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Mar 06, 2020

Walmart Inc. (WMT)

$115.92 (As of 03/05/20)

Price Target (6-12 Months): **$122.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 11/28/19) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**4-Sell**
	Zacks Style Scores:	VGM:C
	Value: C | Growth: B | Momentum: D	

Summary

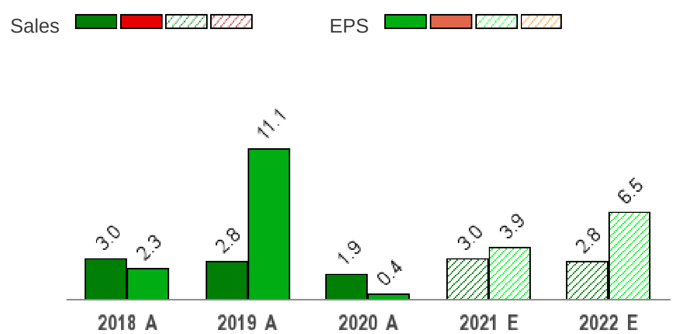
Walmart's shares have outpaced the industry in the past year, backed by focus on strengthening e-commerce and store operations. These factors helped the company retain its sturdy comps trend in fourth-quarter fiscal 2019, wherein U.S. comps rose for the 22nd straight time. Further, e-commerce sales surged on robust online grocery performance. Management expects e-commerce sales to rise nearly 30% in fiscal 2021, wherein International sales are likely to grow 4%. However, Walmart's earnings broke its positive surprise trend and fell year over year in the quarter due to higher cost of sales and increased operating, selling, general and administrative expenses. Additionally, disruption in Chile and a legal matter affected the bottom line. Further, the gross margin remained soft due to pricing and growing e-commerce mix.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$125.38 - $96.53**
20 Day Average Volume (sh)	**7,836,486**
Market Cap	**$328.9 B**
YTD Price Change	**-2.5%**
Beta	**0.42**
Dividend / Div Yld	**$2.16 / 1.8%**
Industry	**Retail - Supermarkets**
Zacks Industry Rank	**Top 45% (114 out of 255)**
Last EPS Surprise	**-3.5%**
Last Sales Surprise	**-0.5%**
EPS F1 Est- 4 week change	**-1.9%**
Expected Report Date	**05/21/2020**
Earnings ESP	**-0.1%**
P/E TTM	**23.5**
P/E F1	**22.6**
PEG F1	**4.8**
P/S TTM	**0.6**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2022	129,869 E	138,340 E	136,586 E	151,908 E	555,091 E
2021	127,045 E	134,172 E	132,151 E	146,455 E	539,808 E
2020	123,925 A	130,377 A	127,991 A	141,671 A	523,964 A

EPS Estimates

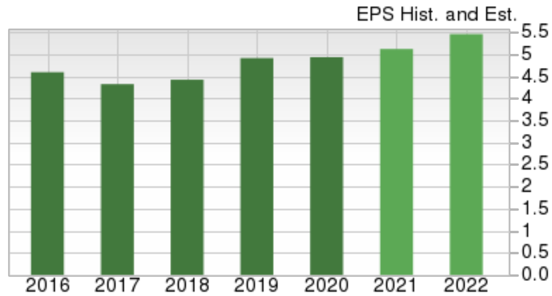
	Q1	Q2	Q3	Q4	Annual*
2022	$1.23 E	$1.44 E	$1.30 E	$1.59 E	$5.45 E
2021	$1.15 E	$1.33 E	$1.19 E	$1.45 E	$5.12 E
2020	$1.13 A	$1.27 A	$1.16 A	$1.38 A	$4.93 A

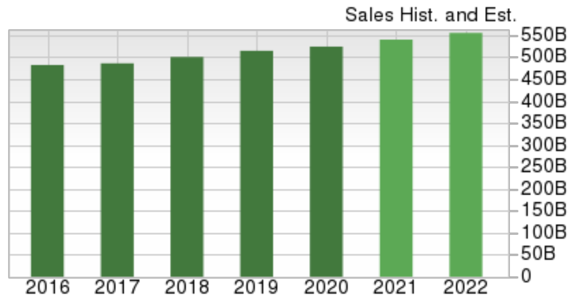
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 03/05/2020. The reports text is as of 03/06/2020.

