Seattle Genetics, Inc. (SGEN)

$110.43 (As of 01/27/20)

Price Target (6-12 Months): **$116.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 04/10/19) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:F
	Value: D | Growth: F | Momentum: B	

Summary

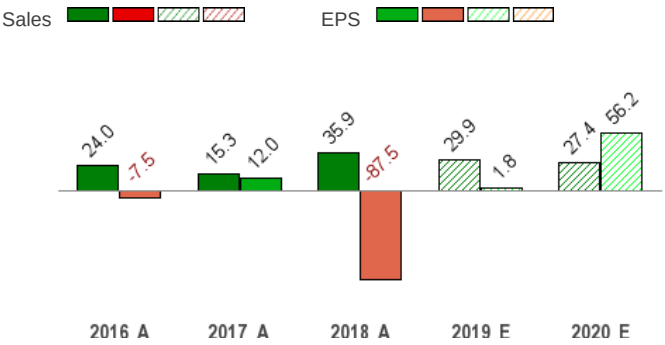
Seattle Genetics' lead marketed drug Adcetris has been performing well since its launch. The drug's recent label expansion in frontline stage III/IV Hodgkin lymphoma and frontline CD30-expressing peripheral T-cell lymphomas (PTCL) is generating incremental revenues. Collaboration with Japans' Takeda Pharmaceutical for the global development and commercialization of Adcetris looks encouraging as well. However, its excessive reliance solely on Adcetris for growth is a persistent concern. The company has multiple antibody-drug conjugate (ADC) candidates in its pipeline, which are also making good progress, with one of them getting an accelerated approval from the FDA for a cancer indication. However, any regulatory setback for Adcetris could hurt sales significantly. Shares of the company have outperformed the industry in the past year.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$122.36 - $62.90**
20 Day Average Volume (sh)	**897,389**
Market Cap	**$18.9 B**
YTD Price Change	**-3.4%**
Beta	**1.98**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Top 31% (78 out of 255)**
Last EPS Surprise	**-46.0%**
Last Sales Surprise	**1.3%**
EPS F1 Est- 4 week change	**-4.1%**
Expected Report Date	**02/06/2020**
Earnings ESP	**33.8%**
P/E TTM	**NA**
P/E F1	**NA**
PEG F1	**NA**
P/S TTM	**23.6**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2020	251 E	253 E	273 E	304 E	1,084 E
2019	195 A	218 A	213 A	224 E	851 E
2018	141 A	170 A	169 A	175 A	655 A

EPS Estimates

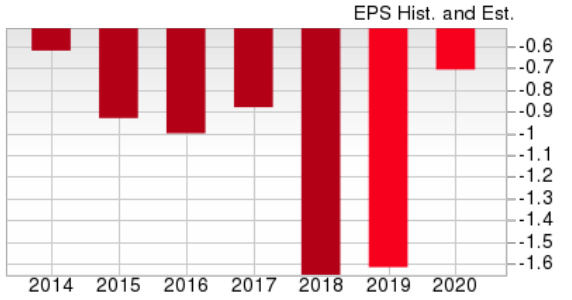
	Q1	Q2	Q3	Q4	Annual*
2020	-$0.20 E	-$0.32 E	-$0.24 E	-$0.11 E	-$0.71 E
2019	-$0.32 A	-$0.24 A	-$0.54 A	-$0.45 E	-$1.62 E
2018	-$0.61 A	-$0.18 A	-$0.27 A	-$0.57 A	-$1.65 A

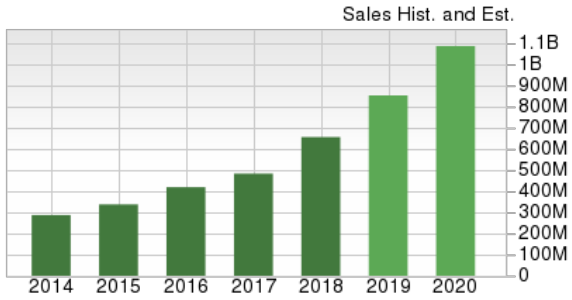
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 01/27/2020. The reports text is as of 01/28/2020.

