

**HDFC LIFE INSURANCE CO (HDFCLIFE-IN)**

Insurance / Insurance / Life & Health Insurance

**DETAILED STOCK REPORT**

Report Date: 2024-May-05

Last Close <b>565.90 (INR)</b>	Avg Daily Vol <b>5.8M</b>	52-Week High <b>710.60</b>	Trailing PE <b>77.3</b>	Annual Div <b>2.00</b>	ROE <b>11.4%</b>	LTG Forecast <b>--</b>	1-Mo Return <b>-9.3%</b>
2024 May 03 NSE Exchange	Market Cap <b>1.2T</b>	52-Week Low <b>540.00</b>	Forward PE <b>45.2</b>	Dividend Yield <b>0.4%</b>	Annual Rev <b>1.0T</b>	Inst Own <b>24.9%</b>	3-Mo Return <b>-2.2%</b>

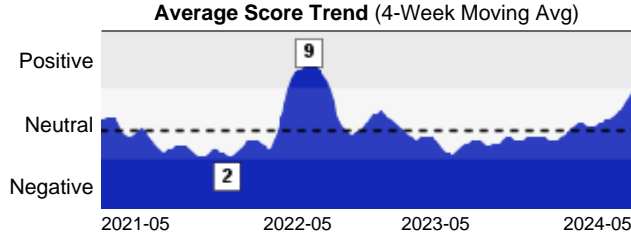
**AVERAGE SCORE**

**AVERAGE SCORE**  
**8**

**POSITIVE OUTLOOK:** HDFCLIFE's current score of 8 places it among the top quartile of stocks scored.

**Score Averages**

Insurance Group:	<b>7.3</b>	Large Market Cap:	<b>6.8</b>
Insurance Sector:	<b>7.3</b>	BSE Sensex Index:	<b>8.1</b>



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
LICI	8	9	9	10	<b>10</b>	
SBILIFE	5	6	6	8	<b>9</b>	
<b>HDFCLIFE</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>8</b>	
ICICIPRULI	4	6	5	6	<b>7</b>	
ABCAPITAL	7	6	6	4	<b>5</b>	

**HIGHLIGHTS**

- The score for HDFC Life Insurance Co reached 8 this week, its best value over the past year.
- The recent change in the Average Score was primarily due to an improvement in the Price Momentum component score.

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

**Buy**

31 Analysts

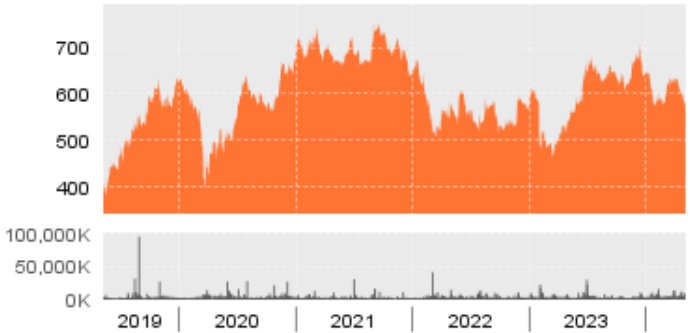
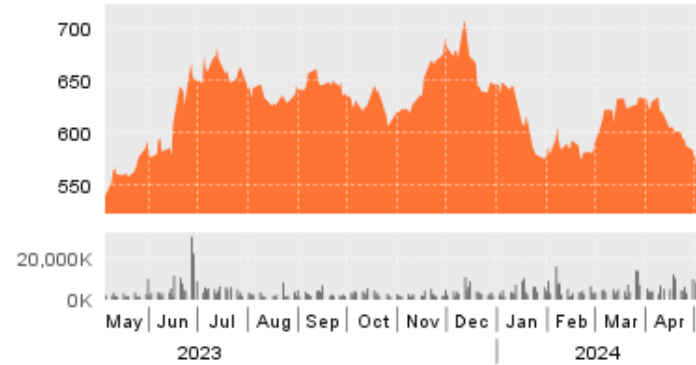
Mean recommendation from all analysts covering the company on a standardized 5-point scale.



