OCI (OCI-AE)

Chemicals / Chemicals / Agricultural Chemicals

Last Close	Avg Daily Vol	52-Week High	Trailing PE	Annual Div	ROE	LTG Forecast	1-Mo Return
26.44 (EUR)	**272,700**	**29.60**	**--**	**--**	**-4.6%**	**--**	**12.0%**
2019 April 17 AMSTERDAM Exchange	Market Cap	52-Week Low	Forward PE	Dividend Yield	Annual Rev	Inst Own	3-Mo Return
	5.6B	**16.81**	**13.7**	**--**	**2.8B**	**30.8%**	**36.1%**

AVERAGE SCORE
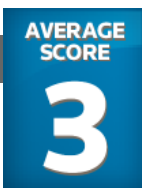
AVERAGE SCORE 3

NEGATIVE OUTLOOK: OCI's current score of 3 places it among the bottom quartile of stocks scored.

Average Score Trend (4-Week Moving Avg)

Score Averages

Chemicals Group: **6.4**   Mid/Small Market Cap: **5.3**
Chemicals Sector: **6.4**   AEX Index: **6.4**
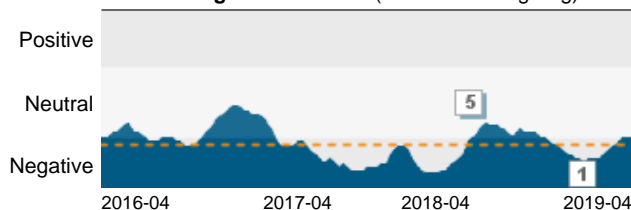
| Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
DSM	7	10	8	8	8	
IMCD	9	7	6	7	7	
AKZA	4	8	7	5	5	
CSM	5	5	4	3	3	
OCI	3	2	3	3	3	

HIGHLIGHTS

- The score for OCI last changed from 2 to 3 on 2019-02-24 and has remained the same for 9 weeks.

- In the past 3 years, the best score was 5 on 2018-05-20, and the worst score was 1 on 2019-01-06.
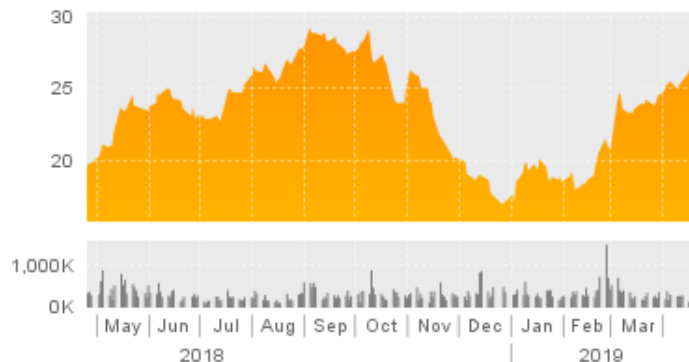
THOMSON REUTERS I/B/E/S MEAN

Buy
7 Analysts

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

Sell	Reduce	Hold	Buy	Strong Buy
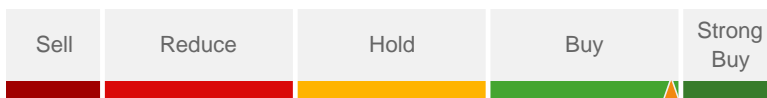
PRICE AND VOLUME CHARTS

1-Year Return: 39.9%

5-Year Return: 2.5%

BUSINESS SUMMARY

OCI NV is a producer and distributor of natural gas-based fertilizers and industrial chemicals based in the Netherlands. Its portfolio of nitrogen fertilizers and industrial chemicals includes hydrous ammonia in liquid and gaseous form, granular urea, urea ammonium nitrate, calcium ammonium nitrate, methanol and melamine. It also distributes crystalline and granular ammonium sulphate. The Company's subsidiaries include, among others, Biomethanol Chemie Nederland BV, which focuses on methanol and bio-methanol production, OCI Partners LP, which operates OCI Beaumont LLC, an integrated methanol and anhydrous ammonia production in Texas, United States, and Iowa Fertilizer Co, a producer of fertilizers based in the United States. It serves mainly agricultural and industrial customers and operates production sites in the Netherlands, the United States, Egypt and Algeria. The Company's distribution network spans the Americas, Europe, Asia, Africa and Australia.
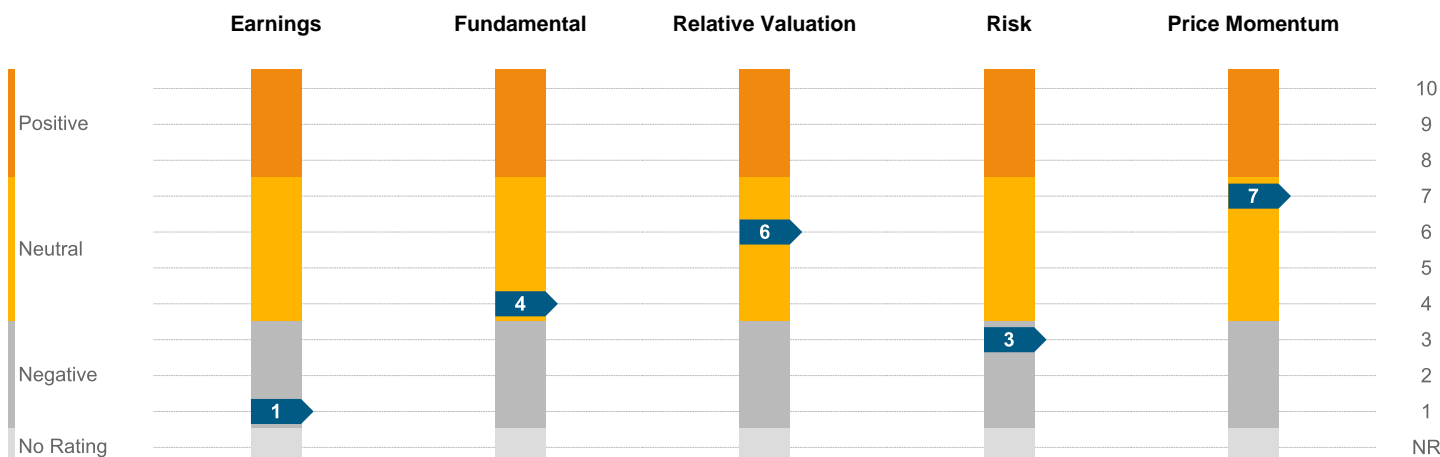
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INDICATOR COMPONENTS

