Teva Pharmaceutical (TEVA)

$12.00 (As of 05/20/20)

Price Target (6-12 Months): **$13.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 05/21/19) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**2-Buy**
	Zacks Style Scores:	VGM:B
	Value: A | Growth: C | Momentum: F	

Summary

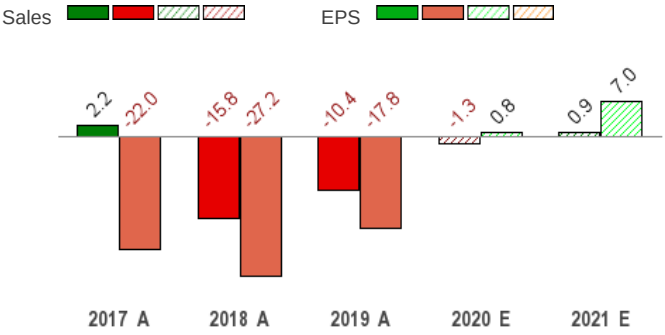
Teva beat estimates for earnings and sales in Q1. The company faces challenges in the form of generic erosion of Copaxone, new competition for branded products, pricing erosion in the U.S. generics business, a massive debt load and a sparse branded pipeline. Nonetheless, its two-year restructuring plan was successful, leading to $3 billion in cost savings by 2019. Its newest drugs Austedo and Ajovy could emerge as significant drivers of long-term sales. With encouraging progress in restructuring activities, stabilization in the United States and European generics business, and improvement in financials, we believe the company may return to growth in 2020. However, the opioid litigation and price-fixing investigations are an overhang on the stock. Teva's shares have underperformed the industry this year so far.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$13.76 - $6.07**
20 Day Average Volume (sh)	**13,189,226**
Market Cap	**$13.1 B**
YTD Price Change	**22.5%**
Beta	**1.60**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Medical - Generic Drugs**
Zacks Industry Rank	**Top 6% (16 out of 254)**
Last EPS Surprise	**28.8%**
Last Sales Surprise	**4.9%**
EPS F1 Est- 4 week change	**0.2%**
Expected Report Date	**08/05/2020**
Earnings ESP	**0.6%**
P/E TTM	**4.7**
P/E F1	**5.0**
PEG F1	**1.4**
P/S TTM	**0.8**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	4,277 E	4,208 E	4,252 E	4,244 E	16,825 E
2020	4,357 A	3,888 E	4,065 E	4,299 E	16,668 E
2019	4,295 A	4,337 A	4,264 A	4,468 A	16,887 A

EPS Estimates

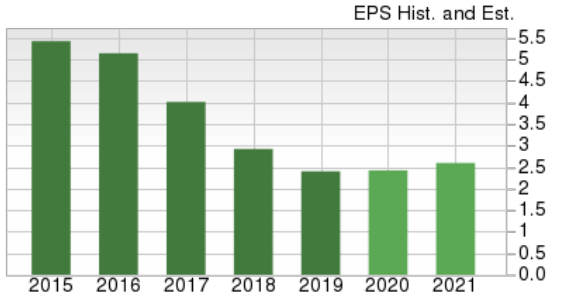
	Q1	Q2	Q3	Q4	Annual*
2021	$0.58 E	$0.63 E	$0.63 E	$0.66 E	$2.59 E
2020	$0.76 A	$0.51 E	$0.58 E	$0.60 E	$2.42 E
2019	$0.60 A	$0.60 A	$0.58 A	$0.62 A	$2.40 A

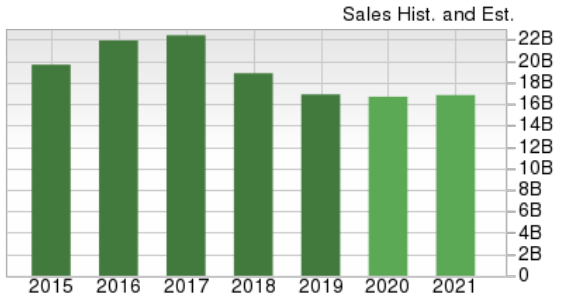
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 05/20/2020. The reports text is as of 05/21/2020.

