

Last Close 4.72 (EUR)	Avg Daily Vol 2.3M	52-Week High 5.50	Trailing PE 27.8	Annual Div 0.09	ROE 5.4%	LTG Forecast --	1-Mo Return -8.6%
2017 May 31 AMSTERDAM Exchange	Market Cap 1.3B	52-Week Low 2.94	Forward PE 11.1	Dividend Yield 1.9%	Annual Rev 7.0B	Inst Own 21.8%	3-Mo Return -4.2%

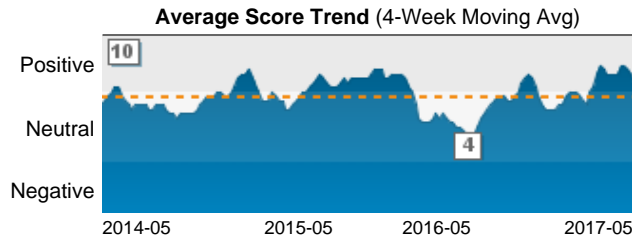
AVERAGE SCORE



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

Score Averages

Construction & Engineering Group:	6.7	Mid/Small Market Cap:	5.3
Indust. & Commercial Svcs. Sector:	5.8	AEX Index:	5.4



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
ORANW	8	9	9	9	9	
ARCAD	4	5	5	6	8	
BAMNB	6	9	9	7	7	
HEIJM	1	6	6	6	6	
KVW	NR	NR	NR	NR	NR	

HIGHLIGHTS

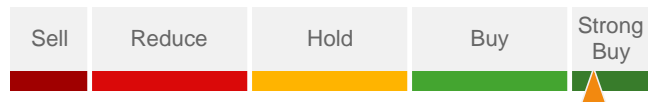
- The score for Koninklijke BAM Groep has been on a negative trend from 9 to 7 over the past 4 weeks.
- The recent change in the Average Score was primarily due to a decline in the Price Momentum and Risk component scores.

THOMSON REUTERS I/B/E/S MEAN

Strong Buy

8 Analysts

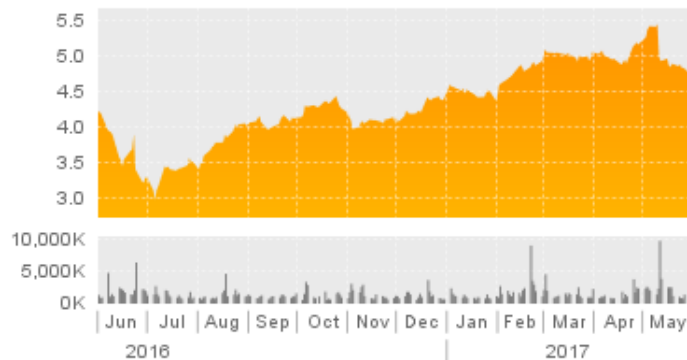
Mean recommendation from all analysts covering the company on a standardized 5-point scale.



PRICE AND VOLUME CHARTS

1-Year Return: 11.7%

5-Year Return: 141.6%



BUSINESS SUMMARY

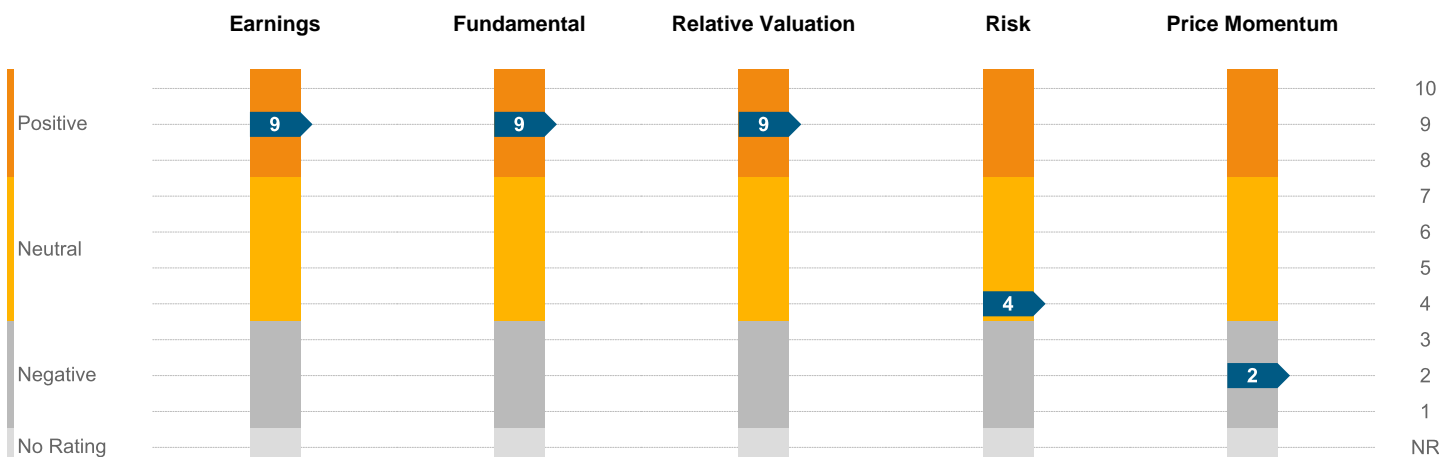
Koninklijke BAM Groep NV is a construction company based in the Netherlands. It focuses on the construction sector, and provides civil engineering, mechanical and electrical services. The Company operates through four segments: The Construction and Mechanical and Electrical Services segment focuses on non-residential and residential construction work; the Civil Engineering segment carries out tailored civil engineering products globally, the Property segment develops properties, such as single family homes, and through the PPP segment, the Company operates in the roads, rail, education, health care, judicial and general accommodation sectors. The Company operates in the Netherlands, the United Kingdom, Germany, Belgium and Ireland, among others. It operates through numerous subsidiaries, including BAM Bouw en Vastgoed, BAM Construct UK, BAM Deutschland, BAM Belgium, BAM Contractors, BAM Infra, BAM Nuttall, Wayss & Freytag Ingenieurbau and BAM International.



