

Last Close <b>1.20 (MYR)</b>	Avg Daily Vol <b>46,970</b>	52-Week High <b>1.25</b>	Trailing PE <b>13.0</b>	Annual Div <b>0.07</b>	ROE <b>7.5%</b>	LTG Forecast <b>--</b>	1-Mo Return <b>2.6%</b>
10 August 2018 MALAYSIA Exchange	Market Cap <b>367M</b>	52-Week Low <b>1.14</b>	Forward PE <b>12.0</b>	Dividend Yield <b>5.6%</b>	Annual Rev <b>104M</b>	Inst Own <b>3.2%</b>	3-Mo Return <b>1.7%</b>

### AVERAGE SCORE

AVERAGE SCORE

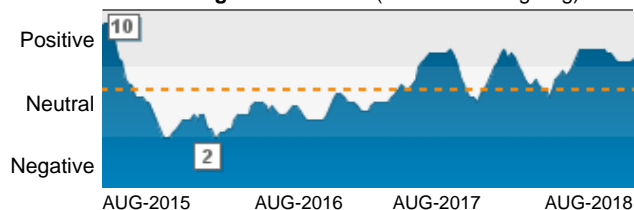
**8**

**POSITIVE OUTLOOK:** ELKDESA's current score of 8 places it among the top quartile of stocks scored.

#### Score Averages

Banking Services Group:	<b>6.9</b>	Small Market Cap:	<b>5.2</b>
Banking & Investment Svcs. Sector:	<b>6.5</b>	FBM KLCI Index:	<b>6.9</b>

Average Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AEONCR	9	10	10	9	9	
RCECAP	8	6	10	9	9	
<b>ELKDESA</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>8</b>	
AMBANK	6	4	8	7	6	
MBSB	6	7	9	5	4	

### HIGHLIGHTS

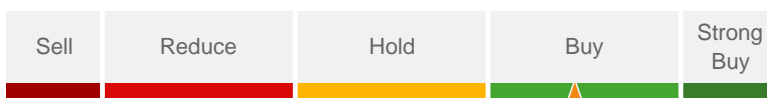
- During the past six months, the score category for ELK-Desa Resources improved from Neutral to Positive.
- The recent change in Average Score was due to relative changes in other companies within the market as a comparison, even though the underlying component scores did not improve for this company.

### THOMSON REUTERS I/B/E/S MEAN

**Buy**

1 Analyst

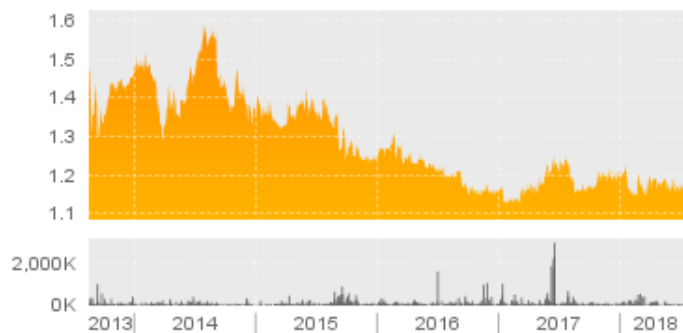
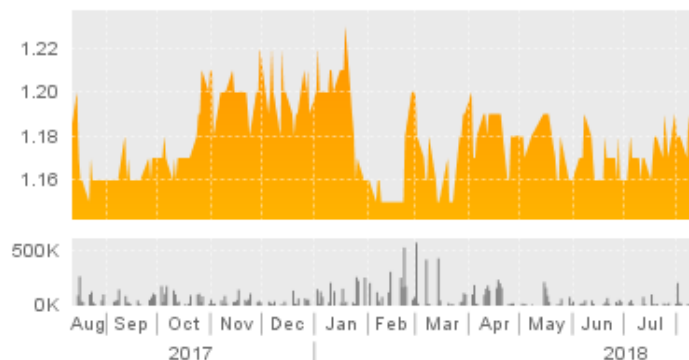
Mean recommendation from all analysts covering the company on a standardized 5-point scale.



### PRICE AND VOLUME CHARTS

1-Year Return: 0.8%

5-Year Return: -20.5%



### BUSINESS SUMMARY

ELK-Desa Resources Berhad is an investment holding company. The Company, through its subsidiary, ELK-Desa Capital Sdn Bhd is primarily involved in the business of hire purchase financing for used motor vehicles. The Company is also involved in selling general insurance policies as an insurance agent through ELK-Desa Risk Agency Sdn Bhd. The Company's segments include Hire purchase financing, which is engaged in hire-purchase financing and other integrated services (insurance agent), and Furniture, which is engaged in trading of furniture. The Company operates its furniture business under its subsidiary, ELKDesa Furniture Sdn Bhd, with its house brand name ELK-DeSA. The Company has approximately four furniture retail showrooms located in Klang and Shah Alam. The Company also exports its furniture to other countries.

