

Molson Coors Brewing (TAP)

\$53.38 (As of 01/03/20)

Price Target (6-12 Months): **\$56.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 09/30/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:B

Value: A

Growth: C

Momentum: B

Summary

Molson Coors has underperformed the industry in the past year due to a dismal surprise trend. Though the company beat earnings estimates in third-quarter 2019, both top and bottom lines declined year over year. This marked its fourth consecutive quarter of negative sales surprise. The top line was impacted by soft volume across all segments, owing to a challenging industry backdrop. This along with inflation, higher underlying effective tax rate and cycling a favorable resolution of a vendor dispute in the United States hurt earnings. However, the company's revitalization plan, aimed at achieving sustainable sales growth by improving efficiency and unlocking resources to reinvest in business opportunities, bodes well. Its premiumization efforts, robust innovation pipeline and cost-saving efforts also appear encouraging.

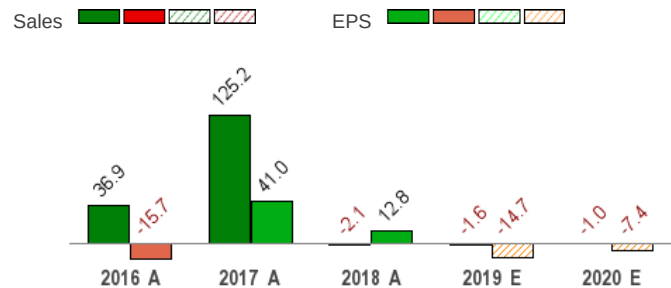
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$67.24 - \$49.82
20 Day Average Volume (sh)	1,725,536
Market Cap	\$11.5 B
YTD Price Change	-1.0%
Beta	0.75
Dividend / Div Yld	\$2.28 / 4.3%
Industry	Beverages - Alcohol
Zacks Industry Rank	Bottom 8% (231 out of 252)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	1.4%
Last Sales Surprise	-0.7%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/11/2020
Earnings ESP	0.0%
P/E TTM	12.2
P/E F1	13.4
PEG F1	3.0
P/S TTM	0.9

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2020	2,268 E	2,911 E	2,822 E	2,458 E	10,495 E
2019	2,303 A	2,948 A	2,842 A	2,504 E	10,598 E
2018	2,332 A	3,085 A	2,934 A	2,419 A	10,770 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	\$0.48 E	\$1.31 E	\$1.45 E	\$0.75 E	\$3.98 E
2019	\$0.52 A	\$1.52 A	\$1.48 A	\$0.78 E	\$4.30 E
2018	\$0.48 A	\$1.88 A	\$1.84 A	\$0.84 A	\$5.04 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 01/03/2020. The reports text is as of 01/06/2020.

Overview

Formed by the merger of Molson Inc. and Adolph Coors Co. in February 2005, Molson Coors Brewing Company is one of the leading brewers in the world. This global manufacturer and seller of beer and other beverage products has an impressive diverse portfolio of owned and partner brands.

These brands include global priority brands such as Blue Moon, Miller Lite, CoorsBanquet, Coors Light, Miller Genuine Draft and Staropramen; as well as regional champion brands like Carling, Molson Canadian. The company also boasts some other major country-specific brands, along with craft and specialty beers, namely, Creemore Springs, Henry's Hard, Cobra, Doom Bar and Leinenkugel's.

Molson Coors crafts high-quality, innovative products with an aim of delighting the world's beer drinkers, thus targeting to become the first choice for its consumers. The company's brands are designed to resonate well with consumer tastes and preferences, styles and prices. Its largest markets are the United States, Canada and Europe.

Impressively, Molson Coors remains well on track with its First Choice plan. This strategy aims at solidifying and preimmunizing portfolio, enhancing customer relations and generating significant profits from international businesses via enhanced capability, productivity and continued cost savings.

Furthermore, Molson Coors operates through MillerCoors LLC (U.S. segment), operating in the United States ("U.S."); Molson Coors Canada (Canada segment), operating in Canada; Molson Coors Europe (Europe segment), operating in Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, the Republic of Ireland, Romania, Serbia, the United Kingdom and other European countries; and Molson Coors International (International segment), operating in various other countries.

