

Walgreens Boots (WBA)

\$39.60 (As of 05/22/20)

Price Target (6-12 Months): **\$42.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 06/06/19)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:A

Value: A

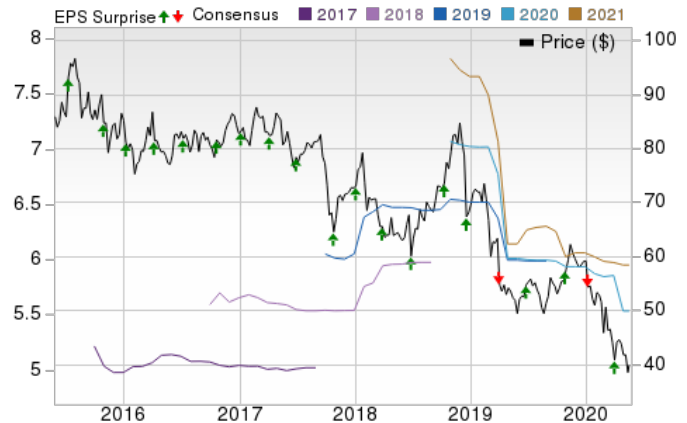
Growth: B

Momentum: C

Summary

Walgreens Boots recorded uptick in Retail Pharmacy USA from comparable prescription sales growth and a strong retail prescription market. Rise in Pharmaceutical Wholesale sales buoy optimism too. Amid the coronavirus-led doldrums, these businesses recorded sales growth on rising customer demand. Progress made from new strategic partnerships was impressive. Its second-quarter fiscal 2020 performance was better-than-expected. However, decline in adjusted earnings is concerning. Dullness in the Retail Pharmacy International was due to poor testing market conditions. Also, the company did not update its guidance, given the pandemic's rapidly changing variables. Tough market conditions, margin pressure and stiff competitive landscape are other headwinds for the company. Over the past six months, it has underperformed the industry it belongs to.

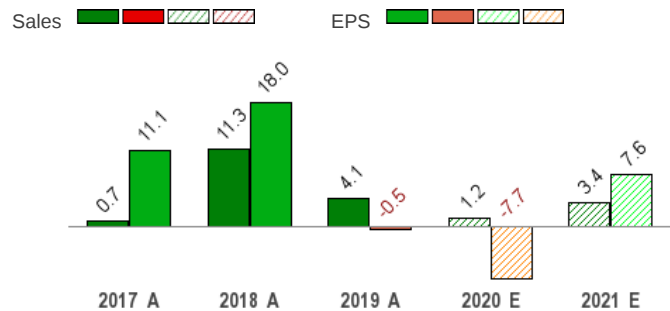
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$64.50 - \$36.65
20 Day Average Volume (sh)	7,383,946
Market Cap	\$34.7 B
YTD Price Change	-32.8%
Beta	0.55
Dividend / Div Yld	\$1.83 / 4.6%
Industry	Retail - Pharmacies and Drug Stores
Zacks Industry Rank	Bottom 21% (195 out of 248)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	4.8%
Last Sales Surprise	1.5%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	06/25/2020
Earnings ESP	0.0%
P/E TTM	6.8
P/E F1	7.2
PEG F1	0.9
P/S TTM	0.3

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2021	35,469 E	36,784 E	36,352 E	35,870 E	143,181 E
2020	34,339 A	35,820 A	34,233 E	34,326 E	138,469 E
2019	33,793 A	34,528 A	34,591 A	33,954 A	136,866 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2021	\$1.34 E	\$1.58 E	\$1.45 E	\$1.46 E	\$5.95 E
2020	\$1.37 A	\$1.52 A	\$1.18 E	\$1.34 E	\$5.53 E
2019	\$1.46 A	\$1.64 A	\$1.47 A	\$1.43 A	\$5.99 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 05/22/2020. The reports text is as of 05/26/2020.