Overview

Headquartered in Petach Tikva, Israel, Teva Pharmaceutical Industries Limited is a global pharmaceutical company that develops, manufactures, and markets both branded and generic drugs, as well as active pharmaceutical ingredients (APIs) in North America, Europe, Latin America, Asia, and Israel. Teva's generic product portfolio includes tablets, capsules, liquids, ointments, creams, liquids, injectables, and inhalants.





The company's branded products include Copaxone (multiple sclerosis - MS), Austedo (chorea associated with Huntington's disease and tardive dyskinesia), respiratory products like ProAir and Qvar and Ajovy (preventive treatment of migraine). Moreover, the company has several candidates in its pipeline, which are in different stages of development mainly in the fields of pain, CNS and neurology.

Teva operates through three segments, North America, Europe and International Markets, each of which includes generics, specialty and over-the-counter ("OTC") products. In 2019, North America accounted for 51.5% of Teva's sales while Europe and International Markets accounted for 28.4% and 13.3% of total sales, respectively.

In early August 2016, Teva acquired Allergan's generics business – Actavis Generics – for $33.43 billion in cash and about 100 million Teva shares. The company also acquired Allergan's Anda Inc., the 4th largest distributor of generic pharmaceuticals in the U.S., for $500 million in October 2016. In May 2015, Teva acquired Auspex Pharmaceuticals, which strengthened its core CNS franchise. The Dec 2008 Barr acquisition boosted Teva's product portfolio significantly. The acquisition enhanced Teva's leadership position in the U.S. and allowed it to expand its presence in Europe. In Oct 2011, Teva acquired Cephalon for $6.8 billion. Teva has strengthened its position in Europe through its acquisition of Germany's second largest generics producer, ratiopharm.

In July 2018, Teva terminated its partnership with P&G - PGT Healthcare- which marketed OTC medicines.

Teva's 2019 total revenues declined 8% to $16.9 billion.

Reasons To Buy:

With encouraging progress on restructuring activities, stabilization in U.S. and European generics business and improvement in financials, Teva may return to growth in 2020.

- **Shares Outperform Industry:** Teva's shares have risen 22.5% this year so far against the industry's 2.0 % decline.

- **Restructuring & Strategic Initiatives:** In 2019, Teva completed its two-year restructuring plan announced in December 2017, reducing its cost base by more than $3 billion and net debt by more than $9 billion.

  Under the plan, Teva reduced its workforce by more than 13,000 employees, closed down or divested 23 manufacturing sites and 40 offices and laboratories. It achieved this by reducing its cost base, simplifying organization and improving business performance, profitability, cash flow generation and productivity. The plan also included optimization of the global generics portfolio, especially in the United States, through price adjustments and/or product discontinuation.

  As far as the pipeline was concerned, all R&D programs were reviewed to identify core projects while other projects were terminated. The company also suspended dividend payments and annual bonus and divested non-core assets. Teva will continue to consolidate manufacturing sites in 2020 while optimizing each and every manufacturing site for better efficiency. Teva targets to achieve adjusted operating margin of 28% by the end of 2023 through initiatives like further improving procurement cost and increasing supply chain integration.

- **Solid Generic Drugs Pipeline:** Teva is the world's largest generic drug company in terms of both total and new prescriptions. The company enjoys a leading position in the United States, which is the world's largest generic market. Teva commands a market share of almost 11% in the U.S. generic market. As of the end of March 2020, Teva had 249 abbreviated new drug applications (ANDAs) pending an FDA approval, including around 90 first-to-file (FTF) opportunities. In Europe, the company has more than 1,000 regulatory filings pending approvals. Teva intends to pursue FTF and first-to-market opportunities and seek approval for complex generics which are likely to face less competition. This should help the company maintain its strong position in the global generics market.

  Teva is also working on strengthening its position in key emerging generic markets, where generics penetration is low and growth and profitability potential high. Meanwhile, the company is strengthening its presence in Japan, the world's second-largest pharmaceutical market. Teva has set up a business venture with Takeda to provide generic medicines in Japan in which it owns a 51% stake.