INDICATOR COMPONENTS



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

Average Score	Ticker	PRICE MOMENTUM			VALUATION			FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (2017-05-31)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	
7	REN	18.47	4.0%	10.4%	18.5%	18.6B	26.8	19.6	2.3%	16.8%	7.2% Buy	22
7	WKL	39.05	0.2%	1.0%	9.0%	11.8B	23.5	17.0	2.0%	11.4%	8.3% Hold	20
8	RAND	51.50	-5.9%	-6.2%	6.1%	9.5B	16.1	12.3	3.7%	2.7%	3.7% Buy	20
3	BOKA	30.69	-6.2%	-8.0%	-2.7%	4.0B	--	22.8	3.3%	-21.7%	-- Hold	8
NR	KVW	23.36	--	--	--	1.9B	--	--	--	--	-- --	--
7	INTER	18.50	0.5%	9.1%	4.2%	1.7B	30.0	12.1	2.7%	13.5%	-- Buy	7
8	ARCAD	15.74	-1.1%	22.9%	5.0%	1.4B	20.7	14.2	2.7%	2.6%	-- Hold	7
7	BAMNB	4.72	-8.6%	-4.2%	11.7%	1.3B	27.8	11.1	1.9%	0.7%	-- Strong Buy	8
9	ORANW	5.60	7.9%	9.8%	9.2%	164M	18.1	--	--	0.3%	-- --	--
6	HEIJM	7.07	0.0%	-0.3%	-15.8%	153M	--	9.7	--	-8.1%	-- Hold	6
7	BATEN	26.76	-1.6%	-0.4%	37.1%	65M	16.4	--	3.4%	2.8%	-- Buy	1
6.9	Average	21.95	-1.1%	3.4%	8.2%	4.6B	22.4	14.8	2.7%	2.1%	6.4% Buy	11

PEER COMPANIES

REN	Relx	INTER	Intertrust
WKL	Wolters Kluwer	ARCAD	Arcadis
RAND	Randstad Holding	ORANW	Oranjewoud
BOKA	Koninklijke Boskalis	HEIJM	Heijmans
KVW	Koninklijke VolkerWessels	BATEN	Batenburg Techniek



EARNINGS

EARNINGS

9

Currency in EUR

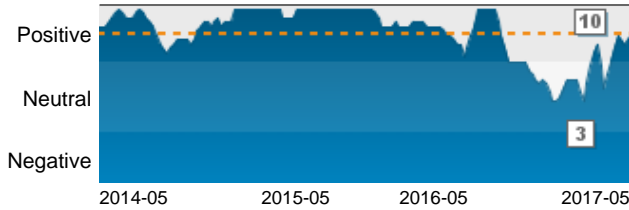
POSITIVE OUTLOOK: Strong earnings with recent analyst upgrades or a history of surpassing consensus estimates.

Earnings Score Averages

Construction & Engineering Group: **7.3**
Indust. & Commercial Svcs. Sector: **6.0**

Mid/Small Market Cap: **5.2**
AEX Index: **6.1**

Earnings Score Trend (4-Week Moving Avg)