AVERAGE SCORE 3

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 by used to evaluate a stock.

Component	Score
Earnings	1
Fundamental	4
Relative Valuation	6
Risk	3
Price Momentum	7

Scale: Positive / Neutral / Negative / No Rating (1–10, NR)

PEER ANALYSIS

Currency in EUR

Average Score	Ticker	Price (2019-04-17)	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
			PRICE MOMENTUM				**VALUATION**		**FUNDAMENTAL**		**ANALYSTS**		
8	DSM	102.55	5.0%	30.5%	18.4%	18.6B	16.8	20.2	2.0%	10.2%	10.1%	Buy	23
5	AKZA	80.05	-2.1%	10.6%	1.2%	18.2B	3.0	25.9	9.7%	72.1%	25.3%	Hold	20
3	OCI	26.44	12.0%	36.1%	39.9%	5.6B	--	13.7	--	-1.5%	--	Buy	7
7	IMCD	71.70	3.0%	20.2%	43.6%	3.8B	36.8	23.5	0.1%	4.2%	18.0%	Buy	8
3	CSM	27.30	-0.7%	9.9%	10.0%	1.6B	29.7	24.2	2.1%	6.1%	--	Hold	7
8	HYDRA	73.50	1.4%	11.4%	28.9%	94M	11.1	--	3.1%	4.1%	--	--	--
10	HOLCO	86.50	12.0%	16.9%	-0.8%	74M	12.8	10.5	3.9%	6.8%	--	--	--
6.3	Average	66.86	4.4%	19.4%	20.2%	6.9B	18.4	19.7	3.5%	14.6%	17.8%	Buy	13

PEER COMPANIES

DSM	Koninklijke DSM	CSM	Corbion
AKZA	Akzo Nobel	HYDRA	Hydratec Industries
IMCD	IMCD	HOLCO	Holland Colours

The Financial and Risk business of Thomson Reuters is now Refinitiv.

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THOMSON REUTERS

OCI (OCI-AE)

Chemicals / Chemicals / Agricultural Chemicals

EARNINGS

Currency in USD

EARNINGS

1

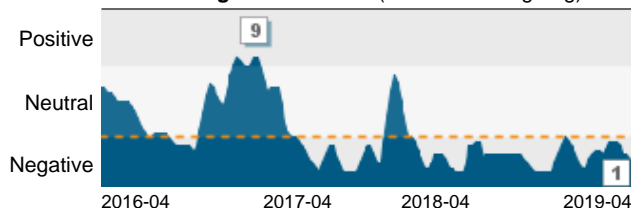**NEGATIVE OUTLOOK:** Weak earnings with recent analyst downgrades or a history of missing consensus estimates.

