

Tiffany & Co. (TIF)

\$133.48 (As of 12/30/19)

Price Target (6-12 Months): **\$141.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 03/25/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM:F

Value: D

Growth: D

Momentum: F

Summary

Shares of Tiffany have risen and outpaced the industry in the past six months. The stock recently got a boost after the company accepted the buyout offer from LVMH. The latter has entered into a deal to acquire Tiffany for more than \$16 billion. Tiffany is likely to benefit from LVMH's prominent presence in European and Asian markets. Certainly, Tiffany remains focused on evolving its brand, enhancing omni-channel experience and firming position in core markets. We anticipate sales in mainland China to remain robust. The company is trying all means to position itself amid headwinds related to soft demand from foreign tourists, adverse currency fluctuations and disruptions in Hong Kong. It expects performance to improve in the second half given new product launches and related marketing campaigns.

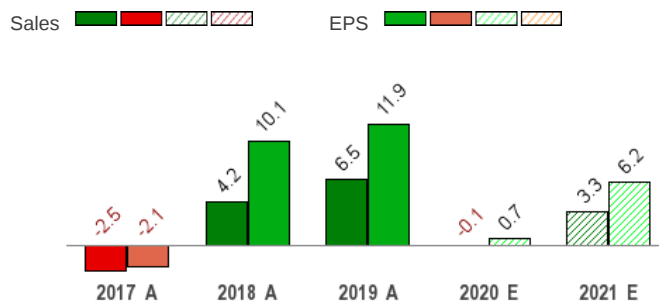
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$134.03 - \$78.16
20 Day Average Volume (sh)	2,080,569
Market Cap	\$16.0 B
YTD Price Change	65.8%
Beta	1.65
Dividend / Div Yld	\$2.32 / 1.7%
Industry	Retail - Jewelry
Zacks Industry Rank	Bottom 5% (240 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	-23.5%
Last Sales Surprise	-2.1%
EPS F1 Est- 4 week change	-2.8%
Expected Report Date	03/27/2020
Earnings ESP	-4.0%
P/E TTM	30.3
P/E F1	28.7
PEG F1	2.6
P/S TTM	3.7

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	1,030 E	1,071 E	1,064 E	1,404 E	4,584 E
2020	1,003 A	1,049 A	1,015 A	1,360 E	4,439 E
2019	1,033 A	1,076 A	1,012 A	1,321 A	4,442 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$1.06 E	\$1.15 E	\$0.78 E	\$1.77 E	\$4.94 E
2020	\$1.03 A	\$1.12 A	\$0.65 A	\$1.74 E	\$4.65 E
2019	\$1.14 A	\$1.17 A	\$0.77 A	\$1.60 A	\$4.62 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 12/30/2019. The reports text is as of 12/31/2019.

Overview

Founded in 1837 and headquartered in New York, Tiffany & Co. (TIF), through its subsidiaries, is engaged in the designing, manufacturing and retailing activities of fine jewelry, which includes gemstone jewelry and gemstone band rings, diamond rings and wedding bands, gold or platinum jewelry, as well as sterling silver jewelry. Its merchandising offerings include timepieces and clocks; sterling silverware; crystal, glass, china, and other tableware; custom engraved stationery; writing instruments; and fashion accessories.

The company sells its products through catalog and wholesale operations, retail stores, direct marketing, Internet and business-to-business direct selling transactions. As of July 31, 2019, the company operated 322 stores (124 in the Americas, 90 in Asia-Pacific, 56 in Japan, 47 in Europe, and five in the UAE). Tiffany primarily reports through the following segments -