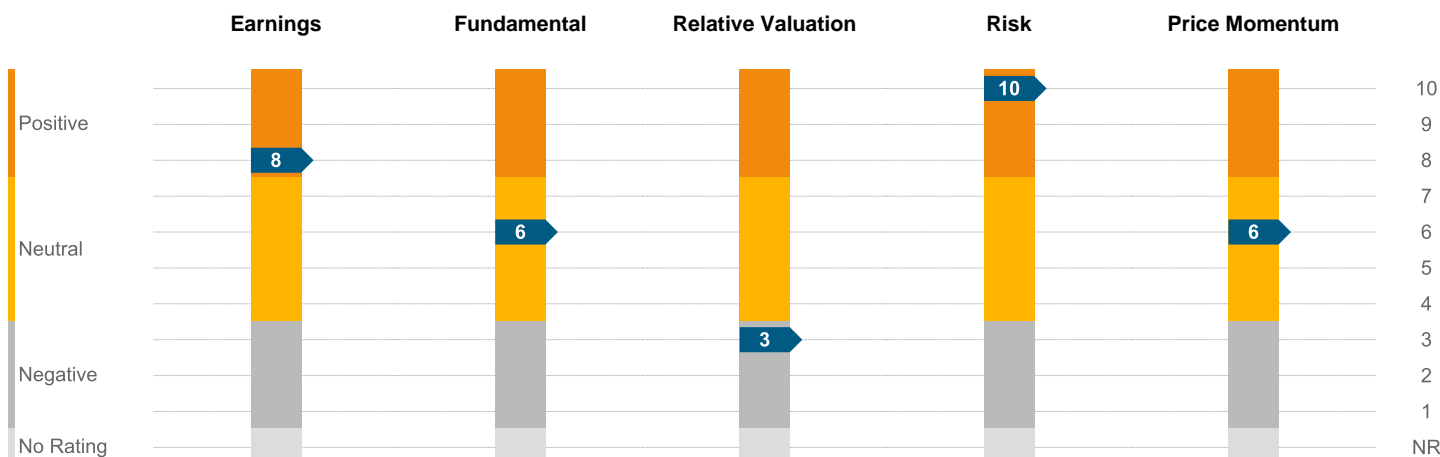


INDICATOR COMPONENTS

AVERAGE SCORE

8

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 MYR

Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (10/08/18)	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	MAYBANK	9.89	8.2%	-7.6%	1.1%	108.2B	13.6	13.2	5.6%	22.9%	8.9%	Buy	22
6	PBBANK	24.40	8.3%	2.2%	18.4%	94.7B	16.7	16.0	2.5%	28.6%	7.2%	Buy	23
8	CIMB	5.93	10.8%	-14.1%	-12.5%	55.5B	11.7	9.4	4.2%	17.0%	11.6%	Buy	24
7	HLBANK	19.24	5.3%	3.3%	22.7%	41.7B	15.8	15.6	2.4%	30.6%	13.0%	Hold	18
7	RHBBANK	5.48	2.8%	4.0%	13.5%	22.0B	10.8	10.1	2.7%	19.0%	13.9%	Buy	18
5	HLFG	18.20	2.0%	-4.1%	8.1%	20.9B	12.2	11.4	2.2%	19.4%	--	Buy	6
6	AMBANK	4.01	4.7%	7.8%	-17.0%	12.1B	10.7	9.3	3.7%	15.0%	--	Hold	18
4	MBSB	1.08	-3.6%	-5.3%	-11.5%	6.9B	10.3	10.5	4.6%	41.4%	--	Buy	3
9	AEONCR	15.04	3.2%	17.7%	17.5%	3.8B	11.5	11.7	2.7%	24.6%	--	Buy	5
9	RCECAP	1.66	6.4%	31.7%	-0.6%	591M	6.4	6.3	4.2%	36.1%	--	Strong Buy	2
8	ELKDESA	1.20	2.6%	1.7%	0.8%	367M	13.0	12.0	5.6%	24.9%	--	Buy	1
6.9	Average	9.65	4.6%	3.4%	3.7%	33.3B	12.1	11.4	3.7%	25.4%	10.9%	Buy	12.7

PEER COMPANIES

MAYBANK	Malayan Banking	HLFG	Hong Leong Financial Group
PBBANK	Public Bank	AMBANK	AMMB Holdings
CIMB	CIMB Group Holdings	MBSB	Malaysia Building Society
HLBANK	Hong Leong Bank	AEONCR	AEON Credit Service (M)
RHBBANK	RHB Bank	RCECAP	RCE Capital



**EARNINGS**

**EARNINGS**

**8**

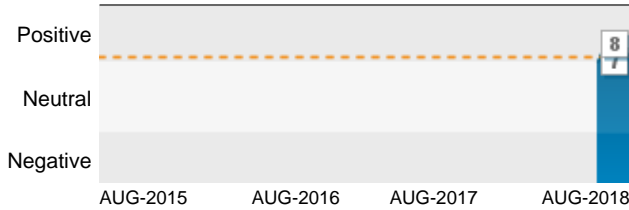
Currency in MYR

**POSITIVE OUTLOOK:** Strong earnings with recent analyst upgrades or a history of surpassing consensus estimates.

**Earnings Score Averages**

Banking Services Group:	<b>6.3</b>	Small Market Cap:	<b>5.1</b>
Banking & Investment Svcs. Sector:	<b>6.3</b>	FBM KLCI Index:	<b>5.9</b>

