Wells Fargo & Company (WFC)

$28.83 (As of 06/03/20)

Price Target (6-12 Months): **$24.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 03/15/20) Prior Recommendation: Neutral	**Underperform**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**4-Sell**
	Zacks Style Scores:	VGM:D
	Value: B | Growth: D	Momentum: F

Summary

Shares of Wells Fargo have underperformed the industry in the past six months. Also, the company's earnings surprise history remains unimpressive, having surpassed the Zacks Consensus Estimate in only one of the trailing four quarters. Wells Fargo's revenues remain under pressure due to lower interest rates and volatile fee income. Also, rising costs in providing benefits to clients amid coronavirus concerns might curb bottom-line growth. Though the company's investment in the businesses to enhance compliance and risk-management capability and rising loans seem encouraging, legal hassles are a concern. Notably, in February, Wells Fargo entered into a $3-billion settlement with the authorities over its historical fake account-opening scandal. Recently, at a virtual conference, the company provided a grim outlook for the current quarter.

Price, Consensus & Surprise

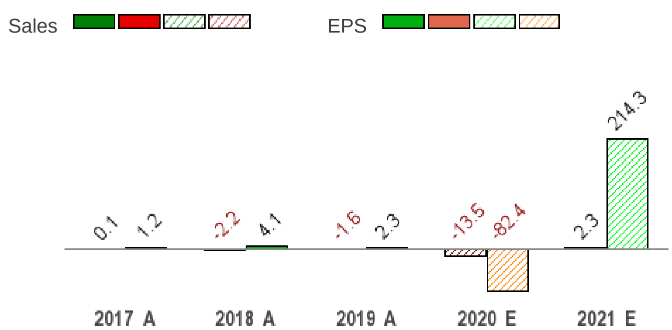
Data Overview

52 Week High-Low	**$54.75 - $22.00**
20 Day Average Volume (sh)	**49,791,252**
Market Cap	**$118.2 B**
YTD Price Change	**-46.4%**
Beta	**1.14**
Dividend / Div Yld	**$2.04 / 7.1%**
Industry	**Banks - Major Regional**
Zacks Industry Rank	**Bottom 47% (133 out of 253)**

Last EPS Surprise	**-95.5%**
Last Sales Surprise	**-8.3%**
EPS F1 Est- 4 week change	**-7.7%**
Expected Report Date	**07/21/2020**
Earnings ESP	**-24.5%**

P/E TTM	**9.1**
P/E F1	**37.4**
PEG F1	**3.4**
P/S TTM	**1.2**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	19,147 E	19,638 E	20,054 E	20,131 E	75,292 E
2020	17,717 A	18,342 E	18,509 E	18,541 E	73,571 E
2019	21,609 A	21,584 A	22,010 A	19,860 A	85,063 A

EPS Estimates

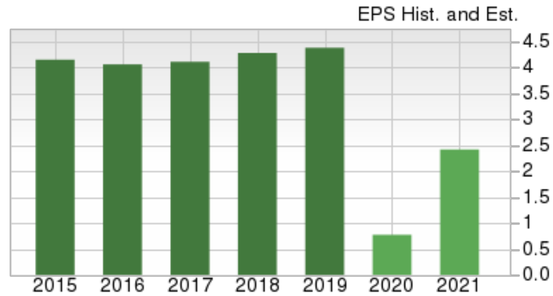
	Q1	Q2	Q3	Q4	Annual*
2021	$0.51 E	$0.70 E	$0.90 E	$0.88 E	$2.42 E
2020	$0.01 A	$0.27 E	$0.25 E	$0.28 E	$0.77 E
2019	$1.20 A	$1.30 A	$0.92 A	$0.93 A	$4.38 A

*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 06/03/2020. The reports text is as of 06/04/2020.

