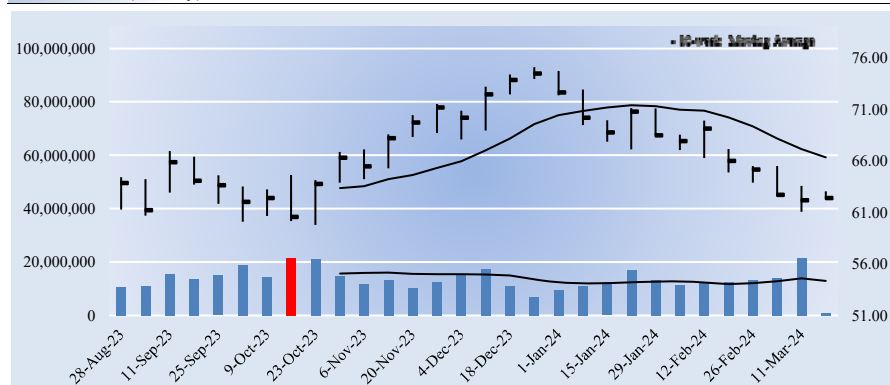


Rio Tinto RIO FAIRLY VALUED**Buying Index™ 3****Value Rating**

Economic Castle	Estimated Fair Value	Fair Value Range	Investment Style	Sector	Industry
Neutral	\$67.00	\$50.00 - \$84.00	LARGE-CAP VALUE	Materials	Mining & Chemicals

Rio Tinto is one of our favorite mining entities, but the company is exposed to the volatility of iron ore and copper prices.

Stock Chart (weekly)

The week with the highest trading volume out of the last 30 weeks was a week of heavy selling, or distribution (red bar).

Company Vitals

Market Cap (USD)	\$101,773
Avg Weekly Vol (30 wks)	13,576
30-week Range (USD)	59.8 - 75.09
Valuentum Sector	Materials
5-week Return	-7.0%
13-week Return	-15.7%
30-week Return	1.7%
Dividend Yield %	7.0%
Dividends per Share	4.35
Forward Dividend Payout Ratio	48.5%
Est. Normal Diluted EPS	7.43
P/E on Est. Normal Diluted EPS	8.4
Est. Normal EBITDA	22,958
Forward EV/EBITDA	3.9
EV/Est. Normal EBITDA	4.5
Forward Revenue Growth (5-yr)	-0.9%
Forward EPS Growth (5-yr)	1.8%

NMF = Not Meaningful; Est. = Estimated; FY = Fiscal Year

Returns Summary

3-year Historical Average

Return on Equity	30.1%
Return on Assets	15.2%
ROIC, with goodwill	19.6%
ROIC, without goodwill	19.9%

ROIC = Return on Invested Capital; NMF = Not Meaningful

Leverage, Coverage, and Liquidity

In Millions of USD

Total Debt	13,001
Net Debt	2,250
Total Debt/EBITDA	0.7
Net Debt/EBITDA	0.1
EBITDA/Interest	20.3
Current Ratio	1.7
Quick Ratio	1.1

NMF = Not Meaningful

Investment Highlights

• Rio Tinto is one of the world's largest miners. The firm is a global leader in the aluminum industry and the second-largest producer supplying the global seaborne iron ore trade. It also has copper, diamonds, titanium, and lithium operations, and investors must be aware of the potential for volatile commodity prices to impact results. Rio Tinto is headquartered in London, UK.

• Rio Tinto acquired the Rincon lithium project in Argentina for ~\$0.8 billion in March 2022, which is a large undeveloped lithium brine development. The outlook for global lithium demand growth over the long haul is incredibly bright.

• Rio Tinto carries a solid 'A-rated' investment grade credit rating (A/A2), though the miner does carry a sizable net debt load on the books. The miner sold out of Indonesia's Grasberg mine in 2018 for ~\$3.5 billion, and is moving forward with projects in Australia, South Africa, the US, Mongolia, and elsewhere. Rio Tinto's development pipeline is robust.

• Iron ore and copper prices have cooled off recently, though Rio Tinto's outlook remains bright. Reforms in China's steel industry are expected to provide a long-term tailwind to the miner's performance. Growing demand for renewable energy supports the long-term demand outlook for copper.

• We're big fans of Rio Tinto's Australian Pilbara operations, which are close to some of the world's best markets for iron ore. The company has a nice position on the cost curve for aluminum smelting, and its copper assets are of high quality.

Structure of the Diversified Mining Industry

The diversified mining industry is highly cyclical and almost entirely commoditized, with little differentiation from one firm to the next. Rising input costs can only be passed on to consumers if industry-wide prices increase. Exploration and development require large capital investments, which could pressure cash flows during weak economic times. A miner's position on the cost curve for each respective resource is a critical investment consideration, given the volatility of commodity prices. Though emerging market growth will be a key source of demand for years to come, we don't like the structure of the group.

Investment Considerations

DCF Valuation	FAIRLY VALUED
Relative Valuation	NEUTRAL
ValueCreation™	EXCELLENT
ValueRisk™	MEDIUM
ValueTrend™	NEGATIVE
Cash Flow Generation	STRONG
Financial Leverage	LOW
Growth	DECLINING
Technical Evaluation	BEARISH
Relative Strength	WEAK
Money Flow Index (MFI)	NEUTRAL
Upside/Downside Volume (U/D)	BEARISH
Near-term Technical Resistance, 10-wk MA	66.00

DCF = Discounted Cash Flow; MFI, U/D = Please see glossary. MA = Moving Average

Business Quality

ValueCreation™

ValueRisk™	Very Poor	Poor	Good	Excellent
Low				
Medium				
High				
Very High				

Firms that generate economic profits with little operating variability score near the top right of the matrix.

Relative Valuation

	Forward P/E	PEG	Price / FV
Air Products & Chemicals	17.8	1.9	97.2%
BHP Billiton	8.7	2.4	94.0%
DuPont	21.1	1.9	93.0%
Sherwin-Williams	29.0	2.1	109.7%
Peer Median	19.5	2.0	95.6%
Rio Tinto	7.0	5.6	93.1%

Price / FV = Current Stock Price divided by Estimated Fair Value

Financial Summary

	Actual	Projected
Fiscal Year End:	Dec-22	Dec-23
Revenue	55,554	54,041
Revenue, YoY%	-12.5%	-2.7%
Operating Income	18,095	14,867
Operating Margin %	32.6%	27.5%
Net Income	12,392	10,058
Net Income Margin %	22.3%	18.6%
Diluted EPS	7.60	6.16
Diluted EPS, YoY %	-41.3%	NMF
Free Cash Flow (CFO-capex)	9,384	8,074
Free Cash Flow Margin %	16.9%	14.9%

In Millions of USD (except for per share items)

Rio Tinto RIO FAIRLY VALUED**Buying Index™****3****Value Rating**

Economic Castle	Estimated Fair Value	Fair Value Range
Neutral	\$67.00	\$50.00 - \$84.00

Investment Style
LARGE-CAP VALUE

Sector
Materials

Industry
Mining & Chemicals

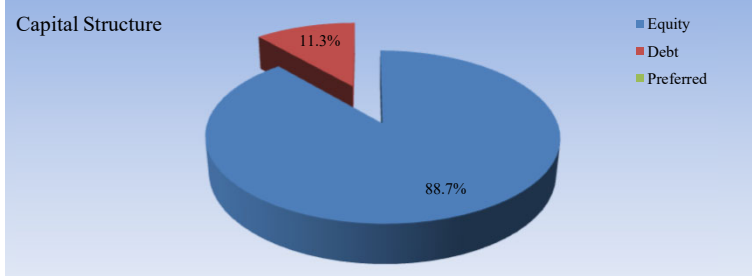
Economic Profit Analysis**ValueCreation™****EXCELLENT**

The best measure of a firm's ability to create value for shareholders is expressed by comparing its return on invested capital (ROIC) with its weighted average cost of capital (WACC). The gap or difference between ROIC and WACC is called the firm's economic profit spread. Rio Tinto's 3-year historical return on invested capital (without goodwill) is 19.9%, which is above the estimate of its cost of capital of 10%. As such, we assign the firm a ValueCreation™ rating of EXCELLENT. In the chart to the right, we show the probable path of ROIC in the years ahead based on the estimated volatility of key drivers behind the measure. The solid grey line reflects the most likely outcome, in our opinion, and represents the scenario that results in our fair value estimate.

ROIC - WACC Spread, 3-year historical average	9.8%
ROIC - WACC Spread, 5-year projected average	6.1%
These spreads equal the firm's annual average ROIC (excluding goodwill) less its WACC.	

ValueTrend™**NEGATIVE**

Rio Tinto receives a ValueTrend™ rating of NEGATIVE, which is based on the company's trailing three-year performance. The firm's ROIC (excluding goodwill) fell to 15% last year from its trailing 3-year average of 19.9%. We expect ROIC (excluding goodwill) to be in the ballpark of about 13% by the end of our discrete forecast period, with downside risk to about 7% over that time period.

