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Module 3
Analytics & Influencing

The focus of the assignment is to identify five companies that are among the top 500 publicly traded companies in the United States and to use data to determine whether stock should be purchased from the company or not. After selecting five companies, the attributes chosen to decide on purchasing a stock are market cap, earnings, revenue, P/E ratio, dividend, and operating margin. Once the data was compiled and entered into an Excel spreadsheet, the file was imported into Tableau and data visualizations comparing the variables were created. An analysis of the visualizations provided the necessary information for selecting which stocks to purchase (Companiesmarketcap, 2024).

The first company chosen was United Healthcare and I would purchase stock with them because looking at the metrics they generated a lot of revenue, have a strong market cap, and have a good P/E ratio. The one issue with them would be that their operating costs are quite low so their revenue would be low after the costs were factored in (See Appendix B and Appendix G). Their dividend percentage though is high enough that their earnings go to their shareholders and enough for me to buy stock from them.

The second company selected was General Electric which has the lowest revenue total among the five companies and its earnings are quite small after costs have been factored in. A comparison of the market caps also shows that they are the smallest, making around $202 billion dollars (See Appendix A). Their P/E ratio is also low, which could influence their shares, and despite having modest dividend percentages, I think it would be best not to purchase any stock from the company (See Appendix C).

Apple is one of the top companies in the top 500 and generates by far the most market cap share, revenue, and earnings among the chosen five companies. They also perform extremely well when looking at their operational costs compared to their revenue (See Appendix G). Their high P/E ratios though mean the value of their stock might be too high (See Appendix F) and the dividends are low, so as successful as the company is I will not purchase stock with them because many shareholders will not benefit from its stock performance.

The company that is a wild card in some ways is American Express, who does not make as much money as some of the other companies on the list but has solid operating margin percentages and P/E ratio. A good example of this is Appendix E which shows the ratio of the market cap to revenue. The dividends that are paid to the shareholders are not remarkably high though, but overall, I would purchase stock from the company because the ratio of earnings to dividends is the closest among the five companies (See Appendix H).

The last company I picked was Home Depot that overall had metrics in the middle of the five companies but was at the top for dividend percentages and P/E ratio (See Appendix D). An industry overview that shows all the metrics in one visualization compared to dividends validates

the high percentages that Home Depot has (See Appendix I). The value of the shares and the return on the stocks is the reason I think I would purchase stock with the company.
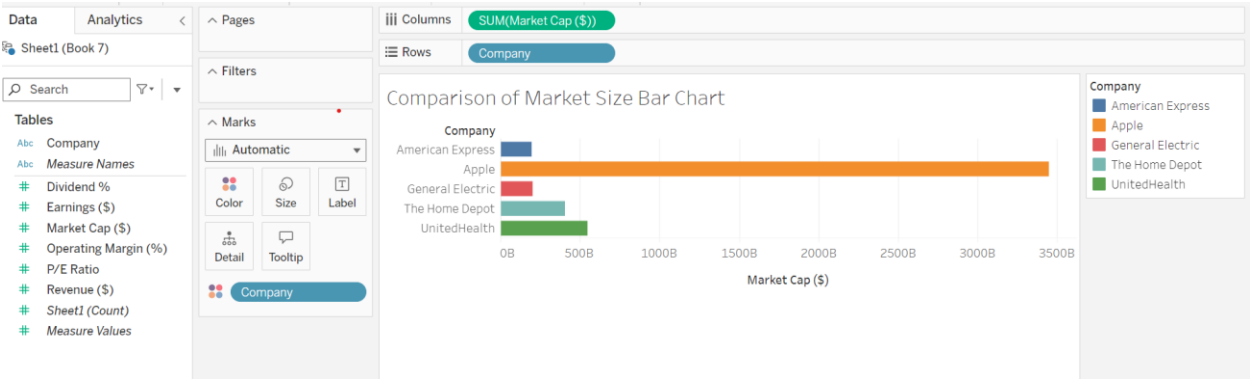
The data visualizations created in Tableau showed strong comparisons between the five companies and highlighted all their strengths and weaknesses. Each company was different from the other which made it difficult to decide whether purchasing stock was the right decision or not when evaluating each one. Some of the factors that were considered included how the company took care of its shareholders through dividend percentages and the value of the stocks when assessing the P/E ratio. The company also needed to be structured well financially by having strong returns on its earnings after operational costs were factored in.
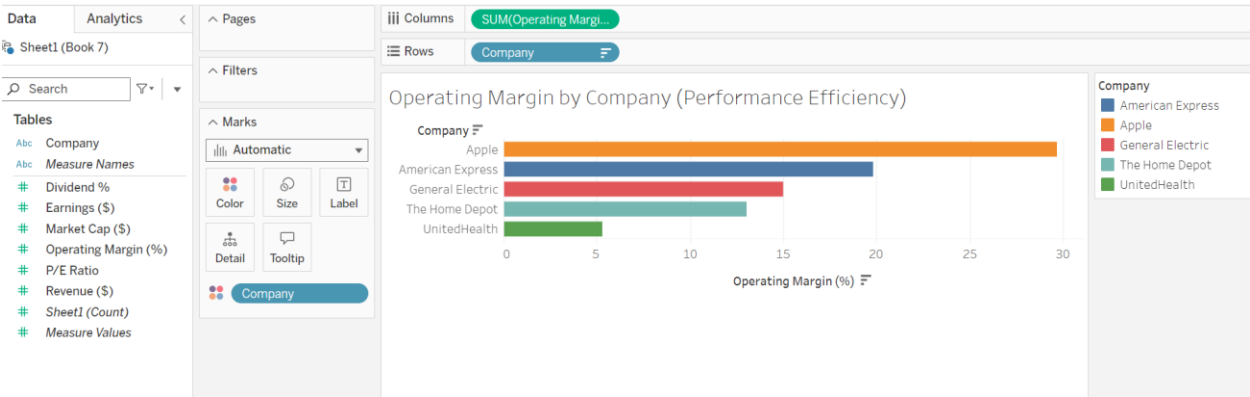
References

