



**Brian Feroldi** 

How to eliminate 95% of  
new stock ideas in less  
than 5 minutes.

Look at these **10 metrics**:



33 comments · 67 reposts



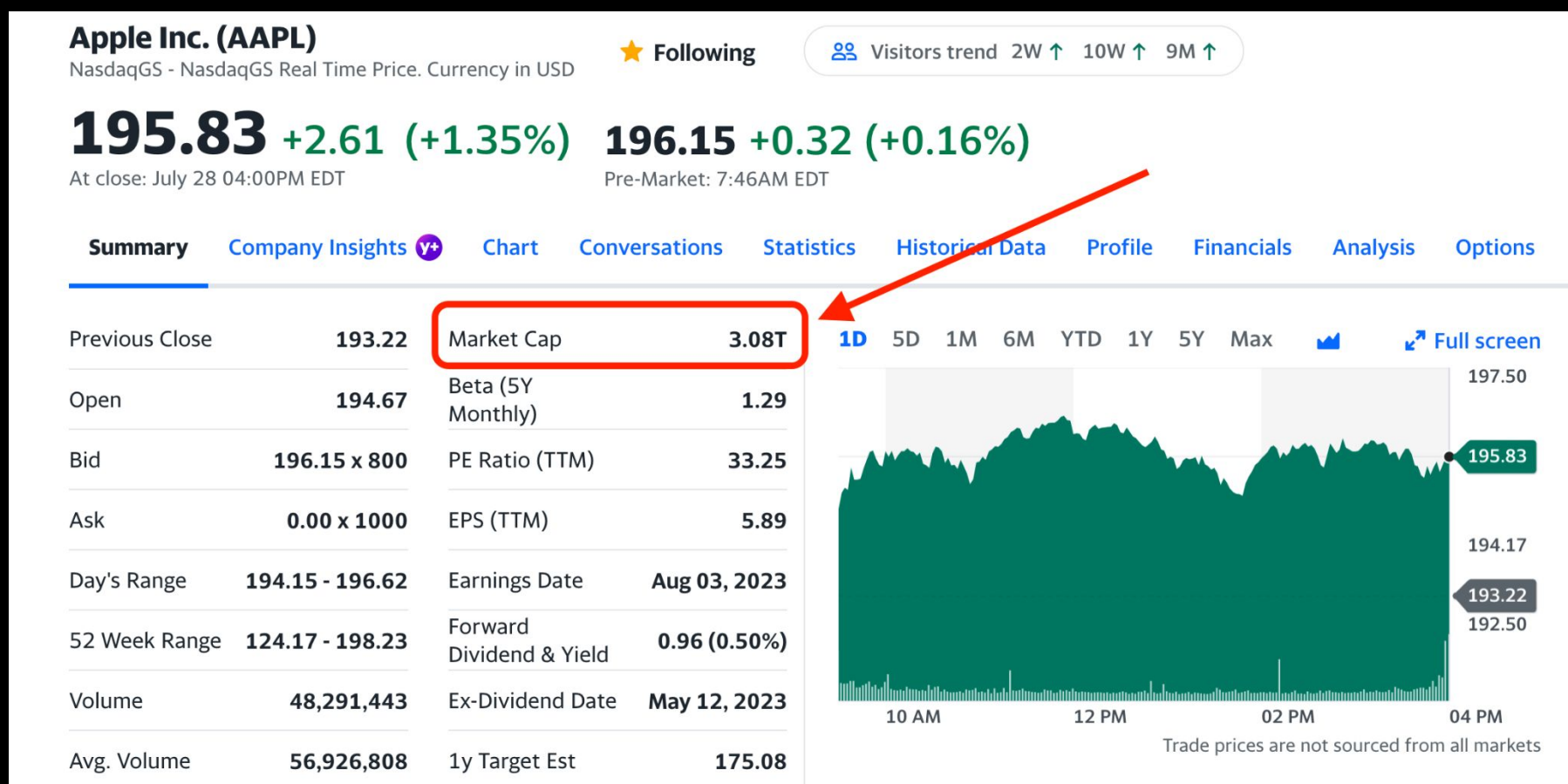
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## 1: Market Capitalization

