Regeneron Pharma (REGN)

$385.94 (As of 01/17/20)

Price Target (6-12 Months): **$405.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 06/17/19) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:A
	Value: B | Growth: B | Momentum: A	

Summary

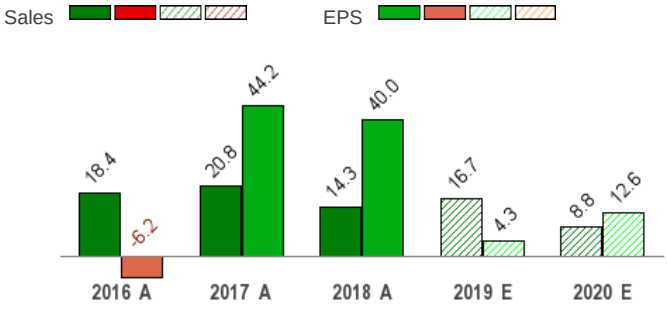
Regeneron's lead drug Eylea maintains momentum. Dupixent's performance has been strong as well for moderate-to-severe atopic dermatitis and asthma. The company's efforts to expand the label of its approved drugs, Eylea and Dupixent, and concurrently develop the pipeline are encouraging. The immuno-oncology platform, which includes Libtayo and a wide portfolio of bispecific antibodies, is progressing well too. However, the company is highly dependent on Eylea for growth and the drug faces stiff competition from Beovu, which will adversely impact sales. Pipeline setbacks are concerning as well. Shares have underperformed the industry in the past year.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$442.00 - $271.37**
20 Day Average Volume (sh)	**518,573**
Market Cap	**$42.4 B**
YTD Price Change	**2.8%**
Beta	**1.20**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Top 37% (94 out of 254)**
Last EPS Surprise	**5.4%**
Last Sales Surprise	**3.3%**
EPS F1 Est- 4 week change	**7.4%**
Expected Report Date	**02/06/2020**
Earnings ESP	**2.2%**
P/E TTM	**16.1**
P/E F1	**14.4**
PEG F1	**1.3**
P/S TTM	**5.6**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2020	2,015 E	2,143 E	2,224 E	2,282 E	8,524 E
2019	1,712 A	1,934 A	2,048 A	2,095 E	7,831 E
2018	1,511 A	1,608 A	1,664 A	1,928 A	6,711 A

EPS Estimates

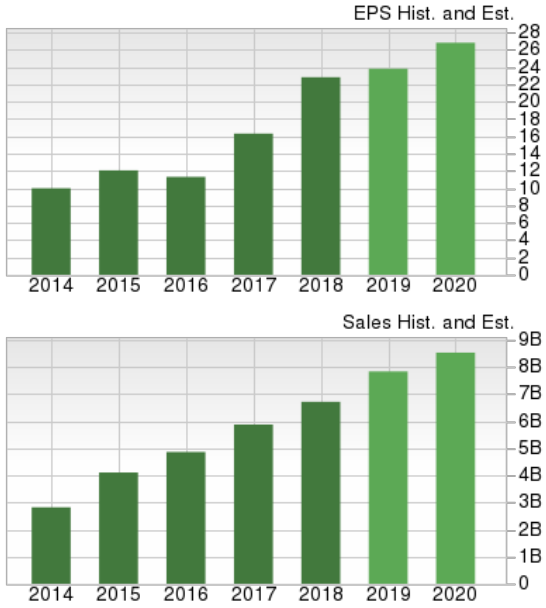
	Q1	Q2	Q3	Q4	Annual*
2020	$6.36 E	$7.10 E	$7.50 E	$7.90 E	$26.83 E
2019	$4.45 A	$6.02 A	$6.67 A	$6.86 E	$23.82 E
2018	$4.67 A	$5.45 A	$5.87 A	$6.84 A	$22.84 A

*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 01/17/2020. The reports text is as of 01/21/2020.

Overview

Tarrytown, NY-based Regeneron is a biopharmaceutical company focused on the discovery, development and commercialization of treatments targeting serious medical conditions. The company's portfolio boasts of marketed drugs like Eylea (for several eye diseases) and Praluent (heterozygous familial hypercholesterolemia).