Overview

Walmart Inc., which removed "Stores" from its name in 2018, has evolved from just being a traditional brick-and-mortar retailer into an omnichannel player. In this regard, acquisitions of Jet.com, Bonobos, Moosejaw and Parcel, partnership with JD.com and Lord and Taylor, and investment in online e-commerce platform Flipkart are noteworthy. These position the company to keep pace with the changing retail ecosystem and stay firm in the presence of rivals like Amazon and Target. Markedly, Walmart's product offerings include almost everything from grocery to cosmetics, electronics to stationery, home furnishings to health and wellness products, and apparel to entertainment products, to name a few.





This Bentonville-based retailer operates variety stores, discount stores, supercenters, Sam's Clubs and Neighborhood Markets, along with the websites – walmart.com and samsclub.com.

The company offers merchandise under its private-label store brands, which comprises of Equate, Faded Glory, George, Great Value, Holiday Time, Mainstays, and others. The company also markets merchandise under licensed brands, such as, Better Homes & Gardens, General Electric and more.

The company operates as Walmart in the United States (its largest segment), including the 50 states, Washington D.C. and Puerto Rico. Its International segment (second largest) operated businesses in 26 countries as of Jan 31, 2019. Apart from United States, Walmart has operations in Argentina, Canada, Chile, China, India, Japan, Mexico, United Kingdom, Africa and Central America. The company operates in Mexico as Walmex, in the U.K. as Asda, in Japan as Seiyu, and in India as Best Price.

The company conducts its businesses under three segments:

Walmart U.S. (65.1% of fiscal 2020 revenues) operates retail stores in different formats in the U.S. and also in Puerto Rico.

Walmart International (23%) consists of retail operations in 26 countries outside the U.S.

Sam's Club (12%) comprises membership warehouse clubs in 44 states in the U.S. and Puerto Rico, as well as the segment's online retail operations.

Reasons To Buy:

> Walmart is gaining from its sturdy comps record, which in turn is driven by its constant omnichannel efforts. The company has been posting positive comps in the U.S. division for 22 straight quarters.

▲ **Solid Comps Record & Guidance:** Walmart has been gaining from its sturdy comparable store sales (comps) record, which in turn is driven by its constant expansion efforts and splendid e-commerce performance. These factors have helped shares of the company rally about 19% in the past year compared with the industry's growth of 18%. Well, Walmart has been undertaking several efforts to enhance merchandise assortments. Also, the company is on track with store remodelling, in an attempt to upgrade them with advanced in-store and digital innovations. Walmart is also gaining from its compelling pricing strategy, which helps it draw customers. Such trends drove the company in fourth-quarter fiscal 2020, which marked Walmart's 22nd consecutive quarter of U.S. comps growth. U.S. comp sales (or comps), excluding fuel, improved 1.9% on the back of a 1% rise in transactions and 0.9% in ticket. On a two-year stacked basis, comps rose 6%. This was backed by constant increases in food and consumables sales despite facing tough comparisons from last year's SNAP benefit. In fact, strength in grocery, health & wellness, home and electronics drove the segment's performance, which was somewhat offset by weakness in toys, media & gaming and apparel.

For fiscal 2021, management expects consolidated net sales growth (at cc) of nearly 3%. Comps at the U.S. division are likely to rise at least 2.5% (excluding fuel). Walmart anticipates expense leverage of nearly 20 bps in fiscal 2021 and consolidated operating income growth to be similar to that of the bottom line. Management envisions fiscal 2021 earnings per share of $5.00-$5.15, implying an increase of 1.5-4.5% from adjusted earnings of $4.93 reported in fiscal 2020.

▲ **Robust E-Commerce Initiatives:** Walmart is trying every means to evolve with the changing consumer environment to compete with brick-and-mortar rivals and e-Commerce king Amazon. In this regard, the company has been taking several e-commerce initiatives, including buyouts, alliances, and improved delivery and payment systems. The company's contracts with Green Dot and Microsoft; buyouts of ShoeBuy, Moosejaw, Bonobos, ModCloth and Jet.com; and deal with Lord and Taylor, among others, underscore its intention to build an impressive digital brand portfolio. Further, the buyout of the 77% stake in Flipkart has been bolstering its e-commerce sales.

The company's efforts to improve its website, enhance check-out process, focus on Walmart2World money transfer service, along with Walmart Pay mobile payment system and Mobile Express Returns program highlight its initiatives to accelerate the online business. Apart from this, Walmart is making aggressive efforts to expand in the booming online grocery space, which has long been a major contributor to e-commerce sales. Backed by such endeavors, U.S. e-commerce sales surged 35% in the fourth quarter of fiscal 2020. Solid growth in grocery pickup and delivery boosted e-commerce sales in the segment. Further, walmart.com saw considerable growth during the quarter. These factors keep management optimistic about achieving 30% U.S. e-commerce sales growth in fiscal 2020.