Earnings Score Averages

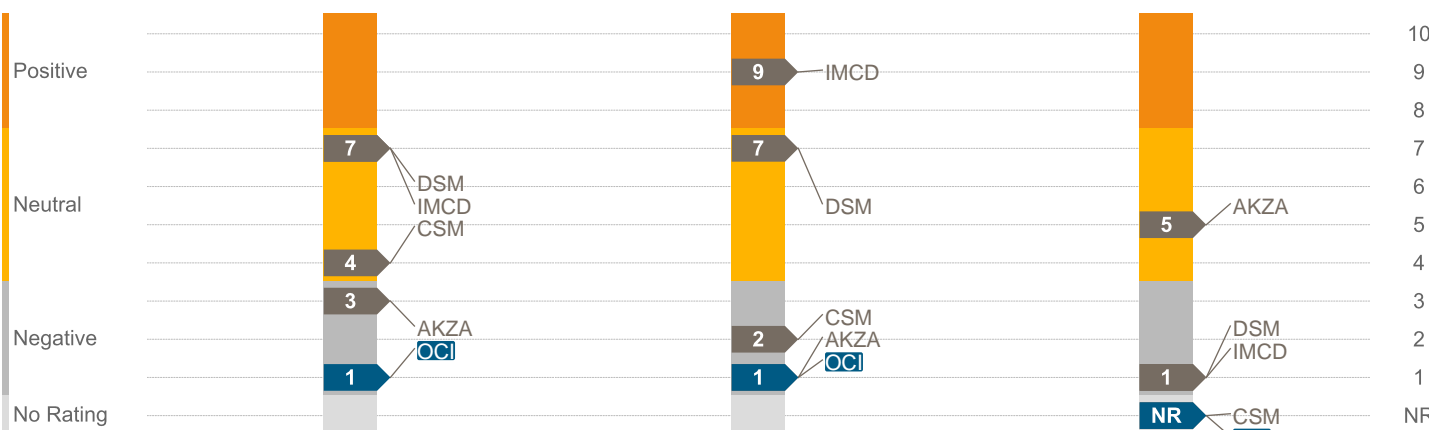|			
Chemicals Group:	2.6	Mid/Small Market Cap:	5.6
Chemicals Sector:	2.6	AEX Index:	6.7

Earnings Score Trend (4-Week Moving Avg)

Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
IMCD	9	7	5	6	6	
DSM	3	10	6	6	5	
CSM	9	10	4	1	2	
AKZA	5	9	5	1	1	
OCI	**1**	**3**	**2**	**1**	**1**	

EARNINGS INDICATORS

Earnings Surprises
(33.3% weight)

Estimate Revisions
(33.3% weight)

Recommendation Changes
(33.3% weight)

Last 4 Years	
# Positive Surprises (> 2%)	1
# Negative Surprises (< -2%)	3
# In-Line Surprises (within 2%)	0
Avg Surprise	-35.6%

| Last 4 Weeks	
# Up Revisions	0
# Down Revisions	1
Avg Up Revisions	0.0%
Avg Down Revisions	-14.3%

Last 120 Days	
# Broker Upgrades	0
# Broker Downgrades	0

HIGHLIGHTS

- OCI currently has an Earnings Rating of 1. The average Earnings Rating for its Agricultural Chemicals industry is 1.0 and the AMSTERDAM EXCHANGE index average is 6.7.

- OCI's current quarter consensus estimate has decreased notably over the past 90 days from 2.29 to 1.90, a loss of -17.3%. Consensus estimates for the Agricultural Chemicals industry have moved an average -17.0% during the same time period.

- There have been no upward or downward broker recommendation changes for OCI 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.
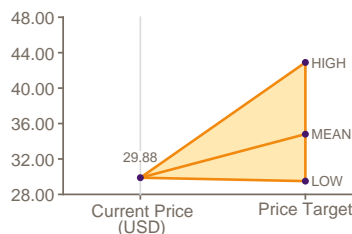

| 12-Month Price Target	
Mean (USD)	34.80
High	42.90
Low	29.50
Target vs. Current	16.5%
# of Analysts	7

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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.
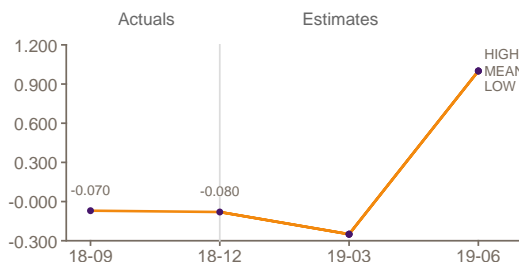
Quarterly	19-03	19-06
Mean	-0.250	1.000
High	-0.250	1.000
Low	-0.250	1.000
# of Analysts	1	1
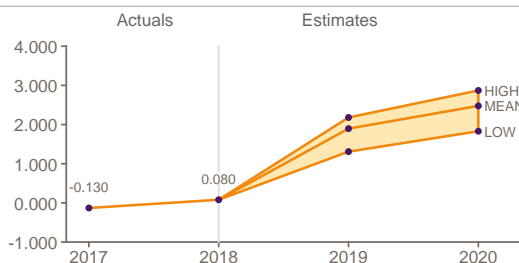
Annual	2019	2020
Mean	1.896	2.476
High	2.180	2.870
Low	1.308	1.829
# of Analysts	5	5

MEAN ESTIMATE TREND

	Q 19-03	Q 19-06	Y 2019	Y 2020	Price Target
Current	-0.250	1.000	1.896	2.476	34.80
30 Days Ago	0.550	0.640	1.922	2.480	35.00
90 Days Ago	0.600	0.640	2.293	2.837	35.90
% Change (90 Days)	-141.7%	56.3%	-17.3%	-12.7%	-3.1%

Current Fiscal Year End: 19-12
Next Expected Report Date: 2019-05-06

ANALYST RECOMMENDATIONS

Thomson Reuters I/B/E/S Mean: **Buy** (7 Analysts)

