

Rite Aid Corporation (RAD)

\$18.19 (As of 03/18/20)

Price Target (6-12 Months): **\$20.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 03/09/20)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM:A

Value: A

Growth: A

Momentum: F

Summary

Shares of Rite Aid have rose and outpaced the industry in the past three months. The stock further received a boost after it announced to expand services amid the COVID-19 crisis. Moreover, the company revised its FY20 view and provided FY21 outlook and long-term targets which appear encouraging. Further, solid in third-quarter fiscal 2020 results bode well. Earnings benefited from higher adjusted EBITDA, courtesy of tight expense control and higher prescription count at retail pharmacies. Improved pharmacy network at EnvisionRxOptions also drove results. Notably, it delivered sixth straight quarter of prescription count growth. However, weak front-end sales have been hurting the company's top line. This coupled with projections of lower prescription reimbursement rates might hurt performance. Bleak EBITDA view for fiscal 2020 is also a concern.

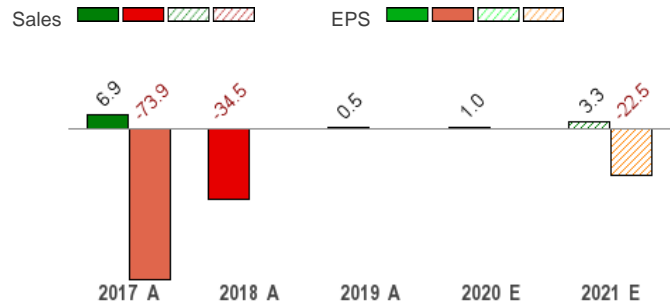
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$23.88 - \$5.04
20 Day Average Volume (sh)	7,135,295
Market Cap	\$1.0 B
YTD Price Change	19.2%
Beta	1.52
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Retail - Pharmacies and Drug Stores
Zacks Industry Rank	Top 43% (110 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	1,700.0%
Last Sales Surprise	0.6%
EPS F1 Est- 4 week change	-47.4%
Expected Report Date	04/09/2020
Earnings ESP	0.0%
P/E TTM	36.2
P/E F1	58.7
PEG F1	58.7
P/S TTM	0.1

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	5,552 E	5,551 E	5,651 E	5,698 E	22,584 E
2020	5,373 A	5,366 A	5,462 A	5,659 E	21,860 E
2019	5,388 A	5,421 A	5,450 A	5,380 A	21,640 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	-\$0.14 E	\$0.20 E	\$0.54 E	\$0.04 E	\$0.31 E
2020	-\$0.14 A	\$0.12 A	\$0.54 A	-\$0.13 E	\$0.40 E
2019	-\$0.20 A	-\$0.20 A	\$0.20 A	-\$0.20 A	\$0.00 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 03/18/2020. The reports text is as of 03/19/2020.

Overview

Rite Aid Corporation, headquartered in Camp Hill, PA, is the third largest retail drugstore in the United States, based on revenues and number of stores. As of Nov 30, 2019, the company operated 2,400 retail pharmacy stores across 18 states. Through EnvisionRxOptions, the company also provides pharmacy benefit management to nearly 1,900 clients and 3.4 million members.

The company operates its business in two distinct segments – Retail Pharmacy Segment and Pharmacy Services Segment.

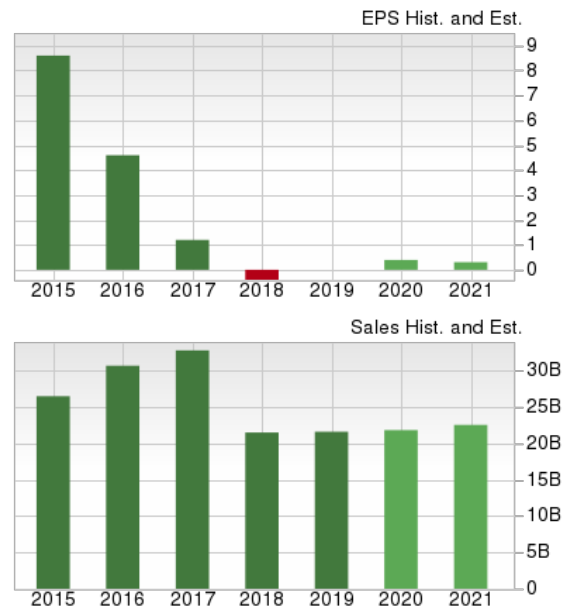
Retail Pharmacy Segment consists of Rite Aid stores, RediClinic and Health Dialog. *Rite Aid stores* offer prescription drugs and a wide assortment of other merchandise called "front-end" products. Front-end products include over-the-counter (OTC) medications, health and beauty aids, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise and other convenience products.