**PRICE AND VOLUME CHARTS**

1-Year Return: 5.1%

5-Year Return: 36.6%



**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.

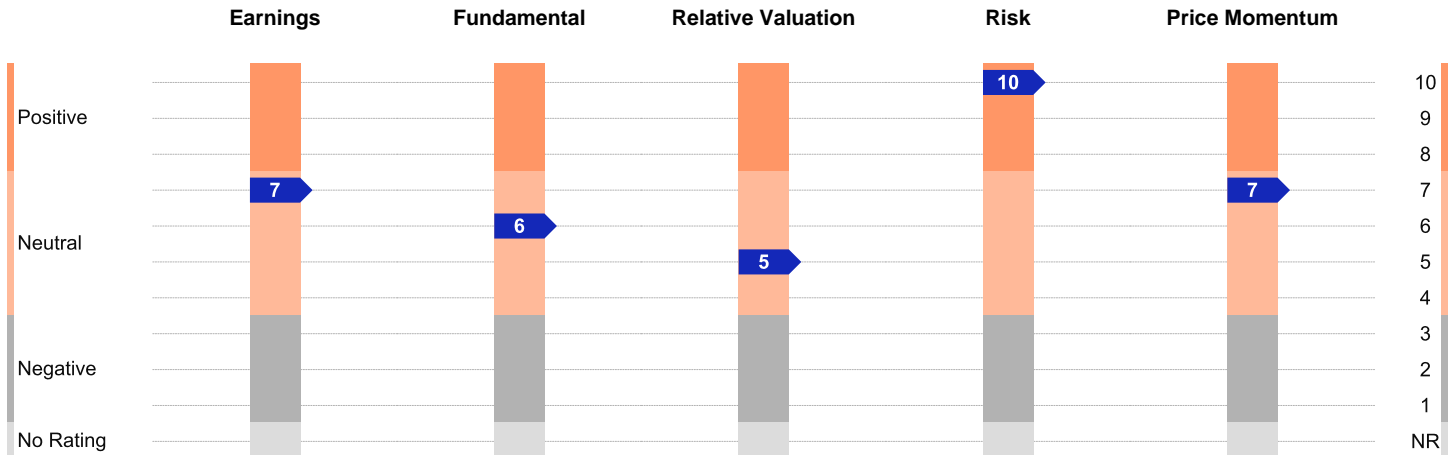


INDICATOR COMPONENTS

AVERAGE SCORE

8

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		# of Analysts
		Price (2024-05-03)	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	
10	LICI	979.15	-1.9%	3.6%	77.6%	6.2T	15.4	18.1	0.49%	5.0%	-1.4%	Buy	17
9	SBILIFE	1,443.25	-1.2%	0.54%	27.0%	1.4T	76.4	43.4	0.19%	1.4%	5.8%	Strong Buy	31
8	HDFCLIFE	565.90	-9.3%	-2.2%	5.1%	1.2T	77.3	45.2	0.35%	1.5%	--	Buy	31
7	ICICIPRULI	576.70	-7.1%	13.9%	34.0%	830.9B	97.9	40.5	0.10%	0.9%	16.8%	Buy	31
7	ICICIGI	1,673.40	-1.1%	11.6%	53.7%	824.6B	43.1	35.5	0.63%	9.3%	--	Buy	22
5	ABCAPITAL	231.10	13.2%	28.1%	36.5%	601.0B	21.7	17.4	--	8.5%	-2.5%	Strong Buy	10
6	GICRE	340.00	-0.47%	-9.9%	119.9%	596.5B	8.7	10.4	2.1%	18.2%	--	Hold	4
3	NIACL	232.00	-3.0%	-4.2%	111.0%	382.3B	41.0	--	0.83%	2.2%	--	Sell	2
9	MFSL	1,001.65	-0.53%	12.9%	56.8%	345.7B	80.4	73.5	--	1.0%	--	Buy	16
7	STARHEALTH	557.25	-0.50%	-2.9%	-7.9%	326.1B	39.3	29.1	--	6.0%	--	Buy	18
9	RELIGARE	216.60	-5.6%	-7.7%	33.5%	71.5B	2.0	--	--	62.2%	--	--	--
7.3	Average	710.64	-1.6%	4.0%	49.7%	1.2T	45.7	34.8	0.67%	10.6%	4.7%	Buy	18.2

PEER COMPANIES

ABCAPITAL	Aditya Birla Capital	MFSL	Max Financial Services
GICRE	General Insurance Corp	NIACL	New India Assurance Co
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

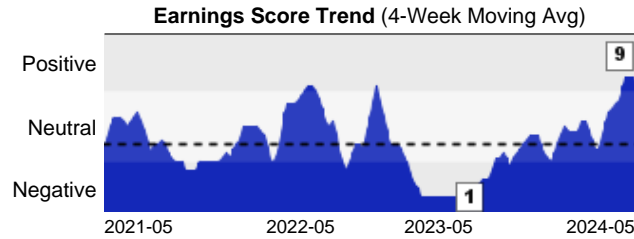
**EARNINGS** Currency in INR

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

**EARNINGS**  
**7**

**Earnings Score Averages**

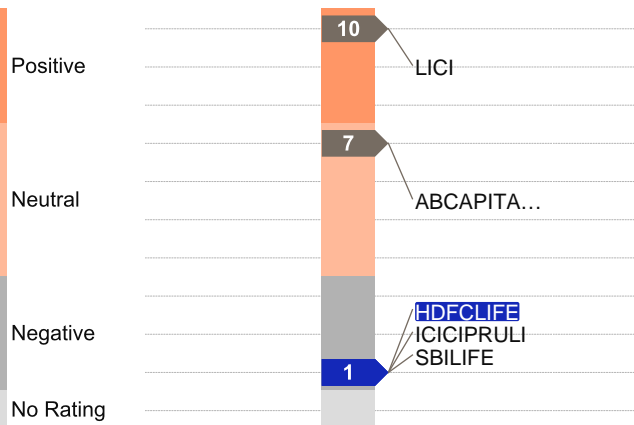
Insurance Group: **4.6**      Large Market Cap: **5.8**  
Insurance Sector: **4.6**      BSE Sensex Index: **6.7**