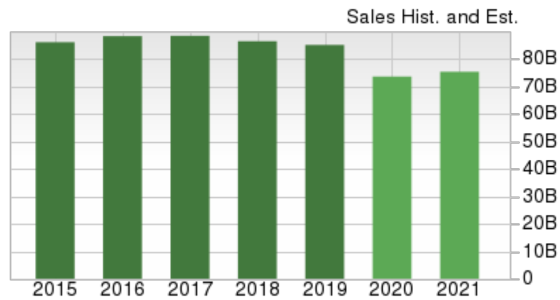
Overview

San Francisco-based – Wells Fargo & Company is one of the largest financial services company in the U.S. with $1.98 trillion in assets and over $1.38 trillion in deposits. The company provides banking, insurance, trust and investments, mortgage banking, investment banking, retail banking, brokerage services and consumer and commercial finance through over 7,400 stores, 13,000 ATMs, the internet and other distribution channels across North America and globally.



The company provides its services through three broad segments:

Community Banking offers a complete line of diversified financial products and services to consumers and small businesses, including checking and savings accounts, credit and debit cards, and auto, student, and small business lending.



Wholesale Banking provides financial solutions to businesses across the United States and globally with annual sales generally in excess of $5 million.

Wealth and Investment Management provides a full range of personalized wealth management, investment and retirement products and services to clients across U.S. based businesses.

In October 2019, Wells Fargo closes the sale of its commercial real estate brokerage business, Eastdil Secured and recorded a pre-tax gain of about $362 million, reflected infourth-quarter 2019 net income.

In July 2019, Wells Fargo divested its Institutional Retirement & Trust business to Principal Financial Group for $1.2 billion. In February 2018, it completed the sale of its Shareowner Services business to U.K.-based Equiniti Group plc, for $227 million. In 2017, Wells Fargo completed the divestiture of Wells Fargo Insurance Services USA, Inc to USI Insurance Services. The company offloaded the commercial insurance business, though retained personal insurance business.

In 2016, Wells Fargo sold its fund administration business, Wells Fargo Global Fund Services. Also, the company acquired GE Capital's Commercial Distribution Finance businesses in the Europe, Middle East and Africa, Australia & New Zealand and Asia. Along with these, the bank acquired GE Capital's commercial lending and leasing businesses in North America and GE Railcar Services.

Reasons To Sell:

Wells Fargo's involvement in a horde of legal issues is a concern. Also, escalating expenses and lower NII remain headwinds. Furthermore, declining mortgage income remains a major drag.

- Revenue growth has become challenging at Wells Fargo. Revenues witnessed a negative CAGR of nearly 0.3%, over the last five years (2015-2019), due to a lower rate environment and volatile non-interest income, with the trend continuing in first-quarter 2020. Therefore, amid coronavirus pandemic, loan and deposit growth rates, pricing spreads, the level of interest rates and the shape of the yield curve remain decisive factors for the top-line performance in the coming quarters.

- Mortgage banking income witnessed a negative three-year (2016-2019) CAGR of 23.6%, impacting overall top-line growth, despite reversal in mortgage market, with the trend continuing in the first quarter. Wells Fargo, which was the largest mortgage originator in the United States as of 2017, has been witnessing lower mortgage servicing income and decline in originations, which is a concern.

- Wells Fargo has been facing challenges to control costs for the past few years. Though non-interest expenses decreased in first-quarter 2020 on lower employee benefits, it recorded a five-year (2015-2019) CAGR of 3.9% due to hike in personnel and other expenses. Notably, the enhanced benefits and payments provided by the company to employees in March due to the COVID-19 crisis did not significantly impact the expenses in the first quarter, but management expects greater impact beginning in the second quarter and through the remainder of this year adding to the expense base.

- Troubles mounted at Wells Fargo, in September 2016, following the revelation of opening of millions of unauthorized accounts. Since then, the bank has settled numerous litigations and penalties. Further, the bank has been slapped with new sanctions, including a cap on the assets position by the Federal Reserve. Disclosure of issues in its auto-insurance business, online bill pay services, and in the Wealth and Investment Management segments are also on the downside. Recently, in a major setback, U.S. CFPB director expressed her dissatisfaction with Wells Fargo's progress fixing its risk management issues. Recently, the bank announced to have entered into a $3 billion settlement with the authorities investigating its Community Bank sales practices.