RediClinic is an operator of retail clinics. RediClinics are staffed by board-certified nurse practitioners and physician assistants, who are trained and licensed to treat common conditions and provide preventative services, in collaboration with local physicians affiliated with a leading health care system in each market. The company operated a total of 65 RediClinics at the end of fiscal 2019.

Health Dialog provides healthcare coaching and disease management services to health plans and employers. Health Dialog provides these services using a call in line staffed by nurse practitioners and through an on-line platform.

Pharmacy Services Segment comprises the EnvisionRx – its PBM operations that have been rebranded as EnvisionRxOptions. This segment provides a broad range of pharmacy benefits and services, including both transparent and traditional PBM options through its EnvisionRx and MedTrakRx PBMs, EnvisionPharmacies, EnvisionInsurance, EnvisionSavings and Laker Software.

In January 2019, Rite Aid proposed a 1-for-20 reverse stock split to regain compliance with NYSE minimum average share price listing requirements. The company's shares started trading on a split-adjusted basis from Apr 22.



Reasons To Buy:

▲ **Rite Aid's Move to Expand Services Amid COVID-19 Outbreak Boosts Stock:** Shares of Rite Aid rallied 31.4% in the past three months outperforming the industry's loss of 19.7%. The stock further received a boost following its announcement of expanding services to its customers amid the COVID-19 crisis. Notably, the company will provide home service delivery to customers with an eligible prescription. Also, the customers will have the benefit of zero delivery fees. Apart from this, it will also offer pick up services for prescriptions and over-the-counter products, and customers can use the drive-through option available at more than 50% of its retail locations. Moreover, the company will continue to operate its online business - RiteAid.com. Customers who belong to the Rite Aid wellness+ rewards program will also be able to access healthcare professionals and pharmacists at 1-800-Rite Aid or via live chat on its website.

Rite Aid delivered sixth straight quarter of prescription count growth in third-quarter fiscal 2020. This improvement was backed by increased immunizations and strong clinical pharmacy services.

▲ **Growth Efforts & Revised View Bodes Well:** As part of its corporate strategy and growth plan, Rite Aid remain focused on strengthening its foothold in mid-market PBM, innovation across its retail and mail-order pharmacy channels, enhancing in-store experience by curated digital offerings, improved merchandises and rebranding its image with a new logo. Earlier, it undertook turnaround initiatives including lowering leverage ratio, increasing focus on innovation and enhancing its technological platform. Moreover, it remains focused on doubling its pharmacy business. Encouragingly, management revised its fiscal 2020 guidance wherein revenues are now anticipated to be \$21.9-\$21.92 billion, up from earlier guided view of \$21.5-\$21.9 billion. Same store sales is estimated to grow 1-1.1%, an increase from 0-1% forecasted earlier. For fiscal 2021, it expects revenues to be \$22.5-\$22.9 billion and adjusted EBITDA to be \$500-\$540 million. The bottom line is envisioned to be in the range of a loss of 22 cents to earnings of 19 cents. Same-store sales in retail pharmacy is touted to be up 1.5-2.5% while revenues in pharmacy service segment is likely to be \$6.75-\$6.85 billion. Fiscal 2021 outlook includes restructuring cost of roughly \$60 million which will not be a part of the EBITDA. Additionally, the company provided long-term outlook to be achieved by fiscal 2023. In this regard, it foresees adjusted EBITDA growth during this period along with positive cash flow. Moreover, Pharmacy benefits and services revenue is expected to grow high-single to low-double digits.

▲ **Robust Q3 Earnings:** The company delivered solid earnings and sales in third-quarter fiscal 2020. Quarterly adjusted earnings per share of 54 cents significantly outshined the Zacks Consensus Estimate of 3 cents and the year-ago quarter's adjusted figure of 28 cents. Notably, the bottom line mainly benefited from higher adjusted EBITDA, stemming from tight expense control and higher prescription count at retail pharmacies. Improved pharmacy network management at EnvisionRxOptions also drove performance. Moreover, higher Medicare Part D revenues and prescription count sales growth aided performance.

