

HDFC LIFE INSURANCE CO (HDFCLIFE-IN)

Insurance / Insurance / Life & Health Insurance

DETAILED STOCK REPORT

Report Date: 2024-Mar-06

Last Close	Avg Daily Vol	52-Week High	Trailing PE	Annual Div	ROE	LTG Forecast	1-Mo Return
613.95 (INR)	3.9M	710.60	85.5	1.90	11.3%	--	3.6%
2024 March 06	Market Cap	52-Week Low	Forward PE	Dividend Yield	Annual Rev	Inst Own	3-Mo Return
NSE Exchange	1.3T	457.80	58.2	0.3%	1.0T	24.1%	-9.4%

AVERAGE SCORE

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

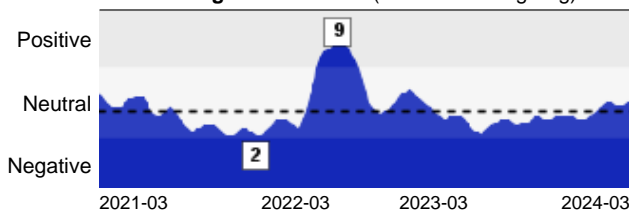
AVERAGE
SCORE

5

Score Averages

Insurance Group:	6.5	Large Market Cap:	6.8
Insurance Sector:	6.5	BSE Sensex Index:	7.9

Average Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
LICI	8	8	9	10	10	
ABCAPITAL	8	5	6	8	6	
SBILIFE	5	6	6	6	6	
HDFCLIFE	4	4	5	6	5	
ICICIPRULI	4	4	6	6	5	

HIGHLIGHTS

- The score for HDFC Life Insurance Co dropped slightly this week from 6 to 5.
- The recent change in Average Score was due to relative changes in other companies within the market as a comparison, even though the underlying component scores did not decline for this company.

I/B/E/S MEAN

Buy

30 Analysts

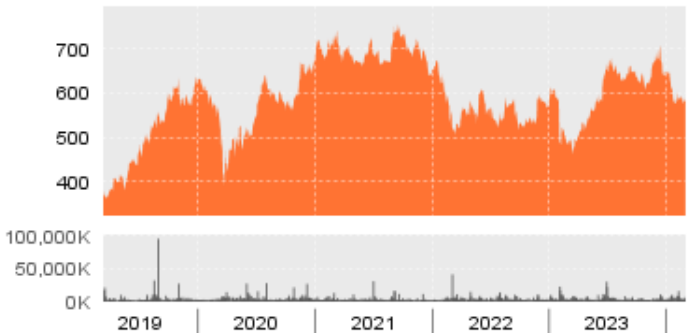
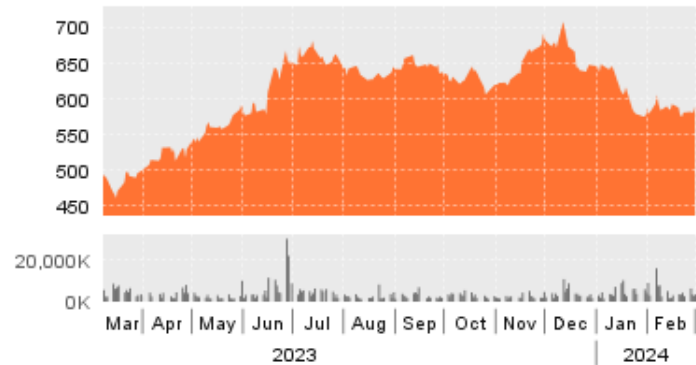
Mean recommendation from all analysts covering the company on a standardized 5-point scale.

Strong Sell	Sell	Hold	Buy	Strong Buy
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PRICE AND VOLUME CHARTS

