

CIPLA (CIPLA-IN)

Pharma. & Medical Research / Pharmaceuticals / Pharmaceuticals

DETAILED STOCK REPORT

Report Date: 2024-May-05

Last Close <b>1,424.75 (INR)</b>	Avg Daily Vol <b>1.6M</b>	52-Week High <b>1,519.00</b>	Trailing PE <b>31.0</b>	Annual Div <b>8.50</b>	ROE <b>12.7%</b>	LTG Forecast <b>--</b>	1-Mo Return <b>-3.2%</b>
2024 May 03 NSE Exchange	Market Cap <b>1.2T</b>	52-Week Low <b>896.85</b>	Forward PE <b>27.3</b>	Dividend Yield <b>0.6%</b>	Annual Rev <b>227.5B</b>	Inst Own <b>35.2%</b>	3-Mo Return <b>2.3%</b>

AVERAGE SCORE

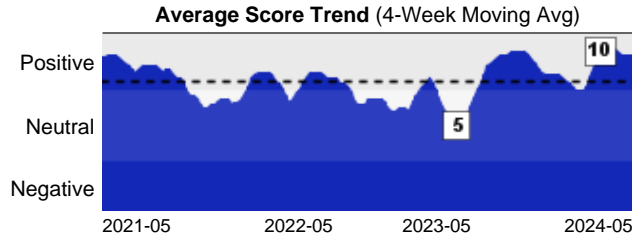
**AVERAGE SCORE**

**9**

**POSITIVE OUTLOOK:** CIPLA's current score of 9 places it within the top 15% of stocks scored.

Score Averages

Pharmaceuticals Group: <b>4.8</b>	Large Market Cap: <b>6.8</b>
Pharma. & Medical Research Sector: <b>4.7</b>	BSE Sensex Index: <b>8.1</b>



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
CIPLA	8	10	9	9	9	
ZYDUSLIFE	9	10	10	10	9	
SUNPHARMA	8	10	8	8	8	
AJANTPHARM	8	9	8	7	7	
GLENMARK	4	8	6	6	6	

HIGHLIGHTS

- The score for Cipla last changed from 10 to 9 on 2024-03-03 and has remained the same for 10 weeks.
- In the past 3 years, the best score was 10 on 2024-02-25, and the worst score was 5 on 2023-05-07.

I/B/E/S MEAN

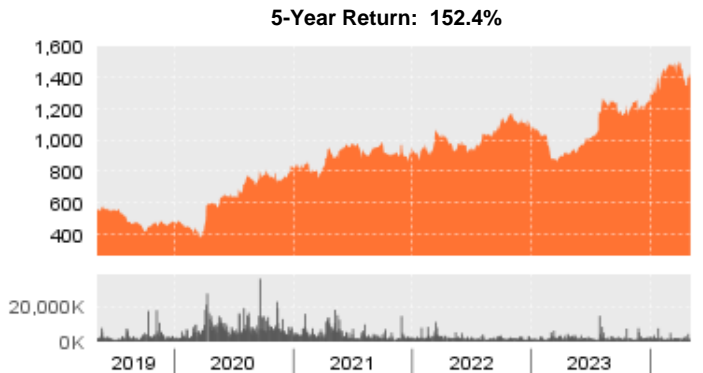
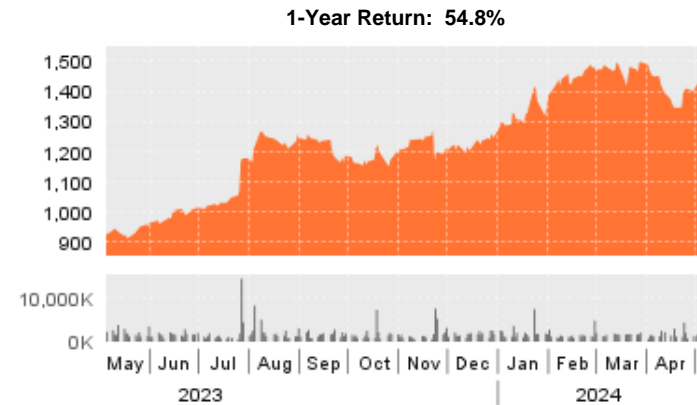
Buy

