

salesforce.com, Inc. (CRM)

\$212.20 (As of 03/19/21)

Price Target (6-12 Months): **\$216.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 10/26/20)
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: **VGM: D**
Value: D | Growth: B | Momentum: F

Summary

Salesforce is benefiting from a robust demand environment as customers are undergoing a major digital transformation. The rapid adoption of its cloud-based solutions is driving demand for its products. Salesforce's sustained focus on introducing more aligned products as per customer needs is driving its top-line. Continued deal wins in the international market is another growth driver. Furthermore, the recent deal to acquire Slack would position the company to be a leader in enterprise team collaboration solution space and better compete with Microsoft's Teams product. However, stiff competition is a concern. Besides, unfavorable currency fluctuations along with increasing investments in international expansions and data centers are an overhang on near-term profitability. The stock has underperformed the industry in the past year.

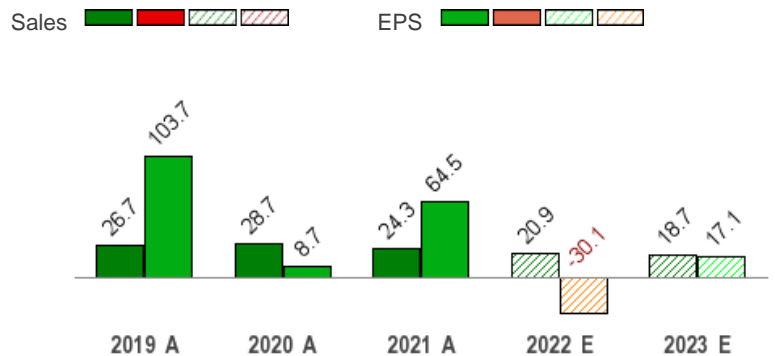
Price, Consensus & Surprise



Data Overview

52 Week High-Low	\$284.50 - \$130.04
20 Day Average Volume (sh)	8,753,017
Market Cap	\$195.4 B
YTD Price Change	-4.6%
Beta	1.11
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Computer - Software
Zacks Industry Rank	Bottom 43% (143 out of 253)

Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	38.7%
Last Sales Surprise	2.5%
EPS F1 Est- 4 week change	-9.6%
Expected Report Date	05/27/2021
Earnings ESP	0.6%
P/E TTM	43.1
P/E F1	61.7
PEG F1	3.9
P/S TTM	9.2

Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2023	7,137 E	7,406 E	7,717 E	8,164 E	30,504 E
2022	5,868 E	6,139 E	6,602 E	7,079 E	25,688 E
2021	4,865 A	5,151 A	5,419 A	5,817 A	21,252 A

EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2023	\$0.95 E	\$1.02 E	\$0.99 E	\$1.08 E	\$4.03 E
2022	\$0.88 E	\$0.88 E	\$0.81 E	\$0.86 E	\$3.44 E
2021	\$0.70 A	\$1.44 A	\$1.74 A	\$1.04 A	\$4.92 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 03/19/2021. The report's text and the analyst-provided price target are as of 03/04/2021.

Past performance is no guarantee of future results. Please see important disclosures and definitions at the end of this report.

Overview

Headquartered in San Francisco, salesforce.com, founded in 1999, is the leading provider of on-demand Customer Relationship Management (CRM) software, which enables organizations to better manage critical operations, such as sales force automation, customer service and support, marketing automation, document management, analytics and custom application development.

Salesforce is currently the largest CRM vendor in the world with a market share of nearly 20% according to reports of Gartner, a global research and advisory firm. Its nearest rival, SAP is way behind at a market share of around 8%. About 90% of the Fortune 100 companies uses at least one Salesforce software.

The company has leveraged its expertise in on-demand software to increase the scale of operations. It also offers a technology platform for customers and developers to build and run business applications.