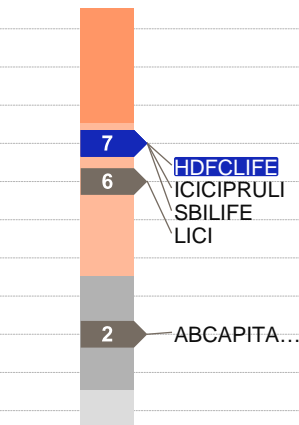
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
LICI	NR	5	7	8	<b>9</b>	
<b>HDFCLIFE</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>7</b>	<b>7</b>	
SBILIFE	3	2	2	5	<b>5</b>	
ABCAPITAL	7	8	8	4	<b>4</b>	
ICICIPRULI	4	4	3	2	<b>2</b>	

**EARNINGS INDICATORS**

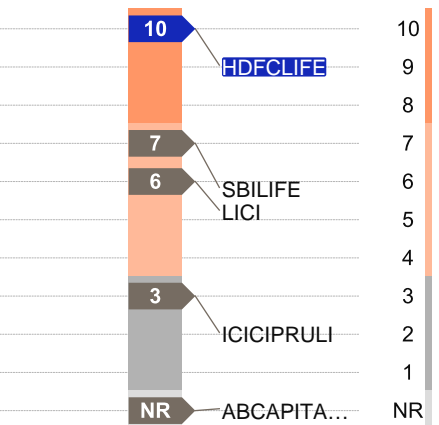
**Earnings Surprises**  
(33.3% weight)



**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	-19.2%

**Last 4 Weeks**

# Up Revisions	1
# Down Revisions	0
Avg Up Revisions	3.2%
Avg Down Revisions	0.00%

**Last 120 Days**

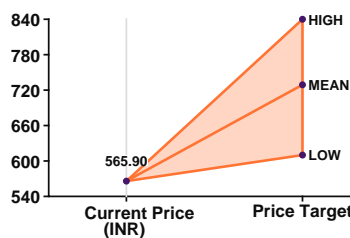
# Broker Upgrades	6
# Broker Downgrades	0

**HIGHLIGHTS**

- HDFC Life Insurance Co currently has an Earnings Rating of 7, with two of three components rated as bullish (7 or greater). The average Earnings Rating for its Life & Health Insurance industry is 5.0 and the S&P BSE SENSEX index average is 6.7.
- On 2024-04-18, the company announced quarterly earnings of 1.91 per share, a negative surprise of -31.3% below the consensus 2.78. 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 -19.2%.
- HDFCLIFE's current quarter consensus estimate has increased notably over the past 90 days from 2.32 to 3.30, a gain of 42.2%. This improvement is significantly greater than its industry average of 21.0% 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.



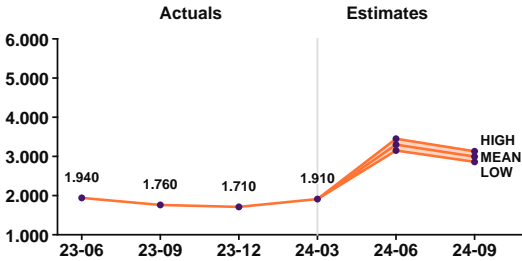
**12-Month Price Target**

Mean (INR)	729.00
High	840.00
Low	610.00
Target vs. Current	28.8%
# of Analysts	31

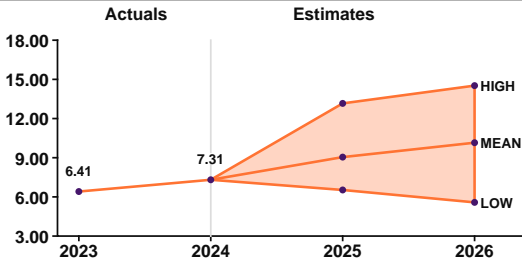
**EARNINGS PER SHARE**

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	24-06	24-09
Mean	3.300	2.995
High	3.450	3.130
Low	3.150	2.860
# of Analysts	2	2



Annual	2025	2026
Mean	9.047	10.150
High	13.160	14.520
Low	6.530	5.580
# of Analysts	14	13

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

	Q 24-06	Q 24-09	Y 2025	Y 2026	Price Target
Current	3.300	2.995	9.047	10.150	729.00
30 Days Ago	2.320	2.100	9.031	10.210	741.00
90 Days Ago	2.320	2.100	8.906	10.300	738.00
% Change (90 Days)	42.2%	42.6%	1.6%	-1.5%	-1.2%