Weighted Average Cost of Capital (WACC)**Cost of Equity**

Risk Free Rate Assumption	4.3%
Fundamental Beta (ERP multiplier)	1.0
Estimated Equity Risk Premium	6.5%
Cost of Equity Assumption	10.8%

After-tax Cost of Debt

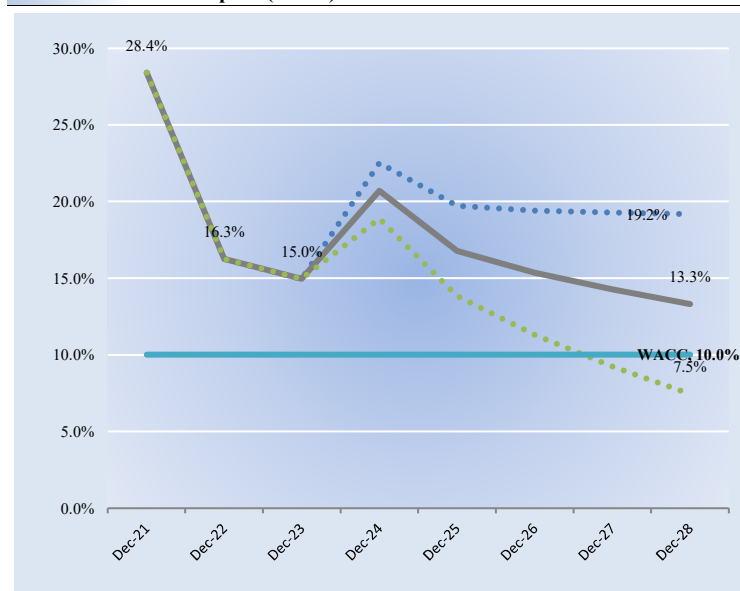
Risk Free Rate Assumption	4.3%
Synthetic Credit Spread	1.18%
Cost of Debt Assumption	5.5%
Cash Tax Rate Assumption	30.0%
After-tax Cost of Debt Assumption	3.8%

Cost of Preferred Stock

Preferred Dividends	0
Value of Preferred Stock	0
Cost of Preferred Assumption	NA

Weighted Average Cost of Capital (WACC)**10.0%**

ERP = Equity Risk Premium

Return on Invested Capital (ROIC)

The graph above shows the firm's ROIC (excluding goodwill) compared with historical averages and its WACC.

Assessment of Company Dividend Strategy**Key Strengths**

Rio Tinto is a strong cash flow generator due to its impressive iron, copper, aluminum, diamonds, and titanium operations which covers mining and smelting activities, depending on the resource. It is also targeting lithium opportunities as well. The company has a rock-solid 'A-rated' investment grade credit rating (A/A2), indicating the market remains confident in its ability to pay back debt and tap capital markets for funds as needed. Please note that Rio Tinto's dividend has been historically volatile, and that the firm paid out special dividends in the recent past. Rio Tinto is constantly focused on improving its operational execution and cost structure.

Potential Weaknesses

Rio Tinto's net debt load poses a headwind to its dividend and the miner's performance is heavily influenced by the trajectory of volatile commodity prices. Having a net cash position would put the miner in a better spot to deal with exogenous shocks. We caution that Rio Tinto's dividend has been cut in the past when things got tough, and we expect payout volatility going forward. Rio Tinto's capital expenditure requirements are quite substantial, though the firm is a tremendous cash flow generator, and its asset base includes numerous high-quality operations. We are fans of its iron ore mining operations in Australia's Pilbara region.

Note: Valuentum may provide an adjusted ROIC measure to better reflect the economic substance of a company's operations, as in the case of companies with negative invested capital.

Rio Tinto RIO FAIRLY VALUED

Buying Index™ 3

Value Rating



Economic Castle
Neutral

Estimated Fair Value
\$67.00

Fair Value Range
\$50.00 - \$84.00

Investment Style
LARGE-CAP VALUE

Sector
Materials

Industry
Mining & Chemicals

Growth Analysis

Revenue Growth

DECLINING

		Last Fiscal Year Revenue	3-year Historical CAGR	5-year Projected CAGR
Rio Tinto	USD	54,041	6.6%	-0.9%
Air Products & Chemical	USD	12,600	12.5%	6.2%
BHP Billiton	USD	53,817	11.4%	1.0%
DuPont	USD	12,068	2.7%	3.3%
Sherwin-Williams	USD	23,052	7.9%	4.5%
Peer Median			9.6%	3.9%
Industry Median			9.3%	4.1%

Rio Tinto's revenue expansion has trailed the median of both its peer group and its industry group during the past three years. We expect the firm's pace of revenue growth to fall below the median of both its peer group and industry group during the next five years. Our growth assessment of each firm is based on the firm's 5-year forward revenue CAGR. Rio Tinto's future pace of revenue growth is DECLINING, in our opinion.

EBITDA Growth

		Last Fiscal Year EBITDA	3-year Historical CAGR	5-year Projected CAGR
Rio Tinto	USD	19,846	-2.7%	1.4%
Air Products & Chemical	USD	4,011	5.3%	11.2%
BHP Billiton	USD	26,643	13.9%	1.8%
DuPont	USD	2,855	3.6%	4.4%
Sherwin-Williams	USD	4,250	7.4%	11.5%
Peer Median			6.4%	7.8%
Industry Median			8.9%	8.0%

Rio Tinto's EBITDA expansion has trailed both that of its peer group and its industry group during the past three years. We expect the firm's pace of EBITDA growth to fall below that of both its peer group and industry group during the next five years. Sherwin-Williams sports the highest EBITDA growth rate among peers.

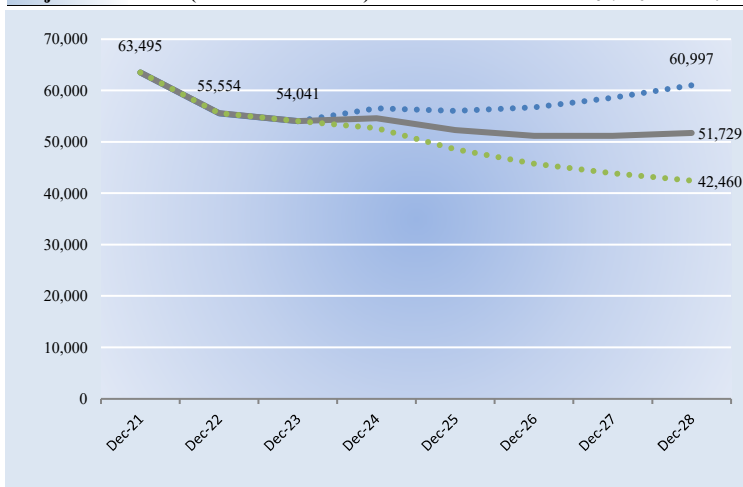
Net Income Growth

		Last Fiscal Year Net Income	3-year Historical CAGR	5-year Projected CAGR
Rio Tinto	USD	10,058	1.0%	1.8%
Air Products & Chemical	USD	2,293	6.8%	11.3%
BHP Billiton	USD	12,921	17.5%	4.6%
DuPont	USD	494	-171.1%	34.0%
Sherwin-Williams	USD	2,389	5.6%	15.9%
Peer Median			6.2%	13.6%
Industry Median			13.2%	8.7%

Rio Tinto's net income expansion has trailed both that of its peer group and its industry group during the past three years. We expect the firm's pace of net income growth to fall below that of both its peer group and industry group during the next five years. DuPont sports the highest expected net income growth rate among peers.

Projected Revenue (in millions of USD)

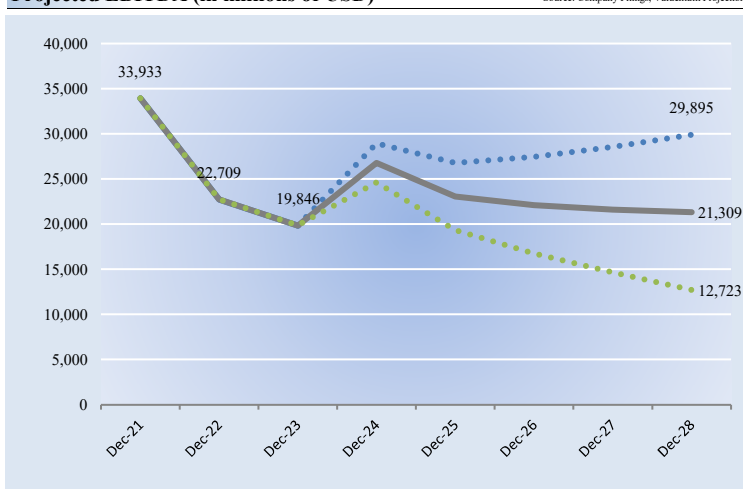
Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for revenue as well as potential upside and downside cases.

Projected EBITDA (in millions of USD)

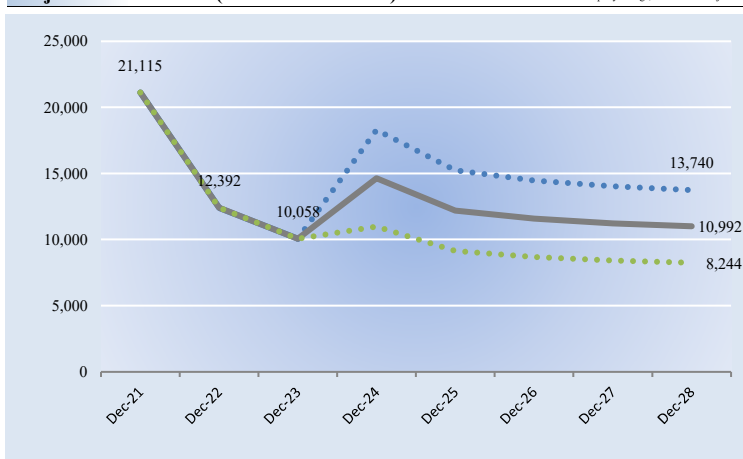
Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for EBITDA as well as potential upside and downside cases.

