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Aug 26, 2020

Starbucks Corporation(SBUX)

$82.72 (As of 08/25/20)

Price Target (6-12 Months): **$87.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 05/12/19) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:D
	Value: D | Growth: D | Momentum: B	

Summary

Shares of Starbucks have underperformed the industry so far this year. The dismal performance can be primarily attributed to the coronavirus related woes. The company reported third-quarter fiscal 2020 results, wherein both earnings and revenues surpassed the Zacks Consensus Estimate. However, both the metrics declined sharply year over year. Starbucks' high debt-to-capitalization makes it difficult for the company to tide over the ongoing crisis. However, operating fundamentals such as solid global footprint, successful innovations and digital offerings are likely to aid it going forward. Despite the coronavirus, the company is on track to open minimum 500 net new stores this fiscal year. The company has also strengthened its relationship with Alibaba. Of late, estimates for current quarter and year have witnessed upward revisions.

Price, Consensus & Surprise

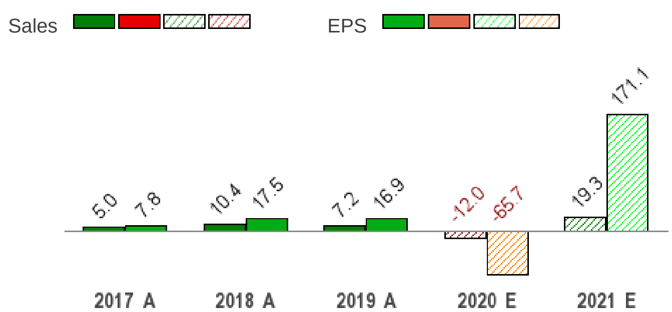
Data Overview

52 Week High-Low	**$98.14 - $50.02**
20 Day Average Volume (sh)	**7,686,638**
Market Cap	**$96.7 B**
YTD Price Change	**-5.9%**
Beta	**0.78**
Dividend / Div Yld	**$1.64 / 2.0%**
Industry	**Retail - Restaurants**
Zacks Industry Rank	**Top 47% (119 out of 252)**

Last EPS Surprise	**24.6%**
Last Sales Surprise	**2.7%**
EPS F1 Est- 4 week change	**21.4%**
Expected Report Date	**11/04/2020**
Earnings ESP	**0.5%**

P/E TTM	**61.3**
P/E F1	**85.3**
PEG F1	**6.7**
P/S TTM	**4.0**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	6,914 E	6,695 E	6,905 E	7,421 E	27,821 E
2020	7,097 A	5,996 A	4,222 A	6,016 E	23,329 E
2019	6,633 A	6,306 A	6,823 A	6,747 A	26,509 A

EPS Estimates

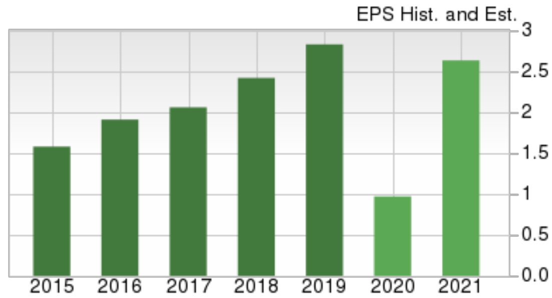
	Q1	Q2	Q3	Q4	Annual*
2021	$0.60 E	$0.59 E	$0.65 E	$0.79 E	$2.63 E
2020	$0.79 A	$0.32 A	-$0.46 A	$0.31 E	$0.97 E
2019	$0.75 A	$0.60 A	$0.78 A	$0.70 A	$2.83 A

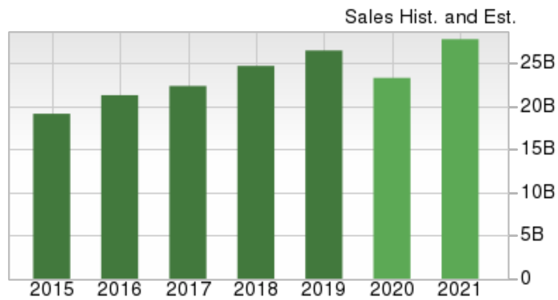
*Quarterly figures may not add up to annual.

