

**GRASIM INDUSTRIES (GRASIM-IN)**

Mineral Resources / Construction Materials / Construction Materials

**DETAILED STOCK REPORT**

Report Date: 2023-Nov-26

Last Close <b>1,949.40 (INR)</b>	Avg Daily Vol <b>444,736</b>	52-Week High <b>2,022.00</b>	Trailing PE <b>19.3</b>	Annual Div <b>10.00</b>	ROE <b>8.3%</b>	LTG Forecast <b>--</b>	1-Mo Return <b>2.5%</b>
2023 November 24 NSE Exchange	Market Cap <b>1.3T</b>	52-Week Low <b>1,527.05</b>	Forward PE <b>14.2</b>	Dividend Yield <b>0.5%</b>	Annual Rev <b>1.2T</b>	Inst Own <b>23.7%</b>	3-Mo Return <b>9.6%</b>

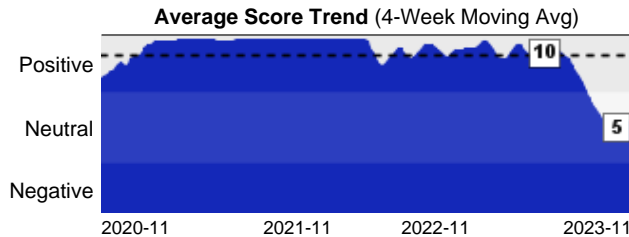
**AVERAGE SCORE**

**AVERAGE SCORE**  
**6**

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

**Score Averages**

Construction Materials Group:	<b>4.7</b>	Large Market Cap:	<b>6.6</b>
Mineral Resources Sector:	<b>5.9</b>	BSE Sensex Index:	<b>7.4</b>



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AMBUJACEM	8	7	6	8	<b>8</b>	
<b>GRASIM</b>	<b>10</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>	
RAMCOIND	8	7	6	6	<b>6</b>	
ULTRACEMCO	7	5	6	6	<b>6</b>	
RHIM	6	6	5	6	<b>5</b>	

**HIGHLIGHTS**

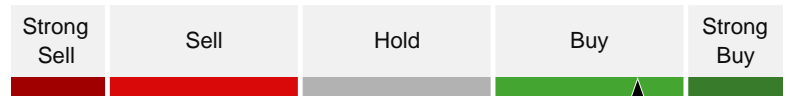
- The score for Grasim Industries last changed from 5 to 6 on 2023-11-12.
- The recent change in the Average Score was primarily due to an improvement in the Earnings and Relative Valuation component scores.

**I/B/E/S MEAN**

**Buy**

8 Analysts

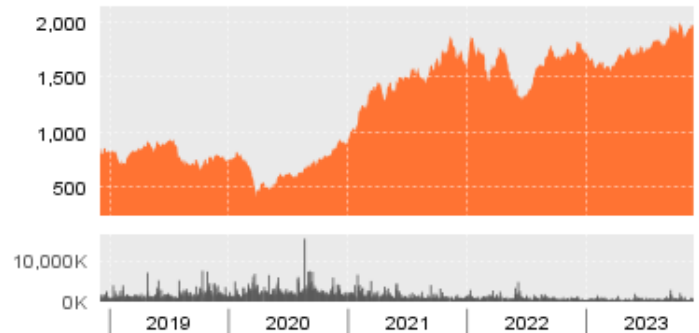
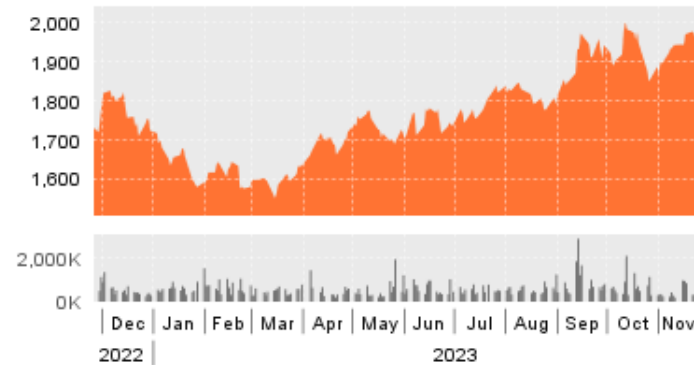
Mean recommendation from all analysts covering the company on a standardized 5-point scale.