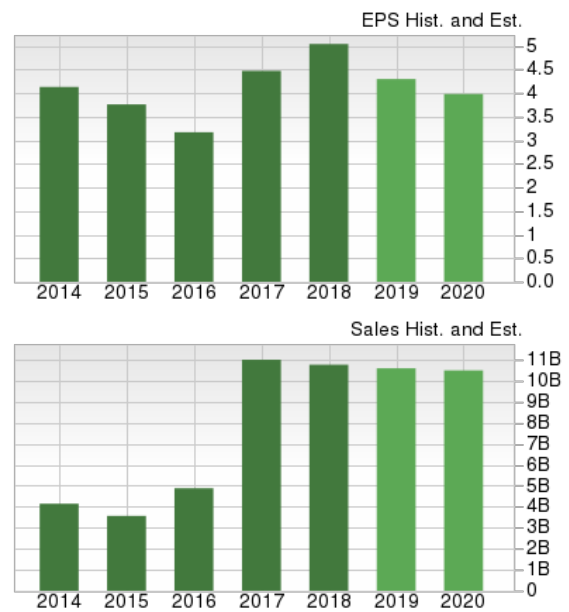
Segment Performance

Canada: The segment contributed nearly 12.9% to the company's net sales in the third quarter of 2019.

United States: The segment contributed nearly 66.5% to its net sales in the third quarter.

Europe: The segment contributed nearly 19.6% to the company's net sales in the third quarter.

International: The segment contributed nearly 2% to its net sales in the third quarter.



Reasons To Buy:

▲ **Revitalization Plan:** Molson Coors announced a revitalization plan to achieve sustainable top-line growth by improving efficiency and unlocking resources to reinvest in business opportunities. To do this, the company intends to invest in iconic brands and growth opportunities in the above-premium beer space; expand in adjacencies and beyond beer, without hampering the support for its existing large brands; and creating digital competencies for commercial functions, supply-chain-related system capabilities and employees. To facilitate these investments, it plans to generate savings of nearly \$150 million by simplifying structure. It plans to streamline its business units into two segments — North America and Europe. Currently, the company has a corporate center and four business units, including MillerCoors in the United States, Molson Coors Canada, Molson Coors Europe and Molson Coors International.

Through the revitalization plan, Molson Coors expects to achieve sustainable top-line growth by improving efficiency and unlocking resources to reinvest in business opportunities.

The North America business unit will include operations in the United States, Canada and corporate center. The Europe unit will operate as a stand-alone segment. The existing Molson Coors International segment will be split, with Latin America operations reporting under the North America business unit, and Africa and the Asia Pacific reporting under the European business unit. The company expects these changes in its operating structure to be effective January 2020, which will be reflected in operating results, starting from the first quarter of 2020. Moreover, it expects to change its name to Molson Coors Beverage Company to more precisely present its intent to expand beyond beer and into other growth adjacencies. Its name change will be legalized in January 2020.

▲ **Reducing Office Space & Headcount:** As part of the revitalization plan, Molson Coors also intends to reduce its office footprint to drive efficiency and enable growth. For this, it will close the Denver office and designate the Chicago office as the headquarters of the North America business unit. Further, it will consolidate functional support roles from various offices across the country to its Milwaukee, WI-based office. Consequently, the company expects to reduce headcounts by nearly 400-500, primarily in the existing United States, Canada and International segments as well as Corporate operations. It expects these consolidations to be completed by the end of 2021. These actions are likely to attract cash and non-cash charges of about \$120-\$180 million, which will be spread across the balance of this year as well as 2020 and 2021.

▲ **Focus on Premiumization & Innovation to Boost Market Share:** Molson Coors is one of the largest brewers in the world and boasts a strong portfolio of well-established brands. The company's focus on premiumization and cost savings has been aiding its bottom line performance. In fact, it remains committed to growing its market share through innovation and premiumization. With a view to accelerate portfolio premiumization, the company has made significant additions to its above-premium brands portfolio. In the past few years, the company has successfully transformed its portfolio in Europe and is now sourcing more than 30% of volume from above-premium brands, including rising strength for Staropramen. In third-quarter 2019, Molson Coors' above-premium brands continued to improve, with Peroni and Blue Moon's growing rapidly in the United States. Further, Belgian Moon witnessed strong growth in Canada, registering 45% growth year to date. Additionally, for 2019 and beyond, the company is encouraged by its innovation pipeline and launch of various innovative brands across regions. Molson Coors remains on track to witness continued segment share gains in premium brands; increased volumes in above-premium brands and bring stability to its below-premium brands' volumes and market share.

