SAP SE (SAP)

$164.31 (As of 08/21/20)

Price Target (6-12 Months): **$172.00**

Long Term: 6-12 Months	**Zacks Recommendation:**	**Neutral**
	(Since: 03/30/20)	
	Prior Recommendation: Outperform	
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**2-Buy**
	Zacks Style Scores:	VGM:F
	Value: D | Growth: F	Momentum: C

Summary

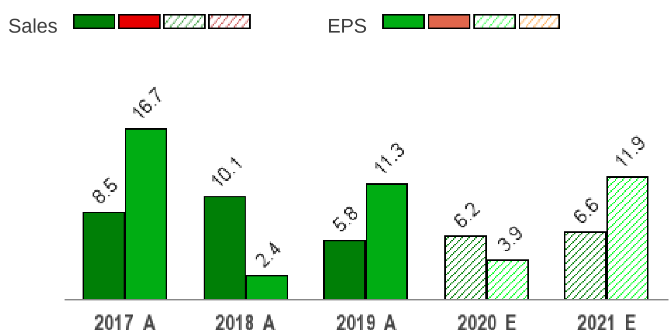
SAP is benefiting from solid growth in cloud revenues on expanding customer base. Robust uptake of S/4HANA, Fieldglass, Concur and SuccessFactors Employee Central solutions is a key catalyst. Improving business activity during the second quarter aided recovery in Software licenses revenues. Further, SAP's alliances with IBM, Microsoft, Accenture and Verizon favor business prospects. The company will also retain majority ownership of Qualtrics, post planned spin-off. This bodes well for the top line. Although shares have underperformed the industry on a year-to-date basis, these factors are anticipated to help the company grow in the rest of 2020. However, SAP maintained 2020 guidance owing to coronavirus crisis-induced business uncertainty. Further, rise in investments to enhance cloud-based offerings are likely to weigh on margins in near term.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	$165.43 - $90.90
20 Day Average Volume (sh)	523,771
Market Cap	$191.3 B
YTD Price Change	19.6%
Beta	1.00
Dividend / Div Yld	$1.25 / 0.8%
Industry	Computer - Software
Zacks Industry Rank	Top 31% (79 out of 252)
Last EPS Surprise	0.8%
Last Sales Surprise	1.7%
EPS F1 Est- 4 week change	2.2%
Expected Report Date	NA
Earnings ESP	0.0%
P/E TTM	28.1
P/E F1	27.7
PEG F1	2.7
P/S TTM	6.2

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	8,035 E	8,464 E	8,580 E	9,853 E	34,963 E
2020	7,193 A	7,423 A	8,055 E	9,291 E	32,786 E
2019	6,917 A	7,452 A	7,570 A	8,905 A	30,863 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	$1.31 E	$1.51 E	$1.61 E	$2.27 E	$6.65 E
2020	$0.94 A	$1.29 A	$1.52 E	$2.10 E	$5.94 E
2019	$1.02 A	$1.22 A	$1.45 A	$2.02 A	$5.72 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 08/21/2020. The reports text is as of 08/24/2020.

Overview

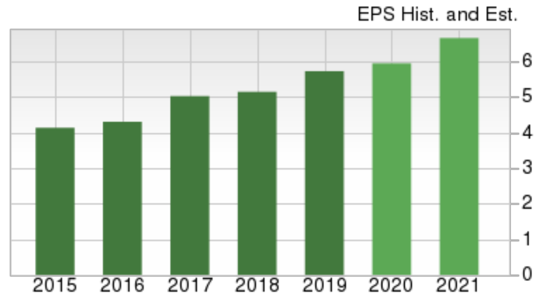
Headquartered in Walldorf, Germany, SAP SE is one of the largest independent software vendors in the world and the leading provider of enterprise resource planning (ERP) software. Its solutions are designed to cater to the needs of organizations, ranging from small and medium businesses to large, global enterprises.

