

Sanofi (SNY)

\$50.27 (As of 10/16/20)

Price Target (6-12 Months): **\$53.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 05/14/20)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM:B

Value: A

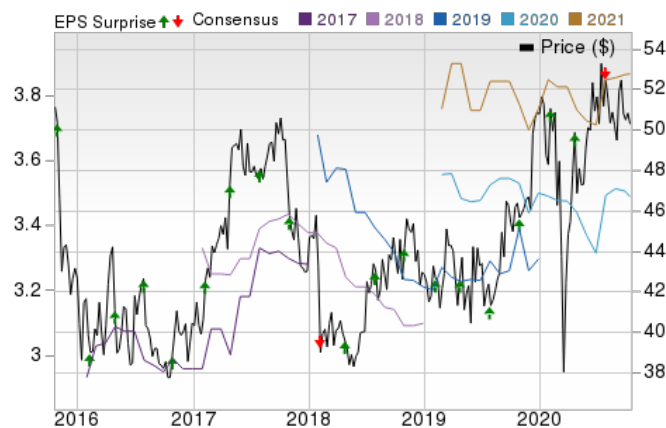
Growth: B

Momentum: D

Summary

Sanofi's Specialty Care segment is on a strong footing, particularly with regular label expansion of Dupixent. The drug has, in a very short time, become Sanofi's key top-line driver. Sanofi possesses one of the world's leading vaccine operations. Its R&D pipeline is strong and cost-savings and efficiency initiatives are supporting bottom-line. However, headwinds include weak performance of the Diabetes unit, generic competition for many drugs and slower-than-expected uptake of core products like Praluent. COVID-19 resulted in slowdown of new patient additions, deferral of procedures and some vaccinations, and lower in-pharmacy traffic in Q2. Shares have outperformed the industry this year so far. Estimates have gone down slightly ahead of Q3 earnings. Sanofi has a mixed record of earnings surprise in the recent quarters.

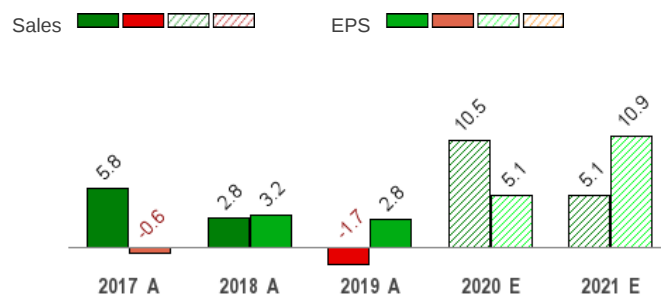
Price, Consensus & Surprise



Data Overview

52-Week High-Low	\$55.00 - \$37.62
20-Day Average Volume (Shares)	1,014,500
Market Cap	\$125.9 B
Year-To-Date Price Change	0.1%
Beta	0.51
Dividend / Dividend Yield	\$1.17 / 2.3%
Industry	Large Cap Pharmaceuticals
Zacks Industry Rank	Top 46% (118 out of 254)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	-7.1%
Last Sales Surprise	-9.1%
EPS F1 Estimate 4-Week Change	0.5%
Expected Report Date	10/29/2020
Earnings ESP	-2.0%
P/E TTM	15.0
P/E F1	14.4
PEG F1	2.1
P/S TTM	3.1

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	11 E	10 E	12 E	12 E	46,479 E
2020	9,898 A	9,035 A	11,800 E	11,430 E	44,215 E
2019	9,529 A	9,696 A	10,561 A	10,639 A	40,002 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$1.00 E	\$0.85 E	\$1.17 E	\$1.04 E	\$3.87 E
2020	\$0.90 A	\$0.65 A	\$1.09 E	\$0.82 E	\$3.49 E
2019	\$0.81 A	\$0.74 A	\$1.07 A	\$0.74 A	\$3.32 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 10/16/2020. The reports text is as of 10/19/2020.

Overview

Sanofi, located in Paris, France, manufactures and markets prescription drugs in Europe, the United States and other countries. It focuses on major therapeutic areas such as cardiovascular, immunology, oncology and diabetes, among others.

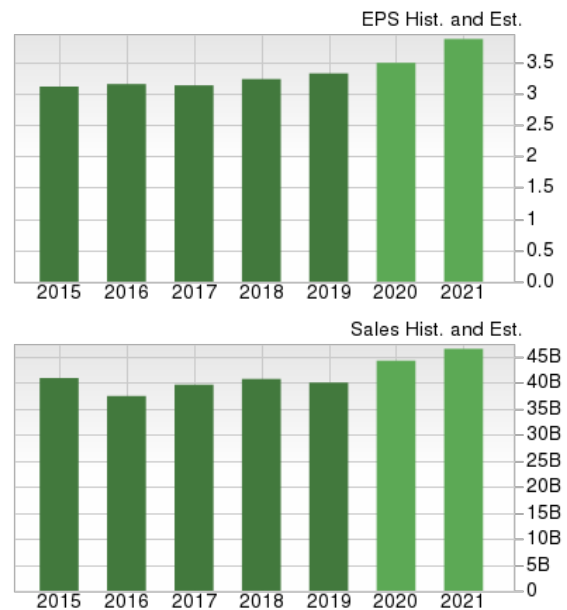
In April 2011, Genzyme Corporation became a subsidiary of Sanofi. With this deal, Sanofi has expanded its presence in biotech and now has products like Cerezyme, Myozyme/Lumizyme and Fabrazyme in its portfolio. Sanofi swapped its Meril Animal Health businesses with Boehringer Ingelheim's Consumer Healthcare (CHC) business in January 2017.

Sanofi has collaboration agreements with companies like Regeneron among others. Sanofi has developed and markets Dupixent, Kevzara, Praluent and Libtayo in collaboration with Regeneron.

Sanofi has a presence in several therapeutic areas including multiple sclerosis, cardiovascular diseases, diabetes, oncology, immunology, among others.

Earlier, Sanofi reported through five Global Business Units (GBUs) — Sanofi Genzyme (Specialty Care), Primary Care, China & Emerging Markets, Consumer Healthcare and Vaccines. Beginning 2020, Sanofi restructured the company's operations under three GBUs —Specialty Care (immunology, rare diseases, rare blood disorders, neurology and oncology), Vaccines and General Medicines (diabetes, cardiovascular, and established products). The company's Consumer Healthcare (CHC) has been established as a standalone business unit.