- Wells Fargo received approval for its 2019 capital plan from the Fed. Per the plan, the company raised third-quarter 2019 common stock dividend to 51 cents per share, up 13.3%. The approved plan also includes share buyback program of up to $23.1 billion for the four-quarter period beginning Jul 1, 2019. Previously, on Investor Day in May 2018, the bank raised the higher end of its payout ratio target to 55-80% from 55-75%. Though the company boasts an impressive capital deployment plan with a decent dividend payout ratio, its debt/equity ratio is unfavorable compared with the broader industry. Further, the company's performance in the past few quarters was volatile. Hence, its capital deployment activities might not be sustainable. Notably, the company has temporarily suspended share buybacks through the second quarter of 2020, following the "unprecedented challenge" from the coronavirus pandemic.

- Shares of Wells Fargo have underperformed the industry in the past six months. With this unfavorable trend, the company's earnings estimates for the current year have been revised 2.5% downward over the past 30 days. Therefore, given the above concerns and lack of positive estimate revisions, the stock has limited upside potential.

Risks

- With the gradual change in the rate environment, margin pressure for Wells Fargo has eased. In 2017 and 2018, the company reported a rise in net interest margin (NIM) after witnessing a declining trend for years, as higher earning assets and loan yields were partially offset by high deposit costs. Following the Fed's three rate cuts, 2019 witnessed contraction of margin on account of lower rates. Though impact of a low-rate environment on margin was visible in first-quarter 2020, decent loan growth might support margin expansion in the quarters ahead.

- Wells Fargo's expansion plans have historically included a large number of acquisitions including the Wachovia merger in 2008. Moreover, since 2011, the company has completed a number of opportunistic transactions. Further, the expansion moves has been supported by the purchase of a number of businesses from GE Capital. The company plans to expand its operations in international markets and augment its asset management business. It has demonstrated its ability to assimilate local franchises, offering a wider range of products than the acquired company could have, thus increasing the number of options for customers. This has been the driving force behind its growth in the recent years.

- Wells Fargo registered strong growth in loans over the past few years, despite the planned run-off from non-strategic/liquidating portfolios. The company's total loans witnessed five-year CAGR (2015-2019) of 1.2%, with some annual volatility. Furthermore, deposits recorded five-year CAGR (2015-2019) of 2%. The rising trend continued in first-quarter 2020. Therefore, both loan and deposit balances are poised to grow, catering customer needs amid coronavirus scare.

- Amid the coronavirus crisis and its impact on economy, the company holds a debt level of $329.6 billion and debt-capital ratio of 0.56 (compared with industry average of 0.52), as of Mar 31, 2020. With a time-interest-earned ratio of 3.5X-4.0X over the past few quarters and a record of consistent earnings, Wells Fargo carries lower credit risk, and a lesser likelihood of default of interest and debt repayments if the economic situation worsens.

- Despite the macro pressure, Wells Fargo's credit quality continues to normalize. This trend is expected to continue, thereby providing room to drive future earnings. Notably, net charge-offs remained near a low level of 38 basis points (bps) as a percentage of average loans (annualized) as of Mar 31, 2020, exhibiting the benefit of a diversified loan portfolio. Notably, the bank announced a reserve build of $3.1 billion in the first quarter soaring provisions.

- The stock seems undervalued when compared with the broader industry as its current price-to-book value and price-to-sales ratios are lower than the respective industry averages. Also, the stock has a Value Score of B.

Last Earnings Report

Wells Fargo Q1 Earnings Miss Estimates, Provisions Rise on Coronavirus

Quarter Ending	03/2020
Report Date	Apr 14, 2020
Sales Surprise	-8.29%
EPS Surprise	-95.45%
Quarterly EPS	0.01
Annual EPS (TTM)	3.16

Wells Fargo reported first-quarter 2020 earnings of 1 cent per share, including a reserve build of $3.1 billion and certain other items amid coronavirus scare. The Zacks Consensus Estimate for the same was pegged at 22 cents.

Results include reserve build and an impairment of securities impact of 73 cents, resulting from the economic and market conditions, along with an impact of 6 cents per share from the redemption of Series K Preferred Stock. The prior-year quarter's earnings were $1.20 per share.