- **Settlement of Patent Disputes:** Teva has been very active in entering into settlement agreements. The company's record of successfully resolving patent challenges has contributed to its growth, and challenging patents continues to be an important part of its generic product selection and development strategy. Active patent challenges require litigation, thereby leading to higher general and administration expenses. Therefore, the settlement of these challenges accelerates the availability of low cost generic products and also removes uncertainties associated with litigation. Important challenges settled by the company include the Effexor dispute (Effexor XR launched in the U.S. in July 2010), the Combivir dispute, the Avandia, Avandamet and Avandaryl dispute, the Actos/Actoplus dispute (authorized generics of Actos and Actoplus Met launched in August 2012), the Nexium dispute and the Entocort EC dispute among others.

- **Active on the Deal-Making Front:** With the acquisition of Allergan's generics business, Actavis Generics, Teva has secured a place in the top three in more than 30 markets and is a market leader in the United States. Meanwhile, Allergan's Anda business was a natural fit in Teva's business model.

  The Auspex acquisition was a smart strategic move as it allowed Teva to strengthen its position in the CNS market and expand its presence in the underserved movement disorder markets. Auspex's lead product, Austedo (SD-809) was launched for the treatment of chorea associated with Huntington's disease and tardive dyskinesia in the United States in 2017.

  Meanwhile, the December 2008 acquisition of Barr helped Teva strengthen its position as a leading generic player not only in the U.S. but also in Europe. This acquisition boosted Teva's product portfolio, which now includes several generic pharmaceutical products. The combined company also has greater resources and expertise in biogenerics. Additionally, Teva's acquisition of ratiopharm helped the company strengthen its position in Europe further. The Rimsa acquisition positions Teva as one of the leading pharmaceutical companies in Mexico, which is the second largest market in Latin America and one of the top five emerging markets across the world.

- **Branded Pipeline Progress:** Teva has several programs ranging from phase I to registration stage in its pipeline. Many of these pipeline products are in the pain, CNS and neurology fields. Important pipeline candidates include TV-46000 (dyskinesia in cerebral palsy and schizophrenia – phase III) and fasinumab for osteoarthritis pain (phase III). Ajovy (fremanezumab), for prevention of chronic/episodic migraine, was approved by the FDA in September 2018 and in the EU in April 2019. Fremanezumab is also being evaluated for post traumatic headache (phase II) and fibromyalgia (phase II). The two new products Austedo and Ajovy could emerge as significant contributors to long-term sales growth.

  Moreover, the company is also looking to strengthen its biosimilars pipeline. Biosimilar versions of Roche's cancer drugs Rituxan (Truxima) and Herceptin (Herzuma) were approved by the FDA in late 2018. Truxima was launched in November 2019 while Herzuma in March 2020.

Reasons To Sell:

> Teva's opioid litigation and price-fixing investigations are an overhang on the stock.

- **Opioid/Criminal Investigations – An Overhang:** Teva is involved in an opioid litigation and faces DOJ investigations on allocations of price fixing, which are overhangs on its stock. Teva faces several lawsuits, which claim that it is one of the several companies whose opioid-based drugs are responsible for fueling nationwide opioid epidemic.

  There is uncertainty related to the ultimate liability Teva could face in these litigations/investigations. The company may have to pay huge amounts to settle the opoid litigations. The New York state opioid litigation could be an important catalyst for the stock as there is uncertainty around the final settlement terms. The trial, which was scheduled to start in March 2020, has been postponed due to COVID-19 and a new trial date has not been set yet. Another trial is scheduled to start in a California court in June.

- **U.S. Generic Industry Challenges:** The U.S. generics industry is facing significant competitive and pricing pressure, thereby affecting the company's top-line performance. An increase in FDA generic drug approvals has resulted in additional competitive pressure in the industry. Meanwhile, delays in the launch of some new generic products and supply discontinuities due to regulatory actions and approval delays also hurt the performance of Teva's generics business in 2019.

  We are also concerned about the company's dependence, primarily on its generics business for growth. The segment accounted for about 55% of total revenues in 2019.

- **Copaxone Sales Eroding Rapidly:** Teva has been facing generic competition for the 20 mg version of Copaxone since 2015 while two generic versions of the 40 mg thrice-weekly formulation were launched in 2017/early 2018, much earlier than expected. Ever since, there has been rapid erosion in sales of Copaxone. Meanwhile, Copaxone generics have also been launched in Europe.