**Why:** Shows the current size of the business

**Where:** **Yahoo Finance** (image), TIKR, Stratosphere.io...etc

**Eliminate:** Companies that don't fall in your sweet spot (\$1 Billion - \$50 Billion for me)





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## 2: Growth Rate

**Why:** Shows the business model works & how fast the company has grown recently.

**Where:** [Stratosphere.io](https://stratosphere.io) (image), TIKR

**Eliminate:** Companies that don't exceed you minimum growth rate (10% for me)

Apple Inc. (AAPL) ⓘ ♡				Hide Summary ^	
Growth (Per Share)		Capital Structure		Valuation	
Revenue 5Y	17.23%	Market Cap	3.09T	P/E	32.78
Revenue 3Y	19.96%	EV	3.17T	PEG	3.87
Earnings 5Y	21.58%	Cash	24.69B	P/S	8.00
Earnings 3Y	27.19%	Current Ratio	0.94	P/B	49.74
Dividend 5Y	8.39%	Debt/Equity	0.33	P/FCF	31.59
Dividend 3Y	6.19%	Net Debt/EBITDA	0.69	EV/Sales	8.22
				EV/EBITDA	25.57
				EV/FCF	32.47
Capital Efficiency		Margins		Dividends	
ROIC	52.95%	Gross	43.18%	Yield	0.47%
ROE	165.72%	Operating	29.16%	Payout	15.83%
ROA	28.40%	Net Profit	24.49%		
ROTA	28.40%	FCF	25.32%		



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### 3: Free Cash Flow

**Why:** Is business generating cash or burning cash?

**Where:** **Yahoo Finance** (image), Stockrow...etc

**Eliminate:** Companies that have negative FCF

**Rivian Automotive, Inc. (RIVN)**  
NasdaqGS - NasdaqGS Real Time Price. Currency in USD

☆ Follow Visitors trend 2W ↑ 10W ↑ 9M ↑

**26.94** +0.89 (+3.42%) **27.39** +0.45 (+1.67%)  
At close: July 28 04:00PM EDT Pre-Market: -

Summary Company Insights Chart Conversations Statistics Historical Data Profile **Financials** Analysis Options

Now on Sale Save \$200 XPS 13 Shop Now

Show: Income Statement Balance Sheet **Cash Flow** Annual Quarterly Download

Cash Flow All numbers in thousands

Get access to 40+ years of historical data with Yahoo Finance Plus Essential. [Learn more](#)

Breakdown	TTM	12/31/2022	12/31/2021	12/31/2020	12/31/2019
> Operating Cash Flow	-5,052,000	-5,052,000	-2,622,000	-848,000	-353,000
> Investing Cash Flow	-1,369,000	-1,369,000	-1,794,000	-914,000	-199,000
> Financing Cash Flow	99,000	99,000	19,828,000	2,500,000	2,811,000
> End Cash Position	12,099,000	12,099,000	18,423,000	3,011,000	2,273,000
Interest Paid Supplemental Data	88,000	88,000	2,000	4,000	5,000
Capital Expenditure	-1,369,000	-1,369,000	-1,794,000	-914,000	-199,000
Issuance of Capital Stock	102,000	102,000	16,188,000	2,506,000	2,750,000
Issuance of Debt	0	0	3,726,000	0	61,000
Repayment of Debt	-	-	-86,000	-	0
Repurchase of Capital Stock	-	-	-	-6,000	0
<b>Free Cash Flow</b>	<b>-6,421,000</b>	<b>-6,421,000</b>	<b>-4,416,000</b>	<b>-1,762,000</b>	<b>-552,000</b>

Yahoo Finance Plus Essential access required. [Learn more](#)



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## 4: Returns on capital (ROE, ROIC, ROA)

**Why:** Shows capital efficiency of business

**Where:** [Stratosphere.io](https://stratosphere.io) (image), Ycharts, Yahoo

**Eliminate:** Companies w/ negative returns on capital

Rivian Automotive, Inc. (RIVN) ⓘ ♡					
<a href="#">Hide Summary ^</a>					
Growth (Per Share)		Capital Structure		Valuation	
Revenue 5Y	-	Market Cap	25.01B	P/E	-
Revenue 3Y	-	EV	17.07B	PEG	0.09
Earnings 5Y	57.36%	Cash	11.24B	P/S	10.91
Earnings 3Y	112.89%	Current Ratio	5.88	P/B	1.90
Dividend 5Y	-	Debt/Equity	0.18	P/FCF	-
Dividend 3Y	-	Net Debt/EBITDA	1.40	EV/Sales	7.34
<b>Capital Efficiency</b>		<b>Margins</b>		<b>Dividends</b>	
ROIC	-42.14%	Gross	-141.91%	Yield	-
ROE	-44.29%	Operating	-301.71%	Payout	-
ROA	-35.75%	Net Profit	-292.45%		
ROTA	-35.75%	FCF	-304.54%		