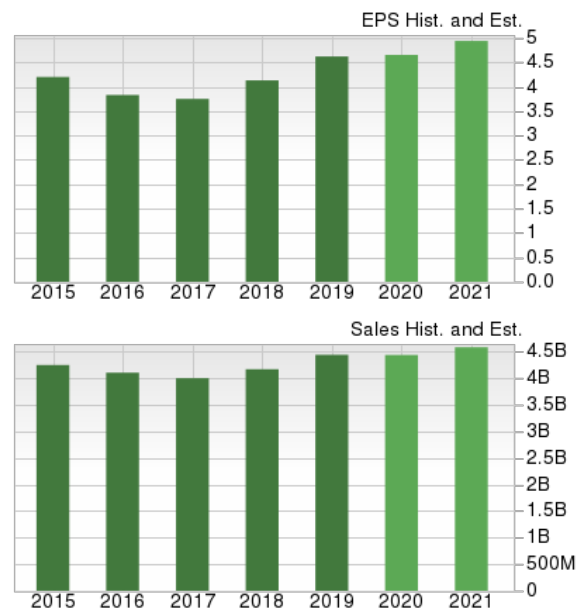
Americas (represented 44% of worldwide net sales in 2018): Includes sales in stores in the United States, Mexico, Canada, Brazil and Chile. Tiffany also distributes a selection of its products through its websites and catalogs of selected merchandise to its list of customers and to mailing lists rented from third parties.

Asia-Pacific (represented 28% of worldwide net sales in 2018): Consists of sales in China, Korea, Hong Kong, Taiwan, Australia, Singapore, Macau, Malaysia and New Zealand and Thailand.

Japan (represented 15% of worldwide net sales in 2018): Consists of sales in Japan.

Europe (represented 11% of worldwide net sales in 2018): Includes sales in stores in the the U.K., Italy, Germany, France, Spain, Switzerland, the Netherlands, Russia, Austria, Belgium, the Czech Republic and Ireland.

Other: The Other segment primarily consists of retail sales transacted in five company-operated stores in the United Arab Emirates and wholesale distribution in the Emerging Markets region; wholesale sales of diamonds; and licensing agreements.



Reasons To Buy:

▲ **Stock Surges on Buyout Offer:** Shares of Tiffany have risen 41.6% in the past six months and outpaced the industry's gain of 35.3%. The stock recently got a boost after the company accepted the buyout offer from LVMH Moët Hennessy Louis Vuitton SE or LVMH. The latter has entered into a deal to acquire Tiffany for more than \$16 billion. Notably, shares of Tiffany have gained 7.7% in a month. Industry experts believe that the acquisition of Tiffany — which would become part of growing luxury portfolio comprising Bulgari, Christian Dior, Dom Perignon, Fendi, Sephora and Guerlain — will add sheen to LVMH's jewelry and watch segments. Meanwhile Tiffany, which operates more than 300 stores worldwide, will also gain from LVMH's prominent presence in European and Asian markets.

We believe that the company's omni-channel platform, store expansion programs and enhancement of market share may act as catalysts, and help improve its top- and bottom-line performance.

▲ **Performance to improve in 2H:** The company remains focused on evolving its brand, enhancing omni-channel experience and solidifying position in core markets. We anticipate sales in mainland China to remain robust. Management expects performance to improve in the second half of fiscal 2019 on account of favorable year-over-year comparisons, launch of new products and related marketing campaigns. Notably, the company is strengthening its network of stores either through opening or upgrading flagship stores in three key areas, Beijing, Shanghai, and Hong Kong. To this end, Tiffany concluded the expansion of its flagship store in Shanghai, which is now the company's largest Asian store. Further, the company renovated its flagship store in London and inaugurated its third store in Kyoto, Japan. Most recently, Tiffany introduced a store in the United States, which is its fifth outlet in New York City. It is on track to steadily expand airport duty-free store network. The company recently opened Blue Box Cafes in Hong Kong. For now, management continues to envision worldwide net sales growth at a low-single-digit rate with comps expected to be unchanged. Earnings per share are projected to increase at low-to-mid-single-digit rate.

▲ **Strategic Endeavors:** Tiffany holds a significant position in the world jewelry market due to its distinctive brand appeal. The company is steadily introducing new jewelry designs, new watch collection and fragrance, and additional jewelry SKUs. It also introduced "build-your-own program" on its website under which customers are allowed to personalize their own charm bracelets. Further, Tiffany is allowing customers to personalize their ring. The company also renewed its licensing agreement with Luxottica Group — slated to expire on December 31, 2027 — for the development, production and global distribution of sunglasses and prescription frames under its brand. Tiffany introduced company-operated e-commerce website in China. The company in a joint venture with Reliance Brands Limited is entering the Indian market with plans to open new stores in Delhi in second half of fiscal 2019 and in Mumbai in second half of fiscal 2020.