  ProAir sales also declined in 2019 as generic versions of a competing product, Glaxo's albuterol inhaler Ventolin HFA have been launched following patent loss. Meanwhile, Perrigo and Lupin have made generic versions of ProAir HFA, of which Perrigo has gained approval to launch its neric version. However, Perrigo has not yet launched its product.

- **Competition & Pipeline/Regulatory Setbacks:** The generic market is highly crowded and Teva faces competition from players like Mylan, Dr. Reddy's, and Sandoz among others. Competition is fierce as generic companies strive to be the first to launch a generic version once a brand product loses exclusivity so that they can capture significant market share. Once additional generic companies enter the market, market share, revenues and gross profit typically decline. Therefore, it is very important for generic companies to develop and introduce new products in a timely and cost-effective manner to maintain revenues and gross profit. In addition to competition from other generic players, brand name companies also provide competition by marketing their own generic version (authorized generics) of their brand products. Teva also faces competition in the brand product market from other pharmaceutical players depending on product categories. Copaxone faces intense competition from existing products such as Avonex, Betaseron, Rebif, Extavia and Tysabri as well as from monoclonal antibodies, such as Roche's Ocrevus. Competition in the MS market has intensified with the launch of oral drugs like Biogen's Tecfidera, Novartis' Gilenya, and Sanofi's Aubagio.

  Importantly, Ajovy faces intense competition from Amgen and Lilly's CGRPs, Aimovig and Emgality, respectively. Both were approved by the FDA in mid-2018. Eagle Pharmaceuticals launched a ready-to-dilute bendamustine hydrochloride in June 2018, which competes directly with Bendeka.

  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. Development and regulatory setbacks for late-stage pipeline candidates would be a major disappointment for the company. In 2010, Teva faced a pipeline setback when talampanel failed to meet its primary endpoint in a phase II study that was being conducted with patients suffering from amyotrophic lateral sclerosis (ALS). Teva has also been unsuccessful in its attempts to expand Nuvigil's label and terminated the development of albutropin (TV-1106) and all ongoing clinical activities in the area of growth hormones.

  In October 2016, the FDA placed a clinical hold on a phase IIb study evaluating fasinumab for chronic low back pain. Teva discontinued a late-stage study evaluating fremanezumab for chronic cluster headache in June 2018 and for episodic cluster headache in April 2019.

  In February 2020, two phase III studies evaluating Austedo for the treatment of Tourette syndrome in pediatric patients failed to meet the primary endpoints. Teva discontinued the development of Austedo for the indication.

- **High Debt Burden:** The company incurred approximately $27 billion in debt to finance the Actavis Generics acquisition. Teva's consolidated debt was approximately $24.5 billion at the end of March 2020, much higher than approximately $10 billion at the end of 2015 (i.e. before acquiring Actavis Generics). Its cash and cash equivalents at the end of Mar 31, 2020 were $1.80 billion, which is just enough to cover its short-term debt of $1.63 billion. With risingdebt, the company's borrowing costs have increased significantly, which is hurting profits. As of Mar 31, 2020, the company's debt to total capital ratio stands at 64.1, which compares unfavorably to the industry's 61.9. A higher ratio indicates greater financial risk.

Last Earnings Report

Teva Q1 Earnings Top, Coronavirus-Led Buying Ups Sales

Quarter Ending	03/2020
Report Date	**May 07, 2020**
Sales Surprise	**4.92%**
EPS Surprise	**28.81%**
Quarterly EPS	**0.76**
Annual EPS (TTM)	**2.56**

Teva's first-quarter results were strong as it beat estimates for earnings and sales.

Earnings of 76 cents per share significantly beat the consensus estimate of 59 cents and rose 26.7% year over year on higher operating profit.

Revenues came in at $4.36 billion, which beat the consensus estimate of $4.15 billion. Sales rose 5% on both reported and constant currency terms year over year, mainly driven by double-digit sales growth in Europe.

Sales in the quarter benefited from greater demand in several markets for generic and OTC products and respiratory products amid the coronavirus-related lockdown. In the quarter, economic hedge activity also positively impacted revenues by $60 million.

Exchange rate differences hurt sales by $3 million and positively impacted adjusted operating profits by $25 million in the quarter.

Segment Discussion

Teva reports under segments based on three regions, namely, North America (United States and Canada), Europe and International Markets.