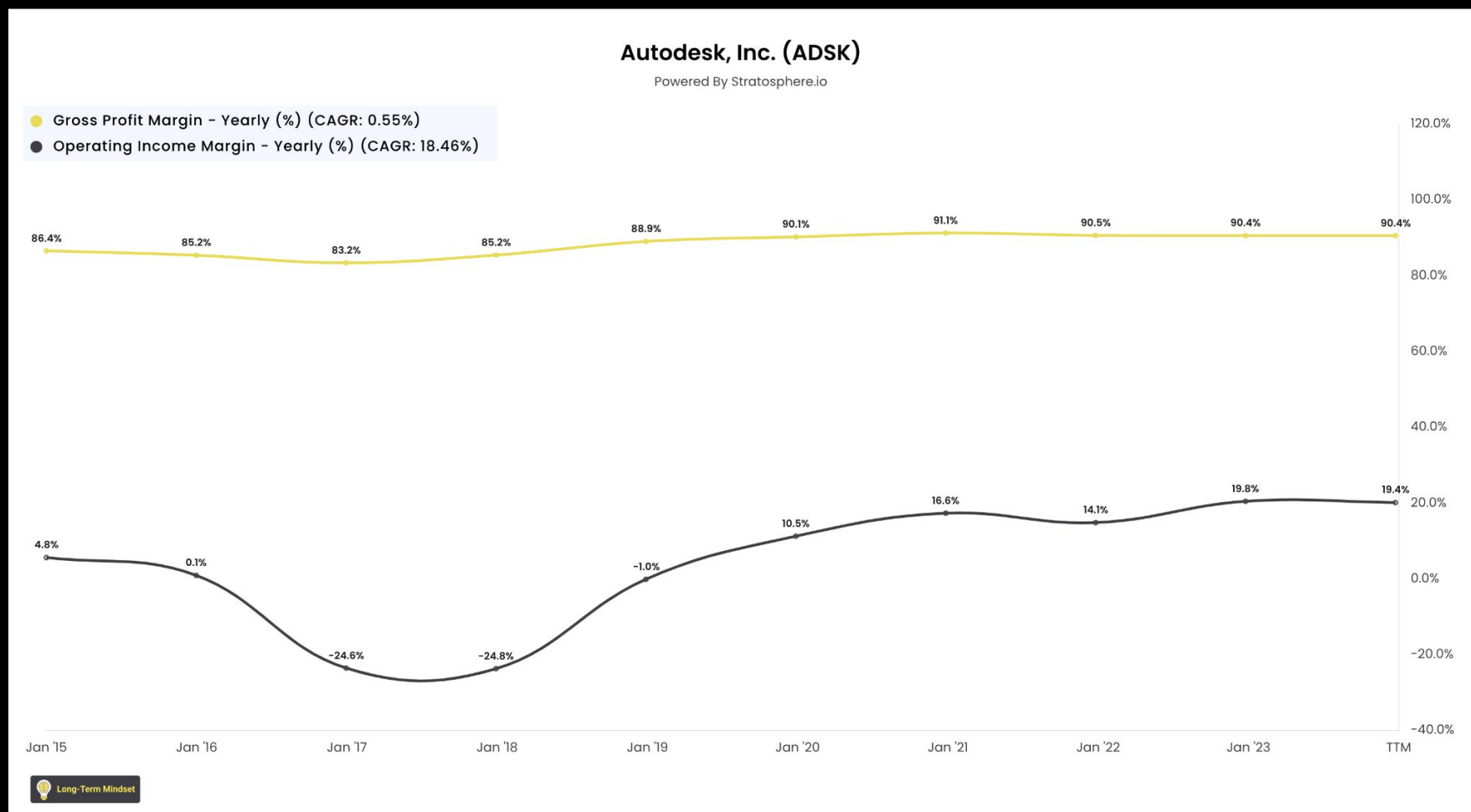
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## 5: Margins