While Regeneron has co-developed Eylea with Bayer's HealthCare unit, Praluent was co-developed with Sanofi. Currently, Regeneron has 16 candidates under development including label expansion efforts for Eylea and 15 fully human monoclonal antibodies generated using the company's VelocImmune technology, of which 5 are in collaboration with Sanofi. In 2017, the FDA approved two drugs – Dupixent for treating atopic dermatitis and Kevzara for the treatment of moderately-to-severely active rheumatoid arthritis (RA). The company recently restructured its agreement with Sanofi for the development of two candidates.

Meanwhile, Regeneron has been quite active on the deal-making front. Regeneron is collaborating with Bayer for the joint development and commercialization of co-formulated combinations of Eylea with rinucumab and nesvacumab for the treatment of ocular diseases or disorders outside the United States. Also, Regeneron has an immuno-oncology agreement with Sanofi. In Sep 2016, Regeneron and Teva announced a global agreement for the development and commercialization of the former's experimental nerve growth factor (NGF) antibody, fasinumab.

Regeneron's revenues comprise collaboration revenues, net product sales and technology licensing and other revenues. Total revenues of $6.7 billion in 2018 were up 21% from that in 2017. Eylea sales came in at $4.1 billion in the United States.

Reasons To Buy:

> Regeneron's Eylea and Dupixent have been performing well. Label expansion into additional indications should further increase the commercial potential of the drugs.

- **Impressive Performance by Eylea**: Regeneron's key growth driver, Eylea, continues to generate revenues for the company. Eylea is approved in the United States, EU, Japan and other countries for the treatment of neovascular age-related macular degeneration (wet AMD), diabetic macular edema (DME), and macular edema following retinal vein occlusion that includes macular edema following central retinal vein occlusion and macular edema following branch retinal vein occlusion. Growth in the U.S. markets is being driven by demographic trends with an aging population and an overall increase in the prevalence of diabetes. Meanwhile, Regeneron is working on expanding the drug's label into additional indications. The FDA recently approved a 12-week dosing interval of Eylea injection in patients with wet AMD based on physician's assessment. Consequently, it is now the only anti-VEGF drug for the treatment of wet AMD that offers the flexibility to optimally treat patients, regardless of whether they require fixed-interval dosing of 4, 8 or 12 weeks. The FDA also approved the drug for the treatment of diabetic retinopathy on the basis of encouraging results from the phase III PANORAMA study. The FDA has also approved Eylea Injection in a prefilled syringe. The company has also initiated a phase II study exploring less frequent dosing intervals using a high-dose formulation in wet AMD. A phase III study in retinopathy of prematurity was initiated. Label expansion into additional indications would give Eylea access to a higher patient population and increase its commercial potential.

- **Strong Uptake of Dupixent**: The approval of Dupixent (dupilumab) injection for the treatment of adults with moderate-to-severe atopic dermatitis (AD) was a significant boost for the company. Per the company, this is the first and only biologic medicine approved for the treatment of adults suffering from AD. The uptake has been strong for both atopic dermatitis and asthma. The drug is now annualizing more than $1 billion in net product sales in the United States alone. The drug was approved in Europe as well. Regeneron is also working to expand Dupixent's label. The FDA approved the drug as an add-on maintenance therapy in patients aged 12 years or older with moderate-to-severe asthma with an eosinophilic phenotype or oral corticosteroid-dependent asthma in October 2018. Dupixent is also approved in the United States for adolescent patients aged 12-17 years with moderate-to-severe atopic dermatitis. The phase III study to treat severe atopic dermatitis in children 6-11 years of age met its primary and secondary endpoints. Submissions for a supplemental Biologics License Application (sBLA) and Marketing Authorization Application (MAA) for this indication are expected by the end of the year. The FDA also approved the drug as an add-on maintenance treatment for adults with inadequately-controlled severe chronic rhinosinusitis with nasal polyps (CRSwNP).

  Dupixent has also been approved for various indications in Europe — add-on maintenance treatment for severe asthma with type 2 inflammation and add-on maintenance treatment for severe asthma. The EC also approved the drug for use in adolescents aged 12-17 years with moderate-to-severe atopic dermatitis, who are candidates for systemic therapy. The drug is also being evaluated for the chronic obstructive pulmonary disease (COPD) indication. A phase II/III study in eosinophilic esophagitis and a phase II study in peanut allergy were also initiated. Label expansion of the drug should further boost results.

