PETRONAS GAS (PETGAS-KU)

Utilities / Natural Gas Utilities / Natural Gas Utilities

DETAILED STOCK REPORT
Report Date: 2023-Sep-15

Last Close **17.10** (MYR)	Avg Daily Vol **742,189**	52-Week High **17.78**	Trailing PE **20.6**	Annual Div **0.72**	ROE **13.3%**	LTG Forecast **--**	1-Mo Return **0.35%**
2023 September 14 MALAYSIA Exchange	Market Cap **33.9B**	52-Week Low **15.92**	Forward PE **17.9**	Dividend Yield **4.2%**	Annual Rev **6.5B**	Inst Own **16.8%**	3-Mo Return **1.2%**

AVERAGE SCORE

AVERAGE SCORE 7

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

Score Averages

Natural Gas Utilities Group: **8.0**	Large Market Cap: **6.6**
Utilities Sector: **6.8**	FBM KLCI Index: **6.4**

Average Score Trend (4-Week Moving Avg)
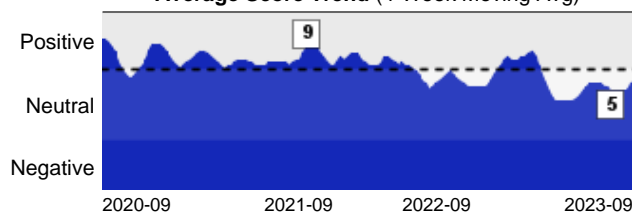
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
YTLPOWR	9	10	8	10	**10**	
GASMSIA	10	10	10	10	**9**	
TENAGA	5	7	7	7	**8**	
YTL	7	9	6	8	**8**	
PETGAS	5	6	6	7	**7**	

HIGHLIGHTS

- The score for Petronas Gas last changed from 6 to 7 on 2023-09-03.

- The recent change in the Average Score was primarily due to an improvement in the Earnings component score.
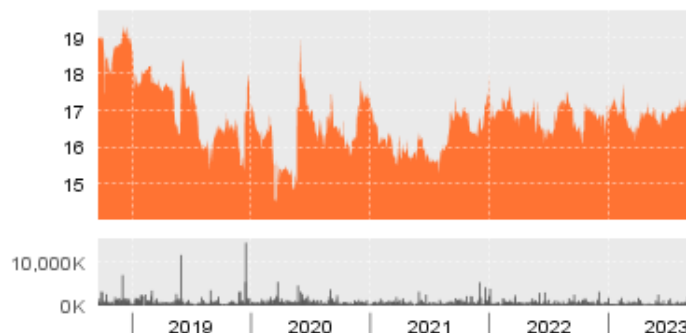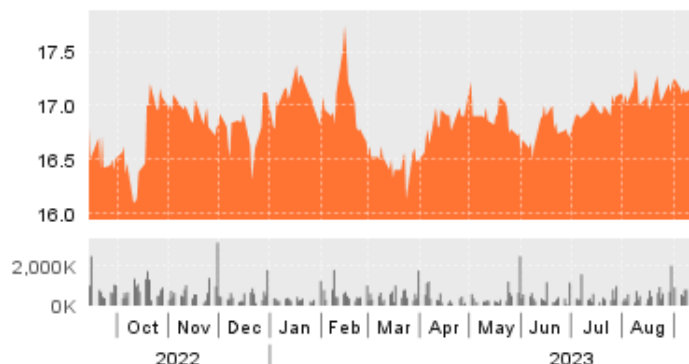
I/B/E/S MEAN

Hold
15 Analysts

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

Strong Sell	Sell	Hold	Buy	Strong Buy

PRICE AND VOLUME CHARTS

1-Year Return: 1.5%

5-Year Return: -8.8%

BUSINESS SUMMARY

PETRONAS Gas Berhad is a Malaysia-based gas infrastructure and centralized utilities company. Its segments include Gas Processing, Gas Transportation, Regasification and Utilities. Gas Processing segment includes processing of natural gas into salesgas and other by-products such as ethane, propane and butane. Gas Transportation segment includes transportation of processed gas to gas shippers' end customers and provision of operations and maintenance services. Regasification segment includes regasification of liquefied natural gas (LNG) and provision of ancillary services comprising LNG reloading, truck loading and gassing up and cooling down services. Utilities segment is engaged in the manufacturing, marketing and supplying of industrial utilities and provision of operations and maintenance services. It ancillary services offered include LNG truck loading facility at Regasification Terminal Pengerang (RGTP) and LNG reloading service at Regasification Terminal Sungai Udang and RGTP.