Overview

Bothell, WA-based Seattle Genetics, Inc. is a biotechnology company, which primarily focuses on developing and commercializing therapies targeted for the treatment of cancer.





Adcetris is the only marketed product at Seattle Genetics. The drug is approved for relapsed Hodgkin lymphoma and relapsed systemic anaplastic large cell lymphoma (sALCL) in the United States, EU and Japan. It is also approved in the United States and Europe for the treatment of patients suffering from classical Hodgkin lymphoma (cHL) with no prior treatment as well as who are at high risk of relapse or progression as post-autologous hematopoietic stem cell transplantation (auto-HSCT) consolidation. In November 2017, it was approved for primary cutaneous anaplastic large cell lymphoma (pcALCL) and CD30-expressing mycosis fungoides (MF) in the United States.

The FDA approved Adcetris in combination with chemotherapy for the treatment of stage III or IV classical Hodgkin lymphoma (cHL) in patients with no previous treatment history. The drug is also approved for treating frontline CD30-expressing peripheral T-cell lymphomas (PTCL). Adcetris recoreded sales of $476.9 million in 2018.

Seattle Genetics has an agreement with Takeda Pharmaceutical Company Ltd. for the further development and commercialization of Adcetris. Seattle Genetics retains all rights to sell Adcetris in the United States and Canada, while Takeda has commercial rights to the drug in the rest of the world.

In 2015, the company entered into a collaboration agreement with Unum Therapeutics to develop and commercialize novel antibody-coupled T-cell receptor (ACTR) that incorporates its antibodies for the treatment of cancer. The company also has collaboration with several companies for the development of its pipeline candidates. Partners include Roche, Progenics, GlaxoSmithKline, Astellas, Pfizer, AbbVie, Bayer, Bristol-Myers and Genmab.

Seattle Genetics generated net revenues of $654.7 million in 2018, up 35.7% year over year.

Reasons To Buy:

> Impressive performance by Adcetris is expected to maintain Seattle Genetics' revenue growth trajectory. Further label expansions of the drug should continue to boost its top line.

- **Shares Outperforming Industry:** Shares of Seattle Genetics have outperformed the industry in the past year.

- **Adcetris Driving Growth:** Adcetris has been doing well since its launch in the United States. The drug's label was further expanded to include cHL in patients at a high risk of relapse or progression as post auto-HSCT consolidation or failure of two or more multi-agent chemotherapies in non-auto-HSCT candidates. The drug is also approved for sALCL in second or later-line setting, pcALCL and CD30-expressing MF. In February 2019, Adcetris was approved for frontline Hodgkin lymphoma in Europe and also won the nod for CD30-positive cutaneous T-cell lymphoma in the region. The drug is approved in Japan for the first-line treatment of patients with CD30-positive Hodgkin lymphoma. Adcetris generated $476.9 million sales in the United States and Canada in 2018, constituting almost 73% of the company's top line. Net sales of Adcetris in 2019 are expected in the range of $625-$640 million.

  In March 2018, the FDA approved Adcetris in combination with chemotherapy for treating stage III or IV classical Hodgkin's lymphoma (cHL) in patients with no previous treatment history, based on data from the phase III ECHELON-1 study. Last November, the FDA approved Adcetris for the frontline treatment of peripheral T-cell lymphomas (PTCL). The drug is approved to treat patients with previously untreated systemic anaplastic large cell lymphoma or other CD30-expressing PTCL including angioimmunoblastic T-cell lymphoma and PTCL not otherwise specified in combination with CHP (cyclophosphamide, doxorubicin and prednisone). Adcetris is approved by the FDA for six indications.

  Another phase III study, CHECKMATE 812, is evaluating Adcetris in combination with Bristol-Myers' Opdivo in relapsed/refractory or transplant-ineligible advanced classical Hodgkin lymphoma. A successful development followed by a potential approval will be a major boost to the company.

- **Positive on Collaborations:** We are encouraged by Seattle Genetics' deal with Takeda in December 2009 for global development and commercialization of Adcetris. As per the terms of the agreement, the company retains all rights to sell Adcetris in the United States and Canada, while Takeda has commercial rights to the drug in the rest of the world. The companies fund development costs equally, except in Japan where Takeda is solely responsible. The company earns royalty revenues mostly from this collaboration. Seattle Genetics earned a $12.5-million milestone payment from Takeda on the additional approval of Adcetris for frontline Hodgkin lymphoma in second-quarter 2019.