32 Analysts

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



PRICE AND VOLUME CHARTS



BUSINESS SUMMARY

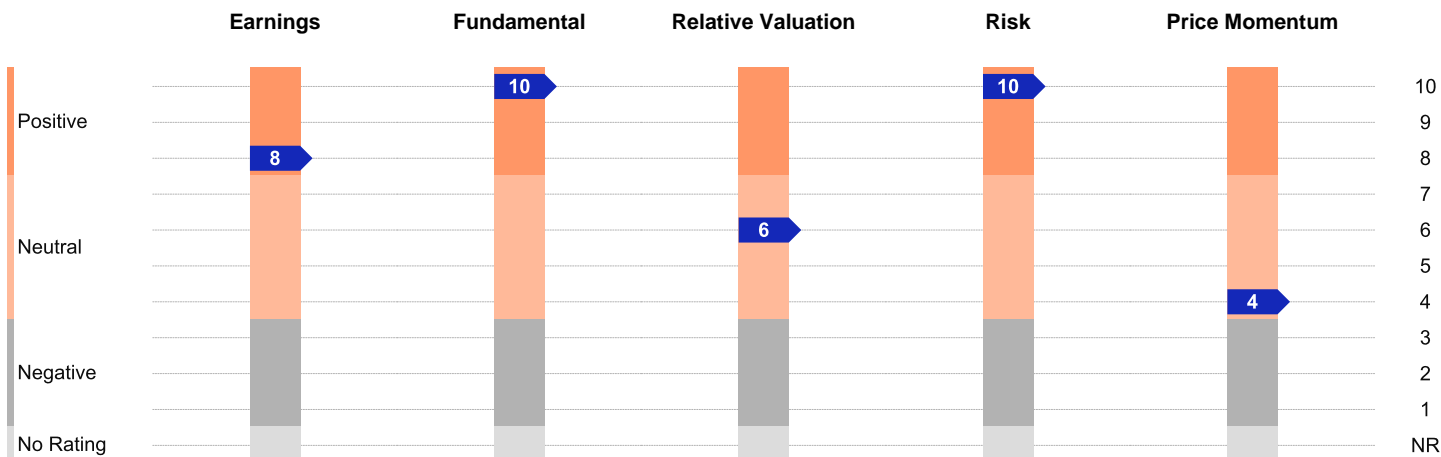
Cipla Limited is an India-based company, which is primarily engaged in the business of pharmaceuticals. The Company operates through two segments: Pharmaceuticals and New ventures. The Pharmaceuticals segment is engaged in developing, manufacturing, selling, and distributing generic or branded generic medicines, as well as Active Pharmaceutical Ingredients (API). The New ventures segment includes the operations of the Company, a consumer healthcare, Biosimilars and specialty business. The Company's product portfolio spans complex generics, as well as drugs in the respiratory, anti-retroviral, urology, cardiology, anti-infective and central nervous system (CNS). The Company's geographical segments include India, the United States, South Africa, and Rest of the World. The Company has its network of manufacturing, trading and other incidental operations in India and International markets. The Company has approximately 47 manufacturing sites.



INDICATOR COMPONENTS

**AVERAGE SCORE**  
**9**

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

Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (2024-05-03)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	
8	SUNPHARMA	1,511.15	-6.7%	6.7%	56.8%	3.6T	40.7	37.5	0.83%	18.5%	-- Buy	31	
9	CIPLA	1,424.75	-3.2%	2.3%	54.8%	1.2T	31.0	27.3	0.60%	12.3%	-- Buy	32	
9	ZYDUSLIFE	997.40	0.98%	31.0%	91.5%	1.0T	33.8	28.3	0.60%	15.9%	-- Hold	27	
7	AJANTPHARM	2,383.85	5.7%	9.9%	85.7%	300.2B	36.8	32.3	1.6%	19.4%	-0.40% Buy	10	
6	GLENMARK	1,053.30	6.0%	18.9%	94.6%	297.2B	174.3	39.0	0.24%	-6.1%	-- Hold	10	
6	SANOFI	8,624.25	-0.22%	-3.3%	59.2%	198.6B	36.0	30.4	1.7%	21.1%	-- Buy	3	
9	CAPLIPOINT	1,298.75	-1.3%	-7.3%	89.6%	98.6B	22.7	21.7	0.35%	26.8%	-- Strong Buy	2	
3	WOCKPHARMA	555.15	-5.5%	25.2%	231%	85.2B	--	--	--	-18.0%	-- --	--	
5	STAR	886.55	5.9%	26.7%	161.7%	81.5B	--	73.9	0.17%	-2.5%	-- Buy	2	
7	PGHL	4,750.60	-0.27%	-8.4%	1.1%	78.9B	34.4	--	2.1%	18.3%	-- --	--	
6	GUJTHEM	404.90	7.8%	19.6%	176.7%	29.4B	53.5	--	0.23%	35.2%	-- --	--	
6.8	Average	2,171.88	0.85%	11.0%	100.2%	631.8B	51.5	36.3	0.84%	12.8%	-0.40% Buy	14.6	

PEER COMPANIES

AJANTPHARM	Ajanta Pharma	SANOFI	Sanofi India
CAPLIPOINT	Caplin Point Laboratories	STAR	Strides Pharma Science
GLENMARK	Glenmark Pharmaceuticals	SUNPHARMA	Sun Pharmaceutical Industries
GUJTHEM	Gujarat Themis Biosyn	WOCKPHARMA	Wockhardt
PGHL	Procter & Gamble Health	ZYDUSLIFE	Zybus Lifesciences

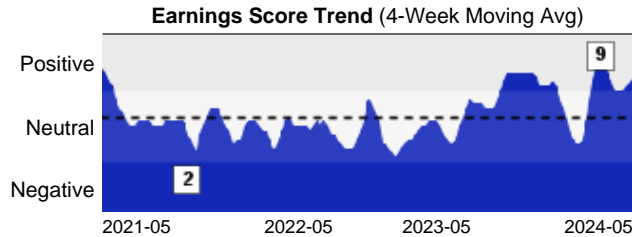
**EARNINGS** Currency in INR

**POSITIVE OUTLOOK:** Strong earnings with recent analyst upgrades or a history of surpassing consensus estimates.

**EARNINGS**  
**8**

**Earnings Score Averages**

Pharmaceuticals Group:	<b>5.8</b>	Large Market Cap:	<b>5.8</b>
Pharma. & Medical Research Sector:	<b>5.5</b>	BSE Sensex Index:	<b>6.7</b>