**PRICE AND VOLUME CHARTS**

1-Year Return: 13.1%

5-Year Return: 131.2%



**BUSINESS SUMMARY**

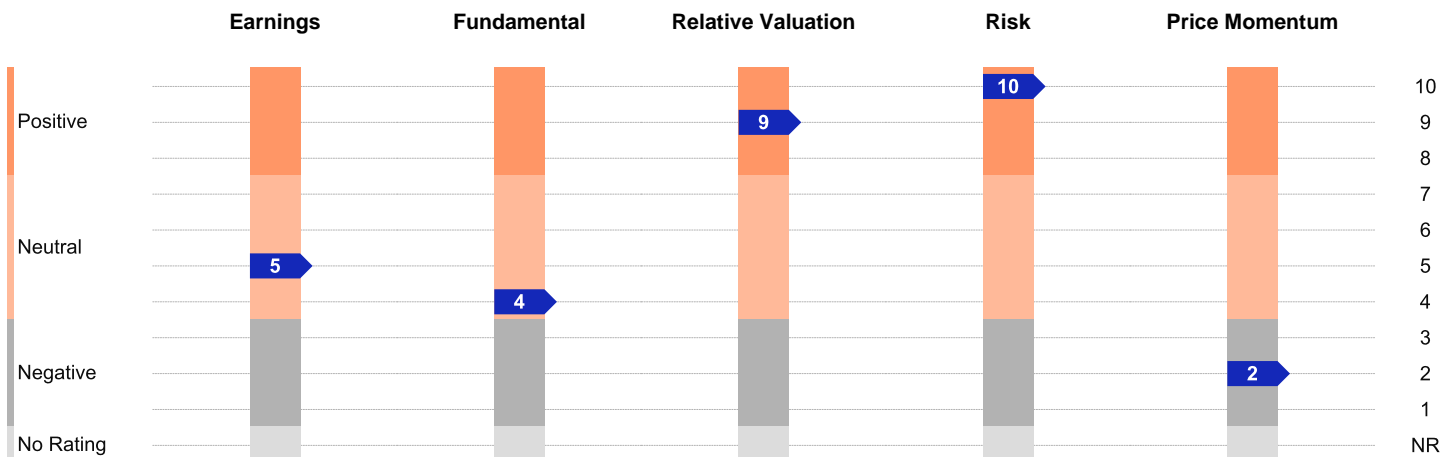
Grasim Industries Limited is an India-based global producer of viscose, diversified chemicals, linen yarn, and fabrics producer in India. The Company's segments include Viscose, Chemicals, Cement, Financial Services, and Others. The Viscose segment includes viscose staple fiber, wood pulp and viscose filament yarn. The Chemicals segment includes caustic soda, allied chemicals, and epoxy. The Cement segment includes grey cement, white cement, and allied products. The Financial Services segment includes non-bank financial services, life insurance services, asset management (AMC), housing finance, equity broking, wealth management, general insurance advisory and health insurance. The Others segment includes textiles, insulators, paints, solar power, and business-to-business e-commerce. Through its subsidiaries, UltraTech Cement Limited and Aditya Birla Capital Limited, the Company is also a cement producer and a diversified financial services company. Navyasa is its saree brand.

INDICATOR COMPONENTS

AVERAGE SCORE

6

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				VALUATION			FUNDAMENTAL		ANALYSTS	
		Price (2023-11-24)	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
6	ULTRACEMCO	8,556.20	2.8%	4.2%	24.7%	2.5T	43.4	28.2	0.44%	8.4%	-- Buy	38
6	GRASIM	1,949.40	2.5%	9.6%	13.1%	1.3T	19.3	14.2	0.51%	5.4%	-- Buy	8
8	AMBUJACEM	414.30	-0.40%	-7.7%	-25.7%	822.7B	31.5	19.1	0.60%	6.5%	-- Buy	34
5	RHIM	734.20	7.9%	4.7%	-6.2%	151.6B	--	46.5	0.34%	-14.6%	-- Buy	3
6	RAMCOIND	214.00	8.6%	18.8%	30.9%	18.6B	18.9	--	0.47%	6.5%	-- --	--
5	POKARNA	534.10	2.0%	15.8%	22.2%	16.6B	25.9	--	0.11%	10.1%	-- --	--
4	BIGBLOC	157.00	2.1%	8.0%	1.2%	11.1B	41.1	--	0.25%	12.8%	-- --	--
7	MORGANITE	1,630.20	27.2%	17.5%	66.1%	9.1B	38.0	--	2.4%	14.7%	-- --	--
5	VISAKAIND	85.35	-1.6%	2.8%	-4.1%	7.4B	9.3	--	8.9%	0.9%	-- Strong Buy	1
6	DECCANCE	494.85	-4.3%	-5.9%	0.91%	6.9B	14.1	9.2	0.76%	5.3%	-- Sell	1
7	ORIENTCER	56.90	31.3%	77.0%	86.9%	6.8B	38.4	--	0.44%	6.0%	-- --	--
5.9	Average	1,347.86	7.1%	13.2%	19.1%	435.9B	28.0	23.4	1.4%	5.6%	-- Buy	14.2

PEER COMPANIES

AMBUJACEM	Ambuja Cements	POKARNA	Pokarna
BIGBLOC	Bigbloc Construction	RAMCOIND	Ramco Industries
DECCANCE	Deccan Cements	RHIM	RHI Magnesita India
MORGANITE	Morganite Crucible (India)	ULTRACEMCO	UltraTech Cement
ORIENTCER	Orient Ceratech	VISAKAIND	Visaka Industries

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Mineral Resources / Construction Materials / Construction Materials

