

**KOTAK MAHINDRA BANK (KOTAKBANK-IN)**

Banking & Investment Svcs. / Banking Services / Banks

**DETAILED STOCK REPORT**

Report Date: 2023-Jan-29

Last Close <b>1,713.10 (INR)</b>	Avg Daily Vol <b>3.2M</b>	52-Week High <b>1,997.55</b>	Trailing PE <b>23.9</b>	Annual Div <b>1.10</b>	ROE <b>14.1%</b>	LTG Forecast <b>16.9%</b>	1-Mo Return <b>-5.9%</b>
2023 January 27 NSE Exchange	Market Cap <b>3.4T</b>	52-Week Low <b>1,631.00</b>	Forward PE <b>20.0</b>	Dividend Yield <b>0.1%</b>	Annual Rev <b>646.2B</b>	Inst Own <b>47.3%</b>	3-Mo Return <b>-8.1%</b>

**AVERAGE SCORE**

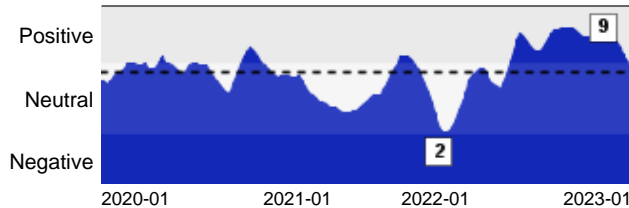
**AVERAGE SCORE**  
**7**

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

**Score Averages**

Banking Services Group:	<b>5.4</b>	Large Market Cap:	<b>6.4</b>
Banking & Investment Svcs. Sector:	<b>5.3</b>	BSE Sensex Index:	<b>7.5</b>

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



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AXISBANK	9	10	10	10	<b>10</b>	
INDUSINDBK	9	9	9	10	<b>10</b>	
ICICIBANK	9	10	7	7	<b>7</b>	
<b>KOTAKBANK</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>6</b>	<b>7</b>	
SBIN	10	8	9	9	<b>7</b>	

**HIGHLIGHTS**

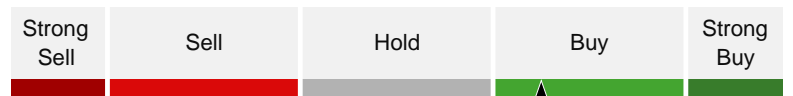
- The score for Kotak Mahindra Bank improved slightly this week from 6 to 7.
- The recent change in the Average Score was primarily due to an improvement in the Earnings and Relative Valuation component scores.

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

**Buy**

38 Analysts

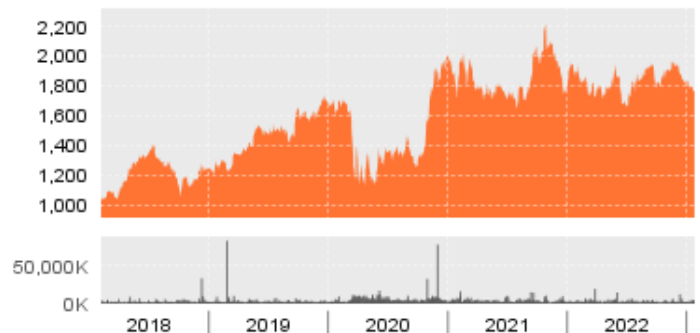
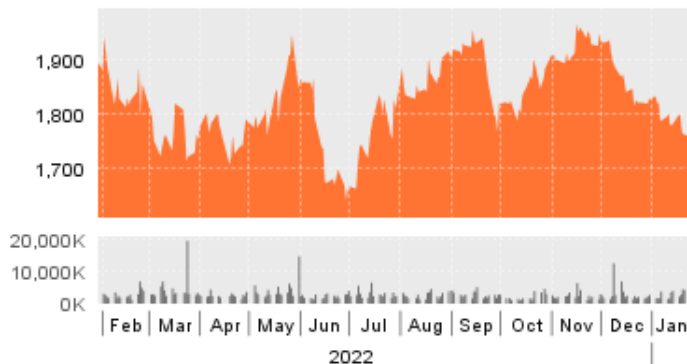
Mean recommendation from all analysts covering the company on a standardized 5-point scale.



**PRICE AND VOLUME CHARTS**

**1-Year Return: -9.3%**

**5-Year Return: 56.8%**



**BUSINESS SUMMARY**

Kotak Mahindra Bank Limited (the Bank) is an India-based bank. The Bank provides a range of banking services to its customers encompassing retail banking, treasury and corporate banking in India and also has a representative office in Dubai. Its segments include Corporate / Wholesale Banking, Retail Banking, Treasury, BMU and Corporate Centre, and Other Banking business. The Corporate / Wholesale Banking segment includes wholesale borrowings and lending's and other related services to the corporate sector, which are not included under retail banking. The Retail Banking segment includes lending, branch banking and credit cards. The Treasury, BMU and Corporate Centre segment includes money market, forex market, derivatives, investments and primary dealership of government securities and balance sheet management unit (BMU) for asset liability management and corporate center, which primarily consists of support functions. The Other Banking business segment includes other businesses.

