

QIAGEN N.V. (QGEN)

\$51.78 (As of 08/25/20)

Price Target (6-12 Months): **\$56.00**

Long Term: 6-12 Months

Zacks Recommendation:

Outperform

(Since: 05/18/20)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

1-Strong Buy

Zacks Style Scores:

VGM:D

Value: D

Growth: D

Momentum: F

Summary

QIAGEN's robust top line in the second quarter of 2020 resulted from strong growth in each operating segment. QIA Symphony, QIAcube and QIAstat-Dx saw the pandemic-led robust demand. Responding to the pandemic, earlier this year, it scaled up RNA extraction kit and instrument production and launched QIAstat-Dx Respiratory SARS-CoV-2 Panel. Meanwhile, QIAGEN shareholders recently overwhelmingly rejected the tender offer of the company's sell-off deal to Thermo Fisher. This was particularly based on QIAGEN's growing business prospect around COVID-19 related opportunities. Over the past six months, QIAGEN has outperformed the industry it belongs to. Yet, dull domestic sales was concerning. Demand for QuantiFERON-TB was down amid pandemic. A weak solvency position, foreign exchange instability and tough competition are other woes.

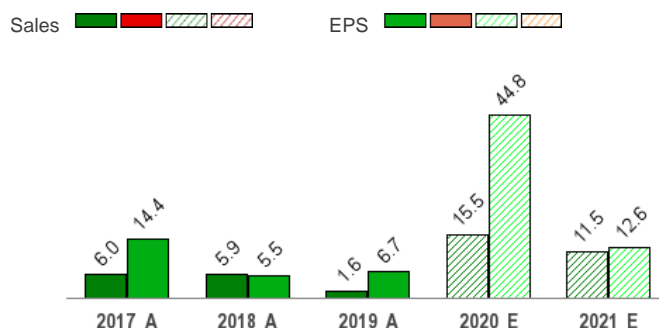
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$52.86 - \$25.04
20 Day Average Volume (sh)	2,176,450
Market Cap	\$11.8 B
YTD Price Change	53.2%
Beta	0.36
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Medical - Biomedical and Genetics
Zacks Industry Rank	Bottom 30% (177 out of 252)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	0.0%
Last Sales Surprise	0.1%
EPS F1 Est- 4 week change	-1.0%
Expected Report Date	11/04/2020
Earnings ESP	-0.5%

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	468 E	474 E	488 E	531 E	1,965 E
2020	372 A	443 A	454 E	493 E	1,763 E
2019	349 A	382 A	383 A	413 A	1,526 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$0.54 E	\$0.57 E	\$0.62 E	\$0.72 E	\$2.33 E
2020	\$0.34 A	\$0.55 A	\$0.55 E	\$0.63 E	\$2.07 E
2019	\$0.27 A	\$0.33 A	\$0.36 A	\$0.48 A	\$1.43 A

*Quarterly figures may not add up to annual.

P/E TTM	29.9
P/E F1	25.0
PEG F1	2.6
P/S TTM	7.3

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 08/25/2020. The reports text is as of 08/26/2020.

Overview

Based in Venlo, the Netherlands, QIAGEN N.V. is one of the world's leading providers of technologies and products for the separation, purification and handling of nucleic acids DNA/RNA. The company provides innovative technologies and products for pre-analytical sample preparation and molecular diagnostics solutions. It has developed a comprehensive portfolio of over 500 proprietary, consumable products, and automated solutions for sample collection.

Qiagen has subsidiaries in the United States, Germany, U.K., Switzerland, France, Japan, China, Australia, Canada, Norway, and several other countries with good sales potential.