Current Fiscal Year End: 25-03  
Next Expected Report Date: 2024-07-19

I/B/E/S Mean: **Buy (31 Analysts)**

Strong Buy	13
Buy	14
Hold	4
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)**

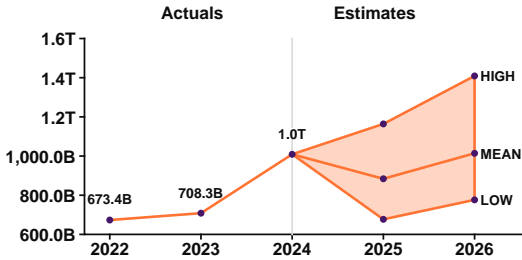
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	1	8.3%
Negative Quarters (< -2%)	11	91.7%
In-Line Quarters (within 2%)	0	--

**Surprise Detail (Last 6 Periods)**

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2024-04-18	2024-03-31	1.910	2.780	-31.3%
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%

**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.



	2025	2026
Mean	884.0B	1,014B
High	1,164B	1,409B
Low	676.9B	776.3B
Forecasted Growth	-12.4%	0.50%
# of Analysts	10	10

FUNDAMENTAL

FUND-AMENTAL

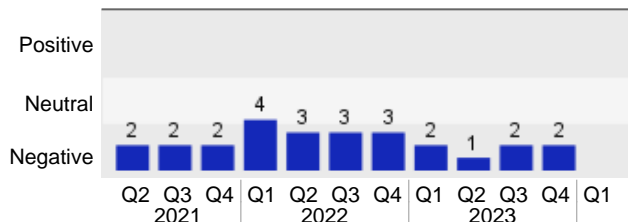
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**NEUTRAL OUTLOOK:** Fundamentals relatively in-line with the market.

Fundamental Score Averages

Insurance Group: 7.1 Large Market Cap: 6.3  
Insurance Sector: 7.1 BSE Sensex Index: 7.1

Fundamental Score Trend



Peers	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Current	3Y Trend
SBILIFE	4	5	4	NR	9	[Bar chart]
ICICIPRULI	2	2	2	NR	7	[Bar chart]
LICI	7	6	8	NR	7	[Bar chart]
<b>HDFCLIFE</b>	1	2	2	NR	6	[Bar chart]
ABCAPITAL	2	2	2	NR	2	[Bar chart]

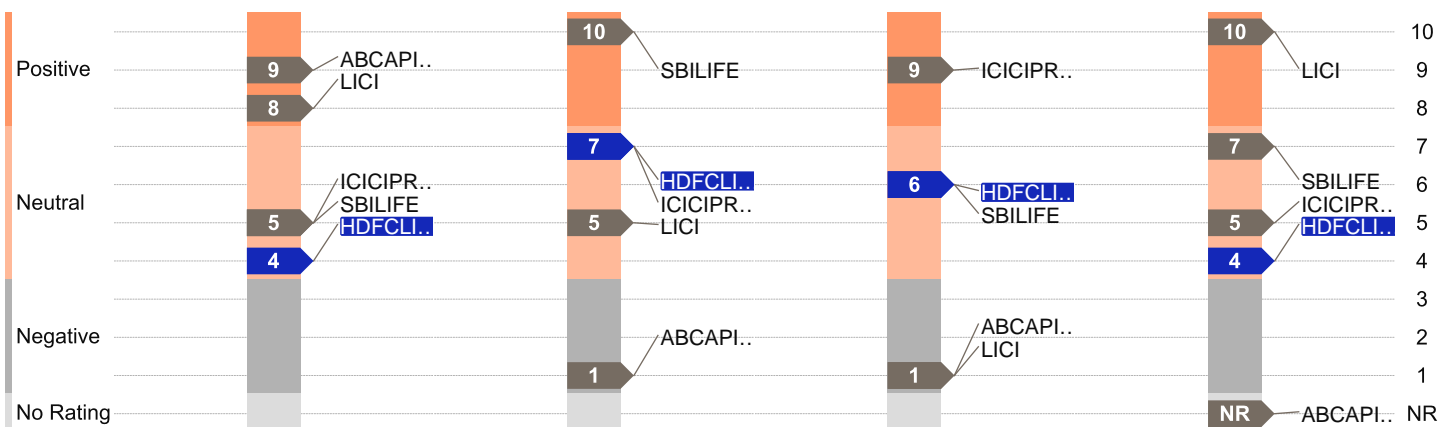
FUNDAMENTAL INDICATORS

Profitability (25% weight)

Debt (25% weight)

Earnings Quality (25% weight)

Dividend (25% weight)