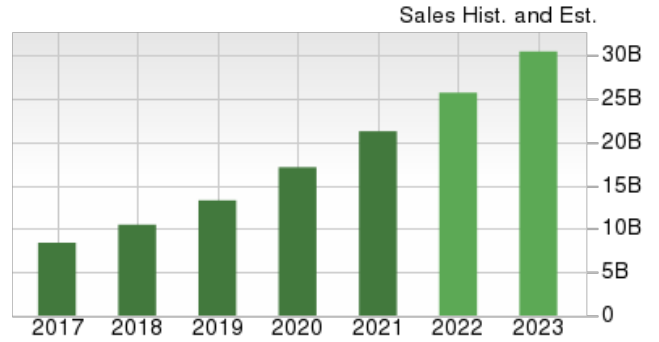
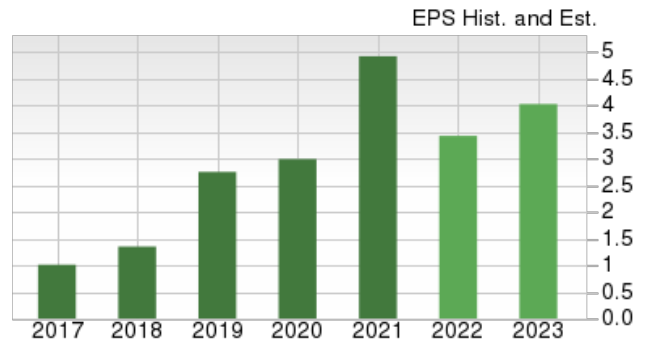
Salesforce helps companies of every size and industry to connect with their customers in new ways through existing and emerging technologies including cloud, mobile, social, IoT and artificial intelligence (AI).

Rapid digital transformation and the company's sustained focus on introducing more aligned products as per customer needs is driving its revenues higher. Over the last six years, Salesforce's annual revenues have quadrupled from \$5.4 billion in fiscal 2015 to \$21.3 billion in fiscal 2021.

There are two main revenue streams — Subscription and Support and Professional Services & Other.

Subscription revenues comprise subscription fees from customers, accessing the company's enterprise cloud computing services (Cloud Services), software licenses and subscription fees recognized from customers for additional support beyond the standard support lent by the company. This segment accounted for more than 94% of Salesforce's fiscal 2021 revenues.

Professional Services & Other revenues consist of fees that the company derives from consulting and implementation services and training. This segment accounted for the remaining 6% of Salesforce's fiscal 2021 revenues.



Reasons To Buy:

- ▲ Salesforce is the world's leading Customer Relationship Management (CRM) company, in the Software-as-a-Service (SaaS) enterprise application market. The company dominates the market owing to its strong clientele. Per IDC's Worldwide Semiannual Software Tracker, Salesforce remained the #1 CRM provider for the seventh straight year, demonstrating the attractiveness of its cloud-based solutions. The company cemented its overall market share position and inflated its revenue base more than any other CRM vendor, the firm added. Management intends to double the company's top line by fiscal year 2024 with a revenue target of \$34-\$35 billion, thus making it the fastest enterprise software entity to attain that milestone.
- ▲ Salesforce's on-demand SaaS business model underscores its focus on sales force automation, marketing, customer responsiveness and support, improved personnel collaboration within an organization, software tools for developers, social media monitoring and marketing, and other social enterprise areas. The company has various SaaS applications and platforms to serve its focus areas. SaaS deployments are easy and help to reduce ownership costs for customers. The company's ability to provide an integrated solution for customers' business problems is the key growth driver. According to IDC estimates, spending on public cloud services will grow from \$229 billion in 2019 to nearly \$500 billion by 2023, at a CAGR of 22.3%. Per a ResearchAndMarkets.com report, the global CRM software market, valued at \$25.5 billion in 2018, is projected to reach \$36.53 billion at a CAGR of 9.4% through 2022. With its SaaS-based CRM and social enterprise applications, we think that Salesforce is well-positioned to lead the market.
- ▲ Acquisitions have been one of key growth strategies, strengthening the company's position in the CRM solution-providing space. Most recently, the company has agreed to acquire Slack in a cash-stock deal worth \$27.7 billion. Slack acquisition is likely to position the company to be a leader in enterprise team collaboration solution space and better compete with Microsoft's Teams product. Additionally, buyouts of Tableau, ClickSoftware, Mulesoft, Datorama and CloudCraze over the last couple of years have been immensely lucrative for the company. The acquisition of Tableau is in sync with the company's strategy to diversify beyond its customer relationship management and provide more data insights to the clients. Tableau buyout contributed \$652 million to Salesforce's fiscal 2020 revenues and \$273 million to first-quarter fiscal 2021 revenues. Additionally, the company last year acquired tech start-up Vlocity which builds cloud and mobile software on Salesforce platform. Vlocity acquisition is believed to help Salesforce enhance its capabilities and expand customer base across the communications, media, healthcare, energy, insurance and financial services, and entertainment industries. We believe that Salesforce's sustained focus on expanding its business through strategic acquisitions and investments will drive growth over the long run.
- ▲ Salesforce's partnership agreements with the likes of Amazon and Alphabet for the firms' cloud services have been helping it expand its international operations. The company announced at its Dreamforce event that it entered into a partnership with Apple, which will help it offer new apps for iPhones and iPads. A redesigned Salesforce mobile app will be developed exclusively for iOS, featuring Face ID, Siri shortcuts as well as Apple's business chat. Salesforce also expanded its global strategic alliance with Amazon Web Services to focus on new product integrations that will simplify secure data sharing and synchronizing across AWS and Salesforce services.
- ▲ In keeping with its strategy of growing in Europe, in Aug 2015 Salesforce's investment arm, Salesforce Ventures, announced its decision to invest \$100 million specifically in European start-ups. Over the past few years, Salesforce has invested in several start-ups, be it through acquisitions or partnerships. In Europe, the company opened its first data center in the U.K. in Aug 2014. In 2015, Salesforce opened two more datacenters, one each in France and Germany. The opening of data centers in these countries has helped Salesforce to reach local small and medium businesses as well as government agencies. The initiatives are helping Salesforce generating higher revenues from the European region. Notably, in fourth-quarter fiscal 2021, Salesforce's revenues from Europe increased 24% year over year and accounted for 21% of the total revenue. We believe expansion in Europe would enable Salesforce to diversify its international revenues, going forward.
- ▲ Investments in start-ups have always been one of the key growth strategies of Salesforce. Over the past few years, Salesforce has invested in several start-ups, be it through acquisitions or partnerships. According to the company's website, since 2009, Salesforce Ventures has invested in more than 400 technology start-ups across 22 countries. In 2020, it launched its second impact fund of \$100 million to invest in enterprise start-ups. Earlier in 2019, it had launched its first impact fund of worth \$50 million. In 2019, Salesforce announced \$125 million of Venture Fund specifically for the European region. The company had allocated a \$100-million fund to invest in European start-ups in 2015. For Australia-based start-ups, the firm allocated \$50 million of venture fund in 2019. In 2018, it had rolled out venture funds for Japan and Canada worth \$100 million each. We believe Salesforce's sustained focus on expanding its business through strategic acquisitions and investments will fuel growth over the long run. The company's strategy of investing in start-ups helps fuel cloud innovation and gain customers across the globe.
- ▲ Salesforce is a cash rich company with a strong balance sheet. As of Jan 31, 2021, the company had cash and cash equivalents of nearly \$12 billion, while had debt of \$2.67 billion. Moreover, Salesforce's total debt to total capital ratio of 0.14 is significantly lower than the industry average of 0.5. The additional cash can be used for pursuing strategic acquisitions, investment in growth initiatives and distribution to shareholders.

Salesforce's diverse cloud offerings, clientele strength, strategic acquisitions and partnerships are key drivers.

Reasons To Sell:

- ▼ Increased focus on acquisitions could negatively impact Salesforce's balance sheet in the form of a high level of goodwill, which totaled \$26.3 billion, or approximately 40% of its total assets as of Jan 31, 2021. Furthermore, frequent acquisitions add to integration risks, which may dilute earnings.
- ▼ Salesforce faces stiff competition from Microsoft Corp. and Oracle in the cloud-based CRM market. Oracle has strengthened its cloud position through various strategic acquisitions. Microsoft has also added various key companies like LinkedIn to its portfolio to beef up its Dynamic CRM platform. Additionally, Microsoft offers special pricing for its Dynamics CRM Online service, which is helping it to snatch salesforce's customers. Competition is expected to intensify further, as Microsoft Dynamics CRM software (code-named Titan) gains ground. Titan has been designed to offer direct competition to salesforce's on-demand CRM software model. Moreover, IBM is strengthening its grip on the cloud computing software market with its web-based collaboration software for businesses, including contact management, instant messaging and file sharing programs. Further, the tie-up of Microsoft and Adobe, which aims to boost the sales and marketing capabilities of both companies, is a significant threat to the king of CRM.
- ▼ Salesforce's home market in the United States has hit a saturation point, causing slower growth of its cloud software. There is still a lot of room for salesforce's growth in the international quarters. It still generates only about 30% of total revenues from international operations, which is lower than its rivals like Microsoft or Oracle composition of around 50%. Therefore, the company is investing heavily in global expansion, which is an overhang on its margins.
- ▼ We note that the Salesforce currently has a trailing 12 month P/E ratio of 67.1. This level compares unfavorably to some extent with what the industry saw over the last year. Hence, valuation looks significantly stretched from a P/E perspective.