  Moreover, the company has collaborations for its antibody-drug conjugate (ADC) technology with a number of biotechnology and pharmaceutical companies. In 2015, the company entered into a strategic collaboration and license agreement with Unum Therapeutics to develop and commercialize novel ACTR therapies incorporating its antibodies for cancer. In addition, Seattle Genetics has a collaboration agreement with Bristol-Myers to evaluate Adcetris in combination with Opdivo, including relapsed classical Hodgkin lymphoma and various other lymphomas.

  Seattle Genetics acquired exclusive worldwide rights to develop, and commercialize Immunomedics' sacituzumab govitecan (IMMU-132), which is being evaluated for the treatment of cancers of the breast, lung and bladder. The company is developing tisotumab vedotin (TV) in collaboration with Genmab. Moreover, Seattle Genetics has collaborations with several pharma and biotech companies for its ADC technology.

- **Pipeline Progress:** Seattle Genetics is working toward the advancement of its ADC pipeline. It has several ADC candidates and one novel immuno-oncology agent (based on its SEA technology) in early- and mid-stage development. These include tucatinib, TV, ladiratuzumab vedotin and SEA-BCMA. The company is developing TV and SEA-BCMA in collaboration with other companies.

  Meanwhile, Seattle Genetics is evaluating its investigational agent enfortumab vedotin EV along with Japanese partner Astellas Pharma, Inc. In June 2019, both companies announced positive results from the first cohort of the phase II EV-201 study, which evaluated EV for the treatment of patients with advanced/metastatic urothelial cancer, who were previously treated with both a checkpoint inhibitor (PD-1/PD-L1) and platinum-based chemotherapy. In September 2019, the FDA accepted and granted a priority review to the BLA for EV. In December 2019, the FDA granted accelerated approval to Padcev (enfortumab vedotin-ejfv) for the given indication before the scheduled action date of Mar 15, 2020. The approval, should reduce the company's heavy dependence on its sole marketed drug Adcetris.

  Notably, a phase III confirmatory EV-301 study is ongoing, which is likely to support global registrations of EV.

  Another phase I EV-103 study is investigating EV for treating patients with locally advanced/metastatic urothelial cancer in earlier-line settings including a combination study with Merck's PD-1/L1 inhibitor Keytruda and platinum chemotherapy in newly diagnosed patients besides those cancer patients, who progressed from the initial stage of the disease. In September 2019, Seattle Genetics announced encouraging initial results from the EV-103 study on EV in combination with Keytruda for addressing previously untreated patients with locally advanced/metastatic urothelial cancer, who are not eligible for cisplatin-based chemotherapy.

  Last November, the company initiated dosing in the phase I study on its pipeline candidate, SEA-BCMA. The early-stage candidate is currently being evaluated for the treatment of patients with relapsed/refractory multiple myeloma (MM).

  In March 2018, Seattle Genetics added a late stage breast cancer candidate, tucatinib, with the acquisition of Cascadian Therapeutics. In September 2019, Seattle Genetics presented initial data from the single arm phase II MOUNTAINEER study on tucatinib in combination with Roche's Herceptin for treating patients with HER2-positive RAS wild-type metastatic colorectal cancer, having already received treatment with thefirst and second-line standard-of-care therapies.

  In October 2019, Seattle Genetics announced positive top-line results from the HER2CLIMB study evaluating tucatinib in combination with Roche's Herceptin and Xeloda as compared to Herceptin + Xeloda alone for treating patients with locally advanced unresectable/metastatic HER2-positive breast cancer. The study met the primary endpoint of progression-free survival and also the two key secondary endpoints

during interim analysis. In December 2019, the company submitted a new drug application for tucatinib combo to address the given patient population.

Also, in October this year, Seattle Genetics dosed the first patient in a phase III HER2CLIMB-02 study on tucatinib in combination with Roche's Kadcyla (ado-trastuzumab emtansine) for the treatment of patients with locally advanced/metastatic HER2-positive breast cancer.

