

TATA CONSUMER PRODUCTS (TATACONSUM-IN)

Food & Beverages / Food & Tobacco / Food Processing

DETAILED STOCK REPORT

Report Date: 2024-Mar-07

Last Close <b>1,261.55 (INR)</b>	Avg Daily Vol <b>1.4M</b>	52-Week High <b>1,268.90</b>	Trailing PE <b>94.3</b>	Annual Div <b>8.45</b>	ROE <b>8.2%</b>	LTG Forecast <b>23.0%</b>	1-Mo Return <b>8.2%</b>
2024 March 07 NSE Exchange	Market Cap <b>1.1T</b>	52-Week Low <b>686.60</b>	Forward PE <b>68.6</b>	Dividend Yield <b>0.7%</b>	Annual Rev <b>149.0B</b>	Inst Own <b>33.6%</b>	3-Mo Return <b>31.8%</b>

AVERAGE SCORE

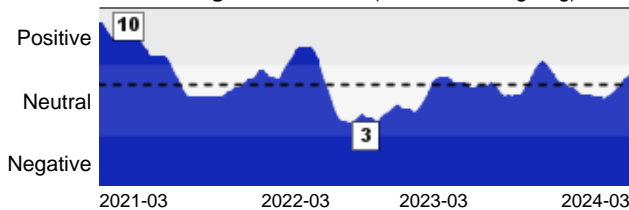
**NEUTRAL OUTLOOK:** TATACONSUM's current score is relatively in-line with the market.



Score Averages

Food & Tobacco Group:	<b>5.9</b>	Large Market Cap:	<b>6.8</b>
Food & Beverages Sector:	<b>5.9</b>	BSE Sensex Index:	<b>7.9</b>

Average Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
JAYSREETEA	6	4	7	7	7	
<b>TATACONSUM</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>7</b>	
VINCOFE	3	5	7	6	6	
GOODRICKE	6	7	7	6	5	
MCLEODRUSS	3	5	6	6	5	

HIGHLIGHTS

- The score for Tata Consumer Products has been on a positive trend from 5 to 7 over the past 13 weeks.
- The recent change in the Average Score was primarily due to an improvement in the Earnings component score.

I/B/E/S MEAN

Buy

25 Analysts

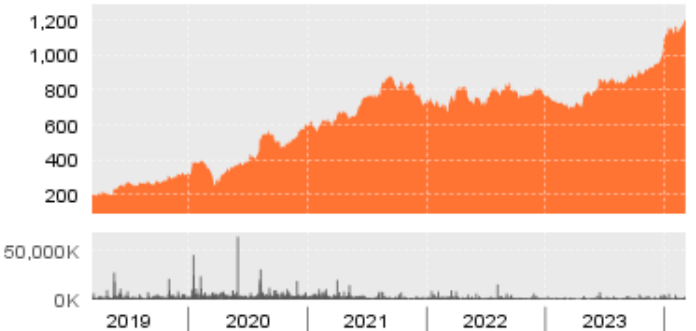
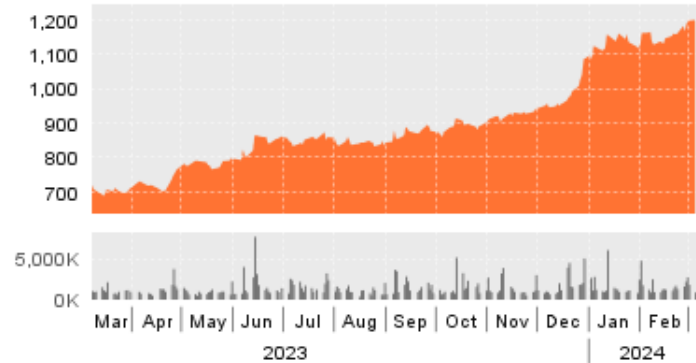
Mean recommendation from all analysts covering the company on a standardized 5-point scale.

Strong Sell	Sell	Hold	Buy	Strong Buy

PRICE AND VOLUME CHARTS

1-Year Return: 76.8%

5-Year Return: 542%



BUSINESS SUMMARY

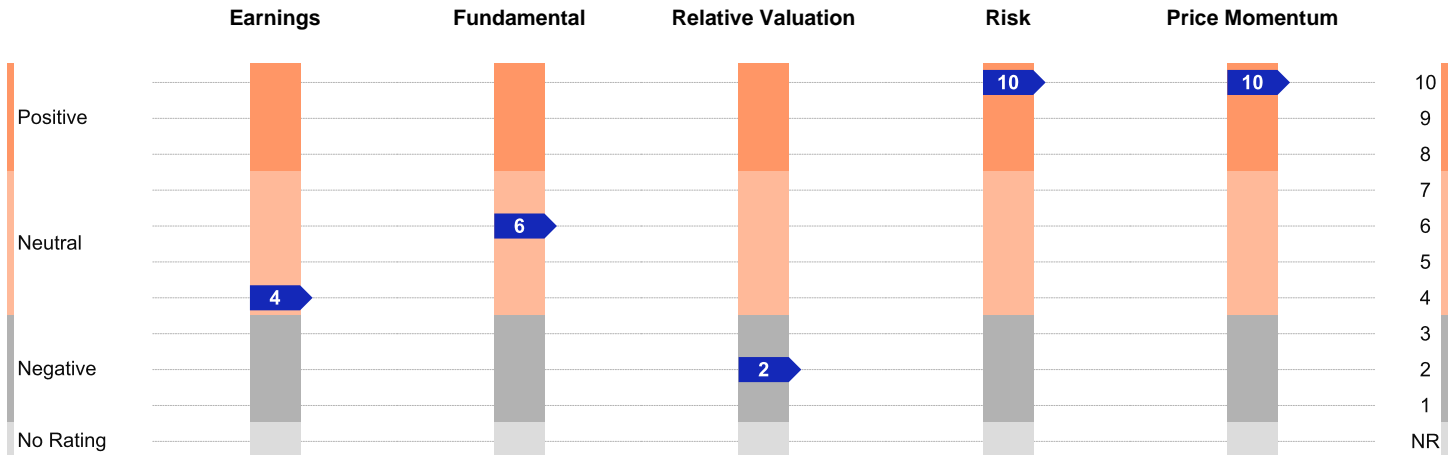
Tata Consumer Products Limited is an India-based company that is engaged in the trading, production, and distribution of consumer products. The Company operates through two segments: Branded and Non-Branded. Branded segment is sub-categorized as India Business and International Business. Its India Business is engaged in the sale of branded tea, coffee & water, and sale of food products in various value-added forms. Its International Business is engaged in the sale of branded tea, coffee & water, and the sale of food products in various value-added forms. The Company has branded beverage business in India, Europe, United States, Canada and Australia, and food business in India. Non-Branded segment is involved in plantation and extraction business for tea, coffee and other produce in India, Vietnam, and the United States. The Company's subsidiary is Tata Consumer Products UK Group Ltd.