▲ **Cost Savings and Restructuring Initiatives:** Molson Coors has undertaken restructuring initiatives to reduce overhead costs and boost profitability. The initiatives included closure of underperforming breweries, improving efficiencies in finance, administration and human resources and reducing labor and general overhead costs. In addition, the company has been focusing on initiatives to improve its supply-chain network and build on efficiencies across the business to generate additional resources to invest in brand building and innovation. Progressing on these lines, Molson Coors remains on track with its target of generating total cost savings of \$700 for the three years ended 2019. Backed by the additional \$150-million cost-savings under the revitalization plan, the company raised its cost-saving target for 2020-2022 to \$600 million from \$450 million mentioned earlier. These cost-saving efforts are likely to cushion the underlying EBITDA and underlying EPS growth in quarters ahead.

▲ **Financial Strength:** Molson Coors is committed to maintaining its balance sheet strength, by efficiently deleveraging debt levels and investing in its business using improved cash flows and cost savings. The company ended third-quarter 2019, with cash and cash equivalents of \$410.2 million, and total debt of \$9,252 million, resulting in net debt of \$8,842 million as of Sep 30, 2019. In 2019, it expects to deliver underlying free cash flow of around \$1.4 billion (plus or minus 10%). Capital spending for the year is expected to be roughly \$700 million (plus or minus 10%). The company recently paid out a dividend of 57 cents on Sep 13, 2019. This was in line with its ongoing target of 20-25% of the prior year's underlying EBITDA.

Reasons To Sell:

- ▼ **Soft Top & Bottom-Line Performance, Stock Underperforms:** Shares of Molson Coors have witnessed a decline of 10.4% in a year against the industry's 17.8% growth, mainly attributed to its dismal earnings and sales performance in recent quarters. Though the company beat earnings estimates in third-quarter 2019, both top and bottom lines declined year over year. Additionally, this marked its fourth consecutive quarter of negative sales surprise. The top line was impacted by soft volume across all segments, owing to a challenging industry backdrop. This along with inflation, higher underlying effective tax rate and cycling a favorable resolution of a vendor dispute in the United States hurt earnings. The company's worldwide brand volume declined 2.4% to 24.7 million hectoliters and financial volume fell 5.5% to 25 million hectoliters. In addition to the aforementioned factors, financial volume was hurt by the timing of customer inventory levels in the United States and Canada as well as lower contract brewing volume. Additionally, its underlying EBITDA declined 7.1% in the third quarter, with a 5.6% fall in constant currency.
- ▼ **Persistent Softness in U.S. Volumes:** Molson Coors has been posting weak beer volumes in the United States for quite some time, owing to tough industry conditions. Consumers' changing preferences, aging population and tough competition from other alcohol beverages mainly contributed to the decline. Apparently, U.S. brand volume declined 3.9%, owing to declines in the Economy and Premium Light segments, offset by rise in the Above Premium portfolio trends. Sales-to-wholesalers (STWs) volume, excluding contract brewing, declined 6.2% on lower brand volume and quarterly timing of distributor inventories. Going forward, the company expects further contraction of the U.S. beer industry volumes. While it plans to offset these by accelerating its portfolio premiumization and improving industry volume share trends, there still remains uncertainty regarding the execution of these plans.
- ▼ **Higher Input Costs a Threat to Bottom Line:** Molson Coors continues to battle input cost inflation, which has been a hindrance for a while now, particularly due to higher aluminum and freight costs. Notably, input cost inflation in all segments led earnings to decline in third-quarter 2019. Underlying COGS per hectoliter rose 5.9% on a constant-currency basis, driven by inflation and global volume deleverage partially offset by cost savings. Further, management expects these hurdles to linger in 2019. The company estimates consolidated underlying COGS per hectoliter (on a constant-currency basis) to increase in a mid-single digit in 2019. Clearly, these hurdles along with the increased tariffs on aluminum imports and beverage exports (due to the U.S.-China trade war) remain a concern for Molson Coors' bottom line.
- ▼ **Soft 2020 View:** Driven by the execution of the revitalization plan, Molson Coors expects 2020 to be a transition year. Consequently, it anticipates net sales to be flat-to-down low-single digits, on a constant-currency basis. Further, EBITDA is likely to decline in mid-single digits in 2020 compared with underlying EBITDA (on a constant-currency basis) of \$2.289 billion for the trailing 12 months ended Sep 30, 2019. Underlying free cash flow is anticipated to be \$1.1 billion (plus or minus 10%), including higher cash taxes than 2019 and additional capital spending to support growth.

