

Last Close 11.60 (EUR)	Avg Daily Vol 634,657	52-Week High 15.75	Trailing PE --	Annual Div --	ROE -13.8%	LTG Forecast --	1-Mo Return -4.6%
2019 July 26 XETRA Exchange	Market Cap 1.1B	52-Week Low 7.11	Forward PE --	Dividend Yield --	Annual Rev 2.4B	Inst Own 19.2%	3-Mo Return -21.1%

AVERAGE SCORE

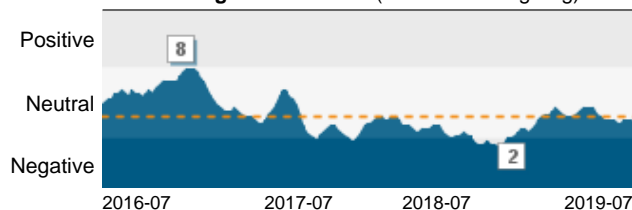
NEGATIVE OUTLOOK: NDX1's current score of 3 places it among the bottom quartile of stocks scored.

**AVERAGE
SCORE**
3

Score Averages

Machinery & Heavy Vehicles Group:	4.8	Small Market Cap:	5.3
Industrial Goods Sector:	5.1	DAX 30 Index:	6.8

Average Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
STM	8	7	9	9	10	
2GB	9	8	8	7	7	
PFV	4	7	5	5	6	
WAC	10	5	5	6	6	
NDX1	5	4	4	4	3	

HIGHLIGHTS

- During the past six months, the score category for Nordex dropped from Neutral to Negative.
- The recent change in the Average Score was primarily due to a decline in the Price Momentum component score.

THOMSON REUTERS I/B/E/S MEAN

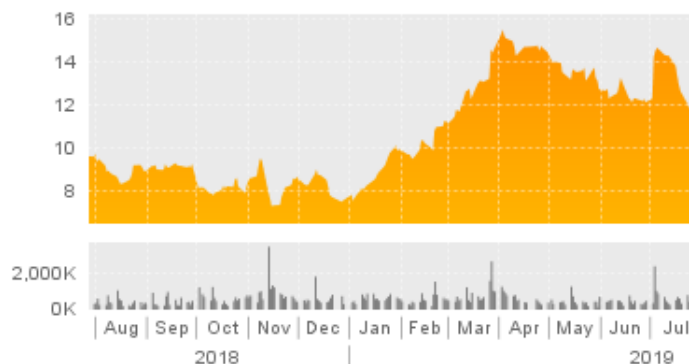
Hold

14 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: 20.2%
5-Year Return: -21.3%