Reduced net interest income on lower rates and a disappointing fee income negatively impacted the company's results. Notably, lower mortgage banking revenues and reduced gains on trading activities were major drags.

Provisions also soared on the coronavirus crisis during the reported quarter. However, lower non-interest expenses acted as a tailwind. Further, escalation in loans and deposits reflect a strong capital position.

Including certain adjustments, net income came in at $0.65 billion compared with the $5.9 billion recorded in the prior-year quarter.

The quarter's total revenues came in at $17.7 billion, lagging the Zacks Consensus Estimate of $19.3 billion. The revenue figure, however, came in lower than the year-ago quarter's $21.6 billion.

Furthermore, on a year-over-year basis, quarterly revenue generation at the business segments was mixed. The Community Banking segment's total quarterly revenues slipped 19.5% and Wholesale Banking revenues were down 18.3%. Further, revenues in the Wealth and Investment Management unit fell 9.8%.

Net Interest and Fee Income Fall, Costs Down

Wells Fargo's net interest income in the first quarter came in at $11.3 billion, down 8% year on year. Lower interest income mainly resulted in this downside, partly offset by decreased interest expenses. Furthermore, net interest margin shrunk 33 basis points (bps) year over year to 2.58%.

Non-interest income at Wells Fargo came in at $6.4 billion, plunging 31% year over year, primarily due to fall in card fees, other fees, insurance, net gains from trading activities, lease income, other income and mortgage banking revenues. These declines were partly muted by higher revenues from service charges on deposit accounts, net gains on debt securities, and trust and investment fees. Notably, net losses from equity securities were recorded.

As of Mar 31, 2020, total loans were $1.01 trillion, up 5% sequentially. Higher commercial loans were partly offset by lower consumer loans. Total deposits came in at $1.38 trillion, up 4% from the prior quarter.

Non-interest expense at Wells Fargo was around $13 billion during the January-March quarter, down 6% from the year-earlier period. This decline primarily resulted from lower commission and incentive compensation, employee benefits, core deposit and other intangibles, along with FDIC and other deposit assessments. Salaries and other expenses, however, were on the higher side.

The company's efficiency ratio of 73.6% came in above the 64.4% recorded in the year-ago quarter. A rise in efficiency ratio indicates a fall in profitability.

Credit Quality: A Mixed Bag

Wells Fargo's credit quality metrics was a mixed bag during the March-end quarter. Allowance for credit losses, including the allowance for unfunded commitments, totaled $12 billion as of Mar 31, 2020, up 11.1% year over year.

Net charge-offs were $909 million or 0.38% of average loans in the reported quarter, up 30.8% from the year-ago quarter's net charge-offs of $695 million (0.30%). Non-performing assets dropped 12.3% to $6.4 billion in the first quarter from the $7.3 billion reported in the year-earlier quarter. Notably, provision for credit losses was $4 billion compared with the prior-year quarter's $845 million.

Strong Capital Position

Wells Fargo has maintained a sturdy capital position. During the January-March period, the company bought back 75.4 million shares of its common stock. Notably, the company has temporarily suspended share buybacks through the second quarter of 2020, following the "unprecedented challenge" from the coronavirus pandemic.

Wells Fargo's Tier 1 common equity under Basel III (fully phased-in) decreased to $134.7 billion from the $148.1 billion witnessed in the prior-year quarter. The Tier 1 common equity to total risk-weighted assets ratio was estimated at 10.7% under Basel III (fully phased-in) as of Mar 31, 2020, down from the year-earlier quarter's 11.9%.

Book value per share advanced to $39.71 from the $39.01 recorded in the comparable period last year.

Return on assets was 0.13%, down from the prior-year quarter's 1.26%. Return on equity was 0.10%, down from the year-ago quarter's 12.71%.

As of Mar 31, 2020, eligible external total loss absorbing capacity (TLAC) as a percentage of total risk-weighted assets was 23.2% compared with the minimum requirement of 22.0%.

