

**LTIMINDTREE (LTIM-IN)**

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

**DETAILED STOCK REPORT**

Report Date: 2024-Apr-12

Last Close <b>4,888.90 (INR)</b>	Avg Daily Vol <b>479,924</b>	52-Week High <b>6,442.00</b>	Trailing PE <b>31.7</b>	Annual Div <b>66.67</b>	ROE <b>26.6%</b>	LTG Forecast <b>--</b>	1-Mo Return <b>-6.2%</b>
2024 April 12 NSE Exchange	Market Cap <b>1.5T</b>	52-Week Low <b>4,132.20</b>	Forward PE <b>29.5</b>	Dividend Yield <b>1.4%</b>	Annual Rev <b>353.2B</b>	Inst Own <b>15.4%</b>	3-Mo Return <b>-21.6%</b>

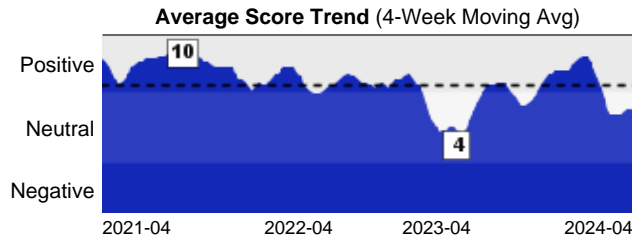
**AVERAGE SCORE**

**AVERAGE SCORE**  
**5**

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

**Score Averages**

Software & IT Services Group:	<b>4.9</b>	Large Market Cap:	<b>6.8</b>
Software & IT Services Sector:	<b>4.9</b>	BSE Sensex Index:	<b>7.7</b>



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

**HIGHLIGHTS**

- During the past six months, the score category for LTIMindtree dropped from Positive to Neutral.
- The recent change in the Average Score was primarily due to a decline in the Earnings component score.