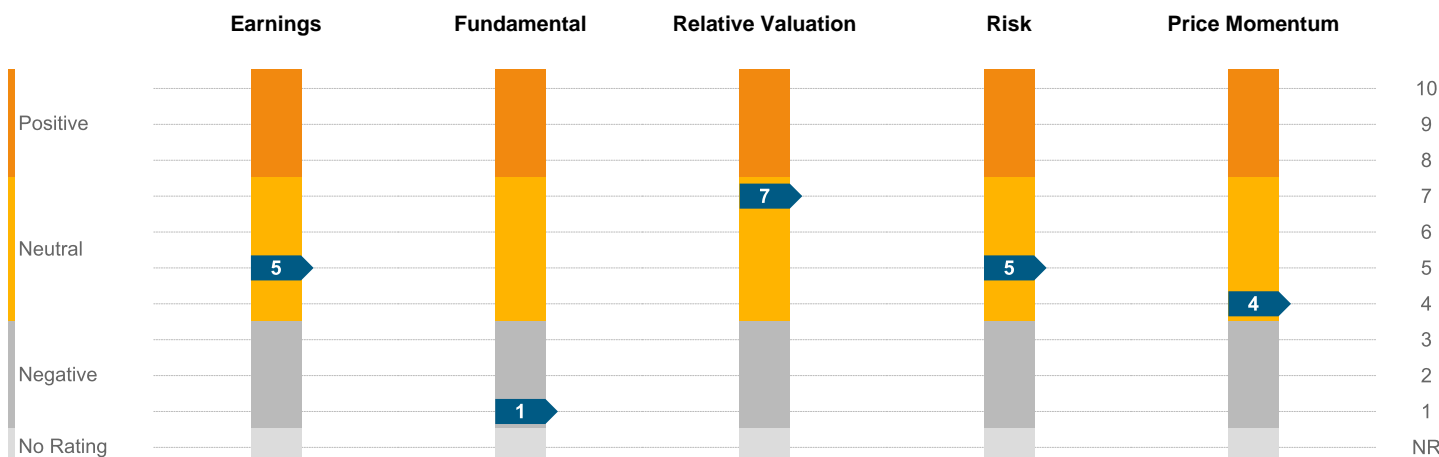
BUSINESS SUMMARY

Nordex SE is a Germany-based holding company that, along with its subsidiaries, develops, manufactures and distributes wind power systems, specializing in wind turbines, in Germany and other countries. Under the Nordex brand, the Company offers wind turbines Nordex N90/2500, N100/2500 and N117/2400. In addition to the development and production of wind power systems, the Company also provides preliminary project development services to support marketing, as well as acquires rights and creates the infrastructure required to construct wind power systems at suitable locations. The Company is active in project development in almost four markets: France, Poland, Sweden and America. The Company has offices and subsidiaries throughout the whole world and production facilities in Germany, China and the United States. The Company holds stake in other companies, including Beebe Wind LLC, Big Berry Wind Farm LLC, Flat Rock Wind LLC and Green Hills Wind LLC, among others.



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 be used to evaluate a stock.


PEER ANALYSIS

Currency in EUR

		PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS		
Average Score	Ticker	Price (2019-07-26)	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
3	KU2	43.10	-9.5%	-23.2%	-52.5%	1.7B	88.5	63.5	0.7%	0.6%	--	Buy	2
4	KRN	52.85	-24.0%	-39.4%	-49.4%	1.7B	15.5	14.6	3.2%	2.7%	7.9%	Hold	13
5	JEN	25.70	-7.9%	-28.6%	-24.4%	1.5B	17.9	18.5	1.4%	9.9%	9.0%	Hold	10
6	WAC	18.85	-13.0%	-24.0%	-15.6%	1.3B	8.8	10.6	5.8%	8.5%	15.7%	Buy	8
6	PFV	132.70	5.9%	-11.7%	-3.7%	1.3B	21.1	21.9	1.7%	9.6%	4.1%	Buy	7
3	NDX1	11.60	-4.6%	-21.1%	20.2%	1.1B	--	--	--	-4.2%	--	Hold	14
10	STM	43.66	13.8%	-13.3%	-37.5%	1.1B	11.2	11.2	2.3%	10.2%	2.9%	Hold	11
5	NOEJ	32.44	-5.1%	-20.7%	-38.6%	1.0B	12.0	7.9	3.4%	7.9%	4.3%	Buy	19
6	DEZ	6.48	-23.0%	-24.2%	-11.8%	783M	10.9	8.5	2.3%	4.0%	44.2%	Buy	11
8	ZAR	108.00	2.9%	12.5%	-1.8%	756M	17.3	--	2.0%	8.5%	--	--	--
7	2GB	40.60	-2.2%	17.0%	76.5%	180M	23.6	17.4	1.1%	3.6%	--	Hold	3
5.7	Average	46.91	-6.1%	-16.1%	-12.6%	1.1B	22.7	19.3	2.4%	5.6%	12.6%	Buy	9.8

PEER COMPANIES

KU2	Kuka	STM	Stabilus
KRN	Krones	NOEJ	Norma Group
JEN	Jenoptik	DEZ	DEUTZ
WAC	Wacker Neuson	ZAR	Renk
PFV	Pfeiffer Vacuum Technology	2GB	2G energy