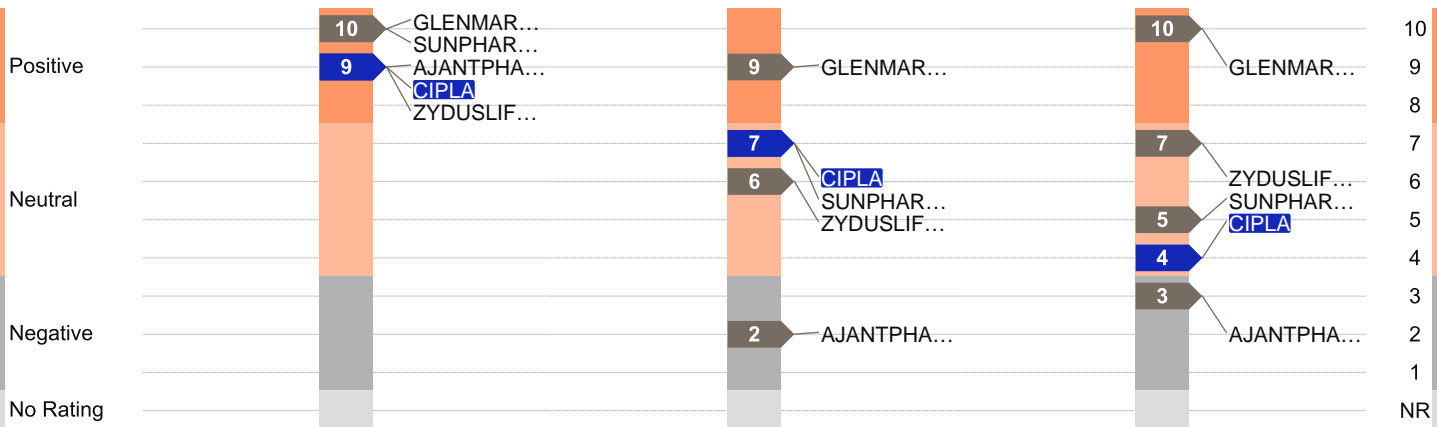
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
GLENMARK	3	10	10	10	<b>10</b>	
SUNPHARMA	10	9	8	9	<b>9</b>	
ZYDUSLIFE	7	10	9	9	<b>9</b>	
<b>CIPLA</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>8</b>	
AJANTPHARM	8	5	5	5	<b>4</b>	

**EARNINGS INDICATORS**

**Earnings Surprises**  
(33.3% weight)

**Estimate Revisions**  
(33.3% weight)

**Recommendation Changes**  
(33.3% weight)



**Last 4 Quarters**

# Positive Surprises (>2%)	3
# Negative Surprises (<-2%)	1
# In-Line Surprises (within 2%)	0
Avg Surprise	9.3%

**Last 4 Weeks**

# Up Revisions	1
# Down Revisions	0
Avg Up Revisions	3.1%
Avg Down Revisions	0.00%

**Last 120 Days**

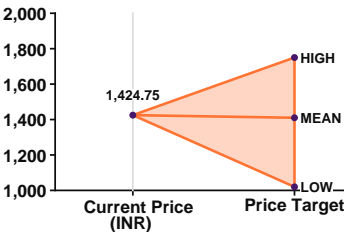
# Broker Upgrades	0
# Broker Downgrades	3

**HIGHLIGHTS**

- Cipla currently has an Earnings Rating of 8, which is significantly more bullish than the Pharmaceuticals industry average of 5.8. CIPLA scores a bullish 7 or greater for two of three component ratings.
- CIPLA's current quarter consensus estimate has increased over the past 90 days from 10.06 to 10.73, a rise of 6.7%. Consensus estimates for the Pharmaceuticals industry have moved an average 0.0% during the same time period.

**PRICE TARGET**

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



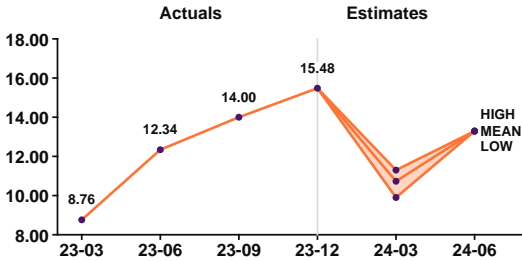
**12-Month Price Target**

Mean (INR)	1,410.00
High	1,750.00
Low	1,020.00
Target vs. Current	-1.0%
# of Analysts	34

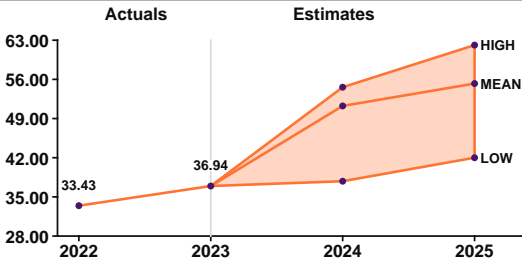
**EARNINGS PER SHARE**

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	24-03	24-06
Mean	10.730	13.290
High	11.300	13.290
Low	9.900	13.290
# of Analysts	5	1



Annual	2024	2025
Mean	51.250	55.250
High	54.600	62.120
Low	37.800	42.000
# of Analysts	29	28

**MEAN ESTIMATE TREND**      **ANALYST RECOMMENDATIONS**

	Q 24-03	Q 24-06	Y 2024	Y 2025	Price Target
Current	10.730	13.290	51.250	55.250	1,410.00
30 Days Ago	10.060	12.930	51.120	55.350	1,390.00
90 Days Ago	10.060	12.930	51.070	55.430	1,350.00
% Change (90 Days)	6.7%	2.8%	0.40%	-0.30%	4.4%