North America segment sales were $2.08 billion, up 2% year over year as higher sales of Austedo and Anda offset the impact of lower sales of branded drugs, Copaxone, Qvar and Bendeka/Treanda and generic drugs. In the United States, sales rose 2% to $1.94 billion.

Copaxone posted sales of $198 million in North America, down 5% year over year due to generic erosion.

Combined sales of Bendeka and Treanda declined 14% to $105 million due to lower volumes. The launch of a competing bendamustine solution called Belrapzo by Eagle Pharmaceuticals in June 2018 hurt volumes of Bendeka/Treanda.

ProAir sales rose 1% to $59 million. Qvar sales were $45 million in the quarter, down 29% due to lower volume and increased competition.

Austedo recorded sales of $122 million in the quarter in North America compared with $136 million in the previous quarter. Austedo revenues fluctuate from quarter to quarter. Fourth-quarter 2019 sales had benefited from particularly strong demand, which resulted in a sequential decline in first-quarter 2020. Sales are expected to grow in the rest of the year.

Ajovy recorded sales of $29 million in the quarter compared with$25 million in the previous quarter.

Ajovy's weekly total prescription count in the United States remained flat for many quarters. Management attributed the lower market share to preference of patients for auto injectors, while Ajovy is available as a subcutaneous injection. Importantly, Teva's auto injector device for Ajovy is now approved in the United States and EU and was launched in the United States in late April, which could re-ignite growth in 2020.

Generic products revenues declined 1% to $952 million in the North America segment as higher sales from the launch of generic products, including Truxima and ProAir authorized generic, were offset by price erosion and lower royalty income. Generic sales declined 16% sequentially as fourth-quarter sales benefitted from exclusive launch of biosimilar Truxima, while there were no notable launches in the first quarter of 2020.

Teva saw stabilization of the generic pricing environment in the United States as well as Europe in 2019. In 2020, it expects both North America and Europe generics to be relatively stable compared to 2019, benefiting from generic launches, which will offset the impact of generic erosion. It expects its North American generic business to generate revenues in the range of $4 billion in 2020, similar to 2019 levels with quarterly revenues ranging between $900 million and $1.1 billion.

Teva expects to launch generic versions of NuvaRing, Truvada and Restasis in 2020 while generic Forteo could be launched in late 2020 or pushed to 2021.

Distribution revenues, generated by Anda, rose 13% in the quarter to $426 million as the COVID-19 pandemic resulted in higher volumes in the quarter.

The Europe segment recorded revenues of $1.40 billion, up 11% (up 13% in constant currency terms) year over year, gaining from COVID-19-related patient stockpiling of generic and OTC medicines and continued growth in generics and generic product launch. However, these were partially offset by lower sales of Copaxone and oncology products due to generic competition. However, sales of branded respiratory products rose in Europe due to COVID-19-related stockpiling.

Generic products revenues in Europe rose 12% to $1.03 billion (16% in constant currency terms). Copaxone sales declined 1% on a constant-currency basis to $109 million. Respiratory products sales in Europe segment rose 20% on a constant-currency basis to $106 million. Ajovy recorded sales of $4 million in Europe.

In the International Markets, sales rose 8% (up 5% in constant currency terms) to $565 million as higher sales in Latin America, Asia-Pacific, Ukraine and Russia were partially offset by lower sales in Japan.

Generic products revenues increased 6% in constant-currency terms to $449 million. Copaxone sales declined 1% to $12 million.

The Other segment (API manufacturing business and certain contract manufacturing services) recorded revenues of $307 million, down 2% year over year, in constant-currency terms.

Costs Decline, Margins Rise

Adjusted gross margin rose 130 basis points (bps) to 53.1% in the quarter helped by a favorable mix of generic products (which have a high gross margin) and a positive impact from hedging activities. Adjusted research & development expenses declined 13.3% year over year to $221 million due to pipeline optimization. Selling and marketing (S&M) expenditures declined 5.3% from the year-ago level to $570 million due to cost-cutting activities and lower marketing and travel costs due to COVID-19-related travel restrictions. General and administrative (G&A) expenses rose 3.6% year over year to $290 million. Adjusted operating income rose 22% in the quarter to $1.24 billion due to higher profits in all three segments, some economic hedging activities and lower S&M costs.