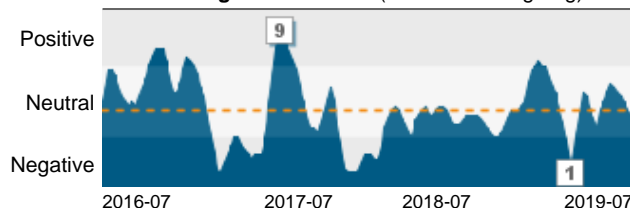
EARNINGS
EARNINGS
5

Currency in EUR

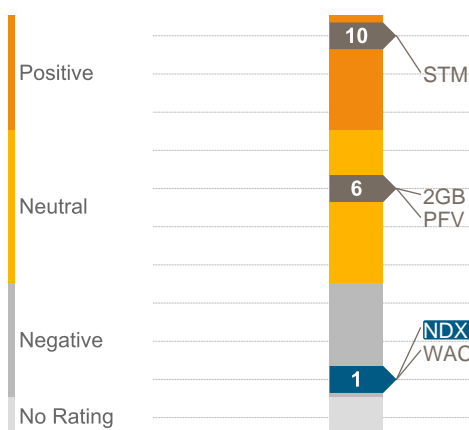
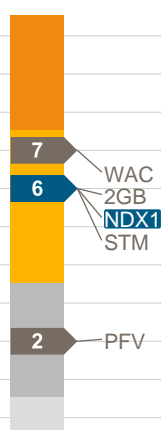
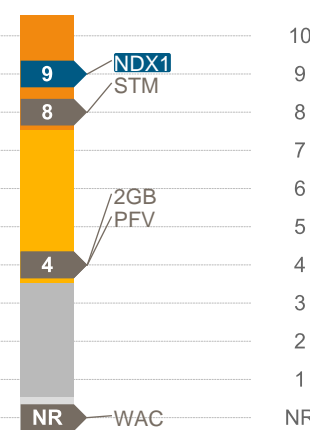
NEUTRAL OUTLOOK: Mixed earnings expectations and performance.

Earnings Score Averages

Machinery & Heavy Vehicles Group: **4.0**
Industrial Goods Sector: **4.4**

Small Market Cap: **5.3**
DAX 30 Index: **4.6**
Earnings Score Trend (4-Week Moving Avg)


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
STM	7	6	8	8	10	
2GB	5	6	7	5	5	
NDX1	7	4	5	4	5	
PFV	3	7	3	4	3	
WAC	8	1	1	5	3	

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%)	4
# In-Line Surprises (within 2%)	0
Avg Surprise	-32.3%

Last 4 Weeks

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

Last 120 Days

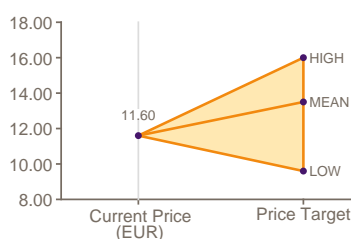
# Broker Upgrades	3
# Broker Downgrades	1

HIGHLIGHTS

- Nordex currently has a relatively neutral Earnings Rating of 5. The average Earnings Rating for its Heavy Electrical Equipment industry is 5.0 and the XETRA DAX 30 index average is 5.3.
- NDX1's current quarter consensus estimate has decreased notably over the past 90 days from -0.14 to -0.20, a loss of -42.9%. This trails the average Heavy Electrical Equipment industry move of -21.0% during the same time period.
- During the past four weeks, analysts covering NDX1 have made no upward or downward EPS estimate revisions for the current quarter.

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

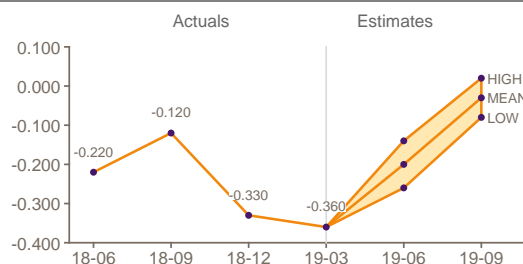
Mean (EUR)	13.50
High	16.00
Low	9.60
Target vs. Current	16.4%
# of Analysts	12



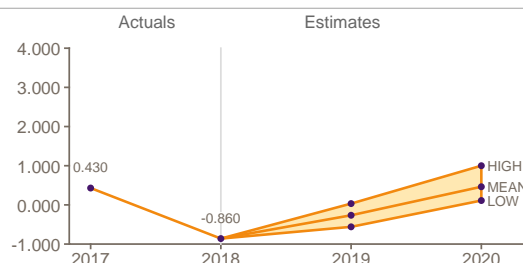
EARNINGS PER SHARE

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	19-06	19-09
Mean	-0.200	-0.030
High	-0.140	0.020
Low	-0.260	-0.080
# of Analysts	2	2



Annual	2019	2020
Mean	-0.265	0.463
High	0.033	1.000
Low	-0.560	0.111
# of Analysts	11	11

MEAN ESTIMATE TREND

	Q 19-06	Q 19-09	Y 2019	Y 2020	Price Target
Current	-0.200	-0.030	-0.265	0.463	13.50
30 Days Ago	-0.140	-0.080	-0.264	0.432	13.30
90 Days Ago	-0.140	-0.080	-0.263	0.438	12.40
% Change (90 Days)	-42.9%	62.5%	-0.8%	5.7%	8.9%

Current Fiscal Year End: 19-12

Next Expected Report Date: 2019-08-14

ANALYST RECOMMENDATIONS

Thomson Reuters I/B/E/S Mean: **Hold** (14 Analysts)

Strong Buy	4
Buy	1
Hold	6
Reduce	2
Sell	1

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)