▲ **Increased Focus on EnvisionRxOptions:** Rite Aid remains on track with its growth strategy, which focuses on leveraging unique opportunities such as EnvisionRxOptions, enhancing the front-end channels and transforming processes to deliver operational efficiency. It continues to invest in the expansion of EnvisionRxOptions, especially its services, technologies and clinical offerings. Revenues in the EnvisionRxOptions increased nearly 6% in third-quarter fiscal 2020, driven by increase in Medicare Part D membership and improved pharmacy network management. Going forward, management is optimistic about the company on the back of EnvisionRxOptions as well as health and wellness offerings. In fiscal third quarter, prescription sales contributed 67.7% to total drugstore sales. Notably, the company delivered sixth straight quarter of prescription count improvement backed by increased immunizations and strength in the company's clinical pharmacy services. Prescription count at same-store sales, adjusted to 30-day equivalents, rose 2.8% in fiscal third quarter. Excluding cigarettes and tobacco products, front-end same-store sales inched up 1%.

In addition, the company is keen on capturing opportunities through diverse brand offerings. Apparently, the company has partnered with UNFI for introducing the Wild Harvest brand in Rite Aid stores. The Wild Harvest brand line up, acclaimed for natural and organic properties, has been boosting the company's wellness offerings. Furthermore, with a view to boost demand for CBD products, the company started selling CBD creams, lotions and lip balms at certain stores. Management expects all such moves to yield results in the forthcoming periods.

▲ **Drug Purchasing Deal to Support Retail Pharmacy Business:** With a view to retain strength in its Retail Pharmacy business, the company renewed the drug purchasing agreement with McKesson, which will extend for another 10 years. As part of the agreement, McKesson will continue providing Rite Aid with sourcing and direct-to-store delivery for branded and generic pharmaceutical products through March 2029. The partnership will provide Rite Aid with a combination of competitive drug pricing and operational flexibility, which will enhance shareholder value. This extension also represents a key step in strengthening the pharmacy business, with continued focus on improving access to preferred and limited networks and executing key script growth initiatives like further expanding its clinical pharmacy offerings.

▲ **Enhancing Customer Experience to Gain Market Share:** In order to increase its market share in an extremely competitive industry, the company has focused on remodeling its wellness stores. In another move to enhance customer experience, Rite Aid has shifted e-commerce fulfillment from a third-party provider to its own distribution network. This has reduced fulfillment lead time, lowered cost and helped increase online offering by 25%. Additionally, it is enhancing home delivery through partnership with Instacart. This technology-driven, on-demand delivery service should strengthen the company's omni-channel capabilities, and provide increased convenience and value to customers. Moreover, its partnership with Amazon to add Locker and counter services to Rite Aid stores remains a key opportunity to improve traffic. The company is likely to soon offer an Amazon pickup solution at every Rite Aid store. In fact, it has been receiving favorable consumer response for self checkout facility, so far introduced in 100 stores across New York City and Los Angeles. In the first half of the next year, management intends to introduce self checkout across 200 additional stores. Additionally, the company formed a partnership with Adobe to enhance digital solutions and marketing capabilities. All these moves are expected to improve customer experience, positioning Rite Aid to deliver long-term growth.

Reasons To Sell:

- ▼ **Weak Front-End Sales:** Rite Aid has been witnessing weak front-end same-store sales since the past few quarters. In third-quarter fiscal 2020, the metric fell 0.5%. The downside followed declines of 1.8% and 0.3% in the preceding quarters. During fourth-quarter fiscal 2019, sales in this category fell 1.9%. Softness in tobacco, owing to regulation changes, which restricted selling tobacco in some New York stores, and in over-the-counter cough-cold and flu products are affecting front-end performance.
- ▼ **Soft EBITDA Outlook:** Rite Aid has been reporting weak adjusted EBITDA for a while, mainly due to lower front-end same-store sales. Although adjusted EBITDA increased third-quarter fiscal 2020, management's revised EBITDA guidance for the fiscal year remains bleak. The company has recently narrowed adjusted EBITDA view which is now projected to be \$530-\$535 million, as compared to its earlier guided view of \$515-\$545 million. Lower EBITDA might remain a threat to the company's bottom-line results. Further, management projects lower prescription reimbursement rates in fiscal 2020.
- ▼ **Consolidating Healthcare Industry – A Major Threat:** Over the last few years, many healthcare companies have merged to form a larger enterprise. As an enterprise, these companies enjoy greater power as well as cost and pricing benefits. The merger of Walgreen and Alliance Boots is an important example of such an alliance, which will together generate annual revenues of over \$76 billion. Continuation of such a trend will reduce Rite Aid's bargaining power, thereby weighing on the prices of the company's products and services. To compete with such large enterprises, Rite Aid will have to either increase its revenue streams or reduce costs.
- ▼ **Competitive Risks:** Rite Aid's generic drug sales have been adversely affected by Wal-Mart's strategy of entering the retail generic drug market. Due to Wal-Mart's wide array of manufacturers in India, Israel, and the U.S., the mass merchant offers generic drugs at a discounted price compared with its rival companies.

Rite Aid expects performance in fiscal 2020 to be hurt by a decline in prescription reimbursement rates. This coupled with weak front-end same-store sales might weigh on the company's top line.

Last Earnings Report

Rite Aid Beats Q3 Earnings Estimates, Updates View

Quarter Ending **11/2019**

Rite Aid reported better-than-expected earnings and sales in third-quarter fiscal 2020 results. The company delivered adjusted earnings from continuing operations of 54 cents per share, which significantly beat the Zacks Consensus Estimate of 3 cents. Also, the bottom line increased from the year-ago quarter's adjusted figure of 28 cents. Further, it revised view for the current fiscal.

Notably, the bottom line benefited from higher adjusted EBITDA, courtesy of tight expense control and higher prescription count at retail pharmacies. Improved pharmacy network management at EnvisionRxOptions also aided performance. Further, the company has been investing in the expansion of EnvisionRxOptions, especially its services, technologies and clinical offerings.

Management stated that it will announce a comprehensive strategy for revitalizing the retail pharmacies as well as training pharmacists to cater to health and wellness needs.

Q3 in Detail

Revenues inched up 0.2% to \$5,462.3 million and surpassed the Zacks Consensus Estimate of \$5,428 million. During the fiscal third quarter, the Retail Pharmacy segment revenues slipped 1.7% due to lower store count. In the Pharmacy Services segment, revenues rose 5.7% owing to rise in Medicare Part D membership.

Retail Pharmacy same-store sales slipped 0.1%, thanks to 0.5% decline in front-end sales. The downside was partly offset by 0.1% rise in pharmacy sales. Excluding cigarettes and tobacco products, front-end same-store sales inched up 1%. Pharmacy sales included an adverse impact of nearly 331 basis points (bps) from the introduction of new generic drugs. Further, prescription count at same-store sales, adjusted to 30-day equivalents, rose 2.8%. Prescription sales contributed 67.7% to total drugstore sales.

Rite Aid's adjusted EBITDA increased 10.7% year over year to \$158.1 million and adjusted EBITDA margin expanded 30 bps to 2.9%. The upside can be attributed to higher adjusted EBITDA in the Retail Pharmacy and Pharmacy Services segments.

Moreover, the Retail Pharmacy's adjusted EBITDA benefited from robust labor and expense control, somewhat offset by lower gross profit and decline in the Transition Service Agreement fee income from Walgreens Boots Alliance. The Pharmacy Services segment gained from improved pharmacy network performance.

Financial Status

Rite Aid ended the quarter with cash and cash equivalents of approximately \$289.5 million, long-term debt (net of current maturities) of \$3,566.3 million and total shareholders' equity of \$1,015.9 million.

Further, the company used cash from operating activities of \$423.7 million in the fiscal third quarter.

Outlook

Rite Aid updated its outlook for fiscal 2020. The view includes the assumption of higher prescription count as well as improvements in drug costs and SG&A expenses, compensated with lower prescription reimbursement rates. Moreover, EnvisionRxOptions are likely to witness consistent improvements in pharmacy network as well as initial results of SG&A decline and gains from integration and restructuring efforts.

It continues to project sales in the range of \$21.5-\$21.9 billion for fiscal 2020. The company projects same-store sales growth in the band of 0-1% over fiscal 2019. Moreover, Rite Aid now anticipates adjusted EBITDA to be between \$515 million and \$545 million compared with the earlier projection of \$510-\$550 million for fiscal 2020.