**Why:** Shows current profit profile of products, spending rates, & potential for operating leverage

**Where:** [Stratosphere.io](https://stratosphere.io) (image), Ycharts, Stockrow...etc

**Eliminate:** Companies w/ low or negative margins







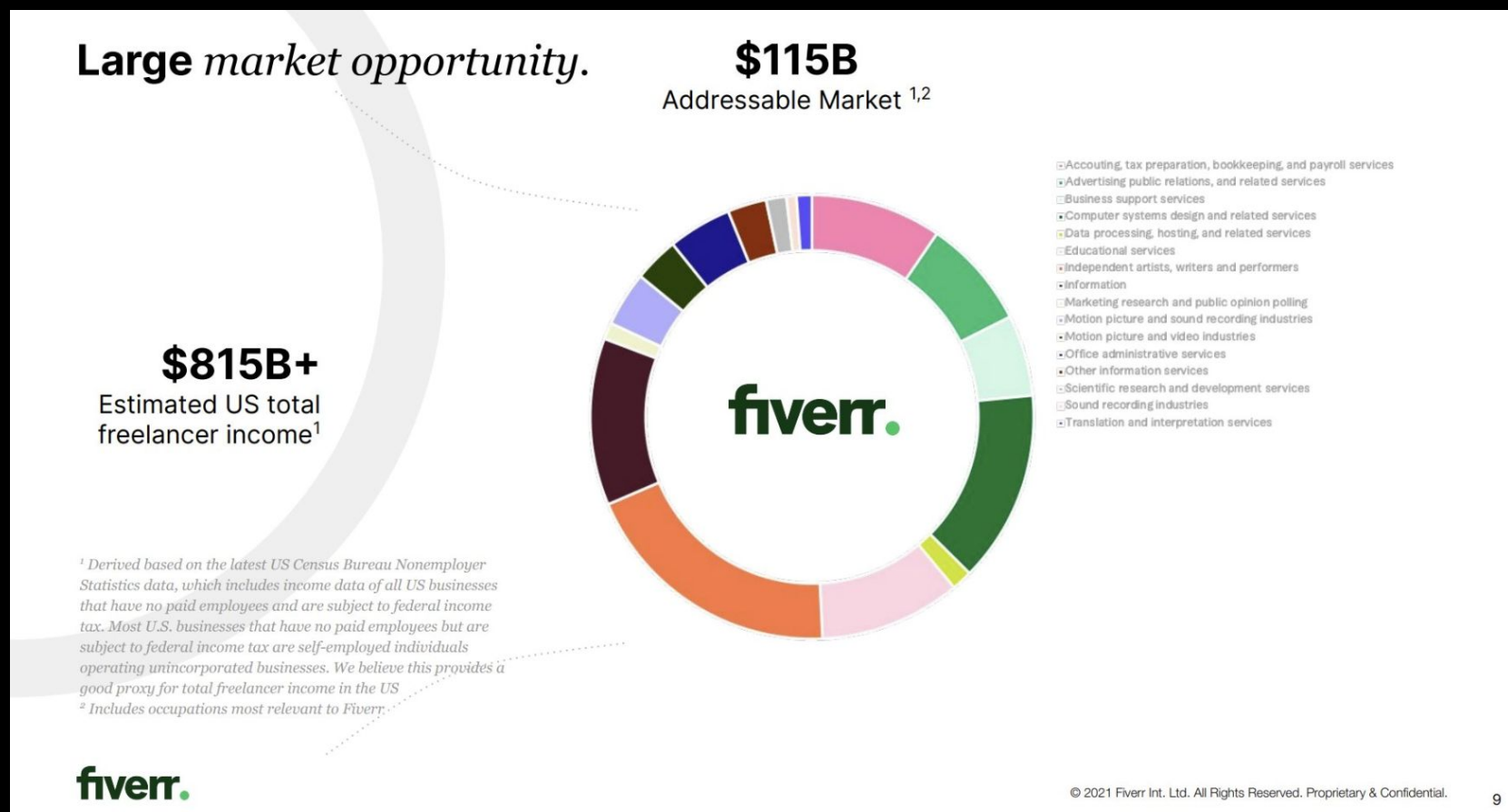
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## 6: Total Addressable Market