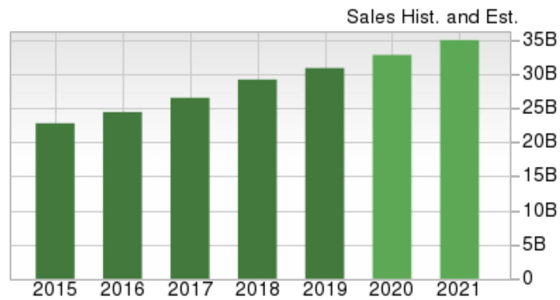
The company provides ML, IoT, and advanced analytics technologies which helps customers deriving meaningful insights and decision-making capabilities. The company also provides end-to-end suite of applications and services.

Notably, SAP's SuccessFactors Human Experience management (HXM) solution ended second-quarter 2020 with more than 640 customers.

SuccessFactors Employee Central forms the backbone of the company's Human Experience Management offerings. Robust market traction of these solutions remains a key growth driver for SAP. Moreover, cloud-based S/4HANA adoption reached 14,600 customer count at the end of second-quarter 2020.

Besides, the company also offers collaborative commerce capabilities (Ariba), flexible workforce management (Fieldglass) and expense processing (Concur) under its Intelligent Spend Platform.





SAP reported revenues of €27.553 billion in fiscal 2019. Total revenues, on non-IFRS basis, came in at €27.634 billion.

Cloud and Software (83.6% of total 2019 revenues): Software revenue represents fees earned from the sale or license of software to customers. Cloud revenues relate to contracts, which permit the customer to use specific SAP-hosted software functions during the contract period, and which impose significant contractual penalty if the customer cancels the contract or permanently uses the software on their own systems.

Services (16.4%): Services revenues comprise primarily of consulting and other service revenues. The company generates most of its consulting revenues from the implementation of its software products. Other service revenues consist mainly of revenues from the messaging services acquired from Sybase as well as training revenues from educational services to customers and partners on the use of the company's software products and related topics.

Reasons To Buy:

SAP's dominance in providing efficient customer engagement, human capital management and interconnected commerce network support its growth.

- ▲ SAP has established dominance over three of the most critical client demand areas, namely, efficient customer engagement, human experience management (HXM) and interconnected commerce network, which in turn, support growth. The company follows an open ecosystem strategy, which enables it to better leverage its innovation capacity by extending it to partners as well. This drives better customer value, based on respective domain expertise. The SAP partner ecosystem is a collaborative, innovative and interactive network of partners, customers and individuals. Backed by the company's extensive global relationships, customers have a wide range of providers and resources to choose from for software-related services and support.

- ▲ SAP provides collaborative commerce capabilities (Ariba), flexible workforce management (Fieldglass) and expense processing (Concur) under its Intelligent Spend Platform. Approximately $3.8 trillion in global commerce is transacted annually through this platform across more than 180 countries. The company remains focused on leveraging this huge network to enhance collaboration both within and among the companies. Currently, Concur — used to process travel and expenses — continues to be a catalyst for SAP. Notably, Concur contributed €379 million to revenues in the second quarter. Similarly, momentum witnessed by Ariba and Fieldglass remains noteworthy. Strategic actions to reinforce its thriving business network are likely to accelerate the company's growth momentum.

- ▲ SAP's new class of solutions that power the next generation of business applications – SAP HANA (High-Performance Analytic Appliance) – has been driving growth since its introduction. Moreover, the company's latest offering from the SAP HANA family, S/4HANA, has established itself as a "mission critical control center" for businesses pursuing digital transformation. SAP expects demand for S/4 HANA to surge, as SAP Cloud powered by HANA is the only 'real-time digital data offering' that helps in modernizing client operations. In the second quarter, S/4HANA adoption improved 22% year over year to around 14,600 customers. This apart, the company constantly upgrades its existing products and launches new ones to gain customers. The company introduces regular advances to SAP S/4HANA Cloud to attract more clients. In fact, Gartner predicts software-as-a-service (SaaS) revenues to hit $151.1 billion in 2022 from $85.7 billion in 2018 at a CAGR of 15.2%. SAP is making concerted efforts to make the most of it.