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



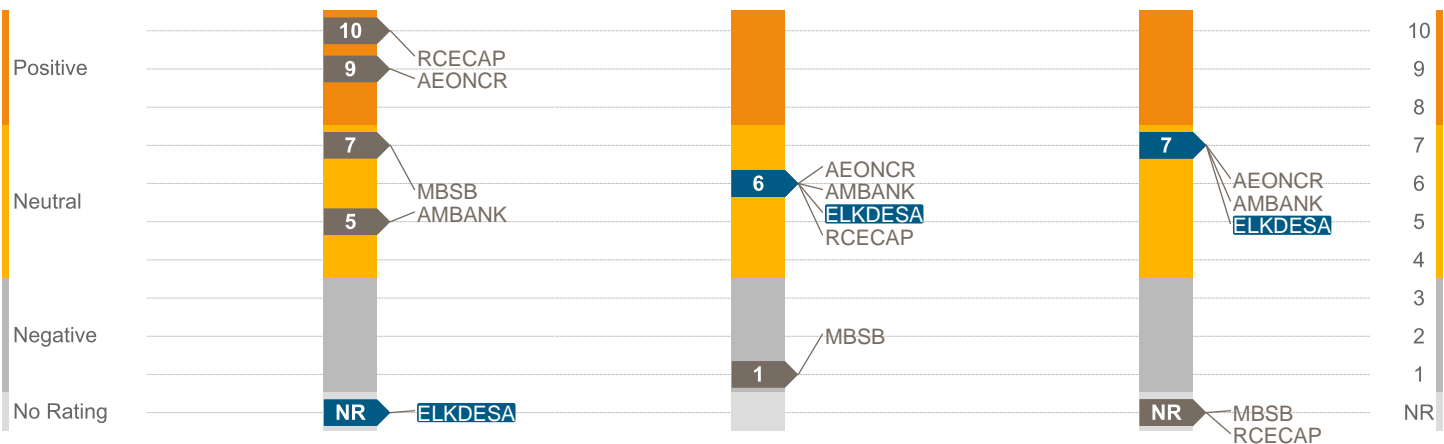
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
RCECAP	NR	NR	10	10	<b>10</b>	
AEONCR	7	9	10	9	<b>9</b>	
<b>ELKDESA</b>	<b>NR</b>	<b>NR</b>	<b>7</b>	<b>8</b>	<b>8</b>	
AMBANK	3	5	9	7	<b>7</b>	
MBSB	4	8	8	3	<b>3</b>	

**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%)	0
# In-Line Surprises (within 2%)	0
Avg Surprise	--

**Last 4 Weeks**

# Up Revisions	0
# Down Revisions	0
Avg Up Revisions	0.0%
Avg Down Revisions	0.0%

**Last 120 Days**

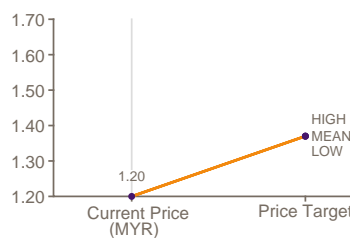
# Broker Upgrades	1
# Broker Downgrades	0

**HIGHLIGHTS**

- ELK-Desa Resources currently has an Earnings Rating of 8. The average Earnings Rating for its Consumer Lending industry is 7.5 and the FTSE BURSA MALAYSIA COMPOSITE index average is 6.0.
- Over the past 90 days, the consensus price target for ELKDESA has increased notably from 1.18 to 1.37, a gain of 16.1%.

**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**

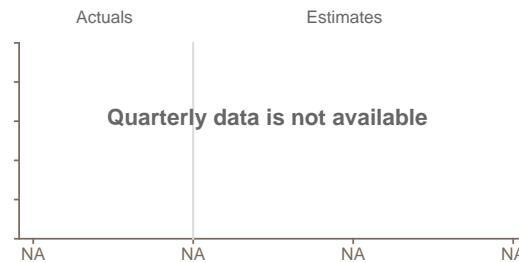
Mean (MYR)	1.37
High	1.37
Low	1.37
Target vs. Current	14.2%
# of Analysts	1



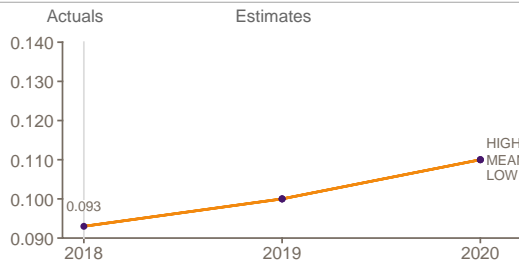
**EARNINGS PER SHARE**

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	NA	NA
Mean	--	--
High	--	--
Low	--	--
# of Analysts	--	--



Annual	2019	2020
Mean	0.100	0.110
High	0.100	0.110
Low	0.100	0.110
# of Analysts	1	1

**MEAN ESTIMATE TREND**

	Q	Q	Y	Y	Price
	--	--	2019	2020	Target
Current	--	--	0.100	0.110	1.37
30 Days Ago	--	--	0.100	0.110	1.37
90 Days Ago	--	--	0.100	0.108	1.18
% Change (90 Days)	--	--	0.0%	1.9%	16.1%

Current Fiscal Year End: 03-19  
Next Expected Report Date: --

**ANALYST RECOMMENDATIONS**

Thomson Reuters I/B/E/S Mean: **Buy** (1 Analyst)

Strong Buy	0
Buy	1
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 Detail (Last 6 Periods)**

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
---------------	---------------	-----------------	------------	----------	--------------

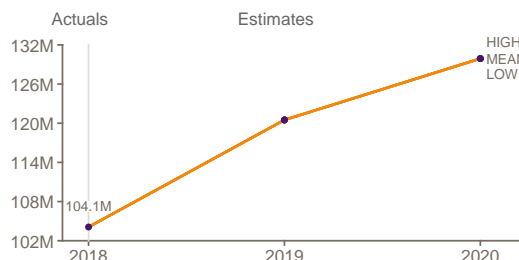
There are no earnings surprises during this time period.