PETRONAS GAS (PETGAS-KU)

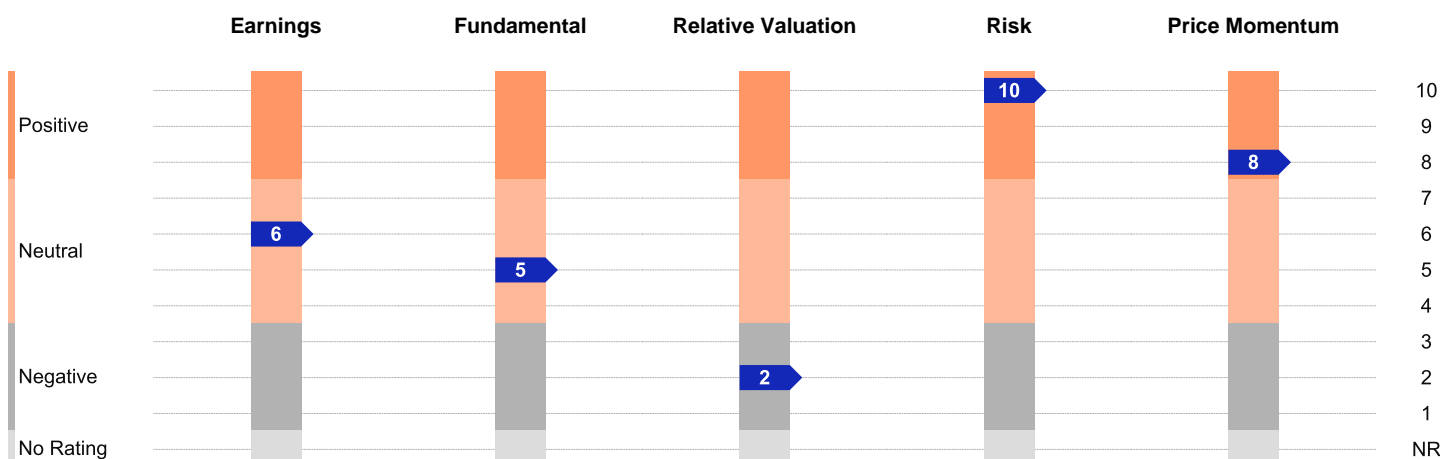Utilities / Natural Gas Utilities / Natural Gas Utilities

INDICATOR COMPONENTS

AVERAGE SCORE 7

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

Earnings: 6 (Neutral)
Fundamental: 5 (Neutral)
Relative Valuation: 2 (Negative)
Risk: 10 (Positive)
Price Momentum: 8 (Positive)

PEER ANALYSIS

Currency in MYR

Average Score	Ticker	Price (2023-09-14)	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	TENAGA	9.97	1.7%	8.4%	13.6%	57.1B	16.1	12.4	4.4%	7.2%	--	Buy	22
7	PETGAS	17.10	0.35%	1.2%	1.5%	33.9B	20.6	17.9	4.2%	26.8%	--	Hold	15
10	YTLPOWR	2.08	32.5%	61.2%	179.2%	17.4B	8.4	7.9	2.9%	9.2%	--	Buy	10
8	YTL	1.53	22.4%	61.1%	163.8%	16.9B	15.8	12.5	2.6%	3.5%	--	Buy	2
9	GASMSIA	3.01	-0.33%	-2.9%	-13.8%	3.9B	10.1	11.2	7.5%	4.5%	--	Hold	9
4	MALAKOF	0.60	-7.0%	0.85%	-14.4%	3.0B	9.7	--	6.6%	-2.4%	--	Buy	12
3	TALIWRK	0.79	-1.9%	-6.0%	-15.1%	1.6B	30.4	27.2	8.4%	15.4%	--	Hold	3
7	RANHILL	0.64	11.3%	20.8%	60.0%	868M	8.6	17.0	4.7%	5.2%	--	Buy	4
6	JSB	0.93	-4.6%	6.9%	77.9%	395M	--	46.0	--	-11.9%	--	Buy	1
8	SUNVIEW	0.78	-18.4%	-4.3%	--	386M	22.3	18.7	--	3.1%	--	Strong Buy	1
2	PEKAT	0.48	-4.0%	23.1%	-5.9%	306M	27.1	24.7	0.21%	5.7%	--	Strong Buy	1
6.5	Average	3.45	2.9%	15.5%	44.7%	12.3B	16.9	19.6	4.6%	6.0%	--	Buy	7.3

PEER COMPANIES

GASMSIA	Gas Malaysia	SUNVIEW	Sunview Group
JSB	Jentayu Sustainables	TALIWRK	Taliworks Corp
MALAKOF	Malakoff Corp	TENAGA	Tenaga Nasional
PEKAT	Pekat Group	YTL	YTL Corp
RANHILL	Ranhill Utilities	YTLPOWR	YTL Power International

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Utilities / Natural Gas Utilities / Natural Gas Utilities

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EARNINGS

EARNINGS
6

Currency in MYR

NEUTRAL OUTLOOK: Mixed earnings expectations and performance.

