

Walmart Inc. (WMT)

\$111.53 (Stock Price as of 12/01/2025)

Price Target (6-12 Months): **\$106.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 08/13/24)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: C

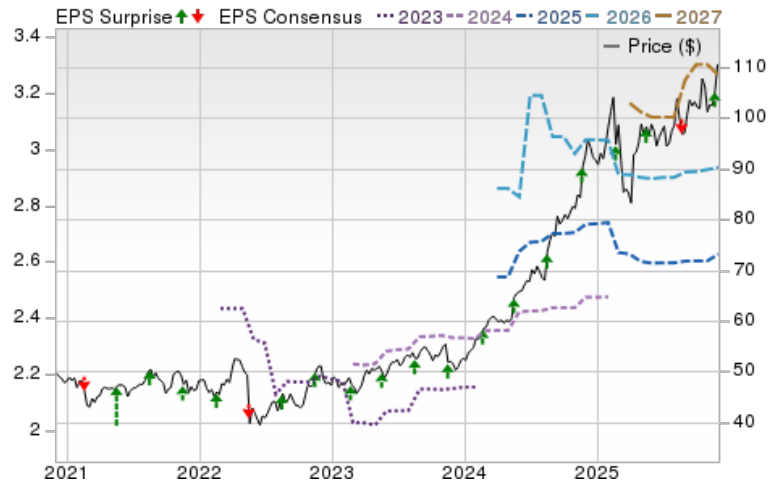
Growth: B

Momentum: B

Summary

Walmart is benefiting from the inherent strength of its highly diversified business model. The company's strong omnichannel strategy has boosted traffic at physical stores and digital platforms. Walmart's focus on improving delivery services is successful, leading to steady grocery market share gains. Upsides like these, along with growth in newer ventures like advertising and membership, fueled second-quarter fiscal 2026 results, wherein earnings and revenues increased year over year, and e-commerce sales surged. For the fiscal third quarter, management expects consolidated net sales growth of 3.75-4.75% at cc. However, the company has been witnessing deleveraged operating expenses for a while now. In addition, tariff-related woes remain concerning.

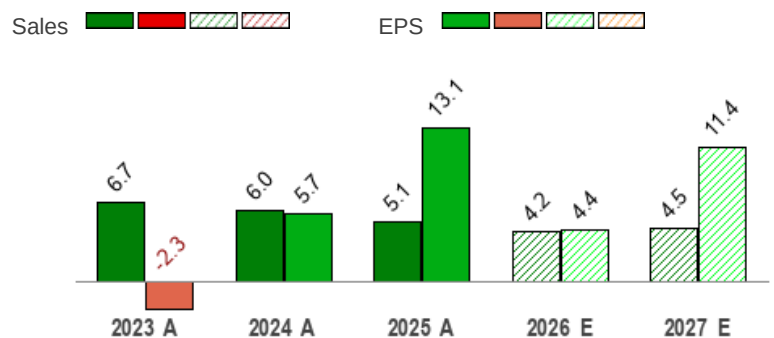
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$111.76 - \$79.81
20 Day Average Volume (sh)	19,692,050
Market Cap	\$889.2 B
YTD Price Change	23.4%
Beta	0.64
Dividend / Div Yld	\$0.94 / 0.8%
Industry	Retail - Supermarkets
Zacks Industry Rank	Bottom 38% (150 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Last EPS Surprise	1.6%
Last Sales Surprise	1.3%
EPS F1 Est- 4 week change	0.9%
Expected Report Date	02/19/2026
Earnings ESP	-0.1%

Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	173,736 E	185,257 E	186,507 E	198,204 E	743,607 E
2026	165,609 A	177,402 A	179,496 A	190,156 E	711,633 E
2025	161,508 A	169,335 A	169,588 A	180,554 A	680,985 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	0.68 E	0.76 E	0.69 E	0.82 E	2.94 E
2026	0.61 A	0.68 A	0.62 A	0.72 E	2.63 E
2025	0.60 A	0.67 A	0.58 A	0.66 A	2.51 A

*Quarterly figures may not add up to annual.

