

Walmart Inc. (WMT)

\$130.57 (As of 08/20/20)

Price Target (6-12 Months): **\$138.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 11/28/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM:A

Value: C

Growth: A

Momentum: A

Summary

Though Walmart's shares have lagged the industry in the past three months, the trend is likely to improve in the near term. The company has been benefiting from rising demand for grocery as well as general merchandise items amid coronavirus-led stay-at-home trends. Stay-at-home trends are also boosting e-commerce sales, which soared 97% in the second quarter of fiscal 2021. During the quarter, the top and bottom lines beat the consensus mark and grew year over year, with U.S. comps rising for the 24th straight time. In the U.S. segment, both store and online sales remained strong, supported by government stimulus. Clearly, Walmart's efforts to enhance deliveries are yielding results. However, the company is seeing high COVID-19-related costs, especially related to special bonuses. Also, price investments are hurting gross margin to an extent.

Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$137.63 - \$102.00
20 Day Average Volume (sh)	7,794,599
Market Cap	\$370.0 B
YTD Price Change	9.9%
Beta	0.31
Dividend / Div Yld	\$2.16 / 1.7%
Industry	Retail - Supermarkets
Zacks Industry Rank	Top 35% (88 out of 252)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	27.9%
Last Sales Surprise	2.1%
EPS F1 Est- 4 week change	6.7%
Expected Report Date	11/12/2020
Earnings ESP	2.6%
P/E TTM	24.7
P/E F1	24.8
PEG F1	5.3
P/S TTM	0.7

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2022	130,605 E	137,201 E	135,313 E	149,231 E	554,162 E
2021	134,622 A	137,742 A	132,253 E	146,109 E	549,962 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	\$1.29 E	\$1.56 E	\$1.31 E	\$1.60 E	\$5.61 E
2021	\$1.18 A	\$1.56 A	\$1.16 E	\$1.41 E	\$5.26 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 08/20/2020. The reports text is as of 08/21/2020.

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.

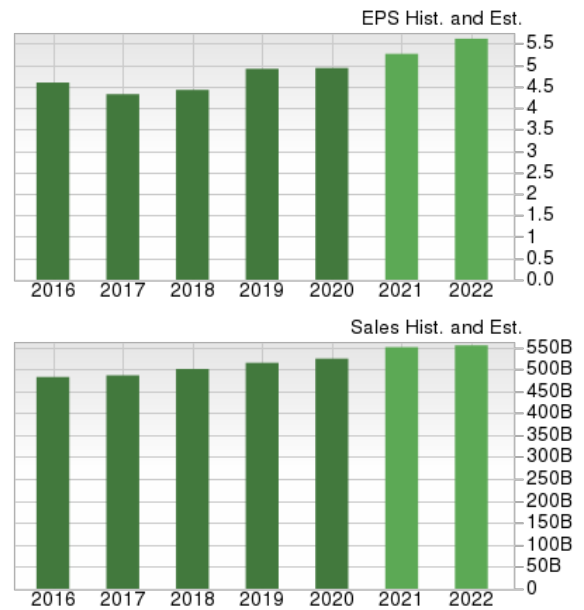
The company operates as Walmart in the United States (its largest segment), including the 50 states, Washington D.C. and Puerto Rico. Its International segment (second largest) operated businesses in 26 countries as of Jan 31, 2019. Apart from United States, Walmart has operations in Argentina, Canada, 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:

- ▲ **Coronavirus-Led Demand Aids, Q2 Results Solid:** Though Walmart's shares have underperformed the industry in the past three months, the trend is likely to improve in the near term. Shares of the company have gained 5.4% in the past three months compared with the industry's growth of 7.4%. The stock has been benefiting from burgeoning demand for essential items amid coronavirus. While the pandemic-led social distancing has led consumers to stay indoors, they are still moving out for essentials, which is working well for retail behemoths like Walmart. Further, higher stay-at-home trends are boosting e-commerce sales. Such trends drove the company in second-quarter fiscal 2021, wherein both top and bottom lines cruised past the Zacks Consensus Estimate and grew year over year, reflecting continued rise in demand across categories amid the pandemic. Total revenues grew 5.6% to \$137.7 billion. General merchandise sales in the United States were fueled by stimulus payments. Walmart's adjusted earnings came in at \$1.56 per share, which grew 22.8% year over year. Markedly, adjusted operating income at cc rose 18.6% to \$6.6 billion on the back of solid results in all operating segments. The company said that it saw reduced losses in the Walmart U.S. e-commerce business.
- 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 24 straight quarters.
- ▲ **Solid Comps Record:** 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. Walmart has been undertaking several efforts to enhance merchandise assortments. Also, the company has been focused on store remodeling, in an attempt to upgrade them with advanced in-store and digital innovations. Evidently, the company remodeled 45 stores in the second quarter. Walmart is also gaining from its compelling pricing strategy, which helps it draw customers. The second-quarter fiscal 2021 marked Walmart's 24th consecutive quarter of U.S. comps growth. U.S. comp sales (or comps), excluding fuel, improved 9.3% on the back of a 27% rise in ticket, partly negated by a 14% fall in transactions. Comps were fueled by growth in food and general merchandise. Walmart continued to see customers consolidating their shopping trips, leading to bigger average basket size. Also, the company continued seeing increased shift toward e-commerce. Notably, both store and online sales remained strong, especially in general merchandise, supported by government stimulus spending. Given the higher stay-at-home trends, the company saw strength in sporting goods, landscape, electronics and home categories. Grocery sales were also robust. E-commerce sales drove comps by 600 bps.
- ▲ **Robust E-Commerce Initiatives:** Walmart's e-commerce business is seeing greater heights due to the pandemic-led social distancing. In its second-quarter conference call, management informed that the company's stores and online merchant teams are integrated now, which is likely to yield favorable results. Walmart has long been 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. Incidentally, Walmart announced its alliance with Shopify in June 2020, through which, it can pen its Walmart Marketplace to sellers of Shopify. Apart from this, the company's contracts with Green Dot and Microsoft; buyouts of ShoeBuy, Moosejaw, Bonobos, ModCloth; deal with Lord and Taylor, among others, underscore its intention to build an impressive digital brand portfolio. Further, the buyout of major stake in Flipkart has been bolstering its e-commerce sales. 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. U.S. e-commerce sales soared a whopping 97% in the second quarter with strength across all channels. Weekly average digital customer count as well as repeat rates grew significantly and boosted e-commerce sales. Also, marketplace sales jumped at a triple-digit rate.
- ▲ **Focus on Delivery Services & Driving Growth Amid Pandemic:** Given the rising demand for online grocery, Walmart remains committed to enrich consumers' experiences by providing easy shopping methods and seamless grocery deliveries. In fact, the company's delivery service has become all the more vital amid coronavirus-led social distancing. Incidentally, Walmart unveiled Express Delivery during the first quarter of fiscal 2021 at several stores, which helps it deliver orders to customers in less than two hours. Well, Walmart has always been committed toward strengthening its deliver service. To this end, the company's 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. In earlier developments, Walmart's deal with Postmates, 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. We believe that these actions help Walmart offer multiple choices to online grocery shoppers amid increasing competition from Amazon. As of the second quarter, Walmart U.S. had nearly 3,450 pickup locations and 2,730 same-day delivery locations. Management is committed to keeping its business going amid the pandemic, as part of which it has undertaken several measures to support its employees and customers. To this end, Walmart has ensured proper sanitization and enhanced delivery and pickup services.
- ▲ **Financial Flexibility & Solid Dividend Track:** Walmart appears financially stable. The company's long-term debt (including lease obligations) of \$61,301 million as of the end of second-quarter fiscal 2021 (Jul 31, 2020) dipped 2.9% on a sequential basis. Apart from this, the company's times interest earned ratio (as of the second-quarter end) of 10.5 has improved from 9.1 in the previous quarter. Also, it is better than the industry's ratio of 8.8 and shows that Walmart is well-positioned to meet its debt. Further, Walmart's debt-to-capitalization ratio of 40.9 at the end of the second quarter has improved from 46 as of the first quarter. Moreover, this stands below the industry's ratio of 51.3. Notably, Walmart looks well placed on the dividend-payout front. In the second quarter of fiscal 2021, the company allocated \$1.5 billion toward dividends. Walmart has a dividend payout of 40.9%, a dividend yield of 1.6% and a free cash flow yield of 5%. With an annual free cash flow return on investment of almost 14%, ahead of the industry's 11.3%; the dividend is likely to be sustainable. As of Apr 30, 2020, S&P's, Moody's and Fitch had assigned credit ratings of AA, Aa2 and AA, respectively on Walmart's long-term debt, which reflects a stable outlook.