- ▲ Moreover, SAP has been primarily concentrating on expanding its cloud business to become one of the leading players in the category. Further, it has a competitive edge over its cloud competitors as its processes are designed to be industry-specific and can be customized to meet corresponding business requirements. The company's HXM applications are gradually gaining extreme popularity among international organizations. SuccessFactors Employee Central, which forms the backbone of the company's Human Capital Management offerings, have been increasingly helping clients manage both permanent and temporary workforce. Notably, SAP SuccessFactors HXM (or human experience management) solutions ended the second quarter with more than 640 customers. Additionally, the company is well poised against its key HCM peers, even in markets outside the United States.

- ▲ Acquisitions are enabling the company to expand growth prospects. SAP concluded the buyout of Callidus Software in April 2018, to add intelligent automation capabilities, consequently strengthening its SAP Front Office Suite. Management is also optimistic regarding the acquisition of Qualtrics, concluded on Jan 23, 2019, for $8 billion in cash. Driven by solid market traction of its cloud business, the company anticipates upbeat pipeline and momentum in cloud to continue through 2020, signaling brighter days ahead. Opportunities for growth in support revenues are lucrative, which, in turn, drives the company's enthusiasm regarding the 2020 projections. Non-IFRS cloud revenues are expected in the range of €8.3-€8.7 billion, up 18-24% at cc. Non-IFRS cloud and software revenues are anticipated between €23.4 billion and €24 billion, up 1-4% at cc. On the heels of sustained rapid growth in the cloud, robust software momentum and operating profit expansion, SAP anticipates non-IFRS cloud subscription and support revenues to more than triple over 2018-2023. Moreover, the company projects non-IFRS cloud gross margin to hit 75%.

- ▲ SAP generates solid cash flow, which provides management the opportunity to invest in product innovations, acquisitions and business development. At the same time, the company has historically returned significant cash through dividends. Operating cash flow and free cash flow in second-quarter 2020 were €788 million and €2.984 billion, respectively. The company's ability to generate solid free cash flow is expected to help it sustain current dividend payout (0.27) level at least in the near term.

Reasons To Sell:

> Integration risks from acquisitions and increasing investments to enhance cloud-based offerings remain headwinds.

- SAP faces stiff competition as it operates in the IT services industry. The company competes with large IT service providers with greater resources, such as IBM and Oracle. The software market being highly dynamic, SAP faces competition from both large and small farms in the market. Hence, the company has to invest in new technological developments from time to time to maintain its position in the software market. This increases research and development and related expenses, which sometimes weigh on its financials. Moreover, this makes the company vulnerable to risks of pricing pressure and loss of market share, which in turn, can adversely impact its financial position, profit, and cash flow. This apart, the ongoing trend to invest more in cloud solutions exposes SAP to risks of losing existing "on-premise customers", which can adversely impact its top-line performance, especially in the short run. Continued investment in a standardized converged HANA-based cloud platform and expenses incurred for new technologies resulted in a revenue mix-shift effect between its cloud and on-premise business.

- SAP's business, being spread across the globe, is more prone to be impacted by the political, economic and regulatory risks. Of late, fluctuations in national currencies in many of its key markets are affecting SAP's financial performance. Moreover, unfavorable shifts in general regulatory and budgetary conditions by governments can pose significant challenges to the company's growth. Over the past few quarters, many of the company's emerging markets have faced fiscal imbalances and general economic slowdowns, which adversely impacted their purchasing power. In addition, being a multinational company, SAP is also vulnerable to several regulatory risks including overlap among tax regimes, expenditure associated with localization of its products, protectionist trade policies and other difficulties related to intellectual property rights.

- Long sale cycles for the products, complexity of individual license transactions, changes in customer budgets and a strong correlation between software and service revenues compound the problem of revenue fluctuation for SAP. Trade war between the United States and China and imposition of tariffs, as well as the postponement of business owing to the coronavirus outbreak remain an overhang on SAP's software licenses revenues. These apart, certain business models of SAP are highly dependent on a working cyberspace, which means that any breach in cybersecurity can lead to severe repercussions for the company's reputation as well as result in a considerable amount of expenditure for settling legal claims.