Earnings Score Averages

Natural Gas Utilities Group:	6.0	Large Market Cap:	5.7
Utilities Sector:	5.8	FBM KLCI Index:	5.5

Earnings Score Trend (4-Week Moving Avg)
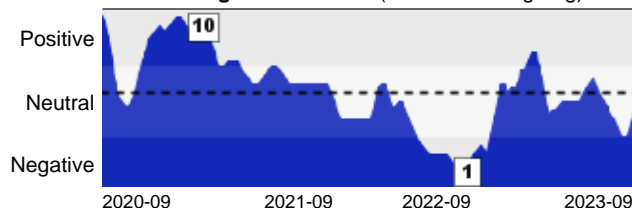
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
YTLPOWR	9	10	6	10	10	
YTL	7	8	5	8	7	
GASMSIA	8	8	7	7	6	
PETGAS	**4**	**6**	**3**	**6**	**6**	
TENAGA	5	5	9	5	6	

EARNINGS INDICATORS

Earnings Surprises
(33.3% weight)
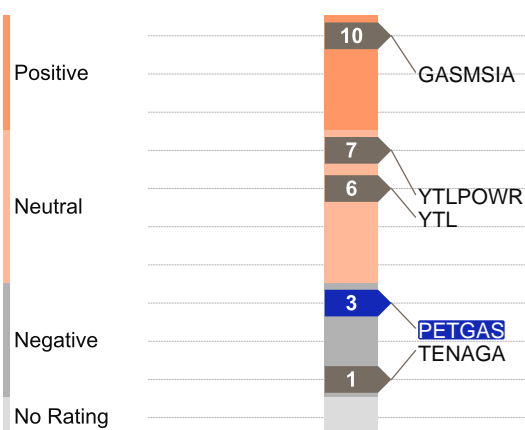
Estimate Revisions
(33.3% weight)
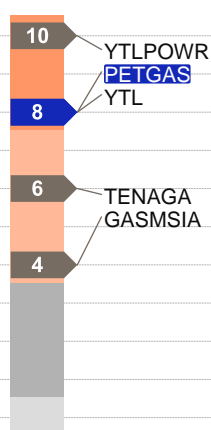
Recommendation Changes
(33.3% weight)
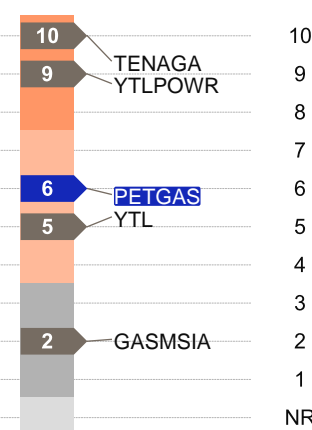
Last 4 Years	
# Positive Surprises (>2%)	1
# Negative Surprises (<-2%)	2
# In-Line Surprises (within 2%)	1
Avg Surprise	-2.1%

| Last 4 Weeks	
# Up Revisions	2
# Down Revisions	1
Avg Up Revisions	13.3%
Avg Down Revisions	-6.7%

Last 120 Days	
# Broker Upgrades	1
# Broker Downgrades	0

HIGHLIGHTS

- Petronas Gas currently has a relatively neutral Earnings Rating of 6. The average Earnings Rating for its Natural Gas Utilities industry is 6.0 and the FTSE BURSA MALAYSIA COMPOSITE index average is 5.5.

PRICE TARGET

The chart indicates where analysts predict the stock price will be within the next 12 months, as compared to the current price.
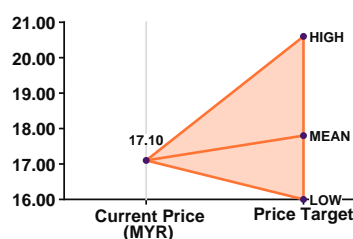
12-Month Price Target	
Mean (MYR)	17.80
High	20.60
Low	16.00
Target vs. Current	4.1%
# of Analysts	13

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PETRONAS GAS (PETGAS-KU)

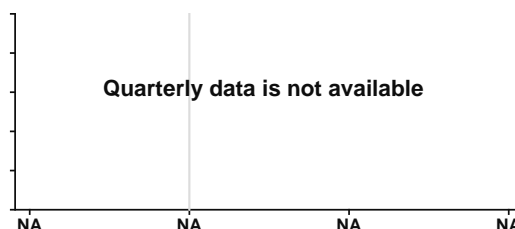Utilities / Natural Gas Utilities / Natural Gas Utilities

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.

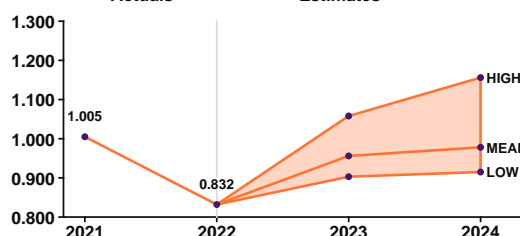The charts provide a comparison between a company's actual and estimated EPS, including the high and low forecasts.

Actuals **Estimates**

Quarterly data is not available

NA   NA   NA   NA

Quarterly	--	--
Mean	--	--
High	--	--
Low	--	--
# of Analysts	--	--

Actuals **Estimates**

(EPS chart: 2021 actual 1.005, 2022 actual 0.832, 2023 and 2024 estimates HIGH / MEAN / LOW)

Annual	2023	2024
Mean	0.956	0.978
High	1.058	1.156
Low	0.903	0.915
# of Analysts	14	14

MEAN ESTIMATE TREND

	Q --	Q --	Y 2023	Y 2024	Price Target
Current	--	--	0.956	0.978	17.80
30 Days Ago	--	--	0.954	0.973	17.80
90 Days Ago	--	--	0.954	0.973	17.80
% Change (90 Days)	--	--	0.20%	0.50%	0.00%