Soft volume across segments, inflation, higher underlying effective tax rate and cycling a favorable resolution of a vendor dispute in the United States hurt Molson Coors' third-quarter 2019 earnings.

Last Earnings Report

Molson Coors Beats Q3 Earnings Estimates, Announces Revitalization Plan

Molson Coors reported mixed third-quarter 2019 results, wherein the top line missed estimates but the bottom line beat the same. However, adjusted earnings and sales declined on a year-over-year basis. This marked a beat after two straight earnings miss and the fourth consecutive negative sales surprise. The top line was impacted by soft volume across all segments, owing to a challenging industry backdrop.

Further, the company announced a revitalization plan to achieve sustainable top-line growth by improving efficiency and unlocking resources to reinvest in business opportunities.

Quarter Ending **09/2019**

Report Date	Oct 30, 2019
Sales Surprise	-0.70%
EPS Surprise	1.37%
Quarterly EPS	1.48
Annual EPS (TTM)	4.36

Delving Deeper

Molson Coors' underlying adjusted earnings of \$1.48 per share declined 19.6% year over year but beat the Zacks Consensus Estimate of \$1.46. The decline was attributed to soft volume, inflation, higher underlying effective tax rate and cycling a favorable resolution of a vendor dispute in the United States. This was partly negated by positive global pricing and mix, cost savings, and reduced incentive compensation, restructuring charges and marketing expenses.

The aforementioned factors, except for the effects of the higher underlying effective tax rate, led to a decline in the company's underlying EBITDA, which moved down 7.1% to \$702.6 million year over year. Further, underlying EBITDA slipped 5.6% year over year in constant currency.

Net sales declined 3.2% to \$2,841.6 million, missing the Zacks Consensus Estimate of \$2,861 million. The top-line miss can be attributed to lower volume, partially offset by solid net sales per hectoliter growth. On a constant-currency basis, net sales fell 2%.

Notably, net sales per hectoliter rose 2.5% on a reported financial-volume basis. Moreover, net sales per hectoliter on a brand volume basis improved 3% in constant currency, owing to favorable pricing in all segments and positive global mix due to the company's focus on portfolio premiumization.

Molson Coors' worldwide brand volume declined 2.4% to 24.7 million hectoliters and financial volume fell 5.5% to 25 million hectoliters. The decline was mainly attributed to soft volume in all segments, driven by a challenging industry environment. In addition to these, financial volume was hurt by the timing of customer inventory levels in the United States and Canada as well as lower contract brewing volume.

Segmental Details

The company operates through the following geographical segments.

Canada: Molson Coors' Canada net sales declined 5.8% to \$366.3 million on a reported basis and 4.9% in constant currency, driven by volume declines. This was partly compensated by 2.7% rise in net sales per hectoliter (brand volume basis), in constant currency, driven by higher net pricing. Canada brand volume fell 5.1% and financial volume dipped 8.4%, owing to industry declines. Financial volume was further impacted by reduced contract manufacturing volume and negative impacts of timing of customer inventory levels. Underlying EBITDA moved down 13.9% to \$96.9 million year over year, with a constant-currency decline of 12.3%.

United States: Molson Coors now has complete ownership rights to all the brands in the MillerCoors portfolio for the U.S. market. Net sales for the segment dropped 2.3% to \$1,890.5 million on reported and constant-currency basis mainly due to lower shipment volume. This was partly offset by a 4.3% increase in net sales per hectoliter (on a brand-volume basis) due to positive net pricing and sales mix.

However, U.S. brand volume declined 3.9%, owing to declines in the Economy and Premium Light segments, offset by rise in the Above Premium portfolio trends. Sales-to-wholesalers (STWs) volume, excluding contract brewing, declined 6.2% on lower brand volume and quarterly timing of distributor inventories. The segment's underlying EBITDA declined 8.6% year over year to \$481.1 million.

Europe: The segment reported net sales decline of 3.4% to \$558 million but rose 1.7% in constant currency. Net sales in constant currency benefited from 2.9% increase in net sales per hectoliter (brand-volume basis) in constant currency due to positive pricing and favorable sales mix, offset by lower brand volume. Europe brand and financial volume declined 0.7% and 0.3%, respectively, on soft industry demand. Underlying EBITDA declined 5.1% year over year to \$136.8 million but rose 0.6% in constant currency.