## KOTAK MAHINDRA BANK (KOTAKBANK-IN)

Banking &amp; Investment Svcs. / Banking Services / Banks

## DETAILED STOCK REPORT

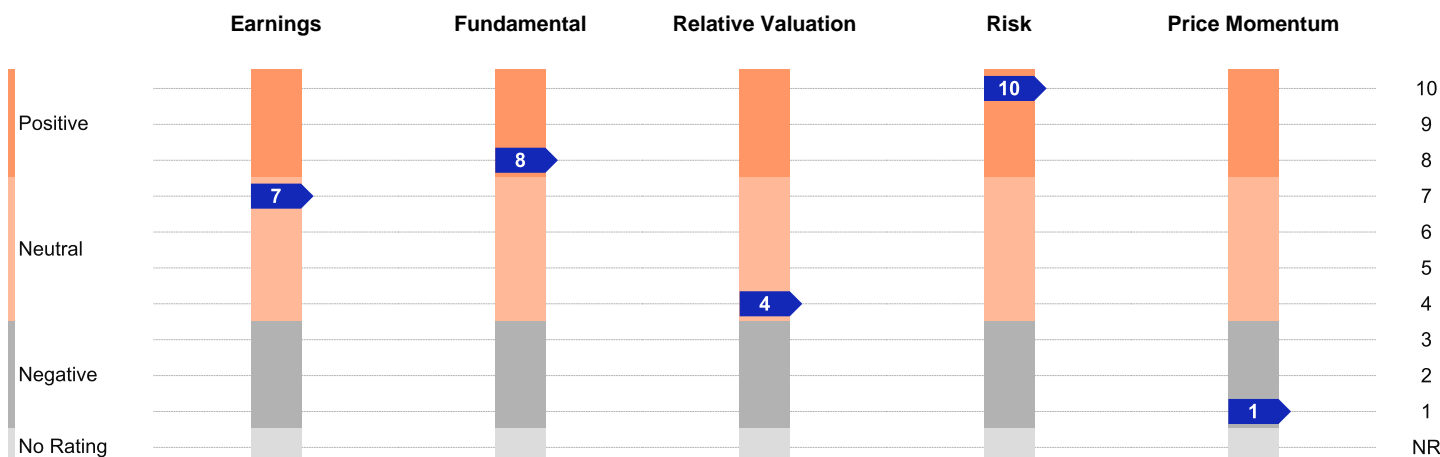
Report Date: 2023-Jan-29

## INDICATOR COMPONENTS

AVERAGE  
SCORE

7

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 (2023-01-27)	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	
9	HDFCBANK	1,615.80	-0.94%	11.1%	9.6%	9.0T	20.1	20.4	0.96%	22.9%	--	Strong Buy	36
7	ICICIBANK	817.20	-9.3%	-11.6%	2.8%	5.7T	18.2	18.9	0.61%	18.2%	--	Strong Buy	39
7	SBIN	539.95	-10.3%	-6.9%	2.1%	4.8T	11.7	9.5	1.3%	9.6%	--	Strong Buy	41
7	KOTAKBANK	1,713.10	-5.9%	-8.1%	-9.3%	3.4T	23.9	20.0	0.06%	22.1%	16.9%	Buy	37
10	AXISBANK	873.75	-6.3%	-4.5%	12.9%	2.7T	13.1	11.4	0.11%	19.7%	--	Strong Buy	39
10	INDUSINDBK	1,116.40	-7.2%	-2.3%	25.7%	866.5B	12.7	9.8	0.76%	16.1%	31.0%	Buy	42
8	BANKBARODA	157.25	-11.5%	5.0%	51.9%	813.2B	8.3	7.4	0.76%	10.6%	--	Buy	31
8	PNB	50.80	-6.3%	18.1%	23.5%	559.4B	23.6	--	1.3%	2.7%	--	Hold	16
10	CANBK	291.00	-5.2%	0.48%	20.9%	527.9B	5.3	--	2.2%	9.5%	--	Buy	13
5	IOB	27.20	-18.3%	43.2%	30.1%	514.1B	27.1	24.7	--	8.6%	--	Strong Sell	1
9	UNIONBANK	74.90	-9.5%	41.6%	61.3%	511.9B	7.1	--	2.5%	8.2%	--	Hold	6
8.2	Average	661.58	-8.2%	7.8%	21.0%	2.7T	15.6	15.2	1.1%	13.5%	23.9%	Buy	27.4

## PEER COMPANIES

AXISBANK	Axis Bank	INDUSINDBK	Indusind Bank
BANKBARODA	Bank of Baroda	IOB	Indian Overseas Bank
CANBK	Canara Bank	PNB	Punjab National Bank
HDFCBANK	HDFC Bank	SBIN	State Bank of India
ICICIBANK	ICICI Bank	UNIONBANK	Union Bank of India

**EARNINGS**

**EARNINGS**

**7**

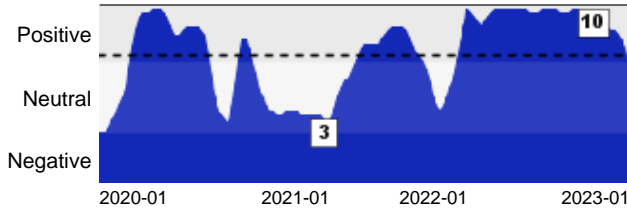
Currency in INR

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

**Earnings Score Averages**

Banking Services Group:	<b>6.4</b>	Large Market Cap:	<b>5.6</b>
Banking & Investment Svcs. Sector:	<b>6.2</b>	BSE Sensex Index:	<b>6.1</b>

