

LTIMINDTREE (LTIM-IN)

Software & IT Services / Software & IT Services / IT Services & Consulting

DETAILED STOCK REPORT

Report Date: 2024-May-05

Last Close	Avg Daily Vol	52-Week High	Trailing PE	Annual Div	ROE	LTG Forecast	1-Mo Return
4,651.95 (INR)	519,930	6,442.00	30.1	66.67	25.0%	40.2%	-4.5%
2024 May 03	Market Cap	52-Week Low	Forward PE	Dividend Yield	Annual Rev	Inst Own	3-Mo Return
NSE Exchange	1.4T	4,490.00	28.0	1.4%	355.2B	15.1%	-15.2%

AVERAGE SCORE

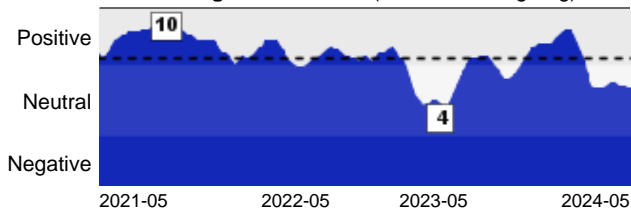
NEUTRAL OUTLOOK: LTIM's current score is relatively in-line with the market.



Score Averages

Software & IT Services Group:	5.7	Large Market Cap:	6.8
Software & IT Services Sector:	5.7	BSE Sensex Index:	8.1

Average Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
WIPRO	5	5	5	7	9	
HCLTECH	9	8	8	9	8	
PERSISTENT	5	5	6	6	7	
LTIM	8	5	5	5	6	
TECHM	6	4	4	6	6	

HIGHLIGHTS

- The score for LTIMindtree improved slightly this week from 5 to 6.
- The recent change in the Average Score was primarily due to an improvement in the Price Momentum component score.

I/B/E/S MEAN

Hold

35 Analysts

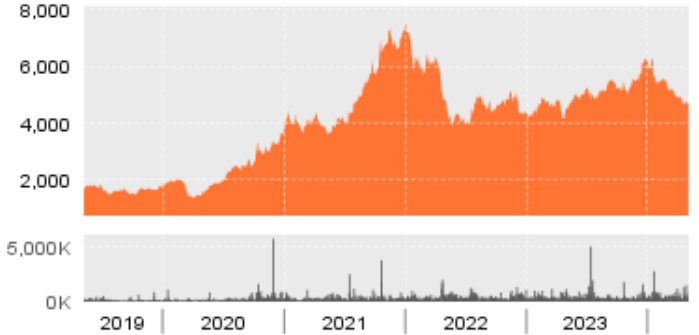
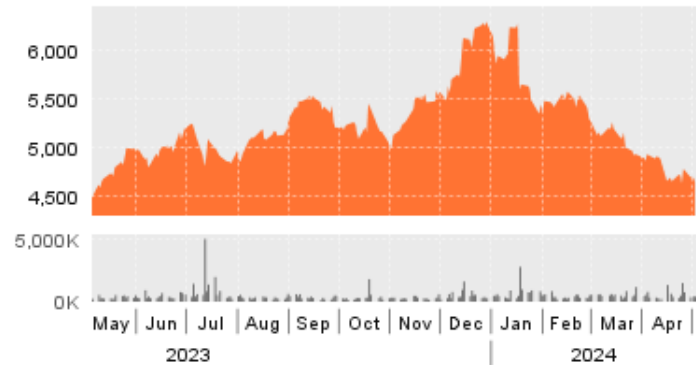
Mean recommendation from all analysts covering the company on a standardized 5-point scale.

Strong Sell	Sell	Hold	Buy	Strong Buy
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PRICE AND VOLUME CHARTS

