-quarter fiscal 2020, with additional payments made in installments in the later quarters. This will likely involve recurring payments to the mobile chip manufacturer.
- ▲ For calendar year 2020, Qualcomm estimates sales of 175 million to 225 million 5G handset units. The company anticipates witnessing two inflection points in fiscal 2020. The first inflection point realized during the fiscal first quarter is likely to continue in the first half of fiscal 2020 with continued strength and acceleration of 5G demand. The next inflection point is anticipated to be realized in the fiscal fourth quarter with the launch of additional 5G flagship handsets and is likely to extend into fiscal 2021.
- ▲ Qualcomm raised the bar for driverless cars as it unveiled the first-of-its-kind automotive platform — Snapdragon Ride — which enables automakers to transform their vehicles into self-driving cars using AI. Snapdragon's scalable platform comprises the Snapdragon Ride Safety system-on-a-chip, Accelerator and the Snapdragon Ride Autonomous Stack. The combination of these self-driving algorithms facilitates a robust architecture of hardware and software that supports advanced driver assistance systems like automatic emergency braking, traffic sign recognition, lane keeping, self-parking and automated highway driving technology, commonly known as Level 1 and Level 2 systems. This augurs well for its long-term growth proposition.
- ▲ Qualcomm is one of the largest manufacturers of wireless chipset based on baseband technology. The company is focusing to retain its leadership in 5G, chipset market and mobile connectivity with several technological achievements and innovative product launches. Qualcomm has redefined the computing and mobile ecosystem across the globe with the launch of QCA6390 Connectivity SoC product. This game-changing and arguably the most advanced integrated offering from Qualcomm is likely to deliver path-breaking performance in the 5G era and provide it a competitive advantage against rivals. Built on indigenous technologies, the QCA6390 is designed to meet the growing need for faster connectivity options and data speed. Supporting all the feature suites of both Wi-Fi 6 and Bluetooth 5.1, it offers faster, more secure and robust Wi-Fi experiences and enhanced Bluetooth capabilities. These include ultra-high-definition voice and low-latency gaming over wireless headphones, earbuds and speakers. The QCA6390 sets a new industry standard with the world's first announced 14nm integrated SoC that boasts extended features and cutting-edge design. It is likely to help users experience seamless transition to super-fast 5G networks, delivering low-power resilient multi-gigabit connectivity with unprecedented range and Qualcomm's best-in-class security. This, in turn, would further offer the flexibility and scalability needed for broad and fast 5G adoption through accelerated commercialization by OEMs. With more than 150 5G design wins, Qualcomm is reportedly the only chipset vendor with 5G system level solutions spanning both sub-6, gigahertz and millimeter wave bands.
- ▲ Qualcomm set a new benchmark for itself as it unveiled a game-changing 5G chipset for low-cost smartphones for the masses. The Snapdragon 690 5G chipset is the first SoC (System-on-Chip) in the 600 series to support 5G services at accessible price points. This is likely to usher in more affordable 5G Android mobile handsets, with a plethora of unique features in its category, by the second half of the year. Compared to its predecessor Snapdragon 675, the new chip is billed to offer up to 20% better CPU and up to 60% faster graphics performance. The chip has an integrated Snapdragon X51 5G modem that supports global 5G standards with multi-SIM functionality and dynamic spectrum sharing. It supports a download speed of up to 2.5Gbps and upload speed of up to 660Mbps. In addition, the chipset has a new AI engine called ARCISOFT that features a Hexagon Tensor Accelerator for enhanced performance in real-time Snapchat filters and smooth transition when switching between ultrawide, wide and telephoto cameras. The chipset also significantly improves multimedia performance with the ability to record in HDR10 format for FHD+ displays with a 120Hz refresh rate and support for 4K video recording at 30fps and stills up to 192MP. Furthermore, the chip boasts a new enhancement for video encoding and supports faster charging with Quick Charge 4+. Leveraging the FastConnect 6200 system that brings Wi-Fi 6, Bluetooth 5.1 and 2x2 MU-MIMO configurations, the Snapdragon 690 is arguably the most powerful SoC yet in the lower mid-range segment. This augurs well for its long-term growth proposition.