Current Fiscal Year End: 24-03  
Next Expected Report Date: 2024-05-10

I/B/E/S Mean: **Buy (32 Analysts)**

- Strong Buy: 7
- Buy: 14
- Hold: 5
- Sell: 3
- Strong Sell: 3

**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 12 Quarters)**

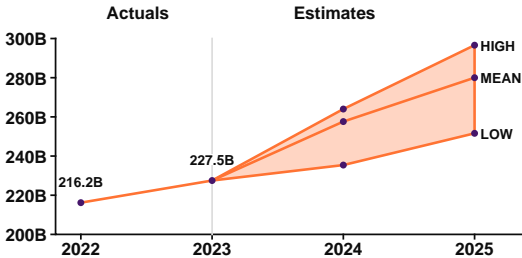
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	8	66.7%
Negative Quarters (< -2%)	4	33.3%
In-Line Quarters (within 2%)	0	--

**Surprise Detail (Last 6 Periods)**

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Positive	2024-01-22	2023-12-31	15.480	12.630	22.6%
Positive	2023-10-27	2023-09-30	14.000	12.240	14.4%
Positive	2023-07-26	2023-06-30	12.340	11.410	8.2%
Negative	2023-05-12	2023-03-31	8.760	9.508	-7.9%
Negative	2023-01-25	2022-12-31	9.920	11.380	-12.8%
Positive	2022-11-04	2022-09-30	9.770	9.454	3.3%

**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	257.6B	280.0B
High	264.0B	296.6B
Low	235.4B	251.6B
Forecasted Growth	13.2%	23.1%
# of Analysts	29	28

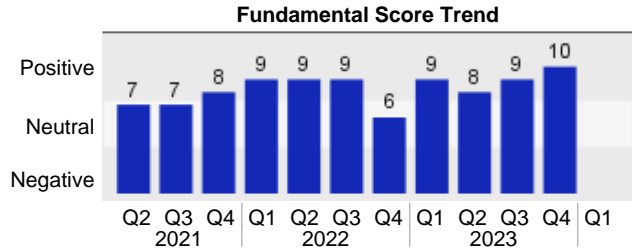
FUNDAMENTAL

FUND-AMENTAL  
**10**

**POSITIVE OUTLOOK:** Strong fundamentals such as high profit margins, low debt levels, or growing dividends.

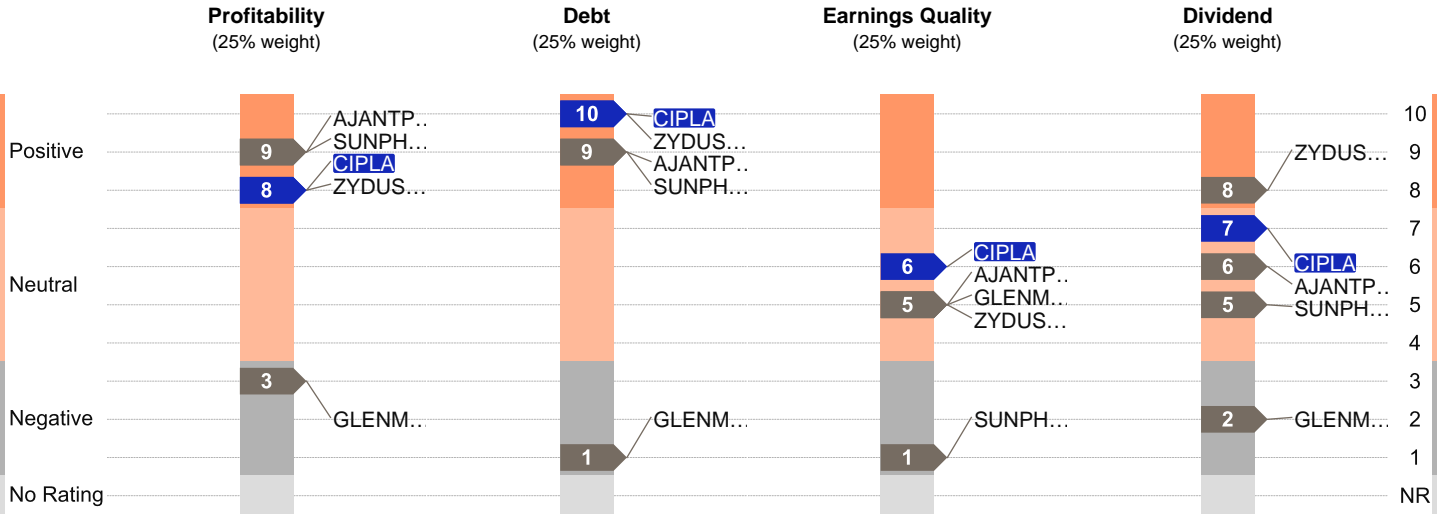
Fundamental Score Averages

Pharmaceuticals Group:	5.1	Large Market Cap:	6.3
Pharma. & Medical Research Sector:	5.1	BSE Sensex Index:	7.1



Peers	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Current	3Y Trend
CIPLA	8	9	10	NR	10	[Bar Chart]
ZYDUSLIFE	5	6	8	NR	10	[Bar Chart]
AJANTPHARM	7	7	7	NR	9	[Bar Chart]
SUNPHARMA	8	9	8	NR	7	[Bar Chart]
GLENMARK	6	6	3	NR	1	[Bar Chart]