CompaniesMarketCap. (2024, October 5). *Largest companies by market cap*.
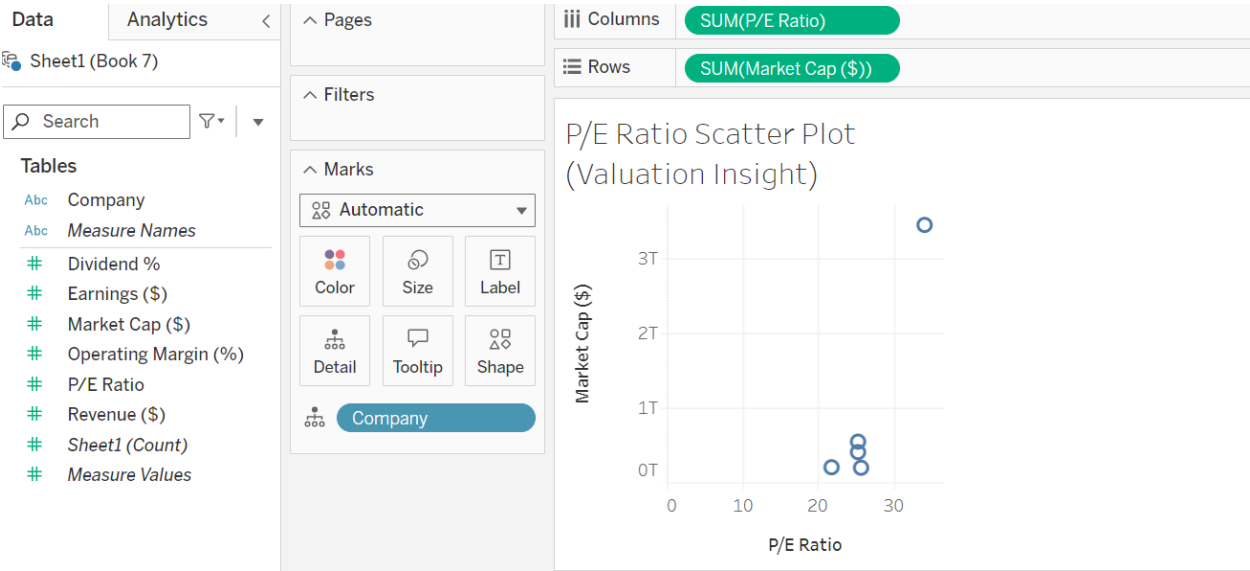CompaniesMarketCap. https://companiesmarketcap.com/#google_vignette
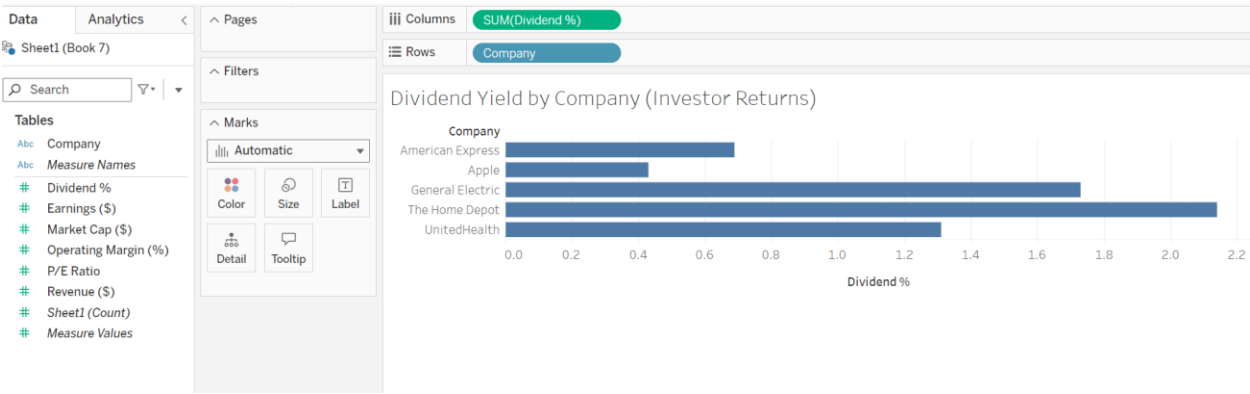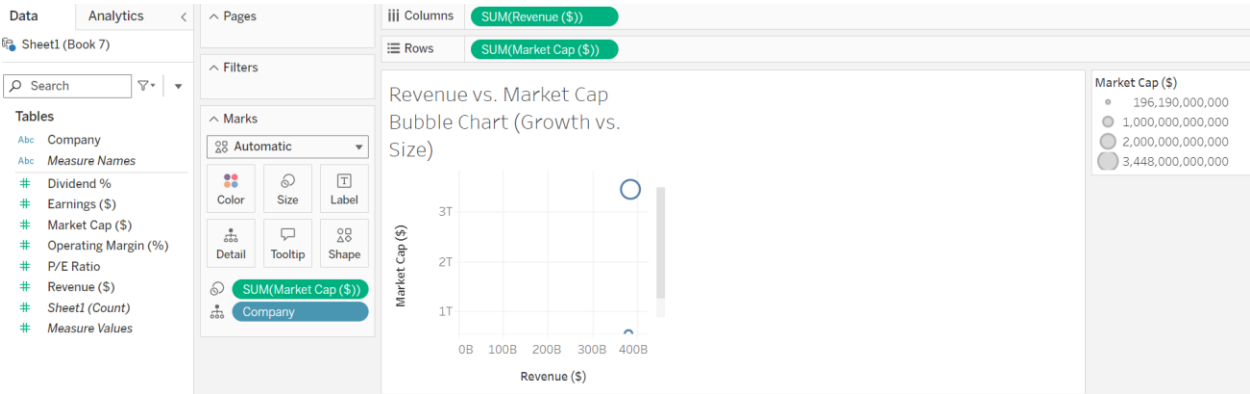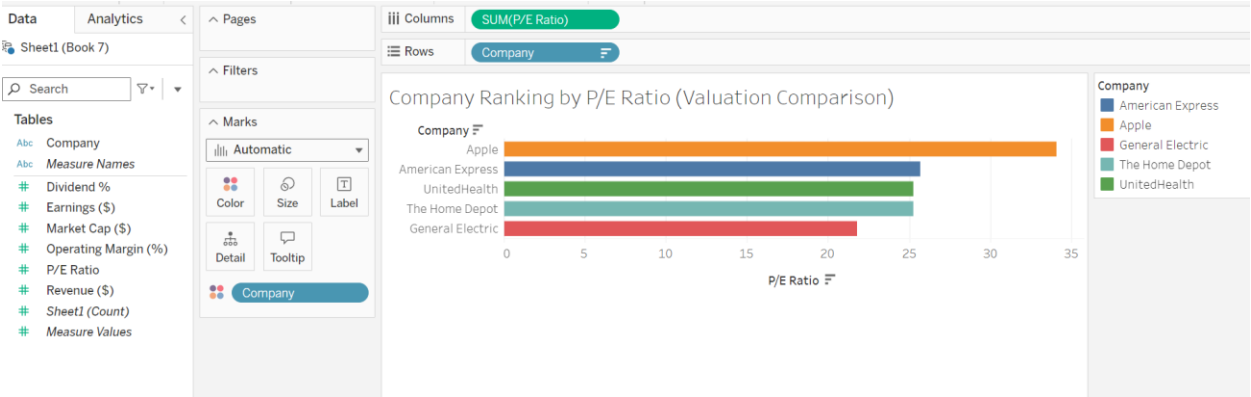
Appendix