## 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

		PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS		
Average Score	Ticker	Price (2024-03-07)	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
7	TATACONSUM	1,261.55	8.2%	31.8%	76.8%	1.1T	94.3	68.6	0.67%	8.1%	23.0%	Buy	25
6	VINCOFE	65.85	44.3%	37.1%	128.5%	6.1B	74.7	--	0.06%	8.5%	-- --		--
5	GOODRICKE	180.60	-13.7%	-5.8%	-3.1%	3.9B	--	--	--	-4.9%	-- --		--
5	MCLEODRUSS	31.65	5.2%	32.7%	67.5%	3.7B	--	--	--	-100.4%	-- --		--
7	JAYSREETEA	113.40	-6.9%	10.9%	32.2%	3.4B	22.8	--	--	2.3%	-- --		--
8	NEAGI	3,900.00	-1.8%	14.7%	12.9%	2.4B	7.2	--	0.77%	130.9%	-- --		--
10	UNITEDTEA	334.35	-1.8%	2.5%	22.8%	1.7B	10.6	--	0.81%	20.0%	-- --		--
8	BNALTD	461.00	-0.69%	37.8%	75.9%	1.5B	10.9	--	0.11%	4.5%	-- --		--
5	BENGALT	122.55	3.7%	37.7%	69.4%	1.1B	512.2	--	0.82%	-5.9%	-- --		--
3	PKTEA	376.05	18.3%	33.2%	23.3%	1.1B	399.0	--	0.13%	0.7%	-- --		--
6	VASUPRADA	97.00	1.6%	29.1%	26.0%	862M	--	--	--	-9.6%	-- --		--
6.4	Average	631.27	5.1%	23.8%	48.4%	106.4B	141.5	68.6	0.48%	4.9%	23.0%	Buy	25

## PEER COMPANIES

BENGALT	Bengal Tea & Fabrics	NEAGI	Neelamalai Agro Industries
BNALTD	B & A	PKTEA	Peria Karamalai Tea
GOODRICKE	Goodricke Group	UNITEDTEA	United Nilgiri Tea Estates Co
JAYSREETEA	Jay Shree Tea and Industries	VASUPRADA	Shri Vasuprada Plantations
MCLEODRUSS	McLeod Russel India	VINCOFE	Vintage Coffee and Beverages

## EARNINGS

## EARNINGS

4

Currency in INR

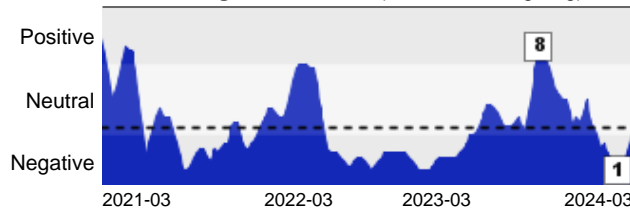
**NEUTRAL OUTLOOK:** Mixed earnings expectations and performance.

## Earnings Score Averages

Food & Tobacco Group: **5.2**  
Food & Beverages Sector: **5.5**

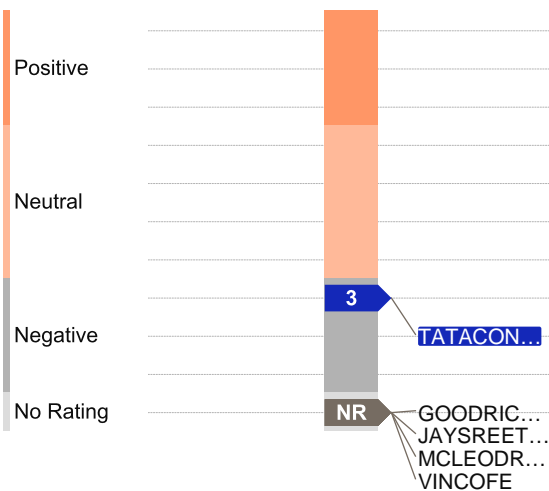
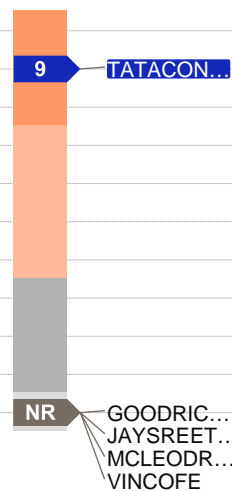
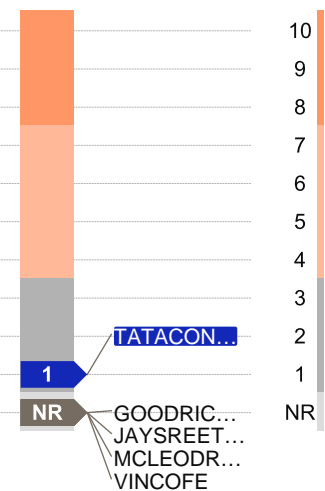
Large Market Cap: **6.0**  
BSE Sensex Index: **6.8**