Strong Buy	3
Buy	4
Hold	0
Reduce	0
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 6 Years)

Surprise Type	Amount	Percent
Positive Years (> 2%)	2	33.3%
Negative Years (< -2%)	4	66.7%
In-Line Years (within 2%)	0	--

Surprise Detail (Last 6 Periods)

| Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2019-02-25	2018-12-31	0.080	0.201	-60.2%
Negative	2018-03-16	2017-12-31	-0.130	0.379	-134.3%
Negative	2017-03-24	2016-12-31	0.106	0.635	-83.3%
Positive	2016-04-29	2015-12-31	0.812	0.755	7.5%
Positive	2015-04-29	2014-12-31	1.015	0.934	8.7%
Negative	2014-04-29	2013-12-31	0.750	1.041	-28.0%

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.
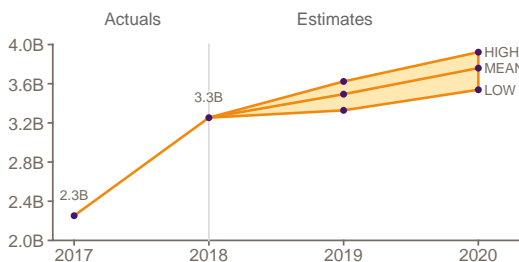
	2019	2020
Mean	3.5B	3.8B
High	3.6B	3.9B
Low	3.3B	3.5B
Forecasted Growth	7.4%	15.6%
# of Analysts	5	5

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FUNDAMENTAL
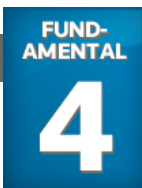
FUND-AMENTAL 4

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

Fundamental Score Averages

Chemicals Group:	**7.5**	Mid/Small Market Cap:	**5.2**
Chemicals Sector:	**7.5**	AEX Index:	**5.9**

Fundamental Score Trend
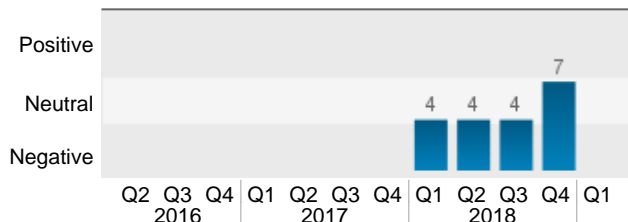
Peers	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Current	3Y Trend
AKZA	5	5	1	NR	10	
DSM	10	9	7	NR	9	
IMCD	3	5	4	NR	7	
OCI	**4**	**4**	**7**	**NR**	**4**	
CSM	3	2	6	NR	1	

FUNDAMENTAL INDICATORS

Profitability (25% weight)
- 10
- 9 — AKZA / DSM
- 6 — IMCD
- 3 — OCI
- 2 — CSM

Debt (25% weight)
- 9 — AKZA
- 7
- 5 — DSM / IMCD
- 2 — CSM / OCI

Earnings Quality (25% weight)
- 10 — OCI
- 6 — CSM / IMCD / DSM
- 4
- 2 — AKZA

Dividend (25% weight)
- 9 — AKZA / DSM / IMCD
- 8
- 3 — CSM
- NR — OCI
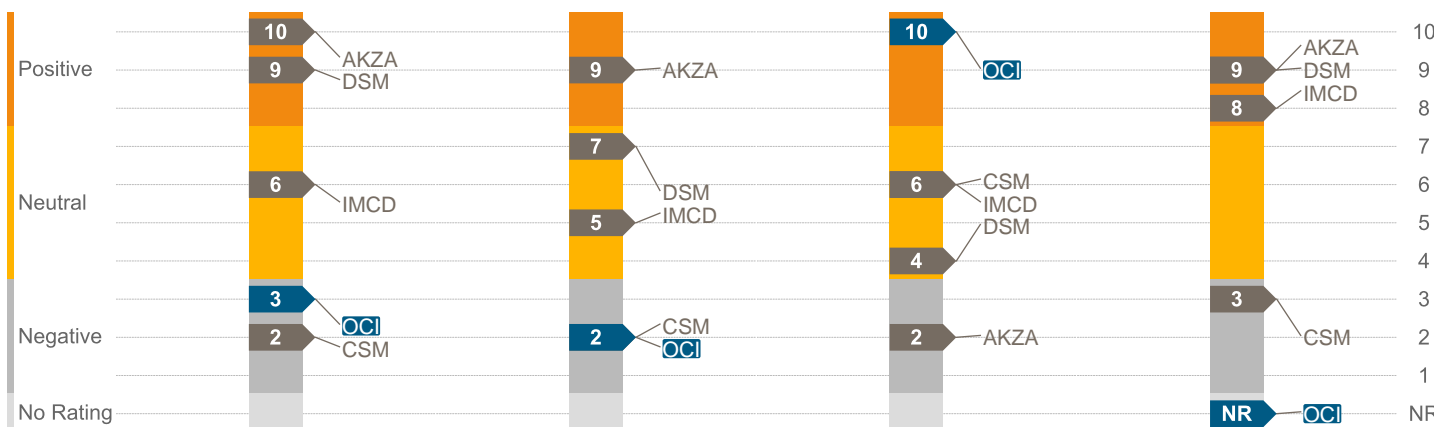
Revenue Growth	39.7%	**Current Ratio**	0.9	**Oper. Cash Yield**	1541%	**Dividend Growth**
For year over year ending 2018-12		For interim period ending 2018-12		For latest 12 months ending 2018-12		For year over year ending --
Gross Margin	19.1%	**Debt-to-Capital**	74.4%	**Accruals**	-8.8%	**Dividend Payout**
For latest 12 months ending 2018-12		For annual period ending 2018-12		For latest 12 months ending 2018-12		For latest 12 months ending --
Return On Equity	-4.6%	**Interest Funding**	26.3%	**Days Sales In Inv.**	35.4	**Dividend Coverage**
For interim period ending 2018-12		For interim period ending 2018-12		For annual period ending 2018-12		For annual period ending --
Net Margin	-1.5%	**Interest Coverage**	1.3	**Days Sales In Rec.**	47.3	**Current Div. Yield**
For latest 12 months ending 2018-12		For interim period ending 2018-12		For annual period ending 2018-12		For latest 12 months ending --

