



Five for Friday- Flourish During a Zombie Apocalypse

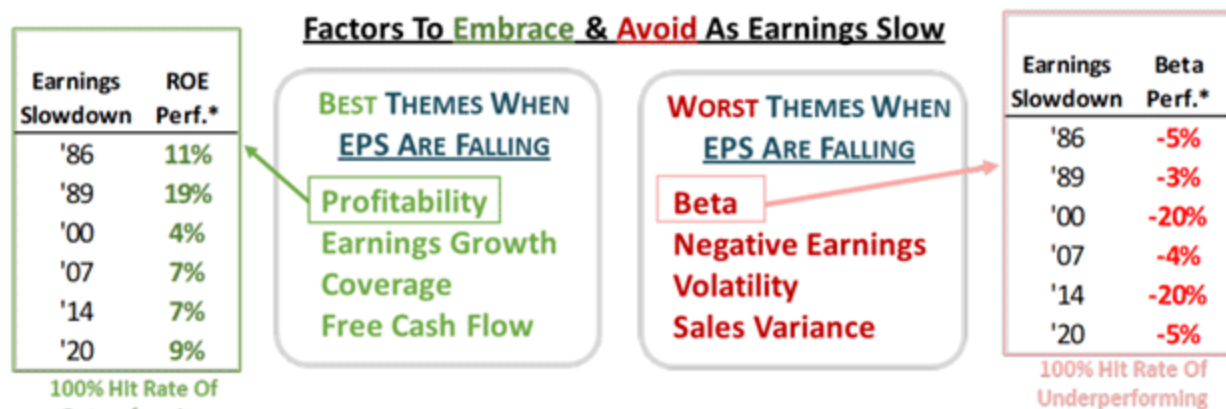
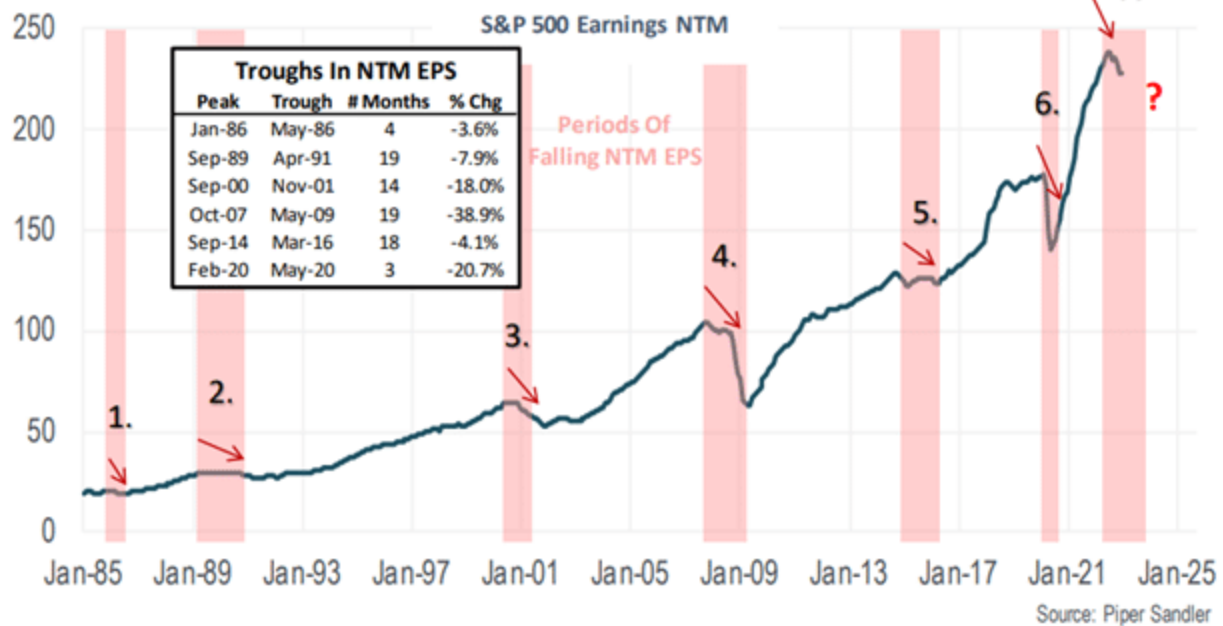
If we piqued your interest in [Shorting Zombie Stocks](#) last week, we follow with a screen that seeks stocks that may do well if a recession occurs and a zombie apocalypse weighs on markets.