Moreover, in March 2019, Seattle Genetics completed enrollment in the phase II innovaTV 204 study on TV. The candidate is being evaluated as a monotherapy for the treatment of patients with recurrent/metastatic cervical cancer, whose disease relapsed or progressed after the standard-of-care treatment. Top-line results from the study are expected in the first half of 2020.

Reasons To Sell:

Since Seattle Genetics is entirely dependent on Adcetris for revenue growth. Potential competition in the near future put up tough challenges for the company's top line.

- **Heavily Dependent on Adcetris:** Seattle Genetics' top line mainly comprises contribution from its only marketed product Adcetris. The drug contributes majority of the company's top line. Although the product has been performing well since its launch, Seattle Genetics' dependence on a single drug remains a matter of concern. Hence, a decline in Adcetris sales will adversely impact the company's top line. Moreover, although the company is working on various label expansion of the drug, any unfavorable response from the FDA could materially hurt the stock.

- **Development Setbacks:** Although Seattle Genetics has a number of candidates in its pipeline, most of these candidates are in the early stage of development. Since the company is highly dependent on Adcetris for growth, failure to develop any new product will magnify this dependence. Unfavorable results may lead the company to postpone or discontinue the studies. They might also have an adverse impact on the shares.

  At the end of December 2016, the FDA placed a clinical hold on several early-stage trials of vadastuximab talirine (SGN-CD33A) in acute myeloid leukemia (AML). This was initiated to evaluate the potential risk of hepatotoxicity in patients who were treated with vadastuximab talirine and received allogeneic stem cell transplant. Although the clinical hold was lifted in March 2017, Seattle Genetics has a long way to go before the candidate comes close to commercialization. Moreover, another phase III study (CASCADE) evaluating vadastuximab talirine in newly diagnosed acute myeloid leukemia was halted in June 2017. As part of its portfolio restructuring, the company discontinued the development of denintuzumab mafodotin, SGN-CD19B, SGN-CD123A, SGN-CD33A, and SGN-CD352A.

- **Competition From Other Products:** Adcetris is not the only FDA-approved drug for the treatment of relapsed Hodgkin lymphoma or specifically indicated for relapsed sALCL, Celgene's Istodax and Spectrum Pharmaceuticals' Folotyn are approved for relapsed or refractory peripheral T-cell lymphoma. Several other companies are also evaluating therapies for relapsed Hodgkin lymphoma. These include Pfizer (Xalkori), Takeda (alistertib), AbbVie/Johnson & Johnson (Imbruvica). The entry of new products in the market would make it challenging for Seattle Genetics to maintain/grow share. Additionally, Bristol-Myers' Opdivo was approved for classical Hodgkin lymphoma in the United States (May 2016) and in the EU (November 2016). Moreover, in March 2017, Merck's Keytruda was also approved for relapsed Hodgkin lymphoma in the United States. This is likely to increase competition for Adcetris.

Last Earnings Report

Seattle Genetics Q3 Loss Widens, Revenues Top Mark

Quarter Ending	09/2019
Report Date	Oct 29, 2019
Sales Surprise	1.27%
EPS Surprise	-45.95%
Quarterly EPS	-0.54
Annual EPS (TTM)	-1.67

Seattle Genetics incurred an adjusted loss of 54 cents per share for the third quarter of 2019, significantly wider than the Zacks Consensus Estimate of 37 cents and also the year-ago quarter's loss of 27 cents.

Adjusted loss in the quarter excluded a market-to-market net investment loss related to Seattle Genetics' common stock holdings.

Revenues of $213.3 million were up 25.9% year over year, primarily driven by an increase in the number of frontline peripheral T-cell lymphoma (PTCL) patients treated with Adcetris and sustained patients in frontline Hodgkin's lymphoma (HL). Moreover, the top line beat the Zacks Consensus Estimate of $211 million.

Quarter in Detail

Seattle Genetics' top line mainly comprises product revenues, collaboration and license agreement revenues plus royalties.