Outlook

Recently, Wells Fargo provided a grim outlook for the current quarter. It anticipates provisions to be “quite significant” as the operating backdrop has worsened from March-end. Further, the bank is likely to record more than $500 million “of expenses this quarter that we didn't anticipate because of COVID.” He also noted that it “hasn’t been easy” for the bank to operate under an asset cap ordered by the Federal Reserve.

CEO Charlie Scharf noted that appropriate dividend payouts will be determined by “the timing and the pace of the recovery and the way we view our ability to improve our results.”

Recent News

Fed Eases Wells Fargo's Growth Limit to Support Small Firms - Apr 8, 2020

Having assessed the need to help small firms amid economic uncertainty caused by the novel coronavirus outbreak, the Federal Reserve has allowed Wells Fargo to "narrowly" cross the $1.95-trillion asset cap, which was imposed as a result of several compliance failures in the past.

The central bank said, “The change will only allow the firm to make additional small business loans as part of the Paycheck Protection Program, or PPP, and the Federal Reserve's forthcoming Main Street Lending Program.”

Notably, the move is only temporary and will be in place as long as the above-mentioned programs to help troubled firms are active. The bank will be able to accept deposits as well. Also, the Fed has asked Wells Fargo to transfer benefits from the programs to the U.S. Treasury or other Fed-approved non-profits organizations supporting small businesses.

“Wells Fargo appreciates the targeted action of the Federal Reserve to support the needs of small businesses through PPP and looks forward to expanding relief to many more small businesses and nonprofits,” said Wells Fargo’s CEO, Charlie Scharf.

Scharf added that the company remains committed to satisfy regulators by taking necessary actions under the consent order.

The $350-billion relief program was launched to help small business owners, who are facing the risk of shutting down. The aim is to help the firms cover employee compensation and other expenses like rent and utilities.

Soon after the program went live, Wells Fargo announced to have received the application for more than $10 billion that it was eligible to lend due to the asset cap.

Wells Fargo Decreases Its Prime Lending Rate by 100 Bps - Mar 16, 2020

Pursuant to the U.S. Federal Reserve recent interest rate cut, Wells Fargo reduced its prime lending rate from 4.25% to 3.25%, effective Mar 16. Prior to this, the company reduced the rate from 4.75% to 4.25%, on Mar 3, 2020.

Wells Fargo to Launch Two Accounts to Limit Overdraft Fees - Mar 3, 2020

With an aim to limit overdraft fees for customers, Wells Fargo has announced plans of launching two new bank accounts by early next year. The news came just a week before the company’s CEO is set to appear in front of the House Financial Services Committee.

Per the database provided by the Consumer Financial Protection Bureau, Wells Fargo has been receiving dozens of complaints related to overdraft fees since the beginning of this year. Moreover, since overdraft fees are generally only paid by those who have the least amount of money with them, it has been under scrutiny from regulators and politicians for many years now.

The accounts that the company intends to launch will likely offer convenient and secure banking services to customers with limited or no overdraft fees.

The first will be a checkless account, with a flat monthly fee of $5, and is expected to provide convenient features to customers at no additional cost. The account will limit spending to the amount available in the account and customers will not incur overdrafts or fees related to insufficient funds.

The second account will include checks. It will have a monthly service fee of $10 and will cap overdraft or fees related to insufficient funds at one per month. The account is primarily for those who want a limit on certain fees as well as protection on occasional overdrafts.

With the two new accounts, Wells Fargo wants to meet the needs of consumers, who are either opening an account for the first time and are new to banking or those seeking an account that will help them manage spending.

Once the accounts are launched, the company will proactively reach out to customers and educate them about the product and its features.

While the bank has taken this initiative, it has already tried to help customers avoid overdraft fees in the past.

Wells Fargo Fined $3 Billion by Regulators to Settle Sales Scandal - Feb 21, 2020

Wells Fargo has entered into a deal with the U.S. Department of Justice and the Securities and Exchange Commission (“SEC”) in order to settle a fake account openings scandal that proved to be a major setback for the company since its breakout.

Wells Fargo admitted to have wrongly collected millions of dollars in fees and interests from customers. It also agreed to have the credit ratings of certain customers and unlawfully misused customers’ sensitive personal information, including their means of identification.