▲ **Catalysts Driving Growth:** Tiffany is well positioned to augment its top and bottom lines performance in the long run by leveraging capital investments made over the past several years in distribution, manufacturing and diamond sourcing processes. The company remains focused on evolving its brand, enhancing omnichannel experience, solidifying position in core markets, increasing operating model efficiency and enriching overall organization. The company remains committed to elevating in-store experience and replenishing product portfolio.

Focus on renewing product portfolio is evident from the launch of PAPER FLOWERS, which comprises solid collection in diamonds and platinum and the introduction of TIFFANY TRUE, an innovative engagement ring design. The company is also looking at other revenue generating avenues, and this includes expansion of its watch business. The company also intends to expand its distribution network by adding stores in both new and existing markets. With about half of the total sales generated internationally, we believe that the company is well diversified from a regional perspective as well. The company's long-term objective is to attain ROA of at least 10% and ROE of at least 15%, as notified earlier.

▲ **Store Update:** Tiffany is focused on opening smaller stores that offer selected collections of lower priced higher-margin product, which in turn boosts store productivity. The company concentrates on improving sales per square foot through an increase in customer traffic and converting them into potential buyers by targeted advertising, ongoing sales training and customer-oriented initiatives. During fiscal 2018, this designer and retailer of fine jewelry opened 10 company-operated stores, shuttered four locations and relocated 10 stores. During the first half of fiscal 2019, Tiffany opened three company-operated stores and shuttered two locations. Management anticipates gross retail square footage growth of 3% for fiscal 2019 on the back of 10 store openings, five closings and 17 renovations/relocations.

▲ **Enhancing Shareholders' Return:** Tiffany has been consistently enhancing shareholders' return through share repurchases and dividends. The company increased its quarterly dividend by 5% to 58 cents a share in June 2019. This was the 18th time that the company has hiked its dividend in the last 17 years. During the second quarter of fiscal 2019, the company repurchased approximately 639,000 shares at an average cost of about \$94 per share. The company bought back roughly 910,000 shares in the first half at a total cost of \$85.4 million and an average cost of about \$94 per share. As of Jul 31, 2019, the company still has \$550 million remaining under its share repurchase program, which expires in January 2022. For fiscal 2019, management expects net cash from operating activities of at least \$750 million, capital expenditures of about \$350 million and free cash flow of at least \$400 million.

Reasons To Sell:

▼ **Top & Bottom Lines Continue to Decline Y/Y:** During the first and second quarters of fiscal 2019, the bottom line decreased about 10% and 4%, respectively. Meanwhile, after declining 3% in the first quarter, net sales again slid by an equivalent rate in the second quarter. Moreover, this was the fourth successive quarter when the top line fell short of the Zacks Consensus Estimate. Also, the company's comparable sales tumbled 4% during the second quarter, reflecting comps decline of 4%, 3%, 1% and 6% in the Americas, Asia-Pacific, Japan and Europe, respectively.

Tiffany generates a significant amount of net sales outside the U.S. Due to high exposure to international markets the company remains prone to currency fluctuations.

Sluggish demand from foreign tourists, adverse currency fluctuations and disruptions in Hong Kong marred the company's performance during the second quarter. Management now expects comps for the fiscal year to be flat, down from prior estimate of low-single-digit growth. If the ongoing unrest in Hong Kong persists, the company would find itself at the lower end of the full year reported sales and earnings per share guidance range. In case the situation worsens, or if the current level of unrest is maintained for the remaining part of the fiscal year, Tiffany would find itself toward the bottom end of ranges.

▼ **Margins Remained Under Pressure:** Gross margin, an important financial metric, remained under pressure during the second quarter of fiscal 2019 as well. After shrinking 130 basis points during the first quarter, gross margin contracted 130 basis points to 62.7% in the second quarter on account of changes in sales mix toward higher price point jewelry. Operating margin shriveled 20 basis points to 16% during the quarter under review, following a decrease of 380 basis points during the first quarter. For fiscal 2019, management expects operating margin to be equal to the year-ago level. The company deferred its marketing spending into the second half of fiscal 2019, when it plans to introduce new products. This may keep margins under pressure.