(Dividend Growth: --, Dividend Payout: --, Dividend Coverage: --, Current Div. Yield: --)

HIGHLIGHTS

- OCI currently has a Fundamental Rating of 4, which is significantly more bearish than the Chemicals industry group average of 6.7.

- The year-over-year revenue growth of 39.7% for OCI is the highest within its Chemicals industry group.

- The debt-to-capital of 74.4% for OCI is the highest within its Chemicals industry group.

- The operating cash yield for OCI is the highest within its Chemicals industry group.

- OCI does not currently pay a dividend. Of 7 firms within the Chemicals industry group, it is the only company without a dividend.
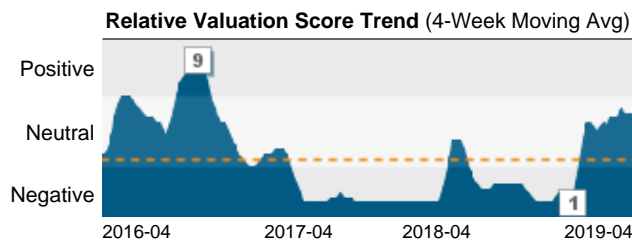
RELATIVE VALUATION

RELATIVE VALUATION 6

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

Relative Valuation Score Averages

Chemicals Group:	**3.6**	Mid/Small Market Cap:	**5.8**
Chemicals Sector:	**3.6**	AEX Index:	**5.0**

Relative Valuation Score Trend (4-Week Moving Avg)

Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
OCI	1	5	6	6	**6**	
AKZA	1	1	4	4	**4**	
CSM	2	2	2	2	**2**	
DSM	6	4	3	2	**2**	
IMCD	2	1	2	2	**2**	

RELATIVE VALUATION INDICATORS

Price to Sales (50% weight) — **Trailing PE** (25% weight) — **Forward PE** (25% weight)
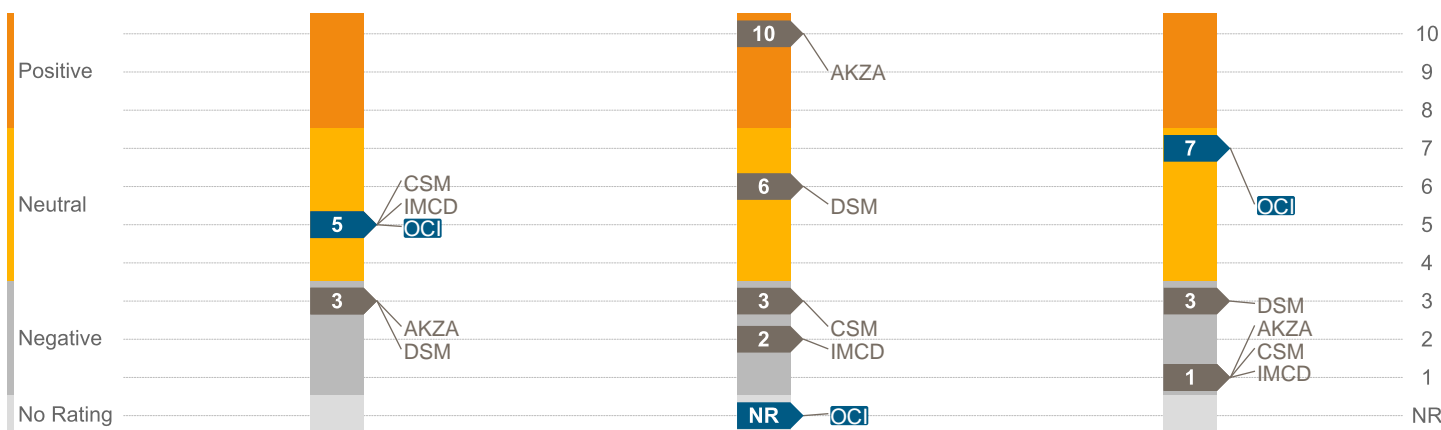
| Price to Sales		Trailing PE		Forward PE	
Price to Sales	1.9	Trailing PE	--	Forward PE	13.7
5-Yr Average	1.9	5-Yr Average	18.7	5-Yr Average	24.9
Rel. to 5-Yr Avg.	0.4% Discount	Rel. to 5-Yr Avg.	--	Rel. to 5-Yr Avg.	45% Discount
AEX Index	1.0	AEX Index	13.8	AEX Index	15.7
Rel. to AEX	94% Premium	Rel. to AEX	--	Rel. to AEX	13% Discount