Current Fiscal Year End: 23-12
Next Expected Report Date: 2023-11-13

ANALYST RECOMMENDATIONS

I/B/E/S Mean: **Hold** (15 Analysts)

Strong Buy	1
Buy	5
Hold	9
Sell	0
Strong Sell	0

EARNINGS SURPRISES

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

Surprise Summary (Last 6 Years)

Surprise Type	Amount	Percent
Positive Years (> 2%)	1	16.7%
Negative Years (< -2%)	3	50.0%
In-Line Years (within 2%)	2	33.3%

Surprise Detail (Last 6 Periods)

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2023-02-16	2022-12-31	0.832	0.906	-8.2%
Negative	2022-02-22	2021-12-31	1.005	1.036	-3.0%
In-Line	2021-02-21	2020-12-31	1.020	1.027	-0.70%
Positive	2020-02-18	2019-12-31	0.978	0.947	3.3%
Negative	2019-02-18	2018-12-31	0.915	0.972	-5.9%
In-Line	2018-02-26	2017-12-31	0.906	0.893	1.5%

ANNUAL REVENUE

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

Actuals **Estimates**

(Revenue chart: 2021 actual 5.6B, 2022 actual 6.2B, 2023 and 2024 estimates HIGH / MEAN / LOW)
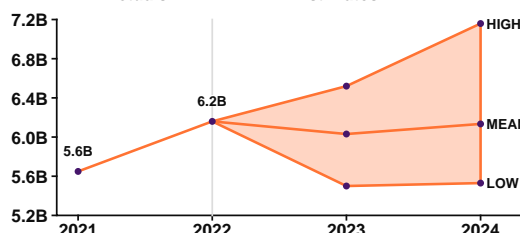
	2023	2024
Mean	6.0B	6.1B
High	6.5B	7.2B
Low	5.5B	5.5B
Forecasted Growth	-2.1%	-0.40%
# of Analysts	14	14

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Utilities / Natural Gas Utilities / Natural Gas Utilities

FUNDAMENTAL

FUND-AMENTAL 5

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

Fundamental Score Averages

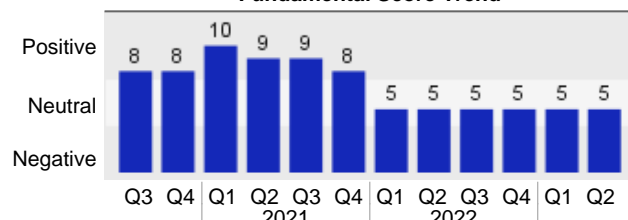|			
Natural Gas Utilities Group:	7.5	Large Market Cap:	6.2
Utilities Sector:	6.1	FBM KLCI Index:	6.1

Fundamental Score Trend

Peers	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Current	3Y Trend
GASMSIA	9	9	9	9	10	
YTLPOWR	9	9	9	8	10	
YTL	6	7	6	7	9	
PETGAS	**5**	**5**	**5**	**5**	**5**	
TENAGA	2	3	3	3	3	

FUNDAMENTAL INDICATORS

Profitability (25% weight)	Debt (25% weight)	Earnings Quality (25% weight)	Dividend (25% weight)
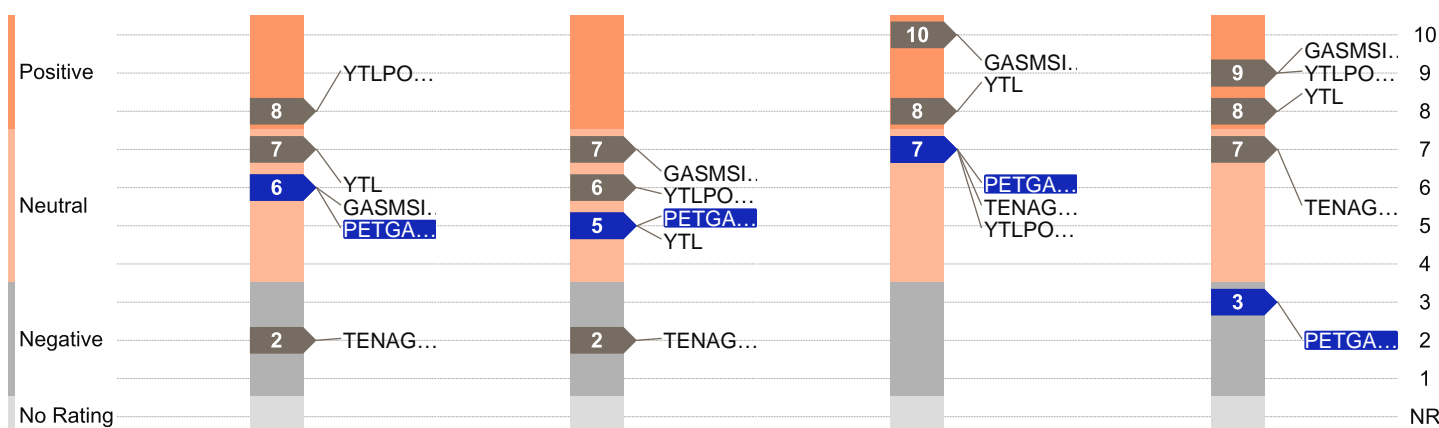
Revenue Growth	10.6%	**Current Ratio**	2.1	**Oper. Cash Yield**	52.6%	**Dividend Growth**	--
For year over year ending 2023-06		For interim period ending 2023-06		For latest 12 months ending --		For year over year ending --	
Gross Margin	35.5%	**Debt-to-Capital**	21.5%	**Accruals**	-0.3%	**Dividend Payout**	81.5%
For latest 12 months ending 2023-06		For annual period ending 2022-12		For latest 12 months ending 2022-12		For latest 12 months ending 2023-06	
Return On Equity	13.3%	**Interest Funding**	5.5%	**Days Sales In Inv.**	5.8	**Dividend Coverage**	1.7
For interim period ending 2023-06		For interim period ending 2023-03		For annual period ending 2022-12		For annual period ending 2022-12	
Net Margin	26.8%	**Interest Coverage**	16.7	**Days Sales In Rec.**	54.2	**Current Div. Yield**	4.2%
For latest 12 months ending 2023-06		For interim period ending 2023-06		For annual period ending 2022-12		For latest 12 months ending 2023-09	