▼ **Stock Looks Stretched:** Considering price-to-earnings (P/E) ratio, Tiffany looks pretty overvalued when compared with the industry as well as the S&P 500. The stock has a trailing 12-month P/E ratio of 30.34, which is above the median level of 20.49 but in line with the high level scaled in the past one year. On the contrary, the trailing 12-month P/E ratio for the industry and the S&P 500 is 25.29 and 20.09, respectively.

▼ **Prone to Currency Fluctuations:** Tiffany generates a significant amount of net sales outside the U.S. Due to high exposure to international markets the company remains prone to currency fluctuations. The weakening of foreign currencies against the U.S. dollar may require the company to either raise prices or contract profit margins in locations outside of the U.S. An increase in price may have an adverse impact on the demand for the products. Net sales fall victim of the adverse foreign currency fluctuations that lowers the value of the sales generated in the overseas market and also result in reduced spending by tourists.

▼ **Dip in Consumer Sentiment May Impact Sales:** Any dip in consumer confidence – a key determinant of the economy's health – may have serious bearing on spending. The company's customers remain sensitive to macroeconomic factors including interest rate hikes, increase in fuel and energy costs, credit availability, unemployment levels, and high household debt levels, which may negatively impact their sentiment. This may adversely impact its growth and profitability.

Last Earnings Report

Tiffany Q2 Earnings Surpass Estimates, Revenues Miss

Tiffany & Co.'s second-quarter fiscal 2019 earnings per share topped the Zacks Consensus Estimate. This was the second straight quarter when the company's bottom-line surpassed the consensus mark. However, the top line fell short of the consensus estimate for the fourth successive quarter. Moreover, both net sales and earnings per share decreased year over year. Also, margins remained under pressure.

Nonetheless, Tiffany retained fiscal 2019 view and added that it is trying all means to position itself amid headwinds related to sluggish demand from foreign tourists, adverse currency fluctuations and disruptions in Hong Kong.

Tiffany remains focused on evolving its brand, enhancing omni-channel experience, solidifying position in core markets and augmenting operating model efficiency. The company remains committed to elevating in-store experience and replenishing product portfolio.

Q2 Highlights

The company reported quarterly earnings of \$1.12 per share that beat the Zacks Consensus Estimate of \$1.05 but fell roughly 4% from the year-ago period. Lower operating margins and higher effective tax rate hurt the bottom line. However, decline in SG&A expenses and share repurchase activity provided some cushion.

Net sales came in at \$1,048.5 million, down 3% from \$1,075.9 million in the prior-year quarter. The reported figure came below the Zacks Consensus Estimate of \$1,067.5 million. Also, the company's comparable sales (comps) declined 4%. In constant currencies, worldwide net sales decreased 1%, while comps fell 3%.

Sales across Jewelry Collections were unchanged. On the contrary, sales across Engagement Jewelry and Designer Jewelry declined 3% and 10%, respectively.

Let's Delve Deeper

By geographic segments, sales in the Americas fell 4% to \$455 million, while comps also declined by an equivalent rate. In the Asia-Pacific region, sales slid 1% to \$298 million, while comps tumbled 3%. In Japan, sales remained flat year over year at \$155 million but comps fell 1%. Sales in Europe came in at \$116 million, down 4%, while comps fell 6%. Other net sales were unchanged at \$25 million, whereas comps plunged 29%.

Gross margin contracted 130 basis points to 62.7% in the quarter under review on account of changes in sales mix toward higher price point jewelry. Operating margin shrunk 20 basis points to 16%. For fiscal 2019, management expects operating margin to be equal to the year-ago level.

SG&A expenses declined 5% to \$473.4 million during the quarter primarily due to lower marketing spending and fall in labor and incentive compensation costs. This was partly offset by higher store occupancy and depreciation charges.

Store Update

During the first half of fiscal 2019, this designer and retailer of fine jewelry opened three company-operated stores and shuttered two locations. As of July 31, 2019, the company operated 322 stores (124 in the Americas, 90 in Asia-Pacific, 56 in Japan, 47 in Europe, and five in the UAE). Management anticipates gross retail square footage growth of 3% for fiscal 2019 on the back of 10 store openings, five closings and 17 renovations/relocations.