Qualcomm anticipates witnessing two inflection points in fiscal 2020 backed by new product launches including devices with 5G chipsets and growth in adjacent businesses.

Reasons To Sell:

- ▼ Over the past years, Qualcomm's margins have declined due to high operating expenses and R&D costs. The company expects softness in the handset market and weaker overall mix of devices to remain in the near future. In addition, Qualcomm faces huge concentration risks as bulk of its revenues is generated from a handful of customers — a trend that is expected to continue in the ensuing quarters. Moreover, majority of these customers include Chinese manufacturers, which further cloud the revenue-generating potential owing to strained bilateral trade relationship with the United States.
- ▼ Shift in the share among OEMs (original equipment manufacturers) at the premium tier has reduced Qualcomm's near-term opportunity to sell integrated chipsets from the Snapdragon platform. Aggressive competition in the mobile phone chipset market is also likely to hurt Qualcomm's profits in the future. The company is facing severe competitive threat from its closest rival Intel, which has been redesigning its chipsets for the mobile computing market. Competition is also likely to come from formidable rivals like Broadcom and Nvidia. Moreover, Qualcomm has been facing challenges from low-cost chip manufacturers like MediaTek and Rockchip as well as handset manufacturers' SoC projects such as Exynos by Samsung. Although the global smartphone market is expected to maintain its momentum over the next three to four years, major portion of this growth is likely to come from the low-cost emerging markets, which may weigh on Qualcomm's margins. In addition, adverse court rulings relating to its licensing business could impair its growth potential to some extent.
- ▼ Qualcomm is expected to face softness in demand from China. Chinese OEMs are pulling back on new 4G device orders and managing their inventory in advance of the transition to 5G in 2020. Consequently, Qualcomm expects a significant impact on device shipment as sell-in and sell-through growth rates realign and channel inventory levels are drawn down in China. Global 3G, 4G, 5G device shipments in 2020 are anticipated to be affected by lengthening of handset replacement rates due to adverse economic impact from the coronavirus pandemic, likely impacting unit volumes. For the fourth quarter of fiscal 2020, Qualcomm expects a 15% reduction in handset shipments compared to prior expectations. The quarterly earnings are likely to take a hit to the tune of 25 cents per share from the coronavirus.
- ▼ As of Jun 30, 2020, the company had \$10,600 million in cash and equivalents and \$15,425 million of long-term debt compared with the respective tallies of \$9,946 million and \$13,449 million at the end of the previous quarter. The company has suspended its stock buyback program for the near term to maintain financial liquidity position and flexibility amid the pandemic. Qualcomm currently has a debt-to-capital ratio of 0.83 compared with 0.35 of the industry. The times interest earned (TIE) ratio has declined from the last quarter to 6.2 at present relative to 8.7 of the industry. This shows that the company is less likely to meet its debt obligations. It is to be seen whether Qualcomm can turn the tales in the coming days amid disruptions stemming from the COVID-19 crisis.

Aggressive competition in the mobile phone chipset market continues to bother Qualcomm. In addition, margins have decreased sharply over the years due to high operating expenses and R&D costs.

Last Earnings Report

Qualcomm Beats Q3 Earnings Estimates on 5G Forte

Despite a challenging macroeconomic environment triggered by the coronavirus pandemic, Qualcomm reported solid third-quarter fiscal 2020 results, primarily driven by the ramp-up in 5G-enabled chips. Both top and bottom-line figures beat the Zacks Consensus Estimates, backed by the strength of the business model and the ability to respond pro-actively to the evolving market scenario.

Quarter Ending **06/2020**

| Report Date | Jul 29, 2020 |
|------------------|---------------|
| Sales Surprise | 1.70% |
| EPS Surprise | 19.44% |
| Quarterly EPS | 0.86 |
| Annual EPS (TTM) | 3.51 |

Net Income

On a GAAP basis, net income for the June quarter was \$845 million or 74 cents per share compared with \$2,149 million or \$1.75 in the prior-year quarter. The decline in GAAP earnings was primarily attributable to an accretive patent settlement agreement with Apple Inc. (AAPL) inked in third-quarter fiscal 2019.