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

**Hold**

34 Analysts

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



**PRICE AND VOLUME CHARTS**



**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.

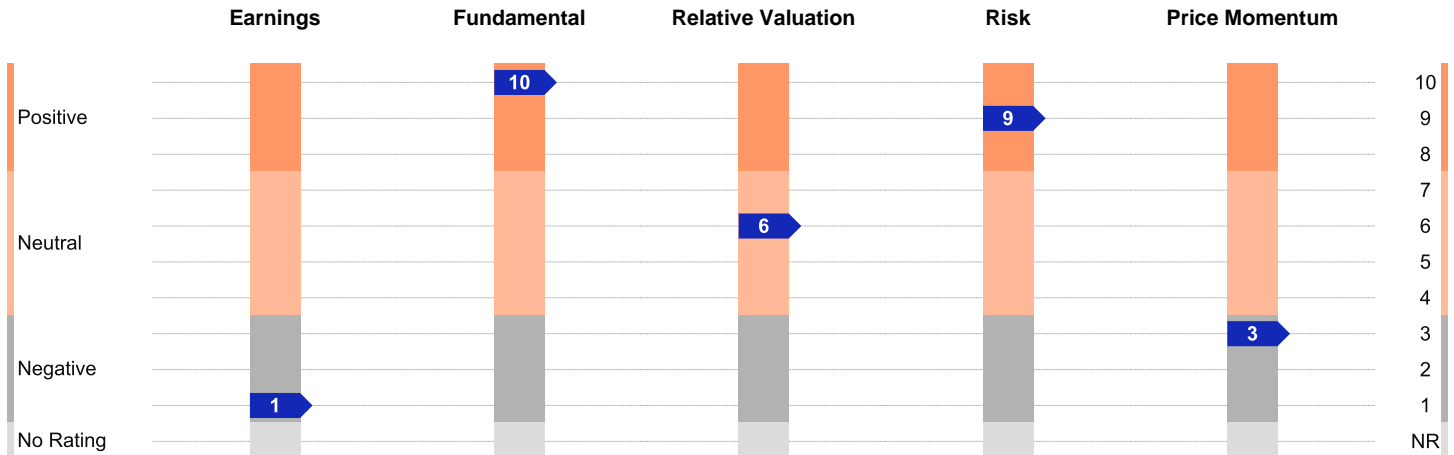


## INDICATOR COMPONENTS

AVERAGE  
SCORE

5

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



## PEER ANALYSIS

Currency in INR

Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS	
		Price (2024-04-12)	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
7	TCS	4,001.40	-4.6%	3.1%	23.4%	14.4T	32.5	28.9	1.3%	18.8%	7.8% Hold	41
7	INFY	1,484.75	-8.0%	-7.9%	4.0%	6.1T	25.6	23.4	2.4%	15.9%	-- Buy	40
8	HCLTECH	1,521.50	-7.0%	-1.3%	39.0%	4.2T	26.7	24.1	3.4%	14.5%	7.3% Hold	37
5	WIPRO	470.75	-7.9%	1.1%	26.5%	2.5T	22.8	21.4	0.27%	12.4%	-- Sell	39
5	LTIM	4,888.90	-6.2%	-21.6%	1.3%	1.5T	31.7	29.5	1.4%	13.0%	-- Hold	34
4	TECHM	1,242.10	-3.9%	-5.0%	11.9%	1.2T	39.9	27.2	2.3%	5.3%	9.0% Hold	37
6	PERSISTENT	3,977.95	-3.1%	3.9%	75.1%	606.7B	59.1	47.1	0.55%	10.9%	-- Hold	29
4	MPHASIS	2,446.15	0.82%	-8.7%	34.4%	474.5B	29.6	28.4	2.0%	11.8%	-- Hold	28
5	COFORGE	5,616.25	-10.3%	-14.8%	38.2%	357.5B	50.6	35.1	1.4%	7.8%	-- Buy	27
5	CYIENT	2,088.95	6.4%	-8.2%	90.7%	237.9B	35.4	28.0	1.3%	9.3%	-- Buy	17
8	BSOFT	732.30	-3.7%	-6.9%	171.4%	206.7B	37.2	30.8	0.61%	10.8%	-- Buy	12
5.8	Average	2,588.27	-4.3%	-6.0%	46.9%	2.9T	35.6	29.4	1.5%	11.9%	8.0% Hold	31

## PEER COMPANIES

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

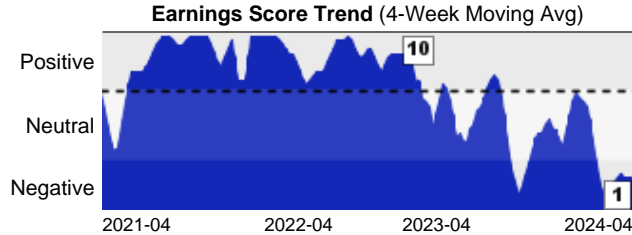
**EARNINGS** Currency in INR

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

**EARNINGS**  
**1**

**Earnings Score Averages**

Software & IT Services Group: <b>5.4</b>	Large Market Cap: <b>5.9</b>
Software & IT Services Sector: <b>5.4</b>	BSE Sensex Index: <b>6.4</b>



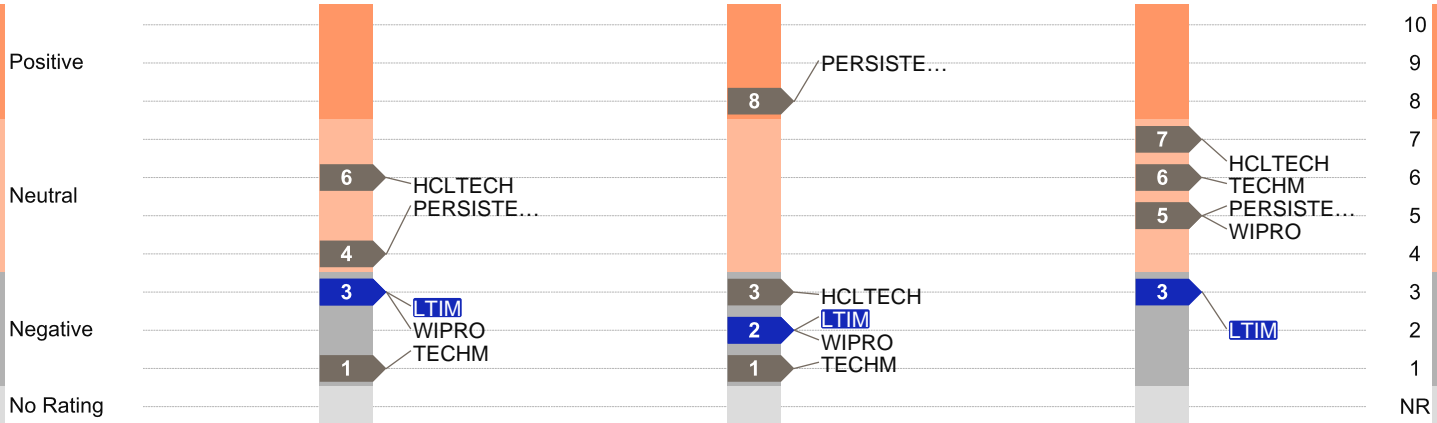
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
PERSISTENT	1	1	4	4	6	
HCLTECH	8	3	7	8	5	
<b>LTIM</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	
TECHM	3	1	3	4	1	
WIPRO	3	4	3	4	1	