P/E TTM	43.4
P/E F1	42.4
PEG F1	5.4
P/S TTM	1.3

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/01/2025.

(2) The report's text and the price target are as of 11/19/2025.

Overview

Walmart Inc. has evolved from just being a traditional brick-and-mortar retailer into an omnichannel player. In this regard, acquisitions; partnerships; delivery programs like Walmart + and Express Delivery; 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. Apart from United States, Walmart has operations in Canada, Chile, China, India, Mexico, Africa and Central America. The company operates in Mexico as Walmex and in India as Best Price. As of July 31, 2025, Walmart operated more than 10,750 stores across 19 countries, alongside its e-commerce sites.

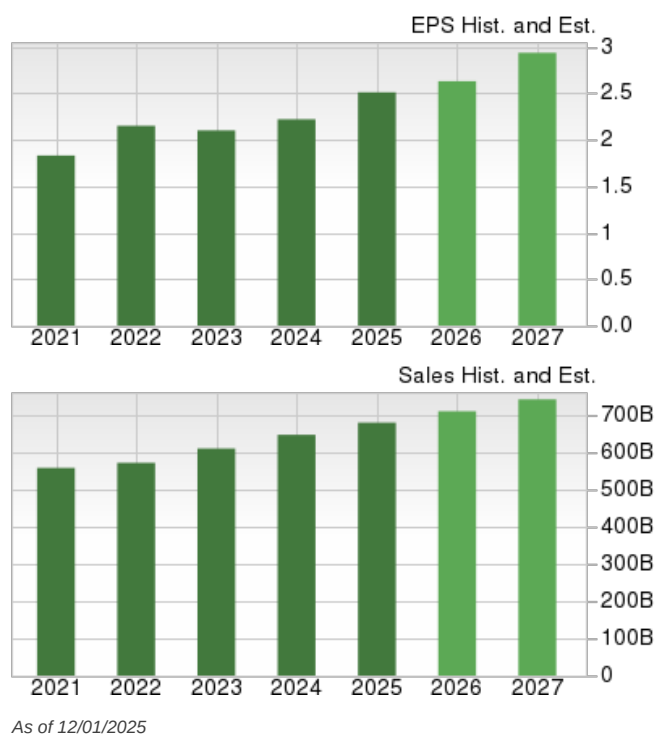
Walmart conducts its businesses under three segments, and generated revenues of \$681 billion in fiscal 2025.

Walmart U.S. (68.6% of fiscal 2025 revenues) operates retail stores in different formats in the U.S. and also in Puerto Rico.

Walmart International (18.1%) consists of retail operations outside the United States.

Sam's Club (13.4%) comprises membership warehouse clubs in the United States and in Puerto Rico.

On Jan 30, 2024, management authorized a three-for-one forward split of its common shares and a proportionate rise in the number of authorized shares. Consequently, each shareholder, as of Feb 22, 2024, will receive two extra shares of the common stock.



Reasons To Buy:

▲ **Inherent Strength Drives Growth:** Walmart continues to benefit from the inherent strength of its highly diversified business model, with solid contributions across segments, markets, channels and formats. The company is capitalizing on increased traffic in both in-store and digital channels, showcasing its ability to effectively navigate the evolving retail landscape. In the second quarter of fiscal 2026, Walmart delivered strong results, with both revenues and earnings growing year over year while the former also surpassing the Zacks Consensus Estimate.

The company continues to optimize operations for greater efficiency, balancing strategic investments with enhanced customer experiences. It experienced expanding e-commerce, increasing pickup options and accelerating delivery services. The company continues to balance innovation with disciplined execution, showcasing resilience in an uncertain consumer environment. Notably, digital channels, advertising and membership income played pivotal roles in driving momentum, while strategic investments and one-time expenses weighed on operating profit. Advertising revenues soared 46% in the fiscal second quarter. Moving ahead, management raised fiscal 2026 net sales and adjusted earnings per share (EPS) guidance. For fiscal 2026, WMT now expects consolidated net sales growth of 3.75-4.75% (at cc) compared with prior guidance of 3-4%. The adjusted operating income is expected to increase 3.5-5.5% at cc for the year. Walmart now expects adjusted EPS for fiscal 2026 to be in the \$2.52-\$2.62 range compared with prior guidance of \$2.50-\$2.60 and \$2.51 earned in fiscal 2025. For the third quarter of fiscal 2026, WMT expects consolidated net sales growth of 3.75-4.75% (at cc). The guidance includes almost 20 bps benefit from the VIZIO acquisition. The operating income is expected to grow 3-6% (cc), with adjusted EPS in the range of 58-60 cents. Together, such strengths reinforce Walmart's position as a dominant retail force poised for sustained success and long-term customer engagement.