Quarterly non-GAAP net income came in at \$982 million or 86 cents per share compared with \$982 million or 80 cents in the year-ago quarter. Undeterred by the adverse impact of the virus outbreak, non-GAAP earnings remained steady owing to the diligent execution of operational plans and resilient business culture. The bottom line exceeded management's guidance and beat the Zacks Consensus Estimate by 14 cents.

Revenues

On a GAAP basis, total revenues in the fiscal third quarter were \$4,893 million compared with \$9,635 million in the prior-year quarter. The year-over-year decline was driven by \$4.7 billion of revenues generated in third-quarter fiscal 2019 from the patent settlement deal with Apple.

Non-GAAP revenues for the reported quarter were \$4,890 million compared with \$4,894 million in the year-earlier quarter. The figure surpassed the consensus mark of \$4,811 million and was above the midpoint of the company-guided range, driven by 5G strength, high-performing core chipsets and new RF front-end content.

Segment Results

Quarterly GAAP revenues from Qualcomm CDMA Technologies (QCT) improved 7% year over year to \$3,807 million on strength across 5G and higher demand in adjacent platforms beyond mobile, partially offset by lower Mobile Station Modem (MSM) chip shipments due to adverse coronavirus impacts. MSM shipments in the quarter were 130 million, down from 156 million a year ago due to reduced demand for 3G/4G/5G handsets stemming from lower orders from China and other global markets. EBT margin increased to 16% from 14% in the year-ago quarter.

Qualcomm Technology Licensing (QTL) revenues totaled \$1,044 million, down 19% year over year, driven by lower royalty revenues from Huawei due to the expiration of the interim agreement and lower sales triggered by the coronavirus-induced turmoil. EBT margin was 62% compared with 70% in the year-ago quarter on lower revenues and higher R&D expenses.

Subsequent to the end of the quarter, Qualcomm inked a settlement agreement with Huawei to resolve earlier disputes related to its license agreement that expired on Dec 31, 2019. The company also entered into a new long-term, global patent license agreement, including cross-license rights to certain Huawei's patents, covering sales beginning Jan 1, 2020. Per the agreement, Qualcomm currently expects to generate revenues of approximately \$1.8 billion in fourth-quarter fiscal 2020, with additional payments made in installments in the later quarters.

Cash Flow & Liquidity

Qualcomm generated \$1,872 million of net cash from operating activities during the quarter compared with \$4,909 million in the year-ago quarter. At quarter-end, the company had \$6,120 million in cash and equivalents and \$15,425 million of long-term debt.

During the reported quarter, Qualcomm paid out cash dividends totaling \$733 million or 65 cents per share and repurchased 1.6 million shares for \$110 million. At quarter-end, the company had \$4.6 billion available for repurchase under its \$30-billion stock buyback program.

Guidance

For the fourth quarter of fiscal 2020, Qualcomm expects GAAP revenues of \$7.3-\$8.1 billion and non-GAAP revenues of \$5.5-\$6.3 billion as the adverse impact of the virus outbreak is likely to result in a 15% reduction in handset shipments compared to prior expectations. Non-GAAP earnings are projected to be \$1.05-\$1.25 per share, while GAAP earnings are likely to be \$2.12-\$2.32 per share, buoyed by the Huawei settlement. The quarterly earnings are likely to take a hit to the tune of 25 cents per share due to the coronavirus. Revenues at QTL are expected between \$1.2 billion and \$1.4 billion. For QCT, the company anticipates revenues between \$4.3 billion and \$4.9 billion on MSM shipments of 145-165 million units. For calendar year 2020, Qualcomm continues to expect 175-225 million 5G handset unit shipments.

Recent News

On Aug 5, 2020, Qualcomm announced that its latest premium tier Snapdragon 865 Plus 5G Mobile Platform is powering Samsung Electronics Co., Ltd.'s lineup of flagship devices. This includes the Samsung Galaxy Note20 Ultra and Note20 in select regions, and the Samsung Galaxy Z Fold2 and Samsung Galaxy Tab S7/S7+ internationally.

On Jul 27, Qualcomm announced the fastest commercial charging technology for Android devices, Quick Charge 5. It delivers unprecedented mobile phone charging speed and efficiency improvements compared with previous versions while enabling new battery technology, accessories and safety features.