**Surprise Summary (Last 12 Quarters)**

Surprise Type	Amount	Percent
Positive Quarters (> 2%)	0	--
Negative Quarters (< -2%)	0	--
In-Line Quarters (within 2%)	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	120.5M	129.9M
High	120.5M	129.9M
Low	120.5M	129.9M
Forecasted Growth	15.8%	24.8%
# of Analysts	1	1



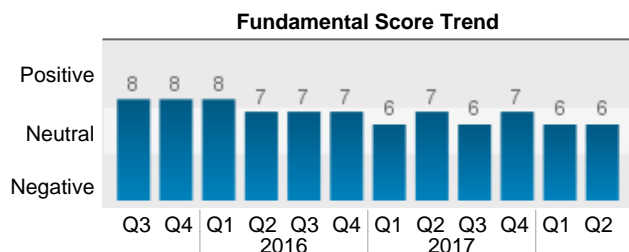
**FUNDAMENTAL**



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

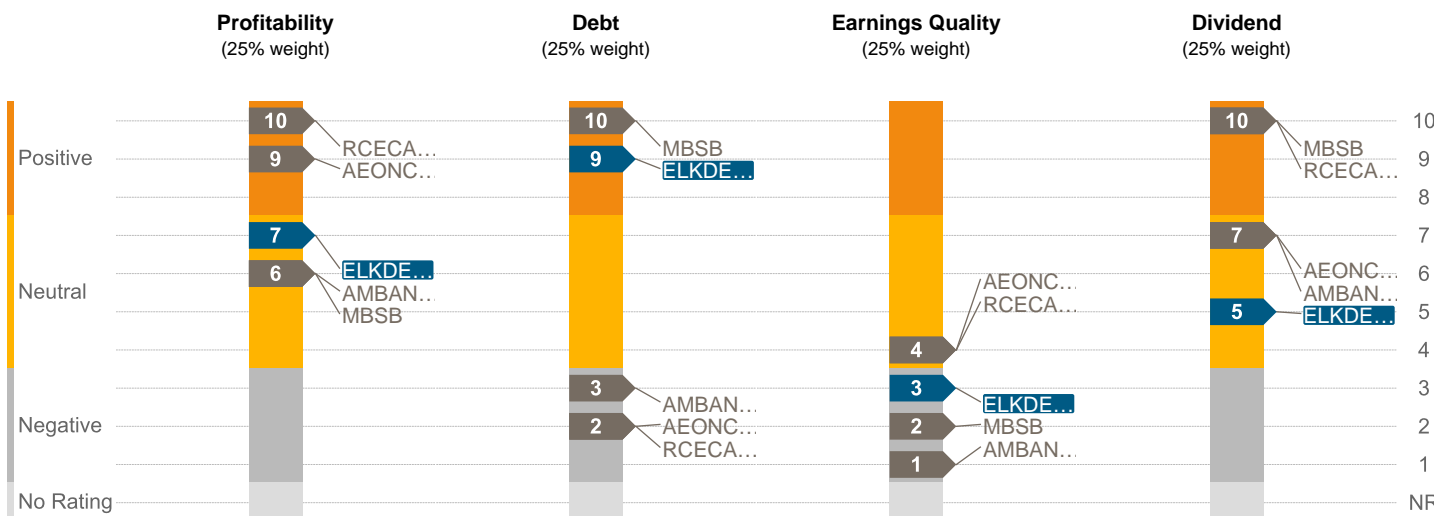
**Fundamental Score Averages**

Banking Services Group:	<b>6.9</b>	Small Market Cap:	<b>5.2</b>
Banking & Investment Svcs. Sector:	<b>6.5</b>	FBM KLCI Index:	<b>6.7</b>



Peers	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Current	3Y Trend
MBSB	7	7	10	10	<b>8</b>	[Trend]
RCECAP	4	4	5	4	<b>8</b>	[Trend]
AEONCR	4	5	4	4	<b>6</b>	[Trend]
<b>ELKDESA</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	[Trend]
AMBANK	1	2	3	3	<b>3</b>	[Trend]

