

BHARAT DYNAMICS (BDL-IN)

Industrial Goods / Aerospace & Defense / Aerospace & Defense

DETAILED STOCK REPORT

Report Date: 2024-Mar-10

Last Close 1,799.25 (INR)	Avg Daily Vol 1.4M	52-Week High 1,984.80	Trailing PE 69.2	Annual Div 9.35	ROE 13.1%	LTG Forecast --	1-Mo Return 2.5%
2024 March 07 NSE Exchange	Market Cap 329.8B	52-Week Low 878.50	Forward PE 54.3	Dividend Yield 0.5%	Annual Rev 23.1B	Inst Own 15.2%	3-Mo Return 38.4%

AVERAGE SCORE

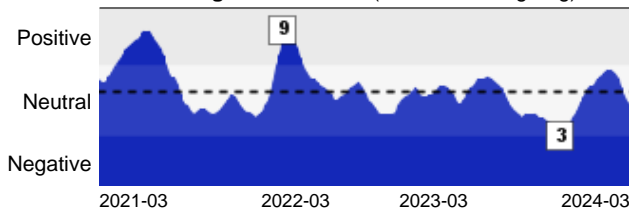
NEUTRAL OUTLOOK: BDL's current score is relatively in-line with the market.

AVERAGE
SCORE
5

Score Averages

Aerospace & Defense Group:	6.0	Large Market Cap:	6.8
Industrial Goods Sector:	6.1	BSE Sensex Index:	7.9

Average Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
MAZDOCK	8	7	8	9	9	
ZENTEC	7	8	8	8	8	
BEL	6	5	6	7	7	
BDL	4	6	5	5	5	
GRSE	5	3	5	5	5	

HIGHLIGHTS

- The score for Bharat Dynamics last changed from 4 to 5 on 2024-03-03.
- The recent change in the Average Score was primarily due to an improvement in the Price Momentum and Earnings component scores.

I/B/E/S MEAN

Buy

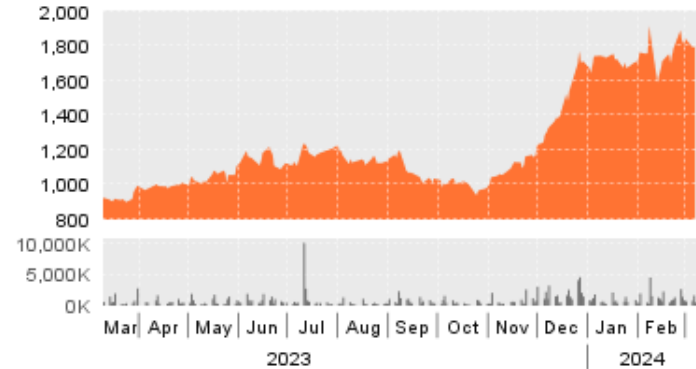
6 Analysts

Mean recommendation from all analysts covering the company on a standardized 5-point scale.

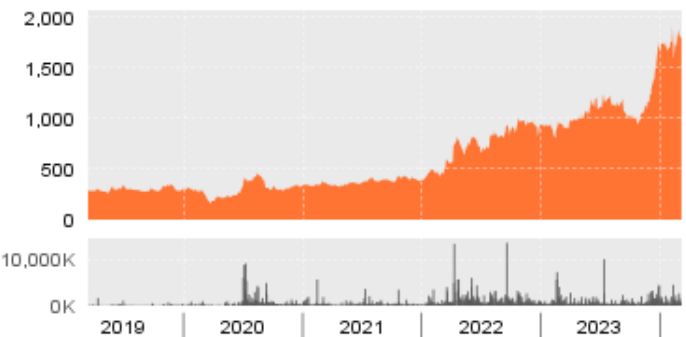
Strong Sell	Sell	Hold	Buy	Strong Buy

PRICE AND VOLUME CHARTS

1-Year Return: 91.1%



5-Year Return: 544%



BUSINESS SUMMARY

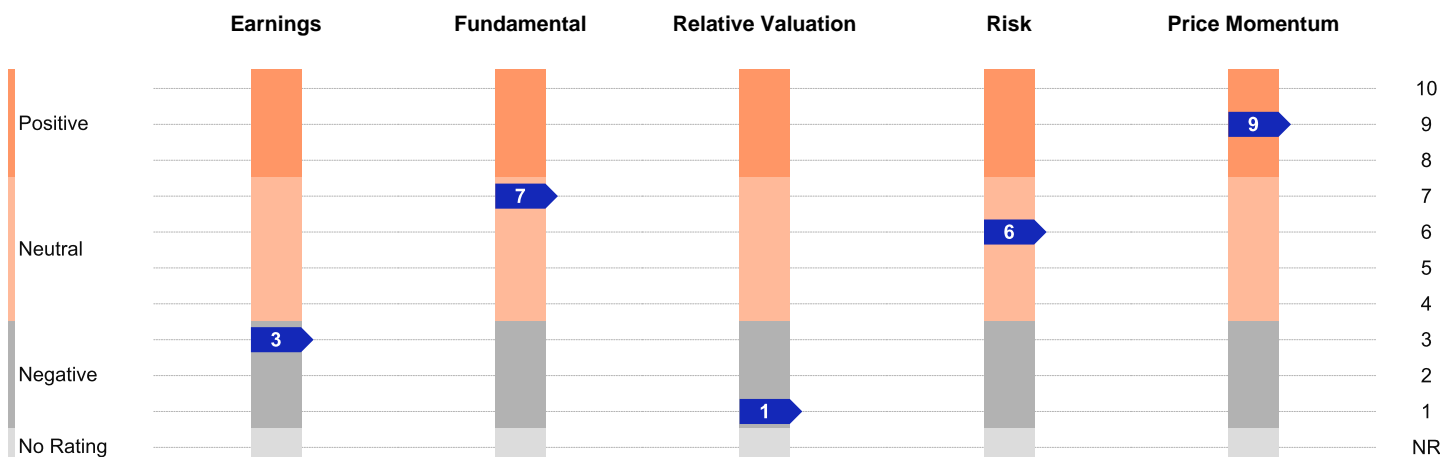
Bharat Dynamics Limited is an India-based company, which is engaged in the manufacturing of missiles and allied defense equipment. The Company provides majority of its goods and services to the Indian Armed forces and Government of India. The Company has facilities for manufacturing and supplying of guided missiles, underwater weapons, air-borne products and allied defense equipment for the Indian armed forces. The Company also offers product life cycle support and refurbishment/life extension of vintage missiles. The Company has four manufacturing units, out of which three are located in Telangana State (Hyderabad, Bhanur and Ibrahimpatnam) and one Andhra Pradesh (Visakhapatnam). Its products include Torpedo Advanced Lightweight (TAL), VARUNASTRA OR HEAVY WEIGHT TORPEDO, MEDIUM RANGE SURFACE-TO-AIR MISSILE (MRSAM), Dishani, QUICK REACTION SURFACE-TO-AIR MISSILE (Q R SAM), Multi - Influential Ground Mines (MIGM) and other.