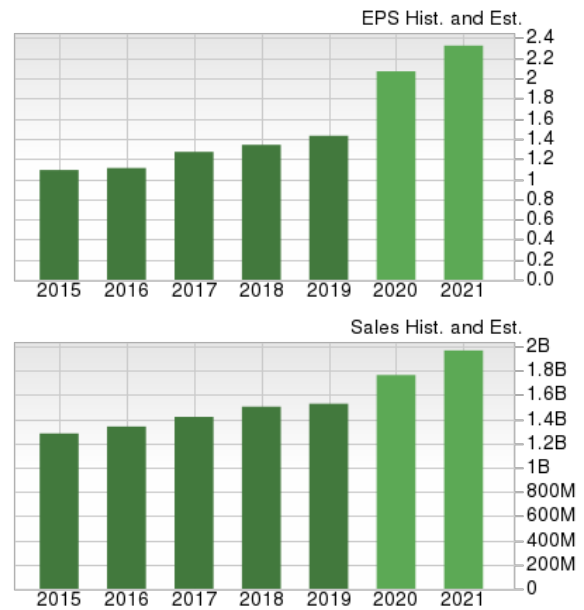
Segment Details

Consumables: These are typically sample preparation or test kits that contain all the necessary reagents and buffers, and a manual including protocols and relevant background information. Each kit is sufficient to support a number of applications, varying from one to over 1,000 tests.

Automated Instruments: These automate the use of Sample & Assay Technologies into efficient solutions for a broad range of laboratory needs. Products in this segment include QIA Symphony, Rotor-Gene Q, PyroMark, QIAcube, QIAxcel and ESE-Quant Tube Scanners.

Customer Classes:

QIAGEN focuses on 4 principal segments or customer classes for sample and assay technologies: Molecular Diagnostics (Healthcare providers supporting varied aspects of patient care), Applied Testing (Government or industry customers), Pharma (Government or industry customers) and Academia (Researchers exploring the secrets of life). In fiscal 2019, Molecular Diagnostics (48% sales in fiscal 2019), registered revenue growth of 1%, Applied Testing (32% sales) registered 2% growth, Pharma (20% sales) registered growth of 4%, Academia (23% sales) registered growth of 6% from fiscal 2018.



Reasons To Buy:

▲ **Share Price Performance:** Over the past six months, QIAGEN has outperformed the industry it belongs to. The stock has climbed 32.6% compared with the industry's 3.3% growth. QIAGEN exited the second quarter of 2020 with better-than-expected revenues. It registered year-over-year revenue growth across majority of its geographies and both its operating segments in the second quarter. Instrument sales were robust on the company's platforms, which include the QIAAsymphony automation system and QIAcube line of sample processing instruments. Sales of consumables and related revenues remained robust mainly due to strength in demand for products used in coronavirus testing. Expansion of both margins is encouraging as well.

QIAGEN's business is expected to get a boost from its growing molecular diagnostic market, international expansion, expanded test menu and growth driving strategic collaborations.

QIAGEN's efforts to combat the coronavirus pandemic are noteworthy. It has ramped up production capacity for solutions currently being used for testing purposes. It has also extended its support to public health authorities and customers to assess their flexibility, timing and needs for specific regional situations in the outbreak. It has scaled up production of RNA extraction kits and instruments as well as launched the QIAstat-Dx Respiratory SARS-CoV-2 Panel to accelerate the detection of the virus.

Meanwhile, QIAGEN shareholders recently overwhelmingly rejected the tender offer related to the company's \$13 billion sell-off deal to Thermo Fisher. This was particularly based on QIAGEN's growing business prospects around COVID-19 related opportunities.

▲ **Huge Potential in Molecular Diagnostics:** Despite a decline in QuantiFERON latent tuberculosis test sales during the first quarter of 2020, the company registered a 12% CER sales gain. It also witnessed strong sales growth of the QIAAsymphony automation system, the QIAcube Connect sample processing instrument and the QIAstat-Dx syndromic testing instrument.

Despite a decline in QuantiFERON latent tuberculosis test sales during the second quarter of 2020, the company witnessed strong sales growth of QIAAsymphony and QIAstat-Dx.

Currently, QIAGEN is in a position to deliver about 12 million QuantiFERON-TB tests annually. The company believes that, there is still significant market conversion opportunity among the 70 million latent TB tests done annually which can be converted to modern blood-based testing from the tuberculin skin test. Further, the QuantiFERON-TB Gold Plus (QFT-Plus) has been adopted by Nigeria to prevent the spread of tuberculosis.

QuantiFERON Access is expected to be launched near the end of 2020 as a CE-IVD solution, thus contributing to the company's QuantiFERON-TB's momentum.