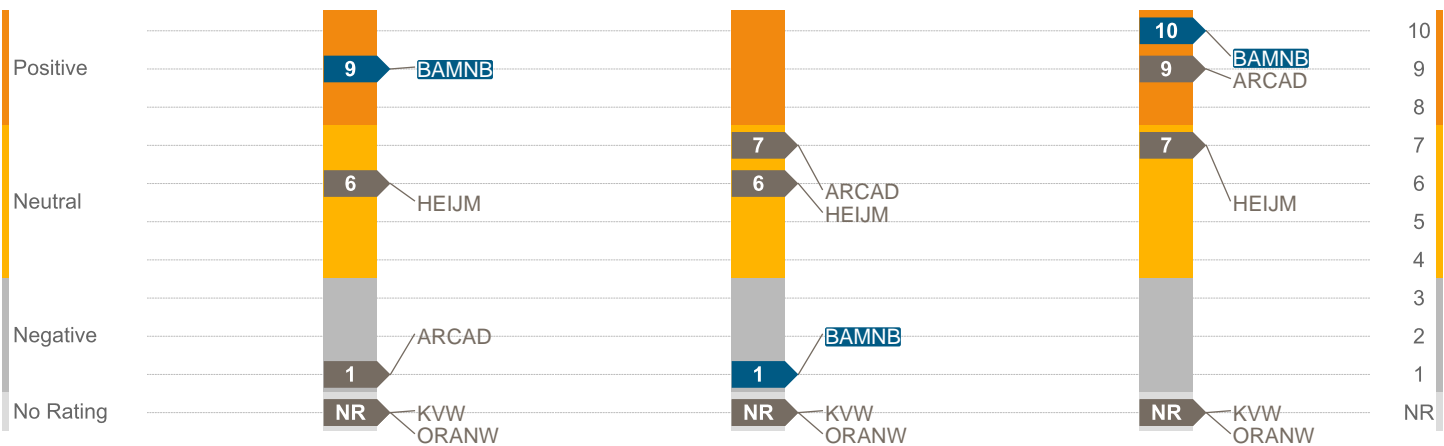
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
BAMNB	6	10	8	9	9	
HEIJM	2	6	9	8	8	
ARCAD	1	1	3	5	7	
KVW	NR	NR	NR	NR	NR	
ORANW	NR	NR	NR	NR	NR	

EARNINGS INDICATORS

Earnings Surprises (33.3% weight)

Estimate Revisions (33.3% weight)

Recommendation Changes (33.3% weight)



Last 4 Years

# Positive Surprises (> 2%)	3
# Negative Surprises (< -2%)	1
# In-Line Surprises (within 2%)	0
Avg Surprise	24.5%

Last 4 Weeks

# Up Revisions	0
# Down Revisions	2
Avg Up Revisions	0.0%
Avg Down Revisions	-25.0%

Last 120 Days

# Broker Upgrades	2
# Broker Downgrades	0

HIGHLIGHTS

- Koninklijke BAM Groep currently has an Earnings Rating of 9, with two of three components rated as bullish (7 or greater). The average Earnings Rating for its Construction & Engineering industry is 7.3 and the AMSTERDAM EXCHANGE index average is 6.2.
- Over the past 90 days, the consensus price target for BAMNB has increased notably from 5.52 to 6.49, a gain of 17.6%.

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

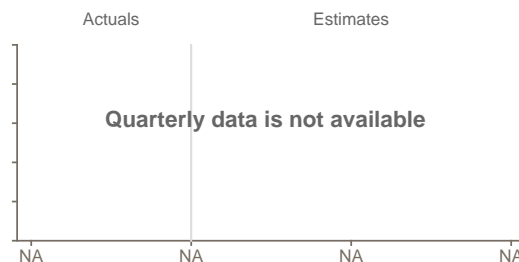
Mean	6.49
High	8.00
Low	4.25
Target vs. Current	37.4%
# of Analysts	7



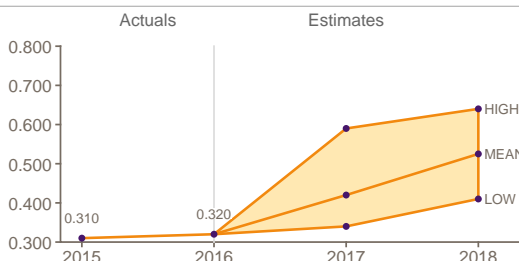
EARNINGS PER SHARE

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	2017	2018
Mean	0.420	0.525
High	0.590	0.640
Low	0.340	0.410
# of Analysts	7	6

MEAN ESTIMATE TREND

	Q	Q	Y	Y	Price Target
	--	--	2017	2018	
Current	--	--	0.420	0.525	6.49
30 Days Ago	--	--	0.447	0.542	5.94
90 Days Ago	--	--	0.452	0.550	5.52
% Change (90 Days)	--	--	-7.1%	-4.5%	17.6%

Current Fiscal Year End: 17-12
Next Expected Report Date: --

ANALYST RECOMMENDATIONS

Thomson Reuters I/B/E/S Mean: **Strong Buy** (8 Analysts)

Strong Buy	5
Buy	3
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 Summary (Last 6 Years)

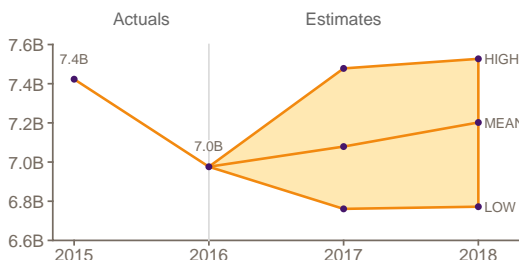
Surprise Type	Amount	Percent
Positive Years (> 2%)	4	80.0%
Negative Years (< -2%)	1	20.0%
In-Line Years (within 2%)	0	--