1-Year Return: 25.3%

5-Year Return: 57.4%



BUSINESS SUMMARY

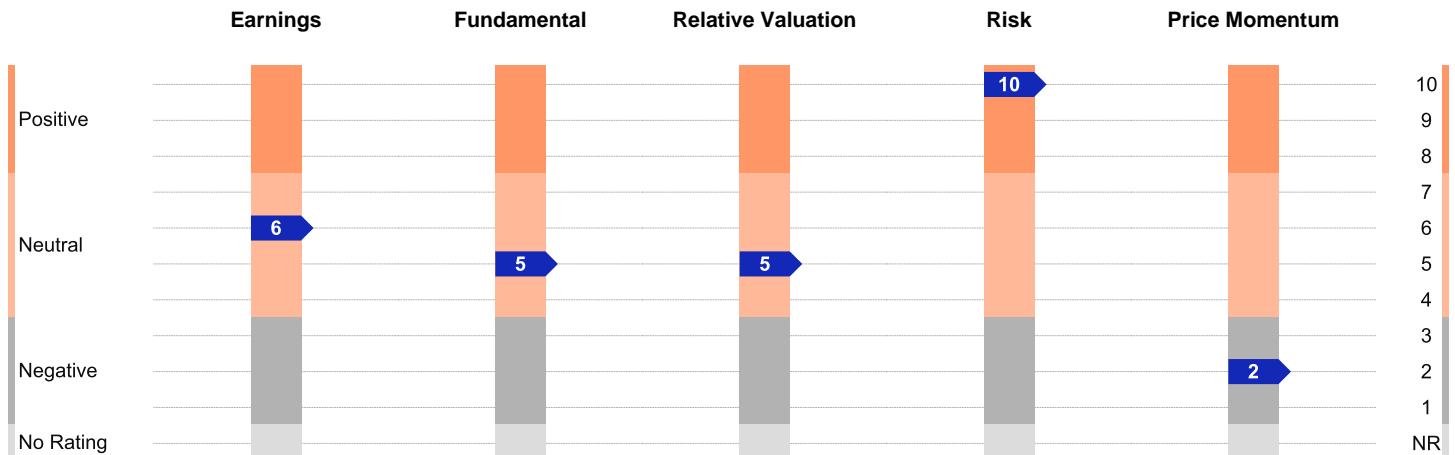
HDFC Life Insurance Company Ltd is an India-based life insurance company. The Company provides a range of individual and group insurance solutions across India. The portfolio comprises of various insurance and investment products such as protection, pension, savings, investment, annuity, and health. The Company offers long term savings, protection and retirement or pension products. The Company operates in three segments: participating (Par) segment products includes endowment, savings cum protection and pension plans; non-participating (Non Par) segment products includes term protection, savings cum protection, immediate and deferred annuity and health plans under Individual business and credit life, term life, fund based pension, group variable plans under Group business; and unit-linked (UL) product includes Unit Linked Life and fund-based Pension plans under Individual and Group businesses. Exide Life Insurance Company Ltd is the subsidiary of the Company.

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 (2024-03-06)	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
10	LICI	1,010.30	-1.5%	35.4%	65.2%	6.5T	16.1	18.9	0.47%	5.0%	-- Buy		17
6	SBILIFE	1,520.40	3.9%	4.8%	34.7%	1.5T	80.3	39.8	0.16%	1.6%	9.7% Buy		30
5	HDFCLIFE	613.95	3.6%	-9.4%	25.3%	1.3T	85.5	58.2	0.31%	1.5%	-- Buy		30
8	ICICIGI	1,655.80	4.1%	14.5%	51.6%	809.7B	44.3	35.4	0.63%	9.3%	-- Buy		21
5	ICICIPRULI	576.85	9.7%	4.6%	42.3%	777.0B	87.6	42.7	0.10%	1.2%	20.7% Buy		31
8	GICRE	373.00	-8.6%	26.9%	156.6%	679.7B	10.1	11.8	1.9%	18.2%	-- Hold		4
6	ABCAPITAL	180.95	0.44%	4.6%	15.8%	486.5B	18.0	14.5	--	8.5%	-3.2% Strong Buy		9
7	MFSL	980.55	7.4%	-4.1%	40.4%	334.2B	78.5	70.9	--	1.0%	-- Buy		15
5	STARHEALTH	553.65	-3.4%	-0.81%	-4.9%	321.2B	41.1	37.4	--	6.0%	-- Buy		18
7	RELIGARE	225.85	-5.5%	3.4%	44.5%	77.2B	2.1	--	--	62.2%	-- --		--
NR	RELCAPITAL	12.35	-10.2%	5.6%	42.0%	3.1B	--	--	--	-5.8%	-- --		--
6.7	Average	700.33	-0.01%	7.8%	46.7%	1.2T	46.4	36.6	0.60%	9.9%	9.1% Buy		19.4

PEER COMPANIES

ABCAPITAL	Aditya Birla Capital	MFSL	Max Financial Services
GICRE	General Insurance Corp	RELCAPITAL	Reliance Capital
ICICIGI	ICICI Lombard General	RELIGARE	Religare Enterprises
ICICIPRULI	ICICI Prudential Life	SBILIFE	SBI Life Insurance Co
LICI	Life Insurance Corporation	STARHEALTH	Star Health and Allied

EARNINGS

EARNINGS

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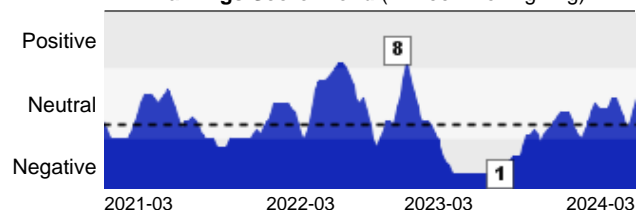
Currency in INR

NEUTRAL OUTLOOK: Mixed earnings expectations and performance.