**FUNDAMENTAL INDICATORS**



<b>Revenue Growth</b>	10.2%	<b>Current Ratio</b>	4.2	<b>Oper. Cash Yield</b>	-205.7%	<b>Dividend Growth</b>	0.4%
For year over year ending 03-2018		For interim period ending 03-2018		For latest 12 months ending 03-2018		For year over year ending 03-2018	
<b>Gross Margin</b>	80.7%	<b>Debt-to-Capital</b>	7.4%	<b>Accruals</b>	14.5%	<b>Dividend Payout</b>	68.1%
For latest 12 months ending 03-2018		For annual period ending 03-2018		For latest 12 months ending 03-2018		For latest 12 months ending 03-2018	
<b>Return On Equity</b>	7.5%	<b>Interest Funding</b>	4.9%	<b>Days Sales In Inv.</b>	142.5	<b>Dividend Coverage</b>	2.8
For interim period ending 03-2018		For interim period ending 03-2018		For annual period ending 03-2018		For annual period ending 03-2018	
<b>Net Margin</b>	24.9%	<b>Interest Coverage</b>	17.3	<b>Days Sales In Rec.</b>	390.5	<b>Current Div. Yield</b>	5.6%
For latest 12 months ending 03-2018		For interim period ending 03-2018		For annual period ending 03-2018		For latest 12 months ending 08-2018	

**HIGHLIGHTS**

- ELK-Desa Resources currently has a relatively neutral Fundamental Rating of 6. The average Fundamental Rating for its Banking Services industry group is 6.9 and the FTSE BURSA MALAYSIA COMPOSITE index average is 6.7.
- The company's net margin has been higher than its industry group average for each of the past five years.
- The company's debt-to-capital has been lower than its industry group average for each of the past five years.
- The operating cash yield for the company is at its five-year high.
- Of the 14 firms within the Banking Services industry group, ELK-Desa Resources is among 14 companies that pay a dividend. The stock's dividend yield is currently 5.6%.



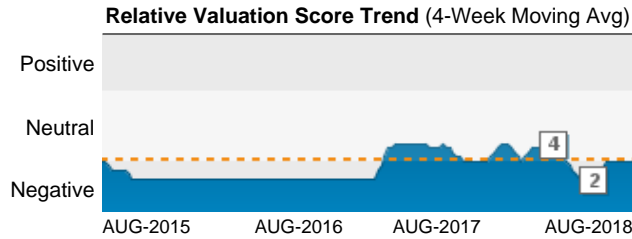
**RELATIVE VALUATION**

**RELATIVE VALUATION**  
**3**

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

**Relative Valuation Score Averages**

Banking Services Group:	<b>4.1</b>	Small Market Cap:	<b>5.8</b>
Banking & Investment Svcs. Sector:	<b>4.3</b>	FBM KLCI Index:	<b>2.6</b>



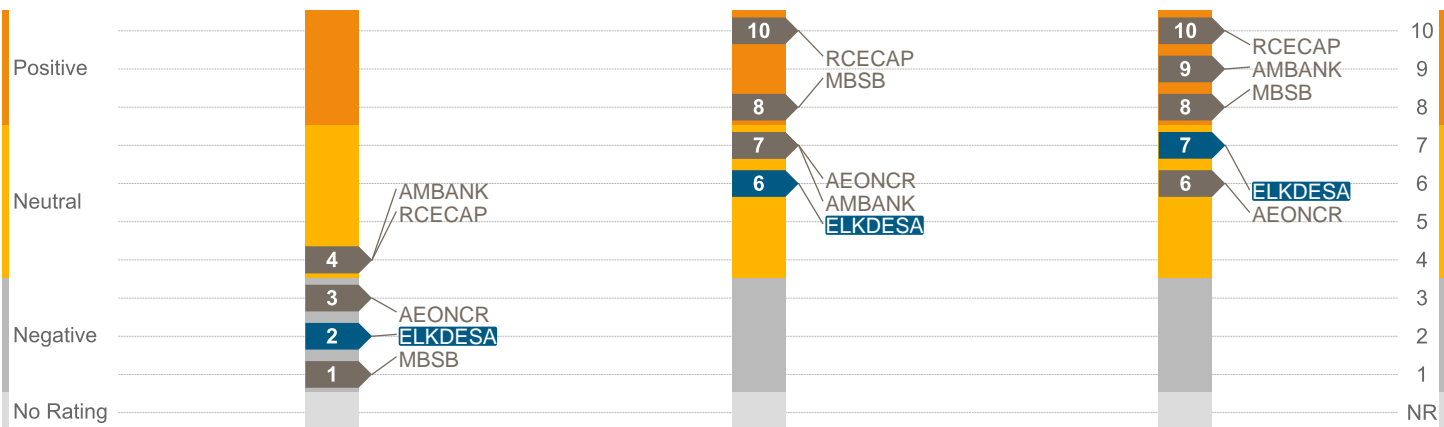
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
RCECAP	9	9	8	8	<b>8</b>	
AMBANK	5	6	6	6	<b>6</b>	
AEONCR	6	5	4	4	<b>4</b>	
MBSB	2	1	4	4	<b>4</b>	
<b>ELKDESA</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	

**RELATIVE VALUATION INDICATORS**

**Price to Sales**  
(50% weight)

**Trailing PE**  
(25% weight)

**Forward PE**  
(25% weight)



Metric	ELKDESA	5-Yr Average	Rel. to 5-Yr Avg.	Metric	ELKDESA	5-Yr Average	Rel. to 5-Yr Avg.	Metric	ELKDESA	5-Yr Average	Rel. to 5-Yr Avg.
Price to Sales	4.1	3.8	8% Premium	Trailing PE	13.0	13.1	0.8% Discount	Forward PE	12.0	--	--
5-Yr Average	3.8			5-Yr Average	13.1			5-Yr Average	--		
Rel. to 5-Yr Avg.	8% Premium			Rel. to 5-Yr Avg.	0.8% Discount			Rel. to 5-Yr Avg.	--		
FBM KLCI Index	3.1			FBM KLCI Index	17.3			FBM KLCI Index	18.1		
Rel. to FBM KLCI	33% Premium			Rel. to FBM KLCI	25% Discount			Rel. to FBM KLCI	34% Discount		