Stiff competition, currency fluctuations and an increase in investments for international expansions and data centers could negatively impact near-term profitability.

Last Earnings Report

Salesforce Q4 Earnings & Revenues Beat Estimates, Up Y/Y

Salesforce delivered better-than-expected results for fourth-quarter fiscal 2021. The company's fiscal fourth-quarter non-GAAP earnings of \$1.04 per share handily beat the Zacks Consensus Estimate of 75 cents. Quarterly earnings jumped 58% year over year mainly on higher revenues and a benefit of 22 cents per share from mark-to-mark accounting required by ASU 2016-01.

Salesforce's quarterly revenues of \$5.82 billion climbed 20%, year on year, surpassing the Zacks Consensus Estimate of \$5.68 billion. The top-line figure also improved 19% in constant currency (cc).

The enterprise cloud computing solutions provider has been benefiting from the robust demand environment as customers are undergoing a major digital transformation. The rapid adoption of its cloud-based solutions resulted in the better-than-anticipated performance during the fiscal fourth quarter.

Quarter in Detail

Coming to the company's business segments, revenues at Subscription and Support increased about 20% from the year-earlier period to \$5.48 billion. Professional Services and Other revenues climbed 18% to \$341 million.

Sales Cloud revenues grew 11%, year over year, to \$1.36 billion. Revenues from Service Cloud, one of the company's largest and the fastest-growing businesses, also improved 19% to \$1.45 billion. Moreover, Marketing & Commerce Cloud revenues jumped 27% to \$869 million. Salesforce Platform and Other revenues were up 26% to \$1.81 billion.

Geographically, the company registered revenue growth at cc of 18% in the Americas (69% of total revenues), 27% in the Asia Pacific (10%), and 24% in Europe and Middle East Asia or EMEA (21%) on a year-over-year basis.

Salesforce's gross profit came in at \$4.34 billion, up 19.5% from the prior-year quarter. However, gross margin contracted 30 basis points (bps) to 74.6%.

Salesforce recorded a non-GAAP operating income of \$1.02 billion, up 36.6% year on year. Operating margin expanded 210 bps to 17.5% on efficient cost management. Operating expenses flared up 14.2% year over year to \$3.56 billion.

Salesforce exited the fiscal fourth quarter with cash, cash equivalents and marketable securities of \$12 billion compared with the \$9.5 billion recorded at the end of the previous quarter. The company generated an operating cash flow of \$2.17 billion in the fourth quarter and \$4.8 billion in fiscal 2021.

As of Jan 31, 2021, current remaining performance obligation, which reflects future revenues under contract, was \$18 billion, up 20% on a year-over-year basis.

Guidance

Buoyed by the stellar fiscal fourth-quarter results, Salesforce raised its revenue outlook for first-quarter and fiscal 2022.

For the fiscal first quarter, it now projects total sales between \$5.875 billion and \$5.885 billion, up from the previous guidance of \$5.680-\$5.715 billion. Furthermore, Salesforce anticipates non-GAAP earnings per share in the band of 88-89 cents for the current quarter.

For fiscal 2022, the company raised its sales outlook to \$25.65-\$25.75 billion from the \$25.45-\$25.55 billion projected earlier. It estimates earnings in the range of \$3.39-\$3.41 per share for the fiscal year. Additionally, management projects non-GAAP operating margin of 17.7%.

Quarter Ending 01/2021

Report Date	Feb 25, 2021
Sales Surprise	2.49%
EPS Surprise	38.67%
Quarterly EPS	1.04
Annual EPS (TTM)	4.92

Recent News

On Jan 15, Salesforce announced that Sally Beauty Holdings has partnered with it to implement cloud-based enhancements to support the shopping experience for beauty enthusiasts and salon professionals.

On Dec 18, Salesforce announced partnering with IBM to help businesses, schools and governments as they strive to reopen safely in the wake of the COVID-19 pandemic.

On Dec 2, Salesforce announced that Bentley Motors will deploy Salesforce cloud solutions to give its employees a 360-degree view of customers—connecting Bentley Motors' sales, service, and marketing organizations to deliver a white-glove, personalized experience to customers.