<b>Revenue Growth</b> 33.8%	<b>Current Ratio</b> --	<b>Oper. Cash Yield</b> 550.8%	<b>Dividend Growth</b> 5.3%
For year over year ending 2024-03	For interim period ending --	For latest 12 months ending --	For year over year ending 2024-03
<b>Gross Margin</b> --	<b>Debt-to-Capital</b> 6.1%	<b>Accruals</b> 36.8%	<b>Dividend Payout</b> 27.3%
For latest 12 months ending --	For annual period ending 2024-03	For latest 12 months ending 2024-03	For latest 12 months ending 2024-03
<b>Return On Equity</b> 11.4%	<b>Interest Funding</b> 1.0%	<b>Days Sales In Inv.</b> --	<b>Dividend Coverage</b> --
For interim period ending 2024-03	For interim period ending 2023-03	For annual period ending --	For annual period ending --
<b>Net Margin</b> 1.5%	<b>Interest Coverage</b> 21.6	<b>Days Sales In Rec.</b> --	<b>Current Div. Yield</b> 0.4%
For latest 12 months ending 2024-03	For interim period ending 2023-03	For annual period ending --	For latest 12 months ending 2024-05

HIGHLIGHTS

- The Fundamental Rating for HDFC Life Insurance Co improved significantly over the last quarter from a bearish 2 to a relatively neutral 6. The average Fundamental Rating for its Insurance industry group is 7.1 and the S&P BSE SENSEX index average is 7.1.
- HDFCLIFE's net margin of 1.5% is substantially below the Insurance industry group average of 5.0%.
- The debt-to-capital for the company is at its five-year low.
- HDFCLIFE's operating cash yield of 551% is substantially above the Insurance industry group average of 55.0%.
- Of the 11 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 0.35%.

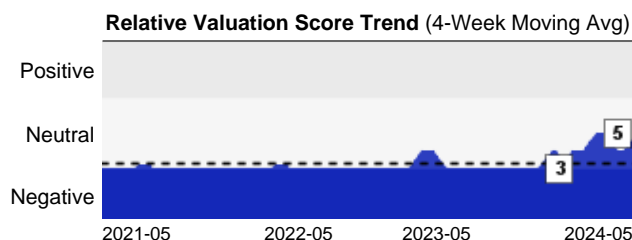
**RELATIVE VALUATION**

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



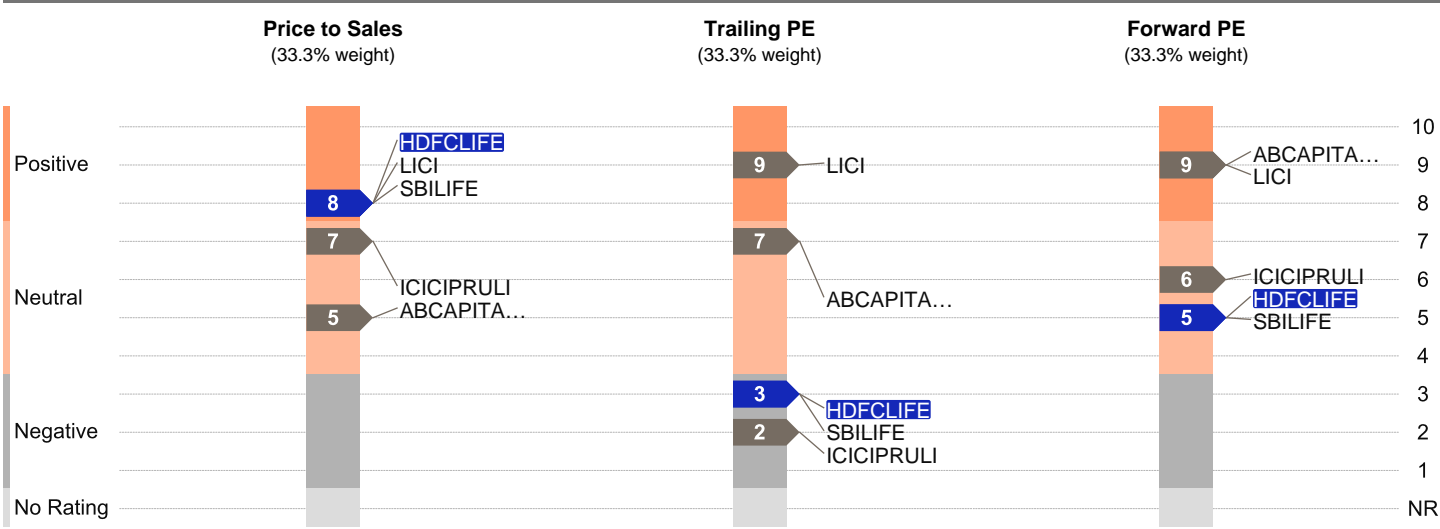
**Relative Valuation Score Averages**

Insurance Group:	6.5	Large Market Cap:	4.5
Insurance Sector:	6.5	BSE Sensex Index:	6.0



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
LICI	10	9	9	9	9	
ABCAPITAL	9	9	8	7	7	
<b>HDFCLIFE</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>	
ICICIPRULI	3	5	4	5	5	
SBILIFE	4	5	5	5	5	