INDICATOR COMPONENTS

AVERAGE
SCORE

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The **AVERAGE SCORE** combines the quantitative analysis of five widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the most favorable). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across industries, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.



PEER ANALYSIS

Currency in INR

		PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS		
Average Score	Ticker	Price (2024-03-07)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts
8	HAL	3,317.30	12.5%	23.3%	144.8%	2.2T	36.1	45.2	0.89%	21.9%	-- Buy		8
7	BEL	215.20	18.4%	34.2%	123.1%	1.6T	44.0	41.8	0.88%	19.6%	-- Buy		22
9	MAZDOCK	2,085.65	-3.2%	0.27%	184.7%	420.7B	26.3	28.3	1.1%	19.0%	-- Hold		2
5	BDL	1,799.25	2.5%	38.4%	91.1%	329.8B	69.2	54.3	0.52%	20.6%	-- Buy		6
7	DATAPATTNS	2,698.10	42.8%	33.4%	108.8%	151.1B	89.3	81.2	0.17%	31.8%	-- Buy		3
5	GRSE	808.90	-7.7%	-4.6%	84.6%	92.7B	30.8	25.1	1.1%	9.5%	-- Sell		3
8	ZENTEC	948.60	13.7%	28.0%	244%	79.1B	69.7	--	0.02%	28.7%	-- --		--
4	APOLLO	120.45	-6.1%	-1.9%	284%	34.0B	176.8	--	0.02%	6.6%	-- --		--
4	ROSSELLIND	405.50	-9.5%	-13.7%	55.9%	15.3B	116.5	--	0.10%	3.6%	-- --		--
6	TANAA	451.85	7.7%	51.3%	289%	11.5B	98.1	--	1.1%	35.8%	-- --		--
4	SIKA	1,561.35	2.4%	26.7%	163.1%	6.6B	42.9	--	0.26%	17.6%	-- --		--
6.1	Average	1,310.20	6.7%	19.6%	161.2%	448.4B	72.7	46.0	0.55%	19.5%	-- Hold		7.3

PEER COMPANIES

APOLLO	Apollo Micro Systems	MAZDOCK	Mazagon Dock Shipbuilders
BEL	Bharat Electronics	ROSSELLIND	Rossell India
DATAPATTNS	Data Patterns (India)	SIKA	Sika Interplant Systems
GRSE	Garden Reach Shipbuilders	TANAA	Taneja Aerospace and Aviation
HAL	Hindustan Aeronautics	ZENTEC	Zen Technologies

EARNINGS

EARNINGS

3

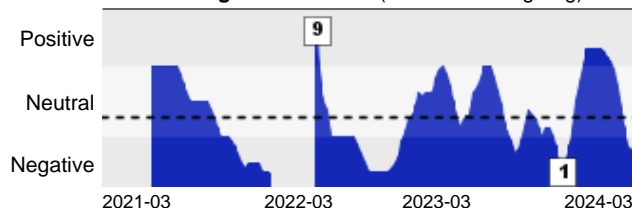
Currency in INR

NEGATIVE OUTLOOK: Weak earnings with recent analyst downgrades or a history of missing consensus estimates.

Earnings Score Averages

Aerospace & Defense Group: **5.8**Large Market Cap: **6.0**Industrial Goods Sector: **5.6**BSE Sensex Index: **6.8**

Earnings Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
MAZDOCK	10	7	8	10	10	
BEL	8	4	7	5	6	
BDL	5	8	2	2	3	
GRSE	5	1	3	2	1	
ZENTEC	NR	NR	NR	NR	NR	

EARNINGS INDICATORS

Earnings Surprises

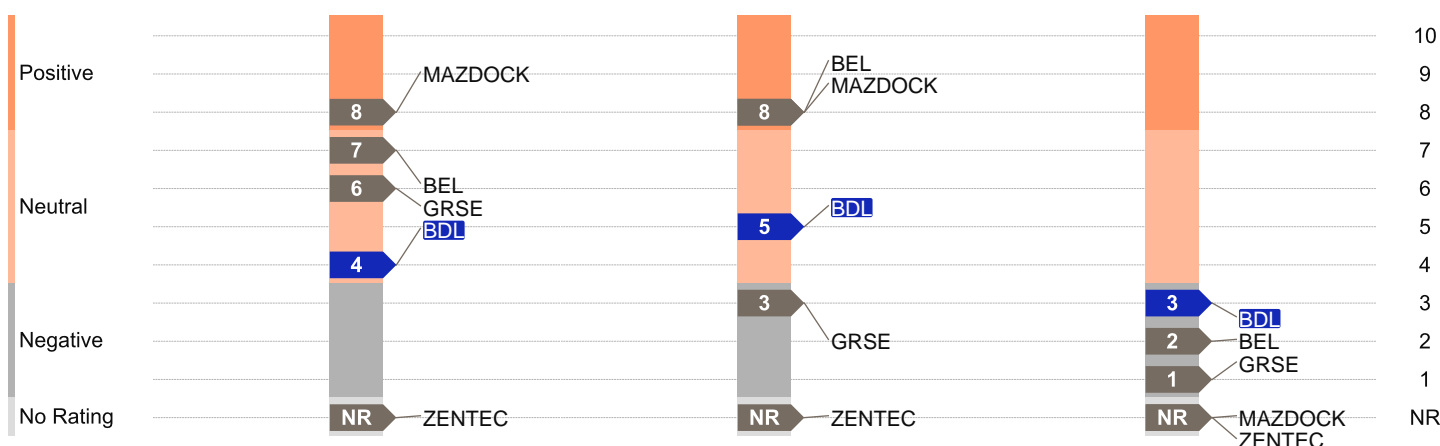
(33.3% weight)