▲ **Focus on Enhancing Delivery Services:** Given the rising demand for online grocery, Walmart remains committed to enrich consumers' experiences by providing easy shopping methods and seamless grocery deliveries. To this end, Walmart unveiled the Delivery Unlimited membership option for 1,400 U.S. stores during the third quarter of fiscal 2020. Also, it launched Walmart InHome Delivery across three markets and same-day pickup at all of Mexico's Sam's Club locations. Prior to this, Walmart joined hands with Point Pickup, Skipcart, AxleHire and Roadie. These collaborations are expected to strengthen Walmart's online grocery delivery service in four states, with plans of greater expansions going ahead. Also, Walmart's alliance with Jet.com and Blue Apron to provide on-demand meal kits is noteworthy.

In an earlier development, Walmart inked a deal with Postmates to extend its online grocery delivery service to cover more than 40% of the families in the United States. Other than this, the company's contract with DoorDash and acquisition of Parcel highlight its focus on enhancing grocery sales. Further, the company's Walmart Pickup program enables customers to place orders online and then pick them up at a store for free. Walmart has also partnered with ride hailing services Uber and Lyft for speedy online grocery deliveries, while it also tested same-day delivery with Deliv. We believe that these actions help Walmart offer multiple choices to online grocery shoppers amid increasing competition from Amazon. As of the fourth quarter, Walmart U.S. had nearly 3,200 pickup locations, more than 1,600 same-day grocery delivery locations and nearly 1,500 pickup towers.

▲ **Strength in International Business:** At Walmart's International segment, currency-neutral net sales grew 2.2% to $33 billion, with six out of 10 markets registering positive comps. Robust performance in China, Mexico and Canada was partly offset by Brexit-related worries in the U.K. and headwinds in Chile. The company remains committed toward achieving growth across all its markets, on the back of its fresh products, expansion of online grocery and private brands. Also, Walmart is likely to gain from its steps to improve the international business unit. To this end, the company is making continued efforts to shift focus from underperforming areas to profitable regions like India and China. This is clear from its decision to merge its soft U.K. grocery unit, Asda with Sainsbury and sale of 80% of its stake in the underperforming Brazilian business. On the other hand, Walmart's buyout of major stake in India's leading e-commerce company, Flipkart is helping the former expand its presence in India, which is one of the largest retail markets in the world. Management expects net sales at Walmart's International segment to increase approximately 4% at cc in fiscal 2021.

▲ **Constant Shareholder-Friendly Moves:** Walmart maintains a disciplined capital allocation strategy and remained focused on making investments to develop its business, while using excess cash to enhance shareholder returns through dividend payouts and share buybacks. Also, management regularly hikes dividend, which underscores its commitment toward enriching shareholder value. To this end, Walmart allocated $6 billion toward dividends and made share buybacks worth $5.7 billion during fiscal 2020. Also, management raised its annual dividend for fiscal 2021 to $2.16 per share from $2.12 paid out in fiscal 2020.

Reasons To Sell:

Costs associated with investments in e-commerce expansion and technological advancements; the mix impact from growing e-commerce operations and a compelling pricing strategy are hurdles.

- **Soft Q4 Earnings, Stock Appears Overvalued:** In fourth-quarter fiscal 2020, Walmart's earnings broke its seven-quarter long trend of positive surprise. Moreover, earnings dropped 2.1% year over year, which could be accountable to higher cost of sales as well as increased operating, selling, general and administrative expenses. Additionally, disruption in Chile and a legal matter affected the bottom line by around 5 cents.

  Further, on considering price-to-earnings (P/E) ratio, Walmart looks overvalued when compared with the industry. The stock has a trailing 12-month P/E ratio of 23.5, which is above its median level of 23.2 scaled in a year. Meanwhile, the trailing 12-month P/E ratio for the industry is currently pegged at 22.16.

- **Strained Margins:** While Walmart's online strategies have been driving its business, costs associated with investments in e-commerce expansion and technological advancements; the mix impact from growing e-commerce operations and Walmart's compelling pricing strategy have been weighing on its margins. During the fourth quarter of fiscal 2020, consolidated gross margin contracted 47 bps, following a decline of 36 bps, 46 bps and 27 bps in the third, second and first quarters, respectively. In the fourth quarter of fiscal 2020, Walmart U.S. gross margin contracted 34 bps due to constant price investments and rising e-commerce mix. Persistence of these trends poses a threat to margins.