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



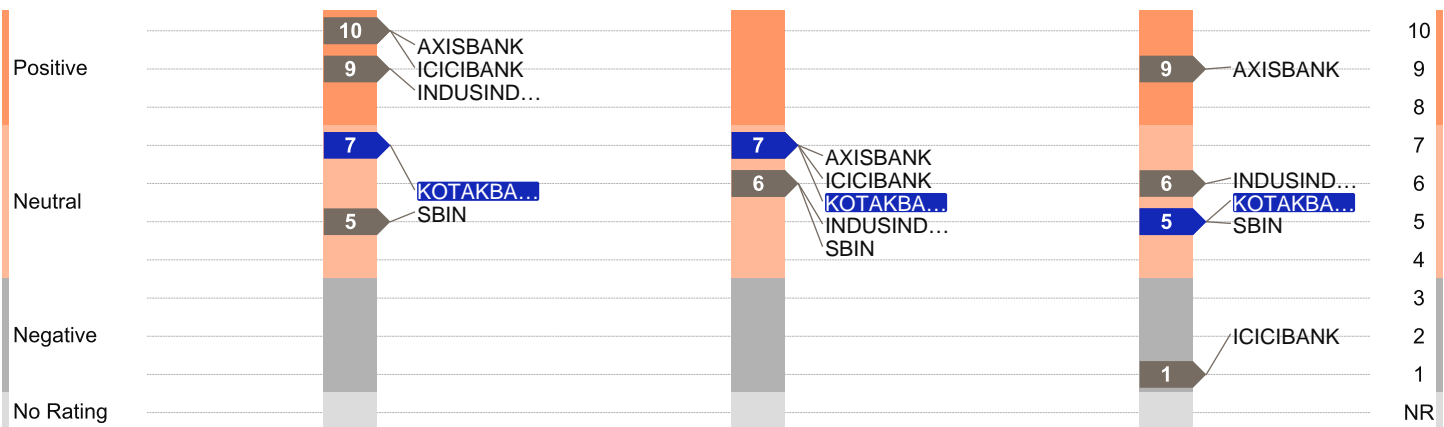
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AXISBANK	9	10	10	10	<b>10</b>	
INDUSINDBK	7	7	6	9	<b>9</b>	
ICICIBANK	10	10	7	7	<b>7</b>	
<b>KOTAKBANK</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>7</b>	
SBIN	9	3	5	5	<b>5</b>	

**EARNINGS INDICATORS**

**Earnings Surprises**  
(33.3% weight)

**Estimate Revisions**  
(33.3% weight)

**Recommendation Changes**  
(33.3% weight)



**Last 4 Quarters**

# Positive Surprises (>2%)	2
# Negative Surprises (<-2%)	2
# In-Line Surprises (within 2%)	0
Avg Surprise	7.2%

**Last 4 Weeks**

# Up Revisions	1
# Down Revisions	0
Avg Up Revisions	2.6%
Avg Down Revisions	0.00%

**Last 120 Days**

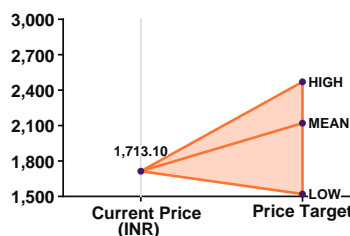
# Broker Upgrades	3
# Broker Downgrades	3

**HIGHLIGHTS**

- Kotak Mahindra Bank currently has an Earnings Rating of 7, with two of three components rated as bullish (7 or greater). The average Earnings Rating for its Banks industry is 7.7 and the S&P BSE SENSEX index average is 6.1.
- On 2023-01-23, the company announced quarterly earnings of 20.11 per share, a negative surprise of -3.4% below the consensus 20.82. Over the past 4 quarters, the company has reported 2 positive, 2 negative, and 0 in-line surprises. The average surprise for this time period has been 7.2%.
- KOTAKBANK's current quarter consensus estimate has remained relatively unchanged over the past 90 days at 21.98. Estimates within its industry have moved an average of 5.0% 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)	2,120.00
High	2,470.00
Low	1,520.00
Target vs. Current	23.8%
# of Analysts	39

**KOTAK MAHINDRA BANK (KOTAKBANK-IN)**

Banking & Investment Svcs. / Banking Services / Banks

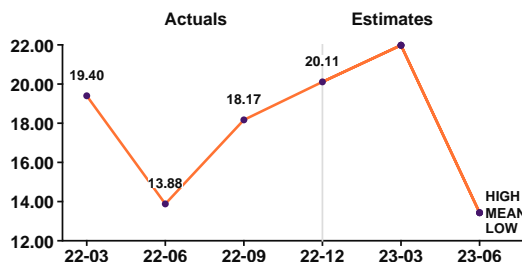
**DETAILED STOCK REPORT**

Report Date: 2023-Jan-29

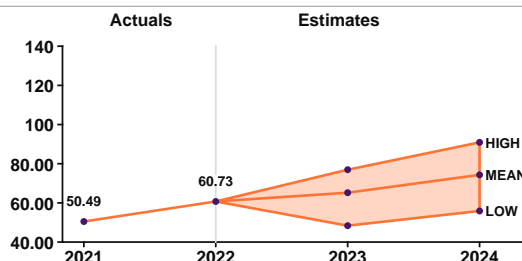
**EARNINGS PER SHARE**

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	23-03	23-06
Mean	21.980	13.430
High	21.980	13.430
Low	21.980	13.430
# of Analysts	1	1



Annual	2023	2024
Mean	65.200	74.310
High	76.940	90.900
Low	48.360	55.880
# of Analysts	12	12