▲ **International Focus to Drive Growth:** QIAGEN currently markets products in more than 100 countries. In the quarter under review, revenues from Europe-Middle East-Africa (37% of revenues) rose 40% reportedly (up 44% at CER) to \$164 million. Further, revenues from Asia-Pacific/Japan (23% of revenues) rose 20% year over year on a reported basis (up 23% at CER) to \$99 million.

▲ **Progress With Test Menu Expansion:** QIAGEN is progressing well with its testing menu expansion strategy. The company is currently establishing its European footprint for the QIAstat-Dx system, which is gaining recognition as the next-generation solution (NGS) for providing accurate insights into complex disease syndromes, such as respiratory and gastrointestinal conditions.

Of late, QIAGEN has been on a launching spree. In April, QIAGEN received the FDA's approval for its therascreen BRAF V600E RGQ Polymerase Chain Reaction Kit (therascreen BRAF V600E) as a companion diagnostic to the BRAF inhibitor, BRAFTOVI (encorafenib), followed by the subsequent launch of the kit. In May, the company launched novel solutions to enable faster and better analysis of genomic variations in cancer. The regulatory approval and the acceleration of multiple applications of Precision Medicine look encouraging.

Earlier, QIAGEN launched therascreen PIK3CA RGQ PCR kit in Europe following the receipt of CE mark. The kit will serve as an aid to identify breast cancer patients with a PIK3CA mutation. The therascreen PIK3CA test was approved by the FDA last year and was launched as a companion diagnostic test for Piqray (alpelisib) in the United States. The NeuMoDx 96, following its commercial launch, is progressing well.

▲ **Strategic Collaborations to Drive Growth:** QIAGEN's long-term business strategy involves entering into strategic alliances as well as marketing and distribution arrangements with academic, corporate and other partners relating to the development, commercialization, marketing and distribution of certain of their existing and potential products. We are currently upbeat about QIAGEN's 15-year of strategic partnership with Illumina in NGS clinical decision-making. This partnership should enable the company to broaden the use of NGS in clinical laboratories. Further, QIAGEN's alliances with NeoGenomics in the field of cancer genetic testing services and with DiaSorin in automated TB testing are significant.

In January, QIAGEN entered a collaboration with Amgen to develop tissue-based companion diagnostics for Amgen's investigational cancer treatment AMG 510. This will help identify patients with cancer that have the KRAS G12C mutation.

▲ **Solid NGS Platform Projection:** QIAGEN has highlighted certain strategies to boost top-line contributions from the NGS portfolio to \$180 million in 2019 from more than \$140 million in 2018. Notably, the platform has been witnessing double-digit revenue growth over the past few quarters. Management aims to expand the NGS platform by rapidly scaling-up the new Enterprise Genomics Services. It also working on the launch of a range of proprietary Digital NGS technology-based new gene panels within the GeneReader system.

QIAGEN's QIAseq multimodal panels to strengthen its universal NGS solution portfolio is also progressing well. This is currently the only solution that can be utilized in the extraction and sequencing of DNA variance and RNA fusions as well as in the assessment of gene expression in a single workflow from a single sample.

▲ **Demand for Testing Rises Amid Pandemic:** The coronavirus pandemic has been wreaking havoc on the economy as a whole. However, QIAGEN seems to be an exception to the havoc. The company's second quarter 2020 results reflected high demand for products used in

COVID-19 testing, which has more than offset the weaker trends in other areas of the business. The company registered strong sales growth trends in consumables and related revenues (up 14% at CER) on robust demand for COVID-19 solutions.

QIAGEN developed and launched the latest QIAstat-Dx Respiratory SARS-CoV-2 Panel, which is a syndromic testing solution designed to differentiate coronavirus from 21 other respiratory pathogens. This testing solution runs on the company's QIAstat-Dx Analyzer, which is currently installed in various hospitals, clinics and laboratories across geographies.