Surprise Detail (Last 6 Periods)

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
Negative	2017-03-06	2016-12-31	0.320	0.338	-5.3%
Positive	2016-02-18	2015-12-31	0.310	0.224	38.4%
Positive	2015-02-19	2014-12-31	0.280	0.020	1300%
Positive	2014-02-20	2013-12-31	0.210	0.183	14.8%
Positive	2013-03-07	2012-12-31	0.880	0.194	353.6%
In-Line	2012-03-08	2011-12-31	0.540	0.540	0.0%

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.



	2017	2018
Mean	7.1B	7.2B
High	7.5B	7.5B
Low	6.8B	6.8B
Forecasted Growth	1.5%	3.2%
# of Analysts	6	6



FUNDAMENTAL

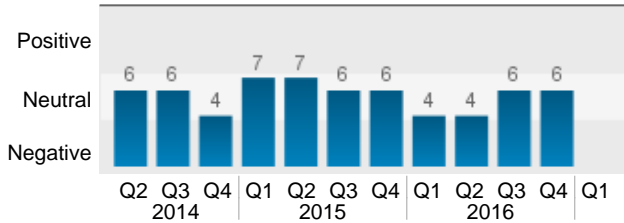


POSITIVE OUTLOOK: Strong fundamentals such as high profit margins, low debt levels, or growing dividends.

Fundamental Score Averages

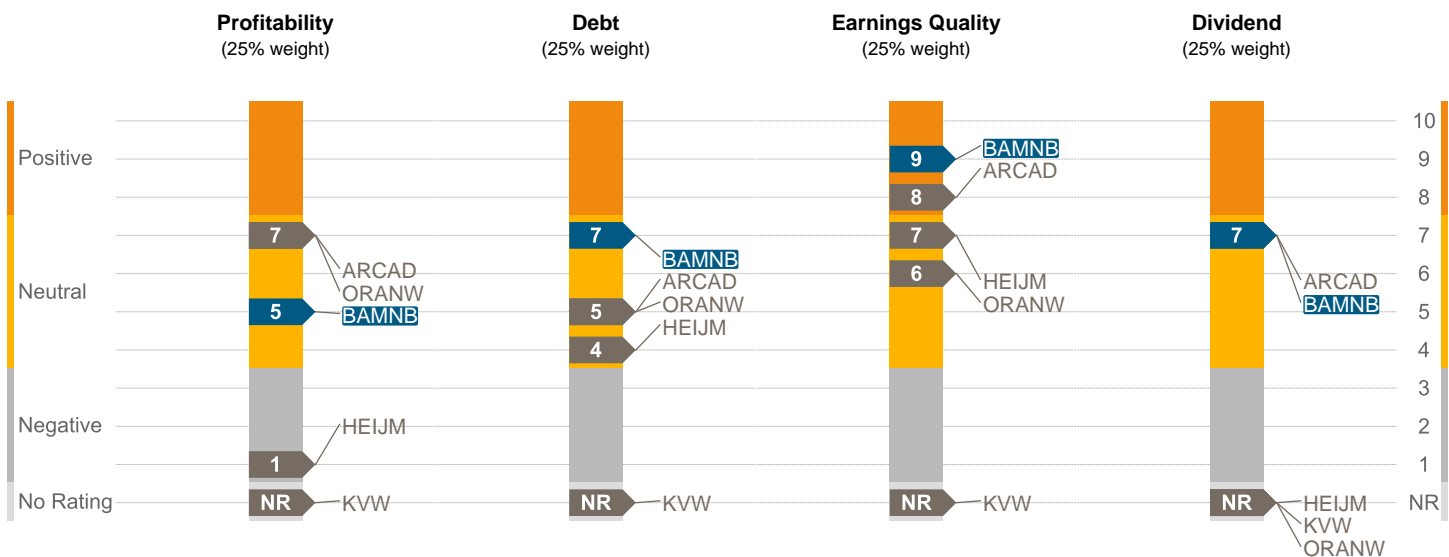
Construction & Engineering Group: **6.8** Mid/Small Market Cap: **5.6**
Indust. & Commercial Svcs. Sector: **6.2** AEX Index: **4.6**

Fundamental Score Trend



Peers	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Current	3Y Trend
BAMNB	4	6	6	NR	9	▲▲▲▲▲▲▲▲▲▲
ARCAD	7	6	7	NR	7	▲▲▲▲▲▲▲▲▲▲
ORANW	6	5	5	NR	6	▲▲▲▲▲▲▲▲▲▲
HEIJM	NR	NR	NR	NR	3	▲▲▲▲▲▲▲▲▲▲
KVW	NR	NR	NR	NR	NR	▲▲▲▲▲▲▲▲▲▲