Earnings Score Averages

Insurance Group: **5.9** Large Market Cap: **6.0**
Insurance Sector: **5.9** BSE Sensex Index: **6.8**

Earnings Score Trend (4-Week Moving Avg)

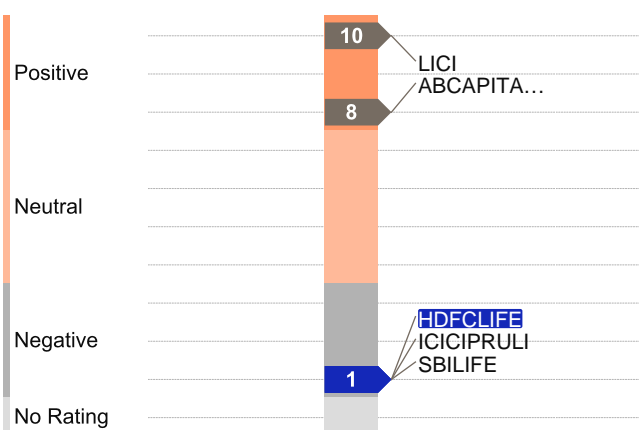


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
ABCAPITAL	10	4	8	10	10	
LICI	NR	7	5	9	9	
HDFCLIFE	4	5	3	6	6	
ICICIPRULI	4	4	4	4	4	
SBILIFE	2	4	2	3	2	

EARNINGS INDICATORS

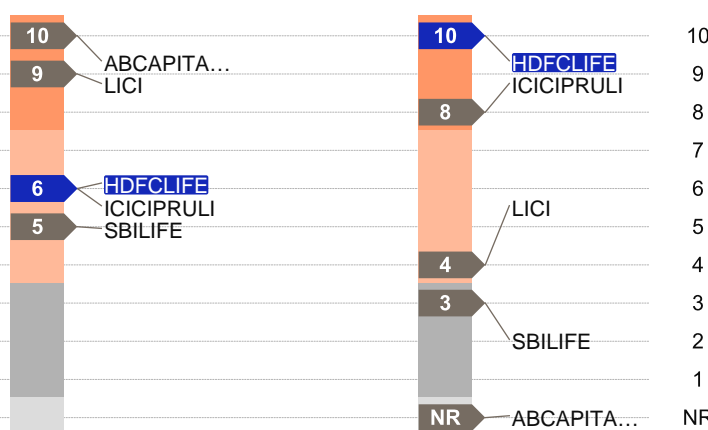
Earnings Surprises

(33.3% weight)



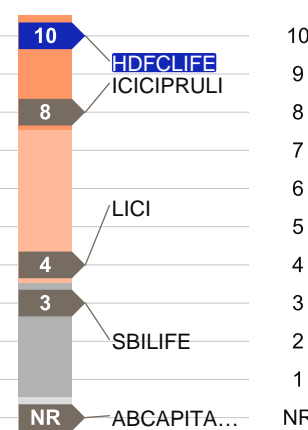
Estimate Revisions

(33.3% weight)



Recommendation Changes

(33.3% weight)



Last 4 Quarters

# Positive Surprises (>2%)	0
# Negative Surprises (<-2%)	4
# In-Line Surprises (within 2%)	0
Avg Surprise	-19.3%

Last 4 Weeks

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

Last 120 Days

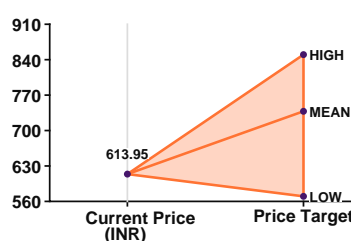
# Broker Upgrades	3
# Broker Downgrades	1

HIGHLIGHTS

- HDFC Life Insurance Co currently has a relatively neutral Earnings Rating of 6. The average Earnings Rating for its Life & Health Insurance industry is 6.0 and the S&P BSE SENSEX index average is 6.8.
- Over the past 4 quarters, the company has reported 0 positive, 4 negative, and 0 in-line surprises. The average surprise for this time period has been -19.3%. Most recently on 2024-01-12, the company reported quarterly earnings of 1.71 per share, a negative surprise of -19.7% below the consensus of 2.13.
- HDFCLIFE's current quarter consensus estimate has decreased over the past 90 days from 4.25 to 3.90, a loss of -8.2%. Consensus estimates for the Life & Health Insurance industry have moved an average -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.



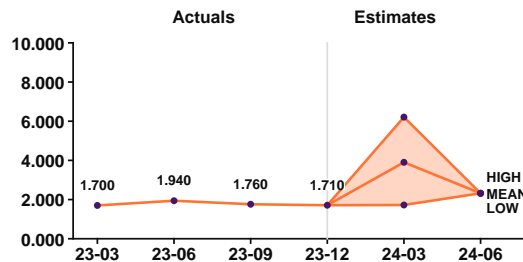
12-Month Price Target

Mean (INR)	738.00
High	850.00
Low	570.00
Target vs. Current	20.2%
# of Analysts	30