Reasons To Sell:

- ▼ **Stock Appears Overvalued:** 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 26.17, which is above its median level of 24.05 scaled in a year. Meanwhile, the trailing 12-month P/E ratio for the industry is currently pegged at 23.98.
- ▼ **COVID-19-Related Costs:** Walmart's operating income in the second quarter of fiscal 2021 was partly adversely impacted by various costs related to COVID-19, like higher wages and benefits along with costs associated with sanitization and other safety measures. The company incurred incremental COVID-19-related costs of about \$1.5 billion, of which roughly 75% was associated with employee bonuses, including the recently unveiled third round of special bonuses. Due to the COVID-19 costs along with certain restructuring costs and a discrete tax item, consolidated operating costs as a percentage of sales escalated 42 bps to 21.2% in the second quarter.
- ▼ **Strained Margins:** While Walmart's online strategies have been driving its business, costs associated with investments in e-commerce expansion and technological advancements and Walmart's compelling pricing strategy pose threat to margins. During the second quarter of fiscal 2021, though consolidated gross profit margin expanded year over year, it was adversely impacted by the carryover of last year's price investments.
- ▼ **U.S. Back-to-School Sales Likely to be Soft:** In the Walmart U.S. segment, the back-to-school season started slower than usual due to the uncertainty related to students' physical return to schools. Though sales of products like laptops and tablets are trending well, those of basic school supplies, backpacks and apparel remain sluggish. Management expects the back-to-school season to be tough this time, and expects it to come later than the normal period.
- ▼ **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. Also, uncertainty surrounding government stimulus and a contentious November election may impact consumer spending activity. Apart from this, 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, which adversely impacted the company's earnings by 2 cents in the second quarter. Also, International segment sales were hurt by currency woes to the tune of about \$2.4 billion. Moreover, management expects currency headwinds to hurt the top line by more than \$1.1 billion in the third quarter of fiscal 2021.

Costs associated with investments in e-commerce expansion and technological advancements; price investments and high COVID-19 related costs pose threats to margins.

Last Earnings Report

Walmart Q2 Earnings Beat Estimates, E-Commerce Sales Up

Walmart posted solid second-quarter fiscal 2021 results. Adjusted earnings came in at \$1.56 per share, surpassing the Zacks Consensus Estimate of \$1.22. Moreover, earnings grew 22.8% from adjusted earnings per share of \$1.27 reported in the year-ago period.

Total revenues grew 5.6% to \$137.7 billion. On a constant-currency or cc basis, total revenues advanced 7.5% to \$140.2 billion. The consensus mark stood at \$134.9 billion. The top line continued being driven by the burgeoning demand for products across different categories amid the coronavirus crisis. General merchandise sales in the United States were fueled by stimulus payments.

Consolidated gross profit margin expanded 63 basis points (bps) to 24.9%, courtesy of shift in sales mix to higher-margin general merchandise categories, reduced markdowns and improved fuel margins. This was somewhat negated by the carryover of the last year's price investments. Gross margin in Walmart U.S. grew 42 bps.

Consolidated operating income grew 8.5% to \$6.1 billion. Adjusted operating income at cc rose 18.6% to \$6.6 billion on the back of solid results in all operating segments. The company said that it saw reduced losses in the Walmart U.S. e-commerce business. However, consolidated operating costs as a percentage of sales escalated 42 bps to 21.2% due to additional costs related to COVID-19, among other factors. Management stated that it incurred additional COVID-19 costs to the tune of \$1.5 billion.

Segment Details

Walmart U.S.: The segment's net sales grew 9.5% to \$93.3 billion in the quarter. U.S. comp sales (or comps), excluding fuel, improved 9.3% on the back of a 27% rise in ticket, partly negated by a 14% fall in transactions. Comps were fueled by growth in food and general merchandise. Walmart continued to see customers consolidating their shopping trips, leading to bigger average basket size. Also, the company continued seeing increased shift toward e-commerce.