Other Financial Details

Tiffany ended the quarter with cash and cash equivalents and short-term investments of \$680.6 million and total debt of \$1,019.2 million, reflecting 32% of stockholders' equity.

In the quarter, the company repurchased approximately 639,000 shares at an average cost of about \$94 per share. As of Jul 31, 2019, the company still has \$550 million remaining under its share repurchase program, which expires in January 2022.

For fiscal 2019, management expects net cash from operating activities of at least \$750 million, capital expenditures of about \$350 million and free cash flow of at least \$400 million.

Guidance

For fiscal 2019, management continues to expect worldwide net sales growth at a low-single-digit rate. Earnings per share are likely to increase at low-to-mid-single-digit rate. Comps for the fiscal year are expected to be unchanged.

Quarter Ending 10/2019

Report Date	Dec 05, 2019
Sales Surprise	-2.11%
EPS Surprise	-23.53%
Quarterly EPS	0.65
Annual EPS (TTM)	4.40

Recent News

Tiffany Releases Interim Holiday Sales Data – Dec 27, 2019

Tiffany came out with preliminary sales data for the interim time period extending over Nov 1 to Dec 24, also known as the “2019 interim holiday period.” In the said time frame, the jewelry retailer's worldwide net sales rose about 1-3%, courtesy of enhanced global trends. Strength in Chinese Mainland was a major driver, countered by persistent softness in Hong Kong and hurdles in Japan.

Markedly, preliminary sales were up 2-4% in the Americas, 5-7% in the Asia-Pacific and 3-5% in Europe. On the contrary, sales declined 9-11% in Japan. Further, preliminary comparable sales (comps) grew 2-4% in the Americas, 7-9% in the Asia-Pacific and 4-6% in Europe but plunged 11-13% in Japan.

Tiffany Accepts Takeover Offer of Louis Vuitton Owner – Nov 25, 2019

Tiffany accepted the buyout offer of LVMH Moët Hennessy Louis Vuitton SE or LVMH. The latter has entered into a deal to acquire Tiffany for more than \$16 billion. This takeover will provide LVMH a competitive edge in the fast-growing product categories and expand footprint in the U.S. luxury market.

LVMH's latest offer was \$135 a share in cash versus the earlier bid of \$120 made in October. Industry experts believe that the acquisition of Tiffany — which would become part of growing luxury portfolio comprising Bulgari, Christian Dior, Dom Perignon, Fendi, Sephora and Guerlain — will add sheen to LVMH's jewelry and watch segments. Meanwhile Tiffany, which operates more than 300 stores worldwide, will also gain from LVMH's prominent presence in European and Asian markets.

Tiffany Collaborates With Reliance Brands Limited – August 7, 2019

Tiffany partners with Reliance Brands Limited to enter the Indian market, and plans to open new stores in Delhi in second half of fiscal 2019 and in Mumbai in second half of fiscal 2020.

Valuation

Tiffany shares are up 65.8% in over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Retail-Wholesale sector are up 43% and 25.3%, respectively, in the past year.

The S&P 500 index is up 27.2% in the past year.

The stock is currently trading at 27.16X forward 12-month earnings, which compares to 18.79X for the Zacks sub-industry, 25.27X for the Zacks sector and 18.76X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.27X and as low as 14.29X, with a 5-year median of 20.3X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$141 price target reflects 28.79X forward 12-month earnings.

The table below shows summary valuation data for TIF

Valuation Multiples - TIF					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	27.16	18.79	25.27	18.76
	5-Year High	28.27	21.77	26.13	19.34
	5-Year Low	14.29	11.8	18.99	15.17
	5-Year Median	20.3	15.74	22.89	17.44
P/S F12M	Current	3.5	1.31	1.02	3.41
	5-Year High	3.75	2.04	1.1	3.41
	5-Year Low	1.78	0.92	0.8	2.54
	5-Year Median	2.58	1.53	0.9	3
EV/EBITDA TTM	Current	18.18	10.68	15.31	12.01
	5-Year High	18.19	15.47	15.31	12.86
	5-Year Low	7.98	5.19	10.27	8.49
	5-Year Median	11.18	8.83	12.32	10.65