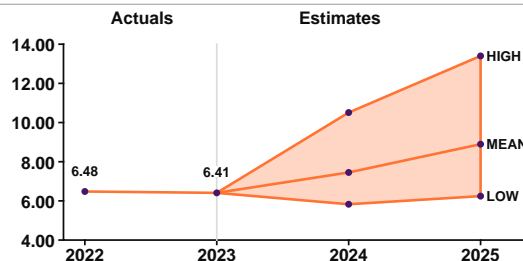
EARNINGS PER SHARE

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	3.901	2.320
High	6.210	2.320
Low	1.722	2.320
# of Analysts	3	1



Annual	2024	2025
Mean	7.452	8.895
High	10.510	13.400
Low	5.828	6.243
# of Analysts	14	15

MEAN ESTIMATE TREND

	Q 24-03	Q 24-06	Y 2024	Y 2025	Price Target
Current	3.901	2.320	7.452	8.895	738.00
30 Days Ago	3.901	2.320	7.502	8.906	738.00
90 Days Ago	4.248	2.320	7.827	8.886	732.00
% Change (90 Days)	-8.2%	0.00%	-4.8%	0.10%	0.80%

Current Fiscal Year End: 24-03

Next Expected Report Date: 2024-04-24

ANALYST RECOMMENDATIONS

I/B/E/S Mean: **Buy (30 Analysts)**

Strong Buy	11
Buy	14
Hold	5
Sell	0
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)

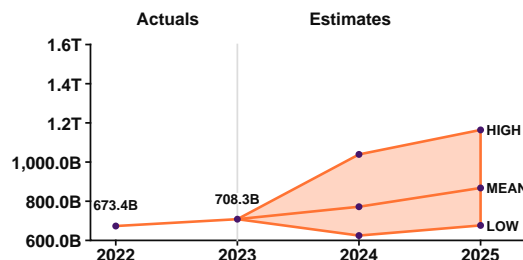
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	1	8.3%
Negative Quarters (< -2%)	11	91.7%
In-Line Quarters (within 2%)	0	--

Surprise Detail (Last 6 Periods)

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2024-01-12	2023-12-31	1.710	2.130	-19.7%
Negative	2023-10-13	2023-09-30	1.760	2.147	-18.0%
Negative	2023-07-21	2023-06-30	1.940	2.104	-7.8%
Negative	2023-04-26	2023-03-31	1.700	2.486	-31.6%
Negative	2023-01-20	2022-12-31	1.480	1.933	-23.4%
Negative	2022-10-21	2022-09-30	1.550	1.986	-22.0%

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	771.9B	867.7B
High	1,039B	1,164B
Low	624.7B	676.5B
Forecasted Growth	9.0%	22.5%
# of Analysts	8	9

FUNDAMENTAL

FUND-
AMENTAL

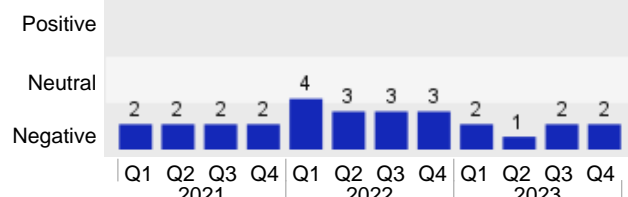
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NEUTRAL OUTLOOK: Fundamentals relatively in-line with the market.

Fundamental Score Averages

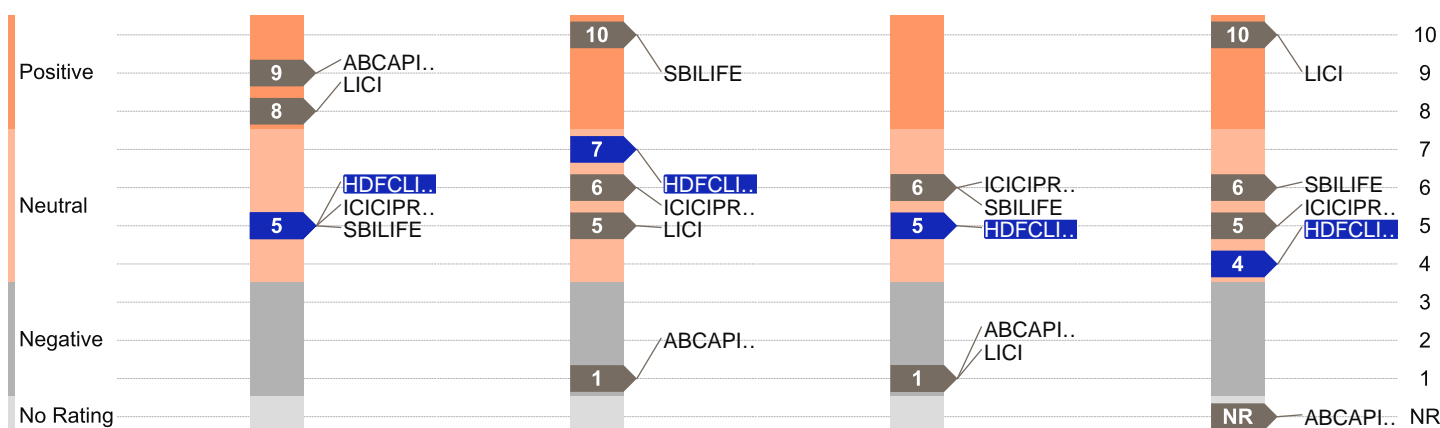
Insurance Group: 7.1 Large Market Cap: 6.4
Insurance Sector: 7.1 BSE Sensex Index: 6.9