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

Overview

Founded in 1985 and based in Seattle, WA, Starbucks Corporation is the leading roaster and retailer of specialty coffee in the world. In addition to fresh, rich-brewed coffees, Starbucks' offerings include many complementary food items and a selection of premium teas and other beverages, sold mainly through the company's retail stores. The company's popular brands include Starbucks coffee, Teavana tea, Seattle's Best Coffee, La Boulange bakery products and Evolution Fresh juices.





Other than the company's own retail stores, it generates revenues through licensed stores, consumer packaged goods and foodservice operations. The company receives royalties and license fees from the U.S. and international licensed stores. Under its consumer packaged goods operations, Starbucks sells packed coffee and tea products as well as a variety of ready-to-drink beverages and single-serve coffee and tea products to grocery, warehouse clubs and specialty retail stores. It also includes revenues from licensing deals with many partners to produce and sell its Starbucks and Seattle's Best Coffee branded products. Under its foodservice operations, Starbucks supplies some of its products to restaurants, office coffee distributors, hotels, airlines and other retailers.

Starbucks operates through the following segments: Americas (inclusive of the United States), Canada and Latin America — (72% of total revenues in the fiscal second quarter); International (20%); and Channel Development (CD — 8%). The CD segment is not a geographic region but an entirely different channel (it is a combination of the consumer packaged goods or CPG and foodservice businesses). It includes roasted whole bean and ground coffees, premium Tazo teas, a variety of ready-to-drink beverages (like Frappuccino and Starbucks Refreshers) and Starbucks and Tazo branded K-Cup packs sold through channels such as grocery, specialty retailers, and foodservice to name a few. The All-Other segment comprises Teavana-branded stores, Seattle's Best Coffee, as well as certain developing businesses such as Siren Retail, which includes Starbucks Reserve Roastery & Tasting Rooms, Starbucks Reserve brand and products and Princi operations.

Reasons To Buy:

▲ **Strong Brand Position:** Starbucks is one of the most recognized coffee brands in the world. From espresso to specialty roast and ground coffee to premium single-serve market, Starbucks commands authority and a leading position in all coffee segments. Further, management focuses on increasing global market share by judiciously opening stores in new and existing markets, remodeling existing stores, deploying technology, controlling costs and aggressive product innovation and brand building. In fiscal 2019, Starbucks added 1,900 net new stores. In 2018 and 2017, the company had added 2,300 and 2,250 net new locations. Although the coronavirus pandemic is hurting the company's original store opening program, it still expects to open at least 500 new stores in China in fiscal 2020. Despite the pandemic, the company opened 130 net new stores in third-quarter fiscal 2020. New store productivity and Return on Investment (ROI) in the United States and China are high. By fiscal 2021, the company intends to open approximately 12,000 stores globally. This will take the total store count to an estimated 37,000. Notably, Starbucks' long-term growth targets include 3-4% comps growth, yielding high-single digit revenue growth and EPS growth of at least 12%.

Starbucks' solid execution of several initiatives in the United States and China, along with best-in-class loyalty programs and digital offerings are expected to drive profits

▲ **Global Coffee Alliance With Nestle Expands Starbucks' Channel Development Footprint:** Starbucks and the Swiss-based food giant Nestle SA have teamed up to revitalize their coffee domains. Starbucks and Nestle announced a global marketing deal that gives the latter "perpetual rights" to market Starbucks' products globally outside its coffee shops. This alliance will expand the global reach of Starbucks brands in the consumer packaged goods ("CPG') and foodservice categories to nearly 190 countries around the world. In the past year, the company has launched three new coffee platforms in over 30 new markets — Starbucks by Nespresso, Starbucks by Dolce Gusto, and Starbucks roast and ground coffee.