1-Year Return: 3.4%

5-Year Return: 176.9%

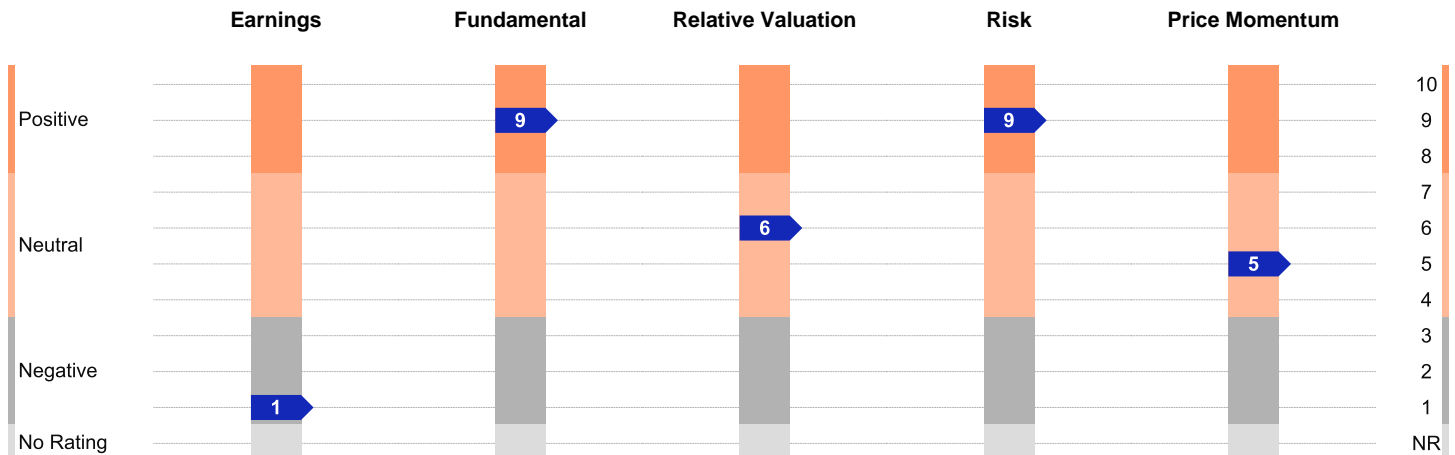


BUSINESS SUMMARY

LTIMindtree Limited is an India-based global technology consulting and digital solutions company. The Company offers a range of information technology (IT) services like agile, analytics and information management, application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions, and platform-based solutions to clients in diverse industries. It operates through five segments: Banking, Financial Services & Insurance; High-Tech, Media & Entertainment; Manufacturing & Resources; Retail, CPG & Travel, Transport & Hospitality; and Healthcare, Life Sciences & Public Services. Its services include cloud and infrastructure training, consulting, cybersecurity, data and insights, digital engineering, Disruptive software-as-a-service (D-SaaS), platform operations, and quality engineering. Its platforms include LTI Infinity, Fosfor, LTI Canvas, Mindtree NxT, Unitrax, REDaxis, and Advanced Smart City Operating Platform.

**INDICATOR COMPONENTS**
**AVERAGE  
SCORE**
**6**

The **AVERAGE SCORE** combines the quantitative analysis of five widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the most favorable). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across industries, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.


**PEER ANALYSIS**

Currency in INR

		PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS		
Average Score	Ticker	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	# of Analysts
10	TCS	3,843.40	-2.6%	-3.1%	20.9%	13.9T	30.5	27.1	1.3%	19.1%	8.2%	Hold	43
9	INFY	1,416.30	-4.4%	-16.4%	11.6%	5.9T	22.4	22.2	2.7%	17.1%	--	Buy	42
8	HCLTECH	1,348.05	-12.2%	-14.9%	27.3%	3.7T	23.3	21.5	3.9%	14.3%	7.3%	Hold	38
9	WIPRO	457.35	-5.4%	-5.3%	18.8%	2.4T	22.1	19.8	0.27%	12.3%	--	Hold	40
6	LTIM	4,651.95	-4.5%	-15.2%	3.4%	1.4T	30.1	28.0	1.4%	12.9%	40.2%	Hold	35
6	TECHM	1,250.45	-0.37%	-6.6%	20.3%	1.2T	47.0	25.2	2.2%	4.5%	9.0%	Hold	38
7	PERSISTENT	3,366.85	-15.3%	-20.8%	44.0%	511.1B	47.4	39.8	0.65%	10.9%	--	Hold	30
6	MPHASIS	2,291.90	-7.7%	-10.5%	23.7%	433.1B	28.0	25.7	2.2%	11.7%	--	Hold	28
5	COFORGE	4,482.55	-20.8%	-30.2%	9.4%	277.1B	34.5	27.3	1.7%	8.8%	--	Hold	27
6	CYIENT	1,798.35	-13.0%	-14.8%	53.9%	197.7B	29.2	24.2	1.6%	9.6%	--	Buy	17
5	SONATSOFTW	672.25	-9.9%	-12.5%	58.1%	186.6B	59.8	41.1	1.2%	3.7%	--	Buy	6
7	Average	2,325.40	-8.7%	-13.7%	26.5%	2.7T	34.0	27.4	1.7%	11.3%	16.2%	Hold	31.3

**PEER COMPANIES**

COFORGE	Coforge	PERSISTENT	Persistent Systems
CYIENT	Cyient	SONATSOFTW	Sonata Software
HCLTECH	HCL Technologies	TCS	Tata Consultancy Services
INFY	Infosys	TECHM	Tech Mahindra
MPHASIS	Mphasis	WIPRO	Wipro

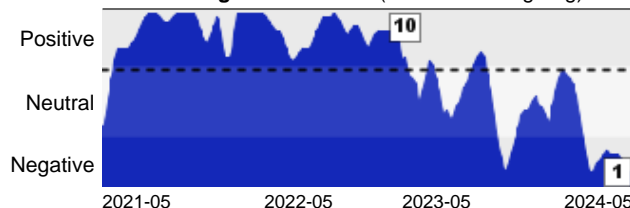
**EARNINGS**
**EARNINGS**
**1**

Currency in INR

**NEGATIVE OUTLOOK:** Weak earnings with recent analyst downgrades or a history of missing consensus estimates.

**Earnings Score Averages**

Software & IT Services Group: **6.0** Large Market Cap: **5.8**  
Software & IT Services Sector: **6.0** BSE Sensex Index: **6.7**