Fundamental Score Trend



Peers	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Current	3Y Trend
SBILIFE	4	4	5	4	8	
LICI	5	7	6	8	7	
ICICIPRULI	2	2	2	2	6	
HDFCLIFE	2	1	2	2	5	
ABCAPITAL	2	2	2	2	2	

FUNDAMENTAL INDICATORS

Profitability
(25% weight)Debt
(25% weight)Earnings Quality
(25% weight)Dividend
(25% weight)

Revenue Growth	55.9%	Current Ratio	--	Oper. Cash Yield	325.3%	Dividend Growth	11.8%
For year over year ending 2023-12		For interim period ending --		For latest 12 months ending --		For year over year ending 2023-12	
Gross Margin	--	Debt-to-Capital	6.8%	Accruals	35.8%	Dividend Payout	27.2%
For latest 12 months ending --		For annual period ending 2023-03		For latest 12 months ending 2023-03		For latest 12 months ending 2023-12	
Return On Equity	11.3%	Interest Funding	1.0%	Days Sales In Inv.	--	Dividend Coverage	--
For interim period ending 2023-09		For interim period ending 2023-03		For annual period ending --		For annual period ending --	
Net Margin	1.5%	Interest Coverage	21.6	Days Sales In Rec.	--	Current Div. Yield	0.3%
For latest 12 months ending 2023-12		For interim period ending 2023-03		For annual period ending --		For latest 12 months ending 2024-03	

HIGHLIGHTS

- The Fundamental Rating for HDFC Life Insurance Co improved significantly over the last quarter from a bearish 2 to a relatively neutral 5. However, the current rating is still considerably more bearish than the Insurance industry group average of 7.1.
- The year-over-year revenue growth of 55.9% for HDFCLIFE is the highest within its Insurance industry group.
- HDFCLIFE's debt-to-capital of 6.8% is substantially above the Insurance industry group average of 3.6%.
- HDFCLIFE's operating cash yield of 325% is substantially above the Insurance industry group average of 65.1%.
- Of the 12 firms within the Insurance industry group, HDFC Life Insurance Co is among 7 companies that pay a dividend. The stock's dividend yield is currently 0.31%.

RELATIVE VALUATION

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

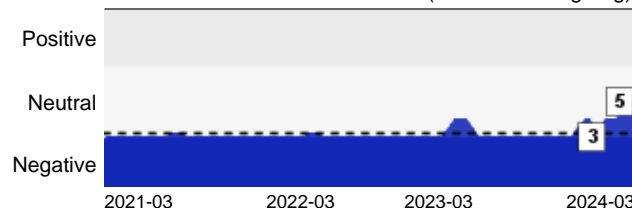
RELATIVE
VALUATION

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Relative Valuation Score Averages

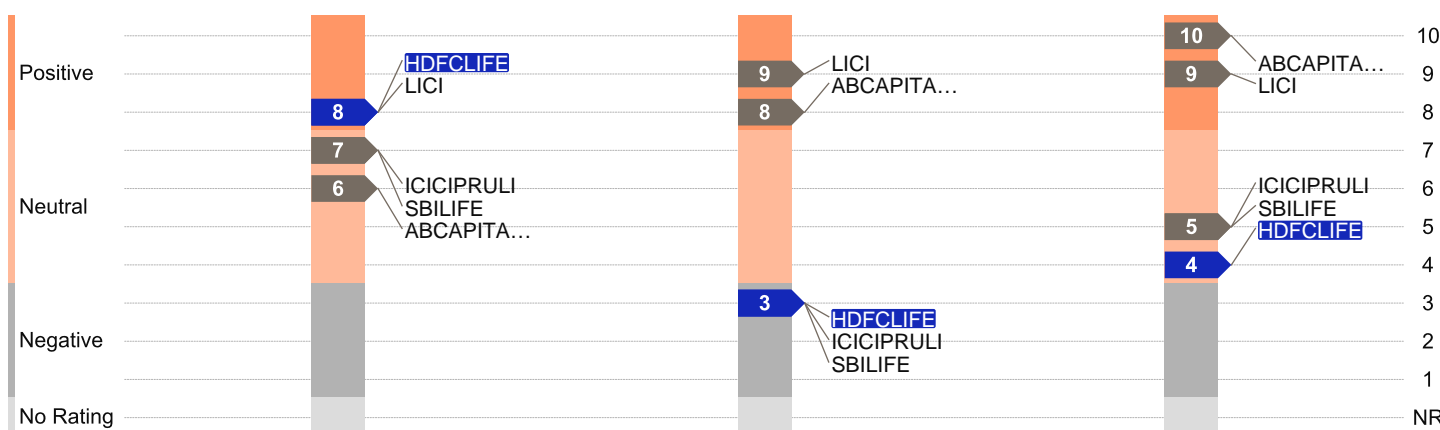
Insurance Group: **6.7** Large Market Cap: **4.6**
Insurance Sector: **6.7** BSE Sensex Index: **5.8**