**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	3
Avg Up Revisions	0.00%
Avg Down Revisions	-8.8%

**Last 120 Days**

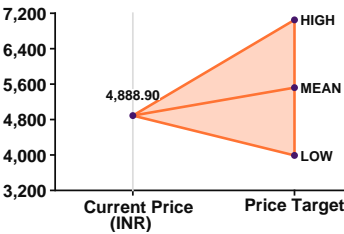
# Broker Upgrades	3
# Broker Downgrades	13

**HIGHLIGHTS**

- LTIMindtree currently has an Earnings Rating of 1, which is significantly more bearish than the IT Services & Consulting industry average of 4.9. LTIM scores a bearish 4 or less for all three component ratings.
- LTIM's current quarter consensus estimate has decreased over the past 90 days from 41.56 to 39.22, a loss of -5.6%. Consensus estimates for the IT Services & Consulting industry have moved an average -2.0% during the same time period.
- There have been 3 upward and 13 downward broker recommendation changes for LTIMindtree over the past 120 days.

**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**

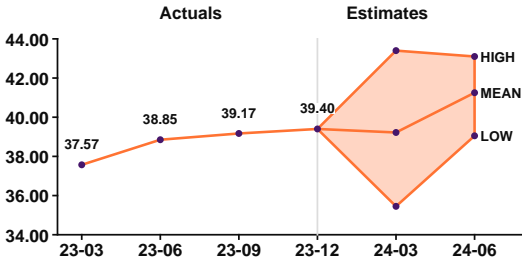
Mean (INR)	5,520.00
High	7,050.00
Low	3,990.00
Target vs. Current	12.9%
# of Analysts	35



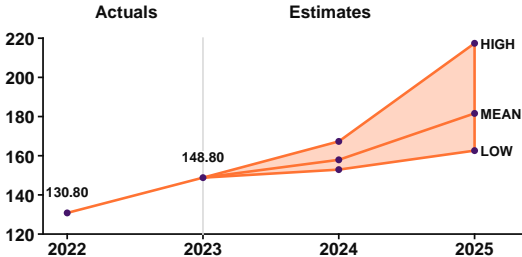
**EARNINGS PER SHARE**

Earnings per share (EPS) is calculated by dividing a company's earnings by the number of shares outstanding. Analysts tend to interpret a pattern of increasing earnings as a sign of strength and flat or falling earnings as a sign of weakness.

The charts provide a comparison between a company's actual and estimated EPS, including the high and low forecasts.



Quarterly	24-03	24-06
Mean	39.220	41.250
High	43.400	43.100
Low	35.450	39.050
# of Analysts	16	5



Annual	2024	2025
Mean	157.9	181.6
High	167.3	217.4
Low	152.9	162.6
# of Analysts	35	35

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

	Q 24-03	Q 24-06	Y 2024	Y 2025	Price Target
Current	39.220	41.250	157.9	181.6	5,520.00
30 Days Ago	41.230	43.420	159.5	186.6	5,820.00
90 Days Ago	41.560	43.420	159.9	186.8	5,800.00
% Change (90 Days)	-5.6%	-5.0%	-1.3%	-2.8%	-4.8%

Current Fiscal Year End: 24-03  
Next Expected Report Date: 2024-04-24

I/B/E/S Mean: **Hold (34 Analysts)**

- Strong Buy: 2
- Buy: 8
- Hold: 11
- 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)**

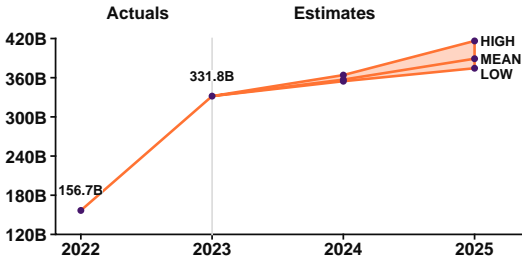
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	6	50.0%
Negative Quarters (< -2%)	3	25.0%
In-Line Quarters (within 2%)	3	25.0%