In 2019, total sales declined 2.8% (at CER) to €36.1 billion.



Source: Zacks Investment Research

Reasons To Buy:

- ▲ **Shares Outperforming Industry:** Sanofi's share price is up 0.1% this year so far, outperforming the industry's decrease of 1.2%.
- ▲ **Diversified Product Portfolio and New Product Launches:** Sanofi possesses a diversified product portfolio with a presence in several therapeutic areas including multiple sclerosis, cardiovascular diseases, diabetes, oncology, immunology, among others. Sanofi has also been progressing with new product launches.

Sanofi's Specialty Care segment is on a strong footing, particularly with the regular label expansion of Dupixent. The drug could prove to be key long-term driver.

Sanofi's new immunology drug Dupixent is now annualizing at around €2.7 billion in sales after just around two years on the market. Sanofi expects Dupixent to achieve more than €10 billion in peak sales. Dupixent now is approved in the United States and the EU for three type II inflammatory diseases, namely severe chronic rhinosinusitis with nasal polyps, severe asthma and moderate-to-severe atopic dermatitis. The frequent label expansion approvals are driving the drug sales higher with the positive trend expected to continue in the future quarters. We are optimistic about the sales prospects of Dupixent, which could prove to be an important catalyst for the company.

Libtayo/cemiplimab was approved in the United States in September 2018 and in the EU in July 2019 for the treatment of cutaneous squamous cell carcinoma. Libtayo is the only treatment approved by the Food & Drug Administration (FDA) for this potentially life-threatening form of skin cancer. Cablivi (caplacizumab), for the treatment of a rare blood disorder called acquired thrombotic thrombocytopenic purpura, was approved by the FDA in February 2019 and in the EU in September 2018. Sarclisa (isatuximab) was approved in the United States for relapsed/refractory (third-line) multiple myeloma (RRMM) in March 2020.

Sanofi is investing in these launches to optimize their success. In fact, Sanofi's new products are now delivering revenues greater than the loss of exclusivity (LoE) impact.

- ▲ **Strong Vaccine Segment:** Sanofi possesses one of the world's leading vaccine operations, with total sales of more than €5 billion in the past three years (2017-2019). The company's portfolio includes pediatric vaccines, influenza vaccines, adult and adolescent booster vaccines, meningitis vaccines and travel and endemic vaccines. Sanofi also has a strong position in both seasonal and pre-pandemic influenza vaccine spaces.

Sanofi continues to expand its vaccine business further. Sanofi has also beefed up its Chinese presence with a new vaccine manufacturing facility in Shenzhen. Sanofi expects sales in its Vaccine unit to grow at mid-to-high single digit CAGR from 2018 to 2025.

- ▲ **Robust Pipeline:** Sanofi has shifted its R&D focus on Specialty Care therapy areas (oncology, immunology, rare disease and rare blood disorder) and Vaccines. Its programs in these areas have increased significantly since 2017. At the end of July 2020, Sanofi's pipeline included 34 pharmaceutical new molecular entities and vaccine candidates, which were in phase III studies or under regulatory review.

Promising candidates include dupilumab (bullous pemphigoid, chronic spontaneous urticaria, prurigo nodularis, eosinophilic esophagitis and chronic obstructive pulmonary disease — phase III); peanut allergy and grass pollen allergy — phase II), Libtayo/cemiplimab (first line non-small cell lung cancer in combination studies — phase III, metastatic and locally advanced basal cell carcinoma — phase II, second-line treatment of cervical cancer — phase III), avalglucosidase alfa (Pompe Disease — phase III in United States; under review in EU), fitusiran (hemophilia A and B — phase III), sutimlimab (cold agglutinin disease — under priority review in United States [PDUFA Date – November 2020]), nirsevimab vaccine (respiratory syncytial virus (RSV) — phase III), fully liquid meningococcal vaccine, MenQuadfi (approved in the United States in April 2020 and under review in the EU), BTK inhibitor/SAR442168 (relapsing multiple sclerosis — phase III), venglustat (GM2 gangliosidosis - phase III) and Sarclisa/isatuximab (newly diagnosed multiple myeloma, smoldering multiple myeloma and second line r/r multiple myeloma — phase III).

- ▲ **Acquisitions and Deals to Drive Growth:** Sanofi has also significantly stepped up its acquisition and alliance activity over the past few years. The company diversified into the rare diseases segment with the Genzyme deal which provided the company with a new source of growth. The acquisition boosted Sanofi's revenues as well as its pipeline. Products like Fabrazyme, Aubagio and Cerdelga became part of Sanofi's portfolio through the Genzyme acquisition. Sanofi has also expanded its presence in biotechnology with this acquisition.

With the acquisition of Chattem in 2010, Sanofi has become a major player in the CHC sector. This acquisition has helped Sanofi establish a strong presence in the U.S. CHC market. Moreover, in order to realign its portfolio, the company swapped businesses with Boehringer — Sanofi's Merial (enterprise value of €11.4 billion) was exchanged with Boehringer's CHC business (worth €6.7 billion). The deal allowed Sanofi to strengthen its position in several categories including Pain Care, Allergy Solutions, Cough & Cold Care, Feminine Care, Digestive Health and Vitamins, Minerals and Supplements.

The company has been actively striking deals related to diabetes and oncology. The 2018 acquisitions of Ablynx and Bioverativ and the in-licensing of fitusiran from Alnylam have strengthened Sanofi's position in the rare blood disorders market.

Sanofi bought small cancer biotech Synthorx in early 2020 which added Synthorx's lead pipeline asset, THOR-707 to Sanofi's immuno-oncology portfolio. THOR-707 is being evaluated across multiple solid tumor types alone and in combination with immune checkpoint inhibitors.

We expect to see more such activities on the acquisition and collaboration front.

- ▲ **Cost Cutting Initiatives:** Sanofi's cost savings come from simplification of its organization, enhanced manufacturing productivity, streamlining of products portfolio and alignment of sales force.

In Dec 2019, Sanofi said that it is discontinuing all its research activities in diabetes and cardiovascular area to help it focus on high growth franchises. Meanwhile, the company said it will prioritize key growth drivers – Dupixent and vaccines and six investigational therapies, including fitusiran, venglustat & nirsevimab. Along with these restructuring initiatives, Sanofi also announced a cost-saving plan, which is expected to generate €2 billion in savings by 2022 with €900 million already achieved in the first half of 2020. Sanofi expects business operating income margin to improve to 30% by 2022.