**Why:** Shows market size & long-term growth potential of business

**Where:** Investor presentation (images from **\$FVRR**), 10k, Gartner

**Eliminate:** Companies with small TAMs





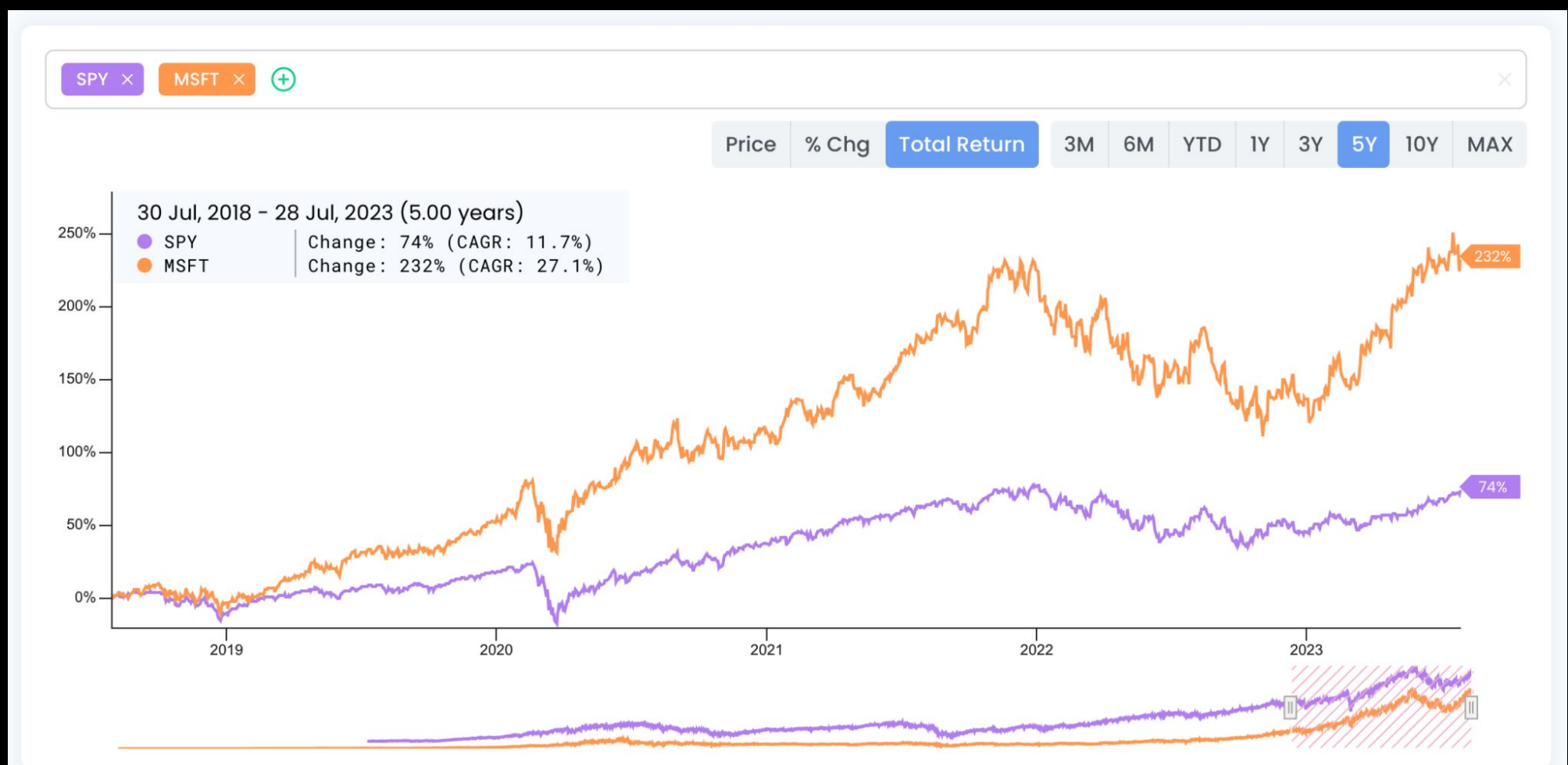
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## 7: Long-term Stock Performance vs. market

**Why:** Has the stock created or destroyed value so it came public?

**Where:** [Stratosphere.io](https://stratosphere.io), Yahoo Finance... etc

**Eliminate:** Stocks that have lost to the market







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## 8: Multiples (Price To Sales / Price To Earnings)

**Why:** How expensive is the stock?

**Where:** [Stratosphere.io](https://www.stratosphere.io) (image), Koyfin...etc

**Eliminate:** Stocks that are “insanely overvalued”

Snowflake Inc. (SNOW) ⓘ ♡				<a href="#">Hide Summary</a> ^	
Growth (Per Share)		Capital Structure		Valuation	
Revenue 5Y	74 . 07%	Market Cap	57 . 09B	P/E	-
Revenue 3Y	80 . 03%	EV	56 . 69B	PEG	6 . 22
Earnings 5Y	6 . 19%	Cash	653 . 01M	P/S	25 . 13
Earnings 3Y	-33 . 91%	Current Ratio	2 . 42	P/B	10 . 72
Dividend 5Y	-	Debt/Equity	0 . 03	P/FCF	93 . 94
Dividend 3Y	-	Net Debt/EBITDA	0 . 47	EV/Sales	24 . 96
Capital Efficiency		Margins		EV/EBITDA	-
ROIC	-16 . 67%	Gross	65 . 63%	EV/FCF	93 . 28
ROE	-15 . 90%	Operating	-40 . 88%	Dividends	
ROA	-11 . 52%	Net Profit	-37 . 84%	Yield	-
ROTA	-13 . 24%	FCF	26 . 76%	Payout	-



