

## Tyson Foods Inc. (TSN)

**\$58.55** (As of 03/11/20)

Price Target (6-12 Months): **\$62.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 03/10/20)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM:A

Value: A

Growth: B

Momentum: C

### Summary

Although shares of Tyson Foods have lagged the industry in the past three months, we expect the trend to improve in the near term. The company is well placed to exploit all opportunities stemming from rising protein demand. Incidentally, USDA expects overall domestic protein production to rise 3-4% in fiscal 2020. Tyson Foods has been focused on building a protein-packed portfolio through meaningful buyouts and divestiture of certain non-protein businesses. In particular, acquisitions are aiding growth in the Chicken segment. Also, the company's Prepared Foods segment has been seeing retail consumption growth for a while now. However, the Beef unit may remain pressurized in the second quarter. Also, the company has been witnessing high input costs in some categories. Nonetheless, focus on Financial Fitness Program bodes well.

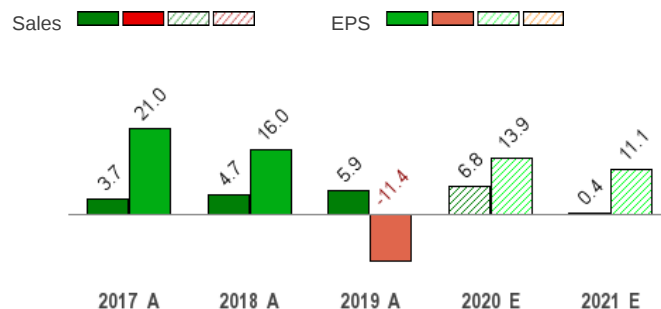
### Price, Consensus & Surprise



### Data Overview

|                            |                                      |
|----------------------------|--------------------------------------|
| 52 Week High-Low           | \$94.24 - \$57.65                    |
| 20 Day Average Volume (sh) | 3,306,118                            |
| Market Cap                 | \$21.4 B                             |
| YTD Price Change           | -35.7%                               |
| Beta                       | 0.60                                 |
| Dividend / Div Yld         | \$1.68 / 2.9%                        |
| Industry                   | <a href="#">Food - Meat Products</a> |
| Zacks Industry Rank        | Bottom 21% (201 out of 253)          |

### Sales and EPS Growth Rates (Y/Y %)



|                           |            |
|---------------------------|------------|
| Last EPS Surprise         | -2.4%      |
| Last Sales Surprise       | -2.7%      |
| EPS F1 Est- 4 week change | -1.2%      |
| Expected Report Date      | 05/04/2020 |
| Earnings ESP              | 0.0%       |
| P/E TTM                   | 10.6       |
| P/E F1                    | 9.4        |
| PEG F1                    | 2.4        |
| P/S TTM                   | 0.5        |

### Sales Estimates (millions of \$)

|      | Q1       | Q2       | Q3       | Q4       | Annual*  |
|------|----------|----------|----------|----------|----------|
| 2021 | 11,233 E | 11,456 E | 11,654 E | 11,734 E | 45,440 E |
| 2020 | 10,815 A | 10,968 E | 11,226 E | 12,272 E | 45,281 E |
| 2019 | 10,193 A | 10,443 A | 10,885 A | 10,884 A | 42,405 A |

### EPS Estimates

|      | Q1       | Q2       | Q3       | Q4       | Annual*  |
|------|----------|----------|----------|----------|----------|
| 2021 | \$1.90 E | \$1.45 E | \$1.89 E | \$1.91 E | \$6.91 E |
| 2020 | \$1.66 A | \$1.15 E | \$1.55 E | \$1.76 E | \$6.22 E |
| 2019 | \$1.58 A | \$1.20 A | \$1.47 A | \$1.21 A | \$5.46 A |