▲ **Favorable Debt Profile:** As of Jun 30, 2020, the company had \$23.6 billion in total debt (long-term debt plus current debt) and around \$16 billion in cash plus short-term investments. Its cash is sufficient to pay its short-term debt of \$3.33 billion in case of insolvency. Meanwhile, its debt-to-total capital ratio was 26.2% as of Jun 30, 2020, which was lower than 29.4% as of Mar 31, 2020. A lower ratio indicates lower financial risk.

Reasons To Sell:

- ▼ **Sales Decline in Diabetes Franchise:** Sanofi's Diabetes franchise is under significant pressure with key product, Lantus (insulin glargine), facing increasing competitive pressure at the payor level and biosimilar competition in several European markets and Japan. Moreover, a biosimilar insulin glargine hit the U.S. markets in December 2016. Lantus was a major contributor to the company's top line having accounted for 10.3% of total sales in 2017 and 7.3% in 2018.

Sales of Sanofi's global diabetes franchise declined 11% in 2017, 17.5% in 2018 and 15.6% in 2019. Lantus sales declined more than 25% in the past three years (2017-2019) with sales in the United States declining in all years due to lower average net price and loss of Medicare Part D business. In Europe too, Lantus sales declined in all years due to biosimilar competition and patient switching to Toujeo. The trend continues in 2020.

- ▼ **Generics Impacting Revenues:** Sanofi has faced significant loss of revenues in the last couple of years as several of its key products went off patent including its blockbuster drug, Plavix. Meanwhile, sales of drugs like Lantus and Renagel declined in 2018 and 2019 due to loss of exclusivity.

- ▼ **Praluent Sales Below Expectations:** While Praluent was launched in 2015, sales have been below expectations since launch due to payer restrictions. Prescription volumes remain subdued in key markets with treatment being reserved only for very severe patients.

Sanofi has been actively negotiating with U.S. payers to simplify the utilization management criteria and improve access to Praluent. Sanofi and Regeneron lowered Praluent's U.S. net price for those payers who agreed to reduce access barriers for high-risk heart patients. Though these efforts have paid off, the improved access came at the cost of significantly higher rebates, which hurt profits from the drug's sales. In February 2019, Sanofi announced a 60% cut in the U.S. list price of Praluent to improve access and affordability of the drug. However, the lower prices as well as the significantly higher rebates significantly dented Sanofi's profits from Praluent in 2019. Sales declined 7.6% in 2019.

Meanwhile, though Sanofi has gained approval to include data from the phase III cardiovascular outcome study on Praluent's label in the United States as well as EU, it remains to be seen if the label expansion leads to improved demand trends.

We note that Amgen's Repatha is also approved both in the U.S. and in the EU. Potential competitors that could enter the market include Alnylam/Novartis' Inclisiran (under review in the United States and EU).

- ▼ **Pipeline under Pressure:** In order to compensate for the loss of revenues to generic competition, Sanofi needs to successfully develop and launch new products. While the company has several candidates in different stages of development, we note that clinical development involves a high degree of risk. Gaining approval for pipeline candidates has become more difficult given the tough regulatory environment. Some high-profile setbacks include candidates like fedratinib, rimonabant, TroVax, larotaxel, otamixaban, AVE1642, iniparib and xaliproden.

The company is facing generic competition for several products and the Diabetes franchise continues to be under pressure.

Last Earnings Report

Sanofi's Q2 Earnings & Sales Lag Estimates, EPS View Up

Sanofi reported second-quarter 2020 earnings of 65 cents per American depository share, which missed the Zacks Consensus Estimate of 70 cents. The earnings excluded the gain on revaluation of the retained Regeneron shares and declined 2.4% on constant currency rates ("CER") basis. Including this gain, earnings were 70 cents, up 3.2% on a reported basis and 4.8% CER.

Second-quarter net sales declined 4.9% on a reported basis to \$9.03 billion (€8.21 billion). At CER, sales decreased 3.4% year over year, in line with the guidance of a low single-digit decline. Sales missed the Zacks Consensus Estimate of \$9.94 billion.

In the quarter, COVID-19 resulted in a slowdown in new patient additions, deferral of procedures and some vaccinations and lower in- pharmacy traffic. Also, reversal of the COVID-related stockpiling benefit seen in the first quarter hurt sales.

Sales remained flat at CER in the United States, while it declined 10.8% in Europe and 1.4% in the Rest of the World (includes China, Japan, Brazil and Russia).

All growth rates mentioned below are on a year-on-year basis and at CER.

Segmental Performance

Pharmaceuticals sales declined 2% in the quarter to €6.26 billion as a strong performance of Dupixent, was more than offset by lower sales in General Medicines, affected by COVID-19 related destocking and the VBP program in China.

Sanofi Specialty Care GBU sales increased 17.4% to €2.71 billion, mainly driven Dupixent. Oncology also contributed solid growth.

In immunology, multiple sclerosis and neurology franchise, Dupixent generated sales of €858 million in the quarter, up 70%. Sales of the drug in the United States were €697 million, up 69.5% driven by continued growth in atopic dermatitis and rapid uptake in new asthma indication and launch in chronic rhinosinusitis with nasal polyposis. In the United States, Dupixent's new prescription share and total prescription share rose 92% and 11%, respectively. New prescription growth slowed down due to COVID-19 related global confinements. Sales in Europe were €84 million, up 84.8%.

Kevzara recorded sales of €62 million in the quarter, up 17.3%.

Aubagio sales increased 12% to €527 million driven by increased demand and stocking at patient level while sales of Lemtrada fell 74.3% to €19 million due to competitive pressure and the impact of COVID-19.

Sales of rare disease drugs decreased 0.5% to €738 million due to the COVID-19 pandemic. Myozyme sales declined 2.6% to €226 million. Fabryzyme sales were €199 million, down 5.7%. Cerezyme sales rose 2.1% to €179 million.

Oncology sales increased 18.2% to €189 million. Key cancer drug Jevtana's sales were up 4.8% to €133 million, benefiting from increased demand in metastatic castration-resistant prostate cancer. New drugs Libtayo and Sarclisa recorded sales of \$15 million and \$4 million, respectively in the quarter. Sarclisa's launch has been hurt by COVID-19 related lockdown restrictions.