Further, the company estimates net loss in the band of \$174-\$204 million compared with the prior expectation of \$235-\$275 million. The company now envisions adjusted earnings in the band of 13-55 cents per share compared with the earlier guidance of flat to 56 cents. Meanwhile, capital expenditures are expected to be nearly \$230 million.

Recent News

Rite Aid Joins Fight Against COVID-19 by Expanding Service – Mar 17, 2020

In response to the outbreak, Rite Aid has come forward to play its part in this crisis. Notably, the company will provide home service delivery to customers with an eligible prescription. Also, the customers will have the benefit of zero delivery fees. However, the company clarified that products such as refrigerated medications and controlled substances will not be eligible for delivery. For more details, customers can contact their nearest Rite Aid pharmacist.

Apart from this, it will also offer pick up services for prescriptions and over-the-counter products, and customers can use the drive-through option available at more than 50% of its retail locations. Moreover, the company will continue to operate its online business - RiteAid.com. Customers who belong to the Rite Aid wellness+ rewards program will also be able to access healthcare professionals and pharmacists at 1-800-Rite Aid or via live chat on its website.

Rite Aid Updates Outlook & Announces Growth Plans – Mar 16, 2020

As part of its corporate strategy and growth plan, Rite Aid remain focused on strengthening its foothold in mid-market PBM, innovation across its retail and mail-order pharmacy channels, enhancing in-store experience by curated digital offerings, improved merchandises and rebranding its image with a new logo. Earlier, it undertook turnaround initiatives including lowering leverage ratio, increasing focus on innovation and enhancing its technological platform. Moreover, it remains focused on doubling its pharmacy business.

Encouragingly, management revised its fiscal 2020 guidance wherein revenues are now anticipated to be \$21.9-\$21.92 billion, up from earlier guided view of \$21.5-\$21.9 billion. Same store sales is estimated to grow 1-1.1%, an increase from 0-1% forecasted earlier. For fiscal 2021, it expects revenues to be \$22.5-\$22.9 billion and adjusted EBITDA to be \$500-\$540 million. The bottom line is envisioned to be in the range of a loss of 22 cents to earnings of 19 cents. Same-store sales in retail pharmacy is touted to be up 1.5-2.5% while revenues in pharmacy service segment is likely to be \$6.75-\$6.85 billion. Fiscal 2021 outlook includes restructuring cost of roughly \$60 million which will not be a part of the EBITDA. Additionally, the company provided long-term outlook to be achieved by fiscal 2023. In this regard, it foresees adjusted EBITDA growth during this period along with positive cash flow. Moreover, Pharmacy benefits and services revenue is expected to grow high-single to low-double digits.

Valuation

Rite Aid shares are up 19.2% in the year-to-date period and nearly 32.5% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Retail-Wholesale sector are down 19.8% and 18.1%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are down 9% and 11%, respectively.

The S&P 500 index is down 25.4% in the year-to-date period and 15.9% in the past year.

The stock is currently trading at 0.05X forward 12-month sales, which compares to 0.27X for the Zacks sub-industry, 0.84X for the Zacks sector and 2.58X for the S&P 500 index.

Over the past five years, the stock has traded as high as 0.32X and as low as 0.01X, with a 5-year median of 0.09X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$20 price target reflects 0.05X forward 12-month sales.

The table below shows summary valuation data for RAD

Valuation Multiples - RAD					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.05	0.27	0.84	2.58
	5-Year High	0.32	0.79	1.11	3.43
	5-Year Low	0.01	0.24	0.8	2.54
	5-Year Median	0.09	0.46	0.92	3
P/B TTM	Current	1	1.16	3.55	3.23
	5-Year High	153.6	3.22	5.87	4.55
	5-Year Low	0.27	1.03	3.45	2.85
	5-Year Median	3.48	2.36	4.8	3.63
EV/EBITDA TTM	Current	9.64	8.25	12.83	8.87
	5-Year High	14.25	13.66	16.23	12.88
	5-Year Low	NA	5.85	10.82	8.31
	5-Year Median	7.61	8.53	12.49	10.78

As of 03/18/2020

Industry Analysis Zacks Industry Rank: Top 43% (110 out of 253)