Free cash flow for the quarter was $551 million, up from $974 million in the fourth quarter of 2019.

2020 Guidance

Despite the solid first-quarter performance, the company maintained its outlook for the year as it expects the most significant impact from COVID-19 in the second quarter, which may offset the first-quarter outperformance. It expects the stock piling benefit seen in the first quarter to reverse in future quarters. Also, there is a risk that reduced physical interaction between its sales force and physicians could lead to a slower uptake of new products.

It expects revenues in the range of $16.6-$17.0 billion. Earnings are expected in the band of $2.30-2.55 per share.

For 2020, Teva expects global Copaxone sales of approximately $1.2 billion, $300 million lower than in 2019. While Austedo is expected to record U.S. sales of $650 million, Ajovy is likely to bring in $250 million in global sales. Free cash flow is expected in the band of $1.8-$2.2 billion.

Recent News

Austedo Gets Approval in China – May 18

Teva announced that the China National Medical Products Administration (NMPA) has granted approval to Austedo for treating chorea associated with Huntington's Disease and Tardive Dyskinesia in adults.

Truxima Now Available in United States for New Indications — May 4

Teva and partner Celltrion announced that Truxima (CT-P10), their biosimilar version of Roche's Rituxan, is now available in the United States for the treatment of rheumatoid arthritis (RA) in combination with methotrexate and for granulomatosis with polyangiitis (GPA) and microscopic polyangiitis (MPA). Earlier, Truxima was launched in the United States for the reference product's oncology indications - non-Hodgkin's Lymphoma (NHL) and Chronic Lymphocytic Leukemia (CLL) – in November last year.

The Wholesale Acquisition Cost (WAC) of the list price of Truxima will be 10% lower than the branded product. The WAC of Truxima is $845.55 for 100mg vial and $4227.75 for 500mg vial.

Launches Ajovy Autoinjector – Apr 27

Teva announced the launch of the autoinjector device for Ajovy in the United States. The device was approved by the FDA in January. The wholesale acquisition cost for the AJOVY autoinjector is $603.20

Announces Donation of Hydroxychloroquine to Fight COVID-19 – Mar 19

Teva announced that it will donate six million doses of hydroxychloroquine sulfate tablets by Mar 31 to meet the urgent demand for the medicine as an investigational target to treat COVID-19. The company plans to donate a total of more than 10 million doses of the medicine within a month.

Please note that, hydroxychloroquine sulfate tablets, manufactured by Teva, are currently being evaluated as a potential treatment for COVID-19 and the US government officials have requested to make the drug available immediately.

Valuation

Teva's shares are up 22.5% in the year-to-date period and 4% over the trailing 12-month period. Stocks in the Zacks sub-industry and sector are down 2.0% and 5.8%, respectively. Over the past year, the Zacks sub-industry is down 5.9%, while the sector is up 2.5%.

The S&P 500 Index is down 7.6% in the year-to-date period but up 4.0% in the past year.

The stock is currently trading at 5.03X forward 12-month earnings per share, which compares to 7.81X for the Zacks sub-industry, 22.88X for the Zacks sector and 21.71X for the S&P 500 index.

Over the past five years, the stock has traded as high as 13.94X and as low as 2.61X, with a 5-year median of 7.14. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $13.00 price target reflects 5.4X forward 12-month earnings per share.

The table below shows summary valuation data for TEVA

Valuation Multiples - TEVA

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	5.03	7.81	22.88	21.71
	5-Year High	13.94	16.28	22.88	21.71
	5-Year Low	2.61	5.96	15.93	15.23
	5-Year Median	7.14	8.11	19.01	17.49
P/S F12M	Current	0.79	0.81	2.76	3.36
	5-Year High	3.19	3.68	3.76	3.44
	5-Year Low	0.39	0.66	2.21	2.53
	5-Year Median	1.24	1.2	2.92	3.01
P/B TTM	Current	0.9	1.01	3.92	4.06
	5-Year High	2.65	3.68	5.06	4.56
	5-Year Low	0.43	0.69	2.93	2.83
	5-Year Median	1.18	1.25	4.3	3.65