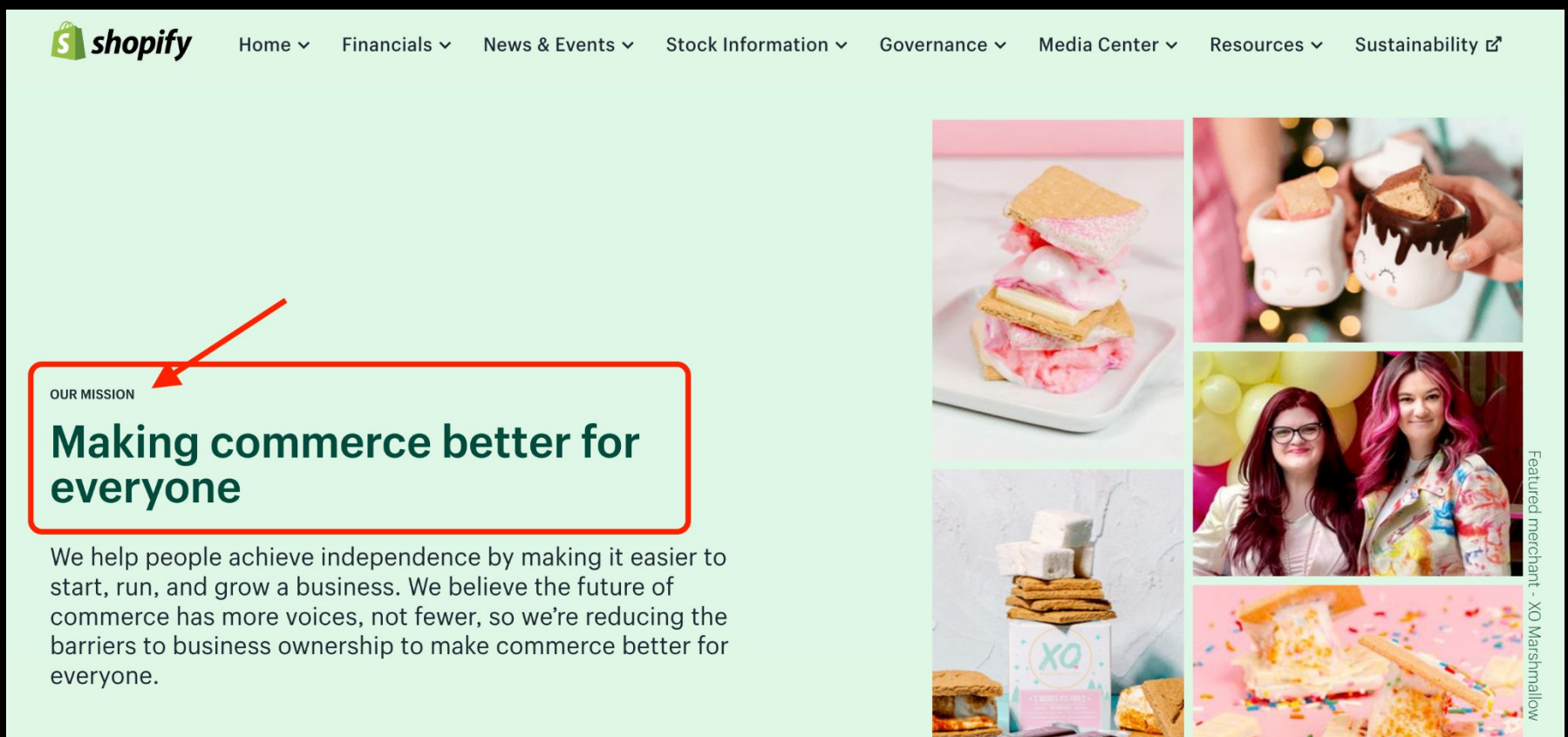
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## 9: Mission Statement

**Why:** Why does this company exist? What is it trying to do?

**Where:** Investor Relations Page (**\$SHOP** image), 10K, Glassdoor, company presentation

**Eliminate:** Companies with bad mission statements



The screenshot shows the Shopify website's header with navigation links: Home, Financials, News & Events, Stock Information, Governance, Media Center, Resources, and Sustainability. The main content area features a light green background. On the left, a red-bordered box highlights the mission statement, with a red arrow pointing to it. The mission statement reads: "OUR MISSION Making commerce better for everyone We help people achieve independence by making it easier to start, run, and grow a business. We believe the future of commerce has more voices, not fewer, so we're reducing the barriers to business ownership to make commerce better for everyone." To the right of the text are four images: a stack of s'mores, two small white mugs with s'mores, two women smiling, and a box of XO Marshmallows. A vertical text label on the right side of the images reads "Featured merchant - XO Marshmallow".