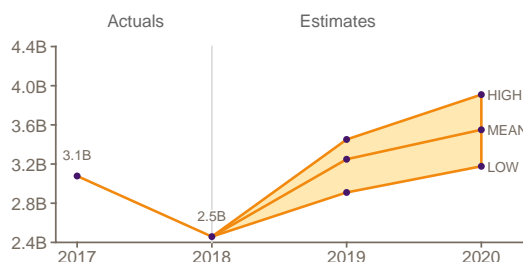
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	3	25.0%
Negative Quarters (< -2%)	9	75.0%
In-Line Quarters (within 2%)	0	--

Surprise Detail (Last 6 Periods)

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2019-05-14	2019-03-31	-0.360	-0.137	-162.8%
Negative	2019-03-26	2018-12-31	-0.330	-0.227	-45.4%
Negative	2018-11-13	2018-09-30	-0.120	-0.097	-23.7%
Negative	2018-08-14	2018-06-30	-0.220	-0.200	-10.0%
Negative	2018-05-15	2018-03-31	-0.200	-0.080	-150.0%
Positive	2018-03-27	2017-12-31	0.143	-0.023	721.7%

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	3.2B	3.6B
High	3.5B	3.9B
Low	2.9B	3.2B
Forecasted Growth	32.1%	44.4%
# of Analysts	11	11

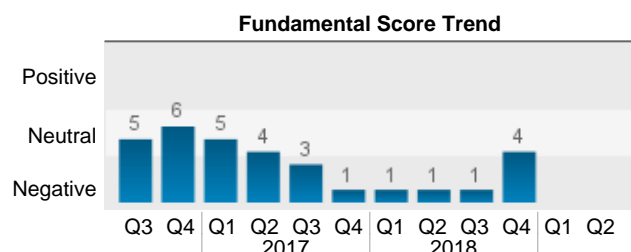


FUNDAMENTAL
**FUND-
AMENTAL**
1

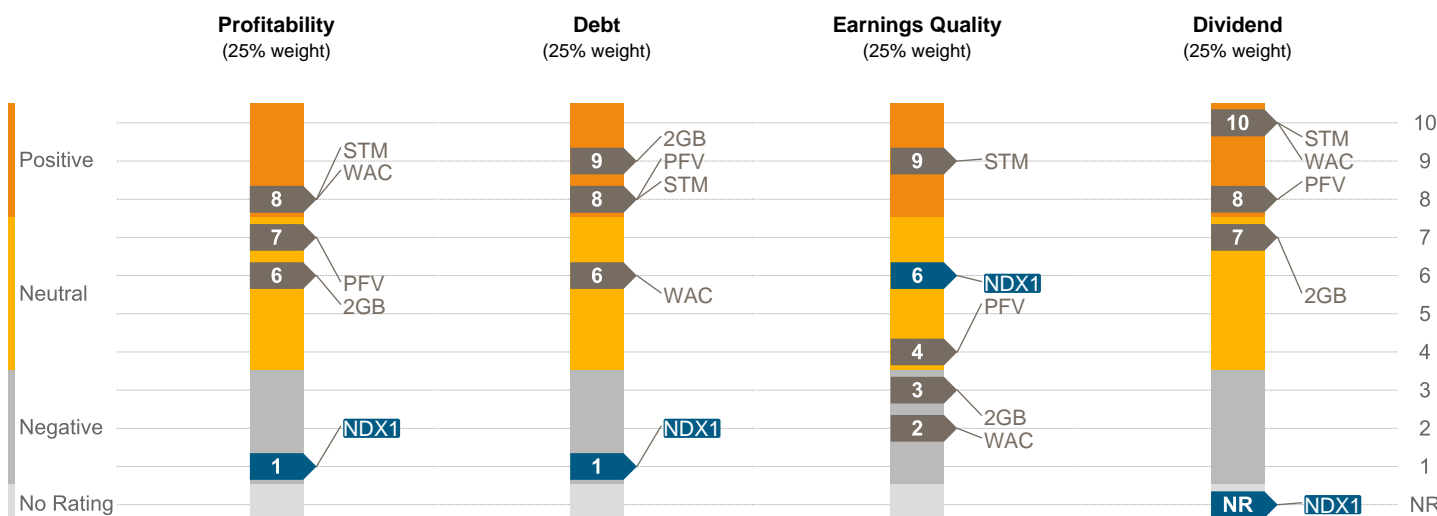
NEGATIVE OUTLOOK: Weak fundamentals such as low profit margins, high debt levels, or falling dividends.