FUNDAMENTAL INDICATORS



<b>Revenue Growth</b> For year over year ending 2023-03	4.5%	<b>Current Ratio</b> For interim period ending 2023-09	4.6	<b>Oper. Cash Yield</b> For latest 12 months ending --	17.3%	<b>Dividend Growth</b> For year over year ending 2023-12	70.0%
<b>Gross Margin</b> For latest 12 months ending 2023-03	54.6%	<b>Debt-to-Capital</b> For annual period ending 2023-03	0.9%	<b>Accruals</b> For latest 12 months ending 2023-03	11.1%	<b>Dividend Payout</b> For latest 12 months ending 2023-03	24.5%
<b>Return On Equity</b> For interim period ending 2023-03	12.7%	<b>Interest Funding</b> For interim period ending 2023-03	1.9%	<b>Days Sales In Inv.</b> For annual period ending 2023-03	167.9	<b>Dividend Coverage</b> For annual period ending 2023-03	9.5
<b>Net Margin</b> For latest 12 months ending 2023-03	12.3%	<b>Interest Coverage</b> For interim period ending 2023-12	50.0	<b>Days Sales In Rec.</b> For annual period ending 2023-03	51.8	<b>Current Div. Yield</b> For latest 12 months ending 2024-05	0.6%

HIGHLIGHTS

- Cipla currently has a Fundamental Rating of 10, which is significantly more bullish than the Pharmaceuticals industry group average of 5.1.
- The company's gross margin has been higher than its industry group average for each of the past five years.
- The company's current ratio has been higher than its industry group average for each of the past five years.
- The company's operating cash yield has been higher than its industry group average for each of the past five years.
- Of the 198 firms within the Pharmaceuticals industry group, Cipla is among 80 companies that pay a dividend. The stock's dividend yield is currently 0.60%.

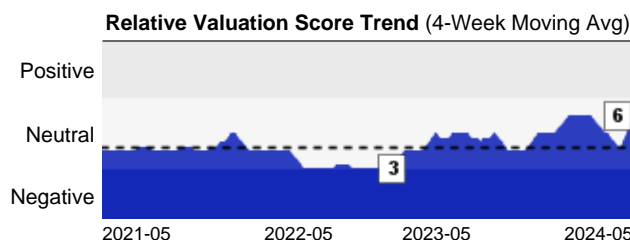
**RELATIVE VALUATION**

**NEUTRAL OUTLOOK:** Multiples relatively in-line with the market.



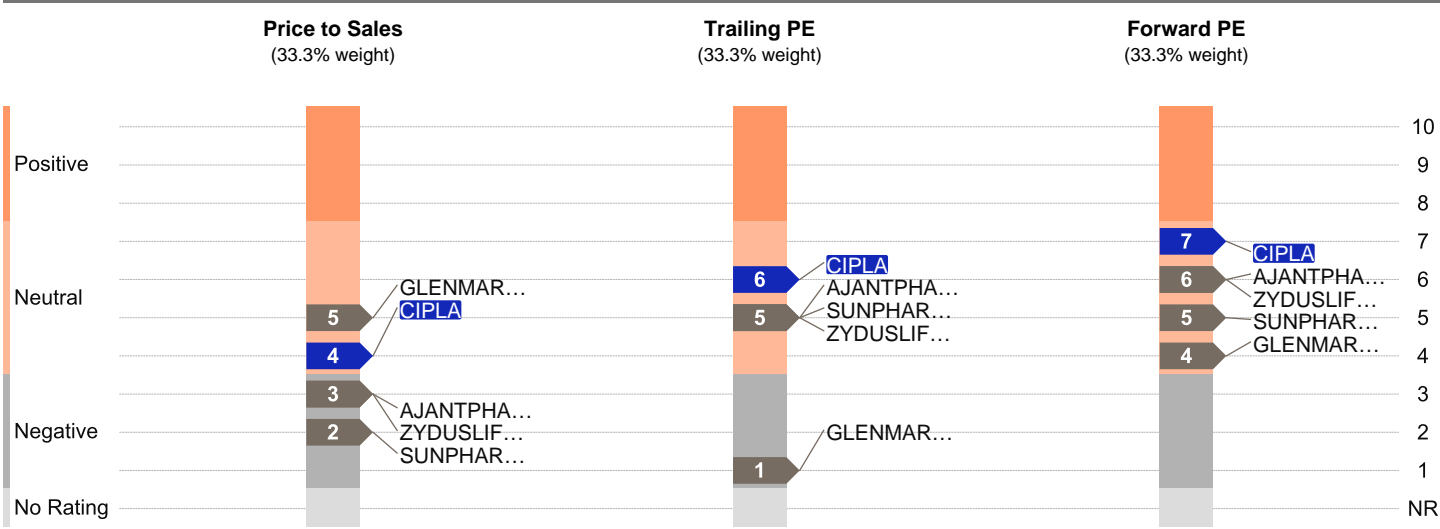
**Relative Valuation Score Averages**

Pharmaceuticals Group:	5.2	Large Market Cap:	4.5
Pharma. & Medical Research Sector:	5.2	BSE Sensex Index:	6.0



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
CIPLA	5	6	5	6	6	
AJANTPHARM	4	4	4	4	4	
SUNPHARMA	4	4	3	4	4	
ZYDUSLIFE	6	6	4	5	4	
GLENMARK	4	4	3	3	3	