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



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
TATACONSUM	6	2	1	4	4	
GOODRICKE	NR	NR	NR	NR	NR	
JAYSREETEA	NR	NR	NR	NR	NR	
MCLEODRUSS	NR	NR	NR	NR	NR	
VINCOFE	NR	NR	NR	NR	NR	

## 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	-3.5%

## Last 4 Weeks

# Up Revisions	3
# Down Revisions	1
Avg Up Revisions	12.0%
Avg Down Revisions	-4.0%

## Last 120 Days

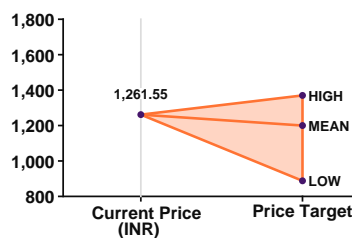
# Broker Upgrades	0
# Broker Downgrades	2

## HIGHLIGHTS

- Tata Consumer Products currently has an Earnings Rating of 4, with two of three components rated as a bearish 4 or less. The average Earnings Rating for its Food Processing industry is 4.7 and the S&P BSE SENSEX index average is 6.8.
- Over the past 90 days, the consensus price target for TATACONSUM has increased notably from 989.00 to 1,200.00, a gain of 21.3%.
- On 2024-02-07, the company announced quarterly earnings of 3.98 per share, relatively in-line with the consensus 4.05. 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 -3.5%.

## PRICE TARGET

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



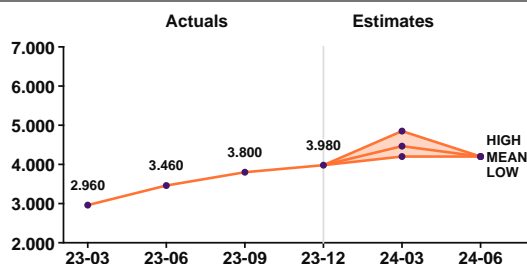
## 12-Month Price Target

Mean (INR)	1,200.00
High	1,370.00
Low	888.00
Target vs. Current	-4.9%
# of Analysts	26

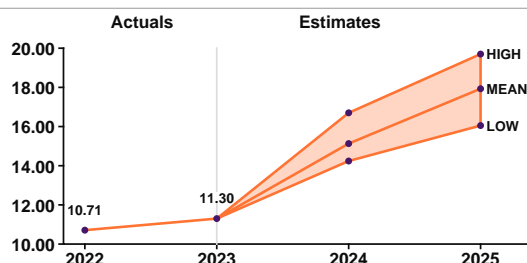
## EARNINGS PER SHARE

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	4.465	4.200
High	4.850	4.200
Low	4.200	4.200
# of Analysts	4	1



Annual	2024	2025
Mean	15.130	17.930
High	16.700	19.700
Low	14.240	16.050
# of Analysts	25	25

## MEAN ESTIMATE TREND

	Q 24-03	Q 24-06	Y 2024	Y 2025	Price Target
Current	4.465	4.200	15.130	17.930	1,200.00
30 Days Ago	3.895	4.200	15.210	18.070	1,130.00
90 Days Ago	4.080	4.200	15.330	18.190	989.00
% Change (90 Days)	9.4%	0.00%	-1.3%	-1.4%	21.3%

Current Fiscal Year End: 24-03

Next Expected Report Date: 2024-04-23

## ANALYST RECOMMENDATIONS

I/B/E/S Mean: **Buy (25 Analysts)**

Strong Buy	8
Buy	11
Hold	5
Sell	1
Strong Sell	0

## EARNINGS SURPRISES

Comparing a company's actual earnings to the mean expectation of analysts results in a difference referred to as a 'positive' or 'negative' surprise. Research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

## Surprise Summary (Last 12 Quarters)

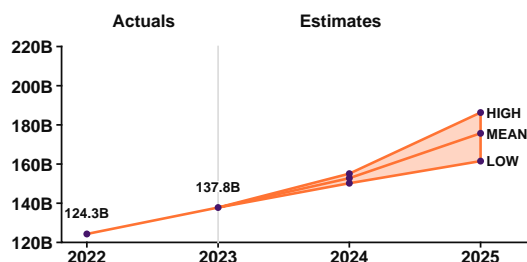
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	1	8.3%
Negative Quarters (< -2%)	9	75.0%
In-Line Quarters (within 2%)	2	16.7%

## Surprise Detail (Last 6 Periods)

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
In-Line	2024-02-07	2023-12-31	3.980	4.053	-1.8%
In-Line	2023-10-31	2023-09-30	3.800	3.835	-0.90%
Negative	2023-07-26	2023-06-30	3.460	3.532	-2.0%
Negative	2023-04-25	2023-03-31	2.960	3.266	-9.4%
Negative	2023-02-02	2022-12-31	2.940	3.637	-19.2%
Negative	2022-10-20	2022-09-30	2.350	3.533	-33.5%

## 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	152.8B	175.7B
High	155.1B	186.3B
Low	150.2B	161.5B
Forecasted Growth	10.9%	27.5%
# of Analysts	24	24