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


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
PERSISTENT	1	4	6	5	6	
WIPRO	1	5	1	6	6	
TECHM	1	1	1	5	5	
HCLTECH	5	7	5	7	4	
LTIM	4	1	1	1	1	

**EARNINGS INDICATORS**
**Earnings Surprises**

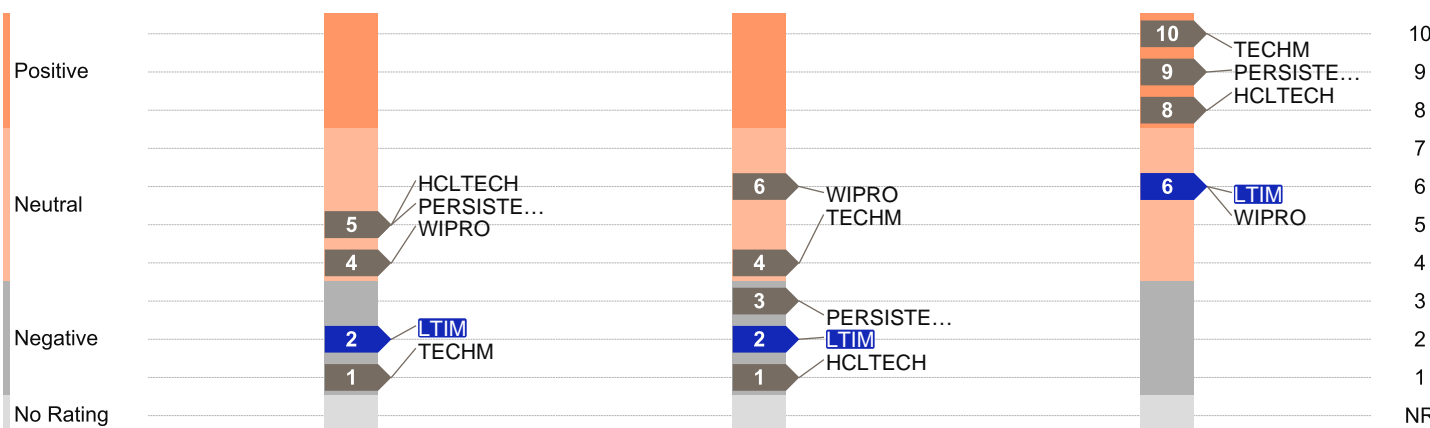
(33.3% weight)

**Estimate Revisions**

(33.3% weight)

**Recommendation Changes**

(33.3% weight)


**Last 4 Quarters**

# Positive Surprises (>2%)	0
# Negative Surprises (<-2%)	2
# In-Line Surprises (within 2%)	2
Avg Surprise	-2.2%

**Last 4 Weeks**

# Up Revisions	0
# Down Revisions	4
Avg Up Revisions	0.00%
Avg Down Revisions	-11.4%

**Last 120 Days**

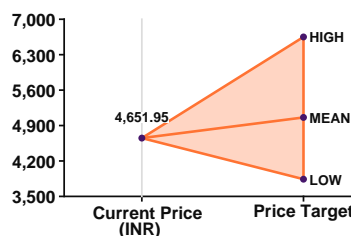
# Broker Upgrades	6
# Broker Downgrades	10

**HIGHLIGHTS**

- LTIMindtree currently has an Earnings Rating of 1, which is significantly more bearish than the IT Services & Consulting industry average of 5.8. LTIM scores a bearish 4 or less for two of three component ratings.
- Over the past 90 days, the consensus price target for LTIM has decreased notably from 5,830.00 to 5,060.00, a loss of -13.2%.
- On 2024-04-24, the company announced quarterly earnings of 37.06 per share, a negative surprise of -5.5% below the consensus 39.22. Over the past 4 quarters, the company has reported 0 positive, 2 negative, and 2 in-line surprises. The average surprise for this time period has been -2.2%.

**PRICE TARGET**

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

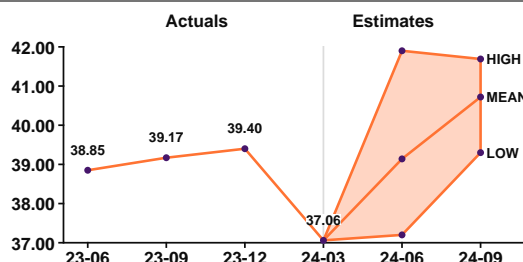

**12-Month Price Target**

Mean (INR)	5,060.00
High	6,650.00
Low	3,840.00
Target vs. Current	8.8%
# of Analysts	36

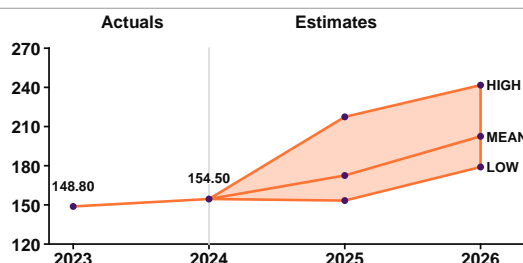
**EARNINGS PER SHARE**

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	39.140	40.720
High	41.900	41.690
Low	37.200	39.300
# of Analysts	7	7