**RELATIVE VALUATION INDICATORS**



Indicator	CIPLA	5-Yr Average	Rel. to 5-Yr Avg.	BSE Sensex Index	Rel. to BSE Sensex
Price to Sales	4.5	3.5	30% Premium	3.5	29% Premium
Trailing PE	31.0	30.2	3% Premium	24.9	25% Premium
Forward PE	27.3	25.3	8% Premium	22.8	20% Premium

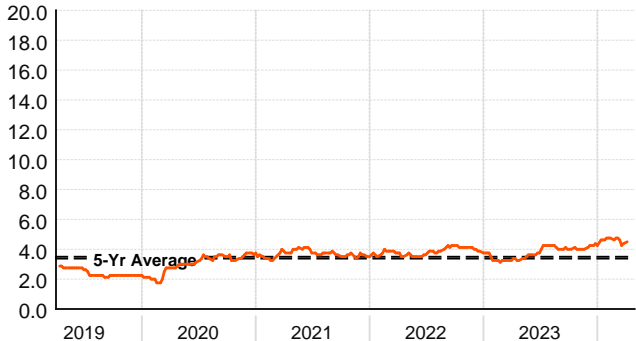
**HIGHLIGHTS**

- Cipla currently has a Relative Valuation Rating of 6 while the S&P BSE SENSEX index has an average rating of 6.0.
- CIPLA's 4.5 Price to Sales multiple is currently at the high end of its 5-year range (lowest 1.8 to highest 4.7).
- CIPLA's Trailing P/E of 31.0 represents a 3% Premium to its 5-year average of 30.2.
- CIPLA's Forward P/E of 27.3 represents a 8% Premium to its 5-year average of 25.3.

PRICE TO SALES

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

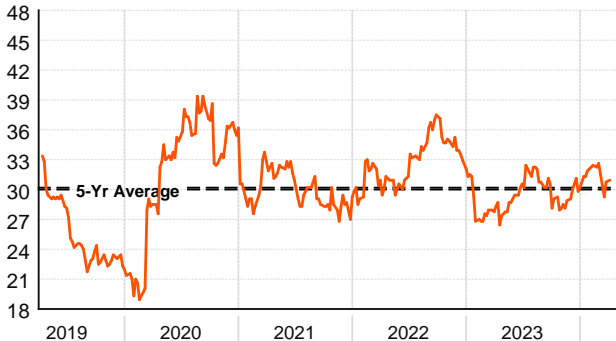
Price to Sales: 4.5
5-Year Average: 3.5
BSE Sensex Index Average: 3.5
Pharmaceuticals Group Average: 5.2



TRAILING PE

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

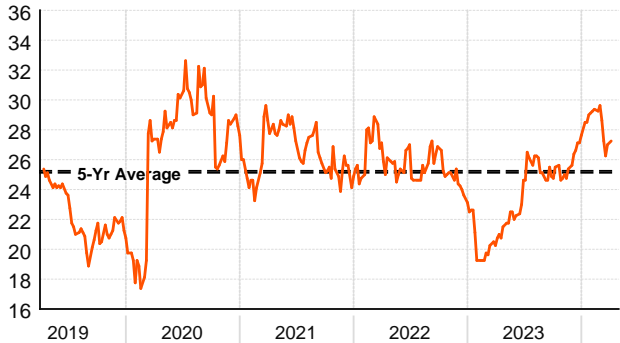
Trailing PE: 31.0
5-Year Average: 30.2
BSE Sensex Index Average: 24.9
Pharmaceuticals Group Average: 41.6



FORWARD PE

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

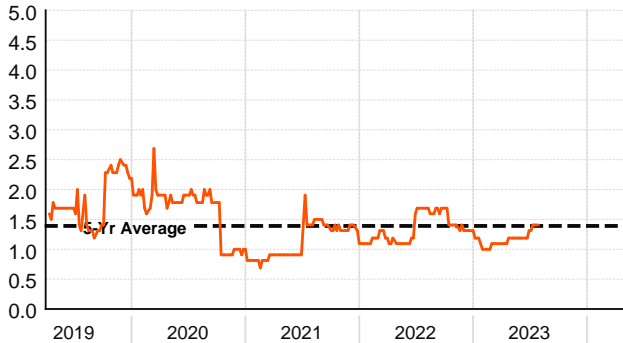
Forward PE: 27.3
5-Year Average: 25.3
BSE Sensex Index Average: 22.8
Pharmaceuticals Group Average: 36.9



FORWARD PEG

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

Forward PEG: --
5-Year Average: 1.4
BSE Sensex Index Average: 1.5
Pharmaceuticals Group Average: 1.7



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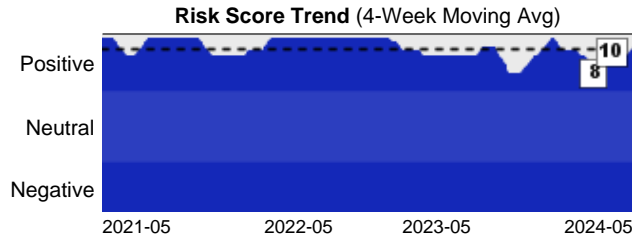
**RISK**