## FUNDAMENTAL

FUND-  
AMENTAL

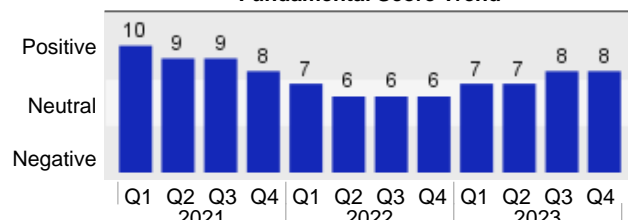
6

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

## Fundamental Score Averages

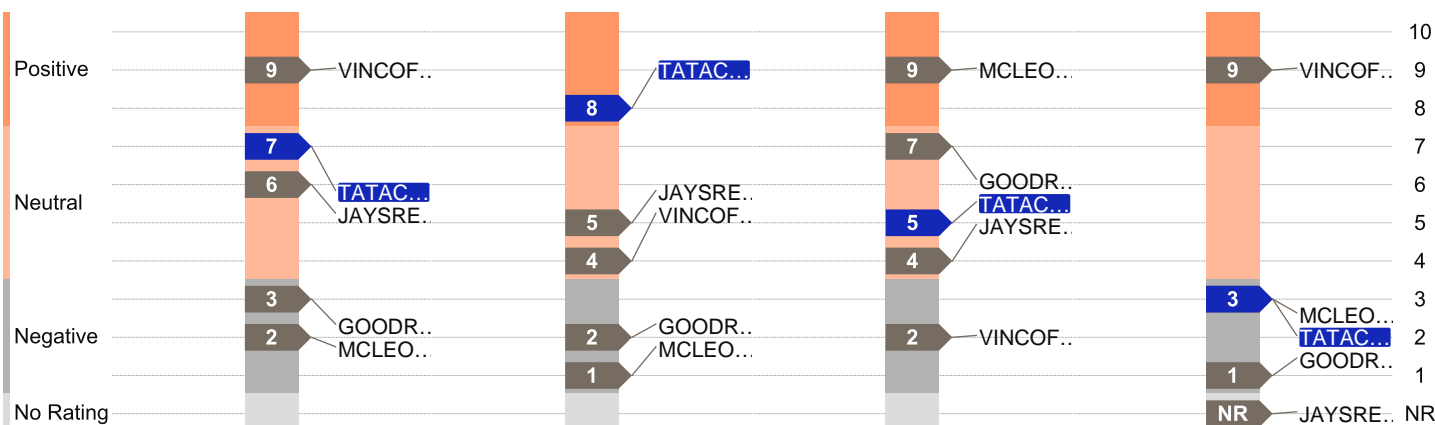
Food & Tobacco Group: **5.3**  
Food & Beverages Sector: **5.3**Large Market Cap: **6.4**  
BSE Sensex Index: **6.9**

## Fundamental Score Trend



Peers	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Current	3Y Trend
TATACONSUM	7	7	8	8	6	
VINCOFE	3	2	2	2	6	
JAYSRETEA	3	7	2	2	4	
MCLEODRUSS	3	7	3	3	2	
GOODRICKE	5	8	4	3	1	

## FUNDAMENTAL INDICATORS

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

<b>Revenue Growth</b>	11.7%	<b>Current Ratio</b>	2.3	<b>Oper. Cash Yield</b>	25.1%	<b>Dividend Growth</b>	39.7%
For year over year ending 2023-12		For interim period ending 2023-09		For latest 12 months ending --		For year over year ending 2023-12	
<b>Gross Margin</b>	21.7%	<b>Debt-to-Capital</b>	3.2%	<b>Accruals</b>	4.6%	<b>Dividend Payout</b>	65.3%
For latest 12 months ending 2023-12		For annual period ending 2023-03		For latest 12 months ending 2023-03		For latest 12 months ending 2023-12	
<b>Return On Equity</b>	8.2%	<b>Interest Funding</b>	5.4%	<b>Days Sales In Inv.</b>	107.4	<b>Dividend Coverage</b>	2.7
For interim period ending 2023-09		For interim period ending 2023-03		For annual period ending 2023-03		For annual period ending 2023-03	
<b>Net Margin</b>	8.1%	<b>Interest Coverage</b>	13.7	<b>Days Sales In Rec.</b>	50.2	<b>Current Div. Yield</b>	0.7%
For latest 12 months ending 2023-12		For interim period ending 2023-12		For annual period ending 2023-03		For latest 12 months ending 2024-03	

## HIGHLIGHTS

- The Fundamental Rating for Tata Consumer Products declined significantly over the last quarter from a bullish 8 to a relatively neutral 6. The average Fundamental Rating for its Food & Tobacco industry group is 5.3 and the S&P BSE SENSEX index average is 6.9.
- The company's gross 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 lower than its industry group average for each of the past five years.
- Of the 275 firms within the Food & Tobacco industry group, Tata Consumer Products is among 82 companies that pay a dividend. The stock's dividend yield is currently 0.69%.

## RELATIVE VALUATION

**NEGATIVE OUTLOOK:** Multiples significantly above the market or the stock's historic norms.

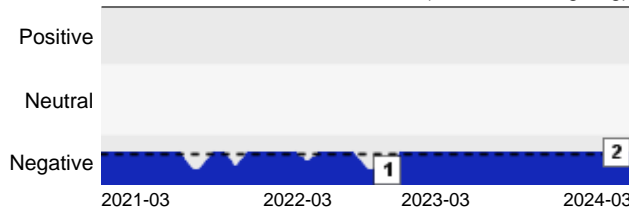
RELATIVE  
VALUATION

2

## Relative Valuation Score Averages

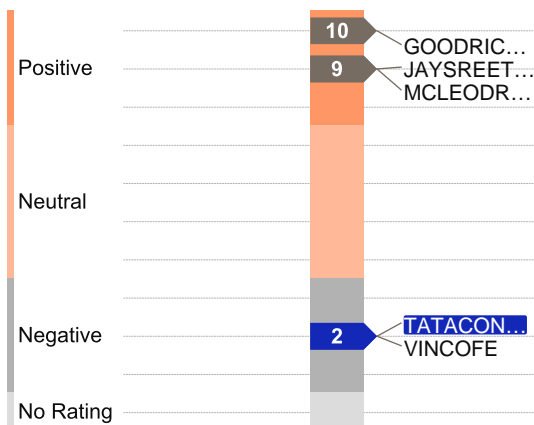
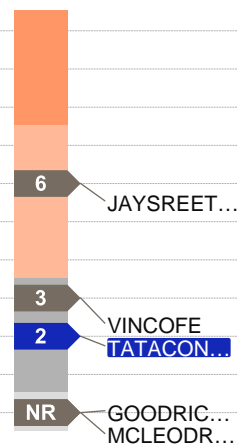
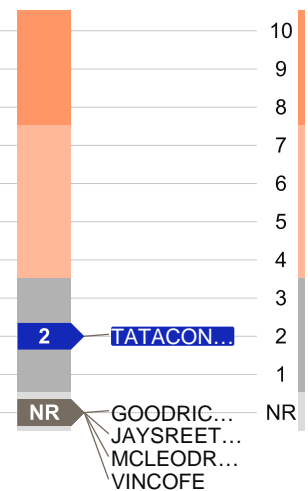
Food & Tobacco Group: **6.5** Large Market Cap: **4.6**  
Food & Beverages Sector: **6.4** BSE Sensex Index: **5.8**