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## 10: Inside Ownership

**Why:** Do insiders have skin in the game?

**Where:** [Stratosphere.io](https://stratosphere.io), SEC filings (DEF 14a)

**Eliminate:** Companies with low inside ownership

stratosphere.io

Search for companies, investors, ETFs, and funds

Investors (TSLA)

Institutional Superinvestors **Insiders**

Insider Trades

Table

TYPE	AMOUNT	PRICE	SECURITY	OWNER	TYPE OF OWNER	SECURITIES OWNED	FILING
M-Exempt	4K	\$18.22	Non-Qualified Stock Option (right to buy)	Taneja Vaibhav	officer: Chief Accounting Officer	816.92K	Jul 07, 2023
M-Exempt	4K	\$18.22	Common Stock	Taneja Vaibhav	officer: Chief Accounting Officer	108.50K	Jul 07, 2023
S-Sale	4K	\$278.36	Common Stock	Taneja Vaibhav	officer: Chief Accounting Officer	104.50K	Jul 07, 2023
S-Sale	3.75K	\$278.7	Common Stock	Kirkhorn Zachary	officer: Chief Financial Officer	197.54K	Jul 05, 2023
S-Sale	2.50K	\$276.35	Common Stock	Zhu Xiaotong	officer: SVP, Automotive	62.94K	Jul 03, 2023
M-Exempt	3.81K	\$17.22	Non-Qualified Stock Option (right to buy)	Baglino Andrew D	officer: SVP Powertrain and Energy Eng.	551.77K	Jun 27, 2023
M-Exempt	3.81K	\$17.22	Common Stock	Baglino Andrew D	officer: SVP Powertrain and Energy Eng.	77.33K	Jun 27, 2023
M-Exempt	6.69K	\$20.91	Common Stock	Baglino Andrew D	officer: SVP Powertrain and Energy Eng.	73.52K	Jun 27, 2023
S-Sale	10.50K	\$243.13	Common Stock	Baglino Andrew D	officer: SVP Powertrain and Energy Eng.	66.83K	Jun 27, 2023
M-Exempt	6.69K	\$20.91	Non-Qualified Stock Option (right to buy)	Baglino Andrew D	officer: SVP Powertrain and Energy Eng.	0	Jun 27, 2023
S-Sale	2.50K	\$260	Common Stock	Zhu Xiaotong	officer: SVP, Automotive	65.44K	Jun 14, 2023
M-Exempt	12K	\$18.22	Non-Qualified Stock Option (right to buy)	Taneja Vaibhav	officer: Chief Accounting Officer	820.92K	Jun 09, 2023
M-Exempt	12K	\$18.22	Common Stock	Taneja Vaibhav	officer: Chief Accounting Officer	116.50K	Jun 09, 2023
S-Sale	12K	\$250.037	Common Stock	Taneja Vaibhav	officer: Chief Accounting Officer	104.50K	Jun 09, 2023
M-Exempt	13.50K	—	Common Stock	Kirkhorn Zachary	officer: Chief Financial Officer	208.69K	Jun 05, 2023
S-Sale	7.40K	\$215.508	Common Stock	Kirkhorn Zachary	officer: Chief Financial Officer	201.29K	Jun 06, 2023
M-Exempt	2.72K	—	Common Stock	Kirkhorn Zachary	officer: Chief Financial Officer	195.19K	Jun 05, 2023
M-Exempt	648.00	—	Common Stock	Kirkhorn Zachary	officer: Chief Financial Officer	192.47K	Jun 05, 2023
S-Sale	3.75K	\$217.69	Common Stock	Kirkhorn Zachary	officer: Chief Financial Officer	191.82K	Jun 05, 2023
M-Exempt	2.72K	—	Restricted Stock Unit	Kirkhorn Zachary	officer: Chief Financial Officer	5.45K	Jun 05, 2023
M-Exempt	648.00	—	Restricted Stock Unit	Kirkhorn Zachary	officer: Chief Financial Officer	1.30K	Jun 05, 2023

Show 25 out of 100 trades

Owners (>5%) Transactions

Table

NAME	SHARES	OWNERSHIP	SOLE VOTING	SHARED VOTING	SOLE DISPOSITIVE	SHARED DISPOSITIVE	FILING
Elon R. Musk	231.72M	21.2%	231.72M	231.72M	231.72M	231.72M	Feb 15, 2022
Capital Ventures International	37.62M	3.7%	76.50K	37.62M	76.50K	37.62M	Feb 14, 2022
Susquehanna Advisors Group, Inc.	37.62M	3.7%	0	37.62M	0	37.62M	Feb 14, 2022
Darby Financial Products	37.62M	3.7%	4.14K	37.62M	4.14K	37.62M	Feb 14, 2022
G1 Execution Services, LLC	37.62M	3.7%	371.00	37.62M	371.00	37.62M	Feb 14, 2022
Susquehanna Investment Group	37.62M	3.7%	4.76M	37.62M	4.76M	37.62M	Feb 14, 2022
Susquehanna Securities, LLC	37.62M	3.7%	32.78M	37.62M	32.78M	37.62M	Feb 14, 2022
CALC IV LP	0	3.1%	0	28.95M	0	0	Feb 16, 2021
Citadel Securities GP LLC	0	3.1%	0	28.95M	0	0	Feb 16, 2021
Citadel Advisors Holdings LP	0	0.1%	0	57.91K	0	0	Feb 16, 2021
Citadel GP LLC	0	0.1%	0	57.91K	0	0	Feb 16, 2021