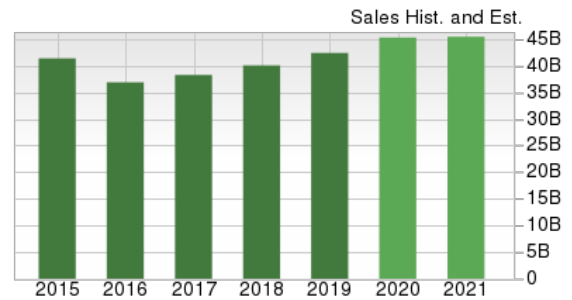
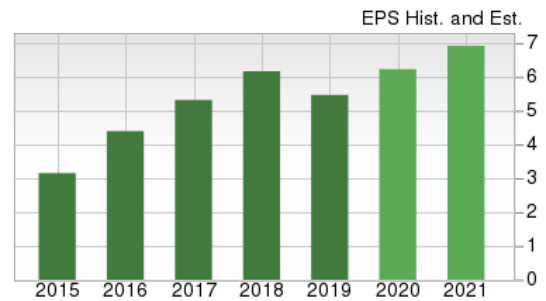
\*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 03/11/2020. The reports text is as of 03/12/2020.

## Overview

Headquartered in Arkansas, Tyson Foods Inc. was founded in 1935. It is the biggest U.S. chicken company and produces, distributes and markets chicken, beef, pork as well as prepared foods. Its products are marketed and sold primarily by sales staff to grocery retailers, grocery wholesalers, meat distributors, military commissaries, industrial food processing companies, chain restaurants, international export companies and domestic distributors.

- **Chicken** (31.3% of FY19 Sales): The operations of this segment comprise raising and processing live chickens into fresh, frozen and value-added chicken products, as well as sales from allied products.
- **Beef** (37.2% of FY19 Sales): This segment's operations include processing cattle and preparing dressed beef carcasses into meat cuts and case-ready products. The revenues from this segment also come from sales of allied products such as hides and variety meats. Allied products are marketed to manufacturers of pharmaceuticals and technical products.
- **Pork** (8.8% of FY19 Sales): This segment's operations comprise processing market hogs and preparing pork carcasses into meat products.
- **Prepared Foods** (19.8% of FY19 Sales): This segment's operations include manufacturing frozen and refrigerated food products, like pepperoni, bacon, pizza toppings, pizza crusts, tortilla products, appetizers, prepared meals, ethnic foods, soups, sauces, side dishes, meat dishes and processed meats.
- **International/Other** (3% of FY19 Sales): The segment includes foreign operations in Australia, China, South Korea, Malaysia, Mexico, the Netherlands, Thailand and the United Kingdom. Also, it includes third-party merger, integration costs and corporate overhead related to Tyson New Ventures, LLC.



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## Reasons To Buy:

▲ **Focus on Protein-Packed Brands and Organic Products to Aid Stock:** Although shares of Tyson Foods have declined 33.4% and underperformed the industry's decline of 24.5% in the past three months, we expect the trend to improve in the near term. Tyson Foods expects demand for protein to rise consistently and is well positioned to exploit all opportunities in the space. For fiscal 2020, USDA expects overall domestic protein production (chicken, beef, pork and turkey) to rise roughly 3-4% year over year. A greater portion of the upside is likely to be absorbed by export markets. The rising demand for protein-packed food products is a fueling factor for higher protein production. In fact, Tyson Foods boasts a rich portfolio of protein packed brands that are growing rapidly across the globe. Management highlighted that performance across Beef and Pork segments improved during the first quarter of fiscal 2020 as the impact of African swine fever begin to materialize. Moreover, in spite of a soft pricing environment the Chicken segment performed better operationally. Notably, Prepared Foods segment registered sixth successive quarter of retail consumption growth. Such upsides along with other prudent growth strategies contributed to overall sales growth of 6.1%.

Tyson Foods gains from rising demand for protein-packed food. Further, the company undertakes strategic buyouts, which is boosting sales volumes in the Chicken segment.

Additionally, the company has undertaken divestiture of non-protein businesses (such as Sara Lee Frozen Bakery, Kettle and Van's) so as to focus more on the growing protein-packed food arena. Apart from this, the company has been steadily expanding fresh prepared foods offering, owing to consumers rising demand for natural fresh meat offerings without any added hormones or antibiotics. In this respect, Tyson Foods buyout of Tecumseh is quite noteworthy. The deal has added the popular air-chilled Smart Chicken brand along with a variety of chicken sausages, fresh and deli-style chicken to Tyson Foods' portfolio. Additionally, Tyson Foods has been venturing into alternative sources for meat and protein products, evident from the investment in Memphis Meats. Further, the company is on track with new plant-based protein and blended products launches under the Raised & Rooted brand.