DETAILED STOCK REPORT

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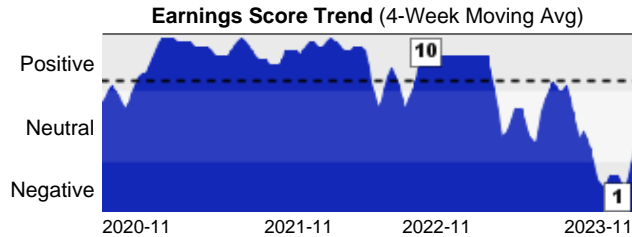
EARNINGS Currency in INR

**NEUTRAL OUTLOOK:** Mixed earnings expectations and performance.

**EARNINGS**  
**5**

**Earnings Score Averages**

Construction Materials Group:	<b>6.0</b>	Large Market Cap:	<b>6.1</b>
Mineral Resources Sector:	<b>5.8</b>	BSE Sensex Index:	<b>6.8</b>



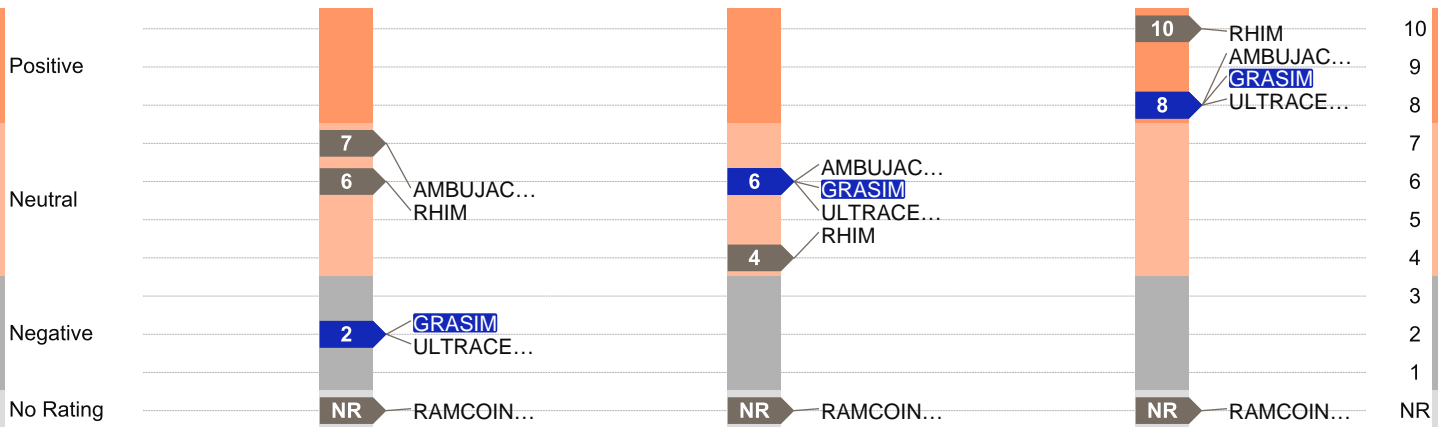
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AMBUJACEM	8	5	3	8	8	
RHIM	5	8	8	8	8	
<b>GRASIM</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>5</b>	
ULTRACEMCO	5	3	7	5	5	
RAMCOIND	NR	NR	NR	NR	NR	

**EARNINGS INDICATORS**

**Earnings Surprises**  
(33.3% weight)

**Estimate Revisions**  
(33.3% weight)

**Recommendation Changes**  
(33.3% weight)



**Last 4 Quarters**

# Positive Surprises (>2%)	1
# Negative Surprises (<-2%)	3
# In-Line Surprises (within 2%)	0
Avg Surprise	-20.5%

**Last 4 Weeks**

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

**Last 120 Days**

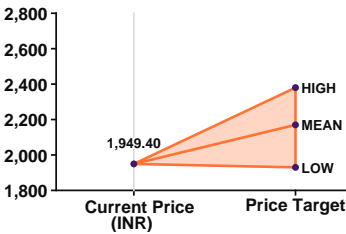
# Broker Upgrades	1
# Broker Downgrades	0

**HIGHLIGHTS**

- Grasim Industries currently has a relatively neutral Earnings Rating of 5. The average Earnings Rating for its Construction Materials industry is 6.0 and the S&P BSE SENSEX index average is 6.8.
- On 2023-11-13, the company announced quarterly earnings of 17.71 per share, a negative surprise of -32.7% below the consensus 26.31. Over the past 4 quarters, the company has reported 1 positive, 3 negative, and 0 in-line surprises. The average surprise for this time period has been -20.5%.
- GRASIM's current quarter consensus estimate has remained relatively unchanged over the past 90 days at 31.57. Estimates within its industry have moved an average of -3.0% 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)	2,170.00
High	2,380.00
Low	1,930.00
Target vs. Current	11.3%
# of Analysts	8