- **New Drug Approvals To Boost Sales**: We are impressed by Regeneron's efforts to bring additional products to the market following its success with Eylea. Kevzara (sarilumab), an anti-interleukin (IL)-6 receptor monoclonal antibody was approved in the United States for the treatment of adult patients with moderate to severely active rheumatoid arthritis, who have an inadequate response to or intolerance to one or more biologic or non-biologic Disease-Modifying Anti-Rheumatic Drugs. In September 2018, the FDA approved Libtayo for the treatment of patients with metastatic or locally advanced cutaneous squamous cell carcinoma (CSCC) who are not candidates for curative surgery or curative radiation. The initial uptake of the drug is strong and Regeneron is working to expand its label further which should further boost sales. The drug was recently approved in Europe. A phase III adjuvant study in CSCC was initiated as well. Regeneron is currently recruiting patients in two phase III trials in first-line NSCLC on Libtayo. The successful development of the drug for this indication will be a significant boost for the company, given the market potential.

- **Pipeline Looks Promising**: Regeneron has a deep pipeline including fully human monoclonal antibodies generated using the Velociimune technology. Promising candidates in the pipeline include fasinumab (NGF antibody; phase III study enrolling – osteoarthritis pain and phase III for chronic low back pain), and evinacumab (antibody to angptl-3; phase I/II – homozygous familial hypercholesterolemia and severe forms of hyperlipidemia and phase III for HoFH was initiated in the first quarter of 2018). A phase II study on REGN3500, an antibody to interleukin-33 (IL-33), was initiated in the first quarter of 2018 for the treatment of asthma and the study met the primary endpoint of improvement in loss of asthma control compared to placebo. Two phase II studies in atopic dermatitis were also initiated. In August, Regeneron announced positive top-line results from the phase III study of evinacumab in patients with homozygous familial hypercholesterolemia (HoFH). Regeneron plans to submit a BLA in mid-2020.

  Meanwhile, in August, the company announced that a randomized, controlled trial evaluating four investigational therapies for Ebola virus infection was stopped early because REGN-EB3 was superior to ZMapp (the control arm of the trial since it was considered standard-of-care) in preventing death. The successful development and commercialization of these candidates will be a significant boost for the company.

- **Deals and Collaborations**: We are encouraged by Regeneron's strategy of signing deals to boost its portfolio and pipeline. The company is collaborating with Bayer for the global development and commercialization of Eylea outside the United States. Bayer markets and records revenue on sales of Eylea outside the United States, and in countries other than Japan, the companies share profits and losses equally from Eylea's sales. Regeneron has a global strategic collaboration with Sanofi for the discovery, development and commercialization of fully human monoclonal antibodies. Under the agreement, Regeneron has exercised the option to co-promote Praluent, Dupixent and Kevzara in the United States. While profits and losses on sales within the United States will be shared equally, Regeneron is entitled to receive sales milestone payments.

  The company recently collaborated with Alnylam Pharmaceuticals, Inc. Both the companies will work together to discover, develop and commercialize new RNA interference (RNAi) therapeutics for a broad range of diseases by addressing disease targets expressed in the eye and central nervous system (CNS), in addition to a select number of targets expressed in the liver. The companies plan to advance programs directed to 30 targets. Other candidates also might be introduced to clinical development during the initial five-year discovery period, which includes an option to extend. The collaboration with Alnylam will give Regeneron an option to have a pipeline based on RNAi technology. The company recently restructured its agreement with Sanofi for the development of two candidates. In September 2016, Regeneron and Teva

struck a collaboration agreement for the development and commercialization of fasinumab globally. The deal saw Regeneron receiving an upfront payment of $250 million. Regeneron is further eligible to receive development and regulatory milestone payments, plus additional payments based on net sales.