**HIGHLIGHTS**

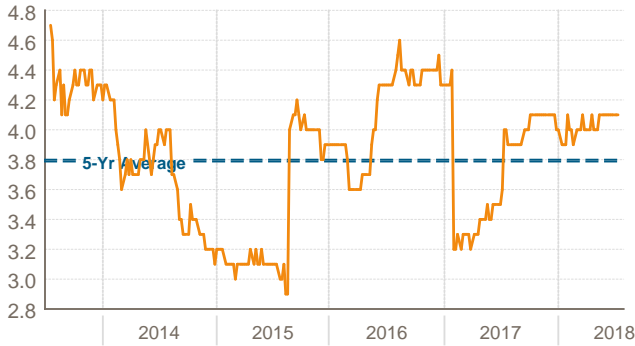
- ELK-Desa Resources currently has a Relative Valuation Rating of 3 while the FTSE BURSA MALAYSIA COMPOSITE index has an average rating of 2.6.
- ELKDESA's Price to Sales ratio of 4.1 represents a 8% Premium to its 5-year average of 3.8.
- ELKDESA's Trailing P/E of 13.0 represents a 0.8% Discount to its 5-year average of 13.1.
- At 12.0, ELKDESA's current Forward P/E is at a 34% Discount to the FTSE BURSA MALAYSIA COMPOSITE index average of 18.1.



**PRICE TO SALES**

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

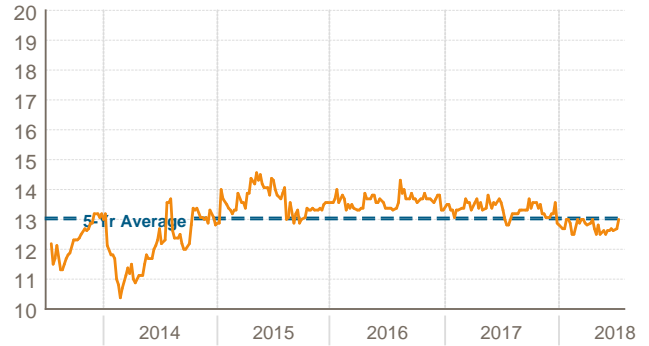
Price to Sales: 4.1  
 5-Year Average: 3.8  
 FBM KLCI Index Average: 3.1  
 Banking Services Group Average: 4.6



**TRAILING PE**

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

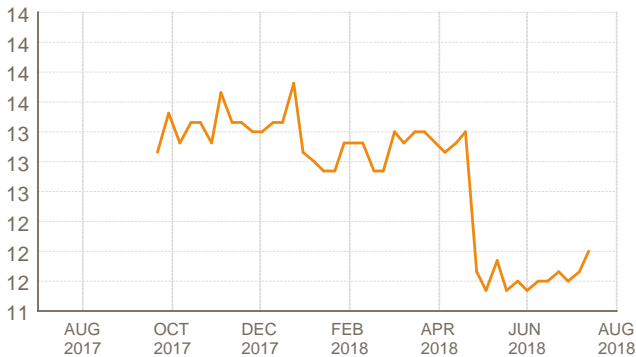
Trailing PE: 13.0  
 5-Year Average: 13.1  
 FBM KLCI Index Average: 17.3  
 Banking Services Group Average: 13.4



**FORWARD PE**

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

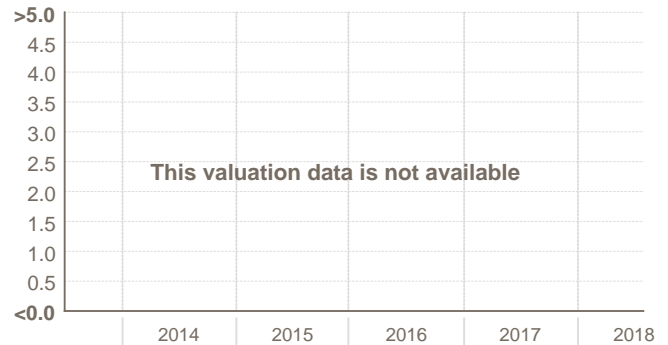
Forward PE: 12.0  
 5-Year Average: --  
 FBM KLCI Index Average: 18.1  
 Banking Services Group Average: 12.5



**FORWARD PEG**

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

Forward PEG: --  
 5-Year Average: --  
 FBM KLCI Index Average: 2.0  
 Banking Services Group Average: 1.0