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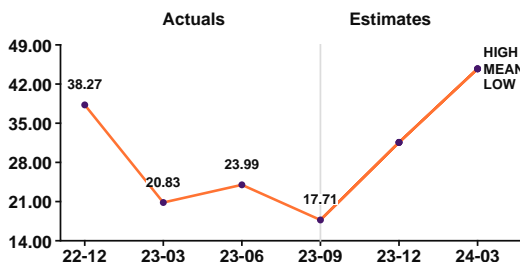
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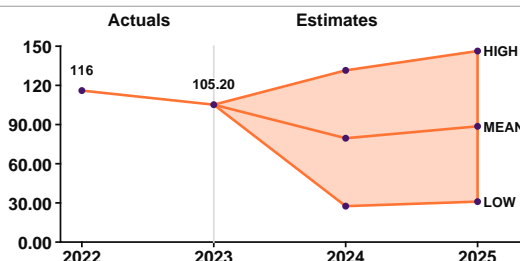
**EARNINGS PER SHARE**

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	23-12	24-03
Mean	31.570	44.720
High	31.570	44.720
Low	31.570	44.720
# of Analysts	1	1



Annual	2024	2025
Mean	79.520	88.630
High	131.5	146.3
Low	27.500	30.970
# of Analysts	2	2

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

	Q 23-12	Q 24-03	Y 2024	Y 2025	Price Target
Current	31.570	44.720	79.520	88.630	2,170.00
30 Days Ago	31.570	44.720	68.250	75.760	2,050.00
90 Days Ago	32.400	45.910	69.410	76.770	2,010.00
% Change (90 Days)	-2.6%	-2.6%	14.6%	15.4%	8.0%

Current Fiscal Year End: 24-03  
Next Expected Report Date: 2024-02-12

I/B/E/S Mean: **Buy (8 Analysts)**

Strong Buy	5
Buy	1
Hold	1
Sell	1
Strong Sell	0

**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)**

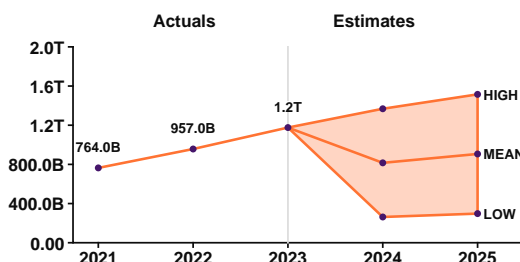
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	2	40.0%
Negative Quarters (< -2%)	3	60.0%
In-Line Quarters (within 2%)	0	--

**Surprise Detail (Last 6 Periods)**

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2023-11-13	2023-09-30	17.710	26.310	-32.7%
Negative	2023-08-10	2023-06-30	23.990	29.700	-19.2%
Negative	2023-05-26	2023-03-31	20.830	43.750	-52.4%
Positive	2023-02-14	2022-12-31	38.270	31.890	20.0%
--	2022-05-24	2022-03-31	43.280	--	--

**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	815.7B	906.3B
High	1,368B	1,515B
Low	262.9B	297.4B
Forecasted Growth	-30.6%	-22.9%
# of Analysts	2	2



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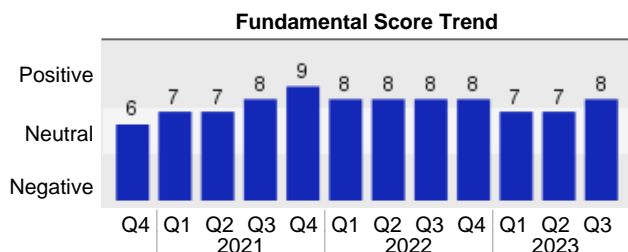
FUNDAMENTAL