Adcetris generated net sales of $167.6 million in the United States and Canada, up 32% year over year. Improved sales of the drug were owing to its label expansions for frontline CD30-expressing PTCL and frontline HL, leading to higher patient population.

Collaboration and license agreement revenues declined 7% year over year to $18.4 million.

Royalty revenues of $27.3 million increased from the year-ago quarter's $22.7 million. Seattle Genetics receives royalty revenues on the sales of Adcetris from Takeda Pharmaceutical in the ex-U.S. markets and outside Canada. On third-quarter conference call, management stated that to a lesser extent, royalty revenues reflected the sales of Polivy under Seattle Genetics' collaboration with Roche.

Research and development (R&D) expenses of $196.1 million were up 39.9% year over year, primarily due to higher investment in the late-stage pipeline consisting of the enfortumab vedotin, tucatinib and tisotumab vedotin programs as well as an upfront cost for a preclinical asset, which was acquired during the quarter.

Selling, general and administrative (SG&A) expenses rose 68.2% year over year to $96.1 million, mainly on account of costs pertaining to the launch of Adcetris in frontline setting and costs related to support.

2019 Outlook

Seattle Genetics projects Adcetris' full-year net sales in the range of $625-$640 million, tightened from the prior guidance of $610-$640 million.

The company expects collaboration and license revenues in the band of $110-$125 million, unchanged from the previous quarter's outlook. Royalty revenues are anticipated within $90-$95 million, lifted from the past view of $85-$90 million on the back of strong sales of Adcetris by Takeda.

Seattle Genetics raised its guidance for SG&A and R&D expenses. The company now expects SG&A expenses within $355-$370 million compared with the previous quarter's forecast of $335-$360 million. R&D is estimated in the $690-$715 million band compared with the preceding quarter's projection of $650-$700 million.

Recent News

Submits NDA to FDA for Tucatinib Combo — Dec 23

Seattle Genetics announced that it submitted a new drug application (NDA) to the FDA for its oral tyrosine kinase inhibitor tucatinib in combination with Roche's Herceptin (trastuzumab) and Xeloda (capecitabine). The NDA was submitted seeking approval to treat patients with locally advanced/metastatic HER2-positive breast cancer, including those with brain metastases who have received at least three prior HER2-directed agents separately or in combination, in the neoadjuvant, adjuvant or metastatic setting.

Gets Speedy FDA Nod for Bladder Cancer Drug — Dec 18

Seattle Genetics along with Astellas announced that the FDA has granted accelerated approval to its pipeline candidate Padcev (enfortumab vedotin-ejfv). The drug is approved for the treatment of patients with advanced/metastatic urothelial cancer, who had received treatment with both a checkpoint inhibitor (PD-1/PD-L1) and platinum-based chemotherapy. Following this nod, Padcev becomes the first FDA approved drug for treating the given patient population.

The approval comes much before the scheduled Prescription Drug User Fee Act (PDUFA) action date of Mar 15, 2020.

Separately, Seattle Genetics announced that the FDA has granted Breakthrough Therapy designation to its oral tyrosine kinase inhibitor tucatinib in combination with Roche's Herceptin (trastuzumab) and Xeloda (capecitabine) to treat patients with locally advanced/metastatic HER2-positive breast cancer including those with brain metastases and earlier being treated with Herceptin, pertuzumab and T-DM1.

Team Up With Merck for Cancer Study — Dec 2

Seattle Genetics along with Astellas announced that it has inked a collaboration agreement with Merck to begin a phase III study for evaluating the combination of enfortumab vedotin and the latter's PD-1/L1 inhibitor Keytruda to address patients with previously untreated metastatic urothelial cancer.

Per the agreement, the three companies will initiate a registrational phase III study to evaluate the efficacy of the enfortumab vedotin plus Keytruda combo in the above-mentioned patient population. The study, which will be led by Seattle Genetics, is expected to being in the first half of 2020. It is likely to support global registrations of enfortumab vedotin.

Health Cananda Approves Expanded Use of Adcetris — Nov 25

Seattle Genetics announced that Health Canada has approved the supplemental new drug submission for the expanded use of Adcetris in combination with chemotherapy (cyclophosphamide, doxorubicin, prednisone) for the treatment of previously untreated adult patients with systemic anaplastic large cell lymphoma, peripheral T-cell lymphoma-not otherwise specified or angioimmunoblastic T-cell lymphoma, whose tumours express CD30.