**MEAN ESTIMATE TREND**

	Q 23-03	Q 23-06	Y 2023	Y 2024	Price Target
Current	21.980	13.430	65.200	74.310	2,120.00
30 Days Ago	21.970	13.430	66.690	76.170	2,130.00
90 Days Ago	21.970	13.430	65.000	74.530	2,140.00
% Change (90 Days)	0.00%	0.00%	0.30%	-0.30%	-0.90%

Current Fiscal Year End: 23-03  
Next Expected Report Date: 2023-05-02

**ANALYST RECOMMENDATIONS**

I/B/E/S Mean: **Buy (38 Analysts)**

Strong Buy	11
Buy	10
Hold	15
Sell	2
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)**

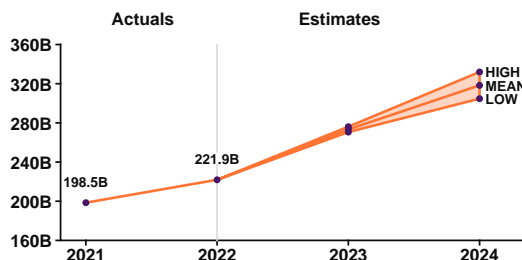
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	7	58.3%
Negative Quarters (< -2%)	5	41.7%
In-Line Quarters (within 2%)	0	--

**Surprise Detail (Last 6 Periods)**

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2023-01-21	2022-12-31	20.110	20.820	-3.4%
Negative	2022-10-22	2022-09-30	18.170	21.370	-15.0%
Positive	2022-07-23	2022-06-30	13.880	10.550	31.6%
Positive	2022-05-04	2022-03-31	19.400	16.810	15.4%
Positive	2022-01-28	2021-12-31	17.150	14.960	14.6%
Positive	2021-10-26	2021-09-30	15.060	12.910	16.7%

**ANNUAL REVENUE**

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



	2023	2024
Mean	273.3B	318.3B
High	276.1B	332.0B
Low	270.6B	304.7B
Forecasted Growth	23.2%	43.4%
# of Analysts	2	2

**FUNDAMENTAL**

FUND-AMENTAL

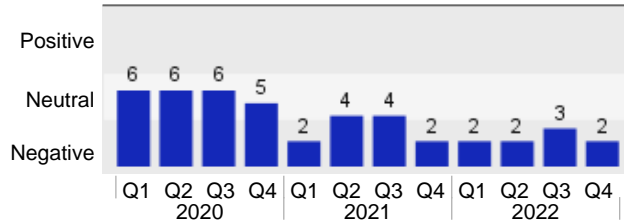
**8**

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

**Fundamental Score Averages**

Banking Services Group:	<b>5.2</b>	Large Market Cap:	<b>6.4</b>
Banking & Investment Svcs. Sector:	<b>5.5</b>	BSE Sensex Index:	<b>6.7</b>

**Fundamental Score Trend**



Peers	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Current	3Y Trend
INDUSINDBK	3	3	4	5	<b>10</b>	-----
ICICIBANK	4	3	3	5	<b>8</b>	-----
<b>KOTAKBANK</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>8</b>	-----
SBIN	4	3	4	4	<b>8</b>	-----
AXISBANK	2	2	3	2	<b>7</b>	-----