▲ **Emphasis on China:** China Asia Pacific or CAP has now become the fastest growing segment. Improving customer experience via innovative new store designs, upgrading product offerings and margin expansion through process and supply chain efficiencies are driving CAP performance. China has witnessed comps growth of 1%, 3%, 6% and 5% in the first, second, third and fourth of fiscal 2019. In first-quarter 2020, China delivered comps growth of 3%. Although comps declined in second-quarter fiscal 2020 due to the coronavirus outbreak, China still remains one of the most important markets for the company. Management believes that China and the Asia-Pacific region will drive business growth over the next five years supported by rapid unit growth, growing brand awareness, and increased usage of the digital/mobile/loyalty platforms.

The company has announced a historic partnership with Alibaba for providing seamless Starbucks Experience to drive growth in China. Starbucks began delivery services in Beijing and Shanghai via Alibaba's Ele.me platform. Recently, the company has also strengthened its relationship with Alibaba. Starbucks lovers in China can now place orders via multiple Alibaba Group apps. Starbucks has introduced its mobile order and pay feature — Starbucks Now — to multiple platforms in the Alibaba Digital Economy, which includes Taobao, Amap, Koubei and Alipay. Starbucks customers can also use Starbucks Now feature to pre-order and pay for their favorite Starbucks beverage and food online before in-person pick-up at local stores. This will help Starbucks in expanding presence in China as Alibaba Digital Economy has user base of nearly 1 billion.

Starbucks' business in China is rapidly growing due to innovative store designs, local product innovations and the success of MSR program. It has plans to launch certain features in China loyalty program this year and full digital capabilities over time. The company has plans to build 600 net new stores annually over the next five years in Mainland China that will double the market's store count from the end of fiscal 2017 to 6,000 across 230 cities. This speedy expansion in China is likely to triple its revenues and double its operating profit by the end of fiscal 2022 from fiscal 2017.

▲ **Focus on Innovation:** Starbucks is strengthening its product portfolio with significant innovation around beverages, refreshment, health and wellness, tea and core food offerings. Starbucks is leaning toward fast-growing categories like Cold Brew, Draft Nitro beverages, and plant-based modifiers, including almond, coconut, and soy milk alternatives. Apart from the numerous beverage innovations, Starbucks has also been making an effort to offer more nutritional and healthy products to its customers. Meanwhile, the company's Reserve Roastery and Tasting Room elevates the coffee experience to the next level, with small-batch super-premium coffee produced using innovative coffee-brewing techniques. Starbucks' strategy to boost the overall brand through its premium Roastery/Reserve brands is a huge opportunity. Starbucks is fast expanding its food offerings in the United States to complement its drinks.

Starbucks' recent collaboration with Beyond Meat to roll out a plant-based lunch menu in the China is a testament to the same. Now Starbucks customers can enjoy pastas and lasagna made utilizing Beyond Meat's plant-based beef products. It will also include meatless pork alternative known as Omnipork and popular non-dairy milk called Oatley. The new menu is available at more than 3,300 Starbucks locations in China. Both the companies have already partnered to roll out a plant-based sandwich to Canadian locations.

▲ **Comps Increase in July:** The company stated that of the 3,100 U.S. stores that remained opened throughout the third quarter, it witnessed comps decline of 14% and 1% in May and June, respectively. For July month-to-date, comps improved 2%. The company continues to benefit from robust drive-thru and deliver options. Mobile ordering in the third quarter increased 6 percentage points from a year ago to make up 22% of total transactions. The company also announced that the coronavirus impact will ease in the fourth quarter in Japan.

Reasons To Sell:

The coronavirus pandemic and operating margin contraction over the past few quarters has been a concern.

- **Q3 Top & Bottom Lines Decline Sharply:** Starbucks reported third-quarter fiscal 2020 results, wherein earnings and revenues declined sharply year over year. The downside can primarily be attributed to dismal global retail and comparable sales, and decline in store traffic. Global comparable store sales fell 40% compared with a decline of 10% in second-quarter fiscal 2020. Global comps declined due to 51% fall in comparable transactions, marginally mitigated by 23% increase in average ticket. Earnings estimates for fiscal 2020 and 2021 have witnessed sharp downward revisions in the past 30 days.