Walmart's omnichannel strategy stands as a cornerstone of its growth. Newer ventures like the marketplace, advertising and membership further contribute to diversified profits.

▲ **Impressive Comp Sales:** Walmart continues to post impressive comparable sales growth, supported by its ongoing expansion initiatives and strong e-commerce performance. The company's strategic focus on strengthening its physical store fleet has paid off, serving both in-store shoppers and fulfilling a significant portion of online orders. Walmart has been focused on store remodeling in an attempt to upgrade them with advanced in-store and digital innovations. Additionally, the company has been undertaking several efforts to enhance merchandise assortments. The company's compelling pricing strategy continues to attract value-conscious consumers. In the fiscal second quarter, U.S. comp sales, excluding fuel, were up 4.6%, driven by solid growth in grocery and health & wellness. Also, transactions grew 1.5% and average ticket increased 3.1%, as well as e-commerce contribution of 420 basis points.

▲ **Robust E-Commerce Initiatives:** Walmart continues to be driven by its strong omnichannel business. From investing in pioneering data analytics to expanding its digital presence and optimizing in-store operations, Walmart leaves no stone unturned. Impressive store proximity to customers has allowed Walmart to use its stores to fulfill e-commerce orders. The company has undertaken several initiatives to enhance e-commerce operations, including buyouts, alliances, and improved delivery and payment systems. In the second quarter of fiscal 2026, Walmart's Global e-commerce sales surged 25% as the digital mix increased across all segments. This upside can be attributed to store-fulfilled pickup and delivery services. The company witnessed a 15.3% increase in membership income globally. WMT's global advertising business advanced 46%. The upside can be attributed to store-fulfilled pickup and delivery services. The company emphasized that its omnichannel strategy continues to gain relevance in today's dynamic retail environment. Walmart U.S.' e-commerce sales rose 26%, driven by strong performance in store-fulfilled delivery, marketplace growth and advertising. Expedited delivery options continue to attract convenience-focused customers. Walmart International's e-commerce sales increased 22% in the fiscal second quarter, driven by strong growth in store-fulfilled pickup and delivery services and marketplace performance, with a higher digital sales mix across markets. Sam's Club U.S.' e-commerce sales jumped 26% at Sam's Club U.S. Membership income increased 7.6%, supported by consistent growth in member count, strong renewal rates and higher penetration of Plus members. Other notable strides in the e-commerce realm include the buyout of a major stake in Flipkart, which has been bolstering its International segment. Walmart's majority stake in India's digital transaction platform, PhonePe, is also worth mentioning.

▲ **Focus on Delivery Services:** Walmart has significantly bolstered its delivery capabilities, as exemplified by its Express On-Demand Early Morning Delivery service, Spark Driver platform, partnership with Salesforce, the expansion of the InHome delivery service, investments in DroneUp, the Walmart+ membership program and a pilot with Cruise to test grocery delivery through self-driven all-electric cars. Preceding these endeavors, Walmart introduced Express Delivery in April 2021, and in January 2019, it forged partnerships with Point Pickup, Skipcart, AxleHire and Roadie. Additionally, the acquisition of Parcel in September 2017 was a strategic move to elevate its delivery service. The company's store and curbside pickup options add to customers' convenience. Walmart has expanded its store-fulfilled delivery network. As of the second quarter of fiscal 2026, Walmart U.S. is providing store-fulfilled delivery in under three hours to 93% of the U.S. households. The company is on track to offer delivery options of three hours to nearly 95% of the U.S. population, enhancing customer satisfaction, boosting conversion rates, and strengthening its competitive edge in the beauty and fragrance market.