**Surprise Detail (Last 6 Periods)**

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
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%
Positive	2022-10-15	2022-09-30	38.700	37.250	3.9%

**ANNUAL REVENUE**

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



	2024	2025
Mean	357.1B	389.1B
High	364.0B	416.3B
Low	354.6B	374.5B
Forecasted Growth	7.6%	17.3%
# of Analysts	35	35

FUNDAMENTAL

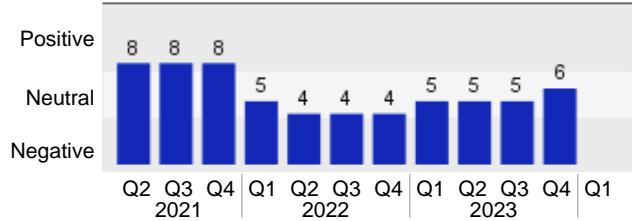
FUND-AMENTAL  
**10**

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

Fundamental Score Averages

Software & IT Services Group:	6.0	Large Market Cap:	6.4
Software & IT Services Sector:	6.0	BSE Sensex Index:	6.9

Fundamental Score Trend



Peers	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Current	3Y Trend
LTIM	5	5	6	NR	10	[Bar chart showing upward trend]
HCLTECH	9	9	8	NR	8	[Bar chart showing stable trend]
TECHM	8	8	9	NR	7	[Bar chart showing stable trend]
PERSISTENT	7	7	7	NR	6	[Bar chart showing stable trend]
WIPRO	8	8	8	NR	4	[Bar chart showing stable trend]

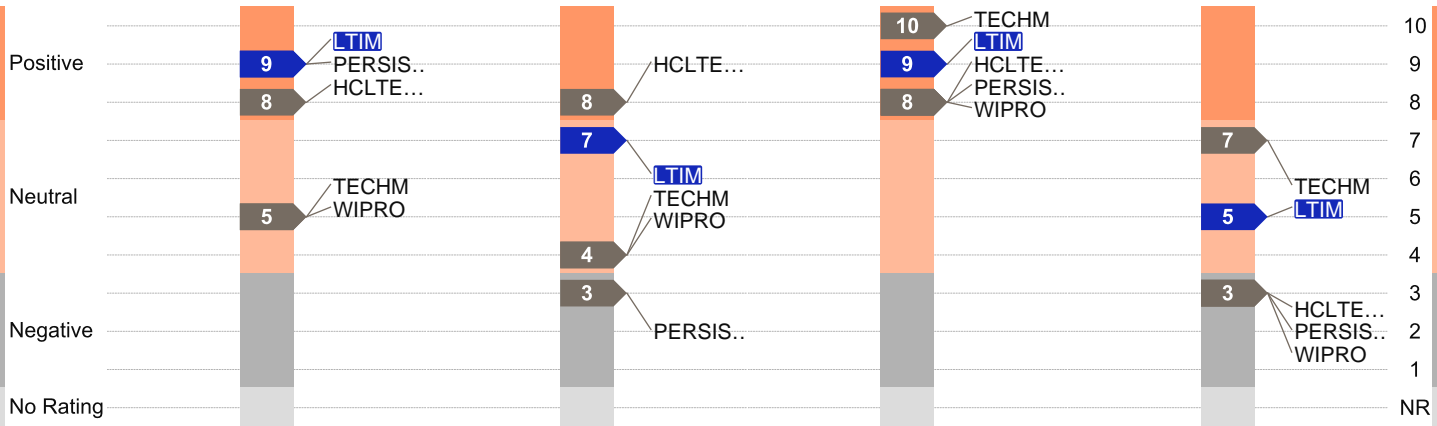
FUNDAMENTAL INDICATORS

Profitability (25% weight)

Debt (25% weight)

Earnings Quality (25% weight)

Dividend (25% weight)