HIGHLIGHTS

- OCI currently has a Relative Valuation Rating of 6 which is significantly above the AMSTERDAM EXCHANGE index average rating of 4.5.

- OCI's Price to Sales ratio of 1.9 represents a 0.4% Discount to its 5-year average of 1.9.

- OCI's 13.7 Forward P/E is currently at the low end of its 5-year range (lowest 8.1 to highest 100.0).

PRICE TO SALES

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

Price to Sales: 1.9
5-Year Average: 1.9
AEX Index Average: 1.0
Chemicals Group Average: 1.9
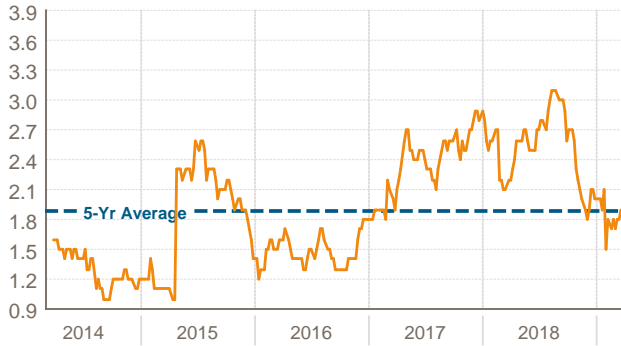
TRAILING PE

The most recent week's close price divided by the sum of the four most recently reported quarterly earnings.
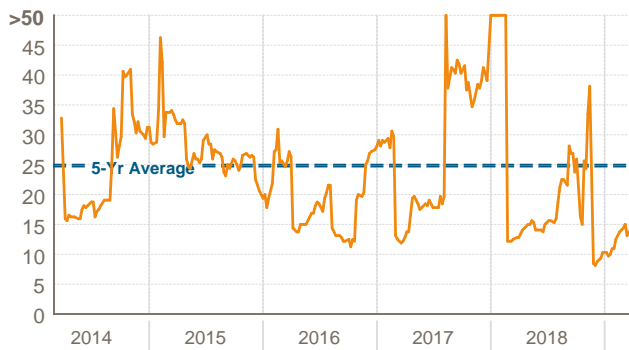
Trailing PE: --
5-Year Average: 18.7
AEX Index Average: 13.8
Chemicals Group Average: 6.6

FORWARD PE

The most recent week's close price divided by the sum of the four upcoming quarterly consensus estimates.
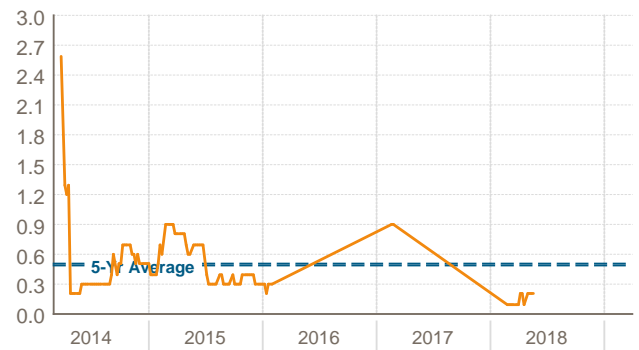
Forward PE: 13.7
5-Year Average: 24.9
AEX Index Average: 15.7
Chemicals Group Average: 21.1

FORWARD PEG

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

Forward PEG: --
5-Year Average: 0.5
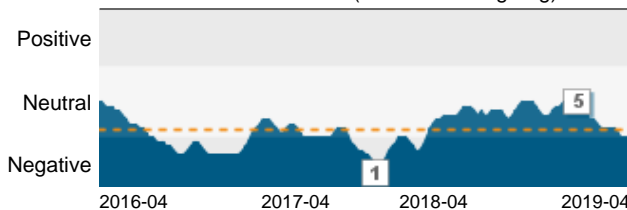AEX Index Average: 1.6
Chemicals Group Average: 1.2

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RISK

RISK
3

NEGATIVE OUTLOOK: Variable return patterns (high volatility).