Rare blood disorders franchise recorded sales of €314 million, up 6.2% year over year. Sales of key drug in the franchise, Eloctate declined 2.9% to €169 million in the quarter due to the ongoing competitive pressure in the United States, partially offset by higher sales in the Rest of the World. Alprolix sales were €117 million, up 9.5%.

Sales in General Medicines GBU declined 12.7% to €3.55 billion hurt by lower sales in Diabetes and Established Products. COVID-19 related deferrals of elective procedures and channel destocking hurt sales of this GBU.

The Diabetes franchise declined 5.7% to €1.2 billion. Sales of diabetes drugs in the United States declined 17.4% to €391 million due to pricing pressure. In Europe, sales fell 5.7% while in rest of the world, it rose 4.7%.

Lantus sales decreased 7% to €693 million in the quarter. Lantus sales declined 15.8% in the United States due to lower average net prices. In Europe, sales decreased 12.6% due to biosimilar competition and patient switching to Toujeo. In rest of the world, Lantus sales rose 3.4% driven by strong performance in China. Toujeo generated sales of €239 million in the reported quarter, up 10%.

Sales of Cardiovascular and Established Rx Products came in at €2.36 billion, down 15.9% mainly due to lower sales of Plavix and Aprovel in China following the implementation of the VBP program and the impact of the COVID-19 pandemic.

Meanwhile, lower sales of Lovenox in Europe and generic competition for Renvela/Renagel in the United States also hurt segment sales.

Praluent garnered worldwide sales of €73 million in the reported quarter, up 9.1% driven by higher sales in the United States and rest of the world. In Europe, Praluent sales were hurt by suspension of sales in Germany due to patent litigation issues.

Vaccines GBU sales declined 6.8% to €927 million as growth in influenza vaccines in Rest of the World market was more than offset by lower sales of travel vaccines due to COVID-19-related travel restrictions and lower sales of meningitis and booster vaccinations due to postponement of pediatric vaccinations and boosters. The demand for influenza vaccines was strong in the Southern Hemisphere.

Quarter Ending	06/2020
Report Date	Jul 29, 2020
Sales Surprise	-9.12%
EPS Surprise	-7.14%
Quarterly EPS	0.65
Annual EPS (TTM)	3.36

Sales of vaccines declined 40.9% and 22.4% in the U.S. market and Europe, respectively, in the quarter while sales rose 20.4% in rest of the world.

Sanofi expects to record high flu vaccine sales in the Northern Hemisphere in the second-half as it began flu vaccine shipments to the U.S. market early and expects to deliver 80 million to the U.S. market (higher than last year). The expected high flu demand and potential catch up on pediatric vaccinations is expected to lead to a strong vaccines' performance in the second half. However, the company also said that the catch up on meningitis and booster vaccinations will depend on the level of COVID-19 related restrictions in the second half.

Consumer Healthcare (CHC) stand-alone unit generated sales of €1.02 billion, down 8% due to consumer destocking and reduced consumer traffic in pharmacies in Europe and Rest of the World. Moreover, Sanofi's voluntary recall of its over-the-counter acid reflux medicine Zantac in November also hurt CHC sales.

Meanwhile, non-core divestments and increased regulatory requirements, which resulted in product suspensions, also hurt the performance of the CHC segment.

Costs Decline

Selling, general and administrative expenses declined 7.1% at CER in the quarter, reflecting cost-control measures as well as lower expenses due to COVID-19 pandemic. Research and development expenses declined 15.1% at CER due to decline in diabetes research expenses.

2020 Guidance

Despite expectations of more onerous currency headwinds, Sanofi increased its previously issued earnings growth guidance for 2020. It expects earnings to grow between 6% and 7% at CER in 2020, compared with its previous guidance of growth of approximately 5%. It anticipates a negative currency impact in the range of 3%-4% on earnings in 2020 versus prior expectation of negative currency impact of 1%-2%.

Third-Quarter Outlook

In Pharmaceuticals, the company expects a recovery in new patient starts and elective procedure, though not to pre-COVID levels. Dupixent sales are expected to remain strong. In vaccines, though flu sales are expected to be high, sales of travel vaccines will continue to be hurt by COVID-19. In CHC, the company expects to see increased consumer traffic in pharmacies in most of the United States and Europe but not in emerging markets yet.

Operating expenses in the second half will be slightly down to flat year over year.

Recent News

CHMP Nod to Dupixent for Atopic Dermatitis in Children – Oct 16

Sanofi announced that the European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) has given a positive opinion recommending approval of Dupixent to treat children aged 6 to 11 years with moderate-to-severe atopic dermatitis who are candidates for systemic therapy. Dupixent is already approved to treat moderate-to-severe atopic dermatitis in adults. It is also approved for two other type II inflammatory diseases, namely severe chronic rhinosinusitis with nasal polyposis and severe asthma in EU.

Announces Positive Preclinical Data on Vaccine Candidate – Oct 15

Sanofi announced encouraging pre-clinical data on its mRNA-based vaccine candidate, MRT5500, which is being developed in partnership with Translate Bio. The data showed that MRT5500 induced a favorable immune response profile against SARS-CoV-2 in mice and monkeys. The preclinical data showed that two doses of MRT5500 induced neutralizing antibody levels significantly higher than those observed in COVID-19 patients. A phase I/II clinical study on MRT5500 is expected to begin this year.

Dupixent Meets All Goals in Asthma Study for Children – Oct 13

Sanofi and Regeneron announced that a pivotal phase III study evaluating Dupixent to treat uncontrolled moderate-to-severe asthma in children aged from six to 11 years met its primary and all key secondary endpoints. Dupixent is already approved to treat severe asthma in adults.

Data from the study showed that treatment with Dupixent plus the standard of care significantly reduced severe asthma attacks by 65% over a year in the given patient population compared to the standard of care alone. Moreover, Dupixent significantly and rapidly improved the lung function in children within two weeks of treatment, which sustained for up to 52 weeks, underlining the well-established safety profile of Dupixent.

Regulatory filings for Dupixent to address moderate-to-severe asthma in children aged between six and 11 years are expected to be filed in the first quarter of 2021, both in the United States and Europe.

EMA Accepts Application for Avalglucosidase Alfa – Oct 2

Sanofi announced that The European Medicines Agency (EMA) has accepted its regulatory application seeking approval of its investigational enzyme replacement therapy (ERT), avalglucosidase alfa, for the treatment of late-onset Pompe disease, for review. The marketing authorization application is based on data from two studies which includes both infantile-onset and late-onset Pompe disease patients. The EMA is expected to give its decision in the second half of 2021.