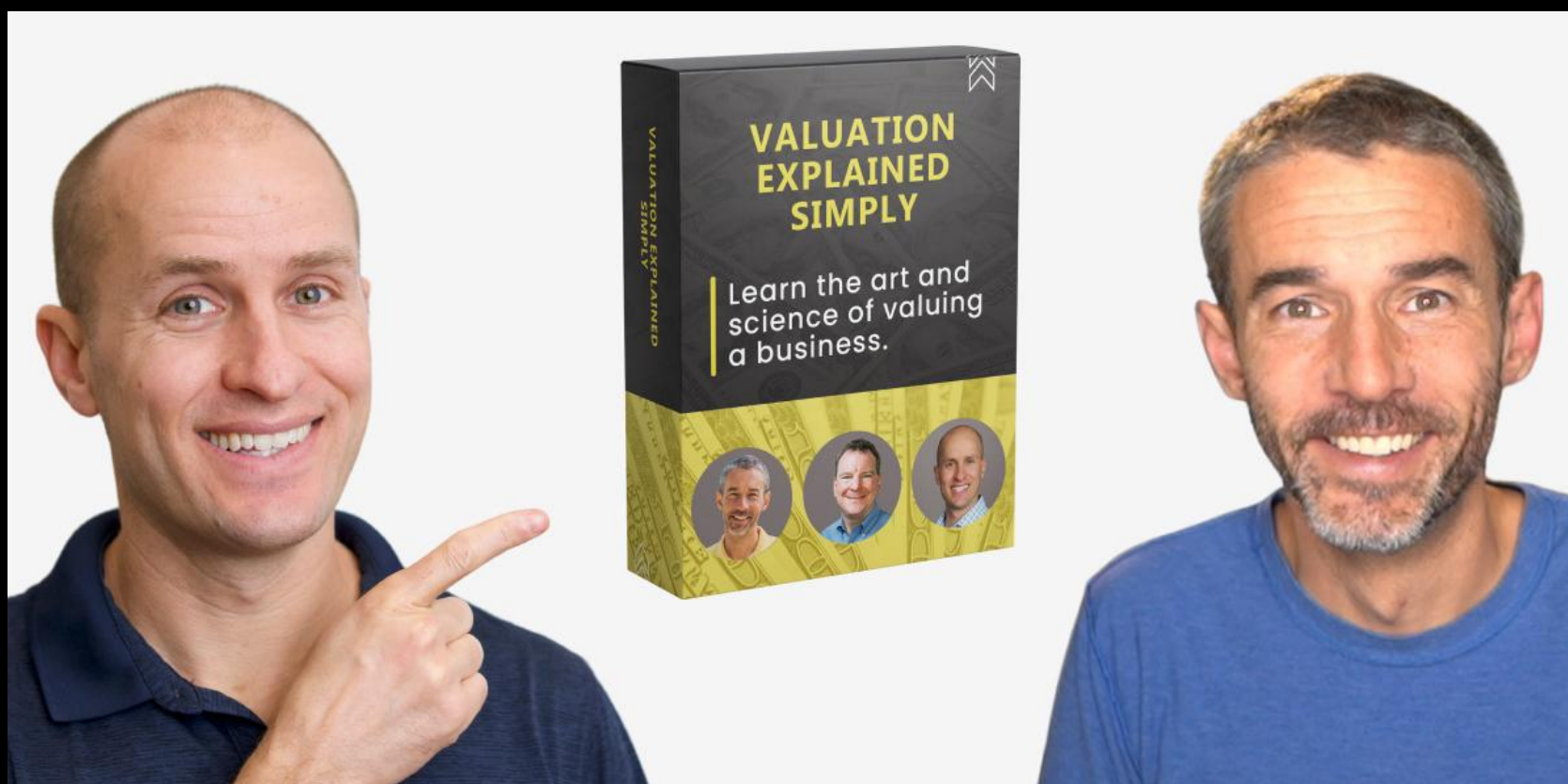


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If you invest, you **must** understand  
how to analysis business fundamentals.  
**Want help?**

Join me in August for my cohort-based course,  
**Valuation Explained Simply**

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