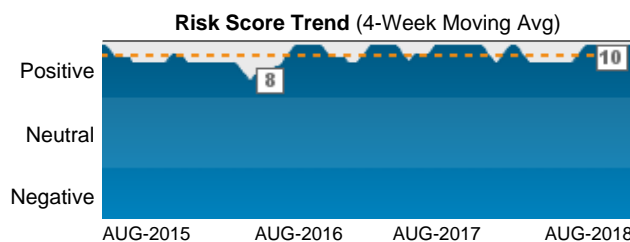
**RISK**

**RISK**  
**10**

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

**Risk Score Averages**

Banking Services Group:	<b>8.9</b>	Small Market Cap:	<b>5.0</b>
Banking & Investment Svcs. Sector:	<b>7.9</b>	FBM KLCI Index:	<b>9.0</b>



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AEONCR	10	10	10	10	<b>10</b>	
<b>ELKDESA</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	
AMBANK	9	8	9	9	<b>9</b>	
MBSB	5	6	7	7	<b>7</b>	
RCECAP	8	5	3	3	<b>3</b>	

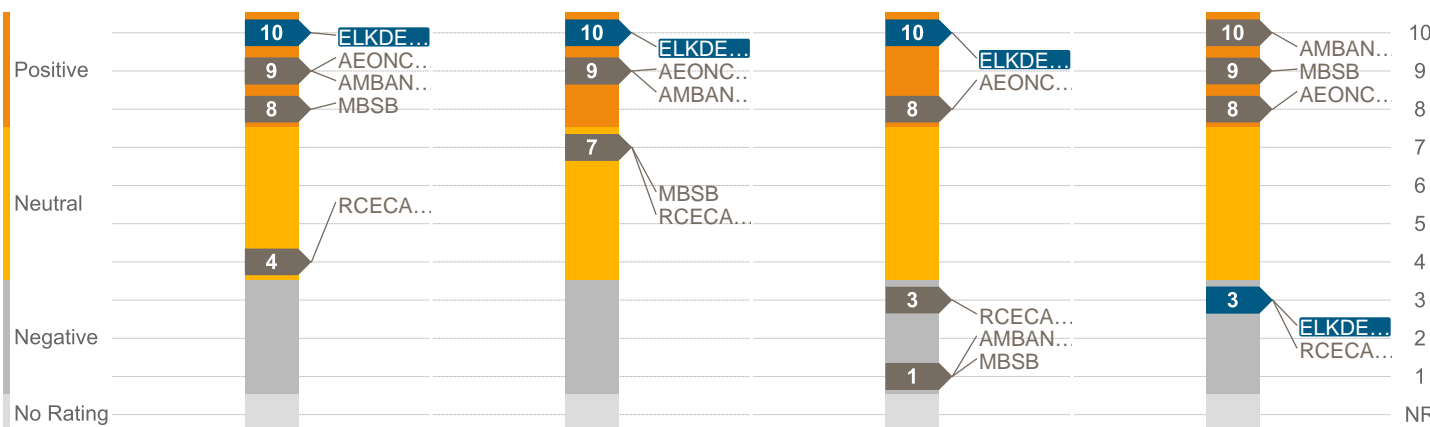
**RISK INDICATORS**

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

**Volatility**  
(25% weight)

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

**Correlation**  
(25% weight)



Daily Returns (Last 90 Days)		Standard Deviation		Beta vs. FBM KLCI		Correlation vs. FBM KLCI	
Best	1.7%	Last 90 Days	0.94	Positive Days Only	-0.35	Last 90 Days	20%
Worst	-2.5%	Last 60 Months	4.21	Negative Days Only	0.47	Last 60 Months	10%
Monthly Returns (Last 60 Months)		Intra-Day Swing (Last 90 Days)		Beta vs. Group		Correlation vs. Group	
Best	14.2%	Average	0.9%	Positive Days Only	-0.07	Last 90 Days	41%
Worst	-10.5%	Largest	3.4%	Negative Days Only	0.43	Last 60 Months	33%

**HIGHLIGHTS**

- ELK-Desa Resources currently has a Risk Rating of 10 while the FTSE BURSA MALAYSIA COMPOSITE index has an average rating of 9.
- On days when the market is up, ELKDESA shares typically decrease. Furthermore, on days when the market is down, the shares tend to decline less than the FTSE BURSA MALAYSIA COMPOSITE index.
- In the short term, ELKDESA has shown average correlation ( $\geq 0.2$  and  $< 0.4$ ) with the FTSE BURSA MALAYSIA COMPOSITE index. The stock has, however, shown low correlation ( $\geq -0.1$  and  $< 0.2$ ) with the market in the long term.
- Over the last 90 days, ELKDESA shares have been less volatile than the overall market, as the stock's daily price has fluctuated less than 97% of FTSE BURSA MALAYSIA COMPOSITE index firms.