Submits Arbitration Demand Against Daiichi Sankyo — Nov 12

Seattle Genetics submitted an arbitration demand to the American Arbitration Association against Daiichi Sankyo related to the ownership of certain technology used by the latter in its metastatic breast cancer drug candidate (DS-8201, [Fam-] trastuzumab deruxtecan) and other pipeline candidates.

Inks License Agreement With BeiGene — Nov 5

Seattle Genetics announced that it has entered into a license agreement with BeiGene, Ltd for developing a preclinical product candidate to treat cancer using its antibody-based technology. The company is eligible to receive an upfront payment and milestones of up to $160 million along with tiered royalties on any product sales.

Tucatinib Combo Meets Goal in Breast Cancer Study — Oct 21

Seattle Genetics announced positive top-line results from the HER2CLIMB study evaluating tucatinib in combination with Roche's Herceptin and Xeloda compared to Herceptin + Xeloda alone for treating patients with locally advanced unresectable/metastatic HER2-positive breast cancer. The trial met the primary endpoint of progression-free survival and also the two key secondary endpoints at interim analysis. The company plans to submit a new drug application for tucatinib to the FDA in the first quarter of 2020.

Begins Phase III Study on Tucatinib Combo — Oct 10

Seattle Genetics announced that it has dosed the first patient in a phase III study on tucatinib in combination with Roche's Kadcyla (ado-trastuzumab emtansine) for the treatment of patients with locally advanced/metastatic HER2-positive breast cancer. The HER2CLIMB-02 study is evaluating tucatinib compared to placebo in combination with Kadcyla for treating the above-mentioned patient population including those having brain metastases and who have had prior treatment with a taxane and Roche's Herceptin (trastuzumab) in any setting.

Valuation

Seattle Genetics' shares are up 50.8% over the trailing 12-month period. Over the past year, the Zacks sub-industry is down 5.6% while the sector is up 4.1%.

The S&P 500 index is up 22.1% in the past year.

The stock is currently trading at 23.16X trailing 12-month sales per share, which compares to 2.71X for the Zacks sub-industry, 3.10X for the Zacks sector and 3.51X for the S&P 500 index.

Over the past five years, the stock has traded as high as 25.56X and as low as 11.13X, with a 5-year median of 17.30X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $116.00 price target reflects 24.32X trailing 12-month sales per share.

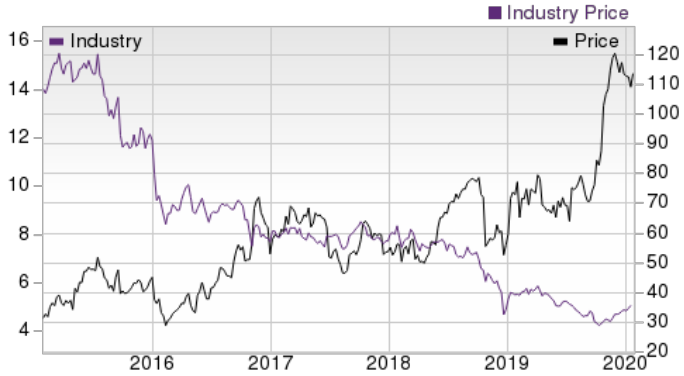
The table below shows summary valuation data for SGEN

Valuation Multiples - SGEN

		Stock	Sub-Industry	Sector	S&P 500
P/S TTM	Current	23.16	2.71	3.1	3.51
	5-Year High	25.56	5	4.15	3.65
	5-Year Low	11.13	2.11	2.69	2.51
	5-Year Median	17.3	2.64	3.26	3.16
P/B TTM	Current	10.64	3.73	4.49	4.43
	5-Year High	35.89	5.75	5.02	4.55
	5-Year Low	5.46	2.42	3.43	2.85
	5-Year Median	10.1	3.25	4.29	3.62

As of 01/27/2020

Industry Analysis **Zacks Industry Rank:** Top 31% (78 out of 255)