Fundamental Score Averages

Machinery & Heavy Vehicles Group: **5.1**
Industrial Goods Sector: **5.3**

Small Market Cap: **5.5**
DAX 30 Index: **5.0**


Peers	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Current	3Y Trend
STM	10	10	NR	NR	10	
PFV	7	4	NR	NR	9	
2GB	8	9	NR	NR	8	
WAC	5	5	NR	NR	8	
NDX1	1	4	NR	NR	1	

FUNDAMENTAL INDICATORS


Revenue Growth	-18.8%	Current Ratio	1.1	Oper. Cash Yield	236.5%	Dividend Growth	--
For year over year ending 2019-03		For interim period ending 2019-03		For latest 12 months ending 2019-03		For year over year ending --	
Gross Margin	6.4%	Debt-to-Capital	44.7%	Accruals	-14.9%	Dividend Payout	--
For latest 12 months ending 2019-03		For annual period ending 2018-12		For latest 12 months ending 2018-12		For latest 12 months ending --	
Return On Equity	-13.8%	Interest Funding	66.7%	Days Sales In Inv.	81.4	Dividend Coverage	--
For interim period ending 2019-03		For interim period ending 2019-03		For annual period ending 2018-12		For annual period ending --	
Net Margin	-4.2%	Interest Coverage	-1.8	Days Sales In Rec.	80.5	Current Div. Yield	--
For latest 12 months ending 2019-03		For interim period ending 2019-03		For annual period ending 2018-12		For latest 12 months ending --	

HIGHLIGHTS

- The Fundamental Rating for Nordex declined significantly over the last quarter from 4 to 1. The current rating is considerably more bearish than the Machinery & Heavy Vehicles industry group average of 5.1.
- The company's gross margin has been lower than its industry group average for each of the past five years.
- The company's interest funding has been higher than its industry group average for each of the past five years.
- The company's operating cash yield has been higher than its industry group average for each of the past five years.
- Nordex does not currently pay a dividend. Of 183 firms within the Machinery & Heavy Vehicles industry group, it is among the 54 companies without a dividend.

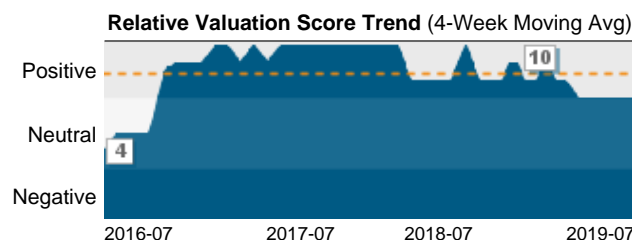


RELATIVE VALUATION

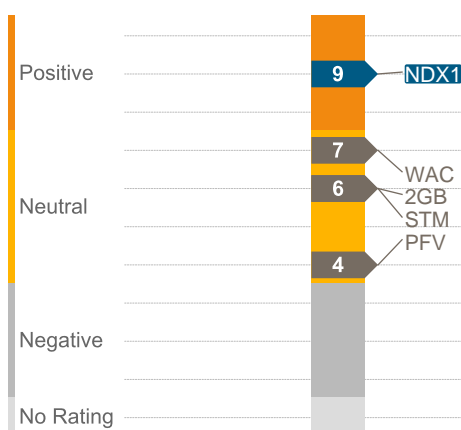
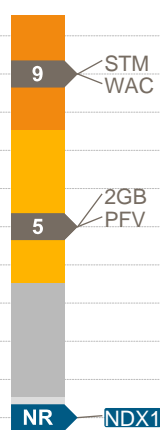
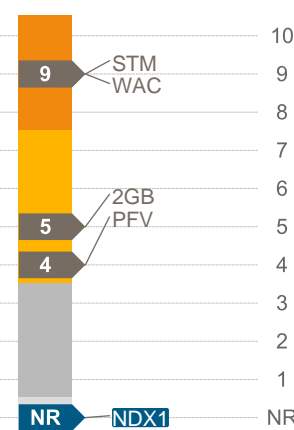
NEUTRAL OUTLOOK: Multiples relatively in-line with the market.


