

Teva Pharmaceutical (TEVA)

\$9.90 (As of 08/20/20)

Price Target (6-12 Months): **\$11.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 05/21/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:B

Value: A

Growth: F

Momentum: A

Summary

Teva beat Q2 estimates for earnings but missed the same for sales. 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 high debt load and a sparse branded pipeline. Nonetheless, its newest drugs Austedo and Ajovy could emerge as significant drivers of long-term sales. Management is working to reduce costs and debt. 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 a couple of years. However, the opioid litigation and price-fixing investigations are an overhang on the stock. Teva's shares have outperformed the industry this year so far.

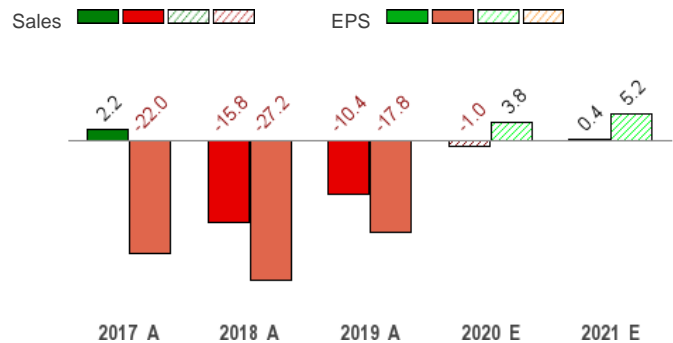
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$13.76 - \$6.25
20 Day Average Volume (sh)	10,201,723
Market Cap	\$10.8 B
YTD Price Change	1.0%
Beta	1.58
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Medical - Generic Drugs
Zacks Industry Rank	Bottom 25% (189 out of 252)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	7.8%
Last Sales Surprise	-0.9%
EPS F1 Est- 4 week change	0.3%
Expected Report Date	11/05/2020
Earnings ESP	-1.0%

P/E TTM	3.9
P/E F1	4.0
PEG F1	1.1
P/S TTM	0.6

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	4,279 E	4,209 E	4,312 E	4,404 E	16,788 E
2020	4,357 A	3,870 A	4,113 E	4,367 E	16,716 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	\$0.67 E	\$0.65 E	\$0.69 E	\$0.73 E	\$2.62 E
2020	\$0.76 A	\$0.55 A	\$0.59 E	\$0.61 E	\$2.49 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 08/20/2020. The reports text is as of 08/21/2020.

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.

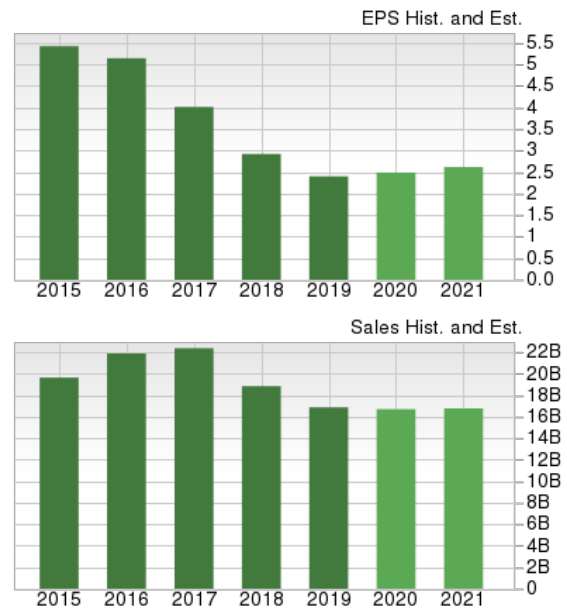
The company's branded products include Copaxone (multiple sclerosis - MS), Austedo (chorea associated with Huntington's disease and tardive dyskinesia), respiratory products like ProAir and Qvar and Ajovy (preventive treatment of migraine). Moreover, the company has several candidates in its pipeline, 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 Andia 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:

▲ **Shares Outperform Industry:** Teva's shares have risen 1.0% this year so far against the industry's 8.8% decrease.

▲ **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 share of around 11% in the U.S. generic market. As of the end of June 2020, Teva had 237 abbreviated new drug applications (ANDAs) pending FDA approval, including around 90 first-to-file (FTF) opportunities. In Europe, the company has more than 1,200 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.