Projected Net Income (in millions of USD)

Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for net income as well as potential upside and downside cases.

Rio Tinto RIO FAIRLY VALUED

Economic Castle
Neutral

Estimated Fair Value
\$67.00

Fair Value Range
\$50.00 - \$84.00

Buying Index™ 3

Value Rating

Investment Style
LARGE-CAP VALUE

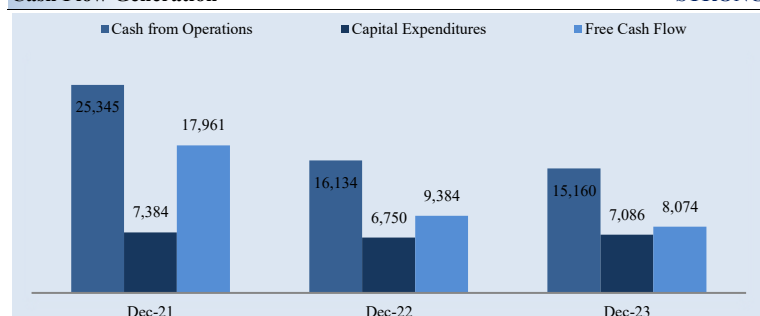
Sector
Materials

Industry
Mining & Chemicals

Cash Flow and Financial Leverage Analysis

Cash Flow Generation

STRONG



The bars above show the firms operating cash flow, capital expenditures, and free cash flow, respectively.

Firms that generate a free cash flow margin (free cash flow divided by total revenue) above 5% are usually considered cash cows. Rio Tinto's free cash flow margin has averaged about 20% during the past 3 years. As such, we think the firm's cash flow generation is relatively **STRONG**. The free cash flow measure shown above is derived by taking cash flow from operations less capital expenditures and differs from enterprise free cash flow (FCFF), which we use in deriving our fair value estimate for the company. For more information on the differences between these two measures, please visit our website at Valuentum.com. At Rio Tinto, cash flow from operations decreased about 40% from levels registered two years ago, while capital expenditures fell about 4% over the same time period.

Cash Flow from Operations

		Last Fiscal Year CFO	3-year Historical CAGR	5-year Projected CAGR
Rio Tinto	USD	15,160	-1.5%	0.7%
Air Products & Chemical	USD	3,206	-0.6%	11.1%
BHP Billiton	USD	18,701	6.0%	4.1%
DuPont	USD	1,918	-22.3%	15.1%
Sherwin-Williams	USD	3,522	1.1%	11.6%
Peer Median			0.2%	11.4%
Industry Median			3.0%	10.9%

Rio Tinto's cash flow from operations expansion has trailed both that of its peer group and its industry group during the past three years. We expect the firm's pace of cash flow from operations growth to fall below that of both its peer group and industry group during the next five years. DuPont sports the highest expected cash flow from operations growth rate among peers.

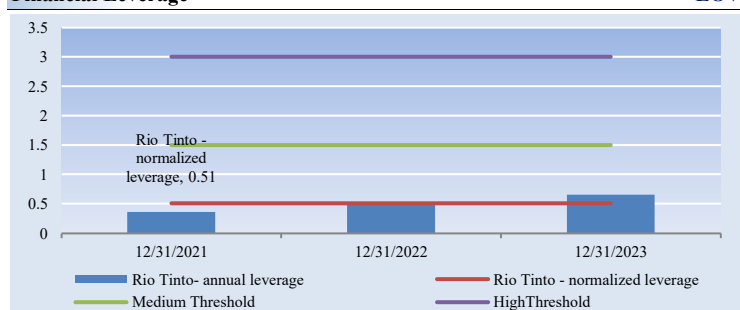
Free Cash Flow (CFO-capital expenditures)

		Last Fiscal Year FCF	3-year Historical CAGR	5-year Projected CAGR
Rio Tinto	USD	8,074	-5.9%	-4.5%
Air Products & Chemical	USD	-1,420	-223.4%	-210.0%
BHP Billiton	USD	11,618	6.8%	-0.4%
DuPont	USD	1,299	-22.9%	20.0%
Sherwin-Williams	USD	2,634	-5.3%	15.7%
Peer Median			-14.1%	7.6%
Industry Median			-5.6%	13.4%

Rio Tinto's free cash flow expansion has been greater than that of its peer group but has trailed that of its industry group during the past three years. We expect the firm's pace of free cash flow growth to fall below that of both its peer group and industry group during the next five years. DuPont sports the highest expected free cash flow growth rate among peers.

Financial Leverage

LOW

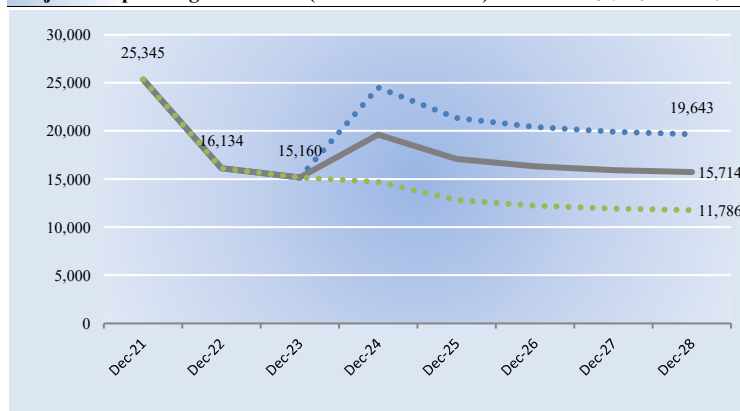


The bars above show the firm's annual debt-to-EBITDA. The red line shows the firm's normalized measure.

Firms that exhibit high leverage tend to be more risky than firms with relatively low debt loads, all else equal. We measure financial leverage by taking a firm's current total debt load and dividing it by the firm's trailing average 3-year annual EBITDA. Firms that are over 3 for this metric, we rate as having high leverage. Companies that have less than 1.5 turns of leverage (or a measure below 1.5), we rate as having low leverage. Rio Tinto's normalized debt-to-EBITDA measure of about 0.51 puts it in the **LOW** camp.

Projected Operating Cash Flow (in millions of USD)

Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for CFO as well as potential upside and downside cases.

Projected Free Cash Flow (in millions of USD)

Source: Company Filings, Valuentum Projections



In the chart above, we show our baseline forecast for free cash flow as well as potential upside and downside cases.

Rio Tinto RIO FAIRLY VALUED


VALUENTUM

Buying Index™

3

VALUENTUM

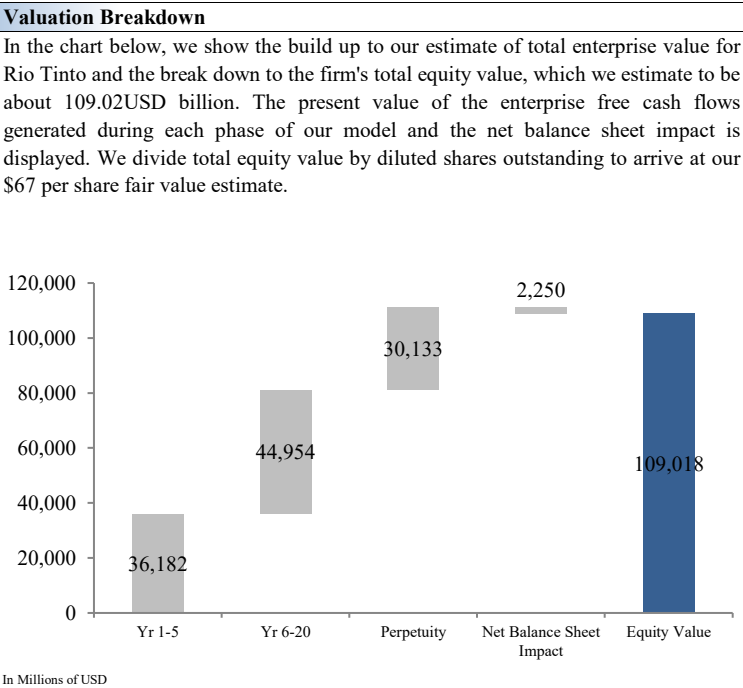
Value Rating



Economic Castle	Estimated Fair Value	Fair Value Range	Investment Style	Sector	Industry
Neutral	\$67.00	\$50.00 - \$84.00	LARGE-CAP VALUE	Materials	Mining & Chemicals

Valuation Analysis

Valuation Assumptions		
In Millions of USD (except for per share items)		
		5-year Projections
Revenue CAGR %		-0.9%
Avg. EBIT Margin %		34.7%
Avg. Cash Tax Rate %		30.0%
Earnings Before Interest CAGR %		1.9%
Earnings Per Share CAGR %		1.8%
Free Cash Flow to the Firm CAGR %		-0.8%
Earnings before interest = Net operating profits less adjusted taxes		
		Long-term Projections
Phase II --> III FCFF CAGR %	4.5% (II)	3% (III)
Cost of Equity %		10.8%
After-tax Cost of Debt %		3.8%
Discount Rate (WACC) %		10.0%
Synthetic credit spread = 1.18%		
		Results
Phase I Present Value		36,182
Phase II Present Value		44,954
Phase III Present Value		30,133
Total Firm Value		111,268
Net Balance Sheet Impact		-2,250
Total Equity Value		109,018
Diluted Shares Outstanding		1,631.5
Fair Value per Share		\$67.00



DCF Valuation Summary

We think Rio Tinto is worth \$67 per share with a fair value range of \$50.00 - \$84.00. The margin of safety around our fair value estimate is driven by the firm's MEDIUM ValueRisk™ rating, which is derived from an evaluation of the historical volatility of key valuation drivers and a future assessment of them. Our near-term operating forecasts, including revenue and earnings, do not differ much from consensus estimates or management guidance. Our model reflects a compound annual revenue growth rate of -0.9% during the next five years, a pace that is lower than the firm's 3-year historical compound annual growth rate of 6.6%. Our model reflects a 5-year projected average operating margin of 34.7%, which is below Rio Tinto's trailing 3-year average. Beyond year 5, we assume free cash flow will grow at an annual rate of 4.5% for the next 15 years and 3% in perpetuity. For Rio Tinto, we use a 10% weighted average cost of capital to discount future free cash flows.