- **Praluent Holds Long-Term Potential**: Regeneron received a major boost when Praluent became the first PCSK9 inhibitor to be approved (July 2015) in the United States. The drug has also been approved in the EU (September 2015). The FDA approved the companies' new supplemental Biologics License Application (sBLA) for a once-monthly, 300 mg dose of Praluent (alirocumab) Injection for the treatment of adults with high low-density lipoprotein (LDL) cholesterol. The approval will expand the drug's dosing options. The FDA has also approved Praluent to reduce the risk of heart attack, stroke and unstable angina requiring hospitalization of adults with an established cardiovascular disease. The drug has been approved in Europe for the same. A phase III study in pediatric patients with homozygous familial hypercholesterolemia (HoFH) was also initiated.

- **Share Repurchase Program**: Regeneron is also making efforts to return cash to shareholders. In November, the board of directors authorized a share repurchase program to buy back up to $1.0 billion of the common stock.

Reasons To Sell:

Regeneron depends heavily on Eylea for sales growth. Pipeline setbacks are a concern too.

- **Share Price Performance:** Regeneron's stock has underperformed the industry in the year so far.
- **Overdependence on Eylea**: With Eylea accounting for the majority of revenues, Regeneron relies heavily on the drug for growth. Moreover, it is likely to face stiff competition from Novartis' Beovu. Sub-par performance of the product will hurt the stock as Eylea is Regeneron's key growth driver.
- **Pipeline Setbacks**: Regeneron is no stranger to pipeline setbacks and has in fact suffered a string of pipeline setbacks. In Sep 2016, Regeneron reported disappointing top-line data from a phase II study (CAPELLA) evaluating Eylea, in combination with rinucumab, in patients with wet AMD. In Oct 2016, Regeneron and Sanofi suffered a regulatory setback with the FDA issuing a complete response letter (CRL) for sarilumab. Similar setbacks will weigh on the company's shares.
- **Competition May Affect Sales**: Regeneron's key product, Eylea, faces competition from other drugs like Novartis/Roche's Lucentis and Roche's Avastin (off-label). Competitors are also developing eye-drop formulations, oral therapies, and gene/cell therapies for various indications that, if approved, may eat into Eylea sales in the future. Although Praluent is the first PCSK9 drug for hypercholesterolemia to get FDA approval, Amgen's Repatha is also approved in the United States, the EU and Japan.
- **Praluent Sales Disappointing**: Prospects of PCSK9 inhibitors, a new class of cholesterol-lowering treatments with blockbuster potential, gained instant popularity even before hitting the market, However, sales of Praluent have failed to impress as the drug is facing significant payer utilization management restrictions in the United States. and limited market access in Europe, which is resulting in a low volume of prescriptions being dispensed.

Last Earnings Report

Regeneron's Q3 Earnings Beat on Dupixent Strength

Quarter Ending	09/2019
Report Date	**Nov 05, 2019**
Sales Surprise	**3.28%**
EPS Surprise	**5.37%**
Quarterly EPS	**6.67**
Annual EPS (TTM)	**23.98**

Regeneron reported earnings of $6.67 per share in the third quarter, beating the Zacks Consensus Estimate of $6.33 and increasing from $5.87 in the year-ago quarter.

Total revenues in the reported quarter increased 23% year over year to $2.05 billion and comfortably beat the Zacks Consensus Estimate of $1.98 billion.

The year-over-year growth was driven by strong Eylea and Dupixent sales.

Quarterly Highlights

Net product sales increased to $1.238 billion in the quarter under review, up from $1.025 billion in the year-ago quarter. Majority of sales in the United States came in from Eylea ($1.188 billion, up from $1.022 billion in the year-ago quarter).

We note that Regeneron co-developed Eylea with the HealthCare unit of Bayer AG . The company is solely responsible for the sales of this eye drug and entitled to profits in the United States. However, it shares profits and losses from the ex-U.S. Eylea sales equally with Bayer, except in Japan where the company receives a royalty on net sales.

Total revenues also included Sanofi and Bayer's collaboration revenues of $707 million compared with $521 million in the year-earlier quarter. The increase was primarily owing to higher net product sales of Dupixent.

Dupixent's sales summed $633.1 million, up from $262.6 million a year ago. Kevzara recorded sales of $54.8 million, up from $24.9 million in the year-earlier quarter.