HIGHLIGHTS

- Petronas Gas currently has a relatively neutral Fundamental Rating of 5, which is significantly more bearish than the Natural Gas Utilities industry group average of 7.5.

- PETGAS's current revenue growth of 10.6% is substantially above its five-year average of 5.1%.

- PETGAS's current ratio of 2.1 is substantially below its five-year average of 4.7.

- PETGAS's current days sales in inventory is substantially shorter than its five-year average of 10.6.

- Of the 2 firms within the Natural Gas Utilities industry group, Petronas Gas is among 2 companies that pay a dividend. The stock's dividend yield is currently 4.2%.

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PETRONAS GAS (PETGAS-KU)

Utilities / Natural Gas Utilities / Natural Gas Utilities

RELATIVE VALUATION

RELATIVE VALUATION

2

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

Relative Valuation Score Averages

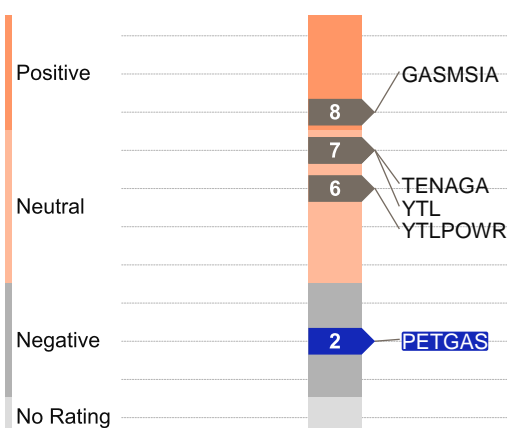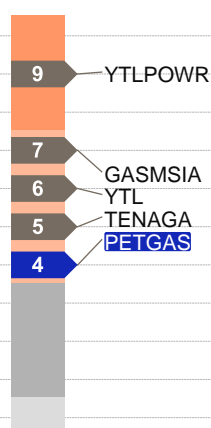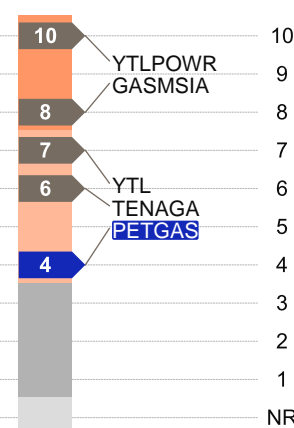|			
Natural Gas Utilities Group:	**5.0**	Large Market Cap:	**4.5**
Utilities Sector:	**5.8**	FBM KLCI Index:	**4.6**

Relative Valuation Score Trend (4-Week Moving Avg)

Positive / Neutral / Negative

5

2

2020-09   2021-09   2022-09   2023-09
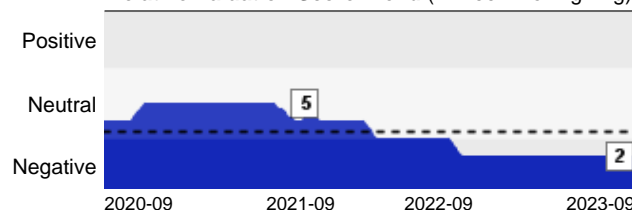
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
GASMSIA	7	7	8	8	**8**	
YTLPOWR	8	8	8	8	**8**	
YTL	7	7	5	6	**7**	
TENAGA	5	6	6	6	**6**	
PETGAS	**2**	**2**	**2**	**2**	**2**	

RELATIVE VALUATION INDICATORS

Price to Sales (33.3% weight)

Trailing PE (33.3% weight)

Forward PE (33.3% weight)

Price to Sales:
- 8
- 7
- 6 — TENAGA, YTL, YTLPOWR — GASMSIA
- 2 — PETGAS (Negative)

Trailing PE:
- 9 — YTLPOWR
- 7 — GASMSIA
- 6 — YTL
- 5 — TENAGA
- 4 — PETGAS

Forward PE:
- 10 — YTLPOWR, GASMSIA
- 8
- 7
- 6 — YTL, TENAGA
- 4 — PETGAS

Price to Sales	5.5
5-Yr Average	5.9
Rel. to 5-Yr Avg.	7% Discount
FBM KLCI Index	2.0
Rel. to FBM KLCI	>100% Premium