Coronavirus Vaccine Supply Deal with Canadian Government – Sep 22

Sanofi and Glaxo announced an advanced purchase agreement to supply up to 72 million doses of the COVID-19 vaccine that they are developing to Canada, if approved.

CHMP Nod to Two Vaccines – Sep 22

The Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) recommended approval of Sanofi's two vaccines, quadrivalent recombinant influenza vaccine, Supemtek and its meningococcal vaccine, MenQuadfi. Both vaccines are already marketed in the United States.

To Supply 300M Doses of Coronavirus Vaccine in Europe – Sep 18

Sanofi and Glaxo announced an advanced purchase agreement with the European Union to supply up to 300 million doses of the COVID-19 vaccine, if approved. The vaccine is being developed by combining Sanofi's recombinant protein-based technology with Glaxo's pandemic adjuvant technology.

FDA's Breakthrough Therapy Tag to Dupixent for Eosinophilic Esophagitis – Sep 14

The FDA granted Breakthrough Therapy designation to Sanofi/Regeneron's blockbuster immunology drug, Dupixent, for treating eosinophilic esophagitis. The designation is based on positive data from Part A of a phase III study in EoE, a chronic type II inflammatory disease that damages the esophagus and impacts patients' ability to swallow and eat. Dupixent now is approved for three type II inflammatory diseases, namely severe chronic rhinosinusitis with nasal polyposis, severe asthma and moderate-to-severe atopic dermatitis.

Valuation

Sanofi's shares are up 0.1% in the year-to-date period and 9.4% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 1.2% while those in the sector are up 0.4% in the year-to-date period. Over the past year, the Zacks sub-industry and sector are up 10.1% and 11.4%, respectively.

The S&P 500 Index is up 8.3% in the year-to-date period and 16.2% in the past year.

The stock is currently trading at 13.26X forward 12-month earnings per share, which compares to 14.3X for the Zacks sub-industry, 22.45X for the Zacks sector and 22.52X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 15.95X and as low as 10.68X, with a 5-year median of 13.33X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$53 price target reflects 14.0X forward 12-month earnings per share.

The table below shows summary valuation data for SNY

Valuation Multiples - SNY					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	13.26	14.3	22.45	22.52
	5-Year High	15.95	16.62	23.12	23.47
	5-Year Low	10.68	13.61	15.87	15.27
	5-Year Median	13.33	15.17	18.99	17.68
P/S F12M	Current	2.74	4.56	2.8	4.16
	5-Year High	3.13	4.85	3.26	4.31
	5-Year Low	2.13	3.88	2.24	3.18
	5-Year Median	2.59	4.42	2.85	3.67
P/B TTM	Current	1.8	5.3	3.87	5.94
	5-Year High	2	7.37	5.08	6
	5-Year Low	1.44	3.69	2.95	3.63
	5-Year Median	1.67	5.29	4.3	4.84

As of 10/16/2020

Source: Zacks Investment Research

Industry Analysis Zacks Industry Rank: Top 46% (118 out of 254)



Source: Zacks Investment Research

Top Peers

Company (Ticker)	Rec	Rank
AbbVie Inc. (ABBV)	Neutral	3
AstraZeneca PLC (AZN)	Neutral	3
Bayer Aktiengesellschaft (BAYRY)	Neutral	4
GlaxoSmithKline plc (GSK)	Neutral	3
Eli Lilly and Company (LLY)	Neutral	3
MerckCo., Inc. (MRK)	Neutral	3
Novartis AG (NVS)	Neutral	3
Pfizer Inc. (PFE)	Neutral	3

The positions listed should not be deemed a recommendation to buy, hold or sell.

Industry Comparison Industry: Large Cap Pharmaceuticals				Industry Peers		
	SNY	X Industry	S&P 500	ABBV	GSK	MRK
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	3	3	3
VGM Score	B	-	-	B	B	B
Market Cap	125.88 B	146.01 B	23.53 B	152.25 B	91.74 B	201.91 B
# of Analysts	5	3	14	7	6	7
Dividend Yield	2.33%	2.33%	1.6%	5.47%	5.31%	3.06%
Value Score	A	-	-	A	A	B
Cash/Price	0.14	0.05	0.07	0.04	0.11	0.05
EV/EBITDA	10.89	14.26	13.70	19.10	9.34	14.35
PEG F1	2.14	1.97	2.86	1.38	2.71	2.08
P/B	1.80	4.93	3.52	10.33	3.67	7.26
P/CF	7.57	10.79	13.27	8.35	8.44	11.93
P/E F1	14.40	14.23	22.31	8.26	12.26	14.04
P/S TTM	3.14	4.20	2.65	4.20	2.08	4.28
Earnings Yield	6.94%	7.03%	4.35%	12.11%	8.15%	7.12%
Debt/Equity	0.32	0.78	0.70	5.57	1.28	0.94
Cash Flow (\$/share)	6.64	4.22	6.93	10.33	4.33	6.69
Growth Score	B	-	-	C	C	B
Historical EPS Growth (3-5 Years)	1.54%	7.34%	10.41%	21.34%	7.30%	9.70%
Projected EPS Growth (F1/F0)	5.06%	7.08%	-2.95%	16.88%	-5.89%	9.52%
Current Cash Flow Growth	26.95%	2.90%	5.54%	8.78%	4.83%	5.54%
Historical Cash Flow Growth (3-5 Years)	5.29%	7.37%	8.51%	19.92%	1.08%	0.15%
Current Ratio	1.85	1.16	1.35	0.86	0.96	1.32
Debt/Capital	24.32%	43.76%	42.91%	84.78%	56.09%	48.53%
Net Margin	13.88%	19.20%	10.28%	19.20%	19.03%	22.20%
Return on Equity	24.71%	31.21%	14.79%	-628.57%	31.21%	52.94%
Sales/Assets	0.63	0.43	0.51	0.37	0.42	0.55
Projected Sales Growth (F1/F0)	9.37%	4.34%	-0.53%	36.62%	3.66%	1.97%
Momentum Score	D	-	-	B	D	F
Daily Price Change	0.62%	0.87%	0.08%	1.22%	1.64%	0.97%
1-Week Price Change	0.65%	1.84%	4.06%	1.83%	0.89%	-0.54%
4-Week Price Change	-3.46%	-5.23%	2.93%	-3.75%	-7.35%	-6.78%
12-Week Price Change	-3.57%	-3.72%	5.43%	-12.00%	-9.26%	2.27%
52-Week Price Change	8.11%	6.10%	4.36%	14.81%	-13.89%	-4.74%
20-Day Average Volume (Shares)	1,014,500	2,739,463	2,066,999	7,131,580	3,707,908	8,144,487
EPS F1 Estimate 1-Week Change	-0.51%	0.00%	0.00%	0.00%	-0.72%	0.00%
EPS F1 Estimate 4-Week Change	0.46%	0.05%	0.04%	-0.13%	-0.82%	-0.18%
EPS F1 Estimate 12-Week Change	4.87%	1.67%	3.55%	-0.10%	2.23%	6.88%
EPS Q1 Estimate Monthly Change	1.24%	0.00%	0.00%	-0.09%	0.00%	0.00%