International: Net sales for the segment declined 15.7% to \$56.5 million and 15.5% in constant currency. This was driven by lower net sales per hectoliter and brand volume. Net sales per hectoliter, on a brand-volume basis, declined 7.6% and International brand volume dropped 8.6%, owing to negative geographic mix, offset by positive net pricing. The segment's underlying EBITDA was \$7.7 million, reflecting year-over-year improvements of 165.5% on a reported basis and 189.7% on a constant currency basis. This is primarily attributed to lower MG&A expenses, offset by soft volume.

Other Financial Updates

Molson Coors ended the reported quarter, with cash and cash equivalents of \$410.2 million, and total debt of \$9,252 million. This resulted in net debt of \$8,842 million as of Sep 30, 2019.

Net cash used in operating activities for the nine months ended Sep 30, 2019, was \$1,288.2 million. Underlying free cash flow was \$884.8 million.

Revitalization Plan in Detail

Under the Revitalization plan, the company intends to invest in iconic brands and growth opportunities in the above-premium beer space; expand

beyond beer without hampering the support for its existing large brands; and creating digital competencies for commercial functions, supply-chain-related system capabilities and employees.

To facilitate these investments, the company plans to generate savings of nearly \$150 million by simplifying structure. It plans to streamline its business units into two segments — North America and Europe. Currently, the company has a corporate center and four business units, including MillerCoors in the United States, Molson Coors Canada, Molson Coors Europe and Molson Coors International.

The North America business unit will include operations in the United States, Canada and corporate center. The Europe unit will operate as a stand-alone segment. The existing Molson Coors International segment will be split, with Latin America operations reporting under the North America business unit, and Africa and the Asia Pacific reporting under the European business unit. The company expects these changes in its operating structure to be effective January 2020, which will be reflected in operating results, starting from the first quarter of 2020.

Additionally, it plans to reduce its office footprint to drive efficiency and enable growth. For this, it will close the Denver office and designate the Chicago office as the headquarters of the North America business unit. Further, it will consolidate functional support roles from various offices across the country to its Milwaukee, WI-based office. Consequently, the company expects to reduce headcounts by nearly 400-500, primarily in the existing United States, Canada and International segments as well as Corporate operations. The company expects these consolidations to be completed by the end of 2021. These actions are likely to attract cash and non-cash charges of about \$120-\$180 million, which will be spread across the balance of this year as well as 2020 and 2021.

Moreover, the company expects to change its name to Molson Coors Beverage Company to more precisely present its intent to expand beyond beer and into other growth adjacencies. Its name change will be legalized in January 2020.

Outlook

Management reiterated its guidance for 2019 and provided an initial view for 2020. Molson Coors is on track with its target of generating total cost savings of \$700 million between 2017 and 2019. In 2019, the company expects to deliver underlying free cash flow of around \$1.4 billion (plus or minus 10%).

Capital spending is expected to be roughly \$700 million (plus or minus 10%). Underlying tax rate for the year is likely to be 18-22%. Additionally, net interest expenses are projected to be \$275 million (plus or minus 5%).

Further, consolidated underlying COGS per hectoliter is likely to increase in a mid-single digit on a constant-currency basis. The company recently paid out a dividend of 57 cents on Sep 13, 2019. This was in line with its ongoing target of 20-25% of the prior year's underlying EBITDA.

For 2020, the company expects flat to low-single-digit decline in net sales, on a constant currency basis. Underlying EBITDA is expected to decline in mid-single digits year over year. Underlying free cash flow is anticipated to be \$1.1 billion (plus or minus 10%).

Further, the company increased its cost-saving target for 2020-2022 from \$450 million to \$600 million.

Recent News

Molson Coors Approves Quarterly Dividend – Nov 21, 2019

Molson Coors' declared a quarterly dividend of 57 cents for class A and B shares. The dividend is paid on Dec 13, 2019 to shareholders with record as on Dec 2, 2019.

Valuation

Molson Coors shares are down 10.4% in the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are up 17.8% and 17.5%, respectively, in the past year.

The S&P 500 index is up 25.7% in the past year.

The stock is currently trading at 13.41X forward 12-month earnings, which compares to 24.26X for the Zacks sub-industry, 19.62X for the Zacks sector and 18.71X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.49X and as low as 11.08X, with a 5-year median of 16.45X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$56 price target reflects 14.07X forward 12-month earnings.