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



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
GOODRICKE	10	10	10	10	10	
MCLEODRUSS	10	10	10	10	10	
JAYSREETEA	10	7	7	8	8	
<b>TATACONSUM</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	
VINCOFE	3	1	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	7.7	Trailing PE	94.3	Forward PE	68.6
5-Yr Average	4.9	5-Yr Average	68.8	5-Yr Average	49.5
Rel. to 5-Yr Avg.	57% Premium	Rel. to 5-Yr Avg.	37% Premium	Rel. to 5-Yr Avg.	39% Premium
BSE Sensex Index	3.6	BSE Sensex Index	25.5	BSE Sensex Index	24.0
Rel. to BSE Sensex	>100% Premium	Rel. to BSE Sensex	>100% Premium	Rel. to BSE Sensex	>100% Premium

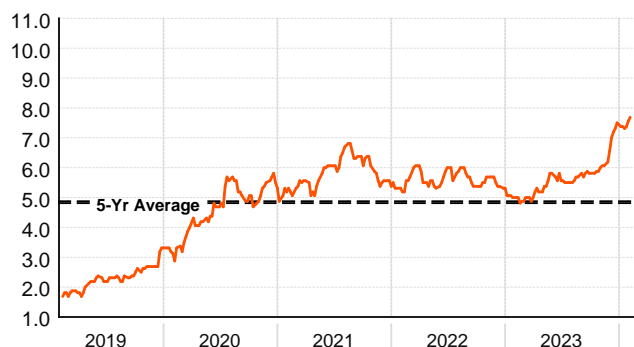
## HIGHLIGHTS

- Tata Consumer Products currently has a Relative Valuation Rating of 2 which is significantly below the S&P BSE SENSEX index average rating of 5.8.
- The company's Price to Sales, Trailing P/E, and Forward P/E multiples are all currently at or near their 5-year highs.
- Based on Price to Sales, TATACONSUM currently trades at a >100% Premium to its Food & Tobacco industry group peers. On average, the company has traded at a 40% Premium over the past five years.
- Based on Trailing P/E, TATACONSUM currently trades at a >100% Premium to its Food & Tobacco industry group peers. On average, the company has traded at a >100% Premium over the past five years.
- Based on Forward P/E, TATACONSUM currently trades at a 72% Premium to its Food & Tobacco industry group peers. On average, the company has traded at a 61% Premium over the past five years.

## PRICE TO SALES

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

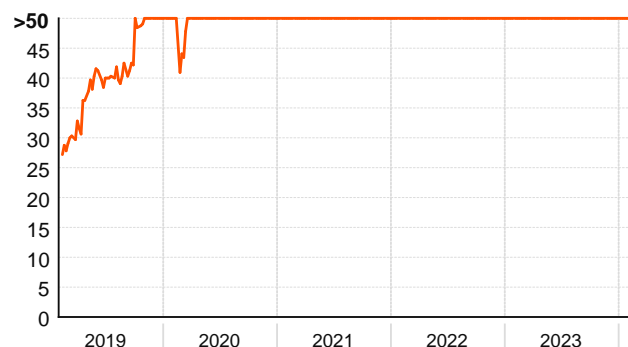
Price to Sales: 7.7  
 5-Year Average: 4.9  
 BSE Sensex Index Average: 3.6  
 Food & Tobacco Group Average: 3.4



## TRAILING PE

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

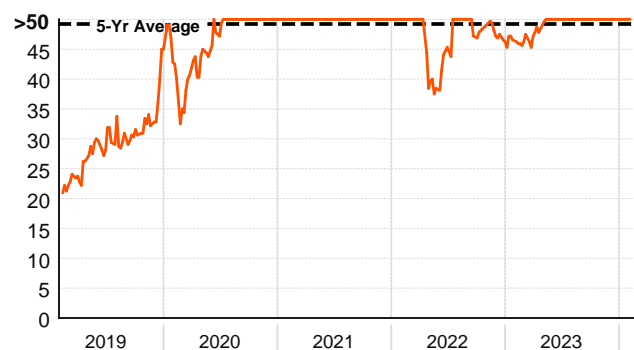
Trailing PE: 94.3  
 5-Year Average: 68.8  
 BSE Sensex Index Average: 25.5  
 Food & Tobacco Group Average: 38.5



## FORWARD PE

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

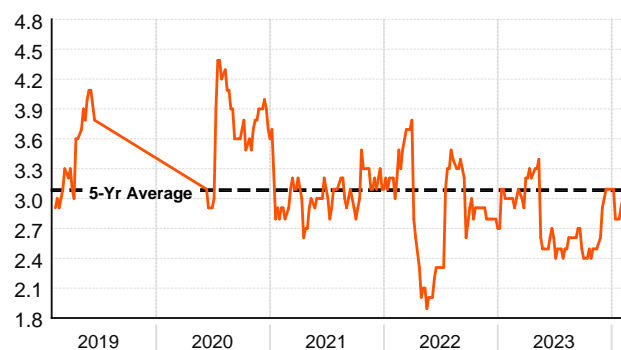
Forward PE: 68.6  
 5-Year Average: 49.5  
 BSE Sensex Index Average: 24.0  
 Food & Tobacco Group Average: 39.9



## FORWARD PEG

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

Forward PEG: 3.0  
 5-Year Average: 3.1  
 BSE Sensex Index Average: 1.6  
 Food & Tobacco Group Average: 2.4