Notably, both store and online sales remained strong, especially in general merchandise, supported by government stimulus spending. Grocery sales were also robust. E-commerce sales drove comps by 600 bps. E-commerce sales soared a whopping 97% with strength across all channels. Weekly average digital customer count as well as repeat rates grew significantly and boosted e-commerce sales. Also, marketplace sales jumped at a triple-digit rate.

As of the second quarter, Walmart U.S. had nearly 3,450 pickup locations and 2,730 same-day delivery locations. Walmart remodeled 45 stores in the quarter. Adjusted operating income (at cc) at the Walmart U.S. segment grew 18.6% to \$6.6 billion.

Walmart International: Segment net sales dropped 6.8% to \$27.2 billion, including currency headwinds of about \$2.4 billion. At cc, net sales grew 1.6% to \$29.6 billion. Results were hurt by the government-led closure of Flipkart in India for part of the quarter. Similar moves in African and Central American markets affected performance. Nonetheless, the company saw seven out of 10 markets registering positive comps, including Walmex, China, Canada and the United Kingdom.

Also, since operations were restored, the GMV at Flipkart surpassed pre-pandemic levels. E-commerce sales had a positive contribution of about 12% to total segment sales, courtesy of solid omnichannel capacities. Adjusted operating income (at cc) rose 11.5% to \$1 billion.

Sam's Club: The segment, which comprises membership warehouse clubs, witnessed a net sales rise of 8.8% to \$16.4 billion. Sam's Club comps, excluding fuel, grew 13.3%. Comps were partly hurt by lower tobacco sales to the tune of around 390 bps. While transactions grew 8.7%, ticket climbed 4.3%. The segment saw broad-based strength across categories, particularly food and consumables. This, in turn, was backed by increased memberships along with benefits from SNAP and government stimulus.

E-commerce fueled comps by 190 bps. Markedly, e-commerce sales jumped 39% at Sam's Club on the back of a robust direct-to-home show. Segment operating income came in at \$0.6 billion, up 23.3% year over year.

Other Financial Updates

In the first half of 2021, the company generated operating cash flow of \$19 billion and incurred capital expenditures of \$3.6 billion, resulting in free cash flow of \$15.4 billion. The company allocated \$1.5 billion toward dividend payments during the second quarter.

Walmart ended the quarter with cash and cash equivalents of \$16.9 billion, long-term debt (including lease obligations) of nearly \$61.3 billion and total equity of \$81.2 billion.

Quarter Ending **07/2020**

Report Date	Aug 18, 2020
Sales Surprise	2.13%
EPS Surprise	27.87%
Quarterly EPS	1.56
Annual EPS (TTM)	5.28

Recent News

Will Walmart's New Flipkart Deal Enhance its India Business? - Jul 23, 2020

Walmart unveiled the takeover of Wal-Mart India Private Limited by The Flipkart Group. Flipkart's buyout of Walmart's India business comes as part of the former's plans to launch a digital marketplace, Flipkart Wholesale, in August 2020. Well, Walmart has been operating in India under the Best Price cash-and-carry business for more than 12 years now and currently caters to more than 1.5 million members, which include hospitality, kiranas, catering ventures and other micro, small and medium-sized enterprises or MSMEs. We believe that Flipkart's acquisition of a 100% stake in Walmart's India business is likely to enhance Walmart's presence in India and help it compete better with Amazon.

Flipkart's buyout of Walmart's India business will enable the former to better serve kiranas and MSMEs, who are integral to the retail space of the nation. This is because Flipkart can leverage Walmart's expertise in the wholesale space, thanks to its experience with the cash-and-carry business. As noted earlier, this move comes as part of Flipkart's plan to launch Flipkart Wholesale marketplace, which is focused on using technology and offering kiranas and MSMEs a broad range of products at a reasonable value.

Walmart Rewards Employees, Unveils Another Special Bonus - Jul 21, 2020

Walmart announced plans to offer another \$428 million as special bonuses, which will take the company's total year-to-date bonuses to \$1.1 billion. The company notified that it will reward its store, club, distribution center and fulfillment center workers with another round of special cash bonuses for their impressive services amid the crisis. This will include a bonus of \$300 for full-time hourly employees and \$150 for part-time hourly workers and temporary employees. Also, the company will give bonuses to drivers, managers and assistant managers at stores, DCs, FCs, clubs and Health & Wellness.