Annual	2025	2026
Mean	172.5	202.5
High	217.4	241.7
Low	153.3	179.0
# of Analysts	36	35

**MEAN ESTIMATE TREND**

	Q 24-06	Q 24-09	Y 2025	Y 2026	Price Target
Current	39.140	40.720	172.5	202.5	5,060.00
30 Days Ago	41.250	41.300	181.3	212.8	5,600.00
90 Days Ago	43.420	43.060	186.4	219.2	5,830.00
% Change (90 Days)	-9.9%	-5.4%	-7.5%	-7.6%	-13.2%

Current Fiscal Year End: 25-03

Next Expected Report Date: 2024-07-15

**ANALYST RECOMMENDATIONS**

I/B/E/S Mean: **Hold (35 Analysts)**

Strong Buy	2
Buy	10
Hold	10
Sell	8
Strong Sell	5

**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)**

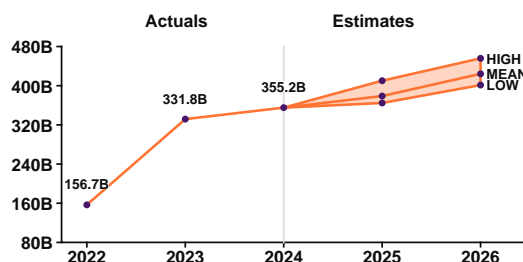
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	5	41.7%
Negative Quarters (< -2%)	4	33.3%
In-Line Quarters (within 2%)	3	25.0%

**Surprise Detail (Last 6 Periods)**

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2024-04-24	2024-03-31	37.060	39.220	-5.5%
In-Line	2024-01-17	2023-12-31	39.400	39.800	-1.0%
In-Line	2023-10-18	2023-09-30	39.170	38.890	0.70%
Negative	2023-07-17	2023-06-30	38.850	39.960	-2.8%
Negative	2023-04-27	2023-03-31	37.570	39.920	-5.9%
Negative	2023-01-20	2022-12-31	33.780	40.700	-17.0%

**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.



	2025	2026
Mean	378.9B	424.2B
High	410.2B	455.9B
Low	364.7B	401.3B
Forecasted Growth	6.7%	19.4%
# of Analysts	36	35

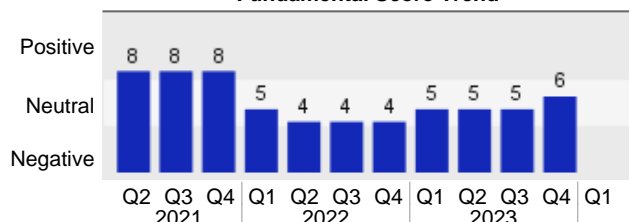
**FUNDAMENTAL**
**FUND-  
AMENTAL**
**9**

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

**Fundamental Score Averages**

Software & IT Services Group: **6.0**  
Software & IT Services Sector: **6.0**

Large Market Cap: **6.3**  
BSE Sensex Index: **7.1**

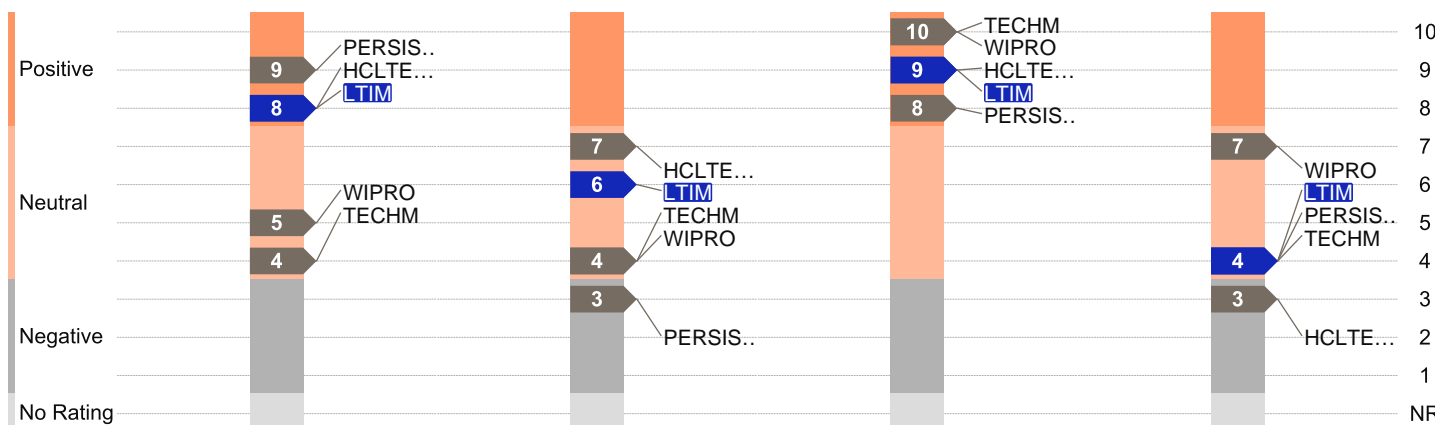
**Fundamental Score Trend**


Peers	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Current	3Y Trend
LTIM	5	5	6	NR	9	
HCLTECH	9	9	8	NR	8	
WIPRO	8	8	8	NR	8	
PERSISTENT	7	7	7	NR	6	
TECHM	8	8	9	NR	6	