Overview

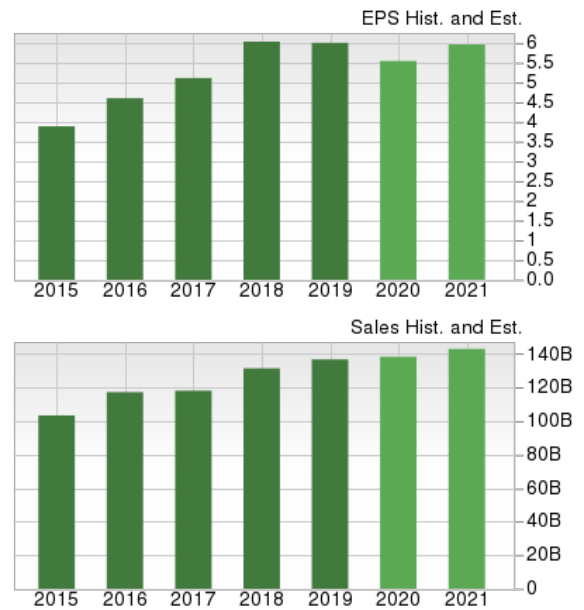
Founded in December 2014, Walgreens Boots Alliance (WBA) is the world's first pharmacy-led, health and wellbeing enterprise. The company has been formed through the combination of Walgreens Co. (WAG) and Alliance Boots. The merger brought together two leading companies with iconic brands, complementary geographic footprints, shared values, and trusted health care services through pharmaceutical wholesaling and community pharmacy care.

The company includes the largest global pharmaceutical wholesaler and distribution network with over 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals every year across 20 countries. In addition, Walgreens Boots Alliance is the world's largest purchaser of prescription drugs and several other health and wellbeing products. Its portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare, as well as global health and popular beauty product brands such as No7, Botanics, Liz Earle and Soap & Glory.

Segments in Detail

Historically, the legacy Walgreens used to report as one segment, which comprised the performance of Walgreens in the U.S.; its corporate costs and synergies from the Walgreens Boots Alliance Development joint venture, also known as WBAD; and equity earnings from Alliance Boots on a three-month lag. Following the combination of Alliance Boots and the legacy Walgreens, Walgreens Boots eliminated the three-month reporting lag and recast prior period results with no lag.

As Walgreens Boots, management now reports results in three segments: **Retail Pharmacy USA** (176.43% of total revenues in fiscal 2019), **Retail Pharmacy International** (8.37%), and **Pharmaceutical Wholesale** (16.8%). In fiscal 2019, Retail Pharmacy USA segment registered 6.2% growth, Retail Pharmacy International segment registered 1.6% decline and Pharmaceutical Wholesale registered 8% growth from fiscal 2018.



Reasons To Buy:

▲ **New Alliances Look Strategic:** The intensifying competition in the U.S. retail drugstore market has compelled Walgreens Boots to diversify its product offerings. Under such circumstances, Walgreens' tie-up with Alphabet's life sciences and healthcare segment Verily on multiple projects on chronic ailment buoy optimism. The partnership aims at providing advanced healthcare outcomes to chronic conditions like diabetes at low cost of care.

Regarding Walgreens' newly-formed partnership with Kroger, the company updated that the grocery trials in the U.S. retail segment are progressing well. Walgreens is currently in the process of trying out various approaches in the 50 pilot stores, varying from a full Kroger Express offer with ambient and fresh produce to an ambient-only range. Further, Kroger is currently progressing with its trial of Walgreens health and beauty ranges in 17 of its stores in Knoxville.

Walgreens is also progressing well with its collaboration with LabCorp. The company is planning to open at least 600 LabCorp patient centers across the United States, thereby offering diagnostic lab testing services in the community. Per the plan, LabCorp is currently operating in 109 Walgreen sites across 12 states.

Also, the company recently entered into a multi-year Medicare agreement with UnitedHealthcare, which entails a new co-branded Medicare Advantage plan with Walgreens being the exclusive Retail Pharmacy company. Under this, the company has opened four of the 14 targeted resource centers.

Further, Walgreens Boots' first-of-a-kind partnership with Wing to test on-demand drawing delivery, which utilizes Walgreens' previously-announced trial with FedEx for robot delivery, instills optimism.

During the second quarter of fiscal 2020, Boots UK partnered with LIVI, which will provide video general practitioner services and access to Boots pharmacy. In this line, Boots UK launched an innovative online pharmacy solution with LIVI and Boots.com.