▲ **Strategic Acquisitions:** Tyson Foods has been focusing on acquisitions to expand portfolio and boost sales volumes. In particular, acquisitions are aiding growth in the Chicken segment. Incidentally sales volume in this unit advanced 4.5% year on year during the first quarter of fiscal 2020. We note that the company completed the acquisition of the European and Thai operations of BRF S.A. in June 2019. The buyout has aided strengthening Tyson Foods' footing in the Thai poultry space as well as expand presence in the United Kingdom and Netherlands. Prior to this, on Nov 30, 2018, the company completed acquiring Keystone Foods business, which supplies a broad array of meat and chicken products internationally. This buyout has particularly been bolstering the company's Chicken as well as the International and Other segments' performances. The company has acquired a 40% ownership in Brazilian poultry producer and exporter, Grupo Vibra.

Other notable acquisitions of Tyson Foods in the past include; AdvancePierre, Original Philly Holdings, Hillshire as well as Mexican food restaurant chain, Don Julio Foods. Moreover, the company has acquired poultry rendering and blending assets of AMPRO Products, Inc. and American Proteins, Inc. The deal has enabled Tyson Foods to bolster animal products recycling capabilities, which will aid in expanding animal feed business.

▲ **Financial Fitness Program to Boost Efficiency:** Toward the latter half of 2017, Tyson Foods announced a Financial Fitness Program, with the motive to enhance operating and supply-chain efficiencies, reduce overheads and fuel bottom line in the forthcoming periods. The company aims to generate savings from this program, through synergies from acquisition integration, along with incremental cost optimization which involves removal of non-value-added costs. Earlier management had stated that it expects the program to generate savings worth \$600 million by 2020. Majority of these savings are expected to benefit the Prepared Foods and Chicken segments. During first-quarter fiscal 2020, Tyson Foods announced a restructuring program (the "2020 Program"), which is likely to contribute to the company's previously initiated Financial Fitness Program. This involves elimination of overhead and consolidation of certain enterprise functions. As part of this program, the company will trim about 500 positions from its corporate offices in Springdale, Arkansas and Chicago, Illinois. The program is expected to result in savings of about \$55 million and \$65 million in fiscal 2020 and fiscal 2021, respectively.

▲ **Geographic and Product Diversity:** Tyson Foods has significant presence in markets outside the U.S. The company has operations in Australia, China, South Korea, Malaysia, Mexico, the Netherlands, Thailand and the United Kingdom. Moving to its product portfolio, Tyson Foods offers a wide array of meat products and commands a strong presence in all beef, pork, chicken as well as processed and fresh meat food products categories. This acts as a buffer to the company's sales and margins — if one category fails, the others can aid recovery. Also, Tyson Foods continuously innovates and adds products to an already rich food line up. The company has a broad portfolio of products and brands such as Tyson, Jimmy Dean, Hillshire Farm, Ball Park, Wright, Aidells, ibp and State Fair.

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## Reasons To Sell:

- ▼ **Cautious Q2 Outlook:** In first-quarter fiscal 2020, both the top and bottom lines fell short of the Zacks Consensus Estimate for the second straight time. Also, the company's remark that it expects challenges and volatility in the second quarter was not well perceived by investors. For the second quarter, Tyson Foods envisions earnings to be lower on a sequential basis. The sequential decline in earnings is attributed to sustained soft market conditions in chicken, increase in raw material costs, some residual ERP impacts in Prepared Foods and normal seasonal cyclicity in beef and pork. Management further added that when combined with the overall availability of protein a continuation of these factors will likely result in earnings being lower than the prior-year period. The company also informed that despite the Phase one trade agreement with China, the tariffs that remain in place puts the U.S. at a pricing disadvantage in the Chinese market. Moreover, the company is assessing the impact of coronavirus outbreak in China.
- ▼ **Weaknesses in the Beef Unit:** During the first quarter of fiscal 2020, sales in the beef segment dipped 2.2% to \$3,838 million. Sales volume contracted 8% year over year owing to lower live cattle harvest capacity stemming from the temporary closure of a production facility due to fire. Management highlighted that second quarter is generally a tough one for Beef. In addition to the challenges caused by winter weather in the Midwest, exports from Australia are likely to fall considerably on account of the ongoing drought and the tragic fires, which are likely to delay herd rebuilding.
- ▼ **High Input Costs:** Tyson Foods is experiencing high input costs across some of its categories. This is weighing upon the respective segment's operating profits. We note that any increase in livestock costs in the pork unit, feed-ingredients costs in the chicken unit and raw material costs in the prepared foods unit may hurt the company's operating income. Speaking of the prepared foods segment, raw material costs are likely to remain high throughout fiscal 2020. We note that adjusted operating income at Chicken segment declined to \$78 million from \$173 million in the year-ago period, while adjusted operating margin contracted 320 bps to 2.4% during the quarter. Again, adjusted operating income at Prepared Foods declined to \$180 million from \$268 million in the prior-year period. Adjusted operating margin contracted 410 bps to 8.4%.
- ▼ **Food Industry Headwinds:** The food industry is grappling with stiff competition and aggressive promotional environment. The company faces intense competition from other food companies on the grounds of quality, prices and availability. To meet such competitive pressure effectively, Tyson Foods may have to lower prices for its products or indulge in marketing activities to maintain market share.
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Tyson Foods expects challenges and volatility in the second quarter. For the second quarter, the company envisions earnings to be lower on a sequential basis.

## Last Earnings Report

### Tyson Foods' Earnings & Sales Miss Estimates in Q1

Tyson Foods, Inc. came out with its first-quarter fiscal 2020 results. We note that both the top and the bottom line missed the Zacks Consensus Estimate for the second straight quarter. Nonetheless, both sales and adjusted earnings per share improved year over year.

#### Q1 in Details

Adjusted earnings for the reported quarter were \$1.66 per share, missing the Zacks Consensus Estimate of \$1.70. However, the bottom line grew 5% year over year. Net sales increased 6.1% to \$10,815 million. However, the top line missed the Zacks Consensus Estimate of \$11,115 million. Sales volume was up 4.7% and average sales price increased 1.4%.

Gross profit for the fiscal first quarter came in at \$1,440 million, up 6.3% from the prior-year quarter. Gross margin remained flat at 13.3%. Tyson Foods' adjusted operating income grew 6% to \$894 million, while adjusted operating margin remained flat at 8.3%.

#### Segment Details

**Beef:** Sales in the segment dipped 2.2% to \$3,838 million. Sales volume contracted 8% year over year owing to lower live cattle harvest capacity stemming from the temporary closure of a production facility due to fire. Average sales price rose 5.8% on robust demand for beef products. Adjusted operating income improved to \$431 million from \$305 million in the year-ago period, while adjusted operating margin expanded 340 bps to 11.2% during the quarter.

**Pork:** Sales in the segment grew 17% year over year to \$1,379 million. Sales volume increased 7.3% year over year, owing to higher domestic availability of hogs and improved demand. Average sales price improved 9.7% year over year related with higher livestock costs and robust export markets. Adjusted operating income in the segment amounted to \$193 million, more than doubled from the prior-year quarter's figure. Adjusted operating margin expanded 590 bps to 14%.

**Chicken:** Sales in the segment rose 5.7% to \$3,292 million. Sales volume increased 4.5% year over year, owing to incremental volumes stemming from acquisitions. Average sales price in the quarter rose 1.2% owing to reduced rendering and blending sales, partly offset by weak chicken prices due to tough market conditions. Adjusted operating income declined to \$78 million from \$173 million in the year-ago period, while adjusted operating margin contracted 320 bps to 2.4% during the quarter.

**Prepared Foods:** Sales in the segment edged down 0.4% to \$2,140 million. Prepared Foods' sales volume contracted 3.1% as volume growth in the consumer products business was more than offset by other intersegment sales channel shifts. Average sales price increased 2.7% owing to favorable product mix and higher raw-material costs. Adjusted operating income declined to \$180 million from \$268 million in the prior-year period. Adjusted operating margin contracted 410 bps to 8.4%.