**RELATIVE VALUATION INDICATORS**



Indicator	HDFCLIFE	Industry Avg	Discount/Premium
Price to Sales	1.2	2.3	47% Discount
Trailing PE	77.3	88.8	13% Discount
Forward PE	45.2	65.9	31% Discount
BSE Sensex Index	3.5	24.9	65% Discount
Rel. to BSE Sensex	65% Discount	>100% Premium	99% Premium

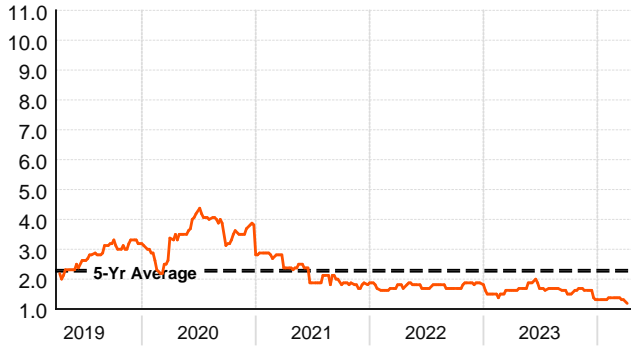
**HIGHLIGHTS**

- HDFC Life Insurance Co currently has a Relative Valuation Rating of 5 while the S&P BSE SENSEX index has an average rating of 6.0.
- The company's Price to Sales ratio and Forward P/E are both currently at or near their 5-year lows.
- Based on Price to Sales, HDFCLIFE currently trades at a 16% Premium to its Insurance industry group peers. On average, the company has traded at a 53% Premium over the past five years.
- HDFCLIFE's Trailing P/E of 77.3 represents a 13% Discount to its 5-year average of 88.8.
- Based on Forward P/E, HDFCLIFE currently trades at a 95% Premium to its Insurance industry group peers. On average, the company has traded at a >100% Premium over the past five years.

**PRICE TO SALES**

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

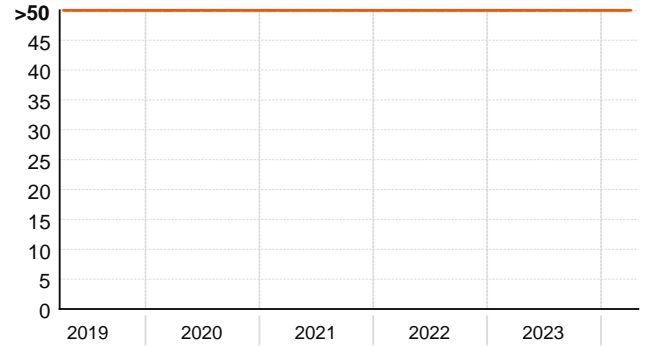
Price to Sales: 1.2  
 5-Year Average: 2.3  
 BSE Sensex Index Average: 3.5  
 Insurance Group Average: 1.1



**TRAILING PE**

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

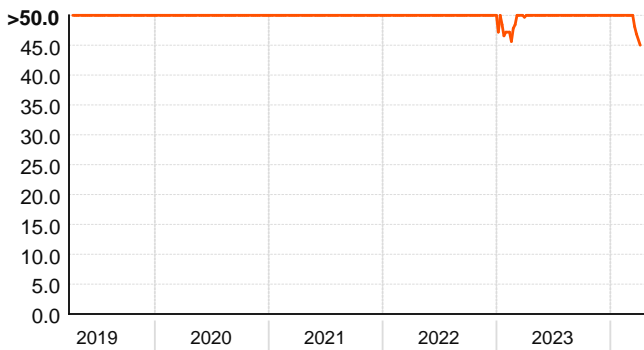
Trailing PE: 77.3  
 5-Year Average: 88.8  
 BSE Sensex Index Average: 24.9  
 Insurance Group Average: 20.7



**FORWARD PE**

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

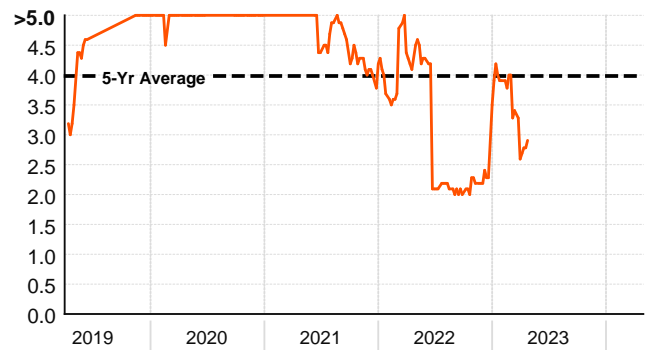
Forward PE: 45.2  
 5-Year Average: 65.9  
 BSE Sensex Index Average: 22.8  
 Insurance Group Average: 23.2