Risks

- **Reliance on Commercial Relationships:** QIAGEN's personalized Healthcare business comprises formation of projects with pharmaceutical and biotechnology companies to co-develop companion diagnostics paired with drugs that those companies either market currently or are developing for future use. The future level of sales for companion diagnostics depends to a high degree on the commercial success of the related medicines for which the tests have been designed to be used for determining their use in patients. In addition, risks remain that the company may be unable to maintain these relationships and its collaborative partners may pursue or develop competing products or technologies, either on their own or in collaboration with others.
- **Competitive Headwinds:** Considering QIAGEN's huge gamut of services, the company is also susceptible to competitive headwinds. The company is facing increasing competition from firms that provide competitive pre-analytical solutions and other products used by QIAGEN's customers. The markets for some of the company's products are very competitive and price sensitive. Other product suppliers may have significant advantages in terms of financial, operational, sales and marketing resources as well as experience in research and development. Moreover, according to the company, customers in the market for pre-analytical sample technologies as well as for assay technologies display significant loyalty to their initial supplier of a particular product. As a result, it may be difficult to convert customers who have purchased products from competitors.
- **Foreign Exchange Uncertainties:** Recording more than 50% of its revenues from the international market, QIAGEN is highly exposed to the risk of foreign currency movement. The situation may worsen with the strengthening of the domestic currency against high-focus nations. Any unanticipated currency headwinds in high-focus markets may drag the top and the bottom line further in the future.
- **Weak Solvency With High Leverage:** QIAGEN exited the second quarter of 2020 with cash and cash equivalents, and short-term investments of \$899 million compared with \$903 million at the end of the first quarter of 2020. Meanwhile, total debt marginally reduced to \$1.706 billion for the period from \$1.712 billion in the preceding quarter. This figure is much higher than the quarter-end cash and cash equivalent, and short-term investments level, indicating weak solvency.

However, if we go by the company's debt payable in the near term, it stands at \$306 million, much lower than the current cash holding. This implies that the company has sufficient cash for debt repayment despite the pandemic.

Debt comparison with the industry is, however, favorable as the industry's total debt of \$2.50 billion, stands much higher to the company's debt level.

The quarter's total debt-to-capital ratio of 0.39 indicates a moderately leveraged balance sheet. However, it represents a sequential decline from 0.41. This compares favorably with the industry, which stands at a higher level of 0.51.

Meanwhile, the times interest earned for the company stands at a pretty discouraging level of 1%. This, compares unfavorably with the times interest earned for the industry, which stands at a higher level (6.7%).

Last Earnings Report

QIAGEN Q2 Sales Top Estimates on Growing COVID-19 Testing Demand

QIAGEN's second-quarter 2020 adjusted earnings per share (EPS) were 55 cents, up 66.7% year over year (up 69.7% at constant exchange rate or CER). The figure was in line with the Zacks Consensus Estimate.

Notably, the bottom line matched the low end of the company's preliminary earnings projection of 55-56 cents at CER, announced on Jul 9, 2020.

The adjustment excludes the impact of certain non-recurring items like business integration, acquisition and restructuring related expenses, and purchased intangibles amortization expenses, among others.

GAAP EPS for the quarter was 38 cents per share, up 100% year over year.

Revenues in Detail

Net sales at actual rates in the second quarter rose 16.2% on a year-over-year basis to \$443.3 million (up 19% at CER). Also, the top line exceeded the Zacks Consensus Estimate by a marginal 0.1%.

Notably, the top line was in line with the company's preliminary results.

Robust sales were recorded on significant demand for testing solutions used in the COVID-19 pandemic. However, there were weaker customer demand trends in other business arms of the company.

Geographical Revenue Update

In the quarter under review, sales from the Americas (40% of revenues) totaled \$177 million, down 2% on a reported basis (down 1% at CER).

Revenues from Europe-Middle East-Africa (37% of revenues) rose 40% reportedly (up 44% at CER) to \$164 million.

Further, revenues from Asia-Pacific/Japan (23% of revenues) rose 20% year over year on a reported basis (up 23% at CER) to \$99 million.

Segmental Details

As of the second quarter of 2020, QIAGEN has two major customer classes which are Molecular Diagnostics (that includes human healthcare including Precision Medicine and companion diagnostics) and Life Sciences (that includes Pharma and Academia/Applied Testing).

Molecular Diagnostics (representing 46% of net sales) revenues were up 9% on a reported basis (up 12% at CER) to \$204 million.

Life Sciences (54% of total revenues) reported revenues of \$239 million, up 23% on a reported basis (up 25% at CER).

Sales derived from Applied Testing/Academia rose 39% on a reported basis (up 42% at CER) to \$164 million. Pharma sales, however, dropped 1% on a reported basis (unchanged at CER) in the second quarter to \$75 million.