Praluent's global net sales logged $69.7 million in the reported quarter, down from $80.2 million in the prior-year quarter. Sale proceeds from products like Praluent, Dupixent and Kevzara are garnered by Sanofi, while Regeneron earns profits or incurs losses from the commercialization of the drugs.

The FDA approved Libtayo last September for the treatment of patients with metastatic or locally advanced cutaneous squamous cell carcinoma, who are not candidates for curative surgery or curative radiation. The drug's sales in the quarter totaled $51.5 million, up from $40.8 million in the prior quarter.

R&D expenses were up 19.1% to $663.4 million, while SG&A expenses increased to $419.9 million during the quarter under consideration from $369.2 million in the year-ago quarter.

2019 Outlook Updated

Collaboration revenues from Sanofi are projected to be $490-$510 million (previous guidance: $500-$530 million).

Shares Repurchase Program

In November, the board of directors authorized a share repurchase program to buy back up to $1.0 billion of the common stock.

Pipeline Update

In August, the FDA approved the Eylea pre-filled syringe, which is expected to be launched before the end of this year. A phase II study exploring less frequent dosing intervals using a high-dose formulation of Eylea in wet AMD was initiated.

Regeneron is also working to expand Dupixent's label. In August, the European Commission (EC) approved a label expansion of the drug to include adolescents 12 to 17 years of age with moderate-to-severe atopic dermatitis, who are candidates for systemic therapy. In the same month, Regeneron and Sanofi announced that the phase III trial to treat severe atopic dermatitis in children 6 to 11 years of age met its primary and secondary endpoints. Submissions for a supplemental Biologics License Application (sBLA) and Marketing Authorization Application (MAA) for the same are expected by the end of the year. In October, the EC approved Dupixent in chronic rhinosinusitis with nasal polyposis. Regeneron and Sanofi plan to initiate phase III studies in bullous pemphigoid, prurigo nodularis, chronic spontaneous urticaria and additional type 2 inflammatory diseases.

Recent News

Data on Garetosmab – Jan 9

Roche announced encouraging results from the mid-stage study on pipeline candidate garetosmab (REGN2477) for an ultra-rare genetic bone disorder.

LUMINA-1, a 44-patient, phase II, double-blind, placebo-controlled study is evaluating garetosmab in patients with fibrodysplasia ossificans progressiva (FOP).

Garetosmab decreased total lesion activity (both new and existing lesions) compared to placebo by 25%, measured by PET bone scans as observed after 28 weeks of treatment. This result was driven by a nearly 90% decrease compared to placebo in the number of new lesions.

Amend Agreement With Sanofi – Dec 10

Regeneron and partner Sanofi intend to simplify their antibody collaboration for Kevzara (sarilumab) and Praluent (alirocumab) by restructuring it into a royalty-based agreement. However, the terms of the agreement related to blockbuster drug, Dupixent (also included in the antibody collaboration), will remain unchanged.

Per the proposed changes to the agreement, Sanofi is likely to gain sole rights to Kevzara globally and Praulent in ex-U.S. markets. Moreover, Regeneron will likely have sole U.S. rights to Praluent. Additionally, each party will be solely responsible for funding the development and commercialization in their respective territories. These changes are expected to increase efficiency and streamline operations for the products. The restructuring of the antibody collaboration will likely be finalized by the first quarter of 2020.

Initial Data for Multiple Myeloma Drug – Dec 8

Regeneron announced initial data for REGN5458, a BCMAxCD3 bispecific antibody, in patients with relapsed or refractory (R/R) multiple myeloma — the second most common blood cancer. Results were presented at the American Society of Hematology (ASH) Annual Meeting from the first two dose groups (3 mg and 6 mg weekly doses).

Patients had a median of seven lines of prior systemic therapy, and all had failed in the CD38 antibody treatment arm. Responses were observed in 4 of 7 (57%) patients, including 3 of 4 (75%) in the 6 mg dose group. In the 6 mg dose group, 2 patients (50%) were also minimal residual disease (MRD) negative, which means no cancer cells were detectable in their bone marrow.

Two patients achieved the high bar of MRD negativity, and another patient attained a very good partial response despite entering the trial with difficult-to-treat plasmacytomas outside of the bone marrow.