Source: Zacks Investment Research

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 maintain a 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	A
Growth Score	B
Momentum Score	D
VGM Score	B

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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Returns quoted represent past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than their original cost. Current performance may be higher or lower than the performance shown.

Investing involves risk; principal loss is possible. There is no guarantee that companies that can issue dividends will declare, continue to pay or increase dividends.

Glossary of Terms and Definitions

52-Week High-Low: The range of the highest and lowest prices at which a stock has traded during the past year. This range is determined based on the stock's daily closing price which may differ from the intra-day high or low. Many investors use it as a technical indicator to determine a stock's current value and future price movement. The idea here is that if price breaks out from the 52-week range, in either direction, the momentum may continue in the same direction.

20-Day Average Volume (Shares): The average number of shares of a company traded in a day over the last 20 days. It is a direct indication of a security's overall liquidity. The higher the average daily trading volume, the easier it is to enter or exit the stock at a desired price with more buyers and sellers being available.

Daily Price Change: This is the percentage difference between a trading day's closing price and the prior trading day's closing price. This item is updated at 9 p.m. EST each day.

1-Week Price Change: This is the percentage change in a stock's closing price over the last 5 trading days. This change reflects the collective buying and selling sentiment over the 1-week period.

A strong weekly price increase for the stock, especially when accompanied by increased volume, is an indication of it gaining momentum.

4-Week Price Change: This is the percentage change in a stock's closing price over the last 20 trading days or past 4 weeks. This is a medium-term price change metric and an indication of the stock gaining momentum.

12-Week Price Change: This is the percentage change of a stock's closing price over the last 60 trading days or past 12 weeks. Similar to 4-week price change, this is a medium-term price change metric. It shows whether a stock has been enjoying strong investor demand, or if it has been in consolidation, or distress over this period.

52-Week Price Change: This is the percentage change in a stock's closing price over the last 260 trading days or past 52 weeks. This long-term price change metric is a good reference point for investors. Some investors seek stocks with the best percentage price change over the last 52 weeks, expecting the momentum to continue.

Market Cap: The number of outstanding common shares of a company times its latest price per share. This figure represents a company's size, which indicates various characteristics, including price stability and risk, in which investors could be interested.

Year-To-Date Price Change: Change in a stock's daily closing price in the period of time beginning the first day of the current calendar year through to the previous trading day.

of Analysts: Number of EPS estimates used in calculating the current-quarter consensus. These estimates come from the brokerage analysts tracking this stock. However, the number of such analysts tracking this stock may not match the number of estimates, as all brokerage analysts may not come up with an estimate or provide it to us.

Beta: A measure of risk commonly used to compare the volatility of a stock to the overall market. The S&P 500 Index is the base for calculating beta and carries a value of 1. A stock with beta below 1 is less risky than the market as a whole. And a stock with beta above 1 is riskier.

Dividend: The portion of earnings a company is expected to distribute to its common shareholders in the next 12 months for each share they own. Dividends are usually paid quarterly. Dividend payments reflect positively on a company and help maintain investors' trust. Investors typically find dividend-paying stocks appealing because the dividend adds to any market price appreciation to result in higher return on investment (ROI). Moreover, a steady or increasing dividend payment provides investors a cushion in a down market.

Dividend Yield: The ratio of a company's annual dividend to its share price. The annual dividend used in the ratio is calculated based on the most recent dividend paid by the company. Dividend yield is an estimate of the dividend-only return from a stock in the next 12 months. Since dividend itself doesn't change frequently, dividend yield usually changes with a stock's price movement. As a result, often an unusually high dividend yield is a result of weak stock price.

S&P 500 Index: The Standard & Poor's 500 (S&P 500) Index is an unmanaged group of securities considered to be representative of the stock market in general. It is a market-capitalization-weighted index of stocks of the 500 largest U.S. companies. Each stock's weight in the index is proportionate to its market value.

Industry: One of the 250+ groups that Zacks classifies all stocks into based on the nature of business. These groups are termed as expanded (aka "X") industries and map to their respective (economic) sectors; Zacks has 16 sectors.

Zacks Industry Rank: The Zacks Industry Rank is determined by calculating the average Zacks Rank for all stocks in the industry and then assigning an ordinal rank to it. For example, an industry with an average Zacks Rank of 1.6 is better than an industry with an average Zacks Rank of 2.3. So, the industry with the better average Zacks Rank would get a better Zacks Industry Rank. If an industry has the best average Zacks Rank, it would be considered the top industry (1 out of 250+), which would place it at the top 1% of Zacks-ranked industries. Studies have shown that roughly half of a stock's price movement can be attributed to the industry group it belongs to. In fact, the top 50% of Zacks-ranked industries outperforms the bottom 50% by a factor of more than 2 to 1.

Last EPS Surprise: The percentage deviation of a company's last reported earnings per share from the Zacks Consensus Estimate. Companies with a positive earnings surprise are more likely to surprise again in the future (or miss again if they recently missed).

Last Sales Surprise: The percentage deviation of a company's last reported sales from the Zacks Consensus Estimate.

Expected Report Date: This is an estimated date of a company's next earnings release. The information originated or gathered by Zacks Investment Research from its information providers or publicly available sources is the basis of this estimate.