On Dec 1, Salesforce announced entering into a definitive agreement to acquire Slack Technology in a cash-stock deal worth \$27.7 billion. Per the terms of the deal, Slack shareholders will receive \$26.79 in cash and 0.0776 shares of Salesforce for each shares held. The transaction is expected to complete in the second quarter of fiscal 2022.

On Nov 24, Salesforce announced that Einstein, CRM's first comprehensive artificial intelligence (AI), now delivers over 80 million AI-powered predictions on a daily basis across all Salesforce products.

On Nov 23, Salesforce granted equity awards under its 2014 Inducement Equity Incentive Plan to the new Mobify Research and Development employees who joined Salesforce.

On Oct 20, Salesforce announced expansion of its Work.com platform with new products and communication apps to help companies boost productivity.

On Oct 6, Salesforce's investment arm Salesforce Ventures initiated its second Impact Fund of worth \$100 million with a socially-positive mission as the company intends to invest in cloud start-ups that address today's urgent and interwoven global requirements.

On Sep 30, Salesforce unveils Work.com for vaccines. The company said that the technology will help enable governments and healthcare organizations to manage vaccine operations, from patient registration and scheduling to inventory management and public health outreach.

On Sep 23, Salesforce introduces Digital 360. The Digital 360 delivers new technology, services and learning that help digital leaders transform their customer engagement and accelerate growth in the all-digital, work-from-anywhere world.

On Sep 2, Salesforce announced a multi-year agreement with Humana to help deliver a more connected, personalized healthcare experience for its members.

On Aug 11, Salesforce announces Work.com for schools and grants \$20 million to help schools reopen safely and support student learning anywhere.

On Aug 10, Salesforce and CVS Health form a strategic partnership under which customers would get access to each company's COVID-19 return to work and campus solutions together.

On Aug 10, Salesforce announced the University of Kentucky will deploy Salesforce's Work.com to help it safely welcome back students, faculty, and staff to its campus on August 17.

Valuation

Salesforce shares lost 19.1% of its value in the 6-month period while has gained 21.5% over the trailing 12-month period. Stocks in the Zacks sub-industry have gained 6.2%, while the Zacks Computer & Technology sector increased 19.2% over the past 6 months. Over the past year, the Zacks sub-industry and the sector have increased 38.1% and 51.5%, respectively.

The S&P 500 Index has gained 13.8% in the 6-month period and 30.4% in the past year.

The stock is currently trading at 7.27X forward 12-month sales, which compares to 8.58X for the Zacks sub-industry, 4.82X for the Zacks sector and 4.51X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 11.27X and as low as 4.65X with a 5-year median of 6.61X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$216 price target reflects 7.63X forward 12-month sales.

The table below shows summary valuation data for CRM

Valuation Multiples - CRM					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	7.27	8.58	4.82	4.51
	5-Year High	11.27	8.58	4.82	4.51
	5-Year Low	4.65	4.26	2.79	3.21
	5-Year Median	6.61	6.12	3.50	3.68
EV/Sales TTM	Current	8.43	8.60	5.39	4.60
	5-Year High	12.87	9.44	5.49	4.68
	5-Year Low	5.81	3.81	3.06	2.64
	5-Year Median	8.14	6.15	3.93	3.60

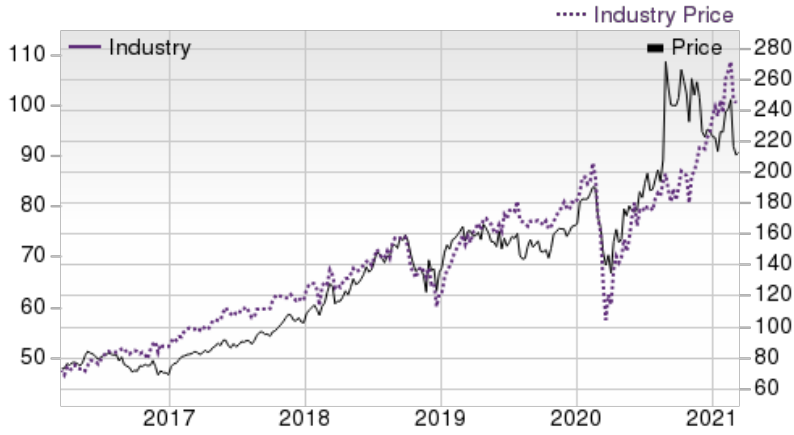
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EV/EBITDA TTM	Current	56.99	16.27	16.27	17.24
	5-Year High	96.11	17.16	17.16	17.54
	5-Year Low	25.66	8.92	8.92	9.63
	5-Year Median	48.37	12.29	12.29	13.30