Estimate Revisions

(33.3% weight)

Recommendation Changes

(33.3% weight)



Last 4 Years

# Positive Surprises (>2%)	1
# Negative Surprises (<-2%)	2
# In-Line Surprises (within 2%)	0
Avg Surprise	-6.0%

Last 4 Weeks

# Up Revisions	0
# Down Revisions	1
Avg Up Revisions	0.00%
Avg Down Revisions	-16.7%

Last 120 Days

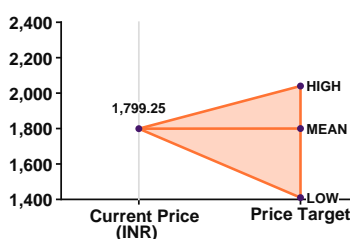
# Broker Upgrades	0
# Broker Downgrades	2

HIGHLIGHTS

- Bharat Dynamics currently has an Earnings Rating of 3, which is significantly more bearish than the Aerospace & Defense industry average of 5.8. BDL scores a bearish 4 or less for two of three component ratings.
- Over the past 90 days, the consensus price target for BDL has increased notably from 1,370.00 to 1,800.00, a gain of 31.4%.

PRICE TARGET

The chart indicates where analysts predict the stock price will be within the next 12 months, as compared to the current price.



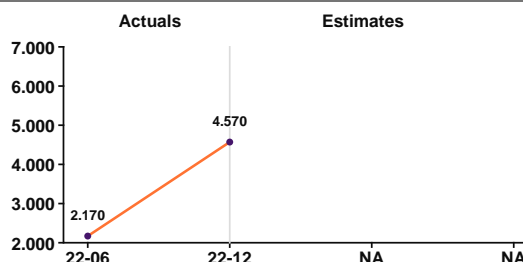
12-Month Price Target

Mean (INR)	1,800.00
High	2,040.00
Low	1,410.00
Target vs. Current	0.00%
# of Analysts	5

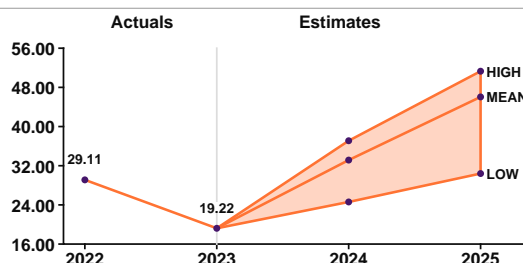
EARNINGS PER SHARE

Earnings per share (EPS) is calculated by dividing a company's earnings by the number of shares outstanding. Analysts tend to interpret a pattern of increasing earnings as a sign of strength and flat or falling earnings as a sign of weakness.

The charts provide a comparison between a company's actual and estimated EPS, including the high and low forecasts.



Quarterly	--	--
Mean	--	--
High	--	--
Low	--	--
# of Analysts	--	--



Annual	2024	2025
Mean	33.150	46.050
High	37.100	51.300
Low	24.600	30.400
# of Analysts	6	6

MEAN ESTIMATE TREND

	Q	Q	Y	Y	Price
	--	--	2024	2025	Target
Current	--	--	33.150	46.050	1,800.00
30 Days Ago	--	--	32.580	45.920	1,660.00
90 Days Ago	--	--	33.020	46.350	1,370.00
% Change (90 Days)	--	--	0.40%	-0.60%	31.4%

Current Fiscal Year End: 24-03

Next Expected Report Date: 2024-05-23

ANALYST RECOMMENDATIONS

I/B/E/S Mean: **Buy (6 Analysts)**

Strong Buy	2
Buy	2
Hold	1
Sell	0
Strong Sell	1

EARNINGS SURPRISES

Comparing a company's actual earnings to the mean expectation of analysts results in a difference referred to as a 'positive' or 'negative' surprise. Research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

Surprise Summary (Last 6 Years)

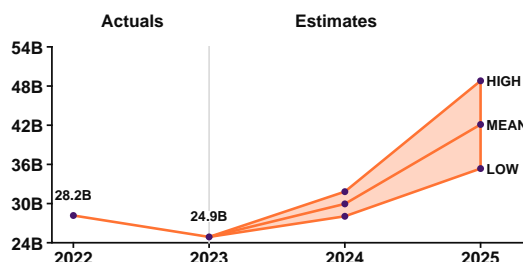
Surprise Type	Amount	Percent
Positive Years (> 2%)	1	25.0%
Negative Years (< -2%)	3	75.0%
In-Line Years (within 2%)	0	--

Surprise Detail (Last 6 Periods)

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2023-05-25	2023-03-31	19.220	27.120	-29.1%
Negative	2022-05-26	2022-03-31	29.110	30.700	-5.2%
Positive	2020-06-29	2020-03-31	29.180	25.100	16.3%
Negative	2019-05-30	2019-03-31	23.060	28.200	-18.2%
Negative	2018-05-30	2018-03-31	26.650	33.200	-19.7%

ANNUAL REVENUE

A pattern of increasing sales in conjunction with a rising EPS may influence a buy recommendation, while flat or falling sales and faltering earnings may explain a sell recommendation. A rising EPS with flat or falling sales may result from increased cost efficiency and margins, rather than market expansion. This chart shows the sales forecast trend of all analysts and the highest and lowest projections for the current and next fiscal year.



	2024	2025
Mean	30.0B	42.1B
High	31.8B	48.8B
Low	28.1B	35.4B
Forecasted Growth	20.3%	69.2%
# of Analysts	6	6

FUNDAMENTAL

FUND-
AMENTAL

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NEUTRAL OUTLOOK: Fundamentals relatively in-line with the market.