Relative Valuation Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
LICI	10	10	9	9	9	
ABCAPITAL	8	9	9	8	8	
HDFCLIFE	3	3	5	5	5	
ICICIPRULI	3	3	5	5	5	
SBILIFE	4	4	5	5	5	

RELATIVE VALUATION INDICATORS

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

Price to Sales	1.4	Trailing PE	85.5	Forward PE	58.2
5-Yr Average	2.3	5-Yr Average	88.3	5-Yr Average	65.9
Rel. to 5-Yr Avg.	42% Discount	Rel. to 5-Yr Avg.	3% Discount	Rel. to 5-Yr Avg.	12% Discount
BSE Sensex Index	3.6	BSE Sensex Index	25.4	BSE Sensex Index	23.9
Rel. to BSE Sensex	62% Discount	Rel. to BSE Sensex	>100% Premium	Rel. to BSE Sensex	>100% Premium

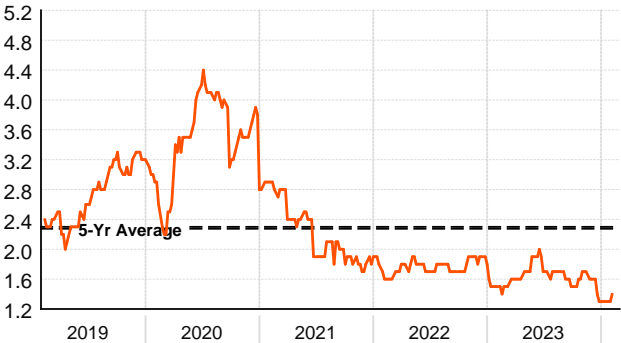
HIGHLIGHTS

- HDFC Life Insurance Co currently has a Relative Valuation Rating of 5 while the S&P BSE SENSEX index has an average rating of 5.8.
- Compared to the Insurance industry group, HDFCLIFE is currently trading at a significant premium based on Price to Sales ratio, Trailing P/E, and Forward P/E.
- HDFCLIFE's 1.4 Price to Sales multiple is currently at the low end of its 5-year range (lowest 1.3 to highest 4.4).
- HDFCLIFE's Trailing P/E of 85.5 represents a 3% Discount to its 5-year average of 88.3.
- HDFCLIFE's Forward P/E of 58.2 represents a 12% Discount to its 5-year average of 65.9.

PRICE TO SALES

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

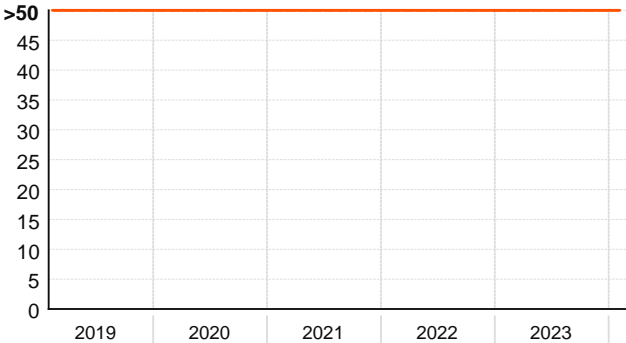
Price to Sales: 1.4
5-Year Average: 2.3
BSE Sensex Index Average: 3.6
Insurance Group Average: 1.1



TRAILING PE

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

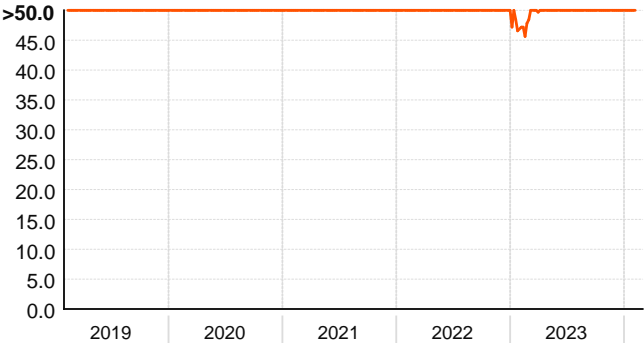
Trailing PE: 85.5
5-Year Average: 88.3
BSE Sensex Index Average: 25.4
Insurance Group Average: 21.5