Top Peers

Cigna Corporation (CI)	Neutral
CVS Health Corporation (CVS)	Neutral
GNC Holdings, Inc. (GNC)	Neutral
Herbalife LTD. (HLF)	Neutral
The Kroger Co. (KR)	Neutral
Target Corporation (TGT)	Neutral
Walgreens Boots Alliance, Inc. (WBA)	Neutral
Walmart Inc. (WMT)	Neutral

Industry Comparison Industry: Retail - Pharmacies And Drug Stores				Industry Peers		
	RAD Neutral	X Industry	S&P 500	CVS Neutral	GNC Neutral	WBA Neutral
VGM Score	A	-	-	B	B	B
Market Cap	1.01 B	1.01 B	16.02 B	74.57 B	34.10 M	46.78 B
# of Analysts	2	2	13	11	2	10
Dividend Yield	0.00%	0.00%	2.66%	3.50%	0.00%	3.47%
Value Score	A	-	-	C	A	C
Cash/Price	0.45	0.20	0.06	0.10	1.33	0.02
EV/EBITDA	18.96	9.15	10.21	9.15	2.42	10.80
PEG Ratio	58.68	1.24	1.46	1.24	0.05	1.38
Price/Book (P/B)	1.00	1.55	2.18	1.16	NA	1.93
Price/Cash Flow (P/CF)	1.36	5.88	8.79	5.46	0.34	6.30
P/E (F1)	58.68	8.84	12.92	8.02	1.00	9.01
Price/Sales (P/S)	0.05	0.34	1.74	0.29	0.02	0.34
Earnings Yield	1.68%	11.31%	7.70%	12.47%	102.50%	11.10%
Debt/Equity	6.22	0.21	0.70	1.30	-4.02	1.34
Cash Flow (\$/share)	13.52	3.36	7.01	10.47	1.18	8.38
Growth Score	A	-	-	B	D	B
Hist. EPS Growth (3-5 yrs)	NA%	6.03%	10.85%	10.58%	-46.69%	12.45%
Proj. EPS Growth (F1/F0)	-22.78%	1.27%	5.12%	0.75%	65.31%	-2.15%
Curr. Cash Flow Growth	16.33%	-16.33%	6.03%	-16.33%	-38.97%	-2.42%
Hist. Cash Flow Growth (3-5 yrs)	-0.39%	-0.39%	8.55%	14.66%	-21.45%	11.05%
Current Ratio	1.46	1.21	1.23	0.94	1.21	0.66
Debt/Capital	86.15%	56.90%	42.57%	56.58%	NA	57.22%
Net Margin	-1.86%	2.58%	11.57%	2.58%	2.67%	2.69%
Return on Equity	1.40%	1.90%	16.74%	14.87%	-18.62%	21.76%
Sales/Assets	2.20	1.73	0.54	1.17	1.29	1.85
Proj. Sales Growth (F1/F0)	3.31%	1.61%	3.22%	1.01%	-7.92%	2.21%
Momentum Score	F	-	-	D	C	C
Daily Price Chg	8.79%	-0.29%	-6.77%	-1.41%	-19.90%	6.47%
1 Week Price Chg	-27.55%	-12.00%	-11.01%	-7.03%	-29.41%	-8.55%
4 Week Price Chg	26.56%	-20.34%	-34.65%	-20.34%	-81.75%	1.42%
12 Week Price Chg	14.25%	-23.26%	-32.08%	-23.26%	-84.90%	-9.49%
52 Week Price Chg	32.51%	-40.77%	-23.52%	1.82%	-84.84%	-15.89%
20 Day Average Volume	7,135,295	2,213,639	3,834,688	14,115,331	2,213,639	9,518,384
(F1) EPS Est 1 week change	-47.41%	0.00%	-0.06%	-0.03%	0.00%	0.00%
(F1) EPS Est 4 week change	-47.41%	-5.94%	-0.74%	0.04%	-21.61%	0.00%
(F1) EPS Est 12 week change	238.89%	-1.23%	-1.38%	-0.31%	-21.61%	-1.23%
(Q1) EPS Est Mthly Chg	17.65%	0.00%	-0.85%	-0.75%	0.00%	0.00%

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	A
Growth Score	A
Momentum Score	F
VGM Score	A

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

Disclosures

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