Fundamental Score Averages

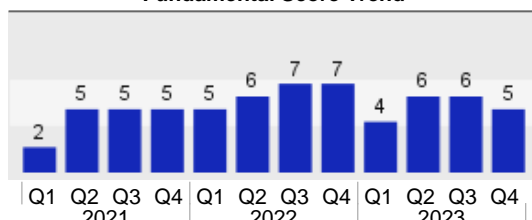
Aerospace & Defense Group: **6.8**Large Market Cap: **6.4**Industrial Goods Sector: **5.6**BSE Sensex Index: **6.9**

Fundamental Score Trend

Positive

Neutral

Negative



Peers	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Current	3Y Trend
ZENTEC	3	3	2	4	10	
MAZDOCK	5	4	6	7	9	
BDL	4	6	6	5	7	
GRSE	5	5	5	4	7	
BEL	6	7	6	7	5	

FUNDAMENTAL INDICATORS

Profitability

(25% weight)

Debt

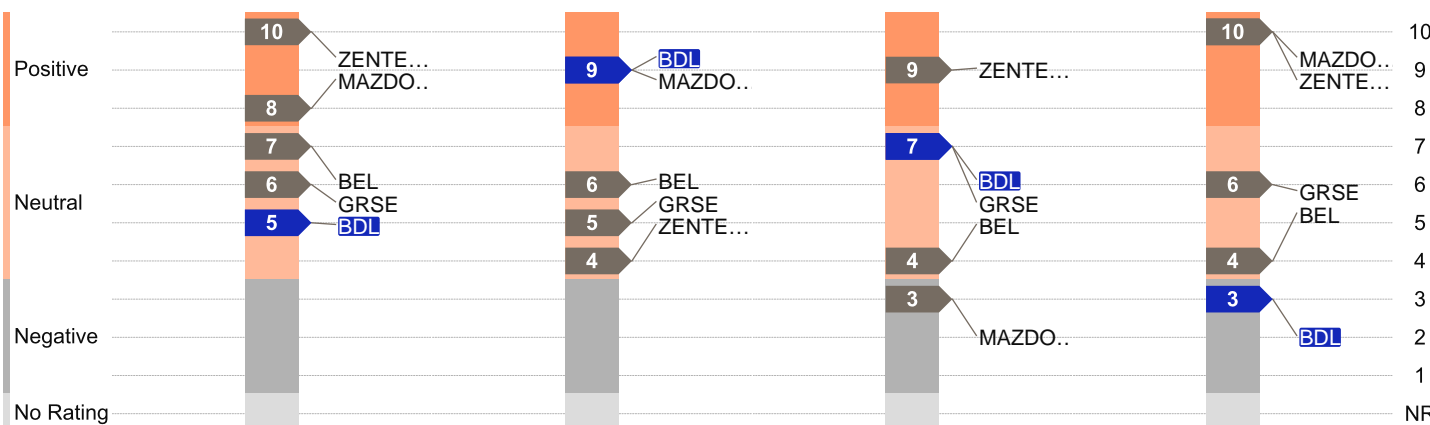
(25% weight)

Earnings Quality

(25% weight)

Dividend

(25% weight)



Revenue Growth	-24.7%	Current Ratio	4.4	Oper. Cash Yield	369.0%	Dividend Growth	12.7%
For year over year ending 2023-12		For interim period ending 2023-09		For latest 12 months ending --		For year over year ending 2023-06	
Gross Margin	39.7%	Debt-to-Capital	0.1%	Accruals	-245.2%	Dividend Payout	36.0%
For latest 12 months ending 2023-12		For annual period ending 2023-03		For latest 12 months ending 2023-03		For latest 12 months ending 2023-12	
Return On Equity	13.1%	Interest Funding	0.9%	Days Sales In Inv.	605.5	Dividend Coverage	2.1
For interim period ending 2023-09		For interim period ending 2023-03		For annual period ending 2023-03		For annual period ending 2023-03	
Net Margin	20.6%	Interest Coverage	245.2	Days Sales In Rec.	238.8	Current Div. Yield	0.5%
For latest 12 months ending 2023-12		For interim period ending 2023-12		For annual period ending 2023-03		For latest 12 months ending 2024-03	

HIGHLIGHTS

- Bharat Dynamics currently has a Fundamental Rating of 7. The average Fundamental Rating for its Aerospace & Defense industry group is 6.8 and the S&P BSE SENSEX index average is 6.9.
- The year-over-year revenue growth of -24.7% for BDL is the lowest within its Aerospace & Defense industry group.
- The company's current ratio has been higher than its industry group average for each of the past five years.
- The accruals ratio for BDL is the lowest within its Aerospace & Defense industry group.
- Of the 15 firms within the Aerospace & Defense industry group, Bharat Dynamics is among 11 companies that pay a dividend. The stock's dividend yield is currently 0.52%.

RELATIVE VALUATION

NEGATIVE OUTLOOK: Multiples significantly above the market or the stock's historic norms.

RELATIVE VALUATION

1

Relative Valuation Score Averages

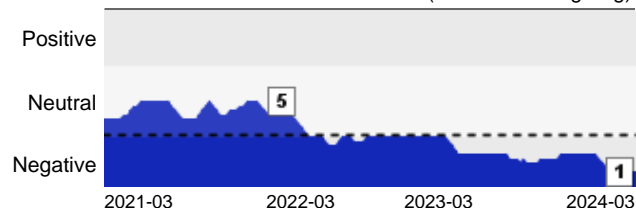
Aerospace & Defense Group: 2.1

Large Market Cap: 4.5

Industrial Goods Sector: 4.6

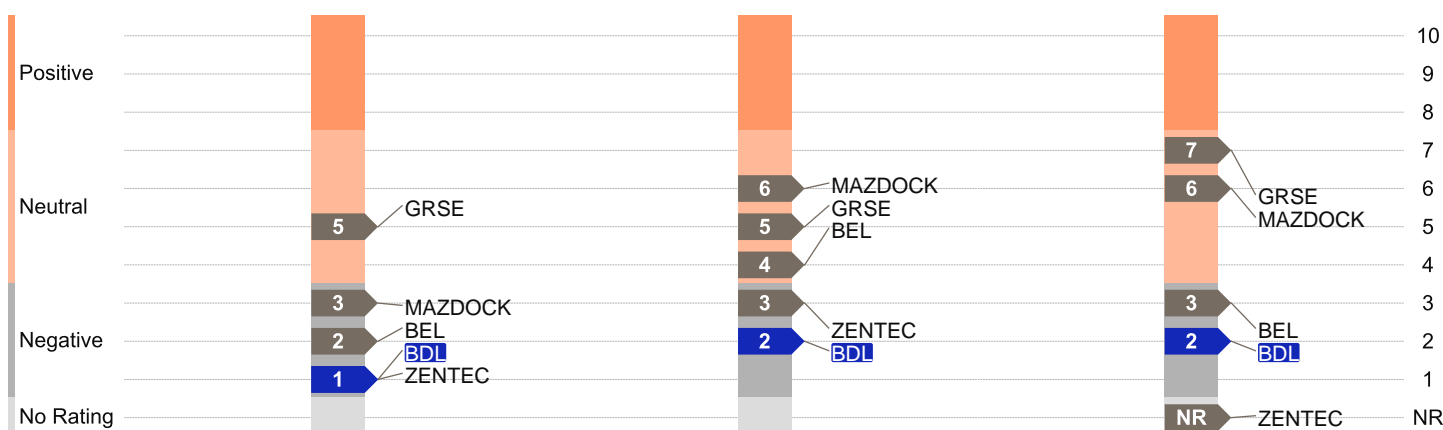
BSE Sensex Index: 5.7

Relative Valuation Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
GRSE	3	4	4	5	5	
MAZDOCK	2	3	3	4	4	
BEL	3	3	3	3	2	
ZENTEC	1	2	2	2	2	
BDL	1	2	1	1	1	