**POSITIVE OUTLOOK:** Consistent return patterns (low volatility).

**RISK**  
**10**

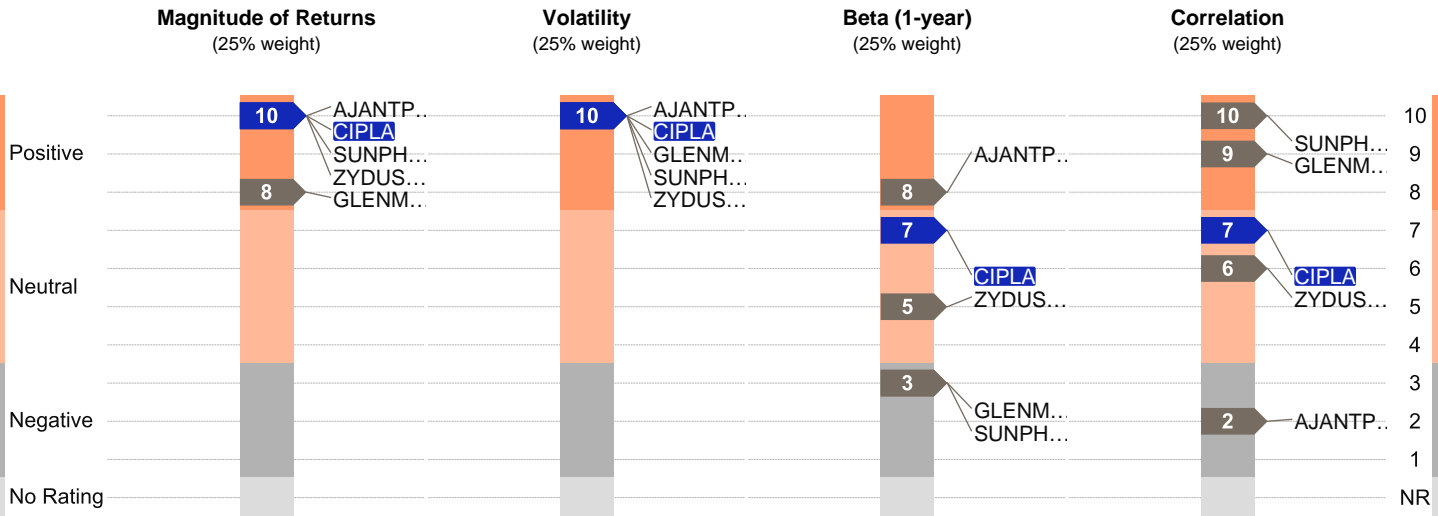
**Risk Score Averages**

Pharmaceuticals Group:	6.3	Large Market Cap:	8.4
Pharma. & Medical Research Sector:	6.3	BSE Sensex Index:	9.4



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
CIPLA	10	8	9	10	10	[Bar]
SUNPHARMA	10	10	10	10	10	[Bar]
AJANTPHARM	9	10	10	9	9	[Bar]
GLENMARK	9	9	9	9	9	[Bar]
ZYDUSLIFE	10	9	9	10	9	[Bar]

**RISK INDICATORS**



<b>Daily Returns (Last 90 Days)</b>	<b>Standard Deviation</b>	<b>Beta vs. BSE Sensex</b>	0.16	<b>Correlation vs. BSE Sensex</b>
Best: 3.8%	Last 90 Days: 1.37	Positive Days Only: -0.09		Last 90 Days: 27%
Worst: -3.5%	Last 60 Months: 8.11	Negative Days Only: 0.03		Last 60 Months: 30%
<b>Monthly Returns (Last 60 Months)</b>	<b>Intra-Day Swing (Last 90 Days)</b>	<b>Beta vs. Group</b>	0.33	<b>Correlation vs. Group</b>
Best: 39.4%	Average: 2.2%	Positive Days Only: 0.39		Last 90 Days: 18%
Worst: -13.5%	Largest: 3.9%	Negative Days Only: -0.10		Last 60 Months: 48%

**HIGHLIGHTS**

- Cipla currently has a Risk Rating of 10 while the S&P BSE SENSEX index has an average rating of 9.4.
- Regardless of the direction of the market on a particular day, CIPLA shares have very low volatility in comparison to the market.
- In both short-term and long-term periods, CIPLA has shown average correlation (> 0.2 and < 0.4) with the S&P BSE SENSEX index. Thus, this stock would provide only average levels of diversification to a portfolio similar to the broader market.
- Over the last 90 days, CIPLA shares have been less volatile than the overall market, as the stock's daily price has fluctuated less than 98% of 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
CIPLA	3.8%	-3.5%	30	30	3.9%	39.4%	-13.5%
AJANTPHARM	6.7%	-3.8%	35	25	10.4%	19.1%	-21.8%
GLENMARK	7.7%	-4.9%	34	25	9.8%	63.7%	-25.8%
SUNPHARMA	3.3%	-4.0%	35	25	5.7%	31.8%	-17.7%
ZYDUSLIFE	6.4%	-3.2%	35	25	7.0%	29.5%	-23.8%
<b>BSE Sensex</b>	<b>1.7%</b>	<b>-1.2%</b>	<b>36</b>	<b>23</b>	<b>2.1%</b>	<b>14.4%</b>	<b>-23.1%</b>





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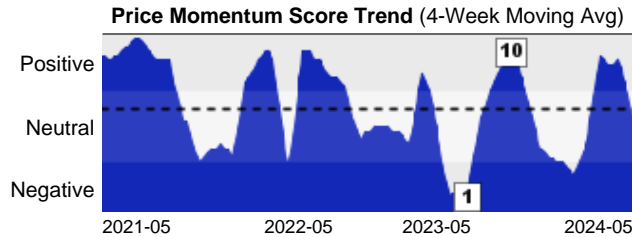
PRICE MOMENTUM Currency in INR