Other notable progress made by the company includes the agreement with McKesson to create a German joint venture and an exclusive franchise deal in the U.K. with Mothercare, a British Retail online brand specializing in products for children.

▲ **Express Script Deal Looks Promising:** In a bid to ensure availability of specialty brand drugs Walgreens Boots has tied up with Express Scripts and announced plans to expand their existing group purchasing efforts. Since biosimilars have the potential to lower production costs, the move is considered to be a prudent and timely one. Specialty medication includes costly and complex drugs and is prescribed on a regular basis. The latest pact is expected to improve Express Scripts' supply chain and make these medicines, including biosimilars, affordable and accessible to patients.

Per a study by SNS Research, approved biosimilars will account for nearly \$22 billion revenues by the end of 2020. Regulatory efforts to reduce healthcare costs are likely to aid this growth. Given the potential that the market holds, we believe the latest move by these two medical behemoths is a strategic and timely one.

▲ **Pharmaceutical Wholesale Division Registers Robust Growth:** The company witnessed consistent solid performance from this segment. The Pharmaceutical Wholesale division's quarterly sales were \$6.1 billion, up 5.7% year over year. Comparable sales were up 8% at CER on growth in the emerging markets and the United Kingdom.

Walgreens Boots revised Rite Aid deal is expected to benefit the company more over the long run. The company's strong cash balance position and progress in cost cutting initiatives further boost our confidence in the stock.

Reasons To Sell:

- ▼ **Share price fall:** Over the past six months, the company has underperformed the industry it belongs to. The stock has lost 34.1% compared with the broader industry's fall of 21.4%. The year-over-year decline in adjusted earnings is concerning. Challenging market conditions, particularly in retail, have been inducing sluggishness in the Retail Pharmacy International division. Margin pressure is a major concern for the stock. Walgreens Boots' concerns about the coronavirus pandemic have refrained it from updating its guidance. Tough market conditions, particularly in retail, and a tough competitive landscape are other headwinds trailing the company.
- ▼ **Suspends Guidance on Unclear Spreading Impact of COVID 19:** Although Walgreens recorded growing demand for Retail Pharmacy & Pharmaceutical Wholesale products at the quarter-end, the coronavirus-led doldrums impacted its guidance. In spite of the impact being immaterial to the company's fiscal second-quarter results, it is highly concerned about the overall impact on its yearly performance and has accordingly not updated the guidance as of now. Walgreens noted that although the situation is temporary, given so many rapidly-changing variables related to the pandemic, it is currently difficult to gauge the potential positive and negative impacts of the pandemic.
- ▼ **Retail Pharmacy International Business Soft:** Over the recent quarters, Walgreens Boots Retail Pharmacy International division remained soft. Revenues at the Retail Pharmacy International division declined 0.8% on a year-over-year basis to \$3.1 billion in the fiscal second quarter. Sales were down 1.7% at CER due to lower Boots U.K. sales and soft sales in Chile and Thailand. Boots UK's comparable pharmacy sales were up 1.8% at CER, while comparable retail sales slid 4.6% at CER in the reported quarter.
- ▼ **Pressure on Margin Continues:** In the last few years, slowdown in generic introduction has been affecting Walgreens Boots' margins. In addition, of late, increased reimbursement pressure and generic drug cost inflation have been hampering Walgreens' margin on a significant level. Gross profit in the reported quarter fell 3.1% year over year to \$7.51 billion. Gross margin contracted 149 basis points (bps) to 20.9%. Selling, general and administrative (SG&A) expenses were down 0.2% year over year to \$6.3 billion. Operating income deteriorated 16% to \$1.2 billion. Overall, operating margin shrunk 79 bps to 3.4%.