RELATIVE VALUATION INDICATORS

Price to Sales
(33.3% weight)Trailing PE
(33.3% weight)Forward PE
(33.3% weight)

Price to Sales	14.3	Trailing PE	69.2	Forward PE	54.3
5-Yr Average	4.3	5-Yr Average	27.8	5-Yr Average	21.2
Rel. to 5-Yr Avg.	>100% Premium	Rel. to 5-Yr Avg.	>100% Premium	Rel. to 5-Yr Avg.	>100% Premium
BSE Sensex Index	3.6	BSE Sensex Index	25.5	BSE Sensex Index	24.0
Rel. to BSE Sensex	>100% Premium	Rel. to BSE Sensex	>100% Premium	Rel. to BSE Sensex	>100% Premium

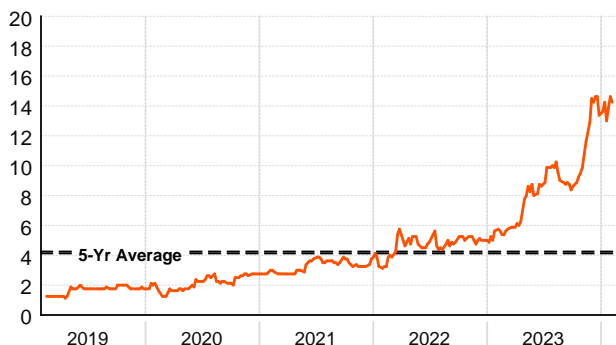
HIGHLIGHTS

- Bharat Dynamics currently has a Relative Valuation Rating of 1 which is significantly below the S&P BSE SENSEX index average rating of 5.7.
- BDL's Price to Sales, Trailing P/E, and Forward P/E multiples are all significantly above (more expensive than) their 5-year averages.
- Based on Price to Sales, BDL currently trades at a 77% Premium to its Aerospace & Defense industry group peers. On average, the company has traded at a 34% Premium over the past five years.
- Based on Trailing P/E, BDL currently trades at a 73% Premium to its Aerospace & Defense industry group peers. On average, the company has traded at a 41% Premium over the past five years.
- Based on Forward P/E, BDL currently trades at a 24% Premium to its Aerospace & Defense industry group peers. On average, the company has traded at a 5% Premium over the past five years.

PRICE TO SALES

The most recent week's close price divided by the revenue per share.

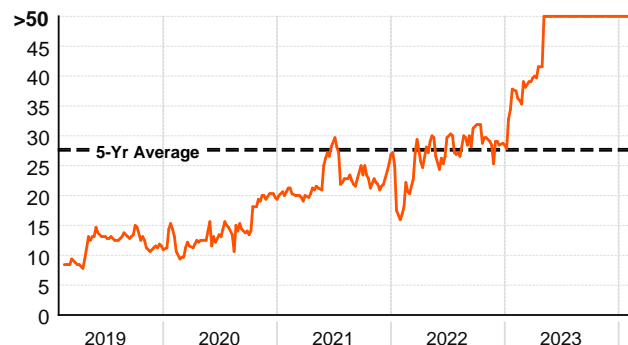
Price to Sales: 14.3
5-Year Average: 4.3
BSE Sensex Index Average: 3.6
Aerospace & Defense Group Average: 8.1



TRAILING PE

The most recent week's close price divided by the sum of the four most recently reported quarterly earnings.

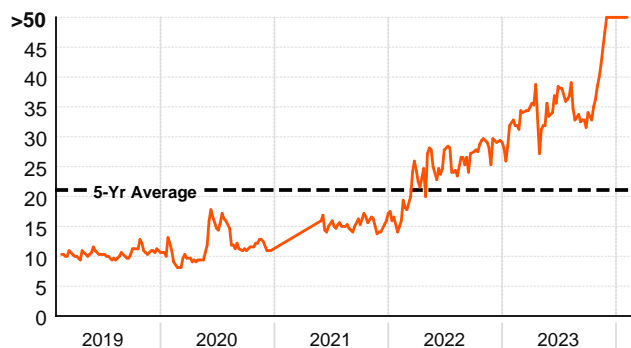
Trailing PE: 69.2
5-Year Average: 27.8
BSE Sensex Index Average: 25.5
Aerospace & Defense Group Average: 39.9



FORWARD PE

The most recent week's close price divided by the sum of the four upcoming quarterly consensus estimates.

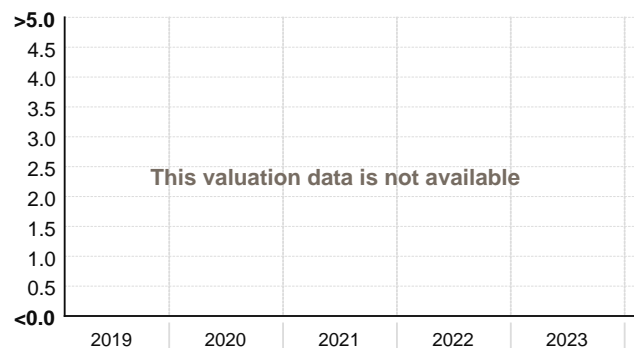
Forward PE: 54.3
5-Year Average: 21.2
BSE Sensex Index Average: 24.0
Aerospace & Defense Group Average: 43.9



FORWARD PEG

The Forward P/E divided by the five-year forecasted growth rate.