All U.S. workers (excluding salaried office employees) who have been appointed by management as of Jul 31 will qualify for the special bonus, which is payable on Aug 20. Notably, this marks the company's third special bonus offered in 2020, taking the total year-to-date bonus to \$1.1 billion in addition to the regular incentives given to frontline workers on a quarterly basis. This highlights Walmart's commitment toward its employees who have been delivering services in these tough times. Additionally, the company announced that Walmart stores and Sam's Club locations will remain closed on Thanksgiving Day this year (Nov 26).

Walmart Likely to Launch New Subscription Plan - Jul 8, 2020

According to media reports Walmart is all set to launch a subscription-based service — comprising same-day delivery of groceries— called Walmart+. The membership program, expected to be rolled out by July end, will cost \$98 per year. Reportedly, the company is likely to add other perks such as early access to deals, discounts on fuel at its gas stations, and Scan & Go service among others to the subscription.

Walmart Partners Tribeca, Offers Drive-In Theatre Experience – Jul 2, 2020

Walmart is teaming up with Tribeca Enterprises to offer a drive-in movie experience to customers who are missing the theatres amid the social distancing restrictions. Walmart is converting 160 store parking lots into contact-less drive-in movie halls, wherein customers can get together safely and see movies programmed by the Tribeca Drive-in group. Walmart will extend the red-carpet experience across towns in the country for a total of 320 shows starting August. These will include blockbuster movies along with special appearances by celebrities and filmmakers. The drive-in experience will be extended to October.

Further, Walmart will make it easy for families to load their picnic baskets ahead of every screening, as they can order online and use curbside pickup on their way to the movie. Additionally, the company is collaborating with Tribeca Drive-in to serve as the presenting partner for the Tribeca Drive-In movie series, starting Jul 2. Tribeca's drive-ins have long been its signature program, since they began the Tribeca Film Festival around 19 years back. Walmart's partnership with Tribeca is likely to provide a safe movie experience to families who have been looking for sources of entertainment and recreation amid the pandemic-led situation.

Apart from this, Walmart announced plans to introduce an online summer camp for kids — Camp by Walmart. Families can gain access to 50 Camp by Walmart activities on the Walmart app for free from Jul 8, which will include sessions led by celebrities and experts like Drew Barrymore, Idina Menzel, Neil Patrick Harris, Todd Oldham and LeBron James.

Walmart's Sam's Club Enhances Delivery With Curbside Pickup - Jun 11, 2020

Walmart's Sam's Club division launched curbside pickup service, which offers contact-less order online and deliver to car service, and can be availed for free by its Plus-level members. These members also enjoy other benefits like free shipping on most orders, early shopping hours and 2% cashback on certain in-club and pickup purchases, among others. However, the curbside pickup service will be made temporarily available to all members (including Non-Plus), given the need of the hour.

Valuation

Walmart shares are up 11.3% in the year-to-date period and 18.7% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are up 11.7% and 32.1%, respectively in the year-to-date period. Over the past year, the Zacks sub-industry gained 19.9%, while the sector was up 41.1%.

The S&P 500 index is up 6.3% in the year-to-date period and 19.9% in the past year.

The stock is currently trading at 25.17X forward 12-month earnings, which compares to 22.24X for the Zacks sub-industry, 33.42X for the Zacks sector and 22.83X for the S&P 500 index.

Over the past five years, the stock has traded as high as 26.16X and as low as 12.75X, with a 5-year median of 18X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$138 price target reflects 26.6X 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	25.17	22.24	33.42	22.83
	5-Year High	26.16	23.02	34.77	22.83
	5-Year Low	12.75	14.08	19.08	15.25
	5-Year Median	18	17.48	23.47	17.58
P/S F12M	Current	0.67	0.48	1.27	3.71
	5-Year High	0.7	0.5	1.27	3.71
	5-Year Low	0.37	0.31	0.82	2.53
	5-Year Median	0.51	0.41	0.97	3.05
EV/EBITDA TTM	Current	14.64	11.4	20.54	12.81
	5-Year High	15.14	11.74	20.64	12.85
	5-Year Low	6.35	5.87	11.14	8.25
	5-Year Median	8.23	7.25	12.96	10.91