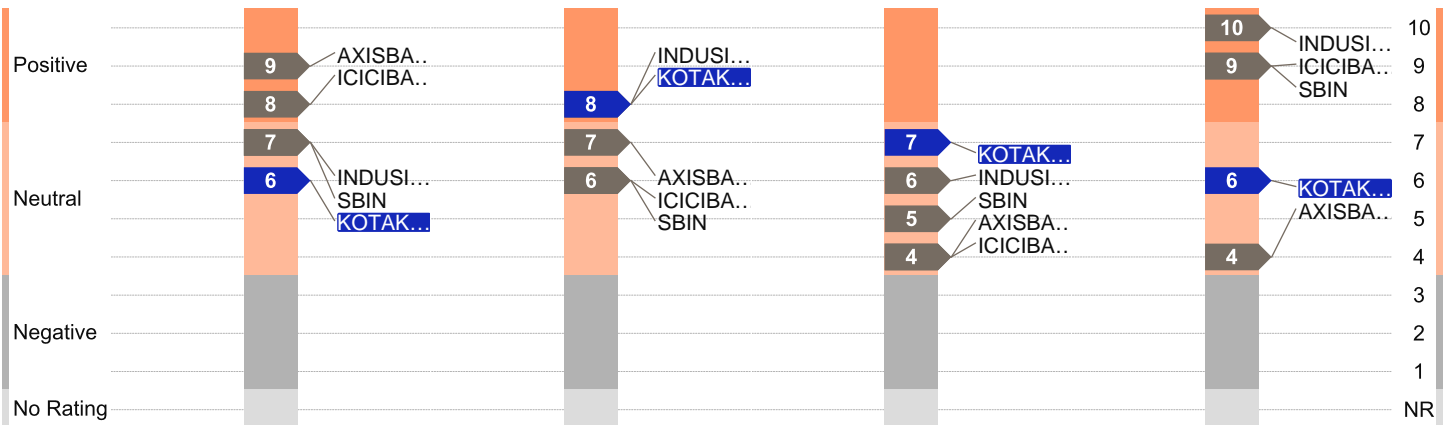
**FUNDAMENTAL INDICATORS**

**Profitability**  
(25% weight)

**Debt**  
(25% weight)

**Earnings Quality**  
(25% weight)

**Dividend**  
(25% weight)



<b>Revenue Growth</b> For year over year ending 2022-09	2.6%	<b>Current Ratio</b> For interim period ending --	--	<b>Oper. Cash Yield</b> For latest 12 months ending 2022-03	114.8%	<b>Dividend Growth</b> For year over year ending 2022-12	22.2%
<b>Gross Margin</b> For latest 12 months ending --	--	<b>Debt-to-Capital</b> For annual period ending 2022-03	36.2%	<b>Accruals</b> For latest 12 months ending 2022-03	38.6%	<b>Dividend Payout</b> For latest 12 months ending 2022-12	1.5%
<b>Return On Equity</b> For interim period ending 2022-09	14.1%	<b>Interest Funding</b> For interim period ending 2022-03	8.4%	<b>Days Sales In Inv.</b> For annual period ending --	--	<b>Dividend Coverage</b> For annual period ending --	--
<b>Net Margin</b> For latest 12 months ending 2022-12	22.1%	<b>Interest Coverage</b> For interim period ending 2022-03	16.2	<b>Days Sales In Rec.</b> For annual period ending --	--	<b>Current Div. Yield</b> For latest 12 months ending 2023-01	0.1%

**HIGHLIGHTS**

- The Fundamental Rating for Kotak Mahindra Bank improved significantly over the last quarter from 3 to 8. The current rating is considerably more bullish than the Banking Services industry group average of 5.2.
- The company's net margin has been higher than its industry group average for each of the past five years.
- The company's interest coverage has been higher than its industry group average for each of the past five years.
- The company's accruals ratio has been higher than its industry group average for each of the past five years.
- Of the 297 firms within the Banking Services industry group, Kotak Mahindra Bank is among 71 companies that pay a dividend. The stock's dividend yield is currently 0.06%.

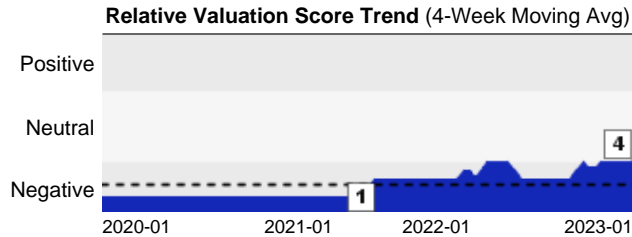
**RELATIVE VALUATION**

**RELATIVE VALUATION**  
**4**

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

**Relative Valuation Score Averages**

Banking Services Group:	<b>4.6</b>	Large Market Cap:	<b>3.9</b>
Banking & Investment Svcs. Sector:	<b>4.5</b>	BSE Sensex Index:	<b>4.1</b>



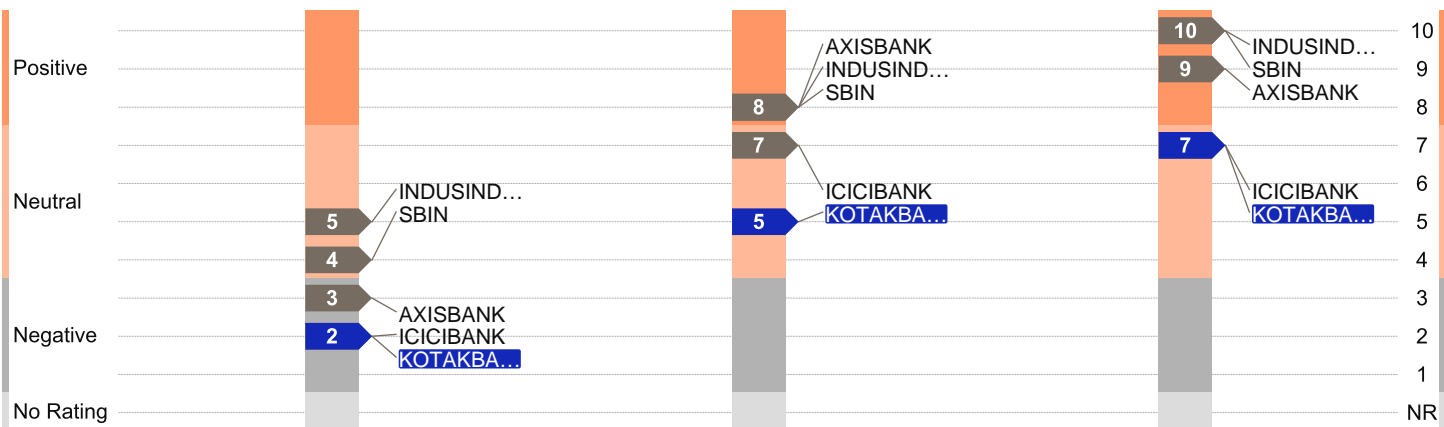
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
INDUSINDBK	6	7	6	7	<b>7</b>	
SBIN	7	6	6	7	<b>7</b>	
AXISBANK	5	5	5	5	<b>6</b>	
ICICIBANK	3	3	3	3	<b>4</b>	
<b>KOTAKBANK</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	