Trailing PE	20.6
5-Yr Average	17.9
Rel. to 5-Yr Avg.	15% Premium
FBM KLCI Index	14.0
Rel. to FBM KLCI	47% Premium

Forward PE	17.9
5-Yr Average	17.5
Rel. to 5-Yr Avg.	3% Premium
FBM KLCI Index	14.3
Rel. to FBM KLCI	25% Premium

HIGHLIGHTS

- Petronas Gas currently has a Relative Valuation Rating of 2 which is significantly below the FTSE BURSA MALAYSIA COMPOSITE index average rating of 4.6.
- PETGAS is currently valued at a premium to the FTSE BURSA MALAYSIA COMPOSITE index based on both Price to Sales ratio and Trailing P/E.
- PETGAS's Price to Sales ratio of 5.5 represents a 7% Discount to its 5-year average of 5.9.

- PETGAS's 20.6 Trailing P/E is currently at the high end of its 5-year range (lowest 14.0 to highest 21.0).
- PETGAS's Forward P/E of 17.9 represents a 3% Premium to its 5-year average of 17.5.

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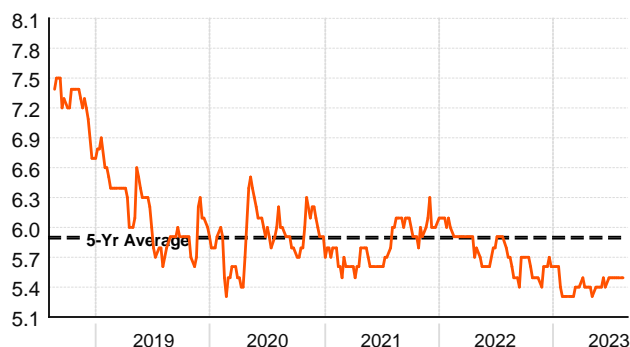Utilities / Natural Gas Utilities / Natural Gas Utilities

PRICE TO SALES

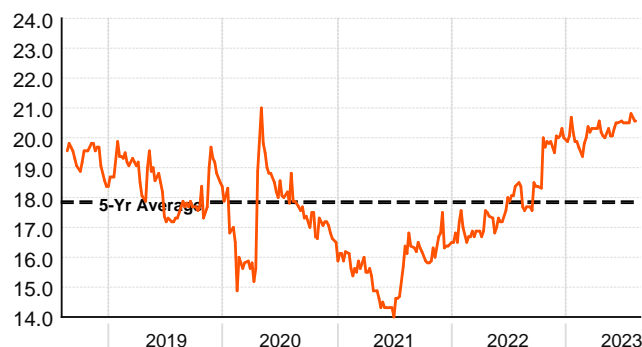The most recent week's close price divided by the revenue per share.

Price to Sales: 5.5
5-Year Average: 5.9
FBM KLCI Index Average: 2.0
Natural Gas Utilities Group Average: 2.8

TRAILING PE

The most recent week's close price divided by the sum of the four most recently reported quarterly earnings.
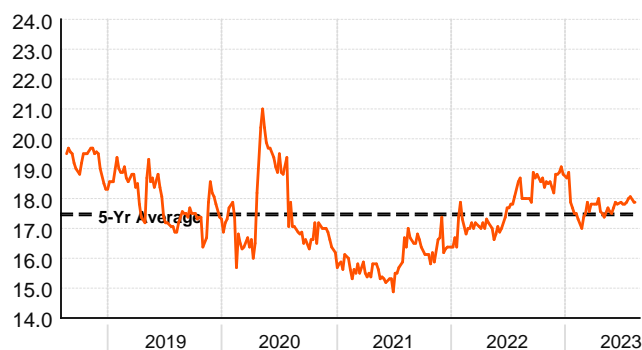
Trailing PE: 20.6
5-Year Average: 17.9
FBM KLCI Index Average: 14.0
Natural Gas Utilities Group Average: 18.6

FORWARD PE

The most recent week's close price divided by the sum of the four upcoming quarterly consensus estimates.
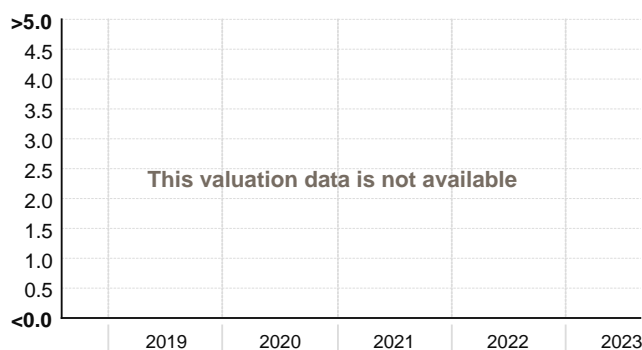
Forward PE: 17.9
5-Year Average: 17.5
FBM KLCI Index Average: 14.3
Natural Gas Utilities Group Average: 16.9

FORWARD PEG

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

Forward PEG: --
5-Year Average: --
FBM KLCI Index Average: 1.0
Natural Gas Utilities Group Average: --

This valuation data is not available

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RISK

RISK

10

POSITIVE OUTLOOK: Consistent return patterns (low volatility).