FUNDAMENTAL INDICATORS



Revenue Growth	-6.0%	Current Ratio	1.0	Oper. Cash Yield	0.4%	Dividend Growth	350.0%
For year over year ending 2016-12		For interim period ending 2016-12		For latest 12 months ending 2016-12		For year over year ending 2016-12	
Gross Margin	4.7%	Debt-to-Capital	35.6%	Accruals	-1.5%	Dividend Payout	52.0%
For latest 12 months ending 2016-12		For annual period ending 2016-12		For latest 12 months ending 2016-12		For latest 12 months ending 2016-12	
Return On Equity	5.4%	Interest Funding	25.2%	Days Sales In Inv.	38.9	Dividend Coverage	23.1
For interim period ending 2016-12		For interim period ending 2016-12		For annual period ending 2016-12		For annual period ending 2016-12	
Net Margin	0.7%	Interest Coverage	2.3	Days Sales In Rec.	95.2	Current Div. Yield	1.9%
For latest 12 months ending 2016-12		For interim period ending 2016-12		For annual period ending 2016-12		For latest 12 months ending 2017-05	

HIGHLIGHTS

- The Fundamental Rating for Koninklijke BAM Groep improved significantly over the last quarter from 4 to 9. The current rating is considerably more bullish than the Construction & Engineering industry group average of 6.8.
- The company's gross margin has been lower than its industry group average for each of the past five years.
- The company's debt-to-capital has been higher than its industry group average for each of the past five years.
- The company's accruals ratio has been higher than its industry group average for each of the past five years.
- Of the 7 firms within the Construction & Engineering industry group, Koninklijke BAM Groep is among 4 companies that pay a dividend. The stock's dividend yield is currently 1.9%.



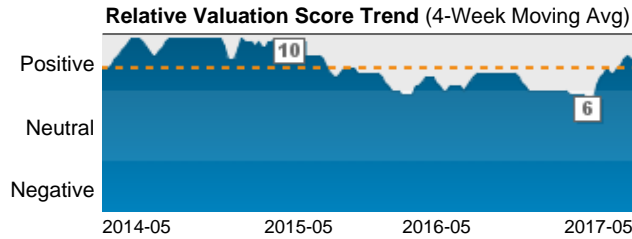
RELATIVE VALUATION



POSITIVE OUTLOOK: Multiples significantly below the market or the stock's historic norms.

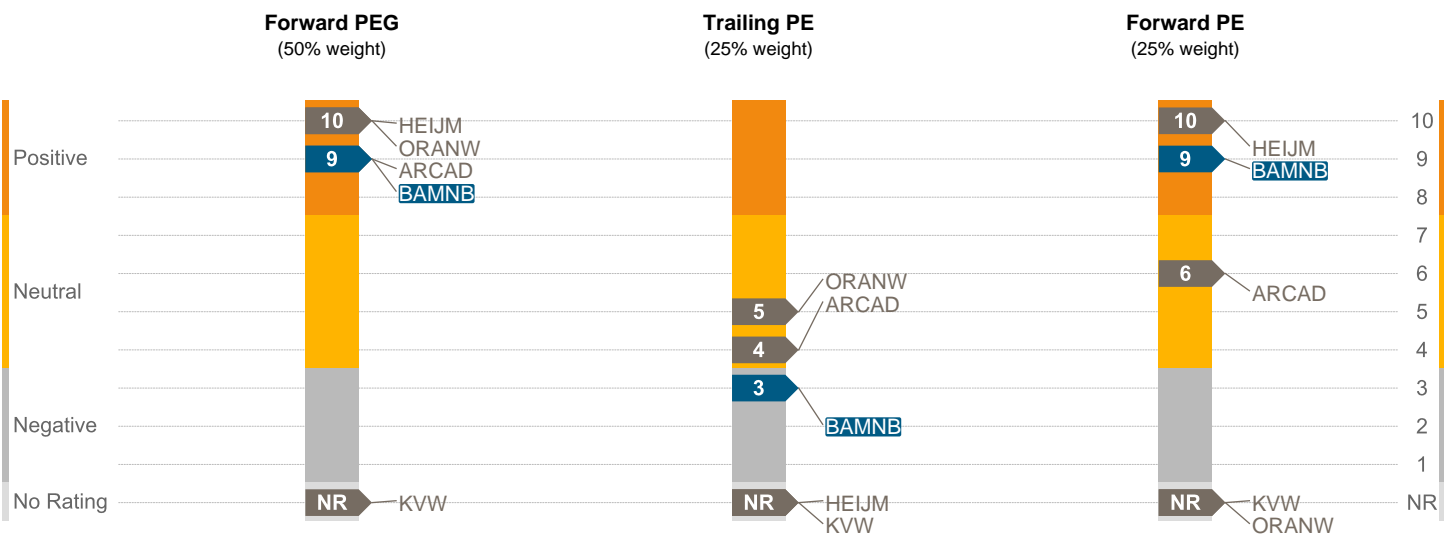
Relative Valuation Score Averages

Construction & Engineering Group:	8.2	Mid/Small Market Cap:	5.8
Indust. & Commercial Svcs. Sector:	6.8	AEX Index:	5.4