▲ **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 Andra 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 (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. Meanwhile, Teva has a pipeline with 10 biosimilars in development including five in partnership with Alvotech.

▲ **Favorable Debt Profile:** The company incurred approximately \$27 billion in debt to finance the Actavis Generics acquisition. Teva's consolidated debt was approximately \$26.2 billion at the end of June 2020, much higher than approximately \$10 billion at the end of 2015 (i.e. before acquiring Actavis Generics). Though the company is highly leveraged, its cash and cash equivalents at the end of June 30, 2020 were \$2.4 billion, which is enough to cover its short-term debt of \$1.65 billion. As of June 30, 2020, the company's debt-to-total capital ratio was 63.9, lower than 64.1 at the end of March 2020. A lower ratio indicates lower financial risk.

With encouraging progress on restructuring activities, stabilization in U.S. and European generics business and improvement in financials, Teva may return to growth in 2021.

Reasons To Sell:

- ▼ **Opioid/Criminal Investigations – An Overhang:** Teva is involved in an opioid litigation and faces DOJ investigations on allegations 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 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.

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

- ▼ **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 generic version and has launched the product on a limited basis.

- ▼ **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 injectable products 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.

Last Earnings Report

Teva Q2 Earnings Top, Sales Miss

Teva reported second-quarter 2020 earnings of 55 cents per share, which beat the Zacks Consensus Estimate of 51 cents. Earnings however declined 8.3% year over year due to lower costs.

Revenues came in at \$3.87 billion, which missed the consensus estimate of \$3.92 billion. Sales declined 7% on a reported basis and 5% in constant currency terms year over year due to lower sales of generics, OTC products and Copaxone in all regions.

The coronavirus-related stockpiling benefits, which increased sales of several medicines mainly generics and OTC products in the first quarter due to unusually high demand, reversed in the second quarter and hurt sales, mainly in Europe and International Markets segments.

Exchange rate differences hurt sales by \$79 million and adjusted operating profits by \$37 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 \$2.05 billion, down 1% year over year due to lower sales of branded drugs, Copaxone and Bendeka/Treanda and generic products. In the United States, sales were flat at \$1.93 billion.

Copaxone posted sales of \$238 million in North America, down 13% year over year due to generic erosion.

Combined sales of Bendeka and Treanda declined 18% to \$103 million due to rising competitive pressure. The launch of a competing bendamustine solution called Belrapzo by Eagle Pharmaceuticals in June 2019 has been hurting sales of Bendeka/Treanda.

ProAir sales were flat at \$66 million. Qvar sales were \$51 million in the quarter, down 15% due to lower volume and increased competition.

Austedo recorded sales of \$161 million in the quarter in North America compared with \$122 million in the previous quarter driven by higher volumes.

Ajovy recorded sales of \$34 million in the quarter compared with \$29 million in the previous quarter. The sales increase was led by higher volumes and the launch of Teva's auto injector device for Ajovy in April. Teva said that since the launch of the autoinjector, Ajovy's new prescription share has continued to grow significantly per month and per week. The company now is confident that the autoinjector will boost its total prescription (TRx) market share to 25%.

Generic products (including biosimilars) revenues declined 2% to \$923 million in the North America segment as higher sales from the launch of generic products including Truxima and ProAir authorized generic were offset by lower volume and lower royalty income. Moreover, sales of Teva's generic equivalents of Mylan's EpiPen and EpiPen Jr, launched last year, also supported sales growth of generic products.

Distribution revenues, generated by Anda, rose 7% in the quarter to \$374 million as COVID-19 pandemic resulted in higher volumes in the quarter.

The Europe segment recorded revenues of \$1.0 billion, down 15% (down 13% in constant currency terms) year over year due to reversal of stockpiling benefits and fewer patient visits to doctors amid the pandemic, which hurt prescription trends. Meanwhile, lower sales of Copaxone and oncology products due to generic competition also hurt sales.

Generic products revenues in Europe declined 13% to \$737 million (10% in constant currency terms). Copaxone sales declined 19% on a constant-currency basis to \$84 million. Respiratory products sales in Europe segment rose 8% on a constant-currency basis to \$80 million. Ajovy recorded sales of \$5 million in Europe.