Enterprise Free Cash Flow				
	Fiscal Year End:	12/31/2021	12/31/2022	12/31/2023
Earnings before Interest		19,036	11,298	10,759
+ Depreciation		4,318	4,455	4,855
- Capital Expenditures		7,384	6,750	7,086
- Change in Working Capital		596	870	202
- Acquisitions		0	850	834
Enterprise Free Cash Flow (FCFF)		15,374	7,283	7,492
In Millions of USD				
Our future forecasts for key valuation drivers result in a future free enterprise cash flow stream. Above, we show how we calculate enterprise free cash flow and the historical performance of the metric for Rio Tinto. Over the next five years, we expect the firm's enterprise free cash flow to expand at about a -1% compound annual growth rate. During years 6 through 20, we expect the measure to grow at a 4.5% rate. Beyond year 20 (in perpetuity), we grow the firm's free cash flow at inflation (3%).				

Source: Company Filings, Valuentum Projections

Company Metrics versus Peer and Industry Medians

Company Name	Valuentum Buying Index™	Forward Price-to-Earnings	P/E on Est. Normal Diluted EPS	Price/Earnings-to-Growth (PEG), 5-year	Forward EV/EBITDA	EV/Est. Normal EBITDA	5-year Forward Earnings per Share CAGR	3-year Hist Avg ROIC, without goodwill	Dividend Yield %	Stock Price / Fair Value Estimate
Rio Tinto	3	7.0	8.4	5.6	3.9	4.5	1.8%	19.9%	7.0%	93.1%
Air Products & Chemical	3	17.8	14.9	1.9	11.3	9.8	11.4%	11.0%	3.2%	97.2%
BHP Billiton	3	8.7	8.8	2.4	5.2	5.2	4.6%	31.2%	5.1%	94.0%
DuPont	6	21.1	17.0	1.9	13.3	11.7	34.7%	-4.6%	2.1%	93.0%
Sherwin-Williams	6	29.0	21.6	2.1	20.2	16.2	17.1%	31.9%	0.9%	109.7%
Peer Median	4.5	19.5	15.9	2.0	12.3	10.7	14.2%	21.1%	2.6%	95.6%
Industry Median	6.0	17.3	14.0	2.1	9.4	8.7	10.0%	14.1%	1.3%	97.9%

View back of report for a full list of industry constituents covered by Valuentum. VBI: Valuentum's ranking for the attractiveness of this investment at the date of the report.



Rio Tinto RIO FAIRLY VALUED

Buying Index™ 3

Value Rating



Economic Castle Neutral	Estimated Fair Value \$67.00	Fair Value Range \$50.00 - \$84.00
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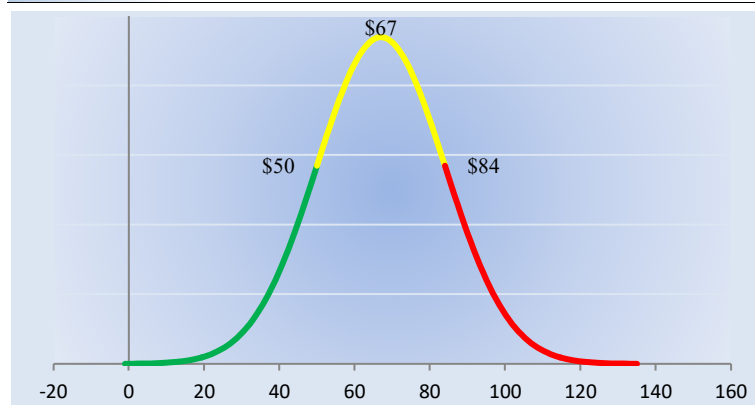
Investment Style
LARGE-CAP VALUE

Sector
Materials

Industry
Mining & Chemicals

Margin of Safety Analysis

Range of Potential Outcomes



Our discounted cash flow process values each firm on the basis of the present value of all future free cash flows. Although we estimate the firm's fair value at about \$67 per share, every company has a range of probable fair values that's created by the uncertainty of key valuation drivers (like future revenue or earnings, for example). After all, if the future were known with certainty, we wouldn't see much volatility in the markets as stocks would trade precisely at their known fair values. Our ValueRisk™ rating sets the margin of safety or the fair value range we assign to each stock. In the graph above, we show this probable range of fair values for Rio Tinto. We think the firm is attractive below \$50 per share (the green line), but quite expensive above \$84 per share (the red line). The prices that fall along the yellow line, which includes our fair value estimate, represent a reasonable valuation for the firm, in our opinion.

ValueRisk™

MEDIUM

Rio Tinto receives a ValueRisk™ rating of MEDIUM based of the historical volatility of key drivers of economic value creation. The fair value range sets the margin of safety around our fair value estimate of the firm's shares.

Revenue Volatility	14.3%
Gross Margin Volatility	36.7%
Earnings (EBI) Volatility	35.2%
Cash Flow (FCFF) Volatility	Greater than 50%
Fair Value Range	25.0%

The Fair Value Range sets the premium or discount on our estimate of the firm's fair value.

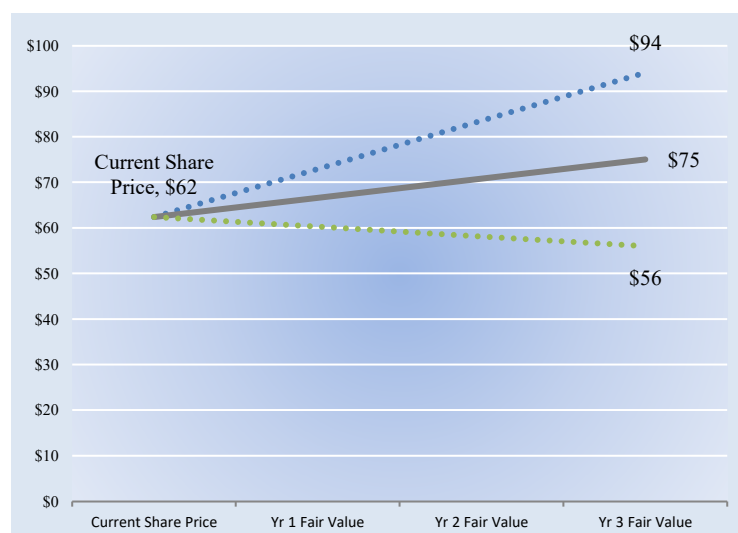
Upside and Downside Probabilities

Probability (fair value < \$0)	Less than 0.1%
Probability (fair value > 2x current share price)	0.03%

We strive to answer a few questions that investors often ask: 1) What are the chances of a total loss of investment in this company? and 2) What is the chance that the company is really worth twice what I paid for it? The probability (fair value < 0) strives to answer the first question. It indicates the chance that the firm may encounter insolvency based on the characteristics of its cash flow stream, capital structure, and risk profile. The probability (fair value > 2x current share price) strives to answer the second question. It is our best estimate of whether investors are participating in a half-off sale by buying the company's shares at current prices.

Future Path of Fair Value

We estimate Rio Tinto's fair value at this point in time to be about \$67 per share. As time passes, however, companies generate cash flow and pay out cash to shareholders in the form of dividends. The chart to the right compares the firm's current share price with the path of Rio Tinto's expected equity value per share over the next three years, assuming our long-term projections prove accurate. The range between the resulting downside fair value and upside fair value in Year 3 represents our best estimate of the value of the firm's shares three years hence. This range of potential outcomes is also subject to change over time, should our views on the firm's future cash flow potential change. The expected fair value of \$75 per share in Year 3 represents our existing fair value per share of \$67 increased at an annual rate of the firm's cost of equity less its dividend yield. The upside and downside ranges are derived in the same way, but from the upper and lower bounds of our fair value estimate range.



The graph above shows the expected future fair value of the firm's shares relative to its current stock price.