- **Coronavirus to Hurt Future Results:** The company's results in the upcoming quarter is likely to be impacted by the social distancing protocols. The company anticipates international's comparable store sales to decline in the range of 10% and 15% in fourth-quarter, including a 3% favorable VAT impact. The company expects comparable store sales in China to be in the range of flat to -5%. The company expected global comparable sales to decline 12% and 17% in the fourth quarter and fiscal 2020, respectively. Moreover, the company anticipates Americas and U.S. comparable store sales decrease of 12% to 17% in the fourth quarter and 2020, respectively. For fiscal 2020, comps are expected to be down 15% to 20% compared with prior estimate of decline of 10% to 20%. Starbucks expects consolidated revenues decline of 10-15% for the fourth quarter. Non-GAAP earnings for the fourth quarter are anticipated to be 18-33 cents, whereas for full year it is expected in the range of 83-93 cents

- **Margins Decline a Concern:** Margin contraction remains a major concern. In the first, second, third and fourth quarter of fiscal 2018, Starbucks non-GAAP operating margin shriveled 170, 80, 230 and 190 bps, respectively. The downtrend continued in first, second, third and fourth-quarter fiscal 2019, with margin declining 180, 40, 20 and 80 bps year over year to 17.4%, 15.8%, 18.3% and 17.2%, respectively. Although margin expanded improved in first-quarter fiscal 2020, it declined in second and third-quarter 2020. On a non-GAAP basis, operating margin contracted 660 basis points and 570 basis points in second and third-quarter 2020, respectively. The downtrend can primarily be attributed to sales deleverage and rise in costs due to the coronavirus pandemic, mostly catastrophe wages, and heightened pay programs and additional benefits in support of retail store partners, inventory write-offs and store safety items.

- **High Leverage Concern:** The company's long-term debt (including Operating lease liability) increased to $22.3 billion (as of Jun 28, 2020) from $19.3 billion at Mar 29, 2020. Moreover, the company's debt-to-capitalization increased to 150.4% from 149% in second-quarter 2020. Notably, its times-interest-earned ratio of 5.2 reflects decline from 12.3 in the second quarter. This indicates reduced relative freedom of the company from the constraints of debt. Moreover, the company ended third-quarter fiscal 2020 with cash and cash equivalent of $4.2 billion, which is not be enough to manage the high-debt level. On May 6, 2020, the Fitch Ratings lowered the company's credit rating to BBB from BBB+ with a negative outlook.

- **Tricky Retail and Consumer Spending Environment in the United States:** Being a retail restaurant, Starbucks is dependent on consumer discretionary spending environment. Consumers' propensity to spend largely depends upon the overall macro-economic scenario. Although higher disposable income and increased wages are favoring the industry right now, it can change with the slightest disruption in the economy. The company, therefore, is highly vulnerable to the inconsistent nature of consumer discretionary spending. If it does not make pragmatic use of advanced technologies to innovate across value chains, it has high chances of fading out like many other restaurant retailers.

Last Earnings Report

Starbucks Beat Q3 Earnings Estimates

Quarter Ending	06/2020
Report Date	**Jul 28, 2020**
Sales Surprise	**2.70%**
EPS Surprise	**24.59%**
Quarterly EPS	**-0.46**
Annual EPS (TTM)	**1.35**

Starbucks reported third-quarter fiscal 2020 results, with earnings and revenues surpassing the Zacks Consensus Estimate. While the bottom line surpassed the Zacks Consensus Estimate for the third straight quarter, the top line beat the same for the second straight quarter.

The company stated that of the 3,100 U.S. stores that remained opened throughout the third quarter, it witnessed comps decline of 14% and 1% in May and June, respectively. For July month-to-date, comps increased 2%. The company continues to benefit from robust drive-thru and deliver options. Mobile ordering in the third quarter increased 6 percentage points from a year ago to make up 22% of total transactions.