**RELATIVE VALUATION INDICATORS**

**Price to Sales**  
(33.3% weight)

**Trailing PE**  
(33.3% weight)

**Forward PE**  
(33.3% weight)



Price to Sales	13.4	Trailing PE	23.9	Forward PE	20.0
5-Yr Average	17.3	5-Yr Average	34.8	5-Yr Average	30.6
Rel. to 5-Yr Avg.	<b>23% Discount</b>	Rel. to 5-Yr Avg.	<b>31% Discount</b>	Rel. to 5-Yr Avg.	<b>35% Discount</b>
BSE Sensex Index	3.3	BSE Sensex Index	23.2	BSE Sensex Index	21.6
Rel. to BSE Sensex	<b>&gt;100% Premium</b>	Rel. to BSE Sensex	<b>3% Premium</b>	Rel. to BSE Sensex	<b>8% Discount</b>

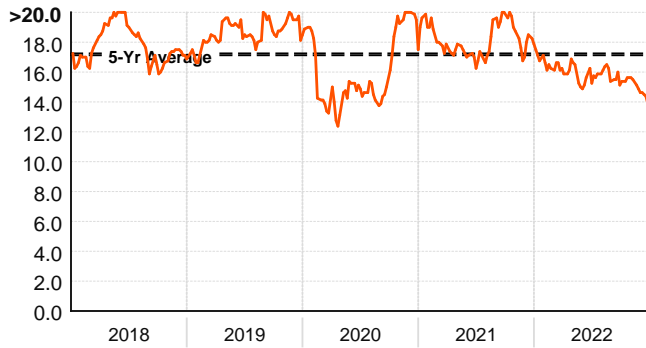
**HIGHLIGHTS**

- Kotak Mahindra Bank currently has a Relative Valuation Rating of 4 while the S&P BSE SENSEX index has an average rating of 4.1.
- KOTAKBANK's Price to Sales, Trailing P/E, and Forward P/E multiples are all significantly below (less expensive than) their 5-year averages.
- Based on Price to Sales, KOTAKBANK currently trades at a >100% Premium to its Banking Services industry group peers. On average, the company has traded at a >100% Premium over the past five years.
- Based on Trailing P/E, KOTAKBANK currently trades at a 53% Premium to its Banking Services industry group peers. On average, the company has traded at a 78% Premium over the past five years.
- Based on Forward P/E, KOTAKBANK currently trades at a 12% Premium to its Banking Services industry group peers. On average, the company has traded at a 42% Premium over the past five years.

**PRICE TO SALES**

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

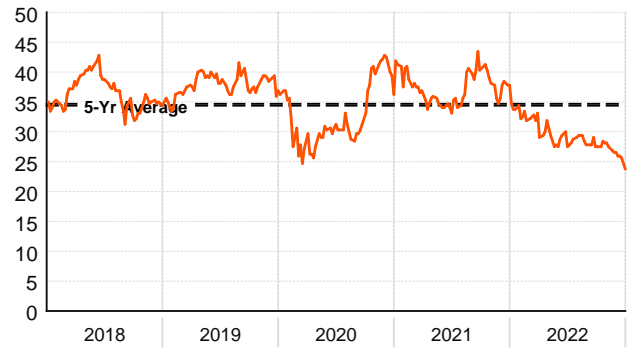
Price to Sales: 13.4  
 5-Year Average: 17.3  
 BSE Sensex Index Average: 3.3  
 Banking Services Group Average: 3.3



**TRAILING PE**

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

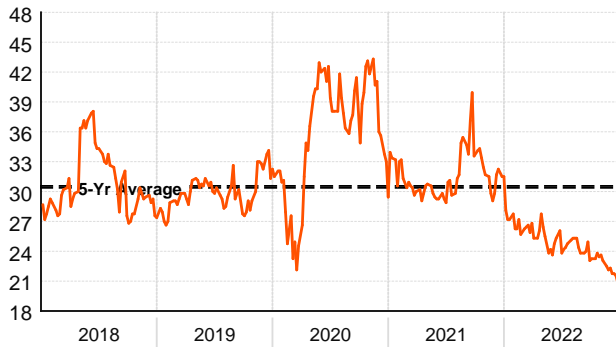
Trailing PE: 23.9  
 5-Year Average: 34.8  
 BSE Sensex Index Average: 23.2  
 Banking Services Group Average: 15.7



**FORWARD PE**

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

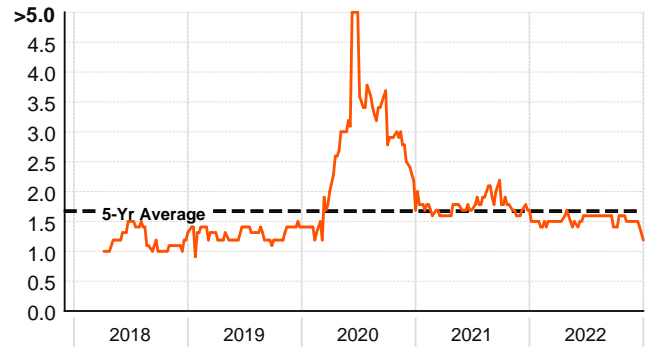
Forward PE: 20.0  
 5-Year Average: 30.6  
 BSE Sensex Index Average: 21.6  
 Banking Services Group Average: 17.8



**FORWARD PEG**

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

Forward PEG: 1.2  
 5-Year Average: 1.7  
 BSE Sensex Index Average: 1.2  
 Banking Services Group Average: 0.7