Forward PEG: --
5-Year Average: --
BSE Sensex Index Average: 1.6
Aerospace & Defense Group Average: --



BHARAT DYNAMICS (BDL-IN)

Industrial Goods / Aerospace & Defense / Aerospace & Defense

DETAILED STOCK REPORT

Report Date: 2024-Mar-10

RISK

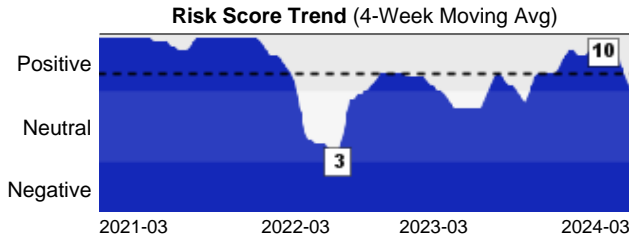
NEUTRAL OUTLOOK: Moderate risk (medium volatility).

RISK

6

Risk Score Averages

Aerospace & Defense Group: 7.3
Industrial Goods Sector: 6.0
Large Market Cap: 8.4
BSE Sensex Index: 9.5



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
BEL	9	9	9	9	9	
MAZDOCK	5	7	8	8	8	
ZENTEC	4	8	9	9	8	
GRSE	6	6	8	7	7	
BDL	8	9	8	7	6	

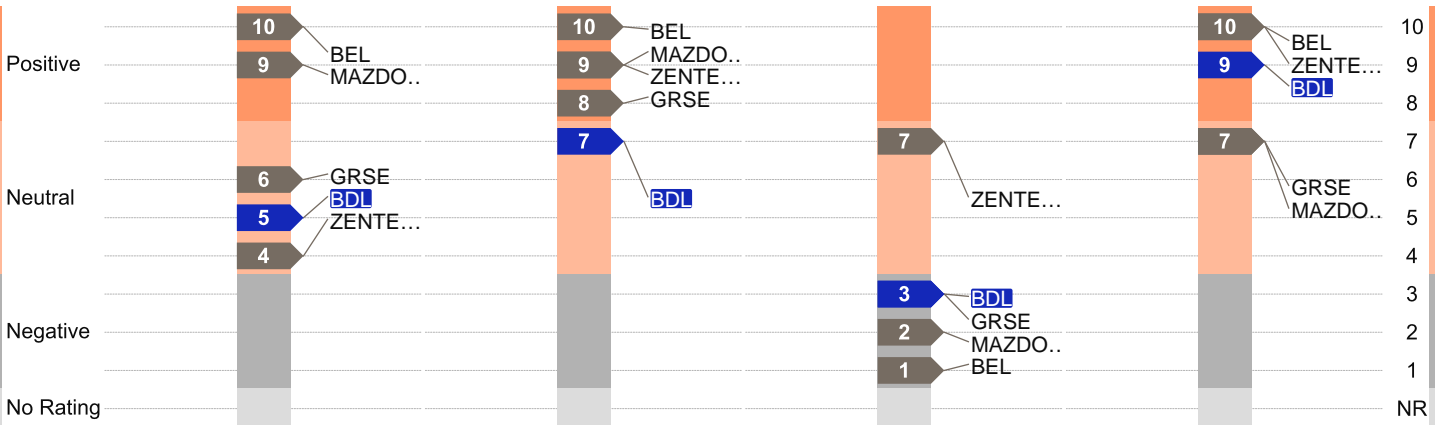
RISK INDICATORS

Magnitude of Returns
(25% weight)

Volatility
(25% weight)

Beta (1-year)
(25% weight)

Correlation
(25% weight)



Daily Returns (Last 90 Days)		Standard Deviation		Beta vs. BSE Sensex		Correlation vs. BSE Sensex	
Best	9.9%	Last 90 Days	3.21	Positive Days Only	0.68	Last 90 Days	22%
Worst	-12.1%	Last 60 Months	13.61	Negative Days Only	1.45	Last 60 Months	50%
Monthly Returns (Last 60 Months)		Intra-Day Swing (Last 90 Days)		Beta vs. Group		Correlation vs. Group	
Best	48.4%	Average	4.7%	Positive Days Only	1.08	Last 90 Days	74%
Worst	-32.5%	Largest	16.9%	Negative Days Only	1.18	Last 60 Months	57%

HIGHLIGHTS

- Bharat Dynamics currently has a Risk Rating of 6, which is significantly below the S&P BSE SENSEX index average rating of 9.5.
- On days when the market is up, BDL tends to underperform versus the S&P BSE SENSEX index. Also, on days when the market is down, the shares generally decrease more than the index.
- In the short term, BDL has shown average correlation (≥ 0.2 and < 0.4) with the S&P BSE SENSEX index. The stock has, however, shown high correlation (≥ 0.4) with the market in the long term.
- Over the last 90 days, BDL shares have been more volatile than the overall market. The stock's daily price fluctuations have exceeded that of all S&P BSE SENSEX index firms.

RISK ANALYSIS

Peers	Last 90 Days				Last 60 Months		
	Best Daily Return	Worst Daily Return	# Days Up	# Days Down	Largest Intra-Day Swing	Best Monthly Return	Worst Monthly Return
BDL	9.9%	-12.1%	37	26	16.9%	48.4%	-32.5%
BEL	5.4%	-3.4%	40	23	6.1%	30.6%	-26.2%
GRSE	6.4%	-10.9%	34	29	14.1%	51.2%	-27.5%
MAZDOCK	7.9%	-4.9%	33	30	9.9%	54.2%	-12.7%
ZENTEC	6.1%	-5.0%	27	35	7.7%	111.2%	-58.8%
BSE Sensex	1.8%	-2.2%	39	23	2.6%	14.4%	-23.1%

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PRICE MOMENTUM

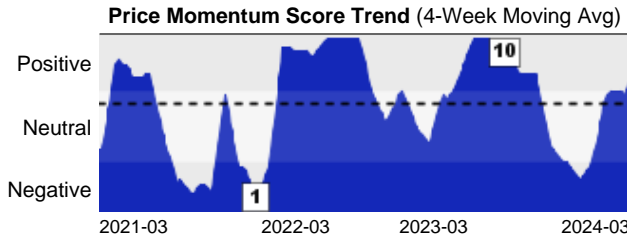


POSITIVE OUTLOOK: Strong recent price performance or entering historically favorable seasonal period.