As of 08/20/2020

Industry Analysis Zacks Industry Rank: Top 35% (88 out of 252)



Top Peers

Company (Ticker)	Rec	Rank
Dollar General Corporation (DG)	Outperform	2
Target Corporation (TGT)	Outperform	1
Amazon.com, Inc. (AMZN)	Neutral	3
Companhia Brasileira de Distribuicao (CBD)	Neutral	3
Dollar Tree, Inc. (DLTR)	Neutral	3
The Kroger Co. (KR)	Neutral	2
Macys, Inc. (M)	Neutral	4
Tesco PLC (TSCDY)	Neutral	4

Industry Comparison Industry: Retail - Supermarkets				Industry Peers		
	WMT	X Industry	S&P 500	CBD	KR	TSCDY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	4
VGM Score	A	-	-	A	A	A
Market Cap	370.00 B	4.31 B	23.46 B	3.08 B	27.94 B	29.45 B
# of Analysts	15	4.5	14	1	9	2
Dividend Yield	1.65%	1.53%	1.65%	0.98%	2.00%	5.38%
Value Score	C	-	-	A	A	A
Cash/Price	0.04	0.15	0.07	0.45	0.14	0.21
EV/EBITDA	12.35	7.09	13.34	6.65	7.31	7.05
PEG Ratio	5.25	2.46	3.00	0.76	2.30	2.69
Price/Book (P/B)	4.56	1.15	3.12	1.06	3.03	1.74
Price/Cash Flow (P/CF)	14.75	6.79	12.60	6.02	5.67	6.61
P/E (F1)	24.82	17.15	21.61	16.25	12.64	18.04
Price/Sales (P/S)	0.68	0.26	2.44	0.19	0.22	NA
Earnings Yield	4.03%	5.85%	4.43%	6.15%	7.91%	5.54%
Debt/Equity	0.75	0.90	0.76	1.47	2.02	1.13
Cash Flow (\$/share)	8.85	3.80	6.93	1.92	6.34	1.37
Growth Score	A	-	-	A	A	A
Hist. EPS Growth (3-5 yrs)	1.81%	1.81%	10.44%	NA	2.71%	NA
Proj. EPS Growth (F1/F0)	6.69%	-1.55%	-5.53%	61.36%	29.14%	-3.85%
Curr. Cash Flow Growth	-0.12%	7.30%	5.20%	-12.81%	20.55%	24.17%
Hist. Cash Flow Growth (3-5 yrs)	-0.31%	3.85%	8.52%	-13.56%	6.44%	3.98%
Current Ratio	0.79	0.83	1.33	0.98	0.83	0.73
Debt/Capital	43.02%	48.59%	44.50%	59.44%	66.93%	53.05%
Net Margin	3.30%	1.78%	10.13%	0.51%	1.66%	NA
Return on Equity	19.13%	17.09%	14.67%	2.88%	24.62%	NA
Sales/Assets	2.29	2.29	0.51	1.26	2.78	NA
Proj. Sales Growth (F1/F0)	4.96%	0.00%	-1.54%	0.00%	5.67%	4.80%
Momentum Score	A	-	-	A	F	C
Daily Price Chg	-1.39%	-0.09%	-0.59%	0.00%	-0.83%	0.11%
1 Week Price Chg	2.02%	2.02%	1.09%	-3.35%	0.43%	2.08%
4 Week Price Chg	-0.81%	2.25%	1.91%	-18.45%	2.25%	8.54%
12 Week Price Chg	5.56%	5.56%	6.82%	1.76%	12.04%	4.28%
52 Week Price Chg	16.67%	1.48%	1.47%	-46.62%	51.75%	14.32%
20 Day Average Volume	7,794,599	81,892	1,873,576	430,514	5,980,408	213,678
(F1) EPS Est 1 week change	6.42%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	6.69%	0.00%	1.79%	7.58%	0.00%	0.00%
(F1) EPS Est 12 week change	6.74%	1.95%	3.35%	7.58%	15.23%	-21.88%
(Q1) EPS Est Mthly Chg	2.97%	0.00%	0.42%	NA	0.00%	NA

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	C
Growth Score	A
Momentum Score	A
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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