- **Intense Competition:** Walmart faces intense competition from other department, discount, dollar, variety, drug and specialty stores, warehouse clubs, e-commerce businesses and supermarkets, at national, regional and global levels. The company competes on the basis of merchandise assortment, price and quality, among other factors, which may affect its results.

- **Macroeconomic Issues:** 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 discretionary spending, and in turn, the company's growth and profitability. Walmart generates a significant amount of net sales outside the U.S. Due to high exposure to international markets, the company is prone to currency fluctuations.

- **Loss of Investor Confidence Due to Increased Media Scrutiny:** Walmart has always remained under media scrutiny due to its size and scale of operations. It has had to face criticism for issues such as labour disputes and breach of food safety measures in China. Expenses associated with enquiries and investigations significantly impact the company's margins. Moreover, the allegations severely hurt investor confidence.

Last Earnings Report

Walmart Q4 Earnings Lag Estimates, Sales Increase Y/Y

Quarter Ending	01/2020
Report Date	Feb 18, 2020
Sales Surprise	-0.52%
EPS Surprise	-3.50%
Quarterly EPS	1.38
Annual EPS (TTM)	4.94

Walmart posted fourth-quarter fiscal 2020 results, wherein adjusted earnings came in at $1.38 per share, falling short of the Zacks Consensus Estimate of $1.43. Moreover, earnings dropped 2.1% year over year. This could be accountable to higher cost of sales as well as increased operating, selling, general and administrative expenses. Further, the disruption in Chile and a legal matter affected the bottom line by around 5 cents.

Total revenues grew 2.1% to nearly $141.7 billion. The year-over-year upside was driven by growth in all segments. The Zacks Consensus Estimate was pegged at $142.4 billion.

Consolidated gross profit margin contracted 47 basis points (bps) to 23.4%. Gross margin in Walmart U.S. contracted 34 bps due to constant price investments and rising e-commerce mix, partly compensated by reduced supply-chain costs. Consolidated operating income fell 12.3% to $5.3 billion. On a constant-currency (cc) basis, operating income declined 12.7%. Adjusted operating income decreased 3.7% to $5.8 billion at cc.

Segment Details

Walmart U.S.: The segment's net sales grew 1.9% to $92.3 billion in the quarter. U.S. comp sales (or comps), excluding fuel, improved 1.9% on the back of a 1% rise in transactions and 0.9% in ticket. On a two-year stacked basis, comps rose 6%. This was backed by constant increases in food and consumables despite facing tough comparisons from last year's SNAP benefit. In fact, strength in grocery, health & wellness, home and electronics drove the segment's performance, somewhat offset by weakness in toys, media & gaming and apparel.

Further, e-commerce sales drove comps by 210 bps. E-commerce sales soared 35% on strength in online grocery. Solid growth in grocery pickup and delivery boosted e-commerce sales in the segment. Further, walmart.com saw considerable growth. As of the fourth quarter, Walmart U.S. had nearly 3,200 pickup locations, more than 1,600 same-day grocery delivery locations and nearly 1,500 pickup towers. Adjusted operating income at the Walmart U.S. segment declined 3.8% to $4.9 billion.

Walmart International: Segment net sales rose 2.3% to $33 billion. On a currency-neutral basis, net sales advanced 2.2% to $33 billion, with six out of 10 markets registering positive comps. Robust performance in China, Mexico and Canada was partly offset by Brexit-related worries in the U.K. and headwinds in Chile. Adjusted operating income rose 0.4% to $1.2 billion at cc. Operating income was partly hurt by the disruption in Chile.

Sam's Club: The segment, which comprises membership warehouse clubs, witnessed a net sales rise of 2.6% to $15.3 billion. Sam's Club comps, excluding fuel, rose 0.8%. Comps were hurt by lower tobacco sales to the tune of around 300 bps. While transactions grew 4.3%, ticket was down 3.5%. E-commerce fueled comps by 200 bps. Markedly, e-commerce sales jumped 33% at Sam's Club. Segment operating income came in at $0.4 billion, down 7.2% year over year.

Other Financial Updates

In fiscal 2020, the company generated operating cash flow of $25.3 billion and incurred capital expenditures of $10.7 billion, resulting in free cash flow of $14.6 billion. The company allocated $6 billion toward dividends and made share buybacks worth $5.7 billion during the fiscal.