<b>Revenue Growth</b> For year over year ending 2023-12	22.6%	<b>Current Ratio</b> For interim period ending 2023-12	3.4	<b>Oper. Cash Yield</b> For latest 12 months ending --	25.0%	<b>Dividend Growth</b> For year over year ending 2023-12	20.0%
<b>Gross Margin</b> For latest 12 months ending 2023-12	79.8%	<b>Debt-to-Capital</b> For annual period ending 2023-03	6.7%	<b>Accruals</b> For latest 12 months ending 2023-03	22.9%	<b>Dividend Payout</b> For latest 12 months ending 2023-12	38.6%
<b>Return On Equity</b> For interim period ending 2023-12	26.6%	<b>Interest Funding</b> For interim period ending 2023-12	5.1%	<b>Days Sales In Inv.</b> For annual period ending 2023-03	0.1	<b>Dividend Coverage</b> For annual period ending 2023-03	3.1
<b>Net Margin</b> For latest 12 months ending 2023-12	13.0%	<b>Interest Coverage</b> For interim period ending 2023-12	26.4	<b>Days Sales In Rec.</b> For annual period ending 2023-03	73.0	<b>Current Div. Yield</b> For latest 12 months ending 2024-04	1.4%

HIGHLIGHTS

- The Fundamental Rating for LTIMindtree improved significantly over the last quarter from 5 to 10. The current rating is considerably more bullish than the Software & IT Services industry group average of 6.0.
- The company's net margin 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 258 firms within the Software & IT Services industry group, LTIMindtree is among 69 companies that pay a dividend. The stock's dividend yield is currently 1.4%.



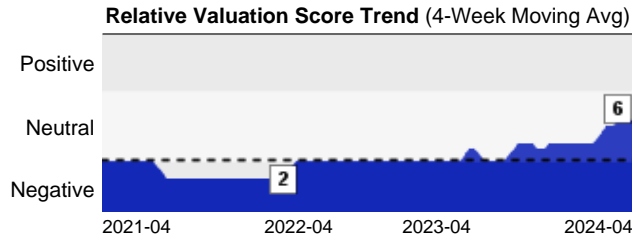
**RELATIVE VALUATION**

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



**Relative Valuation Score Averages**

Software & IT Services Group:	4.3	Large Market Cap:	4.5
Software & IT Services Sector:	4.3	BSE Sensex Index:	5.7



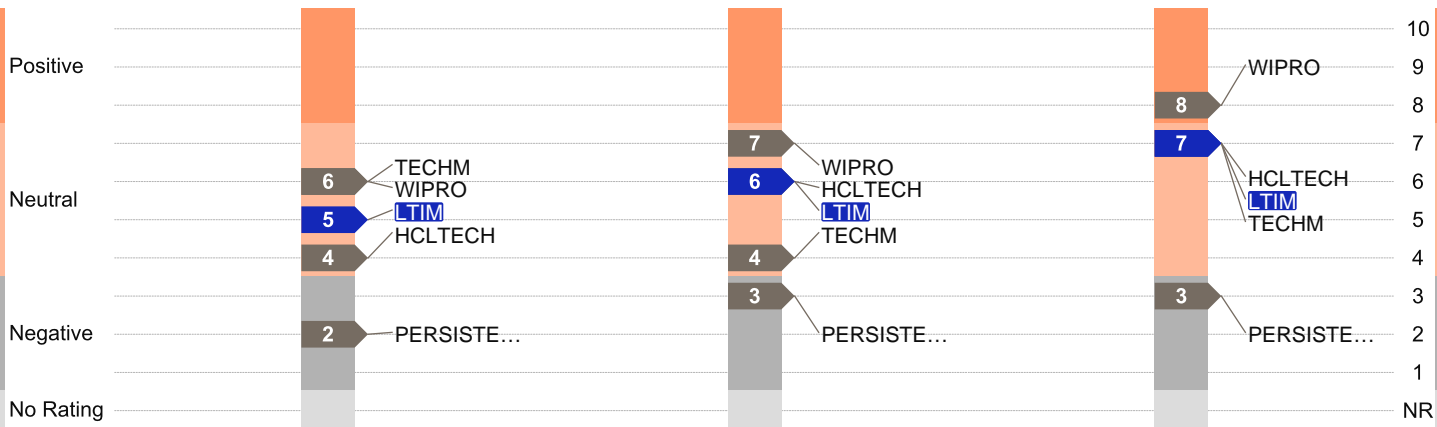
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
WIPRO	7	7	7	7	7	
HCLTECH	6	6	5	5	6	
<b>LTIM</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>6</b>	
TECHM	6	5	5	5	5	
PERSISTENT	2	2	2	2	2	

**RELATIVE VALUATION INDICATORS**

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

**Trailing PE**  
(33.3% weight)

**Forward PE**  
(33.3% weight)



Price to Sales	4.1	Trailing PE	31.7	Forward PE	29.5
5-Yr Average	5.0	5-Yr Average	33.0	5-Yr Average	28.7
Rel. to 5-Yr Avg.	18% Discount	Rel. to 5-Yr Avg.	4% Discount	Rel. to 5-Yr Avg.	3% Premium
BSE Sensex Index	3.6	BSE Sensex Index	25.7	BSE Sensex Index	24.3
Rel. to BSE Sensex	14% Premium	Rel. to BSE Sensex	24% Premium	Rel. to BSE Sensex	22% Premium