Rio Tinto RIO FAIRLY VALUED

Economic Castle
Neutral

Estimated Fair Value
\$67.00

Fair Value Range
\$50.00 - \$84.00

Buying Index™ 3

Value Rating

Investment Style
LARGE-CAP VALUE

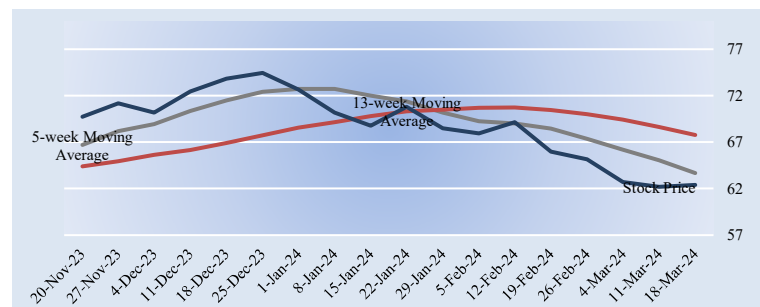
Sector
Materials

Industry
Mining & Chemicals

Technical Analysis

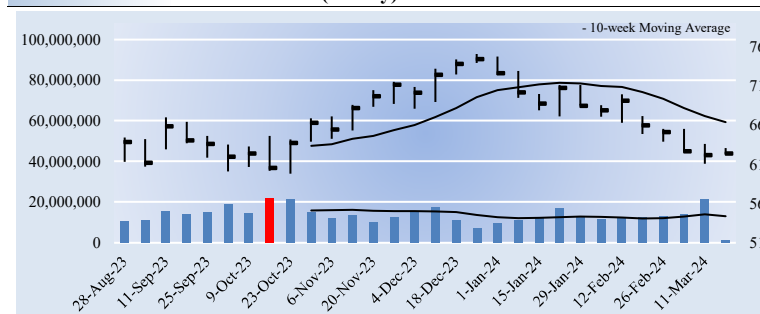
Technical Evaluation

BEARISH



The firm's near-term moving average (5-week, grey line) and medium-term moving average (13-week, red line) are shown in the chart above. Typically, when a shorter-term moving average crosses a medium- or longer-term moving average from below, it represents a bullish signal. If the short-term moving average crosses from above, traders often view this as bearish. Rio Tinto's 5-week moving average is below its 13-week measure, indicating a BEARISH trend. We'd grow more constructive on the firm's technicals if the firm's 5-week moving average crosses its 13-week moving average.

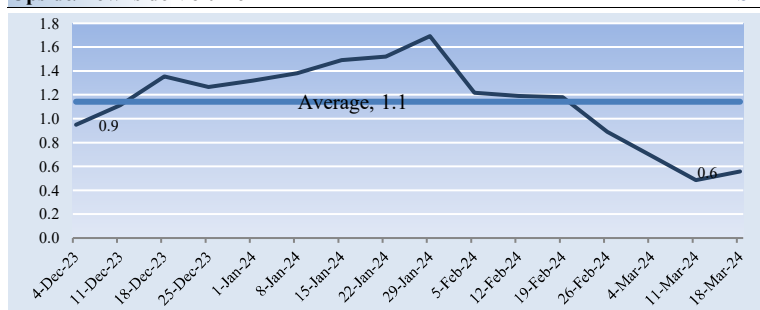
30-week Price and Volume Chart (weekly)



In the chart above, we pinpoint the heaviest accumulation or distribution week of the firm, determined by the week with the highest trading volume during the past 30 weeks. A heavy accumulation (buying) or distribution (selling) week often determines the future near-term direction of the firm's share price, as money managers continue to move in or out of the stock in the days and weeks ahead driving the stock up or down, respectively. For Rio Tinto, the week with the highest trading volume out of the last 30 weeks was a week of heavy selling, or distribution (red bar). Such market activity could indicate a reversal of an uptrend or further confirmation of a downtrend.

Upside/Downside Volume

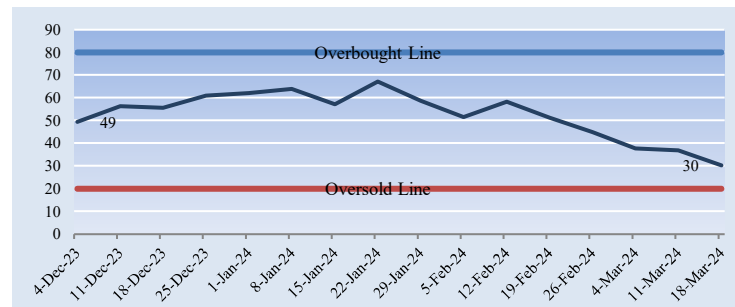
BEARISH



The level and trend of the Upside/Downside (U/D) volume ratio reveals whether institutional participation has been bullish or bearish as of late. Rio Tinto's U/D volume ratio of 0.6 is not only less than 1 but also is lower than its trailing average, indicating BEARISH institutional interest during the past several weeks.

Money Flow Index (MFI)

NEUTRAL



The Money Flow Index (MFI) is an oscillator that uses price and volume to measure buying and selling pressure. Chartists often look for overbought (above 80) and oversold (below 20) levels to warn of unsustainable near-term price extremes. Rio Tinto's MFI of 30 (green line) is neutral, suggesting the firm's stock is neither overbought nor oversold at this time. However, a score below 50 tends to favor bears. The MFI can also be used to gauge the strength or weakness of a firm's price trend. In Rio Tinto's case, its stock price and money flow neither reveals a bullish nor bearish divergence, further supporting our neutral view on its money flow action.

Relative Price Strength

WEAK

A firm's relative price strength can be assessed over any number of time horizons. We show the firm's performance over the past 5 weeks, 13 weeks, and 30 weeks below. In arriving at our relative strength rating for each company, we assess the past 13 weeks, which includes the market's reaction to the firm's most recently reported quarter, where applicable, and other more recent economic events. During the past 13 weeks, Rio Tinto's shares returned -15.7%, while the market benchmark returned 10.4%. We think Rio Tinto's 13-week relative price performance is WEAK.

5-week Company Performance	-7.0%
5-week Market Benchmark Performance	5.1%
5-week Relative Performance vs. Market Benchmark	-12.1%
13-week Company Performance	-15.7%
13-week Market Benchmark Performance	10.4%
13-week Relative Performance vs. Market Benchmark	-26.1%
30-week Company Performance	1.7%
30-week Market Benchmark Performance	12.2%
30-week Relative Performance vs. Market Benchmark	-10.5%

Timeliness Matrix™

Equity Valuation

Relative Strength	Overvalued	Fairly Valued	Undervalued
Strong			
Neutral			
Weak			

Firms that are undervalued and currently showing near-term pricing strength score near the top right of the matrix.

Companies that are undervalued and showing near-term relative price strength could represent timely buys, as the stock may be attractive to both value and momentum investors. A cross section of the firm's equity valuation and its relative share price strength is shown in the matrix above. We tend to prefer undervalued stocks that have strong pricing momentum, also called Valuentum stocks.

Rio Tinto RIO FAIRLY VALUED**Buying Index™****3****Value Rating**

Economic Castle Neutral	Estimated Fair Value \$67.00	Fair Value Range \$50.00 - \$84.00	Investment Style LARGE-CAP VALUE	Sector Materials	Industry Mining & Chemicals
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Pro Forma Income Statement

	----- Historical -----			----- Projected -----	
In Millions of USD (except for per share items)	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Total Revenue	63,495	55,554	54,041	54,581	52,262
Cost of Goods Sold	32,154	34,255	36,743	30,813	31,927
Selling, General and Administrative Expenses	536	515	309	259	268
Other Operating Expenses	1,368	2,689	2,122	1,780	1,844
Operating Income	29,437	18,095	14,867	21,730	18,222
Unusual items	0	0	0	0	0
Operating Income, including unusual items	29,437	18,095	14,867	21,730	18,222
Interest Expense	(178)	(346)	(980)	(980)	(980)
Other Non-operating Income	1,574	913	(102)	4	4
Pre-tax Income	30,833	18,662	13,785	20,754	17,246
Income Taxes	8,236	5,614	3,832	6,226	5,174
Income after tax	22,597	13,048	9,953	14,528	12,072
Minority Interest and Equity Income	(1,482)	(656)	105	105	105
Net Income, excluding extra items	21,115	12,392	10,058	14,633	12,177
Income Available to Common, excluding extra items	21,115	12,392	10,058	14,633	12,177
Diluted Earnings per Share, excluding extra items	12.96	7.60	6.16	8.97	7.46
Diluted Weighted Shares Outstanding	1,628.9	1,629.6	1,631.5	1,631.5	1,631.5

Source: Company Filings, Xignite, Valuentum Projections

Note: Pro forma data in discounted cash-flow valuation may reflect significant adjustments from GAAP accounting data, including cash (not effective) tax rates and other analytical adjustments on a backward-looking and forward-looking basis. No individual data, by itself, found in this report should be used to make any investment decision.

Rio Tinto RIO FAIRLY VALUED**Buying Index™****3****Value Rating**

Economic Castle Neutral	Estimated Fair Value \$67.00	Fair Value Range \$50.00 - \$84.00	Investment Style LARGE-CAP VALUE	Sector Materials	Industry Mining & Chemicals
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Pro Forma Balance Sheet

	----- Historical -----			----- Projected -----	
	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Assets					
Total Cash (including marketable securities)	15,288	8,907	10,751	20,603	22,558
Inventory	5,436	6,213	6,659	5,552	5,719
Accounts Receivable	3,117	3,370	3,471	3,498	3,342
Other Current Assets	591	483	629	629	629
Total Current Assets	24,432	18,973	21,510	30,282	32,248
Gross Fixed Assets	126,355	126,751	134,367	142,020	150,055
(Accumulated Depreciation)	(61,428)	(62,017)	(67,899)	(72,803)	(77,498)
Net Property, Plant, and Equipment	64,927	64,734	66,468	69,217	72,558
Goodwill, Net	879	826	797	797	797
Intangibles, Net	2,832	3,645	4,389	4,265	4,141
Other Long-term Assets	9,826	8,596	10,385	10,385	10,385
Total Assets	102,896	96,774	103,549	114,946	120,128
Liabilities					
Accounts Payable	3,450	3,367	3,275	2,693	2,958
Other Current Liabilities	8,365	7,313	8,644	8,193	8,134
Current Portion of Long-term Debt	812	923	824	824	824
Total Current Liabilities	12,627	11,603	12,743	11,710	11,916
Long-term Debt	11,356	10,148	12,177	17,177	17,177
Other Long-term Liabilities	27,481	24,389	24,043	24,043	24,043
Total Liabilities	51,464	46,140	48,963	52,930	53,136
Preferred Stock	0	0	0	0	0
Shareholders' Equity					
Common Stock and Additional Paid in Capital	8,097	7,859	7,908	7,908	7,908
Retained Earnings	33,337	35,020	38,350	45,781	50,756
Other Equity	9,998	7,755	8,328	8,328	8,328
Total Shareholders' Equity	51,432	50,634	54,586	62,017	66,992
Total Liabilities and Shareholders' Equity	102,896	96,774	103,549	114,946	120,128

Source: Company Filings, Xignite, Valuentum Projections

Note: Pro forma data in discounted cash-flow valuation may reflect significant adjustments from GAAP accounting data, including cash (not effective) tax rates and other analytical adjustments on a backward-looking and forward-looking basis. No individual data, by itself, found in this report should be used to make any investment decision.