Currency in INR

Price Momentum Score Averages

Aerospace & Defense Group:	7.3	Large Market Cap:	6.4
Industrial Goods Sector:	7.1	BSE Sensex Index:	5.6

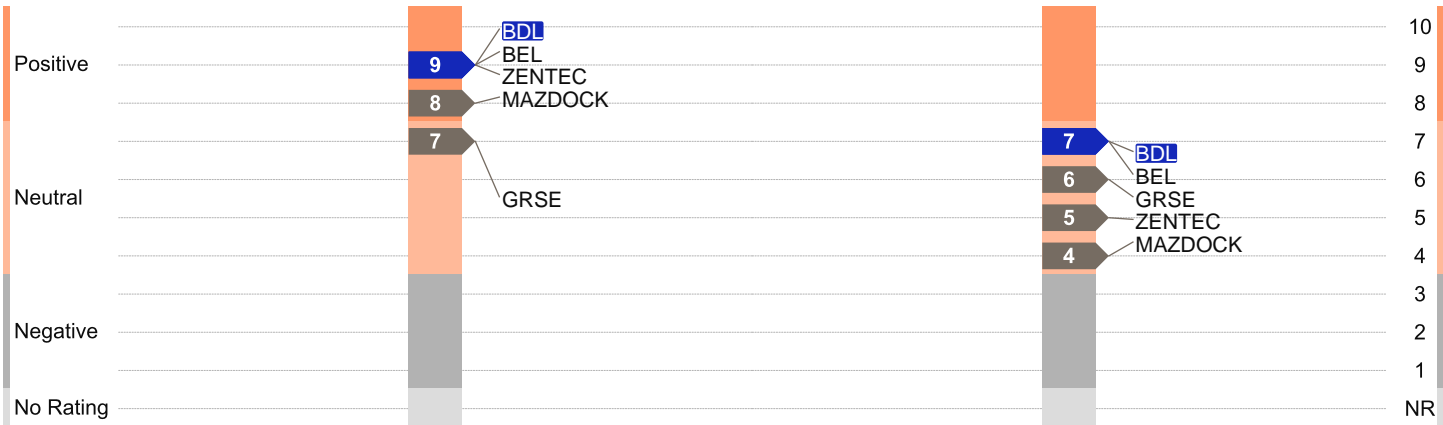


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
BDL	4	3	7	9	9	
BEL	5	5	6	9	9	
ZENTEC	9	8	7	8	8	
GRSE	9	4	5	7	7	
MAZDOCK	7	5	5	7	7	

PRICE MOMENTUM INDICATORS

Relative Strength
(50% weight)

Seasonality
(50% weight)



Relative Strength Indicator (Scale from 1 to 100)

	BDL	Industry Avg
Last 10 Days	53	50
Last 50 Days	58	54
Last 200 Days	57	56

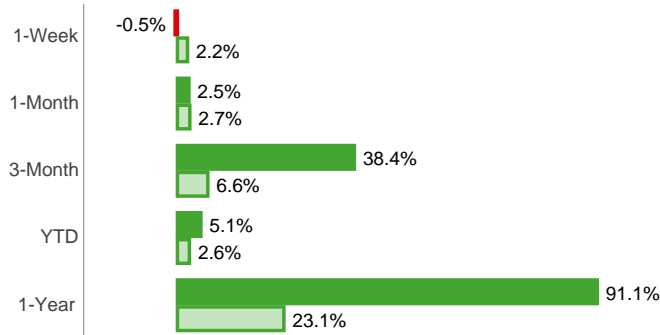
Average Monthly Return (Last 10 Years)

	Mar	Apr	May
Company Avg	-3.2%	10.2%	6.5%
Industry Avg	-5.3%	9.6%	3.8%
Industry Rank	95 of 100	21 of 98	17 of 99

PRICE PERFORMANCE

Daily close prices are used to calculate the performance of the stock as compared to a relevant index over five time periods.

BDL
BSE Sensex



	BDL	BSE Sensex
Close Price (2024-03-07)	1,799.25	74,120
52-Week High	1,984.80	74,119
52-Week Low	878.50	57,527

- The Price Momentum Rating for Bharat Dynamics improved significantly over the past week from 6 to 9.
- On 2024-03-07, BDL closed at 1,799.25, 9.3% below its 52-week high and 104.8% above its 52-week low.
- BDL shares are currently trading 3.5% above their 50-day moving average of 1,739.01, and 38.8% above their 200-day moving average of 1,295.99.

DETAILED STOCK REPORT TIPS

The Stock Report from LSEG is a comprehensive, company-specific analysis that includes a proprietary Stock Rating along with underlying component indicators and supportive data elements. The report is updated daily, although some of the data elements and the ratings are updated weekly.

Average Score

The Stock Reports Plus Average Score combines a quantitative analysis of five widely-used investment decision making tools - Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. First, a simple average of the five underlying component ratings is calculated. Then, a normal distribution is used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A score of 8 to 10 is considered positive, 4 to 7 is neutral, and 1 to 3 is negative. These five factors may be evaluated differently using alternative methodologies, and the importance of individual factors varies across industry groups, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

A company must have sufficient data available for at least three of the five component indicators in order to receive an overall Average Score. Approximately 85% of the stocks within the coverage universe meet the criteria to generate a score.

Indicator Components

The five indicators that comprise the stock rating are displayed. Like the stock rating, the component rating scale is 1 to 10, with 10 being best. A company will receive an 'NR' for No Rating if the required data elements or criteria are not met. A detailed section for each component is included in the report.

Indicator Trends

Within each component section, historical score trends are displayed, typically using a 4-week moving average over a timeframe of the past three years. The dotted orange line indicates the average of the scores over those three years. The most recent occurrences of the best and worst scores are also displayed on the chart in grey boxes to put the current score into historical context.

Next to the trend chart for the company, current score averages are included, along with peer company comparisons of values from 6 months ago, 3 months ago, 1 month ago, the most recent value from 1 week ago, and the current score. The four closest industry peers are presented based on similar market capitalization.

Peer Analysis

- The Refinitiv Business Classification (TRBC) schema is used for industry comparisons. It is designed to track and display the primary business of a corporation by grouping together correlated companies that offer products and services into similar end markets. The system includes 10 Economic Sectors, 28 Business Sectors, 54 Industry Groups, and 136 Industries.
- The Peer Analysis section of the report compares the company to its ten closest peers. The peers are selected from the industry based on similar market capitalization. The peer listing may have fewer than ten companies if there are fewer than ten companies classified within that industry.