Relative Valuation Score Averages

Machinery & Heavy Vehicles Group:	6.6	Small Market Cap:	5.6
Industrial Goods Sector:	6.4	DAX 30 Index:	6.8



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
STM	6	8	9	9	9	
WAC	9	7	9	9	9	
NDX1	8	7	7	7	7	
2GB	8	6	5	7	6	
PFV	3	2	4	4	3	

RELATIVE VALUATION INDICATORS
Price to Sales
 (50% weight)

Trailing PE
 (25% weight)

Forward PE
 (25% weight)


Price to Sales	0.5	Trailing PE	--	Forward PE	--
5-Yr Average	0.6	5-Yr Average	30.1	5-Yr Average	22.7
Rel. to 5-Yr Avg.	28% Discount	Rel. to 5-Yr Avg.	--	Rel. to 5-Yr Avg.	--
DAX 30 Index	0.9	DAX 30 Index	16.7	DAX 30 Index	14.3
Rel. to DAX 30	52% Discount	Rel. to DAX 30	--	Rel. to DAX 30	--

HIGHLIGHTS

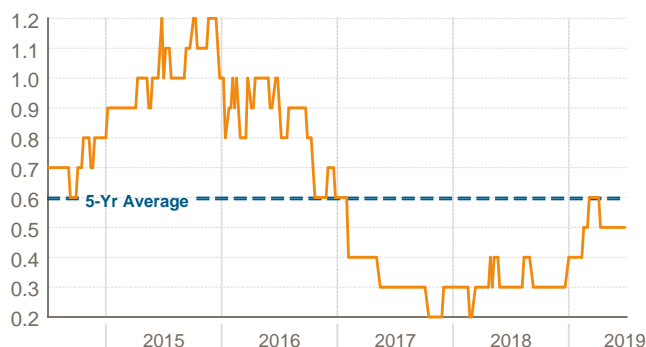
- NDX1's Price to Sales ratio of 0.5 represents a 28% Discount to its 5-year average of 0.6.



PRICE TO SALES

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

Price to Sales: 0.5
 5-Year Average: 0.6
 DAX 30 Index Average: 0.9
 Machinery & Heavy Vehicles Group Average: 1.3


TRAILING PE

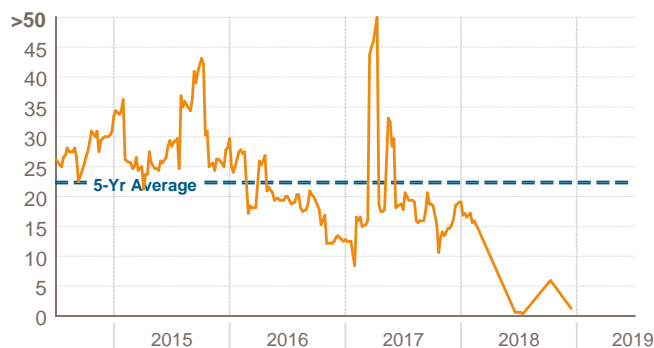
The most recent week's close price divided by the sum of the four most recently reported quarterly earnings.

Trailing PE: --
 5-Year Average: 30.1
 DAX 30 Index Average: 16.7
 Machinery & Heavy Vehicles Group Average: 16.2


FORWARD PE

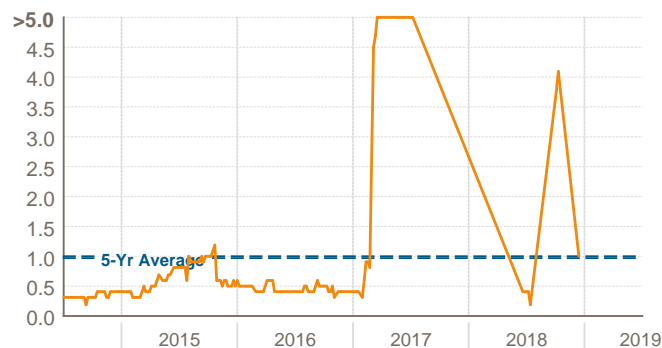
The most recent week's close price divided by the sum of the four upcoming quarterly consensus estimates.

Forward PE: --
 5-Year Average: 22.7
 DAX 30 Index Average: 14.3
 Machinery & Heavy Vehicles Group Average: 16.4


FORWARD PEG

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

Forward PEG: --
 5-Year Average: 1.0
 DAX 30 Index Average: 1.3
 Machinery & Heavy Vehicles Group Average: 1.0



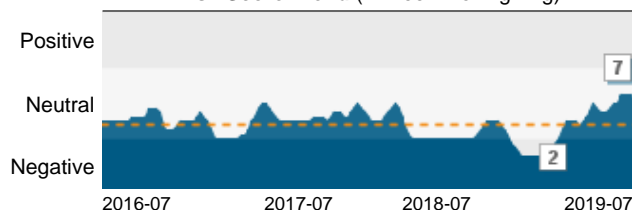
RISK

NEUTRAL OUTLOOK: Moderate risk (medium volatility).