Operational Update

Adjusted gross profit in the quarter under review rose 16.7% to \$309.9 million. Adjusted gross margin expanded 31 basis points (bps) to 69.9% despite a 14.9% rise in adjusted cost of revenues (adjusting for acquisition-related intangible amortization) to \$133.3 million.

Adjusted operating income (excluding items like acquisition-related intangible amortization, restructuring and integration, asset impairment) rose 69.1% year over year to \$159.9 million in the second quarter. Adjusted operating margin expanded a huge 1129 bps to 36.1%.

Financial Update

QIAGEN exited the second quarter of 2020 with cash and cash equivalents, and short-term investments of \$744.2 million, up from \$744.7 million at the end of the first quarter. Long-term debt (including current portion) was \$ 1.705 billion at the second quarter of 2020, compared with \$1.712 billion in the preceding quarter.

Cumulative net cash flow from operating activities at the end of the second quarter of 2020 was \$150.6 million compared with \$127.2 million a year ago.

Capital expenditure in the reported quarter was \$50.2 million, down from the year-ago \$54.4 million. The company reported free cash outflow of \$100.4 million at the end of the second quarter compared with \$72.9 million a year ago.

The company spent \$74.4 million on its share repurchase program and \$430 million for redemption of the 2019 convertible notes over the first six months of 2020.

Quarter Ending 06/2020

Report Date	Aug 04, 2020
Sales Surprise	0.06%
EPS Surprise	0.00%
Quarterly EPS	0.55
Annual EPS (TTM)	1.73

Recent News

Sell-Off Deal Terminates: Aug 13, 2020

QIAGEN announced that it will continue to execute its growth streak aiming to create significant value for shareholders and other stakeholders after the voluntary public takeover offer by Thermo Fisher Scientific did not achieve the minimum 66.67% acceptance threshold from QIAGEN shareholders.

QIAGEN Launches Solutions Related to Precision Medicine: May 28, 2020

QIAGEN announced the launch of latest solutions enabling faster and improved analysis of genomic variations in cancer, thus accelerating multiple applications of Precision Medicine.

QIAGEN Publishes Sell-Off Related Statement: May 18, 2020

QIAGEN announced the publication of its Reasoned Position Statement in response to the Offer Document published by Thermo Fisher Scientific Inc.

Valuation

QIAGEN shares are up 53.2% in the year-to-date period and up 50.8% in the trailing 12-month periods. Stocks in the Zacks sub-industry are up 1.6% while the Zacks Medical sector improved 0.5% in the year-to-date period. Over the past year, the Zacks sub-industry is up 15.9% and sector is up 10.2%.

The S&P 500 index is up 6.9% in the year-to-date period and increased 20.4% in the past year.

The stock is currently trading at 23.2X Forward 12-months earnings, which compares to 52.1X for the Zacks sub-industry, 22.3X for the Zacks sector and 23.1X for the S&P 500 index.

Over the past five years, the stock has traded as high as 30.4X and as low as 16.6X, with a 5-year median 23.5X. Our Outperform recommendation indicates that the stock will perform above the market. Our \$56 price target reflects 25.1X forward 12-months earnings.

The table below shows summary valuation data for QGEN

Valuation Multiples - QGEN					
		Stock	Sub-Industry	Sector	S&P 500
P/E F 12M	Current	23.16	52.14	22.29	23.12
	5-Year High	30.42	67.1	23.21	23.12
	5-Year Low	16.57	21.11	15.89	15.25
	5-Year Median	23.51	37.65	18.97	17.58
P/S F12M	Current	6.22	2.74	2.81	3.77
	5-Year High	6.68	3.25	3.42	3.77
	5-Year Low	3.44	1.93	2.23	3.44
	5-Year Median	4.88	2.72	2.89	4.88
P/B TTM	Current	4.5	3.06	3.85	4.66
	5-Year High	4.56	5.87	5.07	4.66
	5-Year Low	1.79	2.06	2.94	2.83
	5-Year Median	2.97	3.87	4.29	3.76

As of 08/25/2020

Industry Analysis Zacks Industry Rank: Bottom 30% (177 out of 252)