**International/Other:** Sales in the segment were \$498 million, up from \$143 million reported in the prior-year quarter. Sales volume and average selling price improved remarkably.

#### Other Financial Updates

The company ended the quarter with cash and cash equivalents of \$497 million, long-term debt of \$9,772 million and total shareholders' equity of \$14,566 million. In the quarter under review, cash provided by operating activities were \$894 million. Further, management still projects capital expenditure to be approximately \$1.3 billion for fiscal 2020. The company incurred capital expenditures of \$312 million in the quarter. During the quarter, the company repurchased 1.5 million shares for \$132 million.

#### Guidance

For fiscal 2020, USDA expects overall domestic protein production (chicken, beef, pork and turkey) to rise 3-4% year over year. A greater portion of the upside is likely to be absorbed by export markets. Moving on, management anticipates industry-fed cattle supplies in the beef unit to rise roughly 1% in fiscal 2020 as compared to fiscal 2019. For fiscal 2020, the company expects Beef segment's adjusted operating margin to reach near the high end of 6.5-7.5%.

For pork, the company envisions increased industry hog supplies to the tune of nearly 4% year over year. Also, livestock costs are projected to grow in fiscal 2020. For fiscal 2020, the company envisions Pork segment's adjusted operating margin in the band of 6-8%. Additionally, chicken production is estimated to rise 4% in fiscal 2020, per USDA. For fiscal 2020, the company anticipates Chicken segment's adjusted operating margin to be 4-6%.

Speaking of the prepared foods segment, raw material costs are likely to remain high throughout the fiscal year. Having said that, the company forecasts pricing action to provide some cushion to the said unit. For fiscal 2020, the company expects Prepared Foods segment's adjusted operating margin to be 10-12%. Moreover, its international segment is anticipated to improve in fiscal 2020, driven by enhanced foreign operations coupled with gains from recent acquisitions.

Quarter Ending **12/2019**

| Report Date      | Feb 06, 2020 |
|------------------|--------------|
| Sales Surprise   | -2.70%       |
| EPS Surprise     | -2.35%       |
| Quarterly EPS    | 1.66         |
| Annual EPS (TTM) | 5.54         |

## Recent News

### Tyson Fresh Meats & Jacob Stern & Sons Launch Joint Venture – Feb 10, 2020

Tyson Fresh Meats, the beef and pork subsidiary of Tyson Foods and Jacob Stern & Sons, Inc. have launched a joint venture, JST Global, LLC, to serve fats and oils market globally.

### Tyson Foods' Subsidiary Inks Deal to Expand in Kazakhstan – Dec 9, 2019

Tyson Foods is committed toward expanding its presence in the global markets. The company's beef and pork subsidiary — Tyson Fresh Meats, Inc — has reached an agreement with the Republic of Kazakhstan and a major beef producer Kusto Group for a project for development of a modern beef processing plant. The proposed plant, with an expected harvest capacity of 2,000 head-per-day, will add an overseas beef plant for Tyson Foods. Further, industry experts believe that this development in Kazakhstan will open up ample export opportunities for Tyson Foods in China, Russia and the Middle East. Also, the company can leverage its well-established distribution networks in Central Europe.

Notably, Tyson Foods expects nearly 98% of total protein consumption in regions outside the United States, primarily in Asia. That said, this expansion is likely to enable the company to benefit from global opportunities related to rising protein demand. Kazakhstan is resourcefully rich in water and land, which has been beneficial for its booming livestock and multi-protein export industry. To top it, the envisaged plant is expected to stimulate the country's agricultural economy, providing a benefit of more than \$1 billion to the country annually. This said, the investment is appropriate for Tyson Foods and Kazakhstan's economy.

## Valuation

Tyson Foods shares are down 35.7% in the year-to-date period and 9.1% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 26.2% in the year-to-date period, while the Zacks Consumer Staples sector down 14.7%. Over the past year, the Zacks sub-industry is down 7.7%, while the sector declined 6.5%.