As of 12/30/2019

Industry Analysis Zacks Industry Rank: Bottom 5% (240 out of 253)



Top Peers

Capri Holdings Limited (CPRI)	Neutral
Guess?, Inc. (GES)	Neutral
L Brands, Inc. (LB)	Neutral
Ralph Lauren Corporation (RL)	Neutral
Signet Jewelers Limited (SIG)	Neutral
Tapestry, Inc. (TPR)	Neutral
Fossil Group, Inc. (FOSL)	Underperform
Movado Group Inc. (MOV)	Underperform

Industry Comparison Industry: Retail - Jewelry				Industry Peers		
	TIF Neutral	X Industry	S&P 500	FOSL Underperform	MOV Underperform	SIG Neutral
VGM Score	F	-	-	D	D	B
Market Cap	16.01 B	495.33 M	23.75 B	385.44 M	495.33 M	1.13 B
# of Analysts	10	1	13		1	2
Dividend Yield	1.74%	0.00%	1.79%	0.00%	3.72%	6.87%
Value Score	D	-	-	C	B	A
Cash/Price	0.03	0.10	0.04	0.38	0.23	0.17
EV/EBITDA	17.27	6.66	13.92	5.74	6.66	21.15
PEG Ratio	2.61	1.82	2.12	NA	NA	1.03
Price/Book (P/B)	5.09	1.42	3.32	0.76	1.42	1.07
Price/Cash Flow (P/CF)	20.57	11.33	13.73	3.44	9.55	0.97
P/E (F1)	28.74	13.20	19.56	63.58	13.20	6.70
Price/Sales (P/S)	3.65	0.60	2.67	0.17	0.70	0.18
Earnings Yield	3.48%	7.57%	5.10%	1.57%	7.57%	14.90%
Debt/Equity	0.59	0.59	0.72	1.04	0.25	2.13
Cash Flow (\$/share)	6.49	0.71	6.94	2.22	2.25	22.15
Growth Score	D	-	-	F	F	D
Hist. EPS Growth (3-5 yrs)	4.46%	0.78%	10.53%	-56.82%	5.50%	-12.21%
Proj. EPS Growth (F1/F0)	0.69%	-8.87%	6.30%	-84.62%	-38.95%	-13.58%
Curr. Cash Flow Growth	10.63%	10.79%	14.83%	25.00%	28.95%	77.26%
Hist. Cash Flow Growth (3-5 yrs)	3.95%	10.16%	9.00%	-24.59%	3.26%	19.15%
Current Ratio	4.10	1.98	1.23	2.06	3.52	2.12
Debt/Capital	37.06%	42.43%	42.99%	51.00%	20.54%	73.09%
Net Margin	12.41%	1.82%	11.08%	0.10%	7.99%	-3.09%
Return on Equity	16.98%	16.98%	17.10%	3.84%	9.73%	20.27%
Sales/Assets	0.73	0.79	0.55	1.43	0.86	1.08
Proj. Sales Growth (F1/F0)	-0.08%	0.00%	2.86%	-12.89%	0.00%	0.00%
Momentum Score	F	-	-	B	B	B
Daily Price Chg	-0.22%	-0.24%	-0.43%	-1.42%	-0.09%	2.67%
1 Week Price Chg	0.18%	0.00%	0.13%	0.78%	-0.37%	3.71%
4 Week Price Chg	-0.05%	-1.03%	2.78%	4.09%	13.56%	23.85%
12 Week Price Chg	49.94%	5.88%	8.67%	-32.36%	-8.77%	20.80%
52 Week Price Chg	65.79%	-3.15%	27.07%	-51.49%	-31.94%	-32.17%
20 Day Average Volume	2,080,569	24,470	1,731,328	1,243,562	239,505	2,254,275
(F1) EPS Est 1 week change	-0.79%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-2.78%	0.00%	0.00%	0.00%	0.00%	4.55%
(F1) EPS Est 12 week change	-3.17%	-3.17%	0.14%	-91.95%	-28.19%	4.21%
(Q1) EPS Est Mthly Chg	-2.68%	-2.68%	0.00%	0.00%	0.00%	-6.65%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	D
Momentum Score	F
VGM Score	F

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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