**FUNDAMENTAL INDICATORS**
**Profitability**  
(25% weight)

**Debt**  
(25% weight)

**Earnings Quality**  
(25% weight)

**Dividend**  
(25% weight)


<b>Revenue Growth</b> For year over year ending 2024-03	7.0%	<b>Current Ratio</b> For interim period ending 2024-03	3.3	<b>Oper. Cash Yield</b> For latest 12 months ending --	24.6%	<b>Dividend Growth</b> For year over year ending 2024-03	8.3%
<b>Gross Margin</b> For latest 12 months ending 2024-03	90.5%	<b>Debt-to-Capital</b> For annual period ending 2024-03	8.1%	<b>Accruals</b> For latest 12 months ending 2024-03	27.1%	<b>Dividend Payout</b> For latest 12 months ending 2024-03	42.0%
<b>Return On Equity</b> For interim period ending 2024-03	25.0%	<b>Interest Funding</b> For interim period ending 2024-03	4.3%	<b>Days Sales In Inv.</b> For annual period ending 2024-03	0.4	<b>Dividend Coverage</b> For annual period ending 2024-03	2.9
<b>Net Margin</b> For latest 12 months ending 2024-03	12.9%	<b>Interest Coverage</b> For interim period ending 2024-03	22.3	<b>Days Sales In Rec.</b> For annual period ending 2024-03	81.7	<b>Current Div. Yield</b> For latest 12 months ending 2024-05	1.4%

**HIGHLIGHTS**

- The Fundamental Rating for LTIMindtree improved significantly over the last quarter from 6 to 9. The current rating is considerably more bullish than the Software & IT Services industry group average of 6.0.
- The company's return on equity has been higher than its industry group average for each of the past five years.
- The company's current ratio has been higher than its industry group average for each of the past five years.
- The company's accruals ratio has been higher than its industry group average for each of the past five years.
- Of the 259 firms within the Software & IT Services industry group, LTIMindtree is among 70 companies that pay a dividend. The stock's dividend yield is currently 1.4%.

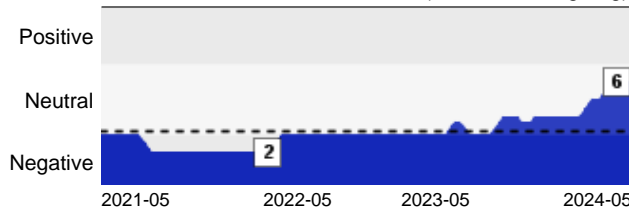
**RELATIVE VALUATION**

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

**RELATIVE VALUATION**  
**6**

**Relative Valuation Score Averages**

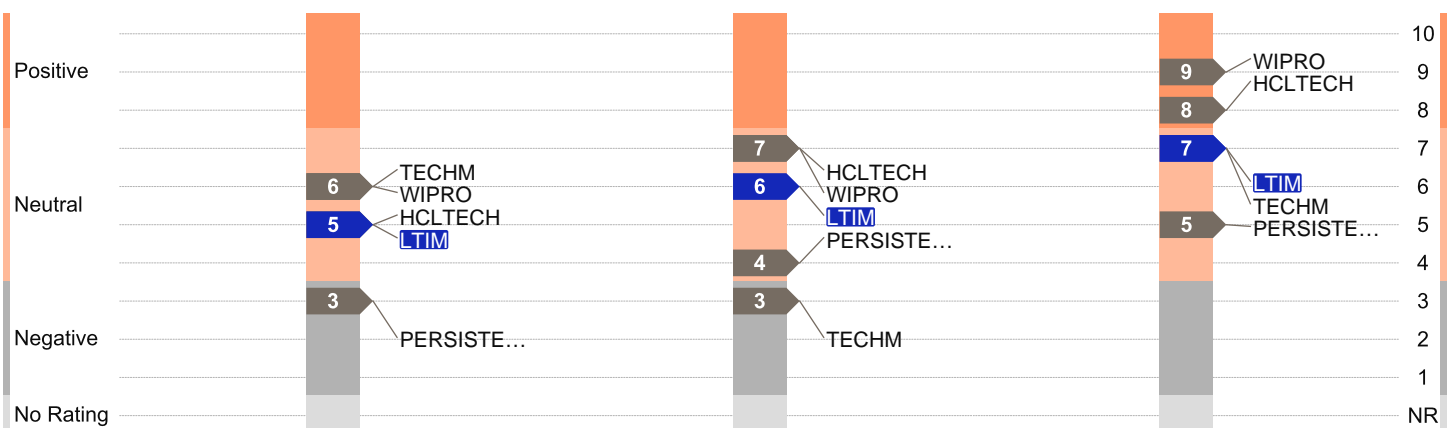
Software & IT Services Group: **4.5** Large Market Cap: **4.5**  
Software & IT Services Sector: **4.5** BSE Sensex Index: **6.0**