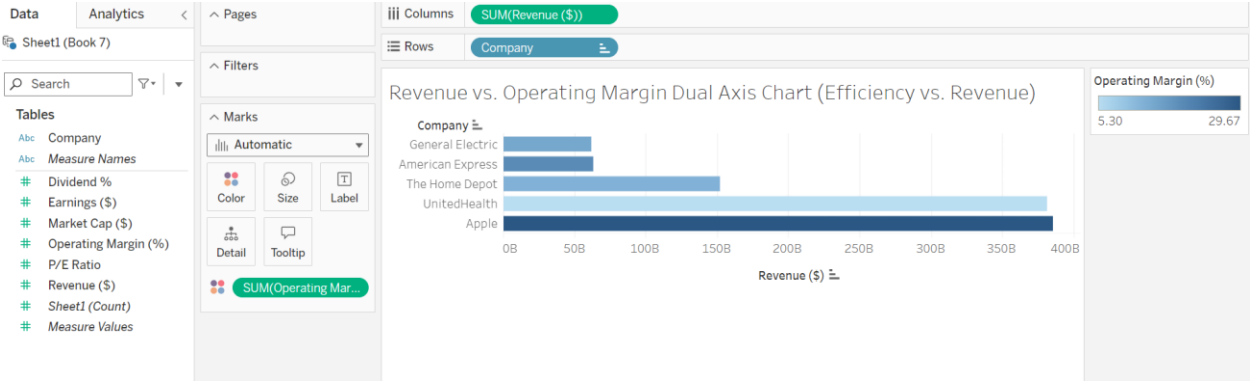## Appendix A
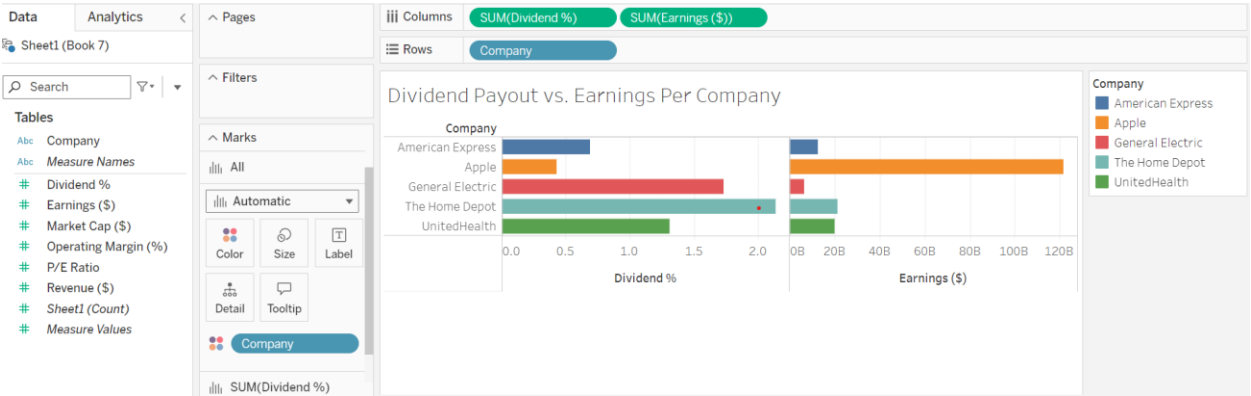

Appendix B

Appendix C

Appendix D

Appendix E

Appendix F

Appendix G

Appendix H

Appendix I

Industry Overview (All Key Metrics in One Dashboard)

	Data	Analytics

Sheet1 (Book 7)

Search

Tables

- Abc Company
- Abc Measure Names
- # Dividend %
- # Earnings ($)
- # Market Cap ($)
- # Operating Margin (%)
- # P/E Ratio
- # Revenue ($)
- # Sheet1 (Count)
- # Measure Values

Pages

Filters

Marks

All

Automatic

Color Size Label

Detail Tooltip

SUM(Dividend %)

SUM(Earnings ($))

Columns: SUM(Earning... SUM(Market ... SUM(Operati... SUM(P/E Rat... SUM(Revenu...

Rows: Company

Dividend %
0.430 — 2.140

Company
- American Express
- Apple
- General Electric
- The Home Depot
- UnitedHealth

Earnings ($): 0B 50B 100B
Market Cap ($): 0T 1T 2T 3T
Operating Margin ...: 0 10 20 30
P/E Ratio: 0 10 20 30
Revenue ($): 0B 200B 400B