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
HEIJM	8	10	10	10	10	
ORANW	10	10	10	10	10	
ARCAD	10	10	8	9	9	
BAMNB	7	7	9	8	9	
KVW	NR	NR	NR	NR	NR	

RELATIVE VALUATION INDICATORS



Price to Sales	0.2	Trailing PE	27.8	Forward PE	11.1
5-Yr Average	0.1	5-Yr Average	42.1	5-Yr Average	14.2
Rel. to 5-Yr Avg.	34% Premium	Rel. to 5-Yr Avg.	34% Discount	Rel. to 5-Yr Avg.	22% Discount
AEX Index	1.0	AEX Index	20.2	AEX Index	16.3
Rel. to AEX	83% Discount	Rel. to AEX	38% Premium	Rel. to AEX	32% Discount

HIGHLIGHTS

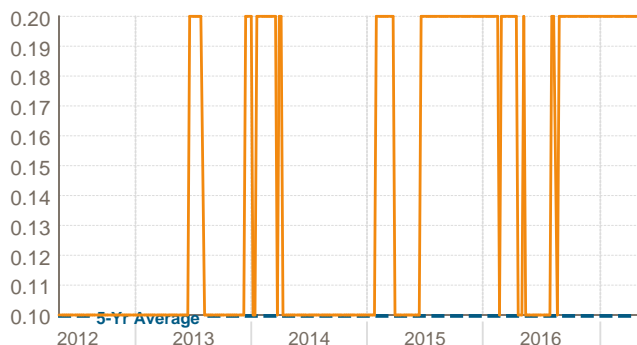
- Koninklijke BAM Groep currently has a Relative Valuation Rating of 9 which is significantly above the AMSTERDAM EXCHANGE index average rating of 4.8.
- Compared to the Construction & Engineering industry group, BAMNB is currently trading at a significant discount based on both Price to Sales ratio and Trailing P/E.
- BAMNB's current Price to Sales ratio of 0.2 represents a 65% Discount to its Construction & Engineering industry group average.
- At 27.8, BAMNB's current Trailing P/E is at a 38% Premium to the AMSTERDAM EXCHANGE index average of 20.2.
- BAMNB's 11.1 Forward P/E is currently at the low end of its 5-year range (lowest 4.5 to highest 100.0).



PRICE TO SALES

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

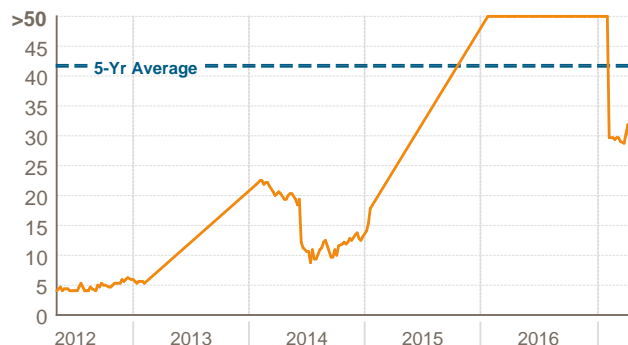
Price to Sales: 0.2
5-Year Average: 0.1
AEX Index Average: 1.0
Construction & Engineering Group Average: 0.5



TRAILING PE

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

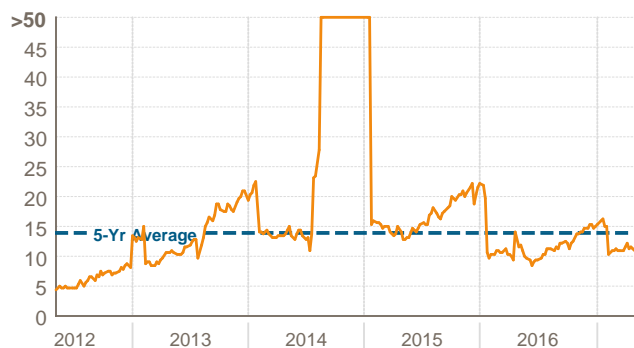
Trailing PE: 27.8
5-Year Average: 42.1
AEX Index Average: 20.2
Construction & Engineering Group Average: --