- ▼ **Leveraged Balance Sheet with Heavy Payout Load:** Walgreens Boots exited the fiscal second quarter with cash and cash equivalents of \$792 million compared with the \$811 million recorded at the end of the fiscal first quarter. Meanwhile, the company's high level of debt on the balance sheet has pretty much to worry about, especially during the time when the coronavirus mayhem has forced the corporate sector halt their production and supply. Total debt came up to \$40.8 billion, a slight sequential decline from \$41 billion at the end of the first quarter. While, the quarter's total debt was much higher than the corresponding cash and cash equivalent level, the current-year payable debt too is coming at \$8.26 billion (first quarter's current debt level was \$8.51 billion), much more than the short-term cash level. This is particularly worrisome in terms of the company's solvency level as, during the year of economic downturn, the company is not holding sufficient cash for short-term debt repayment.
- The quarter's total debt-to-capital ratio of 0.59 remains sequentially unchanged and stands at a pretty high level right now. The times interest earned stands at a pretty low level of 6.6%, a sequential decline from 6.8%.
- Walgreens Boots' capital deployment policy is based on the return of shareholders' money through dividends and share buybacks. The company's current payout ratio stands at a 0.31, a sequential rise from 0.30 at the end of the first quarter. Amid the pandemic-led economic crisis, if production and supply halt along with lockdowns continue through the next few months, the company might find paying its regular quarterly dividends to be overburdened.
- ▼ **Competitive Landscape:** Walgreens Boots faces headwinds in the form of increased competition and tough industry conditions. Even though the company continues to grab market share from other traditional drug store retailers, major mass merchants such as Target and Wal-Mart are expanding their pharmacy businesses and enjoying a fair market share. Notably, the retail wing of CVS Caremark witnessed a record market share gain following the termination of the Walgreens-Express Scripts contract. While Walgreens Boots' dull performance is showing signs of improvement with the return of customers, CVS management's commentary of retaining a majority of the client wins raises our concern. There are also risks from other channels, such as supermarkets and mail order operations. In addition, industry conditions remain challenging, as insurers reduce reimbursement rates and increase prescription co-payments.
- ▼ **Additional Challenges:** Under the present weak macroeconomic environment, external factors on which the company has no control whatsoever, might affect consumer confidence as increasing costs coupled with unemployment makes customers more value-driven. Consequently, spending on discretionary items gets affected. We believe this situation will impact same store sales growth. Moreover, the UK referendum and the consequent exit of Britain from the EU have paved the way for volatility in this market, which in turn might hamper Walgreens Boots' business in the region.
- ▼ **Shift in Pharmacy Mix Might Hamper Operational Results:** A shift in the mix of pharmacy prescription volume toward programs offering lower reimbursement rates might adversely affect Walgreens Boots' results of operations. The company's 90-day at retail offering for patients with chronic prescription needs typically is at a lower margin than comparable 30-day prescriptions. Additionally, management has accepted lower reimbursement rates in order to secure preferred relationships with Medicare Part D plans serving senior patients with significant pharmacy needs. If Walgreens Boots fails to generate additional prescription volume and other business from patients participating in these programs that is sufficient to offset the impact of lower reimbursement, it might adversely affect the company's results of operations.
- Ongoing drug reimbursement pressure and competitive offer challenges for Walgreens Boots. Also, the fluctuating weak U.S. macroeconomic environment still prevailing might hamper the company's margin.