Highlights

The automated text-generation system from LSEG creates highlights summarizing the most noteworthy data. The bullets will vary by company and will change from week to week as different criteria are met.

Earnings

The Earnings Rating is based on a combination of three factors: earnings surprises, estimate revisions, and recommendation changes. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the three earnings factors in order to receive a score.

- Earnings Surprises - The number of positive and negative surprises within the last 4 periods (quarters or years).
- Estimate Revisions - The number of up and down revisions and the average percentage change of those revisions within a 4 week period.
- Recommendation Changes - The number of broker upgrades and downgrades in the last 120 days.

Price Target

The price target is based on the predictions of analysts covering the stock and shows the high, low and mean price expected within the next 12 months.

Earnings Per Share

The quarterly and annual earnings per share are presented when available, along with the mean, high and low. Quarterly data is displayed for the past 4 quarters (actual) and the next 2 quarters (estimated). Annual data is displayed for the past 2 years (actual) and the next 2 years (estimated).

Mean Estimate Trend

The mean estimates show how the consensus has changed over the past 30 days and 90 days for the upcoming two quarters (when available) and two years. The percentage change is calculated for the company as a means for comparison by measuring the difference between the current consensus estimate and that of 90 days ago.

Analyst Recommendations

The I/B/E/S Mean is the average recommendation of all analysts covering the stock, as provided by I/B/E/S, the Institutional Brokers Estimate System, from LSEG. The recommendations are presented on a five-point standardized scale: strong buy, buy, hold, sell, and strong sell.

Earnings Surprises

- The surprise summary includes the total number of time periods (and percentage) in the last 12 quarters (quarterly) or last 4 years (annual) in which earnings surprises were positive, negative, or in-line. In order to be recognized as a positive or negative surprise, the percent must be greater than 2% above or 2% below the consensus, respectively.
- The surprise detail section includes a listing of the company's quarterly earnings reported for the most recent 6 periods (quarters or years). The consensus analyst estimate is provided to determine if the actual earnings report represented a positive surprise, negative surprise, or in-line result.

Fundamental

The Fundamental Rating is based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Companies that do not pay a dividend are not penalized. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the four fundamental factors present in order to receive a score.

Profitability

- Revenue Growth: (Net Sales - Previous Net Sales) / Previous Net Sales
- Gross Margin: Gross Profit / Net Sales
- Return on Equity: Net Income / Total Equity
- Net Margin: Net Profit / Net Sales

Debt

- Current Ratio: Current Assets / Current Liabilities
- Debt-to-Capital: Total Debt / Total Capital
- Interest Funding: (Interest Expense on Debt + Preferred Cash Dividends) / Funds from Operations
- Interest Coverage: Earnings before Interest and Taxes / (Interest Expense on Debt + Preferred Cash Dividends)

Earnings Quality

- Operating Cash Yield: (Operating Cash Flow - Net Income) / Net Income
- Accruals: (Net Income - Operating Cash Flow - Investing Cash Flow) / Average Net Operating Assets
- Days Sales in Inventory: 365 / (Cost of Goods Sold / Inventory)
- Days Sales in Receivables: 365 / (Net Sales / Receivables)

Dividend

The company must have a current dividend yield.

- Dividend Growth Rate: (Dividends per Share - Previous Dividends per Share) / Previous Dividends per Share
- Dividend Funding: Dividends / Operating Cash Flow
- Dividend Coverage: (Pre-Tax Income + Interest Expense) / (Interest Expense + Dividends)
- Dividend Yield: Annual Dividends per Share / Current Market Price per Share

Indicator Trend

The fundamental indicator trend displays either quarterly scores over the past three years or annual scores over the past six years, depending on the reporting periods for the country. The best and worst scores can be easily determined from the values shown on the chart for each quarter or year.

Relative Valuation

The Relative Valuation Rating is based on a combination of three component factors: Price to Sales, Trailing P/E, and Forward P/E. Each factor is equally weighted. Equal deciles are then used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors in order to receive a score.

- Price to Sales: Close Price / (Sales for 4 Quarters or 1 Year / Shares Outstanding)

- Trailing P/E: Close Price / Most Recent 4 Quarters or 1 Year of Earnings
- Forward P/E: Close Price / Upcoming 4 Quarters or 1 Year of Earnings

Valuation Averages

Negative values are excluded when calculating the averages. A maximum value of 100 is placed on Trailing P/E and Forward P/E, a maximum value of 5 is placed on Forward PEG, and a maximum value of 20 is placed on Price to Sales when calculating the averages. Higher values are rounded down to the maximum for the averages.

Valuation Multiples

The valuation multiples provide the Trailing P/E, Forward P/E, Forward PEG, and Price to Sales for the company and the relevant index average. In addition, a comparison of the current company's values to its 5-year average and an industry average are presented. A discount occurs when the company's ratio is valued more favorably (lower) than that to which it is compared.

Risk

The Risk Rating displays stocks on a scale of 1 to 10 with 10 being awarded to the least risky stocks. It is derived by looking at a series of long-term (5-year) and short-term (90-day) stock performance measures including volatility, magnitude of returns, beta, and correlation. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market. A stock needs to have at least two of the four risk factors in order to receive a score.

- Magnitude of Returns - The best / worst daily returns in the past 90 days and the best / worst monthly returns in the past 60 months.
- Volatility - The standard deviation of the stock price over the last 90 days and last 60 months, along with the average and largest intra-day stock swing.
- Beta - Measures the tendency of a security's returns to respond to swings in the market, based on the beta of the company versus the relevant index.
- Correlation - Determines how closely the returns of the stock and the relevant index move together, measured over the last 90 days and last 60 months.

Risk Analysis

Price analysis for the company and the relevant index is provided over two time periods. Daily analysis is provided for the last 90 days, whereas monthly statistics are used for the last 60 months.

Price Momentum

The Price Momentum Rating is based on a combination of two technical performance factors: relative strength and seasonality. The factors are equally weighted. Equal deciles are then used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have data for the relative strength factor in order to receive a score.

- Relative Strength - The relative strength of the company for the last 10 days, 50 days, and 200 days on a scale of 1 to 100.
- Seasonality - The average monthly return (price performance) for the current month and next 2 months for the company and industry, over the past 10 years. A lower industry rank indicates a higher return.

Price Performance

Daily close prices are used to calculate the price performance of the stock. The performance of the relevant index is also displayed as a means of comparison.

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