The company noted that due to the coronavirus pandemic the company had lost nearly $3.1 billion in consolidated revenues. The downside was primarily caused by store closures, limited sales channels, reduced operating hours and dismal customer traffic.

Discussion on Earnings, Revenues & Comps

In the quarter under review, the company reported adjusted loss per share of 46 cents per share, narrower than the Zacks Consensus Estimate of loss per share of 61 cents. In the prior-year quarter, the company had reported adjusted earnings per share of 78 cents.

Total revenues came in at $4,222.1 million, which beat the Zacks Consensus Estimate of $4,111 million. However, the top line fell 38.1% from the year-ago quarter's level. The downtick was due to dismal global retail sales and comparable sales and decline in store traffic.

Global comparable store sales declined 40% compared with a decline of 10% in second-quarter fiscal 2020. Global comps declined due to 51% fall in comparable transactions, marginally offset by 23% increase in average ticket.

Starbucks opened 130 net new stores worldwide in the third quarter, bringing the total store count to 32,180. Global store growth came in at 5%, based on a year-over-year comparison.

Overall Margin Contracts in Q3

On a non-GAAP basis, operating margin came in at 12.6% compared with 18.3% reported in the prior-year quarter. The downtrend was primarily due to sales deleverage and rise in costs induced by the coronavirus pandemic.

Segmental Performance

In fourth-quarter fiscal 2019, the company realigned its operating segments. Specifically, the China/Asia Pacific segment and Europe, Middle East and Africa segment have been combined into one International segment.

Results of Siren Retail — which is a non-reportable operating segment consisting of Starbucks Reserve TM Roastery & Tasting Rooms, Starbucks Reserve brand and Princi operations — were previously included within Corporate and Other. It now reports within Americas and International segments based on the geographical location of operations.

Americas: Net revenues in this flagship segment came in at $2,805.5 million, down 40% year over year. Although the segment revenues in the quarter benefited from 382 net new store opening in a year's time, it was offset by 41% comparable store sales decline primarily due to the coronavirus outbreak.

Due to the pandemic, America's fiscal second-quarter revenues were impacted by nearly $2.3 billion. Moreover, the segment's operating income was roughly impacted by $1.5 billion.

Adjusted operating margin in the Americas segment contracted to 14.4% compared with 21.8% in the prior-year quarter. The downtrend can primarily be attributed to sales deleverage and rise in costs due to the coronavirus pandemic, mostly catastrophe wages, and heightened pay programs and additional benefits in support of retail store partners and store safety items.

International: Net revenues declined 40% year over year to $949.6 million in the segment, thanks to decline of 37% in comparable store sales stemming from the pandemic and decline in product sales to the company's licensees. Moreover, the decline was due to 2% revenue-dilutive effect of transforming Thailand to a fully-licensed market in fiscal 2019. However, the downside was partially offset by 1,172 net new store openings in a year's time.

Moreover, adjusted operating margin in the segment fell to 9.1% from 17.1% in the year-ago quarter owing to sales deleverage. Moreover, royalty relief granted to international licensees as well as additional costs incurred, which includes catastrophe wages, marginally overshadowed by temporary government subsidies and rent concessions.

Comps in China declined 19%, including 27% transaction fall due to store closures and reduced traffic.

The company announced that 99% of its stores in China have commenced operations and anticipates continued improvement in traffic.

Channel Development: Net revenues in the segment declined 16% from the prior-year quarter's figure to $447.3 million. The decline was primarily due to nearly 21% unfavorable impact of Global Coffee Alliance transition-related activities, which includes lapping higher inventory sales in the prior-year quarter as Nestlé prepared to fulfill customer orders. Moreover, operating margin contracted 630 basis points to 27.8%.