Risk Score Averages

Natural Gas Utilities Group: **10.0**	Large Market Cap: **8.6**
Utilities Sector: **7.8**	FBM KLCI Index: **9.1**

Risk Score Trend (4-Week Moving Avg)
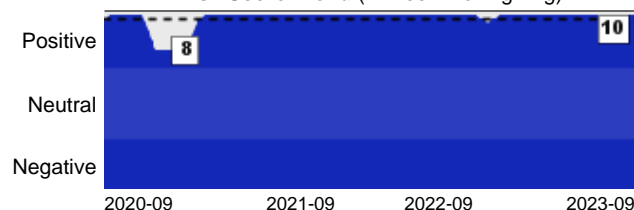
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
GASMSIA	10	10	10	10	10	
PETGAS	**10**	**10**	**10**	**10**	**10**	
TENAGA	10	9	9	9	9	
YTLPOWR	8	8	7	8	8	
YTL	8	8	6	7	6	

RISK INDICATORS

Magnitude of Returns (25% weight)

Volatility (25% weight)

Beta (1-year) (25% weight)

Correlation (25% weight)
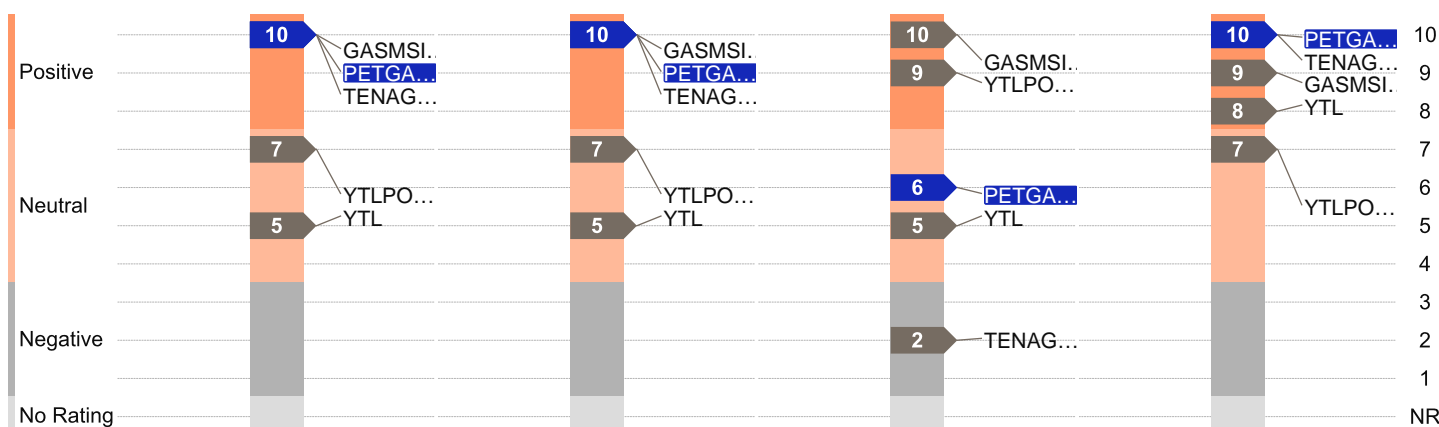
Daily Returns (Last 90 Days)		**Standard Deviation**		**Beta vs. FBM KLCI**		**Correlation vs. FBM KLCI**	
Best	1.8%	Last 90 Days	0.58	Positive Days Only	0.20	Last 90 Days	42%
Worst	-1.3%	Last 60 Months	5.51	Negative Days Only	0.49	Last 60 Months	56%
Monthly Returns (Last 60 Months)		**Intra-Day Swing** (Last 90 Days)		**Beta vs. Group**		**Correlation vs. Group**	
Best	24.7%	Average	1.1%	Positive Days Only	0.81	Last 90 Days	53%
Worst	-11.2%	Largest	2.3%	Negative Days Only	0.87	Last 60 Months	88%

HIGHLIGHTS

- Petronas Gas currently has a Risk Rating of 10 while the FTSE BURSA MALAYSIA COMPOSITE index has an average rating of 9.1.
- On days when the market is up, PETGAS shares tend to lag the FTSE BURSA MALAYSIA COMPOSITE index. However, on days when the market is down, the shares generally decrease less than the index.
- In both short-term and long-term periods, PETGAS has shown high correlation (>= 0.4) with the FTSE BURSA MALAYSIA COMPOSITE index. Thus, this stock would provide only low levels of diversification to a portfolio similar to the broader market.
- Over the last 90 days, PETGAS shares have been less volatile than the overall market, as the stock's daily price has fluctuated less than 99% of FTSE BURSA MALAYSIA COMPOSITE 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
PETGAS	1.8%	-1.3%	32	28	2.3%	24.7%	-11.2%
GASMSIA	3.0%	-3.2%	24	29	3.6%	9.5%	-7.1%
TENAGA	3.8%	-2.0%	32	26	3.8%	18.7%	-12.8%
YTL	10.8%	-8.8%	39	20	11.5%	47.0%	-20.2%
YTLPOWR	7.4%	-8.5%	30	25	9.2%	27.2%	-13.4%
FBM KLCI	**1.4%**	**-1.1%**	**30**	**31**	**1.5%**	**7.1%**	**-8.9%**