Risk Score Averages

Chemicals Group:	**8.0**	Mid/Small Market Cap:	**5.0**
Chemicals Sector:	**8.0**	AEX Index:	**7.1**

Risk Score Trend (4-Week Moving Avg)

Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AKZA	9	9	8	9	**9**	
CSM	7	8	9	9	**9**	
IMCD	9	8	9	9	**9**	
DSM	8	8	7	7	**8**	
OCI	**4**	**4**	**3**	**3**	**3**	

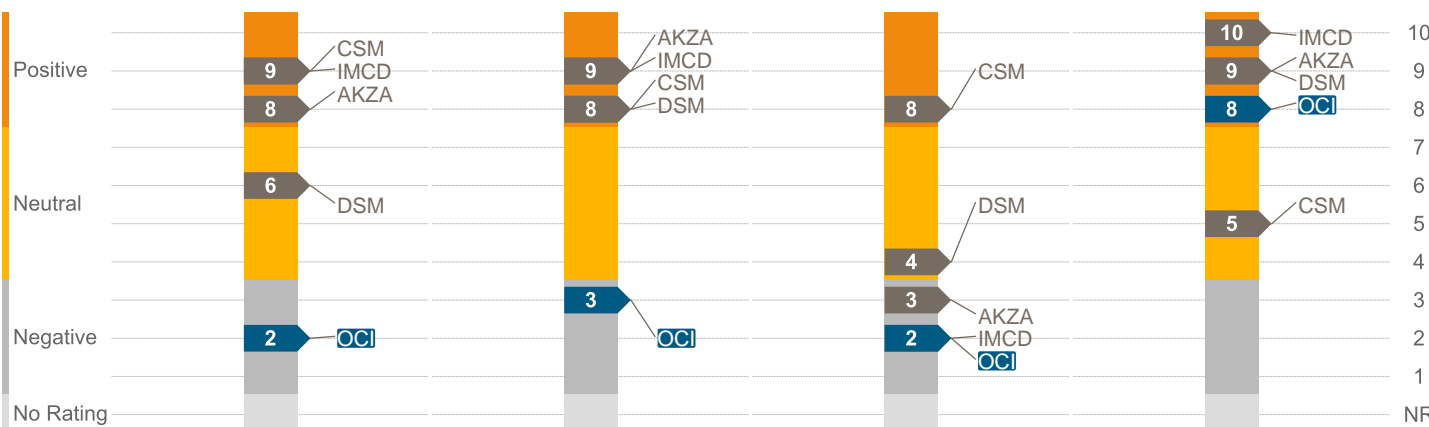## RISK INDICATORS

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

Daily Returns (Last 90 Days)

Best	14.4%
Worst	-4.3%

Monthly Returns (Last 60 Months)

Best	28.0%
Worst	-26.4%

Standard Deviation

Last 90 Days	2.50
Last 60 Months	11.72

Intra-Day Swing (Last 90 Days)

Average	3.0%
Largest	15.4%

Beta vs. AEX 1.30

Positive Days Only	1.18
Negative Days Only	1.32

Beta vs. Group 1.66

Positive Days Only	1.81
Negative Days Only	1.38

Correlation vs. AEX

Last 90 Days	34%
Last 60 Months	51%

Correlation vs. Group

Last 90 Days	66%
Last 60 Months	63%

HIGHLIGHTS

- OCI currently has a Risk Rating of 3, which is significantly below the AMSTERDAM EXCHANGE index average rating of 7.1.

- On days when the market is up, OCI shares tends to outperform the AMSTERDAM EXCHANGE index. However, on days when the market is down, the shares generally decrease by more than the index.

- In the short term, OCI has shown average correlation (>= 0.2 and < 0.4) with the AMSTERDAM EXCHANGE index. The stock has, however, shown high correlation (>= 0.4) with the market in the long term.

- Over the last 90 days, OCI shares have been more volatile than the overall market, as the stock's daily price fluctuations have exceeded that of 96% of AMSTERDAM EXCHANGE index firms.

RISK ANALYSIS

	Last 90 Days					Last 60 Months	
Peers	Best Daily Return	Worst Daily Return	# Days Up	# Days Down	Largest Intra-Day Swing	Best Monthly Return	Worst Monthly Return
OCI	14.4%	-4.3%	42	21	15.4%	28.0%	-26.4%
AKZA	3.4%	-3.0%	31	32	4.6%	22.8%	-8.2%
CSM	3.4%	-1.9%	31	30	4.8%	16.8%	-14.7%
DSM	8.9%	-2.9%	40	22	6.0%	17.9%	-15.2%
IMCD	2.4%	-2.5%	39	19	6.6%	18.9%	-10.6%
AEX	**1.5%**	**-1.2%**	**43**	**20**	**1.7%**	**9.7%**	**-10.1%**

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PRICE MOMENTUM

PRICE MOMENTUM 7

Currency in EUR

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

Price Momentum Score Averages

Chemicals Group:	**7.2**	Mid/Small Market Cap:	**5.4**
Chemicals Sector:	**7.2**	AEX Index:	**5.8**

Price Momentum Score Trend (4-Week Moving Avg)
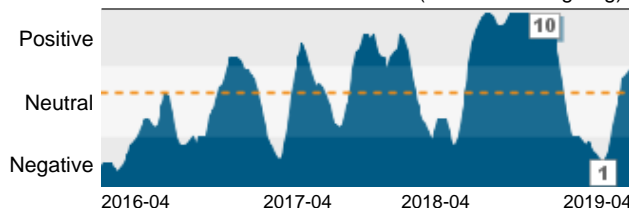
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
DSM	4	9	10	10	**10**	
IMCD	9	9	8	10	**10**	
OCI	**10**	**4**	**7**	**6**	**7**	
CSM	7	6	7	7	**6**	
AKZA	6	9	6	4	**3**	