Earnings ESP: The Zacks Earnings ESP compares the Most Accurate Estimate to the Zacks Consensus Estimate for the yet-to-be reported quarter. The Most Accurate Estimate is the most recent version of the Zacks Consensus EPS Estimate. The idea here is that analysts revising their estimates closer to an earnings release have the latest information, which could potentially be more accurate than what they and others contributing to the consensus had predicted earlier. Thus, a positive or negative Earnings ESP reading theoretically indicates the likely deviation of the actual earnings from the consensus estimate. However, the model's predictive power is significant for positive ESP readings only. A positive Earnings ESP is a strong predictor of an earnings beat, particularly when combined with a Zacks Rank #1 (Strong Buy), #2 (Buy) or #3 (Hold). Our research shows that stocks with this combination produce a positive surprise nearly 70% of the time.

Periods:

TTM: Trailing 12 months. Using TTM figures is an effective way of analyzing the most-recent financial data in an annualized format that helps neutralize the effects of seasonality and other quarter-to-quarter variation.

F1: Current fiscal year. This period is used to analyze the estimates for the ongoing full fiscal year.

F2: Next fiscal year. This period is used to analyze the estimates for the next full fiscal year.

F12M: Forward 12 months. Using F12M figures is an effective way of analyzing the near-term (the following four unreported quarters) estimates in an annualized manner. Instead of typically representing estimates for the full fiscal year, which may not represent the nitty-gritty of each quarter, F12M figures suggest an all-inclusive annualized estimate for the following four quarters. The annualization helps neutralize the potential effects of seasonality and other quarter-to-quarter variations.

P/E Ratio: The price-to-earnings ratio measures a company's current market price per share relative to its earnings per share (EPS). Usually, the trailing-12-month (TTM) EPS, current-fiscal-year (F1) EPS estimate, or forward-12-month (F12M) EPS estimate is used as the denominator. In essence, this ratio shows what the market is willing to pay today for each dollar of EPS. In other words, this ratio gives a sense of what the relative value of the company is at the already reported level of earnings or at a future level of earnings.

It is one of the most widely-used multiples for determining the value of a company and helps comparing its valuation with that of a competitor, the industry group or a benchmark.

PEG Ratio: The price/earnings to growth ratio is a stock's P/E ratio using current fiscal year (F1) EPS estimate divided by its expected EPS growth rate over the coming 3 to 5 years. This ratio essentially determines a stock's value by factoring in the company's expected earnings growth and is thus believed to provide a more complete picture than just the P/E ratio, particularly for faster-growing companies.

P/S Ratio: The price-to-sales ratio is calculated as a company's current price per share divided by trailing 12 months (TTM) sales or revenues per share. This ratio shows what the market is willing to pay today for each dollar of TTM sales per share. The P/S ratio is at times the only valuation metric when the company has yet to become profitable.

Cash/Price Ratio: The cash-to-price ratio or Cash Yield is calculated as cash and marketable securities per share divided by the company's current share price. Like the earnings yield, which shows the anticipated yield (or return) on a stock from earnings for each dollar invested, the cash yield does the same, with cash being the source of return instead of earnings. For example, a cash/price ratio of 0.08 suggests a return of 8% or 8 cents for every \$1 investment.

EV/EBITDA Ratio: The EV/EBITDA ratio, also known as Enterprise Multiple, is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by EBITDA (earnings before interest, taxes, depreciation and amortization). Usually, trailing-12-month (TTM) or forward-12-month (F12M) EBITDA is used as the denominator.

EV/Sales Ratio: The enterprise value-to-sales ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by annual sales. It is an expansion of the P/S valuation, which uses market value instead of enterprise value. The EV/Sales ratio is perceived as more accurate than P/S, in part, because the market capitalization does not take a company's debt into account when valuing it.

EV/CF Ratio: The enterprise value-to-cash flow ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by the trailing-12-month (TTM) operating cash flow. It's a measure of how long it would take to buy the entire business if you were able to use all the company's operating cash flow.

The EV/CF ratio is perceived as more accurate than the P/CF ratio, in part, because the market price does not take a company's debt into account when valuing it.

EV/FCF Ratio: The enterprise value-to-free cash flow metric compares a company's enterprise value to its trailing-12-month (TTM) free cash flow (FCF). This metric is very similar to the EV/CF ratio, but is considered a more exact measure owing to the fact that it uses free cash flow, which subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding growth activities and payments to shareholders.

P/EBITDA Ratio: The P/EBITDA ratio is calculated as a company's per share market value divided by EBITDA (earnings before interest, taxes, depreciation, and amortization). This metric is very similar to the EV/EBITDA ratio, but is considered a little less exact measure as it uses market price, which does not take a company's debt into account. However, since EBITDA is often considered a proxy for cash income, the metric is used as a measure of what the market is willing to pay today for each dollar of the company's cash profitability in the trailing 12 months (TTM) or forward 12 months (F12M).

P/B Ratio: The price-to-book ratio is calculated as a company's current price per share divided by its book value (total assets – liabilities – preferred stocks) per share. In short, the book value is how much a company is worth. In other words, it reflects the total value of a company's assets that its common shareholders would receive if it were to be liquidated. So, the P/B ratio indicates whether you're paying higher or lower than what would remain if the company went bankrupt immediately. Investors typically use this metric to determine how a company's stock price stacks up to its intrinsic value.

P/TB Ratio: The price-to-tangible-book value ratio is calculated as the per share market value of a company divided by the value of its tangible assets (total assets – liabilities – preferred stocks – intangible assets) per share. Tangible book value is the same thing as book value except it excludes the value of intangible assets to get a step closer to the baseline value of the company.

P/CF Ratio: The price-to-cash flow ratio measures a company's per share market price relative to its trailing-12-month (TTM) operating cash flow per share. This metric is used to determine whether a company is undervalued or overvalued relative to another stock, industry or sector. And like the P/E ratio, a lower number is typically considered better from the value perspective.

One of the reasons why P/CF ratio is often preferred over P/E ratio is the fact that operating cash flow adds back non-cash expenses such as depreciation and amortization to net income. This feature helps valuing stocks that have positive cash flow but are not profitable because of large noncash charges.

P/FCF Ratio: The price-to-free cash flow ratio is an extension of P/CF ratio, which uses trailing-12-month (TTM) free cash flow per share instead of operating cash flow per share. This metric is considered a more exact measure than P/CF ratio, as free cash flow subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding activities that generate additional revenues.

Earnings Yield: The earnings yield is calculated as current fiscal year (F1) EPS estimate divided by the company's current share price. The ratio, which is the inverse of the P/E ratio, measures the anticipated yield (or return) from earnings for each dollar invested in a stock today.