Last Earnings Report

Walgreens Boots' Q2 Earnings Top Estimates, Margins Down

Walgreens Boots reported adjusted earnings per share of \$1.52 for second-quarter fiscal 2020, down 7.3% year over year (same at constant exchange rate or CER). Also, the reported figure surpassed the Zacks Consensus Estimate by 4.8%.

Reported earnings per share of \$1.07 declined 13.7% on a year-over-year basis.

Sluggishness in Retail Pharmacy International and margin contraction strained the bottom line. The company noted that the impact of the coronavirus pandemic started to reflect at the end of the fiscal second quarter. Hence, its impact was immaterial to the overall results.

Total Sales

Walgreens Boots recorded total sales of \$35.82 billion in the fiscal second quarter, up 3.7% year over year, and 4.1% at constant exchange rate or CER. The top-line figure surpassed the Zacks Consensus by 1.5%. Year-over-year growth was led by improvement within the Retail Pharmacy USA and Pharmaceutical Wholesale divisions, partially offset by a dull performance by Retail Pharmacy International.

Segments in Detail

Walgreens Boots reports through three segments — Retail Pharmacy USA, Retail Pharmacy International and Pharmaceutical Wholesale.

Retail Pharmacy USA: The segment's sales totaled \$27.2 billion in the fiscal second quarter, highlighting an improvement of 3.8% year over year. Pharmacy sales were up 5.3% from the year-ago quarter on higher brand inflation, prescription volume and growth in central specialty. Pharmacy sales at comparable stores improved 3.7% year over year, while prescriptions filled in comparable stores (adjusted to 30-day equivalents) rose 4.9% in the quarter. Retail sales edged down 0.3%, while comparable retail sales inched up 0.6% year over year. Excluding tobacco and e-cigarettes, comparable retail sales increased 1.9%.

Retail Pharmacy International: Revenues at the Retail Pharmacy International division declined 0.8% on a year-over-year basis to \$3.1 billion in the fiscal second quarter. Sales were down 1.7% at CER due to lower Boots U.K. sales and soft sales in Chile and Thailand.

Boots UK's comparable pharmacy sales were up 1.8% at CER, while comparable retail sales slid 4.6% at CER in the reported quarter.

Pharmaceutical Wholesale: The Pharmaceutical Wholesale division's quarterly sales were \$6.1 billion, up 5.7% year over year (up 8% at CER on growth in emerging markets and the U.K.).

Margins

Gross profit in the reported quarter fell 3.1% year over year to \$7.51 billion. Gross margin contracted 149 basis points (bps) to 20.9%.

Selling, general and administrative (SG&A) expenses were down 0.2% year over year to \$6.3 billion. Operating income deteriorated 16% to \$1.2 billion. Overall, operating margin shrunk 79 bps to 3.4%.

Financial Condition

Walgreens Boots exited the fiscal second quarter with cash and cash equivalents of \$792 million compared with the \$811 million recorded at the end of the fiscal first quarter. Long-term debt was \$10.63 billion at the end of the reported quarter, unchanged from the last reported quarter's figure. Year to date, net cash provided by operating activities was \$2.4 billion, up from the year-ago period's \$1.2 billion.

Fiscal 2020 Guidance Update

Walgreens Boots noted that prior to the COVID-19 outbreak, the company was on track to maintain its fiscal 2020 guidance (roughly flat growth in fiscal 2020 adjusted earnings per share, on a constant currency basis, with a range of plus or minus 3%). As it is unclear about the future impact of the pandemic, the company will update the yearly guidance during its next earnings conference call.

Meanwhile, the Zacks Consensus Estimate for fiscal 2020 adjusted earnings per share is currently pegged at \$5.85.

Quarter Ending 02/2020

Report Date	Apr 02, 2020
Sales Surprise	1.48%
EPS Surprise	4.83%
Quarterly EPS	1.52
Annual EPS (TTM)	5.79

Recent News

On **Mar 9, 2020**, Walgreens and Postmates expanded their on-demand delivery service collaboration to 13 new cities.

Valuation

Walgreens shares are down 32.8% in the year-to-date period and down 23.5% in the trailing 12-month periods. Stocks in the Zacks sub-industry are down 20.7% while the Zacks Medical sector is up 5.2% in the year-to-date period. Over the past year, the Zacks sub-industry is up 2.1% while sector is up 17.9%.

The S&P 500 index is down 8.1% in the year-to-date period and rose 4.5% in the past year.

The stock is currently trading at 6.8X Forward 12-months earnings, which compares to 8.2X for the Zacks sub-industry, 30.8X for the Zacks sector and 21.5X for the S&P 500 index.

Over the past five years, the stock has traded as high as 23.3X and as low as 6.6X, with a 5-year median 12.7X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$42 price target reflects 7.2X forward 12-months earnings.

The table below shows summary valuation data for WBA

Valuation Multiples - WBA					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	6.78	8.24	30.84	21.50
	5-Year High	23.30	20.48	30.84	21.50
	5-Year Low	6.59	7.66	19.07	15.23
	5-Year Median	12.71	12.38	23.24	17.49
P/S F12M	Current	0.24	0.26	1.05	3.33
	5-Year High	0.93	0.79	1.12	3.44
	5-Year Low	0.24	0.24	0.81	2.53
	5-Year Median	0.56	0.44	0.94	3.01
P/B TTM	Current	1.44	1.16	7.10	4.04
	5-Year High	3.32	3.21	7.21	4.56
	5-Year Low	1.40	1.05	3.63	2.83
	5-Year Median	2.71	2.28	4.92	3.65