Last week's scan focused on stocks with meager interest coverage ratios and flat to negative earnings and sales growth. The result was stocks that may find it challenging to roll over maturing debt if bank lending standards tighten, as we suspect they will.

This week's report seeks zombie slayers. These are stocks that can weather a recession and tighter lending conditions well. In this scan, we use similar criteria but seek stocks at the opposite end of the spectrum regarding said criteria. For example, we searched for relatively high-interest coverage ratios, solid and consistent sales and earnings growth, and plenty of free cash flow.

The idea for the scan came from the Piper Sandler graphic below.

This Is The 7th Period Where NTM EPS Have Declined



**Quality Outperforms And Cyclical
Underperform In Periods Of Falling Earnings**

Screening Criteria

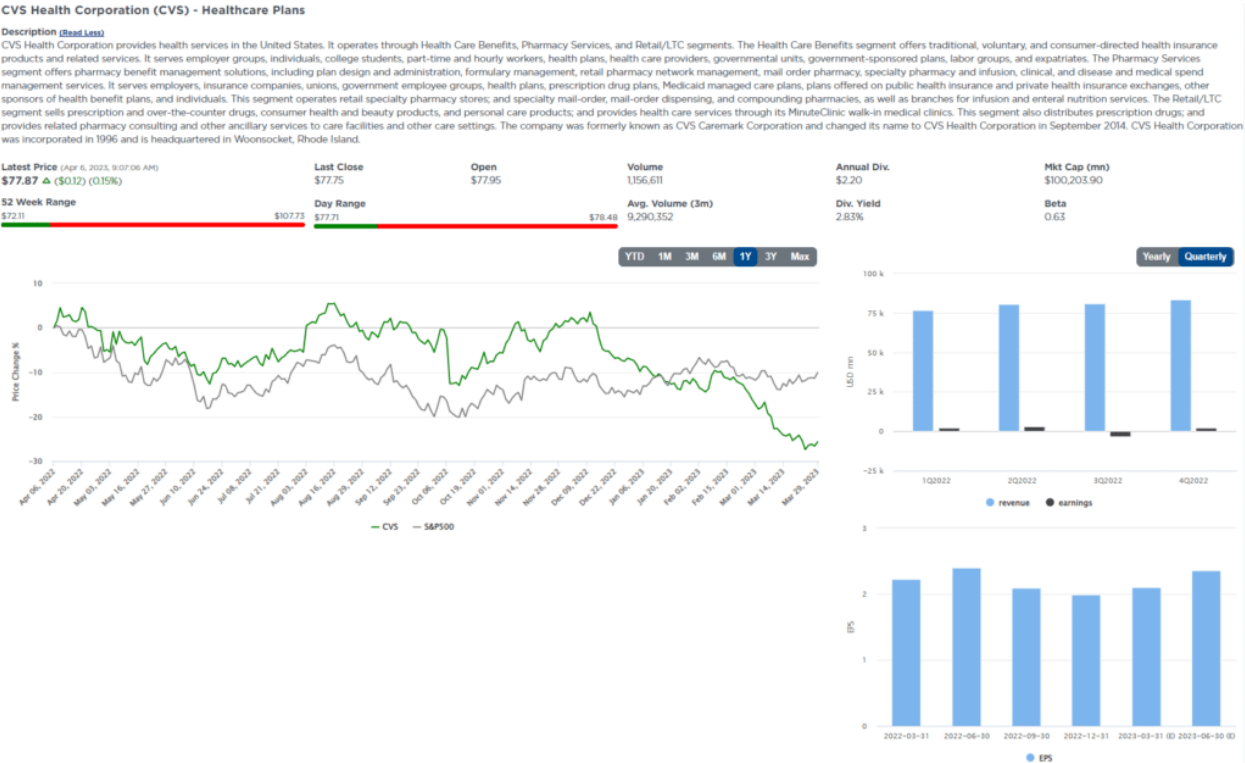
We considered the following factors when screening:

- Excluded Financial, REIT, and MLP Stocks
- 5-year Sales and Earnings Growth > 5%
- Consistency of Earnings and Sales - R-squared of Sales and Earnings Growth > .75
- Price to Free Cash Flow < 10
- Interest Coverage > 3
- Market Cap > \$10bn
- U.S. Domiciled Corporation

	5-yr Earnings Growth	5-yr Earnings R-sq	5-yr Sales Growth	5-yr Sales R-sq	Price to Free Cash Flow	Interest Coverage
CVS	6.06%	0.84	12.56%	0.93	6.20	6.63
GL	6.57%	0.81	5.20%	0.98	7.48	11.45
BLDR	76.98%	0.87	33.53%	0.79	3.67	12.46
ES	5.91%	0.98	8.09%	0.85	8.90	3.28
EXPD	30.80%	0.87	24.80%	0.87	9.93	14.79

Company Summaries

CVS Health Corporation (CVS)



Description ([Read Less](#))

Latest Price (Apr 6, 2023, 9:12:03 AM)
\$109.05 ▲ (\$0.80) (0.74%)

Last Close	Open
\$108.25	\$108.11

Volume
21,387

Avg. Volume (3m)
532,675

Annual Div.
\$0.83

Div. Yield
0.77%

Mkt Cap (mn)
\$10,525.64

Beta
0.80



Builders FirstSource, Inc. (BLDR) - Building Products & Equipment

Description [\(Read Less\)](#)

Latest Price (Apr 6, 2023, 9:30:47 AM)
\$85.59 ▼ (-\$0.37) (-0.43%)

Last Close	Open
\$85.96	\$85.54

Volume
204,405

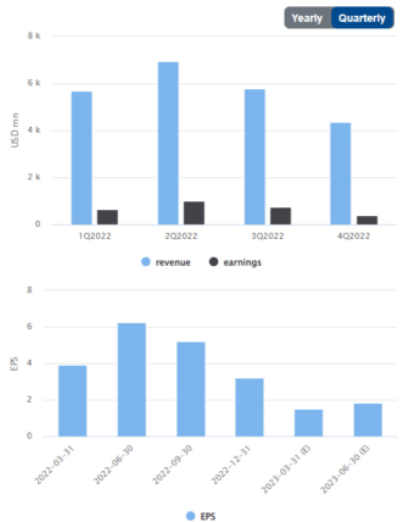
Avg. Volume (3m)

Annual Div.
N/A

Div. Yield
N/A

Mkt Cap (mn)
\$11,812.45

Beta
1.98



Eversource Energy (ES) - Utilities—Regulated Electric

Description [\(Read Less\)](#)

Eversource Energy, a public utility holding company, engages in the energy delivery business. The company operates through Electric Distribution, Electric Transmission, Natural Gas Distribution, and Water Distribution segments. It is involved in the transmission and distribution of electricity; solar power facilities; and distribution of natural gas. The company operates regulated water utilities that provide water services to approximately 226,000 customers. It serves residential, commercial, industrial, municipal and fire protection, and other customers in Connecticut, Massachusetts, and New Hampshire. The company was formerly known as Northeast Utilities and changed its name to Eversource Energy in April 2015. Eversource Energy is based in Springfield, Massachusetts.

Latest Price (Apr 6, 2023, 9:15:24 AM)
\$80.64 ▲ (\$0.12) (0.15%)

Last Close
\$80.52

Open
\$81.09

Volume
90,534

Annual Div.
\$2.55

Mkt Cap (mn)
\$28,116.99

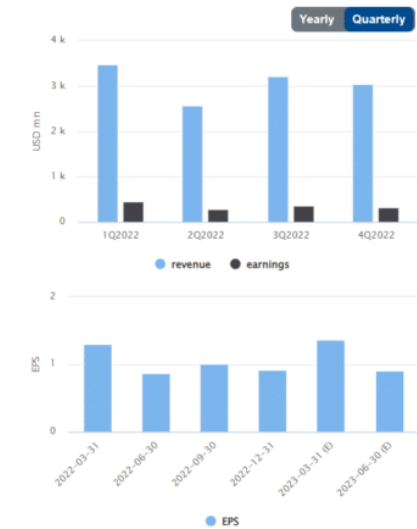
52 Week Range
\$70.54

Day Range
\$80.50

Avg. Volume (3m)
1,818,175

Div. Yield
3.17%

Beta
0.47



Expeditors International of Washington, Inc. (EXPD)