FORWARD PE

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

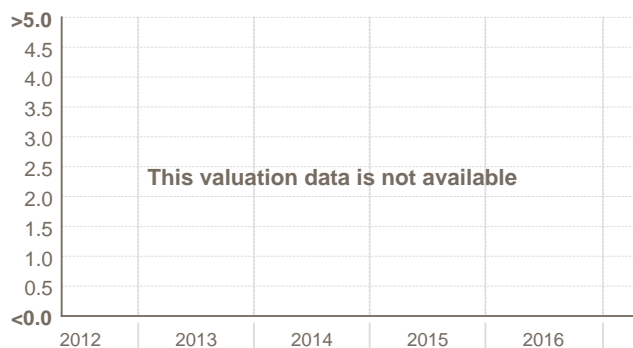
Forward PE: 11.1
5-Year Average: 14.2
AEX Index Average: 16.3
Construction & Engineering Group Average: 22.0



FORWARD PEG

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

Forward PEG: --
5-Year Average: --
AEX Index Average: 1.7
Construction & Engineering Group Average: --



RISK

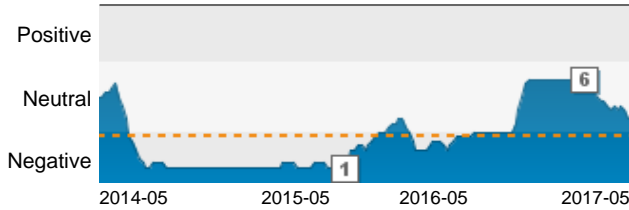


NEUTRAL OUTLOOK: Moderate risk (medium volatility).

Risk Score Averages

Construction & Engineering Group:	5.0	Mid/Small Market Cap:	5.0
Indust. & Commercial Svcs. Sector:	4.8	AEX Index:	6.6

Risk Score Trend (4-Week Moving Avg)



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
ORANW	5	6	8	6	6	
HEIJM	1	2	4	5	5	
ARCAD	3	2	2	4	4	
BAMNB	6	5	4	3	4	
KVW	NR	NR	NR	NR	NR	

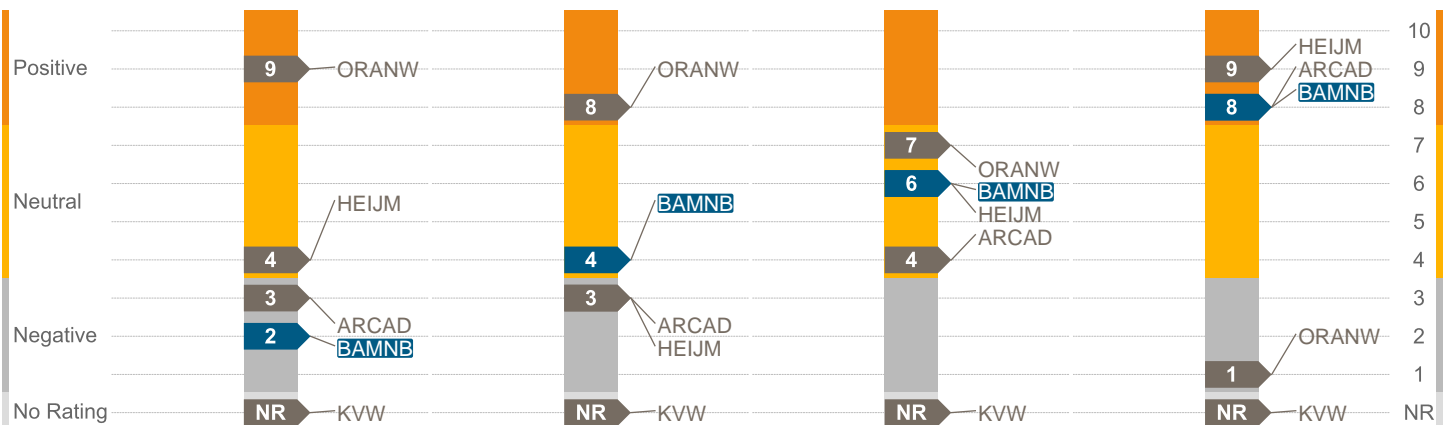
RISK INDICATORS

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. AEX		Correlation vs. AEX	
Best	3.1%	Last 90 Days	1.57	Positive Days Only	0.97	Last 90 Days	38%
Worst	-8.5%	Last 60 Months	15.92	Negative Days Only	1.87	Last 60 Months	48%
Monthly Returns (Last 60 Months)		Intra-Day Swing (Last 90 Days)		Beta vs. Group		Correlation vs. Group	
Best	68.6%	Average	1.7%	Positive Days Only	0.91	Last 90 Days	70%
Worst	-43.4%	Largest	5.5%	Negative Days Only	1.39	Last 60 Months	65%