- SAP has a leveraged balance sheet. As of Jun 30, 2020, the company's net debt was $12.05 billion compared with $10.45 billion as of Mar 31, 2020. Moreover, debt to capital of 39% is higher than prior-quarter figure of 36.5%. Further, times interest earned is 10.3X, compared with the industry's figure of 17.6X. Although the company generates significant cash flow, the high-debt level can not only jeopardize its ability to sustain dividend payout but also pursue accretive acquisitions.

Last Earnings Report

SAP Q2 Earnings Top Estimates, Revenues Up Y/Y

Quarter Ending	06/2020
Report Date	Jul 27, 2020
Sales Surprise	1.74%
EPS Surprise	0.78%
Quarterly EPS	1.29
Annual EPS (TTM)	5.70

SAP SE reported second-quarter 2020 non-IFRS earnings of €1.17 per share, which improved 7% from the year-ago quarter.

Moreover, earnings of $1.29 per share beat the Zacks Consensus Estimate by 0.8%.

On IFRS basis, the company reported earnings of €0.73 ($0.80) per share, up 54% year over year. Total revenues, on a non-IFRS basis, came in at €6.744 billion ($7.42 billion), up 1% year over year and 1% at constant currency (cc). The Zacks Consensus Estimate was pegged at $7.296 billion.

Revenues amounted to €6.743 billion on IFRS basis, up 2% year over year. Current cloud backlog— a key indicator of go-to market success in cloud business — increased 20% (21% at cc) year over year to €6.65 billion. Solid current cloud backlog with high demand for e-commerce, digital supply chain, Qualtrics and cloud platform solutions contributed to growth.

Qualtrics Set for an IPO

SAP announced plans to spin out Qualtrics and file an initial public offering (IPO) in the United States. The aim is to aid Qualtrics increase its autonomy and expand presence in Experience Management domain within SAP's customer base and beyond. Notably, the company had "agreed to acquire Qualtrics just four days before Qualtrics was to go public in 2018," for approximately $7.9 billion.

Notably, SAP will hold majority ownership of Qualtrics. SAP noted that it is focused on enhancing its Experience Management domain and that the Qualtrics XM Platform is a primary component of its intelligent enterprise strategy. The company will continue to remain Qualtrics' most important and closest go-to-market and co-innovation partner.

The company also notes that as a majority shareholder, SAP will continue to fully consolidate Qualtrics, and thereby, the deal is not anticipated to have an impact on its 2020 or longer-term financial goals.

The final call on the IPO and terms and conditions pertaining to it, and the timing is pending and subject to market conditions. Also, Qualtrics founder, Ryan Smith, proposes to be Qualtrics' largest individual shareholder.

Impressive Cloud Results

On a non-IFRS basis, **Cloud and software** business (84.7% of total revenues) reported revenues of €5.709 billion, up 3% year over year (up 3% at cc). Cloud revenues came in at €2.044 billion, up 19% year over year on a non-IFRS basis (up 18% at cc).

However, software licenses & support revenues of €3.665 billion plunged 4% year on year (down 3% at cc). The company noted Software licenses revenues of €773 million, down 18% (down 18% at cc) year over year.

Nevertheless, this indicates significant improvement on a quarter-over-quarter basis. In the first quarter, SAP reported software licenses revenues of €451 million, which plunged 31% year on year. The downside was primarily due to the impact of the coronavirus outbreak that intensified in March and led to postponement of new business.

Cloud revenues — related to Software as a Service (SaaS)/Platform as a Service (PaaS) — surged 17% at cc to €1.817 billion. Cloud revenues — related to Infrastructure as a Service (IaaS) — rallied 26% year over year at cc to €217 million.

Services business (15.3% of total revenues) reported revenues of €1.034 billion, down 9% from the year-ago quarter (down 9% at cc).

SAP provides collaborative commerce capabilities (Ariba), flexible workforce management (Fieldglass) and effortless travel and expense processing (Concur) under its Intelligent Spend Platform. Approximately $3.8 trillion in global commerce is transacted annually through this platform across more than 180 countries.

The company has four reportable segments — Applications, Technology & Support (AT&S), Concur, Qualtrics and Services.