PETRONAS GAS (PETGAS-KU)

Utilities / Natural Gas Utilities / Natural Gas Utilities
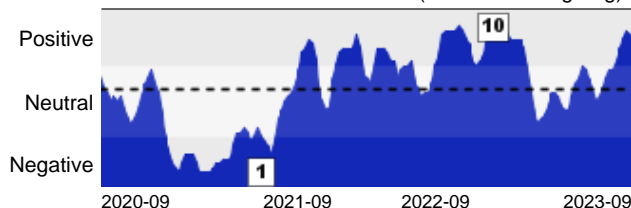
PRICE MOMENTUM

PRICE MOMENTUM 8

Currency in MYR

POSITIVE OUTLOOK: Strong recent price performance or entering historically favorable seasonal period.
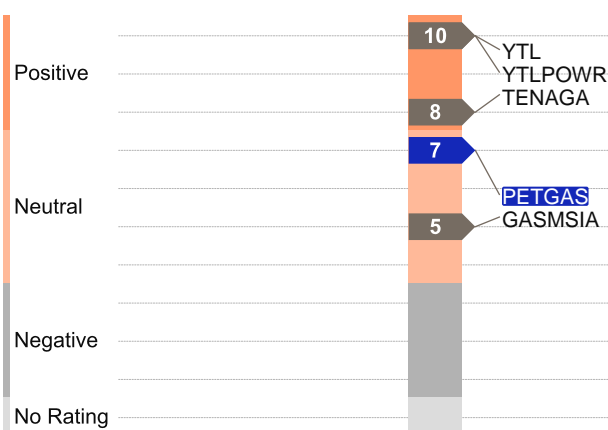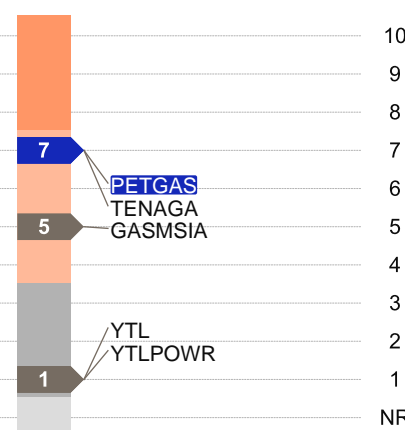
Price Momentum Score Averages

Natural Gas Utilities Group:	6.0	Large Market Cap:	5.1
Utilities Sector:	5.9	FBM KLCI Index:	4.5

Price Momentum Score Trend (4-Week Moving Avg)

Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
TENAGA	5	9	5	9	9	
PETGAS	**5**	**5**	**9**	**8**	**8**	
YTLPOWR	4	10	7	6	6	
YTL	2	6	6	6	5	
GASMSIA	9	9	8	6	4	

PRICE MOMENTUM INDICATORS

Relative Strength
(50% weight)

Seasonality
(50% weight)

Relative Strength Indicator (Scale from 1 to 100)

	PETGAS	Industry Avg
Last 10 Days	47	54
Last 50 Days	51	50
Last 200 Days	51	50

Average Monthly Return (Last 10 Years)

	Sep	Oct	Nov
Company Avg	0.57%	1.3%	-0.38%
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.

Legend: PETGAS, FBM KLCI
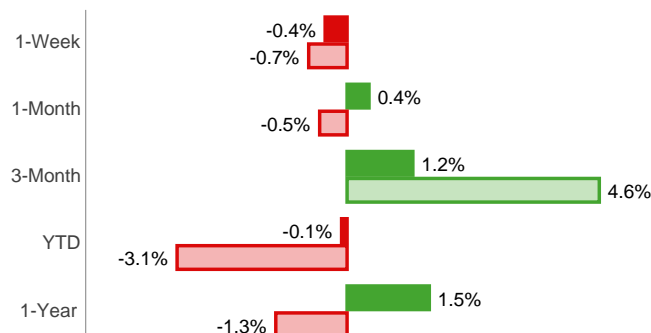
	PETGAS	FBM KLCI
Close Price (2023-09-14)	17.10	1,450
52-Week High	17.78	1,502
52-Week Low	15.92	1,373

- Petronas Gas has a Price Momentum Rating of 8, which is significantly above the FTSE BURSA MALAYSIA COMPOSITE index average rating of 4.5.

- On 2023-09-14, PETGAS closed at 17.10, 3.8% below its 52-week high and 7.4% above its 52-week low.

- PETGAS shares are currently trading 0.10% above their 50-day moving average of 17.08, and 1.2% above their 200-day moving average of 16.90.

DETAILED STOCK REPORT TIPS

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

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

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

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

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

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

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

Highlights
The automated text-generation system from Refinitiv 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 I/B/E/S, the Institutional Brokers Estimate System, from Refinitiv. 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.