Guidance

The company provided fiscal 2020 guidance, wherein it anticipates the negative impact of the coronavirus pandemic to moderate in fourth-quarter fiscal 2020. The company expected global comparable sales to decline 12% and 17% in the fourth quarter and fiscal 2020, respectively. Moreover, the company anticipates Americas and U.S. comparable store sales decrease of 12% to 17% in the fourth quarter and 2020, respectively. Earlier, the company had anticipated comps decline of 10% to 20% for the fourth quarter and full year.

For the fourth quarter, international comps are expected to decline 10% to 15% compared with the prior estimate of 10% to 20%. For fiscal 2020, the company anticipates international comps to decline 20% to 25% compared with the prior estimate of decline of 20% to 30%.

In China, comps are expected to be flat to down 5% in fourth quarter compared with the prior estimate of flat comps. For fiscal 2020, comps are expected to be down 15% to 20% compared with prior estimate of decline of 10% to 20%.

Starbucks expects consolidated revenues decline of 10-15% for the fourth quarter. Non-GAAP earnings fomarginr the fourth quarter are anticipated to be 18-33 cents, whereas for full year it is expected in the range of 83-93 cents. The Zacks Consensus Estimate for the fourth quarter and fiscal 2020 are currently pegged at 27 cents and 80 cents, respectively.

Other Financial Updates

The company ended the quarter with cash and cash equivalents of $3,965.9 million compared with $2,686.6 million at the end of Sep 29, 2019. As of Jun 28, 2020, long-term debt is at $14,645.6 million compared with $11,167 million as of Sep 29, 2019.

Moreover, the company declared a cash dividend of 41 cents per share, payable on Aug 21, to shareholders of record as of Aug 7.

Recent News

Starbucks Provides Business Update Amid Coronavirus Pandemic – Jun 10, 2020

Starbucks recently provided business update in the light of the coronavirus pandemic. The company is witnessing improvement in comparable store sales in China. However, it anticipates losses in third-quarter fiscal 2020.

Starbucks to Bring Plant-Based Menu to China With Beyond Meat - Apr 20, 2020

Starbucks is leaving no stone unturned to attract customers in China. The company's collaboration with Beyond Meat to roll out a plant-based lunch menu in the country is a testament to the same.

Now Starbucks customers can enjoy pastas and lasagna made utilizing Beyond Meat's plant-based beef products. It will also include meatless pork alternative known as Omnipork and popular non-dairy milk called Oatley.

Valuation

Starbucks shares have declined 5.9% in year-to-date period and 13.9% in the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Retail-Wholesale sector are up by 2.7% and 34.6%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry is down 9.5%, but the sector is up 45.9%.

The S&P 500 index is up by 7% in the year-to-date period and 20.3% in the past year.

The stock is currently trading at 33.43X forward 12-month earnings, which compares to 32.29X for the Zacks sub-industry, 33.7X for the Zacks sector and 23.12X for the S&P 500 index.

Over the past five years, the stock has traded as high as 37.22X and as low as 18.15X, with a 5-year median of 25.99X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $87 price target reflects 36.25X forward 12-month earnings.

The table below shows summary valuation data for SBUX.

Valuation Multiples - SBUX

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	33.43	32.29	33.7	23.12
	5-Year High	37.22	34.04	34.77	23.12
	5-Year Low	18.15	20.49	19.08	15.25
	5-Year Median	25.99	23.09	23.47	17.58
P/S F12M	Current	3.53	3.53	1.3	3.77
	5-Year High	4.45	3.93	1.3	3.77
	5-Year Low	2.29	2.81	0.82	2.53
	5-Year Median	3.45	3.32	0.97	3.05
EV/EBITDA TTM	Current	30.6	22.2	20.45	13.09
	5-Year High	30.6	22.2	20.45	13.09
	5-Year Low	13.88	11.94	10.68	8.25
	5-Year Median	18.73	14.36	12.97	10.92

As of 08/25/2020

Industry Analysis Zacks Industry Rank: Top 47% (119 out of 252)