FORWARD PE

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

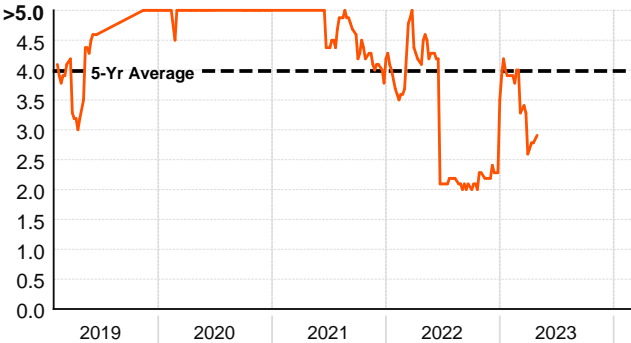
Forward PE: 58.2
5-Year Average: 65.9
BSE Sensex Index Average: 23.9
Insurance Group Average: 24.1



FORWARD PEG

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

Forward PEG: --
5-Year Average: 4.0
BSE Sensex Index Average: 1.6
Insurance Group Average: 2.7



RISK

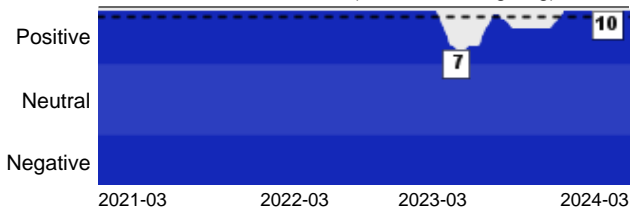
POSITIVE OUTLOOK: Consistent return patterns (low volatility).

RISK
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Risk Score Averages

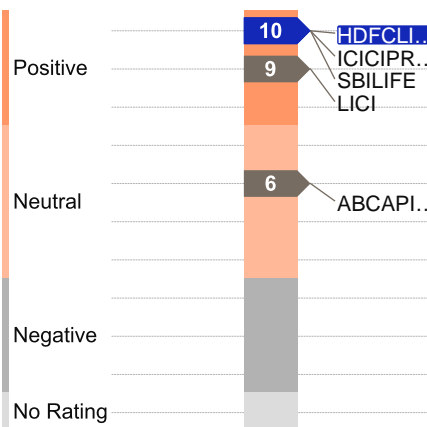
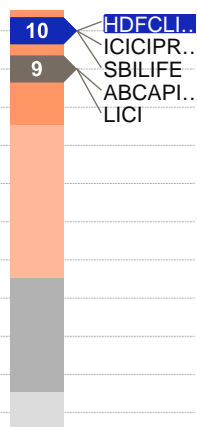
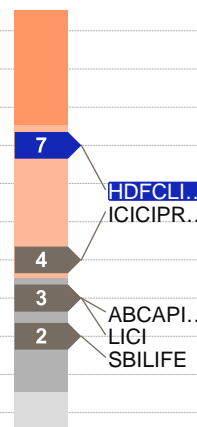
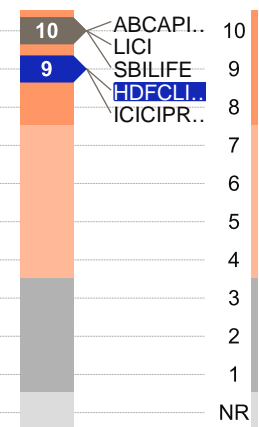
Insurance Group: **8.4**
Insurance Sector: **8.4**
Large Market Cap: **8.4**
BSE Sensex Index: **9.5**

Risk Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
HDFCLIFE	9	10	10	10	10	
ICICIPRULI	9	10	10	10	10	
SBILIFE	10	10	10	10	10	
ABCAPITAL	9	9	8	9	9	
LICI	10	9	9	9	9	

RISK INDICATORS

Magnitude of Returns
(25% weight)Volatility
(25% weight)Beta (1-year)
(25% weight)Correlation
(25% weight)

Daily Returns (Last 90 Days)

Best 5.2%
Worst -3.8%

Monthly Returns (Last 60 Months)

Best 15.3%
Worst -18.9%

Standard Deviation

Last 90 Days 1.64
Last 60 Months 7.71

Intra-Day Swing (Last 90 Days)

Average 2.4%
Largest 5.5%

Beta vs. BSE Sensex

0.71
Positive Days Only 0.14
Negative Days Only 1.62

Beta vs. Group

0.72
Positive Days Only 0.84
Negative Days Only 0.68

Correlation vs. BSE Sensex

Last 90 Days 23%
Last 60 Months 56%

Correlation vs. Group

Last 90 Days 52%
Last 60 Months 56%

HIGHLIGHTS

- HDFC Life Insurance Co currently has a Risk Rating of 10 while the S&P BSE SENSEX index has an average rating of 9.5.
- On days when the market is up, HDFCLIFE 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, HDFCLIFE 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, HDFCLIFE shares have been more volatile than the overall market, as the stock's daily price fluctuations have exceeded that of 68% 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
HDFCLIFE	5.2%	-3.8%	25	39	5.5%	15.3%	-18.9%
ABCAPITAL	8.1%	-6.3%	32	31	10.8%	47.0%	-45.6%
ICICIPRULI	4.2%	-5.6%	36	27	5.3%	22.9%	-24.5%
LICI	5.8%	-7.1%	37	27	11.2%	22.3%	-16.9%
SBILIFE	3.8%	-4.7%	32	32	5.9%	21.2%	-28.0%
BSE Sensex	1.8%	-2.2%	38	24	2.6%	14.4%	-23.1%