On Jun 30, Qualcomm announced the launch of the Snapdragon Wear 4100 platforms — Wear 4100+ and Wear 4100. Designed for next-generation connected smartwatches, the product is based on ultra-low power hybrid architecture to deliver super-fast performance and connectivity. The new System-on-Chip has been designed to deliver 85% higher performance compared with the Snapdragon Wear 3100 platform for faster app launches, more responsive user experience as well as richer photo and video experiences.

On Jun 8, Qualcomm announced that it has collaborated with JLC Infrastructure and IGNITE Cities to leverage smart city technology for the development of education and construction industries. The program is an undertaking of the company's Advantage Network. The partnership is reckoned to be the call of the hour as companies strive to initiate vital construction projects as various states begin to reopen their economies. Qualcomm's Advantage Network offers a wide range of programs, which have been designed to cater to the requirements of companies with best-in-class hardware, software and cloud capabilities.

Valuation

Qualcomm shares are up 63.3% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 24% over the past year, and stocks in the Zacks Computer and Technology sector are up 36% in the same period.

The S&P 500 Index is up 17.5% in the past year.

The stock is currently trading at 25.88X trailing 12-month EV/EBITDA, which compares to 27.75X for the Zacks sub-industry, 13.1X for the Zacks sector and 12.55X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 25.88X and as low as 4.71X, with a 5-year median of 10.23X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$121 price target reflects 6.36X forward 12-month earnings.

The table below shows summary valuation data for QCOM

| Valuation Multiples - QCOM | | | | | |
|----------------------------|---------------|-------|--------------|--------|---------|
| | | Stock | Sub-Industry | Sector | S&P 500 |
| EV/EBITDA TTM | Current | 25.88 | 27.75 | 13.1 | 12.55 |
| | 5-Year High | 25.88 | 28.12 | 13.51 | 12.84 |
| | 5-Year Low | 4.71 | 9.84 | 7.59 | 8.24 |
| | 5-Year Median | 10.23 | 16.63 | 10.91 | 10.9 |
| P/E F12M | Current | 19.02 | 19.61 | 25.75 | 22.6 |
| | 5-Year High | 26.69 | 30.47 | 26.31 | 22.62 |
| | 5-Year Low | 11.29 | 13.61 | 16.72 | 15.25 |
| | 5-Year Median | 16.31 | 18.64 | 19.61 | 17.58 |
| P/S F12M | Current | 4.78 | 3.68 | 3.99 | 3.65 |
| | 5-Year High | 5.15 | 3.68 | 4.01 | 3.65 |
| | 5-Year Low | 2.82 | 2.07 | 2.32 | 2.53 |
| | 5-Year Median | 3.75 | 2.8 | 3.14 | 3.05 |

As of 08/12/2020

Industry Analysis Zacks Industry Rank: Top 49% (125 out of 253)



Top Peers

| Company (Ticker) | Rec | Rank |
|------------------------------------|--------------|------|
| Ericsson (ERIC) | Outperform | 3 |
| Advanced Micro Devices, Inc. (AMD) | Neutral | 3 |
| Intel Corporation (INTC) | Neutral | 3 |
| Juniper Networks, Inc. (JNPR) | Neutral | 3 |
| Motorola Solutions, Inc. (MSI) | Neutral | 3 |
| Nokia Corporation (NOK) | Neutral | 2 |
| NVIDIA Corporation (NVDA) | Neutral | 3 |
| Viasat Inc. (VSAT) | Underperform | 3 |