HIGHLIGHTS

- Koninklijke BAM Groep currently has a Risk Rating of 4, which is significantly below the AMSTERDAM EXCHANGE index average rating of 6.5.
- On days when the market is up, BAMNB tends to perform in-line with the AMSTERDAM EXCHANGE index. However, on days when the market is down, the shares generally decrease by more than the index does.
- In the short term, BAMNB has shown average correlation (≥ 0.2 and < 0.4) with the AMSTERDAM EXCHANGE index. The stock has, however, shown high correlation (≥ 0.4) with the market in the long term.
- Over the last 90 days, BAMNB shares have been more volatile than the overall market, as the stock's daily price fluctuations have exceeded that of 71% of AMSTERDAM EXCHANGE 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
BAMNB	3.1%	-8.5%	29	34	5.5%	68.6%	-43.4%
ARCAD	6.0%	-4.6%	38	25	6.3%	23.3%	-34.5%
HEIJM	2.8%	-4.8%	32	31	6.3%	33.3%	-40.8%
KVW	--	--	--	--	--	--	--
ORANW	3.4%	-3.7%	25	13	3.4%	13.6%	-6.6%
AEX	2.3%	-1.3%	35	27	1.5%	9.7%	-10.1%



PRICE MOMENTUM

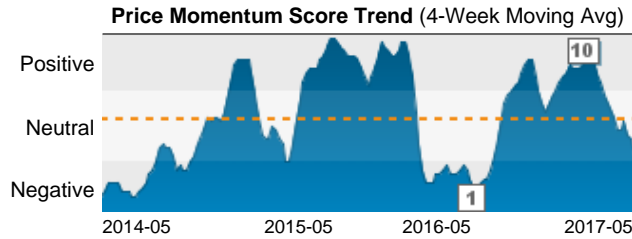


Currency in EUR

NEGATIVE OUTLOOK: Weak recent price performance or entering historically poor seasonal period.

Price Momentum Score Averages

Construction & Engineering Group:	3.7	Mid/Small Market Cap:	5.1
Indust. & Commercial Svcs. Sector:	4.3	AEX Index:	5.2



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
ORANW	NR	7	5	7	8	
ARCAD	2	4	7	3	6	
HEIJM	2	6	3	3	3	
BAMNB	6	9	6	2	2	
KVW	NR	NR	NR	NR	NR	

PRICE MOMENTUM INDICATORS

Relative Strength (70% weight)

Seasonality (30% weight)



Relative Strength Indicator (Scale from 1 to 100)

	BAMNB	Industry Avg
Last 1 Month	39	52
Last 3 Months	49	53
Last 6 Months	51	52

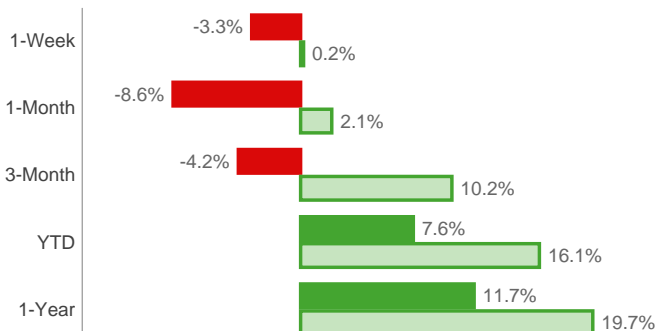
Average Monthly Return (Last 10 Years)

	JUN	JUL	AUG
Company Avg	-6.7%	-1.6%	2.3%
Industry Avg	-2.6%	-0.6%	0.1%
Industry Rank	1 of 5	4 of 5	1 of 5

PRICE PERFORMANCE

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

■ BAMNB
■ AMX Mid



	BAMNB	AMX Mid
Close Price (2017-05-31)	4.72	798
52-Week High	5.50	804
52-Week Low	2.94	577

- Koninklijke BAM Groep has a Price Momentum Rating of 2, which is significantly below the AMSTERDAM EXCHANGE index average rating of 5.2.
- On 2017-05-31, BAMNB closed at 4.72, 14.2% below its 52-week high and 60.5% above its 52-week low.
- BAMNB shares are currently trading 6.1% below their 50-day moving average of 5.03, and 3.8% above their 200-day moving average of 4.55.



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 mean 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 three 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 / Operating Cash Flow
 - Interest Coverage: (Pre-Tax Income + Interest Expense) / Interest Expense
- Earnings Quality is comprised of two data elements.
- Days Sales in Inventory: 365 / (Cost of Goods Sold / Inventory)
 - Days Sales in Receivables: 365 / (Net Sales (Revenues) / 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 Funding: Dividends / Operating Cash Flow
- Dividend Coverage: (Pre-Tax Income + Interest Expense) / (Interest Expense + 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

Thomson Reuters content ("TR Content") is the intellectual property of Thomson Reuters or its third party content providers. The copying, republication or redistribution of TR Content, including by framing or similar means is expressly prohibited without the prior written consent of Thomson Reuters. The TR content in this report does not constitute a recommendation to buy or sell securities of any kind or constitute investment advice. Past performance is not a guarantee of future results.

All information in this report is assumed to be accurate to the best of our ability. Thomson Reuters excludes all liability, to the maximum extent permitted by law, for any inaccuracies in the TR Content or for the consequences of your reliance on the TR Content. Investors should consider this report as only a single factor when making an investment decision.