## RISK

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

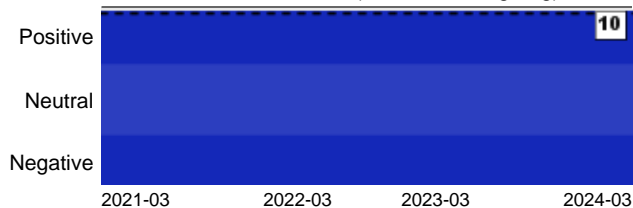
RISK  
**10**

## Risk Score Averages

Food & Tobacco Group: **5.6**  
Food & Beverages Sector: **5.7**

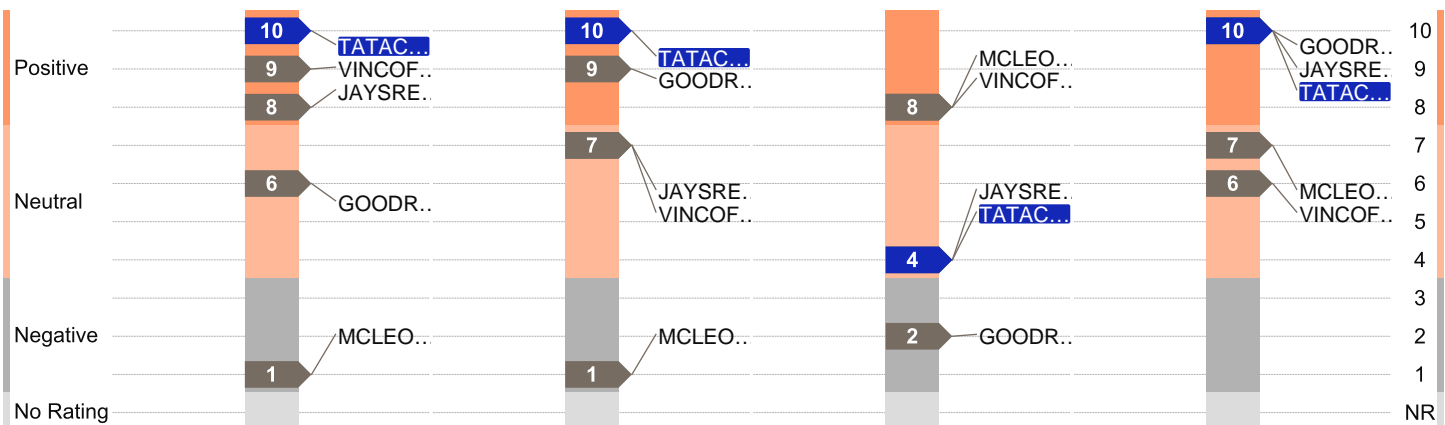
Large Market Cap: **8.4**  
BSE Sensex Index: **9.5**

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



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
TATACONSUM	10	10	10	10	10	
VINCOFE	8	6	8	9	9	
GOODRICKE	9	10	9	8	8	
JAYSRETEA	9	8	8	8	8	
MCLEODRUSS	3	8	5	4	4	

## RISK INDICATORS

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

## Daily Returns (Last 90 Days)

Best 4.4%  
Worst -2.4%

## Standard Deviation

Last 90 Days 1.36  
Last 60 Months 8.33

## Beta vs. BSE Sensex

0.77  
Positive Days Only 0.27  
Negative Days Only 1.03

## Correlation vs. BSE Sensex

Last 90 Days 36%  
Last 60 Months 57%

## Monthly Returns (Last 60 Months)

Best 24.4%  
Worst -14.8%

## Intra-Day Swing (Last 90 Days)

Average 2.2%  
Largest 5.3%

## Beta vs. Group

0.49  
Positive Days Only 0.65  
Negative Days Only 0.10

## Correlation vs. Group

Last 90 Days 25%  
Last 60 Months 34%

## HIGHLIGHTS

- Tata Consumer Products currently has a Risk Rating of 10 while the S&P BSE SENSEX index has an average rating of 9.5.
- On days when the market is up, TATACONSUM tends to lag the S&P BSE SENSEX index. On days when the market is down, the stock generally performs in-line with the index.
- In the short term, TATACONSUM 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, TATACONSUM shares have been less volatile than the overall market, as the stock's daily price has fluctuated less than 97% 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
TATACONSUM	4.4%	-2.4%	38	26	5.3%	24.4%	-14.8%
GOODRICKE	7.9%	-10.0%	31	33	8.7%	37.4%	-37.0%
JAYSRETEA	9.9%	-5.8%	30	33	12.6%	25.1%	-27.3%
MCLEODRUSS	10.0%	-9.5%	27	35	12.8%	112.5%	-49.6%
VINCOFE	9.8%	-5.0%	33	30	9.6%	60.4%	-32.0%
BSE Sensex	1.8%	-2.2%	39	23	2.6%	14.4%	-23.1%



## PRICE MOMENTUM

PRICE  
MOMENTUM

10

Currency in INR

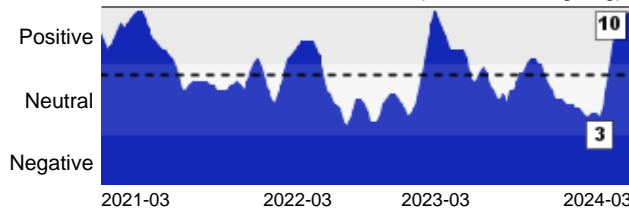
**POSITIVE OUTLOOK:** Strong recent price performance or entering historically favorable seasonal period.