In the International Markets segment, sales declined 16% (down 9% in constant currency terms) to \$488 million due to lower sales in Japan and the negative effect of the COVID-19 pandemic, as discussed above. Meanwhile, loss of revenues from the sale of certain assets in the Israeli market also hurt this segment's sales.

Generic products revenues increased 7% in constant-currency terms to \$426 million. Copaxone sales declined 2% to \$12 million.

The Other segment (API manufacturing business and certain contract manufacturing services) recorded revenues of \$335 million, down 1% year over year, in constant currency terms

Costs & Profits Decline

Adjusted gross margin declined 40 basis points (bps) to 52% in the quarter due to lower profitability in Europe and International Markets. Adjusted research & development expenses declined 14% year over year to \$233 million due to pipeline optimization as well as lower costs due to the pandemic. Selling and marketing (S&M) expenditure declined 10% from the year-ago level to \$559 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 14.3% year over year to \$245 million. Adjusted operating income declined 3% in the quarter to \$979 million. However, adjusted operating margin rose 110 basis points to 25.3% in the quarter due to lower costs.

Free cash flow was \$582 million, up from \$551 million in the first quarter of 2020.

2020 Guidance

Quarter Ending **06/2020**

Report Date	Aug 05, 2020
Sales Surprise	-0.94%
EPS Surprise	7.84%
Quarterly EPS	0.55
Annual EPS (TTM)	2.51

Despite uncertainty related to COVID-19, the company maintained its outlook.

It expects revenues to be in the range of \$16.6-\$17.0 billion. Earnings are expected in the band of \$2.30-2.55 per share. Free cash flow is expected in the range of \$1.8-\$2.2 billion.

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, Ajoy is likely to bring in \$250 million in global sales.

Teva chief operating officer said that the company expects strong growth of its new products despite the challenges of COVID-19.

Recent News

Biosimilar Alliance with Alvotech – August 5

Teva announced a partnership with Alvotech for the commercialization of five biosimilar product candidates in the United States. Per the deal, while Alvotech will take responsibility for the development, registration and supply of the biosimilars, Teva will take care of commercialization in the United States. In addition to an undisclosed upfront payment, Teva will be entitled to make milestone payments to Alvotech over several years. The companies will share profits from the commercialization of the biosimilars.

To Sell Old Generics of Japan Venture – July 30

Teva entered into an agreement to sell the majority of the business ventures generics and operation assets of its business venture in Japan with Takeda to Nichi-Iko, a main player in the generics space in Japan. The transaction is expected to close in early 2021.

Files NDA for Ajovy in Japan – July 29

Teva announced that it has filed a new drug application to the Pharmaceuticals and Medical Devices Agency of Japan, seeking approval for Ajovy injection for the preventive treatment of migraine

Launches Proair Digihaler – July 13

Teva announced the launch of Proair Digihaler (albuterol sulfate 117 mcg) inhalation powder, the first and only digital inhaler with built-in sensors. The inhaler is indicated for the treatment or prevention of bronchospasm in patients aged four years and older with reversible obstructive airway disease, and for prevention of exercise-induced bronchospasm (EIB) in patients aged four years and older.

Valuation

Teva's shares are up 1.0% in the year-to-date period and 36.4% over the trailing 12-month period. While stocks in the Zacks sub-industry are down 8.8%, those in the sector are up 0.9%. Over the past year, stocks in the Zacks sub-industry are up 5.7% while those in the sector are up 8.7%.

The S&P 500 Index is up 4.7% in the year-to-date period and 15.7% in the past year.

The stock is currently trading at 3.85X forward 12-month earnings per share, which compares to 7.31X for the Zacks sub-industry, 22.22X for the Zacks sector and 22.77X for the S&P 500 index.