The S&P 500 index is down 14.9% in the year-to-date period and 3.4% in the past year.

The stock is currently trading at 8.97X forward 12-month earnings, which compares to 12.13X for the Zacks sub-industry, 17.16X for the Zacks sector and 15.85X for the S&P 500 index.

Over the past five years, the stock has traded as high as 16.69X and as low as 8.38X, with a 5-year median of 12.4X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$62 price target reflects 9.5X forward 12-month earnings.

The table below shows summary valuation data for TSN

| Valuation Multiples - TSN |               |       |              |        |         |
|---------------------------|---------------|-------|--------------|--------|---------|
|                           |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M                  | Current       | 8.97  | 12.13        | 17.16  | 15.85   |
|                           | 5-Year High   | 16.69 | 18.55        | 22.38  | 19.34   |
|                           | 5-Year Low    | 8.38  | 11.48        | 16.66  | 15.18   |
|                           | 5-Year Median | 12.4  | 14.61        | 19.65  | 17.42   |
| P/S F12M                  | Current       | 0.47  | 0.74         | 8.58   | 2.91    |
|                           | 5-Year High   | 0.76  | 1.11         | 11.13  | 3.44    |
|                           | 5-Year Low    | 0.33  | 0.63         | 8.09   | 2.54    |
|                           | 5-Year Median | 0.61  | 0.93         | 9.87   | 3       |
| EV/EBITDA F12M            | Current       | 7.69  | 9.82         | 33.36  | 12.34   |
|                           | 5-Year High   | 9.61  | 18.63        | 37.22  | 14.18   |
|                           | 5-Year Low    | 6.63  | 7.49         | 29.4   | 9.08    |
|                           | 5-Year Median | 8.13  | 9.69         | 33.65  | 10.82   |

As of 03/11/2020

## Industry Analysis Zacks Industry Rank: Bottom 21% (201 out of 253)



## Top Peers

|                                        |              |
|----------------------------------------|--------------|
| Conagra Brands Inc. (CAG)              | Neutral      |
| Campbell Soup Company (CPB)            | Neutral      |
| General Mills, Inc. (GIS)              | Neutral      |
| Hormel Foods Corporation (HRL)         | Neutral      |
| Industrias Bachoco, S.A. de C.V. (IBA) | Neutral      |
| Pilgrims Pride Corporation (PPC)       | Neutral      |
| The J. M. Smucker Company (SJM)        | Neutral      |
| Sanderson Farms, Inc. (SAFM)           | Underperform |