**HIGHLIGHTS**

- LTIMindtree currently has a Relative Valuation Rating of 6 while the S&P BSE SENSEX index has an average rating of 5.7.
- LTIM's Price to Sales ratio of 4.1 represents a 18% Discount to its 5-year average of 5.0.
- LTIM's Trailing P/E of 31.7 represents a 4% Discount to its 5-year average of 33.0.
- LTIM's Forward P/E of 29.5 represents a 3% Premium to its 5-year average of 28.7.

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PRICE TO SALES

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

Price to Sales: 4.1
5-Year Average: 5.0
BSE Sensex Index Average: 3.6
Software & IT Services Group Average: 4.7



TRAILING PE

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

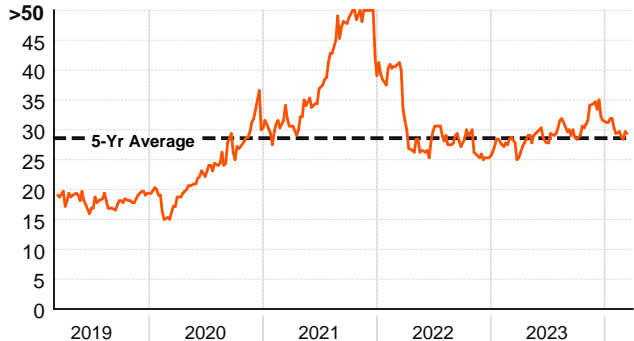
Trailing PE: 31.7
5-Year Average: 33.0
BSE Sensex Index Average: 25.7
Software & IT Services Group Average: 33.4



FORWARD PE

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

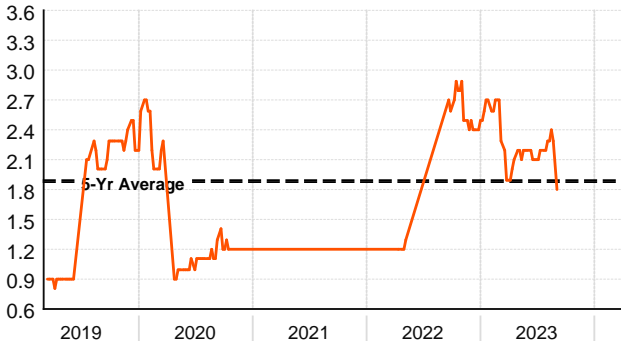
Forward PE: 29.5
5-Year Average: 28.7
BSE Sensex Index Average: 24.3
Software & IT Services Group Average: 30.3



FORWARD PEG

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

Forward PEG: --
5-Year Average: 1.9
BSE Sensex Index Average: 1.7
Software & IT Services Group Average: 3.8