Rio Tinto RIO FAIRLY VALUED**Buying Index™****3****Value Rating**

Economic Castle Neutral	Estimated Fair Value \$67.00	Fair Value Range \$50.00 - \$84.00	Investment Style LARGE-CAP VALUE	Sector Materials	Industry Mining & Chemicals
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Pro Forma Cash Flow Statement

	----- Historical -----			----- Projected -----	
In Millions of USD (except for per share items)	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Cash from Operations					
Net Income	21,115	12,392	10,058	14,528	12,072
Depreciation and Amortization	4,496	4,614	4,979	5,028	4,819
Deferred Income Taxes	0	0	0	0	0
Operating Gains Or Losses	(266)	(872)	123	0	0
Changes in Working Capital	0	0	0	47	196
Cash Flow from Operations	25,345	16,134	15,160	19,602	17,087
Cash from Investing					
Purchase of Property, Plant, Equipment	(7,384)	(6,750)	(7,086)	(7,653)	(8,036)
Other Investing Cash Flows	(1,818)	(1,588)	124	0	0
Cash Flow from Investing	(9,202)	(8,338)	(6,962)	(7,653)	(8,036)
Cash from Financing					
Issuance (Retirement) of Stock	0	0	0	0	0
Issuance (Retirement) of Debt	(577)	(843)	1,097	0	0
Dividends Paid	(10,918)	(10,743)	(6,470)	(7,097)	(7,097)
Other Financing Cash Flows	72	(2,903)	96	0	0
Cash Flow from Financing	(11,423)	(14,489)	(5,277)	(7,097)	(7,097)
Foreign Exchange	100	15	(23)	0	0
Net Change in Cash	6,863	(5,047)	2,898	4,852	1,955

Source: Company Filings, Xignite, Valuentum Projections

Note: Pro forma data in discounted cash-flow valuation may reflect significant adjustments from GAAP accounting data, including cash (not effective) tax rates and other analytical adjustments on a backward-looking and forward-looking basis. No individual data, by itself, found in this report should be used to make any investment decision.

Rio Tinto RIO FAIRLY VALUED

VALUENTUM

Buying Index™

3

VALUENTUM

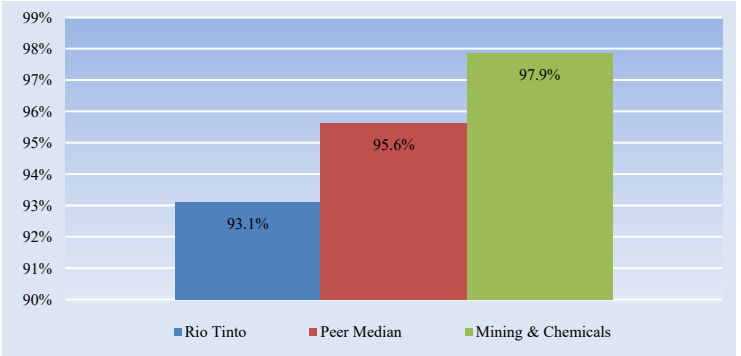
Value Rating

Economic Castle	Estimated Fair Value	Fair Value Range	Investment Style	Sector	Industry
Neutral	\$67.00	\$50.00 - \$84.00	LARGE-CAP VALUE	Materials	Mining & Chemicals

Mining & Chemicals

Mining & Chemicals FAIRLY VALUED

We think the Mining & Chemicals industry is fairly valued at this time. The industry's market cap is trading between 80% and 120% of our estimate of its fair value based on our DCF process. Although we use a firm-specific ValueRisk™ measure to determine whether a firm is undervalued or overvalued based on our DCF process, we consider an industry to be undervalued if it is trading below 80% of our estimate of its fair value and overvalued if it is trading at over 120% of our estimate of its fair value. We think these fair value ranges are appropriate given the diversification benefits of holding a basket of stocks. Although there may be individual opportunities within the Mining & Chemicals industry, we don't find the industry as a whole attractive based solely on valuation.



The above bar chart reveals the price/fair value of the company, its peers, and the industry as a whole.

Shaded blue denotes that the firm has earned the highest rating for that respective category.

Company Name	Ticker	Market Cap (USD-mil)	Investment Style	DCF Valuation	Relative Valuation	ValueCreation™	ValueRisk™	ValueTrend™	Technicals	Relative Strength
Air Products & Chemicals	APD	49,593	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	GOOD	MEDIUM	NEGATIVE	BEARISH	WEAK
Albemarle	ALB	14,458	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	GOOD	MEDIUM	POSITIVE	BEARISH	WEAK
Alcoa	AA	4,737	MID-CAP VALUE	FAIRLY VALUED	UNATTRACTIVE	GOOD	HIGH	NEGATIVE	BEARISH	WEAK
BHP Billiton	BHP	71,542	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	EXCELLENT	MEDIUM	NEGATIVE	BEARISH	WEAK
Carlisle Companies	CSL	18,426	LARGE-CAP CORE	FAIRLY VALUED	ATTRACTIVE	EXCELLENT	MEDIUM	POSITIVE	BULLISH	STRONG
Chart Industries	GTLS	6,882	MID-CAP BLEND	FAIRLY VALUED	NEUTRAL	POOR	MEDIUM	POSITIVE	BULLISH	WEAK
DuPont	DD	32,984	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	VERY POOR	LOW	POSITIVE	BULLISH	WEAK
Eastman Chemical	EMN	10,633	LARGE-CAP VALUE	FAIRLY VALUED	ATTRACTIVE	GOOD	LOW	NEGATIVE	BULLISH	WEAK
Ecolab	ECL	58,117	LARGE-CAP CORE	FAIRLY VALUED	NEUTRAL	EXCELLENT	MEDIUM	NEGATIVE	NEUTRAL	NEUTRAL
Freeport McMoRan	FCX	64,050	LARGE-CAP CORE	FAIRLY VALUED	NEUTRAL	GOOD	HIGH	NEGATIVE	BULLISH	WEAK
Graco	GGG	15,638	LARGE-CAP VALUE	FAIRLY VALUED	UNATTRACTIVE	EXCELLENT	MEDIUM	POSITIVE	NEUTRAL	NEUTRAL
LyondellBasell	LYB	32,245	LARGE-CAP VALUE	FAIRLY VALUED	ATTRACTIVE	EXCELLENT	LOW	NEGATIVE	BULLISH	WEAK
Martin Marietta	MLM	33,551	LARGE-CAP GROWTH	FAIRLY VALUED	UNATTRACTIVE	POOR	MEDIUM	NEGATIVE	NEUTRAL	STRONG
Newmont Mining	NEM	25,567	LARGE-CAP BLEND	FAIRLY VALUED	NEUTRAL	GOOD	HIGH	NEGATIVE	BEARISH	WEAK
Nucor	NUE	47,293	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	EXCELLENT	HIGH	NEGATIVE	BULLISH	WEAK
PPG Industries	PPG	33,877	LARGE-CAP VALUE	FAIRLY VALUED	ATTRACTIVE	EXCELLENT	LOW	POSITIVE	BEARISH	WEAK
Rio Tinto	RIO	101,773	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	EXCELLENT	MEDIUM	NEGATIVE	BEARISH	WEAK
Sherwin-Williams	SHW	85,578	LARGE-CAP CORE	FAIRLY VALUED	NEUTRAL	EXCELLENT	MEDIUM	POSITIVE	BULLISH	WEAK
Vale	VALE	69,057	LARGE-CAP VALUE	FAIRLY VALUED	NEUTRAL	EXCELLENT	HIGH	NEGATIVE	BULLISH	STRONG
Valmont	VMI	2,468	MID-CAP VALUE	FAIRLY VALUED	ATTRACTIVE	EXCELLENT	MEDIUM	POSITIVE	BULLISH	STRONG
Vulcan Materials	VMC	32,172	LARGE-CAP CORE	FAIRLY VALUED	NEUTRAL	GOOD	MEDIUM	NEGATIVE	BULLISH	STRONG
Wheaton Precious Metals	WPM	21,937	LARGE-CAP GROWTH	FAIRLY VALUED	NEUTRAL	POOR	MEDIUM	NEGATIVE	BULLISH	STRONG

Valuentum's Full Page Stock Report

A DCF Valuation

Shows whether the firm is undervalued, fairly valued, or overvalued based on our DCF process and by how much.

B Valuentum Buying Index (VBI)

Provides insight into the timeliness of an investment opportunity. We rank firms from 1 to 10 based on rigorous financial, valuation, and technical analysis. A 10 represents one of our top picks.