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

FUND-AMENTAL  
**4**

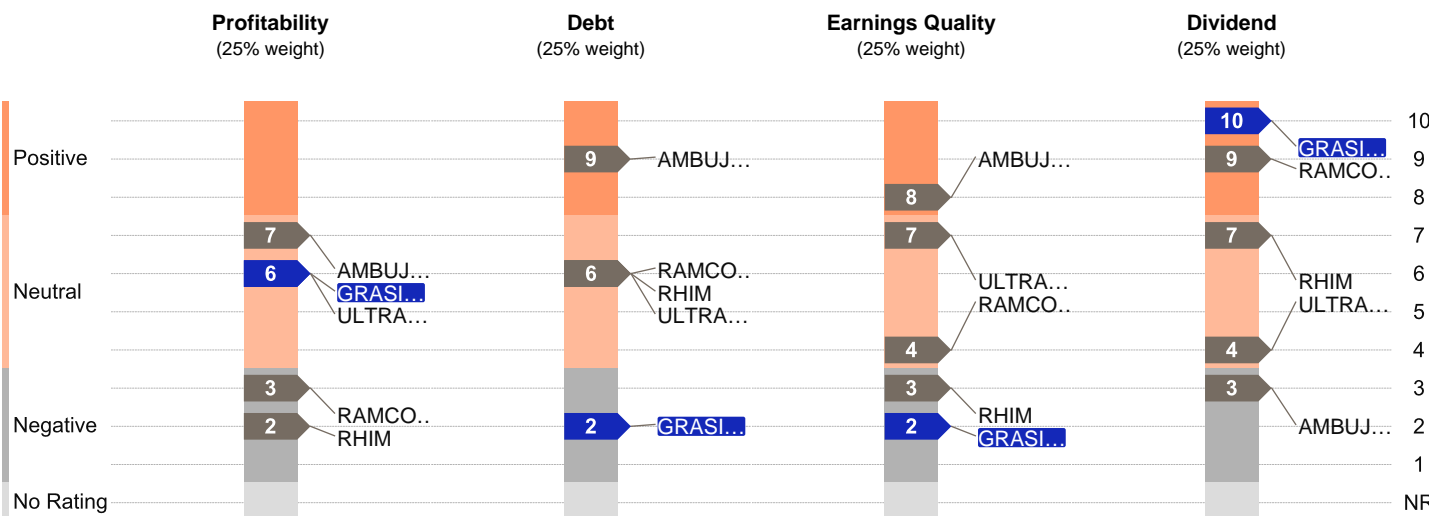
Fundamental Score Averages

Construction Materials Group: **4.8** Large Market Cap: **6.5**  
Mineral Resources Sector: **5.5** BSE SENSEX Index: **7.1**



Peers	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Current	3Y Trend
AMBUJACEM	7	1	NR	NR	8	[Bar chart]
RAMCOIND	8	9	7	6	6	[Bar chart]
ULTRACEMCO	8	7	6	7	6	[Bar chart]
<b>GRASIM</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>4</b>	[Bar chart]
RHIM	6	6	5	5	3	[Bar chart]

FUNDAMENTAL INDICATORS



<b>Revenue Growth</b>	13.5%	<b>Current Ratio</b>	1.0	<b>Oper. Cash Yield</b>	-302.2%	<b>Dividend Growth</b>	100.0%
For year over year ending 2023-09		For interim period ending 2023-09		For latest 12 months ending --		For year over year ending 2023-09	
<b>Gross Margin</b>	53.9%	<b>Debt-to-Capital</b>	35.7%	<b>Accruals</b>	19.7%	<b>Dividend Payout</b>	9.9%
For latest 12 months ending 2023-09		For annual period ending 2023-03		For latest 12 months ending 2023-03		For latest 12 months ending 2023-09	
<b>Return On Equity</b>	8.3%	<b>Interest Funding</b>	26.9%	<b>Days Sales In Inv.</b>	84.9	<b>Dividend Coverage</b>	19.4
For interim period ending 2023-09		For interim period ending 2023-03		For annual period ending 2023-03		For annual period ending 2023-03	
<b>Net Margin</b>	5.4%	<b>Interest Coverage</b>	2.3	<b>Days Sales In Rec.</b>	86.2	<b>Current Div. Yield</b>	0.5%
For latest 12 months ending 2023-09		For interim period ending 2023-09		For annual period ending 2023-03		For latest 12 months ending 2023-11	

HIGHLIGHTS

- The Fundamental Rating for Grasim Industries declined significantly over the last quarter from 7 to 4. The average Fundamental Rating for its Construction Materials industry group is 4.8 and the S&P BSE SENSEX index average is 7.1.
- The company's gross margin has been higher than its industry group average for each of the past five years.
- The company's debt-to-capital has been higher than its industry group average for each of the past five years.
- The company's days sales in receivables has been higher than its industry group average for each of the past five years.
- Of the 69 firms within the Construction Materials industry group, Grasim Industries is among 35 companies that pay a dividend. The stock's dividend yield is currently 0.51%.



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RELATIVE VALUATION

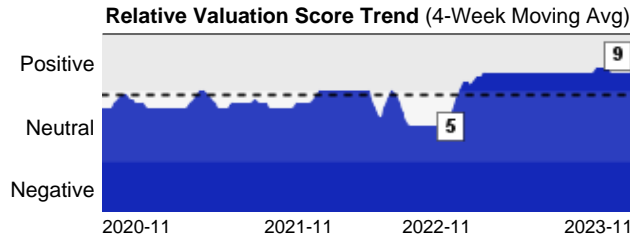
RELATIVE VALUATION

**9**

**POSITIVE OUTLOOK:** Multiples significantly below the market or the stock's historic norms.

Relative Valuation Score Averages

Construction Materials Group:	5.9	Large Market Cap:	4.6
Mineral Resources Sector:	6.2	BSE Sensex Index:	5.7