Top Peers

Company (Ticker)	Rec	Rank
Bloomin Brands, Inc. **(BLMN)**	Neutral	3
Chipotle Mexican Grill, Inc. **(CMG)**	Neutral	3
Dunkin Brands Group, Inc. **(DNKN)**	Neutral	3
Dominos Pizza Inc **(DPZ)**	Neutral	3
Darden Restaurants, Inc. **(DRI)**	Neutral	2
McDonalds Corporation **(MCD)**	Neutral	3
The Wendys Company **(WEN)**	Neutral	3
Yum Brands, Inc. **(YUM)**	Neutral	3

Industry Comparison Industry: Retail - Restaurants

	SBUX	X Industry	S&P 500	DPZ	MCD	YUM
				Industry Peers		
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	D	-	-	B	F	C
Market Cap	96.70 B	500.07 M	23.77 B	16.50 B	158.23 B	29.08 B
# of Analysts	14	6	14	12	16	9
Dividend Yield	1.98%	0.00%	1.65%	0.74%	2.35%	1.95%
Value Score	D	-	-	D	D	D
Cash/Price	0.05	0.13	0.07	0.03	0.02	0.04
EV/EBITDA	18.38	13.00	13.35	29.14	18.79	19.83
PEG Ratio	6.65	3.74	3.03	2.37	4.74	2.51
Price/Book (P/B)	NA	2.30	3.17	NA	NA	NA
Price/Cash Flow (P/CF)	20.05	8.87	12.81	36.82	21.04	23.89
P/E (F1)	85.28	36.66	21.72	32.90	36.42	30.98
Price/Sales (P/S)	4.02	0.89	2.47	4.38	8.22	5.29
Earnings Yield	1.17%	0.85%	4.45%	3.04%	2.75%	3.22%
Debt/Equity	-2.59	1.21	0.75	-1.32	-4.98	-1.39
Cash Flow ($/share)	4.12	1.81	6.93	11.39	10.11	4.04
Growth Score	D	-	-	A	F	C
Hist. EPS Growth (3-5 yrs)	8.80%	3.03%	10.41%	31.80%	10.16%	0.02%
Proj. EPS Growth (F1/F0)	-65.70%	-66.06%	-4.92%	33.20%	-25.53%	-12.27%
Curr. Cash Flow Growth	5.49%	3.07%	5.20%	9.16%	-0.99%	3.60%
Hist. Cash Flow Growth (3-5 yrs)	12.19%	5.23%	8.50%	17.68%	1.88%	-6.71%
Current Ratio	0.95	1.06	1.33	2.02	0.91	1.63
Debt/Capital	NA%	71.82%	44.20%	NA	NA	NA
Net Margin	5.56%	-0.23%	10.25%	12.11%	24.78%	18.78%
Return on Equity	-22.26%	-10.35%	14.66%	-14.01%	-52.78%	-12.42%
Sales/Assets	0.93	0.87	0.51	2.73	0.40	0.97
Proj. Sales Growth (F1/F0)	-12.00%	-6.05%	-1.45%	11.91%	-9.63%	-0.22%
Momentum Score	B	-	-	C	C	D
Daily Price Chg	5.13%	0.04%	-0.03%	0.09%	0.01%	-0.08%
1 Week Price Chg	-1.66%	0.00%	-1.45%	5.19%	2.19%	3.72%
4 Week Price Chg	10.82%	8.83%	3.76%	8.81%	8.36%	4.02%
12 Week Price Chg	6.35%	11.58%	5.99%	8.96%	13.36%	4.63%
52 Week Price Chg	-13.91%	-21.91%	4.07%	88.52%	-1.57%	-17.52%
20 Day Average Volume	7,686,638	305,704	1,880,903	494,414	2,719,032	1,519,256
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	21.42%	2.74%	1.03%	1.62%	0.12%	10.10%
(F1) EPS Est 12 week change	-22.42%	20.74%	3.40%	14.42%	7.34%	14.34%
(Q1) EPS Est Mthly Chg	12.91%	8.86%	0.00%	0.00%	7.55%	6.79%

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	B
VGM Score	D

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