C Valuentum Value Rating (VVR)

Indicates whether we think a firm is undervalued, fairly valued, or overvalued on the basis of our DCF process.



D Investment Considerations

Evaluates firms on 12 different measures, from the firm's growth and cash flow generation to the stock's money flow index and upside/downside volume. We reveal technical support and resistance levels.

E 30-week Price and Volume Action

Volume Action
Displays the last accumulation or distribution week of the stock and historical price and volume action.



Company Vitals

Shows sector, industry and other relevant company information.

Normalized EPS and EBITDA

Estimation of the firm's normalized earnings measures and the corresponding valuation multiples.

 Returns Summary

3-year averages of the firm's key return measures, including return on invested capital, with and without goodwill.

M Leverage, Coverage, and Liquidity

A snapshot of the company's financial health.

Financial Summary

A summary of the
proforma financial
statements found in
the extended report.

About Valuentum

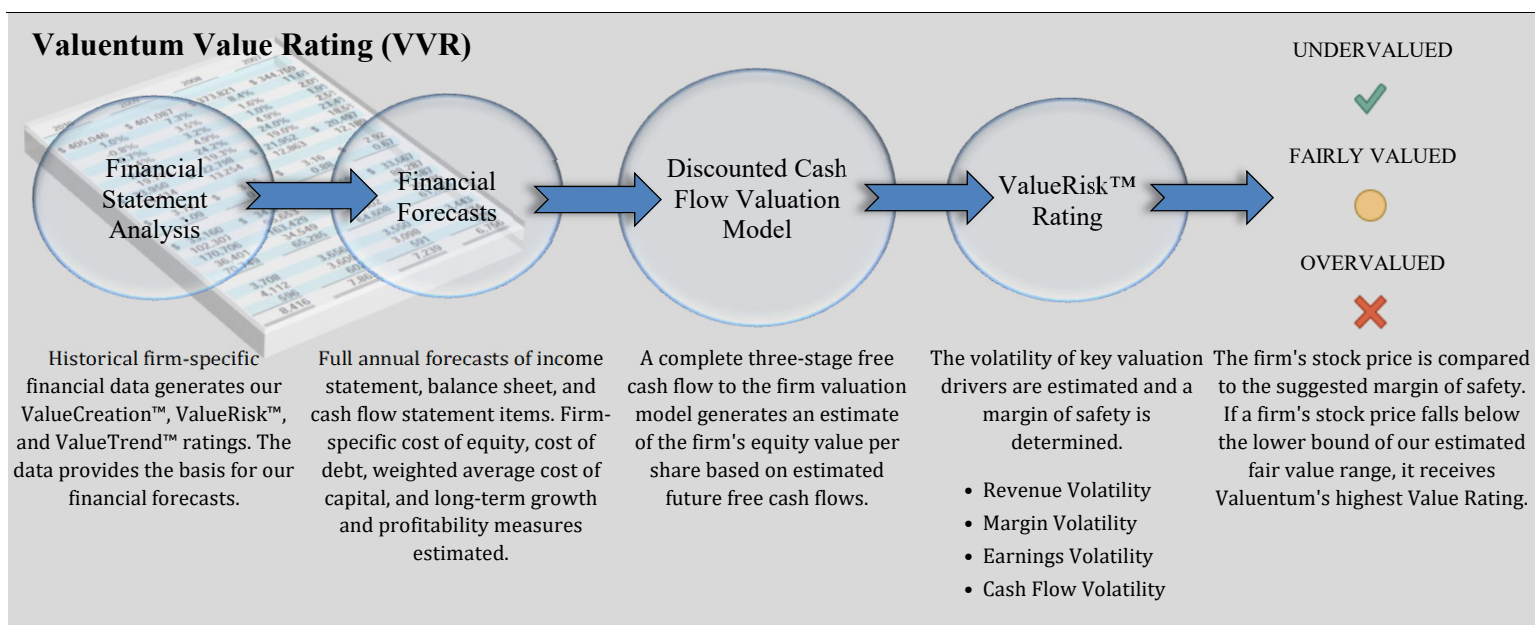
@Valuentum, we strive to stand out from the crowd. Most investment research publishers fall into a few camps, whether it be value, growth, income, momentum, chartist or some variant of the aforementioned. We think each in its own right holds merit, but we think the combination of these approaches can be even more powerful. After all, stock price movements aren't just driven by investors of the value or growth variety, but by all market participants. Therefore, we look at stocks from a variety of investment perspectives in order to better understand and identify ideas. We want to provide relevant information.

The core of our process is grounded in rigorous discounted cash flow analysis and incorporates the concept of a margin of safety. We offer a fair value estimate for each company and provide a relative valuation assessment in the context of a company's industry and closest peers. A cross section of our ValueCreation™ and ValueRisk™ ratings provides a financial assessment of a company's business quality, while our ValueTrend™ rating offers insight into the trajectory of a firm's economic profit creation. The Economic Castle rating measures the magnitude of future economic value generation, and the Dividend Cushion ratio assesses the financial capacity of a company to keep raising its dividend.

Our analysis doesn't stop there. We also offer a technical evaluation of the stock as well as other momentum indicators. We not only want to reveal to readers which firms may be undervalued, in our view, but we also want to provide readers with information to help them assess entry and exit points. Most research publishers focus on arriving at a target price or fair value estimate, but may fall short of providing a technical assessment to bolster buy and sell disciplines. We strive to go the distance and provide readers with answers--not half the story.

An explanation of our approach would not be complete if we didn't describe our ideal stock idea. We're looking for companies that are undervalued--both on a DCF basis and versus peers--have strong growth potential, have a solid track record of creating economic profits for shareholders with reasonable risk, are strong cash flow generators, have manageable financial leverage, and are currently showing bullish technical and momentum indicators. For dividend growth ideas, we look for companies that have both the capacity and willingness to keep raising the dividend.

Can such stock ideas exist? Subscribe to Valuentum to receive our best investment ideas and analysis on hundreds of stocks, dividends, ETFs and more.



Methodology for Picking Stocks - Valuentum Buying Index™ (VBI)

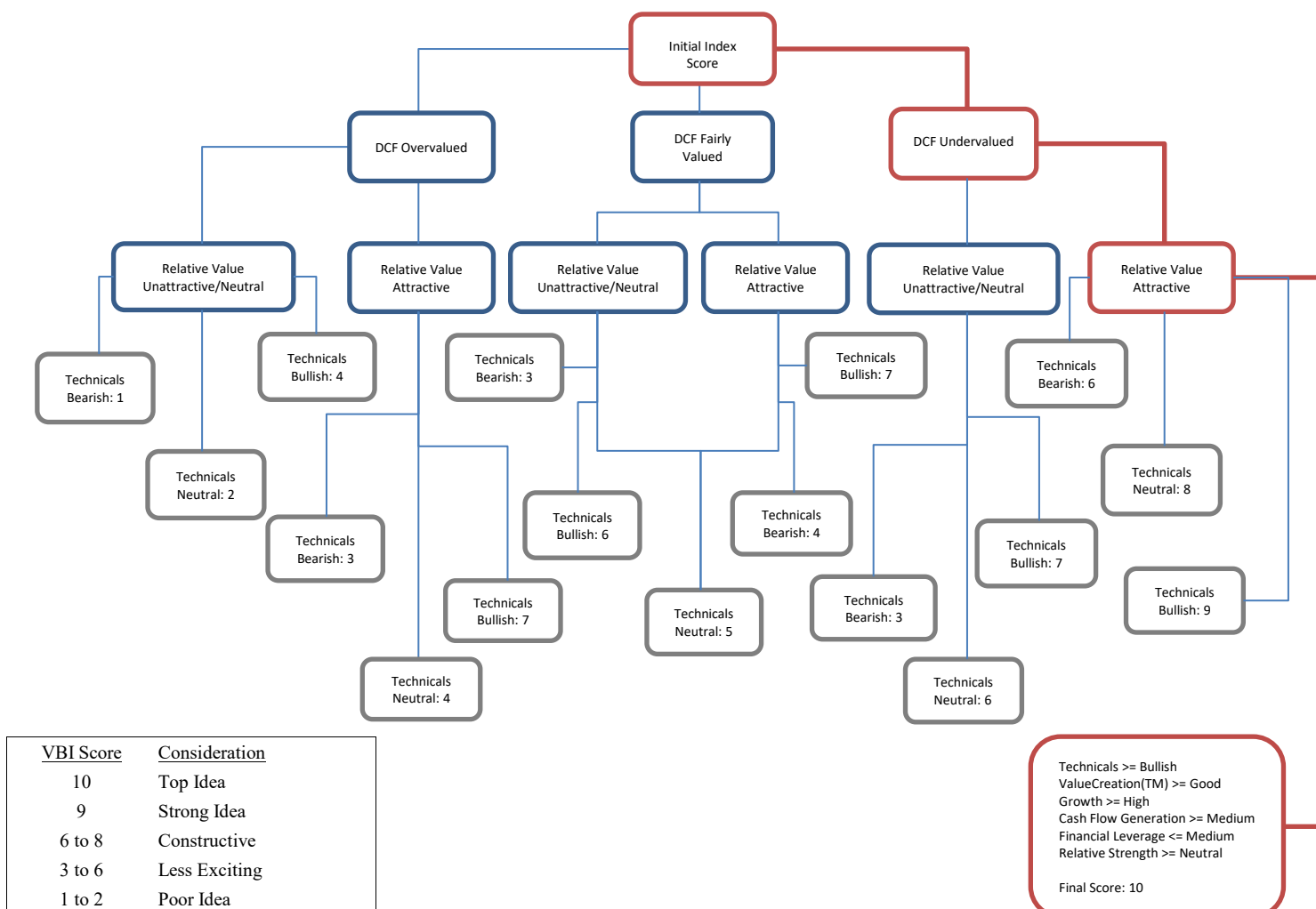
@ Valuentum, we like to look at companies from a number of different perspectives. The Valuentum Buying Index (VBI) combines rigorous financial and valuation analysis with an evaluation of a stock's technicals to derive a rating between 1 and 10 for each company. The VBI places considerable emphasis on a company's discounted cash-flow (DCF) valuation, its relative valuation versus peers (both forward PE and PEG ratios), and its technicals in order to help readers assess entry and exit points on the most interesting ideas.