Notably, AT&S revenues improved 3% (up 3% at cc) to €5.314 billion. Concur revenues fell 4% (down 5% at cc) to €379 million. Revenues were impacted by lower pay-as-you-go transactional revenues owing to coronavirus crisis led reduction in business travel.

Qualtrics segment revenues surged 34% (up 32% at cc) to €168 million. Revenues in the Services segment declined 6% (down % at cc) to €796 million on a year-over-year basis.

Expanding Clientele Favors Business Prospects

S/4HANA adoption rallied 22% year over year to around 14,600 customers. In the reported quarter, net new customers comprised 37% of additional S/4HANA customers.

S/4HANA clientele continues to expand with the addition of Vedanta, Neptune Energy, Comix, BNP Paribas, and Deutsche Börse AG, among others.

Notably, an increasing number of companies have begun deploying S/4HANA solution in part or entirely in the cloud. Moreover, beeline GmbH, RAK Ceramics, and Zalando went live on SAP S/4HANA Cloud.

SAP SuccessFactors HXM solutions ended the reported quarter with more than 640 customers. Notable deal wins in the quarter include

Capgemini, Bechtle AG, Migros Group and JSC Lithuanian Railways, while Group Erste Group Bank, Royal London Mutual Insurance Society and Etihad Aviation, went live utilizing the platform.

SAP Customer Experience (CX) solutions were selected by Commission de la construction du Québec, Lumileds, Delivery Hero, Telefônica Vivo, Jiangsu Hengshun Group Co. Ltd., and Hirose Electric Co., in the second quarter.

SAP's business technology platform comprises SAP HANA, SAP Data Warehouse Cloud, SAP Cloud Platform, SAP Analytics Cloud, SAP Intelligent Robotic Process Automation and SAP Data Intelligence solutions. In the reported quarter, SAP's business technology platform and analytics cloud solutions were adopted by the Australian Department of Defence, the Swiss Canton of Zurichand and L'Oréal.

Additionally, NEC Corporation and Carrefour opted for the company's ARIBA solutions in the reported quarter, while Google went live with it. SAP's Fieldglass solutions were adopted by Apache Corporation in the second quarter.

Further, Concur was adopted by Royal Voluntary Service while Qualtrics solutions were selected by Etsy, Inc., Tableau, Kendra Scott Design, Blue Cross and Blue Shield of Alabama, among others, in the reported quarter.

EMEA Witnesses Robust Cloud Growth

Europe, Middle East & Africa (EMEA) Cloud revenues surged 29% at cc to €660 million. Cloud & software revenues increased 3% at cc to €2.526 billion. The top line was driven by strong cloud revenues in the Germany and Switzerland. Moreover, SAP witnessed robust software license revenue growth in Saudi Arabia and Spain.

Asia Pacific & Japan (APJ) Cloud revenues jumped 18% at cc to €251 million. Cloud & software were up 4% at cc to €903 million. Improving business activity during the second quarter aided recovery in software licenses revenues. Management is optimistic about performance across the APJ region, which witnessed robust recovery in software licenses revenues particularly, Japan, Indonesia and South Korea. Notably, Japan, South Korea and Singapore delivered strong performance in cloud revenues in the second quarter.

Americas' Cloud revenues improved 13% at cc to €1.122 billion. Cloud & software revenues increased 3% at cc to €2.281 billion. Mexico and Canada delivered strong performance in cloud revenues in the second quarter. Further, solid adoption of software license solutions across the United States aided growth.

Margin Details

Non-IFRS gross margin of 72.6% expanded 120 basis points (bps) from the year-ago quarter's figure.

SAP reported a non-IFRS operating expense of €4.78 billion, down 1% from the year-ago quarter's level (down 1% at cc).

Non-IFRS operating profit of €1.964 billion increased 8% on a year-over-year basis (up 7% at cc). Non-IFRS operating margin of 29.1% expanded 180 bps on a year-over-year basis. At cc, the figure came in at 28.9%, expanding 170 bps.

Balance Sheet & Cash Flow

As of Jun 30, 2020, SAP had cash and cash equivalents of €6.205 billion compared with €7.816 billion as of Mar 31, 2020.