“This settlement holds Wells Fargo accountable for tolerating fraudulent conduct that is remarkable both for its duration and scope, and for its blatant disregard of customer’s private information. The Civil Division will continue to use all available tools to protect the American public from fraud and abuse, including misconduct by or against their financial institutions.”, said Deputy Assistant Attorney General Michael D. Granston of the DoJ Civil Division.

Settlements

The settlement comes in the form of a deferred prosecution agreement, whereby Wells Fargo will not be prosecuted over a three-year period, provided it abides by certain conditions including continued cooperation with further government investigations.

The company has signed a civil settlement agreement under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 based on its creation of false bank records.

Further, Wells Fargo settled SEC's civil investigation with an administrative order, under which it has agreed to establish a $500-million Fair Fund for the benefit of investors who were harmed by the conduct covered in the agreement.

Per the regulators, Wells Fargo's continued cooperation and substantial assistance with the government's investigations, admission to wrongdoing, prudent remedial actions over a period of time, an enhanced compliance program, and significant work to identify and compensate customers who may have been wronged were all contributing factors that led to settlement.

Wells Fargo Unveils DLT-Based Cross-Border Transfer Program - Sep 17, 2019

Wells Fargo is launching pilot digital cash transfer program that will use its distributed ledger technology (DLT) platform to settle cross-border money transfers internally across its global network using digitized cash.

The pilot program is expected to be available in 2020. It will help complete dollar transfers initially and later expand to multicurrency transfers and gradually cover its entire global branch network.

Wells Fargo has no plans to connect its DLT network with any other digital cash solutions in the financial services markets. The company is said to have successfully tested the concept of money transfers between the United States and Canada.

Wells Fargo is introducing the service after acknowledging the importance of digitization of banking services in recent times. Also, it claims that DLT network will be a reusable enterprise utility through which it can build and deploy multiple DLT-based applications.

Lisa Frazier, head of the Innovation Group at Wells Fargo said, "We believe DLT holds promise for a variety of use cases, and we're energized to take this significant step in applying the technology to banking in a material and scalable way. Wells Fargo Digital Cash has the potential to enable Wells Fargo to remove barriers to real-time financial interactions across multiple accounts in multiple marketplaces around the world."

Dividend Update

On Apr 28, Wells Fargo announced quarterly common stock dividend of 51 cents per share. The dividend was paid on Jun 1 to its shareholders of record as on May 8.

Valuation

Wells Fargo's shares are down 46.4% in the year-to-date period and 37.2% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are down 30.4% and 17.8% in the year-to-date period. Over the past year, the Zacks sub-industry and sector are down 15.3% and 9.7%, respectively.

The S&P 500 Index is down 3.1% in the year-to-date period but up 11.4% in the past year.

The stock is currently trading at 19.04X forward 12 months earnings, which compares to 14.7X for the Zacks sub-industry, 17.05X for the Zacks sector and 22.56X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 20.96X and as low as 6.53X, with a 5-year median of 11.68X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our $24 price target reflects 15.89X forward earnings.

The table below shows summary valuation data for WFC

Valuation Multiples - WFC					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	19.04	14.7	17.05	22.56
	5-Year High	20.96	14.7	17.05	22.56
	5-Year Low	6.53	8.01	11.57	15.23
	5-Year Median	11.68	11.3	13.96	17.49
	Current	0.95	1.63	3.36	12.28

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P/TB TTM	5-Year High	2.36	2.68	4	12.77
	5-Year Low	0.74	1.21	2	5.97
	5-Year Median	1.91	2.12	3.47	9.28
	Current	1.59	2.94	5.8	3.51
P/S F12M	5-Year High	3.61	4.59	6.69	3.51
	5-Year Low	1.25	2.39	4.98	2.53
	5-Year Median	2.85	3.59	6.06	3.02

As of 06/03/2020

Industry Analysis **Zacks Industry Rank:** Bottom 47% (133 out of 253)