As of 5/20/2020

Industry Analysis **Zacks Industry Rank:** Top 6% (16 out of 254)

Top Peers

Company (Ticker)	Rec	Rank
Eli Lilly and Company **(LLY)**	Outperform	1
Bausch Health Cos Inc. **(BHC)**	Neutral	3
Biogen Inc. **(BIIB)**	Neutral	2
Mylan N.V. **(MYL)**	Neutral	3
Novartis AG **(NVS)**	Neutral	3
Pfizer Inc. **(PFE)**	Neutral	3
Dr. Reddys Laboratories Ltd **(RDY)**	Neutral	2
Sanofi **(SNY)**	Neutral	3

Industry Comparison Industry: Medical - Generic Drugs

	TEVA	X Industry	S&P 500	BHC	MYL	RDY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	3	3	2
VGM Score	B	-	-	B	B	A
Market Cap	13.11 B	331.67 M	20.26 B	6.45 B	8.43 B	8.57 B
# of Analysts	13	4	14	9	9	2
Dividend Yield	0.00%	0.00%	2.09%	0.00%	0.00%	0.51%
Value Score	A	-	-	A	A	B
Cash/Price	0.15	0.34	0.07	0.35	0.07	0.03
EV/EBITDA	78.28	-4.11	12.22	2.37	7.42	16.03
PEG Ratio	1.35	0.76	2.72	0.46	1.74	NA
Price/Book (P/B)	0.90	2.74	2.79	8.16	0.75	4.12
Price/Cash Flow (P/CF)	3.08	3.08	10.87	1.75	1.96	19.18
P/E (F1)	4.96	6.91	20.21	4.90	3.76	29.57
Price/Sales (P/S)	0.75	2.64	2.07	0.75	0.73	3.51
Earnings Yield	20.17%	-14.25%	4.73%	20.43%	26.59%	3.38%
Debt/Equity	1.68	0.01	0.76	0.00	1.08	0.01
Cash Flow ($/share)	3.89	-0.36	7.01	10.49	8.33	2.70
Growth Score	C	-	-	C	D	A
Hist. EPS Growth (3-5 yrs)	-19.38%	1.11%	10.87%	-19.16%	1.11%	-0.76%
Proj. EPS Growth (F1/F0)	0.93%	-3.48%	-10.31%	-15.60%	-1.79%	-37.28%
Curr. Cash Flow Growth	-9.67%	9.45%	5.51%	-14.18%	-3.91%	29.21%
Hist. Cash Flow Growth (3-5 yrs)	-6.21%	6.38%	8.55%	-4.00%	16.74%	-0.91%
Current Ratio	1.05	2.80	1.29	1.13	1.26	1.81
Debt/Capital	62.65%	8.59%	44.54%	0.00%	51.83%	0.81%
Net Margin	-4.73%	-39.56%	10.54%	-21.96%	0.54%	11.15%
Return on Equity	18.10%	-43.99%	16.27%	84.58%	20.00%	19.66%
Sales/Assets	0.30	0.33	0.54	0.27	0.37	0.76
Proj. Sales Growth (F1/F0)	-4.01%	0.00%	-2.49%	-5.01%	5.17%	-2.73%
Momentum Score	F	-	-	F	B	B
Daily Price Chg	-0.08%	1.46%	1.89%	2.12%	1.65%	6.31%
1 Week Price Chg	-0.71%	0.00%	-4.56%	-6.37%	-13.72%	-5.16%
4 Week Price Chg	21.95%	14.04%	6.22%	11.92%	9.42%	-2.08%
12 Week Price Chg	-7.83%	1.54%	-11.76%	-25.08%	-16.51%	20.10%
52 Week Price Chg	3.99%	-14.19%	-6.30%	-25.08%	-16.97%	36.73%
20 Day Average Volume	13,189,226	327,748	2,611,239	7,090,334	6,583,955	218,106
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.59%	0.00%
(F1) EPS Est 4 week change	0.17%	-0.33%	-4.10%	-7.43%	-0.05%	-3.58%
(F1) EPS Est 12 week change	-2.20%	-5.90%	-16.63%	-16.56%	-3.70%	-7.65%
(Q1) EPS Est Mthly Chg	-11.71%	-0.62%	-9.35%	-23.66%	-1.69%	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	F
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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