RISK
5
Risk Score Averages

Machinery & Heavy Vehicles Group: **5.6**
Industrial Goods Sector: **5.8**

Small Market Cap: **5.5**
DAX 30 Index: **7.9**

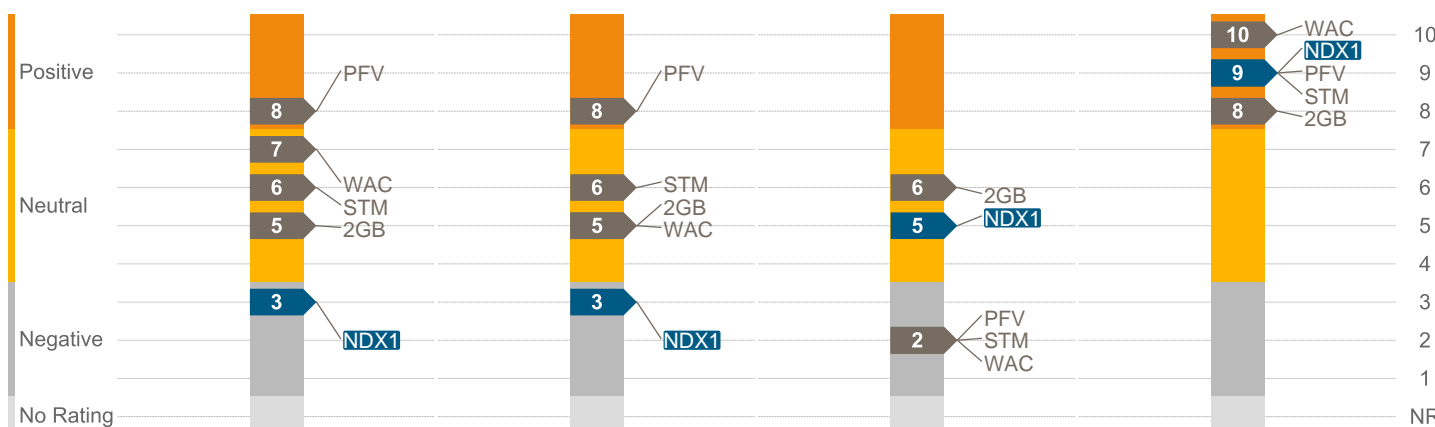
Risk Score Trend (4-Week Moving Avg)


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
PFV	6	7	7	8	8	
2GB	6	5	6	6	6	
STM	6	6	7	7	6	
WAC	5	5	6	6	6	
NDX1	3	5	7	5	5	

RISK INDICATORS
Magnitude of Returns
(25% weight)

Volatility
(25% weight)

Beta (1-year)
(25% weight)

Correlation
(25% weight)

Daily Returns (Last 90 Days)

Best	15.8%
Worst	-5.3%

Monthly Returns (Last 60 Months)

Best	34.7%
Worst	-28.7%

Standard Deviation

Last 90 Days	2.85
Last 60 Months	13.06
Intra-Day Swing (Last 90 Days)	
Average	3.7%
Largest	11.5%

Beta vs. DAX 30

Positive Days Only	0.39
Negative Days Only	0.86
Beta vs. Group	0.59
Positive Days Only	0.17
Negative Days Only	0.73

Correlation vs. DAX 30

Last 90 Days	39%
Last 60 Months	43%
Correlation vs. Group	
Last 90 Days	22%
Last 60 Months	40%

HIGHLIGHTS

- Nordex currently has a Risk Rating of 5, which is significantly below the XETRA DAX 30 index average rating of 8.
- On days when the market is up, NDX1 shares tend to lag the XETRA DAX 30 index. However, on days when the market is down, the shares generally decrease less than the index.
- In the short term, NDX1 has shown average correlation (≥ 0.2 and < 0.4) with the XETRA DAX 30 index. The stock has, however, shown high correlation (≥ 0.4) with the market in the long term.
- Over the last 90 days, NDX1 shares have been more volatile than the overall market, as the stock's daily price fluctuations have exceeded that of 96% of XETRA DAX 30 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
NDX1	15.8%	-5.3%	23	40	11.5%	34.7%	-28.7%
2GB	7.8%	-7.4%	31	26	10.4%	26.0%	-24.8%
PFV	3.5%	-4.9%	31	32	6.6%	22.4%	-15.6%
STM	5.6%	-5.7%	29	35	6.1%	19.8%	-23.7%
WAC	3.9%	-6.8%	29	35	7.8%	23.5%	-18.9%
DAX 30	2.0%	-1.8%	35	28	3.0%	12.3%	-9.3%