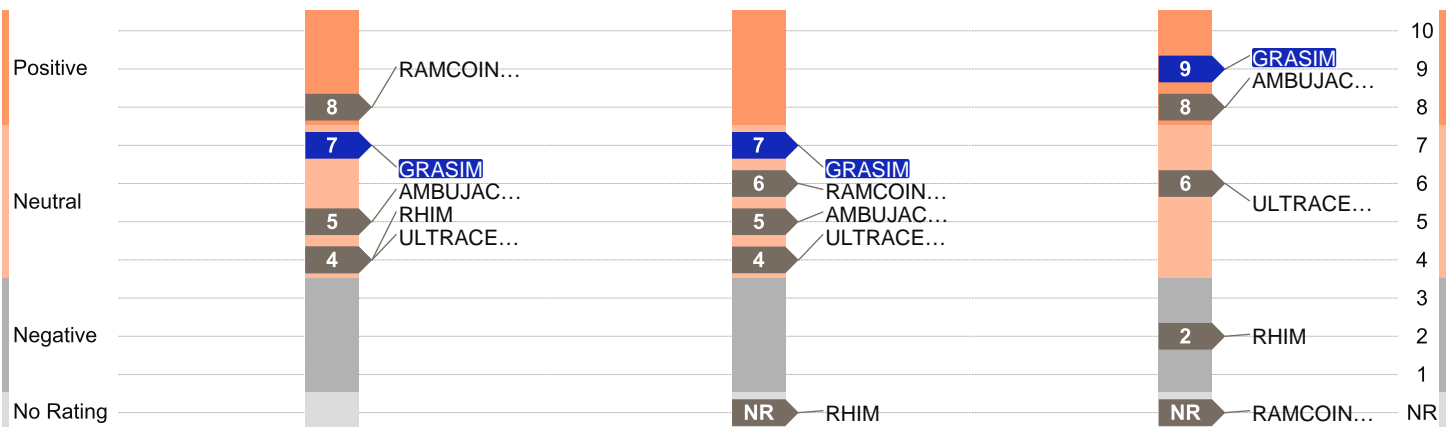
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
GRASIM	8	8	8	8	9	
RAMCOIND	8	8	7	7	7	
AMBUJACEM	3	5	5	6	6	
ULTRACEMCO	3	4	4	4	4	
RHIM	2	2	2	3	3	

RELATIVE VALUATION INDICATORS

Price to Sales  
(33.3% weight)

Trailing PE  
(33.3% weight)

Forward PE  
(33.3% weight)



Price to Sales	1.0	Trailing PE	19.3	Forward PE	14.2
5-Yr Average	0.9	5-Yr Average	20.1	5-Yr Average	18.6
Rel. to 5-Yr Avg.	13% Premium	Rel. to 5-Yr Avg.	4% Discount	Rel. to 5-Yr Avg.	24% Discount
BSE Sensex Index	3.4	BSE Sensex Index	23.2	BSE Sensex Index	21.8
Rel. to BSE Sensex	69% Discount	Rel. to BSE Sensex	17% Discount	Rel. to BSE Sensex	35% Discount

HIGHLIGHTS

- Grasim Industries currently has a Relative Valuation Rating of 9 which is significantly above the S&P BSE SENSEX index average rating of 5.7.
- Compared to the Construction Materials industry group, GRASIM is currently trading at a significant discount based on both Price to Sales ratio and Trailing P/E.
- GRASIM's Price to Sales ratio of 1.0 represents a 13% Premium to its 5-year average of 0.9.
- GRASIM's Trailing P/E of 19.3 represents a 4% Discount to its 5-year average of 20.1.
- GRASIM's Forward P/E of 14.2 represents a 24% Discount to its 5-year average of 18.6. If the Forward P/E returned to historical form, the stock would trade at 2,561.10.

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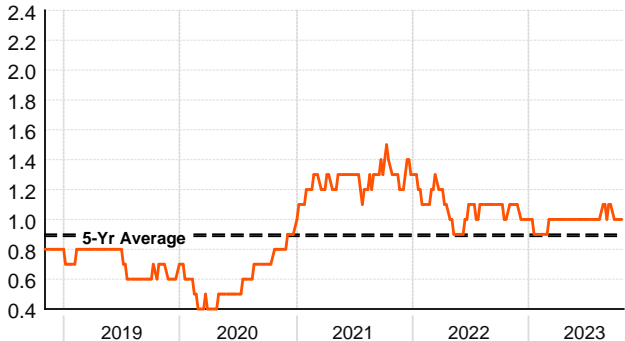
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PRICE TO SALES

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

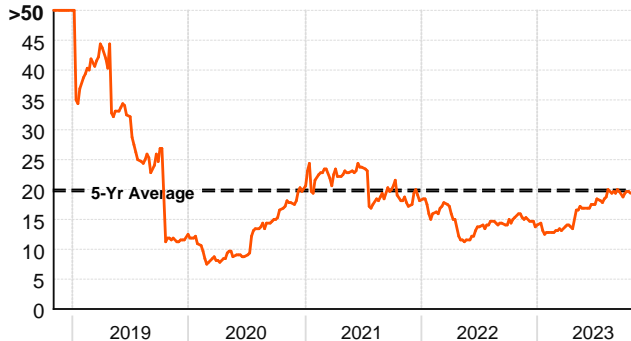
Price to Sales: 1.0
5-Year Average: 0.9
BSE Sensex Index Average: 3.4
Construction Materials Group Average: 2.1



TRAILING PE

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

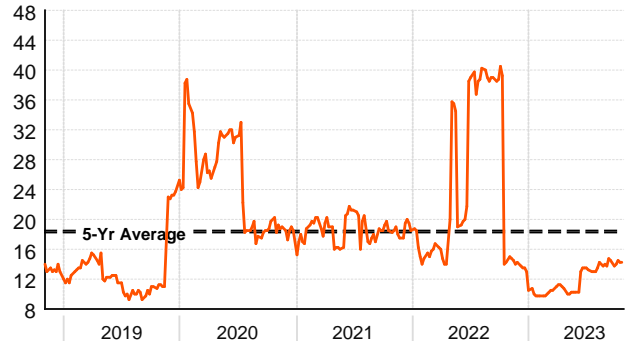
Trailing PE: 19.3
5-Year Average: 20.1
BSE Sensex Index Average: 23.2
Construction Materials Group Average: 18.2