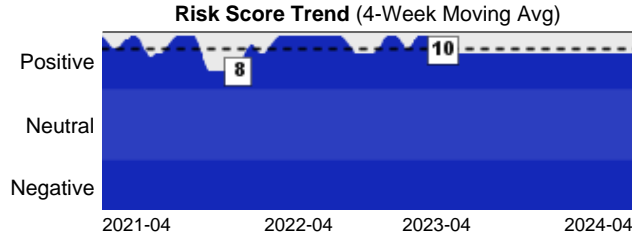
**RISK**

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

**RISK**  
**9**

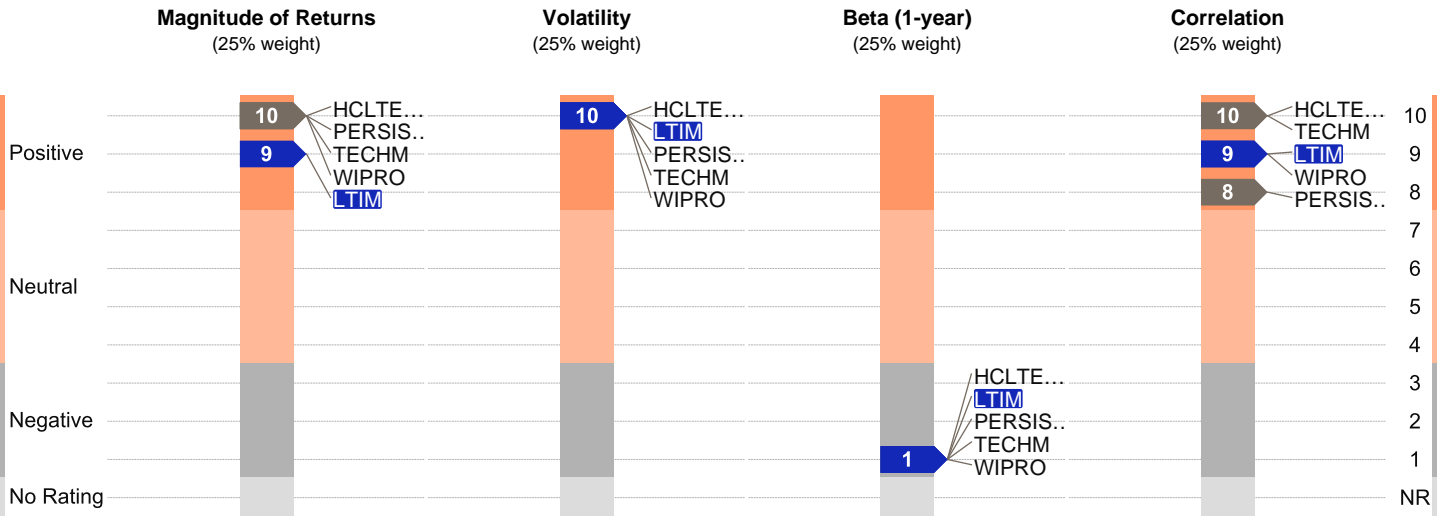
**Risk Score Averages**

Software & IT Services Group: **5.1**      Large Market Cap: **8.4**  
 Software & IT Services Sector: **5.1**      BSE Sensex Index: **9.5**



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

**RISK INDICATORS**



Daily Returns (Last 90 Days)		Standard Deviation		Beta vs. BSE Sensex		Correlation vs. BSE Sensex	
Best	4.7%	Last 90 Days	1.84	Positive Days Only	1.13	Last 90 Days	28%
Worst	-10.7%	Last 60 Months	10.13	Negative Days Only	0.74	Last 60 Months	56%
Monthly Returns (Last 60 Months)		Intra-Day Swing (Last 90 Days)		Beta vs. Group		Correlation vs. Group	
Best	23.4%	Average	2.0%	Positive Days Only	0.76	Last 90 Days	9%
Worst	-25.2%	Largest	6.8%	Negative Days Only	-0.03	Last 60 Months	34%

**HIGHLIGHTS**

- LTIMindtree currently has a Risk Rating of 9 while the S&P BSE SENSEX index has an average rating of 9.5.
- On days when the market is up, LTIM tends to outperform the S&P BSE SENSEX index. However, on days when the market is down, the shares generally decrease by less than the index.
- In the short term, LTIM 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, LTIM shares have been more volatile than the overall market, as the stock's daily price fluctuations have exceeded that of 86% 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>4.7%</b>	<b>-10.7%</b>	<b>24</b>	<b>37</b>	<b>6.8%</b>	<b>23.4%</b>	<b>-25.2%</b>
HCLTECH	4.4%	-2.7%	27	34	4.3%	26.6%	-18.3%
PERSISTENT	4.1%	-3.1%	35	26	7.2%	44.6%	-20.9%
TECHM	4.7%	-6.1%	29	32	5.1%	25.4%	-24.0%
WIPRO	6.3%	-3.0%	28	33	8.1%	27.9%	-20.0%
<b>BSE Sensex</b>	<b>1.8%</b>	<b>-2.2%</b>	<b>35</b>	<b>24</b>	<b>2.6%</b>	<b>14.4%</b>	<b>-23.1%</b>





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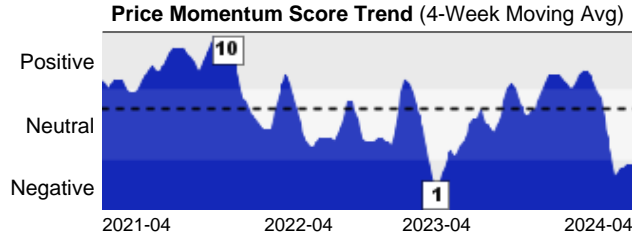
PRICE MOMENTUM Currency in INR