## Price Momentum Score Averages

Food & Tobacco Group: **5.7**  
Food & Beverages Sector: **5.6**

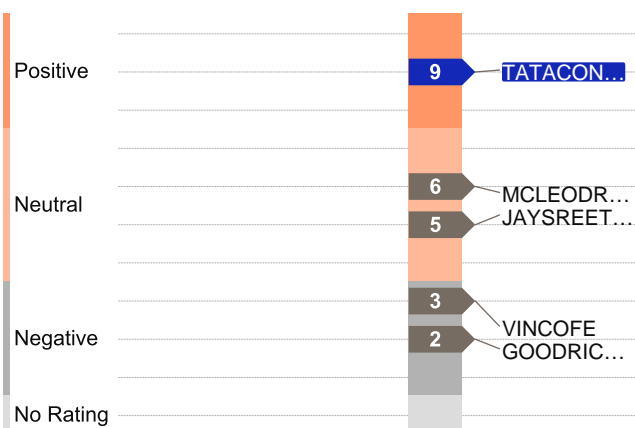
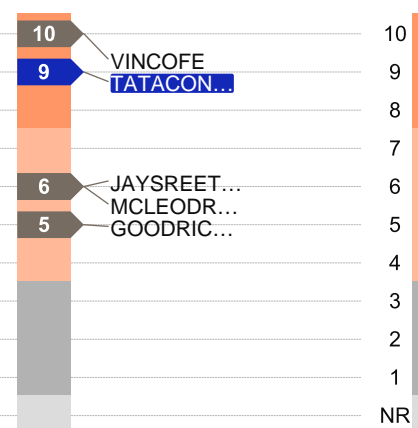
Large Market Cap: **6.3**  
BSE Sensex Index: **5.6**

## Price Momentum Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
TATACONSUM	5	4	10	10	10	
VINCOFE	4	9	9	7	8	
MCLEODRUSS	1	1	5	7	7	
JAYSREETEA	2	1	5	5	5	
GOODRICKE	3	2	4	3	3	

## PRICE MOMENTUM INDICATORS

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

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

	TATACONSUM	Industry Avg
Last 10 Days	83	47
Last 50 Days	69	52
Last 200 Days	61	53

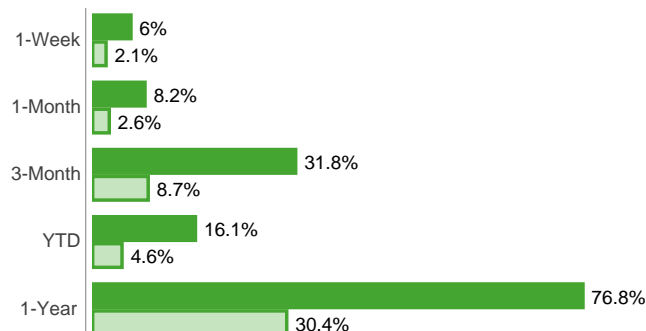
## Average Monthly Return (Last 10 Years)

	Mar	Apr	May
Company Avg	2.5%	6.0%	0.47%
Industry Avg	-0.71%	9.9%	2.7%
Industry Rank	23 of 100	18 of 98	32 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.

TATACONSUM  
BSE 100



	TATACONSUM	BSE 100
Close Price (2024-03-07)	1,261.55	23,410
52-Week High	1,268.90	23,408
52-Week Low	686.60	17,180

- The Price Momentum Rating for Tata Consumer Products is at its 3-year high of 10.
- On 2024-03-07, TATACONSUM closed at 1,261.55, 0.60% below its 52-week high and 83.7% above its 52-week low.
- TATACONSUM shares are currently trading 10.0% above their 50-day moving average of 1,147.38, and 32.9% above their 200-day moving average of 948.96.

## DETAILED STOCK REPORT TIPS

The Stock Report from LSEG is a comprehensive, company-specific analysis that includes a proprietary Stock Rating along with underlying component indicators and supportive data elements. The report is updated daily, although some of the data elements and the ratings are updated weekly.

**Average Score**

The Stock Reports Plus Average Score combines a quantitative analysis of five widely-used investment decision making tools - Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. First, a simple average of the five underlying component ratings is calculated. Then, a normal distribution is used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A score of 8 to 10 is considered positive, 4 to 7 is neutral, and 1 to 3 is negative. These five factors may be evaluated differently using alternative methodologies, and the importance of individual factors varies across industry groups, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

A company must have sufficient data available for at least three of the five component indicators in order to receive an overall Average Score. Approximately 85% of the stocks within the coverage universe meet the criteria to generate a score.

**Indicator Components**

The five indicators that comprise the stock rating are displayed. Like the stock rating, the component rating scale is 1 to 10, with 10 being best. A company will receive an 'NR' for No Rating if the required data elements or criteria are not met. A detailed section for each component is included in the report.

**Indicator Trends**

Within each component section, historical score trends are displayed, typically using a 4-week moving average over a timeframe of the past three years. The dotted orange line indicates the average of the scores over those three years. The most recent occurrences of the best and worst scores are also displayed on the chart in grey boxes to put the current score into historical context.

Next to the trend chart for the company, current score averages are included, along with peer company comparisons of values from 6 months ago, 3 months ago, 1 month ago, the most recent value from 1 week ago, and the current score. The four closest industry peers are presented based on similar market capitalization.

**Peer Analysis**

- The Refinitiv Business Classification (TRBC) schema is used for industry comparisons. It is designed to track and display the primary business of a corporation by grouping together correlated companies that offer products and services into similar end markets. The system includes 10 Economic Sectors, 28 Business Sectors, 54 Industry Groups, and 136 Industries.
- The Peer Analysis section of the report compares the company to its ten closest peers. The peers are selected from the industry based on similar market capitalization. The peer listing may have fewer than ten companies if there are fewer than ten companies classified within that industry.

**Highlights**

The automated text-generation system from LSEG creates highlights summarizing the most noteworthy data. The bullets will vary by company and will change from week to week as different criteria are met.

**Earnings**

The Earnings Rating is based on a combination of three factors: earnings surprises, estimate revisions, and recommendation changes. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the three earnings factors in order to receive a score.

- Earnings Surprises - The number of positive and negative surprises within the last 4 periods (quarters or years).
- Estimate Revisions - The number of up and down revisions and the average percentage change of those revisions within a 4 week period.
- Recommendation Changes - The number of broker upgrades and downgrades in the last 120 days.