FORWARD PE

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

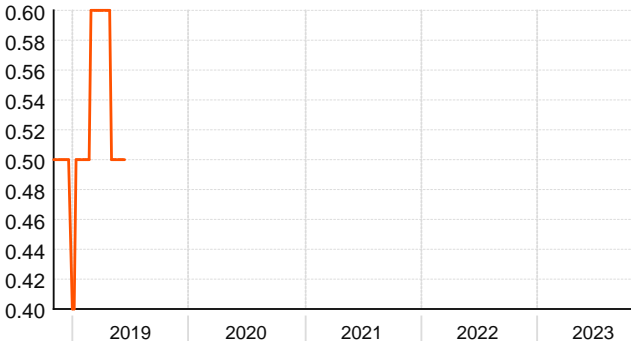
Forward PE: 14.2
5-Year Average: 18.6
BSE Sensex Index Average: 21.8
Construction Materials Group Average: 24.7



FORWARD PEG

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

Forward PEG: --
5-Year Average: --
BSE Sensex Index Average: 1.4
Construction Materials Group Average: 1.1



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**RISK**

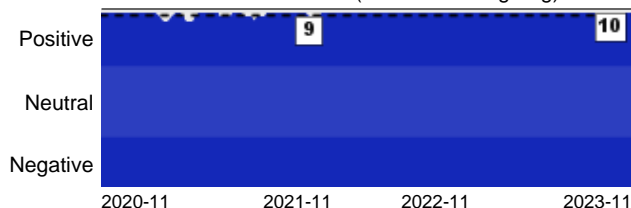
**POSITIVE OUTLOOK:** Consistent return patterns (low volatility).

**RISK**  
**10**

**Risk Score Averages**

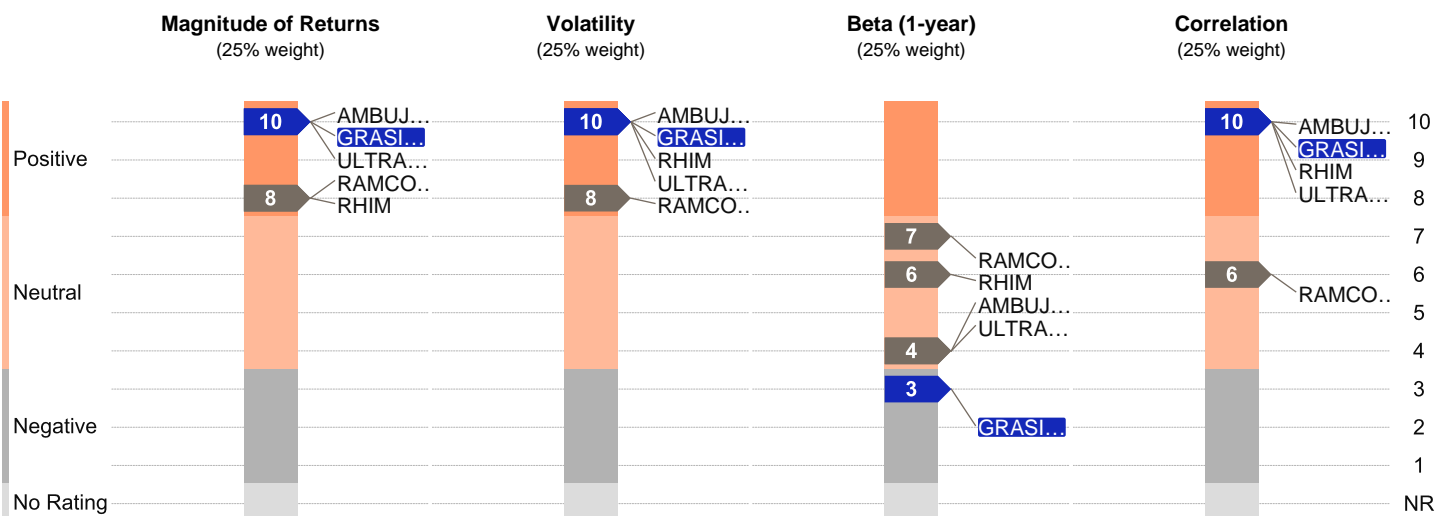
Construction Materials Group: **6.7** Large Market Cap: **8.9**  
Mineral Resources Sector: **5.5** BSE Sensex Index: **9.6**

**Risk Score Trend (4-Week Moving Avg)**



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AMBUJACEM	10	10	10	10	10	
<b>GRASIM</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	
RHIM	10	9	10	10	10	
ULTRACEMCO	10	10	10	10	10	
RAMCOIND	9	10	9	9	9	