In a separate press release, management raised its annual dividend for fiscal 2021 to $2.16 per share, from $2.12 paid out in fiscal 2020. The raised dividend will be paid out in quarterly installments of 54 cents per share.

Guidance

For fiscal 2021, management expects consolidated net sales growth (at cc) of nearly 3%. Comps at the U.S. division are likely to rise at least 2.5% (excluding fuel). At Sam's Club, comps are expected to decline 50 bps, excluding fuel, while it is likely to rise 3%, excluding fuel and tobacco.

Walmart U.S. e-commerce sales are likely to jump roughly 30%. Further, net sales at Walmart's International segment are anticipated to increase approximately 4% at cc.

Walmart anticipates expense leverage of nearly 20 bps in fiscal 2021 and consolidated operating income growth to be similar to that of the bottom line. Management envisions fiscal 2021 earnings per share of $5.00-$5.15, implying an increase of 1.5-4.5% from adjusted earnings of $4.93 reported in fiscal 2020.

Recent News

Walmart Expands Delivery Unlimited, Solidifies Online Grocery – Sep 11, 2019

Walmart focuses on strengthening its grocery delivery game. This is evident from its latest plan to extend Delivery Unlimited to 1,400 stores by this fall. Delivery Unlimited, which is a Grocery Delivery membership plan, was introduced in Houston, Salt Lake City, Tampa and Miami earlier this year.

With Delivery Unlimited, customers can avail unlimited Grocery Delivery orders from Walmart by paying membership fees of $98 annually or $12.95 monthly. Further, it offers customers a free fifteen-day trial. However, customers without memberships can continue to avail Grocery Delivery by paying per-delivery charges.

Delivery Unlimited is likely to add a feather to Walmart's cap by prioritizing consumers' convenience and helping them save costs. With the expansion of Grocery Delivery, Delivery Unlimited is also anticipated to expand. The service is currently available in about 3,000 Walmart stores. The company had earlier stated that it expects to have roughly 3,100 grocery pickup locations and about 1,600 grocery delivery locations by the end of fiscal 2020.

We believe that the expansion of Delivery Unlimited will serve as yet another move by Walmart to keep pace with the evolving retail landscape.

Will Walmart's Alliance With KIDBOX Better Its Online Game? – Apr 16, 2019

Walmart unveiled a collaboration with KIDBOX, which will provide Walmart.com customers access to a unique and curated stylebox for children. Also, customers can opt to receive up to six styleboxes on a seasonal basis (like back-to-school and holiday), with no styling costs involved. With the latest Walmart KIDBOX stylebox, Walmart.com shoppers will get personalized style from more than 120 superior brands for kids such as C&C California, BCBG, Puma and Butter Super Soft.

Further, the stylebox will offer four to five fashion items at a compelling price of nearly $48, ranging from sweaters to dresses, and even graphic t-shirts. So, customers can now place orders for the Walmart KIDBOX stylebox at Walmart.com by answering a short style quiz for their respective kids. The company's alliance with KIDBOX is likely to further enrich its vast offerings for kids, which include brands like Betsey Johnson, Children's Place and Wonder Nation, among others.

Valuation

Walmart shares are down 2.5% in the year-to-date period and up 19% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are down 1.7% and 0.1%, respectively in the year-to-date period. Over the past year, the Zacks sub-industry gained 18%, while the sector increased 12.8%.

The S&P 500 index is down 3% in the year-to-date period and up 12.5% in the past year.

The stock is currently trading at 22.57X forward 12-month earnings, which compares to 21.08X for the Zacks sub-industry, 24.71X for the Zacks sector and 17.88X for the S&P 500 index.

Over the past five years, the stock has traded as high as 23.8X and as low as 12.75X, with a 5-year median of 17.38X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $122 price target reflects 23.75X forward 12-month earnings.