| Industry Comparison Industry: Wireless Equipment | | | | Industry Peers | | |
|--|------------|------------|-----------|----------------|------------|------------|
| | QCOM | X Industry | S&P 500 | ERIC | INTC | NOK |
| Zacks Recommendation (Long Term) | Neutral | - | - | Outperform | Neutral | Neutral |
| Zacks Rank (Short Term) | 2 | - | - | 3 | 3 | 2 |
| VGM Score | B | - | - | A | A | B |
| Market Cap | 130.64 B | 460.20 M | 23.75 B | 39.77 B | 209.21 B | 28.33 B |
| # of Analysts | 10 | 3 | 14 | 4 | 14 | 5 |
| Dividend Yield | 2.25% | 0.00% | 1.68% | 0.40% | 2.68% | 0.90% |
| Value Score | C | - | - | B | A | B |
| Cash/Price | 0.09 | 0.14 | 0.07 | 0.14 | 0.13 | 0.30 |
| EV/EBITDA | 13.95 | 11.14 | 13.35 | 19.95 | 6.29 | 10.92 |
| PEG Ratio | 1.58 | 2.11 | 2.98 | 0.81 | 1.35 | 1.19 |
| Price/Book (P/B) | 39.52 | 1.69 | 3.20 | 4.90 | 2.55 | 1.68 |
| Price/Cash Flow (P/CF) | 27.74 | 14.31 | 12.97 | 29.87 | 6.47 | 8.85 |
| P/E (F1) | 29.15 | 20.42 | 22.17 | 21.40 | 10.15 | 18.57 |
| Price/Sales (P/S) | 6.53 | 1.55 | 2.54 | 1.67 | 2.65 | 1.13 |
| Earnings Yield | 3.36% | 4.03% | 4.31% | 4.69% | 9.86% | 5.35% |
| Debt/Equity | 4.67 | 0.19 | 0.77 | 0.38 | 0.44 | 0.39 |
| Cash Flow (\$/share) | 4.17 | 0.49 | 6.94 | 0.40 | 7.60 | 0.57 |
| Growth Score | B | - | - | A | A | C |
| Hist. EPS Growth (3-5 yrs) | -8.64% | -5.34% | 10.41% | -37.70% | 22.01% | -5.34% |
| Proj. EPS Growth (F1/F0) | 9.94% | 14.20% | -6.32% | 406.82% | -0.45% | 8.80% |
| Curr. Cash Flow Growth | -22.34% | -14.66% | 5.22% | 33.18% | 6.53% | -0.59% |
| Hist. Cash Flow Growth (3-5 yrs) | -10.62% | 5.53% | 8.55% | -16.79% | 9.99% | 14.32% |
| Current Ratio | 1.97 | 1.63 | 1.33 | 1.22 | 1.97 | 1.50 |
| Debt/Capital | 82.35% | 22.60% | 44.59% | 27.64% | 30.56% | 27.84% |
| Net Margin | 13.72% | 2.32% | 10.13% | 1.21% | 29.97% | 2.76% |
| Return on Equity | 78.39% | 4.66% | 14.59% | 5.81% | 31.55% | 9.26% |
| Sales/Assets | 0.61 | 0.76 | 0.51 | 0.80 | 0.55 | 0.57 |
| Proj. Sales Growth (F1/F0) | -13.11% | 0.00% | -1.40% | 4.63% | 4.34% | -2.71% |
| Momentum Score | C | - | - | B | C | D |
| Daily Price Chg | 6.40% | 0.00% | 0.67% | 2.05% | 2.08% | 1.81% |
| 1 Week Price Chg | 2.50% | 2.21% | 2.30% | 0.69% | 0.63% | 4.18% |
| 4 Week Price Chg | 25.11% | 9.02% | 4.87% | 23.37% | -16.67% | 16.63% |
| 12 Week Price Chg | 43.61% | 11.90% | 13.54% | 37.92% | -22.04% | 32.20% |
| 52 Week Price Chg | 63.36% | 17.12% | 6.06% | 43.56% | 7.24% | -1.37% |
| 20 Day Average Volume | 11,668,367 | 106,987 | 2,006,991 | 12,051,970 | 44,056,812 | 36,012,648 |
| (F1) EPS Est 1 week change | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (F1) EPS Est 4 week change | 4.11% | 1.54% | 1.95% | 9.85% | 0.76% | 11.02% |
| (F1) EPS Est 12 week change | 4.11% | 1.73% | 2.72% | 10.40% | 0.75% | 10.57% |
| (Q1) EPS Est Mthly Chg | -1.29% | 0.00% | 0.84% | 25.64% | -5.10% | 0.00% |

Zacks Stock Rating System

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

Zacks Recommendation

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

Zacks Rank

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

Zacks Style Scores

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

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

| | |
|----------------|---|
| Value Score | C |
| Growth Score | B |
| Momentum Score | C |
| VGM Score | B |

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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