▲ **Financial Health:** Walmart's healthy cash flows have been allowing it to make shareholder-friendly moves. As of the end of second-quarter fiscal 2026, the company generated an operating cash flow of \$18.4 billion and a free cash flow of \$6.9 billion. The company's strong cash position gives it the flexibility to capitalize on market share growth opportunities while continuing to strategically invest in high-impact areas like supply chain automation, store expansion, remodeling initiatives and advanced technology. Year to date, Walmart repurchased 67.4 million shares for \$6.2 billion, with \$5.9 billion remaining under its \$20 billion authorization. As of July 31, 2025, the company paid dividends of \$3.8 billion.

Reasons To Sell:

- ▼ **Tariff Woes:** Walmart faces growing headwinds from escalating tariff pressures that could impact its near-term financial performance. The company acknowledged it is not fully immune to the short-term effects of ongoing tariffs, warning that a return to sharply higher tariff levels could jeopardize its ability to grow earnings year over year. With key import markets like China, Mexico, Vietnam, India and Canada under pressure, Walmart expects rising tariff-related costs to push prices higher in the near term. While the company believes it is well-positioned to manage these challenges better than its peers, prolonged elevated tariffs remain a clear downside risk.
- ▼ **Cost Woes to Hurt:** Operating expenses deleveraged 64 basis points (bps) in the second quarter of fiscal 2026, impacting overall profitability. The downside can mainly be attributed to higher self-insured liability claims in the United States, along with technology investments and wage increases at Sam's Club across the United States, Canada and Mexico. This was partially offset by improved international leverage. On an adjusted basis, operating expenses deleveraged 35 bps, excluding discrete legal and reorganization charges. The company's operating income decreased 8.2% year over year to \$7.3 billion, affected by discrete legal & restructuring costs.
- ▼ **Volatile Currency Movements:** Due to high exposure to international markets, Walmart remains prone to volatile currency movements. In second-quarter fiscal 2026, foreign currency fluctuations negatively impacted Walmart International sales by \$1.5 billion. If these exchange rates hold, management expects a modest headwind to reported sales growth in the fiscal third quarter, posing a potential challenge to profitability.
- ▼ **Macroeconomic Concerns:** The macroeconomic environment poses a significant challenge to Walmart's growth trajectory. Underlying inflation, combined with stagnant wage growth for lower- to middle-income consumers, creates a tough operating landscape. While Walmart has benefited from its value proposition, the broader economic pressures are leading to shifts in consumer behavior.

Walmart's profitability is under pressure due to increased operating costs, currency fluctuations and higher tariffs.

Last Earnings Report

Walmart Q2 Earnings Miss Estimates, Sales Beat

Walmart reported second-quarter fiscal 2026 results, with the top line beating the Zacks Consensus Estimate while the bottom line missing the same. Both metrics showed year-over-year growth.

Walmart's Quarterly Metrics: Key Insights

WMT's adjusted earnings of 68 cents per share inched up 1.5% from the year-ago period's 67 cents. The metric missed the Zacks Consensus Estimate of 73 cents.

Walmart's total revenues rose 4.8% year over year to \$177.4 billion, which beat the consensus mark of \$175.5 billion. On a constant-currency basis, revenues grew 5.6%, reflecting strong performance across all business segments.

Walmart's Global e-commerce sales surged 25% as the digital mix increased across all segments. This upside can be attributed to store-fulfilled pickup and delivery services. The company witnessed a 15.3% increase in membership income globally. WMT's global advertising business advanced 46%.

The consolidated gross profit margin expanded 4 bps to 24.5%, driven by Walmart U.S. Margin growth. Operating income decreased 8.2% year over year to \$7.3 billion, affected by discrete legal & restructuring costs. Adjusted operating income (cc) is up 0.4%.