Over the past five years, the stock has traded as high as 12.17X and as low as 2.61X, with a 5-year median of 6.94. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$11 price target reflects 4.3X 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	3.85	7.31	22.22	22.77
	5-Year High	12.17	13.82	23.17	22.77
	5-Year Low	2.61	5.77	15.89	15.25
	5-Year Median	6.94	7.74	18.97	17.58
P/S F12M	Current	0.65	0.87	2.82	3.7
	5-Year High	2.77	3.33	3.41	3.7
	5-Year Low	0.39	0.72	2.22	2.53
	5-Year Median	1.14	1.22	2.89	3.05
P/B TTM	Current	0.73	1.09	3.78	4.53
	5-Year High	2.47	3.52	5.07	4.56
	5-Year Low	0.43	0.73	2.94	2.83
	5-Year Median	1.12	1.27	4.28	3.75

As of 8/20/2020

Industry Analysis Zacks Industry Rank: Bottom 25% (189 out of 252)



Top Peers

Company (Ticker)	Rec	Rank
Bausch Health Cos Inc. (BHC)	Neutral	3
Biogen Inc. (BIIB)	Neutral	3
Eli Lilly and Company (LLY)	Neutral	3
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				Industry Peers		
	TEVA	X Industry	S&P 500	BHC	MYL	RDY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	2
VGM Score	B	-	-	B	A	B
Market Cap	10.81 B	438.80 M	23.46 B	5.99 B	8.45 B	9.89 B
# of Analysts	10	4	14	8	8	2
Dividend Yield	0.00%	0.00%	1.65%	0.00%	0.00%	0.46%
Value Score	A	-	-	A	A	C
Cash/Price	0.19	0.31	0.07	0.31	0.04	0.04
EV/EBITDA	72.27	-2.75	13.34	14.87	6.70	23.03
PEG Ratio	1.08	0.57	3.00	0.42	2.19	NA
Price/Book (P/B)	0.73	2.74	3.12	10.97	0.72	4.61
Price/Cash Flow (P/CF)	2.54	2.54	12.60	1.61	1.96	15.73
P/E (F1)	3.98	6.20	21.61	4.67	3.68	30.99
Price/Sales (P/S)	0.64	2.17	2.44	0.74	0.73	4.01
Earnings Yield	25.15%	-10.40%	4.43%	21.45%	27.17%	3.22%
Debt/Equity	1.66	0.01	0.76	44.61	0.84	0.04
Cash Flow (\$/share)	3.89	-0.31	6.93	10.49	8.33	3.79
Growth Score	F	-	-	D	C	B
Hist. EPS Growth (3-5 yrs)	-19.63%	1.65%	10.44%	-18.63%	0.16%	9.95%
Proj. EPS Growth (F1/F0)	3.62%	3.06%	-5.53%	-18.34%	0.40%	-31.00%
Curr. Cash Flow Growth	-9.67%	0.54%	5.20%	-14.18%	-3.91%	40.31%
Hist. Cash Flow Growth (3-5 yrs)	-6.21%	7.89%	8.52%	-4.00%	16.74%	5.28%
Current Ratio	1.09	2.83	1.33	1.12	0.93	1.66
Debt/Capital	62.41%	4.03%	44.50%	97.81%	45.72%	4.03%
Net Margin	0.03%	-48.59%	10.13%	-25.19%	2.35%	10.26%
Return on Equity	17.88%	-40.26%	14.67%	104.13%	20.43%	18.88%
Sales/Assets	0.30	0.36	0.51	0.25	0.38	0.77
Proj. Sales Growth (F1/F0)	-3.73%	1.45%	-1.54%	-8.01%	3.66%	2.80%
Momentum Score	A	-	-	D	A	D
Daily Price Chg	-2.37%	0.00%	-0.59%	0.06%	-1.03%	0.08%
1 Week Price Chg	-3.52%	-1.86%	1.09%	-3.16%	-1.01%	0.02%
4 Week Price Chg	-15.67%	-4.05%	1.91%	-0.82%	1.62%	9.51%
12 Week Price Chg	-23.38%	-3.61%	6.82%	-9.15%	-5.28%	16.00%
52 Week Price Chg	36.36%	-0.18%	1.47%	-23.62%	-14.18%	69.56%
20 Day Average Volume	10,201,723	304,568	1,873,576	5,270,937	4,635,023	154,325
(F1) EPS Est 1 week change	-0.30%	0.00%	0.00%	-0.14%	0.57%	0.00%
(F1) EPS Est 4 week change	0.29%	-1.53%	1.79%	-3.24%	2.54%	4.90%
(F1) EPS Est 12 week change	1.09%	1.09%	3.35%	-3.25%	2.22%	4.90%
(Q1) EPS Est Mthly Chg	1.44%	0.00%	0.42%	-2.52%	2.73%	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	F
Momentum Score	A
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.

Disclosures

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