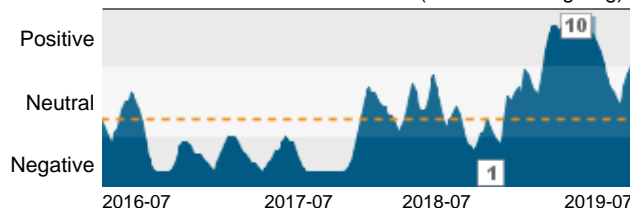
PRICE MOMENTUM


Currency in EUR

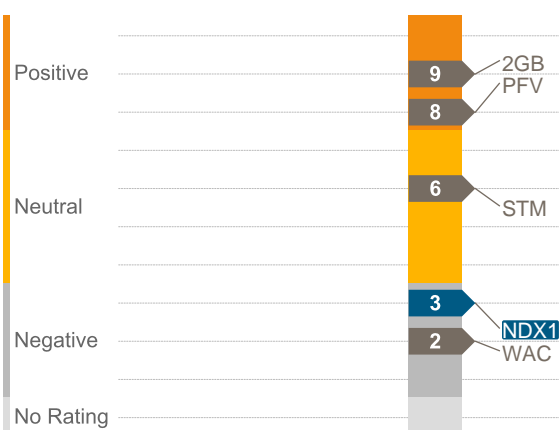
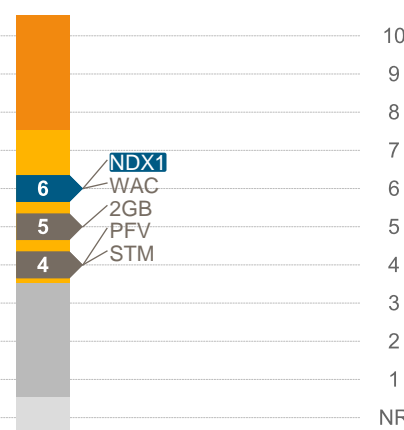
NEUTRAL OUTLOOK: Performance relatively in-line with the market.

Price Momentum Score Averages

Machinery & Heavy Vehicles Group:	4.2	Small Market Cap:	5.3
Industrial Goods Sector:	4.4	DAX 30 Index:	5.8

Price Momentum Score Trend (4-Week Moving Avg)


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
2GB	10	10	9	6	9	
PFV	7	9	3	2	7	
STM	6	3	2	2	6	
NDX1	10	9	4	6	4	
WAC	9	8	5	2	2	

PRICE MOMENTUM INDICATORS
Relative Strength
(70% weight)

Seasonality
(30% weight)

Relative Strength Indicator (Scale from 1 to 100)

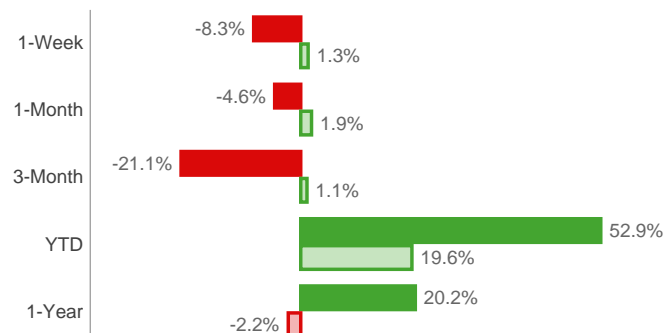
	NDX1	Industry Avg
Last 1 Month	36	47
Last 3 Months	47	51
Last 6 Months	50	52

Average Monthly Return (Last 10 Years)

	JUL	AUG	SEP
Company Avg	2.9%	2.6%	-0.2%
Industry Avg	2.5%	-0.6%	0.7%
Industry Rank	41 of 111	45 of 111	76 of 111

PRICE PERFORMANCE

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

■ NDX1
■ DAX 100


	NDX1	DAX 100
Close Price (2019-07-26)	11.60	6,951
52-Week High	15.75	7,091
52-Week Low	7.11	5,719

- The Price Momentum Rating for Nordex decreased significantly over the past week from 9 to 6.
- On 2019-07-26, NDX1 closed at 11.60, 26.3% below its 52-week high and 63.2% above its 52-week low.
- NDX1 shares are currently trading 10.5% below their 50-day moving average of 12.96, and 3.4% above their 200-day moving average of 11.22.



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).

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

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.

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