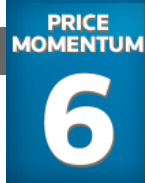
**RISK ANALYSIS**

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
ELKDESA	1.7%	-2.5%	16 / 19	3.4%	14.2%	-10.5%
AEONCR	6.8%	-4.2%	33 / 26	6.8%	17.5%	-15.0%
AMBANK	4.4%	-7.3%	34 / 23	8.1%	13.0%	-16.1%
MBSB	4.4%	-4.3%	19 / 24	10.1%	24.6%	-32.9%
RCECAP	11.1%	-6.9%	28 / 24	9.3%	36.9%	-32.6%
<b>FBM KLCI</b>	<b>1.6%</b>	<b>-3.2%</b>	<b>31 / 30</b>	<b>4.3%</b>	<b>4.7%</b>	<b>-6.9%</b>





**PRICE MOMENTUM**



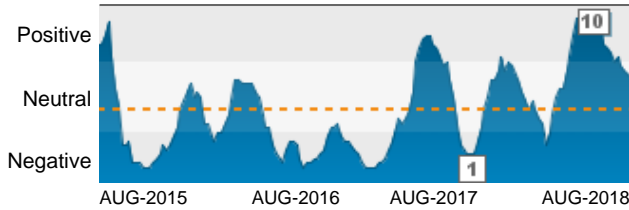
Currency in MYR

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

**Price Momentum Score Averages**

Banking Services Group:	<b>5.5</b>	Small Market Cap:	<b>5.3</b>
Banking & Investment Svcs. Sector:	<b>5.3</b>	FBM KLCI Index:	<b>7.2</b>

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

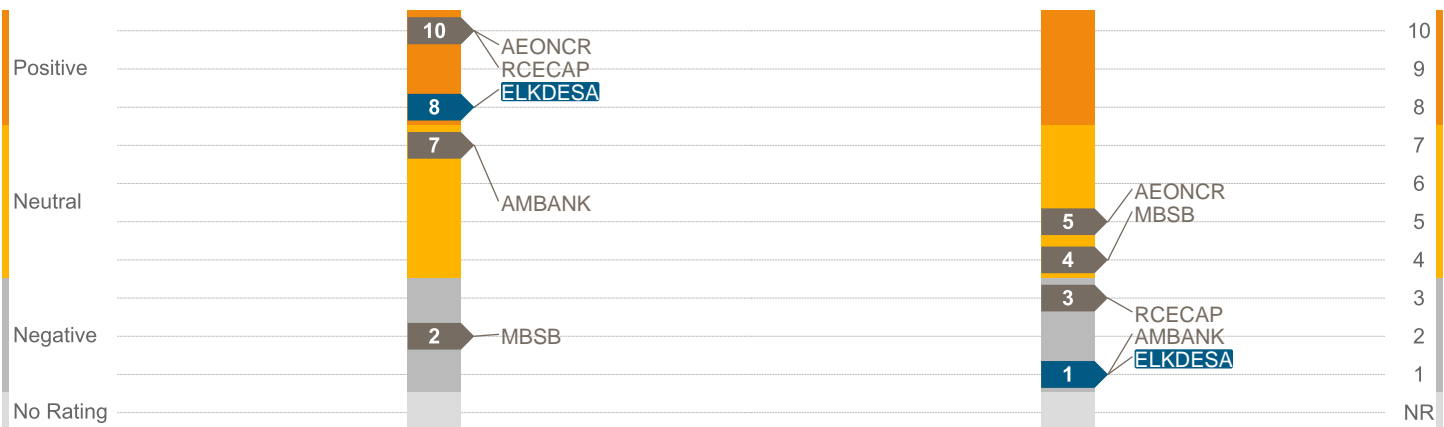


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AEONCR	8	10	10	9	<b>9</b>	
RCECAP	7	4	10	9	<b>8</b>	
<b>ELKDESA</b>	<b>3</b>	<b>10</b>	<b>7</b>	<b>6</b>	<b>6</b>	
AMBANK	8	2	7	6	<b>5</b>	
MBSB	10	8	7	4	<b>2</b>	

**PRICE MOMENTUM INDICATORS**

**Relative Strength**  
(70% weight)

**Seasonality**  
(30% weight)



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

	ELKDESA	Industry Avg
Last 1 Month	57	55
Last 3 Months	53	53
Last 6 Months	51	52

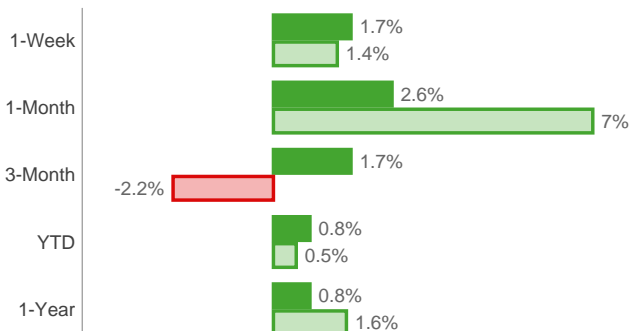
**Average Monthly Return** (Last 10 Years)

	AUG	SEP	OCT
Company Avg	<b>-3.3%</b>	<b>-4.6%</b>	<b>1.6%</b>
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.

■ ELKDESA  
■ FBM KLCI



	ELKDESA	FBM KLCI
Close Price (10/08/18)	1.20	1,806
52-Week High	1.25	1,895
52-Week Low	1.14	1,664

- On 10/08/18, ELKDESA closed at 1.20, 4.0% below its 52-week high and 5.3% above its 52-week low.
- ELKDESA shares are currently trading 2.3% above their 50-day moving average of 1.17, and 1.6% above their 200-day moving average of 1.18.
- The FTSE BURSA MALAYSIA COMPOSITE index is currently 4.7% below its 52-week high and 8.5% above its 52-week low.



## 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).

**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



**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**

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

Any forward-looking statements included in the Thomson Reuters 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 Thomson Reuters 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.