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

**PRICE MOMENTUM**  
**3**

Price Momentum Score Averages

Software & IT Services Group:	5.0	Large Market Cap:	6.1
Software & IT Services Sector:	5.0	BSE Sensex Index:	5.1

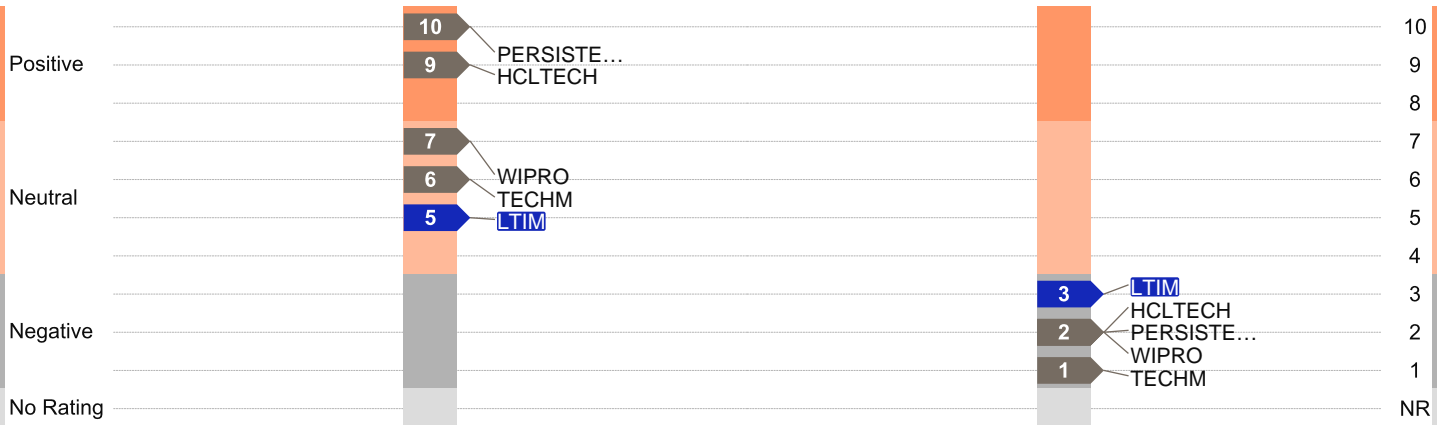


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PERSISTENT	9	9	6	6	6	
HCLTECH	7	9	5	6	5	
WIPRO	3	2	3	4	4	
<b>LTIM</b>	<b>8</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>3</b>	
TECHM	6	4	1	3	2	

PRICE MOMENTUM INDICATORS

Relative Strength (50% weight)

Seasonality (50% weight)



Relative Strength Indicator (Scale from 1 to 100)

	LTIM	Industry Avg
Last 10 Days	34	60
Last 50 Days	42	55
Last 200 Days	50	55

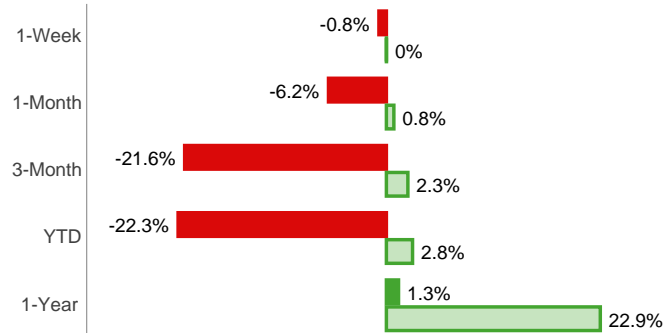
Average Monthly Return (Last 10 Years)

	Apr	May	Jun
Company Avg	0.77%	7.6%	1.5%
Industry Avg	7.0%	2.3%	5.7%
Industry Rank	63 of 98	42 of 99	28 of 98

PRICE PERFORMANCE

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

LTIM (Red)  
BSE Sensex (Green)



	LTIM	BSE Sensex
Close Price (2024-04-12)	4,888.90	74,240
52-Week High	6,442.00	75,038
52-Week Low	4,132.20	59,568

- LTIMindtree has a Price Momentum Rating of 3, which is significantly below the S&P BSE SENSEX index average rating of 5.1.
- On 2024-04-12, LTIM closed at 4,888.90, 24.1% below its 52-week high and 18.3% above its 52-week low.
- LTIM shares are currently trading 6.1% below their 50-day moving average of 5,207.43, and 8.9% below their 200-day moving average of 5,365.44.



**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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