Decoding Walmart's Segmental Show

Walmart U.S.: The segment's net sales grew 4.8% year over year to \$120.9 billion. Strong sales performance was driven by growth in grocery and health & wellness, along with low single-digit gains in general merchandise. U.S. comp sales, excluding fuel, were up 4.6%, fueled by transaction growth of 1.5%, an average ticket increase of 3.1%, as well as strong e-commerce growth. E-commerce sales rose 26%, driven by strong performance in store-fulfilled delivery, marketplace growth and advertising.

The operating income of the Walmart U.S. segment jumped 2% to \$6.7 billion, reflecting solid inventory management and improved e-commerce economics, partly offset by elevated claims expenses.

Walmart International: The segment's net sales inched up 5.5% to \$31.2 billion. Foreign currency fluctuations negatively impacted sales by \$1.5 billion. On a cc basis, net sales jumped 10.5%, driven by strong performance in China, Flipkart and Walmex, supported by higher transaction counts and increased unit volumes. Sales strength continued across food and consumables, alongside growth in general merchandise.

E-commerce sales increased 22%, driven by strong growth in store-fulfilled pickup and delivery services and marketplace performance, with a higher digital sales mix across markets. The operating income, on a cc basis, fell 2.8% to \$1.3 billion, impacted by strategic investments in India, Canada and Mexico, along with unfavorable currency translation.

Sam's Club U.S.: The segment, which comprises membership warehouse clubs, witnessed a net sales increase of 6% to \$21.2 billion (excluding fuel). Sam's Club's comp sales, excluding fuel, grew 5.9%. While transactions grew 3.9%, the average ticket climbed 2%. Sales growth was driven by strong performance in grocery and health & wellness.

E-commerce net sales jumped 26% at Sam's Club U.S. Membership income increased 7.6%, supported by consistent growth in member count, strong renewal rates and higher penetration of Plus members. The segment's operating income totaled \$0.5 billion, down 15.8% year over year.

WMT Stock: Other Updates & Developments

The company ended the quarter with cash and cash equivalents of \$9.4 billion and total debt of \$50.3 billion. For the six months ended July 31, 2025, WMT generated an operating cash flow of \$18.4 billion and a free cash flow of \$6.9 billion. In fiscal 2026, capital expenditure is likely to account for 3-3.5% of net sales.

Year to date, Walmart repurchased 67.4 million shares for \$6.2 billion, with \$5.9 billion remaining under its \$20 billion authorization.

What to Expect From WMT in Fiscal 2026?

For fiscal 2026, WMT now expects consolidated net sales growth of 3.75-4.75% (at cc) compared with prior guidance of 3-4%. The adjusted operating income is expected to increase 3.5-5.5% at cc for the year. Net interest expenses are likely to escalate \$100-\$200 million.

Walmart now expects adjusted EPS for fiscal 2026 to be in the \$2.52-\$2.62 range compared with prior guidance of \$2.50-\$2.60. The company recorded an adjusted EPS of \$2.51 in fiscal 2025.

FY Quarter Ending **1/31/2025**

Earnings Reporting Date	Nov 20, 2025
Sales Surprise	1.33%
EPS Surprise	1.64%
Quarterly EPS	0.62
Annual EPS (TTM)	2.57

Recent News

Walmart Drives Holiday Momentum With Bigger, Faster Savings Push - Nov 14, 2025

Walmart, which named John Furner as the new president and CEO (from Feb. 1, 2026), is entering the holiday season with a more aggressive value strategy. The company is rolling out more deals and faster fulfillment to attract shoppers who want to save money and shop quickly. The goal is to build early momentum by offering more choices and making holiday shopping easier both online and in stores. This year's lineup features a wider range of low-price offers across electronics, home goods and popular gift categories. Walmart is putting extra attention on items under \$20 to appeal to budget-conscious customers. Walmart+ members also get early online access, which helps build loyalty and encourages shoppers to lock in deals sooner.