As of 05/22/2020

Industry Analysis Zacks Industry Rank: Bottom 21% (195 out of 248)



Top Peers

Company (Ticker)	Rec	Rank
Amazon.com, Inc. (AMZN)	Neutral	3
Cigna Corporation (CI)	Neutral	3
CVS Health Corporation (CVS)	Neutral	3
GNC Holdings, Inc. (GNC)	Neutral	4
The Kroger Co. (KR)	Neutral	2
Rite Aid Corporation (RAD)	Neutral	4
UnitedHealth Group Incorporated (UNH)	Neutral	3
Walmart Inc. (WMT)	Neutral	3

Industry Comparison Industry: Retail - Pharmacies And Drug Stores				Industry Peers		
	WBA	X Industry	S&P 500	AMZN	CVS	WMT
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	A	-	-	D	A	A
Market Cap	34.74 B	679.44 M	20.16 B	1,215.46 B	82.78 B	352.31 B
# of Analysts	9	2	14	14	11	14
Dividend Yield	4.62%	0.00%	2.11%	0.00%	3.16%	1.74%
Value Score	A	-	-	F	A	C
Cash/Price	0.02	0.16	0.07	0.04	0.15	0.03
EV/EBITDA	9.15	9.42	12.07	31.84	9.42	12.05
PEG Ratio	0.87	1.63	2.72	5.17	1.42	5.13
Price/Book (P/B)	1.44	1.35	2.77	18.62	1.26	4.75
Price/Cash Flow (P/CF)	4.73	5.39	10.95	36.35	6.05	14.04
P/E (F1)	7.16	8.98	20.22	123.96	8.98	25.32
Price/Sales (P/S)	0.25	0.32	2.12	4.10	0.32	0.66
Earnings Yield	13.96%	6.70%	4.71%	0.81%	11.13%	3.95%
Debt/Equity	1.34	0.21	0.76	0.36	1.29	0.85
Cash Flow (\$/share)	8.38	3.36	6.96	67.05	10.47	8.85
Growth Score	B	-	-	C	A	A
Hist. EPS Growth (3-5 yrs)	11.21%	6.53%	10.87%	102.38%	10.15%	0.99%
Proj. EPS Growth (F1/F0)	-7.64%	-7.35%	-10.31%	-14.57%	-0.44%	-0.41%
Curr. Cash Flow Growth	-2.42%	-5.12%	5.46%	31.33%	-16.33%	-0.12%
Hist. Cash Flow Growth (3-5 yrs)	11.05%	-4.76%	8.55%	49.26%	14.66%	-0.31%
Current Ratio	0.66	0.99	1.29	1.08	0.99	0.77
Debt/Capital	57.25%	57.25%	44.54%	26.42%	56.34%	46.01%
Net Margin	2.52%	0.45%	10.54%	3.56%	2.76%	2.81%
Return on Equity	21.26%	1.64%	16.27%	17.83%	15.17%	18.33%
Sales/Assets	1.75	1.75	0.54	1.42	1.17	2.27
Proj. Sales Growth (F1/F0)	1.17%	0.59%	-2.49%	23.48%	2.73%	4.48%
Momentum Score	C	-	-	C	C	C
Daily Price Chg	-0.38%	-0.02%	0.12%	-0.40%	-0.02%	-0.53%
1 Week Price Chg	-7.85%	-2.98%	-4.56%	1.27%	0.11%	2.44%
4 Week Price Chg	-8.97%	20.15%	5.28%	1.56%	3.35%	-3.27%
12 Week Price Chg	-14.36%	6.74%	-8.60%	29.33%	6.74%	12.62%
52 Week Price Chg	-23.27%	-3.63%	-6.15%	34.23%	19.97%	22.06%
20 Day Average Volume	7,383,946	5,136,823	2,645,192	4,663,967	8,148,172	9,517,713
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-1.22%
(F1) EPS Est 4 week change	0.00%	0.00%	-3.80%	-29.22%	-0.24%	-4.89%
(F1) EPS Est 12 week change	-5.32%	-5.32%	-16.57%	-28.53%	-0.53%	-5.03%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	-7.64%	-71.26%	-3.90%	-11.73%

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	B
Momentum Score	C
VGM Score	A

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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