The table below shows summary valuation data for WMT

Valuation Multiples - WMT

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	22.57	21.08	24.71	17.88
	5-Year High	23.8	21.68	26.19	19.34
	5-Year Low	12.75	14.08	19.06	15.18
	5-Year Median	17.38	16.88	23.08	17.46
P/S F12M	Current	0.61	0.49	1.03	3.3
	5-Year High	0.64	0.49	1.1	3.43
	5-Year Low	0.37	0.31	0.8	2.54
	5-Year Median	0.49	0.4	0.92	3.01
EV/EBITDA TTM	Current	11.92	9.75	14.45	10.93
	5-Year High	12.72	10.52	15.92	12.88
	5-Year Low	6.35	5.87	10.8	8.49
	5-Year Median	8.13	7.18	12.48	10.79

As of 03/05/2020

Industry Analysis **Zacks Industry Rank:** Top 45% (114 out of 255)

Top Peers

Macys, Inc. **(M)**	Outperform
Amazon.com, Inc. **(AMZN)**	Neutral
Companhia Brasileira de Distribuicao **(CBD)**	Neutral
Dollar General Corporation **(DG)**	Neutral
Dollar Tree, Inc. **(DLTR)**	Neutral
The Kroger Co. **(KR)**	Neutral
Target Corporation **(TGT)**	Neutral
Tesco PLC **(TSCDY)**	Neutral

Industry Comparison Industry: Retail - Supermarkets

Industry Peers

	WMT Neutral	X Industry	S&P 500	CBD Neutral	KR Neutral	TSCDY Neutral
VGM Score	C	-	-	A	A	A
Market Cap	328.89 B	5.11 B	21.47 B	4.11 B	26.80 B	30.16 B
# of Analysts	14	3	13	2	9	3
Dividend Yield	1.83%	1.85%	2.04%	1.22%	1.91%	2.21%
Value Score	C	-	-	A	A	A
Cash/Price	0.03	0.09	0.05	0.47	0.07	0.14
EV/EBITDA	11.38	6.90	12.81	7.59	6.21	NA
PEG Ratio	4.76	2.67	1.88	NA	2.70	1.22
Price/Book (P/B)	4.03	1.16	2.95	1.20	3.13	1.74
Price/Cash Flow (P/CF)	13.09	6.54	11.75	8.04	5.28	8.40
P/E (F1)	22.51	13.09	17.19	11.54	14.29	13.26
Price/Sales (P/S)	0.63	0.26	2.32	0.29	0.22	NA
Earnings Yield	4.42%	7.61%	5.81%	8.70%	6.99%	7.58%
Debt/Equity	0.79	0.84	0.70	1.37	2.17	1.13
Cash Flow ($/share)	8.85	2.99	7.01	1.92	6.34	1.10
Growth Score	B	-	-	A	A	A
Hist. EPS Growth (3-5 yrs)	0.99%	1.02%	10.85%	NA	2.54%	NA
Proj. EPS Growth (F1/F0)	3.77%	7.15%	6.27%	203.41%	6.46%	7.18%
Curr. Cash Flow Growth	-0.12%	3.27%	6.07%	-12.81%	20.55%	21.48%
Hist. Cash Flow Growth (3-5 yrs)	-0.31%	1.83%	8.52%	-13.56%	5.65%	-12.01%
Current Ratio	0.79	0.80	1.23	0.86	0.77	0.80
Debt/Capital	44.04%	48.17%	42.57%	57.74%	68.50%	53.09%
Net Margin	2.84%	1.56%	11.69%	1.36%	1.36%	NA
Return on Equity	18.16%	8.91%	16.66%	4.17%	20.72%	NA
Sales/Assets	2.22	2.23	0.54	1.17	2.73	NA
Proj. Sales Growth (F1/F0)	3.02%	0.96%	3.90%	39.76%	2.24%	0.96%
Momentum Score	D	-	-	C	B	C
Daily Price Chg	-0.73%	-0.73%	-3.79%	-5.58%	8.11%	-1.28%
1 Week Price Chg	-9.19%	-8.89%	-12.06%	-10.81%	-7.19%	-11.23%
4 Week Price Chg	-0.34%	-1.86%	-10.92%	-21.99%	19.32%	-6.00%
12 Week Price Chg	-3.21%	-3.38%	-8.10%	-27.50%	18.69%	-3.14%
52 Week Price Chg	18.95%	-7.43%	4.09%	-33.85%	30.69%	1.09%
20 Day Average Volume	7,836,486	102,405	2,483,920	500,341	8,397,974	158,064
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.31%	-0.48%
(F1) EPS Est 4 week change	-1.92%	-0.24%	-0.06%	3.89%	0.31%	-0.48%
(F1) EPS Est 12 week change	-1.93%	1.07%	-0.42%	3.89%	0.96%	6.09%
(Q1) EPS Est Mthly Chg	-1.24%	-1.84%	-0.29%	NA	-2.44%	NA

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	C
Growth Score	B
Momentum Score	D
VGM Score	C

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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