The company generated €788 million of operating cash in the reported quarter compared with €2.984 billion in the first quarter. Free cash flow came in at €540 million compared with previous quarter's €2.58 billion.

2020 Outlook

The company reaffirmed 2020 projections. For 2020, SAP continues to project non-IFRS cloud revenues in the range of €8.3-€8.7 billion, up 18-24% at cc. Non-IFRS cloud and software revenues are anticipated between €23.4 billion and €24 billion, up 1-4% at cc.

Non-IFRS total revenues are projected in the range of €27.8-€28.5 billion, up 1-3% year over year and at cc. Notably, the company anticipates non-IFRS operating profit in the band of €8.1-€8.7 billion.

However, the company revised cash flow projections. Operating cash flow is now expected to be above €5 billion, compared with prior expected figure of approximately €5 billion. Free cash flow is anticipated to be approximately €4 billion, which was previously envisioned at approximately €3.5 billion.

Recent News

On Aug 6, SAP announced that its SuccessFactors solutions, which are part of human experience management (HXM) solutions, have been selected by Cynosure LLC, an aesthetic laser maker, and FMC Corporation, an agriculture sciences company.

On Jul 28, SAP announced partnership with E.ON SE in a bid to codevelop a platform to make billing processes and exchanging information more efficient. The new platform will be based on the SAP S/4HANA Utilities solution.

On Jul 26, SAP announced plans to spin out Qualtrics and file an initial public offering (IPO) in the United States. The aim is to aid Qualtrics increase its autonomy and expand presence in Experience Management domain within SAP's customer base and beyond. Notably, SAP will hold majority ownership of Qualtrics.

On Jul 15, SAP announced the launch of an enhanced SAP Training and Adoption portfolio of online courses and training to facilitate customers implement SAP product and services more effectively as well as drive their digital transformation goals.

On Jul 14, SAP introduced Fieldglass External Talent Marketplace in a bid to aid organizations with the search and hiring of temporary workers to support seamless business continuity. The new solution can be availed for free across the United States through Dec 31, 2020.

On Jun 23, SAP and International Business Machines Corporation expanded their partnership with the unveiling of new intelligent industry-specific solutions to aid customers accelerate digital transformation. The aim of the move is to aid businesses in becoming data-driven intelligent enterprises. Both the companies are particularly focused on enhancing customer's business value by considering critical areas such as automated cognitive intelligence, customer and user experiences and industry-specific functionality.

Valuation

Shares of SAP are up 19.6% in the year-to-date period and 34.9% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Computer & Technology sector are up 29.5% and 23.7% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and sector are up 44.6% and 40.9%, respectively.

The S&P 500 index is up 5.5% in the year-to-date period and 18.3% in the past year.

The stock is currently trading at 25.05X forward 12-month earnings compared with 33.11X for the Zacks sub-industry, 26.81X for the Zacks sector and 22.85X for the S&P 500 index.

Over the past five years, the stock has traded as high as 30.67X and as low as 17.38X, with a five-year median of 23.89X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $172 price target reflects 26.88X forward 12-month earnings.

The table below shows summary valuation data for SAP

Valuation Multiples - SAP

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	25.05	33.11	26.81	22.85
	5-Year High	30.67	33.11	26.81	22.85
	5-Year Low	17.38	18.62	16.72	15.25
	5-Year Median	23.89	25.13	19.6	17.58
P/S F12M	Current	5.6	7.68	4.17	3.71
	5-Year High	6.13	8	4.17	3.71
	5-Year Low	3.33	3.88	2.32	2.53
	5-Year Median	4.47	5.63	3.14	3.05
EV/Sales TTM	Current	6.4	8.54	4.86	3.33
	5-Year High	6.57	8.61	4.86	3.46
	5-Year Low	3.59	3.19	2.59	2.14
	5-Year Median	4.82	5.84	3.64	2.88

As of 08/21/2020

Industry Analysis **Zacks Industry Rank:** Top 31% (79 out of 252)