As of data cut-off, there were no neurotoxicity, dose-limiting toxicities or treatment discontinuations due to adverse events.

Positive Data on Rare Blood Disorder Drug – Dec 5

Regeneron nnounced top-line data from a mid-stage study on pipeline candidate pozelimab (REGN3918) for the treatment of rare blood disorder — paroxysmal nocturnal hemoglobinuria (PNH).

Pozelimab, an investigational, fully-human monoclonal antibody, is designed to block complement factor C5 and prevent the destruction of red blood cells (hemolysis) that cause the symptoms of PNH and other diseases mediated by complement pathway activity.

The results showed that pozelimab reduced the abnormal destruction of red blood cells (known as "hemolysis), with patients in the initial cohort achieving normal levels of a blood biomarker of elevated hemolysis called lactate dehydrogenase (LDH). Patients in the trial initially received a 30-mg/kg IV loading dose of pozelimab, followed by weekly 800-mg subcutaneous injections. All 6 patients in the initial treatment cohort treated with pozelimab experienced rapid and sustained reductions in LDH up to week 8.

Strategic Agreement With Vyriad – Nov 6

Regeneron announced a research collaboration and option licensing agreement with Vyriad. The deal primarily focused on the development of new oncolytic (cancer-killing) virus-based treatments for various forms of cancer. The agreement includes a phase II study, slated to begin in 2020, evaluating Regeneron's PD-1 inhibitor Libtayo in combination with Vyriad's oncolytic virus Voyager-V1 in multiple types of cancer, including melanoma, lung, liver and endometrial cancers.

Data on Libtayo – Nov 5

Regeneron provided an update on the ongoing phase III development program evaluating its PD-1 inhibitor Libtayo (cemiplimab) as a monotherapy and combination therapy in first-line patients with advanced non-small cell lung cancer (NSCLC). Regeneron is currently recruiting patients in two phase III trials in first-line NSCLC.

The first trial is an open-label randomized trial that compares Libtayo monotherapy to standard-of-care platinum-based chemotherapy in patients with high PD-L1 expression. The trial has enrolled 90% of the 700 planned patients and is expected to be fully enrolled by year's end. The independent data monitoring committee recently conducted an interim analysis for overall survival (OS) based on approximately 34% of anticipated events and recommended the trial to continue as planned. The next event-driven interim analysis for OS is anticipated in 2020. The second trial, which consists of two parts, evaluates Libtayo in combination with platinum-based chemotherapy. Part 1 is fully enrolled (n=323), and evaluates patients with PD-L1 expression in three treatment groups — chemotherapy, chemotherapy with Libtayo, and chemotherapy in combination with Libtayo and ipilimumab. Part 2, a randomized, double-blind, placebo-controlled phase III trial (n=450), has enrolled approximately 20% of patients and is expected to complete enrollment by the second half of 2020.

Valuation

Regeneron's shares are down 4.6% over the trailing 12-month period. Over the past year, the Zacks sub-industry is down 1.4% but the sector is up 4.5%. The S&P 500 index is up 23.8% in the past year.

The stock is currently trading at 17.27X forward 12-month earnings per share, which compares to 132.61X for the Zacks sub-industry, 21.78X for the Zacks sector and 19.19X for the S&P 500 index.

Over the past five years, the stock has traded as high as 71.96X and as low as 13.74X, with a 5-year median of 35.72X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $405.00 price target reflects 17.54X forward 12-month earnings per share.

The table below shows summary valuation data for REGN

Valuation Multiples -REGN

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	17.27	132.61	21.78	19.19
	5-Year High	71.96	133.35	21.78	19.34
	5-Year Low	13.74	20.49	15.85	15.17
	5-Year Median	35.72	38.14	18.91	17.44
P/S F12M	Current	4.96	2.8	2.88	3.57
	5-Year High	14.73	2.92	3.82	3.57
	5-Year Low	3.69	2	2.43	2.54
	5-Year Median	6.91	2.54	2.94	3
P/B TTM	Current	4.03	3.92	4.61	4.55
	5-Year High	19.64	5.75	5.03	4.55
	5-Year Low	2.87	2.42	3.43	2.85
	5-Year Median	8.54	3.25	4.29	3.61