As of 03/03/2021

Source: Zacks Investment Research

Industry Analysis Zacks Industry Rank: Bottom 43% (143 out of 253)



Top Peers

Company (Ticker)	Rec	Rank
Adobe Inc. (ADBE)	Neutral	3
Dassault Systemes SA (DASTY)	Neutral	3
Intuit Inc. (INTU)	Neutral	3
SAP SE (SAP)	Neutral	3
Synopsys, Inc. (SNPS)	Neutral	3
SS&C Technologies Ho..(SSNC)	Neutral	3
VMware, Inc. (VMW)	Neutral	3
Autodesk, Inc. (ADSK)	Underperform	4

Industry Comparison Industry: Computer - Software

	CRM	X Industry	S&P 500	ADBE	INTU	VMW
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	D	-	-	C	F	D
Market Cap	195.44 B	3.08 B	28.48 B	211.80 B	104.41 B	61.28 B
# of Analysts	18	4	13	13	9	13
Dividend Yield	0.00%	0.00%	1.38%	0.00%	0.62%	0.00%
Value Score	D	-	-	D	D	C
Cash/Price	0.06	0.06	0.06	0.03	0.03	0.06
EV/EBITDA	50.08	24.71	15.90	41.58	42.68	25.35
PEG Ratio	3.94	3.15	2.36	1.96	3.15	1.47
Price/Book (P/B)	4.71	7.59	3.90	15.97	11.77	7.23
Price/Cash Flow (P/CF)	30.85	30.54	15.91	42.96	51.21	21.85
P/E (F1)	61.69	36.22	21.22	39.22	45.62	21.44
Price/Sales (P/S)	9.20	6.15	3.30	16.46	13.53	5.21
Earnings Yield	1.62%	2.55%	4.61%	2.55%	2.19%	4.67%
Debt/Equity	0.06	0.23	0.67	0.31	0.23	0.59
Cash Flow (\$/share)	6.88	1.38	6.78	10.28	7.45	6.68
Growth Score	B	-	-	B	F	C
Hist. EPS Growth (3-5 yrs)	86.69%	11.10%	9.32%	39.40%	19.57%	12.16%
Proj. EPS Growth (F1/F0)	-30.13%	7.84%	14.54%	11.45%	6.33%	-5.44%
Curr. Cash Flow Growth	62.21%	8.82%	0.72%	23.73%	14.79%	0.87%
Hist. Cash Flow Growth (3-5 yrs)	46.81%	8.63%	7.32%	35.45%	12.23%	13.69%
Current Ratio	1.23	1.67	1.39	1.48	1.53	0.90
Debt/Capital	6.05%	21.03%	41.42%	23.69%	18.65%	37.03%
Net Margin	19.16%	6.43%	10.59%	40.88%	22.64%	17.49%
Return on Equity	7.38%	13.12%	14.75%	35.81%	28.28%	26.59%
Sales/Assets	0.36	0.57	0.51	0.58	0.72	0.42
Proj. Sales Growth (F1/F0)	20.87%	6.81%	7.02%	18.31%	16.59%	8.22%
Momentum Score	F	-	-	C	B	F
Daily Price Chg	1.30%	0.24%	-0.12%	0.53%	1.95%	-0.64%
1 Week Price Chg	0.69%	2.64%	2.96%	0.79%	3.59%	2.97%
4 Week Price Chg	-14.09%	-5.06%	3.72%	-9.60%	-8.21%	2.45%
12 Week Price Chg	-6.01%	6.03%	8.75%	-11.67%	0.03%	2.16%
52 Week Price Chg	52.16%	79.52%	72.55%	43.57%	76.61%	45.70%
20 Day Average Volume	8,753,017	131,495	2,394,762	3,087,005	1,674,291	1,202,909
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-9.56%	0.00%	0.00%	0.00%	-0.09%	-3.51%
(F1) EPS Est 12 week change	-10.01%	2.61%	2.10%	-0.15%	3.03%	-3.51%
(Q1) EPS Est Mthly Chg	68.97%	0.00%	0.00%	0.00%	2.59%	-3.80%

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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

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	D
Growth Score	B
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.

Disclosures

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