Top Peers

Company (Ticker)	Rec	Rank
Adobe Systems Incorporated **(ADBE)**	Neutral	3
salesforce.com, inc. **(CRM)**	Neutral	2
International Business Machines Corporation **(IBM)**	Neutral	4
Microsoft Corporation **(MSFT)**	Neutral	3
Oracle Corporation **(ORCL)**	Neutral	4
SVMK Inc. **(SVMK)**	Neutral	3
VMware, Inc. **(VMW)**	Neutral	3
Workday, Inc. **(WDAY)**	Neutral	3

Industry Comparison Industry: Computer - Software

	SAP	X Industry	S&P 500	Industry Peers CRM	MSFT	ORCL
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	2	3	4
VGM Score	F	-	-	F	B	B
Market Cap	191.35 B	1.72 B	23.62 B	186.98 B	1,612.06 B	169.36 B
# of Analysts	5	4	14	14	13	12
Dividend Yield	0.78%	0.00%	1.65%	0.00%	0.96%	1.74%
Value Score	D	-	-	F	D	C
Cash/Price	0.04	0.07	0.07	0.06	0.09	0.26
EV/EBITDA	25.17	18.57	13.29	49.04	22.55	11.48
PEG Ratio	2.73	2.55	3.03	3.89	2.43	1.24
Price/Book (P/B)	5.98	6.06	3.11	5.41	13.63	13.32
Price/Cash Flow (P/CF)	27.74	23.35	12.69	47.44	28.24	11.80
P/E (F1)	27.66	35.11	21.51	69.94	33.30	13.67
Price/Sales (P/S)	6.16	4.81	2.43	10.26	11.27	4.34
Earnings Yield	3.71%	2.69%	4.46%	1.43%	3.00%	7.32%
Debt/Equity	0.50	0.21	0.76	0.15	0.57	5.44
Cash Flow ($/share)	5.78	1.17	6.93	4.37	7.54	4.68
Growth Score	F	-	-	C	A	C
Hist. EPS Growth (3-5 yrs)	8.37%	9.39%	10.44%	110.92%	19.44%	9.05%
Proj. EPS Growth (F1/F0)	3.85%	10.11%	-5.53%	-0.77%	11.07%	4.87%
Curr. Cash Flow Growth	-1.75%	6.56%	5.20%	36.39%	17.66%	-2.42%
Hist. Cash Flow Growth (3-5 yrs)	3.01%	9.63%	8.52%	40.05%	10.19%	-0.39%
Current Ratio	1.05	1.51	1.33	1.15	2.52	3.03
Debt/Capital	33.28%	26.43%	44.50%	12.85%	36.24%	84.48%
Net Margin	16.30%	5.84%	10.13%	-0.92%	30.96%	25.94%
Return on Equity	16.31%	10.54%	14.67%	2.45%	39.45%	72.76%
Sales/Assets	0.46	0.60	0.51	0.38	0.50	0.37
Proj. Sales Growth (F1/F0)	6.29%	2.07%	-1.54%	17.29%	8.57%	0.22%
Momentum Score	C	-	-	F	A	A
Daily Price Chg	-1.64%	-0.16%	-0.15%	-0.95%	-0.73%	-0.13%
1 Week Price Chg	-0.67%	0.00%	1.09%	-3.78%	-1.68%	-1.86%
4 Week Price Chg	-0.60%	1.87%	1.64%	10.07%	5.17%	-1.02%
12 Week Price Chg	29.67%	12.07%	6.72%	14.59%	17.43%	2.93%
52 Week Price Chg	34.18%	27.27%	1.00%	40.00%	54.61%	3.76%
20 Day Average Volume	523,771	118,288	1,873,576	4,572,129	32,228,854	9,743,893
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.08%	0.00%
(F1) EPS Est 4 week change	2.20%	0.00%	1.79%	0.00%	2.60%	0.00%
(F1) EPS Est 12 week change	5.59%	2.80%	3.35%	-7.20%	3.07%	-1.80%
(Q1) EPS Est Mthly Chg	7.94%	0.00%	0.42%	-1.98%	3.90%	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	D
Growth Score	F
Momentum Score	C
VGM Score	F

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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