As of 01/20/2019

Industry Analysis **Zacks Industry Rank:** Top 37% (94 out of 254)

Top Peers

Pfizer Inc. **(PFE)**	Outperform
Allergan plc **(AGN)**	Neutral
Amgen Inc. **(AMGN)**	Neutral
Bristol-Myers Squibb Company **(BMY)**	Neutral
GlaxoSmithKline plc **(GSK)**	Neutral
Novartis AG **(NVS)**	Neutral
Roche Holding AG **(RHHBY)**	Neutral
Teva Pharmaceutical Industries Ltd. **(TEVA)**	Neutral

Industry Comparison Industry: Medical - Biomedical And Genetics

Industry Peers

	REGN Neutral	X Industry	S&P 500	AGN Neutral	NVS Neutral	RHHBY Neutral
VGM Score	A	-	-	B	B	A
Market Cap	42.37 B	189.35 M	24.65 B	63.25 B	219.85 B	290.51 B
# of Analysts	12	3	13	8	5	4
Dividend Yield	0.00%	0.00%	1.73%	1.54%	1.92%	1.60%
Value Score	B	-	-	B	B	C
Cash/Price	0.07	0.23	0.04	0.07	0.04	NA
EV/EBITDA	14.73	-3.78	14.11	94.39	10.75	NA
PEG Ratio	1.25	1.62	2.08	1.89	1.98	2.45
Price/Book (P/B)	4.04	4.04	3.39	1.08	4.18	NA
Price/Cash Flow (P/CF)	17.38	13.21	13.81	5.21	11.78	14.78
P/E (F1)	14.38	28.31	19.19	11.37	16.92	16.01
Price/Sales (P/S)	5.56	13.62	2.69	4.00	4.55	NA
Earnings Yield	6.95%	-15.48%	5.21%	8.80%	5.91%	6.25%
Debt/Equity	0.07	0.02	0.72	0.33	0.42	NA
Cash Flow ($/share)	22.21	-1.07	6.94	37.01	8.15	2.87
Growth Score	B	-	-	B	C	A
Hist. EPS Growth (3-5 yrs)	28.23%	16.50%	10.56%	3.87%	0.15%	NA
Proj. EPS Growth (F1/F0)	12.61%	7.26%	7.57%	0.44%	8.41%	3.82%
Curr. Cash Flow Growth	41.83%	20.28%	14.73%	-6.41%	6.18%	13.00%
Hist. Cash Flow Growth (3-5 yrs)	23.06%	8.03%	9.00%	35.89%	2.20%	7.35%
Current Ratio	4.03	5.12	1.24	1.00	0.95	NA
Debt/Capital	6.35%	3.91%	42.99%	24.73%	29.33%	NA
Net Margin	28.13%	-197.98%	11.14%	-58.50%	24.43%	NA
Return on Equity	24.85%	-64.11%	17.16%	9.08%	20.86%	NA
Sales/Assets	0.59	0.20	0.55	0.16	0.37	NA
Proj. Sales Growth (F1/F0)	9.26%	17.19%	4.16%	0.91%	2.86%	1.92%
Momentum Score	A	-	-	D	C	C
Daily Price Chg	0.10%	-0.15%	0.27%	-0.59%	0.87%	1.60%
1 Week Price Chg	3.32%	1.78%	0.39%	0.39%	-0.98%	0.93%
4 Week Price Chg	3.59%	6.15%	2.95%	1.62%	1.76%	7.72%
12 Week Price Chg	26.22%	18.24%	7.76%	10.78%	9.96%	15.59%
52 Week Price Chg	-7.53%	-4.89%	22.29%	23.07%	8.24%	30.85%
20 Day Average Volume	518,573	229,656	1,536,375	2,182,620	1,073,944	1,197,123
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	7.35%	0.00%	0.00%	0.00%	-0.11%	0.47%
(F1) EPS Est 12 week change	6.99%	0.34%	-0.40%	0.36%	-1.60%	2.91%
(Q1) EPS Est Mthly Chg	NA%	0.00%	0.00%	0.00%	NA	NA

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	B
Growth Score	B
Momentum Score	A
VGM Score	A

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

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