**Price Target**

The price target is based on the predictions of analysts covering the stock and shows the high, low and mean price expected within the next 12 months.

**Earnings Per Share**

The quarterly and annual earnings per share are presented when available, along with the mean, high and low. Quarterly data is displayed for the past 4 quarters (actual) and the next 2 quarters (estimated). Annual data is displayed for the past 2 years (actual) and the next 2 years (estimated).

**Mean Estimate Trend**

The mean estimates show how the consensus has changed over the past 30 days and 90 days for the upcoming two quarters (when available) and two years. The percentage change is calculated for the company as a means for comparison by measuring the difference between the current consensus estimate and that of 90 days ago.

**Analyst Recommendations**

The I/B/E/S Mean is the average recommendation of all analysts covering the stock, as provided by I/B/E/S, the Institutional Brokers Estimate System, from LSEG. The recommendations are presented on a five-point standardized scale: strong buy, buy, hold, sell, and strong sell.

**Earnings Surprises**

- The surprise summary includes the total number of time periods (and percentage) in the last 12 quarters (quarterly) or last 4 years (annual) in which earnings surprises were positive, negative, or in-line. In order to be recognized as a positive or negative surprise, the percent must be greater than 2% above or 2% below the consensus, respectively.
- The surprise detail section includes a listing of the company's quarterly earnings reported for the most recent 6 periods (quarters or years). The consensus analyst estimate is provided to determine if the actual earnings report represented a positive surprise, negative surprise, or in-line result.

**Fundamental**

The Fundamental Rating is based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Companies that do not pay a dividend are not penalized. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the four fundamental factors present in order to receive a score.

**Profitability**

- Revenue Growth: (Net Sales - Previous Net Sales) / Previous Net Sales
- Gross Margin: Gross Profit / Net Sales
- Return on Equity: Net Income / Total Equity
- Net Margin: Net Profit / Net Sales

**Debt**

- Current Ratio: Current Assets / Current Liabilities
- Debt-to-Capital: Total Debt / Total Capital
- Interest Funding: (Interest Expense on Debt + Preferred Cash Dividends) / Funds from Operations
- Interest Coverage: Earnings before Interest and Taxes / (Interest Expense on Debt + Preferred Cash Dividends)

**Earnings Quality**

- Operating Cash Yield: (Operating Cash Flow - Net Income) / Net Income
- Accruals: (Net Income - Operating Cash Flow - Investing Cash Flow) / Average Net Operating Assets
- Days Sales in Inventory: 365 / (Cost of Goods Sold / Inventory)
- Days Sales in Receivables: 365 / (Net Sales / Receivables)

**Dividend**

The company must have a current dividend yield.

- Dividend Growth Rate: (Dividends per Share - Previous Dividends per Share) / Previous Dividends per Share
- Dividend Funding: Dividends / Operating Cash Flow
- Dividend Coverage: (Pre-Tax Income + Interest Expense) / (Interest Expense + Dividends)
- Dividend Yield: Annual Dividends per Share / Current Market Price per Share

**Indicator Trend**

The fundamental indicator trend displays either quarterly scores over the past three years or annual scores over the past six years, depending on the reporting periods for the country. The best and worst scores can be easily determined from the values shown on the chart for each quarter or year.

**Relative Valuation**

The Relative Valuation Rating is based on a combination of three component factors: Price to Sales, Trailing P/E, and Forward P/E. Each factor is equally weighted. Equal deciles are then used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors in order to receive a score.

- Price to Sales: Close Price / (Sales for 4 Quarters or 1 Year / Shares Outstanding)

- Trailing P/E: Close Price / Most Recent 4 Quarters or 1 Year of Earnings
- Forward P/E: Close Price / Upcoming 4 Quarters or 1 Year of Earnings

**Valuation Averages**

Negative values are excluded when calculating the averages. A maximum value of 100 is placed on Trailing P/E and Forward P/E, a maximum value of 5 is placed on Forward PEG, and a maximum value of 20 is placed on Price to Sales when calculating the averages. Higher values are rounded down to the maximum for the averages.

**Valuation Multiples**

The valuation multiples provide the Trailing P/E, Forward P/E, Forward PEG, and Price to Sales for the company and the relevant index average. In addition, a comparison of the current company's values to its 5-year average and an industry average are presented. A discount occurs when the company's ratio is valued more favorably (lower) than that to which it is compared.

**Risk**

The Risk Rating displays stocks on a scale of 1 to 10 with 10 being awarded to the least risky stocks. It is derived by looking at a series of long-term (5-year) and short-term (90-day) stock performance measures including volatility, magnitude of returns, beta, and correlation. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market. A stock needs to have at least two of the four risk factors in order to receive a score.

- Magnitude of Returns - The best / worst daily returns in the past 90 days and the best / worst monthly returns in the past 60 months.
- Volatility - The standard deviation of the stock price over the last 90 days and last 60 months, along with the average and largest intra-day stock swing.
- Beta - Measures the tendency of a security's returns to respond to swings in the market, based on the beta of the company versus the relevant index.
- Correlation - Determines how closely the returns of the stock and the relevant index move together, measured over the last 90 days and last 60 months.

**Risk Analysis**

Price analysis for the company and the relevant index is provided over two time periods. Daily analysis is provided for the last 90 days, whereas monthly statistics are used for the last 60 months.

**Price Momentum**

The Price Momentum Rating is based on a combination of two technical performance factors: relative strength and seasonality. The factors are equally weighted. Equal deciles are then used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have data for the relative strength factor in order to receive a score.

- Relative Strength - The relative strength of the company for the last 10 days, 50 days, and 200 days on a scale of 1 to 100.
- Seasonality - The average monthly return (price performance) for the current month and next 2 months for the company and industry, over the past 10 years. A lower industry rank indicates a higher return.

**Price Performance**

Daily close prices are used to calculate the price performance of the stock. The performance of the relevant index is also displayed as a means of comparison.

**DISCLAIMER**

© 2024 Refinitiv, an LSEG business. All rights reserved. Republication 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.