PRICE MOMENTUM

PRICE
MOMENTUM

2

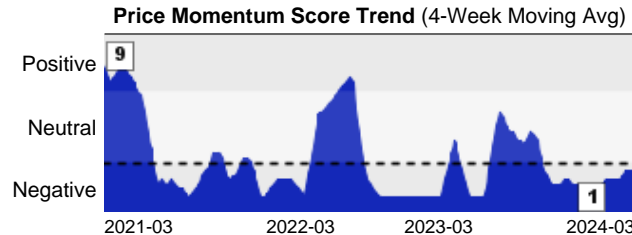
Currency in INR

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

Price Momentum Score Averages

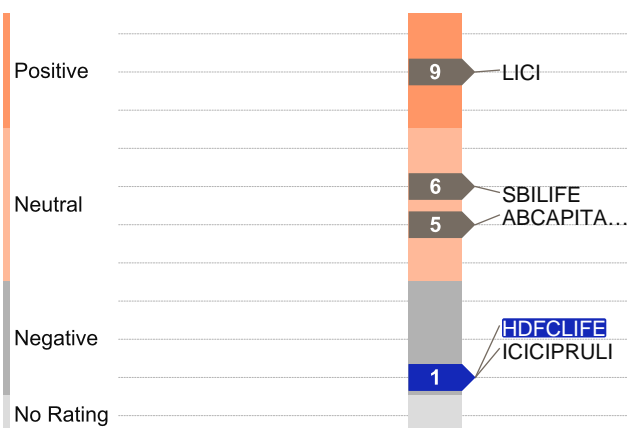
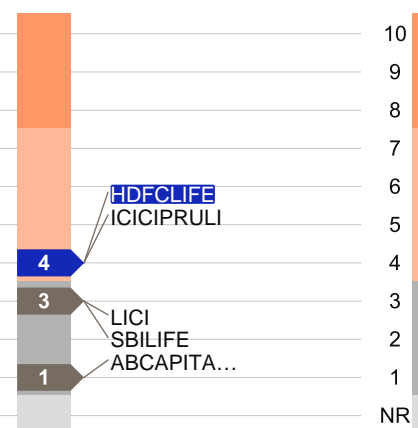
Insurance Group: **3.7**
Insurance Sector: **3.7**

Large Market Cap: **6.3**
BSE Sensex Index: **5.6**



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
LICI	1	1	7	8	6	
SBILIFE	2	2	4	4	3	
ABCAPITAL	4	2	4	5	2	
HDFCLIFE	2	1	3	2	2	
ICICIPRULI	2	1	3	3	1	

PRICE MOMENTUM INDICATORS

Relative Strength
(50% weight)Seasonality
(50% weight)

Relative Strength Indicator (Scale from 1 to 100)

	HDFCLIFE	Industry Avg
Last 10 Days	68	55
Last 50 Days	50	53
Last 200 Days	50	52

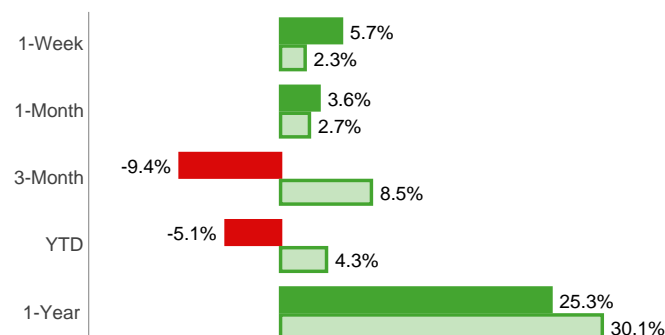
Average Monthly Return (Last 10 Years)

	Mar	Apr	May
Company Avg	-1.4%	8.2%	4.2%
Industry Avg	-4.6%	8.3%	1.5%
Industry Rank	92 of 100	41 of 98	64 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.

■ HDFCLIFE
■ BSE 100



	HDFCLIFE	BSE 100
Close Price (2024-03-06)	613.95	23,360
52-Week High	710.60	23,356
52-Week Low	457.80	17,180

- HDFC Life Insurance Co has a Price Momentum Rating of 2, which is significantly below the S&P BSE SENSEX index average rating of 5.6.
- On 2024-03-06, HDFCLIFE closed at 613.95, 13.6% below its 52-week high and 34.1% above its 52-week low.
- HDFCLIFE shares are currently trading 1.9% above their 50-day moving average of 602.72, and 2.8% below their 200-day moving average of 631.59.

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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