**RISK INDICATORS**



Daily Returns (Last 90 Days)		Standard Deviation		Beta vs. BSE Sensex		Correlation vs. BSE Sensex	
Best	3.3%	Last 90 Days	1.14	Positive Days Only	0.47	Last 90 Days	64%
Worst	-2.2%	Last 60 Months	9.24	Negative Days Only	1.09	Last 60 Months	59%
Monthly Returns (Last 60 Months)		Intra-Day Swing (Last 90 Days)		Beta vs. Group		Correlation vs. Group	
Best	20.8%	Average	1.9%	Positive Days Only	0.07	Last 90 Days	50%
Worst	-30.7%	Largest	4.7%	Negative Days Only	0.47	Last 60 Months	61%

**HIGHLIGHTS**

- Grasim Industries currently has a Risk Rating of 10 while the S&P BSE SENSEX index has an average rating of 9.6.
- On days when the market is up, GRASIM tends to lag the S&P BSE SENSEX index. On days when the market is down, the stock generally performs in-line with the index.
- In both short-term and long-term periods, GRASIM has shown high correlation (>= 0.4) with the S&P BSE SENSEX index. Thus, this stock would provide only low levels of diversification to a portfolio similar to the broader market.
- Over the last 90 days, the daily price fluctuations of GRASIM have been in-line with the 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
<b>GRASIM</b>	<b>3.3%</b>	<b>-2.2%</b>	<b>36</b>	<b>26</b>	<b>4.7%</b>	<b>20.8%</b>	<b>-30.7%</b>
AMBUJACEM	3.2%	-4.2%	34	28	5.3%	25.4%	-24.1%
RAMCOIND	7.2%	-6.5%	28	34	11.1%	31.5%	-33.4%
RHIM	4.9%	-6.0%	32	30	8.1%	40.2%	-48.6%
ULTRACEMCO	3.9%	-2.2%	39	23	4.0%	16.5%	-23.1%
<b>BSE Sensex</b>	<b>1.1%</b>	<b>-1.4%</b>	<b>35</b>	<b>26</b>	<b>1.3%</b>	<b>14.4%</b>	<b>-23.1%</b>





GRASIM INDUSTRIES (GRASIM-IN)

Mineral Resources / Construction Materials / Construction Materials

DETAILED STOCK REPORT

Report Date: 2023-Nov-26

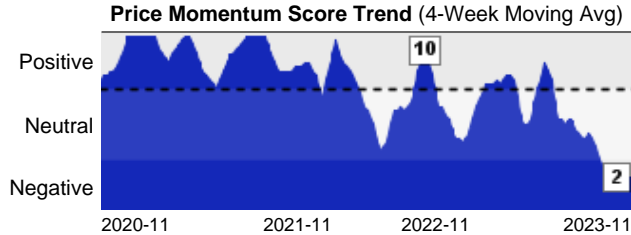
PRICE MOMENTUM Currency in INR

**NEGATIVE OUTLOOK:** Weak recent price performance or entering historically poor seasonal period.

**PRICE MOMENTUM**  
**2**

Price Momentum Score Averages

Construction Materials Group:	2.7	Large Market Cap:	4.5
Mineral Resources Sector:	5.6	BSE Sensex Index:	3.6



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
ULTRACEMCO	9	4	2	2	3	
<b>GRASIM</b>	9	5	2	2	2	
RAMCOIND	3	2	1	2	2	
RHIM	7	8	5	5	2	
AMBUJACEM	4	4	2	1	1	

PRICE MOMENTUM INDICATORS

Relative Strength (50% weight)

Seasonality (50% weight)



Relative Strength Indicator (Scale from 1 to 100)

	GRASIM	Industry Avg
Last 10 Days	53	58
Last 50 Days	55	57
Last 200 Days	53	53

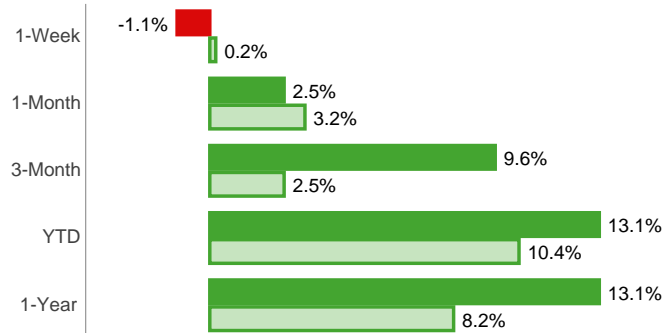
Average Monthly Return (Last 10 Years)

	Nov	Dec	Jan
Company Avg	1.1%	-1.3%	1.2%
Industry Avg	0.97%	2.9%	2.0%
Industry Rank	86 of 98	84 of 98	56 of 98

PRICE PERFORMANCE

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

■ GRASIM  
■ BSE 100



	GRASIM	BSE 100
Close Price (2023-11-24)	1,949.40	20,350
52-Week High	2,022.00	20,666
52-Week Low	1,527.05	17,180

- The Price Momentum Rating for Grasim Industries is at its 3-year low of 2.
- On 2023-11-24, GRASIM closed at 1,949.40, 3.6% below its 52-week high and 27.7% above its 52-week low.
- GRASIM shares are currently trading 1.0% above their 50-day moving average of 1,930.52, and 9.4% above their 200-day moving average of 1,781.48.

**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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