For example, earnings yield for a stock, which is trading at \$35 and expected to earn \$3 per share in the current fiscal year (F1), would be 0.0857 ($3/35 = 0.0857$) or 8.57%. In other words, for \$1 invested in the stock today, the yield from earnings is anticipated to be 8.57 cents.

Investors most commonly compare the earnings yield of a stock to that of a broad market index (such as the S&P 500) and prevailing interest rates, such as the current 10-year Treasury yield. Since bonds and stocks compete for investors' dollars, stock investors typically demand a higher yield for the extra risk they assume compared to investors of U.S. Treasury-backed securities that offer virtually risk-free returns. This additional return is referred to as the risk premium.

Debt/Equity Ratio: The debt-to-equity ratio is calculated as a company's total liabilities divided by its shareholder equity. This metric is used to gauge a company's financial leverage. In other words, it is a measure of the degree to which a company is financing its operations through debt versus its own funds. The higher the ratio, the higher the risk for shareholders.

However, this ratio is difficult to compare across industry groups where ideal amounts of debt vary. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-equity ratio should be compared with other companies in the same industry.

Cash Flow (\$/share): Cash flow per share is calculated as operating cash flow (after-tax earnings + depreciation + other non-cash charges) divided by common shares outstanding. It is used by many investors as a measure of a company's financial strength. Since cash flow per share takes into consideration a company's ability to generate cash by adding back non-cash expenses, it is regarded by some as a more accurate measure of a company's financial situation than earnings per share, which could be artificially deflated.

Current Ratio: The current ratio or liquidity ratio is a company's current assets divided by its current liabilities. It measures a company's ability to pay short-term obligations. A current ratio that is in line with the industry average or slightly higher is generally considered acceptable. A current ratio that is lower than the industry average would indicate a higher risk of distress or default. A higher number is usually better. However, a very high current ratio compared to the industry average could be an indication of inefficient use of assets by management.

Debt/Capital Ratio: Debt-to-capital ratio is a company's total debt (interest-bearing debt + both short- and long-term liabilities) divided its total capital (interest-bearing debt + shareholders' equity). It is a measure of a company's financial leverage. All else being equal, the higher the debt-to-capital ratio, the riskier the stock.

However, this ratio can vary widely from industry to industry, the ideal amount of required debt being different. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-capital ratio should be compared with the same for its industry.

Net Margin: Net margin is calculated as net income divided by sales. It shows how much of each dollar in sales generated by a company translates into profit. For example, if a company's net margin is 15%, its net income is 15 cents for every \$1 of sales it makes.

A change in margin can reflect either a change in business conditions, or a company's cost controls, or both. If a company's expenses are growing faster than sales, its net margin will decline. However, different net margin rates are considered good for different industries, so it's better to compare net margin rates of companies in the same industry group.

Return on Equity: Return on equity (ROE) is calculated as trailing-12-month net income divided by trailing-12-month average shareholder equity (including reinvested earnings). This metric is considered a measure of how effectively management is using a company's assets to generate profits. For example, if a company's ROE is 10%, it creates 10 cents profits for every \$1 shareholder equity, which is basically the company's assets minus debt. A company's ROE deemed good or bad depends on what's normal for its peers or industry group.

Sales/Assets Ratio: The sales-to-assets ratio or asset utilization ratio or asset turnover ratio is calculated as a company's annual sales divided by average assets (average of assets at the beginning of the year and at the year's end). This metric helps investors understand how effectively a company is using its assets to generate sales. For example, a sales-to-assets ratio of 2.5 indicates that the company generated \$2.50 in sales for every \$1 of assets on its books.

The higher the sales-to-assets ratio, the better the company is performing. However, similar to many other ratios, the asset turnover ratio tends to be higher for companies in certain industries/sectors than in others. So, a company's sales-to-assets ratio should be compared with the same for its industry/sector.

Historical EPS Growth (3-5 Years): This is the average annual (trailing-12-month) EPS growth rate over the last 3-5 years. This metric helps investors see how a company's EPS has grown from a long-term perspective.

Note: There are many factors that can influence short-term numbers — a recession will reduce this number, while a recovery will inflate it. The longterm perspective helps smooth out short-term events.

Projected EPS Growth (F1/F0): This is the estimated EPS growth rate for the current financial year. It is calculated as the consensus estimate for the current fiscal year (F1) divided by the reported EPS for the last completed fiscal year (F0).

Current Cash Flow Growth: It measures the latest year-over-year change in operating cash flow. Cash flow growth tells an investor how quickly a company is generating inflows of cash from operations. A positive change in the cash flow is desired and shows that more 'cash' is coming in than going out.

Historical Cash Flow Growth (3-5 Years): This is the annualized change in cash flow over the last 3-5 years. The change in a longer period helps put the current reading into proper perspective. By looking at the rate, rather than the actual dollar value, the comparison across the industry and peers becomes easier.

Projected Sales Growth (F1/F0): This metric looks at the estimated sales growth for the current year. It is calculated as sales estimate for the current fiscal year (F1) divided by the reported sales for the last completed fiscal year (F0).

Like EPS growth, a higher rate is better for sales growth. A look at a company's projected sales growth instantly tells you what the outlook is for their products and services. However, different sales growth rates are considered good for different industries, so it's better to compare sales growth rates of companies in the same industry group.

EPS F1 Estimate 1-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past week. The change in a company's consensus EPS estimate (or earnings estimate revision) has proven to be strongly correlated with the near-term price movement of its shares. It is an integral part of the Zacks Rank.

If a stock's consensus EPS estimate is \$1.10 now versus \$1.00 a week ago, that will be reflected as a 10% upward revision. If, on the other hand, it went from \$1.00 to 90 cents, that would be a 10% downward revision.

EPS F1 Estimate 4-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past four weeks.

A stock's earnings estimate revision in a 1-week period is important. But it's more meaningful to look at the longer-term revision. And, of course, the 4-week change helps put the 1-week change into proper perspective.

EPS F1 Estimate 12-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past 12 weeks.

This metric essentially shows how the consensus EPS estimate has changed over a period longer than 1 week or 4 weeks.

EPS Q1 Estimate Monthly Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal quarter over the past four weeks.

While the revision in consensus EPS estimate for the current fiscal year is strongly correlated with the near-term price movement of its shares, the estimate revision for the current fiscal quarter is an important metric as well, especially over the short term, and particularly as a stock approaches its earnings date. If a stock's Q1 EPS estimate decreases ahead of its earnings release, it's usually a negative sign, whereas an increase is a positive sign.