Online shopping remains a big growth driver, and Walmart plans to drop another round of web-only discounts as December begins. Spreading out promotions over several events helps the retailer keep shoppers engaged beyond the usual Black Friday rush and bring more traffic to its digital platforms. Convenience is another core theme, with Walmart sharpening its same-day and rapid delivery capabilities. Shoppers can choose from options like same-day pickup or quick home delivery, with the company emphasizing speed as a key advantage as consumers juggle tight schedules and last-minute needs. Overall, Walmart's expanded deals, member perks and faster fulfillment are aimed at keeping demand strong throughout the season.

Walmart Accelerates AI Transformation With OpenAI Partnership - Oct. 14, 2025

Walmart is rapidly scaling the use of artificial intelligence across its business to enhance productivity, improve customer experience and strengthen operational efficiency. The retail giant has partnered with OpenAI to let customers shop directly within ChatGPT, blending conversation with commerce in what the company calls an "AI-first shopping" model. The initiative allows users to plan meals, restock essentials or discover new products simply by chatting and buy instantly through "Instant Checkout."

Walmart to Launch Branded Stores in South Africa - Sept. 9, 2025

Walmart intends to introduce its first branded stores in South Africa, later this year. This follows the company's first Growth Summit held in April, where suppliers from 12 countries across the continent showcased innovative, locally made, grown or assembled products. The new stores will offer affordable groceries alongside a varied selection of family, home, and entertainment items including major global brands in spacious stores with convenience and friendly-services.

Valuation

Walmart shares are up 12.3% in the year-to-date period and 16.4% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 13.8%, whereas the Zacks Retail-Wholesale sector is up 5.1% in the year-to-date period. Over the past year, the Zacks sub-industry is up 18.1% while the sector gained 7.7%.

The S&P 500 index is up 14.5% in the year-to-date period and 14.2% in the past year.

The stock is currently trading at 38.47X forward 12-month earnings, which compares to 32.87X for the Zacks sub-industry, 24.27X for the Zacks sector and 22.98X for the S&P 500 index.

Over the past five years, the stock has traded as high as 41.48X and as low as 17.24X, with a 5-year median of 24.12X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$106 price target reflects 37.24X forward 12-month earnings.

The table below shows summary valuation data for WMT

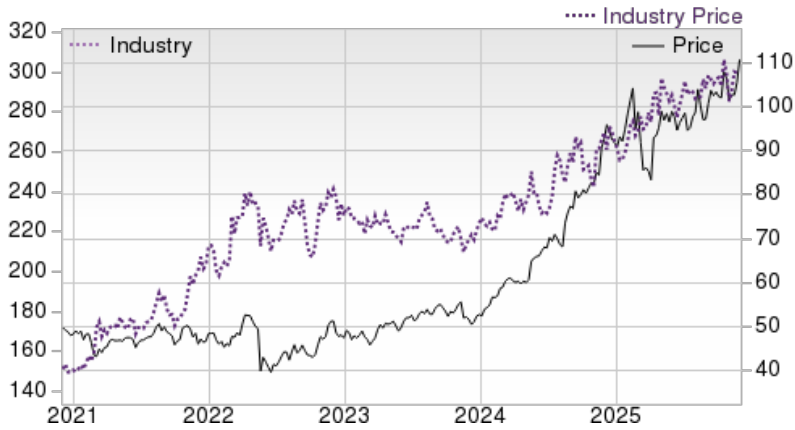
Valuation Multiples - WMT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	35.47	32.87	24.27	22.98
	5-Year High	41.48	34.04	34.74	23.81
	5-Year Low	17.24	17.55	21.48	15.73
	5-Year Median	24.12	22.15	24.78	21.2
P/S F12M	Current	1.1	1.08	1.61	5.22
	5-Year High	1.22	1.08	2.05	5.52
	5-Year Low	0.54	0.56	1.2	3.84
	5-Year Median	0.7	0.69	1.54	5.06
EV/EBITDA TTM	Current	20.62	20.16	12.84	18.06
	5-Year High	22.11	20.55	27.12	22.58
	5-Year Low	8.7	8.56	11.26	13.97
	5-Year Median	11.94	11.98	14.57	18.09

As of 11/18/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 38% (150 out of 243)