| Industry Comparison Industry: Food - Meat Products |             |            |           | Industry Peers |             |                   |
|----------------------------------------------------|-------------|------------|-----------|----------------|-------------|-------------------|
|                                                    | TSN Neutral | X Industry | S&P 500   | HRL Neutral    | PPC Neutral | SAFM Underperform |
| <b>VGM Score</b>                                   | <b>A</b>    | -          | -         | <b>C</b>       | <b>A</b>    | <b>F</b>          |
| Market Cap                                         | 21.37 B     | 2.75 B     | 19.20 B   | 22.73 B        | 4.59 B      | 2.75 B            |
| # of Analysts                                      | 4           | 2.5        | 13        | 6              | 2           | 3                 |
| Dividend Yield                                     | 2.87%       | 0.00%      | 2.31%     | 2.20%          | 0.00%       | 1.04%             |
| <b>Value Score</b>                                 | <b>A</b>    | -          | -         | <b>D</b>       | <b>A</b>    | <b>D</b>          |
| Cash/Price                                         | 0.02        | 0.05       | 0.05      | 0.03           | 0.05        | 0.02              |
| EV/EBITDA                                          | 7.68        | 10.51      | 11.76     | 16.01          | 6.55        | 13.35             |
| PEG Ratio                                          | 2.37        | 1.12       | 1.73      | 3.78           | 0.57        | NA                |
| Price/Book (P/B)                                   | 1.47        | 1.39       | 2.64      | 3.71           | 1.81        | 2.01              |
| Price/Cash Flow (P/CF)                             | 6.92        | 6.92       | 10.55     | 20.35          | 6.59        | 13.45             |
| P/E (F1)                                           | 9.41        | 11.20      | 15.66     | 24.02          | 8.14        | 17.09             |
| Price/Sales (P/S)                                  | 0.50        | 0.57       | 2.06      | 2.39           | 0.40        | 0.78              |
| Earnings Yield                                     | 10.62%      | 9.16%      | 6.38%     | 4.16%          | 12.28%      | 5.85%             |
| Debt/Equity                                        | 0.67        | 0.15       | 0.70      | 0.05           | 0.99        | 0.15              |
| Cash Flow (\$/share)                               | 8.46        | 2.79       | 7.01      | 2.08           | 2.79        | 9.19              |
| <b>Growth Score</b>                                | <b>B</b>    | -          | -         | <b>C</b>       | <b>C</b>    | <b>F</b>          |
| Hist. EPS Growth (3-5 yrs)                         | 15.34%      | -12.18%    | 10.85%    | 6.96%          | -13.01%     | -31.11%           |
| Proj. EPS Growth (F1/F0)                           | 13.92%      | 12.61%     | 6.02%     | 1.15%          | 39.51%      | 187.92%           |
| Curr. Cash Flow Growth                             | -3.73%      | -5.88%     | 6.09%     | -8.04%         | 16.70%      | 3.93%             |
| Hist. Cash Flow Growth (3-5 yrs)                   | 13.92%      | 3.13%      | 8.52%     | 8.67%          | -4.98%      | -8.98%            |
| Current Ratio                                      | 1.30        | 1.58       | 1.24      | 2.34           | 1.58        | 2.93              |
| Debt/Capital                                       | 40.15%      | 12.75%     | 42.57%    | 4.82%          | 49.76%      | 12.75%            |
| Net Margin                                         | 4.71%       | 4.71%      | 11.69%    | 10.30%         | 4.00%       | 0.92%             |
| Return on Equity                                   | 14.36%      | 13.48%     | 16.74%    | 15.90%         | 17.49%      | 2.47%             |
| Sales/Assets                                       | 1.29        | 1.29       | 0.54      | 1.18           | 1.72        | 1.97              |
| Proj. Sales Growth (F1/F0)                         | 6.78%       | 2.56%      | 3.55%     | 2.03%          | 0.00%       | 6.20%             |
| <b>Momentum Score</b>                              | <b>C</b>    | -          | -         | <b>B</b>       | <b>C</b>    | <b>F</b>          |
| Daily Price Chg                                    | -6.71%      | -3.40%     | -5.37%    | -3.40%         | -7.40%      | -6.47%            |
| 1 Week Price Chg                                   | -4.69%      | -2.34%     | -0.67%    | 5.65%          | 1.65%       | 5.28%             |
| 4 Week Price Chg                                   | -27.14%     | -21.12%    | -20.57%   | -11.50%        | -30.17%     | -9.70%            |
| 12 Week Price Chg                                  | -34.11%     | -28.04%    | -17.57%   | -4.84%         | -41.64%     | -26.11%           |
| 52 Week Price Chg                                  | -9.14%      | -5.91%     | -8.21%    | -1.22%         | -11.79%     | -2.67%            |
| 20 Day Average Volume                              | 3,306,118   | 105,618    | 2,882,511 | 2,784,310      | 1,172,645   | 557,567           |
| (F1) EPS Est 1 week change                         | 0.00%       | 0.00%      | 0.00%     | 0.00%          | 0.00%       | 0.00%             |
| (F1) EPS Est 4 week change                         | -1.24%      | -1.98%     | -0.23%    | 0.09%          | -7.76%      | -24.82%           |
| (F1) EPS Est 12 week change                        | -6.80%      | -2.32%     | -0.60%    | 0.09%          | -1.53%      | -10.92%           |
| (Q1) EPS Est Mthly Chg                             | 0.00%       | 0.00%      | -0.52%    | -0.40%         | NA          | 8.26%             |

## 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    | <b>A</b> |
| Growth Score   | <b>B</b> |
| Momentum Score | <b>C</b> |
| VGM Score      | <b>A</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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