PRICE MOMENTUM INDICATORS

Relative Strength
(70% weight)

Seasonality
(30% weight)

Relative Strength Indicator (Scale from 1 to 100)

	OCI	Industry Avg
Last 1 Month	71	71
Last 3 Months	59	59
Last 6 Months	55	55

Average Monthly Return (Last 10 Years)

	APR	MAY	JUN
Company Avg	-4.6%	0.6%	-4.9%
Industry Avg	--	--	--
Industry Rank	--	--	--

PRICE PERFORMANCE

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

■ OCI
■ AMX Mid

1-Week	5%
	2.1%
1-Month	12%
	6.4%
3-Month	36.1%
	17.2%
YTD	48.5%
	25.5%
1-Year	39.9%
	2%
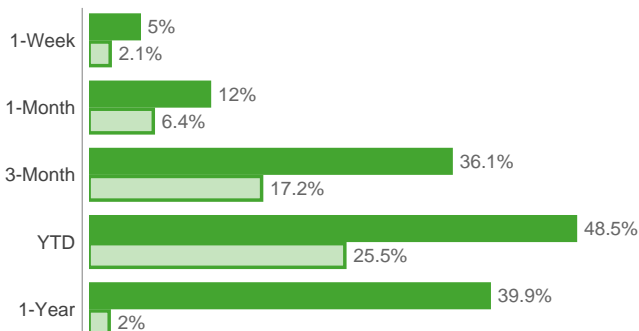
	OCI	AMX Mid
Close Price (2019-04-17)	26.44	825
52-Week High	29.60	825
52-Week Low	16.81	629

- On 2019-04-17, OCI closed at 26.44, 10.7% below its 52-week high and 57.3% above its 52-week low.

- OCI shares are currently trading 16.0% above their 50-day moving average of 22.80, and 12.9% above their 200-day moving average of 23.42.

- The AMSTERDAM MID CAP index is currently trading at its 52-week high of 825.

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DETAILED STOCK REPORT TIPS

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

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

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

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

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

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

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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 Thomson Reuters I/B/E/S (Institutional Brokers Estimate System). The recommendations are presented on a five-point standardized scale: strong buy, buy, hold, reduce, and sell.

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

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

Profitability is comprised of four data elements.
- Revenue Growth: (Net Sales – Previous Net Sales) / Previous Net Sales
- Gross Margin: Gross Profit / Net Sales
- Return on Equity: Net Income / Total Equity
- Net Margin: Net Profit / Net Sales

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

Earnings Quality is comprised of four data elements.
- Operating Cash Yield: (Operating Cash Flow – Net Income) / Net Income
- Accruals: (Net Income – Operating Cash Flow – Investing Cash Flow) / Average Net Operating Assets
- Days Sales in Inventory: 365 / (Cost of Goods Sold / Inventory)
- Days Sales in Receivables: 365 / (Net Sales / Receivables)

Dividend is comprised of four data elements. The company must have a current dividend yield.
- Dividend Growth Rate: (Dividends per Share – Previous Dividends per Share) / Previous Dividends per Share
- Dividend Payout: Dividends per Share / Earnings per Share
- Dividend Coverage: Funds from Operations / Cash Dividends
- Dividend Yield: Annual Dividends per Share / Current Market Price per Share

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

Relative Valuation
The Relative Valuation Rating is based on a combination of three component factors: Price to Sales (50% weight), Trailing P/E (25% weight), and Forward P/E (25% weight). After the weightings are considered to combine individual factors, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors in order to receive a score.

Price to Sales: Close Price / (Sales for 4 Quarters or 1 Year / Shares Outstanding)
Trailing P/E: Close Price / Most Recent 4 Quarters or 1 Year of Earnings
Forward P/E: Close Price / Upcoming 4 Quarters or 1 Year of Earnings

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Valuation Averages

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

Valuation Multiples

The valuation multiples provide the Trailing P/E, Forward P/E, Forward PEG, and Price to Sales for the company and the S&P 500 index average. In addition, a comparison of the current company's values to its 5-year average and an industry average are presented. A discount occurs when the company's ratio is valued more favorably (lower) than that to which it is compared.

Risk

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

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

Risk Analysis

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

Price Momentum

The Price Momentum Rating is based on a combination of two technical performance factors: relative strength (70% weight) and seasonality (30% weight). After the weightings are considered to combine individual factors, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have data for the relative strength factor in order to receive a score.

Relative Strength – The relative strength of the company for the last 1 month, 3 months, and 6 months on a scale of 1 to 100.
Seasonality – The average monthly return (price performance) for the current month and next 2 months for the company and industry, over the past 10 years. A lower industry rank indicates a higher return.

Price Performance

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

DISCLAIMER

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