## KOTAK MAHINDRA BANK (KOTAKBANK-IN)

Banking &amp; Investment Svcs. / Banking Services / Banks

## DETAILED STOCK REPORT

Report Date: 2023-Jan-29

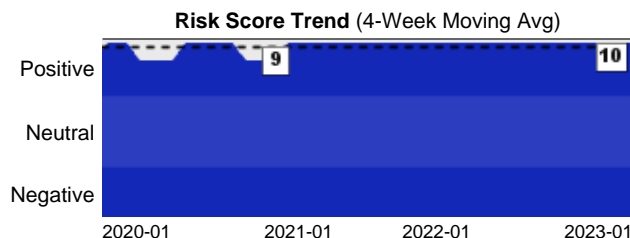
## RISK

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

RISK  
**10**

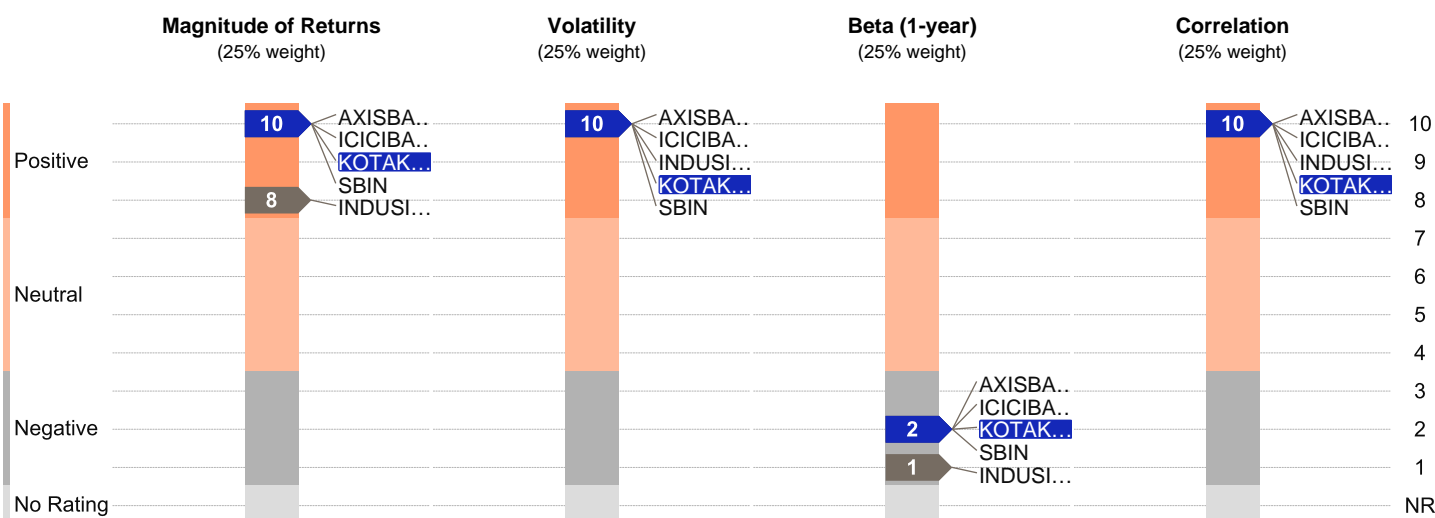
## Risk Score Averages

Banking Services Group: **5.2** Large Market Cap: **8.8**  
Banking & Investment Svcs. Sector: **5.0** BSE SENSEX Index: **9.7**



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AXISBANK	10	9	9	9	10	
ICICIBANK	10	10	10	10	10	
<b>KOTAKBANK</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	
SBIN	10	10	10	10	10	
INDUSINDBK	8	8	8	9	9	

## RISK INDICATORS



Daily Returns (Last 90 Days)		Standard Deviation		Beta vs. BSE SENSEX		Correlation vs. BSE SENSEX	
Best	2.8%	Last 90 Days	0.89	Positive Days Only	0.89	Last 90 Days	39%
Worst	-2.1%	Last 60 Months	7.94	Negative Days Only	1.15	Last 60 Months	64%
Monthly Returns (Last 60 Months)		Intra-Day Swing (Last 90 Days)		Beta vs. Group		Correlation vs. Group	
Best	22.0%	Average	1.5%	Positive Days Only	0.41	Last 90 Days	14%
Worst	-20.0%	Largest	3.1%	Negative Days Only	0.60	Last 60 Months	29%

## HIGHLIGHTS

- Kotak Mahindra Bank currently has a Risk Rating of 10 while the S&P BSE SENSEX index has an average rating of 9.7.
- On days when the market is up, KOTAKBANK 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, KOTAKBANK 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, KOTAKBANK shares have been less volatile than the overall market, as the stock's daily price has fluctuated less than 99% 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
<b>KOTAKBANK</b>	<b>2.8%</b>	<b>-2.1%</b>	<b>26</b>	<b>38</b>	<b>3.1%</b>	<b>22.0%</b>	<b>-20.0%</b>
AXISBANK	2.7%	-3.8%	38	25	4.8%	23.6%	-45.7%
ICICIBANK	1.9%	-4.5%	32	32	3.7%	17.4%	-34.9%
INDUSINDBK	4.2%	-4.6%	36	28	5.6%	39.7%	-68.2%
SBIN	4.0%	-5.1%	31	31	6.7%	38.9%	-35.0%
<b>BSE SENSEX</b>	<b>2.0%</b>	<b>-1.6%</b>	<b>31</b>	<b>32</b>	<b>1.8%</b>	<b>14.4%</b>	<b>-23.1%</b>