**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: 1.5  
 Insurance Group Average: 5.0



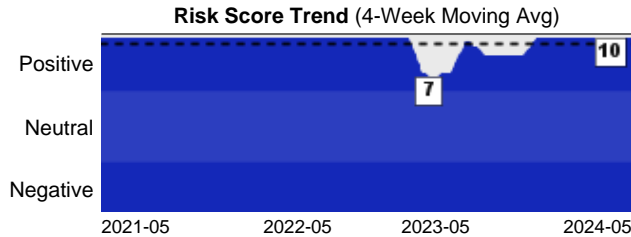
**RISK**

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

**RISK**  
**10**

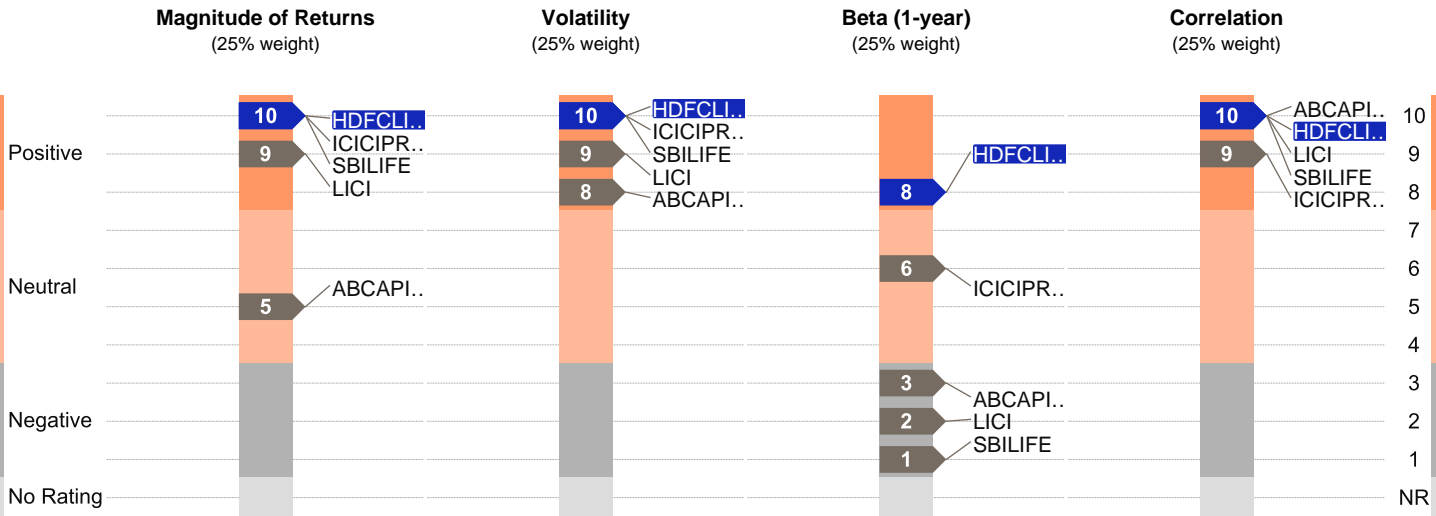
**Risk Score Averages**

Insurance Group:	<b>8.1</b>	Large Market Cap:	<b>8.4</b>
Insurance Sector:	<b>8.1</b>	BSE Sensex Index:	<b>9.4</b>



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

**RISK INDICATORS**



<b>Daily Returns</b> (Last 90 Days)	<b>Standard Deviation</b>	<b>Beta vs. BSE Sensex</b>	0.55	<b>Correlation vs. BSE Sensex</b>
Best: 5.2%	Last 90 Days: 1.42	Positive Days Only: -0.09	Last 90 Days: 32%	
Worst: -2.7%	Last 60 Months: 7.68	Negative Days Only: 1.61	Last 60 Months: 55%	
<b>Monthly Returns</b> (Last 60 Months)	<b>Intra-Day Swing</b> (Last 90 Days)	<b>Beta vs. Group</b>	0.63	<b>Correlation vs. Group</b>
Best: 15.3%	Average: 2.4%	Positive Days Only: 0.71	Last 90 Days: 37%	
Worst: -18.9%	Largest: 5.5%	Negative Days Only: 0.59	Last 60 Months: 54%	

**HIGHLIGHTS**

- HDFC Life Insurance Co currently has a Risk Rating of 10 while the S&P BSE SENSEX index has an average rating of 9.4.
- On days when the market is up, HDFCLIFE shares remain relatively unchanged. On days when the market is down, the shares generally decrease by more than the S&P BSE SENSEX index.
- In the short term, HDFCLIFE has shown average correlation ( $\geq 0.2$  and  $< 0.4$ ) with the S&P BSE SENSEX index. The stock has, however, shown high correlation ( $\geq 0.4$ ) with the market in the long term.
- Over the last 90 days, the daily price fluctuations of HDFCLIFE 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
HDFCLIFE	5.2%	-2.7%	26	34	5.5%	15.3%	-18.9%
ABCAPITAL	10.6%	-6.7%	31	29	10.8%	47.0%	-45.6%
ICICIPRULI	4.2%	-4.5%	35	25	7.8%	22.9%	-24.5%
LICI	5.9%	-7.8%	28	32	11.2%	22.3%	-16.9%
SBILIFE	3.8%	-2.0%	23	37	4.4%	21.2%	-28.0%
<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>