**Relative Valuation Score Trend (4-Week Moving Avg)**


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
WIPRO	7	7	7	7	8	
HCLTECH	6	6	6	6	7	
<b>LTIM</b>	4	5	6	6	6	
TECHM	5	5	5	5	5	
PERSISTENT	2	2	2	3	3	

**RELATIVE VALUATION INDICATORS**
**Price to Sales**  
(33.3% weight)

**Trailing PE**  
(33.3% weight)

**Forward PE**  
(33.3% weight)


Price to Sales	3.9	Trailing PE	30.1	Forward PE	28.0
5-Yr Average	5.0	5-Yr Average	33.1	5-Yr Average	28.8
Rel. to 5-Yr Avg.	22% Discount	Rel. to 5-Yr Avg.	9% Discount	Rel. to 5-Yr Avg.	3% Discount
BSE Sensex Index	3.5	BSE Sensex Index	24.9	BSE Sensex Index	22.8
Rel. to BSE Sensex	13% Premium	Rel. to BSE Sensex	21% Premium	Rel. to BSE Sensex	23% Premium

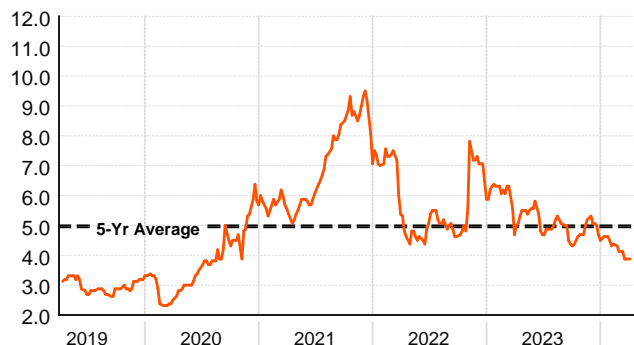
**HIGHLIGHTS**

- LTIMindtree currently has a Relative Valuation Rating of 6 while the S&P BSE SENSEX index has an average rating of 6.0.
- LTIM's Price to Sales ratio of 3.9 represents a 22% Discount to its 5-year average of 5.0.
- LTIM's Trailing P/E of 30.1 represents a 9% Discount to its 5-year average of 33.1.
- LTIM's Forward P/E of 28.0 represents a 3% Discount to its 5-year average of 28.8.

## PRICE TO SALES

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

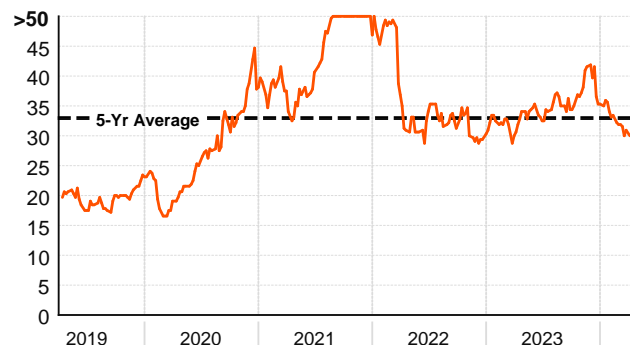
Price to Sales: 3.9  
5-Year Average: 5.0  
BSE Sensex Index Average: 3.5  
Software & IT Services Group Average: 4.5



## TRAILING PE

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

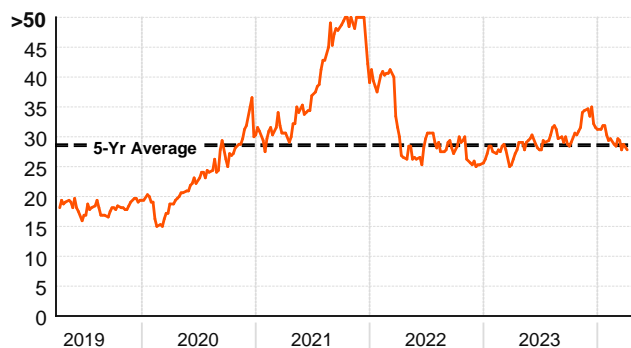
Trailing PE: 30.1  
5-Year Average: 33.1  
BSE Sensex Index Average: 24.9  
Software & IT Services Group Average: 31.1



## FORWARD PE

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

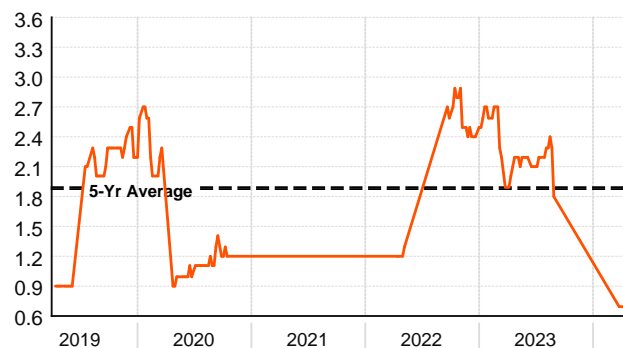
Forward PE: 28.0  
5-Year Average: 28.8  
BSE Sensex Index Average: 22.8  
Software & IT Services Group Average: 28.4