The table below shows summary valuation data for TAP

Valuation Multiples - TAP					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	13.41	24.26	19.62	18.71
	5-Year High	28.49	27.52	22.39	19.34
	5-Year Low	11.08	18.91	16.65	15.17
	5-Year Median	16.45	23.27	19.72	17.44
P/S F12M	Current	1.1	16.69	9.75	3.47
	5-Year High	5.69	20.67	11.03	3.47
	5-Year Low	1.02	14.42	8.02	2.54
	5-Year Median	1.72	17.56	9.78	3
EV/EBITDA TTM	Current	9.02	45.08	39.85	11.99
	5-Year High	18.07	53.07	44.63	12.87
	5-Year Low	7.52	33.68	31.32	8.48
	5-Year Median	12.61	42.96	37.92	10.67

As of 01/03/2020

Industry Analysis Zacks Industry Rank: Bottom 8% (231 out of 252)



Top Peers

Brown-Forman Corporation (BF.B)	Neutral
Anheuser-Busch InBev SA/NV (BUD)	Neutral
Carlsberg AS (CABGY)	Neutral
Diageo plc (DEO)	Neutral
Heineken NV (HEINY)	Neutral
The Boston Beer Company, Inc. (SAM)	Neutral
Constellation Brands Inc (STZ)	Neutral
Craft Brew Alliance, Inc. (BREW)	Underperform

Industry Comparison Industry: Beverages - Alcohol				Industry Peers		
	TAP Neutral	X Industry	S&P 500	BUD Neutral	CABGY Neutral	HEINY Neutral
VGM Score	B	-	-	D	B	B
Market Cap	11.55 B	9.65 B	23.66 B	135.14 B	22.56 B	61.68 B
# of Analysts	7	1.5	13	3	2	3
Dividend Yield	4.27%	0.00%	1.79%	1.59%	1.25%	1.06%
Value Score	A	-	-	D	C	C
Cash/Price	0.04	0.03	0.04	0.00	NA	0.03
EV/EBITDA	7.57	9.70	13.88	6.15	NA	NA
PEG Ratio	3.06	3.12	1.99	2.30	NA	2.80
Price/Book (P/B)	0.86	2.43	3.36	1.73	NA	3.37
Price/Cash Flow (P/CF)	5.88	15.70	13.62	12.68	15.11	12.69
P/E (F1)	13.66	23.34	18.74	19.30	21.92	20.46
Price/Sales (P/S)	0.89	2.30	2.67	2.50	NA	NA
Earnings Yield	7.46%	4.27%	5.32%	5.18%	4.56%	4.89%
Debt/Equity	0.60	0.40	0.72	NA	NA	0.87
Cash Flow (\$/share)	9.08	1.90	6.94	6.53	1.96	4.22
Growth Score	C	-	-	D	B	A
Hist. EPS Growth (3-5 yrs)	5.82%	7.35%	10.56%	-6.80%	NA	NA
Proj. EPS Growth (F1/F0)	-7.38%	8.62%	7.41%	-0.23%	10.66%	8.43%
Curr. Cash Flow Growth	8.69%	4.60%	14.83%	-9.50%	3.39%	12.24%
Hist. Cash Flow Growth (3-5 yrs)	12.93%	4.63%	9.00%	0.24%	-3.69%	4.17%
Current Ratio	0.59	1.61	1.23	0.54	NA	0.71
Debt/Capital	37.54%	29.41%	42.92%	56.55%	NA	46.43%
Net Margin	1.19%	7.96%	11.08%	17.63%	NA	NA
Return on Equity	6.86%	8.39%	17.10%	23.92%	NA	NA
Sales/Assets	0.44	0.52	0.55	0.46	NA	NA
Proj. Sales Growth (F1/F0)	-0.97%	4.56%	4.20%	1.27%	4.07%	5.00%
Momentum Score	B	-	-	F	D	D
Daily Price Chg	-0.30%	0.00%	-0.61%	-0.84%	0.75%	-0.06%
1 Week Price Chg	-0.06%	0.28%	0.13%	1.38%	2.00%	1.49%
4 Week Price Chg	6.02%	2.33%	2.60%	5.24%	0.92%	2.33%
12 Week Price Chg	-4.20%	-1.04%	8.87%	-9.62%	0.78%	0.83%
52 Week Price Chg	-7.76%	13.55%	29.34%	24.59%	39.91%	23.53%
20 Day Average Volume	1,725,536	30,050	1,603,615	846,666	53,157	69,108
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	-0.77%	-0.74%	-1.01%
(F1) EPS Est 12 week change	-8.08%	-2.81%	-0.57%	-8.34%	0.75%	-3.92%
(Q1) EPS Est Mthly Chg	0.00%	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	A
Growth Score	C
Momentum Score	B
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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