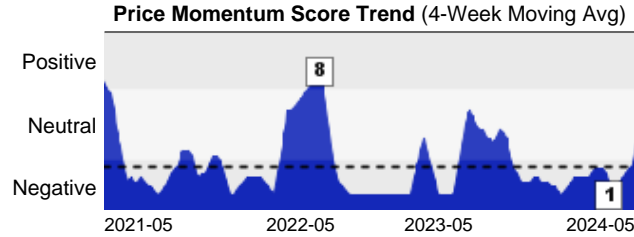
**PRICE MOMENTUM** Currency in INR

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



**Price Momentum Score Averages**

Insurance Group:	6.5	Large Market Cap:	6.2
Insurance Sector:	6.5	BSE Sensex Index:	5.5

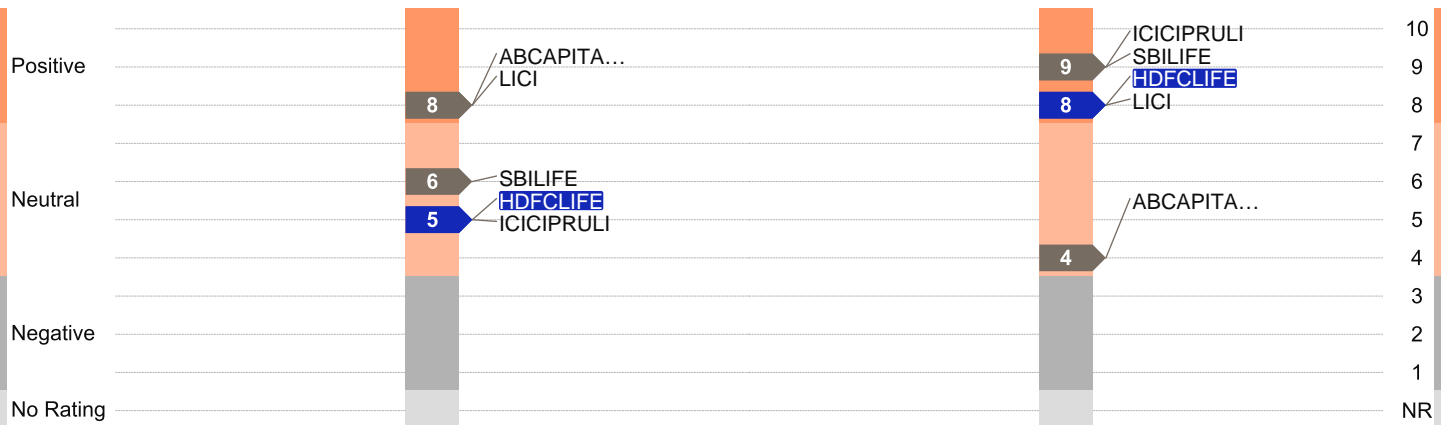


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
LICI	1	7	6	6	9	
ICICIPRULI	1	3	5	5	8	
SBILIFE	2	4	5	4	8	
<b>HDFCLIFE</b>	2	3	2	3	7	
ABCAPITAL	3	4	3	4	6	

**PRICE MOMENTUM INDICATORS**

**Relative Strength**  
(50% weight)

**Seasonality**  
(50% weight)



**Relative Strength Indicator** (Scale from 1 to 100)

	HDFCLIFE	Industry Avg
Last 10 Days	21	45
Last 50 Days	42	51
Last 200 Days	49	52

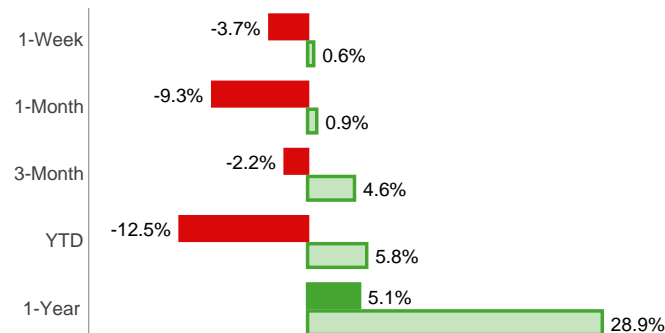
**Average Monthly Return** (Last 10 Years)

	May	Jun	Jul
Company Avg	4.2%	1.9%	4.9%
Industry Avg	1.5%	3.6%	7.1%
Industry Rank	64 of 99	73 of 98	14 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 (2024-05-03)	565.90	23,680
52-Week High	710.60	23,854
52-Week Low	540.00	18,360

- On 2024-05-03, HDFCLIFE closed at 565.90, 20.4% below its 52-week high and 4.8% above its 52-week low.
- HDFCLIFE shares are currently trading 7.4% below their 50-day moving average of 610.94, and 9.8% below their 200-day moving average of 627.18.
- 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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