Top Peers⁽¹⁾



Company (Ticker)	Rec	Rank
Costco Wholesale Cor...(COST)	Outperform	4
Carrefour SA (CRRFY)	Neutral	4
Jeronimo Martins SGP...(JRONY)	Neutral	3
The Kroger Co. (KR)	Neutral	3
Marks and Spencer Gr...(MAKSY)	Neutral	3
Tesco PLC (TSCDY)	Neutral	4
Wal-Mart de Mexico S...(WMMVY)	Neutral	2
J. Sainsbury PLC (JSAIY)	Underperform	4

Industry Comparison ⁽¹⁾ Industry: Retail - Supermarkets				Industry Peers		
	WMT	X Industry	S&P 500	CRRFY	KR	TSCDY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	4	3	4
VGM Score	B	-	-	A	B	A
Market Cap	889.21 B	9.92 B	37.98 B	11.45 B	44.76 B	38.96 B
# of Analysts	12	1	22	2	6	2
Dividend Yield	0.84%	1.16%	1.46%	5.68%	2.07%	2.08%
Value Score	C	-	-	A	A	A
Cash/Price	0.01	0.13	0.04	0.55	0.13	NA
EV/EBITDA	21.88	6.17	14.48	NA	7.31	NA
PEG Ratio	5.40	2.36	2.21	1.63	1.97	1.31
Price/Book (P/B)	8.70	1.21	3.36	0.92	4.81	2.73
Price/Cash Flow (P/CF)	26.97	6.96	14.93	2.78	6.28	8.47
P/E (F1)	42.41	15.69	20.30	9.42	14.13	15.85
Price/Sales (P/S)	1.26	0.30	3.10	NA	0.30	NA
Earnings Yield	2.36%	6.31%	4.91%	10.61%	7.08%	6.31%
Debt/Equity	0.39	0.38	0.57	1.02	1.85	NA
Cash Flow (\$/share)	4.13	4.13	8.99	1.12	10.75	2.13
Growth Score	B	-	-	B	B	A
Hist. EPS Growth (3-5 yrs)	6.30%	7.24%	8.16%	NA	8.18%	NA
Proj. EPS Growth (F1/F0)	4.78%	7.00%	8.18%	-5.71%	6.94%	3.64%
Curr. Cash Flow Growth	11.38%	2.96%	7.00%	-2.62%	-1.85%	12.80%
Hist. Cash Flow Growth (3-5 yrs)	5.75%	5.21%	7.31%	0.93%	6.93%	1.46%
Current Ratio	0.80	0.95	1.19	0.90	0.95	NA
Debt/Capital	28.46%	27.62%	38.15%	50.45%	64.87%	NA
Net Margin	3.26%	1.86%	12.82%	NA	1.86%	NA
Return on Equity	21.31%	11.97%	17.00%	NA	32.62%	NA
Sales/Assets	2.60	2.33	0.53	NA	2.65	NA
Proj. Sales Growth (F1/F0)	4.50%	6.21%	5.53%	10.70%	1.10%	10.60%
Momentum Score	B	-	-	F	F	A
Daily Price Chg	0.92%	0.06%	0.54%	1.30%	0.40%	0.00%
1 Week Price Chg	4.93%	0.77%	3.73%	2.33%	1.85%	0.78%
4 Week Price Chg	9.78%	2.02%	0.13%	4.71%	6.48%	-0.17%
12 Week Price Chg	9.04%	-0.08%	5.67%	6.51%	-0.66%	0.00%
52 Week Price Chg	20.39%	10.41%	13.54%	8.36%	12.30%	29.16%
20 Day Average Volume	19,692,050	80,559	2,762,023	233,844	5,668,357	130,191
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-1.49%	-0.07%	0.00%
(F1) EPS Est 4 week change	0.93%	0.00%	0.15%	-1.49%	-0.07%	-0.87%
(F1) EPS Est 12 week change	0.96%	0.96%	0.60%	-3.88%	0.36%	1.79%
(Q1) EPS Est Mthly Chg	0.46%	0.00%	-0.04%	NA	-0.33%	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	B
Momentum Score	B
VGM Score	B

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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