Top Peers

Company (Ticker)	Rec	Rank
Bank of America Corporation **(BAC)**	Neutral	3
Citigroup Inc. **(C)**	Neutral	3
Fifth Third Bancorp **(FITB)**	Neutral	3
JPMorgan ChaseCo. **(JPM)**	Neutral	3
KeyCorp **(KEY)**	Neutral	3
MT Bank Corporation **(MTB)**	Neutral	3
The PNC Financial Services Group, Inc **(PNC)**	Neutral	3
U.S. Bancorp **(USB)**	Neutral	3

Industry Comparison Industry: Banks - Major Regional

	WFC	X Industry	S&P 500	BAC	C	JPM
				Industry Peers		
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	3	3	3
VGM Score	D	-	-	F	F	F
Market Cap	118.20 B	34.83 B	22.50 B	225.48 B	111.04 B	317.71 B
# of Analysts	10	8	14	9	9	9
Dividend Yield	7.08%	3.87%	1.88%	2.77%	3.82%	3.45%
Value Score	B	-	-	F	F	F
Cash/Price	2.93	0.99	0.06	3.62	9.16	3.93
EV/EBITDA	1.43	3.45	12.98	-4.88	-11.69	-7.32
PEG Ratio	3.48	2.93	3.05	2.51	1.67	4.07
Price/Book (P/B)	0.73	0.92	3.11	0.94	0.63	1.37
Price/Cash Flow (P/CF)	4.35	6.73	12.18	7.08	5.23	7.43
P/E (F1)	38.73	17.56	22.19	17.57	17.51	20.33
Price/Sales (P/S)	1.20	1.77	2.40	2.02	1.07	2.28
Earnings Yield	2.67%	5.69%	4.31%	5.69%	5.72%	4.92%
Debt/Equity	1.47	1.06	0.76	1.06	1.52	1.29
Cash Flow ($/share)	6.63	6.63	7.01	3.67	10.20	14.04
Growth Score	D	-	-	F	F	F
Hist. EPS Growth (3-5 yrs)	0.79%	12.51%	10.87%	24.42%	12.27%	15.63%
Proj. EPS Growth (F1/F0)	-82.35%	-49.79%	-10.74%	-46.22%	-59.81%	-52.15%
Curr. Cash Flow Growth	-1.58%	2.66%	5.48%	3.02%	2.56%	9.35%
Hist. Cash Flow Growth (3-5 yrs)	1.85%	9.49%	8.55%	27.50%	7.31%	10.67%
Current Ratio	0.87	0.90	1.29	0.92	0.99	0.89
Debt/Capital	56.42%	49.85%	44.75%	49.21%	57.96%	54.97%
Net Margin	14.52%	21.37%	10.59%	21.64%	16.56%	21.61%
Return on Equity	9.28%	10.59%	16.29%	10.64%	9.15%	12.52%
Sales/Assets	0.05	0.05	0.55	0.05	0.05	0.05
Proj. Sales Growth (F1/F0)	-13.51%	-3.92%	-2.65%	-5.86%	-1.31%	-4.67%
Momentum Score	F	-	-	B	C	C
Daily Price Chg	5.22%	5.29%	2.42%	4.63%	4.92%	5.40%
1 Week Price Chg	9.52%	9.01%	4.60%	6.44%	8.64%	8.76%
4 Week Price Chg	12.57%	16.99%	13.40%	16.29%	24.19%	15.51%
12 Week Price Chg	-10.83%	8.66%	12.78%	14.65%	5.02%	8.66%
52 Week Price Chg	-37.14%	-18.97%	0.89%	-6.88%	-18.91%	-5.32%
20 Day Average Volume	49,791,252	6,353,628	2,528,787	73,348,144	29,821,018	24,347,710
(F1) EPS Est 1 week change	-1.74%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-7.73%	-0.07%	-0.14%	0.15%	-0.07%	0.13%
(F1) EPS Est 12 week change	-80.84%	-51.84%	-16.00%	-50.83%	-64.69%	-51.84%
(Q1) EPS Est Mthly Chg	-2.65%	0.00%	-0.02%	0.00%	0.00%	0.45%

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	B
Growth Score	D
Momentum Score	F
VGM Score	D

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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