Top Peers

Bristol-Myers Squibb Company **(BMY)**	Outperform
Eli Lilly and Company **(LLY)**	Outperform
Pfizer Inc. **(PFE)**	Outperform
Johnson & Johnson **(JNJ)**	Neutral
Merck & Co., Inc. **(MRK)**	Neutral
Novartis AG **(NVS)**	Neutral
Roche Holding AG **(RHHBY)**	Neutral
Spectrum Pharmaceuticals, Inc. **(SPPI)**	Neutral

Industry Comparison Industry: Medical - Biomedical And Genetics

Industry Peers

	SGEN Neutral	X Industry	S&P 500	BMY Outperform	MRK Neutral	SPPI Neutral
VGM Score	F	-	-	A	A	F
Market Cap	18.93 B	195.06 M	23.86 B	103.79 B	219.21 B	288.08 M
# of Analysts	8	3	13	3	6	1
Dividend Yield	0.00%	0.00%	1.81%	2.83%	2.83%	0.00%
Value Score	D	-	-	A	B	F
Cash/Price	0.04	0.23	0.04	0.31	0.04	0.83
EV/EBITDA	-81.03	-3.47	13.94	14.48	17.69	-0.41
PEG Ratio	NA	1.51	2.00	0.77	1.72	NA
Price/Book (P/B)	10.64	3.81	3.25	5.85	8.19	1.23
Price/Cash Flow (P/CF)	NA	12.28	13.46	14.54	13.87	NA
P/E (F1)	NA	27.70	18.67	10.41	15.55	NA
Price/Sales (P/S)	23.62	13.87	2.62	4.29	4.77	2.63
Earnings Yield	-0.64%	-16.31%	5.35%	9.61%	6.43%	-39.61%
Debt/Equity	0.00	0.02	0.72	1.37	0.84	0.00
Cash Flow ($/share)	-1.48	-1.07	6.92	4.38	6.21	-0.69
Growth Score	F	-	-	B	A	F
Hist. EPS Growth (3-5 yrs)	NA%	16.50%	10.68%	20.32%	7.23%	NA
Proj. EPS Growth (F1/F0)	56.22%	8.51%	7.51%	40.96%	7.41%	-8.60%
Curr. Cash Flow Growth	134.79%	19.98%	13.40%	24.21%	3.40%	27.48%
Hist. Cash Flow Growth (3-5 yrs)	NA%	8.03%	8.78%	13.59%	-1.53%	NA
Current Ratio	4.86	5.12	1.22	3.83	1.26	5.71
Debt/Capital	0.00%	3.92%	42.92%	57.87%	45.72%	0.00%
Net Margin	-37.97%	-197.98%	11.39%	23.53%	20.26%	NA
Return on Equity	-19.17%	-64.16%	17.19%	45.49%	48.16%	-46.70%
Sales/Assets	0.47	0.20	0.54	0.53	0.55	NA
Proj. Sales Growth (F1/F0)	27.35%	16.79%	4.09%	66.72%	5.95%	570.00%
Momentum Score	B	-	-	A	A	A
Daily Price Chg	-2.76%	-0.84%	-1.40%	-0.72%	0.14%	-5.20%
1 Week Price Chg	4.19%	-2.94%	-1.09%	-3.84%	-5.49%	-16.98%
4 Week Price Chg	-3.32%	0.07%	-0.25%	-0.05%	-5.42%	-28.77%
12 Week Price Chg	3.70%	9.85%	3.64%	12.47%	2.62%	-68.90%
52 Week Price Chg	52.84%	-6.13%	18.08%	31.83%	18.08%	-76.84%
20 Day Average Volume	897,389	204,528	1,615,215	13,795,482	8,163,451	3,045,566
(F1) EPS Est 1 week change	6.48%	0.00%	0.00%	0.16%	0.10%	0.00%
(F1) EPS Est 4 week change	-4.12%	0.00%	0.00%	0.33%	0.88%	0.00%
(F1) EPS Est 12 week change	5.59%	0.00%	-0.17%	15.12%	2.38%	9.16%
(Q1) EPS Est Mthly Chg	17.81%	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	D
Growth Score	F
Momentum Score	B
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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