Let's follow the red line on the flow chart below to see how a company can score a 10, the best mark on the index. First, the company would need to be 'undervalued' on a DCF basis and 'attractive' on a relative

value basis. The stock would also have to be exhibiting 'bullish' technicals. The firm would need a ValueCreation™ rating of 'good' or 'excellent', exhibit 'high' or 'aggressive' growth prospects, and generate at least a 'medium' or 'neutral' assessment for cash flow generation, financial leverage, and relative price strength.

This is a tall order for any company. Stocks that don't make the cut for a 10 are ranked accordingly, with the least attractive stocks, in our opinion, garnering a rating of 1. Most of our coverage universe registers ratings between 3 and 7, but at any given time there could be large number of companies garnering either very high or very low scores, especially at market lows or tops, respectively.

The Best Ideas Newsletter portfolio puts the VBI into practice.



Glossary

Estimated Fair Value. This measure is our opinion of the fair equity value per share of the company. If our forecasts prove accurate, which may not always be the case, we may expect a firm's stock price to converge to this value within the next 3 years.

Fair Value Range. The fair value range represents an upper bound and lower bound, between which we would consider the firm to be fairly valued. The range considers our estimate of the firm's fair value and the margin of safety suggested by the volatility of key valuation drivers, including revenue, gross margin, earnings before interest, and enterprise free cash flow (the determinants behind our ValueRisk™ rating).

DCF Valuation. We opine on the firm's valuation based on our DCF process. Firms that are trading with an appropriate discount to our fair value estimate receive an UNDERVALUED rating. Firms that are trading within our fair value range receive a FAIRLY VALUED rating, while firms that are trading above the upper bound of our fair value range receive an OVERVALUED rating.

Relative Value. We compare the firm's forward price-to earnings (PE) ratio and its price/earnings-to-growth (PEG) ratio to that of its peers. If both measures fall below the peer median, the firm receives an ATTRACTIVE rating. If both are above the peer median, the firm receives an UNATTRACTIVE rating. Any other combination results in a NEUTRAL rating.

ValueCreation™. This is a proprietary Valuentum measure. ValueCreation™ indicates the firm's historical track record in creating economic value for shareholders, taking the average difference between ROIC (without goodwill) and the firm's estimated WACC during the past three years. The firm's performance is measured along the scale of EXCELLENT, GOOD, POOR, and VERY POOR. Those firms with EXCELLENT ratings have a demonstrated track record of creating economic value, while those that register a VERY POOR mark have been destroying economic value.

ValueRisk™. This is a proprietary Valuentum measure. ValueRisk™ indicates the historical volatility of key valuation drivers, including revenue, gross margin, earnings before interest, and enterprise free cash flow. The standard deviation of each measure is calculated and scaled against last year's measure to arrive at a percentage deviation for each item. These percentage deviations are weighted equally to arrive at the corresponding fair value range for each stock, measured in percentage terms. The firm's performance is measured along the scale of LOW, MEDIUM, HIGH, and VERY HIGH. The ValueRisk™ rating for each firm also determines the fundamental beta of each firm along the following scale: LOW (0.85), MEDIUM (1), HIGH (1.15), VERY HIGH (1.3).

ValueTrend™. This is a proprietary Valuentum measure. ValueTrend™ indicates the trajectory of the firm's return on invested capital (ROIC). Firms that earned an ROIC last year that was greater than the 3-year average of the measure earn a POSITIVE rating. Firms that earned an ROIC last year that was less than the 3-year average of the measure earn a NEGATIVE rating.

Cash Flow Generation. Firms' cash flow generation capacity are measured along the scale of STRONG, MEDIUM, and WEAK. A firm with a 3-year historical free cash flow margin (free cash flow divided by sales) greater than 5% receives a STRONG rating, while firms earning less than 1% of sales as free cash flow receive a WEAK rating.

Financial Leverage. Based on the firm's normalized debt-to-EBITDA metric, we rank firms on the following scale: LOW, MEDIUM, and HIGH. Companies with a normalized debt-to-EBITDA ratio below 1.5 receive a LOW score, while those with a measure above 3 receive a HIGH score.

Upside/Downside Volume. Heavy volume on up days and lower volume on down days suggests that institutions are heavily participating in a stock's upward advance. We use the trailing 14-week average of upside and downside volume to calculate an informative ratio. We rank each firm's U/D volume ratio along the following scale: BULLISH, IMPROVING, DETERIORATING, and BEARISH.

Investment Style. Valuentum uses its own proprietary stock-classification system. Nano-cap: Less than \$50 million; Micro-cap: Between \$50 million and \$200 million; Small-cap: Between \$200 million and \$2 billion; Mid-cap: Between \$2 billion and \$10 billion; Large-cap: Between \$10 billion and \$200 billion; Mega-cap: Over \$200 billion. Blend: Firm's that we think are undervalued and exhibit high growth prospects (growth in excess of three times the rate of assumed inflation). Value: Firm's that we believe are undervalued, but do not exhibit high growth prospects. Growth: Firms that are not undervalued, in our opinion, but exhibit high growth prospects. Core: Firms that are neither undervalued nor exhibit high growth prospects.

Company Vitals. In this section, we list key financial information and the sector and industry that Valuentum assigns to the stock. The P/E-Growth (5-yr), or PEG ratio, divides the current share price by last year's earnings (EPS) and then divides that quotient by our estimate of the firm's 5-year EPS growth rate. The estimated normalized diluted EPS and estimated normalized EBITDA represent the five-year forward average of these measures used in our discounted cash flow model. The P/E on estimated normalized EPS divides the current share price by estimated normalized diluted EPS. The EV/estimated normalized EBITDA considers the current enterprise value of the company and divides it by estimated normalized EBITDA. EV is defined as the firm's market capitalization plus total debt, minority interest, preferred stock less cash and cash equivalents.

Business Quality Matrix. We compare the firm's ValueCreation™ and ValueRisk™ ratings. The box is an easy way for investors to quickly assess the business quality of a company. Firms that generate economic profits with little operating variability score near the top right of the matrix.

Timeliness Matrix. We compare the company's recent stock performance relative to the market benchmark with our assessment of its valuation. Firms that are experiencing near-term stock price outperformance and are undervalued by our estimate may represent timely buys.

Range of Potential Outcomes. The firm's margin of safety is shown in the graphic of a normal distribution. We consider a firm to be undervalued if its stock price falls along the green line and overvalued if the stock price falls along the red line. We consider the firm to be fairly valued if its stock price falls along the yellow line.

Return on Invested Capital. At Valuentum, we place considerable emphasis on return on invested capital (both with and without goodwill). The measure focuses on the return (earnings) the company is generating on its operating assets and is superior to return on equity and return on assets, which can be skewed by a firm's leverage or excess cash balance, respectively.

Technical Evaluation. We evaluate a firm's near-term and medium-term moving averages and money flow index (MFI) to assign each firm a rating along the following scale: VERY BULLISH, BULLISH, NEUTRAL, BEARISH, and VERY BEARISH.

Stock Price Relative Strength. We assess the performance of the company's stock during the past quarter, 13 weeks, relative to an ETF that mirrors the aggregate performance of constituents of the stock market. Firms are measured along the scale of STRONG, NEUTRAL, and WEAK. Companies that have outperformed the market index by more than 2.5% during this 13-week period receive a STRONG rating, while firms that trailed the market index by more than 2.5% during this 13-week period receive a WEAK rating.

Money Flow Index (MFI). The MFI is a technical indicator that measures buying and selling pressure based on both price and volume. Traders typically use this measure to identify potential reversals with overbought and oversold levels. We use a 14-week measure to rank firms along the following scale: EXTREMELY OVERBOUGHT (>90), OVERBOUGHT (80-90), NEUTRAL (20-80), OVERSOLD (10-20), EXTREMELY OVERSOLD (0-10).

Disclosures, Disclaimers & Additional Sources

To send us feedback or if you have any questions, please contact us at valuentum@valuentum.com. We're always looking for ways to better serve your investment needs and improve our research.

RIO Rating History	Price	Fair Value	VBI
18-Mar-24	\$62.38	\$67.00	3
4-Dec-23	\$69.19	\$68.00	6
1-Nov-23	\$65.10	\$66.00	6
20-Jun-23	\$65.93	\$66.00	6
20-Feb-23	\$68.90	\$66.00	3
19-Dec-22	\$68.98	\$68.00	6
1-Jul-22	\$59.03	\$76.00	3
30-Jul-21	\$86.31	\$82.00	6
18-Nov-20	\$63.08	\$62.00	6
15-Jul-20	\$60.87	\$58.00	7
20-Aug-19	\$48.80	\$52.00	3
11-Feb-19	\$57.15	\$55.00	6
10-Sep-18	\$47.45	\$53.00	3
4-May-18	\$55.62	\$54.00	6

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