Expeditors International of Washington, Inc. (EXPD) - Integrated Freight & Logistics

Description [\(Read Less\)](#)

Expeditors International of Washington, Inc., together with its subsidiaries, provides logistics services in the Americas, North Asia, South Asia, Europe, the Middle East, Africa, and India. The company offers airfreight services, such as air freight consolidation and forwarding; ocean freight and ocean services, including ocean freight consolidation, direct ocean forwarding, and order management; customs brokerage, intra-continental ground transportation and delivery, and warehousing and distribution services; and customs clearance, purchase order management, vendor consolidation, time-definite transportation services, temperature-controlled transit, cargo insurance, specialized cargo monitoring and tracking, and other supply chain solutions. It also provides optimization, trade compliance, consulting, cargo security, and solutions. In addition, it acts as a freight consolidator or as an agent for the airline, which carries the shipment. Further, the company provides ancillary services that include preparation of shipping and customs documentation, packing, crating, insurance services, negotiation of letters of credit, and the preparation of documentation to comply with local export laws. Its customers include retailing and wholesaling, electronics, technology, and industrial and manufacturing companies. The company was incorporated in 1979 and is headquartered in Seattle, Washington.

Latest Price (Apr 6, 2023, 9:16:59 AM)
\$105.95 ▲ (\$0.32) (0.30%)

Last Close
\$105.63

Open
\$105.24

Volume
106,566

Annual Div.
\$1.34

Mkt Cap (mn)
\$16,636.59

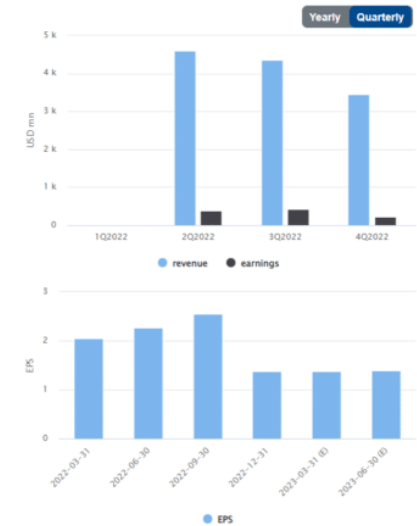
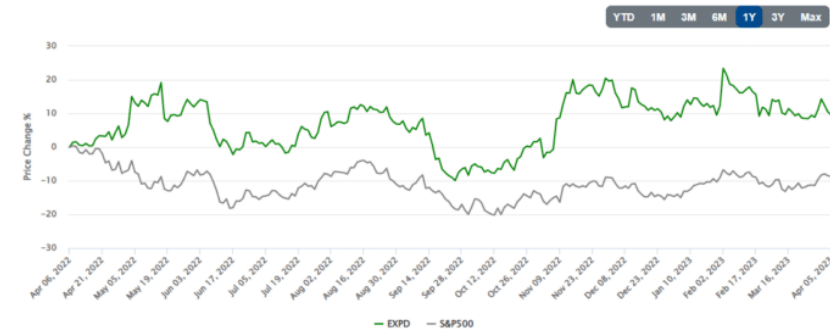
52 Week Range
\$86.08

Day Range
\$104.68

Avg. Volume (3m)
1,424,852

Div. Yield
1.27%

Beta
0.99



Five for Friday

Five for Friday uses stock screens to produce five stocks that we expect will outperform if a particular investment theme plays out in the future. Investment themes may be relevant to the current or expected market, industry and/or economic trends. Investment themes may not always represent our current forecast.

Disclosure

This report is not a recommendation to buy or sell the named securities. We intend to elicit ideas about stocks meeting specific criteria and investment themes. Please read our [disclosures](#) carefully and do your own research before investing.