## FORWARD PEG

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

Forward PEG: 0.7  
5-Year Average: 1.9  
BSE Sensex Index Average: 1.5  
Software & IT Services Group Average: 1.7



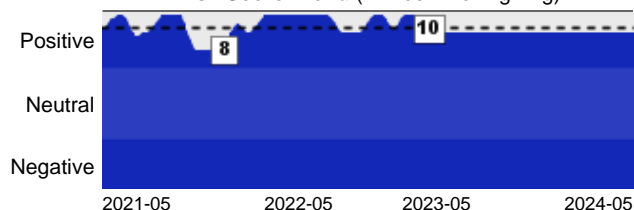
**RISK**

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

**RISK**
**9**
**Risk Score Averages**

Software & IT Services Group: **5.0**  
Software & IT Services Sector: **5.0**

Large Market Cap: **8.4**  
BSE Sensex Index: **9.4**

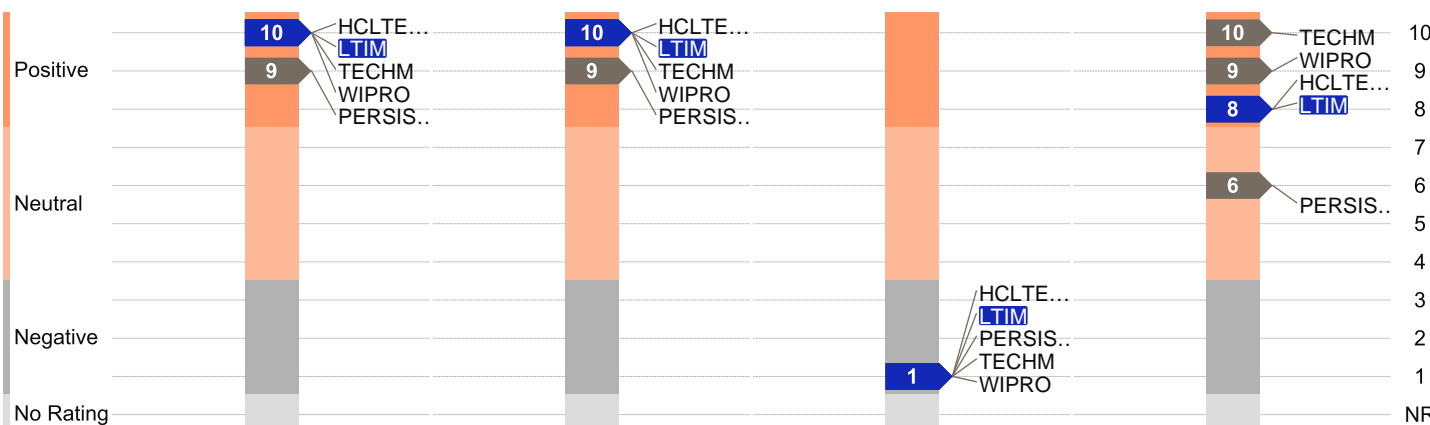
**Risk Score Trend (4-Week Moving Avg)**


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
HCLTECH	9	9	9	10	9	
<b>LTIM</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	
TECHM	9	9	9	9	9	
WIPRO	9	9	9	9	9	
PERSISTENT	9	9	9	8	7	

**RISK INDICATORS**
**Magnitude of Returns**  
(25% weight)

**Volatility**  
(25% weight)

**Beta (1-year)**  
(25% weight)

**Correlation**  
(25% weight)

**Daily Returns (Last 90 Days)**

Best 3.3%  
Worst -3.2%

**Monthly Returns (Last 60 Months)**

Best 23.4%  
Worst -25.2%

**Standard Deviation**

Last 90 Days 1.18  
Last 60 Months 10.15

**Intra-Day Swing (Last 90 Days)**

Average 1.8%  
Largest 3.8%

**Beta vs. BSE Sensex**

0.88  
Positive Days Only 0.87  
Negative Days Only 0.61

**Beta vs. Group**

0.47  
Positive Days Only 0.75  
Negative Days Only 0.01

**Correlation vs. BSE Sensex**

16%  
Last 90 Days 16%  
Last 60 Months 56%

**Correlation vs. Group**

6%  
Last 90 Days 6%  
Last 60 Months 36%

**HIGHLIGHTS**

- LTIMindtree currently has a Risk Rating of 9 while the S&P BSE SENSEX index has an average rating of 9.4.
- On days when the market is up, LTIM shares tend to lag the S&P BSE SENSEX index. However, on days when the market is down, the shares generally decrease less than the index.
- In the short term, LTIM has shown low correlation ( $\geq -0.1$  and  $< 0.2$ ) 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, LTIM 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>LTIM</b>	<b>3.3%</b>	<b>-3.2%</b>	<b>23</b>	<b>37</b>	<b>3.8%</b>	<b>23.4%</b>	<b>-25.2%</b>
HCLTECH	4.4%	-5.9%	22	38	4.5%	26.6%	-18.3%
PERSISTENT	2.6%	-9.7%	29	31	16.1%	44.6%	-20.9%
TECHM	7.4%	-2.7%	27	33	8.3%	25.4%	-24.0%
WIPRO	4.7%	-3.0%	25	35	4.6%	27.9%	-20.0%
<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