**KOTAK MAHINDRA BANK (KOTAKBANK-IN)**

Banking & Investment Svcs. / Banking Services / Banks

**DETAILED STOCK REPORT**

Report Date: 2023-Jan-29

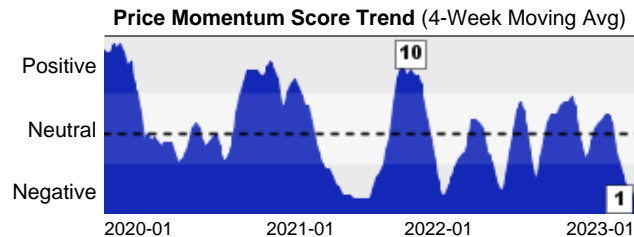
**PRICE MOMENTUM** Currency in INR

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



**Price Momentum Score Averages**

Banking Services Group:	<b>6.8</b>	Large Market Cap:	<b>5.2</b>
Banking & Investment Svcs. Sector:	<b>6.4</b>	BSE Sensex Index:	<b>5.9</b>



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AXISBANK	6	9	9	8	<b>5</b>	
INDUSINDBK	8	6	8	6	<b>4</b>	
SBIN	8	8	8	6	<b>2</b>	
ICICIBANK	8	8	5	4	<b>1</b>	
<b>KOTAKBANK</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>1</b>	

**PRICE MOMENTUM INDICATORS**

**Relative Strength**  
(50% weight)

**Seasonality**  
(50% weight)



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

	<b>KOTAKBANK</b>	<b>Industry Avg</b>
Last 10 Days	24	32
Last 50 Days	41	50
Last 200 Days	49	52

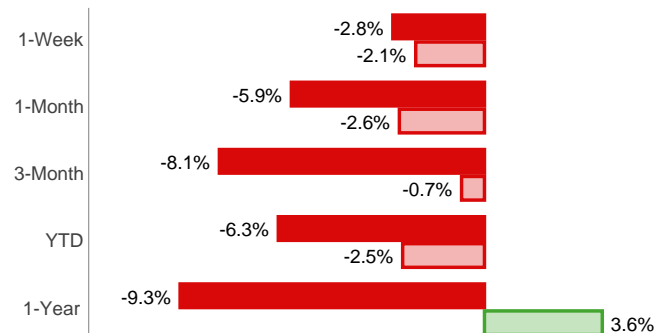
**Average Monthly Return** (Last 10 Years)

	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
Company Avg	0.46%	-1.4%	0.77%
Industry Avg	-1.2%	-3.6%	-1.3%
Industry Rank	91 of 97	53 of 98	24 of 97

**PRICE PERFORMANCE**

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

■ KOTAKBANK  
■ BSE Sensex



	<b>KOTAKBANK</b>	<b>BSE Sensex</b>
Close Price (2023-01-27)	1,713.10	59,331
52-Week High	1,997.55	63,284
52-Week Low	1,631.00	51,360

- The Price Momentum Rating for Kotak Mahindra Bank is at its 3-year low of 1.
- On 2023-01-27, KOTAKBANK closed at 1,713.10, 14.2% below its 52-week high and 5.0% above its 52-week low.
- KOTAKBANK shares are currently trading 7.1% below their 50-day moving average of 1,844.99, and 6.5% below their 200-day moving average of 1,833.16.

## KOTAK MAHINDRA BANK (KOTAKBANK-IN)

Banking &amp; Investment Svcs. / Banking Services / Banks

## DETAILED STOCK REPORT

Report Date: 2023-Jan-29

## DETAILED STOCK REPORT TIPS

The Stock Report from Refinitiv 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 within that industry classification.

**Highlights**

The automated text-generation system from Refinitiv 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 surprise, estimate revision, 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 Refinitiv. The recommendations are presented on a five-point standardized scale: strong buy, buy, hold, reduce, and 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 is comprised of four data elements.

- 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 is comprised of four data elements.

- 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 is comprised of four data elements.

- 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 is comprised of four data elements. The company must have a current dividend yield.

- Dividend Growth Rate: (Dividends per Share – Previous Dividends per Share) / Previous Dividends per Share
- Dividend Payout: Dividends per Share / Earnings per Share
- Dividend Coverage: Funds from Operations / Cash 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 (50% weight), Trailing P/E (25% weight), and Forward P/E (25% weight). After the weightings are considered to combine individual factors, equal deciles are 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

**KOTAK MAHINDRA BANK (KOTAKBANK-IN)**

Banking &amp; Investment Svcs. / Banking Services / Banks

**DETAILED STOCK REPORT**

Report Date: 2023-Jan-29

**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 S&P 500 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 (70% weight) and seasonality (30% weight). After the weightings are considered to combine individual factors, 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 data for the relative strength factor in order to receive a score.

Relative Strength – The relative strength of the company for the last 1 month, 3 months, and 6 months 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.

**DISCLAIMER**

© 2021 Refinitiv. Reproduction or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. All information in this report is assumed to be accurate to the best of our ability. Refinitiv is not liable for any errors or delays in Refinitiv content, or for any actions taken in reliance on such content.

Any forward-looking statements included in the Refinitiv content are based on certain assumptions and are subject to a number of risks and uncertainties that could cause actual results to differ materially from current expectations. There is no assurance that any forward-looking statements will materialize.

The content in this Refinitiv report does not constitute investment advice or a recommendation to buy or sell securities of any kind. Past performance is not a guarantee of future results. Investors should consider this report as only a single factor when making an investment decision.