Top Peers

Company (Ticker)	Rec	Rank
Horizon Therapeutics Public Limited Company (HZNP)	Outperform	1
Alkermes plc (ALKS)	Neutral	3
SWEDISH ORP BIO (BIOVF)	Neutral	4
BioMarin Pharmaceutical Inc. (BMRN)	Neutral	4
Exelixis, Inc. (EXEL)	Neutral	3
Incyte Corporation (INCY)	Neutral	3
Roche Holding AG (RHHBY)	Neutral	3
SINO PHARMACEUT (SBMFF)	Neutral	3

Industry Comparison Industry: Medical - Biomedical And Genetics				Industry Peers		
	QGEN	X Industry	S&P 500	BMRN	HZNP	INCY
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	1	-	-	4	1	3
VGM Score	D	-	-	B	F	B
Market Cap	11.79 B	272.85 M	23.77 B	13.49 B	15.22 B	20.84 B
# of Analysts	5	3	14	9	6	6
Dividend Yield	0.00%	0.00%	1.65%	0.00%	0.00%	0.00%
Value Score	D	-	-	D	D	C
Cash/Price	0.08	0.23	0.07	0.10	0.05	0.08
EV/EBITDA	45.77	-3.88	13.35	412.70	47.46	35.51
PEG Ratio	2.63	1.74	3.03	NA	0.90	NA
Price/Book (P/B)	4.50	4.14	3.17	4.17	5.95	8.89
Price/Cash Flow (P/CF)	19.49	18.30	12.81	116.77	21.24	38.09
P/E (F1)	25.13	25.97	21.72	54.62	25.82	NA
Price/Sales (P/S)	7.32	15.49	2.47	7.30	10.03	8.73
Earnings Yield	4.00%	-12.64%	4.45%	1.83%	3.88%	-0.30%
Debt/Equity	0.53	0.02	0.75	0.33	0.42	0.01
Cash Flow (\$/share)	2.66	-1.08	6.93	0.64	3.47	2.50
Growth Score	D	-	-	A	D	A
Hist. EPS Growth (3-5 yrs)	9.09%	19.03%	10.41%	NA	5.93%	52.48%
Proj. EPS Growth (F1/F0)	44.76%	15.73%	-4.92%	46.47%	47.16%	-110.25%
Curr. Cash Flow Growth	9.25%	13.92%	5.20%	200.25%	10.70%	132.41%
Hist. Cash Flow Growth (3-5 yrs)	5.76%	7.73%	8.50%	27.84%	39.60%	140.30%
Current Ratio	1.71	6.03	1.33	3.26	1.51	3.73
Debt/Capital	34.82%	3.39%	44.20%	24.90%	29.79%	1.34%
Net Margin	0.86%	-199.98%	10.25%	6.62%	34.09%	-8.00%
Return on Equity	15.85%	-59.07%	14.66%	4.37%	19.67%	-8.06%
Sales/Assets	0.31	0.19	0.51	0.38	0.36	0.76
Proj. Sales Growth (F1/F0)	15.48%	1.00%	-1.45%	9.91%	48.02%	17.06%
Momentum Score	F	-	-	B	F	C
Daily Price Chg	0.31%	0.94%	-0.03%	1.92%	0.59%	1.35%
1 Week Price Chg	5.90%	0.00%	-1.45%	-36.50%	3.47%	-0.80%
4 Week Price Chg	4.48%	-0.40%	3.76%	-39.43%	24.36%	-5.27%
12 Week Price Chg	17.84%	-1.47%	5.99%	-31.32%	46.42%	-5.54%
52 Week Price Chg	50.74%	9.53%	4.07%	-0.37%	168.95%	18.75%
20 Day Average Volume	2,176,450	320,033	1,880,903	3,454,861	2,829,712	1,182,211
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-32.77%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.96%	0.00%	1.03%	-22.08%	59.23%	5.08%
(F1) EPS Est 12 week change	19.31%	1.34%	3.40%	-16.67%	67.30%	13.18%
(Q1) EPS Est Mthly Chg	-1.34%	0.00%	0.00%	-206.94%	81.33%	-32.85%

Zacks Stock Rating System

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

Zacks Recommendation

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

Zacks Rank

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

Zacks Style Scores

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

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

Value Score	D
Growth Score	D
Momentum Score	F
VGM Score	D

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

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