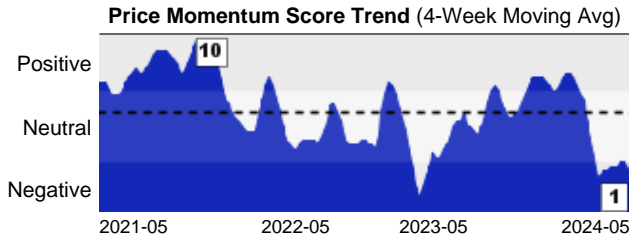


Currency in INR

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

Price Momentum Score Averages

Software & IT Services Group:	6.6	Large Market Cap:	6.2
Software & IT Services Sector:	6.6	BSE Sensex Index:	5.5

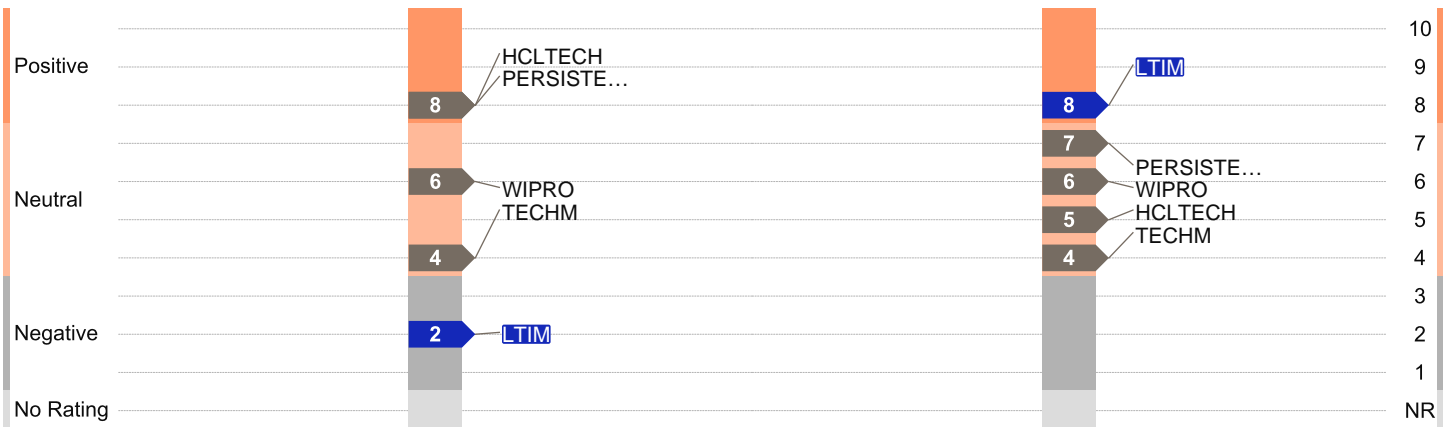


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
PERSISTENT	10	6	6	6	9	
HCLTECH	9	6	5	5	7	
WIPRO	4	1	4	2	6	
LTIM	8	2	3	1	5	
TECHM	6	2	2	1	3	

PRICE MOMENTUM INDICATORS

Relative Strength  
(50% weight)

Seasonality  
(50% weight)



Relative Strength Indicator (Scale from 1 to 100)

	LTIM	Industry Avg
Last 10 Days	36	53
Last 50 Days	40	53
Last 200 Days	48	54

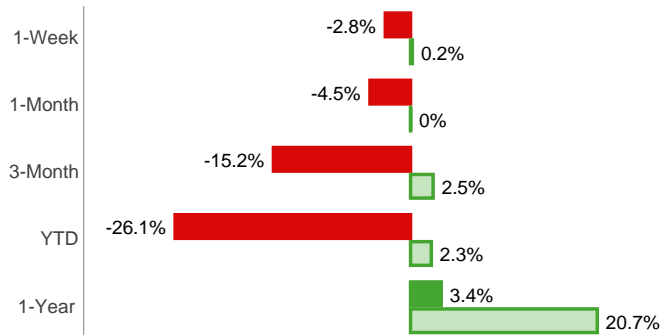
Average Monthly Return (Last 10 Years)

	May	Jun	Jul
Company Avg	7.6%	1.5%	5.7%
Industry Avg	2.3%	5.7%	4.0%
Industry Rank	42 of 99	28 of 98	48 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.

LTIM  
BSE Sensex



	LTIM	BSE Sensex
Close Price (2024-05-03)	4,651.95	73,880
52-Week High	6,442.00	75,038
52-Week Low	4,490.00	61,054

- The Price Momentum Rating for LTIMindtree is at its 3-year low of 1.
- On 2024-05-03, LTIM closed at 4,651.95, 27.8% below its 52-week high and 3.6% above its 52-week low.
- LTIM shares are currently trading 6.4% below their 50-day moving average of 4,970.81, and 13.0% below their 200-day moving average of 5,347.82.

## 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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