**NEUTRAL OUTLOOK:** Performance relatively in-line with the market.

**PRICE MOMENTUM**  
**4**

Price Momentum Score Averages

Pharmaceuticals Group:	3.4	Large Market Cap:	6.2
Pharma. & Medical Research Sector:	3.3	BSE Sensex Index:	5.5

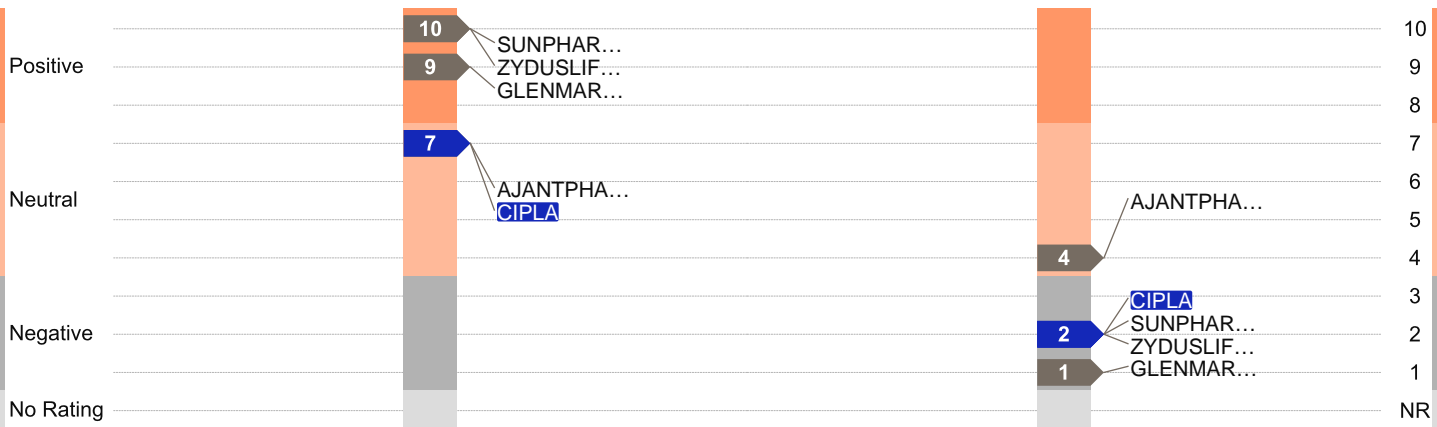


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
SUNPHARMA	4	10	6	6	6	
ZYDUSLIFE	3	10	7	7	6	
AJANTPHARM	4	10	6	5	5	
GLENMARK	5	10	7	7	5	
<b>CIPLA</b>	<b>3</b>	<b>9</b>	<b>6</b>	<b>5</b>	<b>4</b>	

PRICE MOMENTUM INDICATORS

Relative Strength (50% weight)

Seasonality (50% weight)



Relative Strength Indicator (Scale from 1 to 100)

	CIPLA	Industry Avg
Last 10 Days	59	54
Last 50 Days	53	53
Last 200 Days	55	53

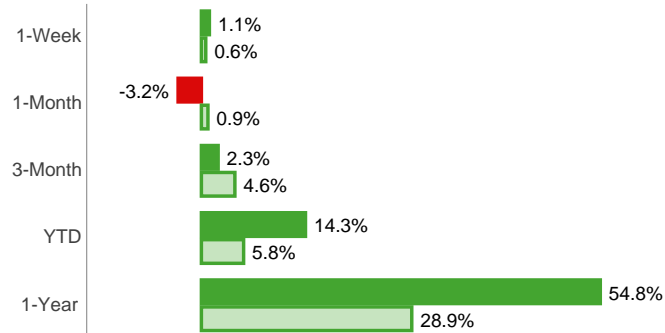
Average Monthly Return (Last 10 Years)

	May	Jun	Jul
Company Avg	-1.5%	3.4%	4.9%
Industry Avg	-0.63%	3.7%	6.3%
Industry Rank	87 of 99	70 of 98	21 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.

■ CIPLA  
■ BSE 100



	CIPLA	BSE 100
Close Price (2024-05-03)	1,424.75	23,680
52-Week High	1,519.00	23,854
52-Week Low	896.85	18,360

- On 2024-05-03, CIPLA closed at 1,424.75, 6.2% below its 52-week high and 58.9% above its 52-week low.
- CIPLA shares are currently trading 1.3% below their 50-day moving average of 1,444.14, and 9.4% above their 200-day moving average of 1,302.81.
- The S&P BSE 100 index is currently 0.70% below its 52-week high and 29.0% above its 52-week low.

**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:  $(\text{Net Sales} - \text{Previous Net Sales}) / \text{Previous Net Sales}$
- Gross Margin:  $\text{Gross Profit} / \text{Net Sales}$
- Return on Equity:  $\text{Net Income} / \text{Total Equity}$
- Net Margin:  $\text{Net Profit} / \text{Net Sales}$

**Debt**

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

**Earnings Quality**

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

**Dividend**

The company must have a current dividend yield.

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

**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:  $\text{Close Price} / (\text{Sales for 4 Quarters or 1 Year} / \text{Shares Outstanding})$

- 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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